

Phoenix New Media Ltd  
Form 20-F  
April 27, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 20-F**

(Mark One)

- Registration statement pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934  
or
- Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2011.  
or
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from                      to
- Shell company report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
Commission file number 001-35158

**Phoenix New Media Limited**  
(Exact Name of Registrant as Specified in Its Charter)

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**Cayman Islands**  
(Jurisdiction of Incorporation or Organization)

**Fusheng Building Tower 2, 16<sup>th</sup> Floor**

**4 Hui Xin Dong Jie, Chaoyang District**

**Beijing 100029**

**People's Republic of China**  
(Address of Principal Executive Offices)

**Contact Person: Ms. Qianli Liu**

**Chief Financial Officer**

**(86 10) 8445-8901**

**4 Hui Xin Dong Jie, Chaoyang District**

**Beijing 100029**

**People's Republic of China**  
\*(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<b>Title of Each Class</b>	<b>Name of Each Exchange on Which Registered</b>
American Depositary Shares, each representing eight Class A ordinary shares	New York Stock Exchange, Inc.
Class A ordinary shares, par value \$0.01 per share*	New York Stock Exchange, Inc.

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\* Not for trading, but only in connection with the registration of American Depositary Shares representing such Class A ordinary shares pursuant to the requirements of the Securities and Exchange Commission.  
Securities registered or to be registered pursuant to Section 12(g) of the Act:

**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**None**

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**306,101,077 Class A Ordinary Shares were outstanding as of December 31, 2011**

**317,325,360 Class B Ordinary Shares were outstanding as of December 31, 2011**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registration was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued  Other

by the International Accounting Standards Board

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

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Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes " " No "

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**PHOENIX NEW MEDIA LIMITED**

**FORM 20-F ANNUAL REPORT**

**FISCAL YEAR ENDED DECEMBER 31, 2011**

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**Conventions that Apply to this Annual Report on Form 20-F**

In this annual report, unless otherwise indicated:

ADs refers to our American depositary shares, each of which represents eight Class A ordinary shares, and ADRs refers to the American depositary receipts that may evidence our ADs;

affiliated consolidated entities refer to Yifeng Lianhe (Beijing) Technology Co., Ltd. and Beijing Tianying Jiuzhou Network Technology Co., Ltd., each of which is a PRC domestic company. Substantially all of our operations in China are conducted by our affiliated consolidated entities, in which we do not own any equity interest, through our contractual arrangements. We treat the affiliated consolidated entities as variable interest entities and have consolidated their financial results in our financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP;

China or PRC refers to the People's Republic of China, excluding, for the purposes of this annual report on Form 20-F only, Taiwan, Hong Kong and Macau;

Class A ordinary shares refer to our Class A ordinary shares, par value US\$0.01 per share;

Class B ordinary shares refer to our Class B ordinary shares, par value US\$0.01 per share, each of which shall be entitled to 1.3 votes on all matters subject to shareholders' vote;

Fenghuang On-line refers to Fenghuang On-line (Beijing) Information Technology Co., Ltd., a wholly foreign-owned PRC entity;

ordinary shares refer to our Class A ordinary shares and Class B ordinary shares, collectively;

Phoenix TV refers to Phoenix Satellite Television Holdings Limited;

Phoenix TV (BVI) refers to Phoenix Satellite Television (B.V.I) Holding Limited, a wholly owned direct subsidiary of Phoenix TV, which directly owns 50.26% of our share capital as of the date of this annual report on Form 20-F;

Phoenix TV Group refers to Phoenix TV and its subsidiaries, not including our company.

RMB or Renminbi refers to the legal currency of China; \$, dollars, US\$ and U.S. dollars refer to the legal currency of the United States;

Tianying Jiuzhou refers to Beijing Tianying Jiuzhou Network Technology Co., Ltd., a PRC domestic company and an affiliated consolidated entity;

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we, us, our company, our and Phoenix New Media refer to Phoenix New Media Limited, a Cayman Islands company and its predecessor entities and subsidiaries, and, unless the context otherwise requires, our affiliated consolidated entities and their subsidiaries in China; and

Yifeng Lianhe refers to Yifeng Lianhe (Beijing) Technology Co., Ltd., a PRC domestic company and an affiliated consolidated entity. This annual report contains statistical data that we obtained from various government and private publications, as well as a database issued by Shanghai iResearch Co., Ltd, a third-party PRC consulting and market research firm focused on Internet media markets. We have not independently verified the data in these reports and database. Statistical data in these publications also include projections based on a number of assumptions. If any one of the assumptions underlying the statistical data turns out to be incorrect, actual results may differ from the projections based on these assumptions

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This annual report on Form 20-F includes our audited consolidated financial statements for the years ended December 31, 2009, 2010 and 2011, and as of December 31, 2010 and 2011.

Our ADSs are listed on the New York Stock Exchange under the symbol FENG.

