

**QUARTERLY FINANCIAL REPORT
AS OF SEPTEMBER 30, 2008**

Business Media China AG



Business Media China AG

GROUP PROGRESS REPORT - Q 3 / 2008

Business Media China AG has achieved new record sales with a volume of EUR 9.8 million in the third quarter 2008. This corresponds to a growth of 21% compared with the corresponding quarter of last year. While the exhibition segment of the business and the airport advertising media sales developed as planned, the railway station media business did not reach the high expectations despite its strong growth. The strong sales trend led to a quarterly pre-tax result in the amount of EUR 0.5 million.

The consolidated nine monthly figures for the sales volume of the BMC group amount to EUR 20.5 million (+ 28%). The gross margin reached EUR 6.2 million as of September 30, 2008 and surpassed last year's value by 94%. The accumulated result after taxes rose by 67 % to minus EUR 1.4 million. (previous year: minus EUR 3.7 million).

The volume of orders in the segments Exhibitions & Conferences as well as advertising media continues to remain at a high level, a precise forecast for the next months, however, is difficult due to the still unforeseeable consequences of the global financial crisis. Under the present circumstances the executive board expects group sales of EUR 30 to 35 million for the complete year. Despite further improvements in the results, we can no longer expect to reach the breakeven point for the complete year due to the economic uncertainties. Consequently, we are presently initiating several cost saving measures - in parallel to the growth initiatives continuing as planned - with the aim of lowering the breakeven threshold of the group in 2009 considerably.

I. General Economic Conditions

The BMC group achieves about 90% of its sales volume in China and about 10% in Germany. The economy in China slows down, but is still growing at about 8 to 10 % per annum. The rate of inflation has decreased within the last months. The economy in Germany will also slow down due to the global crisis in the financial sector.

Business Segments in Detail

Advertising media

In the third quarter 2008 the outdoor advertising in Beijing was characterized strongly by the Olympics 2008. A so-called "Olympic period" was imposed by the Organizing Committee starting at the beginning of July and ending with the Paralympics in the middle of September, during which advertising in public areas on the one hand was massively restricted and on the other hand reserved for the Olympic sponsors in the important locations. Business Media China AG was not affected by these measures, which resulted in some cases in the complete removal of advertising materials. The advertising within railway stations and airports for sponsors and supporters was not only permitted but actively supported by the committee.

Airport media

The newly built Terminal 3 at Beijing's Capital Airport (Beijing Capital International Airport - BCIA) was during this time not only the entrance gate for the athletes, official and visitor of the games, but primarily from an advertising point of view a prime location: BMC Flying Dragon had already earlier entered into a long-term contract with the sponsor Samsung about a 3D installation with LCD Screens, touch screen and interactive download possibilities at one of the two BMC exhibition spaces in the T3, and as of the beginning of July could effectively present at another, new exhibition space Coca Cola as a sponsor with a reconstruction of the Olympic stadium (the so-called "Bird's nest"). Subsequently, the airport experts of BMC Flying Dragon managed to commercialize a third exhibition space, which had been allocated in a bidder method to another company in 2007, by licensing it for one year and selling it to Skoda, a subsidiary of the Olympic Sponsor Volkswagen. The majority of the light boxes in T3 were sold to sponsors, with Lenovo the IT giant booking the biggest package, and further light boxes going to the Chinese telecommunications service provider CNC-ChinaNetCom.

Railway Station media

The railway station advertising company BMC Skyflying Media could enter on short notice into advertising contracts with the sponsors China Mobile, Yi Li Dairy, McDonald's and UPS for its railway stations in Beijing and present them for the 2.5 months of the Olympic period in addition to the existing and regular campaigns. The cooperation in the joint venture between the partners BMC Advertising and Tianjun (Skyflying Media) was successful in commencing national sales and first campaigns could be sold in the cities of Beijing and Guangzhou. BMC Skyflying Media is the first, the only and by far the leading national supplier of railway station media in China. In total, the occupancy rate and the price increases obtained are, however, still behind plan.

Creative Services

The TC group could i.a. successfully organize the AMG promotional tour (Daimler Benz group) through the most important cities of Germany in the 3rd quarter 2008. Furthermore, new customers could be won and advertising campaigns realized successfully, among these the first advertising project in China. This reference project is the base for the entry into the Chinese advertising market. The acquisition of new customers in China is on a high level.

