

19.7.2012 17:48 tagesschau



Erneut keine
Syrien-Resolution
Italien verabschiedet
europäischen Fiskalpakt
Personalmangel an
Kindertagesstätten



19.7.2012 17:48 tagesschau

Erneut keine
Syrien-Resolution
Italien verabschiedet
europäischen Fiskalpakt
Personalmangel an
Kindertagesstätten

19.7.2012 17:48 tagesschau



Erneut keine
Syrien-Resolution
Italien verabschiedet
europäischen Fiskalpakt
Personalmangel an
Kindertagesstätten



STRÖER digital

19.7.2012 17:48 tagesschau



Erneut keine
Syrien-Resolution
Italien verabschiedet
europäischen Fiskalpakt
Personalmangel an
Kindertagesstätten



STRÖER digital

H1 2012 Results Presentation
Ströer Out-of-Home Media AG
21 August 2012



- Organic rev. down (H1 -4.9%, Q2 -6.5%) due to challenging environment & single customer effect
- Increased revenues from ~1.200 OCs running at mid-single-digit million € amount in H1
- >1,500 additional BB units in marketing under new Istanbul contract & PBB installation started
- Lower H1 overheads despite increased FX rates due to first effects from cost savings program
- Op. EBITDA impacted by sales decline & Istanbul ramp-up
- H1 Group net income € 1m ahead of PY on the back of FX improvements
- Q2 net debt € 18m lower vs. Q1 2012 leading to almost unchanged leverage ratio of 2.8x
- New long-term financing with more favorable terms signed in July
- Tender prolongation and additional win of street furniture business in Ingolstadt



Group financials at a glance: Lower top and bottom line in challenging market environment

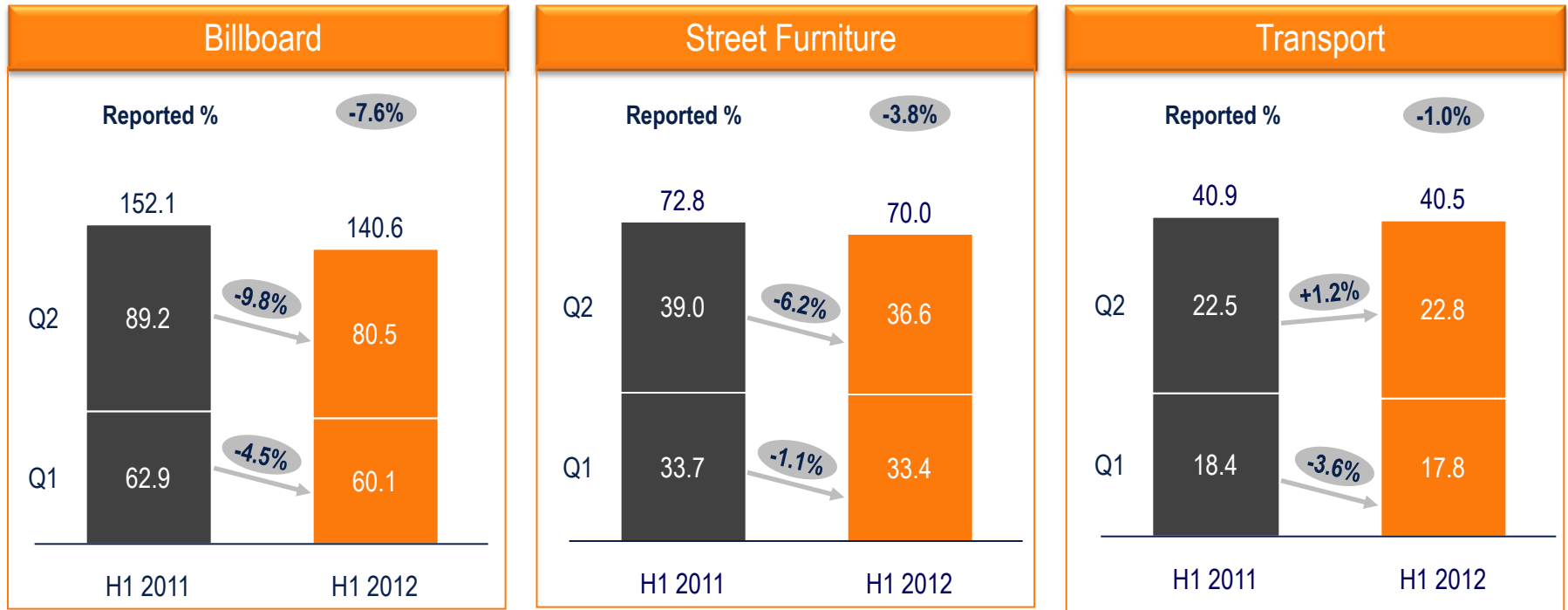
€ MM	H1 2012	H1 2011	Change
Revenue	267.4	282.3	-5.3%
Organic growth ⁽¹⁾	-4.9%	7.3%	
Operational EBITDA	40.8	59.8	-31.8%
Net adjusted income ⁽²⁾	2.9	16.5	-82.3%
Investments ⁽³⁾	20.5	22.5	-8.8%
Free cash flow ⁽⁴⁾	-12.1	1.7	n.d.
	30.06.2012	30.06.2011	Change
Net debt ⁽⁵⁾	314.0	319.3	-1.7%
Leverage ratio	2.8x	2.4x	+17.3%

