

## PRESS RELEASE

### **Ströer AG on track: Revenue up 12.8% in first nine months of 2011**

- **Consolidated revenue at EUR 416.3m**
- **Consolidated organic growth at 5.8%**
- **Increase in profitability of 12.3% at operational EBITDA to EUR 84.0m**
- **Germany drives business with organic growth of 7.3%**
- **Advances in digital solutions: Acquisition of ECE flatmedia enlarges Ströer's digital portfolio and expands significantly its reach in Germany**
- **Full-year forecast confirmed: organic growth for the Group around the mid-single-digit range**

Cologne, 15 November 2011 Ströer Out-of-Home Media AG continued on its growth course in the first nine months of 2011. Consolidated revenue was up 12.8% year on year to EUR 416.3m (prior year: EUR 369.1m), partly owing to the additions made to the investment portfolio in the prior year. Excluding the changes in the consolidated group and effects from exchange rate differences, the Group recorded organic revenue growth of 5.8% (prior year: 9.9%). Operational EBITDA improved 12.3% in the same period to EUR 84.0m (prior year: EUR 74.8m). At 20.2%, the operational EBITDA margin was on a par with the prior-year margin of 20.3%. Apart from the weaker Turkey segment, all group entities contributed to the improved margin. The sharp increase of operating cash flow (EUR 54.6m; prior year: EUR 6.6m) enabled Ströer AG to improve the financial position despite the significant boost of investments to EUR 36.0m (prior year: EUR 11.8m). The majority of the means flew to the roll-out of growth projects such as the Out-of-Home Channel and the Premium Billboard.

**“We are still on track and strategically investing in solutions to drive forward our business,” said Udo Müller, CEO of Ströer Group, at today’s presentation of the quarterly figures in Cologne. “We are currently seeing digitalization reshape the market: instead of thinking in terms of TV, print, online and poster advertising, we will soon be talking about static pictures and moving pictures in buildings or outdoors. Our nationwide installed networks of digital screens in Germany go beyond traditional out-of-home advertising: We see evolving a third pillar in the moving-picture market, alongside TV and the internet.”**

## **Operating segments**

### *Ströer Germany*

The Ströer Germany segment generated revenue of EUR 307.7m in the first nine months of 2011 (prior year: EUR 293.1m), an increase of 5.0% year on year. Organic growth even came to 7.3%. Operational EBITDA was up 11.9% to EUR 77.2m (prior year: EUR 69.0m) while the operational EBITDA margin climbed from 23.5% to 25.1%. The sales boost was again driven by a dynamic sales increase in the street furniture product group, recording a growth rate of about 18% not only in the third quarter but also in the entire year. Also the digital out-of-home media business grew revenues continued to grow dynamically with a sales growth by more than 50%, and is thus driving forward the expansion of operations in Germany, while boosting the level of bookings for high-margin premium products. In particular, the top 200 advertisers have contributed to the structural changes on the German advertising market increasing the market share of out-of-home advertising to 4.5% in terms of gross advertising revenues until September (prior year: 4.1%).

### *Ströer Turkey*

The Turkish operations contributed EUR 64.0m (prior year: EUR 40.0m) to consolidated revenue in the period from January to September. The 59.9% jump in revenue can be largely attributed to the full consolidation of the

Turkish segment. However, the growth momentum was dampened this year by unfavorable exchange rate movements and market-related effects. Organic revenue only grew by 2.9% (prior year: 38.2%) in the first nine months of 2011. This was chiefly due to the parliamentary elections in June and new legislation governing the scope of TV advertising. Operational EBITDA was up 21.2% to EUR 10.9m. The EBITDA margin was down 5.5 percentage points to 17.0% due to the start-up costs for the expansion of advertising capacities.

