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**STRÖER**

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**Record year 2010**

Ströer Out-of-Home Media AG  
Roadshow London  
14-15 April 2011



## Ströer highlights of 2010

- > Best year in the Company's history: record revenue and profitability
- > Best-in-class operating margin and ROCE
- > Successful IPO, SDAX listing, index outperformed
- > Promises kept:  
M&A – debt reduction – goals
- > City contract portfolio expanded
- > Revolutionary products:  
out-of-home channel, premium billboard

# Financial data: record revenue and profit

€ MM	FY 2009	FY 2010	Change (%)
<b>Revenues</b>	<b>469,8</b>	<b>531,3</b>	<b>+13,1</b>
incl. 100% Ströer Turkey <sup>(1)</sup>	503,3	561,8	+11,6
<b>Organic Growth <sup>(2)</sup></b>	<b>-2,5%</b>	<b>7,5%</b>	
incl. 100% Ströer Turkey <sup>(1)</sup>	-2,1%	9,4%	
<b>Operational EBITDA</b>	<b>100,0</b>	<b>127,3</b>	<b>+27,2</b>
incl. 100% Ströer Turkey <sup>(1)</sup>	108,7	134,0	+23,4
<b>Net Adjusted Income <sup>(3)</sup></b>	<b>16,8</b>	<b>33,2</b>	<b>+97,0</b>
<b>Free Cash Flow <sup>(4)</sup></b>	<b>16,6</b>	<b>-68,2</b>	<b>n/a</b>
<b>Net Debt <sup>(5)</sup></b>	<b>495,4</b>	<b>320,1</b>	<b>-35,4</b>

Notes: (1) Figure shows full consolidation of Ströer Turkey assuming the stake in Ströer Turkey had been increased from 50% to 90% at 1 Jan 2009; (2) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations; (3) Operational EBIT net of the financial result adjusted for exceptional items, amortization of acquired intangible advertising concessions and the normalized tax expense (31.7% tax rate); (4) Free cash flow = cash flows from operating activities less cash flows from investing activities; (5) Net debt = financial liabilities less cash (excl. hedge liabilities)

# Promises kept!

Deliverables



# Continual expansion of the city contract portfolio in Germany



## Municipal portfolio strategy

- > Securing and expansion in terms of quality of municipal contract portfolio
- > Increased utilization and quality of contracted spaces
- > Annual tender performance indicator (TPI) at least 100\*

## Results achieved

- > 7 of 8 tenders won in 2010\*\*
- > TPI 2010: around 400 (4 times additional revenue potential gained)

## Future tenders

- > Currently 1 tender in Lübeck (tier 3) for BB and SF
- > No new insights regarding tier 1-2 cities in 2011/2012

\* Definition of TPI: net revenue from additional city contract tenders won (target figures after full establishment) over net revenue from unsuccessful city contract tenders (actual figures) on an annual basis x 100

\*\* Bielefeld/street furniture and billboard (2 tenders), Jena/billboard, Cottbus/billboard, Karlsruhe/street furniture, Bergisch-Gladbach/street furniture and billboard, Bochum/street furniture and billboard



# Megatrends driving out-of-home advertising

Digitalization

Mobility

Urbanization



## Digitalization: two-fold advantage for Ströer

- > Technical competitive advantages on the level of advertising media
  - Price of new technology falls more quickly than expected
  - Real-time bookings
  - Moving images
  - New creative opportunities



## Digitalization: two-fold advantage for Ströer

- > Competitive advantage over other media
  - Digitalization impairs the advertising visibility of traditional content media due to fragmentation
  - This puts out-of-home advertising in a better position than other advertising media

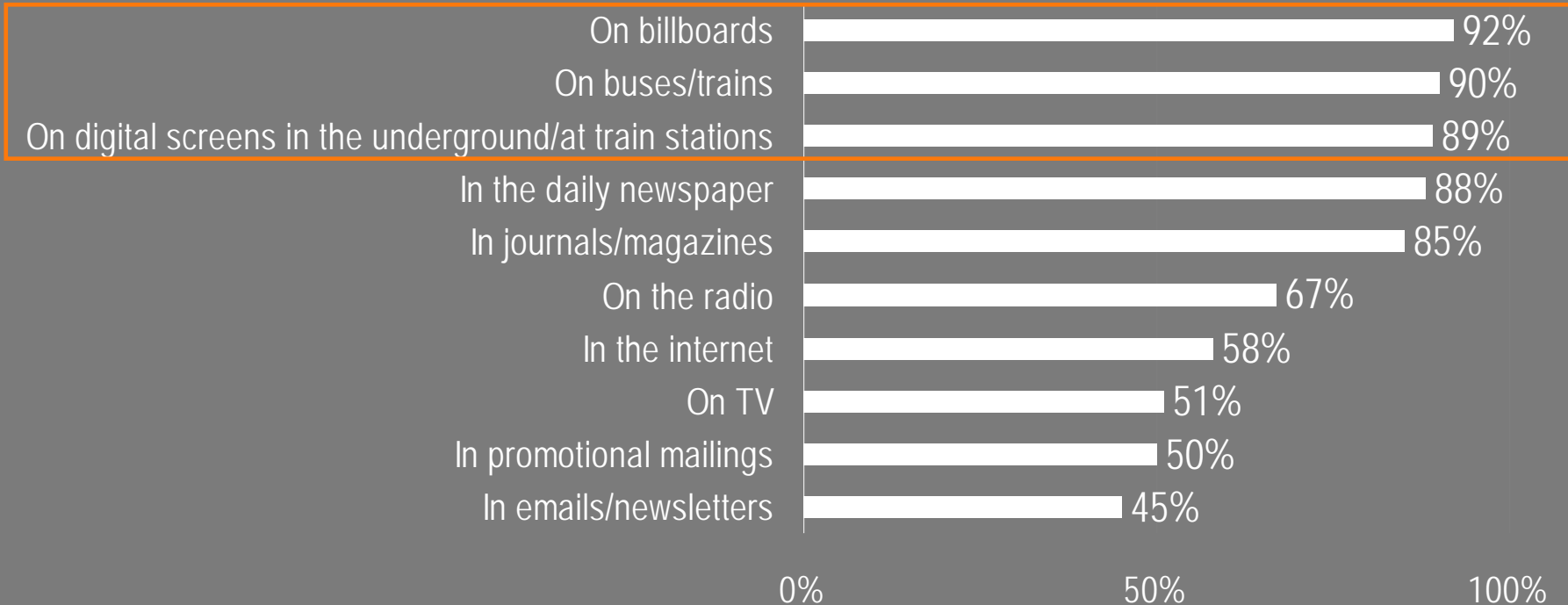




We create Visibility!

