

# Ströer Out-of-Home Media AG

## Q2 / H1 2010 Results | August 31, 2010



Growth Markets

Increasing Mobility

Digitalization of Media

# Business Overview



# Key Figures in Q2 2010 and H1 2010

€ MM	Q2 2010	H1 2010
<b>Revenues</b>	<b>137.1 (+15.5%)</b>	<b>242.2 (+11.0%)</b>
<i>incl. 100% Ströer Turkey<sup>(1)</sup></i>	<i>151.5 (+19.1%)</i>	<i>265.6 (+13.6%)</i>
<b>Organic Growth<sup>(2)</sup></b>	<b>+14.0%</b>	<b>+10.0%</b>
<b>Operational EBITDA</b>	<b>35.7 (+41.3%)</b>	<b>52.4 (+30.3%)</b>
<i>incl. 100% Ströer Turkey<sup>(1)</sup></i>	<i>40.4 (+45.4%)</i>	<i>58.7 (+34.5%)</i>
<b>Net Adjusted Income<sup>(3)</sup></b>	<b>9.4 (+6.7)</b>	<b>6.4 (+10.8)</b>
<b>Free Cash Flow</b>	<b>3.9 (-2.2)</b>	<b>3.2 (+4.5)</b>

<sup>(1)</sup> Shows full consolidation of Ströer Turkey assuming Ströer Turkey's stake had been increased from 50% to 90% at 31 Dec 2009. Ströer Turkey consolidated at 50 % in H1 Group Financial Statements.

<sup>(2)</sup> Organic Growth = excludes foreign exchange effects and effects from (de-) consolidation of companies.

<sup>(3)</sup> Operational EBIT net of financial result adjusted for exceptional items and the normalized tax expense.

# Highlights

## Markets

- H1 benefited from favourable macro environment, particularly in Turkey and Germany
- Ongoing structural growth in favour of OOH

## Projects

- Closing 40% acquisition Ströer Turkey scheduled for beginning of Sept
- Antitrust approval for News Outdoor Poland acquisition expected in Sept
- Roll-out of Premium Billboard and Out-of-Home Channel on track

## Financial Structure

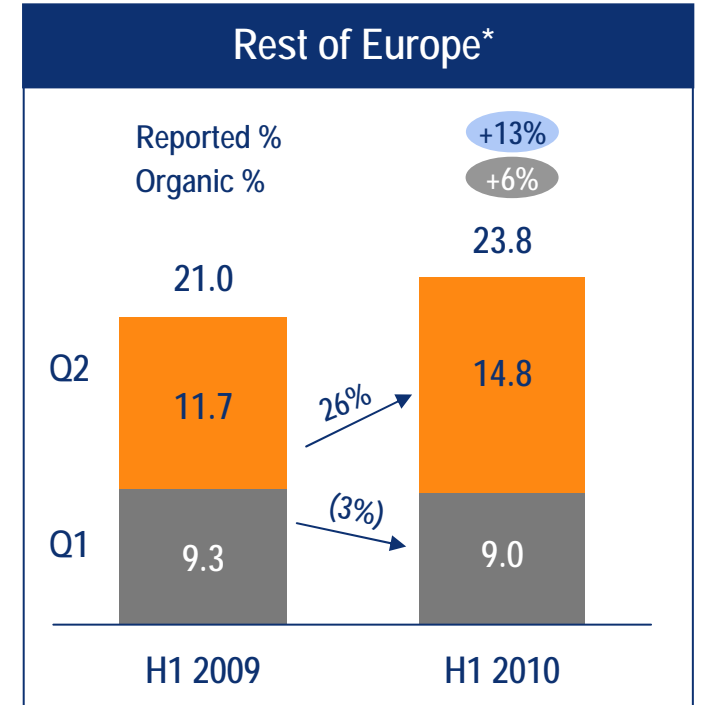
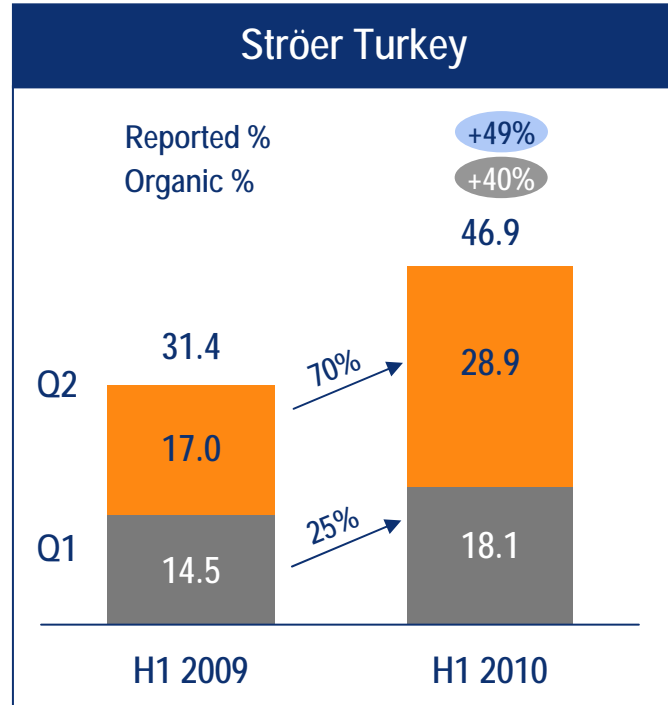
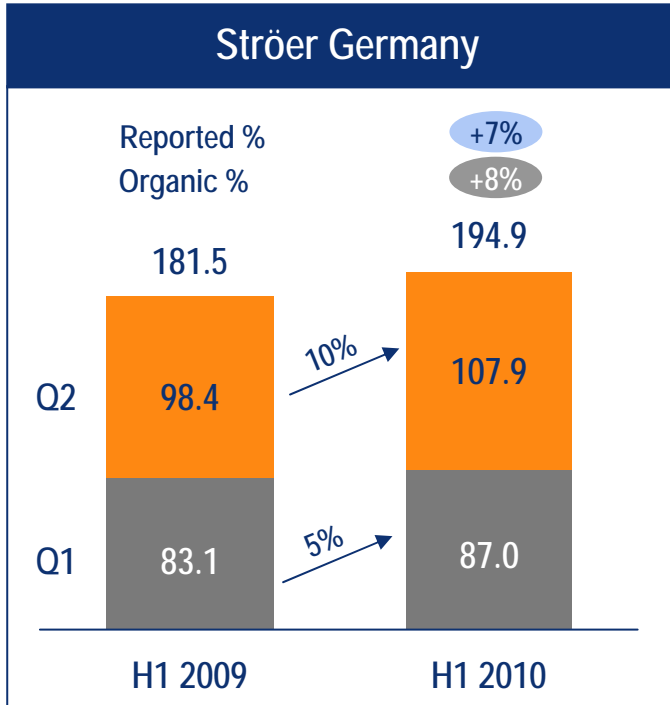
- Successful IPO generated gross proceeds for the company of €288 MM
- Post IPO financing ("club deal") closed on 28 July
- Term loan maturity June 2014

