



NEXT MEDIA LIMITED
RESULTS FOR THE YEAR ENDED 31 MARCH 2010

**Outperform other media industry players
in Hong Kong and Taiwan,
profits surge by 24.6%**

Financial Highlights:

	2009/10	2008/09
	HK\$M	HK\$M
Revenue	3,126.2	3,291.5
EBITDA after minority interests	535.7	457.9
Profit for the year	320.8	257.5
Basic EPS	13 cents	11 cents

Next Media's revenue totalled HK\$3,126.2 million for the year ended 31 March 2010, which was 5.0% less than the previous year's figure of HK\$3,291.5 million. However, its profit increased by 24.6% to HK\$320.8 million for the same period. This was mainly due to reduced direct production costs, including the cost of paper, and cost-saving measures implemented by the Group.

The Newspapers Publication and Printing Division continued to account for the largest percentage of the Group's entire revenue. During the 2009/10 financial year, the Division's external revenue totalled HK\$2,176.5 million, a slight decline of 2.3% on the figure of HK\$2,227.2 million it achieved in the previous year. However, its segment profit rose by 99.7% to HK\$453.1 million, compared with the previous year's figure of HK\$226.9 million.

Apple Daily overtook its closest rival to become the most widely read paid-for newspaper in Hong Kong in 2009. Its revenue amounted to HK\$1,011.6

million, a slight decrease of 1.8% on the previous year's figure of HK\$1,030.3 million. The lingering effects of the global economic crisis on Hong Kong's economy depressed the newspaper's advertising income, which amounted to HK\$608.2 million, a 1.8% decline on the previous year's figure of HK\$619.1 million.

Taiwan Apple Daily continued to be the island's most widely read daily. While the newspaper's total revenue decreased by HK\$31.8 million to HK\$1,047.6 million for the year, its profitability grew by 1,064.0% to HK\$174.6 million, compared to the previous financial year's profit of HK\$15.0 million. Its advertising income was more buoyant than that of many of its competitors, declining by just 4.9% to HK\$655.2 million, compared with the previous financial year's figure of HK\$689.0 million.

The Books and Magazines Publication and Printing Division recorded revenue of HK\$905.1 million, a decrease of 11.2% on the figure of HK\$1,019.7 million it achieved in the year of 2009. This was mainly attributable to a reduction in the printing orders it received from external customers in Europe and USA, due to unfavourable economic conditions in those two regions, as well as a drop in the sales of magazines and advertising income. Its segment profit decreased by 23.6% to HK\$137.9 million, compared with the figure of HK\$180.4 million for the previous year.

The Internet Businesses Division generated a total of HK\$44.6 million in external revenue, the same amount as in the previous year. The Group is confident that its revenue will grow further in the future, and it has revamped the contents of its portal and continued to invest in manpower and technology for its webcast and animation operations. The Division therefore made a segment loss of HK\$73.4 million during the year under review, compared with a segment loss of HK\$62.2 million during the previous year.

Future Prospects and Outlook

The Group's results for the year were in line with its expectations, given the fact that the markets in which it operates have been gradually recovering from the 2008 global economic crisis, which was one of the most severe and wide-ranging for many decades.

Apple Daily and *Taiwan Apple Daily* occupy the top spots as the most widely read newspapers in Hong Kong and Taiwan. *Next Magazine* and *Sudden Weekly Bundle* are the best-selling and most widely read weeklies in their respective categories in Hong Kong, while *FACE Bundle* remains a favourite weekly among the city's young people. *Taiwan Next Magazine* occupies an unassailable position in terms of its sales and readership.

Having scaled the heights of Taiwan's newspaper and weekly magazine markets in the past decade, Next Media is now preparing to launch its first TV operation there. This exciting new venture will make the Next Media brand more comprehensive and competitive than ever; and it will create a synergy that will allow it to reach out to new audiences and advertisers on Taiwan.

Next Media is confident it will retain its strong positions in the print media industry in both Hong Kong and Taiwan. These will allow it to capitalise on the rebound in the economic climate that is already underway, especially in terms of its ability to capture an increased amount of advertising revenue.

Company Profile

Next Media is the largest listed Chinese print media group in Hong Kong, with businesses in both Hong Kong and Taiwan. The Group is mainly engaged in publishing and printing newspapers, magazines and books in these two markets. It also operates websites containing content from its publications, as well as other content specifically created for the websites. It sells advertising space in newspapers and magazines and on websites in Hong Kong and Taiwan, and online subscriptions. It also provides printing and reprographic services.

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