



## Results Presentation 2012

Deutsche Bank Roadshow

Ströer Media AG

27 March 2013, London



- **FY organic revenue growth (-4.0%)** and **operational EBITDA (-19.1%)** mainly down due to rather unfavorable market dynamics
- **Q4 organic revenues** improved over prior quarter and finished -1.1% y-o-y thanks to positive sales development in Turkey and Poland
- Positive impact from **cost cutting** leading to 2% lower FY overhead costs in the Group
- **Reported net income** slightly improved over last year helped by FX effects
- **Capital expenditure** of around 43m€ coupled with **leverage ratio** of 2.8x at year-end
- New **refinancing** package in place since 07/2012 with 5y maturity and lower interests
- SPA signing for **4 Online display companies** in Dec 12 with expected Q2/13 closing

# Group financials at a glance:

## Softer results due to top line, mix effects and concession ramp up



€ MM	FY 2012	FY 2011	Change
<b>Revenues</b>	<b>560.6</b>	<b>577.1</b>	<b>-2.9%</b>
<b>Organic growth <sup>(1)</sup></b>	<b>-4.0%</b>	<b>4.8%</b>	
<b>Operational EBITDA</b>	<b>107.0</b>	<b>132.3</b>	<b>-19.1%</b>
<b>Net adjusted income <sup>(2)</sup></b>	<b>24.0</b>	<b>40.3</b>	<b>-40.4%</b>
<b>Investments <sup>(3)</sup></b>	<b>42.6</b>	<b>52.0</b>	<b>-18.1%</b>
<b>Free cash flow <sup>(4)</sup></b>	<b>10.8</b>	<b>38.0</b>	<b>-71.5%</b>
	<b>31.12. 2012</b>	<b>31.12. 2011</b>	<b>Change</b>
<b>Net debt <sup>(5)</sup></b>	<b>302.1</b>	<b>304.3</b>	<b>-0.7%</b>
<b>Leverage ratio</b>	<b>2.8x</b>	<b>2.3x</b>	<b>+22.8%</b>

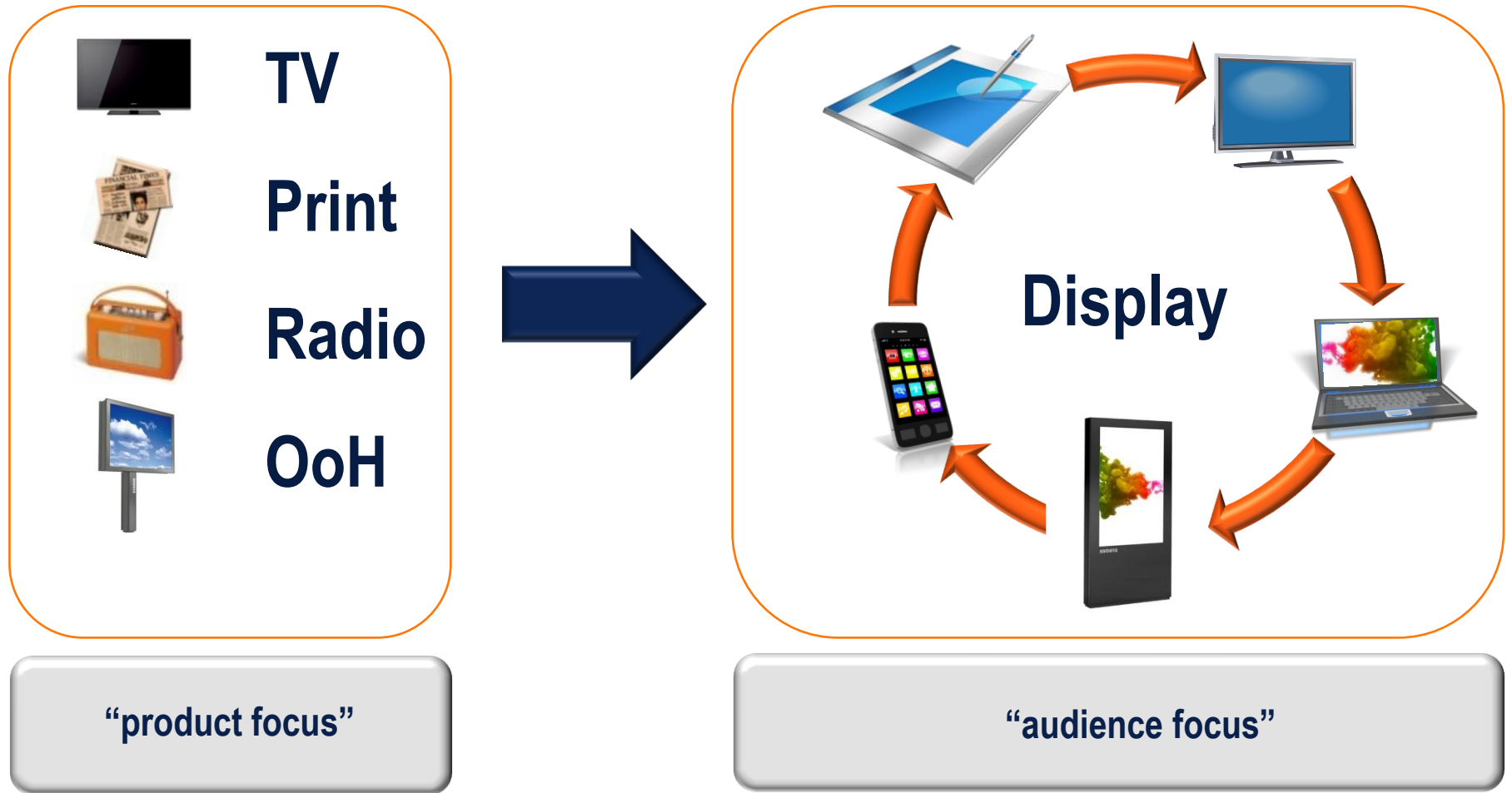
Notes: (1) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations; (2) Operational EBIT net of the financial result adjusted for exceptional items, amortization of acquired intangible advertising concessions and the normalized tax expense (32.5% tax rate); (3) Cash paid for investments in PPE and intangible assets; (4) Free cash flow = cash flows from operating activities less cash flows from investing activities; (5) Net debt = financial liabilities less cash (excl. hedge liabilities)



