

# VisionChina Media Inc.



November 2013

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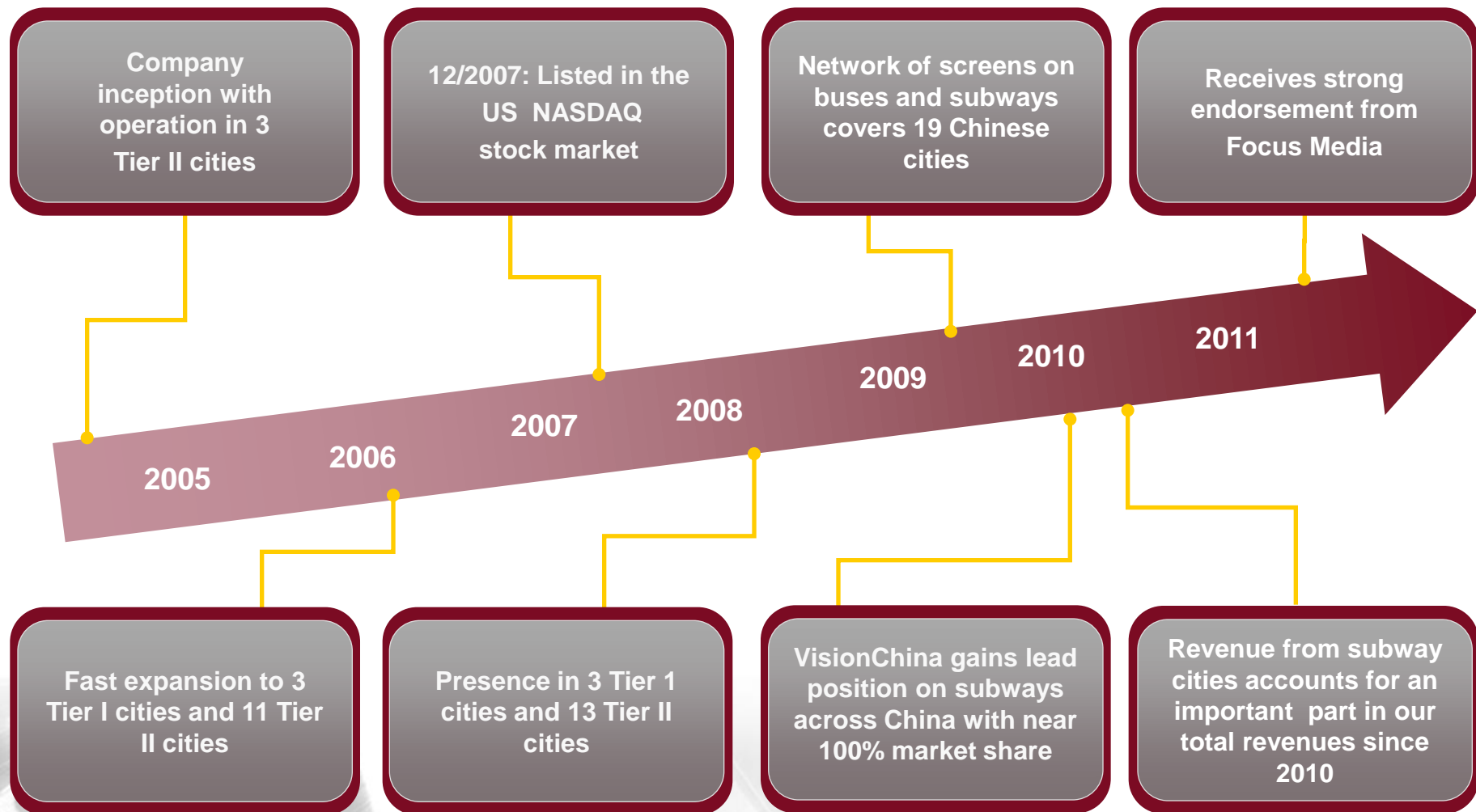


# Overview

- ✓ China's premier out-of-home day time TV network, connecting above ground bus media with below ground subway media seamlessly, making watching TV anytime and anywhere a reality.
- ✓ Launching free-to-air digital signals using terrestrial broadcasting technology, bringing TV from indoor to outdoor.
- ✓ Time and location-tailored real time mobile TV
  - ❖ High quality programming including international and local TV news, stock quotes, weather, sports, entertainment, etc. that highly attract audience's attention.
  - ❖ The only measurable and metric-based day time TV media.
  - ❖ Compulsive viewership inside enclosed spaces.
  - ❖ Captive reception of advertising messages and interactions.



