STRÖER

HALF-YEAR FINANCIAL REPORT 6M/Q2 2016

Ströer SE & Co. KGaA

CONTENTS

THE GROUP'S FINANCIAL FIGURES AT A GLANCE

		Q2 2016	Q2 2015	Change	6M 2016	6M 2015	Change
Revenue[1)]	**EUR m**	**276.2**	**201.6**	**37.0%**	**502.3**	**363.4**	**38.2%**
by segment							
Ströer Digital	EUR m	117.1	46.5	> 100%	210.3	88.2	> 100%
OOH Germany[2)]	EUR m	126.3	117.9	7.1%	234.6	214.1	9.6%
OOH International	EUR m	39.8	43.4	-8.4%	69.8	73.1	-4.5%
by product group							
Large formats[2)]	EUR m	92.9	90.8	2.3%	165.4	156.0	6.0%
Street furniture[2)]	EUR m	39.0	41.3	-5.6%	76.5	74.8	2.2%
Transport[2)]	EUR m	15.7	14.1	11.3%	28.9	26.6	8.7%
Display[3)]	EUR m	64.6	20.1	> 100%	121.8	40.4	> 100%
Video[3)]	EUR m	25.9	20.6	25.3%	45.2	38.4	17.6%
Transactional[3)]	EUR m	27.7	6.6	> 100%	45.3	11.3	> 100%
Other[2)]	EUR m	13.8	11.9	15.7%	25.9	23.1	12.0%
Organic growth[4)]	**%**	**6.5**	**7.0**		**8.7**	**8.4**	
Gross profit[5)]	EUR m	91.7	65.3	40.5%	159.0	106.1	49.9%
Operational EBITDA[6)]	**EUR m**	**69.0**	**52.1**	**32.3%**	**114.6**	**78.4**	**46.2%**
Operational EBITDA[6)] margin	**%**	**24.7**	**25.4**		**22.5**	**21.2**	
Adjusted EBIT[7)]	EUR m	49.6	35.5	39.8%	75.9	45.0	68.7%
Adjusted EBIT[7)]margin	%	17.7	17.3		14.9	12.1	
Adjusted profit or loss for the period[8)]	EUR m	40.2	29.3	37.1%	60.6	33.8	79.2%
Adjusted earnings per share[9)]	EUR	0.73	0.58	25.1%	1.12	0.68	63.7%
Profit or loss for the period[10)]	EUR m	23.3	21.2	9.9%	27.7	18.2	52.2%
Earnings per share[11)]	EUR	0.42	0.42	1.5%	0.52	0.36	43.9%
Investments[12)]	EUR m				45.6	38.3	18.9%
Free cash flow[13)]	EUR m				-65.7	-13.7	< -100%
					30 Jun 2016	**31 Dec 2015**	**Change**
Total equity and liabilities[1)]	EUR m				1,634.7	1,469.3	11.3%
Equity[1)]	EUR m				640.0	679.6	-5.8%
Equity ratio	%				39.2	46.3	
Net debt[14)]	EUR m				363.9	231.2	57.4%
Employees[15)]	number				4,075	3,270	24.6%

1) Joint ventures are consolidated using the equity method – in accordance with IFRS 11

2) Joint ventures are consolidated proportionately (management approach)

3) Revenue from the Ströer Digital segment and digital OOH revenue from other segments

4) Excluding exchange rate effects and effects from the (de-)consolidation and discontinuation of operations (joint ventures are consolidated proportionately)

5) Revenue less cost of sales (joint ventures are consolidated using the equity method – in accordance with IFRS 11)

6) Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items (joint ventures are consolidated proportionately)

7) Earnings before interest and taxes adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets (joint ventures are consolidated proportionately)

8) Adjusted EBIT before non-controlling interests net of the financial result adjusted for exceptional items and the normalized tax expense (joint ventures are consolidated proportionately)

9) Adjusted profit or loss for the period net of reported non-controlling interests divided by the number of shares outstanding (55,282,499; in Q2 2015: 48,869,784)

10) Profit or loss for the period before non-controlling interests (joint ventures are consolidated using the equity method - in accordance with IFRS 11)

11) Profit or loss for the period net of reported non-controlling interests divided by the number of shares outstanding (55,282,499; in Q2 2015: 48,869,784)

12) Including cash paid for investments in property, plant and equipment and in intangible assets (joint ventures are consolidated using the equity method - in accordance with IFRS 11)

13) Cash flows from operating activities less cash flows from investing activities (joint ventures are consolidated using the equity method - in accordance with IFRS 11)

14) Financial liabilities less derivative financial instruments and cash (joint ventures are consolidated proportionately)

15) Headcount of full and part-time employees (joint ventures are consolidated proportionately)

FOREWORD BY THE BOARD OF MANAGEMENT

Dear shareholders,

We continued on our very successful growth course in the first six months. Along with the German out-of-home business, the digital business continued to perform well. Revenue in the first six months as a whole rose by 38.2% from EUR 363.4m to EUR 502.3m. The increase stems from the acquisitions made over the past months as well as organic revenue growth of 8.7%.

In addition to revenue, our operational EBITDA and profit increased significantly year on year. Operational EBITDA was up 46.2% in the first six months from EUR 78.4m to EUR 114.6m. Adjusted profit also increased on the back of the positive business development, climbing 79.2% from EUR 33.8m to EUR 60.6m.

We strongly invested in our business in the first six months. In addition to the further digitization of our OOH business, we also focused on additional acquisitions in the Digital segment.

In addition, Ströer successfully placed a note loan for EUR 170m on the capital market in June. The successful refinancing enabled Ströer in particular to optimize its maturity structure and increase its financial flexibility.

At this year's shareholder meeting on 23 June 2016, a significantly increased dividend payment of EUR 0.70 per qualifying share for the past fiscal year was resolved. Despite the dividend payout of more than EUR 38m and the considerable volume of investment, we succeeded in noticeably reducing our leverage ratio from 1.9 in the middle of last year to 1.5.

In view of the successful development of the first six months, we are forecasting a further increase in organic revenue in the mid to upper single-digit percentage range and are confirming our current guidance of more than EUR 280m for operational EBITDA with consolidated revenue of between EUR 1.1b and EUR 1.2b for 2016.

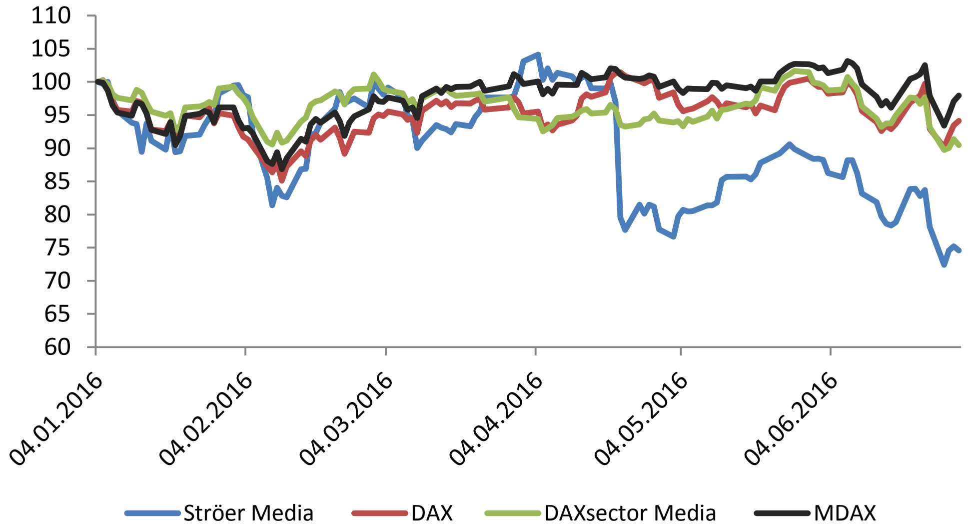
Best wishes,

The Board of Management

Udo Müller Dr. Bernd Metzner Christian Schmalzl

SHARE

The German stock market was very volatile in the first six months of 2016. The DAX and the MDAX closed lower than at the start of the year losing 6% and 10%, respectively. Focus topics included the economic slowdown in China and the Brexit referendum on 23 June 2016. Also the Ströer share developed negatively in the second quarter.



Shareholder meeting

Ströer SE & Co. KGaA's shareholder meeting was held at the Koelnmesse Congress Center on 23 June 2016 and was attended by approximately 170 shareholders and guests. Overall, around 42 million shares of no par value were represented. All resolutions put forward by the supervisory board and board of management were approved. This also included the distribution of a dividend of EUR 0.70 per qualifying share.

