

SUPERVISORY BOARD REPORT

Ladies and gentlemen,

For Ströer Media AG, fiscal year 2013 was dominated by the strategic realignment of the Group. The continued expansion of digital infrastructure further increased the share of digital OOH revenue in the Company's total revenue. At the same time, Ströer launched its online business in Germany and successfully rolled it out to the Company's international core markets in Turkey and Poland following the acquisition of the Ballroom Group. In addition, the Ströer Group continued to pursue its country-specific out-of-home strategies that take into account the relevant market conditions due to actively managed portfolios of advertising concessions and constitute a stable platform for further business growth.

The supervisory board again carefully monitored the work of the board of management on an ongoing basis in fiscal year 2013. It mainly reviewed the legality, expediency and propriety of management. It also supported the strategic development of the Group and significant individual measures.

The main focuses in fiscal year 2013 were on the expansion of the online advertising business following the entry into the Turkish and Polish markets, new acquisitions in this area and the integration of the acquired and newly formed online advertising companies into the Ströer Group. The supervisory board also addressed in detail the introduction of a new IT process and application landscape within the Group. Furthermore, it was extensively involved in the creation of the 2013 stock option plan and the granting of stock options to members of the board of management. Finally, the supervisory board held in-depth discussions on the departure of the longstanding Chief Financial Officer Alfred Bührdel from the Company's board of management and the decision regarding his successor.

The board of management informed the supervisory board at supervisory board meetings as well as through written and oral reports on the business policies and all relevant aspects of business planning. It therefore complied in full with its duties to provide information. 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, the supervisory board granted its approval after careful consideration and review of the documents it was presented by the board of management. If legal provisions, the articles of incorporation and bylaws or the rules of procedure required the supervisory board to adopt a resolution, it passed a corresponding resolution after careful review.

During fiscal year 2013, the supervisory board convened seven times and adopted two resolutions in writing. All of the supervisory board members were present at five of the in-person meetings. Between the supervisory board meetings, the chairman of the supervisory board, the deputy chairman of the supervisory board and the chairman of the audit committee discussed key business events with the board of management – in particular with the chairman of the board of management and the CFO – and therefore maintained close and regular contact. The supervisory board received regular reports on this. The audit committee convened four times in the fiscal year. The

external auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, attended the meeting of the supervisory board to discuss the financial statements and the meeting of the audit committee on 8 March 2013.

Focus of deliberations and review by the supervisory board plenum

The supervisory board approved the budget for fiscal year 2013 at the budget meeting on 23 January 2013. It also approved further project phases for the introduction of the new IT process and application landscape.

At the meeting on 7 March 2013, the supervisory board examined various strategic approaches to expanding the Company's portfolio in the online advertising business.

The supervisory board's meeting to discuss the financial statements was held on 22 March 2013. At this meeting, the supervisory board approved and endorsed the Company's separate financial statements for fiscal year 2012. It also approved the consolidated financial statements for fiscal year 2012 and discussed the return on equity. Furthermore, the supervisory board resolved to recommend to the shareholder meeting to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor for fiscal year 2013. Finally, the supervisory board dealt with a report by KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, on the valuation of adscale GmbH, Ströer Media AG and the group comprising Ströer Interactive GmbH, Business Advertising GmbH and freeXmedia GmbH (Ströer Digital Group) for the forthcoming capital increase in order to acquire the Ströer Digital Group. Prof. Dr. Vera-Carina Elter from KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, attended the meeting and explained the main elements and detailed issues in the report. Finally, the supervisory board discussed in detail how to fill the two positions on the board vacated by Mr. Peter Binkowska, who resigned as of 6 January 2013, and Dr. Stephan Seitz, who announced that he would step down at the end of the shareholder meeting on 8 August 2013.

In a resolution adopted in writing on 24 April 2013, the supervisory board approved an increase in the Company's capital stock to EUR 48,869,784 in return for a mixed non-cash contribution subject to the exclusion of the shareholders' statutory subscription rights in order to implement the acquisition of the companies of the Ströer Digital Group.