## Contracts

- Public contract portfolio in solid state
- Ströer participating in 4 tenders in German Tier 3 cities
- Contract base enlarged in 1<sup>st</sup> half 2010

# Ströer Group Revenues: Strong Growth Across All Regions

€ MM

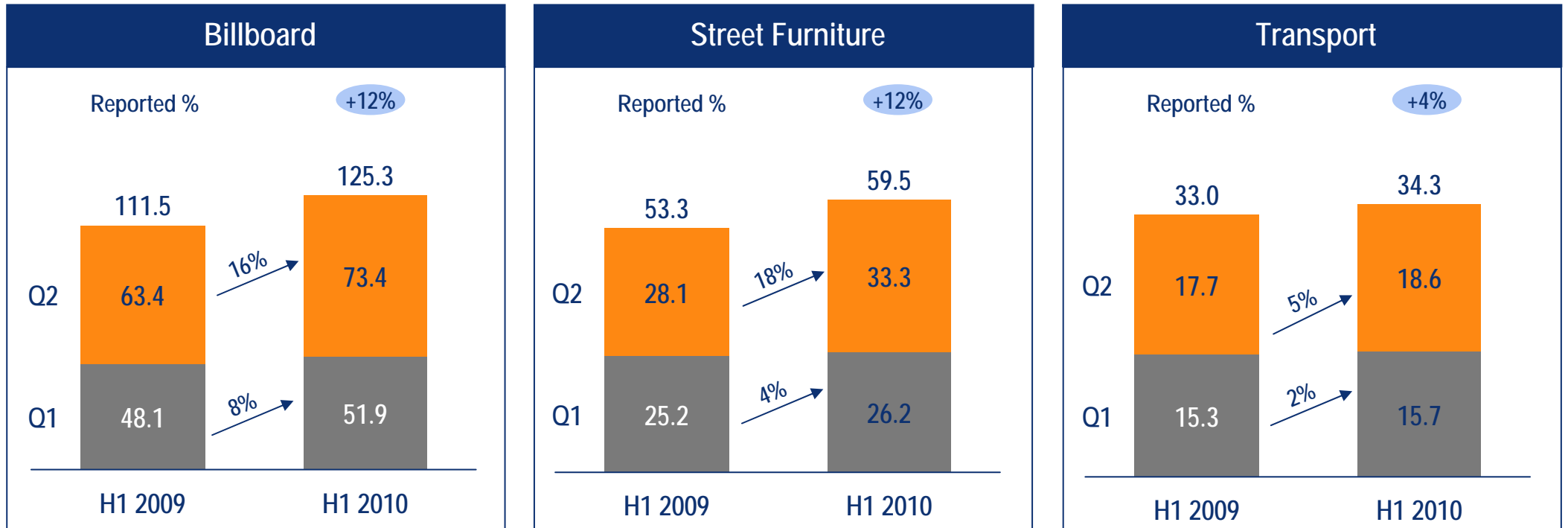


- Improved macro picture and ad market recovery resulted in +8% organic sales growth in Germany in H1
- Exceptionally high organic revenue growth in H1 in Turkey driven by pricing, filling ratios and inventory build up
- Particularly giant posters pushed growth in Q2 and lifted organic segment revenues up 6% in first half

\* Ströer Poland and blowUP Group

# Ströer Group Revenues: Increase Fuelled By Billboard and Street Furniture

€ MM



- Billboard revenues benefited from strong sales of premium products in Germany and Turkey
- Street Furniture activities equally driven by Germany and Turkey on the back of higher CLP filling ratios
- Significant digital revenue growth well outperforming other transport products



# Growth Project Out-of-Home Channel: Rollout on Track

## Concept

- First nationwide digital network
- Installation of up to 1,000 units in top 200 DB stations
- Out-of-Home Channel taps €3.8 bn TV ad spend

## Milestones

- Majority of locations already selected
- Approval process and product supply well advanced
- very positive client response and first booking requests





# Growth Project Premium Billboard 5000: Rollout on Track

## Concept

- Installation of up to 5,000 scrolling billboards until 2015
- Capacity increase of high value sites in cities >100k inhabit.
- Target price increase vs. standard billboard for 10 day cycle

