

(For Immediate Release)



Next Media Announced 2003/2004 Interim Results

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Financial Highlights	Unaudited	
	Six months ended 30 September	
Results	2003	2002
	HK\$'000	(Restated)*
		HK\$'000
Turnover	1,138,374	1,086,126
Earnings before interest, tax, Depreciation and amortisation	36,092	326,510
Operating (loss)/profit	(75,986)	229,317
(Loss)/profit for the period	(109,124)	191,031
Basic (loss)/earnings per share	(8.1 cents)	15.5 cents
Fully diluted earnings per share	N/A	8.0 cents
Balance Sheet	Unaudited	(Restated)*
	30 September	31 March
	2003	2003
	HK\$'000	HK\$'000
Current assets	880,805	954,844
Non-current assets	3,499,199	3,509,305
Total assets	4,380,004	4,464,149
Current liabilities	542,391	501,318
Non-current liabilities	556,387	596,430
Minority interests	2,299	2,325
Total liabilities	1,101,077	1,100,073
Net assets	3,278,927	3,364,076
Ratio Analysis	Unaudited	(Restated)*
	30 September	31 March
	2003	2003
Current ratio	162.4%	190.5%
Quick ratio	141.3%	172.2%
Gearing ratio	5.5%	6.2%

* The comparative figures have been restated as a result of the change in accounting policy arising from the adoption of the Hong Kong Statement of Standard Accounting Practice No. 12 (revised).

(12 December, 2003 – Hong Kong) Next Media Limited (“Next Media” or the “Group”; stock code: 282) today announced its interim results for the six months ended 30 September 2003. During the period under review, the Group’s total turnover increased by 4.8% and amounted to approximately HK\$1,138.4 million as compared to HK\$1,086.1 million during the same period last year. The unaudited consolidated loss of the Group for the six months ended 30 September 2003 amounted to approximately HK\$109.1 million, as compared to a profit of approximately HK\$191.0 million for the corresponding period of the previous year. The Group’s unaudited consolidated loss was attributable to the operating loss of the newly launched *Taiwan Apple Daily*.

The Group’s total turnover increased mainly due to the contribution from *Taiwan Apple Daily* of approximately HK\$90.3 million and the increasing advertising revenue from *Taiwan Next Magazine* of approximately HK\$23.2 million. However, the revenue was inevitably affected by the outbreak of Severe Acute Respiratory Syndrome (“SARS”) in April and May 2003. Although other publications of the Group were not materially affected by SARS, revenue of *Apple Daily* in the two months of April and May declined by approximately 20.1% as compared to the same period last year and pulled down the increase in turnover by approximately HK\$50.2 million.

Newspapers Publication and Printing Division contributed to approximately HK\$694.9 million, or 61.0% of the total turnover, after elimination of inter-segment transactions. Approximately HK\$379.3 million, or 33.3% of the total turnover, was contributed by the Books and Magazines Publication Division, while approximately HK\$54.6 million, or 4.8%, was contributed by the Books and Magazines Printing Division after elimination of inter-segment transactions. The Internet Division contributed to the remaining 0.9%, or approximately HK\$9.6 million, of the total turnover.

For the Hong Kong market, *Apple Daily* maintained its position as the second most popular newspaper in Hong Kong during the period under review. *Sudden Weekly + Eat & Travel Weekly*, *Next Magazine* and *Easy Finder* continued to rank first, second and third in terms of readership amongst all weekly magazines.

For the Taiwan market, *Taiwan Apple Daily* gained an increasing popularity since its launch in May 2003 with print run maintaining at 400,000 to 600,000 copies from June to September 2003 with an average sold-out rate of 85%. On 1 June 2003, the Group increased *Taiwan Apple Daily* retail price from NT\$5 to NT\$10. With the steady increase in advertising income from Run-of-Page advertising during the months of June to September 2003, the Group started to actively expand the classified advertising market at the end of September 2003.

Taiwan Next Magazine, sustaining its no.1 position as the most widely read weekly magazine in Taiwan. With the steady increase in advertising income and average page rate, the magazine achieved encouraging results, as evidenced by its breakeven since May 2003. Its total advertising income increased by approximately HK\$23.2 million or approximately 109.3% as compared to the turnover for the same period last year.

The Books and Magazines Printing Division continued to complement the Group's publishing business. During the period under review, the Division witnessed a decrease in turnover of approximately 0.8% as a result of the decrease in lower-margin printing contracts from external customers. On the other hand, the Internet Division recorded a segment profit of approximately HK\$3.9 million for the period, thanks to the multi-income stream revenue model and tight cost control measures that have proven to be successful.

Mr. Stephen Ting, Executive Director of the Group, commenting on its interim result performance, said, "Our 2003 interim results reflected our determination to further expand our Taiwan business. Following the success of our *Taiwan Next Magazine*, the Group achieved another milestone by launching *Taiwan Apple Daily* in May 2003. In that same month, our *Taiwan Next Magazine* also started to breakeven and generated profit to the Group. Within a short period of time after its debut, *Taiwan Apple Daily* not only achieved to be one of the top selling newspapers in the local market but also managed to increase its retail price and expand its advertising clientele. Witnessing the growing market popularity of both *Apple Daily* and *Next Magazine* in Taiwan, the Group is confident of achieving equal success for its Taiwan business as it did with the Hong Kong market."

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Company Background

Next Media Limited is the largest listed Chinese print media group in Hong Kong with business spanning Hong Kong and Taiwan. The Group publishes one newspaper and four magazines in Hong Kong, namely *Apple Daily*, *Next Magazine*, *Easy Finder*, *Sudden Weekly* and *Eat & Travel Weekly*. The Group also started publishing *Taiwan Next Magazine* in Taiwan in May 2001. *Taiwan Apple Daily* was launched on 2 May 2003. Besides publishing, the Group is also engaged in printing and Internet business. The printing business mainly serves the Group's magazines and newspaper. The Internet business is mainly provision of fee-charging content with the content coming principally from the Group's magazines and newspaper.

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