



For Immediate Release

TCL Multimedia Recorded Profit Attributable to Owners of the Parent of HK\$196 Million for the First Quarter of 2013

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Up by 18.8% Year-on-Year Excluding the One-off Gain

Results Highlight:

- For the three months ended 31 March 2013, the Group recorded a turnover of approximately HK\$10,260 million, up by 23.6% year-on-year. Gross profit amounted to approximately HK\$1,664 million, up by 11.2% year-on-year. Operating profit was approximately HK\$341 million, down by 29.0% year-on-year. Net profit was approximately HK\$210 million, if the one-off gain (“One-off Gain”) of approximately HK\$144 million from acquisition of the entire equity interest in TCL Optoelectronics Technology (Huizhou) Co., Ltd. and its 60% equity interest in Huizhou TCL Coretronic Co., Ltd. in the same period of last year was excluded, net profit would have risen by 25.7% year-on-year. Profit attributable to owners of the parent was approximately HK\$196 million, representing an increase of 18.8% year-on-year if the One-off Gain in the same period of last year was excluded.
- The overall sales volume of LCD TVs reached 3.91 million sets, representing an increase of 21.5% year-on-year. The sales volume of LCD TVs in the PRC Market rose by 48.6% year-on-year, while the sales volume of LCD TVs in the Overseas Markets dropped by 9.0% year-on-year, of which, sales volume of LCD TVs in the Emerging Markets recorded an increase of 2.4% year-on-year. The product mix has continuously been optimized, with a higher proportion of sales volume of high-end products. Sales volume of smart TVs and 3D TVs accounted for 21.5% and 30.1% of the Group’s LCD TV sales volume in the PRC Market, respectively.
- TCL has been striving to rapidly enhance its global brand influence by implementing international marketing strategies and upgrading its brand. Following the formation of strategic partnerships with a Hollywood movie “Iron Man 3” and Grauman’s Chinese Theatre in Hollywood of the United States, TCL hosted a 2013 Spring press conference in Beijing to announce its brand enhancement strategies projecting a “young, fashionable and internationalized” image and release a new brand Visual Identity system, simultaneously launched various new product series under “Fireball Plan”, its new sub-brand Viveza for high-end TVs and its first new high-end TV product, Viveza V101. The moves were well received by the market.

(24 April 2013, Hong Kong) – **TCL Multimedia Technology Holdings Limited** (“TCL Multimedia” or “the Group”, HKSE stock code: 01070) today announced its unaudited consolidated first quarter results for the three months ended 31 March 2013.



For the three months ended 31 March 2013, the Group recorded a turnover of approximately HK\$10,260 million, up by 23.6% year-on-year. Gross profit was approximately HK\$1,664 million, up by 11.2% year-on-year. During the period, although the gross profit margin dropped to 16.2% from 18.0% of the same period of last year, expense ratio lowered to 13.7% from 14.9% of the same period of last year, which off-set the impact on margin reduction. Operating profit was approximately HK\$341 million, down by 29.0% year-on-year. Net profit was approximately HK\$210 million, if the one-off gain (“One-off Gain”) of approximately HK\$144 million from acquisition of the entire equity interest in TCL Optoelectronics Technology (Huizhou) Co., Ltd. and its 60% equity interest in Huizhou TCL Coretronic Co., Ltd. in the same period of last year was excluded, net profit would have risen by 25.7% year-on-year. Profit attributable to owners of the parent was approximately HK\$196 million, representing an increase of 18.8% year-on-year if the One-off Gain in the same period of last year was excluded. Basic earnings per share were HK14.83 cents (The first quarter of 2012: HK24.32 cents).

The Group adhered to its development strategy with an emphasis on “speed and efficiency”, and boosted its proportion of sales volume of high-end products and market share by improving its product competitiveness and stepping up its efforts in sales channel establishment and brand establishment in the first quarter of 2013. In addition, the Group integrated its industry chain so as to reduce costs and speed up turnover rate. It also fully took advantages of vertical integration and to produce competitive products to enhance profitability.

