

EANS-Adhoc: Goldbach Group AG / Business results 2010: Goldbach Group with EBIT growth and margin improvement (with document)

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CHF 334.5 million in net revenue - CHF 29.1 million in EBITDA - CHF 22.7 million in EBIT - striking margin improvement in the online business - profit of CHF 5.1 million - proposed dividend of CHF 0.71 - two-digit growth in revenue and EBIT anticipated for 2011.

Küsnacht, March 3, 2011. Goldbach Group, the leader in the marketing of private electronic, interactive and mobile media in Switzerland, with its international companies in ten countries, including the Romanian print company division, which is no longer operated as part of the core business, recorded in the 2010 business year net turnover of CHF 334.5 million (+5.2%), EBITDA of CHF 29.1 million (+43.1%) and EBIT of CHF 22.7 million (+92.7%). Taking into consideration the one-time special factors, the net profit was CHF 5.1 million (+6.7%). The comparative operative result for the core business from the previous year, without the Romanian print division and special factors, with revenue of CHF 327.2 million (+6.8%) and CHF 24.7 million (+12.1%) in EBITDA, resulted in an EBIT of CHF 21.7 million (+16.9%) and a profit for the year of CHF 9.0 million (+13.1%). A dividend of CHF 0.71 per share will be proposed and decided upon at the General Meeting. The Goldbach Group anticipates two-digit growth in revenue and EBIT in the 2011 business year.

In January, the Goldbach Group published provisional operating turnover and division figures for 2010, which were comparable with the prior year 2009, but without the Romanian print operations, which have not been part of the core business since the 2008 business year. Because this company division was only partially disposed of, in compliance with IRFS 5, it was again included in the continuing operations. The figures reported for the previous year were adjusted accordingly. To enhance the transparency of the results, the figures for the 2010 core business are also listed adjusted for the special factors.

The recorded definite net turnover for 2010 amounted to CHF 334.5 million

(previous year: CHF 318.0 million). This was comprised of CHF 119.6 million in the online segment (+4.5%) and CHF 208.6 million (+8.0%) in the offline segment. Recorded for the print division, which is no longer part of the core business, was CHF 7.3 million (-36.6%). Adjusted for negative currency effects, particularly for the euro, the Polish zloty and the Romanian Leu, the increase in turnover in the online segment was 7.3%, and 8.2% in the offline segment. The currency-adjusted turnover increase for the core business in the online and offline segments amounted to 8%, or 6.6% with the inclusion of the print division. The online segment, which since October 2010 consists of the Goldbach Audience and Goldbach Interactive business lines, contributed 36% to turnover (previous year: 37%). The offline segment comprised 64% of Goldbach Media's total turnover (previous year: 63%). With the international business (Germany, Austria, Croatia, Slovenia, Serbia, Poland, Czech Republic, Romania and Russia), a total of CHF 69.2 million in turnover was generated in 2010 (previous year: CHF 62.1 million). The portion of international business within the total turnover increased to 21% (previous year: 20%). After purchasing the shares of previously consolidated subsidiaries and in consideration of foreign currency effects, the equity ratio is 28.8% (previous year: 40.2%). Cash and cash equivalents increased by 52% to CHF 67.7 million (previous year: CHF 44.4 million). The operative cash flow amounted to CHF 27.6 million (previous year CHF 32.4 million).

The result for the core business in 2010, which is comparable to the previous year in 2009, with a definite net turnover of CHF 327.2 million (previous year: CHF 306.5 million), recorded an increase in turnover of 6.8%, an increase in EBITDA of 12.1% to CHF 24.7 million (previous year: CHF 22.1 million) and 16.9% EBIT growth to CHF 21.7 million (previous year: CHF 18.6 million). This comprises growth of 4.5% net turnover in the online segment, amounting to 7.3% when currency adjusted. Net turnover in the offline segment increased by 8.0%, or 8.2% when adjusted for currency effects. EBIT growth in the online segment amounted to 46.8% and 13.5% in the offline segment. The share of total turnover generated in the offline sector was 64% (previous year: 63%), while 36% of the total turnover stemmed from the online sector (previous year: 37%).

Offline segment: Goldbach Media records two-digit growth in the Swiss growth market TV and increases its EBIT margin

In the offline segment, the Goldbach Group combines the marketing of private TV, radio, Teletext and electronic advertising on attractive sales platforms (AdScreen), primarily in Switzerland and Austria. The advertising marketer, Goldbach Media, founded in October 2010, is profiting from the ongoing shifting of advertising to electronic media and has recorded double-digit growth in the TV segment in Switzerland. This places Goldbach Media solidly in second place in the Swiss TV market, which is dominated by SRG. Substantial mandate gains in the

reporting year (3+, Sat1 and kabel eins), however, will only impact turnover and income in 2011. The consumption of Internet TV is increasingly significantly. In its second year of operation, Goldbach Group's Internet TV Wilmaa has more than 700,000 users and is profitable. Advertising in private radio significantly increased in the final quarter of 2010. The TV business in Austria experienced very positive growth in revenue and profit in the reporting year. In total, turnover in the offline segment grew by 8.0% - adjusted for currency, by 8.2% - to CHF 208.6 million (previous year: CHF 193.1 million). EBIT in the offline segment grew by 13.5% to CHF 21.3 million (previous year: CHF 18.7 million). The EBIT margin improved to 10.2% (previous year: 9.7%). Goldbach Media, i.e., the offline segment, contributed 80% (previous year: 83%) to the Goldbach Group's EBIT.

