Quarterly financial report 9M/Q3 2011

Key performance indicators

The Group's financial figures at a glance

In EUR m	Q3 2011	Q3 2010	Change	9M 2011	9M 2010	Change
Revenue	**134.1**	**126.9**	**5.6%**	**416.3**	**369.1**	**12.8%**
By segment						
Ströer Germany	99.9	98.1	1.8%	307.7	293.1	5.0%
Ströer Turkey	19.0	16.5	15.2%	64.0	40.0	59.9%
Other	15.4	12.3	24.5%	45.1	36.1	24.9%
By product group						
Billboard	71.3	67.3	6.0%	223.4	192.6	16.0%
Street furniture	33.0	28.0	18.2%	105.8	87.4	21.0%
Transport	20.2	17.1	18.0%	61.2	51.4	18.9%
Other	9.5	14.6	-35.0%	25.9	37.6	-31.1%
Organic growth[1)]	3.3%	9.6%		5.8%	9.9%	
Gross profit[2)]	43.8	41.3	6.1%	144.4	134.5	7.3%
Operational EBITDA[3)]	**24.2**	**22.4**	**8.2%**	**84.0**	**74.8**	**12.3%**
Operational EBITDA[3)] margin	**18.0%**	**17.6%**		**20.2%**	**20.3%**	
Adjusted EBIT[4)]	16.1	15.6	3.2%	58.6	55.0	6.6%
Adjusted EBIT[4)] margin	12.0%	12.3%		14.1%	14.9%	
Adjusted profit or loss for the period[5)]	4.5	1.4	>100%	21.1	13.2	59.9%
Adjusted earnings per share[6)] (EUR)	0.11	0.03		0.50	0.31	
Profit or loss for the period	-16.2	44.9	>-100%	-17.4	39.7	>-100%
Earnings per share[7)] (EUR)	-0.38	1.07		-0.41	0.94	
				9M 2011	**9M 2010**	**Change**
Investments[8)]				36.0	11.8	>100%
Free cash flow[9)]				18.8	-58.8	n.d.
				30 Sep 2011	**31 Dec 2010**	**Change**
Total equity and liabilities				960.8	987.1	-2.7%
Equity				255.0	294.4	-13.4%
Equity ratio				26.5%	29.8%	
Net debt[10)]				312.3	320.1	-2.4%
Employees[11)]				1,727	1,731	-0.3%

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

2) Revenue less cost of sales

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

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

5) Adjusted EBIT net of the financial result adjusted for exceptional items and the normalized tax expense

6) Calculated as adjusted profit or loss for the period divided by the number of shares outstanding after the IPO

7) Calculated as actual profit or loss for the period divided by the number of shares outstanding after the IPO

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

9) Cash flows from operating activities less cash flows from investing activities

10) Financial liabilities less derivative financial instruments and cash

11) Headcount

Foreword by the board of management

Dear shareholders,

Ströer goes digital! Our Infoscreen brand already has a track record of setting creative and technical standards in moving-picture advertising at local train, tram and bus stations in Germany, which has enabled it to play a key role in the rapid upward trend in the country's digital out-of-home sector. In 2011, we are again demonstrating our dynamic growth and innovative power in this segment. Firstly, we moved into new dimensions thanks to the nationwide rollout of our out-of-home channel – our network of around 1,000 large-format HD screens – at the 200 most frequented train stations throughout Germany. Secondly, we took another decisive strategic step in expanding our digital reach by recently acquiring ECE flatmedia. This allowed us to create a unique digital platform in Germany that will reach well in excess of 25% of the population. At the beginning of 2012, we will start marketing the ECE flatmedia screens at around 50 shopping centers and we will install additional screens for our out-of-home channel at these centers during the course of the year. These measures will give us greater access to urban shoppers – a particularly relevant target group for advertisers – and will substantially further increase our national and regional customers' interest in our point-of-sale communications solutions. This is especially important because our customers are changing the way they classify traditional forms of advertising such as radio, TV, print, online and posters. Criteria such as static and moving pictures as well as advertisements inside and outside buildings are now becoming more relevant.

To meet our goal of being the third relevant pillar - alongside TV and the internet - in the moving-picture market for the long term, we bundled our digital expertise in the Ströer Digital segment at our Munich office.

Overall, we continued on our growth path in the first nine months of the year despite growing economic uncertainty. Consolidated revenue was up 12.8% year on year to EUR 416.3m, partly due to the additions made to our investment portfolio in 2010. Adjusted for changes in the consolidated group and effects from exchange rate differences, the Group recorded organic revenue growth of 5.8% in the first nine months of 2011. Operational EBITDA improved 12.3% in the same period to EUR 84.0m, allowing profitability to match the prior-year level. Ströer Germany in particular was instrumental in this positive trend. While Ströer Poland and the giant poster business also saw an increase in their operational EBITDA margins, our performance in Turkey fell short of the prior-year figure due to adverse market conditions, unfavorable currency movements and start-up costs.

There are still no signs of significant changes in government advertising concessions in Germany. The negotiations on the contract for bus and tram stop shelters in Warsaw are continuing and the tender process is expected to reach a conclusion at the beginning of 2012. Ströer therefore has an excellent portfolio of contracts and is in a strong position to take the Group forward.

In view of the acceleration of the structural changes in media use, we continue to expect a generally positive market environment, although the economic and European political situation is not likely to stimulate macroeconomic activity in the short term.

We are reiterating our forecast that the Group will record organic revenue growth in the mid-single-digit range for full-year 2011.

Thank you for your trust.

