

PRESS RELEASE

Phoenix Satellite Television Holdings Limited (Stock Code: 02008)

RESULTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2012

The Chairman and Chief Executive Officer of Phoenix Satellite Television Holdings Limited (the “Company” or “Phoenix” together with its subsidiaries, collectively “the Group”), Mr. Liu Changle, said today that he was pleased to announce the financial results of the Company for the first half of 2012. During this period the Phoenix Group achieved impressive growth in both revenue and profit. The Group’s revenue for the six-month period ended 30 June 2012 was approximately HK\$1,991,788,000, which represented an increase of 29.3% over the same period last year. Operating profit for the six-month period ended 30 June 2012 was approximately HK\$469,121,000, which represented an increase of 65.7% over the same period last year.

FINANCIAL REVIEW

The revenue of the Group for the six months ended 30 June 2012 was approximately HK\$1,991,788,000, which represented a 29.3% growth over the same period last year. Operating costs increased by 21.1% to approximately HK\$1,522,667,000. The upward movement in operating costs was mainly due to the expansion of the new media and the outdoor media businesses. The operating profit of the Group for the six months ended 30 June 2012 was approximately HK\$469,121,000, which represented an increase of 65.7% over the same period last year. The main drivers behind this result were the growth in the businesses of television broadcasting, new media and outdoor media. Fair value gains of approximately HK\$4,340,000 and HK\$103,000 were recognised for the investment property under construction in Beijing and investment property in London respectively.

The chart below summarises the performance of the Group for the six months ended 30 June 2012 and the same period in 2011.

	Six months ended 30 June	
	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Television broadcasting	1,096,939	891,883
New media	650,046	472,195
Outdoor media	208,748	143,486
Real estate	282	-
Other businesses	35,773	32,583
Group's total revenue	1,991,788	1,540,147
Operating costs	(1,522,667)	(1,256,971)
Profit from operations	469,121	283,176
Non-cash fair value loss and interest accretion of Preferred Shares	-	(964,713)
Fair value gains on investment properties	4,443	140,365
Other income, net	33,305	24,763
Profit/(loss) before share of results of jointly controlled entities and an associate, income tax and non-controlling interests	506,869	(516,409)
Share of results of jointly controlled entities and an associate	(2,633)	(2,037)
Income tax expense	(104,084)	(112,269)
Profit/(loss) for the period	400,152	(630,715)
Non-controlling interests	(45,832)	90,741
Profit/(loss) attributable to owners of the Company	354,320	(539,974)
Basic earnings/(losses) per share, Hong Kong cents	7.10	(10.82)

BUSINESS OVERVIEW AND PROSPECTS

The Group has performed well over the first six months of 2012. This performance underscores that the business strategy of the Group is sound in developing new areas of business such as new media and outdoor media while its fundamental television broadcasting business remains profitable.

Over this half-year period, Phoenix reporting has followed the international response to the European financial crisis, including the attempts of the European Union to devise a set of policies that will help resolve the financial crisis in Greece, the rising regional tensions over the Diaoyu Islands and the competing territorial claims in the South China Sea. While Phoenix has been unable to secure access for its reporters to enter Syrian territory and report first-hand on the growing violence there, it has continued to monitor and report on developments there from neighbouring countries. Phoenix has also provided extensive coverage of the presidential elections in Taiwan and Russia, as well as the process of electing the new Chief Executive in the Hong Kong Special Administrative Region ("Hong Kong"). Besides comprehensive

coverage of international developments, the television channels of the Group have also continued to provide a steady stream of entertainment programmes, interviews with a wide range of celebrities and other prominent figures, and features on art, cooking and fashion.

The international status of the Group was clearly demonstrated in April this year when it acted as the host for the International Academy Day, an annual event that the International Academy of Television Arts and Sciences holds in a different global city each year. On this occasion 65 television, film and media executives from the Americas, Europe, Africa, the Middle East and the Asia-Pacific attended a four-day event in Hong Kong and Shenzhen organized by Phoenix, and met with senior officials in both Hong Kong and Shenzhen.

