The Group operating revenue was $1,215.2 million for the financial year 2013/2014.
Despite the continuing challenges confronting the media industry, SPH delivered a commendable performance in the last financial year.

The Group operating revenue was $1,215.2 million for FY 2014, 2.0 per cent lower than the previous year. The recurring earnings decreased by 5.5 per cent to $349.0 million.

Revenue from our core Newspaper and Magazine business was $931.7 million. Advertisement revenue was $705.9 million.

The Group’s other businesses registered strong growth as revenue soared $28.4 million (56.7 per cent) to $78.5 million, boosted by contributions from exhibitions, online classified and the radio business. The creditable showing by the Group’s growth segment, coupled with the $6.8 million or 3.5 per cent rise in property revenue on the back of higher rental income from Paragon and The Clementi Mall, partially negated the reduced contribution from Newspaper and Magazine business.

With the popularity of its digital editions, ST ramped up its integration efforts, transforming its newsroom into a multi-platform, round the clock operation. To deepen reader engagement, the team launched web specials. These are stories that use multi-media to explain the issue better, or which explain topics in a digestible format. ST also launched highly interactive e-books, including a monthly The Life magazine. It also started a new ST Education Communities site, in addition to the current Entertainment community. A Travel community is in the pipeline.

Chinese flagship newspaper Lianhe Zaobao (ZB) launched Zaobao.sg, a local website focusing on local news. Its Sunday edition, ZB Sunday, was also refreshed with new design and content, offering a comprehensive coverage of key developments in Singapore and abroad in the news section. There is more cross-platform news coverage between the digital and print editions.

Together with Chinese evening daily Lianhe Wanbao, ZB launched an outreach programme where journalists and volunteers met senior citizens to share news stories with them in Mandarin or in various Chinese dialects in August 2014. The objective of the pilot programme is to reach out to and connect with senior citizens, keeping them informed and engaged with our society. Lianhe Zaobao also actively promoted the Chinese language and culture by bringing in Chinese arts productions to Singapore and organised events such as the inaugural Chinese Challenge, a national competition for secondary school students to enhance their knowledge of the Chinese language.

The Business Times (BT) had a strong year, with total circulation up by 14.2 per cent to 48,200. Print circulation bucked the general downturn to register a 5 per cent increase to 32,900, while total paid digital subscriptions saw strong growth from 11,000 to 15,300. The paper continued to celebrate excellence in the business fraternity with a range of corporate awards – the Singapore Business Awards, the Singapore Corporate Awards, the Enterprise 50 Awards and Emerging Enterprise Awards. It also organised entrepreneurship seminars and networking nights to bring together business owners, advertisers and newsmakers.

The New Paper (TNP) held its place as the second-most read among paid English daily newspapers in Singapore, with an average daily readership of 363,000, according to Nielsen’s 2013 survey. After turning 25 in 2013, it underwent a revamp to make its content more local, vocal and social. At the same time, it updated its design and look.
The Straits Times and The Sunday Times registered a year-on-year growth of 2.2 per cent to 459,300 daily average circulation copies as its total paid digital subscriptions rose to 149,600 copies.

SPH’s newspaper circulation business ended FY 2014 with 1,068,500 daily average copies, a year-on-year growth of 1.7 per cent as its suite of digital products continued to demonstrate increasing relevance with readers.

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environment, our Marketing Division has reorganised its various teams to place more emphasis on giving our customers and partners greater value and returns. They have moved from the traditional way of selling print advertisements to providing advertisers with a one-stop media solution across all our media platforms.

In line with this transformation, the display sales team has been restructured and renamed as Integrated Sales. Apart from marketing print advertisements, this team will now offer all existing advertisers an integrated solution that includes radio, outdoor, digital, as well as events and exhibitions. Regular advertisers have not only increased their spending to include non-print advertisements, their returns on their investment have also improved due to the multi-media exposure in our online, radio and outdoor platforms.

Over at our Print Classified, another transformation is taking shape. With a new look and direction, the Classified sections of all our newspapers are aiming to become effective market-places that will better serve the buying needs of our readers. The changes enabled Print Classified to book an additional revenue of over $10 million from mostly new advertisers between January and August 2014.

To enhance our core media business, we set up the Media Strategy and Analytics Division (MSA) in February 2014. It works with various divisions and subsidiaries across SPH to jointly formulate strategies to grow revenue by harnessing existing assets and identifying possible new revenue streams for our newspapers and magazines businesses. MSA is also working with our editorial colleagues to forge new ways of delivering our content to readers across platforms. The strategy formulation would include competitive landscape scanning and analyses of emerging trends, especially in the rapidly evolving digital space.

