STRÖER
out of home media

Half-year financial report 6M/Q2 2012

Ströer
Out-of-Home
Media AG

CONTENTS

THE GROUP' S FINANCIAL FIGURES AT A GLANCE

		Q2 2012	Q2 2011	Change	6M 2012	6M 2011	Change
Revenue	EUR m	**148.8**	**159.4**	**-6.7%**	**267.4**	**282.3**	**-5.3%**
by segment							
Ströer Germany	EUR m	108.1	115.9	-6.7%	198.5	207.8	-4.5%
Ströer Turkey	EUR m	25.3	26.2	-3.4%	42.4	44.9	-5.7%
Other (Ströer Poland and blowUP)	EUR m	15.4	17.5	-11.7%	26.7	29.8	-10.3%
by product group							
Billboard	EUR m	80.5	89.2	-9.8%	140.6	152.1	-7.6%
Street furniture	EUR m	36.6	39.0	-6.2%	70.0	72.8	-3.8%
Transport	EUR m	22.8	22.5	1.2%	40.5	40.9	-1.0%
Other	EUR m	8.9	8.7	2.7%	16.3	16.5	-1.0%
Organic growth[1)]	%	-6.5	5.4		-4.9	7.3	
Gross profit[2)]	EUR m	48.7	63.9	-23.8%	78.5	100.6	-22.0%
Operational EBITDA[3)]	EUR m	**31.5**	**43.6**	**-27.7%**	**40.8**	**59.8**	**-31.8%**
Operational EBITDA[3)] margin	%	21.2	27.3		15.3	21.2	
Adjusted EBIT[4)]	EUR m	21.9	35.8	-38.8%	21.6	42.6	-49.4%
Adjusted EBIT[4)] margin	%	14.7	22.5		8.1	15.1	
Adjusted profit or loss for the period[5)]	EUR m	9.1	17.7	-48.7%	2.9	16.5	-82.3%
Adjusted earning per share[6)]	EUR	0.22	0.43	-48.2%	0.09	0.41	-78.1.%
Profit or loss for the period[7)]	EUR m	5.9	5.5	7.7%	-0.2	-1.2	81.6%
Earning per share[8)]	EUR	0.15	0.14	7.1%	0.01	-0.01	n.d.
Investments[9)]	EUR m	-	-		20.5	22.5	-8.8%
Free cash flow[10)]	EUR m	-	-		-12.1	1.7	n.d.
					30 Jun 2012	**31 Dec 2011**	**Change**
Total equity and liabilities	EUR m	-	-		990.5	982.6	0.8%
Equity	EUR m	-	-		278.2	273.5	1.7%
Equity ratio	%	-	-		28.1	27.8	
Net debt[11)]	EUR m	-	-		314.0	304.3	3.2%
Employees[12)]	number	-	-		1,757	1,730	1.5%

1) Excluding exchange rate effects and effects from the (de-)consolidation and discontinuation of operations
2) Revenue less cost of sales
3) Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items
4) Earnings before interest and taxes adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets
5) Adjusted EBIT before non-controlling interest net of the financial result adjusted for exceptional items and the normalized tax expense
6) Adjusted profit or loss for the period net of non-controlling interests divided by the number of shares outstanding after the IPO (42,098,238)
7) Profit or loss for the period before non-controlling interest
8) Actual profit or loss for the period net of non-controlling interests divided by the number of shares outstanding after the IPO (42,098,238)
9) Including cash paid for investments in property, plant and equipment and in intangible assets
10) Cash flows from operating activities less cash flows from investing activities
11) Financial liabilities less derivative financial instruments and cash
12) Headcount (full and part-time employees)

FOREWORD BY THE BOARD OF MANAGEMENT

Dear shareholders,

Our results for the first half of 2012 reflect the current difficult situation on the European media markets. The ongoing uncertainty surrounding the euro debt crisis is affecting advertising markets and only allowing organic growth in a small number of segments.

In this environment, the Ströer Group recorded an organic revenue decrease of 4.9% year on year in the first six months. This was mainly due to the cautious approach to bookings shown by one major German customer in the second quarter, which led to a revenue decrease in the high single-digit million range. This year's European football championship also had a negative effect on revenue because, like all big sporting events, it prompted advertisers to allocate an above-average share of their budgets to the TV market. As a result, operational EBITDA and the related margin were also lower than in the first six months of 2011. Our earnings were also impacted by additional lease expenses for newly acquired advertising concessions that will only be matched by income in the future, i.e., after new advertising faces begin operating. Nevertheless, we improved our result for the first half of 2012 by EUR 1m compared with the prior year, thanks to positive financial and tax results.

Going forward, we expect the market environment to remain volatile and exposed to political and economic developments in the eurozone. In the third quarter, the Olympic Games will also make themselves felt and again are likely to benefit TV at the expense of other advertising media. Overall, however, such temporary effects will not prevent the structural growth of our Company and of out-of-home advertising in general. We see 2012 as a transitional year in which we need to not only overcome the current market weakness, but also expand our business model by making growth investments to put us in a good position for the coming years.

Our principal banks share this positive view of the strength of our business model. Our new loan agreement totaling EUR 500m over five years has allowed us to lay the foundations for stable long-term financing ahead of time in a banking market that is likely to remain volatile in the future. This means we can flexibly implement growth projects and reduce our borrowing costs. In addition to improving the covenants, we achieved the full release of collateral – an important signal for our stakeholders and investors.

In the meantime, we have driven forward the largest infrastructure projects in the history of out-of-home advertising in Germany: the conversion of traditional billboards into modern advertising faces and the roll-out of digital screens for our out-of-home channel (OC). On 1 August, we started marketing the OC Mall, which comprises our new upright LCD screens and the existing rectangular digital products operated by ECE flatmedia. Since the beginning of last year, we have installed a total of around 1,200 digital screens in train stations and shopping malls and created one of the world's largest digital product offerings with a national reach. The latest independent market research confirms that the reach of our out-of-home channel is a considerable 20% of the population – and is double this figure in the key target group of 14 to 29 year olds.

