

STRÖER



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HALF YEAR/Q2 2014 PRESENTATION

20th August 2014 | **Ströer Media AG**

Agenda H1/Q2 2014

- 1** Key developments - Udo Müller, CEO
- 2** Operational highlights - Christian Schmalzl, COO
- 3** Financials - Dr. Bernd Metzner, CFO
- 4** Summary & Outlook - Udo Müller, CEO

Ströer Media AG H1 2014 results

| €MM | | H1 2014 | ▲ % | Q2 2014 | ▲ % |
|--|-------------------------|---------------------|----------|--------------------|----------|
| Revenues | reported ⁽¹⁾ | 334.7 | +19% | 189.0 | +18% |
| | organic ⁽²⁾ | | +8% | | +11% |
| Operational EBITDA | | 57.8 | +22% | 41.3 | +22% |
| Op. EBITDA margin | | 16.9% | +0.5%pts | 21.5% | +0.8%pts |
| EBIT (adj.) | | 34.5 | +37% | 29.5 | +30% |
| Net income (adj.) ⁽³⁾ | | 17.3 | +76% | 17.2 | +45% |
| Investments ⁽⁴⁾ | | 24.5 | -17% | 15.4 | -34% |
| | | 30 June 2014 | | 31 Dec 2013 | |
| Net debt ⁽⁵⁾ / Leverage Ratio | | 325.3 / 2.5x | | 326.1 / 2.8x | |

Notes:

(1) Adjusted by IFRS 11

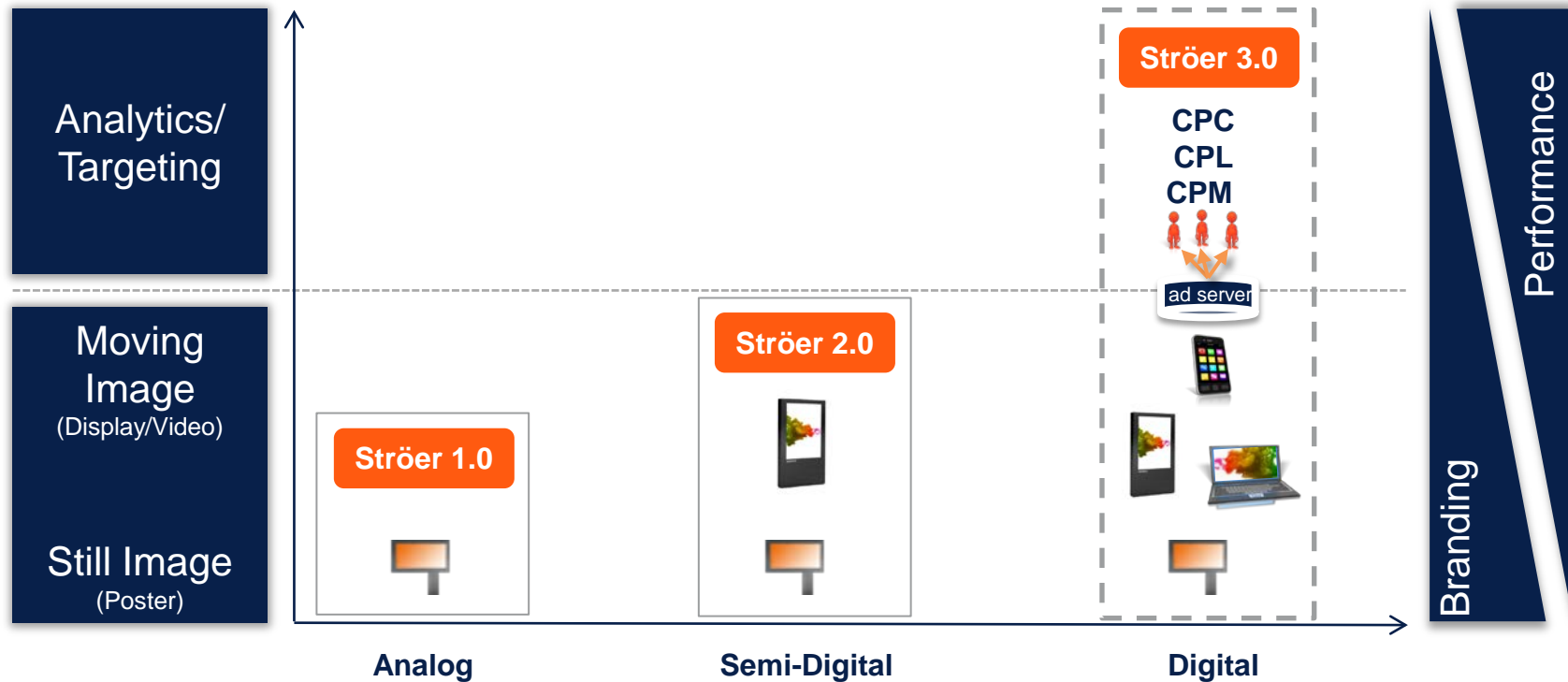
(2) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations;

