

Financial Report



Contents

Consolidated financial statements	3
Consolidated balance sheet	4
Consolidated income statement	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8
Report of the statutory auditor on the consolidated financial statements	25
Financial statements of APG SGA SA	27
Balance sheet	28
Income statement	29
Notes to the financial statements	30
Proposal of the Board of Directors	35
Report of the statutory auditor on the financial statements	36
Agenda	38

Consolidated financial statements

Explanation of financial terms

EBITDA Earnings before interest, taxes, depreciation of property, plant, and equipment, and amortization of intangible assets

EBIT Earnings before interest and taxes

Free cash flow Cash flow from operations minus cash flow from investments

Gearing Degree of debt, also called leverage: net debt in % of equity

Net current assets Trade accounts receivable plus inventories minus trade accounts payable

Net debt Debt-serviced borrowed capital minus interest-bearing current assets (cash and cash equivalents, marketable securities)

Payout ratio Payout in % of net income

P/E ratio Price/earnings ratio: ratio of share price to earnings per share

ROE Return on equity: net income in % of average shareholders' equity

ROIC Return on invested capital: operating income in % of average capital employed, without cash and cash equivalents, less interest-free liabilities

Consolidated balance sheet

Assets

in CHF 1 000	Notes	31.12.2015	31.12.2014
Buildings and land		41 618	44 228
Advertising plant		18 228	18 601
Other property, plant, and equipment		4 729	5 219
Property, plant, and equipment	3	64 575	68 048
Deferred tax assets	20	1 819	1 430
Other financial investments		5 856	5 565
Financial investments	4	7 675	6 995
Goodwill		3 907	5 210
Contractual advertising rights		4 152	5 447
Intangible fixed assets	5	8 059	10 657
Non-current assets		80 309	85 700
Inventories		2 045	2 340
Trade accounts receivable	6	38 932	42 377
Other accounts receivable	7	2 781	3 652
Deferred expenses and accrued income		5 919	4 942
Marketable securities			192
Cash and cash equivalents	8	138 988	147 685
Current assets		188 665	201 188
Total		268 974	286 888

Shareholders' equity and liabilities

in CHF 1 000	Notes	31.12.2015	31.12.2014
Share capital		7 800	7 800
Capital reserves, premiums		13 672	12 618
Treasury shares		-343	-984
Translation differences		-2 232	-1 570
Retained earnings		121 550	134 227
Shareholders' equity	9	140 447	152 091
Provisions	10	9 072	12 050
Deferred tax liabilities	20	6 484	7 005
Non-current liabilities		15 556	19 055
Trade accounts payable		19 300	20 292
Taxes payable		4 481	5 144
Other accounts payable	12	25 746	27 890
Accrued liabilities and deferred income	13	60 021	60 835
Provisions	10	3 423	1 581
Current liabilities		112 971	115 742
Liabilities		128 527	134 797
Total		268 974	286 888

Consolidated income statement

in CHF 1 000	Notes	2015	2014
Advertising revenue		313 038	311 106
Real estate revenue	16	2 106	2 166
Other operating income	17	1 506	3 075
Operating income		316 650	316 347
Fees and commissions		-140 431	-139 721
Personnel expenses	18	-65 749	-66 503
Operating and administrative costs		-30 867	-32 707
Operating result before depreciation and amortization (EBITDA)		79 603	77 416
Depreciation of tangible assets	3	-9 233	-9 057
Amortization of intangible assets	5	-928	-1 088
Amortization of goodwill	5	-1 303	-977
Operating result (EBIT)		68 139	66 294
Financial result	19	-927	-181
Income from associates			10
Ordinary result before income tax		67 212	66 123
Income tax	20	-13 923	-13 830
Consolidated net income		53 289	52 293
– of which minority interests			576
– of which APG SGA SA shareholders (net income)		53 289	51 717
Basic and diluted earnings per share, in CHF	21	17.78	17.34

Consolidated statement of changes in equity

in CHF 1 000	Share of APG SGA SA shareholders						Total	
	Share capital	Capital reserves premiums	Treasury shares	Translation differences	Retained earnings	Total	Minority interests	Shareholders' equity
as at January 1, 2014	7 800	5 995	-7 637	-1 071	118 365	123 452	3 032	126 484
Consolidated net income					51 717	51 717	576	52 293
Change in scope of consolidation							-3 608	-3 608
Translation differences				-499		-499		-499
Distributions					-35 855	-35 855		-35 855
Purchase of treasury shares			-398			-398		-398
Sale of treasury shares		6 734	7 051			13 785		13 785
Equity transaction costs		-111				-111		-111
as at December 31, 2014	7 800	12 618	-984	-1 570	134 227	152 091		152 091
Consolidated net income					53 289	53 289		53 289
Translation differences				-662		-662		-662
Distributions					-65 966	-65 966		-65 966
Purchase of treasury shares			-231			-231		-231
Sale of treasury shares		1 065	872			1 937		1 937
Equity transaction costs		-11				-11		-11
as at December 31, 2015	7 800	13 672	-343	-2 232	121 550	140 447		140 447

Change in scope of consolidation is described in Note 15.

Consolidated statement of cash flows

in CHF 1 000	Notes	2015	2014
Consolidated net income		53 289	52 293
Depreciation and amortization		11 464	11 122
Depreciation financial investments			487
Unrealized gains/losses on securities			- 8
Changes in provisions		-1 106	-2 537
Changes in deferred taxes	20	-875	-375
Financial result with no cash impact		761	524
Gain/loss from sale of non-current assets		-1 587	-820
Income from associates			-10
Cash flow		61 946	60 676
Change in inventories		260	-388
Change in accounts receivable		3 816	2 591
Change in deferred expenses and accrued income		-982	3 459
Change in marketable securities		183	234
Change in accounts payable and taxes payable		-3 657	-749
Change in accrued liabilities and deferred income		-704	5 283
Cash flow from operating activities		60 862	71 106
Capital expenditures in property, plant, and equipment	3	-7 897	-9 004
Capital expenditures in intangible assets	5	-178	
Capital expenditures in financial assets and investments in subsidiaries	15	-436	1 197
Sale of property, plant, and equipment		3 264	1 034
Sale of financial investments			452
Net cash used in investing activities		-5 247	-6 321
Purchase of treasury shares		-231	-398
Sale of treasury shares		1 926	3 756
Repayment of current financial liabilities			-3 250
Dividends to APG SGA SA shareholders		-65 966	-35 855
Net cash used in financing activities		-64 271	-35 747
Currency translation effect on cash and cash equivalents		-41	-25
Change in cash and cash equivalents		-8 697	29 013
Cash and cash equivalents as at January 1	8	147 685	118 672
Cash and cash equivalents as at December 31	8	138 988	147 685

In the first half of 2015, a fixed 12-month term deposit of CHF 30 million was invested. Since the remaining term as at the balance sheet date is less than 3 months, this asset is included in "cash and cash equivalents". In our half year report the investment was presented as capital expenditures in financial assets.

