PRESS RELEASE

Ströer continues growth projects

- **Launch of marketing activities for OC Mall**
- **Roll-out of additional advertising media in Turkey**
- **Despite moderate results in first half of 2012, Ströer in line with expectations**
- **Consolidated revenue down 5.3% to EUR 267.4m**
- **Organic revenue growth rate at -4.9%**
- **Operational EBITDA declines from EUR 59.8m to EUR 40.8m**
- **Group profit for the period improves**

Cologne, 21 August 2012 Ströer Out-of-Home Media AG continued to be faced with volatile markets in the first half of 2012. Nevertheless, the group further advanced its investment core areas. The group was unable to match the high revenue of the prior-year period. In the first half of the year, consolidated organic revenue fell by 4.9% (prior year: up 7.3%). Overall, there was a 5.3% decrease in consolidated revenue to EUR 267.4m (prior year: EUR 282.3m). One special item of the first half 2012 was the European soccer championship, which detracted budgets from the out-of-home advertising market. The revenue development and the costs associated with the growth investments are reflected in the operational EBITDA, which fell to EUR 40.8m (prior year: EUR 59.8m). As a result, the operational EBITDA margin decreased as expected to 15.3% (prior year: 21.2%).

Overall, post-tax profit clearly rose from EUR -1.2m in the prior half year to EUR -0.2m due to the more positive financial result. This was largely driven by the reduction in interest expenses on the back of the adjusted key borrowing terms agreed in the past year and the considerable recovery in the most important foreign currencies for Ströer in 2012. The profit for the period adjusted for exceptional items decreased from EUR 16.5m to EUR 2.9m.

“We are currently in a transitional phase and are implementing one of the largest infrastructure projects in the history of out-of-home advertising in Germany. We are certain that we will profit from the structural change in the media markets, because of our outstanding market position, our ongoing investments in growth projects and our portfolio of quality products,” said Udo Müller, CEO of Ströer.

The operating cash flow in the second quarter was clearly positive again. The decrease in the first half 2012 to EUR 8.1m compared with EUR 23.7m for the first half of 2011 essentially reflects the decline in gross profit. Nevertheless, reduced interest and tax payments had a positive impact. Overall this led to a reduced year-on-year free cash flow of EUR -12.1m (prior year: EUR 1.7m). Net debt, however, was down EUR 18m on the first quarter of this year and the leverage ratio currently remains constant at 2.8. In August, almost two years before maturity, Ströer restructured its long-term group financing. The interest rate advantages of the refinancing arrangement will lead to further improvements in the financial results and cash flows in 2013.

Operating segments

Ströer Germany

The Ströer Germany segment was unable to match the very good prior-year results in the first six months of 2012. Although revenue in the second quarter was significantly above the first quarter of this year, it was down year on year. The segment saw its revenue decrease by 4.5% to EUR 198.5m in the first six months of 2012 in comparison to the prior-year period, which was shaped by particularly high growth (prior year: EUR 207.8m). Organic revenue was down 4.9% (prior year: up 8.8%). As a result, operational EBITDA decreased from EUR 54.6m to EUR 42.7m, which pushed the operational EBITDA margin down from 26.3% to 21.5%.

Ströer has installed some 1,200 digital screens showing the Out-of-Home-Channel in train stations and shopping malls in just less than 20 months and created one of the world’s largest digital product offerings with a national reach. Additionally, since 1 August, the new digital network in 59 shopping malls is now marketed in the same mode as the Out-of-Home-Channel in train stations.

Ströer Turkey

In the first six months of 2012, the Turkish out-of-home market, similar to the German market, was shaped by economic uncertainty. This also impacted revenue in the Ströer Turkey segment which was down 5.7% from EUR 44.9m to EUR 42.4m in the first half of 2012. Organic revenue growth stood at -4.0%, compared with 6.3% in the prior year. The cost of sales in the Ströer Turkey segment increased in the first six months of 2012 compared with the corresponding prior-year period. Main drivers have been assembly costs for the advertising faces network in connection with the significantly expanded billboard contract in Istanbul, yet not contributing any material revenues. Savings in overhead costs and margin increasing effects from portfolio optimization hence were over compensated. On the whole, the Ströer Turkey segment lost ground in the first six months of 2012 compared with prior-year period and saw its operational EBITDA fall to EUR 1.8m (prior year: EUR 8.1m) and the operational EBITDA margin drop to 4.4% (prior year: 18.0%). Altogether over 1,500 additional billboards have been installed in Turkey as part of the growth project and the installation of 500 glazed, illuminated Premium Billboards has begun.

