

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED
(STOCK CODE: 8002)
PRESS RELEASE ON HALF YEARLY RESULTS OF 2008

The Chairman and Chief Executive Officer of Phoenix Satellite Television Holdings Limited (Stock Code: 8002), Mr. Liu Changle, said today that he was very pleased to announce the company's half-yearly results for 2008. During this six-month period the Phoenix Group continued to perform well, with an increase in revenue and a considerably improved bottom line. Liu Changle said that the Group's revenue for this six-month period was approximately HK\$675,177,000, which represented a 21.9% increase over the same period last year.

FINANCIAL REVIEW

The Group's revenue for the six months ended 30 June 2008 was approximately HK\$675,177,000, which represented an increase of 21.9% when compared to the same period last year. The two main drivers behind this result were the growth in advertising revenue and technical service revenue. Total operating costs increased by 21.1% to approximately HK\$533,859,000. The upward movement in operating costs was mainly due to the increase in commission payments, programming, technical services and staff costs.

The Group's operating profit for the six months ended 30 June 2008 was approximately HK\$141,318,000, which represented an increase of 24.9% over same period last year. Profit attributable to equity holders of the Company was approximately HK\$173,164,000, which was an increase of 39.7% compared with the same period last year. The operating profit was mainly generated by the increase in advertising revenue and high profit-margin technical service revenue. During the second quarter of 2008 the Group recognized a gain on investments in two subsidiaries, with the Group's interest in the net fair value of the subsidiaries exceeding the cost of the investments to the extent of HK\$21,764,000. The appreciation of the Renminbi during the six-month period further boosted the profit attributable to equity holders by approximately HK\$23,428,000 (six months ended 30 June 2007: HK\$14,000,000).

The chart presented below compares the Group's performance for the current period and the same period last year respectively:

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Phoenix Chinese Channel	432,117	384,268
Phoenix InfoNews Channel	131,374	96,182*
Phoenix Movies Channel, Phoenix North America Chinese Channel & Phoenix Chinese News and Entertainment Channel	58,599	36,431*
New media	27,486	14,972
Other businesses	25,601	22,090*
Group's total revenue	675,177	553,943
Operating costs	(533,859)	(440,837)*
Profit from operations	141,318	113,106
Profit attributable to equity holders of the Company	173,164	123,990
Earnings per share, Hong Kong cents	3.50	2.51

* 2007 comparative figures have been reclassified to conform to the current quarter's presentation.

COMMENTS ON SEGMENTAL INFORMATION

The table below shows the operating results of our businesses for the six months ended 30 June 2008 and the same period last year:

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Phoenix Chinese Channel	218,625	199,908
Phoenix InfoNews Channel	18,454	1,088*
Phoenix Movies Channel, Phoenix North America Chinese Channel & Phoenix Chinese News and Entertainment Channel	(22,743)	(29,368)*
New media	9,518	4,031
Other businesses	(6,238)	569*
Corporate overheads	(76,298)	(63,122)
Profit from operations	<u>141,318</u>	<u>113,106</u>

* 2007 comparative figures have been reclassified to conform to the current quarter's presentation.

Revenues from television broadcasting, including both advertising and subscription revenues, continued to be the main income source of the Group, and amounted to approximately HK\$622,090,000 (six months ended 30 June 2007: HK\$516,881,000) and accounted for 92.1% of the Group's revenues for the six months ended 30 June 2008. Compared with the same period last year, revenues from television broadcasting increased by 20.4%.

The Group's flagship channel, Phoenix Chinese Channel, accounted for 64.0% of the Group's total revenue for the six months ended 30 June 2008 and showed an increase of 12.5% compared with same period last year. Phoenix InfoNews Channel's revenue accounted for 19.5% of the Group's total revenue for the period, and increased by 36.6% to approximately HK\$131,374,000.

The cumulative revenues of Phoenix Movies Channel, Phoenix North America Chinese Channel and Phoenix Chinese News and Entertainment Channel, increased by 60.8% when compared with the same period last year to approximately HK\$58,599,000. The overall segmental result for television broadcasting recorded a profit of approximately HK\$212,598,000 for the six months ended 30 June 2008. Compared to a profit of HK\$176,938,000 in the same period last year, this result represented an increase of 20.2%. Revenues from intra-group programme production and ancillary services were approximately HK\$14,504,000 for the six months ended 30 June 2008, which signified a decrease of 28.6% when compared with the same period last year. As a consequence, the segmental result of programme production and ancillary services recorded a profit of approximately HK\$239,000 for the six-months period ended 30 June 2008.

The revenue from new media operations increased to approximately HK\$27,486,000, which was mainly generated by technical services provided to a cooperation partner in the new media venture. As a consequence, the segmental result of the new media operations recorded a profit of approximately HK\$10,092,000 for the reported period (six months ended 30 June 2007: HK\$4,151,000).

During the six months ended 30 June 2008, the Group captured the preliminary expenses of the outdoor advertising business, and as a result the loss from operations of other business increased to HK\$6,238,000 from a profit of HK\$569,000 for the same period last year.

BUSINESS OVERVIEW AND PROSPECTS

The six-month period ended 30 June 2008 reaffirmed that the Phoenix Group's television business continues to perform well. While the Chinese television environment has evolved as local television broadcasters seek to borrow ideas from the Phoenix model, the performance of both the Phoenix Chinese Channel and InfoNews Channel demonstrate that the Group's television business remains vibrant and attractive to the world-wide Mandarin Chinese-speaking audience.

The Phoenix Chinese Channel continued to improve its financial performance, but the increase in the revenue earned by the InfoNews Channel underscored that the demand for real-time news among the Chinese audience is growing ever larger. InfoNews Channel provided extensive coverage of the presidential change-over in Taiwan, and interviewed the new President, Ma Ying-jeou after his inauguration in May and monitored the growing contacts between Taiwan and the mainland. InfoNews Channel also followed the continuing progress of the six-party talks on the denuclearization of North Korea, and international concern about the nuclear developments in Iran.

During this period Phoenix news programmes also carried extensive coverage of the tragic earthquake in Sichuan, with a substantial number of Phoenix reporters traveling to Sichuan to report directly on the consequences of the earthquake.

Besides the improving financial performance of InfoNews Channel, the cumulative income of the Phoenix Movies Channel, Phoenix North America Channel, and Phoenix News and Entertainment Channel grew by more than 60 percent, demonstrating that these channels have the potential over time to improve their financial circumstance and eventually make a positive contribution to the Group's income.

The Group has also been expanding into other areas of operation, including new media and the outdoor advertising business. While at present these businesses are either generating little income or operating at a loss, they are in an early stage of development, and show every sign of extending the Group's financial base as they become more established.

The overall performance of the Group during this six-month period confirms that the Group's business model is well-based and that the Group is operating in a sound and well-focused manner, which underscores that Phoenix continues to have promising, long-term prospects.

Phoenix Satellite Television Holdings Limited
5 August, 2008

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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 was listed on the Growth Enterprise Market (GEM) of The Stock Exchange of Hong Kong Limited on 30 June 2000.

For more information, please contact: -

Public Relations Department
Phoenix Satellite Television Company Limited

Ms Lizzie Cheung	Tel: +852 2621 7480	Email: siului@phoenixtv.com
Mr Charlie Lam	Tel: +852 2621 7403	Email: charlie@phoenixtv.com
Ms Phoebe Wong	Tel: +852 2621 9566	Email: phoebew@phoenixtv.com

Further information about Phoenix Satellite Television Holdings Limited can be found at www.ifeng.com and www.hkgem.com.