



Phoenix New Media

March 2016



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

# Leading Verticals by Traffic

Almost 300 million MUV on PC in 4Q15, covering half of the Internet population in China  
DUV was 43 million on PC in 4Q15, ranked No. 3 among Chinese internet portal.

#1-ranked News channel

#2-ranked media home page



#1-ranked fashion channel



#2-ranked entertainment channel



# What Sets Phoenix New Media Apart Today?

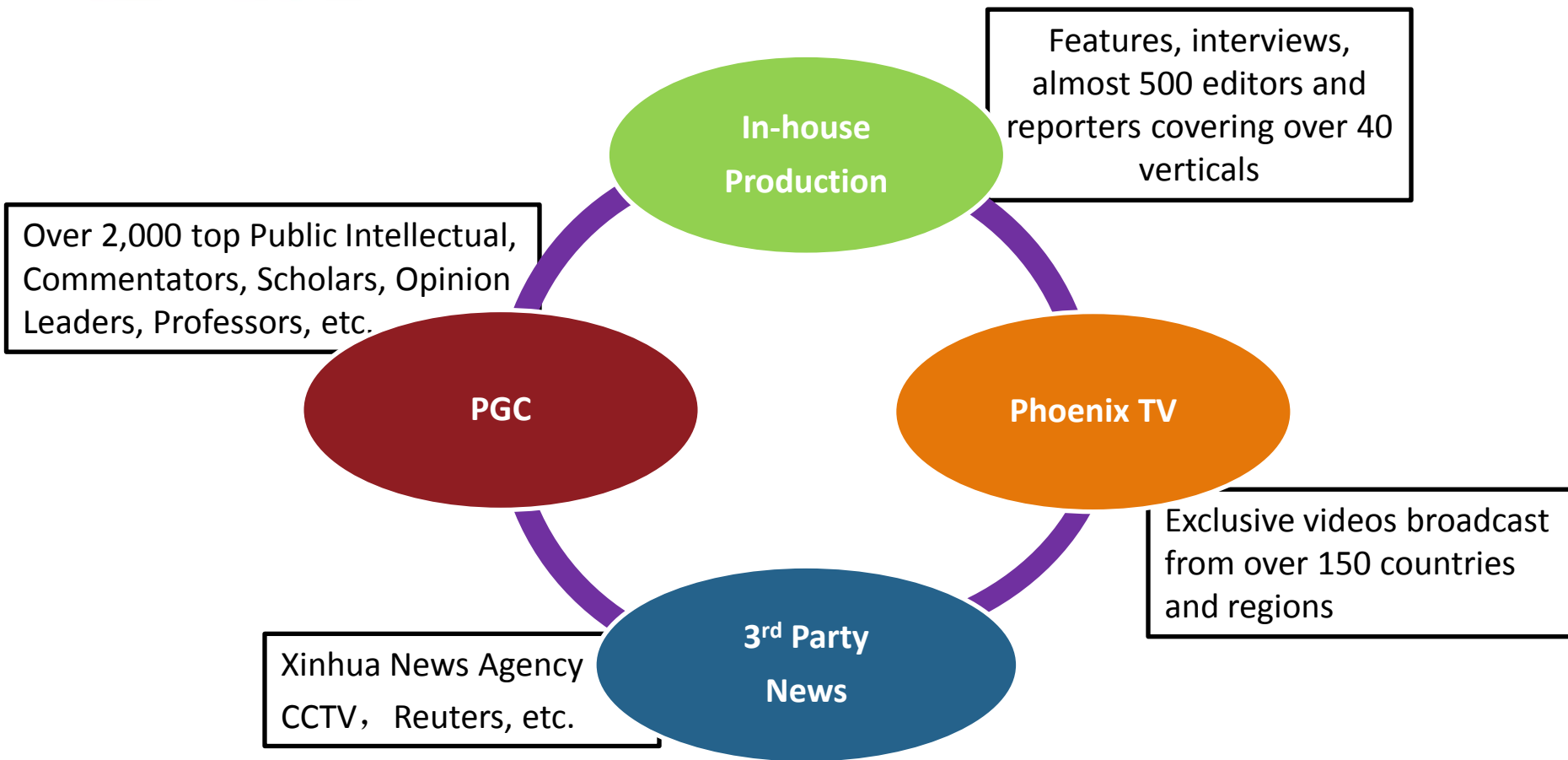
Media DNA + Big idea Advertising Solutions + Cross Media Platform

