STRÖER

HALF-YEAR
FINANCIAL REPORT
6M/Q2 2018

STRÖER SE &
Co. KGaA

CONTENTS

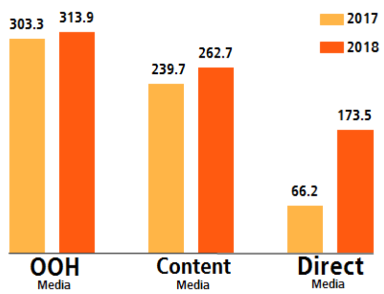
THE GROUP'S FINANCIAL FIGURES AT A GLANCE

Revenue

EUR 741.5m

(prior year: EUR 597.4m)

SEGMENT REVENUE
In EUR m



OPERATIONAL EBITDA

EUR 242.2m

(prior year: EUR 216.7m)

OPERATIONAL EBITDA-MARGIN

32.7%

(prior year: 36.3%)

ORGANIC REVENUE GROWTH

7.8%

(prior year: 7.6%)

ADJUSTED CONSOLIDATED PROFIT

EUR 75.5m

(prior year: EUR 62.4m)

FREE CASH FLOW BEFORE M&A TRANSACTIONS

EUR 94.6m

(prior year: EUR 97.2m)

ROCE

17.3%

(prior year: 16.4%)

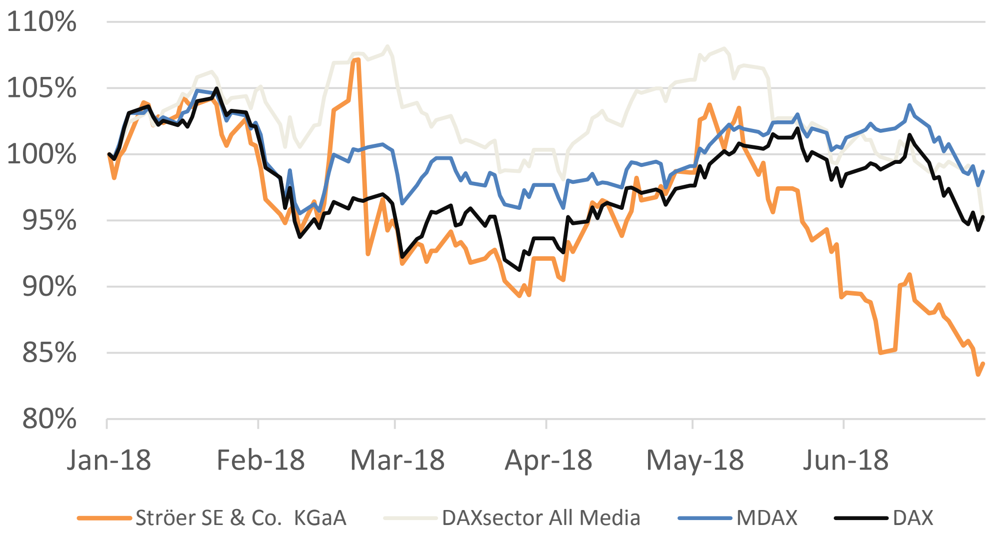
In EUR m	After adjustment for IFRS 11 and IFRS 16 6M 2018[1]	After adjustment for IFRS 11 and IFRS 16 6M 2017[1]	Before adjustment for IFRS 11 and IFRS 16 6M 2018	Before adjustment for IFRS 11 and IFRS 16 6M 2017
Revenue (reported)	**741.5**	**597.4**	**741.5**	**597.4**
IFRS 11 adjustment	-	-	6.0	6.5
Revenue (Management View)	**741.5**	**597.4**	**747.5**	**603.9**
Operational EBITDA	**242.2**	**216.7**	**151.9**	**135.9**
Adjustment effects	13.6	9.8	14.2	10.8
IFRS 11 adjustment	-	-	2.3	2.4
EBITDA	**228.6**	**206.9**	**135.3**	**122.7**
Amortization, depreciation and impairment losses	170.6	157.7	84.0	81.1
thereof attributable to purchase price allocations and impairment	35.9	32.8	36.6	33.4
EBIT	**58.0**	**49.2**	**51.4**	**41.6**
Financial result	18.1	17.3	5.0	3.6
EBT	**39.8**	**31.9**	**46.4**	**38.1**
Income taxes	6.4	3.0	8.2	4.8
Consolidated profit for the period	**33.5**	**28.8**	**38.1**	**33.2**
Adjusted consolidated profit for the period	**75.5**	**62.4**	**83.0**	**70.1**
Free cash flow (before M&A transactions)	**94.6**	**97.2**	**1.5**	**19.6**
Net debt (30 June) [2]	**611.5**	**423.6**	**605.5**	**418.5**

[1] The "IFRS 11 adjustment" relates to the alignment of the internal reporting to the external reporting. This alignment had an effect on several non-GAAP KPIs. The „IFRS 16 adjustment" results from the first-time application of this new standard.

[2] The calculation of the Ströer Group`s net debt is based on its existing loan agreements with lending banks and, hence, the introduction of IFRS 16 had no impact in this regard. Against this background only the "IFRS 11 adjustment" had an impact on net debt.

SHARE

The German stock market performed weakly overall in the first six months of 2018. Both the DAX and the MDAX reported only slight gains in the second quarter, up 1.7% and 1.0%, respectively. By contrast, compared with the 2017 closing prices, Germany's two main stock indexes lost ground in the first half of the year, with losses of 4.7% (DAX) and 1.3% (MDAX). This market development was the result of political uncertainties, such as the threat of higher import duties and elections in Europe and other countries. Against this backdrop, the Ströer share also declined by 8.6% in the second quarter and 15.8% in the first half of the 2018 financial year and suffered from profit-taking after the very positive development of the previous year.



Shareholder meeting

Ströer SE & Co. KGaA's shareholder meeting was held at the Koelnmesse Congress Center on 30 May 2018 and was attended by approximately 160 shareholders and guests. Overall, more than 46 million shares of no par value were represented. All resolutions put forward by the supervisory board and board of management were approved. This also included the distribution of a dividend of EUR 1.30 per qualifying share.

Stock exchange listing, market capitalization and trading volume

Ströer SE & Co. KGaA stock is listed in the Prime Standard of the Frankfurt Stock Exchange and in the MDAX. Based on the closing share price on 29 June 2018, market capitalization came to around EUR 2.9b.

The average daily volume of Ströer stock traded on Xetra was approximately 101,000 shares in 2018.

Analysts' coverage

The performance of Ströer SE & Co. KGaA is tracked by 16 teams of analysts. Based on the most recent assessments, 11 of the analysts are giving a "buy" recommendation and 5 say "hold." The latest broker assessments are available at http://ir.stroeer.com and are presented in the following table:

Investment Bank	Recommendation*
J.P. Morgan	Buy
Hauck & Aufhäuser	Buy
Citi	Buy
Deutsche Bank	Buy
NordLB	Buy
Warburg Research	Buy
Liberum	Buy
Bankhaus Lampe	Buy
Barclays	Buy
LBBW	Buy
MainFirst	Buy
HSBC	Hold
Commerzbank	Hold
Morgan Stanley	Hold
Oddo Seydler	Hold
KeplerCheuvreux	Hold

*As of 06 August 2018

Shareholder structure

As of 30 June 2018, Co-CEO Udo Müller holds 21.44%, supervisory board member Dirk Ströer holds 21.54% and Co-CEO Christian Schmalzl holds 0.05% of Ströer SE & Co. KGaA.

According to the notifications made to the Company as of the date of publication of this report on 9 August 2018, the following parties reported to us that they hold more than 3% of the voting rights in Ströer SE & Co. KGaA: Deutsche Telekom AG (11.46%), Allianz Global Investors (6.07%) and Credit Suisse (3.49%).

The free float comes to around 46%.

Information on the current shareholder structure is permanently available at http://ir.stroeer.com.

INTERIM GROUP MANAGEMENT REPORT

This interim group management report covers the period from 1 January to 30 June 2018.

Interim group management report

INTERIM GROUP MANAGEMENT REPORT

BACKGROUND OF THE STRÖER GROUP

Ströer is a leading digital multi-channel media company and offers its customers end-to-end solutions along the entire marketing and sales value chain. Ströer's objective is to be the most customer-centric media company. The addition of dialog marketing enables Ströer to offer customers holistic performance-based solutions ranging from location-or content-specific reach and interaction across the entire spectrum of dialog marketing through to transactions. Furthermore, in digital publishing, the Company publishes premium content across all digital channels, offering one of Germany's widest reaching networks with its t-online.de and special interest sites.

The Ströer Group commercializes and operates several thousand websites in German-speaking countries in particular and operates approximately 300,000 advertising media in the out-of-home segment. It has 12,225 employees at over 100 locations. In fiscal year 2017, Ströer generated revenue of EUR 1.33b.

MACROECONOMIC DEVELOPMENT

According to the International Monetary Fund (IMF), the eurozone must be prepared for a deceleration in growth in the medium term. While the IMF still expects GDP to expand by 2.2% in 2018, slightly weaker growth of around 1.9% is now being projected for 2019. Domestic demand and job creation will drive growth according to the IMF, while changes in demographic structures and the ongoing decline in productivity will hold back the future economic development.