(3) EBIT (adj.) net of the financial result adjusted for exceptional items, amortization of acquired intangible advertising concessions and the normalized tax expense (32.5% tax rate)

(4) Cash paid for investments in PPE and intangible assets as well as for acquisition of consolidated entities

(5) Net debt = financial liabilities less cash (excl. hedge liabilities)

Our focus in the last 18 months: Developing a fully integrated sales house



Ströer's new strategy 3.0 pays off

**New structure
Outdoor/Digital
creates synergies
from the start**

**Increased relevance
to customers and
agencies**

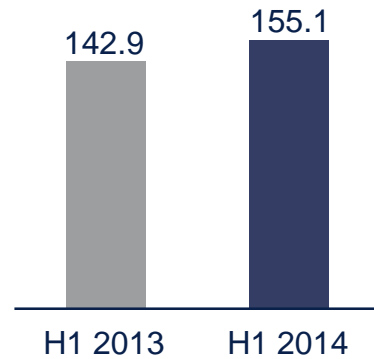
**Strong focus on
regional
development
Outdoor/Digital**

**National sales under
direct leadership of
Board/COO**

Fivefold revenue increase in Digital

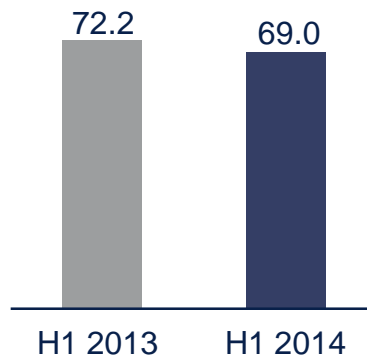
BILLBOARD €MM

Reported % **+ 8.5%**



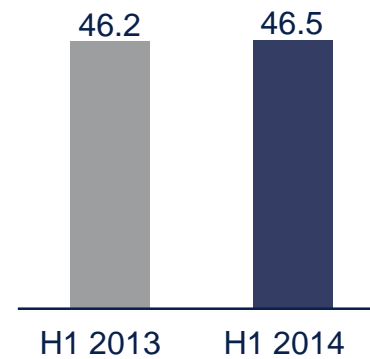
STREET FURNITURE €MM

Reported % **- 4.4%**



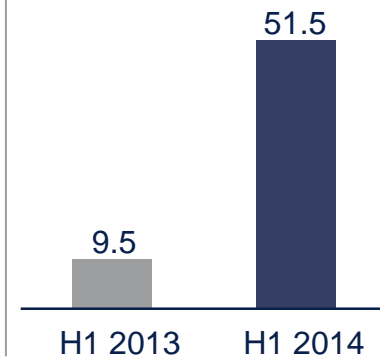
TRANSPORT €MM

Reported % **+ 0.6%**



DIGITAL (ONLINE) €MM

Reported % **x 5.5**



Key drivers for the billboard product segment

- 2,000 unutilized network spaces released for selective location booking
- Doubling regional sales force to 200
- New agreements for third party sales/new contract wins
- Strong growth in giant poster business (BlowUp)



Building a strong platform for future digital growth

| | |
|--|---|
|  50.4% | B2B marketer of SME, business and finance portals |
|  100% | Strong independent marketer of premium channels |
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|  97% | Important German ad exchange platform |
|  100% <i>(asset deal)</i> | Pioneer in location based advertising |
|  62.3% | International online marketer with presence in Turkey and Poland |
|  79.1% | Technology leader in precise target group identification |
|  70% | Leading marketer of in-game advertising in Germany |
|  51% | Leading German online video channel Network |
|  | Agreement for exclusive Sales & Marketing of advertising products |

Top 3 digital marketer straight from the start

Integration well on track

Fivefold revenue increase

58% organic revenue growth yoy

~ EUR120m revenues p.a. expected

Operational Highlights Q2/H1



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La Crema
Kaffee & Co.