# Our History



# VisionChina Network Media Coverage Data

As of September 30, 2013, **16** cities with bus mobile TV network + **6** cities subway mobile TV network

As of September 30, 2013, **41,325** bus digital mobile TV terminals + **69,247** subway TV terminals + **1,192** other TV terminals

**81.6%** coverage of China's wireless-transmission broadcasting terminals per Analysys International 2010





# Our platform: Seamless Coverage



# Terrestrial Digital Mobile Broadcast Technology



**Subway  
train & platform  
(operating)**

**Local TV Station**  
Collecting, editing and  
broadcasting system



**TV Tower**  
Digital wireless  
broadcasting facilities



**Bus  
(operating)**



**Taxi**



**Ferry**



**Transmission from TV  
Station to TV tower via  
optical fiber**



**Commercial building**

A 8Mhz wireless analogue channel can be split up to 12 wireless digital channels using digital graphics compression and terrestrial broadcasting technology. TV signals of these digital channels can be sent to different platforms.



# Our Network: National Coverage

## Subway network-Tier 1 cities

Beijing	Guangzhou	Shenzhen	
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## Subway network-Tier 2 cities

Nanjing	Tianjin	Chongqing	
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## Bus network-Tier 1 cities

Beijing	Guangzhou		
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## Bus network-Tier 2 cities

Changchun	Zhengzhou	Shenyang	Dalian
Chengdu	Nanjing	Suzhou	Wuxi
Changzhou	Ningbo	Wuhan	Changsha
Taiyuan	Xiamen		





# VisionChina Exclusive Agency Model

Local TV grants  
exclusive advertising time and content

## Advertisers

- Places ads in chosen cities
- Reaches targets at 19.7% of price of traditional TV on a CPM basis

Vision  
China  
Media

華視  
傳媒

- Enhances revenue for Local TV
- Leverages national footprint
- Offers national sales network

Local TV Station/  
Mobile TV  
Subsidiary/  
Subway Operator

- Content delivery
- Broadcasting capability
- Radio usage rights

VisionChina pays  
fixed  
concession fee



# VisionChina Joint Venture Model

VisionChina pays fixed  
concession fee

JV grants exclusive advertising  
time and content

## Advertisers

- Places advertisements in chosen cities
- Reaches targets at 19.7% of price of traditional TV on a CPM basis

Vision  
China  
Media

華視  
傳媒

- Leverages national footprint and enhances revenue for Local TV
- Offers national sales network
- Manages JV's daily operation
- Produce innovative program

## Joint Venture Entity (2)

Most of the JV entities

- Have exclusive Right to operate mobile TV
- Install the hardware
- Provide TV content

## Joint Venture Partner (normally local TV Station)

- Delivers content
- Provides broadcast capability
- Provides radio usage rights

49% Stake (1)

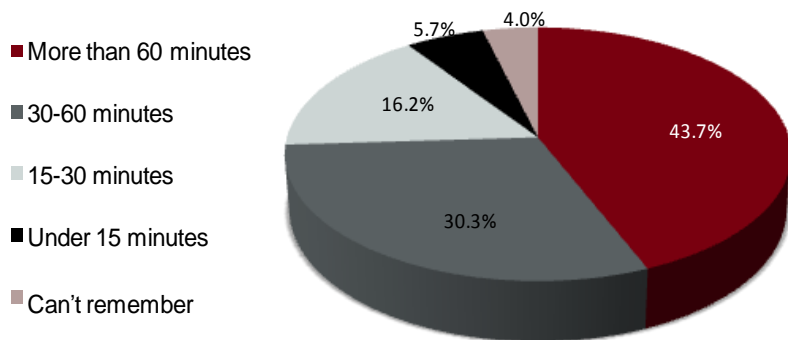
51% Stake (1)

(1) In most of the joint venture entities, VisionChina owns 49% of equity interest and the other 51% equity interest is typically owned by the local TV station.

(2) We have also entered into an exclusive agency agreement with some of our direct investment entities, including but not limited to Changchun, Changzhou, Chengdu, Dalian, Ningbo, Wuhan, Wuxi and Suzhou. These cities also fall within the scope of exclusive agency model.

