

Financial Report



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Consolidated financial statements

Consolidated balance sheet

Assets

in CHF 1 000	Notes	31.12.2013	31.12.2012 ¹
Buildings and land		45 946	48 404
Advertising plant		17 279	18 027
Other property, plant, and equipment		5 481	5 595
Property, plant, and equipment	3	68 706	72 026
Investments in associated companies		343	311
Other financial investments		6 443	6 763
Financial investments	4	6 786	7 074
Intangible fixed assets	5	7 002	8 051
Deferred tax assets	20	1 426	1 536
Non-current assets		83 920	88 687
Inventories		1 976	2 362
Trade accounts receivable	6	44 950	43 913
Other accounts receivable	7	3 697	13 132
Deferred expenses and accrued income		8 155	8 109
Marketable securities		286	501
Cash and cash equivalents	8	118 672	85 976
Current assets		177 736	153 993
Total		261 656	242 680

Shareholders' equity and liabilities

in CHF 1 000	Notes	31.12.2013	31.12.2012 ¹
Share capital		7 800	7 800
Capital reserves, premiums		5 995	5 727
Treasury shares		- 7 637	-8 204
Translation differences		- 1 071	193
Retained earnings		118 365	100 129
Equity held by APG SGA SA shareholders		123 452	105 645
Minority interests		3 032	3 543
Shareholders' equity	9	126 484	109 188
Provisions	10	14 072	15 618
Deferred tax liabilities	20	7 376	7 698
Long-term financial liabilities			26
Non-current liabilities		21 448	23 342
Trade accounts payable		17 729	20 465
Taxes payable		5 753	1 138
Other accounts payable	12	33 122	30 102
Accrued liabilities and deferred income	13	55 000	55 019
Provisions	10	2 120	3 426
Current liabilities		113 724	110 150
Liabilities		135 172	133 492
Total		261 656	242 680

¹ Adjusted from IFRS to Swiss GAAP ARR

Consolidated income statement

in CHF 1 000	Notes	2013	2012 ¹
Advertising revenue		304 283	317 644
Real estate revenue	16	2 158	2 456
Other operating income	17	4 355	2 524
Operating revenue		310 796	322 624
Fees and commissions		-137 433	-141 535
Personnel expenses	18	-65 969	-89 136
Operating and administrative costs		-34 698	-37 289
Operating result before depreciation and amortization (EBITDA)		72 696	54 664
Depreciation of tangible assets		-9 643	-9 729
Amortization of intangible assets		-1 145	-9 854
Impairment	3		-326
Operating income (EBIT)		61 908	34 755
Financial result	19	311	-359
Income from associates		58	26
Ordinary result before income tax		62 277	34 422
Income tax	20	-12 814	-11 133
Consolidated net income		49 463	23 289
– of which minority interests		1 758	1 978
– of which APG SGA SA shareholders (net income)		47 705	21 311
Basic and diluted earnings per share, in CHF	21	16.19	7.25

¹ Adjusted from IFRS to Swiss GAAP ARR

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	Available-for-sale securities	Re-valuation reserves	Retained earnings	Total	Non-controlling interests	Share-holders' equity
as at December 31, 2011 IFRS	7 800	5 632	-9 207	-16 967	163	46 059	90 204	123 684	2 825	126 509
Adjustment Swiss GAAP ARR (see note 2)				16 967	-163	-46 059	9 203	-20 052		-20 052
adjusted as at January 1, 2012	7 800	5 632	-9 207				99 407	103 632	2 825	106 457
Consolidated net income							21 311	21 311	1 978	23 289
Currency translation differences				193				193	-9	184
Distributions							-20 589	-20 589	-1 251	-21 840
Sale of treasury shares		95	1 003					1 098		1 098
as at December 31, 2012	7 800	5 727	-8 204	193			100 129	105 645	3 543	109 188
Consolidated net income							47 705	47 705	1 758	49 463
Change in scope of consolidation									- 274	- 274
Currency translation differences				-1 264				-1 264	5	-1 259
Distributions							-29 469	-29 469	-2 000	-31 469
Sale of treasury shares		268	567					835		835
as at December 31, 2013	7 800	5 995	-7 637	-1 071			118 365	123 452	3 032	126 484

Consolidated statement of cash flows

in CHF 1 000	Notes	2013	2012 ¹
Consolidated net income		49 463	23 289
Depreciation and amortization		10 788	20 241
Impairment	3		326
Unrealized gains/losses on securities		172	-25
Changes in provisions		-2 673	-3 188
Changes in deferred taxes	20	-461	4 086
Financial result with no cash impact		-327	520
Gain/loss from sale of non-current assets		-4 569	-2 846
Income from associates		-58	-26
Cash flow		52 335	42 377
Change in inventories		358	345
Change in accounts receivable		7 264	-6 201
Change in marketable securities		43	-93
Change in accounts payable and taxes payable		4 375	8 900
Change in other deferred expenses, accrued income, accrued liabilities, and deferred income		737	-324
Cash flow from operating activities		65 112	45 004
Capital expenditures in property, plant, and equipment	3	- 6 705	-5 350
Capital expenditures in intangible assets	5		-16
Sale of property, plant, and equipment		1 214	3 380
Sale of financial assets		28	729
Sale of subsidiaries and business activities (net of cash)	15	450	502
Net cash used in investing activities		-5 013	-755
Sale of treasury shares		835	1 098
Decrease in current payables to banks			-15 001
Decrease in long-term financial liabilities		-26	-2
Increase in short-term financial liabilities		3 250	
Dividends to APG SGA SA shareholders		-29 469	-20 589
Dividends to minority interests		-2 000	-1 251
Net cash used in financing activities		-27 410	-35 745
Currency translation effect on cash and cash equivalents		7	-62
Change in cash and cash equivalents		32 696	8 442
Cash and cash equivalents as at January 1	8	85 976	77 534
Cash and cash equivalents as at December 31	8	118 672	85 976

