



**NEXT MEDIA LIMITED**  
**RESULTS FOR THE YEAR ENDED 31 MARCH 2011**

**Financial Highlights:**

	<b>2010/11</b>	2009/10
	<b>HK\$M</b>	HK\$M
Revenue	<b>3,478.6</b>	3,126.2
EBITDA after non-controlling interests	<b>244.6</b>	535.7
(Loss) Profit for the year	<b>(19.5)</b>	320.8
Basic (Loss) Earnings per share	<b>(1 cent)</b>	13 cents

Next Media recorded total revenue of HK\$3,478.6 million for the year ended 31 March 2011. This represented an increase of 11.3% on the figure of HK\$3,126.2 million achieved in the previous 12 months. However, it made a consolidated loss of HK\$19.5 million, compared to a profit of HK\$320.8 million during the previous financial year. This was mainly due to the sizeable investments made in its nascent TV operation in Taiwan – which is not yet fully operational.

Newspaper Publication and Printing Division continued to account for the largest part of the Group's revenue. The Division's revenue totalled HK\$2,453.3 million, an increase of 12.7% on the figure of HK\$2,176.5 million in the last year. Meanwhile, its segment profit rose by 4.1% to HK\$471.6 million, compared to the previous financial year's figure of HK\$453.1 million.

While facing considerable pressure from the city's free newspapers and online news media, *Apple Daily* remained Hong Kong's most widely read paid-for newspaper in 2010. The strong loyalty of its readers had a favourable influence on *Apple Daily's* revenue, which amounted to HK\$1,095.2 million during the year under review, an increase of 8.3% on the previous financial year's figure of HK\$1,011.6 million. Influenced by the Hong Kong economy's strong recovery during the second half of 2010, the newspaper's advertising sales income amounted to HK\$706.6 million, 16.2% more than the previous financial year's figure of HK\$608.2 million.

*Taiwan Apple Daily* steadily overtook all its rivals to become the island's bestselling and most widely read daily during the fourth quarter of 2008, a position it has retained ever since. Its advertising revenue grew by 26.2% to HK\$826.8 million during the year under review, and its profitability grew by 22.4% to HK\$213.7 million, compared with the previous financial year's HK\$174.6 million.

The Books and Magazines Publication and Printing Division's revenue during the year under review amounted to HK\$1,007.2 million, a 11.3% increase on the previous financial year's figure of HK\$905.1 million. However, its segment profit decreased by 5.9% to HK\$129.8 million, compared to the figure of HK\$137.9 million for the previous financial year.

The Commercial Printing Operation's revenue during the year ended 31 March 2011 amounted to HK\$265.5 million, which was 8.0% more than the figure of HK\$245.8 million for the previous financial year. Internal sales accounted for HK\$162.1 million or 61.1% of this, whereas sales to external customers made up the remaining HK\$103.4 million, an increase of 11.3% on the preceding financial year's figure of HK\$92.9 million.

The Internet Division generated a total of HK\$13.3 million in external revenue, compared with HK\$44.6 million the previous financial year. The Group is confident that the Internet Division's revenue will improve further in the future, and it has revamped the contents of its portal and continued to invest in human resources and technology for its webcast and animation operations. The Division therefore made a segment loss of HK\$49.7 million during the year under review, compared to a loss of HK\$73.4 million during the previous year.

During the year under review, the TV Division invested HK\$455.0 million, and it recorded a segment loss of HK\$459.2 million, compared to a loss of HK\$94.9 million in last financial year.

## **Future Prospects and Outlook**

Given their close relationships with China's increasingly powerful economy, the Group is cautiously optimistic about the prospects for the economies of Hong Kong and Taiwan in the coming year. Even so, it is worth bearing in mind that there still many uncertainties about the global economic environment.

Generally speaking, the results of the Group's core print media operations were in line with and even exceeded its expectations. Most of its publications outperformed their competitors in the market, in terms of both their sales and advertising revenues. *Apple Daily* and *Taiwan Apple Daily* occupied the top spots as the most widely read paid-for newspapers in Hong Kong and Taiwan. *Next Magazine Bundle* and *Sudden Weekly Bundle* were the bestselling and most widely read weeklies in their respective categories in Hong Kong, whereas *FACE Bundle* remained a favourite weekly of the city's young people. The sales and readership of *Taiwan Next Magazine Bundle* continued to be unassailable.

Having scaled the heights of the island's newspaper and weekly magazine markets in the past decade, Next Media is now rolling out its first TV operation there. The new multi-media platform has gained traction with the distribution of the set-top boxes. This exciting new venture will make the Next Media brand more comprehensive and competitive than ever, and create a synergy that will allow it to reach out to new audiences and advertisers in Taiwan.

In the meantime, Next Media will continue to pay close attention to its costs, but it will never compromise on the quality and professionalism of its publications. This has always been and will always remain its firm commitment to its readers, advertisers, shareholders and employees.

## **Company Profile**

Next Media is the largest listed Chinese print media group in Hong Kong with business spanning across Hong Kong and Taiwan. The Group is mainly engaged in the publication of newspapers, books and magazines for retail and subscription sales; the provision of printing and reprographic services; the provision of internet content; the production and broadcasting of television programmes; the sale of advertising space in newspapers and magazines and on websites; and the sale of advertising time in its television operation.

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