Entrepreneurship Course Presentation

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Introduction

• Founded by Ma Huateng and Zhang Zhidong in November 1998
• One of the largest internet company in the world
• Services: social network, web portals, multiplayer online game
How to make more money?

Revenue (in bn USD)

CAGR 56%

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (bn USD)</th>
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<tbody>
<tr>
<td>2004</td>
<td>0.2</td>
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<td>2005</td>
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<td>2006</td>
<td>0.4</td>
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<td>2007</td>
<td>0.6</td>
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<td>2008</td>
<td>1.1</td>
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<td>2009</td>
<td>1.8</td>
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<td>2010</td>
<td>3.0</td>
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<td>2011</td>
<td>4.5</td>
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Where to make money?

Tencent’s Core Business

Internet Value
Added Services
Internet Advertising

2009 Revenues

Tencent

$1.8 billion

Mobile Services
15%

Virtual Goods (internet services)
77%

Advertising
8%

Facebook*

$635 million

Virtual Goods (credits)
2%

Advertising
98%

*Inside Facebook Estimate
Product Strategies Map

- Strength & Weaknesses
- Smart phones
- Digital rights
Advantages: Social network & Money

• 2014: Bought a 15 percent stake in Chinese e-commerce website JD.com
• 2011: Acquired a majority equity interest in Riot Games, developer of League of Legends
• Advertising and third-party payment platform through social media
Smart phones

- Mobile APP
- Support different platforms
- 2016: Announced a deal to acquire 84.3% of Supercell
Digital rights

• 2014: Established exclusive in-China distribution agreements with several large music producers, such as Sony

• 2016: Acquired a majority stake in China Music Corporation

• 2015: Signed a USD 700 million deal with the NBA to stream American basketball games in China