TOM Group reports considerable growth in e-commerce and encouraging early results of cloud-based services

Hong Kong, 26 March 2012 - TOM Group Limited (HKEx: 2383, "TOM Group" or "the Group"), the Chinese-language media conglomerate in Greater China, today announced its annual results for the year ended 31 December 2011.

Ken Yeung, Chief Executive Officer and Executive Director said, "In response to the arising opportunities alongside industry and technology evolvement, the Group has invested in its e-commerce, mobile Internet and e-publishing businesses, and acquired new growth drivers in the last few years. Ule (www.ule.com.cn), an e-commerce platform and joint-venture between TOM Group and China Post, strengthened its online and offline services and reported measurable growth in a number of operating key performance indicators (KPIs). As at end of 2011, Ule recorded gross merchandise value (GMV) of RMB240 million, nearly 3-time growth as compared to the first half of the year. Average value per transaction doubled the industry average at more than RMB280. In its first year of operation, Ule has acquired more than a million of users, and offered offline shoppers with sales services for nearly 80,000 products over more than 50,000 counters. Repeated buyer rate stood high at 25%."

"Going forward, Ule will deepen its collaboration with China Post, and launch a co-brand debit card together with the Postal Savings Bank. On the other hand, Ule announced today that it has entered into a memorandum of understanding with Bestv New Media Co. Ltd. (BesTV) under Shanghai Media Group. Both parties intended to bring together BesTV's strengths and resources across IPTV, Internet TV, mobile TV and TV payment systems, as well as Ule's edge in e-commerce, mobile Internet and logistics, for the establishment and operation of a unique, innovative interactive sales and marketing platform. Moving into a global e-commerce platform, Ule collaborated with the New Zealand Post Office to launch a beta version of its international site in early 2012, offering milk powder products imported from New Zealand."

"The Internet Group maintained revenue level at over HK$700 million amid the rapid development of smartphones, which fades the traditional wireless value-added services. During the year, the Internet Group invested in the development and launch of cross-device and cross-platform mobile Internet products, and saw encouraging early results. The Group collaborated with 15 game developers, including Glu Mobile Inc, to launch about 60 games, which saw over 50% month-on-month growth of user base. Music SNS '637.fm', an interactive platform for music companies, artists and their fans, met users in the 4th quarter. The application has to-date attracted 10 music labels and tens of artists, whereas the user base has grown by over 60% month-on-month. It is believed that the growth momentum of such user bases will remain strong. Going forward, TOM will roll out more innovative applications with a view to further grow the user base."

"The Publishing Group reported 11% growth in revenue as compared to the previous year. The Group's flagship magazine *Business Weekly* saw 15% year-on-year growth in advertising income, whilst KPI performances of various digital publishing initiatives also stepped up. To date, the Publishing Group has doubled its e-reading offerings as compared to the first half of 2011. Among the nearly-300 applications on iPhone, iPad and Android platforms, over 80% are paid. Gross downloads surged by over 2 times as

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compared to the first half of 2011, to nearly 3 million. The synergy between traditional and e-publishing pushed forward growth in both businesses."

"The Publishing Group pursued cross-region strategy, and extended its footprint in digital publishing business in the Chinese-language markets worldwide via collaboration with overseas publishers. The Publishing Group formed a joint-venture with Japanese publisher Kodansha during the year. The Publishing Group also explored cross-strait opportunities in collaboration with local partners. Recently, Cité in Taiwan has been awarded the right to operate a satellite channel. Building on its leadership in traditional media and wealth of premium content, Cité will leverage on TOM Group's TV and entertainment resources to tap cross-platform business.

"The Television & Entertainment Group strived to strengthen programme and e-distribution of content. It collaborated with imgo.tv (www.imgo.tv) under Hunan TV to deliver its self-production online, via IPTV and mobile clients of imgo.tv. Moving into the future, CETV will continue tapping new technology such as high-definition broadcasts to address the market appetite. TOM Outdoor Media Group pursued upgrade of media assets. Through the launch of LED panels, revenue grew by 20% as compared with the previous year."

Going forward, Mr. Yeung said, "The Group has completed business overhauls and successfully rolled out a series of cross-device and cross-platform mobile Internet products. Whilst these new initiatives report encouraging growth momentum, the Group deems appropriate to write down the earlier generation Internet business. Moving forward, the current China market, characterized by surge of income per capita, growth of domestic consumption and advancement of 3G and 4G technologies, presents enormous opportunities to the mobile Internet and e-commerce sectors. The Group is poised to respond to the growing market by launching more user-centric and agnostic products and enhancing services. We believe that the Group is re-entering a growth period."

Financial Highlights:

- One-off non-cash goodwill impairment was HK$421 million
- Group revenues were HK$2.3 billion
- Operating loss# before one-off items was HK$191 million
- Loss attributable to equity holders of the Company was HK$498 million
- Loss per share was 12.80 HK cents

HK$'000	For the year ended 31 Dec	
	2011	**2010**
Revenues	2,326,360	2,464,227
Operating loss# before one-off items	(191,394)	(81,487)
One-off items*	(267,184)	(11,514)
Loss attributable to equity holders of the Company	(498,270)	(167,952)
Loss per share (HK cents)	(12.80)	(4.31)

* *Include goodwill and other impairments (2011: HK$421,201,000; 2010: HK$11,514,000) and write back of consideration payable in prior year (2011: HK$154,017,000; 2010: Nil)*
# *Includes share of results of associated companies and jointly controlled entities*

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TOM Group Limited

TOM Group Limited (HKEx stock code: 2383) is listed on The Main Board of the Stock Exchange of Hong Kong. A leading Chinese-language media conglomerate in Greater China, TOM Group has diverse business interests in E-commerce, Internet (TOM Online), Publishing, Television and Entertainment and Outdoor Media (TOM Outdoor Media Group) across markets in Mainland China, Taiwan and Hong Kong. In each of the areas it operates, TOM Group has secured market leadership.

The Group was founded in October 1999 as a joint venture between Hutchison Whampoa, Cheung Kong (Holdings) Limited, and other strategic investors. Headquartered in Hong Kong, the Group has regional headquarters in Beijing, Shanghai and Taipei with over 3,000 employees in about 20 cities.