Other segment

The “Other” segment includes the 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 fall in revenue was more than compensated for by savings in running costs for advertising faces and overheads, which slightly improved operational EBITDA and the operational EBITA margin. The revenue in the blowUP sub-segment was down on the very strong first six months of 2011. This can be attributed to the high-margin international campaigns conducted in the first half of the prior year, which could not be matched in terms of volume in the first six months of 2012, as the giant poster business generally reacts early to economic fluctuations. Overall, revenue in the “Other” segment dropped 10.3% to EUR 26.7m (prior year: EUR 29.8m) while organic growth deteriorated to -7.1% (prior year: -3.3%). Operational EBITDA decreased from EUR 2.2m to EUR 0.4m. This pushed the operational EBITDA margin down from 7.5% to 1.7%.

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.

The Group's financial figures at a glance

In EUR m	H1 2012	H1 2011	Change
Revenue	**267.4**	**282.3**	**-5.3%**
Ströer Germany	198.5	207.8	-4.5%
Ströer Turkey	42.4	44.9	-5.7%
Other	26.7	29.8	-10.3%
Billboard	140.6	152.1	-7,6%
Street furniture	70.0	72.8	-3,8%
Transport	40.5	40.9	-1,0%
Other	16.3	16.5	-1,0%
Organic growth[1]	-4.9%	7.3%	
Gross profit[2]	78.5	100.6	-22.0%
Operational EBITDA[3]	**40.8**	**59.8**	**-31.8%**
Operational EBITDA[3] margin	15.3%	21.2%	
Adjusted EBIT[4]	21.6	42.6	-49,4%
Adjusted EBIT[4] margin	8.1%	15.1%	
Adjusted profit or loss for the period[5]	2.9	16.5	-82,3%
Adjusted earnings per share[6] (EUR)	0.09	0.41	-78,1%
Profit or loss for the period[7]	-0.2	-1.2	-81,6%
Earnings per share[8] (EUR)	0.01	-0.01	n.d.
Investments[9]	20.5	22.5	-8,8%
Free cash flow[10]	-12.1	1.7	n.d.
	30 Jun 2012	**31 Dec 2011**	**Change**
Total equity and liabilities	990.5	982.6	0,8%
Equity	278.2	273.5	1,7%
Equity ratio	28.1%	27.8%	
Net debt[11]	314.0	304.3	3,2%
Employees[12]	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 interests 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 interests
[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 but excluding cash paid for investments in non-current financial assets and cash paid for the acquisition of consolidated entities
[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)

Financial figures of the segments

Ströer Germany

In EUR m	H1 2012	H1 2011	Change in EUR m	Change in %
Revenue	198.5	207.8	-9.3	-4.5%
Billboard	83.9	91.0	-7.1	-7.8%
Street furniture	59.2	61.5	-2.4	-3.8%
Transport	40.0	40.1	-0.1	-0.2%
Other	15.4	15.2	0.2	1.6%
Organic growth	-4.9%	8.8%		n.d.
Operational EBITDA	42.7	54.6	-11.9	-21.7%
Operational EBITDA margin	21.5%	26.3%		-4.7 percentage points

Ströer Turkey

in EUR m	H1 2012	H1 2011	Change in EUR m	Change in %
Revenue	42.4	44.9	-2.5	-5.7%
Billboard	31.6	33.3	-1.8	-5.3%
Street furniture	10.6	11.0	-0.4	-3.3%
Transport	0.1	0.6	-0.6	-85.9%
Organic growth	-4.0%	6.3%		n.d.
Operational EBITDA	1.8	8.1	-6.2	-77.1%
Operational EBITDA margin	4.4%	18.0%		-13.6 percentage points

Other

in EUR m	H1 2012	H1 2011	Change in EUR m	Change in %
Revenue	26.7	29.8	-3.1	-10.3%
Billboard	25.1	27.8	-2.7	-9.6%
Street furniture	0.2	0.3	-0.0	-15.0%
Transport	0.4	0.2	0.2	>100%
Other	0.9	1.5	-0.6	-38.6%
Organic growth	-7.1%	-3.3%		n.d.
Operational EBITDA	0.4	2.2	-1.8	-80.2%
Operational EBITDA margin	1.7%	7.5%		-5.9 percentage points

Annotation: All numbers are rounded off to one position behind the decimal point.

About Ströer

Ströer Out-of-Home Media AG, Cologne, 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 577.1m for fiscal year 2011, is one of the leading out-of-home advertising companies in Germany, Turkey and Poland. In terms of revenue, Ströer is one of Europe's largest providers of out-of-home advertising.

The acquisition of ECE flatmedia GmbH has enabled the Ströer Group to expand its digital out-of-home media portfolio to include shopping malls. The advertising media portfolio of the Cologne-based SDAX-listed company thus comprises digital moving-picture networks in Germany's largest train stations, in underground and suburban railway stations and now also in the country's largest shopping malls.

In addition, Ströer boasts a broad offering of out-of-home advertising products that set new standards in terms of the quality, innovation and design of advertising media and street furniture. Ströer's street furniture has won 27 international awards. The Ströer Group has approximately 1,700 employees at over 70 locations.

For more information on the Company, please visit www.stroeer.de.

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