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## Continued Growth

Ströer Out-of-Home Media AG

Investor Presentation

Roadshow Stockholm, June 7 2011

# # 1 in underpenetrated and attractive growth markets

#1 in GERMANY  
Europe's largest ad. market



#1 in TURKEY  
Europe's largest emerging market

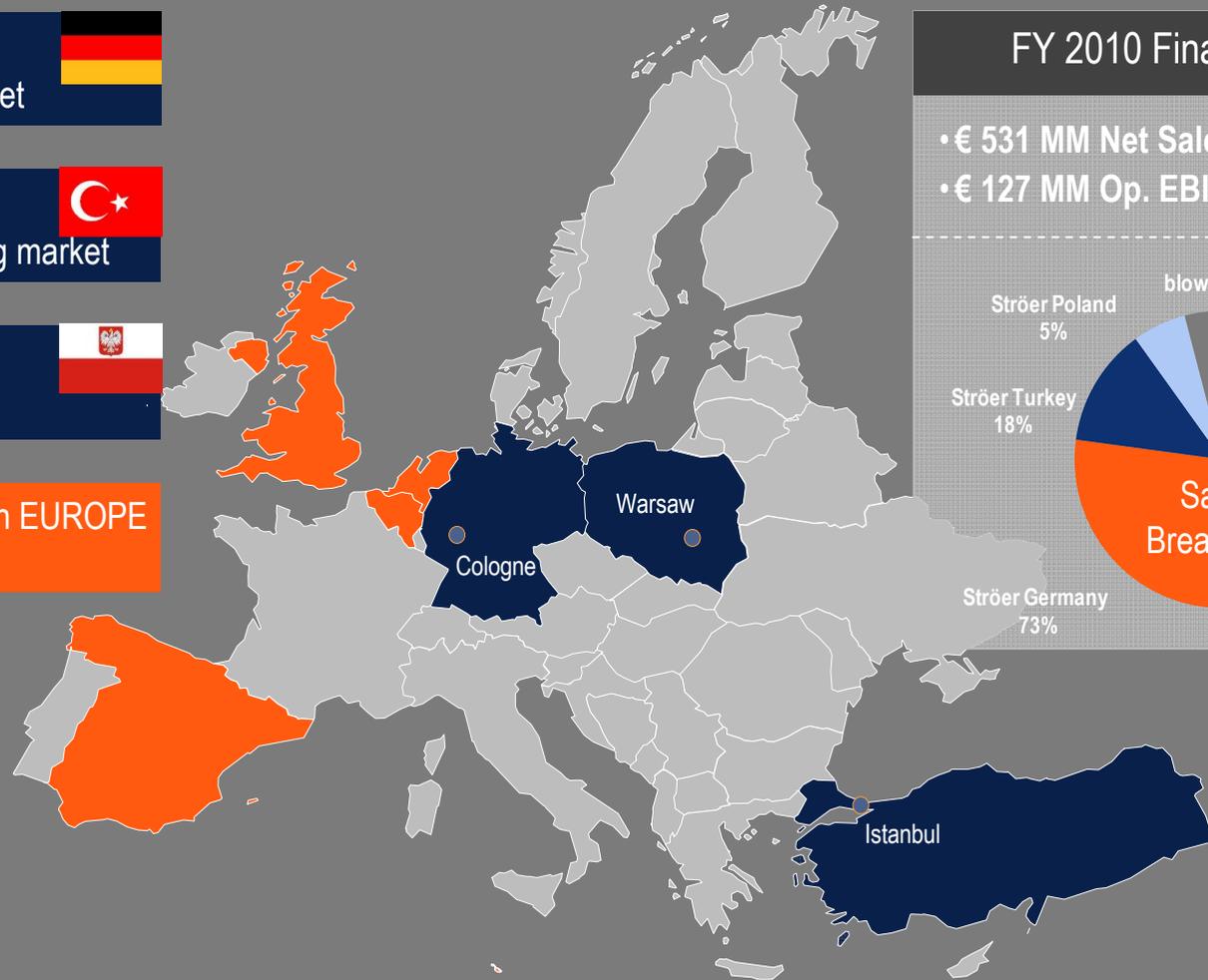


#1 in POLAND  
Largest CEE market



#1 Giant Poster network in EUROPE  
(D, UK, E, Benelux)

- Core markets
- blowUP media
- Regional HQ



## FY 2010 Financials

- € 531 MM Net Sales (+13%)
- € 127 MM Op. EBITDA (+27%)



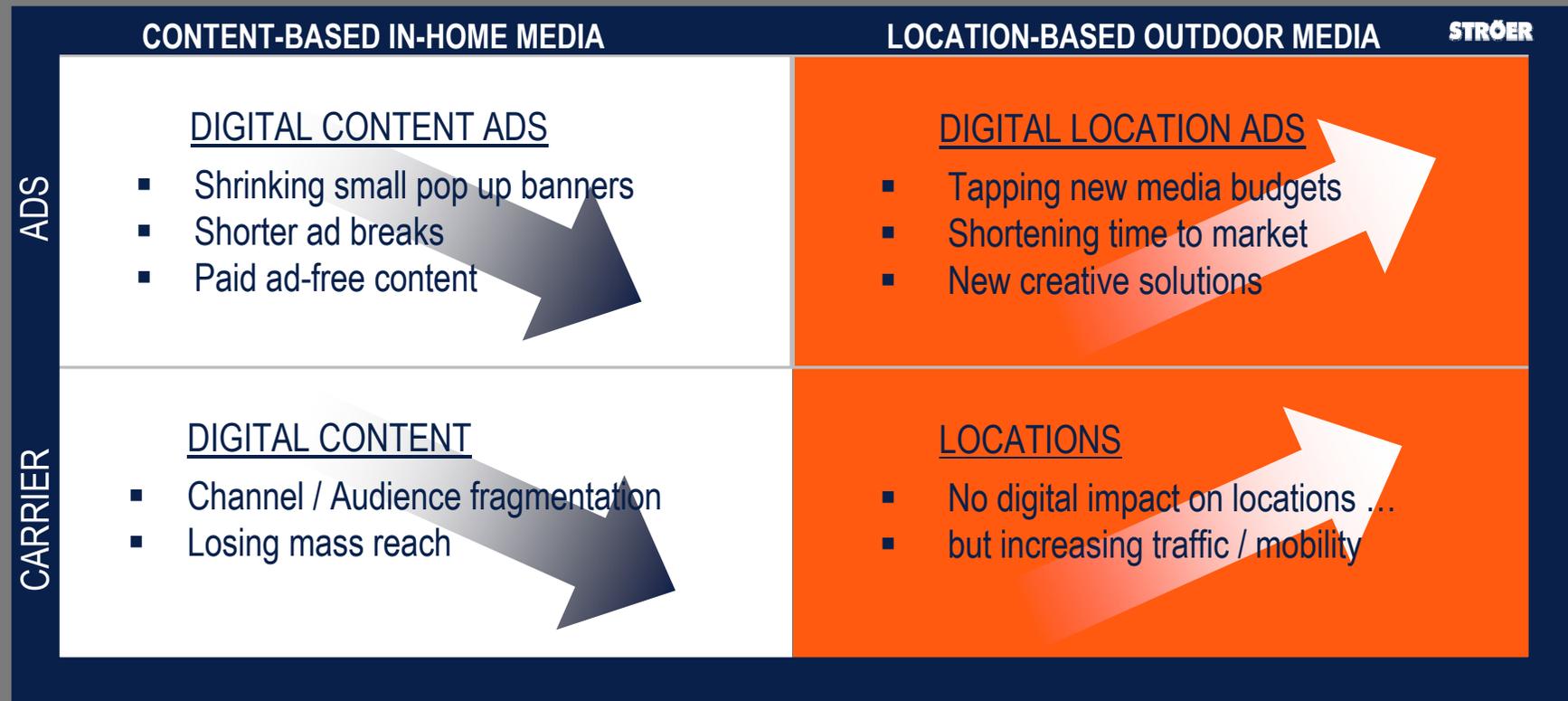
23% of revenues generated from emerging markets

