

# SinoMedia Holding Limited

## 2009 Interim Results

16 September 2009

Stock code: 623



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# Key Highlights



**Extensive media resources with approx. 12,296 minutes of advertising time of 43 programmes in CCTV-1, 2, 4 & 7**



**Remained profitable despite global financial crisis and challenging business environment**



**Experienced quarter-on-quarter sales rebound and business improvement in 2Q vs 1Q 2009**



**Maintained solid balance sheet and strong cash position of approx. RMB 625 million as at 30 June 2009**



**Cash flow from operating activities improved from a net outflow of RMB69 million in 1H 2008 to a net inflow of RMB72 million in 1H 2009**



**Stringent cost control and prudent credit management**



# Abundant Media Resources in CCTV

A total underwriting rights of approx. 12,296 minutes of advertising time in 43 programmes

## 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



# Diversified Media Resources

## cctv.com

- 5-year exclusive rights to sell all online advertising space in the news page
- 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



## National Public Service Advertising Boardcast Network

- SinoMedia has joined hands with its business partners to establish China's first and only nationwide public service advertising broadcast network (百家电视台公益广告联播网)



# Financial Summary

For the 6 months ended 30 June

(RMB '000)

	2008	2009	Change (%)
<b>Total Assets</b>	838,526	835,903	-0.3%
<b>Equity attributable to equity shareholders of the Company</b>	670,646	662,511	-1.2%
<b>Revenue</b>	238,613	321,598	+34.8%
<b>Gross profit</b>	70,926	37,148	-47.6%
<b>Profit attributable to equity shareholders of the Company</b>	44,786	12,358	-72.4%
<b>Basic earnings per share (RMB)</b>	0.104	0.022	-78.8%
<b>Cash per share (RMB)</b>	1.018	1.107	+8.7%





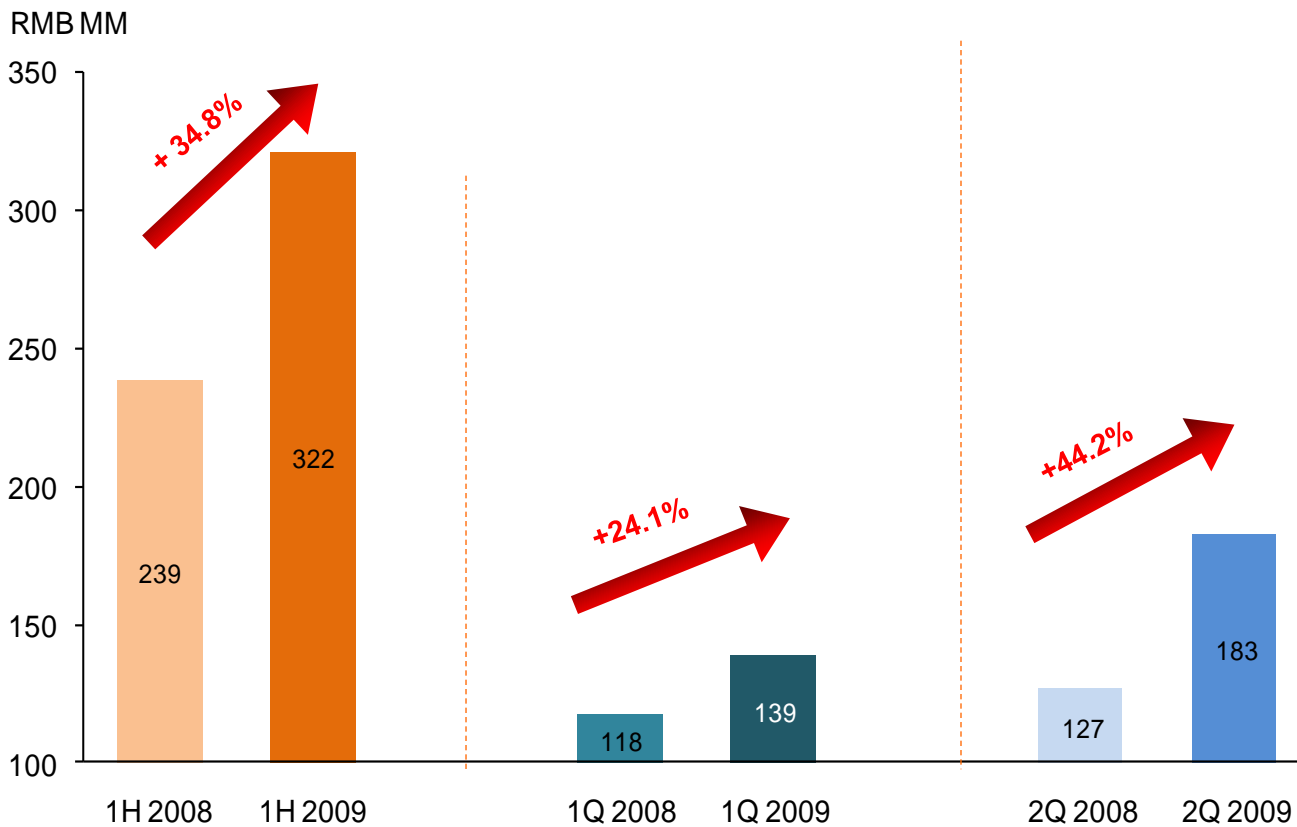
# Remains Profitable Despite Challenging Market Environment

