

# Final Results 2011

## Briefing to Analysts

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### Television Broadcasts Limited



21 March 2012



# Results Highlights

HK\$mil	FY2011	FY2010	% change
Group's turnover	\$5,209	\$4,675	+11%
Profit attributable to equity holders	\$1,556	\$1,330	+17%
EPS (HK\$/s)	\$3.55	\$3.04	+17%

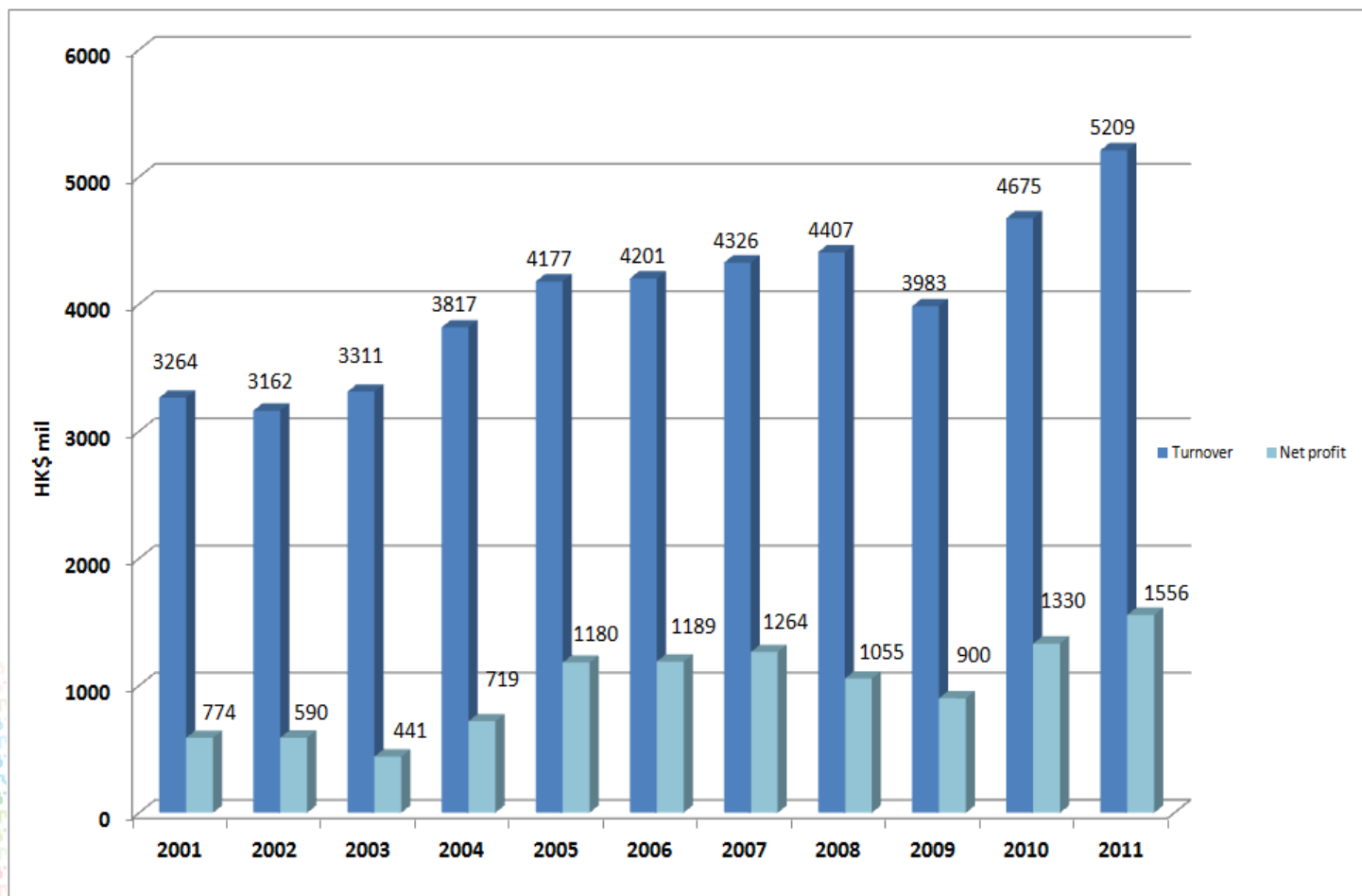
FY2011: year ended 31 December 2011

## Full Year Dividend

HK\$	FY2011	FY2010	% change
Interim (HK\$/sh)	<b>\$0.45</b>	\$0.35	
Final (HK\$/sh)	<b>\$1.75</b>	\$1.65	
<b>Total dividend per share</b>	<b>\$2.20</b>	\$2.00	<b>+10%</b>
Payout ratio	<b>61.9%</b>	65.9%	
EPS (HK\$/sh)	<b>\$3.55</b>	\$3.04	<b>+17%</b>

- First book close between 25 April 2012 to 16 May 2012
- Second book close between 22 May 2012 to 23 May 2012
- AGM on 16 May 2012
- Final dividend around 30 May 2012

## Turnover and Net Profit (2001-2011)



# Consolidated Income Statement

HK\$mil	FY2011	FY2010	% change
Turnover	\$5,209	\$4,675	+11%
Cost of sales	<u>(\$1,807)</u>	<u>(\$1,723)</u>	+5%
<b>Gross profit</b>	<b>\$3,402</b>	<b>\$2,952</b>	<b>+15%</b>
Other revenues	\$58	\$31	+87%
Selling, distribution and transmission costs	<u>(\$531)</u>	<u>(\$486)</u>	+9%
General and administrative expenses	<u>(\$630)</u>	<u>(\$477)</u>	+32%
Other gains, net	\$1	\$38	-97%
Impairment loss on loan to and trade receivables from an associate	<u>(\$135)</u>	<u>(\$140)</u>	-4%
Finance costs	<u>(\$4)</u>	<u>(\$4)</u>	0%
Share of losses of jointly controlled entities	<u>(\$6)</u>	<u>(\$4)</u>	+50%
Share of losses of associates	<u>(\$58)</u>	<u>(\$98)</u>	-40%
<b>Profit before tax</b>	<b>\$2,097</b>	<b>\$1,812</b>	<b>+16%</b>
Taxation (Note 1)	<u>(\$537)</u>	<u>(\$480)</u>	+12%
<b>Profit for the year</b>	<b><u>\$1,560</u></b>	<b><u>\$1,332</u></b>	<b>+17%</b>
Profit attributable to equity holders	<u>\$1,556</u>	<u>\$1,330</u>	+17%

- Included in 2011 tax charge is an additional provision for income tax made of \$118 million against the tax audit.