Notes to the consolidated financial statements

1 Business activity

The APG SGA Group is active in all domains of Out of Home advertising. As a media company, we transport advertising messages into the public and private areas with posters and related media. This media performance is generated in streets, city centers, pedestrian zones, railway stations, shopping centers, airports, tourist resorts, and on the outside and inside of public transport vehicles. The Group is active in the Swiss market and in Serbia. Business operations are based on long-term concession agreements with public-sector and private partners. APG SGA SA is the parent company. It is a Swiss Stock Exchange (SIX)-listed company headquartered on Carrefour de Rive 1, 1207 Geneva (Switzerland).

2 Key reporting and valuation principles of the APG SGA Group

General fundamentals and reporting standards

The consolidated financial statements of the APG SGA Group have been prepared in accordance with Swiss Corporation Law and Accounting as well as the complete set of Accounting and Reporting Recommendations ARR (Swiss GAAP ARR). The new regulations of Swiss GAAP ARR 31 (Complementary Recommendation for Listed Public Companies) have been adopted as of January 1, 2014. The Board of Directors approved the consolidated financial statements on February 23, 2016. The Annual General Meeting on May 24, 2016, will be asked to approve the consolidated financial statements.

The consolidated figures comprise the financial statements of the individual companies, which have been prepared according to uniform accounting and reporting guidelines. The consolidated financial statements have been prepared on a historical cost basis, with the exception of marketable securities, which are valued at fair value.

Scope and method of consolidation

The consolidated financial statements integrate the financial statements of APG SGA SA and of the Group's domestic and foreign companies. An overview of the principal Group companies is provided in note 25 of this report. Companies acquired are consolidated from the date on which control is obtained, while companies sold are excluded from the scope of consolidation as of the date on which control is given up, with any gain or loss recognized in the income statement. The acquired assets and liabilities are revalued and integrated according to the acquisition method.

The *full consolidation* method is applied to all companies in which the Group directly or indirectly exerts management control. All assets, liabilities and equity, as well as revenues and expenses of the consolidated companies, are fully recognized. Minority interests are presented as a separate component of the Group's equity and income. Intercompany transactions within the scope of consolidation and resulting receivables or payables are completely eliminated. Intercompany transactions and gains are eliminated in full.

Capital consolidation is based on the acquisition method, whereby the acquisition cost of an acquired company is eliminated at the time of acquisition against the fair value of net assets acquired, determined in accordance with uniform accounting principles.

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Group's interest in the fair value of the recognized assets and liabilities at the date of acquisition. Goodwill from acquisition is capitalized at the date of acquisition and amortized. Contractual advertising rights acquired by business combinations as part of the purchase price allocation are part of the capitalized goodwill.

Participations between 20% and 50% are recognized in the consolidated financial statements according to the *equity method*, provided the Group has significant influence. In this case, the Group's percentage shares in the net assets are posted in the balance sheet under *Investments in associated companies* and the respective share in profit or loss in the income statement under *Income from associates*. Investments in associates are subject to impairment tests on an annual basis, or when existing indicators would suggest a possible impairment. Recorded losses arising from impairment are presented under *Income from associates* in the income statement.

Participations of less than 20% are treated as investments at fair value and are not consolidated. They are presented in the consolidated balance sheet as *Other financial investments*. No such investments exist.

Critical accounting assumptions and estimates in the application of financial reporting standards

Financial reporting requires management estimates and assumptions that influence reported assets, liabilities, contingent liabilities and contingent assets as at the closing date, as well as income and expenses for the reporting period. These judgments, assumptions and estimates are made on the basis of information available or situations existing at the financial statement preparation date, which could prove to be different from reality in the future.

Foreign currency transactions

Translation for consolidation purposes: The financial statements of foreign Group companies are prepared in local currencies. For the purpose of consolidation, the local financial statements are translated into Swiss francs (CHF), which is the Group's presentation currency. The principal exchange rates used to translate foreign currencies in our Group were as follows:

Exchange rates	Assets and liabilities		Income, expenses	
in CHF	Year-end exchange rate		Average exchange rate	
	December 31, 2015	December 31, 2014	2015	2014
1 RSD	0.0089	0.0099	0.0089	0.0104

For the purpose of presenting consolidated financial statements, assets and liabilities for each balance sheet are translated at the closing rate at the balance sheet date, while income statements, cash flow statements and other movements are translated at average exchange rates for the year.

Exchange differences arising from the translation of balance sheets and income statements of foreign Group companies are taken directly to equity (currency translation differences) and not recognized in the income statement.

Translation of balances and transactions in the accounts of subsidiaries

In preparing the financial statements of the individual Group companies, assets and liabilities denominated in foreign currencies are translated at the closing exchange rates. Exchange differences resulting from the settlement of foreign currency transactions and from the translation of assets and liabilities denominated in foreign currencies are recognized as foreign exchange gains or losses in the income statement. Exchange differences from the valuation of equity-like loans denominated in foreign currencies or in CHF at foreign subsidiaries are directly charged to equity.

Current / non-current classification

With the exception of deferred tax assets and liabilities, which are classified as non-current, assets and liabilities are classified as current when their recoverability or payment is expected no later than 12 months after the year-end closing date.