Udo Müller

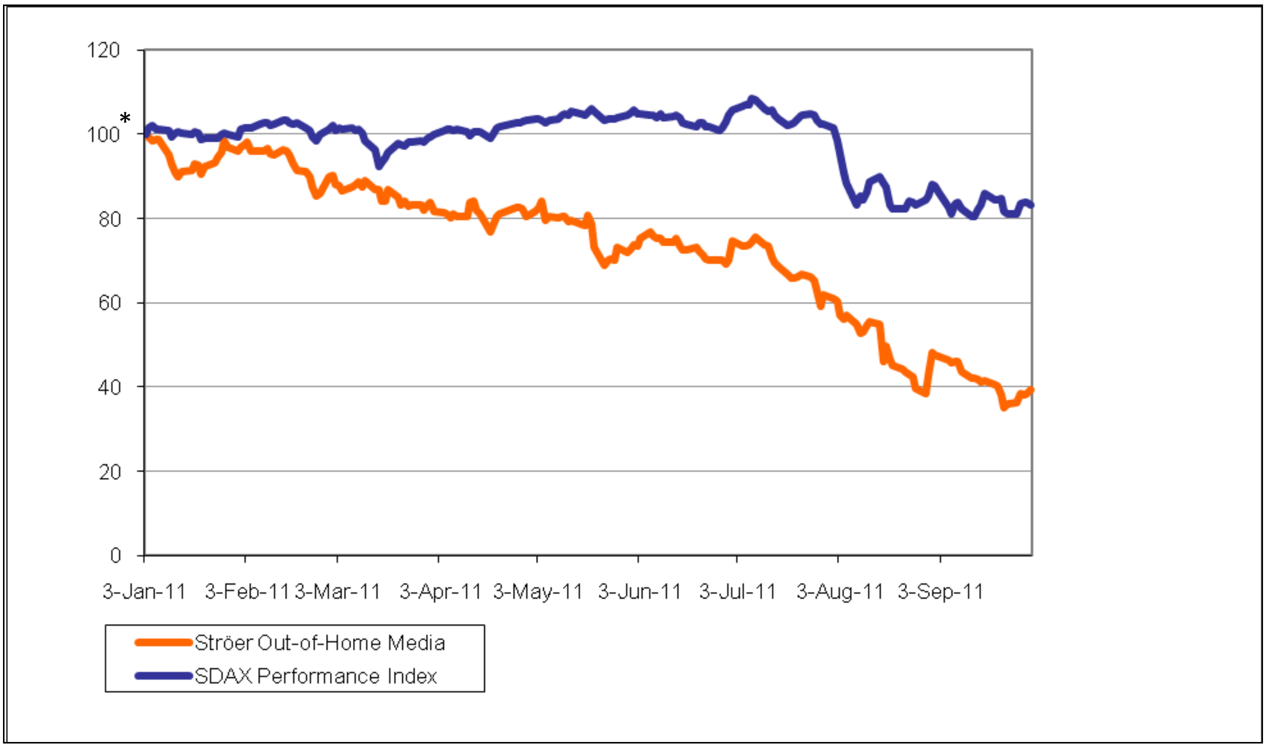
Alfried Bührdel

Dirk Wiedenmann

Share

Ströer Out-of-Home Media AG's share price recorded further losses in the third quarter of 2011 in the wake of the European debt crisis and muted investor sentiment toward largely cyclical stocks. On 22 September 2011, the Ströer share fell to its lowest listing in the first nine months of the year (EUR 9.60). However, it recovered to above EUR 10 by the end of September. On 30 September, it closed trading at EUR 10.75, down almost 61% since the start of the year. The SDAX recorded a decrease of just under 17% in the same period.

The Ströer share compared with the SDAX
(1 January to 30 September 2011)



* 3 Jan 2011 =100, indexed prices, closing prices in Xetra
Source: Deutsche Börse Group

<u>Stock exchange listing, market capitalization and trading volume</u>

Ströer Out-of-Home Media AG stock is listed in the Prime Standard of the Frankfurt Stock Exchange and has been listed in the SDAX, a selection index of Deutsche Börse, since September 2010. Based on the share price on 30 September 2011, market capitalization came to EUR 453m.

A key goal of our investor relations work is to further improve the liquidity of the Ströer share traded continuously on Xetra and thereby boost its attractiveness for investors. In this connection, Ströer Out-of-Home Media AG secured another designated sponsor – Close Brothers Seydler Bank AG – as an exchange broker in July 2011 in addition to J.P. Morgan and Morgan Stanley.

The average daily volume of Ströer stock traded on the German stock exchanges was some 44,000 shares in the first nine months of 2011. This represents a significant increase of 36% against the figure for the first six months of just under 33,000. Including over-the-counter trading between investors and brokers, an average of around 144,000 shares were traded daily in the first three quarters. The rise compared with the six-month figure of 128,000 shares is mainly due to the share's significantly higher liquidity at German stock exchanges. This meant that the proportion of OTC transactions fell to 69% in the nine-month period, as against 73% in the first half of the year.

Analysts' coverage

The performance of Ströer Out-of-Home Media AG is tracked by 15 teams of analysts. Based on the most recent assessments, 11 of the analysts are giving a "buy" or "overweight" recommendation and 4 say "hold." The latest broker assessments are available at www.stroeer.de/investor-relations and are presented in the following table:

Investment bank	Recommendation
Berenberg Bank	Hold
BHF Bank	Hold
Citigroup Global Markets	Buy
Close Brothers Seydler Research	Buy
Commerzbank	Hold
Crédit Agricole Chevreux	Buy
Deutsche Bank	Buy
DZ Bank	Buy
Goldman Sachs	Buy
Hauck & Aufhäuser Institutional Research	Buy
J.P. Morgan	Buy
LGT Bank	Attractive
Morgan Stanley	Hold
The Royal Bank of Scotland	Buy
WestLB	Buy

Shareholder structure

The total number of Ströer shares issued remained unchanged at 42,098,238. Supervisory board member Dirk Ströer holds 28.43%, CEO Udo Müller holds 28.12% and CFO Alfried Bührdel and board of management member Dirk Wiedenmann together hold around 0.13% of Ströer Out-of-Home Media AG shares. Dirk Ströer, Udo Müller and Alfried Bührdel agreed to a lock-up period of 12 months as part of the IPO which expired on 15 July 2011.

As of 30 September 2011, the free float as defined by Deutsche Börse came to 43.45%. According to the notifications made to the Company as of the date of publication of this report on 15 November 2011, the following parties reported to us that they hold more than 3% of the voting rights in Ströer Out-of-Home Media AG: TIAA-CREF (5.69%) and Tiger Global (3.05%).

Information on the current shareholder structure is permanently available at www.stroeer.de/investor-relations.

Interim group management report

The Group and the reporting period

The Ströer Out-of-Home Media Group is a leading provider of out-of-home media in Europe with key operations in Germany, Turkey and Poland. Through the subsidiaries of the blowUP division, it also has operations in four other European countries. Ströer provides billboard, street furniture and transport media services in all of its core markets.

This interim management report covers the period from 1 January to 30 September 2011.