The Kiel Institute for the World Economy (IfW) expects German GDP to rise by 2.0% in 2018 (economic boom), whereas the ifo Institute in Munich has forecast GDP growth of just 1.8% for the current year. The Organization for Economic Co-operation and Development (OECD) expects the strongest upturn in the German economy in 2018 and is projecting a 2.1% increase in GDP.

CHANGES IN ACCOUNTING

As of **1 January 2018**, the Ströer Group adopted, among others, the new standard **IFRS 16, Leases**. The new standard contains substantially revised guidance on the definition and recognition of leases. It replaces the former standard IAS 17, which was previously applied for leases. The new standard was adopted for the first time applying the modified retrospective approach, i.e., the comparative period was not restated to reflect IFRS 16.

First-time application of this standard led in particular to a number of advertising concession contracts in the Ströer Group's OOH business being reclassified as a lease within the meaning of IFRS 16. These advertising concession contracts include contracts with cities and municipalities as well as with private property owners. In all of these contracts, Ströer has the right to install its advertising media on public and private land.

The reclassification of these contracts as leases within the meaning of IFRS 16 means that the Ströer Group now has to recognize the respective minimum lease payments agreed under these contracts as discounted financial liabilities in the statement of financial position. Effective 1 January 2018, the rights of use attributable to the respective land were recognized in the same amount as assets in the statement of financial position. Overall, this effect increased total assets of the Ströer Group by around EUR 1.1b at the beginning of 2018.

In the income statement, the minimum lease payments are no longer recognized in full as an expense but broken down into interest expenses and a principal portion. While the interest expenses which decrease over the term of the lease are presented as part of the financial result, the principal portion, which increases continually over the term, is no longer reflected in the income statement. Consolidated profit or loss is thus no longer directly impacted by the amount of the principal portion of the lease payment. Instead consolidated profit or loss is reduced by (straight-line) depreciation of the right-of-use asset over the term of the respective lease. Although the sum of the continually increasing principal portions is identical to the sum of the straight-line depreciation over the full term of the individual lease, the excess of the straight-line depreciation over the initially lower principal portions has a negative effect on consolidated profit or loss in the first periods. For this reason, consolidated profit declines accordingly with the adoption of IFRS 16 in 2018. The negative effect on consolidated profit for the first half of 2018 totaled EUR 4.7m (upfront effect).

Lease payments in the statement of cash flows are also no longer recognized in full in cash flows from operating activities. The principal portions of the individual leases are now recognized in cash flows from financing activities. The reclassification of a portion of the lease payments thus gives rise to an improvement in cash flows from operating activities and to significantly higher outflows in cash flows from financing activities. By contrast, cash flows from investing activities are not affected by IFRS 16.

For more details, including with regard to **IFRS 9** and **IFRS 15** that have also become effective, see also our explanations in section 3 "Recognition and measurement policies" in the notes to these consolidated interim financial statements and section 4 "Changes in accounting policies" in the notes section of our 2017 annual report.

In addition, the Ströer Group's internal reporting structure was adjusted to reflect the provisions of **IFRS 11** for the accounting of joint ventures as of **1 January 2018**. Ströer has already applied these provisions to its external reporting since 1 January 2014. By aligning the internal and external reporting, the four joint ventures in the Ströer Group are now also consolidated using the equity method in the internal reporting and no longer at 50% applying the proportionate method. Hence, Ströer has not disclosed the previously recognized reconciling item "IFRS 11 adjustment" in the calculation of operational EBITDA since the beginning of the year, which led to a corresponding decrease in operational EBITDA for the Group in the first half of 2018. For 2017 as a whole, this results in a EUR 5.1m reduction in operational EBITDA. As a result of this internal change, the previously recognized reconciling item "IFRS 11 adjustment" was also omitted from the calculation of net debt of the Ströer Group which also had a negative effect on this KPI since 1 January 2018. Net debt as of 31 December 2017 thus increased by the adjustment amount of EUR 6.2m.

Furthermore, the Ströer Group aligned its internal controlling and thus also its external **segmentation** as of **1 January 2018** to reflect the current developments in the Group. In this connection, the segments OOH Germany and OOH International were consolidated in a new segment OOH Media. At the same time, the previous segment Ströer Digital was split into two new segments, namely Content Media and Direct Media. This new segmentation reflects the further expansion in the digital business. The prior-year figures were restated accordingly.

FINANCIAL PERFORMANCE OF THE GROUP[1,2]

In the first half of 2018, the Ströer Group continued to seamlessly follow through on its successful growth strategy. Spurred on by encouraging organic revenue growth of 7.8% as well as numerous acquisitions, **revenue** increased from EUR 597.4m to EUR 741.5m. In contrast, the sale of the Vitalsana business and the closing down of smaller operations in e-commerce business (t-online shop, stylefruits), as well as the sale of the unprofitable Istanbul city contract in the Turkish OOH business had a negative impact on revenue.

In step with the tangibly higher volume of business, the Group's **cost of sales** also rose further from EUR 405.1m to EUR 492.5m. Specifically, the newly acquired companies with their additional business, higher publisher fees in digital marketing and investments in growth projects such as watson.de and Statista, had an effect on costs. By contrast, conversion to the new IFRS 16 had a slightly positive effect on cost of sales whereas, in accordance with the modified retrospective approach, the prior-year figures were not reduced retrospectively by the effects of this new standard of EUR 7.4m. Overall, **gross profit** came to EUR 249.0m (prior year: EUR 192.3m) and the gross profit margin to 33.6% (prior year: 32.2%).

In light of the ongoing growth, the Group's **selling and administrative expenses** also climbed further from EUR 161.4m to EUR 202.9m. This increase was primarily attributable to the additional costs from the entities included in the consolidated financial statements for the first time as well as the further expansion of the local sales organization, in particular in German OOH business, the targeted investments in the Content Media segment and ongoing high integration and reorganization expenses. The effects from the first-time application of IFRS 16, which resulted in a marginal reduction in selling and administrative expenses, played only a secondary role in this regard.[3] Overall, selling and administrative expenses as a percentage of revenue came to 27.4% as of the end of the first six months (prior year: 27.0%). **Other operating income** also grew from EUR 14.3m in the prior year to EUR 17.0m, with the increase due to an interplay of several smaller effects. At the same time, **other operating expenses** were roughly on a par with the prior year at EUR 7.0m (prior year: EUR 6.4m). The Group's **share in profit or loss of equity method investees** decreased to EUR 1.9m, well short of the good result from the prior year of EUR 2.9m.

Thanks to the continued positive business development, the Ströer Group's **operational EBITDA**[4] improved by a further EUR 16.0m. Together with the effects from IFRS 16 (up EUR 92.6m) and IFRS 11 (down EUR 2.3m), the amount stood at a total of EUR 242.2m as of the end of the first six

[1] Within the scope of the modified retrospective method, the comparative figures (6M 2017) presented in the financial performance (previously results of operations) were not restated retrospectively to account for IFRS 16.

[2] In relation to IFRS 11, the adjustment of the internal reporting to the external reporting mainly affected several non-GAAP KPIs (operational EBITDA, operational EBITDA margin, adjusted EBIT, net income (adjusted), net debt, leverage ratio, ROCE) and the segment revenue for the OOH Media segment. The other KPIs are not affected by the transition as of 1 January 2018 as they had already been adjusted to the requirements of IFRS 11 effective 1 January 2014. As a result, the KPIs EBITDA and EBIT are not affected by the transition.

[3] In accordance with the modified retrospective method, the prior-year figures for selling and administrative expenses were not reduced by the IFRS 16 effect of EUR 0.2m.

[4] See section 6 of the notes for information on the reconciliation of EBITDA to operational EBITDA.

months. The Group's **EBIT**[2] also grew significantly to EUR 58.0m, with EUR 9.7m of the EUR 16.3m increase attributable to the increase in operating activities and EUR 6.6m thereof to the introduction of IFRS 16. The return on capital employed (**ROCE**) was 17.3% and thus higher year on year.

The **financial result** developed in a distinctively negative direction, from EUR -3.6m in the prior year to EUR -18.1m at the end of the first half of 2018. Additional interest expenses of EUR 13.1m were incurred alone for the introduction of IFRS 16. Further effects stemmed from shifts in exchange rates, which reduced the financial result by an additional EUR 0.9m.

In line with a further increase in profit before taxes, the **tax expense** rose to EUR 6.4m (prior year: EUR 4.8m).

Despite the positive development in the first half of the fiscal year, the Ströer Group's **consolidated profit** rose by just EUR 0.2m to EUR 33.5m (prior year: EUR 33.2m). As explained above, this was principally due to the upfront effect from the introduction of IFRS 16, which had an offsetting effect of EUR 4.7m on consolidated profit. By contrast, **adjusted consolidated profit** increased by EUR 5.3m to EUR 75.5m, with the operating increase of EUR 12.8m being offset by the effects from IFRS 11 and IFRS 16 totaling EUR 7.5m.

FINANCIAL POSITION

Liquidity and investment analysis

In connection with the adoption of IFRS 16 and as described above, a number of advertising concession contracts in the Ströer Group's OOH business had to be reclassified as a lease within the meaning of the new standard. In this context, a significant portion of lease payments have been classed as payment of the principal portion of a lease liability since 1 January 2018 and no longer treated as an operating lease payment. Against this backdrop, the Ströer Group's statement of cash flows has seen a corresponding shift between cash flows from operating activities and cash flows from financing activities. For more details, see our explanations in the "Changes in accounting" section.

