



TOM Group Limited
An associate of Hutchison Whampoa Limited
TOM 集團有限公司
和記黃埔有限公司聯營機構

Press Release 新聞稿

TOM Posts Profit Upon Business Optimisation Concerted Efforts to Build an Internet-to-Mobile Seamless Platform

Hong Kong, 10 August 2009 - TOM Group Limited (HKEx: 2383, "TOM Group" or "the Group"), the Chinese-language media conglomerate in Greater China, today announced its interim results for the six months ended 30 June 2009.

Mr. Ken Yeung, CEO and Executive Director, said "We have been focusing our efforts on integrating our diversified and unique assets and optimising our operating efficiency since 2008. In the first half of the year, the Group entered into a number of major collaborations and successfully launched a series of new technology and user-centric applications and services."

"With the team's concerted efforts, the Group began to show notable improvements", Ken said. "I am pleased to announce that the Group returned to profit in the first half of the year and posted operating profit of HK\$49 million and net profit attributable to shareholders of HK\$12 million. The Group will continue to execute on its current strategy to realise its asset value, make continuous breakthroughs and drive rapid growth."

"In the first half of 2009, the Internet Group continued to post steady increase in profit. Since the beginning of last year, the Group has been investing in further integration of its internet and wireless businesses, revamping its website and creating an open platform with enhanced operator and device agnostic technology and user-centric products. In addition to entering into strategic alliances with Stardoll and the NBA, the Internet Group also further expanded its sports and entertainment social network offerings with the launch of Shawei.com and alive.tom.com this year." Ken continued.

"With the launch of its new platform, Eachnet was able to significantly increase its operating efficiency and competitiveness, resulting in a 44% reduction in segment loss compared with same period last year. The TOM/China Post ULE e-commerce platform will also launch as scheduled. Going forward, we will continue to expand our co-operations with sports and entertainment partners, to deliver a multi-function and multi-application mobile internet-enabled platform with expanded content offerings and enhanced social network features, to our users."

"TOM has established a strong presence in outdoor media across the second and third-tier cities in Mainland China. Following a thorough review last year to maximise its overall asset value, the Group repurchased the remaining 35% stake in TOM Outdoor from Singapore Press Holdings in the first half of the year, providing TOM with the opportunity to consolidate the Group's control

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of this business. The share buyback not only generated a one-off gain of HK\$91 million for the Group, but also allowed TOM to realise synergies between OMG and the Group's other businesses, positioning OMG for long term growth in China."

"Cite is a market leader in publishing in Taiwan. Despite the challenging operating environment, the team has continued to optimise its operating efficiency and recorded better than expected performances. In addition to traditional publishing, the Publishing Group has accelerated its investments in the development of its digital publishing platform. Following the launch of e-Business Weekly Online, Cite had also rolled out the Grimm Press's e-book platform for children in Mainland China this year. Going forward, the Publishing Group will expand its digital offerings including e-books, e-periodicals and mobile publishing, creating a new platform with more dynamic reading experience for its users in Greater China."

"With strengthened programme offerings and new content partnerships, the Television and Entertainment Group was able to reduce its loss by nearly 30% and recorded a double digit increase in CETV ratings. The TV & Entertainment Group possess great growth prospects; through its interactive new media platform, CETV was able to provide its audiences with an interactive viewing experience from TV to internet to mobile, and offer its advertising clients a diversified multi-platform marketing solution."

"With the growth in wireless broadband, we should expect to see increased mobile internet activities", Ken reiterated. "The Group will continue to capture new opportunities in wireless and internet, further develop technology and user-centric, operator and device agnostic, mobile internet enabled products and services, providing its users with a 360° experience."



Appendix:

Financial Review:

- Group revenues were HK\$1,193 million
- Operating profit was HK\$49 million
- Net profit attributable to shareholders was HK\$12 million
- Earnings per share was 0.30 HK cents

	For the six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Revenues	1,192,708	1,331,967
Operating profit/(loss)#	48,727	(515,795)
Operating loss# excluding one-off/ non-cash items*	(42,152)	(43,766)
Net profit/(loss) attributable to shareholders	11,665	(547,241)
Earnings/(loss) per share (HK cents)	0.30	(14.06)

including share of results of associated companies and jointly controlled entities

** before gain on acquisition of additional interests in a subsidiary (2008: before provision for impairment of intangible assets)*

Business review

Internet-Stable performance with 16% increase in profit

For the first half of 2009, the Internet Group reported steady growth in both revenues and profit and posted revenues of HK\$524 million and segment profit of HK\$25 million, a year-on-year increase of 4% and 16%, respectively.

