



“A STREET THEATER  
NEAR YOU”

**Dear Fellow Shareholders,**

2003 was a year of striking local contrasts with global implications — challenging us in the first half with SARS and thrilling us in the second half with the triumphant space journey of Yang Liwei, China's first astronaut/taikonaut.

What remained constant in 2003 was Clear Media's market leadership in times of both trial and triumph. Our earnings were \$16.3 cents per share, which is 15% up over last year, driven by solid double-digit growth with a strong and sustainable EBITDA margin of 40+% and a net profit margin of 15+%. For the sixth year in a row!

Consistent with the operating philosophy of our largest shareholder, Clear Channel Worldwide (NYSE: CCU), we believe free cash flow is an important metric in determining a company's ability to provide value to shareholders. Clear Media reached this milestone in 2003 and we will keep the momentum of this free cash flow machine going so that it continues to pay off for years to come.

China's market development is evolving so rapidly that the Brand Revolution is dawning into The Age of Consumers. This promises to be an era of tremendous growth for both global and local brands in China — with global brands reinventing themselves to be more relevant to local tastes, and local brands spreading nationwide on their way to worldwide release and recognition.

Throughout these dynamic changes, our reason for being remains constant — to connect consumers and brands in the dazzling street theater of today's Chinese cities. In the PRC, as the "glocalization" of brands accelerates in the Middle Kingdom, our world-class media network, covering the country's thirty key cities, continues to reach the most affluent consumers where they work, live and play.

- For thirsty consumers, brands that refresh and recharge this go-go generation.
- For hungry consumers, brands that fuel life in the fast lane.
- For mobile consumers, brands that meet the lifestyle and business needs of movers and shakers.
- For youthful consumers, brands that groove to the hip-hop beat of life in the city.
- For health-conscious consumers, brands that keep them looking and feeling their best.
- And for fashion-conscious consumers, we're moving brands from the catwalk to the sidewalk.

All these consumer types and more coexist in the marvelous tapestry that is today's China. Whether advertisers are trying to reach the fast-track or the laid-back, the powerful advantage of our standardized network is our ability to mix and match panels, locations and cities to ensure the right message meets the right buyers. We're always on, we're always there, and we're always reaching consumers — one individual at a time.



Outdoor advertising continues to be the fastest-growing medium in China and the only media sector in which foreign ownership is allowed. Integrating the global expertise of Clear Channel Worldwide with the local knowledge of a trusted partner, our mass media network of choice continues to thrive.

Our 2004 action plan calls for

- Continuing our focus on China's most affluent and influential consumers.
- Offering innovative "slice-and-dice" packages to our advertisers to meet strategic needs and targeted ad campaigns.
- Increasing the occupancy of our panels and the overall yield of our assets.
- Employing a core-plus-more strategy where we identify and aggressively launch into media segments that complement our core business.
- Leading the much-needed consolidation of our industry.

Clear Media is the gold standard for outdoor advertising in China. And because our success is built on a formula that benefits everyone, the Age of Consumers will be a Golden Age for our shareholders, advertisers, employees, consumers, and the communities we serve.

To paraphrase a famous expression: We ain't see nothin' yet. Clear Media is pleased to be an integral part of this sea of change in consumerism. Our commitment to capitalizing on this momentum to provide long-term, superior value to all our constituents will remain constant in China's rapidly changing market landscape.

We are especially grateful to you, our shareholder. It is your trust and support that gives us the inspiration to dream and the power to succeed. Thank you.

**Steven Yung**

Chairman of the Board

Clear Media Limited

Hong Kong, 26 February 2004