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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 the Group recording a gross profit for the Year in contrast with a gross loss for last year, it is expected that the consolidated results of the Group for the Year will show a significant decline as compared to those for last year, which may, subject to those results being finalized, result in the Group recording a greater net loss for the Year.

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 (collectively 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 the Group recording a gross profit for the year ended 30 June 2011 (the “**Year**”) in contrast with the a gross loss for last year, it is expected that the consolidated results of the Group for the Year will show a significant decline as compared to those for last year, subject to those results being finalized, result in the Group recording a greater net loss for the Year.

The Board believes that the expected decline in the Group’s results was primarily attributable to the following reasons:

1. there were a gain on disposal of subsidiaries and bad debts recovery last year. However, the aforesaid gain on disposal and bad debts recovery were non-recurring items and there were no similar item recorded for the Year;

2. there was a substantial imputed interest expenses on the non-interest bearing convertible loan notes which had been issued by the Company during the year; and
3. the increase in marketing and promotion costs for the Group's business and corporate image.

The Company is still in the process of finalizing the consolidated results of the Group for the Year. The information contained in this announcement is only a preliminary assessment by the Board of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors. Finalized results of the Group and other details will be disclosed in the 2011 annual 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
Tsui Wing Cheong, Sammy
Director

Hong Kong, 5 September 2011

As at the date of this announcement, the Executive Directors of the Company are Mr. Wang Gang, Mr. Zhu Defu, Mr. Tsui Wing Cheong, Sammy, Ms. Hu Wei, Mr. Lau Chi Yuen, Joseph, Mr. Tang Lap Chin, Richard, Mr. Lu Liang and Mr. Ng Yan, the Non-executive Director of the Company is Dr. Gao Hong Xing, the Independent Non-executive Directors of the Company are Mr. Law Tai Yan, Mr. Cheng Sheung Hing and Mr. Cheng Kwong Choi, Alexander.