



Phoenix New Media

May 2015



This presentation contains forward-looking statements.  
These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995.  
These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements.

[WWW.IFENG.COM](http://WWW.IFENG.COM)

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## About the Company

# Uniquely Successful in Bridging the Divide



Leveraging Phoenix Satellite TV's media brand and content on a truly convergence platform

**The most credible and unbiased news provider available to an increasingly sophisticated Chinese audience globally**



**Website**: [www.ifeng.com](http://www.ifeng.com)



**Mobile** : News App, Video App, FM App and WAP



**TV** – Phoenix Satellite TV in over 150 countries and regions

# What Sets Phoenix New Media Apart Today?

Media DNA + Big idea Advertising Solutions + Cross Media Platform

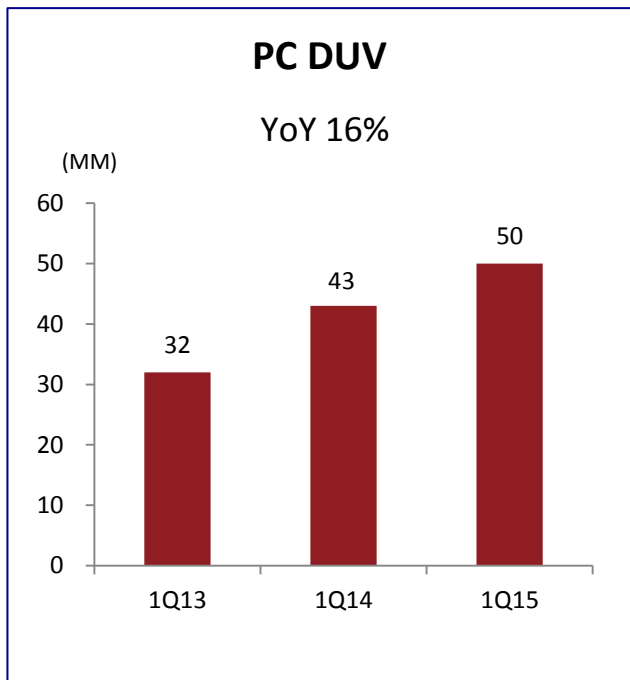
Content      Differentiated content offering rooted in media DNA

Monetization      Big idea advertising strategies and integrated marketing solutions

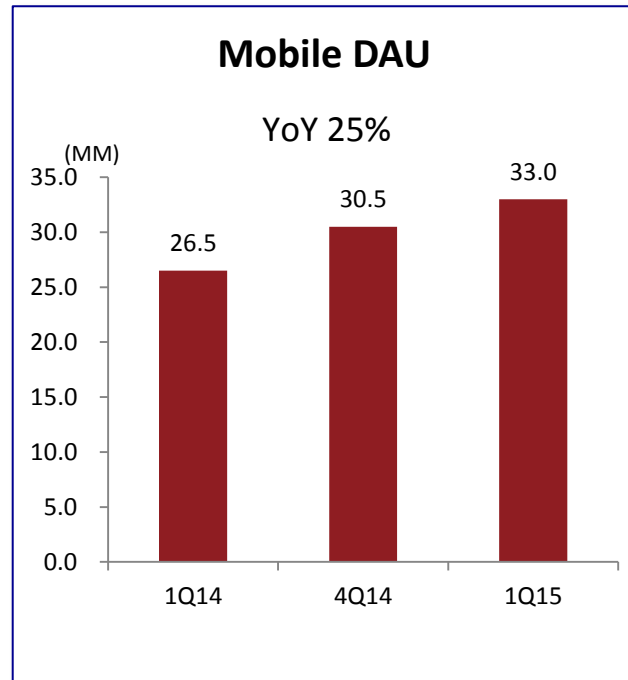
Technology      Cross-media platform making content and big ideas thrive

# One of the Most Heavily Viewed Internet Platforms

More than 300 million MUV on PC in 1Q15, covering half of the Internet population in China



