

Business Media China AG



Company Presentation

April 24, 2008

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Peter Saßmann, CFO



Disclaimer

This document contains forward-looking statements and forecasts based on assumptions and estimates made by Business Media China AG („BMC“) management. While we assume that the expectations of these forward-looking statements are realistic, we cannot guarantee that the expectations will prove to be correct. The assumptions may conceal risks and uncertainties which may lead to actual results significantly divergent from those made in the projective forecasts. The factors that can cause such a divergence include: changes in foreign exchange control or the economic and business environment, currency exchange rate fluctuations, the low market entry barriers for competitors, insufficient acceptance of new products or services and changes in corporate strategy. No update of the projected forecasts contained herein is planned, nor does BMC assume any obligation to do so.

Agenda

▶ **BMC at a Glance**

- ▶ **China – A growing advertising and exhibition market**
- ▶ **Strategy and strategic strengths**
- ▶ **BMC's operations**
 - **OOH Media**
 - **Exhibitions & Conferences**
- ▶ **Peer group analysis**
- ▶ **2007: Key numbers**
- ▶ **Outlook**

BMC at a glance

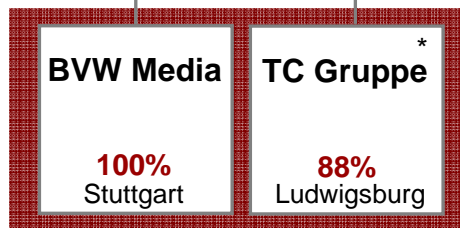
- ▶ BMC provides **“Total China Media Competence”** by combining Exhibitions & Conferences and Outdoor Advertising/Out of Home Media (OOH).
- ▶ BMC’s **track record in Exhibitions** and the **high value portfolio of advertising media in railway stations and airports** ensures a fast increasing revenue and earnings stream in a double-digit growing market.
- ▶ BMC today is recognized as the **leading company in OOH Media innovation and All-China media coverage**.
- ▶ Proven **SINO-EUROPEAN Management-Style** is the key success factor.
- ▶ **Turnover** 2007: EUR 23.1 Mio., +220% vs. 2006, 260 employees (31.12.2007).
- ▶ **Shareholder structure**: 42% Mesago (CEO), 2% Management, 56% free float.
- ▶ **Market Cap** (10.4.2008): EUR 108 Mio.



