

Final Results 2012

Briefing to Analysts

Television Broadcasts Limited



27 March 2013

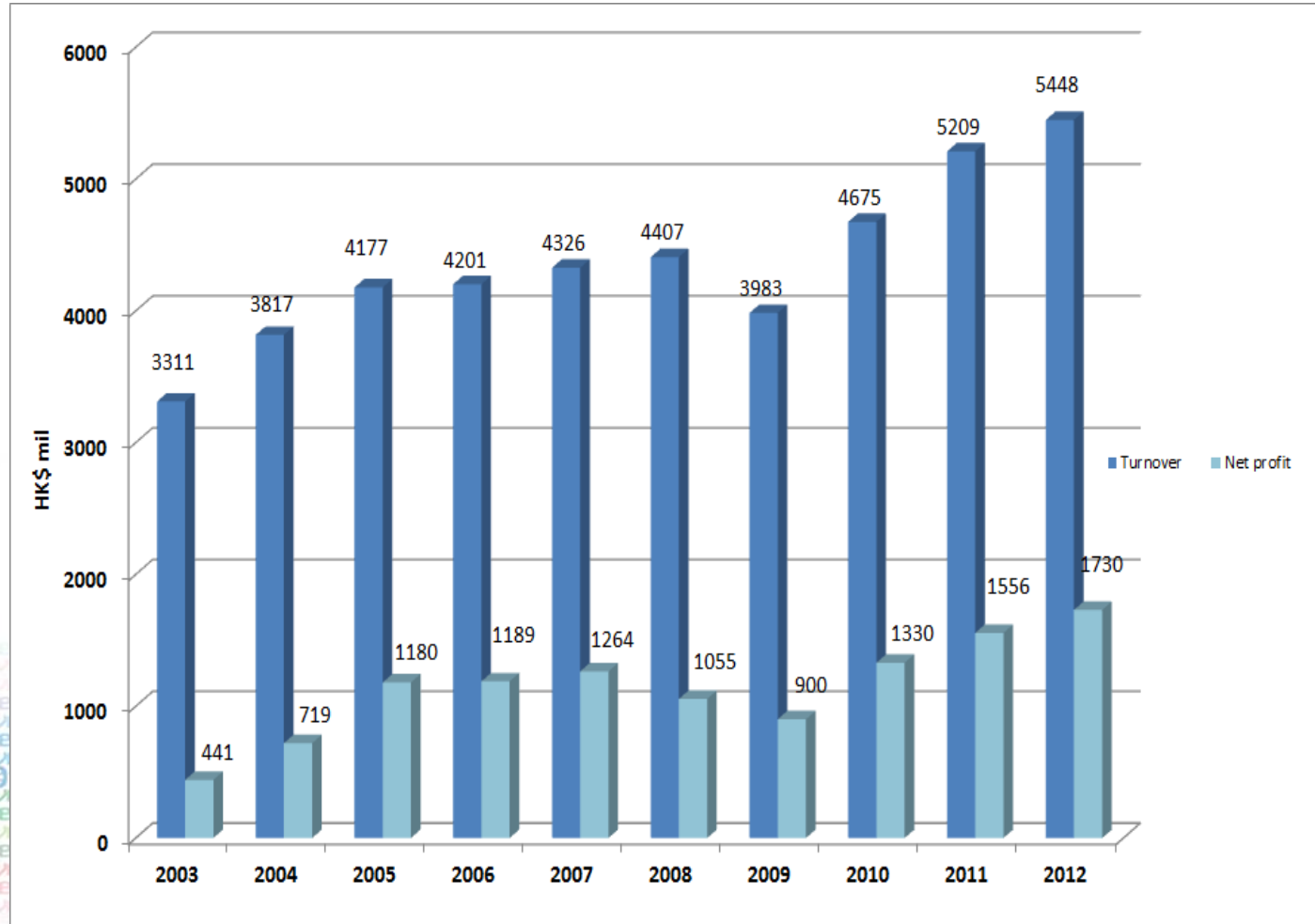


Financial Highlights

HK\$mil	FY2012	FY2011	% change
Turnover	\$5,448	\$5,209	+5%
Profit attributable to equity holders	\$1,730	\$1,556	+11%
EPS (HK\$/s)	\$3.95	\$3.55	+11%
Interim dividend (HK\$/s)	\$0.60	\$0.45	
Final dividend (HK\$/s)	\$2.00	\$1.75	
Total dividend (HK\$/s)	\$2.60	\$2.20	+18%
Payout	66%	62%	

FY2012: year ended 31 December 2012

Turnover and Net Profit (2003-2012)



Consolidated Income Statement

HK\$mil	FY2012	FY2011	% change
Turnover	\$5,448	\$5,209	+5%
Cost of sales	<u>(\$2,023)</u>	<u>(\$1,807)</u>	+12%
Gross profit	\$3,425	\$3,402	+1%
Other revenues	\$73	\$58	+26%
Selling, distribution and transmission costs	<u>(\$555)</u>	<u>(\$531)</u>	+5%
General and administrative expenses	<u>(\$702)</u>	<u>(\$630)</u>	+11%
Other gains, net	\$3	\$1	+200%
Impairment loss on loan to and trade receivables from an associate	<u>(\$100)</u>	<u>(\$135)</u>	-26%
Finance costs	<u>(\$4)</u>	<u>(\$4)</u>	0%
Share of losses of jointly controlled entities	<u>(\$1)</u>	<u>(\$6)</u>	-83%
Share of profits/(losses) of associates	-	<u>(\$58)</u>	-100%
Profit before tax	\$2,139	\$2,097	+2%
Taxation	<u>(\$403)</u>	Note 1 <u>(\$537)</u>	-25%
Profit for the year	<u>\$1,736</u>	<u>\$1,560</u>	+11%
Profit attributable to equity holders	<u>\$1,730</u>	<u>\$1,556</u>	+11%