- Existing CCTV-1, 2 & 4 businesses:  
gross profit declined YoY in 1Q 2009, but rebounded in 2Q 2009
- Newly developed businesses still at start-up stage; gross losses incurred.
- Impact of non-operating factors:
  - Non-operating income decreased by RMB13.4 million YoY
  - Additional non-cash costs of RMB11.8 million recorded in 1H 2009  
financials according to IFRS



# Overall Revenue

## Maintained Growth Momentum



Revenue CAGR for previous 3 years: 45%

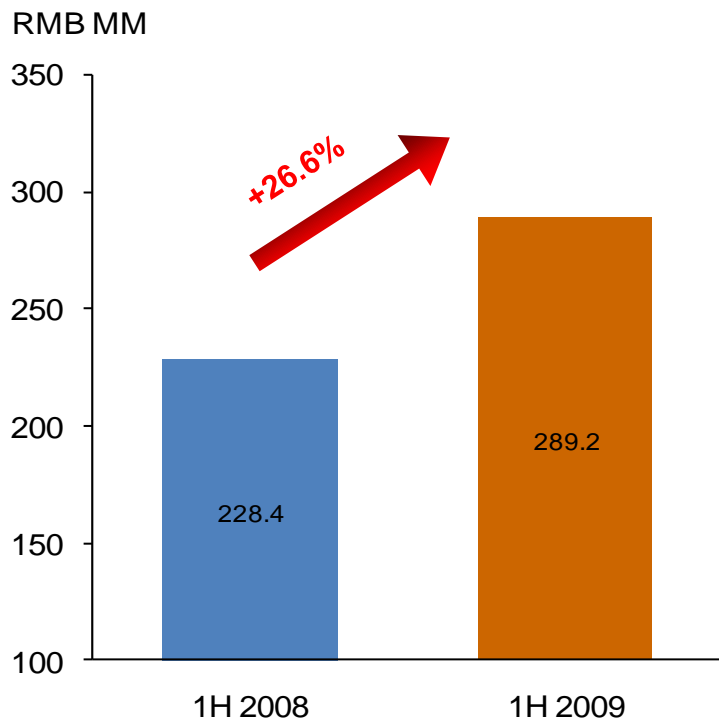




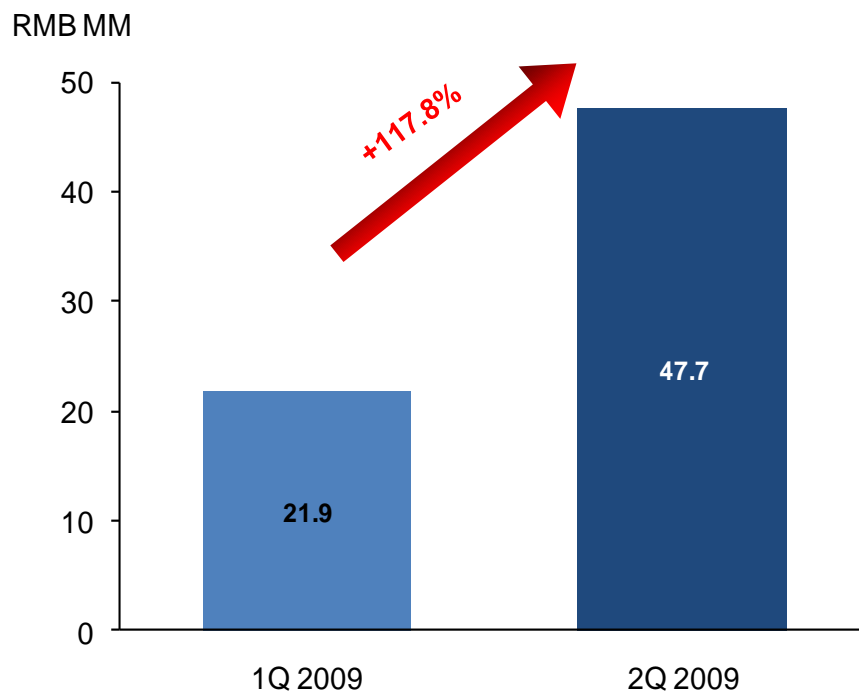
# Existing CCTV-1, 2 & 4 Businesses

Above the market YoY growth in revenue  
 Gross profit rebounded both QoQ and YoY in Q2