Online segment: Expansion of network marketing, increase in EBIT and enhanced margin

The online segment with Goldbach Audience and Goldbach Interactive comprises the entire value creation chain for advertising in digital, interactive and mobile media, including online advertising on Internet TV and performance marketing to Internet networks.

Goldbach Audience facilitates the targeted placement of online advertising and develops cutting-edge offers for the rapidly developing performance marketing market, in which higher margins are anticipated. The integration of the software developed in collaboration with Adconion and staff training were largely completed in 2010. This software is available exclusively to Goldbach in Switzerland, Austria and throughout Eastern Europe. Important clients have been acquired and a sales office was opened together with Adconion Media Group in London for pan-European advertising and marketing campaigns. The network, which has arisen from a partnership between Goldbach Audience, the ARBO Network and Adconion, reaches 400 million Internet users at more than 3,000 premium websites around the world.

Goldbach's conceptual, design and technological offers involving interactive communication and marketing solutions for the Internet and mobile channels are bundled into Goldbach Interactive. These high-margin offers lengthen the value creation chain and enable direct contact with advertising clients. In the newly founded Goldbach Mobile competence center, applications are developed for the iPhone, iPad and other smartphones; services for which demand grew very well in the reporting year.

Net turnover in the online segment increased by 4.5% in 2010, to CHF 119.6 million (previous year: CHF 114.5 million). After adjustment for currency effects, this amounts to a 7.3% growth in turnover. The regional differences

indicated back in the first quarter were ultimately confirmed for the year as a whole. Eastern Europe recorded high double-digit growth, while business has not yet gotten off the ground in the Adriatic countries. In Switzerland, Goldbach Audience, in the course of the targeted margin improvement, decided to purposely forego turnover and turned its attention to the more profitable network marketing. The EBIT generated by the online segment amounted to CHF 7.9 million (previous year: CHF 3.7 million); after consideration of all special factors, the EBIT margin was 6.6%. The previous year's EBIT of the core business comparable to the previous year increased by 46.8% to CHF 5.4 million (previous year: CHF 3.7 million). The corresponding EBIT margin was 4.6% (previous year: 3.2%), thereby improving by 1.4%.

Profit and special factors

The profit for the year available to the Goldbach Group shareholders amounts to CHF 5.1 million (previous year: CHF 4.8 million). Included in this is the loss of the Romanian print division, which no longer belongs to the core business, amounting to CHF 1.6 million. The print division was listed separately in the 2009 financial reporting as a discontinued business unit and written off with CHF 5.1 million. Because not all components of the company were sold, the division has been reintegrated into the operative business in accordance with IFRS 5. Excluding special factors, the print division recorded an EBIT of CHF -0.5 million in 2010. One-time positive and negative special factors, primarily from the ARBOMedia takeover - for example, resulting from an EU Commission decision against impairment of a tax credit amounting to CHF 4.5 million against Germany, partially cancel each other out, and yet nevertheless weigh on the profit for the year with a further CHF 2.3 million. The profit of the core business, which is comparable with the previous year, increased by 13.1% to CHF 9.0 million (previous year: CHF 7.9 million). In accordance with the customary dividend policy of recent years, a dividend payment of CHF 0.71 (previous year: CHF 0.63) will be proposed to the General Meeting.

Outlook

For 2011, in which the Goldbach Group celebrates its tenth anniversary, two-digit growth in turnover and EBIT is expected. The online segment, with Goldbach Audience and Goldbach Interactive, will likely contribute the most to the anticipated increase in EBIT.

"With the expansion of offline business, we can further strengthen our relationship network built up over many years with important advertising clients," states Klaus Kappeler, CEO of the Goldbach Group. "The direct access to advertising clients is growing ever more important in the online segment too and is becoming a decisive competitive factor. Those who can advise large advertising clients and have the technology for network marketing will be able

to grow disproportionately in the coming years and with interesting margins.

Goldbach Group company profile

Goldbach Group is the leading network for electronic communications solutions as well as the logistics centre for advertising in private electronic, mobile and interactive media such as TV, Internet TV, Radio, Out-of-Home, Online, In Game, Search Engine as well as Mobile Advertising.

The Goldbach Group is headquartered in Switzerland (Kusnacht-Zurich) and is active in Austria, Germany as well as in Southeastern, Eastern Europe and Russia.

Goldbach Group has been listed on the main market of the SIX Swiss Exchange since June 15th, 2007 (valor no. 487094, ISIN CH0004870942, symbol: GBMN).

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