## Milestones

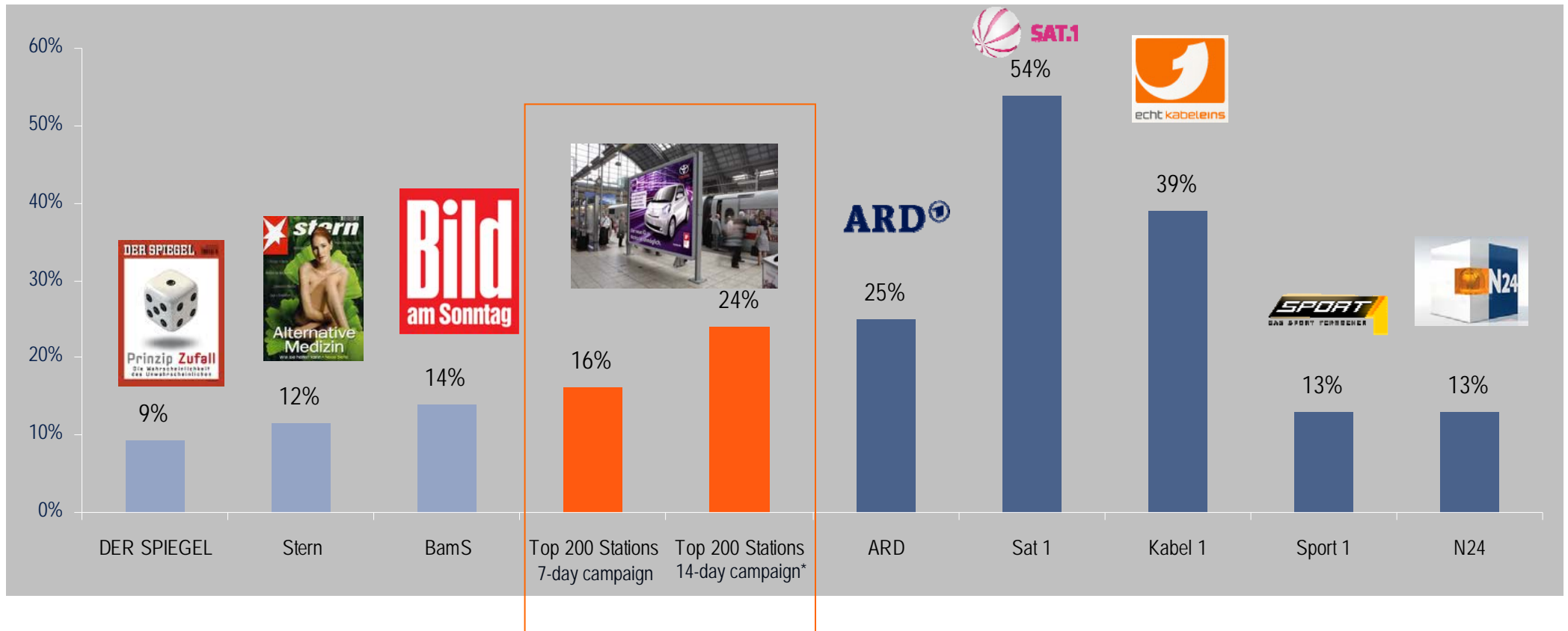
- 2011 sites identified and installation contractually secured
- Pricing concept and sales cycle fixed
- Fewer maintenance cycles due to state-of-the-art technology







# Ad Efficiency in DB Station Network: Compelling OoH Reach



**Train stations are a highly relevant advertising medium outperforming selected competing offers**

Source: TV: AGF/GfK Fernsehforschung; DAP TV Control, TV.(D+EU), without time delay usage, without OOH usage, preliminary weighted 18.04. - 20.04.2010 (Reach in Advertising Block); Print: ma 2010 Pressemedien; Station: ma 2010 Plakat; Target group A 14-49 years; full run CLP and BB; \* Company estimate



# Success with TOP 200 Spender 2010: Examples

AUTO

## Newcomer



## Spend Increase



FMCG



TRADE





# Recent Developments

## Launch of OutdoorTV

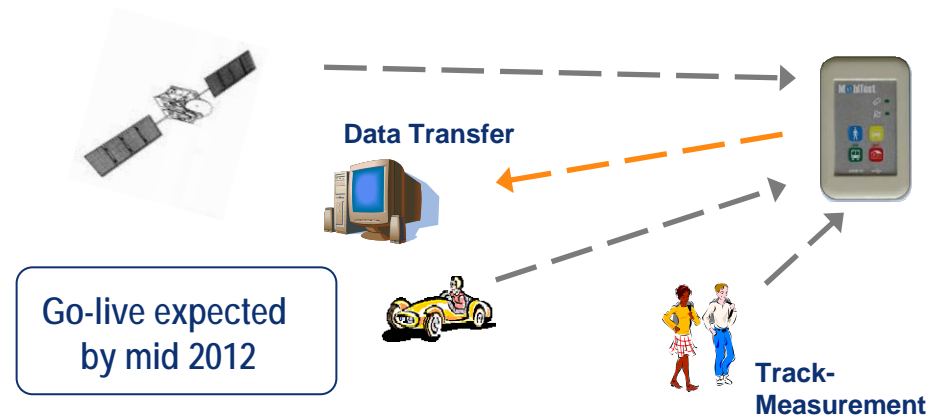
- Launched in May 2010
- Currently 10 large format LED screens installed in Istanbul
- High-class product positioning with eye-catching features
- Positive customer reception and high utilization rates



## Acquisition of add. 40% stake in Ströer Kentvizyon

- Full consolidation expected at the beginning of September
- Approval of Turkish anti-trust authority already granted
- Purchase price of €55 MM

## Introduction of state-of-the-art GPS based audience measurement system by OOH association



# Public Contract Portfolio in Our Core Markets in Healthy State

- Strong German contract situation (no Tier 1 and 2 tenders expected in 2010)
- Ströer in bidding process for tenders in 4 German Tier 3 cities
- In total 4 new contracts won in Germany and Turkey (e.g. Izmir, Jena)
- Bidding JV formed with Agora S.A. for bus shelter contract in Warsaw





