

**This is a translation of the german Annual Report of Business Media China AG.
Please be aware that only the original version is legally binding.**

Business Media China AG

Half Yearly Report 2007

Interim status report on the group

I. Business and underlying conditions

Positioning

Business Media China AG ("BMC AG") unites a group of international media companies, linking expertise from the worlds of media, advertising, trade fair organization and publishing. It specializes in out-of-home advertising and organizing trade fairs and conferences. BMC AG has a regional focus that concentrates exclusively on China. Here, the group has already created the conditions required to become a leading provider of advertising media at key airports and railway stations in the People's Republic of China. BMC AG has also become successfully established in the Chinese trade fair segment, and hosts several well-known international industry events. The expertise of both the company and its management team, which combines experience from more than 30 years of successful work in trade fairs and publishing, provides the foundation for its business model.

General economy

As per the official figures, on average the gross domestic product of China during the past 15 years has grown close to 10% annually. Also in the first half of 2007 a steady growth was noticeable. At this rate China is likely to overtake Germany's position as the worldwide third largest national economy. The much discussed appreciation of the Chinese currency Yuan (CNY) is taking place in small stages and in a controlled manner. All in all, the Chinese economy is stable and well-organized; the legal security is constantly increasing; however, this still needs to be simplified through comparative studies.

Business growth during the first half year of 2007

Subsidiaries

In the field of advertising in airports, since recently BMC AG is represented at 9 of the 12 key airports of China and is, therefore, one of the leading providers of advertising space in airports in China. Recently, in May of the current fiscal year, **BMC Flying Dragon**, a subsidiary of BMC AG, was able to secure important areas of the advertising space available till 2015 at the Xi'an airport. Following this, high-quality backlit Light Boxes as well as presentation space for automobiles will be marketed at the largest airport in the North-western region of China exclusively through BMC Flying Dragon. At nearly 10 million passengers per annum Xi'an is one of the most frequented airports of China due to its location near the world-famous tourist attraction, namely the Terracotta Army. Flying Dragon was clearly able to increase its turnover and performance during the first half year 2007.

In January of the current fiscal year, BMC AG procured through its subsidiary BMC Advertising a major contract for advertising in railway stations for Beijing Mobile. Beijing Mobile, a subsidiary of world's largest mobile telephony service operator China Mobile, allocated an advertising budget of 1 million Euros to BMC AG. In future, the mobile telephony provider will utilize the latest illuminated panels and glow-signs of BMC AG at two major railway stations in China, namely Beijing Central Railway Station and Beijing West Railway Station for its advertisement campaigns. BMC AG has been holding the advertising rights at four of the highly frequented Chinese railway stations, namely Beijing West Railway Station, Beijing Central Railway Station, Tianjin Railway Station and Shijiazhuang Station. The fact is that BMC AG is today one of the leading providers in the segment of the state-of-the-art technology for advertisement at railway stations for the Chinese market. BMC is the first and only international company to acquire the advertising rights at railway stations. In course of time, the range of advertisements in railway stations will be expanded throughout China.

On March 1, 2007 BMC AG has acquired 70% of the shares in the **TC-Gruppe GmbH Target Communications** with its headquarters in Ludwigsburg, along with a joint liability declaration totaling EUR 500,0 thousand. This is aimed especially to pursue two strategic targets, on the one hand, to upgrade the internal expertise and to improve the operating resources in the conceptualization and

implementation of international communication projects and, on the other hand, to establish a direct access to German advertising clients so as to launch in the early phase itself the necessary customer communication for the market penetration and branding in China for these clients. The TC Group has recently won, among other things, the PR Report Award 2007 for its image campaign "Baden-Württemberg, Germany's most handsome fan graph line" in connection with the Football World Championship 2006.

In January 2007 **BMC Advertising**, a 100% subsidiary of the BMC Group, received the **business license** and its business operations have taken off successfully. A capital investment of nearly EUR 5,000 thousand has been fully paid up which will be the working capital for the company.