Segment reporting

The Group manages its business primarily on the basis of country responsibilities (segments). Added value is created locally by the acquisition, sale, and management of advertising spaces. The nature of the business and the legal framework are country-specific. APG SGA disclaims the disclosure of segment results. Our direct competitors in Switzerland and Serbia do not publish segment results. Would APG SGA publish segment results, it would lead to considerable competitive disadvantages for our group, due to minor diversification abroad. Segment sales revenue by geographical region are disclosed in note 24.

Accounting principles

The following accounting principles were applied:

Cash and cash equivalents

Cash and equivalents containing cash, current postal and bank account receivables, and short-term deposits are held with first-class financial institutions. Short-term deposits have a maturity of up to three months. They are stated at nominal value.

Marketable securities

Securities are initially recognized at cost including transaction costs. All purchases and sales are recognized on the trade date. Securities are subsequently remeasured to their current fair value at each balance sheet date with unrealized gains and losses recognized in the income statement as financial result and classified as current assets. Foreign exchange gains and losses on securities are also recognized in the income statement.

Accounts receivable

Short-term accounts receivable are stated at nominal value less allowance for bad debts. The allowance for bad debts is calculated based on past experience and maturity structure as well as identifiable solvency risks.

The amount of the allowance is presented separately. It represents the difference between the receivable's carrying amount and its current estimated recoverable amount. When receivables are no longer collectible, they are written off against the allowance for bad debts. Changes in the carrying amount of the allowance and income from recoveries of receivables previously written off are recognized in operating and administrative costs in the income statement.

Inventories

Inventories mainly consist of parts necessary for the maintenance of installed street furniture, as well as street furniture or billboards in kit form or partially assembled. These do not meet the definition of property, plant and equipment. Inventories are valued at cost or lower net realizable value.

Property, plant and equipment

Property, plant and equipment are presented on the balance sheet at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset or, for most of the advertising plant, over the average duration of the contracts, and in no case over more than 12 years. The following useful lives are applied to depreciation calculations:

- Buildings (without land) 20–40 years
- Advertising plant 8–12 years
- Electronic advertising plant 2–8 years
- Fittings, equipment, furniture 4–10 years
- Information technology 3–6 years
- Vehicles 4–6 years

Immaterial gains and losses from the sale of property, plant, and equipment are generally recognized in the income statement in operating and administrative costs. Assets with minor values are expensed directly in the income statement. Land is not depreciated, but value-adjusted, if necessary.

Financial investments

Financial investments mainly comprise loans and long-term receivables to third parties as well as pension assets. Loans and receivables are stated at nominal values less valuation adjustments. Pension assets are stated at their nominal value.

Intangible assets

Intangible assets include contractual advertising rights and goodwill. Intangible assets are recognized if they are clearly identifiable and the costs reliably determinable, and if they bring a measurable benefit to the company over the course of several years. Intangible assets are valued at purchase cost less amortization and any necessary impairment.

Amortization is calculated on a straight-line basis. Contractual advertising rights are amortized over a period of 10 years. Goodwill from acquisitions is amortized over up to 5 years.

Minority interests acquired are similarly measured using the purchase method. Accordingly, the difference between the purchase price and the proportionate equity on the basis of Swiss GAAP ARR is recognized as goodwill or negative goodwill.

Impairment of non-current assets

At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible fixed assets including goodwill and financial assets) whether indicators for an impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized separately in the income statement.

Treasury shares and share based payments

Treasury shares are recognized at their acquisition cost and deducted from shareholders' equity. Gains or losses on disposals are directly recorded in equity within capital reserves. Share based payments are measured at the grant date and recognized as personnel expenses in the case of remuneration for employees or as operating and administration costs in the case of remuneration for members of the Board of Directors. Share based payments from the Employee Stock Ownership Plan are measured at the date of purchase and recognized as personnel expenses.

Liabilities

Current liabilities include such with maturities up to 12 months, as well as accrued liabilities and deferred income. Liabilities are recognized at nominal values.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Pension benefit obligations

Pension benefit obligations of Group companies are recognized in the consolidated financial statements according to legal regulations and local rules of the respective countries. The actual economic impact of pension schemes for a Group company is calculated as at balance sheet date. An economic benefit is recorded, if it will be used for future pension contributions made by the company. An economic obligation is recognized if the requirements to record a provision are met. Unrestricted employer contribution reserves are capitalized as an asset.

The Swiss subsidiaries of the Group have a common legally independent pension plan financed by employer and employee contributions. The economic impact of a funding surplus or deficit of this pension plan, the change in employer contribution reserves and the contributions accrued for the period are charged to income as personnel expenses. The calculation of a funding surplus or deficit is made based on the annual financial statements of the pension plan prepared in accordance with Swiss GAAP ARR 26.

Apart from legally stipulated benefit plans, there are no other pension plans for subsidiaries in foreign countries. Their economic impact is measured according to the valuation methods applied locally.

Advertising revenue

Advertising revenue mainly consists of sales of advertising spaces and related services charged to customers such as printing and production costs. It is recorded net of discounts and excluding VAT. Sales of advertising spaces are accrued on a straight-line basis over the running period of the advertising campaign.

Fees and commissions

Fees and commissions contain concession fees and rental costs, commissions payable to advertising agencies, contributions in kind in the form of billposting services rendered to concession partners, and poster production costs. Variable fees are calculated according to the accrued revenues, while fixed fees are expensed in the period the related services are rendered.

Income taxes

Current income tax is calculated on taxable profits for the year and recognized on an accrual basis. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Deferred income tax results from temporary valuation differences in Swiss GAAP ARR and fiscal accounting. Deferred tax is calculated using local tax rates that have been enacted by the balance sheet date. Effects from tax loss carryforwards are not capitalized pursuant to the recognition option under Swiss GAAP ARR, regardless of whether they are estimated by the company to be usable or not.

Transactions with related parties

Related parties include the principal shareholders of APG SGA SA, the members of the Board of Directors, and of the Executive Board.

Earnings per share

Earnings per share are calculated by dividing net income by the weighted average number of shares outstanding. The average number of shares outstanding does not include treasury shares.

Change in the scope of consolidation

The scope of consolidation did not change compared with the prior year.

In 2014, the scope of consolidation was changed by the first-time full consolidation of Ecofer AG as of April 1, 2014. Furthermore, the outstanding minority interests in Impacta AG were purchased.

