



# Phoenix New Media

## November 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)



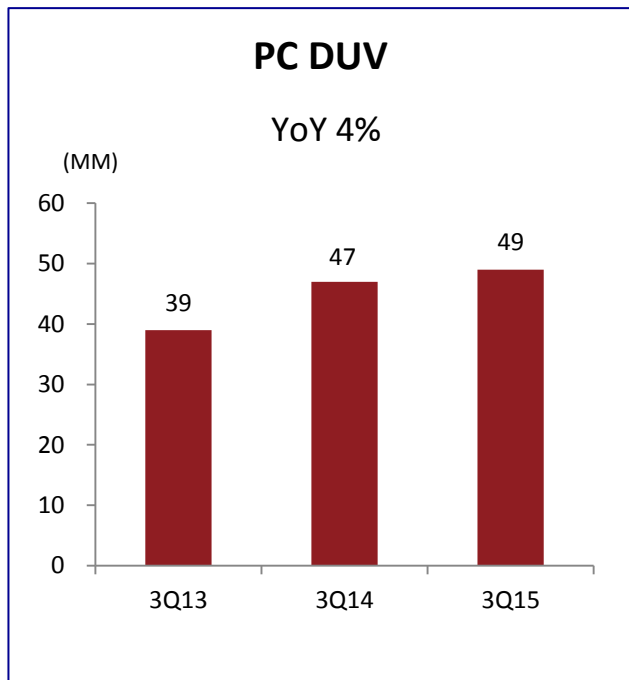
**Mobile**: News App, Video App, FM App and WAP



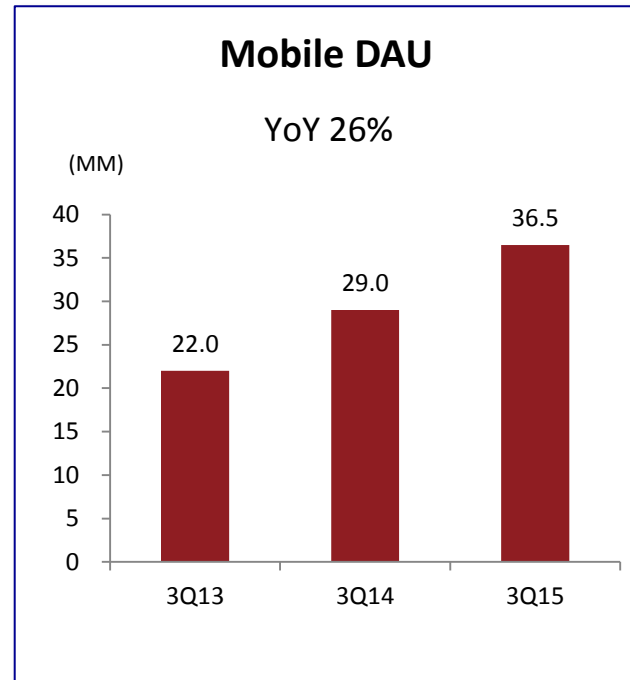
**TV** – Phoenix Satellite TV in over 150 countries and regions

# One of the Most Heavily Viewed Internet Platforms

More than 320 million MUV on PC in 3Q15, covering half of the Internet population in China