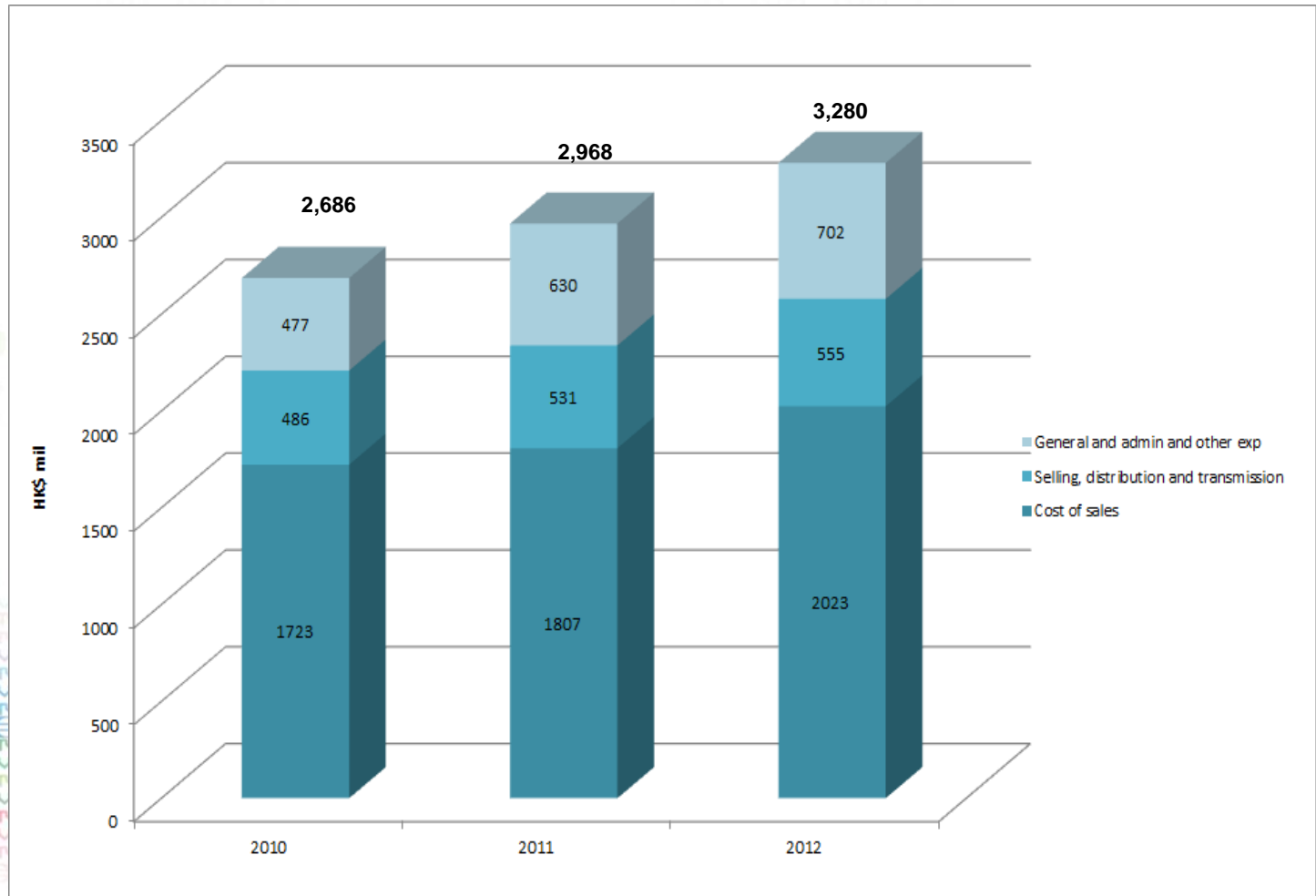
Note 1: Included in 2011 tax charge was an additional provision for income tax made of HK\$118 mil against the HKIRD tax audit.

Consolidated Statement of Financial Position at 31 December 2012

HK\$mil	31.12.12	31.12.11	% change
Non-current assets	\$3,757	\$3,178	+18%
Current assets (other than cash)	\$2,360	\$1,963	+20%
Cash at banks (unpledged)	\$3,604	<u>\$3,693</u>	-2%
Total assets	<u>\$9,721</u>	<u>\$8,834</u>	+10%
Total equity	\$7,887	\$7,093	+11%
Total liabilities	<u>\$1,834</u>	<u>\$1,741</u>	+5%
Equity and Liabilities	<u>\$9,721</u>	<u>\$8,834</u>	+10%
Current ratio	4.0	4.2	
Gearing ratio	2.6%	3.1%	

Total Costs

(Cost of sales, selling, distribution and transmission costs, general and administrative expenses)