Exhibitions & Conferences

The 10th CIOE (China International Optoelectronics Expo) took place in the Shenzhen Exhibition and Convention Centre from September 6 to 9, 2008. In its anniversary year this worldwide most important trade fair for the optoelectronics industry attracted 15% more exhibitors and 10% more visitors; the exhibition space increased by 18% in comparison to 2007. The fair was organized by BMC Herong, a subsidiary of Business Media China AG.

The three exhibition halls of the Shenzhen Exhibition and Convention Centre have been divided into four specialized exhibition areas and presented the latest developments in the areas of visual communication, laser and infra-red applications, precision optics as well as LED installations and displays. During the four trade fair days the organizers recorded more than 85,000 visitors.

The number of the participating companies represents a new record in the optoelectronics industry: More than 2,173 exhibitors used the CIOE as a platform to present their latest products and technologies - an increase by 15% in comparison with the previous year. More than half of the exhibitors were international companies and brands like JDSU, Olympus, SENKO, Neophotonics, Schott and Merck.

The highlights of the international exhibition areas were the country pavilions of Canada and France. The organizers of the pavilions UBIFRANCE and the Canadian Advanced Technology Association (CATA) also expressed their satisfaction and have already reserved exhibition space for 2009. For the next year, country pavilions are also planned for Germany and Great Britain.

In addition to the exhibition, the CIOE offered a three-day meeting for China's optoelectronics industry dealing both with scientific and application-oriented topics.

The exhibition and the meeting were supported by leading international industry associations, all important Chinese universities and state institutions active in the field of optoelectronics.

Administration - Business Media China AG

The admittance of the young shares from previous capital increases, which heretofore could not be traded, by the BaFin (Federal Office of Financial Service Supervision) and the German Stock Exchange Frankfurt was finalized in the second quarter 2008. All shares of the company are now equally tradable under the security identification number 525040.

Subsequently, the company has applied for and received at end of July the admittance of the shares in the highest transparency segment of the German Stock Exchange, the Prime Standard.

II. Employees

The number of employees in Germany and China increased considerably from 244 on 284 compared with the previous year, particularly due to the joint venture with Tianjun (Skyflying Media), which is reflected in the rise of the personnel expenses. In addition, bonus and commission payments in several subsidiaries intensified this increase. The number of employees of the BMC Group decreased in the third quarter by 15 due to optimization measures.

III. Income Situation

In total, Group sales increased in the first 9 months of 2008 to EUR 20.5 million. In the first 9 months of 2007 the total sales amounted to EUR 16.0 million. The growth in sales compared with the previous year amounts to 28%.

The increase in unfinished goods and services by TEUR 1,824.5 in first 9 months of 2008 (in the first 9 months of 2007: TEUR 331.8) improved the total performance by 37% compared with the previous year.

The material expenses have risen by EUR 3.0 million or 22.8 % in comparison with the first 9 months of 2007. Due to the less than proportional increase in the material expenses in comparison with sales, the BMC group could increase the gross receipts by 94.5 % to EUR 6.2 million compared with the first 9 months 2007.

The other operational income has increased by EUR 1.5 million compared with the first 9 months 2007. The reasons for this increase are on the one hand the receipt of EUR 1.0 million resulting from the settlement of a compensation claim against Julius Bär Kapitalanlagegesellschaft AG dating back to the year 2001 and on the other hand income from foreign exchange variations in the first 9 months 2008 in the amount of EUR 0.5 million.

The personnel expenses have increased due to the growth of the Group by 38 % in the first 9 months 2008. This primarily reflects the staff development planning in the BMC Group.

Depreciation has risen by approx. 8% to TEUR 755.0 compared with the first 9 months of the previous year.

The other operating expenses in the first 9 months are by TEUR 608.1 (+ 17%) higher than in the first 9 months 2007. This increase is essentially due to higher office rental expenses, advertising costs and allocations to reserves for adjustments of receivables, while foreign exchange losses have decreased considerably.

The financial result contains interest proceeds of TEUR 503.6 (in the first 9 months 2007 TEUR 217.2) and interest charges of TEUR 316.3 (in the first 9 months 2007 TEUR 70.9) as well as other proceeds of TEUR 4.5 (in the first 9 months 2007 other expenses of TEUR 26.9). The interest proceeds of the first 9 months 2008 contain in the amount of TEUR 339.9 interest payments on the claims against Julius Bär Kapitalanlagegesellschaft AG plus interest on credit balances at credit institutions. The interest charges result from loans granted by credit institutions and loans granted by Mesago Holding GmbH in the first six months of 2008.