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

# Diverse and Proprietary Content







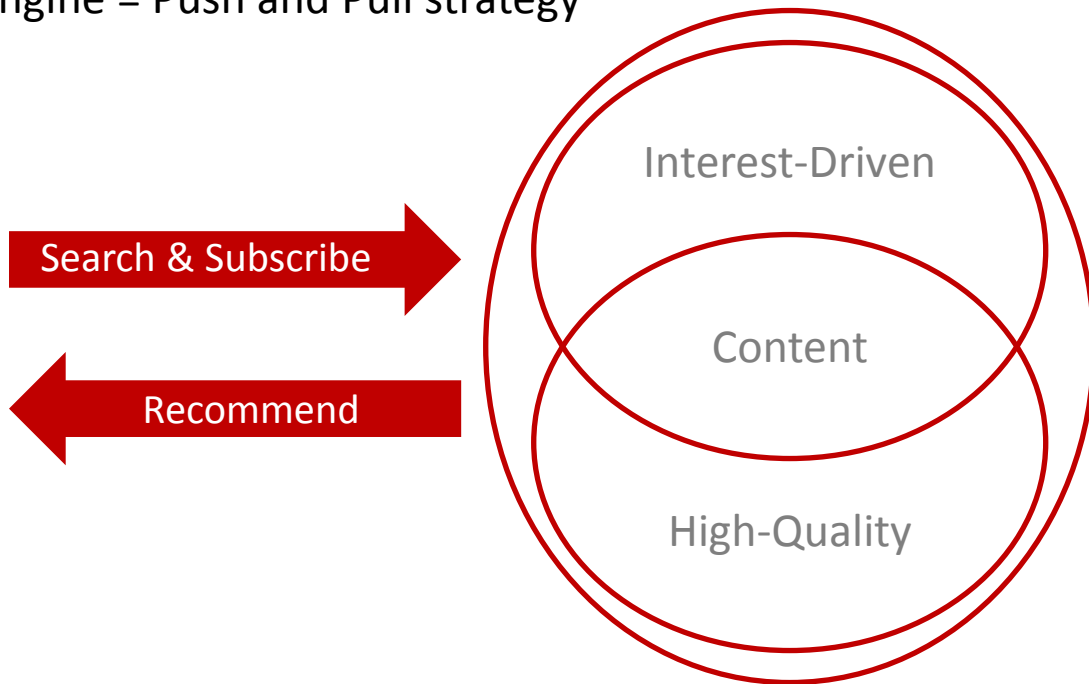
## mobile advertising revenues increased by about 118% YoY in 4Q15

- Large and quality mobile user base with strong monetization potential
- Two platforms on Mobile
  - WAP portal: i.ifeng.com
  - Apps: ifeng News, ifeng Video, ifeng FM
- WAP portal + APPs DAU: around 33m in 4Q15

# Yidian Investment Strengthens Mobile Product Portfolio

Very different, but yet complimentary

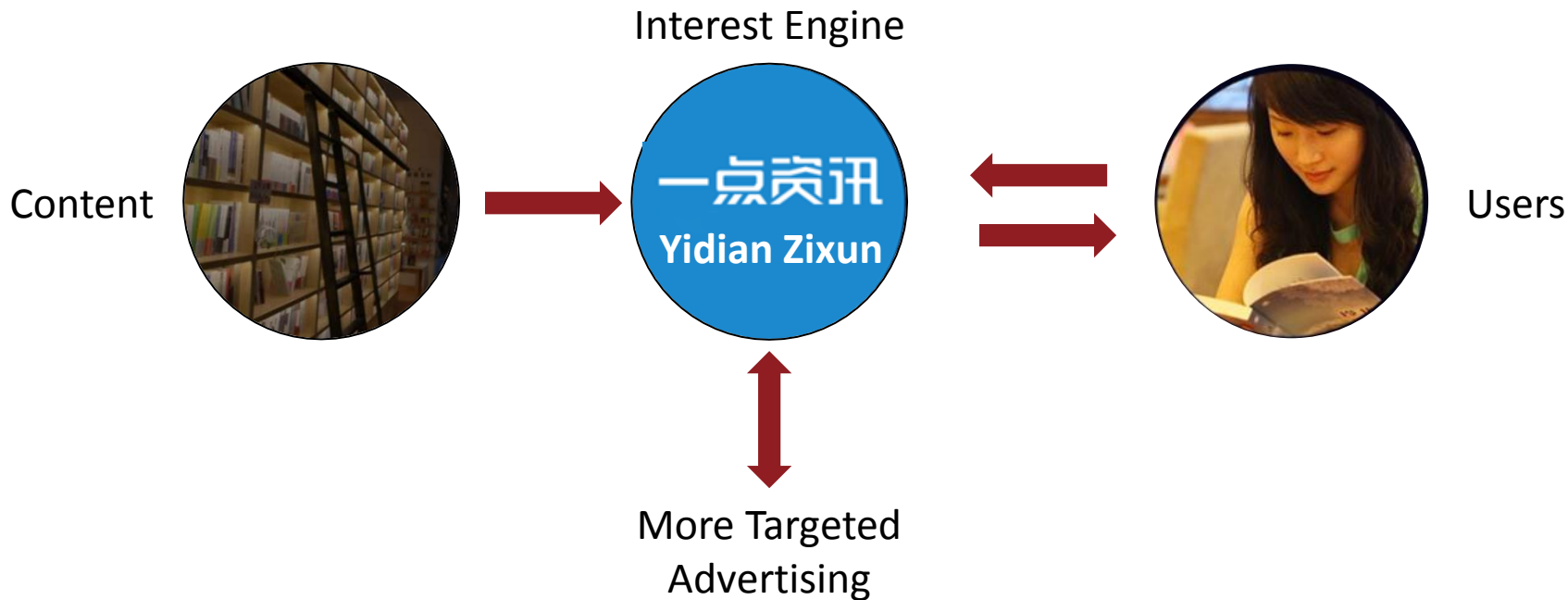
Interest Engine = Push and Pull strategy