Source: iResearch / iUserTracker



Source: Company data

# Leading Verticals by Traffic

#1-ranked News channel

#2-ranked media home page



#1-ranked fashion channel

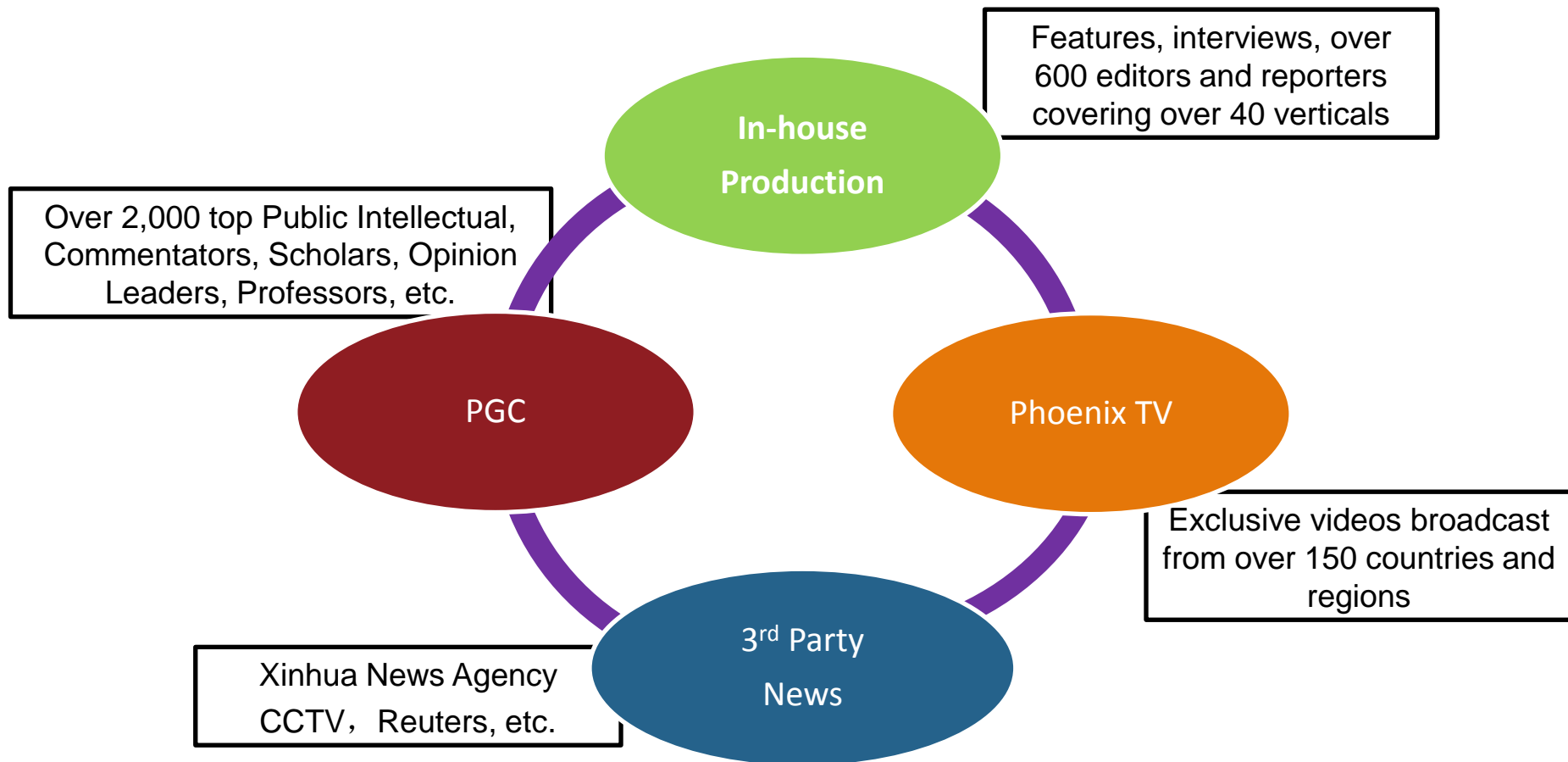


#2-ranked entertainment channel



Source: iResearch's iUserTracker ranking for March 2015, all ranking by Daily Unique Visitors







## Mobile advertising revenues increased 135% YoY in 1Q15

- Large and quality mobile user base with strong monetization potential
- Two platforms on Mobile
  - WAP portal: 3g.ifeng.com
  - Apps: ifeng News, ifeng Video, ifeng FM
- WAP portal + APPs DAU: around 33.0m

