

FINANCIAL REVIEW

Group Simplified Financial Position

	2014 S\$'000	2013 S\$'000	2012* S\$'000	2011 S\$'000	2010# S\$'000
Assets					
Property, plant and equipment	285,562	331,778	362,548	394,086	427,783
Investment properties	3,860,451	3,672,565	3,517,147	1,754,259	1,730,069
Investments	1,716,333	1,557,332	884,741	1,065,543	1,269,900
Cash and cash equivalents	442,937	465,398	372,459	392,514	460,995
Trade and other receivables	148,115	150,761	186,889	156,136	264,124
Inventories	23,947	23,890	27,079	37,317	26,974
Other assets	174,051	171,630	134,496	88,919	54,157
Total	6,651,396	6,373,354	5,485,359	3,888,774	4,234,002
Shareholders' interests					
Capital and reserves	3,687,095	3,536,480	3,680,160	2,232,005	2,226,282
Non-controlling interests	709,088	679,226	73,016	74,584	79,744
Liabilities					
Borrowings					
Non-current	879,107	1,738,222	1,280,322	1,011,168	860,114
Current	926,369	2,721	3,293	100,800	570,800
Trade and other payables					
Non-current	34,875	34,026	32,953	27,776	21,438
Current	298,046	268,969	278,683	296,670	286,861
Taxation					
Deferred	46,901	41,318	47,227	49,481	54,161
Current	60,502	69,613	81,856	89,488	120,213
Other liabilities	9,413	2,779	7,849	6,802	14,389
Total	6,651,396	6,373,354	5,485,359	3,888,774	4,234,002

* With effect from FY 2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY 2012 were restated.

Certain figures have been reclassified to conform with current year's presentation.

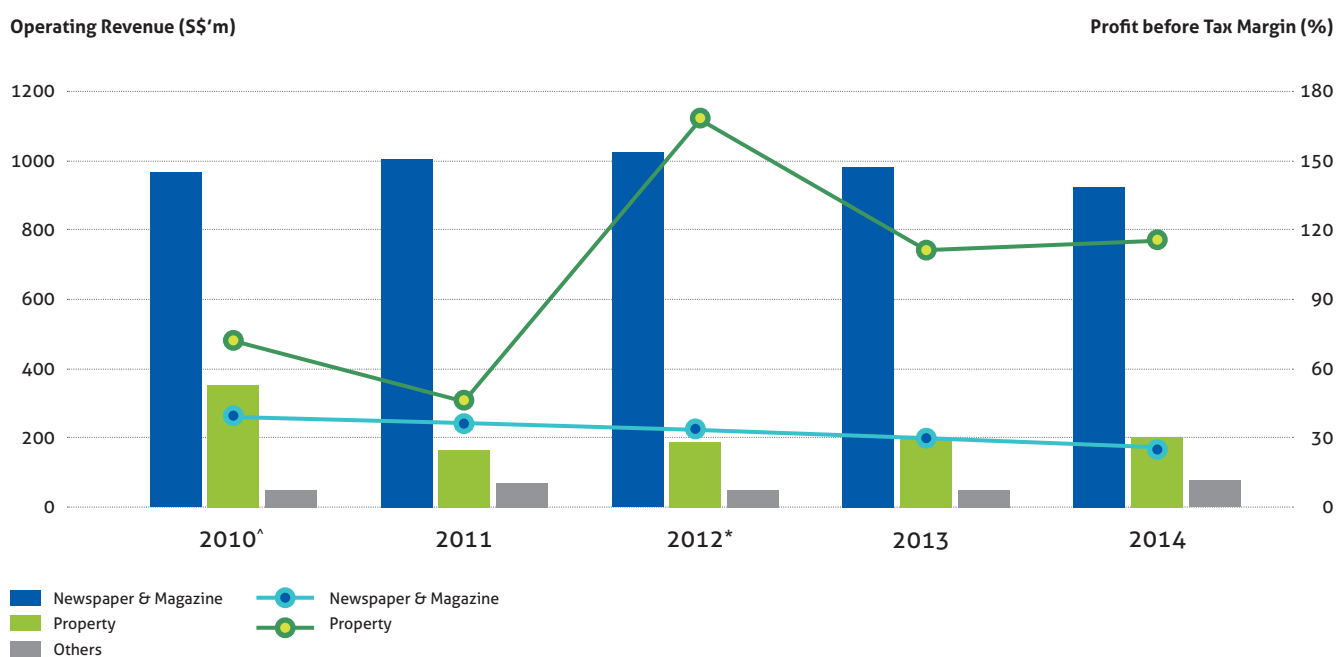
Group Quarterly Results

	2014					2013				
	1st Qtr S\$'000	2nd Qtr S\$'000	3rd Qtr S\$'000	4th Qtr S\$'000	Full Year S\$'000	1st Qtr* S\$'000	2nd Qtr* S\$'000	3rd Qtr S\$'000	4th Qtr S\$'000	Full Year S\$'000
Operating revenue	328,475	278,764	309,725	298,220	1,215,184	322,092	282,183	324,951	310,226	1,239,452
Operating profit	116,873	53,495	98,391	80,204	348,963	114,340	84,606	91,535	78,807	369,288
Profit before taxation	118,499	98,352	115,276	196,264	528,391	115,360	90,333	204,754	78,652	489,099
Profit attributable to shareholders	88,815	81,302	89,632	144,537	404,286	95,123	75,597	187,535	72,699	430,954
Earnings per share (S\$)	0.06	0.05	0.06	0.08	0.25	0.06	0.05	0.12	0.04	0.27

