

The initial public offering of the shares of S\$0.05 each in the capital of Yellow Pages (Singapore) Limited was sponsored by UBS AG, acting through its business group, UBS Investment Bank, and DBS Bank Ltd

YELLOW PAGES (SINGAPORE) LIMITED
(Co. Reg. No. 200304719G)
AND ITS SUBSIDIARIES

SGXNET ANNOUNCEMENT
UNAUDITED FINANCIAL INFORMATION
For the financial year ended 31 March 2005

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3),
HALF YEAR AND FULL YEAR RESULTS**

(1)(a)(i) Consolidated income statement, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | FY2004/05 1.4.2004 to 31.3.2005 S\$ | FY2003/04 23.5.2003* to 31.3.2004 S\$ | Change % |
|--|--|--|-------------|
| Operating revenue | 61,316,966 | 54,516,194 | 12.5 |
| Other operating income | 912,690 | 626,191 | 45.8 |
| Printing and material costs | (8,995,635) | (7,295,523) | 23.3 |
| Staff costs | (15,117,083) | (12,993,843) | 16.3 |
| Depreciation | (1,748,076) | (922,278) | 89.5 |
| Amortisation | (763,502) | (192,861) | 295.9 |
| Other operating expenses** | (6,889,917) | (9,461,618) | -27.2 |
| Total operating expenses | <u>(33,514,213)</u> | <u>(30,866,123)</u> | 8.6 |
| Profit from operations | 28,715,443 | 24,276,262 | 18.3 |
| Finance income | 1,222,548 | - | N.M. |
| Finance expense | (16,249,753) | (11,301,775) | 43.8 |
| Share of results of associated companies before tax | <u>(890,507)</u> | <u>1,040,341</u> | N.M. |
| Profit before tax | 12,797,731 | 14,014,828 | -8.7 |
| Income tax expense | <u>(2,515,857)</u> | <u>(2,907,674)</u> | -13.5 |
| Net profit for the financial year/period | <u>10,281,874</u> | <u>11,107,154</u> | -7.4 |

* Date of incorporation of the Company

** Included in other operating expenses are selling and administrative expenses of S\$4,844,352 (FY2003/04: S\$7,723,344).

| | | | |
|--|--------------|-------------|-------|
| 1(a)(ii) Other operating income and interest income | 1,035,238 | 626,191 | 65.3 |
| Interest on borrowings | (10,630,023) | (9,908,741) | 7.3 |
| Write back of/(allowance for) doubtful debts | 23,667 | (1,476,734) | N.M. |
| Foreign exchange gain/(loss) | (58,548) | (115,592) | -49.3 |
| Gain/(loss) on sale of properties, plant and equipment | (844) | - | N.M. |