Note: The Company owned 46.9% of Yidian (fully diluted basis), as of December 31, 2015.

# Enormous Monetization Opportunities

Yidian Zixun has reached more than 22 million DAU at the beginning of 2016.



# Why Yidian can exhibit more accurate results

Market



User Click



**Biased Push**

Yidian Zixun



User Click



Search



Channel Subscription



**Balancing Results**



# Leading Mobile Coverage

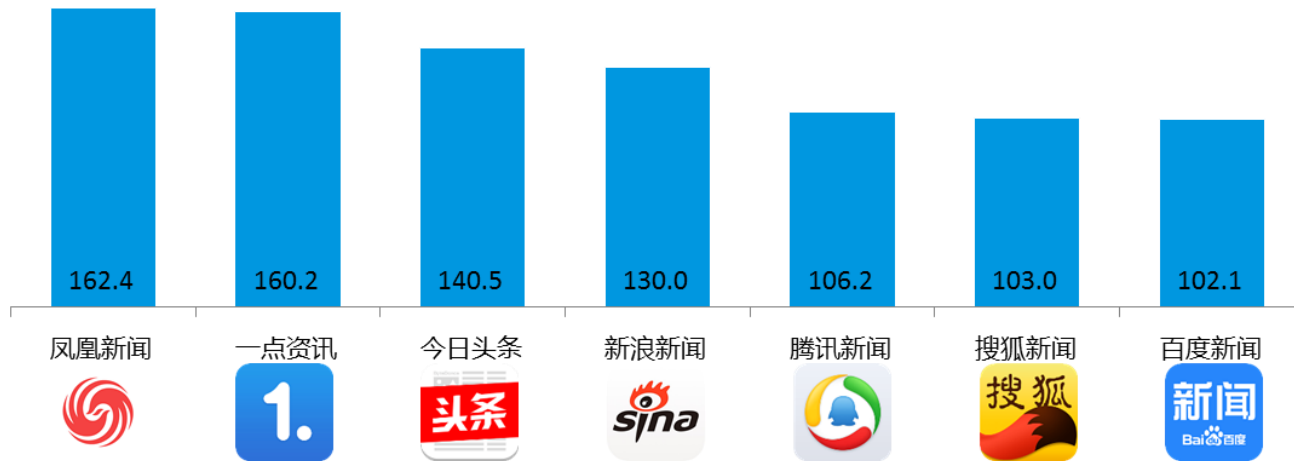
Yidian was ranked as one of Top 3 in news and information apps.



Source: TalkingData's ranking of February, 2016.

Ifeng News ranked No.1 in terms of healthy user index, followed by Yidian and Today's Headline according to Enfodesk's analysis in September, 2015.

