

**SPEECH BY DR TONY TAN KENG YAM, CHAIRMAN OF THE  
SINGAPORE PRESS HOLDINGS, AT SPH ANNUAL GENERAL  
MEETING HELD ON THURSDAY 4 DECEMBER 2008 AT 10.30 AM**

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**Ladies and Gentlemen, thank you for your attendance at this AGM.**

**Before we commence the business of the meeting, let me give an overview of SPH Group's performance in the past year.**

**I also want to speak about the difficult times we are in and how we must brace ourselves for the challenges ahead.**

**Overview of SPH Group Performance**

**SPH turned in a strong performance in the last financial year. Our group revenue exceeded \$1.3 billion, which was a record high. Our operating profit grew 17.5 per cent to \$502 million. But lower profits from our investments, as well as an impairment charge for our investments in associates, resulted in our net profits decreasing by 12.4 per cent to \$437 million.**

**Our newspaper and magazine business did well and continued to bring in the bulk of our profits. This was despite the gloomy forecasts for the newspaper industry worldwide.**

**Underpinned by a commendable 7.6 per cent growth in print advertisement revenue, the newspapers and magazines segment grew its**

**total revenue by 5.7 per cent to \$1,014 million. The Straits Times, our flagship English daily, extended its reach to 1.44 million readers.**

**To stay relevant to our changing readership, we revamped many of our newspapers, among them The Straits Times, The Business Times Weekend, The New Paper, Lianhe Wanbao and Shin Min Daily News. My Paper became a full-fledged bilingual newspaper, and tabla!, an English freesheet, was launched for the Indian diaspora.**

**Today, we have 17 newspaper titles in 4 different languages catering to the varied needs of our population.**

**We also invested in a new printing press as part of our undiminished commitment to delivering quality print products.**

**We have grown our magazine business to over 110 titles in the Asian region, from China to the Middle East, with a revenue of \$90 million. In addition, we have strengthened our property investments with the development of Sky@eleven and the renovations at Paragon.**

**To stay in the forefront of the digital media space, we launched new products like omy, rednano, and The Straits Times Razor TV. AsiaOne and straitstimes.com have been enhanced with new content.**

**In addition, we have diversified into adjacent businesses to secure SPH's long term growth.**

**We are part of the OpenNet consortium which won the bid to build Singapore's Next Generation Broadband Network.**

**We started Sphere Exhibits to gain a stronger presence in the events and exhibitions sector.**

**Its inaugural event, the Food Safari and Home Electronics Fair, was a success with over 250,000 visitors in 3 days.**

**We acquired the publishing business of SNP International Publishing. This was followed by another acquisition of Shareinvestor.com, adding online financial services to our growing portfolio of Internet services.**

**2007/2008 has been a busy and successful year for SPH. I am gratified that our efforts have been recognised and we continued to win awards in areas such as editorial, printing, human resources, and corporate social responsibility.**

**SPH has also been held up by stakeholders and investor groups as a model for corporate governance and transparency.**

## **ECONOMIC OUTLOOK**

**Looking ahead, the economy in 2009 will continue to be on the decline.**

**Singapore is currently in a recession which is likely to last for several quarters.**

**The world economy is going through a phase where excesses are being purged.**

**This is a multi-sector, global phenomenon - quite unlike anything we have seen since the 1930s.**

**With its global linkages and open economy, Singapore will be buffeted by the global economic storms.**

**We do not know when the global economic storms will clear but it would be prudent to make the necessary preparations in the event that the Singapore economy undergoes a prolonged period of below average growth through 2009 and possibly 2010 before hopefully improving in 2011. This will inevitably have an impact on SPH's business.**

**In anticipation of the decline in the Singapore economy, SPH has, since early this year, taken measures to cope with the adverse economic circumstances.**

**We have slowed down our hiring, instituted a pay freeze for all senior management staff, tightened our operations and strengthened our financial resources.**

**SPH is therefore in good shape to ride out the downturn although it will be painful.**

**To maintain our viability, we will further review our operations to ensure maximum efficiency, introduce additional cost management measures and continue to upgrade our plant and train our people.**

**Going forward, we will tread cautiously, manage our resources conservatively and be on the lookout for the appropriate business opportunities.**

**Despite the economic downturn, we will continue to build up our businesses and products, help our people to keep their jobs and give back to society as a good corporate citizen.**

**2009 will be SPH's 25th anniversary since SPH was formed through the merger of The Straits Times Press and Singapore News and Publications Ltd.**

**While our newspaper and magazine business will be affected by the downturn, we are fortunate to have invested in our property projects and we anticipate profits from these projects.**

**Barring unforeseen circumstances, we expect to turn in a satisfactory performance overall in 2009.**

**In conclusion, I would like to thank all shareholders for your loyalty over the years.**

**With your continued support, SPH will weather the economic storm and emerge from the downturn a stronger and more resilient company.**

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