¹ Adjusted from IFRS to Swiss GAAP ARR

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, tourism 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 and the complete set of Reporting Recommendation ARR (Swiss GAAP ARR). The Board of Directors approved the consolidated financial statements on February 25, 2014. The Annual General Meeting on May 21, 2014, 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.

Conversion from IFRS to Swiss GAAP ARR

As of the beginning of 2013, the consolidated financial statements are drawn up in compliance with Swiss GAAP ARR (Accounting and Reporting Recommendations). Some previous year comparisons have been reclassified to conform to the presentation of the current financial year to ensure comparability.

The main reason for changing from IFRS to Swiss GAAP ARR is the growing complexity and intricacy of the detailed rules and disclosure requirements of IFRS. It is expected that this development will continue to intensify and thus the cost-benefit ratio of IFRS will become increasingly unfavorable. The APG|SGA Group is convinced that Swiss GAAP ARR represents a comprehensive and solid alternative to IFRS. By focusing on the essentials, Swiss GAAP ARR is less complex and more practicable in use.

The accounting policies and presentation according to Swiss GAAP ARR applied to the 2013 consolidated financial statements deviate from the 2012 consolidated financial statements prepared in accordance with IFRS with the significant changes summarized below:

Goodwill through business combinations including acquired contractual advertising rights (calculated under IFRS according to purchase price allocations) is capitalized at the time of the purchase and amortized over five years. Therefore, the original purchase date of the acquisition was used as the basis for the adjustment from IFRS to Swiss GAAP ARR, and the goodwill was amortized from this date over five years. According to IFRS, goodwill from acquisitions was capitalized and tested annually for impairment. Under Swiss GAAP ARR, contractual advertising rights will no longer be calculated separately on the basis of a purchase price allocation and capitalized. Instead, they will be a part of capitalized goodwill. Not through a business combination acquired contractual advertising rights are capitalized and amortized on a straight-line basis over their estimated useful lives.

According to Swiss GAAP ARR 16 *Pension benefit obligations*, the existing economic obligations and respective benefits relating to Swiss pension plans are measured based on the Swiss pension plan financial statements prepared in accordance with Swiss GAAP ARR 26 *Accounting of pension plans*. The economic impact of pension plans of foreign subsidiaries is measured according to the valuation methods applied locally. Employer contribution reserves and comparable items will be capitalized to the extent of their economic benefit for the employer. Under IFRS, pension benefits were calculated using the Projected Unit Credit Method and defined benefit plans were recognized in accordance with IAS 19.

Long-term receivables are recognized at nominal value, taking any impairments for credit risks among the financial assets into account. Under IFRS, they were measured at amortized cost according to the effective interest rate method.

Furthermore, it was decided not to capitalize tax loss carryforwards pursuant to the recognition option under Swiss GAAP ARR, regardless of whether they are estimated by the company to be usable or not.

Securities are classified as current assets and are measured at current market values with unrealized gains and losses recognized in the income statement. According to IFRS, unrealized gains and losses of available-for-sale securities were recognized in other comprehensive income.

The cumulated currency translation differences in equity were offset against retained earnings as of the conversion date for Swiss GAAP ARR on January 1, 2012.

The above-mentioned changes in the measurement and recognition of assets and liabilities result in corresponding deferred income tax effects in the balance sheet and income statement.

The effects of the adjustments to equity and net income are shown in the following table:

Effect on equity from change in accounting standard

in CHF 1 000	31.12.2012	01.01.2012
Equity according to IFRS	107 053	126 509
Remeasurement of goodwill	-33 817	-50 532
Elimination provision for pension plan according to IAS 19	55 850	50 371
Capitalization employer contribution reserve	3 598	
Provision for pension plan according to Swiss GAAP ARR	-13 559	-13 225
Elimination of capitalized tax loss carryforwards	-590	-741
Total income tax effect	-9 347	-5 925
Total adjustments in equity	2 135	-20 052
Equity according to Swiss GAAP ARR	109 188	106 457

Effect on goodwill from change in accounting standard

in CHF 1 000	31.12.2012	01.01.2012
Goodwill according to IFRS	6 925	18 862
Reclassification of contractual advertising rights from purchase price allocation under IFRS	26 892	40 389
Elimination of accumulated impairments and amortization of contractual advertising rights from purchase price allocation under IFRS	165 733	140 299
Accumulated amortization of goodwill under Swiss GAAP ARR	-199 550	-190 831
Goodwill according to Swiss GAAP ARR	0	8 719