Healthy User Index of Chinese News & Info Apps  
September, 2015

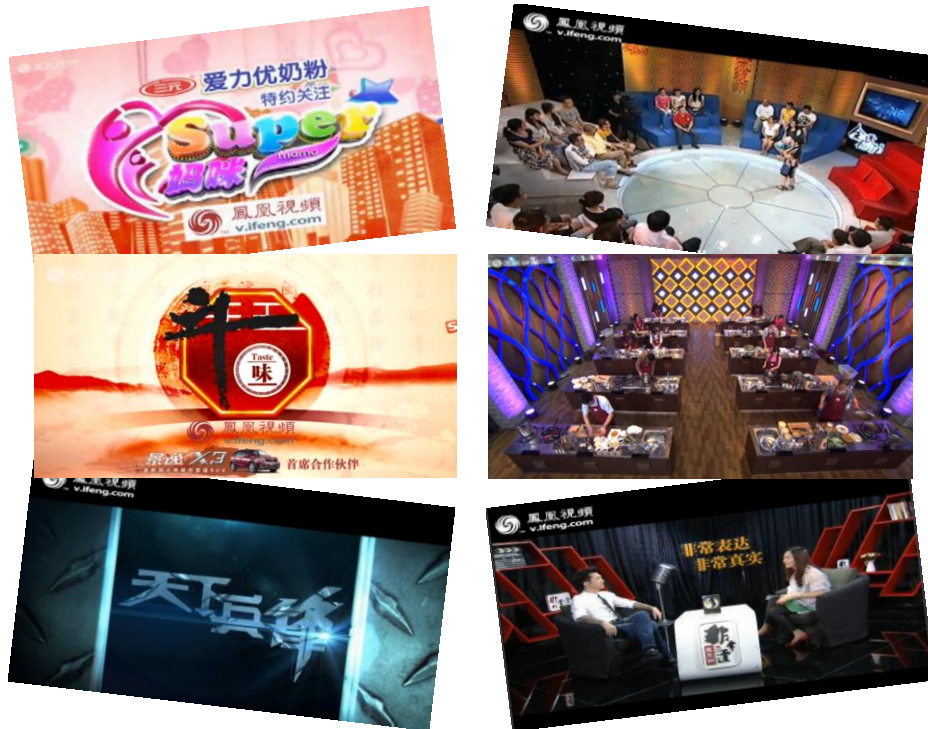


Note : Healthy User = higher stickiness, higher frequency of usage

Source: Enfodesk, 易观智库

[www.analysis.cn](http://www.analysis.cn)





- 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



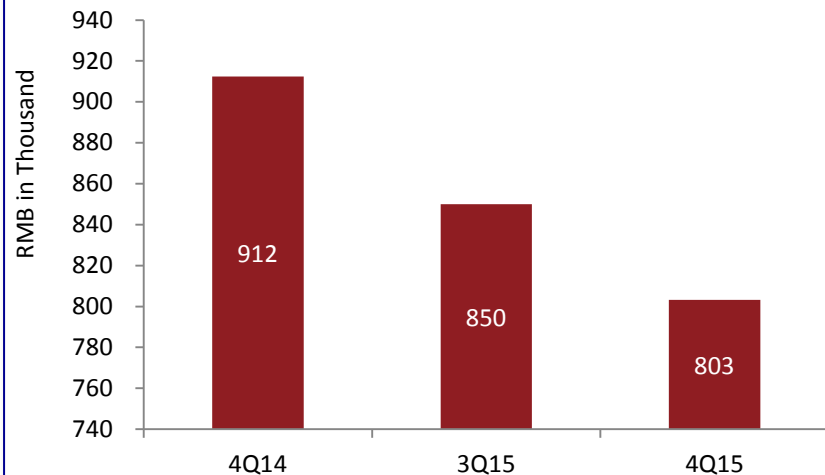
# Monetization



# Secular Advertising Growth

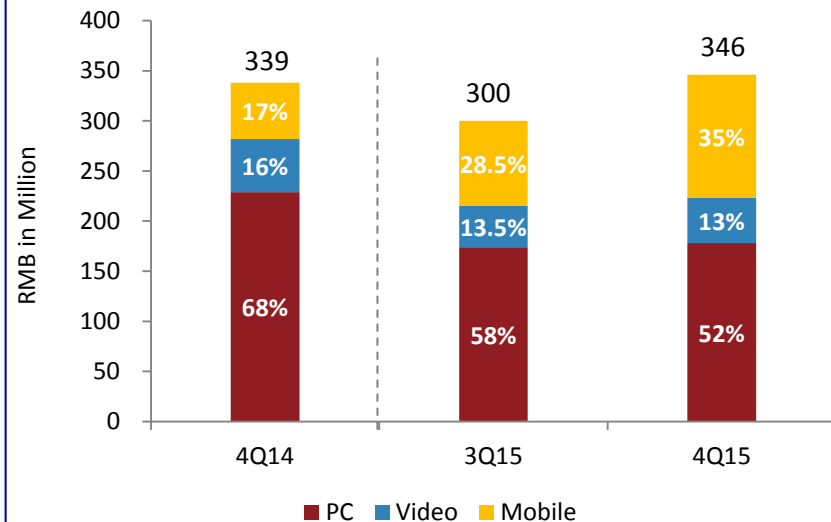
Number of advertisers increased 16% YoY  
ARPA decreased by 12% YoY

## Average Rev Per Advertiser



Total net ad. revenues increased by 2% YoY in 4Q15  
Mobile ad. revenues increased by about 118% YoY in 4Q15

