



## NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

#### Financial Highlights:

#### Results from Continuing Operations

| For the six months ended 30 September  | 2014<br>(unaudited)<br>HK\$M | 2013<br>(unaudited)<br>HK\$M |
|--|------------------------------|------------------------------|
| Revenue  | 1,570.5                      | 1,660.8                      |
| Earnings before interest, tax, depreciation,<br>impairment and amortisation but after<br>non-controlling interests | 201.2                        | 201.0                        |
| Consolidated profit for the period   | 106.5                        | 88.2                         |
| Basic Earnings Per Share ("EPS")   | HK4.3 Cents                  | HK3.5 Cents                  |

Next Media's revenue from the continuing operations amounted to HK\$1,570.5 million during the six months ended 30 September 2014. This was HK\$90.3 million or 5.4% less than the figure of HK\$1,660.8 million in the same period of last year. The decline was mainly attributable to the decrease in advertising and circulation revenue of the Group's printed publications during the period under review.

The Group recorded earnings of HK\$201.2 million on its continuing operations during the period under review, before interest, tax, depreciation, impairment and amortisation, but after non-controlling interests. This representing an increase of 0.1% or HK\$0.2 million on the earnings of HK\$201.0 million from its continuing operations during the corresponding period of 2013. The EPS from its continuing operations was HK4.3 cents, compared with the EPS of HK3.5 cents in the same period last year.

The performance of the Group's print operations was within the expectations of the management during the six months ended 30 September 2014 albeit sluggish economy in both Hong Kong and Taiwan, as well as the trend away from print publications towards digital media. The unaudited consolidated profit from its continuing operations of Next Media reached HK\$106.5 million, representing an increase of 20.7% or HK\$18.3 million, compared with the profit of HK\$88.2 million for same period of 2013. This was mainly attributable to the turnaround of performance of the Group's digital businesses during the period under review.

During the period under review, the Newspapers Publication and Printing Division achieved a total revenue of HK\$852.4 million, a decrease of 20.4% or HK\$218.2 million against the figure of HK\$1,070.6 million for the last corresponding period. *Apple Daily* and *Taiwan Apple Daily* were the largest contributors to the Division's revenue, which amounted to HK\$795.1 million and accounted for 50.6% of the Group's total revenue. This represented a decrease of 15.7% or HK\$148.6 million on the figure of HK\$943.7 million for the same period last year. As a result, the Division's segmental profit decreased by 17.2% to HK\$108.2 million, compared with HK\$130.7 million recorded in the same period of 2013. This was mainly attributable to the decrease in advertising and circulation revenues derived from the Group's print publications during the period under review.

In view of the extremely competitive business environment and increasing popularity of digital media, the Books and Magazines Publication and Printing Division suffered a decline in its revenue during the period under review. Its revenue amounted to HK\$384.9 million, a decrease of 16.8% or HK\$77.6 million against HK\$462.5 million it achieved in the same period last year.

The Digital Businesses Division's external revenue consisted of subscription fees, online advertising revenue, content licensing payments and publishing of mobile games and apps. This amounted to HK\$333.2 million during the period under review, which represented an increase of 160.9% or HK\$205.5 million over the figure of HK\$127.7 million recorded in the same months last year. The bulk of this income, around 84.2%, was generated in Hong Kong, where there was a significant growth in online advertising and mobile games revenues.

The Division's segmental profit stood at HK\$40.2 million during the period under review, compared with a segmental loss of HK\$30.4 million, a remarkable improvement of 232.2% or HK\$70.6 million. This was mainly attributed by the considerable increase in online advertising and mobile games revenues.

## **Future Prospects and Outlook**

The Group has undergone a very challenging year in 2013/14 and reshaped its operations by divesting itself of *Next TV* operations and consolidating its print media business. The years of investments on digital offerings have finally paid off. Next Media's digital platform is the choice for the younger generation in Hong Kong and Taiwan with its growing trend of smart phone usage and social media sharing. In the second half of the year, the Group will accelerate the introduction of the digital versions of its leading magazine titles, and offer our readers a new and enjoyable way of experiencing their favorite magazines. This will require some initial marketing investments to pave way for the long term sustainability of the magazine brands.

Against the backdrop of economic uncertainties in Hong Kong and Taiwan, in which the Group is now operating, we would act proactively under conscious approaches, on one hand, by sharpening our core brands – they are the most widely read newspapers and magazines with loyal readership and excellent demographic profiles and on the other hand, by grabbing the opportunities in the high growing digital sector.

## **Interim Dividend**

The Directors have declared an interim dividend of HK1.5 cents per share (for the six months ended 30 September 2013: Nil), amounting to HK\$36.5 million. It will be payable to the shareholders whose names appear on the Register of Members of the Company on Tuesday, 9 December 2014.

In addition to the special dividend of HK6.6 cents per share (for the six months ended 30 September 2013: Nil) declared by the Directors on 14 July 2014 and paid to the shareholders on 14 August 2014, the total dividends (including the special dividend of HK6.6 cents per share and an interim dividend HK1.5 cents per share) paid and payable for the six months ended 30 September 2014 amounting to a total of HK\$196.9 million (for the six months ended 30 September 2013: Nil).

## **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, reprographic and animation services; delivers Internet contents as well as develops mobile games and apps.

For further information, please contact:

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