N.M. - Not meaningful

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

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Mar-05 | Mar-04 | Mar-05 | Mar-04 |
| | S\$ | S\$ | S\$ | S\$ |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 36,622,170 | 11,359,202 | 36,173,740 | 10,715,287 |
| Trade and other receivables | 18,622,117 | 24,796,406 | 17,706,011 | 24,025,123 |
| Inventories | 6,980,688 | 5,977,294 | 6,083,389 | 5,536,536 |
| Other current assets | 710,030 | 473,164 | 616,102 | 302,218 |
| Due from subsidiaries | - | - | 1,266,480 | 1,771,165 |
| Due from associated companies | 13,072 | 31,158 | 2,773 | 9,608 |
| | <u>62,948,077</u> | <u>42,637,224</u> | <u>61,848,495</u> | <u>42,359,937</u> |
| Non-current assets | | | | |
| Other receivables | 5,840 | 20,924 | 5,840 | 18,907 |
| Other non-current assets | 172,477 | 172,941 | 147,733 | 147,733 |
| Due from subsidiaries | - | - | 1,199,708 | 1,355,646 |
| Investment in a subsidiary | - | - | 357,938 | 357,938 |
| Investments in associated companies | 1,835,803 | 2,598,960 | 1,954,809 | 1,954,809 |
| Property, plant and equipment | 20,719,956 | 21,906,686 | 18,912,939 | 20,007,878 |
| Intangible assets | 174,308,156 | 175,071,658 | 173,555,375 | 174,318,877 |
| Deferred income tax assets | 1,635,167 | 344,199 | 1,109,117 | 344,199 |
| | <u>198,677,399</u> | <u>200,115,368</u> | <u>197,243,459</u> | <u>198,505,987</u> |
| Total assets | <u>261,625,476</u> | <u>242,752,592</u> | <u>259,091,954</u> | <u>240,865,924</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 5,446,495 | 6,008,955 | 5,074,001 | 5,612,790 |
| Advance receipts and billings | 4,655,611 | 3,525,787 | 3,769,353 | 3,428,205 |
| Due to associated companies | 2,698 | - | 201 | - |
| Borrowings | - | 19,008,330 | - | 19,008,330 |
| Current income tax liabilities | 4,210,714 | 2,995,026 | 4,169,633 | 2,957,738 |
| | <u>14,315,518</u> | <u>31,538,098</u> | <u>13,013,188</u> | <u>31,007,063</u> |
| Non-current liabilities | | | | |
| Borrowings | 129,231,094 | 189,438,440 | 129,231,094 | 189,438,440 |
| Interest payable to previous holding corporation | - | 5,666,121 | - | 5,666,121 |
| | <u>129,231,094</u> | <u>195,104,561</u> | <u>129,231,094</u> | <u>195,104,561</u> |
| Total liabilities | <u>143,546,612</u> | <u>226,642,659</u> | <u>142,244,282</u> | <u>226,111,624</u> |
| Net assets | <u>118,078,864</u> | <u>16,109,933</u> | <u>116,847,672</u> | <u>14,754,300</u> |
| SHAREHOLDERS' EQUITY | | | | |
| Share capital | 7,903,250 | 5,000,000 | 7,903,250 | 5,000,000 |
| Share premium | 88,785,219 | - | 88,785,219 | - |
| Retained earnings | 21,389,028 | 11,107,154 | 20,159,203 | 9,754,300 |
| Translation reserve | 1,367 | 2,779 | - | - |
| | <u>118,078,864</u> | <u>16,109,933</u> | <u>116,847,672</u> | <u>14,754,300</u> |

(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities.

| | Mar-05 | Mar-04 |
|---|--------------------|--------------------|
| | S\$ | S\$ |
| Amount repayable in one year or less, or on demand | | |
| Bank term loan (secured) | - | 19,008,330 |
| | <u>-</u> | <u>19,008,330</u> |
| Amount repayable after one year | | |
| Bank term loan (secured) | - | 106,438,440 |
| Loan from previous holding corporation (unsecured) | - | 83,000,000 |
| Bonds (unsecured) | 129,231,094 | - |
| | <u>129,231,094</u> | <u>189,438,440</u> |

The unsecured bonds, which were issued and listed on the Singapore Exchange Securities Trading Limited on 30 September 2004, will mature on 30 September 2009. The bonds were issued to re-finance the bank term loan, which has been fully repaid on 30 September 2004. The bank term loan was secured over the Company's total assets, capped at the amount outstanding.

The loan from previous holding corporation was repaid on 9 December 2004 using the proceeds from the Initial Public Offering of shares.

