STRÖER

ANNUAL REPORT 2015

STRÖER SE

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Ströer SE
(formerly "Ströer Media SE," since 1 March 2016 "Ströer SE & Co. KGaA,"
hereinafter "Ströer SE")

Multi-channel media company

Ströer offers advertisers individualized and fully integrated premium communication solutions. This is how Ströer reaches people everywhere, at home and on the move – national, regional, local or hyper local.

KEY PERFORMANCE INDICATORS

		2011	2012	2013	2014	2015	Change
Revenue[1)]	**EUR m**	**577.1**	**560.6**	**622.0**	**721.1**	**823.7**	**14.2%**
by segment							
Ströer Digital	EUR m	0.0	0.0	64.4	165.4	243.5	47.2%
OOH Germany[2)]	EUR m	427.3	411.7	420.6	429.1	464.0	8.1%
OOH International	EUR m	150.4	149.2	151.0	147.3	142.8	–3.0%
by product group							
Billboard[2)]	EUR m	302.0	286.6	288.8	319.0	323.1	1.3%
Street furniture[2)]	EUR m	150.8	147.2	144.9	149.5	158.0	5.7%
Transport[2)]	EUR m	89.2	91.5	97.7	52.6	54.5	3.6%
Digital[3)]	EUR m	0.0	0.0	64.2	169.5	242.9	43.3%
Other[2)]	EUR m	35.1	35.3	39.2	43.1	59.3	37.6%
Organic growth[4)]	**%**	**4.8**	**–4.0**	**3.5**	**11.4**	**9.8**	
Gross profit[5)]	EUR m	205.0	174.1	187.8	214.9	262.6	22.2%
Operational EBITDA[6)]	**EUR m**	**132.3**	**107.0**	**118.0**	**148.1**	**207.5**	**40.2%**
Operational EBITDA[6)] – margin	**%**	**22.9**	**19.1**	**18.6**	**20.2**	**24.8**	
Adjusted EBIT[7)]	EUR m	96.3	67.4	72.0	98.5	135.8	37.8%
Adjusted EBIT[7)] – margin	%	16.7	12.0	11.3	13.4	16.2	
Adjusted profit or loss for the period[8)]	EUR m	40.3	24.0	36.3	56.3	106.3	88.6%
Adjusted earnings per share[9)]	EUR	0.96	0.54	0.77	1.11	2.10	89.3%
Profit or loss for the period[10)]	EUR m	–3.6	–1.8	4.5	23.3	59.5	> +100%
Earnings per share[11)]	EUR	–0.08	–0.07	0.08	0.43	1.16	> +100%
Investments[12)]	EUR m	52.0	42.6	39.0	45.2	76.3	68.6%
Free cash flow[13)]	EUR m	38.0	10.8	4.1	65.5	92.4	41.1%

		31 Dec 2011	31 Dec 2012	31 Dec 2013	31 Dec 2014	31 Dec 2015	Change
Total equity and liabilities[1)]	EUR m	982.6	863.7	953.6	953.9	1,458.4	52.9%
Equity[1)]	EUR m	273.5	279.6	296.7	320.7	675.2	> +100%
Equity ratio	%	27.8	32.4	31.1	33.6	46.3	
Net debt[14)]	EUR m	304.3	302.1	326.1	275.0	231.2	–15.9%
Employees[15)]	number	1,730	1,750	2,223	2,380	3,270	37.4%

1) Joint ventures are consolidated using the equity method – in accordance with IFRS 11 (since 2013)
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). The Ströer Group adjusted its method of calculation in 2015.
5) Revenue less cost of sales (joint ventures are consolidated using the equity method – in accordance with IFRS 11) (since 2013)
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 reported non-controlling interests divided by the number of shares outstanding (48,869,784) plus the time-weighted addition of the shares from the capital increase (6,412,715) on 2 November 2015
10) Profit or loss for the period before non-controlling interests (joint ventures are consolidated using the equity method – in accordance with IFRS 11) (since 2013)
11) Actual profit or loss for the period net of reported non-controlling interests divided by the number of shares outstanding (48,869,784) plus the time-weighted addition of the shares from the capital increase (6,412,715) on 2 November 2015
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) (since 2013)
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) (since 2013)
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)

FOREWORD BY THE BOARD OF MANAGEMENT

Dr. Bernd Metzner
CFO

Dr. Bernd Metzner was born in 1970 in Ruit auf den Fildern near Stuttgart, Germany, and studied business management at the University of Siegen.

After completing his PhD he joined the Flick Gocke Schaumburg law firm and then went on to assume various management positions in finance at the Bayer Group. He was responsible, among other things, for coordinating the spin-off and IPO of Lanxess, and was CFO of Bayer Italy and head of finance of the pharmaceutical division of Bayer.

Dr. Bernd Metzner was CFO of the family-owned Döhler Group from mid-2011 to mid-2014.

Udo Müller
CEO

Udo Müller, born in 1962 in Rüdesheim, entered the field of out-of-home advertising in 1987 marketing his handball team, the Reinickendorfer Füchse, in Berlin.

In 1990, he teamed up with Heiner W. Ströer to establish Ströer City Marketing GmbH, which was reorganized as an Aktiengesellschaft (German stock corporation) in 2002. With the takeover of Deutsche Städte Medien (2004) and Deutsche Eisenbahn Reklame (2005), he drove forward the growth of the Company, which he took public in 2010.

In 2011, he was awarded the title of Senator h.c. by the German Association for Small and Medium-sized Businesses in recognition of his exceptional entrepreneurial achievements.

Christian Schmalzl
COO

Christian Schmalzl, born in 1973 in Passau, studied politics, philosophy, literature and sociology at the Universities of Passau, Munich and Cardiff. After his studies, he joined MediaCom in Munich in 1999 and became the youngest managing director of the agency group in 2002.

In 2007, he assumed responsibility for the entire Germany business, before being appointed Worldwide Chief Operations & Investment Director (COO) of the international media group in 2009. As of year-end 2012, Christian Schmalzl was appointed to the board of management of Ströer Holding and, as COO, is responsible for international operational management.

FOREWORD BY THE BOARD OF MANAGEMENT

**Dear shareholders,
ladies and gentlemen,**

2015 was an impressive year for Ströer and the most successful by far in the history of the Group. Our results improved again significantly year-on-year, with revenue of some EUR 824m, operational EBITDA of some EUR 208m and organic revenue growth of around 10%, thereby seeing us deliver on our promise to grow. Our adjusted profit for the period rose significantly to EUR 106m.

Ströer is now a multi-channel media company and one of the biggest marketers in Germany. We combine our growing structural backbone of out-of-home business with innovative, digital and, most notably, exceptionally fast-growing business models. That is precisely what makes Ströer so unique. We do not need digital revenue to compensate for a decline in business, on the contrary. We are in a position to complement the structural growth in out-of-home advertising with our digital business and thereby accelerate growth for the Company as a whole. Going forward, the further development of the out-of-home segment involves extensively digitizing our existing infrastructure with iBeacon technology, small cells and LED/LCD screens. We are successfully linking the analog and digital worlds to move towards the "internet of things."

The past fiscal year was shaped by significant acquisitions. The acquisition of Germany's internet portal with the widest reach (according to Arbeitsgemeinschaft Online Forschung, AGOF), t-online.de, which included the biggest online marketer, InteractiveMedia, and the signing of the purchase agreement for the statistics portal, Statista, deserve particular attention. These two acquisitions account for the vast majority of our M&A transaction volume.

Today, the digital segment already generates a large proportion of our revenue. With an interplay of online and offline, we can offer our customers visual dominance thanks to our unrivalled reach in the most attractive advertising environments in Germany. Overall, we reach around 90% of the German population online and offline.

The capital market rewarded us for our good results and strategy, with the share price having more than doubled within a year. Thus Ströer significantly outperformed the benchmark index of the SDAX. In December of last year, we also met our goal of positioning the Ströer share on the MDAX. This provides additional stability for our Company and boosts our attractiveness for investors. On 1 March 2016, the Company was officially renamed Ströer SE & Co. KGaA.

In 2015, Ströer paid out an increased dividend of EUR 0.40 per qualifying share. This four-fold increase in the dividend on the prior year allowed shareholders to participate substantially in our Company's success. Despite this payout and our strong acquisition activities, we significantly lowered our leverage ratio to 1.1 in 2015.

For fiscal year 2016, we anticipate consolidated group revenue of between EUR 1.1b and EUR 1.2b and operational EBITDA of between EUR 270m and EUR 280m. We also expect that half of operational EBITDA will be generated in the digital segment in 2016.

We would like to thank our business partners, investors and employees for the trust they have placed in us and wish you all a successful year in business and on the markets in 2016.

Udo Müller	Dr. Bernd Metzner	Christian Schmalzl
CEO	CFO	COO

SUPERVISORY BOARD REPORT

Christoph Vilanek
Chairman of the supervisory board

Dear shareholders, ladies and gentlemen,

Fiscal year 2015 was shaped by the continuing digitization of Ströer SE's entire business. As a digital multi-channel media company, today we are one of the leading German media companies thanks to our broad, cross-media portfolio. In the fiscal year, digital revenue accounted for a substantial proportion of total revenue at around 30%, a trend that is on the rise. Revenue from traditional OOH business is also growing substantially, providing a stable platform for further business development.

Fiscal year 2015 was also shaped by the initiation of a change in legal form for Ströer SE to become a German partnership limited by shares (KGaA). The Company closed the reporting period as a European public limited liability company (Societas Europaea, SE).

The supervisory board again carefully monitored the work of the board of management on a regular basis in the reporting period. It mainly reviewed the legality, expediency and propriety of the board of management. It also supported the further strategic development of the Group and significant individual measures.

The main focuses of the supervisory board in fiscal year 2015 were on the conclusion of another refinancing arrangement for the Ströer Group, the distribution of a dividend to the shareholders and the introduction of a stock option plan. Furthermore, it continued to be heavily involved in the further expansion of the online advertising segment through various acquisitions and in the integration of companies taken over in the Ströer Group. Another important point of discussion was the conversion of Ströer SE's legal form into a partnership limited by shares (KGaA).

The board of management informed the supervisory board at supervisory board meetings as well as through written and oral reports on the business and all relevant aspects of business planning. It therefore complied in full with its duties to provide information. In addition to the financial, investment and personnel planning, the development of business, the economic situation of the Company and the Group (including the risk situation and risk management), the financial position and the Group's profitability were discussed. For all decisions important for the Group, the board of management involved the supervisory board in good time. For transactions requiring approval, the supervisory board granted its approval after careful consideration and review of the documents it was presented by the board of management. If legal provisions, the articles of incorporation and bylaws or the rules of procedure required the supervisory board to adopt a resolution, it passed a corresponding resolution after careful review.

During fiscal year 2015, the supervisory board of Ströer SE convened for five in-person meetings and adopted resolutions in three telephone conferences. Furthermore, the supervisory board of Ströer SE adopted six resolutions by written procedure. All members of the supervisory board of Ströer SE participated in all decision-making procedures in person, by telephone or in writing.

In additional meetings, the chairman of the supervisory board, the deputy chairman of the supervisory board and the chairman of the audit committee discussed key business events with the board of management – in particular with the CEO and the CFO. The supervisory board plenum received regular written and oral reports on these deliberations.

The audit committee of Ströer SE convened four times in the fiscal year.

Focus of deliberations and review by the supervisory board of Ströer SE

On 19 February 2015, the supervisory board approved by written procedure the purchase of the operations of "SpielAffe / KralOyun / Games1.com" and "spieletipps.de," following detailed examination and review.

At the meeting to discuss the financial statements on 16 March 2015, the supervisory board discussed the final draft versions of the separate and consolidated financial statements of the Company and of the Ströer Group and the proposal of the board of management to distribute a dividend to the shareholders. The board of management reported on special developments in the online segment and on the return on equity. Finally, the supervisory board approved the acquisition of 70.2% of the shares in Content Fleet GmbH and an amendment to the loan agreement with a syndicate of banks for a reduced loan volume of EUR 450m with a term of five years.

On 23 March 2015, the supervisory board approved and endorsed Ströer SE's audited separate financial statements for fiscal year 2014 by written procedure. It also approved the audited consolidated financial statements for fiscal year 2014. Furthermore, the supervisory board adopted its recommendations for the shareholder meeting to exonerate the board of management and supervisory board and to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor for fiscal year 2015. Furthermore, the supervisory board resolved to recommend to the shareholder meeting to distribute a dividend of EUR 0.40.

In a telephone conference on 6 May 2015, the supervisory board approved Ströer SE's investment in eValue 2nd Fund GmbH. The board of management and supervisory board also approved the agenda for the shareholder meeting. Furthermore, the supervisory board for the first time intensively examined the planned acquisition of the online portal "t-online.de" and the digital marketer InteractiveMedia CCSP GmbH ("portal business of t-online") from Deutsche Telekom AG.

On 13 June 2015, the supervisory board approved the purchase of 90% of the shares in RegioHelden GmbH by written procedure, following detailed examination and review.

A supervisory board meeting was held after the Company's shareholder meeting on 30 June 2015. At this meeting, the supervisory board again intensively examined the planned acquisition of the t-online portal business. In addition, the supervisory board of Ströer SE dealt with the target quota for female supervisory board and board of management members in line with the FührposGleichberG ["Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst": German Act to Promote Equal Participation of Women and Men in Management Positions in the Private and Public Sector]. Finally, the supervisory board approved the acquisition of 100% of the shares in OMS Vermarktungs GmbH & Co. KG and OMS Vermarktungs Beteiligungsgesellschaft mbH in return for a 10% non-cash capital increase at Ströer Digital Group GmbH. Furthermore, the supervisory board examined the efficiency of its work and of the committee in line with the recommendation of the German Corporate Governance Code.

At its meeting on 5 August 2015, in which some supervisory board members participated by telephone, the supervisory board for the third time intensively examined the acquisition of the portal business of t-online. In addition, the supervisory board adopted the proposal of the board of management to recommend to the shareholders in an extraordinary shareholder meeting that Ströer SE's legal form be converted to a partnership limited by shares (KGaA).

In a telephone conference on 10 August 2015, the supervisory board granted its approval for the acquisition of the portal business of t-online by means of a capital increase at Ströer SE from authorized capital in return for a non-cash contribution. Furthermore, it approved the board of management's proposal to introduce a stock option plan in 2015.

At its meeting on 25 September 2015, the supervisory board granted its approval for the acquisition of 52% of the shares in FaceAdNet GmbH and the acquisition of the operations of "Lioncast."

On 28 September 2015, the supervisory board approved by written procedure the resolution of the board of management, which was also passed on 28 September 2015, on a non-cash capital increase at Ströer SE from authorized capital of EUR 6,412,715 in return for the contribution of the portal business of t-online to Ströer SE.

On 9 October 2015, the supervisory board approved by written procedure the sale of the property "Bonner Wall" in Cologne following detailed examination and review.

In a telephone conference on 16 October 2015, the supervisory board approved the adjustments to the remuneration of the members of the board of management.

By resolution passed by written procedure on 15 November 2015, the supervisory board granted its approval for the acquisition of 54.8% of the shares in Conexus AS.

At its budget meeting on 17 December 2015, the supervisory board welcomed its new member Vicente Vento Bosch. The supervisory board passed the budget of the Company and of the Ströer Group for fiscal year 2016 and dealt with the integration of the portal business of t-online into the Ströer Group. Furthermore, the supervisory board granted its approval for the acquisition of 81.3% of the shares in Statista GmbH. Finally, the board of management and supervisory board approved the declaration of compliance with the German Corporate Governance Code as amended on 17 December 2015.

Deliberations of the audit committee of the supervisory board of Ströer SE

On 27 February 2015, the audit committee of Ströer SE reviewed the separate and consolidated financial statements of Ströer SE for fiscal year 2014. At its further meetings on 6 May 2015, 5 August 2015 and 4 November 2015, the audit committee examined the respective interim financial statements. The Chief Financial Officer of Ströer SE, Dr. Bernd Metzner, attended all meetings of the audit committee.

The members of the audit committee of the supervisory board of Ströer SE are still Ulrich Voigt as chairman and Christoph Vilanek.

Audit of the separate and consolidated financial statements

The separate and consolidated financial statements of Ströer SE prepared by the board of management for fiscal year 2015 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, together with the underlying books and records and the combined management report of the Company and the Group. An unqualified audit opinion was issued in each case.

The documentation on the financial statements and the audit reports were presented to all members of the supervisory board in good time. The documents were the subject of intensive discussions in the audit committee and in the meeting of the supervisory board of Ströer SE & Co. KGaA to discuss the financial statements on 10 March 2016, which convened for the first time after the change in legal form was entered in the commercial register on 1 March 2016. The responsible auditor participated in the plenum discussions. He reported on the key findings of the audit and was available to answer questions.

We reviewed all documents presented by the board of management and the auditor in detail. Based on the final results of our review, we had no reservations and agreed with the conclusion of the audit of the financial statements by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne. We approved the separate and consolidated financial statements prepared by the board of management.

Changes to the composition of the board of management and supervisory board

Ströer SE's supervisory board underwent changes in fiscal year 2015. Dirk Ströer stepped down as member of the supervisory board of Ströer SE effective 2 November 2015. Dirk Ströer sat on the supervisory board of Ströer SE for many years, first as member of the supervisory board and then as deputy chairman of the supervisory board. We would like to explicitly express our warmest thanks to Dirk Ströer for his work for the Company and the supervisory board over the years.

At the request of the board of management, Cologne Local Court appointed Vicente Vento Bosch to the supervisory board of Ströer SE as of 12 November 2015. Vicente Vento Bosch is managing director and CEO of Deutsche Telekom Capital Partners GmbH.

The supervisory board of Ströer SE now comprises three members: Christoph Vilanek as chairman of the supervisory board, Ulrich Voigt and Vicente Vento Bosch. The audit committee of the supervisory board of Ströer SE comprises Ulrich Voigt as chairman and Christoph Vilanek.

There were no changes to the composition of the board of management of Ströer SE.

Thanks

The supervisory board would like to thank the board of management, the management of the group entities, the works council and all employees for their outstanding personal dedication, hard work and unwavering commitment.

On behalf of the supervisory board

Christoph Vilanek
Chairman of the supervisory board

Cologne, March 2016

COMBINED MANAGEMENT REPORT

The references made in this combined management report of Ströer SE (formerly "Ströer Media SE", since 1 March 2016 "Ströer SE & Co. KGaA", hereinafter "Ströer SE") and of the Group to page numbers refer to the numbering in the annual report.

BACKGROUND OF THE STRÖER GROUP

Business model

Ströer SE, Cologne (formerly Ströer Media SE, Cologne), is a leading provider of out-of-home and online advertising, and offers its advertising customers individualized and integrated communications solutions. Its portfolio of branding and performance products offers customers new opportunities for addressing specific target groups while increasing the relevance of the Ströer Group as a contact partner for media agencies and advertisers.

The Company's business model is based on offering traditional out-of-home advertising, the public video network that is shown on screens installed in train stations and shopping malls, as well as online display and video marketing via stationary internet and mobile devices and tablets. This means that we can offer advertisers a platform for optimizing campaigns, combining substantial reach with the precise targeting of customer groups.

Particular mention should be made of the development departments for online and out-of-home advertising. Furthermore, on the marketing side, Ströer has the market presence needed to offer national and regional customers comprehensive out-of-home advertising and online products. Our more than 90 offices across Europe maintain close relationships with our contracting partners, while offering our advertising customers a wide range of communication opportunities. The sales organizations in each country manage the sales and marketing activities that are flanked by target group analyses and market research, and serve regional and national advertisers, media agencies and media specialists.

On the cost side, the Ströer Group leverages positive economies of scale arising in areas such as finance, procurement, development, information technology, legal services and human resources, as well as synergies arising from cooperation between the individual segments and entities. One such example is the cross-segment bundling of moving-picture advertising in Ströer Digital Media GmbH (Ströer Digital Media).

Segments and organizational structure

→ For further information on strategy and management, see page 21

At the beginning of fiscal year 2015, Ströer aligned its internal controlling and thus also the structure of its segments to reflect current developments and the Group's new focus. In this context, the digital business public video, which was previously part of the Ströer Germany segment, was transferred to the Ströer Digital segment. As such, the remaining Germany segment has since solely comprised the German out-of-home business excluding the public video business, which is aptly reflected in the new name "Out-of-Home Germany (OOH Germany)." We have also optimized our internal controlling in relation to our international out-of-home business. We grouped Ströer Turkey, Ströer Poland and blowUP Media into a new segment, "Out-of-Home International (OOH International)." The prior-year figures were restated accordingly to reflect the new segment structure.

The Ströer Group's reporting segments comprise the Ströer Digital segment, the OOH Germany segment and the OOH International segment. These segments operate independently on the market in close cooperation with the group holding company Ströer SE. This cooperation relates in particular to the Group's central strategic focus and enables a targeted transfer of expertise between the different segments.

The Group's financing and liquidity are also managed centrally. The resulting refinancing of the segments and their provision with sufficient liquidity gives the operating units the flexibility they need to exploit market opportunities quickly.

Digital business

Ströer Digital segment
In the Ströer Digital segment, the Ströer Group offers digital advertising on the internet, on mobile devices and in public spaces as a public video network. The segment comprises in particular the intermediate holding companies Ströer Digital Group GmbH, Cologne (Ströer Digital Group), Ströer Digital International GmbH, Cologne (Ströer Digital International, formerly Ballroom International GmbH), Ströer Venture GmbH, Cologne (Ströer Venture), Ströer Content Group GmbH, Cologne (Ströer Content Group, formerly Ströer Venture GmbH), and their respective subsidiaries as well as Digital Media Products GmbH, Darmstadt (Digital Media Products). The Ströer Digital Group with its various subsidiaries holds a strong position in the commercialization of advertising in Germany and covers the entire digital marketing value chain, from traditional online banner advertising, special advertising formats and individual advertising integration through to video and mobile advertising. Ströer Digital International is similarly positioned in the markets outside Germany. Ströer Venture focuses on data-driven business models. Ströer Content Group works on enhancing our digital assets. Digital Media Products with its subsidiary InteractiveMedia CCSP GmbH, Darmstadt (InteractiveMedia), represents the acquisition of the portal business of t-online.de and the digital marketer.

Display and mobile advertising
With its portfolio of more than 600 websites and a reach of approximately 44 million unique users[1] Ströer Digital Media was ranked the number one marketer by the industry group Arbeitsgemeinschaft Online Forschung (AGOF), making it one of the most important display and online marketers in the German advertising market.[2] In the area of online advertising, Ströer has a large number of direct customers as well as an automated technology platform (for both the demand and supply side).

In the fiscal year, Ströer SE significantly increased its reach in the area of display and mobile marketing in particular by acquiring the marketer InteractiveMedia. Ströer SE also commenced its acquisition of OMS Vermarktungs GmbH & Co. KG, Düsseldorf (OMS), in the reporting year, which was completed in January 2016. In terms of mobile advertising, Ströer SE will considerably strengthen its portfolio through the exclusive contract to market the music identification service Shazam Entertainment Ltd (Shazam).

InteractiveMedia markets in particular t-online.de. In the fiscal year, the t-online portal was acquired from Deutsche Telekom AG as part of Digital Media Products. t-online.de is Germany's leading internet portal and reaches 31 million users per month.[3] The t-online portfolio includes email access as well as content offerings such as wetter.info, wanted.de, zuhause.de and selected news stories. As a premium online marketer, InteractiveMedia also markets kicker.de, gutefrage.de, vital.de, wetter.info and many more websites in addition to t-online.de.

1 Per month
2 Source: Extrapolation of marketer rankings following the merger of the offerings of Ströer Digital, InteractiveMedia and OMS based on the AGOF ranking digital facts 09-2015
3 Source: AGOF digital facts 10-2015; overall digital offerings ranking

In this context, rich media[4] and native advertising[5] are intelligently linked with traditional display advertising formats and new moving-picture products. At the same time, InteractiveMedia, a pioneer in programmatic advertising, is continuing to develop innovative advertising formats, also for automatic trading. In the area of social ads advertising, the premium marketer provides its customers with a unique marketing portfolio of renowned media brands and apps as well as thematic verticals.

OMS is one of the strongest premium marketers of high-quality editorial environments for regional daily newspapers and offers its advertising customers solutions for addressing attractive target groups with display, mobile and moving-picture campaigns across all screens.

Shazam is a music identification service for mobile phones and smartphones and has 7 million active users and 36 million downloads per month.

Along with the abovementioned acquisitions, Ströer added a large number of its own websites to its portfolio in the fiscal year, most of which are operated by Ströer Content Group. In this context, Ströer focuses on the performance publishing approach, which involves evaluating and developing content based on internet traffic quality and leads to a stronger generation of traffic on the website. The acquisition of Content Fleet GmbH, Hamburg (Content Fleet), – a notable company in the area of content optimization – is a key component in this regard. For the first time, Ströer can provide creative, distribution and monetization services from a single source. Content Fleet offers proprietary, performance-driven technology solutions for the real-time processing, evaluation and interpretation of large volumes of data. These solutions allow it to offer its customers detailed insights in real time.

Ströer is also a powerful player in the market for the automated marketing of advertising space. The technology platform is largely provided by the subsidiaries adscale GmbH (adscale) in Munich and MBR Targeting GmbH (MBR) in Berlin.

adscale is one of the biggest marketplaces for digital advertising in Germany. In the fiscal year, adscale significantly expanded its supply-side platform and supplemented it with a cross-media market place. This will enable publishers to put together cross-media packages comprising video, mobile and display inventory to which selected advertisers then enjoy exclusive access. Advertisers can use adscale to filter out target groups for their campaigns from a portfolio of more than 6,000 websites. Each month, adscale records around 42 million unique visitors and some 5 billion page views (as of the end of 2015).[6] With its wide-ranging portfolio of some 6,000 websites, adscale reaches more than three quarters of all German internet users.[6]

MBR has proprietary technologies for precisely identifying online target groups, delivering transaction-based performance campaigns and generating new customers in the digital segment. Anonymous data on the surfing behavior of users is compiled using the consumer action mining (CAM) algorithm and used in real time to assign products to consumers.

4 Rich Media refers to online content, which is enhanced both visually and acoustically, for example by video, audio and animation

5 Native Advertising is a method wherein various forms of advertising can be placed in an editorial environment

6 Source: comScore, November 2015

Video
Ströer offers various formats in the area of video: Public video screens (in stations, shopping malls, underground railway stations), online video as well as leading web TV offerings.

Ströer has around 3,500 public video screens in shopping malls, railway stations and underground railway stations. Public video is a new kind of media channel to complement traditional TV and can be combined directly with campaigns in the online segment. In contrast to linear TV, public video screens can accompany consumers on their customer journey and are therefore a unique product. Consumers can be addressed directly and in a targeted manner using specific synchronized advertising loops. In the online segment, the video format enables premium content to be offered on a large number of websites. In addition, Ströer has a leading web TV offering in the shape of TUBE ONE Networks GmbH (TubeOne), one of the largest social video networks in Germany. TubeOne markets around 150 artists and generates around 650 million video views per month (including 50 million social views). The YouTube channels of celebrities such as Simon Desue or DieAussenseiter have well over a million subscribers. Online and public video particularly appeal to young and mobile target groups, who react positively to moving pictures and who are reached less and less by linear television.

Transactional
In addition to traditional advertising income from the marketing of websites, Ströer SE intends to focus on other digital business models such as e-commerce, shopping and subscription-based revenue models.

In the reporting period, Ströer SE already initiated several game-changing acquisitions in this regard. Conexus AS, Drammen (Conexus), was acquired in the last quarter and the acquisition of Statista GmbH, Hamburg (Statista), was finalized in the first quarter of 2016.

Conexus is the market leader for digital, big-data driven educational solutions and professional learning for the educational sector in Scandinavia. Conexus is able to capture complex value chains and analyze big data in highspeed. Conexus delivers trendsetting infrastructure solutions, already in use by around 75% of all schools and educational institutions in Norway.

Statista is a leading global data and business platform. Statista offers its customers a considerable degree of efficiency and extensive cost benefits in sourcing business-relevant information, especially in the form of statistics. The platform already gives access to around one million statistics from more than 18,000 sources. On the basis of the compiled data, Statista continuously develops new, innovative and data-based products, which are primarily marketed with partners.

Statista and Conexus will be legally bundled into the newly established Ströer Venture. Ströer Venture will continue to focus on developing disruptive, digital business models.

International online marketing
Ströer Digital International is one of the biggest marketing networks for online advertising with a focus on south-eastern European markets. Its portfolio ranges from ad exchange services, video and display advertising to performance marketing. Ströer Digital International uses proprietary technologies, from real-time bidding, ad server and video solutions, through to targeting components.

Out-of-home business

The out-of-home advertising business is based on an attractive portfolio of contracts with private and public-sector owners of land and buildings, which furnish us with advertising concessions for high-reach sites. Of particular importance are the contracts with municipalities, for which we, as a system provider, develop smart and tailored infrastructure solutions that also enhance cityscapes. The agreements with Deutsche Bahn, the ECE group and local public transport providers are also highly significant. Our product portfolio covers all forms of outdoor advertising media, from traditional posters (billboards) and advertisements at bus and tram stop shelters (street furniture) and on public transport through to digital and interactive offerings. The digital out-of-home business, which focuses on public video, is subsumed under the digital segment due to the relevancy of its business and the technology used.

Our portfolio currently comprises more than 290,000 marketable advertising faces in Europe. Agreements with private owners of land and buildings generally provide for the payment of a fixed lease, whereas the majority of the concession contracts with municipalities entail revenue-based lease payments.

Out-of-Home Germany segment

The OOH Germany segment is managed operationally by Ströer Media Deutschland GmbH (Ströer Media Deutschland). Management is based at the headquarters in Cologne. Together with its many subsidiaries, Ströer Media Deutschland is active in all of the Group’s product groups (street furniture, billboard, transport, other) with the exception of digital business. While day-to-day business is conducted from the individual regional locations and our headquarters in Cologne, key operating decisions and all accounting and financial control functions are managed centrally by Ströer SE in Cologne. With some 230,000 marketable advertising faces in more than 600 cities, we generate by far the highest net revenue in the largest out-of-home advertising market in Europe.

Out-of-Home International segment

The OOH International segment includes our Turkish and Polish out-of-home activities and the western European giant poster business of blowUP Media GmbH (blowUP Media).

Ströer Kentvizyon Reklam Pazarlama A.S., in which the Ströer Group holds a 90% stake, manages our operations in Turkey. Ströer has a presence in 7 of the 10 largest Turkish cities and operates in all product groups. With some 48,000 marketable advertising faces in approximately 20 cities and provinces, we also generate the highest revenue in our sector in Turkey and have a much larger share of the Turkish market than any other competitor.

The Polish OOH business is managed by Ströer Polska Sp. z.o.o. In terms of like-for-like revenue, Ströer is the joint leader of the Polish market with a similar-sized competitor. Our national company has a presence in approximately 120 cities and municipalities with some 12,000 marketable advertising faces and operates in all of the Group’s product groups.

BlowUP Media is a strong western European provider of giant posters of up to more than 1,000m^2 positioned on building façades. The company currently markets more than 300 sites, some of which are digitized, which are booked either individually or in blocks, both nationally and internationally, by well-known advertisers. The generally shorter concession terms pose different challenges for portfolio management to those that arise in traditional out-of-home advertising. In Europe, BlowUP Media has operations in Germany, the UK, the Netherlands, Spain and Belgium.

Investments and locations

The following overview as of 31 December 2015 outlines the main investment structure and allocation to the core markets.

	Ströer SE								
	100%	100%	100%	100%	100%	100%	90%	100%	100%
Management company	Ströer Media Deutschland GmbH	Ströer Digital Group GmbH	Ströer Digital International GmbH	Ströer Venture GmbH	Ströer Content Group GmbH	Digital Media Products GmbH	Ströer Kent-vizyon Reklam Pazarlama A.S.	Ströer Polska Sp. z.o.o.	BlowUP Media GmbH
Geographical activity	Germany/ Netherlands	Germany/ New Zealand	Germany/ Hungary/ Turkey/ Poland/ Czech Republic	Germany/ Norway	Germany	Germany	Turkey	Poland	Germany/ UK/Belgium/ Spain/ Netherlands
Investees*	25	7	8	9	10	1	1	3	4
Segment revenue 2015	EUR 464m	EUR 243m					EUR 143m		
Segment	OOH Germany	Ströer Digital					OOH International		

* Number of fully consolidated companies

Management and control

The board of management of Ströer SE as of 31 December 2015 comprised three members: Udo Müller (CEO), Christian Schmalzl (COO) and Dr. Bernd Metzner (CFO). The following overview shows the responsibilities of each member of the board of management in the Group:

Name	Member since	Appointed until	Responsibility
Udo Müller	July 2002	October 2019	Chairman Strategy
Dr. Bernd Metzner	June 2014	June 2017	Chief Financial Officer Group Finance and Tax Group HR Group IT Group Legal Group M&A/Corporate Finance Group Internal Audit Group Investor Relations Group Procurement Group Risk Management Group Accounting Group Controlling
Christian Schmalzl	November 2012	October 2019	Management and supervision of national, international and digital companies Group business development Group corporate communications

The members of the board of management collectively bear responsibility for management.

The supervisory board as of 31 December 2015 comprised three members: Christoph Vilanek, Vicente Vento Bosch and Ulrich Voigt. For more information on the cooperation between the board of management and the supervisory board and on other standards of corporate management and control, see the corporate governance declaration pursuant to Sec. 289 HGB ["Handelsgesetzbuch": German Commercial Code], which also includes the declaration of compliance with the German Corporate Governance Code pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act]. In addition, the board of management and supervisory board issue a joint corporate governance report each year in accordance with 3.10 of the German Corporate Governance Code. All documents are published on the website of Ströer SE (http://ir.stroeer.com).

Markets and factors

The Ströer Group's business model means that it operates on the markets for out-of-home advertising and online and mobile marketing. The Group's economic situation is naturally affected by the advertising markets that it serves, which in turn are highly sensitive to macroeconomic developments and changes in the behavior of consumers, advertisers and media agencies. Out-of-home advertising is affected in particular by the conditions relating to the advertising concessions granted by municipalities.

Customers in the out-of-home advertising industry sometimes place bookings with a lead time of not much more than eight weeks. This underlines the trend towards ever shorter advance booking times. Seasonal fluctuations in the order intake are in line with the trend on the rest of the media market. There is generally a concentration of out-of-home activities in the second and fourth quarters. In terms of costs, the development of lease payments, personnel expenses and other overheads are key factors. In the online business, advance booking times by customers are even shorter due to the high degree of automation compared with out-of-home advertising. The highest revenue activity generally falls in the fourth quarter in the online industry. A key factor for online advertising is the further penetration of the market using targeting/re-targeting, real-time bidding (RTB) and moving-picture offerings. Apart from the commissions paid to website operators, the main cost drivers are personnel and IT operating expenses.

The regulatory environment also impacts on the economic situation of the Ströer Group. The content of advertising is subject to different legal restrictions and conditions in the countries in which we operate. Out-of-home advertising of tobacco and alcohol is prohibited in Turkey and Poland (with the exception of beer), whereas in Germany, these products can be advertised in out-of-home campaigns. If regulatory amendments are made, we will be able to mitigate the impact on our business volume through appropriate marketing and sales activities thanks to the usual lead times involved in legislative changes.

The regulatory environment in online advertising is mainly determined by data privacy aspects at European and national level, which give national legislatures leeway in drafting guidelines.

The use of ad blockers is becoming increasingly prominent. They allow users to prevent advertising being displayed on websites. At the same time, technology designed to circumvent these ad blockers is being developed on a similar scale.

Overall, the Ströer Group is very well positioned with its integrated portfolio to profit from the medium to long-term market trends. The expectation is that the market will focus more and more directly on media users and their usage behavior, which will increasingly involve media consumption via mobile end devices in the private, professional and public environments. This blurs the boundaries between the individual content channels, pushing centrally managed online marketing to the fore.

It also gives added importance to performance products, especially as it is possible to reach target groups with increasing accuracy by analyzing large volumes of data and using targeting technologies. The moving-picture and mobile offerings in the online advertising market are expected to see above-average growth. At the same time, there is substantial potential for regional online advertising campaigns. Out-of-home advertising is also affected by advances in digital media, but is the only medium to retain its physical presence.

Strategy and management

Value-based strategy

We have significantly developed the Ströer Group's growth and value-based strategy by expanding our business model and developing our online portfolio. We are one of the first fully integrated digital marketers to focus our strategy on generating revenue and earnings potential from the integration of traditional and digital out-of-home advertising with online display and video marketing. Traditional out-of-home advertising campaigns, which are primarily aimed at increasing brand awareness (branding), are strategically supplemented by attractive and innovative performance marketing products and solutions. At the same time, Ströer is diversifying its advertising-heavy revenue streams towards subscription and e-commerce.

We are a major digital multi-channel media company focused on big data, digital content and out-of-home infrastructure. Our activities center around five strategic growth opportunities:

- OOH digitization in Germany
- First-party content business – enhancement of digital assets
- Local markets – increasing our local and regional advertising revenue
- National market – establishing ourselves as a leading cross-media marketer in Germany
- Ventures – focus on disruptive and data-driven business models

OOH digitization in Germany
The digitization of out-of-home advertising is one of our main areas of investment and growth. Targeted investments in innovative premium formats, market research and audience reach measurement also ensure the Ströer Group's outstanding position in out-of-home advertising technology. The focus is on developing extremely powerful, functional and maintenance-friendly solutions that win over customers with their modern design.

In 2015, our activities were dominated by the continued systematic modularization and standardization of the product portfolio to enhance product quality. In addition, product development also focused on optimizing the lighting/background lighting systems of advertising media and the related reduction in energy consumption in existing product ranges. Since 2014, the Ströer Group has already converted 26,500 sites to LED operation.

Crucial to the attractiveness of public video for advertising and media agencies is the synchronization of the screens, which ensures an attention-grabbing brand presence and visually dominant video advertising messages. In the fiscal year, we increased the number of our public video screens by 17% from around 3,000 screens to 3,500 screens.

The digital development also includes LED video boards, which can be used in the outdoor segment. Two-sided LED systems were planned and tested in 2014, and were launched on the German market in 2015. Ströer installed the first digital roadside screens in Wuppertal and Hamburg, with other cities across Germany, such as Cologne, to follow in the coming years.

After the successful launch of the iBeacon testing platform (Düsseldorf) in cooperation with Deutsche Bahn, we have begun installing 50,000 iBeacons across Germany. The use of this technology, which is based on Bluetooth low energy, makes it possible to connect the analog world with the digital world. Retail customers in particular could profit from this development as the iBeacon technology allows the mechanisms of e-commerce to be integrated into stationary trade. In this way, additional information that is pinpointed in terms of time and place concerning products, advertising campaigns or coupons is channeled to consumers directly and can guide them to the point of sale.

Validated and accepted audience measurements as well as the effectiveness of out-of-home media near to the point of sale, as proven in numerous studies, make Ströer a key partner for the advertising industry. New studies published in the reporting year by renowned, independent institutions show that information that is presented using out-of-home advertising has a significant influence on implicit memory and thus on the spontaneous brand preferences of consumers. In the fiscal year, Ströer established the "Visible Brands" award.

We also support the initiative of the leading out-of-home advertising providers with regard to the systematic analysis of reach in our core markets. Ströer introduced audience measurement systems in Turkey and Poland which are comparable with the internationally recognized audience measurement system POSTAR.

In the area of out-of-home advertising, around 28 employees worked in product development as of the end of 2015.

First-party content business – enhancement of digital assets
In 2014, we began setting up the Digital Content group. In 2015, we were already one of the biggest digital publishers in Germany. The group is based on a disruptive, tech-based and performance-driven business model which mainly involves monetizing content and maximizing traffic through our performance publishing approach.

Along with the portal t-online.de acquired in 2015, the portfolio built up to date includes in particular the content and technology specialist, Content Fleet, which was also acquired in 2015. Furthermore, we also signed an agreement on the acquisition of Statista with economic effect as of 1/2 February 2016. Statista is a global data and business platform. It offers its customers a considerable degree of efficiency and extensive cost benefits in sourcing business-relevant information, especially in the form of statistics. The platform gives access to around one million statistics from more than 18,000 sources. On the basis of the compiled data, Statista continuously develops new, innovative and data-based products, which are primarily marketed with partners.

STRÖER media brands AG, Berlin (Ströer Media Brands, formerly GIGA Digital AG), brings together the areas of Apple, Android, software and film.

In order to complement our portfolio, we will continue to integrate individual attractive publishers into our portfolio in the future.

Local markets – increasing our local and regional advertising revenue
In Germany, advertising in a local or regional environment is currently largely distributed between free advertising publications and daily newspapers. There is also substantial growth potential here due to the shift in advertising budgets from local print media to local online services. The relatively small marketing budgets available in the local environment to individual, usually medium-sized advertisers mean that there is also strong demand for standardized solutions.

In developing its local markets, the Ströer Group can build on its broad customer base and sales strength from traditional out-of-home activities. In addition to our existing strong regional presence with around 40 offices across Germany, we are planning to strengthen our regional sales activities by making structural improvements and recruiting sales staff (hunters) to acquire new customers.

