



**NEXT MEDIA LIMITED**  
**INTERIM RESULTS FOR THE SIX MONTHS**  
**ENDED 30 SEPTEMBER 2011**

**Financial Highlights:**

**Results for Continuing Operations**

For the six months ended 30 September	2011 (unaudited) HK\$M	2010 (unaudited & restated) HK\$M
Revenue	1,842.5	1,696.8
(Loss) EBITDA after non-controlling interests	(93.1)	198.9
Consolidated (Loss) profit for the period	(275.2)	88.0
Basic (LPS) EPS	(11.4 cents)	3.7 cents

Next Media's revenue from continuing operations totalled HK\$1,842.5 million during the six months ended 30 September 2011. This was HK\$145.7 million or 8.6% more than the HK\$1,696.8 million it recorded in the same months of 2010. The increase was mainly attributable to the Group's increased advertising income from its newspaper, magazine, television and multi-media operations.

The Group recorded a loss of HK\$93.1 million for its continuing operations before interest, tax, depreciation, impairment and amortization but after non-controlling interests for the six months ended 30 September 2011, as compared with the profit of HK\$198.9 million for the corresponding period of 2010. The basic LPS for continuing operations was HK11.4 cents, compared with basic EPS for continuing operations of HK3.7 cents in the same period of last year.

The Group's existing print businesses performed strongly during the six months ended 30 September 2011. Meanwhile, it continued to make considerable investments in building up its TV and multi-media operations in Taiwan, its Web commerce operations, and the establishment of *Hong Kong*

*Sharp Daily*, its new free daily newspaper in Hong Kong. In doing so, it has laid the foundations for new business activities that have the potential to generate strong returns in the future.

In consequence of these investments, Next Media recorded an unaudited consolidated loss of HK\$275.2 million on its continuing operations, compared with a profit of HK\$88.0 million in the same period of 2010. Including the results of the animation operation for the period under review, the Group recorded an unaudited consolidated loss of HK\$324.0 million, compared with a profit of HK\$76.2 million in the same period of last year.

The Newspapers Publication and Printing Division achieved satisfactory results that were ahead its expectations during the six months ended 30 September 2011. *Apple Daily* and *Taiwan Apple Daily* were the largest contributors to the Division's revenue, which totalled HK\$1,283.0 million and accounted for 69.6% of the Group's total revenue. This represented an increase of 7.2% on the figure of HK\$1,197.2 million for the corresponding period last year. The Division's segment profit slightly increased by 0.4% to HK\$221.8 million, compared with HK\$221.0 million in the same period of 2010.

The Books and Magazines Publication and Printing Division performed well during the six months ended 30 September 2011, despite an extremely competitive business environment. Its external revenue totalled HK\$535.1 million, an increase of 8.3 % on the HK\$493.9 million it achieved in the same period of 2010.

During the period under review, the capital expenditures of the Next TV and multi-media platform, including set-top boxes and related supportive costs incurred was HK\$263.3 million, compared with HK\$39.9 million in the same period a year earlier. Consequently, the TV and Multi-Media Division recorded an operating segment loss of HK\$495.8 million, compared with a loss of HK\$141.6 million in the same period of last year.

The Internet Division's external revenue consisted of subscription fees, advertising revenue that it shared with the respective publications, and content licensing payments. This amounted to HK\$5.7 million during the period under review, compared with the figure of HK\$5.7 million recorded in the same months last year. It made a segmental loss of HK\$17.8 million, compared to a loss of HK\$19.2 million in the corresponding period of 2010.

## **Future Prospects and Outlook**

The economies of Hong Kong and Taiwan are currently robust and in growth mode. However, the severe and prolonged debt crisis in the Euro Zone and the slow and fragile nature of the US economic recovery, together with the gathering pace of inflation in a number of economies, are forming a dark cloud on the horizon. It is difficult to predict what impact they will have on the region – especially Mainland China, its principal growth engine – in the coming months.

Given its present strength in the market and the popularity of its publications among advertisers and key demographic sectors, Next Media is cautiously optimistic about the prospects for its established businesses in the second half of the financial year. It also intends to push ahead with its more recent ventures in the electronic and online media sectors. At the same time, it will always pay close attention to the bigger economic picture, and balance its enthusiasm to develop its operations further with a healthy degree of caution.

## **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.

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