tamedia:

Press release

Pleasing development continues in the first half of 2005

Zurich, 26 August 2005 – Following a good close to 2004, Tamedia was also to continue its pleasing development in the first six months of 2005. Operating revenues rose by 14.3 per cent to CHF 321.0 million. The operating income before depreciation and amortization (EBITDA) saw a disproportionately high increase of 42.6 per cent, bringing it to CHF 62.1 million. The EBITDA margin is now 19.4 per cent (previous year: 15.5 per cent). For the first time, all four divisions are reporting positive operating income (EBIT). Compared with the first six months of 2004, EBIT increased by 131.0 per cent to reach CHF 50.9 million. The margin has doubled and is now 15.9 per cent. In the first half of 2005, Tamedia reports consolidated profit of CHF 41.8 million (previous year: CHF 17.9 million).

Given that expenditure on advertising remains at a low level with only a marginal recovery in the job advertisement business, Tamedia is not expecting a significant rise in revenues during the second half of 2005. Nevertheless, operating income is set to maintain its positive trend in the second half as well.

Key figures for the first six month of 2005
(in CHF mill.)

	06/30/2005	**06/30/2004**	**change in %**
Operating revenues	321.0	280.8	14.3%
Operating expenses	(258.9)	(237.2)	9.1%
Operating income before depreciation and amortizations (EBITDA)	62.1	43.6	42.6%
Depreciation and amortizations	(11.2)	(21.5)	(48.0%)
Operating income (EBIT)	50.9	22.1	131.0%

The comparative figures for the first half of 2004 are based on the same principles as those for the first half of 2005. They therefore differ from the last published half-yearly results (for 2004) in respect of the depreciation and amortization. This position is now also calculated in accordance with the profit-center structure. In previous reports, it was split directly among the segments.
In the Electronic Media division, the information for the previous year was the subject of a restatement (as already mentioned in the Annual Report for 2004), and both revenues and operating expenses were increased by CHF 2.4 million. This adaptation is due to barter transactions (media partnerships), which had not been recorded to the extent mentioned.

The figures shown in all the tables are rounded. Since the calculations are carried out with greater precision, there may be slight differences due to rounding. Figures in parentheses indicate negative values.

Newspapers

After *20 Minuten* was consolidated for the first time and thanks to increased revenues for the *Alpha* executive market and for *Das Magazin*, operating revenues rose by 28.4 per cent to reach CHF 221.8 million. Operating income before depreciation and amortization (EBITDA) rose by 40.5 per cent to CHF 38.9 million. The costs of launching *car4you-Zeitung* and for the first regional edition of the *Tages-Anzeiger* were easily overcompensated by *20 Minuten*, the *Alpha* executive market, *Das Magazin* and *SonntagsZeitung*. Operating income (EBIT) rose by 56.7 per cent to CHF 37.0 million. Accordingly, the Newspapers division is turning in a 72.6 per cent share of the result.

Key figures for the first six month of 2005
(in CHF mill.)

	06/30/2005	**06/30/2004**	**change in %**
Operating revenues	221.8	172.7	28.4%
Operating expenses	(182.9)	(145.0)	26.1%
Operating income before depreciation and amortizations (EBITDA)	38.9	27.7	40.5%
Depreciation and amortizations	(1.9)	(4.1)	(52.9%)
Operating income (EBIT)	37.0	23.6	56.7%

Figures in parentheses indicate negative values.

Magazines

Not least due to the sale of *Spick*, the children's magazine, the Magazines division had to accept a decline in revenues of 6.0 per cent, bringing the figure to CHF 44.1 million. In particular due to increased production costs, the EBITDA and EBIT fell by about one third to CHF 2.5 million and CHF 2.4 million respectively. Although the climate in the advertising market continues to be difficult, the division was able to keep well in the black.

Key figures for the first six month of 2005
(in CHF mill.)

	06/30/2005	**06/30/2004**	**change in %**
Operating revenues	44.1	46.9	(6.0%)
Operating expenses	(41.6)	(43.2)	(3.6%)
Operating income before depreciation and amortizations (EBITDA)	2.5	3.7	(33.7%)
Depreciation and amortizations	(0.1)	(0.1)	(34.7%)
Operating income (EBIT)	2.4	3.6	(33.7%)

Figures in parentheses indicate negative values.

Electronic media

The Electronic Media division was able to boost revenues from its core business. Following the sale of *Condor*, which was still contributing revenues of CHF 4.4 million in the same six-month period of the prior year, the first half of 2005 saw revenues falling by CHF 2.2 million or almost 8 per cent to reach CHF 25.5 million. Mainly *TeleZüri* contributed towards the marked increase in EBITDA from 0.2 to CHF 3.4 million. Although the year-end closing statement for 2004 still showed a negative figure of CHF 5.6 million for the EBIT, Electronic Media already managed to achieve a turnaround in the first half of 2005, putting them to a positive result of CHF 2.9 million and allowing them to achieve an EBIT margin of 11.4 per cent.

Key figures for the first six month of 2005
(in CHF mill.)

	06/30/2005	**06/30/2004**	**change in %**
Operating revenues	25.5	27.7	(7.8%)
Operating expenses	(22.1)	(27.4)	(19.3%)
Operating income before depreciation and amortizations (EBITDA)	3.4	0.2	1352.7%
Depreciation and amortizations	(0.5)	(3.9)	(88.3%)
Operating income (EBIT)	2.9	(3.7)	n/a

Figures in parentheses indicate negative values.

Services

Despite the sales of Regor (CHF 3.4 million) and Werd Verlag (CHF 2.3 million), the Services division was able to maintain revenues of CHF 101.5 million. Not least, this was thanks to higher revenue and improved capacity utilization in the Bubenberg printing centre. The marked improvement in the EBITDA to CHF 17.3 million (previous year: CHF 11.9 million) can be attributed not only to higher print volumes at Bubenberg but also to the sale of the Waser Druck properties and the release of provisions amounting to CHF 2.5 million from the social plan, which proved no longer necessary.

Key figures for the first six month of 2005
(in CHF mill.)

	06/30/2005	**06/30/2004**	**change in %**
Operating revenues	101.5	101.2	0.3%
Operating expenses	(84.1)	(89.3)	(5.8%)
Operating income before depreciation and amortizations (EBITDA)	17.3	11.9	46.0%
Depreciation and amortizations	(8.7)	(13.4)	(34.8%)
Operating income (EBIT)	8.6	(1.5)	n/a

Figures in parentheses indicate negative values.

Balance sheet

In the first six months of 2005, total assets reported on the balance sheet rose by CHF 50.1 million, from CHF 607.6 million to CHF 657.7 million. This increase is largely due to the consolidation of *20 Minuten* for the first time. The equity ratio is 59.8 per cent (60.5 per cent). In the first half of 2005, shareholders' equity rose by CHF 25.4 million or 6.9 per cent to CHF 393.1 million. Alongside the positive consolidated result for the first half of 2005, factors contributing to this change were the payment of a dividend of CHF 15.0 million, items no longer included in the consolidated entity amounting to CHF 0.9 million, and the reduction in the fair market values (net after tax) of the accounting hedges by CHF 0.5 million.

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