

**OPENING REMARKS BY CHAIRMAN, DR TONY TAN KENG YAM,
AT MEDIA CONFERENCE ON SPH'S FULL-YEAR RESULTS FOR
FY2008 ON FRIDAY, 10 OCTOBER 2008**

Good Evening

Ladies and Gentlemen of the Media

I trust you have had the chance to go through the media release and the accompanying fact sheets of our full-year results for the financial year ended 31 August 2008.

I am pleased to report that SPH has performed commendably in FY 2007/2008.

Our revenue exceeded \$1.3 billion which is a record high.

As a result, our operating profit grew 17.5 per cent to \$502 million.

However, with an unfavourable investment climate brought about by the deepening financial crisis in global markets, investment income declined.

This together with an impairment charge for our investments in associates means net profit decreased 12.4% to S\$437 million.

While many predict a gloomy future for the newspaper industry, I am gratified to note that our core newspapers and magazine business has continued to do well in FY2008.

Underpinned by a commendable 7.6% growth in print advertisement revenue, the Newspaper and Magazine segment grew 5.7% to \$1,014.3million. Circulation for The Straits Times, our flagship English daily, stands at 389,000 reaching out to 1.3 million readers.

Similarly, our Chinese papers have done well, with Lianhe Zaobao's circulation being maintained at 176,000 and readership at 707,000.

Advertising in our newspapers have also grown by 6.4% over the previous year.

This year saw several strategic moves which we have made to better position SPH for the future.

Several of our papers, including The Straits Times, The New Paper and The Business Times Weekend, underwent revamps to ensure that they remain relevant and fresh to the readers and advertisers.

A breakthrough for Chinese Newspapers last year was the setting up of a Central Integrated Newsroom which produces the two evening newspapers - Lianhe Wanbao and Shin Min Daily News.

Lianhe Wanbao was rejuvenated with a bold revamp that comes with a front and back cover while Shin Min Daily News also increased and enhanced its coverage of local news.

In January this year, mypaper was transformed into a bilingual newspaper giving Singaporeans the best of both worlds.

We have also invested in a new UNISSET printing press to enhance efficiency, provide greater print quality for our readers and more options for our advertisers.

Gaining ground in the online area, we launched new products such as local search and directory engine Rednano.sg, and pioneered Singapore's first web television service, The Straits Times RazorTV.

At the same time, SPH grew with the launch of Sphere Exhibits Pte Ltd, our events and exhibition arm.

Moving forward, we will leverage on our core competencies to seek out new products and opportunities to fuel our growth in the coming years.

We are in the process of acquiring ShareInvestor.com as part of our expansion into an online financial information provider.

We believe that we can achieve much synergy with our current role as a major news organization.

At the same time, we acquired the book publishing business of SNP International Publishing, marking our entry into this sector.

SPH is also proud to be part of the OpenNet consortium which has won the recent bid to build Singapore's Next Generation National Broadband Network.

We look forward to being part of the rapidly growing infocomm industry.

By now, you would have read about the financial turmoil that is affecting many countries.

In view of the uncertainty ahead, SPH will tread cautiously and manage its resources conservatively.

The Board has proposed a final net dividend of 19 cents per share, comprising a normal dividend of 9 cents per share and a special dividend of 10 cents per share.

Together with the interim dividend paid, the total dividend payout for the year will be 27 cents, one cent higher than last year and maintains a trend of dividend growth for the last 5 years.

Thank you.