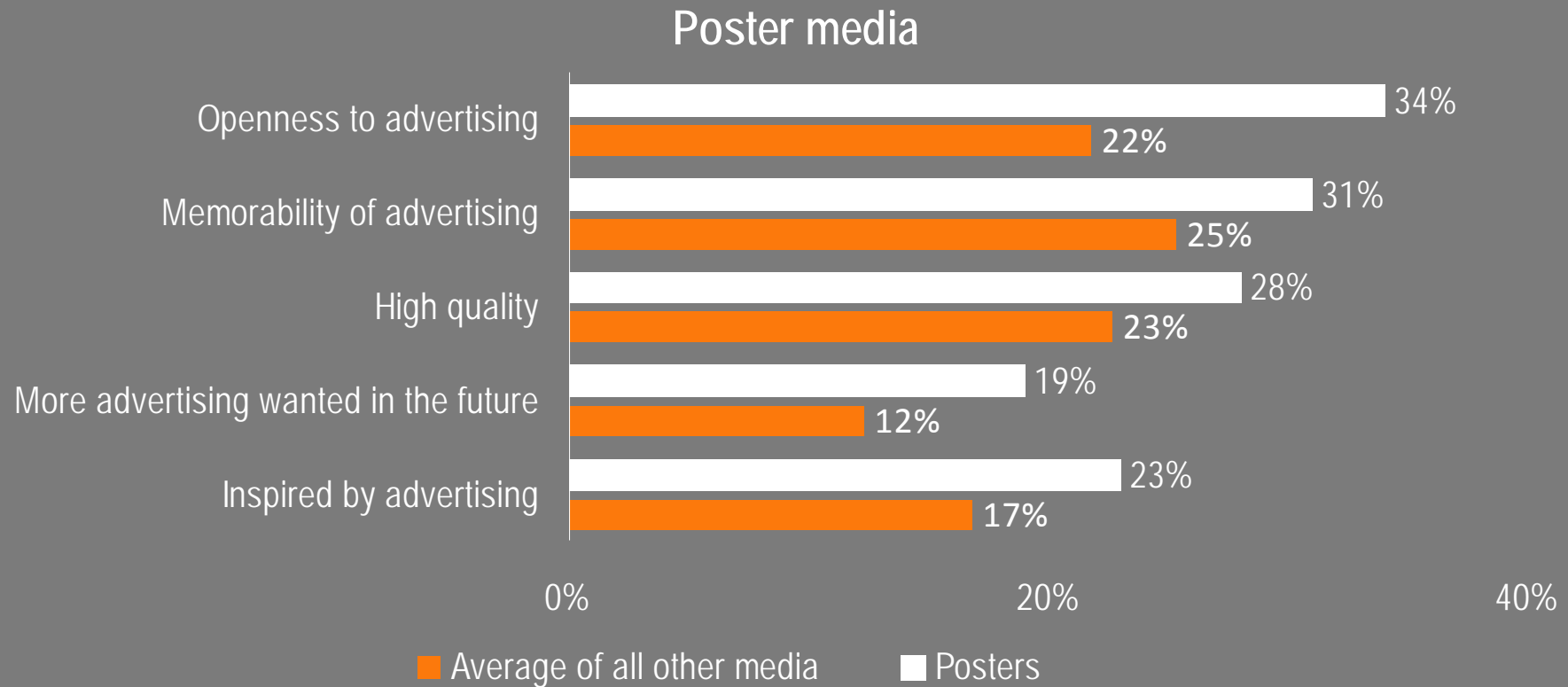


# Out-of-home advertising – unobtrusively effective



Source: tnsEMNID, online bus survey, March 2011, n=1001 respondents, top two boxes

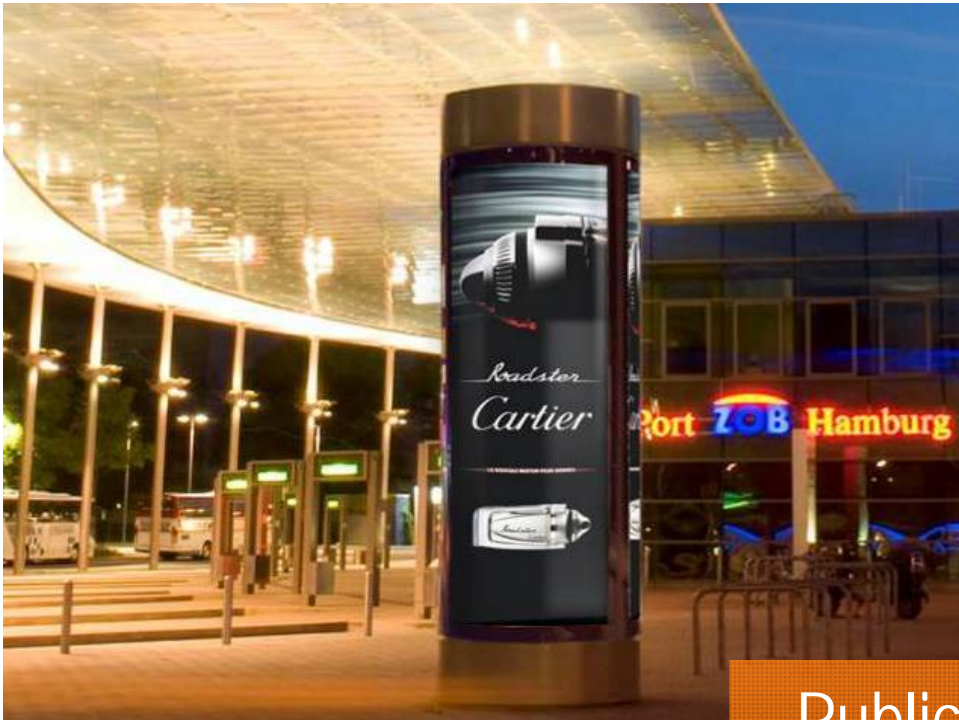
# Poster media perform better in all categories than the market as a whole



Source: tnsEMNID, online bus survey, March 2011, n=1001 respondents, top two boxes



Consumer interaction with 360° out-of-home touchpoints



Public roads





Public buildings





Public vehicles





## Development of the top 200

- > 18.9% growth in 2010 vs. 2009 (gross)
- > The top 200 accounts increased their poster share by 0.2 percentage points on average to 3.4%
- > Contracts on hand for the top 200 are currently well up on the prior year
- > High growth in the finance and electronics industries





Growth project Germany: out-of-home channel



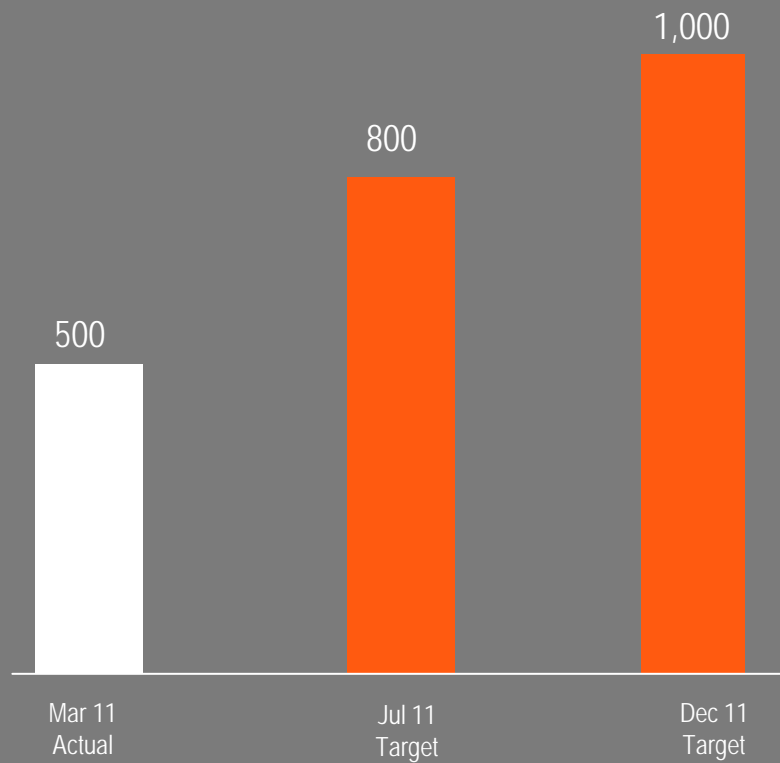
## Out-of-home channel: Large – moving – quick

- > World's first digital network with national reach
- > More than 20% weekly reach for the attractive 14 to 49 year-old target group
- > Booking by time slots



