



STRÖER
out of home media

Ströer 3.0
Roadshow Presentation
February 2013

Table of Contents

1

Business Profile

2

Ströer 3.0

3

Details on Recent Acquisitions

A

Annex

Management Profile



Udo Müller

CEO

- CEO since 1990
- Born 1962
- Founder of advertising agency Lunenburg & Partner in 1985
- Team up with H. W. Ströer in 1990 to create Ströer City Marketing (later renamed to Ströer Out-of-Home Media)
- Led several takeover (DSM in 2004 and DERG in 2005) and the IPO in 2010



Alfried Bührdel

CFO

- CFO since 1998
- Born 1962
- Spent over nine years at Bertelsmann in various managerial positions including Deputy Managing Director and Finance Director
- Joined Ströer in 1998 as Chief Financial Officer

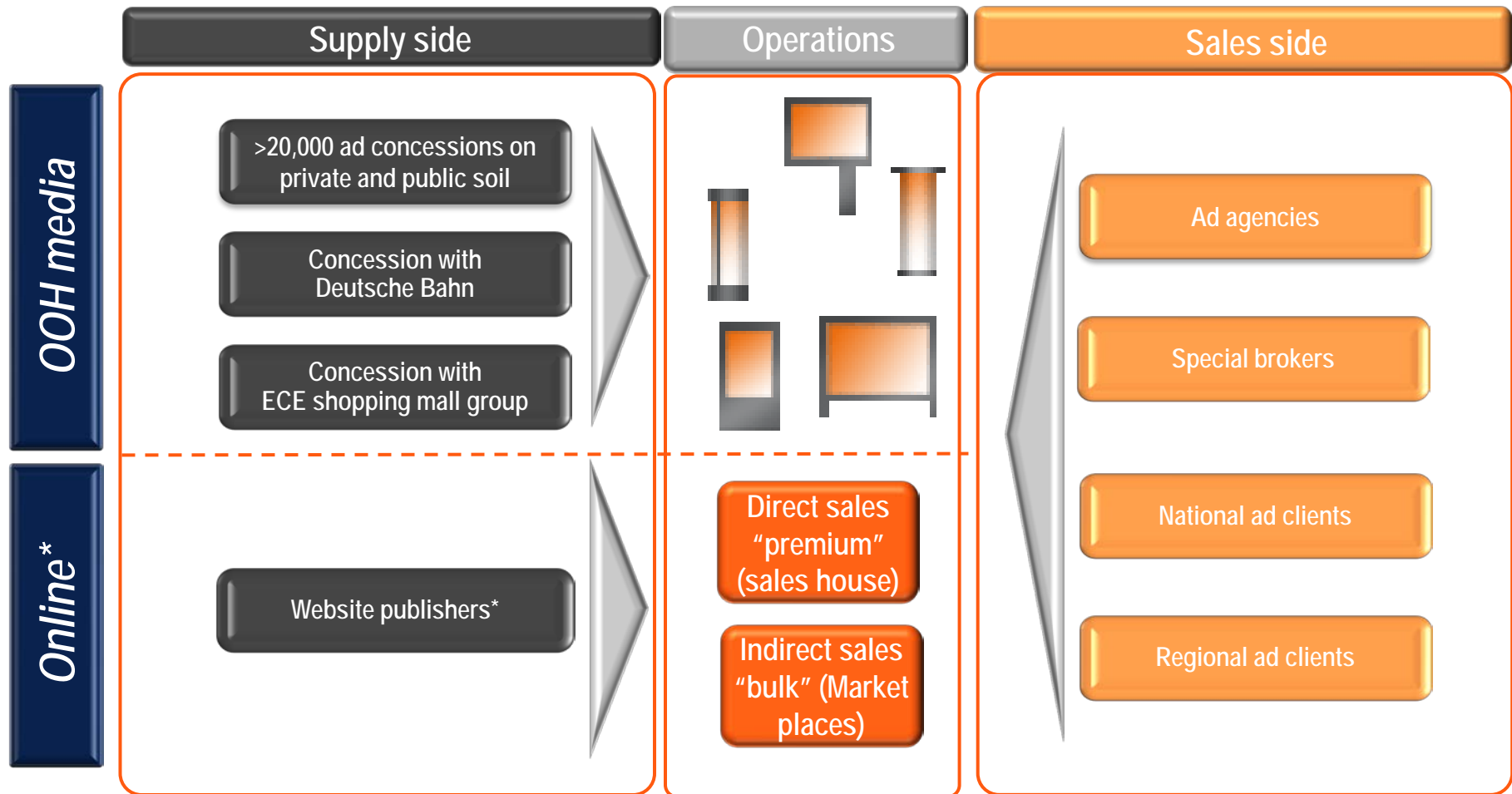


Christian Schmalz

COO

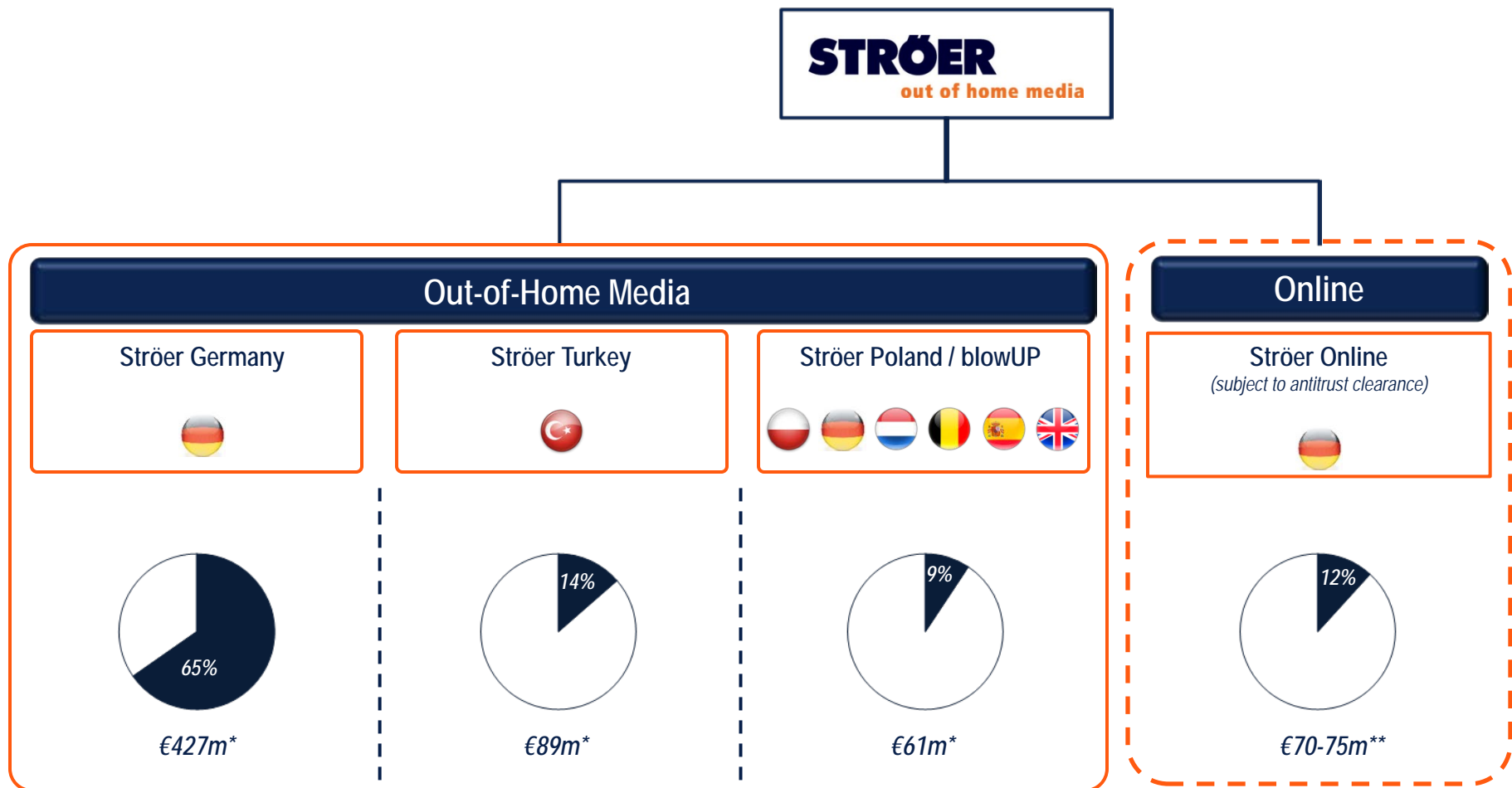
- COO since 11/2012
- Born 1973
- Joined Munich-based MediaCom in 2000, assumed responsibility of all German activities in 2007 and became global COO in 2010
- Responsible for overall group operations as well as Ströer Online