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 paid for investments in PPE and intangible assets; (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)



Product group performance: Fewer national campaigns impacting Billboards & Street Furniture

€ MM

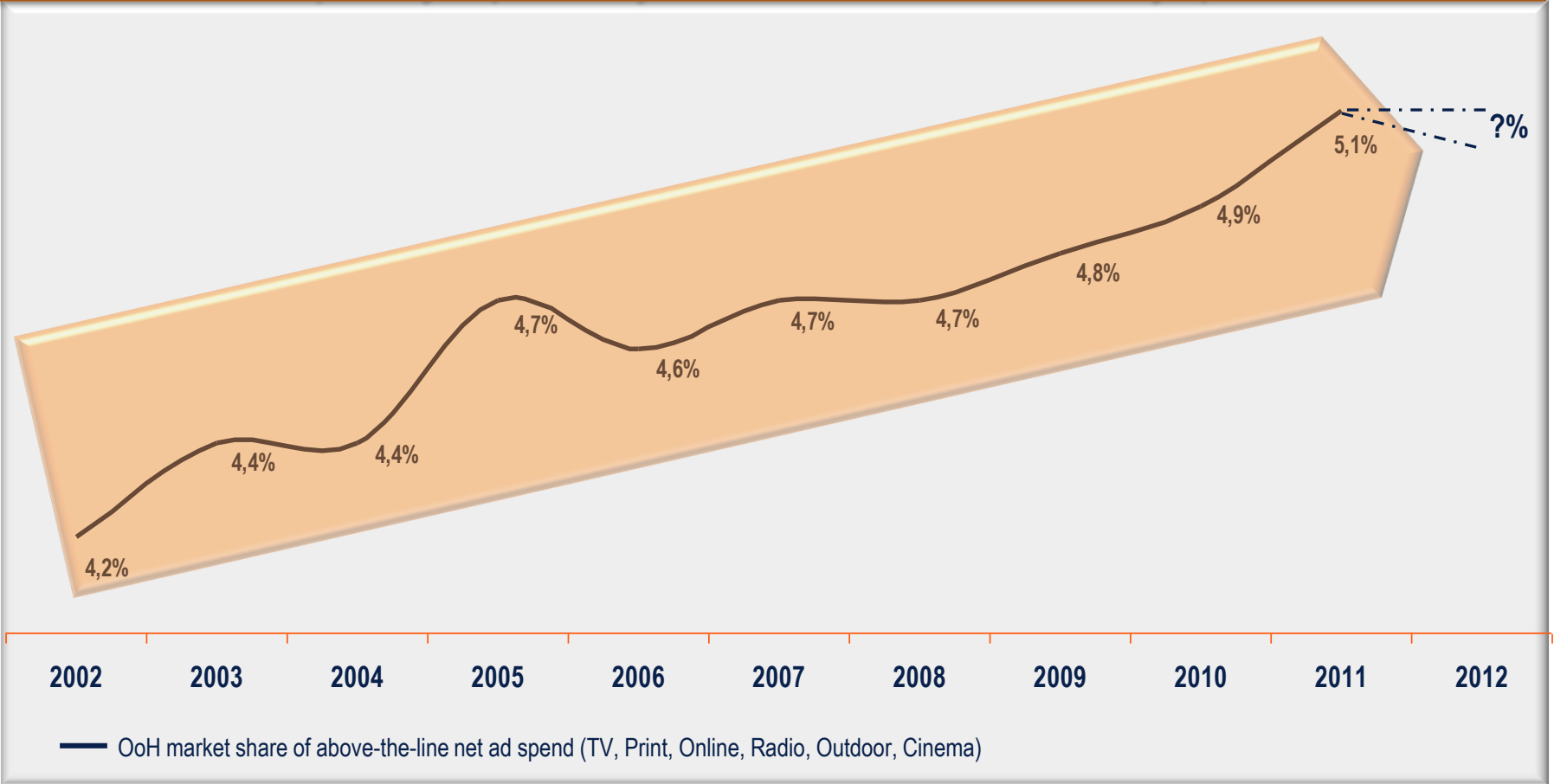


- Billboard performance notably affected by key customer loss in Germany (Telco operator)
- Street furniture development reflects lower campaigning of national accounts
- Flat transport revenues supported by growing German OC business

Latest ZAW net ad market data supports long-term structural growth of OoH



2012 temporarily impacted by soft overall ad market and key sport events



Source: ZAW; May 2012



Foundation for Growth

OC Station & OC Mall now with combined network marketing



- Some 1,200 screens in stations and malls nationwide
- Launch of marketing activities for OC Mall
 - High-impact exposure for brands and impressive ad visuals
 - Available in 59 shopping malls run by ECE in Germany
 - Network comprises more than 1,000 flat screens and 140 Out-of-Home-Channels
- OC target group reach
 - OC Station: 23 million ad media contacts per week*
 - OC Mall: 15 million ad media contacts per week**



* Based on full network capacity; 10 sec. spot during one week, population 14+, Source: ENIGMA GfK Medien- und Marketingforschung GmbH, June 2012

** Based on ECE center frequency measure, Visitor Frequencies, ECE Projektmanagement G.m.b.H. & Co. KG, 2009

Insight Mall Study proves high advertising impact of shopping malls



- Most mall visitors with positive mindset leading to high receptiveness for advertisements
- Product ads benefit from appealing mall environment and premium advertising medium
- High frequency of visitors measured in malls with OCs (9.8m people / week)*, of which some 50% come at least once a week and stay for >90 mins*
- Upgrade of infotainment broadcasts with new partners Tagesschau and Sky Sport



*Based on ECE center frequency measure, Visitor Frequencies, ECE Projektmanagement G.m.b.H. & Co. KG, 2009

** Insight Mall Study, 2012, Akademie für Kultur, Markt und Medien (AKM), on behalf of Ströer



Capacity Expansion Turkey: Installation of first Premium Billboards in Istanbul

- Start of set-up in August with currently >50 units installed.
- 300-500 units planned until end 2012
- Marketing mainly in combination with BB network to add premium feature
- Pre-marketing customer response very positive
- Mobile Telco operator Avea as first pilot customer



