

1Q 2010 Results Presentation



TCL Multimedia Technology Holdings Limited



Agenda

- Results Overview
- Financial Highlights
- Business Review
- Outlook

The financial results used in the presentation are unaudited for the 3 months ended 31 March.

Results Overview



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Results Overview

- LCD TV sales volume grew considerably and increased by 60.7% year-on-year to 1.93 million sets
- Turnover and gross profit increased by 34.8% and 20.5% year-on-year to HK\$6,761 million and HK\$1,097 million, respectively
- Net profit was HK\$44 million, an increase of 69.2% year-on-year
- The Group's financial position was improved to further drive its business development after it successfully completed the Placing and net proceeds of approximately HK\$524 million had been raised from the Subscription. The cash and bank balances as at 31 March 2010 were HK\$2,541 million
- The Group's LCD TV sales volume increased substantially in the Emerging Markets on its successful sports marketing strategies, the "World Cup" promotions and active development of new customers

TV Sales Volume and LCD TV Sales Volume Growth

Overall LCD TV sales volume increased 60.7% Y-o-Y to 1,927,000 sets

('000 sets)	LCD TV Sales Volume 1Q 2010	LCD TV Sales Volume 1Q 2009	LCD TV Sales Volume year-on-year growth (%)	TV Sales Volume Total 1Q 2010	TV Sales Volume Total 1Q 2009
Total	1,927	1,199	+60.7	3,539	2,421
PRC	1,188	761	+56.1	1,757	1,591
Overseas	739	438	+68.7	1,782	830

Financial Highlights



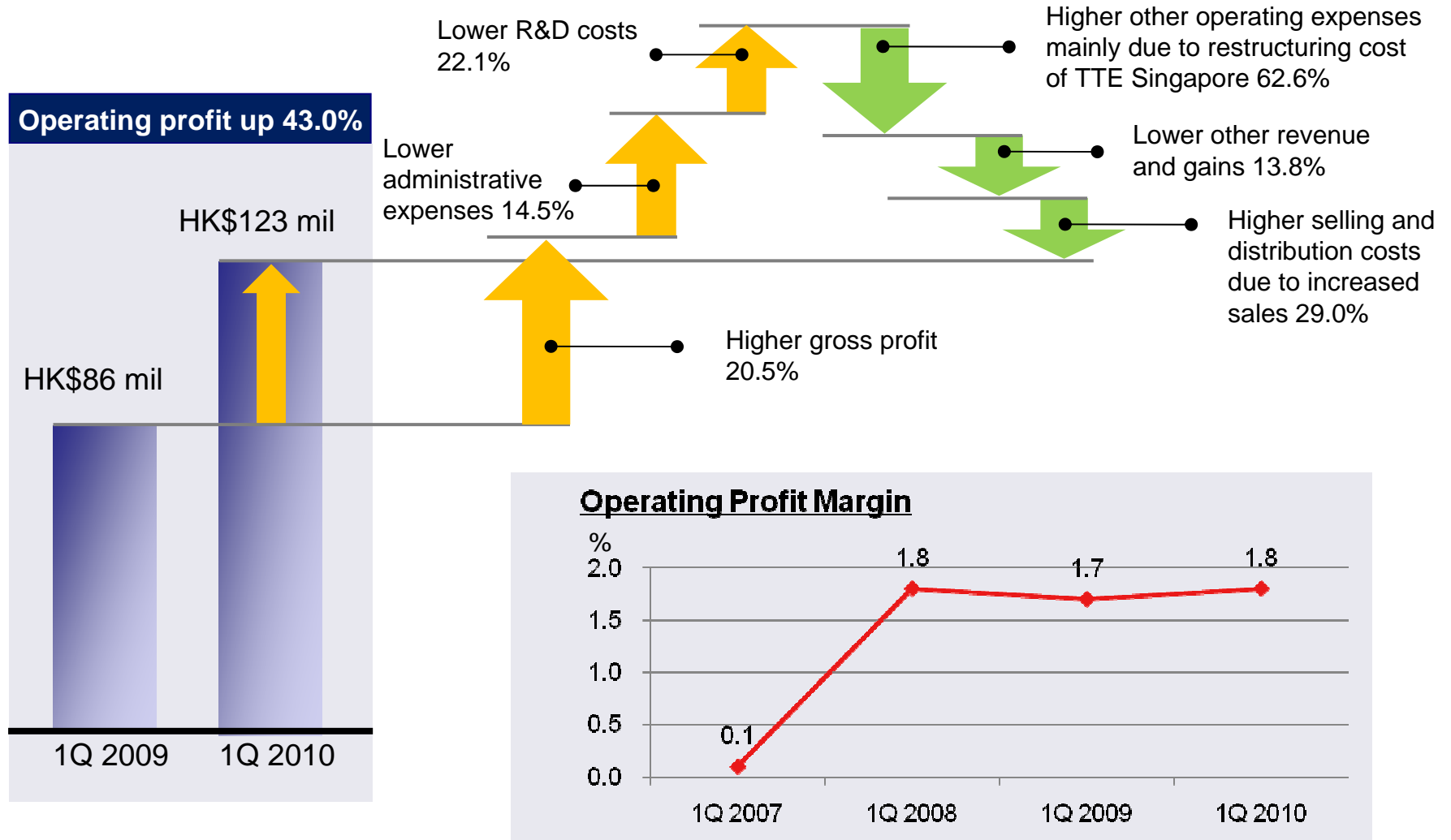
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Consolidated Results

