

**CTV 中视金桥®**

中視金橋國際傳媒控股有限公司  
SinoMedia Holding Limited

# SinoMedia Holding Limited

## 2008 Annual Results

16 April 2009

Stock code: 623



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# Agenda

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## Major Accomplishments

- 1. First main-stream TV advertising operator in the PRC listed on main board of overseas' stock exchange**
  - Net proceeds post greenshoes: approx. RMB254 million
  - Further strengthened financial position for future expansion
- 2. Turnover, operating profit & net profit up 53%, 101% & 185% respectively**
- 3. Added CCTV-7 with approx. 4,800 min. exclusive advertisement time per year**
- 4. Obtained exclusive rights for online advertisements on the news page (新闻频道) of [www.cctv.com](http://www.cctv.com)**
- 5. Completed acquisitions for the media resources of CCTV and regional TV respectively**



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# Financial Highlights



## Financial Highlights

For the year ended 31 December

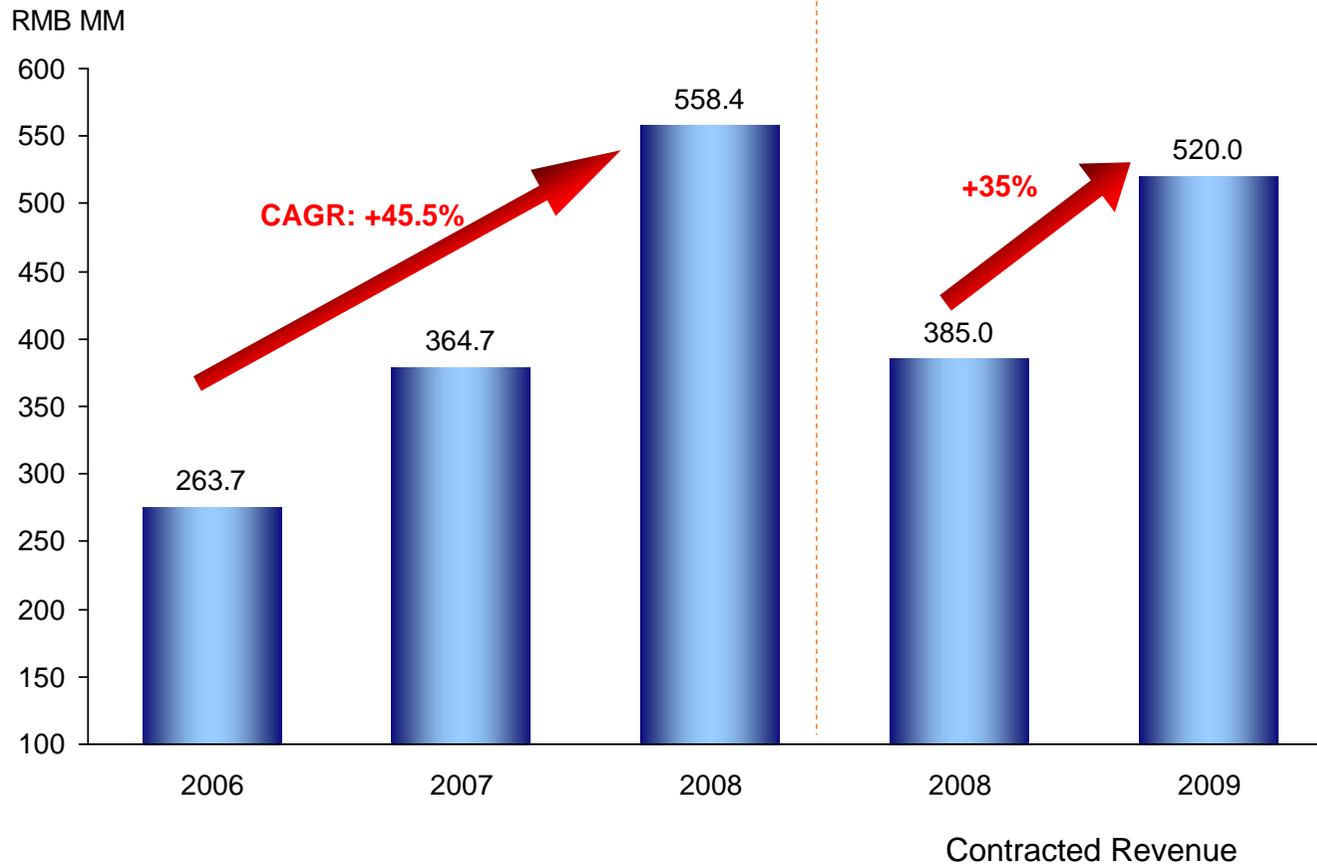
(RMB '000)

