

(For Immediate Release)



**Next Media Announced Respective Increases of 91.8% and 1,284.4% in Turnover and Net Profit in 2002/2003 Annual Results**

**Financial Summary:**

<b>For the year ended 31 March</b>	<b>2003 HK\$'000</b>	2002 HK'000 (As restated)	2001 HK'000 (As restated)
<b>Turnover</b>	<b>2,150,072</b>	1,120,876	350,436
<b>Earnings/ (Loss) before interest, tax, depreciation and amortisation</b> (excluding impairment loss of goodwill for year 2001)	<b>635,626</b>	167,742	(79,108)
<b>Profit/ (Loss) for the year</b>	<b>367,552</b>	26,549	(638,458)
<b>Basic earnings/ (Loss) per share</b>	<b>HK 30 cents</b>	HK 3 cents	(HK 103 cents)
<b>Shareholders' funds</b>	<b>3,390,082</b>	3,028,336	207,452
<b>Current ratio</b>	<b>190.5%</b>	343.0%	103.5%
<b>Quick ratio</b>	<b>172.2%</b>	320.3%	85.9%
<b>Gearing ratio</b>	<b>6.6%</b>	7.0%	51.2%

(9 June, 2003 – Hong Kong) Next Media Limited (“Next Media” or the “Group”; stock code: 282) today announced its annual results for the year ended 31 March 2003. For the year under review, turnover increased by 91.8% amounting to HK\$2,150.1 million as compared to HK\$1,120.9 million last year. Profit for the year, as compared to the HK\$26.5 million in 2002, surged by 1,284.4% to HK\$367.6 million in 2003. EBITDA amounted to HK\$635.6 million in 2003 as compared to HK\$167.7 million for last year. The Board of Directors does not recommend the payment of preference share dividend and final dividend for the year ended 31 March 2003.

Mr. Stephen Ting, Executive Director of the Group, commenting on its annual results performance, said, “While our enviable growth is attributable to the full year results since the acquisition of Database Gateway Limited and its subsidiaries (the “Acquisition”) in October 2001, we have also achieved a number of impressive accomplishments. In line with our expectations, the performance of *Taiwan Next Magazine* had substantially improved during the year. Further, it had achieved break-even in May 2003 and repeated the success of *Next Magazine* in Hong Kong. At the same time, after a year of planning and preparing for our headquarters, production facilities and editorial teams in Taiwan, the highly anticipated *Taiwan Apple Daily* was launched on 2 May 2003. Upon our increasingly established media empire of two newspapers and five magazines, Next Media is confident of sustaining its market leaderships, so as to generate considerable advertising revenue for the business, provide quality and informative content for our readers and maximize returns for the shareholders.”

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During the year under review, *Apple Daily* recorded a total of approximately HK\$1,278.0 million in turnover, representing an increase of 135.1% from 2002. The rise in turnover reflected the full year contribution during the period from the Acquisition. *Apple Daily's* unique market positioning and mass appeal to the middle class also attracted a diverse range of advertisers. According to ACNielsen 2003 March Hong Kong Media Index RARD Report ("ACNielsen"), *Apple Daily* recorded an average readership of 1,374,000 for the six months ended March 2003 and an average daily circulation of 343,660 for the six months ended December 2002 as audited by the Hong Kong Audit Bureau of Circulation ("HKABC").

Turnover from books and magazine publications increased by 72.5% to reach HK\$715.6 million, as compared to approximately HK\$414.9 million in 2002. The turnover growth was attributable to the full year results of the publications acquired since the Acquisition, namely *Next Magazine*, *Sudden Weekly* and *Eat & Travel Weekly*, and also because these publications continued to perform steadily by maintaining their market leaderships. Together with *Easy Finder*, the Group's magazines have ranked the top three weekly magazines in Hong Kong in terms of readership according to ACNielsen. Besides, *Taiwan Next Magazine* achieved an encouraging 28.6% increase in turnover.

Turnover of the books and magazine printing division increased by 11.0% and amounted to approximately HK\$242.1 million for the year ended 31 March 2003. The increase in turnover was attributable to the rise in commercial printing from external customers. The inter-segment printing accounted for approximately HK\$131.4 million or 54.3% of the turnover of this division.

As for the Group's Internet business, revenue increased by 35.8% to approximately HK\$14.4 million. The impressive increase in revenue was mainly due to the increase in number of subscribers and advertising revenue for the year ended 31 March 2003 after the implementation of a multi-income-stream revenue model. The Internet division had successfully turnaround from a segment loss of HK\$31.7 million in last fiscal year to a segment profit of HK\$3.6 million this year.

Following the success of *Taiwan Next Magazine*, the Group invested approximately HK\$708.0 million during the year under review to prepare for the launch of *Taiwan Apple Daily* in May 2003. Approximately HK\$389.0 million was spent on acquiring 6 printing machines and other auxiliary equipment to ensure sufficient production capability, while another HK\$83.6 million was spent on purchasing the office building for the headquarters and HK\$180.3 million was spent on land and buildings for the 2 printing plants in Taiwan and HK\$55.1 million for other fixtures and office equipment. With people as its key assets, the Group hired high caliber staff with in-depth market knowledge and local expertise for its newspaper operation in Taiwan. As at 31 March 2003, the number of editorial staff hired by *Taiwan Apple Daily* was 482, including 286 reporters and 59 photographers, so as to bring up-to-date, quality and informative content to its readers. The result is undisputable. *Taiwan Apple Daily* has managed to be well-received since its launch. Such encouraging market response is a major achievement for the Group's business expansion in Taiwan, as well as a boost of confidence to the continuous success of Next Media.

The Group's rewarding results in both Hong Kong and Taiwan is a clear indication of our effective cost control and competent management. In the years to come, our publications will sustain their market leaderships to generate increasing advertising revenue and maximize value and returns for both our loyal readers, dedicated staff and supportive shareholders.

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### **Company Background**

Next Media Limited is the largest listed Chinese printed 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 May 2001 and *Taiwan Apple Daily* in 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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