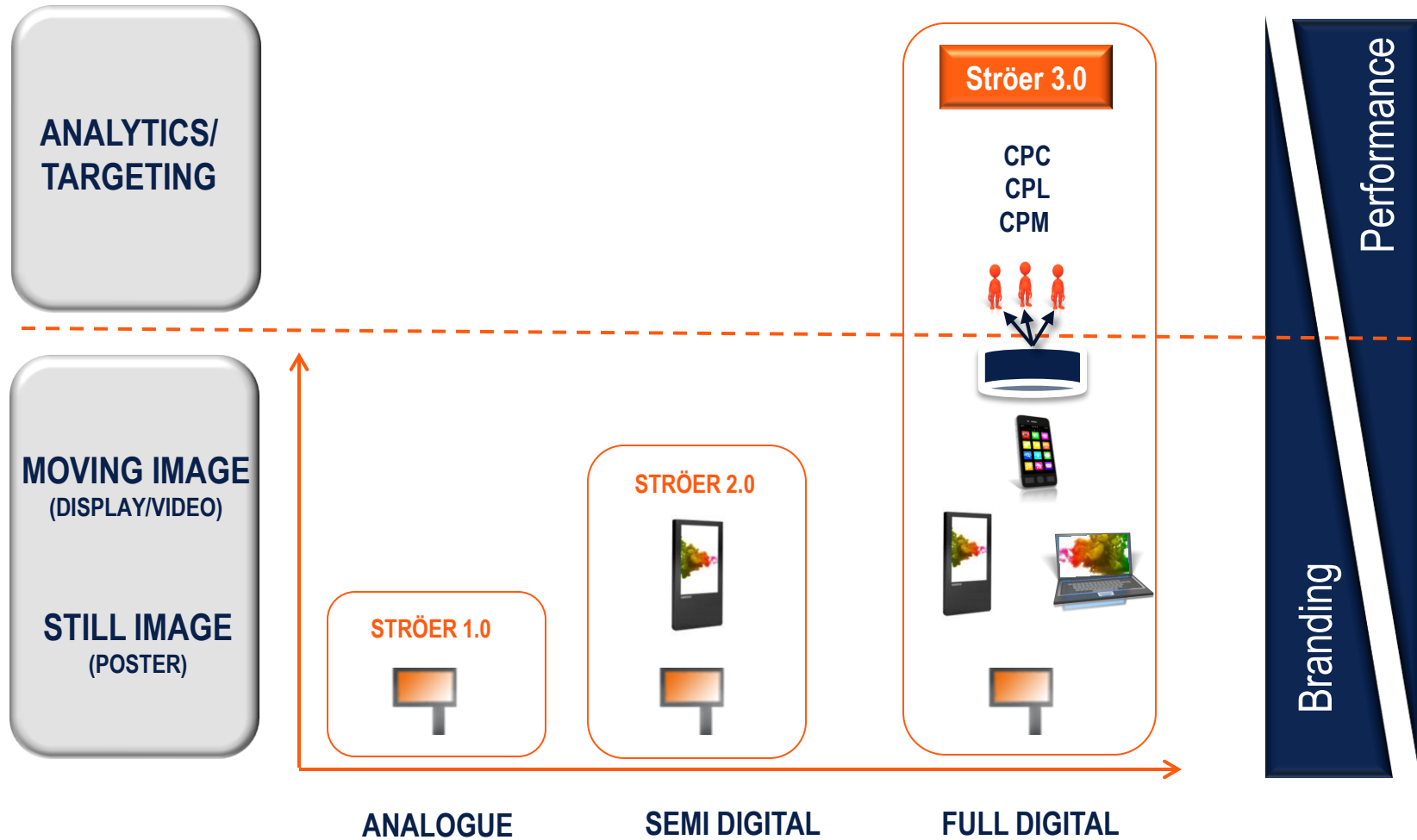
## Ströer Strategy 3.0



# Technical barriers between different media erode



# Ströer 3.0 – Strong platform for sustainable growth in the digital age



# Ströer 3.0 – Key objectives







Glöppenburg

MARK ADAM  
Lederweste  
79,95

GALERIA  
Kaufhof

Kölner Aussenwerbu

Privatparkplatz  
Einfahrt  
freihalten  
Notausgang  
Freihalten

# Operational Achievements 2012



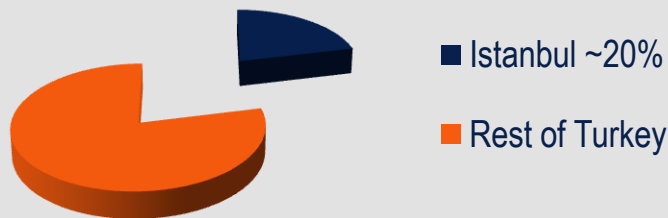
# Significant increase in capacity from new Istanbul BB contract



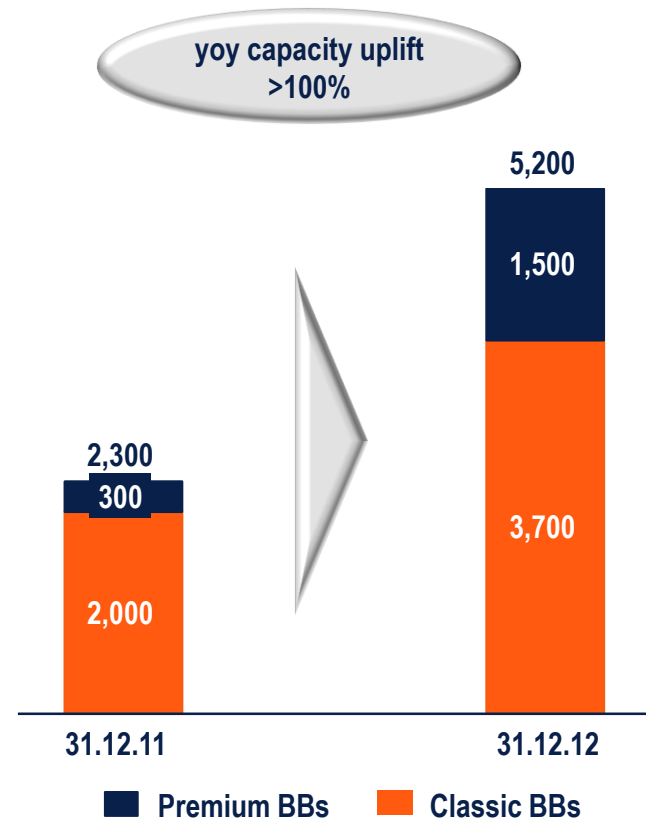
## Concession Highlights:

- As of 31.12.12 number of BB ad faces increased >100% yoy
- Share of premium BB reached ~30%
- New capacity strong contributor to positive Q4 trading in Turkey
- In 2012 capex in mid single digit m€ area
- Further roll-out of premium BB earmarked for 2013

Ströer Turkey ad faces (31.12.12):



Number of saleable faces under new Istanbul concession

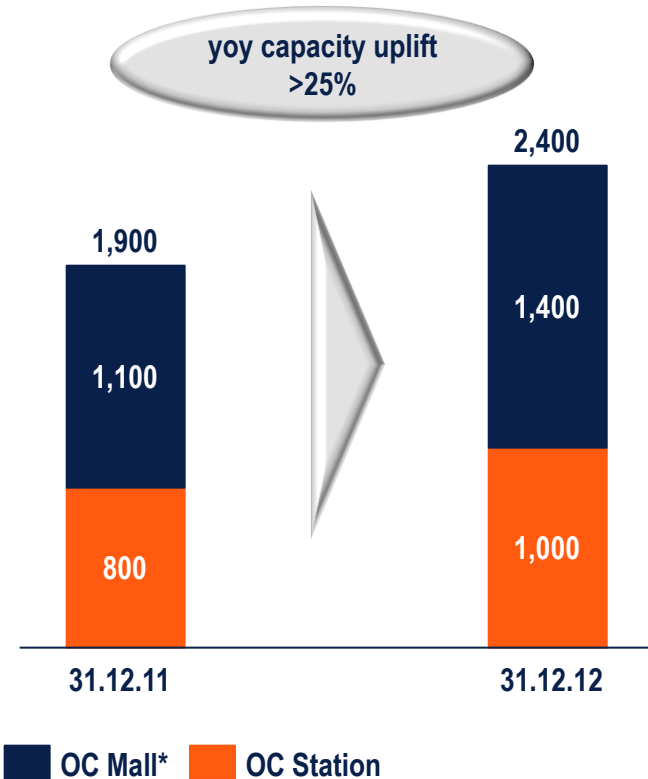


# OoH Channel notably contributed to German DOOH sales in 2012

- With ~2,400 screens one of the largest digital moving picture networks with national reach
- Ströer's digital out-of-home business already contributes ~9% to German revenues
- Increased density of network planned in 2013 with further single digit m€ investments
- Digital networks unlock ad budgets previously spent in other media:



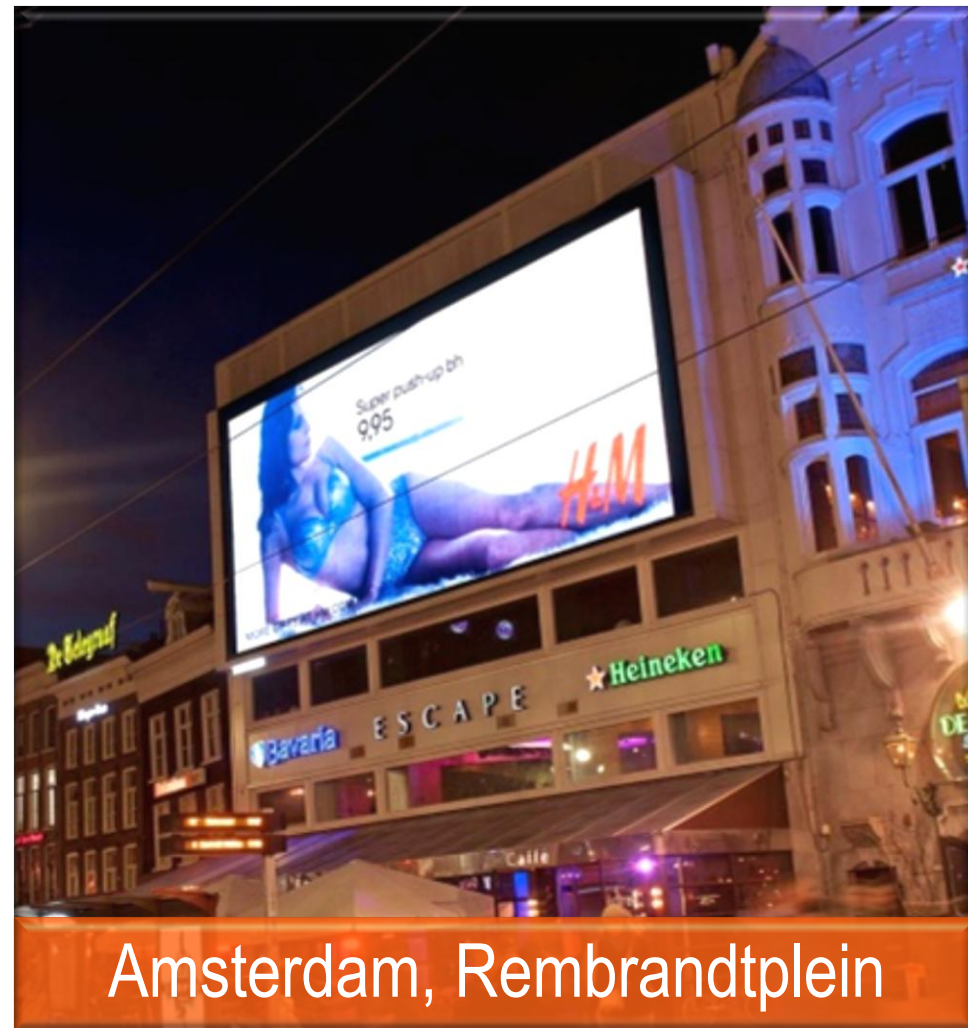
## Number of screens under OC network



\* incl. Flatscreens

# Roll-out of large digital LED screens in BlowUP

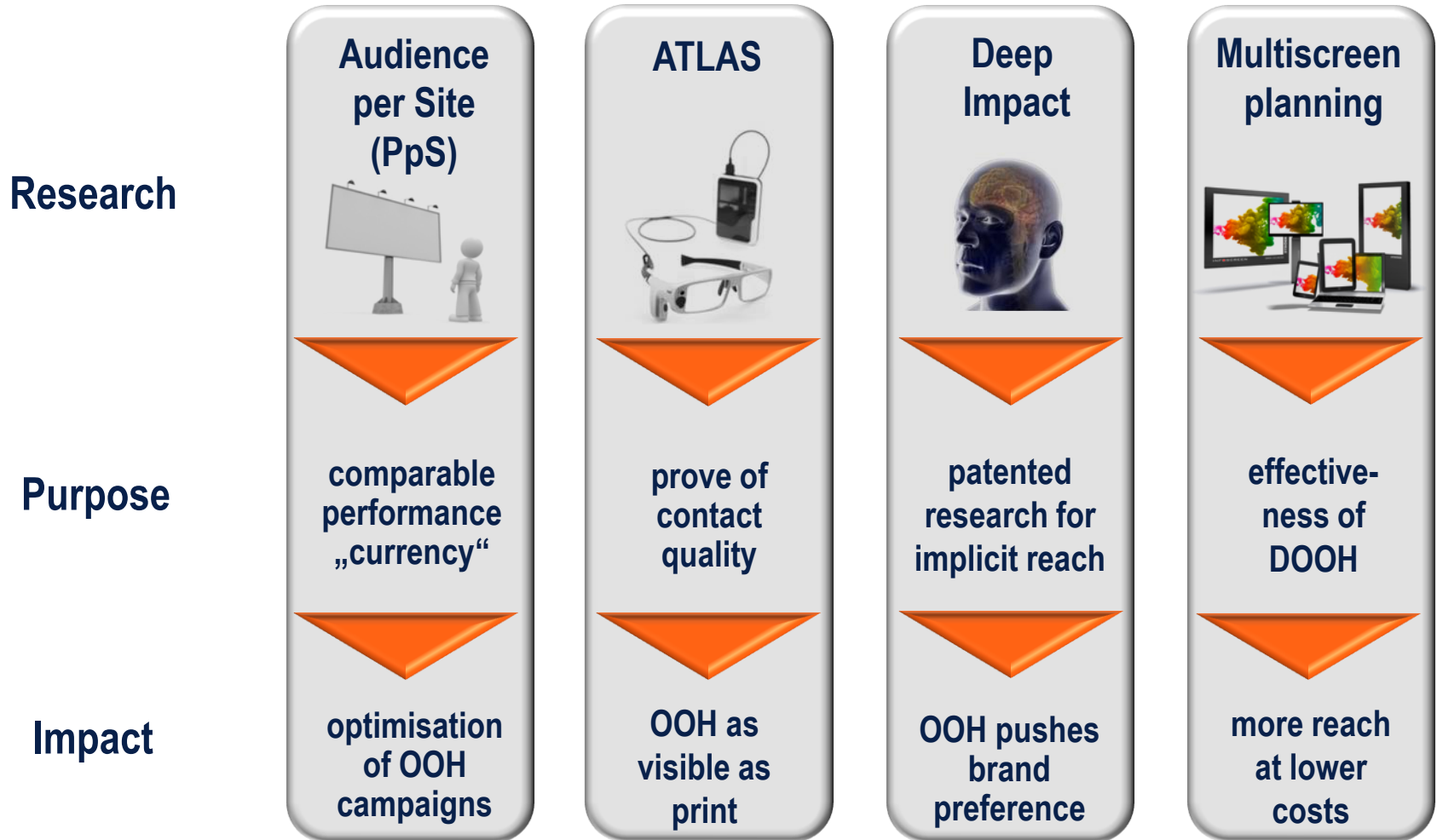
- Permanent boards installed in UK (Birmingham) and NL (Amsterdam)
- Further international network expansion planned in 2013
- Sites in Germany mostly on temporary basis (currently Berlin)
- Share of digital revs in Q4 2012: ~3%
- Well known brand names on screen



