

## PRESS RELEASE

### **Game changer: Ströer takes over Germany's largest internet portal t-online.de and Germany's third-largest online sales house InteractiveMedia**

- **Game changer for Ströer and German online advertising market: The no. 1 and the no. 3 in online advertising (AGOF) join forces.**
- **Decisive step for Ströer towards becoming a digital multi-channel media company.**
- **Ströer raises guidance: for 2016, the company now expects revenue of approximately EUR 1b and an EBITDA margin of 23% to 24%.**
- **Value accretive for Ströer SE's shareholders from day one.**
- **Acquisition as part of a capital increase in return for a non-cash contribution – Deutsche Telekom AG acquires a stake in Ströer SE.**
- **Ströer plans conversion to KGaA post transaction.**

Cologne, 13 August 2015 Today Ströer SE signed a purchase agreement with Deutsche Telekom AG to acquire Germany's biggest internet portal t-online.de and third-biggest online sales house InteractiveMedia CCSP GmbH (both according to AGOF). The transaction is valued at around EUR 300m. Deutsche Telekom AG will become a shareholder of Ströer. The transaction will take the form of a capital increase at Ströer in return for the non-cash contribution of the two companies. Depending on the share price, the new shares will correspond to a holding of expected 11% to 13% in Ströer's increased capital stock. The shares will have a holding period of 12 months.

The acquisition of the two companies will grow shareholder value for Ströer SE's shareholders from day one: after the capital increase and before synergies, earnings per share will increase by more than 5% in 2016. This will create more financial headroom for paying out higher dividends and making further value-enhancing investments. Consolidated revenue of the portal business of t-online.de and the online media sales

house InteractiveMedia will come to more than EUR 100m in 2015. It is expected that the two companies will together contribute some EUR 35m to Ströer SE's operational EBITDA (before synergies). The share of revenue generated by the Ströer Group's digital business will grow from currently 25% to approximately 35% in 2016. Ströer will continue to strive to increase the revenue contribution of the Digital segment to 50% in the coming years.

**“The transaction marks the beginning of a new era for our company. t-online is an iconic brand in the German digital landscape. We are confident that we have the resources to ensure that Europe’s “most trusted online brand” continues to develop successfully. Against the backdrop of the transaction, we have raised our previous mid-term guidance and are now forecasting consolidated revenue of approximately EUR 1b by 2016 with an EBITDA margin of 23% to 24%. At the same time, we expect strong growth in operational EBITDA to a triple-digit million figure in the Digital segment,”** says Udo Müller, CEO of Ströer SE. **“t-online.de and the online sales InteractiveMedia are outstanding additions to our portfolio. The combination of our various digital platforms such as desktop, mobile and public will enable us to create strong synergies at different levels. At the same time, the merger of the two marketing companies is also a very important step towards ensuring the future competitiveness of a German online advertiser in a field of competitors that operate on a global scale.”**

**“Germany’s widest reach online portal t-online.de and InteractiveMedia are both ideal complements to Ströer’s online advertising activities. We are pleased to have found a partner that can enhance the potential of the portal even further and realize considerable synergies in the market for both companies. We are confident that t-online.de and InteractiveMedia can lend support to Ströer’s cross-media marketing position on the German online advertising market long term and thereby contribute to Ströer’s growth strategy. This is one of the reasons we decided to accept the purchase price in shares,”** says Niek Jan van Damme, member of the management board of Deutsche Telekom AG and Head of Telekom Deutschland GmbH.

The acquisition of the two companies is a clear game-changer for Ströer and the German online advertising market. The acquisition of the online sales house

InteractiveMedia (third in the AGOF ranking) will allow Ströer Digital Group to consolidate its number one position (according AGOF) in the German online advertising market. The merger will create a digital sales giant, which will set new standards in Germany in terms of inventory quality, data depth, reach and technical infrastructure. Moreover, Ströer is building on its cross-media marketing position in an otherwise fragmented marketing landscape and expects to be able to benefit long term from the market consolidation going forward.

In acquiring t-online.de, the online portal with the widest reach in Germany and Europe's "most trusted online brand", Ströer has succeeded in taking the decisive step towards becoming a digital multi-channel media company. t-online.de is an ideal partner for Ströer Content Group which was established a year ago. The portfolio built up to date includes leading special interest websites such as GIGA, Spieletipps and kino.de, the high-reach multi-channel network TubeOne and the leading content and technology specialist Content Fleet.

In the Ströer Content Group, the Company expects better capitalization of the content of t-online.de as well as two-way synergies. For example, the content of t-online.de is to be distributed via the public video network in railway stations and shopping malls, which are currently airing purchased content, and on other platforms operated by the Cologne-based media company. The portal will also be able to benefit from Content Fleet's disruptive and technology-based publishing approach in the future. These measures are aimed at increasing the traffic and reach of t-online.de. The integration of the general interest portal t-online.de will make Ströer one of the top three digital publishers in Germany.

t-online.de will continue to serve as a platform for t-online.de email addresses and the Telekom service center. These services will remain part of the offering of Telekom Deutschland GmbH and will continue to be accessed as usual via the t-online.de portal. The relevant legal framework, e.g., data protection laws, will continue to apply.

As part of the acquisition and to ensure Ströer SE remains fully flexible for future corporate development, Ströer will propose to its shareholders in an extraordinary shareholder meeting to be convened in this fiscal year that Ströer SE's legal form be changed to a partnership limited by shares (KGaA).

**“As a family-run business, our focus is always on maximizing shareholder value long term. We think in decades and not just in quarters,” says Udo Müller, CEO of Ströer SE. “We are proposing a conversion to a KGaA to our shareholders so that we will continue to be able to use our share as currency for opportunistic acquisitions in the future without putting our long-term shareholder value approach at risk.”**

The transaction will be executed subject to approval by the German Federal Cartel Office and other standard execution requirements. The transaction is expected to be closed in the fourth quarter of 2015.

Ströer was advised by Freshfields Bruckhaus Deringer and Ernst & Young.

Background information can be found in our press kit:

<http://www.stroeer.com/en/press/press-kits.html>

## **About Ströer**

Ströer SE is one of the biggest providers of out-of-home and online advertising, and offers its advertising customers individualized and fully integrated premium communications solutions. In the field of digital media, Ströer is setting forward-looking standards for innovation and quality in Europe and is opening up new opportunities for targeted customer contact for its advertisers.

The Ströer Group commercializes around 290,000 out-of-home advertising faces and several thousand websites. With consolidated revenue of EUR 721m for the full year 2014, Ströer SE is one of largest providers of out-of-home media in Europe in terms of revenue.

The Ströer Group has approximately 2,400 employees at over 70 locations.

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

## **About t-online.de**

With a reach of more than 25 million users per month, t-online.de is Germany's leading advertising-financed digital offering, with news, advice and shopping content (AGOF Internet Facts 04-15). 255 employees publish around 500 articles and videos every day - well-informed, visually-powerful, and free of charge - for all screens, 365 days a year.

## **About InteractiveMedia**

InteractiveMedia, one of the largest digital marketing companies in Germany, with some 60 well-known online and mobile media brands (such as t-online.de, gutefrage.net, kicker online and NetDoktor.de) not only offers wide reach and target-group-relevant content (e.g., on sport or health), but also premium and concept marketing for individual brand experiences. 166 employees market the innovative advertising formats.

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