

PRESS RELEASE

Best start to the year since our IPO: Ströer presents a strong first quarter 2016

- **Q1 consolidated revenue climbs 40% to EUR 226.2m**
- **Q1 operational EBITDA up a significant 72% to EUR 45.3m**
- **Adjusted profit up four-fold to EUR 20.1m**

Cologne, 12 May 2016 Ströer confirms the preliminary results announced in April for the first quarter of 2016. Revenue grew by 40% to EUR 226.2m in the reporting period, with organic growth at over 11%. Operational EBITDA soared 72% to EUR 45.3m. Adjusted EBIT also shot up, more than doubling to EUR 25.9m.

Adjusted profit rose sharply, up more than four-fold to EUR 20.1m. Cash flows from operating activities were up ten-fold to EUR 29.3m. The leverage ratio stood at 1.4 at the end of the first quarter.

The overall good business development is being primarily driven by the strong revenue growth in the Digital segment where the acquisitions made in the past months, along with organic growth, had a significant effect. This upward trend was bolstered by the continued positive development in the OOH Germany segment where business remains very robust.

“We got off to a remarkable and very positive start in fiscal year 2016. All our financial KPIs have developed exceptionally well, and all segments are contributing to this very good business performance. We are confident that this positive momentum will continue in the second quarter,” says Udo Müller, CEO of Ströer. **“We are confirming our current guidance of EBITDA of more than EUR 280m and consolidated revenue of between EUR 1.1b and EUR 1.2b for 2016.”**

Operating segments

Digital

As in the prior year, the Ströer Digital segment, comprising the product groups display, video and transactional, also recorded significant revenue growth in the first quarter of the current fiscal year. The investments in other digital business models (such as subscriptions and e-commerce), with the revenue contributions recorded under the new transactional product group, also contributed to robust revenue growth. In the Digital segment, the display product group, driven in particular by the M&A activities of the past 12 months, was the product group that contributed by far the most to revenue. The transactional product group reported the strongest growth among the three product groups. Its growth is coming from a relatively low basis because the product group is in the development phase.

As Ströer is continually adding to and expanding its business, the segment figures can only be compared with those of the prior year to a limited extent. The integration of the newly acquired companies was driven forward and synergies and economies of scale on both the revenue and cost side are increasingly being leveraged, which is reflected in the higher operational EBITDA margin.

Out-of-Home Germany

The Out-of-Home Germany segment was able to build on the excellent performance in the prior year in the first quarter of 2016 and continued its upward trajectory. In addition to the continued robust demand, additional sales measures spurred on growth. The large formats product group (previously the billboard product group), which targets both national and regional customer groups, benefited above all from the continued robust demand for traditional out-of-home products. Numerous other measures in the national sales organization also boosted revenue. The ongoing expansion of the regional sales force is also stimulating growth. Overall, this product group reported revenue of EUR 48.0m (prior year: EUR 41.5m).

The street furniture product group, whose customers tend to have a national or international focus, also grew noticeably. The product group capitalized on the positive

momentum in national marketing and won customers for this product group, contributing a substantial revenue increase of EUR 4.2m to EUR 33.3m.

The transport product group also made use of the positive momentum in the segment – albeit at a lower level – and saw its revenue rise EUR 0.7m to EUR 13.3m.

The other product group also reported marginal growth and was up EUR 0.8m on the prior year to EUR 13.7m. This increase is from, among other things, a further step-up in revenue with a large number of small, local customers. These customer groups specifically are more interested in full-service solutions, including the production of advertising materials, than large cross-regional or national customers.

Higher revenue contrasted with considerably lower increases in cost of sales. The cost increases mainly stemmed from revenue-related higher lease payments and also higher running costs. On balance, the segment generated operational EBITDA of EUR 24.9m, an increase of EUR 5.8m on the prior year. The operational EBITDA margin stood at 23.0% (prior year: 19.8%).

Out-of-Home International

The OOH International segment includes the Turkish and Polish out-of-home activities and the western European giant poster business of the blowUP group. In the first quarter of 2016, the segment generated revenue of EUR 30.0m, a slight increase of EUR 0.4m year on year. All three sub-segments further expanded their business activities, however, the geopolitical tensions and the related weakness of the Turkish lira significantly dampened revenue growth in Turkey. In local currency, however, revenue grew 7,8%. In relation to the Polish out-of-home business, the ongoing challenging market environment and a slightly weaker Polish zloty had a negative effect, however, marginal revenue growth was also reported here. In addition, the western European giant poster business in particular reported a tangible increase in revenue.

The segment's cost of sales only increased marginally. In this regard, the revenue-induced increase in the blowUP group was almost fully offset by exchange rate effects in Turkey and cost-saving measures in Poland. Overall, the segment improved its operational EBITDA from EUR 1.3m in the prior year to EUR 1.8m and saw its operational EBITDA margin rise 1.6 percentage points.