Currently, we are not forecasting any macroeconomic or media market improvement in the third quarter of this year. Out-of-home advertising markets will continue to be affected by the uncertainty on the financial markets and temporary shifts in advertising budgets due to the Olympics. As a result, we expect the Group organic revenue growth rate in the third quarter to be similar to that in the second quarter of this year.

The Board of Management

Udo Müller Alfried Bührdel Dirk Wiedenmann

SHARE

In the second quarter, Ströer Out-of-Home Media AG's share was unable to match its performance from the first three months. After starting the year at EUR 12.92, it posted encouraging gains in February and March on the back of the generally positive stock market trend. On 27 March, the Ströer share rose by just under 15% to EUR 14.86 – its highest level in the reporting period. At the end of March, it fell below its 2012 opening price following the publication of a cautious revenue forecast for the first quarter in an extremely weak market environment. This was followed by a sideways movement in April and another sharp drop in May after the Company issued a muted outlook for the second quarter. Ströer's share price recovered slightly in the first weeks of June, before falling again at the end of the second quarter. Our share closed the reporting period at EUR 7.76, down just under 40% since the start of the year.

Shareholder meeting

As in the prior year, Ströer Out-of-Home Media AG's shareholder meeting was held at the Koelnmesse Congress Center on 21 June 2012 and was attended by approximately 60 shareholders, guests and representatives of the press. Overall, around 87% of the capital stock was represented. All resolutions proposed by the supervisory board and board of management were accepted by majorities of more than 99%.

Stock exchange listing, market capitalization and trading volume

Ströer Out-of-Home Media AG stock is listed in the Prime Standard of the Frankfurt Stock Exchange and has been listed in the SDAX, a selection index of Deutsche Börse, since September 2010. Based on the closing share price on 29 June 2012, market capitalization came to EUR 327m.

We are continuing our efforts to boost the attractiveness of the Ströer share for investors by improving its liquidity and increasing the level of trading in our shares on Xetra, among other things. The average daily volume of Ströer stock traded on German stock exchanges was some 46,000 shares in the first half of 2012 – almost 40% higher than the comparative prior-year figure. Including over-the-counter (OTC) trading between investors and brokers, an average of around 136,000 shares were traded daily in the first six months of 2012 (prior year: 129,000). The proportion of overall trading accounted for by the stock exchange rose from 26% in the prior year to 34% in the first half of 2012.

Analysts' coverage

The performance of Ströer Out-of-Home Media AG is tracked by 13 teams of analysts. Based on the most recent assessments, four of the analysts are giving a "buy" recommendation, five say "hold" and four "sell." The latest broker assessments are available at www.stroeer.de/investor-relations and are presented in the following table:

Investment bank	Recommendation
Berenberg Bank	Hold
Bank of America Merrill Lynch	Sell
Citigroup Global Markets	Hold
Close Brothers Seydler Research	Hold
Commerzbank	Hold
Crédit Agricole Chevreux	Sell
Deutsche Bank	Buy
DZ BANK	Sell
Goldman Sachs	Buy
Hauck & Aufhäuser Institutional Research	Buy
J.P. Morgan	Buy
Morgan Stanley	Hold
Viscardi	Sell

Shareholder structure

The total number of Ströer shares issued comes to 42,098,238. CEO Udo Müller holds 28.12%, supervisory board member Dirk Ströer holds 25.34% and CFO Alfried Bührdel and board of management member Dirk Wiedenmann together hold around 0.13% of Ströer Out-of-Home Media AG shares. On 31 May 2012, Dirk Ströer sold 1.3 million Ströer shares (3.01% of the capital stock) to funds managed by the New York investment company Third Point LLC in connection with a private loan repayment. As a result, Ströer Out-of-Home Media AG's free float increased from 43.4% to 46.5%.

According to the notifications made to the Company as of the date of publication of this report on 21 August 2012, the following parties reported to us that they hold more than 3% of the voting rights in Ströer Out-of-Home Media AG: DWS Investment (5.05%), Credit Suisse (3.50%), GMT Capital (3.10%) and Tiger Global (3.05%).

Information on the current shareholder structure is permanently available at www.stroeer.de/investor-relations.

INTERIM GROUP MANAGEMENT REPORT

INTERIM GROUP MANAGEMENT REPORT

GROUP STRUCTURE AND REPORTING PERIOD

The Ströer Group is a leading provider of out-of-home advertising with key operations in Germany, Turkey and Poland. Through the subsidiaries of the blowUP division, it also has operations in the UK, the Netherlands, Spain and Belgium. Ströer provides billboard, street furniture and transport media services in all of its core markets.
This interim management report covers the period from 1 January to 30 June 2012.

BUSINESS ENVIRONMENT

Macroeconomic development

The macroeconomic environment continued to deteriorate in the second quarter of 2012. The growing uncertainty caused by the euro debt crisis and the slowdown in the global economy had a negative effect on the economic situation in our markets. Persistently weak growth in Europe and the US is also fueling concerns that the crisis in the industrialized countries could spread to emerging economies and further reduce the dynamics of global demand.

In Germany, the ifo business climate index fell for the third successive month in July to its lowest level in the past two years. In particular, companies believe that the current business situation is much tougher than before. Turkey is also forecast to record weaker growth for the whole of 2012 compared with 2011, while Poland is expected to experience only a slight decrease in its economic growth.

The Turkish lira and Polish zloty gained ground against the euro in the first half of 2012: the zloty rose by approximately 4.7% compared with 31 December 2011, while the lira was up by 6.5%. This led to positive exchange rate effects for Ströer.

Industry performance

The generally muted economic trend also impacted advertising markets. Although a survey by Nielsen Media Research recorded a slight year-on-year increase in gross advertising revenue in Germany over the first six months, we believe that net revenue is likely to have fallen. Since the beginning of the year, nationally operating customers in the out-of-home advertising sector have tended towards unusually short-term bookings in the volatile media environment. Another special effect was provided by the major televised sporting events (European football championship, Olympic Games) that reduced budgets for out-of-home advertising.