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not required.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not required.

**ITEM 3. KEY INFORMATION**

**A. Selected Financial Data**

The selected consolidated financial data shown below should be read in conjunction with Item 5. Operating and Financial Review and Prospects, and the financial statements and the notes to those statements included elsewhere in this annual report on Form 20-F. The selected consolidated statement of operations data for the years ended December 31, 2009, 2010 and 2011 and the consolidated balance sheet data as of December 31, 2010 and 2011 have been derived from our audited consolidated financial statements, which are included elsewhere in this annual report on Form 20-F. The selected consolidated statement of income data for the year ended December 31, 2008 and the selected balance sheet data as of December 31, 2008 and 2009 have been derived from our audited financial statements not included in this annual report on Form 20-F. Selected consolidated financial data as of and for the year ended December 31, 2007 is not available on a basis that is consistent with the consolidated financial data included in this annual report and cannot be provided on a U.S. GAAP basis without unreasonable effort and expense. The historical results are not necessarily indicative of results to be expected in any future period.



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	For the Years Ended December 31,				
	2008 RMB	2009 RMB	2010 RMB	2011 RMB	US\$
	(In thousands, except for number of shares and per share data)				
<b>Revenues:</b>					
Net advertising revenues	40,259	81,632	204,369	465,824	74,012
Paid service revenues	182,367	180,715	324,326	484,768	77,022
<b>Total Revenues</b>	<b>222,626</b>	<b>262,347</b>	<b>528,695</b>	<b>950,592</b>	<b>151,034</b>
<b>Cost of revenues<sup>(1)</sup></b>	<b>(163,502)</b>	<b>(170,062)</b>	<b>(299,423)</b>	<b>(554,676)</b>	<b>(88,129)</b>
<b>Gross Profit</b>	<b>59,124</b>	<b>92,285</b>	<b>229,272</b>	<b>395,916</b>	<b>62,905</b>
<b>Operating expenses<sup>(1)</sup>:</b>					
Sales and marketing expenses	(33,855)	(46,364)	(76,152)	(164,082)	(26,070)
General and administrative expenses	(37,613)	(27,727)	(39,955)	(77,078)	(12,246)
Technology and product development expenses	(17,104)	(16,579)	(31,012)	(69,021)	(10,966)
<b>Total operating expenses</b>	<b>(88,572)</b>	<b>(90,670)</b>	<b>(147,119)</b>	<b>(310,181)</b>	<b>(49,282)</b>
<b>(Loss) /income from operations</b>	<b>(29,448)</b>	<b>1,615</b>	<b>82,153</b>	<b>85,735</b>	<b>13,623</b>
Other income	1,146	332	2,429	31,886	5,066
<b>(Loss)/income before tax</b>	<b>(28,302)</b>	<b>1,947</b>	<b>84,582</b>	<b>117,621</b>	<b>18,689</b>
Income tax benefits/(expenses)	149	(1,660)	(10,499)	(15,146)	(2,406)
<b>Net (loss)/income attributable to Phoenix New Media Limited</b>	<b>(28,153)</b>	<b>287</b>	<b>74,083</b>	<b>102,475</b>	<b>16,283</b>
Accretion to convertible redeemable preferred share redemption value		(14,129)	(206,409)	(773,623)	(122,916)
Income allocation to participating preferred shares		(287)	(33,093)	(6,172)	(982)
Amortization of beneficial conversion feature		(17,138)			
<b>Net loss attributable to ordinary shareholders</b>	<b>(28,153)</b>	<b>(31,267)</b>	<b>(165,419)</b>	<b>(677,320)</b>	<b>(107,615)</b>
Net loss per Class A and Class B ordinary share:					
Basic	(0.09)	(0.10)	(0.51)	(1.30)	(0.21)
Diluted	(0.09)	(0.10)	(0.51)	(1.30)	(0.21)
Weighted average number of Class A and Class B ordinary shares used in computation of basic net loss per share:	320,013,175	321,387,913	327,045,493	519,227,660	519,227,660
Weighted average number of Class A and Class B ordinary shares used in computation of diluted net loss per share:	320,013,175	321,387,913	327,045,493	519,227,660	519,227,660
<b>Non-GAAP adjusted net income attributable to Phoenix New Media<sup>(2)</sup></b>	<b>1,777</b>	<b>10,527</b>	<b>90,644</b>	<b>168,567</b>	<b>26,784</b>

Notes:

(1) Includes share-based compensation as follows:

For the Years Ended December 31,

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	2008	2009	2010	2011	
	RMB	RMB	RMB	RMB	US\$
	(In thousands)				
Allocation of share-based compensation expenses:					
Cost of revenues	2,455	775	854	19,526	3,102
Sales and marketing expenses	6,539	2,904	4,664	18,254	2,900
General and administrative expenses	18,374	5,757	10,406	17,470	2,776
Technology and product development expenses	2,562				