

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) **October 12, 2009**

**Ideation Acquisition Corp.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**001-33800**

(Commission File Number)

**77-0688094**

(IRS Employer Identification No.)

**1105 N. Market Street, Suite 1300, Wilmington, Delaware**

(Address of Principal Executive Offices)

**19801**

(Zip Code)

**(310) 694-8150**

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 8.01. Other Information.**

Ideation Acquisition Corp. (“Ideation”) and SearchMedia International Limited (“SearchMedia”) will present an updated investor presentation at the ROTH China Conference in Miami Beach, Florida at 4:30 p.m. Eastern time on Tuesday, October 13, 2009. Ideation and SearchMedia may also use the updated investor presentation that is attached as Exhibit 99.2 to this Form 8-K in meetings with investors.

Additional Information

In connection with the proposed transaction, Ideation and ID Arizona Corp. filed Amendment No. 4 to Form S-4 containing a proxy statement/prospectus in conjunction with the transaction with the Securities and Exchange Commission (the “SEC”) on September 30, 2009. A definitive proxy statement/prospectus was mailed to Ideation stockholders on October 5, 2009. INVESTORS AND SECURITY HOLDERS OF IDEATION ARE URGED TO READ A DEFINITIVE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY. Investors and security holders will be able to obtain free copies of the Registration Statement and the definitive Proxy Statement/Prospectus and other documents filed with the SEC by Ideation through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Free copies of the Registration Statement and the Proxy Statement/Prospectus and other documents filed with the SEC can also be obtained by directing a request to Ideation, 1105 N. Market Street, Suite 1300, Wilmington, Delaware 19801.

**Item 9.01. Financial Statements and Exhibits.**

d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Ideation Acquisition Corp., dated October 12, 2009.
99.2	Investor Presentation Slides.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 12, 2009

**IDEATION ACQUISITION CORP.**

/s/ Robert N. Fried

\_\_\_\_\_  
Robert N. Fried

President and Chief Executive Officer

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Ideation Acquisition Corp., dated October 12, 2009.
99.2	Investor Presentation Slides.

## **Ideation Acquisition Corporation Announces Updated Investor Presentation for the ROTH China Conference**

Wilmington, Delaware — October 12, 2009 — Ideation Acquisition Corp. (“Ideation” or the “Company”) (NYSE Amex: IDI, IDI.U, IDI.WS) announced that it has released an updated investor presentation for its upcoming presentation at the ROTH China Conference.

On October 8, 2009, Ideation and SearchMedia International Limited (“SearchMedia”) announced that Robert Fried, President and Chief Executive Officer of Ideation, Garbo Lee, President of SearchMedia, Andrew Gormley, Executive Vice President of Finance of SearchMedia and Earl Yen, Vice Chairman of SearchMedia, are scheduled to present at the ROTH China Conference in Miami Beach, Florida. The presentation is scheduled to occur at 4:30 p.m. Eastern time on Tuesday, October 13, 2009.

A copy of the slides to be presented during the above investor conference is available at <http://www.ideationacquisition.com/investor.html>. These slides may also be used in presentations to interested parties, including analysts, potential investors and stockholders before the conference.

A live and archived webcast of this presentation will be available on the Investor Relations section of the Ideation website at [www.ideationacquisition.com](http://www.ideationacquisition.com).

### **About Ideation Acquisition Corp.**

Ideation is a publicly traded special purpose acquisition corporation, or SPAC, formed to acquire one or more businesses with a focus on the media sector. As of June 30, 2009, Ideation has in its trust account approximately US\$78.8 million (including deferred underwriting fees of US\$2.7 million) from the proceeds raised through its initial public offering in November 2007 and interest thereon. As of June 30, 2009, the amount per share available upon liquidation of the trust was approximately US\$7.8815. Ideation is headquartered in Wilmington, Delaware.

### **About SearchMedia**

SearchMedia is a leading nationwide multi-platform media company and one of the largest operators of integrated outdoor billboard and in-elevator advertising networks in China. SearchMedia currently operates a network of over 1,500 high-impact billboards with over 500,000 square feet of surface display area and one of China’s largest networks of in-elevator advertisement panels consisting of over 170,000 frames in 57 cities throughout China. SearchMedia ranked first in market share of in-elevator advertising displays in 13 out of the 26 most affluent cities in China and ranked second in an additional nine of these cities, according to Nielsen Media Research. Additionally, SearchMedia operates a network of large-format light boxes in concourses of eight major subway lines in Shanghai. SearchMedia’s core outdoor billboard and in-elevator platforms are complemented by its subway advertising platform, which together enable it to provide multi-platform, “one-stop shop” services for its local, national and international advertising clients that numbered more than 780 cumulatively from its inception to July 31, 2009.