The television broadcasting business of the Group has also benefited from the rapid growth in the audience that has been developed by the new media business, which provides wide-spread access to much Phoenix television programming and at the same time attracts many viewers as a consequence of its own distinctive material. The outdoor media business of the Group is also beginning to perform well as economic growth in the major cities of China increases the requirement for large-scale outdoor advertising.

COMMENTS ON SEGMENTAL INFORMATION

	Six months ended 30 June			
	2012		2011	
	Revenue <i>HK\$'000</i>	Segment result <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Segment result <i>HK\$'000</i>
Television broadcasting	1,096,939	540,359	891,883	402,089
New media	650,046	90,449	472,195	(940,081)*
Outdoor media	208,748	24,338	143,486	(2,359)
Real estate	282	(1,998)	-	136,663
Other businesses	35,773	170	32,583	3,316
Group's total revenue and segment results	<u>1,991,788</u>	<u>653,318</u>	<u>1,540,147</u>	<u>(400,372)</u>
Unallocated income		10,310		19,521
Unallocated expenses		<u>(156,759)</u>		<u>(135,558)</u>
Profit/(loss) before share of results of jointly controlled entities and an associate, income tax and non-controlling interests		<u><u>506,869</u></u>		<u><u>(516,409)</u></u>

* *The segmental loss of new media for the six months ended 30 June 2011 was a consequence of the deduction of interest accretion and changes in fair value of the preference share liability of approximately HK\$964,713,000.*

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 55.1% of the total revenue of the Group for the six months ended 30 June 2012, increased by 23.0% to approximately HK\$1,096,939,000 (six months ended 30 June 2011: HK\$891,883,000). The segmental result for television broadcasting recorded a profit of approximately HK\$540,359,000 for the six months ended 30 June 2012 (six months ended 30 June 2011: HK\$402,089,000).

Phoenix Chinese Channel and Phoenix InfoNews Channel accounted for 50.6% of the total revenue of the Group for the six months ended 30 June 2012 and showed an increase of 24.7% to approximately HK\$1,007,572,000 (six months ended 30 June 2011: HK\$808,238,000).

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel and others, increased by 6.8% as compared to the same period last year to approximately HK\$89,367,000 (six months ended 30 June 2011: HK\$83,645,000).

The new media operations, which make Phoenix programming available on the internet and on a number of mobile telecommunications networks, contributed to raising the profile of the Group as a television broadcaster. The revenue of the new media business for the six months ended 30 June 2012 increased by 37.7% to HK\$650,046,000 (six months ended 30 June 2011: HK\$472,195,000). The segmental profit was HK\$90,449,000 (six months ended 30 June 2011 after deduction of interest accretion and changes in fair value of the preference share liability: loss of HK\$940,081,000). The profit from operations, which represents profit before tax, and other income and expenses increased to HK\$72,518,000 (six months ended 30 June 2011 also before interest expense and changes in fair value of preference share liability: HK\$24,632,000).

The revenue of outdoor media business increased by 45.5% to approximately HK\$208,748,000 (six months ended 30 June 2011: HK\$143,486,000). The segmental profit of outdoor media business was approximately HK\$24,338,000 (six months ended 30 June 2011 after deduction of share-based compensation expense of approximately HK\$25,714,000: loss of HK\$2,359,000).

The segmental result for real estate included the fair value gains of approximately HK\$4,443,000 (six months ended 30 June 2011: HK\$140,365,000) which were recognised for the investment properties.

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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 enabled

Phoenix to develop a comprehensive multi-dimensional media platform which now includes a Cantonese television services. Today, Phoenix Chinese, Phoenix Movies, Phoenix InfoNews, Phoenix Chinese News and Entertainment, Phoenix North America Chinese and Phoenix Hong Kong channels together broadcast to audiences in the Asia Pacific, Europe, America, Africa, the Middle East, Australia and New Zealand, covering more than 180 countries and regions.

Phoenix Satellite Television Holdings Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 02008). Phoenix New Media Limited, an indirect non-wholly owned subsidiary of the Group, is listed on the New York Stock Exchange (“NYSE”)(NYSE: FENG).

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Further information about Phoenix Satellite Television Holdings Limited can be found at www.ifeng.com, www.irasia.com/listco/hk/phoenixtv/ and www.hkexnews.hk.