

CLEAR MEDIA LIMITED

白馬戶外媒體有限公司

Clear Media Announces Interim Results for 2017

Moderate Growth in Total Turnover and EBITDA

Highlights

- The Group's total turnover increased by 1.8% to RMB762.5 million.
- EBITDA increased by 2.7% to RMB308.4 million.
- Amortisation of concession rights increased by 8.7% to RMB163.9 million due to the investment to protect the long-term growth of the business.
- Net profit decreased by 15.5% to RMB76.9 million.
- Basic earnings per share RMB0.1419.

(Hong Kong, 9 August 2017) – **Clear Media Limited** ("Clear Media" or the "Company", together with its subsidiaries, the "Group"; SEHK Stock Code: 100), the largest bus shelter advertising panel operator in China, is pleased to announce its interim results for the six month ended 30 June 2017.

The Group's total turnover for the six months ended 30 June 2017 increased by 1.8% year on year to RMB762.5million. Earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 2.7% year on year to RMB308.4 million (1H2016: RMB300.2 million). Earnings before interest and tax ("EBIT") decreased by 3.8% to RMB137.0 million (1H2016: RMB142.4 million). Net profit decreased by 15.5% year on year to RMB76.9 million (1H2016: RMB90.9 million). Part of the decrease was attributable to the increase in amortisation of concession rights to RMB163.9 million (1H2016: RMB150.8 million), the RMB5.1 million realized exchange losses recognized during the period, and higher withholding tax expenses. Basic earnings per share reduced by 15.5% year on year to RMB0.1419 (1H2016: RMB0.1679).

As of 30 June 2017, Clear Media operated the most extensive standardized bus shelter advertising network in Mainland China, with a total of more than 48,000 panels (1H2016: 47,000) covering 24 cities. Revenue, net of value added tax, from the bus shelter advertising business increased by 1.8% year on year to RMB762.5 million (1H2016: RMB748.8 million). The average number of bus shelter panels increased by 2.9% during the six month ended 30 June 2017. Yield per shelter before value added tax ("yield per shelter") decreased by 0.9%. The decrease was mainly caused by the decline in overall occupancy rate.

For the six months ended 30 June 2017, driven by a 6.4% increase in the average number of bus shelter panels, revenue before value added tax ("gross revenue") from the Group's bus shelter advertising operations in the key cities of Guangzhou, Shanghai and Beijing increased by 6.0% year on year to RMB483.0 million (1H2016: RMB455.9 million). The yield per shelter declined marginally by 0.4% to RMB 50,748 (1H2016: RMB50,939).

Gross revenue from all mid-tier cities decreased by 3.5% to RMB320.4 million (1H2016: RMB331.9 million) during the six months, mainly due to a lower yield per shelter at RMB26,024 (1H2016: RMB27,077). Among the mid-tier cities where the Group operates, Shenzhen, Dalian, Harbin, Changchun and Wuxi performed particularly well with double-digit growths in revenue.

As of 30 June 2017, the Group operated a total of 256 digital advertising panels in Nanjing (1H2016: 257). Sales generated from the digital operation amounted to RMB4.8 million for the six months ended 30 June 2017 (1H2016: RMB5.6 million).

Mr. Han Zi Jing, Chief Executive Officer of the Group, said: "During the first half of 2017, economic growth in Mainland China continued to be moderate while the operating environment remained challenging and volatile. Late confirmation and last-minute cancellation of orders continued to be common. The relatively early Chinese New Year and the postponement of the marketing campaigns by certain key customers posed challenges for our sales team during the first quarter of this year. Sales growth resumed in the second quarter with improved momentum."

Mr. Joseph Tcheng, Chairman of the Group, said: "We are cautiously optimistic that the sales momentum in the second quarter will continue to the second half of the year. We expect a relatively high level of advertising interests from customers from the e-commerce, smart phone and mobile applications sectors."

Financial Highlights

Consolidated Income statement highlights for the six months ended 30 June 2017

(RMB'000)	2017 (Unaudited)	2016 (Unaudited)	% Change
Turnover	762,547	748,764	+1.8%
EBITDA	308,387	300,248	+2.7%
Net profit	76,854	90,948	-15.5%
Basic EPS (RMB)	0.1419	0.1679	-15.5%

Balance sheet highlights

(RMB'000)	30 June 2017 (Unaudited)	31 Dec 2016 (Audited)
Cash and cash equivalents	590,359	514,170
Net assets	2,344,093	2,355,529

- End -

About Clear Media Limited

Clear Media is the largest bus shelter advertising panel operator in China, with leading market shares of more than 70% in top-tier cities, and also a broad presence in the fastest growing cities across the country. We provide one-stop solutions for countrywide advertising campaigns for our customers. Listed on the Main Board of The Stock Exchange of Hong Kong since 2002 under the stock code 100, Clear Media's largest shareholder is Clear Channel Outdoor (NYSE: CCO), one of the world's largest outdoor media companies.

For more information on Clear Media, please visit: www.clear-media.net.

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