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## **Forward-Looking Statements**

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined by the United States Private Securities Litigation Reform Act of 1995. Any such forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties that may cause actual results to differ materially from expectations such as material adverse events affecting Ideation and SearchMedia, their ability to complete a business combination and those other risks and uncertainties detailed in Ideation's filings with the Securities and Exchange Commission (the "SEC"). Ideation and SearchMedia caution readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Ideation and SearchMedia do not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in their expectations or any change in events, conditions or circumstances on which any such statement is based.

## **Additional Information**

In connection with the proposed transaction, Ideation and ID Arizona Corp. filed Amendment No. 4 to Form S-4 containing a proxy statement/prospectus in conjunction with the transaction with the SEC on September 30, 2009. A definitive Proxy Statement/Prospectus was mailed to Ideation stockholders on October 5, 2009. INVESTORS AND SECURITY HOLDERS OF IDEATION ARE URGED TO READ A DEFINITIVE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY. Investors and security holders will be able to obtain free copies of the Registration Statement and the definitive Proxy Statement/Prospectus and other documents filed with the SEC by Ideation through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Free copies of the Registration Statement and the Proxy Statement/Prospectus and other documents filed with the SEC can also be obtained by directing a request to Ideation, 1105 N. Market Street, Suite 1300, Wilmington, Delaware 19801.

## **Contact:**

Devlin Lander

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Billboard Advertising



In-Elevator Advertising



Transportation Advertising

ideation acquisition corp.



Ideation Acquisition Corp.'s Acquisition of  
SearchMedia International Limited

## Investor Presentation

October 2009

# Disclaimer

Any statements contained in this presentation that do not describe historical facts may constitute forward-looking statements as that term is defined by the United States Private Securities Litigation Reform Act of 1995. Any such forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties that may cause actual results to differ materially from expectations such as material adverse events affecting Ideation and SearchMedia, their ability to complete a business combination and those other risks and uncertainties detailed in Ideation's filings with the Securities and Exchange Commission. Ideation and SearchMedia caution readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Ideation and SearchMedia do not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in their expectations or any change in events, conditions or circumstances on which any such statement is based.

Our financial guidance is as of the date indicated and Ideation and SearchMedia (collectively, the "Company") undertake no obligation to revise or update any such forward-looking statements or Company estimates to reflect events or circumstances after such date, or after the date of this presentation. Additionally, market data included in this presentation reflects Company estimates unless otherwise indicated.

Without limiting the foregoing, the inclusion of the financial projections in this presentation should not be regarded as an indication that Ideation's or SearchMedia's boards of directors or any other recipient of the information considered, or now considers, them to be a reliable prediction of the future results. The financial projections were not prepared with a view towards public disclosure or with a view to complying with the published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, or with U.S. generally accepted accounting principles. Neither Ideation or SearchMedia's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the financial projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability. Although the financial projections were prepared based on assumptions and estimates that the Company's management believes are reasonable, the Company provides no assurance that the assumptions made in preparing the financial projections will prove accurate or that actual results will be consistent with these financial projections. Projections of this type involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved.

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The Nielsen report prepared for SearchMedia reflects estimates of market conditions based on samples and is prepared primarily as a marketing research tool for certain industry segments. It should not be used as a basis for evaluating investments in SearchMedia.

This presentation shall not constitute an offer to sell or a solicitation of an offer to buy the securities of Ideation, SearchMedia, or either of their affiliates or the securities, of either companies' affiliates, nor shall there be any sale of any such securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction.





Introduction

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# Introduction

**On April 1st, 2009, Ideation Acquisition Corp. (“Ideation”) announced the \$174.0 million acquisition of SearchMedia International Limited (“SearchMedia”)**

- Ideation completed its IPO in November 2007 and raised gross proceeds of \$80.0 million
  - Ideation is led by Dr. Philip Frost, a successful entrepreneur who has extensive experience building companies, such as IVAX Corporation, through acquisitions and organic growth
  - Robert Fried, President and CEO of Ideation, is a digital media entrepreneur and an accomplished motion picture producer with over 24 years of experience founding and operating traditional and digital media companies
- SearchMedia is a leading multi-media platform company, operating one of the largest outdoor advertising networks in China
  - Following the completion of the acquisition, Ideation will be renamed SearchMedia Holdings Limited