	2007	2008	Change (%)
Turnover	364,702	558,356	+53.1%
Gross profit	126,845	222,689	+75.6%
Profit from operations	79,630	159,712	+100.6%
Profit attributable to equity holders of the Company	42,316	120,800	+185.5%
Basic earnings per share (RMB)	0.098	0.243	+148.0%



# Maintained Strong Growth Momentum

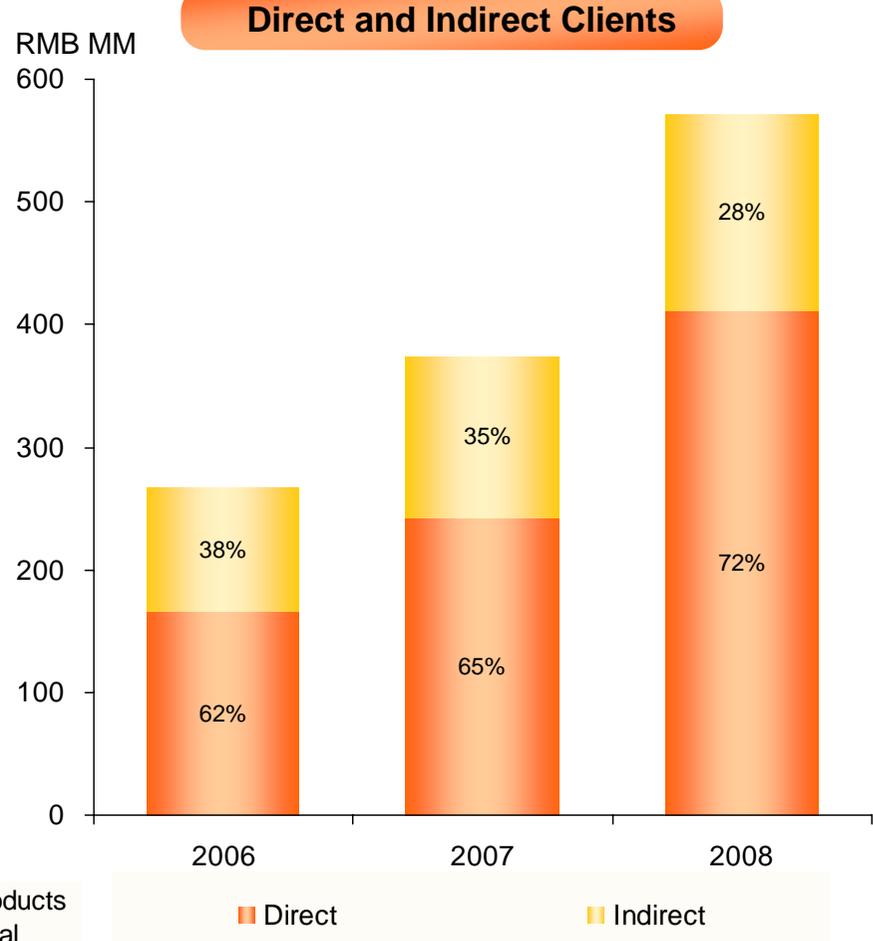
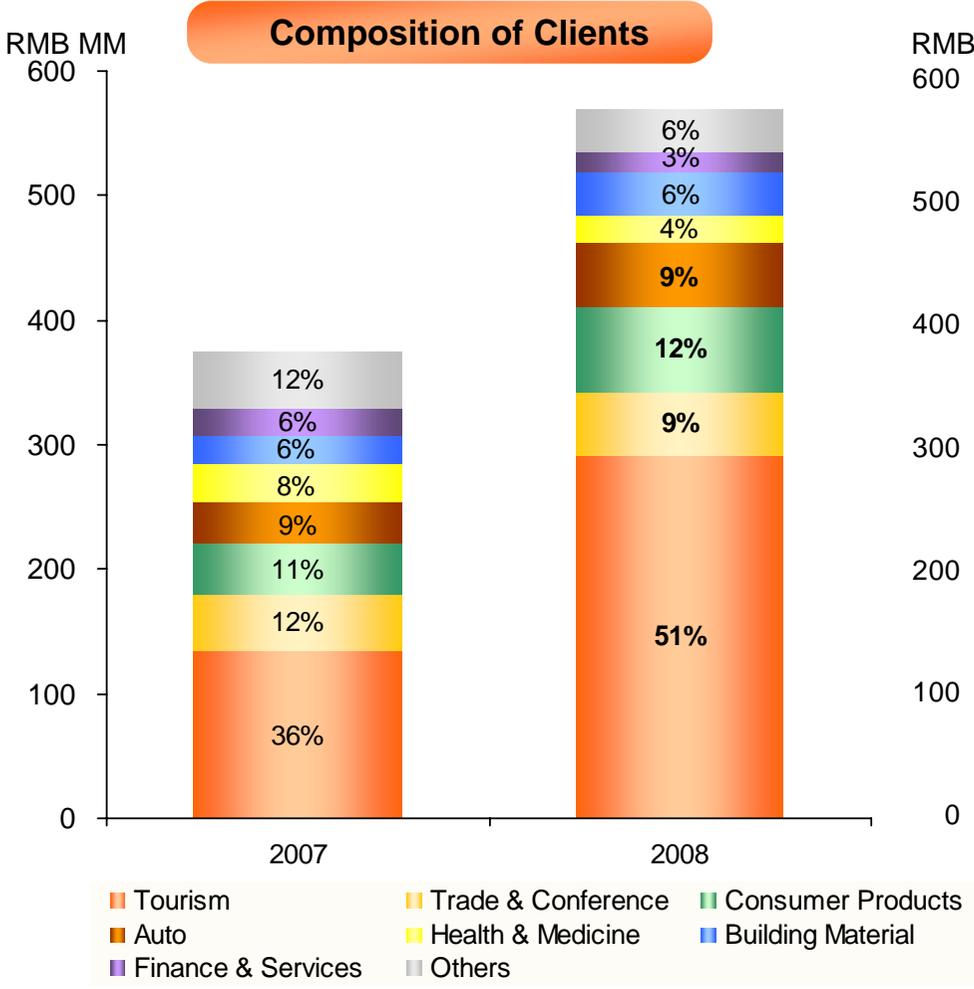
## Revenue and Contracted Revenue



