

## **PRESS RELEASE**

### **Phoenix Satellite Television Holdings Limited (Stock Code: 02008)**

#### **RESULTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2013**

The Chairman and Chief Executive Officer of Phoenix Satellite Television Holdings Limited (the "Company" or "Phoenix" together with its subsidiaries, collectively "the Group"), Mr. Liu Changle, said today that he was happy to announce the financial results of the Company for the first half of 2013. During this period the Phoenix Group achieved impressive growth in both revenue and profit. The Group's revenue for the six-month period ended 30 June 2013 was approximately HK\$2,206,537,000, which represented an increase of 10.8% over the same period last year. Operating profit for the six-month period ended 30 June 2013 was approximately HK\$513,485,000, which was an increase of 9.5% over the same period last year.

#### **FINANCIAL REVIEW**

The revenue of the Group for the six months ended 30 June 2013 was approximately HK\$2,206,537,000, which represented a 10.8% increase over the same period last year. Operating costs increased by 11.2% to approximately HK\$1,693,052,000. The upward movement in operating costs was mainly due to the expansion of the new media and the outdoor media businesses.

The operating profit of the Group for the six months ended 30 June 2013 was approximately HK\$513,485,000, which represented an increase of 9.5% over the same period last year. The main driver behind this result was the growth in the new media business.

Fair value gains of approximately HK\$95,588,000 (six months ended 30 June 2012: HK\$4,340,000) and HK\$95,000 (six months ended 30 June 2012: HK\$103,000) were recognized for the investment property under construction in Beijing and the investment property in London respectively.

The profit attributable to owners of the Company was approximately HK\$412,468,000 (six months ended 30 June 2012: HK\$354,320,000).

The chart below summarises the performance of the Group for the six months ended 30 June 2013 and the same period in 2012.

	<b>Six months ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Television broadcasting	<b>1,096,329</b>	1,096,939
New media	<b>818,563</b>	650,046
Outdoor media	<b>255,941</b>	208,748
Real estate	<b>573</b>	282
Other businesses	<b>35,131</b>	35,773
Group's total revenue	<b>2,206,537</b>	1,991,788
Operating costs	<b>(1,693,052)</b>	(1,522,667)
Operating profit	<b>513,485</b>	469,121
Fair value gains on investment properties	<b>95,683</b>	4,443
Other income, net	<b>49,140</b>	33,305
Profit before share of results of joint ventures and an associate, income tax and non-controlling interests	<b>658,308</b>	506,869
Share of results of joint ventures and an associate	<b>3,649</b>	(2,633)
Income tax expense	<b>(141,959)</b>	(104,084)
Profit for the period	<b>519,998</b>	400,152
Non-controlling interests	<b>(107,530)</b>	(45,832)
Profit attributable to owners of the Company	<b>412,468</b>	354,320
Basic earnings per share, Hong Kong cents	<b>8.26</b>	7.10

## **Business Overview and Prospects**

The Group once again produced a positive outcome, despite the slowdown of the Chinese economy and the continuing adverse effects brought by the economic problems in Europe. This underscores that the overall strategy of the Group is sound, and that the Company continues to perform well.

In respect of the television business, the Chinese Channel and the InfoNews Channel remain the main sources of revenue, providing almost 50 percent of the Group's income. The Group's news coverage places itself in a unique position among the Chinese language television broadcasters worldwide. During the last six months, the news provided on both the InfoNews Channel and the Chinese Channel covered major global events, including the re-election of President Obama, the highly controversial North Korean nuclear test, the retirement of the Pope, and the controversy over the revelations by the former US intelligence consultant, Edward Snowden, and his subsequent flight through Hong Kong to Moscow airport. The Phoenix news coverage also provided detailed reporting on President Xi Jinping's visits to Russia, Africa, Latin America, and the United States, including his informal meeting with President Obama in California. The objective, timely and accurate reporting has long been the hallmark of the Phoenix Group, which also creates a competitive advantage for the Phoenix Group among all other Chinese language television broadcasters.

The diversification strategy of the Group has continued to produce positive results. The proposed spin-off of the Phoenix Metropolis Media Technology Company Limited ("PMM Beijing") has the potential to generate considerable gain on deemed disposal, while the new media business continues to enhance the Group's image in a very positive manner, and it also allows the public to view the Phoenix programmes via the internet at any time, any location and any kind of screen. This six-month period demonstrates that the Group's overall strategy, from its approach to news coverage to its expansion into other areas of business, continues to be effective, and suggests that the Group's future prospects remain very positive.

## Management Discussion and Analysis

### Comments on Segmental Information

	Six months ended 30 June			
	2013		2012	
	Revenue HK\$'000	Segment result HK\$'000	Revenue HK\$'000	Segment result HK\$'000
Television broadcasting	1,096,329	528,041	1,096,939	540,359
New media	818,563	166,362	650,046	90,449
Outdoor media	255,941	19,867	208,748	24,338
Real estate	573	88,807	282	(1,998)
Other businesses	35,131	(11,733)	35,773	170
Group's total revenue and segment results	<u>2,206,537</u>	<u>791,344</u>	<u>1,991,788</u>	653,318
Unallocated income		16,079		10,310
Unallocated expenses		<u>(149,115)</u>		<u>(156,759)</u>
Profit before share of results of joint ventures and an associate, income tax and non-controlling interests		<u>658,308</u>		<u>506,869</u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 49.7% of the total revenue of the Group for the six months ended 30 June 2013, maintained a steady level and amounted to approximately HK\$1,096,329,000 (six months ended 30 June 2012 : HK\$1,096,939,000). The segmental result for television broadcasting recorded a profit of approximately HK\$528,041,000 for the six months ended 30 June 2013 (six month ended 30 June 2012: HK\$540,359,000).

Phoenix Chinese Channel and Phoenix InfoNews Channel accounted for 46.6 % of the total revenue of the Group for the six months ended 30 June 2013, an increase by 2.0% to approximately HK\$1,027,986,000 (six months ended 30 June 2012 : HK\$1,007,572,000).

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel and others, decreased by 23.5% as compared to the same period last year to approximately HK\$68,343,000 (six months ended 30 June 2012 : HK\$89,367,000), which was mainly due to a decrease in the revenue of the aperiodic programme related investment.

The new media operations, which make Phoenix programming available on the internet and on a number of mobile telecommunication networks, contributed to raising the profile of the Group as a television broadcaster. The revenue of the new media business for the six months ended 30 June 2013 increased by 25.9% to approximately HK\$818,563,000 (six months ended 30 June 2012 : HK\$650,046,000). The segmental profit was approximately HK\$166,362,000 (six months ended 30 June 2012 : HK\$90,449,000). Phoenix new media has been continuously investing in the enrichment of contents, human resources and marketing activities to further strengthen the vertical channels of ifeng.com, with a general aim to foster further traffic growth, and in particular to achieve a higher level of user loyalty, to increase the number of daily visitors and to enhance the brand's image.