***SearchMedia’s nationwide coverage, well-established multi-platform media network, combined with China’s strong economic growth and favorable demographic characteristics provide for a compelling growth story with significant upside potential***

# Transaction Overview

- Ideation will issue approximately 9.6 million share equivalents to SearchMedia stakeholders, representing 44% ownership in the fully diluted combined entity immediately after the transaction <sup>(1)</sup>
- SearchMedia shareholders and warrant holders may earn up to an additional 10.2 million shares based on 2009 GAAP Net Income achieved, representing a total of 61% ownership <sup>(1)</sup>

2009E US GAAP Net Income <sup>(2)</sup>	Contingent Shares
Less than \$25.7 million	None
Between \$25.7 million - \$38.4 million	Between 0.0 and 10.2 million
Greater than \$38.4 million	10.2 million

- The Frost Group has committed to purchase \$18.25 million of Ideation shares/warrants to support the transaction and ensure a minimum level of cash after closing
- All existing SearchMedia common and preferred equity holders will exchange all of their shares for Ideation shares, including Deutsche Bank and China Seed Ventures
- SearchMedia will fund the earn-outs related to its prior acquisitions from the Company's strong operating cash flow and cash on hand from offering
  - Typical terms of the earn-outs include 2 year payout based on achieved GAAP Net Income and exclude A/R over 180 days
- Up to 75% of the earn-outs due with respect to 2010 may be paid, at the option of Ideation, in equity

(1) Fully diluted shares based on the treasury method and assuming 30% conversion.

(2) Excludes extraordinary and other non-recurring charges.

# Transaction Valuation

- Well-structured transaction with low upfront valuation plus earn-out based on 2009 earnings

## Pro Forma Valuation

(\$ in millions)		2009 E	Fully Diluted Shares <sup>(1)</sup>			Share Ownership %		
			P/E	Ideation	SM	Total	Ideation	SM
Ideation Equity Value <sup>(1)</sup>	\$98.2	-	125	-	-	-	-	
SearchMedia Equity Value	75.8	-	-	9.6	-	-	-	
<b>Fully-Diluted Equity Value at Close</b>	<b>\$174.0</b>	-	125	9.6	22.1	56.5%	43.5%	
<b>65% YoY Net Income Growth</b>								
2009E Net Income \$25.7	Contingent Value	-	-	-	-	-	-	
0% Earnout	Fully-Diluted Equity	<b>\$174.0</b>	<b>6.8x</b>	125	9.6	22.1	56.5%	43.5%
<b>91% YoY Net Income Growth</b>								
2009E Net Income \$29.7	Contingent Value	25.5	-	3.2	3.2	(7.2%)	7.2%	
32% Earnout	Fully-Diluted Equity	<b>\$199.4</b>	<b>6.7x</b>	125	12.8	25.3	49.2%	50.8%
<b>146% YoY Net Income Growth</b>								
2009E Net Income \$38.4	Contingent Value	80.0	-	10.2	10.2	(17.8%)	17.8%	
100% Earnout	Fully-Diluted Equity	<b>\$254.0</b>	<b>6.6x</b>	125	19.8	32.2	38.7%	61.3%
As of 10/8/09			63.8x					
Mean Peer Multiples <sup>(2)</sup>			31.7x					
2009			27.6x					
2010								
Mean (AirMedia, Focus Media, VisionChina)								
2010								

Note: Numbers may not add up due to rounding.

- (1) Fully diluted shares (expressed in millions) are based on the treasury method, 30% conversion and an Ideation liquidation value of \$7.8815 per share.  
 (2) Peers trading multiples (2009, 2010) include AirMedia Group (NM, 42.1x), Clear Channel Outdoor (NM, NM), JC Decaux (105.0x, 44.2x), Focus Media Holding (NM, 24.7x), Lamar Advertising (NM, NM) and VisionChina (22.7x, 16.0x).