Source: iResearch / iUserTracker



Source: Company data

# 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

#1-ranked News channel

#2-ranked media home page



#1-ranked fashion channel

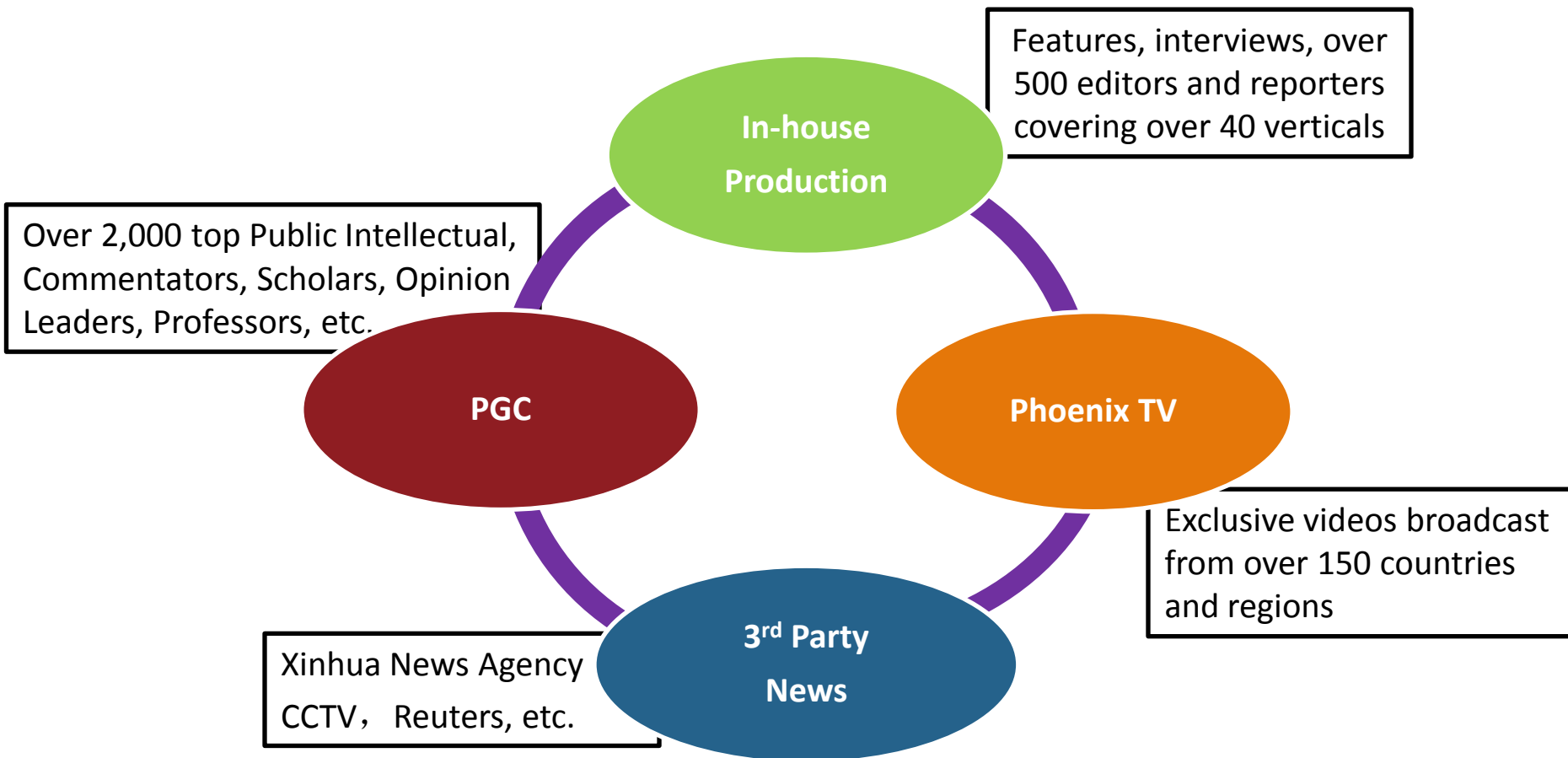


#2-ranked entertainment channel



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







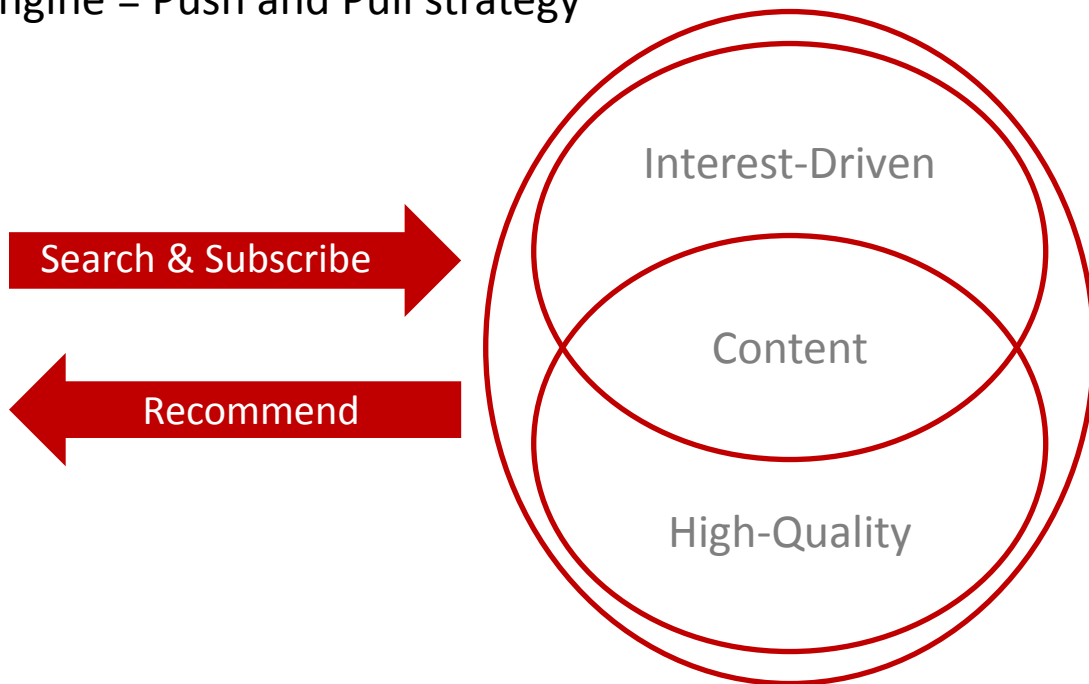