Strong performance of Public Video: World cup campaign for adidas

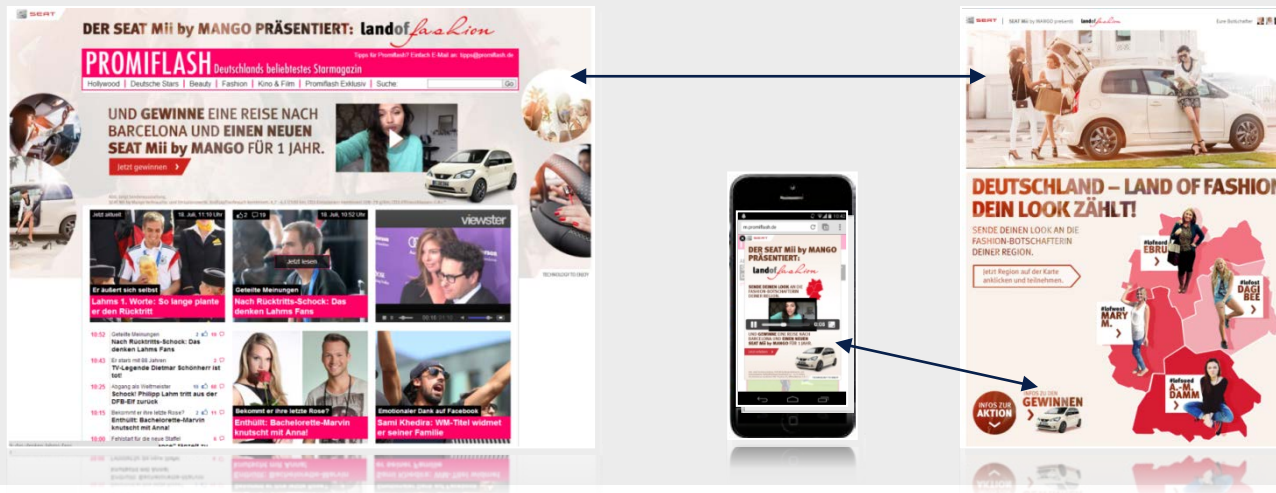
- Reactive video content ads right after matches of the German team
- 30 sec teaser campaign
- More than 30 different copies



- Flexible copy switch daily at 5.30am
- Leveraging high frequently spots at stations & underground
- Fully integrated element of a broader OoH campaign

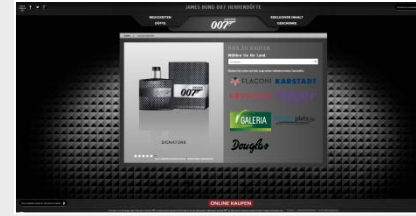
Growing number of integrated digital concepts: Advertorial video campaign for Seat by Mango

- Regional styling contest to activate customers for Mango & Seat
- Integrated bundling of: Online video advertising; our youtube multichannel network tubeone; advertorials with Promiflash and mobile marketing
- Modular set up allows smart scaling for other clients



Next level premium online display sales: 360° ad campaign for Procter & Gamble

Men's Health Style Guide presented by James Bond 007



- 5 months cooperation
- Integration of advertorials
- Raffles: targeting and performance elements
- Sponsoring ads
- Mobile advertising package