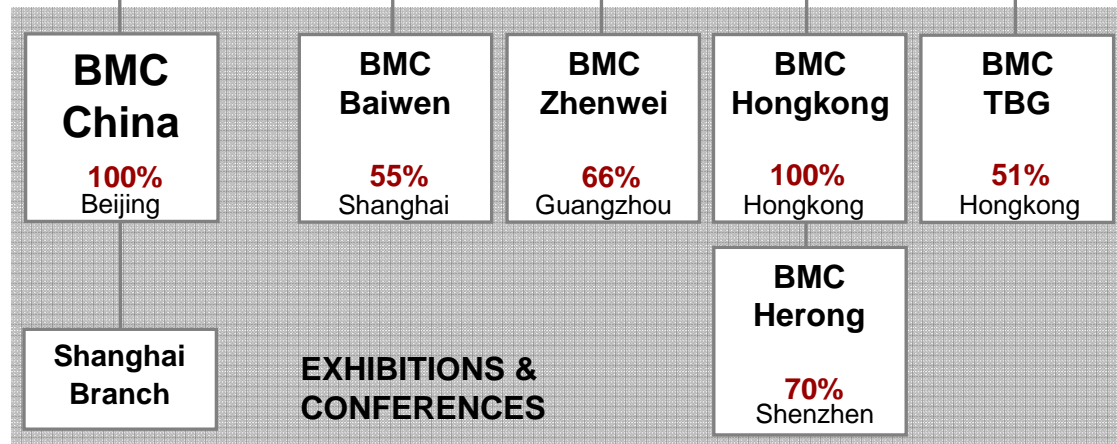
Group structure

GERMANY

Business Media China AG
Stuttgart



CHINA



* 18% of TC Gruppe are notified for registration

** BMC Tianjun is in the course of formation

Sino-European Management

Executive Board

Li Yang

Hilligardt

Saßmann

Advertising Media

Ng

Mo

Jack

Wulf

Tiger

Exhibitions & Conferences

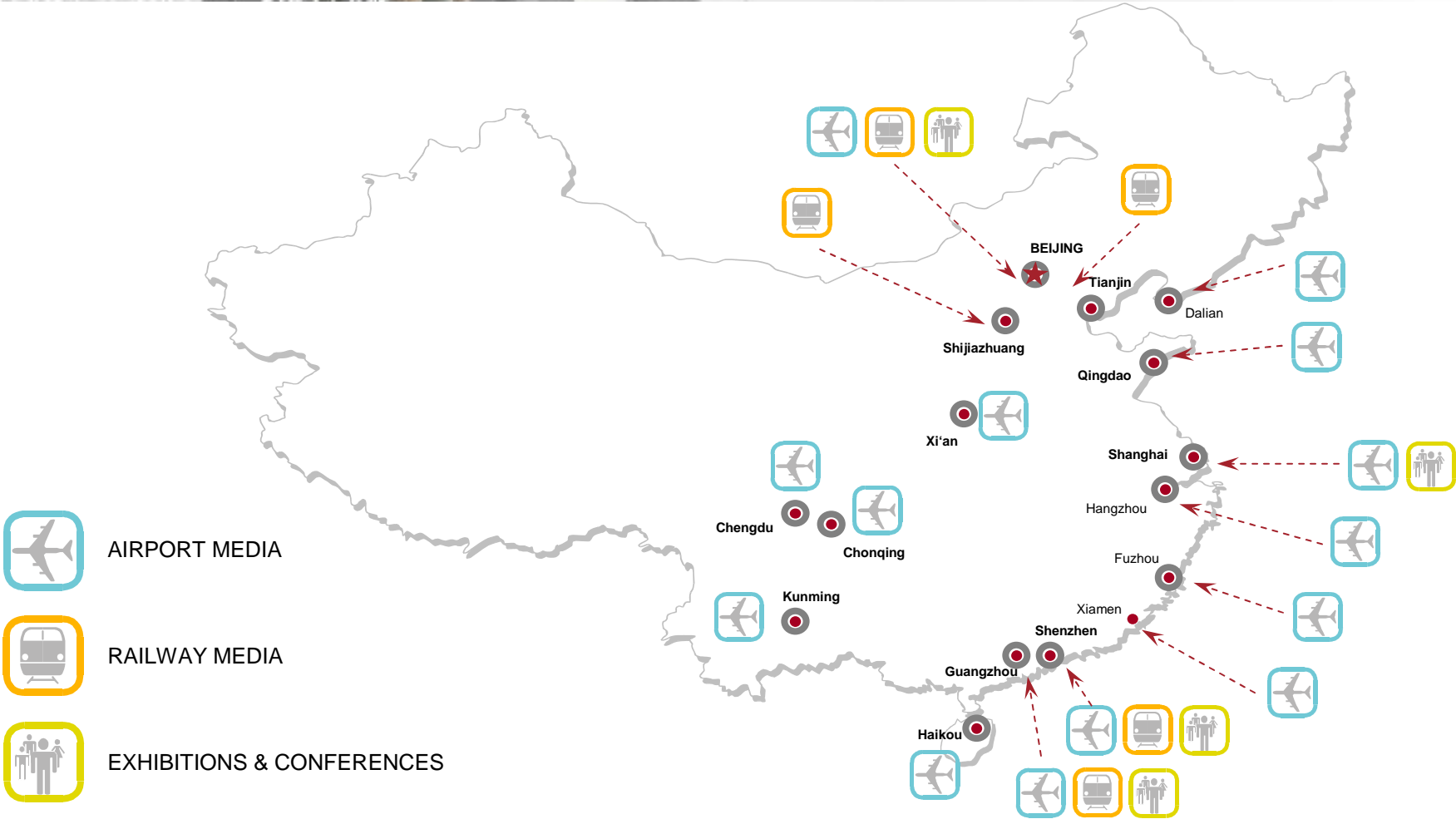
Scholl

Wang

Fahrnholz



BMC's footprint today





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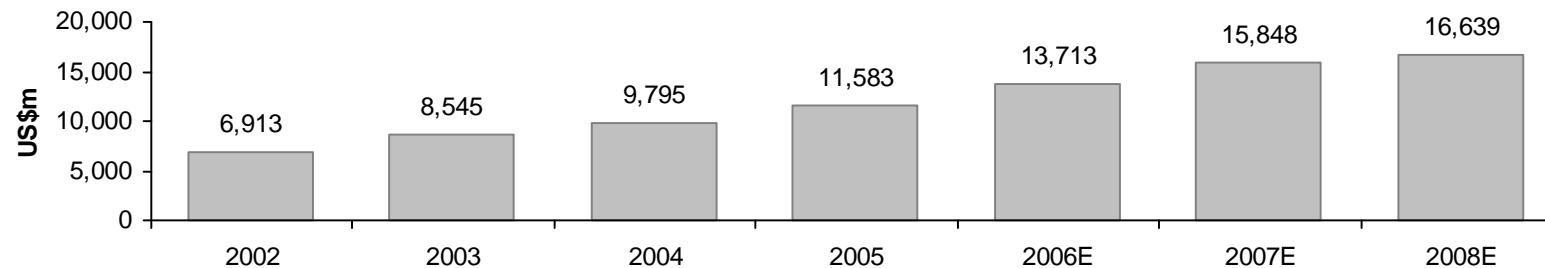
China's dynamic economy

- ▶ The Chinese economy is estimated to grow at over 10% per annum through the next decade.
- ▶ Huge manufacturing sector, called 'Factory of the World'.
- ▶ Rising income levels and increasing purchasing power of middle class.
- ▶ By 2020 the middle class will comprise 40% of the total population.
- ▶ China will consume approximately 29% of the world's total luxury goods in 2015.
- ▶ Boom in the retail sector.
- ▶ Government modernising rural & urban infrastructure, highways, railways, airports, roads, subways.
- ▶ Olympics 2008 lead to higher awareness and attractiveness of the China market as strongly growing consumer market.

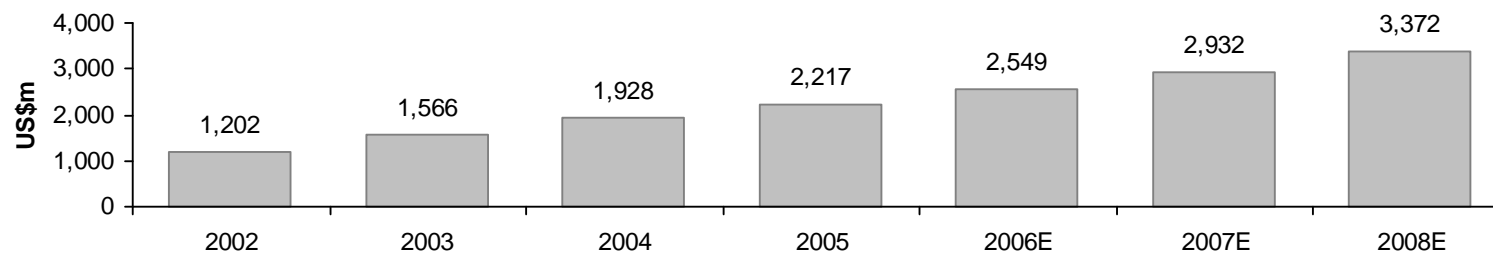
Source: Chinese statistical Yearbook 2006

The Chinese advertising market

Large and Fast Growing Advertising Market (CAGR 16.2%)



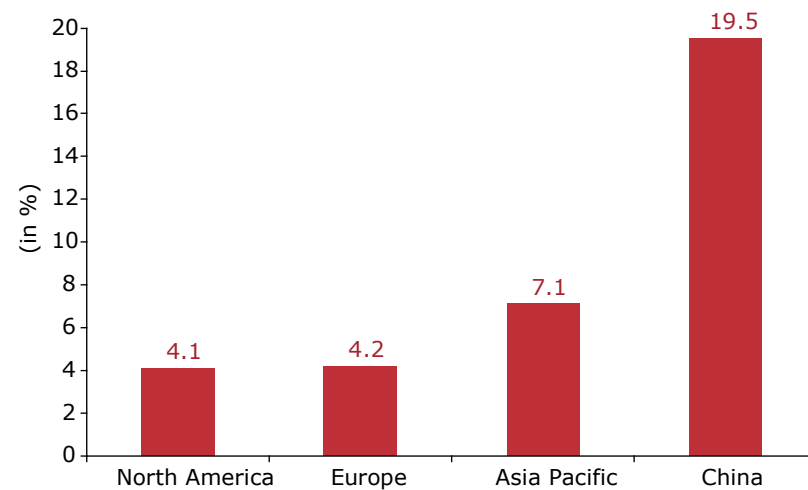
Outdoor Advertising (OOH) is growing faster than the advertising market (CAGR 18.0%)



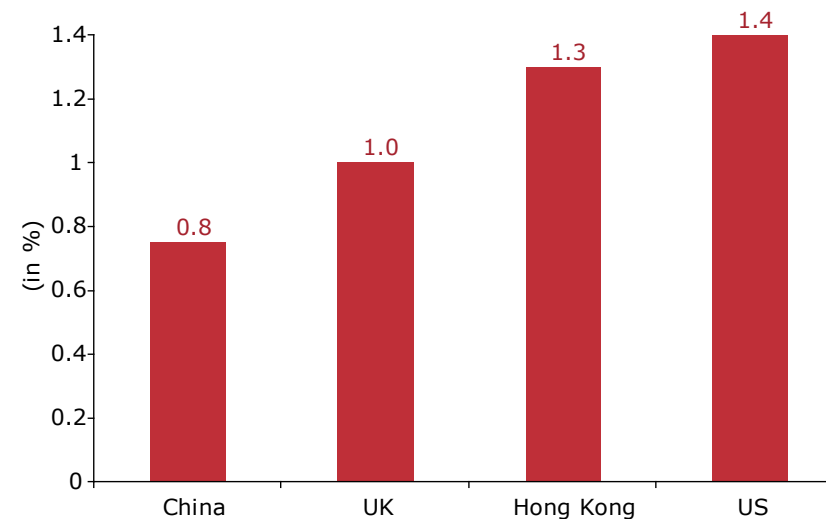
Source: Deutsche Bank, National Bureau of Statistics of China, ZenithOptimedia.

