

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
Inventory	1,175.1	334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

QUARTERLY FINANCIAL REPORT AS OF JUNE 30, 2008

Business Media China AG



GROUP PROGRESS REPORT - Q2 / 2008

Business Media China AG has achieved a sales volume of EUR 7.5 million in the second quarter 2008. This corresponds to a growth of 26 % compared with the corresponding quarter of last year. While the exhibition segment of the business developed according to plan, the advertising media business suffered several delays and despite strong growth is below expectations. The negative exchange rate effect was about 4 %.

Due to extraordinary income, the quarterly pre-tax result ended nevertheless in a significantly positive amount of EUR 0.5 million. The gross income of the quarter reached EUR 2.5 million and exceeded last year's value by about 180 %.

The consolidated half-year figure for the sales volume of the BMC Group amounts to EUR 10.8 million and thus exceeds last year's value by 35 %. The cumulated half-year result after taxes amounts to minus EUR 1.7 million.

The order volume in the segments of exhibitions & conferences as well as advertising media is continuously high and the business prospects are favourable with the Olympics having only a marginally positive effect for a short period. While the annual sales figure will be at the lower end of the target range of EUR 35 to 45 million envisaged at the beginning of the year, the target of completing the financial year 2008 with a profit about EUR 1 to 2 million will remain unchanged.

I. General Economic Conditions

The BMC Group achieves about 90 % of its sales volume in China and about 10 % in Germany. The economy in China booms and grows at about 9 to 10 % per annum. The rate of inflation has, however, increased, particularly in the area of basic food items. Germany also shows a robust economic performance despite the global crisis in the financial markets.

Business Segments in Detail

Advertising Media

Airport Media

The airport business was characterized by the great interest in the new Terminal 3 of the Beijing airport. By the end of the second quarter all media formats were already sold - for the most part under several-year contracts – and we looked for and developed additional formats with the airport authorities. As already realized in Terminal 2, BMC Flying Dragon can now erect a business centre whose advertising spaces (lightboxes, screen saver etc.) have been booked by China Mobile for extended periods. Coca Cola, inspired by the success of the interactive Samsung advertising platform in T 3, has signed at the end of the quarter a contract for a new innovative media format at the airport. BMC Flying Dragon is constantly trying to lease further media formats from other licensees to meet the demand.

This success is also perceived internationally: An exclusive cooperation agreement was concluded with Portland China in the beginning of May. Portland is the Chinese representation of the worldwide leading specialist in out-of-home advertisement media, Kinetic Worldwide. Having its own advertising media in 12 of the 15 largest airports in China and with marketing access to various other advertising space on other airports, BMC Flying Dragon is today the leading full-coverage supplier in China.

Railway Station Media

The new joint venture BMC Skyflying Media became operative after delays in the course of the 2nd quarter 2008. The sales teams of BMC Advertising and Skyflying Media were combined, restructured and concentrated in the two locations in Beijing and Guangzhou. The joint marketing of railway station media formats of both companies has been started. Towards the end of the quarter the first innovative

"All China Concepts" have been presented for potentially new, international advertising customers. The increase of new domestic customers for long-term advertising projects developed in a satisfactory way. This includes the consumer electronics supplier Konka and the clothing group Da Hong Men. In total, the occupancy rates and the price increases obtained are still below plan.

Creative Services

The TC Group has won in April two significant new orders from Daimler AG in a bidding process. At the beginning of the quarter a representative office was opened in Beijing. Both German and Chinese customers can now profit from professional advice and support directly on-site in China.

Exhibitions & Conferences

This year's "exhibition season" started for BMC in China with the 2nd quarter. Total sales of EUR 3.3 million were achieved in the segment exhibitions & conferences.

The series of events started with **PPI China** in Guangzhou (May 19 - 21, 2008), a leading exhibition for food and drink processing and packing. Over 250 companies presented their products on 6,000 square metres to 7,500 visitors. This equals last year's display area despite the change in focus from a broad food exhibition to a food technology exhibition. PPI China Conference for Innovative Food Technology was organized for the first time in parallel.

The **13th China Beauty EXPO**, one of the flagship exhibitions of the BMC Group, took place May 20 – 22, 2008. This Shanghai exhibition was able to increase its exhibition space once more by 13 % to 66,000 square metres despite its high level of saturation. The number of exhibitors grew by 15 % to 1,200.

On June 4th and 5th more than 200 mining industry experts met in the newly built Venetian in Macau for the **XX Macau & Asia Miner - The Exploration Exchange** organized for the first time. This conference including a small trade exhibition is focusing on investment opportunities in the mining industry, especially in Asia.