# Out-of-home channel: set-up on track

Number of installed screens



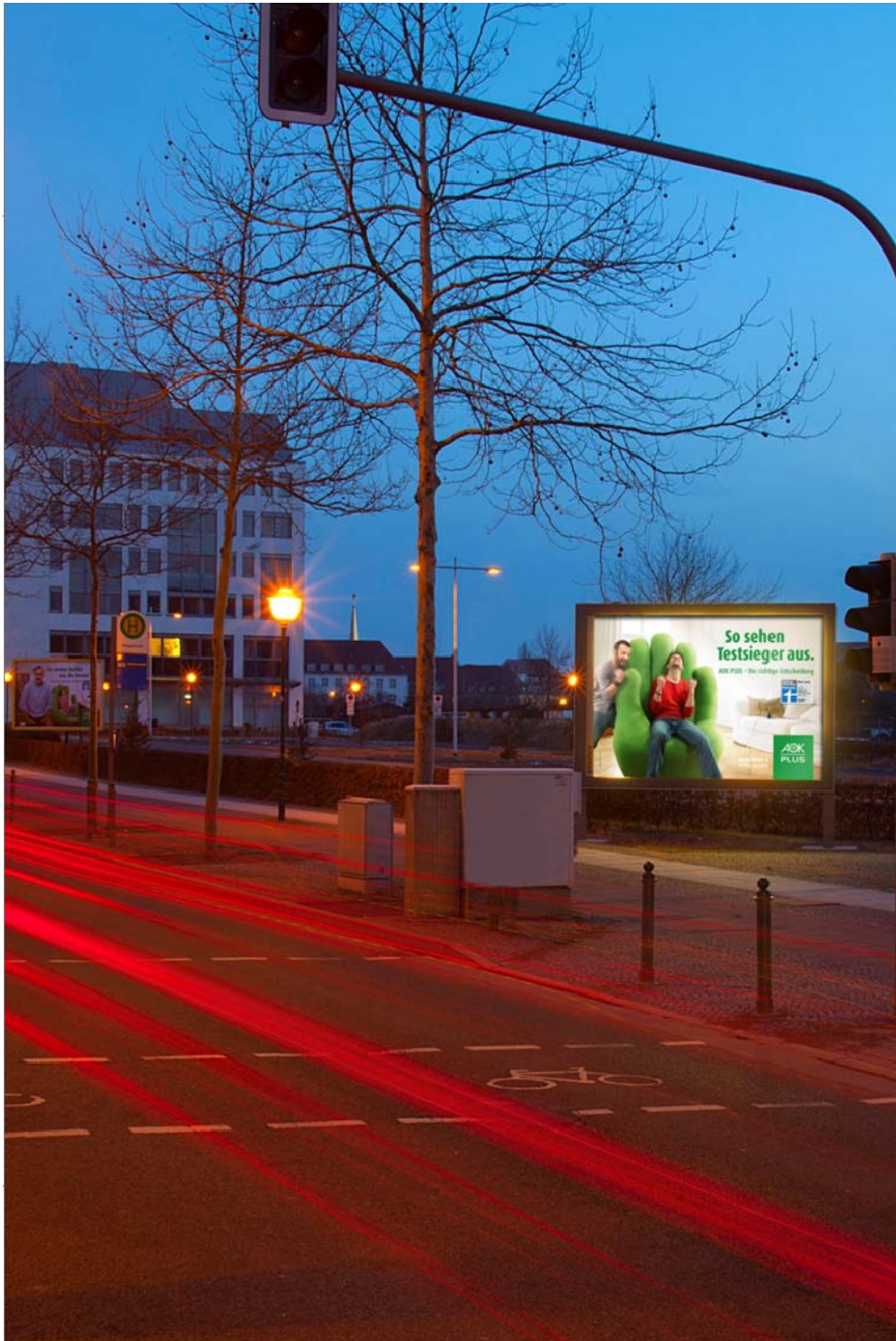


Growth project Germany: premium billboard



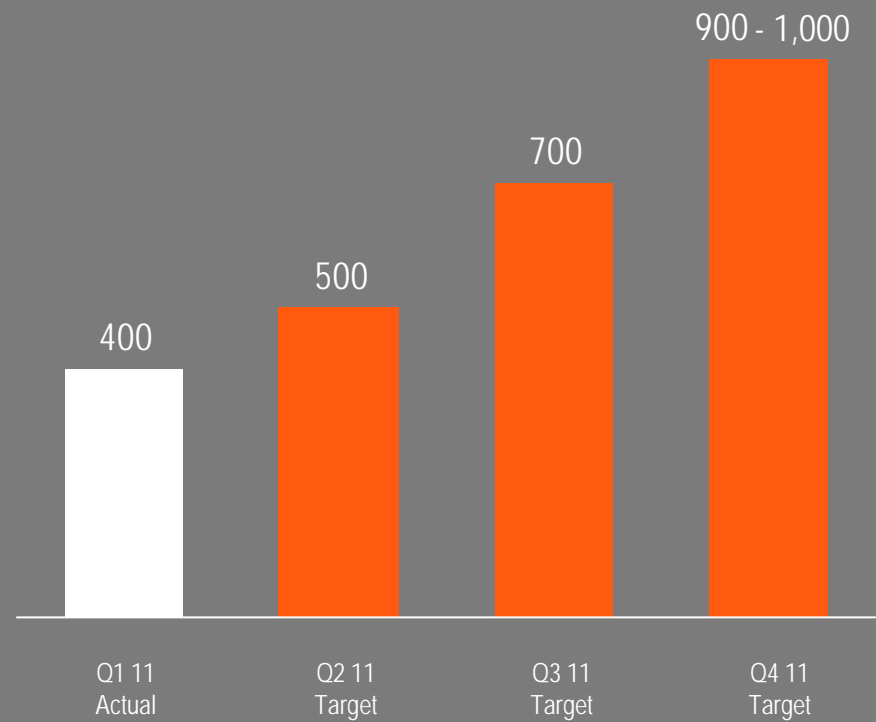
## Premium quality – three times the capacity

- > 5,000 scrolling displays in the 9m<sup>2</sup> format to be set up by 2015
- > Top locations with high frequency
- > Individual selection facilitates geo-targeting at the point of interest (POI)
- > Current customers (a selection)
  - > E-Plus
  - > Philip Morris
  - > Volkswagen
  - > Unilever
  - > Shell



# Premium billboards: set-up on track

Number of sites currently available





powered by **STRÖER**  
out of home media



Available on the iPhone  
App Store

# Vooh! The app for virtual out-of-home media

- > Applications for mobile devices are the no. 1 trend
- > Vooh! is Ströer's new app for linking up traditional poster campaigns with attractive online content
  1. Start the app
  2. Take a picture of the image
  3. Select additional content
- > Exclusive start-up package with telecoms provider E-Plus



International: growth - professionalization - consolidation







## Growth market Turkey

- > One of the leading countries globally in terms of GDP growth in 2010 (up 8%\*)
- > Out-of-home market expected to grow 35% in 2010 according to MagnaGlobal
- > Organic revenue growth for Ströer Turkey of 36% on the back of utilization, capacity and price increases
- > Significant expansion of digital business to a 5.8% revenue share with over 70 screens

# OUTDOOR MEDIA COMPANY OF THE YEAR 2010



## Ströer Turkey's competitive advantages

- > Introduction of shorter marketing intervals and new pricing systems for blowUP and Mega-Lights
- > Additional capacity, in particular for CLP, billboard and digital products
- > Efficiency gain from outsourcing postering and maintenance to subcontractors
- > Preparation for benchmarking of performance by POSTAR, first survey in mid-2011, first results to be presented in H1 2012



## Poland – a promising market

- > Mid-single-digit growth in GDP in 2010 (up 4%\*)
- > 2010 year of transition with stagnating to marginally declining OoH revenues
- > Professionalization of the out-of-home market (incl. sales cycles and price mechanisms) is a catalyst for growth



## Ströer Poland setting the pace

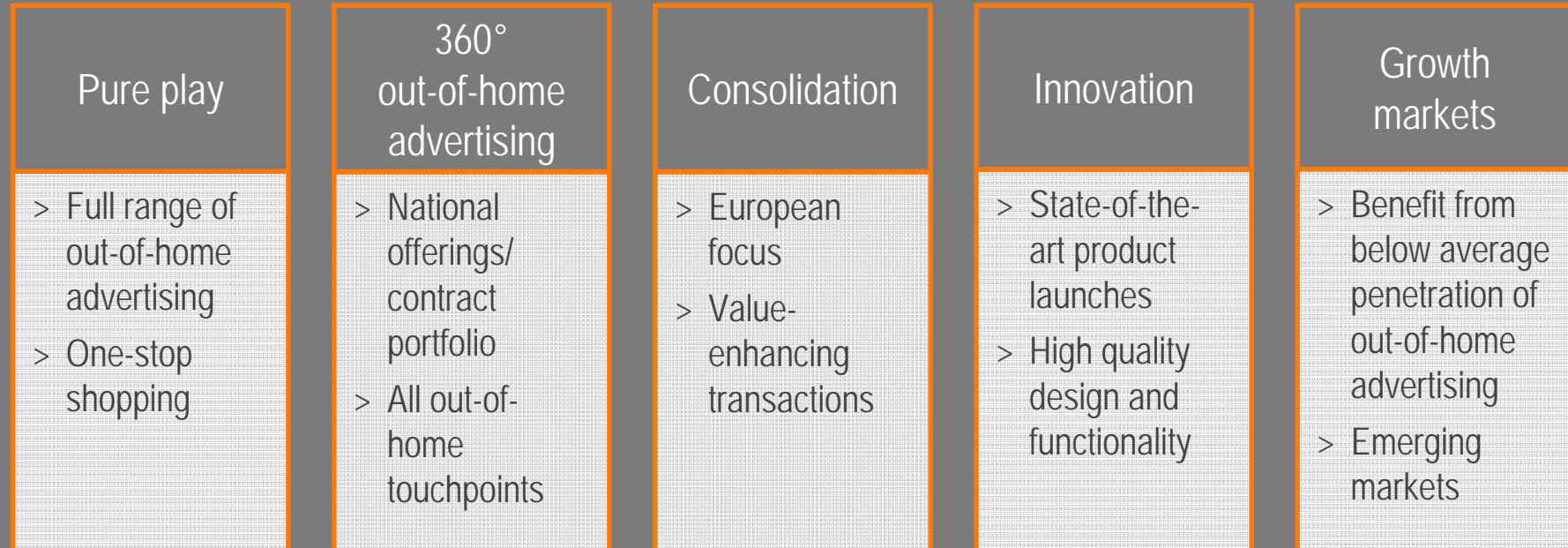
- > Acquisition of News Outdoor (cost synergies of approx. EUR 2.5m achieved)
- > Bus shelter tender in Warsaw (bidding consortium with AMS)
- > Performance measurement POSTAR, first survey in H2 2011, presentation of first results in mid-2012