Unique mobile click-through optimization: Local activation campaign for T-Mobile

Campaign mechanics

Localised User

Localised landing page

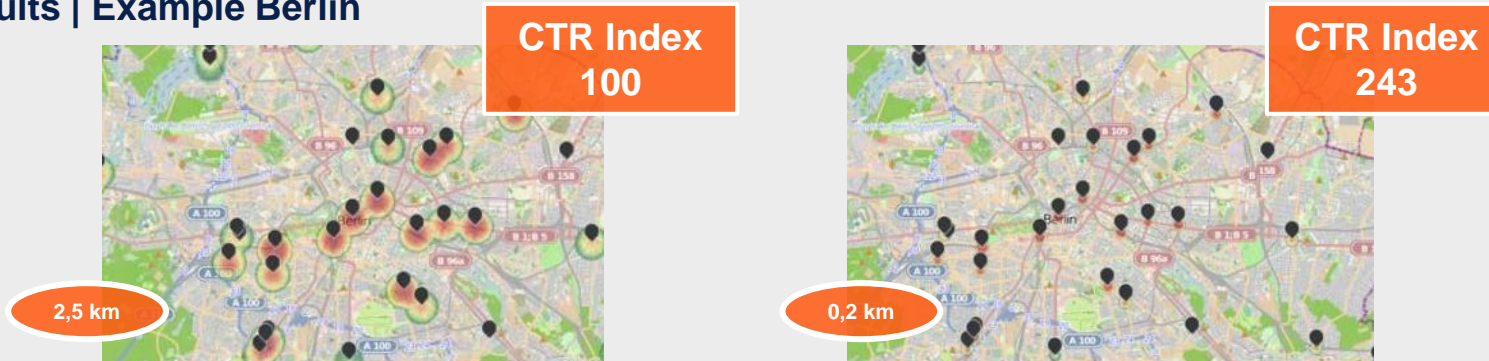
Pushing store traffic

1

2

3

Results | Example Berlin



Leveraging client portfolio across OoH markets: Successful enhancement of HRS for Turkey

OoH campaign Germany



- Cross market & cross country deal with key customer
- OoH as key launch medium for HRS market entry in Turkey
- Based on client deal structure: 100 per cent share with Ströer

HRS Launch campaign Turkey



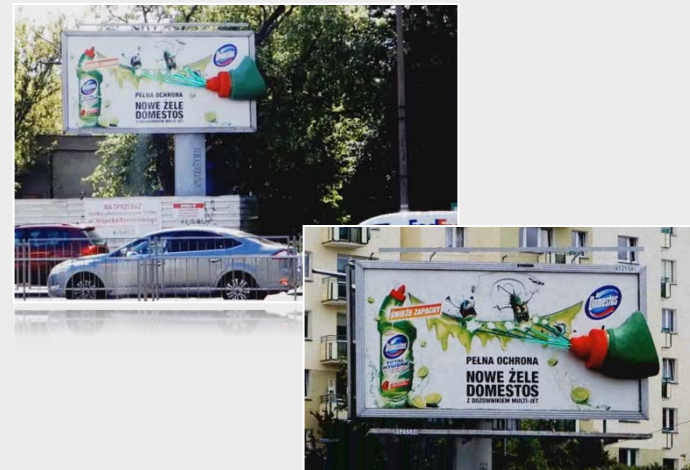
Re-energizing sales activities in Poland: Exemplary cases for Costa Coffee & Unilever

Talk of the Town Campaign



Pushing best-in-class cases for marketing of OoH media

Special ad installation



Broadening customer base through dedicated new business activities (FMCG)

Strong development across all BlowUp markets: Broadening customer base in UK and Germany



- Berlin Kurfürstendamm
- adidas presented Bastian Schweinsteiger and his football boot in May in Berlin
- Size: 901 m²



- London, Birmingham, Liverpool, Glasgow, Coventry
- Virgin Media used multiple locations to attract attention in the UK
- Size: 61 to 490 m²

