

tamedia:

Press release

Tamedia achieves turnaround in 2004

EBITDA rises noticeably to CHF 103 million. Revenues in core activity hold steady. Board of Directors will propose dividend payout.

Zurich, March 30, 2005. Tamedia achieved sales (operating revenues) of CHF 566.6 million in 2004. The year-on-year decline of CHF 7.4 million or 1.3 percent can fully be attributed to the divestiture of smaller business activities. Sales held steady in Tamedia's core activity. As a result of the restructuring measures adopted in 2003 and completed in 2004, operating income before depreciation and amortization (EBITDA) surged by 272.4 percent from CHF 27.7 million to CHF 103.0 million. Consequently, the EBITDA margin rose from 4.8 to 18.2 percent.

Depreciation and amortization were reduced by some CHF 28 million compared with 2003, amounting to almost CHF 40 million in the year under review. Operating income (EBIT) thus improved even more strongly than EBITDA, by CHF 103.8 million from CHF -40.7 million in 2003 to CHF 63.1 million. Net income rose from CHF -17.7 million to CHF 49.8 million.

The Board of Directors will propose to the Annual General Meeting a dividend payout of CHF 1.50 per share.

Newspaper division posts strong rise in margins

The **Newspaper** division managed to improve the EBITDA margin to a respectable 16 percent from the year-earlier 3.7 percent. EBITDA jumped by 327.7 percent to CHF 55.1 million. EBIT surged by CHF 43.7 million or 1218 percent from CHF 3.6 million to CHF 47.3 million. Sales rose by CHF 0.5 million to CHF 343.9 million.

Magazines division achieves turnaround; Electronic Media profitable for the first time on EBITDA level

The **Magazines** division achieved a turnaround in the latest financial year, becoming profitable also on the EBIT level one year ahead of schedule. EBITDA improved from CHF -9.3 million to CHF 8.7 million, which corresponds to a margin of 10 percent. EBIT also climbed into positive territory, rising by CHF 18.1 million to CHF 8.5 million. The decline in sales, by CHF 7.6 million to CHF 90.3 million, can largely be attributed to the divestiture of cultural magazine «du» and the discontinuation of «annabelle wohnen» and «annabelle business».

The **Electronic Media** division improved sales by 25.1 percent to CHF 63.9 million, with all activities contributing to this pleasing result. At CHF 2.1 million (2003: CHF -7.5 million), EBITDA was positive for the first time. Following a considerable improvement since the previous financial year, the negative EBIT narrowed to CHF -5.6 million. The numbers now published for the Electronic Media division differ from last year's publication due to a restatement for the 2003 financial year. Both sales and operating expenses were increased by CHF 5.1 million to account for

barter transactions (media partnerships) that had not previously been calculated in this extent.

Pleasing margin in Services

In the **Services** division, sales were taken lower above all by the divestiture of the commercial rotary offset press ARO and BD Bücherdienst. They fell by CHF 13.2 million or 16.2 percent to CHF 68.4 million. Yet EBITDA rose by CHF 5.5 million or 17.5 percent to CHF 37.1 million, taking the margin from 14 to 19 percent. EBIT, a negative CHF 0.5 million in 2003, improved to CHF 12.8 million in the year under review.

Equity ratio improves considerably

Total assets climbed by 2.2 percent to CHF 607.6 million in 2004. Shareholders' equity rose by 15.4 percent to CHF 367.7 million. The equity ratio now stands at 60.5 percent, up from 53.6 percent in the previous year.

Outlook: guarded development in advertising business

During the first two months of the current financial year, no trend reversal became evident in commercial advertising. Bookings by advertising clients largely remained guarded and oriented to the short term. Since «20 Minuten» achieved the breakthrough last year with sales in excess of CHF 60 million and a sustainable positive operating income, Tamedia's 2005 results are set to benefit from the early complete takeover of the newspaper. The extensive cooperation with Ziegler Druck- und Verlags AG in printing, distribution and job classifieds is also expected to contribute to the full-year results.

Yet Tamedia does not expect any significant impulses to come from the advertising business in 2005. Even though the number of bookings in the executive market, «Alpha», continues to increase slightly, the job classifieds are unlikely to recover in light of the still high unemployment rate. In the canton of Zurich, moreover, the number of unemployed is disproportionately higher than in Switzerland as a whole.

Tamedia Group Consolidated Income Statement	2004 in CHF million	2003 in CHF million	Change in %
Operating revenues	566.6	574.0	(1.3)
Newspapers	343.9	343.4	0.2
Magazines	90.3	97.9	(7.7)
Electronic Media	63.9	51.1	25.1
Services*	68.4	81.6	(16.2)
Operating income before depreciation and amortization (EBITDA)	103.0	27.7	272.4
Newspapers	55.1	12.9	327.7
Magazines	8.7	(9.3)	n.a.
Electronic Media	2.1	(7.5)	n.a.
Services*	37.1	31.6	17.5
EBITDA margin (in %)	18.2	4.8	277.2
Operating income (EBIT)	63.1	(40.7)	n.a.
Net income from continuing operations	49.8	(18.9)	n.a.
Discontinued operations	0.0	1.2	(100.0)
Consolidated net income	49.8	(17.7)	n.a.
Total assets	607.6	594.7	2.2
Equity ratio	60.5	53.6	12.9
Net income/(loss) per share (in CHF)	4.98	(1.77)	n.a.
Dividend per share (in CHF)	1.50	0	100
Number of employees (year end)	1518	1825	(16.8)

* Operating revenues with third parties
n.a.: not applicable
Negative amounts are stated in brackets

As announced, the analyst meeting will be held today at our headquarters in Zurich at 7.30 a.m., followed by the media conference at 10.30 a.m.

Further information:

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For further information on Tamedia, please go to: www.tamedia.ch (includes newsletter service)

Please find the detailed financial report 2004 on www.tamedia.ch under Investor Relations > Publications