

SUPERVISORY BOARD REPORT

Ladies and gentlemen,

For Ströer Media SE, fiscal year 2014 was characterized by the strategic expansion of the portfolio to include online marketing. Revenue from online marketing accounted for a substantial proportion of total revenue in the fiscal year. Revenue from traditional out-of-home business also grew substantially, providing a stable platform to continue developing the business.

The supervisory board again carefully and regularly monitored the work of the board of management during fiscal year 2014. It mainly reviewed the legality, expediency and propriety of the board of management. It also supported the strategic development of the Group and significant individual measures.

The main focuses of the supervisory board in fiscal year 2014 were on the conclusion of another refinancing arrangement for the Ströer Group and the payment of a dividend to the shareholders. Furthermore, it was extensively involved in the further expansion of the online advertising segment through various transactions and in the integration of companies taken over in the Ströer Group. Another important point of discussion was the transformation of Ströer Media AG into a Societas Europaea (SE) and the structure of the new articles of incorporation and bylaws for the Company.

The board of management informed the supervisory board at supervisory board meetings as well as through written and oral reports on the business and all relevant aspects of business planning.

It therefore complied in full with its duties to provide information. In addition to the financial, investment and personnel planning, the development of business, the economic situation of the Company and the Group (including the risk situation and risk management), the financial position and the Group's profitability were discussed. For all decisions important for the Group, the board of management consulted the supervisory board in good time. For transactions requiring approval, the supervisory board granted its approval after careful consideration and review of the documents it was presented by the board of management. If legal provisions, the articles of incorporation and bylaws or the rules of procedure required the supervisory board to adopt a resolution, it passed a corresponding resolution after careful review.

During fiscal year 2014, the supervisory board of Ströer Media AG convened for three in-person meetings and adopted resolutions by telephone in three teleconferences. Furthermore, the supervisory board of Ströer Media AG adopted two resolutions by written procedure. The supervisory board of Ströer Media SE convened for two in-person meetings in the fiscal year and adopted one resolution by written procedure.

In additional meetings, the chairman of the supervisory board, the deputy chairman of the supervisory board and the chairman of the audit committee discussed key business events with the board of management – in particular with the CEO and the CFO. The supervisory board received regular written and oral reports on these deliberations.

The audit committee convened three times in the fiscal year.

Focus of deliberations and review by the supervisory board of Ströer Media AG

At the meeting to discuss the financial statements on 27 March 2014, the supervisory board approved and endorsed Ströer Media AG's separate financial statements for fiscal year 2013. It also approved the consolidated financial statements for fiscal year 2013. The supervisory board adopted its recommendations for the Company's shareholder meeting to exonerate the board of management and supervisory board, to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor for fiscal year 2014 and to reelect Mr. Dirk Ströer and Mr. Ulrich Voigt to the supervisory board, each for another three years. It also dealt with the question of a dividend payment. Furthermore, the supervisory board approved the replacement of the existing loan agreement by concluding a new loan agreement with a syndicate of banks for a loan volume of EUR 500m and a term of five years. Mr. Ulrich Voigt, member of the supervisory board of Ströer Media AG and member of the board of management of Sparkasse Köln Bonn, one of the refinancing banks, took part in the adoption of the resolution by the Company's supervisory board, but abstained from the resolution concerning the refinancing at the level of the board of management and the committees of Sparkasse Köln Bonn. The supervisory board also addressed the issue concerning the structure of the articles of incorporation and bylaws of Ströer Media SE, its authorized capital, and the size of the future supervisory board.

In a telephone conference on 28 April 2014, the supervisory board addressed once again the dividend proposal by the board of management and resolved to propose payment of EUR 0.10 per share to the shareholder meeting on 18 June 2014. The supervisory board also approved the agenda for the shareholder meeting. Furthermore, the supervisory board approved the conclusion of an agreement with Superposter Media GmbH. Mr. Dirk Ströer did not take part in the resolution due to a possible conflict of interest.

At the meeting on 26 May 2014, the supervisory board approved the expansion of the existing marketing agreement with Media Ventures GmbH. Mr. Dirk Ströer did not take part in the resolution due to a possible conflict of interest.

On 2 June 2014, the supervisory board approved the purchase of 90% of the shares in GIGA Digital AG by written procedure, following detailed examination and review of extensive written documents.

At the meeting following the shareholder meeting on 18 June 2014, the new supervisory board was constituted and elected from among its members Mr. Christoph Vilanek as chairman and Mr. Dirk Ströer as deputy chairman of the supervisory board.

At its meeting on 2 October 2014, the supervisory board resolved to increase the Ströer Group's shareholding in Kölner Aussenwerbung GmbH to 100%. In addition, the supervisory board intensively examined the capital market strategy and the segment reporting.