In the fiscal year, we added digital products to our local and regional offering. The acquisition of RegioHelden GmbH, Stuttgart, enables us to also offer our local customers integrated services in the area of online advertising. In this context, we focus in particular on campaign management in the area of search engine optimization. By monitoring the success of advertising in detail and transparently, the traditional scattering loss in print advertising can be avoided and new target groups reached in the local environment.

We successfully increased our revenue at regional level during the reporting year. We also strengthened our regional sales force. We now have more than 300 field staff at regional level. This year we started offering products in the out-of-home advertising segment and in the digital segment from a single source at regional level. The extensive exploitation of structural growth potential should ensure an above-average increase in net revenue from local and regional advertising.

National market – establishing ourselves as a leading marketer in Germany
Today, we are already one of the largest marketers in Germany and intend to expand our position further, with consolidation being the key to our success. Following the acquisition of InteractiveMedia and OMS (with economic effect as of 19 January 2016), we hold a leading position in the area of national online marketing, in addition to out-of-home advertising.

The significant growth potential of our multi-screen products and marketing position arises from the increasing use of media across a range of screens in public, professional and private environments. As a result, advertisers are increasingly aiming for a combination of different screens when planning their campaigns to target specific groups as far as possible and to maximize their reach among those target groups. One core element of Ströer's multi-screen offering is the integration of public video and online/mobile video. The Ströer Group has developed a new kind of media channel to complement traditional moving pictures in television and online media. Hence we are no longer talking about digital OOH, but rather public videos – i.e., moving pictures in public spaces. Online and public videos appeal particularly to young and mobile target groups, who respond positively to moving pictures and who are reached less and less by linear television. The aim is to sharply increase the share of total revenue from multi-screen products in the next few years and, in connection with this, to also generate a larger proportion of out-of-home advertising revenue through public and online videos. In this way, customers receive all the main services for their moving-picture campaigns out of one hand – from cross-media planning and booking to campaign monitoring.

The group-wide marketing of multi-screen campaigns was made easier in the reporting year by an ad server solution in the form of a multi-screen planning and booking tool that enables dynamic and regional campaign management. In order to make the reaches comparable, Ströer converted the video views achievable via out-of-home advertising into ad impressions,[1] with the help of GfK's (Gesellschaft für Konsumforschung) Media Efficiency Panel. Ströer generates well over three billion video ad impressions per month via online video and public video.[2] Our digital out-of-home advertising portfolio currently comprises approximately 3,500 screens at the most highly frequented locations in public spaces. The cross-media combination aims to create benefits for both advertisers and publishers, since the additional digital moving-picture screens tap into new target groups and increase overall reach.

Ventures – focus on disruptive and data-driven business models

In the area of ventures, we invest in disruptive, data-driven and digital business models. In the reporting period, Ströer already initiated several game-changing acquisitions in this regard, such as Conexus.

Conexus is the largest provider of digital, big-data driven educational solutions and professional learning for the educational sector in Scandinavia. Conexus is able to capture complex value chains and analyze big data in high speed. Conexus delivers trendsetting infrastructure solutions, already in use by around 75% of all schools and educational institutions in Norway.

1 Own survey

2 Basis: Gesellschaft für Konsumforschung (GfK) enigma

Unifying success factor – OOH and digital: data-driven and innovative product development

The digital strategy is based on the Group's technology position, which is being continuously enhanced and enables local and regional performance strategies as well as direct marketing. Technologies for precisely controlling campaigns and professionally managing large volumes of anonymized data are crucial for success. This enables the smooth integration of branding and performance marketing as part of the multi-screen strategy. The installation of iBeacons in our out-of-home advertising media allows us to combine out-of-home advertising and digital business.

We are focusing heavily on data-driven business models which will help us control our campaigns even more precisely. Our newly established data management platform (DMP) launched in the fiscal year serves as a basis to this end. It will enable Ströer to record, collect and analyze anonymized traffic data and use them for individual campaigns.

Along with the existing demand-side platform (DSP), which enables advertisers to automatically buy advertising space from other providers, our supply-side platform (SSP) helps customers to optimize their advertising campaigns. The new targeting algorithms make it possible, among other things, to identify potential new customers on the internet (new customer prediction) and then to address them with a specific campaign. The retargeting of existing customers is also more precise. Ultimately, programmatic buying means that advertising customers can procure precisely the ad impressions that will increase the probability that their target groups will purchase a specific product.

Technology position in terms of precisely identifying online target groups was improved continuously in the reporting period. MBR's user-centric consumer action mining (CAM) algorithm enables the processing of large volumes of data in real time, is less prone to error and much more dynamic and efficient than comparable targeting technologies. Thus Ströer can meet its customers' growing performance requirements and better capitalize on the inventory of publishers.

Ströer is continuously expanding its strong technology position in the digital segment and integrated the advertising format mobile and video into the SSP and DSP in the fiscal year. In the case of the mobile format, special mobile formats can also be booked via both automated platforms.

We also focus on data-driven content marketing as part of our performance publishing approach. Supported by our subsidiary Content Fleet, we are able to analyze more than 400 million articles and images in real time and use them in effective marketing campaigns via Facebook and Twitter. This means that reach is decisive for brand awareness, and relevant content is the key prerequisite for satisfied readers. We prepare content which is perfectly tailored to the target groups, thereby increasing traffic on our websites.

We also added search engine optimization technology to our portfolio in the fiscal year, which helps websites achieve higher rankings with regional relevance in search machine rankings.

With our products geared to performance, we cover the entire digital value chain, from ad servers through demand and supply-side platforms, real-time bidding and ad exchanges to targeting driven by proprietary technology.

In the digital segment, product development accounted for around 100 employees as of the end of fiscal year 2015.

Value-based management

We manage our Group using internally defined financial and non-financial key performance indicators in the interests of sustainable development. Our group-wide reporting structure that is implemented at all subsidiaries ensures that we keep abreast of the value added of all group entities and of the Group. Our objective is sustainable value creation over the entire economic cycle. At the same time, this ensures that we observe the covenants set by our lenders. Our value-based management is also reflected in the performance-related remuneration of the board of management. For us, value drivers are the main internal and external factors affecting business development. Key financial indicators follow the internal reporting structure and are pro forma figures which are not covered by IFRSs. They comprise organic revenue growth, operational EBITDA, adjusted profit for the period, free cash flow (before M&A transactions), ROCE (return on capital employed), as well as net debt and the leverage ratio derived from it.

→ For more information on the financing strategy, see page 38

Revenue development is one of the key indicators for measuring the growth of the Group as a whole. It is also an important metric for managing the Ströer Group's segments. As part of the budgeting and medium-term planning process, the individual segments are set revenue targets that are broken down to the relevant level, and adherence to these targets is continuously monitored during the year. Both organic revenue growth (excluding the effects of acquisitions and exchange rate changes) and nominal revenue growth (joint ventures are consolidated proportionately) are analyzed in this context. In view of its expansionary business development, Ströer adjusted its calculation of organic growth in 2015 to improve transparency. The adjustment means that the business performance of acquirees – both positive and negative – is included in the calculation of organic growth from the time of initial consolidation.

Operational EBITDA gives an insight into the sustainable development of the Group's earnings adjusted for exceptional items (joint ventures are consolidated proportionately). Exceptional items include gains and losses from changes in the investment portfolio and from capital measures, reorganization and restructuring expenses, and other extraordinary expenses and income. Furthermore, operational EBITDA is a key input for determining the leverage ratio which must be reported to the syndicate of banks on a quarterly basis as one of several covenants. In addition, sustainable operational EBITDA is used on the capital market as part of the multiplier process for simplifying the determination of business value.

Free Cash Flow (before M&A transactions) is a key indicator for the board of management and is calculated from the cash flows from operating activities less cash paid for investments in intangible assets and property, plant and equipment. Free cash flow before M&A transactions therefore represents the earnings power of our Company (joint ventures are consolidated pursuant to IFRS 11 using the equity method) and is an important determining factor for our investment, financing and dividend policy.

Our aim is also to sustainably increase our return on capital employed. To achieve this, we have systematically enhanced our management and financial control systems.

ROCE is calculated as adjusted EBIT divided by capital employed (joint ventures are consolidated proportionately). Adjusted EBIT is defined as follows: Earnings before interest and taxes adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets. Capital employed is defined as the average capital tied up in the Group. It is the arithmetic mean of capital employed at the start of the year and the respective year-end. Capital employed comprises total non-current intangible assets including goodwill, property, plant and equipment and current assets less total non-interest-bearing liabilities.

ROCE provides us with a tool that enables value-based management of the Group and its segments. Positive value added and thus an increase in the Company's value are achieved when ROCE exceeds the cost of capital.

The Company's net debt and net debt ratio are also key performance indicators for the Group. The net debt ratio is measured as the ratio of net debt to operational EBITDA. Net debt is calculated as financial liabilities less derivative financial instruments and cash (joint ventures are consolidated proportionately).

As non-financial indicators, we take into account certain key figures on the employment situation, such as headcount at group level.

ECONOMIC REPORT

Business environment

General economic developments in 2015

The global economic trend witnessed in 2014 continued into 2015, with growth of 3.1% forecast by the International Monetary Fund in its World Economic Outlook.[1] Various factors affecting growth such as the drop in commodity prices, the turnaround in interest rates in the US and the cooling off of the economy in China made themselves felt in different ways.

Our three key markets of Germany, Turkey and Poland turned in subdued to positive performances in the reporting year. Despite the ailing Chinese economy and the related decline in orders placed with German companies, the German economy recorded strong growth thanks to strong domestic demand. The ongoing geopolitical tensions in the Middle East and the related uncertainties curbed economic development in Turkey, but growth in 2015 was still slightly higher year on year. The Polish economy continued to develop positively despite prevailing political flashpoints such as the conflict between Russia and Ukraine.

Germany

The German economy developed positively in 2015. Leading economic institutes adjusted their growth forecasts upward several times during the year. According to initial calculations by the German Federal Statistical Office ["Statistisches Bundesamt"], price-adjusted GDP increased by 1.7% year on year and has therefore grown by more than the 10-year average (1.3%) According to the German Federal Statistical Office, the German economy maintained its position in a difficult global economic environment and profited, above all, from strong domestic demand. Adjusted for inflation, private consumer spending rose by 1.9% and public-sector spending by 2.8%.[2]

The number of people in employment reached 43 million in 2015, a new record high for the ninth consecutive year. Households' real disposable income increased by 2.8% in 2015. This growth was almost matched by household spending calculated on the basis of current prices, which grew by 2.5%. Preliminary calculations put the household saving ratio in 2015 at 9.6%, up slightly year on year despite low interest rates.[2] In 2015, the inflation rate in Germany fell to its lowest level for six years. In 2015, consumer prices increased by 0.3% year on year[2] chiefly due to the sharp fall in energy prices.

Turkey

According to the International Monetary Fund (IMF) and Organisation for Economic Cooperation and Development (OECD) estimates, GDP growth was still around 3.0% in 2015, compared with 2.9% in 2014, although the forecasts were downgraded continuously during the year.[3] Despite the presidential elections in the middle of the year, the political situation and the macroeconomic environment only stabilized to a small extent. Consumer prices increased during the course of 2015 from 7.2% in January to 8.8% at year-end.[4]

1 Source: World Economic Outlook Adjusting to Lower Commodity Prices, October 2015

2 Source: BVR study on World Savings Day, September 2015

3 Source: OECD real GDP forecasts summary, Turkey, November 2015

4 Source: Turkish Statistical Institute, January 2016

Poland

The Polish economy continued to grow in the reporting period. OECD figures suggest that real GDP is likely to have increased to 3.5% in 2015.[5] This positive development was driven mainly by substantial EU investments in the country's infrastructure, which continue to support GDP growth, as well as strong domestic demand and a record number of people in employment in 2015. The labor market continues to be very robust and, with unemployment standing at around 8.0%, improved significantly compared with prior years. The rate of inflation remained at a very low level and was negative throughout 2015. An average rate of inflation of –0.7% is anticipated over the course of the year.[6]

Development of the out-of-home and online advertising industry in 2015

The impact of muted economic growth in Europe as a whole also filtered through to the western European advertising market in 2015. ZenithOptimedia, for example, estimates that net advertising spending on the main media increased by 2.9% in this region, consistent with the prior-year increase. While print media continued to contend with substantial losses of market share (down 5.9%), net advertising spending in the online segment once again rose sharply by 10.9%. Out-of-home advertising in the western European advertising market increased marginally by 3.0%. The advertising industry contracted by 3.4%[7] in eastern and central European countries.[8]

Germany

According to the gross advertising spending calculated by Nielsen Media Research, the advertising market in Germany grew by 4.0% in 2015.[9] In our view, however, the gross advertising data provided by Nielsen only indicate trends and can only be used to a limited extent to draw conclusions about net figures due to differing definitions and market territories. We currently expect net advertising investments to have increased only slightly in 2015 – in line with the most recently announced forecasts of the Central Association of the German Advertising Industry ["Zentralverband der deutschen Werbewirtschaft e.V.": ZAW]. ZAW is scheduled to publish the official net media spending figures in May 2016.[10] Our estimate for 2015 is also supported by a ZenithOptimedia forecast, which expects net advertising spending to increase slightly by 1.7% following an increase by 2.1% in 2014.[11]

In terms of net advertising spending, according to ZenithOptimedia, the out-of-home segment grew by 2.0% in 2015. For the digital segment, growth in net advertising spending was measured at 9.7%. At –4.0%, the print segment is expected to have decreased in the fiscal year. Reliable estimates of any shifts in market share cannot be made until the net market figures are published. However, we expect our market share to have increased slightly in out-of-home advertising.

5 Source: OECD real GDP forecasts summary, November 2015

6 Source: European Commission, Economic and Financial Affairs, EU economic situation, Economies of the member states, January 2016

7 Source: ZenithOptimedia Advertising Expenditure Forecast, Western Europe & Central and Eastern Europe, December 2015

8 Includes the remaining countries of western Europe as well as selected central European countries with a moderate growth profile and strong economic connections to western Europe, such as the Czech Republic, Hungary and Poland

9 Source: Nielsen advertising trends for 12-2015, Nielsen, January 2016

10 Source: ZAW press release no.12/15, December 2015

11 Source: ZenithOptimedia Advertising Expenditure Forecast, Germany, December 2015

Turkey
The Turkish advertising market remained subdued overall in 2015 owing to continued domestic and international political uncertainty and the impact this had on the country's macroeconomic environment. Total advertising spending increased by 8.2% in 2015, an improvement on the increase in the prior year (8.0%).[12] A more conservative value can be gleaned from intra-year publications by the Turkish Association of Advertising Agencies (TAAA), with total advertising spending expected to increase by 5.3% in 2015.[13]

Consistent information on the net development of the Turkish out-of-home media market is not available. However, we expect nominal growth in this market segment to be just above the prior-year level. Based on ZenithOptimedia's data, the internet segment is again expected to have grown well above-average and gained further market share in 2015, mainly at the expense of the print segment.[14]

Poland
The economic upturn had a positive effect on the Polish advertising industry in the reporting year. According to the ZenithOptimedia report from December 2015, a 2.8% increase in advertising spending is expected compared with 2014.[15] Following the significant decreases seen in 2012 (down 5.5%) and 2013 (down 5.3%), this development underscores the turnaround that emerged in 2014 with growth of 2.4%. The Polish out-of-home market continued to stabilize, seeing advertising spending increase slightly by 0.2 percentage points year on year.[15] We anticipate that, in 2015, market share will mainly shift toward online media which is showing strong growth of 10.7% in the Polish market.[15]

Development of the exchange rate in 2015 [16]
In 2015, the development of the euro exchange rate against the Turkish lira, the Polish zloty and the pound sterling was primarily relevant for our business. The Turkish lira started the year at 2.83 TRY/EUR in January 2015. However, it lost considerable ground during the course of the year and was quoted at 3.18 TRY/EUR as of year-end. The annual average at which the Turkish lira was quoted was down overall by some 4.1% on the prior-year average.

The Polish zloty remained broadly stable in the reporting period and was quoted at an annual average of 4.18 PLN/EUR, exactly the same as the prior-year average. The zloty was quoted at 4.30 PLN/EUR at the beginning of the year and 4.26 PLN/EUR at year-end.

The pound sterling appreciated considerably against the euro over the course of the year, primarily due to the UK's stronger economic development compared with the eurozone and to the European Central Bank's more expansionary monetary policy. At the end of the year, it was quoted at 0.73 GBP/EUR, below the initial level of 0.78 GBP/EUR at the beginning of the year. The average exchange rate for 2015 of 0.73 GBP/EUR was 10.0% lower than the prior-year level.

12 Source: Magna Global Advertising Revenue Forecasts, Turkey, December 2015
13 Source: Turkish Foundation of Advertising Agencies, November 2015
14 Source: ZenithOptimedia Advertising Expenditure Forecast, Turkey, December 2015
15 Source: ZenithOptimedia Advertising Expenditure Forecast, Poland, December 2015
16 Source: European Central Bank (EZB)

Results of operations of the group and the segments

Overall assessment of the board of management on the economic situation
The Ströer Group closed fiscal year 2015 with an excellent consolidated result of EUR 59.5m. Both the very robust business in OOH Germany and the continued rigorous expansion of the digital business were key to this success. This positive development was most noticeable in the Ströer Group's key performance indicators – revenue and operational EBITDA – with both growing strongly once again compared with the prior year.

The Group's net assets and financial position also developed very well with both free cash flow and net debt improving considerably despite extensive investment measures in the fiscal year. The development of the equity ratio and leverage ratio was also very positive such that the Group's financial position was very sound and well balanced as of the reporting date.

Against this backdrop, we believe the Ströer Group is very well positioned both in operational and financial terms to flexibly make use of opportunities arising from the structural changes occurring in the media market.

Comparison of forecast and actual business development
The Ströer Group had drawn up its targets for fiscal year 2015 as presented in its prior-year forecast on the basis of a cautiously optimistic assessment of the economic conditions. However, annual forecasts in our industry are naturally subject to major uncertainties due to customer bookings frequently being made at short notice, volatile market sentiment and economic fluctuations. Our forecast for the development of economic conditions was largely on track as expected. We met or indeed for the main part exceeded all of the targets we set ourselves in fiscal year 2015.

With a view to **organic revenue growth** of the Ströer Group, we were expecting growth to be in the mid-single-digit percentage range. At 9.8%[1], actual organic revenue growth was higher than we forecast. For inorganic growth, we based our forecast on additional growth in the low-double-digit millions and clearly achieved that goal.

Operational earnings before interest, taxes, depreciation and amortization **(operational EBITDA)** is another key performance indicator of the Ströer Group. In our forecast we anticipated a noticeable increase in this indicator, which we then went on to quantify at at least EUR 180m in our Q1 report for 2015. Ultimately, operational EBITDA amounted to EUR 207.5m in the fiscal year (prior year: EUR 148.1m), more than fulfilling our goal. As regards the **operational EBITDA margin** (defined as the ratio of revenue to operational EBITDA)[2], we had assumed a stable to slightly improved margin for 2015 in our forecast a year ago, based on the prior-year value of 20.2%. The operational EBITDA margin stood at 24.8% at year-end, seeing it exceed the slight improvement we predicted.

With regard to **return on capital employed (ROCE)**, we forecast a considerable increase for 2015. Ströer ultimately achieved a ROCE of 15.4% (prior year: 13.8%), fulfilling that forecast.

1 After the change in the method of calculation in 2015.
2 Joint ventures are consolidated proportionately.

For fiscal year 2015, we also anticipated a further increase in **consolidated profit after taxes**, with the Ströer Group already having achieved very good consolidated profit of EUR 23.3m in 2014. However, the actual increase in 2015 to EUR 59.5m was well beyond our expectations.

A major indicator for measuring the financial position in the Ströer Group is **free cash flow** (before M&A transactions), which was anticipated in the mid to high-double-digit millions in our forecast. The free cash flow before M&A transactions generated in the fiscal year amounted to EUR 114.1m, putting it well above the range we forecast.

Equally material for assessing our financial position is the development of the **leverage ratio**. This is dependent, among other things, on the volume of business acquisitions made in the reporting period. In our forecast, we assumed a further reduction in the leverage ratio, notwithstanding major M&A transactions. With the leverage ratio at 1.1 (prior year: 1.9), we achieved that reduction in spite of extensive investment measures. At the same time, the Group's net debt decreased from EUR 275.0m to EUR 231.2m.

An overview of the development of the Group in the last five years can be found in the following table. The economic situation in our segments is explained in detail below.

Results of operations of the Group

Consolidated income statement					
In EUR m	**2015**	2014	2013	2012[1]	2011[1]
Revenue	823.7	721.1	622.0	560.6	577.1
Cost of sales	–561.2	–506.2	–434.2	–386.5	–372.1
Gross profit	**262.6**	**214.9**	**187.8**	**174.1**	**205.0**
Selling expenses	–107.8	–91.7	–84.2	–75.4	–74.5
Administrative expenses	–94.9	–87.9	–82.6	–71.8	–75.1
Other operating income	24.0	25.1	18.7	16.5	15.9
Other operating expenses	–10.6	–11.5	–9.8	–9.6	–14.3
Share in profit or loss of equity method investees	4.5	3.7	4.1	0.0	0.0
EBIT	**77.7**	**52.5**	**34.0**	**33.7**	**56.9**
EBITDA	**187.8**	**134.3**	**108.8**	**100.4**	**121.1**
Operational EBITDA[2]	**207.5**	**148.1**	**118.0**	**107.0**	**132.3**
Financial result	–9.3	–14.8	–19.8	–31.9	–49.8
EBT	**68.4**	**37.7**	**14.2**	**1.8**	**7.1**
Income taxes	–8.9	–14.4	–9.7	–3.6	–10.7
Consolidated profit or loss for the period	**59.5**	**23.3**	**4.5**	**–1.8**	**–3.6**

[1] A retrospective adjustment in relation to IFRS 11 was not made.
[2] Joint ventures are consolidated proportionately.

With effect from 1 January 2014, the EU Commission adopted the new provisions of IFRS 11 issued by the International Accounting Standards Board (IASB) with binding effect for the whole European Union. As a result of these new requirements, four joint ventures which the Ströer Group previously accounted for on a proportionate basis were accounted for using the equity method. Consequently, the pro rata contributions of these four entities are no longer included in the individual income and expense items of the consolidated income statement, but are presented as a net item under "Share in profit or loss of equity method investees." The key indicators operational EBITDA, ROCE, net debt and the leverage ratio derived from it, as well as adjusted EBIT and adjusted profit for the period are not affected by this and continue to follow the internal reporting structure. The four entities accounted for using the equity method in which Ströer holds a 50.0% stake are included in these figures on a pro rata basis as in the prior years.

At the beginning of fiscal year 2015, Ströer aligned its internal controlling and thus also the structure of its segments to reflect current developments and the Group's new focus. In this context, the public video business, which was previously the digital business within the Ströer Germany segment, was transferred to the Ströer Digital segment, due to the high level of similarity in operations. As such, the remaining Germany segment has since solely comprised the German out-of-home business, which is aptly reflected in the new name "Out-of-Home Germany (OOH Germany)." We have also optimized our internal controlling in relation to our international out-of-home business. We grouped Ströer Turkey, Ströer Poland and BlowUP into a new segment, "Out-of-Home International (OOH International)." The prior-year figures were restated accordingly to reflect the new segment structure.

Development of revenue
In the fiscal year, the Ströer Group seamlessly followed on from the success of the prior year and drove its profitable growth course forward once again. At EUR 823.7m, consolidated revenue was a clear EUR 102.6m higher than in the prior year. Digital business accounted for the lion's share of the increase at EUR 73.7m, its growth stemming in turn from both M&A transactions and organic growth of the existing entities. Furthermore, the OOH Germany segment once again reported robust business and contributed to the significantly higher consolidated revenue with pleasing growth rates. Only the OOH International segment saw a slight fall in revenue. The geopolitical uncertainties in Turkey and the related weakness of the Turkish lira were disadvantageous for Ströer in this regard.

The following table presents the development of external revenue by segment:

In EUR m	**2015**	2014
Ströer Digital	238.2	164.5
OOH Germany	457.2	422.9
OOH International	142.4	146.3
Reconciliation using the equity method (IFRS 11)	–14.0	–12.5
Total	**823.7**	**721.1**

A geographical breakdown of consolidated revenue shows a further shift in 2015 toward domestic revenue. Domestic revenue (excluding equity-method investees) increased by 19.5% to EUR 665.3m (prior year: EUR 556.8m), whereas external revenue saw a slight dip of 3.5% year on year and only reached EUR 158.4m (prior year: EUR 164.2m). Thus the percentage of revenue attributable to foreign operations came to 19.2% (prior year: 22.8%).

Revenue development in the online and out-of-home advertising industry is generally subject to similar seasonal fluctuations to the rest of the media industry. This also affects the development of the Ströer Group during the course of the year. While the second and fourth quarters are generally marked by higher revenue and earnings contributions, the first and third quarters are usually weaker. This pattern is reflected in the table below, which shows the quarterly distribution of revenue and operational EBITDA.

Revenue development by quarter

In EUR m

Q1	161.8
Q2	201.6
Q3	189.9
Q4	270.5
Q1 to Q4	**823.7**

Operational EBITDA development by quarter

In EUR m

Q1	26.3
Q2	52.1
Q3	43.4
Q4	85.7
Q1 to Q4	**207.5**

Earnings development

Gross profit amounted to EUR 262.6m in the fiscal year, an impressive EUR 47.7m increase on the prior-year figure. This is a reflection, in particular, of the fact that the substantial increase in revenue was paired with considerably lower growth in cost of sales. The gross profit margin rose by 2.1 percentage points to 31.9%.

→ Additional explanations on the development of cost of sales can be found in the section below, "Development of key income statement items"

The significant improvement in operating activities and the successful expansion in digital business had an extremely positive effect on the Ströer Group's **consolidated profit**. At the same time, the sustainable improvement in the financial result and the considerable reduction in the tax expense also contributed materially to this development. Only higher general and administrative expenses, which were due in particular to the first-time consolidations in the digital segment, had a downward effect on profit. Overall, however, consolidated profit was a pleasing EUR 36.2m higher than in the prior year at EUR 59.5m.

The dynamic growth in operating activities also gave a considerable boost to the earnings indicators adjusted for exceptional items. Thus at EUR 106.3m, **net profit (adjusted)**[1] was a notable EUR 49.9m higher than in the prior year. Even more remarkable was the increase in **operational EBITDA**, which at EUR 207.5m was even able to grow by EUR 59.5m. Finally, the upwards trend also had a very favorable effect on the return on capital employed (ROCE) – adjusted for amortization of our advertising concessions – which came to 15.4% (prior year: EUR 13.8%).

→ See the adjusted income statement on page 172

1 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).

Development of key income statement items
In contrast to the substantial increase in revenue, the **cost of sales** did not rise as much, only increasing by EUR 54.9m to EUR 561.2m. The development in the Ströer Digital segment played an important part here, with the additional cost of sales from the newly acquired entities chiefly responsible for the increase. The OOH Germany segment also reported higher cost of sales than in the prior year, which was mainly due to revenue-related higher lease expenses for advertising media locations. The OOH International segment saw some contrasting developments in the cost of sales in its various core markets but overall the cost of sales was also higher than in the prior year in this segment, albeit marginally.

With a view to **selling expenses**, the business acquisitions in the Ströer Digital segment also shaped the development. Furthermore, the cost of the rigorous ongoing expansion in regional sales operations had a negative effect on selling expenses. On balance, selling expenses came to EUR 107.8m in the fiscal year, which corresponds to an increase of EUR 16.0m. Given the strong growth in revenue, the ratio of selling expenses to revenue was only slightly higher than in the prior year at 13.1% (prior year: 12.7%).

Administrative expenses were also affected to a large extent by Ströer's expansion strategy. The EUR 6.9m increase to EUR 94.9m was almost entirely attributable to the newly acquired entities. Furthermore, the legal and consulting fees incurred in connection with the acquisition of the internet portal t-online.de and InteractiveMedia CCSP GmbH also made a negative contribution. Adjusted for effects from business acquisitions, administrative expenses in the Ströer Group fell sharply on the back of extensive cost-saving measures. Administrative expenses as a percentage of revenue improved by 0.7 percentage points to 11.5%.

→ A detailed presentation of other operating income and expenses can be found in notes 13 and 14 to the consolidated financial statements

Other operating income decreased slightly by EUR 1.1m in fiscal year 2015 to EUR 24.0m, which was chiefly attributable to the fact that compensation claims for advertising concessions that could not be used to the extent agreed had been unusually high in the prior year. There was only a low level of such compensation claims in the fiscal year. This decrease was offset, however, by a number of smaller contrasting effects.

The Ströer Group recorded a year-on-year reduction of EUR 0.9m in **other operating expenses** to EUR 10.6m. There were no notable effects in this development. Other operating expenses include bad debt allowances, exchange losses from operating activities, and losses from the disposal of assets.

As in the prior year, Ströer saw a steady upwards trend in the **share in profit or loss of equity method investees**, with their share amounting to EUR 4.5m in the fiscal year, up EUR 0.8m on the prior-year figure.

→ More information on the financial result can be found in note 15 to the consolidated financial statements

The Ströer Group's **financial result** improved by EUR 5.5m to EUR –9.3m in the reporting period. Besides the further reduction in capital market interest rates, the renewed adjustment in our favor of the interest rate on our syndicated loan in April 2015 had a particularly positive impact. In addition, the further reduction in the leverage ratio in the course of the year had a very beneficial effect on the interest margin payable to our lenders.

→ For more information, see the reconciliation in note 16 to the consolidated financial statements

In view of the improvement in operating business for the Ströer Group and a further improvement in the financial result, the Group's tax base increased noticeably. However, some process improvement and structural changes carried out in 2015 in the Group's legal units countered this effect. In this connection there was, among other things, a significant reduction in the tax rate from 38.2% to 13.0%, such that the tax expense improved considerably year on year (EUR –8.9m; prior year: EUR –14.4m).

Ströer Digital

In EUR m	2015	2014	Change in %
Segment revenue, thereof	**243.5**	**165.4**	**47.2**
Digital (Online)	236.4	164.1	44.0
Other	7.1	1.3	>100.0
Operational EBITDA	**79.5**	**39.0**	**>100.0**

The Ströer Digital segment reported strong growth once again in the fiscal year and thus continued unabated on its upwards trajectory. Given the fact that we are continually adding to and expanding our business, the segment figures can only be compared with those of the prior year to a limited extent. Adjusted for the business acquisitions, all areas of the digital segment saw strong organic growth, led by our public video products. While digital marketing succeeded in monetizing the base of publishers which it had strengthened in the prior year and also selling more video and mobile products, public video reported a year-on-year increase in demand, especially from new customers. At the same time, our investments in other digital business models also contributed to robust organic growth. The integration of the newly acquired companies was simultaneously driven forward and we are increasingly able to leverage synergies and economies of scale on both the revenue and cost side.

→ For information on the reconciliation of segment figures to group figures, see our explanations in note 34 of the notes to the consolidated financial statements "Segment reporting"

Out-of-Home Germany

In EUR m	2015	2014	Change in %
Segment revenue, thereof	**464.0**	**429.1**	**8.1**
Billboard	208.6	198.3	5.2
Street furniture	137.6	129.5	6.3
Transport	54.5	52.6	3.6
Other	63.3	48.8	29.6
Operational EBITDA	**124.5**	**97.8**	**27.2**

Segment reporting in the Ströer Group follows the management approach under IFRS 8, according to which external segment reporting should follow the internal reporting structure. The internal reporting structure of the Ströer Group is based on the concept of proportionate consolidation of joint ventures. As a result, despite the new provisions under IFRS 11, 50% of the four joint ventures' contributions are included in the figures detailed in this section for the Out-of-Home Germany segment, as in the past. The other segments are not affected by this approach as there are no joint ventures in their portfolios.

In fiscal year 2015, the Ströer Group recorded significant growth in **revenue** in the Out-of-Home Germany segment, with both national and regional business contributing considerably to that growth. In addition to demand which continues to be very robust and dynamic, this upwards trend was largely bolstered by a number of sales measures.

The **billboard** product group, which targets both national and regional customers, grew its revenue by EUR 10.4m, bringing it to EUR 208.6m in the reporting period. This product group benefited on the one hand from the optimization of the national sales organization in the prior year, and on the other hand from the related regional sales force expansion, which had a markedly positive effect on business. By contrast, the **street furniture** product group serves mainly national and international customer groups. Business was expanded further in this product group too, allowing it to close the fiscal year with revenue of EUR 137.6m, an increase of EUR 8.2m. The **transport** product group, which has only comprised advertising on buses and trains since the start of 2015, closed the year at a low level with just minimal increases in revenue.

The strong growth in the **other** product group was primarily due to higher production revenue. This increase can be largely attributed to the increase in revenue from small local customers as this customer group is much more interested in full-service solutions, including the production of advertising materials.

Due to increased operating activities, the Out-of-Home Germany segment also saw its **cost of sales** increase, albeit at a much lower rate than revenue. In this connection, the cost-cutting program that was expanded in the prior year had a markedly positive impact on the cost structure in 2015 in particular. The cost cutting also led to a sustained reduction in overheads. Against this backdrop, the segment generated **operational EBITDA** of EUR 124.5m in the fiscal year (prior year: EUR 97.8m) and an **operational EBITDA margin** of 26.8% (prior year: 22.8%).

Out-of-Home International

In EUR m	**2015**	2014	Change in %
Segment revenue, thereof	**142.8**	**147.3**	**–3.0**
Billboard	114.5	120.7	–5.2
Street Furniture	20.3	20.0	1.7
Other	8.0	6.5	22.1
Operational EBITDA	**25.0**	**24.6**	**1.7**

The OOH International segment includes our Turkish and Polish out-of-home activities and the western European giant poster business of the blowUP group.

The OOH International segment generated **revenue** totaling EUR 142.8m in 2015, seeing it decrease EUR 4.5m year on year. This drop in revenue was primarily due to the geopolitical uncertainties and the related depreciation in the Turkish lira affecting the Turkey sub-segment. In local currency, however, revenue only fell marginally. In Poland, revenue was also slightly lower than in the prior year given the persistently challenging market environment. The BlowUP group was unable to attain the high growth rates of the prior year but managed to maintain and marginally increase the high level of revenue seen in the prior year.

In terms of cost of sales, all three sub-segments varied in their development. While our out-of-home business in Turkey and the BlowUP group reported higher cost of sales due to increased lease expenses, costs in Poland continued to fall. Given the additional savings in overheads, **operational EBITDA** improved overall at EUR 25.0m (prior year: EUR 24.6m). The **operational EBITDA margin** also picked up by 0.8 percentage points and came to 17.5%.

Net Assets and Financial Position

Main features of the financing strategy

Ströer is systematically pursuing a conservative and long-term financing strategy. Securing financial flexibility is a top priority of the Ströer Group.

The main objectives of the Ströer Group's financial management include:

- Safeguarding liquidity and its efficient management throughout the Group
- Maintaining and continuously optimizing the Group's financing capabilities
- Reducing financial risks, including by using financial instruments
- Optimizing the cost of capital for debt and equity

The financing of the Ströer Group is structured in such a way that it provides us with a sufficient degree of flexibility to react appropriately to changes in the market or competition. We also see the ongoing optimization of our financing costs and loan covenants as well as the diversification of our investors as further important financing objectives.

As part of our financing components, we ensure that our financial liabilities have an appropriate maturity profile and that the portfolio of banks and financial intermediaries with which we work is appropriate and stable. We operate on the basis of binding standards that ensure transparency and fairness for lenders. In working with our lending banks, it is of particular importance to us that we establish long-term and sustainable relationships.

The Ströer Group currently obtains its external financing from a syndicate of banks comprising 11 selected national and international institutions. The financing comprises a credit facility agreed in April 2014, the conditions of which were amended in the Ströer Group's favor to reflect its current situation in April 2015. At the same time, the volume was reduced from EUR 500m to EUR 450m, with the possibility to increase it by a further EUR 100m at a later date. The term of the facility was also extended by one year until April 2020. The loans were issued without collateral. This provides the Ströer Group with stable, long-term financing at low borrowing costs. The costs incurred in connection with the amendment are being amortized over the term of the agreement.

As of the reporting date, no single bank accounted for more than 20% of all loan amounts, hence there is a balanced diversification of the loan provision. Since we had only utilized EUR 282.7m (including utilization by bank guarantees) of our group-wide working capital facilities amounting to a total of EUR 461.3m as of the 2015 reporting date, we still have substantial unutilized financing facilities available beyond the existing cash on hand (EUR 56.5m). The credit margins for the different loan tranches depend on the leverage ratio. The financial covenants reflect customary market conditions and relate to two key performance indicators (leverage ratio and fixed charge ratio), which were met as of the end of the year with plenty of leeway to the relevant covenant limit. As of 31 December 2015, the Group had unutilized short and long-term credit facilities of EUR 178.6m (prior year: EUR 189.2m).

The loans all have a floating rate of interest. As of 31 December 2014, there were fixed interest rate swaps for around EUR 40m of these syndicated credit facilities. The terms of these swaps ended in January 2015. As part of the financing strategy, the board of management regularly examines the possibility of hedging interest rate risks by using fixed-interest derivatives.

In cash management, we focus on managing our liquidity and optimizing the cash flows within the Group. The financing requirements of subsidiaries, if they cannot be covered by the entity's internal financing, are primarily met by intercompany loans as part of automated cash pooling. In exceptional circumstances, credit facilities are also agreed with locally based banks in order to meet legal, tax or operational requirements. In accordance with these guiding principles, the subsidiaries were once again mainly financed via the group holding company in 2015. At group level, any liquidity surpluses in the individual entities are pooled, where legally possible. Through the group holding company, we ensure at all times that the financing requirements of the individual group entities are adequately covered.

Due to the encouraging earnings development of the entire Ströer Group, net debt fell considerably by EUR 43.8m in the fiscal year to EUR 231.2m. In 2015, Ströer SE and its group entities complied with all loan covenants and obligations from financing agreements.

Continuously increasing capital requirements, primarily due to the Basel III reform package, are having a significant impact on bank lending. As a result, our objective in the medium term is to diversify our financing structure, which is currently based heavily on banks, in favor of more capital market-oriented debt. For this purpose, we will periodically examine various alternative financing options as part of our financing management (such as issuing borrower's note loans or corporate bonds) and also take into account the further optimization of the maturity profile of our financial liabilities.

The Ströer Group did not make use of any off-balance sheet financing instruments in 2015. An agreement in place at the beginning of fiscal year 2014 on the sale of trade receivables (factoring) between a Turkish group entity and a bank based in Turkey was terminated at the end of 2014. We primarily use operating leases to finance our company vehicles. Due to the low volumes involved, however, operating leases do not have a significant effect on the economic situation of the Group.

Overall assessment of net assets and financial position

The net assets and financial position of the Ströer Group improved once again in the fiscal year. The leverage ratio – the ratio between net debt and operational EBITDA – decreased further and amounted to just 1.1 as of the reporting date (prior year: 1.9). In terms of liquidity, the Ströer Group had cash of EUR 56.5m as of fiscal-year end (prior year: EUR 46.1m) as well as unutilized credit facilities of EUR 178.6m (prior year: EUR 189.2m). The credit lines are secured by a credit facility until April 2020. The Group's internal financing capability continues to be very robust. Cash flows from operating activities amounted to EUR 190.3m in 2015 (prior year: EUR 123.4m). In spite of the expansion strategy, free cash flow stood at EUR 92.4m, which was also far higher than in the prior year (EUR 65.5m). The capital increase in November gave a further considerable boost to equity gearing, bringing the equity ratio to an extremely comfortable 46.3% (prior year: 33.6%) as of the reporting date. Overall, the Ströer Group's net assets and financial position are very well balanced and sound as of fiscal year-end 2015.

Financial position

In EUR m	2015	2014	2013	2012*	2011*
Cash flows from operating activities	190.3	123.4	74.4	54.9	95.0
Cash flows from investing activities	–97.9	–57.9	–70.3	–44.1	–57.0
Free cash flow	92.4	65.5	4.1	10.8	38.0
Cash flows from financing activities	–82.0	–59.9	14.6	–121.4	–10.1
Change in cash	10.4	5.6	18.8	–110.6	27.9
Cash at the end of the period	56.5	46.1	40.5	23.5	134.0

* A retrospetive adjustment in relation to IFRS 11 was not made.

Liquidity and investment analysis

The notable upwards trend in the Ströer group's operating business also had a sustained impact on **cash flows from operating activities**, which hit a new record high at EUR 190.3m as of the reporting date (prior year: EUR 123.4m). Furthermore, cash flow benefited from a significant decrease of EUR 6.0m in interest payments, which was predominantly attributable to the optimization of refinancing in the prior year. In addition, the changes in working capital and the decrease in tax payments were advantageous for cash flow, with the latter stemming mainly from the changes made mid-year in the structure of the Ströer Group.

With outflows of EUR –97.9m (prior year: EUR –57.9m), **cash flows from investing activities** reflect the continuing growth course of the Ströer Group. Due to the expansion strategy, investments in intangible assets and property, plant and equipment were increased substantially.