The **GIMT - Canton Machine Tool Show** took place from June 16 through 19 in Guangzhou. This year, 275 companies presented themselves on about 6.000 square metres of exhibition space in the **GIMT**, the only exhibition in Southern China specializing in machine tools. This corresponds to a growth of over 30 % compared with the previous year. In total 9,800 visitors attended the event, which for the first time this year was linked with a special expert conference.

Administration - Business Media China AG

The admittance of the young shares resulting from previous increases of capital, which to date could not be traded, by the BaFin (Federal Office of Finances) and the German Stock Exchange in Frankfurt was completed in the 2nd quarter 2008. All shares of the company are combined in the security identification number 525040 and can now be traded.

Pursuant to this approval, the company applied for the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard, which was also approved by the end of July.

The legal dispute with Bankhaus Julius Bär Kapitalanlagegesellschaft AG was settled in the second quarter 2008. Both parties reached an agreement leading to an extraordinary income in the amount of EUR 1.0 million for BMC AG.

II. Employees

The number of employees of the BMC Group increased in the second quarter 2008 by 15 % particularly due to the new joint venture with Skyflying Media and amounts now to 299 employees in Germany and China as of June 30, 2008. This staff expansion went according to plan and is mirrored

in the increase of personnel expenses in the second quarter of 2008. In addition, payments for bonuses and commissions in several affiliates have added to this increase.

III. Income Situation

Group sales increased to EUR 10.8 million in the first six months of 2008. Sales in the first six months of 2007 amounted to EUR 8.0 million. Compared with the previous year the sales increase amounts to 35 %.

Due to the rise of unfinished goods and services by TEUR 840.9 in the first six months of 2008 (in the first half-year 2007 TEUR 54.4) total performance could be increased by 45 % compared to the previous year.

The operational expenses have risen by EUR 0.9 million or 12 % in comparison with the first six months of 2007. Due to the less than proportionate increase of operational expenses in comparison with sales, the BMC Group could increase the gross income by 830 % to EUR 3.0 million compared to the first six months of 2007.

Other operational income has increased by EUR 1.0 million compared to the first six months of 2007. Reason for this increase is an income of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG originating in 2001.

The personnel expenses have increased by 53 % compared to the first six months of 2007 as a consequence of the growth of the company. This is primarily based in the planned significant increase of the number of employees in the BMC Group.

Depreciation is with TEUR 519.9 approximately on the level of the first six months of 2007.

Other operating expenses have increased by TEUR 478.1 (plus 22%) compared with the first half-year 2007. This rise is essentially based on higher cost of office rental, legal advice and consulting and reserves for adjustments of receivables.

The financial result contains interest proceeds of TEUR 420.6 (in the first six months of 2007 TEUR 180.4) and interest charges of TEUR 180.9 (in the first six months of 2007 TEUR 13.4) and other income of TEUR 4.5 (in the first six months of 2007 other expenses of TEUR 11.4). The interest proceeds in the first six months of 2008 comprise payments in the amount of TEUR 335.4 as interest on claims against the Julius Bär Kapitalanlagegesellschaft AG as well as interest on credit balances with credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

The BMC Group achieved in total positive pre-tax earnings of TEUR 533.3 in the second quarter 2008 and the half-year earnings improved pre-tax by 55 % compared with the half-year 2007. The group deficit could be lowered in the second quarter by TEUR 434.7 to TEUR 1,745.1.

IV. Asset Situation

The group balance sheet with a total of EUR 37.2 million as of June 30, 2008 results in an increase of 7.8 % over the group balance sheet total at the end of the year 2007. The rise of the total assets is based mainly on the increase in stocks by TEUR 840.9, other receivables and assets by TEUR 760.8 and financial assets by TEUR 1,309.2. The decline in trade account receivables by TEUR 904.5 had a contrary effect.

The essential changes in liabilities consist of the increase of the financial debt by EUR 4.1 million and the rise in other provisions by TEUR 668.7 as well as the decline in trade accounts payable by EUR 650.1 and shareholders' equity by EUR 2.0 million.

The small decline in the equity capital is predominantly a result of the group deficit in the 1st quarter 2008, foreign currency conversions and the distributions of earnings to minority shareholders. Nevertheless, the equity capital quota is with presently 57.3 % still on a high level.

The short-term liabilities have risen by 43 % to EUR 12.7 million due to the business expansion. On the other hand, short-term assets have increased by 10.4 % to EUR 20.8 million compared with December 31, 2007.