Focus of deliberations and review by the supervisory board of Ströer Media SE

The supervisory board of Ströer Media SE convened for its inaugural constituent meeting on 28 July 2014. From among its members, it elected Mr. Christoph Vilanek as chairman and Mr. Dirk Ströer

as deputy chairman of the supervisory board. In addition, the supervisory board agreed to also appoint the members of the board of management of Ströer Media AG as members of the board of management of the Company following its transformation into an SE, and to appoint Mr. Udo Müller as chairman of the board of management. In this connection, the supervisory board resolved to appoint the board of management members Udo Müller and Christian Schmalzl as members of the board of management for a period of five years from the completion of the transformation and to extend their employment contracts accordingly. Furthermore, the supervisory board set itself rules of procedure.

At the last meeting of the fiscal year on 15 December 2014, the supervisory board discussed the budget presented by the board of management for the Ströer Group for fiscal year 2015 and approved it. The supervisory board resolved to set up an audit committee and adopted rules of procedure for the committee. It also reviewed the efficiency of its work and of the committee. The new employment contract for a board of management member was also approved.

Deliberations of the audit committee of Ströer Media AG and Ströer Media SE

On 4 March 2014, the audit committee of Ströer Media AG reviewed the consolidated financial statements for fiscal year 2013. At its further meetings on 8 May 2014 and 14 August 2014, the audit committee examined the respective interim financial statements. The CFO took part in one of the meetings.

At the constituent meeting of the audit committee on 15 December 2014, it elected from among its members Mr. Ulrich Voigt as chairman and Mr. Christoph Vilanek as deputy chairman of the audit committee.

Audit of the separate and consolidated financial statements

The separate and consolidated financial statements of Ströer Media AG prepared by the board of management for fiscal year 2013 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, together with the underlying books and records and the combined management report of the Company and the Group. An unqualified audit opinion was issued in each case.

The documentation on the financial statements and the audit reports were presented to all members of Ströer Media AG's supervisory board in good time. The documents were the subject of intensive discussions in the audit committee and in the meeting of the supervisory board of Ströer Media AG to discuss the financial statements on 27 March 2014. The responsible auditor participated in the plenum discussions. He reported on the key findings of the audit and was available to answer questions.

We reviewed all documents presented by the board of management and the auditor in detail. Based on the final results of our review, we had no reservations and agreed with the conclusion of the audit of the financial statements by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne. We approved the separate and consolidated financial statements prepared by the board of management. The financial statements were thus approved.

Changes to the composition of the board of management

The board of management department for finance underwent changes in fiscal year 2014. Effective 21 February 2014, Mr. Alfried Bührdel resigned as CFO. The supervisory board wishes to thank Mr. Bührdel for his many years of service to the Company. In the period from 22 March 2014 to 14 June 2014, the chairman of the board of management assumed responsibility for the finance department. On 15 June 2014, Dr. Bernd Metzner took up office as CFO of the Company.

In the course of the Company's transformation, Mr. Udo Müller, Mr. Christian Schmalzl and Dr. Bernd Metzner were reappointed to their offices.

Changes to the composition of the supervisory board

There were also changes in personnel on the supervisory board. On 18 June 2014, Prof. Dr. h.c. Dieter Stolte's term of office ended. He left his position as chairman of the supervisory board of Ströer Media AG after 13 years of service, shortly before his 80th birthday. We would like to express our warmest thanks to Prof. Dr. h.c. Dieter Stolte for his outstanding work for the Company and the supervisory board of Ströer Media AG over the years. Prof. Dr. h.c. Dieter Stolte's outstanding skills and industry expertise were instrumental in the successful development of the Ströer Group. He presided over the supervisory board first as deputy chairman and then chairman, and led it for many years as a highly accomplished networker with a clear focus on vision, diplomacy and prudence.

The office of chairman of the supervisory board of Ströer Media AG was assumed by Mr. Christoph Vilanek as of the meeting on 18 June 2014; Mr. Dirk Ströer was appointed as his deputy.

The supervisory board of Ströer Media AG, its audit committee, and its executive committee were dissolved upon the transformation of the Company into Ströer Media SE on 15 October 2014. Mr. Dieter Keller's and Mr. Martin Diederichs' positions on the supervisory board ended with the transformation as they are not members of the supervisory board of Ströer Media SE. Mr. Keller had been a member of the supervisory board since its formation in 2002 and sat on the audit committee as an auditor. His particular expertise in connection with the analysis of the economic and financial situation of the Ströer Group and on issues relating to financial reporting and accounting were of key importance to the supervisory board and the audit committee, especially in connection with the audit and approval of the separate and consolidated financial statements. Mr. Diederichs also sat on the supervisory board for many years, with an interruption, and he too deserves our warmest thanks.

The supervisory board of Ströer Media SE now comprises three members: Mr. Christoph Vilanek as chairman of the supervisory board, Mr. Dirk Ströer as deputy chairman and Mr. Ulrich Voigt. The audit committee of the supervisory board of Ströer Media SE comprises Mr. Ulrich Voigt as chairman and Mr. Christoph Vilanek.

Thanks

The supervisory board would like to thank the board of management, the management of the group entities, the works council and all employees for their outstanding personal dedication, hard work and unwavering commitment.

On behalf of the supervisory board

Christoph Vilanek
Chairman of the supervisory board
Cologne, March 2015