Results of operations, net assets and financial position of the Group

<u>Results of operations</u>

Consolidated income statement

In EUR m

	Q3 2011		Q3 2010		Change	
Continuing operations						
Revenue	134.1	100.0%	126.9	100.0%	7.1	5.6%
Cost of sales	-90.3	-67.3%	-85.7	-67.5%	-4.6	5.4%
Gross profit	**43.8**	32.7%	**41.3**	32.5%	**2.5**	**6.1%**
Selling expenses	-18.0	-13.4%	-16.9	-13.3%	-1.1	6.5%
Administrative expenses	-18.3	-13.6%	-27.5	-21.6%	9.2	-33.5%
Other operating income	2.5	1.9%	66.0	52.0%	-63.4	-96.2%
Other operating expenses	-3.7	-2.8%	-1.6	-1.3%	-2.1	>100%
EBIT	**6.3**	**4.7%**	**61.3**	**48.3%**	**-54.9**	**-89.7%**
EBITDA	**20.6**	**15.4%**	**73.9**	**58.2%**	**-53.2**	**-72.1%**
Operational EBITDA	**24.2**	**18.0%**	**22.4**	**17.6%**	**1.8**	**8.2%**
Financial result	-18.3	-13.7%	-13.8	-10.9%	-4.5	**-32.3%**
EBT	**-12.0**	-8.9%	**47.4**	**37.3%**	**-59.4**	**n.d.**
Income taxes	-4.2	-3.1%	-2.5	-2.0%	-1.7	69.4%
Post-tax profit or loss from continuing operations	**-16.2**	-12.1%	**44.9**	**35.4%**	**-61.1**	**n.d.**
Profit or loss for the period	**-16.2**	-12.1%	**44.9**	**35.4%**	**-61.1**	**n.d.**

Consolidated income statement

In EUR m	9M 2011		9M 2010		Change	
Continuing operations						
Revenue	416.3	100.0%	369.1	100.0%	47.2	12.8%
Cost of sales	-272.0	-65.3%	-234.6	-63.6%	-37.4	15.9%
Gross profit	**144.4**	34.7%	**134.5**	36.4%	**9.9**	**7.3%**
Selling expenses	-55.9	-13.4%	-51.5	-14.0%	-4.4	8.6%
Administrative expenses	-56.5	-13.6%	-65.8	-17.8%	9.2	-14.0%
Other operating income	9.6	2.3%	72.4	19.6%	-62.8	-86.7%
Other operating expenses	-12.0	-2.9%	-5.0	-1.3%	-7.1	>100%
EBIT	**29.5**	**7.1%**	**84.7**	**22.9%**	**-55.2**	**-65.2%**
EBITDA	**73.8**	**17.7%**	**118.0**	**32.0%**	**-44.3**	**-37.5%**
Operational EBITDA	**84.0**	**20.2%**	**74.8**	**20.3%**	**9.2**	**12.3%**
Financial result	-41.9	-10.1%	-40.3	-10.9%	-1.6	**-4.1%**
EBT	**-12.4**	-3.0%	**44.4**	**12.0%**	**-56.8**	**n.d.**
Income taxes	-4.9	-1.2%	-4.7	-1.3%	-0.2	4.9%
Post-tax profit or loss from continuing operations	**-17.4**	-4.2%	**39.7**	**10.8%**	**-57.1**	**n.d.**
Profit or loss for the period	**-17.4**	-4.2%	**39.7**	**10.8%**	**-57.1**	**n.d.**

The Group continued on its growth path in the third quarter. Revenue increased by 12.8% year on year to EUR 416.3m in the first nine months, mainly due to consolidation effects from the additions to the investment portfolio made in the second half of 2010. Adjusted for these changes in the consolidated group and excluding the effects from exchange rate differences, the Group still managed to expand its business volume in Q3.

Operational EBITDA rose 12.3% to EUR 84.0m in line with revenue growth. In addition to the higher gross profit, this reflects the positive effects of maintaining cost ratios in the sales and administrative areas. Despite the increase in revenue, selling expenses as a percentage of revenue were reduced slightly to 13.4%; administrative expenses as a percentage of revenue declined sharply by 4.2 percentage points to 13.6%. It should be noted that administrative expenses in the prior year were heavily impacted by one-time costs of the IPO. Excluding these costs, administrative expenses as a percentage of revenue almost matched the prior-year level.

As explained in the half-year financial report for 2011, other operating expenses are influenced in particular by the effects from a major simplification of the Turkish tax system which most Turkish businesses have taken advantage of and which generally resulted in lump-sum payments for past assessment periods.

Gross profit largely reflects depreciation and amortization effects from purchase price allocations that relate primarily to hidden reserves recognized in the course of acquisitions. It also comprises additional depreciation and amortization attributable to the installation of new advertising media that was driven forward in the second half of 2010. In the first nine months of 2011, depreciation and amortization totaled EUR 40.2m after EUR 29.3m in the comparative prior-year period.

Although the financial result remained at the high level of –EUR 41.9m compared with the prior-year period, it was influenced to a greater extent by non-cash valuation effects. These are mainly due to exchange rate losses on the weaker Turkish lira and Polish zloty totaling EUR 15.7m (prior year: gains of EUR 1.8m). Adjusted by these and similar effects, however, the financial result improved from –EUR 38.2m to –EUR 27.5m and reflects the optimized capital structure after the IPO.

The above-mentioned factors led to a deterioration from the prior-year profit for the period of EUR 39.7m to a loss for the period of EUR 17.4m in the first nine months. However, it should be noted that the 2010 figure includes IFRS 3 valuation effects of EUR 64.1m. Excluding these effects, the exchange rate-related valuation effects contained in the financial result and the exceptional expenses from the IPO, the result for the period improved substantially.

