

## PRESS RELEASE

### Ströer delivers record results in 2010

- Revenue increase by 13.1% to EUR 531.3m
- Disproportionate operational EBITDA increase by 27.2% to EUR 127.3m
- Market leadership position in Turkey and Poland expanded through acquisitions
- Successful implementation of the first digital outdoor advertising media network in Germany
- tnsEmnid study: out-of-home media are highly accepted

Cologne, 12 April 2011. For Ströer Out-of-Home Media AG (“Ströer”), the 2010 financial year was the most successful since the founding of the company in 1990. Revenue for the group, one of the leading outdoor advertising providers in Europe with its headquarters in Cologne, exceeded the EUR 500m mark for the first time and grew by 13.1% to EUR 531.3m compared to the prior year (EUR 469.8m). Operational EBITDA (earnings before interest, taxes, depreciation and amortisation, adjusted for exceptional items) increased even faster by 27.2% to EUR 127.3m (2009: EUR 100.0m) for an operational EBITDA margin of 24.0%. Earnings per share after the deduction of all costs came in at EUR 1.32 compared to EUR 0.03 in the prior year.

**“We are proud to say that all operating segments contributed to these record numbers,” Udo Müller, co-founder and CEO of the Ströer Group, said in Cologne today. “The IPO provided the basis for securing the leading position of the Ströer Group in the European outdoor advertising market. By investing in Turkey and Poland, we established our business in two strategically important growth markets. We also took ambitious measures to advance digitalisation in our sector and increasing the share of out-of-home media in the overall ad mix.”**

An exclusive study we prepared together with tnsEmnid in March revealed that out-of-home media is highly accepted. 92% of the people interviewed said that they were not bothered by billboard advertising. Approximately 90% of the interviewees saw no issues with ads on means of transport or digital outdoor advertising. By contrast, about 50% of the respondents regarded TV commercials as annoying. 34% actually liked billboard advertising; this figure is even higher with people up to 34 years old (43%). Digital out-of-home media was well-received by 31% of the interviewees (36% of people aged up to 34). 21% of all respondents and 29% of the target group up to 34 years would support more digital outdoor advertising.

The growth in revenue recorded in 2010 is proof of the increasing attractiveness of outdoor advertising. Assuming the full consolidation of the Turkish joint venture Ströer Kentvizyon since 2009, group revenue even rose to EUR 561.8m in 2010. Consolidated organic growth according to this definition totalled 9.4%.

The investment in Ströer Kentvizyon was increased from 50 to 90% on 1 September 2010 and the Ströer Group took over News Outdoor Poland entirely in October. Since then these activities have been fully consolidated in the financial statements of the Ströer Group.

New equity of EUR 287.9m from the proceeds of the IPO (before the deduction of transaction costs) significantly improved the assets and financial position of Ströer. Net debt was reduced considerably by 35.4% to EUR 320.1m (2009: EUR 495.4m). The equity ratio is now at 30.1%. Profit adjusted for exceptional items increased by 97.0% to EUR 33.2m (2009: EUR 16.8m). Cash flow from operating activities, adjusted for special effects related to the IPO and acquisitions, grew to EUR 57.7m and underscores the major improvement in results.

## **Operating segments and growth initiatives**

All three segments contributed to the record results of the Ströer Group thanks to their organic growth.

Ströer Germany, the largest segment, recorded revenue of EUR 409.9m. Revenue increased by 4.2% compared to the prior year (EUR 393.3m). The Ströer Group is therefore continuing its positive growth trend after exceeding the overall performance in the out-of-home media sector during the crisis year of 2008. At EUR 109.5m with growth of EUR 14.2m (14.9%), the home market also made the biggest contribution to consolidated operational EBITDA (2009: EUR 95.3m).

The Ströer Group advanced digitalisation in the reporting period as planned and launched the development of a country-wide network of digital outdoor advertising media. 200 of the largest German railway stations are being equipped with the Out-of-Home Channel. Around 1,000 digital screens will be installed by the end of 2011, achieving net coverage of more than 20% in the overall population. With introduction of Out-of-Home-Channel Ströer put itself in the leading role at digital development and realised the claim to act as digital pioneer. Ströer is also launching a quality offensive at locations with the highest coverage, equipping around 5,000 large-format advertising media in backlit glass cases with changer mechanisms by the end of 2015.

Revenue in the Turkish business of the Ströer Group developed positively thanks to the dynamic performance of the Turkish media industry and the full consolidation of the organization as of 1 September after Ströer Group increased its investment from 50% to 90%. Revenue of this segment rose by more than 100% to EUR 68.6m (2009: EUR 33.5m). Operational EBITDA also increased by more than 100%. This performance figure came in at EUR 21.9m in 2010 compared to EUR 8.6m in the prior year.

Organic growth in revenue, i.e. adjusted for consolidation and currency effects, was 36.4%. Revenue came in at EUR 99.1m (2009: EUR 67.0m). Operational EBITDA rose by 66.1% to EUR 28.7m (2009: EUR 17.3 million).

The third segment of the Ströer Group includes activities in the European giant poster business (blowUp Group) and in Poland. Positive results in this segment are mainly due to giant poster activities under the umbrella of the blowUp Group. Revenue generated in Poland also developed positively, yet all growth was achieved due to consolidation and currency effects.

Overall revenue in the “Others” segment increased by 22.6% to EUR 52.9m in 2010 (2009: EUR 43.1m). Operational EBITDA in this segment grew by 25.4% to EUR 4.1m (2009: EUR 3.3m).