# Implied Valuation Analysis

## Implied Valuation at a Range of P/E Multiples

(\$ in millions, except per share amounts)

		2009E P/E				
		6.8x	8.0x	10.0x	12.0x	14.0x
<b>65% YoY Net Income Growth</b> 2009E Net Income \$25.7 0% Earnout	Equity Value	\$174.0	\$205.7	\$257.1	\$308.5	\$359.9
	Fully Diluted Shares <sup>(1)</sup>	22.1	23.3	24.9	26.0	26.9
	<b>Implied Share Price</b>	<b>\$7.88</b>	<b>\$8.82</b>	<b>\$10.34</b>	<b>\$11.87</b>	<b>\$13.39</b>
<b>91% YoY Net Income Growth</b> 2009E Net Income \$29.7 32% Earnout	Equity Value	\$201.2	\$237.9	\$297.4	\$356.9	\$416.3
	Fully Diluted Shares <sup>(1)</sup>	25.4	26.7	28.2	29.4	30.3
	<b>Implied Share Price</b>	<b>\$7.93</b>	<b>\$8.92</b>	<b>\$10.53</b>	<b>\$12.14</b>	<b>\$13.74</b>
<b>146% YoY Net Income Growth</b> 2009E Net Income \$38.4 100% Earnout	Equity Value	\$259.7	\$307.0	\$383.7	\$460.5	\$537.2
	Fully Diluted Shares <sup>(1)</sup>	32.4	33.8	35.4	36.6	37.5
	<b>Implied Share Price</b>	<b>\$8.01</b>	<b>\$9.09</b>	<b>\$10.84</b>	<b>\$12.58</b>	<b>\$14.33</b>

(1) Fully diluted shares (expressed in millions) include earn-out shares, options and warrants based on the treasury method and implied share price.

# Comparable Companies Analysis

(figures in millions, except per share data)

Companies	Price @10/8/09	Equity Value	Firm Value <sup>(1)</sup>	Firm Value / EBITDA		Price / Adjusted EPS		Price / GAAP EPS	
				CY 2009E	CY 2010E	CY 2009E	CY 2010E	CY 2009E	CY 2010E
AirMedia Group Inc.	\$ 7.11	\$ 484	\$ 422	NM	10.3x	NM	23.8x	NM	42.1x
Clear Channel Outdoor Holdings Inc.	8.06	2,867	5,540	11.0	10.3	NM	NM	NM	NM
JCDecaux SA	22.04	4,878	5,499	11.3	9.7	100.6	44.6	105.0	44.2
Focus Media Holding Ltd.	11.89	1,715	1,379	42.6	11.6	25.6	16.7	NM	24.7
Lamar Advertising Co.	28.42	2,608	5,328	12.8	12.2	NM	NM	NM	NM
VisionChina Media Inc.	9.02	655	609	18.4	12.0	20.9	15.2	22.7	16.0
<b>Overall Mean</b>		<b>\$ 2,201</b>	<b>\$ 3,130</b>	<b>19.2x</b>	<b>11.0x</b>	<b>49.1x</b>	<b>25.1x</b>	<b>63.8x</b>	<b>31.7x</b>
<b>Mean (AMCN, FMCN, VISN)</b>		<b>\$ 951</b>	<b>\$ 803</b>	<b>30.5x</b>	<b>11.3x</b>	<b>23.3x</b>	<b>18.5x</b>	<b>22.7x</b>	<b>27.6x</b>
<b>Ideation with SearchMedia @ Close <sup>(2)</sup></b>		<b>\$ 174</b>	<b>\$ 241</b>	<b>5.9x</b>		<b>6.0x</b>		<b>6.8x</b>	

Source: Company filings, Bloomberg consensus estimates and Factset.

NM = Not Meaningful; NA = Not Available

(1) Firm Value (FV) equals Market Value plus debt and estimated remaining earnouts less cash.

AirMedia's firm value includes \$33.3 million of earnout payments (per latest 20-F); Focus Media's firm value includes \$172.5 million of earnout payments (midpoint of \$170.0 - \$175.0 million range per latest earnings call); VisionChina's firm value includes \$69.4 million of earnout payments (per latest earnings press release).

(2) Fully diluted shares based on the treasury method, 30% conversion and an Ideation liquidation value of approximately \$7.88 per share.

For purposes of calculating SearchMedia's firm value, it is assumed there are \$105.0 million of remaining estimated cash and stock earnout payments to acquired companies. Excludes loan restructuring charge and other one-time charges.