Net assets

Consolidated statement of financial position

In EUR m	30 Sep 2011	31 Dec 2010	Change	
Assets				
Non-current assets				
Intangible assets	490.5	531.5	-41.1	-7.7%
Property, plant and equipment	212.3	212.8	-0.5	-0.2%
Tax assets	14.8	9.4	5.4	57.6%
Receivables and other assets	12.3	10.7	1.6	14.6%
	729.9	764.5	-34.6	-4.5%
Current assets				
Receivables and other assets	101.6	107.2	-5.6	-5.2%
Cash	120.3	106.1	14.1	13.3%
Tax assets	3.5	4.2	-0.7	-17.0%
Inventories	5.6	5.1	0.5	10.6%
	231.0	222.6	8.4	3.8%
Total assets	960.8	987.1	-26.2	-2.7%
Equity and liabilities				
Non-current equity and liabilities				
Equity	255.0	294.4	-39.4	-13.4%
Debt				
Financial liabilities	420.1	426.6	-6.5	-1.5%
Deferred tax liabilities	63.4	64.9	-1.5	-2.3%
Provisions	31.3	36.8	-5.5	-15.0%
	514.8	528.3	-13.5	-2.6%
Current liabilities				
Trade payables	80.2	67.9	12.3	18.0%
Financial and other liabilities	78.8	70.3	8.5	12.1%
Provisions	19.4	17.7	1.8	10.0%
Income tax liabilities	12.6	8.4	4.2	49.6%
	191.0	164.3	26.7	16.3%
Total equity and liabilities	960.8	987.1	-26.2	-2.7%

The Group's total assets decreased insignificantly in comparison to 31 December 2010.

Non-current assets decreased by EUR 34.6m to EUR 729.9m. This was primarily attributable to changes in exchange rates that led to a reduction in reported non-current assets. The effects of the year-on-year increase in investing activities were offset as a result in the property, plant and equipment item.

Current assets rose by 3.8% to EUR 231.0m. The Group's active working capital management system led to a reduction in trade receivables and further boosted cash compared with 31 December 2010.

The decrease in equity also reflects exchange rate changes. Equity was affected both by the recognition of the loss for the period and by increased differences from the translation of the individual financial statements prepared in foreign currencies for the Group's Polish and Turkish activities.

The reduction in non-current liabilities can be attributed to the positive development of interest rate hedges. Due to the favorable development of the expected term structure, the present values recognized for the interest rate hedges were reduced. The fall in non-current provisions is due to the release of amounts no longer required to settle restoration obligations for advertising media.

The rise in current liabilities is mainly due to revenue-related lease liabilities recognized pro rata temporis.

Financial position

In EUR m	9M 2011	9M 2010
Cash flows from operating activities	54.6	6.6
Cash flows from investing activities	-35.7	-65.5
Free cash flow	18.8	-58.8
Cash flows from financing activities	-4.7	126.2
Change in cash	14.1	67.4
Cash	120.3	124.7

Due to the improved working capital management system and lower tax and interest payments, the operating cash flow increased significantly in the period under review, up to EUR 54.6m. As of 30 September 2011, cash was above the already high 2010 year-end level despite the uptake in the investing activities. However, it was slightly below the figure for 30 September 2010, which was shaped by the cash inflows from the IPO and did not contain the cash outflow for the acquisition of News Outdoor Poland.

Cash flows from investing activities fell sharply year on year, as the figure for the third quarter of 2010 reflected the increase in the Group's equity interest in the Turkish company. Nevertheless, they were up by EUR 24.2m on a like-for-like basis.

Net debt

In EUR m		30 Sep 2011	31 Dec 2010	Change	
(1)	Non-current financial liabilities	420.1	426.6	-6.5	-1.5%
(2)	Current financial liabilities	45.9	39.2	6.7	17.2%
(1)+(2)	Total financial liabilities	466.0	465.7	0.2	0.1%
(3)	Derivative financial instruments	33.5	39.5	-6.1	-15.4%
(1)+(2)-(3)	Financial liabilities excl. derivative financial instruments	432.5	426.2	6.3	1.5%
(4)	Cash	120.3	106.1	14.1	13.3%
(1)+(2)-(3)-(4)	Net debt	312.3	320.1	-7.8	-2.4%

The Group reduced its net debt slightly. This was mainly the result of the positive development of working capital within cash flows from operating activities, which led to the greater release of cash.

Business and earnings development by segment

Ströer Germany

In EUR m	Q3 2011	Q3 2010		Change	9M 2011	9M 2010		Change
Revenue, thereof	99.9	98.1	1.8	1.8%	307.7	293.1	14.7	5.0%
Billboard	43.9	44.2	-0.3	-0.7%	134.9	132.0	2.8	2.2%
Street furniture	27.5	23.4	4.2	17.8%	89.1	75.2	13.9	18.5%
Transport	20.0	16.7	3.3	19.5%	60.1	50.3	9.8	19.5%
Other	8.5	13.9	-5.3	-38.5%	23.7	35.6	-11.9	-33.4%
Operational EBITDA	22.6	20.8	1.8	8.8%	77.2	69.0	8.2	11.9%
Operational EBITDA margin	22.6%	21.2%		up 1.4 percentage points	25.1%	23.5%		up1.6 percentage points

The Ströer Germany segment continued on its growth path in the third quarter and further increased both revenue and operational EBITDA.

The above-average year-to-date revenue growth recorded by high-margin advertising media in the street furniture and transport product groups was maintained in the third quarter. At the same time, the segment further expanded its successful digital sales activities by increasing revenue by more than 50%. Current surveys by Nielsen also reflect this positive trend: Based on gross advertising revenue, the market research institute identified a sharp increase in advertising expenditure in favor of out-of-home media and reported a year-on-year improvement of 44 basis points in the market share of this form of advertising to 4.5% as of the end of September.

In the "Other" advertising media product group, the decrease in revenue can be attributed to the discontinuation of service activities which are not a focus of the core business, relating to the purchase of additional advertising spaces from third parties by an internal agency. These operations were discontinued at the end of the last fiscal year. This largely explains the difference between the reported and organic revenue growth rate.

Overall, Ströer Germany reported an increase of 160 basis points in the operational EBITDA margin in the period under review. However, the prior-year period was influenced by special effects that reduced margins.

