Report of the management board to the general meeting on item 11 of the agenda pursuant to sect. 5 SE-VO in conjunction with §§ 71 para. 1 no. 8 sentence 5, 186 para. 4 sentence 2 AktG

The management board has reported in writing pursuant to sect. 5 SE-VO in conjunction with § 71 para. 1 no. 8 sentence 5 AktG in conjunction with § 186 para. 4 sentence 2 AktG. The report is provided for insight by the shareholders on the business premises of the company and in the general meeting from the day on which the general meeting is convened onwards. Furthermore, the report will be published on the company's website at http://www.stroeer.com/ under the section "Investor Relations", "General Meeting" and sent to each shareholder free of charge on request.

The report has the following content:

To supplement agenda item 10, it is suggested to the general meeting pursuant to agenda item 11 to authorise the company to purchase own shares using derivatives as well and to enter into the corresponding derivative transactions. The authorisation is to be usable by the company, companies of the group and through third parties who act for the account of the company or a company of the group. Agenda item 11 thus expands agenda item 10 only by the option of purchasing own shares using specific derivatives.

For the company, it can be of advantage to sell put options for shares of the company ("Put Options"), to purchase call options for shares of the company ("Call Options") or to use a combination of this (Put Options, Call Options and combinations of Put and Call Options together hereinafter also: "Derivatives"; and the underlying option transactions also: "Derivative Transactions"), instead of purchasing shares of the company directly. This additional alternative for action expands the company's possibilities to structure purchase of own shares in an optimised manner. Specifically, the company is thus given a greater flexibility in the design of repurchase strategies and programmes. For example, the company may secure itself against rising share rates by purchasing Call Options. The company avoids a direct outflow of liquidity by both the purchase of Call Options and the sale of Put Options. The use of derivatives therefore may be sensible in the interest of liquidity-protecting purchase of own shares.

When selling Put Options, the company grants the purchaser the right to sell the company's shares to the company during the agreed term or at a specific time at a price specified in the Put Option ("Execution Price"). As consideration, the company receives a premium ("Option Premium"), the value of which must be determined in a market-oriented way, i.e. under application of recognised financial-mathematics methods under consideration of the execution price, the term of the option and the volatility of the share. The option premium must not essentially undercut the determined market value of the sales right. If the Put Option is executed, the option premium that the option holder has paid to the company shall reduce the total counter-value paid for the purchase of the share by the company. The execution of the Put Option is usually economically sensible for the option holder when the rate of the share at the time of execution of the Put Option is below the Execution Price. The option holder may then sell the share to the company at the higher execution price. From the company's point of view, the share repurchase using Put Options offers the advantage of the Execution Price being already specified when entering into the derivative transaction, while the liquidity will only flow out on the execution date. Apart from this, the purchasing price of the shares for the company under consideration of the received option premium does not essentially deviate from the share rate at conclusion of the derivative transaction. If the option holder does not execute the Put Option because the share rate of the execution date is above the Execution Price, the company may thus not purchase its own shares, but retains the already-received option premium.

When purchasing a Call Option, the company receives the right to purchase a previously determined number of shares during the agreed term or at a specified time at the previously specified execution price from the seller of the option ("Option Writer"). The value of the option premium to be paid by the company for purchase of the Call Option must be determined in a market-oriented way, i.e. under application of recognised financial-mathematics methods under consideration of the execution price, the term of the option and the volatility of the share. The option premium must not essentially exceed the determined value of the purchase right. When executing a call option, the total compensation paid for purchase of the share is increased by the value of the option premium for the company. Therefore, it must be considered when calculating the Execution Price for the Call Option. The execution of the Call Option is usually economically sensible for the company when the rate of the share at the time of execution of the Call Option is above the Execution Price. The company may then purchase the share from the Option Writer at the lower execution price. From the company's point of view, the share repurchase using Call Options also offers the advantage of the Executor Price already being specified when entering into the derivative transaction, while the liquidity will only flow out on the execution date. Apart from this, the purchasing price of the shares for the company under consideration of the paid option premium does not essentially deviate from the share rate at conclusion of the derivative transaction. The company may secure itself against the risk of having to purchase its own shares at a higher rate at a later time this way, e.g.in the scope of conversion rights from convertible bonds. At execution of the Call Options, it only needs to purchase the number of own shares that it actually needs at this time.

The company may also combine use of different types of derivatives. It is not limited to using only the described types of derivatives.