# SearchMedia Overview

**Formed in 2005, SearchMedia operates one of the largest outdoor advertising networks in China**

- Outdoor billboard: Over 1,500 high-impact billboards with over 500,000 square feet of display area in 15 cities
- In-elevator: Over 170,000 print and digital poster frames in residential and office buildings across 57 major cities
- Subway: A network of large-format lightboxes in eight major subway lines in Shanghai
- Highlights of our network include:
  - High-impact, nationwide reach
  - Highly diversified advertising base with local, national and international clients
  - Low capex
  - Strong growth both organically and through acquisitions
  - Limited competition from other media operators

# Investment Highlights

## National Coverage and Leading Market Share in Chinese Advertising Industry

- One of the largest outdoor advertising networks in China
  - Ranked 1<sup>st</sup> in market share of in-elevator advertising displays in 13 out of the 26 most affluent cities in China
  - Ranked 2<sup>nd</sup> in an additional nine of these cities
- More than 780 advertisers have purchased space on SearchMedia's network
- China is one of the fastest growing advertising markets in the world

## Extensive Advertising Network Across Three Media Platforms

- Strong local billboard operators, nationwide in-elevator media platform, growing subway portfolio
- "One stop" service to nationwide advertisers
- Over 6,000 separate concession rights spread out over 57 cities

## Profitable and Scalable Revenue Model with Low Capex Requirements

- Low incremental cost and expenses, and high marginal profit
- Each in-elevator frame can generate an ROI of over 70x in year one
- Ability to expand and scale operations efficiently



Many Buildings

x



Multiple Elevators per Building

x



Up to 3 Frames per Elevator



# Investment Highlights (cont'd)

## Proven History of Organic and Acquisitive Growth

- Successfully completed the acquisition / integration of 12 media operators in China and Hong Kong
- Expanded its network to over 170,000 poster frames in 57 cities and 500,000 square feet of billboard space in 15 cities

## Strong Management Team

- Management team with strong media, operations and financial experience
- Demonstrated capabilities to execute organic and acquisition growth strategies

## Well Positioned for Future Growth

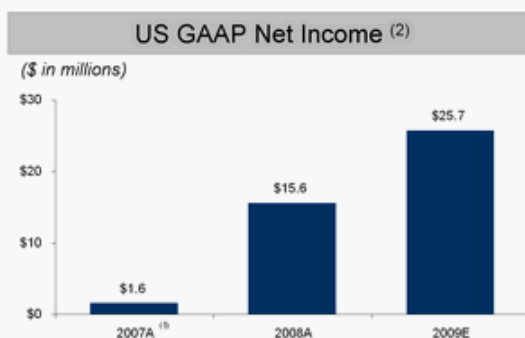
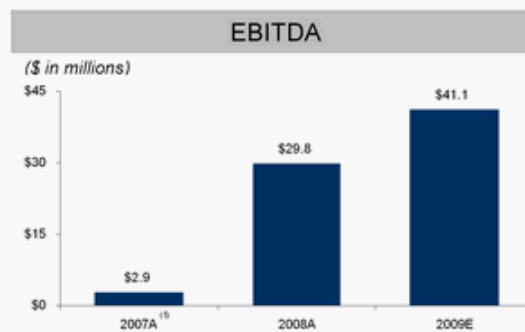
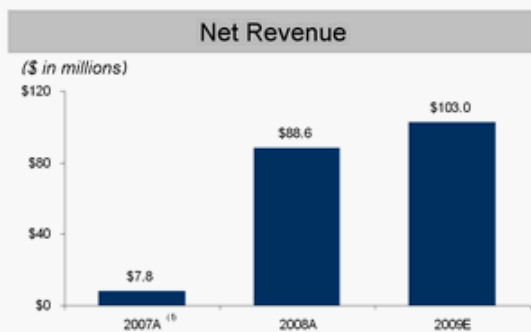
- Strong cash flow
- Strong balance sheet

## Attractive Valuation

- The pro forma valuation represents approximately 6.8x current 2009E GAAP P/E<sup>(1)</sup>
  - 89% discount to the mean of the public market comparables of 63.8x

(1) Fully diluted shares are based on the treasury method, 30% conversion and an Ideation liquidation value of \$7.8815 per share.

# Summary Financial Information



Source: SearchMedia Audited 2007 and 2008 financials and management projections.

Note: Certain financial information and data, including financial forecasts and projections, of SearchMedia contained in this presentation are unaudited and prepared by SearchMedia as a private company and may not conform to SEC regulation S-X. Accordingly, such information and data may be adjusted and presented differently in Ideation's definitive proxy statement to solicit stockholder approval of the proposed transaction.

(1) Period from February 9, 2007 (date of inception) through December 31, 2007. Excludes loss on deconsolidation of a variable interest entity.

(2) Excludes loan restructuring charge and other one-time charges.