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

| | FY2004/05 1.4.2004 to 31.3.2005 S\$ | FY2003/04 23.5.2003* to 31.3.2004 S\$ |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 12,797,731 | 14,014,828 |
| Adjustments for : | | |
| Share of results of associated companies | 890,507 | (1,040,341) |
| Depreciation of property, plant and equipment | 1,748,076 | 922,278 |
| Loss on sale of property, plant and equipment | 844 | - |
| Amortisation of intangible assets | 763,502 | 192,861 |
| Amortisation of deferred financing costs | 5,538,641 | 1,307,733 |
| Gain from termination of interest rate swap | (1,100,000) | - |
| Interest income | (122,548) | - |
| Interest expense | 10,630,023 | 9,908,741 |
| Exchange differences | 36,201 | 54,468 |
| Operating cash flows before working capital changes | <u>31,182,977</u> | <u>25,360,568</u> |
| Change in operating assets and liabilities | | |
| Inventories | (1,003,394) | 5,263,551 |
| Receivables | 6,016,737 | 1,221,492 |
| Advance receipts and billings | 1,129,824 | (981,933) |
| Payables | <u>(563,617)</u> | <u>(840,462)</u> |
| Cash generated from operations | 36,762,527 | 30,023,216 |
| Income tax paid | (2,888,996) | (10,209) |
| Interest paid | - | <u>(44,549)</u> |
| Net cash inflow from operating activities | <u>33,873,531</u> | <u>29,968,458</u> |
| Cash flow from investing activities | | |
| Acquisition of business, net of cash acquired | - | (225,123,320) |
| Purchase of property, plant and equipment | (600,576) | (1,567,003) |
| Proceeds from sale of property, plant and equipment | 3,464 | - |
| Interest received | 78,902 | - |
| Dividend received from an associated company | 177,279 | 111,195 |
| Net cash outflow from investing activities | <u>(340,931)</u> | <u>(226,579,128)</u> |
| Cash flow from financing activities | | |
| Proceeds from bank term loan | - | 140,000,000 |
| Repayment of bank term loan | (130,900,000) | (9,100,000) |
| Proceeds from termination of interest rate swap | 1,100,000 | - |
| Payment for deferred financing costs | (854,317) | (6,760,963) |
| Interest paid | (16,295,923) | (4,169,165) |
| (Repayment of)/proceeds from loan from previous holding corporation | (83,000,000) | 83,000,000 |
| Proceeds from issue of bonds | 130,000,000 | - |
| Net proceeds from issue of shares | 91,688,469 | 5,000,000 |
| Net cash (outflow)/inflow from financing activities | <u>(8,261,771)</u> | <u>207,969,872</u> |
| Net increase in cash and cash equivalents | 25,270,829 | 11,359,202 |
| Cash and cash equivalents at beginning of the financial year/period | 11,359,202 | - |
| Effects of exchange rate changes on cash and cash equivalents | <u>(7,861)</u> | <u>-</u> |
| Cash and cash equivalents at end of the financial year/period | <u>36,622,170</u> | <u>11,359,202</u> |

* Date of incorporation of the Company

(1)(d)(i) Statement of all changes in equity (for the issuer and group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| <u>The Group</u> | <u>Share capital</u> S\$ | <u>Share premium</u> S\$ | <u>Retained earnings</u> S\$ | <u>Translation reserve</u> S\$ | <u>Total</u> S\$ |
|--|-----------------------------|-----------------------------|---------------------------------|-----------------------------------|---------------------|
| Balance at 1 April 2004 | 5,000,000 | - | 11,107,154 | 2,779 | 16,109,933 |
| Net loss recognised directly in equity | | | | | |
| - Currency translation differences | - | - | - | (1,412) | (1,412) |
| Net profit for the financial year | - | - | 10,281,874 | - | 10,281,874 |
| Total gain/(loss) recognised for the financial year | - | - | 10,281,874 | (1,412) | 10,280,462 |
| Issue of share capital | 2,903,250 | 93,484,650 | - | - | 96,387,900 |
| Expenses of share issue | - | (4,699,431) | - | - | (4,699,431) |
| Balance at 31 March 2005 | 7,903,250 | 88,785,219 | 21,389,028 | 1,367 | 118,078,864 |
| Balance at 23 May 2003 (date of incorporation) | 2 | - | - | - | 2 |
| Net gain recognised directly in equity | | | | | |
| - Currency translation differences | - | - | - | 2,779 | 2,779 |
| Net profit for the financial period | - | - | 11,107,154 | - | 11,107,154 |
| Total gain recognised for the financial period | - | - | 11,107,154 | 2,779 | 11,109,933 |
| Issue of share capital | 4,999,998 | - | - | - | 4,999,998 |
| Balance at 31 March 2004 | 5,000,000 | - | 11,107,154 | 2,779 | 16,109,933 |

