

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

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

The Chairman and Chief Executive Officer of Phoenix Satellite Television Holdings Limited (Stock Code: 02008), Mr. Liu Changle, said today that he was delighted to announce the Company's annual results for the 2010 financial year. Phoenix TV is confidently anticipating its 15th anniversary on 31 March with an inspiring achievement of more than 70% revenue increase as compared with last year. Mr. Liu Changle said, that during this period the Phoenix Group performed extremely well, and while the impact of the global financial crisis continued to challenge the international media industry, the Group's revenue for the year ended 31 December 2010 was 71.0% higher than the previous year, reaching approximately HK\$2,598,314,000. The profit attributable to owners increased to approximately HK\$421,822,000, which was a 40.7% improvement over the profit achieved in 2009. The Board recommended a final dividend of 3.3 Hong Kong cents per share.

Financial Summary

The Group's revenue for the year ended 31 December 2010 was approximately HK\$2,598,314,000, which represented a 71.0% increase over the revenue earned in 2009. The main drivers behind this result were the growth in broadcasting advertising, outdoor advertising and new media revenue. Total operating costs increased by 57.0% to approximately HK\$1,875,358,000. The upward movement in operating costs was mainly due to the expansion of the new media and outdoor media businesses.

The Group's operating profit for the year ended 31 December 2010 was approximately HK\$722,956,000, which represented an increase of 122.4% over the same period of the previous year. Profit attributable to owners of the Company was approximately HK\$421,822,000, which was an increase of 40.7% compared with the same period last year. The operating profit was mainly generated by the increases in broadcasting, new media and outdoor advertising revenues.

The table presented below compares the Group's performance for the year ended 31 December 2010 with that for the 2009 financial year in order to give a clearer picture of the overall trend of the Group's operations.

	Year ended 31 December	
	2010	2009
	HK\$'000	HK\$'000
Phoenix Chinese Channel	1,217,588	979,427
Phoenix InfoNews Channel	321,658	232,894
Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel & others	139,937	108,711
New media	593,380	70,438
Outdoor media	268,210	72,066
Other businesses	57,541	56,112
Group's total revenue	2,598,314	1,519,648
Operating costs	(1,875,358)	(1,194,538)
Profit from operations	722,956	325,110
Other (expenses) / income, net	(168,246)	54,367
Profit before share of results of jointly controlled entities and an associate, income tax and non-controlling interests	554,710	379,477
Share of losses of jointly controlled entities and an associate	(1,796)	(755)
Income tax expense	(108,490)	(76,735)
Non-controlling interests	(22,602)	(2,241)
Profit attributable to owners of the Company	421,822	299,746
Basic earnings per share, Hong Kong cents	8.46	6.05

Comments on Segmental Information

	Year ended 31 December		Year ended 31 December	
	2010		2009	
	Revenue <i>HK'000</i>	Segment results <i>HK'000</i>	Revenue <i>HK'000</i>	Segment results <i>HK'000</i>
Phoenix Chinese Channel	1,217,588	735,753	979,427	528,306
Phoenix InfoNews Channel	321,658	72,273	232,894	11,378
Other channels	139,937	29,755	108,711	(10,446)
New Media	593,380	(125,776)	70,438	21,317
Outdoor media	268,210	55,585	72,066	(34,451)
Other businesses	57,541	20,536	56,112	38,987
Group's total revenue and segment results	<u>2,598,314</u>	<u>788,126</u>	<u>1,519,648</u>	<u>555,091</u>
Unallocated income		12,103		12,672
Unallocated expenses		<u>(245,519)</u>		<u>(188,286)</u>
Profit before share of results of jointly controlled entities and an associate, income tax and non- controlling interests		<u>554,710</u>		<u>379,477</u>

Revenues from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 64.6% of the Group's total revenue for the year ended 31 December 2010, increased by 27.1% to approximately HK\$1,679,183,000 (year ended 31 December 2009: HK\$1,321,032,000). The segmental result for television broadcasting recorded a profit of approximately HK\$837,781,000 for the year ended 31 December 2010 (year ended 31 December 2009: HK\$529,238,000).

The Group's flagship channel, Phoenix Chinese Channel, accounted for 46.9% of the Group's total revenue for the year ended 31 December 2010 and showed an increase of 24.3% to approximately HK\$1,217,588,000 (year ended 31 December 2009: HK\$979,427,000). Phoenix InfoNews Channel's revenue accounted for 12.4% of the Group's total revenue for the year, and increased by 38.1% to approximately HK\$321,658,000 (year ended 31 December 2009: HK\$232,894,000).

The cumulative revenues of Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel and others, increased by 28.7% as compared to the year ended 31 December 2009 to approximately HK\$139,937,000 (year ended 31 December 2009: HK\$108,711,000).