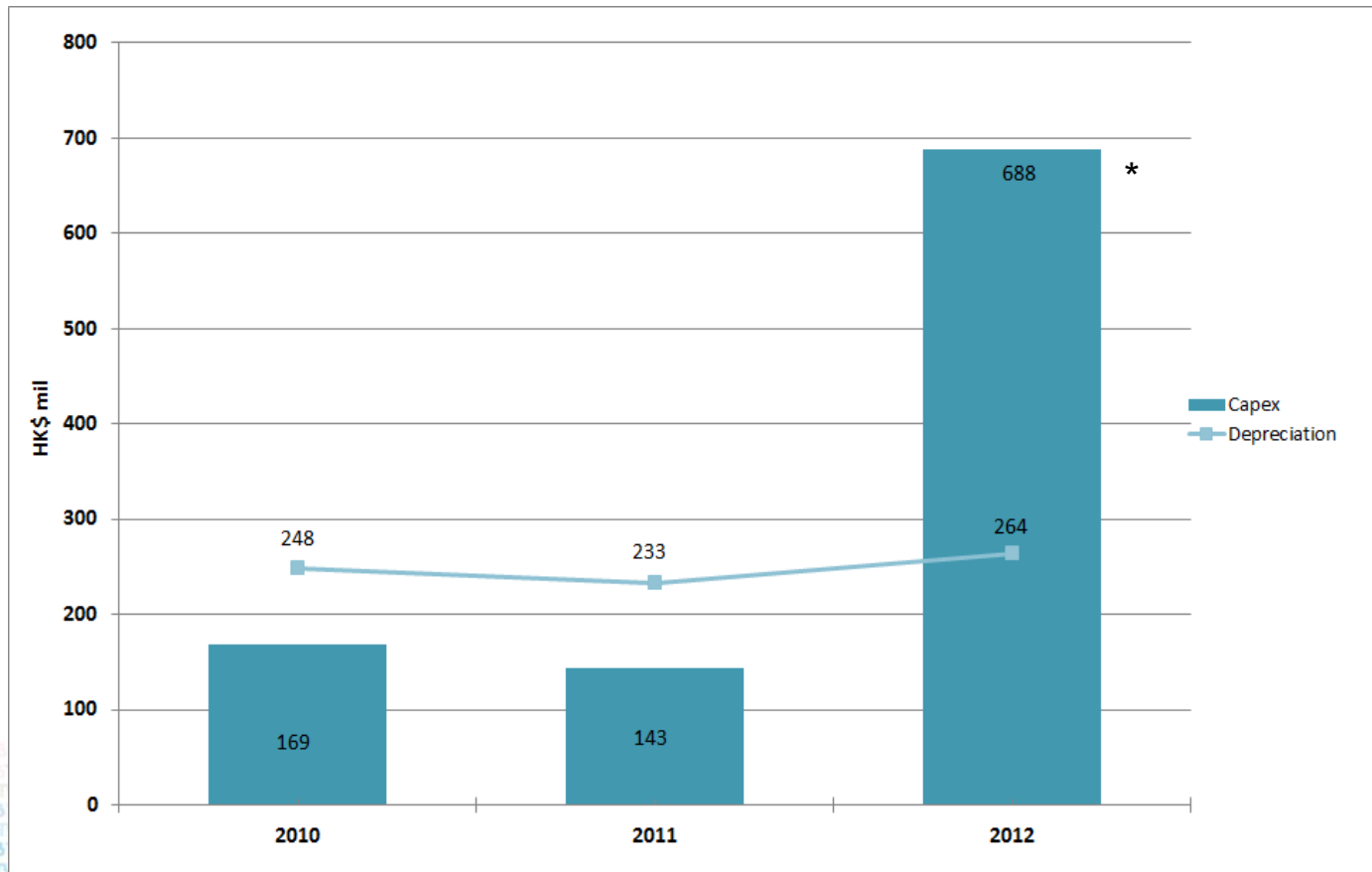
Total costs HK\$3,280m (2011: HK\$2,968m), +11%

Cost of Programmes, Film Rights and Stocks



- Cost of programmes HK\$1,370m (2011: HK\$1,188m), +15%
- Cost of sales HK\$2,023 m (2011: HK\$1,807m), +12%

Capex and Depreciation



- Capex for the year amounted to HK\$688m* (2011: HK\$143m).
- Capital commitments at 31 December 2012 amounted to HK\$1,571m (2011: \$496m).

*Included the payment for land in Taipei of HK\$420m.