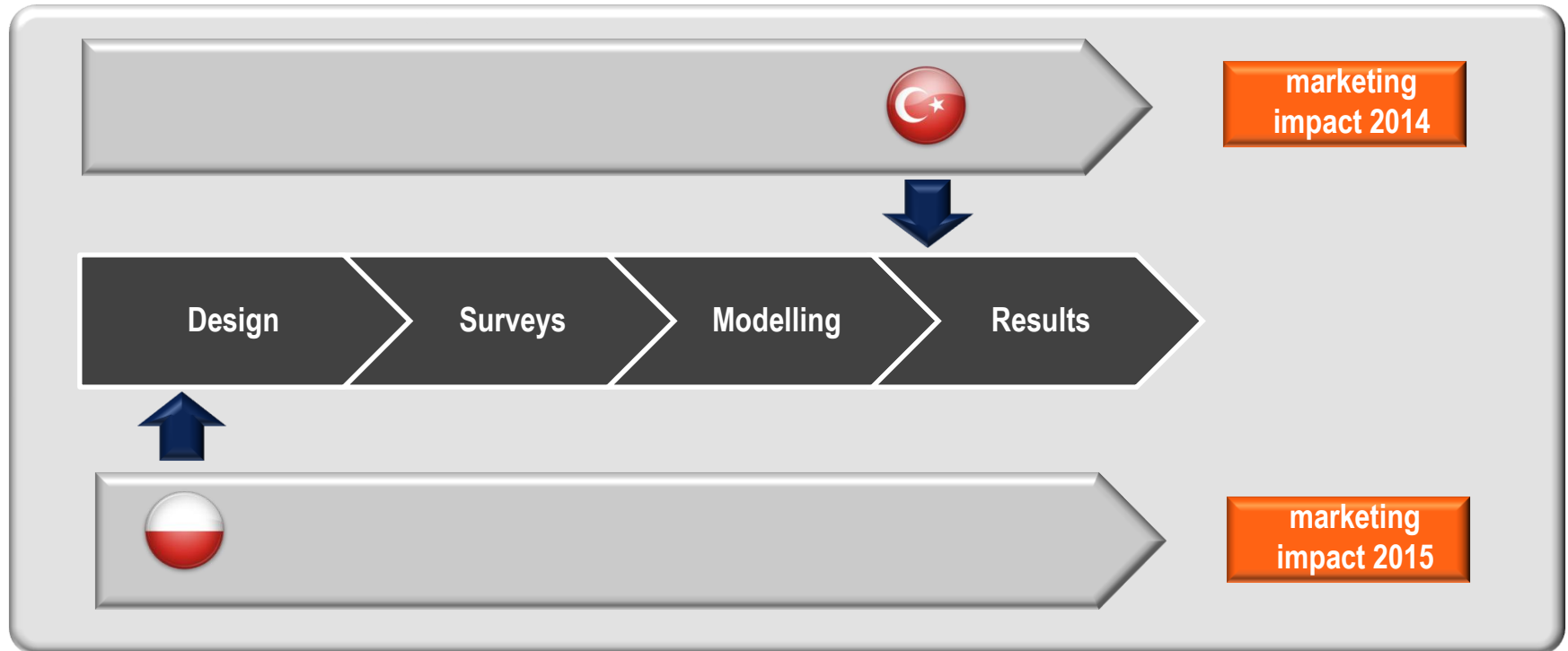
Amsterdam, Rembrandtplein



# Further release of market research to bolster OOH sales



# International audience measurement projects underway



- Internationally recognised audience measurement methodology being rolled out (POSTAR based)
- Industry approach beneficial for purposes of independence and cross-media use
- Results will be valid foundation to calculate ROI of ad campaigns

# Financials





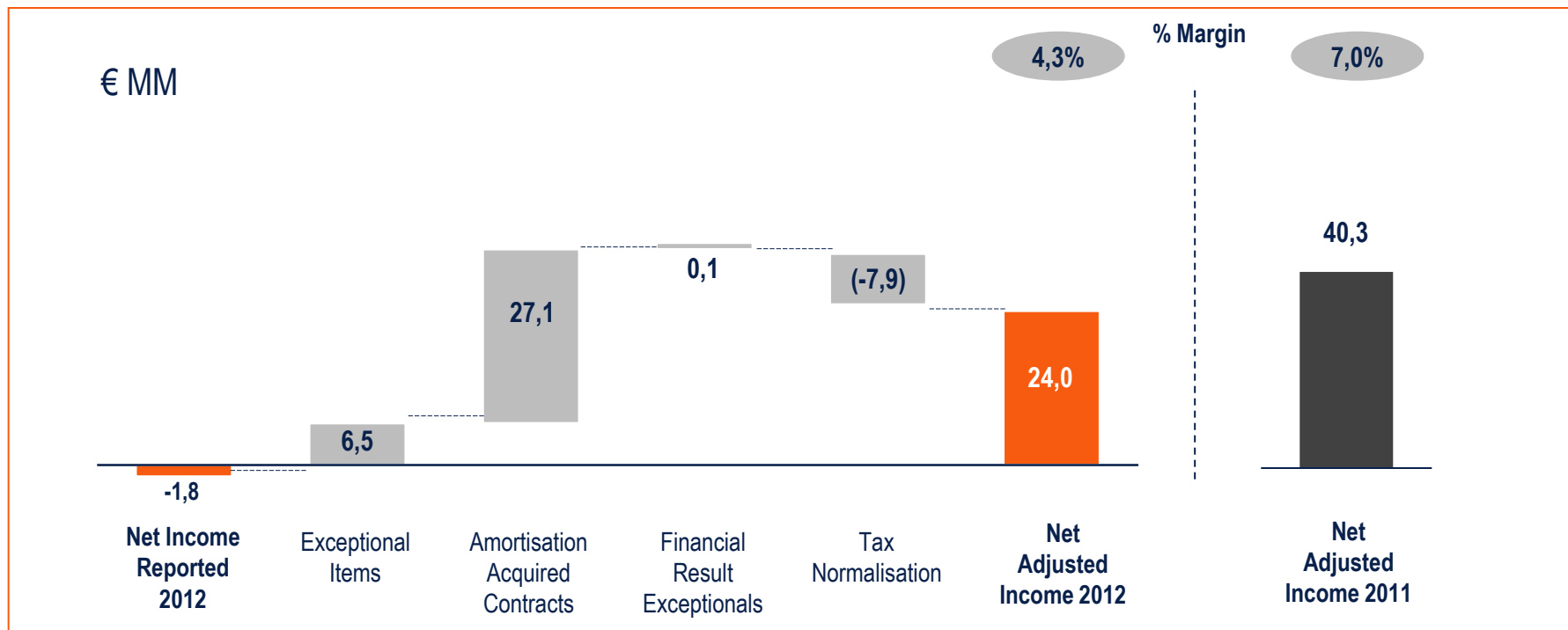
# Ströer Group FY 2012 P&L management view:

## Improved net income benefitting from better financial and tax result



(€ MM)	2012	2011	Change(%)
<b>Revenue</b>	<b>560.6</b>	<b>577.1</b>	<b>-3</b>
Direct costs	-325.7	-313.4	-4
SG&A	-134.5	-137.4	+2
Other operating result	6.6	5.9	+11
<b>Operational EBITDA</b>	<b>107.0</b>	<b>132.3</b>	<b>-19</b>
<i>Margin %</i>	<i>19.1</i>	<i>22.9</i>	
Depreciation	-37.1	-33.7	-10
Amortisation	-29.6	-30.5	+3
Exceptional items	-6.5	-11.2	+42
<b>EBIT</b>	<b>33.7</b>	<b>56.9</b>	<b>-41</b>
Net financial result	-31.9	-49.8	+36
Income taxes	-3.6	-10.7	+66
<b>Net income</b>	<b>-1.8</b>	<b>-3.6</b>	<b>+50</b>
<b>Net adjusted income</b>	<b>24.0</b>	<b>40.3</b>	<b>-40</b>
<i>Margin %</i>	<i>4.3</i>	<i>7.0</i>	