Revenue driven by increased ASP and utilisation rate, as well as contribution from new clients



# Diversified and Balanced Customer Base

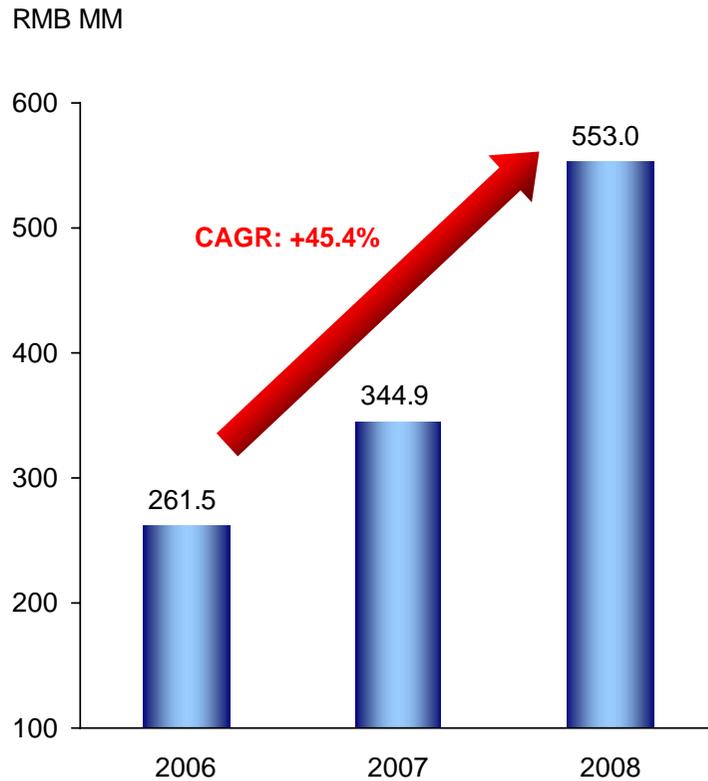


**Continuous progress in expanding direct client base**



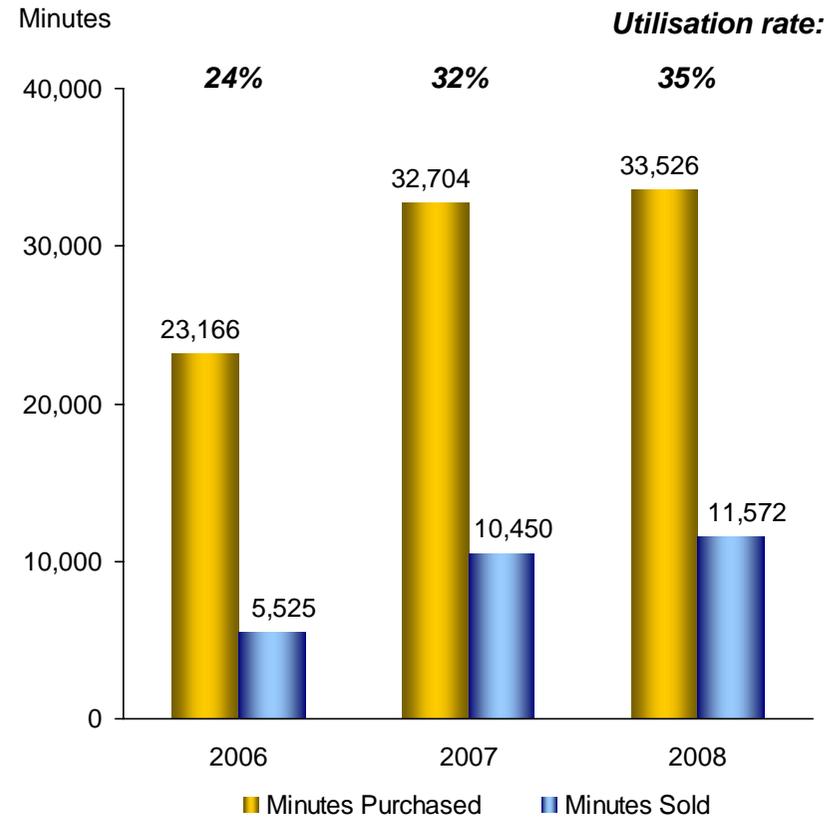
# Increased Minutes Sold and Utilisation Rate in CCTV Advertisements

