



NEXT MEDIA LIMITED

RESULTS FOR THE YEAR ENDED 31 MARCH 2008

Rising advertising sales and effective, all-round cost-reduction measures yield outstanding 52.2 % increase in net profit

Results:

- Total revenue up 7.4% to HK\$3,483.8 million (2006/07:HK\$3,245.2 million).
- EBITDA up 32.4% to HK\$772.6 million (2006/07:HK\$583.4 million).
- Net profit up 52.2% to HK\$521.3 million (2006/07: HK\$342.4 million).
- Basic earnings per share up 22.2% to HK22.0 cents (2006/07: HK18.0 cents).

Dividends:

- Total dividends per share for 2007/08, up 11.6%, amounting to HK24.0 cents (2006/07: HK21.5 cents)

Strong Operating Performance:

Segment Results of Major Business Divisions

Segment Revenue

Year ended 31 March

Business Division	2008	2007	Change
	HK\$M	HK\$M	%
Newspaper Publishing and Printing Division	2,449.5	2,277.7	+7.5
Books and Magazines Publication Division	872.7	833.0	+4.8

Segment Profit

Year ended 31 March

Business Division	2008	2007	Change
	HK\$M	HK\$M	%
Newspaper Publishing and Printing Division	462.7	316.6	+46.1
Books and Magazines Publication Division	127.6	45.8	+178.6

Next Media achieved record earnings in 2007/08, despite the maturity and fiercely competitive nature of the Hong Kong market, and the lacklustre performance of Taiwan's economy. Next Media's revenue amounted to

HK\$3,483.8 million, which was 7.4% higher than the figure of HK\$3,245.2 million for the previous year. Its net profit rose by 52.2 % to HK\$521.3 million compared to the previous year. This growth was mainly due to increased advertising sales, combined with the comprehensive and effective cost-reduction measures implemented within the Group during the year.

The Newspapers and Printing Division continued to account for the lion's share of the Group's revenues. Its revenue reached HK\$2,449.5 million, an rise of 7.5% on the previous year's figure of HK\$2,277.7 million. This was mainly attributable to the remarkable performances of *Taiwan Apple Daily* and the printing business.

Taiwan Apple Daily's circulation and advertising income grew by 7.8%, and it achieved a net profit of HK\$186.8 million. This was 169.2% greater than the previous year's figure of HK\$69.4 million. Next Media's newspaper printing business scored good results, and its revenue for the year amounted to HK\$445.5 million, a rise of 13.0%. Excluding transactions relating to printing Next Media's own publications, the division's revenue climbed to HK\$164.1 million, an increase of 47.6%. Much of this growth was attributable to its contracts to print Hong Kong's free dailies and increased business from its external customers.

The Books and Magazine Publication Division continued to contribute to the Group's revenues. Its revenue reached HK\$872.7 million during the year under review, which was 4.8% higher than the previous 12 months' revenue of HK\$833.0 million. Its segment profit leapt by an impressive 178.6% to HK\$127.6 million, in contrast to the HK\$45.8 million it recorded during the preceding year.

The Books and Magazines Printing Division's revenue also grew by a 10% to HK\$299.6 million. Internal sales accounted for HK\$177.4 million of this, while sales to external customers made up a further HK\$122.2 million, which was 18.5% more than the preceding year's HK\$103.1 million. The division recorded a segment profit of HK\$66.5 million, an increase of 20.5% over the previous year's figure of HK\$55.2 million.

The Internet Division's external revenue rose by a healthy 25.9% to HK\$39.4 million during the year, compared with HK\$31.3 million the previous year. The

Group is convinced that the division is capable of generating an increasing amount of revenue in the coming years. It has therefore committed to developing the scope and quality of its on-line presence further in the coming years. These capital investments turned the Division's profit of HK\$12.0 million during the preceding year into a segment loss of HK\$21.3 million in 2007/08.

Prospects

Next Media's positive expectations about the Taiwan economy's performance and the ongoing improvement in Hong Kong's business environment lead it to believe that its advertising and sales income will continue to grow in the coming years.

Rising costs in both Hong Kong and Taiwan undoubtedly form the biggest single challenge to the Group, especially as human resources and raw materials are likely to become increasingly expensive. It is very mindful of the negative impact this could have on the bottom line, so it will maintain careful vigilance over costs and seize every opportunity to trim these wherever possible.

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Company Profile

Next Media Limited is the largest listed Chinese print media group in Hong Kong with business spanning across Hong Kong and Taiwan. The Group publishes one newspaper and five magazines in Hong Kong, namely, *Apple Daily*, *Next Magazine*, *FACE*, *Sudden Weekly*, *Eat & Travel Weekly* and *ME!*. The Group also started publishing *Taiwan Next Magazine* in Taiwan in May 2001 and launched *Taiwan Apple Daily* in May 2003. It further launched a free daily, *Sharp Daily*, within the Taipei metropolitan areas since October 2006. Besides publishing, the Group is also engaged in printing and Internet business. The printing business mainly serves the Group's magazines and newspapers. The Internet business mainly provides fee-based content that is adapted from the Group's magazines and newspapers.

For further information, please contact:

Corporate Affairs Department

E-mail: ir@nextmedia.com