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CHINA OUTDOOR MEDIA GROUP LIMITED

中國戶外媒體集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00254)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, despite an expected increase in turnover of the Group for the Period, it expects the unaudited consolidated interim results of the Group for the Period to show a significant decline as compared to those for the corresponding period in 2009, which may, subject to those interim results being finalized, result in the Group recording a loss for such period.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Outdoor Media Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, despite an expected increase in turnover of the Group for the six months ended 31 December 2010 (the “**Period**”), it expects the unaudited consolidated interim results of the Group for the Period to show a significant decline as compared to those for the corresponding period in 2009, which may, subject to those interim results being finalized, result in the Group recording a loss for such period.

The Board believes that the expected decline in the Group's interim results was primarily attributable to:–

1. the significant decrease in other income of the Group during the Period as there was bad debt recovery noted in corresponding period in 2009;
2. the increase in marketing and promotion costs for the Group's businesses and corporate image; and
3. the substantial imputed interest expenses on the non-interest bearing convertible bonds issued by the Company.

The Company is still in the process of finalizing the unaudited consolidated interim results of the Group for the six months ended 31 December 2010. The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors. Finalized interim results of the Group and other details will be disclosed in the 2011 interim report to be published by the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Outdoor Media Group Limited
Lau Chi Yuen, Joseph
Director

Hong Kong, 17 February 2011

As at the date of this announcement, the Board of Directors of the Company comprises four executive Directors, namely Mr. Lau Chi Yuen, Joseph, Mr. Tang Lap Chin, Richard, Mr. Lu Liang and Mr. Ng Yan, and three Independent Non-executive Directors, namely Mr. Cheng Kwong Choi, Alexander, Mr. Cheng Sheung Hing and Mr. Law Tai Yan.