The new media operations, which make Phoenix programming available on the internet and on a number of mobile telecommunication networks, contribute to raising the Group's profile as a television broadcaster. The revenue of the new media business for the year increased to HK\$593,380,000 (year ended 31 December 2009:

HK\$70,438,000). The segmental loss of new media after deduction of interest accretion and changes in fair value of the preference share liability was HK\$125,776,000 (year ended 31 December 2009: profit 21,317,000). The profit from operations, which represents profit before tax, interest expense and changes in fair value of preference share liability, of new media increased to HK\$84,888,000 (year ended 31 December 2009: HK\$25,098,000). The significant increase in new media operations was due to the expansion of business which included acquiring control over two mainland companies at the end of year 2009.

Following the maturity of the outdoor media business, the revenue and segmental profit increased to approximately HK\$268,210,000 and HK\$55,585,000 respectively (year ended 31 December 2009: revenue HK\$72,066,000 and segmental loss HK\$34,451,000).

Business Overview and Prospects

The Group's performance during the 2010 financial year has been extremely positive, with a 71% increase in revenue over the same period last year. The fact that this outcome follows a good performance in 2009, when revenue grew by 9.9%, underscores that the Group's business model is very effective in the current international economic environment, which includes the rapidly growing Chinese economy.

This period's extremely positive results came from both a major increase in revenue for the core television business, but also a dramatic increase in the revenue from the new areas into which the Group has been expanding in recent years, namely the new media and the outdoor advertising LED businesses.

The Group's new media operations secured an enormous growth in revenue, with an eight-fold increase in income over the previous year. In part this was a consequence of the Group acquiring access to the revenue flow of two controlled entities which carry out much of the new media business, but it is also an outcome that reflects the growing popularity and availability of the internet in mainland China. The Phoenix new media carries much Phoenix programming, and thus expands the availability of Phoenix programming to an audience that previously did not have access to the normal distribution systems in China and internationally, and by doing so greatly consolidates the Phoenix brand name. The Company's management is exploring the possibility of the new media business offering its own shares. The Group expects that, in such an event, it would retain an equity and voting interest of over 50% in the listed company, and continue to consolidate the financial results of the new business.

The Group's outdoor LED advertising project has also generated a considerable increase in revenue, with the income from this new business area growing more than three times compared to the last financial year.

The Groups' core television business also continued to increase its revenue. The Chinese Channel's income increased by some 24%, while the InfoNews Channel's income grew by some 38%, underscoring the demand of the Chinese audience for comprehensive and objective international news. InfoNews covered the major news

stories that broke during the year, including the massive earthquake that hit Haiti in January, the sinking of the South Korean naval vessel Cheonan and the subsequent tensions on the Korean Peninsula including the North Korean shelling of Yeonpyeongdo Island, the severe floods that hit many parts of southern and western China and the earthquake in Yushu, the at times highly controversial negotiation of the Economic Cooperation Framework Agreement between Taiwan and the mainland, the killing of a group of Hong Kong tourists in Manila, the rescue of miners trapped underground in Chile, and the Burmese elections, which were the first elections for 20 years.

The major growth of revenue from the new media and the outdoor advertising businesses underscores that the Group's strategy to expand beyond the core television business into other areas is well based. The substantial growth in the income of the television business confirms the value of television as the central component of the Group's activities, but the marked improvement in both the new media and the outdoor advertising revenues demonstrates that the Group is successfully expanding its commercial base and consequently developing a broad foundation that should help ensure long-term commercial viability.

In keeping with the management's confidence that its strategy of business development is well attuned to current trends, the Group will be launching a Hong Kong Channel in late March. This channel will broadcast in Cantonese, and serve the Cantonese-speaking Chinese audience in Hong Kong, Guangdong Province and other Asia Pacific countries. This new channel will place a strong emphasis on news and economic and commercial information.

The Group's strong performance reflects the fact that the Chinese economy has weathered the Global Financial Crisis, and that many companies are now actively seeking to build their brand names and images after the period of caution caused by negative global trends. Commentary by marketing analysts has identified a general growth in advertising expenditure as the international economy recovers from the financial challenges of the last three years, which means that the Phoenix performance over this period probably reflects a broader trend. The mainland advertising market underwent a significant change during the course of the year, however, when the State Administration of Radio, Film and Television introduced a regulation that limited the amount of time that could be devoted to advertising each hour. This prompted many mainland-based television broadcasters to increase the cost of advertising, but also led to foreign-based satellite broadcasters such as Phoenix being increasingly sought after by advertisers who want to make maximum use of satellite TV stations that are not bound by the new regulations.

By and large, Phoenix has become a comprehensive and diversified media group, whose current business model will continue to function well.

Phoenix Satellite Television Holdings Ltd.,

8 March 2011

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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 allowed Phoenix to develop a comprehensive multi-channel platform. Today, Phoenix Chinese, Phoenix Movies, Phoenix InfoNews, Phoenix Chinese News and Entertainment and Phoenix North America Chinese channels together broadcast to audiences in the Asia Pacific, as well as in Europe, America and Africa, covering more than 150 countries and regions. The mission of the Group is to offer varied, high-quality content to the global Chinese population.

Phoenix Satellite Television Holdings Limited is listed on the Main Board of The Stock Exchange of Hong Kong.

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