3 Property, plant and equipment

in CHF 1 000	Buildings Land	Advertising plant	Fittings Equipment Furniture	IT	Vehicles	Total
At cost						
as at January 1, 2014	125 573	79 339	7 382	5 338	10 770	228 402
Additions	584	6 112	307	770	1 231	9 004
Disposals		-2 068	-74	-56	-1 587	-3 785
Translation differences		-905	-20	-12	-9	-946
as at December 31, 2014	126 157	82 478	7 595	6 040	10 405	232 675
Additions	609	5 346	514	598	830	7 897
Disposals	-4 977	-1 917	-241	-294	-1 207	-8 636
Translation differences		-1 121	-24	-16	-7	-1 168
as at December 31, 2015	121 789	84 786	7 844	6 328	10 021	230 768
Accumulated depreciation						
as at January 1, 2014	-79 627	-62 060	-5 514	-3 911	-8 584	-159 696
Additions	-2 302	-4 293	-494	-864	-1 104	-9 057
Disposals		1 951	74	56	1 488	3 569
Translation differences		525	15	10	7	557
as at December 31, 2014	-81 929	-63 877	-5 919	-4 709	-8 193	-164 627
Additions	-2 264	-4 633	-442	-817	-1 077	-9 233
Disposals	4 022	1 280	205	290	1 163	6 960
Translation differences		672	20	10	5	707
as at December 31, 2015	-80 171	-66 558	-6 136	-5 226	-8 102	-166 193
Net book value						
as at December 31, 2014	44 228	18 601	1 676	1 331	2 212	68 048
as at December 31, 2015	41 618	18 228	1 708	1 102	1 919	64 575

The buildings are used predominantly for operating purposes.

4 Financial investments

in CHF 1 000	December 31, 2015	December 31, 2014
Deferred tax assets	1 819	1 430
Loans	2 376	2 109
Long-term receivables from sale of business activities	1 398	1 854
Bad debt allowance on loans and long-term receivables	-1 532	-2 002
Employer contribution reserve (see note 11)	3 598	3 598
Long-term securities	16	6
Total	7 675	6 995

5 Intangible fixed assets

in CHF 1 000	Goodwill	Contractual advertising rights	Total
At cost			
as at January 1, 2014	98 666	11 069	109 735
Additions	6 187		6 187
Disposals		-60	-60
Translation differences		-808	-808
as at December 31, 2014	104 853	10 201	115 054
Additions		178	178
Translation differences		-1 010	-1 010
as at December 31, 2015	104 853	9 369	114 222
Accumulated amortization			
as at January 1, 2014	-98 666	-4 067	-102 733
Additions	-977	-1 088	-2 065
Disposals		60	60
Translation differences		341	341
as at December 31, 2014	-99 643	-4 754	-104 397
Additions	-1 303	-928	-2 231
Translation differences		465	465
as at December 31, 2015	-100 946	-5 217	-106 163
Net book value			
as at December 31, 2014	5 210	5 447	10 657
as at December 31, 2015	3 907	4 152	8 059

6 Trade accounts receivable

in CHF 1 000	December 31, 2015	December 31, 2014
Trade accounts receivable	41 266	44 819
Bad debt allowance	-2 334	-2 442
Total	38 932	42 377

Change in bad debt allowance of trade accounts receivable

in CHF 1 000	2015	2014
as at January 1	-2 442	-1 994
Changes in scope of consolidation		-2
Addition	-589	-1 072
Utilization	503	376
Reversal	24	139
Translation differences	170	111
as at December 31	-2 334	-2 442

7 Other accounts receivable

in CHF 1 000	December 31, 2015	December 31, 2014
Tax refund claims	298	401
VAT receivable	228	204
Prepayments to suppliers	1 343	1 929
Personnel and social benefits	182	202
Receivables from related parties	155	174
Receivables from loans to third parties	700	780
Short-term receivables from sale of business activities	526	547
Other	667	838
Bad debt allowance	-1 318	-1 423
Total	2 781	3 652

Change in bad debt allowance of other accounts receivable

in CHF 1 000	2015	2014
as at January 1	-1 423	-1 148
Addition	-213	-555
Utilization		9
Reversal	303	259
Translation differences	15	12
as at December 31	-1 318	-1 423

8 Cash and cash equivalents

in CHF 1 000	December 31, 2015	December 31, 2014
Cash, postal and bank account balances	81 604	97 417
Time deposits	57 384	50 268
Total	138 988	147 685

The consolidated statement of cash flows, cash and cash equivalents comprise the accounts listed above.

9 Shareholders' equity

The share capital of CHF 7,800,000 is composed of 3,000,000 registered shares with a par value of CHF 2.60.

Information on the purchase and sale of treasury shares

2014		Quantity	Average price in CHF
as at January 1, 2014		51 890	
1st quarter	Additions	398	202.53
	Disposals	-35 748	287.30
2nd quarter	Additions	454	282.09
	Disposals	-4 883	294.32
3rd quarter	Additions	476	284.99
	Disposals	-3 166	280.33
4th quarter	Additions	184	292.37
	Disposals	-4 109	282.43
as at December 31, 2014		5 496	
2015		Quantity	Average price in CHF
as at January 1, 2015		5 496	
1st quarter	Additions		
	Disposals	-1 110	353.31
2nd quarter	Additions	16	372.00
	Disposals	-3 805	383.66
3rd quarter	Additions		
	Disposals	-36	369.42
4th quarter	Additions	570	393.53
	Disposals	-155	385.90
as at December 31, 2015		976	

As at December 31, 2015, treasury shares accounted for 0.0% of the share capital (PY 0.2%).

The Swiss Pension Plan of APG SGA Group holds 19,000 APG SGA shares as at 31 December 2015 (PY 19,000). The shares held by related parties are disclosed in the notes to the financial statements of APG SGA SA (see page 34).

The amount of not distributable reserves and retained earnings amounts to CHF 19,392,000 (PY CHF 15,958,000).

The General Meeting of May 20, 2015, decided to pay a dividend of CHF 22.00 per share.

In 2014, a dividend of CHF 12.00 per share was paid out.