## CCTV Advertising Service Gross Revenue



Achieved an encouraging sales growth of 45.4% in CCTV advertising service

## CCTV Minutes Purchase & Sold

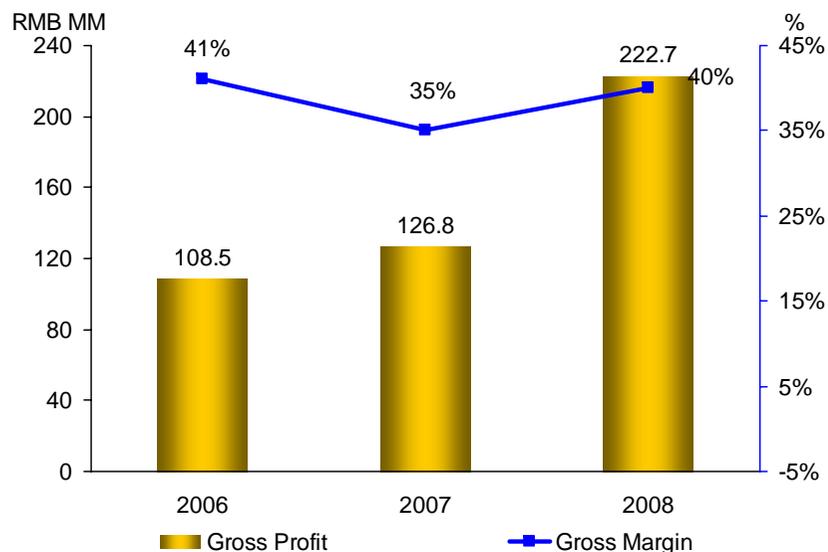


Utilisation rate improved steadily



# Sustainable Improvement in Profitability

## Margin Analysis

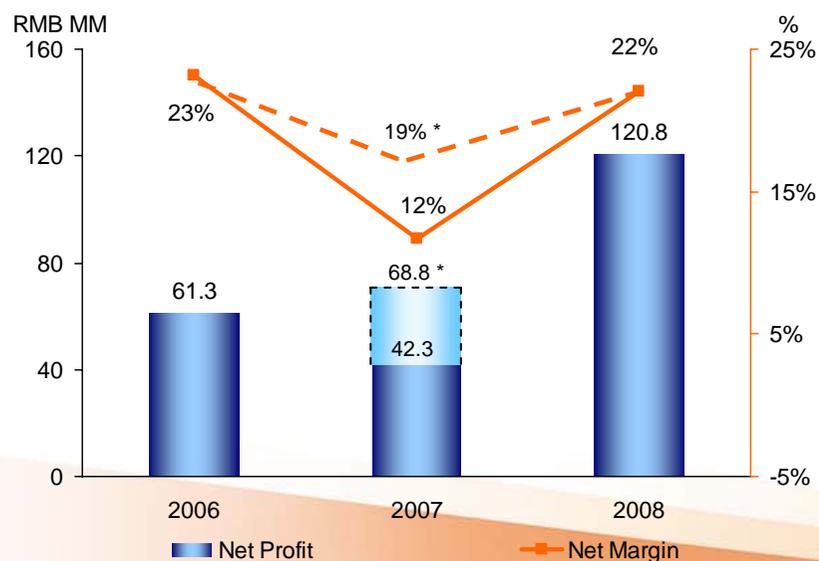


- GP% and NP% increased by 5% points and 10% points respectively:
  - Increased revenue from CCTV's business
  - Breakeven in regional TV advertising services (Operating loss in 2007: RMB12.9 million)
  - Stringent cost control on key operating expenses

## Expenses

For the year ended 31 Dec

As % of total revenue	2007	2008	Change % pts
<b>Selling &amp; marketing expenses</b>	4.5%	<b>4.8%</b>	<b>+0.3</b>
<b>Administrative &amp; other operating expenses</b> (excluding bad debt provision)	8.4%	<b>6.7%</b>	<b>-1.7</b>