Ad Spend: China vs. World

Ad spend growth of China vs. World



Ad spend % of GDP of China vs. World

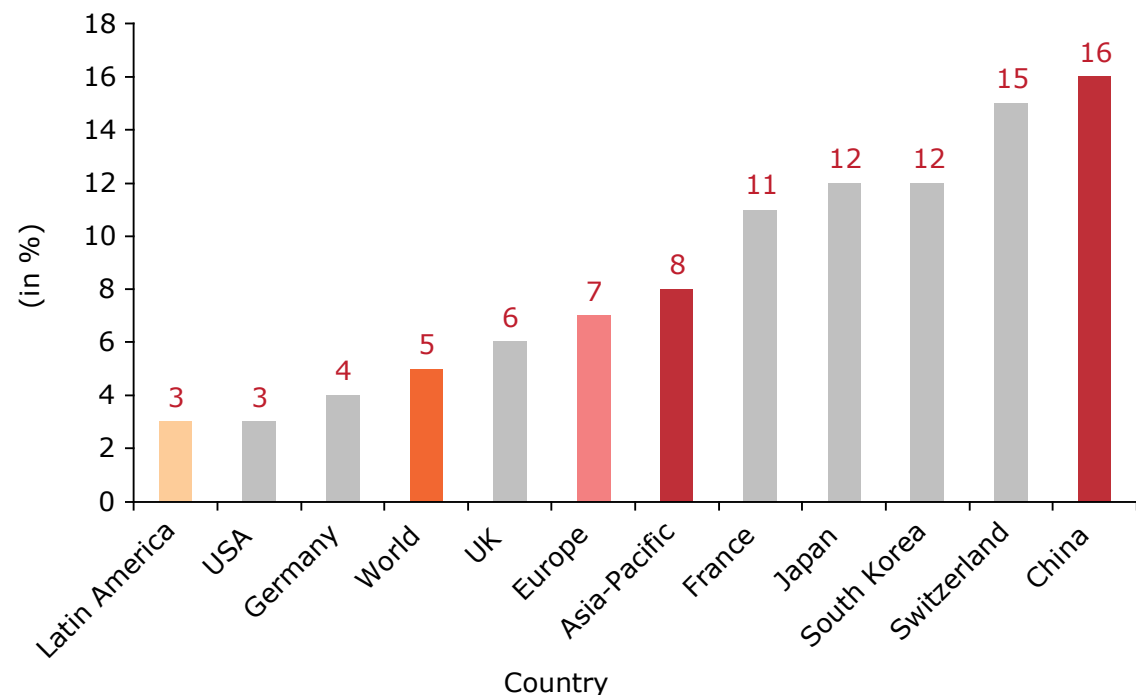


- ▶ China's urban population increased from 29.0% in 1995, to 40.5%, or 523 million people, in 2003.
- ▶ Predicted to increase beyond 615 million by 2010.

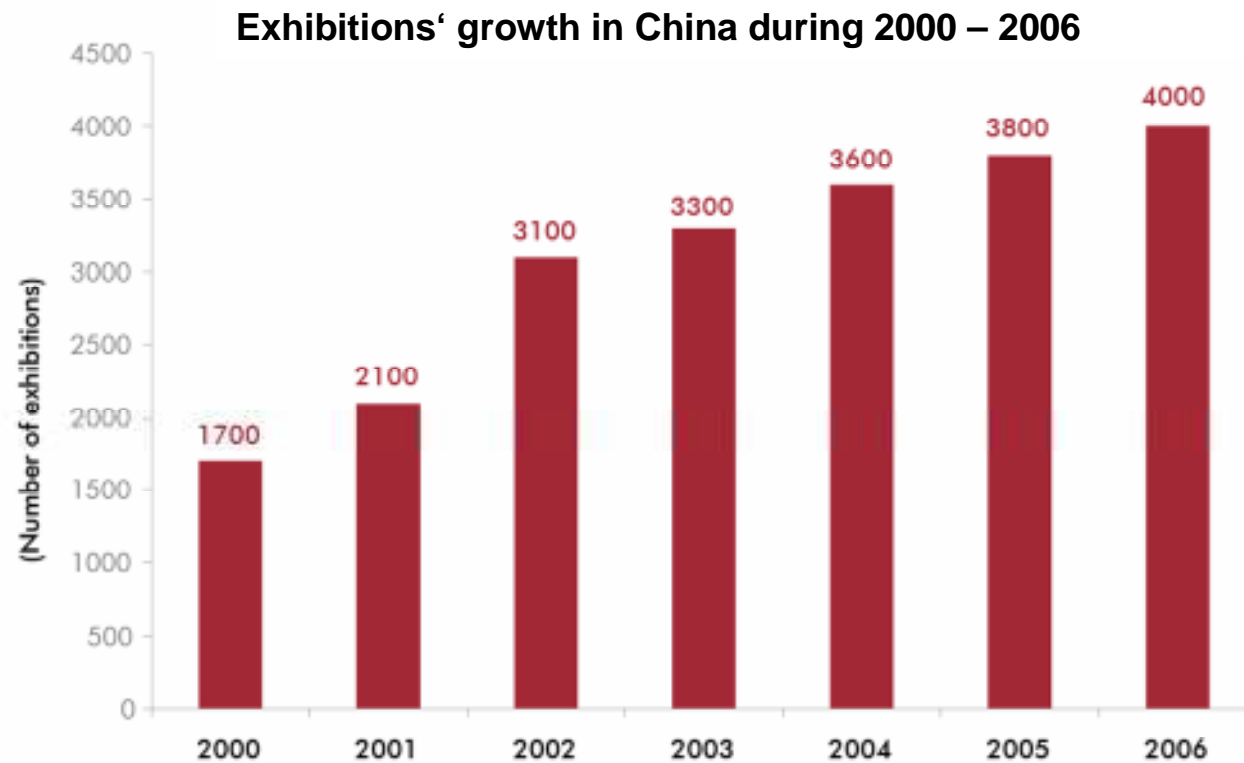
OOH: the leading advertising media

- ▶ Massive urbanisation drives China's ad expenditure
- ▶ 70% of retail sales take place in urban areas with a growth rate of over 14%.
- ▶ Over 50% of China's current advertising spend is targeted at the cities of Beijing, Shanghai, Guangzhou and Shenzhen, only accounting for around 9% of the population.