10 Provisions

in CHF 1 000	Pension plan	Dismantling obligations	Other	2015 Total	Pension plan	Dismantling obligations	Other	2014 Total
as at January 1	8 136	2 568	2 927	13 631	10 242	2 641	3 309	16 192
Changes in scope of consolidation								
Addition			451	451			161	161
Utilization	-1 438		-119	-1 557	-2 106		-502	-2 608
Reversal						-50	-41	-91
Translation differences		-30		-30		-23		-23
as at December 31	6 698	2 538	3 259	12 495	8 136	2 568	2 927	13 631
Thereof current	1 099		2 324	3 423	1 581			1 581
Thereof non-current	5 599	2 538	935	9 072	6 555	2 568	2 927	12 050

Provision for pension plan covers contributions for protection of vested rights of employees in relation to the change from a defined benefit plan to a defined contribution plan according to Swiss pension law as at January 1, 2013. Other includes provisions for incentive plans and VAT.

11 Employee benefits

Employer contribution reserve

in CHF 1 000	2015	2014
Nominal and book value as at January 1	3 598	3 598
Employer contributions		
Usage		
Nominal and book value as at December 31	3 598	3 598

Employer contribution reserve is presented under *Other financial investments* in the consolidated balance sheet.

Economic benefit/obligation and pension costs	Funding surplus/deficit according to Swiss GAAP ARR 26	Economic impact Group	Change to prior year or charge to income current year	Contributions for the period	Pension costs in personnel expenses
in CHF 1 000	31.12.2015	31.12.2015 31.12.2014			2015 2014
Pension plans without funding surplus/deficit					5 630
Pension plans with funding surplus					5 637
Pension plans with funding deficit					
Total					5 637 5 630

Summary of pension costs

in CHF 1 000	2015	2014
Contributions to pension plan expensed at Group companies	5 637	5 630
Contributions to pension plan credited to employer contribution reserve		
Contributions to pension plan made from employer contribution reserve		
Contributions and changes in employer contribution reserve	5 637	5 630
Increase/reduction economic benefit Group from excess coverage		
Reduction/increase economic obligation Group from insufficient coverage		
Total change in economic impact from excess/insufficient coverage		
Pension costs included in personnel expenses for the period	5 637	5 630

12 Other accounts payable

in CHF 1 000	December 31, 2015	December 31, 2014
VAT owed	4 309	4 364
Prepayments by customers	19 470	22 108
Personnel and social benefits	1 162	575
Other	805	843
Total	25 746	27 890

13 Accrued liabilities and deferred income

Accrued liabilities and deferred income mainly comprise accrued rental fees and commissions, as well as deferred advertising revenue.

14 Off-balance-sheet commitments

The following off-balance-sheet commitments exist:

There were no unrecognized guaranty obligations to third parties and no pledged or assigned assets with reservation of ownership.

Commitments relating to lease, rent and minimum franchise payments given in the ordinary course of business:

In the ordinary course of business, our company has entered into the following agreements, primarily:

- contracts with cities, airports and transport companies, which entitle us to operate their advertising business and collect the related revenues, in return for payment of fees comprising a fixed portion or guaranteed minimum amounts
- rental agreements for billboard locations on private property
- rental agreements for office premises

At the balance sheet date the above mentioned commitments were as follows:

in CHF million	December 31, 2015	December 31, 2014
Up to one year	31.7	34.1
More than 1 year until 5 years	40.4	61.5
More than 5 years	8.4	7.1
Total	80.5	102.7

15 Business acquisitions and disposals

In 2015 no business acquisitions took place. Acquisitions during 2014 are shown below.

Transactions 2014

As at February 25, 2014, APG SGA SA signed a contract with Polymedia Holding AG to acquire the remaining 50% of the shares in Impacta AG and Ecofer AG. The closing date for this transaction was March 19, 2014. This acquisition means that APG SGA has now fully acquired the two companies in which it has had a 50% holding since 1970.

The acquisition price of CHF 10 million was fully paid with 34,829 treasury shares. Impacta AG was already fully consolidated before the acquisition while the scope of consolidation for Ecofer AG has been changed from equity consolidation to full consolidation as from March 19, 2014, due to this acquisition.

In June 2014 the two newly fully acquired companies were merged into Allgemeine Plakatgesellschaft AG.

Acquisition in 2014

in CHF 1 000

Goodwill	6 187
Acquired minority interests Impacta AG	3 608
Acquired cash and cash equivalents Ecofer AG	1 197
Acquired other net assets Ecofer AG	-638
Elimination investment in associated company (Ecofer AG)	-354
Purchase price	10 000
Amortization period of goodwill	4.75 years

The amount presented in the cash flow statement corresponds to the cash obtained from the acquisition of Ecofer AG as the acquisition price was settled by treasury shares.

16 Real estate revenue

The space rented to third parties is 11,667 m² or 33.5% of the entire useful area (PY 13,305 m² or 35.1%).

17 Other operating income

in CHF 1 000	2015	2014
Net gains from sale of property, plant, and equipment	1 506	750
Net gains on disposal of business activities		
Net gain on settlement of disposed business activity		2 325
Total other operating income	1 506	3 075

18 Personnel expenses

in CHF 1 000	2015	2014
Wages and salaries	-53 994	-54 420
Ordinary pension costs	-5 637	-5 630
Social security and retirement benefits	-4 870	-4 827
Other personnel expenses	-1 248	-1 626
Total personnel expenses	-65 749	-66 503

The APG SGA Group employs a total number of 570 persons (PY 580), thereof 517 (PY 527) in Switzerland and 53 (PY 53) in foreign markets, calculated on the basis of full-time equivalents 100%.

19 Financial result

in CHF 1 000	2015	2014
Interest earnings	94	112
Other financial income	3	311
Result from marketable securities	9	139
Total financial income	106	562
Foreign exchange translation differences	-903	-662
Result from marketable securities		-1
Bank expenses	-95	-69
Interest expenses	-35	-11
Total financial expenses	-1 033	-743
Total financial result	-927	-181

20 Income tax

Taxes paid and expensed are composed of the following items:

in CHF 1 000	2015	2014
Current income tax expense	-14 798	-14 205
Deferred tax expenses	875	375
Total	-13 923	-13 830

2015	Tax rate	Amount in CHF 1 000
Weighted average applied tax rate	21.0%	14 097
Use of not capitalized tax loss carryforward		-174
Actual tax rate	20.7%	13 923

2014	Tax rate	Amount in CHF 1 000
Weighted average applied tax rate	21.0%	13 894
Use of not capitalized tax loss carryforward		-64
Actual tax rate	20.9%	13 830

The total amount of not capitalized deferred tax asset relating to tax loss carryforwards amounts to CHF 718,000 (PY CHF 992,000). For calculation of deferred taxes, an average tax rate of 21.0% was applied. The tax rate did not change compared to the previous year.