(HK\$ million)	1Q 2010	1Q 2009	Change (%)
Turnover	6,761	5,014	+34.8
Gross profit	1,097	910	+20.5
Operating profit	123	86	+43.0
Profit attributable to owners of the parent	44	26	+69.2
Basic earnings per share (HK cents)	4.32	2.51	+72.1

Major Factors for Change in Operating Profit



Balance Sheet Highlights

(HK\$ million)	31 March 2010	31 December 2009
Non-current assets	1,982	2,026
Current assets	13,354	12,895
- Inventories	4,922	4,918
- Cash and bank balances	2,541	2,079
Current liabilities	11,188	10,804
Net current assets	2,166	2,091
Non-current liabilities	376	405
Net assets	3,772	3,712

Key Financial Indicators

	31 March 2010	31 December 2009
Inventory turnover (FG) (days)*	31	35
A/R turnover (days)*	40	57
A/P turnover (days)*	54	80
Current ratio	1.2	1.2
Gearing ratio**	26.7%	2.6%

*The above turnover days are calculated based on average balance of the year.

**Gearing Ratio = Net Borrowing/Equity attributable to owners of the parent. Net Borrowing = total interest-bearing borrowings – cash and bank balances - pledged deposits

First Quarter Segment Results

(HK\$ million)		1Q 2010	1Q 2009	Y-o-Y Change(%)
PRC TV business	Turnover	3,715	3,019	+23.1
	Gross Profit	697	712	(2.1)
	Operating Results	56	163	(65.6)
Overseas TV business	Turnover	2,253	1,386	+62.6
	Gross Profit*	267	140	+90.7
	Operating Results*	28	(69)	N/A
AV Products	Turnover	701	564	+24.3
	Gross Profit	113	50	+126.0
	Operating Results	75	16	+368.8

* 1Q 2010 gross profit and operating results for Overseas TV business included royalty expense reversal of HK\$40 million from cessation of using the RCA brand