OOH advertising as percentage of total ad spend



Exhibition growth in China



China is the fastest growing exhibition market

Source: CCPIT

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- ▶ Follow a **buy & build** strategy using national and global reach: BMC identifies market leaders in specific local or regional segment, acquires a controlling stake in it (buy), and then scales (build) it up using its national and global reach.
- ▶ **Develop, attract & establish** additional international exhibitions & conferences in the Chinese market.
- ▶ Identification of new **opportunities** (e.g online platforms) for a strong and profitable growth
- ▶ Exploring **synergies** between OOH media and exhibitions & conferences.
- ▶ Driving the **consolidation** in the Chinese Outdoor Advertising market

Strategic strengths

- ▶ The strong **SINO-EUROPEAN** Management is a key success factor
- ▶ BMC has developed a **wide personal network** in government, industry, media and academia
- ▶ Control of
 - **increasing number of railway hubs** for the “All-China Roll-out” Program.
 - **increasing number of important airports**
enables BMC to scale-up and roll-out successes from one site to all sites across China.
- ▶ BMC and JV-partner Skyflying Media are the **No. 1 OOH Media company** in China as of 2008.
- ▶ BMC is ideal partner to form **JVs with leading western exhibitions** for China

Recent highlights

- ▶ September 2007: Optoelectronics exhibition takes the lead as worldwide the most important industry fair (+22% space in 2007)
- ▶ October 2007: BMC wins important media format licences at new Terminal 3 in Beijing
- ▶ November 2007: China Mining with new records (+20% visitors in 2007)
- ▶ January 2008: BMC Advertising gains long-term airport advertising contracts from Ferrari and Samsung
- ▶ January 2008: BMC gains Mobius Gold Award for best OOH Advertising in China (MengNiu ceiling project in Beijing Central Station)
- ▶ **February 2008: BMC and Tianjun (Skyflying Media in English) sign Joint Venture starting in April 2008 to become China's leading Outdoor Advertising Company**



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BMC's operations



Airport advertising



Airport customers

Global players and domestic companies

NOKIA
Connecting People

lenovo 联想

LG

mazda

VOLVO

HONDA
The Power of Dreams

mango
city.com

中金黄金投资有限公司
Zhongjin Gold Investment Co., Ltd.

FANGHUA
PEARLS & JEWELRY

SELVA 净氧机
神波康

COSMOPOLITE
海晟国际公寓

LOUIS VUITTON

馨合亭®
La Maison de Domitille

A-Ztounn
爱这城

首创置业
BEIJING CAPITAL LAND

MG

中国移动通信
CHINA MOBILE
移动信息专家

hp

BEA 東亞銀行

The Bank of East Asia

Canon

阿里巴巴
Alibaba.com

Airports advertising

Access to all top 15 airports

Airports	Passengers 2007 in Mio	BMC FD own ad. Rights/ Licenses inside Airports	BMC FD own advertising Rights/ Licenses at direct access streets (direct surrounding of Airport)	BMC FD acts as Sales Agent
Peking BCIA	53,31	X		
Guangzhou Baiyun International Airport	30,95	X		
Shanghai Pudong International Airport	28,95		X	X
Shanghai Hongqiao	22,61	X	X	X
Shenzhen	20,61	X		
Chengdu	18,57	X		
Kunming	15,73	X		
Hangzhou	11,73	X	X	X
Xi'an Xianyang International Airport	11,37	X		
Chongqing	10,35			X
Xiamen	8,69	X		X
Qingdao-Liuting	7,87	X		
Dalian	7,28	X		
Haikou	7,27	X		
Fuzhou	4,1			X



BMC's operations



Railway advertising



BMC Tianjun Joint Venture

BMC and Tianjun Media Co., Ltd. (in English: Skyflying Media Co., Ltd.) signed a Joint Venture Agreement (51% BMC, 49% Skyflying Media) for the exclusive sales of both parties media formats. Starting in April 2008 under the JV name BMC Skyflying Media Co., Ltd. exclusive sales will start stepwise:

- 1. Railway Media Beijing, Guangzhou, Shenzhen stations**
- 2. Airport Media in 15 major cities**
- 3. Metro Media in Guangzhou and Shenzhen**
- 4. Bus Stops and other media in Guangzhou and Shenzhen**

In addition to existing media formats, both partners will acquire and join biddings for Metro lines in Beijing, Shanghai Station and other prime media sites.



Railway station advertising Beijing and South China

Railway Stations with BMC Skyflying Media Assets	
Beijing Central Railway Station	Guangzhou Central Railway Station
Beijing West Railway Station	Guangzhou East Railway Station
Shijiazhuang Central Railway Station	Shenzhen Central Railway Station
Tianjin Central Railway Station ¹	Shenzhen Luo Wu Station ²

¹ Not yet operational, planned for 2008

² The station serves as a primary checkpoint for rail passengers between Hong Kong and mainland China and vice-versa

Next steps of All China roll-out will include Beijing South, Shanghai and Chengdu.

BMC's operations



Railway Customers

lenovo 联想

CNC 中国网通
China Netcom

中国移动通信
CHINA MOBILE
移动信息专家

伊利



Coca-Cola

宝健
Pro-Health

CSPC 石药集团

EBOHR
依波表



BMC's operations



Exhibitions & Conferences





BMC's operations



Exhibitions

With its 25 years history in exhibition, conference and publishing, BMC is a major player in China.

The portfolio:

- ▶ 9 leading international exhibitions & conferences in China
 - Thereof: **4 No.1 events in China**
 - 1 No. 1 event worldwide**

www.bmc-expub.com

BMC's most important events



China Beauty Expo

China's No. 1 Exhibition in China.



China Mining

No.1 Mining Event in China and No. worldwide.



China SMT Forum

The most important SMT & MPT Event in China.

MICROPAC

Concurrent to China SMT Forum.



China Municipal Transport

No. 1 Transport & Logistic Exhibition in China.
Procurement Exhibition for the Chinese Government.



PPI&FDC China (concurrent)

Two of the Top-3 Food Exhibitions in China.



GIMT China

One of the most important Machine Tool Exhibitions in South China.



CIOE

No. 1 Optoelectronics Exhibition worldwide.