The Ströer business model



*business model extension still subject to antitrust approval

Creation of a new business segment



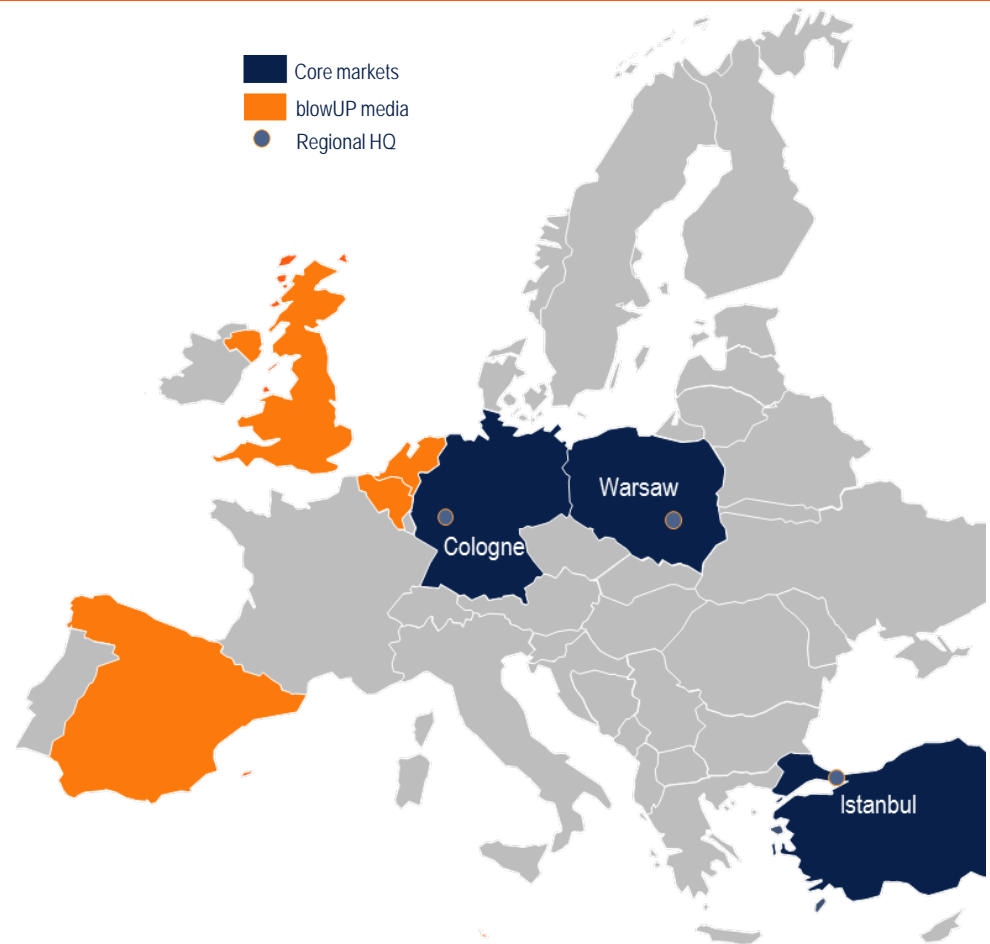
* 2011 reported revenues

** 2012e normalised revenue contribution

Strong player in its core OoH markets

- #1** in Germany
Europe's largest ad market
- #1** in Turkey
Europe's largest emerging market
- #1** in Poland
Largest CEE market
- #1** European giant poster network
GER, UK, ES, BENELUX

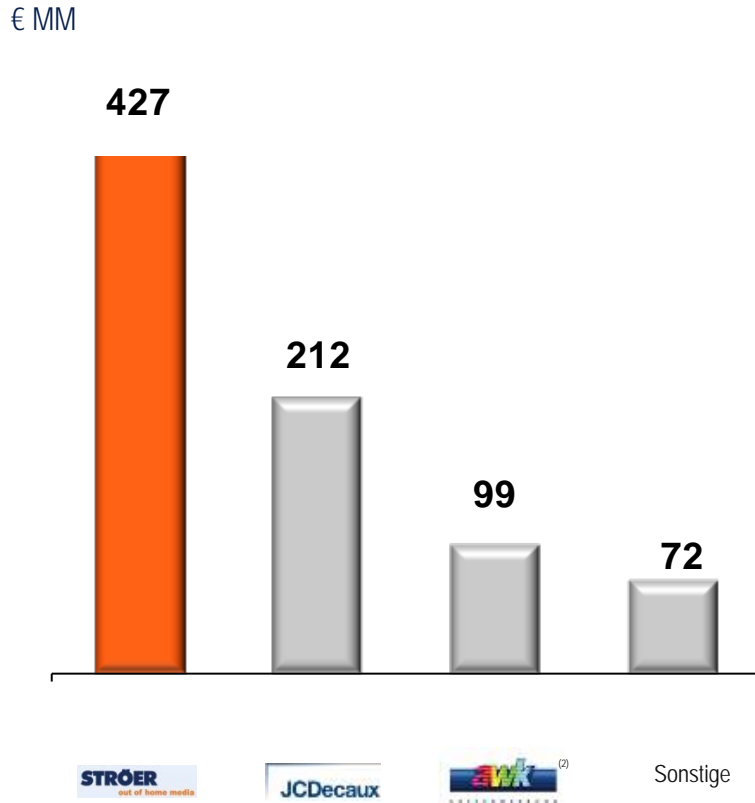
- >280,000 advertising faces
- >60 office locations
- >1,700 employees