In EUR m		6M 2018	6M 2017
(1)	Cash flows from operating activities (before IFRS 16)	65.5	80.4
(2)	Reclassification of cash payments for the principal portion of lease liabilities (IFRS 16 effect)	93.1	77.6
(3)	**Cash flows from operating activities**	**158.6**	**157.9**
(4)	Cash received from the disposal of intangible assets and property, plant and equipment	1.3	6.0
(5)	Cash paid for investments in intangible assets and property, plant and equipment	-65.4	-66.7
(6)	Cash paid for investments in financial assets	0.0	-0.7
(7)	Cash received from and cash paid for the acquisition of consolidated entities	-59.2	-6.4
(8)	**Cash flows from investing activities**	**-123.2**	**-67.8**
(9)	Cash flows from financing activities (before IFRS 16)	87.9	-12.6
(10)	Reclassification of cash payments for the principal portion of lease liabilities (IFRS 16 effect)	-93.1	-77.6
(11)	**Cash flows from financing activities**	**-5,2**	**-90,2**
(12)	Change in cash	30.2	-0.1
(13)	**Cash at the end of the period**	**115.2**	**64.1**
(1)+(4)+(5)	Free cash flow before M&A transactions (before IFRS 16)	1.5	19.6
(3)+(4)+(5)	**Free cash flow before M&A transactions**	**94.6**	**97.2**

Cash flows from operating activities amounted to EUR 158.6m in the first half of 2018 (prior year: EUR 80.4m). However, adjusted for the increase from IFRS 16 of EUR 93.1m, the Ströer Group reported a EUR 14.8m decrease in the cash flows to EUR 65.5m. While Ströer was able to grow its operating business and thus its EBITDA – adjusted for IFRS 16 – by a further EUR 12.6m, this positive effect was clearly offset by the EUR 25.9m increase in tax payments and negative changes in working capital – adjusted for IFRS 16 – of EUR 6.6m. The elevated tax payments are largely due to tax prepayments for the years 2017 and 2018, which – based on past practice of Fiscal Tax Authorities – should have been paid not until 2019 or 2020. Hence, these payments were originally budgeted for later years.

Cash flows from investing activities were unaffected by the changes caused by IFRS 16. They increased by EUR 55.4m to EUR 123.2m, primarily as a result of the acquisition of the DV-COM Group, the D+S 360 Group and the C2E Group. Overall, the purchase price paid for acquisitions in the first half of 2018 was EUR 59.2m (prior year: EUR 6.4m). Cash paid for investments in intangible assets and property, plant and equipment were down slightly from EUR 66.7m in the prior year to EUR 65.4m. Overall, Ströer generated a **free cash flow before M&A transactions** of EUR 94.6m. Adjusted for IFRS 16, the Group reported an amount of EUR 1.5m (prior year: EUR 19.6m).

As a result of the substantially higher cash payments for business acquisitions combined with higher cash, the net cash received from raising loans also increased tangibly from EUR 72.3m to EUR 166.2m. At the same time, higher dividend payments were more than offset by the lower volume of cash paid to acquire shares not involving a change in control. Taking the cash of EUR 93.1m paid in connection with IFRS 16 into account, **cash flows from financing activities** therefore came to EUR -5.2m (prior year: EUR -12.6m).

Cash stood at EUR 115.2m as of the reporting date.

Financial structure analysis

First-time application of IFRS 16 had a considerable impact on the structure of the Ströer Group's debt. In particular, the Group's **non-current liabilities** grew by EUR 1,093.5m compared with 31 December 2017 to EUR 1,837.9m as of the end of the second quarter. Of this increase, the largest share with EUR 999.7m related to the first-time recognition of non-current lease liabilities under IFRS 16. The EUR 169.9m increase in liabilities to banks also contributed to the growth in non-current liabilities. By contrast, the liabilities from put options decreased significantly, due in particular to shifts to current liabilities.

Accounting for lease liabilities in accordance with IFRS 16 also resulted in an increase of EUR 89.5m in **current liabilities**. Liabilities from put options increased further owing to the abovementioned shifts, while current income tax liabilities in particular were visibly lower downstream of substantial tax payments made in the first half of 2018.

The Ströer Group's **equity** also declined from EUR 668.2m to EUR 638.5m, with the decrease largely related to the distribution of a dividend of EUR 72.5m to the shareholders of Ströer SE & Co. KGaA. This effect was partly compensated for by the consolidated profit of EUR 33.5m reported for the first six months of 2018. Due to the adoption of IFRS 16 and the substantial increase in total equity and liabilities as a result, the equity ratio fell from 35.6% to 20.8%. If lease liabilities were excluded the ratio would be 32.3%.

Net debt

Net debt, operational EBITDA and the leverage ratio are calculated in accordance with the Ströer Group's internal reporting structure. Against this background, the four entities externally accounted for using the equity method in which Ströer holds 50.0% of shares have been included in these KPIs on a proportionate basis until 31 December 2017 in line with the internal reporting structure.

As of 1 January 2018, Ströer adjusted its internal reporting structure such that, in line with **IFRS 11**, these four entities are now only included with their pro rata "equity-method value" in these non-GAAP figures. Due to this change, the internal reporting structure now reflects the Ströer Group's external reporting structure such that the previous reconciling item "IFRS 11 adjustment" is not applicable any longer and net debt has increased by this adjustment amount (up EUR 6.2m as of year-end).

In connection with the change in the internal reporting structure, the previous reconciling item "IFRS 11 adjustment," which was used in the past to derive operational EBITDA, has also been omitted. In this respect too, Ströer now forgoes a share of the positive contribution of these four joint ventures, which reduced the Group's operational EBITDA by an adjustment amount of EUR 5.1m per year as of year-end.[5]

With a view to the adoption of **IFRS 16** and the related recognition of additional lease liabilities, the Ströer Group bases the calculation of its net debt on its existing loan agreements with lending banks. The lease liabilities under IFRS 16 were excluded specifically from the calculation of net debt in both the facility agreement and the contractual documentation on the note loans as in the opinion of the contracting parties the economic situation of the Ströer Group does not change as a result of the adoption of IFRS 16. Against this background and for the sake of consistency, the effects of IFRS 16 on operational EBITDA are also not reflected in the calculation of the leverage ratio.

In EUR m		**30 Jun 2018**	**31 Dec 2017**
(1)	Lease liabilities (IFRS 16)	1,089.2	0.0
(2)	Liabilities from the facility agreement	179.4	0.0
(3)	Liabilities from note loans	494.0	493.9
(4)	Liabilities from the obligation to purchase own equity instruments	80.3	96.5
(5)	Liabilities from dividends to non-controlling interests	0.0	5.3
(6)	Other financial liabilities	53.2	49.1
(1)+(2)+(3)+(4)+(5)+(6)	Total financial liabilities	1,896.1	644.8
(2)+(3)+(5)+(6)	Total financial liabilities excluding lease liabilities (IFRS 16) and liabilities from the obligation to purchase own equity instruments	726.6	548.3
(7)	Cash	115.2	85.0
(8)	IFRS 11 adjustment	-	6.2
(2)+(3)+(5)+(6)-(7)-(8)	**Net debt**	**611.5**	**457.1**

[5] See section 6 of the notes for information on the reconciliation of EBITDA to operational EBITDA.

In the first half of 2018, net debt increased by EUR 154.4m from EUR 457.1m to EUR 611.5m. EUR 6.2m of this increase is attributable – in a first step – to EUR 463.3m from the adjustments for IFRS 11, while the remaining increase of EUR 148.2m is primarily attributable to the payment of a dividend of EUR 72.5m to the shareholders of Ströer SE & Co. KGaA and the acquisition of the DV-COM Group, the D+S 360 Group and the C2E Group. At the end of the second quarter, the leverage ratio (defined as the ratio of net debt to operational EBITDA) stood at 1.79 and was therefore up slightly on the value at the end of the 2017 fiscal year of 1.38 (adjusted for IFRS 11: 1.42) due to seasonal effects.

NET ASSETS

Analysis of the net asset structure

Based on the first-time recognition of right-of-use assets from leases under IFRS 16, **non-current assets** increased by a total of EUR 1,147.7m compared with the end of the year to EUR 2,691.5m. EUR 1,085.5m of this increase alone stems from the introduction of new IFRSs. In addition, the other additions to non-current assets are primarily due to acquisitions made in the first six months of the fiscal year.

Current assets increased by EUR 43.4m to EUR 374.3m in the first half of 2018, largely due to the EUR 30.2m increase in cash. All other changes, however, were of marginal importance.

FINANCIAL PERFORMANCE OF THE SEGMENTS

As of 1 January 2018, the Ströer Group consolidated its OOH Germany and OOH International segments in a new segment, OOH Media. At the same time, the previous segment Ströer Digital was split into two new segments, namely Content Media and Direct Media. The new segmentation reflects the diminished significance of the international OOH business as well as the ongoing expansion of digital business, particularly in the area of dialog marketing. The prior-year figures were restated accordingly.

In addition, as of 1 January 2018, Ströer no longer includes its four joint ventures on a proportionate basis in its segment reporting. The prior-year figures were adjusted retrospectively, reducing revenue from the OOH Media segment in the first half of 2017 by EUR 6.5m and operational EBITDA by EUR 2.4m.