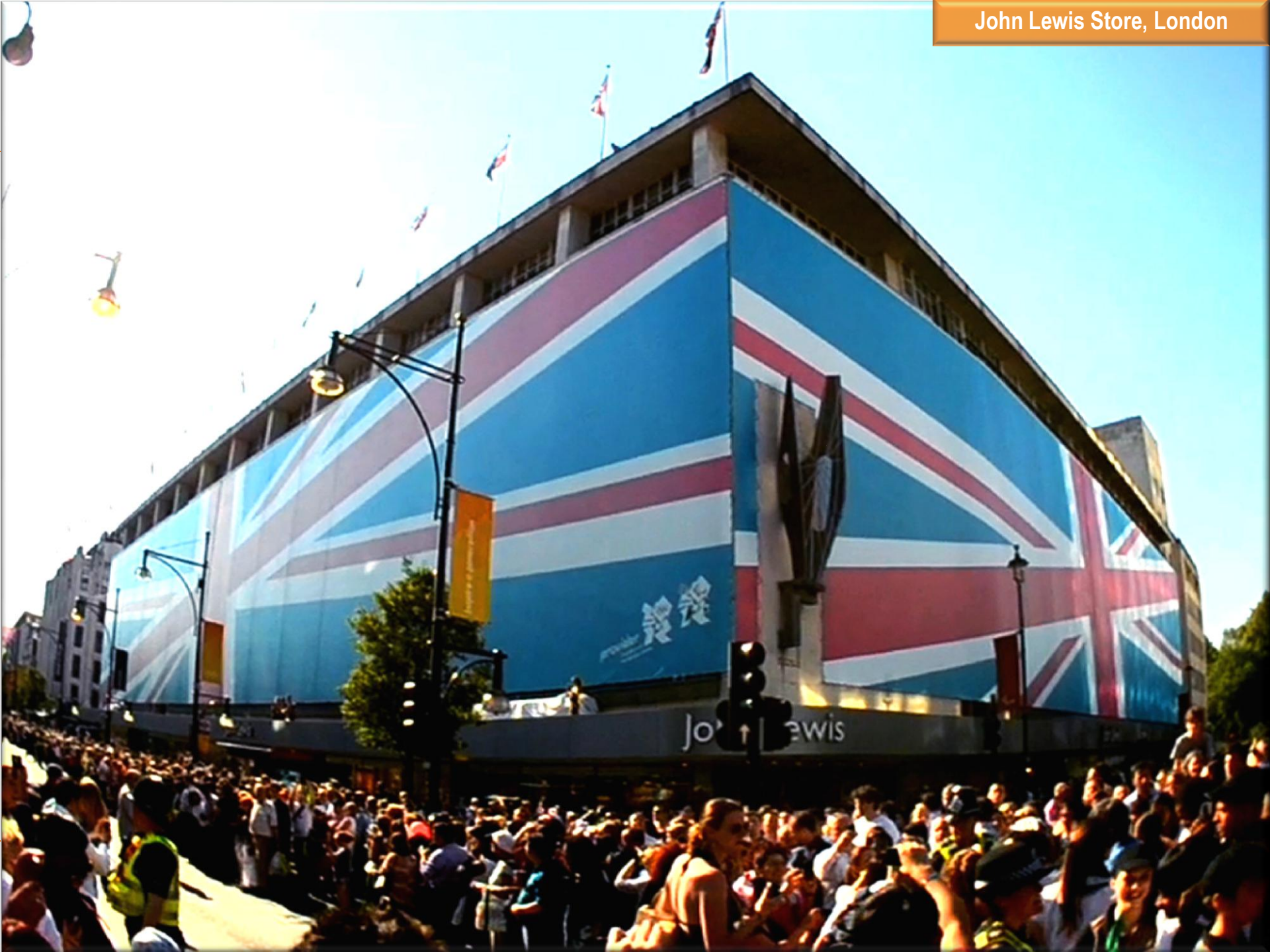
Blow UP: Highly-visible ad opportunities along with strong presence during London Olympics

- John Lewis 'Wraps' flagship store on Oxford Street with 4,000 square feet Union Jack in celebration of London 2012 with public unveiling event during Olympic torch relay
- P&G launch of 3 giant 540m² poster sites for Gillette at Stratford Towers as largest OoH site dominating East London's skyline
- Oversized Kinder Surprise Egg campaign on up to 400 m² giant posters in Berlin, Stuttgart, Munich, Frankfurt, Hamburg and Cologne
- Current top customers:



L'ORÉAL®







Gillette

**NOTHING
BEATS
A GREAT
START.**





Financials

New long-term Group financing secured in July 2012

- Total loan package EUR 500m (EUR 275m term loan + EUR 225m revolving credit facility); no collateral requirement
- 5 year term until July 2017 provides stable financial foundation; separates any refinancing effort from potential turbulence in the financial markets 2013/2014
- Despite the improvements and more flexible loan documentation, credit margins only slightly above favorable conditions secured during 2011 amendment
- Lower interest charges going forward due to a more flexible loan structure (savings of low single digit million EUR amount from 2013)
- Targeted leverage ratio remains in comfort zone of 2.0 - 2.5 x
- “Club deal” syndicate consists of ten major national and international banks