Stock exchange listing, market capitalization and trading volume

Ströer SE & Co. KGaA stock is listed in the Prime Standard of the Frankfurt Stock Exchange and has been listed in the MDAX, a selection index of Deutsche Börse, since November 2015. Based on the closing share price on 30 June 2016, market capitalization came to approximately EUR 2.3b.

The average daily volume of Ströer stock traded on German stock exchanges was approximately 290,000 shares in the first six months of 2016, more than two-fold on the prior year.

Analysts' coverage

The performance of Ströer SE & Co. KGaA is tracked by 12 teams of analysts. Based on their assessments, all 12 are giving a "buy" recommendation. The latest broker assessments are available at http://ir.stroeer.de and are presented in the following table:

Investment bank	Recommendation*
Bankhaus Lampe	Buy
Citigroup Global Markets	Buy
Commerzbank	Buy
Deutsche Bank	Buy
Hauck & Aufhäuser	Buy
Jefferies	Buy
J.P. Morgan	Buy
KeplerCheuvreux	Buy
Liberum	Buy
MainFirst	Buy
Morgan Stanley	Buy
Oddo Seydler	Buy

*As of 30 June 2016

Shareholder structure

CEO Udo Müller holds 21.42%, supervisory board member Dirk Ströer holds 21.80% and Deutsche Telekom AG holds 11.60%. The free float comes to around 45%.

According to the notifications made to the Company as of the date of publication of this report on 11 August 2016, the following parties reported to us that they hold more than 3% of the voting rights in Ströer SE & Co. KGaA: Allianz Global Investors (5.13%) and Credit Suisse (4.63%).

Information on the current shareholder structure is permanently available online at http://ir.stroeer.de.

INTERIM GROUP MANAGEMENT REPORT

INTERIM GROUP MANAGEMENT REPORT

BACKGROUND OF THE STRÖER GROUP

Business model, segments and organizational structure

Ströer SE & Co. KGaA (formerly Ströer SE) is a leading provider of out-of-home and online advertising, and offers its advertising customers individualized and integrated communications solutions. Its portfolio of branding and performance products offers customers new opportunities for addressing specific target groups while increasing the relevance of the Ströer Group as a contact for media agencies and advertisers.

The Company's business model is based on offering traditional out-of-home advertising, the public video network that is shown on screens installed in train stations and shopping malls, as well as online display and video marketing via stationary internet and mobile devices and tablets. This means that we can offer advertisers a platform for optimizing campaigns, combining substantial reach with the precise targeting of customer groups.

The high impact of the advertising and the ability to address consumers directly at the point of sale (for example in shopping malls) can measurably influence purchasing decisions. The Ströer Group is also a one-stop provider of all the steps in the digital value chain necessary for a fully integrated digital business model: for publishers as well as for agencies and advertisers.

Ströer is also continuously expanding its service offering. For example, effective 1 August 2016, Ströer acquired a 51.0% holding in the BHI Group for the Ströer vertical "Women & Lifestyle." The BHI Group is active in the beauty and cosmetics sector. It develops and produces its own range of proprietary cosmetic products which it mainly sells online and in the teleshopping market.

Ströer also optimized its legal structure and completed its transformation to Ströer SE & Co. KGaA in 2016. This was entered in the commercial register of Cologne Local Court on 1 March 2016. At the same time Deutsche Börse AG admitted the shares of Ströer SE & Co. KGaA for trading on the Frankfurt Stock Exchange.

Finally, Ströer SE & Co. KGaA paid a dividend to its shareholders in the second quarter following a corresponding resolution passed at the shareholder meeting on 23 June 2016 at the recommendation of the supervisory board and board of management. Based on this resolution, a total of EUR 38.7m of the accumulated profit of EUR 67.1m generated by Ströer SE & Co. KGaA in fiscal year 2015 was distributed.

This interim management report covers the period from 1 January to 30 June 2016.

ECONOMIC REPORT

Macroeconomic development

Based on estimates by the International Monetary Fund (IMF), macroeconomic conditions have deteriorated further in the eurozone following the UK vote to leave the European Union (Brexit). While the IMF had previously forecast growth of 1.7% for 2016, economic growth is now expected to be slightly weaker.

By contrast, several institutes are continuing to make positive forecasts for Germany's economic development. For example, the ifo Institute in Munich has raised its growth forecast for the current year to 1.8%, while in spring, like other institutes, it was still anticipating growth of 1.6%.

The Polish economy grew by 3.6% in 2015, the highest level of economic growth for several years. Due to strong domestic demand, the European Commission is projecting another slight increase to 3.7% in its latest forecast for 2016.

After seeing unexpected high growth of 4.0% in 2015, the World Bank's latest forecast for Turkey is only indicating economic growth of 3.5% in 2016 in light of the ongoing unstable political situation.

The development of exchange rates was not homogeneous either. While the Polish zloty weakened slightly compared to 31 December 2015, in particular due to the Brexit vote, the Turkish lira remained unchanged at a very low level against the euro in the first six months of 2016.

RESULTS OF OPERATIONS OF THE GROUP

The Ströer Group continued unabated on its successful course in the second quarter of 2016. The Group's **revenue** grew from EUR 138.9m to EUR 502.3m in the first six months.[1] This increase stems primarily from considerably higher revenue in the Digital segment, which is attributable to the acquisitions made over the past months as well as organic growth. The Out-of-Home Germany segment also reported further business growth and a related tangible rise in revenue. By contrast, the OOH International segment saw revenue dip slightly.

The significant increase in revenue was accompanied by a simultaneous increase in **cost of sales**. Cost of sales increased by a total of EUR 86.0m compared with the comparable prior-year period to EUR 343.3m which was mainly due to the acquisitions in the Ströer Digital segment and the higher revenue-linked lease expenses in the OOH Germany segment. Overall, the Ströer Group generated **gross profit** of EUR 159.0m (prior year: EUR 106.1m) in the first half of 2016.

The expansion of the Ströer Group also noticeably drove up **selling expenses** to EUR 72.5m (prior year: EUR 49.9m). The biggest part of this increase was related to the companies newly acquired by Ströer Digital. However, the expansion of the regional sales structures in Germany also made a notable contribution to the higher selling expenses. On balance, the ratio of selling expenses to revenue was only slightly higher than in the prior year at 14.4% (prior year: 13.7%).

The increase in **administrative expenses** is also primarily attributable to the newly acquired companies. An additional impact resulted from one-time transaction, restructuring and integration costs. Administrative expenses came to a total of EUR 57.1m (prior year: EUR 39.5m) in the first six months, or 11.4% of revenue (prior year: 10.9%).

Other operating income came to EUR 10.7m (prior year: EUR 7.1m) in the first half of 2016, due among other things to higher income from the disposal of property, plant and equipment. In contrast, **other operating expenses** were only slightly higher year on year at EUR 5.7m (prior year: EUR 4.9m). These two items include the results from the recognition and reversal of provisions, disposals of non-current assets, bad debt allowances and exchange differences from operating activities.

The **share in profit or loss of equity method investees** was on a par with the prior year in the first six months of 2016 at EUR 2.3m (prior year: EUR 2.3m).

The extremely positive development of operating activities had a very beneficial effect on the Ströer Group's **EBIT** (EUR 36.7m; prior year: EUR 21.3m). **Operational EBITDA**[2] also showed further tangible improvement, climbing to EUR 114.6m (prior year: EUR 78.4m) in the first six months of 2016. Return on capital employed (**ROCE**)[3] – adjusted for amortization of our advertising concessions – also increased and stood at 17.3% as of the reporting date (prior year: 15.1%).

[1] See section 7 of the notes for information on the reconciliation of revenue growth to organic growth.
[2] See section 8 of the notes for information on the reconciliation of EBITDA to operational EBITDA.
[3] See page 26 of the annual report 2015 for information on the calculation of ROCE.

The **financial result** benefited in particular from our considerably lower leverage ratio in the reporting period, which has a direct effect on the interest margin we have to pay. Favorable changes in interest terms in April 2015 also had a positive impact. By contrast, the early repayment of the term loan under the credit facility had a negative impact on the financial result. Transaction costs which would otherwise been incurred over the term until April 2020 were expensed in this respect. Overall, the financial result declined minimally by EUR 0.2m to EUR -5.1m.