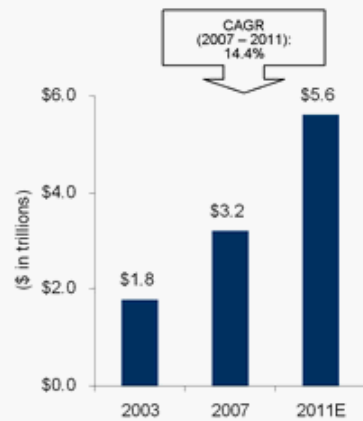
## Industry Overview

# China's Economy

## Large, Fast Growing Economy

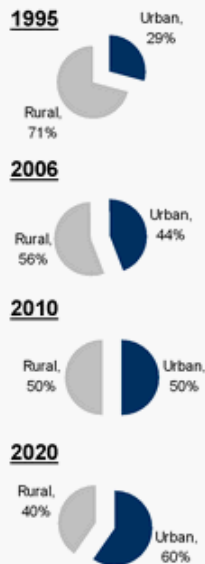
- The world's most populous country, with a population of 1.3 billion as of the end of 2007
- Strong GDP growth trend is expected to continue over the next few years

### Gross Domestic Product in China



## Urbanization Trend

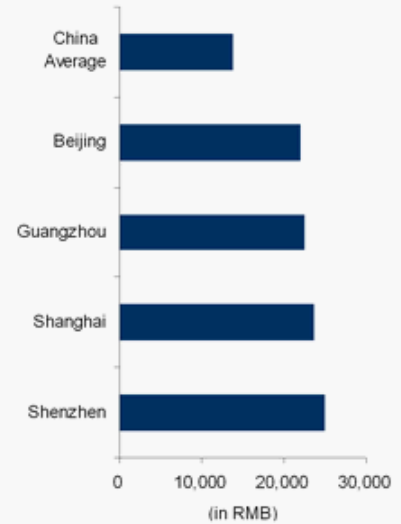
- A growing trend toward urbanization with 30 of the 100 largest cities in the world



## Increasingly Affluent Urban Population

- High disposable income per capita in cities where SearchMedia has major operations

### Annual Disposable per Capita Income of Urban Households in China in 2007



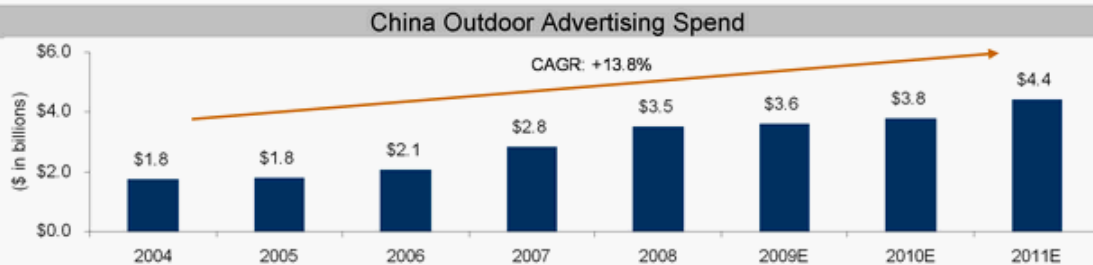
Source: ZenithOptimedia, United Nations Statistics Division, China Statistical Yearbook, Xinhua News, National Bureau of Statistics of China.

# China's Advertising Market

- China is one of the fastest growing advertising markets in the world, with advertising spend expected to reach \$24.3 billion by the end of 2011



- In particular, Chinese outdoor advertising spend is expected to continue to grow due to increasing urbanization and urban concentration of advertising expenditure



Source: ZenithOptimedia (July 2009).




## Business Overview

# Comprehensive Media Portfolio

- SearchMedia's nationwide network reaches the rapidly growing and increasing affluent consumers of China



Billboard	
Geographic Coverage	15 cities
# of Units	~1,500 billboards
Key Competition	Highly fragmented

In-elevator	
Geographic Coverage	57 cities
Network	Static: ~165,000
	LCD: ~5,000
Key Competition	 Framedia

Subway	
Geographic Coverage	Shanghai
Network	8 subway lines
Key Competition	<b>JCDecaux</b>

● Indicates the 57 cities covered by SearchMedia's advertising network.

# Strong Local Billboard Operators

- SearchMedia has over 1,500 large-format billboards, light boxes and neon signs representing 500,000 square feet of display area in commercial centers and other high traffic areas in 15 cities across China

## Select Billboards

### Beijing



- Billboards located in the city's central business districts and the Beijing airport

### Shanghai



- Billboards located in the city's central business districts, major traffic routes, and the Pudong International Airport

### Shenyang



- Billboards located mostly in the city's busiest commercial areas with the highest rents



# Nationwide In-Elevator Media Platform

- Over 170,000 print and digital poster frames deliver targeted advertising messages from inside elevators to captive audiences in high-rise residential and office buildings in 57 cities across China
- SearchMedia has made rapid progress in consolidating China's in-elevator media industry, having completed six acquisitions since January 2008



## Select In-Elevator Poster Frames

Digital poster frame



Illuminated poster frame

Printed poster frame

Source: Nielsen "Chinese In-Elevator Media Market Research Report" (July 2008).