## Net Advertising Revenues



# High Quality and Expanding Advertising Client Base

431 clients in 4Q15, YoY 16%, QoQ 22%

612 in 2014, 705 in 2015

## Auto



## E-commerce



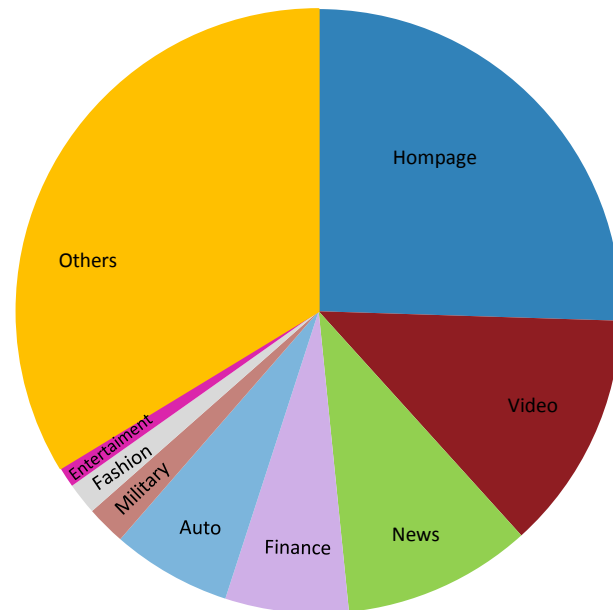
## FMCG (15Q4 Financial Services)



## Financial Services (15Q4 Telecom Services & Internet Services)



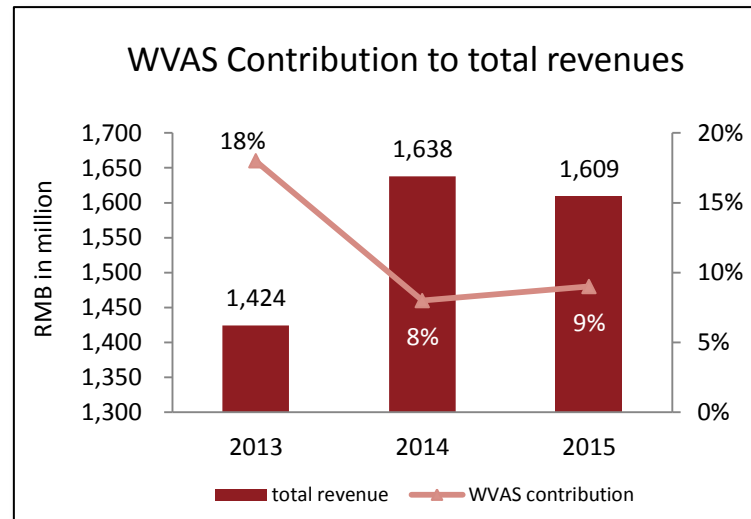
## Advertising Rev by website verticals



Source: Company data in 2015

Source: Company data in 4Q15

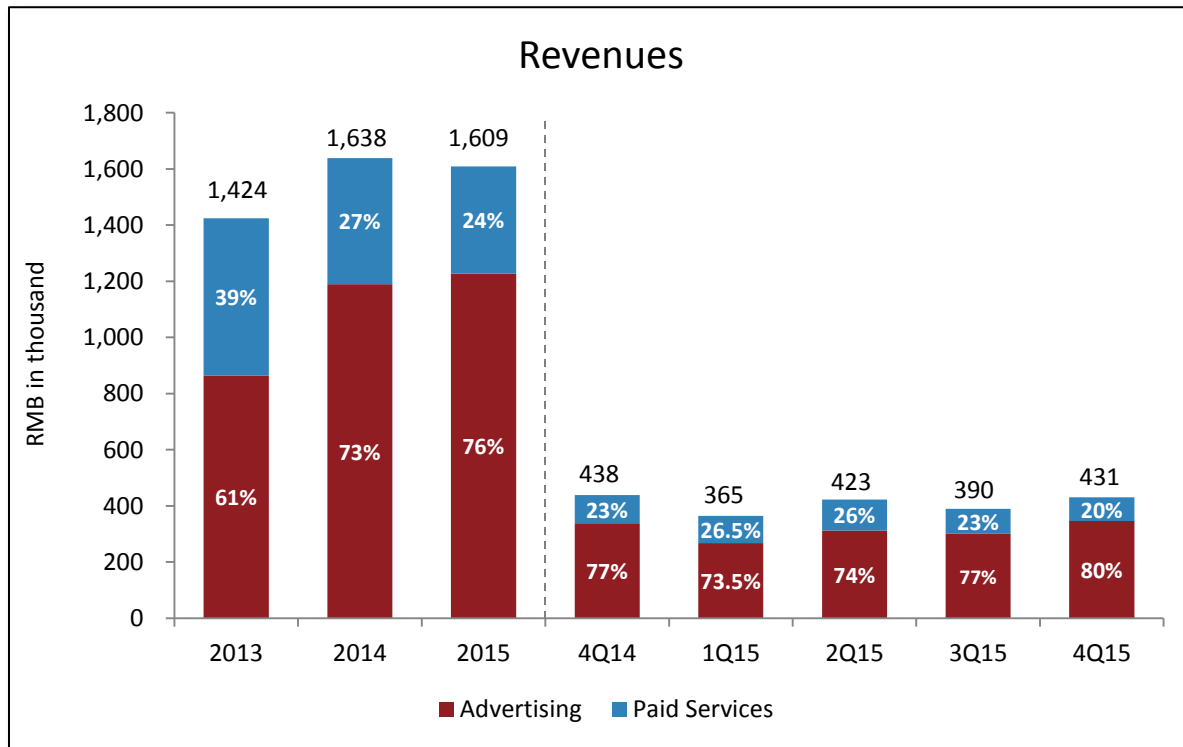
# Paid Services – Subscription and Transaction



