

FAQ

Q : What are the principal businesses of Clear Media?

A : Clear Media is the biggest player in the most dynamic segment of China's outdoor advertising industry. Bus shelter advertising is our core business, contributing to over 90% of our revenue. With our unique, standardized bus shelter network, we operate more than 17,000 display panels in 30 key cities. To expand our business beyond bus shelter advertising, we have also developed two other operations – POS advertising and unipole advertising. For the newly developed POS operation, we have signed contracts with leading shopping malls and supermarket chains including Lianhua Supermarkets in Shanghai. We own a small number of unipoles in Beijing and Shanghai and surrounding areas, all of them located on or near major highways.

Q : Why is Clear Media focusing on China?

A : It is more accurate to say that we are focusing on profit and growth potential, rather than geography. That is why we are 100% focused on China, the country with the largest consumer population in the world. This is the first generation of consumers in China's history with the opportunity, ability and desire to take advantage of the incredible choice of products and services that are increasingly being offered in the marketplace. The pace of China's economic growth is outstripping all other nations and we believe this is just the beginning of a Brand Revolution that will have a long-term and lasting impact on the country's future and our own.

Q : Why choose outdoor advertising over other media?

A : Three reasons. Firstly, outdoor advertising is the only media that allows direct foreign investment. Secondly, television, radio, and the print media face the demanding challenge and expense of creating content in order to carry their advertising. For us, content *is* advertising. Thirdly, all other media are very fragmented, making it difficult for advertisers to launch national campaigns. Also, although the advertising message may reach a large number of people, only a fraction of those people will actually be part of the target audience. Outdoor advertising on the other hand is designed to target specific audiences, thereby making it a more effective form of advertising.

Q : What are your key competitive advantages?

A : Our unique parentage – Clear Channel, the global media conglomerate, and White Horse, a renowned diversified company in the PRC – gives us international expertise combined with local knowledge. Our management team and staff are all very experienced in the outdoor advertising industry. Our nationwide network spans 30 of the most affluent cities, offering advertisers the convenience of a one-stop shop. We have a first-mover advantage and already have a dominant market share in the top ten cities. We bring sustainable value to everyone we work with – governments, shareholders, advertisers, employees, and the public. Finally, our strength also comes from the fact that we focus all our energy and attention on one market – China.

Q : How do government policies affect your business?

A : With China's entry into the WTO, its hosting of the 2008 Olympic Games, and the 2010 Shanghai Expo, China has firmly established its path into the future. Any political changes in China are likely to be similar to those of any country. Government concerns regarding outdoor advertising are also likely to be the same – to secure public service amenities that improve the appearance of their cities and the welfare of their citizens at reasonable cost to benefit. As Clear Media's "free" street furniture and its payment of concessionary fares is consistent with that objective, it should always be a welcome addition to the city environment.

Q : What makes Clear Media attractive to investors?

A : Our track record of five consecutive years of growth and profitability is probably the first thing that attracts attention. However, we feel that our transparency is also fundamental as people can see how we operate. As most of the businesses in China are either government-held organizations or private companies, they are subject to less stringent disclosure requirements. Clear Media however, is a publicly traded company with strict standards of corporate governance, so investors can get answers to their questions before committing themselves. Also, our association with Clear Channel (NYSE: CCU) and White Horse is ideal as it combines our international experience of the outdoor industry with the local understanding we gain from our Chinese partner.

Q : What makes Clear Media the choice of advertisers?

A : Standardization is one of the key factors in our success. The concept is as simple as it is powerful – all our advertising panels across the country are the same size. This means that companies wanting to launch campaigns in one, ten or thirty cities can produce identical posters – making Clear Media the network of choice for simplicity, impact and cost-effective coverage. We operate a nationwide network spanning the 30 most important cities, so we have the reach that advertisers are looking for. We perform research in order to assist advertisers in selecting the most strategic locations for their advertisements. Furthermore, we offer very competitive packages that allow advertisers to precisely target their desired consumer base. We can also measure the success of a campaign in order to provide advertisers with the opportunity to review the effectiveness of their advertising.

Q : How does Clear Media work with local governments?

A : Clear Media pays fixed rental fees to government agencies for concession rights every year in addition to the construction cost, a cost that averages around HK\$60,000-70,000. Once the concession rights are granted, the company is entitled to retain all its generated revenue. As a result of our first-mover advantage, we have established solid relationships with local governments and have a good reputation in the industry. Over 90% of our concessions have contractual periods of ten years or more. There is no imminent pressure on contract renewals or rises in concession fees. Due to the mutual benefits enjoyed by both the local governments and Clear Media, we are also confident of our ability to acquire new concession rights.

Q : What is your long-term goal?

A : To be the best and most successful outdoor media company in China.