

Vision China

世界
看中國



May, 2008

VisionChina
Media

納斯達克代碼：V I S N

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VisionChina Media – Vision in Action



The VISION

Making Ubiquitous Access to Television a Reality for China's 1.3 Billion Consumers



The ACTION

Created One of the Largest Out-of-home Advertising Networks Using Real-time Television Broadcasts on Mass Transportation Systems in China

Exclusive and Long-term Contractual Agreements

Large Number of International and Domestic Blue-chip Advertisers

Digital Mobile TV Value Proposition



70% of Urban Residents Use Public Transportation



Traditional TV



Highway Billboards



Metro Area Billboards



Outdoor LED



Etc.



Mobile Digital TV

Out-of-Home Advertising

Out-of-home Audiences Prefers Digital TV Over Pre-recorded Systems

Development of Out-Of-Home TV in China

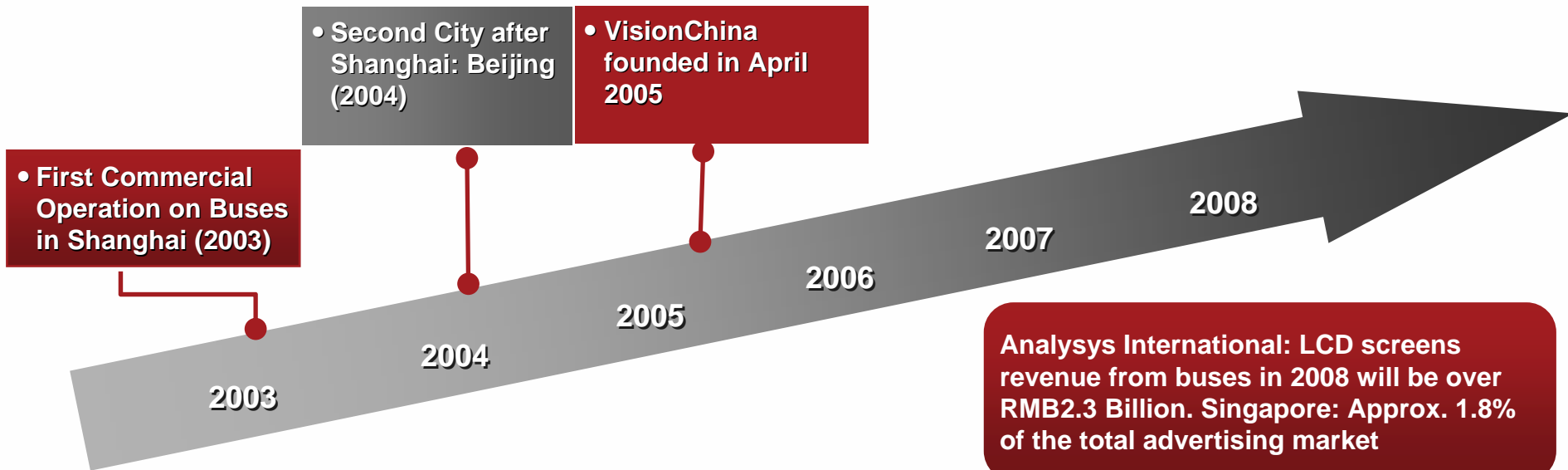


VisionChina: Real-time Out-Of-Home Digital TV vs. Traditional TV The First Media Platform of VisionChina

Using the latest technology, wireless digital TV, via a wireless frequency, supports mobile reception at speeds of over 140km.

China established its national standard for this type of broadcast in August 2007. It is also called mobile digital TV.

Morgan Stanley Predicted:
China's AD market will grow 15% to RMB200 Billion. 2008: surge with a big 25% growth from Olympics

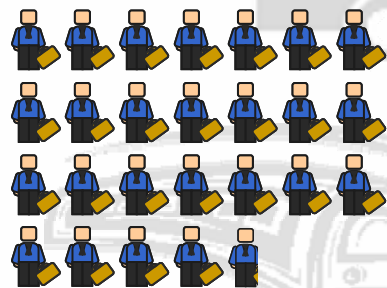


High Growth Potential of China's Mobile Digital Television Advertising Market



High Utilization of Public Transportation

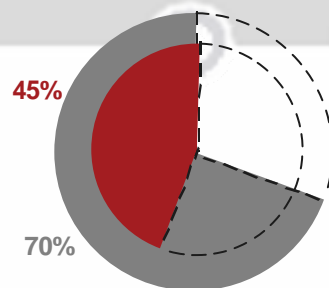
Daily Traffic on Buses with Mobile Digital TV Displays in 12 Cities⁽¹⁾



= 1,000,000

>25 mm trips*

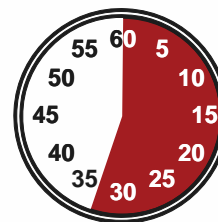
% Who Commute by Bus in 12 Cities⁽¹⁾



■ % who commute by bus every day
■ % who have commuted by bus in the past 4 weeks

Much Time Spent on Public Transportation⁽³⁾

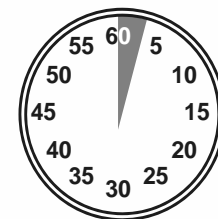
Bus⁽¹⁾



x 12.9 Trips

33.8 minutes / trip, 12.9 trips / week on buses

Subway⁽²⁾



x 7.3 Trips

3.4 minutes / trip, 7.3 trips / week on subway platforms

...with A Large Group of Consumers on the Move in Public Transportation Systems

Source: CTR Research (2007)

(1) Consists of Beijing, Changchun, Chengdu, Dalian, Harbin, Nanjing, Ningbo, Shenzhen, Suzhou, Wuhan, Wuxi and Zhengzhou

