



Premium assets. Structural growth

Ströer Out-of-Home Media AG

J.P. Morgan Media CEO Conference

June 28-29 2011. London

1 in underpenetrated and attractive growth markets

#1 in GERMANY
Europe's largest ad. market



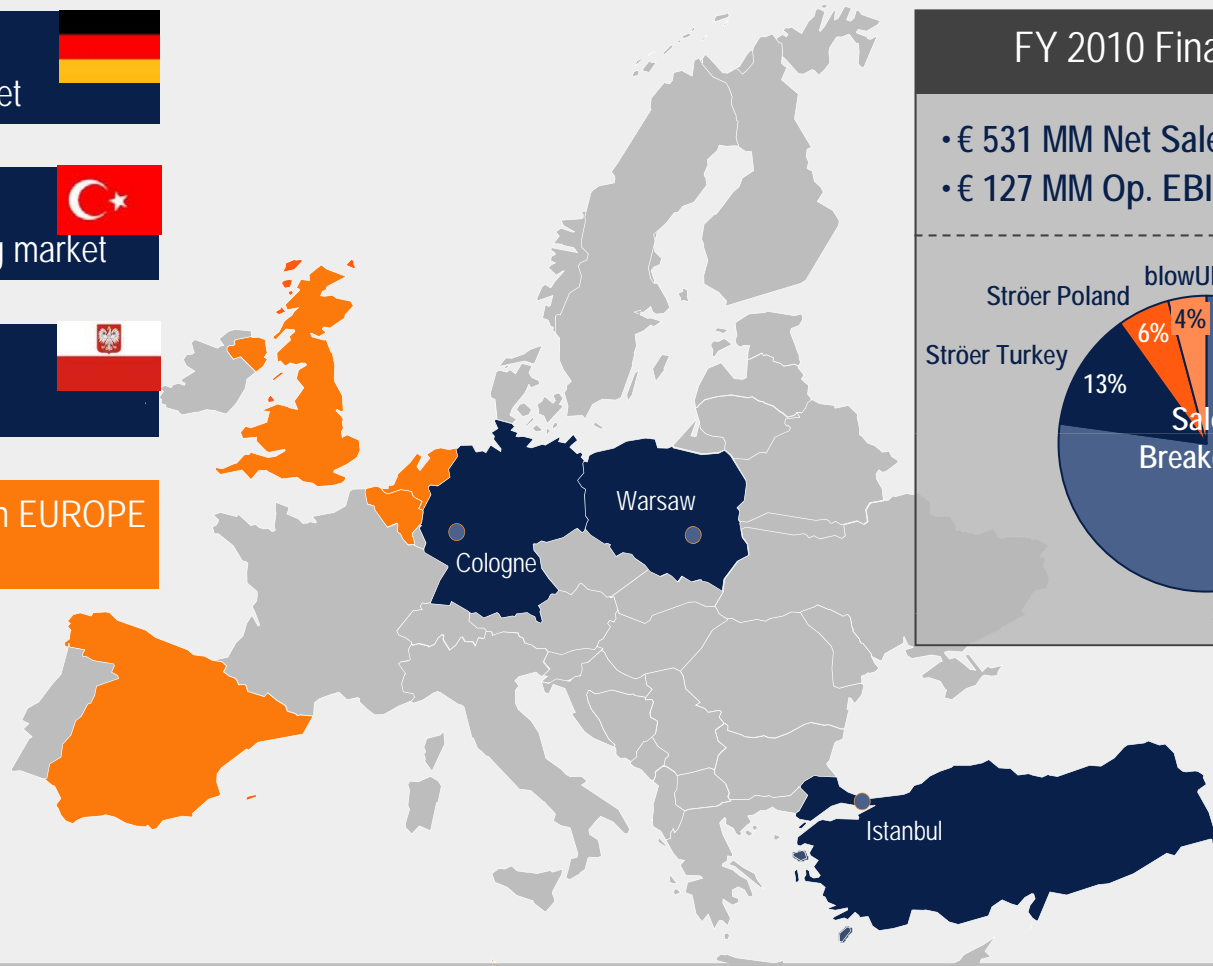
#1 in TURKEY
Europe's largest emerging market



#1 in POLAND
Largest CEE market



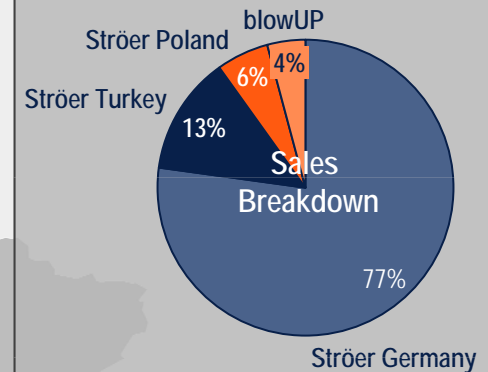
#1 Giant Poster network in EUROPE
(D, UK, E, Benelux)



- Core markets
- blowUP media
- Regional HQ

FY 2010 Financials

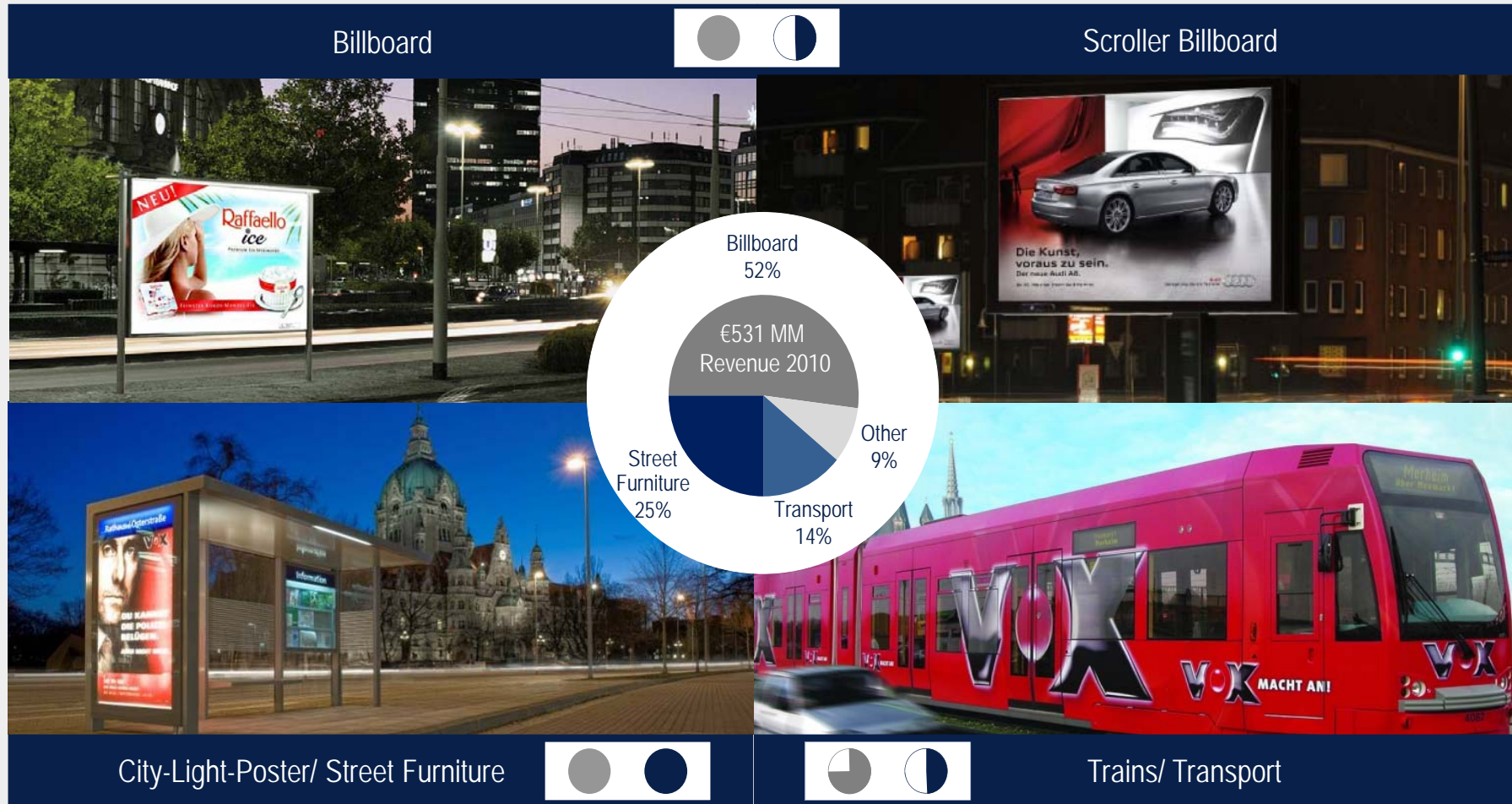
- € 531 MM Net Sales (+13%)
- € 127 MM Op. EBITDA (+27%)