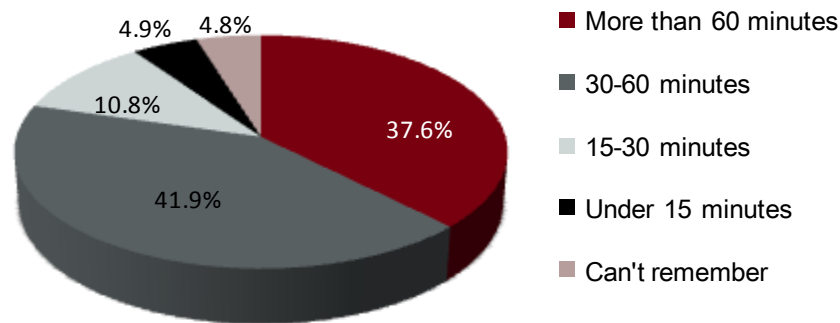
# Our Audience: China's Long Commutes

Average media duration of bus riders

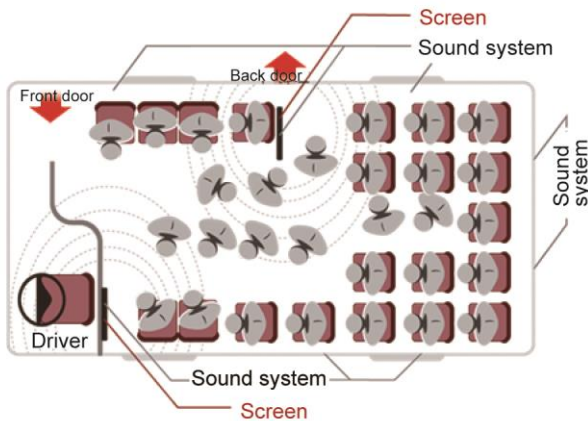


Source: CMMS 2012 (S)

Average media duration of subway riders

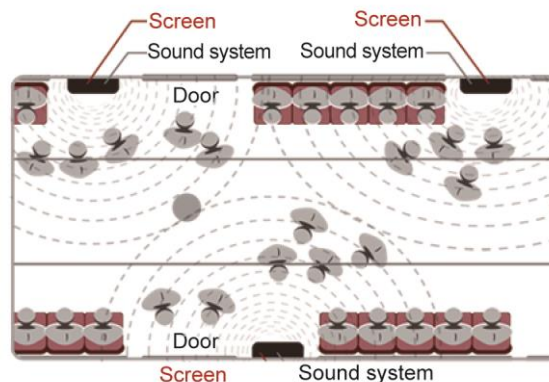


Source: CMMS 2012(S)



Bus passengers' average riding time is **46.7** minutes every time

Typically we have **2-4** screens per bus



Subway passengers' average riding time is **51.5** minutes every time

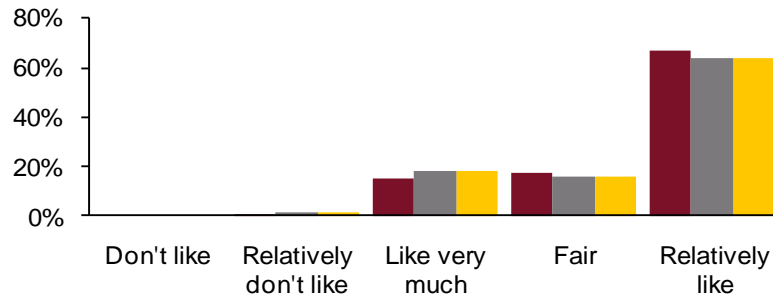
Typically we have **6-10** screens per subway car