Financials



Ströer Media AG H1 2014 results

| (€MM) | H1 2014 | H1 2013 | Change (%) |
|---|--------------|--------------|-------------|
| Revenues (reported)* | 334.7 | 282.4 | +19 |
| Adjustments (IFRS 11) | 6.2 | 6.6 | -6 |
| Direct costs | -207.4 | -171.8 | -21 |
| SG&A | -80.0 | -72.4 | -11 |
| Other operating result | 4.2 | 2.6 | +64 |
| Operational EBITDA | 57.8 | 47.4 | +22 |
| Margin % | 16.9 | 16.4 | |
| Depreciation | -19.7 | -20.0 | +1 |
| Amortisation | -17.6 | -15.9 | -10 |
| Exceptional items | -3.5 | -4.0 | +11 |
| EBIT (adjusted) | 34.5 | 25.3 | +37 |
| Net income (adjusted) ⁽¹⁾ | 17.3 | 9.8 | +76 |
| Net income* | 3.4 | -1.7 | n.d. |

Notes

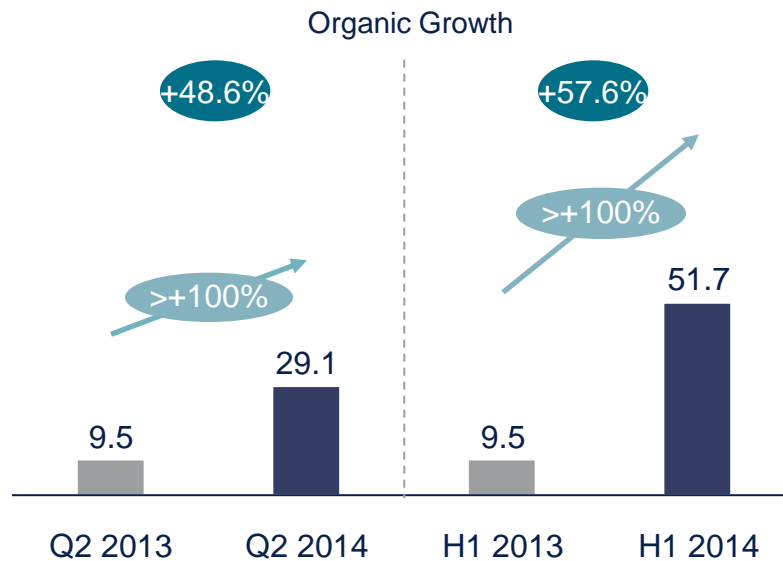
(1) Net Income mainly adjusted for EUR 14.0m relating to the non-cash amortization of hidden reserves from advertising concessions which were recognized in connection with earlier acquisitions

* Adjusted by IFRS 11

Ströer Digital: Reported revenues increased fivefold

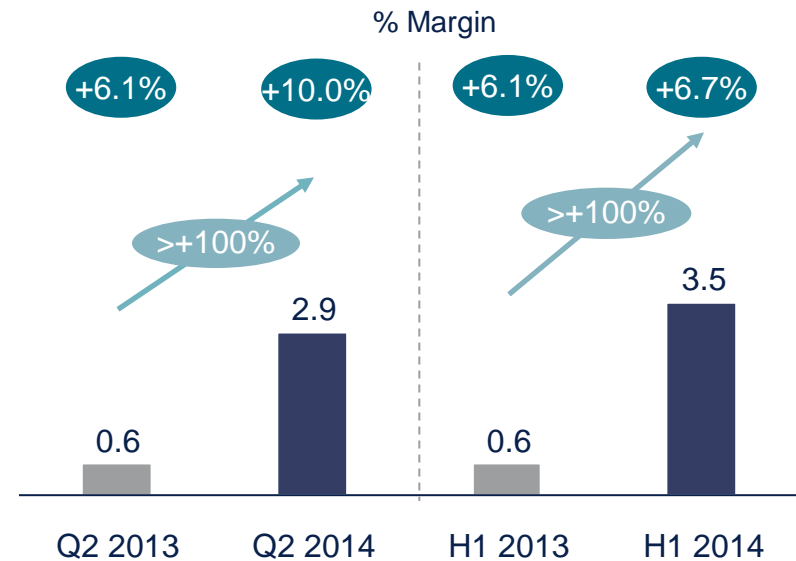
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

