

SINGAPORE PRESS HOLDINGS LIMITED
(Incorporated in Singapore)
ANNOUNCEMENT
UNAUDITED RESULTS FOR THE PERIOD ENDED MAY 31, 2005

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

(i) Results for the Third Quarter ended May 31, 2005

	Group		Change %
	3Q 2005 S\$'000	3Q 2004 S\$'000	
Operating revenue			
Newspaper and magazine	235,721	221,671	6.3
Broadcasting and multimedia	1,649	12,318	(86.6)
Property	22,477	20,773	8.2
	<u>259,847</u>	<u>254,762</u>	2.0
Other operating income	2,047	3,021	(32.2)
	<u>261,894</u>	<u>257,783</u>	1.6
Materials, consumables & broadcasting costs	(40,063)	(53,266)	(24.8)
Staff costs	(66,713)	(67,690)	(1.4)
Depreciation	(11,208)	(14,783)	(24.2)
Other operating expenses	(32,822)	(34,261)	(4.2)
Profit from operations	<u>111,088</u>	<u>87,783</u>	26.5
Finance costs	(5,586)	(6,097)	(8.4)
Net income from investments	37,968	205,378	(81.5)
Share of net losses of associates	(2,772)	(35)	NM
Profit before exceptional items	<u>140,698</u>	<u>287,029</u>	(51.0)
Exceptional items	(11,627)	96,756	NM
Profit before taxation	<u>129,071</u>	<u>383,785</u>	(66.4)
Taxation	(30,516)	(14,296)	113.5
Profit after taxation	<u>98,555</u>	<u>369,489</u>	(73.3)
Minority interests	29	(24)	NM
Profit attributable to shareholders	<u>98,584</u>	<u>369,465</u>	(73.3)

(ii) Notes:

Profit before taxation is arrived at after accounting for:

	Group		Change %
	3Q 2005 S\$'000	3Q 2004 S\$'000	
Write-back of provision/(provision) for bad & doubtful debts, bad debts written off and net of bad debts recovery	3,864	(2,058)	NM
Provision for stocks obsolescence	-	(2,157)	(100.0)
Foreign exchange loss from operations	(12)	(271)	(95.6)
Profit on sale of internally- and externally- managed investments	<u>23,484</u>	<u>13,204</u>	77.9

NM: Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year
Balance Sheets As At

	Group		Company	
	May 31, 2005 S\$'000	Aug 31, 2004 S\$'000	May 31, 2005 S\$'000	Aug 31, 2004 S\$'000
Capital Employed				
Share capital	317,979	316,527	317,979	316,527
Share premium	87,397	62,319	87,397	62,319
Capital redemption reserve	4,509	4,509	4,509	4,509
Capital reserve	2,005	2,005	-	-
Retained profit	1,130,285	1,093,755	723,312	883,559
	<u>1,542,175</u>	<u>1,479,115</u>	<u>1,133,197</u>	<u>1,266,914</u>
Exchange translation difference	43	4	-	-
	<u>1,542,218</u>	<u>1,479,119</u>	<u>1,133,197</u>	<u>1,266,914</u>
Shareholders' interests	1,542,218	1,479,119	1,133,197	1,266,914
Minority interests	1,891	518	-	-
	<u>1,544,109</u>	<u>1,479,637</u>	<u>1,133,197</u>	<u>1,266,914</u>
Non-current liabilities				
Deferred taxation	68,503	72,126	57,136	59,210
Borrowings	666,000	683,000	-	-
	<u>2,278,612</u>	<u>2,234,763</u>	<u>1,190,333</u>	<u>1,326,124</u>
Employment of Capital				
Property, plant and equipment	545,426	565,531	331,028	342,668
Investment property	1,056,877	1,045,852	-	-
Interests in subsidiaries	-	-	837,901	1,009,749
Interests in associates	36,867	928	35,172	-
Long-term investments	120,946	174,415	3,511	36,002
Intangible assets	21,346	-	-	-
Other non-current assets	4,668	5,051	4,540	4,900
Current assets				
Stocks	33,828	32,278	33,636	23,208
Trade debtors	101,664	86,435	88,596	76,634
Other debtors and prepayments	26,084	15,130	7,405	5,904
Short-term investments	485,304	473,639	-	-
Cash on deposit	116,997	166,093	27,403	8,222
Cash and bank balances	26,823	26,528	20,474	19,699
	<u>790,700</u>	<u>800,103</u>	<u>177,514</u>	<u>133,667</u>
Current liabilities				
Trade creditors	58,848	64,860	29,189	34,784
Other creditors and accrued liabilities	136,290	130,145	99,663	106,670
Borrowings	-	81,000	-	-
Current taxation	103,080	81,112	70,481	59,408
	<u>298,218</u>	<u>357,117</u>	<u>199,333</u>	<u>200,862</u>
Net current assets/(liabilities)	492,482	442,986	(21,819)	(67,195)
	<u>2,278,612</u>	<u>2,234,763</u>	<u>1,190,333</u>	<u>1,326,124</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Group Borrowings