TOM Group has spent utmost efforts in optimising and integrating its wireless and internet businesses to deliver a device and operator agnostic platform. Leveraging on its partnerships with various content and technology providers, TOM continued to offer a wide range of quality content targeted at the young, trendy and technology-savvy demographics, creating an innovative and targeted platform for its advertisers.

Expanded premium sports portfolio through NBA alliance

Following the successful NBA website launch in China in October 2008, TOM rolled out the official NBA site in Hong Kong (NBA.com/hongkong) in 18 April 2009. For the first time ever, basketball fans in Hong Kong could access the most up-to-date NBA news and watch the NBA playoff games online, free of charge. Combining TOM's cutting-edge wireless and internet technologies with NBA's premium content, the Group not only created a seamless and integrated online/mobile/offline experience for the sports fans, but also presented its advertisers with an



innovative one-stop solution to reach its target audience. The NBA China and Hong Kong websites had both recorded meaningful growth in unique visitors and page-views throughout the NBA playoffs.

Sharkwave offered enhanced web 2.0 features

In July 2009, TOM re-launched Sharkwave with the introduction of various enhanced web 2.0 functionalities. Sharkwave has created an ultimate destination for sports fans to meet, interact and share interests in various sporting events. The re-launch marked a new chapter in online sports community.

Following TOM's alliance with NBA to become the partner of the league's official website in Greater China, Sharkwave has also created an NBA online community where sports fans can get access to the latest news and game statistics. The online community also allows them to participate in online fantasy games and exchange views with other sports lovers, online and via mobile. Sharkwave has seen favourable growth in traffic since the introduction of online games.

Going forward, Sharkwave will continue to work with quality sports partners, to offer premium sports contents (such as football, tennis and extreme sports), as well as new online games and advanced functionalities, to its users.

Enhanced online entertainment offerings

TOM has partnered with alivenotdead.com, popular social network for artists, musicians and movie makers, to enhance its online entertainment offerings to its users. TOM users could stay in tune with the latest trends by logging on to alive.tom.com. The mobile version for alive.tom.com will soon be available.

In addition, and in line with the Group's commitment to bringing advanced technology to its users online and on mobile, TOM will begin collaborating with innovative new digital music service Spotify, with the ultimate aim of offering instant access to a world of music on both the desktop and mobile. TOM will work towards unveiling a localised version of Spotify in Greater China in the near future.

Eachnet continued to show improvement

TOM had continued to show improvement in its e-commerce business. During the first half of 2009, TOM's share of losses in Eachnet narrowed to HK\$25 million, a 44% reduction, driven by continual improvement in operational efficiency and competitiveness. The ARBU of buyers also increased by 22%.

To carry through the Group's mission for offering differentiated products and services, Eachnet took an unprecedented step to partner with Taiwan External Trade Development Council (TAITRA) to open the "Taiwan Zone" in June 2009. The Zone is the only and first online marketplace in Mainland China for displaying imported Taiwan foods. Buyers can go directly to the designated link (<http://taiwan.eachnet.com>) on Eachnet and make their purchases. As the consumer market in mainland China is growing rapidly with huge potential amid an ever-increasing demand for imported goods, the Taiwan Zone is the answer to the craze for unique products. Currently, a total of 60 Taiwan food manufacturers including Tong Tianxia, Sweet Garden, Yong Xin, Aji and Unif have made their presence in the Zone and an array of over 300 kinds of Taiwan specialties are available.



Launch of integrated commerce platform with China Post Group

In February 2009, TOM teamed up with China Post Group, to develop e-commerce business in Mainland China. By combining TOM's online and wireless assets with China Post's logistics infrastructure, the platform will offer users a reliable and integrated shopping experience from online to offline to mobile. The platform is expected to launch as scheduled.

Publishing- Exceeded expectation amidst tough market environment

The performance of Publishing Group exceeded expectation amidst a tough advertising market in Taiwan. Despite the challenges, the Publishing Group posted revenues of HK\$404 million and segment profit of HK\$32 million in first half of 2009.

Illustrated market leadership and wide acclaims

TOM's Publishing Group maintained its market leadership and continued to receive wide acclaims despite the worsening economic and business environment during the period.

In particular, Cite's publications "A Tale of Mari and Three Puppies" and "Nuan Nuan" were named among the "Top Ten Most Popular Books" for primary and secondary students, by the Hong Kong Professional Teachers' Union and the Leisure & Cultural Services Department.

In addition, "Little Beauty" was elected "Most Favourite Book for the Year" at the 2008 Hong Kong Book Award, co-organised by Radio Television Hong Kong, Leisure and Cultural Services Department, Hong Kong Public Libraries and Hong Kong Publishing Federation.