Effect on contractual advertising rights from change in accounting standard

in CHF 1 000	31.12.2012	01.01.2012
Contractual advertising rights according to IFRS	34 943	50 316
Reclassification of contractual advertising rights from purchase price allocation under IFRS	-26 892	-40 389
Contractual advertising rights according to Swiss GAAP ARR¹	8 051	9 927

¹ Not acquired through business combinations

Effect on consolidated net income from change in accounting standard

in CHF 1 000	01.01.–31.12.2012
Net income according to IFRS	52 057
Amortization of goodwill under Swiss GAAP ARR	-8 719
Impairment of goodwill/impairment and amortization of contractual advertising rights	25 433
Elimination of additional pension income according to IAS 19	-38 544
Capitalization employer contribution reserve	3 598
Additional pension costs according to Swiss GAAP ARR	-24 334
Non-realized gains and losses from securities	111
Elimination of capitalized tax loss carryforwards	46
Deconsolidation effects (recycling of currency translation differences)	916
Total income tax effect	12 725
Total adjustments in net income	-28 768
Net income according to Swiss GAAP ARR	23 289

The conversion to Swiss GAAP ARR did not impact the income attributable to minority interests.

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 24 of this report. Companies are consolidated starting on the date at which the Group gains control. 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 net result. Intercompany transactions within the scope of consolidation and the resulting receivables or payables are completely eliminated. APG|SGA owns just 50% of the voting power of Impacta. However, management control is present because sales, marketing and logistics are performed by Allgemeine Plakatgesellschaft AG, a 100% subsidiary of APG|SGA SA. Furthermore, the presence of the Group's members in the Board of directors of Impacta enables the Group to control its business and the distribution of dividends.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any minority interest in the acquiree. Acquisition costs incurred are capitalized and part of the acquisition cost.

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 over five years. Contractual advertising rights acquired by business combination 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*.

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 in CHF	Assets and liabilities Year-end exchange rate December 31, 2013	December 31, 2012	Income, expenses Average exchange rate 2013	2012
1 EUR ¹		1.2075		1.2053
1 RSD	0.0107	0.0106	0.0109	0.0107
1 RON ¹		0.2722		0.2705

¹ Through the sale of the companies in Montenegro and in Romania, there is no currency valuation in EUR and RON in the balance sheet as at December 31, 2013.

For 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.

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.

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 unrealised gains and losses recognized in the income statement and classified as current assets. Foreign exchange gains and losses on securities are also recognized in the income statement.

Accounts receivable

Accounts receivable are recognized at nominal value less allowance for bad debts. The allowance for bad debts is calculated based on past experience and aging structure.

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.

Intangible assets

Intangible assets include contractual advertising rights which are capitalized at cost and amortized on a straight-line basis over the contract period.

Goodwill

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 time of the purchase and amortized over five years. For the determination of goodwill from acquisitions, part of the purchase price contingent on future performance is estimated best possible at the date of acquisition. Accordingly, capitalized goodwill is modified for adjustments resulting later from the final purchase price determination.

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 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

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.

Liabilities

Current liabilities include such with maturities up to 12 months, as well as accrued liabilities and deferred income. Long-term liabilities include loans with maturities of more than one year. 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 their own 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 like 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 carry-forwards are not capitalized pursuant to the recognition option under Swiss GAAP ARR, regardless 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

In 2013, the scope of consolidation was changed by the sale of our subsidiaries in Romania and Montenegro.

In the prior year, the scope of consolidation was changed by the sale of S.C. Communication Media Srl (Bucarest).

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, 2012	129 721	115 469	9 362	6 177	11 475	272 204
Changes in scope of consolidation		-645	-5	-12	-19	-681
Additions	73	3 033	317	733	1 194	5 350
Disposals	-4 383	-20 605	-1 867	-1 912	-979	-29 746
Translation differences		-1 246	-26	-23	-41	-1 336
as at December 31, 2012	125 411	96 006	7 781	4 963	11 630	245 791
Changes in scope of consolidation		-5 084	-188	-223	-509	-6 004
Additions	162	3 885	280	1 275	1 103	6 705
Reclassifications		-2	2			
Disposals		-15 709	-500	-684	-1 473	-18 366
Translation differences		243	7	7	19	276
as at December 31, 2013	125 573	79 339	7 382	5 338	10 770	228 402
Accumulated depreciation						
as at January 1, 2012	-77 031	-95 196	-6 946	-4 955	-9 325	-193 453
Changes in scope of consolidation		645	5	12	19	681
Additions	-2 808	-4 505	-559	-814	-1 043	-9 729
Impairment		-325				-325
Disposals	2 832	20 605	1 865	1 912	961	28 175
Translation differences		797	22	20	47	886
as at December 31, 2012	-77 007	-77 979	-5 613	-3 825	-9 341	-173 765
Changes in scope of consolidation		5 080	118	197	450	5 845
Additions	-2 620	-4 444	-513	-960	-1 106	-9 643
Disposals		15 446	498	683	1 427	18 054
Translation differences		-163	-4	-6	-14	-187
as at December 31, 2013	-79 627	-62 060	-5 514	-3 911	-8 584	-159 696
Net book value						
as at December 31, 2012	48 404	18 027	2 168	1 138	2 289	72 026
as at December 31, 2013	45 946	17 279	1 868	1 427	2 186	68 706

Insurance value: Real estate CHF 110,996,000 (PY CHF 110,796,000),
Other property, plant and equipment: CHF 75,552,000 (PY CHF 79,897,000)

The buildings are used predominantly for operating purposes.