Amount repayable in one year or less, or on demand

As at May 31, 2005		As at August 31, 2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	81,000

Amount repayable after one year

As at May 31, 2005		As at August 31, 2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
666,000	-	683,000	-

Details of collateral

As at May 31, 2005, the secured bank loan facilities of S\$666 million, undertaken by a subsidiary, Times Properties Private Limited ("Times Properties"), relate to transferable loan facilities ("TLF"). The TLF are secured by way of a legal mortgage on the Group's investment property, an assignment of rental proceeds from the investment property and the insurances on the investment property, and an undertaking by the Company to pay all interests payable in respect of the facilities if Times Properties fails to pay the same.

On June 6, 2005, Times Properties entered into an agreement with a syndicate of banks and financial institutions, for a term loan facility of S\$650 million for a tenure of one year commencing July 11, 2005. The funds will be used to refinance the existing loan facilities of Times Properties set out in the preceding paragraph. The term loan is secured by way of a legal mortgage on the Group's investment property, an assignment of rental proceeds from the investment property and the insurances on the investment property. The requirement for the Company to provide interest deficiency support is removed under the new loan facility. The balance S\$16 million has been repaid by Times Properties on July 11, 2005.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Cash Flow Statement for the Third Quarter ended May 31, 2005

	3Q 2005 S\$'000	3Q 2004 S\$'000
Cash Flows from Operating Activities		
Profit before taxation	129,071	383,785
Adjustments for :		
Amortisation of intangible assets	138	-
Depreciation	11,208	14,783
(Profit)/Loss on disposal of property, plant and equipment	(55)	15
Finance costs	5,586	6,097
Investment income	(37,968)	(205,378)
Share of net losses of associates	2,772	35
Exceptional items	11,627	(96,756)
Operating cash flow before working capital changes	<u>122,379</u>	<u>102,581</u>
Changes in working capital :		
Stocks	256	(3,634)
Prepaid content rights	-	(904)
Debtors	(13,965)	22,600
Creditors	17,046	27,441
	<u>125,716</u>	<u>148,084</u>
Income tax paid	(19,959)	(15,461)
Dividends paid	(111,270)	(59,487)
Dividends paid (net) by a subsidiary to a minority shareholder	-	(108)
	<u>(5,513)</u>	<u>73,208</u>
Increase in non-current assets	(57)	(107)
Exchange translation difference	215	-
Net cash (used in)/from operating activities	<u><u>(5,355)</u></u>	<u><u>72,921</u></u>

1(c) Consolidated Cash Flow Statement for the Third Quarter ended May 31, 2005 (cont'd)

	3Q 2005 S\$'000	3Q 2004 S\$'000
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(3,009)	(5,827)
Proceeds on disposal of property, plant and equipment	2,061	118,919
Additions to investment property	(4,042)	(2,142)
Acquisition of interests in a subsidiary	-	(495)
Acquisition of interests in an associate	(37)	-
Amounts owing (by)/to associates	(41)	9
Loan to an associate	(6,000)	-
Purchase of long-term investments	(2,025)	-
Proceeds on disposal/redemption of long-term investments	763	69,910
Purchase of short-term investments	(18,859)	(221,952)
Proceeds on disposal of short-term investments	63,578	498,345
Net decrease/(increase) in funds under management	27,297	(84,011)
Investment income	37,968	205,378
	<u>97,654</u>	<u>578,134</u>
Add/(Less): Items not involving movement of funds		
Provision for diminution in value of internally-managed investments	971	2,999
Profit on sale of internally-managed investments	(10,617)	(10,117)
Exchange translation gain	-	(777)
Accretion of discount on bonds	(1)	(3)
Amortisation of premium on bonds	16	(10)
Net cash from investing activities	<u><u>88,023</u></u>	<u><u>570,226</u></u>
Cash Flows from Financing Activities		
Repayment of bank loans	(17,000)	(7,500)
Finance costs	(5,586)	(6,097)
Proceeds on issue of shares by Company	4,172	17,777
Net cash (used in)/from financing activities	<u><u>(18,414)</u></u>	<u><u>4,180</u></u>
Net increase in cash and cash equivalents	64,254	647,327
Cash and cash equivalents at beginning of period	79,566	436,921
Cash and cash equivalents at end of period	<u><u>143,820</u></u>	<u><u>1,084,248</u></u>