BUSINESS PERFORMANCE AND RESULTS OF OPERATIONS OF THE GROUP AND THE SEGMENTS

Results of operations of the Group

Consolidated income statement

In EUR m	Q2 2012		Q2 2011		Change	
Continuing operations						
Revenue	148.8	100.0%	159.4	100.0%	-10.6	-6.7%
Cost of sales	-100.1	-67.3%	-95.5	-59.9%	-4.6	-4.8%
Gross profit	**48.7**	**32.7%**	**63.9**	**40.1%**	**-15.2**	**-23.8%**
Selling expenses	-19.2	-12.9%	-18.7	-11.8%	-0.4	-2.2%
Administrative expenses	-17.5	-11.8%	-19.3	-12.1%	1.8	9.3%
Other operating income	4.4	3.0%	3.8	2.4%	0.6	15.8%
Other operating expenses	-2.6	-1.7%	-5.8	-3.7%	3.2	55.8%
EBIT	**13.9**	**9.3%**	**23.9**	**15.0%**	**-10.0**	**-41.8%**
EBITDA	**30.1**	**20.2%**	**38.0**	**23.8%**	**-7.9**	**-20.8%**
Operational EBITDA	**31.5**	**21.2%**	**43.6**	**27.3%**	**-12.1**	**-27.7%**
Financial result	-6.9	-4.6%	-13.8	-8.7%	6.9	**50.0%**
Profit or loss before taxes	**7.0**	**4.7%**	**10.1**	**6.3%**	**-3.1**	**-30.5%**
Income taxes	-1.1	-0.7%	-4.6	-2.9%	3.5	76.7%
Post-tax profit or loss from continuing operations	**5.9**	**4.0%**	**5.5**	**3.5%**	**0.4**	**7.7%**
Profit or loss for the period	**5.9**	**4.0%**	**5.5**	**3.5%**	**0.4**	**7.7%**

In EUR m	6M 2012		6M 2011		Change	
Continuing operations						
Revenue	267.4	100.0%	282.3	100.0%	-14.9	-5.3%
Cost of sales	-188.9	-70.6%	-181.7	-64.4%	-7.2	-4.0%
Gross profit	**78.5**	**29.3%**	**100.6**	**35.6%**	**-22.1**	**-22.0%**
Selling expenses	-39.8	-14.9%	-37.9	-13.4%	-1.8	-4.9%
Administrative expenses	-35.5	-13.3%	-38.3	-13.6%	2.8	7.2%
Other operating income	9.1	3.4%	7.1	2.5%	2.0	27.8%
Other operating expenses	-6.2	-2.3%	-8.3	-2.9%	2.1	25.8%
EBIT	**6.1**	**2.3%**	**23.2**	**8.2%**	**-17.0**	**-73.6%**
EBITDA	**38.5**	**14.4%**	**53.1**	**18.8%**	**-14.6**	**-27.5%**
Operational EBITDA	**40.8**	**15.3%**	**59.8**	**21.2%**	**-19.0**	**-31.8%**
Financial result	-10.9	-4.1%	-23.6	-8.4%	12.7	**53.9%**
Profit or loss before taxes	**-4.8**	**-1.8%**	**-0.5**	**-0.2%**	**-4.3**	**<-100%**
Income taxes	4.6	1.7%	-0.7	-0.2%	5.3	n.d.
Post-tax profit or loss from continuing operations	**-0.2**	**-0.1%**	**-1.2**	**-0.4%**	**1.0**	**81.6%**
Profit or loss for the period	**-0.2**	**-0.1%**	**-1.2**	**-0.4%**	**1.0**	**81.6%**

The Ströer Group was again unable to match the high **revenue** of the prior-year period, recording a decline of 6.7% in the second quarter. Revenue in the first six months fell by EUR 14.9m from EUR 282.3m in 2011 to EUR 267.4m. This was primarily due to growing uncertainty about future economic developments, which had an increasingly negative effect on bookings in the out-of-home sector. This trend was mainly seen among our major national customers.

By contrast, the **cost of sales** increased by EUR 7.2m from EUR 181.7m in the first half of 2011 to EUR 188.9m in the reporting period. This rise is mainly attributable to start-up costs for newly acquired advertising concession contracts in Turkey and rent adjustments from existing inflation-indexed contracts. Other factors were a higher proportion of rent-intensive products and increased electricity costs. The decrease in revenue and the higher cost of sales led to a decline in **gross profit** of EUR 22.1m to EUR 78.5m.

The increase in **selling expenses** of EUR 1.8m to EUR 39.8m in the first half of 2012 is chiefly due to higher personnel expenses following the acquisition-related rise in the number of employees and the implementation of our growth projects. An additional effect came from planned salary adjustments. In the same period, **administrative expenses** fell by EUR 2.8m to EUR 35.5m, in particular because of lower personnel expenses in this area as well as a decrease in IT and consulting costs.

In the first half of 2012, **other operating income** rose by EUR 2.0m year on year to EUR 9.1m. It was boosted in particular by exchange gains from operating activities, which were up EUR 1.0m. By contrast, **other operating expenses** were down EUR 2.1m on the prior-year figure to EUR 6.2m. This decrease reflects a non-recurring expense in the form of lump-sum payments in connection with the major simplification of the Turkish tax system.

The abovementioned effects meant that the Group's **EBITDA** decreased by EUR 14.6m in the first half of 2012 to EUR 38.5m. **Operational EBITDA** was also down from EUR 59.8m to EUR 40.8m.