# State-of-the-art product portfolio with favorable margin and capex profile



● = margin intensity   ● = capex intensity

# Digitalization is driving structural change in advertising

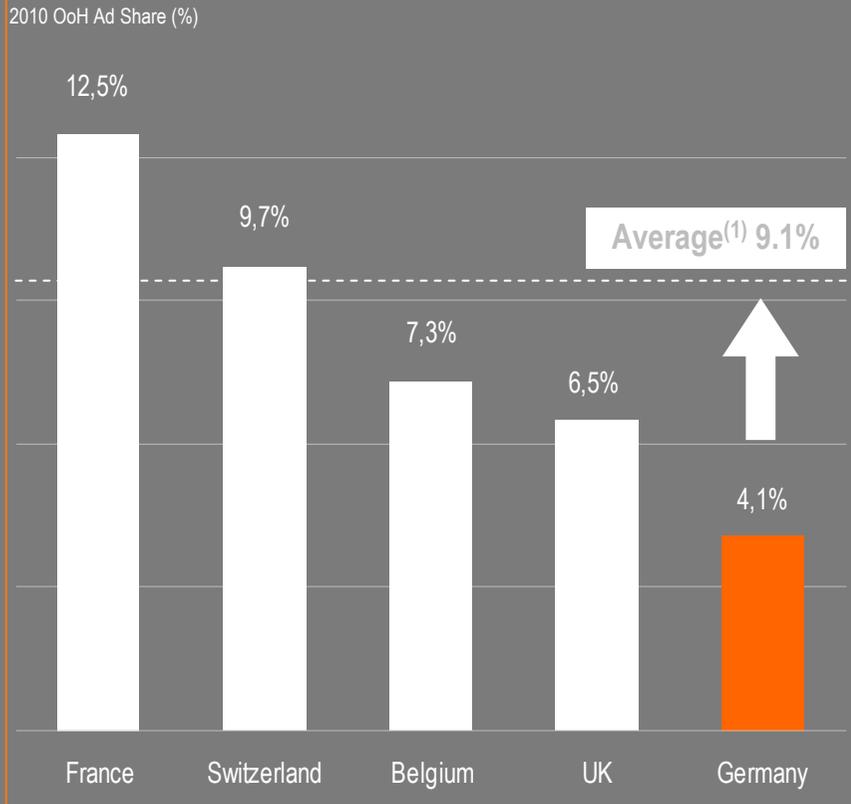


OUTDOOR MEDIA = VISIBILITY

OoH ensures mass reach in an increasingly digital media environment

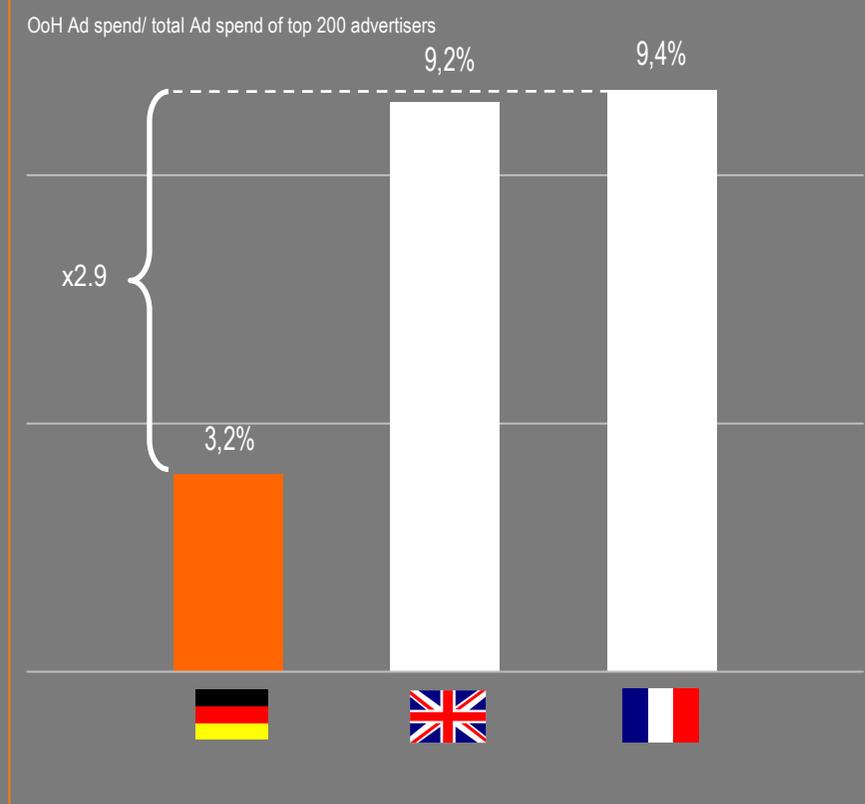
# Germany: structural growth, consolidation dividend, growth initiatives

## Consolidation dividend expected in Germany



Source: ZenithOptimedia, April 2011

## Top 200 advertisers provide clear growth potential



Source: Nielsen Media Research, TNS 2009

> Germany was the last developed European OoH market to be consolidated in 2009

Notes

(1) France, Switzerland, Belgium and UK revenue-weighted average OoH ad share in 2010