## mobile advertising revenues increased by about 90% YoY in 3Q15

- Large and quality mobile user base with strong monetization potential
- Two platforms on Mobile
  - WAP portal: [i.ifeng.com](http://i.ifeng.com)
  - Apps: ifeng News, ifeng Video, ifeng FM
- WAP portal + APPs DAU: around 36.5m

# Yidian Investment Strengthens Mobile Product Portfolio

Very different, but yet complimentary

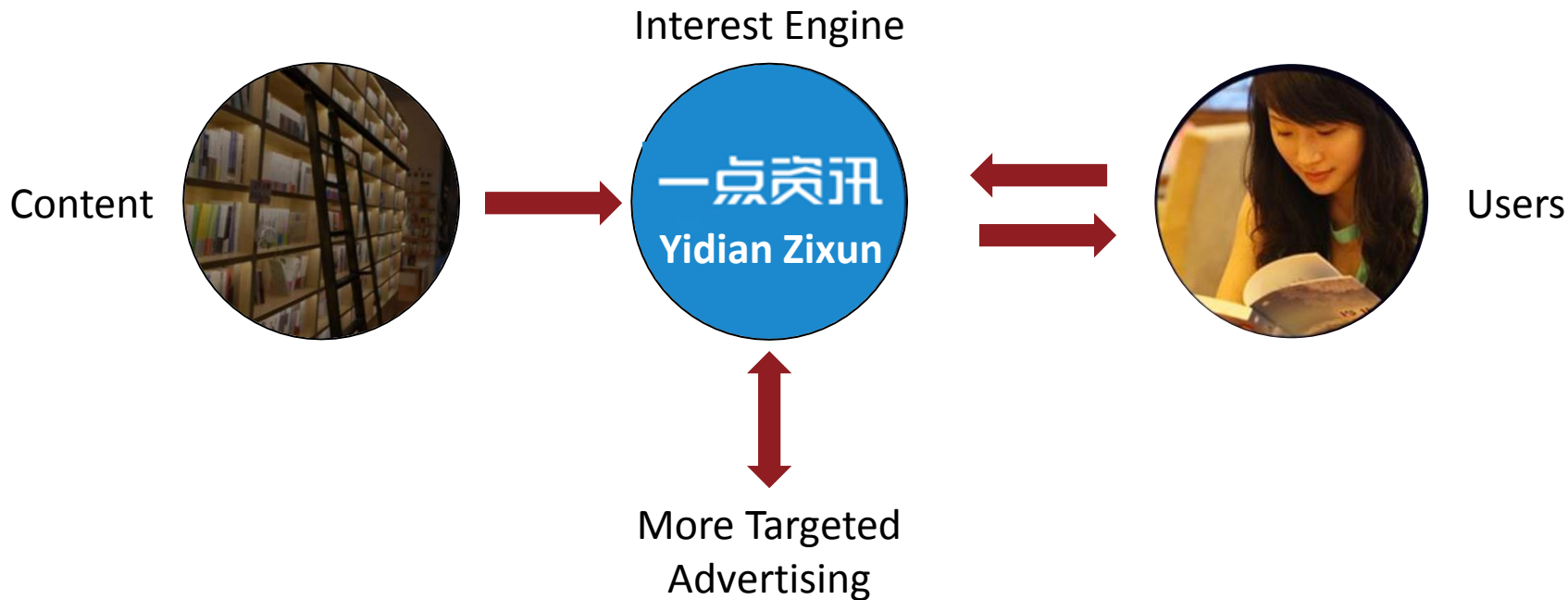
Interest Engine = Push and Pull strategy



