



*For Immediate Release*

**TCL Multimedia Recorded Profit Attributable to Owners of the Parent of  
HK\$911 Million in 2012, Increased Significantly by 101.1% year-on-year**

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**Annual LCD TV Sales Volume Target of 18.00 Million Sets for 2013**

**Results Highlight:**

- For the year ended 31 December 2012, the Group recorded a turnover of approximately HK\$39,685 million, up 20.5% compared with the same period last year. The Group continued to improve its profitability, gross profit was approximately HK\$6,578 million, up 24.4% year-on-year. Operating profit was approximately HK\$1,286 million, up 45.6% year-on-year. Profit attributable to owners of the parent reached approximately HK\$911 million, representing a significant growth of 101.1% year-on-year. The Board of Directors proposed a final dividend of HK14.80 cents per share.
- Overall sales volume of LCD TVs increased by 43.0% year-on-year to 15.53 million sets during the full year of 2012, exceeding the Group's annual LCD TV sales volume target of 15.20 million sets. The Group became the first Chinese TV manufacturer to achieve its annual LCD TV sales volume exceeding 15.00 million sets, an achievement that has taken development of the TV industry in the PRC. The sales volume of LCD TVs in the PRC Market and the Overseas Markets increased by 34.1% and 56.8% year-on-year respectively, exceeding the industry's average, of which the sales volume of LCD TVs in the Emerging Markets grew by 70.4% year-on-year.
- According to the latest DisplaySearch report, the Group's global LCD TV market share increased from 4.8% in 2011 to 5.8% in 2012, thereby lifted its ranking to No.4. The Group has ranked No.1 in the PRC LCD TV market with a market share of 18.0%.
- Attributable to continuous optimization of the product mix, the monthly sales volume of smart & internet TVs and 3D TVs accounted for 77.7% and 28.9% of the total LCD TV sales volume in the PRC Market in December 2012 respectively.
- With reference to the current market landscape and demand, the Group has set an annual sales volume target of LCD TVs of 18.00 million sets for 2013, an expected increase of approximately 15.9% compared with the total actual sales volume of LCD TVs of 15.53 million sets in 2012.

(26 February 2013, Hong Kong) – **TCL Multimedia Technology Holdings Limited** ("TCL Multimedia" or "the Group", HKSE stock code: 01070) today announced its audited consolidated annual results for the year ended 31 December 2012.



For the year ended 31 December 2012, the Group recorded a turnover of approximately HK\$39,685 million, up 20.5% compared with the same period last year. Gross profit was approximately HK\$6,578 million, up 24.4% year-on-year. Operating profit and profit attributable to owners of the parent reached approximately HK\$1,286 million and HK\$911 million, up 45.6% and 101.1% respectively from the same period of last year. Gross profit margin improved from 16.1% in 2011 to 16.6% in 2012. Expense ratio declined from 14.1% in 2011 to 13.7% in 2012. Basic earnings per share was HK69.65 cents (2011: HK41.80 cents), representing a growth of 66.6% compared to the same period of last year. The Board of Directors proposed a final dividend of HK14.80 cents per share, together with the interim dividend of HK10.00 cents per share, the total dividend for the year ended 31 December 2012 was HK24.80 cents per share, up 55.0% year-on-year. Dividend payout ratio of the full year was approximately 35.6%.

Under the review of 2012, the Group achieved growth in the sales volume of LCD TVs by optimizing product mix, expanding sales channels as well as implementing proactive marketing strategies. The Group sold a total of 15.53 million sets of LCD TVs for the full year of 2012, up 43.0% year-on-year, thereby exceeded its annual LCD TV sales volume target of 15.20 million sets, making the Group the first Chinese TV manufacturer that achieved its annual LCD TV sales exceeding 15.00 million sets, taking the development of TV industry in the PRC. The sales volume of LCD TVs in the PRC Market and the Overseas Markets increased by 34.1% and 56.8% year-on-year respectively.

Mr. Zhao Zhongyao, Chief Executive Officer of TCL Multimedia said, "We had successfully accomplished our strategic transformation in 2012. Despite a challenging operating environment in last year, we had been adhering strictly to our principle of 'speed and efficiency' and implemented our development strategies of 'sales volume growth, transformation and sustainability'. We strived to enhance our product competitiveness, optimize sales channels and fully leverage advantages brought by our vertically-integrated operations in order to continue strengthening our core competence and profitability. Meanwhile, we focused on strengthening our supply chain management, lowering our costs through resources integration and continuously promoting the proportion of sales volume of high-end products."

The Group achieved satisfactory results in both the PRC Market and Overseas Markets. Turnover in the PRC Market increased by 18.0% year-on-year to HK\$23,146 million and remains the Group's major source of revenue and profit. Sales volume of LCD TVs reached 8.86 million sets, up 34.1% from the same period of last year, well above the industry average, of which the sales volume of LED backlight LCD TVs increased from 3.02 million sets last year to 7.25 million sets of this year, a significant increase of 140.0%. In addition, the sales volume of 3D TVs increased from 0.31 million sets in 2011 to 2.14 million sets in 2012, contributing to 24.1% of the total LCD TV sales volume in the PRC Market. The sales volume of smart & internet TVs reached 4.51 million sets, contributing to 50.9% of the total LCD TV sales volume in the PRC Market.