At 10 am CEST Ströer will be holding a conference call. The dial-ins for analysts and press can be found below:

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The Group's financial figures at a glance

		Q1 2016	Q1 2015	Change
Revenue ¹⁾	EUR m	226,2	161,8	39,8%
by segment				
Ströer Digital	EUR m	93,2	41,7	> 100%
OOH Germany ²⁾	EUR m	108,3	96,1	12,6%
OOH International	EUR m	30,0	29,7	1,2%
by product group				
Billboard ²⁾	EUR m	72,5	65,2	11,1%
Street furniture ²⁾	EUR m	37,5	33,5	11,9%
Transport ²⁾	EUR m	13,3	12,5	5,8%
Display ³⁾	EUR m	57,2	20,3	> 100%
Video ³⁾	EUR m	19,3	17,8	8,7%
Transactional ³⁾	EUR m	17,6	4,7	> 100%
Other ²⁾	EUR m	12,1	11,2	8,2%
Organic growth ⁴⁾	%	11,5	8,4	
Gross profit ⁵⁾	EUR m	68,7	40,8	68,2%
Operational EBITDA ⁶⁾	EUR m	45,3	26,3	72,2%
Operational EBITDA ⁶⁾ - margin	%	19,7	15,9	
Adjusted EBIT ⁷⁾	EUR m	25,9	9,5	> 100%
Adjusted EBIT ⁷⁾ - margin	%	11,3	5,7	
Adjusted profit or loss for the period ⁸⁾	EUR m	20,1	4,5	> 100%
Adjusted earning per share ⁹⁾	€	0,38	0,10	> 100%
Profit or loss for the period ¹⁰⁾	EUR m	5,1	-3,0	n.d.
Earning per share ¹¹⁾	€	0,10	-0,06	n.d.
Investments ¹²⁾	EUR m	27,0	14,9	81,5%
Free cash flow ¹³⁾	EUR m	-77,5	-22,0	< -100%
		31 Mar 2016	31 Dec 2015	Change
Total equity and liabilities ¹⁾	EUR m	1.565,3	1.458,8	7,3%
Equity ¹⁾	EUR m	665,3	674,8	-1,4%
Equity ratio	%	42,5	46,3	
Net debt ¹⁴⁾	EUR m	314,0	231,2	35,8%
Employees ¹⁵⁾	number	3.792	3.270	16,0%

¹⁾ Joint ventures are consolidated using the equity method – in accordance with IFRS 11

²⁾ Joint ventures are consolidated proportionately (management approach)

³⁾ Revenue from the Ströer Digital segment and digital OOH revenue from other segments

⁴⁾ Excluding exchange rate effects and effects from the (de-)consolidation and discontinuation of operations (joint ventures are consolidated proportionately)

⁵⁾ Revenue less cost of sales (joint ventures are consolidated using the equity method – in accordance with IFRS 11)

⁶⁾ Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items (joint ventures are consolidated proportionately)

⁷⁾ Earnings before interest and taxes adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets (joint ventures are consolidated proportionately)

⁸⁾ Adjusted EBIT before non-controlling interests net of the financial result adjusted for exceptional items and the normalized tax expense (joint ventures are consolidated proportionately)

⁹⁾ Adjusted profit or loss for the period net of non-controlling interests divided by the number of shares outstanding (55.282.499; in Q1 2015: 48.869.784)

¹⁰⁾ Profit or loss for the period before non-controlling interests (joint ventures are consolidated using the equity method – in accordance with IFRS 11)

¹¹⁾ Actual profit or loss for the period net of non-controlling interests divided by the number of shares outstanding (55.282.499; in Q1 2015: 48.869.784)

¹²⁾ Including cash paid for investments in property, plant and equipment and in intangible assets (joint ventures are consolidated using the equity method – in accordance with IFRS 11)

¹³⁾ Cash flows from operating activities less cash flows from investing activities (joint ventures are consolidated using the equity method – in accordance with IFRS 11)

¹⁴⁾ Financial liabilities less derivative financial instruments and cash (joint ventures are consolidated proportionately)

¹⁵⁾ Headcount of full and part-time employees (joint ventures are consolidated proportionately)

About Ströer

Ströer SE & Co. KGaA is a leading digital multi-channel media company and offers 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 and operates several thousand websites in German-speaking countries in particular and operates approximately 300,000 advertising media in the out-of-home segment. It has approximately 3,300 employees at over 70 locations. In fiscal year 2015, Ströer SE generated revenue of EUR 824m. Ströer SE & Co. KGaA is listed in Deutsche Börse's MDAX.

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

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