PROSPECTUS DATED JULY 2, 2010

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES OF AMERICA

Prospectus

for the public offering

of

up to 16,176,471 newly issued ordinary bearer shares from a capital increase for a contribution in cash to be approved by an extraordinary general shareholders' meeting of the Company

and of

4,156,238 newly issued ordinary bearer shares from the holdings of the Selling Shareholder deriving from a capital increase from contingent capital due to the exercise of warrants

and of

up to 2,033,271 existing ordinary bearer shares from the holdings of the Existing Shareholders to cover a potential overallotment

and

for admission to trading on the regulated market segment *(regulierter Markt)* of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard)

of

23,552,000 existing ordinary bearer shares (existing share capital)

and

up to 16,176,471 newly issued ordinary bearer shares from a capital increase for a contribution in cash to be approved by an extraordinary general shareholders' meeting of the Company

and of

4,156,238 newly issued ordinary bearer shares from the holdings of the Selling Shareholder deriving from a capital increase from contingent capital due to the exercise of warrants

and of

up to 2,033,271 newly issued ordinary bearer shares from a potential capital increase from authorized capital to redeem the share loan of the Existing Shareholders which has been granted to cover a potential overallotment

— each such share with no par value and a notional value of €1.00 and full dividend rights as of January 1, 2010 —

of

Ströer Out-of-Home Media AG

Cologne, Germany

Price Range: €17.00 to €24.00

International Securities Identification Number (ISIN): DE0007493991
German Securities Code (*Wertpapierkennnummer*) (WKN): 749 399
Common Code: 051351029
Trading Symbol: SAX

Joint Global Coordinators & Joint Bookrunners

J.P. Morgan | **Morgan Stanley**

Co-Lead Managers

COMMERZBANK | **Crédit Agricole CIB** | **WestLB AG**

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SUMMARY

*Ströer Out-of-Home Media AG, with its registered office at Ströer Allee 1, 50999 Cologne, Germany, and registered with the Commercial Register maintained by the Local Court (Amtsgericht) of Cologne under HRB number 41548 (the "**Company**", "**Ströer AG**" or "**we**", and, together with its subsidiaries, "**we**", "**our Group**" or the "**Ströer Group**"), along with J.P. Morgan Securities Ltd., London, United Kingdom ("**JP Morgan**"), and Morgan Stanley Bank AG, Frankfurt am Main, Germany ("**Morgan Stanley**", and together with JP Morgan the "**Joint Global Coordinators**" and the "**Joint Bookrunners**") and COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany ("**COMMERZBANK**"), Crédit Agricole Corporate and Investment Bank, Paris, France ("**Crédit Agricole**"), and WestLB AG, Dusseldorf, Germany ("**WestLB**" and, together with COMMERZBANK and Crédit Agricole, the "**Co-Lead Managers**" and, together with the Joint Global Coordinators, the "**Underwriters**"), assume responsibility for the contents of this summary pursuant to Section 5 para. 2 Sentence 3 no. 4 of the German Securities Prospectus Act (Wertpapierprospektgesetz) ("**WpPG**").*

*This summary should be read as an introduction to this prospectus. The information in this summary is supplemented by more detailed information contained elsewhere in this prospectus. Investors should base their investment decision on an examination of this prospectus in its entirety. Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the respective national legislation of the relevant member state of the European Economic Area ("**EEA**"), need to bear the costs of translating this prospectus before legal proceedings are commenced. With regard to the content of this summary, liability attaches to those persons who have tabled the summary, but only if and to the extent that the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus.*

Overview

We are, in our view, one of the world's leading out-of-home advertising groups in terms of revenues. Our portfolio consists of more than 280,000 advertising faces in Europe, and we have offices in more than 60 locations in Europe. We provide our clients with a variety of different out-of-home advertising products, including conventional, digital and interactive media products, through our four product groups: billboards, street furniture, transport and "Other". We generated revenues of €469.8 million and operational EBITDA (before phantom stock)(1) of €100.0 million in the year ended December 31, 2009 and €105.1 million and €16.7 million, respectively, in the three months ended March 31, 2010.

We have three reportable operating segments: "Ströer Germany", "Ströer Turkey" and "Other".(2) Ströer Germany contains the operating activities of Ströer Media Deutschland GmbH, Cologne ("**SMD**"), the subgroup parent for our street furniture, billboard and transport product groups in Germany, and its subsidiaries. Ströer Turkey comprises our street furniture, billboard and transport operations in Turkey. Our "Other" operating segment includes our operations under Ströer Poland, and the activities of our giant poster subsidiary, BlowUp Media GmbH, Cologne ("**blowUP media**") and its subsidiaries, which operate in Germany, the United Kingdom, Spain, Belgium and the Netherlands. In the year ended December 31, 2009, we generated 84% of our total revenues in our Ströer Germany operating segment, 7% in our Ströer Turkey operating segment, 6% in Poland and 3% through blowUP media.

We have the largest market share, based on net revenues, in the out-of-home advertising market in Germany (source: German Federal Cartel Office (*Bundeskartellamt*)), Europe's largest advertising market, with more than 230,000 advertising faces in more than 600 cities. Based on net revenues, we also have the largest market share in Turkey (source: Turkish Competition Board) with more than 41,000 advertising faces in 31 population centers. In Poland, we have the largest market share in the billboard market (source: SPC House of Media) and in the out-of-home advertising market (according to our own estimates) in terms of net revenues, with a total of more than 20,800 advertising faces in 16 major cities across Poland (assuming closing and confirmation of the acquisition of News Outdoor Poland sp. z o.o.; the closing is subject to certain closing conditions). We believe that we operate Europe's largest giant poster network through blowUP media.

We obtain rights to use locations for the display of out-of-home advertising by entering into private contracts with private land and building owners and public concession licenses with governmental entities. Our private

(1) Operational EBITDA (before phantom stock) is calculated by adding back to our EBITDA certain extraordinary items and the (non-cash) valuation impact to provisions on our statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued and paid out in cash at the closing of the Offering.

(2) See the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. In the audited consolidated financial statements as of and for the year ended December 31, 2009 those segments were named "SMD", "Turkey" and "All other segments".

contracts generally require us to make fixed rent payments, whereas our public concession licenses require us to make a larger portion of revenue-share rent payments than fixed rent payments. We are currently party to more than 4,000 public concession licenses and more than 15,000 private contracts.

Summary of Our Key Strengths

We believe that we benefit from the following strengths:

- We have leading positions in some of the largest and highly attractive advertising markets in Europe.
- Our premium business model is reflected in our ability to generate high cash conversion.
- We have an extensive network of contractually secured, in our view prime out-of-home advertising units, offering advertisers broad networks for national advertising campaigns.
- We are well-positioned to benefit from the expected growth in the under-penetrated German out-of-home market and the expected overall growth of the Turkish and Polish advertising markets.
- We have a highly dedicated and experienced research and development team and continue to focus on product innovation and improvement.
- We have an experienced, growth-oriented and founder-led management team.
- The combination of our strengths enabled us to successfully navigate through the crisis and has put us in a position to benefit from the expected economic recovery.
- We are an experienced consolidator in the out-of-home advertising market.

Summary of Our Strategy

We are committed to a growth strategy. We are convinced that developing sustainable growth is a key aspect for maintaining a strong market position of the Company. With our overall approach to growing the Company, we particularly focus on the following points:

- We focus on markets where we believe we can achieve a leading market position.
- We aim to achieve scale/critical mass in each of the markets in which we operate.
- We aim to increase the market share of the out-of-home sector in comparison to other advertising media.
- We seek to drive technological innovation in the out-of-home sector.
- We carefully balance our portfolio between emerging and mature markets.
- We aim to drive our future growth both organically and through acquisitions.

Recent Developments

On March 10, 2010, we entered into an agreement to increase our 50% equity stake in Ströer Kentvizyon Reklam Pazarlama A.Ş. ("**Ströer Kentvizyon**"), the holding company for our activities in Turkey, to 90%. The aggregate purchase price for the acquired shares, corresponding to the higher of (i) a lump-sum amount of €55 million or (ii) 40% of Ströer Kentvizyon's equity value, will be paid with the proceeds of the Offering; Ströer Kentvizyon's equity value depends, inter alia, on the Offer Price achieved in the Offering.

On June 15, 2010, we entered into an agreement to acquire a 100% interest in News Outdoor Poland sp. z o.o, a Polish company which is operating in the out-of-home media business in Poland, for a purchase price of approximately €26 million (subject to certain adjustments upon closing of the acquisition). In our opinion, News Outdoor Poland sp. z o.o is a leading premium format billboard contractor in Poland and the fourth largest outdoor company by revenues in Poland.

Auditors

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (formerly Ernst & Young AG Wirtschaftsprüfungs-gesellschaft Steuerberatungsgesellschaft), Ludwigstraße 8, 50667 Cologne, Germany ("**E&Y**"), a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, is the auditor of our statutory financial statements.

Summary of the Offering

Offering	This offering consists of (i) initial public offerings in the Federal Republic of Germany and the Grand Duchy of Luxembourg and (ii) private placements in certain jurisdictions outside the Federal Republic of Germany and the Grand Duchy of Luxembourg consisting of: • Up to 16,176,471 newly issued ordinary bearer shares from a capital increase for a contribution in cash expected to be approved by the extraordinary general shareholders' meeting of the Company on July 13, 2010 (the "**Company Shares**"); • 4,156,238 newly issued ordinary bearer shares from the holdings of the Selling Shareholder (as subsequently defined) deriving from a capital increase from contingent capital due to the exercise of warrants (the "**Warrant Shares**"); and • Up to 2,033,271 existing ordinary bearer shares from the holdings of the Existing Shareholders (as subsequently defined) to cover a potential overallotment (together the "**Offering**"). The shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). In the United States of America, the shares are being offered and sold to qualified institutional buyers in private placements in reliance on Rule 144A under the U.S. Securities Act. Outside the United States of America, the shares will be offered in reliance on Regulation S under the U.S. Securities Act.
Offer Shares	The ordinary bearer shares that are the subject of this Offering (the Company Shares, the Warrant Shares and—as defined below—the Greenshoe Shares) have no par value and a notional value of €1.00 each (together the "**Offer Shares**"). All of the shares are fully paid in.
Joint Global Coordinators and Joint Bookrunners	JP Morgan and Morgan Stanley.
Co-Lead Managers	COMMERZBANK, Crédit Agricole and WestLB.
Underwriters	JP Morgan, Morgan Stanley, COMMERZBANK, Crédit Agricole and WestLB.
Existing Shareholders	The existing shareholders are Dirk Ströer and Udo Müller (together the "**Existing Shareholders**").
Selling Shareholder	The selling shareholder is Saberasu Japan Investments II B. V., Baarn, The Netherlands ("**Saberasu**" or the "**Selling Shareholder**"), an entity controlled by Cerberus Capital Management, L.P., New York, U.S. and certain of its affiliates (together "**Cerberus**").
Offer Period	This Offering will commence on July 5, 2010 and end on July 13, 2010 (i) at 12:00 noon (Central European Summer Time) for retail investors and (ii) at 4:00 p.m. (Central European Summer Time) for institutional investors (the "**Offer Period**"). The Company reserves the right, in consultation with the Joint Global Coordinators, to extend or shorten the Offer Period.
Price Range	The price range within which offers to purchase may be submitted is between €17.00 and €24.00 per share. Within this price range, the offers may be furnished with a price limit. However, every offer must refer to a minimum order size of 100 shares and be made out to a plain euro amount or to full 25, 50 or 75 euro cents. The Company reserves the right, in consultation with the Underwriters, to reduce or increase the upper and/or lower limits of the price range.

Offer Price; Number of Company Shares	The Company expects to determine the offer price together with the Joint Global Coordinators, on the basis of a bookbuilding process, on or about July 13, 2010 (the "**Offer Price**"). The number of Company Shares that the Company will issue and sell pursuant to the Offering will be determined based on the Offer Price and will be such number of shares as is necessary to provide the Company with gross sale proceeds of €275.0 million. As a result of this precondition, at the high-point of the price range (€24.00) as set out above, the Company would be offering 11,458,334 Company Shares (or 48.7% of the existing share capital), at the mid-point of the price range (€20.50) the Company would be offering 13,414,635 Company Shares (or 57.0% of the existing share capital) and at the low-point of such price range (€17.00) the Company would be offering 16,176,471 Company Shares (or 68.7% of the existing share capital). The Offer Price and the final number of Company Shares and Offer Shares are expected to be published by means of electronic media, such as Reuters or Bloomberg, and on the Company's website (*www.stroeer.com*). Following the publication of the Offer Price in the electronic media, investors may obtain the Offer Price from the Underwriters. The Company reserves the right, in consultation with the Underwriters, to reduce or increase the number of shares offered. The Company may increase the total number of shares offered in this Offering up to a maximum of the total number of shares for which the application for admission to listing and trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange is being made in accordance with this prospectus.
Stabilization Measures, Overallotments and Greenshoe Option	In connection with the placement of the Offer Shares, Morgan Stanley, or persons acting on its behalf, may, as Stabilization Manager (the "**Stabilization Manager**") and acting in accordance with legal requirements, make overallotments and take stabilization measures with a view to supporting the market price of the shares of the Company at a higher level than that which might otherwise prevail in the open market and thereby counteract any selling pressure and demand for the shareholders (together the "**Stabilization Measures**"). The Stabilization Manager is under no obligation to take any Stabilization Measures. No assurance can therefore be provided that any Stabilization Measures will be taken. Where Stabilization Measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the shares of the Company are listed on the regulated market of the Frankfurt Stock Exchange and must be terminated no later than the thirtieth calendar day after that date (the "**Stabilization Period**"). For stabilization purposes, the Stabilization Manager may overallot up to 2,033,271 shares in the Company (10% of the aggregate sum of (i) the final number of Company Shares and (ii) 4,156,238 Warrant Shares) to investors as part of the allocation of the shares to be placed. For the purposes of allowing the Stabilization Manager to cover short positions resulting from any such overallotments and/or from sales of shares effected by it during the Stabilization Period, the Stabilization Manager will be provided for the account of the Underwriters in the form of a compensated securities loan (*entgeltliches Wertpapierdarlehen*) with up to 2,033,271 shares by the Existing Shareholders. In addition, the Company has granted the Stabilization Manager an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange, to acquire up to 2,033,271 additional ordinary bearer shares of the Company (the "**Greenshoe Shares**") for the account of the Underwriters at the Offer Price, less

underwriting commissions, solely to redeem the securities loan, if any, in connection with the Offering (the "**Greenshoe Option**"). The Greenshoe Shares will be issued from a capital increase from authorized capital.

Once the Stabilization Period has ended, an announcement will be made within one week in various media distributed across the EEA as to whether Stabilization Measures were taken, when price stabilization started and finished and the price range within which Stabilization Measures were taken. The price range will be made known for each occasion on which Stabilization Measures were taken. Exercise of the Greenshoe Option, the timing of exercise and the number and type of shares involved will also be announced promptly in the manner stated above.

Shareholdings before and after the Offering

The table below shows information relating to the shareholdings immediately before and after the Offering. Such information is based on an Offer Price at the mid-point of the price range (€20.50) and assumes that the Selling Shareholder disposes of its entire shareholding and the Greenshoe Option is not exercised. Upon completion of the Offering, the Existing Shareholders (Udo Müller and Dirk Ströer) will hold more than 50% of the shares in the Company.

	Immediately prior to the completion of the Offering		Upon completion of the Offering (no exercise of Greenshoe Option)[1]	
	Number of shares	Percentage of shares	Number of shares	Percentage of shares
Udo Müller	11,776,000	42.5	11,836,975	28.8
Dirk Ströer	11,776,000	42.5	11,922,341	29.0
Alfried Bührdel	—	—	46,180[2]	0.1%[2]
Saberasu	4,156,238	15.0	—	—
Freefloat	0	0	17,317,377	42.1
Total	**27,708,238**	**100.0**	**41,122,873**	**100.0**

(1) Excluding Preferential Allocation (for further information see "*—Preferential Allocation*")

(2) Assuming that Alfried Bührdel will invest one third of the net Phantom Stock Bonus payable to him.

Assuming (i) that the Greenshoe Option is exercised in full, (ii) the completion of the capital increase from authorized capital to issue the new ordinary bearer shares to cover the Greenshoe Option and (iii) an Offer price at the mid point of the Price Range (€20.50), the number of shares held by Udo Müller will be 11,836,975 (representing 27.6% of the shares in the Company), the number of shares of Dirk Ströer will be 11,922,341 (representing 27.8% of the shares in the Company) the number of shares of Alfried Bührdel will be 46,180 (representing 0.1% of the shares in the Company) and the number of shares publicly held (free float) after the Offering will be 19,074,465 (representing 44.5% of the shares in the Company).

Allotment Criteria

The Company will make the ultimate decision regarding the allotment of shares to retail investors and institutional investors after consultation with the Joint Global Coordinators. Allotments will be made on the basis of the quality of the individual investors and individual orders and other allotment criteria to be determined after consultation with the Joint Global Coordinators. The allocation to retail investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" published by the Stock Exchange Expert Committee (*Börsensachverständigenkommission*). "Qualified investors" under the WpPG, as well as "professional clients" and "suitable counterparties" under the German Securities Trading Act (*Wertpapierhandelsgesetz*) ("**WpHG**") are not viewed as "private investors" within the meaning of the allocation rules.

Preferential Allocation

The Company has set up a preferential allocation program for the benefit of all employees of Ströer Group, including all members of the

	governing bodies, employed and resident in Germany with an unterminated and active employment contract since more than one year (record date June 1, 2010) in the total amount of up to 5.0% of the issuing volume of the Offering (without Greenshoe Option) (the "**Preferential Allocation Program**"). Pursuant to the conditions of the Preferential Allocation Program, such qualified employees of the Company are entitled to acquire shares of the Company within the Offering as employee shares (*Belegschaftsaktien*) pursuant to Section 3 no. 39 German Income Tax Act (*Einkommensteuergesetz*) in the form of a preferential allocation in the amount of up to €900 and €1,800 respectively, having a discount free of tax and social insurance contribution (*steuer- und sozialabgabenfreier Preisnachlass*) of 20%, that is up to €180 and €360 respectively. Beyond that, the qualified employees are entitled to acquire additional shares of the Company within the Offering in the amount of €1,000, €2,500 or €5,000 at the Offer Price without discount. The lock-up period for the acquired shares will expire on July 31, 2010. The two Existing Shareholders, Udo Müller and Dirk Ströer, and Alfried Bührdel will subscribe in the Offering for approximately €5 million worth of shares at the Offer Price, representing up to 253,496 shares (at the mid-point of the price range, assuming that Alfried Bührdel will invest one third of the net Phantom Stock Bonus payable to him). The Existing Shareholders and Alfried Bührdel will receive a guaranteed allocation after such subscription.
Listing and Admission to trading	The Company expects to apply on July 2, 2010 for admission to listing and trading in the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and, simultaneously, in the sub-segment thereof with additional post-admission obligations (*Prime Standard*) of up to 43,884,709 ordinary bearer shares, consisting of (i) 23,552,000 existing ordinary bearer shares (existing subscribed capital), (ii) up to 16,176,471 newly issued ordinary bearer shares from the capital increase for a contribution in cash and (iii) 4,156,238 newly issued ordinary bearer shares from the capital increase from contingent capital. An admission decision for listing is expected to be announced on July 14, 2010. The decision on the admission of the Company's shares for listing and trading will be made solely in the discretion of the Frankfurt Stock Exchange. Trading on the Frankfurt Stock Exchange is currently expected to commence on July 15, 2010. If the Greenshoe Option is exercised, the Company will additionally apply for admission to listing and trading at the Frankfurt Stock Exchange for up to 2,033,271 newly issued ordinary bearer shares from a potential capital increase from authorized capital to redeem the share loan of the Existing Shareholders which has been granted to cover a potential overallotment.
Delivery and Payment	Delivery of the shares against payment of the Offer Price is expected to take place on or about July 16, 2010. The Offer Shares will be made available to the shareholders as co-ownership interests in the global share certificate. At the shareholder's discretion, the Offer Shares purchased in the Offering will be credited either to a securities deposit account maintained by a German bank with Clearstream Banking AG, Neue Börsenstraße 1, 60457 Frankfurt am Main, Germany, for the account of such shareholder or to the securities deposit account of a participant in Euroclear Bank S.A./N.V., 1, Boulevard Roi Albert II, 1120 Brussels, Belgium.
Lock-up Agreements	The Company will, in the underwriting agreement among the Company, the Existing Shareholders and the Underwriters, which is expected to be entered into on July 2, 2010 (the "**Underwriting Agreement**"), commit to an obligation vis-à-vis the Underwriters in accordance with the relevant provisions of German securities law,

that it will not, and will not agree to, without the prior consent of the Joint Global Coordinators, within a period of six months following the first day of trading of the shares of the Company:

- announce or carry out a capital increase from authorized capital;
- submit a resolution for a capital increase to its general shareholders' meeting;
- announce, implement or propose the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company; or
- conduct any transactions that would have an economic effect similar to the above measures.

These lock-up restrictions do not apply to issuances or sales of shares or other securities as part of management participation plans of the Company or its affiliates, nor to any corporate actions undertaken for purposes of entering into joint ventures or acquiring companies, provided the respective counterparty agrees to be bound by the same lock-up restrictions vis-à-vis the Joint Global Coordinators that apply to the Existing Shareholders as described below.

The Existing Shareholders will, in the Underwriting Agreement, and Alfried Bührdel will, in a lock-up agreement, commit to an obligation vis-à-vis the Underwriters that they will not, and will not agree to, without the prior consent of the Joint Global Coordinators, within a period of 12 months following the first day of trading of the shares of the Company:

- directly or indirectly sell, offer, transfer or otherwise dispose of shares or other securities of the Company; the same applies to all transactions that have an economic effect similar to a sale, such as the issue of option or conversion rights with respect to shares of the Company; or
- conduct any transactions that have an economic effect similar to the above measures.

These lock-up restrictions do not apply to transactions with persons that agree to be bound by these restrictions.

In the Underwriting Agreement, the Existing Shareholders will also give representations and warranties regarding the legitimate existence of the shares they are selling and their right to sell such shares, their sole and unencumbered ownership in these shares and their status as fully paid up, compliance with the applicable rules of supervisory and securities regulatory authorities, and the absence of insider information. The Existing Shareholders will make no other representations and warranties.

Use of Proceeds and Costs of the Offering

The Company will receive the proceeds of the Offering resulting from the sale of the Company Shares and, additionally, if any, the proceeds from a potential capital increase from authorized capital to redeem the share loan of the Existing Shareholders which has been granted to cover a potential overallotment. The Company will not receive any proceeds from the sale of shares of the Selling Shareholder.

The Company estimates that the gross sale proceeds from the sale of the Company Shares will amount to €275.0 million (without exercise of the Greenshoe Option). If the Greenshoe Option has been fully exercised and the share loan of the Existing Shareholders to cover a potential overallotment is redeemed by way of a capital increase from authorized capital, we estimate that at the mid-point of the price range the gross proceeds to the Company would amount to approximately €36.0 million and, together with the gross sale proceeds from the sale of the Company Shares to a total of approximately €311.0 million.

At the mid-point of the price range, gross sale proceeds to the Selling Shareholder would amount to approximately €85.2 million.

Costs of the Company related to the Offering are expected to total approximately €36.8 million, including underwriting commissions of approximately €10.6 million (assuming (i) that the capital increase from authorized capital to redeem the share loan of the Existing Shareholders to cover a potential overallotment has been fully exercised and (ii) an Offer Price at the mid point of the price range as well as payment in full on the discretionary fee of up to 1% of the aggregate gross Offering proceeds; excluding tax effects) and estimated other expenses of €26.2 million (including the cash out on the terminated long-term incentive program and costs in connection with the amendment of the existing €545.0 million and US$29.4 million credit facility). The Selling Shareholder will pay the portion of the Underwriters' fees attributable to the offer and sale of the Warrant Shares.

We estimate, that at the mid-point of the price range, the net proceeds to the Company (assuming that the Greenshoe Option has been fully exercised and the share loan of the Existing Shareholders to cover a potential overallotment is redeemed by way of a capital increase from authorized capital) would amount to approximately €274.2 million. At the mid-point of the price range, the net proceeds to the Selling Shareholder from the sale of the Warrant Shares would amount to approximately €83.3 million (only reflecting Underwriters' fees).

The Company intends to use its net proceeds received from the Offering as follows:

- to raise its 50% equity stake in Ströer Kentvizyon, the top tier company for its Turkish operations, by 40% to 90% for a purchase price that corresponds to the higher of (i) a lump-sum amount of €55.0 million or (ii) 40% of Ströer Kentvizyon's equity value, depending, inter alia, on the Offer Price achieved in the Offering;
- to acquire 100% of the issued and outstanding share capital in News Outdoor Poland sp. z o.o. for a purchase price of approximately €26.0 million;
- to fully repay indebtedness for Ströer Kentvizyon under a term loan facility in the amount of €51.0 million and partially repay indebtedness under a revolving credit facility in the amount of approximately €4.0 million;
- to fully repay €75.0 million of indebtedness (book value: €74.3 million) under the Group's credit facility agreement;
- to repay a total of €21.2 million of the aggregate amount of €42.5 million under the subordinated loan agreements between the Company and NRW.Bank and SKB Kapitalbeteiligungsgesellschaft, respectively; and
- for general corporate purposes, in particular costs related to the Offering, investments in the acquisition of new companies, investments in new organic growth initiatives, such as the launch of its Outdoor Channel and its Scroller 5000 Premium Billboard products, and to further reduce leverage.

Voting Rights

Each of the shares is entitled to one vote at the Company's general shareholders' meeting.

Dividend Rights and Dividend Policy

The shares carry full dividend rights as of January 1, 2010. We currently intend to retain all available funds for use in the expansion and operation of our business and do not anticipate paying dividends in the foreseeable future. Any future dividend will depend on our profits and our investment policy at the time.

International Securities Identification Number (ISIN)	DE0007493991
German Securities Code (*Wertpapierkennnummer*) (WKN)	749 399
Common Code	051351029
Trading Symbol	SAX
Paying Agent and registrar	COMMERZBANK AG, Mainzer Landstraße 153, 60327 Frankfurt am Main, Germany.

Selected Financial and operating Information

*The summary financial information presented in the tables below is derived from our audited consolidated financial statements as of and for the financial years ended December 31, 2009, 2008 and 2007 and our unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010 (with comparable figures of the preceding year). The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("**IFRS**") and the unaudited interim consolidated financial statements have been prepared in accordance with IFRS on interim financial reporting (IAS 34). Additional information included in this prospectus has been taken or derived from the Company's audited unconsolidated financial statements as of and for the year ended December 31, 2009, which were prepared in accordance with the German Commercial Code (Handelsgesetzbuch) ("**HGB**"). IFRS and HGB differ in certain material respects.*

E&Y audited in accordance with Section 317 HGB and issued an unqualified auditors' report with respect to our consolidated financial statements as of and for the years ended December 31, 2009, 2008 and 2007 and the Company's unconsolidated financial statements as of and for the year ended December 31, 2009.

Where financial data in the tables below is labeled "audited", this means that it was taken or derived from these audited financial statements. The label "unaudited" is used in the tables below to indicate financial data that was taken or derived from a source other than the audited financial statements mentioned above.

Some of the financial and performance indicators and ratios including the Non-IFRS Financial Measures reproduced below were taken from our accounting records and are unaudited.

All of the financial and other operating data are presented in the tables below in millions of Euro (€ million), commercially rounded to one decimal point. The percentages stated in the tables below have also been commercially rounded to one decimal point. As a result, the figures shown in the tables below may not add up exactly to the totals given, and the percentages shown may not add up to 100%.

Selected Consolidated Income Statement Data

	As of and for the year ended December 31,			As of and for the three months ended March 31,	
	2009	2008	2007	2010	2009
		(audited) (€ million)		(unaudited) (€ million)	
Revenue	469.8	493.4	509.0	105.1	99.5
Cost of sales	(300.7)	(300.1)	(302.5)	(69.1)	(68.3)
Gross profit	**169.1**	**193.2**	**206.5**	**36.0**	**31.2**
Selling expenses	(67.3)	(74.5)	(70.9)	(17.2)	(15.6)
Administrative expenses	(64.6)	(70.0)	(68.0)	(18.0)	(16.7)
Other operating income	13.7	20.1	18.5	4.1	4.0
Other operating expenses	(11.9)	(10.8)	(8.3)	(2.0)	(2.2)
Share in profit or loss of associates	(0.0)	(4.1)	(3.0)	—	—
Net finance costs[(1)]	(47.3)	(54.8)	(46.5)	(10.5)	(14.1)
Profit or loss before taxes from continuing operations	**(8.3)**	**(0.9)**	**28.4**	**(7.5)**	**(13.4)**
Income taxes	9.6	(13.7)	6.6	(1.9)	(3.4)
Post-tax profit or loss from continuing operations	**1.2**	**(14.6)**	**35.0**	**(9.5)**	**(16.8)**
Post-tax profit or loss from discontinued operations	(0.1)	0.0	0.0	0.0	(0.1)
Profit or loss for the period	**1.1**	**(14.6)**	**35.0**	**(9.5)**	**(16.9)**

(1) Net finance costs are calculated by subtracting finance costs from finance income.

In accordance with IFRS, the line items cost of sales, selling expenses, administrative expenses and other operating income and expenses include depreciation, amortization and impairment losses. In addition, some of the line items include income and expenses that we deem to be exceptional items. For the purposes of presenting the non-IFRS items, the depreciation, amortization, impairment losses and exceptional items have been eliminated to reflect our management's analysis of the financial performance of the Company. Consequently, we have regrouped the structure reported in our IFRS consolidated financial statements into the following (non-IFRS) Management

structure: (i) Direct cost (as regrouped), (ii) Selling, general and administrative expenses (as regrouped) as well as (iii) Other operating result (as regrouped). The following table shows the regrouping of the costs reported under IFRS into the resulting (non-IFRS) Management structure cost positions stated in the previous sentence for the periods indicated.

	As of December 31,			As of March 31,	
	2009	2008	2007	2010	2009
		(unaudited)		(unaudited)	
			(€ million)		
Cost of Sales (as reported)[1]	**300.7**	**300.1**	**302.5**	**69.1**	**68.3**
Depreciation, Amortization and Impairment losses	(44.5)	(31.2)	(33.4)	(9.0)	(12.1)
Direct costs (as regrouped)	**256.2**	**268.9**	**269.1**	**60.1**	**56.2**
Selling expenses (as reported)[1]	**67.3**	**74.5**	**70.9**	**17.2**	**15.6**
Depreciation, Amortization and Impairment losses	(2.0)	(2.9)	(2.6)	(0.4)	(0.5)
Selling expenses (as regrouped)	**65.3**	**71.6**	**68.3**	**16.8**	**15.1**
Administrative expenses (as reported)[1]	**64.6**	**70.0**	**68.0**	**18.0**	**16.7**
Depreciation, Amortization and Impairment losses	(3.8)	(3.5)	(3.1)	(0.9)	(0.9)
Exceptional items, net income (net expenses)[2]	(6.5)	(7.5)	(3.5)	(3.4)	(1.0)
Phantom stock share[3]	(0.3)	0.0	(4.7)	—	—
Administrative expenses (as regrouped)	**54.0**	**58.9**	**56.7**	**13.7**	**14.8**
Selling and administrative expenses (as reported)[1]	**131.9**	**144.4**	**138.9**	**35.2**	**32.3**
Selling, general and administrative expenses (as regrouped)	**119.3**	**130.5**	**125.0**	**30.5**	**29.9**
Other operating income (as reported)[1]	13.7	20.1	18.5	4.1	4.0
Other operating income (as regrouped)	13.7	20.1	18.5	4.1	4.0
Other operating expenses (as reported)[1]	(11.9)	(10.8)	(8.3)	(2.0)	(2.2)
Goodwill impairment losses	(4.0)	0.0	0.0	0.0	0.0
Exceptional items, net income (net expenses)[2]	0.1	0.8	2.5	0.0	0.2
Phantom stock share[3]	0.0	2.5	0.0	—	—
Other operating expenses (as regrouped)	7.9	14.1	10.7	2.0	2.4
Other operating result (as reported)[1][4]	**1.8**	**9.3**	**10.3**	2.1	1.8
Other operating result (as regrouped)[5]	**5.7**	**6.0**	**7.8**	2.1	1.6

(1) For the years 2009, 2008 and 2007 derived from the respective audited consolidated financial statements and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010.

(2) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. These exceptional items are labeled as "Adjustment effects" in the above-mentioned financial statements. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio (c) capital measures; (d) extraordinary expenses and income. In the unaudited interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(3) This line item refers to the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. In the interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

(4) Other operating result is calculated by subtracting other operating expenses from other operating income.

(5) Other operating result (as regrouped) is calculated by subtracting other operating expenses (as regrouped) from other operating income (as regrouped).

The following table shows our financial performance in the Management structure using both IFRS and non-IFRS financial measures for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
	(unaudited, except as noted)			(unaudited)	
	(€ millions, except as noted)				
Revenue[1]	469.8	493.4	509.0	105.1	99.5
Direct costs (as regrouped)[2]	(256.2)	(268.9)	(269.1)	(60.1)	(56.2)
Selling, general and administrative expenses (as regrouped)[2]	(119.3)	(130.5)	(125.0)	(30.5)	(29.9)
Other operating result (as regrouped)[2]	5.7	6.0	7.8	2.1	1.6
Operational EBITDA (before phantom stock)[2]	**100.0**	**100.0**	**122.7**	**—**	**—**
Operational EBITDA (before phantom stock) margin[2][4](%)	*21.3%*	*20.3%*	*24.1%*	—	—
Phantom stock share[2][3]	0.3	(2.5)	4.7	—	0
Operational EBITDA[2]	**99.7**	**102.5**	**118.0**	**16.7**	**14.9**
Operational EBITDA margin[4](%)	*21.2%*	*20.8%*	*23.2%*	*15.9%*	*15.0%*
Exceptional items, net expenses (net income)[2][5]	6.4	6.7	1.1	3.4	0.8
EBITDA[2]	**93.3**	**95.8**	**116.9**	**13.3**	**14.2**
Depreciation, amortization and impairment losses	(54.3)	(37.7)	(39.1)	(10.3)	(13.5)
EBIT[2]	**39.0**	**58.0**	**77.9**	**3.0**	**0.8**
EBIT margin[2][6](%)	*8.3%*	*11.8%*	*15.3%*	*2.9%*	*0.8%*
Net finance costs[1][7]	(47.3)	(54.8)	(46.5)	(10.5)	(14.1)
Share in profit or loss of associates[1][8]	0.0	(4.1)	(3.0)	—	—
Profit or loss before taxes from continuing operations[1]	**(8.3)**	**(0.9)**	**28.4**	**(7.5)**	**(13.4)**
Income taxes[1]	9.6	(13.7)	6.6	(1.9)	(3.4)
Post-tax profit or loss from continuing operations[1]	**1.2**	**(14.6)**	**35.0**	**(9.5)**	**(16.8)**
Post-tax profit or loss from discontinued operations[1]	(0.1)	0.0	0.0	0.0	(0.1)
Profit or loss for the period[1]	**1.1**	**(14.6)**	**35.0**	**(9.5)**	**(16.9)**

(1) For the years 2009, 2008 and 2007 derived from the respective audited consolidated financial statements and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the period ended March 31, 2010.

(2) Non-IFRS Financial Measures.

(3) This line item refers to the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. At the mid-point of the price range, the net Phantom Stock Bonus payable to Alfried Bührdel would amount to approximately €2.8 million (after tax effects, assuming a tax-rate of 50%); the net Phantom Stock Bonus payable to Udo Müller would amount to approximately €5.0 million (after tax effects, assuming a tax-rate of 50%). In the interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

(4) Operational EBITDA (before phantom stock) margin is calculated by dividing operational EBITDA (before phantom stock) by revenue, expressed as a percentage. Operational EBITDA margin is calculated by dividing operational EBITDA by revenue, expressed as a percentage.

(5) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. These exceptional items are labeled as "Adjustment effects" in the above-mentioned financial statements. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. In the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(6) EBIT margin is calculated by dividing EBIT by revenue, expressed as a percentage.

(7) Net finance costs are calculated by subtracting finance costs from finance income.

(8) These losses relate entirely to non-controlling interests held in XOREX Beteiligungs GmbH (formerly Ströer Media International GmbH) and XOREX GmbH.

Selected Consolidated Data from our Consolidated Statement of Financial Position

	As of December 31,			As of March 31,
	2009	2008[1]	2007[2]	2010
	(audited)			(unaudited)
	(€ million)			
Non-current assets	**614.7**	**612.2**	**616.8**	**610.4**
Intangible assets	213.1	222.9	231.3	208.9
Goodwill	180.2	184.8	185.9	180.2
Property, plant and equipment	180.9	184.0	166.7	179.7
Investment property	1.5	1.8	1.8	1.5
Investments in associates	0.0	0.0	0.9	—
Financial assets	0.1	0.1	0.1	0.1
Trade receivables	1.3	0.0	—	2.0
Financial receivables and other assets	6.1	3.3	16.9	6.5
Income tax assets	0.9	0.0	—	0.9
Deferred tax assets	30.6	15.2	13.1	30.5
Current assets	**133.8**	**140.9**	**163.0**	**152.6**
Inventories	4.1	4.5	5.6	4.6
Trade receivables	39.8	44.9	48.1	45.7
Financial receivables	8.5	9.6	12.0	8.7
Other assets	20.0	32.3	13.9	32.8
Current income tax assets	4.3	6.5	4.9	5.2
Cash and cash equivalents	57.3	42.5	78.0	55.6
Non-current assets held for sale	0.0	0.7	0.5	—
Total Assets	**748.6**	**753.1**	**779.8**	**763.0**
Equity	**(43.4)**	**(35.8)**	**0.2**	**(53.3)**
Subscribed capital	0.5	0.5	0.5	0.5
Capital reserves	34.5	34.5	34.5	34.5
Earned consolidated equity	(77.7)	(77.1)	(63.4)	(87.3)
Accumulated other comprehensive income	(17.1)	(10.8)	11.5	(17.6)
Non-controlling interests	16.4	17.1	17.1	16.6
Non-current liabilities	**663.4**	**605.7**	**632.8**	**666.0**
Pension provisions and similar obligations	20.1	19.7	20.8	20.0
Other non-current provisions	11.8	6.4	5.7	11.5
Non-current financial liabilities	555.9	500.7	524.4	559.8
Non-current trade payables	0.0	0.1	0.1	—
Deferred tax liabilities	75.6	78.9	81.9	74.6
Current liabilities	**128.6**	**183.2**	**146.8**	**150.3**
Other current provisions	23.6	19.2	20.8	22.6
Financial liabilities	21.8	70.3	28.5	29.2
Trade payables	50.9	58.3	71.6	62.5
Other liabilities	25.7	22.4	17.1	29.2
Current income tax liabilities	6.5	12.2	8.7	6.8
Liabilities associated with assets held for sale	0.0	0.7	0.0	—
Total Equity and Liabilities	**748.6**	**753.1**	**779.8**	**763.0**

(1) In order to improve the meaningfulness of the Group's presentation in relation to financial assets and liabilities and in order to present negative equity in line with internationally established IFRS the presentation in the audited consolidated financial statements as of and for the year ended December 31, 2009 was changed. The figures for the financial year 2008 are derived from the comparative financial information included in the audited financial statements as of and for the year ended December 31, 2009.

(2) The figures for the financial year 2007, as far as they are deviating from those of the audited financial statements as of and for the year ended December 31, 2007, are recomputed by adding as well as subtracting the amounts taken from section A.4 of the notes to the audited consolidated financial statements as of and for the year ended December 31, 2009 from the amounts shown in the consolidated balance sheet of the audited consolidated financial statements as of and for the year ended December 31, 2007.

Selected Consolidated Statements of Cash Flow Data

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
	(audited)			(unaudited)	
	(€ million)				
Cash flows from operating activities	36.1	21.2	65.9	2.7	(3.0)
Cash flows from investing activities	(19.5)	(62.7)	(35.5)	(3.4)	(4.5)
Cash flows from financing activities	(1.9)	6.0	9.3	(0.9)	6.2
Cash and cash equivalents at the end of the period	57.3	42.5	78.0	55.6	41.3

Summary Operating Segment Financial Data

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
	(unaudited, except as noted) (€ million, except as noted)				
Ströer Germany[1]					
Revenue[2]	393.3	394.5	412.0	87.0	83.1
Operational EBITDA[3][4]	95.3	88.2	103.1	17.4	15.6
Operational EBITDA margin[3][5](%)	24.2%	22.4%	25.0%	20.0%	18.8%
Capital expenditures[6]	13.7	41.2	17.7	2.0	3.6
Ströer Turkey[1]					
Revenue[2]	33.5	37.2	32.0	9.0	7.2
Operational EBITDA[3][4]	8.6	10.5	11.8	1.6	0.9
Operational EBITDA margin[3][5](%)	25.7%	28.2%	36.9%	17.8%	12.5%
Capital expenditures[6]	5.1	7.5	9.4	0.6	0.7
Other[1]					
Revenue[2]	43.1	62.2	65.8	9.0	9.3
Operational EBITDA[3][4]	3.3	7.7	12.5	(0.7)	0.2
Operational EBITDA margin[3][5](%)	7.7%	12.4%	19.0%	7.8%	2.2%
Capital expenditures[6]	2.0	6.4	9.5	0.4	0.6

(1) In the segment reporting of our consolidated financial statements as of and for the year ended December 31, 2009, Ströer Germany is labeled "SMD", Ströer Turkey is labeled "Turkey" and Other is labeled "All other segments".

(2) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010.

(3) Neither operational EBITDA nor operational EBITDA margin should be considered as an alternative to operating income or cash flow from operations. Neither operational EBITDA nor operational EBITDA margin is a generally accepted accounting measure under IFRS.

(4) Operational EBITDA is calculated by adding back to EBITDA income/expenses from certain exceptional items. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. Exceptional items are labeled as "Adjustment effects" in the audited consolidated financial statements as of and for the year ended December 31, 2009 and in the unaudited interim consolidated financial statements as of March 31, 2010. In the unaudited interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(5) Operational EBITDA margin is calculated by dividing operational EBITDA by revenue, expressed as a percentage.

(6) Includes cash paid for capital expenditures ("**Capex**") in connection with investments in intangible assets and with investments in property, plant and equipment.

Summary of the Risk Factors

In deciding whether to invest in our shares, investors should carefully consider the following risks, in addition to the other information contained in this prospectus. The market price of our shares could fall if any of these risks were to materialize, in which case investors could lose all or part of their investment. The risks presented below, alone or together with additional risks and uncertainties not currently known to us or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations.

The order in which the risk factors are presented below is not an indication of the likelihood of the risks actually occurring, the significance or degree of the risks described or the scope of any potential impairment to our business.

Risks Relating to Our Industry

- We may be adversely affected by a general deterioration in economic conditions.
- The advertising industry is highly competitive.
- The success of our business is dependent on our ability to obtain key public concession licenses from municipalities and other local governmental entities, which we may not be able to obtain on favorable terms.
- We may be unable to obtain the necessary public permits to expand or upgrade our advertising display networks. Changes in laws and regulations could adversely affect our business and competitive position and force us to incur additional costs.
- Changes in laws and regulations concerning out-of-home advertising content could adversely affect our business and competitive position.

Risks Relating to Our Business

- Some of our public concession licenses with municipalities and other governmental entities or corporate entities ultimately held by governments or other public bodies may be subject to antitrust concerns and could be terminated prior to their scheduled expiration date due to antitrust law concerns and individual clauses in these licenses and contracts may be found to be invalid.
- Future acquisitions in Germany, Turkey and Poland might give rise to antitrust concerns.
- At certain advertising locations, we may be unable to generate revenues that exceed our minimum payment obligations for these locations. In addition, the terms of our payment obligations may be in certain cases subject to conflicting interpretations.
- Public concession licenses may be cancelled or revoked if they have not been awarded in compliance with EU law.
- We might be unable to successfully integrate or achieve the expected benefits from future acquisitions.
- We may have to recognize goodwill impairment losses.
- Loss of key executives and failure to attract qualified management could limit our growth and negatively impact our operations.
- Changes in foreign exchange rates and interest rates could have material adverse effects on our financial results.
- Certain of our video advertising products may be subject to approvals under German media laws.
- We rely on the proper and efficient functioning of our computer and data-processing systems, and a large-scale malfunction could result in disruptions to our business in the countries or regions affected by the disruption.
- We cannot guarantee that our decentralized structure will not lead to incidents or developments that could damage our reputation, operations or financial condition.
- Our business is subject to certain operational risks for which we might not be adequately insured.
- Our results of operations and working capital are subject to seasonality.
- We are exposed to ongoing litigation and other legal and regulatory actions (including tax audits) and risks in the course of our business and otherwise, and we could incur significant liabilities and substantial legal fees.
- Our business is subject to the general tax environment in the countries in which we operate. Changes in tax legislation, administrative practice or case law or treatments of tax facts by the relevant tax authorities which

deviate from our assessments could have an adverse effect on our business, financial condition and results of operations.

- As a result of certain complex recent rulings by the German tax authorities, it is possible that the deductibility of interest expenses for corporate income and trade tax purposes might not be accepted by tax authorities.
- There are uncertainties with respect to the amount of tax loss carryforwards and interest carryforwards.

Risks Related to our Capital Structure

- Our indebtedness could have a material adverse effect on our financial position and may limit our flexibility.

Risks Related to Our Shares, the Listing and Our Shareholder Structure

- Our shares have not been publicly traded, and there is no guarantee that an active and liquid market for our shares will develop.
- Our share price may fluctuate significantly, and investors could lose all or part of their investment.
- Following the Offering, our largest shareholders will be in a position to exert substantial influence on the Company. The interests pursued by each of these shareholders could differ from the interests of our other shareholders.
- Future sales or issuances of a substantial number of our shares may depress the market price of our shares. Future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.
- Future offerings of debt or equity securities by us may adversely affect the market price of the shares, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.
- The payment of future dividends will depend on our financial condition and results of operations, as well as on our operating subsidiaries' distributions to us.
- In some cases we are not able to verify whether third parties have legal title to shares acquired from them regarding a number of our subsidiaries.

GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS
ZUSAMMENFASSUNG DES PROSPEKTS

*Die Ströer Out-of-Home Media AG mit Sitz in der Ströer Allee 1, 50999 Köln, Deutschland, eingetragen im Handelsregister des Amtsgerichts Köln unter HRB 41548 (die "**Gesellschaft**", „**Ströer AG**" oder „**wir**" und gemeinsam mit ihren Tochtergesellschaften „**wir**", „**unsere Gruppe**" oder die „**Ströer-Gruppe**"), zusammen mit J.P. Morgan Securities Ltd., London, Vereinigtes Königreich („**JP Morgan**"), Morgan Stanley Bank AG, Frankfurt am Main, Deutschland („**Morgan Stanley**" und gemeinsam mit JP Morgan die „**Joint Global Coordinators**" und die „**Joint Bookrunners**"),COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Deutschland („**COMMERZ-BANK**"), Crédit Agricole Corporate and Investment Bank, Paris, Frankreich („**Crédit Agricole**"), und WestLB AG, Düsseldorf, Deutschland („**WestLB**" und gemeinsam mit COMMERZBANK und Crédit Agricole, die „**Co-Lead Managers**" und gemeinsam mit den Joint Global Coordinators die „**Konsortialbanken**"), übernehmen gemäß § 5 Abs. 2 Satz 3 Nr. 4 Wertpapierprospektgesetz („**WpPG**") die Verantwortung für den Inhalt dieser Zusammenfassung.*

*Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt gelesen werden. Die Informationen in dieser Zusammenfassung werden durch ausführlichere Informationen, die an anderer Stelle in diesem Prospekt enthalten sind, ergänzt. Anleger sollten ihre Anlageentscheidung auf eine Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der jeweiligen einzelstaatlichen Rechtsvorschriften des betreffenden Mitgliedstaats des Europäischen Wirtschaftsraums („**EWR**") die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Für den Inhalt dieser Zusammenfassung können die für die Zusammenfassung Verantwortlichen haftbar gemacht werden, jedoch nur wenn und soweit die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird.*

Überblick

Wir sind, nach unserer Ansicht, gemessen am Umsatz einer der weltweit führenden Anbieter von Außenwerbung. Unser Portfolio besteht aus über 280.000 Werbeflächen in Europa. Wir haben europaweit Büros an über 60 Standorten und bieten unseren Kunden eine Vielzahl verschiedener Außenwerbungsprodukte an. Dazu zählen konventionelle, digitale und interaktive Medienprodukte im Rahmen unserer vier Produktgruppen Billboard, Street Furniture, Transport und Sonstige. Im Geschäftsjahr zum 31. Dezember 2009 haben wir Umsatzerlöse in Höhe von € 469,8 Mio. und ein operational EBITDA (vor Anreizprogramm)[(1)] von € 100,0 Mio. und im zum 31. März 2010 endenden Quartal Umsatzerlöse in Höhe von € 105,1 Mio. und ein operational EBITDA (vor Anreizprogramm) von € 16,7 Mio. erzielt.

Wir haben drei berichtspflichtige operative Segmente: „Ströer Deutschland", „Ströer Türkei" und „Sonstige".[(2)] Ströer Deutschland umfasst die operativen Aktivitäten der Ströer Media Deutschland GmbH, Köln („**SMD**"), der konzerninternen Muttergesellschaft für unsere Produktgruppen Billboard, Street Furniture (Stadtmöbel) und Transport in Deutschland, und ihrer Tochtergesellschaften. Ströer Türkei beinhaltet unsere Aktivitäten in Bezug auf Billboards, Street Furniture (Stadtmöbel) und Transport in der Türkei. Unser operatives Segment „Sonstige" umfasst unser Geschäft in Polen und das Geschäft unserer Riesenposter-Tochter, BlowUP Media GmbH, Köln („**blowUP media**") und ihrer Tochtergesellschaften, die in Deutschland, dem Vereinigten Königreich, Spanien, Belgien und den Niederlanden tätig sind. Im Geschäftsjahr zum 31. Dezember 2009 erzielten wir 84 % unseres Gesamtumsatzes in unserem operativen Segment Ströer Deutschland, 7 % in unserem operativen Segment Ströer Türkei, 6 % in Polen und 3 % über blowUP media.

Mit über 230.000 Werbeflächen in mehr als 600 Städten haben wir, gemessen an den Nettoumsatzerlösen, den größten Marktanteil im deutschen Markt für Außenwerbung (Quelle: Bundeskartellamt), dem größten Werbemarkt Europas. Gemessen an Nettoumsatzerlösen haben wir mit über 41.000 Werbeflächen in mehr als 31 Bevölkerungszentren auch in der Türkei den größten Marktanteil (Quelle: Türkische Wettbewerbsbehörde). In Polen haben wir mit über 20.800 Werbeflächen in den 16 größten Städten landesweit den größten Anteil am Billboard-Markt (Quelle: SPC House of Media) und unserer eigenen Einschätzung nach den größten Anteil am Markt für Außenwerbung nach Umsatzerlösen insgesamt (unter Voraussetzung des Vollzugs und der Bestätigung des Erwerbs

(1) Das operational EBITDA (vor Anreizprogramm) wird berechnet, indem das EBITDA um bestimmte Sonderposten und die (nicht zahlungswirksamen) Bewertungseffekte auf die in unserer Bilanz enthaltenen Rückstellungen, die die für das obere Management im Rahmen eines langfristigen Anreizprogramms ausgegebenen Phantom-Stock-Aktien berücksichtigen, bereinigt wird. Dieses langfristige Anreizprogramm wird mit Abschluss des Angebots beendet und ausgezahlt.

(2) Siehe den ungeprüften Konzernzwischenabschluss der Gesellschaft für das zum 31. März 2010 endende Quartal. Im geprüften Konzernabschluss der Gesellschaft für das zum 31. Dezember 2009 endende Geschäftsjahr werden die operativen Segmente als „SMD", „Türkei" und „Alle übrigen Segmente" bezeichnet.

von News Outdoor Poland sp. z o.o.; der Vollzug des Erwerbs unterliegt bestimmten Bedingungen). Wir sind der Ansicht, dass wir über die blowUP media das größte Netzwerk für Riesenposter in Europa betreiben.

Wir erlangen Nutzungsrechte zum Aufstellen und Anbringen von Außenwerbung durch den Abschluss von Nutzungsverträgen mit privaten Grund- und Gebäudeeigentümern sowie durch Gestattungsverträge mit der öffentlichen Hand. Unsere Nutzungsverträge mit privaten Grund- und Gebäudeeigentümern sehen im Allgemeinen die Zahlung einer festen Pacht vor, während unsere Verträge mit der öffentlichen Hand mehr umsatzabhängige Pachtzahlungen als feste Pachtzahlungen enthalten. Gegenwärtig verfügen wir über mehr als 4.000 Gestattungsverträge mit der öffentlichen Hand und mehr als 15.000 Nutzungsverträge mit privaten Grund- und Gebäudeeigentümern.

Zusammenfassung unserer wesentlichen Stärken

Wir profitieren unserer Einschätzung nach von den folgenden Stärken:

- Wir haben eine führende Position in einigen der größten und besonders attraktiven Werbemärkten Europas.
- Die hohe Qualität unseres Geschäftsmodells zeigt sich in unserer Fähigkeit, einen hohen Geldumschlag (*cash conversion*) zu erzeugen.
- Wir verfügen über ein umfangreiches Netzwerk vertraglich gesicherter, nach unserer Ansicht erstklassiger Werbeeinheiten für Außenwerbung und können den Werbetreibenden umfassende Netzwerke für landesweite Werbekampagnen bieten.
- Wir sind gut positioniert, um von dem erwarteten Wachstum in dem nur unvollständig durchdrungenen deutschen Markt für Außenwerbung und dem zu erwartenden Gesamtwachstum des türkischen und polnischen Werbemarktes zu profitieren.
- Wir verfügen über ein hoch engagiertes und erfahrenes Forschungs- und Entwicklungsteam und werden unsere Fokussierung auf Produktinnovation und -verbesserung beibehalten.
- Wir haben ein erfahrenes, wachstumsorientiertes und von einem der Gründer der Ströer-Gruppe geführtes Management-Team.
- Die Kombination unserer Stärken hat es uns ermöglicht, die Wirtschaftskrise erfolgreich zu überstehen und versetzt uns in die Lage, von der erwarteten Erholung der Wirtschaft zu profitieren.
- Wir verfügen über umfassende Erfahrung bei Konsolidierungen im Markt für Außenwerbung.

Zusammenfassung unserer Strategie

Wir fühlen uns einer wachstumsorientierten Strategie verpflichtet. Wir sind davon überzeugt, dass die Förderung eines nachhaltigen Wachstums ein Schlüsselaspekt für die Aufrechterhaltung einer starken Marktposition der Gesellschaft ist. Im Rahmen unseres Ansatzes, das Wachstum der Gesellschaft insgesamt voranzutreiben, konzentrieren wir uns insbesondere auf Folgendes:

- Wir konzentrieren uns auf Märkte, bei denen wir der Meinung sind, eine marktführende Position erreichen zu können.
- Wir sind bestrebt, in jedem der Märkte, in denen wir tätig sind, eine gewisse Größe/kritische Masse zu erreichen.
- Wir sind bestrebt, den Marktanteil der Außenwerbung im Vergleich zu anderen Werbemedien zu erhöhen.
- Wir sind bestrebt, die technologische Innovation im Bereich Außenwerbung voran zu treiben.
- Wir achten bei unserer geschäftlichen Ausrichtung sorgfältig auf eine ausgewogene Mischung zwischen sich noch in der Entwicklung befindlichen und bereits ausgereiften Märkten.
- Wir beabsichtigen, künftig sowohl durch Akquisitionen als auch organisch zu wachsen.

Jüngste Entwicklungen

Am 10. März 2010 haben wir einen Vertrag abgeschlossen, durch den wir unsere 50%ige Beteiligung an Ströer Kentvizyon Reklam Pazarlama A.Ş. („**Ströer Kentvizyon**"), der Holdinggesellschaft für unsere Aktivitäten in der Türkei, auf 90 % erhöhen werden. Wir werden den Erwerbspreis für die gekauften Aktien aus dem Erlös des Angebots zahlen. Der Kaufpreis entspricht dem höheren der beiden folgenden Werte: (i) einer pauschalen Summe

von € 55 Mio. oder (ii) 40% des Unternehmenswertes von Ströer Kentvizyon. Der Unternehmenswert von Ströer Kentvizyon hängt u.a. von der Höhe des im Rahmen des Angebots erzielten Platzierungspreises ab.

Am 15. Juni 2010 haben wir einen Vertrag über den Erwerb von 100% der Anteile an der News Outdoor Poland sp. z o.o, einer polnischen Gesellschaft die im polnischen Markt für Außenwerbung aktiv ist, zu einem Kaufpreis von ca. € 26 Mio. (abhängig von bestimmten Anpassungen zum Zeitpunkt des Vollzugs des Erwerbs) abgeschlossen. Unserer Ansicht nach ist News Outdoor Poland sp. z o.o ein führender Anbieter für Premium Billboards und, auf Umsatzbasis, viertgrößtes Außenwerbeunternehmen in Polen.

Abschlussprüfer

Abschlussprüfer unserer gesetzlichen Abschlüsse ist die Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (vormals Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft), Ludwigstraße 8, 50667 Köln, („**E&Y**"), ein Mitglied der deutschen Wirtschaftsprüferkammer in Berlin.

Zusammenfassung des Angebots

Angebot	Dieses Angebot besteht aus (i) erstmaligen öffentlichen Angeboten von Aktien in der Bundesrepublik Deutschland und im Großherzogtum Luxemburg und (ii) Privatplatzierungen in bestimmten anderen Jurisdiktionen außer der Bundesrepublik Deutschland und dem Großherzogtum Luxemburg und setzt sich zusammen aus • bis zu 16.176.471 neu auszugebenden, auf den Inhaber lautenden Stammaktien aus einer Kapitalerhöhung gegen Bareinlagen, die voraussichtlich von der außerordentlichen Hauptversammlung der Gesellschaft am 13. Juli 2010 beschlossen wird (die „**Gesellschaftsaktien**"); • 4.156.238 neu auszugebenden, auf den Inhaber lautenden Stammaktien aus einer Kapitalerhöhung aus bedingtem Kapital aufgrund einer Ausübung von Optionsrechten (*warrants*) (die „**Warrant-Aktien**"); und • bis zu 2.033.271 bestehenden, auf den Inhaber lautenden Stammaktien aus dem Bestand der Altaktionäre (wie nachfolgend definiert) zur Deckung einer eventuellen Mehrzuteilung (zusammen das „**Angebot**"). Die Aktien wurden und werden nicht in den Vereinigten Staaten von Amerika gemäß dem U.S. Securities Act von 1933 in der aktuellen Fassung (der „**U.S. Securities Act**") registriert. Die Aktien werden dort ausschließlich an sog. Qualified Institutional Buyers gemäß Rule 144A nach dem U.S. Securities Act im Rahmen von Privatplatzierungen angeboten. Außerhalb der Vereinigten Staaten von Amerika werden die Aktien gemäß Regulation S nach dem U.S. Securities Act angeboten.
Angebotene Aktien	Gegenstand dieses Angebots sind auf den Inhaber lautende nennwertlose Stammaktien (die Gesellschaftsaktien, die Warrant-Aktien und—wie unten definiert—die Greenshoe-Aktien) mit einem anteiligen Betrag am Grundkapital von jeweils € 1,00 (zusammen die „**Angebotenen Aktien**"). Sämtliche Aktien sind vollständig eingezahlt.
Joint Global Coordinators und Joint Bookrunners	JP Morgan und Morgan Stanley.
Co-Lead Manager	COMMERZBANK, Crédit Agricole und WestLB.
Konsortialbanken	JP Morgan, Morgan Stanley, COMMERZBANK, Crédit Agricole und WestLB.
Altaktionäre	Die Altaktionäre sind Dirk Ströer und Udo Müller (zusammen die „**Altaktionäre**").
Abgebender Aktionär	Der abgebende Aktionär ist Saberasu Japan Investments II B. V., Baarn, Niederlande („**Saberasu**" oder der „**Abgebende Aktionär**"), ein von Cerberus Capital Management, L.P., New York, Vereinigte Staaten und einigen ihrer verbundenen Unternehmen (zusammen „**Cerberus**") kontrolliertes Unternehmen.
Angebotszeitraum	Dieses Angebot beginnt am 5. Juli 2010 und endet am 13. Juli 2010 (i) um 12:00 Uhr (MESZ) für Privatanleger und (ii) um 16:00 Uhr (MESZ) für institutionelle Anleger (der „**Angebotszeitraum**"). Die Gesellschaft behält sich das Recht vor, in Abstimmung mit den Konsortialbanken den Angebotszeitraum zu verlängern oder zu verkürzen.
Preisspanne	Die Preisspanne, innerhalb derer Kaufangebote abgegeben werden können, liegt zwischen € 17,00 und € 24,00 je Aktie. Die

Kaufangebote können innerhalb dieses Rahmens mit einem Preislimit versehen werden. Jedes Kaufangebot muss sich jedoch auf eine Mindestanzahl von 100 Aktien beziehen und auf glatte Eurobeträge oder volle 25, 50 oder 75 Eurocents lauten.

Die Gesellschaft behält sich das Recht vor, in Abstimmung mit den Joint Global Coordinators die obere und/oder untere Begrenzung der Preisspanne zu ermäßigen oder zu erhöhen.

Platzierungspreis; Anzahl der Gesellschaftsaktien

Die Gesellschaft geht davon aus, dass der Platzierungspreis gemeinsam mit den Joint Global Coordinators auf Basis eines Book-Building-Verfahrens voraussichtlich am oder um den 13. Juli 2010 festgelegt wird (der „**Platzierungspreis**").

Die Anzahl der Gesellschaftsaktien die die Gesellschaft im Rahmen des Angebots ausgeben und verkaufen wird, bestimmt sich nach dem Platzierungspreis. Es wird diejenige Anzahl sein, die erforderlich ist, um der Gesellschaft einen Bruttoverkaufserlös von € 275,0 Mio. zuzuführen. Daraus ergibt sich, dass die Gesellschaft bei Annahme des oben angegebenen höchsten Betrages innerhalb der Preisspanne (€ 24,00) 11.458.334 Gesellschaftsaktien (oder 48,7% des bestehenden Grundkapitals) anbieten würde. Bei Annahme des Mittelwerts der Preisspanne (€ 20,50) würde die Gesellschaft 13.414.635 Gesellschaftsaktien (oder 57,0% des bestehenden Grundkapitals) anbieten und bei Annahme des niedrigsten Betrages innerhalb der Preisspanne (€ 17,00) wären es 16.176.471 Gesellschaftsaktien (oder 68,7% des bestehenden Grundkapitals).

Der Platzierungspreis und die endgültige Anzahl der Gesellschaftsaktien und Angebotenen Aktien werden voraussichtlich im Wege eines elektronisch betriebenen Informationssystems wie Reuters oder Bloomberg und unter der Internetadresse der Gesellschaft (*www.stroeer.com*) veröffentlicht. Nach der Veröffentlichung des Platzierungspreises in den elektronisch betriebenen Informationssystemen können Anleger den Platzierungspreis bei den Konsortialbanken erfahren.

Die Gesellschaft behält sich das Recht vor, in Abstimmung mit den Konsortialbanken die Anzahl der insgesamt angebotenen Aktien zu erhöhen oder zu verringern. Die Gesellschaft kann die Gesamtzahl der im Rahmen dieses Angebots angebotenen Aktien maximal auf diejenige Gesamtzahl an Aktien erhöhen, für die die Zulassung zur Notierung und zum Handel am regulierten Markt der Frankfurter Wertpapierbörse entsprechend diesem Prospekt beantragt wird.

Stabilisierung/Mehrzuteilung und Greenshoe-Option

Im Zusammenhang mit der Platzierung der Angebotenen Aktien können Morgan Stanley oder die in ihrem Namen handelnden Personen als Stabilisierungsmanager (der „**Stabilisierungsmanager**") im Einklang mit den rechtlichen Bestimmungen Mehrzuteilungen vornehmen und Stabilisierungsmaßnahmen ergreifen, um den Marktpreis der Aktien der Gesellschaft auf einem höheren Level zu stabilisieren, als er sich sonst auf dem freien Markt ergeben würde, und um dadurch einem etwaigen Verkaufsdruck bezüglich der Aktien oder einem Druck auf die Aktionäre entgegenzuwirken (zusammen die „**Stabilisierungsmaßnahmen**").

Der Stabilisierungsmanager ist nicht verpflichtet, Stabilisierungsmaßnahmen zu ergreifen. Es kann daher nicht zugesichert werden, dass Stabilisierungsmaßnahmen ergriffen werden. Sollten Stabilisierungsmaßnahmen ergriffen werden, können sie jederzeit ohne Ankündigung eingestellt werden. Solche Maßnahmen können ab dem Zeitpunkt der Aufnahme der Börsennotierung der Aktien der Gesellschaft

am regulierten Markt der Frankfurter Börse vorgenommen werden und müssen spätestens am dreißigsten Kalendertag nach diesem Zeitpunkt eingestellt werden (der „**Stabilisierungszeitraum**“).

Zu Stabilisierungszwecken kann der Stabilisierungsmanager im Rahmen der Zuteilung der zu platzierenden Aktien eine Mehrzuteilung von bis zu 2.033.271 zusätzlichen Aktien der Gesellschaft (10 % der insgesamt angebotenen Aktien, bestehend aus (i) der endgültigen Anzahl der Gesellschaftsaktien und (ii) 4.156.238 Warrant-Aktien) an Investoren vornehmen. Um dem Stabilisierungsmanager die Abdeckung der aus einer solchen Mehrzuteilung und/oder dem Verkauf von Aktien während des Stabilisierungszeitraums resultierenden Verkaufspositionen zu ermöglichen, werden dem Stabilisierungsmanager im Rahmen eines entgeltlichen Wertpapierdarlehens bis zu 2.033.271 Aktien der Altaktionäre für Rechnung der Konsortialbanken zur Verfügung gestellt.

Darüber hinaus hat die Gesellschaft dem Stabilisierungsmanager die innerhalb von 30 Kalendertagen nach Beginn des Börsenhandels der Aktien am Regulierten Markt der Frankfurter Börse ausübbare Option eingeräumt, bis zu 2.033.271 weitere bestehende, auf den Inhaber lautende Stammaktien der Gesellschaft (die „**Greenshoe-Aktien**“) für Rechnung der Konsortialbanken zum Platzierungspreis abzüglich der Verkaufsprovision zu erwerben, jedoch ausschließlich zu dem Zweck, eventuelle Mehrzuteilungen im Rahmen des Angebots abzudecken (die „**Greenshoe-Option**“). Die Greenshoe-Aktien werden aus einer Kapitalerhöhung aus genehmigtem Kapital bedient.

Innerhalb einer Woche nach dem Ende des Stabilisierungszeitraums wird eine Bekanntmachung in verschiedenen Medien mit Verbreitung im gesamten EWR darüber erfolgen, ob Stabilisierungsmaßnahmen ergriffen wurden, wann die Preisstabilisierung begann und endete sowie innerhalb welcher Preisspanne die Stabilisierungsmaßnahmen erfolgten. Die Preisspanne wird für jeden Fall, in dem Stabilisierungsmaßnahmen ergriffen wurden, gesondert bekanntgegeben. Die Ausübung der Greenshoe-Option, der Zeitpunkt der Ausübung sowie die Anzahl und Art der betreffenden Aktien werden ebenfalls umgehend in der beschriebenen Weise bekanntgemacht.

Anteilsbesitz vor und nach Durchführung des Angebots

In der unten abgebildeten Tabelle finden sich Informationen über den Anteilsbesitz unmittelbar vor und nach Durchführung des Angebots. Die Berechnung basiert auf einem angenommenen Angebotspreis des Mittelwerts der Preisspanne (€ 20,50) sowie der Annahme, dass der Abgebende Aktionär seinen Anteil vollständig verkauft und die Greenshoe-Option nicht ausgeübt wird. Nach Durchführung des Angebots werden die Altaktionäre (Udo Müller und Dirk Ströer) über 50 % der Aktien der Gesellschaft halten.

	Unmittelbar vor Durchführung des Angebots		Nach Durchführung des Angebots (keine Ausübung der Greenshoe-Option)(1)	
	Anzahl der Aktien	Anteilsbesitz in %	Anzahl der Aktien	Anteilsbesitz in %
Udo Müller	11.776.000	42,5	11.836.975	28,8
Dirk Ströer	11.776.000	42,5	11.922.341	29,0
Alfried Bührdel	—	—	46.180(2)	0,1(2)
Saberasu	4.156.238	15,0	—	—
Streubesitz	0	0	17.317.377	42,1
Total	**27.708.238**	**100,0**	4,122,873	**100,0**

(1) Ohne Bevorrechtigte Zuteilung (siehe hierzu „—*Bevorrechtigte Zuteilung*“)

(2) Unterstellt, dass Alfried Bührdel ein Drittel des an ihn auszuzahlenden Nettobetrages des Phantom-Stock-Bonuses investiert

Bei Annahme von (i) einer vollständigen Ausübung der Greenshoe-Option, (ii) der Durchführung der Kapitalerhöhung aus genehmigtem Kapital zur Ausgabe der für die Abdeckung der Greenshoe-Option erforderlichen neuen, auf den Inhaber lautenden Stammaktien und (iii) einem Angebotspreis des Mittelwerts der Preisspanne (€ 20,50), wird die Anzahl der von Udo Müller gehaltenen Aktien der Gesellschaft nach Durchführung des Angebots 11.836.975 (entspricht 27,6 % des Grundkapitals der Gesellschaft) betragen, die Anzahl der von Dirk Ströer gehaltenen Aktien wird 11.922.341 (entspricht 27,8 % des Grundkapitals der Gesellschaft) betragen, die Anzahl der von Alfried Bührdel gehaltenen Aktien wird 41.180 (entspricht 0,1% des Grundkapitals der Gesellschaft) betragen, und die Anzahl der sich im Streubesitz befindenden Aktien wird 19.074.465 (entspricht 44,5% des Grundkapitals der Gesellschaft) betragen.

Zuteilungskriterien

Die Gesellschaft wird die endgültige Entscheidung über die Zuteilung von Aktien an Privatanleger und institutionelle Anleger in Abstimmung mit den Joint Global Coordinators treffen. Zuteilungen erfolgen unter Zugrundelegung der Qualität der einzelnen Anleger und der einzelnen Aufträge sowie sonstiger, in Abstimmung mit den Joint Global Coordinators festzulegender Zuteilungskriterien. Die Zuteilung an Privatanleger erfolgt im Einklang mit den von der Börsensachverständigenkommission veröffentlichten „Grundsätzen für die Zuteilung von Aktien an Privatanleger". „Qualifizierte Anleger" im Sinne des WpPG sowie „professionelle Kunden" und „geeignete Gegenparteien" im Sinne des Wertpapierhandelsgesetzes („**WpHG**") gelten nicht als „Privatanleger" im Sinne der Zuteilungsregeln.

Bevorrechtigte Zuteilung

Die Gesellschaft hat zugunsten aller Mitarbeiter der Ströer-Gruppe einschließlich der Mitglieder der geschäftsführenden Organe, die in Deutschland, beschäftigt und ansässig sind und über ein ungekündigtes nicht ruhendes Arbeitsverhältnis mit einer Laufzeit von mehr als einem Jahr (Stichtag: 1. Juni 2010) verfügen, ein Mitarbeiterprogramm zur bevorrechtigten Zuteilung in einem Gesamtbetrag von bis zu 5,0 % des Emissionsvolumens des Angebots (ohne Greenshoe-Option) aufgesetzt (das „**Mitarbeiterprogramm**"). Gemäß den Bedingungen des Mitarbeiterprogramms können die berechtigten Mitarbeiter im Rahmen des Angebots Aktien der Gesellschaft als Belegschaftsaktien gemäß § 3 Nr. 39 Einkommensteuergesetz im Wege einer bevorrechtigten Zuteilung bis zu einem Betrag von € 900 bzw. € 1.800 mit einem steuer- und sozialabgabenfreien Preisnachlass von 20%, d.h. bis zu € 180 bzw. € 360 erwerben. Darüber hinaus können die berechtigten Mitarbeiter im Rahmen des Angebots zusätzliche Aktien der Gesellschaft zu einem Betrag von € 1.000, € 2.500 oder € 5.000 ohne Preisnachlass erwerben. Die Haltefrist für die erworbenen Aktien läuft am 31. Juli 2010 aus.

Die Altaktionäre, Udo Müller und Dirk Ströer, sowie Alfried Bührdel werden im Rahmen des Angebots insgesamt Aktien im Wert von ca. € 5,0 Mio. zeichnen, d. h. bis zu 253.496 Aktien (zum Mittelwert der Preisspanne; unterstellt, dass Alfried Bührdel ein Drittel des an ihn auszuzahlenden Nettobetrages des Phantom-Stock-Bonuses investiert). Nach dieser Zeichnung werden die Altaktionäre und Alfried Bührdel eine garantierte Zuteilung erhalten.

Notierung und Handelsbeginn

Die Gesellschaft wird voraussichtlich am 2. Juli 2010 die Zulassung von bis zu 43.884.709 auf den Inhaber lautenden Stammaktien, bestehend aus (i) 23.552.000 bestehenden, auf den Inhaber lautenden Stammaktien (bestehendes gezeichnetes Kapital), (ii) bis zu 16.176.471 neu auszugebenden, auf den Inhaber lautenden Stammaktien aus der Kapitalerhöhung gegen Bareinlagen und (iii) 4.156.238 neu auszugebenden, auf den Inhaber lautenden Stammaktien aus der

Kapitalerhöhung aus bedingtem Kapital zum Handel am regulierten Markt der Frankfurter Börse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (*Prime Standard*) beantragen. Der Zulassungsbeschluss wird voraussichtlich am 14. Juli 2010 erteilt werden. Der Beschluss über die Zulassung der Aktien der Gesellschaft zum Handel liegt ausschließlich im Ermessen der Frankfurter Börse. Der Handel an der Frankfurter Börse wird voraussichtlich am 15. Juli 2010 aufgenommen werden. Wird die Greenshoe-Option ausgeübt, so wird die Gesellschaft zusätzlich die Zulassung von bis zu 2.033.271 neu auszugebenden, auf den Inhaber lautenden Stammaktien aus einer eventuellen Kapitalerhöhung aus genehmigtem Kapital für die Ablösung des von den Altaktionären zur Abdeckung einer eventuellen Mehrzuteilung gewährten Wertpapierdarlehens zum Handel am regulierten Markt der Frankfurter Börse beantragen.

Lieferung und Abrechnung

Die Angebotenen Aktien werden voraussichtlich am oder um den 16. Juli 2010 gegen Zahlung des Platzierungspreises geliefert. Die Angebotenen Aktien werden den Aktionären als Miteigentumsanteile an der Globalurkunde zur Verfügung gestellt.

Nach Wunsch der Aktionäre werden die im Rahmen des Angebots erworbenen Aktien entweder auf einem von einer deutschen Bank geführten Depotkonto bei der Clearstream Banking AG, Neue Börsenstraße 1, 60457 Frankfurt am Main, Deutschland, zugunsten des betreffenden Aktionärs oder auf dem Depotkonto eines Teilnehmers der Euroclear Bank S.A./N.V., 1, Boulevard Roi Albert II, 1120 Brüssel, Belgien, gutgeschrieben.

Marktschutzvereinbarungen/ Veräußerungsbeschränkungen (Lock-Up)

Die Gesellschaft wird sich im Übernahmevertrag zwischen der Gesellschaft, den Altaktionären und den Konsortialbanken, der voraussichtlich am 2. Juli 2010 geschlossen wird (der „**Übernahmevertrag**"), gegenüber den Konsortialbanken in Übereinstimmung mit den maßgeblichen Bestimmungen des deutschen Wertpapierrechts verpflichten, innerhalb eines Zeitraums von sechs Monaten nach dem ersten Tag, an dem die Aktien der Gesellschaft an der Börse gehandelt werden, die folgenden Handlungen nicht ohne die vorherige Zustimmung der Joint Global Coordinators vorzunehmen bzw. zu genehmigen:

- eine Kapitalerhöhung aus genehmigtem Kapital anzukündigen oder durchzuführen,
- ihrer Hauptversammlung eine Kapitalerhöhung zur Beschlussfassung vorzuschlagen,
- die Ausgabe von Finanzinstrumenten mit Umwandlungs- oder Optionsrechten in Bezug auf die Aktien der Gesellschaft anzukündigen, umzusetzen oder vorzuschlagen oder
- Transaktionen durchzuführen, deren wirtschaftliche Auswirkungen den vorgenannten Maßnahmen ähnlich wären.

Die vorstehenden Veräußerungsbeschränkungen gelten nicht für die Begebung oder den Verkauf von Aktien oder sonstigen Wertpapieren als Teil von Management-Beteiligungsprogrammen der Gesellschaft oder ihrer Tochtergesellschaften oder für Kapitalmaßnahmen zum Zweck des Abschlusses eines Joint Ventures oder der Übernahme von Unternehmen, sofern die jeweilige Gegenpartei damit einverstanden ist, dass sie gegenüber den Joint Global Coordinators an die gleichen Veräußerungsbeschränkungen gebunden ist, die für die Altaktionäre in der nachstehend beschriebenen Form gelten.

Die Altaktionäre werden sich im Übernahmevertrag und Alfried Bührdel wird sich in einer Haltevereinbarung (*lock-up agreement*) gegenüber den Konsortialbanken verpflichten, innerhalb eines

Zeitraums von 12 Monaten nach dem ersten Tag, an dem die Aktien der Gesellschaft gehandelt werden, die folgenden Handlungen nicht ohne die vorherige Zustimmung der Joint Global Coordinators vorzunehmen bzw. zu genehmigen:

- direkt oder indirekt Aktien oder sonstige Wertpapiere der Gesellschaft zu verkaufen, anzubieten, zu übertragen oder anderweitig zu veräußern; das Gleiche gilt für sämtliche Transaktionen, deren wirtschaftliche Auswirkungen einem Verkauf ähnlich sind, wie etwa die Gewährung von Options- oder Umwandlungsrechten in Bezug auf die Aktien der Gesellschaft; oder
- Transaktionen durchzuführen, deren wirtschaftliche Auswirkungen den vorgenannten Maßnahmen ähnlich sind.

Diese Veräußerungsbeschränkungen gelten nicht für Transaktionen mit Personen, die damit einverstanden sind, dass sie an diese Beschränkungen gebunden sind.

Der Übernahmevertrag wird zudem Zusicherungen und Gewährleistungen der Altaktionäre hinsichtlich des rechtmäßigen Bestehens der von ihnen veräußerten Aktien und ihres Rechts, diese Aktien zu verkaufen, ihres alleinigen und unbelasteten Eigentums an diesen Aktien sowie des Status der Aktien als voll eingezahlt, der Einhaltung der anwendbaren Vorschriften der Aufsichts- und Wertpapieraufsichtsbehörden und des Nichtvorliegens von Insiderinformationen enthalten. Die Altaktionäre werden keine darüber hinausgehenden Zusicherungen und Gewährleistungen abgeben.

Verwendung des Emissionserlöses und Kosten des Angebots

Der Gesellschaft kommt der aus dem Verkauf der Gesellschaftsaktien stammende Erlös des Angebots zu. Weiterhin kommt der Gesellschaft der Erlös—soweit realisiert—aus der eventuell stattfindenden Kapitalerhöhung für die Ablösung des von den Altaktionären zur Abdeckung einer eventuellen Mehrzuteilung gewährten Wertpapierdarlehens zu. Der Erlös aus dem Verkauf bestehender Aktien aus dem Bestand des Abgebenden Aktionärs kommt der Gesellschaft nicht zu.

Die Gesellschaft erwartet einen Bruttoemissionserlös von EUR 275,0 Mio. (ohne Berücksichtigung der Ausübung der Greenshoe-Option). Wird die Greenshoe-Option vollständig ausgeübt und das Wertpapierdarlehen der Altaktionäre zur Abdeckung einer eventuellen Mehrzuteilung durch eine Kapitalerhöhung aus genehmigtem Kapital zurückgeführt, erwarten wir auf Grundlage des Mittelwerts der Preisspanne einen Bruttoemissionserlös von ca. € 36,0 Mio. Zusammen mit dem Bruttoverkaufserlös der Gesellschaftsaktien erwarten wir einen Bruttoemissionserlös von ca. € 311,0 Mio.

Auf der Grundlage des Mittelwerts der Preisspanne wird der Bruttoverkaufserlös des Abgebenden Aktionärs ca. € 85,2 Mio. betragen.

Die der Gesellschaft in Verbindung mit dem Angebot entstehenden Kosten belaufen sich in Summe voraussichtlich auf ca. € 36,8 Mio., einschließlich Konsortialprovisionen von ca. € 10,6 Mio. (dem liegen die Annahmen zugrunde, dass (i) die Kapitalerhöhung aus genehmigtem Kapital für die Ablösung des von den Altaktionären zur Abdeckung einer eventuellen Mehrzuteilung gewährten Wertpapierdarlehens vollständig ausgeübt worden ist und (ii) der Angebotspreis dem Mittelwert der Preisspanne entspricht und eine im Ermessen der Gesellschaft stehende Erfolgsgebühr von bis zu 1% des Bruttoemissionserlöses, ohne steuerliche Effekte, berücksichtigt ist) und geschätzte andere Kosten in Höhe von € 26,2 Mio. (umfaßt die Auszahlungen aus dem beendeten langfristigen Anreizprogramm und Kosten im Zusammenhang mit der Ergänzungsvereinbarung zu dem bestehenden Darlehensvertrag in Höhe von € 545,0 Mio. und US$ 29,4 Mio.). Der Abgebende Aktionär wird den Teil der

Konsortialprovisionen zahlen, der sich aus dem Angebot und Verkauf der Warrant-Aktien ergibt.

Die Gesellschaft schätzt, dass der Nettoverkaufserlös der Gesellschaft auf Grundlage des Mittelwerts der Preisspanne (unter Annahme der vollständigen Ausübung der Greenshoe-Option und der Rückführung des von den Altaktionären zur Abdeckung einer eventuellen Mehrzuteilung gewährten Wertpapierdarlehens durch eine Kapitalerhöhung aus genehmigtem Kapital) ca. € 274,2 Mio. betragen wird. Der Nettoerlös des Abgebenden Aktionärs aus dem Verkauf der Warrant-Aktien wird auf der Grundlage des Mittelwerts der Preisspanne ca. € 83,3 Mio. betragen (berücksichtigt nur die Bankenprovisionen).

Die Gesellschaft beabsichtigt den Nettoerlös aus dem Angebot zu folgenden Zwecken zu verwenden:

- Erhöhung der Beteiligung an Ströer Kentvizyon, der Holding-Gesellschaft für unsere Geschäftstätigkeit in der Türkei, um 40% von 50% auf 90%; der Kaufpreis entspricht dem höheren der beiden folgenden Werte: (i) einer pauschalen Summe von € 55,0 Mio. oder (ii) 40% des Unternehmenswertes von Ströer Kentvizyon, der u.a. von der Höhe des im Rahmen des Angebots erzielten Platzierungspreises abhängt;
- Erwerb von 100% der Anteile an News Outdoor Poland sp. z o.o. zu einem Kaufpreis von ca. € 26,0 Mio.
- vollständige Rückzahlung der Verbindlichkeiten von Ströer Kentvizyon aus einem Laufzeitdarlehen in Höhe von € 51,0 Mio. sowie teilweise Rückzahlung der Verbindlichkeiten aus einem revolvierenden Darlehen in Höhe von ca. € 4,0 Mio.;
- vollständige Rückzahlung einer Verbindlichkeit aus dem Darlehensvertrag des Konzerns (*credit facility agreement*) in Höhe von € 75,0 Mio. (Buchwert: € 74,3 Mio.);
- Rückzahlung von insgesamt € 21,2 Mio. der Darlehenssumme in Höhe von € 42,5 Mio. unter den nachrangigen Darlehensverträgen der Gesellschaft mit der NRW.Bank bzw. der SKB Kapitalbeteiligungsgesellschaft; und
- für allgemeine Gesellschaftszwecke, insbesondere zur Deckung der Kosten für das Angebot, für Investitionen in neue Initiativen für organisches Wachstum wie der Markteinführung von Outdoor Channel und Scroller 5000 Premium Billboard Produkten, sowie zur weiteren Absenkung unseres Verschuldungsgrades.

Stimmrechte	Jede Aktie berechtigt zu einer Stimme bei der Hauptversammlung der Gesellschaft.
Dividendenansprüche und Dividendenpolitik	Die Aktien sind ab dem 1. Januar 2010 dividendenberechtigt. Gegenwärtig beabsichtigen wir, alle verfügbaren Mittel in die Erweiterung und den Betrieb unseres Geschäfts zu investieren und gehen nicht davon aus, dass in absehbarer Zukunft Dividenden ausgezahlt werden. Etwaige künftige Dividenden werden von unseren jeweiligen Gewinnen und Anlagestrategien abhängen.
International Securities Identification Number (ISIN)	DE0007493991
Wertpapierkennnummer (WKN)	749 399
Common Code	051351029
Börsenkürzel	SAX
Zahl- und Hinterlegungsstelle	COMMERZBANK AG, Mainzer Landstraße 153, 60327 Frankfurt am Main, Deutschland

Ausgewählte Finanzangaben und operative Informationen

*Die in den nachstehenden Tabellen enthaltenen Finanzangaben sind den geprüften Konzernabschlüssen der Gesellschaft für die zum 31. Dezember 2009, 2008 und 2007 endenden Geschäftsjahre und dem ungeprüften Konzernzwischenabschluss der Gesellschaft für das zum 31. März 2010 (mit Vorjahresvergleichszahlen) endende Quartal entnommen. Die Konzernabschlüsse für die zum 31. Dezember 2009, 2008 und 2007 endenden Geschäftsjahre wurden nach Maßgabe der International Financial Reporting Standards, wie sie in der EU anzuwenden sind („**IFRS**") erstellt und der ungeprüfte Konzernzwischenabschluss wurde nach Maßgabe der IFRS für Zwischenberichterstattung (IAS 34) erstellt. Zusätzliche in diesem Prospekt enthaltene Angaben wurden dem nach HGB erstellten geprüften Jahresabschluss der Gesellschaft für das am 31. Dezember 2009 endende Geschäftsjahr entnommen. Zwischen IFRS und HGB bestehen teilweise erhebliche Unterschiede.*

E&Y hat die Konzernabschlüsse für die zum 31. Dezember 2009, 2008 und 2007 endenden Geschäftsjahre sowie den Jahresabschluss der Gesellschaft für das zum 31. Dezember 2009 endende Geschäftsjahr gemäß § 317 HGB geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

Soweit Finanzangaben in den nachfolgenden Tabellen als „geprüft" gekennzeichnet sind, bedeutet dies, dass sie aus den geprüften Jahresabschlüssen stammen bzw. abgeleitet wurden. Die Kennzeichnung „ungeprüft" wird in den nachstehenden Tabellen zur Kenntlichmachung von Finanzangaben verwendet, die einer anderen Quelle als den geprüften Jahresabschlüssen entnommen bzw. aus einer solchen abgeleitet wurden.

Einige der nachstehend abgedruckten Indikatoren und Kennzahlen für die Finanz- und Ertragskraft, einschließlich der nicht IFRS-konformen Kennzahlen, wurden dem Rechnungswesen der Gesellschaft entnommen und sind ungeprüft.

Sämtliche Finanzangaben und sonstigen Geschäftsdaten sind in den nachstehenden Tabellen in Millionen Euro angegeben (Mio. €) und auf eine Nachkommastelle kaufmännisch gerundet. Die in den nachstehenden Tabellen angegebenen Prozentzahlen sind ebenfalls auf eine Nachkommastelle kaufmännisch gerundet. Deshalb ergibt die Addition der Werte in den Tabellen möglicherweise nicht immer genau den angegebenen Gesamtwert, und die Prozentangaben ergeben insgesamt möglicherweise nicht immer genau 100 %.

Ausgewählte Finanzinformationen aus der Konzern-Gewinn- und Verlustrechnung

	Im Geschäftsjahr zum 31. Dezember			In den drei Monaten zum 31. März	
	2009	2008	2007	2010	2009
		(geprüft) (Mio. €)		(ungeprüft) (Mio. €)	
Umsatzerlöse	469,8	493,4	509,0	105,1	99,5
Umsatzkosten	(300,7)	(300,1)	(302,5)	(69,1)	(68,3)
Bruttoergebnis vom Umsatz	**169,1**	**193,2**	**206,5**	**36,0**	**31,2**
Vertriebskosten	(67,3)	(74,5)	(70,9)	(17,2)	(15,6)
Verwaltungskosten	(64,6)	(70,0)	(68,0)	(18,0)	(16,7)
Sonstige betriebliche Erträge	13,7	20,1	18,5	4,1	4,0
Sonstige betriebliche Aufwendungen	(11,9)	(10,8)	(8,3)	(2,0)	(2,2)
Anteil am Ergebnis assoziierter Unternehmen	(0,0)	(4,1)	(3,0)	—	—
Nettofinanzaufwand(1)	(47,3)	(54,8)	(46,5)	(10,5)	(14,1)
Ergebnis vor Steuern aus fortzuführenden Geschäftsbereichen	**(8,3)**	**(0,9)**	**28,4**	**(7,5)**	**(13,4)**
Steuern vom Einkommen und vom Ertrag	9,6	(13,7)	6,6	(1,9)	(3,4)
Ergebnis nach Steuern aus fortzuführenden Geschäftsbereichen	**1,2**	**(14,6)**	**35,0**	**(9,5)**	**(16,8)**
Ergebnis nach Steuern aus dem aufgegebenen Geschäftsbereich	(0,1)	0,0	0,0	0,0	(0,1)
Überschuss/Fehlbetrag	**1,1**	**(14,6)**	**35,0**	**(9,5)**	**(16,9)**

(1) Der Nettofinanzaufwand wird durch Abzug der Finanzaufwendungen von den Finanzerträgen berechnet.

Gemäß IFRS schließen die Umsatzkosten, die Vertriebskosten, die Verwaltungskosten und die sonstigen betrieblichen Erträge und Aufwendungen auch planmäßige Abschreibungen und Wertminderungen (außerplanmäßige Abschreibungen) ein. Darüber hinaus beinhalten einige Posten Erträge und Aufwendungen, die wir für außerordentlich halten. Für die Zwecke der Darstellung der nicht IFRS-konformen Einzelposten wurden Abschreibungen, Wertminderungen sowie außerordentliche Aufwendungen und Erträge (Bereinigungseffekte) eliminiert, um die Bewertung der finanziellen Entwicklung der Gesellschaft durch unser Management darzustellen. Dementsprechend haben wir die in unseren IFRS-Konzernabschlüssen enthaltene Struktur der Darstellung in eine nachfolgende nicht IFRS-konforme Struktur umgruppiert: (i) direkte Kosten (nach Umgruppierung), (ii) Vertriebs- und Verwaltungskosten (nach Umgruppierung) sowie (iii) sonstiges betriebliches Ergebnis (nach Umgruppierung). Die nachfolgende Tabelle zeigt diese Umgliederung der unter IFRS ausgewiesenen Aufwendungen in nicht IFRS-konforme Aufwandsposten gemäß der vorangehenden Schilderung für die betreffenden Berichtszeiträume.

	Im Geschäftsjahr zum 31. Dezember			In den drei Monaten zum 31. März	
	2009	2008	2007	2010	2009
		(ungeprüft)		(ungeprüft)	
			(Mio. €)		
Umsatzkosten (wie bilanziert)[1]	**300,7**	**300,1**	**302,5**	**69,1**	**68,3**
Abschreibungen und Wertminderungen	(44,5)	(31,2)	(33,4)	(9,0)	(12,1)
Direkte Kosten (nach Umgruppierung)	**256,2**	**268,9**	**269,1**	**60,1**	**56,2**
Vertriebskosten (wie bilanziert)[1]	**67,3**	**74,5**	**70,9**	**17,2**	**15,6**
Abschreibungen und Wertminderungen	(2,0)	(2,9)	(2,6)	(0,4)	(0,5)
Vertriebskosten (nach Umgruppierung)	**65,3**	**71,6**	**68,3**	**16,8**	**15,1**
Verwaltungskosten (wie bilanziert)[1]	**64,6**	**70,0**	**68,0**	**18,0**	**16,7**
Abschreibungen und Wertminderungen	(3,8)	(3,5)	(3,1)	(0,9)	(0,9)
Außerordentliche Aufwendungen und Erträge, Nettoerträge (Nettoaufwendungen)[2]	(6,5)	(7,5)	(3,5)	(3,4)	(1,0)
Phantom-Stock-Programm[3]	(0,3)	0,0	(4,7)	—	—
Verwaltungskosten (nach Umgruppierung)	**54,0**	**58,9**	**56,7**	**13,7**	**14,8**
Vertriebs- und Verwaltungskosten (wie bilanziert)[1]	**131,9**	**144,4**	**138,9**	**35,2**	**32,3**
Vertriebs- und Verwaltungskosten (nach Umgruppierung)	**119,3**	**130,5**	**125,0**	**30,5**	**29,9**
Sonstige betriebliche Erträge (wie bilanziert)[1]	13,7	20,1	18,5	4,1	4,0
Sonstige betriebliche Erträge (nach Umgruppierung)	13,7	20,1	18,5	4,1	4,0
Sonstige betriebliche Aufwendungen (wie bilanziert)[1]	(11,9)	(10,8)	(8,3)	(2,0)	(2,2)
Wertminderung auf den Geschäfts- oder Firmenwert	(4,0)	0,0	0,0	0,0	0,0
Außerordentliche Aufwendungen und Erträge, Nettoerträge (Nettoaufwendungen)[2]	0,1	0,8	2,5	0,0	0,2
Phantom-Stock-Programm[3]	0,0	2,5	0,0	—	—
Sonstige betriebliche Aufwendungen (nach Umgruppierung)	7,9	14,1	10,7	2,0	2,4
Sonstiges betriebliches Ergebnis (wie bilanziert)[1][4]	**1,8**	**9,3**	**10,3**	2,1	1,8
Sonstiges betriebliches Ergebnis (nach Umgruppierung)[5]	**5,7**	**6,0**	**7,8**	2,1	1,6

(1) Für die Jahre 2009, 2008 und 2007 aus den jeweiligen geprüften Konzernabschlüssen übernommen bzw. daraus abgeleitet und für die am 31. März 2010 und am 31. März 2009 endenden Zeiträume aus dem ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal übernommen bzw. daraus abgeleitet.

(2) Für die Jahre 2009 und 2008 aus dem geprüften Konzernabschluss für das zum 31. Dezember 2009 endende Geschäftsjahr übernommen bzw. daraus abgeleitet und für die am 31. März 2010 und am 31. März 2009 endenden Zeiträume aus dem ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal übernommen bzw. daraus abgeleitet. Die außerordentlichen Aufwendungen und Erträge sind in diesen beiden Abschlüssen als „Bereinigungseffekte" bezeichnet. Die außerordentlichen Aufwendungen und Erträge ergeben sich aus (a) Reorganisations- und Restrukturierungsmaßnahmen, (b) Gewinnen und Verlusten aus Änderungen im Beteiligungsportfolio, (c) Kapitalstrukturmaßnahmen, (d) sonstigen außerordentlichen Aufwendungen und Erträgen. Die außerordentlichen Aufwendungen und Erträge sind in dem geprüften Konzernabschluss für das zum 31. Dezember 2009 endende Geschäftsjahre als „Bereinigungseffekte" bezeichnet. In dem ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal werden diese außerordentlichen Aufwendungen und Erträge wegen des beabsichtigten Börsengangs durch die nicht zahlungswirksamen Bewertungseffekte aus dem langfristigen Anreizprogramm (Phantom-Stock-Programm) ergänzt.

(3) Dieser Posten zeigt die nicht zahlungswirksamen Bewertungseffekte auf die in unserer Konzernbilanz enthaltenen Rückstellungen, die die für das obere Management im Rahmen eines langfristigen Anreizprogramms ausgegebenen Phantom-Stock-Aktien berücksichtigen. Dieses langfristige Anreizprogramm wird mit dem Abschluss des in diesem Prospekt dargestellten Angebots beendet. Im ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal werden diese Bewertungseffekte, aufgrund des geplanten Börsengangs, den außerordentlichen Aufwendungen und Erträgen hinzugerechnet.

(4) Das sonstige betriebliche Ergebnis wird durch Abzug der sonstigen betrieblichen Aufwendungen von den sonstigen betrieblichen Erträgen errechnet.

(5) Das sonstige betriebliche Ergebnis (nach Umgruppierung) wird durch Abzug der sonstigen betrieblichen Aufwendungen (nach Umgruppierung) von den sonstigen betrieblichen Erträgen (nach Umgruppierung) errechnet.

Die folgende Tabelle zeigt die finanzielle Entwicklung in Übereinstimmung mit unserer Managementstruktur unter Verwendung sowohl von IFRS-Kennzahlen wie auch nicht IFRS-konformer Kennzahlen für die angegebenen Zeiträume:

	Im Geschäftsjahr zum 31. Dezember			In den drei Monaten zum 31. März	
	2009	**2008**	**2007**	**2010**	**2009**
	(ungeprüft, soweit nicht anders vermerkt)			(ungeprüft)	
	(€ Mio., soweit nicht anders vermerkt)				
Umsatzerlöse[1]	469,8	493,4	509,0	105,1	99,5
Direkte Kosten (nach Umgruppierung)[2]	(256,2)	(268,9)	(269,1)	(60,1)	(56,2)
Vertriebs- und Verwaltungskosten (nach Umgruppierung)[2]	(119,3)	(130,5)	(125,0)	(30,5)	(29,9)
Sonstiges betriebliches Ergebnis (nach Umgruppierung)[2]	5,7	6,0	7,8	2,1	1,6
Operational EBITDA bereinigt[2]	**100,0**	**100,0**	**122,7**	**—**	**—**
Operational EBITDA bereinigt Marge[2][4]*(%)*	*21,3%*	*20,3%*	*24,1%*	—	—
Phantom-Stock-Programm[2][3]	0,3	(2,5)	4,7	—	0
Operational EBITDA[2]	**99,7**	**102,5**	**118,0**	**16,7**	**14.9**
Operational EBITDA Marge (%)[4]	*21,2%*	*20,8%*	*23,2%*	*15,9%*	*15,0%*
Außerordentliche Aufwendungen und Erträge Nettoaufwendungen (Nettoerträge)[2][5]	6,4	6,7	1,1	3,4	0,8
EBITDA[2]	**93,3**	**95,8**	**116,9**	**13,3**	**14,2**
Abschreibungen und Wertminderungen	(54,3)	(37,7)	(39,1)	(10,3)	(13,5)
EBIT[2]	**39,0**	**58,0**	**77,9**	**3,0**	**0,8**
EBIT Marge[2][6]*(%)*	*8,3%*	*11,8%*	*15,3%*	*2,9%*	*0,8%*
Nettofinanzaufwand[2][7]	(47,3)	(54,8)	(46,5)	(10,5)	(14,1)
Anteil am Ergebnis assoziierter Unternehmen[1][8]	0,0	(4,1)	(3,0)	—	—
Ergebnis vor Steuern aus fortzuführenden Geschäftsbereichen[1]	**(8,3)**	**(0,9)**	**28,4**	**(7,5)**	**(13,4)**
Steuern vom Einkommen und vom Ertrag[1]	9,6	(13,7)	6,6	(1,9)	(3,4)
Ergebnis nach Steuern aus fortzuführenden Geschäftsbereichen[1]	**1,2**	**(14,6)**	**35,0**	**(9,5)**	**(16,8)**
Ergebnis nach Steuern aus dem aufgegebenen Geschäftsbereich[1]	(0,1)	0,0	0,0	0,0	(0,1)
Jahresüberschuss/-fehlbetrag[1]	**1,1**	**(14,6)**	**35,0**	**(9,5)**	**(16,9)**

(1) Für die Jahre 2009, 2008 und 2007 aus den jeweiligen geprüften Konzernabschlüssen übernommen bzw. daraus abgeleitet und für die am 31. März 2010 und am 31. März 2009 endenden Zeiträume aus dem ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal übernommen bzw. daraus abgeleitet.

(2) Keine IFRS-Kennzahlen.

(3) Dieser Posten zeigt die nicht zahlungswirksamen Bewertungseffekte auf die in unserer Konzernbilanz enthaltenen Rückstellungen, die die für das obere Management im Rahmen eines langfristigen Anreizprogramms ausgegebenen Phantom-Stock-Aktien berücksichtigen. Dieses langfristige Anreizprogramm wird mit dem Abschluss des in diesem Prospekt dargestellten Angebots beendet. Zum mittleren Wert der Preisspanne würde der an Alfried Bührdel auszuzahlende Nettobetrag des Phantom-Stock-Bonuses rund € 2,8 Mio. betragen; der an Udo Müller auszuzahlende Nettobetrag der Phantom-Stock-Bonuses würde sich auf € 5,0 Mio. belaufen (nach Steuereffekten, bei einem angenommenen Steuersatz von 50%). In dem Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal werden diese außerordentlichen Aufwendungen und Erträge wegen des beabsichtigten Börsengangs durch die nicht zahlungswirksamen Bewertungseffekte aus dem langfristigen Anreizprogramm (Phantom-Stock-Programm) ergänzt.

(4) Die bereinigte operational EBITDA Marge (in Prozent) wird berechnet, indem das bereinigte operational EBITDA durch die Umsatzerlöse geteilt wird. Die operational EBITDA Marge (in Prozent) wird berechnet, indem das operational EBITDA durch die Umsatzerlöse geteilt wird.

(5) Für die Jahre 2009 und 2008 aus dem geprüften Konzernabschluss für das zum 31. Dezember 2009 endende Geschäftsjahr übernommen bzw. daraus abgeleitet und für die am 31. März 2010 und am 31. März 2009 endenden Zeiträume aus dem ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal übernommen bzw. daraus abgeleitet. Die außerordentlichen Aufwendungen und Erträge sind in diesen beiden Abschlüssen als „Bereinigungseffekte" bezeichnet. Die außerordentlichen Aufwendungen und Erträge ergeben sich aus (a) Reorganisations- und Restrukturierungsmaßnahmen, (b) Änderungen im Beteiligungsportfolio, (c) Kapitalstrukturmaßnahmen, (d) sonstigen außerordentlichen Aufwendungen und Erträgen. In dem Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal werden diese außerordentlichen Aufwendungen und Erträge wegen des beabsichtigten Börsengangs durch die nicht zahlungswirksamen Bewertungseffekte aus dem langfristigen Anreizprogramm (Phantom-Stock-Programm) ergänzt.

(6) Die EBIT-Marge (in Prozent) wird berechnet, indem das EBIT durch die Umsatzerlöse geteilt wird.

(7) Der Nettofinanzaufwand wird berechnet, indem die Finanzaufwendungen von den Finanzerträgen abgezogen werden.

(8) Diese Verluste sind ausschließlich Anteilen ohne beherrschenden Einfluss an der XOREX Beteiligungs GmbH (vormals Ströer Media International GmbH) und XOREX GmbH zuzuordnen.

Ausgewählte Daten aus unserer Konzernbilanz

	Zum 31. Dezember			Zum 31. März
	2009	2008[1]	2007[2]	2010
	(geprüft)			(ungeprüft)
	(€ Mio.)			
Langfristige Vermögenswerte	**614,7**	**612,2**	**616,8**	**610,4**
Immaterielle Vermögenswerte	213,1	222,9	231,3	208,9
Geschäfts- oder Firmenwerte	180,2	184,8	185,9	180,2
Sachanlagen	180,9	184,0	166,7	179,7
Als Finanzinvestition gehaltene Immobilien	1,5	1,8	1,8	1,5
Anteile an assoziierten Unternehmen	0,0	0,0	0,9	—
Finanzanlagen	0,1	0,1	0,1	0,1
Forderungen aus Lieferungen und Leistungen	1,3	0,0	—	2,0
Finanzielle Forderungen und sonstige Vermögenswerte	6,1	3,3	16,9	6,5
Ertragsteueransprüche	0,9	0,0	—	0,9
Latente Steueransprüche	30,6	15,2	13,1	30,5
Kurzfristige Vermögenswerte	**133,8**	**140,9**	**163,0**	**152,6**
Vorräte	4,1	4,5	5,6	4,6
Forderungen aus Lieferungen und Leistungen	39,8	44,9	48,1	45,7
Finanzielle Forderungen	8,5	9,6	12,0	8,7
Sonstige Vermögenswerte	20,0	32,3	13,9	32,8
Laufende Ertragsteueransprüche	4,3	6,5	4,9	5,2
Zahlungsmittel und Zahlungsmitteläquivalente	57,3	42,5	78,0	55,6
Zur Veräußerung gehaltene langfristige Vermögenswerte	0,0	0,7	0,5	—
Aktiva	**748,6**	**753,1**	**779,8**	**763,0**
Eigenkapital	**(43,4)**	**(35,8)**	**0,2**	**(53,3)**
Gezeichnetes Kapital	0,5	0,5	0,5	0,5
Kapitalrücklage	34,5	34,5	34,5	34,5
Erwirtschaftetes Konzerneigenkapital	(77,7)	(77,1)	(63,4)	(87,3)
Kumuliertes übriges Konzernergebnis	(17,1)	(10,8)	11,5	(17,6)
Anteile ohne beherrschenden Einfluss	16,4	17,1	17,1	16,6
Langfristige Schulden	**663,4**	**605,7**	**632,8**	**666,0**
Pensionsrückstellungen und ähnliche Verpflichtungen	20,1	19,7	20,8	20,0
Sonstige langfristige Rückstellungen	11,8	6,4	5,7	11,5
Langfristige Finanzverbindlichkeiten	555,9	500,7	524,4	559,8
Langfristige Verbindlichkeiten aus Lieferungen und Leistungen	0,0	0,1	0,1	—
Latente Steuerverbindlichkeiten	75,6	78,9	81,9	74,6
Kurzfristige Schulden	**128,6**	**183,2**	**146,8**	**150,3**
Sonstige kurzfristige Rückstellungen	23,6	19,2	20,8	22,6
Finanzverbindlichkeiten	21,8	70,3	28,5	29,2
Verbindlichkeiten aus Lieferungen und Leistungen	50,9	58,3	71,6	62,5
Sonstige Verbindlichkeiten	25,7	22,4	17,1	29,2
Laufende Ertragsteuerverbindlichkeiten	6,5	12,2	8,7	6,8
Verbindlichkeiten im Zusammenhang mit zur Veräußerung gehaltenen langfristigen Vermögenswerten	0,0	0,7	0,0	—
Passiva	**748,6**	**753,1**	**779,8**	**763,0**

(1) Um die Aussagekraft der Darstellung der finanziellen Vermögenswerte und der finanziellen Schulden zu verbessern und um die Darstellung eines negativen Eigenkapitals an den unter IFRS international üblichen Ausweis anzupassen, wurde die Darstellung im geprüften Konzernabschluss zum 31. Dezember 2009 geändert. Die Zahlenangaben für das Geschäftsjahr 2008 wurden den Vergleichszahlen des Konzernabschlusses zum 31. Dezember 2009 entnommen.

(2) Die Zahlenangaben für das Geschäftsjahr 2007 wurden, soweit sie von jenen des geprüften Konzernabschlusses für das zum 31. Dezember 2007 endende Geschäftsjahr abweichen, durch Addition bzw. Subtraktion der aus Abschnitt A.4 des Konzernanhangs des geprüften Konzernabschlusses für das Geschäftsjahr 2009 enthaltenen Zahlen von den Beträgen, die in der Konzernbilanz des geprüften Konzernabschlusses zum 31. Dezember 2007 ausgewiesen sind, ermittelt.

Ausgewählte Daten aus der Konzern-Kapitalflussrechnung

	Im Geschäftsjahr zum 31. Dezember			In den drei Monaten zum 31. März	
	2009	2008	2007	2010	2009
		(geprüft)		(ungeprüft)	
			(€ Mio.)		
Cashflow aus laufender Geschäftstätigkeit	36,1	21,2	65,9	2,7	(3,0)
Cashflow aus der Investitionstätigkeit	(19,5)	(62,7)	(35,5)	(3,4)	(4,5)
Cashflow aus der Finanzierungstätigkeit	(1,9)	6,0	9,3	(0,9)	6,2
Finanzmittelfonds am Ende der Periode	57,3	42,5	78,0	55,6	41,3

Zusammenfassung der Finanzinformationen aus den operativen Segmenten

	Im Geschäftsjahr zum 31. Dezember			In den drei Monaten zum 31. März	
	2009	2008	2007	2010	2009
	(ungeprüft, soweit nicht anders gekennzeichnet) (in Mio. €, soweit nicht anders gekennzeichnet)				
Ströer Deutschland[1]					
Umsatzerlöse[2]	393,3	394,5	412,0	87,0	83,1
Operational EBITDA[3][4],	95,3	88,2	103,1	17,4	15,6
Operational EBITDA-Marge[3][5](%)	24,2%	22,4%	25,1%	20,0%	18,8%
Investitionen[6]	13,7	41,2	17,7	2,0	3,6
Ströer Türkei[1]					
Umsatzerlöse[2]	33,5	37,2	32,0	9,0	7,2
Operational EBITDA[3][4]	8,6	10,5	11,8	1,6	0,9
Operational EBITDA-Marge[3][5](%)	25,7%	28,2%	36,9%	17,8%	12,5%
Investitionen[6]	5,1	7,5	9,4	0,6	0,7
Sonstige[1]					
Umsatzerlöse[2]	43,1	62,2	65,8	9,0	9,3
Operational EBITDA[3][4]	3,3	7,7	12,5	(0,7)	0,2
Operational EBITDA-Marge[3][5](%)	7,7%	12,4%	19,0%	(7,8%)	2,2%
Investitionen[6]	2,0	6,4	9,5	0,4	0,6

(1) In der Segmentberichterstattung unseres geprüften Konzernabschlusses für das zum 31. Dezember 2009 endende Geschäftsjahr wird Ströer Deutschland als „SMD", Ströer Türkei als „Türkei" und Sonstige als „Alle übrigen Segmente" bezeichnet.

(2) Für die Jahre 2009 und 2008 aus dem geprüften Konzernabschluss für das zum 31. Dezember 2009 endende Geschäftsjahr übernommen bzw. daraus abgeleitet und für die am 31. März 2010 und am 31. März 2009 endenden Zeiträume aus dem ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal übernommen bzw. daraus abgeleitet.

(3) Das operational EBITDA sollte weder als Alternative zum Betriebsergebnis noch zum Cashflow aus laufender Geschäftstätigkeit verstanden werden. Weder operational EBITDA noch operational EBITDA Marge sind allgemein anerkannte Bilanzierungsgrößen gemäß den IFRS.

(4) Das operational EBITDA wird berechnet, indem dem EBITDA bestimmte außerordentliche Aufwendungen und Erträge zugerechnet werden. Diese außerordentlichen Aufwendungen und Erträge ergeben sich aus a) Reorganisation- und Restrukturierungsmaßnahmen, (b) Änderungen im Beteiligungsportfolio, (c) Kapitalstrukturmaßnahmen, (d) sonstigen außerordentlichen Aufwendungen und Erträgen. Diese außerordentlichen Aufwendungen und Erträge werden in dem geprüften Konzernabschluss für das zum 31. Dezember 2009 endende Geschäftsjahr und im ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal als „Bereinigungseffekte" bezeichnet. In dem ungeprüften Konzernzwischenabschluss für das zum 31. März 2010 endende Quartal werden diese außerordentlichen Aufwendungen und Erträge wegen des beabsichtigten Börsengangs durch die nicht zahlungswirksamen Bewertungseffekte aus dem langfristigen Anreizprogramm (Phantom-Stock-Programm) ergänzt.

(5) Die operational EBITDA-Marge (in Prozent) wird berechnet, indem das operational EBITDA durch Umsatzerlöse geteilt wird.

(6) Enthält Auszahlungen im Zusammenhang mit Investitionen in immaterielle Vermögenswerte und in Sachanlagen.

Zusammenfassung der Risikofaktoren

Anleger sollten bei einer Entscheidung über eine Anlage in Aktien der Gesellschaft die nachfolgend beschriebenen Risiken sowie die übrigen in diesem Prospekt enthaltenen Informationen sorgfältig prüfen. Der Marktpreis der Aktien der Gesellschaft könnte bei Eintritt jedes einzelnen dieser Risiken fallen. In diesem Fall könnten die Anleger ihre Anlagen ganz oder teilweise verlieren. Die folgenden Risiken könnten allein oder zusammen mit weiteren Risiken und Unsicherheiten, die der Gesellschaft derzeit nicht bekannt sind oder die sie derzeit als unwesentlich erachtet, die Geschäfts-, Finanz- und Ertragslage der Gesellschaft erheblich beeinträchtigen.

Die Reihenfolge, in der die Risikofaktoren dargestellt sind, stellt weder eine Aussage über die Eintrittswahrscheinlichkeit noch über die Bedeutung und Höhe der Risiken oder das Ausmaß der möglichen Beeinträchtigung des Geschäfts der Gesellschaft dar. Die genannten Risiken könnten einzeln oder kumulativ eintreten.

Risiken in Verbindung mit unserer Branche

- Eine allgemeine Verschlechterung der wirtschaftlichen Bedingungen könnte sich nachteilig auf unsere Gesellschaft auswirken.
- Die Werbebranche ist sehr wettbewerbsintensiv.
- Der Erfolg unseres Geschäfts hängt von unserer Fähigkeit ab, wichtige öffentliche Gestattungsverträge mit Kommunen und anderen örtlichen Verwaltungsbehörden abzuschließen; möglicherweise erhalten wir diese nicht zu günstigen Bedingungen.
- Wir sind unter Umständen nicht in der Lage, die erforderlichen Genehmigungen und Gestattungsverträge zu erlangen, um unser Netz an Werbeträgern auszubauen oder zu verbessern. Änderungen von Rechtsvorschriften könnten sich nachteilig auf unser Geschäft und unsere Wettbewerbsposition auswirken und zu zusätzlichen Kosten führen.
- Änderungen der Rechtsvorschriften zu den Inhalten von Außenwerbung könnten sich nachteilig auf unser Geschäft und unsere Wettbewerbsposition auswirken.

Risiken in Verbindung mit unserem Geschäft

- Gegen einige unserer öffentlichen Gestattungsverträge mit Kommunen und anderen örtlichen Behörden sowie gegen Verträge mit Gesellschaften, die im Eigentum der öffentlichen Hand stehen, können kartellrechtliche Bedenken bestehen; sie könnten aufgrund kartellrechtlicher Bedenken vor dem vorgesehenen Ablauf beendet werden und einzelne Klauseln in diesen Verträgen könnten möglicherweise unwirksam sein.
- Zukünftige Akquisitionen in Deutschland, der Türkei und Polen könnten kartellrechtliche Bedenken unterliegen.
- An bestimmten Werbestandorten können wir möglicherweise keine Umsatzerlöse erzielen, die die von uns garantierten Mindestzahlungen für diese Standorte überschreiten. Weiterhin könnten in manchen Fällen unterschiedliche Ansichten über die Auslegung der Bedingungen unserer Zahlungsverpflichtungen bestehen.
- Öffentliche Gestattungsverträge könnten aufgelöst oder widerrufen werden, wenn sie nicht gemäß EU-Recht gewährt wurden.
- Wir sind möglicherweise nicht in der Lage, künftige Übernahmen erfolgreich zu integrieren oder den erwarteten Nutzen daraus zu ziehen.
- Wir könnten gegebenenfalls gezwungen sein, Abschreibungen auf den Geschäfts- oder Firmenwert vorzunehmen.
- Der Verlust wichtigen Führungspersonals und mangelnder Erfolg bei der Gewinnung eines qualifizierten Managements könnten unser Wachstum einschränken und unser Geschäft negativ beeinflussen.
- Veränderungen von Wechselkursen oder Zinssätzen könnten erhebliche negative Auswirkungen auf unser Finanzergebnis haben.
- Bestimmte Videowerbeprodukte der Gesellschaft könnten nach deutschem Medienrecht genehmigungspflichtig sein.
- Wir sind auf die ordentliche und effiziente Funktionsweise unserer Computer- und Datenverarbeitungssysteme angewiesen. Eine Störung größeren Ausmaßes könnte zu Unterbrechungen beim Geschäftsbetrieb der Gesellschaft in den von der Störung betroffenen Ländern oder Regionen führen.

- Wir können nicht garantieren, dass unsere dezentrale Struktur nicht zu Vorfällen oder Entwicklungen führt, die unseren Ruf, unser Geschäft oder unsere Finanzlage beschädigen.
- Unser Geschäft ist bestimmten operativen Risiken ausgesetzt, gegen die wir unter Umständen nicht angemessen versichert sind.
- Das operative Ergebnis und das Betriebskapital der Gesellschaft sind saisonabhängig.
- Wir sind, insbesondere im Rahmen unseres Geschäftsbetriebs, laufenden Rechtsstreitigkeiten und anderen juristischen und aufsichtsrechtlichen Maßnahmen (einschließlich Steuerprüfungen) und Risiken ausgesetzt, wodurch uns erhebliche Verbindlichkeiten und Anwaltskosten entstehen können.
- Unser Geschäft unterliegt den steuerlichen Rahmenbedingungen in den Ländern, in denen wir vertreten sind. Eine Änderung der Steuergesetzgebung, der Verwaltungspraxis oder der Rechtsprechung oder eine Behandlung von steuerlich relevanten Tatsachen durch die zuständigen Behörden, die von unseren Bewertungen abweicht, könnte nachteilige Auswirkungen auf unser Geschäft und unsere Finanz- und Ertragslage haben.
- Aufgrund einiger komplexer Entscheidungen der deutschen Steuerbehörden in jüngerer Zeit ist es möglich, dass die steuerliche Absetzbarkeit unserer Zinsaufwendungen für Gewerbe- und Körperschaftssteuern von den Steuerbehörden nicht akzeptiert wird.
- Es bestehen Unsicherheiten in Bezug auf den Umfang unserer steuerlichen Verlust- und Zinsvorträge.

Risiken in Verbindung mit unserer Kapitalstruktur

- Unsere Verschuldung könnte wesentliche nachteilige Auswirkungen auf unsere Finanzlage und unsere Flexibilität haben.

Risiken in Verbindung mit unseren Aktien, der Börsennotierung und der Aktionärsstruktur unserer Gesellschaft und der Gruppe

- Die Aktien wurden bisher nicht öffentlich gehandelt und es kann nicht gewährleistet werden, dass sich ein aktiver und liquider Markt mit unseren Aktien entwickeln wird.
- Der Kurs unserer Aktien kann erheblich schwanken und die Anleger könnten ihre Anlage ganz oder teilweise verlieren.
- Nach dem Angebot werden unsere größten Aktionäre in der Lage sein, erheblichen Einfluss auf die Gesellschaft auszuüben. Die von jedem dieser Aktionäre verfolgten Interessen könnten von den Interessen der übrigen Aktionäre abweichen.
- Künftige Verkäufe oder Emissionen einer wesentlichen Anzahl von Aktien der Gesellschaft könnten den Marktpreis der Aktien fallen lassen. Künftige Kapitalisierungsmaßnahmen könnten zu einer erheblichen Verwässerung der Beteiligungen der Altaktionäre der Gesellschaft führen.
- Die künftige Ausgabe von Schuldtiteln oder Eigenkapital könnte den Marktpreis der Aktien nachteilig verändern und künftige Eigenkapitalmaßnahmen könnten zu einer wesentlichen Verwässerung der Beteiligung der Aktionäre der Gesellschaft führen.
- Die künftige Zahlung von Dividenden hängt von der Finanzlage der Gesellschaft und ihrem Betriebsergebnis sowie von den an sie geleisteten Ausschüttungen ihrer operativen Tochtergesellschaften ab.
- Im Hinblick auf einige unserer Tochtergesellschaften sind wir teilweise nicht in der Lage zu verifizieren, ob Dritte, von denen wir die Geschäftsanteile an diesen Tochtergesellschaften erworben haben, Eigentümer der Geschäftsanteile gewesen sind.

In deciding whether to invest in our shares, investors should carefully consider the risks discussed below, in addition to the other information contained in this prospectus. The market price of our shares could fall if any of these risks were to materialize, in which case investors could lose all or part of their investment. The risks discussed below, alone or together with additional risks and uncertainties not currently known to us or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations.

The order in which the risk factors are presented below is not an indication of the likelihood of the risks actually occurring, the significance or degree of the risks described or the scope of any potential impairment to our business.

Risks Relating to Our Industry

We may be adversely affected by a general deterioration in economic conditions.

We derive substantially all of our revenues from the sales of advertising on our out-of-home advertising units in Germany, Turkey and Poland. Spending by advertisers tend to be cyclical, reflecting overall economic conditions, budgeting and buying patterns. In particular, periods of a slowing economy or recession may be accompanied by a decrease in advertising spending. The recent global economic and financial downturn resulted in a decline in advertising and marketing activities by our advertisers. Primarily as a result of this downturn, our group revenues declined by 3.1% and 4.8% in the years 2008 and 2009, compared to the preceding years, respectively. In addition, given the largely fixed nature of a substantial portion of our operating costs, the level of our revenues is the principal factor that determines our operational EBITDA margins. While there are indications that some of the world's major economies have started to recover from the recent downturn, there can be no assurance that this trend will continue or that economic and financial conditions will not worsen again.

The advertising industry is highly competitive.

We operate in a highly competitive industry and may not be able to maintain or increase our current advertising and other sales revenues. Within each of our national and local markets, we compete for audiences and advertising revenues primarily against other advertising media, including radio, newspapers, magazines, television, direct mail, satellite radio and internet-based media. The success of our growth strategy will be partially dependent on advertisers allocating a greater percentage of their overall advertising budgets to out-of-home media than they historically have. In addition, our competitors may develop services or advertising media that are equally effective or superior to those we provide or achieve greater market acceptance and brand recognition. In addition, our competitors may choose to offer their products and services at reduced prices during economic downturns in order to maintain or increase their market share. Media agencies and other intermediaries may, therefore, be induced to select the products of our competitors or increase the pricing pressure. Increased competition for available advertising spending may result in us having to lower our advertising rates as we attempt to retain advertisers or may result in losing customers to competitors that offer lower rates which we are unable or unwilling to match. Increased competition from existing or new competitors could depress the profit margin on our products and services, which could have an adverse effect on our business, financial condition and results of operations.

The success of our business is dependent on our ability to obtain key public concession licenses from municipalities and other local governmental entities, which we may not be able to obtain on favorable terms.

Our business requires us to obtain and renew key public concession licenses with municipalities and other governmental entities. These licenses, which generally require us to participate in competitive bidding processes at renewal, typically have terms ranging from ten to fifteen years depending on the jurisdiction and the governmental entity involved. Our inability to successfully negotiate, renew or complete our public concession licenses due to governmental demands and delays, antitrust concerns and the highly competitive bidding processes for these licenses could affect our ability to offer our products and services to our clients at rates that are competitive to other forms of advertising, without adversely affecting our financial results.

We may be unable to obtain the necessary public permits to expand or upgrade our advertising display networks. Changes in laws and regulations could adversely affect our business and competitive position and force us to incur additional costs.

We are required to obtain public permits to install billboards, street furniture and other advertising units under the relevant local laws and regulations, including, among others, building permits, special-use permits and, if the units are to be installed on public property, permits for the use of public streets, generally irrespective of whether or

not we have entered into a public concession license with the relevant municipality or other local authority. The conditions under which permits are granted vary significantly from country to country and depend on a wide range of regulatory requirements and other factors. If we are unable to obtain the permits we require, we may be unable to expand our networks of advertising displays as much as we expect to.

In addition, the replacement of existing advertising units with upgraded units generally requires the consent of the counterparty to our public concession licenses and private contracts as well as additional public permits or approvals from the relevant local authorities. If we are unable to obtain these consents, permits or approvals or the consents are granted only in return for a material increase in the rent to be paid by us under the public concession licenses or private contracts, we may be unable to upgrade our existing advertising units.

Changes in laws and regulations in the future, including planning and zoning regulations, could have an adverse economic impact on us by making it more difficult to comply with such laws and regulations, reducing our freedom to do business, increasing our costs of doing business and reducing our profitability.

Changes in laws and regulations concerning out-of-home advertising content could adversely affect our business and competitive position.

Stricter regulation in the future on the specific content of advertising could negatively influence the demand by our customers of the advertising space offered by us. While out-of-home advertising of tobacco and alcohol products is prohibited in Turkey and (with the exception of beer) in Poland, out-of-home advertising of tobacco and alcohol products is still generally permitted in Germany. We generated a certain amount of the revenues generated in our German operating segment in the year ended December 31, 2009 from sales of advertising space for tobacco products. Restrictions concerning certain products are already in place in the European Union. For example, EU Directives 89/552/EEC and 2003/33/EC, together with relevant national implementing legislation, contain a far-reaching prohibition on the advertising of tobacco in the print media, radio broadcasting, television and internet. To date, this prohibition has not been extended to out-of-home advertising in Germany and since then all German governments have so far refused to support such initiatives. There can be no assurance that the European Union or individual member states in which we operate or may in the future operate will not introduce laws imposing significant additional restrictions on the advertising of tobacco or alcohol products or banning such advertising.

Risks Relating to Our Business

Some of our public concession licenses with municipalities and other governmental entities or corporate entities ultimately held by governments or other public bodies may be subject to antitrust concerns and could be terminated prior to their scheduled expiration date due to antitrust law concerns and individual clauses in these licenses and contracts may be found to be invalid.

The antitrust authorities in Germany and Turkey have expressed their views about our relative market positions in these countries. The German Federal Cartel Office (*Bundeskartellamt*) ("**FCO**") has expressed the view that we hold a strong market position in Germany and a dominant market position in many (if not all) relevant regional out-of-home advertising markets in Germany.

As of March 31, 2010, we had a substantial number of public concession licenses in Germany with municipal authorities and other governmental entities or corporate entities ultimately held by governments or other public bodies for the use of public property for the installation of our advertising units. German public concession licenses (including significant concession licenses granted by private entities ultimately owned by governments or other public bodies) contain clauses that raise potential concerns under German antitrust laws according to a general policy paper dealing with contracts concluded between municipalities and advertising companies published by the FCO on November 26, 2009 in connection with a review of the German out-of-home advertising market conducted in 2007. These FCO antitrust concerns apply, in particular, to public concession licenses with economically unjustifiable long durations which do not correspond to the amortization profile of investments made, due to (i) a long initial duration, (ii) automatic renewal clauses or, as the case may be, (iii) clauses that give pre-emptive rights in matching third-party offers upon the expiration of the licenses (*Vorpachtrechte*). Additionally, the FCO antitrust concerns also apply to clauses that provide for the exclusive allocation to a single licensee of all advertising locations in municipalities with more than 400,000 inhabitants, the latter of which do not exist, as far as we are aware. These concerns also apply to public concession licenses that contain tying agreements for different types of street furniture. In the past the majority of public concession licenses granted included all or some of the above features. Since a number of years due to an increased awareness of the licensors of the inherent antitrust law implications, licensors have moved away from including the above features into their license agreements. This assessment is shared by a recent case report (*Fallbericht*) of the FCO, confirming a market development which matches the requirements set forth in the general policy paper. However, to the extent such features still exist, it

cannot be ruled out that certain of our public concession licenses, including those with corporate entities ultimately held by governments or other public holders, could be terminated prior to their scheduled expiration date or that certain contractual provisions in these licenses may be deemed to be invalid or enforceable only in part. There is also no assurance that the FCO or the European Commission will not order the termination of the clauses infringing the applicable antitrust laws or impose fines on us for alleged antitrust law violations.

