PRESS RELEASE
Phoenix Satellite Television Holdings Limited
(Stock Code: 02008)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

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 pleased to announce the Company's annual results for the 2014 financial year, and that he particularly wanted to emphasize that despite some downward trends in the Chinese economy, including in luxury item advertising, the Group had continued to make a profit. Revenue for the year ended 31 December 2014 was approximately HK$4,618,365,000, which represented a decrease of 3.9% in comparison with the previous year. Operating profit for the year ended 31 December 2014 was approximately HK$901,781,000, which represented a decrease of 28.5% compared to the previous year, although the profit margin of the television broadcasting business was much higher and more stable than those of the Group's other areas of business, including the new media business. The Board recommended a final dividend of 4 Hong Kong cents per ordinary share of the Company.

FINANCIAL REVIEW

The revenue of the Group for the year ended 31 December 2014 was approximately HK$4,618,365,000 (year ended 31 December 2013: HK$4,806,458,000), which represented a 3.9% decrease in comparison with the same period of the previous year. The decline in the demand for luxury goods in China has led to a decrease in the advertising income of the television broadcasting business. The operating costs have increased by 4.8% to approximately HK$3,716,584,000 (year ended 31 December 2013: HK$3,544,942,000). The upward movement in operating costs was mainly due to the expansion of the new media business.

The operating profit of the Group for the year ended 31 December 2014 was approximately HK$901,781,000 (year ended 31 December 2013: HK$1,261,516,000), which represented a decrease of 28.5% compared to the same period of the previous year. Fair value gain of approximately

HK$173,400,000 (year ended 31 December 2013: HK$104,199,000) was recognised for the investment property in Beijing and fair value gain of approximately HK$2,377,000 (year ended 31 December 2013: HK$95,000) was recognised for the investment property in London. The net exchange loss of the Group for the year ended 31 December 2014 was approximately HK$14,325,000 (year ended 31 December 2013: net exchange gain of HK$43,088,000) resulting from the depreciation of Renminbi.

The profit attributable to owners of the Company was approximately HK$663,710,000 (year ended 31 December 2013: HK$932,394,000), which represented a decrease of 28.8% compared to the same period of the previous year. The chart below summarises the performance of the Group for the year ended 31 December 2014 and the year ended 31 December 2013 respectively.

	Year ended 31 December	
	2014	2013
	HK$'000	HK$'000
Television broadcasting	**1,997,976**	2,374,864
New media	**1,989,680**	1,751,100
Outdoor media	**553,604**	612,823
Real estate	**3,713**	1,157
Other businesses	**73,392**	66,514
Group' s total revenue	**4,618,365**	4,806,458
Operating costs	**(3,716,584)**	(3,544,942)
Operating profit	**901,781**	1,261,516
Fair value gain on investment properties	**175,777**	104,294
Fair value gain on derivative financial instruments	**37,801**	-
Exchange (loss)/gain, net	**(14,325)**	43,088
Other income, net	**81,974**	41,203
Profit before share of results of joint ventures and associates, income tax and non-controlling interests	**1,183,008**	1,450,101
Share of results of joint ventures and associates	**(21,226)**	6,318
Income tax expense	**(251,322)**	(293,391)
Profit for the year	**910,460**	1,163,028
Non-controlling interests	**(246,750)**	(230,634)
Profit attributable to owners of the Company	**663,710**	932,394
Basic earnings per share, Hong Kong cents	**13.28**	18.66

BUSINESS OVERVIEW AND PROSPECTS

The year 2014 saw a downward trend in the Chinese consumer economy, and the significant diminution in the demand for luxury items, which in turn has led to a considerable reduction in advertising income. This downward trend has been influenced by the Chinese government's campaign to counter corruption, and also by the stagnation of the property market. The Chinese government is also working to encourage businesses to meet the needs of China's expanding urban population and middle class, which in turn will generate renewed consumer demand. Economic analysts assess that over the next three years the most productive sectors in China will be food and beverage, entertainment, logistics and healthcare, and each of these sectors will see an increase in advertising. In short, the economic trends of the last financial year do not foreshadow long-term challenges to the Group.

Another challenge that the Chinese television business has been facing is the dramatic growth in the internet-based media technologies which has been driven to a large extent by the availability of modern mobile phone technology in China. Having anticipated the emergence of this challenge, the Group has been preparing for this development for some years, and with the establishment of the Group's Phoenix New Media, it is well placed to generate considerable income from the rapid expansion of the social media world in China. The establishment of the Group's new media business has required considerable investment, but the income that the Group derives from this line of business should not be seriously reduced by development expenditure in the longer term.

The Group has continued to provide extensive coverage of global news events, and this year its reporting covered in detail the crash of two Malaysian Airlines aircraft, both of which occurred in mysterious circumstances, the anti-government demonstrations in Thailand which eventually led to a military coup that ousted Prime Minister Yingluck Shinawatra, and the election of Narendra Modi as Indian Prime Minister, and his more active approach to developing relations with China than any of his predecessors. The Group has also provided extensive coverage of developments in the Middle East and Europe, including the civil war in Syria, the rise of ISIS, the diplomatic negotiations over the Iranian nuclear program, and the often violent territorial tensions between Ukraine and Russia.