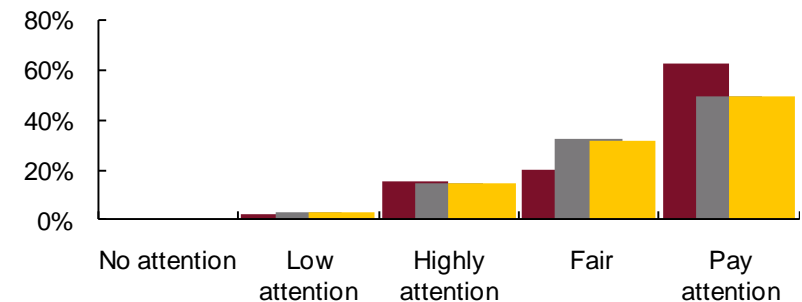


# CTR Research-CPM Results

Over 2/3rds of audiences like watching our programs in Guangzhou



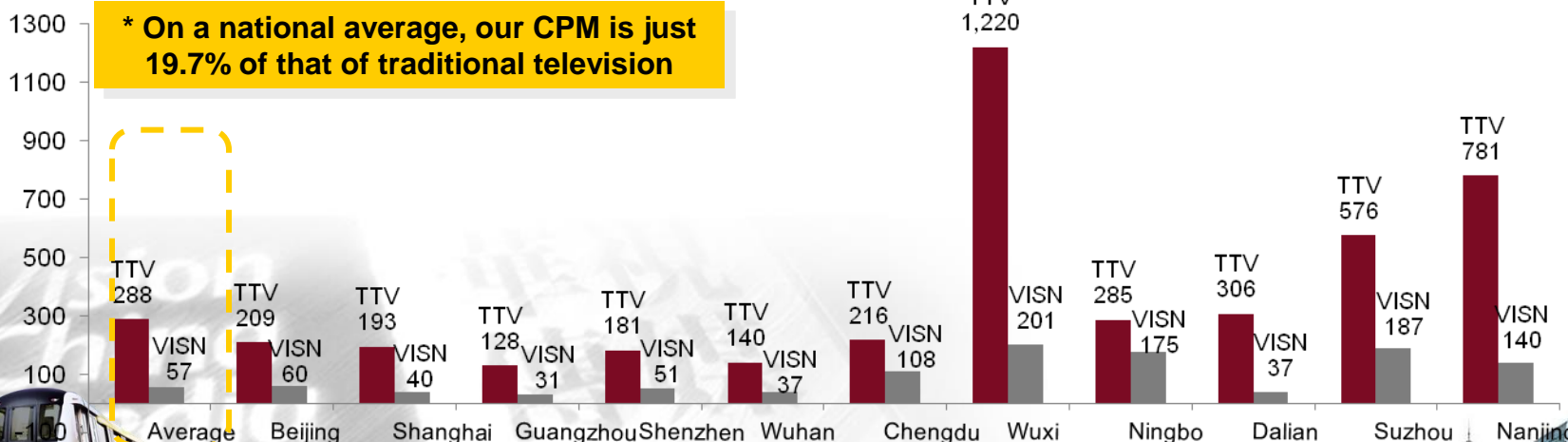
Over 2/3rds of audiences pay attention to our programs in Beijing



## Cost Effective Advertising \*

Cost per thousand people (RMB)

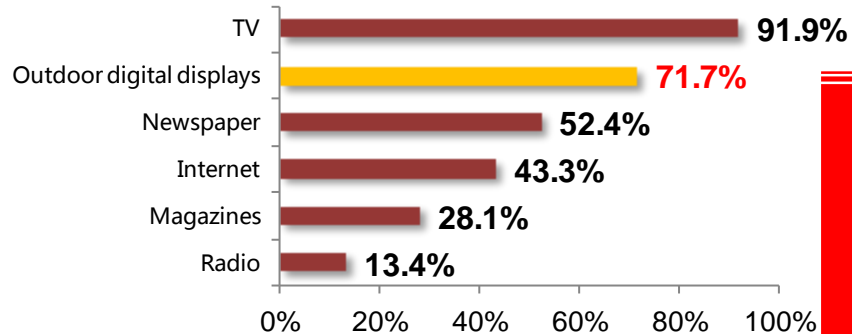
Source: CTR 2011 (W)



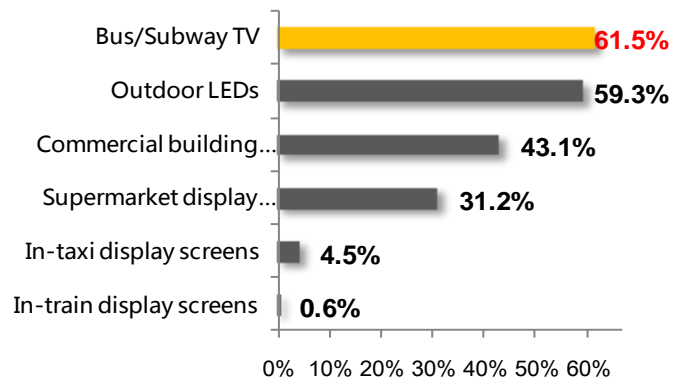
# Outdoor TV Media with High Reach

## Level of reach of different media

### All Media



### Outdoor Digital Media



### Level of reach of some of the main traditional TV channels/VisionChina's subway TV

Media platform/ Channel	Level of reach	Media platform/ Channel	Level of reach
VisionChina	61.5%	Hunan Satellite TV	37.5%
CCTV-1	66.7%	Jiangsu Satellite TV	20.0%
CCTV-News	21.4%	Beijing Satellite TV	16.8%
Shanghai Dragon TV	26.6%	Phoenix TV Chinese	6.0%