(2) Shenzhen Subway

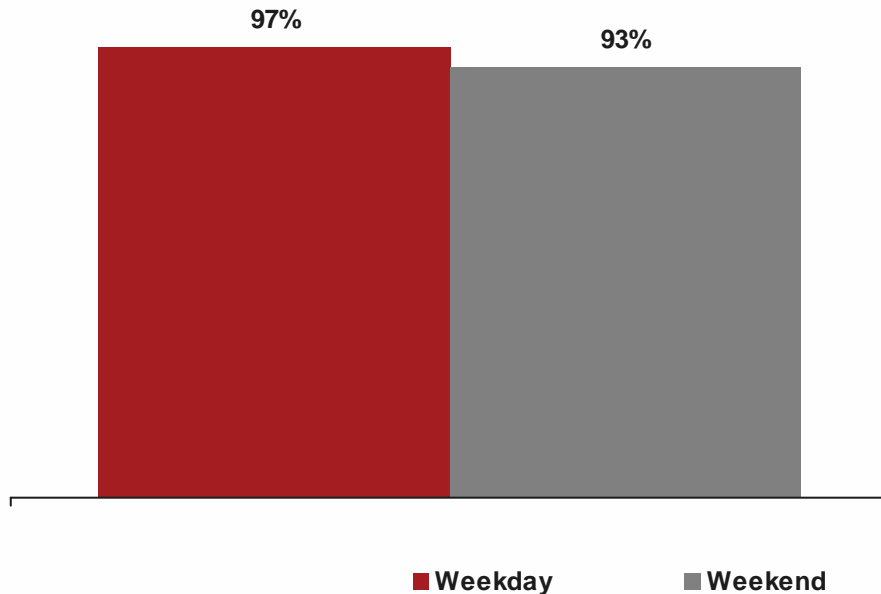
(3) Includes all passengers surveyed on public transportation systems

High Growth Potential of China's Mobile Television Advertising Market on Bus



Effective Audience Reach

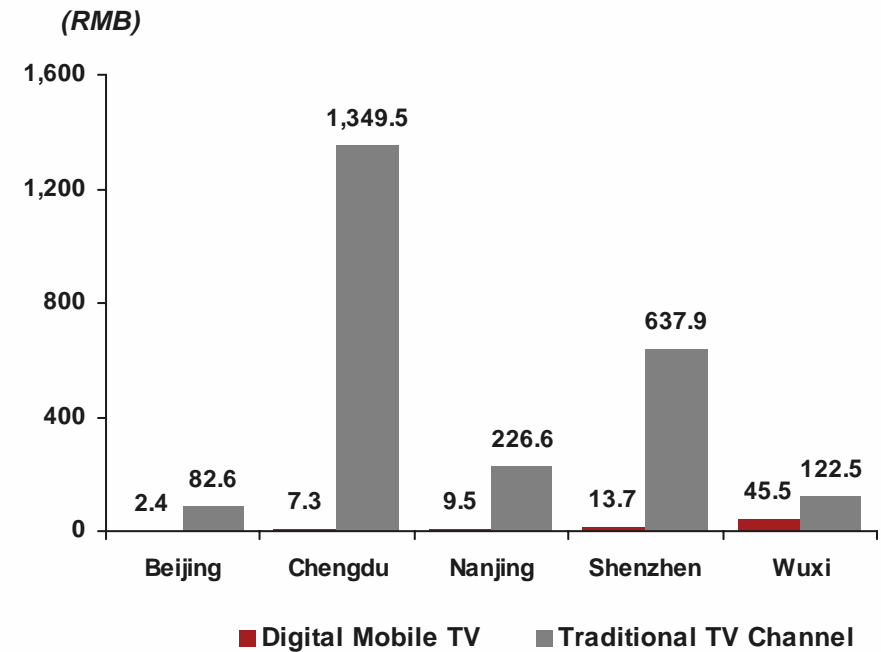
% of Respondents who Paid Attention to Displays



Source: CTR Research (2007) of Beijing, Dalian, Chengdu

Cost Effectiveness

CPM Comparison on Weekdays from 6:00AM to 6:00PM



Source: CTR Research (2007)

**VisionChina Assists Advertisers Influence Large Numbers of Urban Citizens
In A Cost Effective Way**

Our Advertising Network Offerings



Digital Television Displays in Buses



Tier 1 Cities

- ✓ Beijing
- ✓ Shenzhen
- ✓ Guangzhou

Tier 2 Cities

- ✓ Chengdu
- ✓ Dalian
- ✓ Harbin
- ✓ Ningbo
- ✓ Suzhou
- ✓ Wuhan
- ✓ Zhengzhou
- ✓ Wuxi
- ✓ Nanjing
- ✓ Changchun
- ✓ Changzhou
- ✓ Taiyuan
- ✓ Shenyang