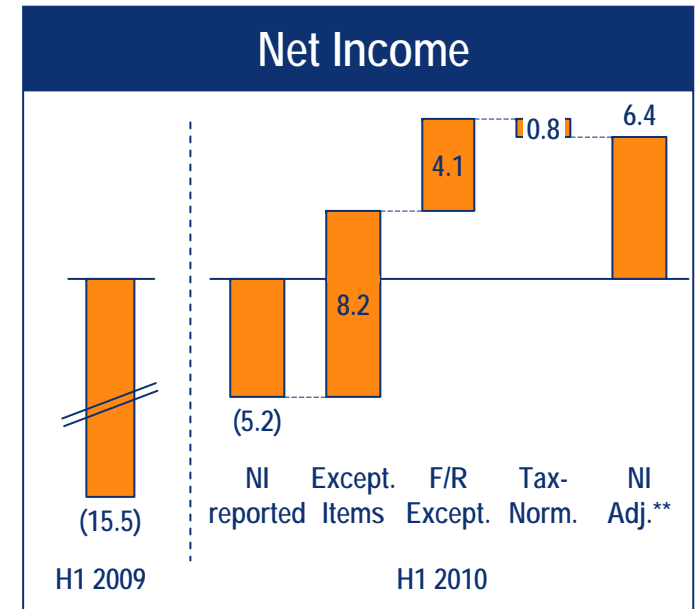
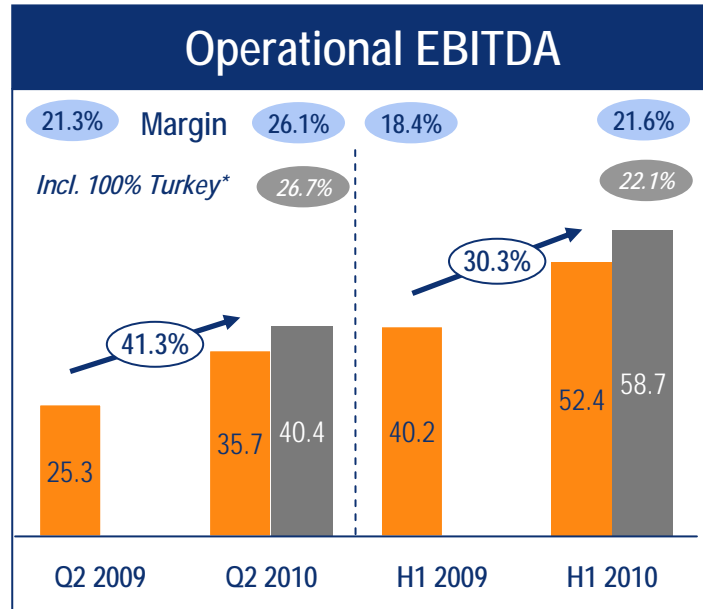
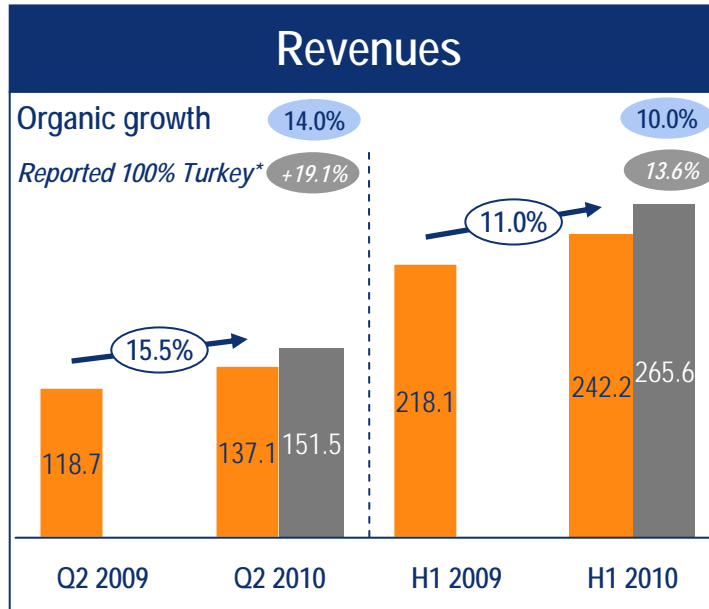
# Financial Highlights

# Ströer Group H1 2010 P&L Summary

(€MM)	H1 2010	H1 2009	Change
<b>Revenue</b>	<b>242,2</b>	<b>218,1</b>	<b>11,0%</b>
Direct costs	(130,8)	(120,0)	9,0%
SG&A	(61,5)	(60,5)	1,7%
Other operating result	2,6	2,6	0,0%
<b>Operational EBITDA</b>	<b>52,4</b>	<b>40,2</b>	<b>30,3%</b>
Depreciation and amortisation	(20,7)	(24,7)	-16,0%
<b>Operational EBIT</b>	<b>31,7</b>	<b>15,5</b>	<b>103,8%</b>
Exceptional items	(8,2)	(2,4)	243,7%
Net financial result	(26,5)	(25,4)	4,3%
Income taxes	(2,2)	(3,1)	-28,6%
Post-tax profit or loss from discontinued operations	0,0	(0,2)	n. def.
<b>Net Income</b>	<b>(5,2)</b>	<b>(15,5)</b>	<b>n. def.</b>
<b>Net Adjusted Income</b>	<b>6,4</b>	<b>(4,4)</b>	<b>n. def.</b>

# Positive Group Revenues and Margin Development

€ MM



- First half Group Revenues up +11.0% on PY with organic growth of 10.0%
- Operational EBITDA margin up some 480bps in Q2 and more than 300bps in H1 to 21.6%
- H1 Net Income strongly up after adjustments for exceptional items

