



NEXT MEDIA LIMITED
RESULTS FOR THE YEAR ENDED 31 MARCH 2009

Tackling Challenges and Preparing for Rebound

Financial Highlights:

	2007/08	2008/09
	HK\$M	HK\$M
Revenue	3,483.8	3,291.5
EBITDA	772.6	457.9
Profit for the year	521.3	257.5
Basic EPS (HK Cents)	22 cents	11 cents

Next Media's total revenue amounted to HK\$3,291.5 million, which was 5.5% less than the previous year's figure of HK\$3,483.8 million. Its profit decreased by 50.6% to HK\$257.5 million during the same period. This trend was mainly due to the effects of the global financial crisis and the economic slowdown in Hong Kong and Taiwan during the second half of the year.

As in previous years, the Newspapers and Printing Division accounted for the lion's share of the Group's total revenue. The Division's external revenue totalled HK\$2,227.2 million, a decline of 9.1% on the previous year's figure of HK\$2,449.5 million. Its segment profit also dropped by 51.0% to HK\$226.9 million, compared with the previous year's figure of HK\$462.7 million.

Apple Daily's revenue during the year amounted to HK\$1,030.3 million, a decrease of 4.5% on the previous year's figure of HK\$1,079.4 million. However, the sharp economic downturn in Hong Kong severely dented the newspaper's advertising sales revenue, which fell to HK\$619.1 million, a 7.4% decline on the previous year's figure of HK\$668.5 million.

Taiwan also suffered severely from the global economic turmoil during the second half of the year. *Taiwan Apple Daily's* advertising revenue declined by 16.2% to HK\$689.0 million, compared with the previous financial year's figure of HK\$822.0 million.

Next Media's newspaper printing business in Hong Kong remained relatively stable, despite the global financial crisis, and its revenue amounted to HK\$377.6 million, a decline of 15.2%. Excluding transactions related to printing the Group's own publications, its revenue totalled HK\$117.6 million, a decline of 28.3%.

The Books and Magazine Publication Division continued to make a sizeable contribution to the Group's revenue. Its external revenue during the year under review totalled HK\$883.2 million, which was 1.2% higher than the figure of HK\$872.7 million during the previous 12 months. Its segment profit increased by 3.1% to HK\$131.6 million, compared with the HK\$127.6 million it recorded during the preceding year.

The revenue of the Books and Magazines Printing Division grew by 3.2% to HK\$309.2 million, compared with the previous year's figure of HK\$299.6 million. Internal sales accounted for HK\$172.7 million of this, while sales to external customers constituted the other HK\$136.5 million, which was 11.7% more than the preceding year's figure of HK\$122.2 million. The Division recorded a segment profit of HK\$48.8 million, a decrease of 26.6% over the previous year's figure of HK\$66.5 million.

The Internet Division's external revenue rose by 13.2% to HK\$44.6 million during the year, compared with HK\$39.4 million in the previous year. The Group reengineered the contents of its portal and established the webcast and animation divisions during the year and thus, the costs of human resources and other factors associated with these projects resulted in the Division making a segment loss of HK\$62.2 million.

Prospects

The Group's results were somewhat disappointing, due to the worldwide economic turbulence during the second half of the financial year. However, it strongly believes that its unrivalled position as Hong Kong and Taiwan's leading Chinese-language print-media publisher will enable it to continue weathering the storms more successfully than many of its competitors are doing. It will also be ready to leverage on this to rebound quickly when the economic upturn arrives, as it inevitably will, and to continue on its course of growth and success.

In the coming months the Group will expand the scope and scale of its media business in Taiwan by establishing its first-ever TV operation there. It is now in the process of setting up studios and hiring top-calibre professionals in preparation for the launch, which is tentatively scheduled for the first half of 2010. This will be an exciting new venture for the Group, since it will make its brand more comprehensive and competitive than ever by creating a synergy that will allow it to reach out to new audiences and advertisers on Taiwan.

At the same time, the Group's print media operations will continue to be its core business. The Group will keep its belt firmly tightened and continue to monitor and control its costs in both Hong Kong and Taiwan during the coming months. Yet, it will never falter in its mission to ensure that its publications always deliver the highest standards of quality and professionalism to their readers and advertisers.

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 publishes newspapers and magazines in Hong Kong and Taiwan. 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.

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