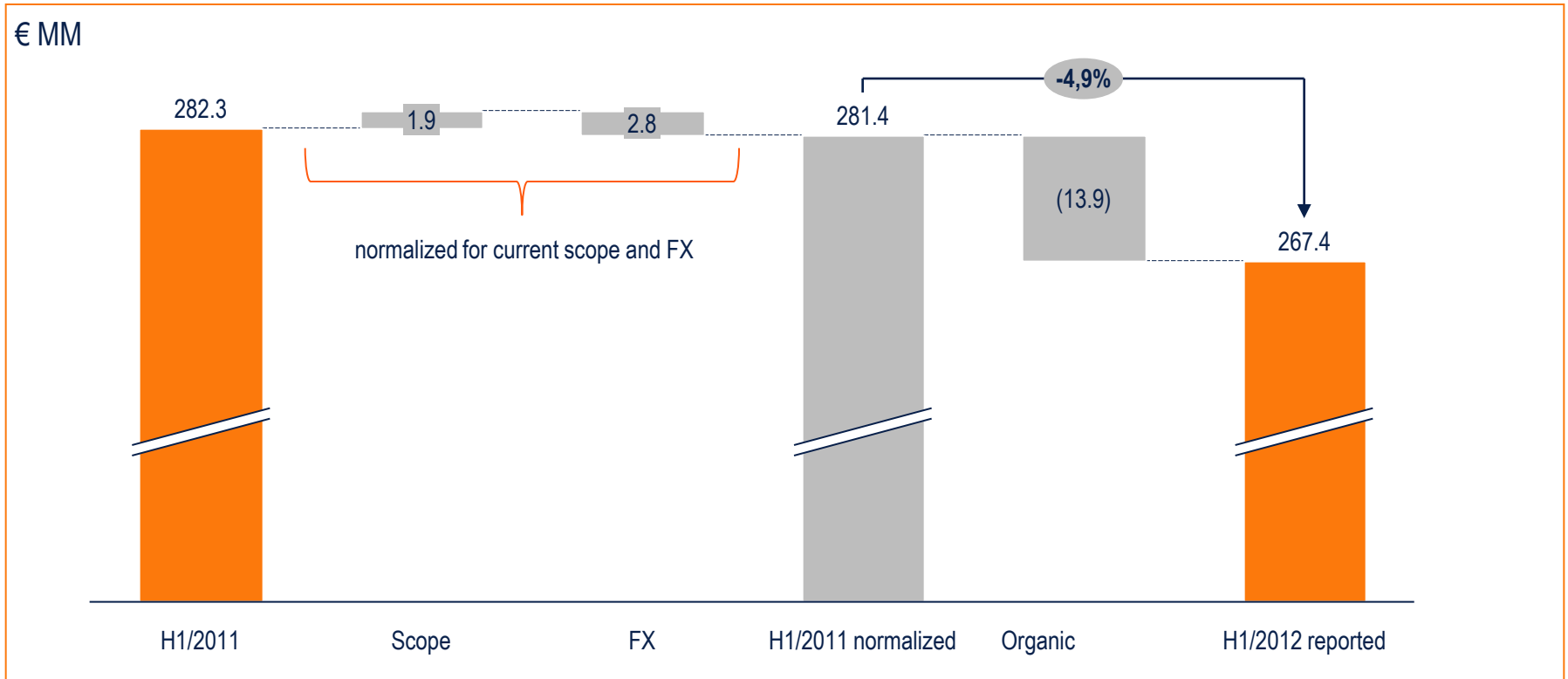
Ströer Group H1 2012 P&L management view: Group net income up 1m EUR thanks to positive FX effects



€ MM	H1 2012	H1 2011	Change
Revenue	267.4	282.3	-5%
Direct costs	-159.3	-154.4	-3%
SG&A	-70.0	-70.7	+1%
Other operating result	2.7	2.5	+6%
Operational EBITDA	40.8	59.8	-32%
<i>Margin %</i>	15.3	21.2	
Depreciation	-18.1	-16.1	-13%
Amortisation	-14.3	-13.9	-3%
Exceptional items	-2.2	-6.6	+66%
EBIT	6.1	23.2	-74%
Net financial result	-10.9	-23.6	+54%
Income taxes	4.6	-0.7	n.d.
Net income	-0.2	-1.2	+82%
Net adjusted income	2.9	16.5	-82%



Group organic revenue growth bridge: Without scope and FX effects revenues trail 4.9% behind last year