Impairment

An impairment loss in Montenegro for property, plant, and equipment was recognized in 2012 in the amount of CHF 0.3 million since the book value exceeded the value in use.

4 Financial investments

in CHF 1 000	December 31, 2013	December 31, 2012
Investments in associated companies	343	311
Participations		17
Loans	1 961	1 976
Long-term receivables from sale of business activities	829	1 117
Assets from pension plan (Employer contribution reserve)	3 598	3 598
Other financial assets	55	55
Total	6 786	7 074

5 Intangible fixed assets

in CHF 1 000	Goodwill	Contractual advertising rights	Total
At cost			
as at January 1, 2012	199 550	12 249	211 799
Changes in scope of consolidation	-4 870		-4 870
Additions		16	16
Disposals	-67 102	-294	-67 396
Translation differences	-899	-912	-1 811
as at December 31, 2012	126 679	11 059	137 738
Changes in scope of consolidation	-28 514	-17	-28 531
Additions			
Disposals		-75	-75
Translation differences	501	102	603
as at December 31, 2013	98 666	11 069	109 735
Accumulated amortization			
as at January 1, 2012	-190 831	-2 322	-193 153
Changes in scope of consolidation	4 078		4 078
Additions	-8 719	-1 135	-9 854
Disposals	67 102	294	67 396
Translation differences	1 691	155	1 846
as at December 31, 2012	-126 679	-3 008	-129 687
Changes in scope of consolidation	28 514	17	28 531
Additions		-1 145	-1 145
Impairment			
Disposals		75	75
Translation differences	-501	-6	-507
as at December 31, 2013	-98 666	-4 067	-102 733
Net book value			
as at December 31, 2012		8 051	8 051
as at December 31, 2013		7 002	7 002

6 Trade accounts receivable

in CHF 1 000	December 31, 2013	December 31, 2012
Trade accounts receivable	46 944	46 212
Bad debt allowance	-1 994	-2 299
Total	44 950	43 913

Change in bad debt allowance of trade accounts receivable

in CHF 1 000	2013	2012
as at January 1	-2 299	-13 146
Changes in scope of consolidation	921	283
Addition	-736	-1 353
Utilization	107	10 889
Reversal	32	815
Translation differences	-19	213
as at December 31	-1 994	-2 299

7 Other accounts receivable

in CHF 1 000	December 31, 2013	December 31, 2012
Tax refund claims	894	7 225
VAT receivable	73	125
Accounts receivable from associated companies	509	4
Prepayments to suppliers	247	325
Personnel and social benefits	219	539
Receivables from related parties		140
Receivables from loans to third parties	860	740
Short-term receivables from sale of business activities	688	444
Other	1 355	4 626
Bad debt allowance	-1 148	-1 036
Total	3 697	13 132

Change in bad debt allowance of other accounts receivable

in CHF 1 000	2013	2012
as at January 1	-1 036	-6 969
Changes in scope of consolidation		12
Addition	-273	-167
Utilization	164	5 955
Reversal		56
Translation differences	-3	77
as at December 31	-1 148	-1 036

8 Cash and cash equivalents

in CHF 1 000	December 31, 2013	December 31, 2012
Cash, postal and bank account balances	118 465	85 770
Time deposits	207	206
Total	118 672	85 976

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

2012		Quantity	Average price in CHF
as at January 1, 2012		62 561	
1st quarter	Additions		
	Disposals		
2nd quarter	Additions		
	Disposals	-3 859	160.00
3rd quarter	Additions		
	Disposals	-1 330	168.30
4th quarter	Additions		
	Disposals	-1 632	180.85
as at December 31, 2012		55 740	
2013		Quantity	Average price in CHF
as at January 1, 2013		55 740	
1st quarter	Additions		
	Disposals		
2nd quarter	Additions		
	Disposals	-1 500	206.33
3rd quarter	Additions		
	Disposals	-2 350	226.36
4th quarter	Additions		
	Disposals		
as at December 31, 2013		51 890	

As at December 31, 2013, treasury shares accounted for 1.7% of the share capital (PY 1.9%).

The Swiss Pension Plan of APG|SGA Group holds 19,000 APG|SGA shares as at 31 December 2013 (PY 19,000). The shares held by related parties is disclosed in the notes to the financial statements of APG|SGA SA (see page 35).

The amount of not distributable reserves and retained earnings amounts to CHF 37,181,000 (PY CHF 35,720,000).

The General Meeting of May 22, 2013, decided to pay a dividend of CHF 10.00 per share.