V. Financial Position

The liquidity of the BMC Group has increased as of June 30, 2008. With EUR 6.5 million the liquid funds were about 25 % above the final annual amount for 2007. At the same time, short and medium-term financial debt has increased by EUR 4.1 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans by Mesago Holding GmbH in the amount of EUR 3.4 million and bank loans in the amount of EUR 0.7 million, granted to BMC AG.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated financial statements 2007 and our statements in the topic "Forecast". Due to the political developments in the first half-year 2008 and the earthquake in Sichuan province, the political risk as well as the risks from elemental powers have been raised slightly in the context of the risk management system. Furthermore, the interest and liquidity risk increased due to the raising of short-term loans during the first six months of 2008. The economic importance of the mentioned factors does not materially affect the BMC Group.

There are no other essential changes compared with the explanations given in the Financial Group Report 2007.

VII. Forecast

The third quarter 2008 will be influenced by the Olympic Games. Special effects will occur in the area of advertising media resulting from the exclusive use of some media formats by Olympic sponsors. We expect as a result numerous follow-up orders and in particular lasting positive effects for price increases. In the course of the third quarter, the marketing of the advertising media of the new South Beijing Railway Station will commence.

The TC Group expects additional major orders particularly from the car industry and new Chinese customers, looking for ways into Europe for new marketing opportunities.

In the segment of exhibitions, the CIOE, an exhibition for optoelectronic products, opens for the 10th time in Shenzhen at the beginning of September 2008. This meanwhile largest and most important exhibition worldwide in the optoelectronics market segment celebrates its anniversary with all important exhibitors and buyers of this business segment. Due to the current state of the bookings we expect a growth in exhibition space of about 20 % compared with last year's exhibition.

At the time of this report BMC Group carries a high order backlog in the segments exhibitions & conferences and advertising media. According to current planning, Business Media China AG expects to achieve with the business already contracted group sales of EUR 35 million in fiscal 2008. The company expects on a consolidated basis for the complete financial year 2008 an unchanged, slightly positive result about EUR 1 to 2 million. Both the profitable segment exhibitions & conferences and the strongly developing advertising media segment will contribute in reaching the profit threshold.

VIII. Report on Essential Transactions with Affiliates

Compared with the statements in the Group Financial Appendix of December 31, 2007, no changes in the composition of the affiliated companies and persons have to be reported.

Mesago Holding GmbH granted BMC AG in the period from January 1, 2008 until June 30, 2008 loans in the amount of EUR 3.3 million. As of June 30, 2008, the liabilities for loans amount to TEUR 3,394.2

including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH charged BMC AG for know-how support and assistance in China TEUR 18.0 per quarter. The amount of outstanding liabilities from this allocation of cost amounts to TEUR 21.4 by June 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, August 26, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.6. 2008 TEUR	1.1.-30.6. 2007 TEUR
Sales	10,787.6	7,972.7
Other income	1,075.8	83.6
Changes in inventory and unfinished goods & services	840.9	54.4
Operating expenses	-8,612.7	-7,702.9
Personnel expenses	-2,988.1	-1,958.0
Depreciation	-519.9	-532.5
Other operating expenses	-2,677.9	-2,199.8
Financial expenses	-180.9	-20.9
Other financial results	425.1	176.5
Earnings before taxes on income	-1,850.1	-4,126.9
Taxes on income and profit	105.0	189.7
Corporate deficiency	-1,745.1	-3,937.2
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,877.6	-3,798.2
Portion of corporate deficiency of other shareholders	132.5	-139.0
Corporate deficiency	-1,745.1	-3,937.2
	EUR	EUR
Undiluted result per share	-0.31	-0.63
Diluted result per share	-0.31	-0.63
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.06.2008	31.12.2007
	TEUR	TEUR
Goodwill	8,942.5	8,841.5
Intangible assets	3,557.4	3,761.5
Tangible assets	2,155.7	1,956.1
Financial assets	220.0	0.0
Fixed assets	14,875.6	14,559.1
Other receivables and assets	144.9	92.3
Deferred income tax	1,325.0	968.5
Long-term receivables and assets	1,469.9	1,060.8
Long-term assets	16,345.5	15,619.9
 Inventory	 1,175.1	 334.2
Accounts receivable	5,616.3	6,520.8
Other receivables and assets	7,374.3	6,613.5
Income tax receivables	118.4	161.8
Short-term receivables	13,109.0	13,296.1
Liquid funds	6,533.9	5,224.7
Short-term assets	20,818.0	18,855.0
	37,163.5	34,474.9
 Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	14,811.2	15,226.7
Accumulated deficit	-1,721.8	0.0
Equity of Business Media China AGs' shareholders	19,088.9	21,226.2
Equity of other shareholders	2,202.6	2,074.8
Shareholders' Equity	21,291.5	23,301.0
Deferred income tax accruals	639.0	428.2
Long-term accruals	639.0	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	547.7	539.7
Long-term liabilities	547.7	547.2
Long-term accruals and liabilities	1,186.7	975.4
Income tax accruals	124.9	125.9
Other accruals	1,889.0	1,220.3
Short-term accruals	2,013.9	1,346.2
Short-term Financial debt	5,635.9	1,559.3
Trade accounts payables	2,306.7	2,956.8
Tax debt	597.8	389.0
Other liabilities	4,131.0	3,947.2
Short-term liabilities	12,671.4	8,852.3
Short-term accruals and liabilities	14,685.3	10,198.5
	37,163.5	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Reserves for currency exchange TEUR	Revaluation reserve TEUR	Adjustment for negative minority shareholder TEUR	Total reserves TEUR	Accumulated profits/ Accumulated loss TEUR	Equity allocated to BMC AGs' shareholders TEUR	Equity allocated to other shareholders TEUR	Total Equity TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	158.3	0.0	0.0	158.3	0.0	158.3	6.9	165.2
Corporate deficiency at mid-year 2007	0.0	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	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 June 2007	5,999.5	19,320.2	2,594.9	-123.8	21.5	0.0	21,812.8	-3,798.2	24,014.1	2,008.1	26,022.2
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	221.2	221.2
Differences from the currency exchange	0.0	0.0	0.0	-159.7	0.0	0.0	-159.7	0,0	-159.7	-12.4	-172.1
Corporate deficiency at mid-year before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,721.8	-1,721.8	-23.3	-
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-155.8	-155.8	0.0	-155.8	155.8	0.0
Increase of expenses for capital increase 2006	0.0	-100.0	0.0	0.0	0.0	0.0	-100.0	0.0	-100.0	0.0	-100.0
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-142.0	-142.0
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 June 2008	5,999.5	17,473.7	-1,186.4	-984.7	21.5	-512.9	14,811.2	-1,721.8	19,088.9	2,202.6	21,291.5