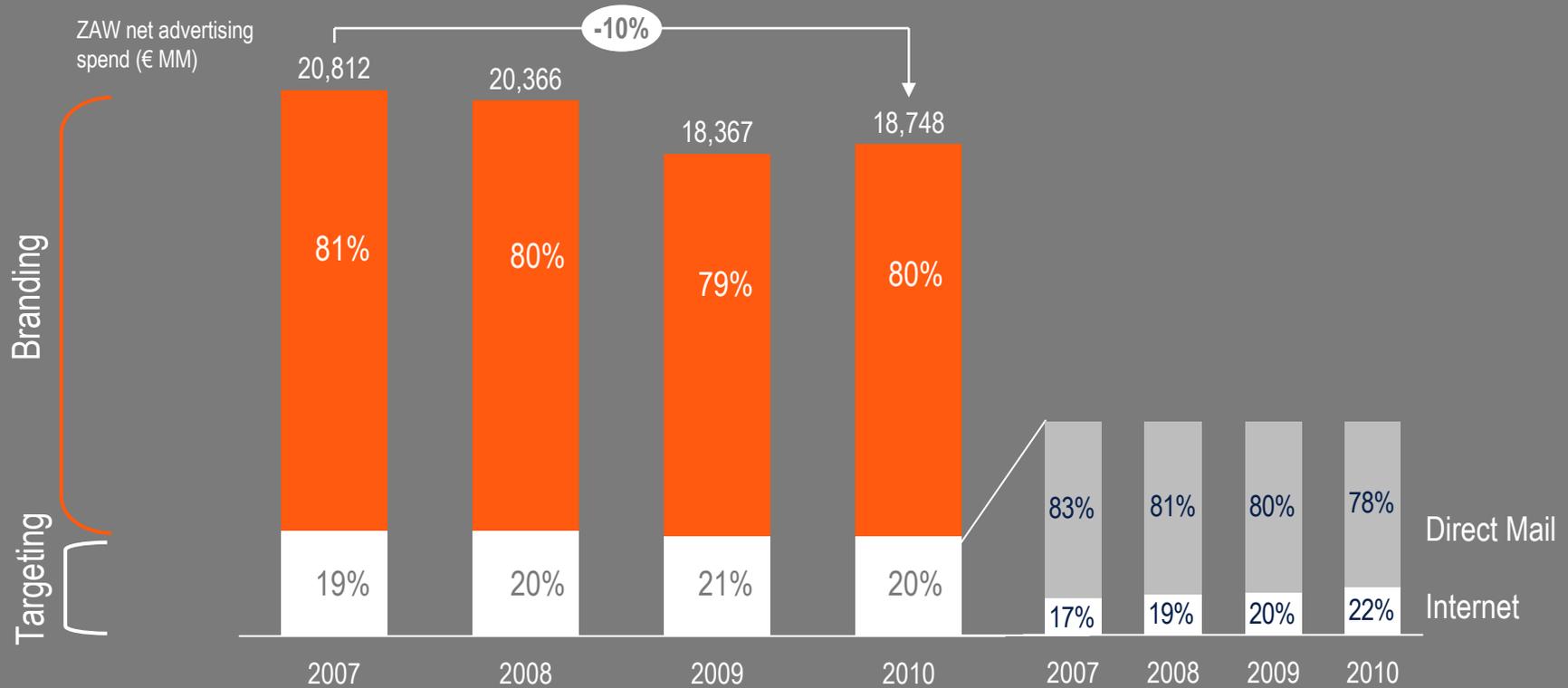


## Germany: Development of the top 200

- > 18.9% market growth in 2010 vs. 2009 (gross)
- > The top 200 accounts increased their poster share by 0.2 percentage points on average to 3.4% in 2010
- > Ströer with increased penetration of FMCG, media and retail industries in Q1 2011
- > Ströer's market share in TOP 200 poster spend further increasing
- > Over-proportional increase of TOP200 orders in Q1 trading

\* Top 200 advertisers as defined by Nielsen Media Research

# Germany: Branding media retained its share in the media mix despite growing relevance of internet as targeting media

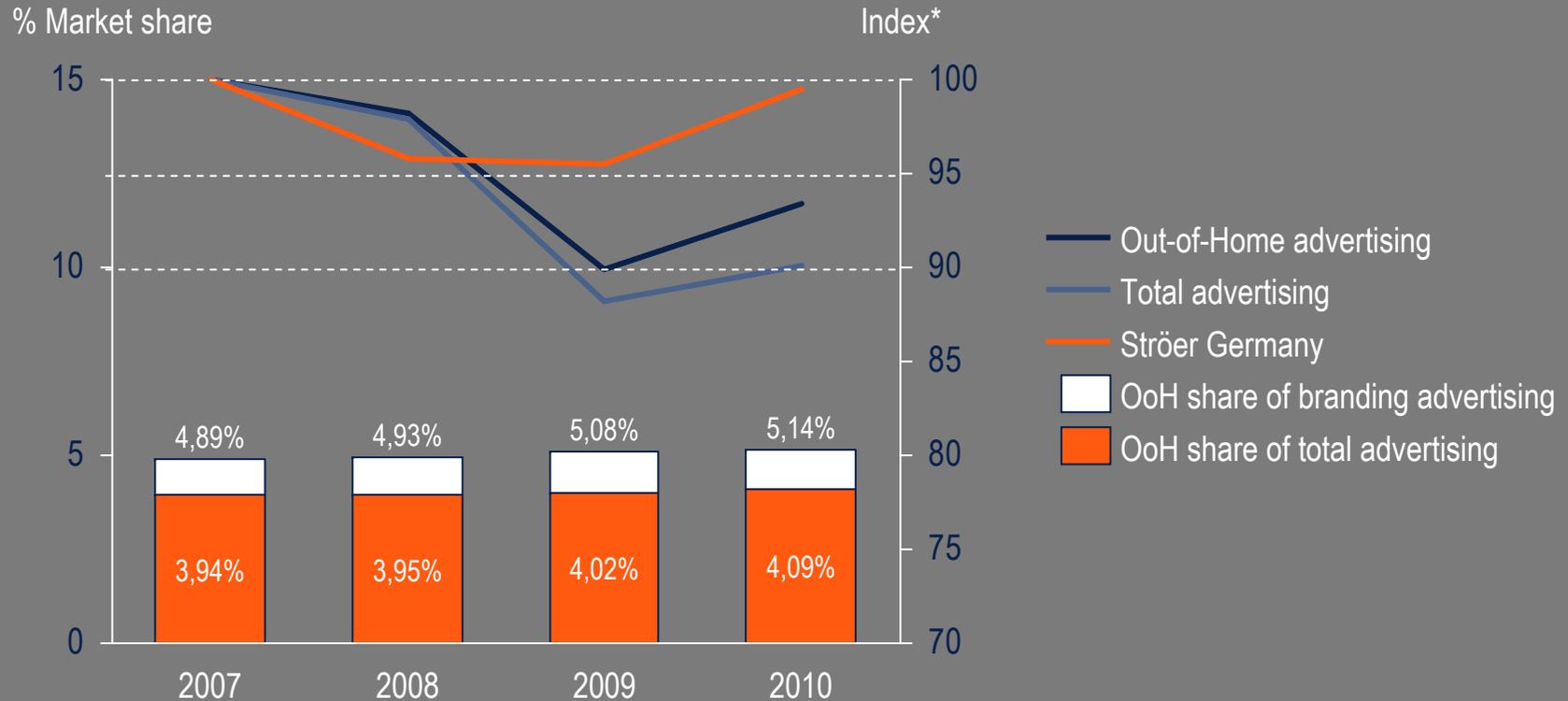


- > Constant ratio branding media at around 80%
- > Internet grows at the expense of other targeting media such as Direct Mail
- > Total advertising market volume 2010 still 10% below pre-crisis level

Branding defined as: TV, Print, Out-of-Home, Radio, Cinema

Targeting defined as: Online, Direct Mail

# Ströer Germany has already reached its 2007 pre-crisis level unlike the overall advertising and out of home market



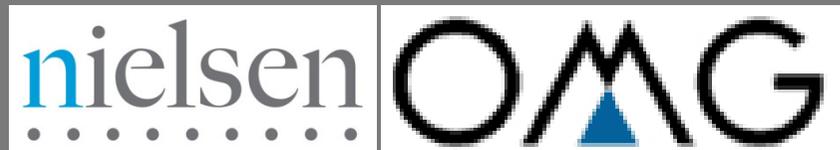
> The Out-of-Home share steadily improved on the back of structural growth and inroads into TOP 200 advertisers

\* Based on net revenue terms (ZAW)



## Favorable German ad market 2011

- > OoH outperforming other media in Q1/11\*
- > Latest study\*\* by Association of Media Agencies optimistic for 2011:
  - 94% anticipate overall ad increase
  - Top 3 growth media: OoH, TV, Internet
  - OoH 2<sup>nd</sup> only to Internet mid-term



\* Nielsen Media Research 03/2011, gross market figures (excluding Internet)