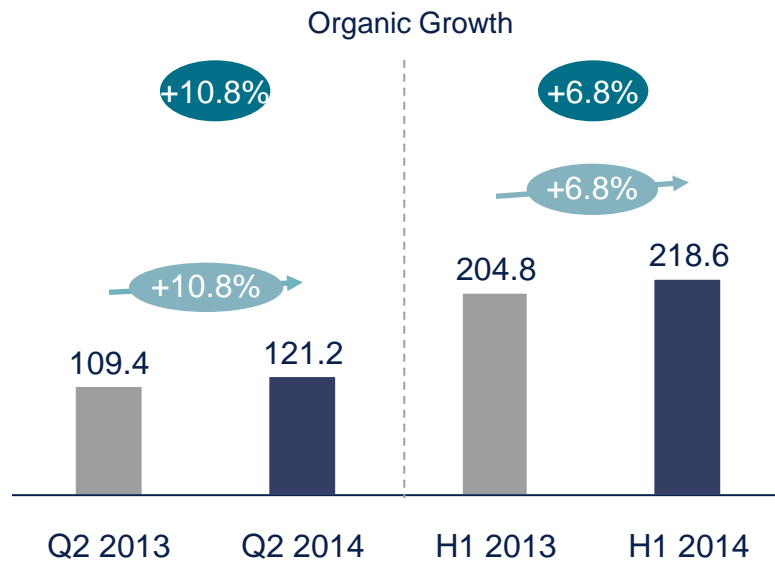


- Fivefold revenue increase to 51.7 € MM
- Organic growth at 58% yoy
- Operational EBITDA in line with expectation

Ströer Germany: Strong growth in a stable market environment

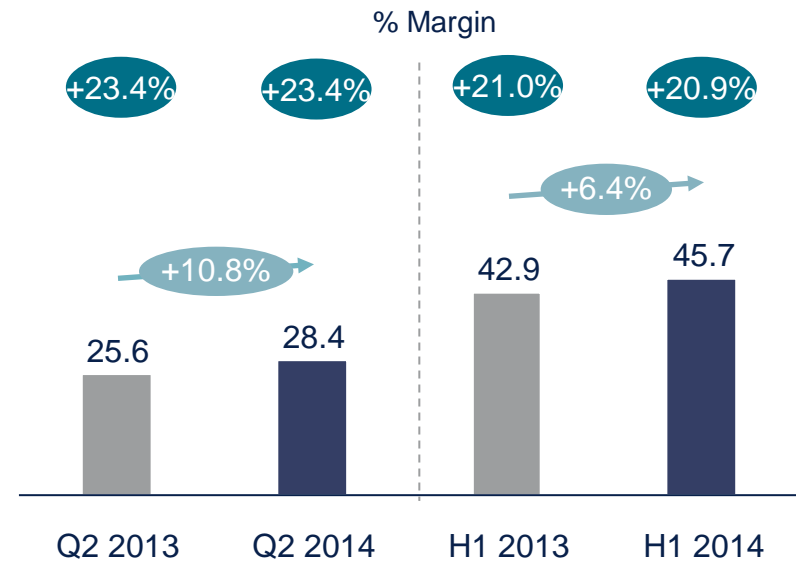
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