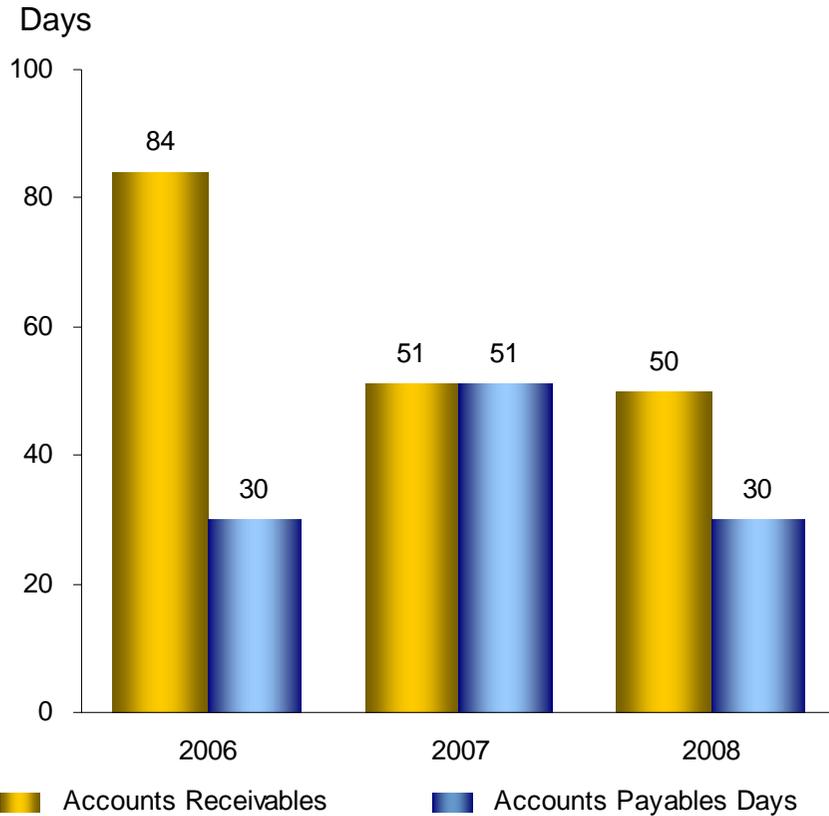


\* Excluding non-cash charge of convertible redeemable preference shares



# Improving Credit Terms & Healthy Balance Sheet

## Accounts Receivable and Payable Days



(RMB MM)	31 Dec 2007	31 Dec 2008	Change
<b>Cash position</b>	352	575	<b>+63%</b>
<b>NAV</b>	389	671	<b>+72%</b>
<b>ROE (net profit/ average NAV)</b>	19.1%	22.8%	<b>+3.7 pts</b>

1. Accounts receivable days are equal to the average trade receivables divided by revenue and multiplied by the number of days in the relevant period
2. Accounts payable days are equal to the average trade payables divided by cost of services and multiplied by the number of days in the relevant period



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# Business & Operation Reviews



# Our Unique Business Model



# Abundant Media Resources

## CCTV-1 (National News)



- Leading morning news programme “Media Headline”

## CCTV-2 (Finance)



- Underwriting rights to sell the advertising time of CCTV-2’s “China Finance Report”

## 34 Programmes on CCTV-4 (Chinese International)



- TV signals of CCTV-4 are accessible to almost all regions across China, as well as 92 foreign countries and regions

## 7 Programmes on CCTV-7 (Military and Agricultural)



- 2nd highest household penetration rate after CCTV-1
- In light of persistent international financial crisis and China’s domestic economic situation, the Group decided not to renew contract with CCTV-9 after expiration in 31 Dec 2008



# Expanding Media Resources – CCTV-7

**5-year exclusive underwriting rights for advertisement time of 7 programmes on CCTV-7**



**CCTV 7** 农业频道

- Enjoys high household penetration rate of 85.7%, ranking the 2nd after CCTV-1
- Obtained exclusive rights to sell approximately 4,800 minutes of advertisement time on CCTV-7 each year
- Benefited from the national policy that favours agricultural sector and increasing importance of “three agricultural issues”
- Set to become the best platform for various commercial brands to tap consumer and agricultural sectors



# Expanding Media Resources – www.cctv.com

**5-year exclusive rights to sell all online advertising space in the news page (except 4 programmes)**

- The only official CCTV information internet portal
- Expanded digital media advertising resources and gained new business opportunities with great potential in the digital era
- Fortify the partnership and long-term relationship with CCTV
- Further diversify and extend media resources to non-TV channel