90% of revenues from markets where we are at least double the size* of no. 2

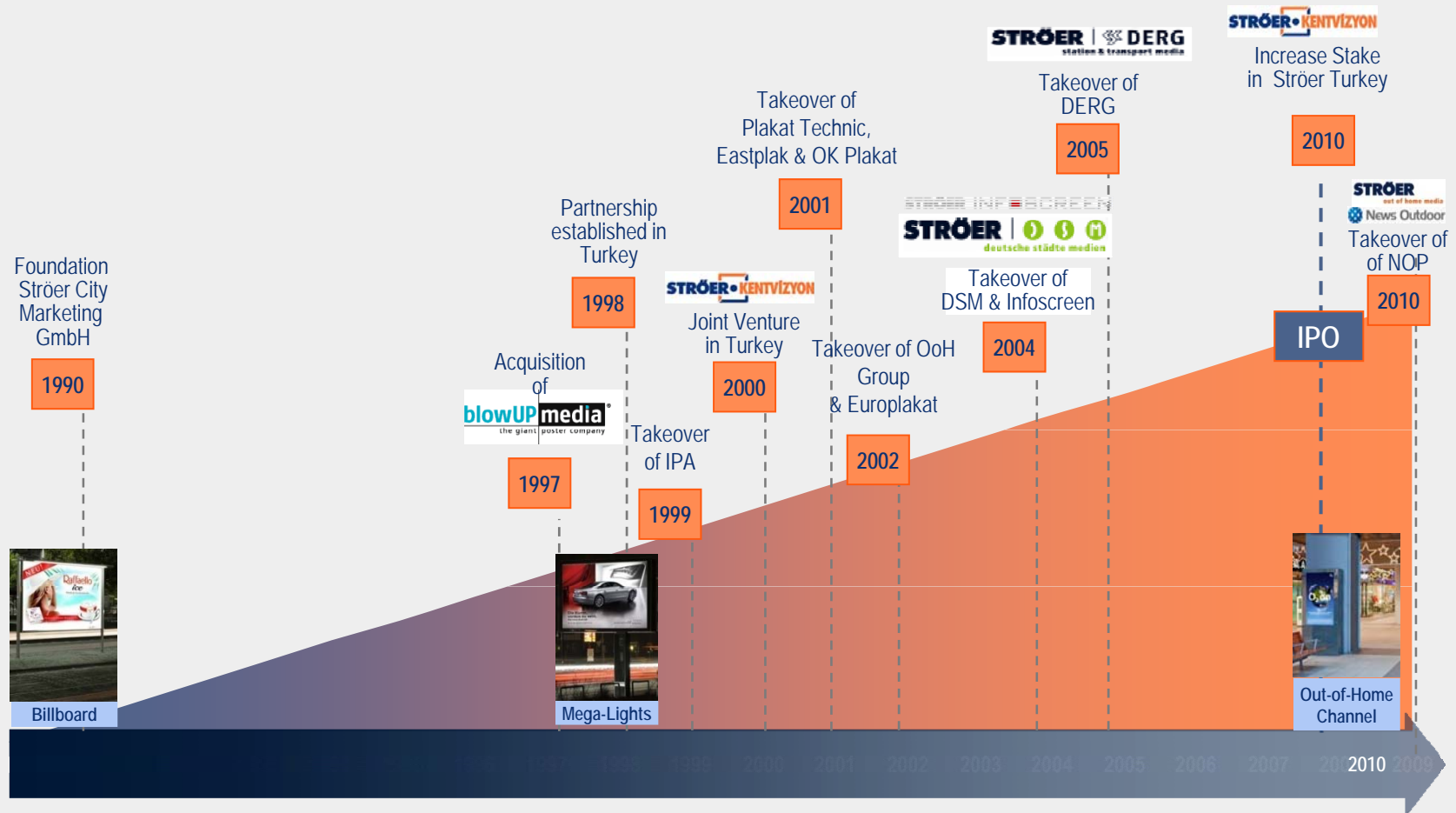
² Source: Company Information
* in terms of revenue

State-of-the-art product portfolio with favorable margin and capex profile



● = margin intensity ● = capex intensity

Ströer AG: 20 years of organic and acquisitive growth



Source: Company Information

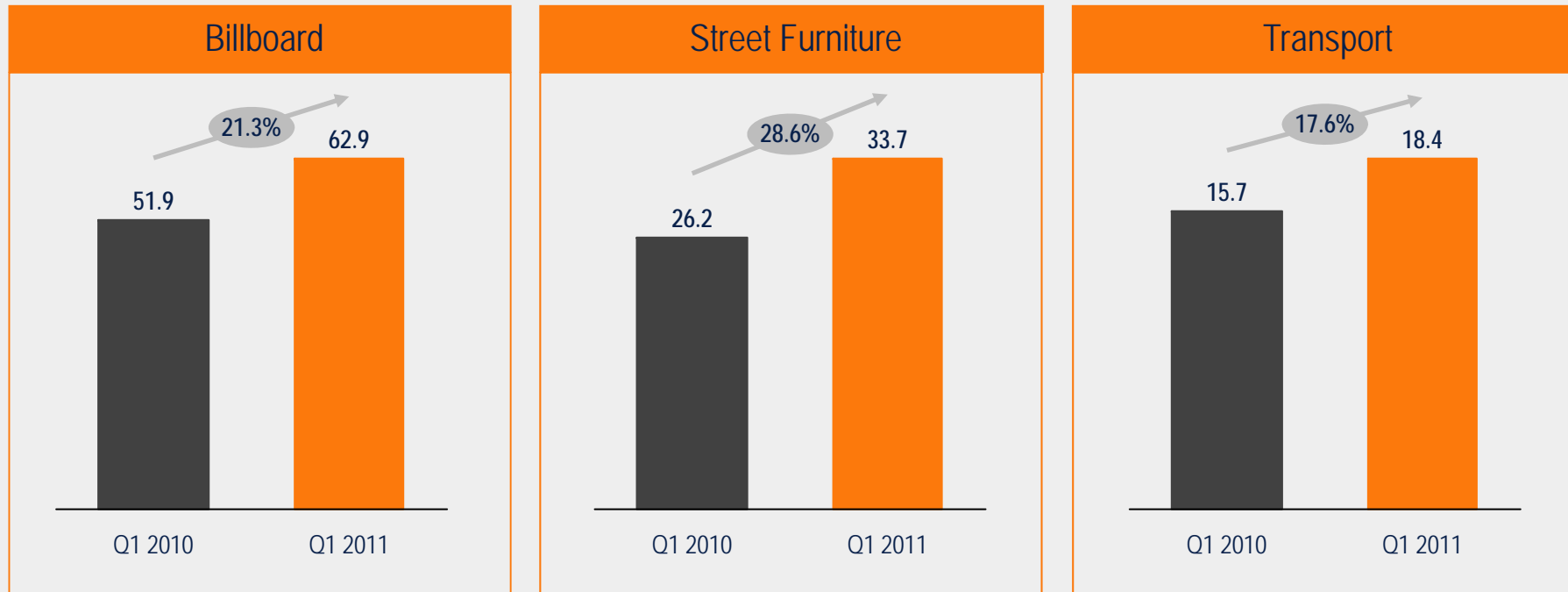
Financial data Q1 2011: Strong reported and organic topline growth

€ MM	Q1 2011	Q1 2010	Change
Revenues	122.9	105.1	+17.0%
Organic Growth ⁽¹⁾	9.7%	5.3%	
Operational EBITDA	16.2	16.7	-3.1%
Net Adjusted Income ⁽²⁾	-1.2	-0.4	n.d.
Free Cash Flow ⁽³⁾	-22.0	-0.7	n.d.
	Q1 2011	31.12. 2010	Change
Net Debt ⁽⁴⁾	333.6	320.1	+4.2%

Notes: (1) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations; (2) Operational EBIT net of the financial result adjusted for exceptional items, amortization of acquired intangible advertising concessions and the normalized tax expense (32.5% tax rate); (3) Free cash flow = cash flows from operating activities less cash flows from investing activities; (4) Net debt = financial liabilities less cash (excl. hedge liabilities)

Ströer Group Revenues: Largely boosted by Billboard and Street Furniture products

€ MM



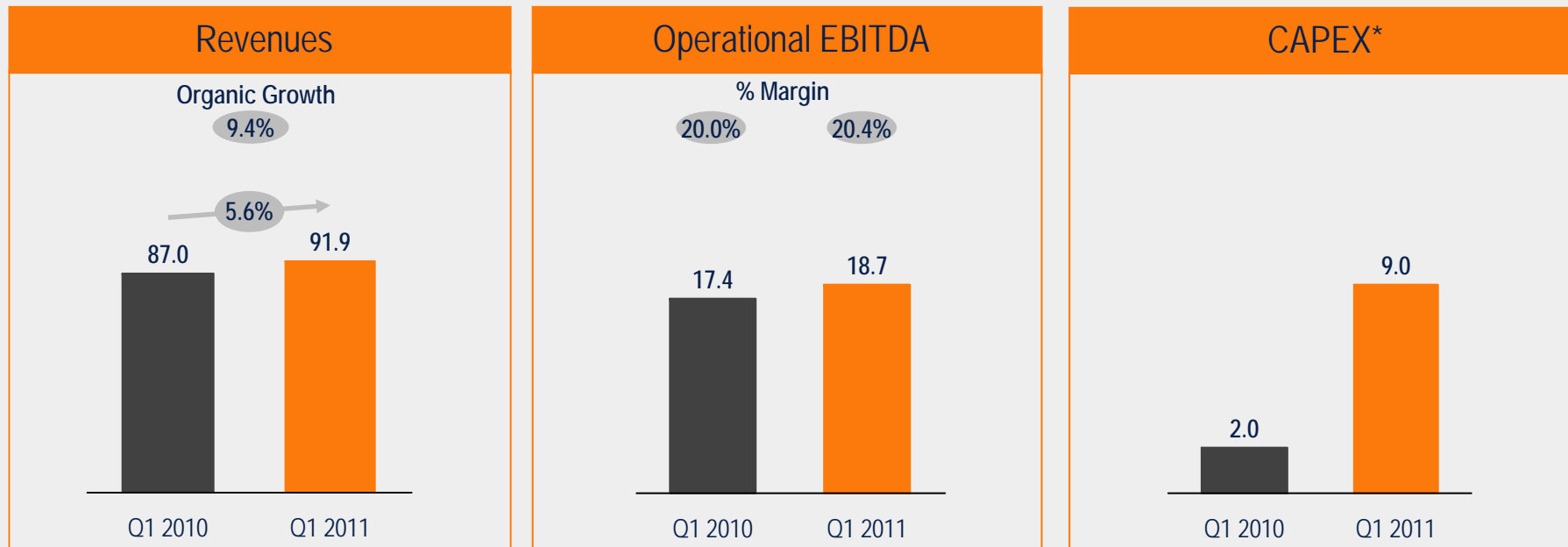
- Billboard & Street Furniture up above average due to consolidation effects in TR and PL
- Premium products lifted Street Furniture sales on the back of higher filling ratios
- Growth in transport revenues supported by double-digit increase in digital revenues