In line with a noticeable increase in profit before taxes, the **tax expense** rose accordingly and amounted to EUR 3.9m (prior year: tax income of EUR 1.8m).

All in all, the Ströer Group achieved a **profit for the period** of EUR 27.7m (prior year: EUR 18.2m) in the first half of 2016. The starting point to this remarkable achievement was the considerable success of the Company's operating business, which also had a strong effect on the profit for the period despite a contrasting effect from the tax result.

FINANCIAL POSITION

With effect as of 15 June 2016, the Ströer Group placed a note loan for EUR 170.0m at attractive terms on the capital market. The reason for this step was primarily to improve financial flexibility, further diversify the investor base and optimize the maturity structure. The note loan has tranches with terms of five and seven years. Furthermore, with effect as of 28 June 2016, Ströer increased the revolving facility available until April 2020 as part of the credit facility by a total of EUR 100.0m. The costs of just under EUR 0.9m incurred for taking out the note loan and enlarging the revolving facility will be amortized over the respective terms.

Liquidity and investment analysis

In EUR m	6M 2016	6M 2015
Cash flows from operating activities	83.4	38.5
Cash flows from investing activities	-149.1	-52.1
Free cash flow	-65.7	-13.7
Cash flows from financing activities	74.2	25.8
Change in cash	8.5	12.1
Cash	65.0	58.2

Cash flows from operating activities increased by a strong EUR 44.9m against a very good prior-year level to EUR 83.4m in the first half of 2016. The basis for this positive development was again the operating business, which is reflected clearly in the EUR 31.6m increase in EBITDA. In addition, the effect from current tax payments improved noticeably compared with the prior year with a tax refund making a positive contribution to cash flows. The changes in provisions were largely due to payments made by our newly acquired companies. However, these payments contrast with rights of recourse in the same amount. While working capital continued to have an adverse effect on cash in the first six months of 2016, this was less pronounced than in the prior year.

Cash flows from investing activities stood at EUR -149.1m at the end of the first six months and were shaped in particular by large-scale acquisitions in the Digital segment (EUR -106.0m). The further increase in investments in intangible assets and property, plant and equipment also resulted in a higher volume of cash payments than in the prior year. **Free cash flow** was therefore negative at EUR -65.7m.

With cash inflows of EUR 74.2m, **cash flows from financing activities**[4] largely reflect the expanded investing activities that necessitated a higher level of financing. As regards the composition of cash flows, the clear increase in “Cash received from borrowings” was mainly the result of the note loan that was taken out as described above. EUR 70.0m of the

[4] We want to point out that in the first half of 2016 (as in previous years) we exercised the option to net “cash received from borrowings” with “cash repayments of borrowings” for loan tranches with a term of up to three months pursuant to IAS 7.23A (c). This also applies to tranches that were issued in the first quarter and categorized initially as non-current liabilities based on our expectation at the time and in accordance with IAS 1.73, but then, due to the unexpectedly high cash inflow, were repaid at the end of their contractual three-month terms and not renewed. This treatment is in line with IFRS.

borrowed funds was used to repay a portion of the term loan and the remaining amount was used to redeem the revolving facility issued under the existing credit facility. The item "Cash repayments of borrowings" increased noticeably as a result. The increase in cash paid to (non-controlling) interests was primarily attributable to the distribution of a dividend of EUR 38.7m to the shareholders of Ströer SE & Co. KGaA. In the prior year, the dividend was not paid until the third quarter.

Cash stood at EUR 65.0m as of the reporting date.

Financial structure analysis

Non-current liabilities are up EUR 175.3m since 31 December 2015 to EUR 609.0m. This increase largely reflects the additional financial liabilities raised to finance the business acquisitions made in the first six months of 2016. These acquisitions also led to an increase in non-current liabilities from put options and liabilities from acquisitions. By contrast, deferred tax liabilities were down EUR 6.5m on the year-end figure. The decrease in deferred tax liabilities can be largely attributed to the ongoing amortization of recognized hidden reserves.

Current liabilities increased to a significantly lesser extent and stood at EUR 385.7m as of 30 June 2016, up EUR 29.8m on the year-end figure. This increase mainly relates to the EUR 26.4m rise in other liabilities, which in turn largely reflects the deferred income items relating to our newly acquired businesses in the area of "subscriptions." In addition, current income tax liabilities also increased by EUR 11.0m due to the good business development in the first six months of 2016.

By contrast, **equity** declined by EUR 39.6m to EUR 640.0m in the reporting period. This decrease was due primarily to the EUR 38.7m dividend paid to shareholders of Ströer SE & Co. KGaA. The increase in liabilities from put options and the exchange rate effects relating to our foreign operations also had a downward effect of EUR 29.2m on equity. By contrast, the profit for the first six months of EUR 27.7m had a positive effect on equity. Overall, the equity ratio decreased from 46.3% to 39.2% as of 30 June 2016.

Net debt

Net debt, operational EBITDA and the leverage ratio are calculated in accordance with the Ströer Group's internal reporting structure. Accordingly, the four entities accounted for using the equity method in which Ströer holds 50.0% of shares are included in these figures on a pro rata basis as in the prior years.

In EUR m		30 Jun 2016	31 Dec 2015	Change	
(1)	Non-current financial liabilities	483.5	302.7	180.8	59.7%
(2)	Current financial liabilities	39.8	43.3	-3.5	-8.1%
(1)+(2)	Total financial liabilities	523.3	346.0	177.3	51.2%
(3)	Derivative financial instruments	88.5	56.5	31.9	56.5%
(1)+(2)-(3)	Financial liabilities excl. derivative financial instruments	434.8	289.5	145.4	50.2%
(4)	Cash	70.9	58.3	12.7	21.7%
(1)+(2)-(3)-(4)	**Net debt**	**363.9**	**231.2**	**132.7**	**57.4%**

Compared with 31 December 2015, net debt at the Ströer Group increased by EUR 132.7m in the first six months of 2016. This increase largely reflects the business acquisitions made over the last months. Overall, this gives rise to a leverage ratio, defined as the ratio of net debt to operational EBITDA, of 1.49 at the end of the first six months. Although the leverage ratio rose due to intensive investing activities compared to the ratio of 1.11 at the end of fiscal year 2015, it remains significantly below the ratio of 1.93 recorded as of 30 June of the prior year.

NET ASSETS

Analysis of the net asset structure

The development of **non-current assets**, which have increased by EUR 132.3m to EUR 1,359.3m since 31 December 2015, was mainly shaped in the reporting period by additions from business acquisitions. The other changes to non-current assets were of marginal importance.

The EUR 34.5m increase in **current assets** to EUR 275.4m largely reflects the increase in other non-financial assets, primarily caused by lease prepayments which are customarily higher during the year. Other significant changes resulted from the first-time consolidation of the newly acquired businesses.

RESULTS OF OPERATIONS OF THE SEGMENTS

Ströer Digital

In EUR m	Q2 2016	Q2 2015	Change		6M 2016	6M 2015	Change	
Segment revenue, thereof	117.1	46.5	70.5	> 100%	210.3	88.2	122.0	> 100%
Display	64.6	20.0	44.6	> 100%	121.8	40.2	81.5	> 100%
Video	24.7	20.0	4.7	23.7%	43.2	36.7	6.4	17.5%
Transactional	27.7	6.6	21.1	> 100%	45.3	11.3	34.1	> 100%
Operational EBITDA	30.3	14.5	15.8	> 100%	53.8	24.0	29.8	> 100%
Operational EBITDA margin	25.9%	31.2%	-5.3 percentage points		25.6%	27.2%	-1.6 percentage points	

The Ströer Digital segment was able to achieve a further significant increase in revenue across all product groups in the first half of the fiscal year. Our investments in other digital business models (e.g., subscription models), with the revenue contributions recorded under the new transactional product group, also contributed to robust revenue growth. As Ströer is continually adding to and expanding its business, the segment figures can only be compared with those of the prior year to a limited extent. The integration of the newly acquired companies was driven forward and we are increasingly able to leverage synergies and economies of scale on both the revenue and cost side.