In total, the BMC Group achieved a positive pre-tax result of TEUR 503.9 in the third quarter 2008 and improved the 9 months result pre-tax by 67% compared with the previous year 2007. The group deficit could be lowered in the third quarter by TEUR 370.3 to TEUR 1,374.8.

IV. Asset Situation

The group balance sheet with a total of EUR 41.0 million as of September 30, 2008 reflects an increase by 18.9% over the group balance sheet total at the end of the year 2007. The increase in

total assets results mainly from the increase of the business and goodwill by TEUR 1,147.9 and the stocks by TEUR 1,824.5 as well as the financial assets by TEUR 1,991.3.

The essential changes on the liability side consist mainly of the increase in the financial debt by EUR 4.5 million at Business Media China AG and the TC group, the increase in the other short-term liabilities by TEUR 1,577.4 as well as the decrease in the other long-term liabilities by TEUR 539.7.

The equity capital has slightly increased by TEUR 85.0 despite the group deficit in the first 9 months 2008 of EUR 1.4 million and distributions of earnings to minority shareholders of TEUR 144.2 due to the rise of reserves for foreign currency conversion because of the declining rate of the Euro towards the Chinese Renminbi Yuan and the addition from changes in the consolidation circle. With presently 57% the equity capital quota continues to be on a high level.

The short-term liabilities have risen by 78% to EUR 15.8 million due to the business expansion. These are balanced by short-term assets of EUR 23.3 million, which have increased by 23.6 % compared to December 31, 2007. Due to existing exchange controls regulations there are, however, restrictions regarding the use within the Group of the financial means of subsidiaries located in mainland China. Furthermore, the financial means of Business Media China AG are used as collateral for loans resulting in the total financial assets of EUR 7.2 million being only usable with restrictions like at December 31, 2007.

V. Financial Position

The financial assets of the BMC Group have increased by September 30, 2008. With EUR 7.2 million the financial assets exceed the year-end value 2007 by about 38%. At the same time, the short and medium-term financial debt has also increased by EUR 4.5 million. The increase in the short and medium-term financial debt consists predominantly of shareholder loans of Mesago Holding GmbH in the amount of EUR 3.4 million and the increase in liabilities towards credit institutions in the amount of EUR 1.1 million, granted mainly BMC AG and to a lesser extent the TC Group.

At present, the liquidity position of BMC AG and the TC Group is tense. This is based on the high capital engagement in the stocks of the TC Group, on outstanding receivables and the restrictions regarding the use of the financial means of subsidiaries.

VI. Risk Report

With regard to existing chances and risks we refer to the detailed explanations in the progress report of the consolidated accounts 2007 and to our statements under the topic "Forecast". The interest and liquidity risks are increasing in importance due to the strained financial position and the borrowing of short-term loans during the first 9 months of 2008. Moreover, the risk from elemental powers in the context of the risk management system was raised slightly because of the earthquake in Sichuan province in spring 2008.

There are no other essential changes compared with the explanations given in the Report of Operations for the Group 2007.

VII. Forecast

Given our present views, the fourth quarter may strongly be influenced by the consequences of the global financial crisis. In the segment of the advertising media short-term delays, changes in bookings or credit failures are possible, however, difficult to forecast. The marketing of the new main station South Beijing started well. Moreover, the shortage of the medium formats in Beijing due the limitation of the outside advertising space prior to the Olympics should lead to a tendency of increasing prices.

The prospects for the segment of Exhibitions & Conferences continue to be positive. It pays off, that BMC has consistently relied on leading fairs and events. On November 4 and 5, 2008 the second China SMT forum took place in the Sheraton Hotel Shanghai. With 250 participants from all over the

world the event was the most important meeting on the topic of surface mountain technology production. China Mining will take place in the Beijing International Convention Centre from November 11 to 13, 2008. 350 exhibitors and more than 3,000 visitors are expected to participate in Asia's most important mining fair and meeting.

The BMC group continues to have a good order backlog in the segments Exhibitions & Conferences as well as advertising media at the time of this report. The current stage of planning lets Business Media China AG assume to achieve group sales of EUR 30 to 35 million in the financial year 2008 with the activities already established. Despite of further improvements, exceeding the breakeven point for the year 2008 can no longer be expected at the present time due to the economic uncertainties. For this very reason - parallel to the growth initiatives continuing as planned - we are presently initiating several cost saving measures with the aim of lowering the breakeven threshold of the company in 2009 considerably.