Ströer Germany

Almost 10% organic growth in Europe's largest ad market



€ MM



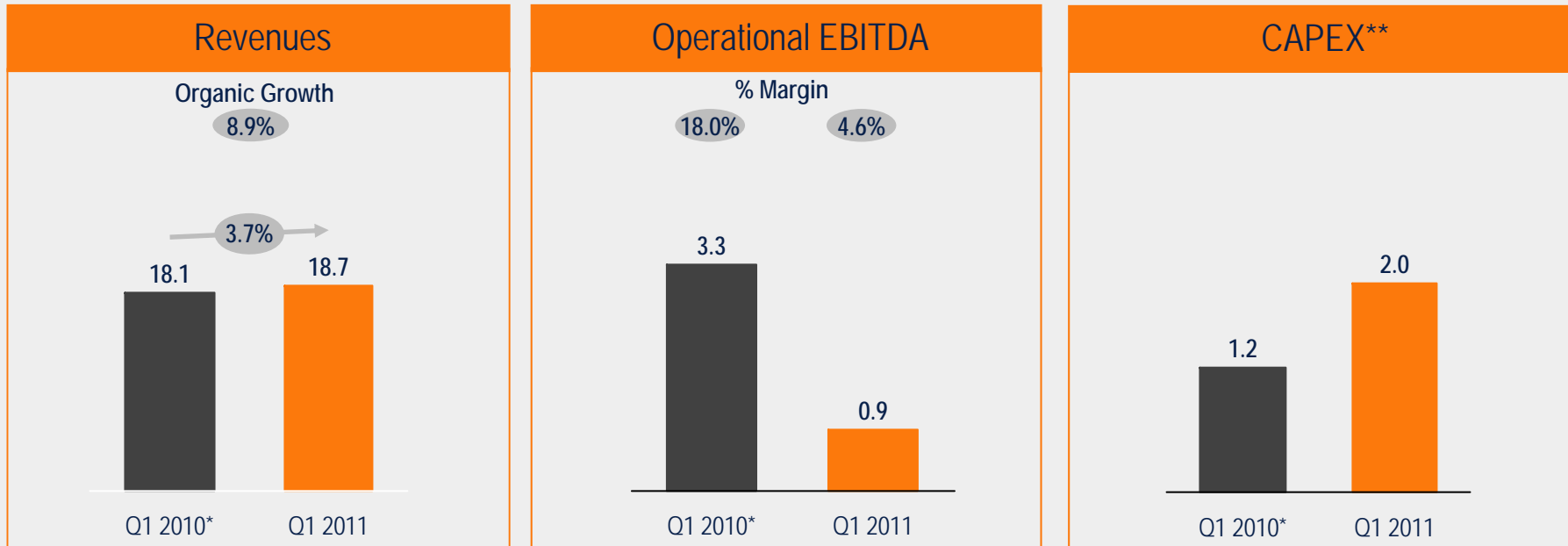
- Above average growth of digital products
- 40 BPS margin lift due to higher share of premium products and moderate overhead increases
- Capex increase mainly caused by ramp up of digital Out-of home-Channel network

Ströer Turkey

Investing in growth in dynamic environment



€ MM



- Good top line growth maintained despite state-run introduction of TV ad time restrictions
- EBITDA reduction mainly following ramp-up effects in rent portfolio (scope & mix)
- Overhead costs up over last year reflecting inflation and OPEX investments into growth

* 100% view (Ströer Turkey consolidated at 50% until August 2010)

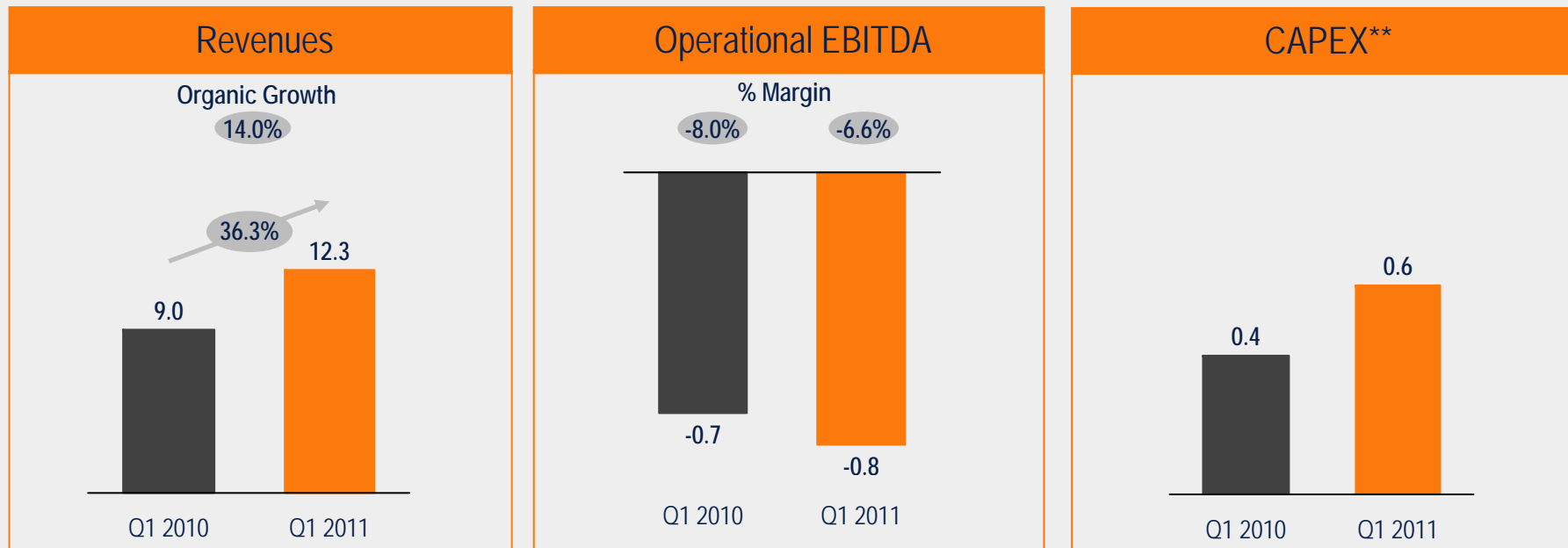
** w/o Acquisitions

Ströer Rest of Europe*

Revenue growth fuelled by giant poster operations



€ MM

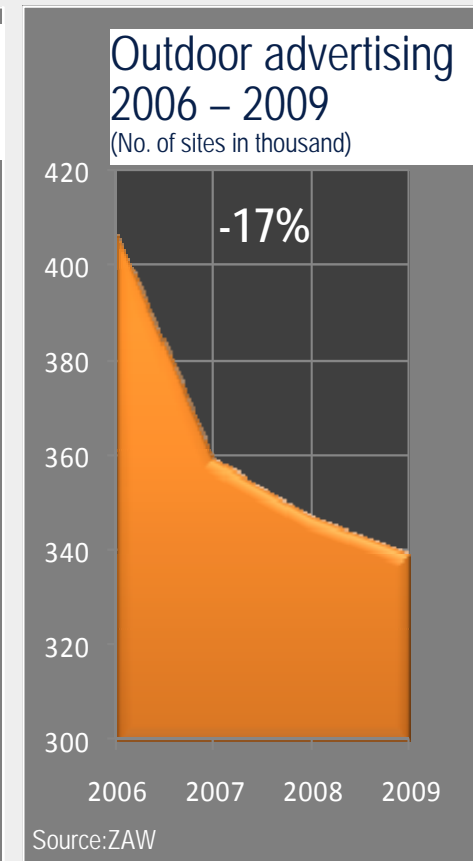
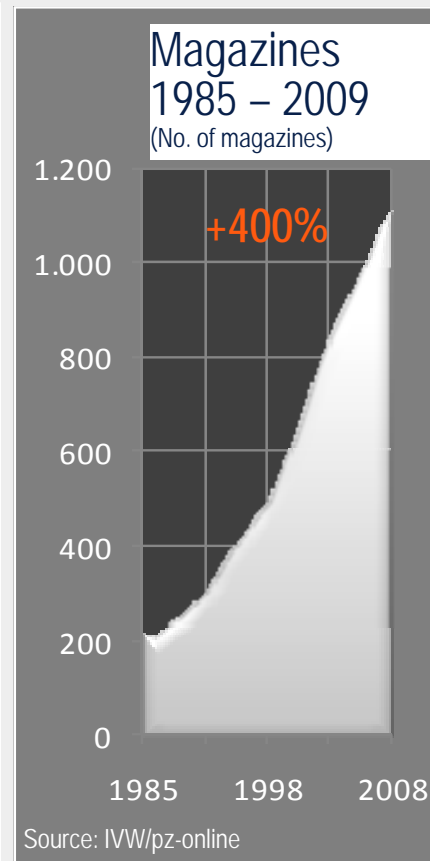
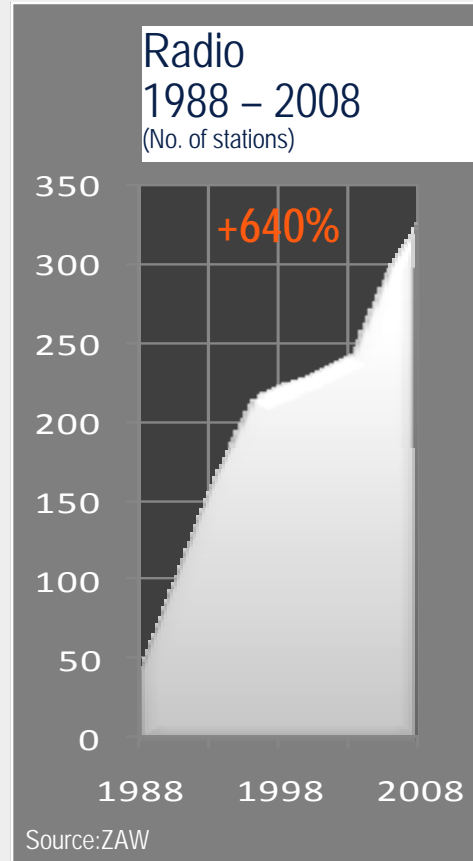
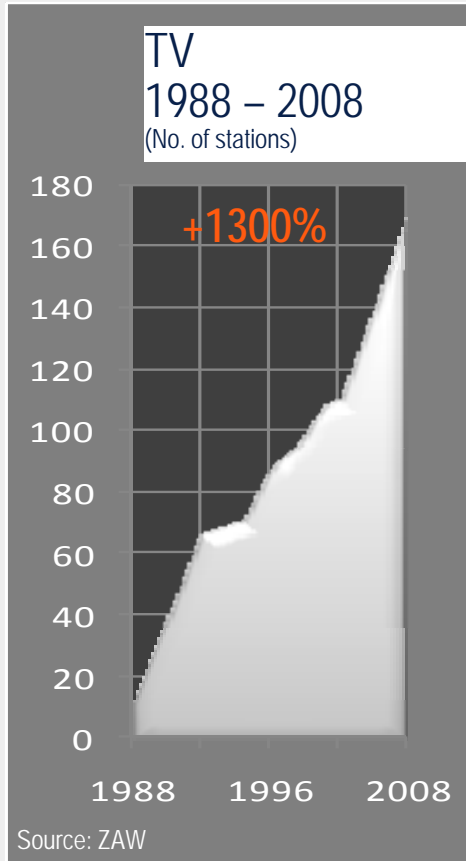


- Jump in reported revenue growth partly due to scope effects from News Poland acquisition
- Soft Polish market awaiting further consolidation and audience measurement results
- High operating leverage in Polish operations more than offset blowUP's EBITDA growth

Who are structural winners and losers in the dramatically changing media landscape?