Note: ifeng acquired 46.9% of Yidian, closed in April, 2015.

# Enormous Monetization Opportunities

Yidian Zixun has reached around 12 million DAU in November, 2015.



Yidian was ranked as one of Top 3 in news and information apps.



Source: TalkingData's ranking of the 1<sup>st</sup> week of November, 2015.



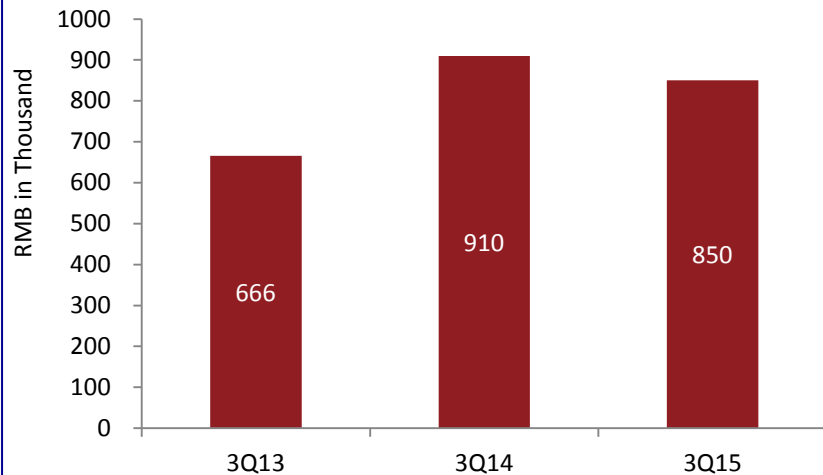
- Specialize in Short Form Video
  - Professional news
  - Documentaries
  - In-house produced programs
  - Phoenix TV exclusive video constitutes about 40% of video traffic
- LOW content and bandwidth cost
- Highly suitable for mobile and 4G
- Video Ad Forms: Banner, Sponsorship, Pre-roll and Native