As a result, Ströer managed to generate **free cash flow** of EUR 92.4m in spite of increased investing activities. In the last five years, it has financed all replacement and expansion investments and payments for growth projects and business acquisitions entirely from the cash flows from operating activities. Against this backdrop, the strong internal financing capability remains a defining feature of the Ströer Group, as demonstrated once again in the fiscal year.

With regard to **cash flows from financing activities**, EUR 54.1m of the outflows of EUR –82.0m (prior year: EUR –59.9m) related largely to the repayment of finance loans. Furthermore, a good EUR 19.5m of the outflows related to the distribution of a dividend to the shareholders of Ströer SE.

At the end of the fiscal year, **cash** totaled EUR 56.5m, up EUR 10.4m on the prior year. In conjunction with the additional available, long-term credit facilities of EUR 178.6m, we believe that the Ströer Group's liquidity remains very comfortable.

Financial structure analysis

As of the end of 2015, around 75.6% of the Ströer Group's **financing** was covered by equity and non-current debt (prior year: 75.9%). Well over 100% of the current liabilities of EUR 355.3m (prior year: EUR 229.8m) is financed at matching maturities by current assets of EUR 240.9m (prior year: EUR 169.1m) as well as available, long-term credit facilities of EUR 178.6m (prior year: EUR 189.2m).

The balance of short and long-term **financial liabilities** amounted to EUR 351.0m (prior year: EUR 348.2m) as of the end of the fiscal year. The decrease in liabilities to banks was over compensated to some extent by, among other things, additional liabilities from put options, which were granted in connection with business acquisitions.

Net debt, operational EBITDA and the leverage ratio are calculated in accordance with the Ströer Group's internal reporting structure. Accordingly, the four entities accounted for using the equity method in which Ströer holds 50.0% of shares are included in these figures on a pro rata basis as in the prior years. As such, these three ratios were unaffected by the transition to IFRS 11.

In EUR m		**31 Dec 2015**	31 Dec 2014	31 Dec 2013	31 Dec 2012*	31 Dec 2011*
(1)	Non-current financial liabilities**	302.7	307.7	351.2	311.0	413.1
(2)	Current financial liabilities**	43.3	36.5	42.3	31.6	52.6
(1)+(2)	Total financial liabilities	346.0	344.2	393.5	342.5	465.7
(3)	Derivative financial instruments**	56.5	21.6	24.3	16.9	27.4
(1)+(2)–(3)	Financial liabilities excluding derivative financial instruments	289.5	322.6	369.2	325.6	438.3
(4)	Cash**	58.3	47.6	43.1	23.5	134.0
(1)+(2)–(3)–(4)	**Net debt**	**231.2**	**275.0**	**326.1**	**302.1**	**304.3**
	Leverage ratio**	**1.1**	**1.9**	**2.8**	**2.8**	**2.3**
	Equity ratio (in %)	**46.3**	**33.6**	**31.1**	**32.4**	**27.8**

* A retrospective adjustment in relation to IFRS 11 was not made.
** Joint Ventures are consolidated proportionately.

Despite extensive investments in the fiscal year, the Ströer Group reduced its net debt from EUR 275.0m to EUR 231.2m in the fiscal year. This was largely made possible by the upwards trend in operating business, which is also reflected in a considerable improvement in operational EBITDA. Consequently, the leverage ratio, defined as the ratio of net debt to operational EBITDA, also improved noticeably to 1.1.

With regard to **trade payables**, the rise from EUR 121.7m to EUR 180.4m is mainly attributable to the inclusion of new entities in the digital segment as well as to a general increase in investing activities in the Ströer Group as a whole.

Other liabilities amounted to EUR 71.3m, up EUR 37.3m on the prior year. This was attributable, among other things, to an increase in deferred income for reported receivables where no services have yet been rendered.

The Ströer Group's **equity** increased predominantly as a result of the capital increase (EUR 378.2m) in return for a non-cash contribution as part of the acquisition of Digital Media Products GmbH, in which InteractiveMedia CCSP GmbH and the internet portal t-online.de from Deutsche Telekom AG are bundled. Furthermore, equity benefited from the profit for the period of EUR 59.5m. The increase in the reserve for put options, the distribution of a dividend to the shareholders of Ströer SE and the adjustment item for foreign currency translation for foreign operations all had the opposite effect on equity. Overall, the Ströer Group's equity rose from EUR 320.7m to EUR 675.2m, and the equity ratio improved from 33.6% to 46.3%.

Capital structure costs

In the Ströer Group, cost of capital relates to risk-adjusted required rate of return and, for the purpose of measurement in the consolidated financial statements, is determined in accordance with the capital asset pricing model and the WACC (weighted average cost of capital) approach. Cost of equity is derived from capital market information as the return expected by shareholders. We base borrowing costs on returns on long-term corporate bonds. In order to account for the different return/risk profiles of our main activities, we calculate individual cost of capital rates after income taxes for our business units.

Net assets

Consolidated statement of financial position					
In EUR m	**31 Dec 2015**	31 Dec 2014	31 Dec 2013	31 Dec 2012*	31 Dec 2011*
Assets					
Non-current assets					
Intangible assets	308.4	234.5	248.0	262.0	278.4
Goodwill	655.1	307.9	301.4	226.1	224.2
Property, plant and equipment	201.2	198.7	201.1	225.9	221.8
Investment in equity method investees	25.3	24.0	24.5	–	–
Tax assets	13.0	4.7	7.7	5.0	15.5
Receivables and other assets	13.1	15.0	10.6	14.3	14.4
Sub-total	**1,216.1**	**784.8**	**793.3**	**733.3**	**754.3**
Current assets					
Receivables and other assets	177.5	117.8	112.8	96.7	85.8
Cash	56.5	46.1	40.5	23.5	134.0
Tax assets	5.6	4.3	4.2	4.8	3.1
Inventories	2.7	0.9	2.8	5.5	5.4
Sub-total	**242.3**	**169.1**	**160.3**	**130.5**	**228.4**
Total assets	**1,458.4**	**953.9**	**953.6**	**863.7**	**982.6**
Equity and liabilities					
Equity and non-current liabilities					
Equity	**675.2**	**320.7**	**296.7**	**279.6**	**273.5**
Non-current liabilities					
Financial liabilities	302.7	307.7	351.2	311.0	413.1
Deferred tax liabilities	68.7	54.8	54.9	55.1	71.4
Provisions	56.4	40.8	38.4	37.2	31.3
Sub-total	**427.8**	**403.3**	**444.4**	**403.2**	**515.8**
Current liabilities					
Trade payables	180.4	121.7	103.2	80.5	77.5
Financial and other liabilities	119.5	74.4	82.1	65.9	81.7
Provisions	34.9	23.1	20.6	18.6	21.0
Income tax liabilities	20.4	10.5	6.6	16.0	13.1
Sub-total	**355.3**	**229.8**	**212.5**	**180.9**	**193.3**
Total equity and liabilities	**1,458.4**	**953.9**	**953.6**	**863.7**	**982.6**

* A retrospective adjustment in relation to IFRS 11 was not made.

Analysis of the net asset structure
The Ströer Group's **total assets** amounted to EUR 1,458.4m as of 31 December 2015 (prior year: EUR 953.9m).

The considerable rise in total assets is attributable first and foremost to additions to **non-current assets** which, at EUR 1,216.1m, were EUR 431.3m higher than in the prior year. The acquisition of Digital Media Products GmbH, in which InteractiveMedia CCSP GmbH and the internet portal t-online.de from Deutsche Telekom AG are bundled, was mainly responsible for this growth. The additions, both from this acquisition and from numerous smaller M&A transactions, are chiefly reflected in intangible assets including goodwill. Furthermore, the rise in non-current deferred taxes of EUR 8.5m is almost exclusively due to the business acquisitions made in the fiscal year.

By contrast, the growth in **current assets**, which stood at EUR 242.3m as of the reporting date (prior year: EUR 169.1m), was much lower than that of non-current assets. Notable changes were seen in particular here in current receivables and other assets. These were due on the one hand to the EUR 32.1m increase in trade receivables, which was almost exclusively the result of entities being consolidated for the first time. On the other hand, the changes were due to current financial receivables, which increased from EUR 8.9m to EUR 28.9m year on year mainly as a result of receivables from purchase price adjustments (M&A) and contractual compensation claims.

The Ströer Group's **off-balance sheet assets** include a substantial portfolio of internally generated advertising concessions with municipalities and private lessors. This is due to the fact that only advertising concessions that were acquired as part of business combinations are recognized as intangible assets. Thanks to our strong market position, we also have a broad-based portfolio of sustainable customer relationships on the sales side. The majority of these customer relationships can also be classified as off-balance sheet assets. Other financial obligations amounted to EUR 1,005.2m as of 31 December 2015 (prior year: EUR 1,011.6m) and related to obligations from not yet completed investments and leases based on operating lease agreements. Due to the selected agreement structures, the latter may not be recognized in non-current assets. In addition, there are obligations of EUR 77.9m (prior year: EUR 5.8m) arising from acquisitions of shares in companies contractually agreed in 2015 and executed in 2016. For more information, see our comments in the "Subsequent events" section.

INFORMATION ON STRÖER SE

The management report of Ströer SE (formerly "Ströer Media SE") and the group management report for fiscal year 2015 have been combined pursuant to Sec. 315 (3) HGB ["Handelsgesetzbuch": German Commercial Code] in conjunction with Sec. 298 (3) HGB. The separate financial statements and the combined management report of the Company and the Group are published at the same time in the elektronischer Bundesanzeiger [Electronic German Federal Gazette].

Description of the Company

Ströer SE operates as the holding company. It exclusively performs group management duties and renders administrative and other services for the Group. These include in particular finance and group accounting, corporate and capital market communication, IT services, group financial control and risk management, research and product development as well as the legal and compliance and corporate development functions.

The following figures and comments relate to the separate financial statements of Ströer SE which were prepared in accordance with the provisions of the HGB and the AktG ["Aktiengesetz": German Stock Corporation Act].

Results of operations

Ströer SE boosted its **result from ordinary activities** considerably in the fiscal year from EUR 31.9m to EUR 48.4m. This increase was primarily due to significantly higher income from intragroup profit and loss transfers, which almost doubled year on year at EUR 93.7m (prior year: EUR 46.9m). By contrast, the other operating result, in particular, did not fare as well, being impacted by higher legal and consulting fees, restructuring costs and the group-wide harmonization of overhead cost allocations. The significant increase in the result from ordinary activities, together with the EUR 5.1m year-on-year improvement in the tax result, had a very positive effect on the Company's **profit for the period**. Overall, the profit for the period came to EUR 47.1m (prior year: EUR 26.0m).

In EUR k	**2015**	2014
Other own work capitalized	31	87
Other operating income	19,755	26,699
Personnel expenses	–23,116	–21,361
Amortization, depreciation and impairment of intangible assets and property, plant and equipment	–7,863	–5,825
Other operating expenses	–28,968	–16,475
Income from equity investments	890	4,500
Income from profit and loss transfer agreements	89,531	45,952
Income from loans classified as non-current financial assets	1,395	2,640
Interest and similar expenses/income	–3,263	–4,339
Result from ordinary activities	**48,392**	**31,877**
Extraordinary result	–664	–240
Income taxes	–561	–5,641
Other taxes	–27	–42
Profit for the period	**47,140**	**25,955**
Profit carryforward	45,955	48,631
Allocation to other retained earnings	–6,407	–23,744
Dividend distribution	–19,548	–4,887
Accumulated profit	**67,140**	**45,955**

Other operating income totaled EUR 19.8m in the fiscal year (prior year: EUR 26.7m). This decrease is attributable in part to the group-wide harmonization of holding cost allocations implemented at the start of 2015. Furthermore, the prior-year result included one-time effects which did not occur in 2015.

By contrast, **personnel expenses** only saw a slight increase of EUR 1.8m against the prior year to EUR 23.1m.

At EUR 7.9m, **amortization, depreciation and write-downs** of intangible assets and property, plant and equipment were higher than in the prior year. As in the prior year, in addition to regular amortization and depreciation, this figure includes in particular the additional amortization charge on intangible assets recognized within the context of the restructuring of the IT landscape.

Other operating expenses were negatively impacted by, among other things, higher legal and consulting fees, restructuring costs and the group-wide harmonization of overhead cost allocations and amounted overall to EUR 29.0m (prior year: EUR 16.5m).

Income from equity investments in 2014 benefited from a dividend distribution by BlowUP Media GmbH of EUR 4.5m which related to several prior years. In 2015, however, this income was much lower at EUR 0.9m.

With a view to the **income from profit and loss transfer agreements**, Ströer SE recorded profit transfers of EUR 89.5m from its subsidiaries in the reporting period (prior year: EUR 46.0m). At EUR 92.7m (prior year: EUR 46.9m), the largest portion thereof by far stemmed from Ströer Media Deutschland GmbH under the profit and loss transfer agreement concluded in 2010. The pleasingly high profit transfer is attributable to the continued very robust development of the German Ströer Group's business.

Income from loans classified as non-current financial assets relates to long-term intragroup loans that Ströer SE granted to its subsidiaries in the fiscal year or in prior years. The decline to EUR 1.4m (prior year: EUR 2.6m) this item reflects, among other things, the Ströer Group's lower cost of refinancing, which we passed on to our subsidiaries in the form of reduced interest rates. It is also due to the fact that existing loans of EUR 65.0m to our subsidiaries in Poland and Turkey were converted into equity toward the end of 2014.

At EUR –3.3m (prior year: EUR –4.3m), **interest and similar expenses/income** by contrast was positively shaped in particular by new interest terms negotiated with our banks in April 2015. At the same time, the lower net debt of the Ströer Group reduced the interest margin payable to the banks.

At EUR –0.6m, the **tax result** improved considerably year on year (prior year: EUR –5.6m). Among other things, this reflects the changes in the structure of the Ströer Group which have led to a decline in tax expenses.

Net assets and financial position

Ströer SE's total assets increased from EUR 663.1m to EUR 1,049.1m in the reporting period (up EUR 386.0m). The major reason for this increase was the acquisition of shares in Digital Media Products GmbH, which affected assets under shares in affiliates and equity as part of a capital increase in return for a non-cash contribution. Furthermore, the financial position changed significantly due in particular to the profit transfer receivable from Ströer Media Deutschland GmbH of EUR 92.7m (prior year: EUR 46.9m). Other effects stemmed from the rise in receivables from subsidiaries, which had been provided additional funds under the expansion strategy in digital business.

In EUR k	2015	2014
Assets		
Non-current assets		
Intangible assets and property, plant and equipment	13,247	13,868
Financial assets	886,205	569,822
	899,451	**583,690**
Current assets		
Receivables and other assets	143,941	61,082
Cash on hand and bank balances	1,050	14,375
	144,991	**75,457**
Prepaid expenses	**4,662**	**3,924**
Total assets	**1,049,105**	**663,071**
Equity and liabilities		
Equity	**850,657**	**526,665**
Provisions		
Provisions for pensions and similar obligations	20	20
Tax provisions	11,215	7,568
Other provisions	9,310	7,161
	20,545	**14,749**
Liabilities		
Liabilities to banks	64,485	49,167
Trade payables and other liabilities	8,385	5,403
Liabilities to affiliates	90,362	48,411
Liabilities to other investees	5,500	3,990
	168,732	**106,971**
Deferred tax liabilities	**9,171**	**14,686**
Total equity and liabilities	**1,049,105**	**663,071**

Analysis of the net asset structure

Intangible assets and property, plant and equipment were roughly on a par with the prior year at EUR 13.2m (prior year: EUR 13.9m), with depreciation and amortization being almost entirely compensated for by corresponding additions.

By contrast, Ströer SE saw a considerable change in its **shares in affiliates**, which were up EUR 287.4m against the prior-year figure at EUR 811.4m. The main reason for this increase, accounting for EUR 284.6m, was the acquisition of all of the shares in Digital Media Products GmbH, Darmstadt. With economic effect as of 2 November 2015, Ströer SE acquired all of the shares in this company, in which InteractiveMedia CCSP GmbH, Darmstadt, and the internet portal t-online.de from Deutsche Telekom AG are bundled. Ströer SE also acquired the remaining 10.0% of the shares in BlowUP Media GmbH for a purchase price of EUR 2.6m, effective 27 May 2015.

At EUR 74.8m, **loans to affiliates** were also significantly higher than in the prior year (up EUR 29.0m). The funds made available to subsidiaries in this connection were predominantly used to finance the expansion strategy in digital business. Specifically, the lion's share of the increase, at EUR 21.2m, is attributable to the newly established subsidiary Ströer Venture GmbH, and EUR 11.2m is attributable to STRÖER media brands AG (formerly GIGA Digital AG).

With a view to **receivables and other assets**, the increase in the reporting period came to EUR 82.9m, bringing the balance to EUR 143.9m at fiscal-year end. At EUR 71.1m, current receivables from affiliates were chiefly responsible for this significant growth. EUR 45.8m thereof was attributable to the increase in profit transferred by Ströer Media Deutschland GmbH, which at EUR 92.7m was almost twice as high as in the prior year (prior year: EUR 46.9m). A further EUR 23.2m related to Ströer Ströer Content Group GmbH, with the addition attributable on the one hand to its integration in the cash pool with Ströer SE, and on the other to the provision of additional funds as part of the expansion strategy in digital business. In addition, Ströer SE recognized a receivable of EUR 8.6m under other assets from purchase price adjustments in connection with the acquisition of shares in Digital Media Products GmbH.

Bank balances amounted to EUR 1.1m as of the reporting date, down EUR 13.3m on the prior-year figure. For further information, see the liquidity analysis in the following section.

Prepaid expenses stood at EUR 4.7m as of 31 December 2015, up EUR 0.7m on the prior year. This increase was primarily due to the capitalization of costs incurred in April 2015 as part of the new refinancing arrangement, which will be amortized over the loan period of five years.

Financial structure analysis

Ströer SE's **equity** rose by EUR 324.0m to EUR 850.7m in fiscal year 2015. EUR 296.4m of this increase was attributable to the contribution of the shares in Digital Media Products GmbH as part of a capital increase in return for a non-cash contribution by Deutsche Telekom AG (see our comments under "Shares in affiliates"). In turn, Deutsche Telekom AG has become a shareholder of Ströer SE and received 6,412,715 new shares in this connection. Furthermore, the profit for the period in 2015 of EUR 47.1m increased equity, while the dividend for 2014 of EUR 19.5m distributed in 2015 decreased equity. The equity ratio rose from 79.4% to 81.1%, thereby remaining very comfortable.

As regards **provisions**, the Company saw a moderate increase from EUR 14.7m to EUR 20.5m. The main cause for this change was, in particular, the tax provisions which, at EUR 11.2m, were EUR 3.6m up on the prior year. In addition, other provisions increased from EUR 7.2m to EUR 9.3m.

Ströer SE saw its **liabilities to banks** increase by EUR 15.3m to EUR 64.5m, which was almost exclusively due to the higher utilization of the working capital facility provided by its banking syndicate. For further information, see the liquidity analysis in the following section.

In terms of **liabilities to affiliates**, too, the year-end balance of EUR 90.4m was considerably higher than in the prior year (prior year: EUR 48.4m). This was due to the fact that some of the subsidiaries had considerable amounts of cash and cash equivalents which they temporarily transferred to Ströer SE in order to optimize the Group's financing.

Trade payables and **other liabilities** increased by EUR 3.0m overall year on year to EUR 8.4m.

Liquidity analysis

In EUR m	**2015**	2014
Cash flows from operating activities	17.5	27.6
Cash flows from investing activities	–33.2	–28.5
Free cash flow	**–15.7**	**–0.9**
Cash flows from financing activities	2.4	6.1
Change in cash	**–13.3**	**5.1**
Cash at the end of the period	1.1	14.4

In fiscal year 2015, Ströer SE generated **cash flows from operating activities** of EUR 17.5m (prior year: EUR 27.6m). While the profit of EUR 46.9m transferred by Ströer Media Deutschland GmbH for fiscal year 2014 was only slightly lower than in the prior year (EUR 47.5m), higher outflows for the operating business of the holding company, which included extensive costs in connection with M&A transactions, led to the reduction in cash flow.

With a view to **cash flows from investing activities**, outflows were slightly higher than in the prior year (EUR –33.2m; prior year: EUR –28.5m), and related primarily to loans of EUR 21.2m to the newly established Ströer Venture GmbH. In other respects, investments in intangible assets were also up slightly.

Free cash flow – defined as cash flows from operating activities less cash flows from investing activities – amounted to EUR –15.7m in fiscal year 2015, down EUR 14.8m on the prior year. The discrepancy between the free cash flow and the considerable improvement in the Company's profit for the period is largely attributable to the time lag of Ströer Media Deutschland GmbH's profit transfer to Ströer SE, which will positively impact Ströer SE's free cash flow in fiscal year 2016.

Cash flows from financing activities were shaped in particular by the cash inflows from temporary loans by group entities to optimize refinancing costs across the Group as well as by higher loans from banks. These contrasted with the distribution of a dividend to the shareholders of Ströer SE (EUR 19.5m) and the outflows to group entities as a result of cash pool financing (EUR 23.9m). On balance, there was thus a slight net cash inflow of EUR 2.4m (prior year: EUR 6.1m).

Cash decreased by EUR 13.3m year on year to EUR 1.1m as of the reporting date.

Ströer SE's **net financial assets** break down as follows:

In EUR m	**31 Dec 2015**	31 Dec 2014
(1) Non-current financial liabilities	–60.0	–49.0
(2) Current financial liabilities (including intragroup financial liabilities)	–90.5	–49.5
(1)+(2) Total financial liabilities	**–150.5**	**–98.5**
(3) Intragroup non-current and current financial receivables	200.8	100.8
(1)+(2)–(3) Financial liabilities (less intragroup financial receivables)	**50.3**	**2.4**
(4) Cash	1.1	14.4
(1)+(2)–(3)–(4) Net financial assets	**51.4**	**16.7**
Equity ratio (in %)	**81.1**	**79.4**

Ströer SE's net financial assets improved year on year, increasing from EUR 16.7m to EUR 51.4m. The considerable upwards trend in the Ströer Group's operating business and the related increase in profit transfer by Ströer Media Deutschland GmbH made a substantial contribution in this regard. Overall, Ströer SE's net financial assets remain positive and the Company thus has an extremely stable financing structure.

As the holding company, the development of Ströer SE is closely linked to the performance of the entire Ströer Group. Due to its comfortable equity ratio and the continued very positive results of its subsidiaries, we are confident that the Company, like the entire Group, is extremely well positioned to meet future challenges.

Anticipated development of the Company

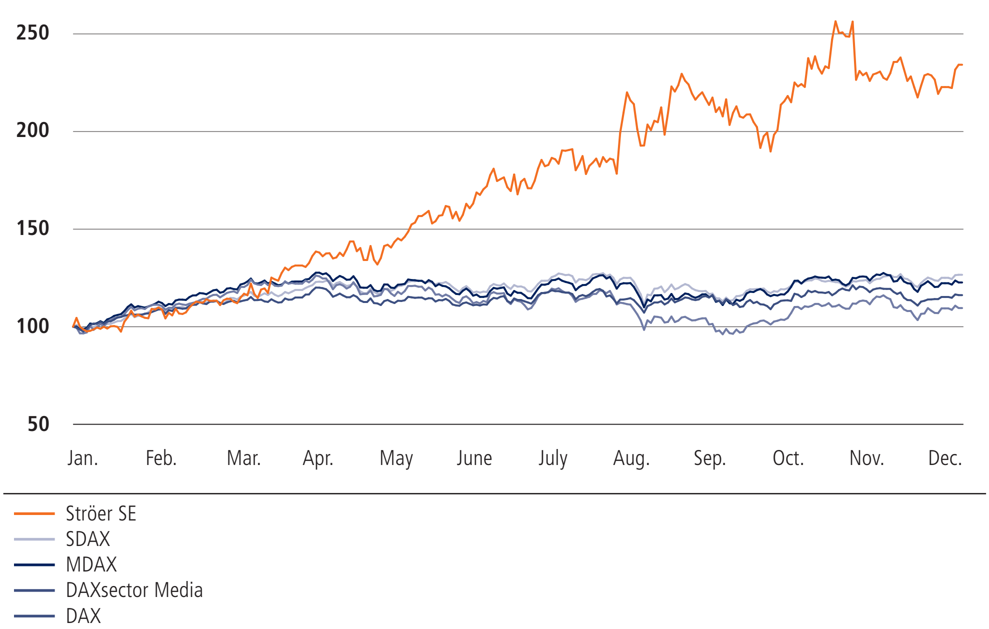
Due to its role as group parent, the anticipated development of Ströer SE depends on the development of the Group as a whole. Based on the Group's predicted results of operations for 2016 presented under "Forecast", we expect the subsidiaries to generate even higher earnings contributions overall and Ströer SE to achieve even higher results in the future.

INFORMATION ON THE SHARE

The stock market was shaped by considerable fluctuations in 2015, with the uncertain monetary policy of the ECB and the US Federal Reserve as well as the development of economic growth in China playing a role. Having begun the year at 9,869 points, the DAX reached a record high of 12,390 points in April and fell to its annual low of 9,325 points at the end of September. The DAX closed the last trading day of 2015 at 10,743 points. This corresponds to an increase of 8.86% over the year as a whole.

The Ströer share performed extremely positively in 2015 and was one of the best performers on the SDAX. After closing 2014 at around EUR 24.72 (as of 31 December 2014), the share closed the reporting year at EUR 57.90 (as of 30 December 2015). This corresponds to an increase of more than 134% over the year as a whole. Ströer SE has been listed in the MDAX since 21 December.

The Ströer share in a 2015 index comparison



Source: Bloomberg

Targeted investor relations

In addition to complying with the statutory disclosure requirements, we aim to ensure a trust-building and transparent dialog through continuous and personal contact with analysts, investors and interested capital market players. We provide information about current developments through roadshows, meetings at our group headquarters and regular telephone contact. Active dialog with capital market players also helps to optimize our investor relations work in order to guarantee sustainable shareholder value. We continuously assess our shareholder structure and adapt our roadshow destinations accordingly. The main venues for our presentations in the reporting year were Frankfurt am Main, London and New York. We also regularly visit Paris, Zurich, Scandinavia and the west coast of the US. In addition, we hold Capital Market Days, Analyst Days and Lender Days to address individual issues from different capital market perspectives. Furthermore, we place value on a personal dialog with private shareholders, to whom we also pay close attention by participating in public shareholder forums.

Another key communication channel is our website http://www.stroeer.com, where we promptly publish capital market-related information and documents.

Shareholder meeting

Ströer SE's shareholder meeting was held at the Koelnmesse Congress Center on 30 June 2015 and was attended by approximately 60 shareholders, guests and representatives of the press. Overall, nearly 80% of the capital stock was represented. Most of the resolutions proposed by the supervisory board and board of management were accepted by majorities of more than 80%. This also included the distribution of a dividend of EUR 0.40 per qualifying share. The proposals to waive disclosure of the remuneration paid to the individual members of the board of management in the separate and consolidated financial statements as well as to authorize the issue of convertible bonds and/or bonds with warrants were not adopted due to a three-quarters majority not being achieved.

Extraordinary shareholder meeting

On 25 September 2015, Ströer SE's extraordinary shareholder meeting took place at the Koelnmesse Congress Center and was attended by some 80 participants. The main reason for the extraordinary shareholder meeting was the proposed change of the legal structure from Ströer SE to a partnership limited by shares (KGaA). Overall, around 79.0% of the capital stock was represented. The resolutions proposed by the supervisory board and board of management were accepted by majorities of more than 80.0%. This also included the proposed conversion to a KGaA, which was accepted by a majority of over 84.0%.

Stock exchange listing, market capitalization and trading volume

Ströer SE stock is listed in the Prime Standard of the Frankfurt Stock Exchange. It was listed in the SDAX, a selection index of Deutsche Börse, from September 2010 and was admitted to the MDAX, a Prime Standard Index, on 21 December 2015. Based on the closing share price on 30 December 2015, market capitalization came to around EUR 3.2b. The average daily volume of Ströer stock traded on German stock exchanges was 161,872 shares over the 12 months of 2015, more than double the prior-year volume.

Analysts' coverage

The performance of Ströer SE is tracked by 13 teams of analysts. Based on the assessments at the end of the 12-month reporting period, 13 of the analysts are giving a "buy" recommendation. The latest broker assessments are available at http://ir.stroeer.com and are presented in the following table:

Investment bank	Recommendation*
Bankhaus Lampe	Buy
Citigroup Global Markets	Buy
Commerzbank	Buy
Deutsche Bank	Buy
ExaneBNP	Buy
Hauck & Aufhäuser	Buy
Jeffries	Buy
J.P. Morgan	Buy
KeplerCheuvreux	Buy
Liberum	Buy
MainFirst	Buy
Morgan Stanley	Buy
OddoSeydler	Buy

*As of 31 December 2015

Capital measures

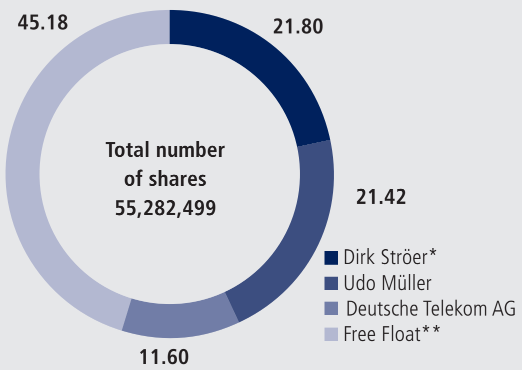
The total number of shares increased from 48,869,784 to 55,282,499 in the reporting period. This increase stems from the contribution of the shares in Digital Media Products GmbH in connection with a capital increase in return for a non-cash contribution by Deutsche Telekom AG.

Shareholder structure

CEO Udo Müller holds 21.42%, supervisory board member (until 2 November 2015) Dirk Ströer holds 21.80% and Christian Schmalzl holds around 0.05% of Ströer SE shares. The free float comes to around 45%. According to the notifications made to the Company as of the date of preparation of this report on 7 March 2016, the following parties reported to us that they hold more than 3% of the voting rights in Ströer SE: Deutsche Telekom AG (11.60%), Allianz Global Investors Europe (5.88%) and Credit Suisse (4.63%).

Shareholder structure of Ströer SE

As of 25 November 2015, in %



* Includes shares of companies in which Dirk Ströer holds a majority interest

** Free float, thereof:

Allianz Global Investors Europe[1], Germany	5.88%
Credit Suisse[1, 2, 3], Switzerland	4.63%
Christian Schmalzl	0.05%

[1] According to voting right notification in accordance with Sec. 21, 22 (1) WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]

[2] According to voting right notification in accordance with Sec. 25 (1) WpHG

[3] According to voting right notification in accordance with Sec. 25a (1) WpHG

Dividend policy

In the reporting year, Ströer SE paid a dividend of EUR 0.40 per qualifying share. Ströer SE intends to continue to allow shareholders to participate in any successful profit development.

Key data of Ströer SE stock

Capital stock	EUR 55,282,499
Number of shares	55,282,499
Class	Bearer shares of no par value (share in capital stock of EUR 1.00 per share)
First listing	15 July 2010
ISIN	DE0007493991
SIN	749399
Stock ticker	SAX
Reuters	SAXG.DE
Bloomberg	SAX/DE
Market segment	Prime Standard
Index	MDAX
Designated sponsors	OddoSeydler
Opening price 2015 (2 January)	EUR 24.61
Closing price 2015 (31 December)*	EUR 57.90
Highest price 2015 (10 November)*	EUR 63.40
Lowest price 2015 (21 January)*	EUR 24.10

*Closing price in XETRA in EUR

EMPLOYEES

Training and developing our employees is crucial for the success of the Ströer Group. The main tool here is our qualified on-the-job training. Demographic change and the altered expectations of young graduates mean that requirements are constantly increasing in relation to the recruitment and internal development of suitable employees, especially for future management roles. Committed and competent employees play a key role in business success and in the ability to innovate and increase value. Ströer aims to ensure that its employees stay with the Company in the long term and identify themselves with it. Ströer therefore places great importance on being an attractive employer by pursuing a sustainable HR policy and offering flexible working time models.

We have successfully introduced trust-based working hours in Germany as well as target agreements. In this way, we would also like to enable employees to better combine their work and personal lives and to be individually responsible for achieving business goals. Ströer is thus laying the foundations for an open and trust-based working relationship. We believe that this will significantly increase employee efficiency and satisfaction.

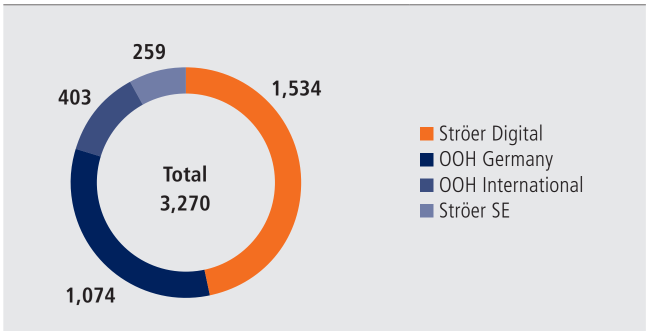
Employment situation

Headcount

As of year-end, the Ströer Group had 3,270 (prior year: 2,380) full and part-time employees. The increase of 890 positions is attributable to the digital business in Germany and results particularly from larger acquisitions such as t-online.de. In the coming year, we expect our headcount to rise, due in particular to the further expansion of our sales structure.

Employees by segment

as of 31 December 2015

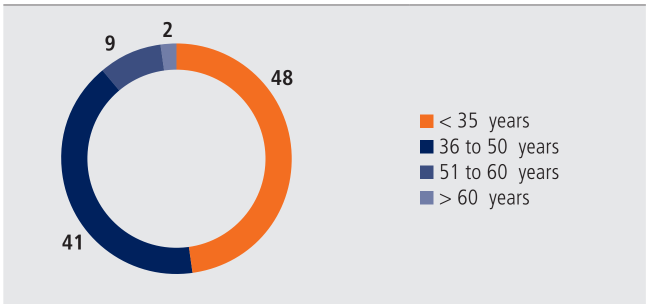


Length of service

As of the reporting date, employees had been working for an average of 6.5 years (prior year: 7.4 years) for the Ströer Group. The decline is due to the inclusion of employees in the digital segment which now also comprises companies which were established only a few years ago.

Age structure in the Group

2015 in %



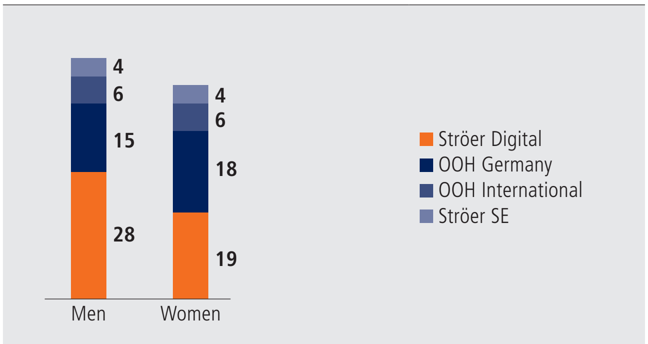
We have a balanced age structure. We aim to retain young employees through targeted training programs and to sustain their enthusiasm for our Company in the long term. They work with mentors who can support them in their careers and draw on their own extensive professional experience.

Gender structure

The share of female employees declined by 1.7 percentage points, but remained high. As of year-end, 53% of the Ströer Group's employees were male and 47% were female. This is due not least to our attractive working time models that help our staff reconcile work and family life, for example, and which make us a modern company.

Gender structure

2015 in %



Training

Vocational training and education

We systematically pursued our vocational training strategy again in 2015. This offers the Company a variety of ways to ensure the supply of qualified young staff. As of the reporting date, Ströer provided a total of 70 young talents throughout Germany with vocational training as digital and print media designers, office management assistants, marketing communications assistants and IT specialists, a substantial increase against the prior year. Our trainees receive practical training at our group headquarters and at large regional offices. In addition to traditional vocational training, Ströer offers places on cooperative study programs (BA degrees). In 2015, we employed 20 BA students in Germany. We have been offering our students the opportunity to spend one semester abroad for some time and plan to also offer our trainees the opportunity to work for one month at one of our European offices in the future.

Ströer offers BA students and trainees good prospects of a permanent position. In 2015, we again hired a large number of young talents in a wide range of business areas. We began recruiting our next trainee intake for 2016 at the end of 2015.

Further development and qualification

In the past year, we significantly enhanced our national and regional sales structures in Germany. A targeted training program comprising on the job training and individual seminars enables us to select the most successful sales staff. Our strategy here is also long term in nature. We want to involve our sales staff in the Ströer Group's strategy and drive forward the Ströer Group's revenue growth. Since the last reporting period, we have – for the first time – rigorously enhanced our regional sales operations at the level of digital products.

REMUNERATION REPORT

The remuneration report provides information on the structure and amount of remuneration paid to the board of management and supervisory board. The report takes statutory regulations into account along with the recommendations of the German Corporate Governance Code and is a component of the consolidated financial statements.

Remuneration of the board of management

The remuneration of the members of the board of management is determined by the supervisory board and reviewed on a regular basis. In accordance with the provisions of the VorstAG ["Gesetz zur Angemessenheit der Vorstandsvergütung": German Act on the Adequacy of Management Board Remuneration], the supervisory board deliberated on the decisions to be made regarding the board of management's remuneration and made appropriate resolutions. In fiscal year 2015, the board of management's remuneration once again comprised two significant components:

1. A fixed basic salary
2. Variable compensation, broken down into:
   – an annual short-term incentive (STI)
   – a long-term incentive (LTI)

The basic salary is a fixed monetary component and is paid out in equal monthly installments. In addition, the Company grants fringe benefits (remuneration in kind) for which members of the board of management are liable for tax.

The variable component for the remuneration of the board of management (STI and LTI) is linked to the performance of the board of management, the Company's performance and its increase in value. Variable compensation is linked to the achievement of key performance indicators or business targets.

Variable compensation for fiscal year 2015 is based on the following key performance indicators and business targets:

Short-term incentives (STI)
– Cash flows from operating activities

Long-term incentives (LTI)
– Return on capital employed (ROCE)
– Organic revenue growth
– Share price

The long-term incentives span a period of three to four years and carry a greater weighting than the short-term incentives.

ROCE on the basis of adjusted EBIT/capital employed
This remuneration depends on the return on capital over a period of three years. The benchmark for this is the achievement of a return equivalent to the Company's cost of capital. The agreed amount upon reaching the target in full is EUR 294k. The remuneration is limited to a maximum of two or three times this amount, which would require a return that is considerably above the cost of capital during the three-year period. Conversely, if the benchmark is not met, the remuneration is adjusted by the percentage shortfall but cannot decrease below EUR 0.

Organic revenue growth
The Company's average organic revenue growth over a three-year period is compared with the average growth of the advertising market as a whole, measured by the development of gross domestic product in the markets served by the Company. The agreed amount upon reaching the target in full is EUR 329k. If the Company's average revenue growth in the three-year period exceeds this comparative value, the remuneration can increase to a maximum of two or three times the amount. Conversely, if the benchmark is not met, the remuneration is adjusted by the percentage shortfall but cannot decrease below EUR 0.

Share price
This LTI component is linked to the development of the Company's share price over a four-year period against the reference price set at the beginning of this period. The agreed amount for the fiscal year 2015 upon reaching the target in full is EUR 242k, which as of the reporting date corresponded to 11,034 phantom stock options each with a fair value of EUR 56.19. If the share price rises during the four-year period, the remuneration component increases by the same percentage as the share price, but is limited to a maximum of two or three times the amount. Conversely, if the reference price is not met, the remuneration is adjusted by the percentage shortfall but cannot decrease below EUR 0. The members of the board of management can also decide to have the remuneration paid out in shares in the Company.

If the Company's situation should deteriorate to such an extent that continuing to grant remuneration to the board of management would be unfair, the supervisory board is authorized to reduce the remuneration to an appropriate amount.

Share-based payment
The Company's supervisory board granted stock options under a stock option plan in fiscal year 2013 for the first time and in fiscal year 2015. The stock options constitute additional long-term remuneration components and are intended to create performance incentives that promote the sustainable and long-term success of the Company. Option rights can be exercised at the earliest after the expiry of the four-year vesting period beginning on the grant date of the subscription right. The options have a contractual term of seven years. Instead of issuing new shares, the Company may choose to grant a cash payment in order to satisfy the stock options.

The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the Company's share price and the Group's operational EBITDA. The gain that can be achieved by option holders from exercising their stock options may not be more than three times the corresponding exercise price.

