

Chairman's Statement

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“The Group's revenue for the year ended 31 December 2009 was approximately HK\$1,530,505,000, which represented a growth of 9.9% as compared to 2008.

截至二零零九年十二月三十一日止年度，本集團的收入約為1,530,505,000 港元，較二零零八年增加 9.9%。”



Financial Summary

- Revenue for the year ended 31 December 2009 was 9.9% higher than the previous year, reaching approximately HK\$1,530,505,000.
- The profit attributable to equity holders increased to approximately HK\$299,746,000, which was a 4.5% improvement over the profit achieved in 2008.
- The Board recommended a final dividend of HK\$0.02 per share.

Results

The Group's revenue for the year ended 31 December 2009 was approximately HK\$1,530,505,000, which represented a 9.9% increase over the revenue earned in 2008. The two main drivers behind this result were the growth in both broadcasting and outdoor advertising revenue. Total operating costs increased by 8.4% to approximately HK\$1,205,395,000. The upward movement in operating costs was mainly due to the expansion of outdoor media business and increase in staff, depreciation and programming costs.

The Group's operating profit for the year ended 31 December 2009 was approximately HK\$325,110,000, which represented an increase of 16.1% over same period in the previous year. Profit attributable to equity holders of the Company was approximately HK\$299,746,000, which was an increase of 4.5% compared with the same period last year. The operating profit was mainly generated by the increase in broadcasting and outdoor advertising revenue. Other income during 2009 mainly comprised a fair value gain of approximately HK\$37,176,000 which was recognized for the investment property under construction.

財務概要

- 截至二零零九年十二月三十一日止年度的收入較去年高出9.9%，達致約1,530,505,000港元。
- 權益持有人應佔溢利約299,746,000港元，較二零零八年所取得溢利上升4.5%。
- 董事會建議派發末期股息每股0.02港元。

業績

截至二零零九年十二月三十一日止年度，本集團的收入約為1,530,505,000港元，較二零零八年所賺取之收入增加9.9%。此業績主要由於廣播及戶外廣告收入均取得增長所致。總經營成本上升8.4%至約1,205,395,000港元。經營成本的上升主要是由於擴充戶外媒體業務及員工、折舊及節目製作成本上升所致。

截至二零零九年十二月三十一日止年度，本集團的經營溢利約為325,110,000港元，較去年同期增加16.1%。本公司權益持有人應佔溢利約為299,746,000港元，較去年同期增長4.5%。經營溢利主要因廣播及戶外廣告收入增加而產生。二零零九年的其他收入主要包括已確認為在建投資物業之公平值收益約37,176,000港元。

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The chart presented below compares the Group's performance for the year ended 31 December 2009 with that for the 2008 financial year in order to give a clearer picture of the overall trend of the Group's operations.

以下呈列的圖表比較本集團於截至二零零九年十二月三十一日止年度及二零零八年財政年度的業績表現，以便更清楚地顯示本集團業務的整體發展趨勢。

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Phoenix Chinese Channel	鳳凰衛視中文台	988,822	896,788
Phoenix InfoNews Channel	鳳凰衛視資訊台	233,825	270,040
Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel & others	鳳凰衛視電影台、 鳳凰衛視美洲台、 鳳凰衛視歐洲台及其他	109,242	115,849
New media	新媒體	70,438	50,697
Outdoor media	戶外媒體	72,066	11,096
Other businesses	其他業務	56,112	47,589
Group's total revenue	本集團總收入	1,530,505	1,392,059
Operating costs	經營成本	(1,205,395)	(1,112,051)
Profit from operations	經營溢利	325,110	280,008
Other income – net	其他收入淨額	54,367	54,607
Profit before share of results of jointly controlled entities and an associate, income tax and minority interests	除攤佔共同控制實體及聯營公司業績、 所得稅及少數股東權益前溢利	379,477	334,615
Share of losses of jointly controlled entities and an associate	攤佔共同控制實體及聯營公司虧損	(755)	(1,432)
Income tax expense	所得稅費用	(76,735)	(57,594)
Minority interests	少數股東權益	(2,241)	11,235
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	299,746	286,824
Basic earnings per share, Hong Kong dollars	基本每股盈利，港元	0.06	0.06

Business Overview and Prospects

During the 2009 financial year the Group was operating in an economic environment that was seriously affected by the global financial crisis. While the mainland economy avoided going into recession, it nonetheless was negatively influenced by international economic trends, which also had a negative impact on the Hong Kong economy. But despite the serious challenges presented by the global financial crisis, the Group's income continued to grow, expanding by 9.9% over that of the previous year, with profit increasing by some 4.5%. The Group's performance over this twelve-month period showed once again that even in the face of extremely challenging economic circumstances the Phoenix model is commercially viable.