# Monetization

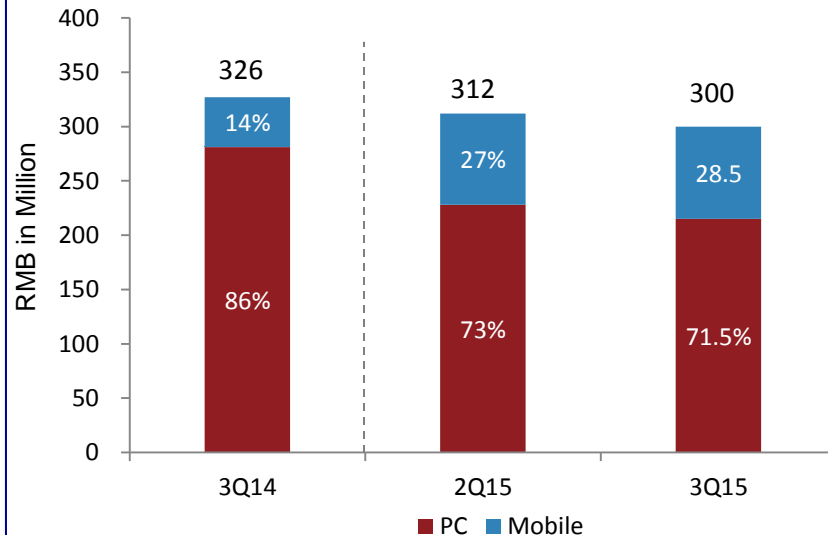
ARPA decreased by 7% YoY

Average Rev Per Advertiser



Total net ad. revenues decreased by 8% YoY in 3Q15  
Mobile ad. revenues increased by about 90% YoY in 3Q15

Net Advertising Revenues





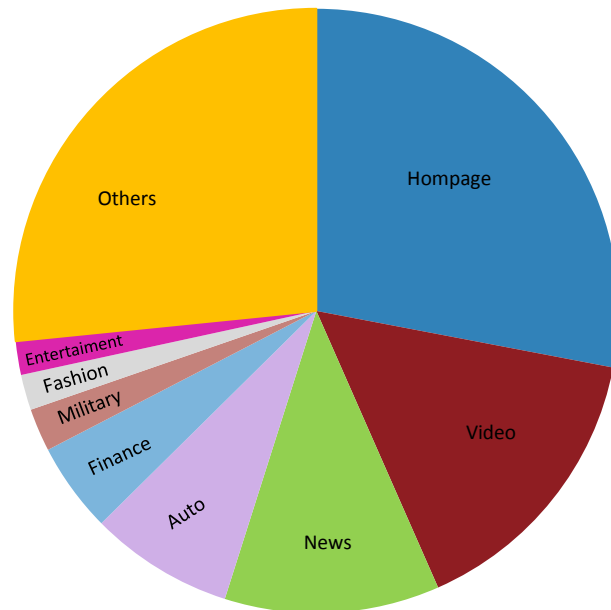
# High Quality and Expanding Advertising Client Base

