

SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E
(Incorporated in Singapore)

ANNOUNCEMENT
UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED NOVEMBER 30, 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 First Quarter ended November 30, 2005

	Group		Change %
	1Q 2006 S\$'000	1Q 2005 Restated * S\$'000	
Operating revenue			
Newspaper and magazine	235,317	230,193	2.2
Property	23,955	21,140	13.3
Others	1,918	14,046	(86.3)
	<hr/> 261,190	<hr/> 265,379	(1.6)
Other operating income	2,386	2,555	(6.6)
	<hr/> 263,576	<hr/> 267,934	(1.6)
Materials, consumables & broadcasting costs	(41,616)	(60,477)	(31.2)
Staff costs	(66,770)	(68,129)	(2.0)
Depreciation	(11,372)	(11,284)	0.8
Other operating expenses	(35,528)	(33,037)	7.5
Finance costs	(5,241)	(5,807)	(9.7)
	<hr/> 103,049	<hr/> 89,200	15.5
Profit before investment income #			
Net income from investments	19,490	152,696	(87.2)
Share of net losses of associates and jointly controlled entity	(667)	(59)	(1,030.5)
	<hr/> 121,872	<hr/> 241,837	(49.6)
Profit before taxation			
Taxation	(23,324)	(20,916)	11.5
Profit after taxation	<hr/> 98,548	<hr/> 220,921	(55.4)
Attributable to:			
Shareholders of the Company	98,413	220,705	(55.4)
Minority interests	135	216	37.5
	<hr/> 98,548	<hr/> 220,921	(55.4)

* The income statement for first quarter 2005 has been restated to take into account the retrospective adjustments relating to FRS 102 – Share-based Payment. Please see paragraph 5 for details.

This represents the earnings of the media and property businesses on a recurring basis.

(ii) **Notes:**

Profit before taxation is arrived at after accounting for:

	Group		
	1Q 2006	1Q 2005 Restated *	Change
	S\$'000	S\$'000	%
Share-based payment expenses	(1,911)	(907)	110.8
Allowance for stocks obsolescence (net of write-back of allowance)	-	(300)	(100.0)
Net foreign exchange loss from operations	(103)	(1,066)	(90.3)
Write-back of allowance/ (allowance) for bad & doubtful debts and bad debts written off (net of bad debts recovery)	(353)	132	(367.4)
Profit on sale of internally-managed investments	3,441	137,488**	(97.5)
Profit on sale of externally-managed investments	- #	3,778	(100.0)
Fair value gain of			
- Assets at fair value through profit and loss	6,575 #	-	NM
- Derivative instruments	302	-	NM

* The income statement for first quarter 2005 has been restated to take into account the retrospective adjustments relating to FRS 102 – Share-based Payment for share options granted to employees. Please see paragraph 5 for details.

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

With the adoption of FRS 39, these investments are now re-measured at fair value and the gain/ loss on re-measurement is taken to the income statement.