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Statements of Changes in Shareholders' Equity for the Third Quarter ended May 31, 2005

(a)

Group

	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Retained Profit	Exchange Translation Difference	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at February 28, 2005	317,749	83,455	4,509	2,005	1,142,971	(172)	1,550,517
Exchange translation difference	-	-	-	-	-	215	215
Gains not recognised in the income statement	-	-	-	-	-	215	215
Profit for the quarter	-	-	-	-	98,584	-	98,584
Issue of shares	230	-	-	-	-	-	230
Premium on issue of shares	-	3,942	-	-	-	-	3,942
Dividends	-	-	-	-	(111,270)	-	(111,270)
Balance as at May 31, 2005	317,979	87,397	4,509	2,005	1,130,285	43	1,542,218
Balance as at February 29, 2004	371,139	49,827	4,509	2,005	1,785,106	4,964	2,217,550
Exchange translation difference	-	-	-	-	-	(4,964)	(4,964)
Losses not recognised in the income statement	-	-	-	-	-	(4,964)	(4,964)
Profit for the quarter	-	-	-	-	369,465	-	369,465
Issue of shares	1,128	-	-	-	-	-	1,128
Premium on issue of shares	-	16,649	-	-	-	-	16,649
Dividends	-	-	-	-	(59,487)	-	(59,487)
Balance as at May 31, 2004	372,267	66,476	4,509	2,005	2,095,084	-	2,540,341

Statements of Changes in Shareholders' Equity for the Third Quarter ended May 31, 2005 (cont'd)

(b)

	Company				
	Share Capital S\$'000	Share Premium S\$'000	Capital Redemption Reserve S\$'000	Retained Profit S\$'000	Total S\$'000
Balance as at February 28, 2005	317,749	83,455	4,509	763,753	1,169,466
Profit for the quarter	-	-	-	70,829	70,829
Issue of shares	230	-	-	-	230
Premium on issue of shares	-	3,942	-	-	3,942
Dividends	-	-	-	(111,270)	(111,270)
Balance as at May 31, 2005	317,979	87,397	4,509	723,312	1,133,197
Balance as at February 29, 2004	371,139	49,827	4,509	1,674,178	2,099,653
Profit for the quarter	-	-	-	178,883	178,883
Issue of shares	1,128	-	-	-	1,128
Premium on issue of shares	-	16,649	-	-	16,649
Dividends	-	-	-	(59,487)	(59,487)
Balance as at May 31, 2004	372,267	66,476	4,509	1,793,574	2,236,826

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported and as at the end of the corresponding period of the immediately preceding financial year

Share Capital And Share Options

- (a) Between March 1, 2005 and May 31, 2005, pursuant to the Singapore Press Holdings Group (1999) Share Option Scheme (the "1999 Scheme"), the Company issued 1,139,975 ordinary shares of S\$0.20 each upon the exercise of options.
- (b) As a result of the 1,139,975 ordinary shares issued pursuant to the 1999 Scheme, the Company issued 11,515 management shares of S\$0.20 each in accordance with the Newspaper and Printing Presses Act, Cap. 206 between March 1, 2005 and May 31, 2005.
- (c) There was no grant of share options to subscribe for ordinary shares under the 1999 Scheme during the current third quarter.
- (d) Under the 1999 Scheme, options to subscribe for 62,947,800 ordinary shares of S\$0.20 each remain outstanding as at May 31, 2005 compared to 12,987,500 ordinary shares of S\$1 each as at May 31, 2004.