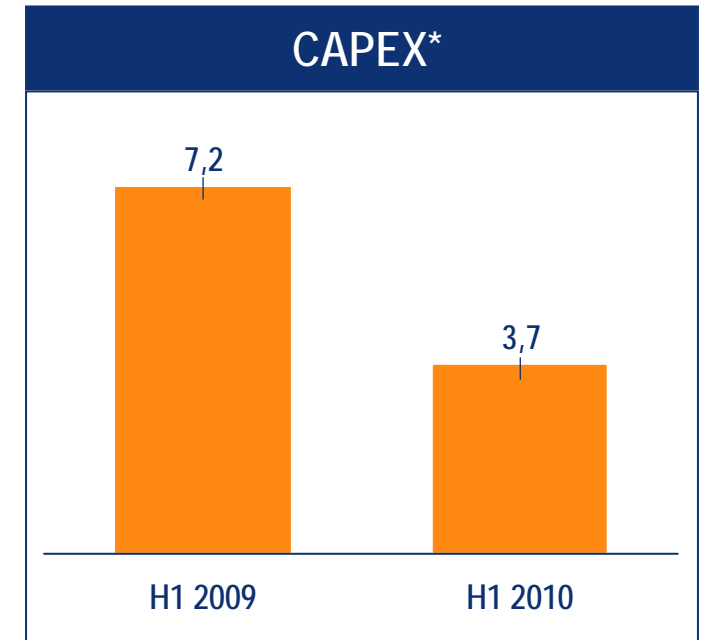
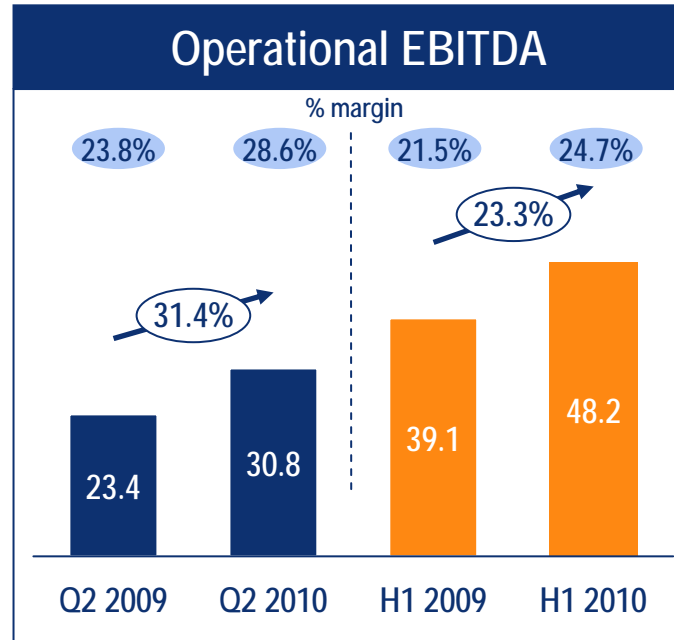
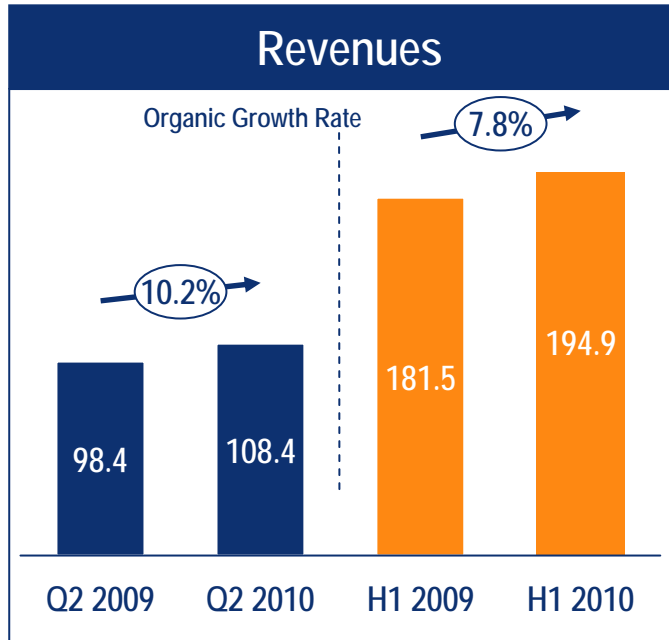
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\*\* Definition: Operational EBIT net of financial result adjusted for exceptional items (F/R Except.) and normalised tax expense (31% tax rate)



# Ströer Germany

€ MM



- Revenue growth particularly driven by higher Billboard and Street Furniture trading
- Strong H1 Operational EBITDA growth with significant margin improvement
- Reduced capital expenditure due to fewer investment activities and utilisation of PY advance payments