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	
	Nov 30, 2005	Aug 31, 2005 Restated *	Nov 30, 2005	Aug 31, 2005 Restated *
	S\$'000	S\$'000	S\$'000	S\$'000
CAPITAL EMPLOYED				
Share capital	318,214	318,082	318,214	318,082
Share premium	91,503	89,206	91,503	89,206
Retained profit	1,326,312	1,198,237	836,838	768,530
Reserves	319,391	15,678	43,498	13,451
Shareholders' interests	2,055,420	1,621,203	1,290,053	1,189,269
Minority interests	2,376	2,271	-	-
Total equity	2,057,796	1,623,474	1,290,053	1,189,269
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	524,098	530,358	315,338	318,543
Investment property	1,059,304	1,059,000	-	-
Interests in subsidiaries	-	-	386,812	386,812
Interests in associates	27,408	28,075	29,160	29,160
Long-term investments	390,369	121,005	31,222	3,362
Other non-current financial assets	7,048	-	-	-
Intangible assets	11,986	11,029	-	-
Amount owing by subsidiaries	-	-	910,046	804,379
Amount owing by associates	6,036	6,029	6,014	6,012
Amount owing by jointly controlled entity	77	33	-	-
Other non-current assets	4,741	4,691	4,616	4,616
	2,031,067	1,760,220	1,683,208	1,552,884
Current assets				
Stocks	31,559	30,870	31,303	30,591
Trade debtors	108,445	92,660	91,393	80,361
Other debtors and prepayments	50,247	21,528	9,942	7,014
Short-term investments	616,053	653,590	-	-
Other financial assets	357	-	47	-
Cash on deposit	229,881	45,373	21,145	25,360
Cash and bank balances	28,258	24,819	18,321	16,424
	1,064,800	868,840	172,151	159,750
Total assets	3,095,867	2,629,060	1,855,359	1,712,634
Current liabilities				
Trade creditors	73,730	70,206	40,035	38,816
Other creditors and accrued liabilities	135,710	129,304	117,612	107,534
Other financial liabilities	2,200	-	-	-
Current taxation	98,506	88,298	64,317	55,544
	310,146	287,808	221,964	201,894
Non-current liabilities				
Deferred taxation	77,925	67,777	54,578	55,895
Borrowings	650,000	650,000	-	-
Amount owing to subsidiaries	-	-	288,764	265,576
Amount owing to associates	-	1	-	-
	727,925	717,778	343,342	321,471
Total liabilities	1,038,071	1,005,586	565,306	523,365
Net assets	2,057,796	1,623,474	1,290,053	1,189,269

* The balance sheets for August 31, 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 – Share-based Payment. Please see paragraph 5 for details.

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

Group Borrowings

Amount repayable after one year

As at November 30, 2005		As at August 31, 2005	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
650,000	-	650,000	-

Details of collateral

The secured bank loan facilities of S\$650 million relate to a term loan, which commenced on July 11, 2005. The term loan was undertaken by a subsidiary, Times Properties Private Limited ("Times Properties"), with a tenure of one year.

The term loan was classified as a non-current liability, repayable after one year, on the basis that Times Properties expects and has the discretion to refinance the term loan facility for at least another twelve months when the facility matures. An amount of S\$20 million has been repaid by Times Properties on January 11, 2006.

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.

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 First Quarter ended November 30, 2005

	1Q 2006	1Q 2005 Restated *
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before taxation	121,872	241,837
Adjustments for :		
Amortisation of intangible assets	143	127
Depreciation	11,372	11,284
Loss/(Profit) on disposal of property, plant and equipment	6	(63)
Finance costs	5,241	5,807
Net income from investments	(19,490)	(152,696)
Share of net losses of associates and jointly controlled entity	667	59
Gain on disposal of subsidiary	-	(2)
Share-based payment expenses	1,911	907
Other non-cash items	337	-
Operating cash flow before working capital changes	<u>122,059</u>	<u>107,260</u>
Changes in working capital :		
Stocks	(689)	(9,028)
Debtors	(41,742)	(15,293)
Creditors	9,930	18,414
	<u>89,558</u>	<u>101,353</u>
Income tax paid	(14,654)	(13,476)
Dividends paid (net) by a subsidiary to a minority shareholder	(30)	-
	<u>74,874</u>	<u>87,877</u>
(Increase)/Decrease in non-current assets	(50)	302
Exchange translation difference	(126)	31
Net cash from operating activities	<u><u>74,698</u></u>	<u><u>88,210</u></u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(5,178)	(7,286)
Proceeds on disposal of property, plant and equipment	60	63
Additions to investment property	(304)	(4,605)
Acquisition of intangible assets – magazine title	(1,100)	-
Acquisition of interests in jointly controlled entity/subsidiaries	(3,099)	(23,817)
Amounts owing (by)/to associates	(8)	21
Amounts owing by a jointly controlled entity	(44)	-
Proceeds on disposal of subsidiary	-	2
Purchase of long-term investments	(1,680)	(845)
Proceeds on disposal/redemption of long-term investments	10,391	161,199
Purchase of short-term investments	(101,229)	(5,297)
Proceeds on disposal of short-term investments	209,253	26,781
Net increase in funds under management	(6,575)	(87,859)
Investment income	19,490	152,696
	<u>119,977</u>	<u>211,053</u>