Ströer Germany is market leader⁽¹⁾ in a consolidated OoH market

Market share based on 2011 net revenues ⁽¹⁾



Source: Company information/estimates

The German OoH market post-consolidation

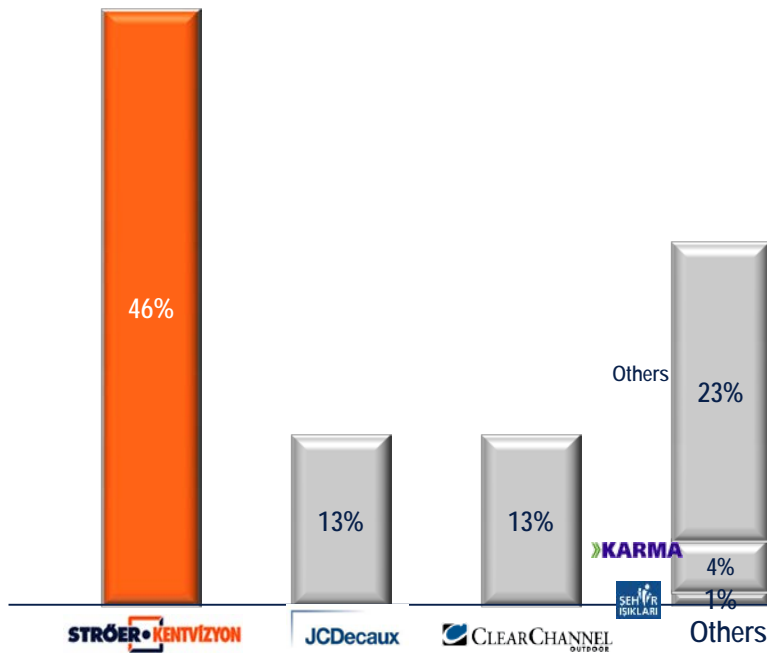
- **JCDecaux:**
 - Acquisition of 90% in Wall AG in 2009
 - Portfolio consists of CLPs
- **AWK**
 - focused on cities with <100k inhabitants
- **Others** comprise approx. 20 small local traditional billboard operators

Source: Company estimates, AWK database

Ströer Turkey: Strong market position and favourable prospects



Ströer Turkey is the OoH market leader



Source: company information / estimates based on 2011 net revenues

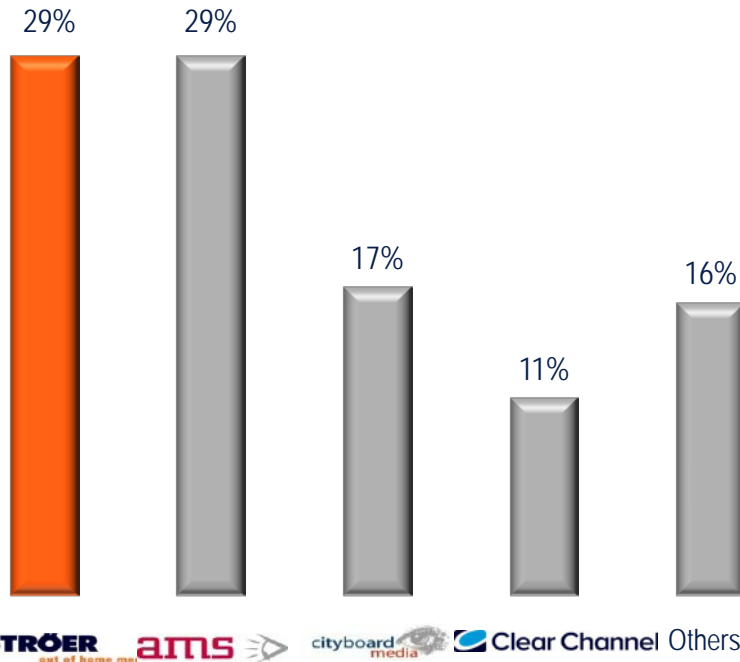
Growth drivers of Turkish OoH market

- ✓ Young attractive demographics, >70MM inhabitants
- ✓ 9 cities with more than 1MM inhabitants
- ✓ Low advertising spend per capita
- ✓ Audience measurement system initiated

Poland: Long-term positive market prospects but near-term challenge



2011 market share based on net revenues ⁽¹⁾



Source: company estimates

Drivers for future Polish OoH market growth

- ✓ Further market consolidation required
- ✓ Audience measurement system initiated
- ✓ Professionalization of OoH market