VIII. Report on Essential Transactions with Affiliates

No changes in the composition of the affiliated companies and persons have to be reported compared with the statements in the group appendix of December 31st, 2007.

During the period from January 1, 2008 until September 30, 2008 Mesago Holding GmbH granted BMC AG loans in the amount of TEUR 3,300.0. As of September 30, 2008 the loan liabilities amount to TEUR 3,423.8 including accrued interest and commitment fees. Furthermore, Mesago Holding GmbH invoiced BMC AG for know-how support and assistance of BMC AG in China TEUR 18.0 quarterly. The amount of the outstanding liabilities from this allocation of cost amounts to TEUR 21.4 as of September 30, 2008.

There are no essential changes in the relations to other affiliated companies or persons.

VIII. Representations of the Legal Representatives

We hereby represent, that to the best of our knowledge the Group Interim Report, furnished in accordance with the accounting principles applicable to interim reporting, conveys an accurate picture of the actual conditions of the Group as to the asset, financial and profit situations and that the business activities, including the business results and the situation of the Group, are presented in a way corresponding to the actual conditions and that the essential chances and risks of the expected development of the Group in the remaining financial year are described.

Stuttgart, November 11, 2008

Business Media China AG

Klaus Michael Hilligardt

Peter Saßmann

Li Yang Yang

Consolidated Profit and Loss Statement of Business Media China AG

	1.1.-30.9. 2008 TEUR	1.1.-30.9. 2007 TEUR
Sales	20,548.1	16,009.5
Other income	1,629.5	136.4
Changes in inventory and unfinished goods & services	1,824.5	331.8
Operating expenses	-16,124.2	-13,130.1
Personnel expenses	-4,574.8	-3,315.4
Depreciation	-755.0	-695.9
Other operating expenses	-4,086.2	-3,478.1
Financial expenses	-316.3	-70.9
Other financial results	508.2	190.4
Earnings before taxes on income	-1,346.2	-4,022.3
Taxes on income and profit	-28.6	297.3
Corporate deficiency	-1,374.8	-3,725.0
Portion of corporate deficiency of Business Media China AGs' shareholders	-1,785.6	-3,812.8
Portion of corporate deficiency of other shareholders	410.8	87.8
Corporate deficiency	-1,374.8	-3,725.0
	EUR	EUR
Undiluted result per share	-0.30	-0.64
Diluted result per share	-0.30	-0.64
Shares (number)	5,999,466	5,999,466

Consolidated Balance Sheet of Business Media China AG

Assets	30.09.2008	31.12.2007
	TEUR	TEUR
Goodwill	9,989.4	8,841.5
Intangible assets	3,781.8	3,761.5
Tangible assets	2,353.9	1,956.1
Financial assets	0.0	0.0
Fixed assets	16,125.1	14,559.1
Other receivables and assets	144.8	92.3
Deferred income tax	1,413.1	968.5
Long-term receivables and assets	1,557.9	1,060.8
Long-term assets	17,683.0	15,619.9
Inventory	2,158.7	334.2
Accounts receivable	6,968.2	6,520.8
Other receivables and assets	6,838.5	6,613.5
Income tax receivables	125.5	161.8
Short-term receivables	13,932.2	13,296.1
Liquid funds	7,216.0	5,224.7
Short-term assets	23,306.9	18,855.0
	40,989.9	34,474.9
Liabilities		
Subscribed capital	5,999.5	5,999.5
Reserves	16,288.0	15,226.7
Accumulated deficit	-1,614.4	0.0
Equity of Business Media China AGs' shareholders	20,673.1	21,226.2
Equity of other shareholders	2,712.9	2,074.8
Shareholders' Equity	23,386.0	23,301.0
Deferred income tax accruals	686.3	428.2
Long-term accruals	686.3	428.2
Long-term Financial debt	0.0	7.5
Other liabilities	0.0	539.7
Long-term liabilities	0.0	547.2
Long-term accruals and liabilities	686.3	975.4
Income tax accruals	136.9	125.9
Other accruals	980.6	1,220.3
Short-term accruals	1,117.5	1,346.2
Short-term Financial debt	6,107.5	1,559.3
Trade accounts payables	3,492.6	2,956.8
Tax debt	675.4	389.0
Other liabilities	5,524.6	3,947.2
Short-term liabilities	15,800.1	8,852.3
Short-term accruals and liabilities	16,917.6	10,198.5
	40,989.9	34,474.9