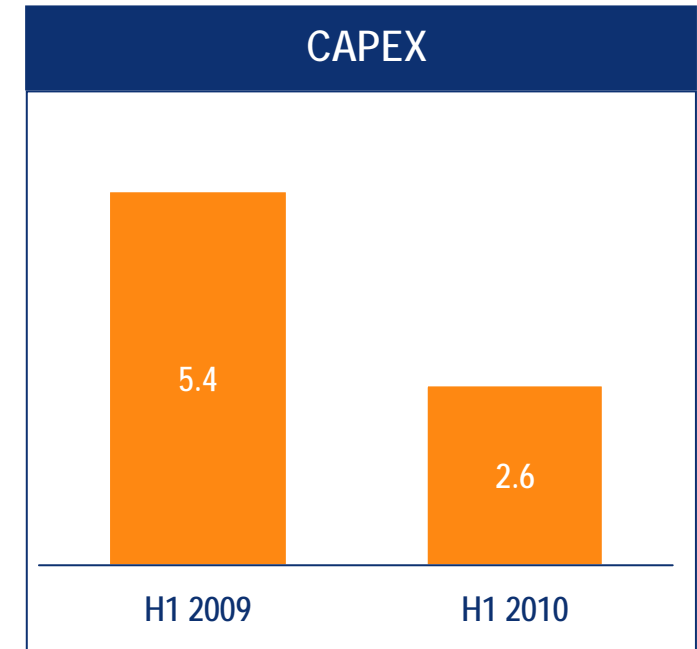
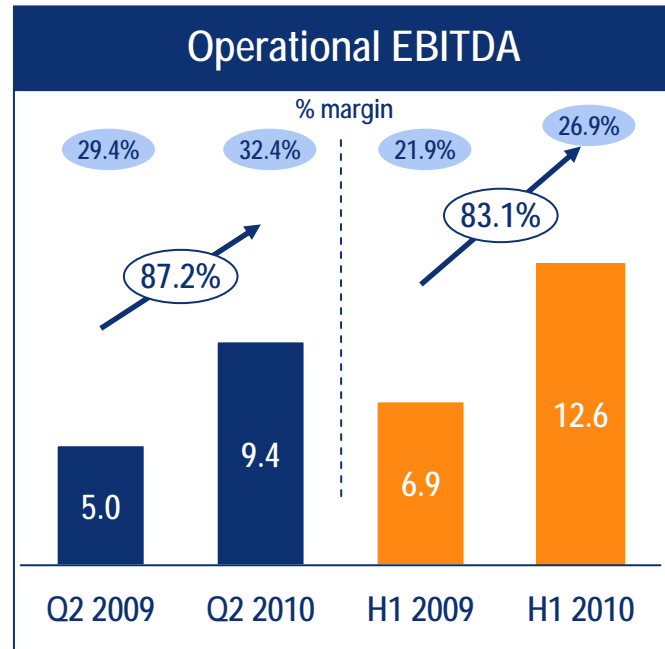
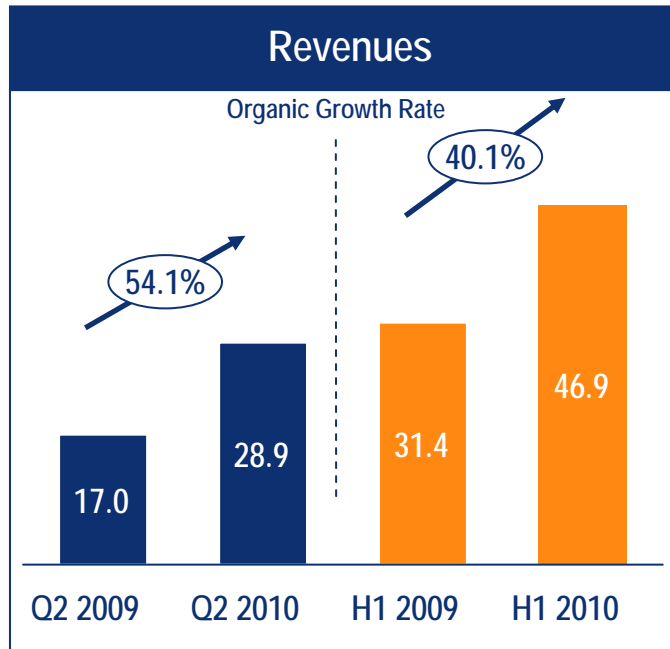
\* Excluding cash paid for investments in non-current financial assets and acquisitions





# Ströer Turkey (100% view\*)

€ MM



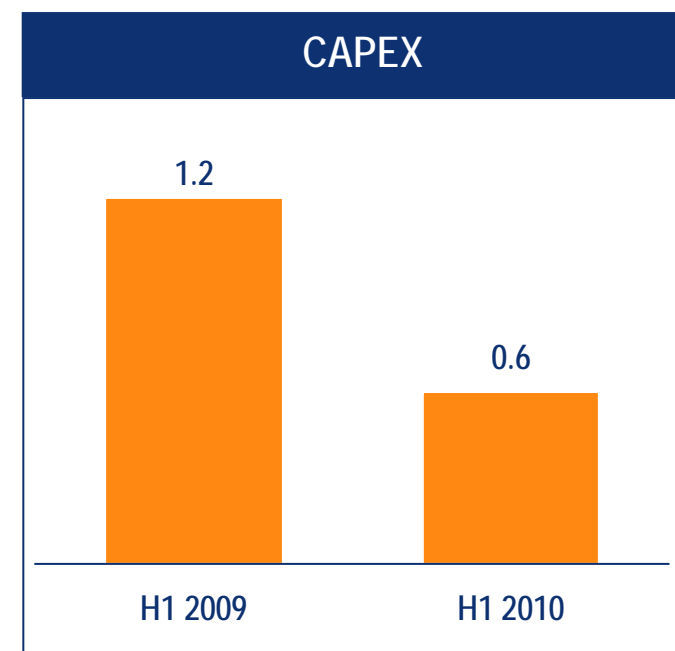
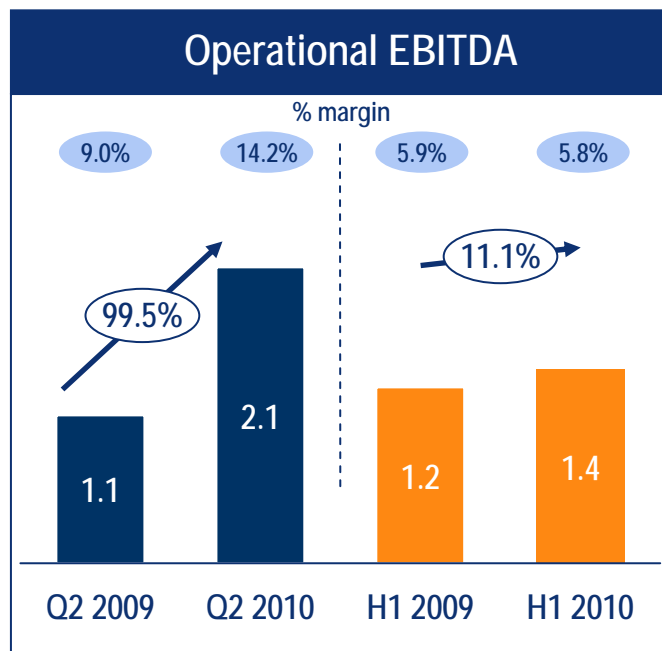
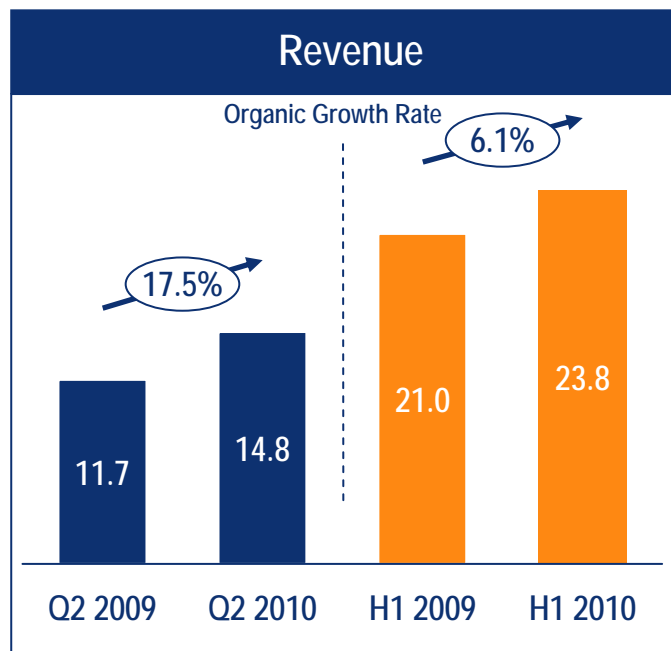
- High double-digit growth in both quarters but with an exceptionally high rate in Q2
- Over-proportional EBITDA increase in H1 2010 due to operating leverage
- Strong benefits from investments in modern media assets rolled out before and during crisis