Profit after Taxation		(S\$'m)	Return on Operating Revenue		(%)
2014		470.7	2014		33.3
2013		434.3	2013		34.8
2012*		586.6	2012*		45.1
2011		383.8	2011		31.1
2010 [^]		509.5	2010 [^]		36.0

Earnings Per Share		(S\$)	Return on Equity		(%)
2014		0.25	2014		11.0
2013		0.27	2013		12.2
2012*		0.36	2012*		15.6
2011		0.24	2011		17.4
2010 [^]		0.31	2010 [^]		22.4

Segmental Operating Revenue and Profit Margin

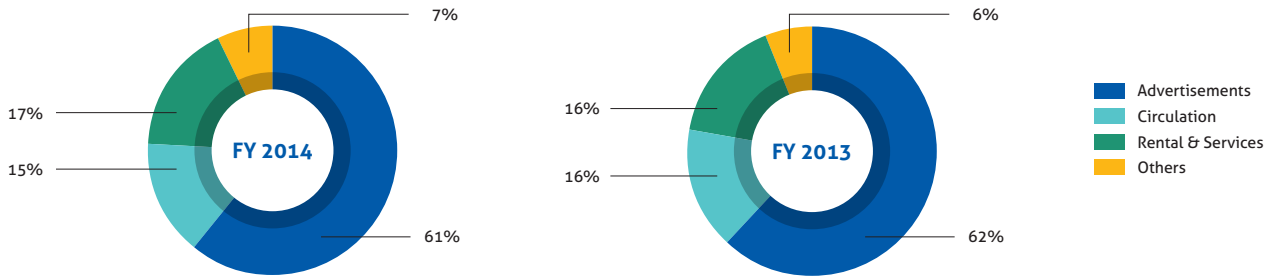


[^] FY 2010 included profits from the Group's Sky@eleven development.

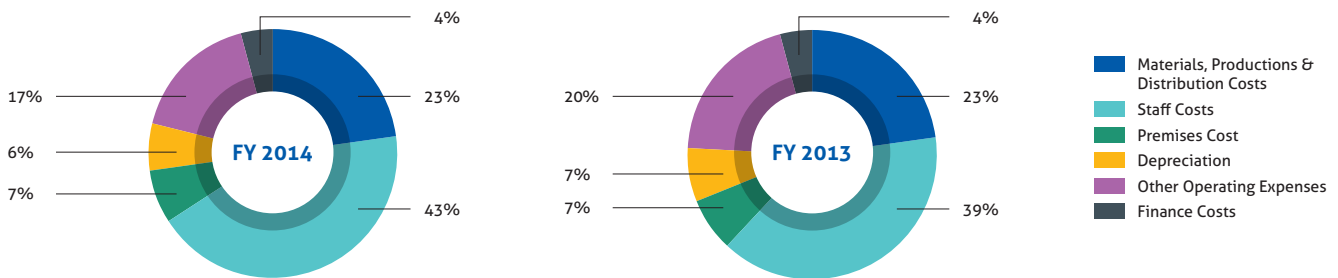
* With effect from FY 2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY 2012 were restated.

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Operating Revenue Composition



Cost Composition



Review of Results for FY 2014

Group operating revenue was S\$24.3 million (2.0%) lower compared to FY 2013. Revenue for the Newspaper and Magazine business fell S\$59.5 million (6.0%) to S\$931.7 million as advertisement and circulation revenue declined S\$51.3 million (6.8%) and S\$9.7 million (4.9%) respectively.

Revenue for the Property segment rose S\$6.8 million (3.5%) to S\$205.0 million on the back of higher rental income from the retail assets of SPH REIT, Paragon and The Clementi Mall.

Revenue from the Group's other businesses surged S\$28.4 million (56.7%) to S\$78.5 million, led by contributions from exhibitions, online classified and the radio business.

Materials, production and distribution costs saw a reduction of S\$8.8 million (4.2%) due to lower newsprint and other material costs (S\$15.5 million or 13.3%) partially offset by higher production costs from the exhibitions business (S\$7.6 million or 80.8%).

Staff costs increased by S\$24.9 million (7.1%) mainly due to salary increments, higher bonus costs including a one-off special bonus for prior year of S\$10.4 million arising from REIT profit and an incentive to drive growth.

Other operating expenses fell S\$23.3 million (13.2%) mainly due to lower impairment charges and business promotion costs.

Fair value gain on investment properties of S\$109.1 million mainly relates to the increase in valuation of the retail assets of SPH REIT.

Investment income of S\$48.2 million was S\$34.2 million higher compared to last year due to increased dividend and interest income, higher profit on sale of investments and lower impairment charges on portfolio investments this year.

The Group's share of net loss of associates and jointly-controlled entities of S\$30.7 million was S\$25.2 million higher than last year's, mainly attributable to the regional online classified business.

Profit before taxation of S\$528.4 million was higher than the previous year by S\$39.3 million (8.0%), lifted by the S\$52.9 million gain on partial divestment of stake in the regional online classified business.

Net profit attributable to shareholders of S\$404.3 million was S\$26.7 million (6.2%) lower compared to FY 2013 after accounting for profits and fair value gain attributable to non-controlling interests of SPH REIT.