As a result of public procurement law concerns discussed above, municipalities in Germany are increasingly not awarding public concession licenses for the entire municipality to a single advertising company, and instead they have begun to award these licenses in several lots. Municipalities and other governmental entities in Germany are also increasingly focusing on ensuring that the awards of licenses are not of an unjustifiable duration and that the length of the licenses bears a reasonable correlation to the amount of time needed to recoup investments and to provide for an appropriate yield on such investments made by the licensee.

Should a significant number of our public concession license agreements in Germany be terminated prior to their scheduled expiration date or be only partially enforceable, this could have a material adverse effect on our business, financial condition and results of operations.

Future acquisitions in Germany, Turkey and Poland might give rise to antitrust concerns.

We hold a strong market position in Germany and a dominant market position in many (if not all) relevant regional out-of-home advertising markets in Germany. The Turkish antitrust authorities have expressed similar views about our overall market position in Turkey as well as certain regional out-of-home advertising markets in Turkey. Upon confirmation of the acquisition of News Outdoor Poland sp. z o.o., we will also hold a strong market position in Poland. These antitrust concerns might, inter alia, have the consequence that current and future acquisitions in Germany, Turkey and Poland might give rise to antitrust concerns and that we could not be able to grow through further acquisitions in Germany, Turkey and Poland respectively.

At certain advertising locations, we may be unable to generate revenues that exceed our minimum payment obligations for these locations. In addition, the terms of our payment obligations may be in certain cases subject to conflicting interpretations.

Most of our private rental contracts and public concession licenses require us to pay a minimum guaranteed rent to the licensor or municipality, irrespective of the revenues we generate at the relevant advertising locations. In addition, municipalities may be entitled to charge additional royalties pursuant to the laws and regulations applicable in connection with the granting of required public permits. There can be no assurance that we will be able to generate revenues at all our advertising locations that exceed these minimum payment obligations.

The terms of our public concession licenses and royalties may be subject to conflicting interpretations between us and the relevant licensors or municipalities. For example, conflicting interpretations between us and licensors or municipalities could arise regarding the amount of rental payments due from us under the licenses or regarding the amount of such royalties to be paid under the laws and regulations applicable. If our interpretation were not to prevail, we could be liable for additional rent or royalties payments in the future and for prior periods and the amount of our payment obligations could be higher than we expect. Even though we have set up appropriate accruals for these purposes in accordance with accepted commercial principles, this could increase our costs in connection therewith and thus reduce our profitability at the relevant advertising locations.

Public concession licenses may be cancelled or revoked if they have not been awarded in compliance with EU law.

We regularly obtain service concessions under our public concession licenses from public bodies in the EU member states Germany and Poland for the right to use public grounds for our advertising units. According to the European Court of Justice, the basic principles of the Treaty on the Functioning of the European Union (the "**TFEU**") are generally applicable to the awarding of service concessions. Therefore, under certain conditions, the licensing public body is required to conduct a Europe-wide tendering procedure and comply, in particular, with the TFEU's principles of equal treatment, transparency and non-discrimination in awarding the service concession. If these principles have been violated, a court may prohibit the public body from awarding the service concession. However, following the awarding of a service concession, generally only claims for damages against the public body may be awarded, with the service concession remaining valid. Nonetheless, the European Court of Justice has determined that a violation of the TFEU's principles may, under certain circumstances, give rise to a duty of the public body to cancel the service concession.

Our public concession licenses with public bodies may also be characterized as service contracts in those instances where we receive compensation for the services provided under the license from the licensing public body. In accordance with EU and applicable national public procurement law, service contracts, as well as any material amendments to these contracts, must generally be put up for public tender throughout the European Union. If this is not done, aggrieved competitors may avail themselves of review procedures to prevent the contested service contracts from being executed by the public body or to force to put the service contract up for an EU-wide procedure. In certain cases, the authorities responsible for these review procedures may also declare that a service contracts is ineffective up to six months after it has been awarded if public tender requirements have not been followed.

If the requirements of EU and national procurement law have not been followed in relation to our existing public concession licenses or are not followed in relation to the awarding of future public concession licenses, this could affect our rights under the relevant licenses.

We might be unable to successfully integrate or achieve the expected benefits from current and future acquisitions.

We have completed a number of major acquisitions in the past and continue to pursue selected acquisitions, including the pending acquisitions in Turkey and Poland, and may continue such acquisitions in the future. To the extent we are successful in making acquisitions, we may have to expend substantial amounts of cash, take on additional debt or assume loss-making divisions. Future acquisitions also involve a number of other risks, including:

- unexpected losses of key employees of the acquired operations;
- extraordinary or unexpected legal, regulatory, contractual or other costs;
- difficulties in integrating the financial, technological and management standards, processes, procedures and controls of the acquired business with those of our existing operations;
- challenges in managing the increased scope, geographic diversity and complexity of our operations;
- mitigating contingent and/or assumed liabilities; and
- control issues, including disputes with joint venture partners, in relation to acquisitions through joint ventures and other arrangements where we do not exercise sole control.

We may not realize the anticipated cost savings, synergies, future earnings, or other benefits that we intend to achieve from acquisitions. We cannot guarantee that any future acquisition will yield benefits to us that are sufficient to justify the expenses we incurred or will incur in completing acquisitions. Furthermore, any future acquisition might not be as successful as the acquisitions we have completed in the past. If we are unable to successfully meet the challenges associated with one or more acquisitions, this could have a material adverse effect on our business, financial condition and results of operations, including our being forced to write down the goodwill related to such acquisitions.

We may have to recognize goodwill impairment losses.

We have substantial goodwill recorded on our consolidated statement of financial position. As of December 31, 2009, the value of goodwill recognized on our consolidated statement of financial position was €180.2 million, or 24% of our total assets. If our subsidiaries performance or expected performance is below what we have assumed in valuing the goodwill attributable to these subsidiaries, we may have to recognize goodwill impairment losses. Such impairment losses could have a material adverse effect on our financial condition and results of operations.

Loss of key executives and failure to attract qualified management could limit our growth and negatively impact our operations.

We depend highly upon our senior management team. The loss of any member of the senior management team, and in particular Udo Müller, one of our founders and our chief executive officer, or the inability to hire experienced management personnel could significantly harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

Changes in foreign exchange rates and interest rates could have material adverse effects on our financial results.

A portion of our total assets, liabilities, revenues, expenses and earnings is denominated in currencies other than Euro, for example in Turkish Lira and Polish Zloty. In preparing our consolidated financial statements, results in other currencies are translated into Euros. Fluctuations in the values of these other currencies with respect to the Euro have had an impact on our financial results expressed in Euro. A long-term weakening of the Turkish Lira and Polish Zloty could reduce our reported profitability and will lessen the Euro-denominated amount of revenues generated in such currency or currencies. Currency fluctuations can also have an impact on our statement of financial position, particularly shareholders' equity, when we translate the financial statements of our subsidiaries located outside of the Euro-zone into Euros. While we generally seek to match the expenses incurred by our local operations with income generated in the respective currency, we may, nonetheless, be subject to material transactional foreign currency risks.

We are also exposed to interest rate risk. Substantially all of our financial debt bears floating rates of interest. Fluctuations in interest rates affect our interest expense on our existing debt and our cost of new financing. Although we use interest rate hedging to manage a substantial portion of this risk, substantial interest rate increases could still adversely affect our financial condition and results of operations.

Certain of our video advertising products may be subject to approvals under German media laws.

In the course of our business operations, we operate an out-of-home video channel called Infoscreen in train and subway stations in Germany and also provide video programming in local trains, buses and subway cars in Germany. In addition, we offer video programming on our new Outdoor Channel product. All of our current video programming contains both advertising and non-advertising content. We have not yet obtained broadcasting licenses under German media law in respect of the operation of our existing video services or in respect of Outdoor Channel because we believe these services qualify as telemedia services rather than broadcasting services. There can be no assurance that broadcasting licenses in respect of the operation of these services will be granted following our application for licenses or that any licenses granted will not contain onerous requirements. As a result, we may be required to change or limit the scope of our video programming services—in particular to reduce the amount of non-advertising content, which may reduce the attractiveness of these services to viewers and, in turn, to advertisers—or to completely discontinue the operation of these services.

We rely on the proper and efficient functioning of our computer and data-processing systems, and a large-scale malfunction could result in disruptions to our business in the countries or regions affected by the disruption.

Our ability to keep our business operating depends on the proper and efficient operation of our computer and data-processing and telecommunications in the countries in which we have operations. Since computer and data-processing systems are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems), we cannot guarantee that we will not experience such malfunctions or interruptions in the future. A significant or large-scale malfunction or interruption of one or more of our computer or data-processing systems could adversely affect our ability to keep our operations running efficiently, particularly in the country, region, or functional area in which the malfunction occurs. If a malfunction results in a wider or sustained disruption to our business, this could have a material adverse effect on our business, financial condition and results of operations.

We cannot guarantee that our decentralized structure will not lead to incidents or developments that could damage our reputation, operations or financial condition.

We have a decentralized management structure to enable our national and local managers to quickly and effectively respond to trends in their respective markets. While we believe that we exercise an appropriate level of central control and supervision of our national and local operations, our national and local managers retain a certain amount of operational and decision-making flexibility, including the management of our advertising units, sourcing, pricing and other sales decisions. Therefore, we cannot guarantee that our national and local operations will not take actions or experience problems that could damage our reputation or that could otherwise have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to certain operational risks for which we might not be adequately insured.

We are exposed to risks including, but not limited to, accidents, vandalism, environmental damage and other events that could potentially lead to interruptions of our business operations and to our incurring significant costs.

Although we cover these risks with insurance policies in some instances and to the extent that our management deems appropriate, we cannot guarantee that we will not incur losses beyond the limits, or outside the coverage, of our insurance policies. For example, certain regions in Turkey have experienced major earthquakes in the recent past and remain subject to high earthquake risks. We currently do not carry insurance coverage for these risks. We cannot assure investors that in the future we will be able to maintain our existing insurance coverage, or that our insurance premiums, which have increased significantly in the last years, will not continue to increase in the future. Any of these events, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Our results of operations and working capital are subject to seasonality.

We experience seasonality in our results of operations. Historically, our advertising revenues are lowest in January, February, July and August, and the second and fourth quarters have been our strongest quarters.

In addition, we generally make, due to the planned settlement dates of the licenses, payments to licensors under our public concession licenses at the beginning of each financial year based on the advertising revenues generated during the prior financial year at the advertising locations granted under the relevant licenses. These payments cause us to have higher working capital needs in the first quarter of each year. In addition, since the license fees paid by us generally depend on our total annual revenues in the prior financial year, we may have to pay high license fees although our revenues in the current financial year may drop significantly in comparison to the prior financial year.

We are exposed to ongoing litigation and other legal and regulatory actions (including tax audits) and risks in the course of our business and otherwise, and we could incur significant liabilities and substantial legal fees.

We are subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of our business and otherwise. The results of legal proceedings cannot be predicted with certainty. We cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm our business, reputation or brand, nor can we guarantee that we will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions we may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations. Our tax burden could increase as a result of current or future tax audits. We and our Group companies (including partnerships) are regularly subject to tax audits. The most recent tax audit in Germany, however, covered only the fiscal years up to and including 2005 and was concluded in 2008. As a consequence, the German tax assessment notices for the period following the fiscal year 2005 are still preliminary and therefore could be amended which could result in higher taxes. All tax assessment notices issued for tax periods not yet audited are subject to full review and therefore can be changed by the tax authorities at any time without restrictions. As a result of current or future tax audits or other reviews by the relevant tax authorities, additional taxes could be assessed on us (for example, in connection with acquisitions and restructuring measures or with intra-group pricing terms) or loss carryforwards could be reduced, which could lead to an increase in our tax obligations, either as a result of the relevant tax payment being assessed directly against us or as a result of our becoming liable for the relevant tax as a secondary obligor due to the primary obligor's (for example, an employee's) failure to pay.

Our business is subject to the general tax environment in the countries in which we operate. Changes in tax legislation, administrative practice or case law or treatments of tax facts by the relevant tax authorities which deviate from our assessments could have an adverse effect on our business, financial condition and results of operations.

Our business is subject to the general tax environment in the countries in which we operate. Changes in tax legislation, administrative practice or case law could have adverse tax consequences for us. Despite a general principle prohibiting retroactive changes, amendments to applicable laws, orders and regulations can be issued or altered with retroactive effect. Additionally, divergent interpretations of tax laws by the tax authorities or the tax courts are possible. These interpretations may be changed at any time with adverse effects on our taxation. Furthermore, court decisions are often overruled by the tax authorities by way of issuing non-application decrees. As a result, major uncertainties exist with regard to the taxation rules applicable to us and our subsidiaries. Deviating views adopted by the tax authorities or the tax courts might lead to a higher tax burden for us. Additionally, if adverse changes in the tax framework should occur, individually or together, this could have an adverse effect on our cash flows, financial condition and results of operations.

Our Group companies deliver goods and provide services to various third parties. There is a risk that certain of these goods delivered or services provided are—different to the position taken by the respective Group

companies—subject to value added tax which could lead to an additional value added tax burden for the respective Group company. In individual cases, this issue has been identified by the tax authorities in recent audits of Group companies. It is unclear whether the respective Group company could pass on the additional tax burden to their respective contracual partners, if additional value added tax burdens will be imposed. The inability to pass on that additional tax burden to the respective contractual partner could have an adverse effect on our cash flows, financial condition and results of operations. Furthermore, a change in the treatment of such value added taxes could lead to reimbursement claims of contractual partners of our Group companies who have indemnified our Group companies from such tax claims in accordance with contractual undertakings.

As a result of certain complex recent rulings by the German tax authorities, it is possible that the deductibility of interest expenses for corporate income and trade tax purposes might not be accepted by tax authorities.

In the course of our business, we and our Group companies have entered into numerous financing transactions with third parties and affiliates. These debt financing arrangements require us to pay principal and interest.

There are several rules in German tax laws restricting the tax deductibility of interest expenses for corporate income and trade tax purposes. Such rules have been changed considerably on several occasions in the recent past. As a result, major uncertainties exist as to the interpretation and application of such rules, which are not yet clarified by the tax authorities and the tax courts. The tax deductibility of interest expenses depends inter alia on the details of the security structure for debt financings, the annual amounts of tax net-debt interest expense, the amounts of shareholder financings, the equity-ratio of the Group and any particular business within the Group, the general tax structure of the Group, on the annual tax EBITDA and on the tax EBITDA of previous years. For example, there is a risk of additional taxes being triggered for the Group and tax loss carryforwards being reduced in case the tax authorities or the tax courts adopt deviating views on the interpretation of the applicable interest deduction restrictions, on certain positions shown in the financial statements being relevant for the determination of the equity-ratio, or on the relevant tax EBITDA.

If we are affected by the application of the provisions limiting the deductibility of the interest expenses, this would result in a higher tax burden and, consequently, could have an adverse effect on our cash flows, financial condition and results of operations.

There are uncertainties with respect to the amount of tax loss carryforwards and interest carryforwards.

Our Group companies (including partnerships) in general have tax loss carryforwards and might have interest carryforwards. A tax loss carryforward is the sum of the tax losses that were sustained during a tax assessment period, which we were unable to set off against positive income. An interest carryforward represents the total net interest that we were unable to deduct for tax purposes in prior years under the interest deduction ceiling. These tax loss and interest carryforwards can, subject to certain restrictions, reduce future taxable income. The tax loss carryforwards and interest carryforwards could be forfeited, in whole or in part, at the level of the Company and its direct and indirect subsidiaries pursuant to the current German tax law, if, within a period of 5 years, more than 25% of the shares or voting rights of the Company are combined, directly or indirectly, to be transferred to one shareholder or several shareholders whose interests are aligned, or in case of a comparable transaction (harmful acquisition). Shares are deemed to have been combined (including by way of a capital increase) for these purposes if they are assigned to a single acquirer, persons related to such acquirer, or a group of acquirers whose interests are aligned. No forfeiture of losses occurs under certain conditions in case of an intragroup restructuring or to the extent the target company has certain hidden reserves. Because much of the subscribed capital is being assigned within the meaning of the current German tax law in the context of this Offering, there is a risk that we and our subsidiaries will be unable to utilize, in whole or in part, our loss carryforwards. We cannot control the risk of forfeiture of tax loss carryforwards and interest carryforwards because the forfeiture would be triggered by measures and transactions (including subscription to capital increases) at the shareholder level.

According to a decree issued by the German tax authorities tax loss and interest carryforwards should not be forfeited due to the intermediate acquisition by the Underwriters assuming the risk of the placement of shares if the Underwriters acquired the shares for placing them in the context of an IPO and if they took over the risk of the placement of the shares. However, the decree might not apply if the Underwriters hold the shares for a certain time period in order to sell them successively, or in case the Underwriters finally take over the shares because the placement failed.

Forfeiture of tax loss or of interest carryforwards could have an adverse effect on our cash flows, financial condition and results of operations.

Risks Related to our Capital Structure

Our indebtedness could have a material adverse effect on our financial position and may limit our flexibility.

Our level of indebtedness presents the risk that we might not generate sufficient cash to service our indebtedness, that our financing arrangements could be terminated prior to maturity or that our capital structure could limit our ability to finance further acquisitions and develop additional projects, thereby limiting our ability to grow and successfully execute our strategy. Since a substantial portion of our cash flow from operations is being and will continue to be dedicated to the payment of principal and interest on our indebtedness, this reduces the amount of cash we have available for other purposes, including our working capital needs, capital expenditures, the exploitation of business opportunities and growth, future acquisitions and other general corporate needs, as well as the payment of dividends. Furthermore, a significant increase in our net indebtedness could result in changes in the terms on which banks and suppliers are willing to extend credit to us. Any of these events, if they occur, could increase our costs of financing or cause us to become obligated to make early repayment on some or all of our indebtedness, either of which could have a material adverse effect on our business, financial condition and results of operations.

The various debt agreements, including the Existing Facility Agreement dated January 20, 2006, as amended from time to time, to which we are a party, contain covenants that bind us. These covenants restrict or limit, among other things, our ability to incur additional indebtedness, create liens, transfer or sell shares or other assets, including to engage in sale-and-leaseback transactions, merge or consolidate with other entities, and enter into transactions with our affiliates (in each case subject to a number of important exceptions and qualifications). In addition, the Existing Facility Agreement contains financial covenants that require us to maintain certain levels of leverage and fixed charge ratios. If we breach any of these covenants with respect to any financing arrangement and are unable to cure the breach (to the extent the breach is capable of being cured) or to obtain a waiver from the lenders (to the extent the covenant is capable of being waived), we would be in default under the terms of such arrangement. A default under any financing arrangement—subject to certain thresholds—could result in a default under another financing arrangement, and could cause or permit lenders under the relevant financing arrangements to accelerate the debt outstanding under these financing arrangements. In the case of an acceleration of the Existing Facility Agreement, our assets could be insufficient to repay that indebtedness in full and we may need to make other mandatory payments. This could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Shares, the Listing and Our Shareholder Structure

Our shares have not been publicly traded, and there is no guarantee that an active and liquid market for our shares will develop.

Prior to the Offering, there has been no public market for our shares. The issue price for the shares in the Offering will be determined by way of the book-building process. There is no guarantee that the Offer Price will correspond to the price at which the shares will be traded on the Frankfurt Stock Exchange following the Offering or that, following the listing of our shares on the Frankfurt Stock Exchange, liquid trading in our shares will develop and become established. Investors may not be in a position to sell their shares quickly or at the market price if there is no active trading in our shares.

Our share price may fluctuate significantly, and investors could lose all or part of their investment.

Following this Offering, the price of our shares will be affected primarily by supply and demand for our shares, as well as other factors including, but not limited to, fluctuations in the actual or projected operating results, changes in projected earnings or failure to meet securities analysts' earnings expectations, changes in trading volumes in our shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception of the Company or our industry, changes in the statutory framework in which we operate and other factors, and can therefore be subject to substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally, could lead to pricing pressures on our shares, even though there may not necessarily be a reason for this in our business or earnings outlook.

Following the Offering, our largest shareholders will be in a position to exert substantial influence on the Company. The interests pursued by each of these shareholders could differ from the interests of our other shareholders.

Dirk Ströer and Udo Müller, our major shareholders prior to the Offering, will continue to be our largest shareholders. Due to their large shareholdings, each of our major shareholders will be in a position to exert substantial influence on the general shareholders' meeting and, consequently, on matters decided by the general shareholders' meeting, including the appointment of our Supervisory Board, the distribution of dividends or any proposed capital increase.

Future sales or issuances of a substantial number of our shares may depress the market price of our shares. Future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.

Sales of substantial amounts of our shares in the public market following the Offering or the perception that these sales could occur, could cause the market value of our shares to decline. These sales could also make it more difficult for the Company to sell equity or equity-related securities in the future at a time and price that it considers appropriate. In addition, the Company's issuance of additional equity securities or securities with rights to convert into equity could potentially reduce the market price of our shares and would dilute the economic and voting rights of existing shareholders if made without granting subscription rights to these shareholders.

We cannot predict whether substantial numbers of our shares will be sold by Dirk Ströer, Udo Müller or Alfried Bührdel following the expiry of their 12-month "lock-up" period. A sale of a substantial number of their shares or the perception that these sales could occur could cause the market value of our shares to decline.

Future offerings of debt or equity securities by us may adversely affect the market price of the shares, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.

We may require additional capital in the future to finance our business operations and growth. In the future, we may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of the shares and would dilute the economic and voting rights of existing shareholders if made without granting subscription rights to existing shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by our employees in the context of any future stock option programs or the issuance of shares to employees in the context of any future employee stock participation programs, could lead to a dilution of the economic and voting rights of existing shareholders. Thus, holders of our Company's shares bear the risk of our future offerings reducing the market price of our Company's shares and/or diluting their shareholdings in the Company.

The payment of future dividends will depend on our financial condition and results of operations, as well as on our operating subsidiaries' distributions to us.

Our general shareholders' meeting will decide matters relating to the payment of future dividends. These decisions will be based on the particular situation of the Company at the time, including our earnings, our financial and investment needs and the availability of distributable statement of financial position income or reserves and a sufficient cash position. Because the Company is a holding company that conducts its operational business mainly through its subsidiaries, our ability to pay dividends depends directly on our operating subsidiaries' distributions of earnings or repayments under intercompany financing arrangements to the Company. The amount and timing of such distributions and repayments will depend on the laws of the operating subsidiaries' respective jurisdictions and the terms of the relevant intercompany financing arrangements. In addition, the facility agreement entered into between us and certain financial institutes provides for certain limitations on our abilities to pay dividends. Hence, we may not make any dividend or other distribution in respect of our share capital as long as the net senior leverage of our Group is in excess of 2.5:1 (refers to the ratio of total net debt to operational EBITDA) after taking into account the relevant dividend or distribution on an adjusted basis. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends.

In some cases we are not able to verify whether third parties have legal title to shares acquired from them regarding a number of our subsidiaries.

We have acquired in the past (directly and/or indirectly through our subsidiaries) the shares of a number of our subsidiaries (inter alia DSM Deutsche Städte Medien GmbH, Ströer DERG Media GmbH, Ströer Infoscreen GmbH and Hamburger Außenwerbung GmbH) from third parties. Due to lost or illegible deeds and agreements (dating in some cases from the time prior to, during or shortly after the Second World War), we are not able to verify the legal title of the seller for the sold shares in a few cases. However, no claims have been raised so far. If such sellers were not the owner of the sold shares, we might not have acquired such shares legally effective. The liability of the respective seller from whom we acquired the companies is generally very limited and/or expired. If one or more of the companies was not effectively acquired and the actual shareholder can prove their legal position, the shareholder may be able to exercise its shareholder rights against our Group and/or, for example, sell the shares in the relevant company to a third person. This would have significant adverse effects on our business as well as our cash flows, financial condition and results of operations.

GENERAL INFORMATION

Responsibility Statement

*Ströer Out-of-Home Media AG, with its registered office at Ströer Allee 1, 50999 Cologne, Germany, and registered with the Commercial Register maintained by the Local Court (Amtsgericht) of Cologne under HRB number 41548 (the "**Company**", "**Ströer AG**" or "**we",** and, together with its subsidiaries, "**we**", "**our Group**" or the "**Ströer Group**"), along with J.P. Morgan Securities Ltd., London, United Kingdom ("**JP Morgan**"), and Morgan Stanley Bank AG, Frankfurt am Main, Germany ("**Morgan Stanley**", and together with JP Morgan the "**Joint Global Coordinators**" and the "**Joint Bookrunners**") and COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany ("**COMMERZBANK**"), Crédit Agricole Corporate and Investment Bank, Paris, France ("**Crédit Agricole**"), and WestLB AG, Dusseldorf, Germany ("**WestLB**" and, together with COMMERZBANK and Crédit Agricole, the "**Co-Lead Managers**" and, together with the Joint Global Coordinators, the "**Underwriters**"), assume responsibility for the content of this prospectus pursuant to Section 5 para. 4 of the German Securities Prospectus Act (Wertpapierprospektgesetz) ("**WpPG**") and declare, pursuant to Section 5 para. 4 WpPG, that the information contained in this prospectus is, to the best of their knowledge, in accordance with the facts and that no material circumstances have been omitted, and that they have taken all reasonable care to ensure that the information contained in this prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. Notwithstanding Section 16 WpPG, neither the Company nor the Underwriters are required by law to update the prospectus.*

If an investor files claims in court on the basis of the information contained in this prospectus, the plaintiff investor may be required by the laws of the individual member states of the EEA to bear the cost of translating the prospectus before the legal proceedings may be commenced.

Purpose of this Prospectus

For the purposes of the Offering, this prospectus covers up to 22,365,980 ordinary bearer shares, each such share with no par value and a notional value of €1.00 each in the share capital and full dividend rights from January 1, 2010, specifically:

- up to 16,176,471 newly issued ordinary bearer shares from a capital increase expected to be approved by the extraordinary general shareholders' meeting of the Company on July 13, 2010;
- 4,156,238 newly issued ordinary bearer shares of the Selling Shareholder (as subsequently defined), deriving from a capital increase from contingent capital due to the exercise of warrants; and
- up to 2,033,271 existing ordinary bearer shares from the holdings of the Existing Shareholders (as subsequently defined) to cover a potential overallotment.

For the purposes of admission to the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market segment (*regulierter Markt*) with additional post-admission obligations (*Prime Standard*), this prospectus covers a total of up to 45,917,980 ordinary bearer shares of the Company comprising:

- 23,552,000 existing ordinary bearer shares (existing share capital); and
- up to 16,176,471 newly issued ordinary bearer shares from a capital increase expected to be approved by the extraordinary general shareholders' meeting of the Company on July 13, 2010;
- 4,156,238 newly issued ordinary bearer shares from the holdings of the Selling Shareholder (as subsequently defined), deriving from a capital increase from contingent capital due to the exercise of warrants; and
- up to 2,033,271 newly issued ordinary bearer shares from a potential capital increase from authorized capital to redeem the share loan of the Existing Shareholders which has been granted to cover a potential overallotment

each such share with no par value and a notional value of €1.00 in the share capital and full dividend rights as of January 1, 2010.

Forward-looking Statements

This prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events. This applies, in particular, to statements in this prospectus containing information on future earning capacity, plans and expectations regarding the business of the Company, its growth

and profitability, and general economic conditions to which it is exposed. Statements made using forward-looking terminology such as "should", "is likely", "will", "believes", "aims", "anticipates", "expects", "assumes", "estimates", "intends", "continues" or similar terminology are forward-looking statements. Forward-looking statements in this prospectus are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause our actual results, including our financial condition and profitability, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this prospectus might not occur. In addition, the forward-looking estimates and forecasts reproduced in this prospectus from third-party reports could prove to be inaccurate. See "*—Sources of Market Data*" below. Moreover, it should be noted that neither the Company nor any of the Underwriters assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. See "*Risk Factors*" for further description of the factors that could influence our forward-looking statements.

Sources of Market Data

Certain information provided in this prospectus on the market environment, developments, growth rates, trends and competitive situation in the markets and segments in which we operate is taken from publicly available sources and third-party sources, including, without limitation the following third-party sources for advertising market data:

- Bilesim-Adex;
- Bundeskartellamt, the German Federal Cartel Office ("**FCO**")
- Central Intelligence Agency, the civilian intelligence agency of the U.S. government ("**CIA**");
- Central Statistical Office of Poland ("**Polish FSO**");
- Deutsche Bundesbank, the German Federal Reserve ("**GFR**");
- Fachverband Außenwerbung e.V. ("**FAW**"), the umbrella trade organization for the German out-of-home advertising sector;
- German Federal Ministry of Transport, Building and Urban Affairs;
- GfK Geo Marketing GmbH ("**GfK**");
- Haver Analytics, a company specialized in database and software products for economic analysis and business decision-making ("**Haver**");
- IHS Global Insight, an information provider for economic and financial information ("**Global Insight**");
- Izba Gospodarcza Reklamy Zewnetrznej, the Polish Chamber of Commerce for Foreign Ads. ("**IGRZ**");
- Nielsen Media Research, a worldwide operating media research company ("**Nielsen**");
- Starlink Poland Zenith, a Polish local affiliate of ZenithOptimedia ("**Starlink**");
- Statistisches Bundesamt, the German Federal Statistical Office ("**German FSO**");
- SPC House of Media, an independent media agency ("**Expert Monitor**");
- TNS Global Market Research, a company providing market research, global market information and business analysis ("**TNS**");
- Turkish Association of Advertising Agencies, the umbrella trade organization for the Turkish advertising sector ("**TAAA**");
- Turkish Competition Board ("**TCB**");
- Turkish Statistical Institute ("**Turkish FSO**");
- United Nations, accessible under "http://www.un.org" ("**UN**");
- Universal McCann, ("**McCann**");
- Zentralverband der deutschen Werbewirtschaft e.V., the umbrella trade organization for the German advertising sector ("**ZAW**"); and
- ZenithOptimedia, a worldwide operating media service group ("**ZenithOptimedia**").

The information from third-party sources that is cited here has been reproduced accurately. As far as the Company is aware and can independently verify with respect to such published information, no facts have been omitted that would render the information published false or misleading in any material respect.

In addition, in many cases we have made statements in this prospectus regarding our industry, our position in the industry and our expectations for growth in the industry based on our experience and our own investigation of current and expected market conditions. We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information have been verified by independent sources.

We have not independently verified the market data and other information on which third parties have based their studies or the external sources on which our own estimates are based. Therefore, we assume no responsibility for the accuracy of the information on the market environment, market developments, growth rates, market trends and competitive situation presented in this prospectus that has been delivered from third-party studies or the accuracy of the information on which our own estimates are based.

Definitions of certain key technical terms used in this prospectus can be found under "*Glossary*".

Documents Available for Inspection

For the period during which this prospectus remains valid, hard copies of the following documents are available for inspection during regular business hours at the Company's offices at Ströer Allee 1, 50999 Cologne:

- the Company's articles of association;
- the Company's unaudited consolidated financial statements (IFRS) on interim financial reporting (IAS 34) for the three months ended March 31, 2010;
- the Company's audited consolidated financial statements (IFRS) for the financial years ended December 31, 2009;
- the Company's audited consolidated financial statements (IFRS) for the financial years ended December 31, 2008;
- the Company's audited consolidated financial statements (IFRS) for the financial years ended December 31, 2007; and
- the Company's audited unconsolidated financial statements (HGB) for the financial year ended December 31, 2009.

All future annual and interim consolidated financial statements of the Company will be available as hardcopy from the Company and on the Company's website and the paying agent designated in this prospectus. See "*General Information on the Company and the Group—Notices and Paying Agent*". Future annual reports of the Company will also be announced in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*).

Currency Presentation

Unless otherwise indicated, all references in this prospectus to:

- "Euro" or "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;
- "Deutsche Mark" or "DM" are to the official currency in Germany before the introduction of the Euro;
- "Pounds Sterling" and "£" are to pounds sterling, the official currency of the United Kingdom;
- "Polish Złoty" and "zł" are to the Polish zloty, the official currency of Poland;
- "Turkish Lira" or "TL" are to the official currency of Turkey; and
- "U.S. Dollars" or "US$" are to the lawful currency of the United States.

We prepare our consolidated financial statements in Euro. However, certain amounts in this document are presented in local currency (Turkish Lira and Polish Złoty).

THE OFFERING

Subject Matter of the Offering

The Offering consists of up to 22,365,980 ordinary bearer shares of the Company with no par value, each such share with a notional value of €1.00 and with full dividend rights as of January 1, 2010, consisting of:

- Up to 16,176,471 newly issued ordinary bearer shares from a capital increase for a contribution in cash expected to be approved by the extraordinary general shareholders' meeting of the Company on July 13, 2010 (the "**Company Shares**");
- 4,156,238 newly issued ordinary bearer shares of the Selling Shareholder deriving from a capital increase from contingent capital due to the exercise of warrants; and
- Up to 2,033,271 existing ordinary bearer shares from the holdings of the Existing Shareholders (as subsequently defined) to cover a potential overallotment

(together the "**Offering**").

This Offering consists of initial public offerings in the Federal Republic of Germany ("**Germany**") and the Grand Duchy of Luxembourg ("**Luxembourg**") and private placements in certain jurisdictions outside Germany and Luxembourg. In the United States of America, the shares will be offered for sale to qualified institutional buyers as defined in and in reliance on Rule 144A under the U.S. Securities Act pursuant to a separate offering document. Outside the United States of America, the shares will be offered in reliance on Regulation S under the U.S. Securities Act.

The capital increase for a contribution in cash expected to be approved by the extraordinary general shareholders' meeting of the Company to be held on July 13, 2010 would result in a capital increase of the Company's subscribed capital of up to €16,176,471. The capital increase from contingent capital due to the exercise of warrants by the Selling Shareholder is expected to be registered with the commercial register and become effective on July 14, 2010 and would increase the Company's subscribed capital by €4,156,238. Upon registration of this capital increase and the capital increase for a contribution in cash with the commercial register, the subscribed capital of the Company will amount to a total of up to €43,884,709.

The Company will receive all of the proceeds (net of fees and commissions) from the sale of the Company Shares and will not receive any of the proceeds from the sale of the Warrant Shares. If the Greenshoe Option is exercised by the Stabilization Manager (see below "*—Stabilization Measures, Overallotments and Greenshoe Option*"), the Company would additionally receive all of the proceeds (net of fees and commissions) from the sale of the Greenshoe Shares. The Selling Shareholder will receive all of the proceeds (net of fees and commissions) from the sale of its shares in the Offering.

Selling Shareholder, Existing Shareholders

The existing shareholders are Dirk Ströer and Udo Müller (the "**Existing Shareholders**"). The selling shareholder is Saberasu Japan Investments II B. V. ("**Saberasu**" or the "**Selling Shareholder**"), an entity controlled by Cerberus Capital Management, L.P. and certain of its affiliates (together "**Cerberus**"). Immediately prior to completion of the Offering, the Selling Shareholder and the Existing Shareholders will hold 100% of the share capital of the Company (5% of the share capital of the Company will be transferred from Saberasu to the Underwriters immediately after the exercising of warrants entitling Saberasu to acquire 5% of the Company's registered share capital; the remaining 10% will be held directly by Saberasu prior to the Offering). Following completion of the Offering (assuming (i) full placement of the Offer Shares, (ii) full exercise of the Greenshoe Option and (iii) an Offer Price at the mid point of the price range), the Existing Shareholders will hold approximately 55.4% of the Company's share capital. The Selling Shareholder will sell all of its shares in the Company to the Underwriters who agreed to sell them within the Offering. Therefore, no shares in the Company will be held by the Selling Shareholder upon completion of the Offering.

For the purposes of allowing the Stabilization Manager (as defined below under "*—Stabilization Measures, Overallotments and Greenshoe Option*") to cover short positions resulting from any overallotments and/or from sales of shares effected by it during the Stabilization Period, the Stabilization Manager will be provided for the account of the Underwriters in the form of a compensated securities loan (*entgeltliches Wertpapierdarlehen*) with up to 2,033,271 shares by the Existing Shareholders; For more information see below "*—Stabilization Measures, Overallotments and Greenshoe Option*".

The Company has granted the Stabilization Manager (as defined below under "*—Stabilization Measures, Overallotments and Greenshoe Option*") an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange, to

acquire up to 2,033,271 additional ordinary bearer shares of the Company (10% of the aggregate sum of (i) the final number of Company Shares and (ii) 4,156,238 Warrant Shares) for the account of the Underwriters at the Offer Price, less the underwriting discount, solely to cover overallotments, if any, in connection with the Offering (the "**Greenshoe Option**"). These additional shares will be issued from a capital increase out of authorized capital.

Price Range, Offer Period, Number of Offer Shares, Offer Price and Allotment

The price range within which offers to purchase may be submitted is between €17.00 and €24.00 per share. Within this price range, the offers may be furnished with a price limit. However, every offer must refer to a minimum order size of 100 shares and be made out to a plain euro amount or to full 25, 50 or 75 euro cents.

This Offering will commence on July 5, 2010 and end on July 13, 2010 (i) at 12:00 noon (Central European Time) for retail investors and (ii) at 4:00 p.m. (Central European Time) for institutional investors.

The Company reserves the right, in consultation with the Joint Global Coordinators, to reduce or increase the number of shares offered, to reduce or increase the upper and lower limits of the price range and/or to extend or shorten the Offer Period. The Company may increase the total number of shares offered in this Offering up to a maximum of the total number of shares for which the application for admission to listing and trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange is being made in accordance with this prospectus. Investors who have submitted purchase orders will not, however, be informed individually of the changes. Changes to the number of shares offered or the price range or extension or shortening of the Offer Period will not invalidate purchase orders already submitted. Under the WpPG, investors who have submitted a purchase order before a supplement to this prospectus is published are granted a period of two business days from publication of the supplement to withdraw their orders. As an alternative to cancellation, investors who have submitted purchase orders before publication of the supplement may, within two days of publication of the supplement, change their orders or submit new limited or unlimited orders.

Once the Offer Period has expired, the final number of shares to be placed and the Offer Price will be determined by the Company, together with the Joint Global Coordinators, using the order book derived from the book-building process; this determination is expected to be made on July 13, 2010. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book. These orders will be evaluated according to the prices offered and the perceived investment horizons of the respective investors. This method of setting the number of shares that will be placed at the Offer Price is aimed to receive gross sale proceeds of €275.0 million in the Offering. Consideration will also be given to whether the Offer Price and the number of shares to be placed allow for the reasonable expectation that the share price will demonstrate relatively steady performance in the aftermarket given the demand for the Company's shares reflected in the order book. The final allocation of shares will be based not only on the prices offered by investors and the number of investors wanting shares at a particular price, but also on the composition of the group of shareholders in the Company that would result and expected investor behavior. For further information regarding allotment criteria see "*—Allotment Criteria*".

The number of Company Shares the Company will issue and sell pursuant to the Offering will be determined based on the Offer Price and will be such number of shares as is necessary to provide the Company with gross sale proceeds of €275.0 million (see "*Reasons for the Offering and Use of Proceeds*" below). As a result of this precondition, at the high-point of the price range (€24.00) as set out above, the Company would be offering 11,458,334 Company Shares (or 48.7% of the exisiting share capital), at the mid-point of the price range (€20.50) the Company would be offering 13,414,635 Company Shares (or 57.0% of the exisiting share capital) and at the low-point of such price range (€17.00) the Company would be offering 16,176,471 Company Shares (or 68.7% of the exisiting share capital).

Investors are free to withdraw their offers to purchase until the end of the Offer Period. After the Offer Price has been set, shares will be allotted to investors on the basis of the offers to purchase then available. The Offer Price and the final amount of the offered shares are expected to be published on July 13, 2010, by means of an ad hoc announcement on an electronic information system, such as Reuters or Bloomberg and our website (*www.stroeer.com*). Investors who have placed offers to purchase with one of the Underwriters can obtain information from that Underwriter about the Offer Price and the number of shares allotted to them presumably on July 13, 2010. Book-entry delivery of the allotted shares against payment of the Offer Price is expected to occur on July 16, 2010. Should the placement volume prove insufficient to satisfy all orders placed at the Offer Price, the Underwriters reserve the right to reject orders, or to accept them only in part.

Currency of the Securities Issue

The currency of the securities issue is Euro (€).

Expected Timetable for the Offering

The following is the anticipated timetable for the Offering.

July 2, 2010	Approval of the prospectus by the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht,* "**BaFin**") Notification of the approval of the prospectus to the Luxembourg Commission for the Supervision of the Financial Sector (commission de Surveillance du Secteur Financier ("**CSSF**") Publication of the approved prospectus on the website of the Company
July 3, 2010	Publication of sales offer (*Verkaufsangebot*) in the Frankfurter Allgemeine Zeitung
July 5, 2010	Commencement of marketing (road show) Commencement of the Offer Period
July 13, 2010	Close of the Offer Period for retail investors (natural persons) at 12:00 noon (Central European Summer Time) and for institutional investors at 4:00 p.m. (Central European Summer Time) Determination of the Offer Price and allotment; publication of the Offer Price and the final amount of the Offer Shares as an ad hoc announcement through an electronic information system and on the website of the Company (*www.stroeer.com*)
July 14, 2010	Registration of the capital increase against cash contribution and the capital increase from contingent capital into the commercial register Listing approval issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) Publication of the listing approval issued by the Frankfurt Stock Exchange
July 15, 2010	First day of trading
July 16, 2010	Book-entry delivery of the shares against payment of the Offer Price

The prospectus has been published in electronic form on the Company's website at *www.stroeer.com*. In addition, free copies of the printed prospectus will also be available upon publication free of charge during regular business hours at our office at Ströer Allee 1, 50999 Cologne, Germany, and at J.P. Morgan Securities Ltd., 10 Aldermanbury, London EC2V 7RF, United Kingdom, Morgan Stanley Bank AG, Junghofstraße 13-15, 60311 Frankfurt am Main, Germany, WestLB, Herzogstraße 15, 40217 Dusseldorf, Germany, and COMMERZBANK AG, Mainzer Landstraße 153, 60327 Frankfurt am Main, Germany.

Information on the Shares

Voting Rights

Each share carries one vote at the Company's shareholders' meetings. There are no restrictions on voting rights.

Dividend Rights

The shares that are the subject of the Offering carry full dividend rights as of January 1, 2010. In the event of liquidation, any proceeds would be distributed to the holders of these shares in proportion to their interest in the Company's share capital.

Form and Representation of the Shares

The Company's articles of association currently provide for all shares in the Company to be issued as ordinary bearer shares. The Company's share capital is certificated in one or more global share certificates without dividend coupons deposited with Clearstream Banking AG, Frankfurt am Main, Germany. Under Section 7 para. 3 of the Company's articles of association, shareholders are not entitled to have certificates issued for their holdings. The form of the share certificates is decided by the Company's Management Board. The Company is authorized to issue share certificates representing multiple shares (global certificates).

Delivery and Settlement

Delivery of the shares against payment of the Offer Price is expected to take place on July 16, 2010. The shares will be made available to shareholders as co-ownership interests in the relevant global certificates.

At their discretion, investors, may choose to have the shares they acquire in the Offering credited to a bank custody account held for their account at Clearstream Banking AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany, or to the securities account of a participant in Euroclear Bank S.A./N.V., 1, Boulevard Roi Albert II, 1120 Brussels, Belgium, as the operator of the Euroclear system, or to Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg.

ISIN, WKN, Common Code and Ticker Symbol

International Securities Identification Number (ISIN)	DE0007493991
German Securities Code (*Wertpapierkennnummer—WKN*)	749 399
Common Code	051351029
Ticker Symbol	SAX

Transferability of the Shares

The shares will be freely transferable at the time of delivery to investors subscribing pursuant to this Offering. With the exception of the limitations specified in the section headed "*—Market Protection Agreement, Limitations on Disposal (Lock-up)*" there are no restrictions on transferability or lock-ups affecting the Company's shares.

Allotment Criteria

The allotment of shares to retail investors and institutional investors will be decided by the Company after consultation with the Joint Global Coordinators, with the ultimate decision resting with the Company. Allotments will be based, among other factors, on the price offered by investors and at the perceived quality and geographical spread of investors as well as the anticipated investors in the aftermarket. Other allotment criteria will be determined by the Company after consultation with the Joint Global Coordinators. The allocation to retail investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" published by the Stock Exchange Expert Committee (*Börsensachverständigenkommission*). "Qualified investors" under the WpPG as well as "professional clients" and "suitable counterparties" under the WpHG are not viewed as "private investors" within the meaning of the allocation rules.

Preferential Allocation

The Company has set up a preferential allocation program for the benefit of all employees of Ströer Group, including all members of the governing bodies, employed and resident in Germany with an unterminated and active employment contract since more than one year (record date: June 1, 2010) in the total amount of up to 5.0% of the issuing volume of the Offering (without Greenshoe Option) (the "**Preferential Allocation Program**"). Pursuant to the conditions of the Preferential Allocation Program, such qualified employees of the Company are entitled to acquire shares of the Company within the Offering as employee shares (*Belegschaftsaktien*) pursuant to Section 3 no. 39 of the German Income Tax Act (*Einkommensteuergesetz*) in the form of a preferential allocation in the amount of up to €900 and €1,800 respectively, having a discount free of tax and social insurance contribution (*steuer- und sozialabgabenfreier Preisnachlass*) of 20%, that is up to €180 and €360 respectively. Beyond that, the qualified employees are entitled to acquire additional shares of the Company within the Offering in the amount of €1,000, €2,500 or €5,000 at the Offer Price without discount. The lock-up period for the acquired shares will expire on July 31, 2010.

In connection with the termination of the Phantom Stock Program with certain members of the Management Board upon the closing of the Offering (see "*Management—Management Board—Compensation of the Members of the Management Board*"), Alfried Bührdel has undertaken an obligation to invest a minimum of one third of the net amount payable upon termination of the Phantom Stock Program. At the mid-point of the price range, the net Phantom Stock Bonus payable to Alfried Bührdel would amount to approximately €2.8 million (after tax effects, assuming a tax-rate of 50%) which is equivalent to 138,541 shares in the Company; the net Phantom Stock Bonus payable to Udo Müller would amount to approximately €5.0 million (after tax effects, assuming a tax-rate of 50%).

The two Existing Shareholders, Udo Müller and Dirk Ströer, and Alfried Bührdel will subscribe for around €5 million worth of shares at the Offer Price, representing up to 253,496 shares (at the mid-point of the price range). The Existing Shareholders and Alfried Bührdel will receive a guaranteed allocation after such subscription.

Stabilization Measures, Overallotments and Greenshoe Option

In connection with the placement of the Offer Shares, Morgan Stanley, or persons acting on its behalf, may, as stabilization manager (the "**Stabilization Manager**") and acting in accordance with applicable legal requirements (including Section 20a para. 3 WpHG in conjunction with EU Commission Regulation 2273/2003 of December 22, 2003), make overallotments and take Stabilization Measures with a view to supporting the market price of the shares of the Company at a higher level than that which might otherwise prevail in the open market (the "**Stabilization Measures**").

Stabilization Measures may result in the market price for shares of the Company being higher than would otherwise have been the case or cause the market price to temporarily be at an unsustainable level.

The Stabilization Manager is under no obligation to take any Stabilization Measures. Therefore, no assurance can be provided that any Stabilization Measures will be taken. Where Stabilization Measures are taken, they may be terminated at any time without notice. Such measures may be taken from the date the shares of the Company are listed on the regulated market of the Frankfurt Stock Exchange and must be terminated no later than the thirtieth calendar day after that date (the "**Stabilization Period**").

For stabilization purposes, the Stabilization Manager may overallot up to 2,033,271 shares in the Company (10% of the aggregate sum of (i) the final number of the Company Shares and (ii) 4,156,238 Warrant Shares) to investors as part of the allocation of the shares to be placed. For the purposes of allowing the Stabilization Manager to cover short positions resulting from any such overallotments and/or from sales of shares effected by it during the Stabilization Period, the Stabilization Manager will be provided for the account of the Underwriters in the form of a compensated securities loan (*entgeltliches Wertpapierdarlehen*) with up to 2,033,271 shares by the Existing Shareholders.

In addition, the Company has granted the Stabilization Manager an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange, to purchase up to 2,033,271 additional ordinary bearer shares of the Company (the "**Greenshoe Shares**") for the account of the Underwriters at the Offer Price, less the selling concession, solely to cover overallotments, if any, in connection with the Offering (the "**Greenshoe Option**"). The Greenshoe Shares will be issued, if at all, from a capital increase from authorized capital of the Company.

Once the Stabilization Period has ended, an announcement will be made within one week in various media distributed across the EEA as to whether Stabilization Measures were taken, when price stabilization started and finished and the price range within which Stabilization Measures were taken. The price range will be made known for each occasion on which Stabilization Measures were taken. Exercise of the Greenshoe Option, the timing of exercise and the number and type of shares involved will also be announced promptly in the manner stated above.

Market Protection Agreement, Limitations on Disposal (Lock-up)

The Company will, in the underwriting agreement among the Company and the Underwriters expected to be entered into on July 2, 2010 (the "**Underwriting Agreement**"), commit to an obligation vis-à-vis the Underwriters, in accordance with the relevant provisions of German securities law, that it will not, and will not agree to, without the prior consent of the Joint Global Coordinators, within a period of six months following the first day of trading of the shares of the Company:

- announce or carry out a capital increase from authorized capital;
- submit a resolution for a capital increase to its general shareholders' meeting;
- announce, implement or propose the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company; or
- conduct any transactions that would have an economic effect similar to the above measures.

The foregoing lock-up restrictions do not apply to issuances or sales of shares or other securities as part of management participation plans of the Company or its affiliates, nor to any corporate actions undertaken for purposes of entering into joint ventures or acquiring companies, provided the respective counterparty agrees to be bound by the same lock-up restrictions vis-à-vis the Joint Global Coordinators that apply to the Existing Shareholders as described below.

The Existing Shareholders will, in the Underwriting Agreement, and Alfried Bührdel will, in a lock-up agreement, commit to an obligation vis-à-vis the Underwriters that they will not, and will not agree to, without the

prior consent of the Joint Global Coordinators, within a period of twelve months following the first day of trading of the shares of the Company:

- directly or indirectly sell, offer, transfer or otherwise dispose of shares or other securities of the Company; the same applies to all transactions that have an economic effect similar to a sale, such as the issue of option or conversion rights with respect to shares of the Company;

- conduct any transactions that have an economic effect similar to the above measures.

The foregoing lock-up restrictions do not apply to transactions with persons that agree to be bound by these restrictions.

In the Underwriting Agreement, the Existing Shareholders will also give representations and warranties regarding the legitimate existence of the shares they are selling and their right to sell such shares, their sole and unencumbered ownership in these shares and their status as fully paid up, compliance with the applicable rules of supervisory and securities regulatory authorities, the absence of insider information. The Existing Shareholders will make no other representations and warranties.

Admission to the Frankfurt Stock Exchange and Commencement of Trading

The Company expects to apply on July 2, 2010 for admission to listing and trading in the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and, simultaneously, in the sub-segment thereof with additional post-admission obligations (*Prime Standard*) of up to 43,884,709 ordinary bearer shares, consisting of (i) 23,552,000 existing ordinary bearer shares (existing share capital), (ii) up to 16,176,471 newly issued ordinary bearer shares from the capital increase against cash contributions, (iii) 4,156,238 newly issued ordinary bearer shares from the capital increase from contingent capital. An admission decision for listing is expected to be announced on July 14, 2010. Currently, trading on the Frankfurt Stock Exchange is expected to commence on July 15, 2010. If the Greenshoe Option is exercised, the Company will additionally apply for admission to listing and trading at the Frankfurt Stock Exchange for up to 2,033,271 newly issued ordinary bearer shares from a potential capital increase from authorized capital to redeem the share loan of the Existing Shareholders which has been granted to cover a potential overallotment.

The lead underwriters for an issue often make purchase offers at the time of listing in order to support the development of the initial market price of the shares. Such purchase offers, when made, may lead to the development of a higher initial market price than would have been the case in the absence of such measures.

Designated Sponsors

Each of the Joint Global Coordinators, J.P. Morgan Securities Ltd., London, United Kingdom, and Morgan Stanley Bank AG, Frankfurt am Main, Germany, has agreed to assume the function of a designated sponsor of the shares traded on the Frankfurt Stock Exchange for a period of at least two years following admission, and each of them is entitled to designate an appropriately admitted third party to perform its functions. Pursuant to the designated sponsor agreement between the Joint Global Coordinators and the Company, each of the Joint Global Coordinators will, among other things, place limited buy and sell orders for shares in the electronic trading system of the Frankfurt Stock Exchange during regular trading hours. This is intended to result in greater liquidity in the market for the shares.

Interests of the Parties Participating in the Offering

In connection with the Offering and the admission to trading of the Company's shares, the Underwriters are in a contractual relationship with the Company, the Existing Shareholders and the Selling Shareholder. The Joint Global Coordinators act for the Company and the Selling Shareholder on the Offering and coordinate the structuring and execution of the Offering. In addition, each of the Joint Global Coordinators has been appointed to act as a designated sponsor for the Company Shares and the Greenshoe Shares. Upon successful implementation of the Offering, the Underwriters will receive a commission. Some of the Underwriters or their affiliates have and may from time to time in the future continue to have business relations with our Group (including lending activities) or may perform services for our Group in the ordinary course of business.

The Underwriters or their respective affiliates are lenders under the amended and restated credit facility agreement (see "*Business—Material Contracts—Amended and Restated Credit Facility Agreement*").

The Selling Shareholder has a personal interest in the Offering, because it will receive the net proceeds of the sale of its Company Shares in the Offering.

Udo Müller, Alfried Bührdel and the employees of Ströer Group in Germany also have a personal interest in the Offering as a result of their interests in the Preferential Allocation to acquire shares of the Company in the course of the Offering (see "—Preferential Allocation").

REASONS FOR THE OFFERING AND USE OF PROCEEDS

The Company will receive only the proceeds of the Offering resulting from the sale of the Company Shares. The Company will not receive any proceeds from the sale of shares of the Selling Shareholder. The Company estimates that the gross sale proceeds from the sale of the Company Shares will amount to €275.0 million (without exercise of the Greenshoe Option). For more information on the gross sale proceeds see "*The Offering—Price Range, Offer Period, Number of Offer Shares, Offer Price and Allotment*". The Company will receive additionally, if any, the proceeds from a potential capital increase from authorized capital to redeem the share loan of the Existing Shareholders which has been granted to cover a potential overallotment. If the Greenshoe Option has been fully exercised and the share loan of the Existing Shareholders to cover a potential overallotment is redeemed by way of a capital increase from authorized capital, we estimate that at the mid-point of the price range the gross proceeds of the capital increase from authorized capital to the Company would amount to a total of approximately €36.0 million and, together with the gross sale proceeds from the sale of the Company Shares to a total of approximately €311.0 million.

Costs of the Company related to the Offering are expected to total approximately €36.8 million, including underwriting commissions of up to €10.6 million (assuming (i) that the capital increase from authorized capital to redeem the share loan of the Existing Shareholders to cover a potential overallotment has been fully exercised and (ii) an Offer Price at the mid point of the price range as well as payment in full on the discretionary fee of up to 1% of the aggregate gross Offering proceeds; excluding tax effects), estimated other expenses of €26.2 million (including the cash out on the terminated long-term incentive program in the amount of €15.6 million (assuming an Offer Price at the mid-point of the price range), see "*Management—Management Board—Compensation of Management Board Members*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program*") and costs in connection with the amendment of the existing €545.0 million and US$29.4 million credit facility (see "*Business—Material Contracts—Amended and Restated Credit Facility Agreement")* of approximately €7.0 million. The Company will pay that portion of the fees to the Underwriters associated with the offer and sale of the Company Shares and the Greenshoe Shares, if any, as well as any discretionary fee. The Selling Shareholder will pay the portion of the Underwriters' fees attributable to the offer and sale of its shares.

We estimate that at the mid-point of the price range, the net proceeds to the Company (assuming that the Greenshoe Option has been fully exercised and the share loan of the Existing Shareholders to cover a potential overallotment is redeemed by way of a capital increase from authorized capital) would amount to approximately €274.2 million.

The Company intends to use its net proceeds received from the Offering as follows:

- to raise its 50% equity stake in Ströer Kentvizyon, the top tier company for our Turkish operations, by 40% to 90% for a purchase price that corresponds to the higher of (i) a lump-sum amount of €55.0 million or (ii) 40% of Ströer Kentvizyon's equity value, depending, inter alia, on the Offer Price achieved in the Offering (see "*Business—Material Contracts—Ströer Kentvizyon Acquisition Agreement*");
- to acquire 100% of the issued and outstanding share capital in News Outdoor Poland sp. z o.o. for a purchase price of approximately €26.0 million (see "*Business—Material Contracts—Acquisition Agreement Poland*");
- to fully repay indebtedness for Ströer Kentvizyon under a term loan facility in the amount of €51.0 million and partially repay indebtedness under a revolving credit facility in the amount of approximately €4.0 million;
- to fully repay €75.0 million of indebtedness (book value: €74.3 million) under the Group's credit facility agreement (see "*Business—Material Contracts—Credit Facility Agreement*");
- to repay a total of €21.2 million of the aggregate amount of €42.5 million under the subordinated loan agreements between the Company and NRW. Bank and SKB Kapitalbeteiligungsgesellschaft, respectively (see "*Business—Material Contracts—Subordinated Loan Agreements*"); and
- for general corporate purposes, in particular costs related to the Offering, investments in the acquisition of new companies, investments in new organic growth initiatives, such as the launch of its Outdoor Channel and its Scroller 5000 Premium Billboard products and to further reduce leverage.

At the mid-point of the price range, net proceeds to the Selling Shareholder from the sale of the shares from its holdings would amount to approximately €83.3 million.

DIVIDEND POLICY

General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of profits is determined based on their respective interests in the Company's share capital. In a German stock corporation (*Aktiengesellschaft*), resolutions concerning the distribution of dividends for a given financial year, and the amount and payment date thereof, are adopted by the general shareholders' meeting (*Hauptversammlung*) of the subsequent financial year upon a joint proposal by the Management Board (*Vorstand*) and the Supervisory Board (*Aufsichtsrat*).

Dividends may only be distributed from the distributable profit of the Company. The distributable profit is calculated based on the Company's annual unconsolidated financial statements prepared in accordance with the accounting principles of the HGB. Accounting regulations under HGB differ from IFRS in material respects.

When determining the amount available for distribution, net income for the year must be adjusted for profit and loss carryforwards from the prior year and release of or allocations to reserves. Certain reserves are required to be set up by law and must be deducted when calculating the profit available for distribution. The Management Board must prepare the financial statements (statement of financial position, income statement and notes to the financial statements) and the management report for the previous financial year by the statutory deadline, and present these to the auditors and then the Supervisory Board after preparation. At the same time, the Management Board and Supervisory Board must present a proposal for the allocation of the Company's distributable profit pursuant to Section 170 of the German Stock Corporation Act (*Aktiengesetz*) ("**AktG**"). According to Section 171 AktG, the Supervisory Board must review the financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit, and report to the general shareholders' meeting in writing on the results. The Supervisory Board must submit its report to the Management Board within one month after the documents were received. If the Supervisory Board approves the financial statements after its review, these are deemed adopted unless the Management Board and Supervisory Board resolve to assign adoption of the financial statements to the general shareholders' meeting. If the Management Board and Supervisory Board choose to allow the general shareholders' meeting to adopt the financial statements, or if the Supervisory Board does not approve the financial statements, the Management Board must convene a general shareholders' meeting without delay.

The general shareholders' meeting's resolution on the allocation of the distributable profit must be passed with a simple majority of votes cast. If the Management Board and Supervisory Board adopt the financial statements, they can, in principle, allocate an amount of up to half of the Company's net income for the year to other surplus reserves. Pursuant to Section 21 of the Company's articles of association, the Management Board and Supervisory Board are, furthermore, permitted to use up to 100% of the profit for the year for other retained earnings to the extent that other retained earnings does not and would subsequently not exceed half of the share capital. Additions to the legal reserves and loss carryforwards must be deducted in advance when calculating the amount of net income for the year to be allocated to other surplus reserves. Dividends resolved by the general shareholders' meeting are paid annually shortly after the general shareholders' meeting, as provided in the dividend resolution, in compliance with the rules of the respective clearing system. Generally, withholding tax (*Kapitalertragsteuer*) of 25% plus the 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon is withheld from the dividends paid. For more information on the taxation of dividends, see "*Taxation in the Federal Republic of Germany—Taxation of the Shareholders*".

Dividend payment claims are subject to a three-year standard limitation period. If dividend payment claims expire, then the Company becomes the beneficiary of the dividends. Details concerning any dividends resolved by the general shareholders' meeting and the paying agents named by the Company in each case will be published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*) and in at least one national newspaper designated for exchange notices by the Frankfurt Stock Exchange.

Dividend Policy and Earnings Per Share

During each of the last three years, we paid yearly dividends in the amount of €3,072 to Dirk Ströer in respect of his preferential shares. These preferential shares shall be converted into ordinary bearer shares on July 13, 2010, (for more information on this reconversion, see "*Description of Share Capital—Share Capital of the Company and Development of Share Capital over the Last three Years*"). In addition, we paid for each of the years ended December 31, 2009, 2008 and 2007 €331,200 to Dirk Ströer and Udo Müller as remuneration of their silent partnerships,[(1)] except that in 2009 there was a compensating loss participation of the silent partners amounting to

(1) We contemplate to transform the silent partnership agreements with both, Ströer Beteiligungsgesellschaft mbH and Udo Müller, into a subordinated loan (unless the Company decides to fully repay the silent partnership agreements). If we decide to transform the silent partnership agreements, it is planned that the subordinated loan agreement to be concluded will provide to a large extent for similar economics as the silent partnership agreement.

€485,848 so that there was a net income of €154,648, whereas in 2007 and 2008 there was a net expense of €331,200 (for more information on these silent partnerships, see "*Certain Relationships and Related Party Transactions—Business Relationships with Current and Former Principal Shareholders of the Company and with Companies and Enterprises over Which These Principal Shareholders Can Exert Controlling Influence—Silent Partnership Agreements*"). Beyond these payments, we never paid any dividends or remuneration to our shareholders. In case the silent partnership agreements will be transformed into a subordinated loan, we have to repay the full amount of €4.14 million to the silent partners. Additionally, we have to pay to the silent partners a renumeration on a pro-rata basis for the respective financial year.

Since we are committed to a growth strategy (see "*Business—Strategy*"), we currently intend to retain all available funds for use in the operation (and expansion) of our business and do not intend to pay dividends in the foreseeable future. Any future dividend payments will depend on our profits and our investment policy at the time.

We may declare dividend payments upon the recommendation of our Management Board and Supervisory Board and the approval of our shareholders at their annual general shareholders' meeting. Under the German Commercial Code and the German Stock Corporation Act, our right to pay dividends is limited in specific circumstances (for more information on these restrictions, see "*Description of Share Capital—General Provisions Relating to Profit Allocation and Dividend Payments*". Moreover, we have to observe further limitations under the terms of our Amended Credit Facility Agreement (for more information on our restriction to pay dividends under the Amended Credit Facility Agreement, see "*Business—Material Contracts—Amended and Restated Credit Facility Agreement*"). Under the Amended Facility Agreement, we may not make dividend payments unless, inter alia, the most recent compliance certificate shows at the relevant time a leverage (ratio of total nebt debt to operational EBITDA) of 2.5:1 or lower.

CAPITALIZATION

The following table sets forth our actual capitalization and financial indebtedness (i) as of March 31, 2010, (ii) as of May 31, 2010 and—in each of the following cases based on the numbers as of May 31, 2010 (except as noted otherwise)—as adjusted for (iii) the capital increase from the Company's own resources (*Kapitalerhöhung aus Gesellschaftsmitteln*) (see "*Description of Share Capital—Share Capital of the Company and Development of Share Capital over the Last Three Years*"), (iv) the receipt by the Company of its share of the net proceeds of the Offering and the application of these proceeds as set forth under "*Reasons for the Offering and Use of Proceeds*", as adjusted to reflect the effects from the capital increase from contingent capital due to the exercise of the Warrants before the Offering, and (v) assuming full exercise of the Greenshoe option and completion of the capital increase from authorized capital (see "*The Offering—Stabilization Measures, Overallotments and Greenshoe Option*"). The fourth column headed "(iv)" assumes the placement of all Offer Shares at the mid-point of the price range (€20.50); the fifth column headed "(v)" assumes completion of the capital increase from authorized capital at an Offer Price at the mid point of the price range. For more information see "*The Offering*". Information under the column headed "Actual as of March 31, 2010" is taken or derived from our unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010, except as otherwise noted and information under the column headed "As of May 31, 2010" is taken from our accounting records, which are unaudited.

	(i)	(ii)	(iii)	(iv)	(v)
	Actual as of March 31, 2010	Actual as of May 31, 2010 (except as indicated)	As adjusted for the capital increase from own resources	As adjusted for other capital increases before the Offering (including iii)[1], for the Offering and for use of proceeds[2]	As adjusted for full exercise of the Greenshoe option and for completion of the capital increase from authorized capital
	Prior to the Offering			Upon completion of the Offering (Assuming an Offer Price at the mid-point of the price range (€20.50))	
	(unaudited) (€ million, except as noted)				
Total current liabilities	**150.3**	**134.3**	**134.3**	**126.3**	**126.3**
of which guaranteed/secured	—	—	—	—	—
of which unguaranteed/unsecured	150.3[3]	134.3	134.3	126.3	126.3
Total non-current liabilities	**666.0**	**667.7**	**667.7**	**572.1**	**572.1**
of which guaranteed/secured	532.8[3]	533.1	533.1	437.6	437.6
of which unguaranteed/unsecured	133.2[3]	134.5	134.5	134.5	134.5
Equity	**(53.3)**	**(53.3)**	**(53.3)**	**193.2**	**228.3**
of which subscribed capital (in € thousands)	512	512	23,552	41,123[4]	42,880[7]
of which capital reserves	34.5	34.5	25.5	283.1[5][4]	317.1[7][6]
of which earned consolidated equity	(87.3)	(87.3)[8]	(101.3)[8]	(130.0)[8][5]	(130.6)[8][6]
of which accumulated other comprehensive income	(17.6)	(17.6)[8]	(17.6)[8]	(17.6)[8]	(17.6)[8]
of which non-controlling interests	16.6	16.6[8]	16.6[8]	16.6[8]	16.6[8]
Capitalization (total)	**763.0**	**748.7**	**748.7**	**891.6**	**926.8**
Cash and cash equivalents	55.6	49.7	49.7	192.6[4]	227.8[7]
Current financial liabilities	29.2	19.8	19.8	19.8	19.8
Current net financial indebtedness	**(26.4)**	**(29.9)**	**(29.9)**	**(172.9)**	**(208.0)**
Non-current financial liabilities	559.8	562.3	562.3	466.1	466.1
Total financial liabilities[9]	**589.0**	**582.0**	**582.0**	**485.8**	**485.8**
Net financial indebtedness	**533.4**	**532.4**	**532.4**	**293.2**	**258.0**
Reconciliation to net financial debt:					
Net financial indebtedness	533.4	532.4	532.4	293.2	258.0
Derivative financial instruments	(31.8)	(30.1)	(30.1)	(30.1)[10]	(30.1)[10]
Net financial debt	**501.7**	**502.3**	**502.3**	**263.1**	**227.9**
Off-balance-sheet liabilities					
Contingent liabilities	1.3	1.3	1.3	1.3	1.3
Other financial obligations[11]	912.1	898.3	898.3	898.3	898.3

(1) It is intended that the contingent capital of the Company will be utilized in the amount of €4,156,238 on July 12, 2010, due to the exercise of the Warrants by Saberasu in accordance with the Framework Agreement (see "*Business—Material Contracts—Saberasu Warrants*"). Due to this exercise, the Company's subscribed capital will increase accordingly from €23,552,000 to €27,708,238. On the same date, the shareholders shall resolve at the extraordinary general shareholders' meeting of the Company to raise the Company's subscribed capital by way of a capital increase for contribution in cash from €27,708,238 to up to €43,884,709 with the exclusion of the statutory pre-emptive rights of shareholders. It is anticipated that all these capital measures will be registered with the commercial register on July 14, 2010. For more information on these capital measures see "*Description of Share Capital—Share Capital of the Company and Development of Share Capital over the Last Three Years*". For more information regarding the costs of the Offering see "*Reasons for the Offering and use of proceeds*".

(2) This column does not reflect use of proceeds with regards

- to raise our 50% equity stake in Ströer Kentvizyon, the top tier company for our Turkish operations, by 40% to 90% for a purchase price that corresponds to the higher of (i) a lump-sum amount of €55 million or (ii) 40% of Ströer Kentvizyon's equity value, depending, inter alia, on the Offer Price achieved in the Offering (see "*Business—Material Contracts—Ströer Kentvizyon Acquisition Agreement*");
- to acquire 100% of the issued and outstanding share capital in News Outdoor Poland sp. z o.o. for a purchase price of approximately €26 million (see "*Business—Material Contracts—Acquisition Agreement Poland*");
- to fully repay indebtedness for Ströer Kentvizyon under a term loan facility in the amount of €51 million and partially repay indebtedness under a revolving credit facility in the amount of approximately €4 million.

For more information regarding the use of proceeds see "*Reasons for the Offering and use of proceeds*".

(3) The numbers are not included in the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010 but were taken from the accounting records.

(4) At the low end of the price range (€17.00) the subscribed capital would amount to €43.9 million and the capital reserves would amount to €280.4 million and the cash and cash equivalents would amount to €195.4 million; at the high end of the price range (€24.00) the subscribed capital would amount to €39.2 million, the capital reserves would amount to €285.0 million and the cash and cash equivalents would amount to €189.8 million.

(5) Underwriting commissions are assumed to amount to €9.8 million and other estimated expenses related to the Offering (excluding cash and cash equivalents to be paid out in respect of the terminated phantom stock program of €15.6 million), amounting to €3.5 million are assumed to be deductible from capital reserves by 30%. Provisions for the cash to be paid out in respect of the terminated phantom stock program, as of May 31, 2010, amounted to €8.0 million. Additional expenses amounting to €7.6 million assumed to arise from the cash to be paid out in respect of the terminated phantom stock program are assumed to be fully expensed and therefore deducted from earned consolidated equity. Furthermore, finance costs related to the repayment of Term Loan B amounting to €0.7 million and financing fees amounting to €7.0 million are assumed to be fully expensed and therefore deducted from earned consolidated equity.

(6) Underwriting fees in respect of the Greenshoe are assumed to amount to €0.8 million and are assumed to be deductible from capital reserves by 30% (€0.2 million), whereas the remainder (€0.6 million) is assumed to be fully expensed and therefore deducted from earned consolidated equity.

(7) At the low end of the price range (€17.00) the subscribed capital would amount to €45.9 million, the capital reserves would amount to €312.7 million and the cash and cash equivalents would amount to €229.2 million; at the high end of the price range (€24.00) the subscribed capital would amount to €40.7 million, the capital reserves would amount to €320.7 million and the cash and cash equivalents would amount to €226.4 million.

(8) The actual numbers as well as the as adjusted numbers are as of March 31, 2010. There has been no material change between the actual numbers as of March 31, 2010 and those as of May 31, 2010.

(9) Total financial liabilities are the sum of current financial liabilities and non-current financial liabilities.

(10) It is assumed that the repayment of the liabilities within the use of proceeds does not affect the existence and the magnitude of the derivative financial instruments.

(11) Other financial obligations include the following contractual arrangements: minimum leases under contracts on advertising use; site lease contracts, rental and lease agreements, investment obligations and maintenance services and agreements.

Statement of Working Capital

We believe that we currently have sufficient working capital to meet all of our payment obligations over the next 12 months.

No Significant Change

On March 10, 2010, we entered into an agreement to increase our 50% interest in Ströer Kentvizyon Reklam Pazarlama A.S. ("**Ströer Kentvizyon**"), the holding company for our activities in Turkey, to 90%. The aggregate purchase price for the acquired shares corresponds to the higher of (i) a lump-sum amount of €55 million or (ii) 40% of Ströer Kentvizyon's equity value, depending, inter alia, on the Offer Price achieved in the Offering, and will be paid with the proceeds of the Offering.

On June 15, 2010, Ströer Polska sp. z o.o. ("**Ströer Polska**"), a subsidiary of the Company, has agreed to acquire 100% of the issued and outstanding share capital in News Outdoor Poland sp. z o.o., Warsaw, Poland (NOP), from News Out of Home B.V., Amsterdam, The Netherlands. The aggregate consideration for the contemplated acquisition is approximately €26 million (subject to certain adjustments upon closing of the acquisition).

Except for these acquisitions, there have been no significant changes in our Company's assets, financial position or earnings between the end of March 31, 2010 and the date of this prospectus.

DILUTION

The equity of the Company in the statement of financial position excluding non-controlling interests under IAS 32 (equity attributable to shareholders of the Company) amounted to negative €69.9 million or negative €136.5 per share as of March 31, 2010 (based on 512,000 outstanding shares of the Company as of March 31, 2010) and would amount to negative €2.97 per share based on 23,552,000 outstanding shares of the Company as adjusted for the capital increase from own resources.

The table below illustrates the amount by which the low end, mid-point and high end of the price range per share would exceed the total share capital per share (immediate dilution per share):

	Low End	Mid Point	High End
		(unaudited)	
Price per share (in €)	17.00	20.50	24.00
Equity attributable to shareholders of the Company per share as of March 31, 2010 and as adjusted for the capital increase from own resources (based on 23,552,000 outstanding shares of the Company) (in €)	(2.97)	(2.97)	(2.97)
Equity attributable to shareholders of the Company per share as of March 31, 2010 and as adjusted for the capital increase from own resources, for other capital increases before the Offering(1), for the Offering, for Use of Proceeds(2), for full exercise of the Greenshoe and for completion of the capital increase from authorized capital, which amounts to €212.6 million at the low end of the price range, €211.2 million at the mid point of the price range and €209.8 million at the high point of the price range (based on 45,917,980 (low end of the price range), 42,879,961 (mid point of the price range) and 40,728,030 (high point of the price range) outstanding shares of the Company) (in €)(3))	4.63	4.92	5.15
Amount by which the price per share exceeds the total share capital per share (immediate dilution per share) (in €)	12.37	15.58	18.85

(1) After completion of the capital increase from contingent capital in the amount of €4,156,238 on July 12, 2010, due to the exercise of the Warrants by Saberasu in accordance with the Framework Agreement (see "*Business—Material Contracts—Saberasu Warrants*"), the Company's subscribed capital will increase accordingly from €23,552,000 to €27,708,238.

(2) Does not reflect use of proceeds with regards

- to raise our 50% equity stake in Ströer Kentvizyon, the top tier company for our Turkish operations, by 40% to 90% for a purchase price that corresponds to the higher of (i) a lump-sum amount of €55 million or (ii) 40% of Ströer Kentvizyon's equity value, depending, inter alia, on the Offer Price achieved in the Offering (see "*Business—Material Contracts—Ströer Kentvizyon Acquisition Agreement*");
- to acquire 100% of the issued and outstanding share capital in News Outdoor Poland sp. z o.o. for a purchase price of approximately €26 million (see "*Business—Material Contracts—Acquisition Agreement Poland*");
- to fully repay indebtedness for Ströer Kentvizyon under a term loan facility in the amount of €51 million and partially repay indebtedness under a revolving credit facility in the amount of approximately €4 million.

For more information regarding the use of proceeds see "*Reasons for the Offering and use of proceeds*".

(3) Underwriting commissions amounting to €10.6 million (at the mid point of the price range). Expenses arising from the pay out of the terminated phantom stock program amounting to €8.2 million (at the mid point of price range based on a provision of €7.4 million as at March 31, 2010). Other expenses related to the Offering of €3.5 million. Financing costs related to the Term Loan B repayment amounting to €0.7 million as well as financing fees of €7.0 million (assumed to be fully expensed). Furthermore, it is assumed that the repayment of the liabilities within the use of proceeds does not affect the existence and the magnitude of the derivative financial instruments.

SELECTED FINANCIAL AND OPERATING INFORMATION

*The summary financial information presented in the tables below is derived from our audited consolidated financial statements as of and for the financial years ended December 31, 2009, 2008 and 2007 and our unaudited consolidated interim financial statements as of and for the three months ended March 31, 2010 (with comparable figures of the preceding year). The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("**IFRS**") and the unaudited interim consolidated financial statements have been prepared in accordance with IFRS on interim financial reporting (IAS 34). Additional information included in this prospectus has been taken or derived from the Company's audited unconsolidated financial statements as of and for the year ended December 31, 2009, which were prepared in accordance with the German Commercial Code (Handelsgesetzbuch), ("**HGB**"). IFRS and HGB differ in certain material respects.*

E&Y audited in accordance with Section 317 HGB and issued an unqualified auditors' report with respect to our consolidated financial statements as of and for the years ended December 31, 2009, 2008 and 2007 and the Company's unconsolidated financial statements as of and for the year ended December 31, 2009.

Where financial data in the tables below is labeled "audited", this means that it was taken or derived from these audited financial statements. The label "unaudited" is used in the tables below to indicate financial data that was taken or derived from a source other than the audited financial statements mentioned above.

Some of the financial and performance indicators and ratios including the Non-IFRS Financial Measures reproduced below were taken from our accounting records and are unaudited.

All of the financial and other operating data are presented in the tables below in millions of Euro (€ million), commercially rounded to one decimal point. The percentages stated in the tables below have also been commercially rounded to one decimal point. As a result, the figures shown in the tables below may not add up exactly to the totals given, and the percentages shown may not add up to 100%.

Selected Consolidated Income Statement Data

	As of and for the year ended December 31,			As of and for the three months ended March 31,	
	2009	2008	2007	2010	2009
		(audited) (€ million)		(unaudited) (€ million)	
Revenue	469.8	493.4	509.0	105.1	99.5
Cost of sales	(300.7)	(300.1)	(302.5)	(69.1)	(68.3)
Gross profit	**169.1**	**193.2**	**206.5**	**36.0**	**31.2**
Selling expenses	(67.3)	(74.5)	(70.9)	(17.2)	(15.6)
Administrative expenses	(64.6)	(70.0)	(68.0)	(18.0)	(16.7)
Other operating income	13.7	20.1	18.5	4.1	4.0
Other operating expenses	(11.9)	(10.8)	(8.3)	(2.0)	(2.2)
Share in profit or loss of associates	0.0	(4.1)	(3.0)	—	—
Net finance costs[1]	(47.3)	(54.8)	(46.5)	(10.5)	(14.1)
Profit or loss before taxes from continuing operations	**(8.3)**	**(0.9)**	**28.4**	**(7.5)**	**(13.4)**
Income taxes	9.6	(13.7)	6.6	(1.9)	(3.4)
Post-tax profit or loss from continuing operations	**1.2**	**(14.6)**	**35.0**	**(9.5)**	**(16.8)**
Post-tax profit or loss from discontinued operations	(0.1)	0.0	0.0	0.0	(0.1)
Profit or loss for the period	**1.1**	**(14.6)**	**35.0**	**(9.5)**	**(16.9)**

(1) Net finance costs are calculated by subtracting finance costs from finance income.

In accordance with IFRS, the line items cost of sales, selling expenses, administrative expenses and other operating income and expenses include depreciation, amortization and impairment losses. In addition, some of the line items include income and expenses that we deem to be exceptional items. For the purposes of presenting the non-IFRS items, the depreciation, amortization, impairment losses and exceptional items have been eliminated to reflect our management's analysis of the financial performance of the Company. Consequently, we have regrouped the structure reported in our IFRS consolidated financial statements into the following (non-IFRS) Management

structure: (i) Direct costs (as regrouped), (ii) Selling, general and administrative expenses (as regrouped) as well as (iii) Other operating result (as regrouped). The following table shows the regrouping of the costs reported under IFRS into the resulting (non-IFRS) Management structure cost positions stated in the previous sentence for the periods indicated.

	As of December 31,			As of March 31,	
	2009	2008	2007	2010	2009
		(unaudited)		(unaudited)	
			(€ million)		
Cost of Sales (as reported)[1]	**300.7**	**300.1**	**302.5**	**69.1**	**68.3**
Depreciation, Amortization and Impairment losses	(44.5)	(31.2)	(33.4)	(9.0)	(12.1)
Direct costs (as regrouped)	**256.2**	**268.9**	**269.1**	**60.1**	**56.2**
Selling expenses (as reported)[1]	**67.3**	**74.5**	**70.9**	**17.2**	**15.6**
Depreciation, Amortization and Impairment losses	(2.0)	(2.9)	(2.6)	(0.4)	(0.5)
Selling expenses (as regrouped)	**65.3**	**71.6**	**68.3**	**16.8**	**15.1**
Administrative expenses (as reported)[1]	**64.6**	**70.0**	**68.0**	**18.0**	**16.7**
Depreciation, Amortization and Impairment losses	(3.8)	(3.5)	(3.1)	(0.9)	(0.9)
Exceptional items, net income (net expenses)[2]	(6.5)	(7.5)	(3.5)	(3.4)	(1.0)
Phantom stock share[3]	(0.3)	0.0	(4.7)	—	—
Administrative expenses (as regrouped)	**54.0**	**58.9**	**56.7**	**13.7**	**14.8**
Selling and administrative expenses (as reported)[1]	**131.9**	**144.4**	**138.9**	**35.2**	**32.3**
Selling, general and administrative expenses (as regrouped)	**119.3**	**130.5**	**125.0**	**30.5**	**29.9**
Other operating income (as reported)[1]	13.7	20.1	18.5	4.1	4.0
Other operating income (as regrouped)	13.7	20.1	18.5	4.1	4.0
Other operating expenses (as reported)[1]	(11.9)	(10.8)	(8.3)	(2.0)	(2.2)
Goodwill impairment losses	(4.0)	0.0	0.0	0.0	0.0
Exceptional items, net income (net expenses)[2]	0.1	0.8	2.5	0.0	0.2
Phantom stock share[3]	0.0	2.5	0.0	—	—
Other operating expenses (as regrouped)	7.9	14.1	10.7	2.0	2.4
Other operating result (as reported)[1] [4]	**1.8**	**9.3**	**10.3**	**2.1**	**1.8**
Other operating result (as regrouped)[5]	**5.7**	**6.0**	**7.8**	**2.1**	**1.6**

(1) For the years 2009, 2008 and 2007 derived from the respective audited consolidated financial statements and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010.

(2) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. These exceptional items are labeled as "Adjustment effects" in the above-mentioned financial statements. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. In the unaudited interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(3) This line item refers to the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. In the interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

(4) Other operating result is calculated by subtracting other operating expenses from other operating income.

(5) Other operating result (as regrouped) is calculated by subtracting other operating expenses (as regrouped) from other operating income (as regrouped).

The following table shows our financial performance in the Management structure using both IFRS and Non-IFRS Financial Measures for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
	(unaudited, except as noted)			(unaudited)	
	(€ millions, except as noted)				
Revenue[1]	469.8	493.4	509.0	105.1	99.5
Direct costs (as regrouped)[2]	(256.2)	(268.9)	(269.1)	(60.1)	(56.2)
Selling, general and administrative expenses (as regrouped)[2]	(119.3)	(130.5)	(125.0)	(30.5)	(29.9)
Other operating result (as regrouped)[2]	5.7	6.0	7.8	2.1	1.6
Operational EBITDA (before phantom stock)[2]	**100.0**	**100.0**	**122.7**	**—**	**—**
Operational EBITDA (before phantom stock) margin[2][4]*(%)*	*21.3%*	*20.3%*	*24.1%*	—	—
Phantom stock share[2][3]	0.3	(2.5)	4.7	—	0
Operational EBITDA[2]	**99.7**	**102.5**	**118.0**	**16.7**	**14.9**
Operational EBITDA margin[4]*(%)*	*21.2%*	*20.8%*	*23.2%*	*15.9%*	*15.0%*
Exceptional items, net expenses (net income)[2][5]	6.4	6.7	1.1	3.4	0.8
EBITDA[2]	**93.3**	**95.8**	**116.9**	**13.3**	**14.2**
Depreciation, amortization and impairment losses	(54.3)	(37.7)	(39.1)	(10.3)	(13.5)
EBIT[2]	**39.0**	**58.0**	**77.9**	**3.0**	**0.8**
EBIT margin[2][6]*(%)*	*8.3%*	*11.8%*	*15.3%*	*2.9%*	*0.8%*
Net finance costs[1][7]	(47.3)	(54.8)	(46.5)	(10.5)	(14.1)
Share in profit or loss of associates[1][8]	(0.0)	(4.1)	(3.0)	—	—
Profit or loss before taxes from continuing operations[1]	**(8.3)**	**(0.9)**	**28.4**	**(7.5)**	**(13.4)**
Income taxes[1]	9.6	(13.7)	6.6	(1.9)	(3.4)
Post-tax profit or loss from continuing operations[1]	**1.2**	**(14.6)**	**35.0**	**(9.5)**	**(16.8)**
Post-tax profit or loss from discontinued operations[1]	(0.1)	0.0	0.0	0.0	(0.1)
Profit or loss for the period[1]	**1.1**	**(14.6)**	**35.0**	**(9.5)**	**(16.9)**

(1) For the years 2009, 2008 and 2007 derived from the respective audited consolidated financial statements and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the period ended March 31, 2010.

(2) Non-IFRS Financial Measures.

(3) This line item refers to the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. In the interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

(4) Operational EBITDA (before phantom stock) margin is calculated by dividing operational EBITDA (before phantom stock) by revenue, expressed as a percentage. Operational EBITDA margin is calculated by dividing operational EBITDA by revenue, expressed as a percentage.

(5) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. These exceptional items are labeled as “Adjustment effects” in the above-mentioned financial statements. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. In the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(6) EBIT margin is calculated by dividing EBIT by revenue, expressed as a percentage.

(7) Net finance costs are calculated by subtracting finance costs from finance income.

(8) These losses relate entirely to non-controlling interests held in XOREX Beteiligungs GmbH (formerly Ströer Media International GmbH) and XOREX GmbH.

Selected Consolidated Data from Our Consolidated Statement of Financial Position

	As of December 31,			As of March 31,
	2009	2008[(1)]	2007[(2)]	2010
	(audited)			(unaudited)
	(€ million)			
Non-current assets	**614.7**	**612.2**	**616.8**	**610.4**
Intangible assets	213.1	222.9	231.3	208.9
Goodwill	180.2	184.8	185.9	180.2
Property, plant and equipment	180.9	184.0	166.7	179.7
Investment property	1.5	1.8	1.8	1.5
Investments in associates	0.0	0.0	0.9	—
Financial assets	0.1	0.1	0.1	0.1
Trade receivables	1.3	0.0	—	2.0
Financial receivables and other assets	6.1	3.3	16.9	6.5
Income tax assets	0.9	0.0	—	0.9
Deferred tax assets	30.6	15.2	13.1	30.5
Current assets	**133.8**	**140.9**	**163.0**	**152.6**
Inventories	4.1	4.5	5.6	4.6
Trade receivables	39.8	44.9	48.1	45.7
Financial receivables	8.5	9.6	12.0	8.7
Other assets	20.0	32.3	13.9	32.8
Current income tax assets	4.3	6.5	4.9	5.2
Cash and cash equivalents	57.3	42.5	78.0	55.6
Non-current assets held for sale	0.0	0.7	0.5	—
Total Assets	**748.6**	**753.1**	**779.8**	**763.0**
Equity	**(43.4)**	**(35.8)**	**0.2**	**(53.3)**
Subscribed capital	0.5	0.5	0.5	0.5
Capital reserves	34.5	34.5	34.5	34.5
Earned consolidated equity	(77.7)	(77.1)	(63.4)	(87.3)
Accumulated other comprehensive income	(17.1)	(10.8)	11.5	(17.6)
Non-controlling interests	16.4	17.1	17.1	16.6
Non-current liabilities	**663.4**	**605.7**	**632.8**	**666.0**
Pension provisions and similar obligations	20.1	19.7	20.8	20.0
Other non-current provisions	11.8	6.4	5.7	11.5
Non-current financial liabilities	555.9	500.7	524.4	559.8
Non-current trade payables	0.0	0.1	0.1	—
Deferred tax liabilities	75.6	78.9	81.9	74.6
Current liabilities	**128.6**	**183.2**	**146.8**	**150.3**
Other current provisions	23.6	19.2	20.8	22.6
Financial liabilities	21.8	70.3	28.5	29.2
Trade payables	50.9	58.3	71.6	62.5
Other liabilities	25.7	22.4	17.1	29.2
Current income tax liabilities	6.5	12.2	8.7	6.8
Liabilities associated with assets held for sale	0.0	0.7	0.0	—
Total Equity and Liabilities	**748.6**	**753.1**	**779.8**	**763.0**

(1) In order to improve the meaningfulness of the Group's presentation in relation to financial assets and liabilities and in order to present negative equity in line with internationally established IFRS the presentation in the audited consolidated financial statements as of and for the year ended December 31, 2009 was changed. The figures for the financial year 2008 are derived from the comparative financial information included in the audited financial statements as of and for the year ended December 31, 2009.

(2) The figures for the financial year 2007, as far as they are deviating from those of the audited financial statements as of and for the year ended December 31, 2007, are recomputed by adding as well as subtracting the amounts taken from section A.4 of the notes to the audited consolidated financial statements as of and for the year ended December 31, 2009 from the amounts shown in the consolidated balance sheet of the audited consolidated financial statements as of and for the year ended December 31, 2007.

Selected Consolidated Statements of Cash Flow Data

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
	(audited)			(unaudited)	
	(€ million)				
Cash flows from operating activities	36.1	21.2	65.9	2.7	(3.0)
Cash flows from investing activities	(19.5)	(62.7)	(35.5)	(3.4)	(4.5)
Cash flows from financing activities	(1.9)	6.0	9.3	(0.9)	6.2
Cash and cash equivalents at the end of the period	57.3	42.5	78.0	55.6	41.3

Summary Operating Segment Financial Data

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
	(unaudited, except as noted) (€ million, except as noted)				
Ströer Germany[(1)]					
Revenue[(2)]	393.3	394.5	412.0	87.0	83.1
Operational EBITDA[(3)(4)]	95.3	88.2	103.1	17.4	15.6
Operational EBITDA margin[(3)(5)](%)	24.2%	22.4%	25.0%	20.0%	18.8%
Capital expenditures[(6)]	13.7	41.2	17.7	2.0	3.6
Ströer Turkey[(1)]					
Revenue[(2)]	33.5	37.2	32.0	9.0	7.2
Operational EBITDA[(3)(4)]	8.6	10.5	11.8	1.6	0.9
Operational EBITDA margin[(3)(5)](%)	25.7%	28.2%	36.9%	17.8%	12.5%
Capital expenditures[(6)]	5.1	7.5	9.4	0.6	0.7
Other[(1)]					
Revenue[(2)]	43.1	62.2	65.8	9.0	9.3
Operational EBITDA[(3)(4)]	3.3	7.7	12.5	(0.7)	0.2
Operational EBITDA margin[(3)(5)](%)	7.7%	12.4%	19.0%	(7.8)%	2.2%
Capital expenditures[(6)]	2.0	6.4	9.5	0.4	0.6

(1) In the segment reporting of our consolidated financial statements as of and for the year ended December 31, 2009, Ströer Germany is labeled "SMD", Ströer Turkey is labeled "Turkey" and Other is labeled "All other segments".

(2) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010.

(3) Neither operational EBITDA nor operational EBITDA margin should be considered as an alternative to operating income or cash flow from operations. Neither operational EBITDA nor operational EBITDA margin is a generally accepted accounting measure under IFRS.

(4) Operational EBITDA is calculated by adding back to EBITDA income/expenses from certain exceptional items. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. Exceptional items are labeled as "Adjustment effects" in the audited consolidated financial statements as of and for the year ended December 31, 2009 and in the unaudited interim consolidated financial statements as of March 31, 2010. In the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(5) Operational EBITDA margin is calculated by dividing operational EBITDA by revenue, expressed as a percentage.

(6) Includes cash paid for capital expenditures in connection with investments in intangible assets and with investments in property, plant and equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Investors should read the following discussion of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes to those consolidated financial statements, included elsewhere in this prospectus. Some of the statements contained below, including those concerning our future sales, costs, capital expenditures, acquisitions and financial condition, include forward-looking statements. Because such statements involve inherent uncertainties, our actual results may differ materially from the results expressed in or implied by such forward-looking statements. Investors can find a discussion of such uncertainties in "General Information—Forward-Looking Statements". In addition, investing in our shares involves risks. Investors can find a discussion of these risks in "Risk Factors".

*The following financial information is partially derived from our audited consolidated financial statements as of and for the financial years ended December 31, 2009, 2008 and 2007 and our unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010 (with comparable figures of the preceding year). The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("**IFRS**") and the unaudited interim consolidated financial statements have been prepared in accordance with IFRS on interim financial reporting (IAS 34). Additional information included in this prospectus has been taken or derived from the Company's audited unconsolidated financial statements as of and for the year ended December 31, 2009, which were prepared in accordance with the HGB. IFRS and HGB differ in certain material respects.*

The discussion below includes Non-IFRS Financial Measures that are not included in our consolidated financial statements included elsewhere in this prospectus. These Non-IFRS Financial Measures include direct costs (as regrouped), selling, general and administrative expenses (as regrouped), other operating result (as regrouped), operational EBITDA, operational EBITDA margin, operational EBITDA (before phantom stock)[(1)], operational EBITDA (before phantom stock) margin, operational EBIT and operational EBIT margin, exeptional items and the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. These Non-IFRS Financial Measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, for analysis of operating results, liquidity or discretionary cash or as alternatives to revenues, the IFRS expense or income from which they were partially derived, operating profit, cash flow from operating activities or any other measures of performance reported under IFRS.

All of the financial and other data is presented in the text and tables below in millions of Euro (€ million), commercially rounded to one decimal point. The percentages stated in the text and the tables below have also been commercially rounded to one decimal point. As a result, the figures shown in the text and tables below may not add up exactly to the totals given, and the percentages shown may not add up to 100%.

Overview

Our revenue is derived principally from selling advertising space on our out-of-home advertising display networks. We generated revenue of €469.8 million and operational EBITDA (before phantom stock)[(1)] of €100.0 million in the year ended December 31, 2009 and revenue of €105.1 million and operational EBITDA (before phantom stock) of €16.7 million, respectively, in the three months ended March 31, 2010.

We analyze our results of operations based on our three reportable operating segments and our four product groups.

Our three operating segments include "Ströer Germany", "Ströer Turkey" and "Other" (in the segment reporting of our consolidated financial statements as of and for the year ended December 31, 2009, Ströer Germany is labeled "SMD", Ströer Turkey is labeled "Turkey" and Other is labeled "All other segments"). Our "Other" operating segment includes our operations under Ströer Poland and the activities of our giant poster subsidiary, blowUP media and subsidiaries, which operate in Germany, the United Kingdom, Spain, Belgium and the Netherlands. In the year ended December 31, 2009, we generated 84% of our total revenue in our Ströer Germany operating segment, 7% in our Ströer Turkey operating segment, 6% in Poland and 3% through blowUP media.

(1) Operational EBITDA (before phantom stock) is calculated by adding back to our EBITDA certain extraordinary items and the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued and paid out in cash at the closing of the Offering. See "*—Non-IFRS Financial Measures—Operational EBITDA (before phantom stock)*".

We provide our clients with a variety of different out-of-home advertising products, including conventional, digital and interactive media products, under our four product groups:

- ***Our billboard product group*** comprises advertising units primarily consisting of large to extra-large advertising face formats located generally on major arterial roads and city streets and on other public and private spaces. Our billboard products include traditional and back-lit billboards, giant posters (through blowUP media), directional street signage and bridge banners.
- ***Our street furniture product group*** comprises advertising units primarily having smaller marketable faces located generally in city centers as well as on other public spaces in cities and other urban areas. These advertising units include advertising panels of approximately $2m^2$, which are either free standing or integrated into bus and tram shelters, back-lit City-Light columns, traditional (paper-glued) columns and cultural media (including products for advertising entertainment and cultural events).
- ***Our transport product group*** comprises advertising products attached to the interior of long-distance and commuter trains and the interior and exterior of trams and buses as well as, to the extent not covered by products included in our billboard and street furniture product groups, advertising units within the common areas of railway and subway stations.
- ***Our "other" product group*** comprises complementing services we provide to advertisers, as requested, including the sourcing of third-party advertising faces, printed advertising copy and the provision of interactive event media and other promotional events.

In the year ended December 31, 2009, we generated 51%, 25%, 15% and 9% of our total revenue in our billboard, street furniture, transport and other product group, respectively.

Non-IFRS Financial Measures

In this prospectus, we report certain financial measures that are not recognized by IFRS. Our management believes that these non-IFRS measures provide valuable information to readers because they enable the reader to focus more directly on the underlying day-to-day performance of our business and are frequently used by securities analysts, investors and other interested parties in the evaluation of companies.

In accordance with IFRS, the line items cost of sales, selling expenses, administrative expenses and other operating income and expenses include depreciation, amortization and impairment losses. In addition, some of the line items include income and expenses that we deem to be exceptional items. For the purposes of presenting the non-IFRS items, the depreciation, amortization and impairment losses and exceptional items have been eliminated to reflect our management's analysis of the financial performance of the Company. Consequently, we have regrouped the structure reported in our IFRS consolidated financial statements into the following (non-IFRS) Management structure:

- ***Direct costs (as regrouped)*** reflect cost of sales on our consolidated income statements excluding depreciation on property plant and equipment and amortization and impairment losses on rights of use under private contracts and public concession licenses;
- ***Selling, general and administrative expenses (as regrouped)*** reflect selling expenses and administrative expenses on our consolidated income statement excluding depreciation, amortization, impairment losses and exceptional items;
- ***Other operating result (as regrouped)*** reflects our net result of other operating income and other operating expenses on our consolidated income statement excluding any goodwill impairment losses and exceptional items.

Direct costs (as regrouped), selling, general and administrative expenses (as regrouped) and other operating result (as regrouped) are referred to as "**Operating expenses (as regrouped)**".

- ***EBITDA*** is defined as post-tax profit or loss from continuing operations adjusted for depreciation, amortization, impairment losses, net finance costs, share in profit or loss of associates and income taxes.

  We believe that EBITDA is a measure commonly reported and widely used by investors in comparing performance without taking into consideration depreciation, amortization and impairment losses, which can vary significantly depending upon accounting methods, interest expense or taxation, or non operating factors. EBITDA has been disclosed in this prospectus because it is used by our management in benchmarking our core performance, and we believe that it permits a more complete and comprehensive analysis of our operating performance.

- ***Operational EBITDA*** is calculated by adding back to EBITDA certain exceptional items. For more information about exceptional items, see "*—Summary Financial Performance Information*";

- ***Operational EBITDA (before phantom stock)*** is calculated by adding back to operational EBITDA the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program for the years prior to 2010. Since 2010, this effect is included in exceptional items since this program will be discontinued as a result of and cashed out at the closing of the Offering. See "*—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program*". Therefore, we believe that operational EBITDA (before phantom stock) allows for a comparison of our performance on a consistent basis without regard to expenses that we do not intend to incur in a similar manner following the Offering;

- ***EBIT*** is defined as post-tax profit or loss from continuing operations adjusted for net finance costs, share in profit or loss of associates and income taxes; and

- ***Operational EBIT*** is calculated by adding back to EBIT goodwill and other impairment losses on intangible assets, the effect from the change in accounting policy for the amortization of public concession licenses, the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program (as described above under "*—Operational EBITDA (before phantom stock)*") and exceptional items (as described above under "*—Operational EBITDA*").

(collectively, "**Non-IFRS Financial Measures**").

All Non-IFRS Financial Measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, for analysis of operating results, liquidity or discretionary cash or as alternatives to revenues, the IFRS expense or income from which they were partially derived, operating profit, cash flow from operating activities or any other measures of performance reported under IFRS.

Segment Reporting

We divide our business operations into the following three operating segments: Ströer Germany, Ströer Turkey and Other (in the segment reporting of our consolidated financial statements as of and for the year ended December 31, 2009, Ströer Germany is labeled "SMD", Ströer Turkey is labeled "Turkey" and Other is labeled "All other segments"). These three operating segments constitute the segments in our segment reporting in accordance with IFRS 8 (before January 1, 2009: IAS 14). Our "Other" operating segment includes our operations under Ströer Poland, and the activities of our giant poster subsidiary, blowUP media and subsidiaries, which operate in Germany, the United Kingdom, Spain, Belgium and the Netherlands. In addition to these three business segments, we present reconciliation items in our segment reporting. The reconciliation items (i) contain information on group entities that do not meet the definition of a segment and (ii) cover the elimination of effects from consolidation.

For each of the three operating segments, we do present several line items in our segment reporting, inter alia segment revenue, operational EBITDA, interest expenses and interest income and segment assets. Beginning as of January 1, 2010, we will not disclose the line item segment assets.

In addition to the operating segments, we have divided our business operations into the following product groups: Billboard, Street furniture, Transport and Other.

For further information regarding our segment reporting see our audited consolidated financial statement as of and for the financial year ended December 31, 2009 on page F-14.

Summary Financial Performance Information

We measure the performance of our operating segments on the basis of operational EBITDA, which is then reconciled to our group-level operational EBITDA and then to our group-level operational EBITDA (before phantom stock).

The following table provides a reconciliation of our profit/loss for the period (after tax) to our operational EBITDA and operational EBITDA (before phantom stock):

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
	(unaudited) (€ million, except as noted)				
Profit or loss for the period[1]	1.1	(14.6)	35.0	(9.5)	(16.9)
Depreciation, amortization and impairment losses[1]	54.3	37.7	39.1	10.3	13.5
Net finance costs[2]	47.3	54.8	46.5	10.5	14.1
Income taxes (benefit)[1]	(9.6)	13.7	(6.6)	1.9	3.4
EBITDA[3]	**93.3**	**95.8**	**116.9**	**13.3**	**14.2**
Exceptional items[3][4]	6.4	6.7	1.1	3.4	0.8
Reorganization and restructuring measures[3]	5.0	5.6	1.7	0.8	0.7
Changes in the investment portfolio[3]	0.1	2.8	(3.5)	0.2	0.0
Capital measures[3]	0.2	0.0	0.3	1.8	0.0
Extraordinary expenses and income[3]	1.1	(1.7)	2.5	0.6	0.1
Operational EBITDA[3]	**99.7**	**102.5**	**118.0**	**16.7**	**14.9**
Phantom stock share[5]	0.3	(2.5)	4.7	—	—
Operational EBITDA (before phantom stock)[3]	**100.0**	**100.0**	**122.7**	—	—

(1) For the years 2009, 2008 and 2007 derived from the respective audited consolidated financial statements and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010.

(2) Net finance costs are calculated by subtracting finance costs from finance income.

(3) Non-IFRS Financial Measure.

(4) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. Exceptional items are labeled as "Adjustment effects" in the audited consolidated financial statements as of and for the year ended December 31, 2009 and in the unaudited interim consolidated financial statements as of March 31.2010. In the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(5) Operational EBITDA (before phantom stock) is calculated by adding back to our EBITDA certain exeptional items and the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the offering.

For more information see *"—Key factors affecting our financial performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program*". In the interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

Our group-level operational EBITDA reflects our profit or loss for the period (after tax) adjusted for depreciation, amortization and impairment losses, net finance costs, income taxes and exceptional items. No standard definition of "exceptional items" exists under IFRS. We define exceptional items as items that related to single events and to projects, including (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures and (d) extraordinary expenses and income (exceptional items are labeled as "Adjustment effects" in the consolidated financial statements). Our operational EBITDA is adjusted for the Phantom Stock Program. We believe that operational EBITDA (before phantom stock) allows for a comparison of our performance on a consistent basis without regard to non-recurring expenses that we believe do not reflect the regular operating performance of our business. For more information regarding these exceptional items, see "*—Exceptional Items*" below.

We have regrouped the cost-structure reported in our IFRS consolidated financial statements into a (non-IFRS) Management structure. For more information regarding the regrouping see "*—Non-IFRS Financial Measures*". The following table shows the regrouping of the costs reported under IFRS into the resulting (non-IFRS) Management cost positions (i) Direct costs (as regrouped), (ii) Selling, general and administrative expenses (as regrouped) as well as (iii) Other operating result (as regrouped) for the periods indicated.

	As of December 31,			As of March 31,	
	2009	2008	2007	2010	2009
		(unaudited)		(unaudited)	
			(€ million)		
Cost of Sales (as reported)[1]	**300.7**	**300.1**	**302.5**	**69.1**	**68.3**
Depreciation, Amortization and Impairment losses	(44.5)	(31.3)	(33.4)	(9.0)	(12.1)
Direct costs (as regrouped)	256.2	268.9	269.1	60.1	56.2
Selling expenses (as reported)[1]	67.3	74.5	70.9	17.2	15.6
Depreciation, Amortization and Impairment losses	(2.0)	(2.9)	(2.6)	(0.4)	(0.5)
Selling expenses (as regrouped)	**65.3**	**71.6**	**68.3**	**16.8**	**15.1**
Administrative expenses (as reported)[1]	**64.6**	**70.0**	**68.0**	**18.0**	**16.7**
Depreciation, Amortization and Impairment losses	(3.8)	(3.5)	(3.1)	(0.9)	(0.9)
Exceptional items, net income (net expenses)[2]	(6.5)	(7.5)	(3.5)	(3.4)	(1.0)
Phantom stock share[3]	(0.3)	0.0	(4.7)	—	—
Administrative expenses (as regrouped)	**54.0**	**58.9**	**56.7**	**13.7**	**14.8**
Selling and administrative expenses (as reported)[1]	**131.9**	**144.4**	**138.9**	**35.2**	**32.3**
Selling, general and administrative expenses (as regrouped)	**119.3**	**130.5**	**125.0**	**30.5**	**29.9**
Other operating income (as reported)[1]	13.7	20.1	18.5	4.1	4.0
Other operating income (as regrouped)	13.7	20.1	18.5	4.1	4.0
Other operating expenses (as reported)[1]	(11.9)	(10.8)	(8.3)	(2.0)	(2.2)
Goodwill impairment losses	(4.0)	0.0	0.0	0.0	0.0
Exceptional items, net income (net expenses)[2]	0.1	0.8	2.5	0.0	0.2
Phantom stock share[3]	0.0	2.5	0.0	—	—
Other operating expenses (as regrouped)	7.9	14.1	10.7	2.0	2.4
Other operating result (as reported)[1][4]	**1.8**	**9.3**	**10.3**	**2.1**	**1.8**
Other operating result (as regrouped)[5]	**5.7**	**6.0**	**7.8**	**2.1**	**1.6**

(1) For the years 2009, 2008 and 2007 derived from the respective audited consolidated financial statements and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010.

(2) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. These exceptional items are labeled as "Adjustment effects" in the above-mentioned financial statements. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. In the unaudited interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(3) This line item refers to the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. For more information see *"—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program*". At the mid-point of the price range, the net Phantom Stock Bonus payable to Alfried Bührdel would amount to approximately €2.8 million (after tax effects; assuming a tax-rate of 50%); the net Phantom Stock Bonus payable to Udo Müller would amount to approximately €5.0 million (after tax effects; assuming a tax-rate of 50%). In the interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

(4) Other operating result is calculated by subtracting other operating expenses from other operating income.

(5) Other operating result (as regrouped) is calculated by subtracting other operating expenses (as regrouped) from other operating income (as regrouped).

The following table shows our financial performance in the Management structure using both IFRS and Non-IFRS Financial Measures for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2009	**2008**	**2007**	**2010**	**2009**
	(unaudited, except as noted)			(unaudited)	
	(€ millions, except as noted)				
Revenue[1]	469.8	493.4	509.0	105.1	99.5
Direct costs (as regrouped)[2]	(256.2)	(268.9)	(269.1)	(60.1)	(56.2)
Selling, general and administrative expenses (as regrouped)[2]	(119.3)	(130.5)	(125.0)	(30.5)	(29.9)
Other operating result (as regrouped)[2]	5.7	6.0	7.8	2.1	1.6
Operational EBITDA (before phantom stock)[2]	**100.0**	**100.0**	**122.7**	**—**	**—**
Operational EBITDA (before phantom stock) margin[2][4] (%)	*21.3%*	*20.3%*	*24.1%*	—	—
Phantom stock share[2][3]	0.3	(2.5)	4.7	—	0
Operational EBITDA[2]	**99.7**	**102.5**	**118.0**	**16.7**	**14.9**
Exceptional items, net expenses (net income)[2][5]	6.4	6.7	1.1	3.4	0.8
EBITDA[2]	**93.3**	**95.8**	**116.9**	**13.3**	**14.2**
Depreciation, amortization and impairment losses	(54.3)	(37.7)	(39.1)	(10.3)	(13.5)
EBIT[2]	**39.0**	**58.0**	**77.9**	**3.0**	**0.8**
EBIT margin[2][6] (%)	*8.3%*	*11.8%*	*15.3%*	*2.9%*	*0.8%*
Net finance costs[1][7]	(47.3)	(54.8)	(46.5)	(10.5)	(14.1)
Share in profit or loss of associates[1][8]	(0.0)	(4.1)	(3.0)	—	—
Profit or loss before taxes from continuing operations[1]	**(8.3)**	**(0.9)**	**28.4**	**(7.5)**	**(13.4)**
Income taxes[1]	9.6	(13.7)	6.6	(1.9)	(3.4)
Post-tax profit or loss from continuing operations[1]	**1.2**	**(14.6)**	**35.0**	**(9.5)**	**(16.8)**
Post-tax profit or loss from discontinued operations[1]	(0.1)	0.0	0.0	0.0	(0.1)
Profit or loss for the period[1]	**1.1**	**(14.6)**	**35.0**	**(9.5)**	**(16.9)**

(1) For the years 2009, 2008 and 2007 derived from the respective audited consolidated financial statements and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the period ended March 31, 2010.

(2) Non-IFRS Financial Measures.

(3) This line item refers to the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. For more information see *"—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program"*. In the interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

(4) Operational EBITDA (before phantom stock) margin is calculated by dividing operational EBITDA (before phantom stock) by revenue, expressed as a percentage.

(5) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. These exceptional items are labeled as "Adjustment effects" in the above-mentioned financial statements. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. In the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(6) EBIT margin is calculated by dividing EBIT by revenue, expressed as a percentage.

(7) Net finance costs are calculated by subtracting finance costs from finance income.

(8) These losses relate entirely to non-controlling interests held in XOREX Beteiligungs GmbH (formerly Ströer Media International GmbH) and XOREX GmbH.

Key Factors Affecting Our Financial Performance

Revenue

The following table summarizes the revenue generated by our operating segments for the periods indicated:

	Year ended December 31,		Three months ended March 31	
	2009	2008	2010	2009
	(unaudited, except as noted) (€ million)			
Ströer Germany	393.3[1)]	394.5[1)]	87.0[1)]	83.1[1)]
Billboards	174.0	173.9	37.4	34.5
Street furniture	109.0	108.0	23.5	22.7
Transport	68.0	68.1	15.4	15.1
Other product group	42.7	44.1	10.7	10.7
Ströer Turkey	33.5[1)]	37.2[1)]	9.0[1)]	7.2[1)]
Billboards	23.3	24.2	6.2	4.6
Street furniture	9.2	13.0	2.6	2.5
Transport	1.0	0.0	0.2	0.1
Other product group	0.0	0.0	0.0	0.0
Other	43.1[1)]	62.2[1)]	9.0[1)]	9.3[1)]
Billboards	41.2	59.2	8.2	8.9
Street furniture	0.3	0.4	0.1	0.1
Transport	0.5	0.4	0.1	0.1
Other product group	1.1	2.2	0.6	0.2
Product group (total)[(1)]:				
Billboards	**238.5**	**256.8**	**51.9**	**48.0**
Street furniture	**118.1**	**121.7**	**26.2**	**25.2**
Transport	**69.4**	**68.5**	**15.7**	**15.3**
Other	**43.8**	**46.3**	**11.3**	**10.9**

(1) The figures for the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009. The figures for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010.

The amount of revenue generated by our advertising networks depends generally on three principal factors:

- *Number of marketable faces.* We generate higher revenue when the number of advertising units and/or the number of marketable faces in our advertising networks increases, as we charge advertisers for each image we display on a marketable face. Many of our advertising units have more than one marketable face. Additionally, each of those faces may display up to three images per marketable face using scrolling technology, each of which generates separate advertising revenue. In addition, digital advertising units can display even more advertising images. The number of marketable faces in our advertising display networks depends on our ability to obtain authorization to erect advertising units at new advertising locations and to upgrade units at our existing advertising locations, our ability to renew existing and obtain new public concession licenses and private contracts for the rental of locations for advertising units and the proportion of our advertising units that contain multiple marketable faces.

- *Prices.* Our advertising rates and discounts are based on a number of different factors including location, competition, size of the advertising unit, illumination, market and the total advertising impact to the public delivered by an advertising unit or group of units.

- *Occupancy rate.* Our occupancy rate is the portion of our advertising capacity on which paying advertising is displayed during a given period.

The out-of-home advertising industry, in which we operate, is significantly influenced by general local and national economic conditions, as well as the general advertising environment in individual markets, which in turn may affect our prices and occupancy rates.

Furthermore, the development of the Euro against the Polish Zloty and the Turkish Lira affects our reported figures. We are affected by translating local currency performance into Euro figures since almost all of our revenues and costs are denominated in the respective currency in which such revenues and costs are generated. Additionally, there is a minimal transaction related currency risk, except for the euro-denominated debt facility of Ströer Turkey which we intend to repay after the closing of the Offering.

Operational EBITDA (before phantom stock)

Our operational EBITDA (before phantom stock) is affected by our revenue and by the net operating expenses that we incur before depreciation, amortization and impairment losses and after adding back exceptional items (as described above under "*—Summary Financial Performance Information*").

For purposes of evaluating our financial performance and in calculating our operational EBITDA, we categorized our operating expenses categories into the following three non-IFRS categories:

- *Direct costs (as regrouped)*, which include rents and concession fees (which may be fixed or variable in relation to the revenues generated) that we pay to private landlords and our public concession licensors to use locations for our advertising units; advertising postering costs for digital and non-digital advertising units, including the costs of subcontractors we hire to perform these tasks; and other maintenance costs, including replacement parts for our advertising units, energy costs and cleaning costs, including the costs of subcontractors we hire to perform these duties;

- *Selling, general and administrative expenses (as regrouped)*, which include expenses related to our own personnel and related expenses in relation to our selling, general and administrative activities, including our research and development activities to the extent that the respective costs are not capitalized and bad debt expenses; and

- *Other operating result (as regrouped)*, which includes rental income from subleases of premises and income from administrative services provided to third and related parties and the

  - net result of charges to/releases from provisions

  - net result from the charging and the release of bad debt provisions, including the income from the de-recognition of liabilities

  - net result from gains/losses resulting from disposals of assets and/or investments

  - net result from foreign exchange differences and

  - net result of income/expenses related to prior periods.

Our operating expenses vary either with the size of our advertising display networks and, therefore, with the scope of our business (these costs can be considered to be fixed in nature) or with the level of revenue achieved on our existing advertising infrastructure (these costs can be considered to be variable in nature) or both. When we expand our advertising display networks, the level of our operating costs with regard to rents, minimum concession fees, installation and maintenance costs, among others, can increase, but the increase does not bear a direct relationship with the level of our advertising revenue. When we increase our revenue predominantly our variable rents and fees, such as the revenue-share component of rental payments for advertising locations, and the postering costs increase.

As a result of the global economic and financial downturn, we implemented measures to cut our operating costs. These included the renegotiation of the rents payable under certain of our private contracts and public concession licenses. We also negotiated better terms with our maintenance and installation contractors and assisted them in increasing their efficiencies.

In view of the largely fixed nature of a substantial portion of our operating costs, the level of our revenue is the principal factor that determines our operational EBITDA margins. For information regarding how we intend to increase our revenue, see "*Business—Strategy*".

The following table provides certain operational EBITDA data for our operating segments and operational EBITDA and operational EBITDA (before phantom stock) data for our group for the periods indicated:

Operational EBITDA and operational EBITDA margin (unless otherwise stated)	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
			(unaudited) (€ million, except as noted)		
Operational EBITDA					
Ströer Germany[1]	95.3	88.2	103.1	17.4	15.6
Ströer Germany margin[1][2] (%)	*24.2%*	*22.4%*	*25.0%*	20.0%	18.8%
Ströer Turkey[1]	8.6	10.5	11.8	1.6	0.9
Ströer Turkey margin[1][2] (%)	*25.7%*	*28.2%*	*36.9%*	17.8%	12.5%
Other[1]	3.3	7.7	12.5	(0.7)	0.2
Other margin[1][2] (%)	*7.7%*	*12.4%*	*19.0%*	*(7.8)%*	*2.2%*
Reconciliation[1][3]	(7.5)	(3.8)	(9.4)	(1.6)	(1.8)
Group operational EBITDA[1]	99.7	102.5	118.0	16.7	14.9
Group margin[1][2] (%)	21.2%	20.8%	23.2%	15.9%	15.0%
Phantom stock share[4]	0.3	(2.5)	4.7	—	—
Group operational EBITDA (before phantom stock)[1]	100.0	100.0	122.7	—	—
Group operational EBITDA (before phantom stock) margin[1][2] (%)	*21.3%*	*20.3%*	*24.1%*	—	—

(1) Non-IFRS Financial Measure.

(2) Operational EBITDA (before phantom stock) margin is calculated by dividing operational EBITDA (before phantom stock) by revenue, expressed as a percentage. Operational EBITDA margin is calculated by dividing operational EBITDA by revenue, expressed as a percentage.

(3) Reconciliation contains information on Group entities that do not meet the definition of a segment (central items). In addition, effects from consolidation are eliminated in the reconciliation line (elimination).

(4) Operational EBITDA (before phantom stock) is calculated by adding back to our EBITDA certain exceptional items and the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. For more information see "*—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program*". In the interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

EBIT and Operational EBIT

Overview

To derive our operational EBIT, depreciation, amortization and impairment losses, exceptional items and the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program are deducted from operational EBITDA (before phantom stock). The most prominent part of these costs is belonging to depreciation as a result of our ongoing capital expenditures. The performance for the periods indicated can be taken from the table below:

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
			(unaudited) (€ million, except as noted)		
Operational EBITDA (before phantom stock)[1]	**100.0**	**100.0**	**122.7**	16.7	14.9
Depreciation and impairment losses	(25.8)	(25.0)	(27.5)	(5.8)	(6.5)
Normalized[2] Amortization	(11.4)	(12.3)	(11.6)	(4.6)	(3.0)
Operational EBIT[1]	**62.8**	**62.7**	**83.6**	**6.3**	**5.5**
Impairment losses on intangible assets	(10.1)	(0.4)	0.0	0.0	(2.2)
Change in accounting policy for amortization[3]	(7.1)	0.0	0.0	0.0	(1.8)
Phantom stock share[4]	(0.3)	2.5	(4.7)	—	—
Exceptional items, net expenses (net income)[5]	(6.4)	(6.7)	(1.1)	(3.4)	(0.8)
EBIT[1]	**39.0**	**58.0**	**77.9**	**3.0**	**0.8**
EBIT margin[1][6] (%)	*8.3%*	*11.8%*	*15.3%*	*2.9%*	*0.7%*

(1) Non-IFRS Financial Measure.

(2) Reported amortization adjusted for impairment losses on intangible assets and the effect from the change in the accounting policy for amortization of public concession licenses as described in the table above.

(3) Effects from change in accounting policy whereas from the business year 2009 onwards a straight line 15 years amortization period for public concession licenses going forward is used instead of an indefinite useful life as done in the prior periods. For more information see below "*—Depreciation, Amortization and Impairment Losses*".

(4) This line item refers to the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. For more information see *"—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program*". In the interim consolidated financial statements as of March 31, 2010, due to the intended Offering, these valuation effects are added to the exceptional items.

(5) For the years 2009 and 2008 derived from the audited consolidated financial statements as of and for the year ended December 31, 2009 and for the three months ending March 31, 2010 and March 31, 2009 derived from the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010. These exceptional items are labeled as "Adjustment effects" in the above-mentioned financial statements. These exceptional items are (a) reorganization and restructuring measures; (b) changes in the investment portfolio; (c) capital measures; (d) extraordinary expenses and income. In the unaudited interim consolidated financial statements as of and for the three months ended March 31, 2010, due to the intended Offering, these exceptional items are supplemented by the (non-cash) valuation effects relating to phantom stock shares.

(6) EBIT margin is calculated by dividing EBIT by revenue.

Capital Expenditures

We categorize our capital expenditures (cash paid for capital expenditures in connection with investments in intangible assets and with investments in property, plant and equipment) into the following categories:

- *Growth capital expenditures* include discretionary capital expenditures under existing private contracts and public concession licenses, such as for the installation of billboards at new advertising unit locations, as well as capital expenditures required by new private contracts or new public concession licenses; and

- *Renewal capital expenditures* include capital expenditures for the installation of advertising units in the overall context of renewals of public concession licenses; it should be noted that as a matter of simplicity renewal capital expenditures might also contain a certain portion of growing the revenue potential ("growth capital expenditures") as it is possible that with a renewal either the number of advertising unit locations or the number of marketable faces per location might increase and/or as a consequence of the renewal, such advertising unit generates a higher profitability; and

- *Maintenance capital expenditures* include regular capital expenditures to maintain our advertising units and keep them in good order as well as other advertising unit related capital expenditures; and

- *Other capital expenditures* include development prototyping expenses and capital expenditures for information and technology, fixtures and furniture as well as, as appropriate, prepayments.

For the years 2007 to 2009 and the first quarter of the year 2010, the majority of our capital expenditures consisted of growth and renewal capital expenditures.

The following table sets forth our capital expenditures in Ströer Germany, Ströer Turkey and Other both in actual terms and as a percentage of the revenue generated in each of those segments for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2009	**2008**	**2007**	**2010**	**2009**
				(unaudited)	
	(€ million, except as noted)				
Ströer Germany	13.7	41.2	17.7	2.0	3.6
Percentage of Ströer Germany revenue (%)	*3.5%*	*10.5%*	*4.5%*	*2.2%*	*4.3%*
Ströer Turkey	5.1	7.5	9.4	0.6	0.7
Percentage of Ströer Turkey revenue (%)	*15.3%*	*20.1%*	*28.0%*	*6.7%*	*9.7%*
Other[(1)]	2.0	6.4	9.5	0.4	0.6
Percentage of Other revenue (%)	*4.6%*	*10.2%*	*14.5%*	*4.4%*	*6.4%*
Reconciliation[(2)]	1.6	3.4	1.8	0.4	0.5
Total capital expenditures[(3)]	**22.4**	**58.5**	**38.4**	**3.4**	**5.4**

(1) Includes capital expenditures for our Polish operations and blowUP media.

(2) Reconciliation contains information on Group entities that do not meet the definition of a segment (central items). In addition, effects from consolidation are eliminated in the reconciliation line (elimination).

(3) Includes cash paid for capital expenditures in connection with investments in intangible assets and with investments in property, plant and equipment.

Due to the dynamic growth of the out-of-home advertising market in Turkey in recent years, Ströer Turkey had an over-proportional share of the capital expenditures of the Ströer Group. The same applied for Ströer Poland in 2007 when we invested in an upgrade of our portfolio.

Our capital expenditure primarily results from the installation of advertising units either with the purpose of growing our advertising network or with the purpose of renewing our private contracts and public concession licenses. Advertising units are usually sourced in relatively small installments to satisfy demand. Even though we may be obliged by certain public concession licenses to install a certain number of advertising units, there is usually flexibility with regard to the timing of the installation. Therefore, apart from a certain annual minimum amount required for maintenance and open investment obligations, the amount of capital expenditures in advertising units is generally discretionary and depends on overall economic development.

As of March 31, 2010, we have committed to supply arrangements amounting at a Group level to approximately €2.5 million of capital expenditures to fulfill, among others, a certain portion of our open investment obligations, arising from public concession licenses already concluded.

Furthermore, we are currently not committed to any capital expenditure projects that account for a significant portion of our overall capital expenditures. Pursuant to a share purchase and transfer agreement dated March 10, 2010, the Company has agreed to acquire an additional 40% of the shares in Ströer Kentvizyon from Akademi Reklam so that Ströer AG will own 90% of the shares in Ströer Kentvizyon after the closing of the transaction. This acquisition is subject to various closing conditions, including the listing of the Company's shares on a public stock exchange. As of the date of this prospectus, all of the closing conditions except for the listing of the Company's shares have been fulfilled. For more information see "*Business—Material Contracts—Ströer Kentvizyon Acquisition Agreement*". Pursuant to a share purchase and transfer agreement dated June 15, 2010, Ströer Polska, a subsidiary of the Company, has agreed to acquire 100% of the issued and outstanding share capital in NOP. The acquisition of NOP by Ströer Polska is subject to various closing conditions, including antitrust clearance by the Polish Competition and Consumer Protection Office. For more information see "*Business—Material Contracts—Ströer Kentvizyon Acquisition Agreement*" and "*Business—Material Contracts—Acquisition Agreement Poland*".

Depreciation, Amortization and Impairment Losses

In general, a substantial portion of our total depreciation expenses is related to our advertising units. Our depreciation charges generally increase upon entering into additional new public concession licenses or private contracts. On relative terms, our depreciation charges generally decrease over the term of such licenses or contracts. Our amortization charges are predominantly due to rights of use acquired in the past.

Depreciation charges as a percentage of revenue are higher in our street furniture product group, which typically requires the highest level of capital investment among all of our product groups, primarily because a majority of our street furniture public concession licenses require us to build new or additional amenities for cities alongside the advertising units rather than, or in addition to, paying ongoing fees. This is offset by the fact that our public concession licenses with municipalities and other local governmental entities for street furniture generally have a longer term (usually between 10 to 15 years, except for Poland's Billboard business where a substantial portion is typically signed for a term less than 5 years) than our private billboard contracts (typically 5 to 10 years, except for some products and markets where it is also common to sign up for terms of less than 5 years) or public transport concession licenses (usually 3 to 5 years) with the most notable exception being our public concession license with Deutsche Bahn.

The following table provides an overview of our depreciation, amortization and impairment losses for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2009	**2008**	**2007**	**2010**	**2009**
				(unaudited)	
	(€ million, except as noted)				
Depreciation and impairment losses	25.8	25.0	27.5	5.8	6.5
Thereof depreciation of the capitalized cost of dismantling and removing advertising units following the termination of private contracts and public concession licenses	*0.7*	*0.5*	*0.2*	*0.1*	*0.3*
Amortization and impairment losses	28.6	12.7	11.6	4.6	7.0
Thereof impairments losses on public concession licenses	*6.1*	*0.4*	*0.0*	*0.0*	*2.2*
Thereof due to change in accounting policy	*7.1*	*0.0*	*0.0*	*0.0*	*1.8*
Thereof Goodwill impairment losses	*4.0*	*0.0*	*0.0*	*0.0*	*0.0*
Total	**54.3**	**37.7**	**39.1**	**10.3**	**13.5**

Amortization losses in the table above relate primarily to rights of use relating to private contracts, and since 2009 also to public concession licenses, as well as to other intangibles, including software, prototyping and other development activities. Rights of use generally are representing the proportion of a consideration, determined as part of a purchase price allocation exercise, paid for private contracts and/or public concession licenses in a share or asset deal.

Starting at the beginning of 2009 we decided to also amortize the amount of intangible assets related to acquired rights of use on public concession licenses which have been incurred to a large extent by acquiring the shares in Deutsche Städte Medien GmbH ("**DSM**") in 2004.