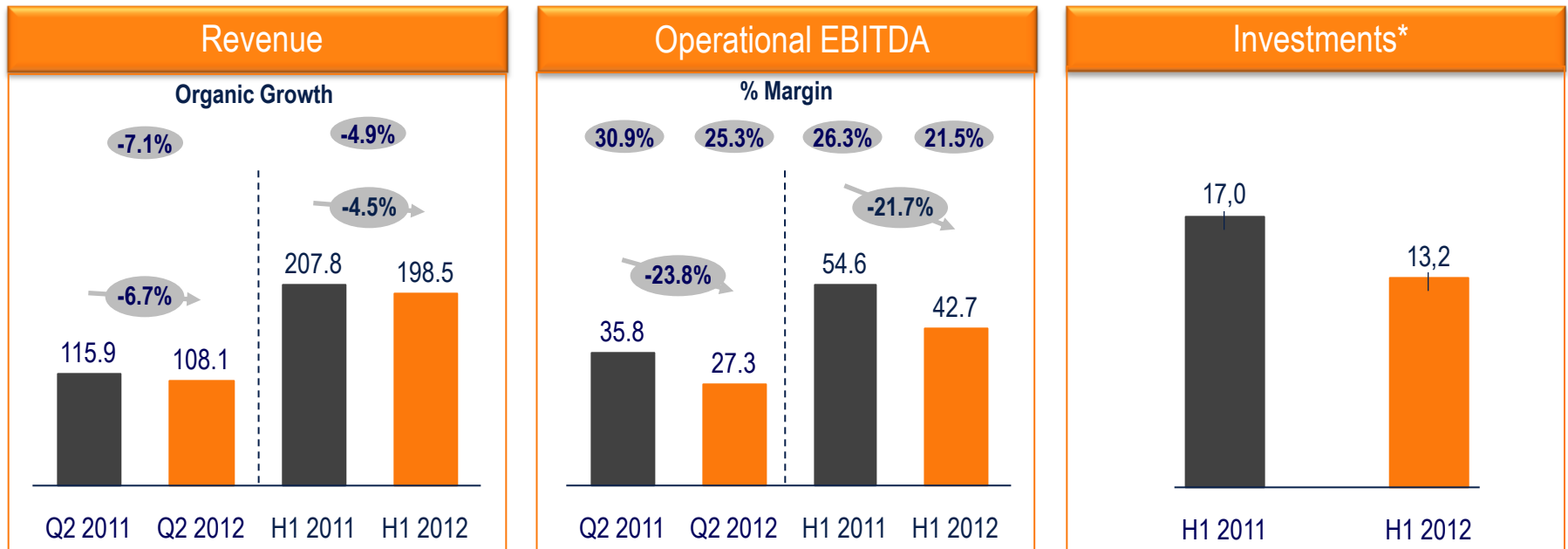


- Scope effects relate to ECE flatmedia in Germany and small bolt-on take-over in Turkey
- FX adjustments driven by depreciation of Turkish Lira and Polish Zloty vs. EUR
- -1.2% organic growth w/o effects from single Telco customer & terminated sales contracts in TR

Ströer Germany: Revenues down due to reduced national campaigning & single customer effect