# Yidian Investment Strengthens Mobile Product Portfolio

Acquired 46.9% of Yidian, closed in April, 2015

Interest Engine = Push and Pull strategy



Search

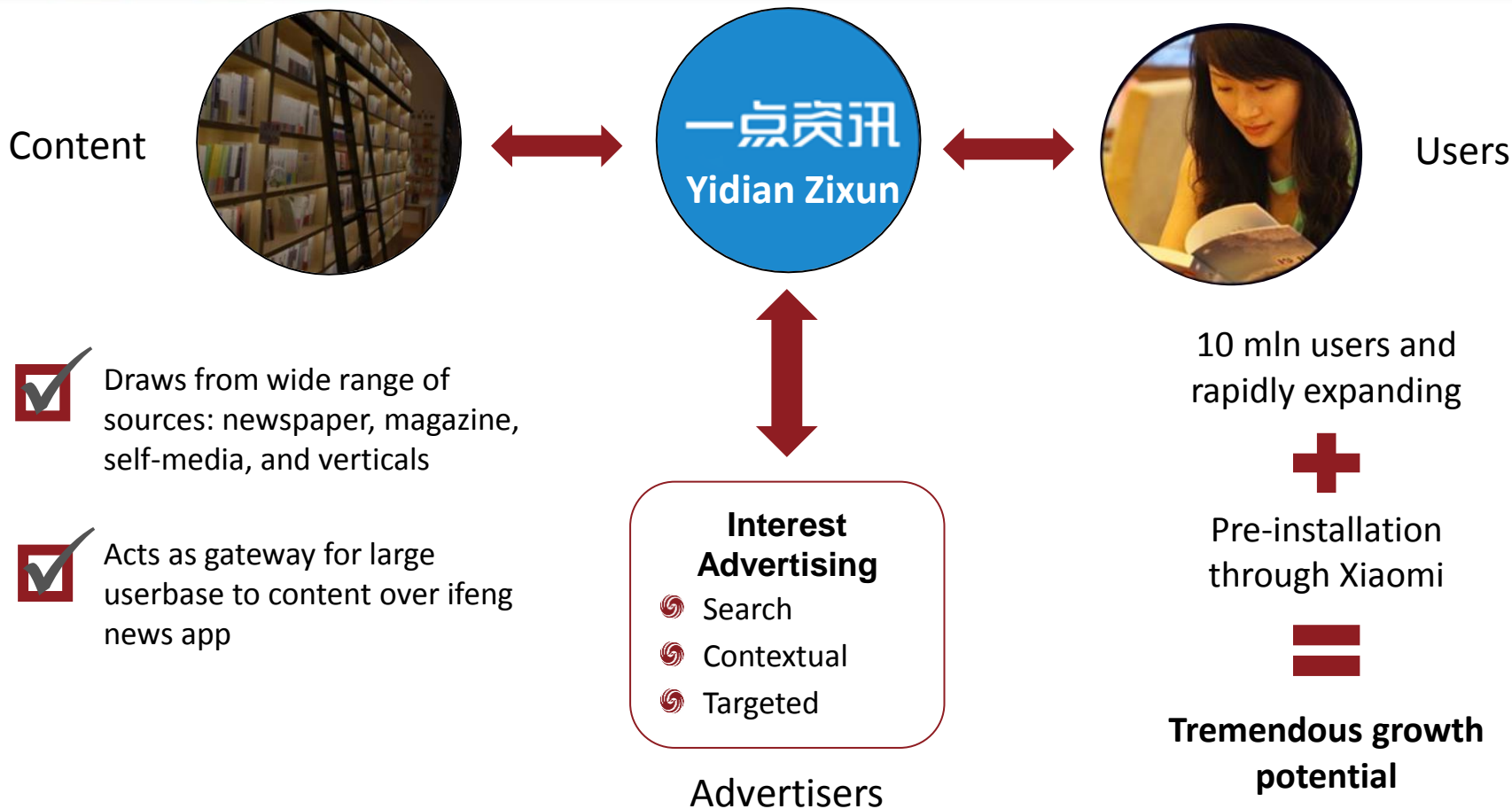
Recommend

Interest-Driven

Content

High-Quality

# Strong synergies allow for expanding monetization avenues



## Video advertising revenues increased 6% YoY in 1Q15

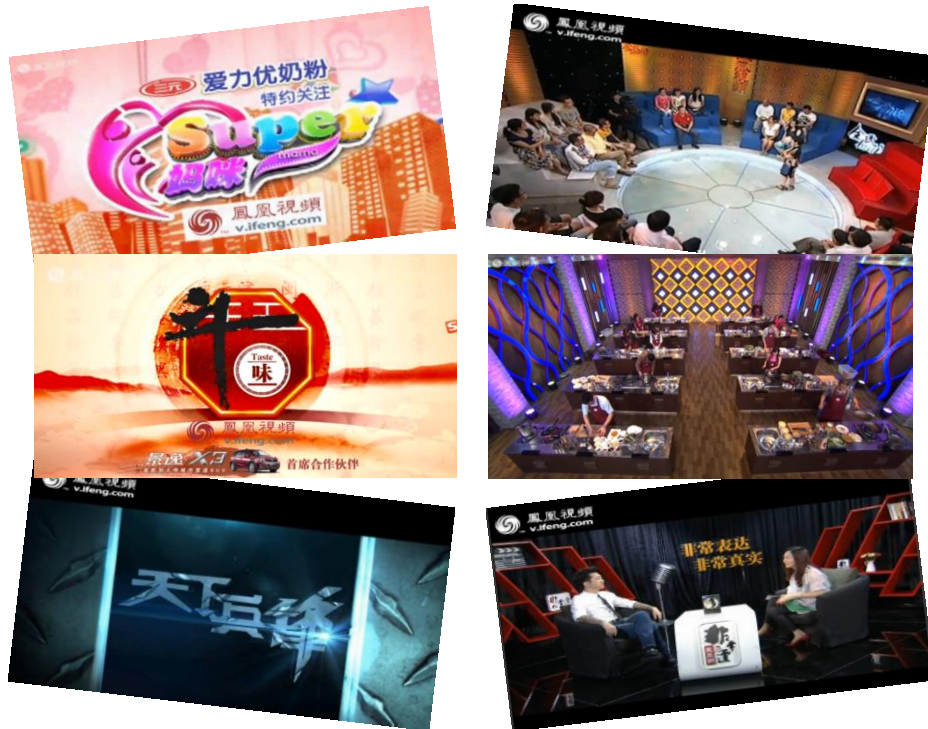
### Specialize in Short Form Video

- Professional news
- Documentaries
- In-house produced programs
- Phoenix TV exclusive video constitutes about 40% of video traffic

### LOW content and bandwidth cost

### Highly suitable for mobile and 4G

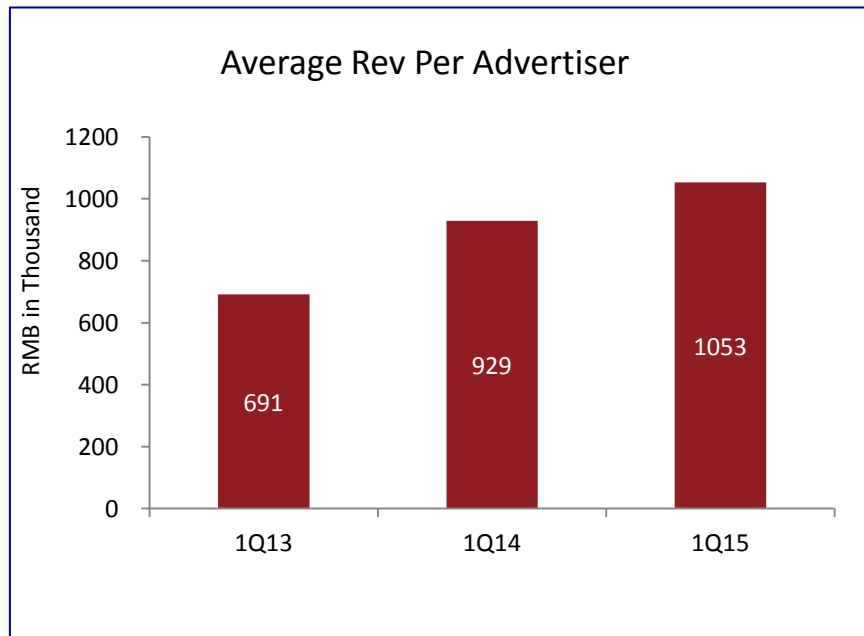
- Video Ad Forms: Banner, Sponsorship, Pre-roll and Native