| <u>The Company</u> | <u>Share capital</u> S\$ | <u>Share premium</u> S\$ | <u>Retained earnings</u> S\$ | <u>Total</u> S\$ |
|---|---------------------------------|---------------------------------|-------------------------------------|---------------------|
| Balance at 1 April 2004 | 5,000,000 | - | 9,754,300 | 14,754,300 |
| - Net profit for the financial year | - | - | 10,404,903 | 10,404,903 |
| Total gain recognised for the financial year | - | - | 10,404,903 | 10,404,903 |
| Issue of share capital | 2,903,250 | 93,484,650 | - | 96,387,900 |
| Expenses of share issue | - | (4,699,431) | - | (4,699,431) |
| Balance at 31 March 2005 | 7,903,250 | 88,785,219 | 20,159,203 | 116,847,672 |
| Balance at 23 May 2003 (date of incorporation) | 2 | - | - | 2 |
| - Net profit for the financial period | - | - | 9,754,300 | 9,754,300 |
| Total gain recognised for the financial period | - | - | 9,754,300 | 9,754,300 |
| Issue of share capital | 4,999,998 | - | - | 4,999,998 |
| Balance at 31 March 2004 | 5,000,000 | - | 9,754,300 | 14,754,300 |

- (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 on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital

Details of movement in the Company's share capital for the financial year are as follows:

| | Shares | S\$ |
|---|---------------|------------|
| (a) <u>Authorised</u> | | |
| Balance at 1 April 2004 | | |
| - ordinary shares of S\$1.00 each | 10,000,000 | 10,000,000 |
| | <hr/> | <hr/> |
| Sub-division of each ordinary share of S\$1.00 into 20 ordinary shares of S\$0.05 each on 29 Oct 2004 | 200,000,000 | - |
| | <hr/> | <hr/> |
| Balance at 31 March 2005 | 200,000,000 | 10,000,000 |
| | <hr/> | <hr/> |
| (b) <u>Issued and fully paid</u> | | |
| Balance at 1 April 2004 | | |
| - ordinary shares of S\$1.00 each | 5,000,000 | 5,000,000 |
| | <hr/> | <hr/> |
| Sub-division of each ordinary share of S\$1.00 into 20 ordinary shares of S\$0.05 each on 29 Oct 2004 | 100,000,000 | - |
| | <hr/> | <hr/> |
| Issued during the financial year | | |
| - ordinary shares of S\$0.05 each at a premium of S\$1.61 per share pursuant to the Initial Public Offering | 58,065,000 | 2,903,250 |
| | <hr/> | <hr/> |
| Balance at 31 March 2005 | 158,065,000 | 7,903,250 |
| | <hr/> | <hr/> |

Share options

During the financial year ended 31 March 2005, the Company granted options of 1,264,103 ordinary shares of S\$0.05 each with an exercise price of S\$1.66 each under the Yellow Pages Share Option Scheme. None of these options has been exercised as at 31 March 2005.

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

The figures have not been audited but have been reviewed by PricewaterhouseCoopers in accordance with the Singapore Statement of Auditing Practice 11 - Review of Interim Financial Information.

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

The Board of Directors
Yellow Pages (Singapore) Limited
Yellow Pages Building
1 Lorong 2 Toa Payoh
Singapore 319637

24 May 2005

Our ref : ASS2C/02518980-A000/GU/TSO(14)

Dear Sirs

**YELLOW PAGES (SINGAPORE) LIMITED AND ITS SUBSIDIARIES
REVIEW OF FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005**

We have performed a review on certain financial information of Yellow Pages (Singapore) Limited (the "Company") and its subsidiaries (the "Group") as at 31 March 2005 and for the financial year ended 31 March 2005. Such financial information has been prepared by the Company for announcement on the Singapore Exchange.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual (the "Listing Manual") requires the preparation of financial information to be in compliance with the relevant provisions thereof. The accompanying financial information comprises the balance sheet of the Company and the consolidated balance sheet of the Group as at 31 March 2005, and the related income statements, changes in equity and consolidated cash flows for the financial year then ended. The financial information reviewed by us is restricted to that as set out in paragraph 1 of this announcement. The 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 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 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 completed our 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 are any material modifications that need to be made to the accompanying financial information for it to be in accordance with Appendix 7.2 of the Listing Manual.

Yours faithfully

PricewaterhouseCoopers
Certified Public Accountants
Singapore

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

The accounting policies and methods of computation used are consistent with those used in the most recently audited annual financial statements.

- (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 the effect of, the change.**

Not applicable.