€ MM



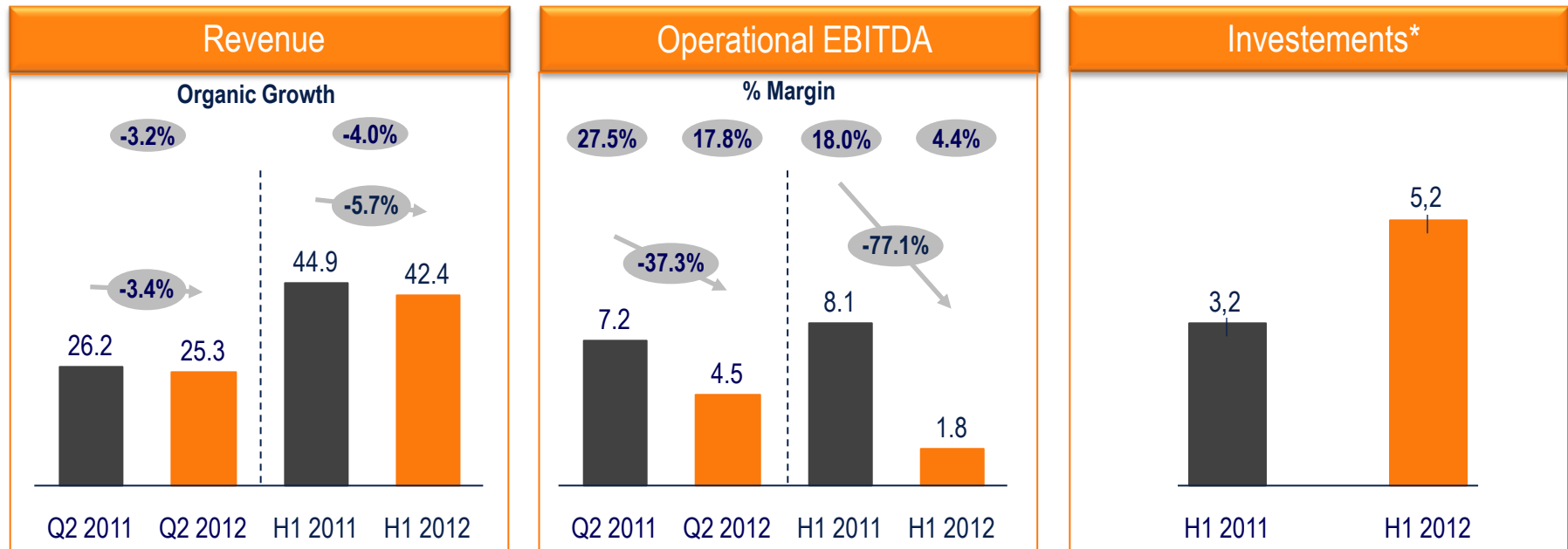
- Underlying H1 organic revenue growth excluding temporarily inactive Telco account just -0.8%
- H1 revenue from ~1.200 Out-of-Home Channels at mid-single-digit million € amount
- Op. EBITDA margin impacted by lower share of high margin products (fewer national campaigns)