In 2009, we changed the accounting estimate used in the recognition of advertising rights of use granted by municipalities. In prior years, the rights of use were accounted for as intangible assets with indefinite useful lives and were not amortized in line with the policies for such assets but tested for impairment at least once annually. We have decided to amortize advertising rights of use granted by municipalities over a period of 15 years. As newly tendered contracts generally have a term of 15 years, we consider this term to be a good estimate basis for the remaining useful lives of the existing advertising rights of use. Due to the change in the accounting estimate, these advertising rights of use were amortized for the first time by €7.1 million in 2009. The amortization expense is allocated in full to cost of sales.

In connection with the change in the accounting estimate used in the recognition of advertising rights of use granted by municipalities, we reviewed the estimate applied to date to assess if and to what extent provisions need to be recognized for restoration obligations for advertising media on municipal property. Based on the assumption that the advertising rights of use granted by municipalities have an indefinite useful life, we previously assumed that the contractually agreed restoration obligations would not require settlement. Hence, no provisions were recognized for these obligations. Following our new approach in amortizing rights of use as described above, we also revised the assumption made for restoration obligations. We assume that the current obligations will require settlement.

However, the amount required to settle the obligations will differ depending on the respective contractual structure. In line with the above assumption on the term of the underlying contracts, we assume that these non-current assets have a remaining useful life of 15 years. Excluding write-downs and the unwinding of the discount, the change in the accounting estimate results in an increase of €6.5 million in both other plant and other non-current provisions.

Valuation Impact to Provisions for Phantom Stock Program

After the acquisition of DSM in 2004, a Phantom Stock Program for the executive management of Ströer AG was initiated. As part of this program, 50% of the variable component of the remuneration achieved per year was deferred and only payable at the end of 2012. The program provides for a final pay-out in accordance with a certain algorithm taking into account the shareholder value created for the Company. As a result of the structure of the program, it may provide for high returns on the variable component depending on the valuation of the Company, due to the underlying algorithm and the amount not being capped. Consequently, the impact to the consolidated income statement may be substantial as seen previously in the 2009 (negative 0.3 million), 2008 (positive 2.5 million) and 2007 (negative 4.7 million) fiscal years.

This program will be discontinued as a result of and cashed out at the closing of the Offering. We have established a new long-term incentive plan, which we anticipate will become effective as of completion of the Offering. For further information see "*Management—Management Board—Compensation of the Members of the Management Board*". Due to a different and more conservative algorithm, we expect that the new program will not result in valuation impacts that are similar to the Phantom Stock Program and, therefore, will not necessitate such adjustments as those made in the 2009, 2008 and 2007 fiscal years.

To eliminate the valuation effects of this program as a result of charges to or releases from the related provision covering that eventual pay-out, we show the related yearly income or expense as part of our non-recurring section.

Exceptional Items

Exceptional items are incurred by entering into certain one-off transactions. According to our definition we eliminate all expenses and income which is associated to reorganization and restructuring measures, to changes in our investment portfolio, capital measures, and all other extraordinary income and expenses from our operational EBITDA and EBIT. Exceptional items we have incurred over the past years are caused mainly by the acquisitions of DSM in 2004 and Ströer DERG Media GmbH ("**DERG**") in 2005 and the related company growth resulting from these acquisitions. For more details, see "*—Summary Financial Performance Information*".

Period-to-Period Financial Performance Analysis

The discussion below is based on the summary financial performance table set forth above under "—Summary Financial Performance Information", which includes Non-IFRS Financial Measures, and not on our consolidated IFRS income statements included elsewhere in this prospectus. These Non-IFRS Financial Measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, for analysis of operating results, liquidity or discretionary cash or as alternatives to revenues, the IFRS expense or income from which they were partially derived, operating profit, cash flow from operating activities or any other measures of performance reported under IFRS.

Following the offering, we intend to increase our 50% interest in Ströer Kentvizyon, the holding company for Ströer Turkey, to 90%, which will result in the full consolidation of Ströer Kentvizyon and its subsidiaries in our Group. The discussion below of our Ströer Turkey operating segment only reflects the proportional consolidation of our existing 50% interest in Ströer Kentvizyon, which we held during the period under review.

Three Months Ended March 31, 2010 and 2009

Revenue

The following table sets forth the revenue generated by our operating segments and our group for the periods indicated:

	Three months ended March 31,	
	2010	**2009**
	(unaudited) (€ million)	
Ströer Germany	87.0	83.1
Ströer Turkey	9.0	7.2
Other	9.0	9.3
Reconciliation	0	(0.1)
Total	105.1	99.5

The following table sets out the revenue we generated in the respective local currency for Ströer Germany, Ströer Turkey and in Poland, together with the percentage change against the respective prior-year period:

	Three months ended March 31,	
	2010	**2009**
	(unaudited)	
Ströer Germany		
Revenue (in € millions)	87.0	83.1
Percent change against prior year period	4.7%	—
Ströer Turkey		
Revenue (in TL millions)	18.9	15.3
Percent change against prior year period	23.1%	—
Poland		
Revenue (in z1 millions)	23.5	26.3
Percent change against prior year period	(10.6)%	—

Group

Group revenue was €105.1 million for the three months ended March 31, 2010 compared to €99.5 million for the three months ended March 31, 2009, an increase of 5.6%. This increase was largely a result of the improved market conditions in the first quarter of 2010 in comparison to the prior-year period in which the financial crisis caused most major advertising clients to significantly cut their marketing expenditure. In addition, we were able to benefit from the sales enhancement efforts that were introduced during 2009 to increase market penetration in all relevant markets.

Ströer Germany

Ströer Germany generated revenue of €87.0 million for the three months ended March 31, 2010 compared to €83.1 million for the three months ended March 31, 2009, an increase of 4.7%. This increase was achieved in a more favorable market environment benefiting from the positive development carried over from the fourth quarter of 2009 into the first quarter of 2010, scale effects from the installation of street furniture products under the Hamburg city concession and its full sales exploration.

Ströer Turkey

Ströer Turkey contributed revenue of €9.0 million for the three months ended March 31, 2010 compared to €7.2 million for the three months ended March 31, 2009, an increase of 25.0%. This increase was largely a result of a less volatile market environment and improved business sentiment in Turkey, together with Ströer Turkey's extended asset and contract portfolio. We believe that this increase for the three months ended March 31, 2010 compared to the three months ended March 31, 2009 would have been significantly higher after eliminating the

sales impact from the presidential election campaigns recorded in March 2009, proving that the underlying regular demand for advertising is gaining momentum.

Other

Our other operating segments generated revenue of €9.0 million for the three months ended March 31, 2010 compared to €9.3 million for the three months ended March 31, 2009, a decrease of 3.2%. In Poland, revenue decreased to €5.9 million for the three months ended March 31, 2010 compared to €6.0 million for the three months ended March 31, 2009, a decrease of 1.7%. This decrease in Poland was predominantly a result of the unfavorable market conditions in the Polish out-of-home media market, which had a larger impact on the revenue generated in the first quarter of 2010 than on the revenue generated in the first quarter of 2009. BlowUP media's revenue decreased by 3.2% from €3.2 million for the three months ended March 31, 2009 to €3.1 million for the three months ended March 31, 2010. This decrease was mainly a result of the continued underperforming market for giant posters in United Kingdom and Spain, although Germany showed some signs of stabilization.

Operational EBITDA

The following table provides certain operational EBITDA data for our operating segments and operational EBITDA for our group as per the periods indicated:

Operational EBITDA and operational EBITDA margin (unless otherwise stated)	**Three months ended March 31, 2010**	**2009**
	(unaudited) (€ million, except as noted)	
Operational EBITDA		
Ströer Germany[1]	17.4	15.6
Ströer Germany margin[1][2](%)	20.0%	18.8%
Ströer Turkey[1]	1.6	0.9
Ströer Turkey margin[1][2](%)	17.8%	12.5%
Other operating segment[1]	(0.7)	0.2
Other operating segment margin[1][2](%)	(7.8)%	2.2%
Reconciliation[1][3]	(1.6)	(1.8)
Group operational EBITDA[1]	16.7	14.9
Group operational EBITDA margin[1][2](%)	15.9%	15.0%

(1) Non-IFRS Financial Measure.

(2) Operational EBITDA margin is calculated by dividing operating segments' or group's operational EBITDA by operating segments' or group's revenue, expressed as a percentage.

(3) Reconciliation contains information on Group entities that do not meet the definition of a segment (central items). In addition, effects from consolidation are eliminated in the reconciliation line (elimination).

Group Operational EBITDA

Group operational EBITDA increased to €16.7 million for the three months ended March 31, 2010 from €14.9 million for the three months ended March 31, 2009. Corresponding group operational EBITDA margin increased to 15.9% for the three months ended March 31, 2010 from 15.0% for the three months ended March 31, 2009. This increase was largely a result of our operating leverage and continued strict management of our fixed cost base.

Ströer Germany

Ströer Germany's operational EBITDA increased to €17.4 million for the three months ended March 31, 2010, from €15.6 million for the three months ended March 31, 2009. Ströer Germany's operational EBITDA margin increased to 20.0% for the three months ended March 31, 2010 from 18.8% for the three months ended March 31, 2009. This increase was mainly due to increased revenue, a flat fixed cost base and an improved other operating result.

Ströer Turkey

Ströer Turkey's operational EBITDA amounted to €1.6 million for the three months ended March 31, 2010 compared to €0.9 million for the three months ended March 31, 2009. Ströer Turkey's operational EBITDA margin increased to 17.8% for the three months ended March 31, 2010 from 12.5% for the three months ended March 31, 2009. This increase was largely a result of the sales-driven margin improvement due to the relatively high operating leverage of Ströer Turkey's concession portfolio. We believe that this increase would have been significantly higher after eliminating the impact from the presidential election campaigns recorded in March 2009.

Other

Our other operating segment's operational EBITDA decreased to negative €0.7 million for the three months ended March 31, 2010 from €0.2 million for the three months ended March 31, 2009. Our other operating segment's operational EBITDA margin decreased to negative 7.8% for the three months ended March 31, 2010 from 2.2% for the three months ended March 31, 2009. In Poland, operational EBITDA decreased to negative €0.5 million for the three months ended March 31, 2010 from €0.3 million for the three months ended March 31, 2009, and the operational EBITDA margin decreased to negative 9.3% for the three months ended March 31, 2010 from 4.7% for the three months ended March 31, 2009. This decrease in Poland, where our business has a substantial share of fixed costs that do not decrease in line with revenue, was largely a result of the prevailing price pressure, although capacity utilization remained relatively constant. BlowUP media's operational EBITDA decreased to negative €0.2 million for the three months ended March 31, 2010 from negative €0.1 million for the three months ended March 31, 2009, and its operational EBITDA margin decreased to negative 5.6% for the three months ended March 31, 2010 from negative 2.9% for the three months ended March 31, 2009. This decrease in blowUP media's operational EBITDA is predominantly due to a decline in the revenues while fix rents could not be re-negotiated short term.

Depreciation, Amortization and Impairment Losses

Depreciation, amortization and impairment losses (excluding goodwill impairment charges) was €10.3 million and €13.5 million for the three months ended March 31, 2010 and 2009, respectively. This decrease was largely a result of the recording of an impairment loss on a specific advertising right during the first quarter of 2009.

For information about our depreciation, amortization and impairment losses, see "—*Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Depreciation, Amortization and Impairment Losses*".

Operational EBIT

Largely as a result of the aforementioned factors, our operational EBIT improved to €6.3 million for the three months ended March 31, 2010 from €5.5 million for the three months ended March 31, 2009, and our operational EBIT margin was 6.1% and 5.5%, respectively.

Phantom Stock Shares

The non-cash valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program was an expense of €0.1 million for the three months ended March 31, 2009, and an expense of €0.7 million for the three months ended March 31, 2010. This non-cash valuation impact was classified as an exceptional item and thus already considered in calculating operational EBITDA.

Exceptional Items

The following table provides an overview of losses (and gains) resulting from our exceptional items for the periods indicated:

	Three months ended March 31,	
	2010	2009
	(unaudited) (€ million)	
Reorganization and restructuring measures	0.8	0.7
Changes in the investment portfolio	0.2	0.0
Capital measures	1.8	0.0
Extraordinary expenses and income	0.6	0.1
Total exceptional items	**3.4**	**0.8**

For the three months ended March 31, 2010:

- Costs regarding reorganization and restructuring mainly related to the implementation of IT improvement programs and various severance payments in Germany.
- Expenses related to changes in the investment portfolio included to a large degree transaction costs associated with the acquisition of a further 40% shareholding in Ströer Turkey. For more information see (“*Business—Material Contracts—Ströer Kentvizyon Acquisition Agreement*”).
- Capital measures mainly related to the preparation of the Offering and the associated refinancing of the loan facilities.
- Extraordinary expenses and income included mainly the non-cash expenses related with the revaluation effect from the Phantom Stock Program (€0.7 million). Gains from foreign exchange movements to the extent included in EBITDA have also been reported in this line item in order to measure underlying company performance.

For the three months ended March 31, 2009:

- Costs regarding reorganization and restructuring mainly related to the implementation of two IT improvement programs, the upgrade of the regional sales organization in Germany and other redundancies associated therewith.
- Extraordinary expenses and income included mainly the non-cash expenses related with the revaluation effect from the Phantom Stock Program (€0.1 million).

EBIT

Mainly as a result of the abovementioned factors, our EBIT increased to €3.0 million for the three months ended March 31, 2010 from €0.8 million for the three months ended March 31, 2009, and our EBIT margin was 2.9% and 0.8%, respectively.

Net finance costs

Net finance costs were negative €10.5 million for the three months ended March 31, 2010 compared to negative €14.1 million for the three months ended March 31, 2009, a decrease of 25.5%, largely reflecting the exchange rate related effects for the loans granted to the Turkish and Polish sub groups. For the three months ended March 31, 2009, an expense of €1.0 million was recorded, whereas for the three months ended March 31, 2010, a gain of €1.8 million was generated.

Profit or loss before taxes from continuing operations

Profit or loss before taxes from continuing operations was negative €7.5 million and negative €13.4 million for the quarters ended March 31, 2010 and 2009, respectively.

The decrease in loss before taxes from continuous operations by €5.9 million is mainly attributable to the fact that revenues increased by €5.6 million representing an increase of 5.6%, whereas the cost of sales only increased by €0.8 million representing an increase of 1.2%. The disproportionate increase is mainly due to an impairment loss of €2.2 million recorded in 2009. Selling expenses and administrative expenses increased by €2.9 million leading to a

ratio of these expenses in relation to revenues of 33.5% for 2010 (2009: 32.5%). The slight increase in the ratio is attributable to significant higher expenses relating to the preparation of this Offering. Finance result increased from negative €14.1 million to negative €10.5 million largely due to the fact that we recorded an exchange rate related gain resulting from cross-border financing of €1.8 million in 2010 compared with expenses of €1.0 million in 2009.

Income Taxes

Income taxes were negative €1.9 million for the three months ended March 31, 2010 compared to negative €3.4 million for the three months ended March 31, 2009. This decrease was largely a result of the envisaged change of the corporate form of the parent company of the German sub group from a limited partnership (*Kommanditgesellschaft*) to a limited liability company (*Gesellschaft mit beschränkter Haftung*), which enables us to use additional trade tax loss carryforwards and therefore lower our tax expense. This effect is partially offset by the treatment of certain IPO related costs as non tax-deductible.

Profit or Loss for the Period

Predominantly as a result of the abovementioned factors, we significantly reduced the net loss of the group and recorded a loss of €9.5 million in the three months ended March 31, 2010 compared to a loss of €16.9 million in the three months ended March 31, 2009.

Years Ended December 31, 2009, 2008 and 2007

Revenue

The following table sets forth the revenue generated by our operating segments and our group for the years indicated:

	Year ended December 31,		
	2009	2008	2007
	(audited)		(unaudited)
	(€ million)		
Ströer Germany	393.2	394.5	412.0
Ströer Turkey	33.5	37.2	32.0
Other	43.1	62.2	65.8
Reconciliation	(0.1)	(0.5)	(0.7)
Total	469.8	493.4	509.0

The following table sets forth the revenue we generated in the respective local currency for Ströer Germany, Ströer Turkey and in Poland, together with the percentage change against the respective prior-year period:

	Year ended December 31,		
	2009	2008	2007
	(unaudited, except as noted)		
Ströer Germany			
Revenue (in € millions)[1]	393.2	394.5	412.0
Percent change against prior year period	(0.3)%	(4.2)%	—
Ströer Turkey			
Revenue (in TL millions)	72.3	70.0	57.3
Percent change against prior year period	3.3%	22.2%	—
Poland			
Revenue (in zł millions)	116.2	145.0	129.3
Percent change against prior year period	(19.9)%	12.1%	—

(1) The revenues for the years 2009 and 2008 have been derived from the audited consolidated financial statements as of and for the financial year ended December 31, 2009.

The following table sets forth the change in overall net out-of-home advertising spending in Germany, Poland and Turkey for the periods indicated, expressed in the local currency:

	Year-to-year change from:	
	2008 to 2009	2007 to 2008
Germany[1]	(8.4)%	(1.8)%
Turkey[2]	(18.2)%	3.0%
Poland[3]	(17.1)%	28.4%

(1) FAW.

(2) Turkish Advertising Association.

(3) Starlink.

Group

Group revenue was €469.8 million for the year ended December 31, 2009, compared to €493.4 million for the year ended December 31, 2008, a decrease of 4.8%. While our business segments were affected by the global financial and economic downturn in 2009, Ströer Germany was the least affected, with revenue decreasing by only €1.3 million to €393.2 million, a decrease of 0.3%, given strong focus on key accounts and resilient regional business, followed by Ströer Turkey where revenue decreased by €3.7 million to €33.5 million, a decrease of 9.9%, and our other operating segments where revenue decreased by €19.1 million to €43.1 million, a decrease of 30.7%, as a result of significant market contractions and currency depreciation. At constant 2008 exchange rates and excluding scope effects, our revenue decreased by 2.5% in 2009, compared to a decrease in net spending in our out-of-home advertising markets served between negative 8.4% (Germany) and negative 18.2% (Turkey).

Group revenue was €493.4 million for the year ended December 31, 2008, compared to €509.0 million for the year ended December 31, 2007, a decrease of 3.1%. This decrease was largely attributable to a decline in revenue of Ströer Germany as well as the blowUP media's giant poster business. BlowUP media's revenue decreased to €20.5 million in 2008 from €31.8 million in 2007. As large-scale "ambient" media, blowUP media's giant poster business was strongly affected by the adverse economic conditions and a crisis-driven reprioritization of the clients' media budgets. These decreases were partially offset by increases in revenue in 2008 in Ströer Turkey and in our Polish operations, as described in more detail below.

Ströer Germany

Ströer Germany generated revenue of €393.2 million for the year ended December 31, 2009, compared to €394.5 million for the year ended December 31, 2008, a decrease of 0.3%. In 2009, we believe that our German segment outperformed the German economy as a whole, which experienced a 5% GDP decline, and the overall out-of-home advertising market, which experienced an 8.4% decline. The reason for that is mainly the stabilization in the revenue situation due to focused sales activities. The division therefore successfully countered the macroeconomic trend.

In 2008, revenue for the entire business segment stood at €394.5 million, down €17.5 million or 4.2% on the prior-year level. The performance of individual products showed a varying profile. Mega-Lights and City-Light posters, which made a strong contribution to the revenue growth in the previous year, lost some of the ground gained, due in particular to lower capacity utilization as a result of lower demand from national key accounts. Traditional billboards recorded a similar trend. By contrast, revenue from City-Light columns, stations and Infoscreen rose significantly.

Ströer Turkey

Ströer Turkey contributed revenue of €33.5 million for the year ended December 31, 2009, compared to €37.2 million for the year ended December 31, 2008, a decrease of 9.9%. Based on the monthly revenue weighted exchange rate, the Turkish Lira depreciated by 15.1% against the Euro in 2009, which negatively affected Ströer Turkey's revenue when translated into Euro. At constant 2008 exchange rates, Ströer Turkey's revenue contribution was €1.2 million higher in 2009 compared to 2008. This reflects an increase of 3.3% whereas at the same time overall net out-of-home advertising spending decreased 18.2% according to the TAAA. Ströer Turkey was able to expand its position in the market thanks to established regional and national sales structures and innovative product launches (especially in digital out-of-home media).

Ströer Turkey contributed revenue of €37.2 million for the year ended December 31, 2008, compared to €32.0 million for the year ended December 31, 2007, an increase of 16.3%. The business generated considerable revenue increases despite the difficult market development and further consolidated its local market position within

and outside of Istanbul. The increase in revenue is primarily attributable to the substantial expansion and higher capacity utilization of high-quality illuminated or back-lit advertising space in Istanbul and Ankara. In addition, revenue was positively affected by the sales impact from the presidential election campaigns in March of 2009.

Other

Our Other business segment generated revenue of €43.1 million for the year ended December 31, 2009, compared to €62.2 million for the year ended December 31, 2008, a decrease of 30.7%. Our Other business segment is largely driven by the billboard product group, our main product group in the operating segment "Other" and was impacted by the general market decline in Poland and the cyclicality of the blowUP media's business.

In Poland, revenue decreased to €26.8 million in 2009 compared to €41.7 million in 2008, a decrease of 35.8%. At constant 2008 exchange rates, our revenue in Poland decreased by 19.9%. This decrease was largely a result of the net out-of-home advertising spending decreasing by 17.1% in 2009 according to Starlink. As a result, the Polish out-of-home advertising market, which is less consolidated than the out-of-home advertising markets in Germany and Turkey and characterized by extreme price competition, resulted in a decrease in advertising rates in Poland. Based on the monthly revenue weighted exchange rate, the Polish Zloty depreciated relative to the Euro by 19.4% in 2009, which also negatively affected our Polish revenue when translated into Euro.

BlowUP media's revenue decreased by 20.2% to €16.3 million in 2009 from €20.5 million in 2008. In Germany, blowUP media's revenue increased following changes in the area of sales and marketing. In the Netherlands, blowUP media succeeded in increasing its revenue in an overall declining advertising market. In Belgium, blowUP media began to generate revenue in an overall declining advertising market through the acquisition of a subsidiary. However, blowUP media's revenue decreased in the United Kingdom and Spain by 44.6% and 64.5%, respectively, compared to 2008, largely due to the decline in overall advertising spending in these countries.

Revenue for our Other business segment was €62.2 million for the year ended December 31, 2008, compared to €65.8 million for the year ended December 31, 2007, a decrease of 5.4%.

In Poland, revenue increased to €41.7 million in 2008 compared to €33.9 million in 2007, an increase of 23.0%. The increase in Poland was largely due to the achievement of higher occupancy rates and the implementation of price increases, the roll-out of digital Infoscreens in the Warsaw subway system and the development of the giant poster business. Our revenue in Poland in Euro-terms increased in 2008 despite the significant depreciation of the Polish Zloty relative to the Euro in the last few months of 2007.

Revenue in our Other business segment was also affected by the 35.6% decrease in revenue from blowUP media's operations to €20.5 million in 2008 from €31.8 million in 2007. As "ambient media", the giant poster business has been sharply hit by the adverse economic conditions. German revenue dropped notably by 50.9% to €7.0 million in 2008 from €14.3 million in 2007 due to a clear decline in the market and falling price trends. Foreign giant poster activities were only partially able to buck the negative market and price trend. Despite blowUP media España almost maintaining its revenue level the foreign entities of blowUP media contributed €13.5 million (prior year: €17.7 million) to total revenue, which is €4.2 million less than achieved in prior-year.

Operational EBITDA (before phantom stock)

The following table provides certain operational EBITDA (before phantom stock) data for our operating segments and operational EBITDA and operational EBITDA (before phantom stock) data for our group for the years indicated:

Operational EBITDA and operational EBITDA margin (unless otherwise stated)	**Year ended December 31,**		
	2009	**2008**	**2007**
	(unaudited) (€ million, except as noted)		
Operational EBITDA[(1)]			
Ströer Germany[(1)]	95.3	88.2	103.1
Ströer Germany margin[(1)(2)] (%)	24.2%	22.4%	25.0%
Ströer Turkey[(1)]	8.6	10.5	11.8
Ströer Turkey margin[(1)(2)] (%)	25.7%	28.2%	36.9%
Other[(1)]	3.3	7.7	12.5
Other margin[(1)(2)] (%)	7.7%	12.4%	19.0%
Reconciliation[(1)(3)]	(7.5)	(3.8)	(9.4)
Group operational EBITDA[(1)]	99.7	102.5	118.0
Group operational EBITDA margin[(1)(2)] (%)	21.2%	20.8%	23.2%
Phantom stock share[(4)]	0.3	(2.5)	4.7
Group operational EBITDA (before phantom stock)[(1)]	100.0	100.0	122.7
Group operational EBITDA (before phantom stock) margin[(1)(2)] (%)	21.3%	20.3%	24.1%

(1) Non-IFRS Financial Measure.

(2) Operational EBITDA margin is calculated by dividing operating segments' or group's operational EBITDA by operating segments' or group's revenue, expressed as a percentage. Operational EBITDA (before phantom stock) margin is calculated by dividing operational EBITDA (before phantom stock) by group's revenue, expressed as a percentage.

(3) Reconciliation contains information on Group entities that do not meet the definition of a segment (central items). In addition, effects from consolidation are eliminated in the reconciliation line (elimination).

(4) Operational EBITDA (before phantom stock) is calculated by adding back to our EBITDA certain exeptional items and the (non-cash) valuation impact to provisions on our consolidated statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued at the closing of the Offering. For more information see "*—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program*".

Group Operational EBITDA (before phantom stock)

Group operational EBITDA (before phantom stock) remained on the same level with €100.0 million for the year ended December 31, 2009 and the year ended December 31, 2008. Since revenue decreased in 2009, group operational EBITDA (before phantom stock) margin rose to 21.3% in 2009 from 20.3% in 2008 accordingly. The increase in group operational EBITDA (before phantom stock) was primarily due to cost-efficiency measures we began implementing in the course of 2008. These measures were largely responsible for a 4.7% decrease in our direct costs (as regrouped) to €256.2 million in 2009 from €268.9 million in 2008, including notable decreases in rents and concession fees, postering and other maintenance expenses. In addition, the cost-efficiency measures were also largely responsible for an 8.6% decrease in our selling, general and administrative expenses (as regrouped) to €119.3 million in 2009 from €130.5 million in 2008. This decrease was largely due to reductions in advertising expenses, audit, legal and consulting fees and travel expenses in 2009 compared to 2008. Our other operating result (as regrouped) decreased by 4.4% to €5.7 million in 2009 from €6.0 million in 2008.

Group operational EBITDA (before phantom stock) decreased to €100.0 million for the year ended December 31, 2008 from €122.7 million for the year ended December 31, 2007. Group operational EBITDA (before phantom stock) margin decreased to 20.3% in 2008 from 24.1% in 2007. Our direct costs (as regrouped) decreased by 0.1% to €268.9 million in 2008 from €269.1 million in 2007 since they did not decline as quickly as revenue in 2008. Fees and rents payable under private contracts and public concession licenses were affected by changes in our product and country mix, the latter because of the expansion of our Turkish and Polish advertising display networks. Fees in electricity rates in Germany, Turkey and Poland increased, but were partially offset by lower maintenance and repair expenses in 2008. Our selling, general and administrative expenses (as regrouped) grew by 4.4% to €130.5 million in 2008 from €125.0 million in 2007, largely due to increased audit, consulting,

legal and IT expenses. Other operating result (as regrouped) decreased by 22.8% to €6.0 million in 2008 from €7.8 million in 2007.

Ströer Germany

Ströer Germany's operational EBITDA increased to €95.3 million for the year ended December 31, 2009 from €88.2 million for the year ended December 31, 2008 while the operational EBITDA margin improved to 24.2% in 2009 compared to 22.4% in 2008. This development reflects the positive effects from the cost-cutting program launched at the end of 2008, with effect in the fiscal year 2009, which had a very favorable effect on selling and administrative expenses in particular, and also from the stabilization in the revenue situation due to focused sales activities.

Ströer Germany reported an operational EBITDA of €88.2 million for the year ended December 31, 2008, compared to €103.1 million for the year ended December 31, 2007. Operational EBITDA margin decreased to 22.4% in 2008 compared to 25.0% in 2007 as a result of relatively lower demand for margin-rich products, such as Mega-Lights and City-Light posters. Cost saving measures, particularly as to repair and maintenance, partly offset increased selling, general and administrative expenses (as regrouped). These costs mainly stepped up because of higher personnel costs (full-year effects), IT communication expenses and higher legal and consulting fees.

Ströer Turkey

Ströer Turkey's operational EBITDA contribution decreased to €8.6 million in the year ended December 31, 2009 from €10.5 million in the year ended December 31, 2008. Ströer Turkey's operational EBITDA margin decreased to 25.7% in 2009 from 28.2% in 2008. This decrease was primarily due to lease rates rising considerably in relation to revenue, which was a result of new contracts not being able to provide respective additional revenue due to the weak market in 2009. The absolute decrease in operational EBITDA in 2009 was cushioned by savings in personnel and lower expenses for postering and maintenance. The prior-year result was in contrast affected by high legal and consulting fees in connection with the implementation of the new holding structure and the adjustment and refinement of business processes which were not incurred in 2009.

Ströer Turkey's operational EBITDA contribution in the year ended December 31, 2008, did not equal the revenue trend for that year, decreasing to €10.5 million from €11.8 million for the year ended December 31, 2007. Ströer Turkey's operational EBITDA margin decreased to 28.2% in 2008 from 36.9% in 2007 due to continuing investments in growth. Ströer Turkey's direct costs increased in 2008 compared to 2007, largely due to a higher proportion of fixed lease payments in Izmir and Istanbul following continued expansion of Ströer Turkey's contract portfolio. Given the revenue increases of the last few years more personnel had to be recruited in the sales and administrative functions in order to adequately cope with the organizational requirements. Moreover, the Company incurred increased expenses for legal, tax and business consulting services, partially for the planned corporate law implementation of a holding structure, but also for the successful extension of city contracts.

Other

Our Other business segment's operational EBITDA was €3.3 million for the year ended December 31, 2009, from €7.7 million for the year ended December 31, 2008. Our Other business segment's operational EBITDA margin decreased to 7.6% in 2009 from 12.4% in 2008.

In Poland, operational EBITDA decreased to €2.2 million in 2009 from €8.4 million in 2008 and the operational EBITDA margin decreased to 8.4% in 2009 from 20.1% in 2008. The decrease in Poland's operational EBITDA was largely due to the high operating leverage of its business. Despite the decrease in operational EBITDA, we succeeded in implementing cost-efficiency measures in Poland that resulted in reductions in personnel expenses and sales costs in nominal value. In 2009, we also succeeded in renegotiating a number of our private contracts and public concession licenses in Poland to amend the minimum guaranteed rental payment provisions to reflect the changed economic environment in Poland.

Our Other business segment's operational EBITDA in 2009 was positively affected by an increase in the operational EBITDA of blowUP media to €1.1 million in 2009 from a operational EBITDA of €-0.7 million in 2008. BlowUP media's operational EBITDA margin was 6.5% in 2009 and negative 3.6% in 2008. This positive development was largely due to the favorable renegotiation of blowUP media's significant rental contracts in all countries to incorporate a "rents being only due for periods when sold" payment scheme as well as the implementation of cost-efficiency measures that resulted in a reduction of blowUP media's overhead costs.

Operational EBITDA for our Other business segment was €7.7 million for the year ended December 31, 2008, compared to €12.5 million for the year ended December 31, 2007. Our Other business segment's operational EBITDA margin decreased to 12.4% in 2008 from 19.0% in 2007.

In Poland, operational EBITDA increased to €8.4 million in 2008 from €6.9 million in 2007 and operational EBITDA margin decreased to 20.1% in 2008 compared to 20.4% in 2007. While the gross margin of our Polish operations declined slightly due to the change in the composition of revenue and rental payments, operational EBITDA in Poland increased largely due to revenue increasing at a higher rate than the expenses due to the high operating leverage of our business in Poland.

Operational EBITDA for Other segment in 2008 was also affected by the operational EBITDA of negative €0.7 million generated by blowUP media's non-German operations in 2008 compared to positive EBITDA of €5.5 million in 2007. The negative operational EBITDA was largely due to the relatively inflexible cost basis of these operations, in particular, the fixed cost leases of advertising locations in an environment where the advertising markets began to show weaknesses immediately impacting the giant poster business.

Depreciation, Amortization and Impairment Losses

Depreciation, amortization and impairment losses (excluding goodwill impairment losses) was €50.3 million, €37.7 million and €39.1 million in the years ended December 31, 2009, 2008 and 2007. For assessing the operational performance of the years 2007, 2008 and 2009 in comparison it has to be noted that amortization expenses and impairment losses in 2009 were driven by two extraordinary effects: we had to recognize an impairment loss on the acquired rights of use from public concession licenses mainly due to the loss of a City Contract in Germany and new terms in another, renewed public concession license. Secondly we have adopted a more conservative amortization approach in general affecting all our public concession licenses as far as acquired (for more details see "*—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Depreciation, Amortization and Impairment Losses*").

As a result of that, amortization and impairment losses for the period ended December 31, 2009 was higher by €13.2 million with €6.1 million resulting from the impairment loss and €7.1 million resulting from the change in accounting policy. Depreciation had decreased in 2008 compared to 2007 due to a more cautious capital expenditure deployment in the aftermath of the acquisition of DSM in 2004 and DERG in 2005. In 2009 the depreciation increased following the relatively high capital expenditure of this year which stemmed from the granting of two important public concession licenses in the city of Hamburg and the release of some investment not being undertaken the years before.

For more information about our depreciation, amortization and impairment losses, see "*—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Depreciation, Amortization and Impairment Losses*".

Operational EBIT

In line with the operational EBITDA (before phantom stock) development for the comparable period, our operational EBITDA remained flat with €62.8 million in the year ended December 31, 2009 compared to €62.7 million in the year ended December 31, 2008, but decreased from €83.6 million in the year ended December 31, 2007. Our operational EBIT margin was 13.4%, 12.7% and 16.4% in the years ended December 31, 2009, 2008 and 2007, respectively.

Goodwill Impairment Loss

Due to the decline in the Polish out-of-home advertising market, we recorded a goodwill impairment loss of €4.0 million in the year ended December 31, 2009.

Phantom Stock Share

The non-cash valuation impact to provisions on our consolidated statement of financial position covering the phantom stock share awarded to executive management under a long-term incentive program was an expense of €0.3 in the year ended December 31, 2009, income of €2.5 million in the year ended December 31, 2008 and an expense of €4.7 million in the year ended December 31, 2007.

Exceptional Items

Overview

The following table provides an overview of our exceptional items for the periods indicated:

	Year ended December 31,		
	2009	2008	2007
	(unaudited, except as noted) (€ million, except as noted)		
Reorganization and restructuring measures; expenses	5.0	5.6	1.7
Changes in the investment portfolio, expenses / (income)	0.1	2.8	(3.5)
Capital measures; expenses	0.2	0.0	0.3
Extraordinary expenses / (income)	1.1	(1.7)	2.5
Total exceptional items; expenses (audited)	**6.4**	**6.7**	**1.1**

Year Ended December 31, 2009

In the year ended December 31, 2009:

- Costs related to reorganization and restructuring measures included severance payments in the amount of €2.3 million; €0.9 million in connection with the implementation of two IT improvement programs; and €0.7 million in receivables due from Ströer Media International GmbH (now: XOREX Beteiligungs GmbH) and XOREX GmbH, the entities through which our former Asian joint venture was held. The joint venture was set up to explore Asian expansion opportunities and in a manner such that most of the financing was to be provided by our financial-sponsor joint venture partner. As a result of the global economic and financial downturn, we decided that these expansion opportunities were no longer feasible and therefore it was jointly decided to stop any further development. We are currently reviewing the options of winding up the existing legal structure of our participation.
- Expenses related to changes in the investment portfolio included expenses of €0.7 million related to the legal reorganization of the Turkish entities in 2008; partially offset by the gain of €0.7 million recognized on the disposal of the outdoor project business of Ströer Megaposter GmbH.
- Costs related to capital measures mainly related to legal and consulting fees incurred in connection with the amendment of a Turkish debt facility agreement.
- Costs regarding other extraordinary expenses and income included various litigation costs and provisions amounting to €1.5 million.

In the year ended December 31, 2008:

- Costs regarding reorganization and restructuring measures related to several restructuring and improvement programs, including €2.2 million to an process and IT improvement program to reorganize our regional sales organization and €1.1 million for the restructuring of Hamburger Außenwerbung GmbH and Hamburger Verkehrsmittel-Werbung GmbH.
- Expenses related to changes in the investment portfolio including €2.4 million of expenses incurred in relation to the formation of a holding organization for Ströer Turkey equally held by us and our Turkish partners and €0.4 million mainly related to costs for acquisition projects.
- Costs related to capital measures mainly related to legal and consulting fees incurred in connection with the amendment of a Turkish debt facility agreement.
- Costs regarding other extraordinary expenses and income mainly included income in the amount of €1.2 million from a foreign currency call option and €1.9 million for the reversal of accruals as well as some extraordinary expenses primarily related to consulting fees.

In the year ended December 31, 2007:

- Costs regarding reorganization and restructuring measures reflected restructuring and improvement programs as well as start-up costs related to Ströer Media International GmbH (now XOREX Beteiligungs GmbH).
- Expenses related to changes in the investment portfolio included €3.8 million reflecting the gain on the sale of DSM Sportwerbung GmbH, partially offset by costs related to acquisition projects.

- Costs related to capital measures mainly related to legal and consulting fees in connection with the amendment of a Turkish debt facility agreement.
- Costs regarding other extraordinary expenses and income included charges to provisions for outstanding fees that the previously acquired Deutsche Eisenbahn Reklame GmbH (now Ströer DERG Media GmbH) was expected to be required to pay and costs related to the implementation of IFRS.

EBIT

Largely as a result of the above-discussed factors, our EBIT decreased to €39.0 million in the year ended December 31, 2009 from €58.0 million in the year ended December 31, 2008 and €77.9 million in the year ended December 31, 2007 and our EBIT margin was 8.3%, 11.8% and 15.3% in the years ended December 31, 2009, 2008 and 2007 respectively.

Net Finance Costs

Net finance costs were €47.3 million in the year ended December 31, 2009 compared to €54.8 million in the year ended December 31, 2008, a decrease of 13.8%, largely reflecting:

- Finance income decreased 23.2% to €2.3 million in 2009 from €3.0 million in 2008;
- Finance costs decreased 14.3% to €49.6 million in 2009 from €57.8 million in 2008, mainly due to:
  - a decrease in interest charges to €2.8 million in 2009 from €5.4 million in 2008 as a result of the conversion of liabilities related to the contributions of two silent partners into a variable-rate subordinated loan effective January 1, 2009 (the "**Silent Partner Loans**"); and
  - a decrease of expenses recorded to adjust the fair value of two swaps entered into to hedge the Silent Partner Loans (the "**Silent Partner Swaps**") to €1.2 million in 2009 from €3.0 million in 2008.

Net finance costs were €54.8 million in the year ended December 31, 2008 compared to €46.5 million in the year ended December 31, 2007, an increase by 18.0%, largely reflecting:

- Finance income increased 35.0% to €3.0 million in 2008 from €2.2 million in 2007;
- Finance costs increased 18.8% to €57.8 million in 2008 from €48.7 million in 2007, mainly due to:
  - a non-cash exchange loss of €5.9 million in 2008 resulting from the translation of the Euro-denominated bank loan granted to Ströer Turkey;
  - an increase in non-cash interest rate adjustment and discounting effects to €3.3 million in 2008 from €2.4 million in 2007;
  - changes in the amount of €3.0 million in 2008 in the fair values of the Silent Partner Swaps; and
  - a decrease in the expenses arising from the compensation of silent partners to €5.4 million in 2008 from €6.5 million in 2007.

Share in Profit or Loss of Associates

Share in profit or loss of associates was €Nil million, negative €4.1 million and negative €3.0 million in the years ended December 31, 2009, 2008 and 2007, respectively. These losses related entirely to non-controlling interests held in XOREX Beteiligungs GmbH (formerly Ströer Media International GmbH) and XOREX GmbH. The book value of these entities was reduced to €Nil in the year ended December 31, 2009, with the result that further book losses on these entities will not be recognized.

Profit or Loss Before Taxes from Continuing Operations

Loss before taxes from continuing operations decreased by €7.4 million from negative €0.9 million for the year ended December 31, 2008 to negative €8.3 million for the year ended December 31, 2009. This decrease was the result of the following effects. Cost of sales remained relatively stable in the period-to-period comparison, mainly due to a significant increase in amortization and deprecation expenses and impairment losses, which increased from €31.2 million to €44.5 million. The increase in amortization and depreciation expenses and impairment losses mainly resulted from changes in accounting estimates regarding the useful life of advertising rights acquired in connection with the acquisition of DSM, which led to an increase in amortization expense of €7.1 million and impairment losses in the amount of €6.1 million. These negative effects were partially offset by a decrease in rent expenses of €6.4 million, and a decrease in management and maintenance cost of €4.5 million. Selling and

administrative expenses decreased by €12.6 million, as a result of cost-cutting measures implemented in 2008 and realized in 2009. A loss recorded due to the impairment of goodwill for the Polish subsidiaries in the amount of €4.0 million led to an increase in other operating expenses of €1.1 million. Other operating income decreased to €13.7 million from €20.1 million. In 2008, we recorded income from the reversal of accruals and provisions in the amount of €8.8 million whereas the respective income in 2009 only amounted to €2.2 million. Finance cost decreased by €8.3 million due to exchange rate losses on cross-border financing decreasing by €5.8 million, interest expenses on subordinated loans decreasing by €2.5 million and losses relating to derivative financial instruments decreasing by €1.8 million. These effects were partially offset by a decrease in finance income of €0.7 million.

Profit or loss before taxes from continuing operations decreased by €29.3 million, from €28.4 million for the year ended December 31, 2007 to negative €0.9 million for the year ended December 31, 2008. This decrease was the result of the following factors. Revenues decreased by €15.7 million to €493.4 million, a decrease of 3.1% compared with the prior year. Cost of sales increased by only 0.8%, mainly due to our fixed rent and minimum rent agreements. Selling expenses and administrative expenses increased by €5.6 million, mainly due to increased consulting fees and increased expenses for IT-related services. Other operating expenses increased by €2.5 million as a result of the loss on the partial sale of a Turkish subsidiary. Share in losses of associates increased by €4.1 million. Interest expenses increased from €48.7 million to €57.8 million, mainly due to exchange rate effects relating to the financing of the Turkish operations and the change in the yield curve in the aftermath of the sub-prime crisis. These effects were partially offset by a decrease in interest paid to silent partners due to revised interest terms and an increase in interest income.

Income Taxes

We recorded an income tax credit of €9.6 million in the year ended December 31, 2009, compared to an income tax expense of €13.7 million for the year ended December 31, 2008. On May 19, 2010 we changed the top-tier company for our German operations from a limited liability partnership (*GmbH & Co. KG*) to a limited liability corporation (*GmbH*). As a result of this change, we will be able to utilize our German tax losses at the group level retroactively from January 1, 2010 onwards. This resulted in our recording of a credit of €10.5 million in 2009 under income taxes reflecting the deferred taxes related to our German tax loss carryforwards that were capitalized on our consolidated statement of financial position in 2009. These capitalized deferred taxes are expected to be reversed during the 2010 through 2014 tax years, which will lead to our recognizing tax expenses in the amount of each year's reversal.

Income tax expenses were €13.7 million for the year ended December 31, 2008, compared to a credit of €6.6 million for the year ended December 31, 2007. Income taxes in 2008 related partially to an expense of €1.7 million that arose primarily from deferred taxes. Despite the overall decrease in profit or loss before taxes in 2008, current income taxes only decreased to €11.9 million in 2008 from €13.0 million in 2007, largely because a few of German affiliates are held jointly with third parties and are, therefore, not included in our German tax group. As all of these affiliates are profitable, they recorded tax expenses that could not be offset by the tax loss carryforwards of our German tax group. In 2007, we recorded a tax credit of €9.3 under IFRS related to taxes paid in 2006. This reduction was related to the lowering of the corporate tax rates in Germany to 15% from 25% as part of the German corporate tax reform in 2007.

Profit or Loss for the Period

Largely as a result of the above-discussed factors, we generated a profit of €1.1 million in the year ended December 31, 2009, compared to a loss of €14.6 million in the year ended December 31, 2008 and a profit of €35.0 million in the year ended December 31, 2007.

Liquidity and Capital Resources

Cash Flows

The following table summarizes our cash flow for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2009	2008	2007	2010	2009
		(audited)		(unaudited)	
			(€ million)		
Cash flows from operating activities	36.1	21.2	65.9	2.7	(3.0)
Cash flows from investing activities	(19.5)	(62.7)	(35.5)	(3.4)	(4.5)
Cash flows from financing activities	(1.9)	6.0	9.3	(0.9)	6.2
Change in cash and cash equivalents	14.8	(35.5)	39.6	(1.7)	(1.2)
Cash and cash equivalents at beginning of period	42.5	78.0	38.3	57.3	42.5
Cash and cash equivalents at end of period	**57.3**	**42.5**	**78.0**	**55.6**	**41.3**

Three Months Ended March 31, 2010 and 2009

Cash Flows from Operating Activities

Our cash flows from operating activities increased to €2.7 million for the three months ended March 31, 2010 compared to negative €3.0 million for the three months ended March 31, 2009.

The increase in cash flows from operating activities for the three months ended March 31, 2010 compared to the three months March 31, 2009 was primarily driven by a better working capital management resulting in a closer match of the cash-outflow of payables with the cash-inflow on receivables.

Cash Flows from Investing Activities

Our net cash used in investing activities decreased to negative €3.4 million for the three months ended March 31, 2010 compared to negative €4.5 million for the three months ended March 31, 2009.

The decrease in cash flows used in investing activities for the three months ended March 31, 2010 compared to the three months March 31, 2009 largely related to a slow down of investing activities mainly due to a discretionary investment policy as well as effected by harsh wheather conditions in the first quarter 2010 in Central and Western Europe.

Cash Flows from Financing Activities

Our net cash from financing activities decreased to negative €0.9 million for the three months ended March 31, 2010 compared to €6.2 million for the three months ended March 31, 2009.

The decrease in cash from financing activities for the three months ended March 31, 2010 compared to the three months ended March 31, 2009 largely related to precautionary withdrawals under the German working capital facilities at the peak time of financial crisis and in the context of alleged funding issues of commercial banks around that time.

Years Ended December 31, 2009, 2008 and 2007

Cash Flows from Operating Activities

Our cash flows from operating activities decreased by €44.7 million in the year ended December 31, 2008 compared to 2007 and increased by €14.9 million in the year ended December 31, 2009 compared to 2008.

The increase in cash flows from operating activities in 2009 compared to 2008 was primarily driven by our implementation of a better working capital management aimed at generating additional cash by a decrease in receivables and other assets partly offset by a decrease in trade payables and other liabilities. We had a positive net change in working capital (increase/decrease in inventories, trade receivables and other assets less increase / decrease in trade payables and other liabilities) of €0.6 million in 2009. As part of operating cash flows for 2009, the total amount of interest paid was €49.5 million which reflects an increase of approximately €2.2 million compared to 2008.

The decrease in cash flows from operating activities in 2008 compared to 2007 was primarily driven by the decrease in profit or loss before interest and taxes, which decreased by €22.7 million in 2008, as well as a decrease in trade payables and other liabilities, which decreased by €8.1 million in 2008, largely due to lower business volumes. We had a negative change in net working capital (increase/decrease in inventories, trade receivables and other assets less increase / decrease in trade payables and other liabilities) of €18.0 million in 2008. As part of operating cash flows for 2008, the total amount of interest paid was €47.3 million which reflects an increase of approximately €2.3 million compared to 2007.

Cash Flows from Investing Activities

Our net cash used in investing activities increased by €27.1 million between 2007 and 2008 and decreased by €43.2 million in 2009.

The decrease in cash flows used in investing activities in 2009 compared to 2008, largely related to the net decrease in investments in property, plant and equipment to €16.4 million in 2009 from €47.9 million in 2008, primarily as a result of lower capital expenditure for new advertising units in Germany. This was mainly due to cautious investment activity given the then-prevailing market conditions, despite capital expenditures to expand our advertising display network in Turkey. In addition, cash used for net investments in consolidated entities decreased to €0.3 million in 2009 from €9.2 million in 2008 largely due to the pre-funding in 2008 of the purchase price for City Plakat BMA GmbH in Berlin, the acquisition of which was completed at the beginning of 2009. Cash used for net investments in intangible assets also decreased to €2.8 million in 2009 from €6.1 million in 2008 largely due to lower investments into software infrastructure.

The increase in cash flows used in investing activities from 2007 to 2008, largely related to the €15.7 million net increase in investments in property, plant and equipment to €47.9 million in 2008 from €32.2 million in 2007, primarily as a result of capital expenditures for new advertising units and units under construction. In Germany, capital expenditures in 2008 were largely related to the renewal of one existing public concession license and the award of an additional public concession license for the city of Hamburg and in that year, in particular, for the installation of several hundred new City-Light columns and some new Mega-Lights. In Turkey, capital expenditures in 2008 were mostly related to the installation of new advertising units in the cities of Istanbul and Ankara. In Poland, capital expenditures in 2008 were largely related to the continued expansion of our portfolio of $18m^2$ billboards and the roll-out of Infoscreen in the Warsaw subway system. In addition, cash used for net investments in consolidated entities increased to €9.2 million in 2008 from net cash received of €2.9 million in 2007 mainly due to the pre-funding of the acquisition price of City Plakat BMA GmbH in 2008. Cash used for net investments in intangible assets also increased to €6.1 million in 2008 from €2.5 million in 2007 predominantly due to the above-mentioned investments and acquisitions. Net cash of €0.6 million was received from disposals of financial assets in 2008, compared to net cash paid for financial assets of €3.8 million in 2007. This net cash paid in 2007 primarily related to the acquisition of an at-equity consolidated subsidiary.

For additional information about the historical capital expenditures of our operating segments, see also "*—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Capital Expenditures*".

Cash Flows from Financing Activities

Our net cash flow from financing activities decreased from €9.3 million in 2007 by €3.3 million to €6.0 million in 2008. In 2009, expenditures for financing activities amounted to €1.9 million.

The change in financing cash flows from 2008 to 2009 relates mainly to dividend payments to holders of non-controlling interests.

The change in financing cash flows in 2008 compared to 2007 largely related to net cash received from borrowings of €8.0 million in 2008 compared to €11.9 million in 2007 due to higher incremental funding in the Turkish entities.

For information about our historical debt, see "*—Financial Debt*".

Financial Debt

The following table sets forth our financial liabilities of the dates indicated:

	As of December 31,			As of March 31,	
	2009	2008	2007	2010	2009
		(audited)		(unaudited)	
			(€ million)		
Non-current liabilities to banks	522.3	490.5	482.0	522.7	522.4
Tranche A	390.8	390.6	389.6	391.2	390.9
Tranche B	74.1	74.1	73.9	74.1	74.1
Loans Turkey	24.8	24.7	17.5	24.9	24.8
Subordinated Loan	31.7	0.0	0.0	31.7	31.7
Other	0.9	1.0	1.0	0.8	0.9
Derivative financial instruments	22.2	10.0	0.0	26.1	23.6
Other non-current financial liabilities	11.4	0.2	42.4	11.0	11.0
Non-current financial liabilities	555.9	500.7	524.4	559.8	557.0
Derivative financial instruments	2.9	0.0	0.0	5.7	0.2
Current financial liabilities	18.9	70.3	28.5	23.5	44.5
Total current financial liabilities	21.8	70.3	28.5	29.2	44.7
Total financial liabilities	577.7	571.0	552.9	589.0	601.7
Derivative financial instruments	(25.0)	(10.0)	0.0	(31.8)	(23.9)
Total financial liabilities (excluding derivative financial instruments)	552.6	561.0	552.9	557.2	577.8
Cash and cash equivalents	(57.3)	(42.5)	(78.0)	(55.6)	(41.3)
Net financial debt	495.4	518.4	475.0	501.7	536.5

(1) For description of our existing €545,0 million and US$29,4 million credit facility arrangement, see "*Business—Material Contracts—Credit Facility Agreement*". A certain amount of our existing €545,0 million and US$29,4 million credit facility is still undrawn and therefore not part of this line item.

(2) For more information regarding other non-current financial liabilities, see Note E.16 to our consolidated financial statements for the year ended December 31, 2009, included elsewhere in this prospectus.

(3) For more information on our key debt facilities, see "*Business—Material Contracts*".

Our net financial debt increased by €43.5 million to €518.4 million in 2008 mainly as a result of a lower cash and cash equivalents balance following a higher cash out outflow from investing activities. In 2009, we achieved an improved inflow from lower investment activity coupled with working capital optimization measures, both leading to a growth of €14.8 million in the cash and cash equivalents position. Consequently, our net financial debt improved to €495.4 million end of 2009.

At the end of March, 2010, our net financial debt has significantly decreased by €32.0 million to €501.6 million compared to 31 March, 2009, pursuant to a higher cash balance carried over from 31 December, 2009, coupled with a reduced amount of current financial liabilities.

Given that we intend to hold the derivative financial instruments to maturity we have excluded the value of the derivative instruments from the debt calculation.

In connection with the Offering, we have entered into an amendment and restatement of our existing €545.0 million and US$29.4 million credit facility, resulting in the new credit facility composed of a €395 million term loan held by Ströer Germany and a €62.5 million revolving credit facility at the level of the Issuer. The existing €545.0 million and US$29.4 million credit facility will be partially transferred to new lenders, partially repaid and partially cancelled to arrive at the aforementioned amounts. For description of our existing €545.0 million and US$29.4 million credit facility, see "*Business—Material Contracts—Amended and Restated Credit Facility Agreement*". We also intend to repay €21.2 million of subordinated loans accounted for at the level of the Issuer at the Offering and some debt on the level of Ströer Turkey after the closing of the respective transaction.

When partially repaying debt at the latest amendment and restatement of our existing €545.0 million and US$29.4 million credit facility we will repay the nominal amount of the related portion. The reported IFRS number

as disclosed in the table above is lower since it takes into account costs incurred with the signing of the facility and then being capitalized and amortized over the period to maturity.

As of May 31, 2010, after giving effect to the Offering and the application of the net proceeds there from as described under "*Capitalization*", we would have net financial debt in the amount of €227.9 million.

Liquidity

We anticipate that the principal demands on our cash will be to fund our operating activities and working capital requirements, the purchase and installation of additional advertising units, the replacement of existing advertising units, the maintenance and servicing of our advertising units and to fund our debt service requirements.

As of May 31, 2010, after giving effect to the Offering and the application of the net proceeds therefrom as described under "*Capitalization*", we would have cash and cash equivalents less current financial liabilities of €208.0 million.

We believe that our cash flows from operations, the net proceeds from the Offering, borrowings under our Amended and Restated Credit Agreement and other capital resources will be sufficient to satisfy the anticipated cash requirements associated with our existing operations during the next 12 months. Our ability to generate sufficient cash from our operating activities depends on our future performance and market conditions in each of our national and local markets, which are subject to a number of factors beyond our control. During periods of economic downturn, we may need to access capital markets and/or other available financial resources to strengthen our consolidated statement of financial position. In addition, our future capital expenditures and other cash requirements could be higher than we currently expect as a result of various factors, including any additional acquisitions that we may complete.

Financial Obligations

In addition to credit facilities and hedging instruments, we are obliged to fulfill the following contractual obligations as of December 31, 2009. These may be broken down further as follows by contractual payment date:

Contractual maturity dates of financial obligations

	Less than 1 year	1 to 5 years	More than 5 years	Total
		(€ million) (audited)		
Minimum leases (payments under private contracts and public concession licenses)	77.9	280.9	405.2	764.0
Site leases[1]	25.2	64.7	21.9	111.8
Other rental and lease obligations	5.7	14.6	14.1	34.3
Investment obligations	12.1	9.0	0.4	21.5
Maintenance services	0.5	0.7	0.0	1.2
Total	**121.4**	**369.9**	**441.6**	**932.8**

(1) Site leases relate to fees under private contracts and public concession licenses.

In addition to the contractual provisions set forth in the tables above, we are obligated under our public concession license with Deutsche Bahn (see "*Business—Material Contracts—Public Concession License with Deutsche Bahn"*) to invest in the installation, maintenance and operation of a content-based real-time information and entertainment system as well as in the upgrading of existing advertising media from the first generation to the second generation. Over the life of this license, the resulting investment volume is expected to amount to approximately €20 million, in addition to ongoing operating and maintenance and overhead expenses. The volume of ongoing expenses depends both on the scope and duration of the project's implementation as well as on the ability to employ existing digital media structures within our Group.

We also have a contractual obligation to pay a further €0.4 million during 2011 to 2015 in connection with our purchase of CulturePlakat Marketing GmbH, Berlin if a specific contract is extended.

Contingent Liabilities

As of December 31, 2009, we had contingent liabilities of €1.3 million related to secondary liabilities from pension obligations. We have no reason to believe that the contingent liabilities from these obligations differ materially as of March 31, 2010, from the amount disclosed as of December 31, 2009.

Off-Balance Sheet Arrangements

In addition to the above mentioned contractual obligations, we are not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations, liquidity or capital resources.

Quantitative and Qualitative Disclosure of Market Risk

Overview

In the ordinary course of business, we are exposed to various financial and market risks. The financial risks consist primarily of credit risk, liquidity risk and market risks, including risks relating to interest rate and exchange rate changes. Members of our Management Board review and agree on the policies for managing each of these risks.

Credit Risk

Our credit risk is related to the deterioration of the economic situation of our customers and counterparties. This brings about the risk of a partial or full default in contractually agreed payments as well as the risk of credit-related impairment losses on financial assets. Excluding securities, the maximum risk of default equates to the carrying amount.

Credit risks mainly result from trade receivables. To manage the credit risk the receivables portfolio is monitored on an ongoing basis. Customers intending to enter into transactions with large business volumes undergo a creditworthiness check beforehand to the extent deemed appropriate. Bad debt allowances are charged to account for the residual risk. We believe our credit risk is at a level customary for the industry.

We are exposed, to a lesser extent, to credit risks arising from other financial assets, which mainly comprise cash and cash equivalents and derivative financial instruments. Our maximum exposure to credit risks arising from default of counterparty equals the carrying amount of these items.

Liquidity Risk

Liquidity risk is defined as the risk that we will not have sufficient funds to settle our payment obligations. This risk is countered through strict cash management policies. We prepare a liquidity forecast for a fixed planning horizon and ensure that we have unutilized credit lines are in place to ensure adequate liquidity.

Interest Rate Risk

We are mainly exposed to interest rate risks in connection with non-current, floating-rate financial liabilities and existing cash and cash equivalents. It is our policy to prevent and mitigate these risks using hedging transactions. By using interest rate swaps, the interest rates were fixed for the majority of our floating-rate financial liabilities. A collar adds to the planning certainty with regard to interest rate exposure. At the same time, we monitor the interest rate trend regularly to be able to react quickly to changes. All hedging measures are coordinated and carried out centrally. For more information about these hedging transactions, see Note H.2 to our consolidated financial statements for the year ended December 31, 2009, included elsewhere in this prospectus.

Currency Risk

With the exception of the financing carried out in Turkey in the period under review, currency risk is of minor significance to us. The functional currency of our local subsidiaries is their respective local currency. With the exception of a euro-denominated loan granted to Ströer Turkey, only a small amount of transactions in currencies other than the local currencies are carried out by our subsidiaries. Due to the depreciation of the Turkish Lira against the Euro, the Turkish segment recorded an exchange loss of €0.1 million in 2009 (€5.9 million in 2008). We currently do not hedge foreign currency translation risks.

Sensitivity Analyses

We perform a sensitivity analysis for each type of market risk to which we are exposed as of the relevant statement of financial position date, showing how profit or loss and equity would have been affected after taxes by hypothetical changes in the relevant risk variable. For a description and the results of this sensitivity analysis, see Note C.15 to our consolidated financial statements for the year ended December 31, 2009, included elsewhere in this prospectus.

Critical Accounting Policies

Overview

The preparation of our financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Estimates and assumptions are reviewed periodically, and actual results may differ from those estimates under different assumptions or conditions. We must use our judgment related to uncertainties in order to make these estimates and assumptions.

We have summarized below our accounting estimates that require more subjective judgment by our management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results in our financial statements.

Revenue and expense recognition

Revenue is mainly generated from the commercialization of advertising space in the billboard, street furniture and transport product groups. Revenue is recognized when the service is rendered, that is, on the date when the advertising is displayed, and is disclosed net of trade discounts and rebates. Advertising media from other entities are marketed in addition to our own media. Revenue from the commercialization of advertising media for our non-group entities is recognized net of the revenue share attributable to these transactions. Hence, the agreed sales commissions are disclosed on a net basis under revenue. Revenue from back-to-back transactions is measured at the market value of the consideration received and adjusted as appropriate by an additional cash payment. If the market value cannot be reliably measured, back-to-back transactions are measured at the market value of the advertising service rendered and adjusted as appropriate by an additional cash payment. Income from services rendered and included in other operating income is recognized at the time of performance. Operating expenses are recognized in profit or loss when the service is used or when the costs are incurred. Interest is recognized on an accrual basis in the financial result applying the effective interest rate method. Dividends are recognized at the time when the right to receive is established.

Goodwill and Other Intangible Assets

Goodwill

Pursuant to IFRS 3 *Business Combinations* goodwill is measured as the excess of the cost of the business combination over the interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities as of the date of acquisition. We generally engage independent appraisers to assess the fair value of assets through for significant individual business combinations.

Goodwill is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The recoverable amount is determined on the basis of an estimate of future cash flows and an appropriate discount rate. As a result of impairment testing, we took an impairment write-down on our Polish operation in the amount of €4.0 million in 2009. For more information about this write-down and our impairment testing, see Note E.2 to our consolidated financial statements for the year ended December 31, 2009, included elsewhere in this prospectus. As of December 31, 2009, the value of goodwill recognized in our consolidated statement of financial position was €180.2 million.

Intangible Assets Acquired for Consideration

Intangible assets acquired for consideration, mainly rights for use of advertising locations and software, are recognized at cost. We allocate the depreciable amount of intangible assets with finite useful lives on a systematic basis over their respective useful lives. These intangible assets are tested regularly for impairment and written down to their recoverable amount if this is lower than the carrying amount. If the reasons for impairment cease to apply, the impairment losses are reversed, but by no more than the amount of amortized cost. Amortization in any financial year is allocated on the basis of the function of expense method. We review the appropriateness of the useful lives and the method of amortization annually.

Based on historical data on the renewal of public concession licenses, we treat public concession licenses with municipal partners acquired for consideration as part of an acquisition as intangible assets with useful lives of 15 years for accounting periods ending after December 31, 2008. For periods ending before or on December 31, 2008, these licenses were measured and recognized at fair value (calculated on the basis of the purchase price allocation) and were not amortized. We review the useful life of an intangible asset with an indefinite useful life

annually to determine whether indefinite life assessment continues to be supportable. If this is not the case, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Depreciation of intangible assets acquired for consideration is based on the following useful lives:

Asset	Useful life
Rights of use (public concession licenses)[1]	15 years
Other rights of use[2]	15 to 30 years
Other intangible assets	3 to 10 years
Goodwill	Indefinite

(1) For accounting periods ending after December 31, 2008.

(2) Other rights of use relate to private contracts.

Internally Generated Intangible Assets

The cost for the development of new or considerably improved products and processes is capitalized if the development costs can be measured reliably, the product or process is technically or economically feasible and future economic benefits are probable. In addition, we are required to intend, and to have adequate resources available, to complete the development and to use or sell the asset.

Capitalized costs mainly include personnel expenses and directly allocable overheads. Borrowing costs are not capitalized. Capitalized development costs are recognized at amortized cost. Research and development costs which do not meet the recognition criteria for capitalization are recognized in profit or loss in the period in which they are incurred.

Property, Plant and Equipment

Property, plant and equipment are recognized at depreciated cost. Cost comprises the purchase price, incidental acquisition costs and subsequent expenditure net of purchase price reductions. Borrowing costs are not capitalized. Investment grants received are recognized as a reduction in cost.

Separately identifiable components of an item of property, plant and equipment are recognized individually and depreciated. Depreciation is charged on a straight-line basis over the respective useful life of the asset. The depreciation expense is allocated on the basis of the function of expense method. If the reasons for impairment cease to apply, the impairment loss is reversed. The residual carrying amount, the assumptions on the useful lives and the appropriateness of the depreciation method are reviewed annually.

Depreciation is based on property, plant and equipment on the following useful lives:

Asset class	Useful life
Buildings	50 years
Plant and machinery	5 to 13 years
Advertising units (advertising media)	4 to 35 years
Other plant and equipment (furniture and fixtures)	3 to 15 years

The determination of useful lives is an area where management must exercise judgment.

If legal or contractual obligations provide for the removal of advertising units and the restoration of the site at the end of the term of a contract on advertising use, a provision is recognized for this obligation. The provision is measured on the basis of the estimated future costs of restoration at the end of the contractual term.

The estimated costs for the dismantling and removal of advertising units after the termination of a private rental contract or a public concession license for advertising locations are recognized as part of the cost of the respective advertising unit if it is probable that the obligation will have to be settled. The amount is measured on the basis of the provision recognized for restoration obligations in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. These provisions represent the entire dismantling cost from the respective license's or contract's inception and are discounted to the date the provision was initially set up on. The provision is then recognized in this amount directly in the consolidated statement of financial position and is matched by the same amount under property, plant and equipment. Changes in the value of the provisions are immediately reflected in the corresponding value under property, plant and equipment in the consolidated statement of financial position.

Financial Assets

Under IAS 39 *Financial Instruments: Recognition and Measurement,* financial assets are classified and measured as either "financial assets at fair value through profit or loss", as "loans and receivables" or as "available-for-sale financial assets". They comprise other financial assets, trade receivables and other financial instruments. We recognize a financial asset when we become a party to the contractual provisions of the instrument (settlement date) or when the respective service is rendered. Financial assets not at fair value through profit or loss are measured at the transaction costs that are incremental costs directly attributable to the acquisition.

Financial assets include investments in equity instruments. They are designated as "available-for-sale financial assets" and are carried at cost as they do not have a quoted market price in an active market and their fair value cannot therefore be reliably measured.

Trade receivables are designated as "loans and receivables" and are initially measured at fair value, which represents the cost on the date of acquisition. In subsequent periods, these items are measured at amortized cost. Non-interest and low interest bearing non-current receivables are carried at the present value of estimated future cash flows where the effect of the time value of money is material. The effective interest method is used for the calculation. Assets are classified as non-current if they are not due to be settled within 12 months after the statement of financial position date.

Leases are classified as either operating or finance leases. Contractual provisions that substantially transfer all the risks and rewards incidental to ownership to the lessee are recognized as finance leases. Where the Ströer Group is the lessor, a receivable from the finance lease is recognized at the amount equal to the net investment in the lease.

Financial assets disclosed under ***financial receivables and other assets*** are classified as "***loans and receivables"***. Measurement is performed in the same manner as for trade receivables. Derivative financial instruments which are not hedged are measured at fair value; changes in value are recognized in the income statement. Changes in the fair value of derivatives hedged by a cash flow hedge are recognized in equity in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, provided the hedge is effective. The amounts recognized in equity are recognized in the income statement in the period in which the hedged transaction affects profit or loss, for example, when hedged finance income or expenses are recognized. If the forecast transaction is no longer expected to occur, the amounts previously recorded under equity are recognized in profit or loss for the period. The fair value of derivatives is calculated by discounting the estimated future cash flows at prevailing market value. For further information on derivative financial instruments, see Note H to our consolidated financial statements for the year ended December 31, 2009, included elsewhere in this prospectus.

If there are indications of impairment for financial assets carried at cost, a write-down to the lower expected realizable value is made. Uncollectible receivables are written off. If the reasons for an impairment loss cease to apply, the impairment loss is reversed as appropriate.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses on equity instruments classified as available for sale are not recognized in the income statement.

A financial asset is derecognized when the contractual rights to receive cash flows expire, that is, when the asset was realized or expired or when the asset is no longer controlled by the entity.

Deferred taxes

Deferred taxes are calculated in accordance with IAS 12 *Income Taxes*. They are recognized on temporary differences between the carrying amounts of assets and liabilities in the IFRS statement of financial position and their tax base as well as on consolidation entries and on potentially realizable unused losses. Deferred taxes on items recognized directly in equity according to the relevant standards are also recognized directly in equity. The accumulated amounts of deferred taxes recognized directly in equity are presented in the consolidated statement of comprehensive income.

Deferred tax assets are recognized on deductible temporary differences and unused tax losses to the extent that it is probably that taxable profit will be available against which the deductible temporary differences and unused losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial year end date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax assets can

be utilized. Unrecognized deferred tax assets are reviewed at each financial year end date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are determined on the basis of the tax rates which apply in the individual countries at the time of realization. These are based on tax rates in force or already adopted on December 31. Effects from tax rate changes are recognized in profit or loss, unless they relate to items recognized directly in equity. Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against the current tax liabilities, and when the deferred taxes relate to the same tax type and tax authority.

Financial liabilities

Financial liabilities comprise financial liabilities and trade payables. Pursuant to IAS 39 *Financial Instruments*: *Recognition and Measurement*, financial liabilities are initially recognized at fair value. For the purpose of subsequent measurement, financial liabilities are classified as "financial instruments at fair value through profit or loss" and "financial liabilities at amortized cost". In the Ströer Group, only derivative financial instruments which are not effectively hedged are measured at fair value through profit or loss. Subsequent measurement is at amortized cost using the effective interest method.

Financial liabilities comprise liabilities to silent partners, liabilities to banks and other financial liabilities. Financial liabilities are measured at fair value upon initial recognition and at amortized cost subsequently using the effective interest method. The fair value is calculated by discounting the estimated future cash flows at prevailing market value.

Current liabilities are stated at the redemption amount or settlement amount. Transaction costs are deducted from cost if they are directly attributable. Non-interest and low-interest-bearing non-current financial liabilities are carried at the present value of estimated future cash flows discounted at the current market rate where the effect of the time value of money is material. Liabilities are classified as non-current if they are not due to be settled within 12 months after the period end date.

Trade payables are measured in line with the procedure described above for financial liabilities.

A financial liability is derecognized if the contractual obligation underlying the liability is discharged or canceled or if it expires.

Other Provisions (Other than Provisions for Pension and Similar Obligations)

We measure other provisions (other than provisions for pension and similar obligations) on the basis of the best possible estimate of the expected net cash flows, or in the case of long-term provisions, at the present value of the expected net cash flows provided the time value of money is material.

Provisions for potential losses from pending transactions are recognized if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under the contract.

The provision for archiving costs covers the legal obligation to retain business documents.

For information about provisions for the estimated costs of dismantling and removing advertising units, see "*—Property, Plant and Equipment*".

Information from the Unconsolidated Financial Statements of Ströer out-of-home media AG Prepared According to HGB for the Year Ended December 31, 2009

Some information from the audited unconsolidated financial statements of the Company prepared in accordance with the German Commercial Code (HGB) as of and for the fiscal year ended December 31, 2009 is presented below. The HGB financial statements are reproduced on pages F-250 et seq. in the financial section.

Other operating income of the Company decreased from €15.8 million in 2008 to €11.2 million in 2009. Its Net loss for the year decreased from €7.6 million in 2008 to €2.5 million in 2009. The Net retained profit (after adding the profit carryforward from the prior year) decreased from €64.3 million in 2008 to €61.7 million in 2009. Total assets increased from €223.6 million as of December 31, 2008 to €239.3 million as of December 31, 2009. Liabilities increased from €95.1 million as of December 31, 2008 to €111.4 million as of December 31, 2009, thereof liabilities to affiliates increased from €42.0 million as of December 31, 2008 to €61.7 million as of December 31, 2009. Equity decreased from €117.5 million as of December 31, 2008 to €115.0 million as of December 31, 2009. The equity ratio decreased from 52.5% as of December 31, 2008 to 48.0% as of December 31, 2009.

The amount of the equity of the Company as disclosed in its unconsolidated financial statement as of December 31, 2009 differs from the amount of the equity of the Company as disclosed in its consolidated financial statements as of December 31, 2009 due to two major issues:

First, the equity as disclosed in its unconsolidated financial statement as of December 31, 2009 includes the gain in the amount of €140.6 million on the transfer of shares in a subsidiary to another group company. For consolidation purposes, this gain is eliminated in the consolidated financial statements. Second, in the course of business combinations assets have been increased to their fair values in the consolidated financial statements in accordance with the applicable IFRS. These assets have been depreciated or amortized over the economic life thereby decreasing the net profits and retained earnings as disclosed under IFRS. In contrast, the unconsolidated financial statements of the Company prepared in accordance with HGB only present the carrying values of the investments in subsidiary which are not amortized.

INDUSTRY

Sources of Information Presented in this Section and Certain Defined Terms

Generally, the market and industry information presented below in this section "Industry" is taken or derived from third-party sources, including those sources cited under "General Information—Sources of Market Data". Certain statements below are based on our own proprietary information, insights, opinions or estimates, and not on any third-party or independent source; these statements contain words such as "we believe", "we estimate", "in our view", and as such do not purport to cite to or summarize any third-party or independent source and should not be read as meaning otherwise. In particular, the discussion below contains forward-looking statements that reflect our current judgment regarding the expected growth in the out-of-home advertising market in Germany, Turkey and Poland. Even though we believe our expectations regarding future growth and other future events are based on reasonable assumptions, forward-looking statements are not guarantees of future performance. Our assumptions and estimates rely on our analysis of the out-of-home adverting markets in these countries. Factors beyond our control could cause the growth rates in Germany, Turkey and Poland to vary materially from our expectations. These factors include, among others, those factors discussed in "General Information—Forward-Looking Statements", "Risk Factors" and elsewhere in this prospectus. All of the prospective information below, both our own and that derived from third-party sources, should not be relied upon as being necessarily indicative of future conditions, and investors are cautioned not to place undue reliance on this prospective information.

For purposes of the discussion below:

- *"Europe" or "European" refers to Western Europe and Central and Eastern Europe, including Turkey ("**CEE**");*
- *"Advertising spending" refers to net advertising spending, or total advertising spending by advertisers less discounts, rebates and commissions paid to media and other sales agents.*

European Advertising Market

Out-of-home advertising is part of the overall advertising industry, which also includes other sub-sectors such as television, radio, newspapers, magazines, cinema and the internet. According to ZenithOptimedia, the European advertising industry accounted for 30.7% of global advertising spending, having grown at a compound annual growth rate ("**CAGR**") of 2.1% since 1999 to reach $135.4 billion in 2009.

The advertising industry in general is cyclical and impacted by economic growth. While European advertising spending in recent years has been hurt by lower GDP growth as a result of the global economic and financial crisis, we believe that the European advertising market is geared for a cyclical recovery driven by the overall economic recovery. As the following table shows, European advertising spending grew at a higher rate than GDP rebound growth following the previous European economic downturns from 2001 through 2003 and in 2005. We expect this trend to repeat itself in the recovery from the current downturn, with overall growth in advertising spending exceeding GDP growth in peak growth years.

Real European GDP and Advertising Spending Growth (1998—2009)

	Real European GDP growth(1)	Total European net advertising spending(2)
1998	2.60%	9.70%
1999	2.80%	8.10%
2000	4.30%	9.70%
2001	1.90%	(3.00)%
2002	1.50%	0.90%
2003	1.70%	3.00%
2004	2.80%	7.90%
2005	2.50%	2.10%
2006	3.60%	8.30%
2007	3.20%	8.00%
2008	1.00%	1.50%
2009	(4.30)%	(13.80%)

1) Based on US$-Dollar figures for Western Europe, Central Europe, Balkans and Russia; Source: global Insight (February 2010)

2) Source: Zenith Optimedia (March 2010)

Out-of Home Advertising

The out-of-home advertising market is an increasingly large component of the European advertising industry. In 2009, out-of-home advertising spending in Europe was approximately $9.2 billion, or 6.8% of the European total net advertising spending of $135.4 billion, according to ZenithOptimedia. In comparison, out-of-home advertising spending in 1999 comprised 6.0% of European total net advertising spending of $110.4 billion. ZenithOptimedia expects European net out-of-home advertising spending to grow over the three-year period from 2009 to 2012, with a forecast CAGR of 3.9%. This would drive the European out-of-home advertising industry to an aggregate size of $10.3 billion by the end of 2012. For the reasons set out below in this section, we expect the growth in our core markets of Germany, Turkey and Poland to exceed ZenithOptimedia expectations for the overall European advertising market.

Out-of-home advertising consists of three principal types of advertising: advertising on billboards, advertising on street furniture and advertising on and in public transportation vehicles, terminals and stations. Other out-of-home advertising activities such as advertising on taxis, bicycles, subway tickets and out-of-home advertising products and services that do not fit into the three principal categories are generally grouped together as "other" or "alternative" media.

Out-of-home advertising companies generally obtain the right to install out-of-home advertising units on private property by contracting with private land and building owners and private transport operators and on public property by contracting, in the form of public concession licenses, with governmental authorities, including public transport operators, such as Deutsche Bahn. The rental costs payable under these contracts and licenses may be fixed with or without annual escalators (for example, inflation adjustments) and/or based on a percentage of the advertising revenues generated at the relevant advertising locations.

Billboard advertising is the traditional and most utilized form of out-of-home advertising. Billboard advertising includes traditional (paper-glued) illuminated billboards and back-lit billboards with scroller technology, offered in numerous sizes and styles, giant posters, directional street signage and bridge banners.

Street furniture includes advertising panels, which are either standalone units or integrated into bus and tram shelters, illuminated as well as traditional (paper-glued) columns and different structures for cultural advertisement (advertising entertainment and cultural events). As part of a public concession license it may be required to install further public amenities (street furniture products without advertising panels) like, for example, public toilets, information panels, bicycle-rental schemes, information and newspaper kiosks, trash and recycling bins, benches and streetlights. Out-of-home advertising companies typically contract with municipal and other governmental authorities (and their operating bodies and participations) to provide and operate such street furniture for longer periods of time in return for the right to generate revenues from the advertising space. Once a concession is won, the out-of-home operator is responsible for building and installing the street furniture, such as bus shelters or information panels, and maintaining any existing structures. In our experience, the street furniture advertising business tends to require higher capital expenditures than the traditional billboard business.

Transport advertising consists most of advertising in and on buses, trams and trains as well as advertising inside subway and train stations and at airports, to the extent not classified as billboards or part of the street furniture segment.

Drivers of Out-of-Home Advertising Growth

We believe that the European out-of-home advertising market will experience higher growth compared to other advertising media due to the following factors which in our view are impacting the advertising market:

Increasing mobility and urbanization is driving up the audience and value of out-of-home media

- The audience for out-of-home advertising has grown significantly in recent years as people have become increasingly urbanized. According to a UN study, World Urbanization Prospects: The 2009 Revision, published in 2010, 69% of the world's population will be living in cities in 2050 compared to 41% in 1985.
- People are becoming more mobile and are spending more time outside their homes whether in commute, at work or leisure. These trends are observable in data available for our key market, Germany:
    - According to the Mobility in Germany Study (2008) of the German Ministry of Transport, Building and Urban Affairs, the average annual distance traveled per person by railway in Germany increased at a CAGR of 3.2% from 2003 through 2008.

- As a result of the continuous increase in mobility, the proportion of time spent on media consumption outdoors was 23%, according to McCann's Media in Mind Study conducted in 2008. In comparison, the share of gross media spending allocated to out-of-home media was only 4.4% according to Nielsen (this source only relates to certain parts of the out-of-home advertising market), implying a significant upside potential for out-of-home spending when advertisers begin to reallocate media budgets to better reflect media usage.

- Socio-demographic studies, such as the 2008 Mobility in Germany Study, have shown strong correlation between mobility and disposable income, making out-of-home advertising an increasingly attractive medium for reaching consumers with more spending power.

Traditional media are losing mass reach with audience fragmentation leading to the reallocation of media budgets

- Key traditional advertising media (in particular magazines, newspapers and TV) have been experiencing a loss of audience share and mass reach for different reasons. One such reason is the increasing digitalization of content which has made the internet a key means for the search and use of content.
  - The structural decline in print media is accelerating with continuous decrease in readership and circulation as content consumption shifts online (for free).
  - In TV, the dominant share of target mass audience historically captured by a few key national broadcasting channels is suffering continuous fragmentation, with the ongoing proliferation of niche channels across a variety of free and pay TV platforms, including cable, satellite and IPTV, in addition to analog and digital terrestrial broadcasting.
  - Subscription-based pay-TV and content-on-demand models are gaining viewership at the expense of advertising-funded free-to-air channels that are often unable to viably fund expensive premium and popular content such as sports and movies.
- As internet connectivity becomes universally accessible, accelerating online migration is driving strong growth of internet advertising spending, with the larger share going to the dominant search engines rather than display. Online displays, for example banners and pop-ups, are in our view less effective as a means of reaching a critical mass of consumers as websites continue to proliferate and advertising displays on websites delivering relatively small images continue to shrink further to avoid loss of online traffic.
- In our view, out-of-home advertising is well-positioned to benefit from the trends affecting other media as advertisers seek alternatives to regain the effective mass reach that had previously been attainable, in a cost-efficient way.
  - Traditional out-of-home advertising media does not rely on content to attract audiences. The chosen locations and associated traffic flow determine the ability of any out-of-home advertising unit to achieve the desired audience impact. Hence, shifts in content consumption habits (for example, online migration, content channel proliferation and new pricing or business models) do not impact the ability of out-of-home media to attract audiences.
  - Unlike other advertising media where the consumer can eliminate commercials by either changing channels or fast-forwarding through commercials (television), switching stations (radio), turning the page (print media) or disabling pop-ups (Internet), out-of-home advertising is a part of the landscape and is generally harder to ignore.
  - Out-of-home media also has strong consumer "push" qualities compared to other media which require an active search for information. Market research studies have shown that big pictures demonstrate high awareness and recall, both assisted and unassisted, across a variety of outdoor settings. The size of advertising displays are usually unavoidable yet unobtrusive, resulting in strong push and branding power for advertisers, beyond achieving shorter term objectives like immediate sales increase.

New sophisticated audience measurement systems and improved market research enable measurable outcomes that demonstrate the effectiveness and efficiency of out-of-home advertising media

- The established media buying process and budget allocation decisions are based largely on achieving the required market impact, as measured by Gross Rating Points, of defined target segments for a stipulated net cost. Reliable audience measurement rating systems backed by rigorous, comparable data is therefore a critical input in the process. As a result, the absence of credible audience measurement systems for

out-of-home advertising has been a barrier to the adoption of the medium by some national advertisers and their media agencies, which rely on the assessment of measurable outcomes and comparative costs, both intra-media and inter-media, for corporation-wide decisions.

- Improved out-of-home audience measurement systems have been and are expected to continue to be a growth catalyst in the out-of-home advertising market, as increasingly refined tools rigorously capture the true audience contacts delivered to advertisers, accounting not just for the passing traffic at particular locations, but also a host of subtle factors which include the size, type and appearance of the display, its positioning against traffic and the speed of passing traffic, among others. This improved accuracy places the out-of-home measuring system ahead of the more established TV viewership rating system and print circulation as methods for assessing true advertising impact.
- As of 2010, USA has launched its own EyesOn Measurement system, widely expected to increase the out-of-home advertising spending in the US. The POSTAR system in the UK is the oldest recognized audience measurement system and is currently undergoing its fourth generation of update to further improve and refine the accuracy of measuring true audience impact. The "Media Analysis Poster Tool" introduced by the German Working Group for Media Analysis (*Arbeitsgemeinschaft Media-Analyse*, or ag.ma) at the end of 2007, is the first of its kind to incorporate GPS technology and sophisticated statistical methods to measure out-of-home advertising reach and frequency on a nationwide basis for Germany. These three out-of-home audience measurement systems are in our view the most established globally.
- With the publication of the Global Guidelines for Out-of-Home Audience Measurement by the European Society for Opinion and Marketing Research, new out-of-home audience-measurement initiatives are being implemented in a number of new countries by a number of national umbrella research organizations in collaboration with media agencies and key out-of-home operators. We expect Poland and Turkey to be the first among European emerging markets to commence implementation of an industry wide audience measurement initiative between 2010 and 2012.

Digitalization is enhancing out-of-home media and providing new revenues opportunities in a cost efficient way

- Continuous innovation in out-of-home advertising introduces new formats and creative solutions with more attractive features, better functionalities, capabilities and flexibility that appeal to advertisers. A transformational development currently underway is the creation of a nationwide network of digital moving picture displays that, in our view, will be increasingly able to target and capture new media budgets, specifically the national moving picture budgets currently dominated by TV.

  The pricing model of out-of-home digital moving picture displays resembles that of TV, where short clips are aired at particular frequencies, across defined time slots during the day to reach specific target groups. This model enables more flexibility and enhanced targeting for advertisers, justifying significant pricing premium and differentiation for any one advertising unit across different time slots.
- Advancements in digital technology have allowed advertising units to be centrally and wirelessly controlled thereby enabling improved operational efficiency, flexibility and functional capabilities, for example allowing interactivity through Bluetooth technology.
- As the cost of digital hardware continues to decline, we expect digital out-of-home advertising to grow as well as the total out-of-home advertising market. In addition, we expect the growth of digital advertising to spur overall out-of-home advertising growth relative to other advertising media.

Increasing number of advertising units with scroller technology enhances the attractiveness and the availability of premium inventories at top locations

- Scrollers utilize a display technology that continuously moves a series of advertisements through the viewing window of an advertising unit, with each advertisement on display at periodic intervals, for a predetermined length of viewing time. The scrolling technology therefore enables individual advertising units to concurrently accommodate multiple (typically up to three) advertising campaigns, effectively increasing the capacity of marketable faces and associated revenue potential at the location multiple-fold.
- Advertising units with scroller technology are usually also accompanied by premium standards like glass panel covers and back-illumination, which enables premium pricing relative to non-illuminated glued poster panels.
- Investments in scroller installations typically occur at top locations where the increased capacity is likely to be matched with existing, available excess demand rather than becoming additional idle capacity. The

revenues impact therefore benefits from both volume (with the additional demand being satisfied) as well as premium pricing uplift.

National out-of-home markets are becoming increasingly consolidated, enabling competitive national offerings to top tier advertisers

The out-of-home advertising market is fundamentally a domestic, country-by-country business based on ownership of advertising rights associated with multiple locations across the country and detailed knowledge of local regulations to obtain building permits. Top tier advertisers require a national network of advertising sites with sufficient coverage and reach to support successful national campaigns. Out-of-home operators also require scale and critical mass in order to establish a competitive sales force organization that pursues active, nationwide coverage across customer accounts and media agencies. Therefore, we believe that the penetration of out-of-home advertising increases significantly—compared to other advertising media such as TV, radio, internet, print—when national markets consolidate.

Out-of-home advertising is geared for cyclical recovery

Similar to other cyclical media sub-sectors which derive revenues from advertising budgets, we expect out-of-home media to benefit from the anticipated upcoming global economic recovery. Furthermore, we expect out-of-home media to benefit disproportionately from such upswing, especially where the out-of-home advertising market is consolidated, owing to the abovementioned structural growth factors. We believe that the speed of recovery and extent of growth in out-of-home media usage will depend on the strength of initiatives undertaken by key companies in each market.

Our Key National Markets

Overview

The table below provides certain statistics regarding our key national markets: Germany, Turkey and Poland.

	Germany	Turkey(5)	Poland(6)
Population (in millions)(1)	81.8	72.6	38.1
2009 GDP per capita (€)(2)	29,383	6,113	8,120
2009 Total net advertising spending (€ million)(3)	17,478	1,287	1,600
2009 Net advertising spending per-capita (€)	213.5	17.7	42.0
2009 Total out-of-home net advertising spending (€ million)(4)	738	92	154
2009 Out-of-home net advertising spending per-capita (€)	9.0	1.3	4.0
2009 Out-of-home net advertising spending as a percentage of total net advertising spending	4.2%	7.2%	9.6%

(1) Population based on latest reported official figures from German FSO, Turkish FSO, Polish FSO.

(2) GDP based on GFR, Haver and Polish FSO.

(3) Net advertising expenditure based on ZenithOptimedia (March 2010), TAAA and Starlink.

(4) Out-of-home net advertising spending based on our assessment as well as on TAAA and Starlink.

(5) On the basis of an exchange rate TL2.1506:€1.00.

(6) On the basis of an exchange rate zl4.3396:€1.00.

Germany

Germany is the largest European economy in terms of GDP and population and has the largest advertising market and the third largest out-of-home advertising market in Europe. As the leader of the German out-of-home advertising market in terms of net revenues, our bottom-up assessment of the operating environment leads us to assume a positive growth outlook for the market in the immediate and longer term. Our view takes into account the relevant dynamic factors impacting consumer and advertiser behavior, as well as the expected outcomes of our strategic initiatives such as Scroller 5000 Premium Billboard and the Outdoor Channel. See "*Business—Strengths*", "*Business—Operating Segment Information—Ströer Germany—Billboards*" and "*Business—Operating Segment Information—Ströer Germany—Transport*" below.

The latest figures from FAW estimate that out-of-home advertising spending in Germany in 2009 was approximately €737.5 million. This equates to a 4.2% share of the total advertising market spending compared to 12.8% in France and 6.2% in the United Kingdom as estimated by ZenithOptimedia, implying a significant under-penetration in

Germany compared to peer European markets. In our view, the situation results from the historical fragmentation of the German out-of-home advertising market, which meant that there was no out-of-home operator with the ability to offer a comprehensive nationwide advertising network for national campaigns, the necessary advertising reach to favorably influence media budget allocation decisions among top tier advertisers and their media agencies, or sufficient scale to viably invest in sales, market research and product innovations.

The following table shows the out-of-home advertising spending as a percentage of total net advertising spending in 2009 for the top 200 advertisers and the top 200 out-of-home advertisers in each of France, Germany and the United Kingdom. The top 200 advertisers account for a significant portion of total advertising spending in these countries, specifically 57%, 51% and 47% of total advertising spending respectively in France, Germany and the United Kingdom:

	Out-of-home advertising spending as a percentage of total advertising spending for top 200 advertisers	**Out-of-home advertising spending as a percentage of total advertising spending for top 200 out-of-home advertisers**
France	9.4%	14.6%
United Kingdom	9.2%	13.4%
Germany	3.2%	9.4%

Source: Nielsen, TNS.

We believe the higher spending on out-of-home advertising as a percentage of total advertising spending in France and the United Kingdom is supported by a consolidated market where strong national out-of-home providers are able to successfully compete for national media budgets alongside other traditional media, offering nationwide reach with measurable effectiveness and impact.

Our acquisition of DSM at the beginning of 2004 was an important transaction that in our view marked the start of the consolidation phase in the German out-of-home advertising market. This was followed by the acquisition of Infoscreen in 2004 and DERG in 2005. More recently, with the combination of two of our German competitors in 2009, we believe the German market is now fully consolidated, enabling the major German out-of-home providers to fully leverage their strong networks.

Achieving critical mass further justifies a strong and competitive sales team to drive up the share of out-of-home media in advertisers' budget allocations and own relative market share through active coverage of key accounts and media agencies. Scale also supports viable investments in market research as well as research and development for technological advancements and design improvements, all of which in our view tend to further encourage out-of-home adoption among advertisers.

Turkey

Turkey is the second largest CEE economy after Russia and the second most populous country in the CEE after Russia, with one of the fastest growing populations among OECD countries. According to Global Insight, the Turkish population is expected to grow at CAGR of 1.1% between 2009-2015 to reach 77.6 million. The spending power associated with this large Turkish population is also expected to grow rapidly, with GDP per capita growing at an expected CAGR of 7.9% in the same 2009-2015 period, according to Global Insight.

These trends are in our view further supported by a favorable demographic profile with a large proportion of young and productive population, generally with higher propensity and ability to spend. According to the CIA World Factbook, the average age of the Turkish population is approximately 28 years of age, with an estimated 6% in the age group over 65 years old. Ongoing rapid urbanization has further created centralized hubs of densely populated cities where the 9 most populous cities have inhabitants in excess of 1m pursuant to the Turkish Statistical Office. According to UN data, 70% of the Turkish population live in cities today compared to 25% in 1950 and 58% are located in the top 15 cities.

According to the TAAA, the net advertising spending in Turkey was approximately TL2,767 million in 2009, representing 0.3% of the Turkish GDP and per capita advertising spending of €17.70, which is relatively low in comparison to other CEE economies. For example, the Czech Republic has one of the highest advertising penetrations among European emerging market peers with net advertising spending accounting for 1.6% of GDP and per capita advertising spending of €236.10 according to ZenithOptimedia. Given stable macroeconomic conditions, particularly the declining inflation and stable exchange rates, and the abovementioned supportive socioeconomic factors, we believe Turkey is becoming an increasingly attractive destination for multinational investment, which we expect to further spur growth in advertising spending. We generally expect the advertising

market in Turkey to grow more rapidly than its CEE counterparts and the overall European market in the anticipated upcoming recovery, thereby decreasing the relative advertising underspend currently observed.

According to the TAAA, the out-of-home media as a percentage of total net advertising spending in Turkey grew from 4.9% in 2005 to 7.2% in 2009 achieving CAGR of 15.8% over the period, approximately 3 times the rate for overall net advertising spending, which grew at a CAGR of 5.3% in the same period. The outperformance results from consistently achieving higher year-on-year growth rates, both in periods of cyclical upswing and downturn. According to McCann, out-of-home advertising spending in Turkey is currently concentrated among several top advertisers in a few key sectors. Telecommunications, food, retail and the public sector account for approximately 50% of the total out-of-home advertising spending, with the top 4 advertisers accounting for approximately 25%. This implies in our view that there remains significant potential to further access the media budgets of other sectors and advertisers, currently underutilizing out-of-home media in their campaign mix. In our view, the strong regulatory framework and enforcement in the Turkish out-of-home advertising market provides a conducive setting for strong development in the sector, especially the removal of illegal structures which ensure that high quality of advertising units are appropriately placed for the desired audience impact.

As the established leader of the Turkish out-of-home advertising market in terms of net revenues, we believe in a strong growth outlook for the overall advertising market, and specifically for out-of-home media in the immediate and longer term, taking into account the general characteristics of our operating environment described above, as well as the expected outcomes of our strategic initiatives. In addition to seeking concessions in new regional markets and additional roll-outs of selected products in new areas across Turkey, we are also part of an industry-wide initiative to implement the POSTAR audience measurement system, which is scheduled to commence in 2011/2012. We expect the initiative to provide further critical support to our increasing marketing efforts and sales coverage of top tier media budgets currently underpenetrated by out-of-home media.

Poland

Poland is the third largest economy in the CEE behind Russia and Turkey, and has the fourth largest population in the CEE. According to Starlink, the advertising market in Poland amounted to zt6,945 million in 2009 following a sharp decline of 17.1% against a GDP increase of 5.4% in local currency, exacerbated by a 18.8% depreciation of the Polish Zloty against the Euro.

The developing out-of-home advertising market in Poland remains fragmented, with no major merger and acquisition activity following the first round of consolidation between 1999 and 2002, with the exception of our acquisition of NOP (this acquisition is subject to closing and confirmation; for more information see "*Business—Material Contracts—Acquisition Agreement Poland*"). There are five key companies with notable market shares namely AMS, a subsidiary of the media conglomerate Agora, Ströer, Cityboard Media, News Outdoor Poland and Clear Channel Outdoor Poland. In our view, this fragmentation was the main factor for the severe pricing pressure in the Polish out-of-home market in the 2009 downturn, in addition to the absence of a credible audience measurement system and the presence of clutter in the billboard and street furniture landscape, which decreases the appeal of out-of-home media to potential advertisers.

Despite these challenges, out-of-home media enjoys a strong share of the advertising spending in Poland. According to Starlink, out-of-home represented 9.6% of total advertising spending in Poland in 2009, having decreased from its peak share of 10.2% in 2008. We have observed City administrations taking an increasing pro-active stance on the out-of-home media landscape, with Warsaw and several other cities announcing plans to hold official tenders for street furniture concessions in an effort to upgrade the worn fleet of advertising units currently in place. In parallel, we also expect stricter enforcement, zoning regulations and environmental beautification measures.

We believe consolidation to be the key catalyst for out-of-home media to reach its true potential in Poland. Given the severe pricing impact and contraction observed as a result of the 2009 downturn, we view the current level of competition in the Polish out-of-home market to be unsustainable in the longer run and expect the market to therefore consolidate in the medium term. In our view, the current top two companies are best-positioned to become stronger market leaders post the second round of consolidation. Hence, we are just about to acquire 100% of the issued and outstanding share capital in News Outdoor Poland sp. z o.o. (see "*Business—Material Contracts—Acquisition Agreement Poland*"). Our positive view of the Polish out-of-home market is also supported by our participation in the current industry-wide initiative jointly undertaken by the leading out-of-home operators with the advertisers and the media agencies, to implement the POSTAR audience measurement system, scheduled to commence by 2011/12.

BUSINESS

Overview

We are one of the world's leading out-of-home advertising groups in terms of revenues. Our portfolio consists of more than 280,000 advertising faces in Europe, and we have offices in more than 60 locations in Europe. We provide our clients with a variety of different out-of-home advertising products, including conventional, digital and interactive media products, through our four product groups: billboards, street furniture, transport and "Other". We generated revenues of €469.8 million and operational EBITDA (before phantom stock) (adjusted for Phantom Stock Program discontinued at the closing of the Offering)[1] of €100.0 million in the year ended December 31, 2009 and €105.1 million and €16.7 million, respectively, in the three months ended March 31, 2010.

We have three reportable operating segments: Ströer Germany, Ströer Turkey and "Other". Our "Other" operating segment includes our operations in Poland as well as the activities of our giant poster subsidiary, blowUP media, which operates in Germany, the United Kingdom, Spain, Belgium and the Netherlands. In the year ended December 31, 2009, we generated 84% of our total revenues in our Ströer Germany operating segment, 7% in our Ströer Turkey operating segment, 6% in Poland and 3% in blowUP media.

We have the largest market share, based on net revenues, in the out-of-home advertising market in Germany, (source: FCO) Europe's largest advertising market, with more than 230,000 advertising faces in more than 600 cities. We also have the largest market share in Turkey (source: TCB) with more than 41,000 advertising faces in 31 population centers. In Poland, we have the largest market share in the billboard market (source: Expert Monitor) and, according to our own estimates, the largest share in the out-of-home advertising market in terms of net revenues, with a total of more than 20,800 advertising faces in 16 major cities across Poland (assuming closing of the acquisition of News Outdoor Poland sp. z o.o.; the closing is subject to certain closing conditions). We believe that we operate Europe's largest giant poster network through blowUP media.

We obtain rights to use locations for the display of out-of-home advertising by entering into private contracts with private land and building owners and public concession licenses with governmental entities. Our private contracts generally provide for the payment of fixed rents, and our public concession licenses provide for a larger portion of revenues-share rent payments than fixed rent payments. We currently have more than 4,000 public concession licenses and more than 15,000 private contracts.

We sell advertising space on these locations to a variety of advertisers as well as media and specialized out-of-home agencies.

Strengths

We believe that we benefit from the following strengths:

- *We have leading positions in some of the largest and highly attractive advertising markets in Europe.* We generate 90% of our revenues in countries where we generate at least double the revenues of our next-closest competitor. According to the FCO, we are the largest out-of-home advertising company in Germany, Europe's largest advertising market according to ZenithOptimedia, with more than twice the revenues of the closest competitor, according to our own assessment. According to the TCB, we are also the largest out-of-home advertising company in Turkey, where our leadership in terms of revenues in comparison to our next closest competitor is larger than in Germany. In Poland, we are the largest company in the billboard sector in terms of revenues according to Expert Monitor. Assuming closing and confirmation of the acquisition of News Outdoor Poland sp. z o.o. (the closing is subject to certain closing conditions), we will be the largest company in the Polish out-of-home advertising market in terms of net revenues according to our own estimates. With blowUP media we operate Europe's largest giant poster network according to our own estimates.

- *Our premium business model is reflected in our ability to generate high cash conversion.* With more than 50.8% of revenues derived from our billboard product group in 2009, Ströer is mainly active in a product with attractive profitability and low capital expenditure. This enables us to generate high levels of operating cash. Furthermore, this is also reflected by our track record of superior cash generation with an average cash

[1] Operational EBITDA (before phantom stock) is calculated by adding back to our EBITDA certain extraordinary items and the (non-cash) valuation impact to provisions on our statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program. This long-term incentive program will be discontinued and paid out in cash at the closing of the Offering. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-IFRS Financial Measures—Operational EBITDA (before phantom stock)*".

conversion rate[2] of 68.7% from 2007 through 2009 and 77.6% achieved in 2009.

- *In our view, we have an extensive network of contractually secured prime out-of-home advertising locations, offering advertisers broad networks for national advertising campaigns.* Our out-of-home advertising networks have the nationwide coverage needed to access top-tier advertising budgets. We have built up an advertising network in Germany that contains an extensive portfolio based on both private contracts and public concession licenses. We have more than 4,000 public concession licenses giving us a presence in almost all of the major cities in Germany, Turkey and Poland. In addition, we have more than 15,000 private contracts which increases our strong presence. Due to the diversity of our contracts, with only two contracts each accounting for more than 2% of group revenues, we expect a stable market share, independent of the renewal of individual public concession licenses or private contracts. We are confident about retaining our advertising networks, given the current average revenue-weighted maturity of more than 9 years for our top 25 public concession licenses and our strong renewal track record in the past decade.

- *We are well-positioned to benefit from the expected growth in the under-penetrated German out-of-home market and the expected overall growth of the Turkish and Polish advertising markets.* Given our market leading position in Germany, we believe that we are well-positioned to benefit from the expected increase in out-of-home media penetration from its current relatively low level of 4.2% compared to other mature European markets, such as France and the United Kingdom. Furthermore, we expect our strong market positions in Poland and Turkey, where advertising markets are expected to exhibit strong growth given low advertising spend compared to other Eastern European countries, to contribute to our growth.

- *We have a highly dedicated and experienced research and development **("R&D")** team and continue to focus on product innovation and improvement.* Given our size as one of the world's largest out-of-home advertising groups, we have the critical mass required for significant investments in R&D of advertising units and public amenities as well as ongoing product innovation and improvement. We believe that we have deployed these resources effectively to create an outstanding track record in product design, innovation and improvements, which enables us to secure private and public concession licenses. In addition, our in-house R&D team is pivotal in its efforts to improve our existing products to reduce the cost of producing and maintaining them.

- *We have an experienced, growth-oriented and founder-led management team.* Our CEO co-founded the Company in 1990. He and our other key managers are highly experienced and have a proven track record of growth in operations, both organically and through acquisitions. Our three executive board members have combined media sector experience of more than 60 years. All senior management team members of our operating segments each have more than ten years of relevant professional experience.

- *The combination of our strengths enabled us to successfully navigate through the crisis and has put us in a position to benefit from the expected economic recovery.* As a result of our extensive network, strong management team and diversity of products, we were able to maintain revenues stability in Germany and Turkey in terms of local currency. In addition, we achieved a significant reduction in our cost base. Consequently, our operational EBITDA (before phantom stock) margin improved from 20.3% in 2008 to 21.3% in 2009.

- *We are an experienced consolidator in the out-of-home advertising market.* Given that overall spending for out-of-home advertising tends to increase significantly when the market consolidates, we have driven consolidation in our key markets over the last 10 years. In Germany, we have been successful in consolidating the market through seamless integration of a number of acquisitions in recent years, including the following:

    - the acquisition of DSM, the umbrella out-of-home advertising company for the German municipalities and local authorities, at the beginning of 2004;

    - the acquisition of Infoscreen Gesellschaft für Stadtinformationsanlagen GmbH, the operator of digital Ad Walk and Infoscreen digital video out-of-home advertising systems, in the second half of 2004; and

    - the acquisition of Deutsche Eisenbahn Reklame GmbH (now Ströer DERG Media GmbH), the out-of-home advertising company of Deutsche Bahn, at the end of 2005.

(2) The cash conversion rate is calculated by deducting the Capex from the operational EBITDA (before phantom stock) and subsequently dividing the result through the operational EBITDA (before phantom stock).

In Turkey, we co-founded Ströer Kentvizyon in 1998 with our partner, the Ilbak family. We substantially strengthened our position in 2000 through our acquisition of a 50% interest in the billboard business of our partner and formalized a joint venture agreement with Akademi Reklam Tanitim Turizm Inşaat Tekstil Sanayi ve Diş Ticaret Limited Şirketi ("**Akademi Reklam**"). With our recently agreed acquisition of an additional 40% interest in Ströer Kentvizyon, we will further consolidate our market-leading position in Turkey upon closing of the Offering (see "*Business—Material Contracts—Ströer Kentvizyon Acquisition Agreement*").

In Poland, we commenced the consolidation of the market with the acquisitions of IPA in 1999, Outdoor Group, Europlakat in 2002 and continued with our new acquisition of News Outdoor Poland sp. z o.o. (the closing and confirmation of this acquisition has not yet been occurred; the closing is subject to certain closing conditions).

Strategy

We are committed to a growth strategy. We are convinced that developing sustainable growth is a key aspect for maintaining a strong market position of the Company. With our overall approach to growing the Company, we particularly focus on the following points:

- *We focus on markets where we believe we can achieve a leading market position.* Media markets are highly competitive and therefore we believe that a market leading position is essential to create customer value.
- *We aim to achieve scale/critical mass in each of the markets in which we operate.* We believe that scale in a given country is a key driver for our profitability and our resilience in the crisis. Furthermore, scale is essential in order to design compelling offers for the client base. Scale includes regional spread, national coverage and an amount of revenues to such a volume that allows the business to be more competitive than other forms of media.
- *We aim to increase the market share of the out-of-home sector in comparison to other advertising media.* We see significant potential to increase our market share of the out-of-home sector by investing in sales, marketing innovation and market research. We believe, in particular, that marketing innovation and market research are essential in order to increase competitiveness and out-of-home spend of advertising budgets in comparison to other forms of media.
- *We seek to drive technological innovation in the out-of-home sector.* We will continue to invest in the development and improvement of our product base. As a key part of our strategy, we will further drive the digitalization of our value chain, our advertising products and street furniture to create value-added products for our customers and concession providers in order to strengthen our competitive advantage in winning new licenses.
- *We carefully balance our portfolio between emerging and mature markets.* We expect mature markets to grow further, especially in the area of out-of-home media, and, consequently, we believe that there is substantial growth potential in emerging markets since their total expenditure per capita is far below the average in mature markets. Currently, approximately 19% of our revenues is derived from emerging markets and we believe that this amount could increase without affecting the balance of our portfolio between emerging and mature markets.
- *We aim to drive our future growth both organically and through acquisitions*. Successful integration in the past will enable us to participate in future growth by consolidating new or existing markets and entering into new markets.

History

Our history demonstrates a track record of growth:

- *1990—Foundation of Ströer City Marketing GmbH* — Heinz Ströer and Udo Müller found Ströer City Marketing GmbH as equal partners, creating the basis for the Ströer Group. Their initial project was the development of a compelling billboard network on private ground and of a product and service portfolio for innovative street furniture in Eastern Germany.
- *1990—1996*—The Company secures a large amount of newly-issued public concession licenses in the eastern part of Germany, establishing a market presence in the German out-of-home sector against well-established competitors (including JCDecaux SA ("**JCDecaux**")).

- *1994—Acquisition of a 50% interest in Kölner Außenwerbung GmbH*—After successful completion of the privatization of the publicly-owned Kölner Außenwerbung GmbH, Ströer City Marketing GmbH is able for the first time to secure a prominent public concession license in the western part of Germany.
- *1997—Debut in the giant poster market*—Our acquisition of a majority interest in blowUP media marks our successful start in the German market for giant posters and makes us in the following an international giant poster supplier.
- *1998—Partnership established in Turkey*—We enter the Turkish out-of-home market by establishing a partnership with the Ilbak family.
- *1998—2000—Successful market introduction of Mega-Lights*—After completing an extensive research and acquisition route, we successfully introduce the concept of Mega-Lights as a national product.
- *1999—2002—Acquisition of Polish advertising companies*—Our success in the Polish billboard market begins with the acquisition of seven Polish advertising companies and merging them into one company.
- *2000—Joint venture in Turkey*—We combine our activities in Turkey into Ströer Kentvizyon, our 50:50 joint venture with Akademi Reklam.
- *2002—We become a public limited company*—Our companies are reorganized under the holding company Ströer Out-of-Home Media AG.
- *2004—Acquisition of DSM Deutsche Städte Medien GmbH*—We become the largest company in the German out-of-home advertising market by revenue with our acquisition of DSM Deutsche Städte Medien GmbH.
- *2004—Acquisition of Infoscreen*—We expand our portfolio and expertise in electronic advertising media with the acquisition of Infoscreen Gesellschaft für Stadtinformationsanlagen GmbH (now Ströer Infoscreen GmbH).
- *2005—Acquisition of Deutsche Eisenbahn Reklame GmbH*—Our acquisition of Deutsche Eisenbahn Reklame GmbH (now Ströer DERG Media GmbH), the out-of-home advertising company for the German national railways, Deutsche Bahn, makes us the fifth-largest out-of-home advertising company in the world after Clear Channel Outdoor Holdings, Inc. ("**Clear Channel**"), JCDecaux, CBS Outdoor Limited and Lamar Media Corp.
- *2010—Acquisition of a further 40% interest in Ströer Kentvizyon*—We enter into an agreement to increase our stake in Ströer Kentvizyon to 90%, further consolidating our position in the Turkish out-of-home advertising market, conditional on the completion of the Offering.
- *2010—Acquisition of News Outdoor Poland sp. z o.o.*—On June 15, 2010, we enter into a agreement to acquire all shares in News Outdoor Poland sp. z o.o. ("**NOP**"). NOP is a leading premium format billboard contractor in Poland and, according to our opinion, the fourth largest outdoor company in Poland.

Product Groups

Billboards

Our billboard product group comprises advertising units primarily consisting of large to extra-large advertising face formats (generally 7m^2 and larger) located generally on major arterial roads and city streets and on other public and private spaces. Our billboard products include traditional and back-lit billboards, giant posters ranging from 100m^2 to more than 1,000m^2 (through blowUP media), directional street signage and bridge banners.

We believe that the strength of our billboard product group is our extensive network of attractive billboard locations in the major cities of Germany, Turkey and Poland. We continually seek to increase the margins generated by our billboards by securing additional attractive billboard locations from private land owners and building owners as well as through additional public concession licenses from municipalities and other local authorities.

We generally sell advertising space on billboard products, other than giant posters and directional media, for between one or two week periods. We generally sell advertising space for giant posters for periods of 14 to 28 days and directional media for periods of one week to one year depending on the product type.

Revenues in our billboard product group accounted for €238.5 million, or 50.8%, of our total revenues in the year ended December 31, 2009 and €51.9 million and 49.4%, respectively, in the three months ended March 31, 2010.

Key products in billboard product group include:

Standard Billboards

Our standard billboards are large outdoor advertising units, typically found in high traffic areas such as on major arterial roads and city streets, but can also be found in stations. They may contain advertising faces on one or both sides, with the size of their advertising faces depending on the country in which they are located. Standard billboard advertising faces are $9m^2$ in Germany, $7m^2$ in Turkey and $12m^2$ in Poland. Our standard billboards are partially front-lit, with advertising copy generally affixed to the billboards with adhesives.

Mega-Lights

Mega-Lights are our premium back-lit, glass-encased $9m^2$ billboards. Mega-Lights are generally freestanding on a post (mono-foot) rising above the ground and available in one and two-sided formats. Mega-Lights are typically installed with scrollers capable of displaying multiple advertising faces in accordance with accepted market standards and are sold typically in networks. Mega-Lights are generally located next to city roads or any other high-traffic area.

Giant Posters

Giant posters are large to very large (ranging from $100m^2$ to more than $1{,}500m^2$) digitally printed advertising faces typically mounted on scaffolds or on permanent structures, that is buildings awaiting renovation at highly frequented centre city locations. Due to the individual production of the posters, booking periods are regularly longer than in the other product groups of the billboard segment and range typically from 14 days to 28 days.

Directional Media

Our directional signs and systems are used to help people navigate their way around unfamiliar roads and to direct drivers and pedestrians to our advertisers' business locations. Directional media includes specially-designed directional signs and directional media incorporated into our other billboard and street furniture products. Directional media is generally located next to roads, in office parks and on pedestrian walkways.

Street Furniture

Our street furniture product group primarily comprises advertising units with smaller advertising faces (generally $2m^2$ or less) generally located in city centers and on other public spaces in cities and other urban areas. These advertising units include advertising panels of approximately $2m^2$ (City-Light posters), which are either free standing or integrated into bus and tram shelters, back-lit City-Light columns and traditional (paper-glued) columns and cultural media (which contain products for advertising entertainment and cultural events).

We obtain locations for the installation of advertising street furniture primarily pursuant to public concession licenses from municipal and other local authorities, including local transport authorities. Under some of these licenses, we are required to provide street furniture that does not include advertising space in return for the license to install revenue-generating street furniture and billboards at other locations. These concessions may require us to provide maintenance services for the non-advertising street furniture at our own expense.

We generally offer the advertising spaces on our entire portfolio of bus and tram shelters in a city, region or country in network packages to advertisers for large-scale, usually seven-day advertising campaigns. We generally sell advertising space on street furniture products, including back-lit columns for seven-day periods and other columns for ten-day periods.

Revenues in our street furniture product group accounted for €118.1 million, or 25.1%, of our total revenues in the year ended December 31, 2009 and €26.2 million and 25.0%, respectively, in the three months ended March 31, 2010.

The main products that we offer as part of our Street Furniture product group include:

City-Light Posters

One of our most popular street furniture offerings are our back-lit, glass encased two square meters City-Light posters with advertising faces. These posters are used for both indoor—for example, they are also common in stations—and outdoor advertising and are available in one-sided formats for wall-mounting and two-sided formats. City-Light posters are used on standalone street furniture in busy pedestrian areas and as products integrated into other street furniture products, such as tram and bus shelters and our City Information Systems.

City-Light Columns

City-Light columns are freestanding, back-lit, glass-encased columns designed for the simultaneous display of six posters each with a size of $2m^2$ or three posters each with a size of $4m^2$. City-Light columns include both static and rotating models.

Cultural Media

Cultural media include products for advertising entertainment and other cultural events and are located in cities and other urban areas. These products include traditional advertising columns as well as products specially designed for advertising entertainment and other cultural events, such as portable three-sided advertising units that can be set up at locations around a city to advertise particular events, as required, and event posters that are attached to light posts or affixed to public objects around the city and in local train and subway stations.

Transport

Our transport product group includes advertising products attached to the interior of long-distance and commuter trains and the interior and exterior of trams and buses as well as, to the extent not covered by products included in our billboard and street furniture product groups, advertising units within the busy areas of railway and subway stations.

Our public concession licenses with local public transport authorities and operators generally entitle us to place advertising on and in transport vehicles as well as inside and outside train and subway stations.

We generally sell our transport products and services to advertisers for terms varying from one month to several years depending on the type of product.

Revenues in our transport product group accounted for €69.4 million, or 14.8%, of our total revenues in the year ended December 31, 2009 and €15.7 million and 14.9%, respectively, in the three months ended March 31, 2010.

Key products in Transport product group include:

Vehicle Advertising

We offer various types of advertising on and in vehicles, such as buses, trams and subway cars, including transparencies which may cover the entire outside of the transport vehicle, run along part or the entire length of the vehicle below its windows or cover all or part of its windows. These products comprise various non-standardized sizes and formats.

Infoscreen

Infoscreens are generally based on overhead projection or LCD/Plasma technology and are located in areas where passengers tend to congregate, typically in major subway, commuter rail and intercity railway stations. In part, Infoscreens are also located at selected airports using digital screens. Infoscreens contain non-audio video broadcasts of a diverse range of information and advertising.

Panels

Our wall-mounted and free-standing advertising panels are generally placed to be visible in areas where passengers tend to congregate in subway and railway stations, including opposite train and subway platforms, along passenger corridors and in ticketing and check-in areas.

Other

Our “Other” product group comprises complementing services we provide to advertisers, as requested, including the sourcing of third-party advertising faces, printed advertising copy for advertisers and the provision of interactive event media and other promotional events.

Revenues in our “Other” product group accounted for €43.8 million, or 9.3%, of our total revenues in the year ended December 31, 2009 and €11.3 million and 10.7%, respectively, in the three months ended March 31, 2010.

Private contracts and public concession licenses

As of March 31, 2010, Ströer had more than 15,000 private contracts and more than 4,000 public concession licenses. We have developed an organization capable of identifying, winning and renewing private contracts and public concession licenses and we believe that we have an outstanding track record in so doing.

Our private contracts are typically signed for a term of 5-10 years (except for some products and markets where it is also common to sign up for terms of less than 5 years) and public concession licenses are typically granted for a period of 10-15 years (except for Poland's Billboard business where a substantial portion is typically signed for a term less than 5 years). As of March 31, 2010, Ströer's public concession licenses for the top 25 public concession licenses in terms of revenues had an average remaining revenue-weighted maturity of more than 9 years.

We believe it is a competitive advantage to have developed a distinctive and attractive range of street furniture by working closely with internationally renowned architects and designers, such as James Irvine, Jasper Morrison, wittenberg hübener claussen and Porsche Design Studio.

Only two of the public concession licenses each accounted for more than 2% of our total revenues in 2009. Revenues generated under Ströer's top 20 public concession licenses (excluding Deutsche Bahn) with municipalities and other local authorities accounted for approximately 20% of Group revenues.

Operating Segment Information

Ströer Germany

Overview

The Ströer Group was founded in 1990. Over the past 20 years we have grown to be the largest out-of-home advertising company in Germany and generated more than twice the revenues of our closest competitor in 2009. We have a nationwide network of more than 230,000 advertising faces in more than 600 cities with unrivalled presence on public and private ground.

Market Position and Advertising Portfolio

We believe that Ströer Germany is the strongest company in terms of revenues in the out-of-home advertising market and the number of marketable faces across the billboards, street furniture and transport product groups in Germany.

Billboards

Ströer Germany is the market leader in the billboard segment offering approximately 73,000 marketable faces in standard formats (as of March 31, 2010). Other products offered under this product group include directional street signage and bridge banners.

Ströer intends to secure and further expand its billboard leadership in Germany through the **Scroller 5000 Premium Billboard** project. Scrollers have become increasingly popular among advertisers worldwide given the enhanced advertising impact that can be achieved through the overall increase in the quality and attractiveness of the display. Ströer's growth initiative aims to exploit the potential of its existing high-traffic Billboard locations in Germany by deploying a new scrolling premium billboard on these locations. Similar to existing scrolling Mega-Lights, these premium products utilize state-of-the-art scrolling technology in combination with premium display features like back-illumination and glass-vitrines. However, these new installations, which will be rolled out at selective prime locations, will be in our plans innovatively marketed with respect to sales cycles and sales packs.

We see significant potential for revenue and margin uplift through the rollout of these new premium billboard scrollers as they will enable us to:

- triple premium capacity at our most attractive existing standard billboard locations to satisfy incremental excess demand we currently experience;
- to attract certain premium national advertisers which in Ströer's experience have been reluctant to advertise on static, non-illuminated standard billboards; and
- achieve a pricing uplift through a premium quality offering.

We believe our rollout of this new premium product offering in the German marketplace to be optimally timed to cater for the increasing demand we are expecting for out-of-home advertising solutions in the ad market recovery. We expect to implement the project at reasonable growth capital expenditures given the significant reductions in

production costs we have been able to achieve through technological improvements and selective sourcing decisions. We currently expect to install a total of approximately 5,000 units of scrollers in Germany by the end of 2015, subject to market conditions and obtaining the requisite approvals.

Street Furniture

Ströer Germany is a market leading provider in the street furniture segment offering approximately 50,000 marketable faces in standard formats. Other products offered under this product group include various types of cultural media.

Ströer Germany believes that it is able to strengthen its position in the street furniture product group by entering into new concessions or upgrading the portfolio by using, among others, scrolling technology, while renewing existing concessions over time. For example, Ströer Germany recently won the Stuttgart tender for street furniture (free-standing City-Light posters and columns) in 2009.

Transport

Through its concession with Deutsche Bahn and some further licenses that Ströer Germany holds with certain city transport authorities, we have access to a substantial share of advertising space in all of the railway stations operated by Deutsche Bahn in Germany.

Ströer Germany also offers a number of additional digital transport products under our transport product group, including:

- *Infoscreen* is one of our transport products in German subway stations. Currently, Ströer Germany provides more than 240 Infoscreens across Germany.
- *Passenger Television* (*Fahrgastfernsehen*) includes non-audio broadcasts via video screens inside subway cars and tram carriages. The content of broadcasts is tailored to the local market and includes advertising and non-advertising content.
- *Ad Walk* is specially designed for walkway corridors in railway stations and airports. An Ad Walk consists of a series of five LCD screens arranged, either wall-mounted or freestanding, at set intervals from each other along a passenger corridor, with the screens facing towards the pedestrian. The content on the Ad Walk screens may be synchronized.

Outdoor Channel is our project to establish a nationwide network of advertising units with moving digital images. Outdoor Channel advertising units are freestanding with non-audio video screens available on one or both sides of the units. We currently plan to commence installation of Outdoor Channel screens in the fourth quarter of 2010. Following completion of the Offering, we intend to enter into contracts for the manufacturing of Outdoor Channel units. Outdoor Channel is expected to provide advertisers with a more efficient and less costly alternative to in-home television advertising due to the product's planned nationwide coverage and the short time-to-market required for placing advertising. We expect Outdoor Channel to take money out of television advertising budgets as it will enable advertisers to have a national reach while attracting more affluent audiences which are typically difficult to reach with television advertising.

Other

In addition to generating approximately 5% of its revenues from offering additional services relating to an advertising campaign (the sourcing of third-party advertising units, the sourcing of advertising copy and other services), Ströer Germany generates a small proportion of its revenues from its event and promotional media. Revenues from event and promotional media is generated from our public concession licenses which allow us to organize such advertising in public spaces of cities or within the extensive network of approximately 5,700 Deutsche Bahn railway stations.

Procurement of Advertising Locations

Ströer Germany has an extensive portfolio of private and public concession licenses covering most of Germany. The following table provides information regarding the most relevant cities in Germany in terms of gross advertising spend in out-of-home media. Ströer Germany, through its extensive network of private contracts and public concession licenses, including Deutsche Bahn (see "*—Material Contracts—Public Concession License with Deutsche Bahn*"), is present in all of these important cities. The economic importance of the specific public

concession licenses is related to the size of the city and can vary greatly. Larger cities usually break down public concession licenses into various sub-concessions, which may be granted to different licensees.

Rank	City	Gross out-of-home advertising spend[1] (€ million)	Population[2] (thousand)
1	Berlin	170.9	3,432
2	Hamburg	86.1	1,772
3	Munich	65.2	1,327
4	Cologne	51.9	995
5	Frankfurt	32.3	665
6	Düsseldorf	32.0	584
7	Stuttgart	24.4	600
8	Dortmund	18.5	584
9	Essen	18.1	580
10	Leipzig	18.0	515
11	Hannover	17.2	525
12	Bremen	15.4	547
13	Dresden	11.3	512
14	Duisburg	11.3	494
15	Nuremberg	11.2	504
16	Bochum	7.4	379
17	Mannheim	6.7	311
18	Wuppertal	6.2	353
19	Bonn	5.8	318
20	Karlsruhe	5.7	291
21	Aachen	5.3	259
22	Chemnitz	5.1	244
23	Bielefeld	5.0	324
24	Augsburg	5.0	263
25	Münster	4.9	274
26	Wiesbaden	4.9	277
27	Freiburg	4.8	220
28	Braunschweig	4.5	246
29	Magdeburg	4.4	230
30	Gelsenkirchen	4.3	262

(1) Source: Nielsen Spendings 2009

(2) Source: GfK

Advertisers

Compared to other European countries, especially the United Kingdom and France, advertisers spend a far smaller proportion of their advertising budget on out-of-home advertising than other media in Germany. We believe that given our ability to offer a national network to clients following our acquisition and integration of DSM/DERG, we are well-placed to ensure that going forward these advertisers will allocate a higher proportion of their adverting budgets to out-of-home advertising.

Ströer Germany has a highly diversified client base with up to 27,000 advertising client accounts in 2009. Ströer Germany's top 100 and top 500 client accounts represented approximately 47% and 70%, respectively, of Ströer Germany's respective revenues of approximately €349.3 million in 2009 (Revenue of Ströer's core business areas as derived from internal sales IT system). In 2009, Ströer Germany generated average revenues of €1.6 million from each of its top 100 advertising client accounts and €0.2 million from each of its next 400 top client accounts.

Ströer Turkey

Overview

We established a presence in the Turkish market in 1998 by co-founding Ströer Kentvizyon in 1998 with our partner, the Ilbak family. We substantially strengthened our position in 2000 through our acquisition of a 50% interest in the billboard business of our partner and formalized a joint venture agreement with Akademi Reklam. With our recently agreed acquisition of an additional 40% interest in Ströer Kentvizyon, we expect to further consolidate our market-leading position in Turkey.

Market Position and Advertising Portfolio

In terms of net out-of-home advertising spending and the number of advertising faces, we believe that Ströer Turkey is the strongest company in terms of the number of marketable faces in the billboards and street furniture product groups.

Billboards

We believe that Ströer Turkey is the market leader in the premium billboard segment (Mega-Lights) with approximately 3,500 marketable faces and in the traditional billboard segment (Standard Billboard) with approximately 14,000 marketable faces. In addition, Ströer Turkey offers some giant poster products and some digital billboards.

Ströer Turkey believes that with a growing economy the demand for billboard advertising will grow accordingly. By taking on new public concession licenses, as they may arise, Ströer Turkey expects to profit from the additional demand.

Street Furniture

Ströer Turkey is the market leader in the City-Light posters business with approximately 21,500 marketable faces. These form the main source of street furniture revenues since columns and cultural media do not form a material share of the sector.

With the development of Ströer Turkey, we expect to enlarge our offer of City-Light posters across Turkey to even more cities and regions than today.

Transport

Ströer Turkey offers the Infoscreen product in metro stations, at present primarily in Ankara and Istanbul.

Procurement of Advertising Locations

Ströer Turkey generally obtains the right to use locations for the installation of advertising units under public concession licenses, generally pursuant to public tenders. In Turkey, billboards and street furniture are mainly sourced from public concession licenses.

Rank	City	Sold Ad Faces[1]	Population[2] (thousand)
1	Istanbul	650,653	12,783
2	Ankara	108,991	4,514
3	Izmir	81,648	3,525
4	Bursa	80,246	2,250
5	Adana	62,884	1,805
6	Antalya[3]	40,150	1,332
7	Konya	35,446	1,451
8	Gaziantep	32,408	1,454
9	Kocaeli	29,611	1,423
10	Samsun	17,217	802

(1) Sold ad faces; source: Bilesim—Adex (Jan—Dec 2009)

(2) Source: Turkish FSO 2009

(3) Including Antalya districts

As a result of its broad portfolio of public concession licenses and private contracts, Ströer Turkey offers billboard and street furniture in seven of the top ten Turkish cities in terms of population, including Istanbul.

Larger cities usually break down public concession licenses into various sub-concessions, which may be granted to different licensees. The economic importance of the specific public concession licenses is related to the size of the city and can vary greatly.