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

| | <u>The Group</u> | |
|--|---------------------------------------|--|
| | FY2004/05 1.4.2004 to 31.3.2005 | FY2003/04 23.5.2003 to 31.3.2004 |
| Based on weighted average number of ordinary shares in issue (cents) | <u>8.72</u> | <u>11.11</u> |
| On a fully diluted basis (cents) | <u>8.71</u> | <u>11.11</u> |

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

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|--------------|--------------------|--------------|
| | Mar-05 | Mar-04 | Mar-05 | Mar-04 |
| Net asset value per ordinary share based on issued share capital of the Company at the end of the financial year/period (cents) | <u>74.70</u> | <u>16.11</u> | <u>73.92</u> | <u>14.75</u> |

- (8) **Review of the performance of the group.**

During the financial year ended 31 March 2005, the Group registered an increase in operating revenue as compared to last year. However, the Group's results in the current year were not directly comparable with last year's. As the Company acquired the business, certain assets and liabilities of SingTel Yellow Pages Pte Ltd (presently known as SingTel Interactive Pte Ltd) on 30 June 2003, the Group's results for the financial period from 23 May 2003 (date of incorporation of the Company) to 31 March 2004 did not reflect what the results might have been had the currently existing Group been in place since 1 April 2003.

To enable an illustrative comparison of the Group's performance, a summarised illustrative income statement of the Group for the year ended 31 March 2004 has also been prepared. The objective of the illustrative income statement is to show what the Group's results might have been had the present Group structure and ownership been in place since 1 April 2003. The illustrative income statement has been prepared on a basis consistent with that of the proforma financial statements found within the "Basis of Presentation and Compilation of the Proforma Financial Statements of the Group" section in the Prospectus dated 22 November 2004. It is, however, not necessarily indicative of the results that would

have been attained if the Group had been in existence since 1 April 2003 and should not be relied upon for comparison purposes.

The illustrative income statement is outlined in the "Comparison with illustrative income statement for the year ended 31 March 2004" narrative below. Whilst accounting policies used for the illustrative income statement are consistent with those adopted for the Group's actual income statements for the year ended 31 March 2005, it is not compiled in a format to provide all disclosures required to comply with all applicable Singapore generally accepted accounting principles. It is compiled to provide the summary financial information for illustration purposes only. The financial information in the illustrative income statement has not been subject to audit or review.

Year Ended 31 March 2005

Comparison with actual period ended 31 March 2004

For the year ended 31 March 2005, operating revenue of the Group was S\$61.3M, consisting mainly of revenue from the 2004/05 edition of the Singapore Phone Directories (SPD). This was 12.5% higher than the S\$54.5M achieved in the corresponding period from 23 May 2003 (date of incorporation of the Company) to 31 March 2004.

The revenue of 2004/05 SPD was recognised based on the number of distributed directories as at the end of March 2005. As the distribution has been substantially completed at the end of the year under review, the full 2004/05 SPD revenue has been recognised. In comparison, although all revenue attributable to 2003/04 SPD had been recognised by 31 March 2004, this comparable revenue represented only three-quarters of the 2003/04 full year SPD advertising revenue. This was because one-quarter of the revenue had already been recognised by SingTel Yellow Pages Pte Ltd prior to the business acquisition on 30 June 2003.

Operating expenses of S\$33.5M were 8.6% higher than last year's due largely to higher staff costs, printing and material costs and depreciation, partially offset by lower selling and administrative expenses. Staff costs and printing and material costs, being the major direct costs of advertising revenue, were recognised proportionately to SPD revenue. As the direct costs in the comparative period were lower due to the lower SPD revenue recognised (as explained in the preceding paragraph), it resulted in the increase in staff costs and printing and material costs in the year under review. Depreciation was higher mainly due to the shorter period of operations in the comparative period. Selling and administrative expenses were lower mainly due to lower provision for doubtful debts and professional fees.

As a result, profit from operations was S\$28.7M, which was 18.3% higher than last year's S\$24.3M. The operating profit margin improved by 2.3 percentage points to 46.8% from last year's 44.5% due to the efficiency achieved from the continuing cost containment measures.

Finance income of S\$1.2M consisted mainly of the one-time, cash gain on termination of interest rate swap relating to the bank term loan which was repaid in advance in September 2004. Finance expense was 43.8% higher than last year primarily because of the S\$4.8M one-time, non-cash amortisation charge of deferred financing cost upon the afore-mentioned early repayment of the bank term loan.