Digital Television Displays in Subways



- ✓ Beijing

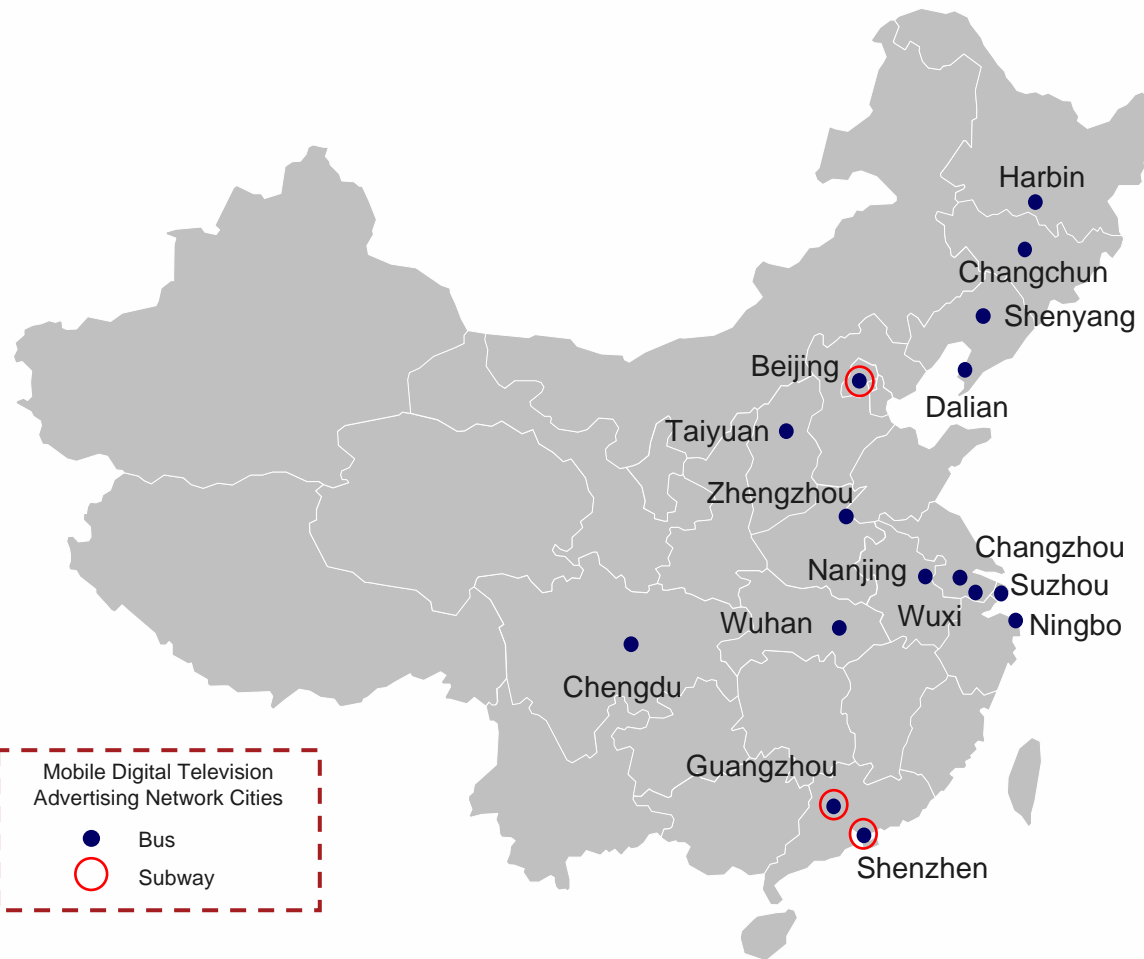
Digital Television Displays on Subway Platforms



- ✓ Guangzhou and Shenzhen



Largest Mobile Digital Television Advertising Network Covering Mass Transportation in China..



Mobile Digital Television Advertising Network Cities

- Bus
- Subway

Our Advertising Network as of March 31, 2008

Number of Cities Covered	15*
Number of Digital Television Displays in Buses	45,580
Number of Digital Television Displays in Subway Systems	2,128**
Number of Digital Television Displays On Other Platforms	1,011
Total Hours of Broadcasting for 2008 Q1	25,980
Number of Consumers Covered Daily	> 26 million

Note: As of Mar 31, 08

HK000N2D

* On Apr 1, 08, Shenyang was included in our network, up till now, number of cities covered counts for 16

** On Apr 18, 08, VisionChina signed contract with Guangzhou subway (GMTM) for the exclusive right to operate on all subways in Guangzhou. As at Apr 18, 2008, 2,700 screens have been installed

Real-time Ability to Deliver Highly Effective Advertising Solutions



Real-time

Unique entertainment and information interspersed with advertising to capture the attention of passengers during their daily commute

Stock Quotes



Traffic Updates



Weather Updates



Time-specific

Ability to vary advertisements and content throughout the day

School Commute



Work Commute



Location-based

Location-based content and advertising with scrolling bars displaying latest news and information updates



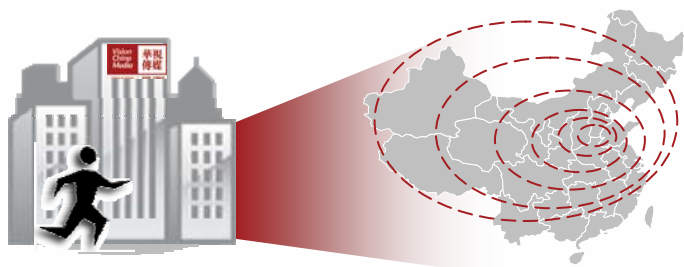
Ability to Broadcast Real-time, Time-specific and Location-based Content and Advertising

Premium Pricing

Real-time Ability to Deliver Highly Effective Advertising Solutions (Cont'd)



One-Stop Shop Packaged Solution



Advertisements

- Standard
- Tailored

Programming / Contents

- Co-production with clients
- Scrolling bars
- Embedded soft advertising
- Sponsorship of programs

Market Research

- Consumer surveys
- Demographic analysis
- Industry researches
- Evaluation of effectiveness of advertisement