The meeting on 20 June 2013 dealt with the political and economic situation in Turkey and its effects on the Company's existing and planned investments in Turkey. At the same meeting, the supervisory board addressed the integration of the online advertising companies into the Ströer Group and the expansion of the Group's strategy in order to enter the online advertising business in other countries, especially Turkey and Poland. In this context, the supervisory board approved the acquisition of 53.4% of the shares in Ballroom International CEE Holding GmbH and an agreement on options to purchase additional shares. Furthermore, the supervisory board examined in detail the remuneration system for the board of management and the adequacy of this remuneration. It also discussed the introduction of a stock option program and adopted a corresponding recommendation to be presented to the shareholder meeting. Finally, the supervisory board approved the granting of a transaction bonus for a member of the board of management. In closing, the remuneration of the supervisory board was discussed and the agenda for the shareholder meeting was approved.

A supervisory board meeting was held after the shareholder meeting on 8 August 2013. The meeting focused on appointing a successor to Dr. Stephan Seitz on the supervisory board as well as intragroup mergers.

At the meeting on 11 September 2013, the supervisory board approved the acquisition of around 80% of the shares in MBR Targeting GmbH and discussed further acquisition projects for this segment. It also addressed the report on the development of the new IT process and application landscape and gave the go-ahead for further sub-projects in this area. In addition, the supervisory board discussed filling the vacant position on the board and agreed to request that the Local Court appoints Mr. Ulrich Voigt as a new member of the supervisory board. A key topic of the meeting was the report from the executive committee on the possible departure of the Chief Financial Officer prior to the end of his contract as well as potential succession arrangements.

At the meeting on 16 December 2013, the supervisory board approved the budget of Ströer Media AG and the Group for fiscal year 2014. It discussed the strategy, possible acquisitions and integration measures in the online advertising business. A key topic of the meeting was the board of management's report on the status of the project to introduce the new IT process and application landscape. Furthermore, the supervisory board adopted a recommendation to be submitted to the shareholder meeting to reorganize Ströer Media AG as a "Societas Europaea" (SE). The supervisory board also approved the signing of the termination agreement with the departing Chief Financial Officer Alfried Bührdel. In addition, it satisfied itself of the ability of the potential successor through in-person discussions and external analyses, and approved the signing of his employment contract. At this meeting, the supervisory board also addressed the report on the activities of the internal auditor and the advisory engagements of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne.

Deliberations of the supervisory board's audit committee

The audit committee convened on 8 March 2013 and reviewed the separate financial statements of the Company for fiscal year 2012 and the consolidated financial statements for fiscal year 2012. At its meetings on 2 May 2013, 13 August 2013 and 8 November 2013, the audit committee addressed the respective interim financial statements.

Separate and consolidated financial statements

The separate and consolidated financial statements prepared by the board of management for fiscal year 2013 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, together with the underlying books and records and the combined management report of 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 presented to all members of the supervisory board in good time. The documents were the subject of intensive discussions in the audit committee and in the meeting of the supervisory board to discuss the financial statements on 27 March 2014. 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 conclusion of the audit of the financial statements by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Co-

logne. We approve the separate financial statements and the consolidated financial statements prepared by the board of management. The financial statements have thus been approved.

Changes to the composition of the supervisory board

Dr. Stephan Seitz resigned from his position on the supervisory board as of the end of the shareholder meeting on 8 August 2013 in order to focus on his activities as a lawyer for the Ströer Group. We would like to thank Dr. Stephan Seitz for his excellent work for the supervisory board of Ströer Media AG, especially his expertise on issues relating to management board law and labor law.

By order of Cologne Local Court dated 10 April 2013, Mr. Christoph Vilanek was appointed to the supervisory board until the end of the shareholder meeting on 8 August 2013. By order of Cologne Local Court dated 13 November 2013, Mr. Ulrich Voigt was also appointed to the supervisory board.

Thanks

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

Prof. Dr. h.c. Dieter Stolte
Chairman of the Supervisory Board

Cologne, 27 March 2014