In **increasing its participating interest** in BMC Zhenwei, the BMC Group has consistently implemented its restructuring and strategic repositioning of this company. BMC AG issued a letter of comfort for **BMC Zhenwei** after the balance sheet date, and in future it will hold a 66% interest in this company after acquiring an additional interest. In future, this company will focus on technology trade fairs. In this connection, the company's textiles trade fair has been sold // Following the increase in shareholding, BMC AG will hold 66% of the company in future. After the restructuring in the last year and the focus on technology fairs BMC Zhenwei was able to stabilize the existing trade fair themes and reposition itself for the fiscal year 2008. However, the performance during the first half of the year the new marketing structures and implemented incentive systems could not take effect fully. The company achieved a positive interim balance by selling the textile fair; overall the company posted a moderately positive balance for the first half of the year.

BVW Media GmbH was acquired as an **interim holding company** to implement investment options for the roll-out strategy which has been commenced to penetrate additional Chinese railway stations. BMC AG holds a 100% interest in BVW Media GmbH.

Negotiations will soon be concluded in Hong Kong to acquire a 51% interest in a trade fair company that organizes trade fairs and conferences in the raw materials and energy sector.

The acquisition and integration of **Mass Holdings (HKG) Co., Ltd.** and its 70% interest in **BMC Herong** was completed during the current fiscal year 2007.

BMC China organized the first **SMT Forum** event, and conducted market analyses and performed administrative tasks for the BMC Group. Earnings after cost allocation led to a forecasted negative result during the first six months.

During the first half of the year, **BMC Baiwen** successfully conducted the Beauty Expo Shanghai trade fair, and recorded a significant increase in revenues. Results will be slightly up against forecasts.

The new subsidiary **BMC Herong** will only hold its trade fair in the third quarter of 2007, with the result that it recorded negative earnings in the first half of the year because only personnel expenses and overheads were accounted for.

BMC Advertising started its operating business at the start of 2007 and has recorded initial revenues. Earnings were negative in the first six months in line with the forecast.

The parent company **BMC AG** is in particular responsible for strategy, corporate governance, planning and control, capital expenditure and financing including communication with the capital markets and corporate design. As a result, it did not record any net income in the first six months of 2007.

The newly-acquired subsidiary **TC Gruppe** started both Q1 and Q2 2007 by acquiring new clients in China and by supporting European customers in China. The first half of the year was characterized by its integration and preparation for market entry and leveraging synergies within the BMC Group.

Personnel

During the first few months of the current fiscal year, BMC AG has been able to reinforce its management team significantly by adding experienced professionals from the Chinese advertising market. In addition to hiring 40 top Chinese and European employees from the international advertising sector, Li Yang Yang, a graduate of China's UIBE University, has replaced John Maxwell Hare in the company's Management Board since the first quarter of the year. Li Yang Yang has held various management positions with trade fair and media companies during the past seven years. John Maxwell Hare and BMC terminated their joint cooperation with effect from March 31, 2007. Max Hare joined BMC AG's Management Board in 2004 – initially as CEO and then as an ordinary member of the Management Board. Under his management, BMC AG started its operations and successfully entered the Chinese market. This means that the company's operating business is now primarily run by Chinese managers in China and the administrative unit in Stuttgart. Peter Sassmann was appointed as the new CFO on January 1, 2007.

II. Earnings position

During the first six months of the fiscal year 2007 the Business Media China group posted a sales revenue totaling EUR 7.972,2 thousand. This corresponds to an increase of nearly 161% as against a sum of EUR 3.057,2 thousand in the same period of the previous year. Here, the largest sales contributor in the first half year was BMC Flying Dragon (EUR 3.175,1 thousand) which succeeded significantly in selling advertising space at some of the major airports in China, among others, to automobile manufacturers like Honda and MG Cars. BMC Baiwen posted earnings totaling EUR 2.403,2 thousand during the first half of the year especially by successfully conducting the Beauty Expo Shanghai trade fair and, at the same time, achieved the highest revenue among all companies belonging to the group. Soon after obtaining the business license in January 2007, BMC Advertising recorded sales totaling EUR 2.115,5 thousand. Added to these were other revenues of EUR 83,6 thousand at the group level as well as a change in stock on uncompleted payments of EUR 54,4 thousand.

The major factor on expenditure was the procurement of material which went up from EUR 2.285,6 thousand in the previous year to EUR 7.702,9 thousand. This is reflected mainly in the expenses for renting advertising space at strategically important airports and railway stations. As a result of the aforementioned appointment of 40 Chinese and European professionals in the international advertising sector, the expenditure on personnel rose in the first half of the year from EUR 767,4 thousand in the previous year to EUR 1.958,0 thousand. Other miscellaneous operational expenses showed on June 30, 2007 a total of EUR 2.199,8 thousand.

