

Advertisement for McDonald's promotion featuring Coca-Cola glasses. The top right corner features the golden arches logo. The main visual shows a green glass, a purple glass, and a purple glass cap. Below this, the text reads: "WIEDER DA: Die original Coca-Cola-Gläser 1 Glas gratis zum McMenü®". At the bottom, a blue glass with a red "gratis" sticker is shown next to a McDonald's burger, a Coca-Cola cup, and fries.

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Starbucks logo at the top right. Background scene shows a transit station with signs for "5-11" and "BMZ" and a person walking past a display.

Advertisement for McDonald's promotion displayed on a transit station screen. The top right corner features the golden arches logo. The main visual shows a green glass, a purple glass, and a purple glass cap. Below this, the text reads: "WIEDER DA: Die original Coca-Cola-Gläser 1 Glas gratis zum McMenü®". At the bottom, a blue glass with a red "gratis" sticker is shown next to a McDonald's burger, a Coca-Cola cup, and fries.

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# H1 2011: Ongoing Growth

Ströer Out-of-Home Media AG

16 August 2011



- **Ongoing structural shift to outdoor** in Germany, Europe's biggest ad market
- Sales focus on **Top 200 advertisers** paying off
- Relevance of **digital products** in product mix increasing
- Progress in **foreign operations** in spite of external effects & OPEX investments
- **7.3% Group organic revenue growth** in H1 particularly fuelled by Germany
- **Recurring earnings** (net adjusted income) up 41% in H1
- EUR 22m capex fully cash flow financed allowing **flat net debt** vs. prior year-end
- Stable **contract portfolio**



# Financials at a glance:

## Strong growth in topline and net adjusted income

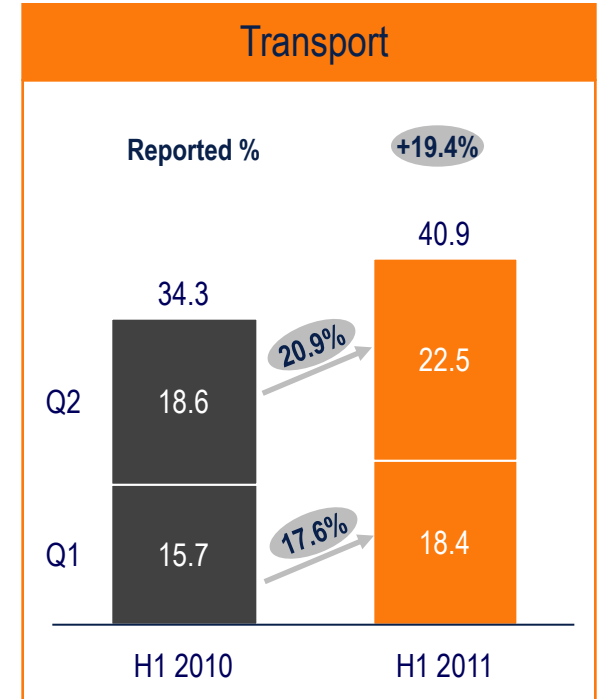
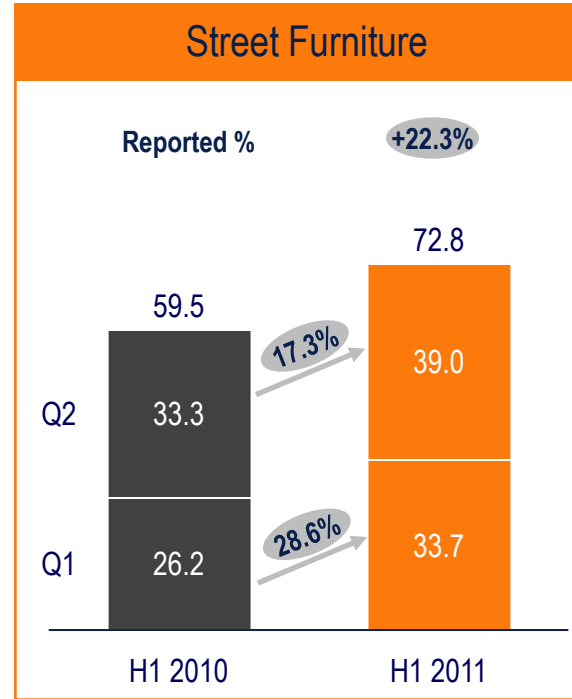
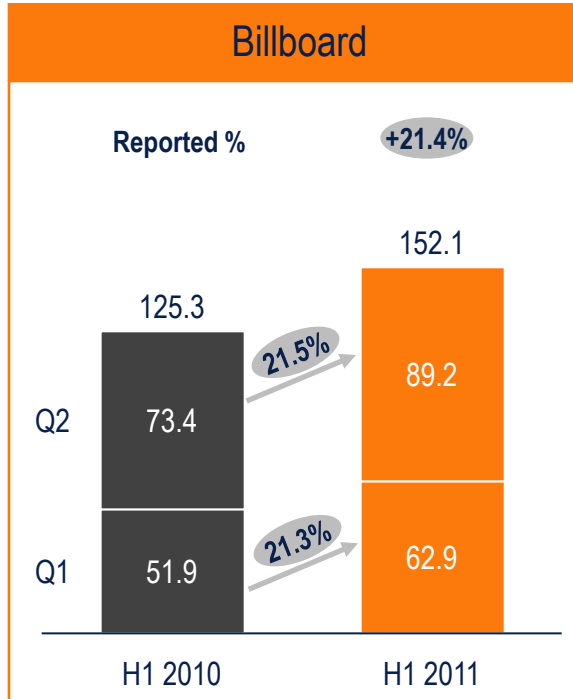
€ MM	H1 2011	H1 2010	Change
<b>Revenues</b>	<b>282.3</b>	<b>242.2</b>	<b>+16.6%</b>
<b>Organic growth <sup>(1)</sup></b>	<b>7.3%</b>	<b>10.0%</b>	
<b>Operational EBITDA</b>	<b>59.8</b>	<b>52.4</b>	<b>+14.0%</b>
<b>Net adjusted income <sup>(2)</sup></b>	<b>16.5</b>	<b>11.7</b>	<b>+41.0%</b>
<b>Investments <sup>(3)</sup></b>	<b>22.5</b>	<b>6.6</b>	<b>+238.3%</b>
<b>Free cash flow <sup>(4)</sup></b>	<b>1.7</b>	<b>3.2</b>	<b>-46.3%</b>
	H1 2011	31.12. 2010	Change
<b>Net debt <sup>(5)</sup></b>	<b>319.3</b>	<b>320.1</b>	<b>-0.2%</b>
<b>Leverage ratio <sup>(6)</sup></b>	<b>2.4x</b>	<b>2.4x</b>	<b>0.0%</b>