295 clients in 2Q15, 353 clients in 3Q15

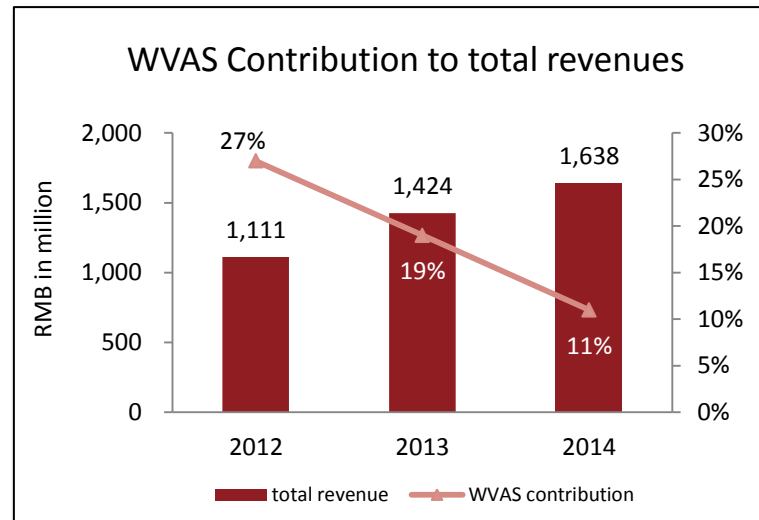
612 clients in 2014



Advertising Rev by website verticals



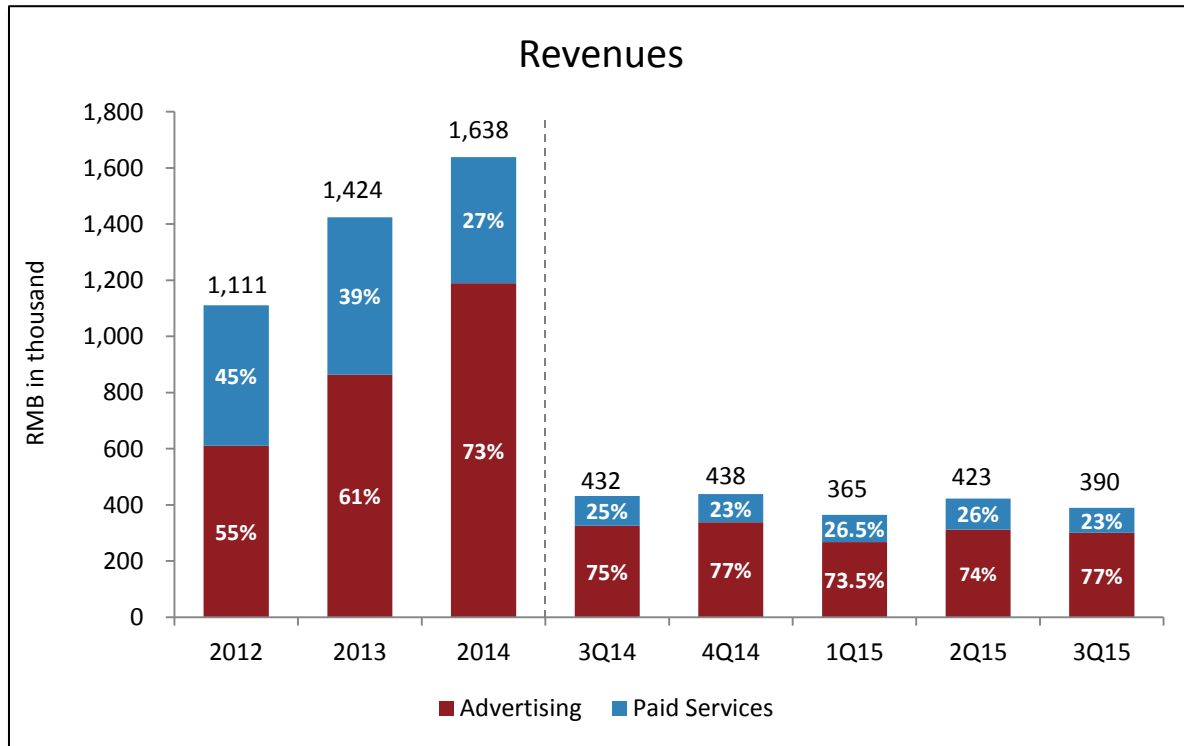
Source: Company data in 3Q15



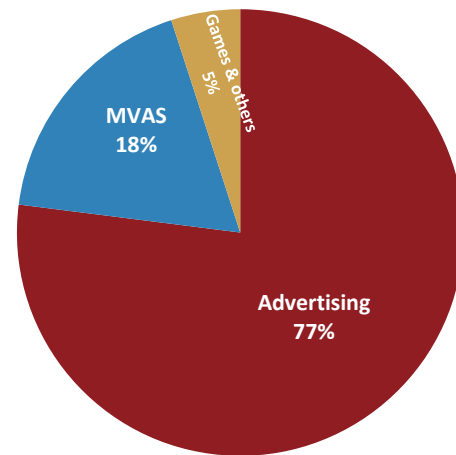
- WVAS contribution to total revenues decreased
- WVAS impact to P/L decreased