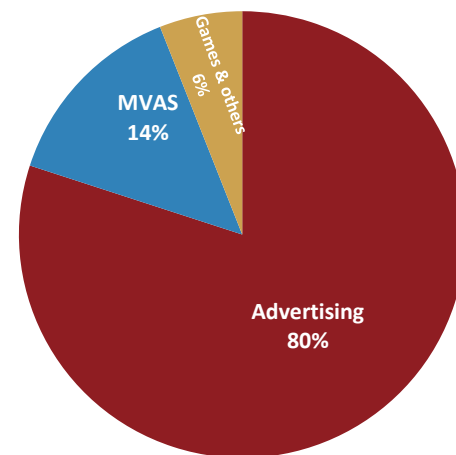
- WVAS contribution to total revenues decreased
- WVAS impact to P/L decreased



# Financial Highlights



4Q15 Revenues Breakdown



# Profits and Loss Highlights

| (RMB 000's)                      | 2014             | 2015             | 4Q14           | 1Q15           | 2Q15           | 3Q15           | 4Q15           |
|----------------------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenue</b>                   | <b>1,637,860</b> | <b>1,609,196</b> | <b>438,065</b> | <b>365,101</b> | <b>422,907</b> | <b>390,419</b> | <b>430,769</b> |
| Cost of Revenues                 | 781,632          | 829,386          | 207,371        | 190,134        | 222,383        | 209,841        | 207,028        |
| Revenue sharing fees             | 192,076          | 216,972          | 35,304         | 51,467         | 67,327         | 51,576         | 46,603         |
| Content and operational costs    | 376,555          | 406,740          | 114,400        | 90,761         | 101,583        | 107,812        | 106,585        |
| Bandwidth costs                  | 83,233           | 83,171           | 21,738         | 21,540         | 21,272         | 20,696         | 19,662         |
| Sales tax and surcharges         | 129,768          | 122,503          | 35,929         | 26,366         | 32,201         | 29,757         | 34,178         |
| Operating Expenses               | 618,591          | 700,836          | 187,246        | 168,025        | 173,802        | 172,275        | 186,734        |
| S&M                              | 330,777          | 346,133          | 100,680        | 87,590         | 92,219         | 83,568         | 82,756         |
| G&A                              | 137,818          | 183,989          | 41,747         | 39,059         | 39,195         | 45,715         | 60,020         |
| R&D                              | 149,996          | 170,714          | 44,819         | 41,376         | 42,388         | 42,992         | 43,958         |
| Non GAAP Income from Operations  | 290,818          | 113,328          | 59,420         | 21,747         | 40,183         | 20,348         | 31,050         |
| <b>Non GAAP Net Profits</b>      | <b>305,151</b>   | <b>145,156</b>   | <b>62,686</b>  | <b>23,615</b>  | <b>40,721</b>  | <b>35,943</b>  | <b>44,877</b>  |
| <b>% to Revenue</b>              |                  |                  |                |                |                |                |                |
| Revenue sharing fees             | 11.7%            | 13.5%            | 8.1%           | 14.1%          | 15.9%          | 13.2%          | 10.8%          |
| Content and operational costs    | 23.0%            | 25.3%            | 26.1%          | 24.9%          | 24.0%          | 27.6%          | 24.7%          |
| Gross Margin                     | 52.3%            | 48.5%            | 52.7%          | 47.9%          | 47.4%          | 46.3%          | 51.9%          |
| S&M                              | 20.2%            | 21.5%            | 23.0%          | 24.0%          | 21.8%          | 21.4%          | 19.2%          |
| G&A                              | 8.4%             | 11.4%            | 9.5%           | 10.7%          | 9.3%           | 11.7%          | 13.9%          |
| R&D                              | 9.2%             | 10.6%            | 10.2%          | 11.3%          | 10.0%          | 11.0%          | 10.2%          |
| Non GAAP Operation Income Margin | 17.8%            | 7.0%             | 13.6%          | 6.0%           | 9.5%           | 5.2%           | 7.2%           |
| Non GAAP Net Margin              | 18.6%            | 9.0%             | 14.3%          | 6.5%           | 9.6%           | 9.2%           | 10.4%          |