Due to reasons as described under the heading "Growth of Business during the first half of 2007" the interim earnings position was still negative on June 30, 2007 which recorded before taxes on earnings a total of EUR –4.126,9 thousand. But fortunately due to a low tax liability of EUR 189,7 thousand as taxes on earnings for the group the deficit fell down to EUR 3.937,2 thousand, of which the share of other stakeholders in the deficit was EUR 139,0 thousand.

III. Financial assets

As on the reference date in the first half of 2007, the BMC group owned assets totaling EUR 36.245,3 thousand, of which about 60% or EUR 21.580,4 thousand were of short-term nature and 40% or EUR 14.664,9 thousand were linked to long-term values. Cash outflow resulting from the current business activities was EUR 4.224,5 thousand. The BMC group allocated – after deducting the assumed funds from the company's acquisitions – investments totaling EUR 2.475,6 thousand. As on June 30, 2007 the group owned funds worth EUR 8.168,3 thousand.

IV. State of finances

With an equity ration of nearly 72%, Business Media China continues to have an extremely solid financial position. Of the liabilities and reserve funds totaling EUR 10.223,1 thousand, only about 10% or EUR 1.033,5 thousand were on a long-term basis (i.e. on a residual term of more than one year). The short-term liabilities totaling EUR 7.944,1 thousand represented mostly advance payments of BMC Flying Dragon and BMC Advertising in connection with rentals for lucrative advertising space and advance payments received.

V. Risk report

In the opinion of the Management, as of now neither any additional chances or risks can be identified in the course of the fiscal year when compared to the last annual accounts of July 22, 2007 unreservedly certified by the auditors.

VI. Forecast

At group level, the quarter-end results for the second half of 2007 are expected to be positive; and for the fiscal year 2007 a total turnover for the group is expected to be close to 26 to 28 million Euros. A double-digit growth rate in the group's turnover is envisaged for the fiscal year 2008.

VII. Report on significant business transactions with neighboring companies and individuals

During the first half of the year 2007 there were no important transactions with companies or individuals in any way connected with Business Media China AG.

VIII. Affirmation by the legal representatives

We affirm, to the best of our knowledge, that an overview reflecting the factual conditions concerning the properties, finances and earnings of the group has been given in accordance with the applicable principles of financial accounting for the interim report, interim balance sheet and in the interim report. The course of business as well as the business revenues and the state of the group are presented in such a manner to reflect the real conditions and to point out the scope and risks in the growth of the group in the remaining period of the fiscal year.

Stuttgart, August 31, 2007

Business Media China AG

The Management Board

Klaus Michael Hilligardt

Arend Jan Rudolf van Eeden

Peter Saßmann

Li Yang Yang

Profit and loss account of the Business Media China AG Group

	1.1.-30.6.2007 EUR thousand	1.1.-30.6.2006 EUR thousand
Revenues	7,972.7	3,057.2
Other income	83.6	12.8
Inventory change on incomplete payments	54.4	0.0
Material expenses	7,702.9	-2,285.6
Personnel expenses	-1,958.0	-767.4
Depreciations	-532.5	46.7
Other operating expenses	2,199.8	-1,302.7
Financing costs	-20.9	-18.2
Other financial result	176.5	76.4
Income before taxes	-4,126.9	-1,274.2
Taxes on income and on earnings	189.7	-52.3
Group's deficit	-3,937.2	-1,326.5
Shareholders' interest in group's deficit	-3,798.2	-1,344.9
Company members' interest in group's deficit	-139.0	18.4
Group's deficit	-3,937.2	-1,326.5
	EUR	EUR
Undiluted earnings per share	-0.63	-0.27
Diluted earnings per share	-0.63	-0.27
Shares (number, weighted in 2006)	5,999,466	5,019,755