21 Earnings per share

Earnings per share are calculated as follows:

	2015	2014
Net income, in CHF 1 000	53 289	51 717
Weighted average number of shares	2 997 805	2 983 309
Basic and diluted earnings per share, in CHF	17.78	17.34

APG SGA SA has no instruments with a dilutive effect on earnings per share.

22 Transactions with related parties

Our Group had transactions with the following related parties:

- JCDecaux Group, a principal shareholder
- Polymedia Holding AG, Bern, owned by Markus Scheidegger, a member of the Board of Directors, and his family
- Interplakat AG, Bern, owned by the Scheidegger family
- Ecofer AG, Bern, an associated company upon acquisition on March 19, 2014 (Note 15)
- Members of the Board of Directors
- Members of the Executive Board

The tables below show the amounts with each party:

JCDecaux Group, in CHF 1 000	2015	2014
Sales to related party	235	667
Purchases from related party	1 384	1 182
Receivables as at 31 December toward related party	128	278
Payables as at 31 December toward related party	307	99

Polymedia Holding AG, in CHF 1 000	2015	2014
Purchases of participations from related party		10 000

Interplakat AG, in CHF 1 000	2015	2014
Sales to related party	84	129
Purchases from related party	1 759	1 806
Receivables as at 31 December toward related party	188	
Payables as at 31 December toward related party	213	213

Ecofer AG, in CHF 1 000	2015	2014
Sales to related party		93
Purchases from related party		257
Receivables as at 31 December toward related party		
Payables as at 31 December toward related party		

The information required by Art. 663c (transparency requirements) of the Swiss Code of Obligations is disclosed in the notes to the financial statements of APG SGA SA (see page 35).

23 Share based payments

As part of variable remuneration a certain number of treasury shares are allocated to employees. These shares are blocked for 3 years and cannot be sold during this period. The table below shows the amount included in personnel expenses and the number of allocated shares:

	2015	2014
Amount in CHF 1 000 included in personnel expenses	459	556
Number of allocated shares	1 189	1 889

As part of variable remuneration for the Board of Directors a certain number of treasury shares are allocated. These shares are blocked for 3 years and cannot be sold during this period. The table below shows the amount included in operating and administrative costs and the number of allocated shares:

	2015	2014
Amount in CHF 1 000 included in operating and administrative costs	169	154
Number of allocated shares	447	533

APG SGA has an Employee Stock Ownership Plan. It entitles employees to obtain a certain number of treasury shares for a special price with a discount of 25%. The purchase is limited to 10% of the previous year's remuneration. The shares are blocked for 5 years and cannot be sold during this period. The table below shows the discount included in personnel expenses and the number of shares purchased by employees:

	2015	2014
Amount in CHF 1 000 included in personnel expenses	41	66
Number of shares purchased or prolonged by employees	461	971

24 Segment information by regions

in CHF 1 000	2015	2014
Advertising revenue Switzerland	302 278	298 360
Advertising revenue International	10 760	12 746
Total advertising revenue	313 038	311 106

25 Participations of APG SGA Group¹

Company, headquarters	Share capital in local currency		Consolidation method	Share of capital in %
Switzerland				
Allgemeine Plakatgesellschaft AG, Zurich	CHF	37 600 000.00	F	100.00
APG SGA Traffic AG, Zurich	CHF	200 000.00	F	100.00
Paron AG, Zurich	CHF	200 000.00	F	100.00
Sportart AG, Zurich	CHF	100 000.00	F	100.00
Swiss Poster Research Plus AG, Zurich	CHF	100 000.00	F	100.00
Visiorama AG, Zurich	CHF	100 000.00	F	100.00
Alkon AG, Zurich	CHF	50 000.00	F	100.00
Serbia				
Alma Quattro d.o.o., Belgrade	RSD	83 271 117.25	F	100.00

¹ Status December 31, 2014

F = Full consolidation

E = Equity method

For changes of participations, see note 15.

26 Events after the closing date

These financial statements consider events after the closing date until February 23, 2016.

Report of the statutory auditor on the consolidated financial statements

to the General Meeting of APG SGA SA, Geneva

As statutory auditor, we have audited the consolidated financial statements of APG SGA SA, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 3 to 24), for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi
Audit expert
Auditor in charge

Philipp Gnädinger
Audit expert

Zurich, 23 February 2016

Financial statements of APG SGA SA

Balance sheet

Assets

in CHF 1 000	Notes	31.12.2015	31.12.2014 ¹
Cash and cash equivalents		1 910	3 974
Accounts receivable from third parties		73	368
Accounts receivable from Group companies		137	9
Deferred expenses and accrued income		34	
Current assets		2 154	4 351
Loans to Group companies		31 757	50 631
Loans to third parties		2 208	1 926
Participations	2.1	111 385	111 385
Tangible fixed assets			1
Non-current assets		145 350	163 943
Total		147 504	168 294

Shareholders' equity and liabilities

in CHF 1 000		31.12.2015	31.12.2014 ¹
Accounts payables to third parties		385	297
Accrued liabilities and deferred income		1 574	2 141
Short-term provisions		2 324	
Current liabilities		4 283	2 438
Long-term provisions		1 122	3 199
Long-term liabilities		1 122	3 199
Liabilities		5 405	5 637
Share capital		7 800	7 800
Legal capital reserves		5 632	5 632
Legal retained earnings		13 118	13 118
Free reserve		70 870	136 836
Retained earnings		591	-53 215
Net annual profit		44 431	53 806
Treasury shares	2.2	-343	-1 320
Shareholders' equity		142 099	162 657
Total		147 504	168 294

¹ the classification of previous year figures has been adapted to the new accounting law of the Swiss Code of Obligations