In 2012, a dividend of CHF 7.00 per share was paid out.

10 Provisions

in CHF 1 000	Pension plan	Dismantling obligations	Other	2013 Total	Pension plan	Dismantling obligations	Other	2012 Total
as at January 1	13 559	2 724	2 761	19 044	13 225	2 415	3 639	19 279
Changes in scope of consolidation			-173	-173			-620	-620
Addition			1 031	1 031	13 559	401	851	14 811
Utilization	-3 317		-149	-3 466	-13 225		-189	-13 414
Reversal		-88	-166	-254		-88	-901	-989
Translation differences		5	5	10		-4	-19	-23
as at December 31	10 242	2 641	3 309	16 192	13 559	2 724	2 761	19 044
Thereof current	2 120			2 120	3 426			3 426
Thereof non-current	8 122	2 641	3 309	14 072	10 133	2 724	2 761	15 618

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.

11 Employee benefits

Employer contribution reserve

in CHF 1 000	2013	2012
Nominal and book value as at January 1	3 598	
Employer contributions		3 598
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	31.12.2013	31.12.2013 31.12.2012			2013 2012
Pension plans without funding surplus/deficit				5 594	5 594 25 558
Pension plans with funding surplus					
Pension plans with funding deficit					
Total				5 594	5 594 25 558

Summary of pension costs

in CHF 1 000	2013	2012
Contributions to pension plan expensed at Group companies	5 594	29 156
Contributions to pension plan credited to employer contribution reserve		-3 598
Contributions to pension plan made from employer contribution reserve		
Contributions and changes in employer contribution reserve	5 594	25 558
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	5 594	25 558

12 Other accounts payable

in CHF 1 000	December 31, 2013	December 31, 2012
VAT owed	4 499	4 208
Accounts payable to associated companies	52	156
Prepayments by customers	20 840	19 490
Short-term financial liabilities	3 250	
Personnel and social benefits	750	1 760
Other	3 731	4 488
Total	33 122	30 102

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 Obligations and contingent liabilities

The following off balance sheet commitments exist:

Unrecognized guaranty obligations to third parties: CHF 32,000 (PY 279,000)

There were no pledged or assigned assets with reservation of ownership.

15 Business acquisitions and disposals

Acquisitions and disposals during 2013 and 2012 are shown below. The percentage in brackets indicate the percentage voting rights held in each company.

Transactions 2013

Disposals

- Montepano d.o.o., Podgorica, Montenegro (80%)
- Affichage Romania Srl, Bucurest, Romania, including all Romanian subsidiaries (100%)

Transactions 2012

Disposal

Communications Media S.R.L., Bihor, Romania (75%)

Liquidations

- Affichage Hellas SA, Athens, Greece (100%)
- Clear Media SA, Athens, Greece (100%)
- Domisi Wall SA, Athens, Greece (100%)
- A.A. Manivale Ltd, Nicosia, Cyprus (100%)
- Admaioem Cross Venture Capitals Ltd, Nicosia, Cyprus (100%)

Sold business activities

in CHF 1 000	2013	2012
Total consideration from sale of business activities	937	552
Of which deferred consideration	-245	
Cash received from sale of business activities	692	552
Cash over which control is lost due to sale of subsidiaries	-242	-50
Net of cash from sale of subsidiaries and business activities	450	502
Non-current assets over which control is lost due to sale of business activities	-556	-318
Current assets over which control is lost due to sale of business activities	-1 686	-750
Non-current liabilities over which control is lost due to sale of business activities	208	
Current liabilities over which control is lost due to sale of business activities	3 693	714
Minority interest disposal due to sale of business activities	274	
Recycling of currency translation gains	1 282	
Net gain on disposal of business activities	3 665	148

16 Real estate revenue

The space rented to third parties is 13,237 m² or 35.0% of the entire useful area (PY 12,976 m² or 34.3%).

17 Other operating income

in CHF 1 000	2013	2012
Net gains from sale of property, plant, and equipment	690	1 949
Net gains on disposal of business activities	3 665	148
Net gains on discontinuing business activities		427
Total other operating income	4 355	2 524

18 Personnel expenses

in CHF 1 000	2013	2012
Wages and salaries	-54 305	-57 093
Ordinary pension costs	-5 594	-4 822
Extraordinary pension costs due to restructuring pension plan		-20 736
Social security and retirement benefits	-5 161	-4 870
Other personnel expenses	-909	-1 615
Total personnel expenses	-65 969	-89 136

Extraordinary pension costs in 2012 include a one-time contribution to the pension plan in the amount of CHF 7,177,000 in order to reach a sufficient cover ratio, and creation of a provision for protection of vested rights for employees in the amount CHF 13,559,000.

The APG|SGA Group employs a total number of 596 persons (PY 652), thereof 538 (PY 537) in Switzerland and 58 (PY 115) in foreign markets, calculated on the basis of full-time equivalents 100%.