Statement on Change in Equity of Business Media China AG

	Subscribed Capital	Capital reserves	Retained earnings	Reserves for currency exchange	Revaluation reserve	Adjustment for negative minority shareholder	Total reserves	Accumulated profits/ Accumulated loss	Equity allocated to BMC AGs' shareholders	Equity allocated to other shareholders	Total Equity
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2006	5,999.5	19,320.2	2,255.6	-282.1	21.5	0.0	21,315.2	0.0	27,314.7	1,043.8	28,358.5
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	951.0	951.0
Differences from the currency exchange	0.0	0.0	0.0	-450.1	0.0	0.0	-450.1	0.0	-450.1	-85.8	-535.9
Reduction of costs of equity increases 2006	0.0	134.7	0.0	0.0	0.0	0.0	134.7	0.0	134.7	0.0	134.7
Corporate deficiency 9 month 2007	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3,812.8	-3,812.8	87.8	-3,725.0
Receivables from equity capital guarantee of TC-Gruppe GmbH	0.0	0.0	339.3	0.0	0.0	0.0	339.3	0.0	339.3	145.4	484.7
Status 30 September 2007	5,999.5	19,454.9	2,594.9	-732.2	21.5	0.0	21,339.1	-3,812.8	23,525.8	2,142.2	25,668.0
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Status 31 December 2007	5,999.5	17,573.7	-1,186.4	-825.0	21.5	-357.1	15,226.7	0.0	21,226.2	2,074.8	23,301.0
Differences from changes in the basis of consolidation	0.0	0.0	0.0	0.0	0.0	25.0	25.0	0.0	25.0	237.0	262.0
Differences from the currency exchange	0.0	0.0	0.0	1,308.3	0.0	0.0	1,308.3	0.0	-1,308.3	206.0	1,514.3
Corporate deficiency 9 month before reclassification of negative minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,614.4	-1,614.4	239.6	-1,374.8
Reclassification of negative equity of minority shareholder IAS 27.35	0.0	0.0	0.0	0.0	0.0	-171.2	-171.2	0.0	-171.2	171.2	0.0
Increase of expenses for capital increase 2006	0.0	-100.8	0.0	0.0	0.0	0.0	-100.8	0.0	-100.8	0.0	-100.8
Dividend payment to other shareholder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-144.2	-144.2
Adjustment of Goodwill of BMC Herong	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.5	-71.5
Status 30 September 2008	5,999.5	17,472.9	-1,186.4	483.3	21.5	-503.3	16,288.0	-1,614.4	20,673.1	2,712.9	23,386.0

Abbreviated Cash Flow Statement

	1.1.-30.09. 2008 TEUR	1.1.-30.09. 2007 TEUR
Cash Flow from current business activities	-1,760.5	-6,224.7
Cash Flow from investment activities	-1,126.0	-2,633.1
Cash Flow from/ to financing activities	3,246.9	-51.1
Changes in cash and cash equivalents affecting payment	360.4	-8,908.9
Cash and cash equivalents at the beginning of the period	3,732.2	14,950.6
Changes in cash and cash equivalents due to exchange rates	439.7	-66.0
Changes in cash and cash equivalents affecting payments	360.4	-8,908.9
Cash and cash equivalents at the end of the period	4,532.3	5,975.7

The cash and cash equivalents as of September 30, 2008 contain all liquid funds, i.e. cash on hand, bank deposits and checks as well as cash equivalents minus short term liabilities to banks of Business Media China AG and TC Gruppe with an amount of TEUR 2,683.7.

The Cash Flow from current business activities 2008 contains the corporate loss for the first 9 months of the year 2008 with an amount of TEUR 1,374.8.

The Cash Flow from investment activities 2008 contains investments in fixed assets and intangible assets (TEUR 909.8) and payments for further 15% of the shares of BMC Zhenwei (TEUR 217.0). The prior year contains investments in fixed assets and intangible assets with TEUR 965.6, incoming repayments of loans from third parties with TEUR 937.5 and payments for shares of affiliated companies (amongst others the TC Group and BMC Hongkong) minus cash and cash equivalents transferred in the amount of TEUR 2,605.1.

The Cash Flow from financing activities 2008 is the result of loans received with TEUR 3,300.0 from Mesago Holding GmbH, the increase of the consolidation basis by TEUR 229.9 from minority shareholders of BMC Skyflying Media as well as dividend payments to minority shareholders and payments for expenses incurred in order to raise capital. The cash flow from the financing activities in 2007 refers to dividend payments to minority shareholders.

