



## **PRESS RELEASE**

Cologne, June 21, 2010

### **Ströer Out-of-Home Media AG plans IPO**

- One of the leading providers of out-of-home advertising in Europe prepares listing on Prime Standard of the Frankfurt Stock Exchange in the second half of 2010
- Placement of new shares planned from a capital increase of approx. €275 million
- Part of the proceeds of the IPO earmarked for strategic acquisitions: increase of stake in Turkish joint venture Ströer Kentvizyon and acquisition of News Outdoor Poland
- On completion of the acquisition in Poland, Ströer expects to become out-of-home advertiser number one in the Polish market in terms of sales revenue, in addition to Germany and Turkey
- Further IPO proceeds serve to reinforce organic growth by means of product innovations and to optimize capital structure
- Positive business trend in first quarter of 2010 confirms successful business model and justifies optimism for the current year

Ströer Out-of-Home Media AG ("Ströer"), one of the leading providers of outdoor advertising in Europe, headquartered in Cologne, is preparing its IPO. The company plans to have its shares listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange in the second half of 2010. J.P. Morgan and Morgan Stanley have been mandated as joint bookrunners. New shares are planned to be placed from a capital increase with a volume of approx. €275 million. The shareholders of Ströer, Udo Müller (co-founder and CEO) and Dirk Ströer (member of the Supervisory Board and son of co-founder Heinz Ströer), will not be selling any shares in the course of the IPO.

Part of the proceeds generated by the IPO is to be used for the realization of strategic investments. This includes the increase of the stake in the Turkish joint venture Ströer Kentvizyon from 50 to 90 percent and the acquisition of the Polish out-of-home advertising company News Outdoor Poland which is being reviewed by the local cartel authority in Poland. A further share of net proceeds is planned to be used for investments in organic growth of Ströer and for concrete product innovations in the field of digital outdoor advertising. In addition, the company intends to use the proceeds generated to reduce its net debt level, to optimize the capital structure and increase financial flexibility.

After the Ströer Group succeeded in keeping its operating result nearly stable in 2009 despite very difficult economic conditions, the level of sales revenue and earnings growth in the first quarter of 2010 confirms the upward trend in the outdoor advertising industry. "The entire out-of-home market faces exciting changes. Being one of the leading out-of-home advertisers in Europe, we plan to proactively drive this process. With the biggest market share in Germany and with strong positions in the high growth markets of Turkey and Poland, we are ideally prepared in this respect. The IPO will enable us to continue and expedite our successful growth story," says Udo Müller, co-founder and CEO of Ströer.

### **Increasing importance of out-of-home advertising**

According to a current surveys conducted by the media group ZenithOptimedia, spending on out-of-home advertising has increased substantially in Germany in the past ten years. According to Nielsen Media Research, the category of posters developed best of all advertising media last year, thus increasing its relative market share. Ströer assumes that this trend will continue. "In our view, the share of the total advertising market accounted for out-of-home advertising will continue to grow substantially," explains Udo Müller. In the assessment of Ströer, this trend is also confirmed by the Frühjahrsmonitor (spring monitor) of the media agency organization OMG. According to the media experts surveyed, the poster category, alongside the Internet and TV, will benefit stronger this year from the increasing advertising investments than other advertising media.

Compared to other advertising media, the level of growth in out-of-home advertising is driven above all by demographic trends, such as increasing mobility of the population and urbanization. These trends are causing successful advertising campaigns to increasingly rely on innovative forms of advertising beyond conventional media such as newspapers or TV. “Driven by digitalization and the fragmentation of advertising consumers associated with this, it will be increasingly difficult to achieve great reach for content-based advertising. In contrast, the benefit of outside advertising is apparent: It quickly delivers large pictures and reaches a mass public. Last, but not least, out-of-home media also benefits from the fact that people are spending more time out and about,” says Udo Müller. In order to benefit from these trends, out-of-home advertisers need to be able to offer their advertising clients nationwide campaigns from a single source. Due to the combination of public and private advertising areas and the contract with Deutsche Bahn AG, Ströer today has the largest advertising network in Germany, reaching attractive target groups. In addition, with its wide product portfolio the Ströer Group enables its clients to combine a large number of different advertising media along the entire mobility chain in the course of implementing their advertising campaigns.

### **Ströer with strong positions in attractive markets**

Measured in terms of sales revenues, Ströer is one of the leading providers of out-of-home advertising in Europe. In its core markets of Germany, Turkey and Poland, the company provides its clients with extensive networks for nationwide advertising campaigns. In Germany, the largest advertising market in Europe, the Ströer Group generates the highest market share in out-of-home advertising in terms of sales revenues. With its joint venture partner Akademi Reklam, the company is also the largest out-of-home advertiser in terms of sales revenues in the high growth market of Turkey. Through its acquisition of News Outdoor Poland, the fourth-largest out-of-home advertising company in terms of sales revenue in Poland with some 3,300 advertising faces, Ströer is also ascending to the top position in the Polish outdoor advertising market in terms of sales revenues according to own estimates. In addition, via its blowUP media subsidiary, Ströer operates what it regards to be the largest network of giant posters in Europe.