Segment Results



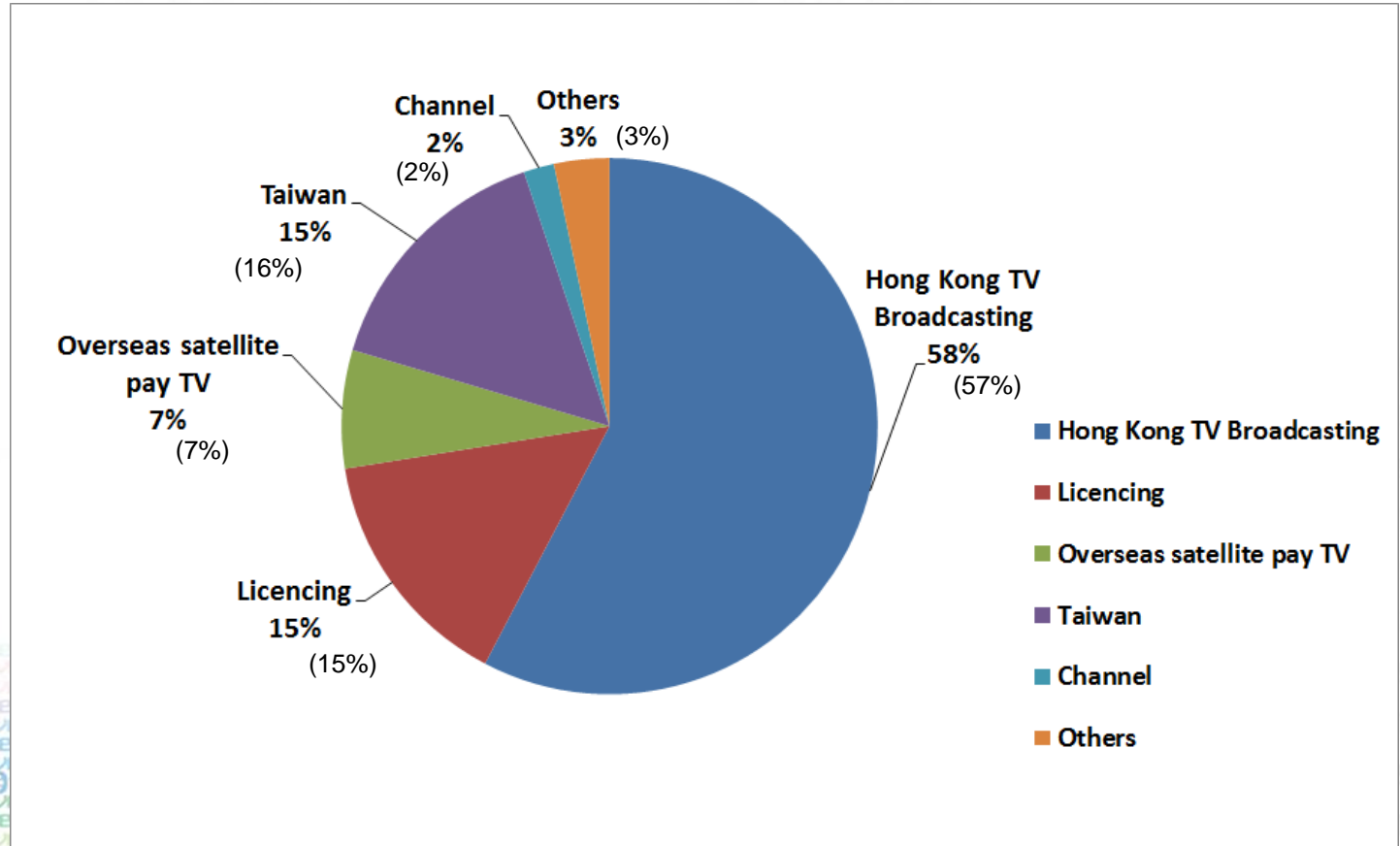
Turnover by Operating Segment

HK\$mil	FY2012	FY2011	% change
Hong Kong TV broadcasting	\$3,167	\$2,987	+6%
Programme licensing and distribution	\$940	\$903	+4%
Overseas satellite pay TV (note 1)	\$389	\$389	+0%
Taiwan operations	\$834	\$834	+0%
Channel operations (note 2)	\$116	\$122	-5%
Others (note 3)	\$190	\$157	+21%
Inter-segment sales	(\$188)	(\$183)	+3%
Total	\$5,448	\$5,209	+5%

Note:

1. Includes platforms in North America (USA), Australia, and Europe.
2. Includes channels of TVB8/Xing He only
3. Includes the digital media business of TVB in Hong Kong

Turnover by Operating Segment



% relating to 2011 are shown in brackets

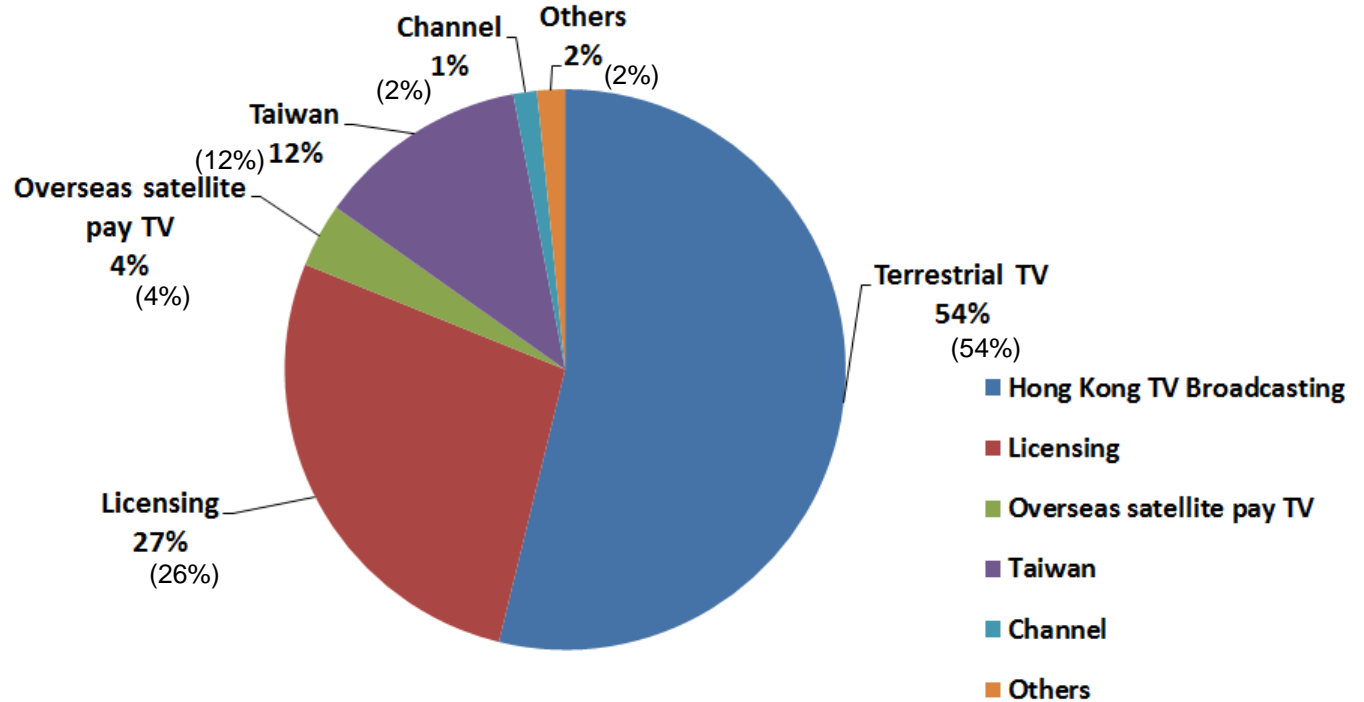
Reportable Segment Profit by Operating Segment