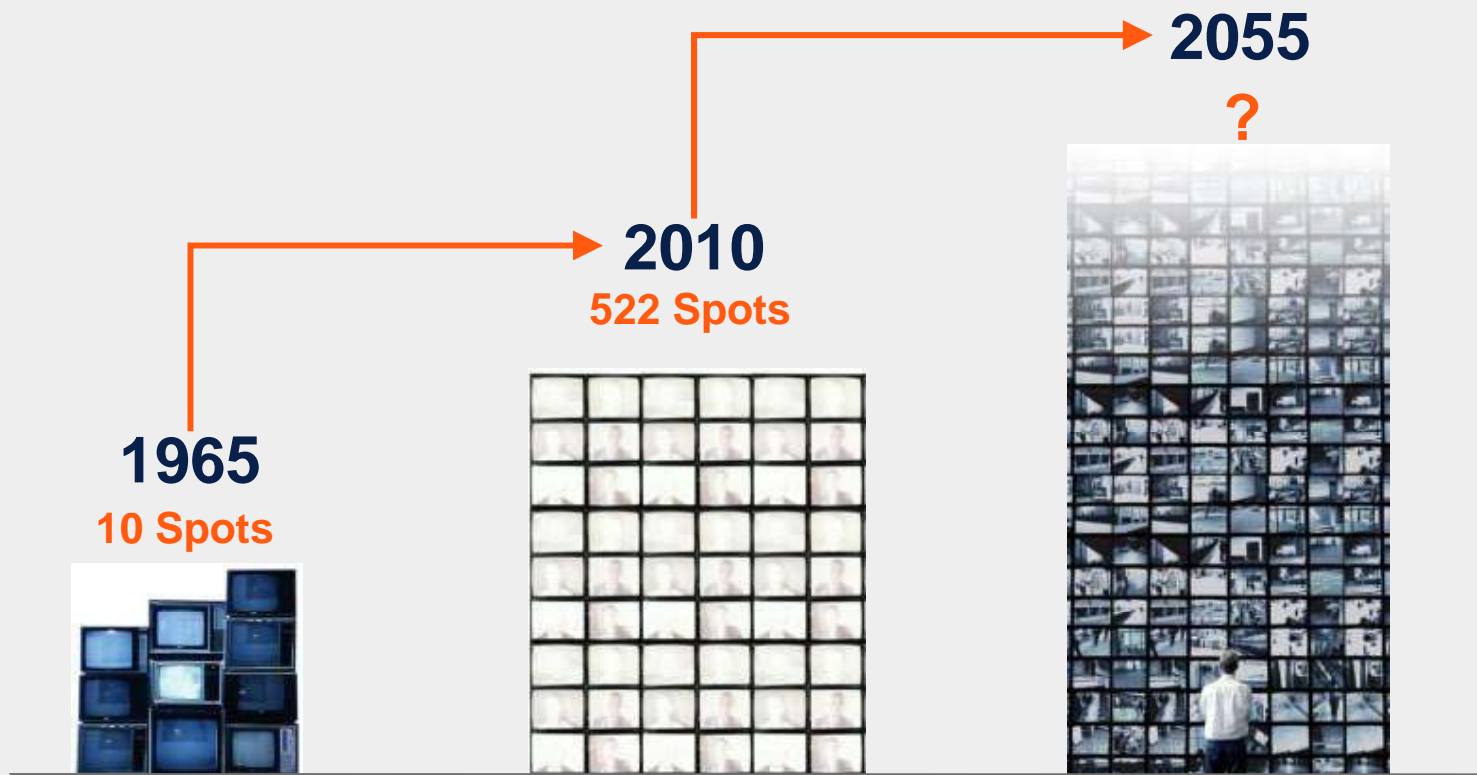
Media inventory becomes commodity leading to increasing fragmentation in all areas except...



...in the OOH-sector where consolidation & innovation results in better capitalisation

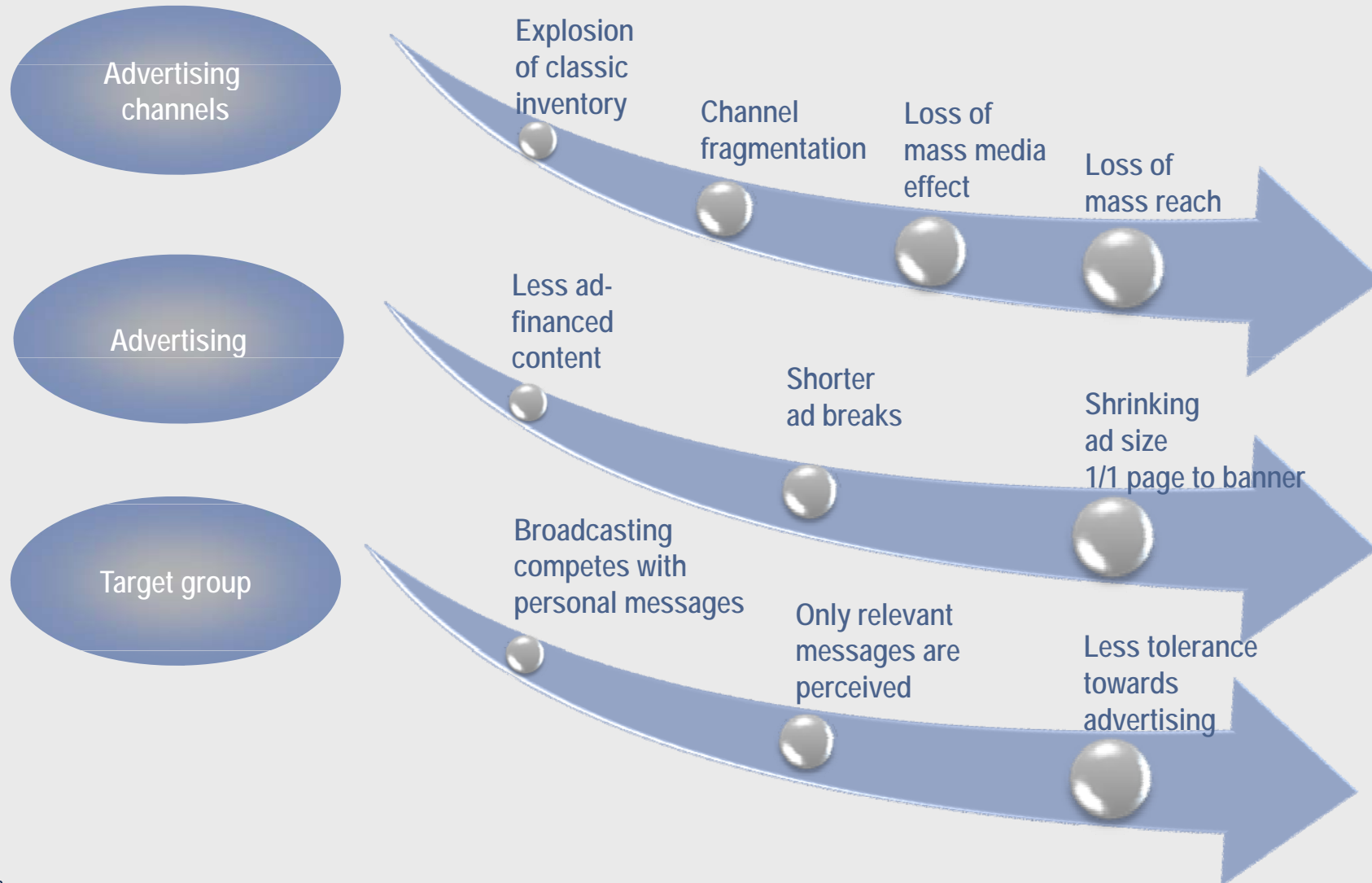
Media fragmentation in all areas: Single placements lose their value

Number of aired TV Spots to get 80% reach

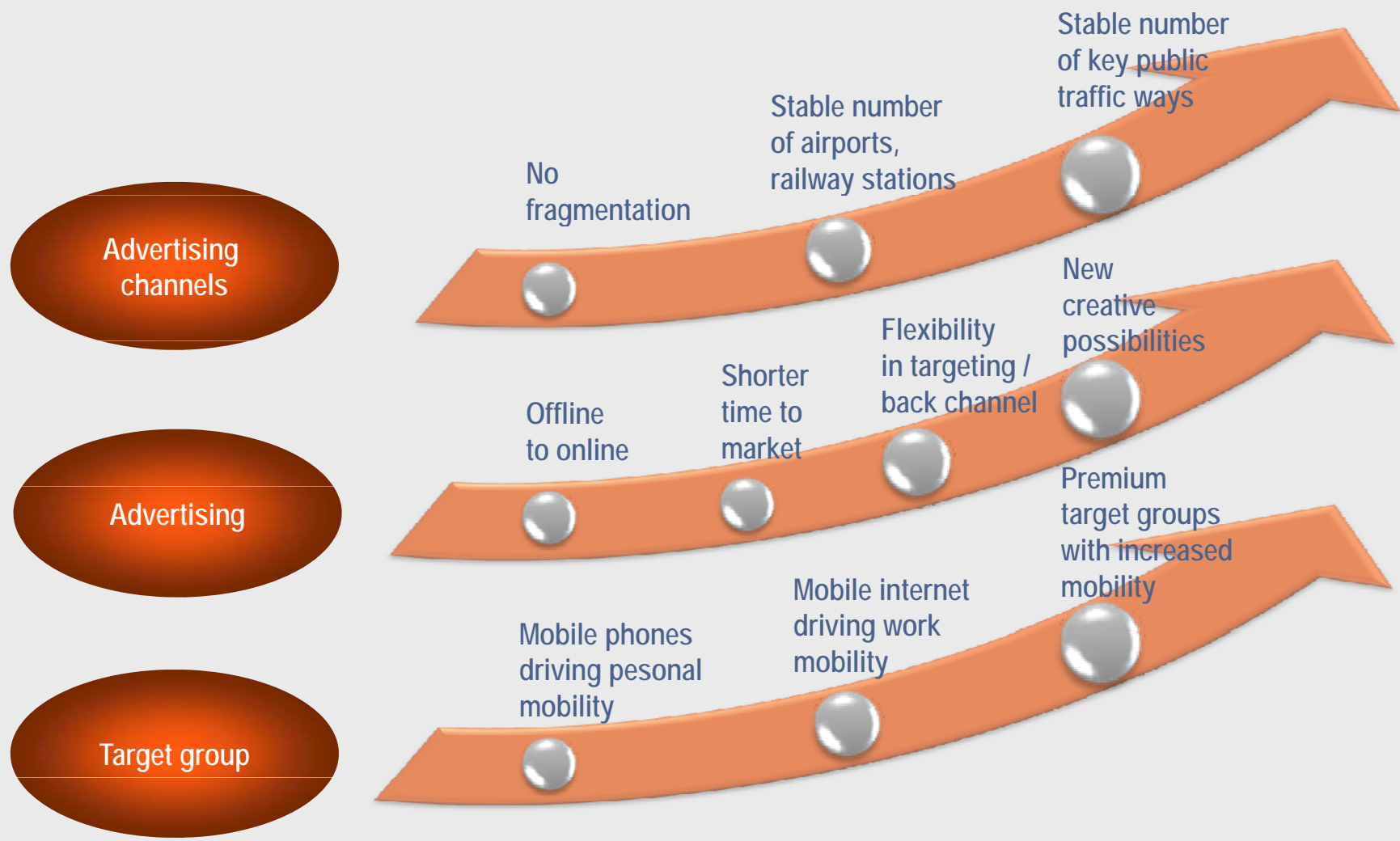


Source: MediaCom/GfK

Structural change through digitalization – A challenge for content based ad channels