Revenue YoY

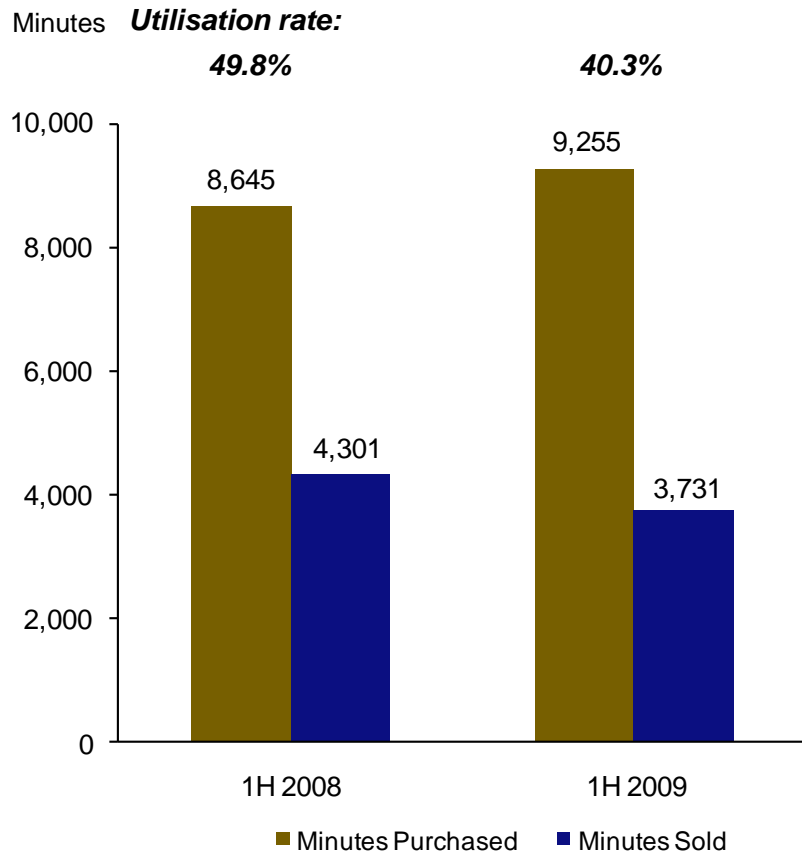


Gross Profit QoQ

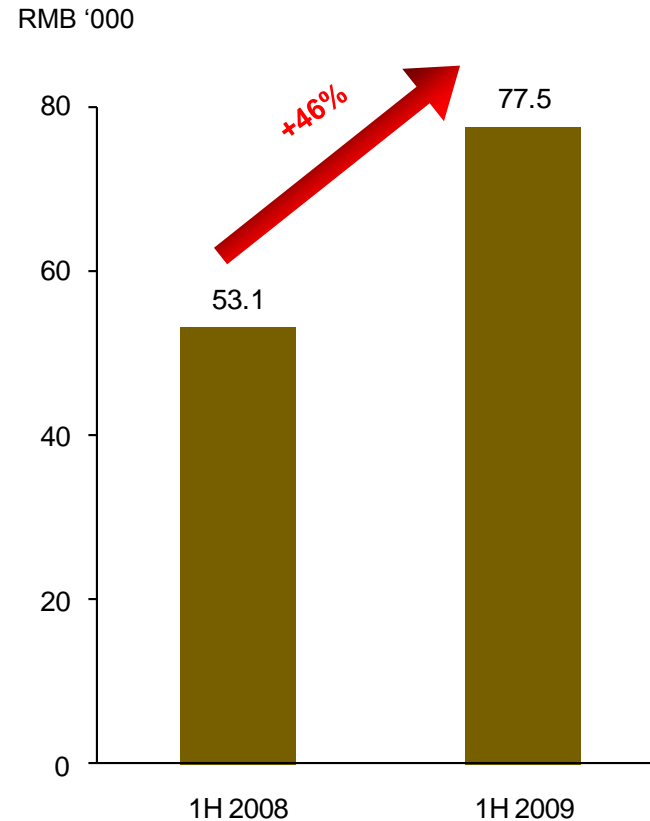


# Existing CCTV-1, 2 & 4 Businesses (cont'd)

## Minutes Purchased & Sold