## Chinese In-Elevator Market Research

nielsen

Of the 26 cities surveyed, SearchMedia has the #1 market share in 13 cities, and ranks #2 in an additional 9 cities, based on the number of buildings covered.

In the four largest cities of Beijing, Shanghai, Guangzhou, Shenzhen, SearchMedia is rapidly catching up with its main competitor, Framedia (50% market share for Framedia vs. 34% for SearchMedia).

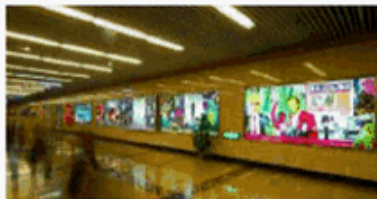
In the remaining 22 cities, SearchMedia and Framedia are essentially even, each with approximately 33% - 34% market share.

# Growing Subway Portfolio

- SearchMedia entered the subway media market in Q1 2008, and leases the advertising rights to a network of large-format light boxes in eight major subway lines in Shanghai
  - 2008 daily traffic of approximately three million commuters <sup>(1)</sup>
  - No capex required



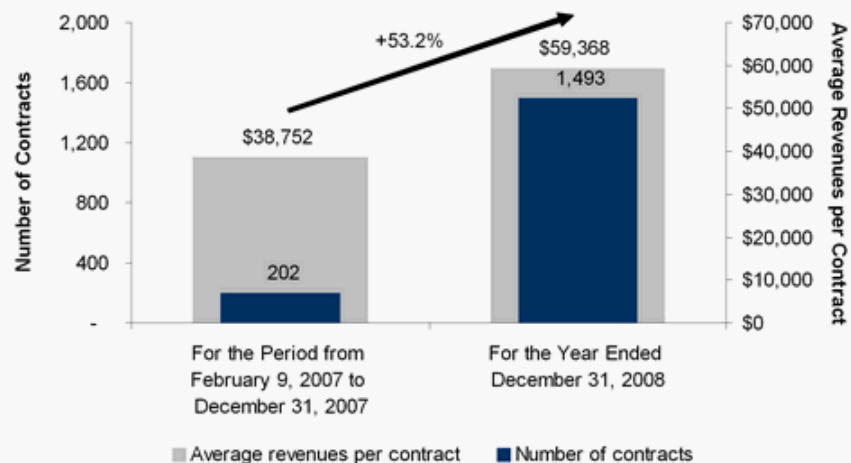
## Select Subway Light Boxes



- SearchMedia is expanding to take over light boxes on other Shanghai subway lines and is in discussions to become the exclusive media operator for newly constructed subway systems in other cities
- According to a recent article in *Barron's*, approximately 250 Chinese cities are planning to build new subway lines by 2015, which offers exciting expansion opportunities for SearchMedia

(1) Source: Metro Authority of Shanghai.

# High Growth in No. of Contracts and Value



- The number of advertising contracts and average revenues per contract increased dramatically in 2008 due to a number of factors including:
  - The growth in scale of SearchMedia's nationwide network
  - SearchMedia's ability to effectively cross-sell advertising across its multiple platforms
  - Growing recognition of SearchMedia's brand and value of its services
  - Deeper relationships with advertisers

Note: Number of contracts includes total number of contracts under which revenues were generated for the respective periods.

# Diversified Advertiser Base

- More than 780 advertisers have purchased space on SearchMedia's network
- SearchMedia has a broad range of local, national and international clients drawn from diverse industries including telecommunications, insurance, banking, automobiles, real estate, electronics and fast-moving consumer goods
  - SearchMedia's broad media network allows effective cross-selling



# Effective Integration of Acquisitions

- SearchMedia has consolidated the media, sales and finance resources of acquired businesses through a comprehensive integration program

Objectives of Every M&A Integration:

- ➔ Unified management
- ➔ Operate under one company vision
- ➔ Build a standardized, focused corporation
- ➔ Sharing of resources
- ➔ Achieve sales targets