The Changes in cash and cash equivalents due to exchange rates TEUR 439.7, are the result of the strong decrease of the exchange rate of the Euro in relation to the Chinese Renminbi Yuan.

Abbreviated Notes on Consolidated Accounts

Basis of Accounting

The Group's 9 monthly financial report is based on the principles of financial reporting as required by the International Reporting Standards (IFRS). In this regard, the same methods for drafting the annual balance of accounts and evaluation were applied as in the previous year. For the 9 monthly financial report the Euro was chosen as the unit of currency and, unless otherwise stated, all amounts indicate Euro in thousands, rounded off to a single digit after the decimal point. However, differences due to rounding off may exist.

The present 9 monthly financial report was neither verified according to Section 317 HGB, (German Commercial Code), nor subject to auditing by a duly appointed auditor. In drafting the interim report on the accounts certain assumptions and estimations were made which had effect on the actual amount and the statements on the balance asset values and liabilities, earnings, expenses and eventual liabilities. The actual values may differ in certain cases from the assumptions and estimations made.

Basis of Consolidation

The consolidation scope has been expanded with one additional company, BMC Tianjun (BMC Skyflying Media) Co., Ltd., Beijing, compared with the date of the Group's last annual balance of accounts. The newly founded company closed the consolidation basis at April 1, 2008. Furthermore the investment in Guangzhou BMC Zhenwei International Exhibitions Co., Ltd. increased from 51% with 15% to 66% with the received business licence in September. There have been no changes in the quotas of investments in other subsidiaries.

Basis of consolidation on September 30, 2008

Segment Exhibition	Abbreviation	Location	Country	Quota in %	Consolidated since
Shanghai Baiwen Exhibition Co., Ltd.	BMC Baiwen	Shanghai	China	55	2005
Beijing BMC China Co., Ltd.	BMC China	Beijing	China	100	2005
Mass Holdings (HKG) Co., Ltd.	BMC Hongkong	Hongkong	China	100	2007 Q2
Shenzhen BMC Herong Exhibitions Co., Ltd.	BMC Herong	Shenzhen	China	70*	2007 Q2
BMC – TBG Limited	BMC-TBG	Hongkong	China	51	2007 Q4
Guangzhou BMC Zhenwei International Exhibitions Co., Ltd.	BMC Zhenwei	Guangzhou	China	66	2006
Segment Advertising Media					
BMC Advertising Co., Ltd.	BMC Advertising	Beijing	China	100	2007 Q1
BMC Flying Dragon Advertising Co., Ltd.	BMC Flying Dragon	Beijing	China	51	2006
TC Gruppe GmbH Target Communications	TC Gruppe	Ludwigsburg	Germany	70	2007 Q1
BVW Media GmbH	BVW	Stuttgart	Germany	100	2006
BMC Tianjun (Skyflying Media) Co., Ltd.	BMC Skyflying Media	Beijing	China	51	2008 Q2

* indirect holding

Changes in Equity

For the changes in equity capital between January 1, 2008 and September 30, 2008 we refer to the consolidated statements of changes in equity which is separately presented.

As of September 30, 2008 the company's share capital of EUR 5,999,466.00 consists of 5,999,466 non par value individual share certificates with a proportionate amount of EUR 1.00 of the share capital.

No changes resulted to the company's authorised and conditional capital between January 1 to September 30, 2008. Dividends have not been proposed or paid out during the 2008 financial year.

Abbreviated segment information

BMC is primarily lead by the operative segments "Exhibitions & Conferences" (Abbr. Exhibitions), "Sourcing & IT" as well as "Advertising Media". The segment "AG" comprises the administrative tasks as well as the acquisition tasks and project development costs of BMC AG and BMC China.

The segment result is the equivalent of the EBIT (Earnings before Interest and Taxes) prior to depreciation. Depreciation of long-term assets is included in the first half of 2007 in the corporate result of TEUR 244.2 and in the corporate profit and loss calculation under deductions. In the title row the effects of the consolidation activities are displayed.

A breakdown of the sales according to the location of the customer is not possible due to the business activities of the BMC Group. The main sales occur with Chinese customers, who form the majority of exhibitors at exhibitions in China or visit the exhibitions or rent advertising space.