Furthermore, "Business Weekly", the Group's flagship magazine published in Taiwan, won the 2009 SOPA Awards for "Excellence in Special Issue of Special Section". The magazine was also awarded second place in "Feature Writing" and "Photography" at the Hakka News Award this year.

Bestselling novels recorded print volume of over 400,000 copies

During the first half of 2009, Cite continued to follow stringent selection process and exercise strict quality-control, focusing its resources only on quality titles. The novel "Twilight" and its two sequels reported a total print volume of over 400,000 copies as of June 2009.

Enhanced online publishing platform

In response to the growing consumption of content online, the Publishing Group had stepped up its digital offerings with the development of its digital publishing platform, providing services such as e-books, e-periodicals and mobile publishing.

In addition to e-Business Weekly Online in Taiwan, Cite had also launched the Grimm Press's e-book platform for kids in Mainland China. With its in-depth market knowledge and understanding, Cite is well positioned to create the ultimate online publishing platform for its readers.



Outdoor Media - Full control over outdoor business in line with business integration strategy

To further improve operational efficiency and flexibility of the outdoor business, TOM bought back the remaining 35% stake in Outdoor Media Group (“OMG”) from SPH during the first half of 2009, providing TOM with the opportunity to consolidate the Group’s control of the business. The share buyback not only generated a one-off gain of HK\$91 million for the Group, but also allowed TOM to realise synergies between OMG and the Group’s other businesses, positioning OMG for long term growth.

For the first half of 2009, OMG reported revenues of HK\$192 million and segment profit, including the one-off gain of HK\$91 million from the 35% share buy-back, of HK\$76 million.

Developing technology-driven media assets

In response to market’s growing demand for digital outdoor media assets in Mainland China, OMG, working closely with the local authorities, had focused its new developments on high margin digital outdoor display products, leveraging on TOM’s technical capabilities. The Group believes that these products, with physical appeal and superior functionalities, would be well received.

Meanwhile, OMG will continue to provide innovative and integrated advertising solutions to multinational advertising client within the Group’s network. During the year, OMG has secured advertising with AMWAY.

TV & Entertainment- Improved financial performance and narrowed losses

For the first half of 2009, the Television and Entertainment Group had shown meaningful financial improvement, reporting gross revenues of HK\$74 million and segment loss of HK\$23 million, a 29% reduction from a year earlier. This was mainly attributable to the concerted effort taken to optimise the business’s operation and to strengthen programme offerings.

Strengthened content offerings

CETV had continued to strengthen its content offerings through cooperations with various content partners. Most notable was the team-up with Taiwan’s Gala Television Corporation and China’s Nationtainment Corporation to co-produce “Entertainment Power” to deliver first-hand entertainment news to the audience. The programme was very well received.

CETV was also able to expand audience coverage and channel ratings with the introduction of first-run and exclusive premiere of popular dramas, coupled with effective on-ground marketing activities, during prime time. In particular, the Taiwanese drama “Black and White”, featured on CETV during its 5th anniversary in June, had successfully attracted a huge audience base. CETV’s prime time ratings in Guangzhou and Shenzhen during the period increased 50% and 26% respectively.

Expanded coverage to online and wireless platform

Working closely with TOM’s Internet Group, CETV had successfully expanded its footprint with the launch of live online and wireless broadcasting on the www.tom.com platform. Since the launch of CETV Live, the site had shown double digit growth month-on-month. At present,



users can also view the video by CETV on mobile. In addition, CETV has been working closely with the relevant authorities and had resumed its TV coverage in Shenzhen during the period.

Created integrated media platform for advertisers

With concerted efforts to improve its operational efficiency and to strengthen its program offerings, CETV had shown significant financial improvement during the period.

Through integration with the Group's existing networks, content resources and advertising inventory, CETV was able to offer diversified multi-platform experiences to its viewers, as well as differentiated advertising solutions to its advertisers.

More multinationals entrust YC with marketing campaigns

Following the success of the innovative and first-of-its-kind "Nokia Experience Van" project, reaching over 2,000 cities nationwide, YC had continued to gain support from various multinationals. During the first half of 2009, Yang Cheng was awarded a number of new marketing campaigns including the "2009 NIKE IGNITE YOUR GAME" for NIKE in April 2009 and the "Fun Fair" for POTENZA, Bridgestone in June 2009.

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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 conglomerates in Greater China, TOM Group has diverse business interests in Internet (TOM Online), Outdoor Media (TOM Outdoor Media Group), Publishing, Television and Entertainment 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.

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