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on July 16, 1999 and last renewed at the Annual General Meeting on December 6, 2004), no shares were bought back by the Company during the current third quarter.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard or practice**

Review

The figures for the third quarter and year-to-date have not been audited but have been reviewed in accordance with Singapore Statement of Auditing Practice ("SAP") 11, Review of Interim Financial Information.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Auditors' Report

We have been engaged by the Group to review the interim financial information for the third quarter and nine months ended May 31, 2005.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual ("Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The accompanying financial information comprise the balance sheet and statement of changes in shareholders' equity of the Company and income statement, balance sheet, statement of changes in shareholders' equity and cash flow statement of the Group for the period from March 1, 2005 to May 31, 2005 and September 1, 2004 to May 31, 2005 and certain financial data (collectively known as "financial information") set out in this announcement. The financial information reviewed by us are those set out in paragraphs 1, 6, 7, 8, 10, 11, 12, 13 and 14 of this announcement. The interim financial information is the responsibility of, and has been approved by, the directors. Our responsibility is to issue a report solely for the use of the directors on the interim financial information based on our review.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that there is any material modification that needs to be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Accounting Policies

The financial statements have been prepared in compliance with the same accounting policies and methods of computation adopted in the audited financial statements of last financial year, except where new/revised accounting standards became effective from this financial year, which were highlighted in Para 4 of the results announcement for the first quarter of financial year 2005.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect of, the change**

There are no changes except as disclosed in Para 5 of the results announcement for the first quarter of financial year 2005.

6. **Earnings per share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings Per Share for the Third Quarter ended May 31, 2005

		Group	
		3Q 2005	3Q 2004*
(a)	Based on the weighted average number of shares on issue (S\$)		
	- before exceptional items	0.07	0.15
	- after exceptional items	0.06	0.20
(b)	On fully diluted basis (S\$)		
	- before exceptional items	0.07	0.15
	- after exceptional items	0.06	0.20

* To facilitate comparison, Earnings Per Share ratios for third quarter 2004 were adjusted for the effect of Share Split Exercise completed in June 2004.

7. **Net asset value (for the issuer and group) per share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net Asset Value Per Share As At

	Group		Company	
	May 31, 2005	Aug 31, 2004	May 31, 2005	Aug 31, 2004
Net asset value per share based on issued share capital at the end of period (S\$)	0.97	0.93	0.71	0.80

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow,**

working capital, assets or liabilities of the group during the current financial period reported on

Business Segments

The Group is organised into four major operating segments, namely Newspaper and Magazine, Broadcasting and Multimedia, Treasury and Investment, and Property, and reports its primary segment information through direct identification. The Newspaper and Magazine segment is involved in the publishing, printing and distributing of newspapers and magazines. The Broadcasting and Multimedia segment provides services which include provision of broadcasting, portal sites and other related services. With the rationalisation of the Group's broadcasting business completed on December 31, 2004, the broadcasting segment would henceforth comprise the Group's share of interest in MediaCorp TV Holdings Pte Ltd. The Treasury and Investment segment manages the investment activities of the Group. The Property segment holds and manages properties owned by the Group.

Review of Results for the Third Quarter - 3 Months ended May 31, 2005

- 8.1 Group operating revenue for the third quarter grew 2.0% against last year to S\$259.8 million. Revenue for the Newspaper and Magazine segment increased 6.3% as print advertising rose 7.2% to S\$178.0 million, attributable to contribution from the Blu Inc media and publishing business acquired in September 2004 and higher newspaper advertisement revenue. Circulation revenue (after absorption of S\$2.5 million in GST) registered a year-on-year growth of 0.9%. Revenue from the Property segment at S\$22.5 million was 8.2% higher. Arising from legal completion of the merger of the Group's free-to-air television broadcasting and free newspaper businesses with MediaCorp Pte Ltd (the "merger") on December 31, 2004, the Group operating revenue for the current quarter no longer includes broadcasting advertising revenue, which amounted to S\$8.6 million last year.
- 8.2 Materials, consumables and broadcasting costs were lower by S\$13.2 million driven mainly by the non-recurrence of broadcasting production costs in the current quarter. However, higher newsprint costs from price increases, and higher magazine production costs, negated part of the cost savings.
- Staff costs fell by S\$1.0 million against last year. Cost savings associated with cessation of broadcasting operations were largely offset by higher staff cost arising from the acquisition of Blu Inc media and publishing business and expansion of the Group's existing magazine business, and annual staff salary increment.
- Depreciation decreased by S\$3.6 million, attributable to a lower depreciable asset base as certain plant and equipment were fully impaired/depreciated during last financial year. Other operating expenses were lower by S\$1.4 million as this quarter included a write-back of provision for doubtful debts no longer required.
- 8.3 Consequently, profit from operations grew by 26.5% to S\$111.1 million.
- 8.4 Group investment income at S\$38.0 million was S\$167.4 million lower largely because last year included income of S\$170.5 million on disposal of the Group's entire indirect interest in Belgacom.