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) Cash flows from investing activities excluding M&A; (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), (6) Net Debt to LTM Operational Ebitda adjusted for full consolidation of Ströer Turkey



# Ströer Group revenue: Balanced increase across all product groups

€ MM



- Growth in billboard largely due to consolidation effects in TR and PL
- German operations lifted street furniture sales mainly on the back of higher filling ratios
- Growth in transport revenues supported by double-digit increase in digital revenues

## Favorable German ad market 2011: NIELSEN data confirms structural shift to outdoor

- Gross advertising market increases 4.6% in H1 2011
- Strongest growing media: Internet, cinema, poster
- Poster with above average growth of 11% and 25 BPS higher market share at 4.2%
- Nielsen forecast H2 2011:
  - ✓ Total German ad market with anticipated growth rate of up to 4%
  - ✓ OOH market expected to outperform total ad market

# Favorable German ad market 2011: Promising development of TOP 200 in H1 2011\*

- Nielsen -TOP 200 advertisers increased gross spend on poster by 19% yoy compared to 1% growth of TOP 200 spending across all media
- Market share of poster with Nielsen-Top 200 advertisers advanced from 3.4% to 4.0%
- Ströer's best performing industries: FMCG, automotive and retail



\* Top 200 advertisers as defined by Nielsen Media Research

The billboard features the TUIfly.com logo in the top right corner. The main text, 'Mehr Airlines, Mehr Auswahl, Mehr Schnell', is rendered in large, bold, yellow letters with a slight shadow effect. Below this, a circular graphic contains the text 'Flüge ab 31€'. At the bottom, there are three small airplane icons and the website address 'TUIfly.com - das superschnelle Flug-Reise-Portal'. On the left side of the billboard, the name 'STRÖBER' is printed vertically.

Growth project Germany: premium billboard

The billboard features a photograph of a dark Opel Insignia sedan on a city street. Pedestrians are visible in the background, and the car is positioned as if it is about to be seen by them. The text on the billboard is as follows:

**Die OPEL INSIGNIA**  
**SEHEN UND GESEHEN WERDEN.**  
Das beste Auto, das wir je gebaut haben.  
Auf dem neuesten Stand der Technik und der Sicherheit.

www.opel.de

Opel ist ein eingetragenes Warenzeichen der Opel Group. Opel ist ein eingetragenes Warenzeichen der Opel Group. Opel ist ein eingetragenes Warenzeichen der Opel Group.