The negative share of results of associated companies was due to the timing difference in the recognition of advertising revenue and direct costs. In order to align with the Group's revenue recognition policy, certain advertising revenue and the related direct costs of an associated company could only be recognised in the next financial year. The impact of this timing difference was a deferment in the recognition of positive share of results before tax of S\$1.8M to FY2005/06.

Tax expense was lower than last year by 13.5% as a result of the recognition of deferred tax assets by two of the subsidiaries in Malaysia.

Consequently, for the year ended 31 March 2005, the Group's profit after tax decreased 7.4% to S\$10.3M as compared to last year's S\$11.1M.

The Group's cash flow generation continued to be strong. Net cash inflow from operating activities was S\$33.9M in FY2004/05, compared to S\$30.0M in the previous year.

Comparison with illustrative income statement for year ended 31 March 2004

| | <u>Actual</u> <u>FY2004/05</u> <u>1.4.2004</u> <u>to</u> <u>31.3.2005</u> <u>S\$M</u> | <u>Illustrative</u> <u>Income</u> <u>Statement</u> <u>FY2003/04</u> <u>1.4.2003</u> <u>to</u> <u>31.3.2004</u> <u>S\$M</u> | <u>Change</u> <u>%</u> |
|--|--|---|---------------------------|
| Operating revenue | 61.3 | 71.8 | -14.6 |
| Other operating income | 0.9 | 0.9 | -4.2 |
| Operating expenses | <u>(33.5)</u> | <u>(40.8)</u> | <u>-17.9</u> |
| Profit from operations | 28.7 | 31.9 | -10.1 |
| Finance income | 1.2 | 0.2 | N.M. |
| Finance expense | (16.2) | (11.3) | 43.8 |
| Share of results of associated companies before tax | <u>(0.9)</u> | <u>1.1</u> | <u>N.M.</u> |
| Profit before tax | <u>12.8</u> | <u>21.9</u> | <u>-41.6</u> |
| Profit after tax | <u>10.3</u> | <u>17.1</u> | <u>-39.8</u> |

The Group's operating revenue for the year ended 31 March 2005 of S\$61.3M was 14.6% lower compared to the illustrative year ended 31 March 2004. The lower operating revenue, which was attributed mainly to 2004/05 SPD, was due to the adverse impact of the after effect of SARS during the canvass period and the cost reduction initiatives adopted by many of our advertisers. There were 11,154 unique advertisers in 2004/05 SPD as compared to 11,766 in 2003/04 SPD. Average revenue per unique advertiser for 2004/05 and 2003/04 SPD were S\$5,144 and S\$5,379 respectively.

Operating expenses of S\$33.5M were 17.9% lower than that in the illustrative comparative year principally due to lower selling and administrative expenses, staff costs and printing and material costs. Selling and administrative expenses decreased mainly because of lower doubtful debts provisioning during the year under review and the higher professional fees incurred during the corresponding year in relation to an analysis of customer profile and the business acquisition. Lower printing and material costs and lower staff costs were due to the lower advertising revenue, as these were the major direct costs of advertising revenue. The lower staff costs were also due to lower staff head count.

The resulting profit from operations of S\$28.7M was 10.1% lower than last year. The operating profit margin improved by 2.3 percentage points to 46.8% from the corresponding year's 44.5% due to the efficiency achieved from the continuing cost containment measures.

The Group's profit after tax of S\$10.3M was lower than last year by 39.8% mainly because of the lower profit from operations, higher finance income and expense and the negative share of results of associated companies (as explained in "Comparison with actual period ended 31 March 2004" above). These were partially offset by a lower tax expense due to lower taxable profits and the recognition of deferred tax assets by two of the subsidiaries in Malaysia.

(9) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are generally in line with :

- i) the guidance provided in the "Prospects" section included in the Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company's Prospectus dated 22 November 2004 issued for the purpose of its Initial Public Offering; and
- ii) the prospect statement disclosed in the SGXNET announcement for the third quarter ended 31 December 2004.

(10) A commentary at the date of the 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.

