

## PRESS RELEASE

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# Ströer boosts revenue, earnings and profitability in first half of 2010

Dynamic development in second quarter; above-average growth in Turkey

- Sales revenues of the Ströer Group up by 11.0 percent in first half of 2010, reaching €242.2 million (H1 2009: €218.1 million); organic growth amounts to 10.0 percent
- Operational EBITDA up by 30.3 percent in the first six months of 2010 to €52.4 million (H1 2009: €40.2 million); operational EBITDA margin increases by more than 3 percentage points to 21.6 percent
- Organic sales growth accelerates to up to 14.0 percent in second quarter 2010; operational EBITDA increases by 41.3 percent
- Substantial reinforcement of equity capital in third quarter following successful IPO in July 2010

Ströer Out-of-Home Media AG (“Ströer”), one of the leading providers of out-of-home advertising in Europe, headquartered in Cologne, looks back on a successful first half of fiscal 2010. “Thanks to our strong market position and the increasing importance of the out-of-home advertising industry, we have benefited to a disproportionate extent from the revitalization of the advertising market,” says Udo Müller, co-founder and CEO of the Ströer Group.

The Group’s sales revenues were up by 11.0 percent in the first six months of fiscal 2010, reaching €242.2 million (H1 2009: €218.1 million). This result can be attributed in particular to positive business trends in Germany, Turkey and to the giant poster business of the blowUP Group. Organic revenue growth, after deducting changes to the portfolio of holdings and foreign exchange rate effects, reached a level of 10.0 percent. On the assumption of an already concluded full consolidation of the Turkish joint venture Ströer Kentvizyon, sales revenues in the first half of fiscal 2010 would have even increased by 13.6 percent to €265.6 million. The closing of the stake increase from

currently 50 to 90 percent in Ströer Kentvizyon is scheduled for the beginning of September. The substantially brisker advertising activities compared with the previous year had a positive influence on all product groups, leading to double-digit growth rates in sales numbers in the fields of billboards and street furniture.

Group operational EBITDA (earnings before interest, taxes, depreciation and amortization, adjusted for special effects) saw a disproportionately substantial surge by 30.3 percent to €52.4 million (H1 2009: €40.2 million). Assuming a full consolidation of operations in Turkey, the increase in earnings would have turned out much higher by 34.5 percent, reaching €58.7 million. “The improvement in the Group’s earnings is mainly attributed to the positive trend in the product group billboard and a higher occupancy rate especially of our premium advertising media. Due to associated cost depression effects, we succeeded in achieving a disproportionate increase in earnings,” says Alfried Bührdel, CFO and Executive Vice President of Ströer.

Ströer also recorded substantial increases on a quarter-on-quarter basis. The Group’s sales revenues went up by 15.5 percent compared with the second quarter of 2009 to €137.1 million (Q2 2009: €118.7 million). This equals an organic growth of 14.0 percent. Whereas Ströer Deutschland managed to record an organic growth of 10.2 percent, business operations in Turkey (50 percent consolidated) witnessed an exceptionally strong surge with an organic growth of 54.1 percent. This increase in sales in Turkey can among others be ascribed to the continuous enlargement of the advertising media portfolio before and during the financial crisis. Likewise, the giant poster business of the blowUP Group performed very strong with an organic growth of 51.8 percent compared to the second quarter of the previous year. The Group’s operational EBITDA increased by 41.3 percent to €35.7 million in the second quarter (Q2 2009: €25.3 million).

The net income for the first half of 2010, adjusted for special effects such as additional expenses for the IPO was at €6.4 million compared with €4.4 million in the same period of the previous year. Including special effects such as costs for the IPO, the Group’s net loss amounts to €5.2 million (H1 2009: €15.5 million)

The free cash flow improved to €3.2 million (H1 2009: €-1.4 million) despite significant disbursements made in the preparation process for the IPO. Net debt declined slightly as of June 30, 2010, to €492.9 million (December 31, 2009: €495.4 million). A decrease in investments to €6.6 million (H1 2009: €14.1 million) also contributed to this reduction in net debts. Due to the inflow of around €287.8 million in fresh equity capital in the wake of the IPO (before deducting transaction costs), the Group's financial and asset situation will improve significantly in the third quarter.

### **Business segments**

Business activities of Ströer Group are structured into the three reporting segments of Ströer Germany, Ströer Turkey and Other. The largest business segment, Ströer Germany, boosted its sales revenue by 7.4 percent in the first half of the year to €194.9 million (H1 2009: €181.5 million). Operational EBITDA went up by as much as 23.3 percent to €48.2 million (H1 2009: €39.1 million). "We are very proud of the positive development in our home market of Germany. This underscores that we have an extremely successful business model and a very strong market presence," says Ströer Board Member Dirk Wiedenmann, who is responsible for the German operations.

