



**NEXT MEDIA LIMITED**  
**INTERIM RESULTS FOR THE SIX MONTHS**  
**ENDED 30 SEPTEMBER 2010**

**Financial Highlights:**

<b>For the six months ended 30 September</b>	<b>2010</b>	2009
	<b>HK\$M</b>	HK\$M
Revenue	<b>1,697.8</b>	1,498.3
EBITDA after non-controlling interests	<b>193.4</b>	221.4
Net profit for the period	<b>76.2</b>	122.2
Basic EPS	<b>HK3.2 cents</b>	HK5.0 cents

Next Media's revenue totalled HK\$1,697.8 million during the six months ended 30 September 2010. This was HK\$199.5 million or 13.3% higher than the figure of HK\$1,498.3 million recorded in the same period of 2009. The increase was mainly attributable to the additional income it derived from advertising in its newspapers and magazines as a result of the recovery of the advertising markets in both Hong Kong and Taiwan.

The Group's EBITDA after non-controlling interests totalled HK\$193.4 million during the period under review. This represented a decline of 12.6% on the figure of HK\$221.4 million for the corresponding period of 2009. Basic earnings per share were HK3.2 cents, compared with HK5.0 cents in the same period last year.

The Group recorded an unaudited consolidated profit of HK\$76.2 million, which was 37.6% lower than the figure of HK\$122.2 million for the same period in 2009. The decline in overall profit was principally due to the investment that the Group made in its television operation in Taiwan, which progressed from a pre-operational preparatory phase in the same period of 2009 to a soft launch phase during the second quarter of this year.

Given the investment it made in its television business, the Group's overall results for the first half of the financial year were satisfactory.

The Newspapers Publication and Printing Division achieved excellent results during the six months ended 30 September 2010. *Apple Daily* and *Taiwan Apple Daily* made the largest contributions to the Division's external revenue, which totalled HK\$1,197.2 million and amounted to 70.5% of the Group's total revenue. This represented an increase of 15.2% on the figure of HK\$1,038.8 million for the corresponding period last year. The Division's segment profit increased by 49.9% to HK\$221.0 million, compared with HK\$147.4 million in the same period of 2009.

The Books and Magazines Publication and Printing Division performed well in the fiercely competitive business environment during the six months ended 30 September 2010. Its external revenue totalled HK\$493.9 million, an increase of 13.5% on the figure of HK\$435.2 million achieved in the same period of last year. The Division's segment profit stood at HK\$81.6 million, representing an increase of 26.9% over the figure of HK\$64.3 million recorded in the same period of 2009.

During the period under review, the Television Division incurred capital expenditures amounting to HK\$39.9 million, and it recorded an operating segment loss of HK\$141.6 million, compared with a loss of HK\$15.4 million in the corresponding period last year, when it was in a preoperating phase.

The Internet Division's external revenue totalled HK\$6.7 million during the period under review, which was a decrease of 72.5% on the figure of HK\$24.4 million recorded in the same months of 2009. This was mainly due to the reallocation of advertising revenue within different operating segments of the Group. Its ongoing capital investments in the animation and webcast operations meant the Division sustained a segment loss of HK\$31.0 million, compared with a loss of HK\$29.3 million in the corresponding period last year.

## **Future Prospects and Outlook**

The Hong Kong and Taiwan economies remained resilient in recent months. In particular, Taiwan's business environment has brightened considerably after being in the doldrums for a number of years.

The Group believes it will continue to achieve good results by leveraging on the attractive demographics of the readers of its publications in order to attract a good share of the growing amount of advertising spending in both places.

At the same time, it must be remembered that the prosperity of Hong Kong and Taiwan both depend on an ever-greater degree on Mainland China's economy, which is increasingly tied to the economies of other regions, such as the US and Europe. While the Group feels Mainland China's economic growth will remain strong in the coming months, the health of the US and European economies and unresolved issues concerning the Renminbi exchange rate could have an adverse impact further ahead. So it is tempering its optimism with a certain degree of caution.

It should be noted that the Group will need to make further investments during the initial stage to full-blown launch of its television project and the establishment and building-up of its open internet-based IPTV platform during the months ahead. However, it is confident that the television project will be a success, and that the new open internet-based platform will afford it additional business opportunities in the future.

## **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 of newspapers, books and magazines for retail and subscription sales; the provision of printing and reprographic services; the provision of internet content; the production and broadcasting of television programmes; the sale of advertising space in newspapers and magazines and on websites; and the sale of advertising time in its television operation.

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