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The Straits Times and The Sunday Times registered a year-on-year growth of 2.2 per cent to 459,300 daily average circulation copies as its total paid digital subscriptions rose to 149,600 copies. Lianhe Zaobao grew its total circulation to 183,300 daily average circulation copies, a robust growth of 6.3 per cent, with digital contribution averaging 33,300 copies.

Our newspapers continued to garner substantial increases in circulation copies during general news breaks. The Little India Riot and the disappearance of Malaysia’s airline MH370 were major news which boosted a surge in demand for print across all publications. The Little India Riot resulted in 124,000 incremental copies over a three-day period and the MH370 newsbreak saw a total of 255,000 incremental sales copies for the month of March 2014.

To meet readers’ increasing demand, several additions to the Group’s existing family of digital products were introduced this year. Lianhe Wanbao launched its first digital campaign in October 2013 and is now available in online, smartphone and tablet formats. Readers were also introduced to the All-in-One bundle, which allows them to access both print and digital media in a single package.

Berita Harian launched its first digital campaign in January 2014. With the new apps, readers can now access newspaper content on-the-go. Advertisers are also given the opportunity to present their campaigns on a multimedia platform.

SPH has embarked on a journey of transformation to grow its digital media business with the setting up of the new Digital Division in February 2014 to power our digital strategy.

This move brought together the digital ad sales, technological development, online classifieds – STJobs, STProperty, STCars, STClassifieds, and digital teams of AsiaOne, Stomp and SPH Razor, under one roof. By bringing together the Group’s digital expertise, we are able to derive greater efficiencies, speed-to-market, and leverage best
practices for SPH’s portfolio of online, mobile, and advertising products. This reorganisation allowed online advertisers to access SPH digital properties and helped them to deliver innovative, creative and enterprising integrated ad solutions. Setting up the Content Studio, a dedicated editorial unit to deliver tailored content for brands, also allowed us to connect brands to their target audiences more effectively.

With mobile consumption growing rapidly, we continued to boost our array of mobile products to cater to users. Among others, AsiaOne launched an award-winning news app for iPad, covering more than 17 categories of news and lifestyle content; SoShiok, our food guide, also launched with a fresh look on both iOS and Android platforms, introducing a feature that rewards loyal readers with points which they can redeem for vouchers. TNP launched its news app, offering readers an interactive news experience on their smartphones.

ST produced more e-books and e-magazines on tablets, including the award-winning Myanmar Sunrise e-book, and ST 100, a pictorial e-book showcasing the best pictures of major news events in the past year. In June 2014, the ST Appreciates Readers (STAR) app was launched. Among its other features, it carries The Life monthly lifestyle e-magazine produced by the ST Life! team.

ZB launched Zaobao.sg, a one-stop information portal for local ZB readers in November 2013. Through this website, readers could access in-depth reports and opinion pieces carefully produced and curated by ZB’s team of editors and reporters. The site also offers breaking news and a revamped local stock market microsite. ZbBz, the luxury lifestyle magazine by ZB, also launched its digital edition this year.

Bilingual news and entertainment website omy.sg continued to engage online users with its lively content, and its flagship event Singapore Blog Awards returned for the seventh year to honour the best Singapore bloggers.

STJobs revamped its site in July, personalising and optimising the job search process for users across web and mobile. The revamp generated a 46 per cent increase in user registration and saw more than 600 per cent increase in resumes created in the first month. The STProperty team launched Singapore Property Watch (SPW), an analytics service in September last year, empowering users with data and insights in buying and selling property. The team continued to organise its popular STProperty Seminar, showcasing Malaysian property, as well as a full-house forum for property agents on rising up to the challenges in the Singapore Property Market. It was recognised as the Best Classified Website with over 1 million unique monthly visitors in the EPPY awards, among other accolades. With more than half of the STClassifieds users accessing the site through mobile devices, the team adopted a ‘mobile-first’ strategy in product development, optimising the mobile user experience.

STDirectory also brought directory and directional information to the fingertips of Singaporeans with both a mobile site and a mobile app which garnered 20,000 downloads in the first two months of launch.

Our leading automotive site sgCarMart.com garnered over 40 million page views per month. Its car auction service sgCarMartQuotz saw an increase in transaction rate with over 1,000 vehicles sold last year, while its forum site myCarForum.com maintained its leading position with the highest participation rate and online traffic amongst all Singapore car forums.

Our regional joint venture online classified business continued to grow from strength to strength. Mudah.my cemented its position as the largest local website in Malaysia with monthly unique visitors of nearly 8 million on both desktop and mobile, and total page views surpassing 700 million every month. Berniaga.com and Ayosdito.ph were the second largest online classified site in Indonesia and the Philippines respectively. Chotot.vn remained the largest online marketplace in Vietnam with nearly 10 million users and 500 million page views every month.