## blowUP media: leading giant poster business

- > Number 1 in all markets covered (Germany, the UK, Benelux, Spain)
- > Organic growth boosted significantly in 2010 (up 31%), especially by the foreign subsidiaries
- > EBITA margin up almost two-fold in 2010
- > Launch of backlit giant posters in major European cities (incl. Munich, Amsterdam and Rotterdam)

# Our strategy guarantees value growth



Market leadership

Organic growth

Top results



DEUTSCHE STIFTUNG  
DENKMALSCHUTZ



JEDER EINZELNE ZÄHLT

INITIATIVE  
VERMISSTE  
KINDER

## Corporate social responsibility

- > Cooperations and partnerships focusing on
  - > Sport
  - > Diet
  - > Health
  - > Culture
  - > Social issues
- > Fundraising for emergency relief
- > Energy-saving technology

# Ströer financials 2010

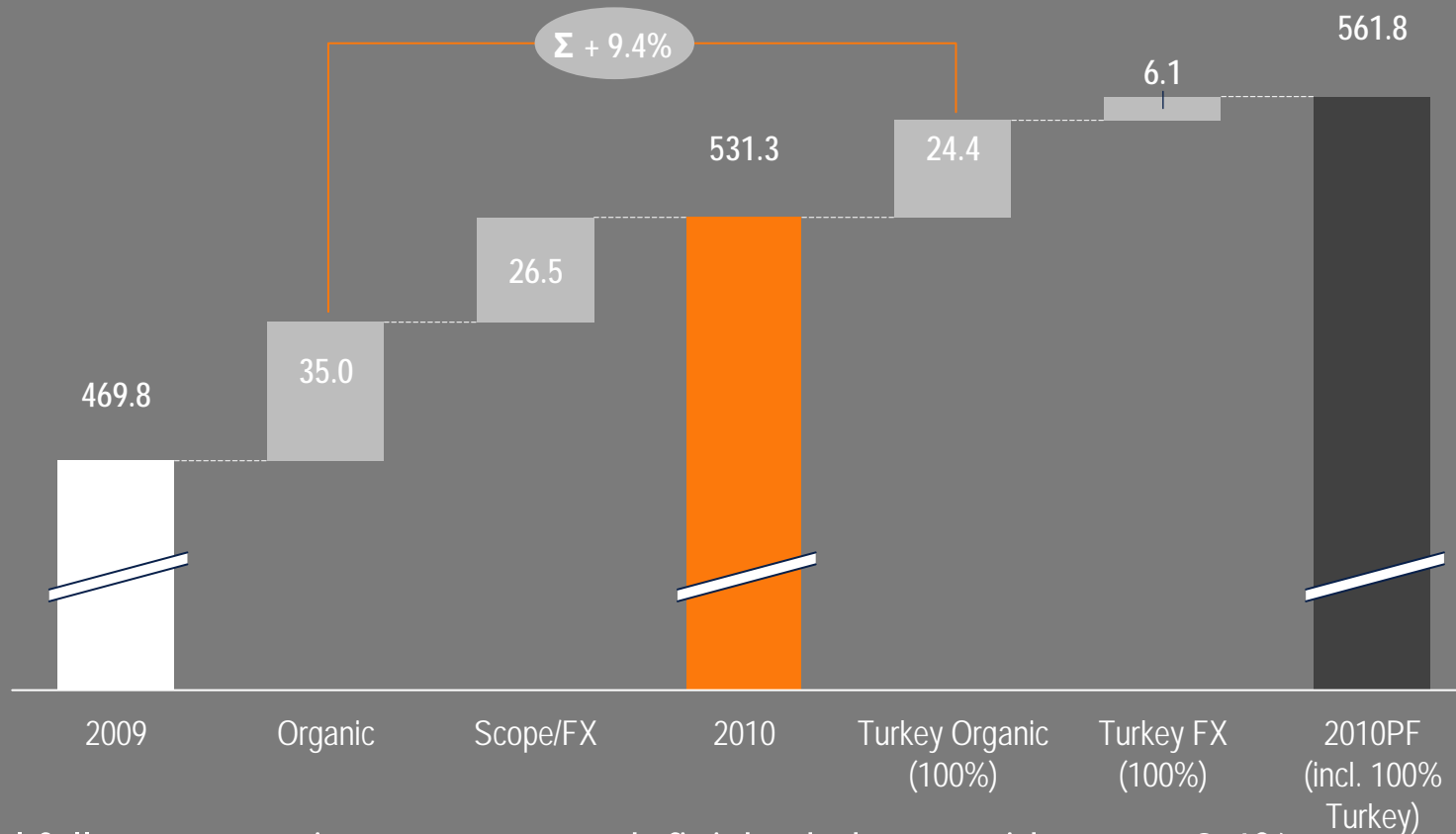




# Ströer Group Full Year 2010 P&L Summary

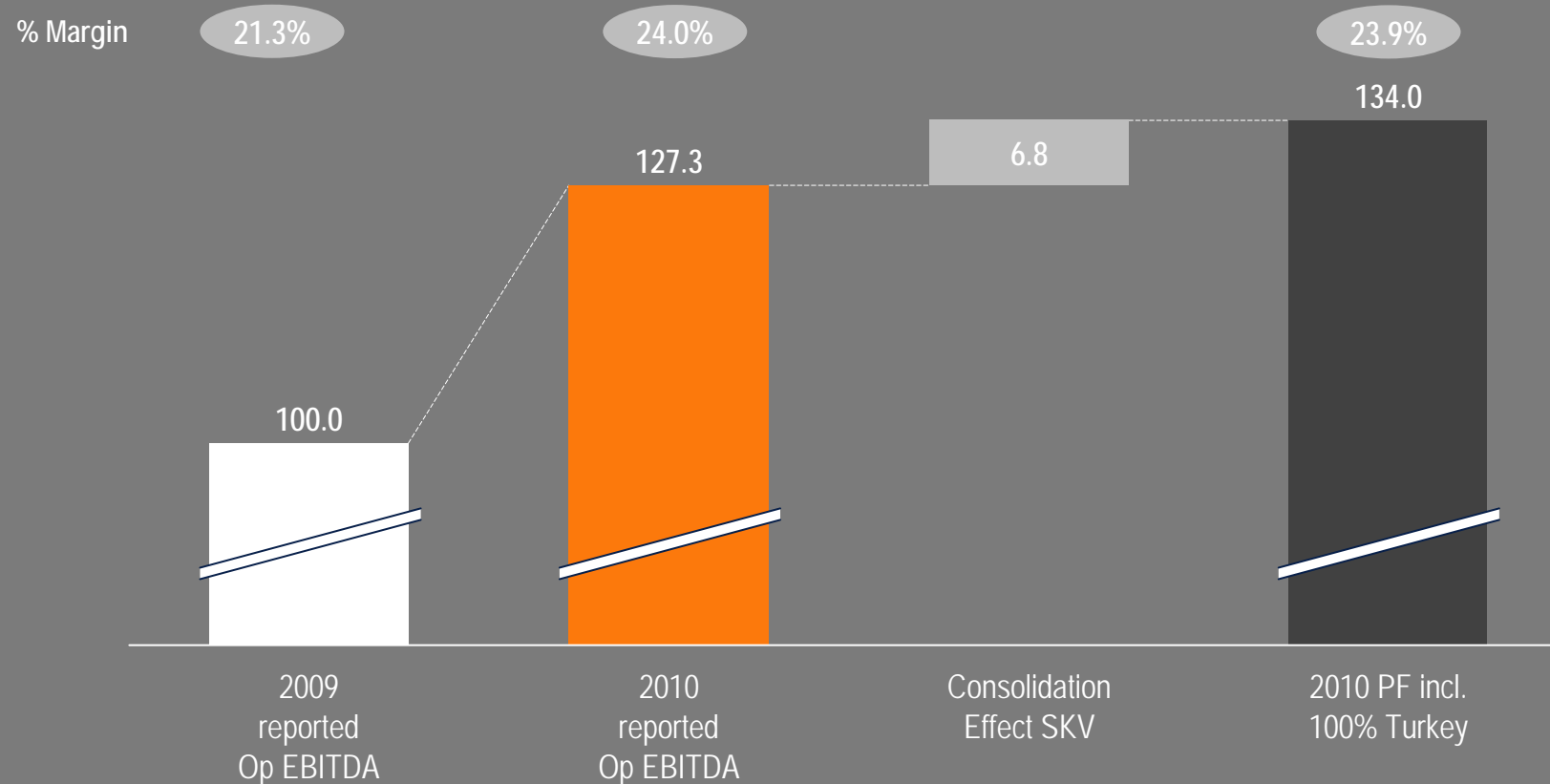
(€ MM)	2010	2009	Change(%)
<b>Revenue</b>	<b>531.3</b>	<b>469.8</b>	<b>+13</b>
Direct costs	-284.2	-256.2	-11
SG&A	-125.8	-119.3	-5
Other operating result	5.9	5.7	+3
<b>Operational EBITDA</b>	<b>127.3</b>	<b>100.0</b>	<b>+27</b>
<i>Margin %</i>	<i>24.0</i>	<i>21.3</i>	
Depreciation	-27.3	-25.8	-6
Amortisation	-26.6	-24.6	-8
Exceptional items	+35.2	-6.7	-
Goodwill impairments	0	-4,0	-
<b>EBIT</b>	<b>108.6</b>	<b>38.9</b>	<b>&gt;100</b>
Net financial result	-52.8	-47.4	-11
Income taxes	0	+9.6	-100
<b>Net Income</b>	<b>55.8</b>	<b>1.2</b>	<b>&gt;100</b>
<b>Net Adjusted Income</b>	<b>33.2</b>	<b>16.8</b>	<b>+97</b>
<i>Margin %</i>	<i>6.2</i>	<i>3.6</i>	