Effective Content and Advertising

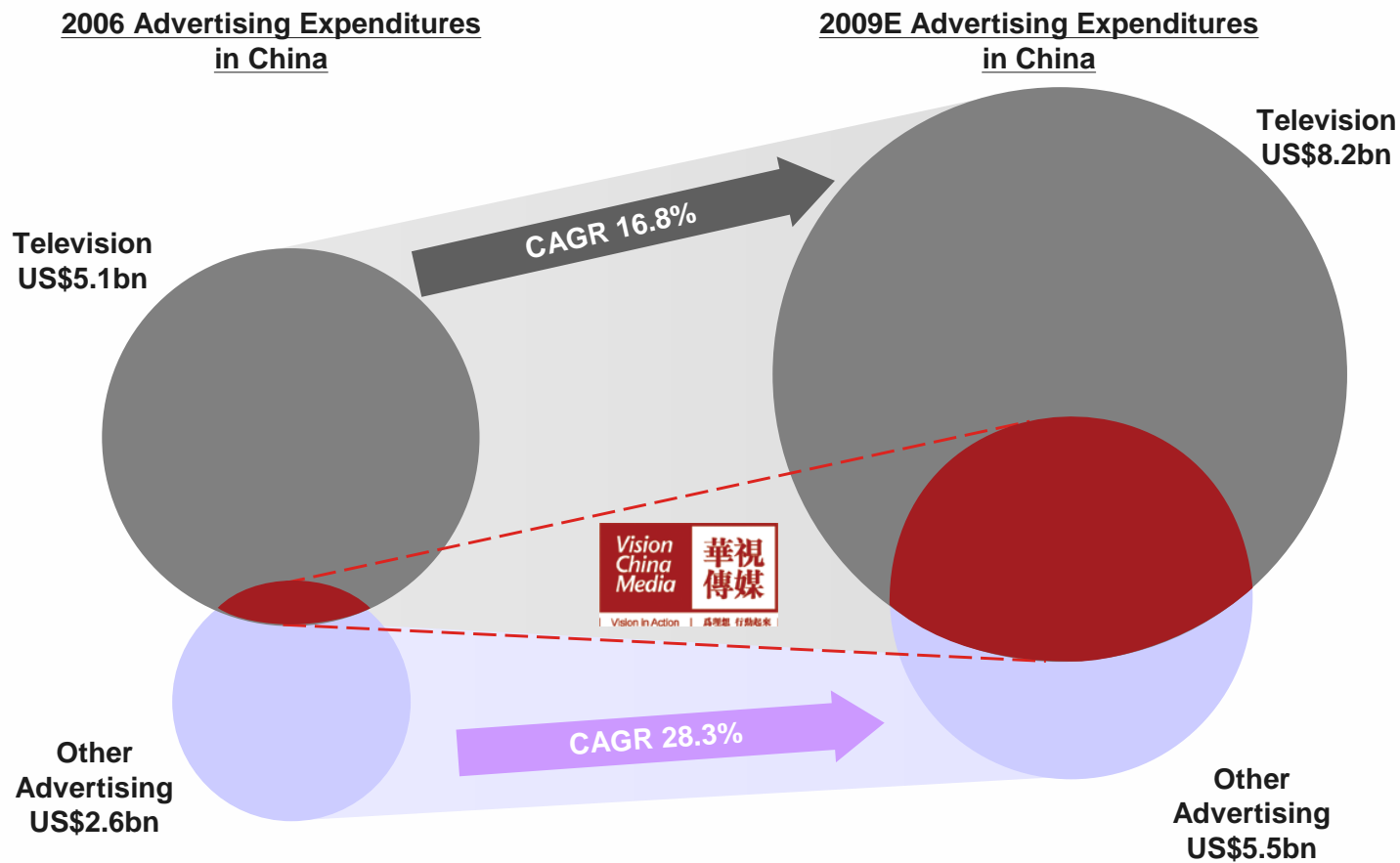


Optimal Blend of Content and Advertising

High Growth Potential of China's Mobile Television Advertising



Large and Rapidly Growing Advertising Market, with Significant Room for Sustained Growth



Source: ZenithOptimedia (October 2007)

Rapid Growth of Mobile Digital Television Advertising Market...

Largest Mobile Digital Television Advertising Network Covering Mass Transportation in China (Cont'd)

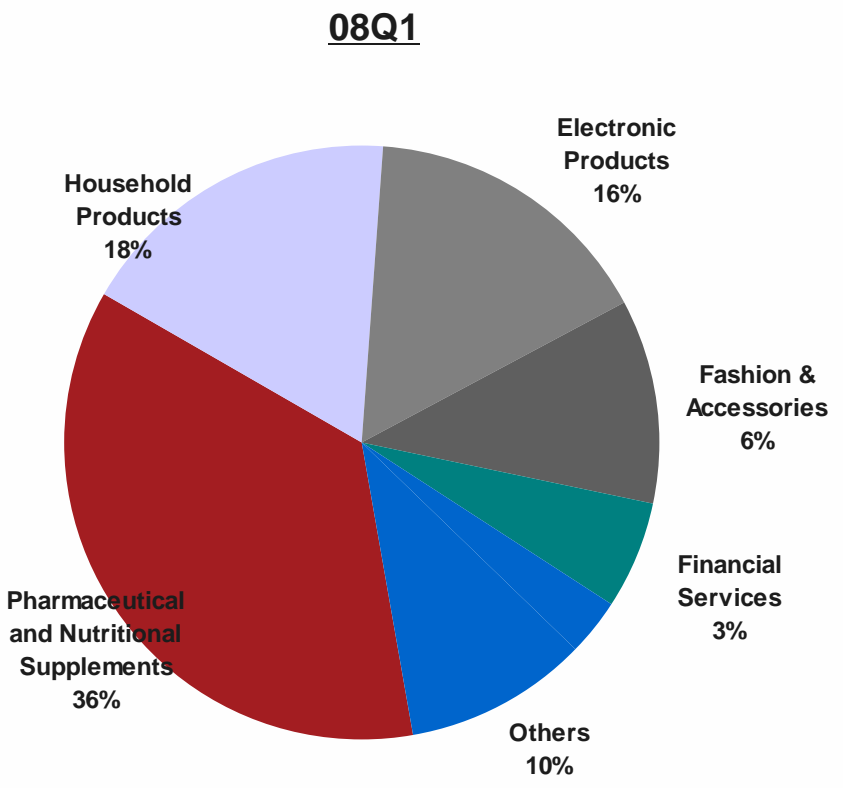


Our established large-scale nationwide mobile digital television advertising network attracts a diversified customer base