Content Media

In EUR m	Q2 2018	Q2 2017	Change		6M 2018	6M 2017	Change	
Segment revenue, thereof	**139.4**	**123.8**	**15.7**	**12.7%**	**262.7**	**239.7**	**23.0**	**9.6%**
Display	73.0	58.8	14.2	24.1%	137.4	121.9	15.5	12.7%
Video	30.1	28.7	1.4	4.8%	55.3	50.7	4.6	9.1%
Digital Marketing Services	36.3	36.2	0.1	0.3%	69.9	67.1	2.8	4.3%
Operational EBITDA (before IFRS 16)	39.1	38.8	0.3	0.8%	70.6	71.0	-0.4	-0.5%
IFRS 16 - effect	2.9	2.6	0.3	-	5.7	5.5	0.2	-
Operational EBITDA	**42.0**	**41.4**	**0.6**	**1.5%**	**76.3**	**76.5**	**-0.2**	**-0.2%**
Operational EBITDA margin	**30.2%**	**33.5%**	**-3.3 percentage points**		**29.0%**	**31.9%**	**-2.9 percentage points**	

Revenue in the Content Media segment increased significantly from EUR 239.7m to EUR 262.7m in the first half of 2018, with all product groups contributing to the positive performance. The **display** product group gained ground, growing EUR 15.5m to EUR 137.4m in the first six months. The general market pressure on desktop display marketing was more than offset through the marketing of advertising formats on mobile devices and investments in automated forms of marketing. The **video** product group grew by EUR 4.6m to EUR 55.3m due to robust demand for moving-image formats (public video), increased demand for new online video formats such as in-text video and the targeted marketing of multi-channel moving-image campaigns. In the **digital marketing services** product group, the rapidly growing business with subscription models (Statista) and local digital product marketing business with small and medium-sized customers (RegioHelden) were particularly positive and resulted in revenue growth of 4.3% to EUR 69.9m for this product group.

Overall, the segment’s results almost reached the excellent prior-year figure, with **operational EBITDA** of EUR 76.3m (prior year: EUR 76.5m (adjusted for IFRS 16)) in the first six months of 2018. Owing to an adverse product mix, the investments in local digital product marketing and the establishment of a new editorial team for our youth portal watson.de, the **operational EBITDA margin** of 29.0% was slightly short of the prior-year figure of 31.9% (adjusted for IFRS 16), but still within the target range.

Direct Media

In EUR m	Q2 2018	Q2 2017	Change		6M 2018	6M 2017	Change	
Segment revenue, thereof	**97.0**	**32.8**	**64.2**	**>100%**	**173.5**	**66.2**	**107.3**	**>100%**
Dialog marketing	69.3	0.0	69.3	>100%	118.3	0.0	118.3	>100%
Transactional	27.7	32.8	-5.1	-15.6%	55.2	66.2	-11.0	-16.6%
Operational EBITDA (before IFRS 16)	11.4	2.9	8.5	>100%	24.7	5.9	18.8	>100%
IFRS 16 - effect	3.0	0.2	2.8	-	4.1	0.4	3.7	-
Operational EBITDA	**14.4**	**3.2**	**11.3**	**>100%**	**28.8**	**6.4**	**22.4**	**>100%**
Operational EBITDA margin	**14.9%**	**9.6%**	**5.3 percentage points**		**16.6%**	**9.6%**	**7.0 percentage points**	

The new segment Direct Media comprises the dialog marketing and transactional product groups. Given the fact that the dialog marketing operations were newly acquired, there are no comparative figures for the first half of the prior year for this product group. The integration of the newly acquired operations was driven forward in this segment in the reporting period. By contrast, the transactional product group recorded a decline in revenue by EUR 11.0m to EUR 55.2m for the first six months. However, adjusted for the sale of the Vitalsana business and the discontinuation of e-commerce business (t-online shop and stylefruits) in December 2017, the product group would have generated strong revenue growth of 24.9% compared to the same period in the prior year, with own-product business in particular posting substantial e-commerce growth (AsamBeauty and Ströer Products).

Overall, the segment generated **operational EBITDA** of EUR 28.8m (prior year: EUR 6.4m (adjusted for IFRS 16)) and an **operational EBITDA margin** of 16.6% in the reporting period (prior year: 9.6% (adjusted for IFRS 16)).

Out-of-Home Media

In EUR m	Q2 2018	Q2 2017	Change		6M 2018	6M 2017	Change	
Segment revenue, thereof	**172.6**	**166.2**	**6.4**	**3.8%**	**313.9**	**303.3**	**10.6**	**3.5%**
Large formats	90.4	92.3	-1.9	-2.1%	156.7	159.8	-3.1	-2.0%
Street furniture	39.4	37.3	2.0	5.5%	73.1	72.7	0.4	0.6%
Transport	15.6	16.2	-0.6	-3.8%	29.5	30.0	-0.5	-1.5%
Other	27.2	20.3	6.9	33.9%	54.6	40.8	13.8	33.8%
Operational EBITDA (before IFRS 16 and IFRS 11)	43.2	45.7	-2.5	-5.5%	69.9	71.7	-1.8	-2.6%
IFRS 11 - effect	-1.4	-1.2	-0.2	-	-2.3	-2.4	0.1	-
IFRS 16 - effect	38.4	38.6	-0.2	-	77.8	74.9	2.9	-
Operational EBITDA	**80.2**	**83.1**	**-2.9**	**-3.4%**	**145.4**	**144.2**	**1.2**	**0.8%**
Operational EBITDA margin	**46.5%**	**50.0%**	**-3.5 percentage points**		**46.3%**	**47.6%**	**-1.2 percentage points**	

The previous segments OOH Germany and OOH International were combined into the new OOH Media segment as of 1 January 2018. Revenue in this new OOH Media segment, around 85% of which is accounted for by the now-disbanded OOH Germany segment, grew by EUR 10.6m to EUR 313.9m in the first half of 2018 despite a challenging market environment overall.

In terms of the individual product groups, performance varied. The **large formats** business reported a slight fall in revenue, which was due primarily to the termination of the advertising concession contract in Istanbul and was exacerbated by the tumble in the value of the Turkish lira, resulting in a year-on-year decrease in revenue by EUR 3.1m to EUR 156.7m for this product group in the first half of the year. Adjusted for the special effects from Turkey, the product group would have posted growth in the mid-single-digit percentage range. The **street furniture** product group, which mainly serves national and international customer groups, reported slightly increasing revenue compared with a relatively strong prior year in the first six months (up from EUR 72.7m in the prior year to EUR 73.1m). This was due in particular to increased intermedia competitive pressure, a temporary bout of caution from tobacco advertising customers and general shifts in the budgets of OOH advertising customers in connection with the FIFA World Cup. Revenue in the **transport** product group, which operates almost exclusively in the German OOH market, was largely stable year on year at EUR 29.5m (prior year: EUR 30.0m). The **other** product group gained significant ground, growing EUR 13.8m to EUR 54.6m. There were a number of different factors responsible for this positive development. First, full-service solutions (including the production of advertising materials) are traditionally in higher demand from our growth field of local and regional customers than from large national customers. These additional services are reported in the other product group. Business with our Roadside Screen product also made a positive contribution to the performance of this product group. Lastly, part of the Ambient Media business of United Ambient Media GmbH acquired at the end of 2017 is reported in this group.

Overall, the segment generated slightly higher **operational EBITDA** of EUR 145.4m (prior year: EUR 144.2m (adjusted for IFRS 11 and IFRS 16)) and an **operational EBITDA margin** of 46.3% (prior year: 47.6% (adjusted for IFRS 11 and IFRS 16)) in the first half of 2018.

EMPLOYEES

The Ströer Group employed a total of 12,225 people as of 30 June 2018 (31 December 2017: 7,536). 7,628 thereof are Direct Media employees, 2,379 Content Media employees, 1,784 Out-of-Home Media employees and 434 are employed at the holding company.

OPPORTUNITIES AND RISKS

Our comments in the group management report as of 31 December 2017 remain applicable with regard to the presentation of opportunities and risks (see pages 47 to 52 of our 2017 annual report). As in the past, we are currently not aware of any risks to the Company's ability to continue as a going concern. Any material divergence from the planning assumptions used for the individual segments and any changes in the external parameters applied to calculate the cost of capital could lead to the impairment of intangible assets or goodwill.

FORECAST

For 2018 as a whole, we forecast revenue of around EUR 1.6b and operational EBITDA of around EUR 375m before taking the effects from IFRS 11 and IFRS 16 into account. Taking the effects from IFRS 11 and IFRS 16 into account, operational EBITDA is expected to come to around EUR 535m.