Total remuneration for fiscal year 2015 (2014) is presented in the table below:

Benefits granted for 2015 (2014), in EUR

	2015				2014
	Total	Udo Müller	Christian Schmalzl	Dr. Bernd Metzner	Total
Fixed remuneration	3,120,000	2,300,000	440,000	380,000	2,070,800
Fringe benefits	293,400	263,900	17,800	11,700	238,000
Total	**3,413,400**	**2,563,900**	**457,800**	**391,700**	**2,308,800**
One-year variable compensation (target reached in full)	**968,200**	**643,200**	**200,000**	**125,000**	**852,000**
Multi-year variable compensation (amount based on a probability scenario)					
LTI "ROCE" (3 years)	761,600	520,200	149,600	91,800	412,500
LTI "revenue growth" (3 years)	851,200	581,400	167,200	102,600	614,700
LTI "share price" (4 years)	627,200	428,400	123,200	75,600	452,900
LTI "other"	252,000	252,000	0	0	55,000
Share-based subscription rights (5 years)					
Total	**2,492,000**	**1,782,000**	**440,000**	**270,000**	**1,535,100**
Total remuneration	**6,873,600**	**4,989,100**	**1,097,800**	**786,700**	**4,695,900**

Benefits granted for 2015 (2014), in EUR					
	2015 minimal achievable value				**2015 maximal achievable value**
	Total	Udo Müller	Christian Schmalzl	Dr. Bernd Metzner	Total
Fixed remuneration	3,120,000	2,300,000	440,000	380,000	3,120,000
Fringe benefits	293,400	263,900	17,800	11,700	293,400
Total	**3,413,400**	**2,563,900**	**457,800**	**391,700**	**3,413,400**
One-year variable compensation (target reached in full)	**0**	**0**	**0**	**0**	**968,200**
Multi-year variable compensation (amount based on a probability scenario)					
LTI "ROCE" (3 years)	0	0	0	0	761,600
LTI "revenue growth" (3 years)	0	0	0	0	851,200
LTI "share price" (4 years)	0	0	0	0	627,200
LTI "other"	0	0	0	0	252,000
Share-based subscription rights (5 years)					
Total	**0**	**0**	**0**	**0**	**2,492,000**
Total remuneration	**3,413,400**	**2,563,900**	**457,800**	**391,700**	**6,873,600**

Total remuneration received in fiscal year 2015 and in the prior year is presented in the table below:

Benefits received in 2015 (2014), in EUR					
	2015				2014
	Total	Udo Müller	Christian Schmalzl	Dr. Bernd Metzner	Total
Fixed remuneration	3,120,000	2,300,000	440,000	380,000	2,070,800
Advance payment	1,000,000	1,000,000			0
Fringe benefits	293,400	263,900	17,800	11,700	238,000
Total	**4,413,400**	**3,563,900**	**457,800**	**391,700**	**2,308,800**
One-year variable compensation (amount paid out in the reporting period)	**968,200**	**643,200**	**200,000**	**125,000**	**852,000**
Severance payment	**0**	**0**	**0**	**0**	**400,000**
Multi-year variable compensation (scheduled term ended in the reporting period)					
LTI "ROCE" 2012	78,000	74,000	4,000	0	114,200
LTI "ROCE" 2013	0	0	0	0	46,000
LTI "revenue growth" 2012	407,000	387,000	20,000	0	524,500
LTI "revenue growth" 2013	0	0	0	0	160,000
LTI "share price" 2011	91,000	91,000	0	0	112,800
LTI "share price" 2012	0	0	0	0	70,200
LTI "share price" 2013	0	0	0	0	117,600
Total	**576,000**	**552,000**	**24,000**	**0**	**1,145,300**
Total remuneration	**5,957,600**	**4,759,100**	**681,800**	**516,700**	**4,706,100**

Re “LTI other”
The remuneration of EUR 252k (prior year: EUR 55k) for a member of the board of management is dependent on the member remaining with the Company for four years. The amount is fully repayable in the event of early termination.

Re “Share-based subscription rights”
2015: 350,000 stock options each with a weighted fair value of EUR 12.70
2014: 554,700 stock options each with a weighted fair value of EUR 3.61

Post-employment benefits for members of the board of management

Benefits granted to the board of management in the event of regular termination

Retirement benefits
There are no retirement benefit plans or other pension commitments.

Severance payments
An arrangement has been agreed for one member of the board of management which stipulates that if his employment contract is not extended, he is entitled to fixed remuneration pro rata temporis for a further four months as a severance payment.

Non-compete clause
With the exception of one member of the board of management, non-compete clauses have been agreed with the members of the board of management. The Company undertakes to pay compensation corresponding to half of the last contract-based remuneration for each full year of the non-compete clause.

Remuneration of the supervisory board
The remuneration paid to the supervisory board is approved by the shareholder meeting. The members of the supervisory board receive fixed basic remuneration, attendance fees and out-of-pocket expenses. Total remuneration in fiscal year 2015 (excluding any VAT) is presented in the table below:

In EUR	Fixed remuneration	Attendance fee per meeting	Total
Christoph Vilanek	60,000	4,000	64,000
Dirk Ströer (until 2 November 2015)	40,000	3,500	43,500
Ulrich Voigt	40,000	3,500	43,500
Vicente Vento Bosch (since 12 November 2015)	0	500	500
Total	140,000	11,500	151,500

OPPORTUNITIES AND RISK REPORT

Overall assessment of the opportunity and risk situation by the board of management

The Ströer Group's risk management system forms the basis for the board of management's comprehensive risk assessment. Our risk strategy is not based on the strict avoidance of risks but on ensuring that the business decisions we make are based on careful consideration of the opportunities and risks. At the same time, we aim to identify risks that could jeopardize the Company's ability to continue as a going concern in good time to ensure that we can immediately take action to avoid or limit any such risks. We expect all employees to deal with risks in a responsible manner.

We believe that, as of the publication date of this report, the risks currently identified and described below are manageable. There are no recognizable individual risks that could jeopardize the Company's ability to continue as a going concern. We are also confident that Ströer is in a good strategic and financial position and will take advantage of opportunities that arise. Despite the mixed economic environment in our core markets, the board of management expects market conditions to be stable overall in the current fiscal year. If a less favorable scenario were to occur, the Ströer Group would be able to react quickly and implement the internal measures needed to adjust its investment and cost budgets.

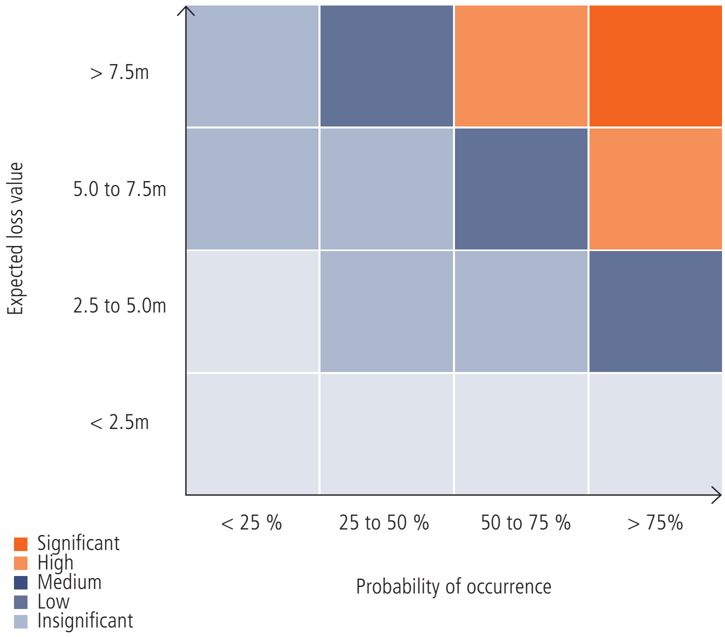
Opportunity and risk management system

Our Chief Financial Officer is responsible for opportunity and risk management, which is an integral part of corporate governance. Ströer's opportunity management is based on the success factors identified in the corporate strategy. Depending on the goals and strategies of the individual segments, responsibility for opportunity management lies with the segment's operational management in close collaboration with the headquarter offices and the board of management. The regular management of opportunities is an integral component of the planning and control process.

Ströer also has a group-wide risk management system that complies with the legal requirements under Sec. 91 (2) AktG. The consolidated group for risk management purposes is the same as the overall consolidated group.

The opportunities and risk report covers the identification, assessment, management and monitoring of core risks. These risks include all matters which pose a significant threat to our success factors and have a material effect on our earnings and liquidity situation. They can be assigned to individual risk classes according to their expected loss value (significant, high, medium, low, insignificant), which in turn are linked to various requirements for risk management. The expected loss value is determined as part of a standardized group-wide control process based on the metrics "expected loss to earnings (EBITDA) and/or cash flows" and "probability of occurrence." The following figure shows the scale of both metrics (expected loss and probability of occurrence) and the related risk matrix.

The risk relating to the expected loss value (ELV) is classified as significant, high, medium, low or insignificant based on the expected loss amount together with the probability of occurrence.



A risk officer is appointed for each business unit and is responsible for managing the risk situation in his/her unit (decentralized risk management) and reports to the group risk management department. Each business unit has risk owners for the different risk areas who report to the respective risk officer in their business unit.

In order to ensure close collaboration on operational and financial matters, the group risk management department is part of the group controlling unit at the Company's headquarters. It has the methodological and system expertise. It ensures the functionality and efficiency of the early warning system for the detection of risk and informs the board of management and the supervisory board regularly about current risks to which the Group is exposed. The internal risk report is prepared regularly and addresses the various causes of the core risks, their probability of occurrence and effects (gross and net assessment). The report also provides information on the changes in risk profiles over time. All risk officers are obligated to report ad-hoc on any unexpected risks that are identified outside the scheduled dates for the control process and exceed specific materiality thresholds.

The effectiveness of the risk management system is reviewed at regular intervals and improved when necessary. As part of the audit of the financial statements, the external auditors also regularly evaluate whether the risk management system is suitable for promptly identifying risks that could jeopardize the Company's ability to continue as a going concern. They report the results to the board of management and supervisory board.

Internal control system

The accounting-related internal control and risk management system is an important part of the Ströer Group's risk management. We understand the internal control and risk management system to be a holistic unit and refer to the definitions of the Institute of Public Auditors in Germany, Dusseldorf [Institut der Wirtschaftsprüfer in Deutschland e.V.": IDW] with regard to the accounting-related internal control system (ICS) and the risk management system. According to the definition, an internal control system comprises the policies, procedures and measures installed by management which are aimed at implementing management's decisions in order to ensure the effectiveness and efficiency of operations, correct and reliable internal and external financial reporting, and compliance with legal provisions relevant to the Ströer Group. Furthermore, the internal control system aims to help the reporting convey a true and fair view of the net assets, financial position and results of operations of the Ströer Group.

We have the following structures and processes in place with regard to the group financial reporting process:

- The Chief Financial Officer is responsible for the internal control and risk management system with regard to the group financial reporting process.
- All entities included in the consolidated financial statements are integrated in this system by way of a defined management and reporting organization.
- The policies, structures and procedures as well as the processes of the Group's accounting-related internal control and risk management system are defined for the entire Group.

We consider those elements of the internal control and risk management system which could have a considerable impact on the Group's financial reporting process and the overall picture conveyed by the consolidated financial statements and combined management report to be significant. Those elements include:

- Identification of the main risk fields and control areas relevant to the group financial reporting process.
- Controls for monitoring the group financial reporting process and the results thereof at the level of the Group's board of management and the significant consolidated entities.
- Preventative control measures in the finance and accounting functions of the Group and the entities included in the consolidated financial statements and in operating processes which generate key information for the preparation of the consolidated financial statements (and the combined management report).
- Measures to ensure that group financial reporting issues and data are processed using appropriate IT systems.
- Measures to monitor the Group's accounting-related internal control and risk management system.
- Defined channels for communicating changes in controls promptly and in full.

In addition, we also focus on monitoring the effectiveness of the internal control system, which goes beyond the Group's financial reporting, allowing us to comply with the requirements of the BilMoG ["Bilanzrechtsmodernisierungsgesetz": German Accounting Law Modernization Act].

Taking all identified opportunities and risks into account, the following section describes the areas that, from today's perspective, could have a significant positive or negative effect on the net assets, financial position and results of operations in the forecast period. The following risks are classified according to their expected loss value based on the above evaluation of the expected loss value in terms of the expected EBITDA and/or cash flow and probability of occurrence (e.g., "ELV: medium).

Market risks (ELV: low)
Macroeconomic developments could prove to be worse than assumed in the forecast due to political uncertainty or recent financial market turbulence, among other factors. As the advertising market is dependent on the economic environment, this represents a risk for all segments of the Ströer Group that, if it were to occur, could mean that the Group does not achieve its revenue and earnings targets.

We see particular economic risks for the Turkish advertising market but expect to see the market pick up overall after a difficult 2015. Ongoing domestic political uncertainties and geopolitical issues concerning Kurdish areas and Turkey's southern borders to Syria and Iraq may also have a negative impact again in 2016.

In the area of procurement, significant deviations from targets could result in particular from the loss of concessions for out-of-home advertising or large publisher contracts in the digital segment. Adverse effects could also arise from delays in the approval process, an increase in the cost of obtaining the required building approval and the rejection of attractive locations by the approval authorities. In the online media segment, there is the risk that websites in our portfolio attract less user interest than expected due to rival offerings, among other things. Fewer than anticipated unique visitors, unique users or ad impressions could adversely affect revenue from reach-based advertising. We consider these risks to be perfectly normal business risks, however, which are also very limited thanks to our highly diverse portfolio in the out-of-home and digital segments.

Procurement risks, particularly in out-of-home media can also arise from potential increases in the prices of primary products and energy or from price volatility. Other conceivable risks include the loss of key suppliers and problems with the quality of delivered products. To limit these risks, we use cross-product standardization of components and a multi-source procurement strategy.

With regard to commercialization, deviations from targets in the individual segments could arise through potential losses in income from orders placed by major advertisers or agencies, the loss of customers in intra and intermedia competition or reduced margins as a result of growing discounting in the media industry. In this connection, we regularly review our sales activities and take appropriate measures to counter the pressure for discounts.

Following the establishment of the new content-based business model centered around Germany's online portal with the largest reach, t-online.de, in the Ströer Group in the last two years, the Ströer Group is now also diversifying its advertising-heavy revenue streams to include other revenue types in the area of subscription-based business models and e-commerce activities. The aim is to mitigate general market risks in marketing advertisements.

The fast-growing change in user surfing behavior away from stationary computers toward mobile devices is presenting new challenges in particular for online display advertising. We are addressing this risk mainly by expanding our mobile advertising activities.

The increased use of ad blockers is also posing a risk to online advertising; however, the risk for our online marketing activities is limited. On the one hand, we are investing in technology designed to circumvent these ad blockers. Secondly, our website portfolio is on average less affected by ad blocking technology due in part to the user structures. Thirdly, we are increasingly offering native ad products which are not affected by ad blockers.

Political and legal risks (ELV: medium)
The ongoing discussion on data protection in politics and society at large presents a risk for our digital business activities, for which data processing is a key element. Uncertainty here stems for example from the EU's proposed General Data Protection Regulation. Changes in legal conditions, e.g., for cookie identifiers or similar technologies, are, among other things, the subject of discussion here. Even though such legal changes would only affect individual business models in our portfolio and large volumes of data are used anonymously, we are working on technological measures aimed at limiting the risk of any earnings losses.

In addition, there is a general risk from an increase in the scope of advertising bans as has been repeatedly called for in political discussions over the past few years, particularly for tobacco advertising. We are addressing this risk with different communications measures. By significantly reducing our dependency on individual advertising customers and industries, we have drastically reduced the significance of this risk.

Process risks (ELV: low)
Our business processes and communication are highly dependent on information technology. IT security is therefore a critical factor and must be ensured with regard to data integrity, confidentiality of information, authenticity and availability. A disruption or system failure could result in a loss of data and have an adverse effect on IT-based business processes. These processes are subject to ongoing improvement measures aimed at reducing these risks.

In our operating process, we focus in particular on potential quality risks to ensure the high quality and best management of our advertising media. The same applies to potential disruptions to the proper handling of quote and proposal preparation, order processing and complaints and receivables management.

Employee risks (ELV: insignificant)
A risk for Ströer is the unwanted turnover of key management personnel if they are not adequately replaced or not replaced in good time by in-house or new staff. We counter personnel risks with a number of established measures such as a performance-based remuneration system, training courses and deputization arrangements. We also strengthened our profile as an innovative and attractive media company by radically expanding our digital segment.

Financial risks (ELV: low)
Ströer's current debt poses a general financing risk. The significance of this risk is dependent on meeting the covenants set out in the loan agreements with the banking syndicate as well as duties to provide information and obtain authorization. However, this risk has decreased considerably over the course of the reporting period due to a considerable improvement in operating business.

→ For more detailed information on financial risks, see note 35 to the consolidated financial statements

Ströer is also subject to currency risks, in particular a risk arising from the translation of the financial statements of foreign operations prepared in foreign currency. However, the weight of the financial statements prepared in foreign currency in the consolidated financial statements decreased significantly in the reporting period. Transaction-based currency risks do not pose a significant risk to the Ströer Group.

The Ströer Group is mainly exposed to interest rate risks in connection with non-current floating-rate financial liabilities and existing cash and cash equivalents.

If the subsidiaries and other investees generate losses, an investment risk could arise that could have a negative effect on the Ströer Group's results of operations and liquidity. The impairment of goodwill cannot be completely ruled out if the business performance of individual companies falls short of expectations.

Finally, due to the complexity of tax law, it is possible that the tax authorities and courts will take a different view of relevant tax issues, or that they will challenge previous procedures. We mitigate this risk by maintaining a close dialog with internal and external tax specialists.

Other risks (ELV: insignificant)
The Ströer Group is also exposed to communication risks that could ultimately lead to reputational risks. However, we have two important functions – group communication and investor relations – that make the relevant information available to recipients in good time and enable us to take appropriate action.

Business acquisitions such as the acquisition of numerous companies in the digital segment over the past three years naturally entail risks stemming from, for example, customer migration, unwanted employee turnover, an increased working capital requirement or from tax and compliance issues. We mitigate such risks through appropriate analyses and control measures. The Ströer Group also has extensive experience in the integration of newly acquired companies.

Our business activities must comply with existing laws. Our legal department permanently monitors compliance with antitrust and capital market regulations, regulations on upstanding business practices and data protection rules. Furthermore, we mitigate legal risks by involving external business experts and law firms where appropriate. Ongoing legal disputes could result in litigation risks that ultimately differ from the risk assessments undertaken and the associated provision.

Opportunities

General economic opportunities arise for us if increases in the net advertising volume in our core markets of Germany, Turkey and Poland prove to be higher than in our baseline forecasts. This could be the case if the general economic trend is better than expected or if the shift in advertising budgets towards out-of-home and online advertising is more pronounced than anticipated.

The structural change in the advertising industry that is reflected in particular by the continuing digitization of media offerings could further accelerate the migration of advertising business from print media to digital media in fiscal year 2016. In this context, demand for multi-screen solutions (public video, desktop, mobile) only offered in this form by the Ströer Group could exceed forecasts. Given the continuing megatrends of digitization, urbanization and the increasing mobility of the population, our range of out-of-home and online media products puts us in a good position to offer optimal solutions to our customers. This could give rise to opportunities to gain more market share in intermedia competition than previously forecast.

Equally, bookings for mobile advertising – including those linked to regional campaigns – could be higher than expected. Our strong positioning in performance technologies and in our core out-of-home business also offers us considerable growth potential.

In addition, strategic opportunities arise from the ongoing consolidation pressure in the online advertising market. The Ströer Group's credible positioning as a pioneer in this consolidation trend could lead to further specific opportunities for inorganic growth in the future. The continuing expansion of the Group's online inventory and the further improvement of its technology position – as well as the accelerated international roll-out of its fully integrated business model – could result in positive economies of scale and synergy effects that are not included in baseline forecasts. With our fully integrated business model, we are confident that we can position ourselves even better in competition with the large publisher-based marketers and TV offerings and that we can gain market share.

The increased integration efforts currently underway at the numerous companies acquired in the reporting period may lead to unexpected synergies at the revenue/cost level. The increased exchange of technological know-how between the newly acquired units provides us with an additional opportunity to further improve our position in this area.

The quality of our advertising media portfolio is a key success factor here. Our close partnership with cities and train station operators in the area of out-of-home advertising and with publishers in the online segment could enable us to leverage additional potential at both national and international level. In Germany as well as in Turkey and Poland, the Ströer Group has a prominent position that allows it to actively shape the out-of-home and online advertising markets.

We also expect to see good growth opportunities from the further increase in our regional sales presence in the reporting period. Synergies between digital and analog offerings may be greater than originally expected.

FORECAST[1]

Overall assessment by the board of management on the Group's expected performance in 2016

The "internet of things" is the central driver of development in the entertainment and media industry thanks to the anytime and anywhere use of media on mobile end devices. Technical developments make individual needs-based use possible for consumers, regardless of where they are. The information gap between the real and the virtual world is diminishing.

For the first time, we can manage moving-picture content on online desktops, mobile and public video screens via our central ad server. We are therefore strengthening our position as the largest non-TV marketer for our advertising customers and our reputation as a provider of innovative communication solutions. The management of big data and performance publishing is also of particular interest, and the regional marketing of our out-of-home and digital portfolio is another major growth area.

To harness this potential, we plan to drive forward the expansion of our regional sales organization in Germany in 2016. We will continue to work intensively to safeguard and further expand our marketable portfolio in both the out-of-home and digital segments.

Based on our excellent market position, we again expect significant organic growth in revenue for the entire Ströer Group in 2016. Organic growth should be in the mid to high single-digit percentage range with a further slight improvement in the operational EBITDA margin compared with fiscal year 2015. Based on a higher cash flow forecast and owing to optimized financing terms in the fiscal year, we expect a further decline in finance costs. Notwithstanding M&A transactions, we will strive to further noticeably reduce the Ströer Group's leverage ratio (net debt to operational EBITDA). Factoring in investment requirements for the coming year, we anticipate (without M&A transactions) a significant increase in free cash flow. We also anticipate that our return on capital employed (ROCE) will remain virtually unchanged in the coming year.

Forward-looking statements

Our forward-looking statements for future business development reflect only the significant factors that were known at the time the financial statements were prepared and that could influence our activities in 2016. Based on past experience, the Ströer Group's revenue and earnings development is dependent on economic developments in our markets and developments in the relevant advertising markets. Revenue development is also influenced by the country-specific market share of digital and out-of-home media as a percentage of the overall advertising market. However, it is not possible to directly forecast revenue on the basis of these macroeconomic or industry-specific parameters, as the correlations between these parameters and revenue can vary considerably from year to year. In addition, conditions can change during the course of the year, which can result in significant deviations between the actual and forecast development of revenue and earnings.

The booking behavior of advertising customers throughout the advertising industry is characterized by extremely short and increasingly shorter booking lead times. This is true for out-of-home marketing and, in particular, digital marketing, where campaigns can be booked at even shorter notice for technical reasons. The expansion of RTB platforms, which enable transactions to be processed in real time, plays a major role in this development. Short booking lead times severely restrict our ability to forecast revenue and therefore earnings development.

In addition, it should be noted that for the outlook on consolidated profit, it is almost impossible to forecast the development of the relevant external market parameters, such as yield curves and exchange rates. Uncertainties in the forecasting of these parameters can also impact non-cash items in the financial result. The derivatives used to hedge these uncertainties expired in January 2015. There are currently no plans to utilize new hedging instruments. In this forecast, we expect the parameters to remain largely unchanged compared with the end of the reporting period.

1 Comparisons to the forecast values for the next year are generally based on the actual 2015 values

Future macroeconomic conditions

Global economic development fell short of expectations once again in 2015. Monetary policy normalized with the Fed raising interest rates for the first time since 2006, which should reduce liquidity slightly in 2016. The slowdown in the Chinese economy is also impacting the global economy. The low oil price is having a positive effect, however. Global growth on a par with the prior year is anticipated for 2016. In its World Economic Outlook for 2016, the IMF projects an increase of 3.6% in world output (prior year: 3.1%).

The European Commission is expecting to see GDP grow by 1.8% in the eurozone in 2016.[2] Besides the dampening effect of political and geopolitical risks (Greek debt-relief negotiations, refugee crisis in Europe), the ongoing quantitative easing and the weaker euro are having a positive effect on the economy. Overall therefore, exports, private consumption and investment should all increase moderately. Conditions on the finance markets are set to remain favorable initially in 2016 before becoming more restrictive towards the end of the year. However, we do not anticipate any major year-on-year changes in interest rates or capital markets.

In spite of the prevailing Volkswagen crisis, forecasts for **German** economic development were consistently positive in 2015. The German Federal Government is forecasting growth of 1.8%[3] for 2016, which is in line with OECD forecasts.[4] The main source of demand is domestic. Refugee migration is currently providing short-term stimulus for private and government spending. The low oil price is boosting private purchasing power and company profits. Positive impetus is also expected in the short term for exports on the back of the depreciation of the euro.

Although **Turkey** developed at a slower pace than predicted by long-term forecasts, the Turkish government and the OECD expect robust GDP growth of 3.4% in 2016.[5] Uncertainty may arise in connection with the development of the conflict in the neighboring south-eastern countries of Syria and Iraq and due to the exchange rate volatility of the Turkish lira against the US dollar and the euro. Following the parliamentary elections in the middle of the year, we believe the political situation is more stable but do not expect to see any major changes in development for the next few years.

The quantitative estimates for economic growth in **Poland** are positive. The OECD expects GDP growth of 3.4% for 2016.[6] This positive outlook is based chiefly on growing domestic demand stemming from large-scale investment plans, higher business investment and an increase in consumer spending. The promise of EU funds is also likely to have a positive effect on the economy. Fluctuations in the zloty exchange rate, however, pose a financial risk for imports and exports.

2 Source: European Commission, European Economic Forecast Autumn 2015

3 Source: Fall forecast by the German Federal Government 2015

4 Source: OECD real GDP forecasts summary, Germany, November 2015

5 Source: OECD real GDP forecasts summary, Turkey, November 2015

6 Source: OECD real GDP forecasts summary, Poland, November 2015

Future industry performance

In the eurozone, the positive growth forecast should have a stabilizing effect on the traditionally cyclical advertising sector. MagnaGlobal expects growth of 2.5% in western Europe.[7] The ZenithOptimedia agency is forecasting an average growth rate of 4.0% for 2016.[8] ZenithOptimedia expects a few strong western European advertising markets to offset low growth rates in the peripheral countries and thus ensure average growth of 3.3% until 2018.

The increasing dominance of digital media is reflected nowhere better than in the advertising sector. In its study, "Global Entertainment and Media Outlook," PricewaterhouseCoopers (PwC) predicts that revenue from digital media will account for 43% of the overall market in 2019.[9]

Development of the German advertising market

The development of the advertising market in Germany was also characterized by strong growth in the digital segment in 2015. According to ZenithOptimedia, the advertising market grew by 1.7%. Growth of 1.6% is expected for 2016.[10] MagnaGlobal predicts that advertising revenues will grow at a stable rate of 1.3% in 2016.[11] These positive forecasts for 2016 are consistent with the results of a survey conducted by the German Advertisers Association ["Organisation Werbungtreibende im Markenverband": OWM]. Owing to the stable economic outlook, advertising companies are cautiously optimistic about 2016. In the German Advertisers Association's survey, 38% of advertisers said that they expect advertising revenue to rise, just under half expect revenue to remain stable and only 14% expect a decline.[12]

Established studies forecast a slightly stronger rise in advertising revenue in the out-of-home segment compared with the advertising market as a whole. According to PwC, advertising revenue will grow at a rate of 2.7% in 2016.[13] ZenithOptimedia forecasts slightly higher growth of 3.0%.[10] The main growth drivers are likely to be digital advertising media, which PwC expects to grow by an average rate of 8% in the coming years.[13] In addition, the increased flexibility and regionalization of advertising formats as well as society's increasing level of mobility will bolster the positive development of out-of-home advertising. New technological innovations, such as iBeacons and near field communication (NFC), are opening up new potential uses for out-of-home media by combining these with other forms of advertising and new formats that enable interaction between advertisers and consumers via their smartphones. Based on the positive market outlook on the whole, we expect revenue growth in the low to mid-single-digit percentage range in the out-of-home segment.

7 Source: Magna Global Advertising Revenue Forecasts, Western Europe, December 2015
8 Source: ZenithOptimedia Advertising Expenditure Forecast, Worldwide, December 2015
9 Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2015-2019
10 Source: ZenithOptimedia Advertising Expenditure Forecast, Germany, December 2015
11 Source: Magna Global Advertising Revenue Forecasts, Germany, December 2015
12 Source: German Advertisers Association ["Organisation Werbungtreibende im Markenverband": OWM], November 2015
13 Source: PricewaterhouseCoopers, German Entertainment and Media Outlook, OOH advertising, 2015-2019

The positive development in the online advertising market in 2015 is also expected to continue in 2016. The most dynamic growth among the various media types stems from the increasing digitization of the media landscape and the strong development of the internet as an advertising medium. Improved advertising efficiency through more precise targeting and performance-based offerings provides sustainable opportunities for growth. ZenithOptimedia and PwC predict growth in online advertising revenue of 7.6% and 7.5%, respectively, for 2016.[14] PwC expects growth in the stationary online advertising market to gradually slow in light of the increasing maturity of the market. Average growth of 7.1% is expected until 2019. Mobile online advertising offers greater growth potential. PwC expects this area to grow by an average of 20.8% until 2019.[15] This growth will be driven by the increasing penetration of internet-enabled mobile devices (smartphones and tablets), the associated shift in media usage and improved monetization opportunities. We agree with these market assessments. Based on our excellent market position in the display, video and mobile advertising segments, we expect to gain further market share in these areas. Our recently attained position as the online marketer with the widest reach in Germany will also contribute to this growth in market share.

Development of the Turkish advertising market

Revenue development in the advertising market in Turkey also depends largely on the prevailing economic conditions. Provided that the political environment remains stable, revenue in the Turkish advertising market should rise in 2016 owing to the economic environment as a whole. Following negative growth of –3.0% (adjusted for inflation) in 2015, ZenithOptimedia expects advertising markets to recover and see an upwards trend to neutral growth in 2016. The same applies for the online advertising and out-of-home markets.[16]

Entwicklung des polnischen Werbemarktes

The positive outlook on the Polish advertising market is underpinned by economic growth prospects. After several years of decline, Poland has developed positively since 2014. This has resulted in an increase in total advertising spending of 2.8%. For 2016, ZenithOptimedia expects growth of as much as 3.2%. This is largely attributable to the rapidly advancing online advertising segment, where ZenithOptimedia forecasts double-digit growth. In out-of-home advertising, advertising revenue is expected to stagnate or decrease slightly.[17] We also anticipate an increase in revenue in the overall advertising market and a largely unchanged market environment for out-of-home advertising.

14 Source: ZenithOptimedia Advertising Expenditure Forecast, Germany, December 2015

15 Source: PricewaterhouseCoopers, German Entertainment and Media Outlook, online advertising, 2015-2019

16 Source: ZenithOptimedia Advertising Expenditure Forecast, Turkey, December 2015

17 Source: ZenithOptimedia Advertising Expenditure Forecast, Poland, December 2015

Anticipated revenue and earnings development

Ströer Group
We expect the Ströer Group to record organic consolidated revenue growth in the mid to high-single-digit percentage range in 2016. As well as strong growth impulses in the digital segment and minor impulses in the OOH International segment, this will also be driven by robust revenue growth in the OOH Germany segment. The acquisitions made in the fiscal year and after the reporting date will also have a significantly positive effect on full-year revenue.

We further combined public video infrastructure (digital out-of-home displays) with online assets in both the desktop and the mobile sectors in the fiscal year. Initial customer feedback on this novel product combination in the moving-picture sector has been remarkably positive. We also enhanced our digital portfolio with numerous game-changing acquisitions. In terms of marketing this product innovation and the associated growth of digital media in 2016, we expect digital revenue as a percentage of consolidated revenue to increase to over 40%.

Revenue in Poland and Turkey and some blowUP Media and digital advertising revenue is generated in foreign currency and therefore subject to exchange rate effects. Because it is almost impossible to predict the development of exchange rates, this can have a positive or negative effect on revenue and earnings in the group currency. This forecast is based on the assumption that the parameters will remain virtually unchanged compared with the end of the reporting period.

We expect a slight volume-related increase in direct advertising media costs in 2016. The increase is expected to remain below the level of organic revenue growth as we anticipate further cost savings and a more favorable product mix for the margin in the out-of-home segment. We expect an increase in overheads for the Group as a whole, which will be slightly higher than the increase in organic revenue. The planned cost increases – together with a strict cost management – relate primarily to the large number of acquired companies, inflation-related salary and other cost adjustments, as well as the strengthening of regional sales structures in Germany and the significant increase in business volume in the digital segment.

Based on the anticipated increase in business volume combined with a moderate rise in costs, we expect – provided there are no negative exchange rate effects – an increase in operational EBITDA from EUR 270m to EUR 280m in 2016. Overall, we expect the Group's operational EBITDA margin to remain stable or to increase slightly since costs are likely to increase at a slower rate than revenue. Notwithstanding significant M&A transactions in 2016, the Group's finance costs are likely to fall further due to the reduction in financial leverage in the fiscal year and the successful renegotiation of borrowing terms in the fiscal year. Thanks to tax-efficient structures, we expect an effective tax rate of around 20%. In view of the higher anticipated consolidated profit after taxes, we expect a further marked rise in earnings per share in 2016.

OOH Germany segment
In Germany we are optimistic about 2016. The economic outlook and consumer sentiment are positive. We believe that the advertising sector will also benefit from this general mood, although there is no way to reliably predict the availability and distribution of actual advertising budgets or the development of discounts. Among other things, this is because of radical changes in the media landscape and the increasing diversity of advertising offerings, especially in digital media channels, with a growing importance of social networks for the advertising industry. In this market environment, we are carving out a position for ourselves with a portfolio of attractive out-of-home and digital media that is unrivaled in Germany.

In the OOH Germany segment, we expect organic revenue growth in the mid-single-digit percentage range, which will be slightly higher than the market growth of 3.0%[18] predicted by ZenithOptimedia in the out-of-home advertising segment.

On the cost side, we expect revenue-related higher leasing fees and inflation-driven changes in direct costs. Thanks to our advantageous product mix, we also anticipate cost reductions. Due to the further expansion of the regional sales organization, in particular, overheads are likely to increase at a faster rate than inflation.

In Germany, we definitely expect the operational EBITDA margin to remain stable year on year.

OOH International segment
The OOH International segment comprises our operating activities in Turkey and Poland as well as BlowUP Media. In Turkey, unexpected increase in geopolitical instability could still negatively impact the political environment. We are seeing a relatively stable market environment in Poland despite challenging conditions.

Various internationally recognized audience measurement systems, as well as continual product portfolio enhancement and selective investments, can positively shape revenue development.

While we see positive trends in Poland, we expect the market environment to remain difficult in Turkey. Organic revenue growth should therefore be in the low single-digit percentage range in the OOH International segment.

Combined with further targeted cost management, we expect the relatively constant revenue development to result in a slight improvement in operational EBITDA and a slight rise in the operational EBITDA margin in 2016.

Ströer Digital segment
The Ströer Digital segment is benefiting greatly from strong growth in the online advertising market, particularly in Germany. In addition to the positive business development, the full-year effects of the first-time consolidation of new acquisitions in the fiscal year and in the months following the reporting date will be reflected in revenue for 2016.

According to figures published by AGOF, Ströer Digital was the number one online marketer in Germany[19] with 44 million unique users.[20] This ranking should further raise Ströer Digital's profile among customers and publishers, which will again improve our reputation as an advertising and marketing partner in 2016.

As announced in the prior year, we are anticipating further marketing success in 2016 from the linking of OOH and digital offerings, with personal (desktop, tablets, smartphones) and public screens (out-of-home displays) being combined in a new multi-screen solution.

In the area of performance-based digital products, technological advancement is playing an ever greater role in business expansion. Thus, besides the success of our performance publishing, we expect regional search engine optimization (SEO) to also stimulate revenue in digital business. Furthermore, we will source external growth opportunities in 2016 to achieve greater reach and better marketing opportunities for our portfolio as a whole.

18 Source: ZenithOptimedia Advertising Expenditure Forecast, Germany, 2015

19 per month

20 Extrapolation of marketer rankings following the merger of the offerings of Ströer Digital, InteractiveMedia and OMS based on the AGOF ranking “Digital Facts” 08/2015

In the digital segment, we are optimistic about 2016 and subsequent years. Based on the above initiatives and revenue synergies between acquired operations, we expect organic revenue growth of around 10% in 2016. We expect this revenue growth to be driven by higher expenditure in the high-demand mobile and video segments. Besides harnessing cost synergies in the area of marketing, we expect to make further investments in particular in our transactional product segment. On the back of investments in sustainable growth, we expect the operational EBITDA margin in 2016 to be between 25% and 30%.

Planned investments

Our investments in the forecast period will focus on the installation and exchange of out-of-home advertising media due mainly to the extension or acquisition of public advertising concessions. In this way, we are maintaining, modernizing and expanding our advertising infrastructure, which forms the basis for marketing out-of-home advertising faces in national and regional networks in our market. In 2016, investments are planned to further digitize out-of-home advertising in Germany. We also plan to convert more lighting systems to LED technology in order to further reduce the energy consumption of our advertising media.

In 2016, a similar level of investment in portfolio improvements as to that in 2015 is in the pipeline for our OOH International segment. Due to the demand for large-format digital advertising media, BlowUP Media plans to continue to pursue its digital strategy and to install further digital advertising media in select, highly frequented locations in European cities. At group level we remain committed to further developing our IT landscape. Furthermore, moderate investments are also planned for earnouts and subsequent purchase price payments.

In the Ströer Group, we anticipate the volume of total investments – excluding M&A activities – to amount to more than EUR 90m in fiscal year 2016. As a considerable proportion of these investments is not backed by binding investment commitments, we can significantly scale back investments if this is necessitated by market developments or the Company’s situation.

With regard to investments for M&A, the necessary process prevents us from making any forecast. We are constantly looking for acquisition opportunities with a view to sustainably increasing the value of the Company. At present, possible options include further consolidation steps in the digital segment and strategic fill-in acquisitions in the out-of-home segment. In existing business areas, we regularly review various strategic options, which may include M&A strategies.

Expected financial position

As a result of the further year-on-year increase in the Ströer Group's results of operations, we also anticipate a further improvement in the Group's financial position. Specifically, the improved results of operations should lead to higher cash flows from operating activities. In view of this and based on our planned investments in 2016, we forecast free cash flow before M&A transactions of more than EUR 120m. Due to the considerable increase in our adjusted EBIT, our return on capital employed (ROCE) should remain almost unchanged in spite of the t-online acquisition.

Following refinancing in the fiscal year, the Ströer Group's syndicated loan is secured until the middle of 2020. During the course of refinancing, we were able to further improve our borrowing terms. The covenants are designed to provide sufficient headroom even during economic and seasonal fluctuations. The leverage ratio of 1.1 at the end of the reporting period means that we are well below our target range of between 2.0 and 2.5.

We maintain our view that the existing loan gives us sufficient scope to carry out planned investments and seize any additional business opportunities that may arise during the forecast period. We assess the terms of our financing arrangements on an ongoing basis with regard to the current developments on the debt capital markets. If necessary, we will pursue any economically favorable opportunities to adjust these terms.

SUBSEQUENT EVENTS

B. A. B. MaxiPoster Werbetürme GmbH
With effect as of 6 January 2016, Ströer acquired all the shares in B. A. B. MaxiPoster Werbetürme GmbH, Hamburg. The company commercializes large-format posters and advertising faces. The purchase price for the acquired shares is approximately EUR 7.4m.

OMS Vermarktungs GmbH & Co. KG
With effect as of 19 January 2016, the Ströer Group acquired OMS Vermarktungs GmbH & Co. KG, Düsseldorf, and its general partner. OMS Vermarktungs GmbH & Co. KG is the leading premium marketer of high-quality editorial environments for regional daily newspapers and offers its advertising customers solutions for addressing attractive target groups with display, mobile, moving-picture and cross-media campaigns across all screens. In return for the shares acquired, OMS-Online Marketing Service GmbH & Co. KG will gain a 10.0% share in Ströer Digital Group GmbH.

Statista GmbH
With effect as of 1/2 February 2016, the Ströer Group acquired a total of 81.3% of the shares in Statista GmbH, Hamburg. Statista GmbH is a leading data and business intelligence portal. It offers its customers a considerable degree of efficiency and extensive cost benefits in sourcing business-relevant information – especially in the form of statistics – on a single highly relevant platform. The purchase price for the acquired shares amounts to approximately EUR 64.7m.

Change in legal form from Ströer SE to Ströer SE & Co. KGaA
On 1 March 2016, Cologne Local Court entered the change in legal form from Ströer SE to Ströer SE & Co. KGaA into the commercial register. At the same time Deutsche Börse AG admitted the shares of Ströer SE & Co. KGaA to trading on the Frankfurt Stock Exchange. Following the change in legal form, Ströer SE & Co. KGaA is now registered in the commercial register of Cologne Local Court under HRB 86922.

INFORMATION IN ACCORDANCE WITH SEC. 315 HGB AND EXPLANATORY REPORT OF THE BOARD OF MANAGEMENT OF STRÖER SE

The following information required under takeover law is presented in accordance with Sec. 315 (4) HGB.

