

Report of the Supervisory Board

Ladies and gentlemen,

In fiscal year 2011, a year shaped by the global financial crisis, Ströer Out-of-Home-Media AG performed well in the market. The board of management took advantage of the relatively stable economic situation in Germany and was able to keep its consolidated revenue – at EUR 577m – within the forecast corridor. Given the speed of media convergence and the unrelenting fast pace of digitalization, we welcomed the investment program which will set us in the right direction for future growth and profitability. The attractive cash flow profile and lower interest and tax payments contributed in particular to further reducing the Company's debt. The Company has a solid capital structure which will allow it to comfortably take on an active role in the competitive environment.

This pleasing stable development was marred by the saddening news of Dr. Wolfgang Bornheim, who, having served as chairman of the supervisory board for many years, died in September 2011 after battling serious illness.

The supervisory board carefully monitored the work of the board of management on a regular basis in the reporting period. It mainly reviewed the legality, expediency and propriety of management. It also supported 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 business 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, 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 2011, the supervisory board convened nine times and held one meeting by telephone. More than half of the supervisory board meetings could not be attended by all members. The main reason for this was the serious illness of Dr. Wolfgang Bornheim. Furthermore, the supervisory board passed resolutions in writing five 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 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 four 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 closing meeting on 8 April 2011, the supervisory board approved and endorsed Ströer Out-of-Home Media AG's separate financial statements for fiscal year 2010. It also approved the consolidated financial statements for fiscal year 2010 and the report by the board of management on relationships with affiliates for the period from 1 January to 13 July 2010.

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Furthermore, the supervisory board resolved to recommend to the general meeting to reappoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor for fiscal year 2011. In preparation for the annual general meeting, the supervisory board resolved to recommend to the shareholder meeting that the board of management and supervisory board be exonerated, it approved the agenda of the annual general meeting with the exception of the nominations to the supervisory board and elected Mr. Dieter Keller as chairman of the annual general meeting from among its members. The purpose of the meeting was also to grant preferential rights for shares of a non-controlling

interest in Ströer Kentvizyon Reklam Pazarlama A. S. In addition, we examined the recommendations of the German Corporate Governance Code in detail, in particular the consideration of diversity with regard to the composition of the supervisory board, board of management and other management levels at the Ströer Group. We set ourselves the goal of having at least one female representative on the supervisory board by 2015 at the latest. Furthermore, the supervisory board discussed issues on the management and control of the Group (governance) and approved new rules of procedure for the board of management. The closing meeting also set the targets for the variable compensation of management board members.

As part of a written procedure on 14 April 2011, the supervisory board resolved to recommend to the shareholder meeting that Dr. Wolfgang Bornheim, Mr. Dieter Keller and Mr. Dietmar Binkowska be reappointed to the supervisory board until the end of the shareholder meeting that decides on the exoneration of the supervisory board for fiscal year 2015.

The meeting on 18 May 2011 served primarily to discuss the interim financial statements for the first quarter of 2011. The supervisory board also dealt intensively with the Ströer Group's digitalization strategy.

During the telephone conference on 4 July 2011, the supervisory board agreed to Ströer Kentvizyon Reklam Pazarlama A. S. acquiring 100% of the shares in CBA İletişim Pazarlama Ltd. Sti. and to Ströer Out-of-Home Media AG granting a shareholder loan to Ströer Kentvizyon Reklam Pazarlama A. S.

The agenda of the meeting on 12 August addressed the interim report for the first half of 2011. During this meeting, we also agreed on the proposed acquisition of shares in blowUp Media GmbH. In addition, the supervisory board deliberated for the first time on the acquisition of shares in ECE flatmedia GmbH. We also approved the adjustments to the investment budget for Ströer Germany and Ströer Turkey for the current fiscal year. The board of management reported in detail on the planned introduction of a new IT landscape at the Ströer Group. Finally, the board of management presented the optimized conditions achieved for the Group's syndicated loan.

During its meeting on 20 September 2011, the supervisory board discussed the auditor's fees. The planned acquisition of shares in ECE flatmedia GmbH and the digitalization strategy were again key topics of discussion. Finally, we dealt extensively with the design and conditions of an optimized capital structure for the Turkish holding company.