Consolidated Cash Flow Statement for the First Quarter ended November 30, 2005 (cont'd)

	1Q 2006	1Q 2005 Restated *
	S\$'000	S\$'000
Add/(Less): Items not involving movement of funds		
Changes in fair value of financial instruments	(887)	-
Impairment of internally-managed investments	150	-
Profit on sale of internally-managed investments	(3,441)	(137,488)
Exchange translation loss	262	-
Allowance for diminution in value of internally-managed investments	-	633
Amortisation of premium on bonds	-	34
Accretion of discount on bonds	-	(1)
Net cash from investing activities	<u>116,061</u>	<u>74,231</u>
Cash Flows from Financing Activities		
Proceeds from bank loans	-	5,500
Finance costs	(5,241)	(5,807)
Proceeds on issue of shares by Company	2,429	10,328
Net cash (used in)/from financing activities	<u>(2,812)</u>	<u>10,021</u>
Net increase in cash and cash equivalents	187,947	172,462
Cash and cash equivalents at beginning of year	70,192	192,621
Cash and cash equivalents at end of year	<u>258,139</u>	<u>365,083</u>

* The cash flow statement for first quarter 2005 has been restated to take into account the retrospective adjustments relating to FRS 102 – Share-based Payment. Please see paragraph 5 for details.

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 First Quarter ended November 30, 2005

(a)

Group

	Share Capital S\$'000	Share Premium S\$'000	Capital Redemption Reserve S\$'000	Capital Reserve S\$'000	Share-based Compensation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Exchange Translation Reserve S\$'000	Retained Profit S\$'000	Minority Interest S\$'000	Total Equity S\$'000
Balance as at September 1, 2005	318,082	89,206	4,509	2,005	-	-	-	222	1,207,179	2,271	1,623,474
Effects of adopting											
- FRS 39	-	-	-	-	-	(4,305)	309,345	-	29,662	-	334,702
- FRS 102	-	-	-	-	8,942	-	-	-	(8,942)	-	-
As restated	318,082	89,206	4,509	2,005	8,942	(4,305)	309,345	222	1,227,899	2,271	1,958,176
Exchange translation difference	-	-	-	-	-	-	-	(126)	-	-	(126)
Losses not recognised in the income statement	-	-	-	-	-	-	-	(126)	-	-	(126)
Profit for the quarter	-	-	-	-	-	-	-	-	98,413	135	98,548
Share-based payment expenses	-	-	-	-	1,911	-	-	-	-	-	1,911
Net fair value changes on available-for-sale assets	-	-	-	-	-	-	(14,496)	-	-	-	(14,496)
Net fair value changes on cash flow hedge	-	-	-	-	-	11,384	-	-	-	-	11,384
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(30)	(30)
Issue of shares	132	-	-	-	-	-	-	-	-	-	132
Premium on issue of shares	-	2,297	-	-	-	-	-	-	-	-	2,297
Balance as at November 30, 2005	318,214	91,503	4,509	2,005	10,853	7,079	294,849	96	1,326,312	2,376	2,057,796

Statements of Changes in Shareholders' Equity for the First Quarter ended November 30, 2005 (cont'd)

(a)

Group

	Share Capital S\$'000	Share Premium S\$'000	Capital Redemption Reserve S\$'000	Capital Reserve S\$'000	Share-based Compensation Reserve S\$'000	Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Minority Interest S\$'000	Total Equity S\$'000
Balance as at September 1, 2004	316,527	62,319	4,509	2,005	-	4	1,093,755	518	1,479,637
Effects of adopting - FRS 102	-	-	-	-	2,568	-	(2,568)	-	-
As restated	316,527	62,319	4,509	2,005	2,568	4	1,091,187	518	1,479,637
Exchange translation difference	-	-	-	-	-	(63)	-	-	(63)
Losses not recognised in the income statement	-	-	-	-	-	(63)	-	-	(63)
Profit for the quarter	-	-	-	-	-	-	220,705	216	220,921
Share-based payment expenses	-	-	-	-	907	-	-	-	907
Issue of shares	567	-	-	-	-	-	-	-	567
Premium on issue of shares	-	9,761	-	-	-	-	-	-	9,761
Acquisition of subsidiaries	-	-	-	-	-	-	-	155	155
Balance as at November 30, 2004	317,094	72,080	4,509	2,005	3,475	(59)	1,311,892	889	1,711,885