Composition of subscribed capital

On 2 November 2015, Ströer SE's capital stock was increased by EUR 6,412,715.00 from EUR 48,869,784.00 to EUR 55,282,499.00 due to the utilization of the authorized capital. It is divided into 55,282,499 bearer shares of no par value. Each share has a nominal value of EUR 1 in the capital stock.

Restrictions concerning voting rights or the transfer of shares

The board of management is not aware of any restrictions between shareholders concerning voting rights or the transfer of shares

Investments in capital exceeding 10% of voting rights

Udo Müller holds 21.42% and Dirk Ströer 21.80% of total stock. Both shareholders are resident in Germany. Deutsche Telekom AG, Bonn, also holds a total of 11.60% of the shares in Ströer SE. The board of management has not received any notification as required by the WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] of other investments which exceed 10% of the voting rights.

Special rights granting control authority

There are no shares with special rights granting control authority.

Appointment and dismissal of members of the board of management and amendments to the articles of incorporation and bylaws

Pursuant to Sec. 84 AktG, the supervisory board is responsible for the appointment and dismissal of members of the board of management. The composition of the board of management is governed by Art. 8 of the articles of incorporation of Ströer SE. In accordance with Sec. 119 (1) No. 5 AktG, the shareholder meeting decides on amendments to the articles of incorporation and bylaws. More information on the procedure for amendments can be found in Sec. 181 AktG in conjunction with Art. 12 of the articles of incorporation of Ströer SE.

Authorization of the board of management to issue or reacquire shares

Subject to the approval of the supervisory board, the board of management is authorized to increase the Company's capital stock once or several times until 17 June 2019 by a maximum of EUR 12,525,780.00 in total by issuing up to 12,525,780 new bearer shares of no par value in return for contributions in cash or in kind (approved capital 2014); the increase, however, may not exceed the amount and the number of shares comprising the remaining capital stock pursuant to Art. 5 (1) of the articles of incorporation of Ströer Media AG on the date the change in the legal form of Ströer Media AG to a European Company (SE) pursuant to the conversion plan of 30 April 2014 took effect.

Under a resolution approved by the shareholder meeting on 13 July 2010, the board of management is authorized, with the approval of the supervisory board, to issue convertible bonds and/or bonds with warrants of up to a maximum of EUR 11,776k until 12 July 2015 (conditional capital 2010). The capital stock of Ströer SE was increased conditionally by a maximum of EUR 11,776k by issuing up to 11,776,000 new bearer shares of no par value. The purpose of the conditional capital increase was to grant bearer shares of no par value to owners/creditors of convertible bonds and/or bonds with warrants which are being issued as a result of the above resolution. Use was not made of the authorization.

According to the resolution adopted by the shareholder meeting on 10 July 2010, the board of management of Ströer SE was authorized to acquire treasury shares of up to 10% of capital stock. The authorization expired on 9 July 2015. Use was not made of the option to acquire treasury shares.

The capital stock was increased conditionally by a maximum of EUR 3,176,400 by issuing a maximum of 3,176,400 bearer shares of no par value (conditional capital 2013). The sole purpose of the conditional capital increase is for the board of management to grant, as authorized by resolution of the shareholder meeting dated 8 August 2013, rights to bearers of stock options under the Stock Option Plan 2013. The conditional capital increase will only be implemented to the extent that the bearers of stock options granted under the authorization of the shareholder meeting on 8 August 2013 exercise these rights and that the Company does not settle the stock options in cash.

The capital stock was also increased conditionally by a maximum of EUR 2,123,445 by issuing a maximum of 2,123,445 bearer shares of no par value (conditional capital 2015). The sole purpose of the conditional capital increase is for the board of management to grant, as authorized by resolution of the shareholder meeting dated 25 September 2015, rights to bearers of stock options under the Stock Option Plan 2015. The conditional capital increase will only be implemented to the extent that the bearers of stock options granted under the authorization of the shareholder meeting on 25 September 2015 exercise these rights and that the Company does not settle the stock options in cash.

Significant agreements entered into by the Company in the event of a change in control as a result of a takeover bid and the ensuing effects

Facility agreement

A facility agreement is in place between Ströer SE and a syndicate of various banks and credit institutions. The syndicate granted the Company a loan of EUR 200m and a credit line of EUR 250m. This facility agreement concluded in 2014 and amended in 2015 replaced the previous facility agreement dating from 2012.

The provisions relating to a change in control reflect normal market arrangements. They do not result in automatic termination but grant the contracting partners the option to terminate in the event of a change in control.

Put option

In 2010, a non-controlling shareholder of the Turkish company Ströer Kentvizyon Reklam Pazarlama A.S. was granted the right to offer Ströer SE his interest in the company for sale in the event of a change in control under a put option.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

In EUR k	Note	2015	2014[1)]
Revenue	(9)	823,706	721,092
Cost of sales	(10)	–561,154	–506,204
Gross profit		**262,552**	**214,888**
Selling expenses	(11)	–107,753	–91,703
Administrative expenses	(12)	–94,890	–87,947
Other operating income	(13)	23,983	25,117
Other operating expenses	(14)	–10,604	–11,501
Share in profit or loss of equity method investees	(5)	4,451	3,660
Financial result	(15)	–9,339	–14,796
Profit before taxes		**68,400**	**37,718**
Income taxes	(16)	–8,867	–14,417
Post-tax profit		**59,533**	**23,301**
Consolidated profit or loss for the period		**59,533**	**23,301**
Thereof attributable to:			
Owners of the parent		58,007	21,150
Non-controlling interests		1,526	2,150
		59,533	**23,301**
Earnings per share (EUR, basic)		**1.16**	**0.43**
Earnings per share (EUR, diluted)		**1.12**	**0.43**

[1)]Adjusted retroactively due to the purchase price allocations finalized after 31 December 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR k	Note	2015	2014[1]
Consolidated profit or loss for the period		**59,533**	**23,301**
Other comprehensive income			
Amounts that will not be reclassified to profit or loss in future periods			
Actuarial gains and losses	(29)	1,258	–3,995
Income taxes	(16)	–360	1,294
		898	**–2,701**
Amounts that could be reclassified to profit or loss in future periods			
Exchange differences on translating foreign operations	(8)	–14,183	6,697
Income taxes	(16)	479	768
		–13,704	**7,465**
Other comprehensive income, net of income taxes		**–12,806**	**4,764**
Total comprehensive income, net of income taxes		**46,727**	**28,065**
Thereof attributable to:			
Owners of the parent		46,195	25,670
Non-controlling interests		532	2,395
		46,727	**28,065**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (in EUR k)	Note	**2015**	2014[1)]
Non-current assets			
Intangible assets	(19)	963,478	542,405
Property, plant and equipment	(20)	201,210	198,744
Investment in equity method investees	(5)	25,267	23,990
Financial assets	(21)	136	151
Trade receivables	(22)	62	0
Other financial assets	(23)	2,133	1,815
Other non-financial assets	(23)	10,772	13,005
Income tax assets		257	383
Deferred tax assets	(16)	12,771	4,308
Total non-current assets		**1,216,085**	**784,801**
Current assets			
Inventories	(24)	2,709	928
Trade receivables	(22)	119,551	87,438
Other financial assets	(23)	28,918	8,892
Other non-financial assets	(23)	27,593	21,467
Income tax assets		5,594	4,280
Cash and cash equivalents	(25)	56,503	46,071
Total current assets		**240,867**	**169,076**
Non-current assets held for sale	(26)	1,398	0
Total assets		**1,458,351**	**953,877**

[1)] Adjusted retroactively due to the purchase price allocations finalized after 31 December 2014.

Equity and liabilities (in EUR k)	Note	**2015**	2014[1)]
Equity	(27)		
Subscribed capital		55,282	48,870
Capital reserves		721,240	348,094
Retained earnings		–53,363	–50,515
Accumulated other comprehensive income		–58,964	–46,281
		664,196	**300,168**
Non-controlling interests		11,013	20,578
Total equity		**675,209**	**320,746**
Non-current liabilities			
Pension provisions and similar obligations	(28)	36,740	27,025
Other provisions	(29)	19,696	13,782
Financial liabilities	(30)	302,698	307,700
Deferred tax liabilities	(16)	68,704	54,829
Total non-current liabilities		**427,838**	**403,335**
Current liabilities			
Other provisions	(29)	34,925	23,147
Financial liabilities	(30)	48,282	40,475
Trade payables	(31)	180,393	121,739
Other liabilities	(32)	71,258	33,959
Income tax liabilities		20,446	10,476
Total current liabilities		**355,304**	**229,795**
Total equity and liabilities		**1,458,351**	**953,877**

CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR k	Note	2015	2014[1)]
Cash flows from operating activities			
Profit or loss for the period		59,533	23,301
Expenses (+) / income (–) from the financial and tax result		18,206	29,213
Amortization, depreciation and impairment losses (+) on non-current assets		110,055	81,761
Share in profit or loss of equity method investees		–4,451	–3,660
Cash received from profit distributions of equity method investees		3,115	3,133
Interest (–) paid		–8,374	–14,402
Interest (+) received		67	52
Income taxes paid (–) / received (+)		–5,924	–8,375
Increase (+) / decrease (–) in provisions		–510	192
Other non-cash expenses (+) / income (–)		–3,796	–3,419
Gains (–) / loss (+) on the disposal of non-current assets		1,003	648
Increase (–) / decrease (+) in inventories, trade receivables and other assets		–1,320	–1,727
Increase (+) / decrease (–) in trade payables and other liabilities		22,721	16,696
Cash flows from operating activities		**190,324**	**123,414**
Cash flows from investing activities			
Cash received (+) from the disposal of intangible assets and property, plant and equipment		2,298	1,406
Cash paid (–) for investments in intangible assets and property, plant and equipment		–76,268	–45,246
Cash paid (–) for investments in financial assets		–222	-326
Cash received (+) from/paid (–) for the acquisition of consolidated entities	(6)	–23,735	–13,751
Cash flows from investing activities		**–97,927**	**–57,917**

1) Adjusted retroactively due to the purchase price allocations finalized after 31 December 2014.

In EUR k	2015	2014[1)]
Cash flows from financing activities		
Cash received (+) from equity contributions by non-controlling interests	0	2,859
Cash paid (–) to (non-controlling) interests	–26,932	–11,316
Cash paid (–) to obtain and modify borrowings	–914	–3,924
Cash repayments (–) of borrowings	–54,120	–47,506
Cash flows from financing activities	**–81,966**	**–59,887**
Cash at the end of the period		
Change in cash	10,432	5,610
Cash at the beginning of the period	46,071	40,461
Cash at the end of the period	**56,503**	**46,071**
Composition of cash		
Cash	56,503	46,071
Cash at the end of the period	**56,503**	**46,071**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Subscribed capital
1 Jan 2014[1)]	**48,870**
Consolidated profit or loss for the period	0
Other comprehensive income	0
Total comprehensive income	0
Changes in basis of consolidation	0
Capital increases by way of non-cash contribution	0
Share-based payments	0
Cash received from capital increases by non-controlling interests	0
Effects of changes in ownership interests in subsidiaries without loss of control	0
Liabilities from the obligation to purchase own equity instruments	0
Dividends	0
31 Dec 2014/1 Jan 2015[2)]	**48,870**
Consolidated profit or loss for the period	0
Other comprehensive income	0
Total comprehensive income	0
Changes in basis of consolidation	0
Capital increase by way of non-cash contribution	6,413
Share-based payments	0
Cash received from capital increases by non-controlling interests	0
Effects of changes in ownership interests in subsidiaries without loss of control	0
Liabilities from the obligation to purchase own equity instruments	0
Dividends	0
31 Dec 2015	**55,282**

1) Adjusted retroactively due to the first-time adoption of IFRS 11.
2) Adjusted retroactively due to the purchase price allocations finalized after 31 December 2014.

Capital reserves	Retained earnings	Accumulated other comprehensive income Exchange differences on translating foreign operations	Total	Non-controlling interests	Total equity
347,391	**–66,397**	**–53,465**	**276,400**	**20,308**	**296,708**
0	21,150	0	21,150	2,150	23,301
0	–2,663	7,183	4,520	244	4,764
0	18,487	7,183	25,670	2,395	28,065
0	0	0	0	1,716	1,716
0	0	0	0	0	0
703	0	0	703	0	703
0	0	0	0	2,859	2,859
0	–1,956	0	–1,956	–974	–2,930
0	4,238	0	4,238	–3,229	1,009
0	–4,887	0	–4,887	–2,496	–7,383
348,094	**–50,515**	**–46,281**	**300,168**	**20,578**	**320,746**
0	58,007	0	58,007	1,526	59,533
0	870	–12,682	–11,812	–994	–12,806
0	58,877	–12,682	46,195	532	46,727
0	0	0	0	1,092	1,092
371,745	0	0	378,158	0	378,158
1,400	0	0	1,400	0	1,400
0	0	0	0	0	0
0	29	0	29	–16,951	–16,922
0	–42,206	0	–42,206	6,918	–35,288
0	–19,548	0	–19,548	–1,156	–20,704
721,240	**–53,363**	**–58,964**	**664,196**	**11,013**	**675,209**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of the consolidated financial statements

1 General

Ströer SE (formerly Ströer Media SE, since 1 March 2016 "Ströer SE & Co. KGaA"), Cologne, was reorganized as a Societas Europaea (SE) by resolution of the shareholder meeting on 30 June 2015. Ströer SE was entered in the commercial register of Cologne Local Court under HRB no. 82548 in the third quarter.

The purpose of Ströer SE and the entities included in the consolidated financial statements (the Ströer Group or the Group) is the provision of services in the areas of media, advertising, commercialization and communication, in particular, but not limited to, the commercialization of out-of-home media and online advertising. The Group markets all forms of out-of-home media, from traditional billboards and transport media through to digital media.

The consolidated financial statements of Ströer SE for fiscal year 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) applicable as of the reporting date as adopted by the EU as well as the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code].

These consolidated financial statements cover the period from 1 January 2015 to 31 December 2015. The board of management of Ströer SE approved the consolidated financial statements on 7 March 2016 for issue to the supervisory board. The supervisory board has the task of reviewing the consolidated financial statements and declaring whether it approves them.

The income statement has been prepared in accordance with the function of expense method (also called the cost of sales method).

The consolidated financial statements are presented in euros. Unless stated otherwise, all figures are disclosed in thousands of euros (EUR k). Due to rounding differences, figures in tables may differ slightly from the actual figures.

The references made in these notes to the consolidated financial statements to page numbers refer to the numbering in the annual report.

2 Assumptions, accounting estimates and the use of judgment

Preparation of the consolidated financial statements in compliance with IFRSs requires management to make assumptions and estimates which have an impact on the figures disclosed in the consolidated financial statements and the notes thereto. The estimates are based on historical data and other information on the transactions concerned. Actual results may differ from such estimates. Assumptions based on estimates are reviewed regularly.

Assumptions, accounting estimates and the use of judgment essentially relate to the following (for more details on the carrying amounts and other explanations, see the relevant individual disclosures in these notes):

Impairment of goodwill
The annual impairment test for goodwill entails estimating future cash flows and selecting an appropriate capitalization rate. See note 19 for further details.

Fair value in business combinations
The fair value of assets and liabilities acquired in a business combination is measured on the basis of an estimate of future cash flows and an appropriate capitalization rate or an estimate of the acquisition-date fair value. In addition, the fair value of previously held equity interests in business combinations achieved in stages is determined using a discounted cash flow method (DCF). See note 6 for further details.

Pension and restoration obligations
In addition to estimating an appropriate capitalization rate, accounting for pension and restoration obligations requires assumptions to be made on additional actuarial parameters and the probability and timing of utilization. See notes 28 and 29 for further details. The expected restoration costs are determined on the basis of service specifications and restoration probabilities over the estimated contractual term of the advertising concessions. The restoration probabilities vary according to the type of the underlying advertising concessions (private vs. municipal concessions). For information on the estimated contractual terms, see note 3, "Significant accounting policies." Due to the fact that provisions for restoration obligations are calculated for a large number of different advertising concessions, it would not be meaningful to provide information on sensitivity to significant factors here.

Deferred tax assets arising from unused tax losses
The Group recognizes deferred tax assets arising from unused tax losses based on tax planning opportunities that would increase income taxes in future periods and allow for the tax losses to be utilized in the next five years. See note 16 for further details.

3 Significant accounting policies

Revenue and expense recognition
Revenue is mainly generated from the commercialization of advertising faces in the billboard, street furniture and transport product groups as well as the commercialization of online advertising.

Revenue is recognized when the commercialization is rendered. In the out-of-home media segment, this corresponds to the date on which the advertising is displayed. With regard to the commercialization of online advertising, revenue is recognized when the advertising reaches the advertising customer. It is disclosed net of trade discounts, including agency commissions, outdoor media specialist payments and rebates.

Revenue from services is recognized when the service is rendered, i.e., on the date on which ownership of the internally generated or purchased advertising media is transferred.

Royalties are recognized pro rata temporis on the basis of the periods agreed in the licensing agreement.

In the case of revenue from multi-component transactions, the revenue attributable to the separately identifiable components is broken down to its relative fair value and recognized in accordance with the above policies.

Advertising media owned by third parties are marketed in addition to the Company's own media. Revenue from the commercialization of advertising media for non-group entities is recognized net of the revenue-based rent attributable to these transactions provided the Group does not bear an economic risk. Hence, only the agreed sales commissions are disclosed on a net basis under revenue (agent). In its digital advertising face business, Ströer usually bears the economic commercialization risk. As a result, such revenue is recognized without deduction of publisher fees (principal).

Revenue from barter transactions is measured at the market value of the consideration received and adjusted as appropriate by an additional cash payment. If the market value cannot be reliably measured, barter transactions are measured at the market value of the advertising service rendered and adjusted as appropriate by an additional cash payment.

Income from services rendered and included in other operating income is recognized at the time of performance.

Operating expenses are recognized in profit or loss when the service is used or when the costs are incurred.

Interest is recognized on an accrual basis in the financial result applying the effective interest method.

Dividends are recognized at the time when the right to receive is established.

Goodwill and other intangible assets
Pursuant to IFRS 3, goodwill is measured as the excess of the cost of the business combination over the interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities as of the date of acquisition. Amortization is not charged.

All intangible assets acquired for a consideration, largely advertising concessions and software, have a finite useful life and are recognized at cost. The depreciable amount of intangible assets is allocated on a straight-line basis over their useful lives. Amortization in the fiscal year is allocated to cost of sales, administrative expenses and selling expenses on the basis of the function of expense method. Amortization of advertising rights is allocated to cost of sales.

Amortization is based on the following useful lives:

Useful life	In years
Advertising concessions awarded by municipalities	1 to 17
Other advertising concessions	4 to 30
Other intangible assets	1 to 10
Goodwill	indefinite

The appropriateness of the useful lives and of the method of amortization is reviewed annually.

The cost for the development of new or considerably improved products and processes is capitalized if the development costs can be measured reliably, the product or process is technically or economically feasible and future economic benefits are probable. In addition, the Ströer Group must intend and have adequate resources available to complete the development and to use or sell the asset.

The Group can incur development costs from the development of advertising media and software.

Capitalized costs mainly include personnel expenses and directly allocable overheads. All capitalized development costs have a finite useful life and are recognized at cost. Amortization is charged using the same useful life for comparable intangible assets acquired. Development costs which do not meet the recognition criteria for capitalization are expensed in the period in which they are incurred.

Property, plant and equipment
Property, plant and equipment are recognized at depreciated cost less any impairment losses.

Cost comprises the purchase price, acquisition-related costs and subsequent expenditure net of purchase price reductions. Since no qualifying assets have been identified within the meaning of IAS 23, cost does not include any borrowing costs.

Separately identifiable components of an item of property, plant and equipment are recognized individually and depreciated.

Depreciation is charged on a straight-line basis over the respective useful life of the asset. The depreciation expense is allocated on the basis of the function of expense method. If the reasons for impairment cease to apply, the impairment loss is reversed. The residual carrying amount, the assumptions on the useful lives and the appropriateness of the depreciation method are reviewed annually.

Depreciation is based on the following useful lives:

Useful life	In years
Buildings	50
Plant and machinery	5 to 13
Advertising media	3 to 35
Other furniture and fixtures	3 to 15

The costs estimated for the probable dismantling and removal of advertising media at the end of an advertising concession contract are recognized at cost using the components approach. The amount is measured on the basis of the provision recognized for restoration obligations in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets." Under IFRIC 1, changes in the provisions are added to or deducted from the cost of the asset in question in the current period.

If government grants are made for the purchase of property, plant and equipment in accordance with the InvZulG ["Investitionszulagegesetz": German Investment Grant Act], these grants are deducted in arriving at the carrying amount of the asset in question.

Impairment testing
The Ströer Group tests intangible assets and property, plant and equipment for impairment if there is an indication that the asset may be impaired. Goodwill is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. If the recoverable amount of an asset is less than the carrying amount, an impairment loss is allocated and the asset is written down to its recoverable amount.

The recoverable amount is the higher of the fair value less costs to sell and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the reasons for impairment recognized in prior periods cease to apply, the impairment losses, with the exception of goodwill, are reversed, but by no more than the amount of amortized cost.

Leases
Leases are classified as either operating or finance leases. Contractual provisions that transfer substantially all the risks and rewards incidental to ownership to the lessee are recognized as finance leases. Where the Ströer Group is the lessor, a receivable from the finance lease is recognized at the amount equal to the net investment in the lease.

In the case of finance leases where the Ströer Group is the lessee, the leased asset is recognized and matched by a lease liability. The leased asset is recognized at the lower of the fair value at the inception of the lease or the present value of the minimum lease payments. Leased assets are depreciated on a straight-line basis over the shorter of their useful lives or the lease term if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term. The corresponding lease liabilities are recognized in the statement of financial position in accordance with their terms. The interest portion of the lease liabilities is recognized in the financial result through profit or loss over the lease term.

Lease income from operating leases is recognized in income over the lease term.

Financial assets and liabilities
Under IAS 39, "Financial Instruments: Recognition and Measurement," financial assets are classified and measured as either "Financial assets at fair value through profit or loss," as "Loans and receivables" or as "Available-for-sale financial assets." With the exception of derivative financial instruments, all financial liabilities are classified as "Financial liabilities measured at amortized cost." A financial asset/financial liability is recognized when the reporting entity becomes party to the contractual provisions of the instrument (settlement date). Financial assets not at fair value through profit or loss are measured at the transaction costs that are incremental costs directly attributable to the acquisition.

The other investments reported under financial assets are designated as "Available-for-sale financial assets." Other investments exclusively relate to shares in German limited companies and comparable non-German legal forms. They are carried at cost as their fair value cannot be reliably measured.

Trade receivables and the financial receivables disclosed under financial receivables and other assets are designated as "Loans and receivables," and are initially measured at fair value, which represents the cost on the date of acquisition. In subsequent periods, these items are measured at amortized cost. Non-interest and low-interest-bearing non-current receivables are carried at the present value of estimated future cash flows where the effect of the time value of money is material. The effective interest method is used for the calculation. Assets are classified as non-current if they are not due to be settled within 12 months after the reporting date.

Derivative financial instruments that are not part of a hedging relationship are designated as "Financial assets at fair value through profit or loss" and "Financial liabilities at fair value through profit or loss." They are measured at fair value and a gain or loss arising from a change in the fair value is recognized in profit or loss.

Financial liabilities and trade payables are included under "Financial liabilities measured at amortized cost." They are measured at fair value upon initial recognition and at amortized cost subsequently using the effective interest method. The fair value is calculated by discounting the estimated future cash flows at current market interest rates. Current liabilities are stated at the redemption amount or settlement amount. Transaction costs are deducted from cost if they are directly attributable. Non-interest and low-interest-bearing non-current financial liabilities are carried at the present value of estimated future cash flows discounted at the market rate of interest where the effect of the time value of money is material. Liabilities are classified as non-current if they are not due to be settled within 12 months after the reporting date.

Changes in the fair value of derivatives hedged by a cash flow hedge are recognized directly in equity in accordance with IAS 39, "Financial Instruments: Recognition and Measurement," provided the hedge is effective. The amounts recognized in equity are recognized in the income statement in the period in which the hedged transaction affects profit or loss, e.g., when hedged finance income or expenses are recognized. If the forecast transaction is no longer expected to occur, the amounts previously recorded under equity are reclassified to profit or loss. The fair value of derivatives is calculated by discounting the estimated future cash flows at current market interest rates.

If there are indications of impairment for financial assets carried at cost, a write-down to the lower expected realizable value is made. When determining whether there are indications of impairment, information on the creditworthiness of the counterparty is analyzed. Uncollectible receivables are written off. If the reasons for an impairment loss cease to apply, the impairment loss is reversed as appropriate.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses on equity instruments classified as available for sale are not recognized in profit or loss.

A financial asset is derecognized when the contractual rights to receive cash flows expire, i.e., when the asset was realized or expired or when the asset is no longer controlled by the reporting entity. A financial liability is derecognized when the obligation underlying the liability is discharged, canceled or expires.

Inventories

Inventories are carried at acquisition cost. Cost is calculated on the basis of the weighted average method. Inventories are measured at the lower of cost or net realizable value as of the reporting date.

Deferred taxes

Deferred taxes are calculated in accordance with IAS 12, "Income Taxes." They are recognized on temporary differences between the carrying amounts of assets and liabilities in the IFRS statement of financial position and their tax base as well as on consolidation entries and on potentially realizable unused tax losses. Deferred taxes on items recognized directly in equity according to the relevant standards are also recognized directly in equity. The accumulated amounts of deferred taxes recognized directly in equity as of the reporting date are presented in the consolidated statement of comprehensive income.

Deferred tax assets are recognized on deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax assets can be utilized. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are determined on the basis of the tax rates which apply in the individual countries at the time of realization. These are based on tax rates that have been enacted or substantively enacted as of the reporting date. Effects from tax rate changes are recognized in profit or loss, unless they relate to items recognized directly in equity. Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against the current tax liabilities, and when the deferred taxes relate to the same tax type and tax authority.

Non-current assets and liabilities held for sale

Non-current assets (or a disposal group) are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Provisions

Provisions are recognized for obligations to third parties arising from past events, the settlement of which is expected to result in an outflow of cash and whose amount can be reliably estimated.

Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Provisions for defined benefit and similar obligations are measured using an actuarial technique, the projected unit credit method. This method takes into account the pensions known and expectancies earned as of the reporting date as well as the increases in salaries and pensions expected in the future. Pension obligations are calculated on the basis of actuarial reports. All actuarial gains and losses are disclosed directly in equity.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. They comprise any resulting change from a curtailment or settlement in the present value of the defined benefit obligations and any related actuarial gains and losses and past service cost that had not previously been recognized.

In the case of defined contribution plans (e.g., direct insurance policies), the contributions payable are immediately expensed. Provisions for pension obligations are not recognized for defined contribution obligations as the Ströer Group does not have any other obligations in these cases apart from premium payment obligations.

Other provisions are measured on the basis of the best possible estimate of the expected net cash flows, or in the case of long-term provisions, at the present value of the expected net cash flows provided the time value of money is material.

If legal or contractual obligations provide for the removal of advertising media and the restoration of the site at the end of the advertising concession contract, a provision is recognized for this obligation if it is probable that the obligation will have to be settled. The provision is measured on the basis of the estimated future costs of restoration at the end of the term, discounted to the date the provision was initially set up on. The provision is then recognized in this amount directly in the statement of financial position and is matched by the same amount under property, plant and equipment. Changes in the value of the provisions are immediately reflected in the corresponding value under property, plant and equipment.

Provisions for onerous losses are recognized if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The provision for archiving costs is recognized to cover the legal obligation to retain business documents.

Other non-financial assets and liabilities
Deferrals, prepayments and non-financial assets and liabilities are recognized at amortized cost.

Contingent liabilities
Contingent liabilities are potential obligations which are based on past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events which are beyond the Ströer Group's control. Furthermore, present obligations are deemed contingent liabilities if an outflow of resources is not sufficiently probable for the recognition of a provision and/or the amount of the obligation cannot be reliably estimated. Contingent liabilities reflect the scope of liability existing as of the reporting date. They are disclosed off the face of the statement of financial position in the notes to the financial statements.

Share-based payment
Goods or services received or acquired in a share-based payment transaction are recognized when the goods are obtained or as the services are received. A corresponding increase in equity is recognized if the goods or services were received in an equity-settled share-based payment transaction, or a liability is recognized if the goods or services were acquired in a cash-settled share-based payment transaction. For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are recognized at the fair value of the liability. Until the liability is settled, the fair value of the liability must be remeasured at the end of each reporting period, with changes in fair value recognized in profit or loss for the period.

For share-based payment transactions in which the terms of the arrangement provide Ströer SE with the choice of whether to settle in cash or by issuing shares (see the current stock option plan), the Company assumes that it will settle by issuing shares. The fair value is therefore measured at the grant date and is allocated to profit or loss over the vesting period until the claims for share-based payment vest in full and are settled by issuing shares.

Put options
Put options written on shares held by non-controlling interests are presented as a notional acquisition on the reporting date. The adjustment item for these interests recognized in equity was derecognized and a liability in the amount of a notional purchase price liability was recognized instead. The cumulative difference between the derecognized adjustment item and the notional purchase price liability was offset directly against retained earnings. The value of the notional purchase price liability and details on its calculation are presented in note 35.

Overview of selected measurement methods

Line item in the statement of financial position	Measurement method
Assets	
Goodwill	Lower of cost and recoverable amount
Other intangible assets	At (amortized) cost
Property, plant and equipment	At (amortized) cost
Financial assets	
Loans and receivables	At (amortized) cost
Held to maturity	At (amortized) cost
Available for sale	At fair value through other comprehensive income
At fair value through profit or loss	At fair value through profit or loss
Trade receivables	At (amortized) cost
Inventories	Lower of cost and net realizable value
Cash and cash equivalents	Nominal amount
Equity and liabilities	
Provisions	
Provisions for pension and similar obligations	Projected unit credit method
Other provisions	Settlement amount
Financial liabilities	At (amortized) cost
of which earn-out liabilities	Fair value
Trade payables	At (amortized) cost
Other liabilities	Settlement amount

4 Changes in accounting policies

All new and amended standards and interpretations published by the IASB and the IFRIC that are effective for fiscal years beginning on 1 January 2015 and are required to be applied in the EU were applied in preparing the consolidated financial statements.

- Improvements to IFRSs (collection of amendments for 2010 to 2012) (effective for fiscal years beginning on or after 1 July 2014)
- Improvements to IFRSs (collection of amendments for 2011 to 2013) (effective for fiscal years beginning on or after 1 July 2014)

Changes in accounting policies and accounting estimates
There were no changes in accounting policies or accounting estimates in fiscal year 2015.

Standards and pronouncements adopted that have no effect on the Group's financial reporting
The following standards and pronouncements by the IASB became effective or were applied for the first time in fiscal year 2015. The specific nature of the amendments meant that they had no or no significant effect on the Group's financial reporting:

- **IFRIC 21,** "Levies" (effective for fiscal years beginning on or after 1 January 2014)
- **IAS 19,** "Employee Contributions" (amendments are effective for fiscal years beginning on or after 1 July 2014)

Standards and pronouncements that are not yet effective
The following standards are not yet effective and have not been previously applied by the Group.

The IASB published amendments to **IAS 1**, "Presentation of Financial Statements" in December 2014. These amendments become effective for fiscal years beginning on or after 1 January 2016, with earlier adoption permitted. They were endorsed by the EU Commission on 18 December 2015. The effects will be reflected in some cases in the presentation of individual reports in the consolidated financial statements. The amendments principally include the following:

- Clarification that disclosures in the notes need to be made only if the information is not immaterial. This also explicitly applies to instances in which a standard prescribes a list of minimum disclosures.
- Explanations regarding the aggregation and disaggregation of items in the statement of financial position and in the statement of comprehensive income.
- Clarification of how an entity's share in the other comprehensive income of entities accounted for using the equity method must be presented in the statement of comprehensive income.
- Replacement of the originally intended model structure of the notes to the financial statements by an approach based on individual relevance to an entity.

The IASB issued amendments to **IAS 16**, "Property, Plant and Equipment" and **IAS 38**, "Intangible Assets" in May 2014. These amendments provide guidance on acceptable methods of depreciation of property, plant and equipment and amortization of intangible assets. The amendments become effective for fiscal years beginning on or after 1 January 2016, with earlier adoption permitted. They were endorsed by the EU Commission on 2 December 2015. Overall, no significant adjustments to individual items in Ströer's consolidated financial statements are anticipated.

In July 2014, the IASB issued the fourth and final version of the new **IFRS 9**, "Financial Instruments" on accounting for financial instruments. The new standard provides revised guidance on the classification and measurement of financial assets, including provisions on impairment, and complements the new hedge accounting rules published in 2013. The new provisions become effective for fiscal years beginning on or after 1 January 2018, with earlier adoption permitted. They have yet to be endorsed by the EU Commission. Overall, no significant adjustments to individual items in Ströer's consolidated financial statements are anticipated.

The IASB issued the new **IFRS 15**, "Revenue from Contracts with Customers" in May 2014. IFRS 15 comprehensively addresses the recognition of revenue arising from contracts with customers across all industries. In a five-step model, detailed requirements are set forth on the identification of separate performance obligations, the amount of expected consideration including variable consideration and on the allocation of the transaction price to the performance obligations in the contract. Furthermore, there is also a cohesive set of requirements for deciding whether a performance obligation may be satisfied at a point in time or over time. The new standard supersedes the following accounting provisions: IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. Potential conversion issues were identified in an initial analysis of contracts. We do not currently expect IFRS 15 to lead to material shifts in the timing of revenue recognition.

Under IFRS 15, incremental costs to obtain a contract must be recognized and amortized over the estimated contractual term. Furthermore, costs incurred after conclusion of the contract must be recognized and amortized over the period in which the services are rendered. IFRS 15 also increases the qualitative and quantitative disclosures in the notes to the financial statements. In a next step, the quantitative effects on the consolidated financial statements will be analyzed in more detail.

In January 2016, the IASB issued **IFRS 16**, "Leases." The new standard replaces the previous leases standard (IAS 17) and provides revised guidance on the definition of a lease, the scope as well as lessee or lessor accounting. These amendments become effective for fiscal years beginning on or after 1 January 2019, with earlier adoption permitted. The amendments have yet to be endorsed by the EU Commission. Ströer will assess their effects on the consolidated financial statements.

In addition, the IASB and the IFRIC issued or amended the following standards. The first-time adoption of these standards is not expected to have a significant effect on the Group's net assets, financial position and results of operations:

- Improvements to IFRSs (collection of amendments for 2012 to 2014) (effective for fiscal years beginning on or after 1 January 2016)
- IFRS 11, "Joint Arrangements" (these amendments become effective for fiscal years beginning on or after 1 January 2016)
- IAS 27, "Separate Financial Statements" (these amendments become effective for fiscal years beginning on or after 1 January 2016)
- IFRS 14, "Regulatory Deferral Accounts" (effective for fiscal years beginning on or after 1 January 2016; the EU Commission will not propose to endorse this standard)

5 Basis of consolidation

The consolidated financial statements include the financial statements of all entities which Ströer SE directly or indirectly controls. In addition to Ströer SE, a further 50 German and 27 foreign subsidiaries were consolidated as of 31 December 2015 on the basis of full consolidation and 4 German joint ventures and 3 associates were included in these consolidated financial statements using the equity method.

The Ströer Group owns more than 50% of the shares in every fully consolidated entity, thus controlling each entity in accordance with IFRS 10 by holding the majority of voting rights in the relevant corporate bodies. Apart from the fully consolidated entities, the Ströer Group holds over 50% of the shares in only one company, evidero GmbH, Cologne, but does not control this entity in accordance with IFRS 10.

The equity interests are disclosed in accordance with Sec. 16 (4) AktG ["Aktiengesetz": German Stock Corporation Act].

Fully consolidated entities

			Equity interest in %	
Name	Registered Office	Country	**31 Dec 2015**	31 Dec 2014
adscale GmbH	Munich	Germany	100	97
Adscale Laboratories Ltd.	Christchurch	New Zealand	100	100
Adselect GmbH	Duisburg	Germany	100	50
Ad-Vice sp. z.o.o.	Warsaw	Poland	100	–
BB Elements Sp. z.o.o.	Warsaw	Poland	100	65
BlowUP Media Belgium BVBA	Antwerp	Belgium	80	50
BlowUP Media Belgium N.V.	Antwerp	Belgium	–	100
BlowUP Media Benelux B.V.*	Amsterdam	Netherlands	100	100
BlowUP Media España S.A.*	Madrid	Spain	100	100
BlowUP Media GmbH*	Cologne	Germany	100	90
BlowUP Media U.K. Ltd.*	London	UK	100	100
Business Advertising GmbH	Düsseldorf	Germany	50	50
City Design Gesellschaft für Aussenwerbung mbH	Cologne	Germany	–	100
Click Motion Sp. z.o.o.	Warsaw	Poland	–	100
Conexus AS	Drammen	Norway	55	–
Conexus Norge AS	Drammen	Norway	100	–
Conexus Technology AS	Drammen	Norway	100	–
Content Fleet GmbH	Hamburg	Germany	70	–
Culture Plak Marketing GmbH	Berlin	Germany	–	100
DERG Vertriebs GmbH	Cologne	Germany	100	100
Digital Media Products GmbH*	Darmstadt	Germany	100	–
Digital Partners Reklam Hizmetleri A.S.	Istanbul	Turkey	–	90
DSM Deutsche Städte Medien GmbH	Frankfurt	Germany	100	100
DSM Krefeld Aussenwerbung GmbH	Krefeld	Germany	51	51
DSM Rechtegesellschaft mbH	Cologne	Germany	100	–
DSM Werbeträger GmbH & Co. KG	Cologne	Germany	100	–
DSM Zeit und Werbung GmbH	Frankfurt	Germany	100	100
ECE flatmedia GmbH	Hamburg	Germany	75	75
Erdbeerlounge GmbH	Cologne	Germany	100	–
Evolution Media Net Sp. z.o.o.	Warsaw	Poland	–	100

Name	Registered Office	Country	Equity interest in %	
			31 Dec 2015	31 Dec 2014
FaceAdNet GmbH	Mannheim	Germany	52	–
Fahrgastfernsehen Hamburg GmbH	Hamburg	Germany	100	100
GAN Ströer GmbH (formerly GAN Support GmbH)	Hamburg	Germany	–	70
GAN Technologies UG	Hamburg	Germany	–	70
GIGA fixxoo GmbH	Berlin	Germany	75	75
GIGA Kino GmbH	Cologne	Germany	100	100
Hamburger Verkehrsmittel-Werbung GmbH	Hamburg	Germany	75	75
iBillBoard Internet Reklam Hizmetleri ve Bilisim Teknolojileri A.S.	Istanbul	Turkey	96	96
iBillBoard Poland Sp. z.o.o.	Warsaw	Poland	100	100
INFOSCREEN GmbH	Cologne	Germany	100	100
InteractiveMedia CCSP GmbH	Darmstadt	Germany	100	–
Internet BillBoard a.s.	Ostrava	Czech Republic	85	51
INTREN Informatikai Tanácsadó és Szolgáltató Kft.	Budapest	Hungary	51	51
KissMyAds GmbH	Cologne	Germany	100	–
Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung	Cologne	Germany	–	51
Kultur-Medien Hamburg GmbH Gesellschaft für Kulturinformationsanlagen	Hamburg	Germany	51	51
Laeringslaben Fou AS	Drammen	Norway	100	–
Linkz Internet Reklam Hizmetleri ve Bilisim Teknolojileri A.S.	Istanbul	Turkey	100	100
MBR Targeting GmbH	Berlin	Germany	79	79
mYouTime AS	Drammen	Norway	64	–
NEODAU GmbH & Co. KG	Hamburg	Germany	–	100
NEODAU Verwaltungs GmbH	Hamburg	Germany	–	100
Objektif Kentvizyon Reklam Pazarlama Ticaret Ltd. Sti.	Istanbul	Turkey	80	80
Omnea GmbH	Berlin	Germany	80	–
OnlineFussballManager GmbH	Cologne	Germany	50	50
Pacemaker AOS GmbH	Cologne	Germany	93	80
Permodo GmbH	Munich	Germany	100	–
Permodo International GmbH	Munich	Germany	51	–
PRIME Networks GmbH	Cologne	Germany	–	100

Name	Registered Office	Country	Equity interest in % 31 Dec 2015	31 Dec 2014
RegioHelden GmbH	Stuttgart	Germany	90	–
RZV Digital Medya ve Reklam Hizmetleri A.S.	Istanbul	Turkey	100	100
SEM Internet Reklam Hizmetleri ve Danismanlik A.S.	Istanbul	Turkey	100	100
SMD Rechtegesellschaft mbH	Cologne	Germany	100	–
SMD Werbeträger GmbH & Co. KG	Cologne	Germany	100	–
SRG Rechtegesellschaft mbH	Cologne	Germany	100	–
SRG Werbeträger GmbH & Co. KG	Cologne	Germany	100	–
Ströer Content Group GmbH (formerly Ströer Venture GmbH)*	Cologne	Germany	100	100
Ströer DERG Media GmbH	Kassel	Germany	100	100
Ströer Deutsche Städte Medien GmbH	Cologne	Germany	100	100
Ströer Digital Group GmbH*	Cologne	Germany	100	100
Ströer Digital International GmbH (formerly Ballroom International GmbH, Glonn)*	Cologne	Germany	100	75
Ströer Digital Media GmbH	Hamburg	Germany	100	100
Ströer Entertainment Web GmbH	Cologne	Germany	100	100
Ströer KAW GmbH	Cologne	Germany	100	100
Ströer Kentvizyon Reklam Pazarlama A.S.*	Istanbul	Turkey	90	90
Ströer Kulturmedien GmbH	Cologne	Germany	100	100
STRÖER media brands AG (formerly GIGA Digital AG)	Berlin	Germany	100	90
Ströer Media Germany GmbH*	Cologne	Germany	100	100
Ströer Media Sp. z.o.K.	Warsaw	Poland	100	100
Ströer Media Sp. z.o.o.	Warsaw	Poland	100	100
Ströer Mobile Media GmbH	Cologne	Germany	–	100
Ströer Netherlands B.V.	Amsterdam	Netherlands	100	–
Ströer Netherlands C.V.	Amsterdam	Netherlands	100	–
Ströer Polska Sp. z.o.o.*	Warsaw	Poland	100	100
Ströer Primetime GmbH	Cologne	Germany	–	100
Ströer Sales & Services GmbH	Cologne	Germany	100	100
Ströer Venture GmbH*	Cologne	Germany	100	–
Ströer Werbeträgerverwaltungs GmbH	Cologne	Germany	100	–
TUBE ONE Networks GmbH	Hamburg	Germany	51	51
VIP 24 AS	Drammen	Norway	100	–
Webguidez Entertainment GmbH	Berlin	Germany	100	90

* Indicates entities in which Ströer SE holds a direct interest.

