



NEXT MEDIA LIMITED
INTERIM RESULTS FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 2012

Financial Highlights:

Results for Continuing Operations

For the six months ended 30 September	2012 (unaudited) HK\$M	2011 (unaudited) HK\$M
Revenue	1,784.4	1,842.5
Loss before interest, tax, depreciation, impairment and amortization but after non-controlling interests	(119.1)	(93.1)
Consolidated Loss for the period	(928.4)	(275.2)
Basic Loss Per Share ("LPS")	(38.7 cents)	(11.4 cents)

Next Media's revenue from continuing operations totalled HK\$1,784.4 million during the six months ended 30 September 2012. This was HK\$58.1 million or 3.2% lower than the HK\$1,842.5 million it recorded in the same period of 2011. The decline was mainly attributable to the fall in newspaper advertising revenue because of weak market sentiment in both Hong Kong and Taiwan during the period under review.

The Group recorded a loss of HK\$119.1 million for its continuing operations during the period under review, before interest, tax, depreciation, impairment and amortization, but after non-controlling interests. This represented an increase of 27.9% on the loss of HK\$93.1 million that it incurred on its continuing operations during the corresponding period of 2011. The basic LPS from continuing operations was HK38.7 cents, compared with a basic LPS of HK11.4 cents in the same period last year.

The Group's print businesses performed in a stable manner during the six months ended 30 September, 2012. It continued to invest in its online operations in Hong Kong and Taiwan, and *Sharp Daily*, its free daily newspaper in Hong Kong. As a result of these investments, the write off of

certain assets and equipment due to the cessation of the Group's Multi-media Division's operations, and further impairment made to the assets and equipment as well as programmes and film rights of the Group's TV Division in Taiwan, Next Media recorded an unaudited consolidated loss of HK\$928.4 million from continuing operations, compared with a loss of HK\$275.2 million in the same months of 2011.

The Newspapers Publication and Printing Division's results during the six months ended 30 September 2012 were broadly in line with expectations, given the weakened economic conditions in Hong Kong and Taiwan. *Apple Daily*, *Sharp Daily*, *Taiwan Apple Daily* and *Taiwan Sharp Daily* were the largest contributors to the Division's revenue, which totalled HK\$1,170.7 million and accounted for 65.6% of the Group's total revenue. This represented a decrease of 8.8% on the figure of HK\$1,283.0 million for the corresponding period last year. The Division's segment profit declined by 52.0% to HK\$106.4 million, compared with HK\$221.8 million in the same period of 2011. This was mainly attributable to a decrease in advertising revenue and the investment costs incurred for *Sharp Daily* during the period.

The Books and Magazines Publication and Printing Division performed satisfactorily during the period under review, despite of weaker economy. Its revenue totalled HK\$514.0 million, a slight decrease of 3.9% on the HK\$535.1 million it achieved in the same period of 2011.

During the period, the Group's TV and Multi-media Division recorded a segment loss of HK\$972.3 million, compared with a loss of HK\$495.8 million in the same period of last year. This was mainly attributable to the write off of certain assets and equipment due to cessation of the Group's Multi-media Division's operations and a further impairment made to the assets and equipment as well as programmes and film rights of Next TV in Taiwan during the period under review.

The Internet Businesses Division's external revenue consisted of subscription fees, advertising revenue and content licensing payments. This amounted to HK\$71.9 million during the period under review, compared with HK\$5.7 million recorded in the same months last year. This was mainly due to the transfer of external online advertising revenues from the Newspapers Publication and Printing Division and the Books and Magazines and Publication and Printing Division to this Division. It made a segment loss of HK\$60.9 million, compared to a loss of HK\$17.8 million in the corresponding period of 2011.

Future Prospects and Outlook

The economies of Hong Kong and Taiwan are currently overshadowed by adverse conditions in the global economy, especially the drawn-out debt crisis in the Euro zone and the lacklustre performance of the US economy. These factors are also slowing down the Mainland Chinese economy, on which both are dependent to a high degree. The Group therefore intends to focus on its well-established presence in the Hong Kong market.

The Group intends to divest itself of its Taiwan print and TV operations during the coming months. At the same time, it will ensure its future growth by continuing to leverage its digital content operations and expand its presence in the mobile space of key markets in Asia. The Group also intends to develop *Sharp Daily* in Hong Kong as a multimedia platform that offers a distinctive shopping experience.

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 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, reprographic and animation services, delivers Internet contents, and operates TV channels in Taiwan and a Web commerce business.

For further information, please contact:

Corporate Affairs Department

Next Media Limited (Stock Code: 00282)

E-mail: ir@nextmedia.com

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