Regarding the TV Business, the sales volume of LCD TVs in the PRC Market rose by 48.6% year-on-year to 2.54 million sets while that in the Overseas Markets decreased by 9.0% year-on-year to 1.38 million sets. The sales volume of LCD TVs in the Emerging Markets grew by 2.4% year-on-year to 0.91 million sets. The sales volume of LED backlight LCD TVs accounted for 90.5% of the total LCD TV sales volume, while the proportion of smart TVs and 3D TVs to the total LCD TV sales volume increased to 15.1% and 19.7%, respectively.

TCL aims at enhancing its brand influence by projecting a “young, fashionable and internationalized” image in its brand building efforts and marketing campaigns tying in with the entertainment industry. During the period under review, TCL hosted a 2013 Spring press conference in Beijing to announce its brand enhancement strategies that project a “young, fashionable and internationalized” image and a new brand Visual Identity system. It also announced a series of cooperations with the Hollywood movie “Iron Man 3” through brand placement, joint promotions and authorized usage of creative elements. TCL’s smart TV, with the world’s largest 110-inch 4K full high-definition 3D LCD panel, the cloud technology and mobile handsets would be featured in “Iron Man 3”. This move will comprehensively demonstrate the innovative products and strong capability of TCL. Meanwhile, TCL has obtained the naming right of Grauman’s Chinese Theatre, a landmark building on Hollywood Boulevard. The building was officially renamed “TCL Chinese Theatre”. Furthermore, the Group has become a new television sponsor of Hong Kong International Airport (“HKIA”), making it the first television brand in the PRC to feature its TV products at HKIA, allowing consumers and travelers from all over the world to experience the charisma of TCL products.

In addition, Tonly Electronics Limited (“Tonly Electronics”) continued to increase its investments in R&D of software and electro-acoustic technologies so as to enhance its capability in the design of intelligent accessories and enrich its product mix. Although the sales volume of AV products decreased by 3.4% year-on-year to 3.25 million sets, the turnover increased by 11.5% year-on-year to HK\$876 million. The Group achieved satisfactory development in intelligent accessories and new audio products by continuously implementing diversified strategies for its products and customer base as well as actively proceeding with its product transformation.



Looking ahead, for the TV Business, the Group will continue to implement its strategy on business operation and marketing with an emphasis on “speed and efficiency” and will strive to bring more value-for-money products to consumers through product innovation, cost optimization, product competitiveness and pricing strategy. It will also boost its sales volume and market share by enhancing both the sales channels and brand development. The Group is striving to meet its annual sales volume target of 18.00 million sets of LCD TVs for 2013, with an aim to achieving the target of quality growth by improving the product structure. For Tonly Electronics business, the Group will step up its investments in R&D including software development and electro-acoustic technologies to enhance its capability in design of intelligent ancillary products. Meanwhile, it will put more efforts in new product development which is closely associated with intelligent accessories and new audio products, including Sound Bar products so as to enrich its product mix.

Mr. Zhao Zhongyao, Chief Executive Officer of TCL Multimedia said, “We will capitalize on resource advantages of TCL Corporation, and cooperate more strategically with Shenzhen China Star Optoelectronics Technology Co., Ltd. and TCL Communication Technology Holdings Limited in various aspects including products, R&D as well as management to derive more strategic synergies. We will fully take the advantages brought by our vertically-integrated operations, enhance our leading position and make TCL to be a more influential international brand, and thus, to create more values to its shareholders.”

The Group’s sales volume of TVs and AV products by regions are as follows:

	2013 First quarter (‘000 sets)	2012 First quarter (‘000 sets)	Change
LCD TVs	3,912	3,219	+21.5%
of which: LED backlight LCD TVs	3,541	2,022	+75.1%
Smart TVs	591	112	+427.7%
3D TVs	772	250	+208.8%
— PRC	2,535	1,706	+48.6%
— Overseas	1,377	1,513	(9.0%)
CRT TVs	343	765	(55.2%)
— PRC	-	86	(100.0%)
— Overseas	343	679	(49.5%)
Total TV sales volume	4,255	3,984	+6.8%
AV products sales volume	3,253	3,368	(3.4%)

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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. Meanwhile 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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