Other Operating Segment

Ströer Poland

In 1999, we entered the Polish market through a series of acquisitions.

In our view, the most prominent product group in the Polish out-of-home market is billboards. Billboards exist in multiple formats. The largest sub-sector in terms of marketable faces is the traditional billboard with a size of approximately $12m^2$ and the most important sub-sector is the premium-type billboard with a size of approximately $18m^2$.

In the billboard product group, the main source of concessions are private contracts, whereas street furniture products are usually offered as part of public concession licenses.

With approximately 8,600 contracts with mainly private sources, Ströer Poland is present in almost all major cities in Poland.

On June 15, 2010, we entered into an agreement to acquire 100% of the share capital of News Outdoor Poland sp. z o.o., a polish company which is, in our opinion, stand-alone the 4th largest out-of-home advertising company in Poland in terms of net revenues. We believe that we will be, upon closing and confirmation of the acquisition, the largest out-of-home advertising company in Poland with a market share in terms of net revenues of over 30%. For more information on this acquisition see "*Recent Developments and Outlook—Recent Developments in Our Business*".

blowUP media

Our majority owned subsidiary blowUP media is the leading pan-European provider of giant posters, with sizes usually ranging from $100m^2$ to more than $1,000m^2$. As of March 31, 2010, we had more than 180 giant-poster advertising units across Europe, including permanent and temporary structures, such as wraps on buildings under construction. blowUP media has offices in Germany, the United Kingdom, the Netherlands, Spain and Belgium. blowUP media has also established sales partnerships in Switzerland, Austria, Italy.

Building and Other Public Approvals

While private contracts and public concession licenses grant us the right to use private or public space for the installation of advertising units, they generally do not provide us with the relevant public building and other public approvals needed for installation of advertising units. To the extent the public approvals are not included in, or do not attach to, the relevant private contract or public concession license, we are required to apply to the relevant local authorities for the requisite public approvals. Approvals under street law are typically issued for the duration of the public concessions license granted. In addition, product replacements and upgrades—for example, upgrading front-lit standard billboards to back-lit billboards or the installation of scrollers—generally require us to apply for additional public approvals.

Our private contracts with land owners and building owners generally contain conditions precedent providing that if we are denied the relevant public building and other approvals needed to install the desired advertising unit at the contracted-for location, the contract is automatically terminated, without us having any liability under the contract.

Our local offices, with their knowledge of local government planning approval and appeal procedures, handle the procurement of local public approvals.

In relation to our public concession license with Deutsche Bahn, building and other approvals are granted by the German Federal Railway Authority (*Eisenbahn-Bundesamt*) authorities as well as other approvals from the relevant local railway station management, since our advertising units under that license are generally located on Deutsche Bahn premises.

Sales and Marketing

In our view, it is important to maintain a close relationship with our client base, related media agencies, and, if applicable, outdoor specialist agencies in order to actively drive the share of advertising budgets allocated to out-of-home media. For that reason, we continuously invest in our sales forces to broaden their capabilities to develop communication solutions for our customers and to direct the respective product offerings to them. For example, as part of this strategy, we organize annual presentations to most large advertisers in our major markets as well as an annual roadshow for media agencies in Germany.

In addition, we organize our sales and marketing on a decentralized basis, with national, regional and local offices in each of Germany, Turkey and Poland. Our national sales offices are responsible for targeting and looking after the largest national advertisers, including the foreign headquarters and the corporate planning departments of those advertisers, and national media and specialized out-of-home agencies. We also have regional and local sales and marketing offices, which are responsible for targeting and looking after other advertisers, creative agencies and smaller media agencies as well as local offices of the larger national media agencies. We incentivize our sales and marketing team by setting variable compensation targets based on a number of quantitative and qualitative factors.

Media agencies advise advertisers regarding the various types of advertising media alternatives available and the best allocation of an advertising budget to each of these alternatives in relation to specific advertising campaigns. In Germany, the media agency then generally commissions an intermediary specializing in out-of-home advertising, itself often being a subsidiary of the media agency, to identify the desired out-of-home advertising alternatives. Applying the criteria specified by the media agency (for example, in city centers or advertising mainly alongside radial roads or aimed at a specific target group), the special intermediary uses a database containing the advertising space portfolio of all outdoor advertising companies in Germany to acquire the required advertising space. The special intermediary purchases this space from us and other outdoor advertising companies. In Turkey and Poland, special intermediaries, with few exceptions, are not established.

As market practice, media agencies and special intermediaries, if applicable, receive a certain provision from the media owner as a percentage of revenues purchased. These provisions may vary depending on the volume handled per year with the respective agency or intermediary. Certain of these arrangements provide for additional financial incentives based on the level of sales in specified periods.

Our advertising rates and discounts are based on a number of different factors including location, type of the unit, illumination, market and the total number of impressions delivered by a unit or group of units. Advertisers are also entitled to additional discounts based on the length of time for which the advertising space is booked and the number of faces booked.

Advertising Copy

Advertisers represented by advertising agencies generally, through these agencies, design and produce their own advertising copy and the physical printed advertisements. Through our "Other" business line, we provide the sourcing for advertising copy printing services, if required. In addition, our wholly owned subsidiary Ströer Infoscreen GmbH designs and produces digital advertising content for advertisers using our digital, non-audio-visual advertising terminals.

Advertising copy, both paper and vinyl, is shipped to central warehouses, which are operated, in part, by third-party logistics firms, which, in turn, distribute the copy to the service personnel dedicated to install the poster. To a large extent, this personnel consists of independent, third-party subcontractors.

Research and Development and Production

The primary focus of our experienced product R&D team is:

- to develop new product designs and upgrade existing products to enable us to win public tenders and to improve the attractiveness of our advertising network to advertisers;
- to enhance our existing products to reduce the cost of producing and maintaining these products;
- to increase the accessibility of street furniture to all users, including the disabled; and
- to increase our commitment to environmental sustainability, including through the development of LED lighting alternatives for our advertising units, solar-powered street furniture and environmentally friendly production processes.

In carrying out their activities, our R&D team works in close cooperation with international designers, architects and institutions of higher education. Our product innovation and design expertise is demonstrated by our intellectual property rights, patents and design awards.

Among others, we introduced innovative advertising units and street furniture, for example, bus and tram shelters, billboards and scrolling billboards, City-Light posters and City-Light columns, as well as various high-class designs for billboards and City-Light posters, an interactive city information system (City Guide), a self-cleaning toilet and a bike-rental system. In addition, we introduced innovative solutions for maintaining our facilities, such as a digitally-controlled online maintenance system for our Mega-Lights and wireless poster control, a system intended to centrally control our subcontractors' servicing of our street furniture throughout Germany. Our Outdoor Channel project is shortly before rollout, our Scroller 5000 Premium Billboard project is in an advanced development stage.

We design our street furniture, billboards and other advertising products together with third-party design or architectural firms. We cooperate with some of the leading global designers, including Jasper Morrison, James Irvine and Porsche Design.

We spent approximately €1.0 million, €1.3 million and €1.4 million on R&D in the financial years ended December 31, 2007, 2008 and 2009, respectively. In addition, R&D costs of approximately €0.6 million, €1.4 million and €1.2 million have been capitalized in the financial years ended December 31, 2007, 2008 and 2009, respectively. We anticipate maintaining our strong commitment to R&D in years to come.

Installation and Maintenance

To a large extent, we outsource the installation of advertising units and non-digital advertising copy as well as the on-site servicing and maintenance of advertising units to local subcontractors.

Using our Wireless Poster Control, we are able to control and monitor a decent share of our subcontractors' maintenance and cleaning of and poster changes at our street furniture and billboard locations in Germany and Poland. Our advertising units in these countries are to a large extent equipped with either a data-matrix or a number code that our subcontractors scan with their mobile phones upon completing their servicing of the advertising units. This scanning action informs our Wireless Poster Control web-based server with real-time information that the advertising unit has been serviced and transmits pictures of the serviced unit taken by each of our subcontractors' mobile phones. In addition to providing us with real-time information regarding our subcontractors' activities and the status of our advertising units, our Wireless Poster Control system serves as a paperless system for billing our subcontractors.

We have also developed an online maintenance system that directly alerts our central control center via GPS transmission when a mechanical or lighting component of our premium advertising units in Germany is not functioning properly. Once alerted, our central control center is then able to send a command via GPS transmission to the advertising unit to override the fault or restart the faulty component. If this fails to rectify the problem, our central control center is immediately notified and dispatches a local subcontractor to repair the unit. We generally are able to have subcontractors on-site repairing a faulty unit within three to four hours from receiving an alert.

As part of our efficiency-improvement strategy, we have been implementing measures to reduce the number of our installation and maintenance subcontractor firms and to strengthen our relationships with those firms that we continue to engage. Among other things, we aim to implement measures to encourage these firms to train their individual employees to handle a broader range of installation and maintenance activities. As a result of these measures, we believe that we will continue to enable our subcontractor firms to increase the utilization rates of their employees and thereby reduce our installation and maintenance costs.

Competition

We compete for advertising revenues against other media such as television, radio, newspapers, daily, weekly and monthly magazines, cinema and the Internet. We regard these other media as our primary competitors.

In terms of out-of-home advertising competitors, the major competitors in our key national markets include:

- *Germany:* JCDecaux (billboard, street furniture and transport) and AWK Aussenwerbung GmbH (mainly billboard and street furniture);

- *Turkey:* JCDecaux (mainly street furniture) and Clear Channel (street furniture, billboard and transport); and

- *Poland:* Art Marketing Syndicate S.A. (AMS) (mainly billboard and street furniture), Cityboard Media Sp. z o.o. (mainly billboard) and Clear Channel (mainly billboard and street furniture). The Polish out-of-home

advertising market is still relatively diversified compared to the German and Turkish markets, with a large number of smaller companies together possessing a large share of the total Polish market.

Employees

The following table contains a summary of the average number of employees (on a full time equivalent basis) of our Group in the five months ended May 31, 2010, as well as in the 2009, 2008 and 2007 fiscal years, each subdivided by operating segments:

	January 1— May 31,	January 1— December 31,		
	2010 [(1)]	2009 [(1)]	2008 [(1)]	2007 [(1)]
Operating segment				
Germany	1,052	1,086	1,062	1,034
Turkey	146	166	165	149
Poland	132	140	149	131
blowUP Germany	27	26	34	31
blowUP International	23	30	36	30
Total	**1,380**	**1,447**	**1,446**	**1,375**

1) The number of employees of the companies X-City Marketing Hannover GmbH, SK Kulturwerbung Rhein-Main GmbH, Stadtkultur Rhein-Ruhr GmbH Büro für Kultur- und Produktinformationen, SK Kulturwerbung Bremen-Hannover GmbH, DSM Decaux GmbH and Ströer Kentvizyon Reklam Pazarlama A.Ş. are being included on a quotal basis as Ströer Out-of-Home Media AG does not have, directly or indirectly as the case maybe, full (100%) legal ownership in the shares of these companies in the respective period.

Until the date of this prospectus, the number of employees has not materially changed.

Currently, we regularly offer and require numerous training programs for our employees, beginning with integration seminars for newly hired staff and continuing with ongoing internal and external training programs. We also publish internal job opportunities to encourage professional mobility.

Some of our employees, depending on regional preferences, are represented by works councils on different levels, local and joint works councils as well as a group works council. Due to the peculiarities of our business all group companies with local or regional sales activities form part of an overall territorial organization for which regional works councils have been established in deviation from general statutory rules.

Several employees of Ströer DERG Media GmbH and DERG Vertriebs GmbH benefit from special provisions protecting their employment against dismissal for operational reasons, imposing certain restrictions on the Company's flexibility in connection with operational measures.

Intellectual Property

We own and protect the intellectual property to the extent that we deem it important for our business activities through exclusive rights both in Germany and in the principal countries in which we are present. Technical innovations are protected by patents and utility models to the extent we deem necessary. Designs of Mega-Lights, City-Light Columns, bus and tram stop shelters and automated public toilets, many designed by world-renowned architects and designers (including Jasper Morrison and James Irvine), have been registered.

Our intellectual property portfolio currently includes around 60 design patents (*Geschmacksmuster*), around 20 utility models (*Gebrauchsmuster*), around 20 patents and around 40 registered trademarks. In additional, we have registered numerous national and international Internet domains relevant to our business.

Corporate Social Responsibility

As a major media company, our policy is to accept social responsibility and to make a contribution to society and the quality of life enjoyed by the residents and visitors of cities we serve, above and beyond our normal business activities. We use our position as a media group to improve the success of social and charitable projects by increasing the public awareness of these projects and thereby the public's willingness to become involved in these projects. The major focus of our charitable activities include those addressing:

- the education and welfare of children, including the German "Initiative for Missing Children" and the Turkish Lösemili Çocuklar Vakfı charitable foundation;

- health initiatives, including as cooperation partner of the German Central Bone Marrow Donor Register and the Polish *Wielka Orkiestra Świątecznej Pomocy* (Christmas Charity Orchestra); and
- the engagement in sports programs, including support to Deutsche Sporthilfe, a foundation that financially supports top-performing athletes in Germany.

Environment

We view our environmental responsibility as an ongoing commitment. We aim to standardize as many structural components for our products as possible to conserve resources, despite the limitless possibilities for individualizing our products. The energy systems used in our products are designed to provide energy efficiency, including such as, for example, fluorescent lamps in all of our back-lit products. We check the illumination of our products and the brightness degression of lighting devices on a regular basis.

Our organization is designed to allow for compliance with legal requirements regarding the control, use and disposal of harmful substances, including closely monitoring the outsourced manufacture of our products to ensure that environmentally friendly processes that conform with applicable EU regulations are being used. Where possible, we use only materials which can easily be recycled, including non-composite materials that make for easy separation of the individual materials at disposal. Our contracted business partners are also obliged to recycle dismantled materials.

Insurance

Subject to certain limitations, we have insurance that covers damages suffered by our companies. We are also insured against civil liability to the extent feasible that might arise from injuries suffered by third parties as a result of our business activities. Finally, our directors are insured against personal liability for actions legally taken by them on behalf of our company.

We believe, according to our current knowledge, that our insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are both standard for our industry and appropriate. We cannot, however, guarantee that we will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

Property Owned and Rented

Our administrative headquarters are located in Ströer Allee 1, 50999 Cologne, Germany. We maintain other principal administrative headquarters for each of our operating segments.

The following table provides an overview of the material real property owned by our Group or in respect of which our Group is beneficiary of a hereditary building right (*Erbbaurecht*) as of December 31, 2009:

Locations	Property Size	Building Size	Primary Use
Hamburg, Germany	7,047m^2	3,678m^2	Office and storage
Essen, Germany	5,125m^2	2,519m^2	Office and storage
Cologne (Bonner Wall), Germany	2,790m^2	2,500m^2	Office and storage
Frankfurt, Germany	2,685m^2	2,267m^2	Office and storage
Kassel, Germany	1,966m^2	6,470m^2	Office
Halle, Germany	1,219m^2	1,292m^2	Office and storage
Wuppertal, Germany	1,066m^2	872m^2	Office and storage
Dresden, Germany	980m^2	1,355m^2	Office and storage

The properties in Halle and Dresden are (partly) encumbered with a priority notice of conveyance (*Auflassungsvormerkung*). The hereditary building right (*Erbbaurecht*) in Wuppertal in encumbered with a land charge in the amount of approximately € 11,000.

The following table provides an overview of the material real property rented by our Group as of December 31, 2009:

Locations	Rented Space (approximately)	Primary Use
Cologne (Ströer Allee), Germany	9,000m^2	Office

Material Contracts

Ströer Kentvizyon Acquisition Agreement

Pursuant to a share purchase and transfer agreement dated March 10, 2010, the Company has agreed to acquire an additional 40% of the shares in Ströer Kentvizyon from Akademi Reklam so that Ströer will own 90% of the shares in Ströer Kentvizyon after the closing of the transaction. This acquisition is subject to various closing conditions, including antitrust clearance by the Turkish Competition Board, certain corporate approvals and the listing of the Company's shares on a public stock exchange. On April 2, 2010, the Turkish Competition Board approved this acquisition. As of the date of this prospectus, all of the closing conditions except for the listing of the Company's shares have been fulfilled or waived. The aggregate purchase price for the acquired shares will be the higher of (i) a lump-sum amount of €55 million or (ii) 40% of Ströer Kentvizyon's equity value; Ströer Kentvizyon's equity value depends, inter alia, on the share price in the Offering.

In the share purchase and transfer agreement, Akademi Reklam has given certain warranties that are customary for agreements of this type. All claims of the Company resulting from a breach of a warranty or originating from a remedial measure under the share purchase and transfer agreement will be time-barred thirty months after the closing date of the acquisition or, in case of a tax claim, six months after the date of the final, non-appealable assessment related to the tax claim. Akademi Reklam's aggregate liability for breach of any of the warranties (excluding tax related claims) is limited to the purchase price for the shares in Ströer Kentvizyon acquired under the share purchase and transfer agreement.

Acquisition Agreement Poland

Pursuant to a share purchase and transfer agreement dated June 15, 2010, Ströer Polska sp. z o.o. ("**Ströer Polska**"), a subsidiary of the Company, has agreed to acquire 100% of the issued and outstanding share capital in News Outdoor Poland sp. z o.o., Warsaw, Poland (NOP), from News Out of Home B.V., Amsterdam, The Netherlands (the "**Seller**"). With approximately 3,300 large format advertising faces (according to IGRZ, as of December 31, 2009), NOP is, according to our own estimates, stand-alone the 4th largest out-of-home advertising company in Poland in terms of net revenues. The acquisition of NOP by Ströer Polska is subject to various closing conditions, including antitrust clearance by the Polish Competition and Consumer Protection Office. Closing is expected to occur not before August 2010. The aggregate consideration for the contemplated acquisition is approximately €26 million (subject to certain adjustments upon closing of the acquisition).

In the share purchase and transfer agreement dated June 15, 2010, the Seller has given certain warranties that are customary for agreements of this type. Most of the claims of Ströer Polska resulting from a breach of a warranty or originating from a remedial measure under the share purchase and transfer agreement become time-barred on December 31, 2011 (except for, inter alia, tax related claims). The Seller's maximum aggregate liability under this agreement is limited to a certain amount.

Credit Facility Agreement

On January 20, 2006, the Company as a borrower and a guarantor, SMD as a term borrower and a guarantor together with eleven subsidiaries of the Company as existing guarantors entered into a facility agreement (the "**Existing Facility Agreement**") with amongst others Handel und Kredit GmbH & Co. Kommanditgesellschaft Bankhaus, Kreissparkasse Köln and Sparkasse KölnBonn as lenders and Handel und Kredit GmbH & Co. Kommanditgesellschaft Bankhaus as facility agent and security trustee. The Existing Facility Agreement was amended on June 20, 2007 as well as amended and restated on December 20, 2007, August 25, 2008 and August 11, 2009. The total amount of the commitments under the Existing Facility Agreement is €545 million and US$29.4 million. BAWAG Malta Bank Ltd. replaced Handel und Kredit GmbH & Co. KG Kommanditgesellschaft Bank as facility agent and security trustee on September 10, 2009.

The Existing Facility Agreement provides for seven tranches, which were used to refinance our then-outstanding credit facilities (tranches A1 and B), to finance our capital expenditures (tranche A2 and A3) and to finance our working capital requirements (the tranches referred to as the ancillary facilities). The tranches A1, A2, A3 and B bear interest at a rate equal to the sum of the applicable margin, the EURIBOR or, in the case of tranche A3, LIBOR for the selected interest rate period and any regulatory costs. Interest, commission and fees on the ancillary facilities are dealt with in each ancillary document on a bilateral basis.

The claims of the lenders and the facility agent (collectively, the "**Finance Parties**") under the Existing Facility Agreement and related financing documents (including, among others, fee agreements, security documents and other agreements) are guaranteed by the Company, eleven of the Company's German subsidiaries and one Polish subsidiary (collectively, the "**Guarantors**"). In addition to these guarantees, each of the German guarantors

has granted security interests over all of its bank accounts and its receivables as well as over certain moveable property, and each of the shareholders of the German guarantors (except the shareholder of the Company) has granted pledges over the equity interests or shares in that Guarantor. There are also pledges over the share capital of and over partnership interests in certain Polish subsidiaries.

The Existing Facility Agreement contains various obligations including but not limited to certain financial covenants, repeating representations and negative and affirmative undertakings, which could affect our business decisions. Any breach of such covenants or undertakings or any misrepresentation would be an event of default under the terms of the Existing Facility Agreement and would entitle the facility agent (in some cases, subject to a grace period) to cancel the Existing Facility Agreement for cause and declare all amounts outstanding under the Existing Facility Agreement immediately due and payable or due and payable on demand. There are further events of default set out in the Existing Facility Agreement that entitle the facility agent to cancel the Existing Facility Agreement, in particular if a borrower fails to pay any amount after it has become due and payable and upon the occurrence of (i) a change in the shareholding of the Company that results in the current shareholders ceasing to own more than 75% (or after the Offering, ceasing to own more than 50%), or (ii) any event resulting in the Company ceasing to own share capital having the right to cast all of the votes capable of being cast in general meetings of SMD, or (iii) any event resulting in Udo Müller ceasing to directly or indirectly own at least 75% of the shares in the Company owned by him at the date of the Existing Facility Agreement.

Amended and Restated Credit Facility Agreement

On 18 June 2010 the Company and the Finance Parties entered into an amendment and restatement agreement to the Existing Facility Agreement (the "**Amendment Agreement**") with an amended and restated credit facility agreement (the "**Amended Facility Agreement**") attached. The Amendment Agreement sets out the conditions for the Amended Facility Agreement to become effective and contains certain consents of the lenders under the Existing Facility Agreement which will, among other things, confirm the offering to be a "Permitted IPO" and not to constitute a "change of control" under the Existing Facility Agreement and to allow for a prepayment of term loan B prior to a prepayment of the facilities under the Existing Facility Agreement.

With effect from the Effective Date (as defined below) certain of the lenders under the Existing Facility Agreement will be replaced by new lenders acquiring their participation in the Existing Facility Agreement pursuant to the Amendment Agreement. In addition, BAWAG Malta Bank Ltd. as facility agent and security trustee under the Existing Facility Agreement will be replaced by Commerzbank Aktiengesellschaft, Filiale Luxemburg as agent and security agent under the Amended Facility Agreement with effect from the Effective Date (as defined below). The Amended Facility Agreement will become effective upon satisfaction of (i) the documentary conditions precedents set out in, and to be delivered by the Company under, the Amendment Agreement, (ii) repayment in full of term loan B under the Existing Facility Agreement with proceeds received by the Company from the offering, (iii) receipt of minimum IPO proceeds in the amount of €240 million and (iv) payment of the consideration by the new lenders acquiring a participation in the Amended Credit Facility Agreement upon the effective date (such date the "**Effective Date**").

The Amended Facility Agreement will, from the Effective Date, provide commitments in an aggregate amount of €457,5 million which is divided into two tranches, the fully drawn term loan tranche A and the revolving tranche to finance our working capital requirements. In addition, the Amended Facility Agreement provides for an uncommitted term loan tranche B up to an amount of € 20 million which can be turned into a committed facility by the Company and a lender entering into a commitment letter. The revolving tranche may also be used by way of ancillary facilities. The tranches bear interest at a rate equal to the sum of the applicable margin, the EURIBOR for the selected interest rate period and any regulatory costs. Interest, commission and fees on the ancillary facilities under the revolving tranche are dealt with in each ancillary document on a bilateral basis.

The claims of the lenders and the facility agent (collectively, the "**New Finance Parties**") under the Amended Facility Agreement and related financing documents (including, among others, fee agreements, security documents and other agreements) will be guaranteed by the Company, ten of the Company's German subsidiaries and one Polish subsidiary (collectively, the "**Guarantors**"). In addition to these guarantees, each of the Guarantors will be required to grant security interests over its bank accounts and its receivables, and, where applicable, its intellectual property rights, and each of the shareholders of the Guarantors (except the shareholders of the Company) will have to grant pledges over the equity interests or shares in that Guarantor. Further subsidiaries are required, to the extent legally possible, to accede to the Amended Facility Agreement as Guarantor and to provide the same scope of security to the New Finance Parties, if the relevant subsidiary qualifies as a material company or the accession of such subsidiary will be required to ensure that all Guarantors contribute at least 85 per cent. or more to the EBITDA, gross assets or turnover of the Group.

As the Existing Facility Agreement, the Amended Facility Agreement will contain various obligations including but not limited to certain financial covenants, repeating representations and undertakings, which could affect our business decisions. Any breach of such covenants or undertakings or any misrepresentation would be an event of default and would entitle the facility agent (in some cases, subject to a grace period) to cancel the Amended Facility Agreement for cause and declare all amounts outstanding under the Amended Facility Agreement immediately due and payable or due and payable on demand. There are further events of default set out in the Amended Facility Agreement that entitle the facility agent to cancel the Amended Facility Agreement, in particular insolvency events or proceedings in respect of a material subsidiary or the occurrence of a material adverse change. In case (i) the shareholders of the Company prior to the offering cease to own more than 25% of the shares or voting rights in the Company or (ii) any person or group of persons acting in concert gains direct or indirect control of the Company (each a change of control), each lender will be entitled to cancel its participation in the facilities if the Company did not provide for a transfer of such participation to another or a new lender. The Amended Facility Agreement will then be continued by the lenders which did not exercise such right to cancellation upon a change of control.

Under the terms of the Amended Facility Agreement, the Company may repay any principal of any Subordinated Loan Agreement and the Silent Partnership Agreement from the IPO proceeds within three months after the date of the IPO provided that the gross proceeds of the IPO received by the Parent are not less than €260,000,000.

As of the Effective Date, the Underwriters (or their respective affiliates) are Lenders under the Amended and Restated Credit Facility Agreement.

Subordinated Loan Agreements

The Company entered into subordinated loan agreements dated 26 June 2008 with each of NRW.Bank and SKB Kapitalbeteiligungsgesellschaft KölnBonn according to which NRW.Bank and SKB Kapitalbeteiligungsgesellschaft KölnBonn grant loans to the Company in the aggregate amount of €42,540,517.07 (together the **"Subordinated Loan Agreements"**). The Subordinated Loan Agreements have been amended (for example, the maturity will be extended against a partial repayment of €21.2 million) with such amendments being subject to certain conditions precedent, amongst others, the occurrence of the Effective Date.

Public Concession Licenses in Germany

One of the ways by which we obtain rights to use locations for the display of out-of-home advertising is by entering into public concession licenses. The public concession licenses in Germany other than the public concession license with Deutsche Bahn comprise public concession licenses with municipalities ("**City Contracts**") and public concession licenses with local public transportation authorities. See *"Business—Private Contracts and Public Concession Licenses"*.

Under City Contracts we are generally granted the right (both non-exclusive and exclusive) to make use of advertising possibilities on city owned ground or of which the relevant municipality may dispose of. However, this general and broad grant of an advertising right is usually restricted by certain limitations and qualifications. The rent payable usually consists of a variable and a fixed element. The variable element is usually calculated from revenues generated with various advertising units. The fixed element is either in the form of a fixed sum or a minimum guaranteed rent, in which case the variable element only leads to additional payment obligations if the minimum guaranteed rent is exceeded, or a mixture of both. According to the Company, the contracts usually have a fixed term of 10 to 15 years.

The public concession licenses with local public transportation authorities mainly relate to advertising on the outside of and inside public transportation vehicles and/or on advertising units included in bus and tram shelters. The advertising rights granted under these public concession licenses generally only relate to specified assets and are usually restricted as well. Under the public concession licenses with local public transportation authorities the rent usually is calculated as a percentage of the revenues generated with the relevant advertising unit or in accordance with their utilization rate. Some public concession licenses with public transportation authorities provide for a fixed element (in the form of a minimum guaranteed rent or in the form of an advertising allowance). According to the Company, the contracts usually have a fixed term of 3 to 5 years for advertising rights outside and inside public transportation vehicles or 10 to 15 years for advertising units included in bus and tram shelters.

Some of these contracts impose the obligation on us to place non-advertising street furniture in the relevant concession areas. Some of these contracts that impose such obligations may be subject to antitrust concerns (see *"Risk Factors—Risks Relating to Our Business—Some of our public concession licenses with municipalities and*

other governmental entities or corporate entities ultimately held by governments or other public bodies may be subject to antitrust concerns and could be terminated prior to their scheduled expiration date due to antitrust law concerns and individual clauses in these licenses and contracts may be found to be invalid").

The municipality of a major city is entitled to terminate the public concession licenses held by a member of the Ströer Group for change of control in the member of the Stöer Group holding the contract with the municipality or the Company, provided that the change of control (that is, a change in the ownership of the majority of the share capital with voting rights) adversely affects the interests of the municipality of the relevant city.

Another major public concession license entitles the licensor to terminate for change of control in the member of the Ströer Group holding the contract or its direct parent company, but it is expressly stipulated that this termination right is not triggered by an initial public offering of the shares in the Company.

One major city contract was allegedly terminated by the relevant city effective as of December 31, 2009. We contest valid termination and maintain our position that the agreement has a duration until 2017.

Public Concession License with Deutsche Bahn

In connection with our acquisition of DERG from Deutsche Bahn, DERG entered into a public concession license with Deutsche Bahn AG and certain affiliates of Deutsche Bahn AG (collectively, the "**Deutsche Bahn**"). The public concession license has a remaining term of more than ten years.

This public concession license grants DERG the right to make use of various advertising spaces owned by or in the possession of Deutsche Bahn. With certain exceptions, the advertising right has been granted to DERG on an exclusive basis. Any placement of advertising media is subject to Deutsche Bahn's consent and the receipt of all necessary public permits.

DERG is required to pay a specific annual minimum amount to Deutsche Bahn or, if greater, a certain percentage of the revenues generated with the advertising spaces. The concession license provides for procedures to adjust the minimum rent if Deutsche Bahn partially terminates the public concession license with respect to certain advertising faces. Additionally, under certain circumstances, the percentage of revenues payable is limited to a defined maximum amount.

Saberasu Warrants

On December 18, 2003, the Company, its principal shareholders and Saberasu Japan Investments II B. V., an entity controlled by Cerberus Capital Management, L.P. and certain of its affiliates, entered into a framework agreement for a term-loan facility in the amount of up to €315,000,000 (the "**Framework Agreement**") to fund the acquisition of 97.3% of the shares in DSM and to refinance existing loans of DSM and Ströer City Marketing GmbH. The Framework Agreement was amended on January 20, 2006.

In the context of the Framework Agreement, the Company's principal shareholders granted to Saberasu certain rights in relation to the Company, including the issuance by the Company of 90,353 warrants to Saberasu, each of which upon issuance corresponded to the right to subscribe to one ordinary new share in the Company to be issued by using the Company's contingent capital (*bedingtes Kapital*) in the amount of €90,353 (together the "**Warrants**"). The Warrants represent the right to acquire a total participation of 15% in the Company's registered share capital and may be exercised at any time in whole or in part during the period of eight years from the date of issuance. The Company's shareholders waived their statutory subscription rights with respect to Saberasu's exercise of the Warrants. As a result of the increase of the Company's share capital from its own resources by the shareholders' resolution as of May 26, 2010, the number of Warrants to which Saberasu is entitled upon exercising the Warrants increased to 4,156,238 according to mandatory provisions of German law (see *"Description of Share Capital—Share Capital of the Company and Development of Share Capital over the Last three Years*").

Saberasu intends to exercise its Warrants on or around July 12, 2010 in two tranches, and to sell its Warrant Shares to the Underwriters. Pursuant to a Placement Agreement dated July 2, 2010, as described under *"The Offering—Subject Matter of the Offering*", "*The Offering—Selling Shareholder, Existing Shareholders*" and "*Underwriting—The Underwriting Agreement and the Placement Agreement*" the Underwriters agreed to sell all the Warrant Shares in the Offering. According to two Warrant Share purchase agreements between Saberasu and the Underwriters the Warrant Shares acquired upon exercising of the first tranche of its Warrants (1,385,428 Warrant Shares) shall be transferred to the Underwriters immediately after the exercising of such first tranche while the Warrant Shares acquired upon exercising of the second tranche of the Warrants (2,770,810 Warrant Shares) shall be transferred on the closing date directly to the investors or the Underwriters by the Settlement Agent acting as Saberasu's representative.

Litigation

Overview

We are regularly involved in legal proceedings within the course of our business activities. These proceedings involve contracts with municipalities, disputes with agents and competitors and administrative proceedings.

Ströer Germany

A subsidiary of the Ströer group

Three legal proceedings are currently pending before civil law courts of a major German city in relation to claims by three local authorities in this major German city against a subsidiary of the Ströer group. The matter in dispute refers to the amount of royalties to be paid in relation to numerous permits required by the Ströer group company for the use of public roads for a long period of time. The total amount being asserted against us under these claims is €1.0 million.

Ströer Media Deutschland GmbH

In relation to the acquisition of 97.27% of the shares in DSM by the Company in 2004, the sellers of DSM (the "**Seller Cities**") have raised claims totaling at least approximately €0.65 million. These claims relate to alleged overpayments by the Seller Cities under the tax indemnification clause contained in the share purchase agreement for DSM. Pursuant to a letter dated December 8, 2008, SMD, to which the Company has transferred all rights and obligations resulting under the share purchase agreement, declared its set-offs against the Seller Cities' claims. In its declaration, SMD asserted claims against the Seller Cities in the amount of at least approximately €0.65 million (plus interest 5% above the relevant base rate since September 3, 2007). These claims arose under the provision of the share purchase agreement that makes the Seller Cities liable to SMD in relation to the outcome of arbitration proceedings between DSM and the Company concerning the acquisition of the Außenwerbung Polen GmbH. The issue is currently not finally settled.

Hamburger Außenwerbung GmbH, DSM and SMD

In April 2010, JCDecaux Deutschland GmbH ("**JCDecaux Germany**") has filed a lawsuit against, inter alia, Hamburger Außenwerbung GmbH, DSM and SMD based on an alleged violation of German and European anti-trust laws in relation to a public concession license granted to Hamburger Außenwerbung GmbH for the period of 2009 until 2023 by the City of Hamburg under "Lot 2" of a public tender in 2007. The "Lot 2" comprises 85 advertising units of a total of 4,034 advertising units in the City of Hamburg operated by Ströer. The preliminary value of the claim, which relates to 85 advertising units, amounts to €14,000,000. Prior to the public tender, the advertising rights were vested in Hamburger Außenwerbung GmbH. Pursuant to the terms of the advertising agreement with the City of Hamburg, Hamburger Außenwerbung GmbH was granted a preemptive right regarding the advertising agreement awarded to the winner of the public tender which stems from an advertising agreement between City of Hamburg and Hamburger Außenwerbung GmbH dated March 8, 1989 (this is prior to the acquisition of Hamburger Außenwerbung GmbH and long before the FCO expressed concerns about such preemptive rights). When JCDecaux Germany was awarded the tender in 2007, Hamburger Außenwerbung GmbH exercised its preemptive right and partially assumed the agreement in respect of 85 advertising units. JCDecaux Germany alleges that the right to partially assume the tendered agreement violates German and European antitrust laws and that Hamburger Außenwerbung GmbH was not entitled to partially assume the tendered advertising agreement. JCDecaux Germany has waived the right to file a lawsuit regarding the exercise of the preemptive right several weeks after the preemptive right had been exercised and now claims that this waiver is invalid.

Outdoor Media Sales AG

Outdoor Media Sales AG (OMS) has filed a lawsuit against DSM with the regional court (*Landgericht*) of Düsseldorf. The statement of claim has been served upon DSM on March 1, 2010. In this lawsuit, OMS requests that DSM grants certain information regarding the basis of the calculation of brokerage fees and that the court determines a compensation claim for commercial agent on its merits. OMS claims to be entitled to payments exceeding an amount of €4 million. However, a lawsuit requesting payment has not yet been filed and served upon DSM. The lawsuit is based on the following circumstances: On February 15, 2007, DSM entered into an agreement with OMS pursuant to which OMS undertook to generate a specified turnover within 24 months after execution of the agreement with new or existing customers (in the latter case by increasing the turnover generated with these existing customers as compared to the turnover generated in the previous year). According to the agreement, which can be terminated by either party with immediate effect without any notice period if the other party wilfully or gross negligently commits a material breach, OMS had to recruit and maintain an own sales force.

On June 28, 2009, OMS informed DSM that all employees had been dismissed in order to avoid an insolvency of OMS. With letter dated July 28, 2009, DSM terminated the agreement with immediate effect based on the

argument that OMS would not be able to perform its obligations under the agreement without maintaining an adequate number of employees. OMS contested valid termination with immediate effect. In its statement of defence DSM has requested dismissal of the claim.

Ströer Turkey

Dunya Tanitim Hizmetleri ve Turizm Ticaret Limited Sirketi

Gonye Insaat Reklam Ltd. Sti. ("**Gonye**"), a Turkish out-of-home advertising company, has initiated a lawsuit before the Gaziantep First Administrative Court in Turkey against the Gaziantep Metropolitan Municipality ("**Gaziantep**") for the cancellation of (i) the agreement between Gaziantep and the Ströer Turkey company Dunya Tanitim Hizmetleri ve Turizm Ticaret Limited Sirketi ("**Dunya Tanitim**") dated March 6, 1998 with respect to the inclusion of 200 billboards within the scope of the out-of-home advertising agreement previously entered into between Gaziantep and Dunya Tanitim on January 23, 1998 (the "**Out-of-Home Outdoor Advertising Agreement**"), (ii) the decision of the Gaziantep Metropolitan Municipal Committee (the "**Municipal Committee**") dated February 9, 2001, regarding the inclusion of 65 street furniture advertising units with the scope of the Out-of-Home Advertising Agreement, (iii) the decision of the Municipal Committee dated September 3, 2005, regarding the inclusion of 247 street furniture advertising units within the scope of the Out-of-Home Advertising Agreement, and (iv) the decision of the Municipal Committee dated September 2, 2005, regarding the extension of the term of the Out-of-Home Advertising Agreement for a period of seven years to 2015. Gonye has claimed that the decisions of Gaziantep and the provisions of the Out-of-Home Advertising Agreement do not comply with the relevant public tender laws and regulations as well as higher court decisions. The Gaziantep First Administrative Court has granted Dunya Tanitim's request to intervene in the lawsuit on the grounds that the lawsuit is of particular concern to Dunya Tanitim. The Gaziantep First Administrative Court has annulled the extension of the term of the Out-Of-Home Advertising Agreement; Dunya Tanitim has appealed this decision together with Gaziantep and the case is now pending before the Administrational Supreme Court.

Citylights Turkey

Ahmet Gorunmez has initiated a lawsuit against the Ströer Turkey company Citylights Reklam Pazarlama Limites Sirketi ("**Citylights Turkey**") before the Bakirkoy Second Court of First Instance seeking to recover the rental fees accrued within five years preceding the date of initiation of the lawsuit based on the alleged unauthorized use by Citylights Turkey of property owned jointly by the plaintiff and a third party. The plaintiff asserted that the other joint property owner leased the property to Citylights without the plaintiff's approval. The court awarded TL 1.7 million (€0.9 million) to the plaintiff. However, Citylights Turkey will appeal this decision.

REGULATORY ENVIRONMENT

Overview of the Regulatory Regime

Our business activities in EU member states are subject to a wide array of regulatory requirements, including those under the laws of the relevant EU member state as well as EU law. As EU regulations apply directly in all EU member states, our business is subject to these rules in all EU member states. EU directives, while binding on member states as to the result to be achieved, must be implemented into national law. Hence, regarding those standards contained in EU directives that are applicable to our business, national implementing rules can differ slightly from one EU member state to another.

We are subject to the antitrust law and public procurement regimes of the EU and all EU member states. in which our business may have an effect. With regard to the Ströer Group's future corporate acquisitions, the German and other European antitrust law regimes and EC merger control provisions are particularly significant. The antitrust regimes in Turkey and Poland are also relevant.

In addition, most other countries in the world have their own antitrust law regimes. If several antitrust law regimes are simultaneously infringed upon, large fines may be imposed on the respective companies in several states at the same time. Generally, the application of a national antitrust law regime depends on whether the restraint of competition has an appreciable effect in the relevant jurisdiction.

The conclusion or amendment of our public concession licenses may be subject to the public procurement laws of the respective EU member state laws. The applicability of these provisions depends in each case on the form of the relevant public concession license and its economic import.

In addition to antitrust and public procurement laws, we are also subject to a number of other laws in each country where we have operations, in particular in relation to obtaining the requisite building and other permits needed to install advertising units.

EU Regulatory Regime

Antitrust

EU antitrust law encompasses three main fields: the prohibition of cartels: the prohibition of abuse of a dominant position; and the control of mergers.

In accordance with the prohibition of cartels under Section 101 para. 1 of the TFEU, agreements between undertakings, decisions by associations of undertakings and concerted practices which may affect trade between EU member states and which have as their object or effect the prevention, restriction or distortion of competition within the European internal market are prohibited. Certain practices, such as cooperations in the areas of purchase or R&D, may be exempt from the prohibition of cartels pursuant to Section 101 para. 3 TFEU and on the basis of block exemptions issued by the European Commission. In addition, Article 102 of the TFEU prohibits the abuse of a dominant position by one or several undertakings in so far as it may affect trade between member states. This covers both exploitative and exclusionary abuse as well as abuse of the market structure. Pursuant to Article 2 para. 3 of the Council Regulation (EC) No. 139/2004 dated January 20, 2004 on the control of concentrations between undertakings (the "**EC Merger Regulation**"), certain concentrations are to be prohibited—to the extent the EC Merger Regulation applies- if they would significantly impede effective competition in the common market or in a substantial part of it, in particular, as a result of the creation or strengthening of a dominant position ("**EC Merger Control**").

The European Commission is responsible for enforcing EC Merger Control. Infringements of Article 101 and Article 102 TFEU may be pursued by both the European Commission and the relevant member state antitrust authorities or courts, in particular, by way of termination decisions or fines for each infringement in an amount of up to 10% of the group's total turnover in the preceding business year. The European Commission may also impose fines in this amount for effecting a merger without the European Commission's approval and before the expiry of the relevant review periods. In addition any agreements, decisions, concerted practices and other forms of prohibited conducts are void according to Article 101 para. 2 TFEU or Sections 134 or 139 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") in respect of those clauses that infringe competition law. In certain circumstances, the entire agreement may be deemed void. Furthermore, in case of infringements under Article 101 or Article 102 TFEU, the affected market participants may assert claims for remedial action and/or for injunctions and, where there has been a of culpable violation, claims for damages pursuant to Section 33 of the German Act against Restraints on Competition (*Gesetz gegen Wettbewerbsbeschränkungen,*) ("**GWB**"). Under certain conditions, specified associations may assert these claims, other than claims for damages.

Public Procurement

The conclusion or amendment of a public concession license may be subject to provisions of EU and member state laws. The applicability of these provisions depends in each case on the form of the relevant public concession license and its economic import. In general, it must be differentiated between the awarding of service concessions and service contracts.

Service Concessions

Public concession licenses with public bodies are generally service concessions. In this case, the supplier generally obtains the right from the public body to use the advertising spaces granted and pays rent to the public body.

EU laws do not contain express provisions regarding the awarding of service concessions. In particular, European public procurement law (Directives 2004/17/EC and 2004/18/EC) and its implementation into national public procurement law in Part 4 of the GWB do not apply (European Court of Justice, judgment of October 15, 2009, C-196/08; Higher Regional Court (*Oberlandesgericht*) of Jena, decision of December 11, 2009, 9 Verg 2/08, with further evidence). This legal position is currently not expected to change.

The case law of the European Court of Justice acknowledges, however, that the basic principles of the TFEU shall generally be applicable to the awarding of a service concession. Under certain conditions, the relevant public body must carry out a Europe-wide tendering procedure and comply, in particular, with the principles of equal treatment, transparency and non-discrimination (cf. judgments of October 15, 2009, C-196/08, and of May 15, 2008, C-147/06). In a Communication, the European Commission further identified the principles it considered relevant for these purposes (Communication of April 29, 2000, 2000/C 121/02).

Under the conditions stated by the European Court of Justice, the tender obligation also applies to material amendments to existing advertising rights agreements. In particular, an amendment may be considered material if it did not exist in the original contract and the economic balance is shifted towards the supplier (cf. European Court of Justice, judgment of June 19, 2008, C-454/06).

To the extent that the abovementioned requirements are not observed, treaty violation proceedings against the relevant member state may be initiated under EU law. Upon application of the European Commission, the European Court of Justice may determine that the TFEU has been violated and, if the situation is not remedied, impose a fine on the respective Member State. Furthermore, the European Court of Justice has determined that a violation of the abovementioned requirements may under certain circumstances lead to a duty of the public body to cancel the awarded service concession (European Court of Justice, judgment of April 13, 2010, C 91/08).

Service Contracts

Public concession licenses may also be service contracts. A service contact is one under which the supplier receives compensation for the services it is to provide from the public body.

The awarding of a service contract may be subject to European public procurement law (Directives 2004/17/EC and 2004/18/EC) and its national implementation (*GWB*). This is the case where—in addition to the qualification as a service contract—the awarding body is a contracting entity for the purposes of these provisions, the contract value reaches the relevant threshold and an exemption does not exist. If these conditions are met, chapter 2 of the German Awarding and Contract Procedures for Services Part A (*Vergabe- und Vertragsordnung für Leistungen Teil A*) (“**VOL/A**”) must be observed. In accordance therewith, a contract must generally be put up for tender throughout Europe. This also applies to material amendments to an existing agreement.

The scope of judicial protection is subject to European Directives 89/665/EEC, 92/13/EEC and 2007/66/EC and their implementation in national public procurement law (*GWB*). To this extent, competing undertakings may use separate review procedures, through which possible violations may be claimed. In certain cases, the bodies responsible for review procedures may determine that the agreement is ineffective up to six months after conclusion of the agreement, if the obligation to carry out a tender procedure was not observed.

Regulatory Environment in Germany

Antitrust Law

The GWB contains three primary antitrust provisions: the prohibition of cartels (Section 1 et seq. GWB); the prohibition of abuse of a dominant position, unfair hindrance and discrimination for dominant undertakings or

undertakings with strong market positions (Section 19 et seq. GWB); and the control of concentrations (Section 35 et seq. GWB).

The prohibition of cartels in accordance with Section 1 GWB relates to agreements between undertakings, decisions by associations of undertakings or concerted practices that have as their object or effect the prevention, restriction or distortion of competition. In addition to horizontal agreements and concerted practices with actual and potential competitors, other agreements and concerted practices with undertakings, such as vertical agreements or practices with customers, are covered. In particular, vertical agreements can encompass exclusive dealing agreements, long-term purchasing obligations or the granting of pre-emptive rights in matching third-party offers upon the expiration of a contract/license (*Vorpachtrechte*). For certain practices (for example, cooperations in the areas of purchase or R&D or under certain circumstances agreements to the benefit of small and medium-sized undertakings), exemptions from the prohibition of cartels are possible under Section 2 et seq. GWB. Section 19 GWB prohibits the abuse of a dominant position by one or several undertakings. Abuse of a dominant position may occur—for example—if inappropriate conditions are imposed on customers and/or suppliers, a competitors' ability to compete is significantly affected or other companies are foreclosed from accessing important suppliers due to—for example—long-term and/or exclusive agreements with such suppliers. Dominant undertakings or undertakings with a strong market position may not directly or indirectly hinder in an unfair manner another undertaking in business activities that are generally open to other undertakings, nor directly or indirectly treat another undertaking differently from similar undertakings without any objective justification in such business activities (Section 20 para. 1 GWB). In accordance with the merger control regulations under the GWB, the FCO may prohibit mergers or business combinations that would cross certain turnover thresholds if it is to be expected that these transactions will create or strengthen a dominant position, unless the relevant undertakings prove improvements in the conditions of competition triggered by the merger or business combination that outweigh the disadvantages of market dominance.

The FCO may impose termination decisions or impose fines for each infringement in an amount, of up to 10% of the group's total turnover in the business year preceding the decision of the authority in the event of infringements of the prohibition of cartels or the prohibition on the abuse of a dominant position, unfair hindrance or discrimination. Fines in this amount can also be imposed for effecting a merger or business concentration without the approval of the FCO and before the expiry of the relevant review period. As a sanction under civil law, agreements, concerted practices and other behavior infringing the prohibition of cartels or the prohibition on the abuse of a dominant position, unfair hindrance and discrimination are void pursuant to Section 134 and Section 139 BGB in respect of those clauses that infringe competition law. In certain circumstances, the entire agreement may be deemed void. Undertakings involved in such infringements have a duty, vis-à-vis their affected competitors and other market participants, to not only take remedial action and/or to refrain from such infringements but also, where there has been culpable conduct, to compensate for damages caused. Under certain conditions certain associations may assert these claims, other than claims for damages.

The FCO claims that the Ströer Group has a dominant position in many (if not all) relevant regional outdoor-advertising markets in Germany. Consequently, it is likely that any future acquisitions will give rise to concerns by the FCO under antitrust law.

There may be a greater opportunity for external corporate growth from a merger-control perspective in proposed concentrations outside of Germany.

Generally, antitrust law provisions under the GWB, EU antitrust law and antitrust law provisions in other jurisdictions, as well as in the upstream markets for out-of-home advertising spaces, in particular in municipal properties, are to be observed. For example, exclusive agreements, agreements of an unjustifiably long duration and/or providing for automatic renewal, tying agreements regarding street furniture and agreements containing pre-emptive rights in matching third-party offers upon the expiration of a public concession license may be inadmissible under antitrust law. In addition, antitrust law restraints are to be observed in the drafting of advertising agreements with special media brokers, media agencies and the advertising industry, particularly when granting discounts and special conditions.

Public Procurement Law

Service Concessions

In the case of a violation of the EU public procurement law in relation to the awarding of service concessions, competing undertakings have only limited judicial protection under German law. Until execution of the agreement, a court may prohibit the public body from entering into such an agreement. After conclusion of the agreement, generally only claims for damages against the awarding body may be considered. Furthermore, under national law,

the determination of a violation of law by the European Court of Justice does not necessarily result in the agreement becoming ineffective or being rescinded.

Service Contracts

The scope of judicial protection for service contracts has been implemented in German public procurement law (*GWB*). If German public procurement law (*GWB*) is not applicable, the provisions of German national budget law may have to be observed. Although these provisions generally provide for an obligation to carry out a public tender and refer to chapter 1 VOL/A, the national case law acknowledges, that the imminent conclusion of a public contract may be prohibited by a preliminary injunction ordered by the civil courts. Such injunction may not only be based on arbitrary acts by the contracting authority, but may also be ordered if other violations of procurement rules applicable to the award of the contract can be established (cf. Higher Regional Court (*Oberlandesgericht*) of Jena, decision of December 8, 2008, 9 U 431/08; Higher Regional Court (*Oberlandesgericht*) of Düsseldorf, decision of January 13, 2010, I-27 U 1/09). Generally, after a contract has been concluded, only claims for damages against the awarding body may be considered.

Building Law

The setting up of advertising units is subject to the German federal zoning law (*Bauplanungsrecht*) and state building regulation law (*Bauordnungsrecht*). Advertising units generally require a building permit (*Baugenehmigung*). While the zoning and building laws of the individual German states generally provide that advertising units smaller than $1m^2$ surface area do not require a building permit most of our advertising units exceed this size limit and thus require a building permit. However, even in those circumstances where no building permit is required, advertising facilities still need to comply with the requirements of German federal and state building law, and the competent authorities may enforce compliance if such requirements are not fulfilled.

The requirements to be observed are laid down in zoning law and building regulation law. If the advertising unit is to be qualified as a physical structure (*bauliche Anlage*) within the meaning of Section 29 Federal Building Act (*Baugesetzbuch*) ("**BauGB**"), that is, if it is in some way permanently connected to the ground, it will have to conform to the applicable zoning plan (*Bebauuungsplan,* Section 30 para. 1 BauGB). If no zoning plan exists, and the facility is to be set up within built-up areas (*Innenbereich*), Section 34 BauGB nevertheless requires that the facility conforms to the character of the immediate surroundings both in terms of the manner and the size of the constructional use and their design. In an area outside built-up areas (*Außenbereich*), some states have declared advertising units generally impermissible, with only few exceptions. If no such general prohibition exists on the state level, Section 35 BauGB provides for limitations for the permissibility of such facilities in areas outside settlements.

Advertising units often are specifically included within the scope of application of the building regulations of the individual German states and must comply with various rules concerning, *inter alia,* their safety, stability and technical features. In addition, advertising units may not be constructed in a way that impacts the surroundings in an aesthetically negative way or that significantly annoys the observer, as a result of, among other things, excessive cluttering caused by too many advertising displays at a location or due to the advertising unit's size, lighting or manner of operation,.

German municipalities may lay down further substantive and permission requirements in preservation ordinances, in design ordinances or in specific advertising unit ordinances. These ordinances place additional restrictions on the design of advertising units.

Further restrictions may apply according to the law on monument protection (*Denkmalschutzrecht*).

Street Law

In many cases, a special use permit according to State street law (*Landesstraßenrecht*) or under German federal law on federal arterial roads (*Bundesfernstraßengesetz*) ("**FStrG**") may also be required for the installation of advertising units that physically extend into the street or over the airspace of a street. Special restrictions apply to advertising facilities outside built-up areas (*geschlossene Ortschaften*). Pursuant to Section 9 FStrG, physical structures, which encompasses out-of-home advertising units, generally may not be set up closer than 40 meters to a motorway (*Bundesautobahn*) or 20 meters to a federal road (*Bundesstraße*) outside of towns. The installation of advertising units within 40 to 100 meters to a motorway or within 20 to 40 meters to a federal road requires permits subject to a approval by the competent state road authority (*oberste Landesstraßenbaubehörde*).

The German Road Traffic Act (*Straßenverkehrsordnung*) ("**StVO**") further provides that advertisements are prohibited outside of built-up areas if drivers may be distracted by such advertisement in a manner endangering or hampering public traffic.

Broadcasting and Telemedia Law

Our Infoscreen service displays still and moving pictures, but no sound. The content is played out from a central server via clients in the subway and train stations. For the transmission of content an internet protocol is used. 80% of the content comprise moving pictures and to a certain degree the content is similar to usual TV content but without sound. Each program loop has a duration of approximately seven minutes of which approximately one third consists of advertising, one third of news content and one third of infotainment or mere entertainment content (in particular animated comic strips).

Following the Offering we intend to roll out Outdoor Channel. While the technology of this new service will be quite similar to our existing Infoscreen service it will target people walking in train stations and airports rather than people waiting at a particular spot.

We currently do not hold a broadcasting license for any of our video services as we believe that these services qualify as telemedia services rather than broadcasting services. We also believe that for our Outdoor Channel no broadcasting license is required. We do not intend to apply for a broadcasting license.

Broadcasting Service

In the event a service qualifies as a broadcasting service a license is required under the German interstate treaty on broadcasting and telemedia (*Staatsvertrag für Rundfunk und Telemedien*) ("**IBT**"). According to Section 2 para. 1 IBT a broadcasting service is a linear information and communication service comprising the provision and transmission to the general public for simultaneous reception of moving pictures or sound, using electromagnetic oscillations. One of the most important substantive criteria for assessing the quality of a service as broadcasting service is the relevance of the service for public opinion-making. Operating a broadcasting service without the required license is illegal and may lead to injunctions by the relevant authorities and to administrative fines.

Any advertising that is part of a broadcasting service that is required to be licensed is subject to the restrictions of the IBT. Under the IBT advertising or advertisers may not influence the editorial content or other parts of a program. Advertising may not exceed 20% of the aggregate daily broadcasting time, only 15% of the aggregate daily broadcasting time may be used for commercial spots and in each period of 60 minutes only 12 minutes may be used for advertising (Section 45 para. 1, 2 IBT). Where broadcasting services do not qualify as nationwide service but as a regional or local broadcasting service, these time restrictions for advertising may not be provided for under applicable broadcasting law of the relevant federal state. For TV broadcasting it is expressly stipulated that advertising shall be inserted "en bloc" between programs and that broadcasting of single advertising spots must be the exception (Section 44 para. 2 IBT).

Telemedia Service

Advertisement-focused services such as our Infoscreen could also qualify as telemedia service legal requirements for which can be found in both the IBT and the German Telemedia Act (*Telemediengesetz*). Telemedia services are regulated to a minor degree compared to the regulation of broadcasting services. In particular, the rendering of telemedia services does not require any license. The IBT and the Telemedia Act define a telemedia service as any electronic information and communications service that is neither a telecommunication service nor a telecommunication based service nor a broadcasting service. One of the criteria for assessing whether a service qualifies as a broadcasting service or a telemedia service is the relevance for public opinion-making.

Restrictions Regarding Specific Content of Advertisements

Generally, there are only few specific regulatory restrictions on the content of advertisements of products in Germany. For example, it is prohibited to advertise certain pharmaceuticals.

EU Directive 2003/33/EC on the approximation of the laws, regulations and administrative provisions of the Member states relating to the advertising and sponsorships of tobacco products dated 26 May 2003 together with its national implementing legislation, the Preliminary Act on Tobacco (*Vorläufiges Tabakgesetz*), sets forth a general prohibition on the advertising of tobacco in print media, radio broadcasting and television.

Furthermore, the German advertising industry has entered into voluntary self-restrictions for advertisements on tobacco products. Pursuant to these voluntary self-restrictions, advertisements of tobacco products are subject to

numerous restrictions, in particular with regard to the positioning of the advertisements. For example, tobacco advertisements are not to be placed close to schools or youth centers or sports facilities.

Regulatory Environment in Poland

Antitrust Law

Our activities in Poland are subject to both Polish and EU antitrust law. The Polish Competition and Consumer Protection Act ("**CCPA**") contains three primary antitrust provisions: a prohibition on competition restricting agreements and concerted practices (art. 6 et seq. of the CCPA); a prohibition on abuse of a dominant position (art. 9 of the CCPA); and control of concentrations (art. 13 et seq. of the CCPA). These three antitrust provisions generally correspond to the relevant EU provisions on agreements that restrict competition, abuse of a dominant position, and control of concentrations. According to the merger control regulations in art. 13 et seq. of the CCPA, intended concentrations reaching certain turnover thresholds have to be notified to the Polish President of the Competition and Consumer Protection Office ("**PCCPO**").

Public Procurement law

Concluding or amending a public concession licenses with public bodies, for example, with towns and municipalities, may be subject to certain Polish public procurement regulations. Whether or not these regulations apply depends on the form of particular public concession license. The awarding of service contract under a public concession license may be subject to EU public procurement law and its implementation in Poland, in particular, by way of the Polish Public Procurement Law (the "**PPPL**"). This applies when, in addition to the qualification as a service contract, the awarding body is a contracting entity for the purposes of these provisions, the contract value reaches the relevant threshold and there is no exemption. Under the PPPL, contracts must generally be put up for public tender. When certain thresholds are exceeded, contracts must also be put up for tender throughout Europe. The same applies in the case of material amendments to an existing agreement. Leasing advertising space (land for placing billboards) from public bodies may, under certain conditions, be subject to the public lender if it is for a non-fixed term or for more than three years.

Building Law, Zoning Law and Street Law

The installation of out-of-home advertising units may be subject to the provisions of Polish national building law and zoning law. There may also be rules and restrictions on advertising under regional or local regulations. Out-of-home advertising units also often require a building permit or are subject to certain notification requirements. Even if a building permit is not required, advertising units still must comply with the requirements of building law. The installation of out-of-home advertising units without the required building permit or notification may lead to the competent authorities ordering that the units be dismantled or the imposition of fines. Additional requirements under Polish street law provisions must be met if advertising facilities are to be placed near public streets. In particular, special permits or mandatory separation distances may be required. There are prohibitions on the installation of oversize advertising units on residential buildings.

Restrictions on Advertisement Content

The content of advertisements must comply with numerous Polish legal restriction, including the prohibition on advertising tobacco or alcohol products (other than beer provided that health warnings account for 20% of the surface of the billboard) as well as certain pharmaceuticals. Moreover, all advertisements must comply with general legal requirements and they may not infringe criminal law provisions or rules on fair competition. A breach of advertisement provisions may lead to fines and actions for damages.

Regulatory Environment in Turkey

Antitrust Law

Within the framework of the studies aimed at harmonizing Turkish law with EU law, the Law Regarding the Protection of Competition, Law No. 4054 ("**Law No. 4054**") was enacted in Turkey on December 7, 1994. The purpose of Law No. 4054 is to protect competition by ensuring the necessary regulation, supervision and prevention of abuse of dominant market position by enterprises and to prevent agreements, decisions and practices that prevent, restrict or distort competition within the markets for goods and services.

Provisions of Turkish antitrust law must be complied with in respect of any mergers or acquisitions, the awarding of public concession licenses and the entering into of vertical agreements, which can be defined as

agreements concluded between two or more undertakings operating at different levels of the production or distribution chain, with the aim of purchasing, selling or reselling particular goods or services.

Pursuant to Article 7 of Law No. 4054, mergers and acquisitions that aim to create or strengthen a dominant position in the whole or part of the Republic of Turkey and have the effect of reducing competition significantly in a market for goods or services are illegal and prohibited. The Turkish Competition Board has the power to specify which mergers or acquisitions it must be notified of for approval prior to its being consummated. In this respect, the Turkish Competition Board has issued Communiqué 1997/1 on the Mergers and Acquisitions Subject to the Permission of the Competition Board ("**Communiqué 1997/1**"). Under Communiqué 1997/1, acquisition of the assets of a company, acquisition of all or part of its shares and the means by which an acquirer is granted a right in the management are each deemed an acquisition that requires notification to the Turkish Competition Board (in addition to the mergers and joint ventures which are also within the scope of Law No. 4054). If Law No. 4054 has been breached, including as a result of the failure to provide notification of a merger or acquisition in order to obtain the prior permission of the Competition Board, the Competition Board may impose measures to rectify such breach and may impose administrative fines.

The Competition Board's Communiqué No. 2002/2 ("**Communiqué 2002/2**") sets forth the conditions of exemption in block vertical agreements from the application of the provisions of Law No. 4054. Vertical agreements concluded between competing undertakings may not benefit from the exemption granted by the block exemption under Communiqué 2002/2. However, the vertical agreements where the provider is both the producer and distributor of the goods which are the subject of the agreement, and where the purchaser is not the producer but the distributor of the goods which compete with such goods, shall benefit from the block exemption granted by Communiqué 2002/2.

State Tender Act

Transactions, such as selling, purchasing, servicing, constructing and leasing by governmental bodies, that are included in the governmental budget, annexed budget administrations, local administrations and municipalities are regulated by the State Tender Act No. 2886 (the "**State Tender Act**"). Public concession licenses for the provision of advertising on advertising units on locations that are leased by municipal and other public authorities are subject to the public tender requirements of the State Tender Act.

The State Tender Act stipulates which provisions must be included in the public tender notifications. These specifications include the estimated value of the tender. In cases where it is not possible to determine the estimated value of the tender due to industrial or technical reasons, the tender may also be initiated without the estimated value in the form of a sealed envelope procedure. Entities that meet the financial and technical requirements stipulated in the tender specifications are entitled to participate in the tender process, provided that such participants have submitted all documents that have to be submitted as per the tender specifications and have a residential address within the boundaries of the Republic of Turkey.

The term of an out-of-home advertising public concession license may not exceed ten years. Where the public concession license is for a term exceeding three years, the rental fee must be subject to adjustment each year, subject to the terms indicated in relation thereto in the tender specifications and the agreement. The public concession license may, unless otherwise stipulated, be assigned to a third party subject to the prior written consent of the licensor.

Metropolitan Municipalities Law

Pursuant to Article 7(g) of the Metropolitan Municipalities Law No. 5216, municipalities are entitled to determine the locations where advertisements may be posted and the sizes of such advertisements. Consequently, out-of-home advertising units may be installed within the boundaries of municipalities only at approved locations and subject to approval by the relevant municipality.

Advertisement Regulations of Local Municipalities

In order to determine the rules to be applied in the erection of advertisement materials by real or legal entities and public and governmental bodies within the boundaries of the relevant municipalities, regulations are enacted by the relevant municipalities which shall be observed during the erection of advertisement material and use thereof for commercial purposes. In the performance of their business activities, Ströer Turkey companies are obliged to comply with the terms of such regulations which are in force within the boundaries of the relevant municipalities in which such activities are carried out.

Consumer Protection Law

The Consumer Protection Law No. 4077 (**Consumer Protection Law**) sets forth that commercial advertisements and announcements must be in conformity with laws, and principles set forth by the Advertisement Supervisory Board must not breach general morality, public order, personal rights and must be true and correct. Advertisements, announcements or implied advertisements must not mislead or deceive consumers or abuse their lack of experience or knowledge, may not be threatening to the life of consumers or the safety of their property and may not encourage acts of violence or criminal conduct, endanger public health or lead to the abuse of the elderly, children or disabled people. It is incumbent upon the advertiser to prove any material claims made in the commercial advertisement or announcement. Advertisers, advertising agencies or media companies are required to comply with the aforementioned provisions of the Consumer Protection Law.

The Advertisement Supervisory Board is vested with the power to establish the principles to be complied with in commercial advertisements and announcements, to monitor compliance with these principles and to issue precautionary injunctions against advertisements and notices inconsistent with the provisions of the Consumer Protection Law.

Regulation on Commercial Advertisement and Announcements

Based on the provisions of the Consumer Protection Law, a Regulation on the Principles of Commercial Advertisement and Announcements No. 25138 was enacted on June 14, 2003 (**Advertisement Regulation**). The Advertisement Regulation sets forth the principles to be observed by any advertisers, advertisement agencies, media companies and all persons, corporations and companies that are associated with advertisement activities and the principles according to which compliance with the Advertisement Regulation shall be monitored. Accordingly, any commercial advertisement and announcements should comply with the basic principles set forth in the Advertisement Regulation, such that any advertisement shall comply with laws, common ethics and shall be true and correct; with principles regarding fair competition as generally accepted in the business life and public opinion; shall not contain any presentation or definition in relation to implementations or situations which may endanger personal security or in which security rules are disregarded; shall clearly be identifiable as "advertisement" and shall not be in the nature of secret advertisement; shall be prepared by taking into account the sensation level of the average advertisement audience and the potential effect of the advertisement on the consumer; shall not breach human dignity or violate any personal rights; shall not present or narrate the private or social life of any person, unless consent of such person was previously obtained in relation thereto; shall not breach common order, lead to, encourage, support or tolerate acts of violence, or encourage and illegal acts and shall not be based on or support any discrimination, contain any mobbing or abuse.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

This following section describes the material transactions and legal relationships that existed between the Company or other Ströer Group companies on the one hand and related parties on the other hand during the 2009, 2008 and 2007 financial years, and in 2010 through the date of this prospectus. Intra-group transactions among the Ströer Group companies are not discussed below.

In accordance with IAS 24, parties related to Ströer AG are the following:

- Ströer Group companies that are controlled by Ströer AG, in which the Company has an interest that gives it a significant influence, or over which it has joint control;
- Companies that are associated with Ströer AG within the meaning of IAS 28, and that are not consolidated by Ströer AG, as well as joint ventures in which the Company participates;
- The members of the Management Board and Supervisory Board of Ströer AG and close members of their families, as well as entities controlled or significantly influenced by members of the Management Board or the Supervisory Board or their close family members, or in which those persons directly or indirectly hold significant voting power; and
- The shareholders whose shares give them a significant controlling influence over the Company, as well as all companies and businesses over which these shareholders can exert a controlling influence and/or in which they hold more than 50% of the voting rights.

Before November 29, 2005, Udo Müller, the chairman of the Company's Management Board, and Dirk Ströer held each 50.0% of the ordinary bearer shares in the Company. On November 16, 2005, the annual general shareholders' meeting of the Company resolved to transform 7.5% of the ordinary shares of Dirk Ströer into preference shares without voting rights. This transformation was registered with the commercial register on November 29, 2005. Consequently, from this date on, Udo Müller held the majority of the voting rights in the Company and the Company had to be classified as a dependant enterprise (*abhängiges Unternehmen*) according to Section 17 AktG. On July 13, 2010, an extraordinary shareholders' meeting shall resolve to retransform the preference shares of Dirk Ströer into ordinary bearer shares. Consequently, immediately prior to the commencement of the Offering, each of Udo Müller and Dirk Ströer will again hold 50.0% of the Company's ordinary bearer shares and of the voting rights in the Company. For additional information see *"Principal, Existing Shareholders and Selling Shareholder"*.

For information on the compensation paid to the members of the Company's Management and Supervisory Board see *"Management—Management Board—Compensation of the Members of the Management Board"* and *"Management—Supervisory Board—Compensation of Supervisory Board Members"*.

Business Relationships between Ströer AG and Companies of the Ströer Group

Ströer AG is currently a financial and management holding company, providing numerous services to related entities. Services provided include central support in the areas of finance, legal and human resources matters, as well as centralized operations for research development and purchasing. To the extent legally possible, the Company manages a cash pooling system that is designed in a way to manage liquidity at Group level most efficiently.

The Company's main source of income is remuneration from the provision of these services, income from providing financing and profit distribution from its operating segments.

The following table summarizes the income for the years indicated:

Type of transaction	Sales	Acquisitions	Provision of services	Purchase of services	Provision of other services	Purchase of other services
	(Amount in € thousand which arose out of these transactions with related parties (subsidiaries, associates and investees))					
2009	0	0	835	75	200	19
2008	0	0	634	20	337	0
2007	0	0	538	20	450	0

All transactions and legal relationships between Ströer Group companies and the above related entities are carried out on arm's length terms.

Business Relationships with Current and Former Principal Shareholders of the Company and with Companies and Enterprises Over Which These Principal Shareholders Can Exert Controlling Influence

Agreements with Media Ventures GmbH and other related companies

Media Ventures GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*), which is recorded in the Commercial Register of the Local Court (*Amtsgericht*) of Cologne under HRB 33443. Dirk Ströer and Udo Müller hold 51% and 49% of the shares in Media Ventures GmbH respectively. On March 23, 2007 Ströer Sales & Services GmbH and Media Ventures GmbH entered into two agreements.

Under one of these agreements, Media Ventures GmbH undertakes to supply Ströer Sales & Services GmbH with advertising copy free of charge for Ströer Sales & Services GmbH which Ströer Sales & Services GmbH uses in order to cover advertising spaces which have not been booked. It remains Ströer Sales & Services GmbH's discretion when, where and to which extent advertising copy supplied by Media Ventures GmbH is used. Media Ventures GmbH has to bear the cost of fixation. The agreement provides for an indefinite term and may be terminated with two months notice to the end of a calendar year.

Udo Müller also holds participations in other companies which maintain a business relationship with the Ströer Group. In 2009, these services comprised on the one hand rent payments for premises used as advertising locations (€0.5 million) and on the other hand income from sales & marketing services for a limited number of assets (€2.1 million).

Service and Marketing Agreements with Ströer Außenwerbung GmbH & Co. KG and its Affiliates

Ströer Außenwerbung GmbH & Co. KG is a limited partnership (*Kommanditgesellschaft*), which is recorded in the Commercial Register of the Local Court (*Amtsgericht*) of Cologne under HRA 6644. The company's sole limited partner (*Kommanditist*) is Dirk Ströer, its general partner (*Komplementär*) is Ströer-Verwaltungs-GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) which is recorded in the Commercial Register of the Local Court (*Amtsgericht*) of Cologne under HRB 9554.

Pursuant to an agreement between Ströer AG, Ströer Sales & Services GmbH and Ströer Außenwerbung GmbH & Co. KG ("**SAW**") effective from January 1, 2002, Ströer Sales & Services GmbH is granted the exclusive right to distribute advertising spaces owned by SAW. The distribution right also includes advertising units that SAW does not own but is entitled to market. In 2009, services received by SAW amounted to approximately €16 million.

As a remuneration, Ströer Sales & Services GmbH receives a percentage of the turnover generated with the distribution of the relevant advertising units, regularly 10%. Ströer Sales & Services GmbH is obliged to reimburse SAW for certain costs incurred when affixing posters on to the advertising units, if and to the extent that Ströer Sales & Services GmbH is paid for these costs by the relevant customer.

The term of the contract started on January 1, 2002 and had an initial duration of five years. The contract was renewed until December 31, 2014.

Pursuant to an agreement dated December 27, 2005 Ströer AG is the exclusive provider of SAW and certain of its affiliates of specified IT services and Ströer Media Deutschland GmbH is the non-exclusive provider of specified general administration services (including billing and accounting services, contract administration services, personnel services and central procurement services).

As a remuneration for the general administration services SAW pays specified lump sums to Ströer Media Deutschland GmbH and as a remuneration for the IT services pays a fee in accordance with a price list depending on the actual consumption of services. In addition, SAW has to reimburse Ströer AG or its affiliates for specified overhead costs (for example, canteen, insurances, telephone system). The agreement extends on a yearly basis.

Silent Partnership Agreements

Pursuant to silent partnership agreements between, inter alias, Ströer AG and Heinz W. Ströer as silent partner and Udo Müller dated May 16, 2001, and November 9, 2001, Heinz W. Ströer became silent partner of Ströer AG with silent contributions in the amount of €3,100,000 and €520,000, without reserve liability (*Nachschusspflicht*). With the agreement dated October 30, 2003, Heinz W. Ströer transferred his silent partnerships to Ströer Beteiligungsgesellschaft mbH. On 6 March 2004, Heinz W. Ströer died and his heir, Dirk Ströer, entered into the respective agreements in his capacity as Heinz W. Ströer's legal successor.

Pursuant to a silent partnership agreement between, inter alias, Ströer AG and Udo Müller as silent partner and Heinz W. Ströer dated November 9, 2001, Udo Müller became silent partner of Ströer AG with a silent contribution in the amount of €520,000, without reserve liability (*Nachschusspflicht*).

The parties agreed on an indefinite term but each party waived its right to terminate the silent partnership within a fixed term of five years. Pursuant to an agreement dated August 29, 2002, it has been clarified that certain termination rights can not be exercised prior to the end of the fixed term of five years. The silent partners are entitled to terminate the silent partnership with three month' prior notice, provided that Ströer AG's equity ratio will not fall below 20 % as a result of the payment on the limited partners re-contribution claim. Ströer AG is, in general, entitled to terminate such silent partnership with six month notice.

The relevant silent partner receives, irrespective of Ströer AG's annual profit but limited to certain capital maintenance requirements, a remuneration of 8% p.a. of its silent contribution, to be paid monthly into an interest bearing account. Furthermore, the relevant silent partner receives an annual remuneration in an amount of 2% of its silent contribution up to a maximum amount of 25% of Ströer AG's annual profit (to be determined under consideration of the aforementioned monthly remuneration), in any case such amount only to be paid out of the Company's annual profit. Pursuant to an agreement dated November 10, 2001, such 25%-limit is the aggregate maximum amount with respect to all remuneration claims of the silent partners Udo Müller and Ströer Beteiligungsgesellschaft mbH. In the event of the termination of the relevant silent partnership, the respective silent partner is, in general, entitled to receive compensation in the amount of its silent contribution plus unpaid (monthly/annual) remuneration.

Each silent partnership agreement provides for a consent requirement with respect to several measures and procedures relating to Ströer AG. Each silent partner subordinated its claims (except for such amounts paid into that certain, interest bearing account) in favor of all present and future creditors of Ströer AG, that is, the relevant silent partner shall only receive payments to the extent that the annual net profit, any liquidation surplus etc. is sufficient to make such payments without limiting the position of other creditors. Furthermore, the relevant silent partner conditionally waives its re-contribution claim regarding the silent contribution in the event of the commencement of insolvency proceedings or the refusal of the commencement of insolvency proceedings due to insufficient insolvency estate.

We contemplate to transform the silent partnership agreements in the amount of a total of €4.14 million with both, Ströer Beteiligungsgesellschaft mbH and Udo Müller, into a subordinated loan (unless the Company decides to fully repay the silent partnership agreements). If we decide to transform the silent partnership agreements, it is planned that the subordinated loan agreement to be concluded will provide to a large extent for similar economics as the silent partnership agreement.

Legal Advice by Schlütter Bornheim Seitz

Dr. Wolfgang Bornheim, the chairman of the Company's Supervisory Board, is a partner of the law firm "Schlütter Bornheim Seitz" which advises Ströer Group on certain legal matters, including the service agreements of the members of the Company's Management Board. In 2009, the consulting fees due to Schlütter Bornheim Seitz amounted to a total of €69,903 (corresponding to €238,272 in 2008). As of April 30, 2010, the receivables of Schlütter Bornheim Seitz against the Company for 2010 amounted to €9,858.

PRINCIPAL, EXISTING SHAREHOLDERS AND SELLING SHAREHOLDER

As the number of the Company Shares issued in the Offering will vary depending on the final amount of the Offer Price (see *"The Offering"*), the following table sets forth the principal beneficial shareholders of the Company immediately prior to the Offering, and the expected ownership shares upon completion of the Offering at an Offering Price at the (i) low end (ii) mid-point and (iii) high end of the Price Range. The Existing Shareholders will hold upon completion of the Offering more than 50% of the shares in the Company. The Selling Shareholder Saberasu will hold no shares in the Company upon completion of the Offering.

(i) Low end:

	Actual Ownership of Ströer AG, in % and shares held			Upon completion of the offering (assuming full exercise of Greenshoe Option and completion of the capital increase from authorized capital)[5]
Shareholders	Immediately prior to the commencement of the Offering[2]	Immediately prior to the completion of the Offering[4]	Upon completion of the Offering (no exercise of Greenshoe Option)	
Dirk Ströer[1]	50.0% 11,776,000 shares	42.5% 11,776,000 shares	27.2% 11,952,470 shares	26.0% 11,952,470 shares
Udo Müller[1]	50.0% 11,776,000 shares	42.5% 11,776,000 shares	27.0% 11,849,529 shares	25.8% 11,849,529 shares
Saberasu[3]	—	15.0% 4,156,238 shares	—	—
Alfried Bührdel[1]	—	—	0.1%[6] 46,180 shares[6]	0.1%[6] 46,180 shares[6]
Free float	—	—	45.7% 20,036,530 shares	48.1% 22,069,801 shares
Total	**100%** **23,552,000 shares**	**100%** **27,708,238 shares**	**100%** **43,884,709 shares**	**100%** **45,917,980 shares**

(ii) Mid point:

	Actual Ownership of Ströer AG, in % and shares held			Upon completion of the offering (assuming full exercise of Greenshoe Option and completion of the capital increase from authorized capital)[5]
Shareholders	Immediately prior to the commencement of the Offering[2]	Immediately prior to the completion of the Offering[4]	Upon completion of the Offering (no exercise of Greenshoe Option)[5]	
Dirk Ströer[1]	50.0% 11,776,000 shares	42.5% 11,776,000 shares	29.0% 11,922,341 shares	27.8% 11,922,341 shares
Udo Müller[1]	50.0% 11,776,000 shares	42.5% 11,776,000 shares	28.8% 11,836,975 shares	27.6% 11,836,975 shares
Saberasu[3]	—	15.0% 4,156,238 shares	—	—
Alfried Bührdel[1]	—	—	0.1%[6] 46,180 shares[6]	0.1%[6] 46,180 shares[6]
Free float	—	—	42.1% 17,317,377 shares	44.5% 19,074,465 shares
Total	**100%** **23,552,000 shares**	**100%** **27,708,238 shares**	**100%** **41,122,873 shares**	**100%** **42,879,961 shares**

(iii) High end:

Shareholders	Actual Ownership of Ströer AG, in % and shares held: Immediately prior to the commencement of the offering[2]	Immediately prior to the completion of the offering[4]	Upon completion of the offering (no exercise of Greenshoe Option)[5]	Upon completion of the offering (assuming full exercise of Greenshoe Option and completion of the capital increase from authorized capital)[5]
Dirk Ströer[1]	50.0% 11,776,000 shares	42.5% 11,776,000 shares	30.4% 11,901,000 shares	29.2% 11,901,000 shares
Udo Müller[1]	50.0% 11,776,000 shares	42.5% 11,776,000 shares	30.2% 11,828,083 shares	29.0% 11,828,083 shares
Saberasu[3]	—	15.0% 4,156,238 shares	—	—
Alfried Bührdel[1]	—	—	0.1%[6] 46,180 shares[6]	0.1%[6] 46,180 shares[6]
Free float	—	—	39.3% 15,391,309 shares	41.6% 16,952,767 shares
Total	**100%** **23,552,000 shares**	**100%** **27,708,238 shares**	**100%** **39,166,572 shares**	**100%** **40,728,030 shares**

(1) Dirk Ströer, Udo Müller and Alfried Bührdel have their business address at Ströer-Allee 1, 50999 Cologne, Germany.

(2) Due to the Company's capital increase from its own resources resolved on May 26, 2010, the Company's subscribed capital increased from €512,000 to €23,552,000, divided into 21,785,600 ordinary bearer shares (*auf den Inhaber lautende Stammaktien*) with no par value and with a notional value of €1.00 per share, and 1,766,400 preferred shares without voting rights (*stimmrechtslose Vorzugsaktien*). The preferred shares of the Company are solely owned by Dirk Ströer. (see *"Description of Share Capital—Current Share Capital of the Company"* and *"Description of Share Capital—Share Capital of the Company and Development of Share Capital over the Last three Years"*).

(3) Saberasu has its business address at Oude Utrechtseweg 16, 3743 KN Baarn, The Netherlands.

(4) On December 18, 2003, the Company issued 90,353 Warrants to Saberasu, an entity fully controlled by Cerberus, which represent the right to acquire a total participation of 15% in the Company's share capital. Due to the Company's capital increase from its own resources resolved on May 26, 2010, the number of Warrant Shares to be granted to Saberasu increased to 4,156,238. (for more information regarding the Warrants see *"Business—Material Contracts—Saberasu Warrants"*). Saberasu intends to exercise all Warrants on or around July 12, 2010, and to sell the acquired shares to the Underwriters who agreed to sell the Warrant Shares in the Offering (for more information see *"The Offering—Subject Matter of the Offering"* and *"The Offering—Selling Shareholder, Existing Shareholders"*). Upon exercise of the Warrants, the subscribed capital of the Company will increase from €23,552,000 to €27,708,238. On the same date, the shareholders shall resolve at the extraordinary general shareholders' meeting of the Company to raise the Company's subscribed capital by way of a capital increase for contribution in cash from €27,708,238 to up to €43,884,709 with the exclusion of the statutory pre-emptive rights of shareholders. Subsequently, all preferred shares of the Company shall be converted into ordinary bearer shares (see *"Description of Share Capital—Share Capital of the Company and Development of Share Capital over the Last three Years"*).

(5) Assuming full exercise of the Greenshoe Option and completion of the capital increase from authorized capital. For more information regarding the Greenshoe Option, see *"The Offering—Stabilization Measures, Overallotments and Greenshoe Option"*.

(6) Assuming that Alfried Bührdel will invest one third of the net Phantom Stock Bonus payable to him.

All of our shares confer the same voting rights.

GENERAL INFORMATION ON THE COMPANY AND THE GROUP

Name, Registered Office, Formation, Financial Year and Duration of the Company

Ströer AG is a stock corporation (*Aktiengesellschaft*) organized under German law. The Company's legal name is "Ströer Out-of-Home Media AG" and the commercial name of the Company is "Ströer". The Company is recorded in the Commercial Register of the Local Court *(Amtsgericht)* of Cologne under HRB 41548.

Initially, the company was incorporated as "Ströer Gesellschaft für innovative Außenwerbung mbH", a limited liability company (*Gesellschaft mit beschränkter Haftung*) on June 3, 1994 and recorded in the Commercial Register of the Local Court (*Amtsgericht*) of Cologne under HRB 25192 on August 18, 1994. The Company's name was changed to "Ströer Out-of-Home Media GmbH" pursuant to a shareholders' resolution as of July 27, 2000, which was recorded in the Commercial Register of the Local Court (*Amtsgericht*) of Cologne on August 23, 2000. Due to a shareholders' resolution dated May 29, 2002, the Company was converted to a stock corporation and finally renamed to "Ströer Out-of-Home Media AG". The conversion was recorded in the Commercial Register of the Local Court (*Amtsgericht*) of Cologne on July 29, 2002.

The Company's financial year is the calendar year. The term of the Company is unlimited. The Company's registered office is located at Ströer Allee 1, 50999 Cologne, Germany, and its telephone number is +49 (0) 2236 9645 0.

Corporate Purpose

Since its formation in 1994, the Company's corporate purpose has been the execution of outdoor advertisement, in particular the placement and marketing of advertisement requests in this area. Additionally, the Company has been responsible for the administration, the accounting and the provision of other services to the Ströer Group and other companies.

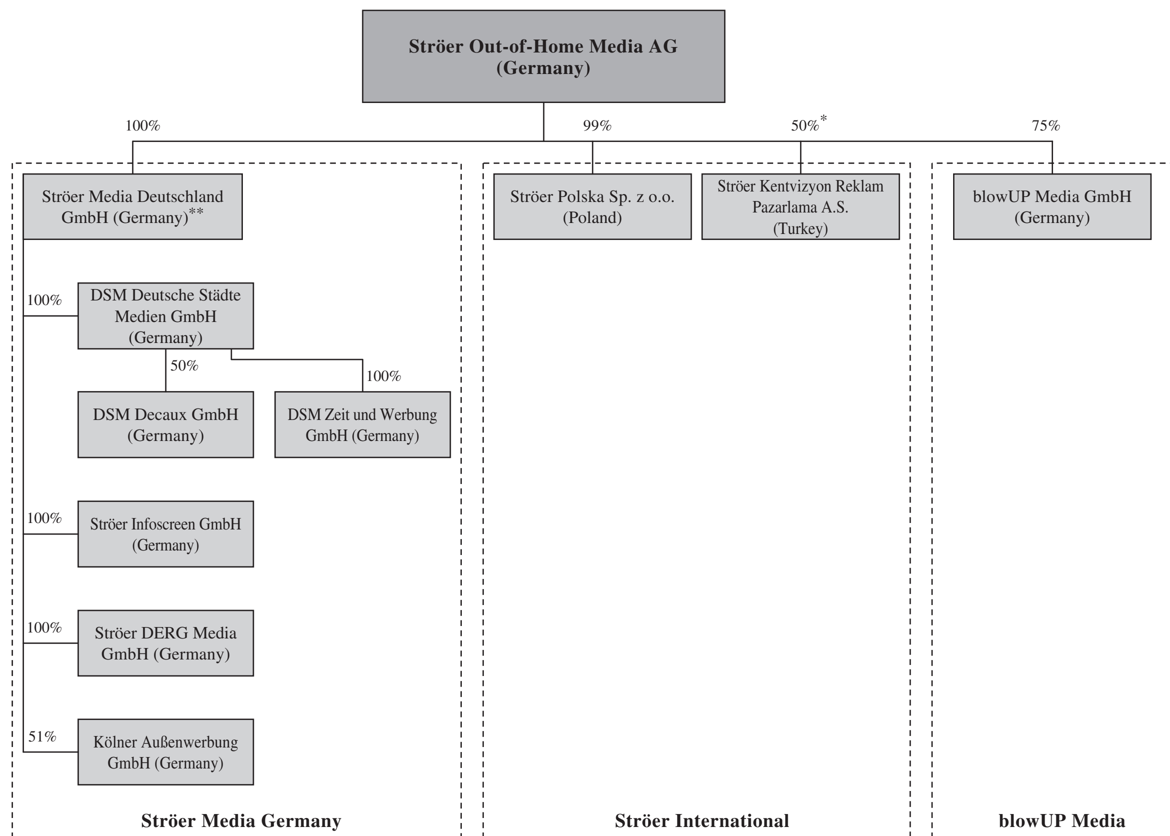
Upon conversion of the Company into the legal form of a stock corporation which was registered with the commercial register on July 29, 2002, new articles of association were implemented. The articles of association were again amended due to a shareholders' resolution as of May 26, 2010.

In the articles of association, the corporate purpose of the Company is defined as the holding and management of interests in companies operating in the out-of-home advertising market. The company may engage in all forms of business that are suitable to promoting the Company's corporate purpose either directly or indirectly. The Company may participate in other companies of identical or similar type or establish, acquire or sell such companies.

Group Structure

The Company is the management and holding company and ultimate parent company of our Group. The Company's business is solely conducted by the relevant operating subsidiaries. The Company's consolidated financial statements include all companies whose financial or business policy the Company can determine directly or indirectly to derive economic benefit from the activities of these companies.

The following illustration provides a simplified overview of the Company's significant subsidiaries at the date of this prospectus with the shareholder structure before the commencement of the Offering:



* Additional 40% of the shares in Ströer Kentvizyon Reklam Pazarlama A.S. to be acquired upon completion of the Offering.

** The conversion of the former Ströer Media Deutschland GmbH & Co. KG into a limited liability company (*GmbH*) was registered with the commercial register on May 19, 2010.

Pursuant to a shareholders' resolution which was registered with the commercial register on May 19, 2010, the former Ströer Media Deutschland GmbH & Co. KG has been converted into a limited liability company (*GmbH*). As a consequence of this conversion, a future sale of our shares in SMD or the implementation of certain other measures with regard to these shares that are comparable to such a sale (such as, inter alia, the reduction of SMD's capital reserve or of its tax contribution account (*steuerliches Einlagekonto*)) within seven years after the date when the conversion becomes effective for tax purposes would retroactively lead to a full or partial taxation of the hidden reserves of SMD as of the date when the conversion takes place for tax purposes.

Significant Subsidiaries

The table below provides an overview of our significant operating subsidiaries. The financial data presented in this table have been derived from the Company's IFRS consolidated financial statements, the Company's HGB unconsolidated financial statement, the subsidiarys' unconsolidated financial statements prepared in accordance with local GAAP as well as the Company's accounting records as of December 31, 2009. The subsidiaries and equity interests are not subject to any distribution restrictions with respect to their parent company.

Name, domicile	Business area (product areas)	Interest held by Ströer AG	Subscribed capital as of December 31, 2009 (€ thousands)	Reserves as of December 31, 2009 (€ thousands)		Net income in financial year 2009 (before profit transfer) (€ thousands)
				Additional paid-in capital	Revenue reserve	
Direct shareholdings						
Ströer Media Deutschland GmbH & Co. KG, Köln	Street Furniture, Billboard, Transport	100%	10,000	42,975	0	19,546
Ströer Kentvizyon Reklam Pazarlama A.S., Istanbul	Street Furniture, Billboard, Transport	50%	6,065	14,011	8	6,043
Ströer Polska Sp. z o.o., Warsaw	Street Furniture, Billboard	99%	10,763	262	9,767	158
Blow Up Media GmbH, Köln	Billboard	75,00%	350	285	0	217
Indirect shareholdings						
DSM Deutsche Städte Medien GmbH, Frankfurt	Street Furniture, Billboard, Transport	100% (held via SMD)	2,011	7,081	3,519	22,307
DSM Decaux GmbH, München	Transport	50% (held via SMD)	511	511	0	5,943
DSM Zeit und Werbung GmbH, Frankfurt	Street Furniture	100% (held via SMD)	26	1,227	199	667
Ströer Infoscreen GmbH, Köln	Transport	100% (held via SMD)	492	8,356	0	4,342
Ströer DERG Media GmbH, Kassel	Transport	100% (held via SMD)	2.046	696	1,093	11,413
Kölner Außenwerbung GmbH, Köln	Street Furniture, Billboard, Transport	51% (held via SMD)	1,534	818	0	1,952

Name, domicile	Book value of the investment in Ströer AG's books as of December 31, 2009*	Income earned/expenses incurred by Ströer AG from the shareholding in financial year 2009*	Payables owed to Ströer AG as of December 31, 2009 (€ thousand)*		Receivables from Ströer AG as of December 31, 2009 (€ thousand)*	
	(€ thousands)	(€ thousands)	accounts payable	From cash pooling	accounts receivable	From cash pooling
Direct shareholdings						
Ströer Media Deutschland GmbH & Co. KG, Köln	150.000	19,546	0	0	1,524	59,957
Ströer Kentvizyon Reklam Pazarlama A.S., Istanbul	16,027	—	−1,185	0	0	0
Ströer Polska Sp. z o.o., Warsaw	29,908	—	−9,560		13	
Blow Up Media GmbH, Köln	2,962	—	−12	0	0	0
Indirect shareholdings						
DSM Deutsche Städte Medien GmbH, Frankfurt	—	—	0	0	147	0
DSM Decaux GmbH, München	—	—	0	0	0	0
DSM Zeit und Werbung GmbH, Frankfurt	—	—	−1	0	0	0
Ströer Infoscreen GmbH, Köln	—	—	−1	0	0	0
Ströer DERG Media GmbH, Kassel . .	—	—	−16	0	0	0
Kölner Außenwerbung GmbH, Köln . .	0	—	0	0	0	0

* Derived from the Company's HGB unconsolidated financial statements as of and for the financial year ended December 31, 2009 or the respective accounting records.

We are currently in negotiations with the main creditor of one of our subsidiaries, XOREX Beteiligungs GmbH, regarding the voluntary wind-down of this subsidiary. As of the date of this prospectus, negotiations are ongoing. If these negotiations are unsuccessful, it is possible that an insolvency application *(Insolvenzantrag)* for this subsidiary (possibly involving (i) further subsidiaries of XOREX Beteiligungs GmbH and (ii) XOREX GmbH) will have to be filed. We can not exclude the possibility that, in connection with the voluntary wind-down or a potential insolvency, as the case may be, claims may be asserted against the Company or other members of the Ströer Group.

Auditor of the Financial Statements

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (formerly Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft), Ludwigstraße 8, 50667 Cologne, Germany), a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, is the auditor of our statutory financial statements.

E&Y audited our annual consolidated financial statements as of and for the years ended December 31, 2009, 2008 and 2007 prepared in accordance with the IFRS and the Company's unconsolidated financial statements as of and for the year ended December 31, 2009 prepared in accordance with the HGB, in each case with an unqualified auditors' report reproduced elsewhere in this prospectus.

Notices and Paying Agent

In accordance with our articles of association, our announcements appear exclusively in the German Electronic Federal Gazette (*elektronischer Bundesanzeiger*), unless otherwise prescribed by law. If the law provides that explanations or information must be made available to the shareholders but without indicating in which form, it is sufficient to post such information on our website. Notices concerning our shares will be published either in the German Electronic Federal Gazette or published in various media outlets that are distributed throughout the EEA. Our articles of association also allow information to be sent to shareholders via remote data transfer. Subject to compliance with the applicable provisions of the WpHG, notices to our shareholders will be made exclusively by electronic communication.

Notices in connection with the approval of the prospectus or any supplements thereto will be published in accordance with the WpPG, in the manner of publication provided for in this prospectus, that is, through publication on our website, www.stroeer.de. Printed copies of this prospectus may be obtained from the Company at Ströer

Allee 1, 50999 Cologne, Germany, and at J.P. Morgan Securities Ltd., 10 Aldermanbury, London EC2V 7RF, United Kingdom, Morgan Stanley Bank AG, Junghofstraße 13-15, 60311 Frankfurt am Main, Germany, WestLB, Herzogstraße 15, 40217 Dusseldorf, Germany, and COMMERZBANK AG, Mainzer Landstraße 153, 60327 Frankfurt am Main, Germany.

The paying agent and registrar is COMMERZBANK AG, Mainzer Landstraße 153, 60327 Frankfurt am Main, Germany.

DESCRIPTION OF SHARE CAPITAL

Current Share Capital of the Company

The Company's subscribed capital currently amounts to €23,552,000. It is divided into 21,785,600 ordinary bearer shares (*auf den Inhaber lautende Stammaktien*) with no par value and with a notional value of €1.00 per share, and 1,766,400 preferred shares without voting rights (*stimmrechtslose Vorzugsaktien*). The share capital has been fully paid up.

Incorporation of the Company

The Company was originally incorporated by Heinz W. Ströer and Udo Müller by notarial deed on June 3, 1994 under the name *"Ströer Gesellschaft für innovative Aussenwerbung mbH"* and registered with the commercial register of the Local Court (*Amtsgericht*) of Cologne under docket no. HRB 25192 on August 18, 1994. The Company's name was changed to *"Ströer Out-of-Home Media GmbH"* by a shareholders' resolution on July 27, 2000. By a change of legal form (*Formwechsel*) according to the German Transformation Act (*Umwandlungsgesetz— UmwG*), the Company was converted to *"Ströer Out-of-Home Media AG"* through a shareholders' resolution dated May 29, 2002, and registered with the commercial register of the Local Court (*Amtsgericht*) of Cologne under docket no. HRB 41548 on July 29, 2002.

Share Capital of the Company and Development of Share Capital over the Last Three Years

The share capital of the Company has developed as follows:

As of June 3, 1994, the Company, which was incorporated at that time in the legal form of a German limited liability company (*Gesellschaft mit beschränkter Haftung*), had a share capital of DM 100,000. By a shareholders' resolution as of December 30, 1998, the Company's share capital was increased by an in-kind contribution (*Sacheinlage*) from DM 100,000 to DM 1,000,000; the capital increase was registered with the commercial register on May 14, 1999.

By a shareholders' resolution as of May 29, 2002, the Company's share capital was converted from DM to Euros resulting in a share capital in the amount of €511,291.88 which was subsequently increased by €708.12 to €512,000.00. On the same date, the shareholders resolved to change the legal form of the Company into a German stock corporation named Ströer Out-of-Home Media AG with a registered share capital in the amount of €512,000.00 divided into 512,000 registered shares with no par value and a notional value of €1.00 per share. Both the capital increase and the change in legal form were registered with the commercial register on July 29, 2002.

By an amendment of the Company's articles of association (*Satzung*) through a shareholders' resolution as of November 16, 2005, 38,400 ordinary bearer shares were converted into preferred shares in the Company for the benefit of Dirk Ströer. These preferred shares did not carry any voting rights as long as the preferential rights were paid. The preferential rights included (i) a preferred cumulative dividend (*Vorzugsdividende*) of €0.08 per preferred share from the annual distributable net profit (*Bilanzgewinn*) and (ii) an additional non-cumulative payment (*Mehrdividende*) of €1.50 per preferred share from any amount distributed to the shareholders pursuant to a shareholders' resolution on the appropriation of the net income. The creation of the preferred shares was registered with the commercial register on November 29, 2005.

By resolution of the extraordinary general shareholders' meeting of the Company on May 26, 2010, the Company's subscribed capital was increased from €512,000 to €23,552,000 from the Company's own resources (*Kapitalerhöhung aus Gesellschaftsmitteln*). The contingent capital for the issuance of the Warrant Shares to Saberasu increased accordingly from €90,353 to €4,156,238. An amount of €4,065,885 was transfered from the revenue reserve (*Gewinnrücklage*) to an extraordinary reserve (*Sonderrücklage*) in order to avoid an emission below par (*Unter-pari-Emission*) of the Warrant Shares. By the same shareholder's resolution, the registered shares were converted into bearer shares. In addition, an authorized capital in the amount of up to €11,776,000 was created. All these capital measures were registered with the commercial register on June 25, 2010.

It is intended that the contingent capital of the Company will be utilized in the amount of €4,156,238 on July 12, 2010, due to the exercise of the Warrants by Saberasu in accordance with the Framework Agreement (see *"Business—Material Contracts—Saberasu Warrants"*). Due to this exercise, the Company's share capital will increase accordingly from €23,552,000 to €27,708,238. On July 13, 2010, the shareholders shall resolve at the extraordinary general shareholders' meeting of the Company to raise the Company's share capital by way of a capital increase for contribution in cash from €27,708,238 to up to €43,884,709 with the exclusion of the statutory pre-emptive rights of shareholders. Subsequently, all preferred shares shall be reconverted into ordinary bearer

shares. It is anticipated that all these capital measures will be registered with the commercial register on July 14, 2010.

Authorized Capital

The Company's authorized capital was created by a resolution of the extraordinary general shareholders' meeting of the Company on May 26, 2010. Under this authorized capital, the Management Board is authorized, subject to the consent of the Supervisory Board, to increase the Company's share capital by up to €11,776,000 through one or more issuances on or before May 18, 2015, by issuance of 11,776,000 new no par value shares against cash contributions and/or contributions in kind. With the consent of the Supervisory Board, the Management Board is authorized to exclude the shareholders' subscription rights subject to certain restrictions stipulated in the Company's articles of association.

On July 13, 2010, the shareholders shall resolve at the extraordinary general shareholders' meeting of the Company to raise the Company's authorized share capital from €11,776,000 to up to 21,942,327. This authorized capital shall in particular be used to issue the Greenshoe Shares in order to redeem the compensated securities loan (*entgeltliches Wertpapierdarlehen*), if any, in connection with the Offering (see "*The Offering — Stabilization Measures, Overallotments and Greenshoe Option*"). It is anticipated that this capital measure will be registered with the commercial register on July 14, 2010.

Contingent Capital

The Company has a contingent capital (*bedingtes Kapital*) in the amount of up to €4,156,238 which is available for the issuance of up to 4,156,238 ordinary bearer shares to the holder of option rights (Saberasu) and conditional upon the exercise of these option rights (Warrants). Saberasu intends to exercise all Warrants on or around July 12, 2010, and to sell the acquired shares in the Offering. Upon exercise of the Warrants, the subscribed capital of the Company will increase from €23,552,000 to €27,708,238.

On July 13, 2010, the shareholders shall resolve at the extraordinary general shareholders' meeting of the Company to create a contingent capital (*bedingtes Kapital*) of up to 13,854,119. It is anticipated that this capital measure will be registered with the commercial register on July 14, 2010.

General Provisions Relating to Profit Allocation and Dividend Payments

Distributions of dividends on shares for a given financial year are generally determined by a process in which the Management Board and Supervisory Board submit a proposal to the annual general shareholders' meeting held in the subsequent financial year and such annual shareholders' meeting adopts a resolution. German law provides that a resolution concerning dividends and distribution thereof may be adopted only if the Company's unconsolidated financial statements show net retained profits. In determining the profit available for distribution, the result for the relevant year must be adjusted for profits and losses brought forward from the previous year and for withdrawals from or transfers to reserves. Certain reserves are required by law and must be deducted when calculating the profit available for distribution.

Dividends on shares resolved by the general shareholders' meeting are paid annually, shortly after the annual general shareholders' meeting, in compliance with the rules of the respective clearing system. Dividend payment claims by shareholders are subject to a three-year statute of limitations. Details concerning any dividends resolved by the annual general shareholders' meeting and the respective paying agents specified by the Company will be published in the electronic version of the Federal Gazette (*elektronischer Bundesanzeiger*) and, until December 31, 2010, in at least one official national publication for statutory stock market notices approved by the Frankfurt Stock Exchange.

General Provisions Relating to Liquidation of the Company

Apart from a liquidation as a result of insolvency proceedings, the Company may be liquidated only with a vote of 75% or more of the share capital represented at the general shareholders' meeting at which such a vote is taken. Pursuant to the AktG, in the event of the Company's liquidation, any assets remaining after all of the Company's liabilities have been settled will be distributed pro rata among its shareholders. The AktG provides certain protections for creditors which must be observed in the event of liquidation.

General Provisions Relating to Increases or Decreases in the Share Capital

The AktG provides that the share capital of a stock corporation may be increased by a resolution adopted at the general shareholders' meeting. Such resolution must be adopted by a majority of at least 75% of the share capital represented when the resolution is passed, unless the stock corporation's articles of association provide for a different majority. The Company's articles of association provide in Article 19 that the resolutions of the general

shareholders' meeting are adopted by a simple majority of the votes cast and, to the extent the law requires approval by a majority of capital in addition to the majority of votes, resolutions may be adopted by a simple majority of the share capital represented at the meeting, except as otherwise provided by mandatory law.

In addition to an ordinary capital increase in cash or kind, shareholders may resolve to issue authorized capital (*genehmigtes Kapital*), upon a vote of 75% of the share capital represented at the passing of the resolution authorizing the Management Board to issue shares, up to a specific amount within a period not exceeding five years. The nominal amount of such issuance may not exceed 50% of the share capital in existence at the time of the authorization, that is, at the time the authorized capital is entered into the commercial register.

Additionally, shareholders may resolve to create contingent capital (*bedingtes Kapital*) for the purpose of issuing shares (i) to holders of convertible bonds or other securities convertible into shares of the Company, (ii) as consideration in connection with a merger with other companies or (iii) to executives and employees of the Company and Group companies. A resolution to create contingent capital must be adopted by at least 75% of the share capital represented at the passing of the resolution. The nominal amount of the contingent capital created for the purpose of share issues (i) to holders of convertible bonds or other securities convertible into shares of the Company or as consideration in connection with a merger with another company may not exceed 50% and (ii) the nominal amount of the contingent capital created for the purpose of share issues to executives and employees may not exceed 10% of the nominal share capital in existence at the time such resolution is passed.

A resolution to decrease the share capital must be adopted by at least 75% of the share capital represented at the passing of the resolution.

General Provisions Relating to Subscription Rights

According to the AktG, every shareholder is generally entitled to subscription rights to any new shares issued within the framework of a capital increase, including convertible bonds, bonds with warrants, profit-sharing rights or income bonds. A minimum subscription period of two weeks has to be provided for the exercise of such subscription rights. Furthermore, such subscription rights are freely transferable and may be traded on German stock exchanges within a specified period prior to the expiration of the subscription period. The general shareholders' meeting may pass a resolution excluding subscription rights, if at least 75% of the share capital represented adopts the resolution. To exclude subscription rights, the Management Board must also make a report available to the shareholders justifying the exclusion and demonstrating that the Company's interest in excluding the subscription rights outweighs the shareholders' interest in keeping them. The exclusion of subscription rights upon the issuance of new shares is permitted, in particular, if the Company increases the share capital against cash contributions, if the amount of the capital increase does not exceed 10% of the existing share capital and the issue price of the new shares is not significantly lower than the market price of the Company's shares.

Exclusion of Minority Shareholders

According to the "squeeze-out" regulations of Section 327a et seq. AktG, the general shareholders' meeting of a stock corporation can, at the request of a shareholder holding 95% of the share capital ("principal shareholder"), resolve to transfer the shares of the minority shareholders to the principal shareholder against payment of an appropriate cash settlement.

In addition, according to Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz,* "**WpÜG**") concerning squeeze-outs after a takeover or mandatory public offer, at the request of the bidder who owns shares of the target company amounting to at least 95% of the voting rights, the remaining shares must be transferred to the bidder upon court order in exchange for the guarantee of an appropriate settlement. The regional court (*Landgericht*) of Frankfurt am Main has exclusive jurisdiction in this regard. To this end, the compensation guaranteed as part of the takeover or mandatory public offer is deemed an appropriate settlement if, on the basis of the Offering, the bidder has acquired shares amounting to at least 90% of the share capital affected by the Offering. In addition, after a takeover or mandatory public offer, the shareholders of a target company who have not accepted the Offering can accept it pursuant to Section 39c WpÜG within three months after the acceptance period has expired (a "sell-out"), if the bidder has the right to file an application for the transfer of the outstanding voting shares in accordance with Section 39a WpÜG.

In addition to the legal provisions on the exclusion of minority shareholders, the AktG also provides for what is called the integration of stock corporations (*Eingliederung*) in Section 319 et seq. AktG. According to these provisions, the general shareholders' meeting of a stock corporation can approve the integration of a company if 95% of the shares of the company to be integrated are held by the future principal company. The former

shareholders of the integrated company are entitled to an appropriate settlement that generally must be granted in the form of shares of the principal company.

Shareholder Reporting and Disclosure Requirements

After our shares have been admitted to official trading on the Frankfurt Stock Exchange, we, as a listed company, will become subject to the provisions of the WpHG governing disclosure requirements for shareholdings.

The WpHG requires that anyone who acquires, sells or in some other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in an issuer whose country of origin is Germany must immediately but no later than within four trading days after the individual or company is aware or should have been aware of the respective changes in voting rights notify the issuer and at the same time the BaFin. The notice can be drafted in either German or English and either sent in writing or via telefax. The notice must include, among other things, the individual or entity's address, the share of voting rights held and the date of reaching, exceeding or falling below the respective threshold. As a domestic issuer, the Company must publish such notices immediately but no later than within three trading days after receiving them via media outlets, including those which one can assume will disseminate the information throughout the EU and in the non-EU contracting parties to the Agreement on the EEA. The Company must also transmit the notice to BaFin and to the electronic Company Register (*elektronisches Unternehmensregister*) for storage. There are exceptions to the notice requirement: trading activities of investment services enterprises involving up to 5% of voting rights, shares held solely for clearing and settlement purposes or held in safekeeping for short periods of time and acquisitions and sales made for market making purposes.

In connection with the disclosure requirements, the WpHG contains various provisions to ensure that shareholdings are allocated to the person who actually controls the voting rights attached to the shares. For example, shares belonging to a third party are allocated to a party required to report if the reporting party controls the third party. Similarly, shares held by a third party on behalf of a party required to report, or held by an entity controlled by the party required to report, are allocated to the party that is required to report.

If a shareholder willfully fails to file a notice or provides false information, the shareholder is excluded from exercising the rights attached to its shares (including voting and dividend rights) for the duration of the delay. If the failure relates specifically to the share of voting rights held and the shareholder acted willfully or was grossly negligent, the shareholder is generally not permitted to exercise the administrative (voting) rights attaching to its shares for a period of six months after it files the necessary notification. In addition, a fine may be imposed for failure to comply with the notification obligation.

Moreover, under the WpHG, any person who directly or indirectly holds financial instruments that grant the holder the unilateral right under a legally binding agreement to acquire previously issued voting shares of an issuer whose country of origin is the Federal Republic of Germany is subject to a notification obligation if the sum of the shares they can so acquire, together with any voting right stakes they may already hold in the issuer or which are attributable to them, reaches, exceeds or falls below any of the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75%.

Furthermore, the WpHG requires any shareholder whose holdings reach or exceed the 10% threshold or a higher threshold to notify the issuer of the aims being pursued with the acquisition of the voting rights and the origin of the funds used for the acquisition within 20 trading days of the date on which the respective threshold is met or exceeded. Once this information is received, and even if no information is received, the issuer has to publish it in the form discussed above, or give notice that the disclosure requirement was not met, within no more than three trading days. The issuer's articles of association may stipulate that the shareholders are not subject to a notification obligation, but this is not the case for the Company's articles of association.

In addition, under the WpÜG, anyone whose voting rights reach or exceed 30% of the voting shares of the Company is obligated to disclose this fact and the percentage of voting rights held within seven calendar days over the internet and over an electronic financial news service and thereupon, unless granted an exemption, to launch a public mandatory offer to all holders of shares in the Company. The WpÜG contains a number of provisions intended to ensure that share ownership is correctly attributed to the person who actually controls the voting rights conferred by the shares. Shareholders who fail to disclose that their holdings meet or exceed the 30% threshold or fail to make a public mandatory offer are prohibited from exercising the rights conferred by these shares (including voting rights and the right to receive dividends) until the failure has been remedied. Breaches of the duty of disclosure are also punishable by a fine.

MANAGEMENT

Overview

Our governing entities are our Management Board (*Vorstand*), Supervisory Board (*Aufsichtsrat*) and general shareholders' meeting (*Hauptversammlung*). The powers of these entities are determined by the AktG, the Company's articles of association (*Satzung*), the internal rules of procedure (*Geschäftsordnung*) of the Supervisory Board and the internal rules of procedure (*Geschäftsordnung*) of the Management Board.

The Management Board is responsible for managing the Company in accordance with applicable law, the Company's articles of association and rules of procedure for the Management Board including the business distribution plan (*Geschäftsverteilungsplan*). The Management Board represents the Company in dealings with third parties.

The Management Board is responsible for taking suitable measures and in particular to implement a control system in order to ensure that any developments which could pose a threat to the Company's continued existence are identified at an early stage. The Management Board is also obligated to report regularly to the Supervisory Board, at least on a quarterly basis, on the status of the business, in particular on the revenues and condition of the Company and its subsidiaries. Furthermore, the Management Board reports to the Supervisory Board at least once a year on the projected business objectives and other key issues relating to corporate planning (especially finance, investment and human resources planning), which must include discussion of any deviations between actual developments and objectives previously reported on, including the reasons for such deviations. In addition, the Management Board must submit a budget for the following financial year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability (primarily the profitability of the equity) or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation. The Management Board must report important matters to the chairman of the Supervisory Board, including any matters involving affiliates that become known to the Management Board and could have a material effect on the Company.

Simultaneous membership on the Management Board and the Supervisory Board of a German stock corporation is not permitted under German law; however, simultaneous membership that results from a member of the Supervisory Board taking a seat on the Management Board of the same German stock corporation for a maximum period of one year is permissible in exceptional cases. During this period, such an individual may not perform any duties for the Supervisory Board.

The Supervisory Board appoints the members of the Management Board and is entitled to dismiss them for good cause. The Supervisory Board advises and oversees the Management Board on the management of the Company, but is not itself authorized to manage the Company, as set out in the AktG. The articles of association or the Supervisory Board must, however, designate any types of transactions that may only be made with the approval of the Supervisory Board. Such a provision is included in Section 6 of the rules of procedure of the Company's Management Board. Matters subject to the consent of the Supervisory Board currently include (a) transactions of foundational importance to the Company, such as establishing or discontinuing branches; (b) transactions in connection with shareholdings which also includes measures in accordance with the Transformation Act; (c) major transactions in connection with the Company's operational activities, such as the sale or purchase of assets with a value of more than €2,000,000.00 outside pre-approved budget parameters; (d) finance and securities related transactions, such as encumbrance of assets of more than €3,500,000.00 individually or more than €6,100,000.00 total; (e) other transactions, such as contracts with subsidiaries or Supervisory Board members and side activities of Management Board members. The Supervisory Board is also entitled at any time to extend or reduce the list of transactions requiring approval

Members of the Management and Supervisory Boards owe a duty of care and a duty of loyalty to the Company. Board members must consider a number of interests, including those of the Company and its shareholders, employees and creditors. The Management Board must also take into consideration shareholders' rights to equal treatment and equal access to information. Should members of the Management or Supervisory Board breach these duties, they will be jointly (*gesamtschuldnerisch*) and severally liable to the Company for compensatory damages. Members of the Management and Supervisory Boards are covered by directors and officers liability insurance for their activities as members of management up to a certain amount. In general, the Company bears the cost of these insurance policies. However, it should be noted that applicable German law requires that each member of our Management Board remains personally responsible in the case of any finding of personal liability of such member, as the case may be, for 10% of the total amount of such personal liability, up to an amount that equals 150% such member's total annual fixed remuneration from our Group.

A shareholder is generally not able to file suit against members of the Management Board or Supervisory Board if he or she believes that these persons have neglected their duties toward the Company and this has resulted in damage to the Company. Company claims for compensatory damages against members of the Management Board or the Supervisory Board may, as a rule, only be asserted by the Company itself, in which case the Company is represented by the Management Board when claims are made against members of the Supervisory Board and the Supervisory Board when claims are made against members of the Management Board.

According to a ruling by the German Federal Court of Justice (*Bundesgerichtshof*), the Supervisory Board is obligated to assert claims for compensatory damages against the Management Board that are likely to be successful, unless important Company interests would conflict with such an assertion of claims and such grounds outweigh, or are at least comparable to, the grounds in favor of asserting claims. In the event that the relevant entity with powers of representation decides not to pursue such claims, then such claims of the Company for compensatory damages must nevertheless be asserted against members of the Management Board or the Supervisory Board if the general shareholders' meeting passes a resolution to this effect by a simple majority vote. Such general shareholders' meeting may appoint a special representative to assert such claims. Shareholders whose aggregate holdings amount to at least 10% or €1,000,000 of the Company's share capital may apply to the court to appoint a special representative to assert claims for compensatory damages, who, in the event of such an appointment, becomes responsible for this matter in place of the Company's management. In addition, if there are facts supporting the claim that the Company has been damaged by fraud or gross breaches of duty, shareholders whose aggregate holdings amount to at least 1% or €100,000 of the Company's share capital have the option, under certain circumstances, of being granted permission by the competent court to file a lawsuit on their own behalf for compensatory damages for the Company against members of the board. Such a lawsuit will be dismissed if the Company itself files a lawsuit for compensatory damages.

Under German law, it is illegal for shareholders or any other individuals to attempt to influence members of the Management or Supervisory Boards, authorized representatives or other persons holding a commercial power of attorney to act in a way harmful to the Company. Shareholders with a controlling influence may not use such influence to cause the Company to act against its own best interests, unless any resulting damages are compensated for. Any person who uses his or her influence to cause a member of the Company's Management Board or Supervisory Board, authorized representative or persons holding a commercial power of attorney to act in a manner harmful to the Company or its shareholders is obligated to compensate the Company and its shareholders for any resulting damage. In addition, members of the Management and Supervisory Boards may be jointly and severally liable for breach of their duties.

Management Board

Overview

Under the Company's articles of association, the Management Board consists of one or more persons and the Supervisory Board determines the exact number of members of the Management Board. The Supervisory Board also appoints the chairman and the deputy chairman of the Management Board. Currently, the Company's Management Board consists of three members, with Udo Müller appointed as chairman and Alfried Bührdel as deputy chairman.

The Supervisory Board appoints the members of the Management Board for a maximum term of five years. Reappointment or extension of the term for up to five years is permissible. The Supervisory Board may revoke the appointment of a Management Board member prior to the expiration of his or her term for good cause only, such as for gross breach of fiduciary duties or if the shareholders' meeting passes a vote of no-confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating employment agreements with the Management Board members and, in general, for representing the Company in and out of court against the Management Board. The Supervisory Board may assign these duties to a committee of the Supervisory Board, except for the rights to set forth the remuneration of the Management Board and to reduce the remuneration in case of a deterioration of the status of the Company on which the plenum of the Supervisory Board has to resolve.

According to the Company's articles of association, the Company may be represented either by two Management Board members or by one Management Board member acting jointly with an authorized representative (*Prokurist*). The Supervisory Board may grant any Management Board member the right to represent the Company alone and may release any member of the Management Board from the restrictions on multiple representations under Section 181 2nd Case of the German Civil Code (*Bürgerliches Gesetzbuch*). Under the board member service agreements, all members of the Management Board have been granted authority to represent

the Company alone. Additionally, Udo Müller and Alfried Bührdel have been released from the restrictions imposed by Section 181 2nd Case of the German Civil Code.

The internal rules of procedure for the Management Board require that the delegation of responsibilities to individual Management Board members be established on the basis of the business allocation plan. The business allocation plan is part of the internal rules of procedure (*Geschäftsordnung*) for the Management Board and is prepared by the Supervisory Board.

Under the current schedule of responsibilities, established by the Supervisory Board on 20 April 2010, the chairman, Udo Müller, is responsible for corporate development and corporate and sales strategy, as well as research and development in connection with advertising units and street furniture. The deputy chairman, Alfried Bührdel has the following areas of responsibility at group level: Group finance and accounting, group controlling, group human resources, group legal as well as corporate organization and corporate IT. The third Management Board member, Dirk Wiedenmann, has been assigned responsibility for Ströer's business operations in Germany, including the relevant tasks on a domestic level, such as e.g. marketing and sales and the related administrative functions such as accounting, controlling, HR, etc., that relate to such operations.

The schedule of responsibilities expressly assigns the task of representing shareholder interests to the Management Board as a whole in relation to the management of the following group companies and operations: XOREX Beteiligungs GmbH, Ströer Deutschland, Ströer Poland, Ströer Turkey and blowUp media.

Members of the Management Board

The Management Board currently consists of three members. The members of the Company's Management Board and their respective responsibilities are listed in the following table:

Name	Age	Member since	Appointed until	Responsibilities
Udo Müller(1)	47	July 29, 2002	March 31, 2015	Chairman of the Management Board Strategy R&D
Alfried Bührdel(1)	48	July 29, 2002	March 31, 2015	Chief Financial Officer Deputy chairman of the Management Board Group Controlling, Group Organization, Group HR, Group IT and Group Legal
Dirk Wiedenmann	46	May 1, 2010	March 31, 2014	Board Member Domestic Operational Business

(1) By decision of the Supervisory Board as of May 3, 2010, Udo Müller and Alfried Bührdel were recalled and reappointed until March 31, 2015. Their service agreements with the Company were renewed accordingly.

The following section presents brief biographies of the current members of the Company's Management Board.

Udo Müller was born in 1962 in Rüdesheim. At the age of 19, he managed his first publishing house. Following some studies of medicine, he founded the advertising agency Lunenburg & Partner in 1985, becoming one of Berlin's leading agencies. With the foundation of Lunenburg & Partner Mediaservice GmbH in 1987, he entered the field of out-of-home advertising. In 1990, he teamed up with Heinz W. Ströer and founded Ströer City Marketing GmbH.

Alfried Bührdel was born in 1962 in Bielefeld. From 1981 to 1983 he trained in banking. He went on to study business administration at the Westphalian Wilhelms University in Münster, where he obtained the degree of 'Diplom-Kaufmann' in 1988. After university he took on the position of Junior Auditor of group auditing in the Bertelsmann Group in 1988. Over a period of more than nine years, he held various managerial positions at the Bertelsmann Group in Gütersloh, New York, Vienna and Munich, among others serving as Deputy Managing Director and Finance Director in different entities of the Group. He joined Ströer City Marketing GmbH, Cologne, in 1998 as its Chief Financial Officer and acted for the whole group of companies as CFO since then.

Dirk Wiedenmann was born in 1964 and joined Ströer Group as CEO of SMD in January, 2009. After his studies of agricultural science, he started his career in the field of Sales & Trade Marketing for Mars/Effem. From 2000 until 2008, he held several top positions in the Management of Initiative Media, one of the leading media

networks worldwide. Inter alia, he was CEO of the German Management Board, Regional Director for Austria, the Netherlands and Switzerland as well as Executive Vice President for Europe, Middle East and Africa (EMEA). Most recently, he held the position as Chief Operating Officer/President EMEA.

The members of the Management Board may be reached at the Company's address.

The following table lists all of the companies and enterprises in which the members of the Management Board currently hold seats or have held seats on administrative, Management or Supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the subsidiaries of the Company:

Udo Müller . . . . Current seats:

- Atlanta Beteiligungen Verwaltungs-GmbH, Cologne (managing director)
- Müller & Rumpelhardt Verwaltungs GmbH, Berlin (managing director)
- XOREX GmbH, Cologne (managing director)

Past seats:

- Media Ventures GmbH, Cologne (managing director)
- Lunenberg & Partner mediaservice GmbH (managing director)

Alfried Bührdel . . . . . . Current seats:

- Sparkasse KölnBonn, Cologne (member of the local advisory committee)
- Deutsche Sporthilfe, Frankfurt am Main (member of board of trustees)

Past seats:

None.

Dirk Wiedenmann . . . . Current seats:

None.

Past seats:

- Springer + Jacoby Media GmbH (member of the advisory board)
- EMEA Initiative Media (president)
- Mediabrands EMEA (chief operating officer)

Compensation of the Members of the Management Board

The compensation of the members of the Management Board consists of fixed and variable, performance-based components. Until the Offering, the variable remuneration consisted of an annual cash bonus and the long-term Phantom Stock Program (as subsequently defined), both of which were calculated based on the Company's cash flow and other pre-defined parameters. With the closing of the Offering, the variable remuneration will be adjusted. It is intended that the variable remuneration will consist of an annual cash payment and a long-term incentive.

According to a shareholders' resolution on May 14, 2010 which was passed with three-quarters majority, we do not disclose the individual compensation for each member of the Management Board in accordance with Section 286 para. 5 HGB. Accordingly, the following overview provides a combined summary of the overall remuneration and benefits payable to the members of the Management Board under the service agreements as currently in force (including the corresponding bonus agreements which remain to be finalized):

Entitlement	Scope
Annual fixed salary	€2,125,000
Annual bonus (*Jahresbonus*) prior to the Offering	€1,400,000
Annual bonus (*Jahresbonus*) after the Offering	Annual Cash Bonus: €820,000 Long-Term Incentive: €880,000
Insurance coverage	Accident insurance, direct insurance D&O insurance [(1)]

(1) No amount fixed as deductible; Supervisory Board is entitled to agree deductible with insurance provider in accordance with statutory requirements and rules of Corporate Governance Codex

In addition, the members of the Management Board are entitled to further benefits such as severance payments in certain events, usage of company cars, lease of apartments, continued payment of fixed salary in case of sickness, disability or death as well as health benefits.

The initial terms of the service agreements between the members of the Management Board and the Company correspond to the period of their current appointment to the Company's Management Board. During its agreed term, the service agreement of each board member may only be terminated for cause. In the event of revocation of the corporate appointment of a member of the Management Board, such revocation does not automatically terminate the service agreement. If the appointment of a Management Board's member is renewed, the service agreement is automatically extended.

The remuneration of the members of the Management Board is to be reviewed at regular intervals of three and two years respectively. The Supervisory Board is entitled to reduce the remuneration if a detrimental change in the Company's financial situation renders the scope of remuneration inappropriate. In this case, the members of the Management Board may terminate their service agreements with a notice period of six weeks to quarter end. Moreover, Dirk Wiedenmann is entitled to terminate his service agreement for cause in the event that Udo Müller and Dirk Ströer cease to jointly hold the economic equivalent of at least 40% of the shares in the Company.

With the consent of the Supervisory Board pursuant to Section 88 para. 1 AktG, Udo Müller is expressly permitted to manage certain companies, some of which are affiliates of the Company. Furthermore, he may also continue to participate in Media Ventures GmbH. He is not subject to any post-contractual restrictions on competition. Alfried Bührdel and Dirk Wiedenmann are both subject to a contractual non-competition provision for the term of their service agreements in addition to the statutory restrictions applying during their term of appointment. In case of termination of their service agreements, they are both subject to a post-contractual restriction on competition in Germany, for a period of two years and 12 months respectively.

After the acquisition of DSM in 2004, a long-term incentive program for the members of the Company's Management Board, that is, Udo Müller and Alfried Bührdel, was initiated (the "**Phantom Stock Program**"). As part of this Phantom Stock Program, a certain percentage of the variable component of the remuneration achieved per year was deferred and only to become payable at the end of 2012. The Phantom Stock Program provided for a final pay-out in accordance with a certain algorithm taking into account the shareholder value created for the Company. On March 12, 2008, the Company entered into an amendment agreement with both members of the Management Board to continue the Phantom Stock Program in the form of deferred compensation, in each case cancellable with a period of three months to the end of each calendar year. Both members of the Management Board waived a certain part of their annual bonus payment above a pre-agreed threshold. The respective amount was converted into a phantom interest in the Company, capped at a certain percentage of the Company's value as calculated in accordance with agreed parameters. According to another amendment agreement dated April 21, 2010, the Phantom Stock Program will be terminated with effect upon the closing of the Offering (for more information see also *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Financial Performance—EBIT and Operational EBIT—Valuation Impact to Provisions for Phantom Stock Program"*). For this purpose, the maximum phantom interest in the Company theoretically possible under the Phantom Stock Program shall in each case be payable upon the closing of the Offering, regardless of the amounts invested (the "**Phantom Stock Bonus**"). The Company has undertaken to endeavor to procure that Udo Müller and Alfried Bührdel receive the opportunity to re-invest the net amount of the Phantom Stock Bonus into Offer Shares at the Offer Price. Pursuant to his service agreement, Alfried Bührdel is obliged to invest a minimum of one third of the net amount of his Phantom Stock Bonus into Offer Shares. At the mid-point of the price range, the net amount of the Phantom Stock Bonus payable to Alfried Bührdel would amount to approximately €2.8 million (after tax effects; assuming a tax-rate of 50%); the net Phantom Stock Bonus payable to Udo Müller would amount to approximately €5.0 million (after tax effects; assuming a tax-rate of 50%).

Beyond the listed service agreements, there are no service or employment agreements between the members of the Management Board, the Supervisory Board and their related parties and the Company or its subsidiaries.

During the fiscal year 2009, the Company or other entities with our Group, recorded compensation expenses of €3.4 million for both members of the Management Board, including fixed and variable compensation.