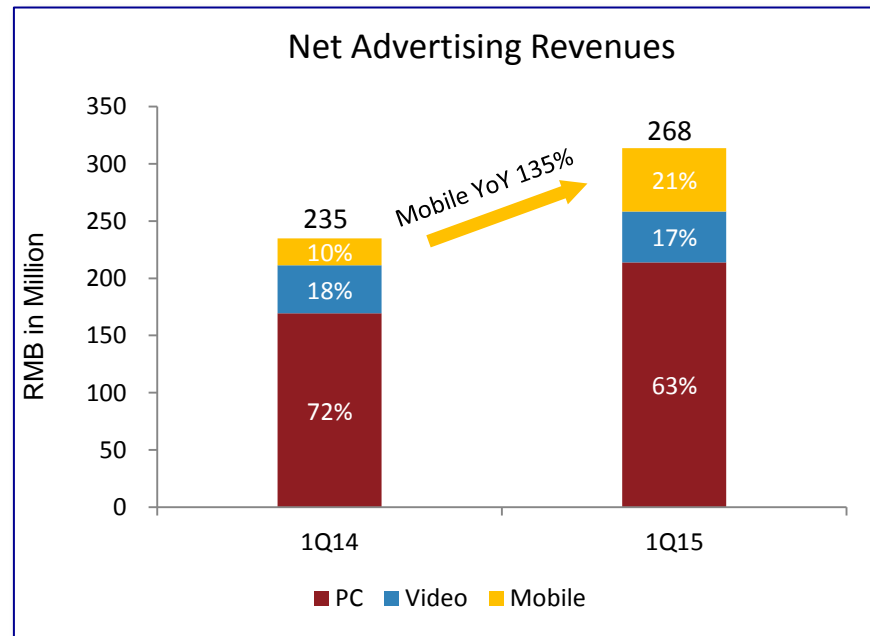


# Monetization

ARPA increased 13% YoY



Total net advertising revenues increased 14% YoY in 1Q15



Source: Company data

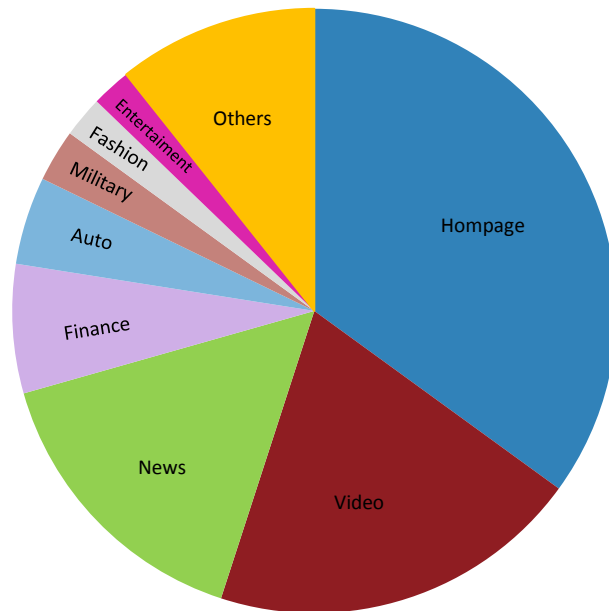
# High Quality and Expanding Advertising Client Base

255 clients in 1Q15

612 in 2014, 569 in 2013

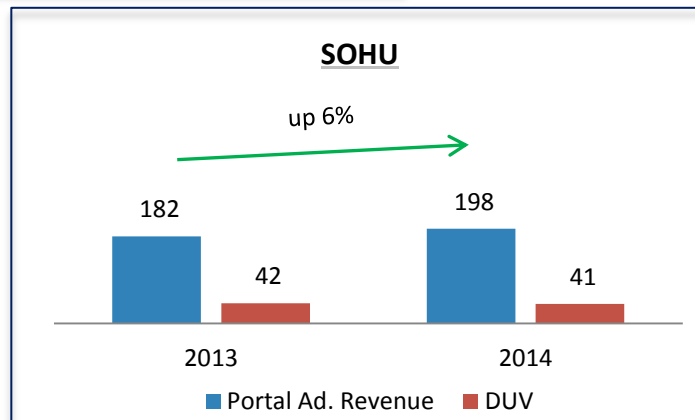
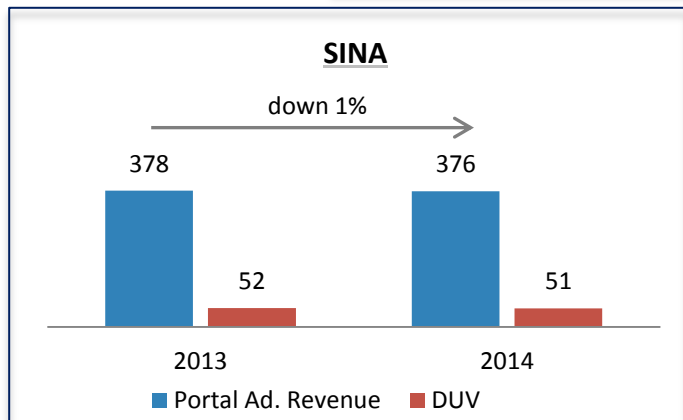
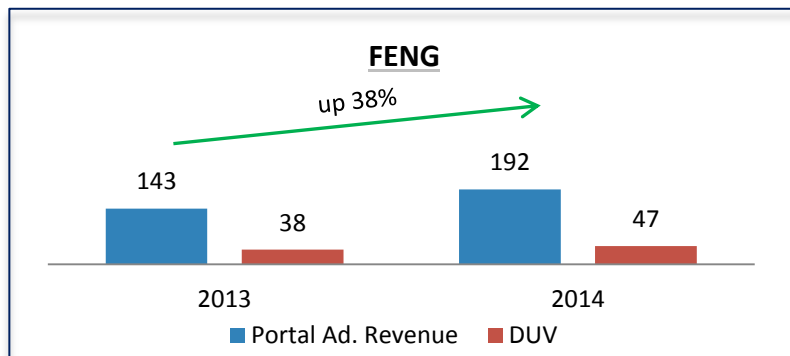


