

Report of the Supervisory Board

Ladies and gentlemen,

For Ströer Out-of-Home Media AG and thus also for the activities of the supervisory board, fiscal year 2010 was dominated by the IPO and the related refinancing. The out-of-home industry has increased its competitiveness over the last few years and, together with TV and online media, is one of the fastest growing media in Germany. The Ströer Group benefited greatly from this development.

The supervisory board carefully monitored the work of the board of management on a regular basis over the reporting period. We mainly reviewed the legality, expediency and propriety of the board of management. We also supervised the preparation and execution of the IPO, the strategic development of the Group and significant individual measures.

The board of management informed the supervisory board at supervisory board meetings as well as through written and oral reports on the operating policies and all relevant aspects of business planning. In addition to the financial, investment and personnel planning, the development of business, the economic situation of the Company and the Group (including the risk situation and risk management), the financial position and the Group's profitability were discussed. For all decisions important for the Group, the board of management consulted the supervisory board in good time. For transactions requiring approval, we granted our approval after careful consideration and review of the documents presented to us by the board of management.

During fiscal year 2010, the supervisory board convened ten times and held one meeting by telephone. More than half of the supervisory board meetings were attended by all members of the supervisory board. Furthermore, we passed resolutions in writing three times, with all supervisory board members participating each time. In additional meetings, the chairman of the supervisory board, the deputy chairman of the supervisory board and the chairman of the audit committee discussed the details of the IPO and key business events with the board of management – in particular with the chairman of the board of management and the CFO. The supervisory board received regular reports on this. The audit committee convened two times in the fiscal year. The external auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, attended the closing meeting of the supervisory board and all meetings of the audit committee.

Focus of deliberations and review by the supervisory board plenum

At the meeting on 29 January 2010, the supervisory board discussed for the first time future capital market measures, including a potential IPO, in detail.

The meeting on 25 March 2010 covered the potential capital market measures once again, as well as risk management and the requirement to introduce an internal control system. The supervisory board also discussed the initial details of the purchase of another 40% of the shares in the Turkish entity Ströer Kentvizyon.

At the closing meeting on 20 April 2010, the supervisory board approved the Company's separate and consolidated financial statements. The supervisory board also resolved at this meeting to recommend the appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor. On 26 May 2010, the shareholder meeting adopted this recommendation and the chairman of the supervisory board subsequently issued a corresponding audit engagement to Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. After in depth discussion, the board of management's plans to commence preparations for the IPO were approved and the resulting change in the facility agreement with a newly assembled banking syndicate was discussed intensively. Furthermore, the supervisory board granted its approval for the acquisition of shares in Ströer Kentvizyon. It also examined in detail the recommendations of the German Corporate Governance Code and resolved, among other things, to establish an audit committee.

At this meeting, we also appointed Dirk Wiedenmann to the board of management, extended the terms of office of the board of management members Udo Müller and Alfried Bührdel, and concluded employment contracts for members of the board of management.

The meeting on 17 May 2010 was the constituent meeting of the newly formed supervisory board following the departure of Dr. Ihno Schneevoigt and the appointment of Martin Diederichs. Progress on the preparations for the IPO as well as the negotiations for adjusting the facility agreement was discussed. With regard to the necessary amendments to the articles of incorporation and bylaws, we advised on corresponding recommendations to the shareholder meeting, especially with regard to the increase in capital stock and the creation of approved and conditional capital. The supervisory board also dealt in depth with the structure of remuneration for the board of management and approved the bonus arrangements with the board of management members Alfried Bührdel and Dirk Wiedenmann. The elections for the audit committee were also held during the meeting.

The preparations for the IPO were the focus of the meeting on 7 June 2010. The key points of the target acquisition of News Outdoor Poland were also discussed in detail.

As of 17 June 2010, the supervisory board granted its approval in writing for the acquisition of News Outdoor Poland, the amendment to the facility agreement and the amendment agreements for the subordinated loan agreements with NRW.Bank AöR and SKB Sparkassenbeteiligungsgesellschaft KölnBonn mbH.