## Comprehensive Integration Program

Sales Management	Financial Control	Resource Management	Staff Training
<ul style="list-style-type: none"> <li>• Designate district general managers to manage subs</li> <li>• Review monthly business status reports</li> <li>• Quick integration into ad network and cross-selling opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Accountants from head office ensure financial control</li> <li>• Review financial reports</li> <li>• Internal requirements for new contracts and concessions</li> </ul>	<ul style="list-style-type: none"> <li>• Standardized IT control system and policies</li> <li>• Maintains a central IT management system to access media plans across all subs</li> </ul>	<ul style="list-style-type: none"> <li>• Organizes business training programs and staff rotation programs</li> <li>• Provides inter-communication opportunities for staff through regional and nationwide programs</li> </ul>

# Minimal Capex Requirements

- SearchMedia's business model is characterized by its low cost structure and minimal capex requirements

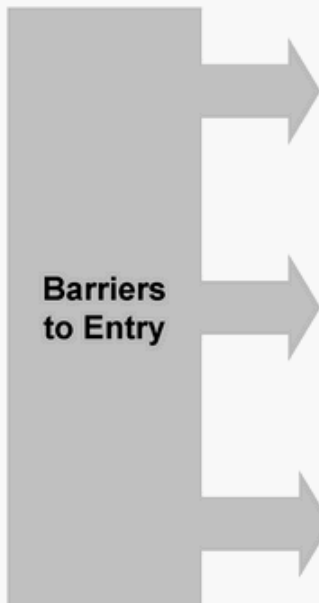
(\$ in millions)

	2008		
	Revenue	Capex	Capex as % of Revenue
 Airmedia 航美传媒	\$119.4	\$50.4	42.2%
 CLEARCHANNEL OUTDOOR	\$3,289.3	\$358.3	10.9%
 JCDecaux	\$3,014.5	\$390.7	13.0%
 LAMAR	\$1,198.4	\$198.1	16.5%
 Vision China Media 華視 傳媒	\$104.1	\$5.0	4.8%
 晶立传媒 SEARCHMEDIA	\$88.6	\$3.4	3.8%

Source: Company filings.

# High Barriers to Entry

- SearchMedia enjoys multiple expansion opportunities protected by high barriers to entry



- Nationwide footprint required to be competitive
- Prime outdoor advertising locations have already been acquired
- High rate of contract renewal
- Multi-year contracts typical for outdoor billboards and transit
- Diversity of over 170,000 in-elevator units
- Advertisers are increasingly looking to partner with companies that have a diversified advertising product offering (in-elevator, billboard, transportation)
- Strong relationships with a large network of advertisers is necessary to drive utilization rates and pricing

# Experienced Leadership

**Crystal Liu**  
*Chairman &  
 Founder*

- Co-founder of SearchMedia
- Proven entrepreneur
- 6 years of experience in China's advertising industry with strong regulatory relationships
- MA in Advertising & Media, Renmin University; BA, East China University of Science & Technology

**Garbo Lee**  
*President*

- Over 25 years of extensive experience in the field of advertising and marketing in China
- Prior to SearchMedia, held senior management positions with Ogilvy, DDB, and Bates advertising groups, and was responsible for setting up new integrated business units for WPP and Omnicom
- BA, International Christian University in Tokyo, Japan

**Jennifer Huang**  
*COO / CFO*

- Approximately 10 years of experience in investment banking and auditing/accounting
- Prior to SearchMedia, served as a VP at Lehman Brothers, an associate at Merrill Lynch, and a manager at PricewaterhouseCoopers
- MBA, Harvard Business School; BE, Shanghai Jiaotong University; CPA in China

**Andrew Gormley**  
*EVP*

- Approximately 12 years of experience in investment banking and corporate M&A
- Prior to SearchMedia, served as a VP at Deutsche Bank, a Sr. Associate at Dresdner Kleinwort and Banc of America and an Executive Director for M&A at Laureate Education
- MBA with Beta Gamma Sigma honors, Columbia Business School; BA in Economics, Vanderbilt University

**Earl Yen**  
*Vice Chairman*

- Over 20 years of experience in private equity, investment banking, and technology development in Greater China and the United States
- Founder and managing director of CSV Capital Partners, a private equity firm in China
- Prior to CSV Capital Partners, served as senior investment banker at Bear Stearns and Citigroup in China
- MS in Management, MIT; BS in Electrical Engineering and Management, MIT



# Investment Highlights

- **National coverage and leading market share in Chinese advertising industry**
- **Extensive advertising network across three media platforms**
- **Profitable and scalable revenue model with low capex requirements**
- **Proven history of organic and acquisitive growth**
- **Strong management team**
- **Well positioned for future growth**
- **Attractive valuation**