Shareholdings of Management Board Members

As of publication of this Prospectus, Udo Müller holds 11,776,000 ordinary bearer shares in the Company.

Supervisory Board

Overview

In accordance with the Company's articles of association and Sections 95 and 96 AktG, the Supervisory Board consists of six members who are elected by the shareholders at the general shareholders' meeting. Unless the general shareholders' meeting has set a shorter term, the term of each Supervisory Board member, as well as the

term of each substitute member, if elected, expires at the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth financial year following the commencement of the member's term of office, not including the financial year in which the term commences. The election of a successor for a member leaving his or her office before the end of his or her term of office expires at the next general shareholders' meeting, if a replacement vote is held at such meeting; if no replacement vote is held, such substitute member's term is extended for the remainder of the term of office of the prematurely departing member. The term of office of a substitue member elected in a replacement vote expires at the end of the term of office of the prematurely departing member whom such person has replaced. Re-election is possible.

The Company's articles of association provide that regular members and substitute members of the Supervisory Board may resign, without good cause, by providing one month's prior written notice to the Company, represented by the Management Board. A copy thereof shall be presented to the chairman of the Supervisory Board (or in the case of the resignation of the chairman of the Supervisory Board, to the deputy chairman). The right to resign for good cause without prior notice remains unaffected by the foregoing. The shareholders' meeting may appoint substitute members for one or more Supervisory Board members, who, in accordance with specific determinations by the general shareholders' meeting, may become members of the Supervisory Board if elected Supervisory Board members leave office before the end of their term. The term of the substitute member expires as soon as a successor for the departing Supervisory Board member is appointed, but no later than the expiration of the departing Supervisory Board member's term. Following the general shareholders' meeting after which the term of the Supervisory Board members elected by the general shareholders' meeting begins, the general shareholders' meeting elects a chairman and a deputy chairman from among the Supervisory Board's members to serve for the duration of those members' terms. Should the chairman or the deputy chairman leave office prior to the expiration of his or her term, the Supervisory Board must without delay elect a new chairman or deputy chairman to fill the remaining term of the departing chairman or deputy chairman.

Under mandatory statutory provisions and the Company's articles of association, the Supervisory Board is authorized to establish internal rules of procedure and form committees of at least three individuals from among its members. The Supervisory Board's internal rules of procedure are dated April 20, 2010. Pursuant to Section 13 para. 2 of the Company's articles of association, the Supervisory Board is authorized to make amendments to the articles of association that only affect their wording. As a rule, the Supervisory Board is expected to hold quarterly meetings and must hold at least two meetings within each six-month period. Meetings of the Supervisory Board are usually called by its chairman with two weeks advance notice. The day on which the notice is sent and the day of the meeting itself are not included when calculating this period. In urgent cases, the chairman can shorten the notice period within reason and call a meeting in person, or by telephone, facsimile, e-mail or other conventional means of communication.

The Company's articles of association provide that at least three Supervisory Board members must participate in voting on a resolution to constitute a quorum. Any member who is present but abstains from voting is deemed to have participated in the vote. Absent members may participate in the casting of votes pursuant to Section 108 para. 3 AktG. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast. For purposes of passing a resolution, abstentions do not count as votes cast. If a vote in the Supervisory Board results in a tie, the chairman has a casting vote. The Company's articles of association provide that resolutions may be passed outside a meeting orally, by telephone, in written form, by facsimile, by email or by other conventional means of communication, if all members of the Supervisory Board participate in such procedure or if the chairman of the Supervisory Board instructs to such procedure and no member of the Supervisory Board objects to this form of voting within a reasonable period of time to be determined by the chairman of the Supervisory Board.

Members of the Supervisory Board

The following table lists the members of the Company's Supervisory Board and other activities currently performed by them outside the Company.

Name	Member since	Appointed until[1]	Responsibilities	Principal Activity outside the Company
Dr. Wolfgang Bornheim	July 29, 2002	GSM[2] 2011	Chairman	Partner of Schlütter Bornheim Seitz Rechtsanwälte Steuerberater
Prof. Dr. h. c. Dieter Stolte	October 10, 2002	GSM 2014	Deputy Chairman	Member of the Management Board of Axel Springer Foundation, Berlin
Dietmar P. Binkowska	September 1, 2008	GSM 2013	Member of Audit Committee	Chairman of the Management Board of NRW.BANK
Dieter Keller	June 1, 2002	GSM 2011	Chairman of Audit Committee	Certified Public Accountant, Partner of Meisel & Keller Wirtschaftsprüfer-Steuerberater
Martin Diederichs[3]	May 14, 2010	GSM 2015	Board Member	Lawyer, Managing Director of Heidland Werres Diederichs Rechtsanwalts GmbH
Dirk Ströer	February 20, 2004	GSM 2014	Member of Audit Committee	Managing Director of Media Ventures GmbH

(1) The Supervisory Board members are generally elected for the period up to the conclusion of the annual general shareholders' meeting at which the release resolution for the fourth financial year after the commencement of their term of office is voted upon; the financial year in which their term of office begins is not counted.

(2) General shareholders' meeting.

(3) Martin Diederichs has already been a member of the Supervisory Board from July 29, 2002 until February 20, 2004.

The following overview lists all of the companies and enterprises in which the members of the Supervisory Board currently hold seats or have held seats on administrative, Management or Supervisory Boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Company and the subsidiaries of the Ströer Group.

Dr. Wolfgang Bornheim

Current seats:

- Karl Storz GmbH & Co. KG, Tuttlingen (member of the Management Board)
- Rickmers Reederei GmbH & Co. KG, Hamburg (member of the advisory board)
- LVS Beratungs- und Vertriebs-AG, Karlsruhe (member of the Supervisory Board)
- Mayersche Buchhandlung GmbH & Co. KG, Aachen (member of the advisory board)

Past seats:

None.

Prof. Dr. h. c. Dieter Stolte

Current seats:

- ZDF Enterprises GmbH, Mainz (member of the Supervisory Board)
- Axel Springer Foundation, Berlin (member of Management Board)
- Allianz Environment Foundation, Munich (chairman of the board of trustees)

Past seats:

- Deutsche Telekom AG, Bonn (member of the Supervisory Board)

Dietmar P. Binkowska . . . . . Current seats:

- NRW.BANK, Dusseldorf (chairman of the Management Board)
- BVT Equity Holdings, Inc., Atlanta, USA (member of the Supervisory Board)
- Deka (Swiss) Privatbank, Zurich (member of the administrative board)
- Galeria Kaufhof GmbH, Cologne (member of the Supervisory board)
- Investment Bank of the state of Brandenburg, Potsdam (member of the administrative board)
- WestLB AG, Dusseldorf (member of the Supervisory Board)

Past seats:

- neue leben Holding AG, Hamburg (member of the Supervisory board)
- neue leben Lebensversicherungen AG, Hamburg (member of the Supervisory Board)
- neue leben Unfallversicherung AG, Hamburg (member of the Supervisory Board)
- Börse Düsseldorf AG, Dusseldorf (ordinary member of the Stock Exchange Council)
- VEMAG Verlags- und Medien AG, Cologne (member of the Supervisory Board)
- Landesbank Berlin Holding AG, Berlin (member of the Supervisory Board)
- Landesbank Berlin AG, Berlin (member of the Supervisory Board)
- Sparkasse KölnBonn, Cologne (chairman of the Management Board)
- SCHUFA Holding AG, Wiesbaden (chairman of the Supervisory Board)

Dieter Keller . . . . Current seats:
(Chairman of Audit Committee)

- Meisel & Keller Wirtschaftsprüfer—Steuerberater, Cologne (partner)

Past seats:

- Parsytec AG, Aachen (member of the Supervisory Board)
- Ihr Partner Software & Consulting AG (member of the Supervisory Board)

Martin Diederichs . . . . Current seats:

- Heidland Werres Diederichs Rechtsanwalts GmbH, Cologne (managing director)
- BF-Services BW, Velsen-Noord, The Netherlands (managing director)
- Pirson Contractors B.V., Velsen-Noord, The Netherlands (managing director)
- DSD Steel Group GmbH, Saarlouis (member of the advisory committee)

Past seats:

- SCT Inc., Delaware (president)

Dirk Ströer . . . . Current seats:

- Ströer Verwaltungs-GmbH, Cologne (managing director)
- Ströer Beteiligungsgesellschaft mbH, Munich (managing director)
- Ströer RAW Beteiligungs GmbH, Cologne (managing director)
- Superposter Out-of-Home Media GmbH, Cologne (managing director)
- Ströer City Directionals Gesellschaft für Leitsysteme mbH, Cologne (managing director)
- Medias RES Verwaltungsgesellschaft mbH, Cologne (managing director)
- Villa Albenya No. 12 S.L., Palma de Mallorca, Spain (managing director)
- Media Ventures GmbH, Cologne (managing director)
- sevenload GmbH, Cologne (member of the Supervisory Board)

Past seats:

- Ströer Interactive GmbH, Hamburg (managing director)
- Caroo GmbH, Cologne (managing director)
- klickfreundlich GmbH, Cologne (managing director)
- Neu.de GmbH, Munich (managing director)
- TIGARECORDS GmbH (now NEW MEDIA Management GmbH), Cologne (managing director)
- TIGAVISION GmbH, Cologne (managing director)

The members of the Supervisory Board may be reached at the Company's address.

Dr. Wolfgang Bornheim was born in 1955 and has been chairman of the Supervisory Board of Ströer Out-of-Home Media AG since 2002. He began in private practice in 1980 and continued as a partner with the law firm Schütter Bornheim Seitz Rechtsanwälte-Steuerberater (attorneys and tax advisors) from 1998. As a certified tax advisor, he specializes in the area of tax enforcement, tax-related criminal law and tax advice for international development. In addition to his advisory role, Dr. Bornheim is a member of various Supervisory Boards and advisory councils and, as such, he has been a member of the board of various subsidiaries of the Karl Storz Group since 1990, which is a manufacturer of endoscopes and equipment used in minimally invasive medicine. Additionally, he is an advisor to the Rickmers shipping company in Hamburg, an international container shipping company, a member of the Supervisory Board of Hegele LVS in Karlsruhe, a logistics group, and an advisor of the Mayer bookstore. Since 2009, he has been the president of the German Federal Association of Tax Advisors (*Bundesverband der Steuerberater e.V.*).

Professor Dieter Stolte was born on September 18, 1934 in Cologne. He studied philosophy, history, and German philology in Tübingen and Mainz. Starting in 1973, he headed the primary division for program planning of Zweites Deutsches Fernsehen. Between 1976 and 1982, he was the program director of the broadcaster, before becoming the Intendant of ZDF and remaining in that position until 2002. From April 2002 until March 2005, he was the publisher of the newspapers "WELT" and "BERLINER MORGENPOST". Since 2004, he has been a member of the board of directors of the Axel Springer Foundation. Dieter Stolte is a member of various advisory councils and boards of trustees, such as the Allianz Foundation for the Environment (*Allianz Umweltstiftung*), German Historical Preservation Society (*Deutsche Stiftung Denkmalschutz*) and the German World Food Program (*Deutsche Welthungerhilfe*).

Dietmar P. Binkowska was born in 1961. After studying Economics (1982—1988) in Wuppertal and Cologne, he started his career with Deutschen Bank AG where he last held the position of Regional Director in Ulm. In 1995, he joined the management team of private bank Schliep & Co. Dusseldorf, a subsidiary of Bayerische Vereinsbank AG, where he was responsible for the Private Banking business. Between 1996 and 2002, he was a management member for the Private Banking/Real Estate business of Bayerische Vereinsbank AG, and a Management Board member of Westfalenbank AG in Bochum, where he last held the position as chairman of the Management Board. In 2002, Dietmar P. Binkowska joined Commerzbank AG as a member of the Management Board for Private Banking, where he was responsible for the bank's global private banking business. In April 2003, he became vice chairman of the mangement board of Stadtsparkasse Köln/Sparkasse KölnBonn, where he was responsible for the Individual Clients, Asset Management and Institutional Clients business. Between April 2007 and August 2008, he was chairman of the Management Board of Sparkasse KölnBonn. Since September 2008, Dietmar P. Binkowska has been chairman of the Management Board of NRW.BANK, where he is responsible for the Central Product Management, Corporate Communications and Local and Special Development business.

Dieter Keller was born in 1950 and has been a partner of the accounting and audit firm Meisel & Keller in Cologne since 2002. After completing his degree in business studies in Cologne, Mr. Keller began working at Arthur Andersen Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft mbH in Düsseldorf, where he was named national partner of Arthur Andersen Deutschland in 1987 and international partner of Arthur Andersen Global in 1989. In 1995, Mr. Keller transferred from advising small and medium enterprises in Düsseldorf to the audit department in Cologne. In addition to his ongoing activities in the audit and advisory departments, Mr. Keller was a member of the German and European management group for Technology Media and Communication. In 2002, Mr. Keller was temporarily the chief financial officer of the listed company Parsytec AG in Aachen, for which he was also a member of the Supervisory Board between 2004 and 2007.

Martin Diederichs was born in 1962 and has been a member of the first Supervisory Board of the Company from July 29, 2002 until February 20, 2004. After completing his legal studies at the universities of Bonn and Nice and his legal clerkship within the district of the superior court of Cologne, he became a practicing attorney in Cologne. He has been a partner with the law firm Heidland Werres. Diederichs based in Cologne since 1994. His main areas of practice are construction and architectural law, with a specialization in international plant construction, as well as general corporate law. He has been a specialist attorney for construction and architectural law since 2007, as well as a recommended arbitrator of the mediation and arbitration work group for construction law with DAV (*SOBau*). He has been active as an arbitrator with the International Chamber of Commerce in Paris and as an attorney representative in various arbitration proceedings domestically and internationally. As of mid-May 2010, he has once again joined the Supervisory Board.

Dirk Ströer was born in 1969 and is the managing partner of Media Ventures GmbH. Since February 2004, he has been a member of the Supervisory Board of Ströer Out-of-Home Media AG. After completing his degree in business studies, and as early as 1998, Mr. Ströer founded City Design GmbH with the purpose of marketing information media in German cities. In early 1999, he moved to Warsaw and supervised the inception of the Polish states corporation of Ströer Out-of-Home Media AG. At the end of 1999, he became self-employed and founded orangemedia.de GmbH and neu.de GmbH. This venture formed the foundation for Media Ventures GmbH, which in the following years developed portals and market places, such as weg.de, mp3.de, or pkw.de, into successful business models.

Committees

The Supervisory Board may form committees from among its members and charge them with the performance of specific tasks. The Committees' tasks, authorizations and processes are determined by the Supervisory Board. Where permissible by law, important powers of the Supervisory Board may also be transferred to the committees.

The Supervisory Board has established and maintains an audit committee. The purpose of this audit committee is to assist the Supervisory Board in fulfilling its responsibilities to oversee the accounting and financial reporting processes at the Company. These responsibilities include the oversight of the quality and integrity of the Company's unconsolidated and consolidated financial statements and related disclosure and its internal control, risk management and audit functions. Furthermore, the audit committee oversees the performance, qualifications and independence of the external auditor.

Compensation of Supervisory Board Members

Each ordinary member of the Supervisory Board receives a fixed remuneration in the amount of €20,000 for every full business year of its membership in the Supervisory Board. The chairman of the Supervisory Board receives a fixed annual remuneration of €55,000. The deputy chairman of the Supervisory Board and the chairman of the audit committee receive each a fixed annual remuneration in the amount of €36,000.

Shareholdings of Supervisory Board Members

As of publication of this Prospectus, Dirk Ströer holds 11,776,000 shares in the Company, thereof 10,009,600 ordinary bearer shares (*auf den Inhaber lautende Stammaktien*) with no par value and 1,766,400 preferred shares without voting rights (*stimmrechtslose Vorzugsaktien*).

Certain Information on the Members of the Management and Supervisory Boards

During the last five years, no member of the Management Board or Supervisory Board has been convicted of any fraudulent offense. In addition, no member of either board has been publicly incriminated or sanctioned by statutory or regulatory authorities (including professional associations) or, acting in the capacity of a member of a management or supervisory entity or as founder of an issuer, been associated with any bankruptcies and/or

insolvencies, receiverships or liquidations, except for Dieter Keller, who has been a member of the Supervisory board of Ihr Partner Software & Consulting AG, Jülich, whose enduring insolvency proceedings started in 2005. No member of the Management Board or Supervisory Board has ever been deemed by a court to be unfit for membership in a management or supervisory entity of a company or to be unfit to exercise management duties for or manage the business of an issuer during the past five years. No family relationships exist among the members of the Management and Supervisory Boards.

In 2009, the public prosecutor's office of Cologne has instituted preliminary investigations against former and current members of the Management Board of Sparkasse KölnBonn, including Mr. Dietmar P. Binkowska, due to the initial suspicion (*Anfangsverdacht*) of a participation in a defalcation. The accusation of possible fraudulent felonies is not subject of these preliminary proceedings. No court proceedings are or have been pending against Mr. Binkowska.

In 2005, the public prosecutor's office of Wiesbaden has instituted preliminary investigations against Udo Müller, the chairman of the Company's Management Board. As far as Mr. Müller is aware, the subject-matter of these preliminary investigations are payments from Ströer Group to certain undertakings of the Aegis Media Group, a German communications agency. The preliminary investigations against Mr. Müller have not been promoted by the public prosecutor's office of Wiesbaden during the last five years. Therefore, Mr. Müller is confident to be able to invalidate any suspicions that may still exist as soon as files have been laid open for inspection by him.

Conflicts of Interest

There are no conflicts of interest or potential conflicts of interests between the duties of members of the Management Board and duties of members of the Supervisory Board vis-à-vis the Company and their private interests or other duties.

No member of the Management Board or Supervisory Board has entered into any service contract with any Group company providing for special benefits upon termination of employment.

General Shareholders' Meeting

Pursuant to Section 175 AktG and the Company's articles of association, the annual general shareholders' meeting takes place within the first eight months of each financial year and has to be held, as the convening body may decide, at the Company's registered office, at the registered office of a German stock exchange or in another German city with more than 100,000 residents. Pursuant to the Company's articles of association, the annual general shareholders' meeting must be called at least 30 days before the day of the meeting, excluding the day of the announcement and the day of the general shareholders' meeting.

Pursuant to the Company's articles of association, the shareholders are entitled to participate in the general shareholders' meeting and to exercise their voting rights if they are registered with the shareholder register of the Company 21 days before the general shareholders' meeting (excluding the day of the announcement and the day of the general shareholders' meeting) (the "**Record Date**") and if their application for participation is received by the Company or any other body designated in the notice of the respective general shareholders' meeting at least six days before the general shareholders' meeting (excluding the day of the announcement and the day of the general shareholders' meeting) in text form in German or English. The chairman of the general shareholders' meeting is authorized to allow the audiovisual transmission of the general shareholders' meeting via electronic media in a manner to be further specified by him, provided that this has been stated in the notice of the general shareholders' meeting.

Neither German law nor the Company's articles of association restricts the right of shareholders who are resident outside of Germany or are foreign nationals to hold the Company's shares or exercise the voting rights of the shares.

Each share entitles its holder to one vote at the general shareholders' meeting. Shareholders can vote their shares by proxy. Unless otherwise stipulated by mandatory statutory provisions or the articles of association, resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast or, if a capital majority is required, by a simple majority of the registered share capital represented at the meeting.

Under the current version of the AktG, resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the share capital represented at the vote on the resolution. Resolutions of fundamental importance include:

- changes to the purpose of the Company;
- capital increases if the subscription rights of existing shareholders are excluded;

- capital decreases;
- the creation of authorized or contingent capital;
- transformations pursuant to the German Transformation Act (*Umwandlungsgesetz*), including mergers, divisions, transfers of assets and changes in legal form;
- an agreement to transfer all of the Company's assets pursuant to Section 179a AktG;
- the execution of inter-company agreements, such as controlling and profit-and-loss-transfer agreements; and
- the dissolution of the Company.

The Management Board, Supervisory Board (as required by law) or, under certain circumstances, shareholders holding an aggregate of 5% or more of the share capital may call a shareholders' meeting. The Supervisory Board must call a shareholders' meeting whenever the interests of the Company so require. The Company must hold the annual general shareholders' meeting during the first eight months of each financial year.

The current version of the AktG requires the Company to publish notices of shareholders' meetings in the electronic version of the Federal Gazette (*elektronischer Bundesanzeiger*) at least 36 days before the general shareholders' meeting. The registration deadline for attending the meeting is published concurrently with the notice of meeting.

Neither German law nor the Company's articles of association restrict the right of foreign shareholders or shareholders not domiciled in Germany to hold shares in the Company or vote their shares.

Corporate Governance

The German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) (the "**Code**"), adopted in February 2002, which was last amended June 18, 2009, and became effective August 5, 2009, includes recommendations and suggestions for managing and supervising companies listed on German stock exchanges with regard to shareholders and shareholders' meetings, Management and Supervisory boards, transparency, accounting and the auditing of financial statements. While the recommendations or suggestions of the Code are not mandatory, Section 161 AktG requires the Management and Supervisory boards of a listed company to disclose each year which recommendations were and will be followed and which recommendations were not or will not be followed. This disclosure must be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed.

Within the fiscal year 2010, we intend to comply with the recommendations of the Government Commission on the German Corporate Governance Code as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette with the following exceptions:

- If the Company takes out a D & O policy (directors' and officers' liability insurance) for the members of the Supervisory Board, no deductible will be agreed upon (Section 3.8 para. 2 of the Code). In the Company's view, the liability risks entailed in a deductible could impair the Company's aim to attract particularly suitable persons for the Supervisory Board, since generally a deductible is not standard internationally.
- Except for the audit committee, the Supervisory Board will not form any further committees (Section 5.3.1. of the Code), in particular it will not form any nomination committee to propose suitable candidates to the Supervisory Board for recommendation to the shareholders' general meeting (Section 5.3.3. of the Code). The election of Martin Diederichs as member of the Supervisory Board by the general shareholders' meeting on May 14, 2010, did not require a nomination committee, since the members of the Supervisory Board unanimously agreed that he should be proposed as candidate to the general shareholders' meeting.
- The members of the Supervisory Board will not receive any performance-related compensation (Section 5.4.6. para. 2 of the Code). With regard to the supervising function of the Supervisory Board, the Company prefers a fixed remuneration for the Supervisory Board in order to ensure the required independent controlling function of the Supervisory Board. The Members of the Supervisory Board received no compensation for services personally performed outside their Supervisory Board activities.

- The members of the Supervisory Board will not have to observe an age limit (Section 5.4.1. of the Code), because the Company does not not want to renounce the experience and capacity of older members of the Supervisory Board. In the Company's view, the excess of the age limit does imply any disqualification for the activity as member of the Supervisory Board.
- The Company will prepare and publish its consolidated financial statements and condensed consolidated interim financial statements reports within the periods provided by law and not within the periods recommend by the Code (Section 7.1.2 of the Code). Owing to the time required for the careful preparation of financial statements and company reports, earlier publication dates are currently not possible.

As of the date of this prospectus, we follow all recommendations of the Code except for the aforementioned exceptions. We plan to comply similarly with the recommendations of the Code in the future.

UNDERWRITING

The Underwriting Agreement and the Placement Agreement

On July 2, 2010, the Company, the Existing Shareholders and the Underwriters entered into an Underwriting Agreement regarding the offer and sale of the Offer Shares in the course of the Offering. The Offering relates to up to 22,365,980 ordinary no par value bearer shares, each representing a *pro rata* amount of the Company's share capital equal to €1.00 and with full dividend rights as of January 1, 2010, consisting of up to 16,176,471 newly issued ordinary bearer shares from a capital increase expected to be approved by the extraordinary general shareholders' meeting of the Company to be held on July 13, 2010; 4,156,238 newly issued ordinary bearer shares of the Selling Shareholder deriving from a capital increase from contingent capital due to the exercise of Warrants; and up to 2,033,271 existing ordinary bearer shares from the holdings of the Existing Shareholders to cover a potential overallotment. The Offering consists of initial public offerings in Germany and Luxembourg and private placements in certain jurisdictions outside Germany and Luxembourg. The Offer Shares have not been and will not be registered under the U.S. Securities Act. In the United States of America, the Offer Shares will be offered for sale to qualified institutional buyers as defined in and in reliance on Rule 144A under the U.S. Securities Act. Outside the United States of America, the shares will be offered in reliance on Regulation S under the U.S. Securities Act.

Furthermore, the Company, Saberasu and the Underwriters entered into a Placement Agreement on July 2, 2010, regarding the offer and sale of the 4,156,238 Warrant Shares which are to be granted to Saberasu due to the exercise of the Warrants in the course of the Offering.

The Offering will commence on July 5, 2010 and end on July 13, 2010 (i) at 12:00 noon (Central European Summer Time) for retail investors and (ii) at 4:00 p.m. (Central European Summer Time) for institutional investors. The Offer Price will be determined by the Company and the Underwriters on or around July 13, 2010.

The table below shows the Underwriters that have agreed to acquire the Offer Shares in the course of the Offering and the maximum number of shares to be acquired by each Underwriter:

	Number of shares acquired(1)
J.P. Morgan Securities Ltd. 10 Aldermanbury, London EC2V 7RF, United Kingdom	7,116,448
Morgan Stanley Bank AG Junghofstraße 13-15, 60311 Frankfurt am Main, Germany	7,116,448
COMMERZBANK AG Mainzer Landstraße 153, 60327 Frankfurt am Main, Germany	3,049,906
Crédit Agricole Corporate and Investment Bank 9 quai du président Paul Doumer, 92920 Paris la Défense cedex, France	2,033,271
WestLB AG Herzogstraße 15, 40217 Dusseldorf, Germany	1,016,636
Total	20,332,709

(1) Not including the Overallotment

In the Underwriting Agreement, Morgan Stanley agreed in its own name and in the name of the other Underwriters in each case, for its respective account and for the account of the other Underwriters, to underwrite the Company Shares offered in the Offering at the lowest issue price, on or about July 13, 2010, and the Underwriters agreed to underwrite these shares provided the Company Shares will be offered to investors by the Underwriters in the course of the Offering. The Underwriters will transfer the difference between the Offer Price and the lowest issue price (minus agreed commissions and expenses) to the Company at the time the Company Shares are delivered, which is expected to take place on July 16, 2010. The Underwriters also agreed in the Placement Agreement to purchase and place the 4,156,238 newly issued ordinary bearer shares of the Selling Shareholder deriving from a capital increase from contingent capital due to the exercise of Warrants. Furthermore, the Underwriters also agreed in the Underwriting Agreement to place up to 2,033,271 existing ordinary bearer shares from the Existing Shareholders in the course of a potential overallotment and to sell those shares in the course of the Offering. The obligations of the Underwriters are subject to the fulfillment of several conditions precedent, in particular the entering into a pricing agreement.

Commissions

The Underwriters will offer the Offer Shares at the Offer Price. Since the commission amount depends on the number of Offer Shares placed and the Offer Price, the total commissions to be paid by the Company and the Selling Shareholder according to the Underwriting Agreement and the Placement Agreement, respectively, cannot be reliably estimated at the present time. The Company and the Selling Shareholder expect that the total commissions to be paid to the Underwriters, assuming (i) gross issue proceeds of €311.0 million to the Company (including proceeds from the sale of the Company Shares as well as proceeds from the capital increase from authorized capital to redeem the share loan of the Existing Shareholders to cover potential over allotments) (ii) gross issue proceeds of €85.2 million to the Selling Shareholder and (iii) assuming full payment of a discretionary success fee at the absolute discretion of the Company and the Selling Shareholder, will amount to approximately €12.6 million.

Greenshoe Option and Securities Loan

For stabilization purposes, the Stabilization Manager may overallot up to 2,033,271 shares in the Company (10% of the aggregate sum of (i) the final number of the Company Shares and (ii) 4,156,238 Warrant Shares) to investors as part of the allocation of the shares to be placed. For the purposes of allowing the Stabilization Manager to cover short positions resulting from any such overallotments and/or from sales of shares effected by it during the Stabilization Period, the Stabilization Manager will be provided for the account of the Underwriters in the form of a compensated securities loan (*entgeltliches Wertpapierdarlehen*) with up to 2,033,271 shares of the Existing Shareholders;

In addition, the Company has granted the Stabilization Manager an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange, to acquire up to 2,033,271 additional ordinary bearer shares of the Company (the "**Greenshoe Shares**") for the account of the Underwriters at the Offer Price, less the selling concession, solely to redeem the securities loan, if any, in connection with the Offering (the "**Greenshoe Option**"). The Greenshoe Shares will be issued from a capital increase from authorized capital.

Termination/Non-Occurrence of Conditions Precedent/Indemnity

The Underwriting Agreement and the Placement Agreement state that the Underwriters may terminate the agreement under certain circumstances, even after allotment and listing, until delivery of the shares in exchange for payment of the Offer Price. These circumstances include:

- a substantial deterioration in the financial situation of the Company or the Ströer Group;
- an event with a considerable negative impact on the financial markets.

If the Underwriting Agreement or the Placement Agreement is terminated or if the conditions precedent of the Underwriting Agreement or the Placement Agreement do not occur, the settlement of the Offering will not take place. Any allotments to investors will become invalid, and a claim to delivery will not exist in that case. Claims with respect to subscription fees which have already been paid and in connection with costs arising to investors upon subscription are exclusively governed by the legal relationship between the investor and the institutions to which the investor submitted the purchase offer. If investors executed "short sales," that is, if they sold shares in the Company prior to the book-entry delivery of such shares and are unable to meet their delivery obligation under the sales contract following the Underwriters rescission of the Underwriting Agreement or the Placement Agreement, the investors selling the shares bear the risk that they will not be able to meet their obligations arising from the sale.

The Company and the Selling Shareholder agreed in the Underwriting Agreement and the Placement Agreement, respectively, to indemnify the Underwriters internally from certain liability obligations which may arise in connection with the Offering.

Selling restrictions

The Offer Shares will be offered to the public solely in the Federal Republic of Germany and in the Grand Duchy of Luxembourg and not offered or sold either directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. The Offer Shares will not be registered under the U.S. Securities Act and may only be offered or sold outside the U.S. pursuant to Regulation S. The Offer Shares will not be sold or offered within the U.S., except to certain investors in accordance with Rule 144A and other applicable provisions of U.S. law.

No shares which are the subject of the Offering outlined in this prospectus will be offered for public sale in any member state of the EEA which has implemented the Prospectus Directive (hereinafter referred to as a "relevant

member state”). This shall not apply to the Offering within the Federal Republic of Germany and in the Grand Duchy of Luxembourg as indicated in the prospectus. The Offer Shares that will be underwritten may, however, be offered at any time within a relevant member state in accordance with the following exemptions listed in the Prospective Directive, provided these exemptions have been implemented in the relevant member state:

- offers of securities to legal entities which are authorized or regulated to operate in the financial markets, or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- offers of securities addressed solely to legal entities which according to their last annual or consolidated accounts meet at least two of the following criteria: (1) an average number of employees during the last financial year of at least 250, (2) total assets exceeding €43,000,000 and (3) annual net turnover exceeding €50,000,000 (so-called qualified investors as defined by the Prospectus Directive);
- offers of securities by the Underwriters addressed to fewer than 100 natural or legal persons other than qualified investors within the meaning of the Prospectus Directive; or
- in all other cases of Article 3 of the Prospectus Directive.

These exemptions shall apply only on condition that such an offer to sell shares does not require publication of a prospectus by the Company or an Underwriter pursuant to Article 3 of the Prospectus Directive.

For the purposes of this regulation an “offer of securities to the public” in a relevant member state shall mean a communication to persons in any form and by any means presenting sufficient information about the terms of the offer and the shares to be offered so as to enable an investor to decide whether to purchase or subscribe for these shares. As a result of the measures to implement the Prospectus Directive in such member state, deviations may arise in this state. The term Prospectus Directive covers any and all relevant implementation measures in each relevant member state.

Offer of the shares pursuant to the Offering are only being made to persons in the United Kingdom who are “qualified investors” or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85 para. 1 of the Financial Services and Markets Act 2000 (“**FSMA**”).

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following section contains a short overview of certain German key tax principles that may be relevant in the context of the Offering with respect to the acquisition, holding, or transfer of shares by shareholders in the Company. Neither church tax that may be imposed on individual shareholders in Germany nor inheritance or gift tax is covered in this section.

This overview does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. It is based upon domestic German tax laws in effect at the time of preparation of this prospectus. The legal situation may change, possibly with retroactive effect.

Prospective investors are recommended to consult their own tax advisors as to the individual tax consequences arising from the investment in the shares.

Taxation of the Shareholders

Taxation of Dividend Income and Capital Gains

Taxation of Shareholders Tax Resident in Germany

Shares Held as Private Assets

Dividends and capital gains are—as a rule—taxed as investment income and are principally subject to a 25% flat tax (plus 5.5% solidarity surcharge thereon) that is discharged via withholding. As regards dividends, tax is generally to be withheld by the Company. As regards capital gains, the withholding tax is only deducted, where the shares are held in custody with a German custodian (that is, German resident credit institutions, financial services institutions (including German permanent establishments of foreign institutions), securities trading companies or securities trading banks, in the following, "**Disbursing Agent**").

The shareholder is taxed on the gross personal investment income, less the saver's allowance of €801 (or, for married couples filing jointly, €1,602). The deduction of income related expenses actually incurred is generally not possible. Private investors can apply to have their investment income assessed in accordance with the general rules on determining an individual's tax bracket if this would result in a lower tax burden. An assessment is mandatory, where the shares that are disposed of were held in an account outside of Germany.

Losses resulting from the disposal of shares can only be offset by capital gains from the sale of shares. If, however, a shareholder, or in the case of a gratuitous acquisition, the shareholder's legal predecessor, directly or indirectly held at least 1% of the share capital of the Company at any time during the five years preceding the sale, 60% of any capital gain resulting from the sale are taxable at the marginal income tax rate (plus 5.5% solidarity surcharge thereon). Conversely, 60% of any capital loss are recognized for tax purposes.

Shares Held as Business Assets

If shares form part of a German business (including a German permanent establishment of a foreign business), taxation depends on whether the shareholder is a corporation, sole proprietor or partnership. Irrespective of the legal form of the business investor, dividends are subject to a 25% withholding tax (plus 5.5% solidarity surcharge thereon). The withholding tax is credited against the respective shareholder's final (corporate) income tax liability. To the extent the amount withheld exceeds the (corporate) income tax liability, the withholding tax will be refunded, provided that certain requirements are met. As regards capital gains, generally no withholding will take place, as the case may be, subject to further requirements being met.

Special rules apply to financial institutions (*Kreditinstitute*), financial services providers (*Finanzdienstleistungsinstitute*), financial enterprises (*Finanzunternehmen*), life insurance and health insurance companies, and pension funds.

(i) **Corporations**: For corporations, dividends and capital gains are, as a rule, effectively 95% tax exempt from corporate income tax (including solidarity surcharge). Business expenses actually incurred in connection with the dividends and capital gains are deductible for corporate income tax and—subject to certain restrictions—trade tax purposes.

Dividends are fully subject to trade tax, unless the shareholder holds at least 15% of the share capital of the Company at the beginning of the tax assessment period. In the latter case effectively only 95% of the dividends are also exempt from trade tax. Capital gains, however, are irrespective of the size of the shareholding 95% tax exempt from trade tax. Losses from the sale of shares are not tax deductible for corporate income tax and trade tax purposes.

(ii) **Sole proprietors** (individuals): 60% of dividends and capital gains are taxed at the marginal personal income tax rate (plus 5.5% solidarity surcharge thereon) where the shares are held by an individual as business assets. Correspondingly, only 60% of business expenses related to the dividends and capital gains are deductible for income tax purposes. Trade tax wise, certain restrictions may apply.

Dividends are fully subject to trade tax, unless the sole proprietor holds at least 15% of the Company's share capital at the beginning of the tax assessment period. In this case dividends are fully tax exempt from trade tax. As regards capital gains, only 60% of the gains are subject to trade tax. 60% of any losses from the sale of shares are tax deductible for income tax and trade tax purposes. All or part of the trade tax is generally credited as a lump sum against the sole proprietor's income taxes.

(iii) **Partnerships**: For (corporate) income tax purposes, partnerships are principally transparent. Thus, (corporate) income tax will be assessed and levied only at the level of the partners considering the rules outlined above (subsection (i) and (ii)).

Trade tax, however, is assessed and levied at the level of the partnership considering the trade tax rules applicable to the partners holding the interest in the relevant partnership. As regards the question, whether the participation threshold of 15% discussed in subsection (i) and (ii) above is reached, the shareholding of the partnership is authoritative.

The trade tax the partnership pays in proportion to the shareholders' entitlement to the profits of the partnership is generally credited as a lump-sum against the individual partners' personal income tax liability in case the partner is an individual.

Taxation of Shareholders not Tax Resident in Germany

Dividends received by a foreign tax resident shareholder which are not allocable to a German permanent establishment, permanent agent or permanent representative will be effectively subject to (final) German withholding tax at a rate of 25% (plus 5.5% solidarity surcharge thereon) that is deducted by the Company. The foreign corporate shareholder can, however, apply—subject to certain conditions—for a reduction of the German withholding tax down to 15% (plus a 5.5% solidarity surcharge thereon) under German domestic tax laws. In addition, double taxation treaties may provide for additional relief.

Where dividends are distributed to a company domiciled in another member state of the EU within the meaning of Article 3 para. 1 lit. a of the Parent-Subsidiary Directive (EC Directive 90/435/EEC of the Council dated July 23, 1990, as amended), the withholding tax is refunded upon application, provided that the relevant shareholder holds at least 10% of the share capital (*Grundkapital*) of the Company and additional requirements are met.

In addition, if the requirements are met, the shareholder can apply for exemption from withholding tax. In order to obtain a refund of or exemption from withholding tax, the relevant shareholder has to submit an application (in line with official application forms) with the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern)*, Hauptdienstsitz Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany. Forms for the waiver/refund procedures may be obtained from the Federal Central Office of Taxation (http://www.bzst.bund.de), as well as from German embassies and consulates.

Except for the cases discussed above, capital gains are only taxable in Germany, where the shares are allocable to a permanent establishment, permanent agent or permanent representative of the seller or where the seller or, in the case of a gratuitous transfer, any of the seller's legal predecessors has held, directly or indirectly, at least 1% of the Company's share capital at any time during the five years preceding the sale. Moreover, limited tax liability may occur in case certain criteria are fulfilled with regard to over-the-counter transactions. However, applicable double taxation treaties may provide for a relief from German taxation in these cases.

In such cases, 5% of the capital gain is subject to taxation, provided the shareholder qualifies as a corporation. Where the shareholder is an individual, 60% of the capital gains are subject to taxation, whereas expenses directly incurred with the sale of the shares and capital losses are to 60% tax deductible.

Although withholding tax on capital gains at a rate of 25% (plus 5.5% solidarity surcharge thereon) is levied, if (i) the capital gains are taxable in Germany (compare above) and (ii) the shares are held in custody with a Disbursing Agent, the Disbursing Agent is not obliged to withhold the withholding tax (plus solidarity surcharge thereon) according to a decree issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) on December 22, 2009. The withholding tax is—as a rule—imposed on the excess of the proceeds from the sale (after deduction of directly related expenses) over the book value or acquisition costs (as the case may be) of the shares.

Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, business owners may, however, opt for the payment of value-added tax on transactions that are otherwise tax exempt. No net wealth tax is currently imposed in Germany.

TAXATION IN THE GRAND DUCHY OF LUXEMBOURG

General

The following is an overview of certain material Luxembourg tax consequences of purchasing, owning and disposing of the Shares. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. This overview is based on the laws in force in Luxembourg law on the date of this prospectus and is subject to any change in law that may take effect after such date. Prospective shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Corporate shareholders may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business, tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Luxembourg Tax Residency of the Shareholders

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the shares or the execution, performance or enforcement of his/her rights thereunder.

Withholding Tax

Dividend payments made to the shareholders by a non-resident company, as well as liquidation proceeds and capital gains derived by shareholders from the shares of a non-resident company, are not subject to a withholding tax in Luxembourg.

Income Tax

Luxembourg Resident Shareholders

Luxembourg Resident Individuals

Dividends and other payments derived from the shares by resident individual shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the ordinary progressive rate (with a current top effective marginal rate of 38.95%). A tax credit may be generally granted for foreign withholding taxes, provided it does not exceed the corresponding Luxembourg tax. Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individual shareholders from (i) a Luxembourg resident fully-taxable company limited by share capital (*société de capitaux*), (ii) a company limited by share capital (*société de capitaux*) resident in a State with which Luxembourg has concluded a double tax treaty and liable to a tax corresponding to Luxembourg's corporate income tax or (iii) a company resident in a EU Member State and covered by Article 2 of the amended EU Parent-Subsidiary Directive are exempt from income tax.

Capital gains realized on the disposal of the shares by resident individual shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are subject to income tax at ordinary rates if the shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. Speculative gains are subject to income tax as miscellaneous income at ordinary rates. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the

5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are according to the half-global rate method, (that is, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the shares by resident individual shareholders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Luxembourg Corporate Residents

Dividends and other payments derived from the shares by Luxembourg resident fully-taxable companies are subject to income taxes, unless the conditions of the participation exemption regime, as described below, are satisfied. If these conditions are not met, under current Luxembourg tax laws, 50% of the gross amount of dividends received by Luxembourg resident fully-taxable companies from (i) a Luxembourg resident fully-taxable company limited by share capital (*société de capitaux*), (ii) a company limited by share capital (*société de capitaux*) resident in a state with which Luxembourg has concluded a double tax treaty and liable to a tax corresponding to Luxembourg's corporate income tax or (iii) a company resident in a EU member state and covered by Article 2 of the amended EU Parent-Subsidiary directive are exempt from income tax. A tax credit may generally be granted for foreign withholding taxes, provided it does not exceed the corresponding Luxembourg tax.

Under the participation exemption regime, dividends derived from the shares may be exempt from income taxes at the level of the shareholder if cumulatively (i) the shareholder is a qualified parent ("**Qualified Parent**"), (ii) the distributing company is a qualified subsidiary ("**Qualified Subsidiary**") and (iii) at the time the dividend is put at the shareholder's disposal, the Shareholder has held or commits itself to hold for an uninterrupted period of 12 months a qualified shareholding ("**Qualified Shareholding**"). A Qualified Parent means either a Luxembourg resident fully-taxable company, a Luxembourg permanent establishment of a company covered by Article 2 of the amended EU Parent-Subsidiary Directive, a Luxembourg permanent establishment of a company limited by share capital (*société de capitaux*) resident in a country having a tax treaty with Luxembourg, a Luxembourg permanent establishment of a limited company (*société de capitaux*) or a cooperative company (*société coopérative*) resident in the EEA other than a EU Member State. A Qualified Subsidiary means a Luxembourg fully-taxable company, an entity covered by Article 2 of the amended EU Parent-Subsidiary Directive or a non-resident company limited by share capital (*société de capitaux*) liable to a tax corresponding to Luxembourg corporate income tax. A Qualified Shareholding means shares representing a participation of at least 10% in the share capital of the Company or a participation of an acquisition price of at least €1.2 million. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Capital gains realized by a Luxembourg fully-taxable resident company on the shares are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime, capital gains realized on the shares may be exempt from income tax at the level of the shareholder if cumulatively (i) the shareholder is a Qualified Parent, (ii) the distributing company is a Qualified Subsidiary and (iii) at the time the capital gain is realized, the shareholder has held or commits itself to hold for an uninterrupted period of 12 months shares representing a participation of at least 10% in the share capital of the Company or a participation of an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Luxembourg Corporate Residents Benefiting from a Special Tax Regime

Shareholders who are (i) holding companies governed by the amended law of 31 July 1929, (ii) undertakings for collective investment governed by the amended law of 20 December 2002, (iii) specialized investment funds governed by the law of 13 February 2007 or (iv) family wealth management companies governed by the law of 11 May 2007 are exempt from income tax in Luxembourg. Dividends derived from and capital gains realized on the Shares are thus not subject to income tax in their hands.

Taxation of Luxembourg Non-Resident Shareholders

Non-resident shareholders who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the shares are attributable, are not liable to any Luxembourg income tax on income and gains derived from the Shares.

Non-resident shareholders which have a permanent establishment or a permanent representative in Luxembourg to which the shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of shares, in their taxable income for Luxembourg tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the shares sold or redeemed.

Net Wealth Tax

Luxembourg resident shareholders, as well as non-resident shareholders who have a permanent establishment or a permanent representative in Luxembourg to which the shares are attributable, are subject to Luxembourg net wealth tax on such shares, except if the shareholder is (i) a resident or non-resident individual, (ii) a holding company governed by the amended law of July 31, 1929, (iii) an undertaking for collective investment governed by the amended law of December 20, 2002, (iv) a securitization company governed by the law of March 22, 2004 on securitization, (v) a company governed by the amended law of June 15, 2004 on venture capital vehicles, (vi) a specialized investment fund governed by the law of February 13, 2007 or (vii) a family wealth management company governed by the law of May 11, 2007. The shares held in a Qualified Subsidiary by a Qualified Parent may further be exempt under the participation exemption, provided the shares represent a Qualified Shareholding.

Other Taxes

There is no Luxembourg registration tax, stamp duty or other similar tax or duty payable by the Shareholders in Luxembourg by reason only of the issuance or transfer of shares.

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the shares are included in his/her taxable basis for inheritance tax purposes.

Gift tax may be due on a gift or donation of the shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

FINANCIAL INFORMATION

The following English-language consolidated financial statements (F-3 – F-10, F-15 – F-81, F-83 – F-148 and F-149 – F-207) and unconsolidated financial statements (F-209 – F-223) are translations of the German-language consolidated financial statements and unconsolidated financial statements.

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Unaudited interim consolidated financial statements of Stöer AG as of and for the three months ended March 31, 2010 (IFRS)

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Income Statement
For the Period from 1 January to 31 March 2010

	1 Jan to 31 Mar 2010 EUR	1 Jan to 31 Mar 2009 EUR
Continuing operations:		
Revenue	105,066,516.98	99,460,775.12
Cost of sales	−69,089,624.72	−68,296,654.82
Gross profit	35,976,892.26	31,164,120.30
Selling expenses	−17,164,647.08	−15,600,571.96
Administrative expenses	−18,001,730.84	−16,707,806.89
Other operating income	4,148,605.83	4,007,355.44
Other operating expenses	−1,958,132.31	−2,150,153.42
Finance income	1,949,851.77	386,479.89
Finance costs	−12,471,457.01	−14,505,532.22
Profit or loss before taxes	−7,520,617.38	−13,406,108.86
Income taxes	−1,942,429.99	−3,378,413.13
Post-tax profit or loss from continuing operations	−9,463,047.37	−16,784,521.99
Discontinued operations:		
Post-tax profit or loss from discontinued operations	0.00	−139,292.45
Loss for the period	−9,463,047.37	−16,923,814.44
Thereof attributable to:		
Owners of the parent	−9,623,587.26	−17,023,645.49
Non-controlling interests	160,539.89	99,831.05
	−9,463,047.37	−16,923,814.44

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Statement of Comprehensive Income
For the Period from 1 January to 31 March 2010

	1 Jan to 31 Mar 2010	1 Jan to 31 Mar 2009
	EUR	EUR
Loss for the period	−9,463,047.37	−16,923,814.44
Exchange differences on translating foreign operations	1,813,597.68	−1,746,783.90
Cash flow hedges	−3,295,725.54	−11,350,443.36
Income taxes relating to components of other comprehensive income	1,056,789.00	3,610,393.01
Other comprehensive income, net of income taxes	−425,338.86	−9,486,834.25
Total comprehensive income, net of income taxes	−9,888,386.23	−26,410,648.69
Thereof attributable to:		
Owners of the parent	−10,152,545.12	−26,487,864.83
Non-controlling interests	264,158.89	77,216.14
	−9,888,386.23	−26,410,648.69

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Statement of Financial Position as of 31 March 2010

	31 Mar 2010	31 Dec 2009
	EUR	EUR
Assets		
Non-Current Assets		
Intangible assets		
Franchises, industrial and similar rights and assets, and licenses in such rights and assets	204,791,143.52	209,094,627.64
Development costs	3,464,199.62	3,550,501.62
Prepayments	663,994.13	439,247.13
	208,919,337.27	213,084,376.39
Goodwill	180,186,023.80	180,186,023.80
Property, plant and equipment		
Land, land rights and buildings, including buildings on third-party land	10,754,272.32	10,842,260.95
Plant and machinery	323,149.67	316,514.44
Other plant and equipment	156,019,442.66	156,435,776.30
Prepayments made and assets under construction	12,630,722.91	13,259,727.04
	179,727,587.56	180,854,278.73
Investment property	1,524,951.12	1,530,000.00
Financial assets		
Other equity investments	120,873.01	120,873.01
Trade receivables	1,965,251.10	1,342,440.55
Financial receivables and other assets		
Financial receivables	2,799,233.70	2,559,178.96
Other assets	3,690,030.03	3,514,396.75
	6,489,263.73	6,073,575.71
Income tax assets	938,534.39	938,534.39
Deferred tax assets	30,500,381.05	30,600,567.46
	610,372,203.03	614,730,670.04
Current Assets		
Inventories	4,586,025.49	4,085,592.81
Trade receivables	45,675,881.11	39,777,671.66
Financial receivables	8,707,103.56	8,455,866.45
Other assets	32,884,082.51	19,962,450.75
Current income tax assets	5,151,975.22	4,292,597.31
Cash and cash equivalents	55,597,315.92	57,256,894.20
	152,602,383.81	133,831,073.18
	762,974,586.84	748,561,743.22

	31 Mar 2010	31 Dec 2009
	EUR	EUR
Equity and Liabilities		
Equity		
Subscribed capital	512,000.00	512,000.00
— Conditional capital: EUR 90,353.00 (prior year: EUR 90,353.00)		
Capital reserves	34,508,982.64	34,508,982.64
Earned consolidated equity	−87,304,937.48	−77,681,350.22
Accumulated other comprehensive income	−17,620,160.38	−17,091,202.52
	−69,904,115.22	−59,751,570.10
Non-controlling interests	16,587,323.50	16,381,921.89
	−53,316,791.72	−43,369,648.21
Non-Current Liabilities		
Pension provisions and similar obligations	20,006,311.03	20,069,484.32
Other non-current provisions	11,545,078.31	11,819,772.58
Non-current financial liabilities	559,827,002.60	555,886,222.99
Deferred tax liabilities	74,639,371.46	75,574,534.08
	666,017,763.40	663,350,013.97
Current Liabilities		
Other current provisions	22,610,747.21	23,628,322.33
Financial liabilities	29,239,051.11	21,791,567.28
Trade payables	62,468,229.59	50,936,866.03
Other liabilities	29,203,727.09	25,723,875.24
Current income tax liabilities	6,751,860.16	6,500,746.58
	150,273,615.16	128,581,377.46
	762,974,586.84	748,561,743.22

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent								
	Subscribed capital				Accumulated other comprehensive income				
	Common shares	Preferred shares	Capital reserves	Earned equity	Exchange differences on translating foreign operations	Cash flow hedges	Total	Non-controlling interests	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 January 2009	473,600.00	38,400.00	34,508,982.64	−77,085,021.95	−5,358,606.37	−5,459,117.56	−52,881,763.24	17,125,451.08	−35,756,312.16
Profit or loss for the period	0.00	0.00	0.00	−17,023,645.49	0.00	0.00	−17,023,645.49	99,831.05	−16,923,814.44
Other comprehensive income	0.00	0.00	0.00	0.00	−1,724,168.99	−7,740,050.35	−9,464,219.34	−22,614.91	−9,486,834.25
Total comprehensive income	0.00	0.00	0.00	−17,023,645.49	−1,724,168.99	−7,740,050.35	−26,487,864.83	77,216.14	−26,410,648.69
31 March 2009	473,600.00	38,400.00	34,508,982.64	−94,108,667.44	−7,082,775.36	−13,199,167.91	−79,369,628.07	17,202,667.22	−62,166,960.85
1 January 2010	473,600.00	38,400.00	34,508,982.64	−77,681,350.22	−4,667,301.21	−12,423,901.31	−59,751,570.10	16,381,921.89	−43,369,648.21
Profit or loss for the period	0.00	0.00	0.00	−9,623,587.26	0.00	0.00	−9,623,587.26	160,539.89	−9,463,047.37
Other comprehensive income	0.00	0.00	0.00	0.00	1,709,978.63	−2,238,936.49	−528,957.86	103,619.00	−425,338.86
Total comprehensive income	0.00	0.00	0.00	−9,623,587.26	1,709,978.63	−2,238,936.49	−10,152,545.12	264,158.89	−9,888,386.23
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	−58,757.28	−58,757.28
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	−58,757.28	−58,757.28
31 March 2010	473,600.00	38,400.00	34,508,982.64	−87,304,937.48	−2,957,322.58	−14,662,837.80	−69,904,115.22	16,587,323.50	−53,316,791.72

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Statement of Cash Flows
For the Period from 1 January to 31 March 2010

	1 Jan to 31 Mar 2010 EUR	1 Jan to 31 Mar 2009 EUR
1. Cash flows from operating activities		
Profit or loss before interest and taxes from continuing operations	3,000,987.86	712,943.47
Profit or loss before interest and taxes from discontinued operations	0.00	−139,292.45
Write-downs(+)/write-ups(−) of non-current assets	10,316,967.36	13,462,860.00
Interest paid(−)	−2,145,829.78	−430,965.03
Interest received(+)	124,657.23	280,961.76
Income taxes paid(−)/received(+)	−1,898,254.40	−858,036.57
Increase(+)/decrease(−) in provisions	−1,362,052.46	344,885.62
Other non-cash expenses(+)/income(−)	1,372,290.49	1,067,116.70
Gain(−)/loss(+) on the disposal of non-current assets	336,774.12	−146,292.66
Increase(−)/decrease(+) in inventories, trade receivables and other assets	−20,242,088.38	−12,886,600.87
Increase(+)/decrease(−) in trade payables and other liabilities	13,177,040.14	−4,385,715.20
Cash flows from operating activities	2,680,492.18	−2,978,135.23
2. Cash flows from investing activities		
Cash received(+) from the disposal of property, plant and equipment	102,158.81	876,204.23
Cash paid(−) for investments in property, plant and equipment	−3,029,466.05	−4,582,692.43
Cash paid(−) for investments in intangible assets	−385,152.80	−823,983.63
Cash paid(−) for investments in non-current financial assets	−25,257.26	−14,840.00
Cash received(+) from/cash paid(−) for the acquisition of consolidated entities	−57,513.52	84,918.13
Cash flows from investing activities	−3,395,230.82	−4,460,393.70
3. Cash flows from financing activities		
Cash received(+) from borrowings	0.00	6,266,061.13
Cash repayments(−) of borrowings	−944,839.64	−34,503.00
Cash flows from financing activities	−944,839.64	6,231,558.13
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	−1,659,578.28	−1,206,970.80
Cash and cash equivalents at the beginning of the period	57,256,894.20	42,499,206.48
Cash and cash equivalents at the end of the period	55,597,315.92	41,292,235.68
5. Composition of cash and cash equivalents		
Cash and cash equivalents	55,597,315.92	41,292,235.68
Cash and cash equivalents at the end of the period	55,597,315.92	41,292,235.68

Selected explanatory notes

A. GENERAL

A.1 Information on the Company and Group

Ströer Out-of-Home Media AG (Ströer or the Group) has its registered office at Ströer Allee 1 in Cologne (Germany) and is entered in the commercial register of Cologne local court under HRB no. 41548.

The purpose of Ströer AG and the entities included in the consolidated financial statements (the Ströer Group or the Group) is the commercialization of out-of-home media. The Group uses all forms of out-of-home media, from traditional billboards and transport media through to digital media to reach its target audience. See the relevant explanations in the notes to the consolidated financial statements as of 31 December 2009 for a detailed description of the Group's structure and its operating segments.

A.2 Basis of preparation of the financial statements

The consolidated interim financial statements for the period from 1 January to 31 March 2010 were prepared in accordance with IAS 34, *Interim Financial Reporting*. The consolidated interim financial statements must be read in conjunction with the consolidated financial statements as of 31 December 2009.

A.3 Accounting policies

The figures disclosed in these consolidated interim financial statements were determined in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU. The accounting policies applied in the consolidated financial statements as of 31 December 2009 were also applied in these consolidated interim financial statements except for the following accounting changes.

IFRS 8, *Operating Segments,* was amended effective 1 January 2010. The amendment eliminates the previous unconditional requirement to disclose information about segment assets and replaces it with a conditional disclosure requirement. As information on segment assets is not provided to our chief operating decision-maker in internal reporting, we do not disclose this information in segment reporting. Accordingly, the prior-year disclosure was also left out.

Effective 1 January 2010, we have changed our policy to calculate Operational EBITDA. From this date onward, the (non-cash) valuation impact to provisions on our statement of financial position covering phantom stock shares awarded to executive management under a long-term incentive program is added back to Operational EBITDA because this program will be discontinued as a result of and cashed out at the closing of the Offering. The comparative figures for the first quarter 2009 have been changed retrospectively. The effect of this change amounts to EUR 82k.

A.4 Accounting estimates

Preparation of the consolidated interim financial statements in compliance with IFRSs requires management to make assumptions and estimates which have an impact on the figures disclosed in the consolidated financial statements and consolidated interim financial statements. The estimates are based on historical data and other information on the transactions concerned. Actual results may differ from such estimates.

The accounting estimates and assumptions applied in the consolidated financial statements as of 31 December 2009 were also used to determine the estimated values presented in these consolidated interim financial statements.

A.5 Related party disclosures

See the consolidated financial statements as of 31 December 2009 for information on related party disclosures. There were no significant changes as of 31 March 2010.

A.6 Dividends

In the first quarter, the Group paid dividends of EUR 3k on preferred shares.

A.7 Segment information

See the explanations in the consolidated financial statements as of 31 December 2009 for information on segments and product groups.

The names of the operating segments have been changed as stated below since the last set of consolidated financial statements were prepared as of 31 December 2009:

The segment "SMD" is now "Ströer Germany", the segment "Turkey" is now "Ströer Turkey" and "All other segments" is now "Other."

Unless stated otherwise, all figures are disclosed in thousands of euros (EUR k). Due to rounding differences, figures in tables may differ slightly from the actual figures.

Reporting by operating segments

	31 March 2010				
	Ströer Germany	Ströer Turkey	Other	Reconciliation	Group value
External revenue	87,023	9,034	9,010	0	**105,067**
Internal revenue	4	0	0	−4	**0**
Segment revenue	87,027	9,034	9,010	−4	**105,067**
Operational EBITDA	17,410	1,627	−722	−1,620	**16,695**

	31 March 2009				
	Ströer Germany	Ströer Turkey	Other	Reconciliation	Group value
External revenue	83,105	7,226	9,130	0	**99,461**
Internal revenue	0	0	120	−120	**0**
Segment revenue	83,105	7,226	9,250	−120	**99,461**
Operational EBITDA	15,595	944	190	−1,782	**14,947**

Revenue by product group

	Reporting by product group 31 March 2010				
	Street Furniture	Billboard	Transport	Other	Group value
External revenue	26,220	51,872	15,681	11,294	105,067

	Reporting by product group 31 March 2009				
	Street Furniture	Billboard	Transport	Other	Group value
External revenue	25,232	48,044	15,311	10,874	99,461

Reconciliations

Indicator	31 March 2010	31 March 2009
Total segment results (operational EBITDA)	18,315	16,729
Central items	−1,620	−1,782
Elimination	0	0
Group operational EBITDA	16,695	14,947
Adjustment effects	−3,377	−771
Other operating result	0	0
EBITDA	13,318	14,176
Amortization and depreciation	−10,317	−13,463
Impairment losses	0	0
Finance income	1,950	386
Finance costs	−12,471	−14,506
Results using the equity method	0	0
Consolidated earnings before income taxes	−7,521	−13,406

B. SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF CASH FLOWS

B.1 Cost of a capital increase

Current other assets include deferrals of EUR 358k which arose in connection with a capital increase planned for the second quarter of 2010.

The deferrals include the share of expenses directly attributable to the capital increase. If the capital increase is successfully implemented, the deferrals will be deducted from equity.

In connection with the deferrals, deferred tax liabilities of EUR 113k were recognized in profit or loss. These deferred tax liabilities will be directly set off against equity if the capital increase is successfully implemented.

B.2 Derivative financial instruments

The Group uses derivative financial instruments to hedge the interest rate risk from floating-rate loans.

The negative market value of derivatives as of 31 March 2010 stood at EUR 31,133k (31 December 2009: EUR 25,034k).

B.3 Seasonality

The Group's revenue and earnings are seasonal in nature. Revenue and earnings are lower in the first and third quarters compared to the second and fourth quarters.

B.4 Profit or loss before interest and taxes

Profit or loss before interest and taxes rose from EUR 713k as of 31 March 2009 to EUR 3,001k.

This increase is largely attributable to the impairment loss of EUR 2,218k recognized on a city contract in the first quarter of 2009.

B.5 Financial result

The Group's financial result improved from -EUR 14,120k to -EUR 10,521k.

This improvement is largely attributable to income of EUR 1,794k from exchange differences in connection with a cross-border financing arrangement (31 March 2009: expense of EUR 1,033k).

B.6 Income taxes

As of 31 March 2010, the Group reported a tax expense of EUR 1,942k compared with the tax expense of EUR 3,378k incurred as of 31 March 2009.

As stated in the consolidated financial statements as of 31 December 2009, the change in legal form of the main German investee which is due to take place at the latest by 31 August 2010 has already been factored into the calculation of income taxes.

B.7 Cash received from and cash repayments of short-term borrowings

In accordance with the exemption option afforded by IAS 7.22 (b) in conjunction with IAS 7.23A (c), cash received from and cash repayments of borrowings with a term of up to three months are disclosed net in the item "Cash received from borrowings" or "Cash repayments of borrowings" depending on whether the net amount as of the respective reporting date constituted a cash receipt or payment.

B.8 Subsequent events

On 20 April 2010, the supervisory board appointed Mr. Dirk Wiedenmann as a new member of the board of management.

Cologne, 7 May 2010

Ströer Out-of-Home Media AG

Udo Müller	Alfried Bührdel	Dirk Wiedenmann

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Ströer Out-of-Home Media AG, Cologne

Group Financial Statements as of December 31, 2009

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Income Statement for 2009

	Note	2009	2008
		EUR	EUR
Continuing operations:			
Revenue	(D.1)	469,798,928.30	493,363,599.22
Cost of sales	(D.2)	−300,725,230.38	−300,121,593.88
Gross profit		169,073,697.92	193,242,005.34
Selling expenses	(D.3)	−67,309,643.54	−74,544,608.61
Administrative expenses	(D.4)	−64,604,410.18	−69,976,403.28
Other operating income	(D.5)	13,678,495.12	20,122,552.42
Other operating expenses	(D.6)	−11,860,031.00	−10,795,922.32
Share in profit or loss of associates	(D.8)	−42,640.00	−4,133,067.59
Finance income	(D.9)	2,305,699.84	3,002,845.22
Finance costs	(D.9)	−49,585,027.55	−57,835,033.46
Profit or loss before taxes		−8,343,859.39	−917,632.28
Income taxes	(D.10)	9,571,122.87	−13,655,781.34
Post-tax profit or loss from continuing operations		1,227,263.48	−14,573,413.62
Discontinued operations:			
Post-tax profit or loss from discontinued operations	(D.11)	−77,604.43	0.00
Profit or loss for the period		1,149,659.05	−14,573,413.62
Thereof attributable to:			
Owners of the parent		−389,957.47	−15,943,518.72
Non-controlling interests		1,539,616.52	1,370,105.10
		1,149,659.05	−14,573,413.62

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Statement of Comprehensive Income for 2009

		2009	2008
		EUR	EUR
Profit or loss for the period		1,149,659.05	−14,573,413.62
Exchange differences on translating foreign operations	(B.4)	622,702.99	−6,838,273.65
Cash flow hedges	(H.1)	−10,268,029.84	−20,538,858.02
Actuarial gains and losses	(E.14)	−234,990.99	913,941.00
Income taxes relating to components of other comprehensive income	(D.10)	3,397,602.93	6,106,436.18
Other comprehensive income, net of income taxes		−6,482,714.91	−20,356,754.49
Total comprehensive income, net of income taxes		−5,333,055.86	−34,930,168.11
Thereof attributable to:			
Owners of the parent		−6,866,734.86	−35,937,136.55
Non-controlling interests		1,533,679.00	1,006,968.44
		−5,333,055.86	−34,930,168.11

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Statement of Financial Position as of 31 December 2009

	Note	2009 EUR	Restated 2008 EUR
Assets			
Non-Current Assets			
Intangible assets	(E.1)		
Franchises, industrial and similar rights and assets, and licenses in such rights and assets		209,094,627.64	218,866,149.25
Development costs		3,550,501.62	2,663,044.71
Prepayments		439,247.13	1,320,032.22
		213,084,376.39	222,849,226.18
Goodwill	(E.2)	180,186,023.80	184,781,059.01
Property, plant and equipment	(E.3)		
Land, land rights and buildings, including buildings on third-party land		10,842,260.95	11,165,971.73
Plant and machinery		316,514.44	664.61
Other plant and equipment		156,435,776.30	154,313,998.74
Prepayments made and assets under construction		13,259,727.04	18,563,197.84
		180,854,278.73	184,043,832.92
Investment property	(E.4)	1,530,000.00	1,806,088.00
Financial assets	(E.6)		
Other equity investments		120,873.01	143,373.00
Trade receivables	(E.7)	1,342,440.55	0.00
Financial receivables and other assets	(E.10)		
Financial receivables		2,559,178.96	235,468.94
Other assets		3,514,396.75	3,102,368.62
		6,073,575.71	3,337,837.56
Income tax assets	(E.9)	938,534.39	0.00
Deferred tax assets	(D.10)	30,600,567.46	15,244,926.26
		614,730,670.04	612,206,342.93
Current Assets			
Inventories	(E.11)	4,085,592.81	4,500,123.79
Trade receivables	(E.7)	39,777,671.66	44,855,916.55
Financial receivables	(E.10)	8,455,866.45	9,597,374.88
Other assets	(E.10)	19,962,450.75	32,270,098.86
Current income tax assets	(E.9)	4,292,597.31	6,540,711.69
Cash and cash equivalents	(E.12)	57,256,894.20	42,499,206.48
Non-current assets held for sale	(E.8)	0.00	661,001.00
		133,831,073.18	140,924,433.25
		748,561,743.22	753,130,776.18

	Note	2009	Restated 2008
		EUR	EUR
Equity and Liabilities			
Equity	(E.13)		
Subscribed capital		512,000.00	512,000.00
— Conditional capital: EUR 90,353.00 (prior year: EUR 90,353.00)			
Capital reserves		34,508,982.64	34,508,982.64
Earned consolidated equity		−77,681,350.22	−77,085,021.95
Accumulated other comprehensive income		−17,091,202.52	−10,817,723.93
		−59,751,570.10	−52,881,763.24
Non-controlling interests		16,381,921.89	17,125,451.08
		−43,369,648.21	−35,756,312.16
Non-Current Liabilities			
Pension provisions and similar obligations	(E.14)	20,069,484.32	19,722,093.51
Other non-current provisions	(E.15)	11,819,772.58	6,373,018.91
Non-current financial liabilities	(E.16)	555,886,222.99	500,649,628.96
Non-current trade payables	(E.17)	0.00	66,547.55
Deferred tax liabilities	(D.10)	75,574,534.08	78,929,940.50
		663,350,013.97	605,741,229.43
Current Liabilities			
Other current provisions	(E.15)	23,628,322.33	19,220,381.09
Financial liabilities	(E.16)	21,791,567.28	70,338,933.80
Trade payables	(E.17)	50,936,866.03	58,343,915.75
Other liabilities	(E.18)	25,723,875.24	22,420,843.21
Current income tax liabilities	(E.19)	6,500,746.58	12,160,785.06
Liabilities associated with assets held for sale	(E.8)	0.00	661,000.00
		128,581,377.46	183,145,858.91
		748,561,743.22	753,130,776.18

Consolidated Statement of Changes in Equity for 2009

	Attributable to equity holders of the parent									
					Accumulated other comprehensive income					
	Subscribed capital									
	Common shares	Preferred shares	Capital reserves	Earned equity	Exchange differences on translating foreign operations	Cash flow hedges	Actuarial gains and losses	Total	Non-controlling interests	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 January 2008	473,600.00	38,400.00	34,508,982.64	−63,408,981.13	1,116,530.62	8,684,354.15	1,645,559.03	−16,941,554.69	17,119,809.97	178,255.28
Changes in accounting policy:										
Actuarial gains and losses recognized in earned equity	0.00	0.00	0.00	1,645,559.03	0.00	0.00	−1,645,559.03	0.00	0.00	0.00
1 January 2008	473,600.00	38,400.00	34,508,982.64	−61,763,422.10	1,116,530.62	8,684,354.15	0.00	−16,941,554.69	17,119,809.97	178,255.28
Profit or loss for the period	0.00	0.00	0.00	−15,943,518.72	0.00	0.00	0.00	−15,943,518.72	1,370,105.10	−14,573,413.62
Other comprehensive income	0.00	0.00	0.00	624,990.87	−6,475,136.99	−14,143,471.71	0.00	−19,993,617.83	−363,136.66	−20,356,754.49
Total comprehensive income	0.00	0.00	0.00	−15,318,527.85	−6,475,136.99	−14,143,471.71	0.00	−35,937,136.55	1,006,968.44	−34,930,168.11
Changes in the consolidated group	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	−98,208.24	−98,208.24
Other changes/changes in shareholdings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,083,831.54	1,083,831.54
Dividends	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−1,986,950.63	−1,990,022.63
	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−1,001,327.33	−1,004,399.33
31 December 2008	473,600.00	38,400.00	34,508,982.64	−77,085,021.95	−5,358,606.37	−5,459,117.56	0.00	−52,881,763.24	17,125,451.08	−35,756,312.16
Profit or loss for the period	0.00	0.00	0.00	−389,957.47	0.00	0.00	0.00	−389,957.47	1,539,616.52	1,149,659.05
Other comprehensive income	0.00	0.00	0.00	−203,298.80	691,305.16	−6,964,783.75	0.00	−6,476,777.39	−5,937.52	−6,482,714.91
Total comprehensive income	0.00	0.00	0.00	−593,256.27	691,305.16	−6,964,783.75	0.00	−6,866,734.86	1,533,679.00	−5,333,055.86
Changes in the consolidated group	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	−828,855.70	−828,855.70
Other changes/changes in shareholdings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	383,697.24	383,697.24
Dividends	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−1,832,049.78	−1,835,121.78
	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−2,277,208.24	−2,280,280.24
31 December 2009	473,600.00	38,400.00	34,508,982.64	−77,681,350.22	−4,667,301.21	−12,423,901.31	0.00	−59,751,570.10	16,381,921.84	−43,369,648.26

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Statement of Cash Flows for 2009

	2009 EUR	2008 EUR
1. Cash flows from operating activities		
Profit or loss before interest and taxes from continuing operations	38,935,468.32	52,150,776.93
Profit or loss before interest and taxes from discontinued operations	−77,604.43	0.00
Write-downs(+)/write-ups(−) of non-current assets	54,339,204.00	37,711,367.67
Interest paid(−)	−49,532,481.01	−47,260,601.37
Interest received(+)	1,439,679.69	3,394,936.78
Income taxes paid(−)/received(+)	−13,850,967.94	−11,106,707.59
Increase(+)/decrease(−) in provisions	2,084,198.81	−1,173,439.68
Other non-cash expenses(+)/income(−)	1,300,776.94	4,005,180.81
Gain(−)/loss(+) on the disposal of assets	862,940.00	1,524,039.70
Increase(−)/decrease(−) in inventories, trade receivables and other assets	5,087,686.70	−9,936,279.01
Increase(+)/decrease(−) in trade payables and other liabilities	−4,455,826.93	−8,073,537.02
Cash flows from operating activities	36,133,074.15	21,235,737.22
2. Cash flows from investing activities		
Cash received(+) from the disposal of property, plant and equipment	3,260,984.00	4,424,983.59
Cash paid(−) for investments in property, plant and equipment	−19,621,547.00	−52,346,555.59
Cash received(+) from the disposal of intangible assets	0.00	11,774.00
Cash paid(−) for investments in intangible assets	−2,813,660.00	−6,158,762.22
Cash received(+) from the disposal of non-current financial assets	0.00	3,825,000.00
Cash paid(−) for investments in non-current financial assets	−47,640.00	−3,221,756.76
Cash received(+) from/paid(−) for the sale of consolidated entities	−608,523.22	−189,391.56
Cash received(+) from/paid(−) for the acquisition of consolidated entities	331,647.13	−9,003,354.70
Cash flows from investing activities	−19,498,739.09	−62,658,063.24
3. Cash flows from financing activities		
Cash paid(−) to (non-controlling interests) shareholders	−1,832,049.78	−1,998,489.69
Cash received(+) from borrowings	627,275.20	8,489,914.10
Cash repayments(−) of borrowings	−671,872.76	−527,161.43
Cash flows from financing activities	−1,876,647.34	5,964,262.98
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	14,757,687.72	−35,458,063.04
Cash and cash equivalents at the beginning of the period	42,499,206.48	77,957,269.52
Cash and cash equivalents at the end of the period	57,256,894.20	42,499,206.48
5. Composition of cash and cash equivalents		
Cash and cash equivalents	57,256,894.20	42,499,206.48
Cash and cash equivalents at the end of the period	57,256,894.20	42,499,206.48

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Ströer Out-of-Home Media AG, Cologne

Notes to the consolidated financial statements for fiscal year 2009

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ABBREVIATIONS

A.S.	Turkish limited liability company (Anonim Şirketi)
AG	German stock corporation (Aktiengesellschaft)
ARGE	joint venture (Arbeitsgemeinschaft)
BAWAG	BAWAG Malta Bank Ltd. (BAWAG), Sliema, Malta
B.V.	Besloten Vennootschap
bps	basis points
BUM	blowUP Media GmbH
DSM	DSM Deutsche Städte Medien GmbH
CGU	cash-generating unit
EBIT	earnings before interest and taxes
EBITDA	earnings before interest, taxes, depreciation and amortization
e.g.,	for example
EStG	German Income Tax Act (Einkommensteuergesetz)
EU	European Union
EUR	euros
EURIBOR	European Inter Bank Offered Rate
GBP	pound sterling
GbR	partnership under the German Civil Code (Gesellschaft bürgerlichen Rechts)
GmbH	German limited liability company (Gesellschaft mit beschränkter Haftung)
GmbH & Co. KG	partnership with a limited liability company as general partner (Gesellschaft mit beschränkter Haftung)
HGB	German Commercial Code (Handelsgesetzbuch)
HKB	Handel und Kredit GmbH & Co. KG Bankhaus
IAS(s)	International Accounting Standard(s)
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS(s)	International Financial Reporting Standard(s)
InvZulG	German Investment Grant Act (Investitionszulagengesetz)
KAW	Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung
KG	German limited partnership (Kommanditgesellschaft)
LIBOR	London Inter Bank Offered Rate
Ltd.	Limited
Ltd.Sti.	Turkish private limited liability company (limited Şirketi)
mbH	German limited liability company (mit beschränkter Haftung)
N.V.	Naamloze Vennootschap
PLN	zloty
S.A.	Sociedad Anónima
San. Tic. Ltd	Sanayii ticaret limited sirketi
SAS	Société par actions simplifiée
SK	Stadtkultur
SMD	Ströer Media Deutschland GmbH & Co. KG
Sp. Zo.o.	Polish limited liability company, privately-held (Spólka z ograniczona odpowiedzialnoscia)
EUR k	thousands of euros
TRY	Turkish lira
UK	United Kingdom
XOREX	XOREX GmbH
XOREX Beteiligung	XOREX Beteiligungs GmbH (formerly Ströer Media International GmbH)
ZVK	supplemental pension plans (Zusatzversorgungskasse)

Ströer Out-of-Home Media AG, Cologne

GENERAL

The Company

Ströer Out-of-Home Media AG (Ströer AG) is registered as a stock corporation under German law. The Company has its registered office at Ströer Allee 1, 50999 Cologne. The Company is entered in the Cologne commercial register under HRB no. 41548.

The business purpose of Ströer AG and the entities included in the consolidated financial statements (the Ströer Group) is the commercialization of out-of-home media. With some 300,000 advertising spaces and over 150 different forms of advertising media, the Group specializes in advertising directed at mobile target groups. The Group uses all forms of out-of-home media, from traditional billboards and transport media through to digital media to reach its target audience.

Accounting policies

The consolidated financial statements of Ströer AG for fiscal year 2009 have been prepared in accordance with the currently applicable International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code].

These consolidated financial statements cover the period from 1 January 2009 to 31 December 2009. The board of management of Ströer AG approved the consolidated financial statements on 31 March 2010 for issue to the supervisory board. The supervisory board has the task of reviewing the consolidated financial statements and declaring whether it approves them.

The consolidated financial statements have been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value.

The separate financial statements of the consolidated entities are prepared on the date of the consolidated financial statements.

The income statement has been prepared in accordance with the cost of sales method.

The consolidated financial statements are presented in euros. Unless stated otherwise, all figures are disclosed in thousands of euros (EUR k).

Assumptions, accounting estimates and the use of judgment by management

Preparation of the consolidated financial statements in compliance with IFRSs requires management to make assumptions and estimates which have an impact on the figures disclosed in the consolidated financial statements and the notes thereto. The estimates are based on historical data and other information on the transactions concerned. Actual results may differ from such estimates. Assumptions based on estimates are reviewed regularly.

Assumptions and accounting estimates are essentially based on the following:

- Annual impairment test for goodwill on the basis of an estimate of the asset's recoverable amount. The recoverable amount is determined on the basis of an estimate of future cash flows and an appropriate discount rate.

- Assumptions are made in determining the economic useful lives of intangible assets and property, plant and equipment. For information on the change in the accounting estimate used to determine the useful lives of advertising rights of use granted by municipalities we refer to section A.4.

- Determination of the fair value for assets acquired in business combinations. Independent appraisers are generally involved in assessing business combinations that are individually significant.

- Recognition and measurement of provisions by estimating the probability of utilization, expected settlement values and selecting appropriate discount rates.

Management uses its judgment in applying accounting policies which have a significant effect on the figures in the consolidated financial statements as follows:

- In accordance with IAS 19, the Ströer Group immediately recognizes all actuarial gains and losses directly in equity. Application of a different method could have an effect on pension provisions and the income statement.
- Deferred tax assets may only be recognized if it is probable that sufficient future taxable profit will be available. Judgment must be exercised in assessing whether these claims may be utilized.
- The Group recognizes deferred tax assets arising on unused tax losses based on tax planning covering the next five years. The opportunity of utilizing tax loss carryforwards at the level of the group parent on the basis of the tax restructuring currently being implemented was considered in the planning. Use was made of discretionary options when preparing the planning. Due to the actual development, different assessments of the utilization of loss carryforwards may be made in the future.

Application of new standards and interpretations and changes in accounting policies or accounting estimates

All new and amended standards and interpretations published by the IASB and the IFRIC that are effective for fiscal years beginning on or after 1 January 2009 and are required to be applied in the EU were applied in preparing the consolidated financial statements.

Changes in accounting policies or accounting estimates

The accounting policies and significant accounting estimates applied in the last set of consolidated financial statements have been changed as described below in the consolidated financial statements as of 31 December 2009.

Change in the accounting estimate used to determine the useful lives of advertising rights of use granted by municipalities and the expenditure required to settle restoration obligations

In fiscal year 2009, the Group changed the accounting estimate used in the recognition of advertising rights of use granted by municipalities.

In prior years, the rights of use were accounted for as intangible assets with indefinite useful lives and were not amortized in line with the policies for such assets but tested for impairment at least once annually.

In fiscal year 2009, the Group made a more cautious estimate in view of the tendering practice of municipalities granting advertising rights of use. In this context, we have decided to amortize advertising rights of use granted by municipalities over a period of 15 years. As newly tendered contracts generally have a term of 15 years, we consider this term to be a good estimate basis for the remaining useful lives of the existing advertising rights of use.

Due to the change in the accounting estimate, these advertising rights of use were amortized for the first time by EUR 7,143k in fiscal year 2009. The amortization expense is allocated in full to cost of sales.

In connection with the change in the accounting estimate used in the recognition of advertising rights of use granted by municipalities, we reviewed the estimate applied to date to assess if and to what extent provisions need to be recognized for restoration obligations for advertising media on municipal property. Based on the assumption that the advertising rights of use granted by municipalities have an indefinite useful life, we previously assumed that the contractually agreed restoration obligations would not require settlement. Hence, no provisions were recognized for these obligations. After revising the assumption that advertising rights of use granted by municipalities have an indefinite life, we also revised the assumption made for restoration obligations. We assume that the current obligations will require settlement. However, the amount required to settle the obligations will differ depending on the respective contractual structure. In this connection, we expect that between 25% and 50% will be required to settle the obligations depending on the contractual structure. In line with the above assumption on the term of the underlying contracts, we assume that these non-current assets have a remaining useful life of 15 years.

Excluding write-downs and the unwinding of the discount, the change in the accounting estimate results in an increase of EUR 6,506k in both other plant and other non-current provisions.

The additional depreciation attributable to property, plant and equipment amounts to EUR 433k. The depreciation expense is allocated in full to cost of sales.

Due to the unwinding of the discount for the provision, finance costs increased by EUR 271k. These expenses will increase further in subsequent periods.

Change in the disclosure of equity

The capital deficit was disclosed on the assets side of the consolidated statement of financial position in the consolidated financial statements for fiscal year 2009. This presentation was adjusted in line with the internationally established IFRS disclosure in the consolidated financial statements for fiscal year 2009, with the negative equity being disclosed on the equity and liabilities side of the statement of financial position. Accordingly, the items "Capital deficit" disclosed in the prior-year financial statements on both the assets of the statement of financial position and in the same amount under equity of EUR 35,756k were set off against each other. Following this adjustment, equity amounts to -EUR 35,756k instead of the previously disclosed EUR 0k. As a result, the total of the statement of financial position decreased from EUR 788,887k to EUR 753,131k.

In addition, due to the amendments to IAS 19 effective for fiscal years beginning on or after 1 January 2009, the actuarial gains and losses previously recognized in accumulated other comprehensive income were reclassified to earned consolidated equity. As a result, the disclosure for earned equity as of 31 December 2008 was changed by EUR 2,271k from -EUR 79,356k to -EUR 77,085k. By contrast, accumulated other comprehensive income decreased from -EUR 8,547k to -EUR 10,818k.

Change in the disclosure of non-current and current other receivables and other assets as well as financial and other liabilities

On the assets side of the statement of financial position, the Group previously disclosed financial and non-financial assets together in the items "Other non-current receivables" and "Other receivables and assets." The breakdown was shown in the relevant section to the notes to the financial statements.

In order to improve the meaningfulness of the Group's presentation of net assets in relation to financial assets, we changed the disclosure in the consolidated financial statements and reclassified non-current financial assets to the new item "Financial receivables" and reclassified non-current non-financial assets to the new item "Other assets." Current financial assets are disclosed in the new item "Financial receivables" and current non-financial assets in the item "Other assets."

The change in disclosure was made retrospectively and the corresponding prior-year figures in the consolidated financial statements as of 31 December 2008 were adjusted to reflect the new classification.

In the consolidated financial statements as of 31 December 2008, non-current financial assets of EUR 235k were reclassified into "Financial receivables." Non-current non-financial assets of EUR 3,102k were reclassified into "Other assets." The corresponding amounts in the consolidated financial statements as of 31 December 2007 come to EUR 37k and EUR 3,480k.

As of 31 December 2008, current financial receivables amounted to EUR 9,597k; current non-financial assets disclosed under "Other assets" amounted to EUR 32,270k. The corresponding amounts in the consolidated financial statements as of 31 December 2007 come to EUR 13,893k and EUR 11,949k.

On the equity and liabilities side of the statement of financial position, the Group previously disclosed financial liabilities either under "Financial liabilities" or "Other liabilities," such that financial liabilities were disclosed in both items. The financial liabilities included under "Other liabilities" were identified in the note under section E.18.

In order to improve the meaningfulness of the statement of financial position's structure of the Group's equity and liabilities, we changed the disclosure in the consolidated financial statements as of 31 December 2009 and reclassified all financial liabilities to the items "Financial liabilities" and "Trade payables." Hence, the item "Other liabilities" in these consolidated financial statements only includes non-financial liabilities.

The change in disclosure was made retrospectively and the corresponding prior-year figures in the consolidated financial statements as of 31 December 2008 were adjusted to reflect the new classification.

In the consolidated financial statements as of 31 December 2008, non-current other liabilities of EUR 166k and current other liabilities of EUR 5,431k were reclassified into "Non-current financial liabilities" and "Financial liabilities," as appropriate. In addition, EUR 1,232k was reclassified to trade payables. The corresponding amounts in the consolidated financial statements as of 31 December 2007 come to EUR 0k, EUR 6,033k and EUR 895k.

Standards with an effect on the presentation and disclosure of the financial reporting in the Ströer Group

The following standards were applied for the first time in preparing these financial statements.

The IASB issued **IAS 1*, Presentation of Financial Statements (Revised)*,** *in* September 2007.

The revised standard sets out the structure and minimum requirements for IFRS financial statements. The revised version of IAS 1 requires an entity to present all non-owner changes in equity in one statement of comprehensive income or in two statements (a separate income statement and an additional statement of comprehensive income). Components of comprehensive income are no longer allowed to be presented in the statement of changes in equity.

The Group has elected to present two separate statements.

Use of the new titles to describe statements within the set of financial statements is optional. The revised version of IAS 1 also requires an entity to present a statement of financial position at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively. The revised standard is effective for fiscal years beginning after 1 January 2009.

Application of the revised IAS 1 did not bring about any other changes to the accounting policies of the Ströer Group.

IFRS 8, *Operating Segments*, was issued in November 2006 and replaces **IAS 14*, Segment Reporting***. With the introduction of IFRS 8, segment reporting for capital-market-oriented entities moves away from the risk and reward approach of IAS 14 and toward the management approach to identifying segments. The segments are identified on the basis of information that is regularly reviewed by an entity's chief operating decision-maker to make decisions about operating matters. In addition, the financial accounting approach of IAS 14 has been replaced by the management approach of IFRS 8 in assessing performance of the segments. IFRS 8 is effective for fiscal years beginning on or after 1 January 2009. The standard was endorsed by the EU on 21 November 2007. The Ströer Group is currently not obliged to prepare or publish a segment report. The Group has nonetheless opted to voluntarily adopt the standard for fiscal year 2009.

In March 2009, the IASB issued amendments to **IFRS 7, *Financial Instruments: Disclosures***. The amendments are entitled "*Improving Disclosures About Financial Instruments — Amendments to IFRS 7*" and also comprise minor changes to IFRS 4. The amendments to IFRS 7 relate to the determination of fair value and to liquidity risk. Besides additional disclosures, the guidance on disclosures on the determination of fair value requires a breakdown for each category of financial instrument based on the established three-level fair value hierarchy set forth in standard SFAS 157 under US GAAP. It also clarifies and expands on disclosures about liquidity risk. The standard requires separate disclosures on maturities for derivative and non-derivative financial liabilities as well as qualitative disclosures on how liquidity risk is managed. The amendments are effective for fiscal years beginning on or after 1 January 2009. The effects of the amendments to IFRS 7 were reflected in the notes to the consolidated financial statements. The Group made use of the option afforded by the transitional provisions and elected not to provide comparative information for the enhanced disclosures required by the amendments.

Standards and interpretations with no effect on the consolidated financial statements

The following new or revised standards and interpretations were also applied in preparing these financial statements. Application of these standards and interpretations did not have a significant effect on the figures reported in these financial statements but may have an effect on the accounting for future transactions.

In January 2008, the IASB issued amendments to **IFRS 2, *Share-Based Payment***. The amendments clarify that vesting conditions are service conditions and performance conditions only. They also specify that all cancellations during the vesting period, whether by the entity or by an employee, should receive the same accounting treatment. The amendments apply for fiscal years beginning on or after 1 January 2009. They were endorsed by the EU in December 2008. The amendments to IFRS 2 did not have any effect on the Ströer Group's consolidated financial statements.

In September 2009, the EU endorsed the amendments to **IAS 39, *Financial Instruments: Recognition and Measurement***, and to **IFRS 7, *Financial Instruments: Disclosures,*** on the reclassification of financial assets. The

amendments permit an entity to reclassify non-derivative financial assets out of the "at fair value through profit or loss" category and "available for sale" category in rare circumstances. As the Group does not make use of this option, it does not have an effect on the consolidated financial statements.

IAS 23 (as revised in 2007), ***Borrowing Costs***, was amended and eliminates the option to recognize borrowing costs as an expense. The amendment was endorsed by the EU on 17 December 2008. It does not have an effect on the financial reporting as there were no significant events which would have led to the capitalization of borrowing costs.

On 12 March 2009, the IASB issued amendments to **IFRIC 9,** ***Reassessment of Embedded Derivatives*** and **IAS 39,** ***Financial Instruments: Recognition and Measurement***. The amendments serve to clarify the accounting for embedded derivatives when reclassifying financial instruments. In the amendments to IFRIC 9 and IAS 39, the IASB clarifies that when certain financial instruments are reclassified out of the "at fair value through profit or loss" category, the embedded derivatives must be reassessed and accounted for separately in the financial statements if necessary. This assessment must be made on the basis of the circumstances known at the time the entity became party to the financial instrument, or, if subsequent changes are made to the contract with significant effects on the cash flows, on the basis of the circumstances known at this later date. If the fair value of the derivative cannot be reliably determined, the entire hybrid financial instrument must remain in the "at fair value through profit or loss" category. The amendments must be applied retrospectively for fiscal years ending on or after 30 June 2009. The amendments were endorsed by the EU on 1 December 2009.

No significant effects on the consolidated financial statements of the Ströer Group are expected from first-time application of the amendments to IFRIC 9 and IAS 39.

IFRIC 14, ***lAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction***, was issued in July 2007 and gives general guidelines on determining the limit of the excess amount of a pension fund which can be recognized as an asset under IAS 19. The interpretation also explains how statutory or contractual minimum funding requirements can affect plan assets or liabilities. The interpretation is effective for fiscal years beginning on or after 31 December 2008. Application of this interpretation is not expected to have a significant effect on the accounting for defined benefit plans in the Ströer Group. The interpretation was endorsed by the EU in December 2008.

IFRIC 16, ***Hedges of a Net Investment in a Foreign Operation***, which was also issued on 3 July 2008, responds to issues in connection with the hedge accounting of foreign currency risk. In particular, the interpretation specifies the nature of the hedged risk for which a hedging relationship may be designated, where in a group the hedging instrument can be held and accounting for the disposal of the foreign operation. The interpretation is effective for fiscal years beginning on or after 1 October 2008. Application of IFRIC 16 did not have a significant effect on Ströer's consolidated financial statements. The interpretation was endorsed by the EU in June 2009.

On 29 January 2009, **IFRIC 18,** ***Transfers of Assets From Customers***, was issued. It provides additional guidance on the accounting for transfers of assets from customers and is of particular relevance for the utilities industry according to the IASB. It clarifies the requirements under IFRSs for the recognition of agreements under which an entity receives items of property, plant and equipment that it has to use, for example, to connect customers to a network and/or to provide customers with ongoing access to goods and services. It also deals with cases where an entity receives cash for the acquisition or construction of such items of property, plant and equipment. The interpretation addresses when the definition of an asset is met, how the transferred item of property, plant and equipment should be measured on initial recognition, the identification of separately identifiable services in exchange for the transferred asset, how the resulting credit should be accounted for and how an entity should account for a transfer of cash from its customer.

IFRIC 18 must be applied prospectively to transfers of assets by customers on or after 1 July 2009. The Ströer Group is currently investigating what effects first-time adoption of IFRIC 18 will have on its consolidated financial statements. The interpretation was endorsed by the EU in December 2009.

In May 2008, the IASB published its first collection of amendments to IFRSs, ***Improvements to IFRSs***. It includes amendments to 20 IFRSs, which are presented in two parts. The first part is composed of minor amendments which could have an effect on presentation, recognition or measurement, while the second part comprises terminology or editorial changes. The effective date for some of the amendments is for fiscal years beginning after 31 December 2008 at the latest. The other changes, especially those relating to some amendments to

IFRS 5 and IFRS 1, must be applied for fiscal years beginning after 30 June 2009. Application of the revised standards, particularly the amendments to IFRS 5, IAS 19, IAS 27, IAS 28, IAS 38 and IAS 39, which were endorsed in January 2009 by the EU, did not have a significant effect on the presentation of the consolidated financial statements.

Standards and interpretations that have been endorsed by the EU but are not yet effective for fiscal year 2009

On 18 June 2009, the IASB issued amendments to **IFRS 2, *Share-Based Payment***. These amendments were endorsed by the EU on 23 March 2010. The amendments mainly specify how a group subsidiary should recognize certain types of share-based payment transactions in its financial statements. The guidelines previously set out in IFRIC 8 and IFRIC 11 were included in IFRS 2 and both interpretations were withdrawn. The amendments are effective for fiscal years beginning on or after 1 January 2010. We do not expect the amendments to have a significant effect on the consolidated financial statements.

The revised IFRS 3, *Business Combinations*, was issued in January 2008 and becomes effective for business combinations in fiscal years beginning on or after 1 July 2009.

The standard was extensively revised as part of the convergence project of the IASB and the FASB. The significant changes relate in particular to the introduction of an option for measuring goodwill in non-controlling interests in the acquiree, either by using the partial goodwill method (recognition of the share of identifiable net assets) or the full goodwill method (all goodwill, including goodwill attributable to non-controlling interests in the acquiree). Additional changes are the subsequent measurement of existing equity interests in profit or loss after obtaining control for the first time (business combination achieved in stages) and the necessary recognition of consideration on future events as of the acquisition date. In addition, the accounting treatment of acquisition-related costs was amended. These costs could be capitalized previously, now they must be accounted for as expenses in the period in which they are incurred. The transitional provisions specify prospective application of the amendments. Assets and liabilities acquired in business combinations prior to the first-time application of the new standard are not affected. The amendment was endorsed by the EU in June 2009. The Group will account for business combinations in subsequent periods in accordance with the new provisions.

In January 2008, an amended version of **IAS 27, *Consolidated and Separate Financial Statements***, was issued.

The amendments become effective for the first time for fiscal years beginning on or after 1 July 2009. They are the outcome of the joint project between the IASB and the FASB to revise the accounting provisions governing business combinations.

The main features are: the accounting for the effects of transactions which lead to the loss of control of a subsidiary in profit or loss; the accounting for the effects of changes in ownership interests that do not result in the loss of control in equity. When the losses attributable to the non-controlling interests in a consolidated subsidiary exceed the minority's interests in the subsidiary's equity, the excess is nonetheless allocated against the non-controlling interest. The transitional provisions must be applied retrospectively, but allow for several exceptions. The amendments were endorsed by the EU in June 2009. We assume that the amendments will have an effect on future corporate transactions.

The amendment issued by the IASB in October 2009 to **IAS 32, *Financial Instruments: Presentation***, specifies when rights issues involving the exchange of an entity's own equity instruments for an amount in foreign currency can be classified as equity. The amendment was endorsed by the EU on 21 December 2009. We do not expect the amendment to have a significant effect on the Group's financial reporting.

On 16 September 2009, the EU endorsed the amendments to **IAS 39, *Financial Instruments: Recognition and Measurement***, on exposures qualifying for hedge accounting. The purpose of the amendments is to clarify two aspects when accounting for hedges: the hedging of inflation risk in particular situations and the designation of an option as a hedging instrument. The amendments are effective for fiscal years beginning on or after 1 July 2009.

The Group assumes that the amendments will not have a significant effect on the financial reporting.

The IASB published the second collection of ***Improvements to IFRS (2009)*** under its improvement project in April 2009. The standard was endorsed by the EU on 23 March 2010.

The amendments to **IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations***, specify that disclosure requirements in other IFRSs do not apply to non-current assets held for sale and discontinued operations.

IFRS 8, *Operating Segments,* sets out the requirements for disclosure on information about an entity's segment assets.

The amendments to **IAS 7, *Statement of Cash Flows***, specify that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities.

IAS 17, *Leases,* will be amended with regard to the classification of a lease of land and buildings. The standard previously specified that such leases with indefinite economic lives should normally be classified as an operating lease. This general classification rule was withdrawn in the new standard. Leases are classified as an operating or finance lease by applying the classification criteria in the standard.

IAS 18, *Revenue,* now contains provisions which are aimed at helping determine whether an entity is acting as an agent in a transaction and whether revenue must therefore be reduced by the associated expenses.

The amendments to **IAS 39, *Financial Instruments: Recognition and Measurement,*** primarily address the treatment of prepayment penalties as embedded derivatives, the exemption of contracts for business combinations from the provisions of IAS 39 and the treatment of cash flow hedges.

Additional amendments were also made to IFRS 2, IAS 1, IAS 36, IAS 38, IFRIC 9 and IFRIC 16 and address in certain circumstances consequential amendments made to reflect amendments to IFRS 3 or changes in presentation.

The Group is currently investigating whether application of the amended standards will have a significant effect on the presentation, recognition and measurement in the consolidated financial statements.

IFRIC 12, *Service Concession Arrangements,* was issued in November 2006 and addresses the accounting treatment for infrastructure for public services provided by private sector entities. The interpretation is effective for fiscal years beginning after 29 March 2009. Earlier application is permitted. Adoption of IFRIC 12 is not expected to have an effect on the consolidated financial statements of Ströer AG in future periods. The interpretation was endorsed by the EU on 26 March 2009.

IFRIC 17, *Distributions of Non-Cash Assets to Owners*, was issued on 27 November 2008 and governs issues such as how an entity must account for transfers of assets other than cash as dividends to its owners. A liability to pay a dividend must be recognized when the dividend has been authorized by the relevant authority and is no longer at the discretion of the entity. The liability to pay a dividend must be recognized at the fair value of the assets to be distributed. The difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable must be recognized in profit or loss. Additional disclosures must be made in the notes if the assets to be distributed meet the definition of a discontinued operation. The interpretation is effective for fiscal years beginning on or after 1 July 2009. Adoption of IFRIC 17 is not expected to have a significant effect on Ströer's consolidated financial statements. The interpretation was endorsed by the EU in November 2009.

Standards and interpretations not adopted by the EU

In November 2009, the IASB published the standard **IFRS 9, *Financial Instruments: Classification and Measurement***. This standard is part of a project to replace IAS 39 and is due to be introduced in 2010. The standard addresses the classification and measurement of financial assets. IFRS 9 will replace the current categories of loans and receivables, held-to-maturity investments, available-for-sale financial assets and financial assets measured at fair value through profit or loss with the categories of amortized cost and fair value. Financial assets will be classified at amortized cost if the asset is held within an entity's business model, i.e., on the basis of how the entity manages financial assets, and if it meets the product characteristics. Financial assets that do not meet the definitions in the category amortized cost are measured at fair value. Certain investments in equity instruments may be recognized at fair value through other comprehensive income. The structure of this new category does not reflect the current category of available-for-sale financial assets. This standard is effective for fiscal years beginning on or after 1 January 2013. The standard will lead to an adjustment to the above categories.

On 4 November 2009, the IASB published the revised **IAS 24, *Related Party Disclosures***. The revisions provide for the partial exemption from the disclosure requirements previously set forth for state-controlled entities

and a simplification of the definition of related parties. The amendments are effective for fiscal years beginning on or after 1 January 2011. We do not expect the amendments will change the disclosures to be made by the Group.

In November 2009, the IASB published the amendments to **IFRIC 14** entitled ***Prepayments of a Minimum Funding Requirement***. These amendments specify that prepayments of a minimum funding requirement may be recognized as assets. The interpretation is effective for fiscal years beginning on or after 1 January 2011. The Group assumes that the amendment will not have a significant effect on the financial reporting.

In November 2009, the IASB published **IFRIC 19, *Extinguishing Financial Liabilities With Equity Instruments***. The interpretation addresses the accounting by an entity when it extinguishes financial liabilities by issuing equity instruments. The interpretation is effective for fiscal years beginning on or after 1 July 2011. We do not expect the interpretation to have a significant effect on the consolidated financial statements.

BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of consolidation

The consolidated financial statements include the financial statements of all entities which Ströer AG directly or indirectly controls. Control within the meaning of IAS 27, *Consolidated and Separate Financial Statements,* is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Consolidation commences on the date on which the Group gains control and ends when the Group loses this control.

In addition to Ströer AG, 23 German and 9 foreign subsidiaries were consolidated as of 31 December 2009 on the basis of full consolidation and 9 German and 11 foreign joint ventures on the basis of proportionate consolidation. Two associates were consolidated using the equity method of accounting.

Fully consolidated entities

			Shareholding in %	
Name	Registered office	Country	31 Dec 2009	31 Dec 2008
blowUP Media Benelux B.V.	Amsterdam	Netherlands	80	80
blowUP Media Espana S.A.	Madrid	Spain	70	70
blowUP Media France SAS	Paris	France	82	82
blowUP Media GmbH	Cologne	Germany	75	75
blowUP media project GmbH	Cologne	Germany	75	75
blowUP Media U.K. Ltd.	London	UK	80	80
City Design Gesellschaft für Aussenwerbung mbH	Cologne	Germany	100	100
City Plakat BMA GmbH	Berlin	Germany	100	—
Culture Plak Marketing GmbH	Berlin	Germany	100	100
DERG Vertriebs GmbH	Cologne	Germany	100	100
DSM Deutsche Städte Medien GmbH	Frankfurt	Germany	100	100
DSM Krefeld Aussenwerbung GmbH	Krefeld	Germany	51	51
DSM Mediaposter GmbH	Cologne	Germany	100	100
DSM Zeit und Werbung GmbH	Frankfurt	Germany	100	100
GO Public! Eventmedia GmbH	Cologne	Germany	100	100
Hamburger Aussenwerbung GmbH	Hamburg	Germany	100	100
Hamburger Verkehrsmittel-Werbung GmbH	Hamburg	Germany	75	75
Ströer Infoscreen GmbH	Cologne	Germany	100	100
INFOSCREEN Hamburg Gesellschaft für Stadtinformationssysteme mbH	Hamburg	Germany	75	75
Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung	Cologne	Germany	51	51
Kultur-Medien Hamburg GmbH Gesellschaft für Kulturinformationsanlagen	Hamburg	Germany	51	50
Megaposter UK Ltd.	Brighton	UK	80	80
Meteor Advertising Ltd.	London	UK	80	80
Ströer DERG Media GmbH	Kassel	Germany	100	100
Ströer Deutsche Aussenwerbung GmbH	Cologne	Germany	100	100
Ströer Deutsche Städte Medien GmbH	Cologne	Germany	100	100
Ströer Media Deutschland GmbH & Co. KG	Cologne	Germany	100	100
Ströer Media Sp. z.o.K.	Warsaw	Poland	98	98
Ströer Media Sp. z.o.o.	Warsaw	Poland	99	99
Ströer Megaposter GmbH	Cologne	Germany	—	55
Ströer Polska Sp.z.o.o.	Warsaw	Poland	99	99
Ukraine OOH Media Holding B.V.	Amsterdam	Netherlands	—	100
WAD Werbeatelier Degen GmbH	Stuttgart	Germany	—	100
Werbeatelier Degen GmbH & Co. KG	Stuttgart	Germany	—	100
Ströer Sales & Services GmbH	Cologne	Germany	100	100
Werbering Gesellschaft mit beschränkter Haftung	Cologne	Germany	100	100

The following joint ventures are engaged in the commercialization of out-of-home media.

Proportionately consolidated joint ventures

Name	Registered office	Country	Shareholding in % 31 Dec 2009	31 Dec 2008
Arge Schönefeld GbR	Berlin	Germany	50	50
blowUP Media Belgium N.V.	Antwerp	Belgium	60	60
City Lights Reklam Pazarlama Ltd. Sti	Istanbul	Turkey	50	50
DSMDecaux GmbH	Munich	Germany	50	50
Dünya Tanitim Hizmetleri ve Turizm Ticaret Ltd. Sti.	Istanbul	Turkey	50	50
Gündem Matbaacilik Organizasyon Gazetecilik Reklam San. Tic. Ltd	Antalya	Turkey	50	50
Ilbak Neon Kent Mobilyalari Ltd. Sti.	Istanbul	Turkey	50	50
Inter Tanitim Hizmetleri San. ve Ticaret A.S.	Istanbul	Turkey	33	33
Konya Inter Tanitim ve Reklam Hizmetleri A.S.	Istanbul	Turkey	17	17
mediateam Werbeagentur GmbH / Ströer Media Deutschland GmbH & Co. KG-GbR	Cologne	Germany	50	50
Medya Grup Tanitim Halkla Iliskiler Organizasyon Sanayi ve Ticaret Ltd. Sti.	Istanbul	Turkey	24	24
Mega-Light Staudenraus & Ströer GbR	Cologne	Germany	50	50
Objektif Kentvizyon Reklam Pazarlama Ticaret Ltd. Sti.	Istanbul	Turkey	40	40
SK Kulturwerbung Bremen-Hannover GmbH	Bremen	Germany	50	50
SK Kulturwerbung Rhein-Main GmbH	Frankfurt	Germany	50	50
Stadtkultur Rhein-Ruhr GmbH, Büro für Kultur und Produktinformation	Essen	Germany	50	50
Ströer Akademi Reklam Parzarlama Ltd. Sti.	Istanbul	Turkey	50	50
Ströer Kentvizyon Reklam Pazarlama A.S.	Istanbul	Turkey	50	50
Trierer Gesellschaft für Stadtmöblierung mbH	Trier	Germany	50	50
X-City Marketing Hannover GmbH	Hanover	Germany	50	50

The following table shows the assets and liabilities and expenses and income of the joint ventures in relation to the Group's interest:

	31 Dec 2009	31 Dec 2008
	EUR k	
Current assets	46,168	44,906
Non-current assets	45,228	31,145
Current liabilities	27,714	26,015
Non-current liabilities	27,062	27,677
Net assets	**36,620**	**22,359**

	2009	2008
	EUR k	
Income	68,979	67,036
Expenses	60,453	63,817
Profit after taxes	**8,526**	**3,219**

The investments in XOREX and XOREX Beteiligung were accounted for using the equity method in the consolidated financial statements. The Group holds a direct interest of 24.6% (prior year: 24.6%) in XOREX and a direct interest of 33.33% (prior year: 33.33%) along with an indirect interest of 16.4% (prior year: 16.4%) in XOREX Beteiligung.

Following the acquisition of an additional 1% in 2009, Kultur-Medien Hamburg GmbH Gesellschaft für Kulturinformationsanlagen, Hamburg, was fully consolidated for the first time in the consolidated financial statements. In the prior year, the entity was included in the consolidated financial statements on the basis of proportionate consolidation.

The fully consolidated entity Ströer Megaposter GmbH was sold and deconsolidated effective 31 July 2009 (see B.2.2, "Sales and other disposals").

Ukraine OOH Media Holding B.V., Amsterdam, Netherlands, acquired with a view to resale in December 2008, was sold as planned in July 2009 (see B.2.2, "Sales and other disposals").

The following entities were acquired by other group entities in 2009 by way of intercompany mergers:

- WAD Werbeatelier Degen GmbH
- Werbeatelier Degen GmbH & Co. KG

Changes in the Group

Business combinations

Business combinations are recognized as of the date of acquisition using the acquisition method pursuant to IFRS 3, *Business Combinations*. The cost of a business combination is allocated by recognizing the assets acquired and liabilities assumed as well as certain contingent liabilities at fair value. Any excess of the cost of the combination is recognized as goodwill and tested annually for impairment in subsequent periods (see section E.2). Goodwill is not amortized. Any remaining negative goodwill is recognized immediately in profit or loss.

The cost of foreign entities acquired is translated into euros at the exchange rate applicable on the date of acquisition.

By agreement dated 11 June 2008 and effective 1 January 2009, 100% of the shares in City Plakat BMA GmbH, Berlin, were acquired.

The entity is engaged in out-of-home advertising and commercializes media services on its own advertising media.

The cost of the acquisition came to EUR 8,626k plus incidental acquisition costs of EUR 25k. Liabilities from the purchase price adjustment of EUR 150k were reported as of 31 December 2009.

Details on the net assets acquired and goodwill are provided below:

	in EUR k
Cost of acquisition	8,626
Incidental acquisition costs	25
Purchase price	**8,651**
Fair value of the Group's share in the acquired net assets (share 100)%	8,651
Goodwill	0

The purchase price was allocated to the assets acquired and liabilities assumed as follows:

	Carrying amount before acquisition	Adjustment	Carrying amount after acquisition
		in EUR k	
Assets acquired and liabilities assumed (share 100%)			
Other intangible assets	0	12,273	12,273
Property, plant and equipment	199	100	299
Trade receivables	33	0	33
Other receivables and other assets	20	0	20
Cash and cash equivalents	149	0	149
Trade payables	−157	0	−157
Other liabilities	−23	0	−23
Other provisions	−21	0	−21
Deferred tax liabilities	0	−3,922	−3,922
	200	8,451	8,651
Purchase price			**8,651**
thereof paid in 2008			−8,625
Residual purchase price obligation			−150
Net outflow from acquisition			**124**

The adjustment to other intangible assets relates to the hidden reserves recognized for contracts on advertising use (EUR 11,931k) and contracts on hand (EUR 342k) in connection to the purchase price allocation.

City Plakat BMA GmbH's share in consolidated profit after taxes came to EUR 717k in fiscal year 2009 and its share in consolidated revenue EUR 1,462k.

By purchase agreement dated 5 June 2009 and effective 4 September 2009, a 1% share in Kultur-Medien Hamburg GmbH Gesellschaft für Kulturinformationsanlagen, Hamburg, was acquired for a purchase price of EUR 10k. As such, the Group increased its shareholding from 50% to 51%. The entities previously included on a proportionate basis will be fully consolidated once control is obtained.

No incidental acquisition costs were incurred. The purchase price was paid in full in 2009.

The adjustments to the purchase price allocation related in full to goodwill of EUR 7k. No hidden reserves were recognized.

Had Kultur-Medien Hamburg GmbH Gesellschaft für Kulturinformationsanlagen been fully consolidated as of 1 January 2009 in the consolidated financial statements, the effect on revenue and profit would have been as follows:

	Revenue	Profit after taxes
	EUR k	
1 January to 31 December 2009	868	133

Sales and other disposals

By agreement dated and effective as of 15 December 2008, 100% of the shares in Ukraine OOH Media Holding B.V., Amsterdam, Netherlands, were acquired with a view to resale. The cost was based on the proceeds that the buyer would generate from the resale of Ukraine OOH Media Holding. Pursuant to Art. 4 of the agreement, the buyer must sell all shares to an unrelated party within one year. Due to the contractually agreed intention to resell, the entity is included in the consolidated financial statements as of 31 December 2008 as required by IFRS 5. The Company sold the shares in July 2009 in line with the plan to sell the assets. The entity's components of profit or loss for 2009 and the loss on the disposal are disclosed in the income statement under discontinued operations.

Ströer Megaposter GmbH, Cologne, was sold effective 31 July 2009 and has thus been deconsolidated. The entity had previously been fully consolidated. A gain of EUR 681k was recognized on deconsolidation and is disclosed under other operating income.

The effects of the divestment on the Group's assets and liabilities at the date of disposal are shown below:

	Carrying amount at date of disposal
	in EUR k
Non-current assets	1,285
Other current assets	1,123
Cash and cash equivalents	709
Disposed assets	**3,117**
Current liabilities	805
Disposed liabilities	**805**

Consolidation principles

The assets and liabilities of the fully or proportionately consolidated entities are measured on the basis of uniform accounting policies. The financial year end date of all entities consolidated is 31 December.

Acquisition accounting is performed by offsetting the carrying amounts of the investments against the Group's interest in the subsidiaries' remeasured equity as of the date of acquisition. The assets, liabilities and contingent liabilities are measured at fair value. Any excess is recognized as goodwill. Any remaining negative goodwill is recognized immediately in profit or loss.

The hidden reserves and charges recognized are subsequently measured applying the accounting policy for the corresponding assets and liabilities. Goodwill recognized is tested for impairment annually (see section E.2).

Write-ups or write-downs in the fiscal year on shares in consolidated entities recognized in the separate financial statements are eliminated in the consolidated financial statements. Intercompany profit and losses, revenue, expenses and income as well as receivables and liabilities between consolidated companies are eliminated.

Effects of consolidation on income taxes are accounted for by deferred taxes.

Subsidiaries are fully consolidated from the date of acquisition, i.e., the date on which the Group obtains control. Non-controlling interests in equity and profit or loss are recognized in a separate item under equity. Consolidation ends as soon as the parent ceases to have control. If additional interests are acquired in fully consolidated entities, this difference is recognized as goodwill (parent entity extension method).

A joint venture is defined as a contractual arrangement between two or more parties to undertake economic activities that are subject to joint control. Joint ventures are consolidated on a proportionate basis in line with the above principles of full consolidation.

Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost and increased or decreased during the year to recognize Ströer AG's share of the profit or loss.

For the purpose of measurement, other investments are classified pursuant to IAS 39 as available-for-sale financial assets and are recognized at cost or fair value, provided this can be reliably measured.

Currency translation

The financial statements of the consolidated foreign entities whose functional currency is not the euro are translated pursuant to IAS 21, *The Effects of Changes in Foreign Exchange Rates*, into the Group's presentation currency (euro). The functional currency of the foreign entities is the respective local currency.

Assets and liabilities are translated at the closing rate. Equity is reported at the historical rate. Expenses and income are translated into euros at the weighted average rate of the respective period. Exchange differences are recognized directly in equity. Exchange differences recognized directly in equity are only recognized in profit or loss if the corresponding entity is sold or deconsolidated.

Transactions conducted by the consolidated entities in foreign currency are translated into the functional currency at the exchange rate valid on the date of the transaction. Gains and losses arising on the settlement of such transactions or on translating monetary items in foreign currency at the closing rate are recognized in profit or loss.

The following exchange rates were used for the most important foreign currencies in the Ströer Group:

Country	Currency	Closing rate		Weighted average rate	
		31 Dec 2009	31 Dec 2008	2009	2008
Poland	PLN	4.1168	4.1823	4.3262	3.4861
Turkey	TRY	2.1558	2.1520	2.1539	1.8715
UK	GBP	0.8890	0.9600	0.8896	0.7804

SIGNIFICANT ACCOUNTING POLICIES

Revenue and expense recognition

Revenue is mainly generated from the commercialization of advertising space in the billboard, street furniture and transport product groups.

Revenue is recognized when the service is rendered, i.e., on the date when the advertising is displayed, and is disclosed net of trade discounts and rebates.

Advertising media from other entities are marketed in addition to the Company's own media. Revenue from the commercialization of advertising media for non-group entities is recognized net of the revenue share attributable to these transactions. Hence the agreed sales commissions are disclosed on a net basis under revenue.

Revenue from back-to-back transactions is measured at the market value of the consideration received and adjusted as appropriate by an additional cash payment. If the market value cannot be reliably measured, back-to-back transactions are measured at the market value of the advertising service rendered and adjusted as appropriate by an additional cash payment.

Income from services rendered and included in other operating income is recognized at the time of performance.

Operating expenses are recognized in profit or loss when the service is used or when the costs are incurred.

Interest is recognized on an accrual basis in the financial result applying the effective interest rate method.

Dividends are recognized at the time when the right to receive is established.

Goodwill and other intangible assets

Goodwill

Pursuant to IFRS 3, goodwill is measured as the excess of the cost of the business combination over the interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities as of the date of acquisition. Amortization is not charged.

Goodwill is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. For more information on impairment testing, see section E.2. There were no reversals of impairment losses on goodwill.

Intangible assets acquired for a consideration

Intangible assets acquired for a consideration, chiefly advertising rights of use and software, are recognized at cost. The depreciable amount of intangible assets with finite useful lives is allocated on a systematic basis over their useful lives. The intangible assets of the Ströer Group are tested regularly for impairment and written down to their recoverable amount if this is lower than the carrying amount. If the reasons for impairment cease to apply, the impairment losses are reversed, but by no more than the amount of amortized cost. Amortization in the fiscal year is allocated on the basis of the function of expense method. The appropriateness of the useful lives and of the method of amortization is reviewed annually.

Goodwill and intangible assets with indefinite useful lives are not amortized and are instead tested for impairment at least once annually. Further information on impairment testing can be found in section E.2.

Amortization of intangible assets is charged on the basis of the following uniform group-wide useful lives:

Useful life	In years
Rights of use (municipal property)	15
Other rights of use	15 to 30
Other intangible assets	3 to 10
Goodwill	Indefinite

Internally generated intangible assets

The cost for the development of new or considerably improved products and processes is capitalized if the development costs can be measured reliably, the product or process is technically or economically feasible and future economic benefits are probable. In addition, the Ströer Group must intend and have adequate resources available to complete the development and to use or sell the asset.

The Group can incur development costs from the development of advertising media and software development.

Capitalized costs mainly include personnel expenses and directly allocable overheads. For reasons of immateriality, borrowing costs for internally generated assets are not recognized. Capitalized development costs are recognized at amortized cost. Research and development costs which do not meet the recognition criteria for capitalization are recognized in profit or loss in the period in which they are incurred.

Property, plant and equipment

Property, plant and equipment are recognized at depreciated cost.

Cost comprises the purchase price, incidental acquisition costs and subsequent expenditure net of purchase price reductions. Since no qualifying assets have been identified, cost of acquisition includes no borrowing costs.

Separately identifiable components of an item of property, plant and equipment are recognized individually and depreciated.

Depreciation is charged on a straight-line basis over the respective useful life of the asset. The depreciation expense is allocated on the basis of the function of expense method. If the reasons for impairment cease to apply, the impairment loss is reversed. The residual carrying amount, the assumptions on the useful lives and the appropriateness of the depreciation method must be reviewed annually.

Depreciation is based on the following useful lives:

Useful life	In years
Buildings	50
Plant and machinery	5 to 13
Advertising media	4 to 35
Other furniture and fixtures	3 to 15

The costs estimated for the dismantling and removal of advertising media after the termination of a contract on advertising use is recognized as part of the cost of the respective advertising media. The amount is measured on the basis of the provision recognized for restoration obligations in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (see section C.10).

In the case of finance leases where the Ströer Group is the lessee, the leased asset is recognized and matched by a lease liability. A lease is classified as a finance lease pursuant to IAS 17, *Leases*, if the lease transfers substantially all the risks and rewards incidental to ownership to the lessee. The leased asset is recognized at the lower of the fair value at the inception of the lease or the present value of the minimum lease payments. Leased assets are depreciated on a straight-line basis over the shorter of their useful lives or the lease term if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term. The corresponding lease liabilities are recognized in the statement of financial position in accordance with their terms. The interest portion of the lease liabilities is recognized through profit or loss over the lease term in the financial result.

Lease income from operating leases is recognized in income on a straight-line basis over the lease term.

If government grants are made for the purchase of property, plant and equipment, these grants are deducted in arriving at the carrying amount of the asset in question.

Investment property

Investment property is held to earn rentals or for capital appreciation or both. It is initially recognized at fair value and is subsequently measured at depreciated cost. The fair value of this investment property is measured separately and discussed in section E.4 of these notes. The depreciation period is 50 years. Depreciation is being charged on a straight-line basis.

Impairments of investment property are recognized in accordance with IAS 36. If the reasons for impairment losses recognized in prior years cease to apply, the impairment losses are reversed.

If the nature of use of an investment property changes, this is reflected under property, plant and equipment.

Investments in associates

Investments in associates contain equity-accounted investments which are included in the consolidated financial statements. The equity method is applied in accordance with IAS 28, *Investments in Associates*, if Ströer AG, directly or indirectly, has significant influence over an associate. Investments in associates are initially recognized at cost and the carrying amount is increased or decreased to recognize Ströer AG's share of the profit or loss.

Financial assets

Under IAS 39, Financial Instruments: Recognition and Measurement, financial assets are classified and measured as either "financial assets at fair value through profit or loss", as "loans and receivables" or as "available-for-sale financial assets". They comprise financial assets, trade receivables and other financial instruments. The entity recognizes a financial asset when it becomes party to the contractual provisions of the instrument (settlement date) or when the respective service is rendered. Financial assets not at fair value through profit or loss are measured at the transaction costs that are incremental costs directly attributable to the acquisition.

Financial assets include investments in equity instruments. They are designated as "available-for-sale financial assets" and are carried at cost as their fair value cannot be reliably measured. Other investments exclusively relate to shares in German limited companies and comparable non-German legal forms.

Trade receivables are designated as "loans and receivables" and are initially measured at fair value, which represents the cost on the date of acquisition. In subsequent periods, these items are measured at amortized cost. Non-interest and low-interest-bearing non-current receivables are carried at the present value of estimated future cash flows where the effect of the time value of money is material. The effective interest method is used for the calculation. Assets are classified as non-current if they are not due to be settled within 12 months after the period end date.

Leases are classified as either operating or finance leases. Contractual provisions that transfer substantially all the risks and rewards incidental to ownership to the lessee are recognized as finance leases. Where the Ströer Group is the lessor, a receivable from the finance lease is recognized at the amount equal to the net investment in the lease.

Financial receivables disclosed under **financial receivables and other assets** are classified as "loans and receivables". Measurement is performed in the same manner as for trade receivables. Derivative financial instruments which are not hedged are measured at fair value; changes in value are recognized in profit or loss. Changes in the fair value of derivatives hedged by a cash flow hedge are recognized in equity in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, provided the hedge is effective. The amounts recognized in equity are recognized in the income statement in the period in which the hedged transaction affects profit or loss, e.g., when hedged finance income or expenses are recognized. If the forecast transaction is no longer expected to occur, the amounts previously recorded under equity are recognized in profit or loss for the period. The fair value of derivatives is calculated by discounting the estimated future cash flows at prevailing market value. For further information on derivative financial instruments, see section H.

If there are indications of impairment for financial assets carried at cost, a write-down to the lower expected realizable value is made. Uncollectible receivables are written off. If the reasons for an impairment loss cease to apply, the impairment loss is reversed as appropriate.

In the test for impairment, information on the creditworthiness of the counterparty is analyzed to determine whether its creditworthiness has deteriorated to such an extent that a write-down is necessary.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses on equity instruments classified as available for sale are not recognized in the income statement.

A financial asset is derecognized when the contractual rights to receive cash flows expire, i.e., when the asset was realized or expired or when the asset is no longer controlled by the entity.

Inventories

Inventories are carried at acquisition cost. Cost is calculated on the basis of the weighted average method. Inventories are measured at the lower of cost or net realizable value as of financial year end date.

Deferred taxes

Deferred taxes are calculated in accordance with IAS 12, *Income Taxes*. They are recognized on temporary differences between the carrying amounts of assets and liabilities in the IFRS statement of financial position and their tax base as well on consolidation entries and on potentially realizable unused losses. Deferred taxes on items recognized directly in equity according to the relevant standards are also recognized directly in equity. The accumulated amounts of deferred taxes recognized directly in equity are presented in the consolidated statement of comprehensive income.

Deferred tax assets are recognized on deductible temporary differences and unused tax losses to the extent that it is probably that taxable profit will be available against which the deductible temporary differences and unused losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial year end date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax assets can be utilized. Unrecognized deferred tax assets are reviewed at each financial year end date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are determined on the basis of the tax rates which apply in the individual countries at the time of realization. These are based on tax rates in force or already adopted on 31 December. Effects from tax rate changes are recognized in profit or loss, unless they relate to items recognized directly in equity. Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against the current tax liabilities, and when the deferred taxes relate to the same tax type and tax authority.

Non-current assets and liabilities held for sale

Non-current assets (or a disposal group) and investments acquired with a view to resale are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Provisions

Provisions are recognized for obligations to third parties arising from past events, the settlement of which is expected to result in an outflow of cash and whose amount can be reliably estimated.

Pension provisions and similar obligations

Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Provisions for post-employment benefits and similar obligations are measured according to the projected unit credit method. This method takes into account the pensions known and expectancies earned as of the financial year end date as well as the increases in salaries and pensions expected in the future. Pension obligations are calculated on the basis of actuarial reports. All actuarial gains and losses are disclosed directly in equity.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. They comprise any resulting change from a curtailment or settlement in the present value of

the defined benefit obligations and any related actuarial gains and losses and past service cost that had not previously been recognized.

In the case of defined contribution plans (e.g., direct insurance policies), the contributions payable are immediately expensed. Provisions for pension obligations are not recognized for defined contribution obligations as the Ströer Group does not have any other obligations in these cases apart from premium payment obligations.

Other provisions

Provisions are measured on the basis of the best possible estimate of the expected net cash flows, or in the case of long-term provisions, at the present value of the expected net cash flows provided the time value of money is material.

If legal or contractual obligations provide for the removal of advertising media and the restoration of the site at the end of the term of a contract on advertising use, a provision is recognized for this obligation if it is probable that the obligation will have to be settled. The provision is measured on the basis of the estimated future costs of restoration at the end of the contractual term, discounted to the date the provision was initially set up on. The provision is then recognized in this amount directly in the statement of financial position and is matched by the same amount under property, plant and equipment (see section C.3). Changes in the value of the provisions are immediately reflected in the corresponding value under property, plant and equipment.

Provisions for potential losses from pending transactions are recognized if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The provision for archiving costs is recognized to cover the legal obligation to retain business documents.

Financial liabilities

Financial liabilities comprise financial liabilities and trade payables. Pursuant to IAS 39, *Financial Instruments: Recognition and Measurement*, financial liabilities are initially recognized at fair value. For the purpose of subsequent measurement, financial liabilities are classified as "financial instruments at fair value through profit or loss" and "financial liabilities at amortized cost". In the Ströer Group, only derivative financial instruments which are not effectively hedged are measured at fair value through profit or loss. Subsequent measurement is at amortized cost using the effective interest method.

Financial liabilities comprise liabilities to silent partners, liabilities to banks and other financial liabilities. Financial liabilities are measured at fair value upon initial recognition and at amortized cost subsequently using the effective interest method. The fair value is calculated by discounting the estimated future cash flows at prevailing market value.

Current liabilities are stated at the redemption amount or settlement amount. Transaction costs are deducted from cost if they are directly attributable. Non-interest and low-interest-bearing non-current financial liabilities are carried at the present value of estimated future cash flows discounted at the current market rate where the effect of the time value of money is material. Liabilities are classified as non-current if they are not due to be settled within 12 months after the period end date.

Trade payables are measured in line with the procedure described above for financial liabilities.

A financial liability is derecognized if the contractual obligation underlying the liability is discharged or canceled or if it expires.

Other receivables and liabilities

Deferrals, prepayments and non-financial assets and liabilities are recognized at amortized cost.

Contingent liabilities

Contingent liabilities are potential obligations which are based on past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events which are beyond the Ströer Group's control. Furthermore, present obligations are deemed contingent liabilities if an outflow of resources is not sufficiently probable for the recognition of a provision and/or the amount of the obligation cannot be reliably estimated. Contingent liabilities reflect the scope of liability existing as of the period end date. They are disclosed off the face of the statement of financial position in the notes to the financial statements.

Statement of cash flows

The statement of cash flows has been prepared in accordance with IAS 7, *Statements of Cash Flows*, and shows the cash flows of the fiscal year broken down by cash flows from operating, investing and financing activities.

Cash flows from operating activities are presented using the indirect method by deducting non-cash transactions from profit or loss for the period. Furthermore, items which are attributable to cash flows from investing or financing activities are eliminated.