業務概覽及前景

二零零九年財政年度，本集團於遭受全球金融危機衝擊的經濟環境下經營。內地經濟雖然並沒有步入衰退，但在國際經濟形勢下亦難獨善其身；而香港經濟亦受到波及。然而，儘管全球金融危機帶來重重挑戰，本集團之收入較去年同期攀升9.9%，溢利增長約達4.5%。本集團於去年十二個月期間再創佳績，足以印證鳳凰的經營模式在艱困的經濟局面下仍能展露增長的活力。



Much of this success is a consequence of the fact that the main Phoenix channels deliver programming that has great appeal to the Chinese television audience, combining modern and innovative entertainment with comprehensive and objective news about international political and economic developments. The income of Phoenix Chinese Channel increased considerably, which reflected the continuing popularity of its hallmark entertainment and talk show programs, such as A Date With Lu Yu. During 2009 Phoenix resumed holding the Miss Chinese Cosmos Pageant, which had been suspended the previous year because of the tragic Sichuan earthquakes, and this typified the high-end and fashionable entertainment offered by the Phoenix Chinese Channel.

While InfoNews's income was reduced after the significant increase in income it achieved in the previous year, this negative trend coincided with the growing impact of the global financial crisis. InfoNews still made a profit, however, and continued to provide unique Mandarin Chinese coverage of major international news stories. These included the cancellation of the ASEAN Regional Forum in Thailand following clashes between the Thai military and the "Red Shirt" protesters, the protests in Tehran following disputed Iranian elections, the violence in northern Burma that drove a large number of refugees into southern China, the violent demonstrations in Xinjiang, the trial of the former Taiwan President, Chen Shui-bian, and the twentieth anniversary of the fall of the Berlin Wall. InfoNews also gave extended coverage of President Obama's visit to China, and broadcast live his discussion with students in Shanghai. InfoNews' real-time coverage of these key international events consolidates Phoenix's reputation as an authoritative and objective source of news about international events, and as the international economy recovers momentum InfoNews's income should also recover.

鳳凰各主要頻道的節目集現代嶄新娛樂與及國際政治經濟發展的全面及客觀新聞於一身，對華人電視觀眾具有巨大的吸引力，是集團業務的王牌。鳳凰衛視中文台的收入顯著攀升，這反映了諸如《魯豫有約》等極具代表性且一直以來深受歡迎的娛樂清談節目仍然受到電視觀眾的喜愛與支持。二零零九年，鳳凰重新舉辦去年因四川地震而停辦的《中華小姐環球大賽》，這正是鳳凰衛視中文台所製作的高端時尚娛樂節目的典範。

雖然資訊台的收入繼去年顯著增長後有所回落，但此情況是由於受到全球金融危機的吹襲所致。儘管如此，資訊台仍錄得溢利，並繼續以國語提供獨樹一幟的重大國際新聞報導，當中包括泰國當局在泰國軍方與「紅衫軍」爆發衝突後取消東盟地區論壇、繼伊朗富爭議性的選舉後在德黑蘭的示威抗議、緬甸北部的暴亂致使大批難民湧入中國南部、新疆的示威暴力衝突、前台灣領導人陳水扁的審訊以及柏林圍牆倒塌二十週年的消息。此外，資訊台詳細報導美國總統奧巴馬訪問中國的情況，及現場直播奧巴馬總統在上海參與學生論壇的過程。資訊台對此等重大國際事件進行實時報導，鞏固了鳳凰以權威、客觀角度報導國際新聞事件的聲譽；而隨著國際經濟展現復蘇動力，資訊台之收入可望增加。

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The Group's US and UK-based channels also turned in an improved performance, for while their gross income was slightly reduced compared to the same period last year, their losses were reduced by over half, which clearly indicates that these components of the core television broadcasting business are moving towards a point where they can make a positive financial contribution to the Group's performance.