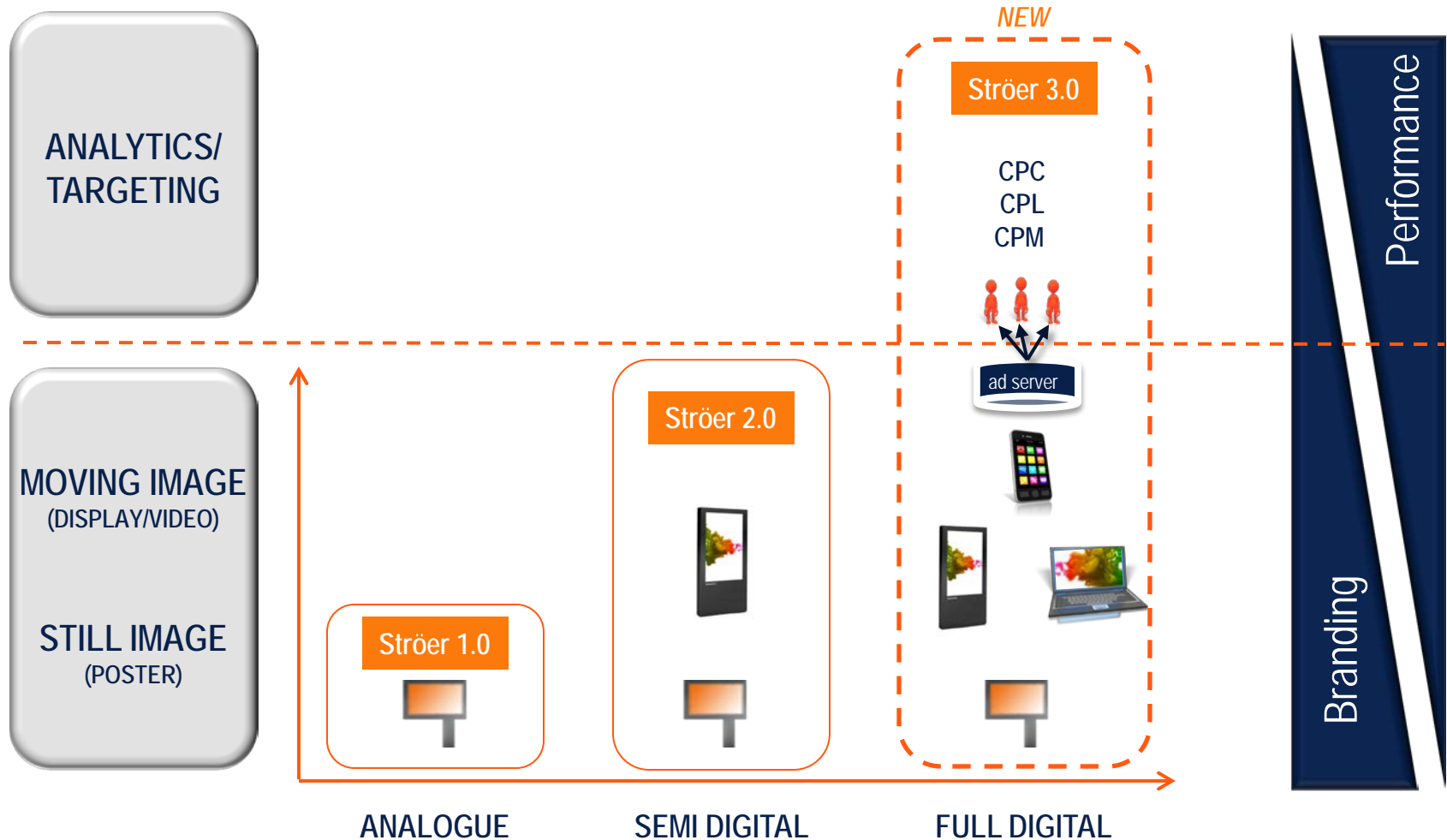
Milestones in Ströer's history



Table of Contents

1	Business Profile
2	Ströer 3.0
3	Details on Recent Acquisitions
A	Annex

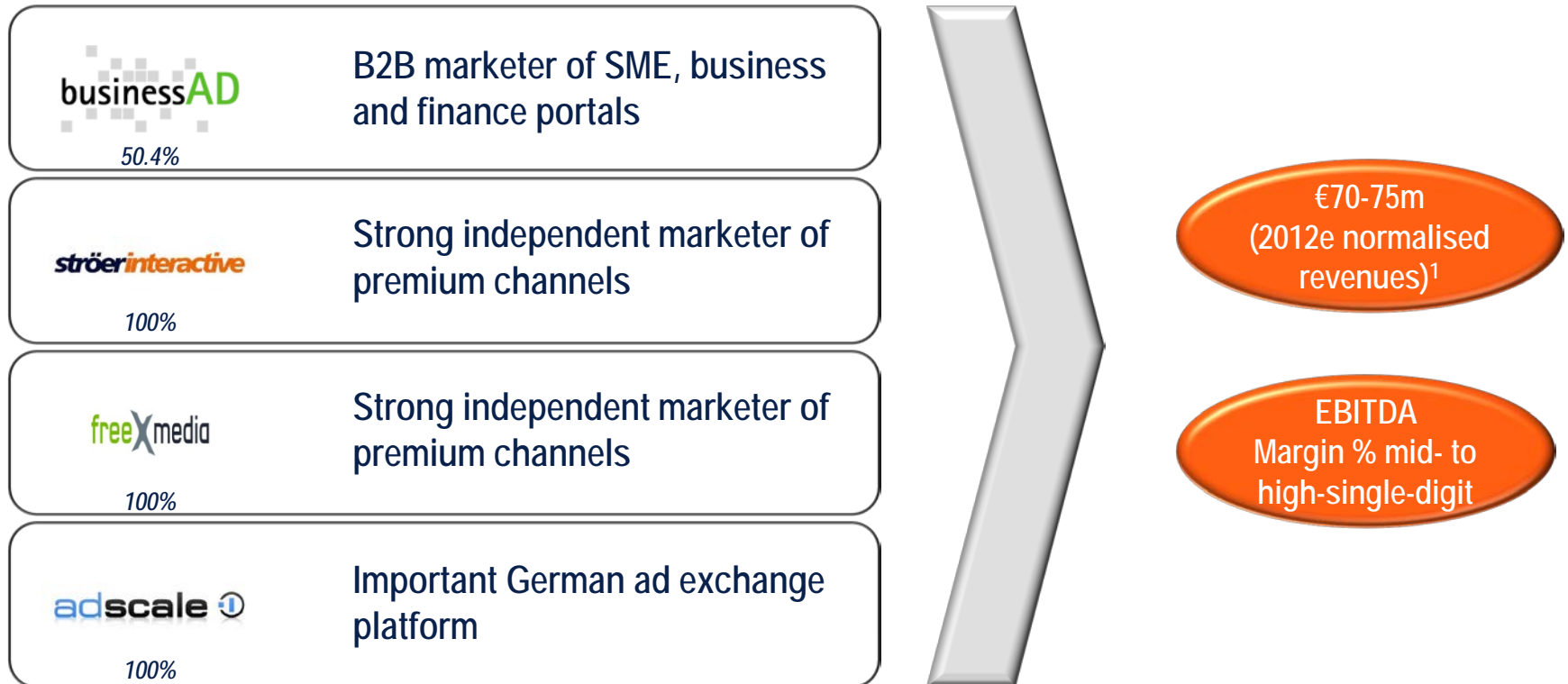
Ströer 3.0: Platform for sustainable growth in the digital age



Ströer 3.0: Exploit strong existing set-up and unparalleled market access



Ströer Online: Acquisition of four major independent online marketing companies

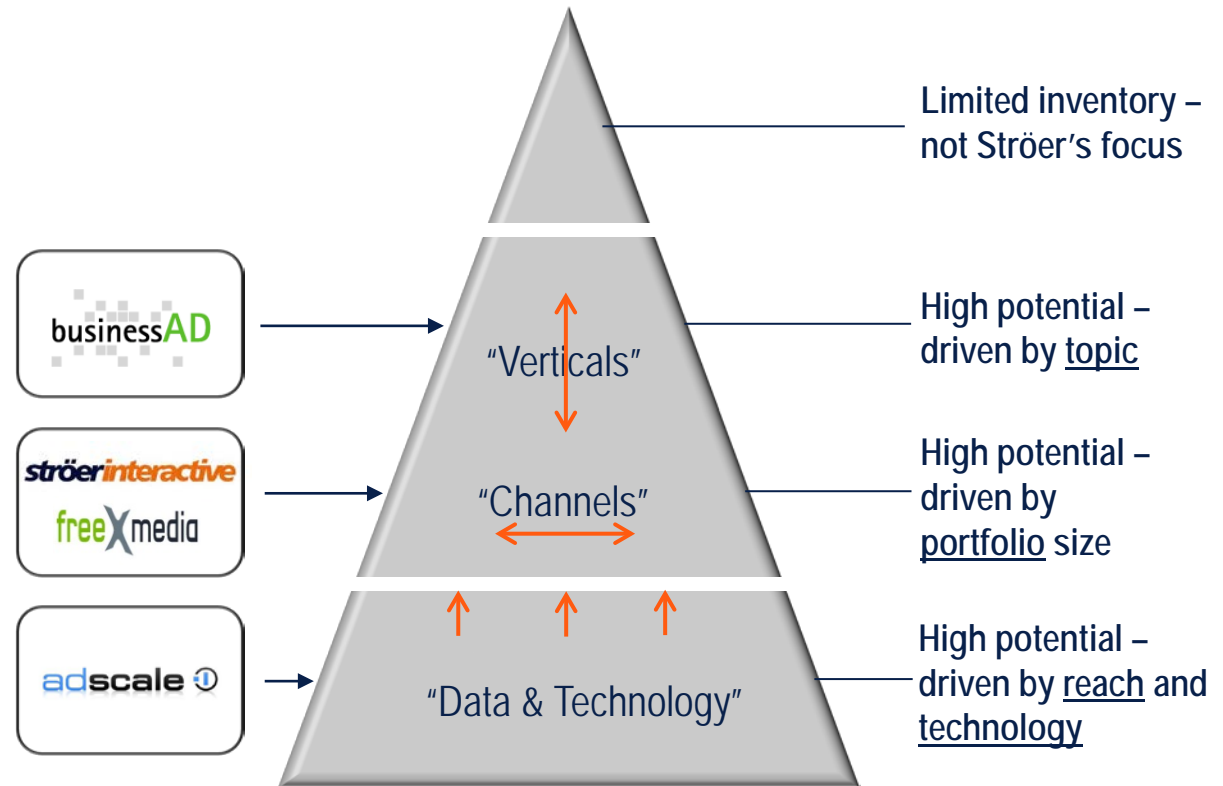


Source: Ströer Out-of-Home Media AG 1) Business Advertising GmbH fully consolidated