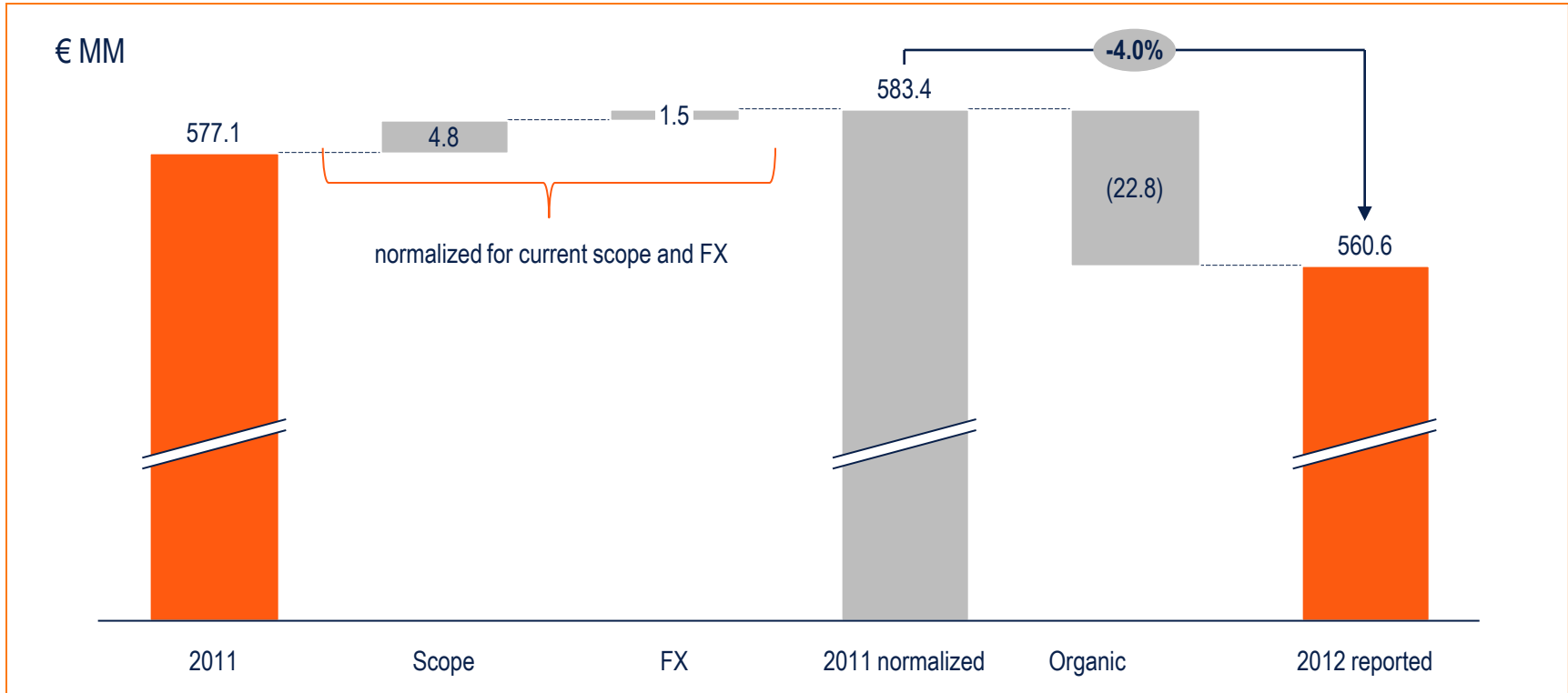
# Net adjusted earnings decreased in absolute & relative terms vs. LY



- Key adjustments are one-off items recorded in EBITDA and amortisation on acquired concessions
- Exceptional items mainly include transactions costs in connection with group refinancing, online acquisition and restructuring measures in Germany



# Group organic revenue growth bridge: Without scope and FX effects revenues fell 4.0% vs. last year



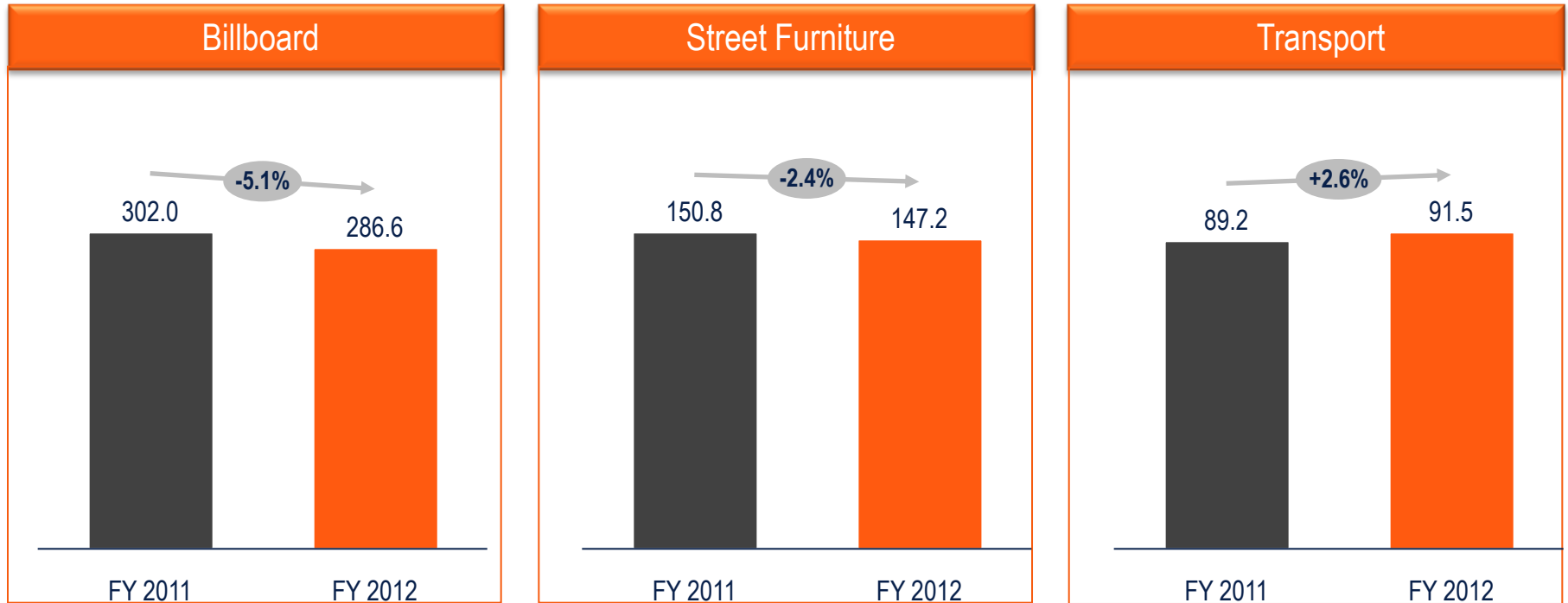
- Scope effects relate to ECE flatmedia in Germany and small bolt-on take-over in Turkey
- FX adjustments mostly driven by appreciation of Turkish Lira vs. EUR
- Just -1.4% group organic growth w/o effects from single Telco client & terminated sales contracts in TR