Ströer Turkey

In EUR m	Q3 2011	Q3 2010		Change	9M 2011	9M 2010		Change
Revenue, thereof	19.0	16.5	2.5	15.2%	64.0	40.0	24.0	59.9%
Billboard	13.5	11.7	1.7	14.9%	46.8	27.2	19.5	71.8%
Street furniture	5.4	4.5	0.9	20.8%	16.4	12.0	4.4	36.7%
Transport	0.2	0.4	-0.2	-47.9%	0.8	0.8	0.0	2.2%
Operational EBITDA	2.8	2.7	0.1	5.4%	10.9	9.0	1.9	21.2%
Operational EBITDA margin	14.9%	16.3%		down 1.4 percentage points	17.0%	22.5%		down 5.5 percentage points

The development of the Ströer Turkey segment continued to be shaped by the full consolidation performed in September 2010. The comments on revenue and earnings are therefore based on an assumed full consolidation as of 1 January 2010:

In EUR m	Q3 2011	Q3 2010	Change		9M 2011	9M 2010	Change	
Revenue	19.0	23.7	-4.7	-19.8%	64.0	70.7	-6.7	-9.5%
Operational EBITDA	2.8	3.3	-0.5	-14.9%	10.9	15.9	-5.0	-31.6%
Operational EBITDA margin	14.9%	14.0%	down 0.9 percentage points		17.0%	22.6%	down 5.6 percentage points	

Adjusted for exchange rate effects, the Ströer Turkey segment recorded low single-digit growth in the first nine months of this year. The slight slowdown in expansion compared with the first half of 2011 is due in particular to a decline in momentum on the Turkish advertising market – which in some cases was significant – in the third quarter. As a result, the uncertainty caused by the law reducing advertising minutes on TV that was introduced at the beginning of the year again led to partial shifts in media budgets in favor of television in Q3. These effects are particularly reflected in sales to national customers for which TV is often the main medium. The Turkish lira continued to devalue against the euro in the third quarter, declining by a further 5.2% compared with the end of Q2 to TRY 2.47. This additionally impacted revenue and operational EBITDA.

The high proportion of advertising concessions with fixed or partially inflation-indexed rental expenses means that the decrease in revenue caused by market-related factors is having a tangible effect on the operational EBITDA margin. At the same time, revenue from certain newly acquired concession rights are only generated in the course of the year even though the related license payments have been due since the beginning of 2011. The Turkey segment improved its margin in the third quarter despite the adverse operating environment.

Other

In EUR m	Q3 2011	Q3 2010	Change		9M 2011	9M 2010	Change	
Revenue	15.4	12.3	3.0	24.5%	45.1	36.1	9.0	24.9%
Billboard	14.0	11.4	2.6	23.0%	41.8	33.3	8.5	25.4%
Street furniture	0.1	0.1	0.0	-6.7%	0.4	0.3	0.1	18.1%
Transport	0.1	0.1	0.0	-2.1%	0.3	0.4	-0.1	-30.8%
Other	1.2	0.8	0.4	53.4%	2.7	2.1	0.6	26.8%
Operational EBITDA	0.9	0.7	0.3	37.6%	3.2	2.1	1.1	54.2%
Operational EBITDA margin	6.1%	5.5%	up 0.6 percentage points		7.0%	5.7%	up 1.3 percentage points	

The “Other” segment includes our Polish out-of-home activities and the western European giant poster business of the blowUP division.

Revenue only increased due to the initial full consolidation of a new Polish subsidiary acquired in the fourth quarter of 2010.

The performance of the individual operations continued to vary. While the giant poster business recorded growth in the mid-single-digit range in the first nine months, the Polish operations recorded a drop in revenue on a like-for-like basis. Business picked up over the course of the year, improving each quarter, and positive organic revenue growth was posted for the first time in the third quarter.

Employees

The Ströer Group employed a total of 1,727 people as of 30 September 2011 (31 December 2010: 1,731). The allocation of employees to the different segments is shown in the following table.

Segment	Employees
Ströer Germany	1,142
Ströer Turkey	224
Other	211
Holding	150
Total	**1,727**

Opportunities and risks

With the exception of the change presented in the following paragraph, the assessment of opportunities and risks in the group management report as of 31 December 2010 still reflects the Group's situation.

Any divergence from the planning assumptions used for our Turkish segment and/or any further deterioration in the exchange rate of the Turkish lira against the euro could lead to the impairment of intangible assets or goodwill.

Subsequent events

Effective 1 November 2011, the Group acquired all of the shares in ECE flatmedia GmbH, Hamburg, for an initial purchase price of EUR 3.9m along with additional performance-related purchase price payments, which could total a low double-digit million figure.

Forecast for 2011

General economic conditions

Although the German economy lost some growth momentum in the second quarter, GDP remained at a high level at 2.8%. However, economic growth is expected to slow further in the last quarter of 2011 in the wake of the eurozone debt crisis and the contracting global economy. Nonetheless, leading economic research institutes such as the International Monetary Fund (IMF) are still forecasting growth of 2.7% for full-year 2011.

GDP in Turkey rose by 8.8% in the second quarter, confirming the growth forecasts in the first quarter. However, most analyses for the second half of the year indicate a sharp economic downturn due to high inflation of over 6% and the widening current account deficit. This can already be seen in the continuing weakness of the Turkish lira, and the Turkish government and central bank need to instigate measures to cool the economy.

Despite the turmoil on the global markets, the Polish economy also continued to perform well, growing 4.3% in the second quarter. The Polish government still expects to see GDP for 2011 increase by around 4%.

The industry

The advertising market in Germany is still benefiting from the positive macroeconomic situation. However, the risk that economic growth may let up somewhat at year-end has increased, with some economic research institutes forecasting negative GDP growth for the last quarter of 2011 and the first quarter of 2012. The expected Greek debt cut will not fully resolve the euro debt crisis, which will continue to affect consumer and investor behavior in the future. As regards the structural changes in media use, we still expect to see continued trends indicating a higher market share for out-of-home media. This pattern, which has now been witnessed for some time, is once again reflected in the market research data on the gross advertising market published by Nielsen in September 2011.

Following two quarters of high GDP increases, Turkey is still at risk of overheated domestic demand. The Turkish central bank is addressing this risk with firm monetary and interest rate policy measures. The media market is being significantly influenced by the restrictive TV advertising policy introduced at the start of the year which, despite the substantial price increases for TV advertising times, led to a greater market share for TV and, as a result, largely overshadowed the growth momentum of other media in the year.

The Polish advertising market continued to lag behind the overall national economic development for structural reasons. This was also the case in the out-of-home market, where the continued professionalization and consolidation measures are only gradually making themselves felt. However, the projects initiated, including the industry-wide measurement of the audience reach of all advertising areas (POSTAR), are moving forward. Following the downward development in the first six months, we expect business activities to stabilize in the second half of the year. Nonetheless, the market is likely to remain sensitive to further negative effects from the global economy.