- 8.5 The Group's share of losses of associates amounted to S\$2.8 million as compared to \$35,000 in the prior year. The current quarter's results comprised mainly the Group's share of loss of MediaCorp TV Holdings (S\$3.2 million) partially offset by share of profit of MediaCorp Press (S\$0.8 million).
- 8.6 The exceptional loss this quarter of S\$11.6 million relates to charges associated with the merger. This compares with last year's exceptional gain of S\$96.8 million, which arose mainly from the sale of Times House (S\$110.1 million) partially offset by impairment losses on plant and equipment (S\$12.8 million).
- 8.7 Taxation charge of S\$30.5 million was arrived at after accounting for tax at 20% and included an adjustment for prior year's underprovision in current taxation of S\$3.9 million. Except for this adjustment, there were no other material adjustments for under or over provision of taxation in respect of prior years.
9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast was made previously.

Performance for the Year-to-Date ended May 31, 2005

10. (i) Results for the Year-to-date ended May 31, 2005

	Group		
	2005 S\$'000	2004 S\$'000	Change %
Operating revenue			
Newspaper and magazine	669,176	622,176	7.6
Broadcasting and multimedia	24,919	39,433	(36.8)
Property	66,048	61,571	7.3
	<u>760,143</u>	<u>723,180</u>	5.1
Other operating income	6,534	8,420	(22.4)
	<u>766,677</u>	<u>731,600</u>	4.8
Materials, consumables & broadcasting costs	(141,888)	(146,278)	(3.0)
Staff costs	(197,774)	(193,510)	2.2
Depreciation	(33,815)	(39,829)	(15.1)
Other operating expenses	(96,308)	(88,652)	8.6
	<u>296,892</u>	<u>263,331</u>	12.7
Profit from operations	296,892	263,331	12.7
Finance costs	(17,108)	(18,195)	(6.0)
Net income from investments	235,928	243,376	(3.1)
Share of net losses of associates	(2,988)	(66)	NM
	<u>512,724</u>	<u>488,446</u>	5.0
Profit before exceptional items	512,724	488,446	5.0
Exceptional items	(24,809)	96,756	NM
	<u>487,915</u>	<u>585,202</u>	(16.6)
Profit before taxation	487,915	585,202	(16.6)
Taxation	(70,185)	(42,687)	64.4
	<u>417,730</u>	<u>542,515</u>	(23.0)
Profit after taxation	417,730	542,515	(23.0)
Minority interests	70	(26)	NM
	<u>417,800</u>	<u>542,489</u>	(23.0)
Profit attributable to shareholders	417,800	542,489	(23.0)

(ii) Notes:

Profit before taxation is arrived at after accounting for:

	Group		
	2005 S\$'000	2004 S\$'000	Change %
Write-back of provision/(provision) for bad & doubtful debts, bad debts written off and net of bad debts recovery	5,631	(1,795)	NM
Provision for stocks obsolescence	(300)	(1,763)	(83.0)
Foreign exchange (loss)/gain from operations	(2,095)	618	NM
Profit on sale of internally- and externally-managed investments	186,795*	24,164	673.0

* Included net gain of S\$128.5 million on disposal of a substantial portion of Group's interest in StarHub Limited.