The **financial result** in the first six months of 2012 benefited in particular from the Turkish lira and Polish zloty regaining their strength. The resulting positive valuation effects on intragroup loans contributed EUR 5.6m to earnings. In the prior-year period, currency fluctuations led to a negative effect on earnings of EUR -7.8m. An additional boost was provided by the terms of the Group's financing, which were renegotiated in July 2011, as well as a favorable interest rate development on the capital markets. The lower interest rates reduced total interest expenses by EUR -3.2m compared with the first half of 2011. In contrast, the valuation of interest rate swaps only contributed EUR 0.7m to the financial result compared with EUR 2.3m in the prior year.

Income taxes improved year on year and led to income of EUR 4.6m in the first half of 2012. This development is primarily due to the year-on-year decrease in profit or loss before taxes based on the Group's effective tax rate.

Business and earnings development by segment

Ströer Germany

In EUR m	Q2 2012	Q2 2011	Change		6M 2012	6M 2011	Change	
Segment revenue, thereof	108.1	115.9	-7.8	-6.7%	198.5	207.8	-9.3	-4.5%
Billboard	47.6	52.7	-5.1	-9.7%	83.9	91.0	-7.1	-7.8%
Street furniture	29.7	32.8	-3.1	-9.4%	59.2	61.5	-2.4	-3.8%
Transport	22.4	22.1	0.4	1.7%	40.0	40.1	-0.1	-0.2%
Other	8.4	8.3	0.0	0.5%	15.4	15.2	0.2	1.6%
Operational EBITDA	27.3	35.8	-8.5	-23.8%	42.7	54.6	-11.8	-21.7%
Operational EBITDA margin	25.3%	30.9%	-5.6 percentage points		21.5%	26.3%	-4.7 percentage points	

The Ströer Germany segment was unable to match its prior-year revenue in the second quarter of 2012. This was mainly attributable to our nationally operating customers continuing their cautious approach, which negatively impacted our high-margin products in particular. A significant factor here was the loss of a major customer from the mobile communications sector that has now stopped advertising on the German market. However, our regional business remained significantly less volatile and recorded only a slight year-on-year decrease in revenue in the second quarter. Overall, competition in the media market is fiercer than in 2011 due to weak demand.

In the second quarter, the billboard and street furniture product groups were affected by weak demand from national advertising customers, with billboard business also being hit by a major customer canceling its bookings. Revenue in the transport product group matched the prior-year level in the first six months. This was driven primarily by a sharp increase in the business volume generated by the out-of-home channel.

The more muted demand in the Ströer Germany segment was accompanied by a shift in revenue toward lower-margin advertising media. In addition, higher running costs (mainly electricity) and a slight rise in overheads relating to the implementation of growth projects led to a decrease in operational EBITDA.

Ströer Turkey

In EUR m	Q2 2012	Q2 2011	Change		6M 2012	6M 2011	Change	
Segment revenue, thereof	25.3	26.2	-0.9	-3.4%	42.4	44.9	-2.5	-5.7%
Billboard	18.3	19.8	-1.5	-7.4%	31.6	33.3	-1.8	-5.3%
Street furniture	6.8	6.1	0.7	12.0%	10.6	11.0	-0.4	-3.3%
Transport	0.0	0.3	-0.3	-85.1%	0.1	0.6	-0.6	-85.9%
Operational EBITDA	4.5	7.2	-2.7	-37.3%	1.8	8.1	-6.2	-77.1%
Operational EBITDA margin	17.8%	27.5%	-9.6 percentage points		4.4%	18.0%	-13.6 percentage points	

In the first six months of 2012, the Turkish out-of-home market, similar to the German market, was shaped by the ongoing economic uncertainty. Ströer Turkey had already prematurely terminated low-margin sales agreements at the end of 2011. As a result, revenue fell by approximately EUR 2.0m compared with the first half of 2011. Adjusted for the effects from the portfolio optimization, revenue was almost at the prior-year level despite the cautious approach taken by our nationally operating customers.

The cost of sales in the Ströer Turkey segment increased in the first six months of 2012 compared with the corresponding prior-year period. This is due, on the one hand, to the fact that lease payments were already due for the significantly expanded billboard contract in Istanbul, from which no income was being generated as the media for these sites were in the process of being installed. On the other hand, there are a considerable number of fixed lease agreements which include provisions on inflation and provide for the automatic adjustment of lease payments to the prior-year rate of inflation. In addition, running costs for advertising faces increased due to inflation and capacity-related factors, among other things. These cost increases outweighed savings in overheads and the margin-increasing effect from optimizing the segment's portfolio. This meant that the Ströer Turkey segment recorded a year-on-year decline in both its operational EBITDA and the related margin in the first half of 2012.

Other

In EUR m	Q2 2012	Q2 2011	Change		6M 2012	6M 2011	Change	
Segment revenue, thereof	15.4	17.5	-2.1	-11.7%	26.7	29.8	-3.1	-10.3%
Billboard	14.6	16.7	-2.1	-12.6%	25.1	27.8	-2.7	-9.6%
Street furniture	0.1	0.2	0.0	-29.2%	0.2	0.3	0.0	-15.0%
Transport	0.3	0.1	0.2	>100%	0.4	0.2	0.2	>100%
Other	0.5	0.6	-0.1	-13.5%	0.9	1.5	-0.6	-38.6%
Operational EBITDA	1.8	3.1	-1.3	-41.5%	0.4	2.2	-1.8	-80.2%
Operational EBITDA margin	11.6%	17.5%	-5.9 percentage points		1.7%	7.5%	-5.9 percentage points	

The "Other" segment includes our Polish out-of-home activities and the western European giant poster business of the blowUP division. Performance within the segment varied in the first six months of 2012. In the Ströer Poland sub-segment, the slight fall in revenue was more than compensated for by savings in running costs for advertising faces and overheads. As a result, both operational EBITDA and the operational EBITDA margin improved slightly year on year. Revenue in the blowUP sub-segment was down on the very strong first six months of 2011. In particular, the high-margin international campaigns conducted in the first half of the prior year could not be matched in terms of volume in the reporting period as the giant poster business generally reacts early to economic fluctuations. This development led to a year-on-year decline in both operational EBITDA and the operational EBITDA margin, which also overshadowed the positive trend in the Poland sub-segment.