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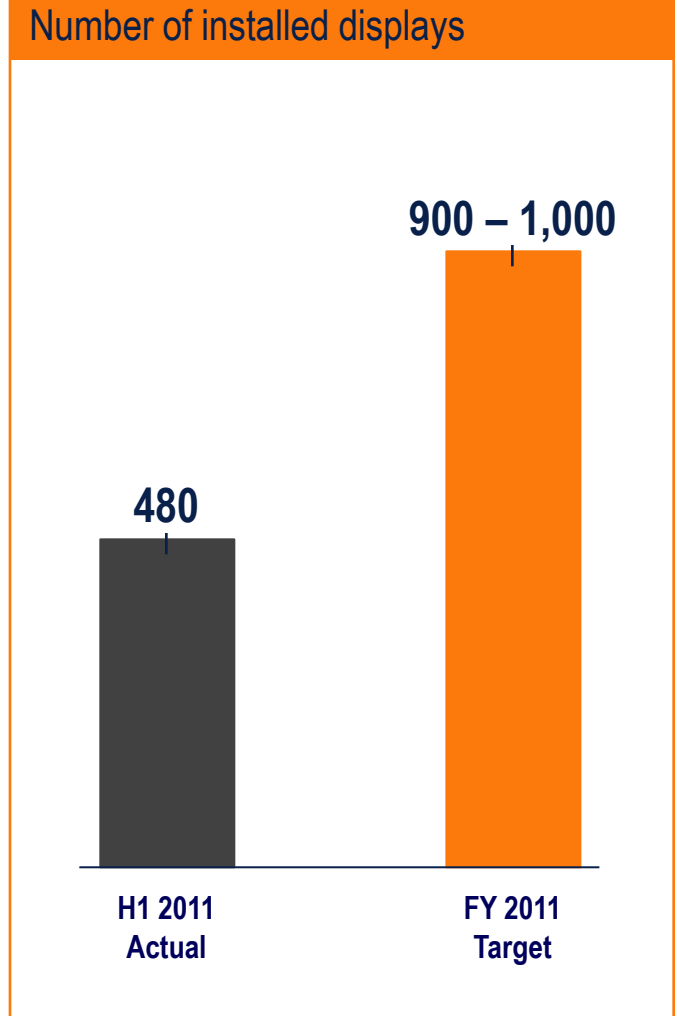
STROER  
Königsplatz  
53111 Bonn



# Premium billboard rollout progressing well



- Focus on prime locations in major metropolitan cities
- Rising number of new locations in addition to upgrade of traditional boards
- Super-size locations with up to 3 displays in a row allowing new creative concepts
- Increasing number of customers upgrading campaigns with premium billboards
- Customer base further enlarged (selection):





Growth project Germany: Out-of-Home-Channel

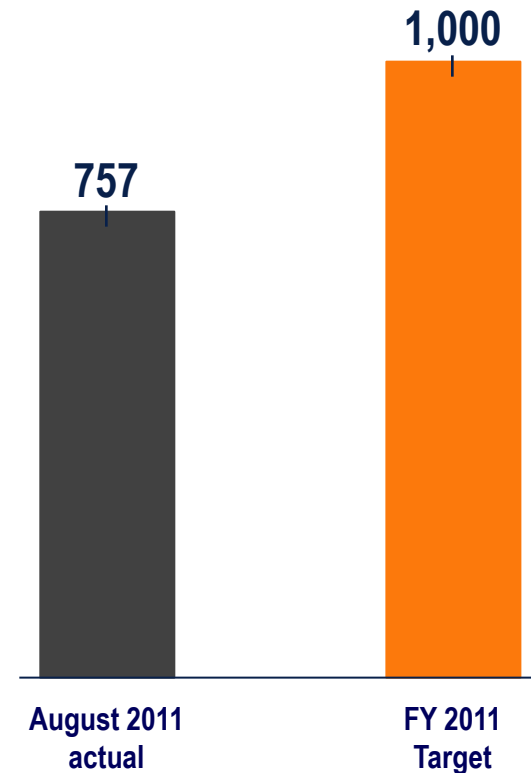
# Out-of-home channel with growing network and increasing demand



- More than 750 Screens installed and well on track for up to 1,000 by Dec 11
- Rollout focus now on top stations in Hamburg, Cologne, Düsseldorf
- Key national accounts driving order backlog:



Number of installed screens



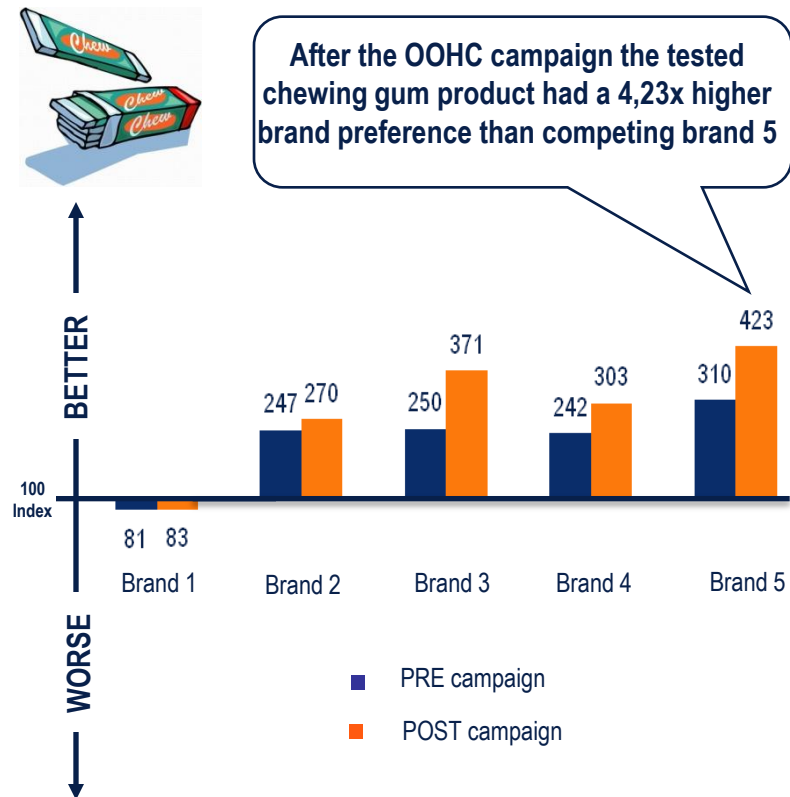
# Research Case Out-of-Home Channel: Significantly increasing brand preference for TOP 200 account



## Survey approach: spontaneous preference

- tested product:  
international chewing gum brand (TOP 200 account)
- location:  
Munich main station
- sample size:  
200 respondents
- sample characteristic:  
only non-buyers of tested product
- survey design:  
interviews pre- and post campaign  
spontaneous preference response („deep impact“)

## Survey results: increased brand preference



# Research Case Out-of-Home Channel: The channel screens fit the image of modern brands perfectly



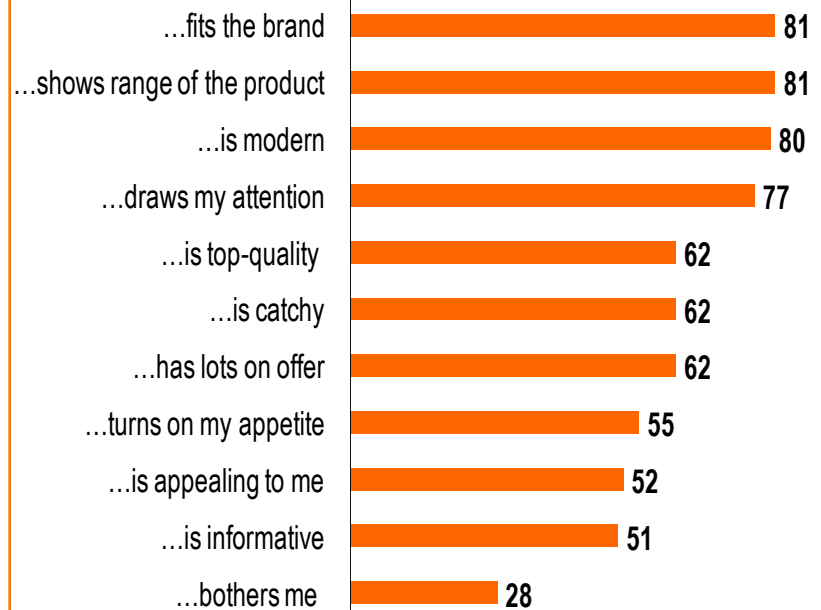
## Survey approach: traditional interview

- tested product:  
international chocolate brand (TOP 200 account)
- locations:  
Frankfurt and Stuttgart main stations
- survey size:  
300 respondents
- survey design:  
face-to-face interviews
- campaign design:  
4 flights in May/June

## Survey results: efficient ad platform



Screen with advertised chocolate...



TÜM  
MUDO CITY'LERDE

%50  
'YE VARAN  
YAZ İNDİRİMİ!

MUDO  
CITY  
Dünya Burada!