*Cash paid for investments in PPE and intangible assets

Ströer Turkey: Istanbul ramp-up leads to temporary decline in profitability



€ MM

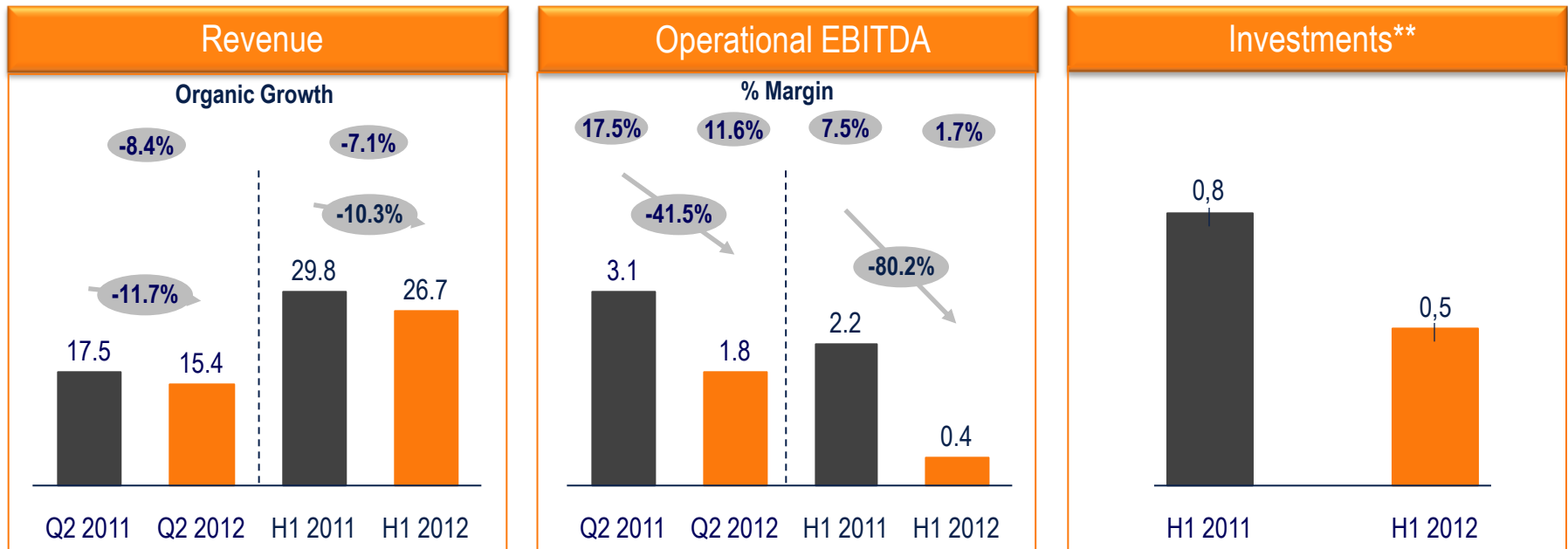


- H1 organic rev. growth w/o effect from terminated low margin sales contract in Q4 11 runs at +0,6%
- Margins affected by incremental Istanbul BB fixed rents and underlying rent inflation adjustments
- Capex increase reflects capacity uplift program in Istanbul (>2000 incremental BB/PBB units)

* Cash paid for investments in PPE and intangible assets

Ströer Rest of Europe*: Unfavourable ad activity affecting both Poland and Giant Posters

€ MM



- blowUP top- and bottom line down on grounds of fewer international cross-country campaigns
- Cost improvement measures leading to margin uplift in Poland
- Adverse impact from Euro championship in PL

* blowUP Media Group and Ströer Poland

** Cash paid for investments in PPE and intangible assets



Group cash flow and cash position:

Free cash flow movement mirrors operational performance

€ MM

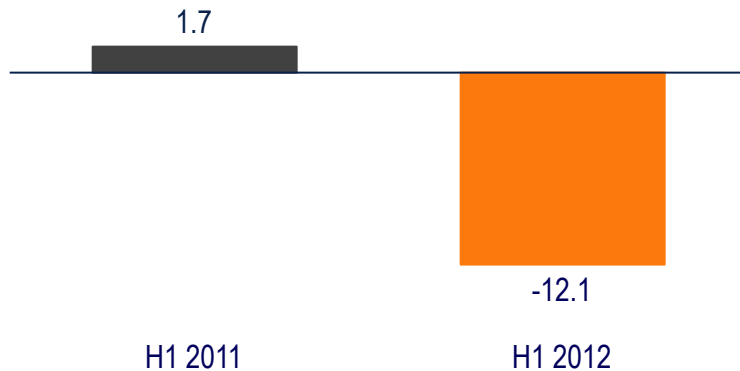
Cash flows from operations



Cash flows from investing activities



Free cash flow



Comments

- Declining operational cash flow in line with movement in underlying profit development
- Lower investing cash flows despite growth investments in Istanbul and Germany
- Cash balance as of 30.6.2012 some 6m € ahead of PY leading to net debt of 314m€

Strategic response to current environment

-  Cost savings program initiated in Q2 with mid-single-digit million Euro effect in 2012 to achieve flat overheads yoy
-  Expected improvements in product mix leading to a better drop-through ratio in H2 compared to H1
-  New business initiative for H2 with focus on national accounts and digital operations