ShareInvestor (SI) continued to grow its market data business in Singapore and Malaysia. It is also the market leader in providing online investor relations services to more than 450 publicly listed companies in the region, including Thailand. All of SI’s business
Annual Report 2014

SPH Magazines continued to hold its leading position in the market, with its women titles, including Her World, Female, Singapore Women’s Weekly, CLEO and Simply Her, ranked as the top five most-read women’s magazines in Singapore, according to Nielsen Media Index 2013. Based on the Index, special interest titles such as Men’s Health, Young Parents and Home & Décor also occupied market leader positions in their respective genres.

SPH Magazines continued to expand its digital and mobile strategies, with HardwareZone.com remaining the region’s leading tech portal with over 3.7 million unique visitors and more than 56 million page views per month just for the Singapore site. Since its re-design, herworldPLUS.com has established itself as marketers’ preferred site to reach discerning, high net-worth women. Homeanddecor.com.sg was revamped and in addition to featuring design ideas and trends, it now offers a platform for professionals to showcase their portfolio of products and services.

The availability of digital platforms also offered advertisers more creative, integrated marketing solutions across SPH Magazines’ brands, engaging consumers across multiple touch points.

Today, SPH Magazines’ network of brands - 100 print magazines in nine countries, 10 lifestyle and luxury portals and 70 tablet magazines in seven countries – has garnered more than 57 million page views, 500,000 cumulative digital readers and a reach of over 4.3 million. SPH Magazines continued to share its experiences and expertise with its overseas subsidiaries, offices and partners across Malaysia, China, Hong Kong, Thailand, Indonesia and Vietnam to facilitate their evolution to multi-platform publishers.

Lines registered growth. Its event business also thrived, with more than 50 investor education events in the year. The flagship event, INVEST Fair in Singapore, attracted over 40 exhibitors and more than 15,000 participants. INVEST Fair Malaysia reached out to more than 5000 participants.

SPH Data Services, a collaboration with SGX and FTSE to produce, maintain, license and market the Straits Times Index and the suite of FTSE ST Indices, maintained its growth. This was based on the strength in its product licensing and market data business. The ongoing effort to enhance the tradability of the indices has also opened up new licensing opportunities.

U-Weekly (UW), the popular Chinese entertainment, lifestyle and social news magazine published by Focus Publishing continued to entertain readers with the latest showbiz happenings and lifestyle trends. Another bestseller, the quarterly Chinese magazine Health No.1, offered readers updates on the best of both western and traditional Chinese medicines.

Straits Times Press (STP) had another successful and profitable year. One highlight was the publication of a coffee-table book “Lee Kuan Yew: A Life In Pictures” comprising more than 500 photographs from Mr Lee’s life.

More new books were published in 2014. Four were from The Straits Times: “Straight Talk - Reflections on Singapore Politics and Economy”, “More Talk Money”, ”When The Party Ends - China’s Leaps & Stumbles After The Beijing Olympics”, and “Small Change - Investment Made Simple”. Two were by The New Paper writers: “Singapore Raw - 25 Stories From 25 Years of News, Emotion”, and “Foul! The Inside Story of Singapore Match Fixers”.

Other major book launches included “The Making of NTU - My Story” by Professor Cham Tao Soon, “We Also Served - Reflections of Singapore’s former PAP MPs”, and “Fortitude - The Life and Times of Heah Joo Seang”, “One Man’s View” by Lee Kuan Yew, released the year before in English, was published in Chinese by STP in 2014.
CEO’S OVERVIEW OF GROUP OPERATIONS

Focus Publishing’s best-selling Chinese magazine UW published the eighth “Yummy Guide” and special interests books, such as “Men at the Helm” and “Chinese Temples in Singapore”.

SPH Radio’s English contemporary hits station, Hot FM91.3, maintained its 318,000 cumulative listenership while growing its percentage share and time spent listening. It introduced Hot FM Control, allowing fans to vote for the artists and songs they want to hear in real-time. This first-of-its-kind service in Singapore was honoured with a Bronze award for Best App by a Media Owner in 2014’s MobEx Awards Singapore.

UFM 100.3, SPH Radio’s Chinese language station, enjoyed the biggest growth in number of listeners among all Chinese language stations, from 266,000 to 320,000.

SPH Exhibits (Sphere) achieved resounding success in its expansion plans this year. Apart from revamping and expanding existing shows, Sphere made significant progress in its overseas expansion and established its presence in Malaysia, Myanmar, Philippines and Sri Lanka.

Sphere’s signature technology show COMEX celebrated its 20th anniversary this year with a new look and revamped content. Office Expo Asia, which returned for the second year, expanded to 3,500 sqm and enjoyed a 40 per cent increase in participants.