Further outlook for business and earnings development

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

Consolidated income statement

In EUR k	Q3 2011	Q3 2010	9M 2011	9M 2010
Continuing operations				
Revenue	134,064	126,941	416,329	369,092
Cost of sales	-90,260	-85,668	-271,964	-234,598
Gross profit	**43,804**	**41,273**	**144,365**	**134,494**
Selling expenses	-18,020	-16,927	-55,939	-51,490
Administrative expenses	-18,275	-27,461	-56,540	-65,771
Other operating income	2,535	65,959	9,635	72,427
Other operating expenses	-3,708	-1,593	-12,023	-4,971
Finance income	561	2,663	7,656	8,477
Finance costs	-18,875	-16,511	-49,603	-48,780
Profit or loss before taxes	**-11,978**	**47,403**	**-12,449**	**44,386**
Income taxes	-4,208	-2,484	-4,913	-4,683
Post-tax profit or loss from continuing operations	**-16,186**	**44,919**	**-17,362**	**39,703**
Profit or loss for the period	**-16,186**	**44,919**	**-17,362**	**39,703**
Thereof attributable to:				
Owners of the parent	-15,161	44,894	-15,667	38,856
Non-controlling interests	-1,025	25	-1,695	847
	-16,186	**44,919**	**-17,362**	**39,703**
Earnings per share (EUR, basic) from continuing operations	-0.36	1.91	-0.37	1.65
Earnings per share (EUR, diluted) from continuing operations	-0.36	1.03	-0.37	0.89

Consolidated statement of comprehensive income

In EUR k	Q3 2011	Q3 2010	9M 2011	9M 2010
Profit or loss for the period	**-16,186**	**44,919**	**-17,362**	**39,703**
Other comprehensive income				
Exchange differences on translating foreign operations	-7,715	-2,217	-23,490	-1,176
Cash flow hedges	-168	1,903	4,956	4,125
Income taxes relating to components of other comprehensive income	55	-603	-1,608	-1,240
Other comprehensive income, net of income taxes	**-7,828**	**-917**	**-20,142**	**1,709**
Total comprehensive income, net of income taxes	**-24,014**	**44,002**	**-37,504**	**41,412**
Thereof attributable to:				
Owners of the parent	-22,369	44,121	-33,541	40,579
Non-controlling interests	-1,645	-119	-3,963	833
	-24,014	**44,002**	**-37,504**	**41,412**

Consolidated statement of financial position
as of 30 September 2011

Assets (in EUR k)	30 Sep 2011	31 Dec 2010
Non-current assets		
Intangible assets	490,455	531,519
Property, plant and equipment	212,317	212,831
Investment property	1,495	1,510
Financial assets	96	96
Trade receivables	272	934
Other financial assets	1,684	2,162
Other non-financial assets	8,754	6,029
Income tax assets	867	845
Deferred tax assets	13,939	8,552
	729,879	**764,478**
Current assets		
Inventories	5,612	5,075
Trade receivables	65,179	73,414
Other financial assets	7,120	8,016
Other non-financial assets	29,284	25,721
Income tax assets	3,512	4,231
Cash	120,261	106,120
	230,968	**222,577**
	960,847	**987,055**

Equity and liabilities (in EUR k)	30 Sep 2011	31 Dec 2011
Equity		
Subscribed capital	42,098	42,098
Capital reserves	296,490	296,490
Retained earnings	-63,029	-42,457
Accumulated other comprehensive income	-36,590	-18,717
	238,969	**277,414**
Non-controlling interests	16,071	17,028
	255,040	**294,442**
Non-current liabilities		
Pension provisions and similar obligations	21,007	21,317
Other provisions	10,296	15,510
Financial liabilities	420,065	426,562
Deferred tax liabilities	63,447	64,947
	514,818	**528,336**
Current liabilities		
Other provisions	19,444	17,670
Financial liabilities	45,911	39,170
Trade payables	80,173	67,917
Other liabilities	32,908	31,129
Income tax liabilities	12,553	8,391
	190,989	**164,277**
	960,847	**987,055**

Consolidated statement of cash flows

In EUR k	9M 2011	9M 2010
Cash flows from operating activities		
Profit before interest and taxes from continuing operations	29,498	84,689
Write-downs (+) on non-current assets	44,283	33,356
Interest paid (-)	-21,452	-31,113
Interest received (+)	762	1,295
Income taxes paid (-)/received (+)	-6,550	-6,261
Increase (+)/decrease (-) in provisions	-3,873	-7,589
Other non-cash expenses (+)/income (-)	-3,534	-61,315
Gain (-)/loss (+) on the disposal of non-current assets	669	887
Increase (-)/decrease (+) in inventories, trade receivables and other assets	8,371	-10,665
Increase (+)/decrease (-) in trade payables and other liabilities	6,382	3,346
Cash flows from operating activities	54,556	6,630
Cash flows from investing activities		
Cash received (+) from the disposal of property, plant and equipment	1,506	662
Cash paid (-) for investments in property, plant and equipment	-33,594	-10,082
Cash paid (-) for investments in intangible assets	-2,417	-1,726
Cash paid (-) for investments in financial assets	-74	0
Cash received (+)/paid (-) for the acquisition of consolidated entities	-1,136	-54,319
Cash flows from investing activities	-35,715	-65,465
Cash flows from financing activities		
Cash received (+) from the issue of capital	0	285,466
Cash paid (-) to shareholders	-1,328	-1,871
Cash paid (-) for transaction costs related to borrowings	-2,512	-7,623
Cash repayments (-) of borrowings	-860	-149,741
Cash flows from financing activities	-4,700	126,232
Cash at the end of the period		
Change in cash	14,141	67,397
Cash at the beginning of the period	106,120	57,257
Cash at the end of the period	120,261	124,654
Composition of cash		
Cash	120,261	124,654
Cash at the end of the period	120,261	124,654