# Full year Revenues fuelled by Organic Growth and Consolidation Effects



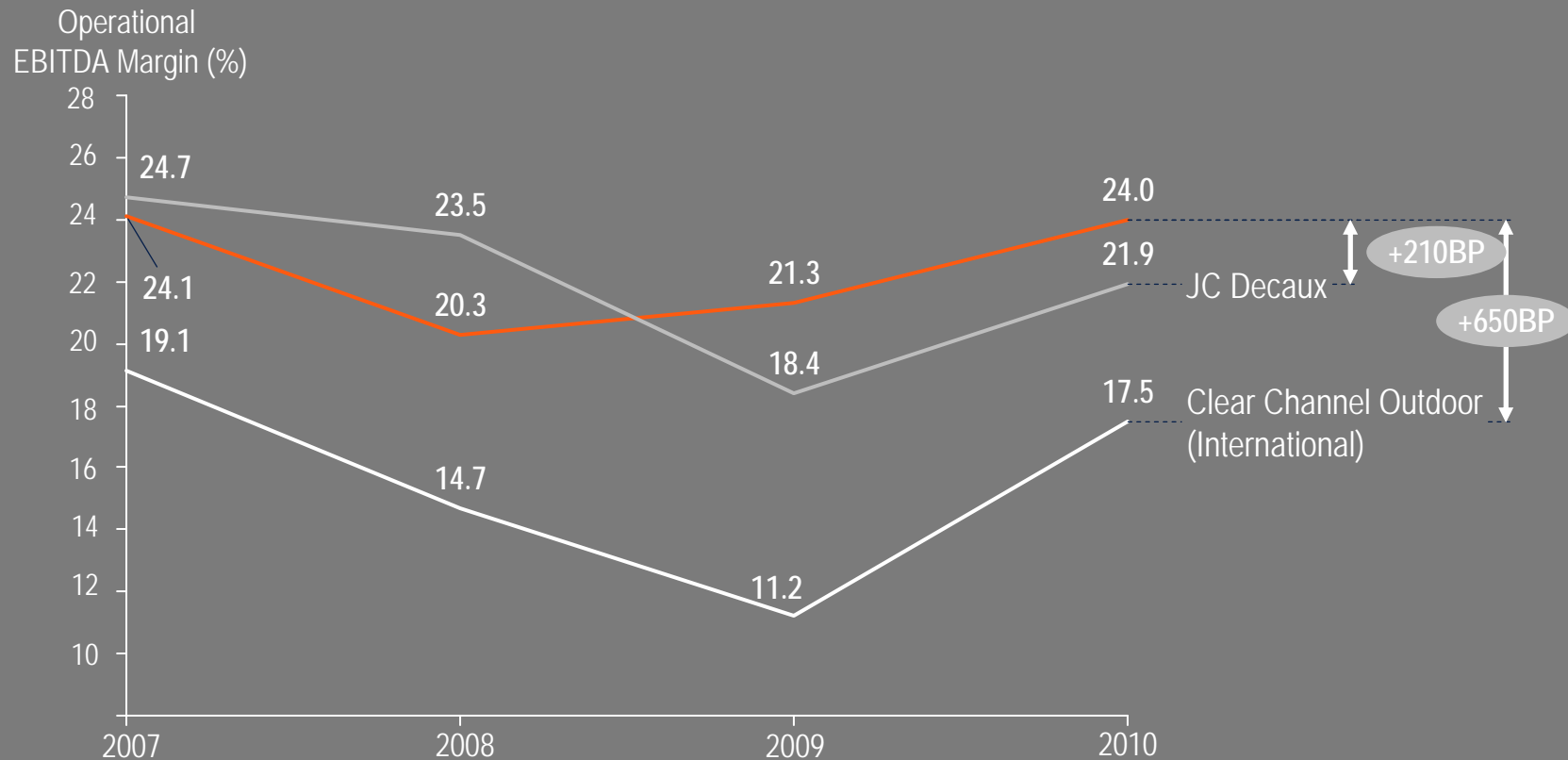
- > Total full-year organic revenue growth finished above guidance at 9.4%
- > Ströer TR and blowUP represent largest drivers of organic growth in 2010
- > Scope effects down to M&A activity while FX impact stems from TL and PLN appreciation