HK\$mil	FY2012	FY2011	% change
Hong Kong TV broadcasting	\$1,205	\$1,248	-3%
Programme licensing and distribution	\$612	\$598	+2%
Overseas satellite pay TV (note 1)	\$83	\$100	-17%
Taiwan operations	\$274	\$278	-1%
Channel operations (note 2)	\$30	\$42	-29%
Others (note 3)	\$36	\$30	+20%
Total	\$2,240	\$2,296	-2%

Note:

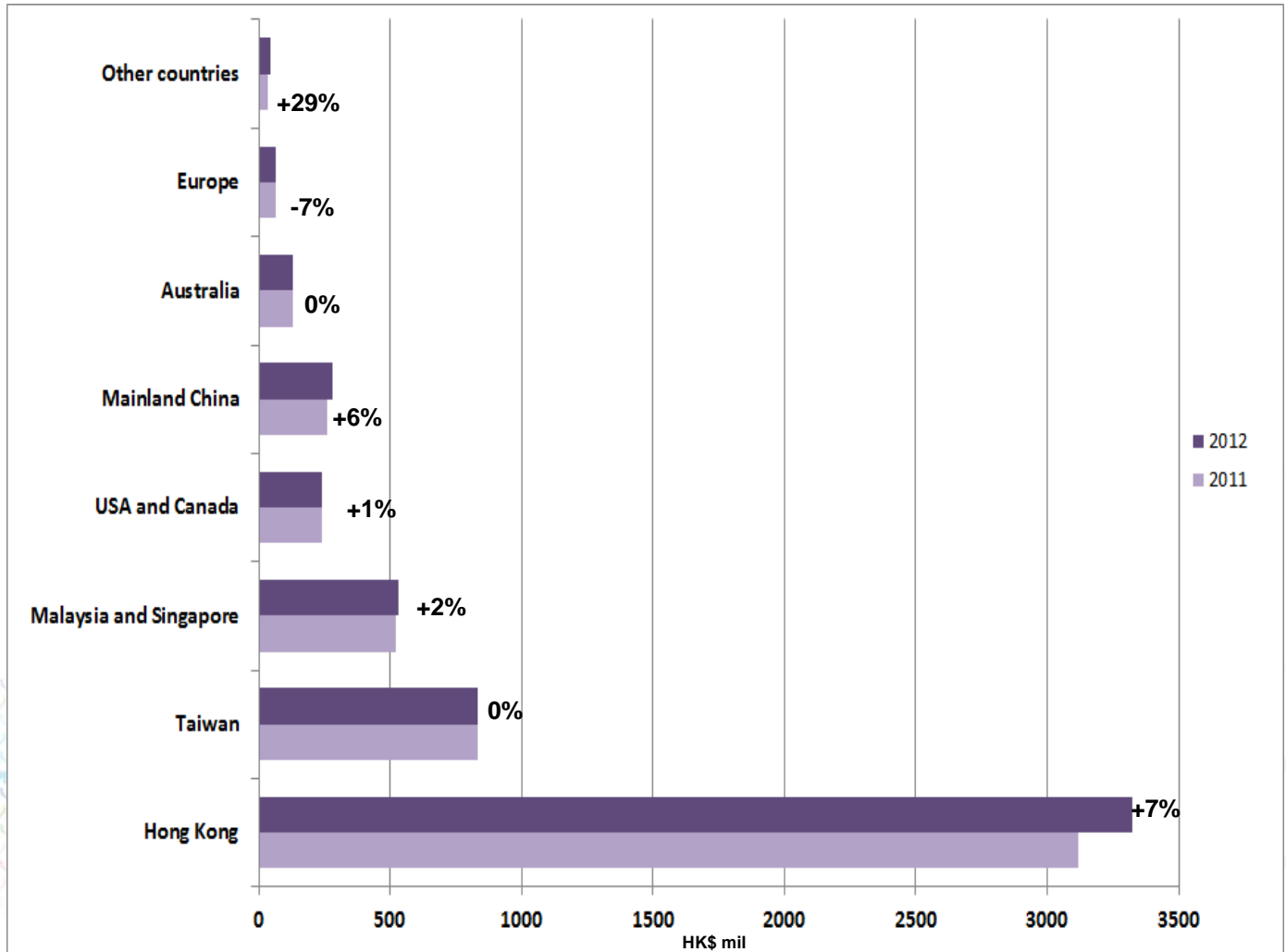
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Reportable Segment Profit by Operating Segment



