



For immediate release

TOM Announces 2001 Third Quarterly Results

**Online revenue rises 43% quarter-on-quarter
Nine months to Sept revenue increases 19 times year-on-year**

- 10% growth in total revenue via organic growth over the previous quarter
- 43% increase in online revenue
- 17% reduction in online operational expenditure
- 26% cut in loss before interest, taxation, depreciation and amortisation and one-time reorganisation costs

Hong Kong, November 8, 2001 -- TOM.COM LIMITED ("TOM") today announced its third quarterly results for the nine months ended September 30, 2001. During the third quarter, total revenue rose 10% over the last quarter to HK\$159.3 million while loss before interest, taxation, depreciation and amortisation and one-time reorganisation costs was reduced in the quarter by 26% due to stringent cost control.

The healthy revenue rise reflected organic growth by the company during the quarter, with revenue generated on the same asset base as in the previous quarter. New print and outdoor media acquisitions have not been consolidated into the current set of results.

During the quarter, online revenue grew 43% to HK\$46.5 million with major contribution from TOM's Internet access card "TOMNET". The solid growth underpinned TOM's success as China's leading Internet "access" portal. Offline revenue for the quarter amounted to HK\$112.8 million, about 70% of total revenue in the quarter. Further growth is expected as revenue from newly acquired companies will be consolidated in coming quarters.

Apart from expanding the group's revenue base, TOM's management executed disciplined cost control measures in the quarter through integration of resources. As a result, loss before interest, taxation, depreciation and amortisation and one-time reorganisation costs was reduced in the quarter by 26% to HK\$35.3 million. And online operational expenditure was reduced by 17%. Loss attributable to shareholders was HK\$76.8 million for the quarter. If the one-time reorganisation costs were stripped out, the loss was actually reduced by

about 12%.

On a year-on-year basis, TOM's nine months to September 30, 2001 revenue rose about 19 times from HK\$19.2 million in the corresponding period in 2000 to HK\$381.5 million. Operating loss in the nine months was reduced by about 48% to HK\$169.7 million. Loss attributable to shareholders in the nine months was reduced by 37% to HK\$225 million from a year ago. The improvement reflected the broadened revenue base of both its online and offline businesses and a reduction in operating costs.

In announcing the Q3 results at a press conference, Chief Executive Officer and Executive Director Sing Wang said: "The company is well positioned for further growth with a solid foundation in all four segments of our cross-media businesses. We are confident the company is fully on track of achieving cashflow breakeven. "

Financial Highlights

	For the three months period ended	
	30 September 2001	30 June 2001
	HK\$'000	HK\$'000
Turnover	159,329	145,177
Cost of Sales	102,251	80,504
Gross profit	57,078	64,673
Loss before interest, taxation, depreciation and amortisation and one-time reorganisation costs	35,297	47,396
Loss attributable to shareholders	76,776	77,953

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UNAUDITED CONSOLIDATED RESULTS

For the three months and nine months ended 30 September 2001

	Three months ended 30 September 2001		Nine months ended 30 September 2001	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	<u>159,329</u>	<u>13,221</u>	<u>381,510</u>	<u>19,238</u>
Direct expenses	102,251	8,344	220,760	12,257
Interest income	(3,561)	(10,651)	(20,070)	(64,760)
Website development expenses	19,403	44,814	63,876	117,172
Advertising and promotion expenses	14,905	31,093	49,623	105,238
Depreciation and amortisation	27,934	13,979	80,368	39,516
General and administrative expenses	48,703	51,908	156,684	133,992
Operating loss	<u>50,306</u>	<u>126,266</u>	<u>169,731</u>	<u>324,177</u>
Provision for restructuring costs	8,527	31,439	8,527	31,439
Share of losses of jointly controlled entities	8,807	6,142	26,775	7,460
Share of losses of associates	557	11	2,135	5,018
Loss before taxation	<u>68,197</u>	<u>163,858</u>	<u>207,168</u>	<u>368,094</u>
Taxation	6,609	-	13,106	-
Loss after taxation	<u>74,806</u>	<u>163,858</u>	<u>220,274</u>	<u>368,094</u>
Minority interests	(1,970)	-	(4,789)	10,345
Loss attributable to shareholders	<u>76,776</u>	<u>163,858</u>	<u>225,063</u>	<u>357,749</u>
Loss per share	<u>2.39 cents</u>	<u>5.55 cents</u>	<u>7.03 cents</u>	<u>12.72 cents</u>

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