Broad and Diversified Customer Base

Composition of Our Clients Base

Food & Beverage, Restaurants	
Pharmaceutical & Nutritional Supplements	
Household Products	
Appliances	
Financial Services	
Others	



...Best Positioned as Industry Consolidator



- **Best Existing Network**

- Largest Tier 1 mobile broadcast network
- Best technology
 - Only player using exclusively wireless transmission

- **Partner with Local TV Stations**

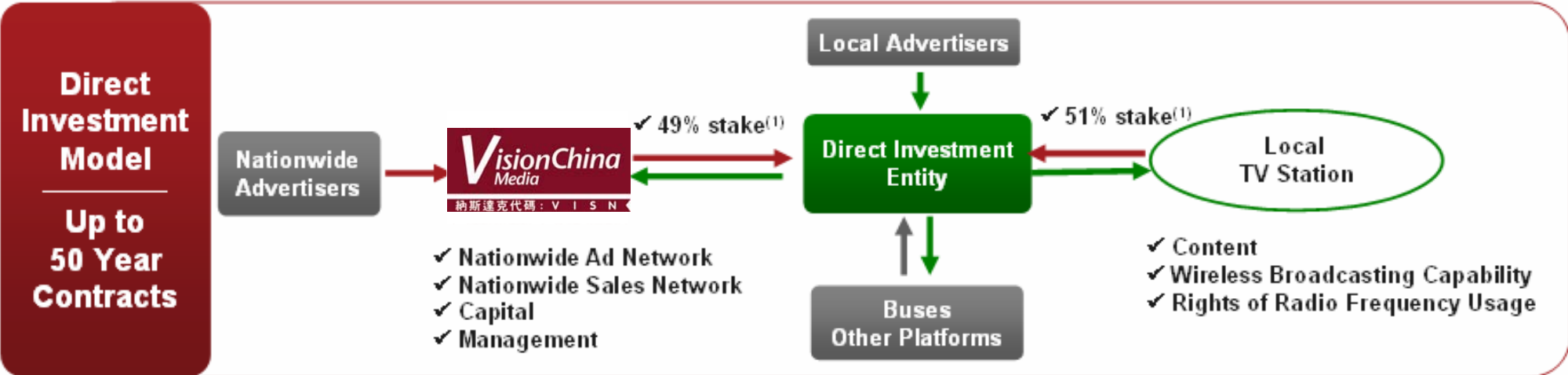
- Long-term contracts
- Scalable network with potential to expand to all areas covered by the signal
- Free access to Local TV station's content bank

- **Best Financial Position**

- Strong post-IPO balance sheet means higher creditability, better ability to pay up-front deposits than competition

In a highly fragmented market, VisionChina is in the best position to consolidate the industry, achieve economies of scale and premium pricing

Exclusive and Long-term Contractual Agreements



(1) In Shenzhen, VisionChina holds a 25% stake; In Wuxi, VisionChina holds a 14% stake. In both of these cities, the local TV station holds the remainder of the stake.