STRÖER

301 SINEX 304 SINEX  
302 SINEX 303 SINEX  
303 SINEX HEDİYE  
8.000

MCA STORE  
2 TAKIM  
2 GÖMLEK  
2 KRAVAT  
249 YTL  
KREDİLİK & TAKSİTLE

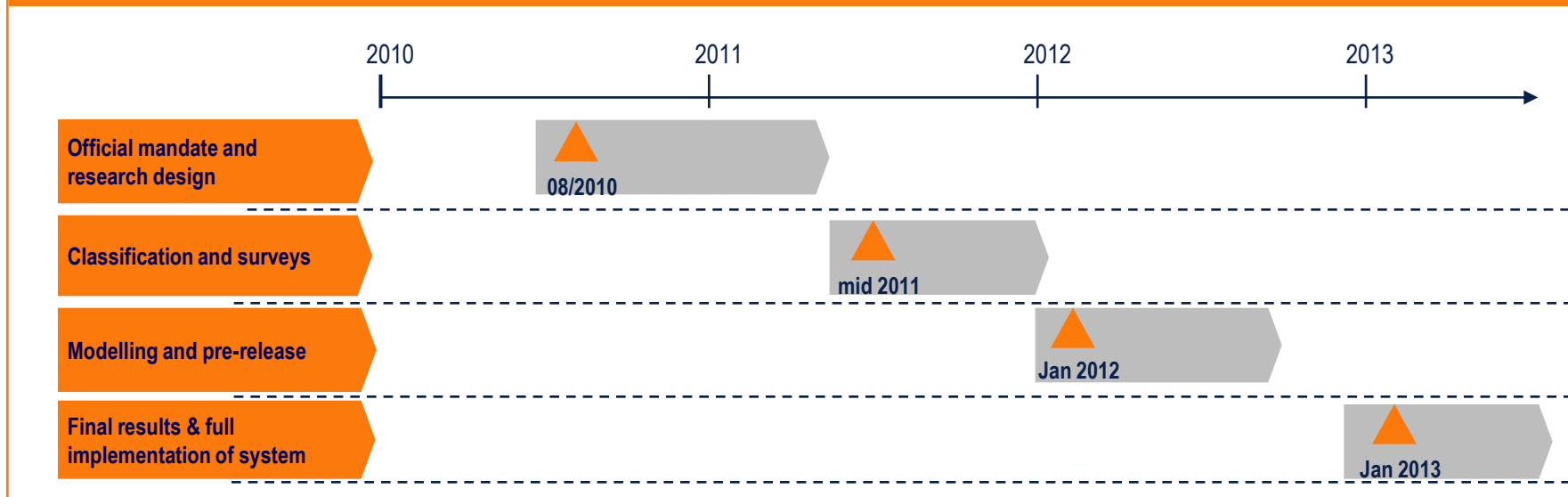
Hatay  
59 YTL

Ströer Turkey



- Favorable macro picture increasingly impacted by signs of overheating and adverse FX
- One-off effects (audiovisual reform and political campaigning) reduced OoH growth rate
- First phase of audience measurement POSTAR kicked off:

## Road map for introduction of the outdoor audience measurement system POSTAR in Turkey



# Ströer Turkey: development of operations



- H1 organic revenue growth supported by strong regional and giant poster business
- Margin decline due to one-off revenue impediments and increased direct costs mainly due to concession scope effects
- Sales strategy in H2 directed towards customers with lower TV exposure with good progress
- Organic revenue growth in H2 difficult to anticipate given low visibility and ongoing TV reform impacts



Megaboard, Ankara





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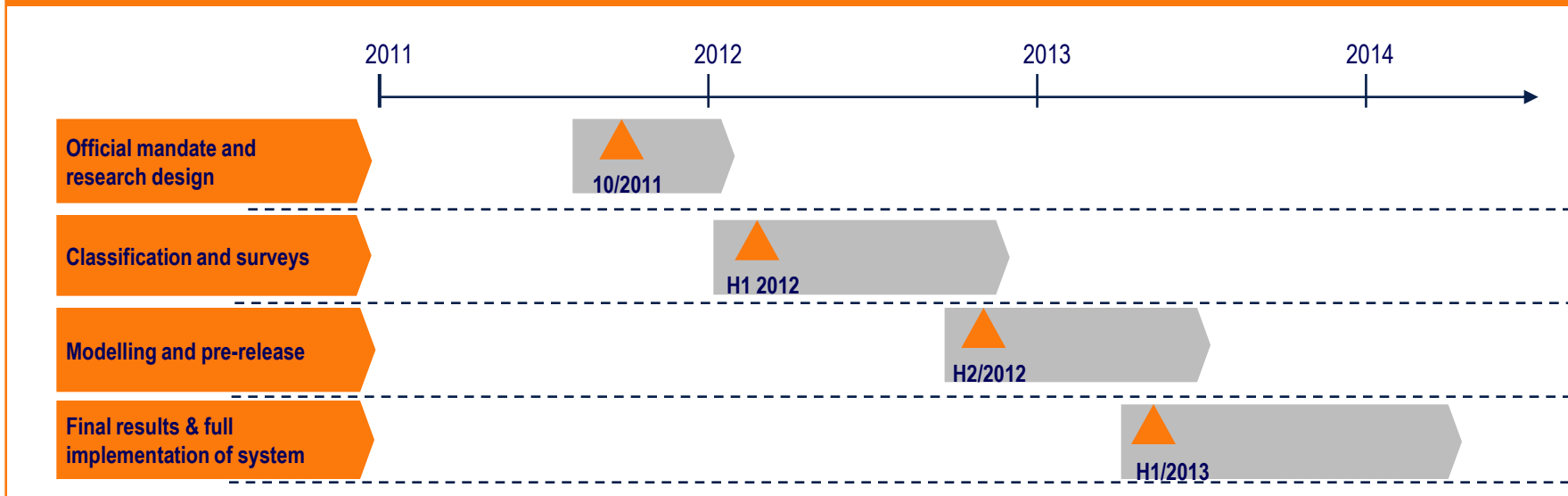
Ströer Poland