19 Financial result

in CHF 1 000	2013	2012
Interest earnings	137	461
Income from participations	29	15
Other financial income	648	4
Fair value adjustment of put option liabilities		1 224
Result from marketable securities		116
Foreign exchange translation differences	133	
Total financial income	947	1 820
Foreign exchange translation differences		-1 881
Result from marketable securities	-171	
Bank expenses	-135	-214
Interest expenses	-307	-84
Other financial expenses	-23	
Total financial expenses	-636	-2 179
Total financial result	311	-359

20 Income tax

Taxes paid and expensed are composed of the following items:

in CHF 1 000	2013	2012
Current income tax expense	- 13 275	-7 047
Deferred tax expenses	461	-4 086
Total	-12 814	-11 133

The total amount of not capitalized deferred tax asset relating to tax loss carry forwards amounts to CHF 1,138,000 (PY CHF 2,371,000).

For calculation of deferred taxes, an average tax rate of 23.0% was applied. The tax rate did not change significantly compared to previous year.

21 Earnings per share

Earnings per share are calculated as follows:

	2013	2012
Net income, in CHF 1 000	47 705	21 311
Weighted average number of shares	2 946 079	2 940 554
Basic and diluted earnings per share, in CHF	16.19	7.25

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
- Interplakat AG, Berne, owned by Markus Scheidegger, a member of the Board of Directors, and his family
- Ecofer AG, Berne, an associated company
- 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	2013	2012
Sales to related party	153	449
Purchases from related party	279	165
Receivables as at 31 December toward related party	111	162
Payables as at 31 December toward related party	14	43

Interplakat AG, in CHF 1 000	2013	2012
Sales to related party	178	220
Purchases from related party	2 017	2 260
Receivables as at 31 December toward related party	487	74
Payables as at 31 December toward related party		

Ecofer AG, in CHF 1 000	2013	2012
Sales to related party	490	680
Purchases from related party	1 618	1 955
Receivables as at 31 December toward related party	703	121
Payables as at 31 December toward related party	707	12

Remuneration of Directors and Executive Board members

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 34).

23 Segment information by regions

in CHF m		Advertising revenue	EBITDA
Switzerland	2013	289.1	67.6
	2012 ¹	297.1	49.7
International	2013	15.2	1.4
	2012 ¹	20.5	4.0
Eliminations and non-allocated items of consolidated income	2013		3.7
	2012 ¹		
Total	2013	304.3	72.7
	2012 ¹	317.6	53.7

¹ Adjusted from IFRS to Swiss GAAP ARR

24 Participations of APG|SGA Group

Company, headquarters	Share capital in local currency		Consolidation method	Share of capital in %
Switzerland				
Allgemeine Plakatgesellschaft AG, Zürich	CHF	37 600 000.00	F	100.00
Bercher SA Publicité générale, Meyrin	CHF	500 000.00	F	100.00
APG-SGA Traffic AG, Zürich	CHF	200 000.00	F	100.00
Paron AG, Zürich	CHF	200 000.00	F	100.00
Sportart AG, Zürich	CHF	100 000.00	F	100.00
Swiss Poster Research Plus AG, Zürich	CHF	100 000.00	F	100.00
Visiorama AG, Zürich	CHF	100 000.00	F	100.00
Alkon AG, Zürich	CHF	50 000.00	F	100.00
Impacta AG, Bern	CHF	100 000.00	F	50.00
Ecofer AG, Bern	CHF	250 000.00	E	50.00
Serbia				
Alma Quattro d.o.o., Beograd	RSD	83 271 117.25	F	100.00

¹ Status December 31, 2013

F = Full consolidation

E = Equity method

For changes of participations, see note 15.

25 Events after the closing date

As at February 25, 2014, APG|SGA SA acquired the remaining 50% of the shares in Impacta AG and Ecofer AG from Polymedia Holding AG. This acquisition means that APG|SGA has now fully acquired the two companies in which it has had a 50% holding since 1970.

These financial statements consider events after the closing date until February 25, 2014.

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 25), for the year ended December 31, 2013.

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 an evaluation of the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as an evaluation of 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 December 31, 2013, 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.

Other matter

The financial statements of APG|SGA SA for the year ended December 31, 2012, were audited by another firm of auditors. Its report, dated February 26, 2013, expressed an unmodified opinion on those statements.

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 that 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, February 26, 2014

Financial statements of APG|SGA SA

Balance sheet

Assets

in CHF 1 000	Notes	31.12.2013	31.12.2012
Participations	1	120 825	120 885
Loans to Group companies		91 192	95 251
Loans to third parties		2 208	2 978
Tangible fixed assets		134	48
Non-current assets		214 359	219 162
Accounts receivable from Group companies			160
Accounts receivable from third parties		773	1 266
Deferred expenses		151	
Marketable securities		7 307	7 653
Cash and cash equivalents		1 256	1 741
Current assets		9 487	10 820
Total		223 846	229 982

Shareholders' equity and liabilities

in CHF 1 000		31.12.2013	31.12.2012
Share capital		7 800	7 800
General reserve	2	18 750	18 750
Reserve for treasury shares		7 636	8 203
Free reserve	3	165 053	193 954
Retained earnings		-71 829	-82 658
Net annual profit		18 614	10 830
Shareholders' equity		146 024	156 879
Provisions		6 599	5 952
Accounts payable to Group companies		68 630	63 838
Accounts payable to third parties		372	416
Accrued liabilities		2 221	2 897
Liabilities		77 822	73 103
Total		223 846	229 982