In 2004, we identified five major initiatives to improve the performance of our SPD as follows:

1. Door-to-door delivery
2. Vertical guides
3. New advertising packages
4. Improved sales strategy
5. New internet strategy

All of these five initiatives have been implemented, with the latest, the door-to-door delivery of the Yellow Pages Buying Guide and the Commercial/Industrial Guide becoming effective in August 2005 when we publish the 2005/06 editions of the two directories. Our focus is to expand the number of advertisers in our directories, with the aim of building a larger base of advertisers in order to produce higher advertising revenue. To date, the initiatives have produced encouraging results, and we expect further positive results after the door-to-door delivery has been implemented for the first time.

For the 2005/06 sales canvass, we have registered a growth in the number of unique advertisers for the SPD from 10,723¹ in the last canvass to over 10,900¹. This is the first time in seven years that our number of advertisers has increased, effectively reversing the downward trend since the 1997/98 edition of the SPD. At the same time, the advertiser retention rate also rose from 75.6% in the last canvass to more than 78%, and the number of new advertisers acquired was up from 2,124 in the last canvass to over 2,500. These are both at their highest levels since the 1997/98 SPD.

Although the number of advertisers has improved, the overall ARPA was lower than that of last canvass as a result of a number of high-spending advertisers cutting back on their budget. The magnitude of the drop in ARPA was higher than the increase in the number of advertisers registered, and as a result, the overall value of sales contracts for the 2005/06 SPD is expected to end up lower than last year's by around 10%.

With the door-to-door delivery of the 2005/06 edition of Yellow Pages Buying Guide and C/I Guide to homes and businesses commencing in August 2005, we are optimistic that it will result in a positive impact on the results of the next sales canvass for the 2006/07 SPD.

We are currently embarking on the canvass launch of the 2006 editions of the Singapore Infocomm Directory (SID) and Visitors' Guide to Singapore (VGS), which will commence on 1 June 2005. We are improving the products by providing more value-added features that will benefit the users. For example, we are planning to introduce a map which will benefit overseas visitors to Singapore. We are also planning to introduce a new Business Sourcing section in SID. In addition, we intend to adopt some of the marketing programmes designed for the SPD and apply them to SID and VGS to improve the retention and acquisition of new advertisers.

The Internet Yellow Pages (IYP) continues to make good progress, with the number of advertisers increasing by 122% and usage of the portal growing 15% over the last financial year. With more focus and resources being devoted to this area, we expect IYP to continue to show strong progress in the coming year.

¹ These figures exclude Malaysian advertisers in the SPD. The total number of SPD advertisers including Malaysian advertisers are 11,154 for the 2004/05 edition and over 11,400 for the 2005/06 edition

(11) Dividends

Current financial year reported on

Final dividend for FY 2004/05

The Board of Directors has proposed a final dividend of 6.5 cents per ordinary share. In addition, a special dividend of 5.3 cents per ordinary share has been recommended. The total dividend of 11.8 cents per ordinary share for the financial year ended 31 March 2005 is a tax exempt (one-tier) dividend.

Corresponding period of the immediately preceding financial year

No dividend had been paid by the Company for the financial period from 23 May 2003 (date of incorporation) to 31 March 2004.

Date payable

To be announced at a later date.

Book closure date

To be announced at a later date.

(12) If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- (13) **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

As the group operates principally in one business segment (directory advertising) and one geographical segment (Singapore), segment information is not presented.

- (14) **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- (15) **A breakdown of sales as follows :-**

| | <u>The Group</u> | | Increase/ Decrease % |
|---|--|---|----------------------------|
| | FY2004/05 1.4.2004 to 31.3.2005 S\$ | FY2003/04 23.5.2003 to 31.3.2004 S\$ | |
| (a) Sales reported for first half year | 45,588,719 | 41,878,259 | 8.9 |
| (b) Profit after tax before deducting minority interests reported for first half year | 10,880,619 | 16,129,519 | -32.5 |
| (c) Sales reported for second half year | 15,728,247 | 12,637,935 | 24.5 |
| (d) Loss after tax before deducting minority interests reported for second half year | (598,745) | (5,022,365) | -88.1 |

- (16) **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows :-**

| | <u>The Company</u> | |
|------------|--|---|
| | FY2004/05 1.4.2004 to 31.3.2005 S\$ | FY2003/04 23.5.2003 to 31.3.2004 S\$ |
| Ordinary | 18,651,670 | - |
| Preference | - | - |
| Total | 18,651,670 | - |