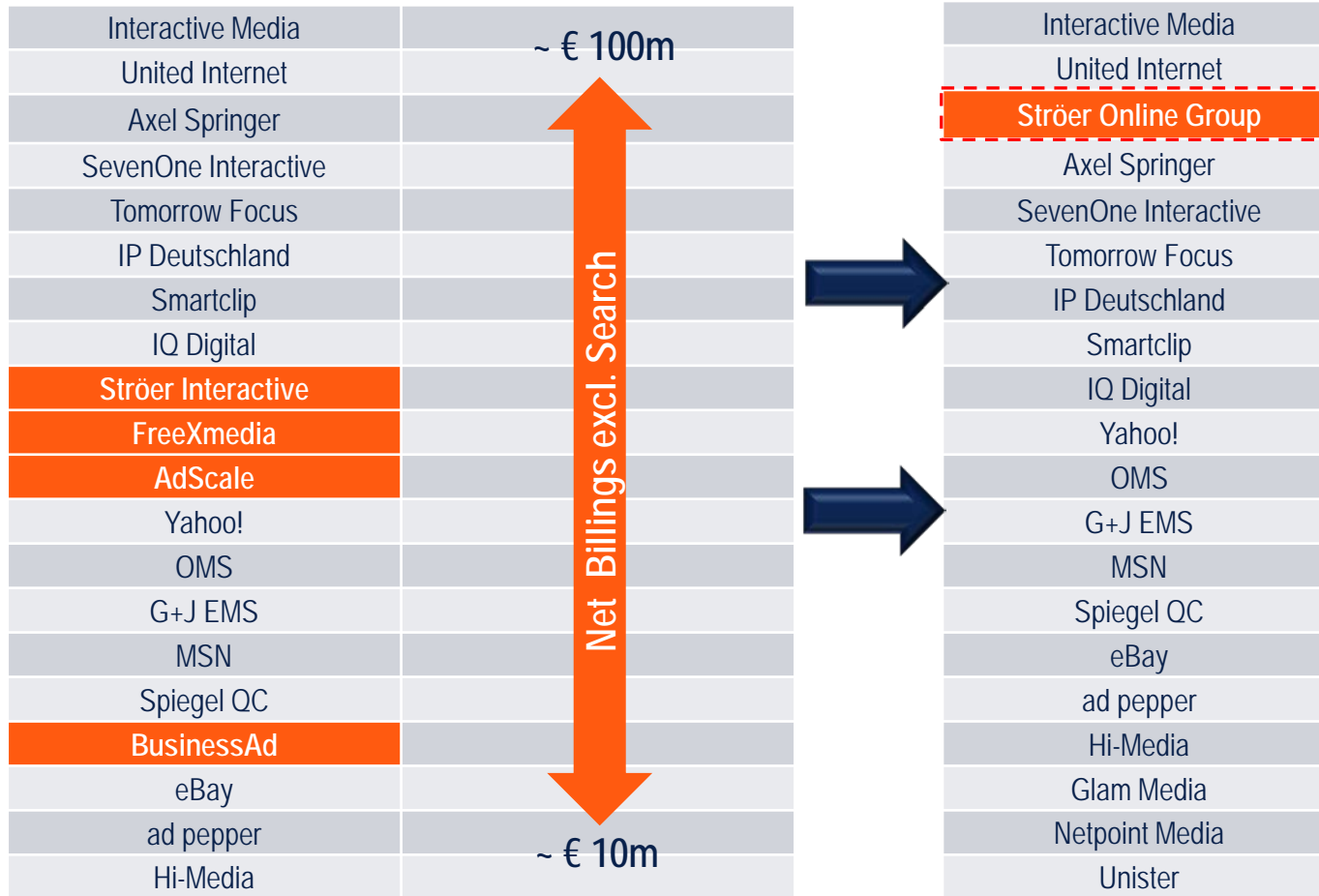
Ströer Online: Compelling mix of inventory, technology and audience data

Rationale for acquisitions :

- Fragmented market – little market power
- Top 20 marketers = just ~50% market share
- First set of smaller deals: consolidation has started
- So far no “one stop shop” for bundling of technology, inventory and audience



Ströer Online: #3 billing position straight from the start

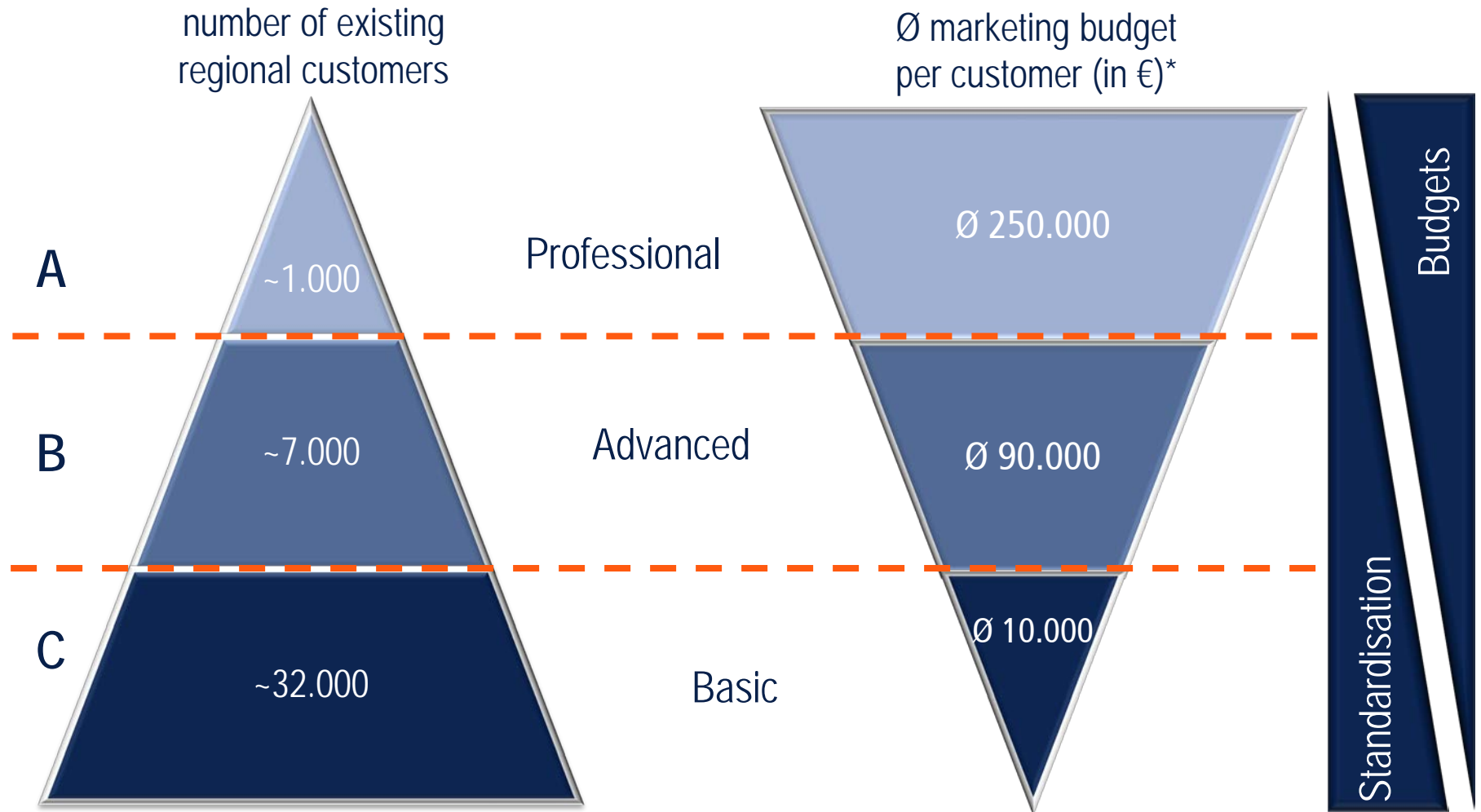


#3

No player has significant market power (> 8% market share) and is thus replaceable

All players have some kind of 3rd party inventory – but only few players are really independent

Print-dominated regional client base with significant sales potential for online over next 3 years