# Financial Highlights



3Q15 Revenues Breakdown



# Profits and Loss Highlights

(RMB 000's)	2013	2014	3Q14	4Q14	1Q15	2Q15	3Q15
<b>Revenue</b>	<b>1,424,475</b>	<b>1,637,860</b>	<b>431,773</b>	<b>438,065</b>	<b>365,101</b>	<b>422,907</b>	<b>390,419</b>
Cost of Revenues	696,355	781,632	202,889	207,371	190,134	222,383	209,841
Revenue sharing fees	249,797	192,076	43,882	35,304	51,467	67,327	51,576
Content and operational costs	277,038	376,555	104,347	114,400	90,761	101,583	107,812
Bandwidth costs	76,583	83,233	20,771	21,738	21,540	21,272	20,696
Sales tax and surcharges	92,937	129,768	33,889	35,929	26,366	32,201	29,757
Operating Expenses	479,931	618,591	158,819	187,246	168,025	173,802	172,275
S&M	273,399	330,777	80,541	100,680	87,590	92,219	83,568
G&A	97,849	137,818	36,933	41,747	39,059	39,195	45,715
R&D	108,683	149,996	41,345	44,819	41,376	42,388	42,992
Non GAAP Income from Operations	264,912	290,818	87,937	59,420	21,747	40,183	20,348
<b>Non GAAP Net Profits</b>	<b>296,277</b>	<b>305,151</b>	<b>93,288</b>	<b>62,686</b>	<b>23,615</b>	<b>40,721</b>	<b>35,943</b>
<b>% to Revenue</b>							
Revenue sharing fees	17.5%	11.7%	10.2%	8.1%	14.1%	15.9%	13.2%
Content and operational costs	19.5%	23.0%	24.2%	26.1%	24.9%	24.0%	27.6%
Gross Margin	51.1%	52.3%	53.0%	52.7%	47.9%	47.4%	46.3%
S&M	19.2%	20.2%	18.7%	23.0%	24.0%	21.8%	21.4%
G&A	6.9%	8.4%	8.6%	9.5%	10.7%	9.3%	11.7%
R&D	7.6%	9.2%	9.6%	10.2%	11.3%	10.0%	11.0%
Non GAAP Operation Income Margin	18.6%	17.8%	20.4%	13.6%	6.0%	9.5%	5.2%
Non GAAP Net Margin	20.8%	18.6%	21.6%	14.3%	6.5%	9.6%	9.2%

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

<i>million</i>	2015/9/30	2015/9/30	2014/12/31	2015/6/30
	RMB	USD	RMB	RMB
Cash and Cash Equivalents and Term Deposits and Short Term Investments and Restricted Cash	1,130	178	1,326	1,031
Total Current Assets	1,877	295	2,063	1,763
Total Non-Current Assets	612	97	264	616
Total Liabilities	762	120	610	680
Total Shareholders' Equity	1,727	272	1,717	1,699