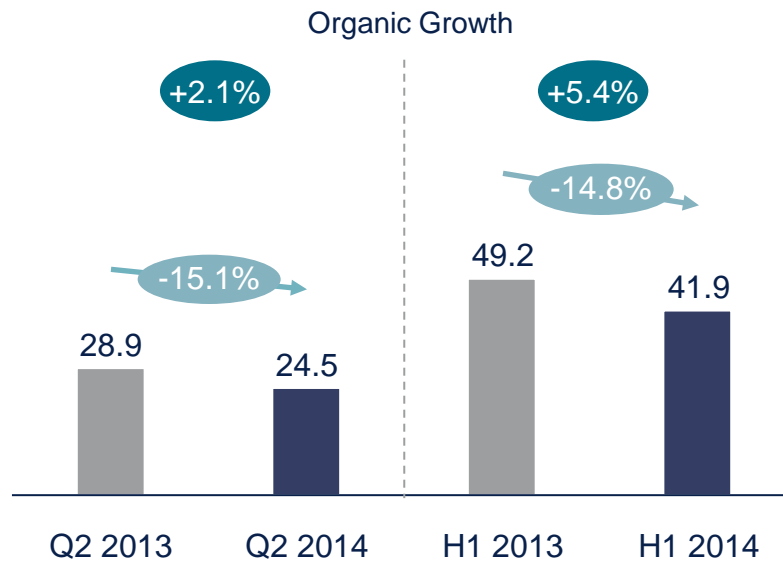


- Revenue Growth especially due to the billboard product segment

Ströer Turkey: Solid organic growth

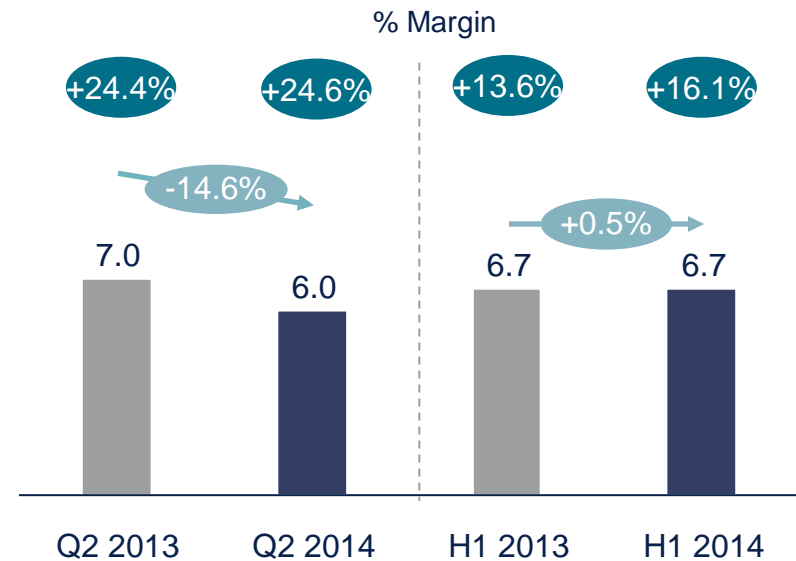
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

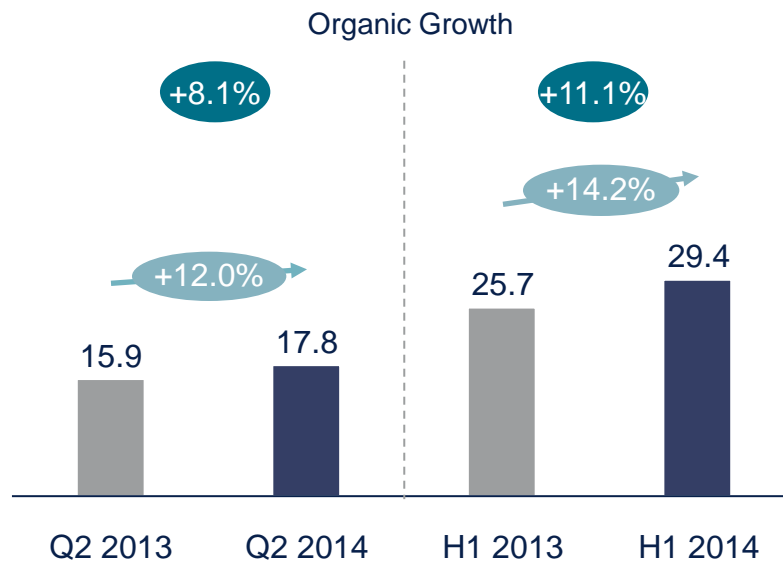


- Solid organic growth based on regional demand despite macro uncertainties
- Currency devaluation effects impaired reported revenue line by 14.8% in the first half of 2014, organic revenue up 5.4%