Advertising Rev by website verticals





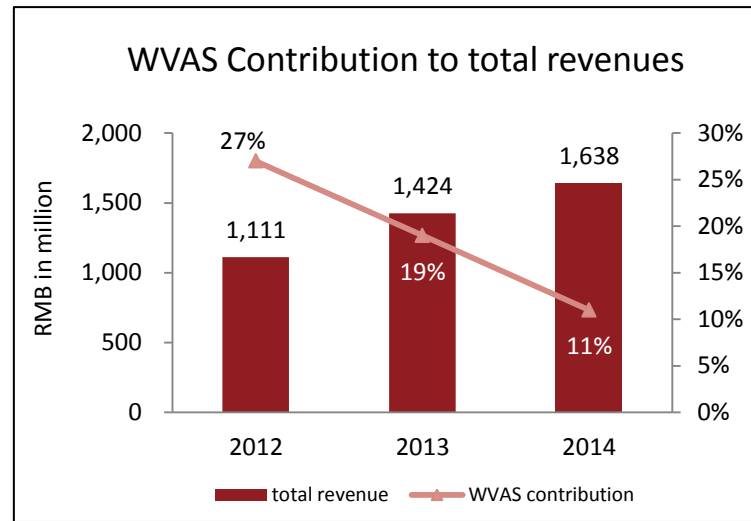
# Continuous Ad Growth Potential



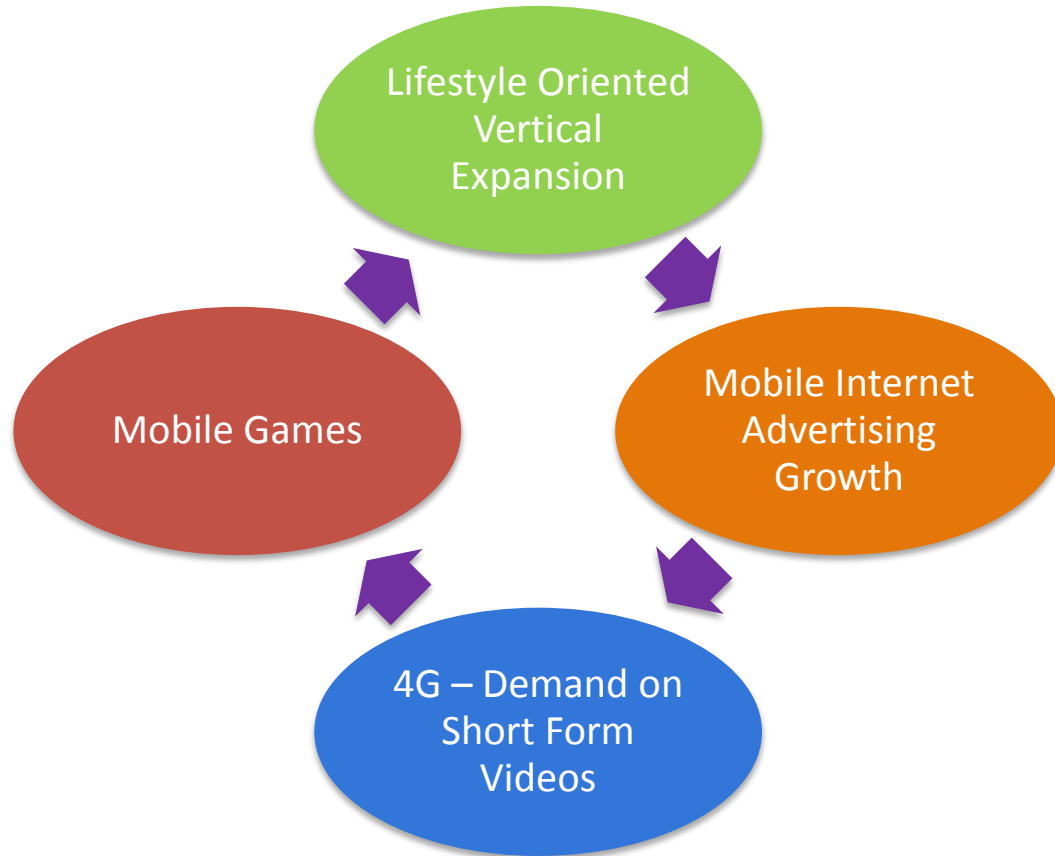
Note: SINA advertising revenues exclude the advertising revenues of Weibo;  
DUV is in million; ad. Revenue is in million USD