WB 4555C



- Solid GDP growth and fairly stable Zloty/EUR FX rate
- Bus shelter tender in Warsaw in progress (bidding consortium Ströer / AMS), decision expected by year-end
- Audience measurement initiative POSTAR signed and rollout started

## Road map for introduction of the outdoor audience measurement system POSTAR in Poland



# Ströer Poland: development of operations



- Softer OOH market development continued in H1 leading to negative organic revenue growth rates
- Trading momentum improved after recent reinforcement of management
- Increased business scope and cost synergies supported H1 margins
- Improved trading environment expected in H2



City-Light-Poster, Warsaw

# Ströer financials H1 2011



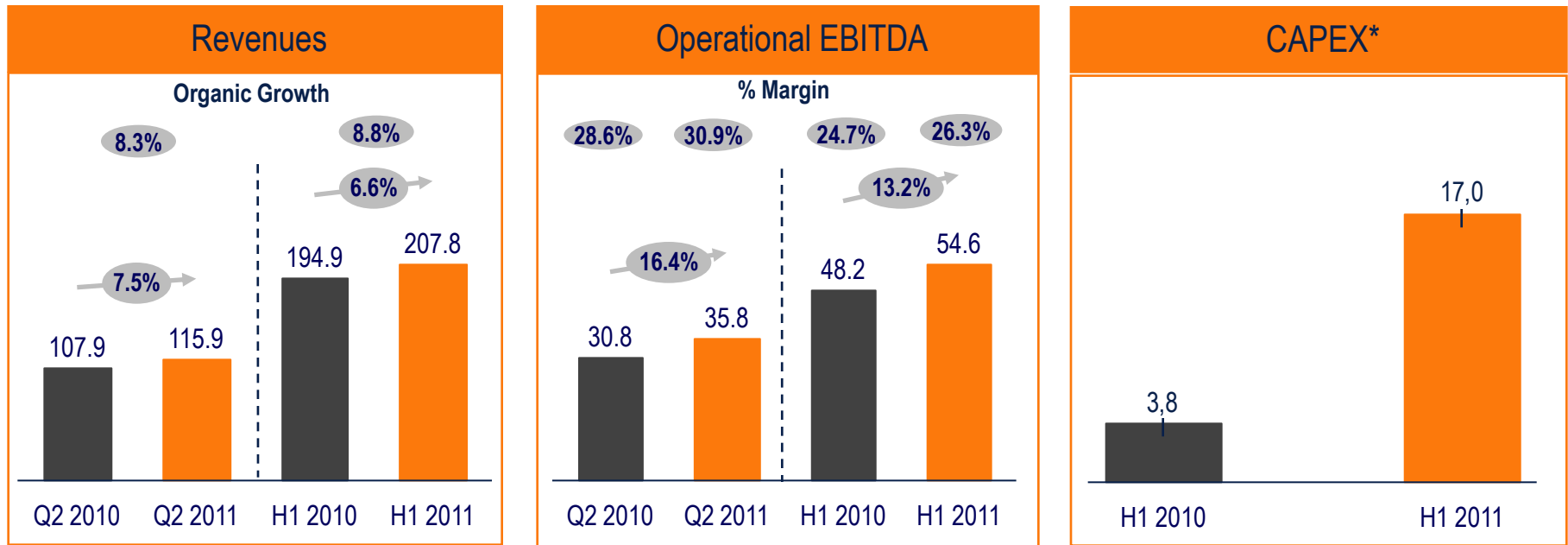
# Ströer Group H1 2011 P&L Summary



(€ MM)	H1 2011	H1 2010	Change(%)
<b>Revenue</b>	<b>282.3</b>	<b>242.2</b>	<b>+17</b>
Direct costs	-154.4	-130.8	-18
SG&A	-70.7	-61.5	-15
Other operating result	2.5	2.6	-3
<b>Operational EBITDA</b>	<b>59.8</b>	<b>52.4</b>	<b>+14</b>
<i>Margin %</i>	21.2	21.6	
Depreciation	-16.1	-11.6	-38
Amortisation	-13.9	-9.1	-53
Exceptional items	-6.6	-8.2	+20
<b>EBIT</b>	<b>23.2</b>	<b>23.4</b>	<b>-1</b>
Net financial result	-23.6	-26.5	+11
Income taxes	-0.7	-2.2	+68
<b>Net income</b>	<b>-1.2</b>	<b>-5.2</b>	<b>n.d.</b>
<b>Net adjusted income</b>	<b>16.5</b>	<b>11.7</b>	<b>+41</b>
<i>Margin %</i>	5.9	4.8	



€ MM



- Double digit growth of digital products supported by Out-of-Home-Channel sales
- 160 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