SUBSEQUENT EVENTS

See the disclosures made in consolidated interim financial statements for information on subsequent events.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated interim financial statements

CONSOLIDATED INCOME STATEMENT

In EUR k	Q2 2018	Q2 2017[1]	6M 2018	6M 2017[1]
Revenue	404,892	316,197	741,486	597,399
Cost of sales	-267,306	-205,791	-492,528	-405,145
Gross profit	**137,586**	**110,407**	**248,958**	**192,254**
Selling expenses	-59,956	-48,704	-113,399	-91,757
Administrative expenses	-45,162	-36,797	-89,518	-69,627
Other operating income	7,272	9,528	16,999	14,311
Other operating expenses	-3,699	-3,442	-7,014	-6,408
Share in profit or loss of equity method investees	1,128	1,375	1,937	2,868
Finance income	212	820	654	1,544
Finance costs	-9,231	-2,896	-18,797	-5,116
Profit or loss before taxes	**28,150**	**30,290**	**39,819**	**38,068**
Income taxes	-4,431	-4,010	-6,358	-4,819
Consolidated profit or loss	**23,720**	**26,280**	**33,461**	**33,249**
Thereof attributable to:				
Owners of the parent	20,769	25,608	30,439	33,637
Non-controlling interests	2,951	673	3,022	-388
	23,720	**26,280**	**33,461**	**33,249**
Earnings per share (EUR, basic)	0.37	0.46	0.55	0.61
Earnings per share (EUR, diluted)	0.37	0.45	0.54	0.59

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR k	Q2 2018	Q2 2017[1]	6M 2018	6M 2017[1]
Consolidated profit or loss for the period	**23,720**	**26,280**	**33,461**	**33,249**
Other comprehensive income				
Amounts that will not be reclassified to profit or loss in future periods				
Actuarial gains and losses	0	0	0	0
Income taxes	0	0	0	312
	0	**0**	**0**	**312**
Amounts that could be reclassified to profit or loss in future periods				
Exchange differences on translating foreign operations	-4,531	-2,360	-8,118	-5,294
Income taxes	267	101	506	242
	-4,264	**-2,260**	**-7,612**	**-5,052**
Other comprehensive income, net of income taxes	**-4,264**	**-2,260**	**-7,612**	**-4,740**
Total comprehensive income, net of income taxes	**19,456**	**24,021**	**25,850**	**28,509**
Thereof attributable to:				
Owners of the parent	16,606	23,528	23,135	29,382
Non-controlling interests	2,850	493	2,715	-873
	19,456	**24,021**	**25,850**	**28,509**

[1] Restated retroactively due to the purchase price allocations that were finalized after 30 June 2017.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (in EUR k)	30 Jun 2018	31 Dec 2017
Non-current assets		
Intangible assets	1,278,980	1,217,550
Property, plant and equipment	1,346,836	258,862
Investments in equity method investees	21,264	24,564
Financial assets	2,618	805
Trade receivables	35	34
Other financial assets	7,166	6,647
Other non-financial assets	23,178	22,671
Deferred tax assets	11,401	12,686
Total non-current assets	**2,691,477**	**1,543,818**
Current assets		
Inventories	18,253	15,522
Trade receivables	174,547	179,169
Other financial assets	10,846	8,582
Other non-financial assets	44,057	32,192
Income tax assets	11,395	10,371
Cash and cash equivalents	115,161	84,984
Total current assets	**374,259**	**330,819**
Total assets	**3,065,736**	**1,874,637**

Equity and liabilities (in EUR k)	30 Jun 2018	31 Dec 2017
Equity		
Subscribed capital	55,948	55,558
Capital reserves	733,201	728,384
Retained earnings	-76,778	-43,119
Accumulated other comprehensive income	-94,193	-86,889
	618,178	**653,935**
Non-controlling interests	20,288	14,293
Total equity	**638,466**	**668,227**
Non-current liabilities		
Provisions for pensions and other obligations	39,654	39,727
Other provisions	28,669	27,428
Financial liabilities	1,702,357	600,254
Trade payables	61	0
Deferred tax liabilities	67,192	77,005
Total non-current liabilities	**1,837,932**	**744,415**
Current liabilities		
Other provisions	40,827	52,335
Financial liabilities	193,737	44,550
Trade payables	227,353	215,051
Other liabilities	104,432	100,305
Income tax liabilities	22,990	49,754
Total current liabilities	**589,338**	**461,995**
Total equity and liabilities	**3,065,736**	**1,874,637**

CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR k	6M 2018	6M 2017[1]
Cash flows from operating activities		
Profit or loss for the period	33,461	33,249
Expenses (+)/income (-) from the financial and tax result	24,501	8,391
Amortization, depreciation and impairment losses (+) on non-current assets	83,962	81,079
Depreciation (+) of right-of-use assets under leases (IFRS 16)	86,630	-
Share in profit or loss of equity method investees	-1,937	-2,868
Cash received from profit distributions of equity method investees	4,322	5,708
Interest paid (-) in connection with leases (IFRS 16)	-13,115	-
Interest paid (-) in connection with other financial liabilities	-2,988	-3,229
Interest received (+)	26	32
Income taxes paid (-)/received (+)	-41,476	-15,605
Increase (+)/decrease (-) in provisions	-8,922	-12,226
Other non-cash expenses (+)/income (-)	-713	-925
Gain (-)/loss (+) on disposals of non-current assets	-198	-2,052
Increase (-)/decrease (+) in inventories, trade receivables and other assets	8,860	-10,400
Increase(+)/decrease (-) in trade payables and other liabilities	-13,801	-804
Cash flows from operating activities	**158,614**	**80,352**
Cash flows from investing activities		
Cash received (+) from the disposal of intangible assets and property, plant and equipment	1,337	5,984
Cash paid (-) for investments in intangible assets and property, plant and equipment	-65,358	-66,696
Cash paid (-) for investments in equity method investees	0	-690
Cash received from (+)/cash paid for (-) the acquisition of consolidated entities	-59,190	-6,383
Cash flows from investing activities	**-123,211**	**-67,785**
Cash flows from financing activities		
Cash received (+) from equity contributions	2,456	0
Dividend distribution (-)	-73,381	-61,572
Cash paid (-) for the acquisition of shares not involving a change in control	-7,440	-23,212
Cash received (+) from borrowings	179,235	94,315
Cash paid (-) to obtain and modify borrowings	0	-200
Cash repayments (-) of borrowings	-13,011	-21,971
Cash payments (-) for the principal portion of lease liabilities (IFRS 16)	-93,085	-
Cash flows from financing activities	**-5,225**	**-12,640**
Cash at the end of the period		
Change in cash	30,178	-73
Cash at the beginning of the period	84,984	64,154
Cash at the end of the period	**115,161**	**64,081**
Composition of cash		
Cash	115,161	64,081
Cash at the end of the period	**115,161**	**64,081**

[1] Restated retroactively due to the purchase price allocations that were finalized after 30 June 2017.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income: Exchange differences on translating foreign operations	Total	Non-controlling interests	Total Equity
1 Jan 2017[1)]	**55,282**	**723,720**	**-71,819**	**-74,494**	**632,689**	**25,212**	**657,901**
Consolidated profit or loss	0	0	33,637	0	33,637	-388	33,249
Other comprehensive income	0	0	294	-4,549	-4,255	-485	-4,740
Total comprehensive income	0	0	33,931	-4,549	29,382	-873	28,509
Change in basis of consolidation	0	0	0	0	0	1,696	1,696
Share-based payment	0	1,750	0	0	1,750	0	1,750
Effects from changes in ownership interests in subsidiaries without loss of control	0	0	-20,483	0	-20,483	-2,489	-22,972
Obligation to purchase own equity instruments	0	0	16,431	0	16,431	1,735	18,166
Dividends	0	0	-60,811	0	-60,811	-1,361	-62,172
30 Jun 2017[2)]	**55,282**	**725,470**	**-102,751**	**-79,043**	**598,956**	**23,920**	**622,876**

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income: Exchange differences on translating foreign operations	Total	Non-controlling interests	Total Equity
31 Dec 2017	**55,558**	**728,384**	**-43,119**	**-86,889**	**653,935**	**14,293**	**668,227**
Change in financial reporting standards	0	0	1,710	0	1,710	0	1,710
1 Jan 2018	**55,558**	**728,384**	**-41,409**	**-86,889**	**655,644**	**14,293**	**669,937**
Consolidated profit or loss	0	0	30,439	0	30,439	3,022	33,461
Other comprehensive income	0	0	0	-7,304	-7,304	-308	-7,612
Total comprehensive income	0	0	30,439	-7,304	23,135	2,715	25,850
Change in basis of consolidation	0	0	0	0	0	-36	-36
Share-based payment	390	4,817	0	0	5,207	0	5,207
Effects from changes in ownership interests in subsidiaries without loss of control	0	0	-4,792	0	-4,792	-572	-5,363
Obligation to purchase own equity instruments	0	0	11,529	0	11,529	4,724	16,253
Dividends	0	0	-72,546	0	-72,546	-836	-73,382
30 Jun 2018	**55,948**	**733,201**	**-76,778**	**-94,193**	**618,178**	**20,288**	**638,466**

[1)] Restated retroactively due to the purchase price allocations that were finalized after 31 December 2016.
[2)] Restated retroactively due to the purchase price allocations that were finalized after 30 June 2017.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

General

1 Information on the Company and Group

Ströer SE & Co. KGaA is a listed corporation. The Company has its registered office at Ströer-Allee 1, 50999 Cologne. It is entered in the Cologne commercial register under HRB no. 86922.

The purpose of Ströer SE & Co. KGaA and the entities included in the condensed consolidated interim 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 large formats and transport media through to digital media.

See the relevant explanations in the consolidated financial statements as of 31 December 2017 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 June 2018 were prepared in accordance with the requirements of IAS 34, "Interim Financial Reporting." The consolidated interim financial statements must be read in conjunction with the consolidated financial statements as of 31 December 2017.

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

3 Accounting policies

New accounting standards

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 2017 were also applied in these consolidated interim financial statements except for the following accounting changes.