\*\* OMG Frühjahrsmonitor 2011



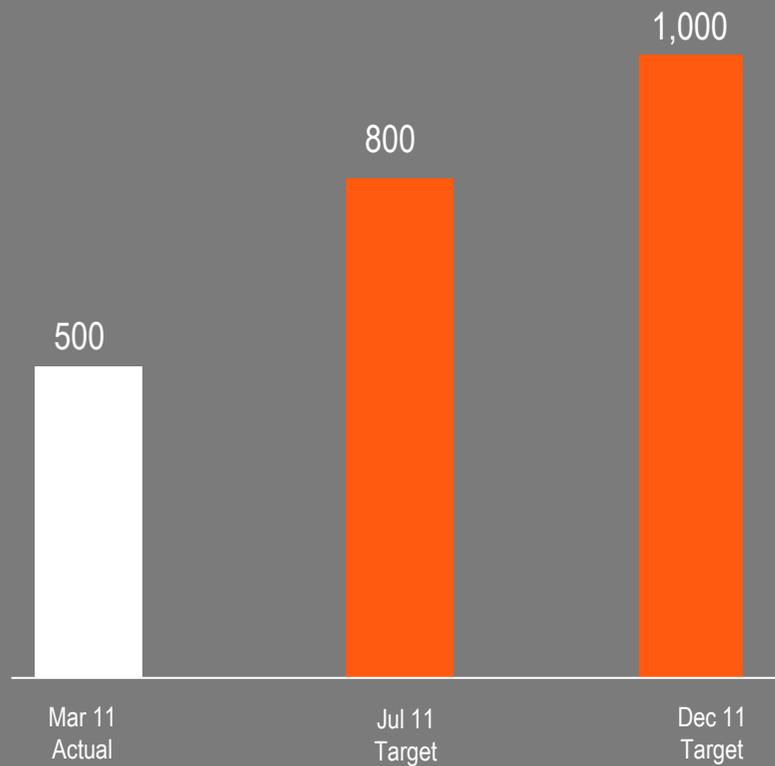
## Out-of-home channel: Large – moving – quick

- > World's first digital network with national reach
- > More than 20% weekly reach for the attractive 14 to 49 year-old target group
- > Booking by time slots



## Out-of-home channel: set-up on track

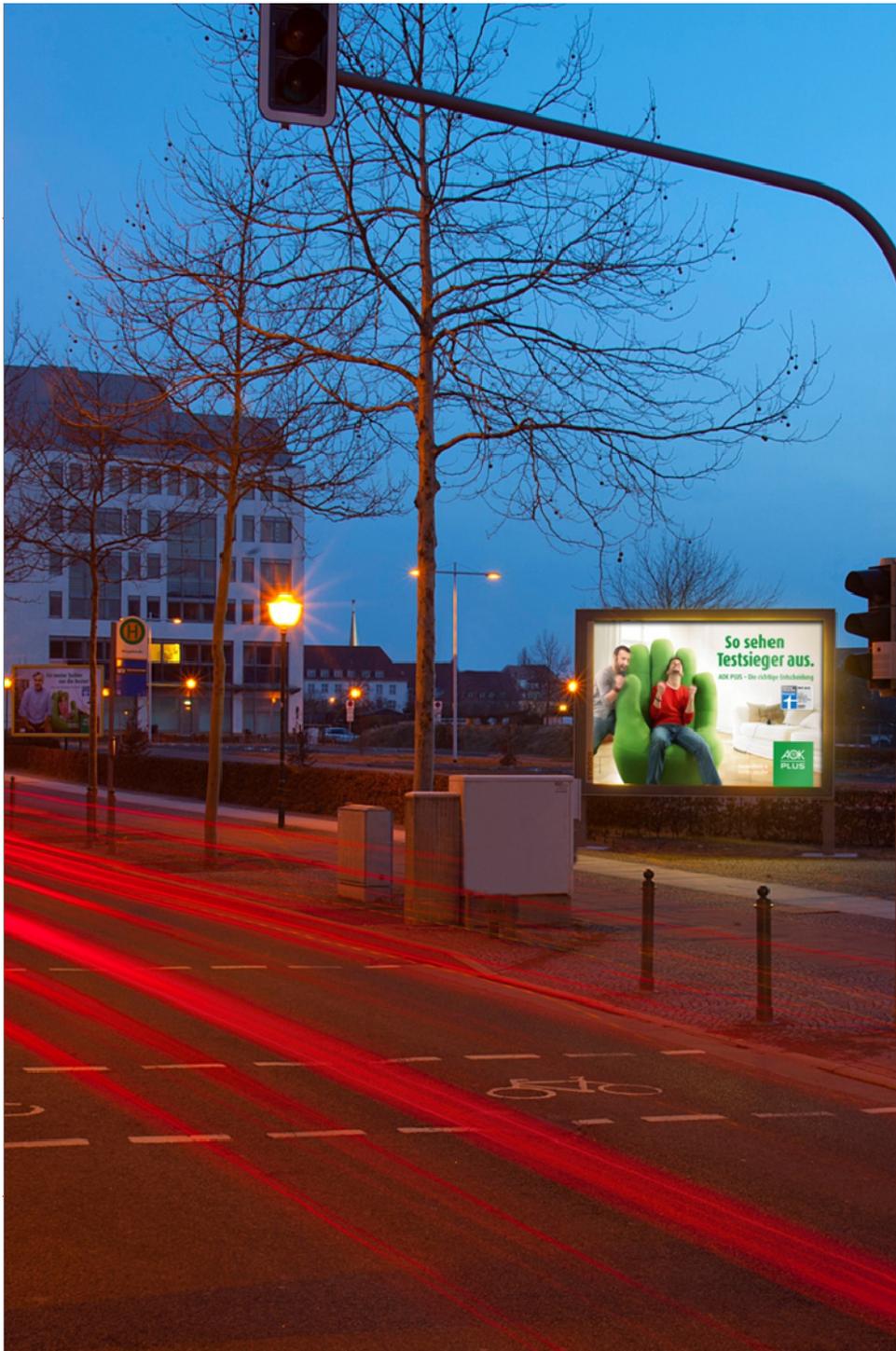
Number of installed screens





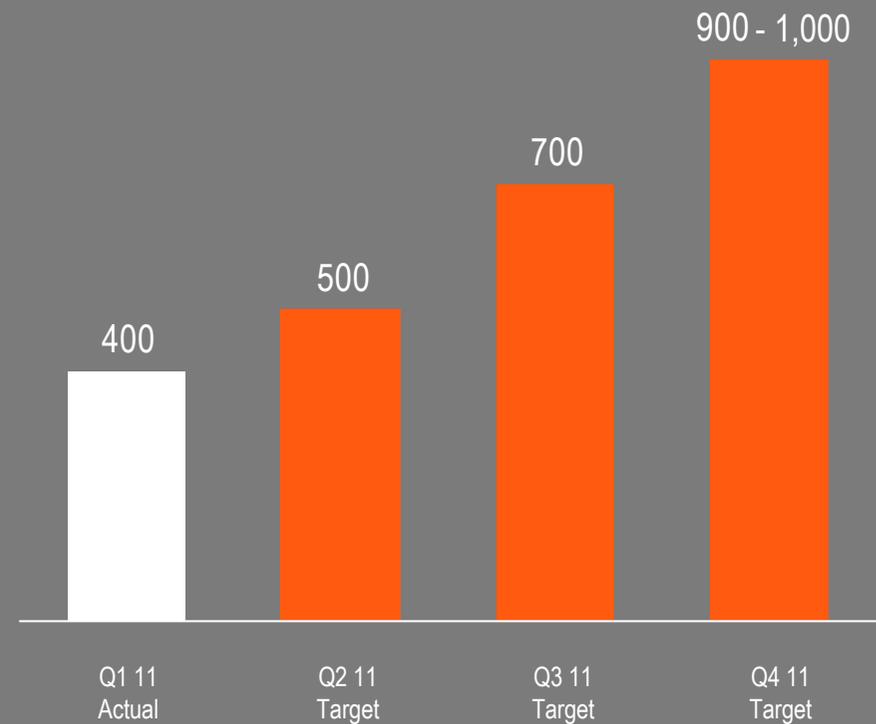
## Premium quality – three times the capacity