Income statement

in CHF 1 000	Notes	2015	2014 ¹
Net income from participations	2.3	45 325	45 740
Other revenue		3 103	5 490
Personnel expenses		-2 638	-3 883
Administrative costs		-1 763	-1 345
Depreciation		-1	-42
Earnings before extraordinary items, interests and taxes		44 026	45 960
Financial expenses	2.4	-1 008	-1 075
Financial income	2.5	1 256	9 536
Earnings before extraordinary items and taxes		44 274	54 421
Extraordinary expenses	2.6		-534
Extraordinary income	2.6	231	
Earnings before taxes		44 505	53 887
Taxes		-74	-81
Net annual profit		44 431	53 806

¹ the classification of previous year figures has been adapted to the new accounting law of the Swiss Code of Obligations

Notes to the financial statements

The financial statements of APG SGA SA, Geneva have been prepared in accordance with the legal provisions of Swiss Corporation Law. They complement the consolidated financial statements prepared pursuant to Swiss GAAP ARR. The consolidated financial statements reflect the financial status of the Group as a whole, whereas the financial statements of APG SGA SA refer only to the parent company. The reference base for the appropriation of available earnings, as resolved by the Annual General Meeting, is the retained earnings and free reserves reported in the financial statements of APG SGA SA.

1 Valuation principles applied in the financial statements

Cash and cash equivalents

Cash and cash equivalents are held with first-class financial institutions. They are stated at nominal value.

Accounts receivables and loans

Accounts receivables and loans are stated at nominal value less allowance for bad debts. The allowance for bad debts is calculated based on identifiable solvency risks.

Participations

Participations are valued at historical costs less any necessary impairment.

Accounts payable

Accounts payable are stated at nominal value.

Provisions

Provisions are recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Net income from participations

Net income from participations contains dividends received from subsidiaries as well as gains from the sale of participations and impairment of participations.

Financial expenses

Financial expenses include interests payable, bank expenses and foreign currency translation losses.

Financial income

Financial income contains interest receivable and gains from the sale of treasury shares as well as gains from currency translation losses.

Foreign currency translation

For assets and liabilities in Euro the following exchange rates were applied:

As at December 31, 2015: CHF/EUR 1.0826

As at December 31, 2014: CHF/EUR 1.20235

2 Explanation and break down of positions

The number of employees based on full-time equivalent was not more than 10 in average of last year.

2.1 Participations

The following participations are held directly by APG SGA SA:

Company, headquarters	as at December 31, 2015		as at December 31, 2014	
	Shares in %	Votes in %	Shares in %	Votes in %
Allgemeine Plakatgesellschaft AG, Zurich	100%	100%	100%	100%
Bercher SA Publicité générale, Meyrin			100%	100%
APG SGA Traffic AG, Zurich	100%	100%	100%	100%
Paron AG, Zurich	100%	100%	100%	100%
Sportart AG, Zurich	100%	100%	100%	100%
Visiorama AG, Zurich	100%	100%	100%	100%
Alma Quattro d.o.o., Belgrade (Serbia)	100%	100%	100%	100%

Bercher SA Publicité générale was merged with Allgemeine Plakatgesellschaft AG in 2015.

2.2 Treasury shares

The following treasury shares are held by the company:

As at December 31, 2015:	976 shares
As at December 31, 2014	5 496 shares

The following treasury shares were purchased by the company:

	No of shares	Transaction value (in CHF 000)
During financial year 2015	586	230
During financial year 2014	1 512	398

The following treasury shares were disposed by the company:

	No of shares	Transaction value (in CHF 000)
During financial year 2015	5 106	1 925
During financial year 2014	47 906	13 756

As part of variable remuneration a certain number of treasury shares are allocated to employees and members of the Board of Directors. These shares are blocked for 3 years and cannot be sold during this period. Further the company has an Employee Stock Ownership Plan. It entitles employees to obtain a certain number of shares for a special price with a discount of 25%. The purchase is limited to 10% of the previous year's remuneration. The shares are blocked for 5 years and cannot be sold during this period. 34 829 treasury shares were disposed in 2014 as price for two acquired participations.

The following treasury shares were allocated to related parties:

	Financial year 2015		Financial year 2014	
	No of shares	Value (CHF 000)	No of shares	Value (CHF 000)
Board of Directors/Management	964	365	1 668	493
Other employees	672	263	754	217

2.3 Net income from participations

in CHF 1 000	2015	2014
Income from dividends	45 325	42 950
Gain on sale of participations		10 884
Loss from impairment of participations		-8 094
Total net income from participations	45 325	45 740

2.4 Financial expenses

in CHF 1 000	2015	2014
Bank expenses	-62	-29
Interest expenses	-2	-1 009
Foreign exchange translation losses	-944	-37
Total financial expenses	-1 008	-1 075

2.5 Financial income

in CHF 1 000	2015	2014
Interest income	538	2 843
Gain from sale of treasury shares	718	6 693
Total financial income	1 256	9 536

2.6 Extraordinary expenses and income

in CHF 1 000	2015	2014
Losses on accounts receivable from third parties		-534
Gain from recovery of previous losses on accounts receivable	231	
Total extraordinary expenses and income	231	-534

3 Accounts payable to pension plan

As at December 31, 2015, the company had payables to its pension plan in the amount of CHF 39,000 (PY CHF 48,000).

4 Guaranty obligations

The company has guaranty obligations in favor of its subsidiaries in a total amount of CHF 15,000,000 (PY CHF 16,665,000).

5 Excess reserves

In financial year 2015, excess reserves have not been released (PY no excess reserves released).

6 Ownership of shares by the members of the Board of Directors and of the Executive Board

Name	Function	Shares as at December 31, 2015	Shares as at December 31, 2014
Daniel Hofer	Chairman	2 034	2 744
Robert Schmidli	Vice-Chairman ¹	692	640
Xavier Le Clef	Member ¹	758 888 ²	
Stéphane Prigent	Member ¹	900 000 ³	
Markus Scheidegger	Member	93 418 ⁴	94 484 ⁴
Laurence Debroux ⁵			–
Gilles Samyn ⁶			759 279 ²
Markus Ehrle	Chief Executive Officer	556	386
Beat Hermann	Chief Financial Officer	804	509
Beat Holenstein	Head of Partner & Product Management	512	768
Christian Gotter	Head of Logistics	200	100
Marcel Seiler	Head of Human Resources	141	104
Daniel Strobel	Head of Advertising Market & Subsidiaries	499	406
Thomas Rainer ⁷			741
Total		1 757 744	860 161

¹ Since May 20, 2015

² Of which 758,888 Pargesa Asset Management (Netherlands) N.V.