Balance of accounts of the Business Media China AG Group

	30.6.2007	30.6.2007	31.12.2006	31.12.2006
	EUR	EUR	EUR	EUR
	thousand	thousand	thousand	thousand
ASSETS				
Goodwill	7,992.8		6,361.7	
Other intangible assets	4,115.8		29.7	
Property, plant and equipment	1,628.0		813.4	
Financial assets	0.0		60.0	
Capital assets		13,736.6		7,264.8
Potential tax on earnings	928.3		290.5	
Long-term receivables and assets		928.3		290.5
Long-term assets		14,664.9		7,555.3
Inventories		320.9		0.0
Trade receivables	3,568.6		1,901.9	
Other receivables and assets	9,291.2		8,236.3	
Effective tax on earnings	231.4		168.8	
Short-term receivables		13,091.2		10,307.0
Financial capital		8,168.3		14,950.6
Short-term assets		21,580.4		25,257.6
		36,245.3		32,812.9
LIABILITIES				
Subscribed capital	5,999.5		5,999.5	
Reserves	21,812.8		21,315.2	
Net loss	-3,798.2		0.0	
Shareholders' interest for Business Media China AG in equity capital		24,014.1		27,314.7
Other company members' interest in equity capital		2,008.1		1,043.8
Equity capital		26,022.2		28,358.5
Potential reserves on earnings	478.9		0.6	
Other reserves (debtor warrant)	0.0		0.0	
Long-term reserves		478.9		0.6
Financial liabilities	15.6		0.0	
Other liabilities	539.0		0.0	
Long-term liabilities		554.6		0.0
Long-term reserves and liabilities		1,033.5		0.6
Short-term reserves (other reserves)		1,245.5		1,094.9
Financial debt	80.7		47.6	
Trade liabilities	3,012.4		1,732.3	
Tax liabilities	472.2		57.1	
Other liabilities	4,378.8		1,521.9	
Short-term liabilities		7,944.1		3,358.9
Short-term reserves and liabilities		9,189.6		4,453.8
		36,245.3		32,812.9

Equity capital change account of the Business Media China AG Group

	Subscribed capital	Capital reserve	Retained income	Differences from currency conversion	Revaluation reserve	Total reserves	Net profit /loss	Shareholders' equity capital in BMC AG	Other company members' interest in equity capital	Total equity capital
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Balance on December 31, 2005	4,545.1	1,900.0	0.0	43.1	21.5	1,964.6	125.6	6,635.3	232.1	6,867.4
Differences from changes to the consolidated scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	199.5	199.5
Differences from currency conversion	0.0	0.0	0.0	-4.5	0.0	-4.5	2.5	-2.0	-16.2	-18.2
Consolidated net loss 2006	0.0	0.0	0.0	0.0	0.0	0.0	-1,344.9	-1,344.9	18.4	-1,326.5
Reclassification of deferred taxes from capital increase 2005	0.0	-18.1	0.0	0.0	0.0	-18.1	0.0	-18.1	0.0	-18.1
Capital increase 2006	1,454.4	28,088.4	0.0	0.0	0.0	28,088.4	0.0	29,542.8	0.0	29,542.8
Cost of capital increase 2006 without deferred taxes	0.0	-2,210.7	0.0	0.0	0.0	-2,210.7	0.0	-2,210.7	0.0	-2,210.7
Disbursements to other shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-6.5	-6.5
Balance on June 30, 2006	5,999.5	27,759.6	0.0	38.6	21.5	27,819.7	-1,216.8	32,602.4	427.3	33,029.7
Balance on December 31, 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes to the consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	951.0	951.0
Differences from currency conversion	0.0	0.0	0.0	158.3	0.0	158.3	0.0	158.3	6.9	165.2
Consolidated net loss 2007	0.0	0.0	0.0	0.0	0.0	0.0	-3,798.2	-3,798.2	-139.0	-3,937.2
Receivables from equity capital guarantee of TC-Gruppe GmbH	0.0	0.0	339.3	0.0	0.0	339.3	0.0	339.3	145.4	484.7
Balance on June 30, 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2

Summary of capital flow account

	1.1.-30.6.2007 EUR thousand	1.1.-30.6.2006 EUR thousand
Cash flow from operating activities	-4,224.5	-8,175.0
Cash flow from investing activities	-2,475.6	-8,039.7
Cash flow / accruals from financing activities	-43.8	30,245.6
Effect of payments on changes in capital stock	-6,743.9	14,030.9
 Capital stock at the beginning of the period	 14,950.6	 2,917.4
Effect of foreign exchange rates on capital stock	-38.4	-28.4
Effect of payments on changes in capital stock	-6,743.9	14,030.9
Capital stock at the end of the period	8,168.3	16,919.9