Since 1 January 2018, the following standards adopted by the IASB and endorsed by the EU Commission have been used to prepare the consolidated interim financial statements:

- IFRS 9 - Financial Instruments
- IFRS 15 - Revenue from Contracts with Customers
- IFRS 16 - Leases

Below, the effects of first-time application of these standards on the consolidated financial statements and, if they differ from the policies previously applied, the new accounting policies adopted since 1 January 2018 are described.

IFRS 9 - Financial Instruments

IFRS 9 "Financial Instruments" provides revised guidance on the classification and measurement of financial assets, including provisions on impairment. The standard complements the hedge accounting rules published in 2013 and replaces IAS 39 "Financial Instruments." IFRS 9 introduces a new impairment model for financial assets measured at amortized cost. It replaces the previous model based on incurred losses with a model based on expected loss. Losses are recognized in a more timely manner since entities report both incurred losses as well as losses expected in future periods.

First-time application of these requirements did not have any significant effects on the financial performance, financial position and assets and liabilities of the Group. Since the effective date of IFRS 9, additional disclosures in the notes have been required pursuant to IFRS 7 "Financial Instruments: Disclosures." The Ströer Group will report these in full for the first time as of 31 December 2018.

The table below shows the classification and measurement categories of financial assets pursuant to IAS 39 and their reconciliation to the new classification and measurement categories pursuant to IFRS 9 as of the date of first-time application:

In EUR k						
Financial assets	**Measurement category pursuant to IAS 39**	**Carrying amount**	**Measurement category pursuant to IFRS 9**	**Reclassi-fication**	**Adjust-ment**	**Carrying amount**
Cash	Loans and receivables	84,984	At amortized cost	84,984	0	84,984
Trade receivables	Loans and receivables	179,203	At amortized cost	179,203	-619	178,584
Other non-current financial assets	Loans and receivables	6,647	At amortized cost	6,647	0	6,647
Other current financial assets	Loans and receivables	8,582	At amortized cost	8,582	0	8,582
Financial assets	Available-for-sale financial assets	805	At fair value through other comprehensive income	805	2,329	3,134
Total		**280,221**		**280,221**	**1,710**	**281,931**

Financial assets are allocated to the measurement category "measured at fair value through other comprehensive income." First-time application of IFRS 9 did not result in any effects on the classification or measurement of financial liabilities.

The conversion effects from the first-time application of IFRS 9 were reported in retained earnings directly under equity as of 1 January 2018.

IFRS 15 - Revenue from Contracts with Customers

The new accounting standard IFRS 15 "Revenue from Contracts with Customers" was adopted for the first time as of 1 January 2018. The aim of the new standard on revenue recognition is to converge the large number of provisions previously included in different standards and interpretations. It introduces a five-step model with detailed requirements for identifying the separate performance obligations, the amount of consideration expected to be received taking into consideration elements of variable consideration and for allocating the consideration to the identified performance obligations. 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 Group applies the new standard using a modified retrospective approach as of 1 January 2018, i.e., the comparative period is not restated and conversion effects are accumulated and recognized in retained earnings at the beginning of the period.

The group-wide project for the introduction of IFRS 15 launched in 2017 showed that first-time application of the standard does not result in any effects on the value of retained earnings in the opening balance sheet as of 1 January 2018.

See page 78 of the Annual Report as of 31 December 2017 for a detailed description of the application of IFRS 15.

IFRS 16 - Leases

In January 2016, the IASB issued the new standard IFRS 16 "Leases." The new standard includes revised provisions on the scope, the definition of a lease as well as on lessor and lessee accounting and replaces the previous standard on leases (IAS 17). These amendments become effective for fiscal years beginning on or after 1 January 2019. Earlier application is permitted if IFRS 15 is also applied. The amendments were endorsed by the EU Commission on 9 November 2017.

The Ströer Group has applied the new leasing standard from 1 January 2018. IFRS 16 has been adopted using modified retrospective approach, i.e., the comparative period is not restated and any conversion effects are accumulated and recognized in retained earnings. The options afforded by IFRS 16 regarding the treatment of leasing arrangements with a term of no more than 12 months and leasing arrangements for low-value assets were not exercised.

In April 2017, Ströer initiated a group-wide project to implement the new standard. In an extensive analysis of leases, the total amount of the leases being measured pursuant to IFRS 16 was identified, grouped by types of leases and split by their term. See page 79 of the Annual Report as of 31 December 2017 for details of the types of leases identified.

Using a newly implemented software for the recognition of leases pursuant to IFRS 16, the identified leases were measured and recognized. The right of use to the lease asset recognized under property, plant and equipment was recognized at the present value of the lease liability.

Effects of the new standards

The table below shows the effects of first-time application of the new provisions of IFRS 9, IFRS 15 and IFRS 16 as of 1 January 2018:

In EUR k	31 Dec 2017 Before new IFRS	IFRS 9 adjustments	IFRS 15 adjustments	IFRS 16 adjustments	1 Jan 2018 After new IFRS
Property, plant and equipment	258,862	0	0	1,097,921	1,356,783
Financial assets	805	2,329	0	0	3,134
Trade receivables (current and non-current)	179,203	-619	0	0	178,584
Financial liabilities (current and non-current)	644,804	0	0	1,097,921	1,742,725
Retained earnings	-43,119	1,710	0	0	-41,409

Applications of the new standards had the following effects on the income statement in the first six months of 2018:

In EUR k	6M 2018 Before new IFRS	IFRS 9 adjustments	IFRS 15 adjustments	IFRS 16 adjustments	6M 2018 After new IFRS
Revenue	741,486	0	0	0	741,486
Cost of sales	-497,839	0	0	5,311	-492,528
Selling and administrative expenses and other operating result	-192,266	0	0	1,270	-190,996
Financial result	-5,029	0	0	-13,115	-18,144
Income taxes	-8,230	0	0	1,872	-6,358
Consolidated profit or loss	38,122	0	0	-4,661	33,461

Applications of the new standards had the following effects on the statement of financial position as of 30 June 2018:

In EUR k	30 Jun 2018 Before new IFRS	IFRS 9 adjustments	IFRS 15 adjustments	IFRS 16 adjustments	30 Jun 2018 After new IFRS
Property, plant and equipment	262,296	0	0	1,084,540	1,346,836
Financial assets	2,618	0	0	0	2,618
Trade receivables (current and non-current)	174,582	0	0	0	174,582
Financial liabilities (current and non-current)	806,893	0	0	1,089,201	1,896,094
Retained earnings	-72,117	0	0	-4,661	-76,778

Purchase price allocations

The comparative figures for the first half of 2017 had to be adjusted in the income statement to account for the final figures of the purchase price allocations that were finalized after 30 June 2017 for Seeding Alliance GmbH, SIGN YOU mediascreen GmbH and tubevertise GmbH. No retroactive adjustments were made to the comparative figures in the statement of financial position due to purchase price allocations that were only finalized after 31 December 2017.

The corresponding adjustments in the income statement are presented in the following reconciliation:

Income statement	**Adjusted**	**Purchase price allocation**	**According to H1 2017 report**
In EUR k	**6M 2017**		**6M 2017**
Revenue	597,399		597,399
Cost of sales	-405,145	-391	-404,753
Gross profit	**192,254**	**-391**	**192,645**
Selling expenses	-91,757		-91,757
Administrative expenses	-69,627		-69,627
Other operating income	14,311		14,311
Other operating expenses	-6,408		-6,408
Share in profit or loss of equity method investees	2,868		2,868
Finance income	1,544		1,544
Finance costs	-5,116		-5,116
Profit before taxes	**38,068**	**-391**	**38,459**
Income taxes	-4,819	129	-4,947
Consolidated profit or loss for the period	**33,249**	**-263**	**33,512**
Thereof attributable to:			
Owners of the parent	33,637	-157	33,794
Non-controlling interests	-388	-106	-282
	33,249	**-263**	**33,512**

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 2017 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 2017 for information on related party disclosures. There were no significant changes as of 30 June 2018.

6 Segment information

As of 1 January 2018, the Ströer Group bundled its business into three new segments which operate independently on the market in close cooperation with the group holding company Ströer SE & Co. KGaA. In this connection, the previous segments OOH Germany and OOH International were consolidated in a new segment Out-of-Home Media. At the same time, the previous segment Ströer Digital was split into two new segments, namely Content Media and Direct Media. While the large formats, street furniture, transport and other product groups are allocated to the Out-of-Home Media segment, the Content Media segment houses display and video and digital marketing services. The dialog marketing and transactional product groups now belong to the Direct Media segment. This new segmentation reflects the further expansion in the Ströer Group's digital business.

In addition, as of 1 January 2018, the Ströer Group no longer includes its four joint ventures on a proportionate basis in its segment reporting, such that the previous reconciling item "IFRS 11 adjustment" is not applicable any longer. By aligning the internal and external reporting, the four joint ventures in the Ströer Group are now also consolidated using the equity method in the internal reporting and no longer at 50% applying the proportionate method.