Primary Segments

9-Month report 2008	AG	Exhibitions	Sourcing/IT	Advertising Media	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	9.6	6,246.2	0.0	14,292.3	20,548.1	0.0	20,548.1
Internal sales	479.2	96.6	0.0	766.8	1,342.6	0.0	1,342.6
Segment sales	488.8	6,342.8	0.0	15,059.1	21,890.7	0.0	21,890.7
Segment result	-1,912.9	1,272.8	0.0	-744.7	-1,384.8	-153.3	-1,538.1
Employees as of 30.9.2008	19	97	0	168	284	0	284
9-Month report 2007							
External sales	8.8	6,352.2	0.0	9,648.5	16,009.5	0.0	16,009.5
Internal sales	531.3	61.6	0.0	1,230.1	1,823.0	0.0	1,823.0
Segment sales	540.1	6,413.8	0.0	10,878.6	17,832.5	0.0	17,832.5
Segment result	-2,466.3	2,623.2	0.0	-3,682.9	-3,526.0	-371.6	-3,897.6
Employees as of 30.9.2007	19	101	0	124	244	0	244

The results of BMC AG include the income from the settlement with Julius Bär Kapitalanlagegesellschaft AG in the amount of TEUR 1,000.0. Exchange rate differences have a positive influence of the segment result AG with TEUR 123.2, exhibitions with TEUR 68.1 and advertising media with TEUR 325.5.

The segment Exhibitions & Conferences shows a decrease in sales of TEUR 70.2 and a decrease in the segment result of TEUR 1,350.4 compared with the prior year. This is amongst others the effect that the segment sales contain sales of exhibition concepts of Business Media China AG, that decrease from TEUR 1,380.0 in 2007 to TEUR 850.0 in 2008. Furthermore the decrease in earnings is due to the depreciation of intangible rights to exhibitions and project development cost necessary to secure the sustained development of this segment.

Secondary Segments

9-Month report 2008	China	Germany	Sum of Segments	Transition	Corporation
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	18,438.0	2,110.1	20,548.1	0.0	20,548.1
Internal sales	1,088.1	254.5	1,342.6	0.0	1,342.6
Segment sales	19,526.1	2,364.6	21,890.7	0.0	21,890.7
Segment result	396.7	-1,781.5	-1,384.8	-153.3	-1,538.1
Employees as of 30.9.2008	225	59	284	0	284
9-Month report 2007					
External sales	13,598.4	2,411.1	16,009.5	0.0	16,009.5
Internal sales	1,698.0	125.0	1,823.0	0.0	1,823.0
Segment sales	15,296.4	2,536.1	17,832.5	0.0	17,832.5
Segment result	-1,704.0	-1,822.0	-3,526.0	-371.6	-3,897.6
Employees as of 30.9.2007	192	52	244	0	244

Significant Differences between the Consolidated Accounts of December 31, 2007 and September 30, 2008

The fixed assets have been increased by TEUR 1,566.0 to TEUR 16,125.1 since December 31, 2007.

Goodwill has been increased in total by TEUR 1,147.9. The increase mainly is the result of a currency effect with TEUR 750.0 because of the strong changes of the exchange rate between the Euro and the Chinese Renminbi. The acquisition of further 15% of the investment in Guangzhou BMC Zhenwei International Exhibitions Co., Ltd. raised the goodwill with TEUR 232.8 and the adjustment of the goodwill of BMC Herong, not affecting net income, has influenced the goodwill by TEUR 165.1.

The other intangible assets increase from TEUR 3,761.5 as of December 30, 2007 to TEUR 3,781.8 in spite of ordinary depreciation with TEUR 284.6 because of exchange rate effects. The fixed assets and the financial assets increase by TEUR 397.8. Investments in fixed assets and intangible assets effecting payments have been made with TEUR 909.8.

Long-term receivables and assets increased with TEUR 497.1. The increase is essentially the result of the change of deferred income taxes by the Chinese companies. To calculate the deferred taxes of Chinese companies a tax rate of about 25% for 2008 is considered.

The increase of inventory by TEUR 1,824.5 consists fully of unfinished services of the TC Group.

Accounts receivable have been increased by TEUR 447.4 since December 31, 2007. The allowance for bad debts has been increased by TEUR 500.0 during the first 9 months 2008.

Other receivables and assets have increased by TEUR 225.0 to TEUR 6,838.5. The other receivables and assets contain in particular prepayments for the rental of advertising panels and receivables against minority shareholders of BMC Flying Dragon and caution money.