Sphere gained significance as a MICE player in Malaysia when it acquired seven established exhibitions this year. Sphere is active in the parents and kids sector with shows such as SmartKids Malaysia, International Baby Expo, Motherhood Expo and Parents & Kids Expo. KL Wedding Expo is held four times a year starting from 2014. Facon Education Fair, the largest tertiary education event, is held twice a year and has garnered more international pavilions. For trade events, Sphere is the organiser for Malaysia International Food & Beverage Fair, The Golden Bull Award, The International Exhibition on Instruments, Controls and Automation Technology (ICA) and The International Exhibition on Laboratory Instrumentation, Equipment, Automation and Services (MLab).

Sphere exported its trade event for the building and construction sector to Myanmar and launched BuildTechYangon 2014. It also launched the biggest edu-tainment event, SmartKidsAsia, in the Philippines. With more than 100 participating brands, the exhibition covered 2,750 sqm of the SMX Convention Centre and was well attended by over 17,000 visitors.

Sphere Conferences continued to ride the momentum in Myanmar. Apart from holding the second edition of the Hospitality & Tourism Conference, Banking & Business Development Conference and Urban Development Conference, the team successfully launched the inaugural Real Estate Show and Civil Aviation Development Conference. Not to miss out on Sri Lanka as the upcoming MICE destination, the Hospitality and Tourism Conference was introduced in the country this year.

PROPERTIES

Following the strong debut of SPH REIT’s listing in 2013, it outperformed forecast in FY 2014, rewarding unitholders with higher returns. Both Paragon and The Clementi Mall delivered a strong performance last year, achieving 100 per cent committed occupancy.

The Seletar Mall, a joint venture between SPH and United Engineers Developments, is slated to open by end 2014. The four-storey suburban lifestyle mall with two additional basement levels has a gross floor area of 284,000 sq ft and net lettable area of 188,000 sq ft. It is over 90 per cent leased so far. The family-oriented shopping mall will cater to Singaporeans staying in Sengkang, Hougang, Punggol, Seletar and Ang Mo Kio.

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RADIO

SPH Radio had a banner year. Its Kiss92 station, targeting females and the family, continued to grow its cumulative listenership to 574,000. It secured Number 1 ranking in share of listenership among all English stations in Nielsen’s Radio Survey Wave 1 in 2014.

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OUT-OF-HOME ADVERTISING

The cross-selling of ads across the different platforms has helped SPH MediaBoxOffice, the Out-of-Home (OOH) advertising unit, contribute a year-on-year increase in profit of more than four times despite the competition.

The team also secured exclusive rights to new OOH advertising sites to give more choices to our customers. These sites include the iconic facade at Rendezvous Hotel, underground link ways at The Sail and newly launched Ocean Financial Centre as well as other popular sites in the Central Business District. To ensure sustainable profit performance, the team will continue to source for cost effective solutions to digital hardware requirements and new inventories in prime office and shopping locations.

SPH BUZZ

SPH Buzz Pte Ltd has evolved into a modern retail convenience chain, establishing and cultivating its growing presence. Amidst the tough retail environment, SPH Buzz still managed to grow its network to 81 stores.

With the wide network of stores, SPH Buzz has successfully launched exclusive merchandise with various partners, complementing the Group’s media offering with an effective retail sales channel. To further enhance its product offering, SPH Buzz has also extended its merchandise mix to offer popular service items like cashcards and parking coupons as well as hot food, and ready-to-eat meals at selected Buzz pods.

In 2014, Buzz has commenced the development and implementation of a Point-of-Sale system which is a key enabler for future expansion. We look forward to a complete roll-out in the coming year.

BUSINESS OUTLOOK

The print business is facing multiple challenges in this digital age. We need fresh and innovative approaches to thrive in the new media landscape.

Going forward, the Group will continue to engage readers with both print and digital so as to meet changing consumer habits and remain competitive in the media industry.

Our sales teams must not only excel in selling print advertisements, they must also be well-trained to sell across multiple media platforms. We are already en route to building newsrooms of the future and the editorial teams are equipped with the skills and knowledge to achieve total news coverage through different media platforms.

Moving beyond print, we will intensify our efforts to address evolving media trends and continue to look out for profitable ventures to grow our adjacent businesses such as property, events and book publishing. In August 2014, we invested a $12 million stake in preschool and enrichment provider MindChamps Holdings. This marks the Group’s first investment into the education business.

As we celebrate 30 years of media excellence this year, we owe our success to our loyal stakeholders, readers, advertisers, consumers, staff and the unions. With your continued support, I am confident that SPH will continue to thrive and be among the world’s leading media companies.

Chan Heng Loon, Alan
Chief Executive Officer