Out-of-Home Germany

In EUR m	Q2 2016	Q2 2015	Change		6M 2016	6M 2015	Change	
Segment revenue, thereof	126.3	117.9	8.4	7.1%	234.6	214.1	20.5	9.6%
Large formats	61.5	55.8	5.8	10.3%	109.5	97.3	12.2	12.5%
Street furniture	32.5	34.9	-2.4	-6.8%	65.8	64.0	1.8	2.8%
Transport	15.7	14.1	1.6	11.3%	28.9	26.6	2.3	8.7%
Other	16.6	13.2	3.4	26.1%	30.4	26.1	4.2	16.3%
Operational EBITDA	34.2	31.0	3.2	10.4%	59.1	50.1	9.0	18.0%
Operational EBITDA margin	27.1%	26.3%	0.8 percentage points		25.2%	23.4%	1.8 percentage points	

The Out-of-Home Germany segment again reported extremely robust growth in the second quarter of 2016 and further improved its performance year on year. With regard to the first six months, **revenue** came to EUR 234.6m, up EUR 20.5m.

In the **large formats** product group (previously the billboard product group), which targets both national and regional customer groups, demand for traditional out-of-home products remained strong in the second quarter. A series of targeted national sales measures had a very beneficial effect in this respect. But we also pushed ahead with the expansion of our regional and local sales organization, with the result that product group revenue totaled EUR 109.5m, an increase of EUR 12.2m. In contrast, the **street furniture** product group, which generates its demand largely from national and international customers, reported a slight drop in revenue in the second quarter after significant first-quarter growth. The main reasons for this decrease were in particular the normal fluctuations in the booking behavior of a number of key accounts and a traditionally more subdued demand from national advertisers during major sports events (UEFA Euro 2016). However, the product group nonetheless grew by EUR 1.8m to EUR 65.8m in the first six months. The **transport** product group advanced its revenue growth even further in the second quarter, primarily on the back of increases in revenue from local customers. Revenue in this product group rose by EUR 2.3m to EUR 28.9m in the first half of 2016. The **other** product group also reported another increase in revenue compared with the first three months, bringing it to EUR 30.4m in the first half of the year, up EUR 4.2m. This positive development was again due to higher revenue recorded with a large number of small local customers. These customer groups specifically are more interested in full-service solutions, including the production of advertising materials, than large cross-regional or national customers.

The tangible rise in revenue was accompanied by a slower rate of growth in **cost of sales**. The increase in these costs was mostly attributable to higher lease payments and running costs. Ultimately, the segment generated **operational EBITDA** of EUR 59.1m, up EUR 9.0m year on year. The **operational EBITDA margin** climbed to 25.2% (prior year: 23.4%).

Out-of-Home International

In EUR m	Q2 2016	Q2 2015	Change		6M 2016	6M 2015	Change	
Segment revenue, thereof	39.8	43.4	-3.6	-8.4%	69.8	73.1	-3.3	-4.5%
Large formats	31.4	35.1	-3.7	-10.6%	55.9	58.7	-2.9	-4.9%
Street furniture	6.5	6.5	0.1	1.1%	10.7	10.8	-0.1	-1.1%
Other	1.9	1.9	0.0	0.0%	3.2	3.5	-0.3	-8.2%
Operational EBITDA	9.5	10.4	-0.9	-8.4%	11.3	11.7	-0.4	-3.2%
Operational EBITDA margin	23.9%	23.9%	0.0 percentage points		16.2%	15.9%	0.2 percentage points	

The OOH International segment includes our Turkish and Polish out-of-home activities and the western European giant poster business of the blowUP group.

Revenue in the OOH International segment decreased to EUR 69.8m (prior year: EUR 73.1m) in the first half of 2016. This decrease was due to the weakness of the Turkish Lira as well as the Polish Zloty. Furthermore the Turkish business has lost its dynamics in the second quarter as the geopolitical tensions have intensified. The market environment in Poland remains challenging.

The exchange rates also had a noticeably dampening effect on **cost of sales**, with revenue-linked higher costs being offset by exchange rate effects. Overall, the segment generated **operational EBITDA** of EUR 11.3m (prior year: EUR 11.7m) and an **operational EBITDA margin** of 16.2% (prior year: 15.9%).

EMPLOYEES

The Ströer Group employed a total of 4,075 people as of 30 June 2016 (31 December 2015: 3,270). 2,030 thereof are Ströer Digital employees, 1,115 OOH Germany employees, 631 OOH International employees and 299 are employed at the holding company.

OPPORTUNITIES AND RISKS

Our comments in the group management report as of 31 December 2015 remain applicable with regard to the presentation of opportunities and risks (see pages 62 to 67 of our 2015 annual report). As in the past, we are currently not aware of any risks to the Company's ability to continue as a going concern. Any material divergence from the planning assumptions used for the individual segments and any changes in the external parameters applied to calculate the cost of capital could lead to the impairment of intangible assets or goodwill.

FORECAST

Based on this positive development, for 2016 as a whole we are still forecasting organic revenue growth in the mid to high single-digit percentage range, with revenue of between EUR 1.1b and EUR 1.2b and operational EBITDA of more than EUR 280m.

SUBSEQUENT EVENTS

BHI Group/AsamBeauty

Effective 1 August 2016, Ströer acquired a 51.0% holding in the BHI Group for the Ströer vertical "Women & Lifestyle." The BHI Group is active in the beauty and cosmetics sector. It develops and produces its own range of cosmetic products which it mainly sells online and in the teleshopping market. The provisional purchase price for the acquired shares came to around EUR 34.7m.

Political unrest in Turkey

After the end of the second quarter, the political unrest in Turkey escalated with the failed coup attempt on 15/16 July by parts of the Turkish military. Although this political unrest did not have a direct effect on our operations in Turkey up until the date of publication of this report, we are nonetheless seeing a further slowdown in economic growth in Turkey. As it is still too early at this point to draw any conclusions on the further development of our business in Turkey, we are confirming our forecast for 2016 as a whole of low single-digit organic growth for the OOH International segment.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated interim financial statements

CONSOLIDATED INCOME STATEMENT

In EUR k	Q2 2016	Q2 2015[1)]	6M 2016	6M 2015[1)]
Revenue	276,184	201,639	502,335	363,393
Cost of sales	-184,520	-136,376	-343,289	-257,285
Gross profit	**91,664**	**65,263**	**159,046**	**106,108**
Selling expenses	-36,299	-24,816	-72,542	-49,866
Administrative expenses	-29,646	-18,580	-57,075	-39,503
Other operating income	5,253	2,529	10,662	7,139
Other operating expenses	-2,107	-2,786	-5,672	-4,883
Share in profit or loss of equity method investees	1,141	1,243	2,257	2,290
Financial result	-3,341	-2,836	-5,079	-4,927
Profit before taxes	**26,665**	**20,018**	**31,596**	**16,359**
Income taxes	-3,391	1,167	-3,942	1,808
Consolidated profit or loss for the period	**23,275**	**21,185**	**27,655**	**18,167**
Thereof attributable to:				
Owners of the parent	23,391	20,369	28,730	17,655
Non-controlling interests	-116	816	-1,075	512
	23,275	**21,185**	**27,655**	**18,167**
Earnings per share (EUR, basic)	0.42	0.42	0.52	0.36
Earnings per share (EUR, diluted)	0.41	0.41	0.50	0.36

1) Restated retroactively due to the purchase price allocations that were finalized after 30 June 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR k	Q2 2016	Q2 2015[1]	6M 2016	6M 2015[1]
Consolidated profit or loss for the period	**23,275**	**21,185**	**27,655**	**18,167**
Other comprehensive income				
Amounts that will not be reclassified to profit or loss in future periods				
Actuarial gains and losses	0	0	0	33
Income taxes	0	0	0	-11
	0	**0**	**0**	**22**
Amounts that could be reclassified to profit or loss in future periods				
Exchange differences on translating foreign operations	-832	-7,868	-2,275	-5,643
Income taxes	-12	-187	31	-167
	-844	**-8,055**	**-2,244**	**-5,810**
Other comprehensive income, net of income taxes	**-844**	**-8,055**	**-2,244**	**-5,788**
Total comprehensive income, net of income taxes	**22,431**	**13,130**	**25,411**	**12,379**
Thereof attributable to:				
Owners of the parent	22,461	12,933	26,451	12,269
Non-controlling interests	-30	197	-1,040	110
	22,431	**13,130**	**25,411**	**12,379**