Turnover in the Overseas Markets of the Group reached HK\$11,940 million, up 36.6% from the same period of last year. The sales volume of LCD TVs in the Overseas Markets reached 6.67 million sets, representing a year-on-year increase of 56.8%, of which the sales volume of LED backlight LCD TVs grew significantly to 4.58 million sets from 1.66 million sets in the same period of last year. The sales volume of LED backlight LCD TVs accounted for 68.6% of the total LCD TV sales volume in the Overseas Markets. The sales volume of LCD TVs in the Emerging Markets reached 4.03 million sets, up 70.4% year-on-year, with strong growths in markets including Latin America, the Middle East and Southeast Asia.



In addition, the Group's Tonly Electronics Limited ("Tonly Electronics") business (formerly known as AV business) made new breakthrough in its product transformation. Despite sales volume of AV products decreased by 26.0% year-on-year to 14.80 million sets, it continued to seek diversification in its products and customer base and proactively drove transformation of its products, resulting in satisfactory growth in the sales volume of both intelligent accessories and new audio products. It also endeavored to optimize its supply chain efficiency and accelerate its inventory turnover in an effort to mitigate pressure from rising production costs.

With reference to the current market landscape and demand, the Group has set its annual sales volume target of LCD TV of 18.00 million sets for 2013, an expected increase of approximately 15.9% compared with the total actual sales volume of LCD TVs of 15.53 million sets in 2012.

For its TV business in the PRC Market, the Group will adjust its product mix to accommodate changes in the market. Specifically, the Group will intensify its efforts in R&D, improve operating efficiency and adhere to its multi-brand strategic operation model to further enhance reputation of its products, as well as to increase its marketing effort in order to be better prepared for the strong consumer demand for high-end products like LED backlight LCD TVs and smart TVs. In addition, the Group will continue to deepen its "full cloud strategies". This aims at raising the proportion of sales volume of the high-end and high value-added products including LED backlight LCD TVs, 3D TVs and smart & internet TVs, enabling the Group to optimize its product mix, maintain the average selling price of its products and increasing the overall gross profit margins. Moreover, the Group will continue to increase the number of points of sales by establishing more specialty stores in cities and rural markets and improve sales efficiency of each of the points of sales as part of its effort to accelerate sales volume growth and increase market share.

In the Overseas Markets, the Group will continue to implement a prudent operational strategy while seizing opportunities from the transition to high-end products in the Emerging Markets. It strives for raising the proportion of sales volume of LED backlight LCD TVs in the market. In 2013, the Group will enhance its promotions of smart TVs and launch series of ultra narrow edge products in the Overseas Markets. Smart TVs is expected to become an important growth driver in the Overseas Markets. The Group will continue to drive development in sales channels and improve the overall operational efficiency in the Emerging Markets as part of its effort to enhance overall competitiveness. In the European and North American markets, the Group will remain committed to improving operational efficiency, speeding up the launch of new products and enhancing sales services standards to intensify sales efforts in North American Market and increase investments in brand development.

For Tonly Electronics business, the Group will step up its investments in R&D of software and electro-acoustic technologies to enhance its capability of designing intelligent ancillary products. Meanwhile, it will put more efforts in development of the Sound Bar product which are closely associated with smart & internet TVs so as to enrich its product portfolio.

Furthermore, the Group's ultimate holding company, TCL Corporation, is one of the few large international enterprises with multimedia business, mobile communication business and 8.5-generation LCD panel business in the world. Therefore, the Group will capitalize on TCL Corporation's resource advantages and cooperate more strategically with TCL Communication Technology Holdings Limited and Shenzhen China Star Optoelectronics Technology Co., Ltd. in product, R&D as well as management, etc., to derive more strategic synergies, so as to enhance the overall competitive advantages of the Group and TCL brand in the international home appliance industry.



Mr. Zhao Zhongyao, Chief Executive Officer of TCL Multimedia said, “We will continue to adhere to our principle of ‘speed and efficiency’ and to persist in optimizing our product portfolio, enhancing brand influence, optimizing the supply chain management continuously and tightening management of our operating cycles, lowering production costs and expense ratio to fully leverage advantages brought about by our vertically-integrated operations. In the future, we will continue to enhance our leading position in the global TV market, achieve better results for 2013 and thus to create more shareholders’ value.”

The Group’s sales volume of TVs and AV products by region are shown as below:

	<b>2012</b> <i>(’000 sets)</i>	2011 <i>(’000 sets)</i>	<b>Change</b>
<b>LCD TVs</b>	<b>15,527</b>	10,860	+43.0%
of which: LED backlight LCD TVs	<b>11,828</b>	4,682	+152.6%
Smart & internet TVs	<b>4,637</b>	1,492	+210.8%
3D TVs	<b>2,179</b>	326	+568.4%
— PRC	<b>8,856</b>	6,606	+34.1%
— Overseas	<b>6,671</b>	4,254	+56.8%
<b>CRT TVs</b>	<b>2,030</b>	4,185	(51.5%)
— PRC	<b>176</b>	1,006	(82.5%)
— Overseas	<b>1,854</b>	3,179	(41.7%)
<b>Total TV sales volume</b>	<b>17,557</b>	15,045	+16.7%
<b>Total AV products sales volume</b>	<b>14,799</b>	20,000	(26.0%)

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### **About TCL Multimedia**

Headquartered in China, TCL Multimedia Technology Holdings Limited (HKSE stock code: 01070) is one of the leading players in the global TV industry. TCL Multimedia is engaged in the R&D, manufacturing and distribution of consumer electronic products comprising television and audio visual products. Its ultimate holding company is TCL Corporation. According to the latest DisplaySearch report, the Group’s global LCD TV market share increased from 4.8% in 2011 to 5.8% in 2012, thereby lifted its ranking up to No.4. The Group has ranked No.1 in the PRC LCD TV market with a market share of 18.0%.

For more information, please visit its website: <http://multimedia.tcl.com>.

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