Abbreviated Cash Flow Statement

	1.1.-30.06. 2008	1.1.-30.06. 2007
	TEUR	TEUR
Cash Flow from current business activities	-1,666.9	-4,224.5
Cash Flow from investment activities	-942.3	-2,475.6
Cash Flow from/ to financing activities	3,242.6	-43.8
Changes in cash and cash equivalents affecting payment	633.4	-6,743.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	-28.2	-38.4
Changes in cash and cash equivalents affecting payments	633.4	-6,743.9
Cash and cash equivalents at the end of the period	4,337.4	8,168.3

The cash and cash equivalents as at June 30, 2008 contain all liquid funds, i. e. cash on hand, bank deposits and checks as well as cash equivalents minus a short term capital loan with an amount of TEUR 2,196.5.

The Cash Flow from current business activities 2008 contains the corporate loss for the first half year 2008 with an amount of TEUR 1,745.1.

The Cash Flow from investment activities 2008 contain investments in fixed assets and intangible assets (TEUR 723.0) and payments for a further 15% of the shares of BMC Zhenwei (TEUR 220.0). The prior year contains investments in fixed assets and intangible assets with TEUR 843.9, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,569.4.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 221.2 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's half yearly financial reporting is based on the principles of financial reporting as required 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 HGB, (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 balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (Skyflying Media) Co. Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on March 31, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	51	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2
• * indirect holding					

Changes in Equity

For the changes in equity capital between January 1, 2008 and June 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of June 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to June 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions and Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row, the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

1st half year 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	6.0	3,312.8	0,0	7,468.8	10,787.6	0,0	10,787.6
Internal sales	265.4	82.4	0,0	272.1	619.9	0,0	619.9
Segment sales	271.4	3,395.2	0,0	7,740.9	11,407.5	0,0	11,407.5
Segment result	-1,114.3	245.1	0,0	-1.251,3	-2,120.5	26.2	-2.094,3
Employees as of 30.6.2008	35	103	0,0	161	299	0	299
1st half year 2007							
External sales	5.9	3,066.0	0,0	4,900.8	7,972.7	0,0	7,972.7
Internal sales	301.7	53.1	0,0	632.0	986.8	0,0	986.8
Segment sales	307.6	3,119.1	0,0	5,532.8	8,959.5	0,0	8.959.5
Segment result	-1,589.4	1,007.1	0,0	-3,051.2	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	16	105	0,0	123	244	0,0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1.000,0.