Financial risk management

In the course of its operating activities, the Group is exposed in the area of finance to credit, liquidity and market risks. The market risks mainly relate to interest rate and exchange rate changes.

As part of the risk management process, the functional departments regularly analyze whether in particular **credit risk** concentrations have arisen from the build-up of receivables with comparable features. The Group has defined similar features as a high amount of receivables accumulated against a single debtor or group of related debtors. As of of 31 December 2009, no such risk concentrations involving significant amounts were evident.

The **credit risk** is related to the deterioration of the economic situation of Ströer's customers and counterparties. This brings about the risk of a partial or full default on contractually agreed payments as well as the risk of credit-related impairment losses on financial assets. Excluding securities, the maximum risk of default equates to the carrying amount.

Credit risks mainly result from trade payables. To manage the credit risk, the receivables portfolio is monitored on an ongoing basis. Customers intending to enter into transactions with large business volumes undergo a creditworthiness check beforehand; credit risk is at a level customary for the industry. Bad debt allowances are charged to account for the residual risk. The Ströer Group is exposed to a lesser extent to credit risks arising from other financial assets, which mainly comprise cash and cash equivalents and derivative financial instruments. The Group's maximum exposure to credit risks arising from default of the counterparty equals the carrying amount of these instruments.

The **liquidity risk** is defined as the risk that Ströer AG will not have sufficient funds to settle its payment obligations. The **liquidity risk** is countered through strict cash management. A liquidity forecast for a fixed planning horizon and the unutilized credit lines in place ensure that the Group has adequate liquidity. Further information on the utilization of credit lines can be found in section E.16. The following table shows the liquidity situation and the contractual maturity dates for the payments due under the financial liabilities as of 31 December 2009 (the possible payments due for derivatives as of 31 December 2009 were forecast on the basis of the yield curve):

Contractual maturity dates of financial liabilities incl. interest payments as of 31 Dec 2009

	up to one year	one to three years	three to five years	more than five years	Total
			in EUR k		
Liabilities to banks	32,047	79,831	531,366	29,387	**672,631**
Trade payables	50,068	0	0	0	**50,068**
Other interest-bearing liabilities	6,462	2,106	12,072	0	**20,640**
Other non-interest-bearing liabilities	8,120	410	0	0	**8,530**
Derivatives with a negative fair value	13,062	12,618	1,196	0	**26,876**
Total	**109,759**	**94,965**	**544,634**	**29,387**	**778,745**

Contractual maturity dates of financial liabilities incl. interest payments as of 31 Dec 2008

	up to one year	one to three years	three to five years	more than five years	Total
			in EUR k		
Liabilities to banks	44,810	86,189	465,831	111,663	**708,493**
Trade payables	57,112	31	0	35	**57,178**
Other interest-bearing liabilities	65,067	0	0	0	**65,067**
Other non-interest-bearing liabilities	8,889	165	0	1	**9,055**
Derivatives with a negative fair value	−830	9,331	1,120	388	**10,009**
Total	**175,048**	**95,716**	**466,951**	**112,087**	**849,802**

Interest on derivates becomes payable on 25 April and 25 October each year. Since derivatives 1 to 4 and the collar have been designated as hedging instruments until their maturity dates as presented in section G.1, the amounts currently recognized as hedging reserves will only be transferred to the income statement at such time. The amount recognized in the hedge reserve for derivative no. 5 will be gradually released to income over the original term until 20 May 2011 due to its de-designation as of 1 January 2009.

Unutilized contractually agreed credit lines as of 31 December 2009 (EUR 96,994k; prior year: EUR 99,073k) are recognized as of the date of expected utilization.

Agreements with two silent partners were terminated with effect as of 31 December 2008. In the 2008 overview of maturity, the contributions and interest due are recognized under other interest-bearing liabilities due in up to one year. As of 1 January 2009, the contributions of the two former silent partners were converted into subordinated loans. In the 2009 overview of maturities, the contributions are recognized under liabilities to banks and other interest-bearing liabilities, depending on the contractual party.

The Ströer Group is mainly exposed to **interest rate risks** in connection with non-current floating-rate financial liabilities and existing cash and cash equivalents. It is company policy to prevent or mitigate these risks using hedging transactions. By using interest rate swaps, the interest rates were fixed for the majority of floating-rate financial liabilities. A collar adds to the planning certainty with regard to interest risk exposure. At the same time, the interest rate trend is monitored regularly to enable changes to be reacted to swiftly. The hedging measures are coordinated and executed centrally. For further information on hedging instruments, see section H.

With the exception of the refinancing carried out in Turkey, **currency risk** is of minor significance for the Group. The functional currency of the foreign operations is the local currency. With the exception of the refinancing in Turkey (euro loan), only a small amount of transactions in currencies other than the functional currencies are carried out. Due to the depreciation of the Turkish lira against the euro, the Turkish business disclosed an exchange loss of EUR 67k (prior year: EUR 5,897k) from the loan denominated in euros in the year under review. Hedges have not been entered into to date.

A **sensitivity analysis** is performed for each type of market risk to which the Company is exposed as of the 31 December 2009, showing how profit or loss and equity would have been affected by hypothetical changes in the relevant risk variable.

A sensitivity analysis of the **interest risk** shows the effect of an upward and downward shift in the term structure of interest rates by 100 basis points (1 percentage point) on the profit and loss and equity, at otherwise unchanged conditions.

Changes in market interest rates of non-derivative financial instruments with fixed interest rates only affect profit or loss if these are measured at their fair value. As the Ströer Group measures such financial instruments at amortized cost, they are not included in the sensitivity analysis.

If the market interest rate as of 31 December 2009 had been 100 basis points higher, the earnings after taxes would have been EUR 1,727k (prior year: EUR 2,248k) higher. This hypothetical effect on profit arises as a result of the potential effects from the change in the market value of interest rate derivatives not designated as effective hedging instruments of EUR 1,350k (prior year: EUR 1,958k), effects from higher interest rates charged on floating rate financial liabilities taking into account lower interest on related interest rate hedges (offset) of -EUR 14k (prior year: EUR 0k) and the interest income achievable from cash and cash equivalents of EUR 391k (prior year: EUR 290k).

If the market interest rate as of 31 December 2009 had been 100 basis points lower, the earnings after taxes would have been EUR 1,916k (prior year: EUR 1,603k) lower. This hypothetical effect on profit arises as a result of the potential effects from the change in the market value of interest rate derivatives not designated as effective hedging instruments of -EUR 1,539k (prior year: -EUR 1,313k), effects from higher interest rate charged on floating rate financial liabilities taking into account lower interest on related interest rate hedges (offset) of EUR 14k (prior year: EUR 0k) and the interest income achievable from cash and cash equivalents of -EUR 391k (prior year: -EUR 290k).

If the market interest rate as of 31 December 2009 had been 100 basis points higher, the accumulated other comprehensive income after taxes would have been EUR 6,961k (prior year: EUR 8,771k) higher. If the market interest rate as of 31 December 2009 had been 100 basis points lower, the accumulated other comprehensive income after taxes would have been EUR 7,248k (prior year: EUR 10,187k) lower.

The higher sensitivity shown when the interest rate is lowered as opposed to a corresponding increase is attributable to derivative interest instruments with capped interest rates.

The following foreign currency positions were not hedged in the statement of financial position as of 31 December 2009:

	31 Dec 2009	31 Dec 2008
	in EUR k	
Assets	**350**	**15**
Current		
Trade receivables	325	0
Other receivables and other assets	20	0
Cash and cash equivalents	5	15
Equity and Liabilities	**−29,154**	**−19,411**
Non-current		
Liabilities to banks	−26,068	−17,315
Current		
Current accounts	−1,750	−1,747
Interest liabilities	−97	0
Other current financial liabilities	−2	
Trade payables	−277	−85
Liabilities from business combinations	−960	−264
Net exposure	**−28,804**	**−19,396**

Currency risks arising on monetary financial instruments that are not denominated in the functional currencies of the individual Ströer group entities were included in the sensitivity analysis. Effects from the translation of financial statements denominated in a foreign currency of foreign operations into the group reporting currency (euro) are not included in the sensitivity analysis in accordance with IFRS 7.

A 10% increase/decrease in the value of the euro against the Turkish lira as of 31 December 2009 would decrease/increase the profit for the period by EUR 2,239k (prior year: EUR 2,233k). This analysis was performed on the assumption that all other variables, in particular interest rates, remain unchanged.

Managing capital

The objective of capital management at the Ströer Group is to ensure the continuation and growth of the Company, and maintain and build on its attractiveness to investors and market participants. In order to ensure the above, the board of management continually monitors the level and structure of borrowed capital. The focus of the internal control system is on the planning and ongoing monitoring of the operating result ("operational EBITDA") in order to maintain optimal financing conditions and thus reduce the interest burden to a minimum. The borrowed capital included in the general capital management system comprises financial liabilities (incl. positive and negative market values from interest rate hedges) and other liabilities such as those disclosed in the consolidated statement of financial position.

Equity is monitored entirely by the individual entities within the scope of monitoring compliance with the minimum capital requirements to avert insolvency proceedings due to excessive debt. The equity monitored in this context corresponds to the equity disclosed according to German commercial law.

With regard to group financing through the issue of bank loans, the Ströer Group uses the external KPI of the maximum debt-to-equity ratio permitted as a guideline. This debt-to-equity ratio is defined as the ratio of net debt (excluding contributions by silent partners) to the adjusted operating result before interest, depreciation and amortization (adjusted EBITDA). The Company remained within the net debt ratio in the year under review and the prior year. A breach of the covenants of the facility agreements would result in an automatic covenant reset which would lead to an increase in interest rates by 125 to 175 basis points.

There were no other changes to the capital management strategy against the prior year.

NOTES TO THE INCOME STATEMENT

D.1 Revenue

Revenue breaks down by segment as follows:

	2009	2008
	in EUR k	
SMD	393,303	393,994
Turkey	33,495	37,165
Other segments	43,001	62,205
Total	**469,799**	**493,364**

The definition of the business segments correlates with the operating segments. We refer to the disclosures under segment reporting.

Revenue also breaks down as follows:

	2009	2008
	in EUR k	
Advertising revenue	443,772	466,111
Production revenue	20,601	21,625
Other operating income	2,230	2,077
Royalties	3,196	3,551
Total	**469,799**	**493,364**

Revenue includes income of EUR 874k (prior year: EUR 728k) from back-to-back transactions. As of 31 December 2009, outstanding receivables and liabilities from back-to-back transactions amounted to EUR 425k and EUR 219k respectively.

D.2 Cost of sales

Cost of sales includes all costs which were incurred in connection with the sale of products and provision of services.

The following table shows a breakdown of cost of sales:

	2009	2008
	in EUR k	
Rental and lease payments as well as royalties	157,894	164,274
Amortization, depreciation and impairment losses	44,525	31,235
Personnel expenses	1,360	1,631
Other cost of sales	96,946	102,982
	300,725	**300,122**

D.3 Selling expenses

Selling expenses include all expenses incurred in connection with direct selling expenses and sales overheads. These comprise personnel expenses, cost of materials, amortization, depreciation and impairment losses and costs related to the sales area.

Expenses from operating leases included under selling expenses are shown in the following table:

	2009	2008
	in EUR k	
Vehicle leasing	1,615	1,376
Office space	2,602	2,532
Rental/lease of facilities	75	56
	4,292	**3,964**

The research and development costs disclosed in the income statement under selling expenses amounted to EUR 1,403k in the year under review (prior year: EUR 1,255k).

D.4 Administrative expenses

Administrative expenses include the personnel and non-personnel expenses of the central administrative areas which are not connected with production/technology, sales, or research and development.

Administrative expenses include the following expenses from operating leases:

	2009	2008
	in EUR k	
Vehicle leasing	675	614
Office space	2,665	2,599
Lease of buildings	507	380
Rental/lease of facilities	354	336
Hardware and software leasing	901	831
	5,102	**4,760**

D.5 Other operating income

The breakdown of other operating income is shown in the following table:

	2009	2008
	in EUR k	
Income from the reversal of provisions and the derecognition of liabilities	3,658	9,887
Income from services	1,755	2,191
Income from the disposal of property, plant and equipment and intangible assets	937	743
Income from the reversal of bad debt allowances	1,563	2,315
Income from deconsolidation and the disposal of equity investments	706	50
Income from exchange differences	373	490
Miscellaneous other operating income	4,686	4,447
Total	**13,678**	**20,123**

D.6 Other operating expenses

Other operating expenses break down as follows:

	2009	2008
	In EUR k	
Expenses related to the recognition of bad debt allowances and derecognition of receivables and other assets	4,309	4,734
Goodwill impairment	4,002	0
Expenses relating to other periods	430	23
Losses from the disposal of property, plant and equipment and intangible assets	1,800	2,267
Losses from deconsolidation	0	2,401
Expenses from exchange differences	231	767
Miscellaneous other operating expenses	1,088	604
Total	**11,860**	**10,796**

The reduction in goodwill relates to the Poland cash-generating unit (CGU). See section E.2 for further details of the impairment test of goodwill.

D.7 Explanation of individual types of expenses

D.7.1 Personnel expenses

The following personnel expenses are included in the cost of sales, administrative expenses and selling expenses:

	2009	2008
	In EUR k	
Personnel expenses	82,280	82,139
thereof expenses for old-age pensions		
Expenses for defined contribution plans	5,080	5,150
Expenses for defined benefit plans	1,644	1,324

Expenses for defined contribution plans reflect contributions of EUR 40k (prior year: EUR 36k) to a supplemental pension plan (cf. in this regard section E.14).

The employer contribution to pension insurance amounted to EUR 5,080k in fiscal year 2009 (prior year: EUR 5,150k). Contributions for the defined contribution plans are estimated at EUR 5,064k for 2010.

Expenses for defined benefit plans include interest cost of EUR 1,105k (prior year: EUR 1,096k) and are reflected in the finance result in the consolidated income statement.

The average number of employees in the fiscal year broke down as follows:

Number	2009	2008
Salaried employees	1,352	1,343
Wage earners	95	103
Total	**1,447**	**1,446**

The total number includes 203 FTEs (prior year: 191) from the proportionately included joint ventures.

D.7.2 Amortization, depreciation and impairment losses

Amortization and depreciation included in the cost of sales, administration expenses and selling expenses are disclosed in the statements of changes in non-current assets in sections E.1 and E.3. See the explanations in E.1 and E.2 for impairment losses.

D.8 Share in profit or loss of associates

Ströer AG's share in the loss of associates amounted to EUR 43k in fiscal year 2009 (prior year: EUR 4,133k). Ströer AG's total share in the loss of associates amounted to EUR 3,526k in the fiscal year (prior year: EUR 5,222k).

The cumulative total of unrecognized shares of losses amounted to EUR 4,572k in the year under review (prior year: EUR 1,089k).

D.9 Financial result

The following table shows the composition of the financial result:

	2009	2008
	In EUR k	
Finance income	**2,306**	**3,003**
Interest income from loans and receivables	1,907	2,785
Income from available-for-sale financial assets	244	218
Other finance income	155	0
Finance costs	**−49,585**	**−57,835**
Interest expense from financial instruments measured at amortized cost		
Compensation for silent partners	0	−5,436
Other interest expense from financial instruments measured at amortized cost	−43,681	−35,419
Interest expense from financial instruments measured at fair value through profit or loss	−1,546	−3,832
Interest expense from financial instruments designated as hedging instruments	−2,178	0
Interest expense from non-financial items		
Interest expense incurred from the unwinding of the discount for pension obligations	−1,105	−1,096
Interest expense from other non-financial items	−414	−613
Other finance costs	−661	−11,439
Financial result	**−47,279**	**−54,832**

Other interest expense from financial instruments measured at amortized cost includes exchange losses of EUR 67k (prior year: EUR 5,897k) from the translation of the long-term loan granted in euros to the Turkish entity.

Interest expense from financial instruments measured at fair value through profit or loss includes changes in value of the portion of the collar not designated as a hedging instrument. In the prior year, interest expense included the expenses from the termination of interest rate swaps.

The change in the market values of the stand-alone interest rate swaps was also recognized in profit or loss under interest expense.

D.10 Income taxes

Taxes on income paid or due in the individual countries as well as deferred taxes are stated as income taxes. They break down as follows:

	2009	2008
	In EUR k	
Expenses from current income taxes	9,549	11,936
- thereof for prior years	*−1,465*	*−123*
Income (prior year: expense) from deferred taxes	−19,120	1,720
- thereof for prior years	*−442*	*−87*
Income (+)/expense (−)	**−9,571**	**13,656**

The following income tax assets and liabilities are disclosed in the statement of financial position:

	2009	2008
	In EUR k	
Income tax credits	**35,832**	**21,786**
current	5,231	6,541
deferred	30,601	15,245
Income tax liabilities	**82,076**	**91,091**
current	6,501	12,161
deferred	75,575	78,930

Deferred taxes are calculated on the basis of the applicable tax rates for each country. The rate ranges from 19% to 35% (prior year: from 19% to 35%).

Deferred taxes on consolidation procedures are calculated based on the group tax rate of 31.7% (prior year: 31.7%). This comprises corporate income tax of 15%, solidarity surcharge of 5.5% and average trade tax of 15.88%.

The changes in the transactions recognized directly in equity and the deferred taxes incurred thereon are presented in the following table:

	2009		
	Before taxes	Taxes	After taxes
		In EUR k	
Exchange differences on translating foreign operations	623	0	623
Cash flow hedges	−10,268	3,303	−6,965
Actuarial gains and losses	−235	94	−141
Other income	**−9,880**	**3,397**	**−6,483**

	2008		
	Before taxes	Taxes	After taxes
		In EUR k	
Exchange differences on translating foreign operations	−6,838	0	−6,838
Cash flow hedges	−20,539	6,395	−14,144
Actuarial gains and losses	914	−289	625
Other income	**−26,463**	**6,106**	**−20,357**

Deferred taxes are allocated to the following items:

	31 Dec 2009		31 Dec 2008	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	In EUR k			
Balance sheet item				
Assets				
Non-current assets				
Intangible assets	690	65,315	835	67,551
Goodwill	2,099	1,272	1,605	1,199
Property, plant and equipment	2	18,165	35	15,984
Financial assets	10	41	102	43
Other receivables and other assets	280	1,080	424	604
Current assets				
Inventories	0	9	8	0
Trade receivables	184	0	124	361
Other receivables and other assets	5,229	1,360	4,027	2,288
Equity and liabilities				
Non-current liabilities				
Pension provisions and similar obligations	1,732	964	1,763	1,070
Other provisions	3,376	6,404	1,280	6,703
Financial liabilities	1,308	1,743	1,313	1,796
Other liabilities	7,240	325	3,388	9
Current liabilities				
Other provisions	2,499	495	2,405	433
Financial liabilities	13	27	108	42
Trade payables	277	32	1,538	0
Other liabilities	320	4,650	666	3,639
Tax loss carryforwards	31,649	0	18,416	0
Total before set-offs	56,908	101,882	38,037	101,722
Less set-offs	−26,307	−26,307	−22,792	−22,792
Total after set-offs	**30,601**	**75,575**	**15,245**	**78,930**

The reconciliation of the expected tax expense and the actual tax expense is presented below:

	2009	2008
	In EUR k	
Earnings before income taxes pursuant to IFRSs	−8,344	−918
Group income tax rate	31.70%	31.70%
Expected income tax expense for the fiscal year	−2,645	−291
Effect of tax rate changes	−18	−154
Trade tax additions/deductions	2,980	2,866
Effects of taxes from prior years recognized in the fiscal year	−1,907	−7
Effects of deviating tax rates	−47	91
Effects of tax-exempt income	−940	−55
Impact of permanent effects from consolidation	319	−2,255
Effects of non-deductible business expenses	3,599	3,575
Effect of non-recognition or subsequent recognition of deferred tax assets	−12,788	7,405
Correction of tax loss carryforwards	1,736	278
Other deviations	140	2,203
Total tax expense (+)/tax income (−)	**−9,571**	**13,656**

The scope of the existing unused tax losses and the amounts of the unused tax losses for which no deferred tax asset item was recognized break down as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Total unused tax losses		
Corporate income tax	133,940	118,516
Netted losses pursuant to Sec. 15a EStG	5,070	18,352
Trade tax	87,803	75,942
Interest carryforward	11,297	16,680
	238,110	**229,490**
Thereof not recognized		
Corporate income tax	19,037	26,549
Netted losses pursuant to Sec. 15a EStG	5,070	0
Trade tax	6,404	75,942
Interest carryforward	11,297	16,680
	41,808	**119,171**

There is no time limit on the use of the unused tax losses not recognized.

In accordance with IAS 12, deferred taxes must be recognized on the difference between the share in equity held in subsidiaries recognized in the consolidated statement of financial position and the carrying amount of the equity interest for these subsidiaries recognized in the parent's tax accounts ("outside basis differences") if this difference is expected to be realized. For simplification, no deferred taxes were recognized in the consolidated financial statements since no significant divestments or distributions are expected in the near future.

There are no income tax consequences attached to the payment of dividends by the Group to its shareholders in either 2009 or 2008.

D.11 Profit or loss from discontinued operations

The profit or loss recognized from discontinued operations relates to the result from the entity Ukraine OOH Media Holding B.V., Amsterdam, Netherlands, which was acquired with a view to resale (see B.2.2). No contractual agreement was made concerning a share in Ukraine OOH's profit for 2008.

E. NOTES TO THE STATEMENT OF FINANCIAL POSITION

E.1 Intangible assets

The development of intangible assets in the year under review and in the prior year is presented in the following table.

	Franchises, industrial and similar rights and assets, and licenses in such rights and assets	Goodwill	Prepayments	Development costs	Total
			In EUR k		
Cost					
Opening balance 1 Jan 2008	**283,626**	**187,896**	**157**	**1,713**	**473,392**
Change in the consolidated group	0	0	0	0	**0**
Additions	3,301	508	1,490	1,368	**6,667**
Reclassifications	−416	0	−36	0	**−452**
Disposals	−1,307	−1,645	−279	−123	**−3,354**
Exchange differences	−763	−112	−12	0	**−887**
Closing balance 31 Dec 2008/ opening balance 1 Jan 2009	**284,441**	**186,647**	**1,320**	**2,958**	**475,366**
Change in the consolidated group	12,276	−593	0	0	**11,683**
Additions	664	0	948	1,202	**2,814**
Reclassifications	1,902	0	−1,643	−66	**193**
Disposals	−1,239	0	−201	−53	**−1,493**
Exchange differences	23	11	15	0	**49**
Closing balance 31 Dec 2009/ opening balance 1 Jan 2010	**298,067**	**186,065**	**439**	**4,041**	**488,612**
Amortization and impairment losses/reversals					
Opening balance 1 Jan 2008	**54,164**	**1,978**	**0**	**24**	**56,166**
Change in the consolidated group	0	0	0	0	**0**
Amortization and impairment losses	12,327	0	0	276	**12,603**
Write-ups	0	0	0	0	**0**
Reclassifications	−201	0	0	0	**−201**
Disposals	−242	0	0	−5	**−247**
Exchange differences	−473	−112	0	0	**−585**
Closing balance 31 Dec 2008/ opening balance 1 Jan 2009	**65,575**	**1,866**	**0**	**295**	**67,736**
Change in the consolidated group	−9	0	0	0	**−9**
Amortization and impairment losses	24,314	4,002	0	195	**28,511**
Reclassifications	0	0	0	0	**0**
Disposals	−927	0	0	0	**−927**
Exchange differences	19	11	0	0	**30**
Closing balance 31 Dec 2009/ opening balance 1 Jan 2010	**88,972**	**5,879**	**0**	**490**	**95,341**
Carrying amount as of 31 Dec 2008	**218,866**	**184,781**	**1,320**	**2,663**	**407,630**
Carrying amount as of 31 Dec 2009	**209,095**	**180,186**	**439**	**3,551**	**393,271**

Additions to intangible assets break down as follows:

Additions to intangible assets	31 Dec 2008	31 Dec 2009
	in EUR k	
Additions from internal development	1,202	1,368
Additions from separate acquisitions	1,612	5,299
Total	**2,814**	**6,667**

The impairment test for rights of use granted by municipalities and the conversion to amortization of contracts on advertising rights of use granted by municipalities led to an impairment loss/amortization of EUR 13,209k (prior year: EUR 406k) on advertising rights of use and is included in the cost of sales. See A.4 for details of the change in the estimate of useful lives.

An impairment test was performed on the basis of the forecast cash flow as part of the analysis of the contracts on advertising rights of use granted by municipalities for the need to recognize impairment.

The following table shows the key assumptions underlying the impairment.

	31 Dec 2009	31 Dec 2008
Growth rate	1%	1%
Pre-tax discount rate	11.2%	10.7%
After-tax discount rate	8.2%	7.7%

On this basis, a need to recognize an impairment loss of EUR 6,065k was identified.

The carrying amounts of the intangible assets provided as collateral for the existing financial liabilities are found in section E.16.

E.2 Goodwill

The impairment test on goodwill led to an impairment loss in the Poland CGU of EUR 4,002k.

The goodwill acquired in business combinations was allocated for impairment testing to the following cash-generating units:

Goodwill	31 Dec 2009	31 Dec 2008
	In EUR k	
SMD	171,341	171,945
blowUP	4,511	4,500
Poland	0	4,002
Turkey	4,334	4,334
Total	**180,186**	**184,781**

EUR 611k of the reduction in goodwill allocated to the SMD CGU relates to the disposal of Ströer Megaposter GmbH and EUR 7k to the acquisition of a 1% share in Kultur-Medien Hamburg GmbH Gesellschaft für Kulturinformationsanlagen.

The reduction in the Poland CGU's goodwill is exclusively the result of the impairment loss recognized in the fiscal year. The impairment loss is included in other operating expenses.

The recoverable amount of the CGUs has been determined using cash flow forecasts generated as of 30 September of each year based on five-year financial forecasts approved by management. These approved financial plans reflect the expectations in connection with the anticipated development for the next five years based on the business plan and the expectations relating to the general market trend. In this regard, the budgeted EBITDA was determined on the basis of detailed forecasts about the expected future market assumptions, income and expenses. In a second step using the planned investment and working capital changes, these budgetary figures were transformed into a cash flow forecast.

After the five-year detailed planning period, growth rates of 1% (SMD, Turkey and blowUP CGUs) to 1.9% (Poland CGU) were applied for the perpetual annuity. In the prior year, a uniform growth rate of 1% was applied for all CGUs. The growth rate is determined on the basis of long-term economic expectations and the expectations

regarding the inflation trend in each market. To calculate these growth rates, information from central banks, economic research institutes and official statements by the relevant governments is gathered and evaluated.

In a sensitivity analysis, we determined the effect on potential impairment of a change in the growth rate to 1%.

The Poland CGU would incur an additional impairment loss of EUR 2,322k if the growth rate fell by 0.9 percentage points.

For the purpose of performing an impairment test on goodwill, the fair value less costs to sell was classified as the recoverable amount. The discount rate used for the cash flow forecast was determined on the basis of market data of the peer group and depends on the economic environment in which the cash flows were generated. As a result, special interest rates for foreign CGUs were calculated on the basis of local features. The following table shows the discount rates used.

	Pre-tax discount rates		Post-tax discount rates	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
SMD	11.4%	10.5%	8.2%	7.7%
blowUP	10.3%	10.9%	7.7%	8.7%
Poland	12.1%	10.8%	10.4%	9.1%
Turkey	17.1%	13.9%	14.3%	11.6%

E.3 Property, plant and equipment

The development of property, plant and equipment is shown in the following statement of changes in non-current assets.

	Land, land rights and buildings	Plant and machinery	Other plant and equipment	Prepayments made and assets under construction	Total
			In EUR k		
Cost					
Opening balance 1 Jan 2008	**13,107**	**229**	**288,509**	**9,935**	**311,780**
Change in the consolidated group	0	0	4	0	**4**
Additions	181	0	33,912	18,253	**52,346**
Reclassifications	511	−23	6,972	−7,008	**452**
Disposals	−75	−60	−20,025	−1,708	**−21,868**
Exchange differences	−8	−7	−10,904	−909	**−11,828**
Closing balance 31 Dec 2008/ opening balance 1 Jan 2009	**13,716**	**139**	**298,468**	**18,563**	**330,886**
Change in the consolidated group	0	0	−1,026	0	**−1,026**
Additions	112	387	21,904	3,724	**26,127**
Reclassifications	11	0	6,630	−6,834	**−193**
Disposals	−17	−1	−11,409	−1,675	**−13,102**
Exchange differences	3	0	530	18	**551**
Closing balance 31 Dec 2009/ opening balance 1 Jan 2010	**13,825**	**525**	**315,097**	**13,796**	**343,243**

	Land, land rights and buildings	Plant and machinery	Other plant and equipment	Prepayments made and assets under construction	Total
			In EUR k		
Depreciation and impairment losses/reversals					
Opening balance 1 Jan 2008	**2,028**	**212**	**142,807**	**42**	**145,089**
Change in the consolidated group	0	0	3	0	**3**
Depreciation and impairment losses	449	6	24,633	0	**25,088**
Reclassifications	172	−12	41	0	**201**
Write-ups	0	0	0	0	**0**
Changes in value*	0	0	361	0	**361**
Disposals	−73	−61	−17,568	−30	**−17,732**
Exchange differences	−26	−7	−6,123	−12	**−6,168**
Closing balance 31 Dec 2008/ opening balance 1 Jan 2009	**2,550**	**138**	**144,154**	**0**	**146,842**
Change in the consolidated group	0	0	−669	0	**−669**
Depreciation and impairment losses	449	70	25,034	0	**25,553**
Reclassifications	0	0	−534	534	**0**
Write-ups	0	0	−2	0	**−2**
Changes in value*	0	0	221	0	**221**
Disposals	−12	−2	−9,752	0	**−9,766**
Exchange differences	−4	2	209	2	**209**
Closing balance 31 Dec 2009/ opening balance 1 Jan 2010	**2,983**	**208**	**158,661**	**536**	**162,388**
Carrying amount as of 31 Dec 2008	**11,166**	**1**	**154,314**	**18,563**	**184,044**
Carrying amount as of 31 Dec 2009	**10,842**	**317**	**156,436**	**13,260**	**180,855**

* The changes in value are the result of adjustments to the discount rate for restoration costs.

Other assets mainly include advertising media (carrying amount for 2009: EUR 148,968k; prior year: EUR 146,069k).

In the fiscal year, investment grants pursuant to the German Investment Grant Act ["Investitionszulagegesetz": InvZulG] totaling EUR 108k (prior year: EUR 249k) were recognized and reduced acquisition costs.

The Company recognized EUR 772k (prior year: EUR 349k) as income from compensation for damage to or destruction of non-current assets.

The amount of property, plant and equipment provided as collateral for existing financial liabilities is show in section E.16.

E.4 Investment property

The following table gives an overview of the development of the carrying amount of the investment property held in the period under review:

	Investment property In EUR k
Cost	
Opening balance 1 Jan 2008	**2,129**
Closing balance 31 Dec 2008/opening balance 1 Jan 2009	**2,129**
Closing balance 31 Dec 2009/opening balance 1 Jan 2010	**2,129**
Depreciation and impairment losses/reversals	
Opening balance 1 Jan 2008	**303**
Depreciation and impairment losses	20
Closing balance 31 Dec 2008/opening balance 1 Jan 2009	**323**
Depreciation and impairment losses	276
Closing balance 31 Dec 2009/opening balance 1 Jan 2010	**599**
Carrying amount as of 31 Dec 2008	**1,806**
Carrying amount as of 31 Dec 2009	**1,530**

The fair value of the investment property is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs to sell. Since the fair value of the property was EUR 1,530k as of the 31 December 2009, an impairment of EUR 256k was recognized on this amount in fiscal year 2009.

The investment property earned rental income of EUR 182k (prior year: EUR 163k) in the period under review. Directly attributable operating expenses of EUR 49k (prior year: EUR 60k) arose in fiscal year 2009.

E.5 Investments in associates

The investments in XOREX Beteiligung and XOREX were accounted for using the equity method in accordance with IAS 28.13. The carrying amount of the associates came to EUR 0k as of 31 December 2009 (prior year: EUR 0k). The associates disclosed the following consolidated values as of 31 December 2009:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Current assets	2,020	5,871
Non-current assets	14,467	11,012
Current liabilities	3,543	5,265
Non-current liabilities	28,160	19,065
Net assets	**−15,216**	**−7,447**

	2009	2008
	In EUR k	
Income	970	10,563
Expenses	8,063	36,441
Earnings after taxes	**−7,093**	**−25,878**

The development of investments in associates is presented below.

	Investments in associates
	In EUR k
Carrying amount as of 1 Jan 2008	**911**
Increase in cost of the investments	3,222
Share in profit or loss for 2008	−4,133
Carrying amount as of 31 Dec 2008	**0**
Carrying amount as of 1 Jan 2009	**0**
Increase in cost of the investments	43
Share in profit or loss for 2009	−43
Carrying amount as of 31 Dec 2009	**0**

E.6 Other investments

The development of other financial assets is shown in the following statement of changes in non-current assets.

	Equity investments
	In EUR k
Cost	
Opening balance 1 Jan 2008	**510**
Closing balance 31 Dec 2008/ opening balance 1 Jan 2009	**510**
Additions	5
Disposals	−394
Closing balance 31 Dec 2009/ opening balance 1 Jan 2010	**121**
Impairment losses/reversals	
Opening balance 1 Jan 2008	**367**
Closing balance 31 Dec 2008/ opening balance 1 Jan 2009	**367**
Disposals	−367
Closing balance 31 Dec 2009/ opening balance 1 Jan 2010	**0**
Carrying amount as of 31 Dec 2008	**143**
Carrying amount as of 31 Dec 2009	**121**

Other investments include financial instruments held for sale and measured at cost since the fair value cannot be measured reliably. These financial instruments relate to interests in German limited companies and comparable non-German legal forms. The development of the carrying amounts of these investments is presented in the table above. These interests are not listed and there is no active market. The fair value could only be measured reliably in the context of concrete sales negotiations. There is currently no plan to sell these shares.

E.7 Trade receivables

The amount of receivables serving as collateral for existing financial liabilities is shown in section E.16.

	31 Dec 2009	31 Dec 2008
	In EUR k	
Trade receivables	**41,120**	**44,856**
thereof non-current	1,342	0
thereof current	39,778	44,856

Specific bad debt allowances on trade receivables developed as follows:

	2009	2008
	In EUR k	
Bad debt allowances at the beginning of the fiscal year	**5,083**	**6,664**
Additions (recognized in profit or loss)	2,259	2,411
Reversals (recognized in profit or loss)	−1,257	−1,943
Utilization	−1,895	−1,273
Exchange differences	−12	−274
Other changes	−23	−502
Bad debt allowances at the end of the fiscal year	**4,155**	**5,083**

General bad debt allowances on trade receivables developed as follows:

	2009	2008
	In EUR k	
Bad debt allowances at the beginning of the fiscal year	**681**	**485**
Additions (recognized in profit or loss)	168	100
Reversals (recognized in profit or loss)	−297	−372
Exchange differences	8	−3
Other changes	3	471
Bad debt allowances at the end of the fiscal year	**563**	**681**

Specific bad debt allowances with a gross invoice value of EUR 4,885k were charged on trade receivables as of 31 December 2009 (prior year: EUR 6,808k). Net of specific bad debt allowances of EUR 4,155k (prior year: EUR 5,083k), the carrying amount of these receivables came to EUR 730k (prior year: EUR 1,725k) as of 31 December 2009.

The following table shows the carrying amounts of overdue trade receivables which have not been written down yet.

	Overdue by				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
			In EUR k		
31 Dec 2009	11,400	1,749	908	1,491	3,226
31 Dec 2008	16,253	3,658	2,116	1,230	1,102

For trade receivables for which no bad debt allowance has been charged and which are not in default, there were no indications that the debtors will not meet their payment obligations as of 31 December 2009.

E.8 Non-current assets held for sale

In fiscal year 2009, the Company sold the non-current assets held for sale which were disclosed in the prior year and included the consolidated assets of EUR 661k of Ukraine OOH Media Holding B.V., which was acquired with a view to resale. In the prior year, the Company disclosed liabilities allocable to the non-current assets held for sale in the same amount under equity and liabilities.

E.9 Income tax receivables

Current income tax receivables break down as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Corporate income tax receivables	5,068	6,258
Trade tax receivables	163	283
Total	**5,231**	**6,541**

Corporate income tax receivables include EUR 939k (prior year: EUR 0k) relating to non-current income tax receivables from corporate income tax credits.

E.10 Financial receivables and other assets

A breakdown of non-current other receivables and other assets is shown below:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Financial receivables		
Other loans	1,500	0
Residual purchase price receivables from the disposal of group entities	800	0
Other non-current financial assets	259	236
	2,559	***236***
Other assets		
Prepaid expenses	3,428	3,006
Other non-current assets	87	96
	3,515	***3,102***
Total	**6,074**	**3,338**

Non-interest-bearing or low-interest non-current receivables were recognized at the present value of the estimated future cash flows.

Current financial receivables and other assets break down as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Financial receivables		
Receivables from existing and former shareholders of group entities	3,618	2,706
Residual purchase price receivables from the disposal of group entities	300	0
Creditors with debit balances	2,139	1,229
Other loans	884	2,808
Security deposits	729	602
Other financial assets	786	2,252
Total	**8,456**	**9,597**
Other assets		
Prepaid expenses	6,287	6,184
Tax receivables	5,746	10,733
Prepayments on shares	0	8,630
Other prepayments	6,610	5,127
Receivables from investment grants	855	710
Other non-financial assets	464	886
Total	**19,962**	**32,270**

Bad debt allowances on current receivables and write-downs of other assets relate to the category "Loans and receivables" and developed as follows:

	2009	2008
	In EUR k	
Write-downs at the beginning of the fiscal year	**226**	**541**
Additions (recognized in profit or loss)	1,338	147
Reversals (recognized in profit or loss)	−9	0
Utilization	−193	−471
Exchange differences	2	0
Other changes	0	9
Write-downs at the end of the fiscal year	**1,364**	**226**

Specific bad debt allowances with a nominal value of EUR 2,406k were charged on current receivables and other assets as of 31 December 2009 (prior year: EUR 227k). Net of specific bad debt allowances of EUR 1,364k (prior year: EUR 226k), the carrying amount of these receivables came to EUR 1,042k (prior year: EUR 1k) as of 31 December 2009.

The following table shows the carrying amount of overdue current receivables and other assets which have not been written down yet.

	Overdue by				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
			In EUR k		
31 Dec 2009	2,385	40	4	97	121
31 Dec 2008	183	52	16	61	678

For current receivables and other assets which have not been written down and which are not in default, there were no indications that the debtors will not meet their payment obligations as of 31 December 2009.

E.11 Inventories

	31 Dec 2009	31 Dec 2008
	In EUR k	
Raw materials, consumables and supplies	3,932	4,449
Finished goods and merchandise	154	51
Total	**4,086**	**4,500**

Inventories disclosed as expenses in the income statement amounted to EUR 5,275k in the fiscal year (prior year: EUR 4,880k).

The amount of inventories serving as collateral is disclosed in section E.16.

E.12 Cash and cash equivalents

	31 Dec 2009	31 Dec 2008
	In EUR k	
Postal giro account and bank balances	57,157	42,307
Cash on hand	100	192
Total	**57,257**	**42,499**

The bank balances disclosed which serve as collateral for existing financial liabilities are disclosed in section E.16.

The postal giro account and bank balances include overnight money and time deposits of EUR 46,246k (2008: EUR 30,582k). The interest rates achieved range between 0.05% and 3.6% (2008: 2.1% and 4.7%).

E.13 Equity

The development of the individual components of equity in the year under review and the prior year are presented in the separate consolidated statement of changes in equity.

Subscribed capital amounts to EUR 512k (prior year: EUR 512k). It is divided into 512,000 (prior year: 512,000) no-par-value registered shares. These break down into 473,600 common shares (prior year: 473,600) and 38,400 non-voting preferred shares (prior year: 38,400). Each share's theoretical share in capital stock is EUR 1. All issued shares have been fully paid in. The preferred shares have a preference dividend of EUR 0.08 per share which is payable in advance from accumulated profit. The holders of non-voting preferred shares and the holders of common shares participate in further profit distributions in proportion to their share in capital stock.

After the reporting date, management submitted the following dividend proposal for approval by the shareholder meeting:

	2009	2008
	In EUR k	
EUR 0.08 per preferred share (prior year: EUR 0.08)	3	3
EUR 0 per common share (prior year: EUR 0)	0	0

Subscription rights for shares were issued in connection with the financing of the acquisition of shares in DSM Deutsche Städte Medien GmbH. By resolution of the shareholder meeting on 15 January 2004, capital stock was increased accordingly by up to 90,353 new no-par-value registered shares. The conditional capital increase is only carried out to the extent that the subscription rights are exercised.

The **capital reserves** contain premiums from the issue of shares and options for the acquisition of shares. The major item of the capital reserves is the subscription rights issued for shares with a carrying amount of EUR 34,451k in connection with the financing of the acquisition of DSM Deutsche Städte Medien GmbH. The carrying amount equals the fair value on the issue date of the subscription rights in 2004. **Earned equity** contains the retained profits of the consolidated entities realized in the past.

The individual components of **accumulated other comprehensive income** for the period are presented in the consolidated statement of changes in equity. The column "Exchange differences on translating foreign operations" contains differences from the translation of the financial statements of foreign subsidiaries. Changes in the fair value of derivative financial instruments recognized directly in equity are recorded in the column "Cash flow hedges".

Non-controlling interests mainly relate to the non-controlling shareholders' shares in the equity of blowUP Media GmbH, Kölner Aussenwerbung GmbH and Inter Tanitim Hizmetleri ve Ticaret A. S.

E.14 Pension provisions and similar obligations

The major pension plans in place are either defined benefit plans, where the pension obligation depends on the remuneration of the employee in question upon reaching retirement age, or are based on a fixed commitment. As there are no plan assets and the actuarial gains and losses are recognized immediately in equity, the present value of the defined benefit obligation corresponds to the pension provision disclosed in the statement of financial position.

Provisions for pensions and similar obligations break down as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Present value of the defined benefit obligation as of 1 Jan	19,722	20,817
Current service cost	539	228
Interest expense	1,105	1,096
Actuarial gains (−)/losses (+)	235	−914
Benefits paid	−1,532	−1,497
Other changes	0	−8
Present value of the defined benefit obligation as of 31 Dec/ carrying amount	**20,069**	**19,722**

Current service cost includes EUR 276k for curtailments.

The present value of the pension benefits was calculated using the following assumptions:

Germany	31 Dec 2009	31 Dec 2008
Interest rate	5.68%	5.86%
Increase in pensions	1.00%	1.00%
Increase in salaries	2.00%	2.00%
Employee turnover	4.50%	4.50%

The assumptions regarding disability and mortality were taken from the Heubeck mortality tables 2005 G.

Abroad (Turkey)	31 Dec 2009	31 Dec 2008
Interest rate	5.92%	6.26%
Increase in pensions	5.92%	6.26%
Increase in salaries	4.80-5.32%	6.26%
Employee turnover	11-37%	8-33.5%

The components of the cost of retirement benefits recognized in profit or loss are presented below:

	2009	2008
	In EUR k	
Current service cost	539	228
Interest expense	1,105	1,096
Cost of retirement benefits	**1,644**	**1,324**

Current service cost is included in personnel expenses, interest cost from pension obligations is included in the interest result.

The actuarial gains and losses are recognized immediately in equity.

Cumulative actuarial gains (+) and losses (−) recognized directly in equity amounted to EUR 2,067k after taxes as of 31 December 2009 (prior year: EUR 2,271k).

The experience adjustments break down as follows:

	31 Dec 2009	31 Dec 2008	31 Dec 2007	31 Dec 2006
	In EUR k			
Present value of the defined benefit obligation	20,069	19,722	20,817	23,416
Fair value of plan assets	0	0	0	0
Present value of the shortfall	**20,069**	**19,722**	**20,817**	**23,416**
Gain/loss for the period from				
Experience adjustments on plan liabilities	−111	−91	97	380
Adjustments to actuarial assumptions	346	−823	−2,510	−1,217

Besides the direct benefit obligations, the Group also has indirect pension obligations which are insured through municipal supplemental pension plans ["Zusatzversorgungskasse": ZVK]. Allocations are made for pensions. The sums paid in this connection finance the current cost of the ongoing pension payments. This type of pension is a defined benefit plan as the individual post-employment benefits of the ZVK to former employees of the member companies do not depend on the contributions paid in. Furthermore, this type of pension is a multi-employer plan as employees of several member companies are insured by the ZVK. The special provisions of IAS 19, *Employee Benefits*, were applied in recognizing the indirect obligations. The ZVK's fund assets are collective assets; it cannot be traced how much each member has contributed to these assets. Due to the thus purely fictional computation of the discount rate, no information is available on the future payment obligations of the Ströer Group. Thus no provision may be recognized under IFRSs and treatment is the same as that for a defined contribution plan. The current payments to the ZVK therefore represent expenses for the fiscal year. These expenses amounted to EUR 40k in fiscal year 2009 (prior year: EUR 36k). The post-employment benefits of the ZVK determined for active and former employees of the Ströer Group in an approximate calculation pursuant to IFRSs are EUR 1,323k higher (prior year: EUR 1,276k) than the premium reserve recognized and attributable pro rata to the Ströer Group.

E.15 Other provisions

The following provisions have been set up:

	31 Dec 2009		31 Dec 2008	
	Total	thereof current	Total	thereof current
	In EUR k			
Personnel provisions	14,028	13,836	11,065	10,931
Provision for restoration obligations	10,980	0	4,283	0
Provisions for bonuses	1,113	1,113	1,843	1,843
Provision for potential losses from pending transactions	597	398	1,586	802
Provision for archiving costs	508	123	536	127
Provision for litigation risks	2,067	2,048	707	617
Provisions for taxes	58	58	82	82
Miscellaneous other provisions	6,097	6,053	5,491	4,818
Total	**35,448**	**23,629**	**25,593**	**19,220**

Provisions developed as follows:

	Personnel provisions	Provisions for restoration obligations	Provisions for bonuses	Provisions for potential losses	Provisions for archiving costs	Provision for litigation risks	Provisions for other taxes	Miscellaneous other provisions	Total
	In EUR k								
1 Jan 2009	**11,065**	**4,283**	**1,843**	**1,586**	**536**	**707**	**82**	**5,491**	**25,593**
Exchange differences	21	−9	71	0	0	0	0	0	**83**
Change in the consolidated group	9	22	−19	0	4	−10	0	7	**13**
Allocation	8,046	6,730	1,116	123	86	1,866	43	948	**18,958**
Unwinding of the discount	0	187	0	0	12	0	0	22	**221**
Utilization	−4,214	−181	−1,801	−263	−121	−374	−67	−153	**−7,174**
Reversal	−907	−52	−89	−848	−11	−122	0	−217	**−2,246**
Reclassification	8	0	−8	−1	2	0	0	−1	**0**
31 Dec 2009	**14,028**	**10,980**	**1,113**	**597**	**508**	**2,067**	**58**	**6,097**	**35,448**

The personnel provisions include management and employee bonuses as well as severance payments.

The provision for restoration obligations is based on the anticipated costs of restoration. The provision was discounted using an interest rate of 4.2% (prior year: 3.7%). The change in the value of the provision (EUR 93k) due to the change in the discount rate is included in the allocation.

The provision for potential losses mainly relates to contracts on advertising rights of use which are expected to generate losses over their remaining term. The provision was calculated on the basis of the revenue expected to be generated by the end of the respective terms of the contracts, less the allocable costs. The discount rate was 2.2% (prior year: 2.3%). The change in the value of the provision (EUR 1k) due to the discount rate is included in the reversal.

The costs expected to be incurred for archiving business documents from prior years were taken as the basis for the archiving provision. The provision was discounted using an interest rate of 2.5% (prior year: 2.8%).

The provision for litigation risks comprises the anticipated costs from various actions against group entities. The major portion relates to litigation in connection with the issue of building permits, legal action contesting the refusal of building permits for advertising media and antitrust matters.

E.16 Financial liabilities

Non-current financial liabilities break down as follows:

	Nominal value		Average weighted remaining term (in years)	Weighted average effective interest rate (in % p.a.)	Carrying amount	
	31 Dec 2009	31 Dec 2008			31 Dec 2009	31 Dec 2008
	In EUR k					
Other financial liabilities	11,428	166	4	1), 3)	11,428	166
Liabilities to banks	528,006	496,517			522,277	490,475
Tranche A	*395,000*	*395,000*	*3*	*EURIBOR+300 bps*	*390,822*	*390,626*
Tranche B	*75,000*	*75,000*	*4*	*EURIBOR+800 bps*	*74,102*	*74,096*
Loans — Turkey	*25,500*	*25,500*	*6*	*2)*	*24,847*	*24,736*
Subordinated liabilities to banks	*31,650*	*0*	*4*	*1)*	*31,650*	*0*
Other	*856*	*1,017*	*6*	*5.770%*	*856*	*1,017*
Total non-current financial liabilities	**539,434**	**496,683**			**533,705**	**490,641**
Derivative financial instruments	535,500	535,500	3		22,181	10,009
Total	**1,074,934**	**1,032,183**			**555,886**	**500,650**

1) Interest charged on the subordinated loans (EUR 10,891k and EUR 31,650k) depends on the interest charged on the senior liabilities bearing the highest interest plus an additional margin of 75 basis points.

2) Interest on the Turkey loan is charged in line with EURIBOR based on a margin of 850 basis points.

3) Other financial liabilities include a non-interest bearing amount of EUR 410k and EUR 127k which bears interest at a rate of 7.4%.

Further information on derivative financial instruments is provided in section H.1.

Assets have been assigned or pledged as security for non-current financial liabilities. The carrying amounts of these assets are as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Intangible assets	17,046	17,251
Property, plant and equipment	158,343	161,718
Inventories	2,220	4,256
Trade receivables	31,220	33,268
Bank balances	41,647	24,590
Total	**250,476**	**241,083**

As of 31 December 2009, the Group had credit facilities totaling EUR 101,400k (prior year: EUR 109,762k). EUR 4,406k thereof had been utilized (prior year: EUR 10,690k). The credit facilities can be cancelled by the lending banks as shown in the following table:

	2010	2011	2012	2013	2014
	in EUR k				
Cancellable amount	5,695	0	0	50,408	45,297

Current financial liabilities break down as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Current accounts	4,331	3,703
Debtors with credit balances	3,854	5,309
Liabilities from business combinations	1,244	165
Short-term loans	125	1,487
Interest liabilities	5,358	7,928
Liabilities to silent partners	3,654	50,754
Other current liabilities	373	993
Total current financial liabilities	**18,939**	**70,339**
Derivative financial instruments	2,853	0
Total	**21,792**	**70,339**

E.16.1 Liabilities to silent partners

The Company has current contributions of EUR 4,140k (prior year: EUR 4,140k) which are disclosed under current liabilities to silent partners at EUR 3,654k (prior year: EUR 4,140k). The difference between the contribution amount and the carrying amount stems from the silent partnership's share in Ströer AG's loss for the period.

The following applies for all silent contributions: the right to repayment is subordinate in the event of insolvency or liquidation, compensation is dependent partially on performance and the silent partners participate in losses up to the amount of their silent contribution.

The silent partners' compensation/loss absorption is disclosed in profit or loss under finance costs/finance income. Silent partners only receive compensation to the extent that freely available equity is disclosed in the separate commercial financial statements of the parent which is not protected by law or the articles of incorporation.

E.16.2 Liabilities to banks

The Group is financed by way of a syndicated loan. The loan comprises two tranches (A and B) with a contractual term until January 2013/January 2014. Transaction costs of EUR 8,887k in total were deducted from liabilities when measuring the two tranches for the first time.

The tranches bear floating interest at EURIBOR + 300 basis points and EURIBOR + 800 basis points, respectively. The nominal volume amounts to EUR 395,000k for the A tranche and EUR 75,000k for the B tranche.

The following collateral was contractually agreed:

- Non-current assets and inventories were assigned as collateral
- All trade receivables, loan receivables from affiliates, all industrial rights and rights of use as well as all rights and receivables from claims on insurers have been assigned as collateral to the lenders under blanket assignment agreements.
- All positive bank balances of the liable shareholders were pledged under an account pledge agreement.
- Ströer Out-of-Home Media AG, Ströer Media Deutschland GmbH & Co. KG and DSM Deutsche Städte Medien GmbH have pledged the shares in 11 subsidiaries under share pledge agreements.

In Turkey, the Group has been financed since October 2007 by way of a loan denominated in euros. The contractually fixed term for all installments of the loan runs until October 2015. Transaction costs of EUR 886k in total were deducted from liabilities when measuring the three tranches for the first time. The nominal amount as of 31 December 2009 is EUR 25,500k (prior year: EUR 25,500k).

The following collateral was agreed upon in the loan agreement:

- Non-current assets and inventories of the Turkish entities were assigned as collateral
- As a precaution, all receivables were assigned under a receivables assignment agreement

- Also as a precaution, all positive bank balances were pledged
- Under a share pledge agreement, Ströer Akademi Reklam Pazarlama Ltd. Sti, Inter Tanitim Hizmetleri Ticaret A.S. and Ströer Kentyizyon Reklam Pazarlama Ltd. Sti assigned all of the shares in their subsidiaries as collateral

Liabilities to banks also include overdraft facilities for the short and medium-term financing of the individual entities.

E.17 Trade payables

Trade payables include non-current trade payables of EUR 0k (prior year: EUR 67k).

Current trade payables break down as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Trade payables	39,813	46,083
Deferred liabilities from outstanding invoices	11,124	12,261
Total	**50,937**	**58,344**

E.18 Other liabilities

Other current liabilities break down as follows:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Tax liabilities	10,497	9,846
Deferred contributions	12,236	9,777
Liabilities to personnel	2,667	2,558
Social security liabilities	324	240
Total	**25,724**	**22,421**

E.19 Income tax liabilities

The amount disclosed as of 31 December 2009 relates to the obligations from trade and corporate income tax and foreign income taxes.

F. NOTES TO THE STATEMENT OF CASH FLOWS

F.1 Composition of cash and cash equivalents

Cash and cash equivalents consist of the cash and cash equivalents disclosed in the statement of financial position. Cash and cash equivalents comprise cash on hand and bank balances (see section E.12).

There were no bank balances with long-term restraints on disposal as of 31 December 2009.

For the bank balances assigned as collateral for non-current financial liabilities, see section E.16.

F.2 Acquisitions and disposals of subsidiaries and other business units

The effects on the statement of cash flows of the changes to the Group in the year under review, as outlined in section B.1 are summarized below:

	2009 In EUR k
Acquisitions	
All of the shares in City Plakat BMA GmbH, Berlin Offset of the adjustment of the purchase price	249
1% of the shares in Kultur-Medien Hamburg GmbH, Hamburg	83
	332
Disposals	
Ukraine OOH Media Holding B.V., Amsterdam, Netherlands	0
Ströer Megaposter GmbH, Cologne	−609
	−609

	2008 In EUR k
Acquisitions	
All of the shares in City Plakat BMA GmbH, Berlin	−8,625
blowUP media Belgium N.V. (formerly TRITON BVBA), Antwerp, Belgium First installment of the purchase price	−257
Earn-out Megaposter UK Ltd., Brighton, UK	−64
Purchase price installment for CulturePlak Marketing GmbH from purchases in prior years	−58
	−9,004
Disposals	
Reutlinger Gesellschaft für Stadtverkehrsanlagen DEGESTA & DSM Deutsche Städte Medien GmbH GbR, Frankfurt (Reutlinger GbR)	−189
	−189

The disposals include the respective sales proceeds offset against the cash and cash equivalents used for the sale.

Cash and cash equivalents in the closing statement of financial position of EUR 709k related to the disposal of Ströer Megaposter GmbH, Cologne. The proceeds from all disposals of assets and liabilities totaled EUR 100k in the year under review.

G. SEGMENT INFORMATION

G.1 Reporting by operating segments

Reportable segments

Ströer has identified two reportable segments that are organized and operated independently in terms of the geographical location of the operating segments.

SMD

SMD comprises the Group's entire German operations in the street furniture, billboard, transport and other business.

Turkey

This segment comprises the Group's entire operations in Turkey in the street furniture, billboard and transport business.

All other segments

"Other segments" comprises the Group's operations in the street furniture, billboard, transport and other business in Poland and the Group's operations in the giant poster business in western Europe.

The information from the non-reportable segments is summarized in the column "All other segments".

Internal control and reporting

Internal control and reporting is based on the IFRS accounting principles described in section A.2.

The group measures the performance of its segments by their internally defined "operational EBITDA". From the board of management's perspective, this indicator provides the most appropriate information to assess each individual segment's economic performance.

The segment performance indicator operational EBITDA comprises the sum total of revenue, selling and administrative expenses and other operating income/expenses less certain adjustments.

The Group has defined gains and losses from changes in the investment portfolio, reorganization and restructuring measures, capital measures and extraordinary expenses and income as adjustment effects.

Inter-segment income is calculated using prices as agreed between unrelated parties.

The segments' assets comprise all assets allocated to the respective segment on the basis of the allocation of individual assets to a legal entity belonging to a specific segment.

Revenue is allocated to geographical regions according to the destination country principle (i.e., the geographical location of the end customer). Non-current assets are allocated according to the location principle.

Reporting by operating segment breaks down as follows:

	2009				
	SMD	**Turkey**	**All other segments**	**Reconcilliation**	**Group value**
			In EUR k		
External revenue	393,303	33,495	43,001	0	**469,799**
Internal revenue	0	0	136	−136	**0**
Segment revenue	393,303	33,495	43,137	−136	**469,799**
Operational EBITDA	95,250	8,629	3,304	−7,481	**99,702**
Amortization and depreciation	42,090	3,303	3,753	1,192	**50,338**
Impairment losses	0	0	0	4,002	**4,002**
Interest income	1,413	699	28	−233	**1,907**
Interest expenses	38,655	5,012	534	4,723	**48,924**
Profit contributions of investments accounted for using the equity method	0	0	0	−43	**−43**
Income taxes	4,171	1,043	−172	−14,613	**−9,571**
Segment assets	666,493	54,136	55,904	−27,971	**748,562**

	2008				
	SMD	Turkey	All other segments	Reconcilliation	Group value
	In EUR k				
External revenue	393,994	37,165	62,205	0	**493,364**
Internal revenue	526	0	0	−526	**0**
Segment revenue	394,520	37,165	62,205	−526	**493,364**
Operational EBITDA	88,205	10,465	7,672	−3,840	**102,502**
Amortization and depreciation	30,156	1,944	4,497	1,114	**37,711**
Impairment losses	0	0	0	0	**0**
Interest income	3,813	91	181	−1,300	**2,785**
Interest expenses	39,104	3,524	543	3,223	**46,394**
Profit contributions of investments accounted for using the equity method	0	0	0	−4,133	**−4,133**
Income taxes	1,411	−657	−35	12,936	**13,655**
Segment assets	667,048	49,028	67,498	−30,443	**753,131**

Reconciliations

The reconciliations contain information on group entities that do not meet the definition of a segment ("Central items"). In addition, effects from consolidation are eliminated in the reconciliation ("Elimination").

In the revenue item, the reconciliation of revenue from all segments to the Group's revenue only includes effects from consolidation.

The following table shows the reconciliation of the segment performance indicator and segment assets to the figures included in the consolidated financial statements:

Indicator	2009	2008
Total segment results (operational EBITDA)	107,183	106,342
Central items	−7,303	−3,815
Elimination	−178	−25
Group operational EBITDA	99,702	102,502
Adjustment effects	−6,385	−6,743
Other operating result		
EBITDA	93,317	95,759
Amortization and depreciation	−50,338	−37,711
Impairment losses	−4,002	0
Finance income	2,306	3,003
Finance costs	−49,585	−57,835
Results using the equity method	−43	−4,133
Consolidated earnings before income taxes	−8,344	−918
Total segment assets	776,533	783,574
Central items	243,988	222,819
Elimination	−271,959	−253,262
Consolidated assets	748,562	753,131

G.2 Reporting by geographical location

The following table shows revenue and non-current assets broken down by region:

	Reporting by geographical location 2009			
	Germany	Turkey	Rest of the world	Group
	In EUR k			
External revenue	401,477	33,495	34,827	**469,799**
Non-current assets	519,748	24,272	37,431	**581,451**

	Reporting by geographical location 2008			
	Germany	Turkey	Rest of the world	Group
	In EUR k			
External revenue	400,999	37,165	55,200	**493,364**
Non-current assets	530,665	22,629	43,289	**596,583**

G.3 Revenue by product group

The Group has defined four product groups on the basis of the products and services it provides.

Street furniture

The street furniture product group mainly comprises standardized advertising media no larger than $2m^2$ which blend into the urban environment.

Billboard

The billboard product group largely includes the large-format advertising media with an area of up to $9m^2$ which are predominantly found at prominent locations (e.g., arterial roads, squares and public buildings). In addition, this product group comprises the products from the giant poster business.

Transport

The advertising media included in this product group consist of advertisements in or on public transport vehicles and specially developed (digital) product solutions for use at airports and train stations.

Other

This product group comprises income from promotional and event media as well as the production of advertising materials from our full service offer for customers.

	Reporting by product group 2009				
	Street furniture	Billboard	Transport	Other	Group value
External revenue	118,133	238,496	69,395	43,775	469,799

	Reporting by product group 2008				
	Street furniture	Billboard	Transport	Other	Group value
External revenue	121,677	256,824	68,534	46,329	493,364

In the fiscal year, we did not generate 10% or more of our total revenue with any one of our customers.

H. OTHER NOTES

H.1 Derivative financial instruments

The Ströer Group uses interest rate swaps and a collar to hedge risks from floating-rate financial liabilities. Derivative financial instruments are accounted for at fair value. The fair value of the derivative financial instruments is determined on the basis of the yield curve applicable as of 31 December 2009 and the market interest volatility using recognized option pricing models or discounted cash flow methods.

The table below contains a summary of the derivative financial instruments used and their conditions:

No.	Derivative	Amount	Beginning	End of term	Fixed interest rate	Floating rate	Fair value 31 Dec 2009	Fair value 31 Dec 2008
Interest rate swaps								
1	Swap	200,000	4/25/2006	10/25/2012	3.50%	6M Euribor	−8,280	−1,642
2	Swap	100,000	10/25/2006	10/25/2012	3.89%	6M Euribor	−5,276	−2,292
3	Swap	35,000	3/17/2008	4/25/2013	3.94%	6M Euribor	−1,995	−921
4	Swap	35,000	3/17/2008	4/26/2013	3.94%	6M Euribor	−1,993	−966
5	Swap (TR)	25,500	5/20/2008	5/20/2011	4.65%	6M Euribor	−1,260	−988
6	Swap	20,000	1/1/2009	1/1/2015	4.75%	6M Euribor	−2,258	−1,672
7	Swap	20,000	1/1/2009	1/1/2015	4.435%	6M Euribor	−1,926	−1,325
Collars					**Upper limit**	**Lower limit**		
	Collar	100,000	4/25/2006	4/23/2011	4.00%	2.70%	−2,046	−203
					6M Euribor	6M Euribor		
Total							**−25,034**	**−10,009**

The interest rate swaps 1 to 4 were classed as effective such that the changes in market value were recognized directly in equity under other reserves. The loss from the fair value adjustment of EUR 9,695k (prior year: loss of EUR 20,538k) before taxes was posted in equity as part of the hedge accounting.

The collar was considered to be effective in 2009. As the intrinsic value of the collar was determined for hedging, only the change in the intrinsic value of -EUR 1,770k (prior year: -EUR 1,236k) is included in the hedging reserve under equity. The increase in the fair value of the collar of EUR 220k (prior year: decrease of EUR 803k) was included in the financial result.

Derivative number 5 has a full nominal value of EUR 51,000k and relates to hedges for the loan granted to the Turkish entity. Due to the investment structure, this derivative was disclosed at half of the nominal value and half of the market value in the table above. With effect from 1 January 2009, the derivative was de-designated. At the date of de-designation, a change in value directly in equity of EUR 988k was recorded as a reduction in equity. The amount is being offset against consolidated income until the derivative expires. In fiscal year 2009, interest cost of EUR 414k was incurred and reclassified from the hedging reserve in profit or loss (prior year: EUR 0k).

Interest rate swaps 6 and 7 relate to the conversion of the silent partner contributions of EUR 42,541k into loans from banks and to an investee with floating interest rates and have existed since the beginning of 2009. The change in the market values of both derivatives following the conclusion of the hedge was recognized in the financial result.

H.2 Additional disclosures on financial instruments

The following table shows the net gains and losses on financial instruments in the income statement, broken down by measurement category according to IAS 39 (excluding financial instruments which are part of a hedge):

	2009	2008
	In EUR k	
Financial liabilities recognized at fair value through profit or loss	−1,546	−3,029
Loans and receivables	−2,672	−2,359
Financial liabilities measured at amortized cost	97	−6,260

Net gains and losses resulting from financial assets and liabilities recognized at fair value through profit and loss include the gain or loss on the interest rate swaps classified as stand-alone derivatives.

A gain of EUR 220k (prior year: loss of EUR 803k) which was recognized in profit or loss resulted from the change in the fair value of the collar.

The change in the market values of stand-alone interest rate swaps was also recognized in profit and loss (expenses: EUR 1,766k; prior year: EUR 2,997k) as the hedge accounting requirements were not met and these instruments were therefore accounted for at "fair value through profit and loss".

The assets allocated to the measurement category "at fair value through profit or loss" did not generate any income or expenses in the year under review.

Net gains and losses on loans and receivables include the impairment losses (EUR 2,700k; prior year: EUR 2,363k), write-ups and exchange differences.

Net gains and losses on financial liabilities measured at amortized cost include exchange differences.

The following table presents the carrying amount and fair value of the financial instruments included in the individual statement of financial position items, broken down by class and measurement category according to IAS 39.

	Measurement category pursuant to IAS 39	Carrying value as of 31 Dec 2009	Carrying amount in accordance with IAS 39			Fair value as of 31 Dec 2009
			. Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	
			In EUR k			
Assets						
Cash and cash equivalents	L&R	57,257	57,257			57,257
Trade receivables	L&R	41,120	41,120			41,120
Other non-current financial assets	L&R	2,559	2,559			2,559
Other current financial assets	L&R	8,456	8,456			8,456
Available-for-sale financial assets	(afs)	121	121			n.a.
Equity and Liabilities						
Trade payables	(AC)	50,937	50,937			50,937
Non-current financial liabilities	(AC)	533,705	533,705			511,794
Current financial liabilities	(AC)	18,939	18,939			18,939
Derivatives without a hedging relationship (held for trading)	(hft)	5,444			5,444	5,444
Derivate in a hedging relationship 1), 2)	n.a.	19,590		17,508	2,082	19,590
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables (L&R)		109,392	109,392			109,392
Available-for-sale financial assets (afs)		121	121			n.a.
Financial liabilities measured at amortized cost (AC)		603,581	603,581			581,670
Financial liabilities held for trading (hft)		5,444			5,444	5,444

	Measurement category pursuant to IAS 39	Carrying value as of 31 Dec 2008	Carrying amount in accordance with IAS 39			Fair value as of 31 Dec 2008
			. Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	
			In EUR k			
Assets						
Cash and cash equivalents	L&R	42,499	42,499			42,499
Trade receivables	L&R	44,856	44,856			44,856
Other non-current financial assets	L&R	236	236			236
Other current financial assets	L&R	9,597	9,597			9,597
Available-for-sale financial assets	(afs)	143	143			n.a. 1)
Equity and Liabilities						
Trade payables	(AC)	58,344	58,344			58,344
Non-current financial liabilities	(AC)	490,641	490,641			467,263
Current financial liabilities	(AC)	70,339	70,339			70,339
Derivatives without a hedging relationship (held for trading)	(hft)	2,997			2,997	2,997
Derivates in a hedging relationship 2)	n.a.	7,012		6,782	230	7,012
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables (L&R)		97,188	97,188			97,188
Available-for-sale financial assets (afs)		143	143			n.a.
Financial liabilities measured at amortized cost (AC)		619,324	619,324			595,946
Financial liabilities held for trading (hft)		2,997			2,997	2,997

1) Fair value before deferred tax assets

2) The fair value includes the collar of -EUR 10k (prior year: -EUR 203k); only the intrinsic value of the collar of EUR 2,035k (prior year: EUR 27k) is designated as a hedge.

Due to the short terms of **cash and cash equivalents**, **trade receivables**, **trade payables** and **other receivables**, it is assumed that the fair values correspond to the carrying amounts.

The **financial assets held for sale** only include other investments. We refer to the disclosures under section E.6.

The fair values of the **liabilities to banks** included in non-current financial liabilities are calculated as the present values of the estimated future cash flow. Market interest rates are used for discounting, depending on the relevant maturity date. If the Company were to raise the loans as of 31 December 2009 with the existing residual terms, it would pay a surcharge dependent on the terms and individual to the borrower (spread), which would be 1.25% to 1.75% higher than the rate of the existing loans. The carrying amount would exceed the fair value of liabilities to banks by EUR 21,911k.

Due to the short terms of **current financial liabilities**, it is assumed that the fair values correspond to the carrying amounts of these financial instruments.

The fair value of **interest rate derivatives** is determined for the interest rate swaps by discounting the estimated future cash flows at prevailing market rates and for the collar on the basis of an option pricing model with due regard to the interest rate volatilities and yield curves observed on the market.

Current financial liabilities include liabilities to two silent partners for which the carrying amount is assumed to correspond to the fair value due to the nature of the conditions. See section E.16.1 for further details.

The fair value hierarchy levels and their application to the Group's assets and liabilities are described below.

LEVEL 1: Listed market prices are available in active markets for identical assets or liabilities. The Group currently has no assets or liabilities classifiable as level 1.

LEVEL 2: Directly (e.g., price) or indirectly (e.g., derived from prices) observable information other than listed market prices is available. In the Group, derivatives are classified as level 2.

LEVEL 3: The information on assets and liabilities is not based on observable market data. The Group currently has no assets or liabilities classifiable as level 3.

Only derivatives are currently measured at fair value in the consolidated financial statements. The full carrying amounts of these financial instruments are classified as level 2. The carrying amount of these financial instruments was -EUR 25,034k as of 31 December 2009.

H.3 Contingent liabilities and other financial obligations

H.3.1 Contingent liabilities

Contingent liabilities of EUR 1,323k (prior year: EUR 1,279k) existed as of 31 December 2009. They are attributable to obligations which have been assumed vis-à-vis third parties and are based on the following matters:

	31 Dec 2009	31 Dec 2008
	In EUR k	
Declarations of joint liability to banks	0	3
Secondary liability from pensions	1,323	1,276
Total	**1,323**	**1,279**

A declaration of joint liability for a total of EUR 0k (prior year: EUR 3k) has been submitted to a German leasing company for lease agreements.

A group entity is a member of a municipal supplemental pension plan for the purpose of providing post-employment benefits. There is a shortfall between the pension obligations/expectancies and the fund assets. The ensuing **secondary liability** came to EUR 1,323k (prior year: EUR 1,276k) as of 31 December 2009.

The nature of the underlying legal transactions gives rise to uncertainty with regard to the amount and due date of all figures stated. The figures stated thus represent maximum amounts.

H.3.2 Financial obligations

There are other financial obligations from the following contractual arrangements:

- Minimum leases under contracts on advertising use (e.g., municipal contracts, transport advertising)
- Site lease
- Rental and lease agreements (operating leases) for buildings, vehicles and other assets (e.g., computers)
- Investment obligations
- Maintenance services and agreements

As of 31 December 2009, the due dates of the obligations broke down as follows:

31 Dec 2009	Total amount	Thereof due in up to 1 year	between 1 and 5 years	more than 5 years
		In EUR k		
Minimum leases	**763,974**	77,903	280,894	405,177
Site leases	**111,818**	25,243	64,690	21,885
Other rental and lease obligations	**34,303**	5,688	14,560	14,055
Investment obligations	**21,457**	12,075	9,016	366
Maintenance services	**1,196**	465	731	0

In the prior year, obligations broke down as follows:

31 Dec 2008	Total amount	Thereof due in up to 1 year	between 1 and 5 years	more than 5 years
		In EUR k		
Minimum leases	**794,749**	77,842	276,881	440,026
Site leases	**118,756**	31,357	65,100	22,299
Other rental and lease obligations	**9,985**	3,845	5,419	721
Investment obligations	**5,897**	5,813	84	0
Maintenance services	**1,661**	465	1,016	180

There are also contractual obligations for the acquisition of property, plant and equipment, which break down as follows:

Under the agreement regarding investments in and the leasing of advertising space ("advertising space agreement") concluded with Deutsche Bahn AG, the Group is obligated to invest in non-current assets for the set-up, upkeep and operation of a content-based real-time information and entertainment system as well as in the upscaling of existing first-generation to second-generation advertising media. Over the life of the long-term agreement, the resulting investment volume comes to roughly EUR 20m plus ongoing operating and maintenance expenses and overheads. The volume of ongoing costs depends, on the one hand, on the scope and duration of implementation and, on the other, on the use of existing digital media structures within the Group.

An obligation to pay a further EUR 406k (prior year: EUR 406k) for the years 2011 to 2015 may arise from the purchase of CulturePlak Marketing GmbH, Berlin, if a certain site lease is extended.

H.4 Auditor's fees

The following expenses for audit services were posted in fiscal year 2009:

	31 Dec 2009 In EUR k
Auditor's fees:	
Audit services	996
thereof for other auditors	*40*
Audit-related services	70
thereof for other auditors	*0*
Tax services	115
thereof for other auditors	*6*
Other services	8
thereof for other auditors	*1*
Total:	1,189

H.5 Related parties

The board of management and supervisory board are deemed related parties. Besides the entities included in the consolidated financial statements, related parties include a number of entities with which the Ströer Group has relations in its normal course of business. These entities include, in particular, such in which related parties directly or indirectly hold interests or belong to the management of such. XOREX Beteiligung and XOREX continue to be related parties.

All transactions with related parties are conducted at arm's length.

The following transactions were conducted between the Ströer Group and related parties in fiscal year 2009:

Mr. Udo Müller is a shareholder as well as the president and CEO of Ströer AG. Furthermore, he holds shares in entities from which the Ströer Group procured services of EUR 545k (prior year: EUR 766k) in the fiscal year. These services were mainly rights of use for sites. Income of EUR 2,096k (prior year: EUR 3,453k) was also generated from transactions with these entities. The income results mainly from sales commissions. As of 31 December 2009, there was a liability of EUR 62k (prior year: EUR 103k) and a receivable of EUR 338k (prior year: EUR 1,028k).

Furthermore, Mr. Müller has entered into a silent partnership with Ströer AG. The liability for repayment of the contribution came to EUR 358k (prior year: EUR 520k) as of 31 December 2009. The obligations for payment of performance-linked remuneration for the silent investment amounted to EUR 3k as of 31 December 2009 (prior year: EUR 3k).

Mr. Dirk Ströer is a shareholder and member of the supervisory board of Ströer AG. He also holds shares in entities with which business transactions were conducted in the fiscal year, largely involving the commercialization of advertising media and the leasing of buildings. The services received amounted to EUR 18,074k (prior year: EUR 20,401k) in the fiscal year, the income generated to EUR 2,878k (prior year: EUR 4,194k). The receivables and liabilities resulting from this trade came to EUR 1,187k (prior year: EUR 3,074k) and EUR 118k (prior year: EUR 1,342k), respectively, as of 31 December 2009.

Furthermore, Mr. Ströer has entered into two silent partnerships with Ströer AG via Ströer Beteiligungsgesellschaft mbH. The liability for repayment of the contribution came to EUR 3,296k (prior year: EUR 3,620k) as of 31 December 2009. The obligations for the payment of performance-linked remuneration for the silent investments amounted to EUR 18k as of 31 December 2009 (prior year: EUR 18k).

In the fiscal year, income of EUR 189k (prior year: EUR 825k) and expenses of EUR 13k (prior year: EUR 0k) resulted from transactions with XOREX Beteiligung. The services rendered were primarily commercial services and resulted in open receivables of EUR 4k (prior year: EUR 1,136k) and liabilities of EUR 29k (prior year: EUR 0k) as of 31 December 2009.

H.6 Remuneration of the board of management and the supervisory board

The remuneration of the board of management and the supervisory board of the Ströer Group is presented below:

	2009	2008
	In EUR k	
Board of management		
Short-term benefits	3,426	2,414
Total	**3,426**	**2,414**

	2009	2008
	In EUR k	
Supervisory board		
Short-term benefits	155	153
Total	**155**	**153**

Short-term benefits comprise in particular salaries and performance-linked remuneration components.

H.7 Executive bodies

Members of the board of management

- Udo Müller, Cologne
- Alfried Bührdel, Cologne

Members of the supervisory board

- Dr. Wolfgang Bornheim, tax advisor, Cologne (chairman)
- Dirk Ströer, managing director of Ströer Aussenwerbung GmbH & Co. KG, Cologne
- Dr. Dieter Stolte, member of the board of management of the Axel Springer Foundation, Berlin (deputy chairman)
- Dieter Keller, auditor and tax advisor, Monheim
- Dr. Ihno Schneevoigt, consultant, Grünwald
- Dietmar Peter Binkowska, chairman of the board of management of NRW.BANK

H.8 Disclosures pursuant to Secs. 264 (3) and 264b HGB

The following entities included in the consolidated financial statements make use of the simplification option afforded by Sec. 264 (3) HGB or Sec. 264b HGB.

Entity name	Registered office
DSM Zeit und Werbung GmbH	Frankfurt
Hamburger Aussenwerbung GmbH	Hamburg
Ströer Deutsche Städte Medien GmbH	Cologne
Ströer Media Deutschland GmbH & Co. KG	Cologne
Ströer Infoscreen GmbH	Cologne
Ströer Sales & Services GmbH	Cologne
Werbering Gesellschaft mit beschränkter Haftung	Cologne

I. SUBSEQUENT EVENTS

Under an agreement dated 10 March 2010, the Group acquired a further 40% of the shares in its joint venture partner of Ströer Kentvizyon Reklam Pazarlama A. S. The agreement is subject to the condition precedent of a capital increase that is yet to be implemented. The parties have agreed on a variable purchase price, which is calculated using parameters that are clearly defined in the agreement. If the capital increase is not completed as planned, the Group is not obliged to acquire the said shares.

If it does acquire the shares, Ströer Kentvizyon Reklam Pazarlama A. S. and all its subsidiaries would be fully consolidated in the Group's consolidated financial statements.

Cologne, 31 March 2010

Udo Müller Alfried Bührdel

The following audit opinion refers to the consolidated financial statements prepared on the basis of International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB ["Handelsgesetzbuch": "German Commercial Code"] as well as the group management report prepared on the basis of German commercial law (HGB) of Ströer Out-of-Home Media AG for the fiscal year ending December 31, 2009 as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages.

Audit opinion

We have audited the consolidated financial statements prepared by Ströer Out-of-Home Media AG, Cologne, — comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the notes to the consolidated financial statements — together with the group management report for the fiscal year from January 1, 2009 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB ["Handelsgesetzbuch": German Commercial Code] is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements, and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks relating to future development.

Cologne, March 31, 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Hasenklever	Kamann
Wirtschaftsprüfer	Wirtschaftsprüferin

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Ströer Out-of-Home Media AG, Cologne

Group Financial Statements as of December 31, 2008

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Income Statement for 2008

	Notes	2008 EUR	2007 EUR
Revenue	(D.1)	493,363,599.22	509,036,017.87
Cost of sales	(D.2)	−300,121,593.88	−302,525,897.19
Gross profit		193,242,005.34	206,510,120.68
Selling expenses	(D.3)	−74,544,608.61	−70,906,801.45
Administrative expenses	(D.4)	−69,976,403.28	−67,995,012.46
Other operating income	(D.5)	20,122,552.44	18,508,223.23
Other operating expenses	(D.6)	−10,795,922.32	−8,252,320.67
Share in profit and loss of associates	(D.8)	−4,133,067.59	−2,952,724.28
Finance income	(D.9)	3,002,845.22	2,224,352.21
Finance costs	(D.9)	−57,835,033.46	−48,688,856.99
Profit or loss before taxes		−917,632.26	28,446,980.27
Income taxes	(D.10)	−13,655,781.34	6,568,330.63
Profit or loss for the period		−14,573,413.60	35,015,310.90
Thereof attributable to:			
Owners of the parent		−15,943,518.72	32,241,618.32
Minority interests		1,370,105.10	2,773,692.58
		−14,573,413.62	35,015,310.90

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STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Balance Sheet as of 31 December 2008

	Note	2008 EUR	2007 EUR
Assets			
Non-Current Assets			
Intangible assets	(E.1)		
Franchises, industrial and similar rights and assets, and licenses in such rights and assets		218,866,149.25	229,462,442.31
Development costs		2,663,044.71	1,688,865.83
Prepayments		1,320,032.22	156,774.85
		222,849,226.18	231,308,082.99
Goodwill	(E.2)	184,781,059.01	185,917,759.82
Property, plant and equipment	(E.3)		
Land, land rights and buildings, including buildings on third-party land		11,165,971.73	11,079,244.58
Plant and machinery		664.61	17,442.66
Other plant and equipment		154,313,998.74	145,702,474.65
Prepayments made and assets under construction		18,563,197.84	9,893,025.27
		184,043,832.92	166,692,187.16
Investment property	(E.4)	1,806,088.00	1,826,281.00
Investments in associates	(E.5)	0.00	911,310.83
Financial assets	(E.6)		
Other equity investments		143,373.00	143,373.05
Other receivables and other assets	(E.10)		
Other loans		0.00	108,536.38
Other non-current receivables		3,337,837.56	3,517,253.90
Derivative financial instruments		0.00	13,287,636.00
		3,337,837.56	16,913,426.28
Deferred tax assets	(D.10)	15,244,926.26	13,075,337.65
		612,206,342.93	616,787,758.78
Current Assets			
Inventories	(E.11)	4,500,123.79	5,582,361.57
Trade receivables	(E.7)	44,855,916.55	48,119,469.15
Other receivables and assets	(E.10)	41,867,473.74	25,931,892.25
Current income tax assets	(E.9)	6,540,711.69	4,943,434.88
Cash and cash equivalents	(E.12)	42,499,206.48	77,957,269.52
Non-current assets held for sale	(E.8)	661,001.00	452,808.00
		140,924,433.25	162,987,235.37
Capital Deficit		35,756,312.16	0.00
		788,887,088.34	779,774,994.15

	Note	2008 EUR	2007 EUR
Equity and Liabilities			
Equity	(E.13)		
Subscribed capital		512,000.00	512,000.00
- Conditional capital: EUR 90,353.00 (prior year: EUR 90,353.00)			
Capital reserves		34,508,982.64	34,508,982.64
Earned consolidated equity		−79,355,571.85	−63,408,981.13
Accumulated other comprehensive income		−8,547,174.03	11,446,443.80
		−52,881,763.24	−16,941,554.69
Minority interests		17,125,451.08	17,119,809.97
Capital deficit		35,756,312.16	0.00
		0.00	178,255.28
Non-Current Liabilities			
Pension provisions and similar obligations	(E.14)	19,722,093.51	20,817,382.82
Other non-current provisions	(E.15)	6,373,018.91	5,656,847.82
Non-current financial liabilities	(E.16)	500,483,908.06	524,389,798.74
Non-current trade payables	(E.17)	66,547.55	50,209.05
Other non-current liabilities	(E.18)	165,720.90	0.00
Deferred tax liabilities	(D.10)	78,929,940.50	81,892,860.92
		605,741,229.43	632,807,099.35
Current Liabilities			
Other current provisions	(E.15)	19,220,381.09	20,824,623.63
Current financial liabilities	(E.16)	64,908,368.92	22,491,139.94
Current trade payables	(E.17)	57,111,617.04	70,748,871.35
Other current liabilities	(E.18)	29,083,706.80	24,026,448.69
Current income tax liabilities	(E.19)	12,160,785.06	8,698,555.91
Liabilities associated with assets held for sale	(E.8)	661,000.00	0.00
		183,145,858.91	146,789,639.52
		788,887,088.34	779,774,994.15

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Consolidated Cash Flow Statement for 2008

	2008	2007
	EUR	EUR
1. Cashflows from operating activities		
Profit or loss before interest and taxes	52,150,776.93	74,911,485.05
Write-downs (+)/write-ups (−) on non-current assets	37,711,367.67	39,056,801.83
Interest paid (−)	−47,260,601.37	−44,951,571.90
Interest received (+)	3,394,936.78	1,931,509.29
Income taxes paid (−)/received (+)	−11,106,707.59	−10,710,333.35
Increase (+)/decrease (−) in provisions	−1,173,439.68	6,818,870.68
Other non-cash expenses (+)/income (−)	4,005,180.81	4,015,622.49
Gain (−)/loss (+) on the disposal of assets	1,524,039.70	1,153,686.41
Increase (−)/decrease (−) in inventories, trade receivables and other assets	−9,936,279.01	−8,486,543.83
Increase (+)/decrease (−) in trade payables and other liabilities	−8,073,537.02	2,120,397.99
Cashflows from operating activities	21,235,737.22	65,859,924.66
2. Cashflows from investing activities		
Cash received (+) from the disposal of property, plant and equipment	4,424,983.59	3,240,352.38
Cash paid (−) for investments in property, plant and equipment	−52,346,555.59	−35,425,192.06
Cash received (+) from the disposal of intangible assets	11,774.00	498,904.06
Cash paid (−) for investments in intangible assets	−6,158,762.22	−3,009,770.18
Cash received (+) from the disposal of non-current financial assets	3,825,000.00	76,501.16
Cash paid (−) for investments in non-current financial assets	−3,221,756.76	−3,841,573.68
Cash received from (+)/paid (−) for the sale of consolidated entities	−189,391.56	3,414,978.12
Cash paid (−) for the acquisition of consolidated entities	−9,003,354.70	−494,309.98
Cashflows from investing activities	−62,658,063.24	−35,540,110.18
3. Cashflows from financing activities		
Cash paid (−) to (minority) shareholders	−1,998,489.69	−2,557,858.71
Cash received (+) from borrowings	8,489,914.10	18,711,730.00
Cash repayments (−) of borrowings	−527,161.43	−6,842,633.30
Cashflows from financing activities	5,964,262.98	9,311,237.99
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	−35,458,063.04	39,631,052.47
Cash and cash equivalents at the beginning of the period	77,957,269.52	38,326,217.05
Cash and cash equivalents at the end of the period	42,499,206.48	77,957,269.52
5. Composition of cash and cash equivalents		
Cash and cash equivalents	42,499,206.48	77,957,269.52
Cash and cash equivalents at the end of the period	42,499,206.48	77,957,269.52

STRÖER OUT-OF-HOME MEDIA AG, COLOGNE

Statement of Recognized Income and Expense

	2008 EUR	2007 EUR
Change in the fair value of financial instruments used for hedging purposes recognized in equity (cash flow hedges)	−20,538,858.02	6,432,472.40
Changes in actuarial gains/losses from defined benefit pension commitments and similar obligations recognized in equity	913,941.00	2,412,863.00
Changes in the adjustment item for exchange differences on the translation of financial statements of foreign subsidiaries recognized in equity	−6,838,273.65	1,781,602.30
Deferred taxes on changes in value recognized directly in equity	6,106,436.18	−2,280,482.52
Total income and expense recognized in equity	−20,356,754.49	8,346,455.18
Profit or loss for the period	−14,573,413.62	35,015,310.90
Total profit or loss for the period and income and expense recognized in equity	−34,930,168.11	43,361,766.08
Thereof attributable to:		
Equity holders of the parent	−35,937,136.55	40,581,970.74
Minority interests	1,006,968.44	2,779,795.34
	−34,930,168.11	43,361,766.08

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Ströer Out-of-Home Media AG, Cologne

Notes to the consolidated financial statements for fiscal year 2008

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ABBREVIATIONS

A.S.	Anonim Şirketi
AG	German stock corporation (Aktiengesellschaft)
bps	basis points
BUM	blowUP Media GmbH
B.V.	Besloten Vennootschap
CGU	cash-generating unit
DEGESTA	Reutlinger Gesellschaft für Stadtverkehrsanlagen
DSM	Deutsche Städte Medien GmbH
EBIT	earnings before interest and taxes
EBITDA	earnings before interest, taxes, depreciation and amortization
e.g.,	for example
EStG	German Income Tax Act (Einkommensteuergesetz)
EU	European Union
EUR	euros
EURIBOR	European Inter Bank Offered Rate
EUR k	thousands of euros
GBP	pound sterling
GbR	partnership under the German Civil Code (Gesellschaft bürgerlichen Rechts)
GmbH	German limited liability company (Gesellschaft mit beschränkter Haftung)
GmbH & Co. KG	partnership with a limited liability company as general partner (Gesellschaft mit beschränkter Haftung und Company Kommanditgesellschaft)
HGB	German Commercial Code (Handelsgesetzbuch)
HKB	Handel und Kredit GmbH & Co. KG Bankhaus
IAS(s)	International Accounting Standard(s)
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS(s)	International Financial Reporting Standard(s)
InvZulG	German Investment Grant Act (Investitionszulagengesetz)
KAW	Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung
KG	German limited partnership (Kommanditgesellschaft)
LIBOR	London Inter Bank Offered Rate
Ltd.	Limited
Ltd. Ski.	Limited Şirketi
Ltd.Sti.	Limited Şirketi
mbH	German limited liability company (mit beschränkter Haftung)
N.V.	Naamloze Vennootschap
PLN	zloty
S.A.	Sociedad Anónima
San. Tic. Ltd	Sanayii ticaret limited sirketi
SAS	Société par actions simplifiée
SK	Stadtkultur
SMD	Ströer Media Deutschland GmbH & Co. KG
SMI	Ströer Media International GmbH
Sp. Zo.o.	Spólka z ograniczona odpowiedzialnoscia
TRY	Turkish lira
UK	United Kingdom
ZVK	supplemental pension plans (Zusatzversorgungskasse)

Ströer Out-of-Home Media AG, Cologne

A. GENERAL

A.1 The Company

Ströer Out-of-Home Media AG (hereinafter also referred to as "Ströer AG") is registered as a stock corporation under German law. The Company has its registered office at Ströer Allee 1, 50999, Cologne, Germany. The Company is entered in the Cologne commercial register under HRB no. 41548.

The business purpose of Ströer AG and the entities included in the consolidated financial statements (hereinafter also referred to as the "Ströer Group") is the commercialization of out-of-home media. With some 270,000 advertising spaces and over 150 different forms of advertising media, the Group specializes in advertising directed at mobile target groups. The Group uses various forms of out-of-home media, from traditional billboards and transport media through to digital media to reach its target audience.

A.2 Accounting policies

The consolidated financial statements of Ströer AG for fiscal year 2008 have been prepared in accordance with the currently applicable International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code].

These consolidated financial statements cover the period from 1 January 2008 to 31 December 2008. The board of management of Ströer AG approved the consolidated financial statements on 17 April 2009 for issue to the supervisory board. The supervisory board has the task of reviewing the consolidated financial statements and, where appropriate, declaring its approval.

The consolidated financial statements have been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value.

The separate financial statements of affiliates have been prepared as of the balance sheet date of the consolidated financial statements.

The income statement has been prepared in accordance with the cost of sales method.

The consolidated financial statements are presented in euros. Unless stated otherwise, all figures are stated in thousands of euros (EUR k).

A.3 Assumptions, estimates and the use of judgment by management

Preparation of the consolidated financial statements in compliance with IFRSs requires management to make assumptions and estimates which have an impact on the figures disclosed in the consolidated financial statements and the notes thereto. The estimates are based on historical data and other information on the transactions concerned. Actual results may differ from such estimates. Assumptions based on estimates are reviewed regularly.

Assumptions and estimates are essentially based on the following:

- Annual impairment test for goodwill and intangible assets with indefinite lives on the basis of an estimate of the asset's recoverable amount. The recoverable amount is determined on the basis of an estimate of future cash flows and an appropriate discount rate.
- Recognition and measurement of provisions by estimating the probability of utilization, expected settlement values and the selection of appropriate discount rates.
- Determination of useful lives.
- Measurement of derivative financial instruments by estimating future cash flows.
- Calculation of fair values for assets acquired through business combinations. Independent appraisers are generally involved in assessing business combinations that are individually significant.

Management exercises its judgment in adopting accounting policies which have a significant effect on the figures in the consolidated financial statements as presented below:

- In accordance with IAS 19, the Ströer Group immediately recognizes all actuarial gains and losses directly in equity. Application of a different method could have an effect on pension provisions and the income statement.

- Deferred tax assets may only be recognized if it is probable that sufficient future taxable profit will be available. Judgment must be exercised in assessing whether these claims may be utilized.

A.4 Application of new standards and interpretations and amendments to standards and interpretations

All new and amended standards and interpretations published by the IASB and the IFRIC that are effective for fiscal years beginning on January 1, 2008 and are required to be applied in the EU were adopted in preparing the consolidated financial statements.

In October 2008, the IASB published amendments to the reclassification of financial instruments in **Amendments to IAS 39, "*Financial Instruments: Recognition and Measurement*"** and **IFRS 7, "*Financial Instruments: Disclosures*".** Against the backdrop of the financial market crisis, the amendments address the need to reduce the differences between IFRSs and US GAAP and eliminate any potential competitive advantage US banks may have. These changes give entities the option of reclassifying some non-derivative financial instruments from "financial assets at fair value through profit or loss", provided they were not originally assigned to this category as a result of a fair value option being exercised, and from "available-for-sale financial assets". This relates in particular to financial instruments which originally met the criteria for classification as "loans and receivables" due to a lack of intention to trade or due to inability to be designated as "available for sale". The amendments concerning reclassification may be applied as of 1 July 2008. IFRS 7 was also revised in this connection. The amendments were endorsed by the EU in October 2008. The amendments to IFRS 7 and IAS 39 do not have an effect on the Ströer Group's consolidated financial statements.

On 27 November 2008, the IASB issued an updated version of the amendments originally issued on 13 October 2008 to **IAS 39, "*Financial Instruments: Recognition and Measurement*", including provisions on the use of the fair value option,** and "**IFRS 7,** ***Financial Instruments: Disclosures***". The amendments issued on October 13, 2008 related to the reclassification of some financial instruments. The update to the amendments was made with a view to clarifying the effective date of the amendments issued on 13 October 2008. Pursuant to the update, reclassifications made on or after 1 November 2008 take effect as of the date of reclassification and may not be made retroactively. If the reclassification rules were applied before 1 November 2008, the reclassifications may be made with retroactive effect as of 1 July 2008 or a later date. The reclassification rules may not be applied before 1 July 2008. The amendments have not yet been endorsed by the EU. As described under the amendments to IFRS 7 above, this amendment does not have any effect on the consolidated financial statements of the Ströer Group.

IFRIC 11, "*IFRS 2 — Group and Treasury Share Transactions*", was issued in November 2006 and endorsed by the EU in July 2007. IFRIC 11 becomes effective for fiscal years beginning on or after 1 March 2007. It addresses the issue of how group-wide share-based payments should be recognized, the consequences of transferring employees between group entities and how share-based payments should be accounted for by entities that issue treasury shares or have to acquire shares from a third party. Adoption of IFRIC 11 did not have an effect on the 2008 consolidated financial statements nor is it expected to have an effect on consolidated financial statements of the Ströer Group in future periods.

The following standards, interpretations and amendments to current standards and interpretations issued by the IASB whose application is currently not mandatory for fiscal year 2008 have not been adopted early in the consolidated financial statements.

In May 2008, the IASB published its first omnibus of amendments to its standards, "Improvements to IFRSs". It includes minor amendments to 20 IFRSs, which are presented in two parts. The first part is composed of amendments which may have an effect on presentation, recognition or measurement, while the second part comprises terminology or editorial changes. For one part, adoption of the changes is mandatory for fiscal years beginning on or after 31 December 2008 at the latest. The remaining changes, especially those relating to some changes to IFRS 5 and IFRS 1, must be applied for fiscal years beginning after 30 June 2009. The Group does not currently expect application of the revised standards, particularly the changes to IFRS 5, IAS 19, IAS 27, IAS 28 and IAS 39, which were adopted by the EU in January 2009, to have a significant effect on the presentation of the consolidated financial statements of the Ströer Group in future periods.

In November 2008, amendments to **IFRS 1, "First-Time Adoption of International Financial Reporting Standards"** *were issued.* The amendments relate exclusively to the formal structure of IFRS 1, with the general and specific provisions of the standard being presented separately. The revised IFRS 1 supersedes the current IFRS 1 and applies to entities preparing IFRS financial statements for the first time as of 1 July 2009. Earlier application is

permitted. The amendment was endorsed by the EU in January 2009. The amendment to IFRS 1 does not have any effect on the consolidated financial statements of the Ströer Group.

In January 2008, the IASB issued amendments to **IFRS 2, "*Share-Based Payment — Vesting Conditions and Cancellations*".** The amendments clarify that vesting conditions are service conditions and performance conditions only. They also specify that all cancellations during the vesting period, whether by the entity or by an employee, should receive the same accounting treatment. The amendments apply for annual periods beginning on or after 1 January 2009. They were endorsed by the EU in December 2008. The amendments to IFRS 2 are not currently expected to have a significant effect on consolidated financial statements of the Ströer Group in future periods.

The revised IFRS 3, "*Business Combinations*", was issued in January 2008 and becomes effective for fiscal years beginning on or after July 1, 2009. The standard was extensively revised as part of the convergence project of the IASB and the FASB. The significant changes relate in particular to the introduction of an option for measuring goodwill in minority interests acquired, either by using the purchased goodwill method (recognition of the share of identifiable net assets) or the full goodwill method (all goodwill, including goodwill attributable to minority interests of the business combination). Additional changes are the subsequent measurement of existing equity interests in profit or loss after obtaining control for the first time (business combination achieved in stages by successive share purchases) and the necessary recognition of consideration on future events as of the acquisition date. The transitional provisions specify prospective application of the changes. Assets and liabilities acquired through business combinations prior to the first-time application of the new standard are not affected. The amendment has not yet been endorsed by the EU.

On 5 March 2009, the IASB issued **Amendments to IFRS 7, "*Financial Instruments: Disclosures*".** The amendments are entitled "Improving Disclosures About Financial Instruments — Amendments to IFRS 7" and also comprise minor changes to IFRS 4. The amendments to IFRS 7 relate to the calculation of fair values and to liquidity risk. Besides additional disclosures, the guidance on disclosures on the determination of fair value requires a breakdown for each category of financial instrument based on the familiar three-level fair value hierarchy set forth in standard SFAS 157 under US GAAP. It also clarifies and expands on disclosures about liquidity risk. The standard requires separate disclosures on maturities for derivative and non-derivative financial liabilities as well as a description of how the related liquidity risk is managed. The amendments are effective for fiscal years beginning on or after 1 January 2009. However, an entity does not have to provide comparative figures in the year of adoption. Earlier application is permitted. The effects of the changes on future consolidated financial statements of the Ströer Group are currently being investigated.

IFRS 8, "Business Segments", was issued in November 2006 and replaces* IAS 14*, "Segment Reporting". With the introduction of IFRS 8, segment reporting for capital market-oriented entities moves away from the risk and reward approach of IAS 14 and toward the management approach to identifying segments. The segments are identified on the basis of information that is regularly reviewed by an entity's chief operating decision maker to make decisions about operating matters. In addition, the financial accounting approach of IAS 14 has been replaced by the management approach of IFRS 8. IFRS 8 is effective for fiscal years beginning on or after 1 January 2009. The standard was endorsed by the EU on 21 November 2007. The Ströer Group is currently not obliged to prepare or publish a segment report.

The IASB issued **IAS 1, "*(Revised) Presentation of Financial Statements",*** in September 2007. The revised standard sets out the structure and minimum requirements for IFRS financial statements. The revised version of IAS 1 requires an entity to present all non-owner changes in equity in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. Use of the new titles to describe statements within the set of financial statements is optional. The revised version of IAS 1 also requires an entity to present a statement of financial position at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively. The revised standard becomes effective for fiscal years beginning on or after 1 January 2009. As Ströer's consolidated financial statements already comprise a statement of recognized income and expense for the period, the statement of changes in equity presented to date in the notes will be included in an abbreviated form as an additional component of the consolidated financial statements for fiscal year 2009. The Ströer Group does not expect adoption of IAS 1 (Revised) to bring about any other changes to its accounting policies. The standard was endorsed by the EU in December 2008.

In January 2009, the EU endorsed further amendments to **IAS 1, "*(Revised) Presentation of Financial Statements*", including the requirement to present a statement of comprehensive income**. The IASB had issued the amendments in February 2008. The standard requires the following disclosures for puttable financial

instruments classified as equity: The amount classified as equity, the entity's objectives, policies and processes for managing its obligation to repurchase or redeem the instruments when required to do so by the instrument holders, including any changes from the previous period, the expected cash outflow on redemption or repurchase of that class of financial instruments, and information about how the expected cash outflow on redemption or repurchase was determined. If an instrument is reclassified into or out of equity, the amount, the timing and reason for that reclassification must be disclosed. If the entity is a limited life entity, it must also provide information regarding the length of its life. The above disclosures must be made for fiscal years beginning on or after 1 January 2009. Earlier application is permitted. The amendments to IAS 1 are not currently expected to have a significant effect on the consolidated financial statements of the Ströer Group in future periods.

Amendments to **IAS 23, "*Borrowing Costs*",** were issued in March 2007. These require borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset to be capitalized. The standard is effective for fiscal years beginning on or after 1 January 2009. The standard must be applied prospectively. As the benchmark treatment method under IAS 23 is applied in these consolidated financial statements, under which borrowing costs are recognized as an expense in the period in which they are incurred, first-time application of IFRSs will have an effect on the profit and loss for the period and on the carrying amounts of the qualifying assets. Based on current estimates, however, these effects are not expected to be material. The standard was endorsed by the EU in December 2008.

In January 2008, an amended version of **IAS 27, "*Consolidated and Separate Financial Statements*",** was issued. The amendments become effective for the first time for fiscal years beginning on or after 1 July 2009. They are the outcome of the joint project between the IASB and the FASB to revise the accounting provisions governing business combinations. The main features are: the accounting for the effects of transactions which lead to the loss of control of a subsidiary in profit or loss; recognition of the effects of changes in ownership interests without loss of control directly in equity. If the losses applicable to the minority interest in a consolidated subsidiary exceed the interest in the subsidiary's equity, the excess is nonetheless allocated against the minority interest. The transitional provisions are to be applied retrospectively, but allow for several exceptions. The amendments have not yet been endorsed by the EU.

On February 14, 2008, the IASB issued amendments to **IAS 32, "*Financial Instruments: Presentation*"** and **IAS 1, "*Presentation of Financial Statements*"** regarding puttable financial instruments and obligations arising on liquidation. These amendments mean that financial instruments, which are currently defined as liabilities, must be reclassified to equity subject to certain conditions being met. The IASB justifies the new definition of capital by the fact that these financial instruments have no priority over other claims to the net assets of the entity. These amendments become effective for fiscal years beginning on or after 1 January 2009. Earlier application is permitted. Application of the amendments to IAS 32 and IAS 1 is not expected to have a significant impact on the consolidated financial statements. The amendments were endorsed by the EU in January 2009.

In July 2008, the IASB issued "***Eligible Hedged Items — Amendment to IAS 39*** **Financial Instruments: Recognition and Measurement**", ***including provisions on the use of the fair value option.*** The amendment clarifies application of hedge accounting in two specific situations: the designation of inflation as a hedged risk (or portion in particular situations) and the designation of a one-sided risk in a hedged item. Adoption of the amendment is mandatory for fiscal years beginning on or after 1 July 2009; earlier adoption is permitted. The Group presently does not expect adoption of the amendment, provided it is endorsed by the EU in its current version, to have a significant effect on the presentation of the consolidated financial statements in future periods.

On 12 March 2009, the IASB issued amendments to **IFRIC 9, "Reassessment of Embedded Derivatives**" and **IAS 39, "*Financial Instruments: Recognition and Measurement*".** The amendments serve to clarify accounting for embedded derivatives when reclassifying financial instruments. In the amendments to IFRIC 9 and IAS 39, the IASB clarifies that when certain financial instruments are reclassified out of the "at fair value through profit or loss" category, the embedded derivatives must be reassessed and accounted for separately in the financial statements if necessary. This assessment must be made on the basis of the circumstances known at the time the entity became party to the financial instrument, or, if subsequent changes are made to the contract with significant effects on the cash flows, on the basis of the circumstances known at this later date. If the fair value of the derivative cannot be reliably determined, the entire hybrid financial instrument must remain in the "at fair value through profit or loss" category. The amendments must be applied retrospectively for fiscal years ending on or after 30 June 2009. No significant effects on the consolidated financial statements of the Ströer Group are expected from first-time application of the amendments to IFRIC 9 and IAS 39.

IFRIC 12, "*Service Concession Arrangements*", was issued in November 2006 and addresses the accounting treatment for infrastructure for public services provided by private sector entities. Application of the interpretation becomes mandatory for the first fiscal year beginning after 29 March 2009. Earlier application is permitted. Adoption of IFRIC 12 is not expected to have an effect on the consolidated financial statements of the Ströer Group in future periods. The interpretation was endorsed by the EU on 25 March 2009.

In June 2007, the IFRIC published **IFRIC 13, "*Customer Loyalty Programs*".** IFRIC 13 addresses accounting by the entity that grants award credits to its customers ("points" or "miles") or participates in other programs of some other form. It explains in particular how such entities are to account for free or discounted goods or services ("awards") for customers who redeem their award credits. The interpretation becomes effective for fiscal years beginning on or after 31 December 2008 and is not expected to have an effect on the Group's accounting. The interpretation was endorsed by the EU in December 2008.

IFRIC 14, "*IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*", was issued in July 2007 and gives general guidelines on determining the limit of the excess amount of a pension fund which can be recognized as an asset under IAS 19. The interpretation also explains how statutory or contractual minimum funding requirements can affect plan assets or liabilities. Application of the interpretation becomes effective for fiscal years beginning on or after 31 December 2008. Application of this interpretation is not expected to have a significant impact on the accounting for defined benefit plans in the Ströer Group. The interpretation was endorsed by the EU in December 2008.

In July 2008, **IFRIC 15, "*Agreements for the Construction of Real Estate*",** was issued. It governs accounting for real estate sales where agreements are concluded with buyers before construction is complete. The interpretation, which was issued on 3 July 2008, clarifies in particular the circumstances under which IAS 11 and IAS 18 are to be applied and when the relevant revenue should be recognized. It is effective for fiscal years beginning on or after 1 January 2009. Adoption of IFRIC 15 is not expected to have an effect on Ströer's consolidated financial statements. The interpretation has yet to be endorsed by the EU.

IFRIC 16, "*Hedges of a Net Investment in a Foreign Operation*", which was also issued on 3 July 2008, responds to issues in connection with hedge accounting of foreign currency risk. In particular, the interpretation specifies the nature of the hedged risk for which a hedging relationship may be designated, where in a group the hedging instrument can be held and accounting for the disposal of the foreign operation. Adoption of the interpretation is mandatory for fiscal years beginning on or after 1 October 2008. Adoption of IFRIC 16 is not expected to have a significant effect on Ströer's consolidated financial statements. The interpretation has yet to be endorsed by the EU.

IFRIC 17, "*Distributions of Non-Cash Assets to Owners*", was issued on 27 November 2008 and governs issues such as how an entity must account for transfers of assets other than cash as dividends to its owners. A liability to pay a dividend must be recognized when the dividend has been authorized by the relevant authority and is no longer at the discretion of the entity. The liability to pay a dividend must be recognized at the fair value of the assets to be distributed. The difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable must be recognized in profit or loss. Additional disclosures must be made in the notes if the assets to be distributed meet the definition of a discontinued operation. Adoption of the interpretation is mandatory for fiscal years beginning on or after 1 July 2009. Adoption of IFRIC 17 is not expected to have a significant effect on Ströer's consolidated financial statements. The interpretation has yet to be endorsed by the EU.

On 29 January 2009, **IFRIC 18, "*Transfers of Assets From Customers*",** was issued. It provides additional guidance on accounting for transfers of assets from customers and is of particular relevance for the utilities industry according to the IASB. It clarifies the requirements under IFRSs for the recognition of agreements under which an entity receives items of property, plant and equipment that the company has to use, for example, to connect customers to a network and/or to provide customers with ongoing access to goods and services. It also deals with cases where an entity receives cash for the acquisition or construction of such items of property, plant and equipment. The interpretation addresses when the definition of an asset is met, how the transferred item of property, plant and equipment should be measured on initial recognition, the identification of separately identifiable services in exchange for the transferred asset, how the resulting credit should be accounted for and how an entity should account for a transfer of cash from its customer.

IFRIC 18 must be applied prospectively to transfers of assets by customers on or after 1 July 2009. The Ströer Group is currently investigating what effects adoption of IFRIC 18 will have on its consolidated financial statements. The interpretation has yet to be endorsed by the EU.

The respective standards and interpretations will be adopted once they become operative in the EU (after endorsement).

B. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.1 Basis of consolidation

The consolidated financial statements include the financial statements of all entities which Ströer AG directly or indirectly controls. Control within the meaning of IAS 27, *"Consolidated and Separate Financial Statements"*, is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Consolidation commences on the date on which the Group gains control and ends when the Group loses this control.

In addition to Ströer AG, 24 German and 10 foreign subsidiaries were consolidated as of 31 December 2008 on the basis of full consolidation and 10 German and 11 foreign joint ventures on the basis of proportionate consolidation. A subsidiary acquired with a view to short-term resale is presented in accordance with IFRS 5. Two associates were consolidated using the equity method of accounting.

Ströer Out-of-Home Media AG, Cologne

Fully consolidated entities

Name	Registered office	Country	Shareholding % 31 Dec. 2008	Shareholding % 31 Dec. 2007
Berlin-Werbung Gesellschaft für Industrie- u. Wirtschaftswerbung mbH	Cologne	Germany	—	100
blowUP Media Benelux B.V.	Amsterdam	Netherlands	80	80
blowUP Media Espana S.A.	Madrid	Spain	70	75
blowUP Media France SAS	Paris	France	82	82
blowUP Media GmbH	Cologne	Germany	75	75
blowUP media project GmbH	Cologne	Germany	75	75
blowUP Media U.K. Ltd.	London	Great Britain	80	80
City Design Gesellschaft für Aussenwerbung mbH	Cologne	Germany	100	100
City Videoboard GmbH	Stuttgart	Germany	—	100
Culture Plak Marketing GmbH	Berlin	Germany	100	100
DERG Vertriebs GmbH	Cologne	Germany	100	100
DSM Deutsche Städte Medien GmbH	Frankfurt	Germany	100	100
DSM Krefeld Aussenwerbung GmbH	Krefeld	Germany	51	51
DSM Mediaposter GmbH	Cologne	Germany	100	100
DSM Zeit und Werbung GmbH	Frankfurt	Germany	100	100
Go Public! Eventmedia GmbH	Cologne	Germany	100	100
Hamburger Aussenwerbung GmbH	Hamburg	Germany	100	100
Hamburger Verkehrsmittel-Werbung GmbH	Hamburg	Germany	75	75
Ströer Infoscreen GmbH (formerly Infoscreen Gesellschaft für Stadtinformationsanlagen mbH)	Cologne	Germany	100	100
Infoscreen Hamburg Gesellschaft für Stadtinformationssysteme mbH	Hamburg	Germany	75	75
Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung	Cologne	Germany	51	51
Max i Plak Sp. z o.o.	Warsaw	Poland	—	100
Megaposter UK Ltd.	Brighton	Great Britain	80	80
Meteor Advertising Ltd.	London	Great Britain	80	80
Ströer DERG Media GmbH	Kassel	Germany	100	100
Ströer Deutsche Aussenwerbung GmbH	Cologne	Germany	100	100
Ströer Deutsche Städte Medien GmbH	Cologne	Germany	100	100
Ströer Media Deutschland GmbH & Co. KG	Cologne	Germany	100	100
Ströer Media Sp. z.o.k.	Warsaw	Poland	98	98
Ströer Media Sp. z.o.o.	Warsaw	Poland	99	99
Ströer Megaposter GmbH	Cologne	Germany	55	55
Ströer Polska Sp.z.o.o.	Warsaw	Poland	99	99
Ströer Promocja Plakatu Sp.z.o.o.	Warsaw	Poland	—	100
Ströer Sales & Services GmbH	Cologne	Germany	100	100
Ukraine OOH Media Holding B.V.	Amsterdam	Netherlands	100	—
WAD Werbeatelier Degen GmbH (formerly “Kurt Lerche Beteiligungs GmbH”)	Stuttgart	Germany	100	100
Werbeatelier Degen GmbH & Co. KG	Stuttgart	Germany	100	100
Werbering GmbH	Cologne	Germany	100	100

Ströer Out-of-Home Media AG, Cologne

The following joint ventures are engaged in the commercialization of out-of-home media.

Proportionately consolidated joint ventures

Name	Registered office	Country	Shareholding %	
			31 Dec. 2008	31 Dec. 2007
Arge Schönefeld GbR	Berlin	Germany	50	50
blowUP Media Belgium N.V.	Antwerp	Belgium	60	—
City Lights Reklam Pazarlama Ltd. Sti	Istanbul	Turkey	50	50
DSMDecaux GmbH	Munich	Germany	50	50
Dünya Tanitim ve Turizm Ticaret Ltd. Sti.	Istanbul	Turkey	50	50
Gündem Matabaacilik Organizasyon Gazetecilik Reklam San. Tic. Ltd	Antalya	Turkey	50	50
Ilbak Neon Kent Mobilyalari Ltd. Sti.	Istanbul	Turkey	50	50
Inter Tanitim Hizmetleri ve Ticaret A.S.	Istanbul	Turkey	33	50
Kultur-Medien Hamburg GmbH	Hamburg	Germany	50	50
Konya Inter Tanitim ve Reklam Hizmetleri A.S.	Istanbul	Turkey	25	25
mediateam Werbeagentur GmbH/Ströer Media Deutschland GmbH & Co. KG — GbR	Cologne	Germany	50	50
Medya Group Tanitim Halkla Iliskiler Organizasyon Sanayi ve Ticaret Ltd. Sti.	Istanbul	Turkey	36	36
Mega-Light Staudenraus & Ströer GbR	Cologne	Germany	50	50
Objektif Kentvizyon Reklam Pazarlama Ticaret Ltd. Sti.	Istanbul	Turkey	40	40
Reutlinger Gesellschaft für Stadtverkehrsanlagen DEGESTA und DSM Deutsche Städte Medien GbR	Frankfurt	Germany	—	50
SK Kulturwerbung Bremen-Hannover GmbH	Bremen	Germany	50	50
SK Kulturwerbung Rhein-Main GmbH	Frankfurt	Germany	50	50
Stadtkultur Rhein-Ruhr GmbH, Büro für Kultur und Produktinformation	Essen	Germany	50	50
Ströer Akademi Reklam Parzarlama Ltd. Sti.	Istanbul	Turkey	50	50
Ströer Kentvizyon Reklam Pazarlama Ltd. Sti.	Istanbul	Turkey	50	50
Trierer Gesellschaft für Stadtmöblierung mbH	Trier	Germany	50	50
X-City Marketing Hannover GmbH	Hanover	Germany	50	50

XOREX GmbH, Cologne, was consolidated for the first time as of 31 December 2008 according to the equity method of accounting. 24.6% of the shares were acquired with effect from 18 September 2008. SMI also continues to be accounted for using the equity method.

In 2008, 60% of the shares in blowUP Media Belgium N.V., Antwerp, were acquired. Due to a lack of control, this entity is included in the consolidated financial statements by way of proportionate consolidation. Goodwill of EUR 393k arose on initial recognition.

The following entities were acquired by other group entities in 2008 by way of intragroup combinations:

- Berlin-Werbung Gesellschaft für Industrie- u. Wirtschaftswerbung mbH, Cologne
- City Videoboard GmbH, Stuttgart
- Max i Plak Sp. Z.o.o., Warsaw
- Ströer Promocja Plakatu Sp.z.o.o, Warsaw

The proportionately consolidated joint venture "Reutlinger Gesellschaft für Stadtverkehrsanlagen DEGESTA und DSM Deutsche Städte Medien GmbH GbR", Frankfurt, was dissolved as of 31 December 2008.

Ukraine OOH Media Holding B.V., Amsterdam, which was acquired with a view to resale, is presented in the financial statements in accordance with IFRS 5.

The joint ventures had the following effect on assets and liabilities, income and expenses of the Group (quoted values):

	31 Dec. 2008	31 Dec. 2007
	EUR k	
Current assets	44,906	31,775
Non-current assets	31,145	41,808
Current liabilities	26,015	24,797
Non-current liabilities	27,677	20,624
Net assets	**22,359**	**28,162**

	2008	2007
	EUR k	
Revenue	67,036	59,978
Expenses	63,817	52,938
Earnings after taxes	**3,219**	**7,040**

B.2 Changes in the Group

B.2.1 Business combinations

Business combinations are recognized as of the date of acquisition using the purchase method pursuant to IFRS 3, *"Business Combinations"*. The cost of a business combination is allocated by recognizing the assets acquired and liabilities assumed as well as certain contingent liabilities at fair value. Any excess of the cost of the combination is recognized as goodwill and tested annually for impairment in subsequent periods (see section E.2.). Goodwill is not amortized. Any remaining negative goodwill is recognized immediately in profit or loss.

The cost of foreign entities acquired is translated into euros at the exchange rate applicable on the date of acquisition.

By agreement dated 15 December 2008, 100% of the shares in Ukraine OOH Media Holding B.V., Amsterdam, were acquired. The cost is based on the consideration that the buyer will obtain from reselling Ukraine OOH Media Holding. Pursuant to Art. 4 of the agreement, the buyer is to sell all of the shares to an unrelated third party within one year. Due to the contractually agreed intention to resell, the entity is included in the consolidated financial statements as required by IFRS 5. It is recognized at fair value less costs to sell. On initial recognition, the fair value of Ukraine OOH's liabilities based on its IFRS consolidated financial statements was determined as EUR 661k. The acquired assets were derived from the cost of the acquisition plus the fair value of the liabilities (EUR 661k). No contractual agreement was made concerning a share in Ukraine OOH's profit for the period.

Effective 1 September 2008, 60% of the shares in blowUP Media Belgium N.V., Antwerp, were acquired. This entity is a joint venture and is included proportionately in the consolidated financial statements.

The cost of the acquisition came to EUR 598k plus incidental acquisition costs of EUR 67k. EUR 390k thereof was paid in the fiscal year. The outstanding purchase price of EUR 250k is being repaid over a period of five years at EUR 50k p.a. The discount of EUR 42k on the residual purchase price liability is contained in the purchase price.

Details on the net assets acquired and goodwill are provided below:

	in EUR k
Cost of acquisition	598
Incidental acquisition costs	67
Purchase price	**665**
Fair value of the Group's share in the acquired net assets (share 75%)	174
Minority interests	98
Goodwill	393

The goodwill disclosed relates to the other remaining economic benefits which do not meet the recognition criteria for intangible assets (e.g., staff).

The purchase price was allocated to the assets acquired and liabilities assumed as follows:

	Carrying amount before acquisition	Adjustment	Carrying amount after acquisition
		in EUR k	
Assets acquired and liabilities assumed (share 75%)			
Goodwill	0	393	393
Property, plant and equipment	2	0	2
Trade receivables	88	0	88
Other receivables and other assets	145	0	145
Cash and cash equivalents	133	0	133
Trade payables	−83	0	−83
Other liabilities	−111	0	−111
Minority interests	0	98	98
	174	491	665
Purchase price			**665**
Thereof incidental acquisition costs			−67
Residual purchase price obligation			−250
Net outflow from acquisition			**348**

The adjustments in connection with the purchase price allocation related in full to goodwill. No hidden reserves were recognized.

Had blowUP Media Belgium N.V. been included in the consolidated financial statements as of 1 January 2008, the effect on revenue and earnings would have been as follows:

	Revenue	Earnings after taxes
	EUR k	
1 Jan. to 31 Dec. 2008 (proportionately consolidated)	52	−190

B.2.2 Sales and other disposals

With effect from 31 December 2008, Reutlinger Gesellschaft für Stadtverkehrsanlagen DEGESTA und DSM Deutsche Städte Medien GbR, Frankfurt, was dissolved and thus deconsolidated. The entity had previously been proportionately consolidated (50%). The residual receivable from the divestment comes to EUR 30k and has not yet been received.

The effects of the divestment on the Group's assets and liabilities as of the date of disposal are shown below:

	Carrying amount at date of disposal
	in EUR k
Other current assets	126
Cash and cash equivalents	189
Other liabilities	−287
Profit or loss from dissolution	2
Residual receivable	**30**

B.3 Consolidation principles

The assets and liabilities of the fully or proportionately consolidated entities are measured on the basis of uniform accounting policies. The balance sheet date of all entities consolidated is 31 December.

Acquisition accounting was performed by offsetting the carrying amounts of the equity investments against the Group's interest in the subsidiaries' remeasured equity as of the date of acquisition. The assets, liabilities and

contingent liabilities are measured at fair value. Any excess is recognized as goodwill. Any remaining negative goodwill is recognized immediately in profit or loss.

The hidden reserves and charges recognized are subsequently remeasured applying the accounting policy for the corresponding assets and liabilities. Goodwill recognized is tested for impairment each year (please see section E.2.).

Write-ups and write-downs in the fiscal year on shares in consolidated entities recognized in the separate financial statements are eliminated in the consolidated financial statements. Intragroup profits and losses, revenue, expenses and income as well as receivables and liabilities between consolidated entities are eliminated.

Effects of consolidation on income taxes are accounted for by deferred taxes.

Subsidiaries are fully consolidated from the date of acquisition, i.e., the date on which the Group obtains control. Minority interests in equity and profit or loss are recognized in a separate item under equity. Consolidation ends as soon as the parent ceases to have control. If additional shares are acquired in fully consolidated entities, this difference is recognized as goodwill (parent entity extension method).

A joint venture is defined as a contractual arrangement between two or more parties to undertake economic activities that are subject to joint control. Joint ventures are consolidated on a proportionate basis in line with the above principles of full consolidation.

Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost and increased or decreased during the year to recognize Ströer AG's share of the profit or loss.

For the purpose of measurement, other equity investments are classified pursuant to IAS 39 as "available-for-sale financial assets" and are recognized at cost or fair value, provided this can be reliably measured.

B.4 Currency translation

The financial statements of the consolidated foreign entities whose functional currency is not the euro are translated pursuant to IAS 21, *"The Effects of Changes in Foreign Exchange Rates"*, into the Group's presentation currency (euro). The functional currency of the foreign entities is the respective local currency.

Assets and liabilities are translated at the closing rate. Equity is reported at the historical rate. Expenses and income are translated into euros at the weighted average rate of the respective period. Exchange differences are recognized directly in equity. Exchange differences recognized directly in equity are only recognized in profit or loss if the corresponding entity is sold or deconsolidated.

Transactions conducted by the consolidated entities in foreign currency are translated into the functional currency at the exchange rate valid on the date of the transaction. Gains and losses arising on the settlement of such transactions or on translating monetary items in foreign currency at the closing rate are recognized in profit or loss.

The following exchange rates were used for the most important foreign currencies in the Ströer Group:

		Closing rate		Weighted average rate	
Country	**Currency**	**31 Dec. 2008**	**31 Dec. 2007**	**2008**	**2007**
Poland	PLN	4.1823	3.5982	3.4861	3.8140
Turkey	TRY	2.1520	1.7135	1.8715	1.8013
UK	GBP	0.9600	0.7346	0.7804	0.6803

C. SIGNIFICANT ACCOUNTING POLICIES

C.1 Revenue and expense recognition

Revenue is mainly generated from the commercialization of advertising space in the poster and giant poster segments, as well as advertising in the transport media and digital media.

Revenue is recognized when the service is rendered, i.e., on the date when the advertising is displayed, and is disclosed net of trade discounts and rebates.

Advertising media from other entities are commercialized in addition to the Company's own media. Revenue from the commercialization of advertising media for non-group entities is recognized net of the revenue share attributable to these transactions. Hence the agreed sales commissions are disclosed on a net basis under revenue.

Revenue from back-to-back transactions is measured at the market value of the consideration received and adjusted as appropriate by an additional cash payment. If the market value cannot be reliably measured, back-to-back transactions are measured at the market value of the advertising service rendered and adjusted as appropriate by an additional cash payment.

Income from services rendered and included in other operating income is recognized at the time of performance.

Operating expenses are recognized in profit or loss when the service is used or when the costs are incurred.

Interest is recognized on an accrual basis in the financial result applying the effective interest rate method.

Dividends are recognized at the time when the right to receive is established.

C.2 Goodwill and other intangible assets

C.2.1 Goodwill

Pursuant to IFRS 3, goodwill is measured as the excess of the cost of the business combination over the interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities as of the date of acquisition. Amortization is not charged.

Goodwill is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. For more information on impairment testing, please see section E.2. There were no reversals of impairment losses on goodwill.

C.2.2 Intangible assets acquired for a consideration

Intangible assets acquired for a consideration, chiefly rights on advertising use and software, are recognized at cost. The depreciable amount of intangible assets with finite useful lives is allocated on a systematic basis over their useful lives. The intangible assets of the Ströer Group are tested regularly for impairment and written down to their recoverable amount if this is lower than the carrying amount. If the reasons for impairment cease to apply, the impairment losses are reversed, but by no more than the amount of amortized cost. Amortization in the fiscal year is allocated on the basis of the function of expense method. The appropriateness of the useful lives and of the method of amortization are reviewed annually.

Goodwill and intangible assets with indefinite useful lives are not amortized and are instead tested for impairment at least once annually. Further information on impairment testing can be found in section E.2.

Based on historical data on the renewal of contracts, the Ströer Group treats contracts on advertising use with municipal partners acquired for a consideration as part of an acquisition as intangible assets with indefinite useful lives. They are measured and recognized at fair value — calculated on the basis of the purchase price allocation — and are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If this is not the case, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Amortization of intangible assets is charged on the basis of the following uniform group-wide useful lives:

Useful life	In Years
Rights of use (municipal property)	Indefinite
Other rights of use	15 to 30
Other intangible assets	3 to 10
Goodwill	Indefinite

C.2.3 Internally generated intangible assets

The cost for the development of new or considerably improved products and processes is capitalized if the development costs can be measured reliably, the product or process is technically or economically feasible and future economic benefits are probable. In addition, the Ströer Group must intend and have adequate resources available to complete the development and to use or sell the asset.

The Group could incur development costs from the (further) development of advertising media and software development.

Capitalized costs mainly include personnel expenses and directly allocable overheads. Borrowing costs are not capitalized. Capitalized development costs are recognized at amortized cost. Research and development costs which do not meet the recognition criteria for capitalization are recognized in profit or loss in the period in which they are incurred.

C.3 Property, plant and equipment

Property, plant and equipment are recognized at depreciated cost.

Cost comprises the purchase price, incidental acquisition costs and subsequent expenditure net of purchase price reductions. Borrowing costs are not capitalized. Investment grants received are recognized as a reduction in cost.

Separately identifiable components of an item of property, plant and equipment are recognized individually and depreciated.

Depreciation is charged on a straight-line basis over the respective useful life of the asset. The depreciation expense is allocated on the basis of the function of expense method. If the reasons for impairment cease to apply, the impairment loss is reversed. The residual carrying amount, the assumptions on the useful lives and the appropriateness of the depreciation method are reviewed annually.