Consolidated statement of changes in equity as of 30 September 2011

In EUR k	Subscribed capital		Capital reserves	Retained earnings	Accumulated other comprehensive income		Total	Non-controlling interests	Total equity
	Common shares	Preferred shares			Exchange differences on translating foreign operations	Cash flow hedges			
1 Jan 2011	**42,098**	**0**	**296,490**	**-42,457**	**-10,979**	**-7,738**	**277,414**	**17,028**	**294,442**
Profit or loss for the period	0	0	0	-15,666	0	0	-15,666	-1,696	-17,362
Other comprehensive income	0	0	0	0	-21,221	3,348	-17,873	-2,269	-20,142
Total comprehensive income	0	0	0	-15,666	-21,221	3,348	-33,539	-3,965	-37,504
Change in basis of consolidation	0	0	0	0	0	0	0	-569	-569
Effects from the sale of ownership interests in subsidiaries without loss of control	0	0	0	1,265	0	0	1,265	-1,265	0
Obligation to purchase treasury shares	0	0	0	-6,171	0	0	-6,171	6,171	0
Dividends	0	0	0	0	0	0	0	-1,328	-1,328
30 Sep 2011	**42,098**	**0**	**296,490**	**-63,029**	**-32,200**	**-4,390**	**238,969**	**16,071**	**255,040**

In EUR k	Subscribed capital		Capital reserves	Retained earnings	Accumulated other comprehensive income		Total	Non-controlling interests	Total equity
	Common shares	Preferred shares			Exchange differences on translating foreign operations	Cash flow hedges			
1 Jan 2010	**474**	**38**	**34,509**	**-81,543**	**-4,667**	**-12,424**	**-63,614**	**15,528**	**-48,086**
Profit or loss for the period	0	0	0	38,856	0	0	38,856	847	39,703
Other comprehensive income		0	0	0	-1,161	2,884	1,723	-14	1,709
Total comprehensive income	0	0	0	38,856	-1,161	2,884	40,579	833	41,412
Change in basis of consolidation	0	0	0	0	0	0	0	16,944	16,944
Capital increase using company funds	21,312	1,728	-8,997	-14,043	0	0	0	0	0
Issue of shares	20,312	-1,766	273,415	-10,178	0	0	281,783	0	281,783
Direct costs relating to going public (after tax)	0	0	-2,429	0	0	0	-2,429	0	-2,429
Obligation to purchase treasury shares	0	0	0	14,568	0	0	14,568	-14,568	0
Dividends	0	0	0	-3	0	0	-3	-1,868	-1,871
30 Sep 2010	**42,098**	**0**	**296,498**	**-52,343**	**-5,827**	**-9,540**	**270,885**	**16,869**	**287,754**

Reporting by operating segment

In EUR k	Ströer Germany	Ströer Turkey	Other	Reconciliation	Group value
Q3 2011					
External revenue	99,760	19,020	15,284	0	134,064
Internal revenue	159	20	75	-254	0
Segment revenue	99,919	19,041	15,358	-254	134,064
Operational EBITDA	22,615	2,836	938	-2,193	24,196
Q3 2010					
External revenue	98,137	16,535	12,269	0	126,941
Internal revenue	4	0	72	-76	0
Segment revenue	98,141	16,535	12,341	-76	126,941
Operational EBITDA	20,782	2,691	682	-1,782	22,373

In EUR k	Ströer Germany	Ströer Turkey	Other	Reconciliation	Group value
9M 2011					
External revenue	307,518	63,760	45,051	0	416,329
Internal revenue	213	200	75	-488	0
Segment revenue	307,731	63,961	45,125	-488	416,329
Operational EBITDA	77,201	10,901	3,181	-7,319	83,964
9M 2010					
External revenue	293,038	40,003	36,051	0	369,092
Internal revenue	12	0	85	-97	0
Segment revenue	293,050	40,003	36,136	-97	369,092
Operational EBITDA	68,993	8,993	2,063	-5,271	74,778

Reporting by product group

In EUR k	Billboard	Street furniture	Transport	Other	Group value
Q3 2011					
External revenue	71,330	33,045	20,225	9,464	134,064
Q3 2010					
External revenue	67,276	27,959	17,146	14,560	126,941

In EUR k	Billboard	Street furniture	Transport	Other	Group value
9M 2011					
External revenue	223,428	105,806	61,155	25,940	416,329
9M 2010					
External revenue	192,569	87,447	51,428	37,649	369,092

Notes to the condensed consolidated interim financial statements

General

1 Information on the Company and Group

Ströer Out-of-Home Media AG (Ströer) has its registered office at Ströer Allee 1 in Cologne (Germany) and is entered in the commercial register of Cologne Local Court under HRB no. 41548.

The purpose of the entities (the Ströer Group or the Group) included in the condensed consolidated interim financial statements (the consolidated interim financial statements) is the commercialization of out-of-home media. The Group uses all forms of out-of-home media, from traditional billboards and transport media through to digital media to reach its target audience. See the relevant explanations in the notes to the consolidated financial statements as of 31 December 2010 for a detailed description of the Group's structure and its operating segments.

2 Basis of preparation of the financial statements

The consolidated interim financial statements for the period from 1 January to 30 September 2011 were prepared in accordance with IAS 34, *Interim Financial Reporting*. The consolidated interim financial statements must be read in conjunction with the consolidated financial statements as of 31 December 2010.

The disclosures required by IAS 34 on changes to items in the consolidated statement of financial position (also known as a balance sheet), the consolidated income statement and the consolidated statement of cash flows are made in the interim group management report.

Due to rounding differences, figures in tables may differ slightly from the actual figures.

The interim consolidated financial statements and interim group management report were not the subject of a review.

3 Accounting policies

The figures disclosed in these consolidated interim financial statements were determined in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The accounting policies applied in the consolidated financial statements as of 31 December 2010 were also applied in these consolidated interim financial statements.

4 Accounting estimates

Preparation of the consolidated interim 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 consolidated interim financial statements. The estimates are based on historical data and other information on the transactions concerned. Actual results may differ from such estimates. The accounting estimates and assumptions applied in the consolidated financial statements as of 31 December 2010 were also used to determine the estimated values presented in these consolidated interim financial statements.

5 Related party disclosures

See the consolidated financial statements as of 31 December 2010 for information on related party disclosures. There were no significant changes as of 30 September 2011.

6 Segment information

See the explanations in the consolidated financial statements as of 31 December 2010 for information on the different segments and product groups.