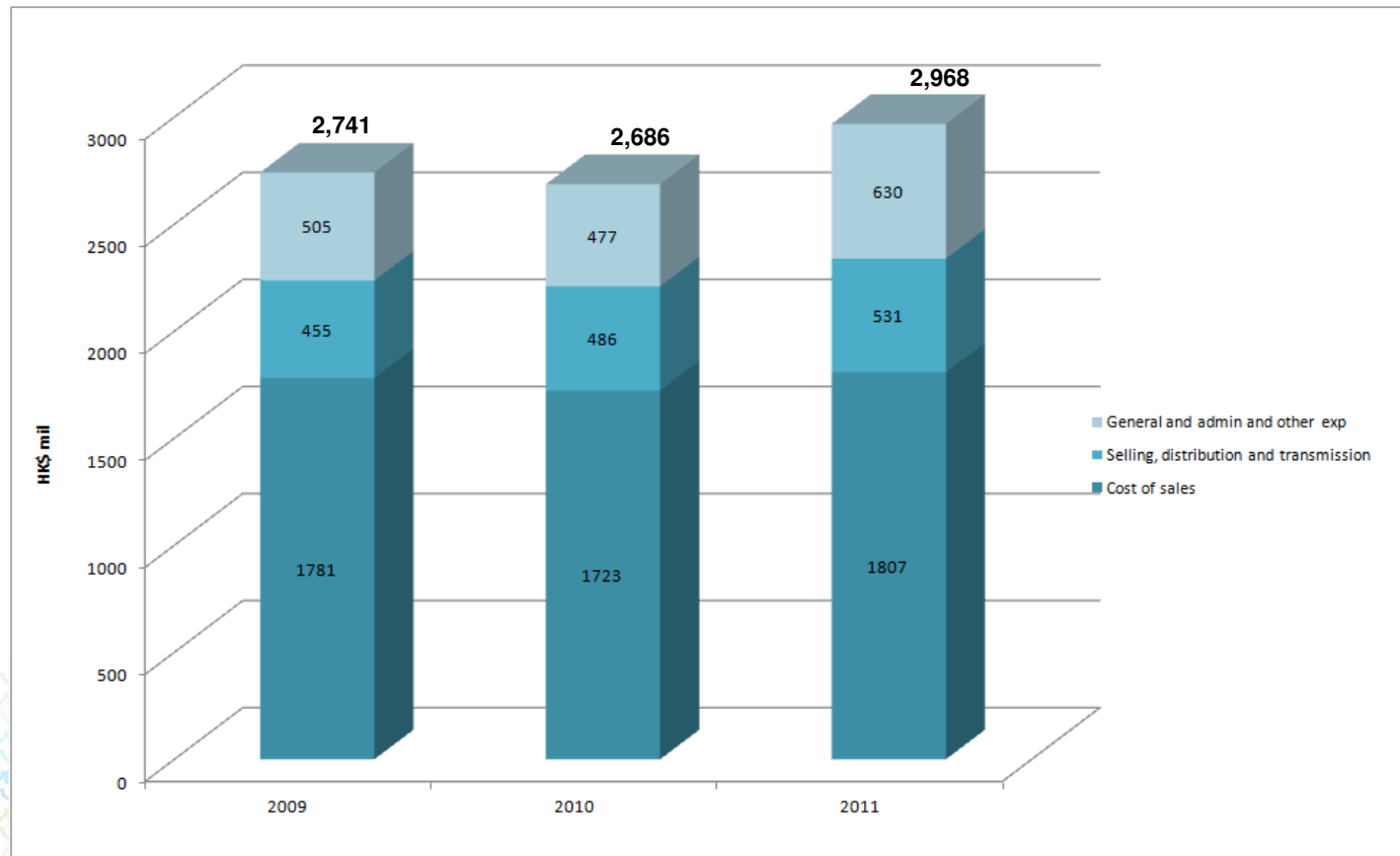
## Consolidated Statement of Financial Position at 31 December 2011

HK\$mil	31.12.11	31.12.10	% change
Non-current assets	<b>\$3,178</b>	\$3,367	-6%
Current assets (other than cash)	<b>\$1,963</b>	\$1,775	+11%
Cash and cash equivalents	<b><u>\$3,693</u></b>	<u>\$2,891</u>	+28%
<b>Total assets</b>	<b><u>\$8,834</u></b>	<u>\$8,033</u>	+10%
Total equity	<b>\$7,093</b>	\$6,488	+9%
Total liabilities	<b><u>\$1,741</u></b>	<u>\$1,545</u>	+13%
<b>Equity and Liabilities</b>	<b><u>\$8,834</u></b>	<u>\$8,033</u>	+10%
Current ratio	<b>4.16</b>	4.11	
Gearing ratio	<b>3%</b>	4%	