With the takeover of News Outdoor Poland, the Ströer Group has positioned itself in a market leading position in one of Europe’s most dynamic markets. The company plans to drive the consolidation of the Polish outdoor advertising market with around 20,000 advertising spaces in more than 200 cities.

### **Product groups**

The Ströer Group was able to achieve significant revenue increases in all product groups over the course of the 2010 financial year. At 15.2% the billboard product range posted the strongest growth and also the highest volume with revenue of EUR 274.7m (2009: EUR 238.5m). The street furniture product range with waiting halls, columns and City Guide information systems generated similar revenue growth at 14.0%. Here revenue for 2010 came in at EUR 134.6m (2009: EUR 118.1m).

Revenue in the transport product group (including transportation media) grew by 6.4% to EUR 73.8m (2009: EUR 69.4m). The “Other” product group also supported the growth trend with an increase of 10.1% to EUR 48.1m (2009: EUR 43.8m).

### **Outlook**

The 2010 financial year offered impressive proof that the Ströer growth strategy is successful. Ströer Management is confident for full year 2011 benefiting from a favourable macro picture, new projects and structural growth. The

Group should deliver another year of decent organic revenue enhancement around a mid to high-single-digit mark potentially accompanied by a slight margin improvement.

In the first quarter of 2011 Ströer expects an organic revenue growth rate of 8% for the Group fuelled by a strong German and blowUP performance. Also, the Turkish business will contribute to this organic growth at a rate similar to the Group figure.

In the second quarter Ströer sees a continuation of the positive top-line momentum of the Group and would expect a mid to high-single-digit organic revenue growth rate. Management will further quantify the Q2 organic growth guidance at the time of releasing the first quarter results on May 19.

Due to effects of ramp-up and overhead investments particularly in the first 6 months of 2011 Ströer currently expects a slight progression of the operational margin beyond the 2010 level for the full year.

## The Groups's financial figures at a glance

In EUR m	2010	2009	Change
Revenue	531.3	469.8	13.1 %
Ströer Germany	409.9	393.3	4.2 %
Ströer Turkey	68.6	33.5	>100.0 %
Other	52.9	43.1	22.6 %
Billboard	274.7	238.5	15.2 %
Street Furniture	134.6	118.1	14.0 %
Transport	73.8	69.4	6.4 %
Other	48.1	43.8	10.1 %
Organic Growth <sup>1</sup>	7.5 %	-2.5 %	n.d.
Gross profit <sup>2</sup>	198.8	169.1	17.6 %
Operational EBITDA <sup>3</sup>	127.3	100.0	27.2 %
Operational EBITDA <sup>3</sup> -margin	24.0 %	21.3 %	
Adjusted EBIT <sup>4</sup>	97.4	71.1	36.9 %
Adjusted EBIT <sup>4</sup> -margin	18.3 %	15.1 %	
Adjusted profit for the period <sup>5</sup>	33.2	16.8	97.0 %
Profit for the period	55.8	1.1	>100.0 %
Earnings per share <sup>6</sup> (EUR)	1.32	0.03	
Investments <sup>7</sup>	28.5	22.4	27.0 %
Free cash flow <sup>8</sup>	-68.2	16.6	>100.0 %
	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>Change</b>
Total equity and liabilities	985.4	748.6	31,6 %
Equity	296.6	-48.1	n.d.
Equity ratio	30.1 %	-6.4 %	
Net debt <sup>9</sup>	320.1	495.4	-35.4 %
Employees <sup>10</sup>	1,731	1,587	9,1 %

<sup>1</sup> Organic growth: excluding exchange rate effects and efforts from the (de-) consolidation and discontinuation of operations

<sup>2</sup> Revenue less cost of sales

<sup>3</sup> Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items, effects from the phantom stock program which was terminated as of the IPO

<sup>4</sup> Earnings before interest and taxes adjusted for exceptional items, effects from the phantom stock program which was terminated as of the IPO, amortization of acquired advertising rights and impairment losses on intangible assets

<sup>5</sup> Adjusted EBIT net of Operational EBIT net of the financial result adjusted for exceptional items and the normalized tax expense

<sup>6</sup> Calculated as actual profit for the period divided by the number of shares outstanding after the IPO

<sup>7</sup> Including cash paid for investments in property, plant and equipment and in intangible assets but excluding cash paid for investments in non-current financial assets and cash paid for the acquisition of consolidated entities

<sup>8</sup> Cash flows from operating activities less cash flows from investing activities

<sup>9</sup> Financial liabilities less derivative financial instruments and cash

<sup>10</sup> Headcount

## **About Ströer**

Ströer Out-of-Home Media AG is the specialist for all forms of advertising used outside the home – from classic billboard media to advertising in waiting halls and means of transportation to highly modern digital outdoor advertising media. The company markets over 280,000 advertising spaces, is number 1 in Germany, Turkey and Poland and one of the leading outdoor advertising providers in Europe. Ströer offers comprehensive networks for national advertising campaigns to its customers. Since December 2010, the company has been developing the largest moving image network in the world for nationwide outdoor advertising coverage. 1,000 premium screens at the 200 railway stations with the highest traffic in Germany will be networked for central management and control from Munich by the end of 2011. Ströer also offers an extensive selection of outdoor advertising products that set new standards in terms of quality, innovation and design for advertising media and street furniture. Ströer street furniture has been recognised with 27 international awards. The Ströer Group currently has around 1,700 employees at more than 60 locations.

For more information on the company, please visit [www.stroeer.com](http://www.stroeer.com)

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