The Ströer Turkey segment, which contributes to only 50 percent to the Group, achieved sales revenue growth of 49.4 percent to €49.9 million (H1 2009: €31.4 million). Operational EBITDA increased as much as 83.1 percent to €12.6 million (H1 2009: €6.9 million). "This very dynamic development confirms our decision to use parts of the IPO proceeds to increase the stake in our Turkish joint venture Ströer Kentvizyon from 50 to 90 percent. Now, we can benefit from the opportunities in Europe's largest growth market even better than before," says Udo Müller.

In the segment Other, in which activities in Poland are brought together along with the giant poster business of the blowUP Group operating throughout Europe, it was possible to raise the level of sales revenue by 13.4 percent to €23.8 million (H1 2009: €21.0 million). An essential contribution in this regard was made by the prosperous giant poster activities, which became a growth

driver with an increase of 29.5 percent compared to the first half of 2009. By contrast, operations in Poland continued to be impacted by adverse market conditions; an increase in sales revenue was attributable only to exchange rate factors. Operational EBITDA in this segment increased by 11.1 percent to €1.4 million (H1 2009: €1.2 million). “With our planned acquisition of News Outdoor Poland, we are intensifying the consolidation of the Polish market and reinforcing our position, especially regarding our offer of national campaigns. We assume that the revenue and financial result of the business in Poland will improve substantially once the integration has been completed,” says Udo Müller.

### **Product groups**

The billboard product group again turned out to be the major contributor to revenue in the first half of fiscal 2010 with €125.3 million and a share of 51.7 percent (H1 2009: €111.5 million) of the total revenue. The Street Furniture group contributed €59.5 million (H1 2009: €53.3 million), or 24.6 percent, to Group sales. The Transport product group generated €34.3 million (H1 2009: €33.0 million), or 14.2 percent, of total sales revenues. The group Other, which comprises among others event media and additional purchases from third-party providers, contributed €23.1 million (H1 2009: 20.4 million), or 9.5 percent, to the Group’s revenue.

### **Outlook**

The focus for the second half of fiscal 2010 is on the implementation of the growth initiatives announced in the IPO. This includes the stake increase in the Turkish joint venture Ströer Kentvizyon from 50 to 90 percent, as well as the acquisition of the Polish out-of-home advertiser News Outdoor Poland, which is currently pending approval by the relevant cartel authorities. Both transactions are expected to be closed in September this year. Ströer expects these acquisitions to result in positive effects on sales revenue and on the operating result in the relevant segments. Moreover, Ströer plans the

marketing rollout of the first nationwide network of digital advertising media for moving pictures for the fourth quarter of 2010.

“The results for the first half-year demonstrate that we have chosen exactly the right point in time for our IPO. Thus, we are ideally positioned to continue to implement our growth strategy,” says Udo Müller. For the third quarter of this year Ströer expects the substantially better market trend, compared to last year, to continue. “At present, the booking status of the third quarter exceeds that of the same quarter of the previous year. Accordingly, our outlook for the future is optimistic and we expect the positive trends for the overall economy and for the advertising industry to continue for the year,” says Alfried Bührdel.

#### Overview of key financials (IFRS)

In million €	Q2 2010	Q2 2009	Change	H1 2010	H1 2009	Change
Sales revenue	137.1	118.7	+15.5%	242.2	218.1	+11.0%
Operational EBITDA	35.7	25.3	+41.3%	52.4	40.2	+30.3%
Operational EBITDA margin	26.1%	21.3%	+4.8 points	21.6%	18.4%	+3.2 points
Net profit for period	4.2	1.4	>100%	-5.2	-15.5	n/a

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**About Ströer**

Ströer Out-of-Home Media AG is a specialist for all forms of outdoor advertising – ranging from classic posters, advertising in waiting areas and mass transit to digital and interactive media. The company markets over 280,000 advertising spaces and is one of the leading out-of-home advertisers in Europe: In terms of sales revenue, Ströer is the leader in its core markets of Germany, Turkey and Poland (following the acquisition of News Outdoor Poland). In these markets the company provides its clients with extensive networks for nationwide advertising campaigns. The Ströer Group has some 1,600 employees at over 60 locations. The company's portfolio comprises a variety of different outdoor advertising products. In terms of advertising media and street furniture, the company values top quality, innovation and superior design. With its products, Ströer sets new standards of design of public spaces. Ströer street furniture has already received 26 international awards. More information about the company is available at [www.stroeer.com](http://www.stroeer.com)