Strong Management and Sales Team with Extensive Experience



Management Team

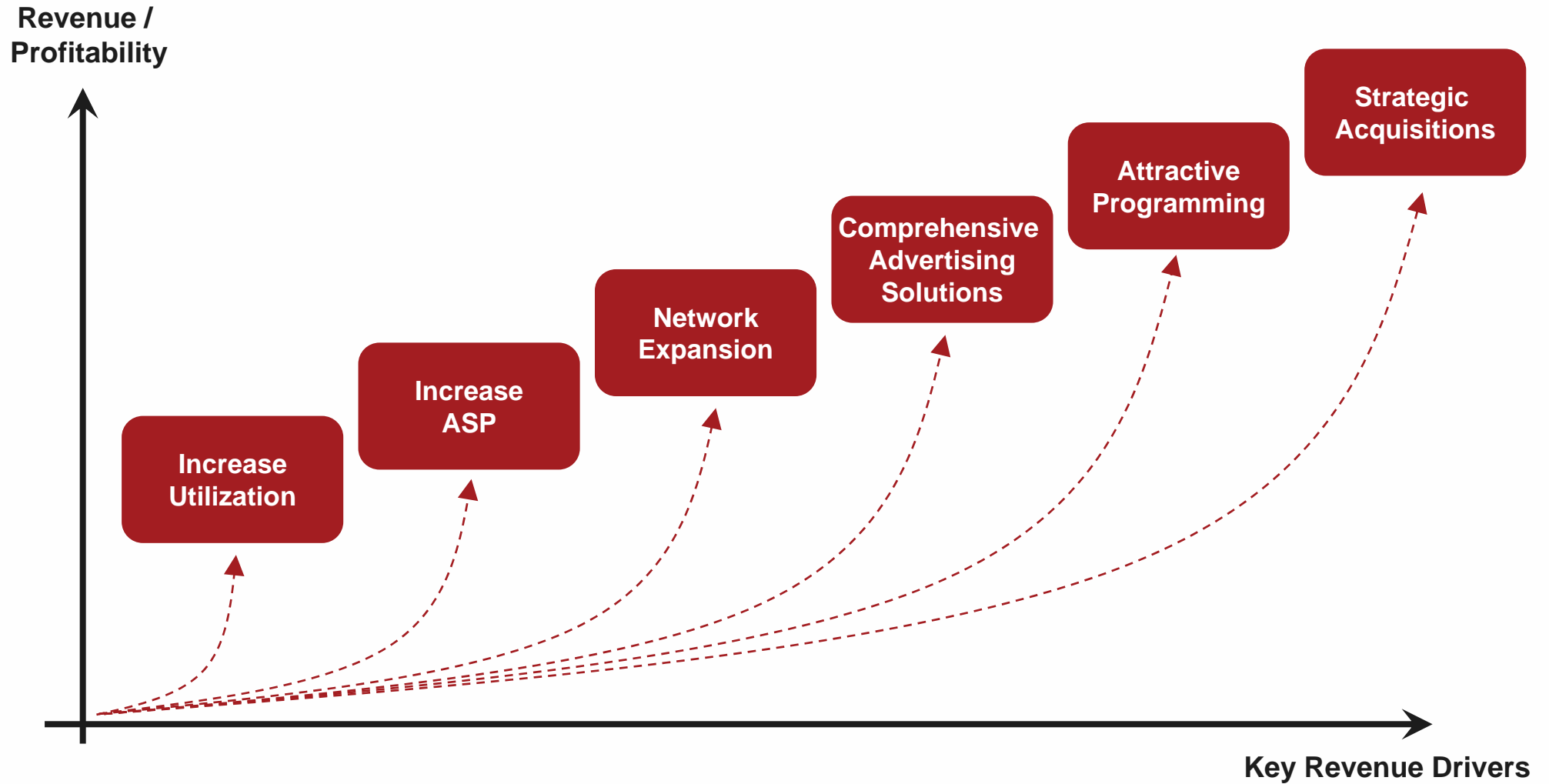
<p>Li Limin Chief Executive Officer</p>	<ul style="list-style-type: none"> • Chairman and Founder • Over 20 years of entrepreneurial and management experience • Established over 4 successful brands in China 	<p>Xiaowei Chen Chief Strategy Officer</p>	<ul style="list-style-type: none"> • Joined since inception of Company • Over 14 years of IT and media experience • Former general manager of Chengdu Mobile Television Co., Ltd.
<p>Dina Liu Chief Financial Officer</p>	<ul style="list-style-type: none"> • Joined since June 2007 • Over 10 years of audit experience • Former audit partner of Ernst & Young Hua Ming 	<p>Haijun Liu Chief Development Officer</p>	<ul style="list-style-type: none"> • Joined since inception of Company • Over 20 years of sales and marketing experience • Former general manager of Jilin Mobile Television Co. Ltd.
<p>Alfred Tong Chief Marketing Officer</p>	<ul style="list-style-type: none"> • Joined since February 2008 • Over 21 years of marketing and media experience • Former vice president of Universal McCann 	<p>Yi Zhang Chief Administrative Officer</p>	<ul style="list-style-type: none"> • Joined since inception of Company • Over 10 years of strategic investment and risk management experience • Former senior management of Shenzhen Development Bank

Rapidly Growing Sales Team

■ Number of Sales Employees



Key Revenue Drivers

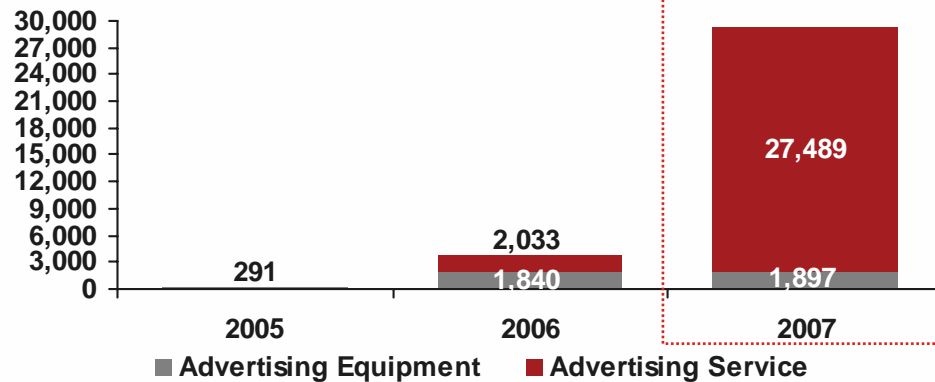


Strong Operating and Financial Growth

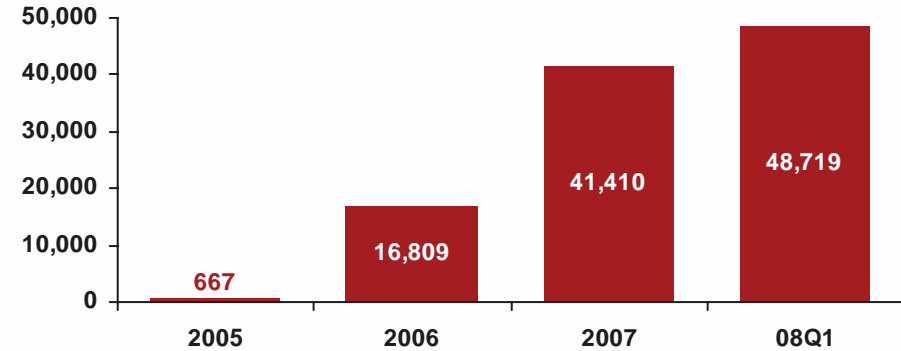


Total Revenues

(US\$ in thousands)