The changes in the cash and cash equivalents are detailed in the abbreviated consolidated cash flow statement. The cash and cash equivalent recognized as assets is allotted with TEUR 1,569.1 to Germany, with TEUR 4.5 to Hong Kong and with TEUR 5,642.4 to companies located in the Chinese mainland. BMC AG had bank deposits of TEUR 2,056.7 and liabilities to banks of TEUR 2,118.3 on September 30, 2008. The bank deposits are bonded with an amount of TEUR 1,500.0 for the liabilities to banks and for an overdraft credit of the TC Group (TEUR 1,086.0) with TEUR 500.0. The tight financial state of the both companies results of the capital lockup in the inventory of TC Gruppe and outstanding invoices.

Changes in the consolidated equity are referred to in the Statement on Change of Equity.

The deferred income tax accruals (TEUR 686.3) are the result of the identification of other intangible assets within the course of the initial consolidation. The increase of deferred income tax contains i.a. the no effect on income adjustment of the initial consolidation of BMC Herong because of the changes in tax rates in 2008.

The long-term liabilities (TEUR 547.7) as of December 31, 2007 mainly consist of the purchase price obligation for the acquisition of the shares of BMC Hongkong. In July 2008 BMC AG and the seller of the shares have decided that the outstanding payments shall be paid by the end of January 2009 latest. As at September 2008 the liabilities will be shown as short-term liabilities.

The financial debts consist on the one side short-term bank liabilities of Business Media China AG and TC Gruppe (TEUR 2,683.7). In the frame of the consolidation bank deposits of Business Media China AG are balanced with liabilities that TC Group had on 30 September 2007 at the same financial institution in the amount of TEUR 520.6. On the other side the financial debts consist loans from Mesago Holding GmbH including matching interest and charges (TEUR 3,423.8). Mesago Holding GmbH has granted a further credit line in the total amount of TEUR 1,000.0 for the years 2008 and 2009.

The trade account payables have been increased with TEUR 535.8 and the tax payables with TEUR 286.4 referred to December 31, 2007. On the other side the other accruals have been decreased with TEUR 228.7.

The other short-term liabilities amount as at September 30, 2008 with TEUR 5,524.6 and have been increased strongly with TEUR 1,577.4 compared as at December 31, 2007. The other short-term liabilities consists mainly payments received in advance (TEUR 3,661.1) and liabilities of the purchase price obligation for the acquisition of the shares of BMC Hongkong with TEUR 943.4.

Explanations of the changes in the profit situation

The basis of consolidation as at September 30, 2008 contains eleven subsidiaries. As of September 30, 2007 BMC-TBG and BMC Skyflying Media were not part of the consolidation basis. BMC-TBG is an exhibition company and BMC Skyflying Media is a company assigned to the segment advertising media. The increase of the consolidation basis has no material impact for the comparison of the figures of the prior year, because the two companies have realised sales of about TEUR 835.9 and a negative EBIT of TEUR 67.7 during the first 9 month 2008. Furthermore, the total assets of the both companies amount to less than 5% of the total assets amount of the consolidated balance sheet as at September 30, 2008.

The corporate loss for the first six month of 2008 amounts to TEUR 1,374.8, corresponding to the prior year with TEUR 3,725.0.

The other income (TEUR 1,629.5) includes TEUR 1,000.0 settlement amount for the claiming compensation from Julius Bär Kapitalanlagegesellschaft AG and an income for exchange rate differences with an amount of TEUR 536.9.

The other financial income includes interest income referring to another period with an amount of TEUR 310.4 referring to interest payment of the settlement amount against Julius Bär Kapitalanlagegesellschaft AG .

Litigation

The law-suit on appeal claiming compensation from Julius Bär Kapitalanlagegesellschaft AG was concluded within the 1st half year 2008 with a compromise settlement.

Changes to contingent liabilities

As of September 30, 2008 there are no significant changes to the contingencies and other financial commitments compared to the Consolidated Financial Statements as of December 31, 2007. The obligation to pay the purchase price of the additional 15 % of the shares of BMC Zhenwei shown as of December 31, 2007 was paid in 2008.

Statement on company owned shares

As of September 30, 2008 BMC AG does not own any of its shares nor were any own shares acquired or sold in the period from January 1, 2008 to September 30, 2008.

Stuttgart, November 11, 2008

Business Media China AG

The Management

Klaus Michael Hilligardt

Peter Sassmann

Li Yang Yang