- > 5,000 scrolling displays in the 9m<sup>2</sup> format to be set up by 2015
- > Top locations with high frequency
- > Individual selection facilitates geo-targeting at the point of interest (POI)
- > Current customers (a selection)
  - > E-Plus
  - > Philip Morris
  - > Volkswagen
  - > Unilever
  - > Shell



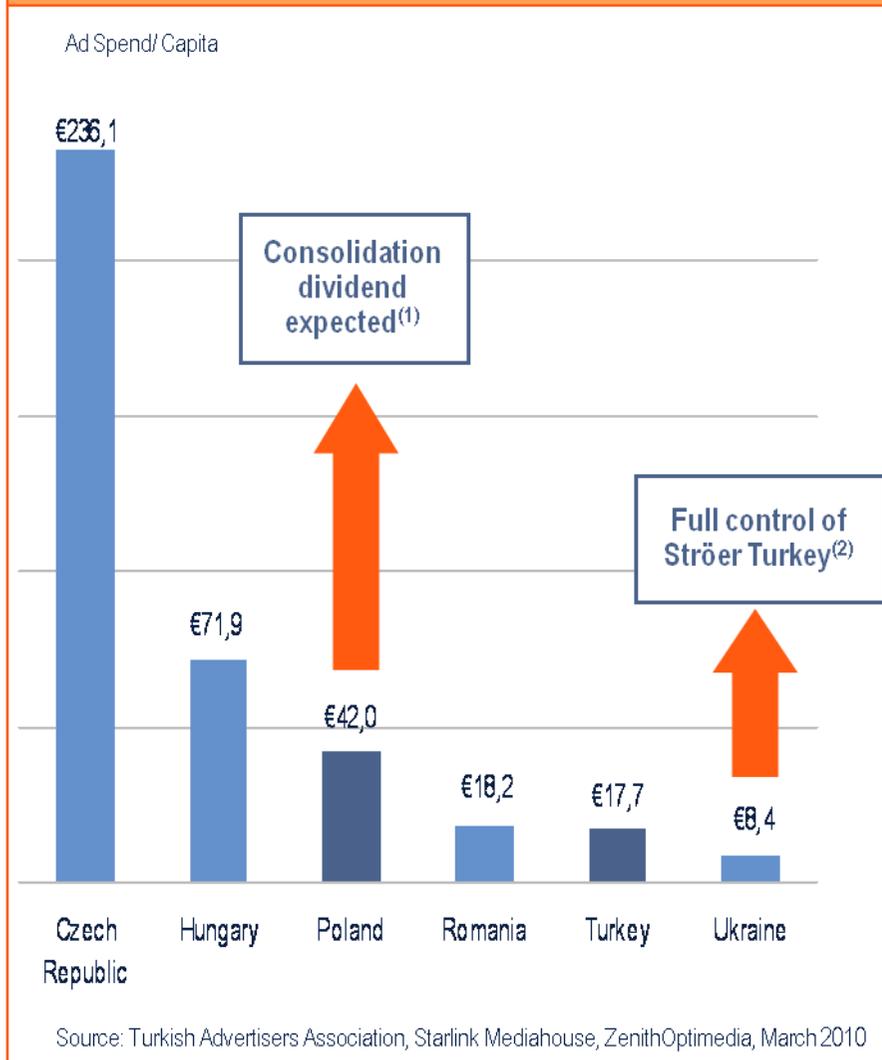
# Premium billboards: set-up on track

Number of sites currently available



# Ströer Turkey & Poland

## Strong future ad market growth expected in Poland & Turkey



- (1) Factor that could act as a positive catalyst for the Polish advertising spend  
(2) Factor that could act as positive catalyst for the Turkish advertising spend

- > Underpenetration of advertising market
- > Dynamic GDP Growth
- > Professionalization of OoH market structures (esp. Poland)

# OUTDOOR MEDIA COMPANY OF THE YEAR 2010



## Ströer Turkey

- > Introduction of shorter marketing intervals and new pricing systems for blowUP and Mega-Lights
- > Additional capacity, in particular for CLP, billboard and digital products
- > Efficiency gain from outsourcing postering and maintenance to subcontractors
- > Preparation for benchmarking of performance by POSTAR, first survey in mid-2011, first results to be presented in H1 2012



## Ströer Poland

- > Mid-single-digit growth in GDP in 2010 (up 4%\*)
- > 2010 year of transition with stagnating to marginally declining OoH revenues
- > Professionalization of the out-of-home market (incl. sales cycles and price mechanisms and audience measurement system) as catalyst for growth
- > Growth opportunity: bus shelter tender in Warsaw (bidding consortium with AMS)



## Ströer highlights Q1 2011

- > Strong organic growth rate of 9.7%
- > Buoyant top-line particularly for Ströer Germany, blowUP and Turkey
- > Further margin enhancement in Germany on the back of TOP 200 strategy and product mix
- > Ongoing opex investments into projects & contract ramp-up
- > Sizable Out-of-home channel network (>500) allowed switch to time-based pricing
- > Stable contract portfolio

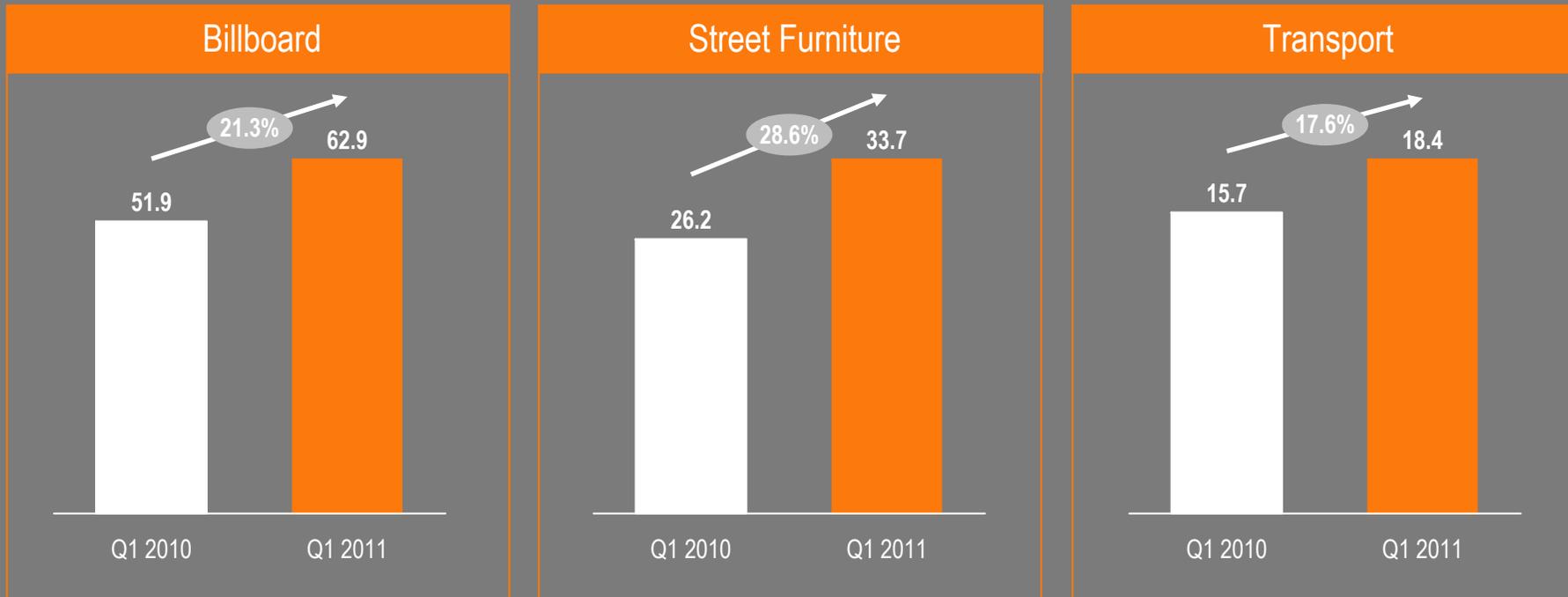
# Financial data Q1 2011: Strong reported and organic topline growth

