Robust growth in user base and operating KPIs

TOM Group steps up efforts in tapping e-commerce and mobile Internet

Hong Kong, 30 July 2012 - 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 period ended 30 June 2012.

Ken Yeung, Chief Executive Officer and Executive Director said, "The Group's 2.5G business posted stable income despite the difficult operating environment. At the same time, the Group rolled out innovative e-commerce, mobile Internet and e-publishing initiatives, and received encouraging response from the market as indicated by the rapid growth in operating key performance indicators (KPIs). We are confident that these new business streams will drive revenues for the Group. For the reporting period, the Group posted stable revenues, whereas operating loss almost halved as compared to the previous year."

"**Ule** (www.ule.com) reported 2-time year-on-year growth of gross merchandise value (GMV) in the first half of the year. Average value per transaction also increased by 16% in 6 months to RMB330, a double of the industry norm. During the same period, registered users grew by more than 70% whereas repeated buyer rate stood at above 20%, revealing a positive outlook of Ule. As Ule deepened its collaboration with China Post, more than 1.5 million co-branded debit cards have been issued in collaboration with the Postal Savings Bank. Also launched was the 'Provincial Zones' in conjunction with 18 provincial posts. Starting early 2012, Ule cooperates with the New Zealand post office to bring their local products to Mainland shoppers, with a special focus on the New Zealand baby formula."

"The game and music applications launched by the **Internet** Group saw 3 and 4-time growth respectively in downloads in the first half of the year, whereas active users grew by 2 times. Paid users of PK games also increased by nearly 2 times. On the other hand, music social networking service '637.fm' has become the preferred promotion platform among music companies. By the end of June, 637.fm has partnered with more than 20 record labels such as Taihe Rye Music and Ocean Butterflies etc, as well as over 60 popular artists including Yang Kun and Xu Fei etc. For the reporting period, the Internet Group considerably narrowed its segment loss by 64%."

"The **Publishing** Group maintained stable revenue level as well as leadership in printed publishing, whereas digital publishing attained its growth momentum in the reporting period. The number of e-reading applications increased by over a fold as compared to the first half of the previous year. Among these applications, about 80% were paid. Gross downloads also grew by more than 3 times year on year. Recently, Pixnet rolled out a news aggregation service 'www.7headlines.com'. As the Publishing Group moves into the Chinese-language e-publishing markets, the joint-venture between Cité and Japanese publisher Kodansha has been launching an average of 20 popular Japanese books and comics in digital format and Chinese language every month. Furthermore, the Publishing Group will join The Straits Publishing & Distributing Group in Fujian to launch the new *Love Pregnancy* initiative in the Mainland across printed books, mobile Internet, website and microblogs etc."

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"Since Cité in Taiwan was awarded the right to operate a satellite channel, it has been working closely with the **Television & Entertainment** Group in the preparation to co-produce programmes for cross-strait distribution. For the reporting period, The Television & Entertainment segment reported 18% revenue growth year on year. The **Outdoor Media** Group continued upgrading its media assets, and saw 12% increase in revenue as compared to the previous year."

Going forward, Mr. Yeung said, "The Group will roll out more e-commerce and mobile Internet services, with a view to further boost the user base and traffic volume. It is expected that these products will drive monetisation and enhance the asset value for the Group."

Financial Highlights:

- Group revenues were HK$1,134 million
- Operating loss# was HK$52.1 million
- Loss attributable to equity holders of the Company was HK$102 million
- Loss per share was 2.62 HK cents

	For the six months ended 30 June	
HK$'000	**2012**	**2011**
Revenues	1,133,855	1,122,139
Operating loss#	(52,049)	(99,811)
Loss attributable to equity holders of the Company	(101,847)	(128,516)
Loss per share (HK cents)	(2.62)	(3.30)

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 nearly 3,000 employees in about 20 cities.

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