#### *Other Segment*

The Western European giant poster business of the blowUP division and the business activities in Poland which are included in the “Other” segment increased revenue by 24.9% to EUR 45.1m in the first nine months (prior year: EUR 36.1m) due to the acquisition of News Outdoor Poland in the previous year. Driven by these two businesses, operational EBITDA was up 54.2% to EUR 3.2m (prior year: EUR 2.1m); the operational EBITDA margin rose 1.3 percentage points to 7.0%. Organic growth in this segment was -2.1% over the entire period (prior year: 9.7%) and is largely a reflection of the negative organic growth in Poland in the first half of the year. There, the third quarter saw positive organic revenue growth for the first time this year.

#### **Product groups**

Revenue in the billboard product group was up 16.0% to EUR 223.4m in the first nine months (prior year: EUR 192.6m) and largely reflects changes in the investment portfolio. As a result, revenue from this product group increased in particular in Turkey, up 71.8% to EUR 46.8m.

The street furniture product group also saw its revenue jump by 21.0% and improved to EUR 105.8m (prior year: EUR 87.4m). The German operations contributed EUR 89.1m (prior year: EUR 75.2m) and grew 18.5% in the same period.

Revenue from transport media climbed 18.9% to EUR 61.2m in the period from January to September (prior year: EUR 51.4m). In particular, the higher

margins achieved on digital advertising media in Germany boosted the positive trend in this product group. With revenue of EUR 60.1m (prior year: EUR 50.3m), transport media in Germany reported an increase of 19.5%.

In the “Other” advertising media product group, the decrease in revenue to EUR 25.9m (prior year: EUR 37.6m) can be mainly attributed to the discontinuation of service activities.

Until now, more than 800 Out-of-Home Channel screens were installed at central train stations such as in Berlin, Hamburg, Munich, Cologne, Stuttgart, Düsseldorf and Frankfurt am Main. This unique digital network was incorporated into our regular marketing activities on 1 April. The further expansion of the out-of-home channel is largely on track with 900 to 1,000 screens due to be installed by the end of the year. The network will be completed in the following fiscal year. At the same time, Ströer set up almost 600 premium billboards across Germany as part of its quality and capacity initiative during the period from January to September.

### **Forecast**

Ströer's management is confirming the revenue and margin forecasts made in the report on the first six months of 2011. The company therefore still expects to see organic revenue growth for the Group in the mid-single-digit percentage range, which will make it difficult to maintain the operational margin at the prior-year level.

## The Group's financial figures at a glance

In EUR m	9M 2011	9M 2010	Change
Revenue	416.3	369.1	12.8%
Ströer Germany	307.7	293.1	5.0%
Ströer Turkey	64.0	40.0	59.9%
Other	45.1	36.1	24.9%
Billboard	223.4	192.6	16.0%
Street furniture	105.8	87.4	21.0%
Transport	61.2	51.4	18.9%
Other	25.9	37.6	-31.1%
Organic growth <sup>1</sup>	5.8%	9.9%	-40.8%
Gross profit <sup>2</sup>	144.4	134.5	7.3%
Operational EBITDA <sup>3</sup>	84.0	74.8	12.3%
Operational EBITDA <sup>3</sup> margin	20.2%	20.3%	
Adjusted EBIT <sup>4</sup>	58.6	55.0	6.6%
Adjusted EBIT <sup>4</sup> margin	14.1%	14.9%	
Adjusted profit or loss for the period <sup>5</sup>	21.1	13.2	59.9%
Adjusted earnings per share <sup>6</sup> (EUR)	0.50	0.31	
Profit or loss for the period	-17.4	39.7	-143.7%
Earnings per share <sup>7</sup> (EUR)	-0.41	0.94	
Investments <sup>8</sup>	36.0	11.8	>100%
Free cash flow <sup>9</sup>	18.8	-58.8	n.d.
	<b>30 Sep 2011</b>	<b>31 Dec 2010</b>	<b>Change</b>
Total equity and liabilities	960.8	987.1	-2.7%
Equity	255.0	294.4	-13.4%
Equity ratio	26.5%	29.8%	
Net debt <sup>10</sup>	312.3	320.1	-2.4%
Employees <sup>11</sup>	1,727	1,731	-0.3%