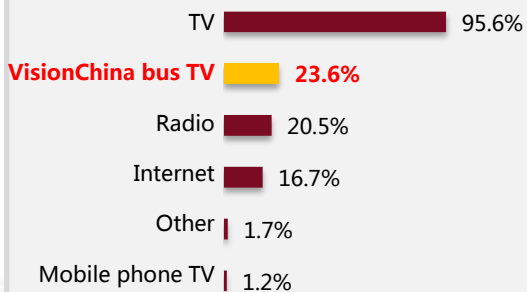
Source: CMMS 2012(S)

Source: CMMS 2012(S)

# Major Event Research Results

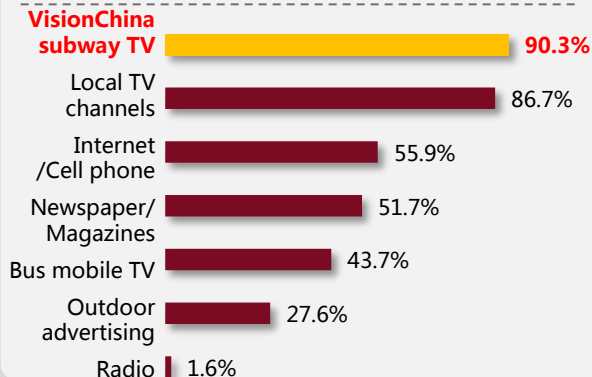


## Means of watching the Game during the 2008 Olympics:



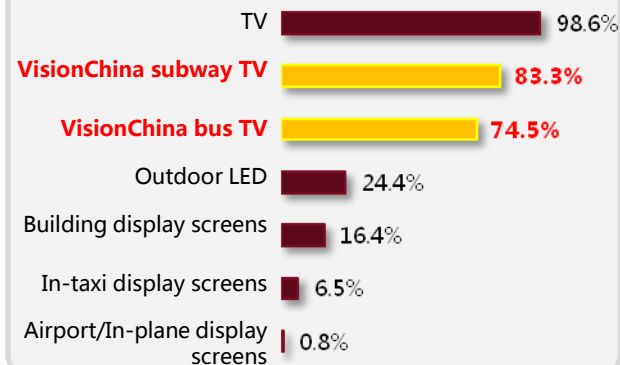
Source: CTR Research June 2008

## Means of receiving information during the 2010 World Expo:



Source: Sinomonitor July 2010

## Means of receiving information during the 2010 Asian Games (outdoor display screens):



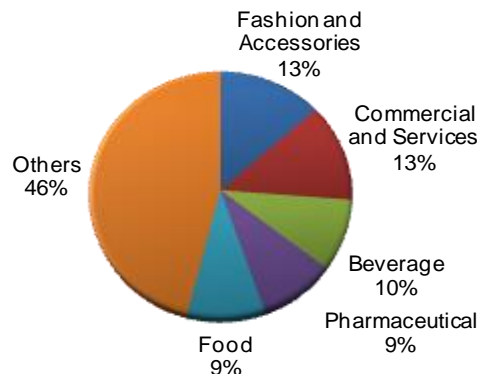
Source: CTR Research December 2010