At the meeting on 22 June 2010, the supervisory board looked again at the status of preparations for the IPO. We approved the recommendations of the necessary capital measures to the shareholder meeting and discussed the price range for the shares.

In a telephone conference on 1 July 2010, a resolution between meetings on 5 July 2010, a meeting on 13 July 2010, and another resolution between meetings on 16 August 2010, the supervisory board discussed and adopted the proposals for the price range for the IPO. Furthermore, the body approved recommendations to the shareholder meeting in relation to additional capital measures and amendments to the articles of incorporation and bylaws for the IPO.

At the meeting on 30 August 2010, the audit committee reported on its work for the first time. In addition, the findings of the efficiency audit of the supervisory board's work were discussed.

The meeting on 26 November 2010 was dominated by the interim report for the third quarter and the corresponding audit committee report. We also adopted the bonus arrangement for the chairman of the board of management Udo Müller. The appropriateness of supervisory board remuneration was also discussed, with the resolution for a recommendation to the next shareholder meeting. In the new remuneration arrangement, we do not intend to follow the recommendations of the German Corporate Governance Code to set up a performance-based component and a deductible for D&O insurance. In addition, the supervisory board discussed the new recommendations of the Code concerning diversity in the appointment of members of the supervisory board, board of management and other executive positions in the Company.

The budget of the Ströer Group was discussed in detail and approved at the budget meeting on 17 December 2010.

Deliberations of the supervisory board's audit committee

The audit committee established by resolution of the supervisory board meeting on 20 April 2010 convened for its constituent meeting on 17 June 2010, where it primarily discussed the timing of the upcoming interim report and the work of the auditor in this connection. Additional audit committee meetings were held on 6 August 2010 and 9 November 2010 and focused on the interim reports as of 30 June 2010 and 30 September 2010. Both meetings were led by the chairman of the audit committee and attended by the CFO and the Company's auditor. No other committee meetings were held.

Separate and consolidated financial statements

The separate and consolidated financial statements prepared by the board of management for fiscal year 2010 and the report by the board of management on relationships with affiliates (dependent company report) for the period from 1 January to 31 December 2010 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, together with the underlying books and records and the combined management report for the Company and the Group. An unqualified audit opinion was issued in each case.

The documentation on the financial statements and the audit reports were promptly presented to all members of the supervisory board. The documents were the subject of intensive discussions in the audit committee and in the

closing meeting of the supervisory board on 8 April 2011. The responsible auditor participated in the plenum discussions. He reported on the key findings of the audit and was available to answer questions.

We reviewed all documents presented by the board of management and the auditor in detail. Based on the final results of our review, we have no reservations and agree with the findings of the audit of the financial statements by Ernst & Young. We approve the separate financial statements, the consolidated financial statements and the dependent company report prepared by the board of management. The financial statements have thus been approved. We approve the proposal of the board of management for the appropriation of profit.

Changes to the composition of the supervisory board

The term of office of the supervisory board member Dr. Ihno Schneevoigt ran out at the end of the shareholder meeting on 14 May 2010. The shareholder meeting appointed Martin Diederichs to the supervisory board. At the constituent meeting of the newly elected supervisory board on 17 May 2010, Dr. Wolfgang Bornheim was confirmed as chairman of the supervisory board and Prof. Dr. h.c. Dieter Stolte as deputy chairman of the supervisory board.

Thanks

Our personal thanks go to the departing supervisory board member Dr. Ihno Schneevoigt, especially for his advice on personnel, organization and financing matters following the takeover of DSM Deutsche Städte Medien GmbH and DERG Deutsche Eisenbahn Reklame GmbH. Furthermore, the supervisory board would like to thank the board of management, the management of the group entities, the works council and all employees for their outstanding personal dedication, hard work and unwavering commitment.

On behalf of the supervisory board

(signature)

Prof. Dr. h.c. Dieter Stolte

Deputy chairman of the supervisory board

Cologne, 8 April 2011

<p>This document is a convenience translation of the German original. In case of discrepancy between the English and German versions, the German version shall prevail.</p>