*Company estimates

Ströer Online: a clear strategy

2012/13

Building a new and leading player in the online advertising market by

- Starting with a significant volume ✓
- Acquiring assets in all relevant areas (inventory, technology, data) ✓
- Carefully consolidating them into a full service partner for clients and publishers (✓)



2013/14

Growth through active consolidation of the market

- Taking over sales activities of other players / publishers
- Developing regional online products via local sales infrastructure
- Merging digital OOH & online video into one product, where possible

Table of Contents

1	Business Profile
2	Ströer 3.0
3	Details on Recent Acquisitions
A	Annex

Cornerstones of both transactions: Attractive deal terms



- Agreement to acquire all shares incl. options for shares held by management
- Price not disclosed, payable in cash
- Purchase price EBITDA multiple expected in the high single-digits (based on 2012e)
- Closing expected in April 2013

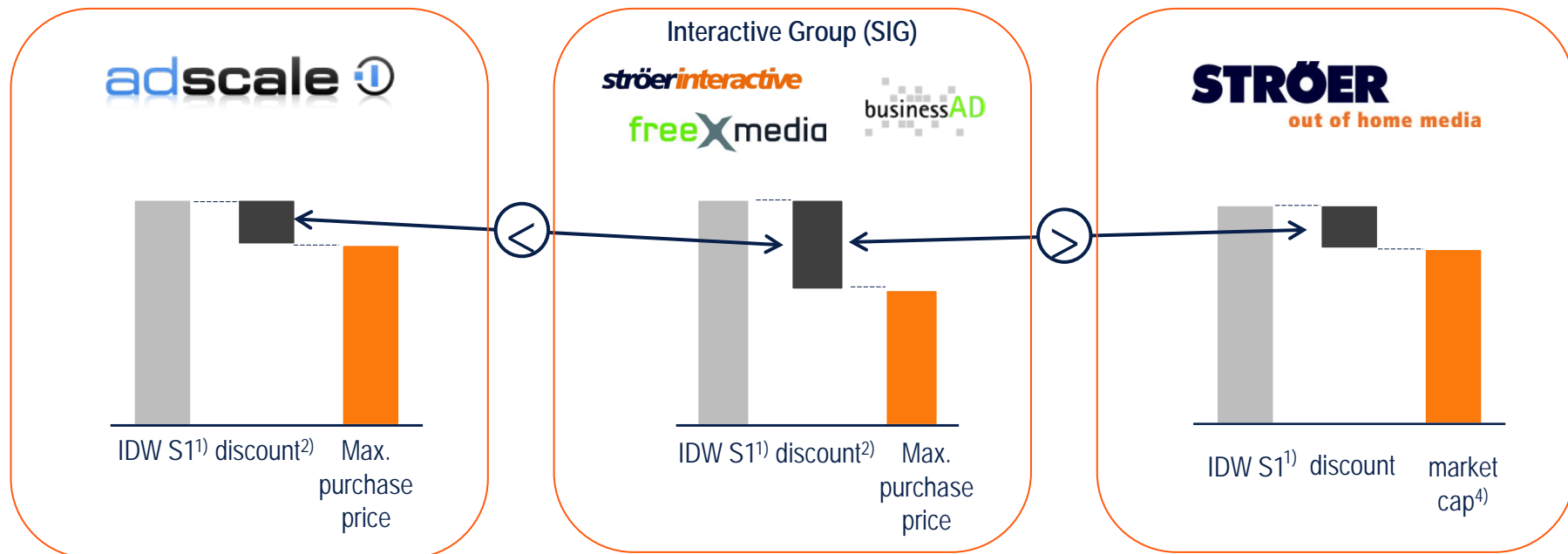
- Aggregate transaction costs of around €1.5 - 2.0m
- Normalised revenues in the area of €70-75m (2012e)
- Total maximum cash & debt free purchase price up to €87m only if EBITDA ~12m € in 2013/14 (~7x EBITDA)

Interactive Group (SIG)



- Purchase agreement with Media Ventures GmbH, owned by D. Ströer (51%) und U. Müller (49%)
- Purchase price EBITDA multiple in the high single-digits (based on 2012e). Largely payable in shares, earn-out payable in cash
- Capital increase of up to 6.8m new SAX shares in return for contribution in kind
- Closing expected in Q2 2013

How we ensure that the related party deal is fairly valued



Two conditions must be satisfied:

- 1) The % discount of SIG + 5 ppts³ **must be greater** than the % discount achieved for Adscale
- 2) The € discount of SIG **must be greater** than the per share € discount of Ströer AG times 6.8m shares

Both conditions must be met!

If not, the purchase price will be reduced accordingly until both conditions are satisfied.

- 1) IDW S1 company valuation performed by independent big-four auditor
- 2) Discount defined as delta between IDW S1 value and the agreed maximum purchase price including earn-outs
- 3) The % discount of SIG + 5 ppts must amount to at least 25%
- 4) Market cap based on trailing 90 day average as of 16 December 2012

Financial impact of transaction on Group

FCF accretive with high single digit % EBITDA margin level



EPS (adjusted*) accretive



No material impact on group leverage at closing



Low capital intensity (low single digit million € annual maintenance capex)



* Adjusted as per established Net Adjusted Income calculation principles of SAX

Milestones of the two acquisitions: Closing expected in Q2 2013



Extraordinary Shareholder Meeting on the provisional extension of the Articles of Association to be held in Cologne on 7 March 2013.

Table of Contents

1

Business Profile

2

Ströer 3.0

3

Details on Recent Acquisitions

A

Annex



- Group organic revenue growth rate at -5.4%
- Sales increase in German digital operations across product range year-on-year
- National client weakness partly offset by low single digit revenue growth of German regional business
- Roll-out of Istanbul capacity expansion on track with over 2,000 incremental units until year end
- Growth in blowUP's top-line mainly driven by international business and Olympics
- On track with achieving full year capex target of ~€45m
- Overheads slightly below prior year and in line with savings target
- Further strengthening of public contract portfolio in Germany and Turkey (bolt-on style)

Ströer Group 9M 2012 P&L management view:

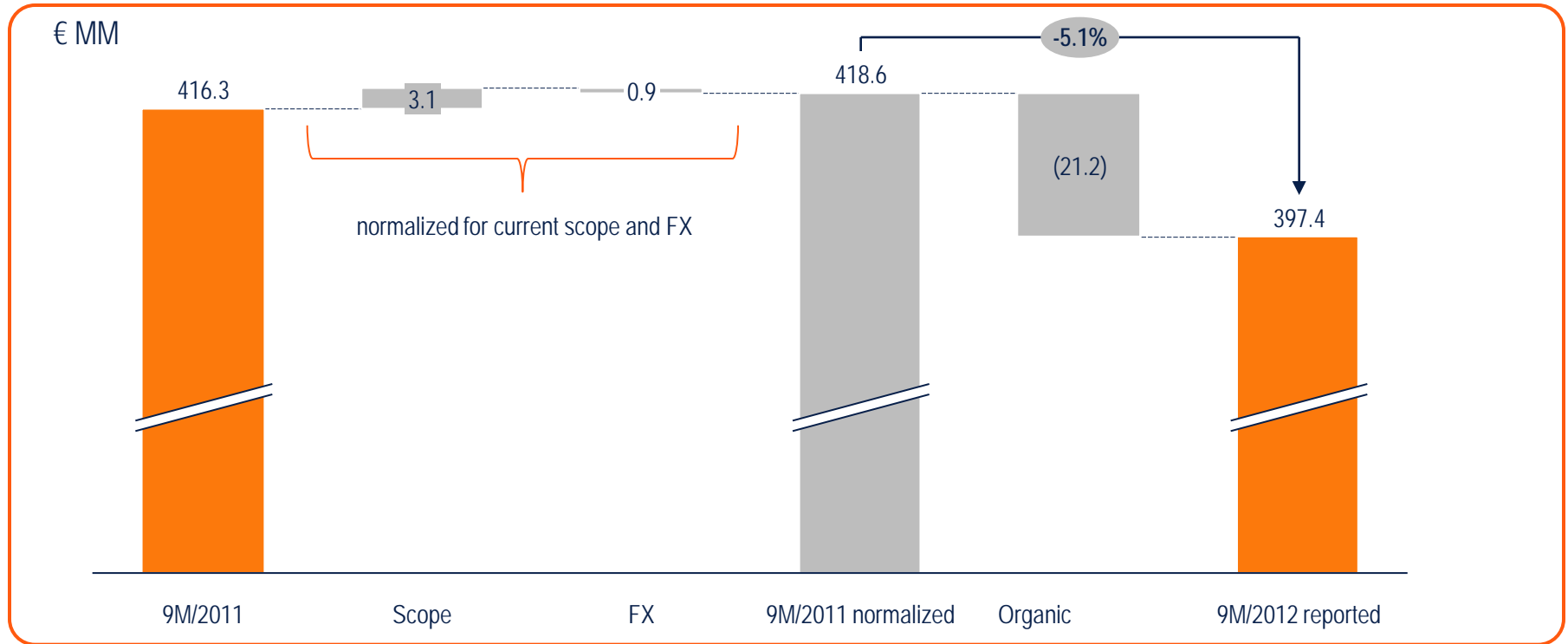
Flat reported net income benefitting from positive FX effects



€ MM	9M 2012	9M 2011	Change
Revenue	397.4	416.3	-5%
Direct costs	-240.9	-231.6	-4%
SG&A	-101.4	-103.0	+2%
Other operating result	3.3	2.3	+45%
Operational EBITDA	58.5	84.0	-30%
<i>Margin %</i>	<i>14.7</i>	<i>20.2</i>	
Depreciation	-27.5	-23.6	-16%
Amortisation	-22.4	-20.8	-8%
Exceptional items	-3.2	-10.2	+68%
EBIT	5.4	29.4	-82%
Net financial result	-26.0	-41.9	+38%
Income taxes	3.3	-4.9	n.d.
Net income	-17.4	-17.5	0%
Net adjusted income	2.8	21.1	-87%



Group organic revenue growth bridge: Without scope and FX effects revenues trail 5.1% behind last year

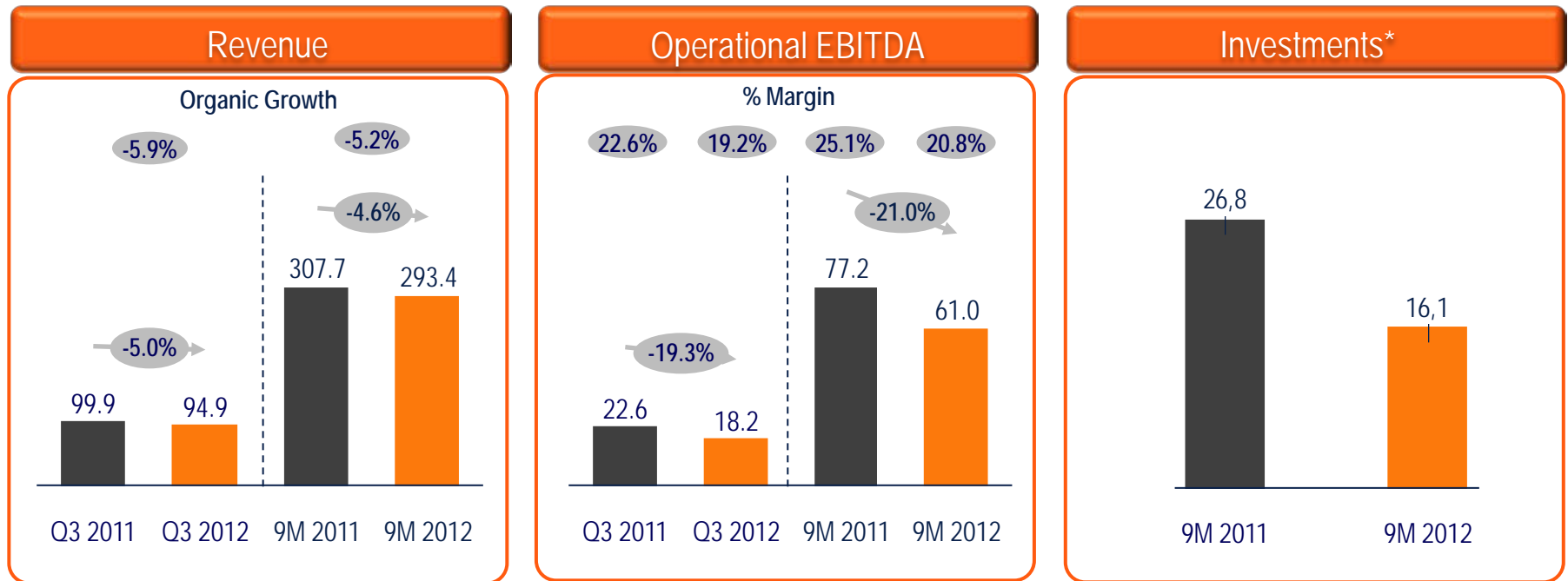


- Scope effects relate to ECE flatmedia in Germany and small bolt-on take-over in Turkey
- FX adjustments driven by depreciation of Turkish Lira and Polish Zloty vs. EUR
- -2.0% organic growth w/o effects from single Telco customer & terminated sales contracts in TR

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



€ MM



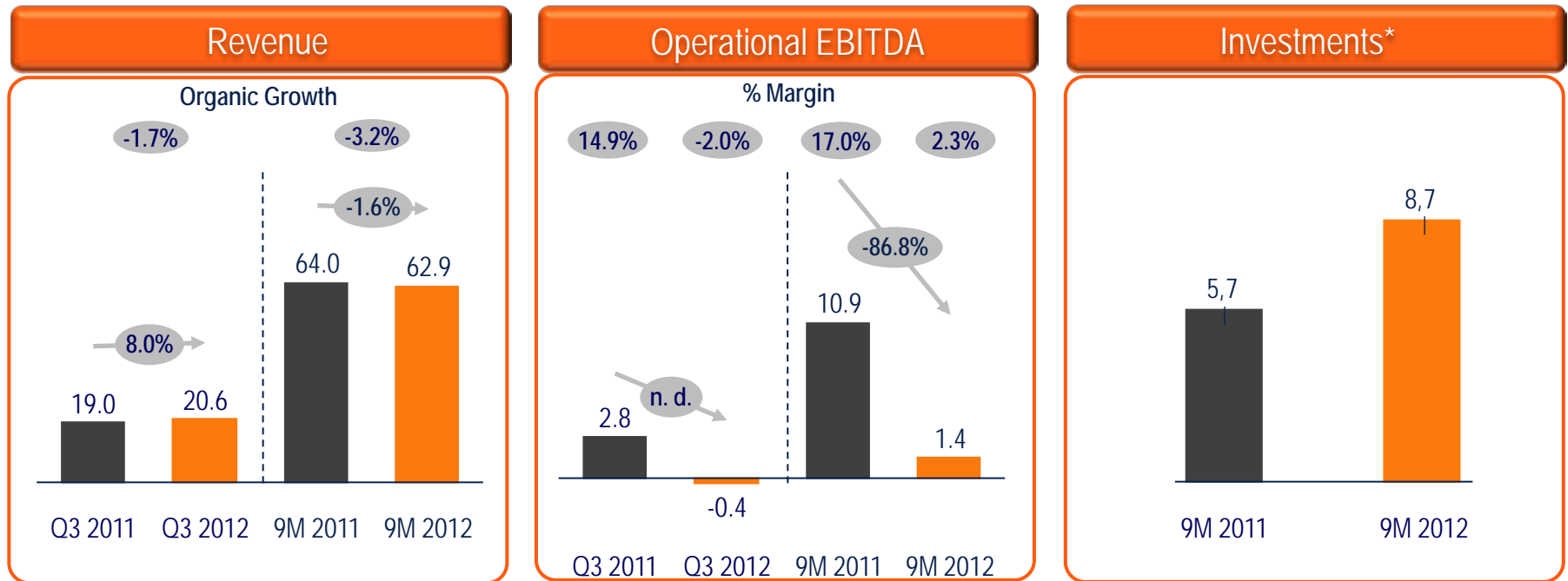
- Underlying YTD organic revenue growth excluding currently inactive Telco account just -1.2%
- High double digit y-o-y revenue growth rate in Q3 digital business driven by new customers
- Less favorable product mix of national campaigns impacting Op. EBITDA margin