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

# Strong Balance Sheet

| <i>(RMB in mn)</i>  | 2015/12/31 | 2015/12/31 | 2015/9/30 | 2014/12/31 |
|---|------------|------------|-----------|------------|
|   | RMB        | USD        | RMB       | RMB        |
| Cash and Cash Equivalents<br>and Term Deposits and Short<br>Term Investments and<br>Restricted Cash | 1,205      | 186        | 1,130     | 1,326      |
| Total Current Assets  | 1,931      | 298        | 1,877     | 2,063      |
| Total Non-Current Assets  | 636        | 98         | 612       | 264        |
| Total Liabilities   | 762        | 118        | 762       | 610        |
| Total Shareholders' Equity  | 1,805      | 278        | 1,727     | 1,717      |



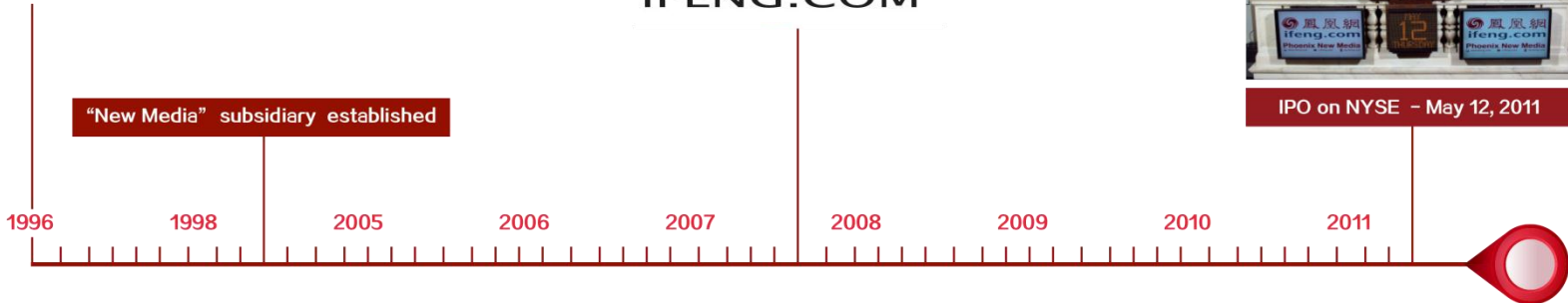
# Appendix



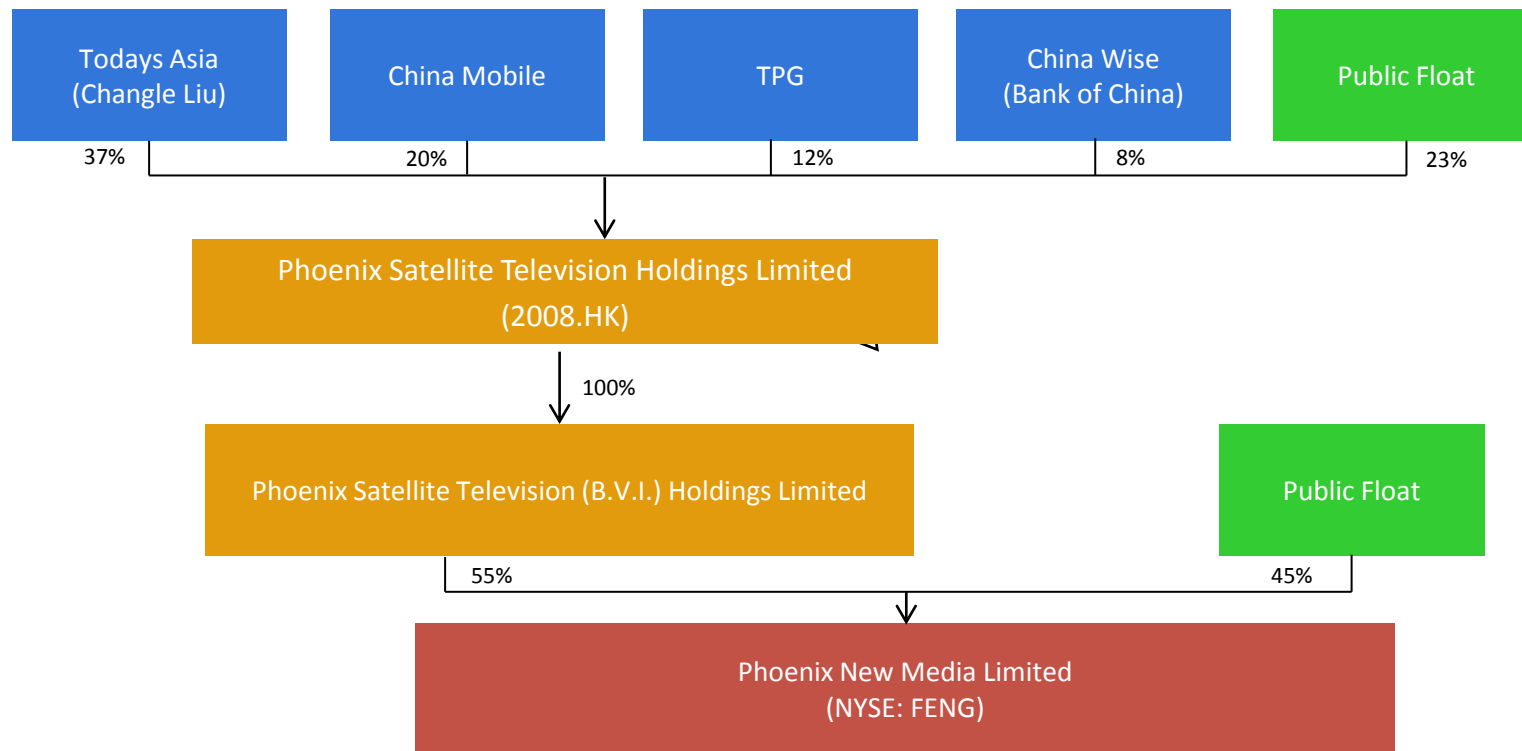
# Young Company with Long History



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



# Shareholding Structure



Notes: As of 31 December, 2015, 8.04% of total outstanding shares were granted but not exercised.

Top 10 shareholders accounted for about 20% of total shares outstanding as of 31 December 2015.



**President – Ya Li**

19+ (Internet industry and entrepreneurship)  
