PRESS RELEASE

Phoenix Satellite Television Holdings Limited
(Stock Code: 02008)

RESULTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2014

The Chairman and the Chief Executive of Phoenix Satellite Television Holdings Limited (the "Company" or "Phoenix" together with its subsidiaries, collectively "the Group"), Mr. Liu Changle, said today that for the six-month period ended 30 June 2014, the Group's revenue was approximately HK$2,179,739,000 which represented a decrease of 1.2% over the same period last year. The decline in television advertising revenue was almost compensated by the increase in other new businesses. The operating profit was approximately HK$425,714,000, which represented a decrease of 17.1% over the same period last year as the profit margin of the stable television broadcasting business was much higher than those of the new ones.

FINANCIAL REVIEW

The revenue of the Group for the six months ended 30 June 2014 was approximately HK$2,179,739,000 (six months ended 30 June 2013: HK$2,206,537,000), which represented a 1.2% decrease over the same period last 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 3.6% to approximately HK$1,754,025,000 (six months ended 30 June 2013: HK$1,693,052,000). 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 six months ended 30 June 2014 was approximately HK$425,714,000 (six months ended 30 June 2013: HK$513,485,000), which represented a decrease of 17.1% over the same period last year. The Group has adopted a diversification strategy with a view to achieve a more balanced and comprehensive business model, and its new media and outdoor media businesses have achieved considerable increments in their respective segmental profits as compared to the same period of the previous year.

Fair value loss of approximately HK$66,132,000 (six months ended 30 June 2013: fair value gain of HK$95,588,000) was recognized for the investment property under construction in Beijing and fair value gain of approximately HK$2,377,000 (six months ended 30 June 2013: HK$95,000) was recognized for the investment property in London. The fair value measurement of the investment property under construction in Beijing as at 30 June 2014 was approximately HK$1,196,071,000 which was similar to the measurement as at 31 December 2013. Due to a combination of factors, the total budget for the construction of investment property under construction in Beijing was expected to be increased by RMB190,000,000 to approximately RMB1,270,000,000 which has led to a fair value loss for the six months ended 30 June 2014.

The net exchange loss of the Group for the six months ended 30 June 2014 was approximately HK$43,342,000 (six months ended 30 June 2013: net exchange gain of HK$30,143,000) resulting from the substantial depreciation of Renminbi.

The profit attributable to owners of the Company was approximately HK$228,347,000 (six months ended 30 June 2013: HK$412,468,000), which represented a decrease of 44.6% over the same period last year.

The chart below summarises the performance of the Group for the six months ended 30 June 2014 and the same period in 2013.

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Television broadcasting	**926,934**	1,096,970
New media	**937,619**	818,563
Outdoor media	**279,071**	255,941
Real estate	**639**	573
Other businesses	**35,476**	34,490
Group's total revenue	**2,179,739**	2,206,537
Operating costs	**(1,754,025)**	(1,693,052)
Operating profit	**425,714**	513,485
Fair value (loss)/gain on investment properties, net	**(63,755)**	95,683
Exchange (loss)/gain, net	**(43,342)**	30,143
Other income, net	**63,024**	18,997
Profit before share of results of joint ventures and associates, income tax and non-controlling interests	**381,641**	658,308
Share of results of joint ventures and associates	**(7,951)**	3,649
Income tax expense	**(75,652)**	(141,959)
Profit for the period	**298,038**	519,998
Non-controlling interests	**(69,691)**	(107,530)
Profit attributable to owners of the Company	**228,347**	412,468
Basic earnings per share, Hong Kong cents	**4.57**	8.26

BUSINESS OVERVIEW AND PROSPECTS

The Group's results for the past six months have shown a downward movement compared with the same period last year. This negative trend was largely due to the net exchange loss resulting from the substantial depreciation of Renminbi as compared to the net exchange gain during the same period last year, the non-cash fair value loss on investment property under construction in Beijing as compared to a substantial non-cash fair value gain recorded during the same period last year, and a decline in the demand for luxury goods in China, which has led to a decrease in the advertising income of the television broadcasting segment.