³ Of which 900,000 JCDecaux SA

⁴ Including Polymedia Holding AG and Andreas Scheidegger

⁵ Exit as at December 31, 2014

⁶ Exit as at May 20, 2015

⁷ Exit as at September 1, 2014

The APG SGA Group has no stock options program.

7 Significant shareholders¹

	Shares as reported as at December 31, 2015		Shares as reported as at December 31, 2014	
		in %		in %
JCDecaux SA, Neuilly-sur-Seine (F) ²	900 000	30.00 ^{3,5}	900 000	30.00 ^{3,5}
Albert Frère, Gerpennes (B), Compagnie Nationale à Portefeuille, Loverval (B)	758 888	25.30 ^{4,5}	758 888	25.30 ^{4,5}
Pictet Asset Management SA, Geneva (CH)	159 014	5.30 ⁵		
Polymedia Holding AG, Markus and Andreas Scheidegger, Bern (CH)	93 418	3.11 ⁵	94 484	3.15 ⁵
Béatrice and Paul-Henry Binz, Grisobi Holding SA, Bulle (CH)			160 406	5.35 ⁵
Pictet Funds SA, Geneva (CH)			125 518	4.18 ^{5,6}
International Value Advisers LLC, New York (USA)			105 993	3.53 ^{5,7}
APG SGA SA, Geneva (CH) (shares)	976	0.00 ^{5,8}	5 496	0.18 ^{5,8}
APG SGA SA, Geneva (CH) (conditional purchase option)	147 000	4.90 ^{3,8}	147 000	4.90 ^{3,8}

¹ 3% or more shares, in the form of stocks or rights to purchase or sell stocks. The information is derived from announcements made by shareholders pursuant to Art. 20 BEHG as at December 31, 2015, subject to the availability of other information.

All published notifications can be found at <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>

² JCDecaux SA, rue Soyer 17, 92200 Neuilly-sur-Seine (F), is controlled by JCDecaux Holding SA, rue Soyer 17, 92200 Neuilly-sur-Seine (F), whose shareholders are

- Members of the Decaux family: Jean-Claude Decaux (Neuilly-sur-Seine/F), Jean-François Decaux (London/GB), Jean-Charles Decaux (Neuilly-sur-Seine/F), Jean-Sébastien Decaux (Brussels/B), Jean-Pierre Decaux (Paris/F), and Danielle Decaux (Neuilly-sur-Seine/F)
- JFD Investissements (Luxembourg/L), and JFD Participations (Luxembourg/L), companies under the direct control of Jean-François Decaux
- Open 3 Investimenti (Uccle/B), a company under the direct control of Jean-Sébastien Decaux

³ On February 29, 2008, JCDecaux announced that it had granted a stock purchasing option to APG SGA SA. The option is an entitlement to purchase up to 147,000 APG SGA SA shares, which represent up to 4.9% of the voting rights of the company (see Annual Report, Corporate Governance: Clauses on changes of control, page 51).

⁴ For detailed information on the relationship between Albert Frère, Compagnie Nationale à Portefeuille, and Pargesa Asset Management (Netherlands) N.V., see: http://www.apgsa.ch/media/filer_private/2012/09/04/pargesa_management_organigramme.pdf

⁵ Number of shares according to stock register as at December 31, 2015 and 2014

⁶ The participation of Pictet Funds SA is as follows:

- Pictet (CH) Swiss Mid Small Cap (2.22%)
- Pictet (CH) Enhanced Swiss Equities 130/30 (0.9%)
- Pictet (CH) Swiss Equities (0.65%)
- Pictet Institutional Swiss Equities Tracker (0.33%)
- Pictet Swiss Market Tracker (0.05%)
- Ethos (0.03%)
- Pictet (CH) Equities Pool

⁷ Management mandates authorize International Value Advisers LLC to exercise the voting rights of 13 different investors and five funds that hold APG SGA SA shares. These five funds are: IVA Global Master Fund L.P., IVA Overseas Master Fund L.P., IVA International Fund, IVA Worldwide Fund, and IVA Global SICAV Fund.

⁸ Registered without voting rights

8 Events after the closing day

None.

Proposal of the Board of Directors

The Board of Directors proposes to the Annual General Meeting on May 24, 2016:

1. to carry forward the profit brought forward of CHF 45,021,883, composed of CHF 44,430,799 in net annual profit plus a profit brought forward of CHF 591,084 and
2. to distribute a dividend of CHF 69,000,000 (CHF 23.00 gross per share for 3,000,000 shares) out of the free reserve.

If this proposal is approved, the per-share dividend of CHF 23.00 gross or CHF 14.95 net will be paid to the shareholders as of May 30, 2016, at the addresses on record. No dividends are paid on treasury stock.

Report of the statutory auditor on the financial statements

to the General Meeting of APG SGA SA, Geneva

As statutory auditor, we have audited the financial statements of APG SGA SA, which comprise the balance sheet, income statement and notes (pages 29 to 37), for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2015, comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi
Audit expert
Auditor in charge

Philipp Gnädinger
Audit expert

Zurich, 23 February 2016

Agenda

Financial media and analysts conference

February 25, 2016, Zurich

Publication of the annual report

April 22, 2016

General Meeting

May 24, 2016, Geneva

Announcement of semi-annual results

July 29, 2016

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APG|SGA SA is Switzerland's leading Out of Home media company. Listed on the SIX Swiss Exchange, APG|SGA covers all aspects of Out of Home advertising: on the street, at the airport, in shopping centres and railway stations, in mountain regions and on public transport – from poster campaigns with the widest coverage and large poster spaces to state-of-the-art digital advertising media. When communicating with customers, the authorities and the advertising industry, APG|SGA represents sustainability, innovation and competency.

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