Business Review

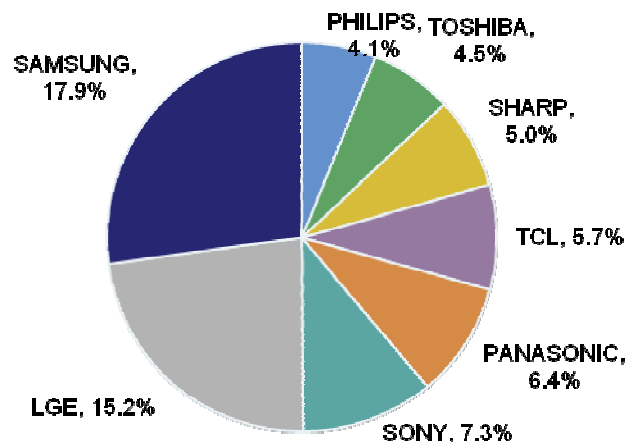


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TV Market Shares and Global Ranking

2009 TV global market share (TCL ranked No.5)



2009 LCD TV global market share (TCL ranked No.7)

Brand	2009 LCD Market Share	2008 LCD Market Share
SAMSUNG	18.8%	19.7%
LGE	11.2%	10.0%
SONY	10.5%	13.7%
SHARP	6.7%	9.0%
TOSHIBA	5.8%	6.4%
PHILIPS	4.9%	7.6%
TCL	4.6%	2.3%
PANASONIC	4.4%	4.2%
HISENSE	4.1%	1.6%
VIZIO	4.1%	2.9%

2009 TV PRC market share (TCL ranked No.1)

Brand	2009 TV Market Share	2008 TV Market Share
TCL	18.3%	17.1%
HISENSE	17.2%	14.0%
SKYWORTH	16.3%	16.3%
CHANGHONG	14.2%	13.9%
KONKA	12.7%	15.9%
HAIER	4.4%	5.3%
LGE	2.7%	1.6%
SAMSUNG	2.7%	2.4%
SHARP	2.4%	2.2%
SONY	2.2%	2.0%

Source: DisplaySearch

2009 LCD TV PRC market share (TCL ranked No.3)

Brand	2009 LCD Market Share	2008 LCD Market Share
HISENSE	19.8%	13.1%
SKYWORTH	18.5%	14.6%
TCL	15.8%	11.0%
KONKA	10.6%	9.9%
CHANGHONG	9.8%	7.4%
HAIER	4.5%	4.0%
LGE	3.9%	4.9%
SAMSUNG	3.8%	7.4%
SHARP	3.5%	6.9%
SONY	3.2%	6.3%







R&D

Held a press conference in March 2010 to announce the rollout of the first 3D Internet TVs in the world.



LED Internet TV - P11 Series



- | | | | | | |
|---|----------------|---|---------------------------|---|---------------------|
|  | Online Upgrade |  | Online Theatre |  | Online Karaoke |
|  | Video Download |  | Interactive Fitness Games |  | Instant Information |

3D TV



TV - PRC Market

- The Group sold 1.19 million sets of LCD TVs in the PRC Market during the first quarter of 2010, representing a 56.1% year-on-year increase. However, the sales volume growth in the PRC Market did not meet the Group's target during the first quarter due to lower-than-expected market growth, while the Group has been adjusting its product mix
- Continued to benefit from surging demand in the rural markets with the implementation of the "Household Appliances Subsidy Scheme". Meanwhile, the Group's sales in the first and second-tier cities maintained steady growth on the back of various supportive government policies including "Home Appliances Replacement Scheme" and "Promotion of Energy Efficient Appliances"
- Operating results in the PRC Market has been severely affected by intensified market competition. However, the Group strives to focus on vertical integration and streamlining the manufacturing process which will offset the pressure from intensified competition
- Optimized product mix and expanded its sales network in third and fourth tier cities as well as logistics and customer service networks. With its well-established "TCL" and "ROWA" brands, the Group maintained its competitiveness in the PRC Market
- Leveraging its innovative technology development, the Group retained a leading role in the Internet TV industry. Meanwhile, the Group aims to strengthen its supply chain consolidation and product mix adjustments, and strives to launch more competitive flagship products in the third quarter