# Product group performance: Fewer national campaigns impacting Billboards & Street Furniture

€ MM

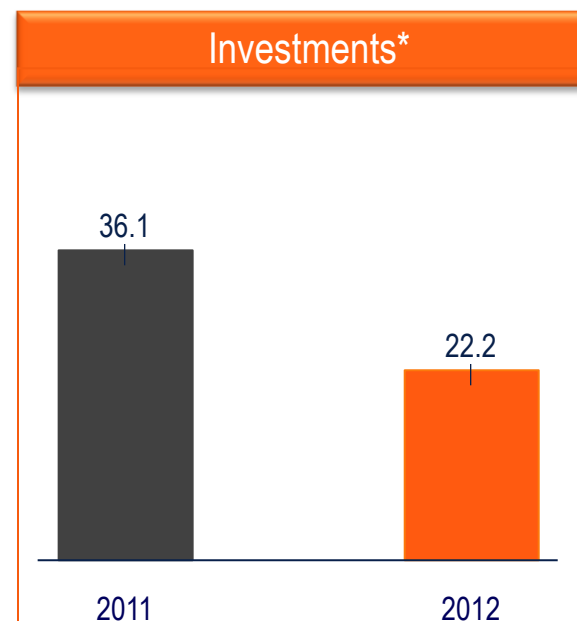
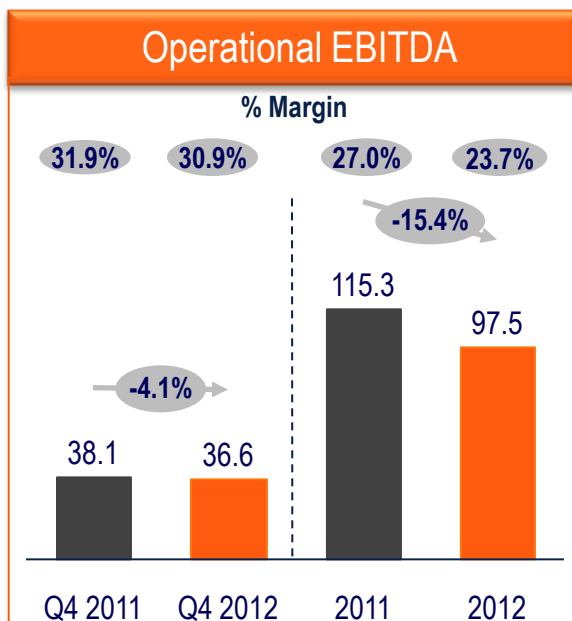
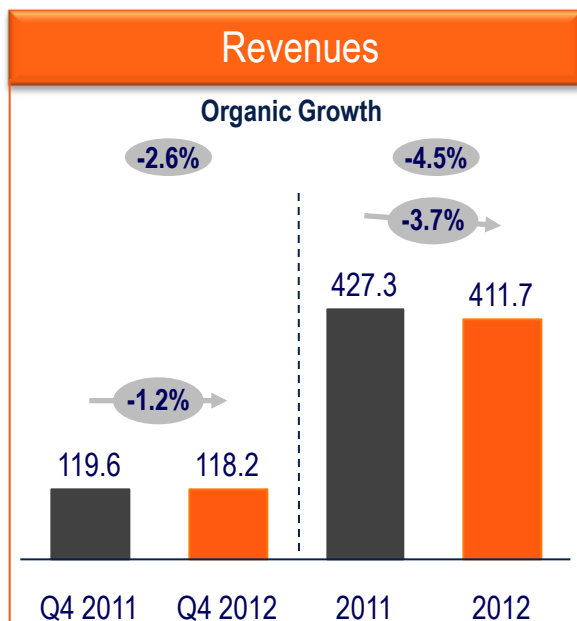


- Billboard performance notably affected by temporary lower demand from key accounts
- Softer trading in Street Furniture reflects lower national client business
- Improved transport revenues especially in H2/2012 backed by growing digital business

# Ströer Germany: Revenues down due to lower volume of national campaigns



€ MM



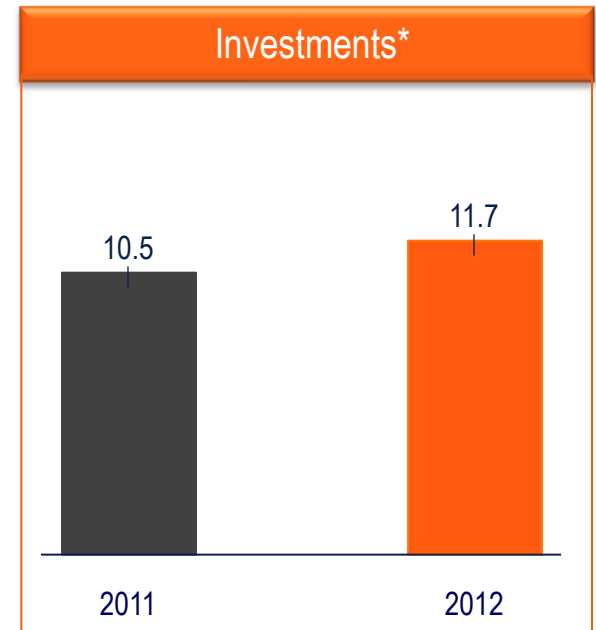
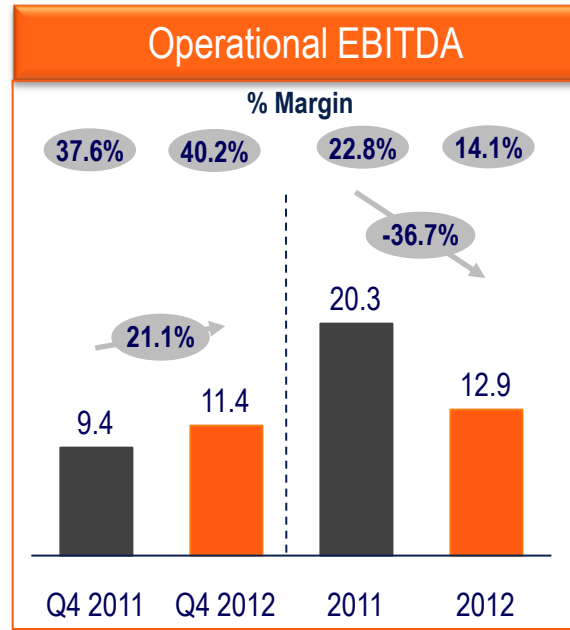
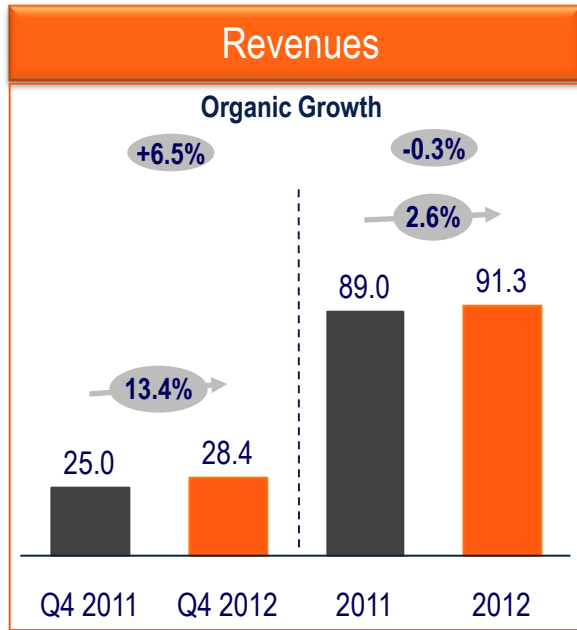
- Underlying organic revenue growth excluding one-off customer effect only -1.6%
- Share of digital revenues increased from 8% to 9% in 2012
- Less favorable product mix of national campaigns impacted Operational EBITDA margin