# 2010 Operational EBITDA performance at record level



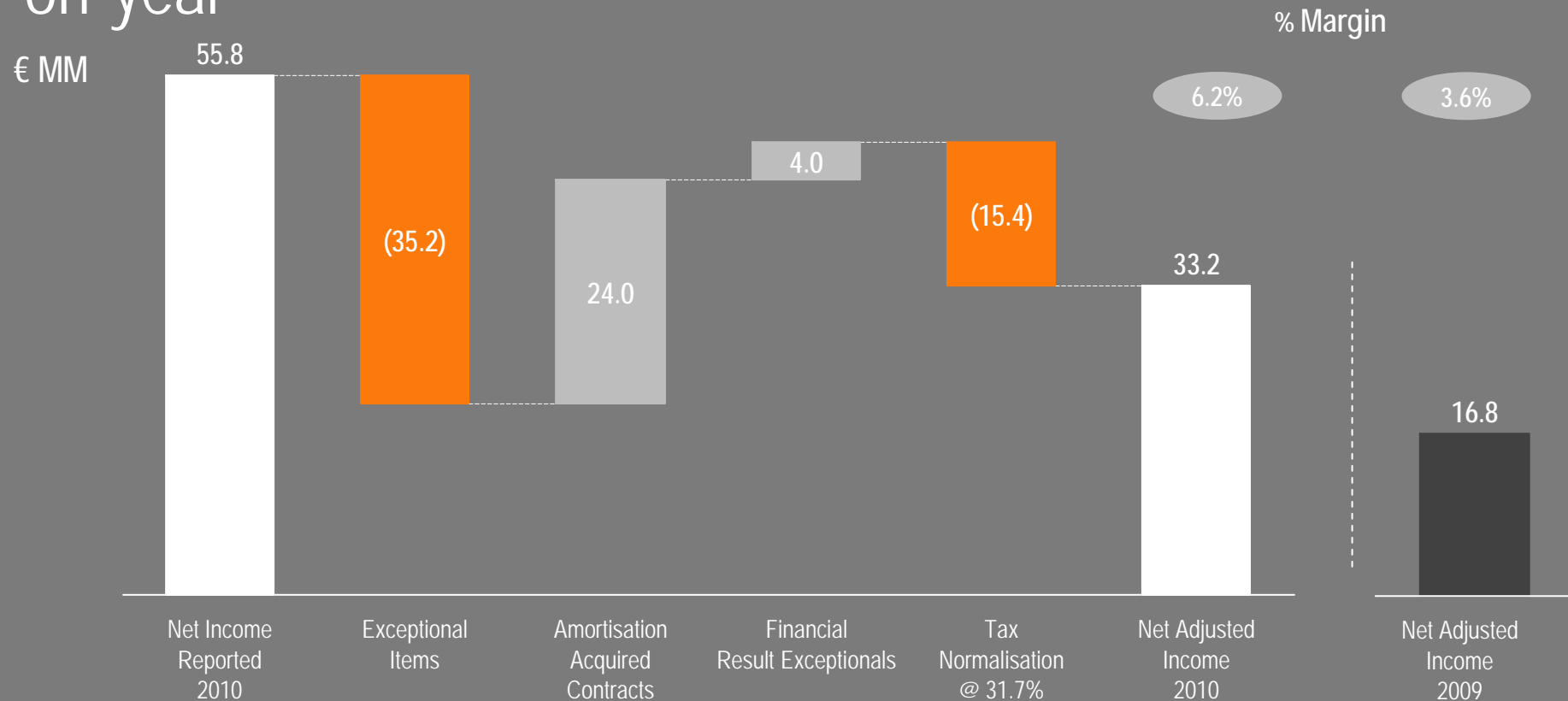
- > Ströer Germany and Ströer Turkey strongest contributors
- > Moderate overhead cost development supported profitability
- > Operating Leverage increased to approx. 44%

# Ströer outperformed its European Peers on EBITDA margins also in 2010



- > Ströer with best in class EBITDA margins and premiums of 210 to 650 BPS over peers
- > Proven resilience in the 2009 downturn paved the way for industry-leading profitability

# Group Net Adjusted Income improved nearly 2-fold year-on-year

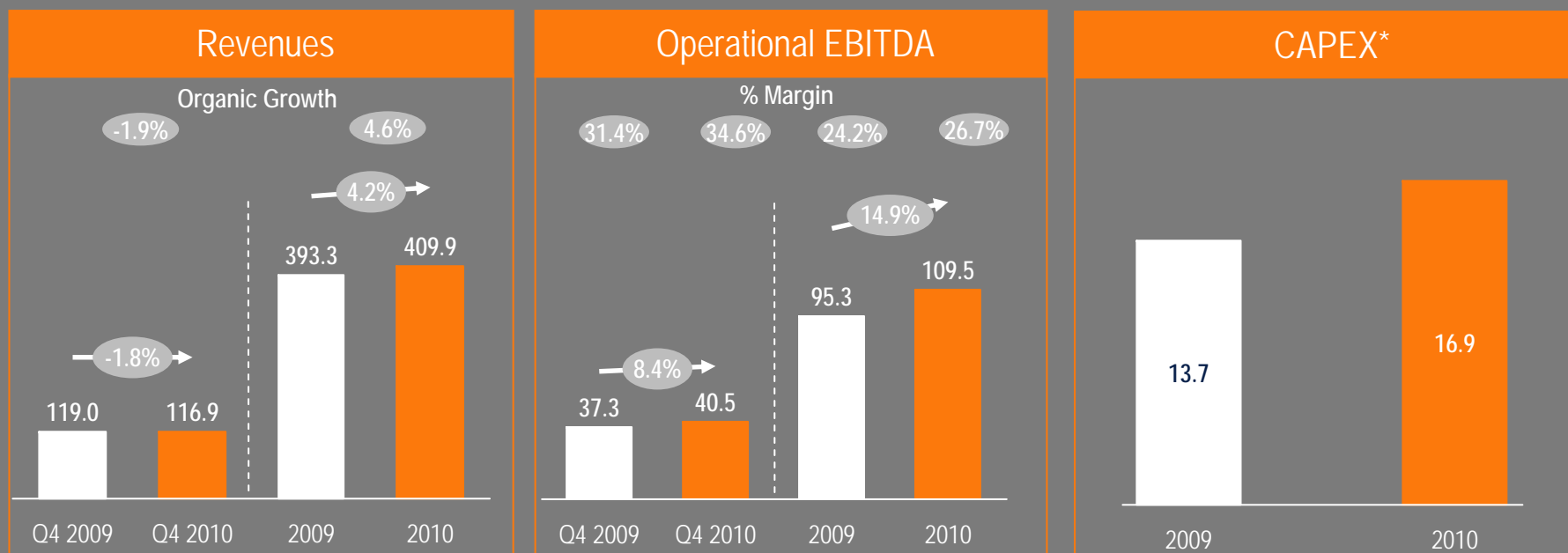


- > € +61MM exceptional non-cash revaluation gain of existing Ströer Turkey stake
- > IPO related exceptional P&L items amounted to some € 18MM
- > Exceptional charges in financial result mainly due to non-cash valuation effects of hedges



# Ströer Germany - Solid revenue performance with strongly improved EBITDA

€ MM



- > High comps in Q4 due to late money but high-single growth momentum in Q1 2011
- > Digital operations account for some € 20MM up 20% year-on-year
- > Effective cost management still benefiting from rigid cost cutting in prior years