FINANCIAL POSITION

Liquidity and investment analysis

In EUR m	6M 2012	6M 2011
Cash flows from operating activities	8.0	23.7
Cash flows from investing activities	-20.2	-22.0
Free cash flow	-12.1	1.7
Cash flows from financing activities	-9.9	-1.6
Change in cash	-22.0	0.1
Cash	112.0	106.2

Cash flows from operating activities were again clearly positive in the second quarter. The negative figure in the first three months was attributable to the usual lease prepayments at the beginning of the year, which are offset against lease liabilities in the course of the year.

The decrease in cash flows from operating activities against the first half of 2011 mainly reflects the fall in gross profit. By contrast, the reduced interest and tax payments had a positive effect. As in the prior year, **cash flows from investing activities** relate to investments in growth projects such as the out-of-home channel and are virtually unchanged. The change in **cash flows from financing activities** compared with the first six months of 2011 is primarily due to a contractually agreed early partial repayment of the syndicated group loan of EUR 11.5m.

Financial structure analysis

The individual items of **non-current liabilities** in the statement of financial position are almost unchanged against 31 December 2011.

Current liabilities increased from EUR 193.3m as of 31 December 2011 to EUR 197.0m. This was mainly attributable to higher trade payables and customer prepayments for advertising services under long-term agreements. By contrast, the early partial repayment of the syndicated loan of EUR 11.5m reduced the overall increase.

The increase in **equity** of EUR 4.8m compared with 31 December 2011 to EUR 278.2m was largely due to positive currency effects in the translation of our Turkish and Polish activities. Other changes in equity, however, were of marginal importance. The equity ratio improved from 27.8% as of 31 December 2011 to 28.1% as of 30 June 2012.

Net debt

In EUR m		30 Jun 2012	31 Dec 2011	Change	
(1)	Non-current financial liabilities	411.5	413.1	-1.6	-0.4%
(2)	Current financial liabilities	44.8	52.6	-7.8	-14.8%
(1)+(2)	Total financial liabilities	456.3	465.7	-9.4	-2.0%
(3)	Derivative financial instruments	30.2	27.4	2.9	10.4%
(1)+(2)-(3)	Financial liabilities excl. derivative financial instruments	426.0	438.3	-12.3	-2.8%
(4)	Cash	112.0	134.0	-22.0	-16.4%
(1)+(2)-(3)-(4)	**Net debt**	**314.0**	**304.3**	**9.8**	**3.2%**

Net debt rose by 3.2% to EUR 314.0m, mainly due to the negative free cash flow. This results in a leverage ratio of 2.8.

NET ASSETS

Consolidated statement of financial position

In EUR m	30 Jun 2012	31 Dec 2011	Change	
Assets				
Non-current assets				
Intangible assets	499.7	502.5	-2.8	-0.6%
Property, plant and equipment	227.5	221.8	5.7	2.6%
Tax assets	20.9	15.5	5.4	34.5%
Receivables and other assets	12.1	14.4	-2.3	-16.2%
Subtotal	**760.2**	**754.3**	**5.9**	**0.8%**
Current assets				
Receivables and other assets	108.4	85.8	22.6	26.4%
Cash	112.0	134.0	-22.0	-16.4%
Tax assets	3.6	3.1	0.5	16.2%
Inventories	6.3	5.4	0.9	16.4%
Subtotal	**230.4**	**228.4**	**2.0**	**0.9%**
Total assets	**990.5**	**982.6**	**7.9**	**0.8%**
Equity and liabilities				
Non-current equity and liabilities				
Equity	**278.2**	**273.5**	**4.8**	**1.7%**
Liabilities				
Financial liabilities	411.5	413.1	-1.6	-0.4%
Deferred tax liabilities	70.0	71.4	-1.4	-2.0%
Provisions	33.8	31.3	2.4	7.8%
Subtotal	**515.3**	**515.8**	**-0.6**	**-0.1%**
Current liabilities				
Trade payables	84.6	77.5	7.1	9.2%
Financial and other liabilities	82.2	81.7	0.5	0.6%
Provisions	16.9	21.0	-4.1	-19.8%
Income tax liabilities	13.4	13.1	0.3	1.9%
Subtotal	**197.0**	**193.3**	**3.7**	**1.9%**
Total equity and liabilities	**990.5**	**982.6**	**7.9**	**0.8%**

Analysis of the net asset structure

Non-current assets increased by EUR 5.9m to EUR 760.2m, largely because of the growth in property, plant and equipment. This rise relates to the excess of investments over amortization and depreciation as well as positive exchange rate effects. The recognition of deferred taxes also contributed to the increase in non-current assets.

Net **current assets** increased only marginally compared with 31 December 2011. However, within this item there were shifts of approximately EUR 22m between receivables/other assets on the one hand and cash on the other. These changes resulted from significant lease prepayments to public-sector contractual partners that have since been set off against the corresponding lease payments.

EMPLOYEES

The Ströer Group employed a total of 1,757 persons as of 30 June 2012 (31 December 2011: 1,730). The allocation of employees to the different segments is shown in the following chart.

OPPORTUNITIES AND RISKS

Our comments in the group management report as of 31 December 2011 remain applicable with regard to the presentation of opportunities and risks (see pages 91 to 97 of our 2011 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 our Turkish segment or any changes in the external parameters applied to calculate the cost of capital could lead to the impairment of intangible assets or goodwill.

FORECAST

Currently, we are not forecasting any macroeconomic or media market improvement in the third quarter of this year. Out-of-home advertising markets will continue to be affected by the uncertainty on the financial markets and temporary shifts in advertising budgets due to the Olympics. As a result, we expect the Group organic revenue growth rate in the third quarter to be similar to that in the second quarter of this year.