Reconciliation of the segment reporting by operating segment:

In EUR k	Q2 2018	Q2 2017
Total segment results (operational EBITDA)	**136,724**	**87,444**
Reconciliation items	-4,389	-7,133
Group operational EBITDA	**132,335**	**80,311**
Adjustment (exceptional items)	-5,920	-5,932
Adjustment (IFRS 11)	-	-1,176
EBITDA	**126,415**	**73,203**
Depreciation (+) of right-of-use assets under leases (IFRS 16)	-44,157	-
Amortization and depreciation (+) on other non-current assets	-39,517	-38,207
Impairment losses	-5,572	-2,629
Financial result	-9,019	-2,077
Consolidated profit before income taxes	**28,150**	**30,290**

In EUR k	6M 2018	6M 2017
Total segment results (operational EBITDA)	**250,465**	**148,645**
Reconciliation items	-8,313	-12,744
Group operational EBITDA	**242,152**	**135,901**
Adjustment (exceptional items)	-13,597	-10,760
Adjustment (IFRS 11)	-	-2,421
EBITDA	**228,555**	**122,720**
Depreciation (+) of right-of-use assets under leases (IFRS 16)	-86,630	-
Amortization and depreciation (+) on other non-current assets	-78,390	-77,450
Impairment losses	-5,572	-3,629
Financial result	-18,144	-3,573
Consolidated profit before income taxes	**39,819**	**38,068**

The prior-year adjustment (IFRS 11) included effects for amortization, depreciation and impairment and the financial and tax result of our equity method investees.

The impairment losses recognized in profit or loss during the period were reported under the cost of sales.

REPORTING BY OPERATING SEGMENT

In EUR k	OOH Media	Content Media	Direct Media	Reconciliation	Equity method reconciliation	Group value
Q2 2018						
External revenue	170,551	137,398	96,942	0	0	404,892
Internal revenue	2,015	2,036	17	-4,068	0	0
Segment revenue	172,566	139,434	96,960	-4,068	0	404,892
Operational EBITDA	80,243	42,046	14,435	-4,389	0	132,335
Q2 2017						
External revenue	166,354	122,139	30,942	0	-3,238	316,197
Internal revenue	3,167	1,626	1,842	-6,636	0	0
Segment revenue	169,521	123,765	32,784	-6,636	-3,238	316,197
Operational EBITDA (before IFRS 16)	45,721	38,798	2,925	-7,133	0	80,311

In EUR k	OOH Media	Content Media	Direct Media	Reconciliation	Equity method reconciliation	Group value
6M 2018						
External revenue	308,958	259,169	173,358	0	0	741,486
Internal revenue	4,923	3,510	126	-8,560	0	0
Segment revenue	313,881	262,680	173,485	-8,560	0	741,486
Operational EBITDA	145,378	76,294	28,793	-8,313	0	242,152
6M 2017						
External revenue	304,247	236,685	62,973	0	-6,506	597,399
Internal revenue	5,707	2,994	3,205	-11,906	0	0
Segment revenue	309,954	239,679	66,178	-11,906	-6,506	597,399
Operational EBITDA (before IFRS 16)	71,704	71,014	5,927	-12,744	0	135,901

7 Organic growth reconciliation

The following tables present the reconciliation to organic revenue growth. For the first half of 2018, the increase in revenue (without foreign exchange effects) amounts to EUR 54.1m. In relation to adjusted revenue of EUR 694.8m for the prior year, this results in an organic revenue growth rate of 7.8%.

In EUR k	Q2 2018	Q2 2017
Revenue Q2 prior year (reported)	**316,197**	**276,184**
IFRS 11 (equity method reconciliation)	-	3,393
Revenue Q2 prior year (management approach)	**316,197**	**279,577**
Disposals and discontinued units	-19,214	-1,029
Acquisitions	79,877	25,333
Revenue Q2 prior year (management approach (adjusted))	**376,860**	**303,881**
Foreign currency effects	-4,736	-4,393
Organic revenue growth	32,768	19,947
Revenue Q2 current year (management approach)	**404,892**	**319,435**
IFRS 11 (equity method reconciliation)	-	-3,238
Revenue Q2 current year (reported)	**404,892**	**316,197**

In EUR k	6M 2018	6M 2017
Revenue 6M prior year (reported)	**597,399**	**502,335**
IFRS 11 (equity method reconciliation)	-	6,680
Revenue 6M prior year (management approach)	**597,399**	**509,015**
Disposals and discontinued units	-38,710	-1,717
Acquisitions	136,158	61,141
Revenue 6M prior year (management approach (adjusted))	**694,847**	**568,439**
Foreign currency effects	-7,496	-7,859
Organic revenue growth	54,135	43,325
Revenue 6M current year (management approach)	**741,486**	**603,904**
IFRS 11 (equity method reconciliation)	-	-6,506
Revenue 6M current year (reported)	**741,486**	**597,399**

8 Reconciliation of the consolidated income statement to the non-IFRS figures in the management approach

Q2 2018 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification of exceptional items	Income statement for management accounting purposes	Amortization and impairment losses on advertising concessions	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items and impairment losses	Adjusted income statement for Q2 2018	Adjusted income statement for Q2 2017
Revenue	**404.9**			**404.9**					**404.9**	**319.4**
Cost of sales	-267.3	76.3	0.1	-190.9					-190.9	-168.5
Selling expenses	-60.0									
Administrative expenses	-45.2									
Total selling and administrative expenses	-105.1	12.9	6.0	-86.2					-86.2	-76.2
Other operating income	7.3									
Other operating expenses	-3.7									
Total other operating income and other operating expenses	3.6		-0.1	3.4					3.4	5.5
Share in profit or loss of equity method investees	1.1			1.1					1.1	
Operational EBITDA				**132.3**					**132.3**	**80.3**
Amortization, depreciation and impairment losses		-89.2		-89.2	18.2			2.4	-68.6	-24.4
Adjusted EBIT				**43.1**	**18.2**			**2.4**	**63.7**	**55.9**
Exceptional items			-5.9	-5.9				5.9	0.0	0.0
Financial result	-9.0			-9.0		0.3		0.0	-8.8	-1.9
Income taxes	-4.4			-4.4			-4.3		-8.7	-8.5
Consolidated profit or loss for the period	**23.7**	**0.0**	**0.0**	**23.7**	**18.2**	**0.3**	**-4.3**	**8.3**	**46.3**	**45.5**

6M 2018 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification of exceptional items	Income statement for management accounting purposes	Amortization and impairment losses on advertising concessions	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items and impairment losses	Adjusted income statement for 6M 2018	Adjusted income statement for 6M 2017
Revenue	**741.5**			**741.5**					**741.5**	**603.9**
Cost of sales	-492.5	147.4	0.2	-344.9					-344.9	-329.4
Selling expenses	-113.4									
Administrative expenses	-89.5									
Total selling and administrative expenses	-202.9	23.2	12.5	-167.3					-167.3	-146.4
Other operating income	17.0									
Other operating expenses	-7.0									
Total other operating income and other operating expenses	10.0		1.0	10.9					10.9	7.8
Share in profit or loss of equity method investees	1.9			1.9					1.9	
Operational EBITDA				**242.2**					**242.2**	**135.9**
Amortization, depreciation and impairment losses		-170.6		-170.6	33.5			2.4	-134.7	-48.7
Adjusted EBIT				**71.6**	**33.5**			**2.4**	**107.4**	**87.2**
Exceptional items			-13.6	-13.6				13.6	0.0	0.0
Financial result	-18.1			-18.1		0.4		0.0	-17.8	-3.9
Income taxes	-6.4		0.0	-6.4			-7.8		-14.2	-13.2
Consolidated profit or loss for the period	**33.5**	**0.0**	**0.0**	**33.5**	**33.5**	**0.4**	**-7.8**	**16.0**	**75.5**	**70.1**

Selected notes to the consolidated income statement, the consolidated statement of financial position, the consolidated statement of cash flows and other notes

9 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.

10 Disclosures on business combinations

Transactions involving a change in control

DV-COM Group

With effect as of the acquisition date of 27 February 2018, Ströer acquired all of the shares in DV-COM GmbH, Pforzheim. DV-COM GmbH is a leading provider of high-quality customer care services. DV-COM reinforces the Ströer Group's new dialog marketing business created in 2017, adding additional extensive and scalable customer communication services. The provisional purchase price for the shares, including the redemption of financial liabilities, comes to EUR 30.2m.

In the first half of 2018, the acquisition gave rise to transaction costs of EUR 358k which were reported under administrative expenses.

The following table shows the consolidated provisional fair values of the assets acquired and liabilities assumed from DV-COM GmbH and its subsidiary at the acquisition date:

In EUR k	
Intangible assets	293
Property, plant and equipment	1,162
Financial assets	8
Deferred tax assets	406
Inventories	8
Trade receivables	5,660
Other financial assets	190
Other non-financial assets	586
Income tax assets	49
Cash	854
Other provisions	10
Financial liabilities	1,487
Trade payables	335
Other liabilities	4,236
Income tax liabilities	493
Net assets acquired	2,655

The carrying amounts of the acquired receivables, other financial and non-financial assets are equivalent to their respective fair values. The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

Due to the scope and complexity of the business processes, the purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill is based on the positive prospects of expanding the current customer base and thereby generating additional cash flows through heightened market penetration. The acquisition was allocated to the Direct Media segment. The provisional goodwill of the entity was calculated using the purchased goodwill method as follows:

In EUR k	
Provisional purchase price including the redemption of shareholder loans	30,220
Non-controlling interests	924
Net assets acquired	2,655
Goodwill	26,641

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

In EUR k	Revenue	Post-tax profit or loss
27 Feb to 30 Jun 2018	13,696	645

D+S 360° Group

As of the acquisition date 27 February 2018, the Ströer Group acquired all shares in D+S communication center management GmbH, Hamburg. The D+S 360° Group is a leading outsourcer of customer support services. The provisional purchase price for the acquired shares, including the redemption of financial liabilities, comes to EUR 17.4m.