Not only has the Group's core television business remained healthy, but the effort that the Group has made in recent years to expand its commercial base to include new media and outdoor advertising has begun to generate significant additional income, which helps to give the Group a broader commercial foundation. The new media business increased its income by almost 40%, while the outdoor advertising LED business increased its income almost 6 times. Phoenix New Media Limited also successfully completed the sale of its convertible series A preferred shares at an aggregate subscription price of US\$25,000,000 which was received upon closing of the transaction in November 2009. At present management is exploring the best use of the funds derived from the transaction with a view to determining how these funds can contribute most effectively to the expansion of the Group's business.

The Group's reassuringly positive economic performance coincided with the relocation of the Group's headquarters from the Harbourfront complex in Hunghom to a large and totally renovated building in the Tai Po Industrial Estate in Hong Kong's New Territories. The new headquarters are a dedicated Phoenix building with state-of-the-art television equipment and many more studios than the previous headquarters, which were co-located with a number of other companies, including three television companies. The new headquarters have attracted a succession of VIP visitors from Hong Kong, the mainland, Taiwan, and overseas, including the Hong Kong Chief Executive Donald Tsang, three Vice Chairmen of the Chinese People's Consultative Committee, Du Qinglin, Zheng Wantong and Sun Jiazheng, the head of the Cross Straits Relations Association Chen Yunlin, the Chinese Minister of Culture Cai Wu, the Lord Mayor of Taichung Jason Hu and the Taiwan-based Buddhist leader Master Hsing Yun, and the Secretary of Labor in the former United States administration, Ms. Elaine Chao. Numerous groups of television and news professionals have also visited the new headquarters.

本集團植根美國及英國的頻道表現亦見上揚，兩者的總收入雖然較去年同期微跌，但虧損減少逾半，可見該等核心電視廣播業務組合顯然正朝著為本集團帶來正面財務貢獻的方向進發。

本集團不僅於核心電視業務方面維持穩健表現，近年更致力把業務基礎擴展至新媒體及戶外廣告領域，從此等服務為集團帶來可觀的額外收入可見努力已見成效，此部署且有助集團拓寬其業務基礎。新媒體業務的收入增加近40%；而戶外廣告LED業務的收入增加則近6倍。鳳凰新媒體有限公司亦於二零零九年十一月成功完成出售其可兌換系列甲優先股，並已收訖總認購價25,000,000美元。目前管理層正探討如何將此筆資金最有效地運用於拓展本集團的業務。

本集團獲得了令人鼓舞的經濟成果；而集團亦已把其總部由紅磡海濱廣場遷至香港新界大埔工業邨一座經全面翻新的辦公大樓。新總部作為鳳凰的專屬大樓，不只應用了最頂尖科技的電視器材，並且較先前的總部設有更多錄影廠（舊總部與其他公司比鄰，包括三間電視公司）。新總部大樓吸引海外及兩岸三地貴賓包括香港行政長官曾蔭權、中國人民政治協商會議全國委員會三名副主席杜青林、鄭萬通及孫家正、海峽兩岸關係協會會長陳雲林、中國文化部部長蔡武、台中市長胡志強、留台佛教領袖星雲大師及前美國勞工部長趙小蘭女士等到訪。多個不同專業電視及新聞團體亦曾來訪新總部。

The relocation of the Group's headquarters involved additional one-off expenditure, but in the long term this investment in new corporate headquarters will provide an extremely healthy commercial facility for the Group. As the Group has acquired a long-term lease on the new property which will not expire until June 2047 there will be no unexpected increases in accommodation costs for the next 37 years, which will minimize the risk of non-budgeted financial pressure on the Group.

The Group has thus been able to continue to make a profit and consolidate its physical base during one of the most serious economic crises the world has faced in the last five decades, and has also been able to maintain the level of operations it was undertaking before the economic crisis and to find the necessary funding to be able to move into a new state-of-the-art headquarters. In short, the Group's prospects are clearly very bright.

LIU Changle
Chairman

Hong Kong, 18 March 2010

本集團就搬遷總部額外產生了一次性開支，惟這項投資長遠來說將為本集團的業務發展締造穩健基礎。由於本集團就新物業取得的長期租賃將直至二零四七年六月方會屆滿，故未來三十七年的辦公大樓成本將不會出現預期以外的增幅，這舉措有助減低本集團所面對的預算以外的財政壓力風險。

面對過去五十年以來全球最嚴峻的經濟危機之一，本集團能夠繼續創造溢利並鞏固根基，在維持經濟危機爆發前之業務水平之際，亦具備遷往設備先進的新總部所需的資金。總括而言，本集團的前景一片亮麗。

主席
劉長樂

香港，二零一零年三月十八日