Example: CHINA MINING

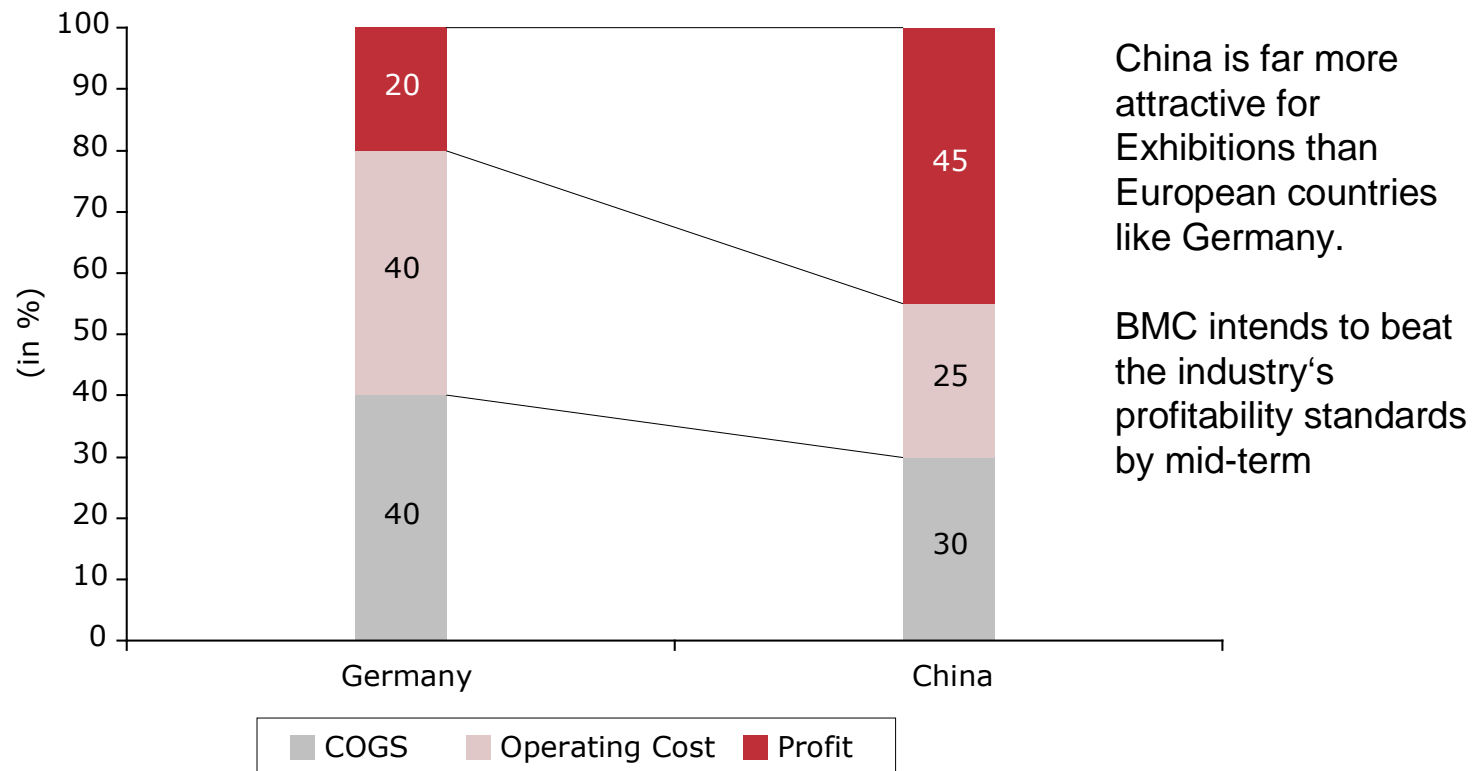
CHINA MINING – Hosted by the Ministry of Land and Resources is the major event of the mining industry in China and the No. 2 worldwide:

- Endorsed by the National Development and Reform Commission, Ministry of Finance, Ministry of Commerce
- Opening by Zeng Peiyan, Vice Premier, and Xu Shaoshi, Minister of Land & Resources
- 3,000 conference participants from all over the world
- All CEOs of industry joining
- 200 exhibition booths from 46 countries

www.china-mining.com

EBIT Targets - Exhibitions

EBIT-target comparison of Exhibitions in Germany & China



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The OOH Competition

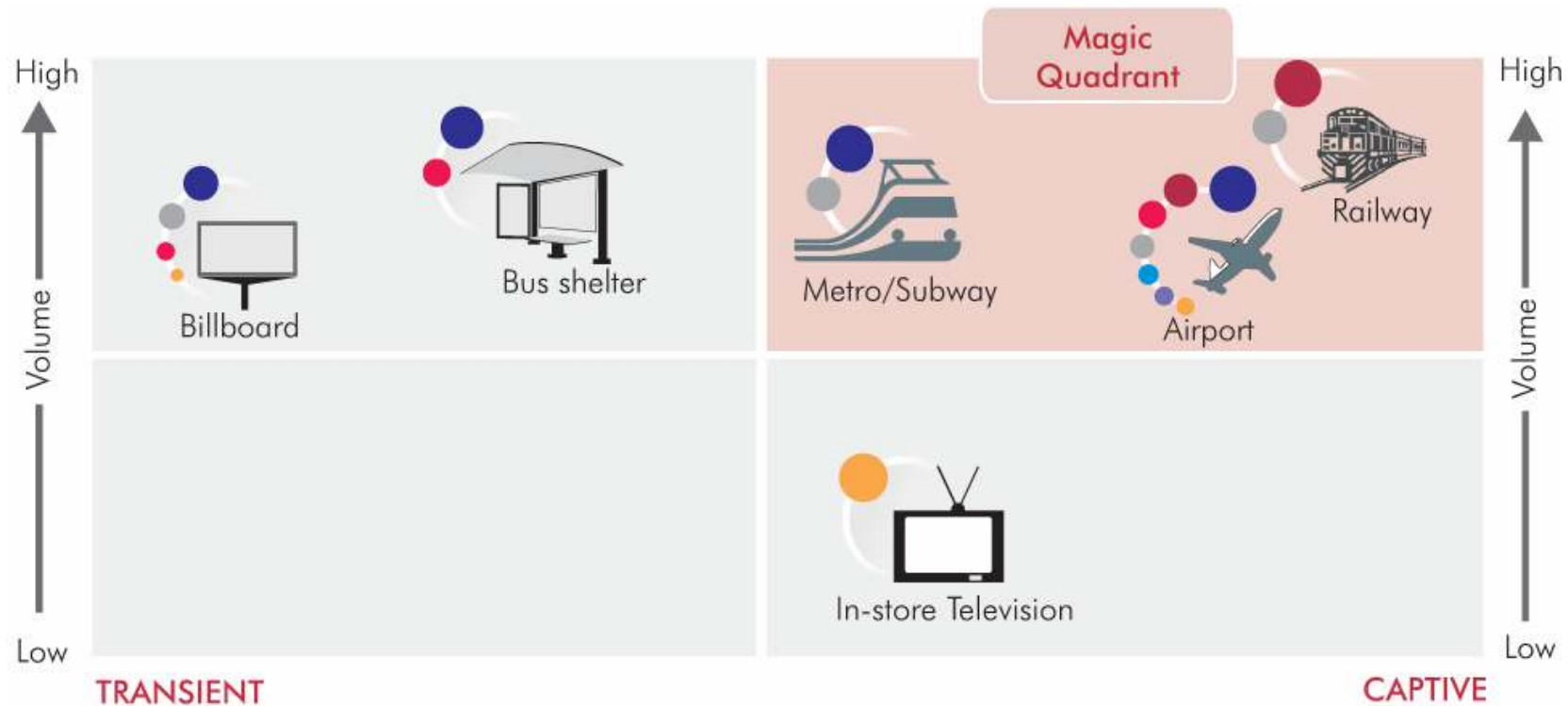
The outdoor advertising market in China is very fragmented. According to the China Advertising Association, there are around 60,000 outdoor advertising companies.