\* Cash paid for investments in PPE and intangible assets



# Ströer Turkey: Notable return to growth in fourth quarter of 2012

€ MM



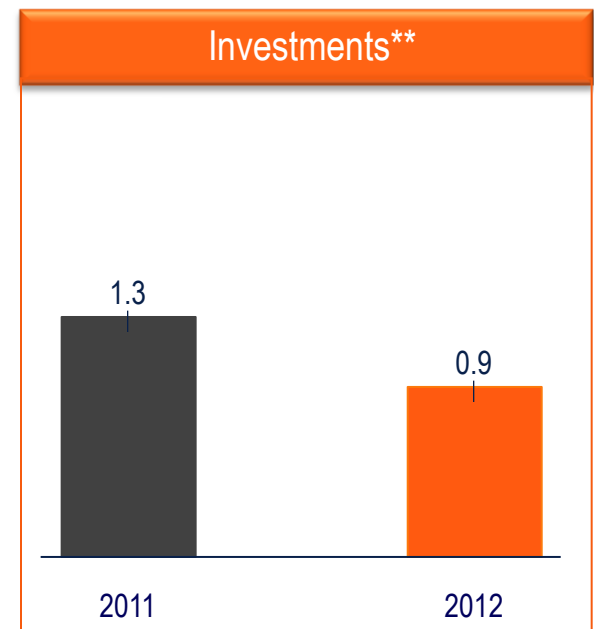
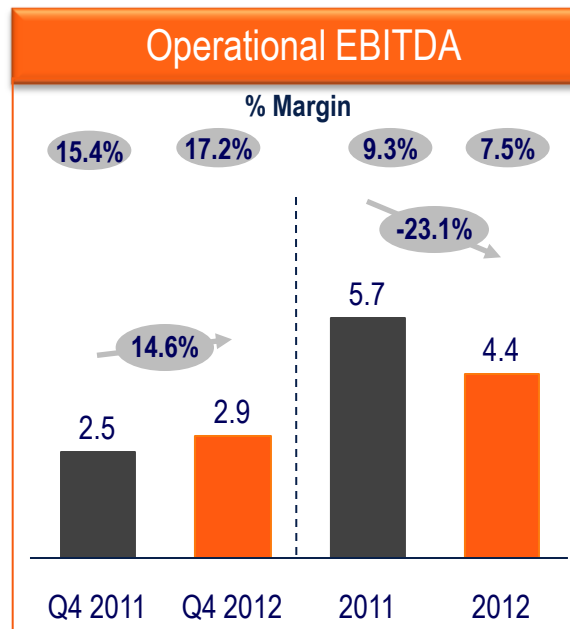
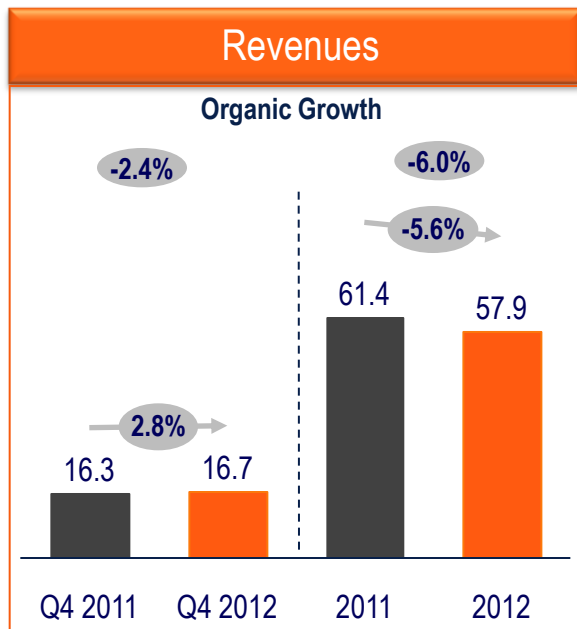
- 2012 organic rev. growth without effect from sales contracts terminated last year stood at +2.7%
- Disproportionate direct cost increase from new Istanbul fixed rents and rent inflation adjustments
- Capex increase mainly reflects >2000 incremental BB/PBB faces in Istanbul

\* Cash paid for investments in PPE and intangible assets



# Ströer Rest of Europe\*: Softer full year trading but improved performance in Q4

€ MM



- Key sport events (UEFA Euro/Olympics) slowed down ad activity in PL but also in BUM countries
- Ströer Poland with positive organic revenue growth and margin improvement in Q4
- blowUP with softer topline and results mainly due to lower volume of cross-border deals

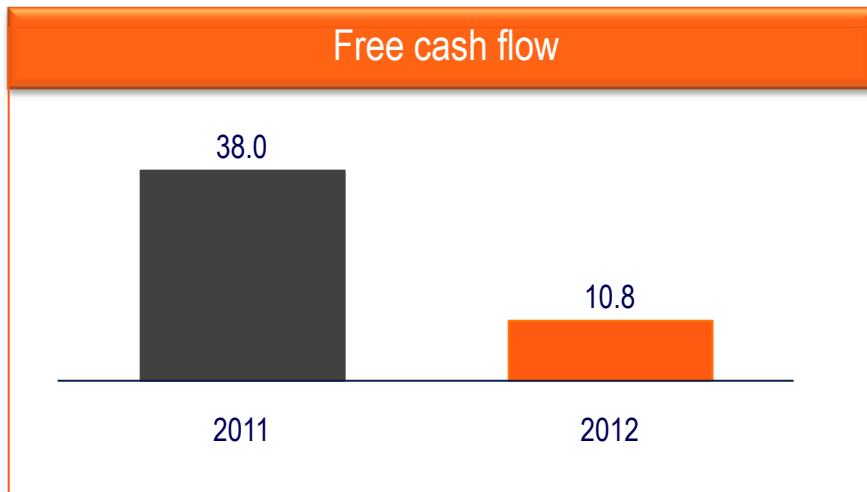
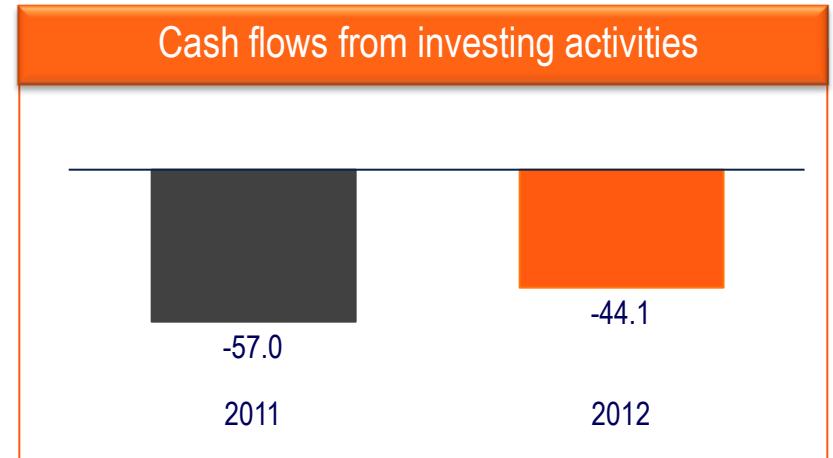
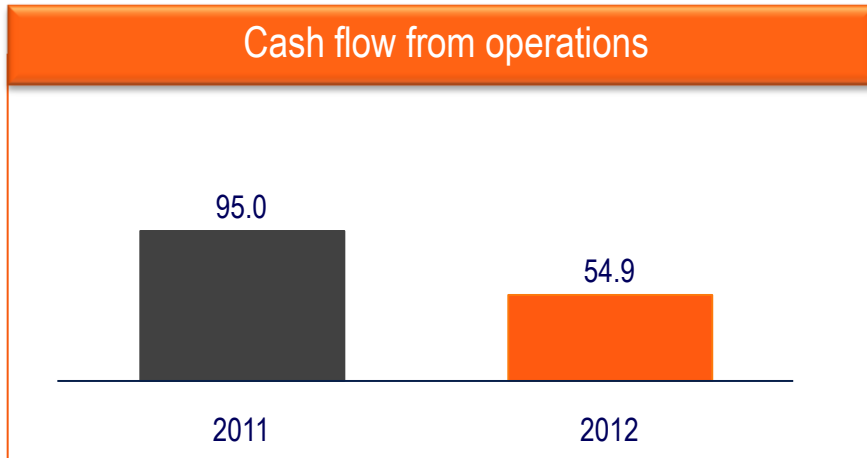
\* blowUPMedia Group and Ströer Poland