[1] Restated retroactively due to the purchase price allocations that were finalized after 30 June 2015.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (in EUR k)	30 Jun 2016	31 Dec 2015[1]
Non-current assets		
Intangible assets	1,090,798	974,507
Property, plant and equipment	211,909	201,210
Investments in equity method investees	23,246	25,267
Financial assets	536	136
Trade receivables	18	62
Other financial assets	3,855	2,133
Other non-financial assets	13,310	10,772
Income tax assets	257	257
Deferred tax assets	15,413	12,695
Total non-current assets	**1,359,343**	**1,227,039**
Current assets		
Inventories	5,123	2,709
Trade receivables	135,216	119,551
Other financial assets	15,380	28,918
Other non-financial assets	50,252	27,595
Income tax assets	4,414	5,594
Cash and cash equivalents	64,978	56,503
Total current assets	**275,362**	**240,869**
Non-current assets held for sale	0	1,398
Total assets	**1,634,705**	**1,469,306**

Equity and liabilities (in EUR k)	30 Jun 2016	31 Dec 2015[1]
Equity		
Subscribed capital	55,282	55,282
Capital reserves	722,340	721,240
Retained earnings	-95,776	-54,113
Accumulated other comprehensive income	-61,063	-58,785
	620,783	**663,625**
Non-controlling interests	19,211	16,003
Total equity	**639,995**	**679,629**
Non-current liabilities		
Provisions for pensions and other obligations	36,900	36,740
Other provisions	19,674	18,860
Financial liabilities	483,514	302,698
Deferred tax liabilities	68,944	75,477
Total non-current liabilities	**609,031**	**433,775**
Current liabilities		
Other provisions	34,850	35,515
Financial liabilities	42,276	48,290
Trade payables	179,415	180,393
Other liabilities	97,691	71,258
Income tax liabilities	31,448	20,446
Total current liabilities	**385,679**	**355,902**
Total equity and liabilities	**1,634,705**	**1,469,306**

[1] Restated retroactively due to the purchase price allocations that were finalized after 31 December 2015.

CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR k	6M 2016	6M 2015[1]
Cash flows from operating activities		
Profit or loss from the period	27,655	18,167
Expenses (+)/income (-) from the financial and tax result	9,021	3,119
Amortization, depreciation and impairment losses (+) on non-current assets	64,987	48,763
Share in profit or loss of equity method investees	-2,257	-2,290
Cash received from profit distributions of equity method investees	3,541	2,877
Interest paid (-)	-3,390	-5,223
Interest received (+)	28	26
Income taxes paid (-)/received (+)	2,144	-5,652
Increase (+)/decrease (-) in provisions	-7,104	-3,186
Other non-cash expenses (+)/income (-)	-2,397	-1,132
Gain (-)/loss (+) on disposals of non-current assets	-1,263	471
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-4,325	-19,679
Increase (+)/decrease (-) in trade payables and other liabilities	-3,247	2,213
Cash flows from operating activities	**83,392**	**38,474**
Cash flows from investing activities		
Cash received (+) from the disposal of intangible assets and property, plant and equipment	2,820	370
Cash paid (-) for investments in intangible assets and property, plant and equipment	-45,557	-38,310
Cash paid (-) for investments in equity method investees	-358	-222
Cash received from (+)/cash paid for (-) the acquisition of consolidated entities	-105,980	-13,981
Cash flows from investing activities	**-149,075**	**-52,143**
Cash flows from financing activities		
Cash paid (-) to (non-controlling) interests (incl. dividends)	-45,832	-5,623
Cash received (+) from borrowings	246,390	46,057
Cash paid (-) to obtain and modify borrowings	-888	-914
Cash repayments (-) of borrowings	-125,512	-13,731
Cash flows from financing activities	**74,158**	**25,790**
Cash at the end of the period		
Change in cash	8,475	12,120
Cash at the beginning of the period	56,503	46,071
Cash at the end of the period	**64,978**	**58,192**
Composition of cash		
Cash	64,978	58,192
Cash at the end of the period	**64.978**	**58,192**

[1] Restated retroactively due to the purchase price allocations that were finalized after 30 June 2015.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income: Exchange differences on translating foreign operations	Total	Non-controlling interests	Total Equity
1 Jan 2015	**48,870**	**348,094**	**-50,515**	**-46,281**	**300,168**	**20,578**	**320,746**
Consolidated profit or loss for the period	0	0	17,655	0	17,655	512	18,167
Other comprehensive income	0	0	0	-5,387	-5,387	-402	-5,789
Total comprehensive income	0	0	17,655	-5,387	12,269	110	12,379
Changes in basis of consolidation	0	0	0	0	0	580	580
Share-based payment	0	500	0	0	500	0	500
Effects of changes in ownership interests in subsidiaries without loss of control	0	0	888	0	888	-16,607	-15,719
Obligation to purchase own equity instruments	0	0	3,895	0	3,895	4,846	8,740
Dividends	0	0	-19,548	0	-19,548	-545	-20,093
30 Jun 2015 [1]	**48,870**	**348,594**	**-47,625**	**-51,668**	**298,172**	**8,962**	**307,133**

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income: Exchange differences on translating foreign operations	Total	Non-controlling interests	Total Equity
1 Jan 2016 [2]	**55,282**	**721,240**	**-54,113**	**-58,785**	**663,625**	**16,003**	**679,629**
Consolidated profit or loss for the period	0	0	28,730	0	28,730	-1,075	27,655
Other comprehensive income	0	0	0	-2,279	-2,279	35	-2,244
Total comprehensive income	0	0	28,730	-2,279	26,451	-1,040	25,411
Changes in basis of consolidation	0	0	0	0	0	1,797	1,797
Share-based payment	0	1,100	0	0	1,100	0	1,100
Effects of changes in ownership interests in subsidiaries without loss of control	0	0	-4,792	0	-4,792	7,841	3,049
Obligation to purchase own equity instruments	0	0	-26,902	0	-26,902	-4,991	-31,894
Dividends	0	0	-38,698	0	-38,698	-399	-39,097
30 Jun 2016	**55,282**	**722,340**	**-95,776**	**-61,063**	**620,783**	**19,211**	**639,995**

[1] Restated retroactively due to the purchase price allocations that were finalized after 30 June 2015.

[2] Restated retroactively due to the purchase price allocations that were finalized after 31 December 2015.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

General

1 Information on the Company and the Group

Ströer SE & Co. KGaA (formerly Ströer SE) is a listed corporation. The Company has its registered office at Ströer Allee 1, 50999 Cologne. It is entered in the Cologne commercial register under HRB no. 86922.

The purpose of Ströer SE & Co. KGaA and the entities (the Ströer Group or the Group) included in the condensed consolidated interim financial statements (the consolidated interim financial statements) is the provision of services in the areas of media, advertising, commercialization and communication, in particular, but not limited to, the commercialization of out-of-home media and online advertising. The Group markets all forms of out-of-home media, from traditional large formats and transport media through to digital media.

See the relevant explanations in the notes to the consolidated financial statements as of 31 December 2015 for a detailed description of the Group's structure and its operating segments.

2 Basis of preparation of the financial statements

The consolidated interim financial statements for the period from 1 January to 30 June 2016 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 2015.

The disclosures required by IAS 34 on changes to items in the consolidated statement of financial position (also known as a balance sheet), the consolidated income statement and the consolidated statement of cash flows are made in the interim group management report.

Due to rounding differences, figures in tables may differ slightly from the actual figures.

The consolidated interim financial statements and interim group management report were not the subject of a review.

3 Accounting policies

The figures disclosed in these consolidated interim financial statements were determined in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The accounting policies applied in the consolidated financial statements as of 31 December 2015 were also applied in these consolidated interim financial statements except for the following accounting changes:

- Improvements to IFRSs (collection of amendments for 2012 to 2014) (effective for fiscal years beginning on or after 1 January 2016)

The other new standards and amendments to other standards that have also become effective do not have a significant effect on the Group's net assets, financial position and results of operations.

The comparative figures for the first half of 2015 also had to be adjusted in the income statement to account for the final figures from the purchase price allocation of Content Fleet GmbH, as this allocation was only finalized after 30 June 2015. The comparative figures in the statement of financial position were retroactively adjusted due to purchase price allocations that were only finalized after 31 December 2015 for: Content Fleet GmbH, AD-Vice Sp. z.o.o., RegioHelden GmbH, Omnea GmbH, FaceAdNet GmbH, Conexus AS, Permodo International GmbH, Ströer Mobile Performance (formerly KissMyAds GmbH) and the "Lioncast/PetTec/Dockin" operations.