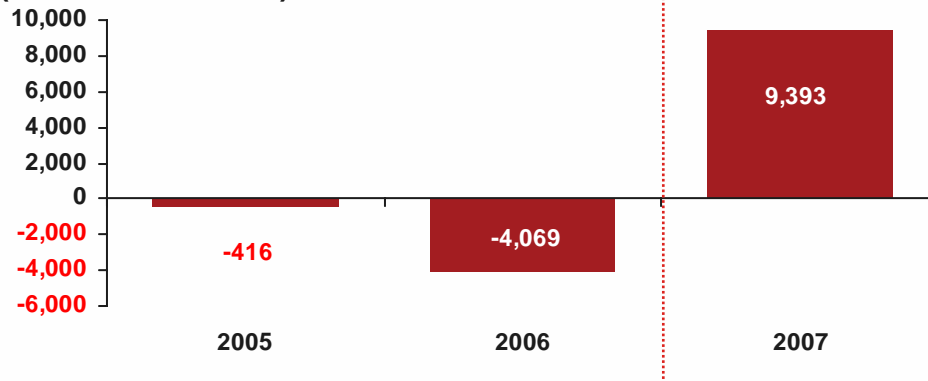


Number of Displays



Net Income

(US\$ in thousands)



	2006	2007	08Q1
No. of Cities	Bus: 12	Bus: 14 Subway: 3	Bus: 15 ⁽²⁾ Subway: 3
Total Hours of Broadcasting	30,640	77,925	25,980
Minutes of Advertising per Broadcast Hour	1.08	7.04	6.24
Avg Revenues / Hour of Broadcasting ⁽¹⁾ (US\$)	56	341	493

(1) We calculate average revenues per hour by dividing our advertising service revenues derived from our network and stationary advertising platform by the total hours of broadcasting in the cities of our network and stationary advertising platform.

(2) On Apr 1, 08, Shenyang was included in our network, up till now, number of cities(bus) covered counts for 16

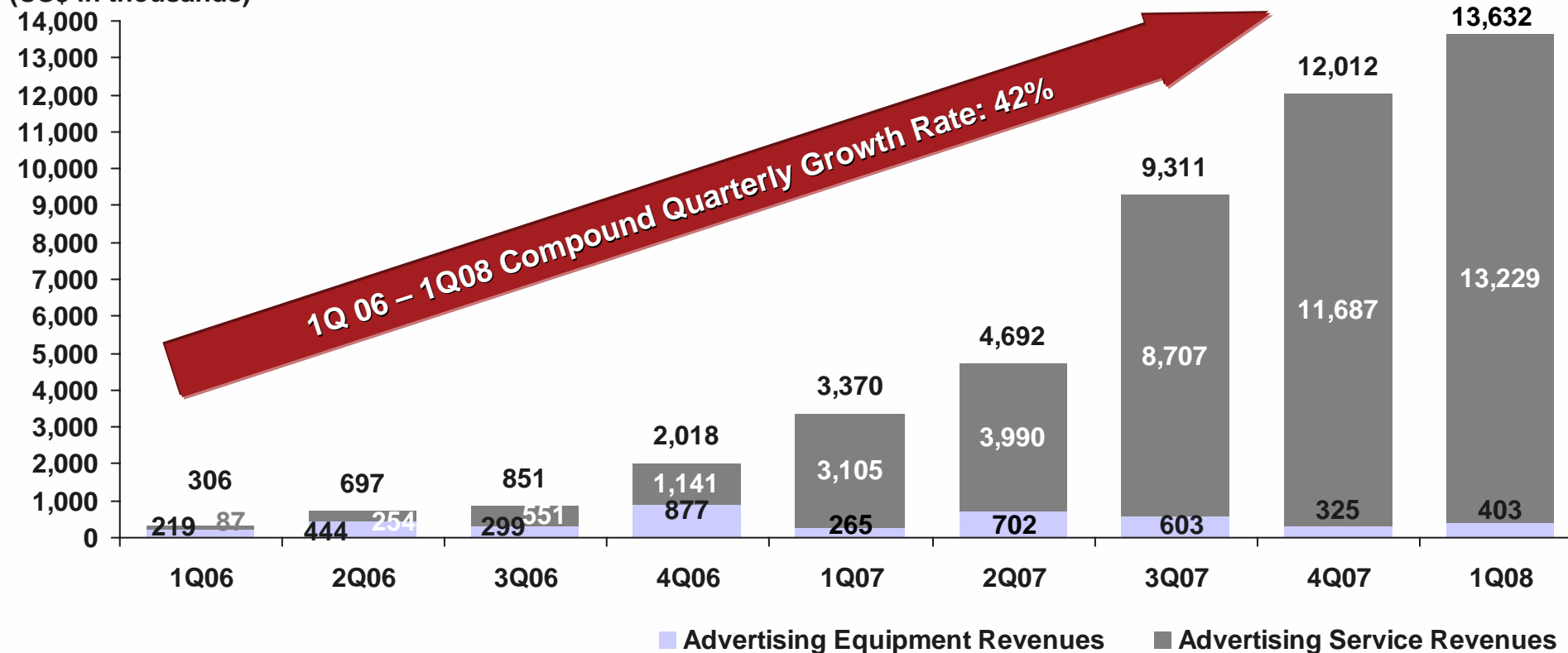
Strong Operating and Financial Growth (Cont'd)



Strong Revenue Growth and Momentum

Total Revenues

(US\$ in thousands)