Joined in 2006



**CEO – Shuang Liu**

13+ (Media industry)  
Joined in 2005



**CFO – Betty Ho**

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



**SVP – Andy Jin Xu**

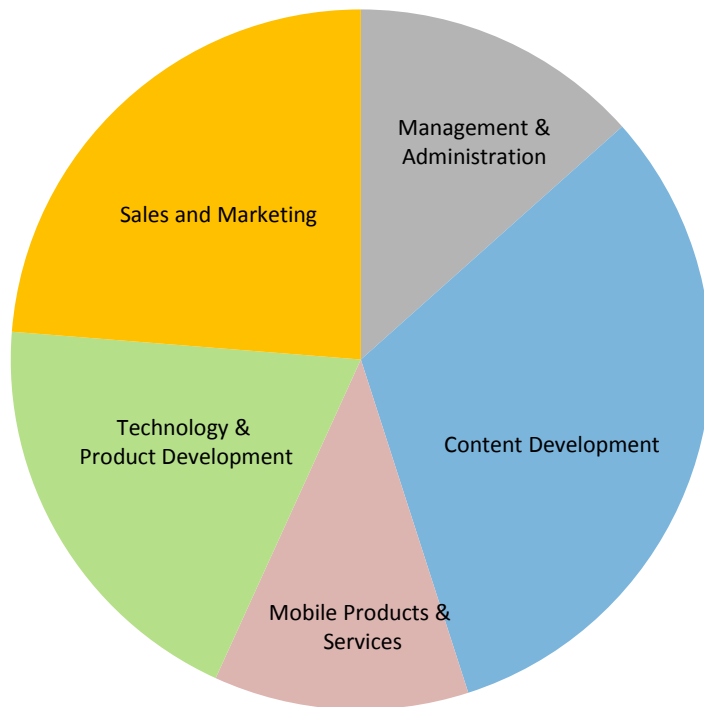
16+ (Advertising industry)  
Joined in 2013



**SVP – Shu Liu**

21+ (Internet & media industry)  
Joined in 2010

Content Development consist of over 30 % of our total headcount, out of a total of around 1,500 headcounts



## Native Marketing:

**Customer:** BMW 7-Series

**Ad Revenue:** 7million RMB

**Project Introduction:** BMW cooperated with ifeng to co-produce a talk show series. Hosted by famous anchorwoman Ms. Xiaoli Wu of Phoenix TV, the video program invited six entrepreneurs to talk about their opinions to China's new economy and discuss other hot economic issues. The program also embodied BMW 7 Series' "epoch-making" spirit, and attracted many potential customers to get to know the new features of BMW 7 Series.

**ROI:** Enrollment over 1,700



# Company Snapshot

As of March 14, 2016

## Exchange / Ticker

NYSE: FENG

## Market Cap

US\$ 305Mn

## Price

US\$ 4.27

## 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