Reconciliation of the segment reporting by operating segment

In EUR k	9M 2011	9M 2010
Total segment results (operational EBITDA)	**91,283**	**80,049**
Material items	-7,319	-5,271
Group operational EBITDA	**83,964**	**74,778**
Adjustment effects	-10,183	43,267
EBITDA	**73,781**	**118,045**
Amortization and depreciation	-44,283	-33,356
Finance income	7,656	8,477
Finance costs	-49,603	-48,780
Consolidated profit or loss before income taxes	**-12,449**	**44,386**

In EUR k	Q3 2011	Q3 2010
Total segment results (operational EBITDA)	**26,389**	**24,155**
Material items	-2,193	-1,782
Group operational EBITDA	**24,196**	**22,373**
Adjustment effects	-3,549	51,514
EBITDA	**20,647**	**73,887**
Amortization and depreciation	-14,311	-12,636
Finance income	561	2,663
Finance costs	-18,875	-16,511
Consolidated profit or loss before income taxes	**-11,978**	**47,403**

7 Seasonality

The Group's revenue and earnings are seasonal in nature. Revenue and earnings are generally lower in the first and third quarters compared to the second and fourth quarters.

8 Disclosures on business combinations

Acquisition of CBA Iletisim ve Reklam Pazarlama Ltd. Sti., Turkey

With effect as of 2 August 2011, the Group acquired all of the shares in CBA Iletisim ve Reklam Pazarlama Ltd. Sti., Istanbul, Turkey (CBA). The entity is engaged in the commercialization of out-of-home media. The entity was acquired to allow the Group to gain a stronger foothold in the Turkish out-of-home market.

The acquisition gave rise to transaction costs of EUR 22k which were reported under administrative expenses.

The fair values of the assets and liabilities acquired are presented below:

In EUR k	
Advertising concessions	115
Property, plant and equipment	642
Deferred tax assets	24
Inventories	20
Trade receivables	596
Financial assets	4
Other assets	182
Cash	35
Pension provisions	1
Trade payables	102
Financial liabilities	1,577
Other liabilities	41
Income tax liabilities	67
Net assets acquired	-169

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

In EUR k	**Fair value**	**Gross amount**
Trade receivables (current)	694	577
Other receivables	186	186

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

The fair value of the assets and liabilities in the purchase price allocation is still provisional. Hence, the fair values of the assets and liabilities acquired and goodwill may be adjusted. In addition, the effect from the price adjustment clauses contained in the purchase agreement cannot be assessed at present. The purchase price and hence goodwill may also be adjusted as a result.

The goodwill breaks down as follows:

In EUR k	
Purchase price	1,000
Purchase price payments in subsequent periods	4,500
Non-controlling interests	567
Net assets acquired	-169
Goodwill	5,102

The allocation for indirect non-controlling interests was made on the basis of the share in equity/the carrying amount of the equity interest.

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

In EUR k	**Revenue**	**Profit after taxes**
2 Aug to 30 Sep 2011	222	-98

9 Subsequent events

Effective 1 November 2011, the Group acquired all of the shares in ECE flatmedia GmbH, Hamburg, for an initial purchase price of EUR 3.9m along with additional performance-related purchase price payments, which could total a low double-digit million figure. The acquisition serves to extend the Group's digital advertising media portfolio. No further information required by IFRS 3 on this acquisition can be disclosed at present.

Cologne, 14 November 2011

Ströer Out-of-Home Media AG

Udo Müller	Alfried Bührdel	Dirk Wiedenmann
Chief Executive Officer	Chief Financial Officer	Member of the Board

Adjusted income statement

Reconciliation of the consolidated income statement to the non-IFRS figures disclosed in the financial reports

Q3 2011 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification of adjustment items	Income statement for management accounting purposes	Impairment and amortization of advertising concessions	Valuation effects from derivatives	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items	Adjusted income statement for Q3 2011	Adjusted income statement for Q3 2010
Revenue	**134.1**			**134.1**						**134.1**	**126.9**
Cost of sales	-90.3	13.0		-77.3						-77.3	-74.4
Selling expenses	-18.0										
Administration expenses	-18.3										
Overheads	-36.3	1.3	2.6	-32.3						-32.3	-31.1
Other operating income	2.5										
Other operating expenses	-3.7										
Other operating result	-1.2		0.9	-0.2						-0.2	0.8
Operational EBITDA				**24.2**						**24.2**	**22.4**
Amortization and depreciation		-14.3		-14.3	6.2					-8.1	-6.8
Operational EBIT				**9.9**						**16.1**	**15.6**
Exceptional items			-3.5	-3.5					3.5	0.0	0.0
Finance income	0.6										
Finance costs	-18.9										
Net financial result	-18.3			-18.3		1.1	7.9			-9.3	-13.4
Income taxes	-4.2			-4.2				2.0		-2.2	-0.7
Profit or loss for the period	**-16.2**	**0.0**	**0.0**	**-16.2**	**6.2**	**1.1**	**7.9**	**2.0**	**3.5**	**4.6**	**1.4**

9M 2011 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization. depreciation and impairment losses	Reclassification of adjustment items	Income statement for management accounting purposes	Impairment and amortization of advertising concessions	Valuation effects from derivatives	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items	Adjusted income statement for 9M 2011	Adjusted income statement for 9M 2010
Revenue	**416.3**			**416.3**						**416.3**	**369.1**
Cost of sales	-272.0	40.3		-231.6						-231.6	-205.2
Selling expenses	-55.9										
Administrative expenses	-56.5										
Overheads	-112.5	4.0	5.5	-103.0						-103.0	-92.1
Other operating income	9.6										
Other operating expenses	-12.0										
Other operating result	-2.4		4.7	2.3						2.3	2.9
Operational EBITDA				**84.0**						**84.0**	**74.8**
Amortization and depreciation		-44.3		-44.3	19.0					-25.3	-19.8
EBIT				**39.7**						**58.6**	**55.0**
Exceptional items			-10.2	-10.2					10.2	0.0	0.0
Finance income	7.7										
Finance costs	-49.6										
Net financial result	-41.9			-41.9		-1.2	15.7			-27.5	-35.7
Income taxes	-4.9			-4.9				-5.2		-10.1	-6.1
Profit or loss for the period	**-17.4**	**0.0**	**0.0**	**-17.4**	**19.0**	**-1.2**	**15.7**	**-5.2**	**10.2**	**21.1**	**13.2**

Financial calendar

Ströer will publish the financial calendar for 2012 on the homepage www.stroeer.de/investor-relations in December 2011.

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Disclaimer

This interim report contains forward-looking statements which entail risks and uncertainties. The actual business development and results of Ströer Out-of-Home Media AG and of the Group may differ significantly from the assumptions made in this interim report. This interim report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer Out-of-Home Media AG. There is no obligation to update the statements made in this interim report.