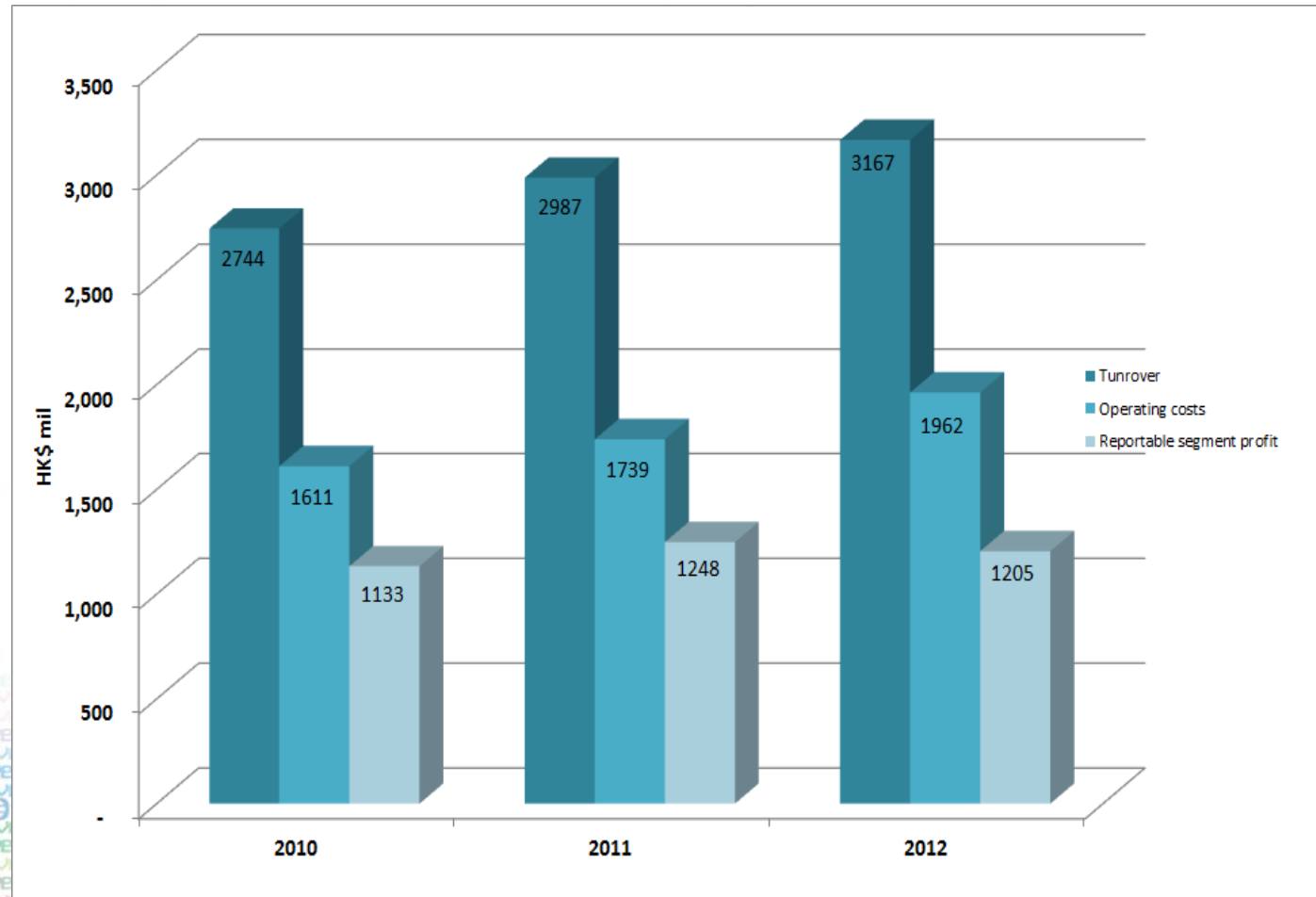
% relating to 2011 are shown in brackets

Turnover (Geographical)



Hong Kong TV Broadcasting

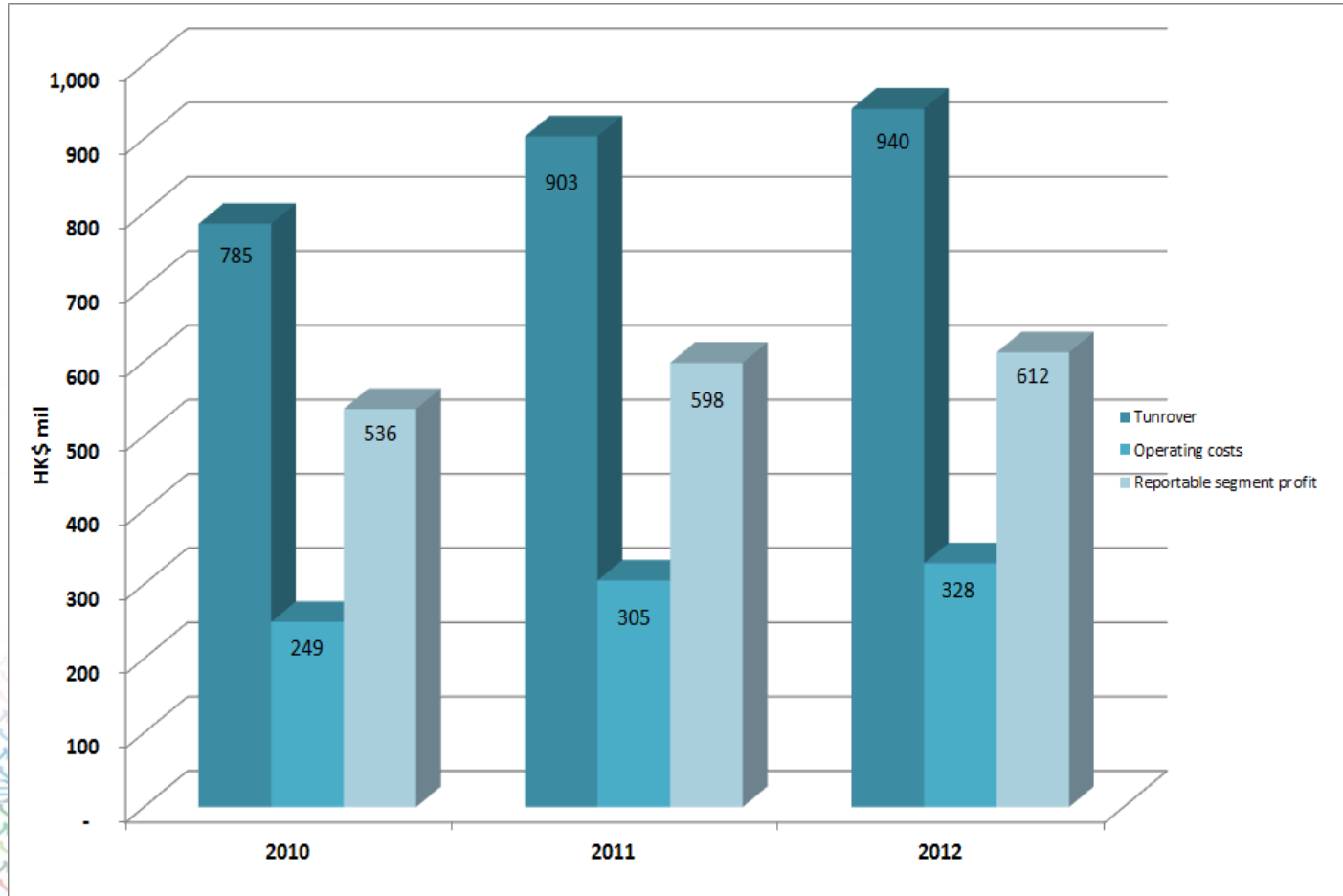
Turnover, Operating costs and Reportable Segment Profit