€ MM	Q1 2011	Q1 2010	Change
<b>Revenues</b>	<b>122.9</b>	<b>105.1</b>	<b>+17.0%</b>
<b>Organic Growth<sup>(1)</sup></b>	<b>9.7%</b>	<b>5.3%</b>	
<b>Operational EBITDA</b>	<b>16.2</b>	<b>16.7</b>	<b>-3.1%</b>
<b>Net Adjusted Income<sup>(2)</sup></b>	<b>-1.2</b>	<b>-0.4</b>	<b>n.d.</b>
<b>Free Cash Flow<sup>(3)</sup></b>	<b>-22.0</b>	<b>-0.7</b>	<b>n.d.</b>
	Q1 2011	31.12. 2010	Change
<b>Net Debt<sup>(4)</sup></b>	<b>333.6</b>	<b>320.1</b>	<b>+4.2%</b>

Notes: (1) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations; (2) Operational EBIT net of the financial result adjusted for exceptional items, amortization of acquired intangible advertising concessions and the normalized tax expense (32.5% tax rate); (3) Free cash flow = cash flows from operating activities less cash flows from investing activities; (4) Net debt = financial liabilities less cash (excl. hedge liabilities)

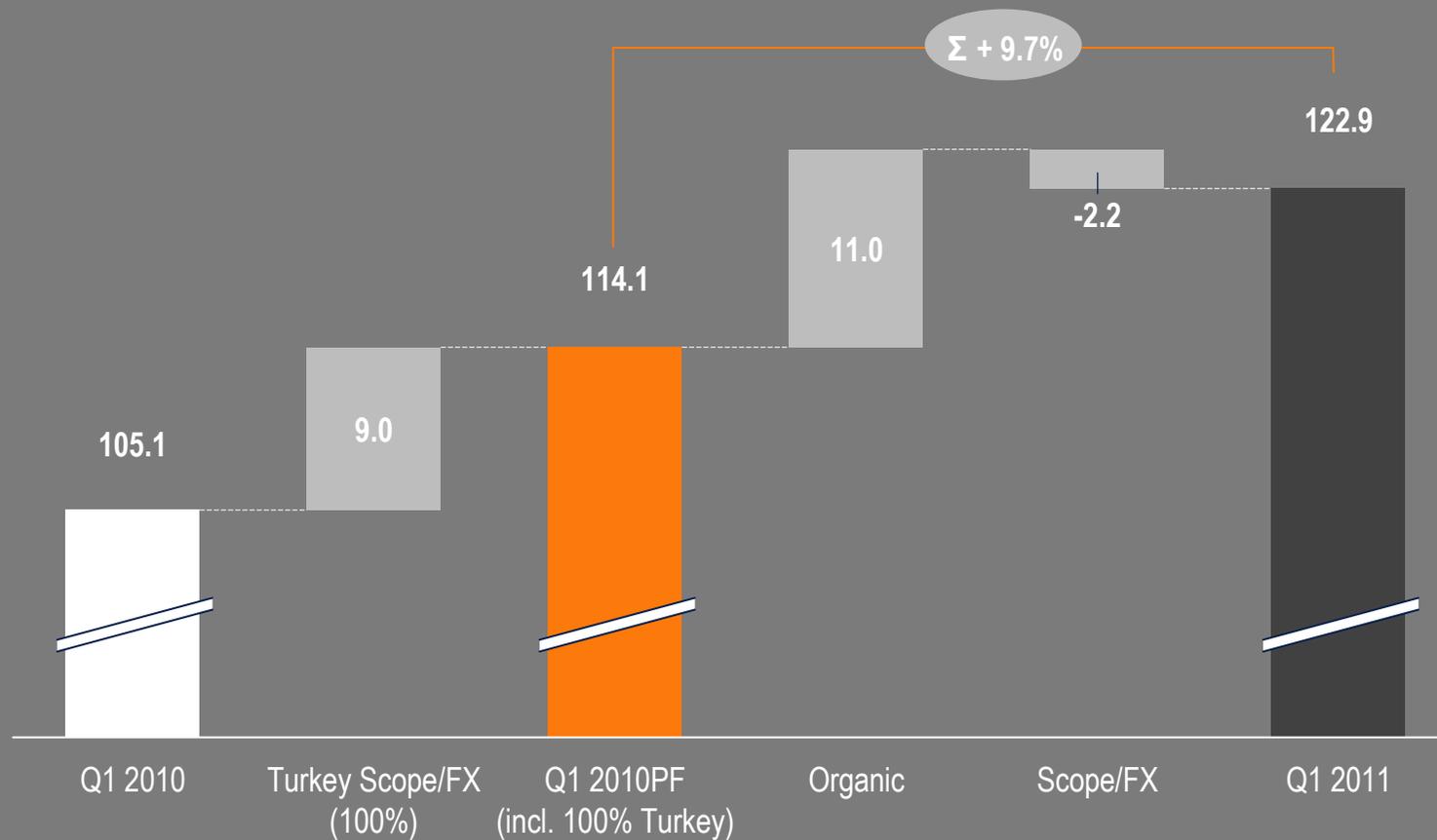
# Ströer Group Revenues: Largely boosted by Billboard and Street Furniture products