As part of a written procedure, on 19 October 2011, the supervisory board approved the conclusion of a credit facility between Ströer Kentvizyon Reklam Pazarlama A.S. and Yapi Credi Bank.

The meeting on 25 October 2011 focused again on optimizing the capital structure of the Turkish holding company. We agreed to the increase in equity at Ströer Kentvizyon Reklam Pazarlama A. S. coupled with the repayment of intragroup liabilities. Furthermore, we approved the submission of a binding tender by Ströer Kentvizyon Reklam Pazarlama A. S. for the conclusion of an advertising rights agreement in Istanbul. Finally, we approved the acquisition of 100% of the shares in ECE flatmedia GmbH.

On 14 November 2011, we discussed in particular the interim financial statements of the Ströer Group for the third quarter of 2011.

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In the last meeting on 20 December 2011, the supervisory board approved the Ströer Group's business plan for fiscal year 2012. Furthermore, we dealt in depth with the risk management system, the status of the enhancement of the internal control system as well as the effectiveness and results of the compliance system. We also once again reviewed the efficiency of our activities and adopted the declaration of compliance with the German Corporate Governance Code. We also dealt with the allocation of responsibilities on the board of management and approved the adjustment to the remuneration of the chairman of the board of management.

Deliberations of the supervisory board's audit committee

The audit committee convened on 1 March 2011 and reviewed the consolidated financial statements for 2010. In another meeting on 29 April 2011, the audit committee examined business transactions relating to Ströer Media Deutschland, Ströer Turkey and Ströer Poland and reviewed the interim financial statements for the first quarter of 2011. Ströer Turkey and the respective interim financial statements were the main focus of the meetings on 25 July 2011 and 26 October 2011. All meetings were led by the chairman of the audit committee and attended by the CFO and the Company's auditor.

Separate and consolidated financial statements

The separate and consolidated financial statements prepared by the board of management for fiscal year 2011 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, together with the underlying books and records and the management report for the Company and the group management report. 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 closing meeting of the supervisory board on 28 March 2012. 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. We approve the separate financial statements and the consolidated financial statements 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

Fiscal year 2011 was one of great loss for us, the board of management and all employees of Ströer Out-of-Home Media AG. Much to our regret, Dr. Wolfgang Bornheim, who served as chairman of the supervisory board from 29 July 2002 to 15 June 2011, passed away on 11 September 2011. Dr. Wolfgang Bornheim's outstanding skills and competence were instrumental in the successful development of the Ströer Group. The Ströer Group, the supervisory board and the board of management are deeply indebted to Dr. Wolfgang Bornheim.

On 15 June 2011, following the recommendations of the supervisory board from 14 April 2011, the shareholder meeting reappointed Dr. Wolfgang Bornheim, Mr. Dieter Keller and Mr. Dietmar Peter Binkowska to the supervisory board. At the constituent meeting of the supervisory board held after the annual shareholder meeting on 15 June 2011, Mr. Dieter Keller and Mr. Dietmar Peter Binkowska accepted their appointment to the supervisory board; Dr. Wolfgang Bornheim could not accept his appointment on grounds of serious illness.

The supervisory board re-elected Prof. Dr. h.c. Dieter Stolte as deputy chairman of the supervisory board. Furthermore, the supervisory board appointed Mr. Dieter Keller, Mr. Dietmar Peter Binkowska and Mr. Dirk Ströer as members of the audit committee, which in turn appointed Mr. Dieter Keller as chairman and Mr. Dietmar Peter Binkowska as deputy chairman of the committee from among its members. At its meeting on 12 August 2011, the supervisory board appointed Prof. Dr. h.c. Dieter Stolte as chairman of the supervisory board.

At the request of the board of management to supplement the supervisory board, Cologne Local Court appointed Dr. Stefan Seitz to the supervisory board on 9 September 2011.

At its meeting on 20 September 2011, the supervisory board appointed Mr. Dieter Keller as deputy chairman of 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, 28 March 2012