



NEXT MEDIA LIMITED

RESULTS FOR THE YEAR ENDED 31 MARCH 2015

Financial Highlights

Results for Continuing Operations of the Group

	2014/15 HK\$M	2013/14 HK\$M
Revenue from continuing operations	2,956.9	3,268.9
EBITDA before impairments after non-controlling interests from continuing operations	345.1	556.3
Profit for the year from continuing operations	168.6	339.1
Basic EPS from continuing operations	6.8 cents	13.6 cents

Continuing Operations

Next Media's total revenue from the continuing operations amounted to HK\$2,956.9 million during the year ended 31 March 2015. This was HK\$312.0 million less than the figure of HK\$3,268.9 million earned in the previous 12 months. The major contributing factor for this decrease was the drop in advertising and circulation income of the Group's publications due to the shift of reading habit from print properties to free online media. The Group's digital business, however, has entered into profitable territory for the first time since it was introduced.

The Newspapers Publication and Printing Division continued to account for the largest share of the Group's revenue from all its continuing operations. However, like all their competitors in Hong Kong, the Group faced continuous contraction of the paid-for daily newspapers market, the Division's revenue for this year amounted to HK\$1,586.1 million, a decrease of 21.6% against the figure of HK\$2,022.3 million for the last year, which was mainly attributable to the decrease in both advertising income and sales of newspapers. This Division's segment profit for the year was decreased by 26.8% to HK\$216.4 million, compared to the previous year's figure of HK\$295.5 million.

The Group's newspaper printing business in Hong Kong was adversely affected by the fall in the print runs of the Group's newspaper publications. Nonetheless, it continued to make positive contribution to the Group. It recorded a total revenue amounting to HK\$239.7 million for the year, a decrease of 18.7% on its total revenue of HK\$294.7

million during the previous year. Apart from transactions related to the Group's newspaper publications, its external revenue amounted to HK\$100.9 million for the year, an increase of HK\$14.3 million or 16.5% against the figure of HK\$86.6 million achieved last year.

Due to intense competition within the global printing industry and the shift of reading habit from premium print properties to online media, the revenue for the Books and Magazines Publication and Printing Division was decreased by 18.0% or HK\$159.1 million to HK\$723.2 million as compared to the last year's figure of HK\$882.3 million. This Division recorded a segment loss for the year amounted to HK\$25.7 million, a decline of 151.0% compared with the segment profit of HK\$50.4 million for the preceding 12 months.

Apart from complementing the printing working of the Group's magazines, Next Media's commercial printing business is facing keen competition from an increasing number of rival companies in the Mainland China and elsewhere around the world. The total revenue of the commercial printing business for the year ended 31 March 2015 amounted to HK\$165.2 million, which was 27.7% less than its revenue of HK\$228.5 million during the previous year. Of which, revenue from external customers amounted to HK\$75.7 million, a decrease of 20.1% on the preceding year's figure of HK\$94.7 million. This was mainly attributable to the drop in print runs of the Group's magazines and the external orders.

The Digital Businesses Division's external revenue, consisting of subscription fees, online advertising revenue, content licensing payments, games and content sponsorship and in-app purchase of virtual products, amounted to HK\$647.6 million during the year under review, an increase of 77.8% on the previous year's figure of HK\$364.3 million, of which, around 82.7% was generated in Hong Kong and others while the remaining was from Taiwan. During the year under review, the Division recorded a segment profit of HK\$37.4 million, a remarkable improvement from a segment loss of HK\$17.7 million in the previous 12 months. This was mainly due to a significant increase in online advertising revenue, especially, mobile advertising.

Prospect and Outlook

In view of the lackluster economy outlook resulting from weak external demand, austere global economy environment as well as the slower pace in economic growth in Mainland China, the Group will act prudently and exercise strict control on its finances during the coming year.

Following the consolidation of certain business operations in the past two years, the Group has re-focused on its core brands, the most widely-read paid-for daily newspapers and weekly magazines in both Hong Kong and Taiwan, by upholding our high standard journalistic professionalism in its publications. Next Media has anticipated the fundamental shift from print media towards digital media and placed more emphasis on further development of its digital operations in order to actualize its vision in the online media market and leverage the popularity of the Group's contents in the digital world. We will continue with our focus on delivering more targeted advertising with digital media, and more innovative and entertaining features for our readers. With the Group's news business as its rock-solid foundation, we are getting well prepared to keep abreast of the rapid change in media industry and believe that we could grasp the growth momentum when opportunities arise.

Company Profile

Next Media is the largest listed multi-media group in Hong Kong with business spanning across Hong Kong and Taiwan. The Group is mainly engaged in the publication and printing of newspapers, magazines and books in Hong Kong and Taiwan. It also sells advertising space in these and on its Web portals and subscriptions to the Web portals. Furthermore, it provides printing and reprographic services; delivers Internet contents as well as develops mobile and online games.

For further information, please contact:

Corporate Affairs Department

Next Media Limited (Stock Code: 00282)

E-mail: ir@nextmedia.com

Date: 15 June 2015