€ MM



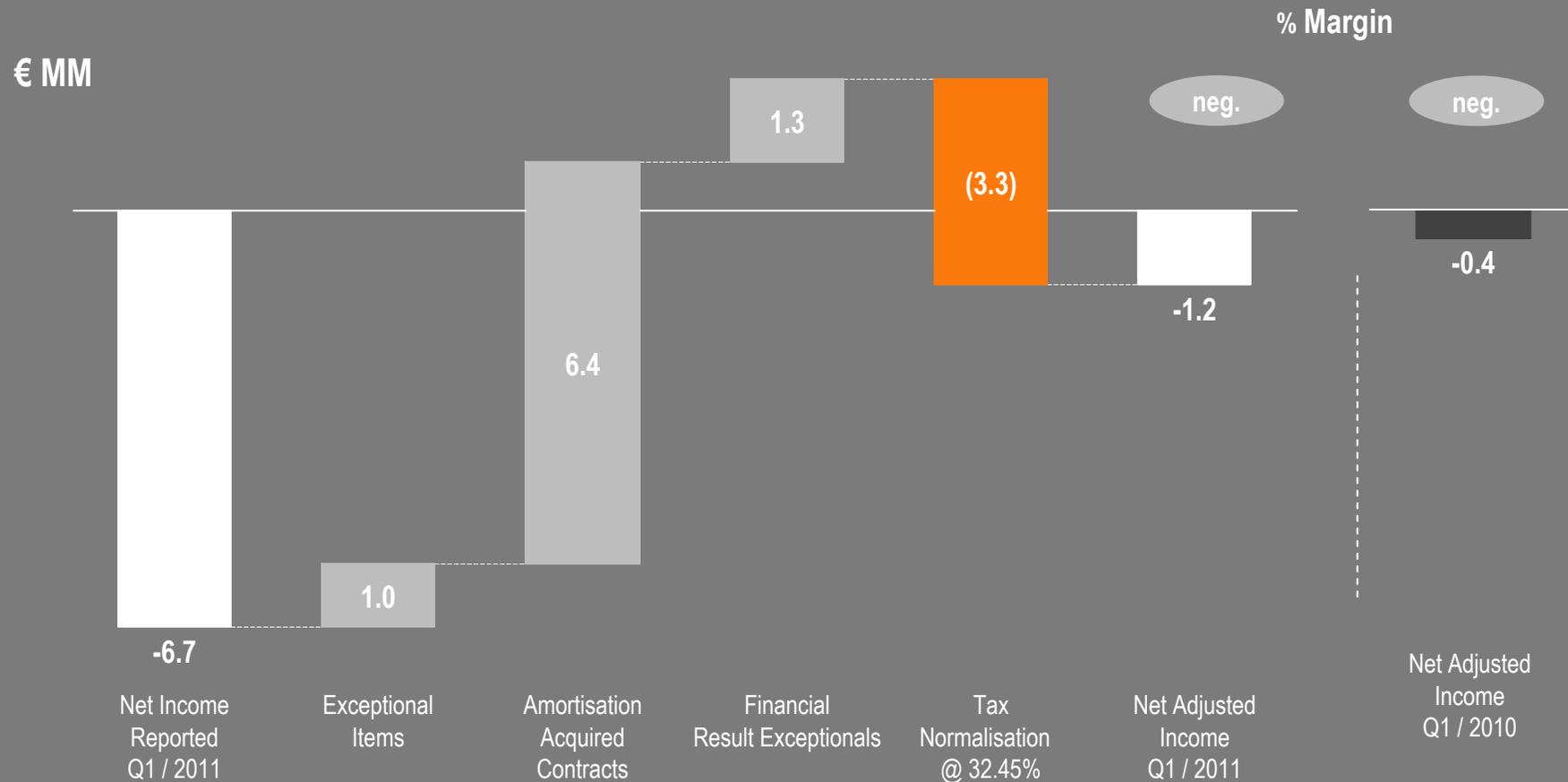
- > Billboard & Street Furniture up above average due to consolidation effects in TR and PL
- > Premium products lifted Street Furniture sales on the back of higher filling ratios
- > Growth in transport revenues supported by double-digit increase in digital revenues

# Group organic revenue growth almost 10% in Q1 2011



- > Ströer Germany provided largest contribution to the Group's organic growth rate
- > Significant organic top line additions also reported in Ströer Turkey and blowUP
- > Adverse FX effects due to weakness of Turkish lira

# Net Adjusted Income € 0.8m down in seasonally light quarter



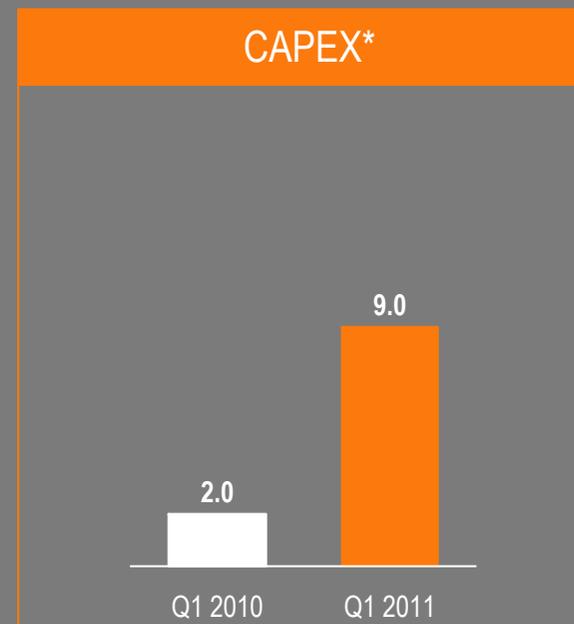
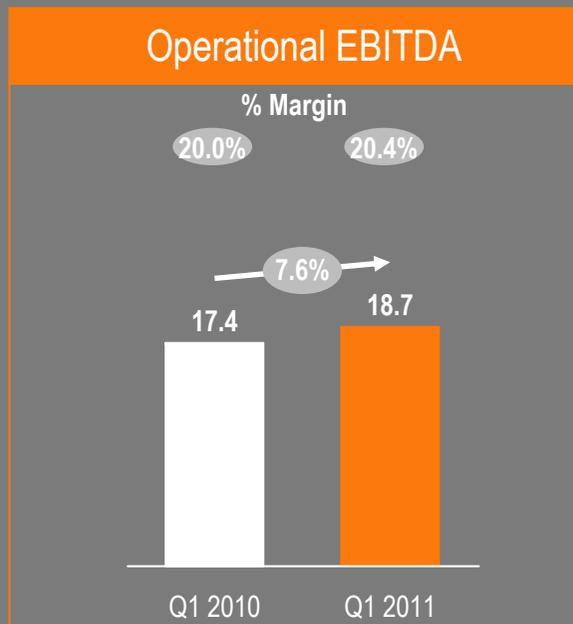
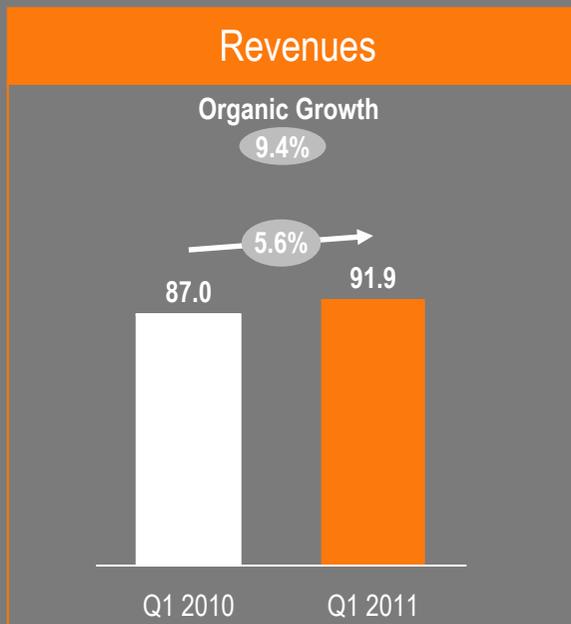
- > Key adjustment stems from PPA related amortisation of acquired concession rights
- > Exceptional items in financial result mainly due to non-cash valuation effects of inter-co loans
- > Tax normalisation rate slightly increased to 32.5% due to selective change in trade tax



# Ströer Germany

## Almost 10% organic growth in Europe's largest ad market

€ MM



- > Above average growth of digital products
- > 40 BPS margin lift due to higher share of premium products and moderate overhead increases
- > Capex increase mainly caused by ramp up of digital Out-of-home-Channel network