# Strong Brand Recognition



2008 Most Valued Innovative Enterprise in China



2007 Top 10 CCTV Media Advertising Agency



2008 Top 10 Outstanding Corporate Image in China



Selected into IAI China's Advertising Works Yearbook



The Most Renowned Brand in China's TV Advertising Agency



2008 Most Reliable Advertising Agency in China



2008 Top 10 CCTV Media Advertising Agency

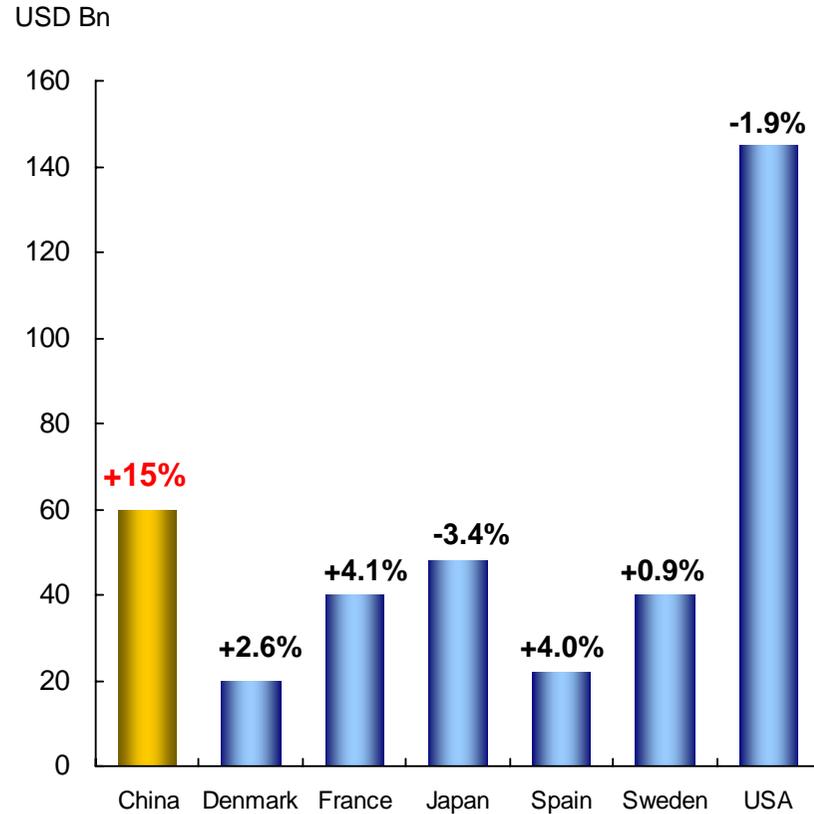


Ms. Liu Jinlan, Founder & CEO of SinoMedia, was elected as one of the "2008 Top 10 People in Media Advertising in China"



# Well-Positioned for China's TV Advertising Growth

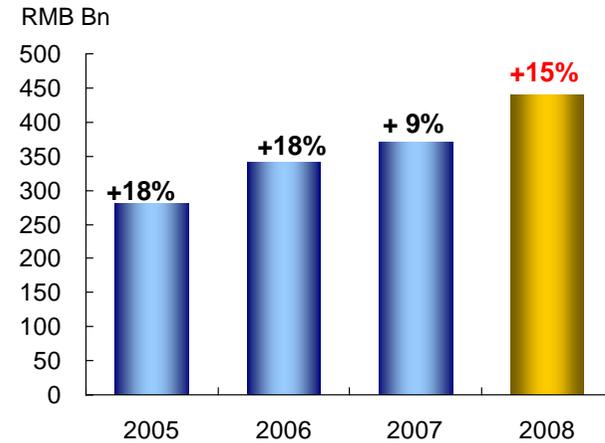
## 2008 Global Total Advertising Spending



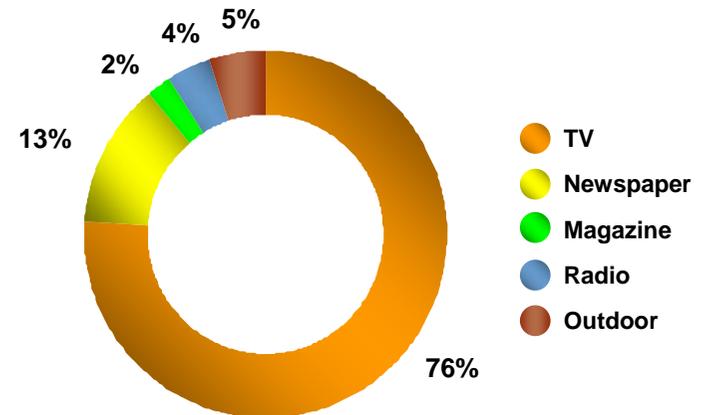
Source: 2008 China Advertisements Supervision Report by CTR Marketing Research