- Turnover increased by 6% and reportable segment profit decreased 3%.
- Operating margin changed from 41% → 42% → 38%

Programme Licensing and Distribution

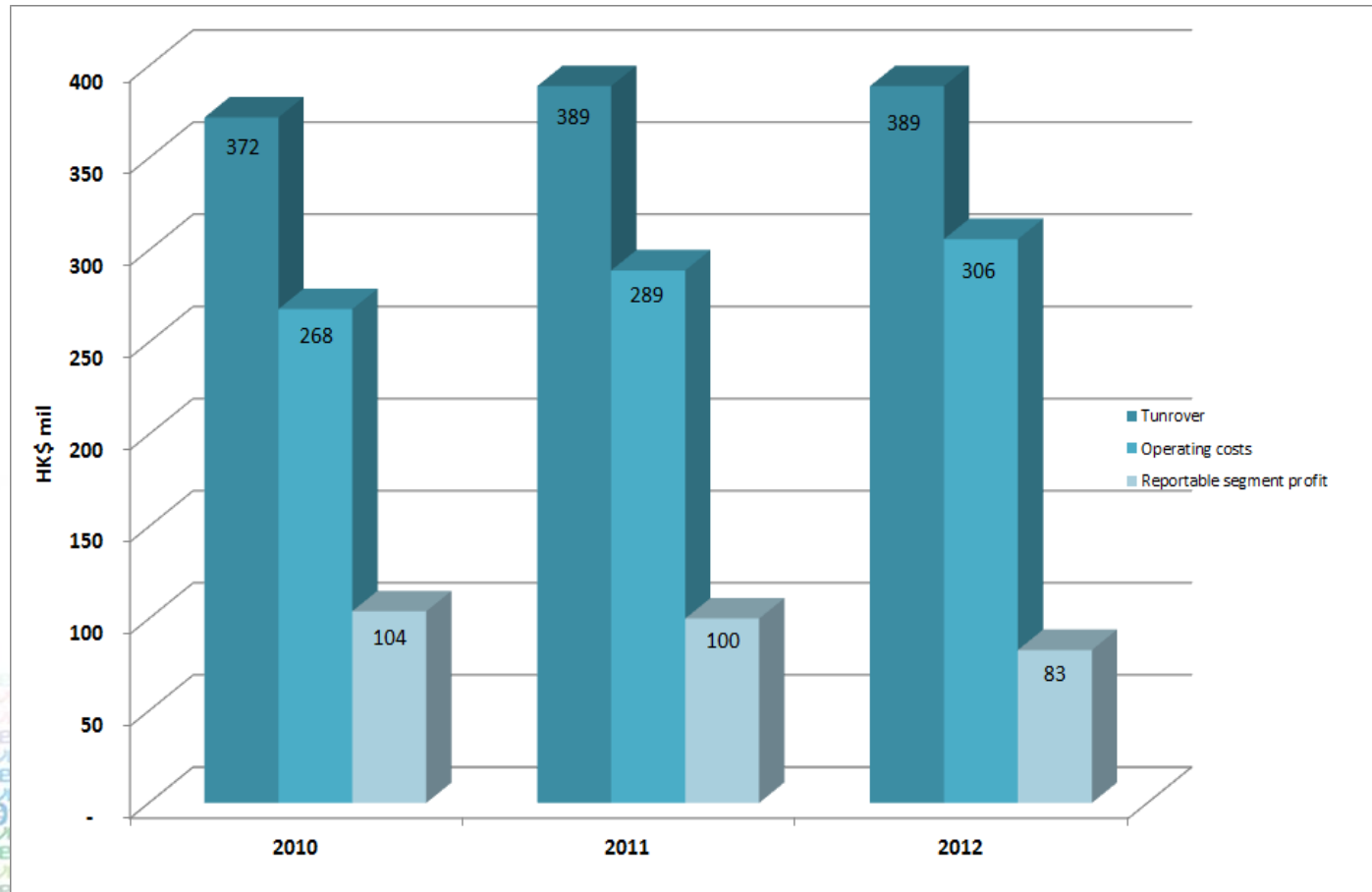
Turnover, Operating costs and Reportable Segment Profit