In the first half of 2018, the acquisition gave rise to transaction costs of EUR 659k which were reported under administrative expenses.

The following table shows the consolidated provisional fair values of the assets acquired and liabilities assumed from D+S communication center management GmbH and its 13 subsidiaries at the acquisition date:

In EUR k	
Intangible assets	415
Property, plant and equipment	2,251
Inventories	211
Trade receivables	32,351
Other financial assets	697
Other non-financial assets	1,579
Cash	957
Other provisions	3,817
Financial liabilities	9,178
Trade payables	19,652
Other liabilities	2,415
Net assets acquired	3,399

The carrying amounts of the acquired receivables, other financial and non-financial assets are equivalent to their respective fair values. The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

Due to the scope and complexity of the business processes, the purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill is based on the positive prospects of expanding the current customer base and thereby generating additional cash flows through heightened market penetration. The acquisition was allocated to the Direct Media segment.

The provisional goodwill of the entity was calculated using the purchased goodwill method as follows:

In EUR k	
Provisional purchase price including the redemption of shareholder loans	17,426
Net assets acquired	3,399
Goodwill	14,028

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

In EUR k	Revenue	Post-tax profit or loss
27 Feb to 30 Jun 2018	30,665	1,231

C2E Group

As of the acquisition date 13 June 2018, Ströer acquired all shares in Courtier en Economie d'Energie, Metz, France, as well as all shares in the sister companies Assur Eco Conseil, Metz, France, Immoclassic S.A., Luxembourg, and Okikado lrd. S.à r.l., Luxembourg. The C2E Group is a direct sales specialist that sells energy products to private and corporate customers in France and Belgium on behalf of its clients. The provisional purchase price for the acquired shares came to around EUR 9.4m. In addition, the purchase price will increase by at least EUR 3.7m in the next three years as a result of contractual adjustment clauses (earn-out arrangements based on EBIT).

In the first half of 2018, the acquisition gave rise to transaction costs of EUR 295k which were reported under administrative expenses.

The following table shows the consolidated provisional fair values of the assets acquired and liabilities assumed from Courtier en Economie d'Energie and its three sister companies at the acquisition date:

In EUR k	
Intangible assets	18
Property, plant and equipment	461
Trade receivables	2,104
Other financial assets	578
Other non-financial assets	53
Cash	2,369
Other provisions	188
Financial liabilities	246
Trade payables	1,368
Other liabilities	460
Income tax liabilities	102
Net assets acquired	3,219

The carrying amounts of the acquired receivables, other financial and non-financial assets are equivalent to their respective fair values. The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

Due to the scope and complexity of the business processes, the purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets and liabilities. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The provisional goodwill is based on the positive prospects of expanding the current customer base and thereby generating additional cash flows through heightened market penetration. The acquisition was allocated to the Direct Media segment.

The measurement of the earn-out liability is also provisional due to the scope and complexity of the business processes.

The provisional goodwill of the entity was calculated using the purchased goodwill method as follows:

In EUR k	
Purchase price	9,400
Contractually agreed contingent purchase price payments in subsequent periods	6,439
Non-controlling interests	36
Net assets acquired	3,219
Goodwill	12,584

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

In EUR k	Revenue	Post-tax profit or loss
13 Jun to 30 Jun 2018	695	143

Other business combinations

In addition to the business combinations presented above, the Ströer Group acquired shares in Conexus Vietnam Co. Ltd. (100.0%), Lunenburg & Partner Media-Service GmbH (100.0%) and P.O.S. Media GmbH (100.0%) in the first half of 2018.

The purchase price allocations are still provisional in relation to the identification and measurement of the fair value of the assets and liabilities assumed for these acquisitions. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted in the purchase price allocations. The goodwill of each of the acquired entities was calculated using the purchased goodwill method as follows:

In EUR k	
Total purchase prices	6,616
Net assets acquired	207
Goodwill	6,410

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

In EUR k	Revenue	Post-tax profit or loss
	185	-400

Summary information

Had all the entities acquired in the period ended 30 June 2018 been fully consolidated as of 1 January 2018, consolidated revenue of EUR 767.609k and consolidated profit after taxes of EUR 31.846k would have been reported in the Group's income statement.

Transactions not involving a change in control

In the first six months of fiscal year 2018, the Ströer Group also acquired further shares mainly in RegioHelden GmbH (+10.0%) for a purchase price of EUR 2.2m and Kultur-Medien Hamburg GmbH Gesellschaft für Kulturinformationsanlagen (+49.0%) for a purchase price of EUR 2.5m.

The acquisitions were presented as transactions between shareholders in accordance with IFRS 10. The transactions mainly affected the consolidated retained earnings of the owners of Ströer SE & Co. KGaA.

11 Financial instruments

The table below presents the recurring financial assets and liabilities measured and reported at fair value as of 30 June 2018 and 31 December 2017:

In EUR k	Measurement category pursuant to IFRS 9	**Carrying amount as of 30 Jun 2018**	Carrying amount pursuant to IFRS 9: Amortized cost	Carrying amount pursuant to IFRS 9: Fair value recognized directly in equity	Carrying amount pursuant to IFRS 9: Fair value through profit or loss	**Fair value as of 30 Jun 2018**
Assets						
Cash	AC	115,161	115,161			115,161
Trade receivables	AC	174,582	174,582			174,582
Other non-current financial assets	AC	7,166	7,166			7,166
Other current financial assets	AC	10,846	10,846			10,846
Available-for-sale financial assets	FVTOCI	2,618	0	2,618 [1]	0	2,618
Equity and liabilities						
Trade payables	AC	227,414	227,414			227,414
Non-current financial liabilities [3]	AC	1,683,615	1,666,301		17,314 [2]	1,683,615
Current financial liabilities [3]	AC	132,226	127,805		4,421 [2]	132,226
Obligation to purchase own equity instruments (Level 3)	AC	80,253		80,253	0	80,253
Thereof aggregated by measurement category pursuant to IFRS 9:						
Assets at amortized cost	AC	307,755	307,755			307,755
Assets recognized at fair value through other comprehensive income	FVTOCI	2,618		2,618 [1]		2,618
Financial liabilities measured at amortized cost	AC	2,123,507	2,021,520	80,253	21,735 [2]	2,123,507

[1] Other equity investments (Level 3)
[2] Earn-out liabilities (Level 3)
[3] Excluding the obligation to purchase own equity instruments

In EUR k	Measurement category pursuant to IAS 39	**Carrying amount as of 31 Dec 2017**	Carrying amount pursuant to IAS 39: Amortized cost	Carrying amount pursuant to IAS 39: Fair value recognized directly in equity	Carrying amount pursuant to IAS 39: Fair value through profit or loss	**Fair value as of 31 Dec 2017**
Assets						
Cash	L&R	84,984	84,984			84,984
Trade receivables	L&R	179,203	179,203			179,203
Other non-current financial assets	L&R	6,647	6,647			6,647
Other current financial assets	L&R	8,582	8,582			8,582
Available-for-sale financial assets	AFS	805	805			n.a.
Equity and liabilities						
Trade payables	AC	215,051	215,051			215,051
Non-current financial liabilities [2]	AC	509,964	497,256		12,708 [1]	509,964
Current financial liabilities [2]	AC	38,328	35,688		2,640 [1]	38,328
Obligation to purchase own equity instruments (Level 3)	AC	96,506		96,506	0	96,506
Thereof aggregated by measurement category pursuant to IAS 39:						
Loans and receivables	L&R	279,415	279,415			279,415
Available-for-sale financial assets	AFS	805	805			n.a.
Financial liabilities measured at amortized cost	AC	859,849	747,995	96,506	15,348 [1]	859,849

[1] Earn-out liabilities (Level 3)
[2] Excluding the obligation to purchase own equity instruments

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 flow 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. The listed market price for the financial assets held by the Group is equivalent to the current asking price. These instruments are assigned to Level 1.

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. The instrument is assigned to Level 2 if all significant inputs required to determine the fair value of an instrument are observable in the market.

Level 3: Valuation techniques that use inputs which are not based on observable market data. Instruments assigned to Level 3 include in particular unquoted equity instruments.

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. 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. There were no significant changes compared with the valuation techniques applied as of 31 December 2017.

12 Subsequent events

There were no significant events after the reporting date.

Cologne, 9 August 2018

Udo Müller
Co-CEO

Christian Schmalzl
Co-CEO

Dr. Bernd Metzner
CFO

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a true and fair view 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 development of the Group for the remaining months of the financial year.

Cologne, 9 August 2018

Udo Müller Co-CEO	Christian Schmalzl Co-CEO	Dr. Bernd Metzner CFO

FINANCIAL CALENDAR

13 November 2018	Quarterly statement 9M/Q3 2018

IMPRINT

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In the event of inconsistencies, the German version shall prevail.

DISCLAIMER

This half-year financial report contains forward-looking statements which entail risks and uncertainties. The actual business development and results of Ströer SE & Co. KGaA and of the Group may differ significantly from the assumptions made in this half-year financial report. This half-year financial report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer SE & Co. KGaA. There is no obligation to update the statements made in this half-year financial report.

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