Q-o-Q Growth	+128%	+22%	+137%	+67%	+39%	+98%	+29%	+13%
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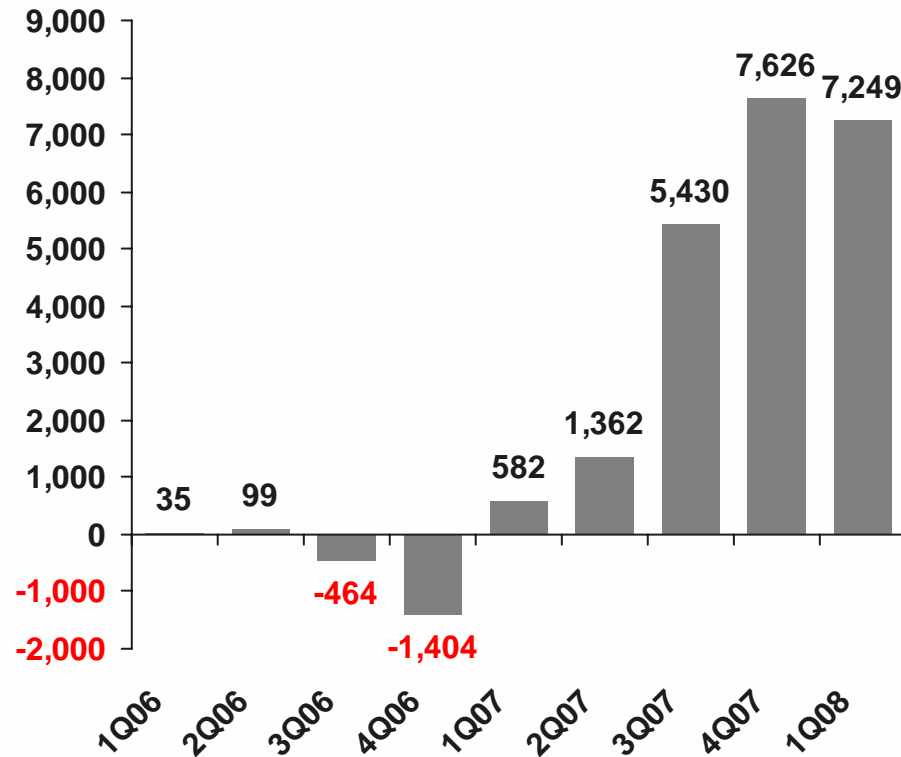
Strong Operating and Financial Growth (Cont'd)



Improving Profitability

Gross Profit

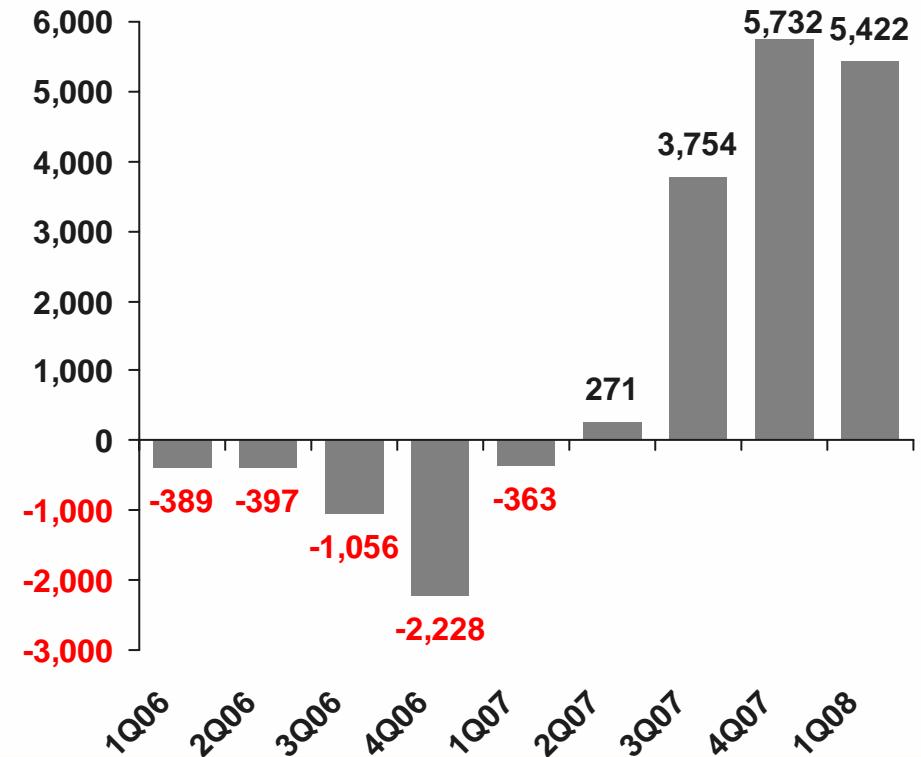
(US\$ in thousands)



GM 10% 14% -55% -70% 17% 29% 58% 63% 53%

Net Profit

(US\$ in thousands)



NM -143% -57% -124% -110% -11% 6% 40% 48% 40%

Balance Sheet and Cash Flow Highlights



(US\$ in thousands)	As of December 31			As of March 31
	2005	2006	2007	1Q08
Key Balance Sheet Items				
Cash and Cash Equivalents	2,599	5,216	131,140	133,800
Accounts Receivable	–	832	13,256	12,514
Accounts Payable	74	576	4,237	3,838
Total Debt	–	–	–	–
Shareholders' Equity	5,794	582	164,028	173,169
Cash Flow Statement				
Change in Working Capital	(6)	(4,419)	(16,840)	68
Operating Cash Flow	(296)	(7,826)	(6,001)	6,271
Capital Expenditure	(55)	(405)	(4,339)	(1,551)
Financing Cash Flow	6,060	13,637	138,823	(1,630)

Strategic Focus



Pursue Strategic Relationships and Acquisitions

Expand our Network to Other Advertising Media Platforms

Continue to Explore New Digital Media Technologies

Maximize our Average Revenues per Hour

Expand Coverage and Penetration of our National Network

Making Ubiquitous Access to Television a Reality for China's 1.3 Billion Consumers



Investment Highlight Summary



**High Growth Potential of
China's Mobile Digital Television Advertising Market**

**Largest Mobile Digital Television Advertising Network
Covering Mass Transportation in China**

Real-time Ability to Deliver Highly Effective Advertising Solutions

Exclusive and Long-term Contractual Arrangements

**Strong Management and Sales Team
with Extensive Experience**