# Paid Services – Subscription and Transaction

Well Poised for 4G opportunities

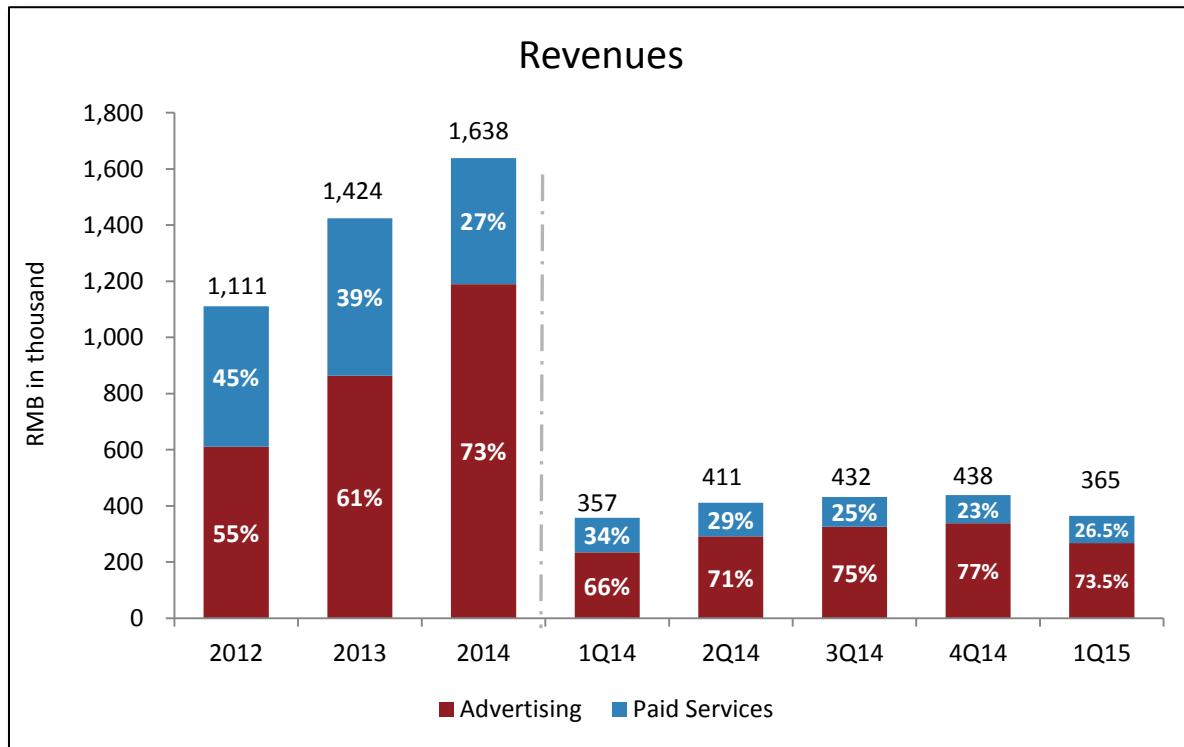


- WVAS contribution to total revenues decreased
- WVAS impact to P/L decreased

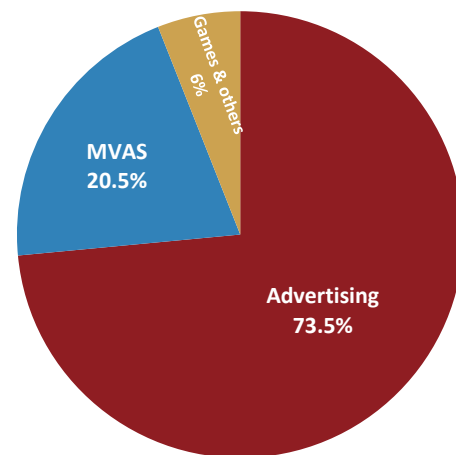




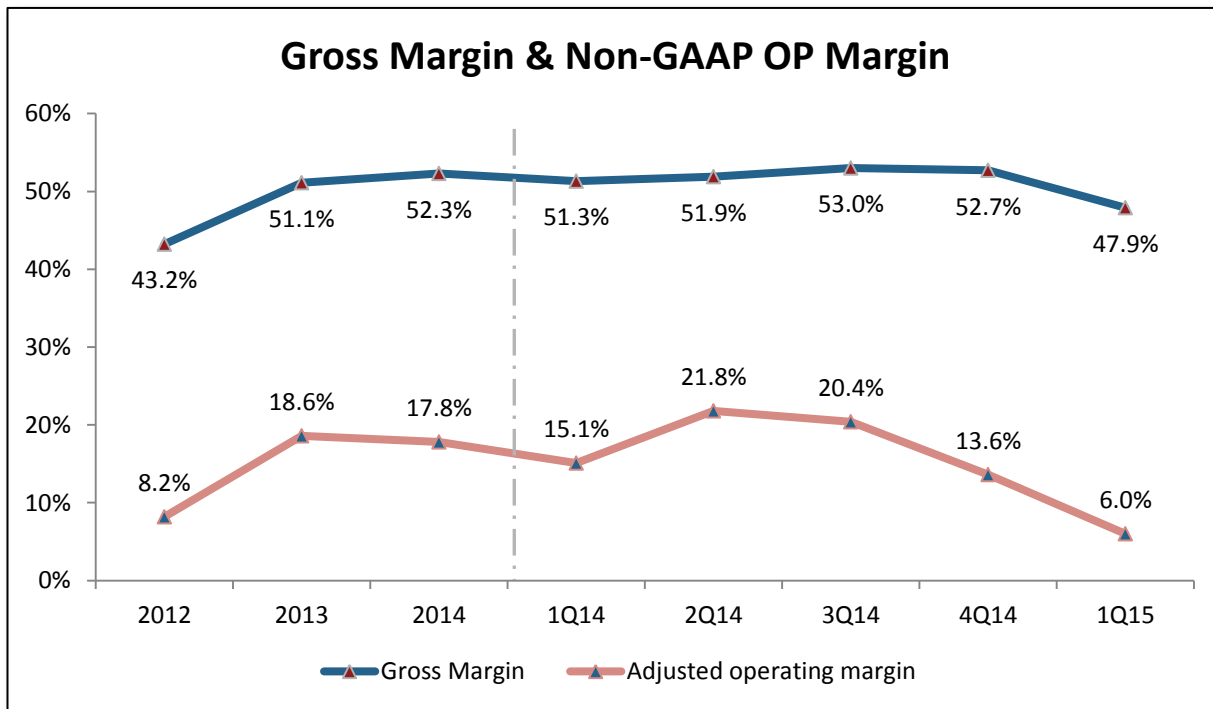
# Financial Highlights



### 1Q15 Revenue Breakdown



# Consistent Operating Margin (Non-GAAP)



Note: Non-GAAP operating income excludes share-based compensation expenses. Share-based compensation expenses: 2012: US\$1.1Mn; 2013: US\$2.8Mn; 1Q13: US\$-0.1Mn; 2Q13: US\$1.0Mn; 3Q13: US\$0.3Mn; 4Q13: US\$1.5Mn; 1Q14: US\$1.8Mn; 2Q14: US\$1.4Mn; 3Q14: US\$2.9Mn; 4Q14: US\$2.5Mn; 1Q15: US\$2.4Mn.

# Profits and Loss Highlights

(RMB 000's)	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15
<b>Revenue</b>	1,424,475	1,637,860	357,149	410,873	431,773	438,065	365,101
Cost of Revenues	696,355	781,632	173,871	197,501	202,889	207,371	190,134
Revenue sharing fees	249,797	192,076	53,680	59,210	43,882	35,304	51,467
Content and operational costs	277,038	376,555	74,079	83,729	104,347	114,400	90,761
Bandwidth costs	76,583	83,233	20,791	19,933	20,771	21,738	21,540
Sales tax and surcharges	92,937	129,768	25,321	34,629	33,889	35,929	26,366
Operating Expenses	479,931	618,591	140,222	132,304	158,819	187,246	168,025
S&M	273,399	330,777	76,733	72,823	80,541	100,680	87,590
G&A	97,849	137,818	32,702	26,436	36,933	41,747	39,059
R&D	108,683	149,996	30,787	33,045	41,345	44,819	41,376
Non GAAP Income from Operations	264,912	290,818	53,950	89,511	87,937	59,420	21,747
<b>Non GAAP Net Profits</b>	296,277	305,151	56,903	92,273	93,288	62,686	23,615
<b>% to Revenue</b>							
Revenue sharing fees	17.5%	11.7%	15.0%	14.4%	10.2%	8.1%	14.1%
Content and operational costs	19.5%	23.0%	20.7%	20.4%	24.2%	26.1%	24.9%