SUBSEQUENT EVENTS

With effect from 27 July 2012, the Ströer Group replaced its previous syndicated loan agreement, which comprised a EUR 395m loan, a credit facility of EUR 63m and two subordinated loans totaling approximately EUR 21m, with a new financing structure. The new structure, which has a term of five years, consists of a bullet loan of EUR 275m and a facility of EUR 225m that can be flexibly used. In view of potential turbulence in the banking market, Ströer's new loan agreement has allowed the Company to lay the foundation for stable long-term financing ahead of time. From 2013 onwards, the new financing structure will enable Ströer to make interest savings in the low single-digit million range and improve its financial result.

There were no other significant events or developments after the reporting date of 30 June 2012.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated interim financial statements

CONSOLIDATED INCOME STATEMENT

In EUR k	Q2 2012	Q2 2011	6M 2012	6M 2011
Continuing operations				
Revenue	148,780	159,379	267,411	282,265
Cost of sales	-100,111	-95,501	-188,924	-181,704
Gross profit	**48,669**	**63,878**	**78,487**	**100,561**
Selling expenses	-19,165	-18,750	-39,765	-37,919
Administrative expenses	-17,487	-19,282	-35,493	-38,265
Other operating income	4,450	3,841	9,069	7,100
Other operating expenses	-2,574	-5,820	-6,172	-8,315
Finance income	5,389	1,150	11,440	7,095
Finance costs	-12,285	-14,950	-22,340	-30,728
Profit or loss before taxes	**6,997**	**10,067**	**-4,775**	**-471**
Income taxes	-1,063	-4,555	4,559	-705
Post-tax profit or loss from continuing operations	**5,934**	**5,512**	**-216**	**-1,176**
Profit or loss for the period	**5,934**	**5,512**	**-216**	**-1,176**
Thereof attributable to:				
Owners of the parent	6,118	5,715	619	-505
Non-controlling interests	-184	-203	-835	-670
	5,934	**5,512**	**-216**	**-1,175**
Earnings per share (EUR, basic) from continuing operations	0.15	0.14	0.01	-0.01
Earnings per share (EUR, diluted) from continuing operations	0.14	0.13	0.01	-0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR k	Q2 2012	Q2 2011	6M 2012	6M 2011
Profit or loss for the period	**5,934**	**5,512**	**-216**	**-1,176**
Other comprehensive income				
Exchange differences on translating foreign operations	4,592	-7,627	8,577	-15,774
Cash flow hedges	1,548	302	2,368	5,124
Income taxes related to components of other comprehensive income	-518	-98	-746	-1,663
Other comprehensive income, net of income taxes	**5,622**	**-7,423**	**10,199**	**-12,313**
Total comprehensive income, net of income taxes	**11,556**	**-1,911**	**9,983**	**-13,489**
Thereof attributable to:				
Owners of the parent	11,286	-904	10,066	-11,175
Non-controlling interests	270	-1,007	-83	-2,314
	11,556	**-1,911**	**9,983**	**-13,489**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (in EUR k)	30 Jun 2012	31 Dec 2011
Non-current assets		
Intangible assets	499,694	502,545
Property, plant and equipment	227,544	221,813
Investment property	1,480	1,490
Financial assets	101	96
Trade receivables	155	2,335
Other financial assets	2,037	1,909
Other non-financial assets	8,293	8,569
Income tax assets	760	753
Deferred tax assets	20,098	14,754
Total non-current assets	**760,162**	**754,264**
Current assets		
Inventories	6,305	5,416
Trade receivables	65,006	56,581
Other financial assets	9,290	8,556
Other non-financial assets	34,122	20,654
Income tax assets	3,612	3,108
Cash and cash equivalents	112,026	134,041
Total current assets	**230,361**	**228,356**
Total assets	**990,524**	**982,620**

Equity and liabilities (in EUR k)	30 Jun 2012	31 Dec 2011
Equity		
Subscribed capital	42,098	42,098
Capital reserves	296,490	296,490
Retained earnings	-49,483	-45,113
Accumulated other comprehensive income	-23,718	-33,127
	265,387	**260,348**
Non-controlling interests	12,824	13,109
Total equity	**278,211**	**273,457**
Non-current liabilities		
Pension provisions and other obligations	20,733	20,928
Other provisions	13,036	10,406
Financial liabilities	411,508	413,107
Deferred tax liabilities	69,990	71,400
Total non-current liabilities	**515,267**	**515,841**
Current liabilities		
Other provisions	16,870	21,034
Financial liabilities	44,758	52,564
Trade payables	84,626	77,498
Other liabilities	37,422	29,105
Income tax liabilities	13,369	13,121
Total current liabilities	**197,045**	**193,322**
Total equity and liabilities	**990,524**	**982,620**

CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR k	6M 2012	6M 2011
Cash flows from operating activities		
Profit or loss before interest and taxes from continuing operations [1)]	11,709	15,730
Write-downs (+) on non-current assets	32,414	29,972
Interest paid (-)	-15,835	-19,548
Interest received (+)	430	524
Income taxes paid (-)/received (+)	-3,241	-5,320
Increase (+)/decrease (-) in provisions	-3,118	-3,775
Other non-cash expenses (+)/income (-)	-8,531	4,871
Gain (-)/loss (+) on the disposal of non-current assets	682	301
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-20,906	-16,562
Increase (+)/decrease (-) in trade payables and other liabilities	14,446	17,555
Cash flows from operating activities	**8,050**	**23,747**
Cash flows from investing activities		
Cash received (+) from the disposal of property, plant and equipment	330	631
Cash paid (-) for investments in property, plant and equipment	-17,986	-20,981
Cash paid (-) for investments in intangible assets	-2,511	-1,487
Cash paid (-) for investments in financial assets	-5	-35
Cash received (+) from/paid (-) for the acquisition of consolidated entities	0	-170
Cash flows from investing activities	**-20,172**	**-22,042**
Cash flows from financing activities		
Cash received (+) from the issue of capital	541	0
Cash paid (-) to shareholders	-1,411	-392
Cash received (+) from borrowings	3,841	0
Cash repayments (-) of borrowings	-12,864	-1,193
Cash flows from financing activities	**-9,893**	**-1,585**
Cash at the end of the period		
Change in cash	-22,015	119
Cash at the beginning of the period	134,041	106,120
Cash at the end of the period	**112,026**	**106,240**
Composition of cash		
Cash	112,026	106,240
Cash at the end of the period	112,026	106,240