## ASP

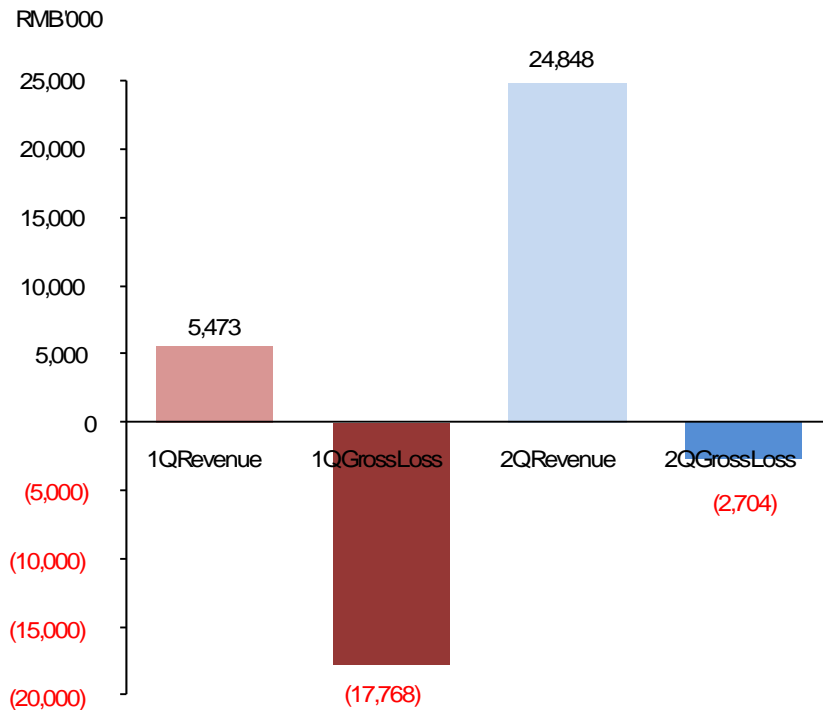


**ASP continued to increase remarkably despite the decrease in the number of minutes sold, contributing to an approx. 27% growth in revenue**