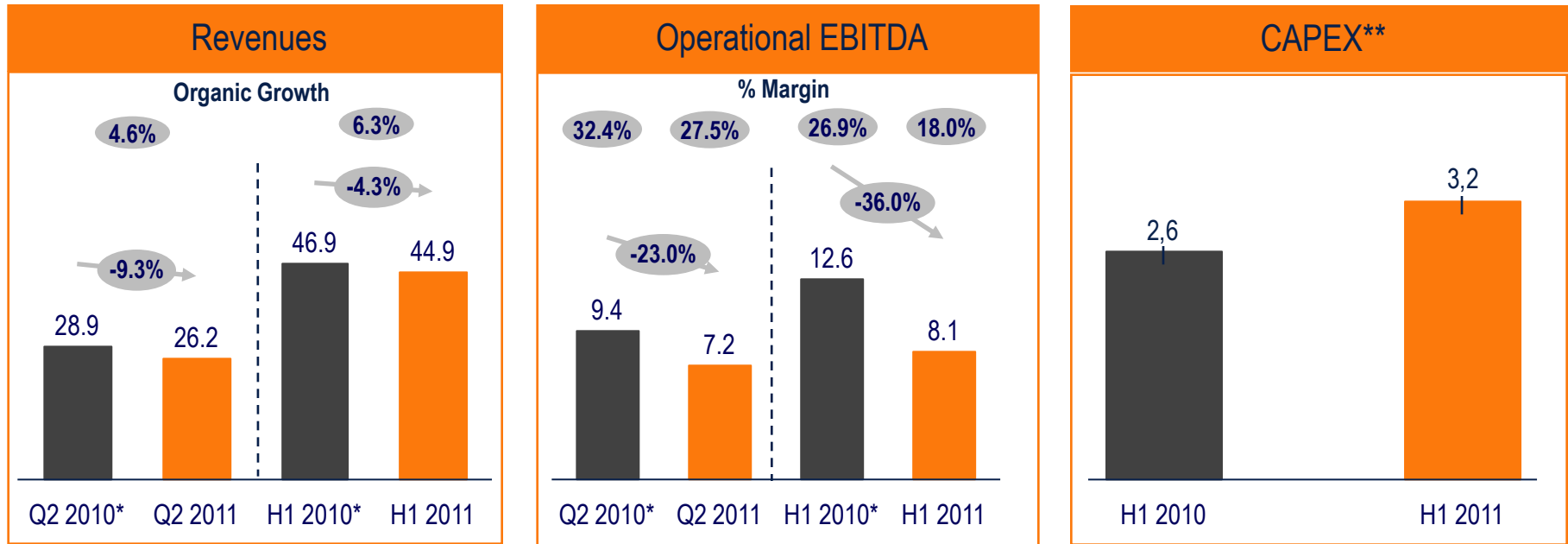
\* w/o Acquisitions

# Ströer Turkey

## Ongoing growth in a challenging environment



€ MM



- Organic growth >6% despite adverse impact from audiovisual reform and elections in May/June
- Lower top line growth, changes in concession portfolio and adverse FX impacted Op. EBITDA
- Overhead costs down on last year resulting from cost containment measures