\*\* Cash paid for investments in PPE and intangible assets



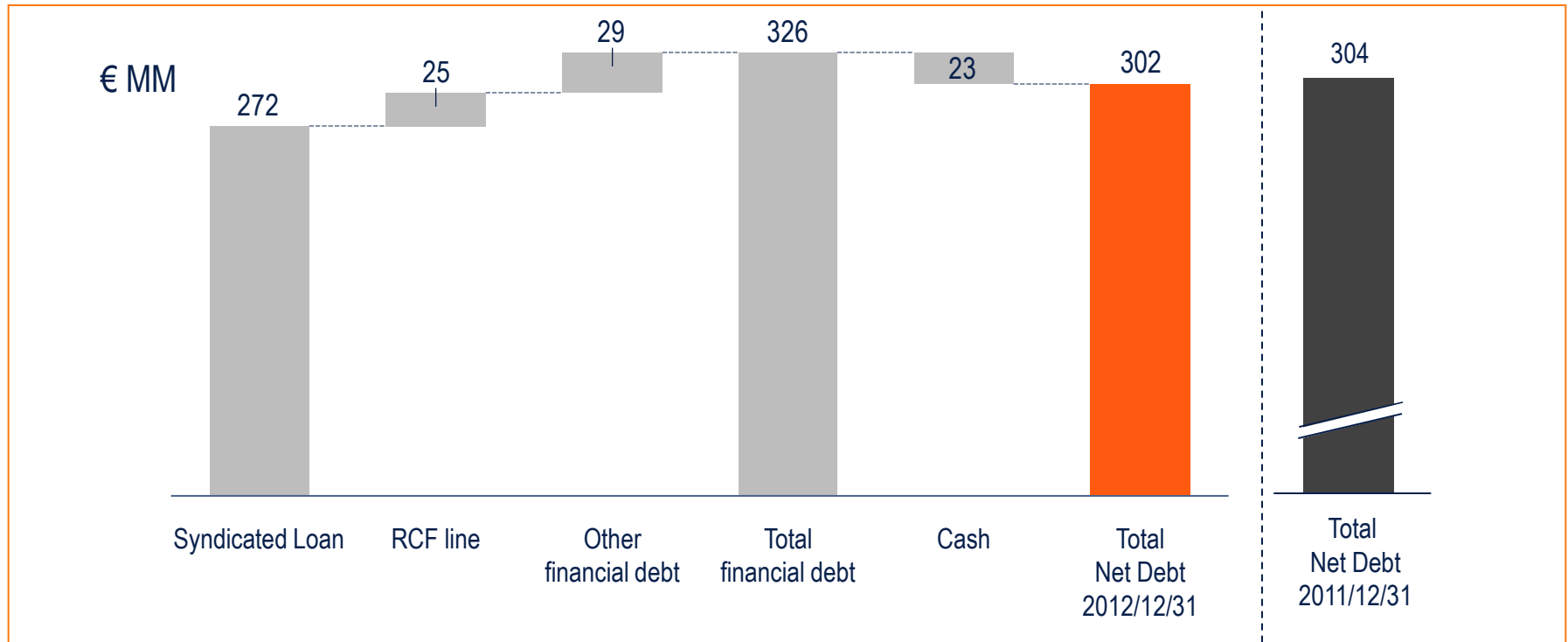
# Group free cash flow: Savings in investments cannot offset decline in operating cash flow

€ MM



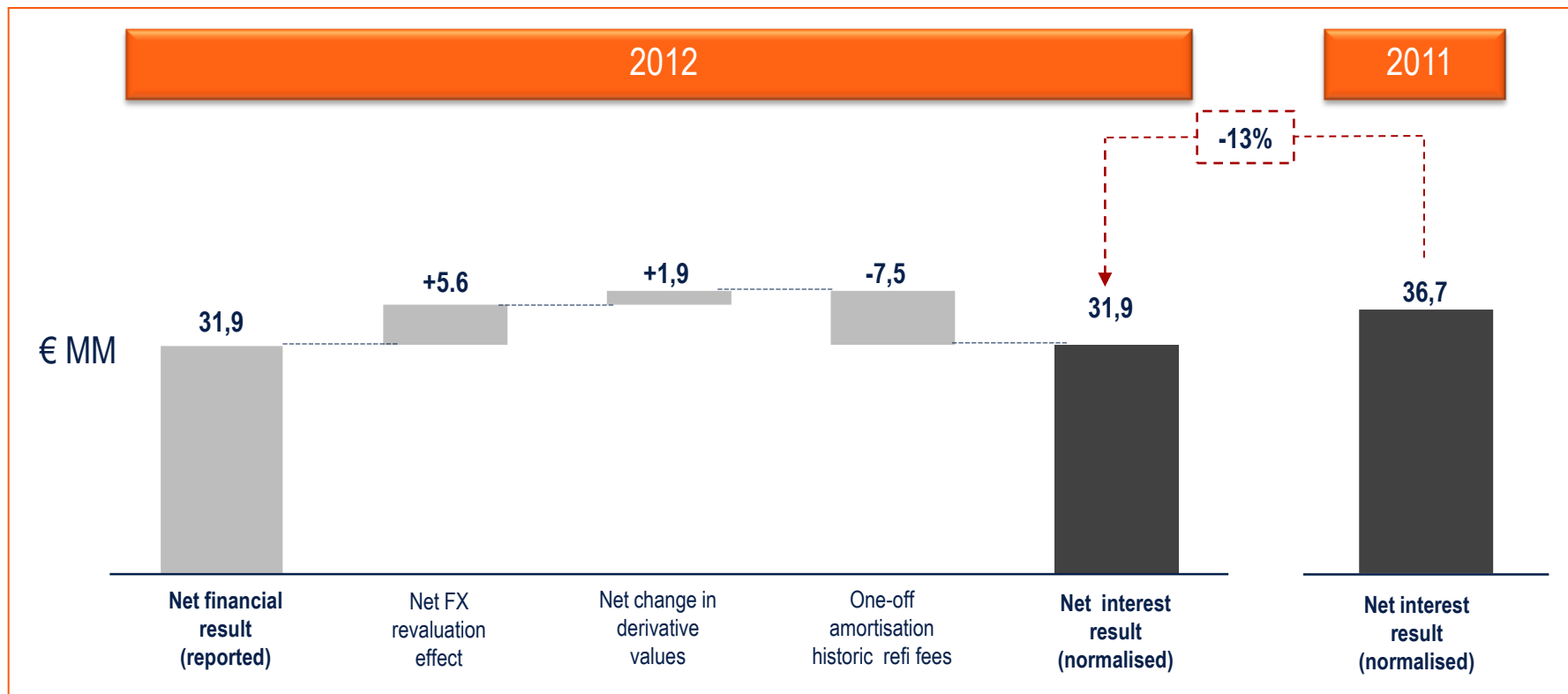
- ### Comments
- Declining operational cash flow in line with movement in underlying profit development
  - Moderate positive working capital effect
  - Lower investing cash flow despite growth investments in Istanbul and Germany

# Slight improvement in net debt position despite softer trading



- Reduction in operational EBITDA leads to higher leverage ratio of 2.8x vs. 2.3x recorded last year
- New corporate loan agreement in place since July 2012 allowing for more flexibility and better terms
- Reduction in cash balance due to repayment of gross debt as part of refinancing

# Underlying net interest charge further improved in 2012



- Blended “all in” cash interest coupon accounted for some 6,9% in 2012
- 300m€ of interest hedges terminated in October 2012 and lead to further interest savings in 2013
- New loan agreement provides for leverage-linked interest margins between 175 and 360 basis points



For the first quarter 2013, we expect to see a continuation of the positive momentum already witnessed in the last quarter in Turkey and Germany and thus anticipate an increase of the organic group revenue of +5%. In the second quarter we expect to see - due to currently reluctant client bookings - a temporary halt in the slight upward trend estimated for the full-year.

# Disclaimer

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