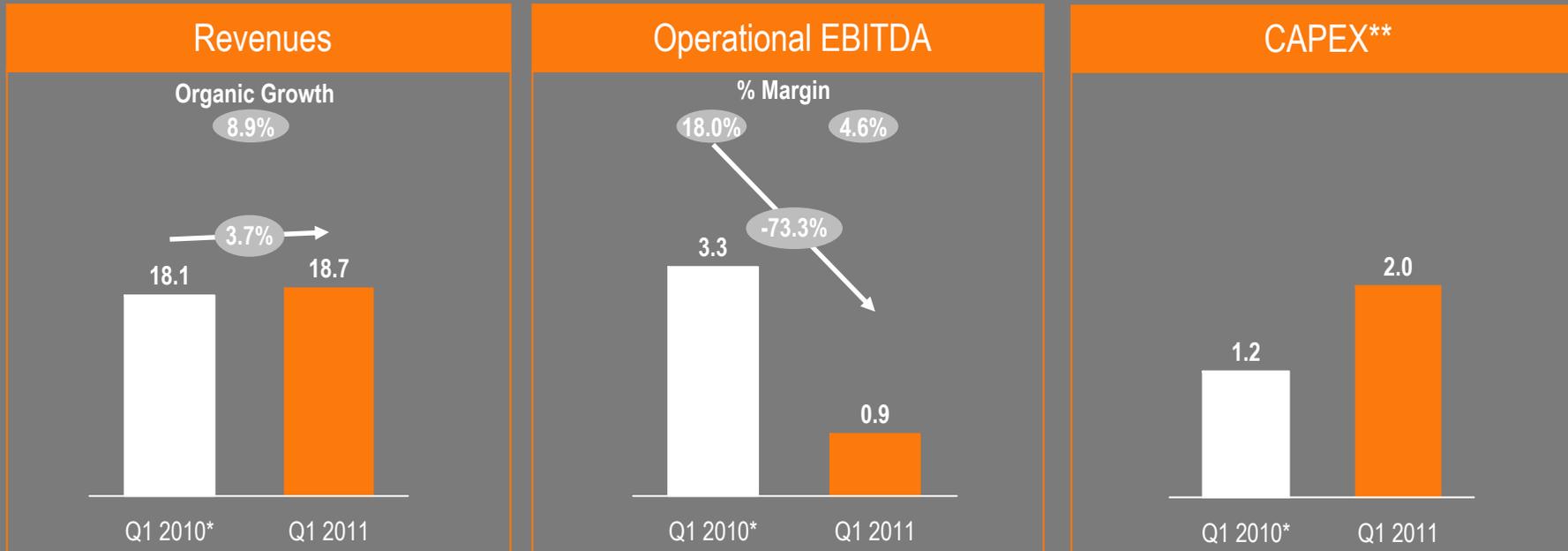
\* w/o Acquisitions



# Ströer Turkey

## Investing in growth in dynamic environment

€ MM



- > Good top line growth maintained despite state-run introduction of TV ad time restrictions
- > EBITDA reduction mainly following ramp-up effects in rent portfolio (scope & mix)
- > Overhead costs up over last year reflecting inflation and OPEX investments into growth

\* 100% view (Ströer Turkey consolidated at 50% until August 2010)

\*\* w/o Acquisitions

# Ströer Rest of Europe\*



## Revenue growth fuelled by giant poster operations

€ MM



- > Jump in reported revenue growth partly due to scope effects from News Poland acquisition
- > Soft Polish market awaiting further consolidation and audience measurement results
- > High operating leverage in Polish operations more than offset blowUP's EBITDA growth

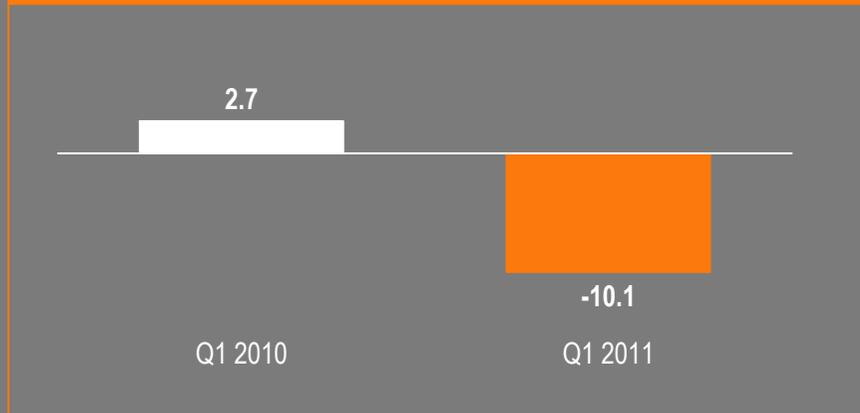
\* blowUP Media Group and Ströer Poland

\*\* w/o Acquisitions

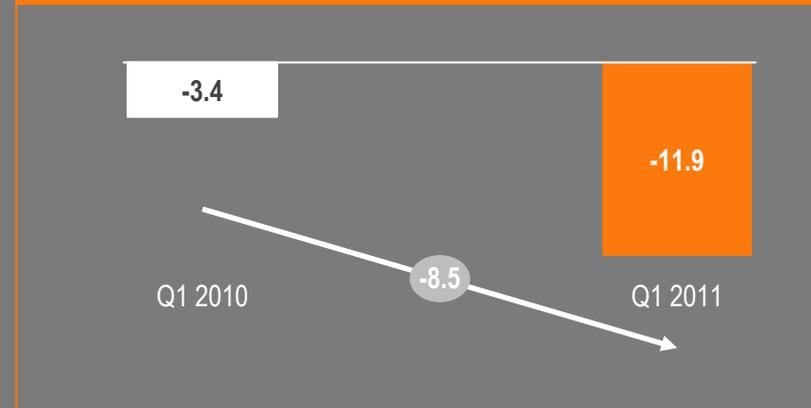
# Cash flow driven by working capital and capex movements

€ MM

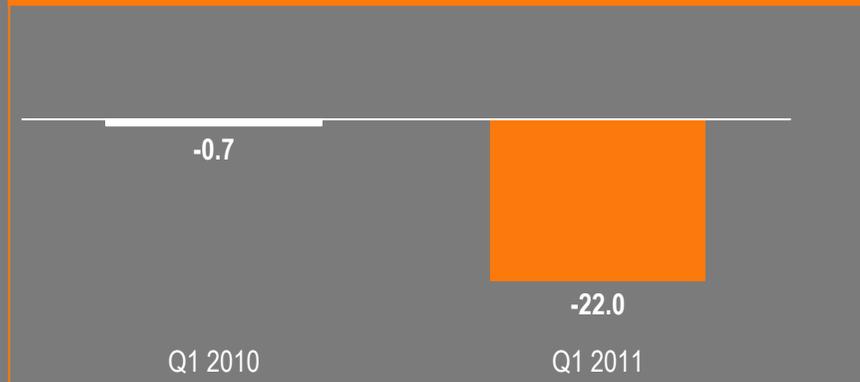
## Cash flow from Operations



## Cash Flow from Investing\*



## Free Cash Flow



## Comments

- > Scope effect in working capital (2011 annual rent prepayments are based on strong PY performance)
- > Temporarily higher number of payments than in Q1 2010 (phasing effect)
- > Acceleration in capital expenditure as per guidance (roll-out Out of Home Channel etc)

\* excluding M&A

Ströer's management is confident that the Group will benefit from a favorable macroeconomic situation, new projects and structural growth in the full fiscal year 2011. We expect to see another year of record revenue and operational EBITDA with solid organic revenue growth around the mid to high-single-digit mark driven by the solid growth in Germany and positive performance in the Turkish operations.

We anticipate that the growth dynamic in Turkey will be higher in the second half of 2011 than in the first half of 2011 since the one-time effects from the introduction of major restrictions on TV advertising times and the parliamentary elections will tail off in the course of the year. These effects will however noticeably impede revenue growth in Turkey in the first six months. Against this background, we anticipate organic revenue growth of around 4% for the Group in Q2 2011.

Due to the extensive investments in further growth, only a slight year-on-year increase in the EBITDA margin can be expected for the full year at best.

# Disclaimer

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