The Top Seven cover approx. 16% of the market.

1. Tianjun Skyflying Media / BMC Group	Revenues 2008e* EUR 140-150 Mio.
2. JCDecaux	Revenues 2008e* EUR 120 Mio.
3. Clear Media	Revenues 2008e* EUR 105 Mio.
4. CBS Outdoor	Revenues 2008e* EUR 36 Mio.
5. Airmedia	Revenues 2008e* EUR 34 Mio.

** BMC Estimates 2008e Outdoor Advertising Market EUR 3,4 Billion*

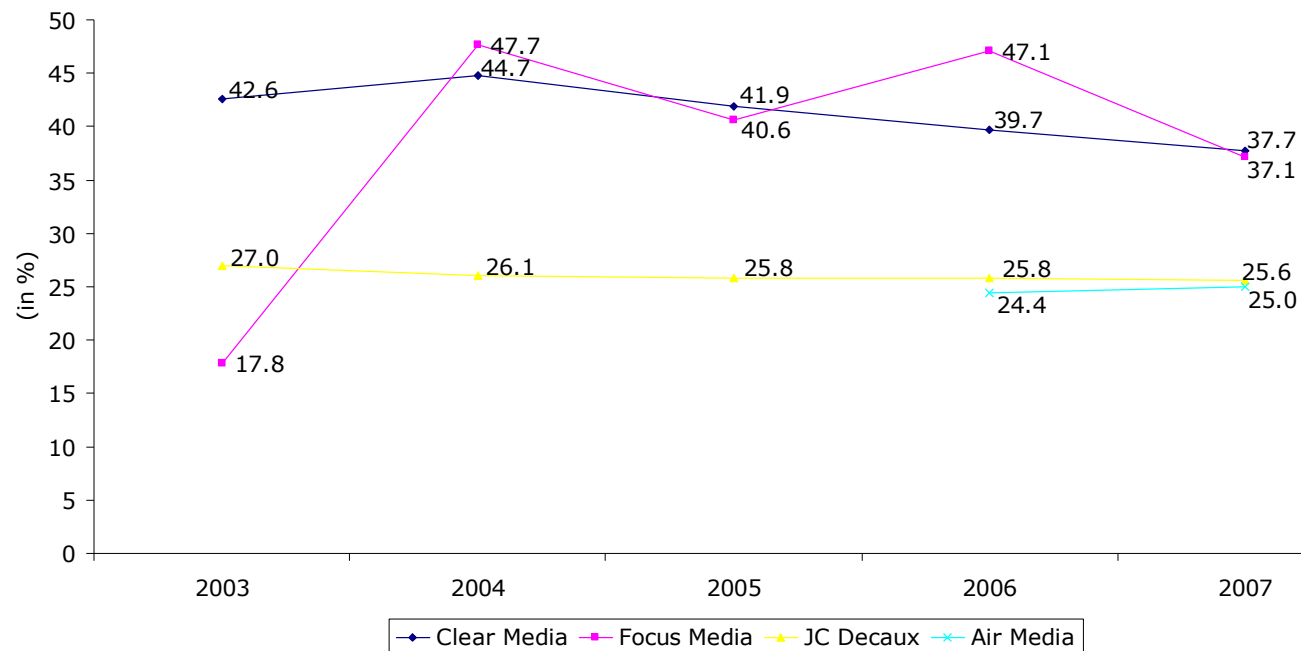
Peer group positioning



- | | | |
|---------------|---------------|-------|
| ● JC Decaux | ● Focus Media | ● CBS |
| ● BMC | ● Skyflying | |
| ● Clear Media | ● Airmedia | |

Profitability - peer group

Peer's EBITDA as percentage of sales

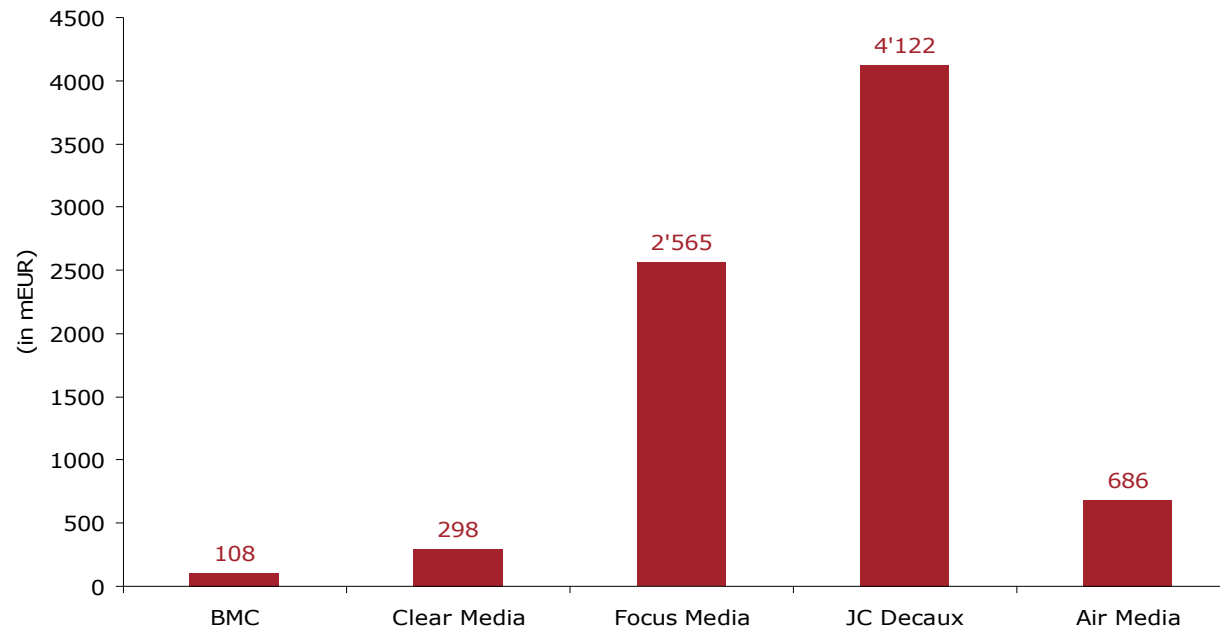


Source: Bloomberg,
2007 FY Figures

The OOH Media Industry achieves worldwide significant EBITDA-Margins.