Structural change through digitalization – An opportunity for location based ad channels / outdoor media



In a digitalized
media world
outdoor is the
only source for
BIG IMAGES & LARGE REACH
at the same time



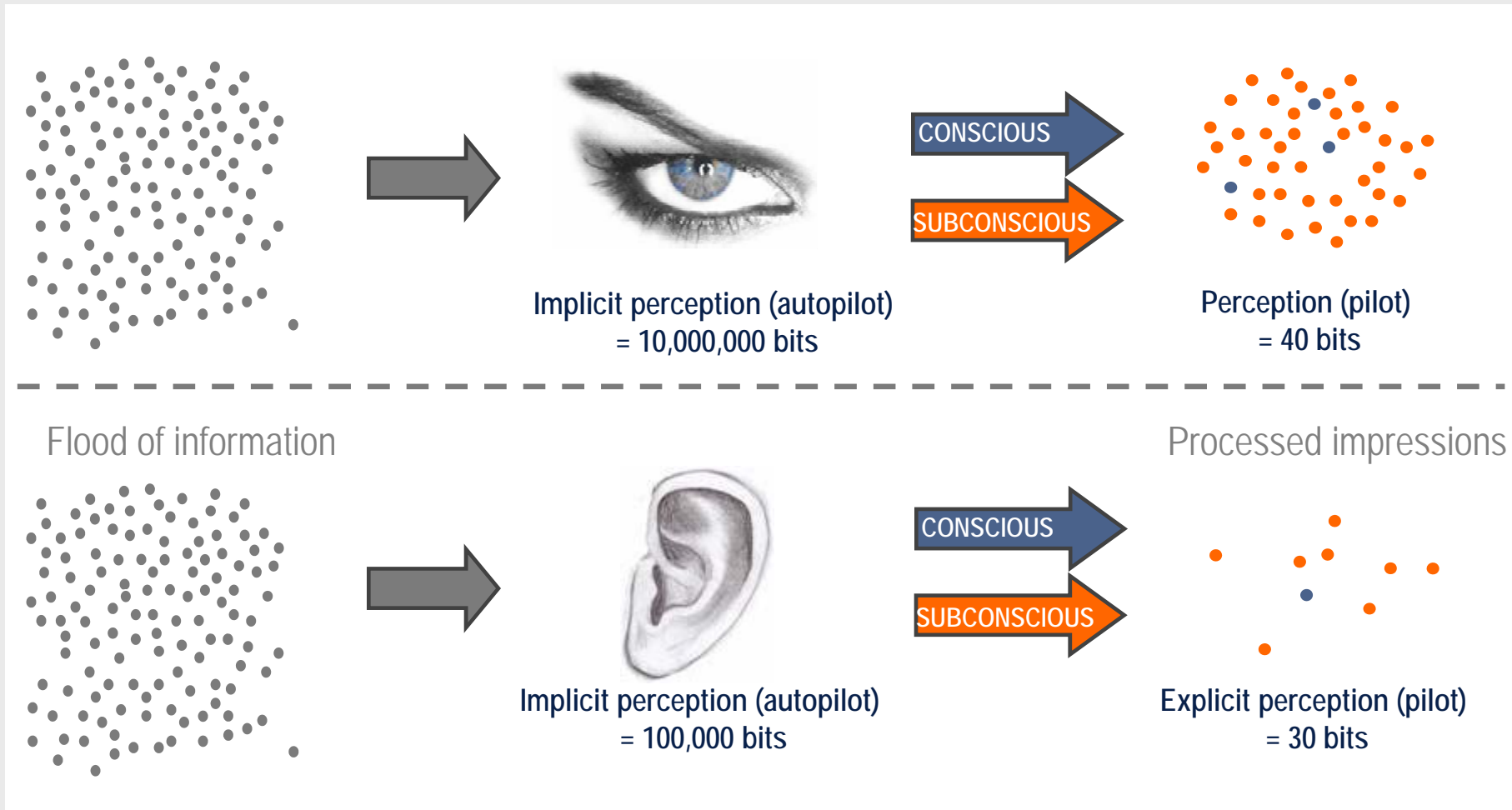
WHY
ARE
BIG IMAGES
SO IMPORTANT?



Subliminal advertising – how perception can be influenced



The human eye processes more impressions than the ear

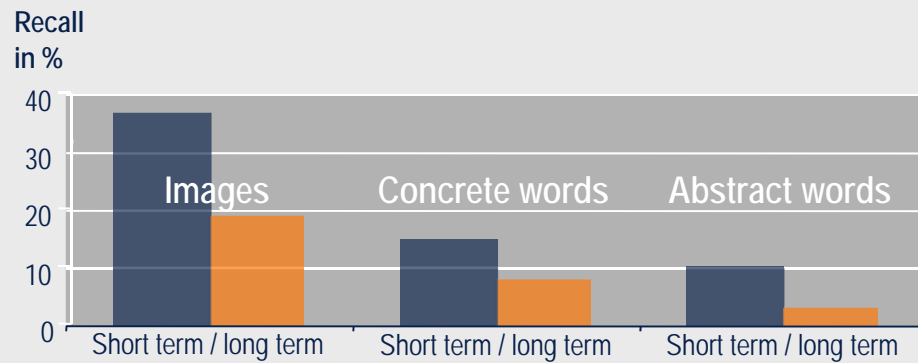


Source: Dr. Christian Scheier, Psychologist and Managing Partner of MediaAnalyzer GmbH. Dirk Held, Psychologist and University Lecturer.