Evolution Media Net sp. z.o.o., Digital Partners Reklam Hizmetleri A.S., GAN Technologies UG, NEODAU GmbH & Co. KG and NEODAU Verwaltungs GMBH were sold in the period under review. No significant purchase price or significant gain on disposal was realized.

The following entities were acquired by other group entities in intragroup mergers in 2015:

- City Design Gesellschaft für Aussenwerbung mbH, Cologne
- Click Motion Sp. z o.o., Warsaw
- CulturePlak Marketing GmbH, Berlin
- GAN Ströer GmbH, Hamburg
- Kölner Aussenwerbung GmbH, Cologne
- Prime Networks GmbH, Cologne
- Ströer Mobile Media GmbH, Cologne
- Ströer Primetime GmbH, Cologne

Subsidiaries with a material non-controlling interest
The table below provides financial information on subsidiaries with a material non-controlling interest and, with respect to parents of a subgroup, on the group of entities comprising the subgroup.

			Non-controlling interest (in %)	
Company/parent of the subgroup	Registered office	Country	**31 Dec 2015**	31 Dec 2014
BlowUP Media GmbH	Cologne	Germany	0	10
Ströer Kentvizyon Reklam Pazarlama A.S.	Istanbul	Turkey	10	10
Conexus AS	Drammen	Norway	45	0
Kölner Aussenwerbung GmbH	Cologne	Germany	0	49

The following tables present financial information on subsidiaries and groups of entities with a material non-controlling interest from the Group’s perspective (**after consolidation** but excluding put options):

In EUR k	**31 Dec 2015**	31 Dec 2014
Accumulated balances of material non-controlling interests		
BlowUP group	0	1,174
Ströer Kentvizyon group	8,132	9,689
Conexus group	1,575	0
Kölner Aussenwerbung	0	13,134

In EUR k	**2015**	2014
Profits (+)/losses (-) attributable to material non-controlling interests		
BlowUP group	0	232
Ströer Kentvizyon group	–457	181
Conexus group	105	0
Kölner Aussenwerbung	0	1,322

The following tables provide summarized financial information on these subsidiaries and groups of entities. All figures are presented **before elimination of intercompany balances, intercompany income and expenses and intercompany profits and losses**, as well as before taking into account any put options for shares held by non-controlling interests.

Summarized income statements for fiscal years:

2015

In EUR k	BlowUP group	Ströer Kentvizyon group	Conexus group*	Kölner Aussenwerbung
Revenue	0	81,774	3,056	0
Costs of sales	0	–75,437	–2,103	0
Selling and administrative expenses	0	–11,245	–744	0
Other operating expense	0	1,424	3	0
Financial result	0	–2,734	–31	0
Profit or loss before taxes	**0**	**–6,218**	**181**	**0**
Income taxes	0	1,378	36	0
Profit or loss after taxes	**0**	**–4,840**	**217**	**0**
Total comprehensive income	**0**	**–4,840**	**217**	**0**
Thereof attributable to non-controlling interests	0	–484	98	0
Dividends paid to non-controlling interests	0	28	0	0

* Conexus group since 18 November 2015

2014

In EUR k	BlowUP group	Ströer Kentvizyon group	Conexus group	Kölner Aussenwerbung
Revenue	31,242	85,630	0	20,064
Costs of sales	–19,332	–74,612	0	–12,485
Selling and administrative expenses	–9,406	–12,169	0	–3,428
Other operating expense	331	6,706	0	334
Financial result	–17	–347	0	1
Profit or loss before taxes	**2,818**	**5,208**	**0**	**4,486**
Income taxes	–1,191	1,565	0	–1,545
Profit or loss after taxes	**1,627**	**6,773**	**0**	**2,941**
Total comprehensive income	**1,627**	**6,773**	**0**	**2,941**
Thereof attributable to non-controlling interests	163	677	0	1,441
Dividends paid to non-controlling interests	500	18	0	1,527

Cost of sales for the Ströer Kentvizyon group included in the reporting period the amortization of EUR 6,560k (prior year: EUR 7,002k) on hidden reserves which were recognized for advertising concessions within the scope of the purchase price allocation (PPA) in 2010.

Other operating income of the Ströer Kentvizyon group contained a merger gain of EUR 7,856k in 2014 which was eliminated at group level.

Summarized statements of financial position as of:

31 Dec 2015

In EUR k	BlowUP group	Ströer Kentvizyon group	Conexus group	Kölner Aussenwerbung
Current assets	0	35,956	4,718	0
Non-current assets	0	64,982	6,160	0
Current liabilities	0	14,707	7,373	0
Non-current liabilities	0	19,029	0	0
Equity	**0**	**67,202**	**3,505**	**0**
Thereof attributable to:				
Equity holders of the parent	0	60,482	1,922	0
Non-controlling interests	0	6,720	1,583	0

31 Dec 2014

In EUR k	BlowUP group	Ströer Kentvizyon group	Conexus group	Kölner Aussenwerbung
Current assets	14,927	38,118	0	6,183
Non-current assets	9,793	83,385	0	3,562
Current liabilities	16,571	19,834	0	4,122
Non-current liabilities	2,362	21,237	0	791
Equity	**5,787**	**80,432**	**0**	**4,832**
Thereof attributable to:				
Equity holders of the parent	5,208	72,389	0	2,464
Non-controlling interests	579	8,043	0	2,368

Summarized statements of cash flows:

31 Dec 2015

In EUR k	BlowUP group	Ströer Kentvizyon group	Conexus group*	Kölner Aussenwerbung
Operating activities	0	12,879	–428	0
Investing activities	0	–6,420	–223	0
Financing activities	0	–4,976	2,738	0
Total net cash flow	**0**	**1,483**	**2,087**	**0**

* Conexus group since 18 November 2015

31 Dec 2014

In EUR k	BlowUP group	Ströer Kentvizyon group	Conexus group	Kölner Aussenwerbung
Operating activities	2,340	5,400	0	2,376
Investing activities	–893	–8,272	0	–320
Financing activities	–4,950	2,850	0	–1,027
Total net cash flow	**–3,503**	**–22**	**0**	**1,029**

Joint ventures

The following joint ventures are engaged in the commercialization of out-of-home media. The Group's investments in these joint ventures are accounted for in these consolidated financial statements using the equity method.

Name	Registered Office	Country	Equity interest in %	
			31 Dec 2015	31 Dec 2014
DSMDecaux GmbH	Munich	Germany	50	50
mediateam Werbeagentur GmbH/ Ströer Media Deutschland GbR	Cologne	Germany	50	50
Trierer Gesellschaft für Stadtmöblierung mbH	Trier	Germany	50	50
X-City Marketing Hannover GmbH	Hanover	Germany	50	50

The following tables provide selected financial information on DSMDecaux GmbH taken from this entity's separate financial statements, which were prepared in accordance with IFRSs, and a reconciliation of this information to the carrying amount of the investment in this joint venture:

In EUR k	**31 Dec 2015**	31 Dec 2014
Cash and cash equivalents	984	1,143
Other current assets	9,956	9,034
Non-current assets	7,216	7,563
Current financial liabilities	9	12
Other current liabilities	2,298	2,850
Other non-current liabilities	3,334	3,308
Equity	**12,515**	**11,570**
Group' shares in equity in %	50%	50%
Group's shares in equity	**6,257**	**5,785**
Residual carrying amount of the allocated hidden reserves, net of deferred taxes	6,305	7,105
Goodwill	4,458	4,458
Carrying amount of the investment	**17,020**	**17,348**

In EUR k	**2015**	2014
Revenue	20,591	18,961
Cost of sales	–5,687	–6,115
Selling and administrative expenses	–1,780	–1,801
Other operating result	69	125
Interest income	0	10
Interest expenses	–22	–82
Profit before taxes	**13,171**	**11,098**
Income taxes	–4,412	–3,900
Profit after taxes	**8,759**	**7,198**
Group's share in profit	**4,379**	**3,599**
Amortization of hidden reserves	–1,185	–1,185
Deferred taxes affecting profit	385	385
Group's share in profit under the equity method	**3,579**	**2,799**

The Group received a dividend of EUR 3,908k from this joint venture in the fiscal year (prior year: EUR 4,159k). Cost of sales and selling and administrative expenses include amortization and depreciation of EUR 908k (prior year: EUR 981k). In the fiscal year and in 2014, there were no contingent liabilities or capital commitments.

The following tables provide selected financial information on X-City Marketing Hannover GmbH taken from this entity's separate financial statements, which were prepared in accordance with IFRSs, and a reconciliation of this information to the carrying amount of the investment in this joint venture:

In EUR k	**31 Dec 2015**	31 Dec 2014
Cash and cash equivalents	1,528	1,109
Other current assets	6,536	5,061
Non-current assets	3,837	3,746
Current financial liabilities	5	3
Other current liabilities	1,470	1,464
Other non-current liabilities	136	139
Equity	**10,290**	**8,310**
Group's share in equity in %	50%	50%
Group's share in equity	**5,145**	**4,155**
Residual carrying amount of the allocated hidden reserves, net of deferred taxes	56	79
Goodwill	1,479	1,479
Carrying amount of the investment	**6,680**	**5,713**

In EUR k	**2015**	2014
Revenue	8,030	7,321
Cost of sales	–3,224	–2,997
Selling and administrative expenses	–2,338	–2,115
Other operating result	477	120
Interest income	5	8
Interest expenses	–3	–5
Profit before taxes	**2,947**	**2,332**
Income taxes	–966	–816
Profit after taxes	**1,981**	**1,516**
Group's share in profit	**990**	**795**
Amortization of hidden reserves	–34	–34
Deferred taxes affecting profit	11	11
Group's share in profit under the equity method	**967**	**772**

The Group did not receive a dividend from this joint venture in the fiscal year or in 2014. Cost of sales and selling and administrative expenses include amortization and depreciation of EUR 405k (prior year: EUR 280k). In the fiscal year and in 2014, there were no contingent liabilities or capital commitments.

The following tables provide summarized financial information on the rest of the Group's joint ventures taken from these entities' separate financial statements, which were prepared in accordance with IFRSs, and a reconciliation of this information to the carrying amount of the investments in these joint ventures:

In EUR k	31 Dec 2015	31 Dec 2014
Current assets	984	828
Non-current assets	728	1,078
Current liabilities	225	207
Non-current liabilities	140	172
Equity	**1,347**	**1,527**
Group's share in equity in %	50%	50%
Carrying amount of the investments	**1.022**	**920**

In EUR k	2015	2014
Revenue	1,132	1,155
Cost of sales	–596	–616
Selling and administrative expenses	–179	–205
Financial result	–1	–1
Profit before taxes	**356**	**333**
Income taxes	–93	–70
Profit after taxes	**263**	**263**
Group's share in profit	**131**	**136**

The Group received a dividend of EUR 38k from the other joint ventures in the fiscal year (prior year: EUR 75k). There were no contingent liabilities or capital commitments.

Associates
The following associates are accounted for in the consolidated financial statements using the equity method:

Name	Registered Office	Country	Equity interest in % 31 Dec 2015	Equity interest in % 31 Dec 2014
evidero GmbH	Cologne	Germany	65	0
Instytut Badán Outdooru IBO Sp. z.o.o.	Warsaw	Poland	40	40
OSD Holding Pte. Ltd	Singapore	Singapore	36	0

The following tables provide summarized financial information on the associates:

In EUR k	**31 Dec 2015**	31 Dec 2014
Current assets	1,196	355
Non-current assers	1,901	1,211
Current liabilities	2,278	1,557
Non-current liabilities	366	0
Equity	**453**	**9**
Carrying amount of the investments	**545**	**9**

In EUR k	**2015**	2014
Revenue	268	2
Cost of sales	–671	–127
Selling and administrative expenses	–2	0
Financial result	0	7
Loss before taxes	**–405**	**–118**
Income taxes	–5	0
Loss after taxes	**–410**	**–118**
Group's share in loss	**–226**	**–47**

The entities were granted loans totaling EUR 1,006k (prior year: EUR 585k). No dividend was distributed in the fiscal year or in 2014.

6 Significant business combinations

Transactions not involving a change in control

Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung
With economic effect as of 1 January 2015, the Ströer Group acquired the remaining 49.0% of the shares in Kölner Aussenwerbung Gesellschaft mit beschränkter Haftung, Cologne, for a purchase price of EUR 3.6m. The purchase price is not subject to any further modification and is thus final. Ströer now holds all shares in the company.

BlowUP Media GmbH
Ströer increased its investment in BlowUP Media GmbH from 90.0% to 100.0% with economic effect as of 27 May 2015. The final purchase price for the acquired 10.0% stake amounts to a total of approximately EUR 2.6m.

Other transactions not involving a change in control were of marginal importance individually.

These acquisitions were presented as transactions between shareholders in accordance with IFRS 10. The corresponding accounting-related effects are presented in the following table. The transactions were summarized for materiality reasons:

In EUR k	
Total purchase price	16,922
Non-controlling interests	16,951
Change in consolidated equity held by owners of Ströer SE	–29

The transactions mainly affected the consolidated retained earnings of the owners of Ströer SE.

Transactions involving a change in control

RegioHelden GmbH
With economic effect as of 3 August 2015, the Ströer Group also acquired a total of 90.0% of the shares in RegioHelden GmbH, Stuttgart. RegioHelden GmbH is a specialist provider for local and regional online advertising. Its portfolio includes search engine marketing and optimization as well as web design and call measurement. The entity also offers successful and proven technology solutions in regional online advertising. The purchase price for the acquired shares came to around EUR 15.8m. It is not subject to any further modification and is thus final. There are also call and put options on the remaining 10.0% of the shares in the company that can be exercised in the coming years, provided that certain contractual conditions are met.

In the fiscal year, the acquisition gave rise to transaction costs of EUR 186k which were reported under administrative expenses.

The following table shows the fair values of the assets acquired and liabilities assumed at the acquisition date:

In EUR k	
Intangible assets	184
Property, plant and equipment	24
Financial assets	23
Trade receivables	531
Other financial assets	73
Other assets	602
Deferred tax assets	2,562
Cash and cash equivalents	288
Other provisions	680
Trade payables	954
Financial liabilities	1,132
Other liabilities	719
Net assets acquired	802

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	531	531
Other financial assets	73	73
Other assets	602	602

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Purchase price	15,842
Non-controlling interests	–80
Net assets acquired	802
Goodwill	14,960

Since control was obtained, RegioHelden GmbH has contributed the following revenue and loss after taxes which are included in the consolidated income statement.

In EUR k	Revenue	Loss after taxes
3 Aug to 31 Dec 2015	3,685	–122

Lioncast / PetTec / Dockin

With economic effect as of 1 November 2015, Ströer also acquired the operations of "Lioncast," "PetTec" and "Dockin" by way of an asset deal. The three e-commerce operations are active in the segments of gaming accessories, accessories for smartphones and tablets and electronic articles for dog training. The provisional purchase price for the acquired assets amounts to approximately EUR 3.6m. It could increase by an amount of up to EUR 1.8m in the next two years as a result of contractual adjustment clauses (earn-out arrangements based on EBIT).

In the fiscal year, the acquisition gave rise to transaction costs of EUR 59k which were reported under administrative expenses.

The book value of the acquired net assets at the date of acquisition was EUR 0.6m.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the operations is calculated as follows:

In EUR k	
Provisional purchase price	3,650
Contractually agreed contingent purchase price payments in subsequent periods	1,265
Net assets acquired	637
Goodwill	4,278

Since control was obtained, the operations have contributed the following revenue and profit after taxes which are included in the consolidated income statement.

In EUR k	Revenue	Profit after taxes
1 Nov to 31 Dec 2015	485	272

InteractiveMedia CCSP GmbH / Internet Portal T-Online.de

With economic effect as of 2 November 2015, Ströer SE acquired the shares of Digital Media Products GmbH, Darmstadt, in which InteractiveMedia CCSP GmbH, Darmstadt, and the internet portal t-online.de from Deutsche Telekom AG are consolidated. Through this acquisition, Ströer has successfully taken the decisive step towards becoming a digital multi-channel media company. At the same time, Deutsche Telekom AG has become a shareholder of Ströer and received 6,412,715 shares as part of a capital increase in return for a non-cash contribution. A cash settlement was agreed for an additional purchase price adjustment of EUR 12.4m which exists in favor of Ströer SE.

In the fiscal year, the acquisition gave rise to transaction costs of EUR 4,439k which were reported under administrative expenses.

The following table shows the consolidated fair values of the assets acquired and liabilities assumed from Digital Media Products GmbH and InteractiveMedia CCSP GmbH at the acquisition date:

In EUR k	Acquisition date carrying amounts	Adjustment from the purchse price allocation	Carrying amounts in Ströer's consolidated statement of financial position
Goodwill	0	293,292	293,292
Intangible assets	15,302	67,718	83,020
Property, plant and equipment	210		210
Trade receivables	22,256		22,256
Other financial assets	293		293
Other assets	635		635
Deferred tax assets	4,634	1,940	6,574
Cash and cash equivalents	30,735		30,735
Pension provisions and similar obligations	11,734		11,734
Other provisions	10,039	6,320	16,359
Financial liabilities	60		60
Deferred tax liabilities	283	20,789	21,072
Trade payables	18,912		18,912
Other liabilities	2,466		2,466
Current income tax liabilities	609		609
Net assets acquired	29,960	42,549	72,509

The useful lives of the contracts are between 4 and 5 years. The useful life of the recognized contracts on hand is 14 months. The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	22,256	22,256
Other financial assets	293	293
Other assets	635	635

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted.

Under IFRSs, the non-cash contribution made in connection with the capital increase is valued at the price on the date on which the shares were issued, i.e., at the price prevailing on 2 November 2015. The capital increase is thus valued at EUR 378.2m in accordance with IFRSs (under German Commercial Law (HGB), the capital increase has been valued at EUR 296.4m due to different provisions under HGB). On this basis, goodwill pursuant to IFRSs is calculated as follows:

In EUR k	
Capital increase	378,158
Contractually agreed purchase price adjustment in favor of Ströer SE	12,357
Net assets acquired	72,509
Goodwill	293,292

The goodwill is primarily based on the positive prospects of generating additional cash flows above and beyond existing technology by continuing to develop that technology. There are also positive prospects of concluding new contracts above and beyond existing publisher contracts in order to generate additional cash flows.

Since control was obtained, Digital Media Products GmbH including its subsidiary InteractiveMedia CCSP GmbH has contributed the following revenue and profit after taxes which are included in the consolidated income statement.

In EUR k	Revenue	Profit after taxes
2 Nov to 31 Dec 2015	25,706	5,383

Omnea GmbH

With effect also as of 2 November 2015, the Ströer Group acquired 80.0% of Omnea GmbH, Berlin. Omnea GmbH provides local businesses with various internet technology services to support their communications strategy. The provisional purchase price for the shares comes to around EUR 4.8m. It could increase by a maximum of up to EUR 2.2m in the next three years as a result of contractual adjustment clauses (earn-out arrangements based on revenue and EBIT). There are also call and put options on the remaining 20.0% of the shares in the company that can be exercised in the coming years, provided that certain contractual conditions are met.

In the fiscal year, the acquisition gave rise to transaction costs of EUR 81k which were reported under administrative expenses.

The following table shows the fair values of the assets acquired and liabilities assumed at the acquisition date:

In EUR k	
Property, plant and equipment	30
Trade receivables	554
Other financial assets	50
Other assets	13
Deferred tax assets	819
Cash and cash equivalents	178
Trade payables	104
Other liabilities	1,453
Net assets acquired	87

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	554	554
Other financial assets	50	50
Other assets	13	13

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Provisional purchase price	4,799
Contractually agreed contingent purchase price payments in subsequent periods	1,804
Non-controlling interests	17
Net assets acquired	87
Goodwill	6,533

Since control was obtained, Omnea GmbH has contributed the following revenue and loss after taxes which are included in the consolidated income statement.

In EUR k	Revenue	Loss after taxes
2 Nov to 31 Dec 2015	263	-131

Permodo International GmbH

With effect as of 11 November 2015, the Ströer Group acquired a total of 51.0% of the shares in Permodo International GmbH, Munich. Permodo International GmbH holds in turn all shares in Permodo GmbH, Munich. Both companies deliver and optimize performance-based mobile advertising campaigns. The provisional purchase price for the transferred shares comes to around EUR 8.4m. However, it could decrease in the next year as a result of contractual adjustment clauses (earn-out arrangements based on EBIT). There are also call and put options on the remaining 49.0% of the shares in the company that can be exercised in the coming years, provided that certain contractual conditions are met.

In the fiscal year, the acquisition gave rise to transaction costs of EUR 17k which were reported under administrative expenses.

The following table shows the consolidated fair values of the assets acquired and liabilities assumed from both entities at the acquisition date:

In EUR k	
Intangible assets	146
Property, plant and equipment	4
Trade receivables	1,133
Other assets	354
Cash and cash equivalents	1,756
Other provisions	918
Trade payables	426
Financial liabilities	1,667
Other liabilities	758
Current income tax liabilities	408
Net assets acquired	–784

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	1,133	1,133
Other assets	354	354

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Purchase price	8,360
Non-controlling interests	–384
Net assets acquired	–784
Goodwill	8,760

Since control was obtained, the entities have contributed the following revenue and profit after taxes which are included in the consolidated income statement.

In EUR k	Revenue	Profit after taxes
11 Nov to 31 Dec 2015	3,269	519

Conexus AS

Finally, with economic effect as of 18 November 2015, the Ströer Group acquired a total of 54.8% of the shares in Conexus AS, Drammen, Norway. The entity develops and markets education and learning technologies. The purchase price for the acquired shares came to approximately EUR 10.0m. It is not subject to any further modification and is thus final.

In the fiscal year, the acquisition gave rise to transaction costs of EUR 51k which were reported under administrative expenses.

The following table shows the consolidated fair values of the assets acquired and liabilities assumed from Conexus AS and its five subsidiaries at the acquisition date:

In EUR k	
Intangible assets	20
Property, plant and equipment	18
Other financial assets	565
Trade receivables	1,488
Financial assets	3,306
Other assets	369
Cash and cash equivalents	263
Deferred tax assets	1,020
Trade payables	183
Financial liabilities	643
Other liabilities	2,977
Current income tax liabilities	104
Net assets acquired	3,143

The fair value and gross amount of the receivables acquired break down as follows:

In EUR k	Fair value	Gross amount
Trade receivables	1,488	1,488
Other financial assets	3,306	3,306
Other assets	369	369

The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill of the entity is calculated as follows:

In EUR k	
Purchase price	10,000
Non-controlling interests	1,421
Net assets acquired	3,143
Goodwill	8,278

Since control was obtained, the entities have contributed the following revenue and profit after taxes which are included in the consolidated income statement.

In EUR k	Revenue	Profit after taxes
18 Nov to 31 Dec 2015	1,439	217

Other business combinations

In addition to the acquisitions detailed above, the Ströer Group also acquired the operations "SpielAffe/KralOyun/Games1.com" and "spieletipps.de" as well as shares in the entities Erdbeerlounge GmbH (100.0%), Content Fleet GmbH (70.2%), Ad-Vice sp. z o.o. (100.0%), Ströer Mobile Performance GmbH (100.0%, formerly KissMyAds GmbH) and FaceAdNet GmbH (52.0%). There are call and put options on the remaining shares in Content Fleet GmbH and FaceAdNet GmbH that can be exercised in the coming years provided that certain contractual conditions are met.

In the fiscal year, the acquisitions gave rise to transaction costs of EUR 185k which were reported under administrative expenses.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities for Content Fleet GmbH, Ad-Vice sp. z o.o., Ströer Mobile Performance GmbH and FaceAdNet GmbH and final for the other acquisitions. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted in the provisional purchase price allocations. Goodwill for the two operations and the five entities breaks down as follows:

In EUR k	
Purchase price	21,868
Non-controlling interests	384
Net assets acquired	7,366
Goodwill	14,885

Since control was obtained, the two operations and the five entities have contributed the following revenue and profit after taxes which are included in the consolidated income statement.

In EUR k	Revenue	Profit after taxes
	12,989	373

The assets acquired and the liabilities assumed from all the newly acquired entities and operations were allocated in accordance with their respective integration in the Ströer Group to the cash-generating units "Digital Group" (Ad-Vice sp. z o.o., InteractiveMedia CCSP GmbH, RegioHelden GmbH, Omnea GmbH, Permodo International GmbH, Ströer Mobile Performance GmbH), "Content Group" (Erdbeerlounge GmbH, spieletipps.de, SpielAffe/KralOyun/Games1.com, Content Fleet GmbH, FaceAdNet GmbH, Lioncast/PetTec/Dockin, Digital Media Products GmbH) and "Ströer Venture" (Conexus AS).

Retrospective purchase price allocation

Purchase price allocation: STRÖER media brands AG (formerly GIGA Digital AG))
The purchase price allocation has now been finalized in relation to the measurement of the assets and liabilities of STRÖER media brands AG acquired in 2014. The adjustment of the purchase price allocation had the following effects on the income statement for fiscal year 2014 and the statement of financial position as of 1 July 2014:

In EUR k	
Internally generated intangible assets	2,921
Deferred tax liabilities	881
Net assets acquired	2,040

In EUR k	
Amortization and depreciation	365
Income taxes	110

The internally generated intangible assets mainly comprise internally developed software. The useful life of the software is four years.

Goodwill is calculated as follows:

In EUR k	1 Jul 2014 Adjusted	1 Jul 2014 Initial
Purchase price	3,995	3,995
Non-controlling interests	204	15
Net assets acquired	2,040	155
Goodwill	2,159	3,855

The goodwill is based on the positive prospects of generating additional cash flows above and beyond existing technology by continuing to develop that technology. The allocation to the adjustment item for non-controlling interests was made on the basis of the share in equity.

Purchase price allocation: kino.de/video.de
The purchase price allocation has now been finalized in relation to the measurement of the assets and liabilities of the operations “kino.de”/“video.de” acquired in 2014. The adjustment of the purchase price allocation had the following effects on the income statement for fiscal year 2014 and the statement of financial position as of 1 July 2014:

In EUR k	
Internally generated intangible assets	3,586
Net acquired assets	3,586

In EUR k	
Amortization and depreciation	448

The internally generated intangible assets mainly comprise internally developed software. The useful life of the software is four years.

Goodwill is calculated as follows:

In EUR k	**1 Jul 2014 Adjusted**	**1 Jul 2014 Initial**
Purchase price	4,500	4,500
Net assets acquired	3,586	4,500
Goodwill	914	0

The goodwill is based on the positive prospects of generating additional cash flows above and beyond existing technology by continuing to develop that technology.

Summary information
The contractually agreed purchase prices for acquisitions involving a change in control totaled EUR 55,230k (prior year: EUR 12,613k) including payments in subsequent periods (excluding the adjustment of earn-out payments).

The effects on the cash flows from investing activities are presented below:

In EUR k	**2015**	2014
Total payments made	–58,132	–12,513
Total cash acquired	34,497	1,003
Cash outflows for acquisitions in prior years	–100	–2,240
Net cash flows from business combinations	–23,735	–13,751

The aggregate increases in the asset and liability items are shown below. Please note that some of the purchase price allocations for 2015 are still provisional:

In EUR k	2015	2014
Internally generated intangible assets	19,937	5,552
Other intangible assets	70,700	5,723
Property, plant and equipment	1,020	346
Financial assets	591	14
Deferred tax assets	11,050	0
Inventories	0	254
Trade receivables	29,791	1,909
Other financial assets	4,119	464
Other assets	3,429	578
Income tax assets	0	106
Cash and cash equivalents	34,497	1,003
Pension provisions and other obligations	11,734	0
Other provisions	18,134	36
Deferred tax liabilities	21,531	1,811
Trade payables	23,159	1,125
Financial liabilities	4,800	2,219
Other liabilities	10,462	1,375
Income tax liabilities	1,555	88
Net assets	83,760	9,297

The effect on the Group's revenue and profit after taxes in the consolidated financial statements had all the entities acquired in 2015 been fully consolidated as of 1 January 2015 is presented below. The amounts shown do not yet reflect the effects of the purchase price allocations for the entities acquired in fiscal year 2015.

In EUR k	Revenue	Profit after taxes
1 Jan to 31 Dec 2015	989,129	81,573

Business acquisitions after the reporting date

B. A. B. MaxiPoster Werbetürme GmbH
Effective 6 January 2016, the Ströer Group acquired all of the shares in B. A. B. MaxiPoster Werbetürme GmbH, Hamburg, for a provisional purchase price of EUR 7.4m. The net assets amounted to approximately EUR 2.8m at the acquisition date.

OMS Vermarktungs GmbH & Co. KG
With effect as of 19 January 2016, the Ströer Group acquired OMS Vermarktungs GmbH & Co. KG, Düsseldorf, and its general partner. In return, OMS-Online Marketing Service GmbH & Co. KG will receive a 10.0% stake in Ströer Digital Group GmbH for selling the two companies. The net assets of OMS Vermarktungs GmbH & Co. KG amounted to approximately EUR 1.3m at the acquisition date.

Statista GmbH
With effect as of 1/2 February 2016, the Ströer Group acquired a total of 81.3% of the shares in Statista GmbH, Hamburg. The purchase price for the acquired shares amounts to EUR 64.7m including a capital increase of EUR 7.5m. At the acquisition date, non-current assets provisionally measured under IFRSs came to EUR 1.7m, current assets to some EUR 12.7m and the acquired net assets (including the capital increase) before recognition of hidden reserves to EUR 6.8m.

For these three business acquisitions, no final detailed measurements of individual assets and liabilities from the provisional purchase price allocation were available at the date of publication of this report.

7 Consolidation principles

The assets and liabilities of the consolidated entities are measured on the basis of uniform accounting policies. The reporting date of all entities consolidated is 31 December.

Subsidiaries are fully consolidated from the date of acquisition, i.e., the date on which the Group obtains control. Control within the meaning of IFRS 10, "Consolidated Financial Statements" is achieved when Ströer is exposed, or has rights, to variable returns from the subsidiary and has the ability to affect those returns through its power over the subsidiary. Consolidation ends as soon as the parent ceases to have control.

The cost of foreign entities acquired is translated into euros at the exchange rate applicable on the date of acquisition.

The acquisition method is applied for the initial accounting. The cost of a business combination is allocated by recognizing the assets acquired and liabilities assumed as well as certain contingent liabilities at fair value (purchase price allocation). Any excess of the cost of the combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Goodwill attributable to non-controlling interests is also recognized as an asset on a case-by-case basis in accordance with IFRS 3. Any remaining negative goodwill is recognized immediately in profit or loss.

The hidden reserves and charges recognized are subsequently measured applying the accounting policy for the corresponding assets and liabilities. Goodwill recognized is tested for impairment annually (see note 19).

Write-ups or write-downs in the fiscal year on shares in consolidated entities recognized in the individual financial statements are eliminated in the consolidated financial statements. Intragroup profit and losses, revenue, expenses and income as well as receivables and liabilities between consolidated entities are eliminated.

Effects of consolidation on income taxes are accounted for by deferred taxes.

Non-controlling interests in equity and profit or loss are recognized in a separate item under equity. If additional interests are acquired or sold in fully consolidated entities, this difference is directly set off against equity.

A joint venture is defined as a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Under IFRS 11, the question of whether legal or beneficial rights to net assets are held is assessed on the basis of the contractual relationships (e.g., articles of incorporation and bylaws, shareholder agreements, exchange of goods and services) between the vehicle and its partners. Joint ventures and associates are consolidated using the equity method. In the income statement, the Group's share in the profit or loss of associates and joint ventures is stated before the financial result and taxes. Changes in the other comprehensive income of these investees are reflected in the Group's other comprehensive income.

Significant investments in which the Ströer Group holds between 20% and 50% of the shares and over which it can therefore exercise significant influence are accounted for in accordance with the equity method. This involves recognizing the interests in an associate in the statement of financial position at the cost of the acquisition plus the changes in the Group's share in the net assets of the associate arising since its acquisition. The Group's share in the profit or loss of an associate is presented in the income statement. This is the profit after taxes attributable to the owners of the associate.

For the purpose of measurement, other investments are classified pursuant to IAS 39 as "Available-for-sale financial assets" and are recognized at cost or fair value, provided this can be reliably measured.

8 Currency translation

The financial statements of the consolidated foreign entities whose functional currency is not the euro are translated pursuant to IAS 21, "The Effects of Changes in Foreign Exchange Rates" into the Group's presentation currency (euro). The functional currency of the foreign entities is the respective local currency.

Assets and liabilities are translated at the closing rate. Equity is reported at the historical rate. Expenses and income are translated into euros at the weighted average rate of the respective period. Exchange differences recognized directly in equity are only recognized in profit or loss if the corresponding entity is sold or deconsolidated.

Transactions conducted by the consolidated entities in foreign currency are translated into the functional currency at the exchange rate valid on the date of the transaction. Gains and losses arising on the settlement of such transactions or on translating monetary items in foreign currency at the closing rate are recognized in profit or loss.

Exchange rate effects from intragroup loans are recorded in other comprehensive income if the loans meet the criteria of a net investment as defined by IAS 21.

The following exchange rates were used for the most important foreign currencies in the Ströer Group:

		Closing date		Weighted average rate	
	Currency	**31 Dec 2015**	31 Dec 2014	**2015**	2014
Hungary	HUF	315.9800	315.5400	309.8373	308.6420
Czech Republic	CZK	27.0230	27.7350	27.2833	27.5356
Norway	NOK	9.6030	–	9.3598	–
Poland	PLN	4.2639	4.2732	4.1813	4.1843
Turkey	TRY	3.1765	2.8320	3.0088	2.9047
UK	GBP	0.7340	0.7789	0.7257	0.8061

NOTES TO THE INCOME STATEMENT

9 Revenue

Revenue breaks down as follows:

In EUR k	2015	2014
Revenue from the commercialization of advertising media	775,751	685,160
Revenue from services	43,448	32,321
Royalties	1,287	1,101
Other operating income	3,220	2,510
Total	**823,706**	**721,092**

See the disclosures under segment information for a breakdown of revenue by segment. Revenue includes income of EUR 1,260k (prior year: EUR 709k) from barter transactions. As of the reporting date, outstanding receivables and liabilities from barter transactions amounted to EUR 348k (prior year: EUR 424k) and EUR 1,110k (prior year: EUR 289k), respectively.

10 Cost of sales

Cost of sales includes all costs which were incurred in connection with the sale of products and provision of services and breaks down as follows:

In EUR k	2015	2014
Rental, lease and royalty payments	227,741	216,677
Amortization, depreciation and impairment losses	95,687	70,254
Personnel expenses	11,421	4,499
Other cost of sales	226,305	214,774
Total	**561,154**	**506,204**

11 Selling expenses

Selling expenses include all expenses incurred in connection with direct selling expenses and sales overheads. They can be broken down into:

In EUR k	2015	2014
Personnel expenses	76,193	67,017
Amortization, depreciation and impairment losses	2,252	2,237
Other selling expenses	29,308	22,449
Total	**107,753**	**91,703**

The non-capitalizable components of product development costs are disclosed in the income statement under selling expenses and amounted to EUR 1,241k (prior year: EUR 1,524k) in the reporting period.

12 Administrative expenses

Administrative expenses include the personnel and non-personnel expenses as well as amortization, depreciation and impairment losses relating to all administrative areas which are not connected with technology, sales or product development. Administrative expenses break down as follows:

In EUR k	**2015**	2014
Personnel expenses	49,223	50,267
Amortization, depreciation and impairment losses	12,115	9,270
Other administrative expenses	33,552	28,410
Total	**94,890**	**87,947**

13 Other operating income

The breakdown of other operating income is shown in the following table:

In EUR k	**2015**	2014
Income from the reversal of provisions and derecognition of liabilities	6,635	6,576
Income from the reversal of bad debt allowances	1,889	880
Income from the disposal of property, plant and equipment and intangible assets	955	600
Income from services	747	795
Income from exchange differences	704	769
Miscellaneous other operating income	13,053	15,497
Total	**23,983**	**25,117**

14 Other operating expenses

Other operating expenses break down as follows:

In EUR k	**2015**	2014
Expenses related to the recognition of bad debt allowances and derecognition of receivables and other assets	3,646	3,974
Out-of-period expenses	2,605	3,838
Loss from the disposal of property, plant and equipment and intangible assets	1,957	1,248
Expenses from exchange differences	1,064	1,585
Miscellaneous other operating expenses	1,332	856
Total	**10,604**	**11,501**

15 Financial result

The following table shows the composition of the financial result:

In EUR k	2015	2014
Finance income	**2,422**	**3,239**
Income from exchange differences on financial instruments	1,889	2,058
Interest income from loans and receivables	288	462
Other finance income	245	719
Finance costs	**–11,761**	**–18,036**
Interest expenses from loans and liabilities	–8,985	–14,733
Expenses from exchange differences on financial instruments	–1,730	–1,680
Expenses from financial instruments measured at fair value through profit or loss	0	-63
Other finance costs	–1,046	–1,560
Financial result	**–9,339**	**–14,796**

Interest expenses from loans and liabilities continued to decrease due to the optimization of the Group's financing structure in April 2015, ongoing favorable interest rate trends on the capital markets and the sustained decline in the leverage ratio.

Income/expenses from exchange differences on financial instruments contain non-cash exchange gains/losses from the translation of a group loan granted in euros to our Polish subsidiary which does not meet the criteria of a net investment within the meaning of IAS 21. By contrast, the loans to our Turkish group entities are classified as a net investment within the meaning of IAS 21. As a result, any exchange rate effects are recorded in other comprehensive income.

Income/expenses from financial instruments measured at fair value through profit or loss included the change in the fair values of the stand-alone interest rate swaps for the last time in the prior year.

16 Income taxes

Taxes on income paid or due in the individual countries as well as deferred taxes are stated as income taxes. Including minimum taxation and the increase in taxable income in comparison to 2014, current tax expense increased by some EUR 2.3m on the prior year. The reduction in deferred tax liabilities relating to intangible assets was the main factor that led to the disclosure of deferred tax income in 2015. Income taxes break down as follows:

In EUR k	**2015**	2014
Expenses from current income taxes	13,398	11,061
thereof for prior years	383	–561
Expenses (+)/income (-) from deferred taxes	–4,531	3,356
thereof for prior years	498	1,429
Expenses (+)/income (-)	**8,867**	**14,417**

The changes in the transactions recognized directly in equity and the deferred taxes arising thereon are presented in the following table:

2015

In EUR k	**Before taxes**	**Taxes**	**After taxes**
Exchange differences on translating foreign operations	–14,183	479	–13,704
Actuarial gains and losses	1,258	-360	898
	–12,925	**119**	**–12,806**

2014

In EUR k	**Before taxes**	**Taxes**	**After taxes**
Exchange differences on translating foreign operations	6,697	768	7,465
Actuarial gains and losses	–3,995	1,294	–2,701
	2,702	**2,062**	**4,764**

Deferred taxes are calculated on the basis of the applicable tax rates for each country. These range from 10% to 33% (prior year: from 10% to 33%).

Deferred taxes recognized for consolidation procedures are calculated based on the tax rate of 32.5% (prior year: 32.5%). This comprises corporate income tax of 15%, solidarity surcharge of 5.5% and average trade tax of 16.6%. If consolidation procedures relate to a foreign subsidiary, the respective country-specific tax rate is applied.