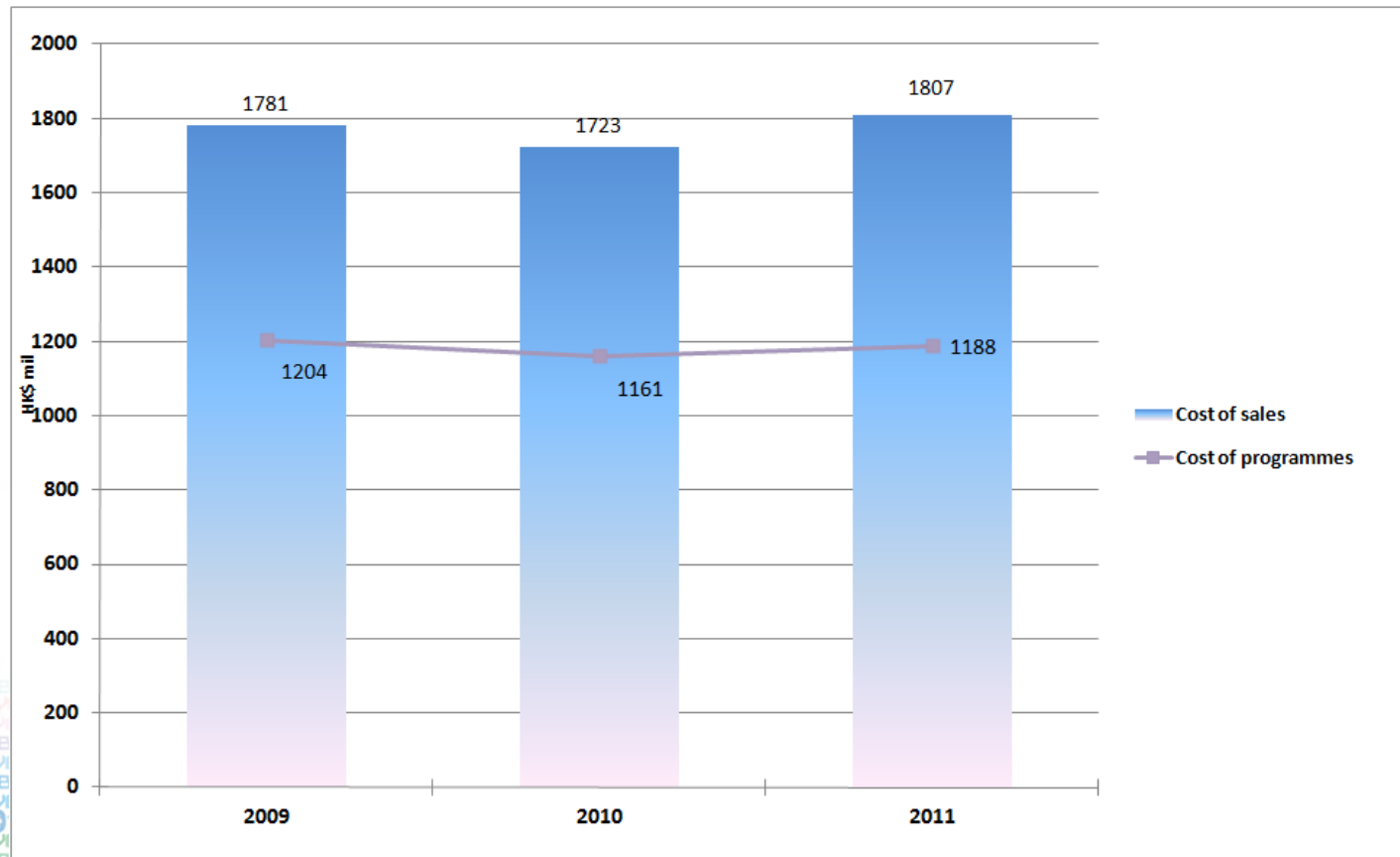
# Total Costs

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



**Total costs HK\$2,968m (2010: HK\$2,686m), 10%**

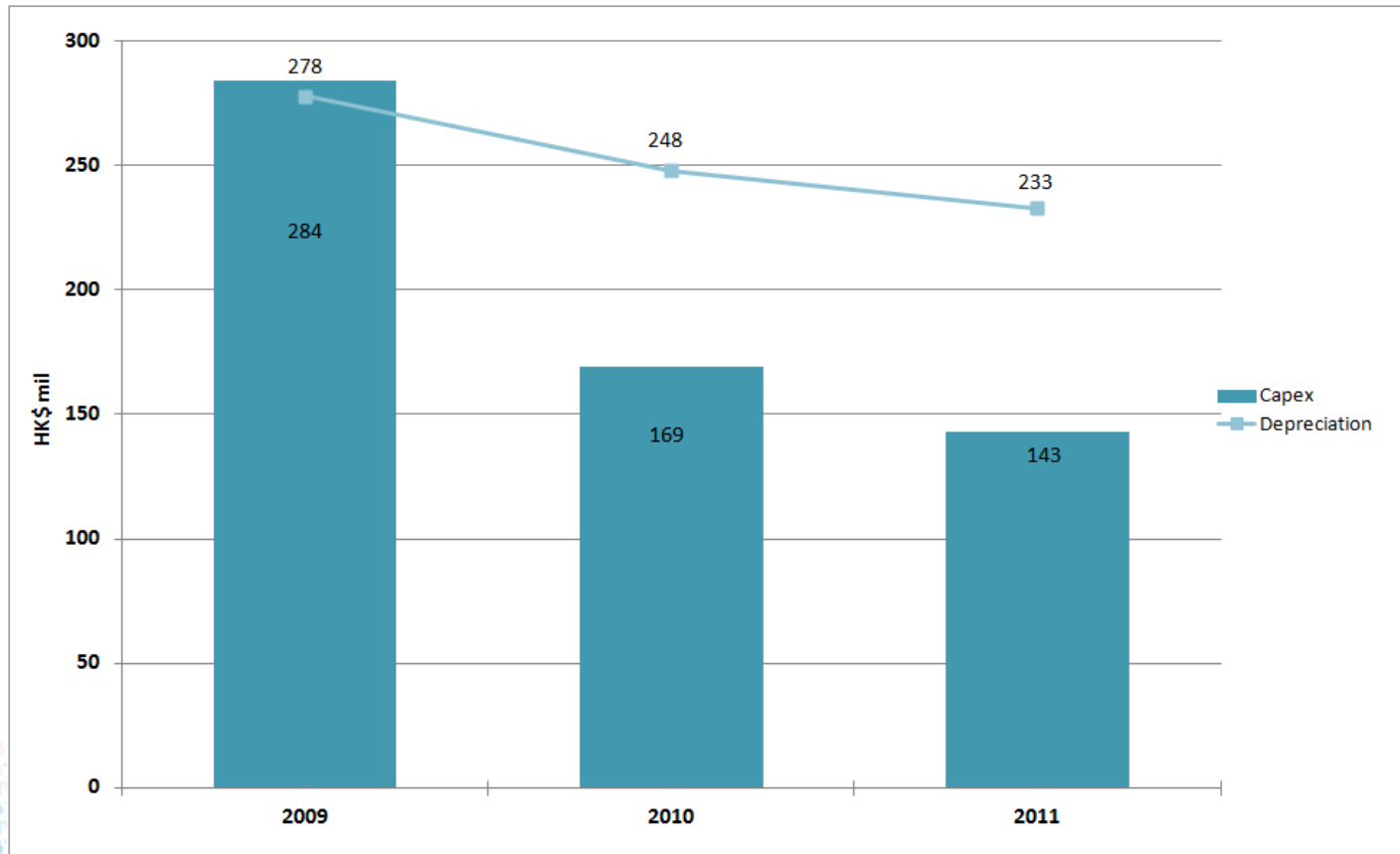
## Cost of Programmes, Film Rights and Stocks



- Cost of programmes HK\$1,188m (2010: HK\$1,161m), +2%
- Cost of sales HK\$1,807m (2010: HK\$1,723m), +5%



## Capex and Depreciation



- **Capex of HK\$143m (2010: HK\$169m)** included the payment of HK\$17m for the purchase of an investment property and the acquisition of which has not been completed at 31.12.11.
- **Capital commitments at 31 December 2011 amounted to HK\$496m (2010: \$406m).**