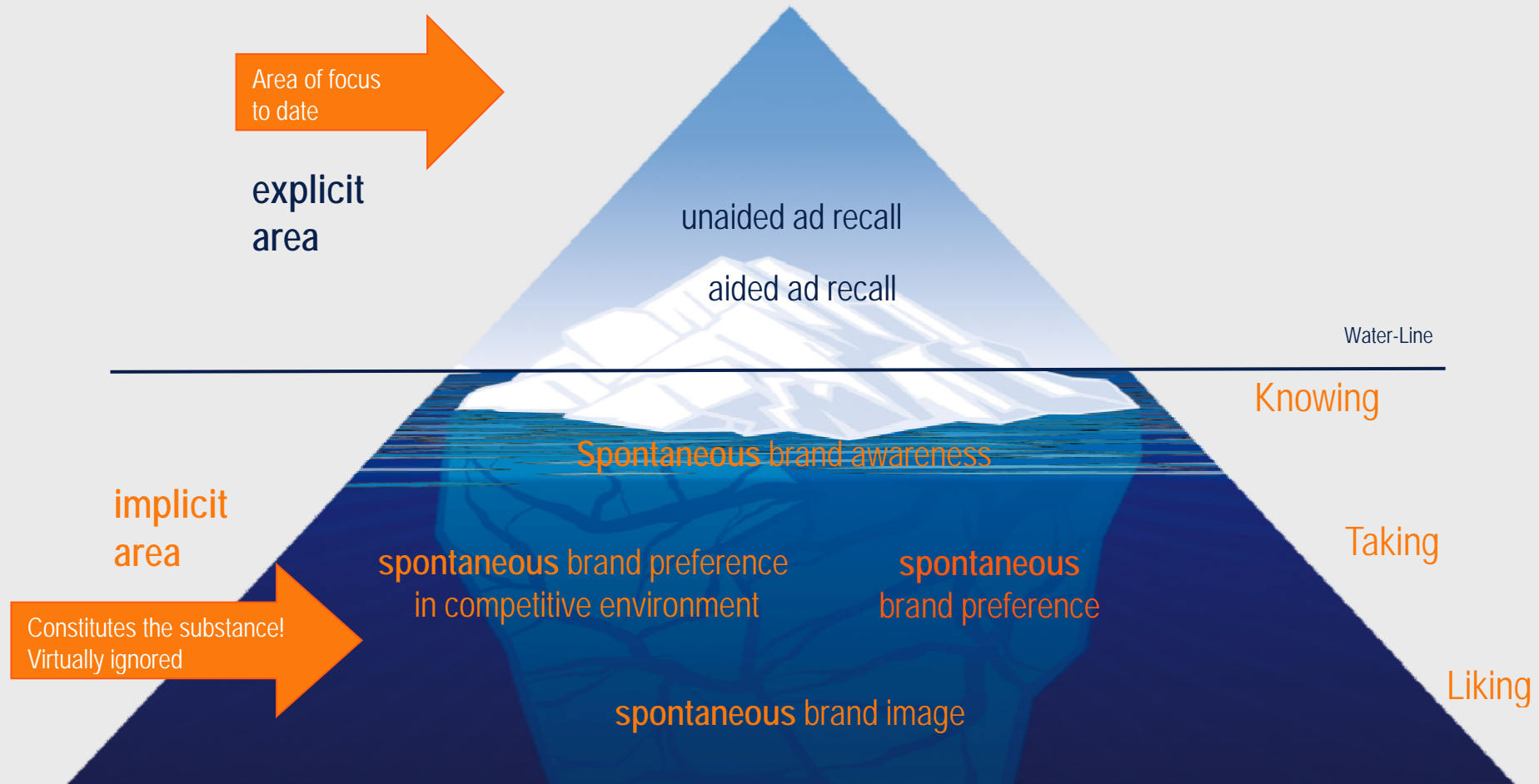
„Images are fast impacts to the brain“

Advantages of image communication

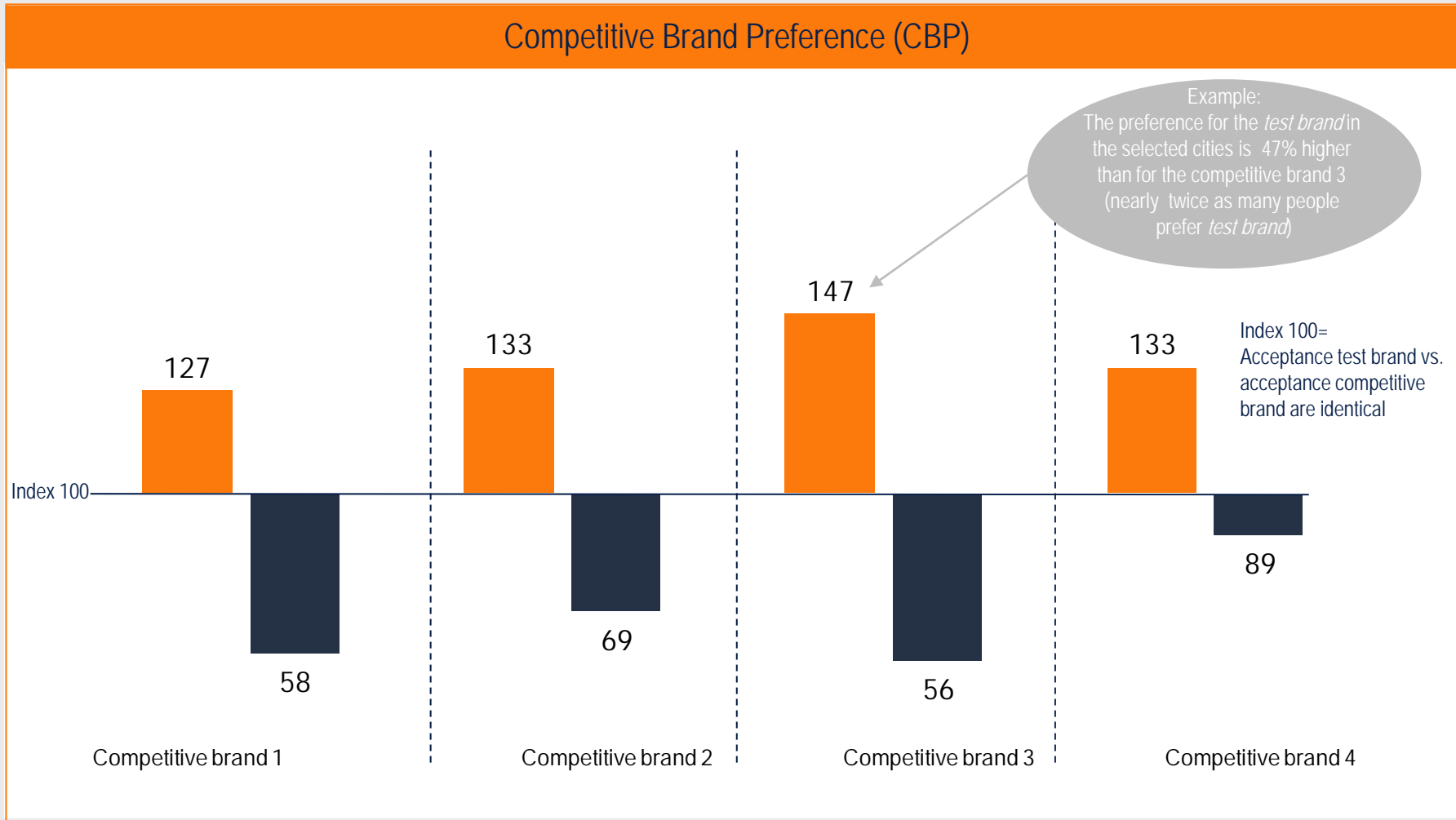
„The larger the image, the better the recall performance“
(Kroeber-Riel, W. (1996, Bildkommunikation)



Take a close look at the iceberg!



Effect of advertising on implicit factors



■ Selected cities (n= 299), Poster + TV
 ■ Control cities (n=302), only TV

Source: INNOFACT AG, F2: Please choose spontaneous those supplier of each pair, who tempts you most.

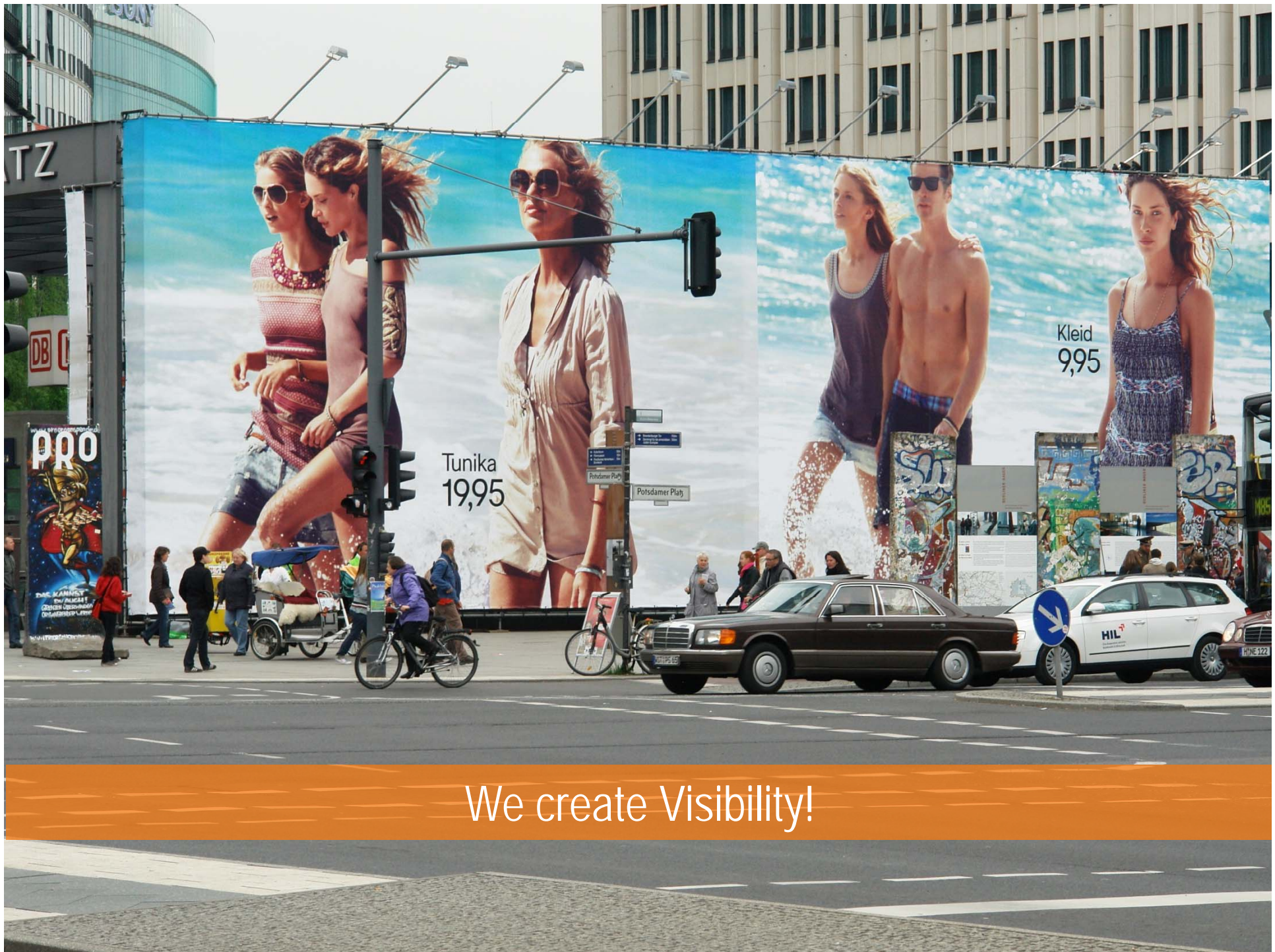
Visibility

Image instead of tweet

Large instead of miniature

Reception

Reach people when they are receptive



We create Visibility!



We create Visibility!

Die Kunst,
voraus zu sein.
Der neue Audi A8.

Ab 25. März bei Ihrem Audi Partner.

Vorsprung durch Technik 

Die Kunst,
voraus zu sein.
Der neue Audi A8.

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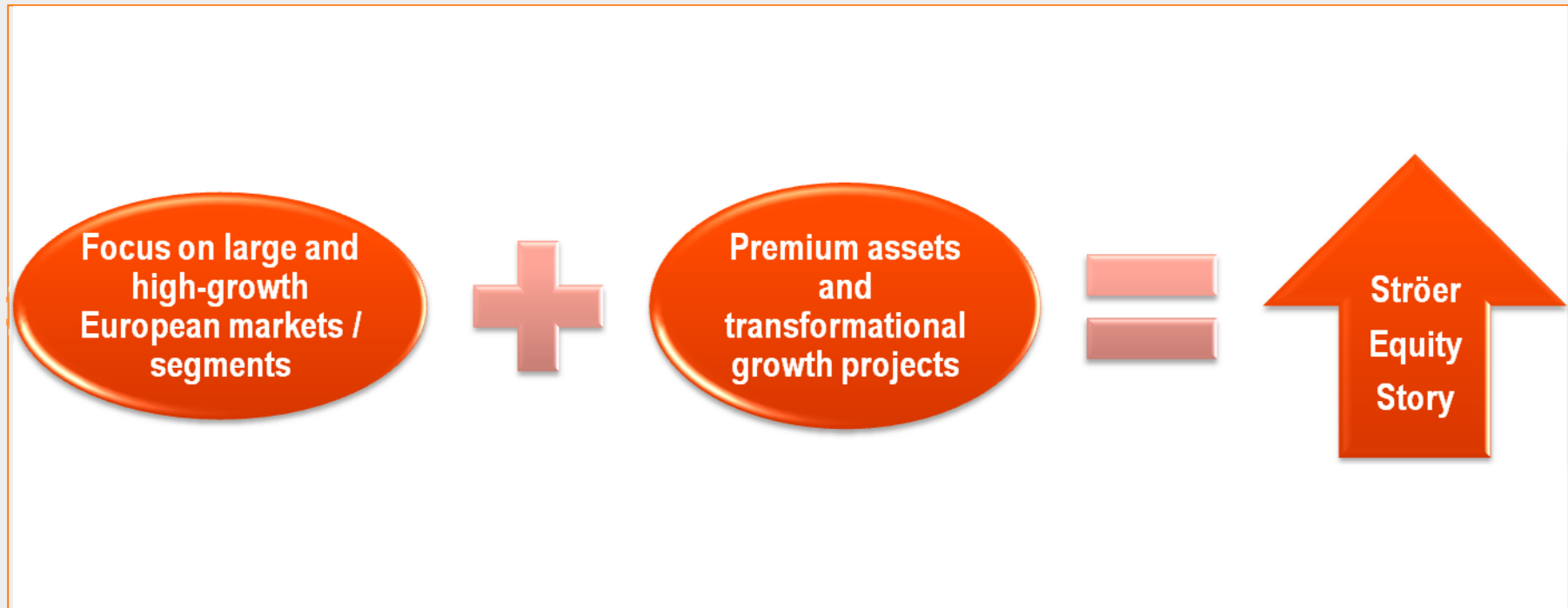
Vorsprung durch Technik 

We create Visibility!