<sup>1</sup> Organic growth: excluding exchange rate effects and effects from the (de-) consolidation and discontinuation of operations

<sup>2</sup> Revenue less cost of sales

<sup>3</sup> Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items and effects from the phantom stock program which was terminated as of the IPO

<sup>4</sup> Earnings before interest and taxes adjusted for exceptional items, effects from the phantom stock program which was terminated as of the IPO, amortization of acquired advertising concessions and impairment losses on intangible assets

<sup>5</sup> Adjusted EBIT net of the financial result adjusted for exceptional items and the normalized tax expense

<sup>6</sup> Calculated as adjusted profit for the period divided by the number of shares outstanding after the IPO

<sup>7</sup> Calculated as actual profit or loss for the period divided by the number of shares outstanding after the IPO

<sup>8</sup> Including cash paid for investments in property, plant and equipment and in intangible assets but excluding cash paid for investments in non-current financial assets and cash paid for the acquisition of consolidated entities

<sup>9</sup> Cash flows from operating activities less cash flows from investing activities

<sup>10</sup> Financial liabilities less derivative financial instruments and cash

<sup>11</sup> Headcount

## Key financials by segment

### Ströer Germany

In EUR m			Change	Change
	9M 2011	9M 2010	In EUR m	in %
Revenue	307.7	293.1	14.7	5.0%
Billboard	134.9	132.0	2.8	2.2%
Street furniture	89.1	75.2	13.9	18.5%
Transport	60.1	50.3	9.8	19.5%
Other	23.7	35.6	-11.9	-33.4%
Organic growth	7.3	7.4%		down 0.1 percentage points
Operational EBITDA	77.2	69.0	8.2	11.9%
Operational EBITDA margin	25.1%	23.5%		up 1.6 percentage points

### Ströer Turkey

In EUR m			Change	Change
	9M 2011	9M 2010	In EUR m	in %
Revenue	64.0	40.0	24.0	59.9%
Billboard	46.8	27.2	19.5	71.8%
Street furniture	16.4	12.0	4.4	36.7%
Transport	0.8	0.8	0.0	2.2%
Organic growth	2.9%	38.2%		down 35.3 percentage points
Operational EBITDA	10.9	9.0	1.9	21.2%
Operational EBITDA margin	17.0%	22.5%		down 5.5 percentage points

### Other

In EUR m			Change	Change
	9M 2011	9M 2010	In EUR m	in %
Revenue	45.1	36.1	9.0	24.9%
Billboard	41.8	33.3	8.5	25.4%
Street furniture	0.4	0.3	0.1	18.1%
Transport	0.3	0.4	-0.1	-30.8%
Other	2.7	2.1	0.6	26.8%
Organic growth	-2.1%	9.7%		n.d.
Operational EBITDA	3.2	2.1	1.1	54.2%
Operational EBITDA margin	7.0%	5.7%		down 1.3 percentage points

## **About Ströer**

Ströer Out-of-Home Media AG, together with its subsidiaries, specializes in all forms of out-of-home advertising media, from traditional posters and advertising at bus and tram stop shelters and on vehicles, through to sophisticated digital out-of-home advertising media. The Group commercializes more than 280,000 advertising faces and, with consolidated revenue of EUR 531.3m for fiscal year 2010, is the market leader in Germany, Turkey and Poland and one of Europe's leading out-of-home advertisers. The Company provides its customers with extensive networks for national advertising campaigns and has been establishing the world's largest network of out-of-home moving pictures with national reach since December 2010. By the end of 2011, up to 1,000 high-quality screens at the 200 most highly frequented train stations will be linked up and controlled and operated centrally from Munich. In addition, Ströer boasts a broad portfolio of out-of-home products that set new standards in terms of the quality, innovation and design of advertising media and street furniture. Ströer's street furniture has received 27 international awards. The Ströer Group has approximately 1,700 employees at over 60 locations.

For more information on the Company, please visit [www.stroeer.com](http://www.stroeer.com).

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