Ströer will also actively participate in the consolidation of the fragmented European outdoor advertising market in the future. In doing so, the company will specifically focus on attractive markets which offer the opportunity to gain a leading competitive position. In Turkey and Poland, Ströer wants to benefit from expected economic and population growth as well as the associated increase in overall advertising expenditures. Increasing its stake in the Turkish joint venture from 50 to 90 percent is expected to open up new possibilities for Ströer to press ahead with market consolidation. According to Ströer, it will be the only out-of-home advertiser able to offer nationwide campaigns following the completion of the acquisition of News Outdoor Poland. At the same time, Ströer will strengthen its already leading position in the rapidly growing segment of large poster formats through the acquisition.

### **Ströer as a driver of digitalization**

Ströer expects that the trend towards the digitalization of advertising media will also increase the significance of out-of-home media. "Digitalization is revolutionizing the media market. In the future we will be seeing additional digital advertising media at central hubs such as train stations. These can, for instance, display varying advertising content depending on time, day of the week or weather. At the same time, the introduction of moving pictures is making outdoor advertising more attractive. The time to market is virtually reduced to zero," says Udo Müller. Through targeted investments in product innovations, Ströer plans to assume a pioneering role in the digitalization of advertising spaces and thus additionally accelerate its own growth. Since its founding 20 years ago, the innovative power of the Ströer Group has allowed it to continuously succeed in setting new courses on the European outdoor advertising market.

### **Good start by Ströer in 2010 confirms upward trend**

Given the signs of an upturn on the European advertising market, Ströer looks to the future with confidence. The company achieved sales revenues of € 105.1 million in the first quarter of 2010. This represents an increase of 5.6 percent over the first quarter of last year (Q1 2009: € 99.5 million).

Operational EBITDA (earnings before interests, taxes, depreciation, and amortization) rose by 12.3 percent to € 16.7 million (Q1 2009: € 14.9 million). In Germany, sales recorded growth of 4.7 percent over the same period last

year, rising to €87.0 million (Q1 2009: €83.1 million). Sales in Turkey showed particularly strong growth, increasing by 25.0 percent over the first quarter to €9.0 million (Q1 2009: €7.2 million). “Thanks to our stable business model we have excellently mastered the crisis of last year. We now want to focus on further growth again. The strong first quarter of 2010 confirms our optimism,” says Alfried Bührdel, CFO of Ströer. In the 2009 financial year, the Ströer Group achieved comparably stable sales revenues of €469.8 million (2008: €493.4 million) in one of the most economically difficult years in the post-war period and an operational EBITDA adjusted for one-off factors of €100.0 million (2008: €100.0 million). Through various cost-cutting measures, the company was able to increase its operational EBITDA margin from 20.3 to 21.3 percent in the 2009 financial year. The company’s sales thus developed significantly better than European net advertising spending, which fell by 13.8 percent according to a study by ZenithOptimedia.

### **Successful track record in the consolidation of the German outdoor advertising market**

Together with Heinz Ströer, Udo Müller founded Ströer City Marketing GmbH in 1990, laying the foundation for today’s Ströer Group. At the beginning of 2004, Ströer took over DSM Deutsche Städte Medien GmbH thus becoming the largest company in the German out-of-home advertising market in terms of sales revenues. The acquisition of Infoscreen Gesellschaft für Stadtinformationsanlagen GmbH at the end of 2004 enabled Ströer to further expand its competence in digital advertising media. In 2005, Ströer ventured into the field of advertising in train stations with the acquisition of present-day Ströer DERG Media GmbH (formerly Deutsche Eisenbahn Reklame GmbH). Today, Ströer is run by a growth-oriented management team with many years of expertise in the media sector. The Managing Board comprises Udo Müller (CEO), Alfried Bührdel (CFO) and Dirk Wiedenmann, who is responsible for the company’s German business.

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**About Ströer**

Ströer Out-of-Home Media AG is a specialist for all forms of outdoor advertising – ranging from classic posters, advertising in waiting areas and mass transit to digital and interactive media. The company markets over 280,000 advertising spaces and is one of the leading out-of-home advertisers in Europe: In terms of sales revenue, Ströer is the leader in its core markets of Germany, Turkey and Poland (following the acquisition of News Outdoor Poland). In these markets the company provides its clients with extensive networks for nationwide advertising campaigns. The Ströer Group has some 1,400 employees at 69 locations. The company's portfolio comprises over 150 different outdoor advertising products. In terms of advertising media and street furniture, the company values top quality, innovation and superior design. With its products, Ströer sets new standards of design of public spaces. Ströer street furniture has already received 26 international awards. More information about the company is available at [www.stroeer.com](http://www.stroeer.com)

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