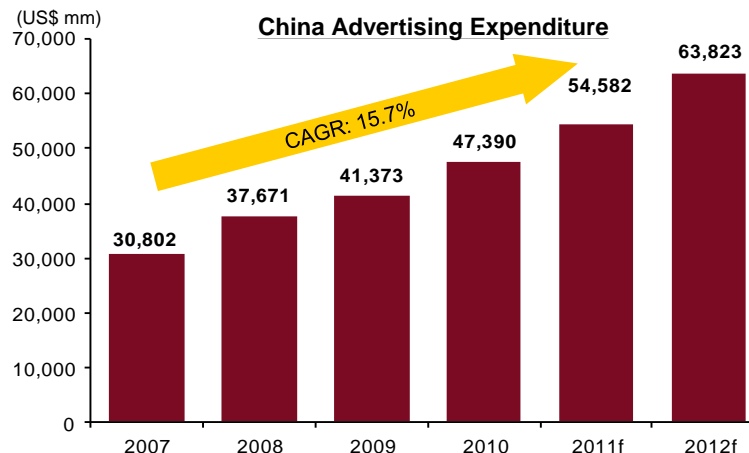
# In The Right Place at the Right Time

## China Advertising Market Segmentation, 2012



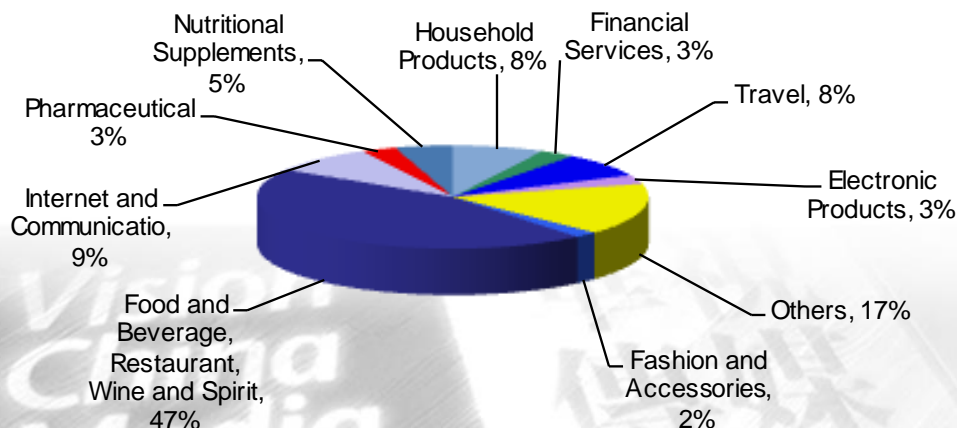
Source: CMMS 2012(W)

## Large and Rapidly Growing Advertising Market...

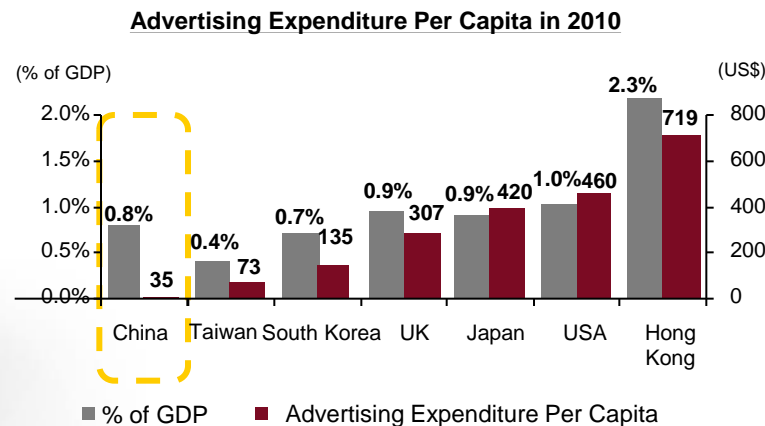


Source: GroupM (December, 2011)

## VisionChina 2013 Q3 Advertising Revenue Verticals



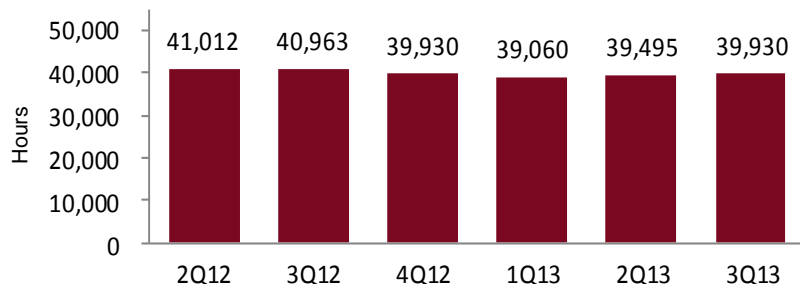
## ...with Significant Room for Sustained Growth



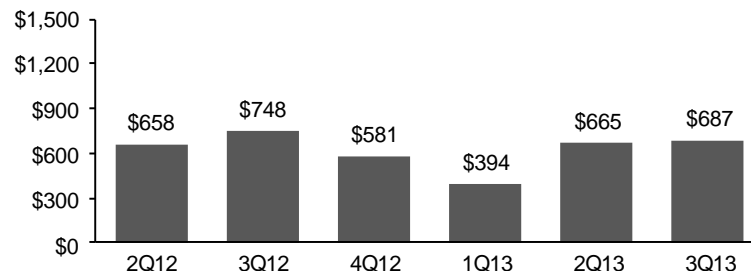
Source: GroupM (December, 2011)