The term of the derivatives is limited to a maximum of five years. It also must be chosen so that it ends on 29 June 2020 at the latest. Additionally, the derivative conditions must ensure that the purchase of own shares due to execution of a derivative does not take place after 29 June 2020. This prevents the company from purchasing own shares based on this authorisation after the end of the authorisation to purchase own shares valid until 29 June 2020.

The scope of the derivatives that the company may sell or purchase is limited to 10 percent of the share capital of the company at most. This limitation refers both to the time of entering into effect of this authorisation and the time of its execution by sale or purchase of the respective derivative. For the purpose of calculation, sold or purchased derivatives are to be combined with the own shares already purchased based on the authorisation from agenda item 10. This ensures that repurchase of own shares based on the authorisations in agenda items 10 and 11 takes place only at the amount of up to 10 percent of the share capital – both by direct repurchase and using derivatives.

Additionally, no more than 10 percent of the share capital of the company must be due for sold or purchased derivatives that have not been executed and that have not expired at any time. In this respect, the derivatives also must be combined with the shares already purchased from the authorisations from agenda item 10 that the company still owns or that are due to it pursuant to §§ 71a et seqq. AktG. This again ensures that the company is at no point forced to hold own shares at a scope exceeding 10 % of its share capital. When the 10 percent limit is reached, further derivatives must only be used again when the company has sold or withdrawn own shares.

The basis for the Execution Price agreed on in the respective derivative that is to be paid by the company at purchase of a share due to execution of the respective derivative shall correspond to the average of the rates of the share of the company in the closing auction in XETRA trade (or a comparable successor system) at the Frankfurt stock exchange. In this respect, the average of the last three trading days before conclusion of the respective derivative transaction shall be relevant. The execution price must not exceed or undercut this average by more than 10 % (without purchasing secondary costs, but under consideration of the received or paid option premium. i.e. at Put Options minus the received option premium and at Call Options plus the paid option premium).

The specifications contained in the authorisation for design of the derivatives are to ensure that purchase of own shares using derivatives generally takes place under maintenance of the principle of equal treatment and at conditions that would apply to direct purchase of shares at conclusion of the derivative transaction. This excludes that the shareholders are economically disadvantaged by purchase of own shares using derivatives. This is achieved by only permitting derivatives to be sold or purchased at close-to-market conditions and by purchase of own shares using derivatives only taking place at conditions that would apply to direct purchase of shares pursuant to the authorisation in agenda item 10 at conclusion of the derivative transaction. The company shall pay a price that essentially corresponds to the rate of the share at the time of conclusion of the derivative transaction at execution of the respective derivative (under consideration of the option premium received or paid). Those shareholders who are not involved with the derivative transactions shall not suffer any value disadvantage from this. Apart from this, their situation shall corresponding to that at direct purchase of own shares through the company through the stock exchange where the company would also pay the share rate for the shares.

The company shall also observe the principle of equal treatment (§ 53a AktG) when selling or purchasing the derivatives. This is the case, e.g. when purchasing or selling the derivatives through the stock exchange, since all shareholders have the same opportunity for purchasing or selling derivatives there. The principle of equal treatment permits, however, that the company sells derivatives to individual third parties only or purchases them from individual third parties only if there is a factual reason for this. This may be required for planned use of derivatives in the scope of repurchase of own shares or for other reasons, and to best use the advantages resulting for the company from the use of derivatives. The shareholders' right to enter into such derivative transactions with the company may therefore be excluded if there is a factual reason under corresponding application of § 186 para. 3 sentence 4 AktG. Without this exclusion, it would hardly be possible to enter into all economically sensible derivative transactions in the short term or with counterparties suitable for such derivatives and thus react to market situations flexibly and in a timely manner. When purchasing own shares using derivatives, the shareholders therefore are to only be due a right to offering their shares where the company is obliged to purchase the shares from them due to derivatives. The management board considers exclusion of the offer right to be justified after careful consideration of the interest of the shareholders and the interest of the company based on the advantages that may result for the company from use of derivatives.

For use of the own shares purchased using derivatives, the authorisation from agenda item 10 shall apply. In this respect, and specifically regarding the exclusion of the subscription right of the shareholders, we refer to the report on agenda item 10.

The management board shall report on the utilisation of the authorisation to purchase own shares through any use of derivatives as well in its reporting.

Cologne, May 2015

Ströer Media SE
Management Board

Udo Müller
(CEO)

Dr. Bernd Metzner
(CFO)

Christian Schmalzl
(COO)