**China achieved the strongest growth in total amount of advertising spending in 2008, reaching RMB 441.3 billion**

## China's Total Advertising Spending



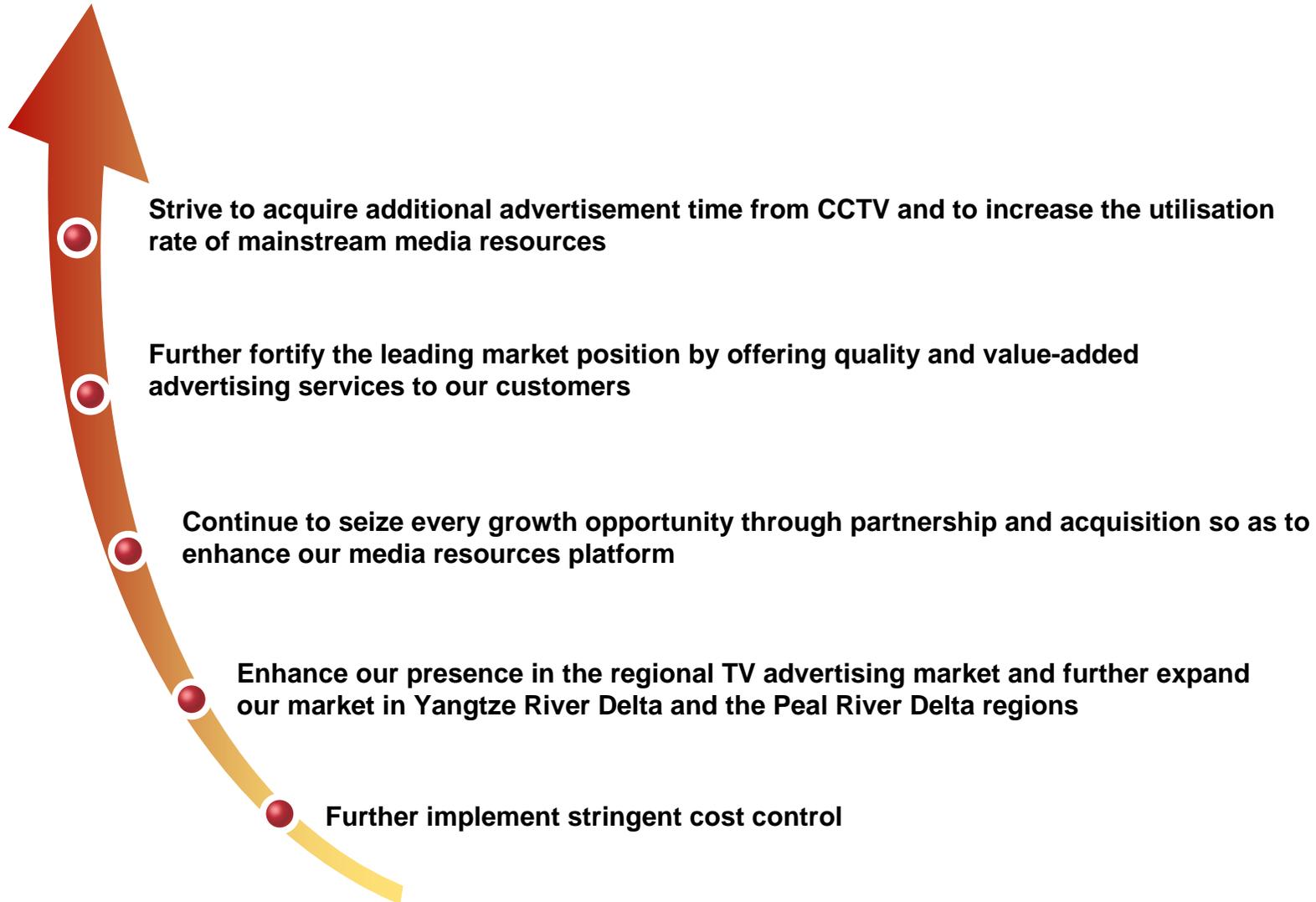
## Breakdown for China's Total Advertising Spending in 2008



Source: 2008 China Advertisements Supervision Report by CTR Marketing Research



## Future Plans & Strategies



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Open Forum