Statements of Changes in Shareholders' Equity for the First Quarter ended November 30, 2005 (cont'd)

(b)

Company

	Share Capital S\$'000	Share Premium S\$'000	Capital Redemption Reserve S\$'000	Share-based Compensation Reserve S\$'000	Fair Value Reserve S\$'000	Retained Profit S\$'000	Total Equity S\$'000
Balance as at September 1, 2005	318,082	89,206	4,509	-	-	777,472	1,189,269
Effects of adopting							
- FRS 39	-	-	-	-	29,138	99	29,237
- FRS 102	-	-	-	8,942	-	(8,942)	-
As restated	318,082	89,206	4,509	8,942	29,138	768,629	1,218,506
Profit for the quarter	-	-	-	-	-	68,209	68,209
Share-based payment expenses	-	-	-	1,911	-	-	1,911
Net fair value changes on available-for-sale assets	-	-	-	-	(1,002)	-	(1,002)
Issue of shares	132	-	-	-	-	-	132
Premium on issue of shares	-	2,297	-	-	-	-	2,297
Balance as at November 30, 2005	318,214	91,503	4,509	10,853	28,136	836,838	1,290,053
Balance as at September 1, 2004	316,527	62,319	4,509	-	-	883,559	1,266,914
Effects of adopting							
- FRS 102	-	-	-	2,568	-	(2,568)	-
As restated	316,527	62,319	4,509	2,568	-	880,991	1,266,914
Profit for the quarter	-	-	-	-	-	183,427	183,427
Share-based payment expenses	-	-	-	907	-	-	907
Issue of shares	567	-	-	-	-	-	567
Premium on issue of shares	-	9,761	-	-	-	-	9,761
Balance as at November 30, 2004	317,094	72,080	4,509	3,475	-	1,064,418	1,461,576

- 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 September 1, 2005 and November 30, 2005, pursuant to the Singapore Press Holdings Group (1999) Share Option Scheme (the "1999 Scheme"), the Company issued 656,450 ordinary shares of S\$0.20 each upon the exercise of options.
- (b) As a result of the 656,450 ordinary shares issued pursuant to the 1999 Scheme, the Company issued 6,631 management shares of S\$0.20 each in accordance with the Newspaper and Printing Presses Act, Cap. 206 between September 1, 2005 and November 30, 2005.
- (c) There was no grant of share options to subscribe for ordinary shares of S\$0.20 each under the 1999 Scheme during the current first quarter.
- (d) Under the 1999 Scheme, options to subscribe for 59,941,125 ordinary shares of S\$0.20 each remain outstanding as at November 30, 2005 compared to 51,354,725 ordinary shares of S\$0.20 each as at November 30, 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 2, 2005), no shares were bought back by the Company during the current first quarter.

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

Review

The figures for the first quarter 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 first quarter ended November 30, 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 September 1, 2005 to November 30, 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, 5, 6, 7, 8 and 13 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.

Apart from FRS 39 – Financial Instruments: Recognition and Measurement and FRS 102 – Share-based Payments, the adoption of the new and revised FRS does not have any significant financial impact on the Group. The financial effects of adopting FRS 39 and 102 are summarised in note 5 below.

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**

FRS 39

Prior to the adoption of FRS 39, long-term investments in equity securities are stated at cost less diminution in value. Long-term investments in bonds are stated at cost, adjusted for amortisation of premium and accretion of discount and diminution in value. Short-term investments are stated at the lower of cost and realisable value on an individual basis.