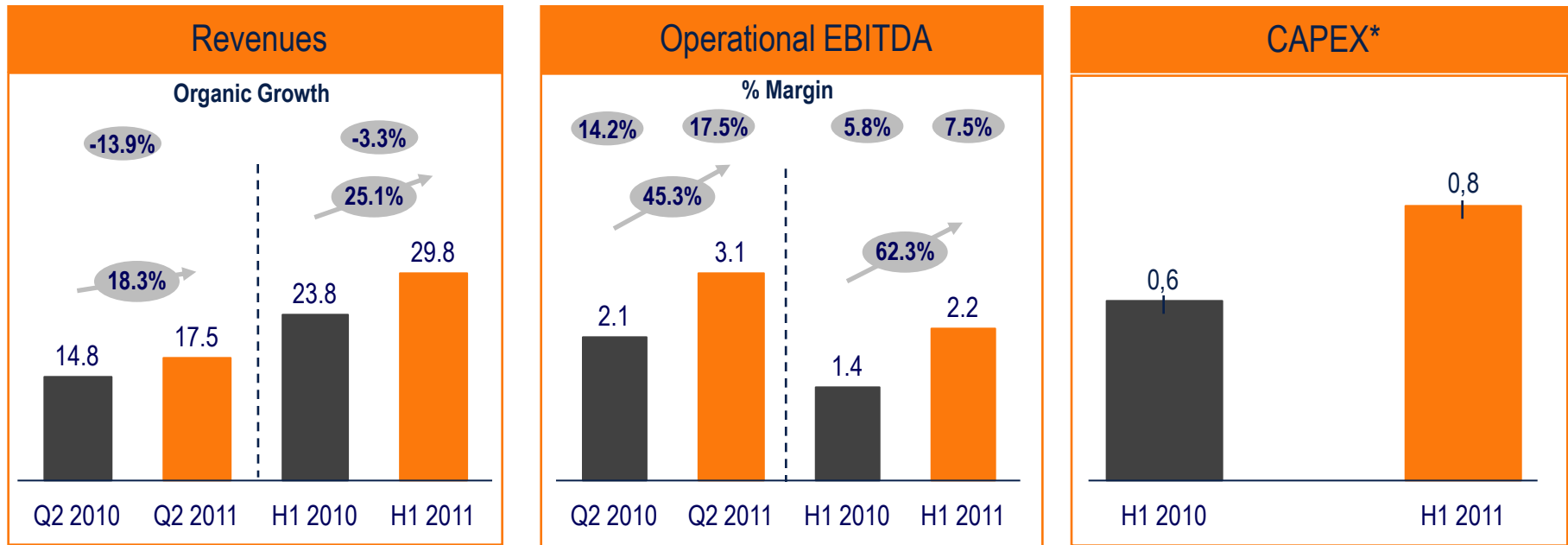
\* 100% view

\*\* w/o Acquisitions

# Ströer Rest of Europe\*

## Margin improvements posted by Poland and blowUP operations

€ MM



- Strong revenue growth partly due to scope effects from News Outdoor Poland acquisition
- BlowUP delivered solid high-sing digit organic revenue growth despite Q2 weakness
- Both operations contributed to a 170 BPS Operational EBITDA margin improvement

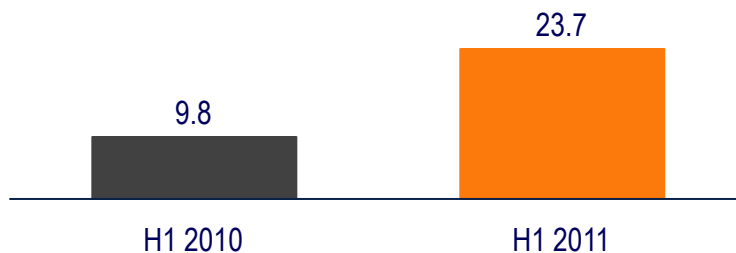


# Improved operational cash flow while investing into growth

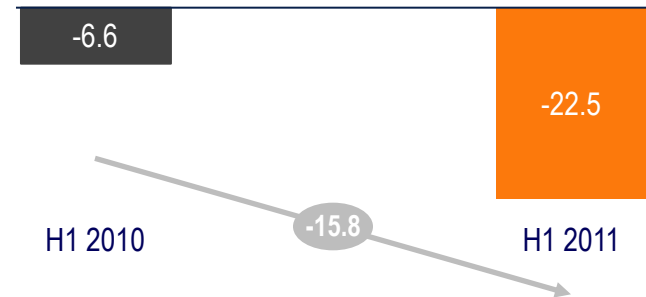


€ MM

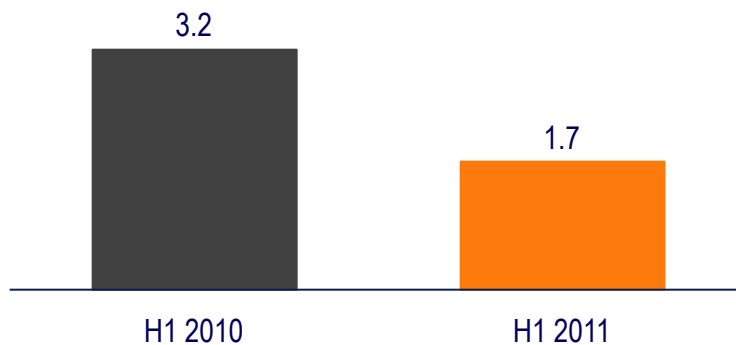
## Cash flow from Operations



## Cash Flow from Investing\*



## Free Cash Flow



## Comments

- Savings in interest expenses and tax payments following post-IPO refinancing
- Increased capital expenditure as in H1 2011 (rollout of Out-of-Home Channel etc)
- Improved working capital management

We expect the macroeconomic development in our core markets to be slower in the second half of 2011. While we remain confident of achieving the forecast of mid to high single-digit organic growth for the Group for the year as a whole, we now assume performance will be at the lower end of this corridor due to the changed macroeconomic situation. For the third quarter of 2011, we expect organic revenue growth for the Group to be around 3%.

We will continue on our strategic course even in this phase and see the growth projects through as planned, even though, in the short term, this may make it more difficult to achieve an operating margin on a par with the prior year. However, we expect that these initiatives will generate significant earnings contributions from as early as 2012 and continue to anticipate a positive medium-term performance as a result.

# Q&A Session with Ströer AG's Executive Board



**Udo Müller**

Co-Founder, CEO



**Alfried Bührdel**

CFO and Executive Vice  
President



**Dirk Wiedenmann**

CEO of Ströer Media  
Deutschland, Board  
Member

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