11. Consolidated Cash Flow Statement for the Year-to-date ended May 31, 2005

	2005 S\$'000	2004 S\$'000
Cash Flows from Operating Activities		
Profit before taxation	487,915	585,202
Adjustments for :		
Amortisation of intangible assets	414	-
Depreciation	33,815	39,829
(Profit)/Loss on disposal of property, plant and equipment	(230)	61
Finance costs	17,108	18,195
Investment income	(235,928)	(243,376)
Share of net losses of associates	2,988	66
Exceptional items	24,809	(96,756)
Gain on disposal of a subsidiary	(2)	-
Operating cash flow before working capital changes	<u>330,889</u>	<u>303,221</u>
Changes in working capital :		
Stocks	(9,050)	4,980
Prepaid content rights	(2,209)	831
Debtors	(24,119)	(15,982)
Creditors	(31,058)	2,424
	<u>264,453</u>	<u>295,474</u>
Income tax paid	(52,674)	(44,863)
Dividends paid	(381,270)	(290,992)
Dividends paid (net) by a subsidiary to a minority shareholder	-	(108)
	<u>(169,491)</u>	<u>(40,489)</u>
Decrease in non-current assets	383	31
Exchange translation difference	141	-
Net cash used in operating activities	<u><u>(168,967)</u></u>	<u><u>(40,458)</u></u>

11. Consolidated Cash Flow Statement for the Year-to-date ended May 31, 2005 (cont'd)

	2005 S\$'000	2004 S\$'000
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(13,402)	(26,732)
Proceeds on disposal of property, plant and equipment	12,271	119,027
Additions to investment property	(11,025)	(5,925)
Acquisition of interests in subsidiaries (net of cash acquired)	(23,748)	(495)
Acquisition of interests in associates	(32,747)	(236)
Net proceeds from divestment of interests in subsidiaries and an associate	5,837	-
Amounts owing (by)/to associates	(31)	11
Loan to associates	(6,150)	-
Purchase of long-term investments	(2,870)	(2,242)
Proceeds on disposal/redemption of long-term investments	197,828	87,007
Purchase of short-term investments	(84,059)	(519,878)
Proceeds on disposal of short-term investments	160,447	932,283
Net increase in funds under management	(67,273)	(26,948)
Investment income	239,482	243,376
	<u>374,560</u>	<u>799,248</u>
Add/(Less): Items not involving movement of funds		
Provision for diminution in value of internally-managed investments	2,112	2
Profit on sale of internally-managed investments	(167,998)	(16,233)
Exchange translation gain	-	(777)
Accretion of discount on bonds	(2)	(19)
Amortisation of premium on bonds	72	1,019
Net cash from investing activities	<u>208,744</u>	<u>783,240</u>
Cash Flows from Financing Activities		
Proceeds from bank loan	22,500	-
Repayment of bank loans	(120,500)	(10,400)
Finance costs	(17,108)	(18,195)
Proceeds on issue of shares by Company	26,530	41,885
Net cash (used in)/from financing activities	<u>(88,578)</u>	<u>13,290</u>
Net (decrease)/increase in cash and cash equivalents	(48,801)	756,072
Cash and cash equivalents at beginning of year	192,621	328,176
Cash and cash equivalents at end of period	<u>143,820</u>	<u>1,084,248</u>

12. Earnings Per Share for the Year-to-date ended May 31, 2005

		Group	
		2005	2004*
(a)	Based on the weighted average number of shares on issue (S\$)		
	- before exceptional items	0.28	0.24
	- after exceptional items	0.26	0.29
(b)	On fully diluted basis (S\$)		
	- before exceptional items	0.28	0.24
	- after exceptional items	0.26	0.29

* To facilitate comparison, Earnings Per Share ratios for nine months ended May 31, 2004 were adjusted for the effect of Share Split Exercise completed in June 2004.

13. Review of Results for the Year-to-date ended May 31, 2005

13.1 Group operating revenue grew 5.1% against corresponding period last year to S\$760.1 million. The increase came mainly from Newspaper and Magazine segment, which turned in S\$47.0 million or 7.6% rise in revenue. Print advertising rose 6.7% to S\$499.5 million on the back of contribution from the Blu Inc media and publishing business and higher newspaper advertisement revenue. Circulation revenue (after absorption of S\$7.4 million in GST) was 7.4% higher than last year. Revenue from the Property segment at S\$66.0 million was 7.3% higher against last year. The period under review also included broadcasting advertising revenue of S\$12.9 million earned prior to the cessation of the Group's broadcasting activities. This was S\$14.9 million or 53.7% lower than the prior year.

13.2 Materials, consumables and broadcasting costs was S\$4.4 million lower, as the full impact of broadcasting production cost savings kicked in during the third quarter of the current financial year. This was partially negated by higher newsprint costs and higher magazine production costs.

Staff costs grew by S\$4.3 million following the acquisition of Blu Inc media and publishing business, expansion of the Group's existing magazine business and annual salary increment. Cost savings from the cessation of broadcasting operations helped to partially cushion the cost increase.