With the adoption of FRS 39, these investments are now measured at fair values with gains or losses recognised either in the income statement or the reserves, in accordance with the requirements under the Standard. FRS 39 is applied prospectively, and as prescribed by the Standard, the comparative figures for financial year ended August 31, 2005 are not restated. Instead, the effects of adopting FRS 39 had been adjusted one-off to the opening reserves as at September 1, 2005.

The transitional impact on the Group's opening reserves and balance sheet items on adopting FRS 39 on September 1, 2005 is illustrated in the table below:

	<u>S\$ million</u>
Increase/ (decrease) in:	
Retained profit	29.7
Fair value reserve	309.3
Hedging reserve	(4.3)
	<u>334.7</u>
Long-term investments	286.0
Short-term investments	68.7
Other financial assets	0.6
Other financial liabilities	(7.2)
Deferred taxation	(13.4)
	<u>334.7</u>

FRS 102

Under FRS 102, share options to employees are measured at fair value at the date of grant and recognised as part of staff costs over the vesting period. The standard applies to share options granted to employees after November 22, 2002 and not vested by January 1, 2005. Prior to the adoption of FRS 102, the granting of share options to employees did not result in any charges to the profit and loss account.

The application of FRS 102 is retrospective and accordingly, the comparative financial statements are restated and the financial impact on the Group is as follows:

	Increased/(decreased) by	
	S\$'000	
Profit for the period September – November 2005	(1,911)	
Profit for the period September – November 2004	(907)	
Retained profit as at September 1, 2005	(8,942)	
Retained profit as at September 1, 2004	(2,568)	
Shared-based compensation reserve as at September 1, 2005	8,942	
Shared-based compensation reserve as at September 1, 2004	2,568	

	30.11.2005	30.11.2004
Decrease in basic EPS after exceptional items (S\$)	0.001	0.001
Decrease in diluted EPS after exceptional items (S\$)	0.001	0.001

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 First Quarter ended November 30, 2005

		Group	
		1Q 2006	1Q 2005 Restated
(a)	Based on the weighted average number of shares on issue (S\$)	0.06	0.14
(b)	On fully diluted basis (S\$)	0.06	0.14

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	
	Nov 30, 2005	Aug 31, 2005 Restated	Nov 30, 2005	Aug 31, 2005 Restated
Net asset value per share based on issued share capital at the end of period (S\$)	1.29	1.02	0.81	0.75

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/ Review of Results

Business Segments

The Group is organised into three major operating segments, namely Newspaper and Magazine, Treasury and Investment and Property. The Newspaper and Magazine segment is involved in the publishing, printing and distributing of newspapers and magazines. The Treasury and Investment segment manages the investment activities of the Group. The Property segment holds and manages properties owned by the Group. Other operations under the Group, which are not deemed significant to be reported separately, are included under "Others". These comprise TV broadcasting through our interest in MediaCorp TV Holdings Pte Ltd and radio broadcasting through our interest in UnionWorks Pte Ltd, Internet business and outdoor advertising business.

Review of Results

- 8.1 Operating revenue for the Newspaper, Magazine and Property segments was boosted by the economic growth in Singapore and business and consumer sentiments continued to be positive. Operating revenue for the Newspaper and Magazine segment increased 2.2% as print advertising rose 3.1% to S\$178.8 million. Circulation revenue remained at last year's level of S\$50.9 million (after absorption of S\$2.5 million in GST) while revenue from the Property segment was 13.3% higher than last year. However, despite higher operating revenue from Newspaper, Magazine and Property segments, the Group operating revenue of S\$261.2 million for the first quarter fell by 1.6% compared to the corresponding period last year consequent to the cessation of SPH MediaWorks' operations.

- 8.2 Materials, consumables and broadcasting costs were lower by S\$18.9 million mainly attributable to cost savings from the cessation of TV broadcasting business. Newsprint costs increased by 7.2% due to price increase.