# Appendix

# 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

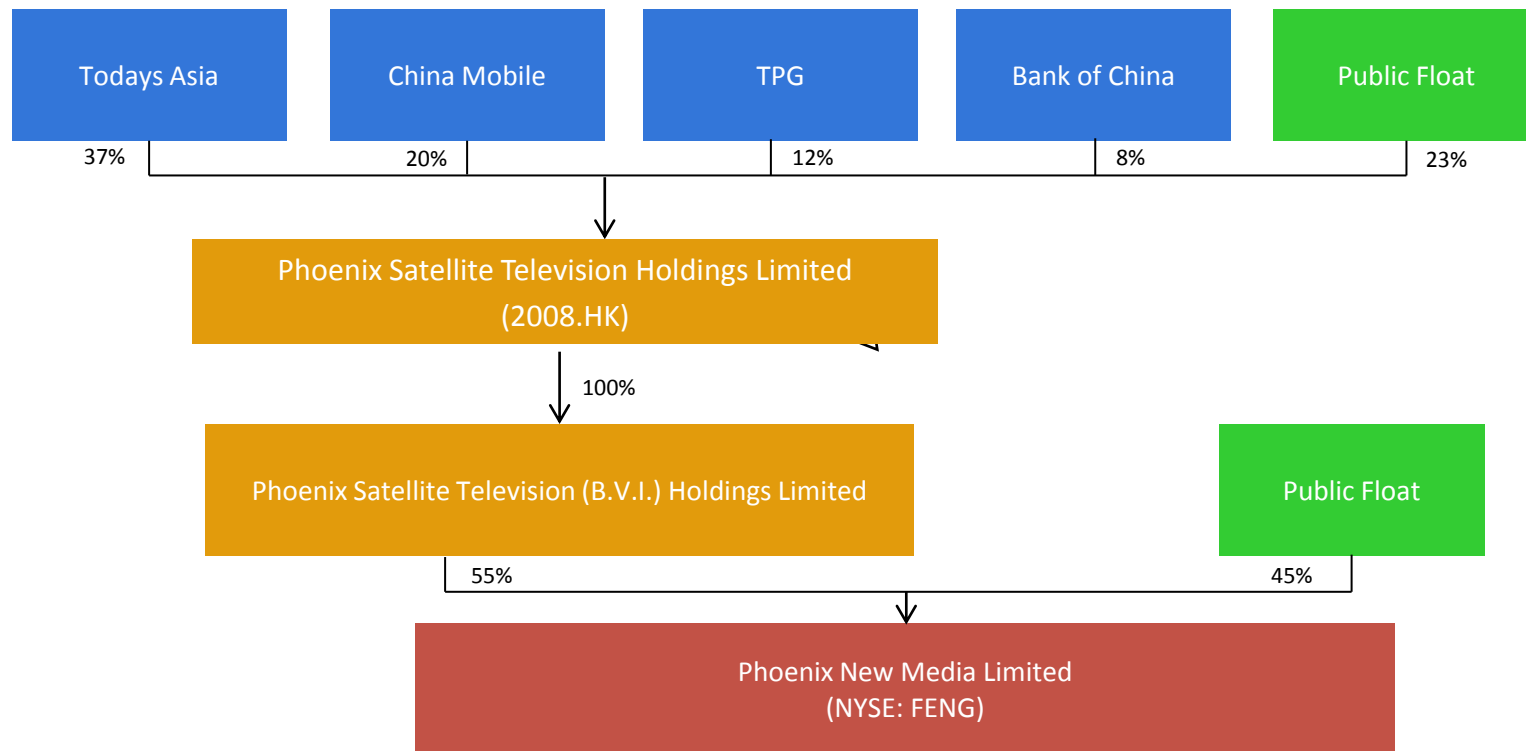
2010

2011

"New Media" subsidiary established



# Shareholding Structure



Notes: As of 30 September 2015, 8.65% of total outstanding shares were granted but not exercised.

Top 10 shareholders accounted for about 20% of total shares outstanding as of 30 September 2015.



**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

Content Development consist of over 30 % of our total headcount, out of a total of around 1,600 headcounts



## Native Marketing:

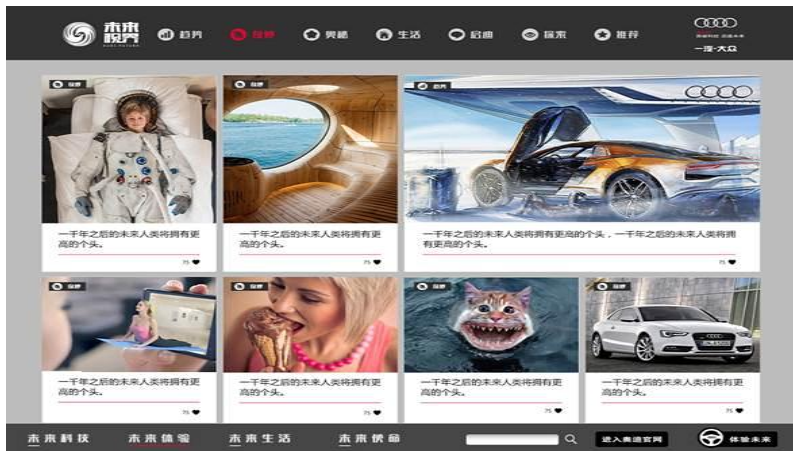
**Customer:** Audi

**Ad Revenue:** 20 million RMB

### **Project Introduction:**

ifeng cooperated with Audi together to open a special “future theme” channel, which focused on providing multi-dimensional contents in future technology innovation, future technical products and future life-style. By leveraging ifeng’s premium content, “future channel” address Audi’s brand spirit and bridges users with future automobile products.

**ROI:** Page Views over 6 million, more than 2 million users visit this vertical every month.



PC webpage



Mobile Page

As of November 9, 2015

## Exchange / Ticker

NYSE: FENG

## Market Cap

US\$ 360Mn

## Price

US\$ 5.06

## ADS Outstanding

71Mn

## Average Daily Trading Volume (last 3 months)

0.3Mn

## Analysts Coverage



Morgan Stanley

Deutsche Bank



J.P.Morgan



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谢谢观赏  
Thanks