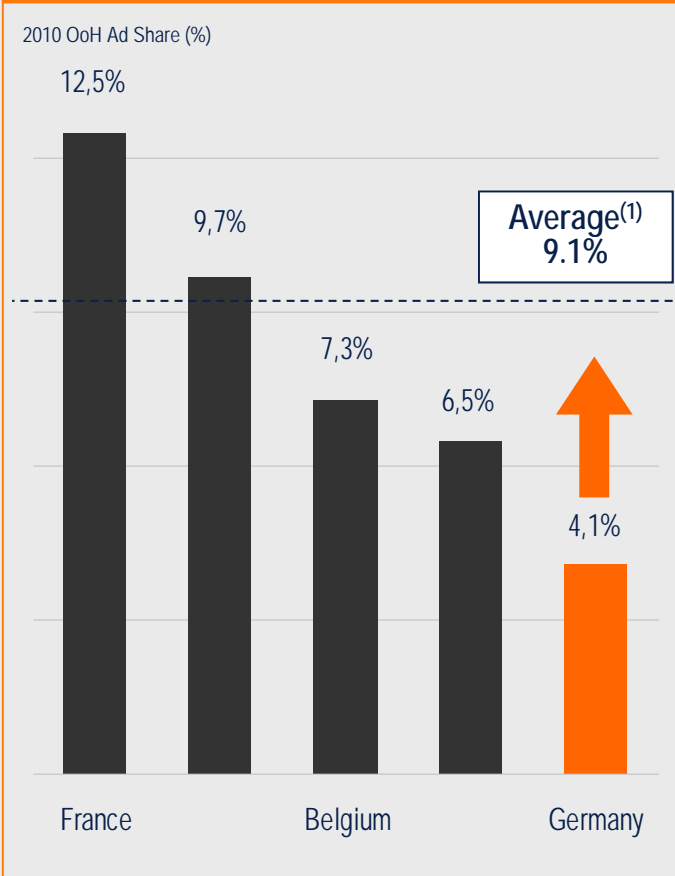
We create Visibility!

The Ströer equity story



Strong OoH growth is expected in Europe's largest ad market

Consolidation dividend expected in Germany

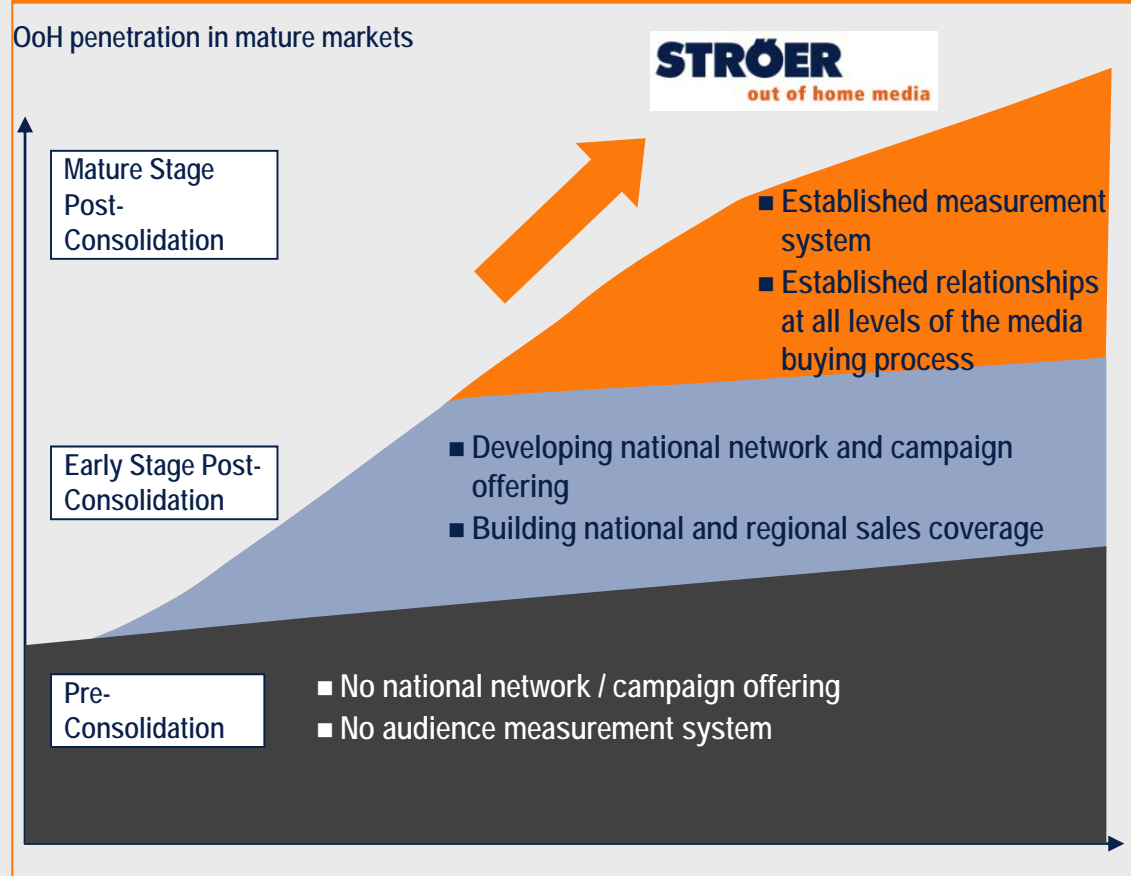


Source: ZenithOptimedia, April 2011

Notes

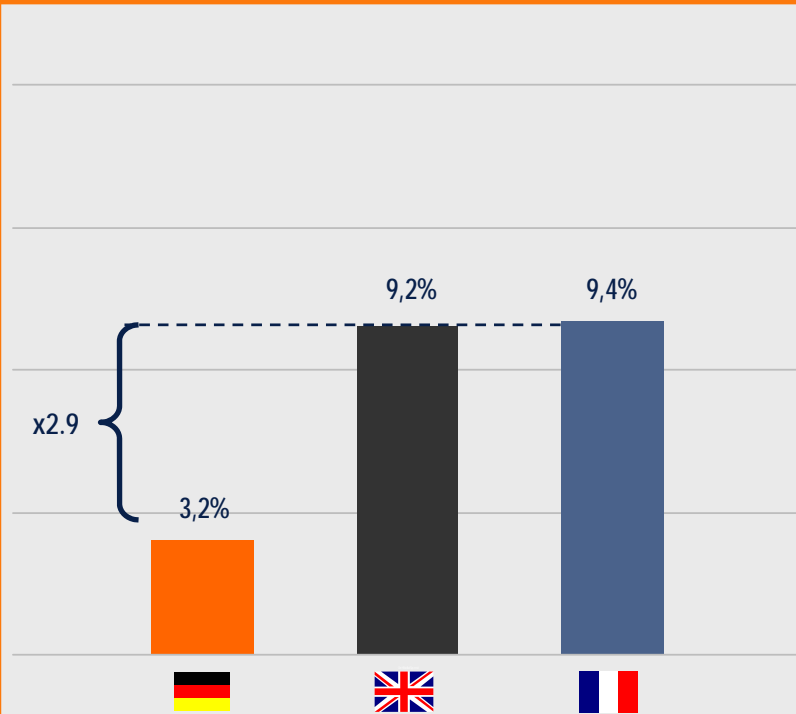
France, Switzerland, Belgium and United-Kingdom revenue-weighted average OoH ad share in 2010

Driving Germany's OoH penetration to the level of peer markets



German OoH spend is lagging behind peer European markets

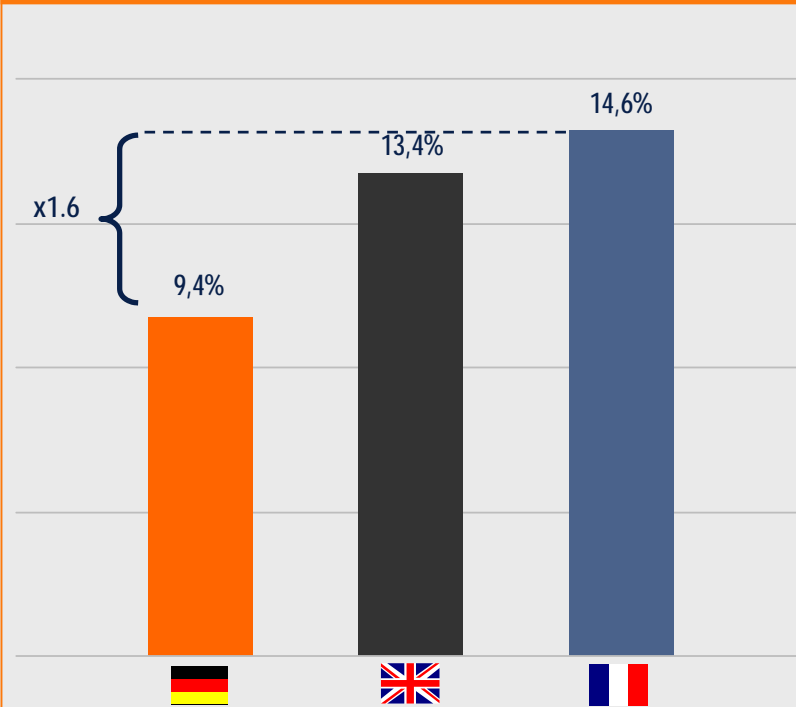
OoH penetration of top 200 advertisers



Source: Nielsen Media Research, TNS 2009

Top German advertisers allocate only approx. 1/3 the proportion of ad budgets to OoH as top French and UK advertisers