Deferred taxes are allocated to the following items in the statement of financial position:

	31 Dec 2015		31 Dec 2014	
In EUR k	**Assets**	**Liabilities**	Assets	Liabilities
Intangible assets	16,034	85,737	2,529	61,917
Property, plant and equipment	21	18,991	109	18,871
Financial assets	9	383	488	373
Receivables, other financial and non-financial assets	7,478	5,463	7,337	4,210
Inventories	339	0	684	0
Pension provisions	4,786	113	3,417	17
Other provisions	7,746	1,290	3,619	1,521
Liabilities	18,077	15,903	22,871	21,801
Deferred taxes on temporary differences	**54,490**	**127,880**	**41,054**	**108,710**
Tax loss and interest carryforwards	17,457	0	17,134	0
Total deferred taxes	**71,947**	**127,880**	**58,188**	**108,710**
Set-offs	–59,176	–59,176	–53,881	–53,881
Carrying amount of deferred taxes	**12,771**	**68,704**	**4,308**	**54,829**

No deferred tax assets were recognized for loss carryforwards of EUR 25,365k (prior year: EUR 21,962k). EUR 21,001k thereof relates to German group entities and EUR 4,364k to foreign group entities. The majority of unused tax losses attributable to consolidated foreign entities for which no deferred tax assets were recognized will expire as follows:

Year	Amount in EUR k
2016	0
2017	0
2018	0
2019	0
2020	0
2021	94

After impairment losses, deferred tax assets arising from unused tax losses were recognized in the amount of EUR 39,658k; the entities to which these unused tax losses are attributable generated losses in prior years. On the basis of the tax planning of the entities concerned, however, we assume that we will be able to use these unused tax losses in future periods due to an increase in taxable income.

In accordance with IAS 12, deferred taxes must be recognized on the difference between the share in equity held in subsidiaries recognized in the consolidated statement of financial position and the carrying amount of the equity interest for these subsidiaries recognized in the parent's tax accounts ("outside basis differences") if this difference is expected to be realized. Deferred taxes were recognized in the consolidated financial statements for equity investments if distributions are expected in the near future. Overall, deferred tax liabilities on outside basis differences of EUR 383k (prior year: EUR 372k) were recognized.

For outside basis differences of EUR 33,657k (prior year: EUR 50,062k), no deferred taxes were recognized as Ströer SE can control the timing of the reversal of the temporary differences for these equity investments and does not expect them to reverse in the future.

The dividends paid in 2015 for fiscal year 2014 had no income tax consequences. Any dividend payments made in 2016 for fiscal year 2015 will, in all likelihood, not have any income tax consequences either.

The reconciliation of the expected tax expense and the actual tax expense is presented below:

In EUR k	**2015**	2014
Earnings before income taxes pursuant to IFRSs	68,400	37,718
Group income tax rate	32.45%	32.45%
Expected income tax expense for the fiscal year	22,196	12,239
Effect of tax rate changes	–141	127
Trade tax additions/deductions	–12,147	2,798
Effects of taxes from prior years recognized in the fiscal year	880	867
Effects of deviating tax rates	–121	895
Effects of tax-exempt income	–666	–2,582
Effects of equity method accounting	–1,785	–1,143
Effects of non-deductible business expenses	1,056	1,704
Effects of non-recognition or subsequent recognition of deferred tax assets	0	0
Recognition and correction of loss and interest carryforward for tax purposes (interest limitation rules)	45	–199
Other deviations	–450	–289
Total tax expenses (+)/tax income (-)	**8,867**	**14,417**

In 2015, the Ströer Group implemented various process improvements and structural changes in its legal entities. One of the effects of these measures was a considerable improvement in the Group's tax rate.

17 Notes to earnings per share

In EUR k	2015	2014
Basic earnings attributable to the shareholders of Ströer SE	58,007	21,150

In thousands	2015	2014
Weighted average number of ordinary shares issued as of 31 Dec	49,906	48,870
Effects from subscription rights issued	1,796	217
Effects from the obligation to purchase treasury shares	0	0
Weighted average number of ordinary shares issued as of 31 Dec (diluted)	51,702	49,086

As a result of a capital increase as of 2 November 2015, the number of shares (48,869,784) was increased by 6,412,715 to 55,282,499 shares. As a result, earnings per share for fiscal year 2015 were calculated based on a time-weighted number of shares (49,906,360), whereas the number of shares in fiscal year 2014 stood at 48,869,784 throughout the year.

Earnings per share are subject to a potential dilution due to the stock option plans launched in fiscal years 2013 and 2015. We refer to note 27 "Equity." In addition, earnings per share could potentially be diluted by the contingent put options that were granted to a non-controlling interest in fiscal year 2010 in respect of its shares in a Ströer group entity. Settlement may take the form of the issue of shares in Ströer SE. These potential shares had no dilutive effect in fiscal years 2014 and 2015 since the exercise price of the options was less favorable than the market price of the underlying share.

18 Other notes

Personnel expenses
Personnel expenses of EUR 136,837k (prior year: EUR 121,783k) are included in the cost of sales, administrative expenses and selling expenses.

The average number of employees in the fiscal year breaks down as follows:

Number	2015	2014
Salaried employees	2,488	2,111
Wage earners	1	2
Total	**2,489**	**2,113**

The number is based on the average number of employees at the end of the four quarters, taking into account their employment relationships. Part-time employees are included in full. Members of management, trainees, interns, pensioners and employees on parental leave are not included.

The Group has a total headcount (full and part-time employees) of 3,270 (prior year: 2,380). The difference of 781 is largely due to the cut-off date of 31 December as the number of employees of the newly acquired companies is not calculated on a time-weighted basis. In addition, the difference also results from the inclusion of employees on parental leave, trainees and temporary workers. These employees are not included in the above disclosure in accordance with Sec. 314 (1) No. 4 HGB in conjunction with Sec. 285 No. 7 HGB.

Amortization, depreciation and impairment losses

The amortization, depreciation and impairment losses included in the cost of sales, administrative expenses and selling expenses are shown in notes 10 to 12. The increase in amortization, depreciation and impairment losses by EUR 28,293k to EUR 110,055k is primarily attributable to additional amortization in connection with rights and licenses.

Leases

Cost of sales, administrative expenses and selling expenses include the following expenses from operating leases:

In EUR k	**2015**	2014
Rent	6,503	5,795
Vehicle leasing	2,355	2,420
Leasing of buildings	1,631	1,631
Hardware and software leasing	1,480	665
Rental/lease of facilities	243	233
Total	**12,212**	**10,744**

Currency effects

In the reporting period, losses of EUR 201k (prior year: losses of EUR 438k) arising from exchange differences were recognized in the income statement. Thereof, income of EUR 159k (prior year: income of EUR 378k) was recognized in the financial result.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

19 Intangible assets

The development of intangible assets in the year under review and in the prior year is presented in the following table:

In EUR k	Rights and royalties	Goodwill	Prepayments	Development costs	Total
Cost					
Opening balance 1 Jan 2014	**392,510**	**307,268**	**13,691**	**23,738**	**737,207**
Change in the consolidated group	6,767	5,205	0	4,407	16,379
Additions	10,835	0	1,179	5,681	17,695
Reclassifications	1,369	0	–1,328	0	41
Disposals	–1,757	0	–154	–1,550	–3,461
Exchange differences	2,099	1,248	0	108	3,455
Closing balance 31 Dec 2014/opening balance 1 Jan 2015	**411,823**	**313,721**	**13,388**	**32,384**	**771,316**
Change in the consolidated group	71,312	350,791	6,711	12,634	441,448
Additions	46,306	0	4,784	7,932	59,022
Reclassifications	650	0	–6,426	5,796	20
Disposals	–8,406	0	–11	–1,121	–9,538
Exchange differences	–8,276	–3,612	0	–346	–12,234
Closing balance 31 Dec 2015	**513,409**	**660,900**	**18,446**	**57,279**	**1,250,034**
Amortization and impairment losses/reversals					
Opening balance 1 Jan 2014	**175,361**	**5,847**	**2,177**	**4,429**	**187,814**
Change in the consolidated group	0	0	0	0	0
Amortization and impairment losses	34,144	0	3,114	5,781	43,039
Reclassifications	0	0	0	0	0
Disposals	–1,756	0	0	–1,416	–3,172
Exchange differences	1,204	–19	0	45	1,230
Closing balance 31 Dec 2014/opening balance 1 Jan 2015	**208,953**	**5,828**	**5,291**	**8,839**	**228,911**
Change in the consolidated group	–124	0	0	–139	–263
Amortization and impairment losses	59,702	0	4,801	7,431	71,934
Reclassifications	–23	0	0	23	0
Disposals	–9,344	0	0	–68	–9,412
Exchange differences	–4,398	1	0	–217	–4,614
Closing balance 31 Dec 2015	**254,767**	**5,829**	**10,092**	**15,869**	**286,556**
Carrying amount as of 31 Dec 2014	**202,870**	**307,894**	**8,097**	**23,545**	**542,405**
Carrying amount as of 31 Dec 2015	**258,643**	**655,071**	**8,354**	**41,410**	**963,478**

In the reporting year, investment grants pursuant to the InvZulG ["Investitionszulagegesetz": German Investment Grant Act] totaling EUR 90k (prior year: EUR 0k) were accounted for as a reduction in cost.

Furthermore, an impairment loss of EUR 837k (prior year: 0k) was charged due to publisher contracts that were not extended. These charges are included in cost of sales in the reporting year. The amortization and impairment losses on prepayments of EUR 4,801k (prior year: EUR 3,114k) primarily relate to expenses capitalized as part of the restructuring of the Ströer Group's IT landscape.

All goodwill acquired in business combinations was tested for impairment in the fiscal year.

The table below gives an overview of the allocation of goodwill to cash-generating units (CGUs) as well as the assumptions made in performing the impairment test:

In EUR k	Ströer Germany	Ströer Turkey	Digital Group	Ströer Poland	Ströer Content	Ströer Venture	BlowUP group
Carrying amount as of 31 Dec 2014	**80,745**	**33,065**	**178,962**	**5,887**	**4,640**	**0**	**4,595**
Changes in the consolidated group	0	0	45,997	0	296,436	8,357	0
Exchange rate effects	0	–3,586	0	13	0	–40	0
Carrying amount as of 31 Dec 2015	**80,745**	**29,479**	**224,959**	**5,900**	**301,076**	**8,317**	**4,595**
Detailed forecast period (in years)	5	5	5	5	5	–	5
Revenue growth after the forecast period	1% (PY: 1%)	5.8% (PY: 6.2%)	1.4% (PY: 1.4%)	1.3% (PY: 1.4%)	1% (PY: 1%)	–	1% (PY: 1%)
Interest rate (after taxes)	5.4% (PY: 6.8%)	12.3% (PY: 14.0%)	7.9% (PY: 7.5%)	6.9% (PY: 8.5%)	7.1% (PY: 6.8%)	–	7.4% (PY: 7.5%)

The recoverable amount of the CGUs has been determined using cash flow forecasts generated as of 30 September of each year based on financial forecasts approved by management.

The main growth drivers for the Turkey cash-generating unit were identified as inflation, the generally high level of market growth as well as more efficient and more profitable product mixes. The development of the EBITDA growth rates at Ströer Germany and Ströer Poland is primarily due to the shift in the product mix towards higher-quality advertising media and rigorous cost management. The key driver of EBITDA growth in the Digital Germany and Ströer Content cash-generating unit is the high market growth expected from exploiting new product formats and technologies.

In this regard, the budgeted EBITDA is determined on the basis of detailed forecasts about the expected future market assumptions, income and expenses. The projected growth of EBITDA in the detailed forecast period is closely related to expected advertising investments in the advertising industry, the ongoing development of the competitive situation, the prospects of innovative advertising formats, local inflation rates, the respective prospects for the out-of-home advertising industry and the expansion investments planned by Ströer in individual segments. These expectations are primarily based on publicly available market data. With regard to the individual cash-generating units, these expectations lead to average EBITDA growth rates that are – depending on the market environment – in the mid-single-digit (Ströer Germany) or in the low-double-digit percentage range (Ströer Turkey, Ströer Poland, Ströer Content, Digital Group, BlowUP group). In a second step, using the planned investments and working capital changes, EBITDA is transformed into a cash flow forecast. The detailed forecasts are then aggregated into financial plans and approved by management. These financial plans reflect the anticipated development in the forecast period.

For the purpose of performing an impairment test on goodwill, the fair value less costs to sell was classified as the recoverable amount (Level 3 of the fair value hierarchy). The discount rate used for the cash flow forecast was determined on the basis of market data and key performance indicators of the peer group and depends on the economic environment in which the cash flows were generated. As a result, separate interest rates for foreign CGUs were calculated on the basis of local circumstances.

The growth rate used in the terminal value (TV) is determined on the basis of long-term economic expectations and the expectations regarding the inflation trend in each market. To calculate these growth rates, information from central banks, economic research institutes and official statements by the relevant governments is gathered and evaluated.

We conducted a scenario analysis to assess the effect of significant parameters on the need for impairment at the cash-generating units. This was based on the difference between the recoverable amount and the carrying amount which the system set at EUR 0k on the date of initial consolidation and increased/decreased thereafter.

In the case of Ströer Poland, the difference between the recoverable amount and the carrying amount of the sub-segment as of the measurement date is EUR 88,644k (prior year: EUR 71,047k). The recoverable amount would equal the carrying amount of the cash-generating unit if the discount rate increased by more than 9.9 percentage points or if average forecast EBITDA (i.e., the amount expected in the detailed forecast period and in the terminal value) decreased by more than 55%.

In the case of Ströer Turkey, the difference between the recoverable amount and the carrying amount of the segment as of the measurement date is EUR 45,463k (prior year: 30,749k). The recoverable amount would equal the carrying amount of the cash-generating unit if the discount rate increased by more than 2.1 percentage points or if the growth rate after the forecast period decreased by more than 3.2 percentage points or if average forecast EBITDA (i.e., the amount expected in the detailed forecast period and in the terminal value) decreased by more than 16%.

In the case of the other cash-generating units, the difference between the recoverable amount and the carrying amount is high enough that no scenario analysis is required.

20 Property, plant and equipment

The development of property, plant and equipment is shown in the following statement of changes in non-current assets.

In EUR k	Land, land rights and buildings	Plant and machinery	Other plant and equipment	Property, plant and equipment (finance lease)	Prepayments made and assets under construction	**Total**
Cost						
Opening balance 1 Jan 2014	**13,101**	**178**	**397,311**	**3,824**	**26,552**	**440,965**
Change in the consolidated group	169	9	164	0	0	342
Additions	40	6	26,974	0	9,097	36,117
Reclassifications	0	0	6,390	0	–6,431	–41
Disposals	–67	0	–8,060	–1,361	–1,172	–10,661
Exchange differences	35	4	1,399	5	–73	1,370
Closing balance 31 Dec 2014/ opening balance 1 Jan 2015	**13,277**	**197**	**424,178**	**2,468**	**27,973**	**468,092**
Change in the consolidated group	0	–171	–327	0	6	–162
Additions	37	0	35,414	0	13,604	49,055
Reclassifications	0	0	4,972	0	–4,992	–20
Disposals	–4,010	–11	–14,340	–2,396	–2,266	–23,023
Exchange differences	–107	15	–5,560	–12	–171	–5,835
Closing balance 31 Dec 2015	**9,197**	**30**	**444,991**	**60**	**34,153**	**488,431**
Depreciation and impairment losses/reversals						
Opening balance 1 Jan 2014	**3,835**	**178**	**230,737**	**2,409**	**2,711**	**239,868**
Change in the consolidated group	0	0	0	0	0	0
Depreciation and impairment losses	619	4	37,052	1,058	–10	38,722
Reclassifications	0	0	25	0	–25	0
Disposals	–58	0	–7,911	–1,361	0	–9,330
Exchange differences	–1	4	162	4	–82	87
Closing balance 31 Dec 2014/ opening balance 1 Jan 2015	**4,395**	**186**	**260,065**	**2,110**	**2,594**	**269,349**
Change in the consolidated group	0	–171	–2	0	0	–173
Additions	599	0	37,167	338	19	38,123
Reclassifications	0	0	–37	0	37	0
Disposals	–2,062	0	–12,726	–2,381	–5	–17,174
Exchange differences	–62	15	–2,852	–11	6	–2,904
Closing balance 31 Dec 2015	**2,870**	**30**	**281,615**	**57**	**2,650**	**287,221**
Carrying amount as of 31 Dec 2014	**8,882**	**11**	**164,113**	**358**	**25,379**	**198,744**
Carrying amount as of 31 Dec 2015	**6,327**	**0**	**163,376**	**4**	**31,503**	**201,210**

Other assets mainly include advertising media (carrying amount for the fiscal year: EUR 154,678k; prior year: EUR 156,356k).

In the fiscal year, no investment grants pursuant to the InvZulG ["Investitionszulagegesetz": German Investment Grant Act] were recognized as a reduction in cost (prior year: EUR 5k).

EUR 1,074k (prior year: EUR 1,037k) was recognized as income from compensation for damage to or destruction of property, plant and equipment.

21 Financial assets

The development of financial assets in non-listed companies is shown in the following statement of changes in non-current assets.

In EUR k	
Cost	
Opening balance 1 Jan 2014	**173**
Additions	25
Disposals	–47
Closing balance 31 Dec 2014/opening balance 1 Jan 2015	**151**
Change in the consolidated group	13
Additions	0
Disposals	–27
Closing balance 31 Dec 2015	**136**
Impairment losses/reversals	
Opening balance 1 Jan 2014	**0**
Closing balance 31 Dec 2014/opening balance 1 Jan 2015	**0**
Closing balance 31 Dec 2015	**0**
Carrying amount as of 31 Dec 2014	**151**
Carrying amount as of 31 Dec 2015	**136**

The development of the carrying amounts of these investments is presented in the table above. There is no active market for these interests. The fair value could only be measured reliably in the context of concrete sales negotiations. There are currently no plans to sell these shares.

22 Trade receivables

Specific bad debt allowances on trade receivables developed as follows:

In EUR k	**2015**	2014
Bad debt allowances at the beginning of the fiscal year	**8,312**	**4,850**
Additions (recognized in profit or loss)	3,334	3,877
Reversals (recognized in profit or loss)	–1,876	–640
Utilization	–437	–281
Exchange differences	–1,024	502
Change in the consolidated group	–340	4
Other changes	–18	0
Bad debt allowances at the end of the fiscal year	**7,951**	**8,312**

General bad debt allowances on trade receivables developed as follows:

In EUR k	**2015**	2014
Bad debt allowances at the beginning of the fiscal year	**260**	**340**
Additions (recognized in profit or loss)	226	18
Reversals (recognized in profit or loss)	–13	–121
Utilization	0	0
Exchange differences	1	5
Change in the consolidated group	97	18
Other changes	12	0
Bad debt allowances at the end of the fiscal year	**583**	**260**

Specific bad debt allowances with a gross invoice value of EUR 9,764k were recognized for trade receivables as of the reporting date (prior year: EUR 22,316k). Net of specific bad debt allowances of EUR 7,951k (prior year: EUR 8,312k), the carrying amount of these receivables came to EUR 1,813k (prior year: EUR 14,004k) as of the reporting date.

The following table shows the carrying amounts of overdue trade receivables which have not been written down yet.

	Overdue by				
In EUR k	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days
31 Dec 2015	**18,493**	**4,263**	**1,621**	**1,438**	**3,321**
31 Dec 2014	12,721	4,272	3,020	1,605	415

For trade receivables for which no bad debt allowance has been charged and which are not in default, there were no indications as of the reporting date that the debtors will not meet their payment obligations.

23 Other financial and non-financial assets

A breakdown of non-current financial and non-financial assets is shown below:

In EUR k	31 Dec 2015	31 Dec 2014
Financial assets		
Other loans	675	919
Other non-current financial assets	1,458	896
Total	**2,133**	**1,815**
Non-financial assets		
Prepaid expenses	7,692	9,905
Miscellaneous other non-current assets	3,080	3,100
Total	**10,772**	**13,005**

Miscellaneous other non-current (non-financial) assets mainly include capitalized transaction costs which are amortized over the term of the credit facility.

Current financial and non-financial assets break down as follows:

In EUR k	31 Dec 2015	31 Dec 2014
Financial assets		
Receivables from existing and former shareholders of group entities	61	35
Creditors with debit balances	346	2,011
Securities deposits	786	546
Other financial assets	27,725	6,300
Total	**28,918**	**8,892**
Non-financial assets		
Prepaid expenses	10,675	9,635
Tax assets	14,887	8,329
Other prepayments	526	2,201
Receivables from investment grants	153	180
Miscellaneous other assets	1,352	1,122
Total	**27,593**	**21,467**

In the fiscal year, other financial assets mainly comprised receivables from purchase price adjustments (M&A) and contractual compensation claims.

Impairment of financial assets relates to the category "Loans and receivables" and developed as follows:

In EUR k	2015	2014
Impairment at the beginning of the fiscal year	**508**	**622**
Additions (recognized in profit or loss)	1	2
Reversals (recognized in profit or loss)	0	–119
Exchange differences	–8	3
Impairment at the end of the fiscal year	**501**	**508**

Specific bad debt allowances with a nominal value of EUR 506k were charged on financial assets as of the reporting date (prior year: EUR 515k). Net of specific bad debt allowances of EUR 501k (prior year: EUR 508k), the carrying amount of these receivables came to EUR 5k (prior year: EUR 7k) as of the reporting date.

The following table shows the carrying amount of overdue financial assets which have not been written down yet.

	Overdue by				
In EUR k	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days
31 Dec 2015	**153**	**19**	**2**	**8**	**8**
31 Dec 2014	72	4	1	69	84

For current financial assets which have not been written down and which are not in default, there were no indications as of the reporting date that the debtors will not meet their payment obligations.

24 Inventories

In EUR k	31 Dec 2015	31 Dec 2014
Raw materials, consumables and supplies	2,267	589
Finished goods and merchandise	345	339
Prepayments made on inventories	97	0
Total	**2,709**	**928**

Inventories disclosed as expenses in the income statement amounted to EUR 1,077k in the fiscal year (prior year: EUR 281k). The year-on-year increase is mainly due to the entities acquired in fiscal year 2015.

25 Cash

In EUR k	31 Dec 2015	31 Dec 2014
Bank balances	56,444	45,994
Cash	59	77
Total	**56,503**	**46,071**

The bank balances include overnight money and time deposits of EUR 1,890k (prior year: EUR 3,775k). The interest rates achieved range between 0.00% and 0.05% (prior year: 0.01% and 0.05%).

As of the reporting date, bank balances of EUR 33k (prior year: EUR 0k) were subject to short-term restraints on disposal.

26 Non-current assets held for sale

As of the reporting date, non-current assets held for sale included land and buildings owned by Ströer Media Deutschland GmbH in Cologne totaling EUR 1,398k. By purchase agreement dated 25 September 2015, ownership, risks and rewards will be transferred to the purchaser upon payment of the full purchase price in 2016.

27 Equity

The development of the individual components of equity in the reporting period and the prior year is presented in the consolidated statement of changes in equity.

Subscribed capital
In the fiscal year, subscribed capital was increased by EUR 6,412,715 from EUR 48,869,784 to EUR 55,282,499 by virtue of the authorization granted to the Company's board of management and entered in the commercial register on 8 July 2014 (approved capital 2014). The increase was implemented on 2 November 2015 as a capital increase in return for a non-cash contribution by issuing 6,412,715 new bearer shares of no par value carrying full dividend rights as of fiscal year 2015. Subscribed capital has since amounted to EUR 55,282,499.

Subscribed capital is split into 55,282,499 bearer shares of no par value. They have a nominal value of EUR 1 and are fully paid in. The following notes are mainly taken from the articles of incorporation and bylaws of Ströer SE.

Approved capital 2014
By resolution of the shareholder meeting on 18 June 2014, approved capital 2014 was created in the amount of EUR 18,938,495. After a portion of EUR 6,412,715 of the approved capital 2014 was exercised on 2 November 2015 by way of a capital increase in return for a non-cash contribution, approved capital 2014 now amounts to EUR 12,525,780.

Subject to the approval of the supervisory board, the board of management is authorized to increase the Company's capital stock once or several times until 17 June 2019 by a maximum of EUR 12,525,780.00 in total (in words: twelve million five hundred and twenty-five thousand seven hundred and eighty euros) by issuing up to 12,525,780 (in words: twelve million five hundred and twenty-five thousand seven hundred and eighty) new bearer shares of no par value for contributions in cash or in kind (approved capital 2014); the increase, however, may not exceed the amount and the number of shares comprising the remaining approved capital pursuant to Art. 5 (1) of the articles of incorporation of Ströer Media AG on the date the change in the legal form of Ströer Media AG to a European Company (SE) pursuant to the conversion plan of 30 April 2014 took effect.

The shareholders must be granted a subscription right. The legal subscription right may also be granted such that the new shares are acquired by a bank or an entity active in accordance with Sec. 53 (1) Sentence 1 or Sec. 53b (1) Sentence 1 or (7) KWG ["Kreditwesengesetz": German Banking Act] subject to the requirement that they are offered indirectly to shareholders for subscription in accordance with Sec. 186 (5) AktG ["Aktiengesetz": German Stock Corporation Act]. However, the board of management is authorized, with the approval of the supervisory board, to exclude the shareholders' legal subscription right for one or several capital increases within the scope of approved capital

i. in order to exclude fractional amounts from the shareholders' subscription rights;
ii. if the capital increase is made in return for non-cash contributions, especially for – but not limited to – the purpose of acquiring entities, parts of entities or investments in entities
iii. if the capital increase is made in return for cash contributions and the issue price of the new shares is not significantly below the market price of shares of the same class and voting rights already listed on the stock market on the date the final issue price is determined in accordance with Sec. 203 (1) and (2) and Sec. 186 (3) Sentence 4 AktG and the portion of capital stock allocable to the new shares issued in accordance with this section (iii) subject to the exclusion of subscription rights pursuant to Sec. 186 (3) Sentence 4 AktG does not exceed 10% of the total capital stock at the time that such authorization becomes effective or is exercised. The following portions of capital stock must be credited to this maximum amount: the portion which is attributable to new or treasury shares issued or sold since 18 June 2014 and subject to the simplified exclusion of subscription rights pursuant to or by analogy to Sec. 186 (3) Sentence 4 AktG, as well as the portion of capital stock which is attributable to shares with attaching option and/or convertible bond rights/obligations from debt securities or participation certificates issued since 18 June 2014 applying Sec. 186 (3) Sentence 4 AktG as appropriate; and/or
iv. to the extent necessary to issue subscription rights for new shares to owners of warrants or to creditors of convertible bonds or participation certificates with conversion or option rights that are issued by the Company or those entities it controls or majority owns in the scope to which they would be entitled after exercising the option or conversion rights or after fulfillment of the conversion obligation.

The board of management decides on the content of the respective share rights, the issue price, the consideration to be paid for the new shares and the other conditions of share issue with the approval of the supervisory board.

After full or partial increase in the capital stock from approved capital or after expiry of the authorization period, the supervisory board is authorized to make any amendments to the articles of incorporation and bylaws, provided that such amendments are only to the wording.

Conditional capital 2010

The Company's capital stock is subject to a conditional increase by a maximum of EUR 11,776,000.00 by issuing a maximum of 11,776,000 new bearer shares of no par value (conditional capital 2010). This conditional capital increase, however, may not exceed the amount and the number of shares relating to the conditional capital increase pursuant to Art. 6 of the articles of incorporation of Ströer Media AG which had not yet been carried out on the date the change in the legal form of Ströer Media AG to a European Company (SE) pursuant to the conversion plan of 30 April 2014 took effect. The purpose of the conditional capital increase is to grant shares of no par value to owners/creditors of convertible bonds and/or bonds with warrants which are being issued by the Company or an investee as a result of the authorization granted by the shareholder meeting of 13 July 2010 based on item 4 of the agenda. New shares of no par value are issued at particular conversion and option prices determined by the abovementioned authorization resolution. Conditional capital is only to be increased to the extent that conversion or option rights are exercised or owners/creditors who are obliged to do so fulfill their obligation to exercise their conversion rights and provided that a cash settlement is not granted or use is not made of treasury shares or of new shares issued from approved capital. The new shares of no par value participate in profit from the beginning of the fiscal year in which they are issued through the exercise of options or conversion rights or the fulfillment of conversion obligations. The board of management, having obtained the approval of the supervisory board, is authorized to determine the further details of the conditional capital increase.

Conditional capital 2013
The capital stock is subject to a conditional increase by a maximum of EUR 2,274,700.00 by issuing a maximum of 2,274,700 bearer shares of no par value (conditional capital 2013). The sole purpose of the conditional capital increase is for the board of management to grant, as authorized by resolution of the shareholder meeting dated 8 August 2013, rights to bearers of stock options under the Stock Option Plan 2013. The conditional capital increase will only be implemented to the extent that the bearers of stock options granted under the authorization of the shareholder meeting on 8 August 2013 exercise these stock options and that the Company does not settle the stock options in cash. The new shares participate in profit from the beginning of the fiscal year for which no resolution on the appropriation of the accumulated profit has been adopted by the shareholder meeting at the time of their issue. The Company's board of management, having obtained the approval of the supervisory board, is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the Company's board of management. In that event, the supervisory board will determine the further details of the conditional capital increase. The supervisory board is authorized to amend the articles of incorporation and bylaws to reflect the scope of the capital increase from the conditional capital 2013.

Conditional capital 2015
The capital stock is subject to a conditional increase by a maximum of EUR 2,123,445.00 by issuing a maximum of 2,123,445 bearer shares of no par value (conditional capital 2015). The sole purpose of the conditional capital increase is for the board of management to grant, as authorized by resolution of the shareholder meeting dated 25 September 2015, rights to bearers of stock options under the Stock Option Plan 2015. The conditional capital increase will only be implemented to the extent that the bearers of stock options granted under the authorization of the shareholder meeting on 25 September 2015 exercise these stock options and that the Company does not settle the stock options in cash. The new shares participate in profit from the beginning of the fiscal year for which no resolution on the appropriation of the accumulated profit has been adopted by the shareholder meeting at the time of their issue. The Company's board of management, having obtained the approval of the supervisory board, is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the Company's board of management. In that event, the supervisory board will determine the further details of the conditional capital increase. The supervisory board is authorized to amend the articles of incorporation and bylaws to reflect the scope of the capital increase from the conditional capital 2015.

Capital reserves
In fiscal year 2015, the Group's capital reserves were increased by EUR 373,146k from EUR 348,094k to EUR 721,240k. EUR 371,745k of this increase stems from the allocation made by way of a capital increase in return for a non-cash contribution on 2 November 2015. Furthermore, additional allocations of EUR 1,400k related to the stock option plans launched in 2013 and 2015.

→ For more details on the change in capital reserve, see note 6

Retained earnings
Retained earnings contain profits that were generated in the past by entities included in the consolidated financial statements and that have not been distributed. By resolution of the shareholder meeting on 30 June 2015, EUR 20,000k from the accumulated profit for 2014 was carried forward to new account and EUR 6,407k was allocated to other retained earnings. The shareholder meeting also resolved to distribute a dividend of EUR 0.40 per qualifying share, which corresponds to a distribution of EUR 19,548k in total.

Accumulated other comprehensive income
Accumulated other comprehensive income includes exchange differences from the translation of foreign currency financial statements of foreign operations as well as the effects from the valuation of hedged derivative financial instruments after deduction of the deferred taxes arising thereon. The amount also includes exchange differences of EUR 1,915k (expense) (prior year: EUR 3,746k (income)) resulting from the translation of the loans granted by Ströer SE to its foreign group entities. These loans are designated as net investments and therefore did not affect consolidated profit.

Deferred taxes on net valuation effects of hedged derivative financial instruments offset directly against equity amount to EUR 0k (prior year: EUR 0k) in total. This is due to the current absence of hedges.

Non-controlling interests
Non-controlling interests comprise minority interests in the equity of the consolidated entities.

Obligation to purchase own equity instruments
By granting put options to the non-controlling shareholders of subsidiaries, the Company has undertaken to purchase the non-controlling interest if certain contractual conditions are met. We have presented these options as a notional acquisition on the reporting date as specified in the explanations on accounting policies. Liabilities of EUR 56,518k (prior year: EUR 20,715k) have been allocated for these obligations.

Appropriation of profit
Profit is appropriated in accordance with German commercial and stock corporation law, which is used to calculate the accumulated profit of Ströer SE.

In fiscal year 2015, the financial statements of Ströer SE reported profit for the period of EUR 47,140k (prior year: EUR 25,955k) and accumulated profit of EUR 67,140k (prior year: EUR 45,955k).

Capital management
The objective of capital management at the Ströer Group is to ensure the continuation and growth of the Company, and maintain and build on its attractiveness to investors and market participants. In order to ensure the above, the board of management continually monitors the level and structure of borrowed capital. The borrowed capital included in the general capital management system comprises financial liabilities and other liabilities such as those disclosed in the consolidated statement of financial position. With regard to group financing through bank loans, the Ströer Group observes the external covenant of the maximum leverage ratio permitted. Key elements of the internal control system are the planning and ongoing monitoring of the adjusted operating result (operational EBITDA) as the latter is included in the determination of the applied credit margin by way of the leverage ratio. This dynamic leverage ratio is defined as the ratio of net debt to the operating result before interest, depreciation and amortization (operational EBITDA). The relevant performance indicators are submitted to the board of management for consideration as part of regular reporting. The Company comfortably remained within the permitted net debt ratio as of the closing date as well as in the prior year. See also operational EBITDA in note 34, "Segment information."

Furthermore, the board of management monitors the Group's equity ratio. The equity used as a basis for determining the equity ratio corresponds to the equity disclosed in the statement of financial position including non-controlling interests.

Equity is also monitored by the individual entities within the scope of monitoring compliance with the minimum capital requirements to avert insolvency proceedings due to overindebtedness. The equity monitored in this context corresponds to the equity disclosed according to German law.

There were no other changes to the capital management strategy against the prior year.

28 Pension provisions and similar obligations

The major pension plans in place are defined benefit plans in Germany, where the pension obligation either depends on the remuneration of the employee in question upon reaching retirement age, or is based on a fixed commitment. As the actuarial gains and losses are recognized immediately in equity, the present value of the benefit obligation less plan assets corresponds to the pension provision disclosed in the statement of financial position.

Provisions for pensions and similar obligations break down as follows:

In EUR k	31 Dec 2015	31 Dec 2014
Present value of the benefit obligation as of 1 Jan	27,025	23,856
Current service cost	424	295
Past service cost	0	0
Net interest expense	561	774
Actuarial gains (–)/losses (+)	–1,258	3,995
Benefits paid	–1,713	–1,850
Change in the consolidated group	11,734	0
Exchange differences	–23	11
Other changes	–10	–56
Present value of the benefit obligation as of 31 Dec/carrying amount	**36,740**	**27,025**

In the fiscal year, actuarial gains of EUR 1,258k were recognized directly in equity, contrasting with actuarial losses of EUR 3,995k in the prior year. This development is chiefly attributable to a year-on-year increase in the discount rate. In the prior year, a significantly lower discount rate led to higher actuarial losses. There were no curtailments in the fiscal year.

Sensitivities were calculated with half of a percentage point above and below the interest rate used. Raising the interest rate by 0.5 percentage points would decrease the present value of the benefit obligation by EUR 2,258k (prior year: EUR 1,515k) while lowering the interest rate by 0.5 percentage points would increase the present value of the benefit obligation by EUR 2,544k (prior year: EUR 1,678k) as of the reporting date.

In addition to a change in the interest rate, the pension trend was identified as a significant factor influencing the present value of the benefit obligation. Raising the pension trend by 0.5 percentage points would increase the present value of the benefit obligation by EUR 1,325k (prior year: EUR 1,430k) while lowering the pension trend by 0.5 percentage points would decrease the present value of the benefit obligation by EUR 1,201k (prior year: EUR 1,319k) as of the reporting date.

The present value of the pension benefits was calculated using the following assumptions:

Group (in %)	31 Dec 2015	31 Dec 2014
Interest rate	2.10	1.95
Pension trend	1.00	1.00
Salary trend	2.00	1.88
Employee turnover	1.00	1.00

The components of the cost of retirement benefits recognized in profit or loss are presented below:

In EUR k	2015	2014
Interest expense	561	774
Current service cost and other changes	414	238
Net defined benefit costs	**975**	**1,012**
Expenses for statutory pension contributions (defined contribution)	7,232	6,889
Total benefit expenses	**8,207**	**7,901**

Interest expense from pension obligations is included in the interest result, current service cost is included in personnel expenses. Actuarial gains and losses are recognized immediately in equity.

Cumulative actuarial gains (+) and losses (–) recognized directly in equity amounted to EUR –3,602k after taxes at the reporting date (prior year: EUR –4,472k).

The present values of the benefit obligations and actuarial gains and losses break down as follows:

In EUR k	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Present value of the shortfall	**36,740**	**27,025**	**23,856**	**23,924**	**20,928**
Gain/loss for the period from					
Experience adjustments on plan liabilities	–105	–196	–258	111	316
Adjustments to actuarial assumptions	–1,153	4,191	819	–3,748	–441

29 Other provisions

Provisions developed as follows in the fiscal year:

In EUR k	1 Jan 2015	Exchange differences	Change in the consolidated group	Allocation	Effects from unwinding the discount and changes in interest rates	Utilization	Reversal	Reclassification	31 Dec 2015
Restoration obligations	18,970	11	0	2,298	200	–1,159	–1,237	0	19,084
thereof non-current	12,874								13,358
Personnel	11,758	9	2,433	11,366	4	–8,251	–1,440	0	15,878
thereof non-current	263								346
Miscellaneous	6,201	–80	15,537	2,168	4	–3,606	–565	0	19,659
thereof non-current	645								5,991
Total	**36,929**	**–60**	**17,970**	**15,832**	**208**	**–13,016**	**–3,242**	**0**	**54,621**

The personnel provisions include management and employee bonuses as well as severance payments.

The provision for restoration obligations is based on the anticipated costs of restoration. The provision was discounted using an interest rate of 1.22% (prior year: 1.05%).

The increase in miscellaneous other provisions is largely attributable to the first-time inclusion of the entities acquired in fiscal year 2015.

Miscellaneous other provisions also include provisions for restructuring measures of EUR 118k (prior year: EUR 271k). EUR 59k was utilized and EUR 94k was released in the fiscal year.

30 Financial liabilities

Non-current financial liabilities break down as follows:

	Carrying amount	
In EUR k	**31 Dec 2015**	31 Dec 2014
Loan liabilities	256,807	296,602
Obligation to purchase own equity instruments	40,850	6,060
Liabilities from business acquisitions	4,759	4,458
Other financial liabilities	282	564
Finance lease liabilities	0	16
Total	**302,698**	**307,700**

As of 28 April 2015, the Ströer Group amended the credit facility agreed in April 2014 with a banking syndicate of selected German and foreign banks to reflect the current situation of the Group. In this context, the Group's borrowing costs were again reduced significantly. In addition, the volume was reduced from EUR 500.0m to EUR 450.0m, with the possibility to increase it by a further EUR 100.0m at a later date. The new financing arrangement, which has a term until April 2020, consists of a term loan of EUR 200,000k and a revolving credit facility of EUR 250,000k that can be flexibly used.

The loan and the credit facility bear interest at the EURIBOR plus a variable margin that now ranges between 95 and 215 basis points (bp) (prior year: 130 and 275 bp) depending on the leverage ratio.

Transaction costs totaling EUR 914k (prior year: EUR 3,924k) were incurred for the adjustment of the existing loan agreement in 2015 and the restructuring of the Group's financing in the prior year, of which EUR 0k (prior year: EUR 1,962k) was deducted from the carrying amount of the loan. The remaining amount was capitalized in other assets over the term of the credit facility. See note 23 for more details.

Current financial liabilities break down as follows:

In EUR k	31 Dec 2015	31 Dec 2014
Liabilities from business acquisitions	4,913	630
Obligation to purchase own equity instruments	15,668	14,655
Current account liabilities	3,676	4,923
Debtors with credit balances	9,232	7,094
Interest liabilities	721	1,314
Finance lease liabilities	0	348
Loan liabilities	10,460	8,374
Other current financial liabilities	3,612	2,259
Derivative financial instruments	0	878
Total	**48,282**	**40,475**

See note 6 for more information on liabilities from acquisitions.

Finance leases that resulted primarily from the acquisition of ECE flatmedia in 2011 and related to furniture and fixtures were canceled in full in the fiscal year. The future minimum lease payments amounted to EUR 378k in the prior year.

31 Trade payables

Current trade payables break down as follows:

In EUR k	31 Dec 2015	31 Dec 2014
Trade payables	120,548	80,045
Deferred liabilities from outstanding invoices	59,845	41,694
Total	**180,393**	**121,739**

Of the total increase of EUR 58,654k, EUR 28,911k is attributable to liabilities of the entities that were included in the Group for the first time in fiscal year 2015.

32 Other liabilities

Other current liabilities break down as follows:

In EUR k	31 Dec 2015	31 Dec 2014
Liabilities from other taxes	20,662	13,268
Deferred contributions	40,184	12,843
Miscellaneous other liabilities	10,412	7,848
Total	**71,258**	**33,959**

OTHER NOTES

33 Notes to the statement of cash flows

The statement of cash flows has been prepared in accordance with IAS 7, "Statement of Cash Flows," and shows the cash flows of the fiscal year broken down by cash flows from operating, investing and financing activities.