The performance of the television broadcasting business was affected by the decline in advertising income. This was largely due to the recent policy changes in China as well as the rapid growth of media technologies that have posed great challenges to the traditional television broadcasting business. The Group anticipated this trend and has been pursuing a strategy designed to expand its media businesses and thereby generate further business growth. The results for this half-year period have shown that this strategy is well based and is having a positive effect. However, it will take some time for the new businesses to offset the reduction in advertising income from the traditional television business.

For the first six-month period of 2014, the Group's global network of reporters continued to provide real-time stories on major international and national developments and brought ground breaking news to the Chinese audiences on a wide range of events. The Group's news coverage has followed the active anti-terrorist campaign that the Chinese Government launched following the deadly terrorist attack in Kunming in March 2014. The Group's reporting has also covered the widespread anti-corruption campaign that has been initiated by the Chinese Government, enabling the audience to see the determination of the Chinese leadership to control corruption and remove corrupt officials. On the international front the Group has reported extensively on the tragic crashes of two Malaysia Airlines aircraft, which have been a focal point of the world audience, and the anti-government demonstrators who occupied Bangkok for several months, seeking to topple the then Prime Minister of Thailand, Yingluck Shinawatra, a deadlock which ended with 5,000 Thai riot police deployed to seize back protest sites and a military coup that resulted in Yingluck's removal from office. Phoenix also provided extensive coverage of the Indian elections in 2014 and the eventual victory of Narendra Modi, who had developed a close relationship with China in his earlier role as chief minister of the state of Gujarat.

In year 2014, the Group's core television broadcasting business may continue to encounter difficulties and it is likely that the Group's performance will be less satisfactory as compared to that of the previous year. In fact the diversification strategy of the Group has the potential to lead the Group to a new horizon. Apart from continuing to serve viewers' needs for quality and informative programmes, the Group is actively developing new content, including the production of crowd pleasing materials that cater to the tastes of the main stream audience while its cross-media programmes will continue to expand in a positive manner.

MANAGEMENT DISCUSSION AND ANALYSIS

COMMENTS ON SEGMENTAL INFORMATION

	Six months ended 30 June			
	2014		2013	
	Revenue	**Segment result**	Revenue	Segment result
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Television broadcasting	**926,934**	**389,113**	1,096,970	526,183
New media	**937,619**	**223,081**	818,563	166,362
Outdoor media	**279,071**	**31,523**	255,941	19,867
Real estate	**639**	**(70,892)**	573	88,807
Other businesses	**35,476**	**(20,186)**	34,490	(9,875)
Group's total revenue and segment results	**2,179,739**	**552,639**	2,206,537	791,344
Unallocated income		**10,230**		16,079
Unallocated expenses		**(181,228)**		(149,115)
Profit before share of results of joint ventures and associates, income tax and non-controlling interests		**381,641**		658,308

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 42.5% of the total revenue of the Group for the six months ended 30 June 2014, decreased by 15.5% to approximately HK$926,934,000 (six months ended 30 June 2013: HK$1,096,970,000). 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 television broadcasting business recorded a profit of approximately HK$389,113,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: HK$526,183,000).

Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 39.1% of the total revenue of the Group for the six months ended 30 June 2014, decreased by 17.2% to approximately HK$851,358,000 (six months ended 30 June 2013: HK$1,027,986,000).

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 9.6% as compared to the same period last year to approximately HK$75,576,000 (six months ended 30 June 2013: HK$68,984,000).

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 six months ended 30 June 2014 increased by 14.5% to approximately HK$937,619,000 (six months ended 30 June 2013: HK$818,563,000). The segmental profit for the six months ended 30 June 2014 increased by 34.1% to approximately HK$223,081,000 (six months ended 30 June 2013: HK$166,362,000). 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.

The revenue of outdoor media business for the six months ended 30 June 2014 increased by 9.0% to approximately HK$279,071,000 (six months ended 30 June 2013: HK$255,941,000). The segmental profit of outdoor media business for the six months ended 30 June 2014 increased by 58.7% to approximately HK$31,523,000 (six months ended 30 June 2013: HK$19,867,000).

The segmental loss for real estate for the six months ended 30 June 2014 was approximately HK$70,892,000 (six months ended 30 June 2013: segmental gains of HK$88,807,000), which included the net fair value loss of approximately HK$63,755,000 (six months ended 30 June 2013: fair value gains of HK$95,683,000), was recognized for the investment properties.

DIVIDENDS

The directors of the Company do not recommend payment of any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

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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.