# Historical Key Operating Metrics

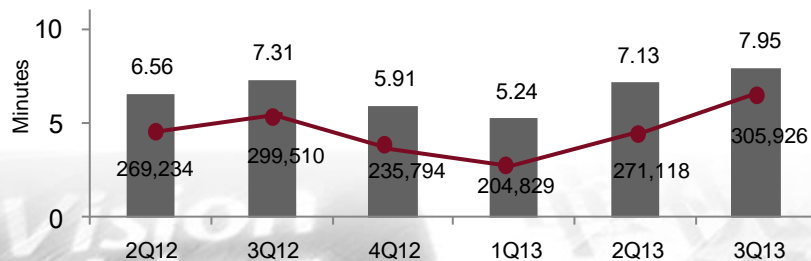
## Total Network Capacity



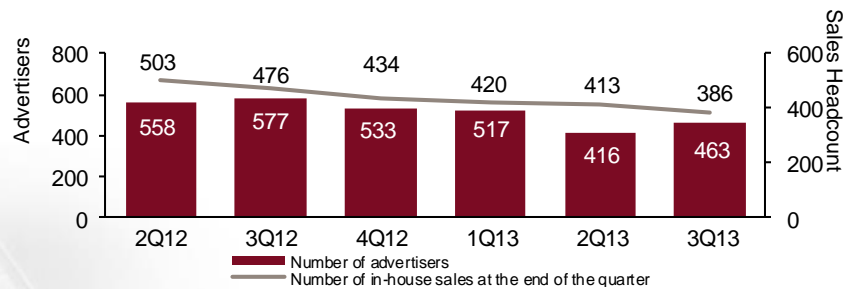
## Average Revenue Per Broadcasting Hour (US\$)



## Advertising Minutes Sold Per Broadcasting Hour & Total Minutes Sold Per Quarter

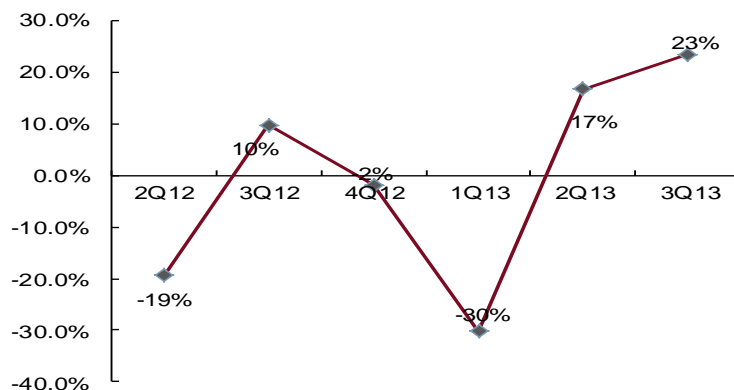


## Number of Advertisers Each Quarter & In-house Sales Employees



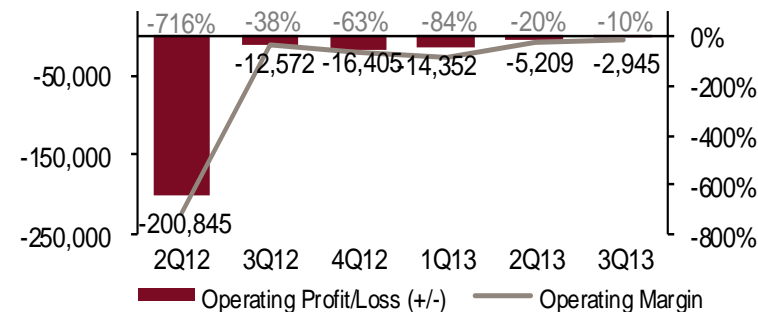
# Historical Financial Results

## Advertising Service Gross Margin



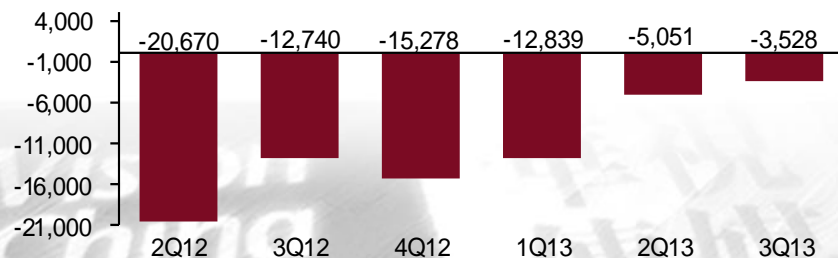
## Operating Profit/Loss (+/-) & Margin

(US\$ in thousands)