Cash flows from operating activities are presented using the indirect method by deducting non-cash transactions from profit or loss for the period in accordance with IAS 7. Furthermore, items which are attributable to cash flows from investing or financing activities are eliminated. The starting point for cash flows from operating activities is consolidated profit or loss, which is then reduced by the financial result (including exchange differences) and tax result in a second step. Cash flows from operating activities include, among other things, cash received from distributions by associates and joint ventures. As in the prior year, however, cash flows from operating activities do not include any other dividends received.

In addition to other amounts contained in the cash flows from investing activities, transactions within the meaning of IAS 7.43 totaling EUR 6,885k (prior year: EUR 2,630k) were carried out in the fiscal year. These were non-cash transactions that led to an increase in non-current assets without resulting in cash flows in the reporting period.

Cash consists of the cash and cash equivalents disclosed in the statement of financial position. Cash and cash equivalents comprise cash on hand and bank balances.

Cash totaling EUR 33k (prior year: EUR 0k) is subject to a short-term restraint on disposal. See note 25 for more details.

34 Segment information

Reporting by operating segment

As of 1 January 2015, the Ströer Group aligned its internal controlling and thus also the structure of its segments to reflect current developments within the Group. In this context, it has bundled its business into three segments which operate independently on the market in close cooperation with the group holding company Ströer SE. The three segments are Ströer Digital, OOH Germany and OOH International. While the Ströer Digital segment now also includes the public video business, which was previously under the umbrella of the German OOH business, the OOH International segment comprises the business in Turkey and Poland as well as the giant poster business BlowUP.

The allocation of service costs between the holding company and the OOH Germany segment was restructured at the beginning of 2015 to ensure uniform cost allocation throughout the Group. Amounts for 2014 were restated accordingly.

Irrespective of the provisions under IFRS 11, segment reporting follows the management approach under IFRS 8 according to which external segment reporting should follow the internal reporting structure. The internal reporting structure of the Ströer Group is based on the concept of proportionate consolidation of joint ventures. As a result, despite the new provisions under IFRS 11, 50.0% of the four joint ventures' earnings contributions are included in all segment figures as in the past. In contrast to the presentation in the income statement, they are not presented as a single net line item according to the equity method.

2015

In EUR k	Ströer Digital	OOH Germany	OOH International	Reconciliation	Equity method reconciliation	**Group value**
External revenue	238,163	457,200	142,356	0	–14,012	**823,706**
Internal revenue	5,295	6,798	458	–12,551	0	**0**
Segment revenue	243,458	463,998	142,814	–12,551	–14,012	**823,706**
Operational EBITDA	79,532	124,462	25,010	–21,470	0	**207,534**
Amortization, depreciation and impairment	32,732	47,821	22,098	9,327	–1,923	**110,055**
Interest income	185	97	68	–47	–3	**301**
Interest expenses	1,528	5,046	1,261	1,162	–13	**8,985**
Income taxes	–211	2,818	–1,459	–12,355	2,340	**–8,867**

2014

In EUR k	Ströer Digital	OOH Germany	OOH International	Reconciliation	Equity method reconciliation	**Group value**
External revenue	164,450	422,906	146,268	0	–12,532	**721,092**
Internal revenue	998	6,233	1,005	-8,236	0	**0**
Segment revenue	165,448	429,140	147,272	-8,236	–12,532	**721,092**
Operational EBITDA	39,033	97,819	24,601	–13,400	0	**148,052**
Amortization, depreciation and impairment	22,049	33,117	20,837	7,647	–1,890	**81,761**
Interest income	226	115	101	25	–6	**462**
Interest expenses	584	9,593	4,121	477	–41	**14,733**
Income taxes	30	2,187	–2,981	–15,608	1,956	**–14,417**

Ströer Digital
The segment “Ströer Digital” comprises the Group’s entire operations relating to the commercialization of digital advertising as well as the public video business.

Out-of-Home Germany (OOH Germany)
The segment “Ströer Germany” comprises the Group’s entire German operations in the street furniture, billboard, transport and other business.

Out-of-Home International (OOH International)
This segment comprises all of the operations of Ströer Turkey and Ströer Poland in addition to the giant poster business of BlowUP.

Internal control and reporting is based on the IFRS accounting principles described in note 1, “General.”

The Group measures the performance of its segments by their internally defined “operational EBITDA.” From the board of management’s perspective, this indicator provides the most appropriate information to assess each individual segment’s economic performance.

The segment performance indicator operational EBITDA comprises the sum total of gross profit, selling and administrative expenses and the other operating result (in each case before amortization, depreciation and impairment) less certain adjustment effects.

The Group has defined gains and losses from changes in the investment portfolio, reorganization and restructuring measures, capital measures and other extraordinary expenses and income as adjustment effects.

Adjustment effects are broken down into individual classes in the table below:

In EUR k	2015	2014
Gains and losses from changes in the investment portfolio	6,980	887
Gains and losses from capital measures	–56	15
Reorganization and restructuring expenses	7,672	5,006
Other extraordinary expenses and income	610	3,943
Total	**15,207**	**9,851**

Inter-segment income is calculated using prices on an arm's length basis.

The reconciliation from segment to group values contains information on group units that do not meet the definition of a segment ("reconciliation items").

In the revenue item, the reconciliation of revenue from all segments to the Group's revenue only includes effects from consolidation.

The following table shows the reconciliation of the segment performance indicator to the figures included in the consolidated financial statements:

In EUR k	2015	2014
Total segment results (operational EBITDA)	**229,004**	**161,452**
Reconciliation items	–21,470	–13,400
Group operational EBITDA	**207,534**	**148,052**
Adjustment effects (exceptional items)	–15,207	–9,851
Adjustment effects (IFRS 11)	–4,533	–3,926
EBITDA	**187,794**	**134,275**
Amortization, depreciation and impairment	–110,055	–81,761
Financial result	–9,339	–14,796
Consolidated earnings before income taxes	**68,400**	**37,718**

Reporting by geographical location

Revenue and non-current assets are allocated according to the location principle (i.e., the geographical location of the revenue-generating Ströer entity).

2015

In EUR k	Germany	Turkey	Rest of world	Equity method reconciliation	**Group value**
External revenue	679,276	98,247	60,196	–14,012	**823,706**
Non-current assets (IFRS 8)	1,041,562	94,776	61,591	3,054	**1,200,982**

2014

In EUR k	Germany	Turkey	Rest of world	Equity method reconciliation	**Group value**
External revenue	569,379	106,677	57,567	–12,532	**721,092**
Non-current assets (IFRS 8)	595,220	117,541	64,772	994	**778,527**

Reporting by product group

The Group has defined five product groups on the basis of the products and services it provides.

When adjusting the structure of its segments, the Ströer Group also aligned its reporting by product group to its current controlling scheme. The public video product area, which was previously included in the transport product group, was thus reallocated to the digital product group. Amounts for 2014 were restated accordingly.

2015

In EUR k	Billboard	Street furniture	Transport	Digital	Other	Equity method reconciliation	**Group value**
External revenue	323,128	157,972	54,466	242,900	59,252	–14,012	**823,706**

2014

In EUR k	Billboard	Street furniture	Transport	Digital	Other	Equity method reconciliation	**Group value**
External revenue	319,004	149,476	52,583	169,501	43,060	–12,532	**721,092**

Street furniture

The street furniture product group mainly comprises standardized small-format advertising media no larger than 2m^2 which blend into the urban environment.

Billboard

The billboard product group largely includes the large-format advertising media of up to 9m^2 and above which are predominantly found at prominent locations (e.g., arterial roads, squares and public buildings). In addition, this product group comprises the products from the giant poster business.

Transport
The advertising media in this product group include advertisements in or on public transport vehicles and product solutions for specific use at airports and train stations.

Digital
This product group comprises in particular all income from the online and offline commercialization of digital advertising and from our subscription and e-commerce businesses.

Other
This product group comprises, in particular, all income from promotional and event media as well as the production and procurement of advertising media within the scope of our full service solution for customers.

In the fiscal year, we did not generate 10% or more of our total revenue with any one of our end customers.

35 Other notes pursuant to IFRS 7 and IFRS 13 on financial risk management and financial instruments

Financial risk management and derivative financial instruments
In the course of its operating activities, the Group is exposed in the area of finance to credit, liquidity and market risks. The market risks mainly relate to interest rate and exchange rate changes.

Credit risk
The credit risk is related to the deterioration of the economic situation of Ströer's customers and counterparties. This brings about the risk of a partial or full default on contractually agreed payments as well as the risk of credit-related impairment losses on financial assets. Excluding securities, the maximum risk of default equates to the carrying amount.

Credit risks mainly result from trade receivables. To manage the credit risk, the receivables portfolio is monitored on an ongoing basis. Customers intending to enter into transactions with large business volumes undergo a creditworthiness check beforehand; credit risk is at a level customary for the industry. Bad debt allowances are charged to account for the residual risk. The Ströer Group is exposed to a lesser extent to credit risks arising from other financial assets that mainly relate to cash and cash equivalents and derivative financial instruments.

As part of the risk management process, the functional departments regularly analyze whether in particular credit risk concentrations have arisen from the build-up of receivables with comparable features. The Group has defined similar features as a high amount of receivables accumulated against a single debtor or group of related debtors. As of the reporting date of 31 December 2015, no such risk concentrations involving significant amounts were evident.

Interest rate risk

The Ströer Group is mainly exposed to interest rate risks in connection with non-current floating-rate financial liabilities and existing cash and cash equivalents. The liabilities bear a floating rate of interest. The interest rate trend is monitored regularly to enable a swift response to changes. Hedging measures are coordinated and executed centrally. As in the prior year, there are no interest rate hedges in a hedge relationship.

The nominal and market values of interest rate swaps existing as of the reporting date that are treated as stand-alone instruments are as follows:

in EUR k			Fair value			
Derivative	Nominal volume	End of term	**31 Dec 2015**	31 Dec 2014	Cash flow hedge	Stand-alone
Interest rate swap	40,000	January 2015	0	–878	0	40,000

The interest rate swaps are valued as of the relevant reporting date using current yield curves by means of a discounted cash flow method.

As in the prior year, no remeasurement gains on interest rate swaps were taken to equity in fiscal year 2015. The sensitivity analysis of the interest rate risk shows the effect of an upward shift in the yield curve by 100 bp and a downward shift by 10bp, ceteris paribus, on the profit or loss for the period. The yield curve was only shifted down 10bp as the Group believes that this decrease corresponds to the maximum interest rate risk arising from the current low interest rate level. The analysis relates to floating-rate financial liabilities and existing cash and cash equivalents; in the prior year it also related to stand-alone derivatives. The results are summarized in the table below:

	31 Dec 2015		31 Dec 2014	
In EUR k	+100bp	–10bp	+100bp	–10bp
Change in profit or loss for the period	–1,871	187	–2,062	211

Currency risk

Following the designation of an intragroup loan granted to a subsidiary in Turkey as a net investment as defined by IAS 24, with the exception of the translation of the operating results of the segments into euros, currency risk is of minor significance for the Ströer Group. The functional currency of the foreign operations is the local currency.

Currency risks arising on monetary financial instruments that are not denominated in the functional currencies of the individual Ströer group entities were included in the sensitivity analysis. Effects from the translation of foreign currency financial statements of foreign operations into the group reporting currency (euro) are not included in the sensitivity analysis in accordance with IFRS 7.

A 10% increase/decrease in the value of the euro against the Turkish lira as of 31 December 2015 would decrease/increase the profit or loss for the period by EUR 654k (prior year: EUR 152k). A 10% increase/decrease in the value of the euro against the Polish zloty would decrease/increase the profit or loss for the period by EUR 1,285k (prior year: EUR 1,666k). The designation of the euro-denominated loans as a net investment in a foreign operation (IAS 21) was considered in this analysis, which was performed on the assumption that all other variables, in particular interest rates, remain unchanged and is based on the foreign currency positions as of the reporting date.

Liquidity risk

The liquidity risk is defined as the risk that Ströer SE will not have sufficient funds to settle its payment obligations. The liquidity risk is countered through systematic liquidity management. A liquidity forecast for a fixed planning horizon and the unutilized credit lines in place ensure that the Group has adequate liquidity at all times.

The following table shows the liquidity situation and the contractual maturity dates for the payments due under financial liabilities as of 31 December 2015 (in the prior year the expected cash flows for derivatives were forecast on the basis of the yield curve as of 31 December 2014):

Contractual maturity of financial liabilities including interest payments as of 31 Dec 2015

In EUR k	Carrying amout	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years	**Total**
Financial liabilities	294,460	60,026	161,856	205,178	0	**427,060**
Trade liabilities	180,393	180,393	0	0	0	**180,393**
Derivatives not in a hedging relationship	0	0	0	0	0	**0**
Obligation to purchase own equity instruments	56,518	15,668	21,665	19,185	0	**56,518**
Total	**531,371**	**256,087**	**183,521**	**224,363**	**0**	**663,971**

Contractual maturity of financial liabilities including interest payments as of 31 Dec 2014

In EUR k	Carrying amout	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years	**Total**
Financial liabilities	326,582	35,850	65,632	261,531	0	**363,013**
Trade liabilities	121,739	121,739	0	0	0	**121,739**
Derivatives not in a hedging relationship	878	878	0	0	0	**878**
Obligation to purchase own equity instruments	20,715	14,655	4,616	1,444	0	**20,715**
Total	**469,914**	**173,122**	**70,248**	**262,975**	**0**	**506,345**

Additional disclosures on financial instruments

The following table presents the carrying amount and fair value of the financial instruments included in the individual items of the statement of financial position, broken down by class and measurement category according to IAS 39.

In EUR k	Measurement category pursuant to IAS 39	Carrying amount in accordance to IAS 39 **Carrying amount as of 31 Dec 2015**	Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	**Fair value as of 31 Dec 2015**
Assets						
Cash	L&R	56,503	56,503			56,503
Trade receivables	L&R	119,613	119,613			119,613
Other non-current financial assets	L&R	2,133	2,133			2,133
Other current financial assets	L&R	28,918	28,918			28,918
Available-for-sale financial assets	AFS	136	136			n.a.
Equity and liabilities						
Trade payables	AC	180,393	180,393			180,393
Non-current financial liabilities	AC	261,846	256,400		5,446[1)]	261,846
Current financial liabilities	AC	32,614	29,830		2,784[1)]	32,614
Derivatives not in a hedging relationship	FVTPL	0			0	0
Obligation to purchase own equity instruments	AC	56,518	0	56,518	0	56,518
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables (L&R)		207,167	207,167			207,167
Available-for-sale financial assets (AFS)		136	136			n.a.
Financial liabilities measured at amortized cost (AC)		531,371	466,623	56,518	8,230	531,371
Financial liabilities at fair value through profit or loss (FVTPL)		0			0	0

1) Earn-out liabilities (Level 3).

In EUR k	Measurement category pursuant to IAS 39	Carrying amount as of 31 Dec 2014	Carrying amount in accordance to IAS 39			Fair value as of 31 Dec 2014
			Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	
Assets						
Cash	L&R	46,071	46,071			46,071
Trade receivables	L&R	87,438	87,438			87,438
Other non-current financial assets	L&R	1,815	1,815			1,815
Other current financial assets	L&R	8,892	8,892			8,892
Available-for-sale financial assets	AFS	151	151			n.a.
Equity and liabilities						
Trade payables	AC	121,739	121,739			121,739
Non-current financial liabilities	AC	301,640	297,392		4,248[1)]	301,640
Current financial liabilities	AC	24,942	24,382		560[1)]	24,942
Derivatives not in a hedging relationship	FVTPL	878			878	878
Obligation to purchase own equity instruments	AC	20,715	0	20,715	0	20,715
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables (L&R)		144,216	144,216			144,216
Available-for-sale financial assets (AFS)		151	151			n.a.
Financial liabilities measured at amortized cost (AC)		469,036	443,513	20,715	4,808	469,036
Financial liabilities at fair value through profit or loss (FVTPL)		878			878	878

Due to the short terms of cash and cash equivalents, trade receivables, trade payables, other financial assets and current financial liabilities, it is assumed that the fair values correspond to the carrying amounts.

The fair values of the liabilities to banks included in non-current financial liabilities are calculated as the present values of the estimated future cash flows taking into account Ströer's own credit risk (Level 2 fair values). Market interest rates for the relevant maturity date are used for discounting. It is therefore assumed as of the reporting date that the carrying amount of the non-current financial liabilities is equal to the fair value.

The fair value hierarchy levels and their application to the Group's assets and liabilities are described below.

Level 1: Listed market prices are available in active markets for identical assets or liabilities.
Level 2: Quoted or market prices for similar financial instruments on an active market or for identical or similar financial instruments on a market that is not active or inputs other than quoted prices that are based on observable market data.
Level 3: Valuation techniques that use inputs which are not based on observable market data.

Changes in the assessment of the level to be used for measuring the assets and liabilities are made at the time any new facts are established. At present, derivative financial instruments are measured at fair value in the consolidated financial statements and are all classified as Level 2.

Purchase price liabilities from business acquisitions and put options
Additionally, there are contingent purchase price liabilities from acquisitions as well as put options for shares in various group entities that are each classified as Level 3. These liabilities – which are tied to contractually agreed conditions – are remeasured as financial liabilities at fair value as of the reporting date on the basis of the measurement model laid down in the contract. The fair values of liabilities from contingent purchase price payments or relating to the acquisition of non-controlling interests are determined on the basis of discounted cash flows using unobservable inputs. The valuation model includes the EBITDA figures forecast for the interests concerned (which are probability-weighted in individual cases) as well as risk-adjusted interest rates in line with the underlying terms. The EBITDA figures result from the respective short and medium-term business planning and are estimated and, if appropriate, adjusted on a quarterly basis. The following table shows the changes in the liabilities classified as Level 3:

In EUR k	1 Jan 2015	Additions	Remeasurements	Disposals	**31 Dec 2015**
Contingent purchase price liabilities	4,808	4,954	0	–1,532	**8,230**
Liabilities from the acquisition of own equity instruments	20,715	45,728	134	–10,060	**56,518**

In EUR k	1 Jan 2014	Additions	Remeasurements	Disposals	**31 Dec 2014**
Contingent purchase price liabilities	16,077	1,149	–195	–12,223	**4,808**
Liabilities from the acquisition of own equity instruments	21,724	2,547	–2,225	–1,331	**20,715**

As in the prior year, the remeasurement of contingent purchase price liabilities had no effect on profit or loss. Interest expenses from write-ups amounted to EUR 0.2m (prior year: EUR 0.1m). The derecognition of expired contingent purchase price liabilities had no impact on profit or loss in the fiscal year, while it led to income of EUR 0.3m in the prior year that was reported in other operating income.

The valuation models are sensitive to the amount of the forecast and actual EBITDA figures. For example, if the respective EBITDA increased by 20% (or decreased by 20%), the fair values of the contingent purchase price liabilities would increase by EUR 0.6m (prior year: EUR 0.1m) (or decrease by EUR 1.3m (prior year: EUR 0.1m)). Liabilities from put options would rise by EUR 8.8m (prior year: EUR 1.0m) or fall by EUR 8.5m (prior year: EUR 1.0m).

The valuation models are also sensitive to the discount rates used. However, due to the predominantly short terms, if the discount rate increased or decreased by 100 basis points, there would only be a marginal change in the liabilities. This also applies to the prior-year amounts.

The following table shows the net gains and losses on financial instruments in the income statement, broken down by measurement category according to IAS 39 (excluding derivative financial instruments which are part of a hedge):

In EUR k	**2015**	2014
Financial liabilities recognized at fair value through profit or loss	0	–63
Loans and receivables	–1,747	–3,047
Available-for-sale financial assets	0	0
Financial liabilities measured at amortized cost	229	756

Net gains and losses resulting from financial assets and liabilities recognized at fair value through profit and loss include the gain or loss on the interest rate swaps classified as stand-alone derivatives.

Net gains and losses on loans and receivables include the impairment losses (EUR 1,631k; prior year: EUR 3,046k), write-ups and exchange differences.

Net gains and losses on financial liabilities measured at amortized cost include effects from exchange differences and the unwinding of the discount on loans.

The total interest income for financial assets or financial liabilities that are not at fair value through profit or loss came to EUR 301k in the fiscal year (prior year: EUR 462k). The total interest expense for financial assets or financial liabilities that are not at fair value through profit or loss came to EUR 8,176k in the fiscal year (prior year: EUR 13,296k).

36 Contingent liabilities and other financial obligations

Contingent liabilities

One group entity was a member of a municipal supplemental pension plan for the purpose of providing post-employment benefits. The secondary liability from post-employment benefits arising from the shortfall between the pension obligations/expectancies and the fund assets amounted to a total of EUR 1,925k in the prior year. The supplemental pension plan no longer existed as of 31 December 2015.

Guarantees amounted to EUR 7,195k as of 31 December 2015 and chiefly related to a contract for services with Telekom Deutschland GmbH.

The nature of the underlying legal transactions gives rise to uncertainty with regard to the amount and due date of the figures stated. The figures stated thus represent maximum amounts.

Financial obligations

There are other financial obligations from the following contractual obligations, which are shown by maturity as of the reporting date below:

31 Dec 2015		thereof due in		
In EUR k	**Total**	up to 1 year	1 to 5 years	more than 5 years
Minimum leases	**572,473**	99,003	324,767	148,703
Site leases	**345,064**	63,534	265,754	15,776
Investment obligations	**39,222**	18,622	18,288	2,312
Other rental and lease obligations	**39,369**	9,295	20,792	9,282
Maintenance services	**1,074**	464	610	0
Miscellaneous other financial obligations	**7,970**	7,834	136	0

31 Dec 2014		thereof due in		
In EUR k	**Total**	up to 1 year	1 to 5 years	more than 5 years
Minimum leases	**565,302**	90,051	308,468	166,783
Site leases	**384,894**	72,300	293,989	18,605
Investment obligations	**31,939**	14,095	13,669	4,175
Other rental and lease obligations	**28,995**	7,773	14,594	6,628
Maintenance services	**499**	299	200	0
Miscellaneous other financial obligations	**0**	0	0	0

In addition, the Ströer Group signed several agreements on the acquisition of shares in several entities in fiscal year 2015, which did not take economic effect until fiscal year 2016. Thus, the related purchase price obligations of EUR 77,870k were not yet recognized as a liability but to be disclosed as an other financial obligation as of 31 December 2015. For more information, see our comments in the “Subsequent events” section.

37 Related parties

The board of management and supervisory board as well as their close family members are deemed related parties. Besides the entities included in the consolidated financial statements, related parties include in particular those entities in which related parties hold a controlling position alone or jointly with others.

All transactions with related parties were conducted at arm’s length in the fiscal year.

The following transactions were conducted between the Ströer Group and related parties in fiscal year 2015:

Mr. Udo Müller is a shareholder as well as the president and CEO of Ströer SE. Furthermore, he holds shares in entities from which the Ströer Group procured services of EUR 495k in the fiscal year (prior year: EUR 439k). These services were mainly expenses relating to rights of use for sites. Income of EUR 17k (prior year: EUR 7k) was also generated from transactions with these entities. The income mainly stems from the commercialization of advertising media. As of the reporting date, there was a receivable of EUR 2k (prior year: EUR 30k) and a liability of EUR 45k (prior year: EUR 20k) from these transactions.

Mr. Dirk Ströer is a shareholder and was a member of the supervisory board of Ströer SE until 2 November 2015. He also holds shares in entities with which business transactions were conducted in the fiscal year, largely involving the commercialization of advertising media, the award of advertising concessions and the leasing of buildings. The expenses incurred for the services received in the fiscal year amounted to EUR 22,683k (prior year: EUR 21,566k), the income generated to EUR 6,467k (prior year: EUR 3,593k). The receivables and liabilities resulting from this trade came to EUR 210k (prior year: EUR 382k) and EUR 12,853k (prior year: EUR 2,849k), respectively, as of 31 December 2015.

In addition, the Ströer Group acquired all shares in Ströer Digital Group GmbH effective 3 June 2013. Mr. Udo Müller held an indirect equity investment of less than 50% in this company, whereas Mr. Dirk Ströer held an indirect equity investment of more than 50%. The outstanding purchase price liability of EUR 10,708k resulting from this acquisition was settled in fiscal year 2014.

Ströer SE has a business relationship with Deutsche Telekom AG. In addition, Ströer SE is an associated company of Deutsche Telekom AG since 2 November 2015. The services received since 2 November 2015 amount to EUR 1,472k and the income generated to EUR 2,633k. As of 31 December 2015, these services led to receivables of EUR 17,341k and liabilities of EUR 26k.

Ströer SE distributed a dividend totaling EUR 19,548k in the fiscal year. Udo Müller and Dirk Ströer participated in this distribution to the extent of the interests held by them.

The services received in the fiscal year from business relationships with entities accounted for using the equity method amounted to EUR 6,866k (prior year: EUR 5,753k) and the income generated to EUR 2,191k (prior year: EUR 1,574k). As of 31 December 2015, these services led to receivables of EUR 224k (prior year: EUR 253k) and liabilities of EUR 5,044k (prior year: EUR 4,510k).

38 Auditor's fees

The following expenses for services rendered by the group auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, were posted in fiscal year 2015:

In EUR k	**2015**	2014
Auditor's fees		
Fees for audit services	742	605
Fees for audit-related services	22	8
Fees for tax services	504	90
Fees for other services	563	166
Total	**1,831**	**869**

The fees for other services mainly comprise expenses for due diligence services.

39 Disclosures pursuant to Sec. 264 (3) HGB

The following incorporated subsidiaries based in Germany make use of the exemption from certain provisions concerning the presentation, audit and publication of the financial statements/management report in accordance with Sec. 264 (3) HGB:

DERG Vertriebs GmbH, Cologne
DSM Deutsche Städte Medien GmbH, Frankfurt am Main
DSM Rechtegesellschaft mbH, Cologne

DSM Zeit und Werbung GmbH, Frankfurt am Main
GIGA Kino GmbH, Cologne
INFOSCREEN GmbH, Cologne
SMD Rechtegesellschaft mbH, Cologne
SRG Rechtegesellschaft mbH, Cologne
Ströer Content Group GmbH (formerly Ströer Venture GmbH), Cologne
Ströer DERG Media GmbH, Kassel
Ströer Deutsche Städte Medien GmbH, Cologne
Ströer Digital Group GmbH, Cologne
Ströer Digital International GmbH (formerly Ballroom International GmbH), Cologne
Ströer Digital Media GmbH, Hamburg
Ströer Entertainment Web GmbH, Cologne
Ströer Kulturmedien GmbH, Cologne
STRÖER media brands AG (formerly GIGA Digital AG), Berlin
Ströer Media Deutschland GmbH, Cologne
Ströer Sales & Service GmbH, Cologne
Ströer Werbeträgerverwaltungs GmbH, Cologne

40 Declaration of compliance with the German Corporate Governance Code

The board of management and supervisory board of Ströer SE submitted the annual declaration of compliance with the German Corporate Governance Code in accordance with Sec. 161 AktG on 17 December 2015. The declaration of compliance was made permanently available to shareholders on the Company's website at http://ir.stroeer.com/ in the Corporate Governance section.

41 Remuneration of the board of management and the supervisory board

The cost of payment arrangements with the board of management and the supervisory board of the Ströer Group is presented below:

In EUR k	**2015**	2014
Board of management		
Short-term benefits	4,382	3,161
Other long-term benefits	1,865	1,056
Share-based payments	1,933	1,291
Total	**8,180**	**5,508**
Supervisory board		
Short-term benefits	151	200
Total	**151**	**200**

Short-term benefits comprise in particular salaries, remuneration in kind and performance-linked remuneration components which are paid during the following year. Long-term benefits comprise performance-based remuneration components granted to the board of management (excluding share-based payments) that are only paid in later years. The share-based payment relates to long-term incentives (LTI) and remuneration under the stock option plan resolved in 2013, under which stock options were issued in 2013 and 2014, as well as the stock option plan resolved in 2015, under which stock options were issued in 2015.

A reference price for the shares in Ströer SE is determined at the end of each fiscal year for share-based LTI payments granted to the board of management (excluding the stock option plan). After four fiscal years, the reference price is compared with the share price at the end of the year and the payment of remuneration is based on the share price reached (cash-settled transaction). An upper limit has been agreed for share-based payments.

Calculating the value of the share-based payment requires an estimate to be made of the future share price as of each reporting date. This is done using a Black-Scholes valuation model that was based on volatility of 36% and a dividend yield of 1% as of 31 December 2015. The interest rates used for the model are 0.04%. For the share-based payment attributable to 2015, we currently assume that the share price at the end of the vesting period will be 200% of the reference price. The 11,034 phantom stock options granted in 2015 each have a fair value of EUR 56.19. This will lead to an expense from allocations to provisions of EUR 627k in 2015 (prior year: EUR 453k).

The total provision for the share-based LTI payments granted to the board of management (excluding the stock option plan) as of 31 December 2015 amounts to EUR 1,790k (prior year: EUR 1,255k).

Stock Option Plan 2013
Under the stock option plan resolved by the shareholder meeting in 2013, the board of management received a total of 1,954,700 options in 2013 and 2014, which resulted in an expense of EUR 1,102k in 2015 (prior year: EUR 614k).

No options were granted in fiscal year 2015 and therefore no weighted average fair value of the options granted in the fiscal year needs to be stated. The figure for the prior year amounts to EUR 3.61.

The weighted average fair value of all options granted under the Stock Option Plan 2013 was EUR 2.14 (prior year: EUR 1.99).

For further details, see note 43 “Share-based payment.”

Stock Option Plan 2015
Under the stock option plan resolved by the shareholder meeting in 2015, the board of management received a total of 350,000 options in 2015, which resulted in an expense of EUR 234k in 2015 (prior year: EUR 0k).

The weighted average fair value of options granted during the fiscal year was EUR 12.70 (prior year: EUR 0).

The weighted average fair value of all options granted under the Stock Option Plan 2015 was EUR 12.70 (prior year: EUR 0).

For further details, see note 43 “Share-based payment.”

As of 31 December 2015, a total of EUR 6,289k (prior year: EUR 4,397k) was recognized as provisions for all potential future short and long-term bonus entitlements of the board of management, EUR 1,790k (prior year: EUR 1,255k) of which is attributable to current entitlements from share-based payments. For further information, see the remuneration report, which is part of the group management report.

EUR 1,055k of long-term benefits (LTI) are due for payment in 2016.

42 Executive bodies

Name	Membership in statutory supervisory boards	Membership in other oversight bodies comparable with supervisory boards
Board of management		
Udo Müller (Chairman)	TARTECH eco industries AG, Berlin	Kölner Aussenwerbung GmbH, Cologne
Christian Schmalzl	Ströer media brands AG, Berlin	Internet Billboard a.s., Ostrava, Czech Republic
Dr. Bernd Metzner		Anavex Life Sciences Corp, New York (USA)
Supervisory board		
Christoph Vilanek Chairman of the Board of management of freenet AG, Büdelsdorf (Chairman)	eXaring AG, Munich gamigo AG, Hamburg mobilcom-debitel GmbH, Büdelsdorf Netzpiloten AG, Hamburg	
Dirk Ströer Managing director of Ströer Aussenwerbung GmbH & Co. KG, Cologne (Deputy Chairman until 2 November 2015)		
Ulrich Voigt Member of the board of management of Sparkasse KölnBonn		modernes Köln GmbH, Cologne
Vicente Vento Bosch Managing director of Deutsche Telekom Capital Partners Management GmbH (since 12 November 2015)	Scout24 AG, Munich STRATO AG, Berlin	T-Venture Holding GmbH, Bonn Deutsche Telekom Venture Funds GmbH, Bonn Telekom Innovation Pool GmbH, Bonn

43 Share-based payment

Stock Option Plan 2013 for executives and employees
In 2013, the Group launched a stock option plan that entitles the relevant members of the board of management and executives to acquire shares in the Company.

The option rights can be exercised at the earliest after the expiry of the four-year vesting period beginning on the grant date of the subscription right. The options have a contractual term of seven years. Instead of issuing new shares, the Company may choose to grant a cash payment in order to satisfy the stock options. The options are expected to be equity-settled.

The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the value of the Company's share price and operational EBITDA of the Group of EUR 150m. The gain that can be achieved by option holders from exercising their stock options may not be more than three times the corresponding exercise price.

As of the grant date, the fair value of the stock options granted is determined using a Black-Scholes model and taking into account the conditions at which the stock options were issued.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, stock options during the fiscal year.

In EUR	2015 Number	2015 WAEP	2014 Number	2014 WAEP
Outstanding on 1 Jan	**2,274,700**	**7.93**	1,650,000	6.77
Granted	**0**	**0**	624,700	13.00
Forfeited	**0**	**0**	0	0
Exercised	**0**	**0**	0	0
Expired	**0**	**0**	0	0
Outstanding on 31 Dec	**2,274,700**	**7.93**	2,274,700	8.48
Exercisable on 31 Dec	**0**	**0**	0	0

The expense recognized for employee services received during the fiscal year is shown in the following table:

In EUR k	2015	2014
Expenses arising from equity-settled share-based payment transactions	1,244	704

The weighted average remaining contractual life for the stock options outstanding as of 31 December 2015 is 4.8 years (prior year: 5.8 years).

No options were granted in fiscal year 2015 and therefore no weighted average fair value of the options granted in the fiscal year needs to be stated. The figure for the prior year amounts to EUR 3.48.

The weighted average fair value of all options granted under the Stock Option Plan 2013 was EUR 2.07 (prior year: EUR 1.91).

The following table lists the inputs used to value the Stock Option Plan 2013 for the fiscal years ended 31 December 2014 and 31 December 2013 (no options were granted under the plan in fiscal year 2015):

	Options granted in 2014		Options granted in 2013	
In EUR	**Board of management members**	**Executives**	Board of management members	Executives
Dividend yield (%)	**1.5**	**1.5**	1.5	1.5
Expected volatility (%)	**35**	**35**	38	38
Risk-free interest rate (%)	**0.40**	**0.60**	0.85	0.85
Expected life of stock options (years)	**5.5**	**5.5**	5.5	5.5
Share price at grant date (EUR)	**14.36**	**12.31**	7.90	7.45
Model used	**Black Scholes**	**Black Scholes**	Black Scholes	Black Scholes

The expected volatility is based on an assessment of the historical volatility of the Company's share price, in particular in the period that corresponds to the expected life. The expected life of the stock options is based on estimates by the board of management.

Stock Option Plan 2015 for executives and employees
In 2015, the Group launched another stock option plan that entitles the relevant members of the board of management and executives to acquire shares in the Company.

The option rights can be exercised at the earliest after the expiry of the four-year vesting period beginning on the grant date of the subscription right. The options have a contractual term of seven years. Instead of issuing new shares, the Company may choose to grant a cash payment in order to satisfy the stock options. The options are expected to be equity-settled.

The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the value of the Company's share price and operational EBITDA of the Group of EUR 250m. The gain that can be achieved by option holders from exercising their stock options may not be more than three times the corresponding exercise price.

As of the grant date, the fair value of the stock options granted is determined using a Black-Scholes model and taking into account the conditions at which the stock options were issued.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, stock options during the fiscal year.

In EUR	**2015 Number**	**2015 WAEP**	2014 Number	2014 WAEP
Outstanding on 1 Jan	**0**	**0**	0	0
Granted	**420,000**	**50,92**	0	0
Forfeited	**0**	**0**	0	0
Exercised	**0**	**0**	0	0
Expired	**0**	**0**	0	0
Outstanding on 31 Dec	**420,000**	**50,92**	0	0
Exercisable on 31 Dec	**0**	**0**	0	0

The expense recognized for services received during the fiscal year is shown in the following table:

In EUR k	**2015**	2014
Expenses arising from equity-settled share-based payment transactions	234	0

The weighted average remaining contractual life for the stock options outstanding as of 31 December 2015 is 6.8 years (prior year: 0 years).

The weighted average fair value of options granted during the fiscal year was EUR 12.70 (prior year: EUR 0).

The weighted average fair value of all options granted under the Stock Option Plan 2015 was EUR 12.70 (prior year: EUR 0).

The table below lists the inputs used to value the Stock Option Plan 2015 for the fiscal year ended 31 December 2015:

In EUR	**Options granted in 2015**		Options granted in 2014	
	Board of management members	**Executives**	Board of management members	Executives
Dividend yield (%)	**1.0**	**1,0**	0	0
Expected volatility (%)	**36**	**36**	0	0
Risk-free interest rate (%)	**0.04**	**0.04**	0	0
Expected life of stock options (years)	**5.5**	**5.5**	0	0
Share price at grant date (EUR)	**49.63**	**49.63**	0	0
Model used	**Black Scholes**	**Black Scholes**	Black Scholes	Black Scholes

The expected volatility is based on an assessment of the historical volatility of the Company's share price, in particular in the period that corresponds to the expected life. The expected life of the stock options is based on estimates by the board of management.

44 Subsequent events

See the disclosures made in the group management report for information on subsequent events.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected future development of the Group.

Cologne, 16 March 2016

Udo Müller	Dr. Bernd Metzner	Christian Schmalzl
CEO	CFO	COO

AUDIT OPINION

We have audited the consolidated financial statements prepared by Ströer SE (since 1 March 2016: Ströer SE & Co. KGaA), Cologne, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the notes to the consolidated financial statements, together with the combined management report of the Company and the Group for the fiscal year from 1 January to 31 December 2015. The preparation of the consolidated financial statements and the combined management report of the Company and the Group in accordance with IFRSs [International Financial Reporting Standards] as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report of the Company and the Group based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report of the Company and the Group are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report of the Company and the Group are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report of the Company and the Group. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report of the Company and the Group is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Cologne, 16 March 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Muzzu	Kamann
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

ADJUSTED INCOME STATEMENT

In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification at equity in proportionate consolidation	Reclassifications of adjustment items	Income statement for management accounting purposes
Revenue	**823.7**		**14.0**		**837.7**
Cost of sales	–561.2	95.7	–3.6	0.5	–468.6
Selling expenses	–107.8				
Administrative expenses	–94.9				
Overheads	–202.6	14.4	–1.5	13.9	–175.8
Other operating income	24.0				
Other operating expenses	–10.6				
Other operating result	13.4		0.0	0.8	14.3
At-Equity income	4.5		–4.5		0.0
Operational EBITDA					**207.5**
Amortization and depreciation and impairment losses		–110.1	–1.9		–112.0
Operational EBIT					**95.6**
Exceptional items				–15.2	–15.2
Net financial result	–9.3		0.0		–9.3
Income taxes	–8.9		–2.3		–11.2
Profit or loss for the period	**59.5**	**0.0**	**0.0**	**0.0**	**59.5**

Impairment and amortization of advertising concessions and publisher contracts	Valuation effects from derivatives	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items	**Adjusted income statement for 2015**	Adjusted income statement for 2014
					837.7	**733.6**
					–468.6	–439.8
					–175.8	–161.5
					14.3	15.7
					207.5	**148.1**
35.4				4.8	–71.8	–49.5
					135.8	**98.5**
				15.2	0.0	0.0
	0.0	–0.1			–9.5	–15.1
			–8.7		–20.0	–27.1
35.4	**0.0**	**–0.1**	**–8.7**	**20.0**	**106.3**	**56.3**

CONTACT & IMPRINT

IR contact

Ströer SE & Co. KGaA
Dafne Sanac
Investor Relations Manager
Ströer Allee 1 . 50999 Cologne
Phone +49 (0)2236 . 96 45-356
Fax +49 (0)2236 . 96 45-6356
Email ir@stroeer.de / dsanac@stroeer.de

Press contact

Ströer SE & Co. KGaA
Marc Sausen
Director Corporate Communications
Ströer Allee 1 . 50999 Cologne
Phone +49 (0)2236 . 96 45-246
Fax +49 (0)2236 . 96 45-6246
Email presse@stroeer.de / msausen@stroeer.de

Imprint

Publisher
Ströer SE & Co. KGaA
Ströer Allee 1 . 50999 Cologne
Phone +49 (0)2236 . 96 45-0
Fax +49 (0)2236 . 96 45-299
Email info@stroeer.de

Cologne Local Court
HRB no. 86922
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This annual report was published on 22 March 2016 and is available in German and English.In the event of inconsistencies, the German version shall prevail.

Disclaimer

This annual report contains forward-looking statements which entail risks and uncertainties. The actual business development and results of Ströer SE and of the Group may differ significantly from the assumptions made in this annual report. This annual report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer SE. There is no obligation to update the statements made in this annual report.

FINANCIAL CALENDAR

12 May 2016	Publication of the quarterly report / Q1 for 2016
23 June 2016	Annual shareholder meeting, Cologne
11 August 2016	Publication of the H1 / Q2 report for 2016
10 November 2016	Publication of the 9M / Q3 report for 2016

Ströer SE & Co. KGaA
Ströer Allee 1 . 50999 Cologne
Phone +49 (0) 2236 . 96 45-0
Fax +49 (0) 2236 . 96 45-299
www.stroeer.com