# Segment Results



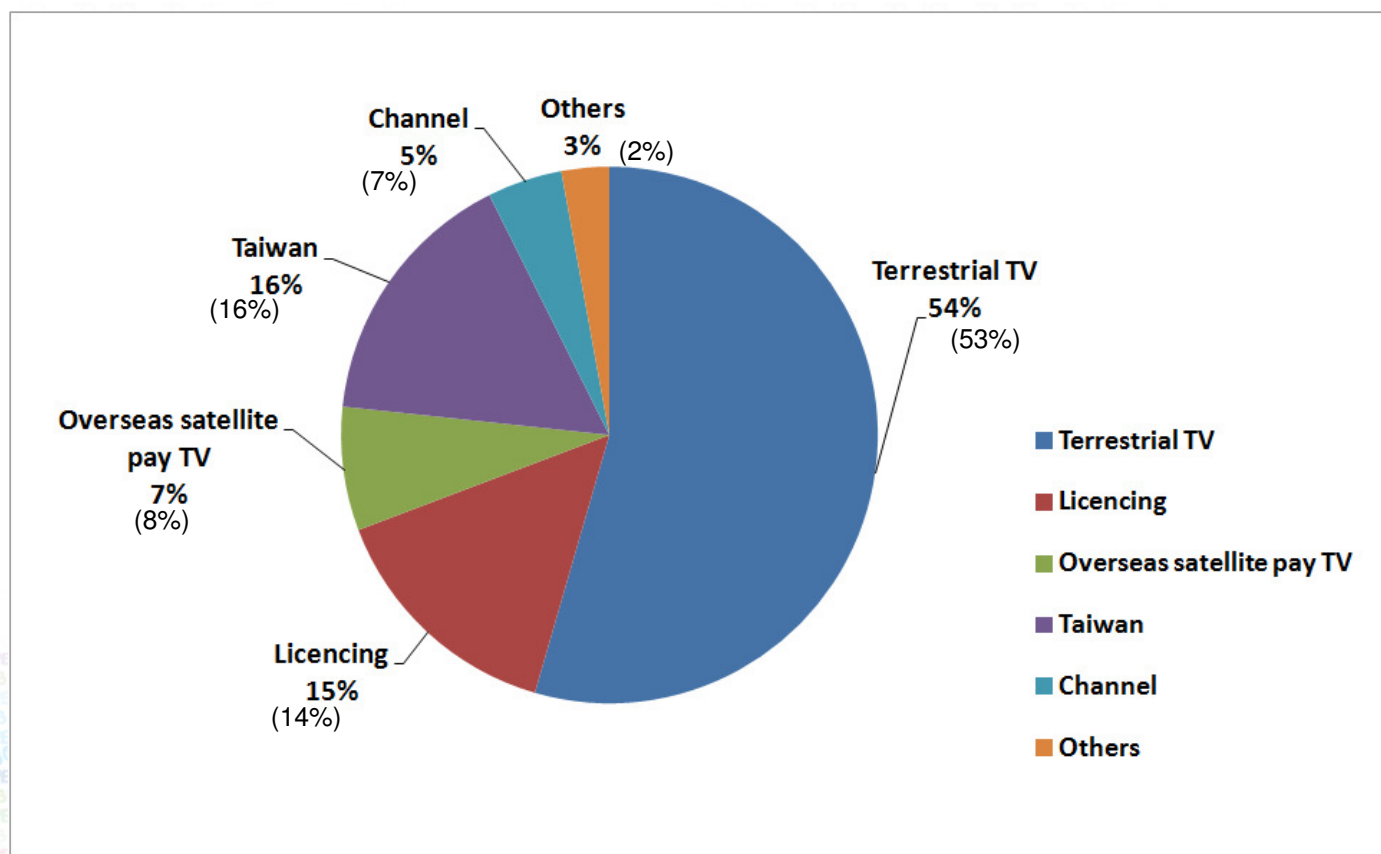
## Turnover by Operating Segment

HK\$mil	FY2011	FY2010	% change
Terrestrial TV broadcasting	<b>\$2,858</b>	\$2,533	+13%
Programme licensing and distribution	<b>\$903</b>	\$785	+15%
Overseas satellite pay TV <small>(note 1)</small>	<b>\$388</b>	\$372	+4%
Taiwan operations	<b>\$834</b>	\$753	+11%
Channel operations <small>(note 2)</small>	<b>\$252</b>	\$330	-24%
Others	<b>\$157</b>	\$110	+43%
Inter-segment sales	<b>(\$183)</b>	(\$208)	
<b>Total</b>	<b>\$5,209</b>	\$4,675	+11%

Note:

1. includes platforms in North America (USA) , Australia, and Europe.
2. Includes channel supply to Pay Vision and TVB8/Xing He

# Turnover by Operating Segment



% relating to 2010 are shown in brackets

## Reportable Segment Profit by Operating Segment

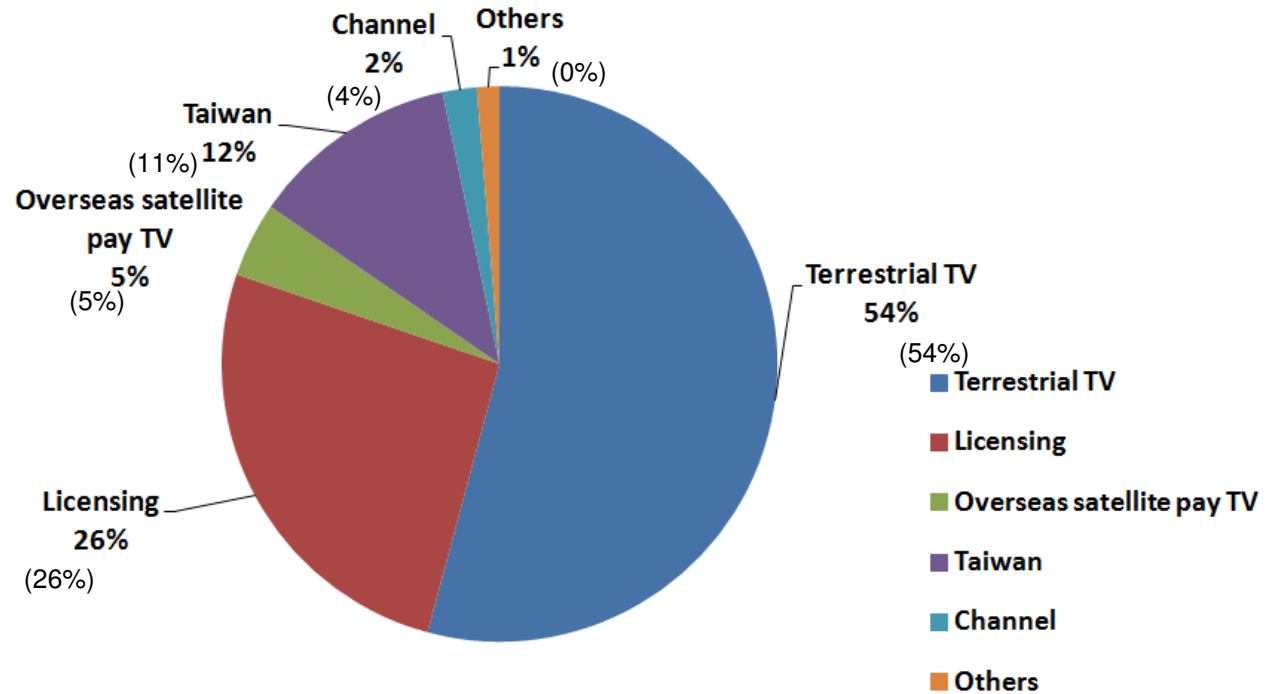
HK\$mil	FY2011	FY2010	% change
Terrestrial TV broadcasting	<b>\$1,244</b>	\$1,095	+14%
Programme licensing and distribution	<b>\$598</b>	\$536	+12%
Overseas satellite pay TV (note 1)	<b>\$100</b>	\$104	-4%
Taiwan operations	<b>\$278</b>	\$231	+20%
Channel operations (note 2)	<b>\$46</b>	\$83	-45%
Others	<b>\$30</b>	\$4	+650%
<b>Total</b>	<b>\$2,296</b>	\$2,053	+12%