The corresponding adjustments in the income statement are presented in the following reconciliation:

Income statement	**Adjusted**	**Purchase price allocation**	**According to Q2 2015 report**
In EUR k	**6M 2015**		**6M 2015**
Revenue	363,393		363,393
Cost of sales	-257,285	-648	-256,637
Gross profit	**106,108**	**-648**	**106,756**
Selling expenses	-49,866	-47	-49,819
Administrative expenses	-39,503	-47	-39,456
Other operating income	7,139		7,139
Other operating expenses	-4,883		-4,883
Share in profit or loss of equity method investees	2,290		2,290
Financial result	-4,927		-4,927
Profit before taxes	**16,359**	**-743**	**17,102**
Income taxes	1,808	151	1,657
Consolidated profit or loss for the period	**18,167**	**-591**	**18,758**
Thereof attributable to:			
Owners of the parent	17,655	-488	18,143
Non-controlling interests	512	-103	615
	18,167	**-591**	**18,758**

The following overview provides a reconciliation of the original published statement of financial position as of 31 December 2015 to the comparative figures as of 31 December 2015 contained in the current half-year financial statements as of 30 June 2016 following the purchase price allocations.

Assets (in EUR k)	**Adjusted**	**Purchase price allocation**	**According to 2015 annual report**
	31 Dec 2015		**31 Dec 2015**
Non-current assets			
Intangible assets	974,507	11,029	963,478
Property, plant and equipment	201,210		201,210
Investments in equity method investees	25,267		25,267
Financial assets	136		136
Trade receivables	62		62
Other financial assets	2,133		2,133
Other non-financial assets	10,772		10,772
Income tax assets	257		257
Deferred tax assets	12,695	-75	12,771
Total non-current assets	**1,227,039**	**10,954**	**1,216,085**
Current assets			
Inventories	2,709		2,709
Trade receivables	119,551		119,551
Other financial assets	28,918		28,918
Other non-financial assets	27,595	2	27,593
Income tax assets	5,594		5,594
Cash and cash equivalents	56,503		56,503
Total current assets	**240,869**	**2**	**240,867**
Non-current assets held for sale	1,398		1,398
Total assets	**1,469,306**	**10,956**	**1,458,351**

Equity and liabilities (in EUR k)	Adjusted	Purchase price allocation	According to 2015 annual report
	31 Dec 2015		31 Dec 2015
Equity			
Subscribed capital	55,282		55,282
Capital reserves	721,240		721,240
Retained earnings	-54,113	-750	-53,363
Accumulated other comprehensive income	-58,785	179	-58,964
	663,625	**-571**	**664,196**
Non-controlling interests	16,003	4,991	11,013
Total equity	**679,629**	**4,420**	**675,209**
Non-current liabilities			
Provisions for pensions and other obligations	36,740		36,740
Other provisions	18,860	-836	19,696
Financial liabilities	302,698		302,698
Deferred tax liabilities	75,477	6,773	68,704
Total non-current liabilities	**433,775**	**5,938**	**427,838**
Current liabilities			
Other provisions	35,515	590	34,925
Financial liabilities	48,290	8	48,282
Trade payables	180,393		180,393
Other liabilities	71,258		71,258
Income tax liabilities	20,446		20,446
Total current liabilities	**355,902**	**598**	**355,304**
Total equity and liabilities	**1,469,306**	**10,956**	**1,458,351**

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 2015 were also used to determine the estimated values presented in these consolidated interim financial statements.

5 Related party disclosures

See the consolidated financial statements as of 31 December 2015 for information on related party disclosures. There were no significant changes as of 30 June 2016.

6 Segment information

The Ströer Group has bundled its business into three segments which operate independently on the market in close cooperation with the group holding company Ströer SE & Co. KGaA. The three segments are Ströer Digital, OOH Germany and OOH International.

As of fiscal year 2016, the Ströer Group has defined a total of seven product groups on the basis of the products and services it provides, whereas it had five product groups in the past. The digital product group was split into three new product groups in this connection. Income from the commercialization of digital advertising is divided into traditional display advertising revenue on the one hand and video marketing on the other. The third product group comprises revenue from subscription and e-commerce business, which is disclosed under the transactional product group. Amounts for 2015 were restated accordingly.

Irrespective of the provisions under IFRS 11, segment reporting follows the management approach under IFRS 8 according to which external segment reporting should follow the internal reporting structure. The internal reporting structure of the Ströer Group is based on the concept of proportionate consolidation of joint ventures. As a result, despite the provisions under IFRS 11, 50% of the four joint ventures' earnings contributions are included in all segment figures as in the past. In contrast to the presentation in the income statement, they are not presented as a single net line item according to the equity method.

Reconciliation of the segment reporting by operating segment:

In EUR k	Q2 2016	Q2 2015
Total segment results (operational EBITDA)	**74,028**	**55,866**
Reconciliation items	-5,051	-3,738
Group operational EBITDA	**68,977**	**52,128**
Adjustment (exceptional items)	-5,525	-3,535
Adjustment (IFRS 11)	-1,053	-1,215
EBITDA	**62,399**	**47,378**
Amortization, depreciation and impairment	-32,392	-24,524
Financial result	-3,341	-2,836
Consolidated profit or loss before income taxes	**26,665**	**20,018**

In EUR k	6M 2016	6M 2015
Total segment results (operational EBITDA)	**124,198**	**85,698**
Reconciliation items	-9,560	-7,261
Group operational EBITDA	**114,638**	**78,437**
Adjustment (exceptional items)	-10,929	-6,174
Adjustment (IFRS 11)	-2,046	-2,215
EBITDA	**101,663**	**70,048**
Amortization, depreciation and impairment	-64,987	-48,763
Financial result	-5,079	-4,927
Consolidated profit or loss before income taxes	**31,596**	**16,359**

The adjustment under IFRS 11 includes effects for amortization, depreciation and impairment and the financial and tax result of our equity method investees.

REPORTING BY OPERATING SEGMENT

In EUR k	Ströer Digital	OOH Germany	OOH International	Reconciliation	Equity method reconciliation	Group value
Q2 2016						
External revenue	115,626	124,399	39,553	0	-3,393	276,184
Internal revenue	1,436	1,925	209	-3,570	0	0
Segment revenue	117,062	126,323	39,762	-3,570	-3,393	276,184
Operational EBITDA	30,310	34,202	9,515	-5,051	0	68,977
Q2 2015						
External revenue	45,815	116,474	43,197	0	-3,847	201,639
Internal revenue	727	1,444	195	-2,366	0	0
Segment revenue	46,542	117,918	43,391	-2,366	-3,847	201,639
Operational EBITDA	14,501	30,981	10,384	-3,738	0	52,128

In EUR k	Ströer Digital	OOH Germany	OOH International	Reconciliation	Equity method reconciliation	Group value
6M 2016						
External revenue	208,018	231,441	69,556	0	-6,680	502,335
Internal revenue	2,245	3,149	231	-5,625	0	0
Segment revenue	210,263	234,590	69,787	-5,625	-6,680	502,335
Operational EBITDA	53,833	59,091	11,275	-9,560	0	114,638
6M 2015						
External revenue	86,898	211,134	72,633	0	-7,272	363,393
Internal revenue	1,352	2,929	424	-4,705	0	0
Segment revenue	88,250	214,063	73,057	-4,705	-7,272	363,393
Operational EBITDA	23,989	50,058	11,651	-7,261	0	78,437

REPORTING BY PRODUCT GROUP

In EUR k	Large formats	Street furniture	Transport	Display	Video	Trans-actional	Other	Equity method reconciliation	Group value
Q2 2016									
External revenue	92,897	38,997	15,683	64,637	25,875	27,709	13,779	-3,393	276,184
Q2 2015									
External revenue	90,841	41,315	14,088	20,109	20,648	6,572	11,913	-3,847	201,639

In EUR k	Large formats	Street furniture	Transport	Display	Video	Trans-actional	Other	Equity method reconciliation	Group value
6M 2016									
External revenue	165,351	76,477	28,937	121,824	45,198	45,331	25,898	-6,680	502,335
6M 2015									
External revenue	156,047	74,801	26,618	40,382	38,422	11,277	23,117	-7,272	363,393

7 Organic growth reconciliation[5]

The following tables show the reconciliation from revenue according to IFRS to organic growth. For the first half of 2016 the increase of revenue (without foreign exchange effects) amounts to EUR 41,201k. In relation to an adjusted revenue of EUR 475,749k of the prior year, this results in an organic growth rate of 8.7%.

