

(For Immediate Release)

TCL Communication Technology Holdings Limited

TCL Communication Announces Its Results For First Quarter 2009

FINANCIAL HIGHLIGHTS

Unaudited results for the THREE MONTHS ended 31 MARCH			
(HK\$ Million)	2009	2008	Change
Revenue	614.5	1,214.3	-49%
Gross Profit	85.5	214.4	-60%
Profit / Loss before Effects of Convertible Bonds	(42.4)	0.8	N/A
Changes in Fair Value of derivative component of Convertible Bonds	(6.2)	29.4	N/A
Interest on convertible bonds	(4.7)	(9.9)	-53%
Profit / Loss Attributable to Equity Holders of the Parent	(53.4)	20.2	N/A

(24 April 2009 - Hong Kong) TCL Communication Technology Holdings Limited ("TCL Communication" or the "Company", stock code: 02618.HK) announces its unaudited results for the Company and its subsidiaries (the "Group") for the three months ended 31 March 2009 (the "Review Period").

Net loss for the Review Period was HK\$42.4 million (1Q 2008: HK\$0.8 million profit). Overall demand for handsets slowed down markedly in the first quarter of 2009 whilst the financial crisis intensified. Total number of handsets and accessories sold during the period was 2.3 million, a decrease of 33% over the same period last year.

"The handset industry experienced a tough time in the first quarter. We have taken various measures to retain our competitive edge while embracing new market opportunities by enhancing efforts in research and development. During the period under review, the Group successfully completed the reorganization of both the Alcatel and TCL brands. Along with streamlining the Group, TCL Communication is on solid ground to achieve sustainable business growth in future," commented Dr. Yang Xinping, CEO of TCL Communication.



Sales volume in the PRC maintained robust growth in the first quarter and increased by 84% year-on-year. The Group established a solid foundation for the development of 3G – 3.5 G technology and developed various 3G products in the first quarter including the U298 TD-SCDMA Feature Phone, the U888 TD-SCDMA Smart Phone and the U118 TD-SCDMA USB 3G Datacard.

In addition, TF100 wireless handsets developed by the Group have passed China Mobile's product test and have entered the first round of bidding for orders from Guangdong Mobile. Eight new models of 3G devices are planned for roll out in the second quarter.

Shipments to the Latin America (LATAM) market fell by 48% from the corresponding period last year. The decrease was primarily attributable to weakening consumer confidence amid the recession in the region.

Sales volume in Europe, the Middle East and Africa (EMEA) market dropped 34% over the same period last year. The lower sales were due to weak demand in Russia and Spain as both countries were hit by the economic crisis. However, the management believes that shipments to the region will improve in the second half of this year.

CDMA handset sales increased 28% over the first quarter of 2008. The increase was mainly due to the expansion of the Group into new markets and the implementation of a new business model.

During the Review Period, the Group launched four voice-oriented products under the Alcatel brand, namely OT-102, OT-103, OT-111 and OT-208. As the proportion of sales of mid-end phones increased, the average selling price for CDMA handsets edged up accordingly in the first quarter. In addition, through effective customer relationship management, the Group successfully enhanced its relationships with operators and distributors.

The Group made great progress in developing new models of handsets during the Review Period. The innovative design of QWERTY keypad products and touch-screen products were well received by major operators and customers. Moreover, during the GSMA Mobile World Congress 2009 in Barcelona, Spain, the "Jade" and "Mini" models developed by the Group were greatly appreciated by all major operators.

"Looking ahead, 2009 will be a tough year for the handset industry as the financial



tsunami continues to impact on the global economy. However, there are signs of stabilization in the market and we expect handset sales to improve in the second half. The Group will step up efforts in driving sales growth while streamlining its operation by lowering inventory levels and improving cost efficiency to maintain its leading position in the industry. We are ready and well equipped for the challenges ahead,” said Mr. Li Dongsheng, Chairman of TCL Communication.

- End -

APPENDIX- Sales volume breakdown by geographical location

Handset Unit Sales ('000 Units)	1Q 2009	1Q 2008	Change
Overseas	1,787	3,108	-43%
The PRC	489	266	+84%
Total	2,276	3,374	-33%

About TCL Communication

TCL Communication is engaged in the design, manufacture and marketing of a wide range of mobile handsets for the PRC and international markets. The Group’s handsets sold in the PRC, EMEA and LATAM are mainly marketed under the “TCL” and “Alcatel” brands. For more information, please visit the Group’s website: tclcom.tcl.com.

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