Note:

1. includes platforms in North America (USA) , Australia, and Europe.

2. Includes channel supply to Pay Vision and TVB8/Xing He

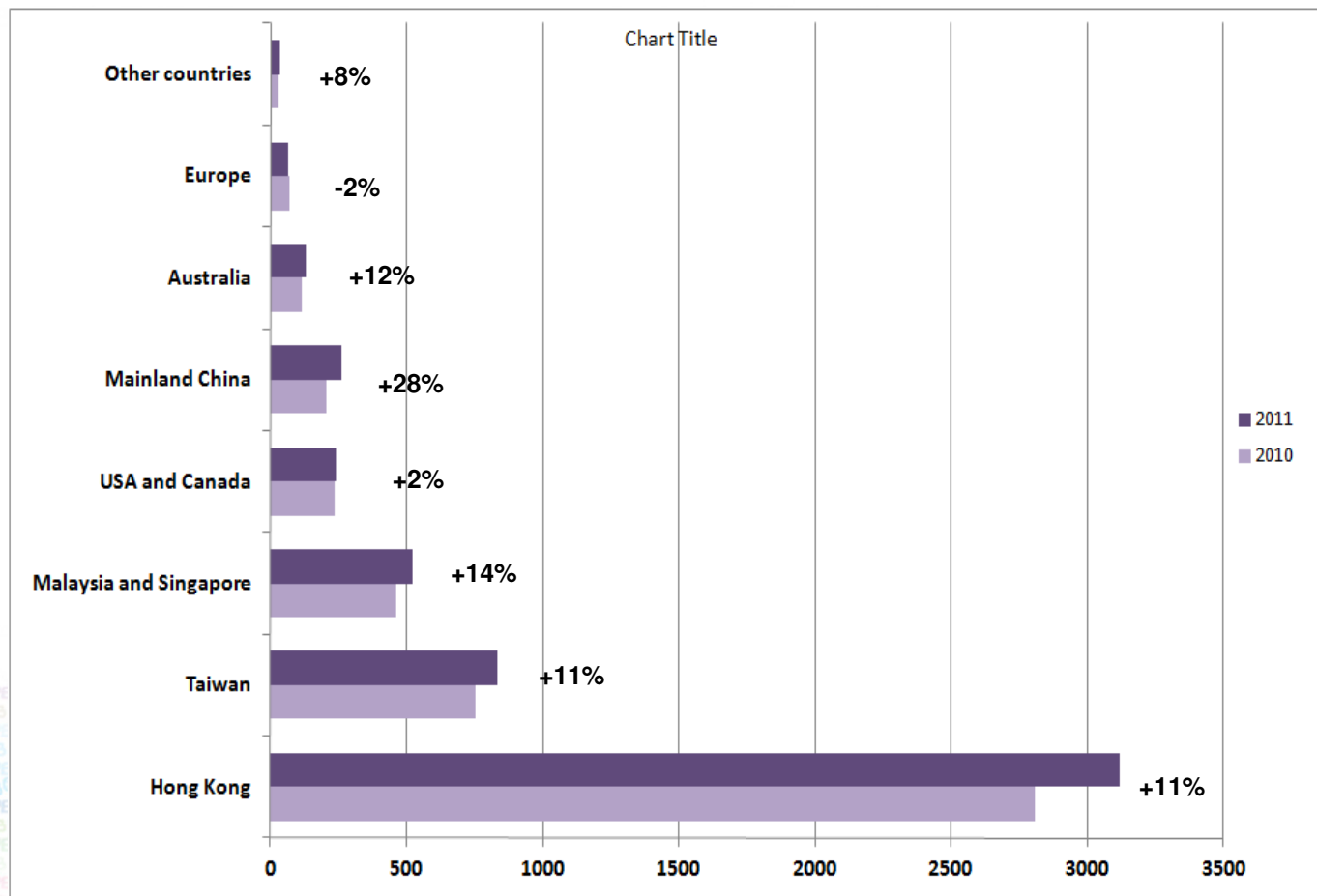
# Reportable Segment Profit by Operating Segment



