Destination: Growth
Breaking down barriers

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CBS Outdoor International

- audience-led proposition
- insights as a strategic pillar
- digital leader
- the future is interactive
The challenge of growth:
A view of growth

- Grow YOY
- Grow more than inflation
- Grow more than other media
- Grow our margins

Nominal growth
Value creation
Share gain
Return On Investment
Capex invested by key OOH companies ($’Ms)

Leading companies, increasingly committed

Total: 4,189 $’Ms

Source: Annual reports and Form 10-Ks
Good news: DOOH fastest growth medium

- 2007-2012 Digital: 281%
- 2007-2012 Online: 69%

Source: IHS Screen Digest, Goldmedia, OMC – April 2013
OOH growth in Western Europe vs. Inflation rate growth

Source: Zenith Optimedia April 2013. Eurostat Union (changing composition) HCPI
OOH spend as a % of total advertising spend

- UK: 18.5% to 12.6% to 12.6% to 13.1%
- France: 16.9% to 12.6% to 12.1% to 12.0%
- Italy: 9.1% to 7.1% to 8.6% to 7.3%
- Spain: 6.5% to 6.6% to 6.6% to 6.6%
- Germany: 4.3% to 3.6% to 4.2% to 2.6%
- Russia: 2.6% to 2.6% to 2.6% to 2.6%
- China: 9.1% to 8.6% to 8.6% to 8.6%
- Total: 18.5% to 16.9% to 13.1% to 12.0%

Source: Zenith Optimedia December 2012 report. Ad spend at current prices
Strategies for growth:
Better practices = operational excellence

Change the dialogue: from panels to audience

And change it again: from audience to consumers

Interactivity = engagement

Digitalisation = capacity x flexibility x creativity

Internationalisation = knowledge/synergies

Consolidation = cost synergies = margin growth

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Audience: a common view?

Different systems in different countries

Is a common system/methodology a dream?

How will we use audience to build our products?
Technology: the key driver of growth

Yes, but........HOW?

Better Information Systems
Digital Panels
Transformation of the OOH medium
Interactivity
Real time bidding

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Interactivity: CBS Outdoor view

- Enhanced advertising campaigns
- Direct marketing
- Content distribution
- E-Retail accelerator
Interactive Europe: key findings

**OOH is still driving a response**

77% of people reported doing something as a result of seeing Out-of-Home ad

- 24% Made a purchase as a result
- 20% Went online to buy a product (up 43% on 2012)

**OOH performing against other mediums**

- Out-of-Home 77%
  - TV 76%
  - Radio 63%

**Smart device ownership**

- Up 34% on 2012
- 1.5 billion handsets by 2017
- NFC awareness at 8%
### Insight across the three campaigns

<table>
<thead>
<tr>
<th>Insight</th>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average uplift in terms of the ad being ‘for people like me’</td>
<td>45%</td>
<td></td>
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<tr>
<td>Average increase in terms of ‘having a better opinion of the brand’</td>
<td>45%</td>
<td>Halo</td>
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<tr>
<td>Average uplift in terms of being likely to mention the advertising in conversation</td>
<td>54%</td>
<td></td>
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People who watch others interact will think more positively about the brand
The challenge: the advertisers’ view

Agencies are not set up in the right way to be able to deliver (sell) a truly integrated marketing plan.

Direct dealings between advertisers and media owners is set to increase.

Media Owners are not set up and organised to deliver new and different ways to connect with consumers.

Source: Survey presented at Festival of Global Media 2013
The challenge: evolution of commerce

The Past
Physical
Digital

The Present
Physical
Digital
Social

The Future
Integrated

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2013</th>
<th>2020</th>
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<tbody>
<tr>
<td>Global Media Consumption week</td>
<td>60 hours</td>
<td>75 hours</td>
<td>90 hours</td>
</tr>
<tr>
<td>%Media Consumers Digitally</td>
<td>15%</td>
<td>67%</td>
<td>80%</td>
</tr>
<tr>
<td>%Global Mobile penetration</td>
<td>12%</td>
<td>90%</td>
<td>93%</td>
</tr>
<tr>
<td>Digital Commerce</td>
<td>$256 Billion</td>
<td>$1.25 Trillion</td>
<td>$2.00 Trillion</td>
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</table>

Source: Survey presented at Festival of Global Media 2013
The profitable growth

Selling better = Selling more

Technology
return on investment

Optimization
of audiences

Landlords
relationships

Agencies to understand our margins

Our people to understand profitability concepts

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This is the biggest transformation of Out-of-Home ever

Let’s take advantage of it
Thank you