Income statement

in CHF 1 000	Notes	2013	2012
Income from participations	4	21 127	43 823
Financial income	5	3 605	5 743
Other revenue	6	3 300	2 891
Total revenue		28 032	52 457
Loss from sale and impairment of participations	7		-27 230
Financial expenses	8	-2 560	-2 808
Personnel expenses		-4 635	-5 370
Administrative costs		-1 636	-3 310
Extraordinary expenses	9	-500	-2 911
Depreciation		-21	-17
Total expenses		-9 352	-41 646
Income before taxes		18 680	10 811
Taxes		-66	19
Net annual profit		18 614	10 830

Notes to financial statements

Introduction

The financial statements of APG|SGA SA 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.

With the application of the transitional provisions of the new accounting law, these financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations effective until December 31, 2012.

Balance sheet

- 1 The book values of participating interests changed due to the sale of foreign subsidiaries.
- 2 The item general reserve contains the legal reserve amounting to 50% of the original share capital.
- 3 The decrease in free reserves of total CHF 28,901,000 is due to the change of reserves for treasury shares (increase of CHF 567,000) and dividend payments to the shareholders (decrease of CHF 29,468,000).

Income statement

- 4 Income from participations contains dividends received from subsidiaries and gains from the sale of participations. The dividends are recognized in the year in which they are ratified by the respective general meetings.
- 5 Financial income contains interest receivable and income from financial investments.
- 6 Other revenue is revenue from services.
- 7 Loss from participations in the previous year includes value adjustments on foreign participating interests.
- 8 Financial expenses include interests payable, bank expenses and foreign currency translation losses.
- 9 Extraordinary expenses represent a loss on accounts receivable from a third party. In the previous year, this item relates mainly to restructuring costs of the pension plan.

Participations

The list of participations of APG|SGA SA is provided on page 25.

Treasury shares

As at December 31, 2013, APG|SGA SA and its subsidiaries owned 51,890 treasury shares. Detailed information on changes (purchases/sales) is provided on page 19.

Guaranty obligations

APG|SGA SA has guaranty obligations in favour of its subsidiaries in a total amount of CHF 16,665,000 (PY CHF 16,665,000).

Accounts payable to pension plan

As at December 31, 2013, APG|SGA SA had no payables to its pension plan (PY none).

Excess Reserves

In financial year 2013, excess reserves have not been released (PY CHF 1,528,000).

Risk management

The Board of Directors has issued risk management guidelines and principles, and instructed the Executive Board to perform a risk analysis at least once a year. The risk management system allows the early detection of risks and the timely implementation of appropriate measures. The risk assessment process includes guidelines concerning the systematic recording and evaluation of risks, their prioritization, the appraisal of their influence on the Group as a whole, and the initiation and monitoring of measures for the avoidance or minimization of risks. The risks are summarized in a risk/probability matrix. Risk assessment topics were discussed by the Audit Committee during its November meeting and by the Board of Directors in the December session.

Disclosure of remuneration of non-executive members of the Board of Directors

Name	Function	Fixed cash portion	Variable cash portion	Basic salary	Quantity	Allocated shares	Total remuneration ¹	
				Total cash payment		Market value when allocated	2013	2012
Jean-François Decaux	Chairman	142 000		142 000	206	50 000	192 000	192 000
Paul-Henry Binz	Vice-Chairman	88 000		88 000	82	20 000	108 000	108 000
Gilles Samyn	Member	58 000		58 000	82	20 000	78 000	78 000
Markus Scheidegger ²	Member	352 000		352 000	82	20 000	372 000	357 000
Robert Schmidli	Member	88 000		88 000	82	20 000	108 000	108 000
Total		728 000		728 000	534	130 000	858 000	843 000

¹ Including social benefits, amounts rounded

² Including remunerations Impacta/Ecofer

Remunerations cover all activities within the scope of the Board of Directors of APG|SGA SA and in the service of other companies associated with the Group. The remuneration is not pensionable.

Disclosure of remuneration of executive members of the Board of Directors and of the Executive Board^{1,2}

	Fixed cash portion	Variable cash portion	Social benefits	Basic salary	Quantity	Allocated shares ⁴	Credit Bonus/Malus-Bank net after allocation of shares	Total compensation	
				Total cash payments ³		Market value when allocated		2013	2012
Total	2 451 000	840 000	690 000	3 981 000	1 135	275 000	272 000	4 528 000	4 635 000

Highest total compensation:

Daniel Hofer, CEO	563 000	280 000	172 000	1 015 000	373	90 000	99 000	1 204 000	1 194 000
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Statement Bonus/Malus Bank	Balance previous year	Current year New allocation	Pay-out ⁵	Balance	Balance to be carried forward
Total	517 000	691 000	419 000	272 000	789 000

Highest total compensation:

Daniel Hofer, CEO	172 000	235 000	136 000	99 000	271 000
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¹ Amounts rounded

² One Executive Board member partly charged out to third parties

³ Including social benefits

⁴ 3 years blocked and allocated in 2014

⁵ Included in the table above

Loans and credits granted to governing bodies

As at December 31, 2013, APG|SGA SA and its subsidiaries have granted no securities, loans, advances, or credits to members of the Board of Directors or of the Executive Board or closely linked individuals (for transactions with the JCDecaux Group, see note 22 to the consolidated financial statements).