Ströer Other*: Strong EBITDA contribution from both BlowUP and Ströer Poland

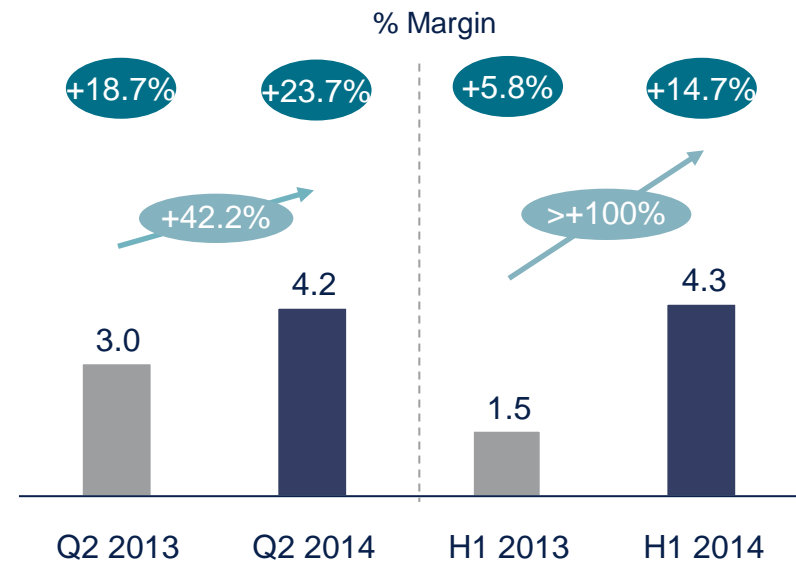
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

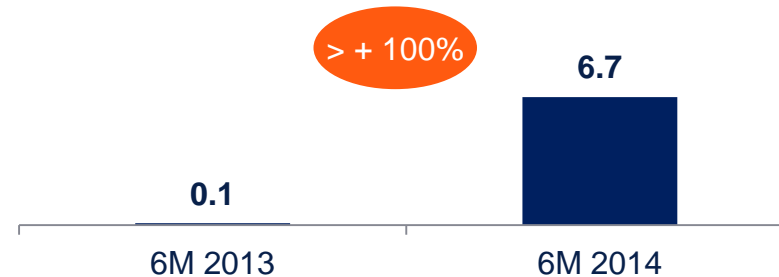


- BlowUP with strong topline and operational EBITDA performance
- In Poland, media markets still soft but continuously stabilizing
- Op. EBITDA of Ströer Poland benefitting from rigorous cost saving program

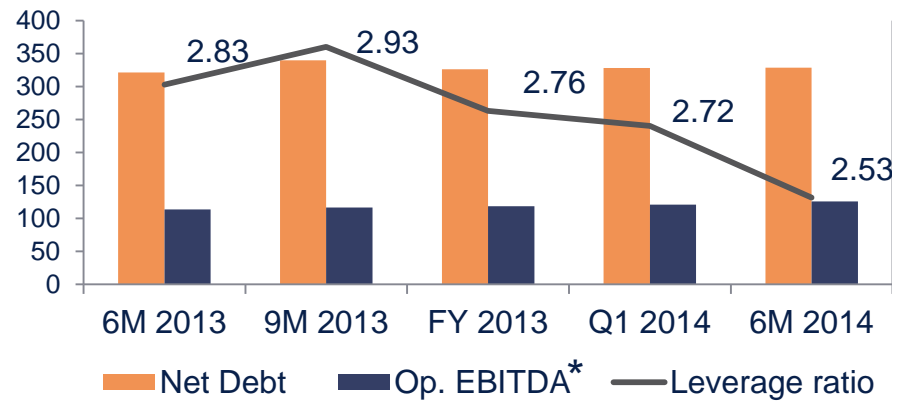
Strong free cash flow & improving leverage

- Higher free cash flow driven by strong operational performance
- Improvement of net debt in spite of dividend payment in Q2
- Successful refinancing structure in place
- Continuing and consequent deleveraging

Strong free cash flow generation



Improving leverage



*last 12 months

Summary & Outlook



Summary: Ströer 3.0 pays off

- ✓ Revenue Growth by 18.5% to 334.7 Million €
- ✓ Digital Business increased fivefold to 51.7 Million €
- ✓ Operational EBITDA expanded by 21.9% to 57.8 Million €
- ✓ Net income (adj.) grew by 76% to 17.3 Million €
- ✓ Strong financial position, leverage down to 2.5x EBITDA

For the third quarter of 2014 we expect total group revenue growth from 10 to 15% with organic growth of around 10%

For the full year of 2014 we expect our total group revenue to grow at a high single digit organic growth rate compared to the previous year and operational EBITDA of at least EURm135

Disclaimer

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