1) including foreign exchange differences

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income		Total	Non-controlling interests	Total equity
				Exchange differences on translating foreign operations	Cash flow hedges			
1 Jan 2012	**42,098**	**296,490**	**-45,113**	**-29,817**	**-3,310**	**260,348**	**13,109**	**273,457**
Profit or loss for the period	0	0	619	0	0	619	-835	-216
Other comprehensive income	0	0	39	7,825	1,584	9,448	704	10,152
Total comprehensive income	0	0	658	7,825	1,584	10,067	-131	9,936
Cash received from capital increases from non-controlling interests	0	0	0	0	0	0	535	535
Effects from the sale of ownership interests in subsidiaries without loss of control	0	0	541	0	0	541	754	1,295
Obligation to purchase treasury shares	0	0	-5,569	0	0	-5,569	16	-5,553
Dividends	0	0	0	0	0	0	-1,459	-1,459
30 Jun 2012	**42,098**	**296,490**	**-49,483**	**-21,992**	**-1,726**	**265,387**	**12,824**	**278,211**

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income		Total	Non-controlling interests	Total equity
				Exchange differences on translating foreign operations	Cash flow hedges			
1 Jan 2011	**42,098**	**296,490**	**-42,457**	**-10,979**	**-7,738**	**277,414**	**17,028**	**294,442**
Profit or loss for the period	0	0	-505	0	0	-505	-671	-1,176
Other comprehensive income	0	0	0	-14,131	3,461	-10,670	-1,643	-12,313
Total comprehensive income	0	0	-505	-14,131	3,461	-11,175	-2,314	-13,489
Cash received from capital increases from non-controlling interests	0	0	0	0	0	0	0	0
Effects from the sale of ownership interests in subsidiaries without loss of control	0	0	1,265	0	0	1,265	-1,265	0
Obligation to purchase treasury shares	0	0	-4,155	0	0	-4,155	4,155	0
Dividends	0	0	0	0	0	0	-392	-392
30 Jun 2011	**42,098**	**296,490**	**-45,852**	**-25,110**	**-4,277**	**263,349**	**17,211**	**280,560**

REPORTING BY OPERATING SEGMENT

In EUR k	Ströer Germany	Ströer Turkey	Other	Reconciliation	Group value
Q2 2012					
External revenue	108,050	25,287	15,442	0	148,780
Internal revenue	69	5	0	-74	0
Segment revenue	108,119	25,292	15,442	-74	148,780
Operational EBITDA	27,331	4,514	1,788	-2,138	31,495
Q2 2011					
External revenue	115,883	26,000	17,496	0	159,379
Internal revenue	44	180	0	-223	0
Segment revenue	115,927	26,180	17,496	-223	159,379
Operational EBITDA	35,847	7,197	3,056	-2,516	43,585

In EUR k	Ströer Germany	Ströer Turkey	Other	Reconciliation	Group value
6M 2012					
External revenue	198,365	42,343	26,702	0	267,411
Internal revenue	147	31	-1	-177	0
Segment revenue	198,512	42,374	26,701	-177	267,411
Operational EBITDA	42,737	1,849	445	-4,245	40,785
6M 2011					
External revenue	207,758	44,740	29,767	0	282,265
Internal revenue	54	180	0	-233	0
Segment revenue	207,812	44,920	29,767	-233	282,265
Operational EBITDA	54,586	8,065	2,243	-5,126	59,768

REPORTING BY PRODUCT GROUP

In EUR k	Billboard	Street furniture	Transport	Other	Group value
Q2 2012					
External revenue	80,485	36,629	22,760	8,905	148,780
Q2 2011					
External revenue	89,189	39,037	22,483	8,669	159,379

In EUR k	Billboard	Street furniture	Transport	Other	Group value
6M 2012					
External revenue	140,573	69,985	40,534	16,319	267,411
6M 2011					
External revenue	152,098	72,761	40,930	16,476	282,265

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

General

1 Information on the Company and Group

Ströer Out-of-Home Media AG (Ströer) has its registered office at Ströer Allee 1 in Cologne (Germany) and is entered in the commercial register of Cologne Local Court under HRB no. 41548.

The purpose of the entities (the Ströer Group or the Group) included in the condensed consolidated interim financial statements (the consolidated interim financial statements) is the commercialization of out-of-home media. The Group uses all forms of out-of-home media, from traditional billboards and transport media through to digital media to reach its target audience. See the relevant explanations in the notes to the consolidated financial statements as of 31 December 2011 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 2012 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 2011.

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 interim consolidated 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 2011 were also applied in these consolidated interim financial statements.

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 2011 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 2011 for information on related party disclosures. There were no significant changes as of 30 June 2012.

6 Segment information

See the explanations in the consolidated financial statements as of 31 December 2011 for information on the different segments and product groups.

Reconciliation of the segment reporting by operating segment

In EUR k	Q2 2012	Q2 2011
Total segment results (operational EBITDA)	**33,633**	**46,101**
Reconciliation items	-2,138	-2,516
Group operational EBITDA	**31,495**	**43,585**
Adjustment effects	-1,433	-5,617
EBITDA	**30,062**	**37,968**
Amortization and depreciation	-16,170	-14,101
Finance income	5,389	1,150
Finance costs	-12,285	-14,950
Consolidated profit or loss before income taxes	**6,997**	**10,067**

In EUR k	6M 2012	6M 2011
Total segment results (operational EBITDA)	**45,030**	**64,894**
Reconciliation items	-4,245	-5,126
Group operational EBITDA	**40,785**	**59,768**
Adjustment effects	-2,246	-6,634
EBITDA	**38,539**	**53,134**
Amortization and depreciation	-32,414	-29,972
Finance income	11,440	7,095
Finance costs	-22,340	-30,728
Consolidated profit or loss before income taxes	**-4,775**	**-471**

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

7 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.