Depreciation expenses were lower by S\$6.0m against last year attributable to a lower depreciable asset base. Other operating expenses were up S\$7.7 million comprising mainly cost increases in the newspaper and magazine segment. The results also included a foreign exchange loss of S\$2.1 million (corresponding period last year: gain of S\$0.6 million).

13.3 Consequently, profit from operations of S\$296.9 million was 12.7% higher against last year.

13.4 Group investment income at S\$235.9 million was S\$7.4 million lower than the corresponding period. Current year's investment income mainly comprised S\$128.5 million from the disposal of a substantial portion of the Group's interest in StarHub

Limited, profit on sale of investments (S\$58.3 million), and income arising from a capital reduction exercise undertaken by an investee company (S\$12.8 million).

Last year's investment income of S\$243.4 million included income on disposal of the Group's entire indirect interest in Belgacom (S\$170.5 million). The balance amount comprised mainly revaluation gain on Euro deposits, profit on sale of investments, and dividend and interest income.

- 13.5 Similar to the third quarter of the current financial year, the Group's share of net losses of associates for the period under review comprised mainly losses from MediaCorp TV Holdings (S\$3.2 million) partially offset by share of profit of MediaCorp Press (S\$0.8 million).
- 13.6 The exceptional loss of S\$24.8 million for the period relates mainly to charges associated with the media merger. This compares with last year's exceptional gain of S\$96.8 million, which arose mainly from the sale of Times House (S\$110.1 million) partially offset by impairment losses on plant and equipment (S\$12.8 million).
- 13.7 Taxation charge of S\$70.2 million took into account group relief of S\$2.3 million from utilisation of MediaWorks' tax losses and capital allowances and an adjustment for underprovision of taxation in respect of prior years of S\$3.4 million. Except for this adjustment, there were no other material adjustments for under or over provision of taxation in respect of prior years.

14. Segmental Information (Group) for the Year-to-date ended May 31, 2005

	Operating Revenue			Profit/(Loss) Before Taxation		
	2005 S\$'000	2004 S\$'000	Change %	2005 S\$'000	2004 S\$'000	Change %
Newspaper & Magazine	669,176	622,176	7.6	263,175	243,098 ^a	8.3
Broadcasting & Multimedia	24,919	39,433	(36.8)	(43,789) ^b	(39,671)	10.4
Treasury & Investment	-	-	NM	235,546 ^c	242,989 ^d	(3.1)
Property	66,048	61,571	7.3	32,983	138,786 ^e	(76.2)
	<u>760,143</u>	<u>723,180</u>	5.1	<u>487,915</u>	<u>585,202</u>	(16.6)

^a Included exceptional loss arising from the impairment of plant and equipment of S\$12.8 million.

^b Included exceptional loss arising from the completion of merger between the Group's broadcasting business and MediaCorp Pte Ltd (S\$25.8 million), and share of loss of MediaCorp TV Holdings.

^c Included net gain of S\$128.5 million on disposal of a substantial portion of Group's interest in StarHub Limited.

^d Included income on disposal of the Group's entire indirect interest in Belgacom of S\$170.5 million.

^e Mainly arose from the exceptional gain on sale of Times House (S\$110.1 million).

15. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Outlook

- 15.1 The Group's advertising revenue is expected to grow in tandem with the moderating economic growth for the year 2005. Consumer and business sentiments will continue to be shaped by global economic factors such as high oil prices. Notwithstanding this, several business sectors continue to exhibit signs of improving sentiments. Newsprint prices are expected to rise at a moderating pace.
- 15.2 The cessation of the Group's free-to-air television broadcasting operations has stemmed the operating loss in the Group's broadcasting and multimedia business.
- 15.3 Excluding non-recurring gains from the sale of the Group's interests in StarHub and Belgacom, the Group's investment income is expected to be better for this financial year.
- 15.4 The performance of the Group's property business segment for the current financial year is expected to continue at current levels.
- 15.5 Overall, the Directors expect the profit from operations of the Group for the current financial year to be better than last financial year.

16. Dividends

(a) Current Financial Period Reported On

Any dividend declared (recommended) for the current financial period reported on?
No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

17. If no dividend has been declared/recommendeded, a statement to that effect

No interim dividend has been declared or recommended for the current reporting period.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
July 12, 2005