

Letter to shareholders

Affichage Group

Ambitious targets clearly exceeded

Group financial highlights		Change 2000
– Sales revenue	CHF 307.6 m	+ 14.5%
Switzerland	CHF 279.8 m	+ 14.8%
Europlakat (49%)	CHF 27.8 m	+ 11.1%
– Operating income	CHF 39.3 m	+ 22.7%
– Consolidated net income	CHF 28.4 m	+ 18.4%
– Cash flow	CHF 55.3 m	+ 19.2%
– Investments in fixed assets	CHF 23.3 m	- 18.2%
of which advertising media	CHF 17.3 m	- 26.2%

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February 27, 2001

Ambitious targets clearly exceeded

Ladies and Gentlemen
Dear Shareholders

In 2000, we celebrated our centennial and looking back, the year gives us every reason to be in a jubilant mood. Consolidated sales revenue advanced by 14.5 percent to close at CHF 307.6 million, crossing the CHF 300 million threshold for the first time. Concurrently, consolidated net income increased overproportionally to CHF 28.4 million. This is due to the favorable economic climate in Switzerland, our domestic market, and to SGA's past efforts which bore fruit last year. Our customers appreciate and acknowledge our services, specifically the systematic actions to enhance transparency in pricing and the quality of our sites. In an ongoing effort to better serve our most important clients, we also introduced a key account management structure. It allows us to focus on relations with long-standing customers and at the same time place more emphasis on new business.

SGA succeeded in further boosting the appeal of the poster as an advertising medium. This is affirmed not only by financial figures but also in general terms by the above-average growth of outdoor advertising in comparison with other media.

A dependable partner throughout Switzerland

To underpin our market leadership in Switzerland, we increased our sales potential with new concessions and the systematic acquisition of smaller companies. Consolidated sales revenue in the domestic marketplace rose by 14.8 percent to CHF 279.8 million, and operating income increased by 25.0 percent to CHF 37.3 million. Investments declined from CHF 23.4 million to CHF 17.5 million. This is due to three reasons: the largely completed investment program for a number of key Master Concepts, a stronger focus on return on investment, and the postponement of new investment projects, mainly because the official permits have not yet been issued.

As the largest subsidiary of Affichage Holding, SGA boosted outdoor advertising revenues – without acquisitions and price increases – by 14.5 percent to CHF 249.0 million. The other Affichage Group companies – including Bercher SA, a specialist in airport advertising sites, and Paron AG, active in large-image communication (megaposters) – all reported encouraging results.

The acquisition of Alkon in the last quarter of 2000, with effect from 01.01.01, allowed us to strengthen our position as the number one provider in the business metropolis of Zürich. The finalization of a new concession agreement with the city of Freiburg as well as new contracts in Bern and Basel extended SGA's market penetration. We continue to be a dependable partner nationwide with a convincing package of sites and services. The centennial gave us the opportunity to organize many local and national events that also intensified partner and customer relationships.

Increase of sales revenues abroad

The volume of foreign business, mainly in Central Europe, grew as well. Sales revenues generated by the Europlakat Group, in which Affichage Holding still owns an interest of 49 percent, increased by 11.1 percent to CHF 27.8 million. The business trend varied considerably from country to country.

A new dimension in outdoor advertising

The successful anniversary year is a commitment. A strong dedication to innovation and market orientation will guarantee our continued success. SGA has initiated various projects to safeguard its future. An innovative information system scheduled to launch in 2002 and 2003 will establish the platform for even greater professionalism and customer satisfaction. The visualization of all poster sites is yet another milestone certain to receive international recognition.

Our entry into the next outdoor advertising generation, represented by the electronic poster, coincides with the anniversary year as well. Together with our technology partner Media! AG of Munich, Affichage Holding incorporated e-advertising AG. Under the motto "When posters came alive" e-advertising is implementing the first project with big screens at the Zürich railway station in the spring of 2001. Our electronic combination of advertising and content enriches the Swiss outdoor advertising scene by a new dimension.

Dividend proposal

In financial 2000, Affichage Holding SA generated a profit of CHF 28,300,777 (prior year: CHF 21,525,204).

The Board of Directors will propose to the General Meeting of Shareholders on May 28, 2001, to increase the payment of a dividend from CHF 24.00 to CHF 25.00 per share. Traditionally Affichage Holding pays out a substantial part of its profit. This policy will not be changed, and takes into consideration the necessary resources for financing future growth.

Outlook

The start into 2001 was reassuring. Trends suggest that the high demand level of the prior year will be maintained in the first quarter. The demand situation for the subsequent quarters justifies optimism. In Switzerland the situation for site acquisition has become more competitive. Despite these circumstances, we expect to achieve the budgeted growth rates. Moreover, we have several ongoing projects that allow us to further enhance the attractiveness of our offer. One item is still pending: the decision of the Antitrust Commission (WEKO) in proceedings triggered by the purchase of 30% of Affichage Holding shares by JCDecaux.

Sincerely yours,

Jean-Philippe Maitre
Chairman of the Board

Christian Kauter
Chief Executive Officer

Schedule 2001

Thursday, May 3	Annual report		
Thursday, May 3	Invitation to General Meeting		
Thursday, May 3	Press conference	Zürich, Hotel Widder	10:00 AM
Thursday, May 3	Analysts presentation	Zürich, Hotel Widder	2:00 PM
Monday, May 28	General Meeting	Geneva, Hotel Noga Hilton	4:30 PM