# New Businesses – At Start-up Stage in 1H 2009

## CCTV-7



- Enjoys high household penetration rate of 78.1% in 2008, ranking 2<sup>nd</sup> after CCTV-1
- Will benefit from the national policy that favours agricultural sector and increasing importance of the “three agricultural issues”

## cctv.com

- Underwriting contracts for both CCTV-7 and cctv.com businesses are both on a five-year term.
- The underwriting cost is to escalate on an annual basis based on contract terms.
- But according to IFRS, the underwriting cost should be spread evenly over the entire contract period.
- Additional non-cash costs of RMB11.8 million was recorded in the 1H 2009 financials, when compared with the actual payments made based on contract terms.

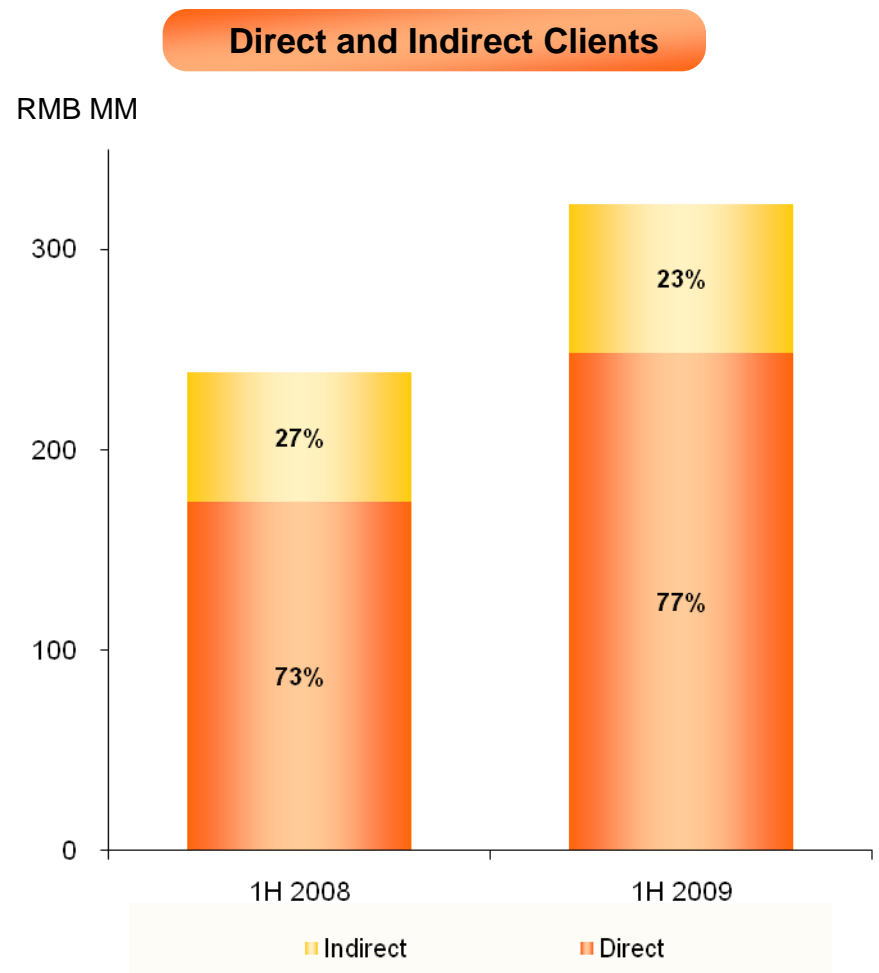
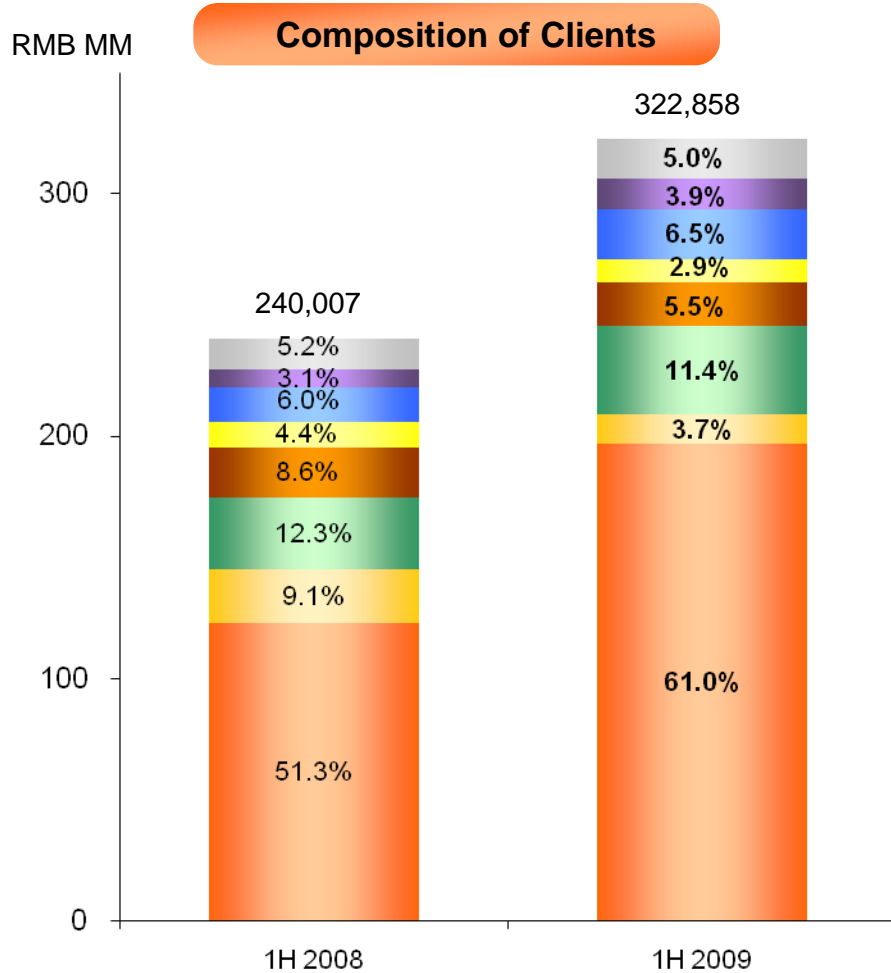
## Nationwide Public Service Advertising Broadcast Network

1H 2009 – gross profit of RMB2.1 million





# Diversified and Balanced Customer Base



- Tourism
- Consumer Products
- Health & Medicine
- Finance & Services
- Trade & Conference
- Auto
- Building Material
- Others

**Continuous progress in expanding direct client base**



# Expenses and Operating Cash Flow

## Expenses

*As a % of revenue*

	1H 2008	1H 2009	Change
<b>Selling &amp; marketing expenses</b>	4.0%	4.7%	+0.7%
<b>Administrative &amp; other operating expenses</b>	9.1%	6.5%	-2.6%

- Selling & marketing expenses increased by RMB5.6 million as more sales campaigns pushed by the Group in a bid to maintain steady business growth in the long term despite the current sluggish economic environment
- Administrative & other operating expenses dropped due to tighter cost control amid the unfavorable market condition

## Operating Cash Flow

*Six months ended 30 June*

*RMB '000*

	2008	2009
<b>Net cash from/ (used in) operating activities</b>	(68,988)	72,310

- To cope with the unfavourable market condition, the Group has tightened control over its cash flow
- Trade receivables under control while payment for trade payables delayed



## Open Forum