Staff costs fell by S\$1.4 million with the reduction in headcount due to the cessation of the TV broadcasting business. This was partially negated by higher staff costs arising from higher share-based payment expenses, higher staff variable bonus provision this year as a result of timing difference in provision in the corresponding period last year and annual staff salary increment.

Other operating expenses were up S\$2.5 million as last year included a credit of S\$3.9 million comprising costs capitalised to broadcasting inventory. This was partially offset by lower foreign exchange loss this year.

- 8.3 Consequently, profit before investment income at S\$103.0 million was 15.5% higher against the corresponding period last year.
- 8.4 Group investment income at S\$19.5 million was S\$133.2 million lower than the corresponding period last year. Excluding one-time gain of S\$128.5 million on StarHub last year, the balance S\$4.7 million of the variance was mainly attributable to lower profit on sale of internally-managed investments and higher foreign exchange loss from US\$ forward contracts, which was partially offset by gain on re-measurement of externally-managed funds with the adoption of FRS 39.
- 8.5 The Group's share of losses of associates and jointly controlled entity comprised mainly losses from Magazine companies. Share of losses from MediaCorp TV Holdings (S\$0.6 million) was offset by share of profit from MediaCorp Press Ltd (S\$0.6 million).
- 8.6 Taxation charge of S\$23.3 million was arrived at after accounting for tax on the taxable income at 20%. Last year's taxation charge took into account group relief of S\$2.3 million from utilisation of the Group's subsidiary, SPH MediaWorks' tax losses and capital allowances. There were no 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.

10. **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

- 10.1 The positive sentiment over the economic growth momentum in Singapore will continue to have a favourable impact on the Group's advertising revenue in the near term. However, persistent global concerns such as pressure on oil prices and interest rates, and risk of avian flu pandemic might have a dampening effect on the pace of growth in the Singapore economy in the medium term. The rise in newsprint prices is expected to continue at a measured pace.
- 10.2 Operating performance of the Group's property business segment is expected to remain at current levels.
- 10.3 Excluding non-recurring gains, the Group's investment income is expected to vary with the performance of the local and global financial markets.
- 10.4 Overall, the Directors expect the Group's recurring earnings for the current financial year to be satisfactory.

11. **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.

12. **If no dividend has been declared/recommended, a statement to that effect**

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

13. Segmental Information (Group)

	Operating Revenue			Profit/(Loss) Before Taxation		
	1Q 2006 S\$'000	1Q 2005 S\$'000	Change %	1Q 2006 S\$'000	1Q 2005 ^ S\$'000	Change %
Newspaper & Magazine	235,317	230,193	2.2	90,702	94,437	(3.9)
Treasury & Investment	-	-	NM	19,363	152,557 *	(87.3)
Property	23,955	21,140	13.3	12,570	10,179	23.5
Others	1,918	14,046 #	(86.3)	(763)	(15,336) #	(95.0)
	<u>261,190</u>	<u>265,379</u>	(1.6)	<u>121,872</u>	<u>241,837</u>	(49.6)

^ The segmental information for first quarter 2005 has been restated to take into account the retrospective adjustments relating to FRS 102 – Share-based Payment. Please see paragraph 5 for details.

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

Included financial results of SPH MediaWorks which ceased operations from January 1, 2005.

14. Reclassification

The comparative figures of the amounts owing by/to associates and jointly controlled entity and loan to associate, which were previously included in interests in associates and jointly controlled entity, have been reclassified and shown separately in the balance sheet. The reclassification was made to conform with current year's presentation. The comparative amount reclassified out of interest in associates and jointly controlled entity are as follows:

	GROUP <u>2005</u> S\$'000	COMPANY <u>2005</u> S\$'000
Interests in associates as reported on August 31, 2005	34,103	35,172
Reclassified to "Amount owing by associates"	(6,029)	(6,012)
Reclassified to "Amount owing to associates"	1	-
	<u>28,075</u>	<u>29,160</u>
Interests in jointly controlled entity as reported on August 31, 2005	33	-
Reclassified to "Amount owing by jointly controlled entity"	(33)	-
	<u>-</u>	<u>-</u>

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
January 12, 2006