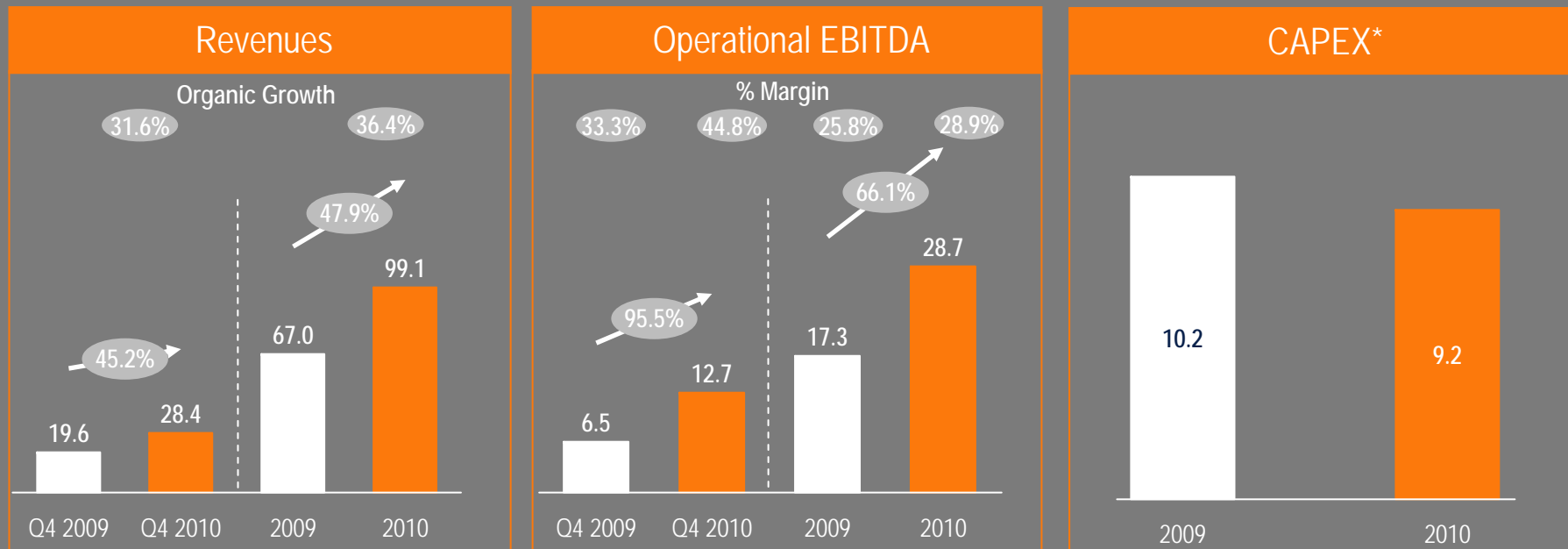
\* w/o Acquisitions



# Ströer Turkey

## Dynamic environment driving results and investments

€ MM



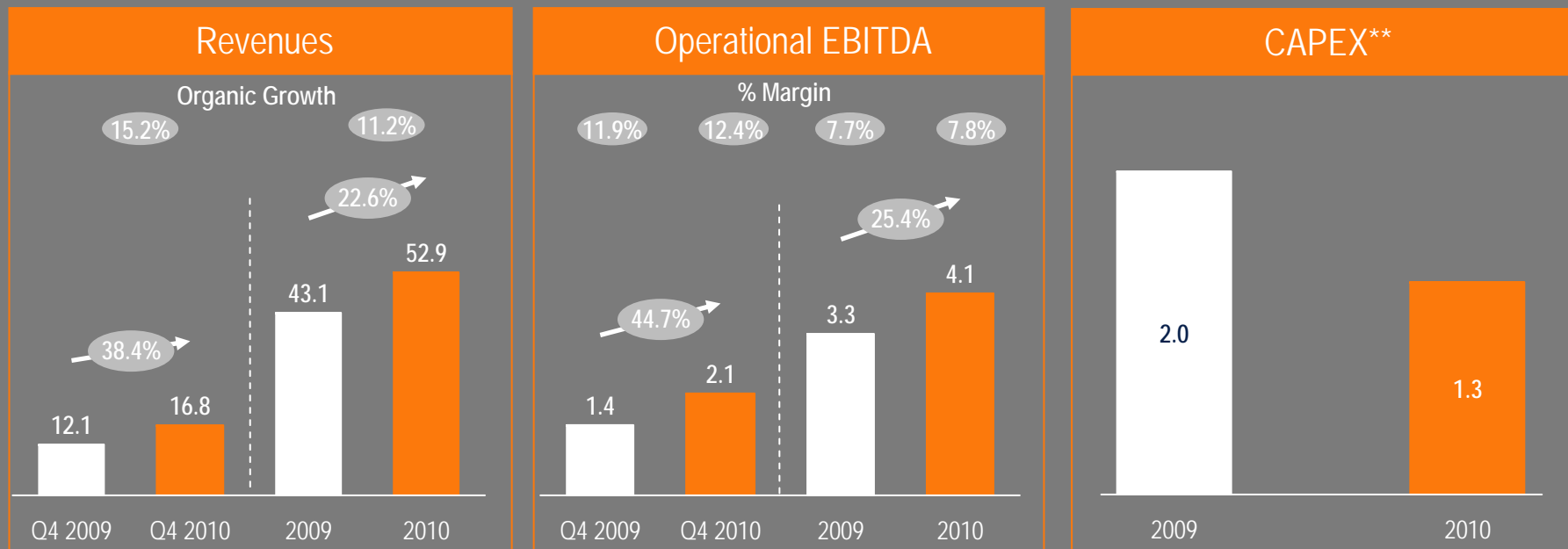
- > Outstanding headline and organic revenue growth well in excess of 30%
- > Sales increase fuelled by higher filling ratios across key asset classes
- > Operating leverage temporarily impacted by rent mix changes and sales bonus pay-out

\* w/o Acquisitions

# Ströer Rest of Europe\*

## Strong rebound of blowUP and enlarged scope in Poland

€ MM



- > blowUP key driver of revenues (organic growth >30%) and operational EBITDA growth
- > Giant poster performance strongly pushed by rebound in UK and Spain
- > Ströer Poland with minor positive organic growth in Q3 and Q4 in challenging environment

\* blowUP Media Group and Ströer Poland

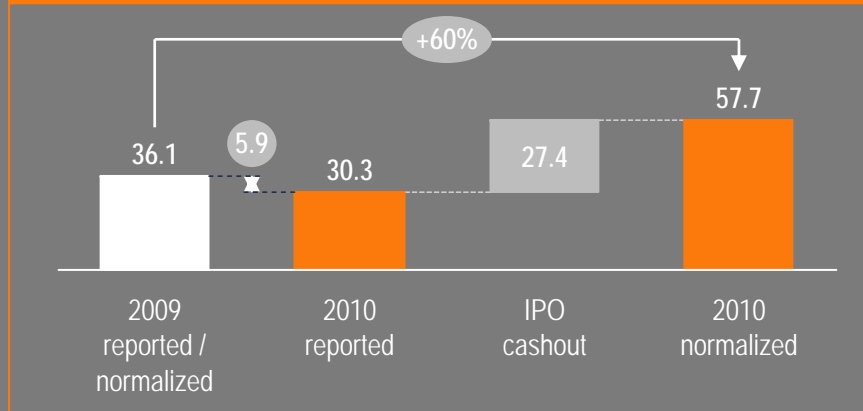
\*\* w/o Acquisitions



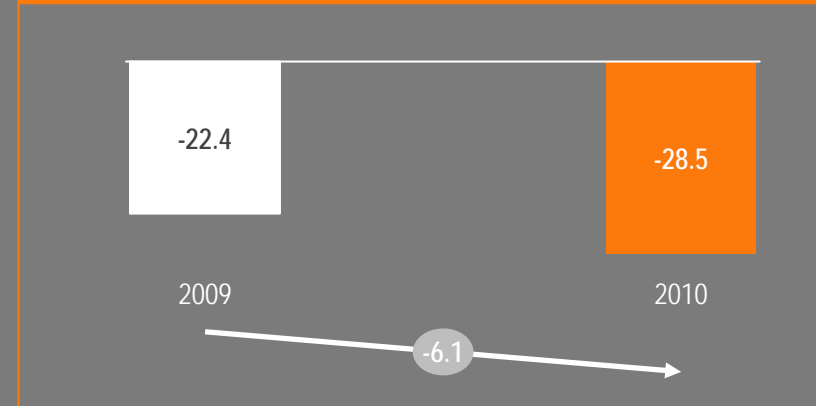
# Substantial underlying cash generation