\* Ströer Turkey consolidated at 50% in H1 Group financial statements



# Ströer Rest of Europe\*

€ MM

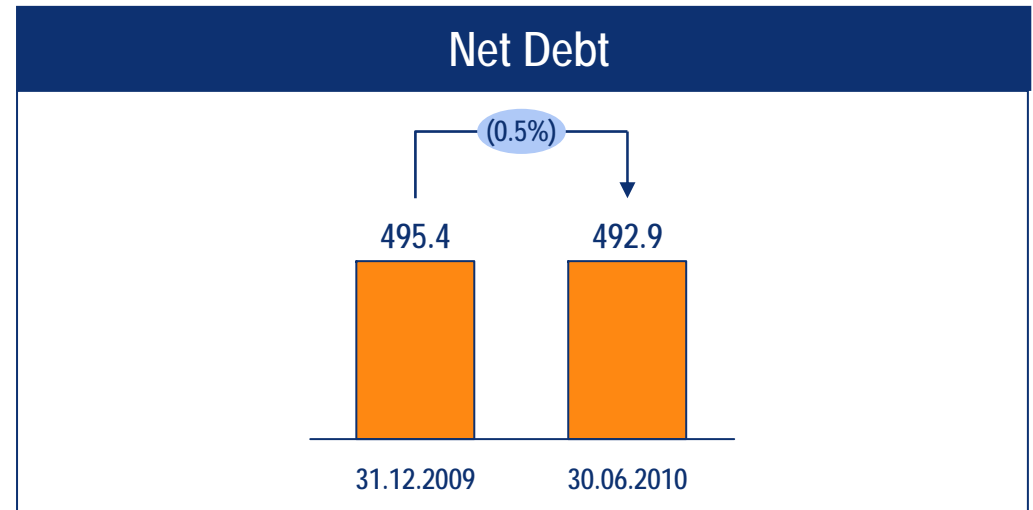
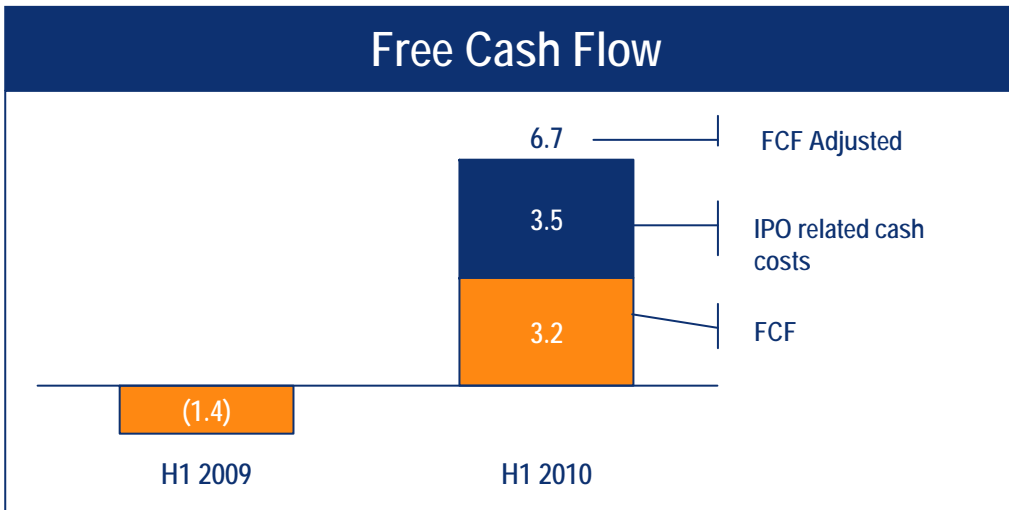
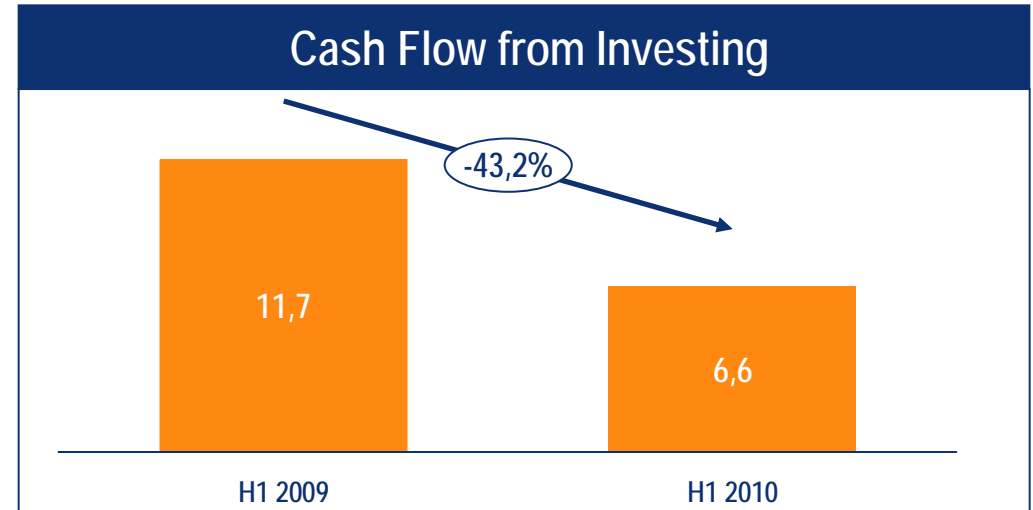
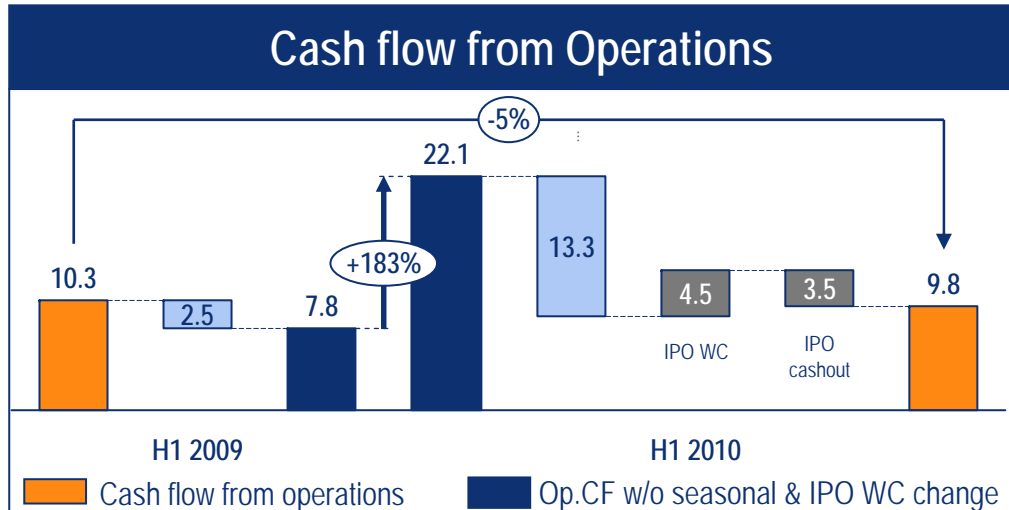