*Cash paid for investments in PPE and intangible assets



Ströer Turkey: Cautious ad sentiment limiting underlying revenue growth

€ MM



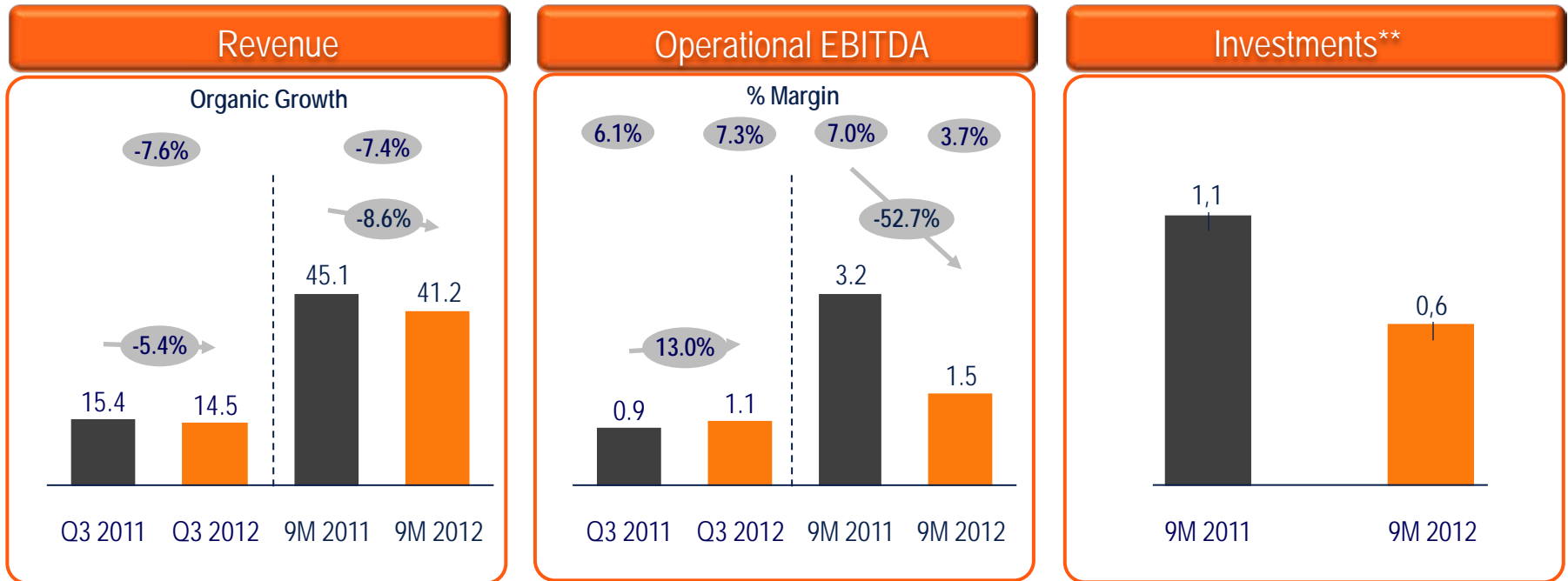
- 9M organic rev. growth w/o low margin sales contracts terminated last year runs at +1,0%
- Disproportionate direct cost increase from additional Istanbul rents and lease inflation adjustments
- Capex increase mainly reflects >2000 incremental BB/PBB units in Istanbul

* Cash paid for investments in PPE and intangible assets

Ströer Rest of Europe*:

Giant Posters strongly up in Q3, Poland affected by high comps

€ MM



- blowUP with high-double digit organic revenue growth and strong margin improvement in Q3
- Soft Q3 in Poland due to Olympics and high prior year comps (last year's parliamentary elections)
- Effective cost improvement measures throughout 2012 buffer Polish margin decline

* blowUP Media Group and Ströer Poland

** Cash paid for investments in PPE and intangible assets



Group cash flow and cash position:

Free cash flow movement mirrors operational performance

€ MM

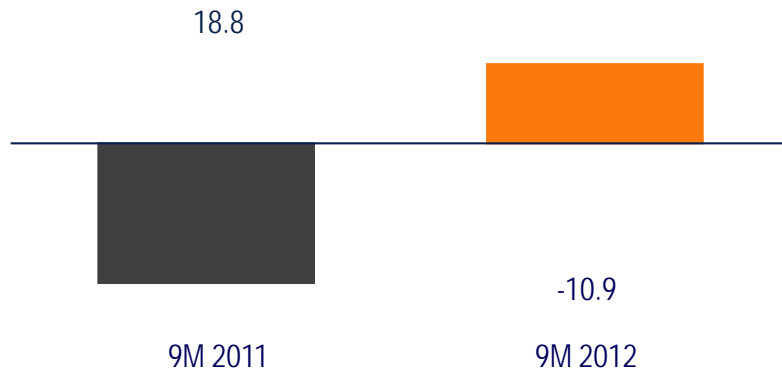
Cash flows from operations



Cash flows from investing activities



Free cash flow



Comments

- Declining operational cash flow in line with movement in underlying profit development
- Lower investing cash flows despite growth investments in Istanbul and Germany
- New debt structure of Group refinancing resulted in lower Sept 30 cash balance vs. PY

Ströer organic revenue outlook 4th quarter 2012

Out-of-home advertising markets continue to be affected by the uncertainty on the economic and financial markets and cautious customer sentiment. However, we are seeing relative improvements in Q4 booking behavior in comparison to Q3. We therefore expect a low-single-digit percent decline in Group organic revenues in the fourth quarter of 2012.

STRÖER
out of home media

Financial Calendar 2013

Event	Date
Extraordinary Shareholder Meeting (Cologne)	7 March
FY 2012 Earnings Release	26 March
Q1 2013 Earnings Release	15 May
Annual Shareholder Meeting (Cologne)	20 June
Q2 2013 Earnings Release	22 August
Q3 2013 Earnings Release	19 November

Please note that dates may be subject to change.

Contact



Stefan Hütwohl
Director Group Finance and Investor Relations

Phone: +49 (0)2236 . 96 45-338
Fax: +49 (0)2236 . 96 45-6338
Email: shuetwohl@stroeer.de

Ströer Out-of-Home Media AG
Ströer Allee 1
50999 Cologne
Germany

www.stroeer.com

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