€ MM

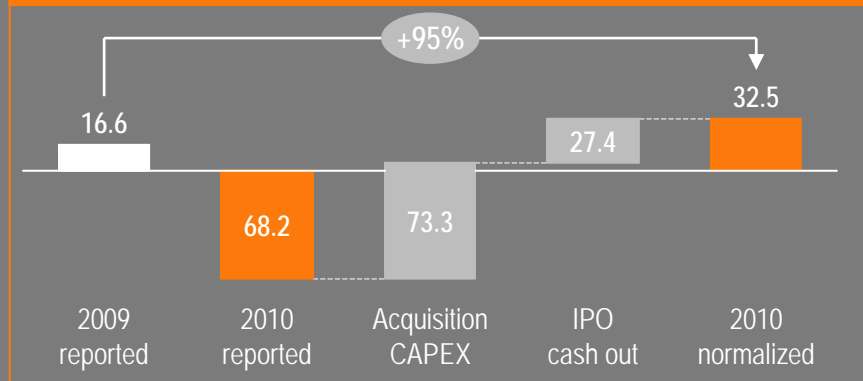
## Cash flow from Operations



## Cash Flow from Investing\*



## Free Cash Flow

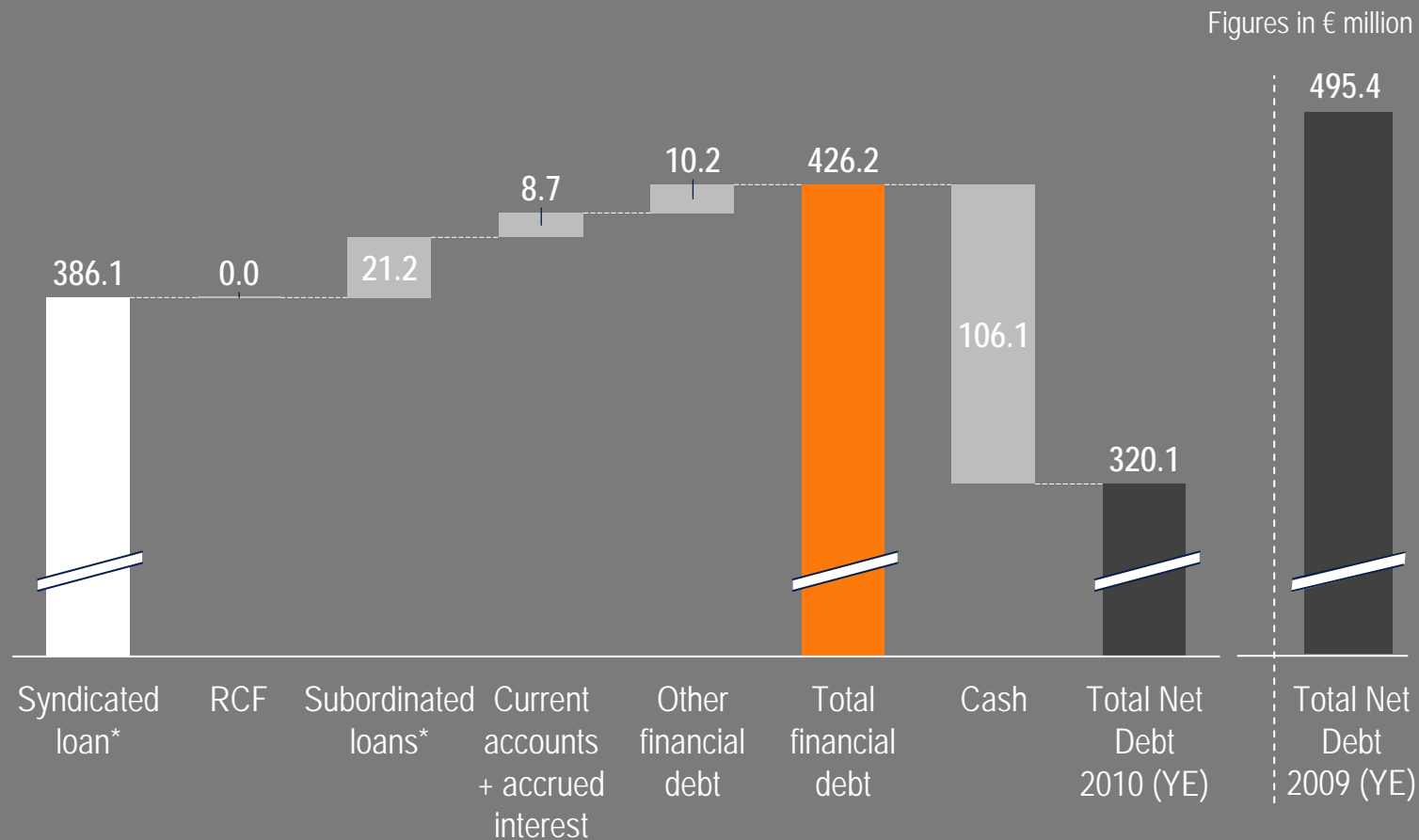


## Comments

- > Cash flow from operations increased by 60% leaving aside IPO exceptionals
- > Cash flow from investing at moderate level despite initial capex for PBB 5000 & OOHC
- > Strong FCF generation excluding acquisitions and IPO costs

\* excluding M&A

# Competitive capital structure put in place post IPO

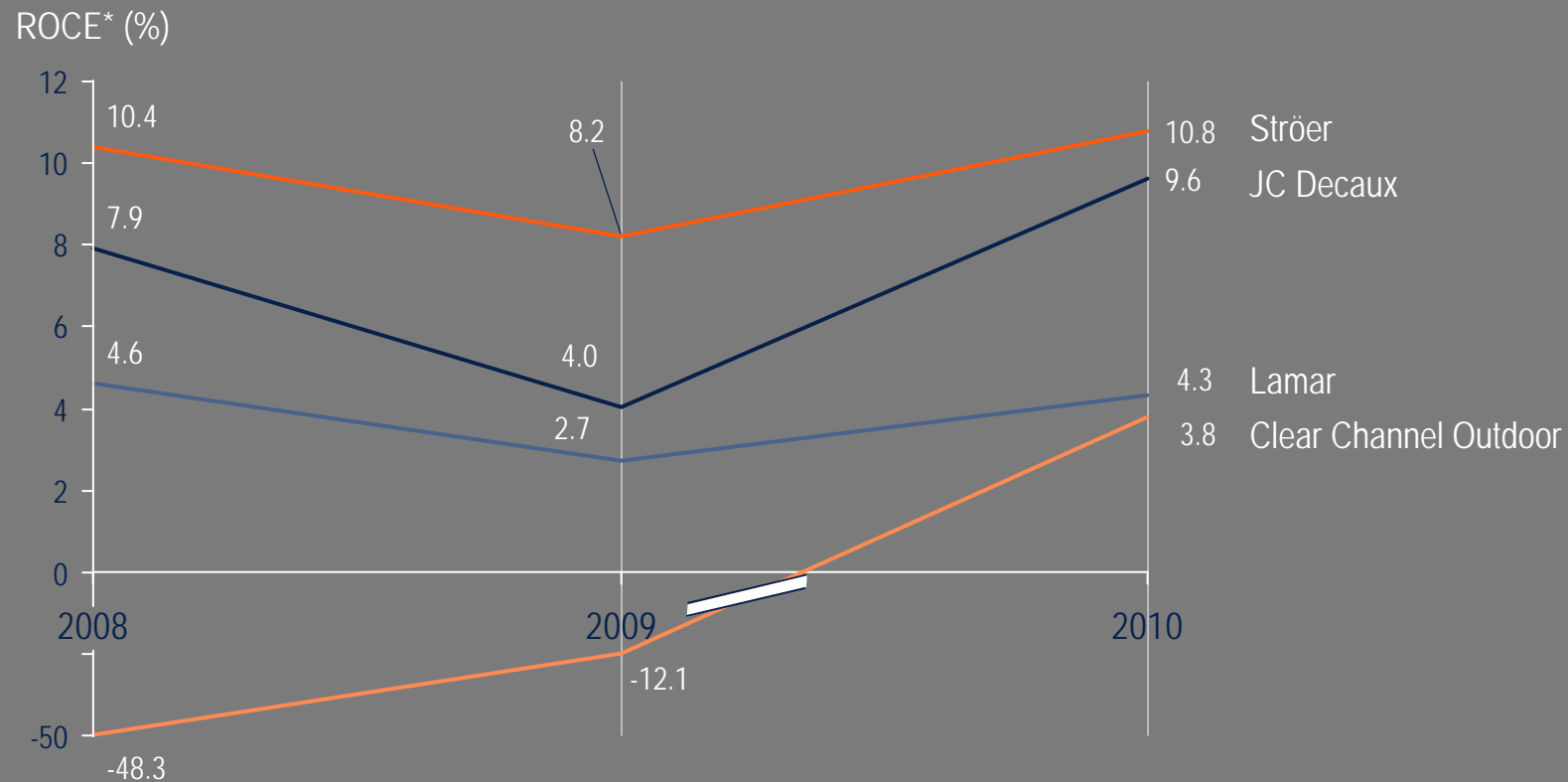


- > Debt maturity of syndicated loan extended to June 2014
- > Some € 150 MM of debt repayments leading to pro-forma leverage of 2.4x at the end of 2010
- > Interest cover ratio strongly improved from 1.5x in 2009 to 2.3x in 2010\*\*

\* Amounts shown at book value in line with IFRS accounts

\*\* Interest cover equals ratio of net interest paid to adjusted EBIT

# Ströer's capital base leads to ROCE outperformance



- > Ströer only operator in outdoor space with double-digit ROCE in 2010\*
- > 2010 average capital employed of € 680MM with Operational EBIT of € 73MM
- > Best-in-class efficiency in capital deployment

\* ROCE defined as Operational EBIT of the financial year divided by the average invested capital (total assets less current liabilities adjusted for short-term portions of debt) net of cash in the respective financial year

## Outlook

Ströer's management is confident that the Group will benefit from a favourable macroeconomic situation, new projects and structural growth in the full fiscal year 2011. Hence, we expect to see another year of solid organic revenue growth around the mid to high-single-digit mark along with a possible slight improvement in margins.

In the first quarter of 2011, we expect organic revenue growth of 8% for the Group fuelled by the strong performance of the German and blowUP operations. The Turkish business will also contribute to this organic growth at a rate broadly in line with the group figure, while the market dynamics in Poland are proving more challenging than expected. In the second quarter we expect to see a continuation of the Group's positive revenue development and forecast a mid to high-single-digit organic growth rate. Management will further quantify the Q2 organic growth targets when the Q1 results are published on 19 May.

Due to ramp-up and overhead investment effects mainly during the first six months of 2011 management currently expects only a slight increase in operational margin for the full year 2011 compared to the high reference value of 2010



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