- Turnover increased 4%, reportable segment profit increased by 2%.
- Operating margin decreased from 68% → 66% → 65%

Overseas Satellite TV Operations

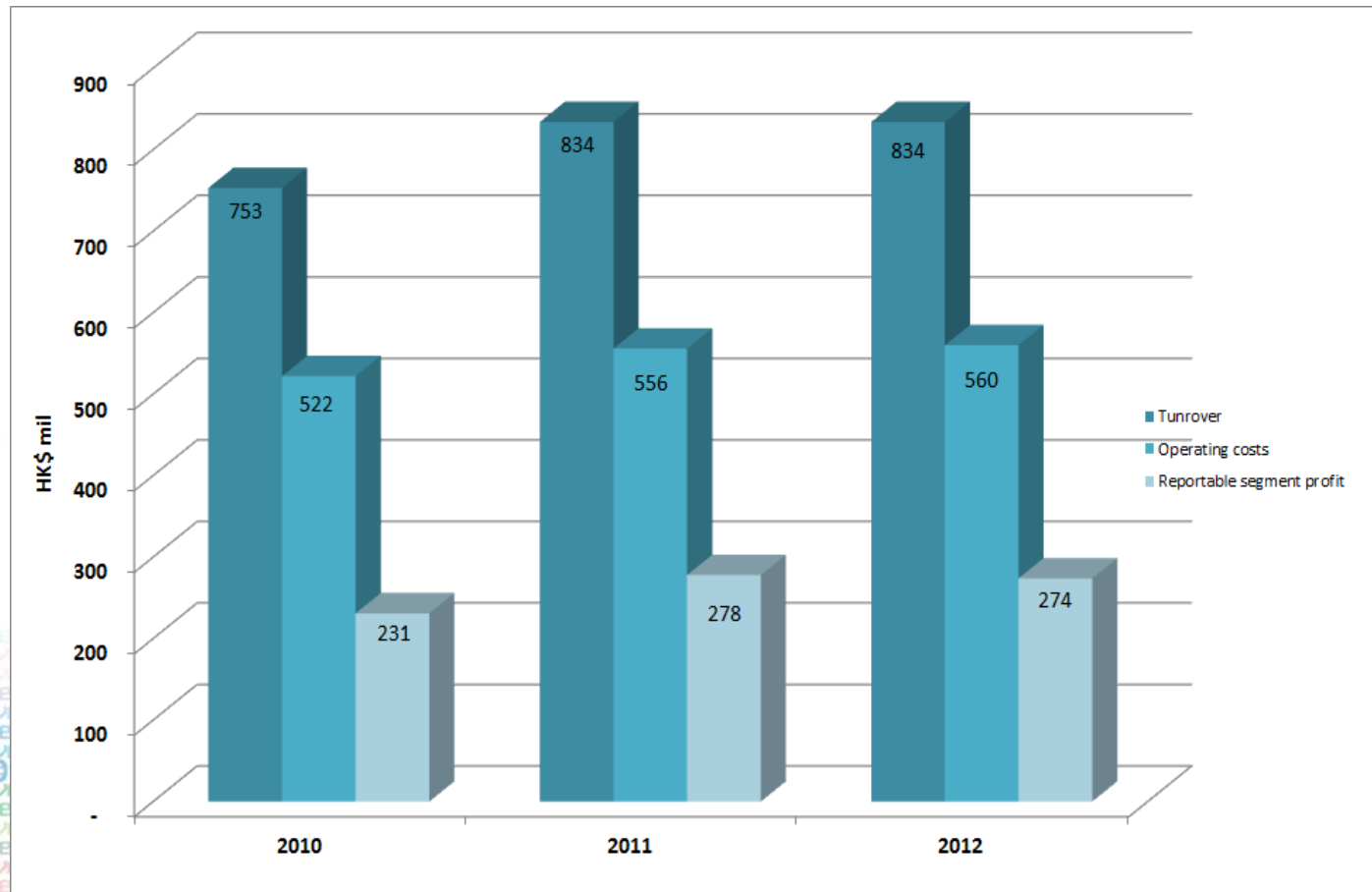
Turnover, Operating costs and Reportable Segment Profit



**Turnover remained stable, reportable segment profit decreased by 17%.
Operating margin decreased from 28% → 26% → 21%.**

Taiwan Operations

Turnover, Operating Costs and Reportable Segment Profit



Turnover remained stable, reportable segment profit decreased by 1%.

Operating margin changed from 31% → 33% → 33%.

Summary

- Profit before tax amounted to **HK\$2,139 million** (2011: HK\$2,097 million), an increase of **2%**
 - Included an impairment loss of HK\$100 million (2011:HK\$135 million)
 - Equity accounting of associate NIL (2011: losses of HK\$58 million)
- Profit attributable to shareholders was **HK\$1,730 million** (2011: HK\$1,556 million), an increase of **11%**
 - Lower tax charge of HK\$403 million (2011: HK\$537 million, which included an additional tax provision against HKIRD tax audit of HK\$118 million)
- Total dividend for the year amounted to HK\$2.60/share (payout of 66%).

Television Broadcasts Limited

HKSE stock code: 00511

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