% relating to 2010 are shown in brackets

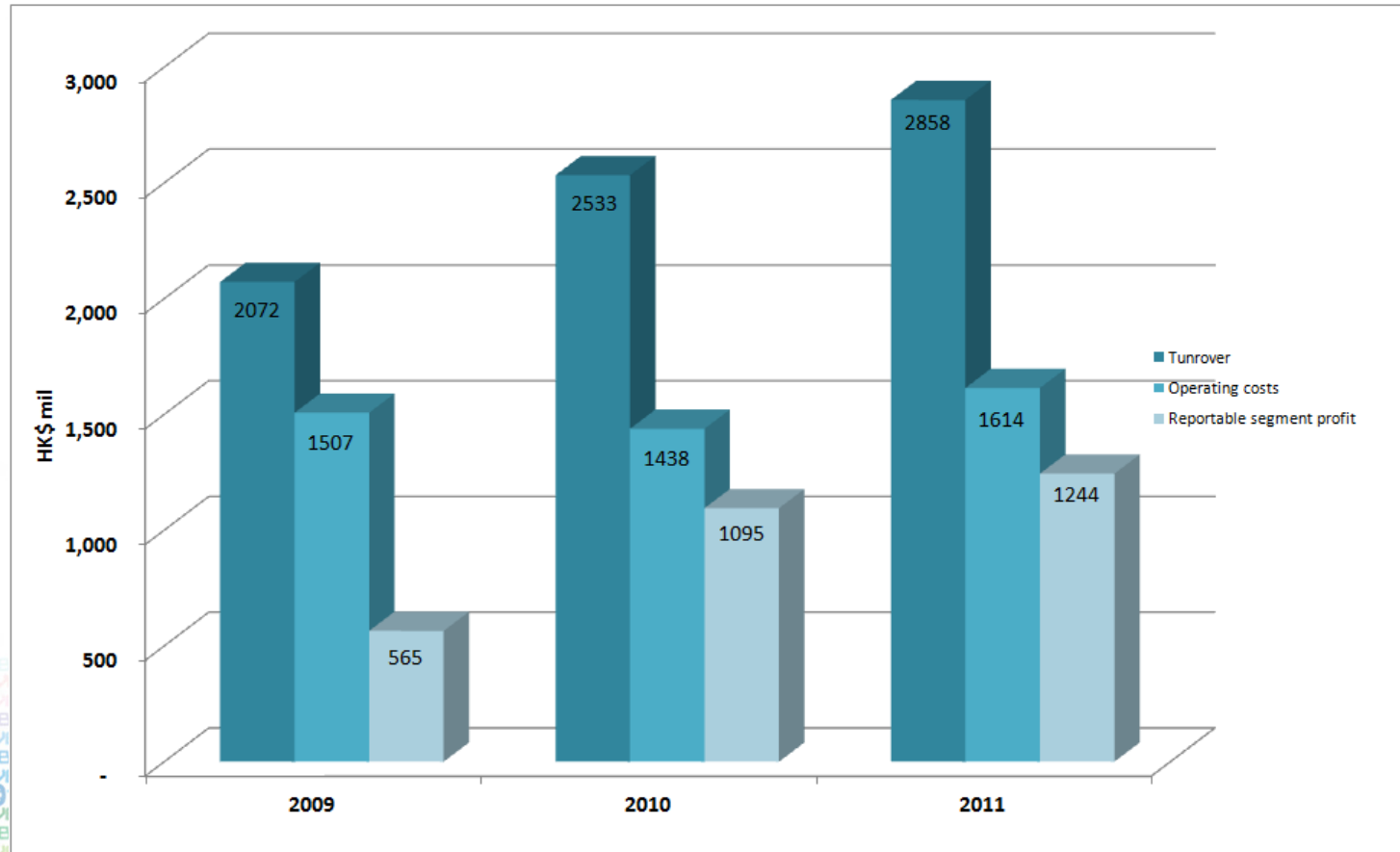


# Turnover (Geographical)



# Terrestrial TV Broadcasting

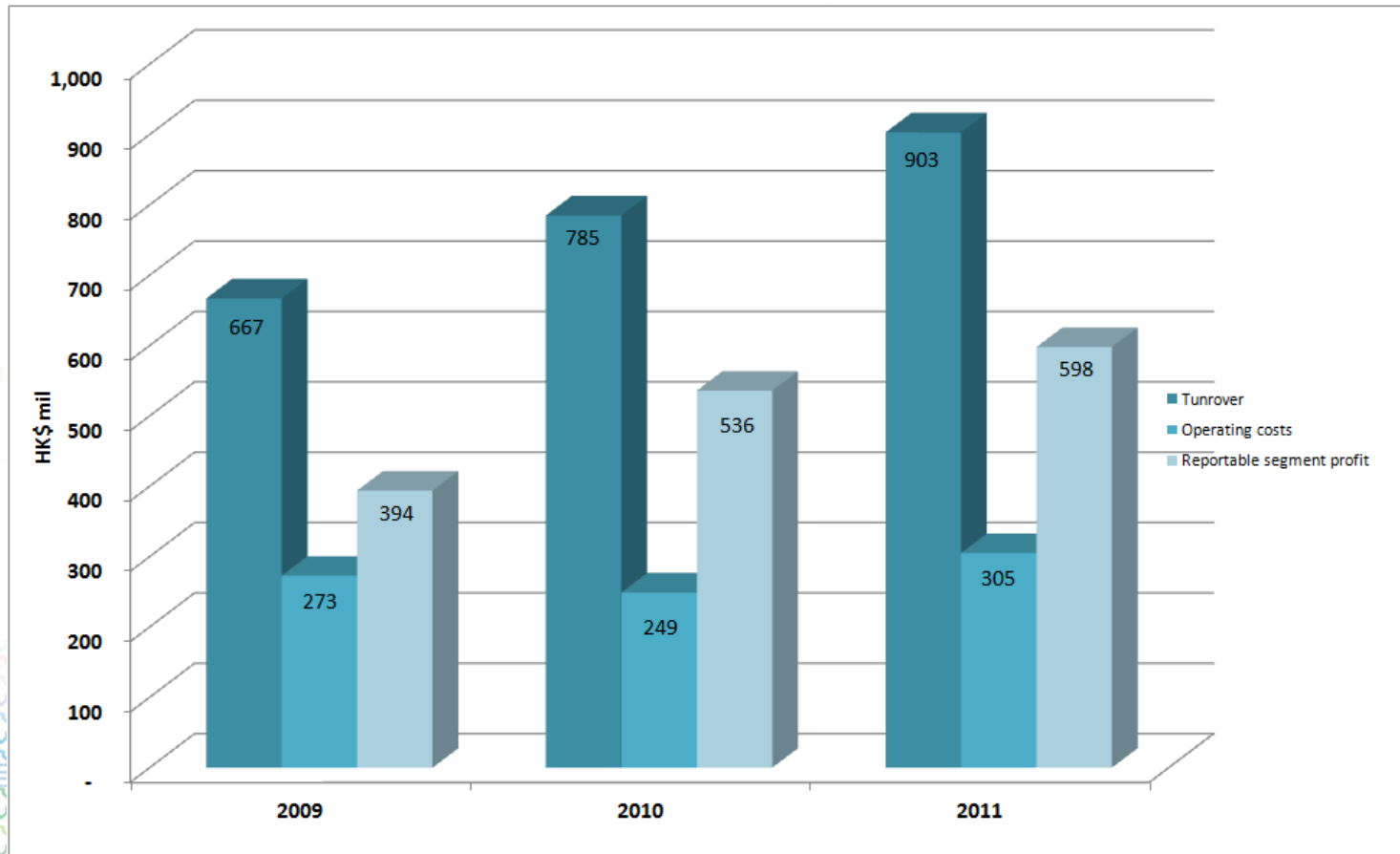
## Turnover, Operating costs and Reportable Segment Profit



