



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

Financial Highlights:

Results from Continuing Operations

For the six months ended 30 September	2013 (unaudited) HK\$M	2012 (unaudited) HK\$M (restated)
Revenue	1,660.8	1,756.5
Earnings before interest, tax, depreciation, impairment and amortisation but after non-controlling interests	201.0	187.0
Consolidated profit for the period	88.2	36.4
Basic Earnings Per Share ("EPS")	HK3.5 Cents	HK1.3 Cents

Next Media's revenue from continuing operations totalled HK\$1,660.8 million during the six months ended 30 September 2013. This was HK\$95.7 million or 5.4% less than the restated figure of HK\$1,756.5 million in the same period of 2012. The decline was mainly attributable to the decline in advertising and circulation revenue during the period under review.

The Group recorded a profit of HK\$201.0 million on its continuing operations during the same period, before interest, tax, depreciation, impairment and amortisation, but after non-controlling interests. This represented an increase of 7.5% on the restated profit of HK\$187.0 million incurred on its continuing operations during the corresponding period of 2012. The basic EPS from its continuing operations was HK3.5 cents, compared with a restated basic EPS of HK1.3 cents in the same period last year.

Overall, the Group's print businesses performed disappointingly during the six months ended 30 September 2013, due to lacklustre economic conditions in Hong Kong and Taiwan, as well as the trend away from paid-for print publications towards

free newspapers and online media. In disposing the Taiwan TV business during the period under review, the Group has recorded a loss on disposal of HK\$8.0 million. As a result, the unaudited consolidated profit from its continuing operations of Next Media stood at HK\$88.2 million, compared with the restated profit of HK\$36.4 million in the same months of 2012.

As anticipated, the financial results of the Newspapers Publication and Printing Division during the six months ended 30 September 2013 were rather mediocre, due to the abovementioned factors. *Apple Daily* and *Taiwan Apple Daily* were the largest contributors to the Division's revenue, which totalled HK\$1,070.6 million and accounted for 64.5% of the Group's total revenue. This represented a decrease of 8.6% on the figure of HK\$1,170.7 million for the corresponding period last year. However, the Division's segmental profit rose by 22.8% to HK\$130.7 million, compared with HK\$106.4 million in the same period of 2012, this was mainly due to the decrease in operating loss of *Hong Kong Sharp Daily* resulting from the reduction of print run during the period.

The Books and Magazines Publication and Printing Division performed stable in the period under review, considering the challenging business environment and rising popularity of online and mobile media – factors that adversely affected all print media publishers. Its revenue totalled HK\$462.5 million, a decrease of 10.0% on the HK\$514.0 million it achieved in the same period of 2012.

The Internet Businesses Division's external revenue consisted of subscription fees, online advertising revenue, content licensing payments and development of mobile games and apps. This amounted to HK\$127.7 million during the period under review, which represented a rise of 77.6% on the figure of HK\$71.9 million recorded in the same months last year. The bulk of this income, around 85.3%, was generated in Hong Kong, where there was considerable growth in online advertising revenue.

The Division's segmental loss was reduced to HK\$30.4 million, taking into account investments in revamping the platform and the continued development of softwares and systems during the period under review.

Future Prospects and Outlook

The export-focused economies of the two markets in which Next Media operates, namely Hong Kong and Taiwan, are of course dominated by those of their much larger trading partners, Mainland China, the United States and the Eurozone. Their prospects depend a lot on whether China's economic growth regains its previous momentum, whether the United States economy recovers after several

years in the doldrums, and whether the Eurozone can resolve the fundamental issues that sparked off its sovereign debt crisis and economic and political uncertainties in a number of its member states.

Any significant improvement of these issues would give business sentiment a boost in both places. Yet Next Media maintains that the economic outlook for Hong Kong and Taiwan remains fairly stable in any case, and only major economic upheavals further afield would be likely to change that picture.

The Group has now reshaped its operations, divesting itself of its Taiwan TV venture and refocusing on its print businesses in Hong Kong and Taiwan, as well as boosting its online offerings. While the trend away from traditional print publications and towards online media is a fundamental and irreversible one, the Group's print media remains profitable. With prudent management that will remain the case for the foreseeable future. At the same time, it has embraced the spirit of the age and is truly positioned as a pioneer in online media in order to ensure its sustained success in the months and years to come.

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's main business activities are the printing and publication of newspapers, magazines and books in Hong Kong and Taiwan. It also sells advertising space in those and on its Web portals, as well as subscriptions to the Web portals. Furthermore, it provides printing and reprographic services, delivers Internet content and develops mobile games and apps.

For further information, please contact:

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