8 Disclosures on business combinations

On 16 May 2012, the Ströer Group through Ströer Out-of-Home Media AG concluded a purchase agreement for a further 15% of the shares in **blowUP Media GmbH, Cologne**. The acquisition will take effect prospectively as of 1 January 2013 and will increase Ströer's share from the current 75% to 90%. The minimum purchase price for the additional shares is EUR 4.9m. The effect from the price adjustment clauses contained in the purchase agreement cannot be assessed at present and, in the event of a clearly positive business performance, could lead to additional purchase price payments around the mid-single-digit million mark in the coming years.

With effect as of 1 June 2012, the Ströer Group through its group entity Ströer Digital Media GmbH sold a total of 10% of the shares in **ECE flatmedia GmbH, Hamburg**. The shares were sold in line with the entity's strategic realignment at a purchase price of around EUR 1m.

9 Subsequent events

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

Cologne, 20 August 2012

Udo Müller	Alfried Bührdel	Dirk Wiedenmann
Chief Executive Officer	Chief Financial Officer	Member of the Board

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, 20 August 2012
Ströer Out-of-Home Media AG

Udo Müller
Chief Executive Officer

Alfried Bührdel
Chief Financial Officer

Dirk Wiedenmann
Member of the Board

ADJUSTED INCOME STATEMENT

Reconciliation of the consolidated income statement to the non-IFRS figures disclosed in the financial reports.

Q2 2012 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification of adjustment items	Income statement for management accounting purposes	Impairment and amortization of advertising concessions	Valuation effects from derivatives	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items	Adjusted income statement for Q2 2012	Adjusted income statement for Q2 2011
Revenue	**148.8**			**148.8**						**148.8**	**159.4**
Cost of sales	-100.1	14.8		-85.3						-85.3	-82.7
Selling expenses	-19.2										
Administrative expenses	-17.5										
Overheads	-36.7	1.4	1.4	-33.9						-33.9	-34.6
Other operating income	4.4										
Other operating expenses	-2.6										
Other operating result	1.8		0.0	1.8						1.8	1.5
Operational EBITDA				**31.5**						**31.5**	**43.6**
Amortization and depreciation		-16.2		-16.2	6.6					-9.6	-7.8
EBIT				**15.3**						**21.9**	**35.8**
Exceptional items			-1.4	-1.4					1.4	0.0	0.0
Finance income	5.4										
Finance costs	-12.3										
Net financial result	-6.9			-6.9		-0.4	-1.2			-8.5	-9.6
Income taxes	-1.1			-1.1				-3.3		-4.4	-8.5
Profit or loss for the period	**5.9**	**0.0**	**0.0**	**5.9**	**6.6**	**-0.4**	**-1.2**	**-3.3**	**1.4**	**9.1**	**17.7**

6M 2012 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification of adjustment items	Income statement for management accounting purposes	Impairment and amortization of advertising concessions	Valuation effects from derivatives	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items	Adjusted income statement for 6M 2012	Adjusted income statement for 6M 2011
Revenue	**267.4**			**267.4**						**267.4**	**282.3**
Cost of sales	-188.9	29.6		-159.3						-159.3	-154.4
Selling expenses	-39.8										
Administrative expenses	-35.5										
Overheads	-75.3	2.8	2.5	-70.0						-70.0	-70.7
Other operating income	9.1										
Other operating expenses	-6.2										
Other operating result	2.9		-0.2	2.7						2.7	2.5
Operational EBITDA				**40.8**						**40.8**	**59.8**
Amortization and depreciation		-32.4		-32.4	13.2					-19.2	-17.2
EBIT				**8.4**						**21.6**	**42.6**
Exceptional items			-2.2	-2.2					2.2	0.0	0.0
Finance income	11.4										
Finance costs	-22.3										
Net financial result	-10.9			-10.9		-0.7	-5.6			-17.2	-18.2
Income taxes	4.6			4.6				-6.0		-1.4	-7.9
Profit or loss for the period	**-0.2**	**0.0**	**0.0**	**-0.2**	**13.2**	**-0.7**	**-5.6**	**-6.0**	**2.2**	**2.9**	**16.5**

FINANCIAL CALENDAR

13 November 2012 Publication of the 9M/Q3 report for 2012

IR CONTACT

Ströer Out-of-Home Media AG
Stefan Hütwohl
Director Group Finance and
Investor Relations
Ströer Allee 1 . 50999 Cologne
Phone: +49 (0)2236 . 96 45-356
Fax: +49 (0)2236 . 96 45-6356
ir@stroeer.de

PRESS CONTACT

Ströer Out-of-Home Media AG
Claudia Fasse
Director
Group Communication
Ströer Allee 1 . 50999 Cologne
Phone: +49 (0)2236 . 96 45-246
Fax: +49 (0)2236 . 96 45-6246
cfasse@stroeer.de

IMPRINT

Publisher
Ströer Out-of-Home Media AG
Ströer Allee 1 . 50999 Cologne
+49 (0)2236 . 96 45-0 Phone
+49 (0)2236 . 96 45-299 Fax
info@stroeer.de

Cologne Local Court
HRB no. 41 548
VAT identification no.: DE811763883

This interim report was published on 21 August 2012
and is available in German and English.

DISCLAIMER

This interim report contains forward-looking statements which entail risks and uncertainties. The actual business development and results of Ströer Out-of-Home Media AG and of the Group may differ significantly from the assumptions made in this interim report. This interim report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer Out-of-Home Media AG. There is no obligation to update the statements made in this interim report.

Ströer Out-of-Home Media AG
Ströer Allee 1
50999 Cologne
Germany