

Q: What is your target occupancy rate and what are your strategies for boosting occupancy in the future?

A: Our target is to drive the occupancy rate to an average of 70%, where efficiency of operations will be demonstrated. Right now, our occupancy rates in various cities are satisfactory and, given the strong industry outlook, we are confident that we can achieve even higher occupancy rates in the future. There are three factors to achieving this goal:

- Better customer service based on understanding and anticipating the needs of advertisers and consumers.
- Effective, creative products that help brands stand out in the market.
- Flexible booking policies – order booking for the full year will be open to advertisers, who will book according to their needs. This early booking system offers better visibility in occupancy trend and order flow, so that sales force will know which part they should work on further and improve occupancy rate, as well as the yield of the panels.

Q: Clear Media considers its standardized, national network a major strength. How does that work for you?

A: Standardized panels allow our advertisers to create the same sized advertisements whether they're advertising in one city or 30. Our recent work for Meng Niu is a good example of our response time and coverage. When Yang Liwei rocketed into space in October 2003, Clear Media helped Meng Niu, a sponsor for this historic space project, launch a nationwide ad campaign to show the brand's support for China's first astronaut. In just seven days, their ads appeared all across China.

Q: How do you measure the effectiveness of Clear Media's outdoor advertising network?

A: Our sales teams conduct after-sales studies for our customers. This tells us and our customers how effective their advertising and placement are, as well as giving us a competitive edge over media companies not offering this service. Continued support from a wide range of domestic and international brands have proved the effectiveness of our network and contributed to our strong business track record.

Q: How do you sustain profitable growth?

A: We owe our sixth consecutive year of profitable growth to our ability to leverage local knowledge with international expertise. We continue to expand using a two-prong strategy of organic growth and aggressive acquisitions. The longer we maintain our leadership role in the outdoor advertising industry, the more we are trusted by advertisers and city governments. And because we are open to exploring new products that fit with our core business and satisfy advertisers needs for innovation and creative advertising solutions, we will always be fresh.

Q: Why is Clear Media attractive to investors?

A: Six consecutive years of growth and profitability helps - and we are transparent: investors can see how we operate. Although China's vast consumer population is attractive to investors, all media companies in China, except the outdoor segment, are state-owned. Clear Media has a proven track record of high growth and high return in the past six years, and many more years to come. In addition, Clear Media is a publicly traded company with strict standards of corporate governance, so investors can get answers to their questions before committing themselves.

Q: Why is Clear Media the choice of advertisers?

A: Standardization, coverage, quality and innovation. Our advertising panels are standardized and they are all the same size, which means that advertisers can produce identical posters for advertising across the network. Our network is national, offering one-stop service to advertisers who want to cover one, 10 or 30 cities. We take excellent care of our street furniture to maintain our professional presentation of their message. And we are always looking for new advertising media to display their messages. With our always on network, advertisers know their advertising works 24 hours a day, every day.

Q: What is the significance of "free cash flow"?

A: Clear Media recorded its first positive free cash flow for the financial year of 2003, and it demonstrates our strong financial position achieved under our prudent strategies.

Free cash flow is defined as EBITDA, less interest expense, taxes, and all capital expenditures. Clear Media considers free cash flow to be an important measure of a company's ability to provide value to shareholders. By presenting this figure, we intend to provide investors a better understanding of the company's ability to pay a dividend, pay down debt, make acquisitions and invest in its businesses.



CASE STUDY

In 20-10-2003 6:00

We witness the historical moment of the
first Chinese Astronaut successfully came back to earth.

15 minutes later,

the chinese home dairy brand MENGNIU outdoor
celebration campaign was already on air in 200 cities

Clear Media Outdoor Advertising Network



CASE STUDY