Summary of addendum to the Group

Basis for financial reporting

The group's half yearly financial reporting is based on the principles of financial reporting as envisaged by the International Reporting Standards (IFRS). In this regard, the same methods for drafting the annual balance of accounts and evaluation were applied as in the previous year. For the half yearly financial report the Euro was chosen as the unit of currency and, unless otherwise stated, all amounts indicate Euro in thousands, rounded off to a single digit after the decimal point. However, differences due to rounding off may exist.

The present half yearly financial report was neither verified according to Section 317 of HGB, the German Commercial Code, nor subject to auditing by a duly appointed auditor. In drafting the interim report on the accounts certain assumptions and estimations were made which had effect on the actual amount and the statements on the balanced asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in the case of individual entities of the assumptions and estimations.

Consolidation scope

The consolidation scope has expanded by four additional companies till the date of the group's last annual balance of accounts.

Consolidation scope as on December 31, 2006

Name of company	Short name	Location	Country	Share
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100.0
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55.0
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51.0
Guangzhou BMC Zhenwei International Exhibition Co., Ltd.	BMC Zhenwei	Guangzhou	China	51.0
BVW Media GmbH	BVW	Stuttgart	Germany	100.0

Additions to consolidation scope in 2007 till June 30, 2007

BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100.0
Mass Holdings (HKG) Co., Ltd.	Mass Holdings	Hong Kong	China	100.0
BMC Shenzhen Herong Exhibition Co., Ltd.	BMC Herong	Shenzhen	China	70.0
TC-Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70.0

The transfer of shares following the acquisition of another 15% of the shares in BMC Zhenwei will only take place during the 2nd half of 2007; this implies that the amount of holding on the date of reference remains unchanged from the previous year.

Summary of report on segments

Internally, BMC is managed primarily with the operational segments such as "Trade Fairs & Publications" (in short Trade Fairs), "Sourcing & IT" and "Advertising Media". The segment "AG" depicts the administrative and acquisition activities as well as project development costs of BMC AG and of BMC China.

The segment's revenue corresponds to the EBIT (Earnings Before Interest and Taxes) before depreciation. Depreciations on long-term assets are included in the first half of 2007 at EUR 244.2 in the group's revenue and detailed in the Profit & Loss account under the write-offs. The effects resulting from the consolidation processes are indicated in the transitional column.

A distribution of turnover details according to the location of the client is not feasible due to the nature of business activities of the BMC group. Essentially the sales are executed mainly for Chinese clients a majority of whom are exhibitors at trade fairs in China or visit trade fairs or rent advertising space. The previous year's sales achieved by the segment "Sourcing & IT" results from a project with a Chinese client.

Primary segments

	AG EUR thousand	Exhibitions EUR thousand	Sourcing & IT EUR thousand	Advertising media EUR thousand	Segment total EUR thousand	Reconciliation EUR thousand	Group EUR thousand
1st half of year 2007							
External revenues	5.9	3,066.0	0.0	4,900.8	7,972.7	0.0	7,972.7
Internal revenues	301.7	53.1	0.0	632.0	986.8	-986.8	0.0
Segment revenues	307.6	3,119.1	0.0	5,532.8	8,959.5	-986.8	7,972.7
Segment result	-1,589.4	1,007.1	0.0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees on June 30, 2007	16	105	0	123	244	0	244
1st half of year 2006							
External revenues	6.7	2,398.9	512.1	139.5	3,057.2	0.0	3,057.2
Internal revenues	338.0	0.0	0.0	0.0	338.0	0.0	338.0
Segment revenues	344.7	2,398.9	512.1	139.5	3,395.2	0.0	3,395.2
Segment result	-1,310.9	371.7	412.6	-763.8	1,290.4	-42.0	-1,332.4
Employees on June 30, 2006	36	96	0	18	150	0	150

