

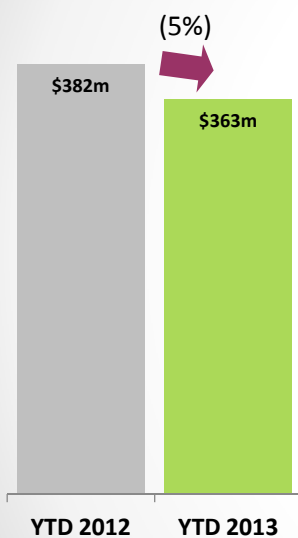


**Times Publishing Group**

12 November 2013

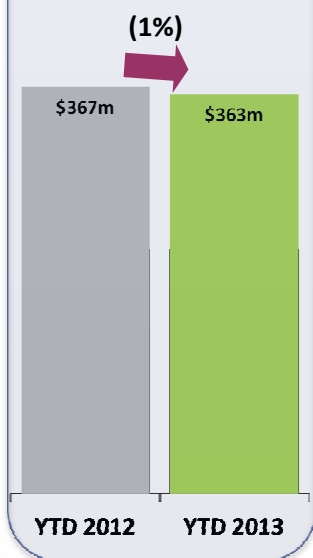
## FINANCIAL HIGHLIGHTS

### Revenue



### Revenue

(Normalised<sup>1</sup>)



1. Normalised Revenue down slightly by \$4M
2. Overseas demand for Education products remain strong
3. Offset by lower print selling prices and weak magazine sales

<sup>1</sup> Excluding discontinued businesses of Library Reference (US), domestic publishing business in Malaysia and magazine export distribution in Australia

# FINANCIAL HIGHLIGHTS

\$ ' million	2013	2012	Chg
<b>Revenue</b>	<b>363</b>	<b>382</b>	<b>(5%)</b>
<b>Operating Profit<sup>1</sup> (b/f EI)</b>	<b>1.8</b>	<b>4.6</b>	<b>(62%)</b>
Share of Associates	7.9	(0.6)	NM
<b>PBIT<sup>2</sup> (b/f EI)</b>	<b>9.6</b>	<b>4.1</b>	<b>136%</b>
<b>APBE<sup>3</sup></b>	<b>2.9</b>	<b>(5.0)</b>	<b>NM</b>

<sup>1</sup> Denotes profit excluding fair value adjustments on investment properties (FRS40) Before Exceptional Items and Tax

<sup>2</sup> PBIT excludes FRS40 but includes the share of associates results

<sup>3</sup> Denotes Attributable Profit Before Exceptional Items

1. Operating profit declined to \$1.8M largely due to lower profitability of magazine distribution business & one off impairment provision for printing equipment but partly mitigated by improvement in Publishing operating profit.
2. APBE lifted by stronger performance of Associates.

# PUBLISHING HIGHLIGHTS

1. Education Publishing continued to contribute strongly to Group
2. Long-term strategy of expanding outside Singapore base seeing positive results
3. While expanding outwards, leadership position in Singapore maintained
4. Digital Education division made positive inroads into key market of US, with successful US school adoptions of Math Buddies (digital Maths programme)
5. Continued to invest in talent development to expand Education Publishing business especially overseas markets

## PRINTING HIGHLIGHTS

1. Base print volume was secured through the renewal of major contracts
2. Falling demand from Western markets of US, Europe & Australia counteracted by strategy to increase local & regional print work
3. Overall print volume up but at the expense of declining print prices
4. Keen competition and increased labour cost in China squeezed Print margins
5. Stringent cost management measures helped reduce overall unit operating cost but could not compensate decline in print selling prices

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## RETAIL & DISTRIBUTION HIGHLIGHTS

1. Book distribution remained unaffected partly due to securing a major book distribution rights. Credible performance in tough market conditions albeit bookshop closures
2. Magazine Distribution hit by lower readership levels & higher trade returns. Product diversification strategy to non-mag products achieved mixed results
3. Retail conditions remain difficult, with lower shopper traffic a key concern.
4. Constant review of merchandise offers to ensure relevance and continuous optimization of retail operational efficiencies
5. Australian Distribution business affected by weak consumer sentiments

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# IN SUMMARY

1. Strategic steps taken to further strengthen and expand the Education Publishing business
2. Efficiency programs for Print Group need to be stepped up further. Renewed focus on local print market where opportunities still abundant
3. Continue to invest in human capital for Education Publishing (local and overseas markets)
4. Strong balance sheet with net cash improving to \$43M from \$34M last year

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