In EUR k	Q2 2016	Q2 2015
Revenue Q2 - prior year (reported)	**201,639**	**188,994**
IFRS 11	3,847	3,296
Revenue Q2 - prior year (management approach)	**205,486**	**192,290**
Disposals and discontinued units	-1,288	-2,987
Acquisitions	62,260	2,737
Revenue Q2 - prior year (management approach (adjusted))	**266,458**	**192,040**
Foreign currency effects	-4,097	-82
Organic	17,216	13,528
Revenue Q2 - current year (management approach)	**279,577**	**205,486**
IFRS 11	-3,393	-3,847
Revenue Q2 - current year (reported)	**276,184**	**201,639**

In EUR k	6M 2016	6M 2015
Revenue 6M - prior year (reported)	**363,393**	**334,717**
IFRS 11	7,272	6,232
Revenue 6M - prior year (management approach)	**370,665**	**340,949**
Disposals and discontinued units	-1,457	-5,534
Acquisitions	106,541	4,805
Revenue 6M - prior year (management approach (adjusted))	**475,749**	**340,220**
Foreign currency effects	-7,936	1,957
Organic	41,201	28,488
Revenue 6M - current year (management approach)	**509,015**	**370,665**
IFRS 11	-6,680	-7,272
Revenue 6M - current year (reported)	**502,335**	**363,393**

[5] On 30 June 2015, the European Securities and Markets Authority (ESMA) published its Guidelines on Alternative Performance Measures – APM, ESMA/2015/1057. The guidelines apply from 3 July 2016 for prospectuses of issuers whose securities are admitted to trading on a regulated market. According to the guidelines, performance measures defined by management must be explained and reconciled with the standard known IFRS figures. For an explanation of the key performance indicators defined by management, see also our comments on page 26 and 27 of the 2015 annual report.

8 Adjusted income statement (management approach) reconciliation

Q2 2016 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification from equity method to proportionate consolidation	Reclassification of adjustment items	Income statement for management accounting purposes	Impairment and amortization of advertising concessions and publisher	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items	Adjusted income statement for Q2 2016	Adjusted income statement for Q2 2015
Revenue	**276.2**		**3.4**		**279.6**					**279.6**	**205.5**
Cost of sales	-184.5	29.9	-0.9	1.0	-154.5					-154.5	-114.7
Selling expenses	-36.3										
Administrative expenses	-29.6										
Overheads	-65.9	2.5	-0.3	4.8	-59.0					-59.0	-39.3
Other operating income	5.3										
Other operating expenses	-2.1										
Other operating result	3.1			-0.2	2.9					2.9	0.6
Share in profit or loss of equity method investees	1.1		-1.1		0.0						
Operational EBITDA					**69.0**					**69.0**	**52.1**
Amortization, depreciation and impairment		-32.4	-0.5		-32.9	13.5				-19.3	-16.6
Operational EBIT					**36.1**	**13.5**				**49.6**	**35.5**
Exceptional items				-5.5	-5.5				5.5	0.0	0.0
Financial result	-3.3				-3.3		0.5		1.0	-1.9	-2.0
Income taxes	-3.4		-0.6		-4.0			-3.6		-7.6	-4.2
Profit or loss for the period	**23.3**	**0.0**	**0.0**	**0.0**	**23.3**	**13.5**	**0.5**	**-3.6**	**6.5**	**40.2**	**29.3**

6M 2016 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification from equity method to proportionate consolidation	Reclassification of adjustment items	Income statement for management accounting purposes	Impairment and amortization of advertising concessions and publisher	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items	Adjusted income statement for 6M 2016	Adjusted income statement for 6M 2015
Revenue	**502.3**		**6.7**		**509.0**					**509.0**	**370.7**
Cost of sales	-343.3	60.3	-1.7	2.6	-282.1					-282.1	-214.8
Selling expenses	-72.5										
Administrative expenses	-57.1										
Overheads	-129.6	4.7	-0.7	8.5	-117.2					-117.2	-80.0
Other operating income	10.7										
Other operating expenses	-5.7										
Other operating result	5.0		0.1	-0.1	5.0					5.0	2.5
Share in profit or loss of equity method investees	2.3		-2.3		0.0						
Operational EBITDA					**114.6**					**114.6**	**78.4**
Amortization, depreciation and impairment		-65.0	-0.9		-65.9	27.2				-38.8	-33.5
Operational EBIT					**48.7**	**27.2**				**75.9**	**45.0**
Exceptional items				-10.9	-10.9				10.9	0.0	0.0
Financial result	-5.1				-5.1		0.2		1.0	-3.9	-4.8
Income taxes	-3.9		-1.1		-5.1			-6.3		-11.4	-6.4
Profit or loss for the period	**27.7**	**0.0**	**0.0**	**0.0**	**27.7**	**27.2**	**0.2**	**-6.3**	**11.9**	**60.6**	**33.8**

Selected notes to the consolidated income statement, the consolidated statement of financial position, the consolidated statement of cash flows and other notes

9 Seasonality

The Group's revenue and earnings are seasonal in nature. Revenue and earnings are generally lower in the first and third quarters compared to the second and fourth quarters.

10 Disclosures on business combinations

Significant business combinations

Statista GmbH

With effect as of 1/2 February 2016, the Ströer Group acquired a total of 81.3% of the shares in Statista GmbH, Hamburg. Statista GmbH is a leading data and business intelligence portal. It offers its customers a considerable degree of efficiency and extensive cost benefits in sourcing business-relevant information – especially in the form of statistics – on a single highly relevant platform. The provisional purchase price for the acquired shares comes to around EUR 64.7m. It could increase by a maximum of up to EUR 11.0m in the next three years as a result of contractual adjustment clauses (earn-out arrangements based on revenue). There are also call and put options on the remaining 18.7% of the shares in the company that can be exercised in the coming years, provided that certain contractual conditions are met.

In the first half of 2016, the acquisition gave rise to transaction costs of EUR 255k which were reported under administrative expenses.

The following table shows the consolidated provisional fair values of the assets acquired and liabilities assumed from Statista GmbH and its two subsidiaries at the acquisition date:

In EUR k	
Intangible assets	4
Property, plant and equipment	293
Trade receivables	2,424
Financial assets	196
Other assets	8,048
Cash and cash equivalents	2,493
Other provisions	3,063
Financial liabilities	810
Trade payables	403
Other liabilities	6,900
Net assets acquired	2,281

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	2,424	2,424
Financial assets	196	196
Other assets	8,048	8,048

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Provisional purchase price	64,713
Contractually agreed contingent purchase price payments in subsequent periods	5,995
Non-controlling interests	427
Net assets acquired	2,281
Goodwill	68,854

Since control was obtained, the entities have contributed the following revenue and loss after taxes which are included in the consolidated income statement:

In EUR k	Revenue	Post-tax profit or loss
2 Feb to 30 Jun 2016	6,948	-824

Social Media Interactive GmbH

With effect as of 29 March 2016, Ströer acquired in a first step 52.6% and later in a second step additional 6.2% of the shares in Social Media Interactive GmbH, Munich. Social Media Interactive GmbH develops and markets online fitness programs for weight reduction under the e-diet brand “BodyChange.” The provisional purchase price for the acquired shares comes to around EUR 12.4m. It could increase by a maximum of up to EUR 1.7m in the next two years as a result of contractual adjustment clauses (earn-out arrangements based on EBIT). There are also call and put options on the remaining 41.2% of the shares in the company that can be exercised in the coming years, provided that certain contractual conditions are met.

In the first half of 2016, the acquisition gave rise to transaction costs of EUR 95k which were reported under administrative expenses.

The following table shows the consolidated provisional fair values of the assets acquired and liabilities assumed from Social Media Interactive GmbH and its two subsidiaries at the acquisition date:

In EUR k	
Intangible assets	400
Property, plant and equipment	12
Financial assets	13
Inventories	502
Trade receivables	414
Financial assets	3,025
Other assets	727
Current income tax assets	1
Cash and cash equivalents	1,021
Other provisions	354
Financial liabilities	2,076
Trade payables	1,232
Other liabilities	647
Net assets acquired	1,805

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	414	414
Financial assets	3,025	3,025
Other assets	727	727

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Provisional purchase price	12,414
Contractually agreed contingent purchase price payments in subsequent periods	1,685
Non-controlling interests	744
Net assets acquired	1,805
Goodwill	13,037

Since control was obtained, the entities have contributed the following revenue and loss after taxes which are included in the consolidated income statement:

In EUR k	Revenue	Post-tax profit or loss
29 Mar to 30 Jun 2016	3,379	-1,174

stylefruits GmbH

With effect as of 18 May 2016, Ströer acquired all of the shares in stylefruits GmbH, Munich. Stylefruits operates a social shopping platform which gives users the opportunity to put together individual home accessoires as well as clothing styles and outfits. The platform is connected to various online-shops so that all products can be ordered straight away. The provisional purchase price for the acquired shares comes to around EUR 14.0m.