The Group's reporting has also covered developments in the Asian region, including the continuing tensions between China and Japan over the Diaoyutai Islands and the Japanese Prime Minister's ambiguous approach to Japan's military aggression in the first half of the Twentieth Century, and the still unresolved border issues in the South China Sea involving China, Vietnam and the Philippines. The Group has also continued to produce insightful and objective documentaries on developments in North Korea. The Group provided extensive coverage of the APEC meeting that was held in Beijing, which was attended by many leaders of the Asia-Pacific region, including President Obama.

The management of the Group is also conscious that Phoenix has now been operating for almost twenty years, and that many of its founding executives who made a major contribution to the Group's successful establishment and development have now reached retirement age. As these company elders have moved out of their original roles, the door has been opened for a range of new and innovative managers and executives to enter the top ranks of the Group, and bring a very modern and innovative perspective to the strategy that the company should adopt to ensure its development over the coming years. In short, the Group is well placed to respond effectively to the economic challenges it currently faces and the development of the new and extremely popular new media world.

MANAGEMENT DISCUSSION AND ANALYSIS

Comments on Segmental Information

	Year ended 31 December			
	2014		2013	
	Revenue	**Segment result**	Revenue	Segment result
	HK$'000	**HK$'000**	HK$'000	HK$'000
Television broadcasting	**1,997,976**	**883,658**	2,374,864	1,173,549
New media	**1,989,680**	**453,100**	1,751,100	392,946
Outdoor media	**553,604**	**42,410**	612,823	98,689
Real estate	**3,713**	**164,561**	1,157	89,977
Other businesses	**73,392**	**(52,031)**	66,514	(34,023)
Group's total revenue and segment results	**4,618,365**	**1,491,698**	4,806,458	1,721,138
Unallocated income		**27,219**		31,753
Unallocated expenses		**(335,909)**		(302,790)
Profit before share of results of joint ventures and associates, income tax and non-controlling interests		**1,183,008**		1,450,101

Revenue from television broadcasting, comprising of advertising, subscription and other revenue sources, which accounted for 43.3% of the total revenue of the Group for the year ended 31 December 2014, decreased by 15.9% to approximately HK$1,997,976,000 (year ended 31 December 2013: HK$2,374,864,000). The decline in the demand for luxury goods in China has led to a decrease in the advertising income of the television broadcasting business. The segmental result for the television broadcasting business recorded a profit of approximately HK$883,658,000 for the year ended 31 December 2014 (year ended 31 December 2013: HK$1,173,549,000). Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 39.4% of the total revenue of the Group for the year ended 31 December 2014, decreased by 17.5% to approximately HK$1,821,051,000 (year ended 31 December 2013: HK$2,207,217,000).

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel and others increased by 5.5% as compared to the previous year to approximately HK$176,925,000 (year ended 31 December 2013: HK$167,647,000). The new media operations, which make Phoenix programming available on the internet and on a number of mobile telecommunication networks, contributed to enhancing the profile of the Group as a television broadcaster. The revenue of the new media business for the year ended 31 December 2014 increased by 13.6% to approximately HK$1,989,680,000 (year ended 31 December 2013: HK$1,751,100,000). The segmental profit for the year ended 31 December 2014 increased by 15.3% to approximately HK$453,100,000 (year ended 31 December 2013: HK$392,946,000).

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, in particular to achieve a higher level of user loyalty, to increase the number of daily visitors and to enhance the brand's image.

The revenue of outdoor media business for the year ended 31 December 2014 decreased by 9.7% to approximately HK$553,604,000 (year ended 31 December 2013: HK$612,823,000). The segmental profit of outdoor media business for the year ended 31 December 2014 decreased by 57.0% to approximately HK$42,410,000 (year ended 31 December 2013: HK$98,689,000).

The segmental profit for real estate for the year ended 31 December 2014 was approximately HK$164,561,000 (year ended 31 December 2013: segmental gains of HK$89,977,000), which included the net fair value gain of approximately HK$175,777,000 (year ended 31 December 2013: HK$104,294,000), was recognized for the investment properties.

Dividends

After considering the sustainable profitability of the Group's core television broadcasting business, the board of directors of the Company recommend the payment of a final dividend of 4 Hong Kong cents per ordinary share of the Company ("Share(s)") (final dividend for 2013 of 5.1 Hong Kong cents), totaling approximately HK$199,908,000, equivalent to approximately 30.1% of profit attributable to owners of the Company, to be payable to shareholders whose names appear on the register of members of the Company on 15 June 2015, Monday. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be payable on or around 30 June 2015, Tuesday.

Phoenix Satellite Television Holdings Limited
17 March 2015

End

ABOUT PHOENIX

Phoenix Chinese Channel was launched on 31 March 1996, with the aim of offering quality content to Chinese communities around the world. The dynamism of this massive market, combined with successful expansion strategies, has enabled Phoenix to develop a comprehensive multi-dimensional media platform which now includes a Cantonese television services. Today, Phoenix Chinese Channel, Phoenix Movies Channel, Phoenix InfoNews Channel, Phoenix Chinese News and Entertainment Channel, Phoenix North America Chinese Channel and Phoenix Hong Kong Channel together broadcast to audiences in the Asia Pacific, Europe, America, Africa, the Middle East, Australia and New Zealand, covering more than 180 countries and regions.

Phoenix Satellite Television Holdings Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 02008). Phoenix New Media Limited, an indirect non-wholly owned subsidiary of the Group, is listed on the New York Stock Exchange ("NYSE") (NYSE: FENG).

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Further information about Phoenix Satellite Television Holdings Limited can be found at www.ifeng.com, www.irasia.com/listco/hk/phoenixtv and www.hkexnews.hk.