Gross Margin	51.1%	52.3%	51.3%	51.9%	53.0%	52.7%	47.9%
S&M	19.2%	20.2%	21.5%	17.7%	18.7%	23.0%	24.0%
G&A	6.9%	8.4%	9.2%	6.4%	8.6%	9.5%	10.7%
R&D	7.6%	9.2%	8.6%	8.0%	9.6%	10.2%	11.3%
Non GAAP Operation Income Margin	18.6%	17.8%	15.1%	21.8%	20.4%	13.6%	6.0%
Non GAAP Net Margin	20.8%	18.6%	15.9%	22.5%	21.6%	14.3%	6.5%

Notes: The above table is the excerpts of Condensed Consolidated Statements of Income

<b>(RMB in mn)</b>	<b>2014/9/30</b>	<b>2014/12/31</b>	<b>2015/3/31</b>	<b>2015/3/31</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>USD</b>
Cash and Cash Equivalents and Term Deposits and Short Term Investments and Restricted Cash	1,364	1,326	1,268	205
Total Current Assets	2,185	2,063	1,969	318
Total Non-Current Assets	135	264	252	40
Total Liabilities	593	610	568	91
Total Shareholders' Equity	1,727	1,717	1,653	267

Note : As of April 30, the cash balance was RMB1.06 billion (USD173million) after the Closing of Yidian's investment.





# Appendix

## Native Marketing:

**Customer:** ROEWE-W5 (Shanghai Auto)

**Ad Revenue:** 7 million

**Project Introduction:** We cooperate with ROEWE to launch five micro documentaries, from different perspectives of football player, astronomer, independent director, archaeologist and light keeper to progressively interpret ROEWE brand concept of “The Model of China Zeitgeist”. Meanwhile, through our camera, our presenter interviewed numerousness to find a ROEWE-W5 Spirit Model.

**ROI:** Feature Exposure over 800 million; Video Views over 860 thousand; Sales Leads: 4421

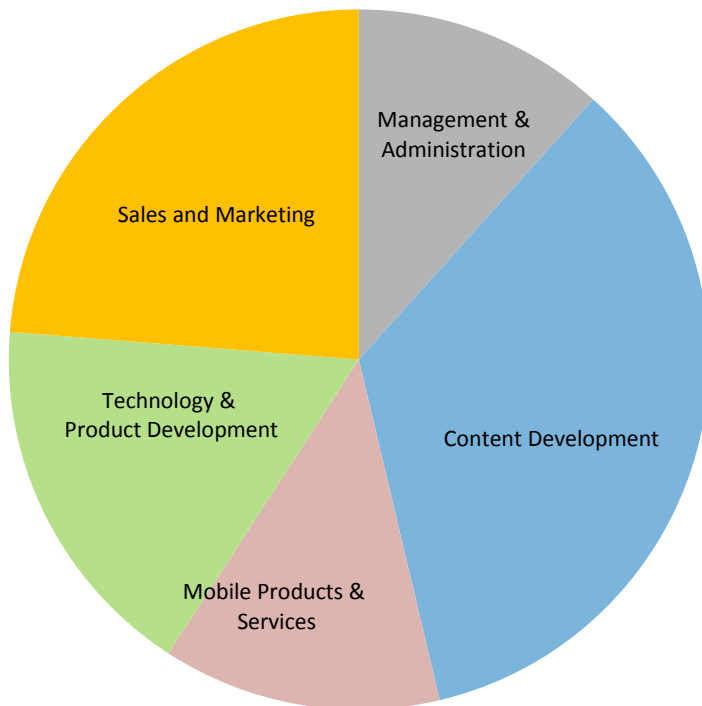


Micro documentary



Offline Event: Opening Ceremony & Painting Portfolio

Content Development consist of over 30 % of our total headcount, out of a total of around 1,800 headcounts