- Turnover increased by 13% and reportable segment profit increased 14%.
- Operating margin increased from 27% → 43% → 44%

# Programme Licensing and Distribution

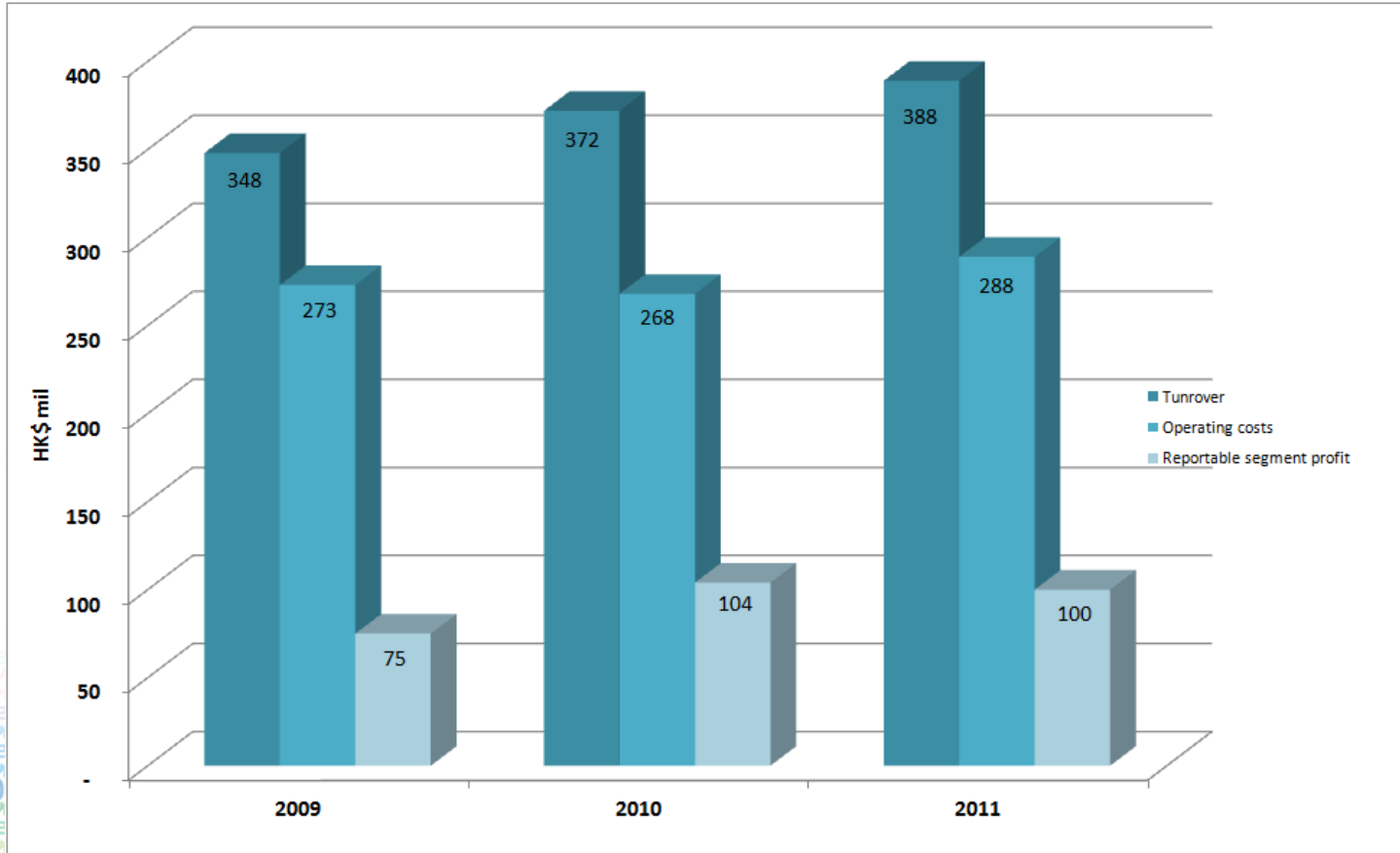
## Turnover, Operating costs and Reportable Segment Profit



- Turnover increased 15%, reportable segment profit increased by 12%.
- Operating margin increased from 59% → 68% → 66%

# Overseas Satellite TV Operations

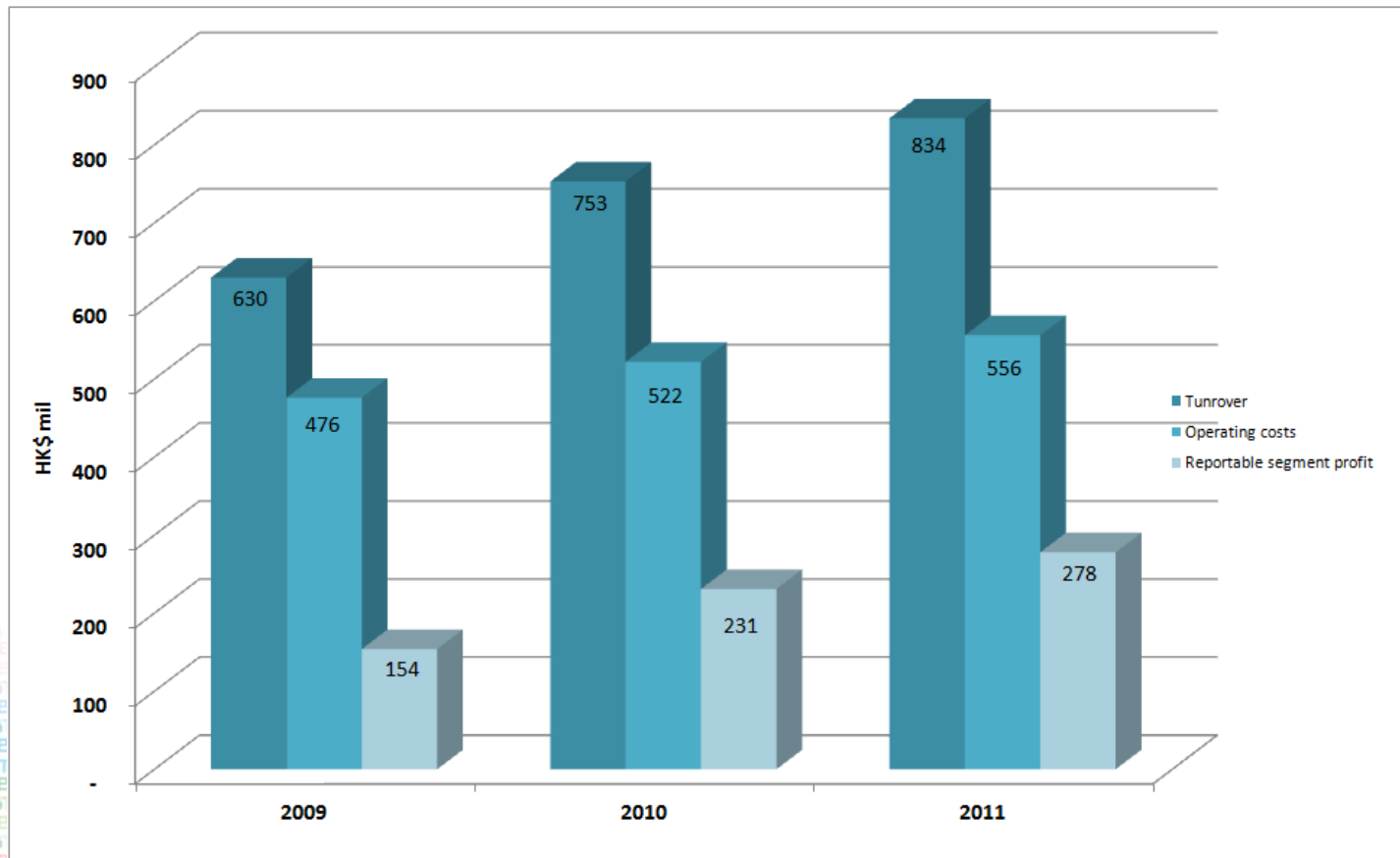
## Turnover, Operating costs and Reportable Segment Profit