Valuation peer group

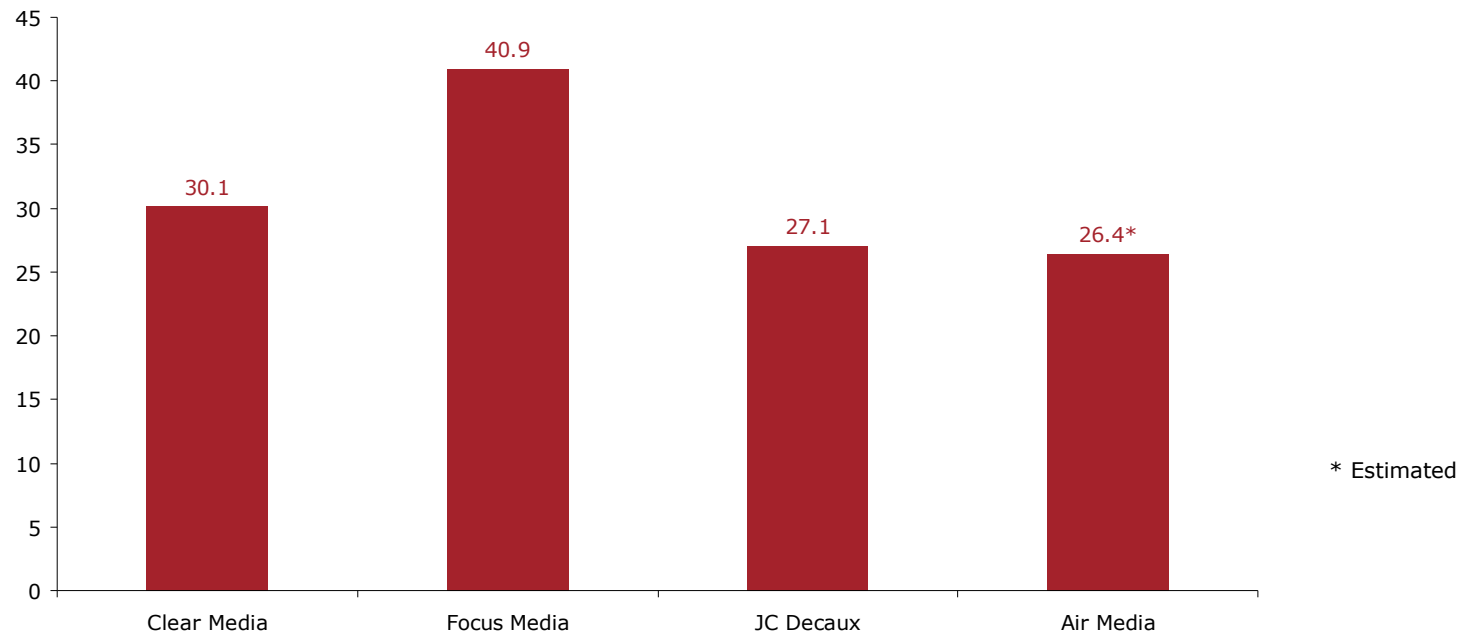
Market capitalization of BMC & it's Peers



Source: Bloomberg,
April 10, 2008

Valuation peer group

P/E 2007 ratio of BMC Peers



Source: Bloomberg,
April 10, 2008E P/E's

Attractiveness of industry produces high PE-ratios.

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2007 key figures

Consolidated Companies of BMC Group

BMC China Beijing	100 %
BMC AG Stuttgart	100 %

2004

BMC Baiwen Shanghai	55 %
BMC China Beijing	100 %
BMC AG Stuttgart	100 %

2005

BMC Zhenwei Guangzhou	51 %
BMC Flying Dragon, Beijing	51 %
BVW Media Stuttgart	100 %
BMC Baiwen Shanghai	55 %
BMC China Beijing	100 %
BMC AG Stuttgart	100 %

2006

BMC TBG Hongkong	51 %
TC-Gruppe Ludwigsburg	70 %
BMC Advertising Beijing	100 %
Mass Holdings Hongkong	100 %
BMC Herong Shenzen	70 %
BMC Zhenwei Guangzhou	51 %
BMC Flying Dragon, Beijing	51 %
BVW Media Stuttgart	100 %
BMC Baiwen Shanghai	55 %
BMC China Beijing	100 %
BMC AG Stuttgart	100 %

2007

BMC Skyflying Media* Beijing	51 %
BMC TBG Hongkong	51 %
TC-Gruppe Ludwigsburg	88 %
BMC Advertising Beijing	100 %
Mass Holdings Hongkong	100 %
BMC Herong Shenzen	70 %
BMC Zhenwei Guangzhou	66 %
BMC Flying Dragon, Beijing	51 %
BVW Media Stuttgart	100 %
BMC Baiwen Shanghai	55 %
BMC China Beijing	100 %
BMC AG Stuttgart	100 %