Depreciation is based on the following useful lives:

Useful life	In Years
Buildings	50
Plant and machinery	5 to 13
Advertising media	4 to 35
Other plant and equipment	3 to 15

The costs estimated for the dismantling and removal of advertising media after the termination of a contract on advertising use is recognized as part of the cost of the respective advertising media. The amount is measured on the basis of the provision recognized for restoration obligations in accordance with IAS 37, *"Provisions, Contingent Liabilities and Contingent Assets"* (please see section 10.).

In the case of finance leases where the Ströer Group is the lessee, the leased asset is recognized and matched by a lease liability. A lease is classified as a finance lease pursuant to IAS 17, *"Leases"*, if the lease transfers substantially all risks and rewards incidental to ownership to the lessee. The leased asset is recognized at the lower of the fair value at the inception of the lease or the present value of the minimum lease payments. Leased assets are depreciated on a straight-line basis over the shorter of their useful lives or the lease term if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term. The corresponding lease liabilities are recognized in the balance sheet in accordance with their terms. The interest portion of the lease liabilities is recognized through profit or loss over the lease term in the financial result.

Lease income from operating leases is recognized in income on a straight-line basis over the lease term.

C.4 Investment property

Investment property is held to earn rentals or for capital appreciation or both. It is initially recognized at fair value, and is subsequently measured at depreciated cost. The fair value of this investment property is measured separately and discussed in section E.4 of these notes. The depreciation period is 50 years. Depreciation is charged on a straight-line basis.

Impairments of investment property are recognized in accordance with IAS 36. If the reasons for impairment losses recognized in prior years cease to apply, the impairment losses are reversed.

If the nature of use of an investment property changes, this is reflected in property, plant and equipment.

C.5 Investments in associates

Investments in associates contain equity-accounted investments which are included in the consolidated financial statements. The equity method is applied in accordance with IAS 28, *"Investments in Associates"*, if Ströer AG, directly or indirectly, has significant influence over an associate. Investments in associates are initially

recognized at cost and the carrying amount is increased or decreased to recognize Ströer AG's share of the profit or loss.

C.6 Financial assets

Under IAS 39, *"Financial Instruments: Recognition and Measurement",* financial assets are classified and measured as either "financial assets at fair value through profit or loss", as "loans and receivables" or as "available-for-sale financial assets". They comprise other financial assets, trade receivables and other financial instruments. The entity recognizes a financial asset when it becomes party to the contractual provisions of the instrument (settlement date) or when the respective service is rendered.

Financial assets not at fair value through profit or loss are measured at the transaction costs that are incremental costs directly attributable to the acquisition.

Financial assets include investments in equity instruments. They are designated as "available-for-sale financial assets" and are carried at cost as they do not have a quoted market price in an active market and their fair value can therefore not be reliably measured. The provisions on the recognition of changes in the fair value of "available-for-sale financial assets" directly in equity are not applied.

Trade receivables are designated as "loans and receivables" and are initially measured at fair value, which represents the cost on the date of acquisition. In subsequent periods, these items are measured at amortized cost. Non-interest and low interest bearing non-current receivables are carried at the present value of estimated future cash flows where the effect of the time value of money is material. The effective interest method is used for the calculation. Assets are classified as non-current if they are not due to be settled within 12 months after the balance sheet date.

Leases are classified as either operating or finance leases. Contractual provisions that substantially transfer all the risks and rewards incidental to ownership to the lessee are recognized as finance leases. Where the Ströer Group is the lessor, a receivable from the finance lease is recognized at the amount equal to the net investment in the lease.

The financial assets disclosed under **other receivables and other assets** are classified as "loans and receivables". Measurement is performed in the same manner as for trade receivables. Derivative financial instruments which are not hedged are measured at fair value; changes in value are recognized in profit or loss. Changes in the fair value of derivatives hedged by a cash flow hedge are recognized in equity in accordance with IAS 39, *"Financial Instruments: Recognition and Measurement"*, provided the hedge is effective. The amounts recognized in equity are recognized in the income statement in the period in which the hedged transaction affects profit or loss, e.g., when hedged finance income or expenses are recognized. If the forecast transaction is no longer expected to occur, the amounts previously recorded under equity are recognized in profit or loss for the period. The fair value of derivatives is calculated by discounting the estimated future cash flows at prevailing market value. For further information on derivative financial instruments, please see section G.1.

If there are indications of impairment for financial assets carried at cost, a write-down to the lower expected realizable value is made. Uncollectible receivables are written off. If the reasons for an impairment loss cease to apply, the impairment loss is reversed as appropriate.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses on equity instruments classified as available for sale are not recognized in the income statement.

A financial asset is derecognized when the contractual rights to receive cash flows expire, i.e., when the asset was realized or expired or when the asset is no longer controlled by the entity.

C.7 Inventories

Inventories are carried at acquisition cost. Cost is calculated on the basis of the weighted average method. Inventories are measured at the lower of cost or net realizable value as of the balance sheet date.

C.8 Deferred taxes

Deferred taxes are calculated in accordance with IAS 12, *"Income Taxes"*. They are recognized on temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and their tax base as

well on consolidation entries and on potentially realizable loss carryforwards. Deferred taxes on items recognized directly in equity according to the relevant standards are also recognized directly in equity. The accumulated amounts of deferred taxes recognized directly in equity as of 31 December 2008 are presented in the separate statement of recognized income and expense for the period.

Deferred tax assets are recognized on deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax assets can be utilized. Unrecognized deferred tax assets are reviewed at each balance sheet date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are determined on the basis of the tax rates which apply in the individual countries at the time of realization. These are based on tax rates in force or already adopted on the balance sheet date. Effects from tax rate changes are recognized in profit or loss, unless they relate to items recognized directly in equity. Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against the current tax liabilities, and when the deferred taxes relate to the same tax type and tax authority.

C.9 Non-current assets and liabilities held for sale

Non-current assets (or a disposal group) and investments acquired with a view to resale are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered through a sale transaction rather than through continuing use.

C.10 Provisions

Provisions are recognized for obligations to third parties arising from past events, the settlement of which is expected to result in an outflow of cash and whose amount can be reliably estimated.

C.10.1 Pension provisions and similar obligations

Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Provisions for post-employment benefits and similar obligations are measured according to the projected unit credit method. This method takes into account the pensions known and expectancies earned as of the balance sheet date as well as the increases in salaries and pensions expected in the future. Pension obligations are calculated on the basis of actuarial reports. All actuarial gains and losses are disclosed directly in equity.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. They comprise any resulting change from a curtailment or settlement in the present value of the defined benefit obligations and any related actuarial gains and losses and past service cost that had not previously been recognized.

In the case of defined contribution plans (e.g., direct insurance policies), the contributions payable are immediately expensed. Provisions for pension obligations are not recognized for defined contribution obligations as the Ströer Group does not have any other obligations in these cases apart from premium payment obligations.

C.10.2 Other provisions

Provisions are measured on the basis of the best possible estimate of the expected net cash flows, or in the case of long-term provisions, at the present value of the expected net cash flows provided the time value of money is material.

If legal or contractual obligations provide for the removal of advertising media and the restoration of the site at the end of the term of a contract on advertising use, a provision is recognized for this obligation if it is probable that the obligation will have to be settled. The provision is measured on the basis of the estimated future costs of restoration at the end of the contractual term, discounted to the date the provision was initially set up on. The provision is then recognized in this amount directly in the balance sheet and is matched by the same amount under

property, plant and equipment (please see section C.3.). Changes in the value of the provisions are immediately reflected in the corresponding value under property, plant and equipment.

Provisions for potential losses from pending transactions are recognized if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The provision for archiving costs is recognized by German entities to cover the legal obligation to retain business documents.

C.11 Financial liabilities

Financial liabilities comprise finance liabilities, trade payables and other liabilities. Pursuant to IAS 39, *"Financial Instruments: Recognition and Measurement"*, financial liabilities are initially recognized at fair value. For the purpose of subsequent measurement, financial liabilities are classified as "financial instruments at fair value through profit or loss", and "financial liabilities at amortized cost. In the Ströer Group, only derivative financial instruments which are not effectively hedged are measured at fair value through profit or loss. Subsequent measurement is at amortized cost using the effective interest method.

Financial liabilities comprise liabilities to silent partners, liabilities to banks and other financial liabilities. Financial liabilities are measured at fair value upon initial recognition and at amortized cost subsequently using the effective interest method. The fair value is calculated by discounting the estimated future cash flows at prevailing market value.

Current liabilities are stated at the redemption amount or settlement amount. Transaction costs are deducted from cost if they are directly attributable. Non-interest and low interest bearing non-current financial liabilities are carried at the present value of estimated future cash flows discounted at the current market rate where the effect of the time value of money is material. Liabilities are classified as non-current if they are not due to be settled within 12 months after the balance sheet date.

Trade payables and **other financial liabilities** are measured in line with the procedure described above for financial liabilities.

A financial liability is derecognized if the contractual obligation underlying the liability is discharged, canceled or expires.

C.12 Other receivables and liabilities

Deferrals, prepayments and non-financial assets and liabilities are recognized at amortized cost.

C.13 Contingent liabilities

Contingent liabilities are potential obligations which are based on past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events which are beyond the Ströer Group's control. Furthermore, present obligations are deemed contingent liabilities if an outflow of resources is not sufficiently probable for the recognition of a provision and/or the amount of the obligation cannot be reliably estimated. Contingent liabilities reflect the scope of liability existing as of the balance sheet date. They are disclosed off the face of the balance sheet in the notes to the financial statements.

C.14 Cash flow statement

The cash flow statement has been prepared in accordance with IAS 7, *"Cash Flow Statements"*, and shows the cash flows of the fiscal year broken down by cash flows from operating, investing and financing activities.

Cash flows from operating activities are presented using the indirect method by deducting non-cash transactions from profit or loss for the period. Furthermore, items which are attributable to cash flows from investing or financing activities are eliminated.

C.15 Financial risk management

In the course of its operating activities, the Group is exposed in the area of finance to credit, liquidity and market risks. The market risks mainly relate to interest rate and exchange rate changes.

The **credit risk** is related to the deterioration of the economic situation of Ströer's customers and counterparties. This brings about the risk of a partial or full default in contractually agreed payments as well as the risk of credit-related impairment losses on financial assets. Excluding securities, the maximum risk of default equates to the carrying amount.

Credit risks mainly result from trade payables. To manage the credit risk, the receivables portfolio is monitored on an ongoing basis. Customers intending to enter into transactions with large business volumes undergo a creditworthiness check beforehand; credit risk is at a level customary for the industry. Bad debt allowances are charged to account for the residual risk. The Ströer Group is exposed to a lesser extent to credit risks arising from other financial assets, which mainly comprise cash and cash equivalents and derivative financial instruments. The Group's maximum exposure to credit risks arising from default of the counterparty equals the carrying amount of these instruments.

The **liquidity risk** is defined as the risk that Ströer AG will not have sufficient funds to settle its payment obligations. The liquidity risk is countered through strict cash management. A liquidity forecast for a fixed planning horizon and the unutilized credit lines in place ensure that the Group has adequate liquidity. Further information on the utilization of credit lines can be found in section E.16.

The following table shows the liquidity situation and the contractual maturity dates for the payments due under the financial liabilities as of 31 December 2008:

Contractual maturity dates of financial liabilities incl. interest payments as of 31 Dec. 2008

	less than 1 year	1 to 3 years	3 to 5 years	more than 5 years	Total
			in EUR k		
Liabilities to silent partners	51,065	0	0	0	**51,065**
Liabilities to banks	44,810	86,189	465,831	111,663	**708,493**
Trade payables	57,112	31	0	35	**57,178**
Other interest-bearing liabilities	14,002	0	0	0	**14,002**
Other non-interest-bearing liabilities	8,889	165	0	1	**9,055**
Derivatives with a negative fair value	−830	9,331	1,120	388	**10,009**
Total	**175,048**	**95,716**	**466,951**	**112,087**	**849,802**

Contractual maturity dates of financial liabilities incl. interest payments as of 31 Dec. 2007

	less than 1 year	1 to 3 years	3 to 5 years	more than 5 years	Total
			in EUR k		
Liabilities to silent partners	10,336	11,486	11,061	42,541	**75,424**
Liabilities to banks	45,533	91,518	91,230	555,844	**784,125**
Trade payables	71,253	0	0	50	**71,303**
Other interest-bearing liabilities	6,157	0	0	0	**6,157**
Other non-interest-bearing liabilities	6,907	0	0	0	**6,907**
Derivatives with a negative fair value	331	164	55	0	**550**
Total	**140,517**	**103,168**	**102,346**	**598,435**	**944,466**

Unutilized contractually agreed credit lines as of the balance sheet date (EUR 99,073k; prior year: EUR 88,778k) are recognized as of the date of expected utilization.

Agreements with two silent partners were terminated with effect as of 31 December 2008. The above table showing the maturity dates contains the outstanding contributions and interest due in less than one year. As of 1 January 2009, the contributions of both silent partners were converted into a subordinated loan, which have the following maturities based on the agreed conditions:

	less than 1 year	1 to 3 years	3 to 5 years	more than 5 years	Total
			in EUR k		
Liabilities from subordinated loan	1,588	7,151	7,417	44,395	**60,551**

The Ströer Group is mainly exposed to **interest rate risks** in connection with non-current floating-rate financial liabilities and existing cash and cash equivalents. It is company policy to prevent and mitigate these risks using hedging transactions. By using interest rate swaps, the interest rates were fixed for the majority of floating-rate financial liabilities. A collar adds to the planning certainty with regard to interest risk exposure. At the same time, the interest rate trend is monitored regularly to enable changes to be reacted to swiftly. All hedging measures are coordinated and carried out centrally. For further information on hedging transactions, please see section G.1.

With the exception of the financing carried out in Turkey in the period under review, **currency risk** is of minor significance for the Group. The functional currency of the entities in foreign countries in which the Group operates is the local currency. With the exception of the refinancing in Turkey (euro loan), only a small amount of transactions in currencies other than the functional currencies are carried out. Due to the depreciation of the Turkish lira against the euro, the Turkish segment disclosed an exchange loss of EUR 5,897k from the euro loan in the fiscal year. Hedges have not been entered into to date.

A **sensitivity analysis** is performed for each type of market risk to which the Company is exposed as of the balance sheet date, showing how profit or loss and equity would have been affected after taxes by hypothetical changes in the relevant risk variable.

A sensitivity analysis of the **interest risk** shows the effect of an upward and downward shift in the term structure of interest rates by 100 basis points (1 percentage point) on the profit and loss and equity, at otherwise unchanged conditions.

Changes in market interest rates of non-derivative financial instruments with fixed interest rates only affect profit or loss if these are measured at their fair value. As the Ströer Group measures such financial instruments at amortized cost, they are not included in the sensitivity analysis.

Floating-rate financial instruments only relate to interest rate hedges and floating-rate financial liabilities, for which no hedges have been entered into, and are discussed in detail under G. 1. The changes in the market interest rate affect the interest payments on the floating-rate liabilities. If the market interest rate were 100 basis points higher (lower) as of the balance sheet date, the result would have been EUR 0k (prior year: EUR 380k) lower (higher). In fiscal year 2008, the remaining unsecured floating-rate financial instruments were hedged.

Changes in the market interest rate also have an effect on the interest income achievable on the balance of cash and cash equivalents. If the market interest rate were 100 basis points higher (lower) as of the balance sheet date, the result would have been EUR 290k (prior year: EUR 779k) lower (higher).

The fair values of derivative interest rate instruments are determined on the basis of the hypothetical change in the market interest rate. Differences between the fair values actually recognized and the potential effects on profit or loss and on equity are determined as of the balance sheet date and shown in the following table. Any effects from interest rate changes on future cash flows are considered in the following sensitivity analysis in accordance with IFRS 7.

	Income statement		Recognized directly in equity		Total effect on equity	
31 Dec. 2008	**bps 100+**	**bps 100−**	**bps 100+**	**bps 100−**	**bps 100+**	**bps 100−**
			in EUR k			
SWAP4	0	0	4,333	−4,554	4,333	−4,554
SWAP5	0	0	2,187	−2,297	2,187	−2,297
SWAP7	0	0	867	−915	867	−915
SWAP8	0	0	868	−916	868	−916
SWAP9	0	0	332	−344	332	−344
SWAP10	740	−790	0	0	740	−790
SWAP11	733	−783	0	0	733	−783
Collar	485	260	184	−1,161	669	−902
Total	**1,958**	**−1,313**	**8,771**	**−10,187**	**10,729**	**−11,501**

31 Dec. 2007 in EUR k	Income statement		Recognized directly in equity		Total effect on equity	
	bps 100+	bps 100−	bps 100+	bps 100−	bps 100+	bps 100−
SWAP1	10	−19	0	0	10	−19
SWAP2	20	−20	0	0	19	−20
SWAP4	0	0	5,033	−5,334	5,033	−5,334
SWAP5	0	0	2,548	−2,698	2,548	−2,698
SWAP6	0	0	1,053	−154	1,053	−154
Collar	−211	−152	1,760	−861	1,549	−1,013
Total	**−181**	**−191**	**10,394**	**−9,047**	**10,212**	**−9,238**

The following foreign currency positions were not hedged in the balance sheet as of 31 December 2008:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Assets	**9**	**15**
Current		
Other receivables	7	0
Cash and cash equivalents	2	15
Equity and Liabilities	**−29,030**	**−19,411**
Non-current		
Liabilities to banks	−24,736	−17,315
Current		
Current accounts	−1,741	−1,747
Interest payables	−426	0
Trade payables	−1,177	−85
Liabilities from acquisitions	−950	−264
Net exposure	**−29,021**	**−19,396**

Currency risks arising on monetary financial instruments that are not denominated in the functional currencies of the individual Ströer group entities were included in the sensitivity analysis. Effects from the translation of financial statements denominated in a foreign currency of foreign operations into the group reporting currency (euro) are not included in the sensitivity analysis in accordance with IFRS 7.

If the euro had appreciated or depreciated by 10% against the Turkish lira as of 31 December 2008, this would have increased or decreased profit or loss and equity by EUR 2,233k (prior year: EUR 1,906k). This analysis was performed under the assumption that all other variables, in particular interest rates, remain unchanged.

C.16 Managing capital

The objective of capital management at the Ströer Group is to ensure the continuation and growth of the Company, and maintain and build on its attractiveness to investors and market participants. In order to ensure the above, the board of management continually monitors the level and structure of borrowed capital. The focus of the internal control system is on the planning and ongoing monitoring of the operating result (EBITDA) in order to maintain optimal financing conditions and thus reduce the interest burden to a minimum. The borrowed capital included in the general capital management system comprises financial liabilities (incl. positive and negative market values from interest rate hedges) and other liabilities such as those disclosed in the consolidated balance sheet.

Equity is monitored entirely by the individual entities within the scope of monitoring compliance with the minimum capital requirements to avert insolvency proceedings due to excessive debt. The equity monitored in this context corresponds to the equity disclosed according to German GAAP.

With regard to group financing through the issue of bank loans, the Ströer Group uses the external KPI of the maximum debt-to-equity ratio permitted as a guideline. This debt-to-equity ratio is defined as the ratio of net debt (excluding contributions by silent partners) to the adjusted operating result before interest, depreciation and

amortization (EBITDA). The financial liabilities, other liabilities and selected warranties presented in the following are in accordance with the definitions within the facility agreement.

Composition of net debt	2008	2007
	in EUR k	
Financial liabilities	500,756	492,395
Other liabilities	1,316	1,124
Selected warranties	10,010	1,174
Balance of fair value of derivative hedging instruments	10,009	−13,260
Cash and cash equivalents	−42,499	−77,957
Net debt	**479,592**	**403,476**
Debt-to-equity ratio	**4.93**	**3.21**

The Company was within the limits of the net debt ratio in the fiscal year and in the prior year. If the limits are not adhered to, investors would have the right to demand immediate repayment of all or a portion of the loan granted.

The capital management strategy has not been changed against the prior year.

C.17 Share-based payments

The Company must recognize the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. It must recognize a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. For cash-settled share-based payment transactions, the Company must measure the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Company must remeasure the fair value of the liability at each reporting date, with changes in fair value recognized in profit or loss.

D. NOTES TO THE INCOME STATEMENT

D.1 Revenue

Revenue breaks down by segment as follows:

	2008	2007
	in EUR k	
SMD Group	393,994	411,360
blowUP Group	20,476	31,787
Poland	41,729	33,921
Turkey	37,165	31,968
Total	**493,364**	**509,036**

The “SMD Group” segment is represented by Ströer Media Deutschland GmbH & Co. KG and its German subsidiaries and is therefore also segmented by region like the “Poland” and “Turkey” segments. The “SMD Group” segment includes the activities of the poster and transport advertising segments.

The “blowUP Group” segment includes the international commercialization activities in the giant poster business.

Revenue also breaks down as follows:

	2008	2007
	in EUR k	
Advertising revenue	466,111	490,464
Production revenue	21,625	13,350
Other operating income	2,077	2,740
Royalties	3,551	2,482
Total	**493,364**	**509,036**

Revenue includes income of EUR 728k (prior year: EUR 603k) from back-to-back transactions.

D.2 Cost of sales

Cost of sales includes all costs which were incurred in connection with the sale of products and provision of services.

D.3 Selling expenses

Selling expenses include all costs incurred in connection with direct selling expenses and sales overheads. These comprise personnel expenses, cost of materials, depreciation and amortization, and costs related to the sales division.

Expenses from operating leases included under cost of sales are shown in the following table:

	2008	2007
	in EUR k	
Vehicle leasing	1,376	1,170
Office space	2,532	2,357
Rental/lease of facilities	56	72
	3,964	**3,599**

The research and development costs disclosed in the income statement under cost of sales amounted to EUR 1,255k in the fiscal year (prior year: EUR 955k).

D.4 Administrative expenses

Administrative expenses include the personnel and non-personnel expenses of the central administrative areas which are not connected with production/technology, revenue, or research and development.

Administrative expenses include the following expenses from operating leases:

	2008	2007
	in EUR k	
Vehicle leasing	614	576
Office space	2,599	2,275
Lease of buildings	380	509
Rental/lease of facilities	336	386
Hardware and software leasing	831	858
	4,760	**4,604**

D.5 Other operating income

The breakdown of other operating income is shown in the following table:

	2008	2007
	in EUR k	
Income from the utilization and reversal of provisions and the derecognition of liabilities	9,887	4,993
Income from services	2,191	2,403
Income from the disposal of property, plant and equipment and intangible assets	743	1,121
Income from the reversal of bad debt allowances	2,315	1,546
Income from exchange differences	490	831
Miscellaneous other operating income	4,497	7,614
Total	**20,123**	**18,508**

D.6 Other operating expenses

Other operating expenses break down as follows:

	2008	2007
	in EUR k	
Expenses related to the recognition of bad debt allowances and derecognition of receivables and other assets	4,734	4,621
Expenses relating to other periods	23	712
Losses from the disposal of property, plant and equipment and intangible assets	2,267	2,275
Losses from deconsolidation	2,401	0
Expenses from exchange differences	767	319
Miscellaneous other operating expenses	604	325
Total	**10,796**	**8,252**

D.7 Explanation of Individual Types of Expenses

D.7.1 Personnel expenses

The following personnel expenses are included in the cost of sales, administrative expenses, and selling expenses:

	2008	2007
	in EUR k	
Personnel expenses	82,139	84,003
Thereof expenses for old-age pensions		
Expenses related to defined contribution plans	5,150	4,681
Expenses related to defined benefit plans	1,324	1,255

Expenses related to defined contribution plans reflect contributions of EUR 36k (prior year: EUR 40k) to a supplemental pension plan (cf. in this regard Section E.14).

The employer contribution to pension insurance amounted to EUR 5,150k in 2008 (prior year: EUR 4,681k). Contributions for the defined contribution plans are estimated at EUR 5,123k for 2009.

Expenses for defined benefit plans include interest cost of EUR 1,096k (prior year: EUR 1,006k) and are reflected in the finance result in the consolidated income statement.

The average number of employees in the fiscal year broke down as follows:

Number	2008	2007
Salaried employees	1,343	1,253
Wage earners	103	122
Total	**1.446**	**1.375**

The total number includes 191 FTEs (prior year: 171) from the proportionately included joint ventures.

The Company introduced a special remuneration package for executives in October 2007. This package entitles executives to specific bonus payments, on top of their annual salary. One component of the bonus payments is based on the appreciation in the Company's value, with appreciation in value being determined on the basis of the business value. The bonus payment, which is linked to an appreciation in value, is paid out on the condition that the executive remains in the Company's service until the end of fiscal year 2009. The claims will be paid out once the audited financial statements for fiscal year 2009 have been disclosed (probably in 2010).

This special remuneration package is accounted for in accordance with IFRS 2, applying the accounting provisions for cash-settled share-based payment transactions. A measurement model is used to determine the total amount of special remuneration granted to executives. The total amount of the special remuneration is allocated to personnel expenses over the period of service of the beneficiary. As of 31 December 2008, the Company had no obligations from the special remuneration program. The liability of EUR 352k recognized in the prior year was derecognized in the period under review.

D.7.2 Depreciation, amortization and impairment losses

Depreciation and amortization included in the cost of sales, administration expenses, and selling expenses are disclosed in the statements of changes in non-current assets in Sections E.1 and E.3. Please see the explanations in E.1 for impairment losses.

D.8 Share in profit and loss of associates

Ströer AG's share in the losses of associates amounted to EUR 4,133k in fiscal year 2008 (prior year: EUR 2,953k).

D.9 Financial result

The following table shows the composition of the financial result:

	2008	2007
	in EUR k	
Finance income	**3,003**	**2,224**
Interest income from loans and receivables	2,739	2,224
Income from available-for-sale financial assets	218	0
Income from financial instruments measured at amortized cost	46	0
Finance costs	**−57,835**	**−48,689**
Interest expense from financial instruments measured at amortized cost		
Compensation for silent partners	−5,436	−6,500
Early repayment penalty	0	−5
Other interest expense from financial instruments measured at amortized cost	−46,858	−40,075
Interest expense from financial instruments measured at fair value through profit or loss	−3,832	−723
Interest expense from non-financial items		
Interest expense incurred from the unwinding of the discount for pension obligations	−1,096	−1,006
Interest expense from other non-financial items	−613	−380
Financial result	**−54,832**	**−46,465**

Other interest expense from financial instruments measured at amortized cost includes exchange losses of EUR 5,897k from the translation of the non-current loan granted in euros to the Turkish entity.

Interest expense from financial instruments at fair value through profit or loss includes changes in value of the ineffective portion of the collar and the expense from the termination of the interest rate swaps.

The change in the market values of interest rate swaps 10 and 11 was also recognized in interest expense at fair value through profit and loss in fiscal year 2008

D.10 Income taxes

Taxes on income paid or due in the individual countries as well as deferred taxes are stated as income taxes. They break down as follows:

	2008	2007
	in EUR k	
Expenses from current income taxes	11,936	12,981
- thereof for prior years	*−123*	*152*
Expense (prior year: income) from deferred taxes	1,720	−19,549
- thereof for prior years	*−87*	*−276*
Expense(+)/income(−)	**13,656**	**−6,568**

The following income tax assets and liabilities are disclosed in the balance sheet:

	2008	2007
	in EUR k	
Income tax credits	**21,786**	**18,018**
current	6,541	4,943
deferred	15,245	13,075
Income tax liabilities	**91,091**	**90,592**
current	12,161	8,699
deferred	78,930	81,893

Deferred taxes are calculated on the basis of the applicable tax rates for each country. The rates range from 19% to 35% (prior year: from 19% to 40.86%). In its 835th meeting on 6 July 2007, the *Bundesrat*, the Upper House of the German Parliament, adopted the 2008 German Business Tax Reform Act. Under the new reform, the corporate income tax burden for German entities was reduced from 25% to 15% effective 1 January 2008, while the effective trade tax rate increased marginally. This equates to a total tax rate burden of 31.7% (corporate income tax and trade tax) for the German entities in 2008 compared to 40% in the prior year.

Deferred taxes on consolidation procedures are calculated based on the group tax rate of 31.7% (prior year: 31.7%). This comprises corporate income tax of 15%, solidarity surcharge of 5.5%, and average trade tax of 15.88%.

Deferred taxes on transactions recognized directly in equity are recognized at the following amounts:

	2008	2007
	in EUR k	
On actuarial gains (liabilities side)	289	765
On changes in the fair value of financial instruments used for hedging purposes (cash flow hedges) (assets side; prior year: liabilities side)	−6,395	1,515
Total assets (prior year: liabilities)	**−6,106**	**2,280**

Deferred taxes are allocated to the following balance sheet items:

	31 Dec. 2008		31 Dec. 2007	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	in EUR k			
Balance sheet item				
Assets				
Non-current assets				
Intangible assets	835	67,551	1,053	69,485
Goodwill	1,605	1,199	1,605	1,123
Property, plant and equipment	35	15,984	698	16,473
Financial assets	102	43	56	25
Other receivables and other assets	424	604	491	5,231
Current assets				
Inventories	8	0	40	0
Trade receivables	124	361	174	67
Other receivables and other assets	4,027	2,288	2,298	546
Equity and liabilities				
Non-current liabilities				
Pension provisions and similar obligations	1,763	1,070	1,736	776
Other non-current provisions	1,280	6,703	1,184	4,811
Non-current financial liabilities	1,313	1,796	0	2,852
Other non-current liabilities	3,388	9	0	1,020
Current liabilities				
Other current provisions	2,405	433	1,345	375
Current financial liabilities	108	42	626	0
Current trade payables	1,538	0	495	17
Other current liabilities	666	3,639	241	133
Tax loss carryforwards	18,416	0	22,074	0
Total before set-offs	38,037	101,722	34,116	102,934
Less set-offs	−22,792	−22,792	−21,041	−21,041
Total after set-offs	**15,245**	**78,930**	**13,075**	**81,893**

The reconciliation of the expected tax expense and the current tax expense is presented below:

	2008	2007
	in EUR k	
Earnings before income taxes pursuant to IFRS	−918	28,447
Group income tax rate	31.70%	40.00%
Expected income tax expense for the fiscal year	−291	11,379
Effect of tax rate changes	−154	−9,268
Trade tax additions/deductions	2,866	2,473
Effects of taxes from prior years recognized in the fiscal year	−7	428
Effects of deviating tax rates	91	−1.288
Effects of tax-exempt income	−55	−2,043
Impact of permanent effects from consolidation	−2,255	−754
Effects of non-deductible business expenses	3,575	455
Effect of non-recognition or subsequent recognition of deferred tax assets	7,405	−11,653
Correction of tax loss carryforwards	278	1,988
Other deviations	2,203	1,715
Current tax expense(+)/tax income(−)	**13,656**	**−6,568**

The change in the tax rate in the prior year mainly relates to the remeasurement of deferred taxes for the German entities as a result of the reduction in the corporate income tax rate from 25% in the prior year to 15% as of 1 January 2008.

The scope of the existing unused tax losses and the amounts of the unused tax losses for which no deferred tax asset item was recognized break down as follows:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Total unused tax losses		
Corporate income tax	118,516	105,809
Netted losses pursuant to Sec. 15a EStG	18,352	43,843
Trade tax	75,942	73,671
Interest carryforward	16,680	0
	212,810	**223,323**
Thereof not recognized		
Corporate income tax	26,549	14,315
Trade tax	75,942	70,645
Interest carryforward	16,680	0
	102,491	**84,960**

There is no time limit on the use of the non-recognized unused tax losses.

E. NOTES TO THE BALANCE SHEET

E.1 Intangible assets

The development of intangible assets in the fiscal year and in the prior year is presented in the following table. The carrying amounts include advertising rights of use with indefinite useful lives totaling EUR 113,213k (prior year: EUR 113,667k).

	Franchises, industrial and similar rights and assets and licenses in such rights and assets	Goodwill	Prepayments	Development costs	Total
			in EUR k		
Cost					
Opening balance 1 Jan. 2007	**281,160**	**187,487**	**539**	**1,150**	**470,336**
Change in the consolidated group	0	0	0	0	**0**
Additions	2,575	358	−128	563	**3,368**
Reclassifications	160	0	−207	0	**−47**
Disposals	−519	0	−70	0	**−589**
Exchange differences	250	51	23	0	**324**
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**283,626**	**187,896**	**157**	**1,713**	**473,392**
Additions	3,301	508	1,490	1,368	**6,667**
Reclassifications	−416	0	−36	0	**−452**
Disposals	−1,307	−1,645	−279	−123	**−3,354**
Exchange differences	−763	−112	−12	0	**−887**
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**284,441**	**186,647**	**1,320**	**2,958**	**475,366**
Amortization and impairment losses/reversals					
Opening balance 1 Jan. 2007	**42,557**	**1,927**	**0**	**7**	**44,491**
Change in the consolidated group	0	0	0	0	**0**
Amortization and impairment losses	11,563	0	0	17	**11,580**
Disposals	−90	0	0	0	**−90**
Exchange differences	134	51	0	0	**185**
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**54,164**	**1,978**	**0**	**24**	**56,166**
Amortization and impairment losses	12,327	0	0	276	**12,603**
Reclassifications	−201	0	0	0	**−201**
Disposals	−242	0	0	−5	**−247**
Exchange differences	−473	−112	0	0	**−585**
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**65,575**	**1,866**	**0**	**295**	**67,736**
Carrying amount 31 Dec. 2007	**229,462**	**185,918**	**157**	**1,689**	**417,226**
Carrying amount 31 Dec. 2008	**218,866**	**184,781**	**1,320**	**2,663**	**407,630**

Additions to intangible assets break down as follows:

Additions to intangible assets	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Additions due to internal development	1,368	563
Additions due to separate acquisitions	5,299	2,805
Total	**6,667**	**3,368**

The impairment test for intangible assets with indefinite useful lives led to an impairment loss of EUR 406k (prior year: EUR 0k) on advertising rights of use and is included in the cost of sales.

The carrying amounts of the intangible assets provided as collateral for the existing financial liabilities are found in section E.16.

All of the intangible assets with indefinite useful lives were allocated in full to the SMD Group cash-generating unit for impairment testing.

The recoverable amount of intangible assets with indefinite useful lives is determined on the basis of cash flow forecasts based on five-year financial forecasts approved by management. In this regard, the specific conditions of the individual assets are taken into account accordingly. The discount rate used for the cash flow forecast amounted to 7.7% (prior year: 6.5%) after taxes and 10.7% before taxes. Cash flows for the period following the detailed five-year financial forecast period are extrapolated, assuming a growth rate of 1%. Beginning in 2025, a straight-line deduction of income from an agreement will be made over ten years until 2034.

The significant assumptions in the approved forecast are based on the price per quantity calculation for the available advertising media, planned changes in quantities (increases and reductions), the capacity utilization estimate, and direct costs. The basis of these estimates and calculations includes historical information from past fiscal years and the regulations regarding existing advertising rights of use.

E.2 Goodwill

The impairment test for goodwill did not lead to impairment losses.

The goodwill resulting from business combinations was allocated for impairment testing to the following cash-generating units:

Goodwill	31 Dec. 2008	31 Dec. 2007
	in EUR k	
SMD Group	171,945	171,945
blowUP Group	4,500	3,993
Poland	4,002	4,002
Turkey	4,334	5,978
Total	**184,781**	**185,918**

The decrease in goodwill of the Turkey CGU stems from the restructuring of the Turkish entities. Due to this restructuring, the share in Inter Tanitim Hizmetleri ve Ticaret A.S. decreased from 50% to 33% (EUR 1,644k). The increase in value at the blowUP Group stems from the acquisition of 60% of the shares in blowUP Media Belgium N.V., Antwerp, Belgium, (EUR 393k) and the subsequent expenditure for the equity investment in Megaposter UK Ltd., Brighton, UK, (EUR 114k) due to an ongoing earn-out agreement.

The recoverable amount of the cash-generating units has been determined using cash flow forecasts based on five-year financial forecasts approved by management. These approved financial plans reflect the expectations related to the anticipated development for the next five years based on the business plan and the expectations relating to the general market trend. In this regard, the budgeted EBITDA was determined based on detailed forecasts with regard to the expected future market assumptions, income and expenses. In a second step using the planned investments and working capital changes, these budgetary figures were transformed into a cash flow forecast. The annual average growth rates for cash flows used in the five-year financial forecasts are, depending on the cash-generating unit, between -7.4% for the SMD Group (prior year: +3.3%) and 16.9% for the Poland CGU (prior year: 21.6%). The assumed average growth rate for the Turkey CGU amounted to 2.1% (prior year: 76.5%). The aforementioned growth rates should be interpreted in the light of the difficult current economic conditions. The

primary objective of forecast year 2009 is therefore to preserve liquidity. This is primarily evident in the planned optimization of working capital and the reduction of investments, with lower expectations as regards EBITDA, and will lead to correspondingly higher cash flows. A revival of economic development and rising investment activities are anticipated in subsequent years, which will lead to a normalization of the forecast cash flows although the momentum is not expected to be as dynamic as in the prior year. The base effect from 2009 together with the increased cash flow will therefore lead to correspondingly lower and in some cases even to negative growth rates in comparison to the prior year.

For the period following the detailed five-year financial forecast, a standard growth rate of 1% (prior year: 2%) was used. The change took place due to current economic developments and their anticipated effect on the long-term growth potential following the five-year financial forecast.

For purposes of performing an impairment test on goodwill, the fair value less costs to sell was classified as the recoverable amount. The discount rate used for the cash flow forecast was determined on the basis of market data of the peer group and depends on the economic environment in which the cash flows were generated. This is how the special interest rates for foreign cash-generating units were calculated on the basis of local features. The interest rates used include 11.6% for Turkey (prior year: 11.3%) after taxes (13.9% (prior year: 13.4%) before taxes), 9.1% for Poland (prior year: 7.9%) after taxes (10.8% (prior year: 9.2%) before taxes), 8.7% for the blowUP Group (prior year: 7.8%) after taxes (10.9% (prior year: 10.1%) before taxes) and 7.7% for the SMD Group (prior year: 6.5%) after taxes (10.5% (prior year: 7.5%) before taxes).

E.3 Property, plant and equipment

The development of property, plant and equipment is shown in the following statement of changes in non-current assets.

	Land, land rights and buildings	Plant and machinery	Other plant and equipment	Prepayments made and assets under construction	Total
			in EUR k		
Cost					
Opening balance 1 Jan. 2007	**12,990**	**233**	**260,780**	**8,759**	**282,762**
Change in the consolidated group	0	0	0	0	**0**
Additions	119	0	26,537	8,769	**35,425**
Reclassifications	0	0	4,452	−4,405	**47**
Disposals	0	0	−6,866	−3,333	**−10,199**
Exchange differences	−2	−4	3,606	145	**3,745**
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**13,107**	**229**	**288,509**	**9,935**	**311,780**
Change in the consolidated group	0	0	4	0	**4**
Additions	181	0	33,912	18,253	**52,346**
Reclassifications	511	−23	6,972	−7,008	**452**
Disposals	−75	−60	−20,025	−1,708	**−21,868**
Exchange differences	−8	−7	−10,904	−909	**−11,828**
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**13,716**	**139**	**298,468**	**18,563**	**330,886**

	Land, land rights and buildings	Plant and machinery	Other plant and equipment	Prepayments made and assets under construction	Total
			in EUR k		
Depreciation and impairment losses/reversals					
Opening balance 1 Jan. 2007	**1,706**	**205**	**119,507**	**31**	**121,449**
Depreciation and impairment losses	324	11	27,102	0	**27,437**
Changes in value*	0	0	168	0	**168**
Disposals	0	0	−5,958	0	**−5,958**
Exchange differences	−2	−4	1,988	11	**1,993**
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**2,028**	**212**	**142,807**	**42**	**145,089**
Change in the consolidated group	0	0	3	0	**3**
Depreciation and impairment losses	449	6	24,633	0	**25,088**
Reclassifications	172	−12	41	0	**201**
Changes in value*	0	0	361	0	**361**
Disposals	−73	−61	−17,568	−30	**−17,732**
Exchange differences	−26	−7	−6,123	−12	**−6,168**
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**2,550**	**138**	**144,154**	**0**	**146,842**
Carrying amount 31 Dec. 2007	**11,079**	**17**	**145,702**	**9,893**	**166,691**
Carrying amount 31 Dec. 2008	**11,166**	**1**	**154,314**	**18,563**	**184,044**

* The changes in value are the result of adjustments to the discount rate for discounting restoration costs.

Other assets mainly include advertising media (carrying amount for 2008: EUR 146,069k; prior year: EUR 139,544k).

In the fiscal year, investment grants pursuant to the German Investment Grant Act ["Investitionszulagegesetz": InvZulG] totaling EUR 249k (prior year: EUR 550k) were recognized and reduced acquisition costs.

The amount of property, plant and equipment provided as collateral for existing financial liabilities is show in section E.16.

E.4 Investment property

The following table gives an overview of the development of the carrying amount of the investment property held in the period under review:

	Investment property
	in EUR k
Cost	
Opening balance 1 Jan. 2007	**0**
Reclassifications under IFRS 5	2,129
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**2,129**
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**2,129**
Amortization, depreciation and impairment losses/reversals	
Opening balance 1 Jan. 2007	**0**
Reclassifications under IFRS 5	263
Depreciation and impairment losses	40
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**303**
Depreciation and impairment losses	20
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**323**
Carrying amount 31 Dec. 2007	**1,826**
Carrying amount 31 Dec. 2008	**1,806**

The fair value of the investment property is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs to sell. According to an appraisal, the property had a fair value of EUR 1,860k as of the balance sheet date.

The investment property earned rental income of EUR 163k (prior year: EUR 52k) in the period under review. Directly attributable operating expenses of EUR 60k (prior year: EUR 66k) arose in fiscal year 2008.

E.5 Investments in associates

The 33.3% investment in Ströer Media International GmbH (prior year: 33.3%) and the 24.6% investment in XOREX GmbH were accounted for using the equity method in accordance with IAS 28.13. The carrying amount of the associates came to EUR 0k as of 31 December 2008 (prior year: EUR 911k). The associates disclosed the following consolidated values as of the balance sheet date:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Current assets	5,871	12,869
Non-current assets	11,012	10,737
Current liabilities	5,265	6,070
Non-current liabilities	19,065	13,556
Net assets	**−7,447**	**3,980**

	2008	2007
	in EUR k	
Income	10,563	1,949
Expenses	36,441	10,828
Earnings after taxes	**−25,878**	**−8,879**

The development of investments in associates is presented below.

	Investments in associates
	in EUR k
Cost of the investment	3,867
Share in profit/loss 2007	−2,953
Exchange differences	−3
Carrying amount as of 31 Dec. 2007	**911**
Increase in cost of the investment	3,222
Share in profit/loss 2008	−4,133
Carrying amount as of 31 Dec. 2008	**0**

E.6 Other equity investments

The development of other financial assets is shown in the following statement of changes in non-current assets.

	Equity investments in EUR k
Cost	
Opening balance 1 Jan. 2007	**612**
Additions	5
Reclassifications	−30
Disposals	−77
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**510**
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**510**
Impairment losses/reversals	
Opening balance 1 Jan. 2007	**367**
Closing balance 31 Dec. 2007/opening balance 1 Jan. 2008	**367**
Closing balance 31 Dec. 2008/opening balance 1 Jan. 2009	**367**
Carrying amount 31 Dec. 2007	**143**
Carrying amount 31 Dec. 2008	**143**

E.7 Trade receivables

The amount of receivables serving as collateral for existing financial liabilities is shown in section E.16.

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Trade receivables	**44,856**	**48,119**
thereof current	44,856	48,119

Bad debt allowances on trade receivables developed as follows:

	2008	2007
	in EUR k	
Bad debt allowances at the beginning of the fiscal year	**6,664**	**5,954**
Additions (recognized in profit or loss)	2,411	3,598
Reversals (recognized in profit or loss)	−1,943	−1,484
Utilization	−1,273	−1,477
Exchange differences	−274	73
Other changes	−502	0
Bad debt allowances at the end of the fiscal year	**5,083**	**6,664**

General bad debt allowances on trade receivables developed as follows:

	2008	2007
	in EUR k	
Bad debt allowances at the beginning of the fiscal year	**485**	**465**
Additions (recognized in profit or loss)	100	94
Reversals (recognized in profit or loss)	−372	−61
Utilization	0	−13
Exchange differences	−3	0
Other changes	471	0
Bad debt allowances at the end of the fiscal year	**681**	**485**

Specific bad debt allowances with a gross invoice value of EUR 6,808k were charged on trade receivables as of the balance sheet date (prior year: EUR 7,927k). Net of specific bad debt allowances of EUR 5,083k (prior year: EUR 6,664k), the carrying amount of these receivables came to EUR 1,725k (prior year: EUR 1,263k) as of the balance sheet date.

The following table shows the carrying amounts of overdue trade receivables which have not been written down yet.

	Overdue by				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
	in EUR k				
31 Dec. 2008	16,253	3,658	2,116	1,230	1,102
31 Dec. 2007	12,881	2,506	1,265	1,045	2,725

For trade receivables for which no bad debt allowance has been charged and which are not in default, there were no indications that the debtors will not meet their payment obligations as of the balance sheet date.

E.8 Non-current assets held for sale

In the fiscal year, non-current assets held for sale include the consolidated assets of EUR 661k of Ukraine OOH Media Holding B.V., which was acquired with a view to resale. The consolidated assets are matched by liabilities in the same amount. The land and buildings belonging to DSM Deutsche Städte Medien GmbH in Bremen (EUR 453k) which were held for sale in the prior year were sold in the fiscal year.

E.9 Income tax receivables

Current income tax receivables break down as follows:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Corporate income tax receivables	6,258	4,810
Trade tax receivables	282	133
Total	**6,541**	**4,943**

E.10 Other receivables and other assets

A breakdown of non-current other receivables and other assets is shown below:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Derivative financial instruments	0	13,287
Other loans	0	109
Receivables from employees	96	37
Other non-current financial assets	3,242	3,480
Total	**3,338**	**16,913**

Non-interest-bearing or low-interest non-current receivables were recognized at the present value of the estimated future cash flows.

For further information on derivative financial instruments, please see section G.1.

Current receivables and other assets break down as follows:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Financial instruments		
Receivables from existing and former shareholders of the group entities	2,706	3,086
Residual purchase price receivables from the disposal of group entities	0	3,825
Debtors with credit balances	1,229	1,490
Other loans	2,339	1,036
Other financial assets	4,919	4,546
	11,193	***13,983***
Other assets		
Prepaid expenses	6,184	5,404
VAT receivables	10,733	3,772
Prepayments on shares	8,630	0
Other prepayments	5,127	2,773
	30,674	***11,949***
Total	**41,867**	**25,932**

Bad debt allowances on current receivables and write-downs of other financial assets developed as follows:

	2008	2007
	in EUR k	
Write-downs at the beginning of the fiscal year	**541**	**526**
Additions (recognized in profit or loss)	147	64
Reversals (recognized in profit or loss)	0	−1
Utilization	−471	−48
Other changes	9	0
Write-downs at the end of the fiscal year	**226**	**541**

Specific bad debt allowances with a nominal value of EUR 227k were charged on current receivables and other assets as of the balance sheet date (prior year: EUR 586k). Net of specific bad debt allowances of EUR 226k (prior year: EUR 541k), the carrying amount of these receivables came to EUR 1k (prior year: EUR 45k) as of the balance sheet date.

The following table shows the carrying amount of overdue current receivables and other financial assets which have not been written down yet.

	Overdue by				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
			in EUR k		
31 Dec. 2008	183	52	16	61	678
31 Dec. 2007	4	2	1	32	990

For current receivables and other assets for which no bad debt allowance has been charged and which are not in default, there were no indications that the debtors will not meet their payment obligations as of the balance sheet date.

E.11 Inventories

	31 Dec. 2007	31 Dec. 2006
	in EUR k	
Raw materials, consumables and supplies	4,449	4,264
Finished goods and merchandise	51	1,302
Advance payments on inventories	0	16
Total	**4,500**	**5,582**

Inventories disclosed as expense in the income statement amounted to EUR 4,880k in the fiscal year (prior year: EUR 4,196k).

The amount of inventories serving as collateral is disclosed in section E.16.

E.12 Cash and cash equivalents

	31 Dec. 2008	31 Dec. 2008
	in EUR k	
Postal giro account and bank balances	42,307	77,883
Cash	192	74
Total	**42,499**	**77,957**

The bank balances disclosed which serve as collateral for existing financial liabilities are disclosed in section E.16.

The postal giro account and bank balances include overnight money and time deposits of EUR 30,582k (2007: EUR 57,380k). The interest rates achieved range between 2.1% and 4.7% (2007: 3.8% and 4.9%).

E.13 Equity

The development of the individual components of equity in the fiscal year and the prior year are presented in the separate statement of recognized income and expense for the period and the consolidated statement of changes in equity below:

Consolidated Statement of Changes in Equity for 2008

	Attributable to equity holders of the parent									
	Subscribed capital				Other comprehensive income					
	Common shares	Preferred shares	Capital reserves	Earned consolidated equity	Adjustment item for exchange differences	Cash flow hedges	Actuarial gains/losses	Total	Minority interests	Consolidated equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 Jan. 2007	473,600.00	38,400.00	34,508,982.64	−95,647,527.45	−658,968.92	3,767,486.70	−2,426.40	−57,520,453.43	16,720,280.13	−40,800,173.30
Change in actuarial gains/losses from defined benefit pension commitments and similar obligations	0.00	0.00	0.00	0.00	0.00	0.00	2,412,863.00	2,412,863.00	0.00	2,412,863.00
Change in the fair value of financial instruments used for hedging purposes (cash flow hedges)	0.00	0.00	0.00	0.00	0.00	6,432,472.40	0.00	6,432,472.40	0.00	6,432,472.40
Change in the adjustment item for exchange differences on the translation of financial statements of foreign subsidiaries	0.00	0.00	0.00	0.00	1,775,499.54	0.00	0.00	1,775,499.54	6,102.76	1,781,602.30
Deferred taxes on changes in value recognized directly in equity	0.00	0.00	0.00	0.00	0.00	−1,515,604.95	−764,877.57	−2,280,482.52	0.00	−2,280,482.52
Total income/expense recognized directly in equity	0.00	0.00	0.00	0.00	1,775,499.54	4,916,867.45	1,647,985.43	8,340,352.42	6,102.76	8,346,455.18
Profit/loss for the period	0.00	0.00	0.00	32,241,618.32	0.00	0.00	0.00	32,241,618.32	2,773,692.58	35,015,310.90
Total recognized income and expense for the period	0.00	0.00	0.00	32,241,618.32	1,775,499.54	4,916,867.45	1,647,985.43	40,581,970.74	2,779,795.34	43,361,766.08
Changes in the consolidated group	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	174,521.21	174,521.21
Dividends paid	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−2,554,786.71	−2,557,858.71
31 Dec. 2007	473,600.00	38,400.00	34,508,982.64	−63,408,981.13	1,116,530.62	8,684,354.15	1,645,559.03	−16,941,554.69	17,119,809.97	178,255.28
Change in actuarial gains/losses from defined benefit pension commitments and similar obligations	0.00	0.00	0.00	0.00	0.00	0.00	913,941.00	913,941.00	0.00	913,941.00

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	Attributable to equity holders of the parent								Minority interests	Consolidated equity
	Subscribed capital				Other comprehensive income					
	Common shares	Preferred shares	Capital reserves	Earned consolidated equity	Adjustment item for exchange differences	Cash flow hedges	Actuarial gains/losses	Total		
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Change in the fair value of financial instruments used for hedging purposes (cash flow hedges)	0.00	0.00	0.00	0.00	0.00	−20,538,858.02	0.00	−20,538,858.02	0.00	−20,538,858.02
Change in the adjustment item for exchange differences on the translation of financial statements of foreign subsidiaries	0.00	0.00	0.00	0.00	−6,475,136.99	0.00	0.00	−6,475,136.99	−363,136.66	−6,838,273.65
Deferred taxes on changes in value recognized directly in equity	0.00	0.00	0.00	0.00	0.00	6,395,386.31	−288,950.13	6,106,436.18	0.00	6,106,436.18
Total income/expense recognized directly in equity	0.00	0.00	0.00	0.00	−6,475,136.99	−14,143,471.71	624,990.87	−19,993,617.83	−363,136.66	−20,356,754.49
Profit/loss for the period	0.00	0.00	0.00	−15,943,518.72	0.00	0.00	0.00	—15,943,518.72	1,370,105.10	−14,573,413.62
Total recognized income and expense for the period	0.00	0.00	0.00	−15,943,518.72	−6,475,136.99	—14,143,471.71	624,990.87	−35,937,136.55	1,006,968.44	−34,930,168.11
Changes in the consolidated group	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	−98,208.24	−98,208.24
Other changes/changes in shareholdings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,083,831.54	1,083,831.54
Dividends paid	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−1,986,950.63	−1,990,022.63
31 Dec. 2008	473,600.00	38,400.00	34,508,982.64	−79,355,571.85	−5,358,606.37	−5,459,117.56	2,270,549.90	−52,881,763.24	17,125,451.08	−35,756,312.16

Subscribed capital amounts to EUR 512k (prior year: EUR 512k). It is divided into 512,000 no-par value registered shares (prior year: 512,000). These break down into 473,600 ordinary voting shares (prior year: 473,600) and 38,400 non-voting preferred shares (prior year: 38,400). Each share's theoretical share in capital stock is EUR 1. All issued shares have been fully paid in. The preferred shares have a preference dividend of EUR 0.08 per share which is payable in advance from net retained profit. The holders of non-voting preferred shares and the holders of ordinary shares participate in further profit distributions in proportion to their share in capital stock.

After the reporting date, management submitted the following dividend proposal for approval by the shareholder meeting:

	2008	2007
	in EUR k	
EUR 0.08 per preferred share (prior year: EUR 0.08)	3	3
EUR 0 per ordinary share (prior year: EUR 0)	0	0

Subscription rights for shares were issued in connection with the financing of the acquisition of shares in DSM Deutsche Städte Medien GmbH. By resolution of the shareholder meeting on 15 January 2004, capital stock was conditionally increased accordingly by up to 90,353 new no-par value registered shares. The conditional capital increase is only carried out to the extent that the subscription rights are exercised.

The **capital reserves** contain premiums from the issue of shares and options for the acquisition of shares. The major item of the capital reserves is the subscription rights issued for shares with a carrying amount of EUR 34,451k in connection with the financing of the acquisition of DSM Deutsche Städte Medien GmbH. The carrying amount equals the fair value on the issue date of the subscription rights in 2004. **Earned equity** contains the retained profits of the consolidated companies realized in the past.

The individual components of accumulated **other comprehensive income** for the period are presented in the consolidated statement of changes in equity. The column "Adjustment item for exchange differences" contains differences from the translation of the financial statements of foreign subsidiaries. Changes in the fair value of derivative financial instruments recognized directly in equity are recorded in the column "Cash flow hedges".

Minority interests mainly relate to the minority interests in blowUP Media GmbH, Kölner Aussenwerbung GmbH and DSM Krefeld Aussenwerbung GmbH.

E.14 Pension provisions and similar obligations

The major pension plans in place are either defined benefit plans, where the pension obligation depends on the remuneration of the employee in question upon reaching retirement age, or are based on a fixed commitment. As there are no plan assets and the actuarial gains and losses are recognized immediately in equity, the present value of the defined benefit obligation corresponds to the pension provision disclosed in the balance sheet.

Provisions for pensions and similar obligations break down as follows:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Present value of the defined benefit obligation as of 1 Jan.	20,817	23,416
Current service cost	228	249
Interest expense	1,096	1,006
Actuarial gains(−)/losses(+)	−914	−2,413
Benefits paid	−1,497	−1,442
Other changes	−8	1
Present value of the defined benefit obligation as of 31 Dec./carrying amount	**19,722**	**20,817**

The present value of the pension benefits was calculated using the following assumptions:

Germany	31 Dec. 2008	31 Dec. 2007
Interest rate	5.86%	5.45%
Increase in pensions	1.00%	1.00%
Increase in salaries	2.00%	0.00%
Employee turnover	4.50%	4.50%

The assumptions regarding disability and mortality were taken from the Heubeck mortality tables 2005 G.

Abroad (Turkey)	31 Dec. 2008	31 Dec. 2007
Interest rate	6.26%	5.71%
Increase in pensions	6.26%	5.71%
Increase in salaries	6.26%	5.71%
Employee turnover	8 to 33.5%	8 to 27%

The components of the cost of retirement benefits recognized in profit or loss are presented below:

	2008	2007
	in EUR k	
Current service cost	228	249
Interest cost	1,096	1,006
Cost of retirement benefits	**1,324**	**1,255**

With the exception of interest cost, the above expenses are disclosed under personnel expenses.

The interest cost of pension obligations is disclosed in the interest result. The actuarial gains and losses are recognized immediately in equity.

Cumulative actuarial gains (+) and losses (−) recognized directly in equity amounted to EUR 2,271k after taxes at the balance sheet date (prior year: EUR 1,646k).

The experience adjustments break down as follows:

	31 Dec. 2008	31 Dec. 2007	31 Dec. 2006	31 Dec. 2005
	in EUR k			
Present value of the defined benefit obligation	19,722	20,817	23,416	24,432
Fair value of plan assets	0	0	0	0
Present value of the shortfall	**19,722**	**20,817**	**23,416**	**24,432**
Gain/loss for the period from				
Experience adjustments on plan liabilities	−91	97	380	840
Adjustments to actuarial assumptions	−823	−2,510	−1,217	1

Besides the direct benefit obligations, the Group also has indirect pension obligations which are insured through municipal supplemental pension plans [“Zusatzversorgungskasse”: ZVK]. Allocations are made for pensions. The sums paid in this connection finance the current cost of the ongoing pension payments. This type of pension is a defined benefit plan as the individual post-employment benefits of the ZVK to former employees of the member companies do not depend on the contributions paid in. Furthermore, this type of pension is a multi-employer plan as employees of several member companies are insured by the ZVK. The special provisions of IAS 19, “*Employee Benefits*”, were applied in recognizing the indirect obligations. The ZVK’s fund assets are collective assets; it cannot be traced how much each member has contributed to these assets. Due to the thus purely fictional computation of the discount rate, no information is available on the future payment obligations of the Ströer Group. Thus no provision may be recognized under IFRSs and treatment is the same as that for a defined contribution plan. The current payments to the ZVK therefore represent expenses for the fiscal year. These expenses amounted to EUR 36k in the fiscal year (prior year: EUR 40k). The post-employment benefits of the ZVK determined for active and former employees of the Ströer Group in an approximate calculation pursuant to IFRSs are EUR 1,276k higher (prior year: EUR 1,249k) than the premium reserve recognized and attributable pro rata to the Ströer Group.

E.15 Other provisions

The following provisions have been set up:

	31 Dec. 2008		31 Dec. 2007	
	Total	thereof current	Total	thereof current
	in EUR k			
Personnel provisions	11,065	10,931	14,665	14,558
Provision for restoration obligations	4,283	0	4,031	0
Provisions for bonuses	1,843	1,843	1,478	1,478
Provisions for potential losses from pending transactions	1,586	802	1,186	819
Provision for archiving costs	536	127	660	147
Provision for litigation risks	707	617	657	627
Provisions for taxes	82	82	1,124	1,124
Miscellaneous other provisions	5,491	4,818	2,681	2,071
Total	**25,593**	**19,220**	**26,482**	**20,824**

Provisions developed as follows:

	Personnel provisions	Provisions for restoration obligations	Provisions for bonuses	Provisions for potential losses	Provisions for archiving costs	Provision for litigation risks	Provisions for other taxes	Misc. other taxes	Total
	in EUR k								
1 Jan. 2008	**14,665**	**4,031**	**1,478**	**1,186**	**660**	**657**	**1,124**	**2,681**	**26,482**
Exchange differences	−190	−81	−225	0	0	0	0	0	−496
Allocation	6,015	471	1,460	587	113	324	28	6,243	15,421
Unwinding of the discount	0	141	0	0	19	0	0	30	190
Utilization/reversal	−9,510	−279	−870	−187	−256	−274	−1,070	−3,643	−16,089
Reclassification	85	0	0	0	0	0	0	0	85
31 Dec. 2008	**11,065**	**4,283**	**1,843**	**1,586**	**536**	**707**	**82**	**5,491**	**25,593**

The personnel provisions include management and employee bonuses as well as severance payments.

The provision for restoration obligations is based on the anticipated costs of restoration. The provision was discounted using an interest rate of 3.73% (prior year: 4.4%). The change in the value of the provision (EUR 361k) due to the change in the discount rate is included in the addition.

The provision for potential losses mainly relates to contracts on advertising use which are expected to generate losses over their remaining term. The provision was calculated on the basis of the revenue expected to be generated by the end of the respective terms of the contracts, less the allocable costs. The discount rate was 2.26% (prior year: 4.4%). The change in the value of the provision (EUR 81k) due to the change in the discount rate is included in the reversal.

The costs expected to be incurred for archiving business documents from prior years were taken as the basis for the archiving provision. The provision was discounted using an interest rate of 2.8% (prior year: 4.4%).

The provision for litigation risks comprises the anticipated costs from various actions against group entities. The major portion relates to litigation in connection with the issue of building permits, legal action contesting the refusal of building permits for advertising media and antitrust matters. There are no major individual risks.

E.16 Financial liabilities

	Nominal value		Average weighted remaining term (in years)	Weighted average effective interest rate (in% p.a.)	Carrying amount	
	31 Dec. 2008	31 Dec. 2007			31 Dec. 2008	31 Dec. 2007
	in EUR k				in EUR k	
Liabilities to silent partners	0	42,541		16.500%	0	42,412
Liabilities to banks	496,425	489,022			490,475	481,978
Tranche A	*395,000*	*395,000*	*4*	*EURIBOR+300 bps*	*390,626*	*389,562*
Tranche B	*75,000*	*75,000*	*5*	*EURIBOR+800 bps*	*74,096*	*73,919*
Loans — Turkey	*25,500*	*18,000*	*7*	*EURIBOR+700 bps*	*24,736*	*17,474*
Other	*1,017*	*1,022*	*7*	*5.770%*	*1,017*	*1,022*
Derivative financial instruments	10,009	0	*4*		10,009	0
Total	**506,526**	**531,563**			**500,484**	**524,390**

Further information on derivative financial instruments is provided in section G.1.

Assets have been assigned or pledged as security for non-current financial liabilities. The carrying amounts of the collateralized assets are presented below:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Intangible assets	17,251	15,547
Property, plant and equipment	161,718	143,485
Inventories	4,256	5,213
Trade receivables	33,268	33,180
Bank balances	24,590	63,311
Total	**241,083**	**260,736**

As of the balance sheet date, the Group had credit facilities of a total of EUR 109,762k (prior year: EUR 93,554k). EUR 10,690k thereof had been utilized (prior year: EUR 4,776k).

Current financial liabilities break down as follows:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Current accounts	3,703	2,713
Short-term borrowings	1,487	659
Derivative financial instruments	0	28
Liabilities to silent partners	50,754	9,912
Interest liabilities	7,928	7,888
Other current liabilities	1,036	1,291
Total	**64,908**	**22,491**

E.16.1 Liabilities to silent partners

The contributions of two silent partners recognized in non-current financial liabilities in the prior year and retained earnings from fiscal year 2004 totaling EUR 42,541k were terminated as of 31 December 2008 under the agreement dated 26 June 2008 and therefore reclassified as current liabilities to silent partners.

As of 1 January 2009, the related amounts were reclassified as bank loans. These new loans are subject to floating rates at EURIBOR plus a margin of at least 400 basis points. The loans have fixed terms that run until 31 December 2013. The creditors of the loans have issued a letter of subordination.

In addition, there are still also current contributions by silent partners of EUR 4,140k (prior year: EUR 4,140k), which are disclosed under current liabilities to silent partners together with the liabilities from distributions to silent partners for 2008.

The following applies for all silent contributions: the right to repayment is subordinate in the event of insolvency or liquidation, compensation is dependent partially on performance and the silent partners participate in losses up to the amount of their silent contribution.

The silent partners' compensation is disclosed in profit or loss under finance costs. Silent partners only receive compensation to the extent that freely available equity is disclosed in the separate commercial financial statements of the parent which is not protected by law or the articles of incorporation.

E.16.2 Liabilities to banks

The Group is financed by way of a syndicated loan. The loan comprises two tranches (A and B) with a contractual term until January 2013/January 2014. Transaction costs of EUR 8,887k in total were deducted from liabilities when measuring the two tranches for the first time.

The tranches bear floating interest at EURIBOR + 300 basis points and EURIBOR + 800 basis points, respectively. The nominal volume amounts to EUR 395,000k for the A tranche and EUR 75,000k for the B tranche.

The following collateral was contractually agreed:

- Non-current assets and inventories were assigned as collateral
- All trade receivables, loan receivables from affiliates, all industrial rights and rights of use as well as all rights and receivables from claims on insurers have been assigned as collateral to the lenders under blanket assignment agreements.
- All positive bank balances of the liable shareholders were pledged under an account pledge agreement.
- Ströer Out-of-Home Media AG, Ströer Media Deutschland GmbH & Co. KG and DSM Deutsche Städte-Medien GmbH have pledged the shares in 11 subsidiaries under share pledge agreements.

In Turkey, the Group has been financed since October 2007 by way of a loan denominated in euros. In the fiscal year, the loan was increased in two tranches in the period under review. The contractually fixed term for all installments of the loan runs until October 2015. When the loan was issued, transaction costs totaling EUR 886k (prior year: EUR 736k) were incurred, which are deducted from the nominal amount and distributed over the term of the loan using the effective interest rate method. The nominal amount as of the balance sheet date is EUR 25,000k (prior year: EUR 18,000k). The loan bears floating interest at EURIBOR + 700 basis points.

The following collateral was agreed upon in the loan agreement:

- Non-current assets and inventories of the Turkish companies were assigned as collateral
- As a precaution, all receivables were assigned under a receivables assignment agreement
- Also as a precaution, all positive bank balances were pledged
- Under a share pledge agreement, Ströer Akademi Reklam Pazarlama Ltd. Sti, Inter Tanitim Hizmetleri Ticaret A.S., and Ströer Kentyizyon Reklam Pazarlama Ltd. Sti assigned all of the shares in their subsidiaries as collateral

Other liabilities to banks comprise other bank loans for the short and medium-term financing of the individual entities.

E.17 Trade payables

Trade payables include non-current trade payables of EUR 67k (prior year: EUR 50k).

Current trade payables break down as follows:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Trade payables	46,083	54,764
Deferred liabilities from outstanding invoices	11,029	15,985
Total	**57,112**	**70,749**

E.18 Other liabilities

Other liabilities comprise non-current liabilities of EUR 166k (prior year: EUR 0k).

Other current liabilities break down as follows:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Financial instruments		
Liabilities from business combinations	165	1,121
Debtors with credit balances	5,309	4,165
Liabilities from audit and consulting fees	1,232	895
Liabilities to investees	84	38
Miscellaneous other liabilities	2,100	1,900
	8,890	***8,119***
Other liabilities		
Deferred contributions	7,550	7,200
Tax liabilities	9,846	5,970
Social security liabilities	240	292
Liabilities to personnel	2,558	2,445
	20,194	***15,907***
Total	**29,084**	**24,026**

E.19 Income tax liabilities

The amount disclosed as of the balance sheet date relates to the obligations from trade and corporate income tax and foreign income taxes.

F. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

F.1 Composition of cash and cash equivalents

Cash and cash equivalents consist of the cash and cash equivalents disclosed in the balance sheet. Cash and cash equivalents comprise cash on hand and bank balances (see section E.12).

There were no bank balances with long-term restraints on disposal as of the balance sheet date (prior year: EUR 225k).

For the bank balances assigned as collateral for non-current financial liabilities, please see section E.16.

F.2 Acquisitions and disposals of subsidiaries and other business units

The effects on the cash flow statement of the changes to the Group in the fiscal year, as outlined in section B.1, are summarized below:

	2008 in EUR k
Acquisitions	
100% of the shares in City Plakat BMA GMBH, Berlin	−8,625
blowUP media Belgium N.V. (formerly TRITON BVBA), Bruges, Belgium	−257
First installment of the purchase price	
Earn-out Megaposter UK Ltd., Brighton, UK	−64
Purchase price installment for CulturePlak Marketing GmbH from purchases in prior years	−58
	−9,004
Disposals	
Reutlinger Gesellschaft für Stadtverkehrsanlagen DEGESTA und DSM Deutsche Städte Medien GmbH GbR, Frankfurt (“Reutlinger GbR”)	−189
	−189

	2007 in EUR k
Acquisitions	
49% of the shares in City Videoboard GmbH, Stuttgart	−436
Purchase price installment for CulturePlak Marketing GmbH from purchases in prior years	−58
	−494
Disposals	
Ströer Media International GmbH, Berlin	60
Tovarystvo z obmezhenoiu vidpovidalnistiu, Kiev, Ukraine	15
Ströer Out-of-Home Media India Private Limited, New Delhi, India	6
Subsequent purchase price payment for DSM Sportwerbung GmbH, Cologne	3,415
	3,496

The disposals include the respective sales proceeds offset against the cash and cash equivalents used for the sale.

Cash and cash equivalents in the opening balance sheet of EUR 133k related to the acquisition of blowUP media Belgium N.V. The purchase price of EUR 390k paid in the year under review is supplemented by further purchase price liabilities of EUR 208k which must be paid in five equal installments by 2013. Please see section B.2.1 (Business combinations).

Effective as of 1 January 2009, all of the shares in City Plakat BMA GmbH, Berlin, were acquired. The cost of the acquisition came to EUR 8,600k plus incidental acquisition costs of EUR 25k. The amount was paid in in full in 2008. Please see section H

Cash and cash equivalents in the closing balance sheet of EUR 189k related to the disposal of Reutlinger GbR. The proceeds from all disposals of assets and liabilities totaled EUR 30k.

G. OTHER NOTES

G.1 Derivative financial instruments

The Ströer Group uses interest rate swaps and a collar to hedge risks from floating-rate financial liabilities. Derivative financial instruments are accounted for at fair value.

The table below contains a summary of the derivative financial instruments used and their conditions:

No.	Derivative	Amount	Start	End of term	Status	Fixed interest rate	Floating interest rate	Fair value 31 Dec. 2008	Fair value 31 Dec. 2007
Interest rate swaps									
1	Swap	1,278	30 Mar. 2001	30 Mar. 2011	Settlement 2008	4.99%	3M Euribor	—	−8
2	Swap	1,500	17 Jul. 2002	17 Jul. 2012	Settlement 2008	5.10%	3M Euribor	—	−20
4	Swap	200,000	25 Apr. 2006	25 Oct. 2012		3.50%	6M Euribor	−1,642	8,349
5	Swap	100,000	25 Oct. 2006	25 Oct. 2012		3.89%	6M Euribor	−2,292	2,430
6	Swap	50,000	25 Oct. 2006	25 Oct. 2010	Settlement 2008	3.86%	6M Euribor	—	673
7	Swap	35,000	17 Mar. 2008	26 Apr. 2013		3.94%	6M Euribor	−921	—
8	Swap	35,000	17 Mar. 2008	26 Apr. 2013		3.94%	6M Euribor	−966	—
9	Swap (TR)	25,500	20 May 2008	20 May 2011		4.65%	6M Euribor	−988	—
10	Swap	20,000	1 Jan. 2009	1 Jan. 2015		4.75%	6M Euribor	−1,672	—
11	Swap	20,000	1 Jan. 2009	1 Jan. 2015		4.435%	6M Euribor	−1,325	—
Collars						**Cap**	**Floor**		
	Collar	100,000	25 Apr. 2006	23 Apr. 2011		4.00%	2.70%	−203	1,836
						6M Euribor	6M Euribor		
Total								**−10,009**	**13,260**

In connection with the refinancing in 2006, derivatives numbers 4 to 6 in the above table were entered into in order to hedge the interest rate risk from the floating-rate loans (please see section E.16.2 in this regard). Derivatives numbers 7 and 8 were concluded as part of the aforementioned restructuring in 2008.

The interest rate swaps 4 to 9 were classed as effective such that the changes in market value were recognized directly in equity under other reserves. The loss from the fair value adjustment of EUR 20,538k (prior year: gain of EUR 6,432k) before taxes was posted in equity using hedge accounting (negative hedging reserve).

The collar was considered to be effective in 2008. As the intrinsic value of the collar was determined for hedging, only the change in the intrinsic value (EUR 1,263k) is included in the hedging reserve under equity. The decrease in the fair value of the collar (EUR 803k; prior year: increase of EUR 572k) was included in interest expenses.

Derivative number 9 has a full nominal value of EUR 51,000k and relates to hedges for the loan granted to the Turkish entity by HKB. Due to the investment structure, this derivative was disclosed at half of the nominal value and half of the market value in the table above.

Interest rate swaps 10 and 11 relate to the reclassification of the silent partner contributions of EUR 42,541k as bank loans with floating interest rates as of the beginning of 2009 (please see the explanations in section E.16.1). The change in the market values of both derivatives following the conclusion of the hedge was recognized in the financial result.

G.2 Additional disclosures on financial instruments

The following table shows the net gains and losses on financial instruments in the income statement, broken down by measurement category according to IAS 39 (excluding financial instruments which are included in hedge accounting).

	2008	2007
	in EUR k	
Financial assets and liabilities at fair value through profit or loss	−3,029	77
Loans and receivables	−2,359	−3,122
Financial liabilities carried at amortized cost	−6,260	577

Net gains and losses resulting from financial assets and liabilities recognized at fair value through profit and loss include the gain or loss on the interest rate swaps classified as stand-alone derivatives.

Net gains and losses on loans and receivables include the impairment losses (EUR 2,363k; prior year: EUR 3,075k), write-ups, and exchange differences.

Net gains and losses on financial liabilities measured at cost include early repayment penalties for the early repayment of a loan and result from exchange differences.

A loss of EUR 803k (prior year: gain of EUR 572k) which was recognized in profit or loss resulted from the change in the fair value of the collar.

The change in the market values of interest rate swaps 10 and 11 was also recognized in profit and loss (expenses: EUR 2,997k) as the strict hedge accounting requirements were not met as of 31 December 2008 and the change was therefore accounted for at “fair value through profit and loss”.

The following table presents the carrying amount and fair value of the financial instruments included in the individual balance sheet items, broken down by class and measurement category according to IAS 39.

	Measurement category pursuant to IAS 39	Carrying amount 31 Dec. 2007	Carrying amount pursuant to IAS 39			Fair value as of 31 Dec. 2008
			Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	
			in EUR k			
Assets						
Cash and cash equivalents	L&R	42,499	42,499			42,499
Trade receivables	L&R	44,856	44,856			44,856
Other non-current receivables	L&R	3,338	3,338			3,338
Other current receivables	L&R	11,193	11,193			11,193
Available-for-sale financial assets	(afs)	143	143			n.a.1)
Equity and Liabilities						
Trade payables	(fv through p/l)	57,178	57,178			57,178
Non-current financial liabilities	(fv through p/l)	490,474	490,474			467,096
Current financial liabilities	(fv through p/l)	64,908	64,908			64,908
Other non-current liabilities	(fv through p/l)	166	166			166
Other current liabilities	(fv through p/l)	8,889	8,889			8,889
Derivatives without hedging relationship	(hft)	2,997			2,997	2,997
Derivatives in a hedging relationship 2), 3)	n.a.	7,012		6,782	230	7,012
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables		101,886	101,886			101,886
Available-for-sale financial assets (afs)		143	143			n.a.1)
Financial assets measured at amortized cost (fv through p/l)		621,615	621,615			598,237
Financial liabilities held for trading (hft)		2,997			2,997	2,997

	Measurement category in accordance with IAS 39	Carrying amount 31 Dec. 2007	Carrying amount pursuant to IAS 39			Fair value as of 31 Dec. 2007
			Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	
			in EUR k			
Assets						
Cash and cash equivalents	L&R	77,957	77,957			77,957
Trade receivables	L&R	48,119	48,119			48,119
Other non-current receivables	L&R	3,626	3,626			3,626
Other current receivables	L&R	13,983	13,983			13,983
Available-for-sale financial assets	(afs)	143	143			n.a.1)
Derivatives in a hedging relationship 2)	n.a.	13,288		12,715	573	13,288
Equity and Liabilities						
Trade payables	(fv through p/l)	70,799	70,799			70,799
Non-current financial liabilities	(fv through p/l)	524,390	524,390			524,390
Current financial liabilities	(fv through p/l)	22,491	22,491			22,491
Other current liabilities	(fv through p/l)	8,119	8,119			8,119
Derivatives without a hedging relationship	(hft)	28			28	28
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables (L&R)		143,685	143,685			143,685
Available-for-sale financial assets (afs)		143	143			n.a.1)
Financial assets measured at amortized cost (fv through p/l)		625,799	625,799			625,799
Financial liabilities held for trading (hft)		28			28	28

1) The fair value of the financial assets available for sale cannot be determined reliably. Therefore, they are measured at cost.

2) Fair value before deferred tax assets

3) The fair value includes the collar of -EUR 203k; only the intrinsic value of the collar of EUR 27k is designated as a hedge.

Due to the short terms of **cash and cash equivalents**, **trade receivables**, **trade payables**, and **other receivables**, it is assumed that the fair values correspond to the carrying amounts.

The fair values of the **liabilities to banks** are calculated as the present values of the estimated future cash flow. Market interest rates are used for discounting, depending on the relevant maturity date. If the Company were to raise the loans as of the balance sheet date with the existing residual terms, it would pay a surcharge dependent on the terms and individual to the borrower (spread), which would be 1.25% higher than the rate of the existing loans. The carrying amount of the liabilities to banks exceeds the fair value amounting to EUR 23,378k.

Due to the short terms of **other financial liabilities**, it is assumed that the fair values correspond to the carrying amounts of these financial instruments.

The fair value of **derivative interest rate instruments** are determined by discounting the estimated future cash flows at prevailing market rates.

Other **interest-bearing liabilities** include contributions by silent partners. As of the balance sheet date, the agreements with two silent partners were terminated and converted into subordinated loans with effect as of 1 January 2009. Due to the change to the conditions, it is assumed that the fair value corresponds to the disclosed carrying amount. For further information, please see section E.16.1.

G.3 Contingent liabilities and other financial obligations

G.3.1 Contingent liabilities

Contingent liabilities of EUR 2,107k (prior year: EUR 2,440k) existed as of 31 December 2008. They are attributable to obligations which have been assumed vis-à-vis third parties and are based on the following matters:

	31 Dec. 2008	31 Dec. 2007
	in EUR k	
Declarations of joint liability to banks	3	17
Guarantees	828	1.174
Derivative liability from pensions	1,276	1,249
Total	**2,107**	**2,440**

A declaration of joint liability for a total of EUR 3k (prior year: EUR 17k) has been submitted to a German leasing company for lease agreements.

A group entity is a member of a municipal supplemental pension plan for the purpose of providing post-employment benefits. There is a shortfall between the pension obligations/expectancies and the fund assets. The ensuing derivative liability came to EUR 1,276k (prior year: EUR 1,249k) as of the balance sheet date.

G.3.2 Financial obligations

There are other financial obligations from the following contractual arrangements:

- Minimum leases under contracts on advertising use (e.g., municipal contracts, transport advertising)
- Site lease contracts
- Rental and lease agreements (operating leases) for buildings, vehicles and other assets (e.g., computers)
- Investment obligations
- Maintenance services and agreements

As of the balance sheet date, the due dates of the obligations broke down as follows:

		Thereof due in		
31 Dec. 2008	Total	less than 1 year	between 1 and 5 years	more than 5 years
		in EUR k		
Minimum leases	**794,749**	77,842	276,881	440,026
Site leases	**118,756**	31,357	65,100	22,299
Other rental and lease obligations	**9,985**	3,845	5,419	721
Investment obligations	**5,897**	5,813	84	0
Maintenance services	**1,661**	465	1,016	180

In the prior year, obligations broke down as follows:

		Thereof due in		
31 Dec. 2007	Total	less than 1 year	between 1 and 5 years	more than 5 years
		in EUR k		
Minimum leases	**678,438**	60,363	217,574	400,501
Site leases	**124,991**	37,165	69,753	18,073
Other rental and lease obligations	**13,650**	3,392	9,365	893
Investment obligations	**16,066**	15,982	84	0
Maintenance services	**2,060**	416	1,300	344

There are also contractual obligations for the acquisition of property, plant and equipment, which break down as follows:

Under the agreement regarding investments in and the leasing of advertising space ("advertising space agreement") concluded with Deutsche Bahn AG, the Group is obligated to invest in non-current assets for the

set-up, upkeep and operation of a content-based real-time information and entertainment system as well as in the upscaling of existing first-generation to second-generation advertising media. Over the life of the long-term agreement, the resulting investment volume comes to roughly EUR 20m plus ongoing operating and maintenance expenses and overheads. The volume of ongoing costs depends, on the one hand, on the scope and duration of implementation and, on the other, on the use of existing digital media structures within the Ströer Group.

In addition, the Group agreed to transfer EUR 15m to the capital reserves under a shareholder agreement with the minority shareholder of Ströer Media International GmbH. The Group has already paid an installment of EUR 5.1m. Further payments are limited to a maximum of EUR 5m p.a.

The following financial obligations exist under the terms of other agreements:

An obligation to pay a further EUR 406k (prior year: EUR 406k) for the years 2011 to 2015 may arise from the purchase of CulturePlak Marketing GmbH, Berlin, if a certain site lease contract is extended.

The contracts on advertising use with municipal partners generally entail an obligation to remove the advertising media at the end of the term and restore the site. As the useful life of these contracts on advertising use is deemed indefinite, it cannot be determined when the restoration obligation will arise. As a result, no provision has been recognized for the obligation.

There are individual sales and purchase options for shares in entities of the Ströer Group. As the purchase prices for the options are the same as the market prices, the options were not allocated a separate value. The following options in non-group entities were held as of the balance sheet date:

Type	Affected shares	Issue of put option	Acquisition of put option
Put option	blowUP Media GmbH	Ströer AG	Shareholders of blowUP Media GmbH
Put option	Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung	Ströer Media Deutschland GmbH & Co. KG	Non-group entity

Type	Affected shares	Issue of call option	Acquisition of call option
Call option	blowUP Media GmbH	Shareholders of blowUP Media GmbH	Ströer AG
Call option	Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung	Non-group entity	Ströer Media Deutschland GmbH & Co. KG

Ströer AG made the minority shareholders of BUM, Cologne, an irrevocable offer, valid until 31 December 2016, to conclude a purchase and assignment agreement for their shares in BUM. The purchase price corresponds to the respective value of the share in BUM which corresponds to the share in the company's capital stock held by the minority shareholder. The business value is determined on the basis of a multiple of consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) at all investees of the BUM subgroup. The minority shareholders of BUM offered to sell their shares in BUM to SOH in the event that their managing director employment contract ends. Each of the minority shareholders is irrevocably bound by this offer until the end of one month after the termination of the employment relationship. The regulations on the purchase price and determination of the business value are identical.

SMD made an irrevocable sales offer to the minority shareholders of KAW for 1% of the equity in KAW; the offer is valid until 31 December 2036. The purchase price corresponds to 1% of the business value of KAW. The business value is determined on the basis of the average profit for the last three fiscal years before the acquisition, multiplied by the contractually stipulated factors. The value determined in this manner is increased by a fixed mark-up which is reduced on an annual basis by a fixed amount until 2016. If the minority shareholder accepts the sales offer, the business value will be discounted depending on the remaining term of the primary lease agreement. Accordingly, the minority shareholder of KAW made SMD an irrevocable purchase offer for 1% of the equity in KAW, which is valid until 31 December 2015. The same regulations for the purchase price apply to the determination of the business value, except for the discount regulation.

G.4 Related parties

The board of management and supervisory board are deemed related parties. Besides the entities included in the consolidated financial statements, related parties include a number of entities with which the Ströer Group has relations in its normal course of business. These entities include, in particular, such in which related parties directly or indirectly hold interests or belong to the management of such. Ströer Media International GmbH and XOREX continue to be related parties.

All transactions with related parties are conducted at arm's length.

The following transactions were conducted between the Ströer Group and related parties in fiscal year 2008:

Mr. Udo Müller is a shareholder and CEO of Ströer AG. Furthermore, he holds shares in entities from which the Ströer Group procured services of EUR 766k (prior year: EUR 934k) in the fiscal year. These services were mainly rights of use for sites. Income of EUR 3,453k (prior year: EUR 2,287k) was also generated from transactions with these entities. The income results mainly from sales commissions. As of the balance sheet date, there was a liability of EUR 103k (prior year: EUR 140k) and a receivable of EUR 1,028k (prior year: EUR 533k).

Furthermore, Mr. Müller has entered into a silent partnership with Ströer AG. As in the prior year, the liability for repayment of the contribution came to EUR 520k as of 31 December 2008. The obligations for payment of performance-linked compensation for the silent investment amounted to EUR 3k as of 31 December 2008 (prior year: EUR 3k).

Mr. Dirk Ströer is a shareholder and member of the supervisory board of Ströer AG. He also holds shares in entities with which business transactions were conducted in the fiscal year, largely involving the commercialization of advertising media and the leasing of buildings. The services received amounted to EUR 20,401k (prior year: EUR 21,437k) in the fiscal year, the income generated to EUR 4,194k (prior year: EUR 921k). As of 31 December 2008, receivables and liabilities resulting from this trade came to EUR 3,074k (prior year: EUR 463k) and EUR 1,342k (prior year: EUR 60k), respectively.

Furthermore, Mr. Ströer has entered into two silent partnerships with Ströer AG. As in the prior year, the liability for repayment of the contribution came to EUR 3,620k as of the balance sheet date. The obligations for the payment of performance-linked compensation for the silent investments amounted to EUR 18k as of 31 December 2008 (prior year: EUR 24k).

In the fiscal year, income of EUR 825k (prior year: EUR 2,145k) resulted from transactions with Ströer Media International GmbH. The services rendered were primarily commercial services and result in open receivables of EUR 1,136k (prior year: EUR 1,466k) as of the balance sheet date.

G.5 Remuneration of the board of management and the supervisory board

The remuneration of the board of management and the supervisory board of the Ströer Group is presented below:

	2008	2007
	in EUR k	
Board of management		
Short-term benefits	2,414	1,690
Other long-term benefits	0	5,158
Total	**2,414**	**6,848**

	2008	2007
	in EUR k	
Supervisory board		
Short-term benefits	153	153
Total	**153**	**153**

Short-term benefits comprise in particular salaries and performance-linked compensation components. The provision for other long-term benefits was released in the fiscal year (EUR 1,891k).

G.6 Executive bodies

Members of the board of management

- Udo Müller, Cologne
- Alfried Bührdel, Cologne

Members of the supervisory board

- Dr. Wolfgang Bornheim, tax advisor, Cologne (chairman)
- Dirk Ströer, managing director of Ströer Aussenwerbung GmbH & Co. KG, Cologne
- Dr. Dieter Sollte, member of the board of management of the Axel Springer Foundation, Berlin (deputy chairman)
- Dieter Keller, auditor and tax advisor, Monheim
- Dr. Ihno Schneevoigt, consultant, Grünwald
- Dr. Ulrich Schröder, chairman of the board of management at KfW Bank (until 30 September 2008)
- Dietmar Peter Binkowska, president and CEO at NRW Bank, since 1 November 2008

H. SUBSEQUENT EVENTS

By agreement dated 11 June 2008 and effective 1 January 2009, 100% of the shares in City Plakat BMA GmbH, Berlin, were acquired. The cost of the acquisition came to EUR 8,600k plus incidental acquisition costs of EUR 25k. The amount was paid in in full in 2008.

The purchase price allocation which should be regarded as provisional leads to the following values for acquired net assets and goodwill:

	in EUR k
Cost of acquisition	8,600
Incidental acquisition costs	25
Purchase price	**8,625**
Fair value of acquired net assets (100)%	8,625
Goodwill	0

The purchase price was provisionally allocated to the assets acquired and liabilities assumed as follows:

	Carrying amount before acquisition	Adjustment	Carrying amount after acquisition
		in EUR k	
Assets acquired and liabilities assumed (100%)			
Other intangible assets	0	12,316	12,316
Goodwill	0	0	0
Property, plant and equipment	201	0	201
Trade receivables	30	0	30
Other receivables and other assets	24	0	24
Cash and cash equivalents	149	0	149
Non-current financial liabilities	0	0	0
Trade payables	−157	0	−157
Other liabilities	−34	0	−34
Deferred tax liabilities	0	−3,904	−3,904
	213	8,412	8,625
Purchase price			**8,625**
Thereof incidental acquisition costs			−25
Residual purchase price obligation			0
Net outflow from acquisition			**8,600**

The adjustment to miscellaneous other intangible assets relates to the hidden reserves recognized for contracts on advertising use (EUR 12,142k) and contracts on hand (EUR 174k) as part of the provisional purchase price allocation.

There were no further significant events after the balance sheet date which need to be reported.

Cologne, April 2009

Udo Müller

Alfried Bührdel

The following audit opinion refers to the consolidated financial statements prepared on the basis of International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB [“Handelsgesetzbuch”: “German Commercial Code”] as well as the group management report prepared on the basis of German commercial law (HGB) of Ströer Out-of-Home Media AG for the fiscal year ending December 31, 2008 as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages.

AUDIT OPINION

We have audited the consolidated financial statements prepared by Ströer Out-of-Home Media AG, Cologne, — comprising the income statement, the balance sheet, the cash flow statement, the statement of recognized income and expense for the period and the notes to the consolidated financial statements — together with the group management report for the fiscal year from January 1, 2008 to December 31, 2008. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB [“Handelsgesetzbuch”: German Commercial Code] is the responsibility of the Company’s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements, and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks relating to future development.

Cologne, April 17, 2009

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hasenklever Wirtschaftsprüfer	Boos Wirtschaftsprüfer

Ströer Out-of-Home Media AG, Cologne

Group Financial Statements as of December 31, 2007

Ströer Out-of-Home Media AG, Cologne

Consolidated Income Statement for 2007

	Note	2007 EUR	2006 EUR
Revenue	(D.1)	509,036,017.87	439,822,777.86
Cost of sales	(D.2)	−302,525,897.19	−272,071,886.05
Gross profit		206,510,120.68	167,750,891.81
Selling expenses	(D.3)	−70,906,801.45	−58,183,566.10
Administrative expenses	(D.4)	−67,995,012.46	−69,464,282.44
Other operating income	(D.5)	18,508,223.23	21,175,824.57
Other operating expenses	(D.6)	−8,252,320.67	−16,118,424.09
Share in profit and loss of associates	(D.8)	−2,952,724.28	0.00
Finance income	(D.9)	2,224,352.21	2,484,925.94
Finance costs	(D.9)	−48,688,856.99	−87,278,726.45
Profit and loss before taxes		28,446,980.27	−39,633,356.76
Income taxes	(D.10)	6,568,330.63	6,391,088.20
Profit and loss for the period		35,015,310.90	−33,242,268.56
Thereof attributable to:			
Owners of the parent		32,241,618.32	−34,552,170.88
Minority interests		2,773,692.58	1,309,902.32
		35,015,310.90	−33,242,268.56

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Ströer Out-of-Home Media AG, Cologne

Consolidated Balance Sheet as of December 31, 2007

	Note	2007	2006
		EUR	EUR
Assets			
Non-current assets			
Intangible assets	(E.1)		
Franchises, industrial rights and similar rights and assets, and licenses in such rights and assets		229,462,442.31	238,603,436.25
Development costs		1,688,865.83	1,143,471.18
Prepayments		156,774.85	538,303.33
		231,308,082.99	240,285,210.76
Goodwill	(E.2)	185,917,759.82	185,559,494.59
Property, plant and equipment	(E.3)		
Land, land rights and buildings, including buildings on third-party land		11,079,244.58	11,284,426.06
Plant and machinery		17,442.66	28,320.62
Other plant and equipment		145,702,474.65	141,273,169.39
Prepayments made and assets under construction		9,893,025.27	8,727,169.42
		166,692,187.16	161,313,085.49
Investment property	(E.4)	1,826,281.00	0.00
Investments in associates	(E.5)	911,310.83	0.00
Financial assets	(E.6)		
Other equity investments		143,373.05	245,131.85
Other receivables and assets	(E.9)		
Other loans		108,536.38	4,494,975.64
Other non-current receivables		3,517,253.90	795,555.59
Derivative financial instruments		13,287,636.00	7,427,213.00
		16,913,426.28	12,717,744.23
Deferred tax assets	(D.10)	13,075,337.65	17,438,522.56
		616,787,758.78	617,559,189.48
Current assets			
Inventories	(E.11)	5,582,361.57	4,483,060.11
Trade receivables	(E.7)	48,119,469.15	39,642,166.34
Other receivables and assets	(E.10)	25,931,892.25	28,751,424.50
Current income tax assets	(E.9)	4,943,434.88	3,408,780.78
Cash and cash equivalents	(E.12)	77,957,269.52	38,326,217.05
Non-current assets held for sale	(E.8)	452,808.00	2,319,475.00
		162,987,235.37	116,931,123.78
Capital deficit		0.00	40,800,173.30
		779,774,994.15	775,290,486.56

Ströer Out-of-Home Media AG, Cologne

	Note	2007 EUR	2006 EUR
Equity and liabilities			
Equity	(E.13)		
Subscribed capital		512,000.00	512,000.00
— Conditional capital: EUR 90,353.00 (prior year: EUR 90,353.00)			
Capital reserves		34,508,982.64	34,508,982.64
Earned consolidated equity		−63,408,981.13	−95,647,527.45
Accumulated other comprehensive income		11,446,443.80	3,106,091.38
		−16,941,554.69	−57,520,453.43
Minority interests		17,119,809.97	16,720,280.13
Capital deficit		0.00	40,800,173.30
		178,255.28	0.00
Non-current liabilities			
Pension provisions and similar obligations	(E.14)	20,817,382.82	23,415,687.18
Other non-current provisions	(E.15)	5,656,847.82	6,231,221.17
Non-current financial liabilities	(E.16)	524,389,798.74	507,840,967.86
Non-current trade payables	(E.17)	50,209.05	0.00
Other non-current liabilities	(E.18)	0.00	156,253.06
Deferred tax liabilities	(D.10)	81,892,860.92	103,512,542.80
		632,807,099.35	641,156,672.07
Current liabilities			
Other current provisions	(E.15)	20,824,623.63	12,101,137.62
Current financial liabilities	(E.16)	22,491,139.94	25,208,383.39
Current trade payables	(E.17)	70,748,871.35	65,194,206.25
Other current liabilities	(E.18)	24,026,448.69	26,724,500.93
Current income tax liabilities	(E.19)	8,698,555.91	4,905,586.30
		146,789,639.52	134,133,814.49
		779,774,994.15	775,290,486.56

Ströer Out-of-Home Media AG, Cologne

Consolidated Cash Flow Statement for 2007

	2007 EUR	2006 EUR
1. Cash flows from operating activities		
Profit and loss before interest and taxes	74,911,485.05	45,160,443.75
Write-downs (+)/write-ups (−) on non-current assets	39,056,801.83	34,772,496.76
Interest paid (−)	−44,951,571.90	−57,426,121.12
Interest received (+)	1,931,509.29	1,437,928.08
Income taxes paid (−)/received(+)	−10,710,333.35	−3,195,996.45
Increase(+)/decrease (−) in provisions	6,818,870.68	−80,070.79
Other non-cash expenses (+)/income (−)	4,015,622.49	7,140,362.92
Gain (−)/loss (+) on the disposal of assets	1,153,686.41	−882,497.74
Increase (−)/decrease (+) in inventories, trade receivables and other assets	−8,486,543.83	−9,989,609.65
Increase(+)/decrease (−) in trade payables and other liabilities	2,120,397.99	8,569,369.60
Cash flows from operating activities	65,859,924.66	25,506,305.36
2. Cash flows from investing activities		
Cash received (+) from the disposal of property, plant and equipment	3,240,352.38	3,591,232.06
Cash paid (−) for investments in property, plant and equipment	−35,425,192.06	−40,766,076.05
Cash received (+) from the disposal of intangible assets	498,904.06	423,589.30
Cash paid (−) for investments in intangible assets	−3,009,770.18	−5,370,123.21
Cash received (+) from the disposal of non-current financial assets	76,501.16	0.00
Cash paid (−) for investments in non-current financial assets	−3,841,573.68	−116,974.92
Cash received from (+)/paid (−) for the sale of consolidated entities	3,414,978.12	−5,713.22
Cash paid (−) for the acquisition of consolidated entities	−494,309.98	−430,131.89
Cash flows from investing activities	−35,540,110.18	−42,674,197.93
3. Cash flows from financing activities		
Cash paid (−) to (minority) shareholders	−2,557,858.71	−470,615.64
Cash received (+) from borrowings	18,711,730.00	477,393,459.86
Cash repayments (−) of borrowings	−6,842,633.30	−457,510,578.00
Cash flows from financing activities	9,311,237.99	19,412,266.22
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	39,631,052.47	2,244,373.65
Cash and cash equivalents at the beginning of the period	38,326,217.05	36,081,843.40
Cash and cash equivalents at the end of the period	77,957,269.52	38,326,217.05
5. Composition of cash and cash equivalents		
Cash and cash equivalents	77,957,269.52	38,326,217.05
Cash and cash equivalents at the end of the period	77,957,269.52	38,326,217.05

Ströer Out-of-Home Media AG, Cologne

Statement of Recognized Income and Expense

	2007	2006
	EUR	EUR
Change in the fair value of financial instruments used for hedging purposes recognized in equity (cash flow hedges)	6,432,472.40	6,282,541.00
Actuarial gains/losses from defined benefit pension commitments and similar obligations recognized in equity	2,412,863.00	836,893.00
Changes in the adjustment item for exchange differences on the translation of financial statements of foreign subsidiaries recognized in equity	1,781,602.30	−720,221.70
Deferred taxes on changes in value recognized directly in equity	−2,280,482.52	−2,849,811.50
Total income and expense recognized in equity	8,346,455.18	3,549,400.80
Profit or loss for the period	35,015,310.90	−33,242,268.56
Total profit or loss for the period and income and expense recognized in equity	43,361,766.08	−29,692,867.76
Thereof attributable to:		
Owners of the parent	40,581,970.74	−30,972,455.61
Minority interests	2,779,795.34	1,279,587.85
	43,361,766.08	−29,692,867.76

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Ströer Out-of-Home Media AG, Cologne

Notes to the Consolidated Financial Statements for Fiscal Year 2007

Ströer Out-of-Home Media AG, Cologne

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ABBREVIATIONS

ARGE	Joint venture (Arbeitsgemeinschaft)
A.S.	Anonim Sirketi
AG	German stock corporation (Aktiengesellschaft)
bps	Basis points
BUM	blowUP Media GmbH
B.V.	Besloten Vennootschap
CGU	Cash-generating unit
DEGESTA	Reutlinger Gesellschaft für Stadtverkehrsanlagen
DERG	Deutsche Eisenbahn Reklame Gesellschaft
DSM	Deutsche Städte Medien GmbH
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization
e.g.	For example
EStG	German Income Tax Act (Einkommensteuergesetz)
EU	European Union
EUR	euros
EUR k	Thousands of euros
Euribor	European Interbank Offered Rate
GBP	Great Britain Pound
GbR	Partnership under the German Civil Code (Gesellschaft bürgerlichen Rechts)
GmbH	German limited liability company (Gesellschaft mit beschränkter Haftung)
GmbH & Co. KG	Partnership with a limited liability company as general partner (Gesellschaft mit beschränkter Haftung und Company Kommanditgesellschaft)
HGB	German Commercial Code (Handelsgesetzbuch)
IAS	International Accounting Standard(s)
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard(s)
InvZuIG	German Investment Grant Act (Investitionszulagengesetz)
KG	German limited partnership (Kommanditgesellschaft)
Libor	London Interbank Offered Rate
Ltd	Limited
Ltd. Ski.	Limited Şirketi
Ltd.Sti.	Limited Şirketi
mbH	German limited liability (mit beschränkter Haftung)
PLN	zloty
S.A.	Sociedad Anónima
San. Tic. Ltd	Sanayii ticaret limited sirketi
SAS	Société par actions simplifiée
SK	Stadtkultur
SMD	Ströer Media Deutschland GmbH & Co. KG
SMI	Ströer Media International GmbH
Sp. Z.o.o.	Spólka z ograniczona odpowiedzialnoscia
TRY	Turkish lira
U.K.	United Kingdom
ZVK	Supplemental pension plans (Zusatzversorgungskasse)

A. GENERAL

A.1 The Company

Ströer Out-of-Home Media AG (hereinafter also referred to as "Ströer AG") is registered as a stock corporation under German law. The Company has its registered office at Ströer Allee 1, 50999, Cologne, Germany. The Company is entered in the Cologne commercial register under HRB No. 41548.

The business objective of Ströer AG and the entities included in the consolidated financial statements (hereinafter also referred to as the "Ströer Group") is the commercialization of out-of-home media. With some 255,000 advertising spaces and over 150 different forms of advertising media, the Group specializes in advertising directed at mobile target groups. The Group uses various forms of out-of-home media, from traditional billboards and transport media through to electronic media to reach its target audience.

A.2 Accounting Policies

The consolidated financial statements of Ströer AG for fiscal year 2007 have been prepared in accordance with the currently applicable International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code].

These consolidated financial statements cover the period from January 1, 2007 to December 31, 2007. The board of management of Ströer AG approved the consolidated financial statements on April 25, 2008 for issue to the supervisory board. The supervisory board has the task of reviewing the consolidated financial statements and, where appropriate, declaring its approval.

The consolidated financial statements have been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value.

The separate financial statements of the affiliates included have been prepared as of the balance sheet date of the consolidated financial statements.

The income statement has been prepared in accordance with the cost of sales method.

The consolidated financial statements are presented in euros. Unless stated otherwise, all figures are stated in thousands of euros (EUR k).

A.3 Assumptions, Estimates and the Use of Judgment by Management

Preparation of the consolidated financial statements in compliance with IFRSs requires management to make assumptions and estimates which have an impact on the figures disclosed in the consolidated financial statements and the notes thereto. The estimates are based on historical data and other information on the transactions concerned. Actual results may differ from such estimates. Assumptions based on estimates are reviewed regularly.

Assumptions and estimates are essentially based on the following:

- Annual impairment test for goodwill and intangible assets with indefinite lives on the basis of an estimate of the asset's recoverable amount. The recoverable amount is determined on the basis of an estimate of future cash flows and an appropriate discount rate.
- Recognition and measurement of provisions by estimating the probability of utilization, expected settlement values and the selection of appropriate discount rates.
- Determination of useful lives.
- Measurement of derivative financial instruments by estimating future cash flows.
- Calculation of fair values for assets acquired through business combinations. Independent experts are generally involved in assessing business combinations that are individually significant.

Judgments exercised by management in adopting accounting policies which have a significant effect on the figures in the consolidated financial statements are presented below:

- In accordance with IAS 19, the Ströer Group immediately recognizes all actuarial gains and losses directly in equity. Application of a different method could have an effect on pension provisions and the income statement.

- Deferred tax assets may only be recognized if it is probable that sufficient future taxable profit will be available. Judgment must be exercised in assessing whether these claims may be utilized.

A.4 Application of New Standards and Interpretations and Amendments to Standards and Interpretations

All new and amended standards and interpretations issued by the IASB and the IFRIC that are effective for fiscal years beginning on January 1, 2007 and are required to be applied in the EU were adopted in preparing the consolidated financial statements.

IFRS 7, *"Financial Instruments: Disclosures"*, issued in August 2005 the amendment to **IAS 1, *"Presentation of Financial Statements: Disclosures on Capital"***, were adopted for the first time in fiscal year 2007. Both standards are effective for fiscal years beginning on or after January 1, 2007. IFRS 7 requires entities to disclose information that enables users to better evaluate the significance of financial instruments for an entity's financial position and performance and the nature and extent of risks arising from financial instruments. IAS 1 sets out requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. The amendment to IAS 1 relates to the additional requirements for disclosures of objectives, policies and processes for managing capital. Adoption of IFRS 7 and the amendment to IAS 1 led to extended disclosures in the notes to the consolidated financial statements as of December 31, 2007.

The interpretation **IFRIC 7, *"Applying the Restatement Approach Under IAS 29 Financial Reporting in Hyperinflationary Economies"***, became effective for the first time in fiscal year 2007. IFRIC 7 was issued in November 2005 and is effective for fiscal years beginning on or after March 1, 2006. This interpretation contains guidelines for the application of IAS 29 if the functional currency of an entity is classified as hyperinflationary upon first-time application. As no entities within the Ströer Group use hyperinflationary currencies as their functional currencies, this interpretation does not apply to the consolidated financial statements.

IFRIC 8, *"Scope of IFRS 2"*, was issued in January 2006 and is effective for fiscal years beginning on or after May 1, 2006. IFRIC 8 does not apply to the Ströer Group as no share-based payment systems are in place for goods or services received that cannot be clearly identified.

IFRIC 9, *"Reassessment of Embedded Derivatives"*, was issued in March 2006 and adopted for the first time in fiscal year 2007. IFRIC 9 addresses the issue of when and under what circumstances a host contract is required to be reassessed. The Ströer Group does not have any embedded derivatives.

The interpretation **IFRIC 10, *"Interim Financial Reporting and Impairment"***, became operative for the first time in fiscal year 2007. IFRIC 10 was issued in July 2006 and became operative for fiscal years beginning on or after November 1, 2006. IFRIC 10 states that impairment losses recognized in interim financial statements in respect of goodwill and certain financial assets and which may not be reversed pursuant to IAS 36 and IAS 39 may not be reversed in subsequent interim financial statements or separate or consolidated financial statements. As the Ströer Group did not prepare interim financial statements pursuant to IAS 34, this interpretation does not apply.

The following standards, interpretations and amendments to current standards issued by the IASB whose application was not mandatory for fiscal year 2007 have not been adopted early in the consolidated financial statements.

In January 2008, the IASB issued amendments to **IFRS 2, *"Share-Based Payment — Vesting Conditions and Cancellations"***. The amendment clarifies that vesting conditions are service conditions and performance conditions only. It also specifies that all cancellations during the vesting period, whether by the entity or by an employee, should receive the same accounting treatment. The amendments apply for fiscal years beginning on or after January 1, 2009. The interpretation has not yet been endorsed by the EU.

The revised IFRS 3, *"Business Combinations"*, was issued in January 2008 and becomes effective for fiscal years beginning on or after July 1, 2009. The standard was extensively revised as part of the convergence project of the IASB and the FASB. The significant changes relate in particular to the introduction of an option for measuring goodwill in minority interests acquired, either by using the purchased goodwill method (recognition of the share of identifiable net assets) or the full goodwill method (all goodwill, including goodwill attributable to minority interests of the business combination). Additional changes are the subsequent measurement of existing equity interests in profit or loss after obtaining control for the first time (business combination achieved in stages by successive share purchases) and the necessary recognition of consideration on future events as of the acquisition date. The transitional provisions specify prospective application of the changes. Assets and liabilities that arose

from business combinations prior to the first-time application of the new standard are not affected. The amendment has not yet been endorsed by the EU.

IFRS 8, ***"Business Segments",*** was issued in November 2006 and replaces **IAS 14*, "Segment Reporting".*** With the introduction of IFRS 8, segment reporting for capital market-oriented entities moves away from the risk and reward approach of IAS 14 and toward the management approach to identifying segments. The segments are identified on the basis of information that is regularly reviewed by an entity's chief operating decision maker to make decisions about operating matters. In addition, the financial accounting approach of IAS 14 has been replaced by the management approach of IFRS 8. IFRS 8 is effective for fiscal years beginning on or after January 1, 2009. The standard was endorsed by the EU on November 21, 2007. The Ströer Group is currently not obliged to prepare or publish segment reporting.

The IASB issued **IAS 1,** ***"(Revised) Presentation of Financial Statements"***, in September 2007. The revised standard sets out the structure and minimum requirements for IFRS financial statements. The revised version of IAS 1 requires an entity to present all non-owner changes in equity in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. Use of the new terms and titles to describe statements and items within the set of financial statements is optional. The revised version of IAS 1 also requires an entity to present a statement of financial position at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively. The revised standard becomes effective for fiscal years beginning on or after January 1, 2009. As Ströer's consolidated financial statements already comprise a statement of recognized income and expense for the period, the statement of changes in equity presented to date in the notes will be included in an abbreviated form as an additional component of the consolidated financial statements for fiscal year 2009. The Ströer Group does not expect adoption of IAS 1 (Revised) to bring about any other changes to its accounting policies. The standard has not yet been endorsed by the EU.

Amendments to **IAS 23,** ***"Borrowing Costs"***, were issued in March 2007. These require borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset to be capitalized. The standard becomes effective for fiscal years beginning on or after January 1, 2009. The standard must be applied prospectively. As the benchmark treatment method under IAS 23 is applied in these consolidated financial statements, under which borrowing costs are recognized as an expense in the period in which they are incurred, first-time application will have an effect on the profit and loss for the period and on the carrying amounts of the qualifying assets. Based on current estimates, however, these effects are not expected to be material. The standard has not yet been endorsed by the EU.

In January 2008, an amended version of **IAS 27,** ***"Consolidated and Separate Financial Statements"***, was issued. The changes become effective for the first time for fiscal years beginning on or after July 1, 2009. They are the outcome of the joint project between the IASB and the FASB to revise the accounting provisions governing business combinations. The main features are: the accounting for the effects of transactions which lead to the loss of control of a subsidiary in profit or loss; the recognition of the effects of changes in ownership interests without loss of control directly in equity. If the losses applicable to the minority interest exceed the interest in the subsidiary's equity, the excess is nonetheless allocated against the minority interest. The transitional provisions are to be applied retrospectively, but allow for several exceptions. The amendment has not yet been endorsed by the EU.

On February 14, 2008, the IASB issued amendments to **IAS 32,** ***"Financial Instruments: Presentation"*** and **IAS 1,** ***"Presentation of Financial Statements"*** regarding puttable financial instruments and obligations arising on liquidation. These amendments mean that financial instruments, which are currently defined as liabilities, must be reclassified to equity subject to certain conditions being met. The IASB bases its new definition of capital on the fact that these financial instruments have no priority over other claims to the net assets of the entity. These amendments become effective for fiscal years beginning on or after January 1, 2009. Earlier application is permitted. Application of the amendments to IAS 32 and IAS 1 is not expected to have a significant impact on the consolidated financial statements. The amendments have not yet been endorsed by the EU.

IFRIC 11, ***"IFRS 2 — Group and Treasury Share Transactions",*** was issued in November 2006 and addresses the issue of how group-wide share-based payments should be recognized, the consequences of transferring employees between group entities and how share-based payments should be accounted for by entities that issue treasury shares or have to acquire shares from a third party. IFRIC 11 becomes effective for fiscal years beginning on or after March 1, 2007. Adoption of IFRIC 11 is not expected to have an effect on the consolidated

financial statements of the Ströer Group in future periods. The interpretation was endorsed by the EU on July 1, 2007.

IFRIC 12, *"Service Concession Arrangements",* was issued in November 2006 and addresses the accounting treatment for infrastructure for public services provided by private sector entities. Application of the interpretation becomes effective for fiscal years beginning on or after January 1, 2008. Earlier application is permitted. Adoption of IFRIC 12 is not expected to have an effect on the consolidated financial statements of the Ströer Group in future periods. The interpretation has yet to be endorsed by the EU.

In June 2007, the IFRIC published **IFRIC 13, *"Customer Loyalty Programs"***. IFRIC 13 addresses accounting by the entity that grants award credits to its customers ("points" or "miles") or participates in other programs of some other form. It explains in particular how such entities are to account for free or discounted goods or services ("awards") for customers who redeem their award credits. The interpretation becomes effective for fiscal years beginning on or after July 1, 2008 and is not expected to have an effect on the Group's accounting. The interpretation has not yet been endorsed by the EU.

IFRIC 14, *"lAS 19 — The Limit on a Defined Benefit Asset*, Minimum Funding Requirements and Their Interaction", was issued in July 2007 and gives general guidelines on determining the limit of the excess amount of a pension fund which can be recognized as an asset under IAS 19. The interpretation also explains how statutory or contractual minimum funding requirements can affect plan assets or liabilities. Application of the interpretation becomes effective for fiscal years beginning on or after January 1, 2008. Application of this interpretation is not expected to have a significant impact on the accounting for defined benefit plans in the Ströer Group. The interpretation has yet to be endorsed by the EU.

The respective standards and interpretations will be applied for the first time when they become effective in the EU (after their endorsement).

B. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.1 Consolidated Group

The consolidated financial statements include the financial statements of all entities which Ströer AG directly or indirectly controls. Control within the meaning of IAS 27, *"Consolidated and Separate Financial Statements"*, is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Consolidation commences on the date on which the Group gains control and ends when the Group loses this control.

In addition to Ströer AG, 26 German and 10 foreign subsidiaries were consolidated as of December 31, 2007 on the basis of full consolidation and 11 German and 10 foreign joint ventures on the basis of proportionate consolidation. An associate was consolidated using the equity method of accounting for the first time as of December 31, 2007.

Ströer Out-of-Home Media AG, Cologne

Fully consolidated entities

Name	Registered office	Country	Shareholding % Dec. 31, 2007	Dec. 31, 2006
Berlin-Werbung Gesellschaft für Industrie- u. Wirtschaftswerbung mbH	Cologne	Germany	100	100
blowUP Media Benelux B.V.	Amsterdam	Netherlands	80	80
blowUP Media Espana S.A.	Madrid	Spain	80	80
blowUP Media France SAS	Paris	France	82	82
blowUP Media GmbH	Cologne	Germany	75	75
blowUP media project GmbH	Cologne	Germany	75	—
blowUP Media U.K. Ltd.	London	UK	80	80
City Design Gesellschaft für Aussenwerbung mbH	Cologne	Germany	100	100
City Videoboard GmbH	Stuttgart	Germany	100	51
Culture Plak Marketing GmbH	Berlin	Germany	100	100
DERG Vertriebs GmbH	Cologne	Germany	100	100
Deutsche Aussenwerbung GmbH & Co. KG	Cologne	Germany	—	100
Ströer DERG Media GmbH (Deutsche Eisenbahn-Reklame GmbH in the prior year)	Kassel	Germany	100	100
Dresdner Plakat- u. Werbe GmbH	Dresden	Germany	—	100
DSM Deutsche Städte Medien GmbH	Frankfurt	Germany	100	100
DSM Krefeld Aussenwerbung GmbH	Krefeld	Germany	51	51
DSM Mediaposter GmbH	Cologne	Germany	100	100
DSM Zeit und Werbung GmbH	Frankfurt	Germany	100	100
Go Public! Eventmedia GmbH	Cologne	Germany	100	—
Hamburger Aussenwerbung GmbH	Hamburg	Germany	100	100
Hamburger Verkehrsmittel-Werbung GmbH	Hamburg	Germany	75	75
Infoscreen Hamburg Gesellschaft für Stadtinformationssysteme mbH	Hamburg	Germany	75	75
Infoscreen Gesellschaft für Stadtinformationsanlagen mbH	Cologne	Germany	100	100
Kölner Aussenwerbung GmbH	Cologne	Germany	51	51
Kurt Lerche Beteiligungs GmbH	Stuttgart	Germany	100	100
Max i Plak Sp. z. o.o.	Warsaw	Poland	100	100
Megaposter UK Ltd.	Brighton	UK	80	80
Meteor Advertising Ltd.	London	UK	80	80
Moplak Ströer Stadtmöblierung GmbH	Düsseldorf	Germany	—	100
SCM Polska Sp. z.o.o.	Warsaw	Poland	—	100
Ströer Deutsche Städte Medien GmbH	Cologne	Germany	100	100
Ströer Megaposter GmbH	Cologne	Germany	55	55
Ströer Media Deutschland GmbH & Co. KG	Cologne	Germany	100	100
Ströer Media International GmbH	Cologne	Germany	—	100
Ströer Media Sp. z.o.K.	Warsaw	Poland	98	98
Ströer Media Sp. z.o.o.	Warsaw	Poland	99	99
Ströer Out-of-Home Media India Private Limited	New Delhi	India	—	100
Ströer Sales & Services GmbH	Cologne	Germany	100	100
Ströer Polska Sp.z.o.o.	Warsaw	Poland	99	99
Ströer Promocja Plakatu Sp.z.o.o	Warsaw	Poland	100	100
Ströer Deutsche Aussenwerbung GmbH (formerly The Ambient Media Group GmbH)	Cologne	Germany	100	100
Tovarystvo z obmezhenoiu vidpovidalnistiu	Kiev	Ukraine	—	99
Werbeatelier Degen GmbH &, Co. KG	Stuttgart	Germany	100	100
Werbering GmbH	Cologne	Germany	100	100

The following joint ventures are engaged in marketing out-of-home media.

Proportionately consolidated joint ventures

Name	Registered office	Country	Shareholding % Dec. 31, 2007	Dec. 31, 2006
ARGE Schönefeld GbR	Berlin	Germany	50	50
City Lights Reklam Pazarlama Ltd. Sti	Istanbul	Turkey	50	50
DSMDecaux GmbH	Munich	Germany	50	50
Dünya Tanitim ve Turizm Ticaret Ltd. Sti.	Istanbul	Turkey	50	50
Gündem Matabaacilik Organizasyon Gazetecilik Reklam San. Tic. Ltd	Antalya	Turkey	50	50
llbak Neon Kent Mobilyalari Ltd. Sti.	Istanbul	Turkey	50	50
Inter Tanitim Hizmetleri ve Ticaret A.S.	Istanbul	Turkey	50	50
Kultur-Medien Hamburg GmbH	Hamburg	Germany	50	50
Konya Inter Tanitim ve Reklam Hizmetleri A.S.	Istanbul	Turkey	25	25
mediateam Werbeagentur GmbH/Ströer Media Deutschland GmbH & Co. KG – GbR	Cologne	Germany	50	50
Medya Group Tanitim Halkla lliskiler Organizasyon Sanayi ve Ticaret Ltd. Sti.	Istanbul	Turkey	36	36
Mega-Light Staudenraus & Ströer GbR	Cologne	Germany	50	50
Objektif Kentvizyon Reklam Pazarlama Ticaret Ltd. Sti.	Istanbul	Turkey	35	35
Reutlinger Gesellschaft für Stadtverkehrsanlagen DEGESTA und DSM Deutsche Städte Medien GbR	Frankfurt	Germany	50	50
SK Kulturwerbung Bremen-Hannover GmbH	Bremen	Germany	50	50
SK Kulturwerbung Rhein-Main GmbH	Frankfurt	Germany	50	50
Stadtkultur Rhein-Ruhr GmbH, Büro für Kultur und Produktinformation	Essen	Germany	50	50
Ströer Akademi Reklam Parzarlama Ltd. Sti.	Istanbul	Turkey	50	50
Ströer Kentvizyon Reklam Pazarlama Ltd. Sti.	Istanbul	Turkey	50	50
Trierer Gesellschaft für Stadtmöblierung mbH	Trier	Germany	50	50
X-City Marketing Hannover GmbH	Hanover	Germany	50	50

Ströer Media International GmbH, Cologne, (hereinafter also referred to as "SMI") was consolidated for the first time as of December 31, 2007 according to the equity method of accounting. SMI was founded in 2006 and fully consolidated in the prior year. 66.7% of the shares in the entity were sold to third parties effective January 19, 2007. Hence, Ströer AG held a 33.3% interest in SMI as of the balance sheet date.

The following entities were fully consolidated for the first time in 2007:

- blowUP media project GmbH, Cologne
- Go Public! Eventmedia GmbH, Cologne

blowUp media project GmbH and Go Public! Eventmedia GmbH were founded in 2007. The remaining 49% interest in City Videoboard GmbH was acquired in fiscal year 2007. City Videoboard GmbH was fully consolidated in the prior year, with a 51% interest having been held at the time. Goodwill of EUR 358k arose on the consolidation of the additional shares.

The following entities were acquired by other group entities in 2007 by way of intragroup combinations:

- Deutsche Aussenwerbung GmbH & Co. KG, Cologne
- Dresdner Plakat- und Werbe GmbH, Dresden
- Moplak Ströer Stadtmöblierung GmbH, Düsseldorf
- SCM Polska Sp.z.o.o, Warsaw

The following entities were sold to Ströer Media International GmbH and deconsolidated in fiscal year 2007:

- Tovarystvo z obmezhenoiu vidpovidalnistiu, Kiev, Ukraine
- Ströer Out-of-Home Media India Private Limited, New Delhi, India

Both entities are included in the consolidated financial statements of Ströer Media International GmbH. These consolidated financial statements are included in the consolidated financial statements of Ströer Out-of-Home Media AG, using the equity method of accounting.

The joint ventures had the following effect on assets and liabilities, income and expenses of the Group (quoted values)

	Dec. 31, 2007	Dec. 31, 2006
	EUR k	
Current assets	31,775	25,749
Non-current assets	41,808	24,923
Current liabilities	24,797	23,376
Non-current liabilities	20,624	4,336
Net assets	**28,162**	**22,960**

	2007	2006
	EUR k	
Income	59,978	53,460
Expenses	52,938	45,731
Earnings after taxes	**7,040**	**7,729**

B.2 Consolidation Principles

The assets and liabilities of the fully or proportionately consolidated entities are measured on the basis of uniform accounting policies. The balance sheet date of all entities consolidated is December 31.

Acquisition accounting was performed by offsetting the carrying amounts of the equity investments against the Group's interest in the subsidiaries' remeasured equity as of the date of acquisition. The assets, liabilities and contingent liabilities are measured at fair value. Any excess is recognized as goodwill. Any remaining negative goodwill is recognized immediately in profit or loss.

The hidden reserves and charges recognized are subsequently remeasured applying the accounting policy for the corresponding assets and liabilities. Goodwill recognized is tested for impairment each year (see also Section E.2.).

Write-ups or write-downs in the fiscal year on investments in consolidated entities recognized in the separate financial statements are eliminated in the consolidated financial statements. Intragroup profits and losses, revenue, expenses and income as well as receivables and liabilities between consolidated entities are eliminated.

Effects of consolidation on income taxes are accounted for by deferred taxes.

Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which the Group obtains control. Minority interests in equity and profit or loss are recognized in a separate item under equity. Consolidation ends as soon as the parent ceases to have control. If additional shares are acquired in fully consolidated entities, the difference is recognized as goodwill (parent entity extension method).

A joint venture is defined as a contractual arrangement between two or more parties to undertake economic activities that are subject to joint control. Joint ventures are consolidated on a proportionate basis in line with the above principles of full consolidation.

Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost and increased or decreased during the year to recognize Ströer AG's share of the profit or loss.

For the purpose of measurement, other equity investments are classified pursuant to IAS 39 as "available-for-sale financial assets" and are recognized at cost or fair value, provided this can be reliably measured.

B.3 Currency Translation

The financial statements of the consolidated foreign entities whose functional currency is not the euro are translated pursuant to IAS 21, *"The Effects of Changes in Foreign Exchange Rates"*, into the Group's presentation currency (euro). The functional currency of the foreign entities is the respective local currency.

Assets and liabilities are translated at the closing rate. Equity is reported at the historical rate. Expenses and income are translated into euros at the weighted average rate of the respective period. Exchange differences are recognized directly in equity. Exchange differences recognized directly in equity are only recognized in profit or loss if the corresponding entity is sold or deconsolidated.

Transactions conducted by the consolidated entities in foreign currency are translated into the functional currency at the exchange rate valid on the date of the transaction. Gains and losses arising on the settlement of such transactions or on translating monetary items in foreign currency at the closing rate are recognized in profit or loss.

The following exchange rates were used for the most important foreign currencies in the Ströer Group:

		Closing rate		Weighted average rate	
Country	**Currency**	**Dec. 31, 2007**	**Dec. 31, 2006**	**2007**	**2006**
Poland	PLN	3.5982	3.8413	3.8140	3.8329
Turkey	TRY	1.7135	1.8775	1.8013	1.8089
UK	GBP	0.7346	0.6714	0.6803	0.6815

C. SIGNIFICANT ACCOUNTING POLICIES

C.1 Income and Expense Recognition

Revenue is mainly generated from the commercialization of advertising space in the poster and giant poster segments, as well as advertising in the area of transport media and electronic media.

Revenue is recognized when the service is rendered, i.e. on the date when the advertising is displayed, and is disclosed net of trade discounts and rebates.

Advertising media from other entities are marketed in addition to the Company's own media. Revenue from the commercialization of advertising media for non-group entities is recognized net of the revenue share attributable to these transactions, hence the agreed sales commissions are disclosed on a net basis under revenue.

Revenue from back-to-back transactions is measured at the market value of the consideration received and adjusted as appropriate by an additional cash payment. If the market value cannot be reliably measured, back-to-back transactions are measured at the market value of the advertising service rendered and adjusted as appropriate by an additional cash payment.

Income from services rendered and included in other operating income is recognized at the time of performance.

Operating expenses are recognized in profit or loss when the service is used or when the costs are incurred.

Interest is recognized on an accrual basis in the financial result applying the effective interest rate method.

Dividends are recognized at the time when the right to receive is established.

C.2 Goodwill and Other Intangible Assets

C.2.1 Goodwill

Pursuant to IFRS 3, goodwill is measured as the excess of the cost of the business combination and the interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities as of the date of acquisition. Amortization is not charged.

Goodwill is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. For more information on impairment testing, please see Section E.2. There were no reversals of impairment losses on goodwill.

C.2.2 Intangible Assets Acquired for a Consideration

Intangible assets acquired for a consideration, chiefly rights on advertising use and software, are recognized at cost. The depreciable amount of intangible assets with finite useful lives is allocated on a systematic basis over their useful lives. The intangible assets of the Ströer Group are tested regularly for impairment and written down to their recoverable amount if this is lower than the carrying amount. If the reasons for impairment cease to apply, the impairment losses are reversed, but by no more than the amount of amortized cost. Amortization in the fiscal year is allocated on the basis of the function of expense method. The appropriateness of the useful lives and of the method of amortization are reviewed annually.

Goodwill and intangible assets with indefinite useful lives are not amortized and are instead tested for impairment at least once annually. Further information on impairment testing can be found in Section E.2.

Based on historical data on the renewal of contracts, the Ströer Group treats contracts on advertising use with municipal partners acquired for a consideration as part of an acquisition as intangible assets with indefinite useful lives. They are measured and recognized at fair value — calculated on the basis of the purchase price allocation — and are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If this is not the case, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Amortization of intangible assets is charged on the basis of the following uniform group-wide useful lives:

Useful life	In years
Rights of use (municipal property)	Indefinite
Other rights of use	15 to 30
Other intangible assets	3 to 10
Goodwill	Indefinite

C.2.3 Internally Generated Intangible Assets

The cost for the development of new or considerably improved products and processes is capitalized if the development costs can be measured reliably, the product or process is technically or economically feasible and future economic benefits are probable. In addition, the Ströer Group must intend and have adequate resources available to complete the development and to use or sell the asset.

The Group could incur development costs from the (further) development of advertising media and software development.

Capitalized costs mainly include personnel expenses and directly allocable overheads. Borrowing costs are not capitalized. Capitalized development costs are recognized at amortized cost. Research and development costs which do not meet the recognition criteria for capitalization are recognized in profit or loss in the period in which they are incurred.

C.3 Property, Plant and Equipment

Property, plant and equipment are recognized at acquisition cost less scheduled or if necessary unscheduled depreciation.

Cost comprises the purchase price, incidental acquisition costs and subsequent expenditure net of purchase price reductions. Borrowing costs are not capitalized. Investment grants received are recognized as a reduction in cost.

Separately identifiable components of an item of property, plant and equipment are recognized individually and depreciated.

Depreciation is charged on a straight-line basis over the respective useful life of the asset. The depreciation expense is allocated on the basis of the function of expense method. If the reasons for impairment cease to apply, the impairment loss is reversed. The residual carrying amount, the assumptions on the useful lives and the appropriateness of the depreciation method must be reviewed annually.