**Turnover increased 4%, reportable segment profit decreased by 4%.  
Operating margin changed from 22% -> 28% -> 26%.**

# Taiwan Operations

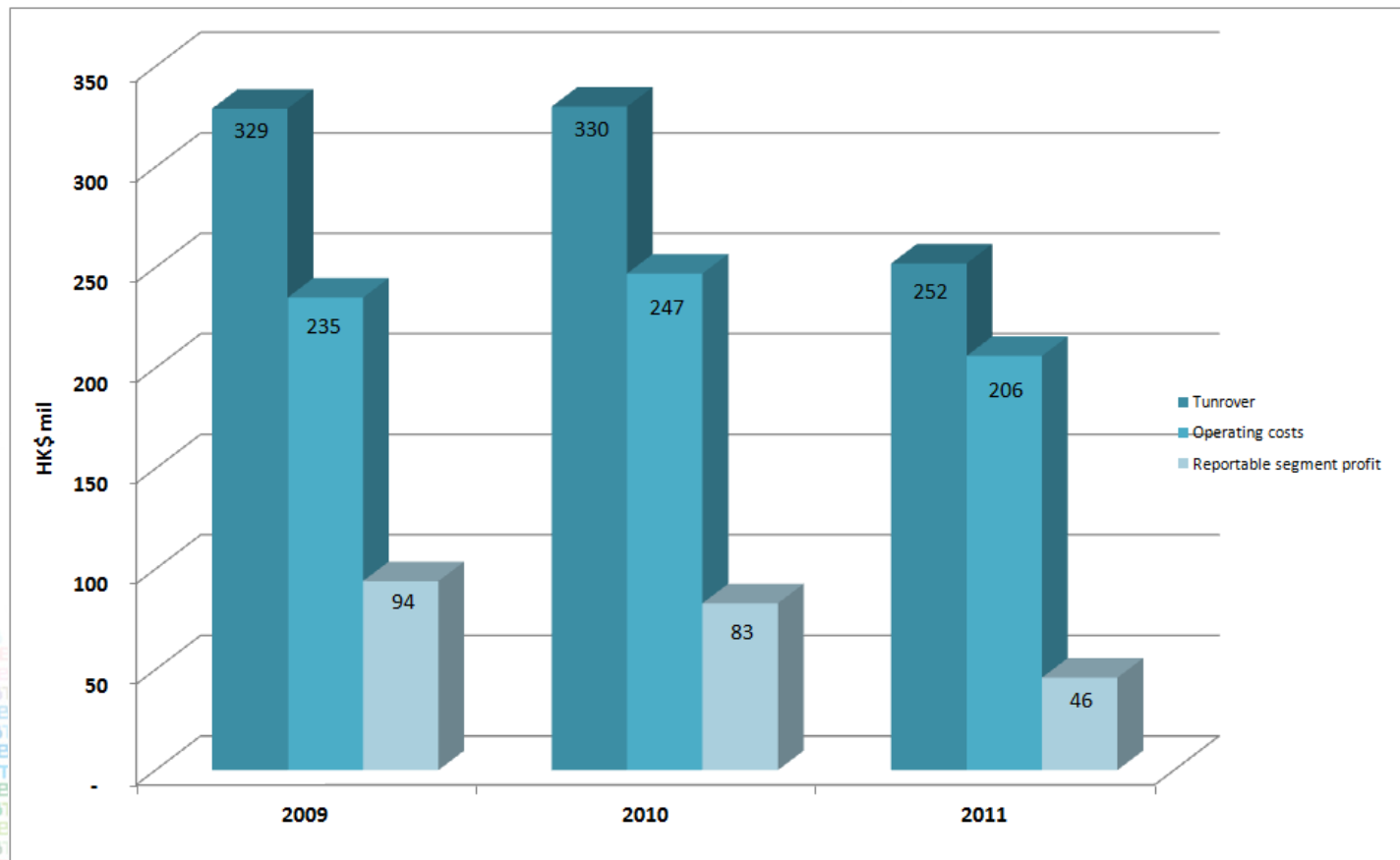
## Turnover, Operating Costs and Reportable Segment Profit



**Turnover increased 11%, reportable segment profit increased by 20%.  
Operating margin increased from 24% -> 31% -> 33%.**

# Channel Operations

## Turnover, Operating costs and Reportable Segment Profit



**Turnover decreased 24%, reportable segment profit decreased by 45%.  
Operating margin decreased from 29% -> 25% -> 18%.**



## Summary

- Group's turnover increased by 11% while Net Profit increased by 17%
- Total costs increased by 10%
- Profit attributable to shareholders was HK\$1,556 million, an increase of 17%
- Total Dividend for the year at HK\$2.20 per share (2010: HK\$2.00 per share)
- EPS at HK\$3.55 per share (2010: HK\$3.04 per share)

# Television Broadcasts Limited

HKSE stock code: 00511

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