The segment exhibitions & conferences shows an increase in sales of 9 % compared with the first half-year of 2007. The decrease in earnings is according to plan and mainly due to the depreciation of intangible rights to exhibitions and project development cost, necessary to secure the sustained development of this segment.

Furthermore the negative result of transition in the first half of the year 2007 contains a larger part that drop to exhibition companies.

Secondary Segments

1st half year 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	10,103.9	683.7	10,787.6	0.0	10,787.6
Internal sales	619.9	0.0	619.9	0.0	619.9
Segment sales	10,723.8	683.7	11,407.5	0.0	11,407.5
Segment result	-758.4	-1,362.1	-2,120.5	26.2	-2,094.3
Employees as of 30.6.2008	240	59	299	0	299
1st half year 2007					
External sales	7,670.7	302.0	7,972.7	0.0	7,972.7
Internal sales	986.8	0.0	986.8	0.0	986.8
Segment sales	8,657.5	302.0	8,959.5	0.0	8,959.5
Segment result	-1,460.6	-2,172.9	-3,633.5	-404.8	-4,038.3
Employees as of 30.6.2007	198	46	244	0.0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and June 30, 2008

The fixed assets have been increased by TEUR 316.5 to TEUR 14,875.6 since December 31, 2007.

Goodwill has been increased in total by TEUR 101.0. The currency effect has been decreasing the goodwill by TEUR 65.8. In the opposite direction the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 166.8.

The reason for the reduction of other intangible assets is especially the ordinary depreciation. The fixed assets and the financial assets increase by TEUR 419.6. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 723.0. The increase of financial assets by an amount of TEUR 220.0 is the result of the acquisition of further 15 % of the shares of BMC Zhenwei. The payment of the share price is still shown as prepayment because the business licence for these shares is still outstanding.

Long-term receivables and assets increased with TEUR 409.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25 % for 2008 is considered. To calculate the domestic deferred taxes a tax rate of 30 % is considered.

The increase of inventory by TEUR 840.9 consists fully of unfinished services of the TC Group.

Accounts receivable have been decreased by TEUR 904.5 since December 31, 2007. The allowance for bad debts has been increased by TEUR 222.6 during the first half year 2008.

Other receivables and assets have increased by TEUR 760.8. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and receivables under a settlement agreement with Julius Bär Kapitalanlagegesellschaft AG. The receivables from Julius Bär Kapitalanlagegesellschaft AG with an amount of TEUR 1,335.4 consist of a compensation portion of TEUR 1,000.0 and interests portion of TEUR 335.4. An amount of TEUR 1,000.0 of the receivables from Julius Bär Kapitalanlagegesellschaft AG is pledged to a bank as security for a short term loan.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 2,363.3 to Germany, with TEUR 112.4 to Hong Kong and with TEUR 4,058.2 to companies located in the Chinese mainland. BMC AG had a surplus of TEUR 2,332.1 on June 30, 2008 at financial institutions with TEUR 500.0 thereof bonded for an overdraft credit of the TC Group. The TC Group had bank debts on June 30, 2008

in the amount of TEUR 999.9, which were balanced in the course of the consolidation with the respective surplus of BMC AG at the same financial institution.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 639) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i. a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as at June 30, 2008 consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. Therefore the liabilities will be shown as short-term liabilities in the third quarter.

The financial debts consist mainly of two short-term bank loans (TEUR 2,196.5) and loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,394.2). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been decreased significantly with TEUR 650.1.

The tax payables increased by TEUR 208.8 after TEUR 389.0 at year end 2007 to EUR 597.8 as at June 30, 2008. Other short-term liabilities also increased marginally by TEUR 183.8.

Explanations of the changes in the profit situation

The basis of consolidation as at June 30, 2008 contains eleven subsidiaries. As at June 30, 2007 BMC - TBG and BMC Skyflying Media were not part of the consolidation basis. BMC – TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 296.0 and a negative EBIT of TEUR 85.2 during the first half year 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at June 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,745.1, corresponding to the prior year with TEUR 3,937.2.

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded during the 1st half year 2008 with a compromise settlement. The income of the BMC AG shows as other income TEUR 1,000.0 as settlement amount and interest income referring to another period with an amount of TEUR 310.4. The outstanding invoices for consultancy fees referring to the compromise are accrued adequately.

Changes to contingent liabilities

As at June 30, 2008, the group had not undergone any significant changes to its contingencies and other financial commitments since its Consolidated Financial Statements of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as at December 31, 2007 was paid in 2008.

Statement on company owned shares

As at June 30, 2008 BMC AG does not own any of its shares; nor were any own shares acquired or sold in the period from January 1, 2008 to June 30, 2008.

Stuttgart, August 26, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang