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

Stable development in publishing and outdoor media

TOM Group reports rapid growth in e-commerce and mobile Internet

Hong Kong, 21 March 2013 - TOM Group Limited (HKEx:2383, "TOM Group") or "the Group", the Chinese-language media conglomerate in Greater China, today announced its annual results for the year ended 31 December 2012.

Ken Yeung, Chief Executive Officer and Executive Director said, "The Group's core businesses have been under a series of restructuring and consolidation in anticipation of the robust growth in the smartphone market. All business segments have cost effectively invested in high margin, technology-based businesses and delivered encouraging results. Against the backdrop, the Group is entering into a stage of fast organic growth."

"The Mobile Internet Group has established a scalable, cross-device open platform, and has been upgrading from traditional 2.5G wireless value-added services (WVAS) to high margin mobile Internet services including games, music and reading. The E-commerce Group has established a unique offline to online (O_2O) e-commerce open platform Ule (www.Ule.com) with China Post Group. Traditional and digital businesses of the Publishing Group maintained its growth momentum. The Outdoor Media Group achieved profitability and continued deployment of the high value, high technology-based digital media assets. All businesses are unleashing their value after consolidation. During the reporting period, the Group improved its operating efficiency. Loss attributable to equity holders of the Company narrowed by 32%."

"Ule is a unique platform for e-commerce and mobile commerce. Leveraging on the powerful logistic network of China Post Group, which covers rural villages and its extensive network of corporate clients, Ule reported robust sales growth with a prudent approach on marketing and promotion spending. Ule's gross merchandise value (GMV) doubled from the past year to more than RMB500 million. Average GMV per transaction on the platform doubled the industry average to RMB380 and jumped by 34% on a year on year basis. In the past year, registered users doubled while repeated buyer rate stood at 25% level."

"Ule continues to expand its user coverage and enhance its product and service offering. During the reporting period, Ule launched "provincial domestic product zones" in conjunction with provincial post offices, and also forged partnership with overseas postal offices including New Zealand Post and Taiwan Chunghwa Post Co Ltd to sell baby formula and cosmetic products on the platform respectively. Partnerships with Australia Post and Deutsche Post are scheduled to unveil later this year. Meanwhile, more than 4 million co-branded debit cards have been issued in collaboration with the Postal Savings Bank last year."

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"With the rising penetration of smartphone devices, Mobile Internet Group business has been progressing well as we launched a series of new products and delivering strong operating key performance indicators. Segment loss reduced by 70% on a year on year basis. Vertical social platforms, namely PK Game, a game community platform, and 637.fm, a social music platform, saw their number of downloads in applications and services jumped by more than 15 times and 8 times respectively from a year earlier. PK Game doubled its number of paid users and average revenue per user. Active users accounted for 16% of the total registered game users by the end of last year. 637.fm successfully wins the support from leading music labels such as Taiher Rye Music and Ocean Butterflies as their preferred music promotion platform. By the end of December, 637.fm has partnered with more than dozens record labels with around 100 artists promoting their music on the platform. Monthly active users of 637.fm doubled from a year earlier."

"The Publishing Group maintained its revenue level last year, with printed and digital publishing achieved growth neck and neck in the reporting period. The Group has continued its effort to explore new initiatives in the digital publishing field. Pixnet Digital Media registered users jumped 25% during the year. It has also launched a brand-new personal news aggregation service "7headlines.com" with positive market response and user number grew 36% on a monthly basis. These platforms provide digital promotion channels for the Publishing Group's traditional business to reach out to online readers and are expected to be the main engine for growth in the coming year. In 2012, the Group has boosted its digital reading applications by almost 80% from a year earlier, and recorded 65% increase in downloads. Among these applications, 75% of them were paid."

"Traditional print business maintained its leadership last year. Advertising revenue from books and magazines jumped 7% from a year earlier. *Business Weekly* further cemented its market leading position in 2012, with average selling price per advertising page grew by 6% year-on-year."

"The Outdoor Media Group invested into high value LED digital media panels to enhance its asset portfolio and achieved profitability in the reporting period. The Group has improved its operating efficiency as average occupancy rate stood at more than 70% last year. Television and Entertainment Group narrowed its operating loss last year with rising television advertising dollars from a year earlier. In 2013, CETV will undertake a restructuring programme, and collaborate with the Outdoor Media Group and Mobile Internet Group to distribute contents on multi-screens."

Going forward, Mr Yeung said, "I recognised the change in traditional 2.5G WVAS ecosystem and the challenge of the digital wave to our businesses since I took the office. We have now completed our business consolidation and have re-built a technology open platform to provide high margin mobile Internet services including games, music and e-reading to our users. The Group will continue to integrate its various business units to develop and roll out high quality products and services on our multi-screen platform. We are on track for organic growth, and to create long term shareholders' value."

Financial Highlights:

- Group revenues were HK$2,206 million
- Operating loss# before impairment charge*was HK$130 million
- Loss attributable to equity holders of the Company was HK$337 million
- Loss per share was 8.66 HK cents

	For the year ended 31 December	
HK$'000	**2012**	**2011**
Revenues	2,205,916	2,326,360
Operating loss# before impairment charge and an one-off item*	(129,787)	(191,394)
Loss attributable to equity holders of the Company	(337,187)	(498,270)
Loss per share (HK cents)	(8.66)	(12.80)

** Goodwill impairments (2012: HK$136 million; 2011: HK$421 million) and one-off write-back of over-accrued consideration payable of HK$154 million in 2011.*
 # Including 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, Mobile Internet, Publishing, Outdoor Media, Television and Entertainment and 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 about 3,000 employees in about 20 cities.

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