2008

* Marketing company in process of foundation



2007 key figures



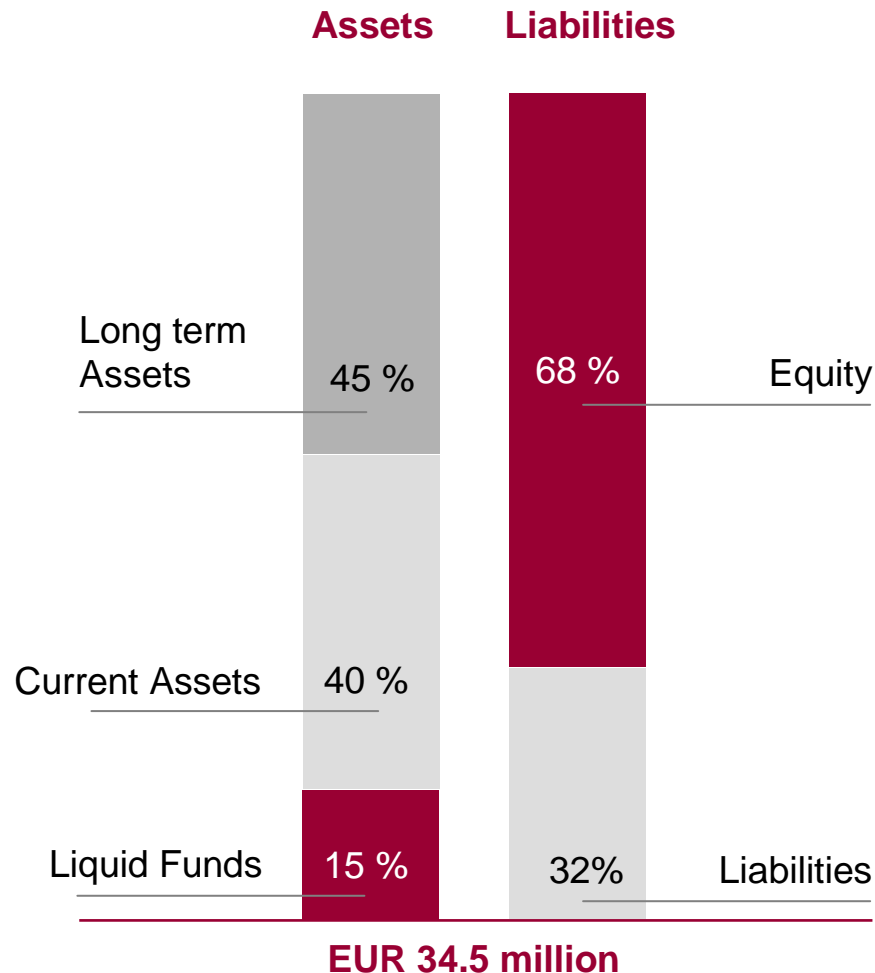
Consolidated Profit & Loss Statement

in TEUR 2007 2006

Revenues	23,122.0	7,452.6
Increase in inventory	67.7	0.0
Other income	248.8	26.0
Operative expenses	-18,019.8	- 6,072.3
Gross margin	5,418.7	1,406.3
Personal expenses	-4,859.1	- 1,883.9
Depreciation	- 1,000.7	- 1,766.4
Other expenses	- 5,386.6	- 4,647.3
Financial result	107.8	284.1
Earnings before tax	- 5,719.9	- 6,607.2
Corporate tax	350.2	196.8
Net result	-5,369.7	- 6,410.4

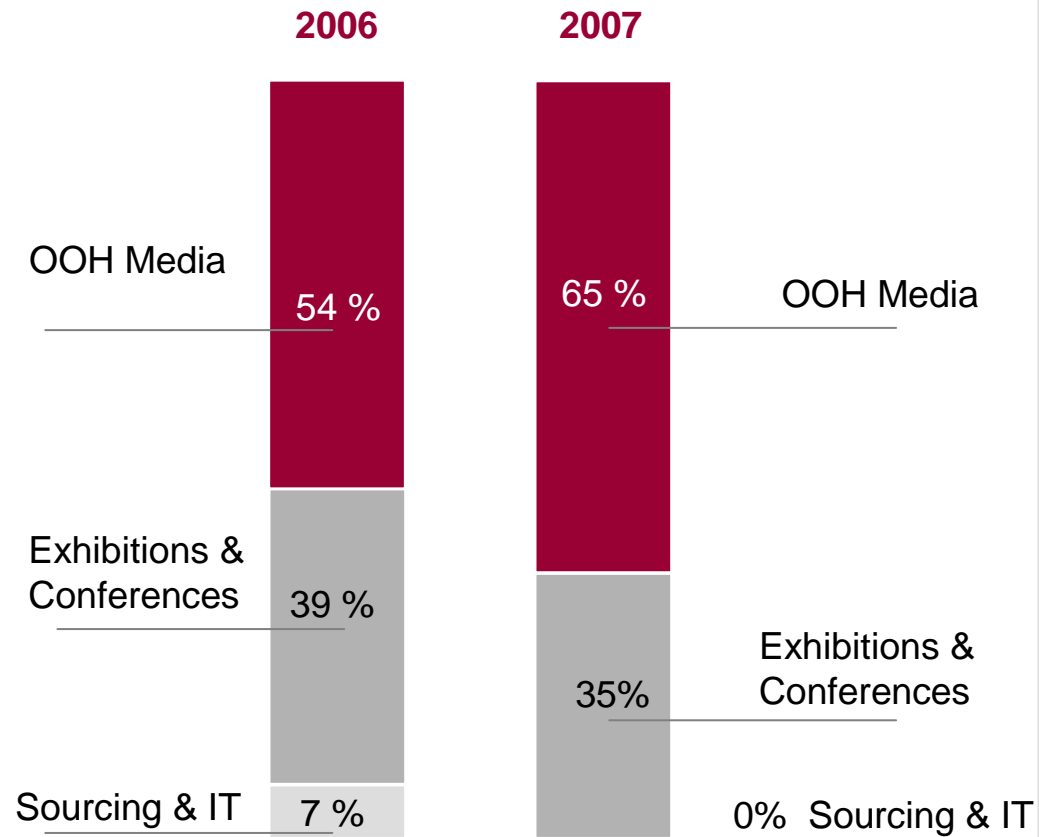
- ▶ Revenues +210%
- ▶ Gross margin increased strongly
- ▶ Slightly improved BMC Group result
- ▶ Currency impact -5%

BMC Group consolidated balance sheet 2007



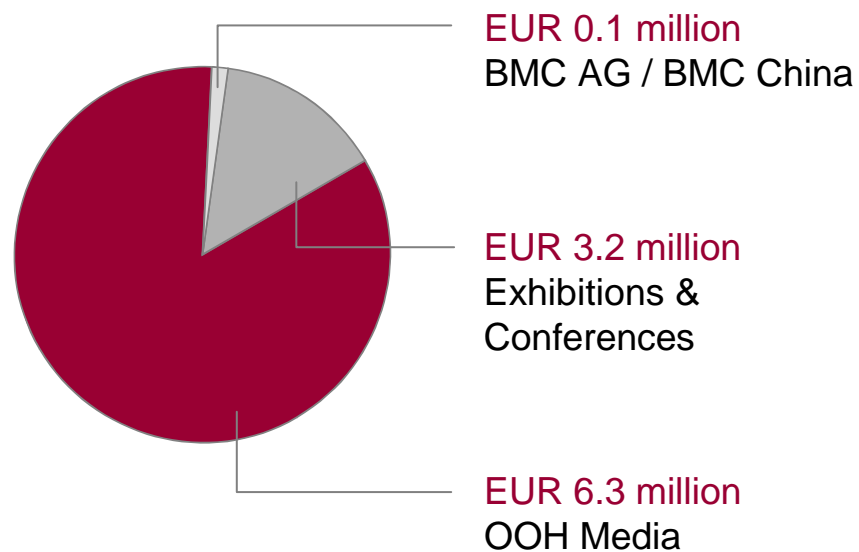
- ▶ Strong equity ratio of 68%.
- ▶ Increase of long term assets from 23% in the prior year to 45% in 2007.

Revenue analysis



- ▶ Strong growth of OOH
Outpaces strong development
of Exhibitions & Conferences
- ▶ Software sales irrelevant
in 2007

Investments 2007



- ▶ Successful acquisitions have further strengthened our competitive position
- ▶ Total investment volume 2007: EUR 9.6 million
- ▶ EUR 5.6 million working capital was provided to OOH media to acquire new media formats.



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According to the actual planning status BMC expects to achieve in fiscal 2008 a turnover between EUR 35-45 mn based on the established business activities.

BMC also expects to achieve a positive pre-tax result. The turning to group profitability will be supported by the already profitable Exhibition & Conferences segment as well as by the strongly growing OOH Media segment that will become substantially profitable in 2008.

Contact

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