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

Name	Function	Shares as at December 31, 2013	Shares as at December 31, 2012
Jean-François Decaux	Chairman	901 369 ¹	901 119 ¹
Paul-Henry Binz	Vice-Chairman	201 204 ²	201 104 ²
Gilles Samyn	Member	759 197 ³	759 097 ³
Robert Schmidli	Member	558	418
Markus Scheidegger	Member	63 410 ⁴	63 310 ⁴
Daniel Hofer	Chief Executive Officer	2 371	2 083
Beat Hermann ⁵	Chief Financial Officer	126	0
Ulrich von Bassewitz ⁶	Chief Financial Officer	–	1 690
Thomas Rainer	Head of International Markets	570	438
Markus Ehrle	Head of Marketing & Business Development	270	180
Beat Hostenstein	Head of Partner & Product Management	664	584
Christian Gotter ⁷	Head of Logistics	30	0
Walter Robert Oeschger ⁸	Head of Logistics	–	311
Marcel Seiler	Head of Human Resources	71	46
Daniel Strobel	Head of Advertising Market & Subsidiaries Switzerland	290	200
Total		1 930 130	1 930 580

¹ Of which 900,000 JCDecaux SA

² Including Grisobi Holding SA and Béatrice Binz

³ Of which 758,888 Pargesa Asset Management (Netherlands) N.V.

⁴ Including Polymedia Holding AG and Andreas Scheidegger

⁵ Entry as at March 1, 2012

⁶ Left as at March 31, 2012

⁷ Entry as at January 1, 2012

⁸ Left as at February 29, 2012

The APG|SGA Group has no stock options program.

Significant shareholders¹

	Shares as reported as of December 31, 2013		Shares as reported as of December 31, 2012	
		in %		in %
JCDecaux SA, Neuilly-sur-Seine (F) ²	900 000	30.00 ^{3,5}	900 000	30.00 ^{3,5}
Albert Frère, Gerpinnes (B), Compagnie Nationale à Portefeuille, Loverval (B)	758 888	25.30 ^{4,5}	758 888	25.30 ^{4,5}
Béatrice and Paul-Henry Binz, Grisobi Holding SA, Bulle (CH)	201 204	6.71 ⁵	201 104	6.70 ⁵
International Value Advisers LLC, New York (USA)	105 195	3.51 ^{5,6}	104 306	3.48 ^{5,6}
Pictet Funds SA, Geneva (CH)	99 736	3.32 ^{5,7}	–	–
APG SGA SA, Geneva (CH) (shares)	51 890	1.73 ^{5,8}	55 740	1.86 ^{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 of December 31, 2013, subject to the availability of other information.

All published notifications can be found at http://www.six-exchange-regulation.com/publications/published_notifications/major_shareholders_en.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 (Bruxelles/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.apgsga.ch/media/filer_private/2012/09/04/pargesa_management_organigramme.pdf

⁵ Number of shares according to stock register as of December 31, 2013 and 2012

⁶ 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.

⁷ On September 30, 2013, Pictet Funds SA, Geneva (CH), announced that the 3% threshold had been exceeded. The participation of Pictet Funds SA looks as follows:

- Pictet (CH) Swiss Mid Small Cap (1.99%)
- Pictet (CH) Enhanced Swiss Equities 130/30 (0.63%)
- Pictet (CH) Swiss Equities (0.55%)
- Pictet Institutional Swiss Equities Tracker (0.06%)
- Pictet Swiss Market Tracker (0.05%)
- Ethos (0.04%)
- Pictet (CH) Equities Pool

⁸ Registered without voting rights

Proposal of the Board of Directors

The Board of Directors proposes to the Annual General Meeting on May 21, 2014:

1. to carry forward the loss brought forward of CHF 53,214,915, composed of CHF 18,613,950 in net annual profit minus a loss brought forward of CHF 71,828,865 and
2. to distribute a dividend of CHF 36,000,000 (CHF 12.00 gross per share for 3,000,000 shares) out of the free reserve.

If this proposal is approved, the per-share dividend of CHF 12.00 gross or CHF 7.80 net will be paid to the shareholders as of May 28, 2014, 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 December 31, 2013.

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 an evaluation of the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as an evaluation of 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 December 31, 2013, comply with Swiss law and the company's articles of incorporation.

Other matter

The financial statements of APG|SGA SA for the year ended December 31, 2012, were audited by another firm of auditors. Its report, dated February 26, 2013, expressed an unmodified opinion on those statements.

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 that 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, February 26, 2014

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

Agenda

Financial media and analysts conference

February 27, 2014, Zurich

Publication of the annual report

April 23, 2014

General Meeting

May 21, 2014, Geneva

Announcement of semi-annual results

July 31, 2014

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