It could increase by a maximum of up to EUR 15.0m in the next three years as a result of contractual adjustment clauses (earn-out arrangements based on EBIT).

In the first half of 2016, the acquisition gave rise to transaction costs of EUR 58k which were reported under administrative expenses.

The following table shows the provisional fair values of the assets acquired and liabilities assumed at the acquisition date:

In EUR k	
Property, plant and equipment	59
Trade receivables	1,465
Other assets	52
Cash and cash equivalents	2,248
Other provisions	82
Trade payables	876
Other liabilities	233
Net assets acquired	2,633

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	1,465	1,465
Other assets	52	52

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Provisional purchase price	14,000
Contractually agreed contingent purchase price payments in subsequent periods	8,908
Net assets acquired	2,633
Goodwill	20,275

Since control was obtained, stylefruits GmbH has contributed the following revenue and loss after taxes which are included in the consolidated income statement:

In EUR k	Revenue	Post-tax profit or loss
18 May to 30 Jun 2016	1,382	-215

StayFriends GmbH

With effect as of 24 May 2016, the Ströer Group acquired all of the shares in StayFriends GmbH, Erlangen, as well as all of the shares in its sister companies Trombi Acquisition SARL (France), Klassenfreunde.ch GmbH (Switzerland) and Klassträffen Sweden AB (Sweden). StayFriends operates an online platform in order to search schoolmates and to communicate with them. The purchase price for the acquired shares comes to around EUR 16.0m.

In the first half of 2016, the acquisition gave rise to transaction costs of EUR 202k which were reported under administrative expenses.

The following table shows the consolidated provisional fair values of the assets acquired and liabilities assumed from StayFriends GmbH and its three sister companies at the acquisition date:

In EUR k	
Intangible assets	2,368
Property, plant and equipment	555
Trade receivables	1,193
Financial assets	191
Other assets	641
Current income tax assets	548
Cash and cash equivalents	9,114
Other provisions	271
Financial liabilities	385
Deferred tax liabilities	559
Trade payables	661
Other liabilities	9,509
Net assets acquired	3,225

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	1,193	1,193
Financial assets	191	191
Other assets	641	641

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Purchase price	16,028
Net assets acquired	3,225
Goodwill	12,803

Since control was obtained, the entities have contributed the following revenue and profit after taxes which are included in the consolidated income statement:

In EUR k	Revenue	Post-tax profit or loss
24 May to 30 Jun 2016	2,570	481

Other business combinations

In addition to the acquisitions detailed above, in the first six months of 2016 the Ströer Group also acquired the entities B. A. B. Maxiposter Werbetürme GmbH (100.0%), Boojum Kft. (60.0%), Nachsendeauftrag DE Online GmbH (60.0%), OMS Vermarktungs GmbH & Co. KG and its general partner limited liability company (both 100.0%), Ströer Digital Operations Sp. z o.o. (100.0%; formerly Goldbach Holding Sp. z o.o.), T&E Net Services GmbH (60.0%) and twiago GmbH (51.0%).

The purchase price allocations are still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed for these acquisitions. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted in the purchase price allocations. The goodwill of these acquired entities is calculated as follows:

In EUR k	
Total purchase prices*	27,968
Total contractually agreed contingent purchase price payments in subsequent periods	1,127
Non-controlling interests	627
Net assets acquired	5,647
Goodwill	24,075

*Including the disposal of shares in Ströer Digital Group GmbH in connection with the acquisition of OMS companies.

Transactions not involving a change in control

In the first six months of fiscal year 2016, Ströer also acquired further shares in Business Advertising GmbH (+15.3%), Content Fleet GmbH (+22.3%) and TUBE ONE Networks GmbH (+24.0%).

These acquisitions were presented as transactions between shareholders in accordance with IFRS 10. The corresponding accounting-related effects are presented in the following table. The transactions were summarized for materiality reasons:

In EUR k	
Total purchase prices	5,987
Non-controlling interests	1,195
Change in consolidated equity held by owners of the Ströer Group	4,792

11 Financial instruments

The following table presents the carrying amounts and fair values of the financial instruments included in the individual items of the statement of financial position, broken down by class and measurement category according to IAS 39.

			Carrying amount pursuant to IAS 39			
In EUR k	Measurement category pursuant to IAS 39	**Carrying amount as of 30 Jun 2016**	Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	**Fair value as of 30 Jun 2016**
Assets						
Cash	L&R	64,978	64,978			64,978
Trade receivables	L&R	135,235	135,235			135,235
Other non-current financial assets	L&R	3,855	3,855			3,855
Other current financial assets	L&R	15,380	15,380			15,380
Available-for-sale financial assets	AFS	536	536			n.a.
Equity and liabilities						
Trade payables	FVTPL	179,415	179,415			179,415
Non-current financial liabilities	FVTPL	412,859	394,684		18,175	412,859
Current financial liabilities	FVTPL	24,473	19,501		4,972	24,473
Derivatives not in a hedging relationship (Level 2)	FVTPL	45			45	45
Obligation to purchase own equity instruments (Level 3)	FVTPL	88,411		88,411	0	88,411
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables	L&R	219,448	219,448			219,448
Available-for-sale financial assets	AFS	536	536			n.a.
Financial liabilities measured at amortized cost	FVTPL	705,158	593,600	88,411	23,147	705,158
Financial liabilities at fair value through profit or loss	FVTPL	45			45	45

			Carrying amount pursuant to IAS 39			
In EUR k	Measurement category pursuant to IAS 39	**Carrying amount as of 31 Dec 2015**	Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	**Fair value as of 31 Dec 2015**
Assets						
Cash	L&R	56,503	56,503			56,503
Trade receivables	L&R	119,613	119,613			119,613
Other non-current financial assets	L&R	2,133	2,133			2,133
Other current financial assets	L&R	28,918	28,918			28,918
Available-for-sale financial assets	AFS	136	136			n.a.
Equity and liabilities						
Trade payables	FVTPL	180,393	180,393			180,393
Non-current financial liabilities	FVTPL	261,846	256,400		5,446	261,846
Current financial liabilities	FVTPL	32,622	29,838		2,784	32,622
Derivatives not in a hedging relationship (Level 2)	FVTPL	0			0	0
Obligation to purchase own equity instruments (Level 3)	FVTPL	56,518		56,518	0	56,518
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables	L&R	207,167	207,167			207,167
Available-for-sale financial assets	AFS	136	136			n.a.
Financial liabilities measured at amortized cost	FVTPL	531,379	466,631	56,518	8,230	531,379
Financial liabilities at fair value through profit or loss	FVTPL	0			0	0

Due to the short terms of cash and cash equivalents, trade receivables, trade payables, other financial assets and current financial liabilities, it is assumed that the fair values correspond to the carrying amounts.

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 taking into account Ströer's own credit risk (Level 2 fair values). Market interest rates for the relevant maturity date are used for discounting. It is therefore assumed as of the reporting date that the carrying amount of the non-current financial liabilities is equal to the fair value.

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.

Level 2: Quoted or market prices for similar financial instruments on an active market or for identical or similar financial instruments on a market that is not active or inputs other than quoted prices that are based on observable market data.

Level 3: Valuation techniques that use inputs which are not based on observable market data.

Changes in the assessment of the level to be used for measuring the assets and liabilities are made at the time any new facts are established. At present, derivative financial instruments are measured at fair value in the consolidated financial statements and are all classified as Level 2. Additionally, there are contingent purchase price liabilities from acquisitions as well as put options for shares in various group entities that are each classified as Level 3.

12 Subsequent events

See the disclosures made in the interim group management report for information on subsequent events.

Cologne, 11 August 2016

Udo Müller	Dr. Bernd Metzner	Christian Schmalzl
CEO	CFO	COO

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Cologne, 11 August 2016

Udo Müller	Dr. Bernd Metzner	Christian Schmalzl
CEO	CFO	COO

FINANCIAL CALENDAR

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DISCLAIMER

This half-year financial report contains forward-looking statements which entail risks and uncertainties. The actual business development and results of Ströer SE & Co. KGaA and of the Group may differ significantly from the assumptions made in this half-year financial report. This half-year financial report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer SE & Co. KGaA. There is no obligation to update the statements made in this half-year financial report.

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