- Overall segment performance mainly driven by convincing rebound of blowUP business
- Positive contribution to revenue growth from Ströer Poland (FX-driven)

\* blowUP business and Ströer Poland

# Positive Cash and Free Cash Flow Development

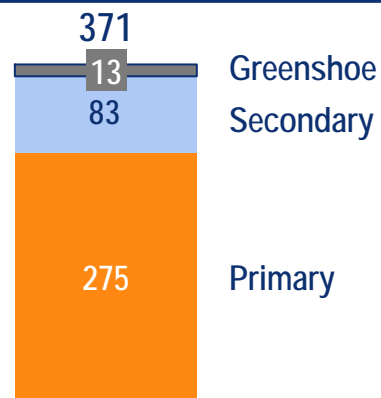
€ MM



# Summary of IPO and Debt Transaction

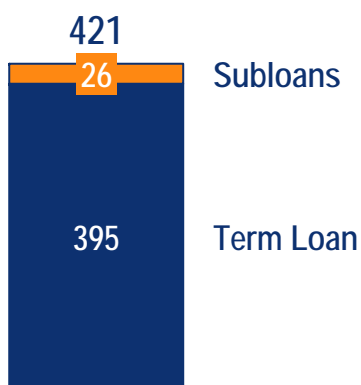
€ MM

## Deal Structure and Volume (gross)



- Total issue size (incl. Greenshoe) of some €371 MM
- Gross proceeds for the company amount to some € 288 MM
- Multiple oversubscription at issue price of €20.00
- 99% international investors, 1% retail
- Total number of shares: 42.098.238 (incl. 640.000 from Greenshoe)
- 43.4% Freefloat
- Transaction costs not exceeding prospectus data

## Financing Structure\*



- Term Loan amendment completed (12 institutions engaged => 9 Banks & 3 Funds)
- 4 bookrunners:
  - CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
  - COMMERZBANK
  - J.P.Morgan
  - Morgan Stanley
- Closing date 28.07.2010 with maturity 30.06.2014
- 2 financial covenants for term loan: fixed charge and leverage ratio

\* excluding working capital facilities and other minor loans

# Outlook

The stronger than expected market recovery seems to continue at least for the rest of the year as supported by latest macro-economic forecasts.

Against this background we also anticipate a strong Q3 revenue performance whereby Q2 is viewed as exceptionally strong. We expect to deliver at least double-digit organic revenue growth in Q3 on a Ströer-Turkey-fully-consolidated basis.

For the full year 2010 our high single digit organic revenue growth expectation prevails.

# 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

# Disclaimer

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