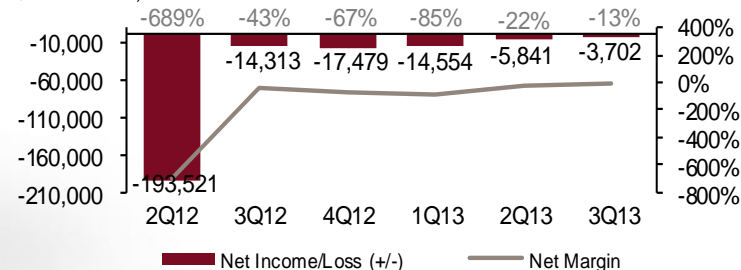
## NON-GAAP Net Income/Loss (+/-)

(US\$ in thousands)



## GAAP Net Income/Loss (+/-) & Net Margin

(US\$ in thousands)

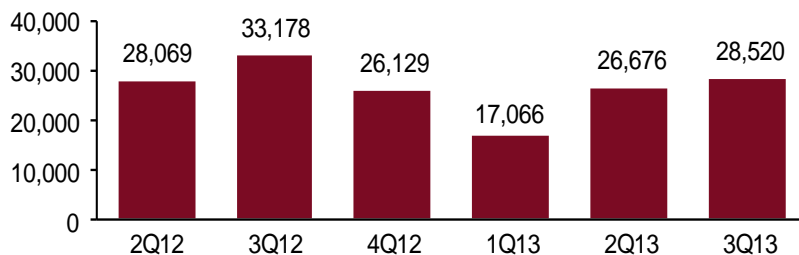




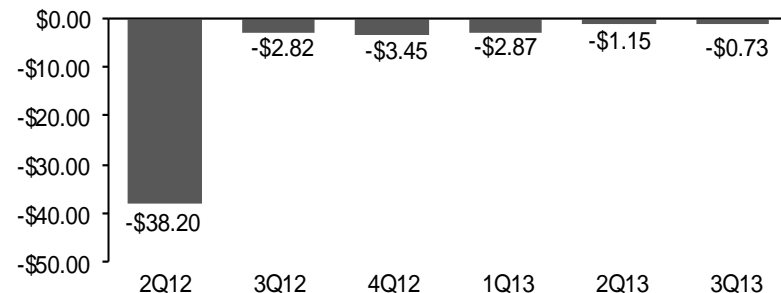
# Historical Financial Results (Continued)

## Total Revenues

(US\$ in thousands)

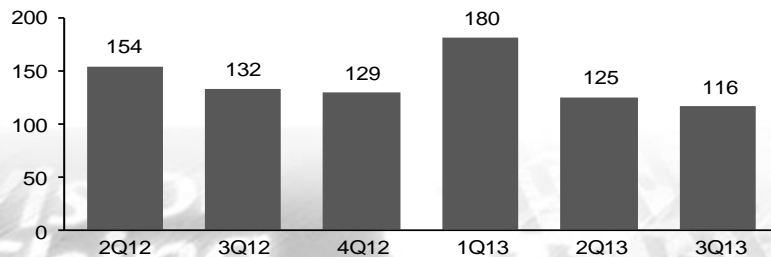


## Net Income/Loss Per ADS (+/-) (Diluted)



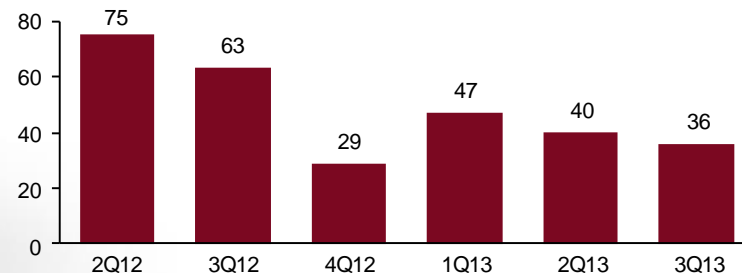
\* ADS amounts adjusted for a change in the ratio of the Company's American Depositary Shares to ordinary shares from 1:1 to 1:20, effective as of December 12, 2012.

## Accounts Receivable Turnover Days



## Cash Position

(US\$ in millions)



# Contact us



**For more information, please contact:**

**Shuning Yi, Investor Relations Department**

**Mobile: +86 134 2090 9426**

**Shuning.yi@visionchina.cn**

**Colin Wang, Investor Relations Director**

**Mobile: +86 135 1001 0107**

**Colin.wang@visionchina.cn**