OoH penetration of top 200 OoH advertisers



Source: Nielsen Media Research 2009

Even among top OoH advertisers, German advertisers are still trailing peers in terms of OoH budget allocations

Germany: Development of the top 200*

Increase in top 200 market ad spend (gross) on poster:

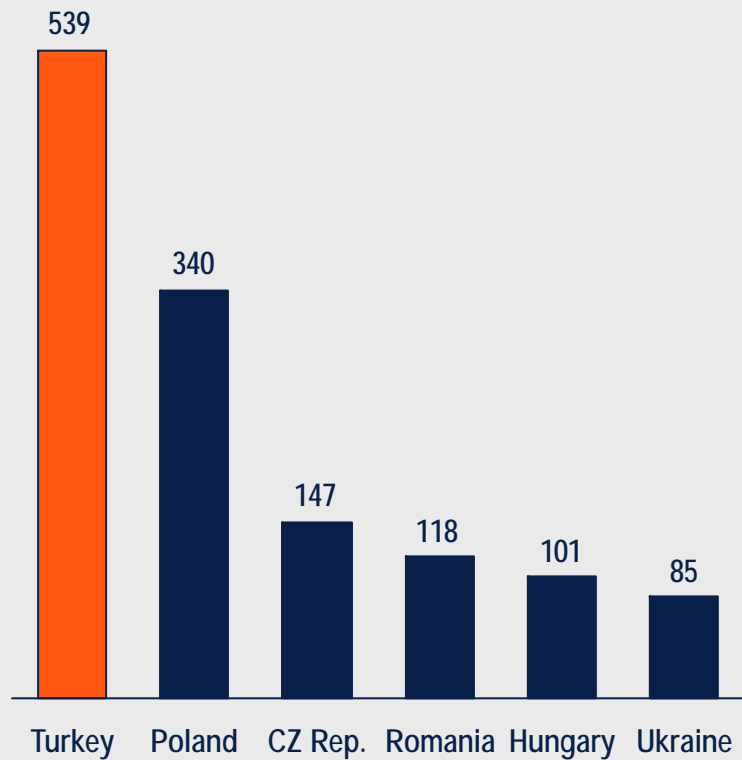
- FY 2010 vs. FY 2009: +19%
- Q1 2011 vs Q1 2020: +30%



* Top 200 advertisers as defined by Nielsen Media Research

Turkey: OoH presents a clear growth opportunity

2010 nominal GDP (€Bn)



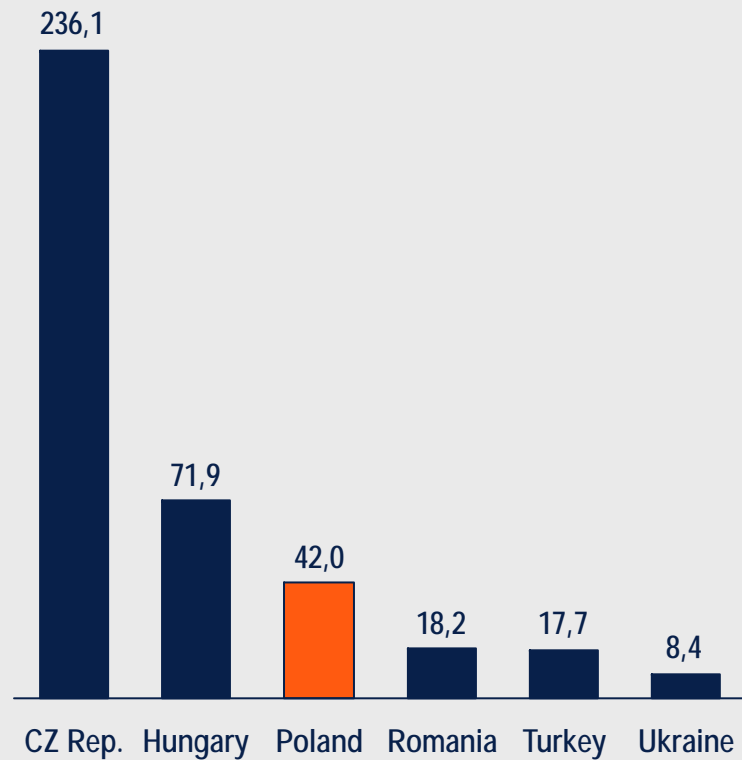
Source: Zenith Optimedia, April 2011

Growth drivers

- ✓ Largest emerging market in Europe
- ✓ Young attractive population, population > 70m
- ✓ Underpenetrated ad market
- ✓ Implementation of audience measurement system
- ✓ Efficient regulation, no illegal sites

Poland: growth potential through market consolidation

Ad spend / capita in €



Source: Zenith Optimedia, April 2011

Growth drivers

- ✓ Largest Central European market
- ✓ Market consolidation started through NOP acquisition
- ✓ Implementation of audience measurement system
- ✓ Underdeveloped street furniture segment with growth potential

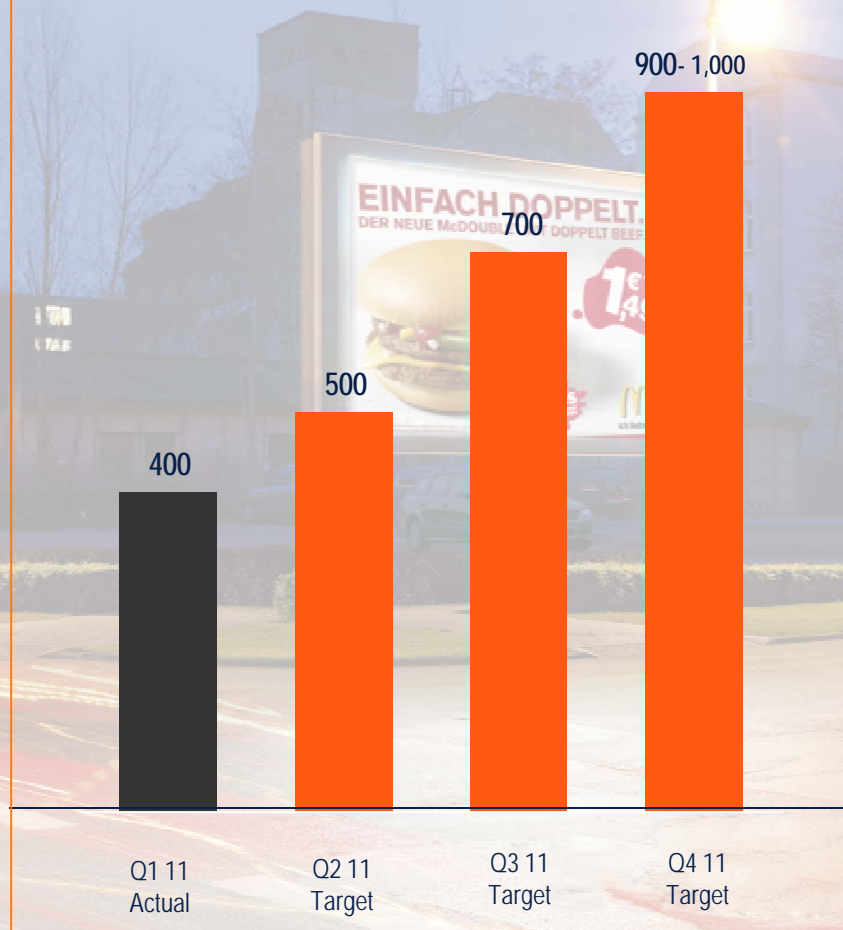


Growth project Germany: Premium Billboard

Premium quality – three times the capacity

Set-up on track

Number of sites available



- 5,000 scrolling displays in the 9m² 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 (selection)
 - E-Plus
 - Philip Morris
 - Volkswagen
 - Unilever
 - Shell

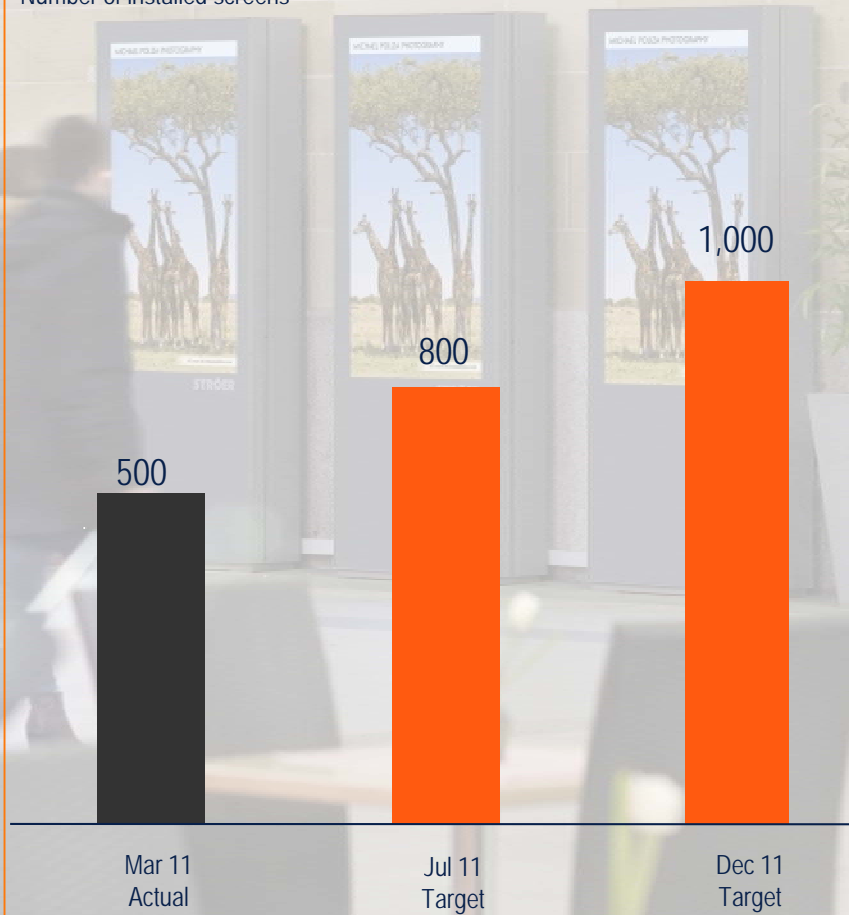


Growth project Germany: Out-of-Home-Channel

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

Set-up on track

Number of installed screens



- First digital network globally with comparable national reach
- More than 20% weekly reach for the attractive 14 to 49 year-old target group
- 20m contacts per week post full roll-out
- Booking by time slots instead of selling locations per day / week



Disclaimer

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