**President – Ya Li**

18+ (Internet industry and entrepreneurship)  
Joined in 2006



**CFO – Betty Ho**

AICPA and HKICPA  
20+ (TMT, manufacturing and retail)  
Joined in 2013



**CEO – Shuang Liu**

12+ (Media industry)  
Joined in 2005



**SVP – Andy Jin Xu**

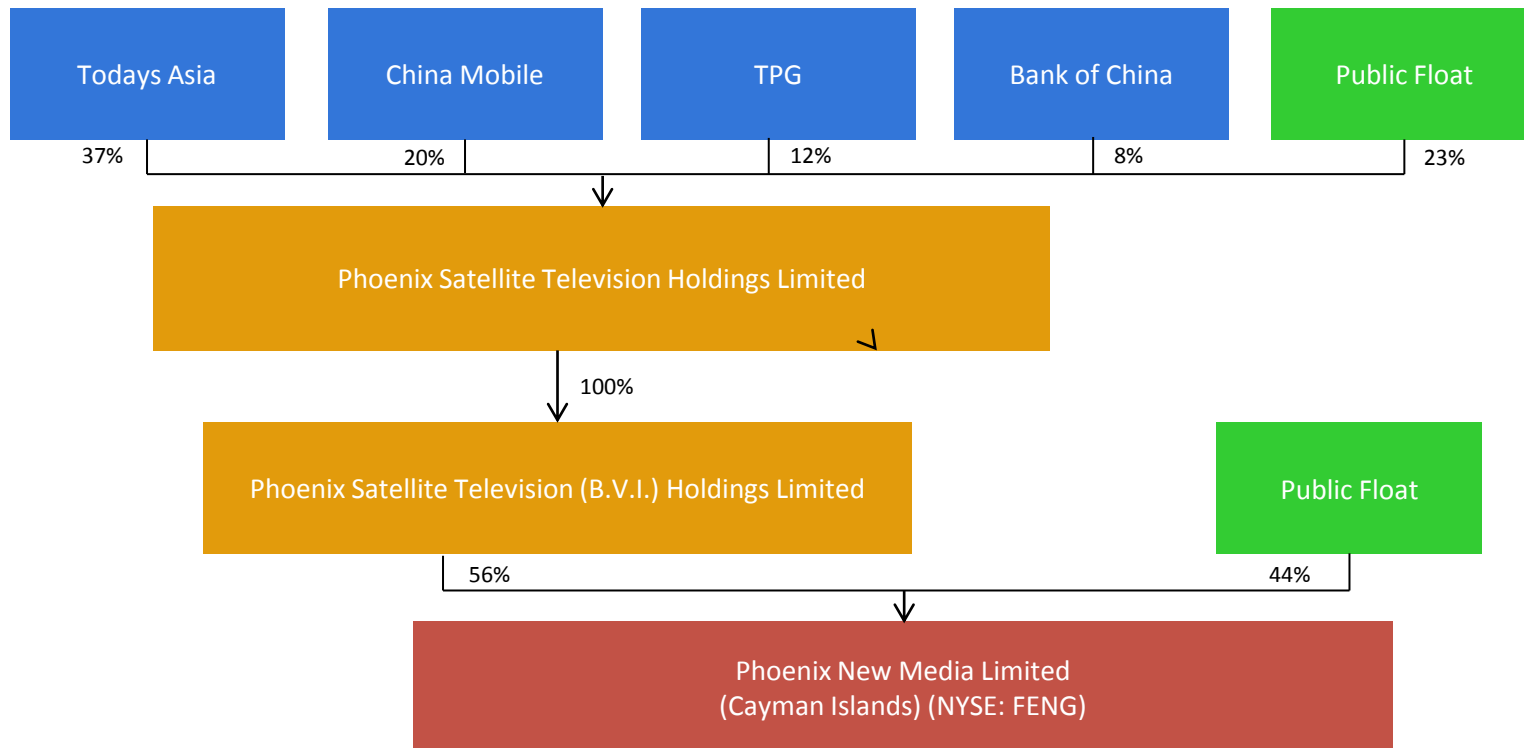
15+ (Advertising industry)  
Joined in 2013



**SVP – Shu Liu**

20+ (Internet & media industry)  
Joined in 2010

# Shareholding Structure



Notes: As of 31 March 2015, 8.57% of total outstanding shares were granted but not exercised. Top 10 shareholders accounted for about 22% of total shares outstanding as of 31 March 2015.

# Young Company with Long History



Phoenix TV founded- a leading Chinese language  
TV & media group based in HK



IPO on NYSE - May 12, 2011

1996

1998

2005

2006

2007

2008

2009

2010

2011

"New Media" subsidiary established

As of May 11, 2015

## Exchange / Ticker

NYSE: FENG

## Market Cap

US\$ 530Mn

## Price

US\$ 7.44

## ADS Outstanding

71Mn

## Average Daily Trading Volume (last 3 months)

0.3Mn

## Analysts Coverage



Morgan Stanley

Deutsche Bank



J.P.Morgan



# Key Contacts

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谢谢观赏  
Thanks