Depreciation is based on the following useful lives:

Useful life	In years
Buildings	50
Plant and machinery	5 to 13
Advertising media	4 to 35
Other plant and equipment	3 to 15

The costs estimated for the dismantling and removal of advertising media after the termination of a contract on advertising use is recognized as part of the cost of the respective advertising media. The amount is measured on the basis of the provision recognized for restoration obligations in accordance with IAS 37, *"Provisions, Contingent Liabilities and Contingent Assets"* (please see Section C.10).

In the case of finance leases where the Ströer Group is the lessee, the leased asset is recognized and matched by a lease liability. A lease is classified as a finance lease pursuant to IAS 17, *"Leases"*, if the lease transfers substantially all risks and rewards incidental to ownership to the lessee. The leased asset is recognized at the lower of the fair value at the inception of the lease or the present value of the minimum lease payments. Leased assets are depreciated on a straight-line basis over the shorter of their useful lives or the lease term if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term. The corresponding lease liabilities are recognized in the balance sheet in accordance with their terms. The interest portion of the lease liabilities is recognized through profit or loss over the lease term in the financial result.

Lease income from operating leases is recognized in income on a straight-line basis over the lease term.

C.4 Investment Property

Investment property is held to earn rentals or for capital appreciation or both. It is initially recognized at fair value, and is subsequently measured at depreciated cost. The fair value of this property is measured separately and discussed in Section E.4 of these notes. Depreciation is recognized on a straight-line basis over a period of 50 years.

Impairments of investment property are recognized in accordance with IAS 36. If the reasons for impairment losses recognized in prior years cease to apply, the impairment losses are reversed.

If the nature of use of an investment property changes, it is reflected under property, plant and equipment.

C.5 Investments in Associates

Investments in associates contain equity-accounted investments which are included in the consolidated financial statements. The equity method is applied in accordance with IAS 28, *"Investments in Associates"*, if Ströer AG, directly or indirectly, has significant influence over an associate. Investments in associates are initially recognized at cost and the carrying amount is subsequently increased or decreased to recognize Ströer AG's share of the profit or loss.

C.6 Financial Assets

Under IAS 39, "Financial Instruments: Recognition and Measurement", financial assets are classified and measured as either "financial assets at fair value through profit or loss", as "loans and receivables" or as "available-for-sale financial assets". They comprise financial assets, trade receivables and other financial instruments. The entity recognizes a financial asset when it becomes party to the contractual provisions of the instrument (settlement date) or when the respective service is rendered. Financial assets not at fair value through profit or loss are measured at acquisition cost plus the transaction costs directly attributable to the acquisition.

Financial assets include investments in equity instruments. They are designated as "available-for-sale financial assets" and are carried at cost as they do not have a quoted market price in an active market and their fair value can therefore not be reliably measured. The provisions on the recognition of changes in the fair value of "available-for-sale financial assets" directly in equity are not applied.

Trade receivables are designated as "loans and receivables" and are initially measured at fair value, which represents the cost on the date of acquisition. In subsequent periods, these items are measured at amortized cost. Non-interest and low-interest-bearing non-current receivables are carried at the present value of estimated future cash flows where the effect of the time value of money is material. The effective interest method is used for the

calculation. Assets are classified as non-current if they are not due to be settled within 12 months after the balance sheet date.

Leases are classified as either operating or finance leases. Contractual provisions that substantially transfer all the risks and rewards incidental to ownership to the lessee are recognized as finance leases. Where the Ströer Group is the lessor, a receivable from the finance lease is recognized at the amount equal to the net investment in the lease.

The financial assets disclosed under **other receivables and other assets** are classified as "loans and receivables". Measurement is performed in the same manner as for trade receivables. Derivative financial instruments which are not hedged are measured at fair value; changes in value are recognized in profit or loss. Changes in the fair value of derivatives hedged by a cash flow hedge are recognized in equity in accordance with IAS 39, *"Financial Instruments: Recognition and Measurement"*, provided the hedge is effective. The amounts recognized in equity are recognized in the income statement in the period in which the hedged transaction affects profit or loss, e.g. when hedged finance income or expenses are recognized. If the forecast transaction is no longer expected to occur, the amounts previously recorded under equity are recognized in profit or loss for the period. The fair value of derivatives is calculated by discounting the estimated future cash flows at prevailing market value. For further information on derivative financial instruments, see Section G.1.

If there are indications of impairment for financial assets carried at cost, a write-down to the lower expected realizable value is made. Uncollectible receivables are written off. If the reasons for an impairment loss cease to apply, the impairment loss is reversed as appropriate.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses on equity instruments classified as available for sale are not recognized in the income statement.

A financial asset is derecognized when the contractual rights to receive cash flows expire, i.e. when the asset was realized or expired or when the asset is no longer controlled by the entity.

C.7 Inventories

Inventories are carried at acquisition cost. Cost is calculated on the basis of the weighted average method. Inventories are measured at the lower of cost or net realizable value as of the balance sheet date.

C.8 Deferred Taxes

Deferred taxes are calculated in accordance with IAS 12, *"Income Taxes"*. They are recognized on temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and their tax base as well on consolidation entries and on potentially realizable unused losses. Deferred taxes on items recognized directly in equity according to the relevant standards are also recognized directly in equity. The accumulated amounts of deferred taxes recognized directly in equity as of December 31, 2007 are presented in the separate "Statement of Recognized Income and Expense".

Deferred tax assets are recognized on deductible temporary differences and unused tax losses to the extent that it is probably that taxable profit will be available against which the deductible temporary differences and unused losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax assets can be utilized. Unrecognized deferred tax assets are reviewed at each balance sheet date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are determined on the basis of the tax rates which apply in the individual countries at the time of realization. These are based on tax rates in force or already adopted on the balance sheet date. Effects from tax rate changes are recognized in profit or loss, unless they relate to items recognized directly in equity. Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against the current tax liabilities, and when the deferred taxes relate to the same tax type and tax authority.

C.9 Non-Current Assets and Liabilities Held for Sale

Non-current assets (or a disposal group) are classified as held for sale and measured at the lower of their carrying amount or fair value less costs to sell if their carrying amount will be recovered through a sale transaction rather than through continuing use.

C.10 Provisions

Provisions are recognized for obligations to third parties arising from past events, the settlement of which is expected to result in an outflow of cash and whose amount can be reliably estimated.

C.10.1 Pension Provisions and Similar Obligations

Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Provisions for post-employment benefits and similar obligations are measured according to the projected unit credit method. This method takes into account the pensions known and expectancies earned as of the balance sheet date as well as the increases in salaries and pensions expected in the future. Pension obligations are calculated on the basis of actuarial reports. All actuarial gains and losses are disclosed directly in equity.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. They comprise any resulting change from a curtailment or settlement in the present value of the defined benefit obligations and any related actuarial gains and losses and past service cost that had not previously been recognized.

In the case of defined contribution plans (e.g. direct insurance policies), the contributions payable are immediately expensed. Provisions for pension obligations are not recognized for defined contribution obligations as the Ströer Group does not have any other obligations in these cases apart from premium payment obligations.

C.10.2 Other Provisions

Provisions are measured on the basis of the best possible estimate of the expected net cash flows, or in the case of long-term provisions, at the present value of the expected net cash flows provided the time value of money is material.

If legal or contractual obligations provide for the removal of advertising media and the restoration of the site at the end of the term of a contract on advertising use, a provision is recognized for this obligation if it is probable that the obligation will have to be settled. The provision is measured on the basis of the estimated future costs of restoration at the end of the contractual term, discounted to the date the provision was initially set up on. The provision is then recognized in this amount directly in the balance sheet and is matched by the same amount under property, plant and equipment (see Section C.3.). Changes in the value of the provisions are immediately reflected in the corresponding value under property, plant and equipment.

Provisions for potential losses from pending transactions are recognized if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The provision for archiving costs is recognized by German entities to cover the legal obligation to retain business documents.

C.11 Financial Liabilities

Financial liabilities comprise finance liabilities, trade payables and other liabilities. Pursuant to IAS 39, *"Financial Instruments: Recognition and Measurement",* financial liabilities are initially recognized at fair value. For the purpose of subsequent measurement, financial liabilities are classified as "financial instruments at fair value through profit or loss", and "financial liabilities at amortized cost". In the Ströer Group, only derivative financial instruments which are not effectively hedged are measured at fair value through profit or loss. Subsequent measurement is at amortized cost using the effective interest method.

Financial liabilities comprise liabilities to silent partners, liabilities to banks and other financial liabilities. Financial liabilities are measured at fair value upon initial recognition and at amortized cost subsequently using the effective interest method. The fair value is calculated by discounting the estimated future cash flows at prevailing market value.

Current liabilities are stated at the redemption amount or settlement amount. Transaction costs are deducted from cost if they are directly attributable. Non-interest and low-interest-bearing non-current financial liabilities are carried at the present value of estimated future cash flows discounted at the current market rate where the effect of the time value of money is material. Liabilities are classified as non-current if they are not due to be settled within 12 months after the balance sheet date.

Trade payables and **other financial liabilities** are measured in line with the procedure described above for financial liabilities.

A financial liability is derecognized if the contractual obligation underlying the liability is discharged, cancelled or expires.

C.12 Other Receivables and Liabilities

Deferrals, prepayments and non-financial assets and liabilities are recognized at amortized cost.

C.13 Contingent Liabilities

Contingent liabilities are potential obligations which are based on past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events which are beyond the Ströer Group's control. Furthermore, present obligations are deemed contingent liabilities if an outflow of resources is not sufficiently probable for the recognition of a provision and/or the amount of the obligation cannot be reliably estimated. Contingent liabilities reflect the scope of liability existing as of the balance sheet date. They are disclosed off the face of the balance sheet in the notes to the financial statements.

C.14 Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7, *"Cash Flow Statements"*, and shows the cash flows of the fiscal year broken down by cash flows from operating, investing and financing activities.

Cash flows from operating activities are presented using the indirect method by deducting non-cash transactions from profit or loss for the period. Furthermore, items which are attributable to cash flows from investing or financing activities are eliminated.

C.15 Financial Risk Management

In the course of its operating activities, the Group is exposed in the area of finance to credit, liquidity and market risks. The market risks mainly relate to interest rate and exchange rate changes.

The **credit risk** is related to the deterioration of the economic situation of Ströer's customers and counterparties. This brings about the risk of a partial or full default in contractually agreed payments as well as the risk of credit-related impairment losses on financial assets. Excluding securities, the maximum risk of default equates to the carrying amount.

Credit risks mainly result from trade receivables. To manage the **credit risk**, the receivables portfolio is monitored on an ongoing basis. Customers intending to enter into transactions with large business volumes undergo a creditworthiness check beforehand; credit risk is at a level customary for the industry. Bad debt allowances are charged to account for the residual risk. The Ströer Group is exposed to a lesser extent to credit risks arising from other financial assets, which mainly comprise cash and cash equivalents and derivative financial instruments. The Group's maximum exposure to credit risks arising from default of the counterparty equals the carrying amount of these instruments.

The **liquidity risk** is defined as the risk that Ströer AG will not have sufficient funds to settle its payment obligations. The **liquidity risk** is countered through strict cash management. A liquidity forecast for a fixed planning horizon and the unutilized credit lines in place ensure that the Group has adequate liquidity. Further information on the utilization of credit lines can be found in Section E.16.

The following table shows the liquidity situation and the contractual maturity dates for the payments due under the financial liabilities as of December 31, 2007:

Contractual maturity dates of financial liabilities incl. interest payments as of Dec. 31, 2007

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
			in EUR k		
Liabilities to silent partners	10,336	11,486	11,061	42,541	**75,424**
Liabilities to banks	45,533	91,518	91,230	555,844	**784,125**
Trade payables	71,253	0	0	50	**71,303**
Other interest-bearing liabilities	6,157	0	0	0	**6,157**
Other non-interest-bearing liabilities	6,907	0	0	0	**6,907**
Derivatives with a negative market value	331	164	55	0	**550**
Total	**140,517**	**103,168**	**102,346**	**598,435**	**944,466**

Contractual maturity dates of financial liabilities incl. interest payments as of Dec. 31, 2006

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
			in EUR k		
Liabilities to silent partners	11,187	12,762	11,911	47,858	**83,718**
Liabilities to banks	37,879	85,828	85,243	543,954	**752,904**
Trade payables	65,194	0	0	0	**65,194**
Other interest-bearing liabilities	9,380	0	0	0	**9,380**
Other non-interest-bearing liabilities	7,106	103	0	53	**7,262**
Derivatives with a negative market value	205	365	182	4	**756**
Total	**130,951**	**99,058**	**97,336**	**591,869**	**919,214**

Unutilized contractually agreed credit lines as of the balance sheet date (EUR 88,778k; prior year: EUR 60,111k) taken into account as of the earliest possible borrowing date.

See Section E.16.1 for information on the adjustment of conditions for liabilities to silent partners and conversion to a subordinated loan. If an adjustment had been made as of the balance sheet date, the following contractual maturity dates would arise:

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
			in EUR k		
Liabilities from subordinated loans	10,336	7,657	7,657	46,370	**72,020**

The Ströer Group is mainly exposed to **interest rate risks** in connection with non-current floating-rate financial liabilities and existing cash and cash equivalents. It is company policy to prevent or mitigate these risks using hedging transactions. By using interest rate swaps, the interest rates were fixed for the majority of floating-rate financial liabilities. A collar adds to the planning certainty with regard to interest risk exposure. At the same time, the interest rate trend is monitored regularly to enable changes to be reacted to swiftly. All hedging measures are coordinated and carried out centrally. For further information on hedging transactions, please see Section G.1.

With the exception of the refinancing carried out in Turkey in the period under review, **currency risk** is of minor significance for the Group. The functional currency of the entities in foreign countries in which the Group operates is the local currency. With the exception of the refinancing in Turkey (euro loan), only a very small amount of transactions in currencies other than the functional currencies are carried out. Consequently hedges have not been entered into to date.

A **sensitivity analysis** is performed for each type of market risk to which the Company is exposed as of the balance sheet date, showing how profit or loss and equity would have been affected by hypothetical changes in the relevant risk variable.

A sensitivity analysis of the **interest risk** shows the effect of an upward and downward shift in the term structure of interest rates by 100 basis points (1 percentage point) on the profit and loss and equity, at otherwise unchanged conditions.

Changes in market interest rates of non-derivative financial instruments with fixed interest rates only affect profit or loss if these are measured at their fair value. As the Ströer Group measures such financial instruments at amortized cost, they are not included in the sensitivity analysis.

Floating rate financial instruments only relate to interest rate hedges and floating rate financial liabilities, for which no hedges have been entered into, and are discussed in detail under G. 1. The changes in the market interest rate affect the interest payments on the floating rate liabilities. If the market interest rate were 100 basis points higher (lower) as of the balance sheet date, the result would have been EUR 380k (prior year: EUR 200k) lower (higher).

Changes in the market interest rate also have an effect on the interest income achievable on the balance of cash and cash equivalents. If the market interest rate were 100 basis points higher (lower) as of the balance sheet date, the result would have been EUR 779k (prior year: EUR 383k) higher (lower).

The fair values of derivative interest rate instruments are determined on the basis of the hypothetical change in the market interest rate. Differences between the fair values actually recognized and the potential effects on profit or loss and on equity are determined as of the balance sheet date and shown in the following table. Any effects on future cash flows should not and are not considered in accordance with IFRS 7.

	Income statement		Recognized directly in equity		Total effect on equity	
Dec. 31, 2007	**bps 100+**	**bps 100−**	**bps 100+**	**bps 100−**	**bps 100+**	**bps 100−**
			in EUR k			
SWAP1	10	−19	0	0	10	−19
SWAP2	20	−20	0	0	19	−20
SWAP4	0	0	5,033	−5,334	5,033	−5,334
SWAP5	0	0	2,548	−2,698	2,548	−2,698
SWAP6	0	0	1,053	−154	1,053	−154
Collar	−211	−152	1,760	−861	1,549	−1,013
Total	**−181**	**−191**	**10,394**	**−9,047**	**10,212**	**−9,238**

	Income statement		Recognized directly in equity		Total effect on equity	
Dec. 31, 2006	**bps 100+**	**bps 100−**	**bps 100+**	**bps 100−**	**bps 100+**	**bps 100−**
			in EUR k			
SWAP1	10	−10	0	0	10	−10
SWAP2	16	−17	0	0	16	−17
SWAP3	−24	17	0	0	−24	17
SWAP4	0	0	5,280	−5,700	5,280	−5,700
SWAP5	0	0	2,700	−2,880	2,700	−2,880
SWAP6			774	−817	774	−817
Collar	−431	−813	2,330	0	1,899	−813
Total	**−429**	**−823**	**11,084**	**−9,397**	**10,655**	**−10,220**

The following foreign currency positions were not hedged in the balance sheet as of December 31, 2007:

	Dec. 31, 2007	
	Euro	Dollar
	in EUR k	
Assets	**15**	**16**
Current		
Cash and cash equivalents	15	3
Equity and liabilities	**−19,411**	**0**
Non-current		
Liabilities to banks	−17,315	0
Current		
Current accounts	−1,747	0
Trade payables	−85	0
Liabilities from business combinations	−264	0
Net exposure	**−19,396**	**16**

Currency risk arising on monetary financial instruments that are not denominated in the functional currencies of the individual Ströer group entities were included in the sensitivity analysis. Effects from the translation of financial statements denominated in a foreign currency of foreign operations into the group presentation currency (euro) are not included in the sensitivity analysis in accordance with IFRS 7.

If the euro had appreciated or depreciated by 10% against the Turkish lira as of December 10, 2007, this would have increased or decreased profit or loss and equity by EUR 1,906k. This analysis was performed under the assumption that all other variables, in particular interest rates, remain unchanged. Given the very low exposure to foreign currency risk as of December 31, 2006, a sensitivity analysis was not performed as of the balance sheet date.

C.16 Managing Capital

The objective of capital management at the Ströer Group is to ensure the continuation and growth of the Company, and maintain and build on its attractiveness to investors and market participants. In order to ensure the above, the board of management continually monitors the level and structure of borrowed capital. The focus of the internal control system is on the planning and ongoing monitoring of the operating result (EBITDA) in order to maintain optimal financing conditions and thus reduce the interest burden to a minimum. The borrowed capital included in the general capital management system comprises financial liabilities (incl. positive and negative market values from interest rate hedges) and other liabilities such as those disclosed in the consolidated balance sheet.

Equity is monitored entirely by the individual entities within the scope of monitoring compliance with the minimum capital requirements to avert insolvency proceedings due to excessive debt. The equity monitored in this context corresponds to the equity disclosed according to German commercial law.

With regard to group financing through the issue of bank loans, the Ströer Group uses the external KPI of the maximum debt-to-equity ratio permitted as a guideline. This debt-to-equity ratio is defined as the ratio of net debt (excluding contributions by silent partners) to the adjusted operating result before interest, depreciation and amortization (EBITDA).

Composition of net debt	2007	2006
Financial liabilities	492,395	481,377
Other liabilities	1,124	1,182
Selected warranties	1,174	2,940
Balance of fair value of derivative hedging instruments	−13,260	−7,323
Cash and cash equivalents	−77,957	−38,326
Net debt	**403,476**	**439,850**
Debt-to-equity ratio	**3.21**	**4.90**

The Company was comfortably within the limits of the net debt ratio in fiscal year 2007 and in the prior year. If the limits are not adhered to, investors would have the right to demand immediate repayment of all or a portion of the loan granted.

The capital management strategy has not been changed against the prior year.

C.17 Share-Based Payments

The Company must recognize the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. It must recognize a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. For cash-settled share-based payment transactions, the Company must measure the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Company must remeasure the fair value of the liability at each reporting date, with changes in fair value recognized in profit or loss.

D. NOTES TO THE INCOME STATEMENT

D.1 Revenue

Revenue breaks down by segment as follows:

	2007	2006
	in EUR k	
SMD group	411,360	364,105
blowUP group	31,787	30,068
Poland	33,921	27,612
Turkey	31,968	18,038
Total	**509,036**	**439,823**

The "SMD group" segment is represented by Ströer Media Deutschland GmbH & Co. KG and its German subsidiaries and is therefore also segmented by region like the "Poland" and "Turkey" segments. The "SMD group" segment includes the activities of the poster, transport advertising, and electronic media segments.

The "blowUP group" segment includes the international commercialization activities in the giant poster business.

Revenue breaks down as follows:

	2007	2006
	in EUR k	
Advertising revenue	490,464	422,136
Production revenue	13,350	14,913
Other operating income	2,740	2,619
Royalties	2,482	155
Total	**509,036**	**439,823**

Revenue includes income of EUR 603k (prior year: EUR 1,378k) from back-to-back transactions.

D.2 Cost of Sales

Cost of sales includes all costs which were incurred in connection with the sale of products and provision of services.

D.3 Selling Expenses

Selling expenses include all costs incurred in connection with direct selling costs and sales overheads. These comprise personnel expenses, cost of materials, depreciation and amortization, and costs related to the sales division.

Expenses from operating leases included under cost of sales are shown in the following table:

	2007	2006
	in EUR k	
Vehicle leasing	1,170	896
Office space	2,357	1,638
Rental/lease of facilities	72	67
	3,599	**2,601**

The research and development costs disclosed in the income statement under cost of sales amounted to EUR 955k in the fiscal year (prior year: EUR 839k).

D.4 Administrative Expenses

Administrative expenses include the personnel and non-personnel expenses of the central administrative areas which are not connected with production/technology, sales, or research and development.

Administrative expenses include the following expenses from operating leases:

	2007	2006
	in EUR k	
Vehicle leasing	576	575
Office space	2,275	2,365
Lease of buildings	509	581
Rental/lease of facilities	386	469
Hardware and software leasing	858	778
	4,604	**4,768**

D.5 Other Operating Income

The breakdown of other operating income is shown in the following table:

	2007	2006
	in EUR k	
Income from the utilization and reversal of provisions and write-offs of liabilities	4,400	5,850
Income from services	2,403	1,684
Income from the disposal of property, plant and equipment and intangible assets	1,121	2,583
Income from the release of bad debt allowances	1,546	1,187
Income from exchange differences	831	560
Miscellaneous other operating income	8,207	9,312
Total	**18,508**	**21,176**

Other operating income in fiscal year 2007 includes income of EUR 3,825k relating to other periods, and comprises income subsequently recognized from the deconsolidation of Infront Germany GmbH, Frankfurt am Main (formerly DSM Sportwerbung GmbH, Cologne) in 2005. The agreement with the seller sets out that Ströer would participate at sales proceeds generated should the entity be sold on.

D.6 Other Operating Expenses

Other operating expenses break down as follows:

	2007	2006
	in EUR k	
Expenses related to the recognition of bad debt allowances and write-offs of receivables and other assets	4,621	4,152
Expenses relating to other periods	712	8,212
Losses from the disposal of property, plant and equipment and intangible assets	2,275	1,700
Losses from deconsolidation	0	108
Change in provision for restoration obligations	33	884
Expenses from exchange differences	319	870
Miscellaneous other operating expenses	292	192
Total	**8,252**	**16,118**

D.7 Explanation of Individual Types of Expenses

D.7.1 Personnel Expenses

The following personnel expenses are included in the cost of sales, administrative expenses, and selling costs:

	2007	2006
	in EUR k	
Personnel expenses	84,003	71,584
Thereof expenses for old-age pensions		
Expenses related to defined contribution plans	4,681	3,186
Expenses related to defined benefit plans	1,255	1,180

Expenses related to defined contribution plans reflect contributions of EUR 40k (prior year: EUR 36k) to a supplemental pension plan (cf. in this regard Section E.14).

The employer contribution to pension insurance amounted to EUR 4,681k in 2007 (prior year: EUR 3,186k). Contributions for the defined contribution plans are estimated at EUR 4,659k for 2008.

Expenses for defined benefit plans include interest expenses of EUR 1,006k (prior year: EUR 950k) and are reflected in the finance result in the consolidated income statement.

The average number of employees in the fiscal year broke down as follows:

No.	2007	2006
Salaried employees	1,253	1,283
Wage -earners	122	104
Total	1,375	1,387

The total number includes pro-rata 171 FTEs (prior year: 143) from the proportionately included joint ventures.

The Company introduced a special remuneration package for executives in October 2007. This package entitles executives to specific bonus payments, on top of their annual salary. One component of the bonus payments is based on the appreciation in the Company's value, with appreciation in value being determined on the basis of the business value. The bonus payment, which is linked to an appreciation in value, is paid out on the condition that the executive remains in the Company's service until the end of fiscal year 2009. The claims will be paid out once the audited financial statements for fiscal year 2009 have been disclosed (probably in 2010).

This special remuneration package is accounted for in accordance with IFRS 2, applying the accounting provisions for cash-settled share-based payment transactions. A measurement model is used to determine the total amount of special remuneration granted to executives. The total amount of the special remuneration is allocated to personnel expenses over the period of service of the beneficiary. As of December 31, 2007, a total of EUR 352k was

recognized as an expense in the income statement and a total of EUR 352k as a liability in the balance sheet for the special remuneration package, as required by IFRS 2.

D.7.2 Depreciation, Amortization and Impairment Losses

The depreciation, amortization and impairment losses included in the cost of sales, administration expenses, and selling costs are disclosed in the statements of changes in non-current assets in Sections E.1 and E.3. No impairment losses were recognized in the fiscal year.

D.8 Share in Profit and Loss of Associates

Ströer AG's share in the loss generated by Ströer Media International GmbH came to EUR 2,953k in fiscal year 2007.

D.9 Financial Result

The following table shows the composition of the financial result:

	2007	2006
	in EUR k	
Finance income	**2,224**	**2,485**
Interest income from loans and receivables	2,224	2,458
Interest income from financial instruments at fair value through profit or loss	0	27
Finance costs	**−48,689**	**−87,279**
Interest expense from financial assets measured at amortized cost		
Compensation for silent partners	−6,500	−7,350
Early repayment penalty	−5	−8,500
Interest expense from refinancing	0	−34,076
Other interest expense from financial assets measured at amortized cost	−40,075	−34,911
Interest expense from financial instruments at fair value through profit or loss	−723	−412
Interest expense from non-financial items		
Interest expense from the unwinding of the discount for pension provisions	−1,006	−950
Interest expense from other non-financial items	−380	−1,080
Financial result	**−46,465**	**−84,794**

Income expenses from financial instruments at fair value through profit or loss include changes in value of the interest rate swaps and the ongoing net interest payments.

D.10 Income Taxes

Taxes on income paid or due in the individual countries as well as deferred taxes are stated as income taxes. They break down as follows:

	2007	2006
	in EUR k	
Expenses from current income taxes	12,981	4,606
— thereof for prior years	*152*	*−1,726*
Income from deferred taxes	19,549	10,997
— thereof for prior years	*−276*	*−113*
Expense (+)/income (−)	**−6,568**	**−6,391**

The following income tax assets and liabilities are disclosed in the balance sheet:

	2007	2006
	in EUR k	
Income tax assets	**18,018**	**20,848**
current	4,943	3,409
deferred	13,075	17,439
Income tax liabilities	**90,592**	**108,419**
current	8,699	4,906
deferred	81,893	103,513

Deferred taxes are calculated on the basis of the applicable tax rates for each country. The rate ranges from 19% to 40.86% (prior year: from 19% to 40.14%). In its 835th meeting on July 6, 2007, the *Bundesrat*, the Upper House of the German Parliament, adopted the 2008 German Corporate Tax Act. Under the new reform, the corporate income tax burden for German entities was reduced from 25% to 15% effective January 1, 2008, while the effective trade tax rate was increased marginally. This translates to a total tax rate burden of 31.7% (corporate income tax and trade tax) for the German entities in 2008. This directly affects the measurement of deferred tax assets and liabilities as of December 31, 2007.

Deferred taxes on consolidation procedures are calculated based on the group tax rate of 31.7% (prior year: 40%). This comprises corporate income tax of 15%, solidarity surcharge of 5.5%, and average trade tax of 15.88%.

Deferred taxes on transactions recognized directly in equity are recognized at the following amounts:

	2007	2006
	in EUR k	
On actuarial losses (liabilities' side)	765	335
On changes in the fair value of financial instruments used for hedging purposes (cash flow hedges, liabilities' side)	1,515	2,515
Total liabilities (prior year: liabilities)	**2,280**	**2,850**

Deferred taxes are allocated to the following balance sheet items:

in EUR k	Dec. 31, 2007		Dec. 31, 2006	
Balance sheet item	deferred tax assets	deferred tax liabilities	deferred tax assets	deferred tax liabilities
	EUR k	EUR k	EUR k	EUR k
Assets				
Non-current assets				
Intangible assets	1,053	69,485	2,184	91,088
Goodwill	1,605	1,123	2,084	1,322
Property, plant and equipment	698	16,473	241	20,500
Financial assets	56	25	0	7
Other receivables and other assets	491	5,231	3	3,080
Current assets				
Inventories	40	0	26	0
Trade receivables	174	67	154	13
Other receivables and other assets	2,298	546	3,231	809
Equity and liabilities				
Non-current liabilities				
Pension provisions and similar obligations	1,736	776	2,224	0
Other non-current provisions	1,184	4,811	1,433	5,305
Non-current financial liabilities	0	2,852	0	3,167
Other non-current liabilities	0	1,020	471	0
Current liabilities				
Other current provisions	1,345	375	348	7
Current financial liabilities	626	0	373	0
Current trade payables	495	17	440	22
Other current liabilities	241	133	101	396
Tax loss carryforwards	22,074	0	26,329	0
Total before set-off	34,116	102,934	39,642	125,716
less set-off	−21,041	−21,041	−22,203	−22,203
Total after set-off	**13,075**	**81,893**	**17,439**	**103,513**

The reconciliation of the expected tax expense and the current tax expense is presented below:

	2007	2006
	in EUR k	
Earnings before income taxes pursuant to IFRSs	28,447	−39,633
Group income tax rate	40.00%	40.00%
Expected income tax expense for the fiscal year	11,379	−15,853
Effects of tax rate changes	−9,268	−31
Trade tax additions/deductions	2,473	4,398
Effects of taxes from prior years recognized in the fiscal year	428	−1,839
Effects of deviating tax rates	−1,288	−1,047
Effects of tax-exempt income	−2,043	−3,774
Impact of permanent effects from consolidation	−754	−174
Effects of non-deductible business expenses	455	1,029
Effects of non-recognition or subsequent recognition of deferred tax assets	−11,653	10,353
Adjustments of tax-loss carried forward	1,988	−231
Other deviations	1,715	778
Total tax expense (+)/tax income (−)	**−6,568**	**−6,391**

The change in the tax rate in 2007 mainly relates to the remeasurement of deferred taxes for the German entities as a result of the reduction in the corporate income tax rate from 25% in the prior year to 15% as of January 1, 2008.

The scope of the existing unused tax losses and the amounts of the unused tax losses for which no deferred tax asset item was recognized break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Total unused tax losses		
Corporate income tax	105,809	92,966
Netted losses pursuant to Sec. 15a EStG	43,843	64,676
Trade tax	73,671	72,577
	223,323	**230,219**
Thereof not recognized		
Corporate income tax	14,315	67,158
Trade tax	70,645	54,055
	84,960	**121,213**

There is no time limit on the use of the non-recognized unused tax losses.

E. NOTES TO THE BALANCE SHEET

E.1 Intangible Assets

The development of intangible assets in the fiscal year and in the prior year is presented in the following table. The carrying amounts include advertising rights of use with indefinite useful lives totaling EUR 113,667k (prior year: EUR 114,136k).

	Franchises, industrial rights and similar rights and assets, and licenses in such rights and assets	Goodwill	Prepayments	Development costs	Total
			in EUR k		
Cost					
Opening balance as of Jan. 1, 2006	**260,240**	**185,302**	**980**	**312**	**446,834**
Change in consolidated group	18,348	275	0	0	18,623
Additions	2,736	1,905	17	838	5,496
Reclassifications	459	0	−459	0	0
Disposals	−528	0	0	0	−528
Exchange differences	−95	5	1	0	−89
Closing balance as of Dec. 31, 2006/ opening balance as of Jan. 1, 2007	**281,160**	**187,487**	**539**	**1,150**	**470,336**
Additions	2,575	358	−128	563	3,368
Reclassifications	160	0	−207	0	−47
Disposals	−519	0	−70	0	−589
Exchange differences	250	51	23	0	324
Closing balance as of Dec. 31, 2007/ opening balance as of Jan. 1, 2008	**283,626**	**187,896**	**157**	**1,713**	**473,392**
Writedowns/write-ups					
Opening balance as of Jan. 1, 2006	**33,151**	**1,922**	**0**	**0**	**35,073**
Change in consolidated group	−1,548	0	0	0	−1,548
Amortization and write-downs	11,103	0	0	7	11,110
Disposals	−104	0	0	0	−104
Exchange differences	−45	5	0	0	−40
Closing balance as of Dec. 31, 2006/ opening balance as of Jan. 1, 2007	**42,557**	**1,927**	**0**	**7**	**44,491**
Amortization and write-downs	11,563	0	0	17	11,580
Disposals	−90	0	0	0	−90
Exchange differences	134	51	0	0	185
Closing balance as of Dec. 31, 2007/ opening balance as of Jan. 1, 2008	**54,164**	**1,978**	**0**	**24**	**56,166**
Carrying amount as of Dec. 31, 2007	**229,462**	**185,918**	**157**	**1,689**	**417,226**
Carrying amount as of Dec. 31, 2006	**238,603**	**185,560**	**539**	**1,143**	**425,845**

Additions to intangible assets break down as follows:

Additions to intangible assets in EUR k	Dec. 31, 2007	Dec. 31, 2006
Additions due to internal development	563	838
Additions due to separate acquisitions	2,805	4,658
Total	**3,368**	**5,496**

The impairment test for intangible assets with indefinite useful lives led to an impairment loss of EUR 0k (prior year: EUR 613k) on advertising rights of use.

The carrying amounts of the intangible assets provided as collateral for the existing financial liabilities are found in Section E.16.

All of the intangible assets with indefinite useful lives were allocated to the cash-generating unit, the SMD group, in full for impairment testing.

The recoverable amount of intangible assets with indefinite useful lives is determined on the basis of cash flow forecasts based on five-year financial forecasts approved by management. In this regard, the specific conditions of the individual assets are taken into account accordingly. The discount rate used for the cash flow forecast amounted to 6.5% (prior year: 6,8%) after taxes. Cash flows for the period following the detailed five-year financial forecast period are extrapolated, with no further growth being assumed. Beginning in 2024, a straight-line deduction of income from an agreement will be made over ten years until 2033.

The significant assumptions in the approved forecast are based on the price per quantity calculation for the available advertising media, planned changes in quantities (increases and reductions), the capacity utilization estimate, and direct costs. The basis of these estimates and calculations includes historical information of past fiscal years and the regulations regarding existing advertising rights of use.

E.2 Goodwill

The impairment test for goodwill did not lead to impairment losses.

The goodwill resulting from business combinations was allocated for impairment testing to the following cash-generating units:

Goodwill	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
SMD Group	171,945	173,974
BlowUP group	3,993	1,605
Poland	4,002	4,002
Turkey	5,978	5,978
Total	**185,918**	**185,559**

The increase in goodwill can be attributed to the purchase of additional shares (49%) in City Videoboard GmbH. The additional goodwill was allocated to the SMD group. The year-on-year change in allocations between the SMD group and the BlowUP group resulted from an adjustment of the internal reporting structure.

The recoverable amount of the cash-generating units has been determined using cash flow forecasts based on five-year financial forecasts approved by management. These approved financial plans reflect the expectations related to the anticipated development for the next five years based on the corporate plan and the expectations relating to the general market trend. In this regard, the budgeted EBITDA is determined based on detailed forecast with regard to the expected future market assumptions, income and expenses. In a second step using the planned working capital changes, these budgetary figures were transformed into a cash flow forecast. The annual average growth rates for cash flows used in the five-year financial forecasts are, depending on the cash-generating unit, between 3.3% for the German SMD group and 76.5% for the Turkish group. The above growth rates should be interpreted taking the moderate to dynamic market expectations of the relevant countries into account, and take the transition from an investing to a cash-generating phase in Turkey, along with the relevant base effects, into consideration. For the period following the detailed five-year financial forecast, a standard growth rate of 2% was used.

For purposes of performing an impairment test on goodwill, the fair value less costs to sell was classified as the recoverable amount. The discount rate used for the cash flow forecast was determined on the basis of market data

and depends on the economic environment in which the cash flows are generated. This is how the special interest rates for foreign cash-generating units are calculated on the basis of local features. The interest rates used include 11.3% for Turkey (prior year: 10.2%) after taxes (13.4% (prior year: 13.6%) before taxes), 7.9% for Poland (prior year: 7.9%) after taxes (9.2% (prior year: 9.2%) before taxes) and 6.5% for the euro zone (prior year: 6.8%) after taxes (7.5% (prior year: 9.4%) before taxes).

Cash flows for the period following the detailed five-year financial forecast are extrapolated using an appropriate growth rate of 2%.

E.3 Property, Plant and Equipment

The development of property, plant and equipment is shown in the following statement of changes in non-current assets.

	Land, land rights and buildings	Plant and machinery	Other plant and equipment	Prepayments and assets under construction	Total
			in EUR k		
Cost					
Opening balance as of Jan 1, 2006	**10,532**	**255**	**229,804**	**5,847**	**246,438**
Change in consolidated group	2,098	0	3,802	10	**5,910**
Additions	605	0	35,878	4,749	**41,232**
Reclassifications	0	0	1,645	−1,645	**0**
Disposals	−246	−23	−7,969	−164	**−8,402**
Exchange differences	1	1	−2,380	−38	**−2,416**
Closing balance as of Dec. 31, 2006/opening balance as of Jan. 1, 2007	**12,990**	**233**	**260,780**	**8,759**	**282,762**
Additions	119	0	26,537	8,769	**35,425**
Reclassifications	0	0	4,452	−4,405	**47**
Disposals	0	0	−6,866	−3,333	**−10,199**
Exchange differences	−2	−4	3,606	145	**3,745**
Closing balance as of Dec. 31, 2007/opening balance as of Jan. 1, 2008	**13,107**	**229**	**288,509**	**9,935**	**311,780**
Write-downs/write-ups					
Opening balance as of Jan 1, 2006	**781**	**210**	**100,736**	**0**	**101,727**
Change in consolidated group	696	0	2,264	0	**2,960**
Depreciation and write-downs	281	15	23,336	30	**23,662**
Changes in value*	0	0	367	0	**367**
Disposals	−53	−21	−5,619	0	**−5,693**
Exchange differences	1	1	−1,577	1	**−1,574**
Closing balance as of Dec. 31, 2006/opening balance as of Jan. 1, 2007	**1,706**	**205**	**119,507**	**31**	**121,449**
Depreciation and write-downs	324	11	27,102	0	**27,437**
Changes in value*	0	0	168	0	**168**
Disosals	0	0	−5,958	0	**−5,958**
Exchange differences	−2	−4	1,988	11	**1,993**
Closing balance as of Dec. 31, 2007/opening balance as of Jan. 1, 2008	**2,028**	**212**	**142,807**	**42**	**145,089**
Carrying value as of Dec. 31, 2007	**11,079**	**17**	**145,702**	**9,893**	**166,691**
Carrying value as of Dec. 31, 2006	**11,284**	**28**	**141,273**	**8,728**	**161,313**

* The changes in value are the result of adjustments to the discount rate for discounting restoration costs.

Other assets mainly include advertising media (carrying amount for 2007: EUR 139,544k; prior year: EUR 135,425k).

In the fiscal year, investment grants pursuant to the German Investment Grant Act ["Investitionszulagegesetz": InvZulG] totaling EUR 550k (prior year: EUR 577k) were recognized and reduced acquisition costs.

The amount of property, plant and equipment provided as collateral for existing financial liabilities is show in Section E.16.

E.4 Investment Property

The following tables gives an overview of the development of the carrying amount of the investment property held in the period under review:

	Investment property in EUR k
Cost	
Opening balance as of Jan. 1, 2007	**0**
Reclassifications due to non-fulfillment of IFRS 5 criteria	2,129
Closing balance as of Dec. 31, 2007/opening balance as of Jan. 1, 2008	**2,129**
Depreciation and write-downs/write-ups	
Opening balance as of Jan. 1, 2007	**0**
Reclassifications due to non-fulfillment of IFRS 5 criteria	263
Depreciation and write-downs	40
Closing balance as of Dec. 31, 2007/opening balance as of Jan. 1, 2008	**303**
Carrying amount as of Dec. 31, 2007	**1,826**

In the prior year, the investment property was classified as held for sale in accordance with IFRS 5. The property could not be sold in the fiscal year. Current circumstances indicate that a sale within the next five years is unrealistic. Hence, the asset was reclassified.

The fair value of the investment property is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs to sell. This was determined on the basis of negotiations with parties interested in purchasing the asset. The property had not been valued by an independent appraiser as of the balance sheet date. The property had a fair value of EUR 1,867k as of the balance sheet date.

The investment property earned rental income of EUR 52k in the period under review. Directly attributable operating expenses of EUR 66k arose in fiscal year 2007.

E.5 Investments in Associates

Ströer Media International GmbH is an associate of Ströer AG. The 33.3% investment (prior year: 100%) was accounted for using the equity method for the first time as of December 31, 2007 in accordance with IAS 28.13. The investment had a carrying amount of EUR 911k as of December 31, 2007. The associate disclosed the following consolidated values as of the balance sheet date:

	Dec. 31, 2007 EUR k
Current assets	12,869
Non-current assets	10,737
Current liabilities	6,070
Non-current liabilities	13,556
Net assets	**3,980**

	2007
	EUR k
Income	1,949
Expenses	10,828
Earnings after taxes	**−8,879**

The development of investments in associates is presented below.

	Investments in associates
	in EUR k
Cost of the investment	3,867
Share in profit/loss 2007	−2,953
Exchange differences	−3
Value as of Dec. 31, 2007	**911**

E.6 Other Equity Investments

The development of other financial assets is shown in the following statement of changes in non-current assets.

	Equity investments	Total
	in EUR k	
Cost		
Opening balance as of Jan. 1, 2006	**495**	**495**
Additions	117	117
Closing balance as of Dec. 31, 2006/ opening balance as of Jan. 1, 2007	**612**	**612**
Additions	5	5
Reclassifications	−30	−30
Disposals	−77	−77
Closing balance as of Dec. 31, 2007/opening balance as of Jan. 1, 2008	**510**	**510**
Depreciation and write-downs/write-ups		
Opening balance as of Jan. 1, 2006	**367**	**367**
Closing balance as of Dec. 31, 2006/opening balance as of Jan. 1, 2007	**367**	**367**
Closing balance as of Dec. 31, 2007/opening balance as of Jan. 1, 2008	**367**	**367**
Carrying amount as of Dec. 31, 2007	**143**	**143**
Carrying amount as of Dec. 31, 2006	**245**	**245**

E.7 Trade Receivables

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Trade receivables	**48,119**	**39,642**
thereof current	48,119	39,642

The amount of receivables serving as collateral for existing financial liabilities is shown in Section E.16.

Bad debt allowances on trade receivables developed as follows:

	2007	2006
	in EUR k	
Bad debt allowances at the beginning of the reporting year	**5,954**	**5,031**
Additions (recognized in profit or loss)	3,598	3,616
Reversals (recognized in profit or loss)	−1,484	−1,146
Utilization	−1,477	−1,528
Exchange differences	73	−19
Bad debt allowances at the end of the reporting year	**6,664**	**5,954**

General bad debt allowances on trade receivables developed as follows:

	2007	2006
	in EUR k	
Bad debt allowances at the beginning of the reporting year	**465**	**434**
Additions (recognized in profit or loss)	94	67
Reversals (recognized in profit or loss)	−61	−36
Utilization	−13	0
Bad debt allowances at the end of the reporting year	**485**	**465**

Specific bad debt allowances with a gross invoice value of EUR 7,927k were charged on trade receivables as of the balance sheet date (prior year: EUR 7,703k). Net of specific bad debt allowances of EUR 6,664k (prior year: EUR 5,954k), the carrying amount of these receivables came to EUR 1,263k (prior year: EUR 1,749k) as of the balance sheet date.

The following tables shows the carrying amounts of overdue trade receivables which have not been written down yet.

	Overdue since				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
			in EUR k		
Dec. 31, 2007	12,881	2,506	1,265	1,045	2,725
Dec. 31, 2006	9,394	4,004	823	865	1,822

For trade receivables for which no bad debt allowance has been charged and which are not in default, there were no indications as of the balance sheet date that the debtors will not meet their payment obligations.

E.8 Non-Current Assets Held for Sale

Non-current assets held for sale include land and buildings belonging to DSM Deutsche Städte in Berlin with a value of EUR 453k (prior year: EUR 2,319k) as of the balance sheet date, and are earmarked for sale. The sales process for the Bremer property has been delayed due to events beyond the entity's control. The assets are due to be sold in 2008. Another item of land and buildings (value according to the provisions of IFRS 5 of EUR 1,867k) disclosed under this caption in the prior year was reclassified to investment property in the period under review as the conditions for recognition as held for sale are no longer met. Please see the explanations under E.4.

E.9 Income Tax Receivables

Current income tax receivables break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Corporate income tax receivables	4,810	2,985
Trade tax receivables	133	424
Total	**4,943**	**3,409**

E.10 Other Receivables and Assets

A breakdown of non-current other receivables and other assets is shown below:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Derivative financial instruments	13,287	7,427
Other loans	109	4,496
Receivables from employees	37	23
Other non-current financial assets	3,480	772
Total	**16,913**	**12,718**

Non-interest bearing or low-interest non-current receivables were recognized at the present value of the estimated future cash flows.

For further information on derivative financial instruments, see Section G.1.

Current receivables and other assets break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Financial instruments		
Receivables from existing and former shareholders of the group entities	3,086	6,909
Residual purchase price receivables from the disposal of group entities	3,825	3,715
Debtors with credit balances	1,490	1,680
Other loans	1,036	2,359
Other financial assets	4,546	3,969
	13,983	***18,632***
Other assets		
Prepaid expenses	5,404	5,749
VAT receivables	3,772	3,023
Other prepayments	2,773	1,347
	11,949	***10,119***
Total	**25,932**	**28,751**

Bad debt allowances on current receivables and other financial assets developed as follows:

	2007	2006
	in EUR k	
Bad debt allowances at the beginning of the reporting year	**526**	**499**
Additions (recognized in profit or loss)	64	48
Reversals (recognized in profit or loss)	−1	−4
Utilization	−48	−3
Other changes	0	−14
Bad debt allowances at the end of the reporting year	**541**	**526**

Specific bad debt allowances with a nominal value of EUR 586k were charged on current receivables and other assets as of the balance sheet date (prior year: EUR 542k). Net of specific bad debt allowances of EUR 541k (prior year: EUR 526k), the carrying amount of these receivables came to EUR 45k (prior year: EUR 16k) as of the balance sheet date.

The following table shows the carrying amount of overdue current receivables and other financial assets which have not been written down yet.

	Overdue since				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
			in EUR k		
Dec. 31, 2007	4	2	1	32	990
Dec. 31, 2006	107	35	0	0	4,199

For current receivables and other assets for which no bad debt allowance has been charged and which are not in default, there were no indications as of the balance sheet date that the debtors will not meet their payment obligations.

E.11 Inventories

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Raw materials, consumables and supplies	4,264	3,841
Finished goods and merchandise	1,302	642
Prepayments made on inventories	16	0
Total	**5,582**	**4,483**

The amount of inventories serving as collateral is disclosed in Section E.16.

E.12 Cash and Cash Equivalents

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Postal giro account and bank balances	77,883	38,256
Cash	74	70
Total	**77,957**	**38,326**

The bank balances disclosed which serve as collateral for existing financial liabilities are disclosed in Section E.16.

The postal giro account and bank balances include overnight money and time deposits of EUR 57,380k (2006: EUR 22,815k). The interest rates achieved range between 3.8% and 4.9% (2006: 3.0% and 3.9%).

E.13 Equity

The development of the individual components of equity in the fiscal year and the prior year are presented in the separate statement of recognized income and expense and the consolidated statement of changes in equity below:

Consolidated Statement of Changes in Equity for 2007

	Equity attributable to equity holders of the parent								Minority interests	Consolidated equity
	Subscribed capital				Accumulated other comprehensive income					
	Common shares	Preferred shares	Capital reserves	Earned consolidated equity	Adjustment item for exchange differences	Cash flow hedges	Actuarial gains/losses	Total		
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Jan. 1, 2006	473,600.00	38,400.00	34,508,982.64	−61,176,592.94	30,938.31	0.00	−504,562.20	−26,629,234.19	1,485,803.68	−25,143,430.51
Change in actuarial gains/losses from defined benefit pension commitments and similar obligations	0.00	0.00	0.00	0.00	0.00	0.00	836,893.00	836,893.00	0.00	836,893.00
Change in the fair value of financial instruments used for hedging purposes (cash flow hedges)	0.00	0.00	0.00	0.00	0.00	6,282,541.00		6,282,541.00	0.00	6,282,541.00
Change in the adjustment item for exchange differences on the translation of financial statements of foreign subsidiaries	0.00	0.00	0.00	0.00	−689,907.23	0.00	0.00	−689,907.23	−30,314.47	−720,221.70
Deferred taxes on changes in value recognized directly in equity	0.00	0.00	0.00	0.00	0.00	−2,515,054.30	−334,757.20	−2,849,811.50	0.00	−2,849,811.50
Total income/expense recognized directly in equity	0.00	0.00	0.00	0.00	−689,907.23	3,767,486.70	502,135.80	3,579,715.27	−30,314.47	3,549,400.80
Loss for the period	0.00	0.00	0.00	−34,552,170.88	0.00	0.00	0.00	−34,552,170.88	1,309,902.32	−33,242,268.56
Total recognized income and expense for the period	0.00	0.00	0.00	−34,552,170.88	−689,907.23	3,767,486.70	502,135.80	−30,972,455.61	1,279,587.85	−29,692,867.76
Changes in the consolidated group	0.00	0.00	0.00	84,308.37	0.00	0.00	0.00	84,308.37	14,422,432.24	14,506,740.61
Dividends paid	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−467,543.64	−470,615.64
Dec. 31, 2006	473,600.00	38,400.00	34,508,982.64	−95,647,527.45	−658,968.92	3,767,486.70	−2,426.40	−57,520,453.43	16,720,280.13	−40,800,173.30
Change in actuarial gains/losses from defined benefit pension commitments and similar obligations	0.00	0.00	0.00	0.00	0.00	0.00	2,412,863.00	2,412,863.00	0.00	2,412,863.00
Change in the fair value of financial instruments used for hedging purposes (cash flow hedges)	0.00	0.00	0.00	0.00	0.00	6,432,472.40	0.00	6,432,472.40	0.00	6,432,472.40
Change in the adjustment item for exchange differences on the translation of financial statements of foreign subsidiaries	0.00	0.00	0.00	0.00	1,775,499.54	0.00	0.00	1,775,499.54	6,102.76	1,781,602.30
Deferred taxes on changes in value recognized directly in equity	0.00	0.00	0.00	0.00	0.00	−1,515,604.95	−764,877.57	−2,280,482.52	0.00	−2,280,482.52
Total income/expense recognized directly in equity	0.00	0.00	0.00	0.00	1,775,499.54	4,916,867.45	1,647,985.43	8,340,352.42	6,102.76	8,346,455.18
Profit for the period	0.00	0.00	0.00	32,241,618.32	0.00	0.00	0.00	32,241,618.32	2,773,692.58	35,015,310.90
Total recognized income and expense for the period	0.00	0.00	0.00	32,241,618.32	1,775,499.54	4,916,867.45	1,647,985.43	40,581,970.74	2,779,795.34	43,361,766.08
Changes in the consolidated group	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	174,521.21	174,521.21
Dividends paid	0.00	0.00	0.00	−3,072.00	0.00	0.00	0.00	−3,072.00	−2,554,786.71	−2,557,858.71
Dec. 31, 2007	473,600.00	38,400.00	34,508,982.64	−63,408,981.13	1,116,530.62	8,684,354.15	1,645,559.03	−16,941,554.69	17,119,809.97	178,255.28

Subscribed capital amounts to EUR 512k (prior year: EUR 512k). It is divided into 512,000 no-par bearer shares (prior year: 512,000). These break down into 473,600 common shares with ordinary voting shares (prior year: 473,600) and 38,400 non-voting preferred shares (prior year: 38,400). Each share's theoretical share in capital stock is EUR 1. All issued shares have been fully paid in. The preferred shares have a preference dividend of EUR 0.08 per share which is payable in advance from annual retained earnings. The holders of non-voting preferred shares and the holders of ordinary shares participate in further profit distributions in proportion to their share in capital stock.

After the reporting date, management submitted the following dividend proposal for approval by the shareholder meeting:

	2007	2006
	in EUR k	
EUR 0.08 per preferred share (prior year: EUR 0.08)	3	3
EUR 0 per common share (prior year: EUR 0)	0	0

Subscription rights for shares were issued in connection with the financing of the acquisition of shares in DSM Deutsche Städte Medien GmbH. By resolution of the shareholder meeting on January 15, 2004, capital stock was conditionally increased accordingly by up to 90,353 new bearer shares. The conditional capital increase is only carried out to the extent that the subscription rights are exercised.

The **capital reserves** contain premiums from the issue of shares and options for the acquisition of shares. The major item of the capital reserve is the subscription rights issued for shares with a carrying amount of EUR 34,451k in connection with the financing of the acquisition of DSM Deutsche Städte Medien GmbH. The carrying amount equals the fair value on the issue date of the subscription rights in 2004. Earned equity contains the retained profits of the consolidated companies realized in the past.

The individual components of **accumulated other comprehensive income** are presented in the consolidated statement of changes in equity. The column "Adjustment item for exchange differences" contains differences from the translation of the financial statements of foreign subsidiaries. Changes in the fair value of derivative financial instruments recognized directly in equity are recorded in the column "Cash flow hedge".

Minority interests mainly relate to the minority interests in blowUP Media GmbH, Kölner Aussenwerbung GmbH and DSM Krefeld Aussenwerbung GmbH.

E.14 Pension Provisions and Similar Obligations

The major pension plans in place are either defined benefit plans, where the pension obligation depends on the remuneration of the employee in question upon reaching retirement age, or are based on a fixed commitment. As there are no plan assets and the actuarial gains and losses are recognized immediately in equity, the present value of the defined benefit obligation corresponds to the pension provision disclosed in the balance sheet.

Provisions for pensions and similar obligations break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Present value of the defined benefit obligation as of Jan. 1	23,416	24,432
Salary conversion	0	0
Current service cost	249	176
Interest expense	1,006	950
Curtailments	0	−54
Actuarial gains(−)/losses(+)	−2,413	−837
Benefits paid	−1,442	−1,337
Changes in the consolidated group	0	136
Other changes	1	−50
Present value of the defined benefit obligation as of Dec. 31/carrying amount	**20,817**	**23,416**

The present value of the pension benefits was calculated using the following assumptions:

Germany	Dec. 31, 2007	Dec. 31, 2006
Interest rate	5.45%	4.40%
Increase in pensions	1.00%	0.00%
Increase in salaries	0.00%	1.00%
Employee turnover	4.50%	4.50%

The assumptions regarding disability and mortality were taken from the Heubeck mortality tables 2005 G.

Abroad (Turkey)	Dec. 31, 2007	Dec. 31, 2006
Interest rate	5.71%	11.00%
Increase in pensions	5.71%	5.00%
Increase in salaries	5.71%	5.00%
Employee turnover	8-27%	0.00%

The components of the cost of retirement benefits recognized in profit or loss are presented below:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Current service cost	249	176
Interest expense	1,006	950
Curtailments	0	54
Cost of retirement benefits	**1,255**	**1,180**

With the exception of interest cost, the above expenses are disclosed under personnel expenses.

The interest cost of pension obligations is disclosed in the interest result. The actuarial gains and losses are recognized immediately in equity.

Cumulative actuarial gains (+) and losses (−) recognized directly in equity amounted to EUR 1,646k after taxes at the balance sheet date (prior year: -EUR 2k).

The experience adjustments break down as follows:

	Dec. 31, 2007	Dec. 31, 2000	Dec. 31, 2005	Dec. 31, 2004
	in EUR k			
Present value of the defined benefit obligation	20,817	23,416	24,432	23,950
Fair value of the plan assets	0	0	0	0
Present value of the shortfall	**20,817**	**23,416**	**24,432**	**23,950**
Gain/loss for the period from				
Experience adjustments on plan liabilities	97	380	840	0
Adjustments to actuarial assumptions	−2,510	−1,217	1	0

Besides the direct benefit obligations, the Group also has indirect pension obligations which are insured through municipal supplemental pension plans [“Zusatzversorgungskasse”: ZVK]. Allocations are made for pensions. The sums paid in this connection finance the current cost of the ongoing pension payments. This type of pension is a defined benefit plan as the individual post-employment benefits of the ZVK to former employees of the member companies do not depend on the contributions paid in. Furthermore, this type of pension is a multi-employer plan as employees of several member companies are insured by the ZVK. The special provisions of IAS 19, *“Employee Benefits”*, were applied in recognizing the indirect obligations. The ZVK’s fund assets are collective assets; it cannot be traced how much each member has contributed to these assets. Due to the thus purely fictional computation of the discount rate, no information is available on the future payment obligations of the Ströer Group. Thus no provision may be recognized under IFRSs and treatment is the same as that for a defined contribution plan. The current payments to the ZVK therefore represent expenses for the fiscal year. These expenses amounted to EUR 40k in fiscal year 2007 (prior year: EUR 36k). The post-employment benefits of the ZVK determined for active and former employees of the Ströer Group in an approximate calculation pursuant to IFRSs are EUR 1,249k higher (prior year: EUR 1,268k) than the premium reserve recognized and attributable pro rata to the Ströer Group.

E.15 Other Provisions

The following provisions have been set up:

	Dec. 31, 2007		Dec. 31, 2006	
	Total	Thereof current	Total	Thereof current
	in EUR k			
Personnel provisions	14,665	14,558	6,356	6,151
Provisions for dismantling obligations	4,031	0	4,065	0
Provisions for bonuses	1,478	1,478	1,284	1,284
Provisions for potential losses from pending transactions	1,186	819	1,653	723
Provision for archiving costs	660	147	649	147
Provision for litigation risks	657	627	360	328
Provisions for taxes	1,124	1,124	0	0
Miscellaneous other provisions	2,681	2,071	3,965	3,468
Total	**26,482**	**20,824**	**18,332**	**12,101**

Provisions developed as follows:

	Personnel provisions	Provisions for dismantling obligations	Provisions for bonuses	Provisions for potential losses	Provisions for archiving costs	Provision for litigation risks	Provisions for other taxes	Misc. other taxes	Total
					in EUR k				
Jan. 1, 2007	**6,356**	**4,065**	**1,284**	**1,653**	**649**	**360**	**0**	**3,965**	**18,332**
Exchange differences	65	38	−83	0	0	0	0	43	**63**
Allocation	12,263	188	1,529	174	182	489	1,124	5,347	**21,296**
Unwinding of the discount	0	121	0	0	1	0	0	16	**138**
Utilization/reversal	−4,019	−381	−1,252	−1,166	−172	−652	0	−5,705	**−13,347**
Reclassification	0	0	0	525	0	460	0	−985	**0**
Dec. 31, 2007	**14,665**	**4,031**	**1,478**	**1,186**	**660**	**657**	**1,124**	**2,681**	**26,482**

The personnel provisions include management and employee bonuses as well as severance payments.

The provision for restoration obligations is based on the anticipated costs of restoration. The provision was discounted using an interest rate of 4.4% (prior year: 4.0%). The change in the value of the provision (EUR 168k) due to the discount rate is included in the reversal.

The provision for potential losses mainly relates to contracts on advertising use which are expected to generate losses over their remaining term. The provision was calculated on the basis of the revenue expected to be generated by the end of the respective terms of the contracts, less the allocable costs. The discount rate was 4.4% (prior year: 4.0%). The change in the value of the provision (EUR 2k) due to the discount rate is included in the reversal.

The costs expected to be incurred for archiving business documents from prior years were taken as the basis for the archiving provision. The provision was discounted using an interest rate of 4.4% (prior year: 4.0%).

The provision for litigation risks comprises the anticipated costs from various actions against group entities. The major portion relates to litigation in connection with the issue of building permits, legal action contesting the refusal of building permits for advertising media and antitrust matters. There are no major individual risks.

E.16 Financial Liabilities

	Nominal value		Average weighted remaining term (in years)	Average weighted effective interest rate (in % p.a.)	Carrying amount	
	Dec. 31, 2007	Dec. 31, 2006			Dec. 31, 2007	Dec. 31, 2006
	in EUR k				in EUR k	
Liabilities to silent partners	42,541	42,541	5	16.500%	42,412	42,387
Liabilities to banks	489,022	473,210			481,978	465,454
Tranche A	*395,000*	*395,000*	*5*	*EURIBOR+300 bps*	*389,562*	*388,501*
Tranche B	*75,000*	*75,000*	*6*	*EURIBOR+800 bps*	*73,919*	*73,743*
Loan — Turkey	*18,000*	*0*	*8*	*EURIBOR+700 bps*	*17,474*	*0*
Other	*1,022*	*3,210*	*8*	*5.770%*	*1,022*	*3,210*
Total	**531,563**	**515,751**			**524,390**	**507,841**

Further information on derivative financial instruments is provided in section G.1.

Assets have been assigned or pledged as security for non-current financial liabilities. The carrying amounts of the collateralized assets are presented below:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Intangible assets	15,547	11,886
Property, plant and equipment	143,485	113,079
Inventories	5,213	3,410
Trade receivables	33,180	21,164
Bank balances	63,311	28,133
Total	**260,736**	**177,672**

As of the balance sheet date, the Group had credit facilities of a total of EUR 93,554k (prior year: EUR 76,207k). EUR 4,776k thereof had been utilized (prior year: EUR 16,096k).

Current financial liabilities break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Current accounts	2,713	3,896
Short-term borrowings	659	4,271
Derivative financial instruments	28	104
Liabilities to silent partners	9,912	9,392
Interest liabilities	7,888	6,501
Other current liabilities	1,291	1,044
Total	**22,491**	**25,208**

E.16.1 Liabilities to Silent Partners

The non-current contributions by silent partners comprise contributions by two shareholders and retained earnings from fiscal year 2004.

The liabilities to silent partners from retained earnings of EUR 2,315k (prior year: EUR 2,315k) accrue interest of 16.5% over the term of the underlying contributions.

A minimum term until January 16, 2013 was agreed for a portion of the contributions of EUR 10,226k (prior year: EUR 10,226k) by agreement dated December 9. 2003. Interest is charged up to 16.5% depending on whether the budgeted result and the debt-to-equity ratio are reached. Irrespective of the agreed minimum term, the Company is entitled, after the end of the fifth year from January 2003, to ordinarily terminate the agreement giving notice of 12 months to the end of the fiscal year. The Company's special right of termination is suspended for as long as the loss carryforward account of the silent partner is in debit and has not been offset.

The second portion of the contributions of EUR 29,871k (prior year: EUR 29,846k) is fixed for a minimum term of ten years until February 2, 2013. Of the nominal value of the contributions of EUR 30,000k, transaction costs of EUR 253k were offset on the date of addition. The change in the carrying amount was calculated by compounding, using the effective interest method. Irrespective of the agreed minimum term, the Company is entitled, after the end of the fifth year from the date the contribution is paid, to ordinarily terminate the silent partnership by giving notice of 12 months to the end of the fiscal year. The Company's special right of termination is suspended for as long as the loss carryforward account of the silent partner is in debit and has not been offset.

Besides the non-current contributions, there are also current contributions by silent partners of EUR 4,140k (prior year: EUR 4,140k), which are disclosed under current liabilities to silent partners together with the liabilities from distributions to silent partners for 2007.

The following applies for all silent contributions: the right to repayment is subordinate in the event of insolvency or liquidation, compensation is dependent partially on performance and the silent partners participate in losses up to the amount of their silent contribution.

The conditions covering most of the liabilities to silent partners are currently being renegotiated with the respective partners. The current state of negotiations sets forth a reduction in the interest on contributions to an interest rate of approx. 9% p.a. and a conversion of the silent contribution to a subordinated loan. Section C.15 also shows an alternative presentation of the contractual maturity dates as of December 31, 2007, taking into account the new conditions, since the change is reasonably likely.

The silent partners' compensation is disclosed in profit or loss under finance costs. Silent partners only receive compensation to the extent that freely available equity is disclosed in the separate commercial financial statements of the parent which is not protected by law or the articles of incorporation.

E.16.2 Liabilities to Banks

The Group is financed by way of a syndicated loan. The loan comprises two tranches (A and B) with a contractual term until January 2013/January 2014. Transaction costs of EUR 8,887k in total were deducted from liabilities when measuring the two tranches for the first time.

Both tranches bear variable interest at EURIBOR + 300 basis points/EURIBOR + 800 basis points. The nominal volume amounts to EUR 395,000k for the A tranche and EUR 75,000k for the B tranche.

The following collateral was contractually agreed:

- Fixed assets and inventories were assigned as collateral
- All trade receivables, loan receivables from affiliates, all industrial rights and rights of use as well as all rights and receivables from claims on insurers have been assigned as collateral to the lenders under blanket assignment agreements.
- All positive bank balances of the liable companies were pledged under an account pledge agreement.
- Ströer Out-of-Home Media AG, Ströer Media Deutschland GmbH & Co. KG and DSM Deutsche Städte-Medien GmbH have pledged the shares in 14 subsidiaries under share pledge agreements.

In Turkey, the Group has been financed since October 2007 by way of a loan denominated in euros with a contractually fixed term until October 2015. When the loan was issued, transaction costs of EUR 736k were incurred, which are deducted from the nominal amount and distributed over the term of the loan using the effective interest rate method. The nominal amount to date is EUR 18,000k. The loan bears variable interest at EURIBOR+700 basis points.

The following collateral was agreed upon in the loan agreement:

- Fixed assets and inventories of the Turkish entities were assigned as collateral.
- As a precaution, all receivables were assigned under a receivables assignment agreement.
- Also as a precaution, all positive bank balances were pledged.
- Under a share pledge agreement, Ströer Akademi Reklam Pazarlama Ltd. Sti, Inter Tanitim Hizmetleri Ticaret A.S., and Ströer Kentyizyon Reklam Pazarlama Ltd. Sti assigned all of the shares in their subsidiaries as collateral.

Other liabilities to banks comprise other bank loans for the short and medium-term financing of the individual entities.

E.17 Trade Payables

Trade payables include non-current trade payables of EUR 50k (prior year: EUR 0k).

Current trade payables break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Trade payables	54,764	49,929
Deferred liabilities from outstanding invoices	15,985	15,265
Total	**70,749**	**65,194**

E.18 Other Liabilities

Other liabilities comprise non-current liabilities of EUR 0k (prior year: EUR 156k).

Other current liabilities break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Financial instruments		
Liabilities from business combinations	1,121	1,180
Debtors with credit balances	4,165	2,496
Liabilities from audit and consulting fees	895	812
Liabilities to investees	38	34
Miscellaneous other liabilities	1,900	3,798
	8,119	***8,320***
Other liabilities		
Deferred contributions	7,200	6,248
Tax liabilities	5,970	9,230
Social security liabilities	292	317
Liabilities to personnel	2,445	2,610
	15,907	**18,405**
Total	**24,026**	**26,725**

E.19 Income Tax Liabilities

The amount disclosed as of the balance sheet date relates to the obligations from trade and corporate income tax and foreign income taxes.

F. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

F.1 Composition of Cash and Cash Equivalents

Cash and cash equivalents consist of the cash and cash equivalents disclosed in the balance sheet. Cash and cash equivalents comprise cash on hand and bank balances (see Section E.12).

The bank balances with long-term restraints on disposal amount, as in the prior year, to EUR 225k.

F.2 Acquisitions and Disposals of Subsidiaries and Other Business Units

The effects on the cash flow statement of the changes to the Group in the fiscal year, as outlined in Section B.1, are summarized below:

	2007 in EUR k
Acquisitions	
49% interest in City Videoboad GmbH, Stuttgart	−436
Purchase price installment for CulturePlak Marketing GmbH from purchase in prior years	−58
	−494
Disposals	
Ströer Media International, Berlin	60
Tovarystvo z obmezhenoiu vidpovidalnistiu, Kiev, Ukraine	15
Ströer Out-of-Home Media Private Limited, New Delhi, India	6
Earn-out purchase price payment for DSM Sportwerbung GmbH, Cologne	3,415
	3,496

	2006 in EUR k
Acquisitions	
Kölner Aussenwerbung GmH, Cologne	−571
Moplak Ströer Stadtmöblierung GmbH, Düsseldorf	−238
Werbeatelier Degen GmbH & Co. KG, Stuttgart	379
	−430
Disposals	
M.C.A. Verwaltungs GmbH, Hagen	1
M.C.A. Aussenwerbung GmbH & Co. KG, Hagen	−7
	−6

The sales include the respective sales proceeds offset against the cash and cash equivalents used for the sale.

G. OTHER NOTES

G.1 Derivative Financial Instruments

The Ströer Group uses interest rate swaps and a collar to hedge risks from floating-rate financial liabilities. Derivative financial instruments are accounted for at fair value.

The table below contains a summary of the derivative financial instruments used and their conditions:

No.	Derivative	Amount	Start	End of term	Fixed interest rate	Floating interest rate	Fair value Dec. 31, 2007	Fair value Dec. 31, 2006
Interest rate swaps								
1	Swap	1,278	3/30/2001	3/30/2011	4.99%	3-m Euribor	−8	−25
2	Swap	1,500	7/17/2002	7/17/2012	5.10%	3-m Euribor	−20	−49
3	Swap	4,000	7/15/2002	7/15/2007	USD-12M Libor	3-m Euribor	—	−30
4	Swap	200,000	4/25/2006	10/25/2012	3.50%	6-m Euribor	8,349	5,433
5	Swap	100,000	10/25/2006	10/25/2012	3.89%	6-m Euribor	2,430	644
6	Swap	50,000	10/25/2006	10/25/2010	3.86%	6-m Euribor	673	206
Collars					**Cap**	**Floor**		
7	Collar	100,000	4/25/2006	4/23/2011	4.00% 6-m Euribor	2.70% 6-m Euribor	1,836	1,145
Total							**13,260**	**7,324**

In connection with the refinancing in 2006, derivatives numbers 4 to 7 in the above table were entered into in order to hedge the interest rate risk from the floating-rate loans (please see Section E.16.2 in this regard). The interest rate swaps were classed as effective such that the changes in fair value were recognized directly in equity under other reserves. The gain from the fair value adjustment of EUR 6,432k (prior year: EUR 6,283k) before taxes was posted in equity using hedge accounting.

The collar was considered to be effective in 2007. As the intrinsic value of the collar was determined for hedging, only the change in the intrinsic value (EUR 1,263k) is included in the hedging reserve under equity. The change in the present value of the collar (EUR 572k; prior year: EUR 1,145k) was recognized in profit or loss.

The other interest rate swaps are stand-alone derivatives whose changes in value were recognized in profit or loss.

G.2 Additional Disclosures on Financial Instruments

The following table shows the net income and losses included in the income statement, broken down by measurement category according to IAS 39 (excluding derivative financial instruments which are included in hedge accounting).

	2007	2006
	in EUR k	
Financial assets and liabilities measured at fair value through profit or loss	77	414
Loans and receivables	−3,122	−5,976
Financial liabilities measured at cost	577	−205

Net gains and losses resulting from financial assets and liabilities at fair value through profit or loss include the gain or loss on the interest rate swaps classified as stand-alone derivatives.

Net gains and losses on loans and receivables include the impairment losses (EUR 3,075k; prior year: EUR 5,666k), write-ups, and exchange differences.

Net gains and losses from financial liabilities measured at cost include early repayment penalties for the early repayment of a loan and exchange differences.

A loss of EUR 572k (prior year: gain of EUR 1,145k) resulted from the change in the present value of the collar.

The following table presents the carrying amount and fair value of the financial instruments included in the individual balance sheet items, broken down by class and measurement category according to IAS 39.

	Carrying amount pursuant to IAS 39					
	Measurement category pursuant to IAS 39	Carrying amount Dec. 31, 2007	Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	Fair value Dec. 31, 2007
			in EUR k			
Assets						
Cash and cash equivalents	L&R	77,957	77,957			77,957
Trade receivables	L&R	48,119	48,119			48,119
Other non-current receivables	L&R	3,626	3,626			3,626
Other current receivables	L&R	13,983	13,983			13,983
Available-for-sale financial assets	(a-f-s)	143	143			n.a.[1]
Derivatives with hedge relationship[2]	n.a.	13,288		12,715	573	13,288
Equity and liabilities						
Trade payables	(fv through p/l)	70,799	70,799			70,799
Non-current financial liabilities	(fv through p/l)	524,390	524,390			524,390
Current financial liabilities	(fv through p/l)	22,491	22,491			22,491
Other current liabilities	(fv through p/l)	8,119	8,119			8,119
Derivates held for trading	(h-f-t)	28			28	28
Broken down by measurement category pursuant to IAS						
Loans and receivables (L&R)		143,685	143,685			143,685
Available-for-sale financial assets (a-f-s)		143	143			n.a.[1]
Financial liabilities at amortized cost (fv through p/l)		625,799	625,799			625,799
Financial liabilities classified as held for trading (h-f-t)		28			28	28

	Carrying amount pursuant to IAS 39					
	Measurement category pursuant to IAS 39	Carrying amount Dec. 31, 2007	Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	Fair value Dec. 31, 2007
			in EUR k			
Assets						
Cash and cash equivalents	L&R	38,326	38,326			38,326
Trade receivables	L&R	39,642	39,642			39,642
Other non-current receivables	L&R	5,291	5,291			5,291
Other current receivables	L&R	18,632	18,632			18,632
Available-for-sale financial assets	(a-f-s)	245	245			n.a.[1]
Derivatives with hedge relationship[2]	n.a.	7,427		6,282	1,145	7,427
Equity and liabilities						
Trade payables	(fv through p/l)	65,194	65,194			65,194
Non-current financial liabilities	(fv through p/l)	507,841	507,841			507,841
Current financial liabilities	(fv through p/l)	25,208	25,208			25,208
Other non-current financial liabilities	(fv through p/l)	156	156			156
Other current liabilities	(fv through p/l)	8,320	8,320			8,320
Derivates held for trading	(h-f-t)	104			104	104
Broken down by measurement category pursuant to IAS						
Loans and receivables (L&R)		101,891	101,891			101,891
Available-for-sale financial assets (a-f-s)		245	245			n.a.[1]
Financial liabilities at amortized cost (fv through p/l)		606,719	606,719			606,719
Financial liabilities classified as held for trading (h-f-t)		104			104	104

1) The fair value of the financial assets available for sale cannot be determined reliably. Therefore, they are measured at cost.

2) Fair value before deferred tax assets

Due to the short terms of **cash and cash equivalents**, **trade receivables**, **trade payables**, and **other receivables**, it is assumed that the fair values correspond to the carrying amounts.

The fair values of the **liabilities to banks** are calculated as the present values of the estimated future cash flows. Market interest rates are used for discounting, depending on the relevant maturity date. As the liabilities primarily accrue interest at variable, current market interest rates, the fair values are very similar to the carrying amounts.

Due to the short terms of **other financial liabilities**, it is assumed that the fair values correspond to the carrying amounts of these financial instruments.

The fair values of **derivative interest rate instruments** are determined by discounting the estimated future cash flows at prevailing market value.

Other interest-bearing liabilities include contributions by silent partners. Due to the likely anticipated change to the conditions of the silent partner contributions, it is assumed that the fair value corresponds to the disclosed book value of the silent partner capital. For further information on the silent partner contributions, please see Section E.16.1.

G.3 Contingent Liabilities and Other Financial Obligations

G.3.1 Contingent Liabilities

Contingent liabilities of EUR 2,440k (prior year: EUR 5,909k) existed as of December 31, 2007. They are attributable to obligations which have been assumed vis-à-vis third parties and relate to the following matters:

	Dec. 31, 2007	Dec. 31, 2006
	in EUR k	
Declarations of joint liability to banks	17	3,267
Guarantees	1,174	1,374
Secondary liability from pensions	1,249	1,268
Total	**2,440**	**5,909**

The **declarations of joint liability** to banks include EUR 3,132k from the prior year for joint and several liability on the part of Ströer AG for the settlement of loan obligations, obligations arising from multipurpose loans, and cash loans to Turkish joint ventures. As a result of the refinancing of the Turkish joint ventures, liability was removed in the fiscal year. A declaration of joint liability for a total of EUR 17k (prior year: EUR 135k) has been submitted to a German leasing company for lease agreements.

A group entity is a member of a municipal supplemental pension plan for the purpose of providing post-employment benefits. There is a shortfall between the pension obligations/expectancies and the fund assets. The ensuing **derivative liability** came to EUR 1,249k (prior year: EUR 1,268k) as of the balance sheet date.

G.3.2 Financial Obligations

There are other financial obligations from the following contractual arrangements:

- Minimum leases under contracts on advertising use (e.g. municipal contracts, transport advertising)
- Site lease contracts
- Rental and lease agreements (operating leases) for buildings, vehicles and other assets (e.g. computers)

As of the balance sheet date, the due dates of the obligations broke down as follows:

Dec. 31, 2006	Total	Thereof due in Less than 1 year	Between 1 and 5 years	More than 5 years
		in EUR k		
Minimum leases	**678,438**	60,363	217,574	400,501
Site leases	**124,991**	37,165	69,753	18,073
Other rental and lease obligations	**13,650**	3,392	9,365	893

In the prior year, obligations broke down as follows:

Dec. 31, 2006	Total	Thereof due in Less than 1 year	Between 1 and 5 years	More than 5 years
		in EUR k		
Minimum leases	**681,624**	74,010	233,795	373,819
Site leases	**40,818**	11,258	19,766	9,794
Other rental and lease obligations	**55,409**	7,697	23,873	23,839

There are also contractual obligations for the acquisition of property, plant and equipment, which break down as follows:

Under the agreement regarding investments in and the leasing of advertising space ("agreement regarding advertising space") concluded with Deutsche Bahn AG, the Group is obligated to invest in fixed assets for the set-up, upkeep and operation of a content-based real-time information and entertainment system as well as in the upscaling of existing first-generation to second-generation advertising media. Over the life of the long-term agreement, the resulting investment volume comes to roughly EUR 20m plus ongoing operating and maintenance expenses and overheads. The volume of ongoing costs depends, on the one hand, on the scope and duration of implementation and, on the other, on the use of existing digital media structures within the Ströer Group.

The Group also had additional investment obligations from other agreements of EUR 15,982k as of the balance sheet date, as well as EUR 167k in obligations within the next five years.

The following financial obligations exist under the terms of other agreements:

An obligation to pay a further EUR 406k (prior year: EUR 406k) for the years 2011 to 2015 may arise from the purchase of Cultureplak Marketing GmbH, Berlin, Germany, if a certain site lease contract is extended.

The contracts on advertising use with municipal partners generally entail an obligation to remove the advertising media at the end of the term and restore the site. As the useful life of these contracts on advertising use is deemed indefinite, it cannot be determined when the restoration obligation will arise. As a result, no provision has been recognized for the obligation.

There are individual sales and purchase options for shares in entities of the Ströer Group. As the purchase prices for the options are the same as the market prices, the options were not allocated a separate value. The following options in non-group entities were held as of the balance sheet date:

Type	Affected shares	Issue of put option	Acquisition of put option
Put option	blowUP Media GmbH	Ströer AG	Shareholders of blowUP Media GmbH
Put option	Kölner Aussenwerbung GmbH	Ströer Media Deutschland GmbH & Co. KG	Minority interests

Type	Affected shares	Issue of put option	Acquisition of put option
Call option	BlowUp Media GmbH	Shareholders of blowUP Media GmbH	Ströer AG
Call option	Kölner Aussenwerbung GmbH	Minority interests	Ströer Media Deutschland GmbH & Co. KG

Ströer AG made the minority interests in blowUP Media GmbH (hereinafter also referred to as "BUM"), Cologne, an irrevocable offer, valid until December 31, 2016, to conclude a purchase and assignment agreement for their shares in BUM. The purchase price corresponds to the respective value of the share in BUM which corresponds to the share in the entity's capital stock held by the minority interest. The business value is determined on the basis of a multiple of consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) at all investees of the BUM subgroup. The minority interests in BUM offered to sell their shares in BUM to SOH in the event that their managing director employment agreement ends. Each of the minority interests is irrevocably bound by this offer until the end of one month after the termination of the employment relationship. The regulations on the purchase price and determination of the business value are identical.

SMD made an irrevocable sales offer to the minority interests in KAW for 1% of the equity in KAW; the offer is valid until December 31, 2036. The purchase price corresponds to 1% of the business value of KAW. The business value is determined on the basis of the average profit for the last three fiscal years before the acquisition, multiplied by the contractually stipulated factors. The value determined is increased by a fixed mark-up which is reduced on an annual basis by a fixed amount until 2016. If the minority interest accepts the sales offer, the business value will be discounted depending on the remaining term of the primary lease agreement. Accordingly, the minority interests in KAW made SMD an irrevocable purchase offer for 1% of the equity in KAW, which is valid until December 31, 2015. The same regulations for the purchase price apply to the determination of the business value, except for the discount regulation.

G.4 Related Party Relationships

The board of management and supervisory board are deemed related parties. Besides the entities included in the consolidated financial statements, related parties include a number of entities with which the Ströer Group has relations in its normal course of business. These entities include, in particular, such in which related parties directly or indirectly hold interests or belong to the management of such. Ströer Media International GmbH continues to be a related party.

All transactions with related parties and entities are conducted at arm’s length.

The following transactions were conducted between the Ströer Group and related parties in fiscal year 2007:

Mr. Udo Müller is a shareholder and the president and CEO of Ströer AG. Furthermore, he holds shares in entities from which the Ströer Group procured services of EUR 934k (prior year: EUR 508k) in the fiscal year. These services were mainly rights of use for sites. Income of EUR 2,287k (prior year: EUR 90k) was also generated from transactions with these entities. The income results mainly from marketing commission. As of the balance sheet date, there was a liability of EUR 140k (prior year: EUR 19k) and a receivable of EUR 533k (prior year: EUR 0k).

Furthermore, Mr. Müller has entered into a silent partnership with Ströer AG. As in the prior year, the liability for repayment of the contribution came to EUR 520k as of year-end. The obligations for payment of performance-linked compensation for the silent investment amounted to EUR 3k as of December 31, 2007 (prior year: EUR 3k).

Mr. Dirk Ströer is a shareholder and member of the supervisory board of Ströer AG. He also holds shares in entities with which business transactions were conducted in the fiscal year, largely involving the leasing of buildings. The services received amounted to EUR 21,437k (prior year: EUR 19,849k) in the fiscal year, the income generated to EUR 921k (prior year: EUR 819k). The receivables and liabilities resulting from this trade came to EUR 463k (prior year: EUR 2,963k) and EUR 60k (prior year: EUR 366k), respectively, as of December 31, 2007.

Furthermore, Mr. Ströer has entered into two silent partnerships with Ströer AG. As in the prior year, the liability for repayment of the contribution came to EUR 3,620k as of year-end. The obligations for the payment of performance-linked compensation for the silent investments amounted to EUR 24k as of December 31, 2006 (prior year: EUR 18k).

In the fiscal year, income of EUR 2,145k resulted from transactions with Ströer Media International GmbH. The services rendered were primarily commercial services and result in open receivables of EUR 1,466k as of the balance sheet date.

G.5 Remuneration of the Board of Management and the Supervisory Board

The remuneration of the board of management and the supervisory board of the Ströer Group is presented below:

Board of management	**2007**	**2006**
	in EUR k	
Short-term benefits	1,690	1,565
Other long-term benefits	5,158	672
Total	**6,848**	**2,237**

Supervisory Board	2007	2006
	in EUR k	
Short-term benefits	153	150
Total	**153**	**150**

Short-term benefits comprise in particular salaries and performance-linked compensation components.

G.6 Executive Bodies

Members of the Board of Management

- Udo Müller, Cologne
- Alfried Bührdel, Cologne

Members of the Supervisory Board

- Dr. Wolfgang Bornheim, tax advisor, Cologne (chairman)
- Dirk Ströer, managing director of Ströer Aussenwerbung GmbH & Co. KG, Cologne
- Dr. Dieter Stolte, member of the board of management of the Axel Springer Foundation, Berlin (deputy chairman)
- Dieter Keller, auditor and tax advisor, Monheim
- Dr. Ihno Schneevoigt, consultant, Grünwald
- Dr. Ulrich Schröder, chairman of the board of management at NRW.Bank (since February 15, 2007)

H. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date which need to be reported.

Cologne, April 2008

Udo Müller Alfried Bührdel

The following audit opinion refers to the consolidated financial statements prepared on the basis of International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB [“Handelsgesetzbuch”: “German Commercial Code”] as well as the group management report prepared on the basis of German Commercial law (HGB) of Ströer Out-of-Home Media AG for the fiscal year ending December 31, 2007 as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages.

AUDIT OPINION

We have audited the consolidated financial statements prepared by Ströer Out-of-Home Media AG, Cologne, — comprising the income statement, the balance sheet, the cash flow statement, the statement of recognized income and expense for the period and the notes to the consolidated financial statements — together with the group management report for the fiscal year from January 1, 2007 to December 31, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB [“Handelsgesetzbuch”: German Commercial Code] is the responsibility of the Company’s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements, and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks relating to future development.

Cologne, April 25, 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hasenklever	Boos
Wirtschaftsprüfer	Wirtschaftsprüfer

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Ströer Out-of-Home Media AG, Cologne

Financial Statements as of December 31, 2009

Ströer Out-of-Home Media AG, Cologne

Balance Sheet as of 31 December 2009

	2009 EUR	2008 EUR
Assets		
Fixed assets		
Intangible assets		
Licenses and software	349,846.82	967,359.85
Property, plant and equipment		
Furniture and fixtures	2,400,480.59	2,408,033.71
Payments on account	434,983.70	953,938.54
	2,835,464.29	3,361,972.25
Financial assets		
Shares in affiliates	183,202,051.64	183,202,051.64
Loans to affiliates	8,989,602.92	5,053,518.63
Equity investments	16,027,137.89	19,845,814.20
Other loans	469,248.94	469,248.94
	208,688,041.39	208,570,633.41
	211,873,352.50	212,899,965.51
Current assets		
Receivables and other assets		
Trade receivables	14,365.72	10,464.36
Receivables from affiliates	20,054,100.69	1,547,839.08
Receivables from other investees and investors	2,365,416.82	3,177,769.81
Other assets	4,073,162.26	4,900,228.55
— thereof due in more than one year: EUR 215,553.77 (prior year: EUR 236,262.29)		
	26,507,045.49	9,636,301.80
Cash on hand and bank balances	740,711.27	899,644.07
	27,247,756.76	10,535,945.87
Prepaid expenses	152,867.75	168,358.48
	239,273,977.01	223,604,269.86

Ströer Out-of-Home Media AG, Cologne

	2009 EUR	2008 EUR
Equity and liabilities		
Equity		
Subscribed capital	512,000.00	512,000.00
— Conditional capital: EUR 90,353.00 (prior year: EUR 90,353.00)		
Capital reserves	34,508,982.64	34,508,982.64
Revenue reserves		
Other revenue reserves	18,199,029.99	18,199,029.99
Net retained profit	61,734,168.15	64,281,748.09
	114,954,180.78	117,501,760.72
Provisions		
Tax provisions	6,525.00	3,497.59
Other provisions	12,903,602.25	10,700,514.10
	12,910,127.25	10,704,011.69
Liabilities		
Liabilities to banks	32,985,837.63	35,274,185.41
— thereof due in up to one year: EUR 1,335,837.63 (prior year: EUR 35,274,185.41)		
Trade payables	980,642.88	620,014.85
— thereof due in up to one year: EUR 980,642.88 (prior year: EUR 620,014.85)		
Liabilities to affiliates	61,659,114.72	42,018,455.25
— thereof due in up to one year: EUR 61,659,114.72 (prior year: EUR 42,018,455.25)		
Liabilities to other investees and investors	27,625.67	0.00
— thereof due in up to one year: EUR 27,625.67 (prior year: EUR 0.00)		
Other liabilities	15,756,448.08	17,163,874.43
— thereof due in up to one year: EUR 4,865,934.00 (prior year: EUR 17,163,874.43)		
— thereof for taxes: EUR 199,434.83 (prior year: EUR 1,120,277.15)		
— thereof for social security: EUR 0.00 (prior year: EUR 552.23)		
	111,409,668.98	95,076,529.94
Deferred income	0.00	321,967.51
	239,273,977.01	223,604,269.86

Ströer Out-of-Home Media AG, Cologne

Income Statement for Fiscal Year 2009

	2009 EUR	2008 EUR
Other operating income	11,185,857.53	15,812,162.26
Personnel expenses		
Wages and salaries	−9,095,750.93	−7,127,633.13
Social security and pension costs	−627,245.29	−583,572.19
— thereof for old-age pensions: EUR 11,729.59 (prior year: EUR 9,968.70)		
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	−1,252,158.73	−1,191,456.14
Other operating expenses	−11,508,468.31	−12,867,529.08
Income from equity investments and gains on disposal	19,545,547.69	14,045,866.72
— thereof from affiliates: EUR 19,545,547.69 (prior year: EUR 14,045,866.72)		
Income from loans classified as fixed financial assets	393,553.60	329,341.76
— thereof from affiliates: EUR 366,510.13 (prior year: EUR 307,001.72)		
Other interest and similar income	171,588.68	86,064.04
Write-downs of financial assets	−5,879,021.89	−5,509,727.84
Interest and similar expenses	−5,540,101.95	−4,917,404.83
— thereof to affiliates: EUR 429,061.77 (prior year: EUR 1,365,544.37)		
Result from ordinary activities	−2,606,199.60	−1,923,888.43
Income taxes	−60,180.74	−145,168.49
Other taxes	−32,775.53	−56,113.55
Income from loss absorption	154,647.93	0.00
Profits transferred under a partial profit and loss transfer agreement	0.00	−5,436,062.17
Net loss for the year	−2,544,507.94	−7,561,232.64
Profit carryforward from the prior year	64,278,676.09	71,842,980.73
Net retained profit	61,734,168.15	64,281,748.09

Ströer Out-of-Home Media AG, Cologne

Notes to the financial statements for fiscal year 2009

A. GENERAL

The Company is entered in the commercial register of Cologne local court under HRB no. 41548.

The financial statements (comprising the balance sheet, the income statement and the notes to the financial statements) of the Company for fiscal year 2009 have been prepared in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the AktG ["Aktiengesetz": German Stock Corporation Act].

The Company assumes a holding function for its group companies and met the size criteria for medium-sized corporations in fiscal year 2009.

The income statement has been prepared using the cost-summary method.

B. ACCOUNTING AND VALUATION METHODS

The accounting and valuation methods remain unchanged from the prior year.

The following accounting and valuation methods were used:

Fixed assets are recognized at acquisition or production cost less amortization/depreciation.

Intangible assets and property, plant and equipment are written off on a straight-line basis over their estimated useful lives.

Amortization/depreciation is based on the following useful lives:

— Licenses and software	3 years
— Furniture and fixtures	3 to 13 years

Low-value assets are fully expensed in the year of acquisition (Sec. 6 (2) EStG ["Einkommensteuergesetz": German Income Tax Act]). In accordance with Sec. 6 (2a) EStG, a collective item is recognized for assets acquired after 31 December 2007 with individual acquisition costs of more than EUR 150 but no greater than EUR 1,000. This collective item is depreciated by 20% in the first year it is recognized and in each of the four subsequent years. Depreciation of the collective item amounted to EUR 24k (prior year: EUR 18k).

Financial assets are recognized at acquisition cost unless impairment losses are required due to expected permanent impairment.

Receivables and other assets are stated at nominal value less appropriate valuation allowances.

Payments made before the balance sheet date which constitute expenses for a certain period after this date are recognized as prepaid expenses.

Provisions account for all identifiable risks, uncertain liabilities and potential losses from pending transactions and have been set up in accordance with prudent business judgment.

Liabilities are recorded at the amount repayable.

Payments received before the balance sheet date which constitute income for a certain period after this date are recognized as deferred income.

All companies which are fully consolidated in the consolidated financial statements of Ströer Out-of-Home Media AG, Cologne (SOH), are classified as affiliates.

Receivables, bank balances and cash in foreign currencies are recognized at the lower of the historical or closing rates. Liabilities in foreign currencies are recognized at the higher of the transaction or closing rates. Financial assets are only recognized at the lower closing rate if permanent impairment is assumed.

C. NOTES TO THE BALANCE SHEET

1. Statement of changes in fixed assets

The classification and development of the fixed asset items disclosed in the balance sheet are presented in detail on the following page.

Ströer Out-of-Home Media AG, Cologne

Statement of Changes in Fixed Assets in Fiscal Year 2009

	Acquisition and production cost					Accumulated amortization, depreciation and write-downs				Net book values	
	1 Jan 2009	Additions	Reclassifications	Disposals	31 Dec 2009	1 Jan 2009	Additions	Reversals	31 Dec 2009	31 Dec 2009	31 Dec 2008
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Intangible assets											
Licenses and software	2,560,750.34	52,597.97	120,351.85	220,555.90	2,513,144.26	1,593,390.49	676,759.41	106,852.46	2,163,297.44	349,846.82	967,359.85
Property, plant and equipment											
Furniture and fixtures	4,139,580.19	416,144.84	152,618.16	5,452.50	4,702,890.69	1,731,546.48	575,399.32	4,535.70	2,302,410.10	2,400,480.59	2,408,033.71
Payments on account	953,938.54	15,557.04	−272,970.01	261,541.87	434,983.70	0.00	0.00	0.00	0.00	434,983.70	953,938.54
	5,093,518.73	431,701.88	−120,351.85	266,994.37	5,137,874.39	1,731,546.48	575,399.32	4,535.70	2,302,410.10	2,835,464.29	3,361,972.25
Financial assets											
Shares in affiliates	183,765,915.71	0.00	0.00	0.00	183,765,915.71	563,864.07	0.00	0.00	563,864.07	183,202,051.64	183,202,051.64
Loans to affiliates	5,053,518.63	3,936,084.29	0.00	0.00	8,989,602.92	0.00	0.00	0.00	0.00	8,989,602.92	5,053,518.63
Equity investments	25,355,542.04	1,993,678.58	0.00	4,190,854.65	23,158,365.97	5,509,727.84	5,812,354.89	4,190,854.65	7,131,228.08	16,027,137.89	19,845,814.20
Loans to other investees and investors	0.00	66,667.00	0.00	0.00	66,667.00	0.00	66,667.00	0.00	66,667.00	0.00	0.00
Other loans	469,248.94	0.00	0.00	0.00	469,248.94	0.00	0.00	0.00	0.00	469,248.94	469,248.94
	214,644,225.32	5,996,429.87	0.00	4,190,854.65	216,449,800.54	6,073,591.91	5,879,021.89	4,190,854.65	7,695,092.15	208,688,041.39	208,570,633.41
	222,298,494.39	6,480,729.72	0.00	4,678,404.92	224,100,819.19	9,398,528.88	7,131,180.62	4,302,242.81	12,160,799.69	211,873,352.50	212,899,965.51

2. Property, plant and equipment

Additions to property, plant and equipment mainly relate to the expansion of the innovation and design center located at headquarter (EUR 255k).

3. Financial assets

The decrease in equity investments is attributable to the fact that the book values of the equity investments in XOREX Beteiligungs GmbH (formerly Ströer Media International GmbH), Berlin, and XOREX GmbH, Cologne, were written-off in full (EUR 5,812k). This was contrasted in particular by the increase in the book value of the equity investment in Ströer Kentvizyon Reklam Pazarlama Ltd., Sti., Istanbul, Turkey, which stems from the EUR 1,951k increase in equity resulting from the conversion of short-term receivables. Loans to affiliates rose by EUR 3,936k due to the distribution of a loan (EUR 3,143k) and the conversion of receivables from interest on loans (EUR 793k) into a long-term loan to Ströer Polska Sp.z.o.o.

4. Receivables from affiliates

Receivables from affiliates include trade receivables of EUR 142k (prior year: EUR 604k). The EUR 19,546k year-on-year increase in receivables from affiliates is due to the absorption of Ströer Media Deutschland GmbH & Co. KG's net income for the year.

5. Receivables from other investees and investors

EUR 1,302k (prior year: EUR 1,263k) of receivables from other investees and investors relates to trade.

6. Other assets

Other assets primarily include corporate income tax refund claims of EUR 3,448k and deposits amounting to EUR 339k.

7. Subscribed capital

Capital stock amounts to EUR 512,000.00.

Capital stock is divided into 512,000 no-par-value shares, of which 473,600 are common shares and 38,400 preferred shares without voting rights. The shares are registered and each represents EUR 1 of capital stock.

As part of the financing of the acquisition of shares in DSM Deutsche Städte Medien GmbH, Cologne, by the subsidiary Ströer Media Deutschland GmbH & Co. KG, Cologne (SMD), the Company issued subscription rights for shares. Accordingly, it was resolved at the shareholder meeting on 15 January 2004 to conditionally increase capital stock by up to 90,353 new registered no-par-value shares (common shares). The conditional capital increase will only take effect to the extent that the holders of the stock options exercise their right to subscribe for shares.

8. Capital reserves

As of the balance sheet date, the Company had capital reserves of EUR 34,509k (of which EUR 58k pursuant to Sec. 272 (2) No. 1 HGB and EUR 34,451k pursuant to Sec. 272 (2) No. 2 HGB), which exceeds 10% of capital stock.

9. Net retained profit

It was resolved within the scope of the appropriation of profit for fiscal year 2008 to distribute a dividend of EUR 3,072.00 to the preferred stockholder. The net retained profit for the year was carried forward to new account.

10. Other provisions

Other provisions break down as follows:

	2009	2008
	EUR k	EUR k
Personnel provisions	8,224	6,790
Potential losses from interest rate hedges	3,599	2,997
Provision for potential claims for damages	500	0
Financial statement and audit fees	289	383
Outstanding invoices	287	525
Other provisions	5	6
	12,904	10,701

The Company entered into two interest rate swaps on 30 July 2008 and 2 October 2008, respectively, to hedge variable interest obligations arising in connection with the loan from NRW.BANK, Düsseldorf, and SKB Kapitalbeteiligungsgesellschaft KölnBonn mbH, Cologne. As of the balance sheet date, their fair values were negative. A provision was therefore set up in the amount of these negative fair values.

11. Statement of changes in liabilities

The remaining terms of liabilities are summarized in the following statement of changes in liabilities:

		Thereof due in			
	Total amount	up to one year	one to five years	more than five years	Secured amounts
	EUR k	EUR k	EUR k	EUR k	EUR k
Liabilities to banks	32,986	1,336	31,650	0	407
Trade Payables	981	981	0	0	0
Liabilities to Affiliates	61,659	61,659	0	0	0
Liabilities to other investees and investors	28	28	0	0	0
Other liabilities	15,756	4,865	10,891	0	0
	111,410	68,869	42,541	0	407

Under the facility agreement between SOH, SMD and other companies of the Ströer Group (guarantors), and BAWAG Malta Bank Ltd., Sliema, Malta (BAWAG), (facility agent), as well as the other lenders, SMD and other Ströer group companies, as contracting parties to the facility agreement, as evidenced by an independent guarantee, have joint and several liability for SOH's credit facilities due to the banking syndicate, up to an amount of EUR 55,000k. As of 31 December 2009, SOH had drawn on EUR 407k of the credit facility.

12. Liabilities to banks

Liabilities to banks (EUR 31,650k) largely relate to a loan from NRW.BANK, Düsseldorf, which matures on 31 December 2013 and short-term interest liabilities stemming from the loan of EUR 927k.

13. Liabilities to affiliates

EUR 59,988k (prior year: EUR 40,236k) of liabilities to affiliates is attributable to cash pooling, EUR 1,671k (prior year: EUR 1,782k) to trade.

14. Liabilities to other investees and investors

Liabilities to other investees and investors relate to trade.

15. Other liabilities

Other liabilities contain liabilities to silent partners of EUR 3,674k. This item also includes a loan of EUR 10,891k from SKB Kapitalbeteiligungsgesellschaft KölnBonn mbH, Cologne, which matures on 31 December 2013. In addition, the Company disclosed interest liabilities of EUR 987k, of which EUR 668k relates to interest rate swaps.

D. NOTES TO THE INCOME STATEMENT

1. Other operating income

Other operating income mainly comprises the following:

	2009	2008
	EUR k	EUR k
Income from commercial and technical services	7,503	8,211
Income from cost allocations	3,282	3,608
Income from the reversal of provisions	256	2,129
Income from the reduction of specific bad debt allowances	0	416
Other income	145	1,448
	11,186	15,812

2. Other operating expenses

Other operating expenses mainly contain expenses allocated to affiliates, legal and consulting fees, bad debt allowances, rent and administrative expenses, product development costs and travel expenses.

3. Income from equity investments and gains on disposal

Income from equity investments stems from absorption of Ströer Media Deutschland GmbH & Co. KG's net income for the year.

4. Write-downs of financial assets

Write-downs of financial assets relate to the Company's shares in XOREX Beteiligungs GmbH (EUR 3,861k) and XOREX GmbH (EUR 1,951k) as well as a loan to XOREX Beteiligungs GmbH (EUR 67k) and are recognized at their lower net realizable value determined on the basis of a valuation of the investments.

5. Income from loss absorption

Income from loss absorption is attributable to a contractual agreement in place with silent partners, who are obliged to absorb part of the net loss for fiscal year 2009.

E. OTHER NOTES

1. Cash flow statement

	2009	2008
	EUR k	EUR k
1. Cash flow from operating activities		
Net income/net loss before extraordinary items and before profit/loss transfer to silent partners	−2,699	−2,125
Write-downs (+)/write-ups (−) of fixed assets	7,131	6,701
Increase (+)/decrease (−) in provisions	2,206	1,138
Other non-cash expenses (+)/income (−)	1,528	−3,098
Gain (−)/loss (+) on disposals of fixed assets	308	−11,182
Increase (−)/decrease (+) in inventories, trade receivables and other assets	−19,729	12,801
Increase (+)/decrease (−) in trade payables and other liabilities	1,268	−6,575
Cash flow from operating activities	−9,987	−2,340
2. Cash flow from investing activities		
Cash received (+) from disposals of property, plant and equipment	61	240
Cash paid (−) for investments in property, plant and equipment	−432	−1,730
Cash received (+) from disposals of intangible assets	7	0
Cash paid (−) for investments in intangible assets	−53	−653
Cash received (+) from disposals of fixed financial assets	0	310
Cash paid (−) for investments in fixed financial assets	−4,045	−3,222
Cash flow from investing activities	−4,462	−5,055
3. Cash flow from financing activities		
Dividends (−)	0	−3
Cash paid (−) to silent partners	−5,443	−6,500
Cash received (+) from/cash paid (−) for cash pool financing	19,751	12,191
Cash repayments (−) of loans	−18	−8
Cash flow from financing activities	14,290	5,680
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	−159	−1,715
Cash and cash equivalents at the beginning of the period	900	2,615
Cash and cash equivalents at the end of the period	741	900
5. Composition of cash and cash equivalents		
Cash and cash equivalents	741	900
Cash and cash equivalents at the end of the period	741	900

2. Contingent liabilities and other financial obligations

a) Contingent liabilities

Under the facility agreement between SOH, SMD and other companies of the Ströer Group (guarantors), and BAWAG (facility agent), as well as the other lenders, the Company, as contracting party (guarantor) to the facility agreement, as evidenced by an independent guarantee, has joint and several liability for liabilities of EUR 470,000k owed by SMD.

To secure SMD's liabilities to BAWAG, the Company has assigned its fixed assets and inventories as collateral under a security transfer agreement.

Additionally, the Company assigned all its trade receivables, loan receivables from affiliates, industrial rights and rights of use, as well as all rights and receivables from claims on insurers to BAWAG as collateral for the above liabilities under a global assignment agreement.

Under an account pledge agreement, all the Company's bank credit balances were pledged to BAWAG and the other lenders as collateral for SMD's liabilities and to secure SOH's facilities with the lenders.

In addition, the shares held by SOH in SMD and Ströer Deutsche Aussenwerbung were pledged to BAWAG and the other lenders as collateral for the above liabilities (share pledge agreement).

In connection with the acquisition of Ströer DERG Media GmbH, Kassel, Ströer Out-of-Home Media AG issued an indefinite guarantee to Deutsche Bahn AG for the obligations of Ströer DERG Media GmbH under the advertising space agreement. These relate principally to expenses for advertising media intended for the installation and operation of over 70 electronic real-time systems for information and entertainment and the upgrading of existing advertising media. Over the life of the long-term agreement, the investment volume comes to roughly EUR 20m plus ongoing operating and maintenance expenses and overheads. The volume of ongoing costs depends, on the one hand, on the scope and duration of implementation and, on the other, on the use of existing electronic media structures within the Ströer Group.

b) Total amount of other off-balance sheet financial obligations

Financial obligations from leases and rent existed as of 31 December 2009. The amount and terms are as follows:

Lease payments	In up to one year	EUR 1,940k
	One to five years	EUR 7,248k
	More than five years	EUR 13,410k
Rent expenses	In up to one year	EUR 673k
	One to five years	EUR 2,122k
	More than five years	EUR 398k

The lease payments mainly relate to the Company's administrative building. The building was leased to avoid cash outflows and financing which would have been required if the building had been purchased. These benefits are contrasted by fixed and contractually agreed payment obligations over the term of the lease.

3. Other Off-balance-sheet transactions

The Company uses services provided by the subsidiary Ströer Media Deutschland GmbH & Co. KG. in order to leverage synergy effects by centralizing and standardizing processes, leading to quantitative and qualitative advantages. The Company's financial situation is affected by the cost allocations payable in the coming years. However, this is contrasted by the positive effect from the fact that the Company no longer needs to allocate its own resources to these functions. In fiscal year 2009, expenses totaling EUR 687k were incurred for outsourcing operating functions.

4. Derivative financial instruments

In order to hedge the interest obligations arising from the floating-rate loans of EUR 42,541k granted by NRW.BANK and SKB Kapitalbeteiligungsgesellschaft KölnBonn mbH with effect as of 1 January 2009, the Company entered into two interest rate swap contracts totaling EUR 40,000k.

Category	Type	Amount	Fair value, including accrued interest	Net book value of the balance sheet item Maturity
		EUR k	EUR k	
Interest-linked	Swap	20,000	−2,300	EUR 350k, other liabilities EUR 1,950k, other provisions 1 January 2015
Interest-linked	Swap	20,000	−1,968	EUR 317k, other liabilities EUR 1,651k, other provisions 1 January 2015

The fair values were calculated using generally accepted valuation models and methods. In this context, only input parameters that can be observed on the market are used (yield curves, interest rate volatilities).

5. Notes on the average number of staff employed during the fiscal year

An average of 66 staff were employed in fiscal year 2009 (prior year: 70).

6. Members of the board of management and the supervisory board

Board of management:

Udo Müller, Cologne
Alfried Bührdel, Cologne

The members of the board of management exercise their functions on a full-time basis.

The total remuneration paid to the board of management in fiscal year 2009 was EUR 3,426k.

Supervisory board:

- Dr. Wolfgang Bornheim, tax advisor, Cologne (chairman)
- Prof. Dr. Dieter Stolte, member of the board of management of Axel Springer Stiftung, Berlin (vice chairman)
- Dirk Ströer, managing director of Ströer Aussenwerbung GmbH & Co. KG, Cologne
- Dietmar Peter Binkowska, chairman of the board of management of NRW.BANK
- Dr. Ihno Schneevoigt, consultant, Grünwald
- Dieter Keller, auditor and tax advisor, Monheim

The total remuneration paid to the members of the supervisory board in fiscal year 2009 was EUR 155k.

7. Related party transactions

Type of transaction Type of relationship	Sales EUR k	Acquisitions EUR k	Provision of services EUR k	Purchase of services EUR k	Provision of other services EUR k	Purchase of other services EUR k
Related party	0	0	835	75	200	19

Related parties relate to subsidiaries, associates and investees.

SOH provides certain administrative and other services as the group parent company. Other services primarily relate to the allocation of licensing costs, other advanced costs and interest.

8. List of shareholdings

The disclosures pursuant to Sec. 285 No. 11 HGB on companies in which the Company holds at least 20% of capital are presented in the following list of shareholdings.

Ströer Out-of-Home Media AG, Cologne

List of Shareholdings

	Share in equity as of 31 Dec 2009	Equity as of 31 Dec 2009	Net income/ net loss 2009
	%	EUR k	EUR k
Arge Schönefeld GbR, Berlin	50.00	54	92
blowUp Media Belgium N.V., Antwerp, Belgium	60.00	8	−119
blowUp Media Benelux B.V., Amsterdam, Netherlands	80.00	−407	−101
blowUp Media Espana S.A., Madrid, Spain	70.00	−1,132	−234
blowUp Media France SAS, Paris, France	82.14	245	−14
blowUp Media GmbH, Cologne	75.00	4,803	217
blowUp media project GmbH, Cologne	75.00	46	102
blowUp Media UK Ltd., London, UK	80.00	916	−208
City Design Gesellschaft für Aussenwerbung mbH, Cologne	100.00	36,450	−4
City Lights Reklam Pazarlama Ltd. Sti., Istanbul, Turkey	50.00	3,659	341
City Plakat BMA GmbH, Berlin	100.00	834	634
CulturePlak Marketing GmbH, Berlin	100.00	31	*49
DERG Vertriebs GmbH, Cologne	100.00	50	*1,283
DSM Krefeld Aussenwerbung GmbH, Krefeld	51.00	1,461	37
DSMDecaux GmbH, Munich	50.00	6,971	5,943
DSM Deutsche Städte Medien GmbH, Frankfurt am Main	100.00	12,611	*22,307
DSM Mediaposter GmbH, Cologne	100.00	209	*331
DSM Zeit und Werbung GmbH, Frankfurt am Main	100.00	1,452	*667
Dünya Tanitim Hizmetleri ve Turizm Ltd. Sti., Istanbul, Turkey	50.00	792	−61
Gündem Matbaacilik Organizasyon Gazetecilik Reklam San. ve Tic. Ltd. Sti., Antalya, Turkey	50.00	1,943	−626
GO Public! Eventmedia GmbH, Cologne	100.00	−283	−10
Hamburger Aussenwerbung GmbH, Hamburg	100.00	4,967	*-2,651
Hamburger Verkehrsmittel-Werbung GmbH, Hamburg	75.11	−1,770	−111
INFOSCREEN Hamburg Gesellschaft für Stadtinformationssysteme mbH, Hamburg	75.11	−1,977	149
Ilbak Neon Kent Mobilyalari Ltd. Sti., Istanbul, Turkey	50.00	6,148	3,149
Inter Tanitim Hizmetleri San. ve Ticaret Anonim Sti., Istanbul, Turkey	33.30	4,794	−979
Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung, Cologne	51.00	4,305	1,952
Konya Inter Tanitim ve Reklam Hizmetleri Anonim Sti., Istanbul, Turkey	16.65	376	8
Kultur-Medien Hamburg GmbH, Hamburg	51.00	233	458
mediateam Werbeagentur GmbH/Ströer Media Deutschland GmbH & Co. KG — GbR, Cologne	50.00	98	98
Megaposter UK Ltd., Brighton, UK	80.00	495	185
Medya Grup Tanitim Halkla Iliskiler Organizasyon Sanayi ve Ticaret Ltd. Sti., Istanbul, Turkey	24.14	1,387	501
Mega-Light Staudenraus & Ströer GbR, Cologne	50.00	161	51
Meteor Advertising Ltd., London, UK	80.00	65	3
Objektif Kentvizyon Reklam Pazarlama Ticaret Ltd. Sti., Istanbul, Turkey	39.90	140	92
SK Kulturwerbung Bremen-Hannover GmbH, Bremen	50.00	92	32
SK Kulturwerbung Rhein-Main GmbH, Frankfurt am Main	50.00	187	127
SMI Beteiligungsgesellschaft mbH, Berlin	49.73	18	−7
Stadtkultur Rhein-Ruhr GmbH, Büro für Kultur und Produktinformation, Essen	50.00	198	138

Ströer Out-of-Home Media AG, Köin

	Share in equity as of 31 Dec 2009	Equity as of 31 Dec 2009	Net income/ net loss 2009
	%	EUR k	EUR k
Ströer Akademi Reklam Pazarlama Ltd. Sti., Istanbul, Turkey	50.00	2,542	573
Ströer DERG Media GmbH, Kassel	100.00	5,492	*11,413
Ströer Deutsche Aussenwerbung GmbH, Cologne	100.00	34	9
Ströer Deutsche Städte Medien GmbH, Cologne	100.00	500	*−1,125
Ströer Infoscreen GmbH, Cologne	100.00	8,227	*4,342
Ströer Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	49.70	4,208	−1,933
Ströer Media Deutschland GmbH & Co. KG, Cologne	100.00	52,975	*19,546
Ströer Kentvizyon Reklam Pazarlama A.S., Istanbul, Turkey	50.00	17,705	5,974
Ströer Media Sp. z . o.K., Warsaw, Poland	98.00	−1,305	−736
Ströer Media Sp. z . o.o., Warsaw, Poland	99.00	−1	−1
Ströer Out-of-Home Media India Private Limited, New Dehli, India	49.73	3	32
Ströer Sales & Services GmbH, Cologne	100.00	256	*10,032
Ströer Polska Sp. z o.o., Warsaw, Poland	99.00	13,601	158
Trierer Gesellschaft für Stadtmöblierung mbH, Trier	50.00	376	113
Werbering GmbH, Cologne (formerly Frankfurt am Main)	100.00	190	*5,387
X-City Marketing Hannover GmbH, Hanover	50.00	6,872	1,351
XOREX Beteiligungs GmbH, Berlin (formerly Ströer Media International GmbH)	49.73	−18,910	−4,892
XOREX GmbH, Cologne	24.60	7,891	−41

* Net income/net loss before profit and loss transfer

9. Notification pursuant to Sec. 20 AktG

Mr. Udo Müller, Cologne, informed the Company on 29 November 2005 that he holds a majority shareholding in Ströer Out-of-Home Media AG within the meaning of Sec. 16 (1) AktG.

10. Consolidated financial statements

The Company prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are available from the Company.

11. Auditor's fees and services

The total fee charged by the auditor for the fiscal year pursuant to Sec. 285 No. 17 HGB is included in the relevant disclosure made in the notes to the consolidated financial statements.

12. Proposal for the appropriation of profits

The board of management proposes to distribute a dividend of EUR 3,072.00 from the net retained profit as of 31 December 2009 to the preferred stockholder and carry forward the remaining balance to new account.

Cologne, 31 March 2010

The Board of Management

Unconsolidated financial statements 2009:

The following audit opinion refers to the unconsolidated financial statements and the management report prepared on the basis of German commercial law (HGB) of Ströer Out-of-Home Media AG for the fiscal year ending December 31, 2009 as a whole and not solely to the unconsolidated financial statements presented in this prospectus on the preceding pages.

Audit Opinion

We have audited the annual financial statements — comprising the balance sheet, the income statement and the notes to the financial statements — together with the bookkeeping system, and the management report of Ströer Out of-Home Media AG, Cologne, for the fiscal year from January 1 to December 31, 2009. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the (findings) of our audit, the annual financial statements (comply) with the legal requirements and supplementary provisions of the partnership agreement and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Cologne, March 31, 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Hasenklever	Kamann
Wirtschaftsprüfer	Wirtschaftsprüferin

GLOSSARY

Advertising faces	the number of sides or the number of images, respectively, displayable on a single advertising unit. For example, a single-sided non-scrolling advertising panel has one advertising face and a double-sided non-scrolling advertising panel has two advertising faces.
Advertising spaces	is a description of certain areas where different types of advertising can be displayed.
Advertising unit	a single advertising display, which may contain one or more advertising faces.
Akademi Reklam	Akademi Reklam Tanitim Turizm Inşaat Tekstil Sanayi ve Diş Ticaret Limited Şirketi.
BaFin	German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).
blowUP media	BlowUP media GmbH.
CAGR	compound average growth rate. An indicator used to show the year over year growth rate applied to an investment or other part of a company's activities over a multiple-year period.
Capex	Capital expenditures (Capex) are expenditures of the Company creating future benefits, including, inter alia, amounts spent on: acquiring fixed assets, fixing problems with an asset that existed prior to acquisition, preparing an asset to be used in business, legal costs of establishing or maintaining one's right of ownership in a piece of property, restoring property or adapting it to a new or different use starting a new business.
Cash conversion rate	The cash conversion rate is an financial indicator to show the ratio of profits to cash flow. It is calculated by deducting the Capex from the operational EBITDA (before phantom stock) and subsequently dividing the result through the operational EBITDA (before phantom stock).
CEE	Central and Eastern Europe.
CEEC	Central and Eastern European Countries, an OECD term for the group of countries comprising Albania, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, Slovenia, and the three Baltic States: Estonia, Latvia and Lithuania.
Cerberus	Cerberus Capital Management, L.P. and certain of its affiliates.
Clearstream	Clearstream Banking AG, a custodian and clearing bank. Its business activities include safekeeping, settlement services for securities transactions, collateral management and securities lending service.
Co-Lead Managers	COMMERZBANK, Crédit Agricole and WestLB.
Company	Ströer AG, with its registered office at Ströer Allee 1, 50999 Cologne, Germany, and registered with the Commercial Register maintained by the Local Court (Amtsgericht) of Cologne under HRB number 41548.
D&O	directors and officers (or directors' and officers', as applicable).
Deutsche Bahn	Deutsche Bahn AG and its subsidiaries.
Disbursing Agent	for German federal income tax purposes, a German custodian of shares (i.e., German resident credit institutions, financial services institutions (including German permanent establishments of foreign institutions), securities trading companies or securities trading banks).
EC	European Community.

EEA	European Economic Area.
EU	European Union.
FCO	German Federal Cartel Office.
GPS	global positioning system.
Gross Advertising Spending	number of faces delivered, multiplied with list prices.
HR	human resources.
IAS	International Accounting Standards: IAS are accounting regulations promulgated by the International Accounting Standards Board (IASB) for the purpose of international harmonization and improved comparability of consolidated financial statements. IAS have been renamed International Financial Reporting Standards (IFRS).
IFRIC	International Financial Reporting Interpretations Committee: IFRIC is the interpretive body of the International Accounting Standards Committee (IASC) Foundation.
IFRS	International Financial Reporting Standards: IFRS are the accounting standards promulgated by the International Accounting Standards Board (IASB) as adopted in the European Union.
J.P. Morgan	J.P. Morgan Securities Ltd., London, United Kingdom.
Joint Bookrunners	J.P. Morgan and Morgan Stanley.
Joint Global Coordinators	J.P. Morgan and Morgan Stanley.
LED	A light-emitting diode (LED) is a semiconductor light source.
Mega-Lights	Ströer's premium back-lit, glass-encased $9m^2$ billboards, usually mono-footed.
Morgan Stanley	Morgan Stanley Bank AG, Frankfurt am Main, Germany.
Net advertising spending	total advertising spending by advertisers less discounts and commissions paid to media and other sales agents.
Net working capital	Financial indicator. Net working capital is a measure of the company's liquidity and represents the company's current assets less liquid assets and trade payables.
Outdoor Channel	Our project to establish a nationwide network of advertising units with moving digital images.
Regulation S	Regulation S under the U.S. Securities Act.
ROI	Return on investment (ROI) is an indicator used to measure the return on the capital employed by the Company for an expense or investment. Advertising campaign ROI is a metric that attempts to determine what the advertiser receives in return for the cost of the advertising, usually in terms of new sales.
Rule 144A	Rule 144A under the Securities Act.
Saberasu	Saberasu Japan Investments II B. V.
Scroller 5000 Premium Billboard	Our project to increase the attractiveness and exploit the full potential of existing high-traffic billboard locations in Germany by introducing a new premium billboard concept of scrollers, offering billboards with high quality display features like back-illumination and glass vitrines, to satisfy excess demand for premium inventories.
Ströer AG	Ströer Out-of-Home Media AG, Cologne, Germany.
Ströer Group	Ströer AG and its subsidiaries on a consolidated basis.

Ströer Kentvizyon	Ströer Kentvizyon Reklam Pazarlama A.Ş.
TFEU	Treaty on the Functioning of the European Union
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Underwriters	the Joint Global Coordinators together with the Co-Lead Managers, jointly.
Underwriting Agreement	Underwriting Agreement, expected to be dated as of July 2, 2010, by and among the Company and each of the Underwriters.
Working capital	Financial indicator. Working capital is a measure of the company's liquidity and represents the difference between the company's current assets and current liabilities.

RECENT DEVELOPMENTS AND OUTLOOK

Recent Developments in Our Business

On March 10, 2010, we entered into an agreement to increase our 50% interest in Ströer Kentvizyon, the holding company for Ströer Turkey, to 90%. The acquisition is expected to close following the completion of the offering. For information about the terms of this acquisition, see *"Business — Material Contracts— Ströer Kentvizyon Acquisition Agreement"*. The following table provides certain consolidated financial information regarding Ströer Kentvizyon and its subsidiaries including intra-group relations between the Ströer Kentvizyon group and the rest of the Ströer Group in the year ended December 31, 2009:

	As of and for the year ended December 31, 2009	
	Total[(1)]	Our 50% proportionally consolidated share
	(audited, except as noted) (€ million)	
Revenues	67.0	33.5
Operational EBITDA	17.3	8.6
Depreciation	6.6	3.3
Net finance costs	8.6	4.3
Taxes	2.1	1.0
Assets	108.3	54.1

(1) Unaudited.

On June 15, 2010, we entered into an agreement to acquire a 100% interest in News Outdoor Poland sp. z o.o. (NOP). With approximately 3,300 large formats advertising faces, NOP is in our opinion stand-alone the 4th largest out-of-home advertising company in Poland in terms of net revenues. For more information about the terms of this acquisition, see "*Business—Material Contracts—Acquisition Agreement Poland*".

For the financial year ended June 30, 2009, NOP generated revenues of Polish Złoty 70 million and a net loss of Polish Złoty 15.7 million (which, based on the average exchange rate for the period beginning June 30, 2008 and ending June 30, 2009, was equivalent to approximately €17.7 million and negative €4.0 million, respectively); the total assets amounted to €17.6 million as of June 30, 2009 (in each case based on Polish Generally Accepted Accounting Principles). The Ströer Group generated revenues of €469.8 million and a profit of €1.1 million for the financial year ended December 31, 2009; the total assets amounted to €748.6 million as of December 31, 2009. The acquisition of NOP by Ströer Polska is subject to various closing conditions. According to Polish anti-trust law, additional financial information about NOP can only be disclosed after the closing of the acquisition. Upon closing and confirmation of the acquisition, we intend to integrate NOP into our existing Polish organization immediately. We believe that we will be able to achieve substantial overhead cost synergies in the medium-term with a particular focus on personnel and IT expenses, as well as other overhead costs.

Outlook

After the heavily recessive developments in 2008 and 2009, the economies in the countries relevant to Ströer Group look set for recovery in 2010. However, the economic outlooks in Ströer Group's core markets vary. While Global Insight expects a nominal GDP growth of 13.0% for Turkey and 10.3% for Poland, 2.7% is expected for Germany. In Germany especially, long-term economic growth is not yet expected, particularly since domestic growth factors are not yet fully developed. In addition, the extent to which the public debt crisis in the European monetary union may affect the scale of the overall envisaged economic recovery is unclear.

Nonetheless, we expect the media industry to be one of the first to profit from an economic upturn, not least because of the fact that the decline in the media industry was much greater last year than the change in GDP. First signs of improved market momentum were already apparent in the last quarter of 2009 and continued through the first quarter of 2010 as seen by recent NIELSEN market research data on the German gross advertising media market (+8.3% growth year-on-year). We believe these positive trends shall continue in Germany and also develop in the Company's other countries served, particularly in Turkey where the media market seems to recover more rapidly.

In Germany, the Company's primary strategic aim is to increase the share of out-of-home advertising in overall spending in the media sector. The share of net advertising expenditure in 2009 held by out-of-home media in Germany only amounts to 4.2% while the western European average, represented by the revenue-weighted average

of France, Switzerland, Belgium and the United Kingdom, is around 9.3%. Although it was possible to close the gap further in the prior fiscal year, additional sales and advertising concepts are necessary to gradually align the share more closely to the aforementioned European average. This development is supported by the structural advantages of out-of-home media over other traditional in-home media such as TV, radio and print.

These advantages are:

- Content-heavy media are very heavily exposed to the digitalization trend because a growing amount of content (especially news, music and videos) is communicated over the internet and is thus losing considerable reach.
- A growing fragmentation of advertising channels (TV, pay TV, print media) is splintering the overall effect of the advertising and does not provide a basis on which to extend the customer reach, even at acceptable prices.
- The convergence of traditional media towards web content means that the "attention grabbing" element usually associated with large TV and print images is diminishing.
- As a result of an ever-increasing level of mobility, which is also being supported by the mobile internet, attractive target consumers are, from an advertising-revenue perspective, spending more and more of their time out of home.

While the trends mentioned earlier represent negative effects for traditional media, they improve the competitiveness of out-of-home advertising. In future, we expect out-of-home advertising to further expand its reach due to the increasing number of mobile consumers.

Following the completion of the consolidation of the German market, the sales focus is on increasing market penetration at the level of significant national and regional accounts. To this end, the SMD division will introduce a number of measures to optimize processes and systems which will result in the improved utilization of existing advertising media.

At the same time, the Company plans to extend its network of advertising media by gradually replacing traditional posters with modern, premium advertising media (glazed, backlit, multiposter). At the same time, the related increase in customer benefits should also allow higher prices to be agreed. Furthermore, the Company aims to further capitalize on the advantages of digitalization and significantly expand the national portfolio of digital screens via its subsidiary, Ströer Infoscreen GmbH.

The primary strategic aim in Poland and Turkey is to achieve further organic growth by obtaining new concessions on advertising rights and extending the product portfolio. Winning another city contract in one of Turkey's largest cities in March 2010 was another step towards cementing our position in this key growth market. The Polish out-of-home advertising market has not yet been fully consolidated. However, our market position and internal organization puts us in a very good position to absorb possible external growth efficiently.

In light of what are still weak growth impulses, the development of the market for giant posters is still difficult to assess. However, we expect the blowUP division to maintain its position in the intra and intermedia markets and return to pre-crisis trading levels over time, particularly in those markets particularly affected by the recession, that is, the United Kingdom and Spain. In light of the active cost management and sales-optimization measures implemented in 2009 and also envisaged this year, we expect the increase in revenue forecast for the coming years to result in higher profit and satisfactory cash conversion rates.

SIGNATURE PAGE

Cologne, Frankfurt am Main, London, July 2010

Ströer Out-of-Home Media AG

Udo Müller Chief Executive Officer	Alfried Bührdel Chief Financial Officer

J.P. Morgan Securities Ltd.

Dr. Joachim v. der Goltz
Executive Director

Morgan Stanley Bank AG

Johannes Borsche Executive Director	Sascha Bock Vice President

COMMERZBANK Aktiengesellschaft
by J.P. Morgan Securities Ltd.

Dr. Joachim v. der Goltz
Executive Director

Crédit Agricole Corporate and Investment Bank
by Morgan Stanley Bank AG

Johannes Borsche Executive Director	Sascha Bock Vice President

WestLB AG
by Morgan Stanley Bank AG

Johannes Borsche Executive Director	Sascha Bock Vice President