TV - European Markets

- Total LCD TV sales volume in European Markets increased by 147.7% over the same period of 2009
- Achieved solid sales performance in Western European Markets mainly attributable to successful marketing of TCL branded LCD TVs
- LCD TV sales in France were encouraging with its market share increasing to 5.1% (GfK). Meanwhile, the Group's market shares in Germany, Poland and Scandinavian Peninsula continued to rise
- Changed the sales model in Russia Market to a succinct offshore model with higher efficiency to control operating risk
- As certain European countries were hit by currency fluctuations, the Group implemented stringent cost control measures to minimize foreign exchange risk
- Effectively reduced operating costs and increased competitiveness through local sourcing of materials and complete implementation of an Electronic Data Interchange ("EDI") system

TV - North American Markets

- LCD TV sales volume increased by 45.3% over the same period of 2009
- Benefiting from the restructuring completed last year, the Group's supply chain and after-sales services were improved, which led to a reduction in operating costs and an enhancement in operational efficiency
- Adopted a prudent business development plan in North American Markets
- Planned to cease using the RCA brand from the second half of 2010 and promote TCL branded TVs according to the Group's brand strategy. Although sales volume in North American Markets will be impacted in near term, it will be beneficial to the Group's long term development and interest

TV - Emerging Markets

- Sales volume of LCD TVs and CRT TVs surged 351.5% and 215.0% respectively when compared to the same period last year
- With successful sports marketing strategies, coupled with the “World Cup” promotions and its leading position in the regional CRT TV market, the Group increased brand recognition and further expanded its market share
- Broadened its customer base and successfully penetrated into the TV markets in India and Brazil during the first quarter
- To address the latest developments in the Emerging Markets, the Group launched V10, S10 and D10 series 24” LCD TVs in the first quarter. The positive market response to these products has boosted sales volume
- Actively improved its inventory management and maintained lower inventory levels

TV - Strategic OEM

- LCD TV sales volume for the Strategic OEM business increased by 10.3% over the same period of last year. However, the contribution of the Strategic OEM business to the Group's overall business will be further reduced following the adjustment to the customer structure
- Entered into negotiations with international operators for cooperation in the Original Design Manufacturing ("ODM") business and made good progress
- Formed a cross functional team to improve product planning. It also strengthened the vertical integration of its supply chain management so as to offer products to customers at more competitive prices

AV Products

- Sales volume of AV products reached 3.32 million sets, slightly decreased by 1.8%, though, turnover increased by 24.3% and reached HK\$701 million
- Started mass production of DVD and PDVD products for several strategic international customers and started a business project for blue ray products, which marked a breakthrough for its product transition and customer diversification
- Rising prices of major components and raw materials put pressure on operating costs and profitability
- Enhance services delivered to strategic partners and optimize its supply chain and reduce logistic costs to maintain its market share and competitiveness

Outlook



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Outlook

- Although the competition in the TV industry will intensify, the Group remains cautiously optimistic about its business outlook
- As the new corporate structure is completed, the Group will enhance its efforts in streamlining and restructuring various aspect of its business management, including market, R&D, supply chain, production, sales and cost. After the restructuring, the streamlined corporate structure with higher efficiency business model will lay a solid foundation for the Group's long term growth and competitiveness. Management targets to complete the streamlining and restructuring in the first half of 2010
- Strengthen supply chain consolidation and product mix adjustments, and strive to launch more competitive flagship products during the third quarter of 2010
- Internet TVs will become a major trend for the development of TV industry. The Group has established a partnership with China Network Television ("CNTV") and targets to maintain its leading position in the Internet TV market
- For AV Products, the Group will expand its DVD and audio product portfolio to meet market needs, while vigorously reducing costs in the face of rising raw material prices
- The proceeds from the Subscription will be mainly used for development of its LCD and LED business in the PRC Market and sustainable development of the Group. Among Overseas Markets, Emerging Markets have the greatest business growth potential. North American Markets will cease using the RCA brand from the second half of 2010 and promote TCL branded TVs. European Markets will focus on risk control. Although contribution from Strategic OEM business will be reduced, the Group will strive to gain ODM business



Thank you

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