Secondary segments

	China EUR thousand	Germany EUR thousand	Segment total EUR thousand	Reconciliation EUR thousand	Group EUR thousand
1st half of year 2007					
External revenues	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal revenues	986.8	0.0	986.8	-986.8	0.0
Segment revenues	8,657.5	302.0	8,959.5	-986.8	7,972.7
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees on June 30, 2007	198	46	244	0	244
1st half of year 2006					
External revenues	2,537.2	520.0	3,057.2	0.0	3,057.2
Internal revenues	338.0	0.0	338.0	0.0	338.0
Segment revenues	2,875.2	520.0	3,395.2	0.0	3,395.2
Segment result	157.3	-1,447.7	-1,290.4	-42.0	-1,332.4
Employees on June 30, 2006	140	10	150	0	150

Critical differences between group's balance of 31 December 2006 and 30 June 2007

Asset values were identified from the first-time consolidation of Mass Holdings, BMC Herong and of TC Gruppe and valuation differences accrued which were provisionally attributed to other intangible assets as per IFRS 3.62 at EUR 2,586.8 thousand and at EUR 1,767.5 to the business or the goodwill. In the case of first-time consolidation of Mass Holdings, discounted uncertain acquisition costs were taken into consideration on the basis of possible future purchase price adjustments (IFRS 3.32) totaling EUR 855.7 thousand which was, however, accounted for at EUR 539.0 thousand under the long-term miscellaneous liabilities and at EUR 305.7 thousand under the short-term liabilities. Out of the sale of the textiles trade fair of BMC Zhenwei EUR 164.4 thousand were deducted from the businessvalue or goodwill.

Further increase in other intangible assets resulted primarily from capitalization of a transfer payment for the advertising space marketing at railway stations.

Depreciations on tenants installations became necessary for the TC Gruppe due to moving into new premises, resulting in EUR 244.2 thousand.

The deferred claims on profit tax increased especially due to the capitalized tax savings for the Chinese companies. For the calculation of tax liabilities of the Chinese companies the tax rate of 25% applicable from 2008 for companies was taken into regard, they were till now subject to a higher tax rate than 25%. As a result of this change in the tax rate, the tax liability was lowered by EUR 206.1 thousand as on June 30, 2007 than based on the tax rates applicable till end of 2007. For the calculation of domestic deferred taxation the present tax rate was retained. The change of domestic tax rate following the reforms ratified in July 2007 for company taxation was of no significance for the group's balance of accounts.

Reserves accounted for till June 30, 2007 relate to uncompleted payments of the TC Gruppe. The remaining short-term assets have increased particularly due to the enhancement of the consolidation scope. The change in the financial capital stock is evident from the group's shortened capital flow account. Germany accounts for EUR 3,056.9 thousand towards the financial capital stock, Hong Kong for EUR 83.6 thousand and the companies located in mainland China for EUR 5,027.8. As of June 30, 2007 BMC AG had a balance of EUR 3,977.8 thousand with credit institutions, of which EUR 500.0 were pledged for a current account credit for the TC Gruppe. As of June 30, 2007, the TC Gruppe had liabilities totaling EUR 943.8 thousand.

With regard to changes in the group's equity capital, please refer to the equity capital change account. In connection with the acquisition of the TC Gruppe, an equity capital guarantee by the seller was provided to the extent that the equity capital of the TC Gruppe would be EUR 220.0 thousand by December 31, before extraordinary items who will be adjusted. The outstanding amount from this equity capital guarantee was already taken into consideration in the course of the first-time consolidation and on the date of reference it totals EUR 652.4 thousand. The change of claim since the date of first-time consolidation was adjusted with the surplus reserves.

The increase in tax reserves on the earnings resulted from the identification of other intangible assets in connection with the first-time consolidation.

Liabilities accounting for short and long-term financial liabilities relate to leasing installments payable in future for vehicles which are to be capitalized as tangible assets in accordance with IFRS.

The increase in tax liabilities resulted mainly from the tax liabilities of BMC Baiwen on the earnings generated so far.

The increase in short-term miscellaneous liabilities was mainly due to increased advance payments of EUR 2,490.2 thousand.

With regard to the major changes in the group's profit & loss account for the first half of 2007 and the first half of 2006 and the business trends during the reporting period, please refer to the explanations given in the group's interim report.

Stuttgart, August 31, 2007

Business Media China AG

The Management Board

Klaus Michael Hilligardt

Arend Jan Rudolf van Eeden

Peter Saßmann

Li Yang Yang