-  Extending regional sales coverage through development of new distribution channels
-  Increased utilization of Istanbul BB concession by reaping benefits from installation of 500 incremental PBB
-  Capex spending 2012 reduced from initially € 50-60m to around € 45m without sacrificing growth initiatives

Currently, we are not forecasting any macro or media market improvement in the third quarter of this year. Out-of-home advertising markets will continue to be affected by the uncertainty on the financial markets and temporary shifts in advertising budgets due to the Olympics. As a result, we expect the Group organic revenue growth rate in Q3 to be similar to that in the second quarter of this year.

STRÖER

out of home media

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

This presentation contains “forward looking statements” regarding Ströer Out-of-Home Media AG (“Ströer”) or Ströer Group, including opinions, estimates and projections regarding Ströer ’s or Ströer Group’s financial position, business strategy, plans and objectives of management and future operations. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Ströer or Ströer Group to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements speak only as of the date of this presentation and are based on numerous assumptions which may or may not prove to be correct. No representation or warranty, express or implied, is made by Ströer with respect to the fairness, completeness, correctness, reasonableness or accuracy of any information and opinions contained herein. The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning Ströer or Ströer Group. Ströer undertakes no obligation to publicly update or revise any forward looking statements or other information stated herein, whether as a result of new information, future events or otherwise.