

Press Release

## **Edipresse and Tamedia combine their media activities in Switzerland**

**The companies Edipresse and Tamedia have decided on a strategic rapprochement. During an initial stage, the media company based in Zurich will acquire a 49.9% shareholding in Edipresse's Swiss business. At the beginning of 2013, Edipresse's Swiss business will be totally merged with Tamedia. The transaction will include both cash and Tamedia shares. The Edipresse Group will thus ultimately become a major shareholder in Tamedia. The international activities of the Edipresse Group will not be affected by the agreement. The two companies will create a national media enterprise with the necessary critical mass to guarantee growth and meet the challenges of foreign competition. The operation is subject to approval of the Swiss Competition Commission.**

Lausanne and Zurich, 3 March 2009 – Edipresse and Tamedia, two major Swiss media companies announced their intention to merge their Swiss business by 2013, creating a single enterprise capable of meeting market challenges. During an initial stage, Tamedia will acquire a 49.9% shareholding in PPSR, which represents most of Edipresse activities in Switzerland. During a second stage, Tamedia will acquire an additional 0.2% of PPSR at the start of 2011, followed by the remaining 49.9% in early 2013. The price for acquiring the first two shareholding is 226 million Swiss Francs, whereas the balance for the third transaction will depend on the development of Edipresse's Swiss business. Part of the price for the final tranche will be paid in shares, thereby making Edipresse one of Tamedia's major shareholders.

In addition to the difficult economic climate, the media industry is faced with an array of challenges including changes in reader and advertiser behaviour, the proliferation of information channels and the emergence of new powerful competitors in electronic media. Edipresse and Tamedia will be well positioned to meet these challenges on a national scale, with a new found determination and long term ambition. Mindful of their responsibilities and the fact that they share the same values, they will create a Swiss company reflecting the Country's diversity and national identity.

The alliance of the two Groups should create substantial synergies. Both are publishers, one in German-speaking and the other in French-speaking Switzerland, of several regional titles, Sunday newspapers, magazines, free dailies and websites. Edipresse and Tamedia benefit from complementary portfolios. In the advertising domain, the partnership will offer national advertisers more effective services and new offers more suited to responding to their needs. The agreement will allow major economies of scale in terms of industrial production, distribution and technical infrastructures. It will also reinforce the overall capacity for innovation.

In French-speaking Switzerland, taking into account the advertising market potential, the two companies envisage merging the two publications 20 minutes and Le Matin bleu as soon as possible. In national terms, Edipresse and Tamedia will foster cooperation in on-line activities particularly in the employment domain. There is already a precedent for this as since 2004, their collaboration in Homegate, the leading Swiss Online real estate platform, has proven to be very successful.

Once the first phase of the operation is implemented, the PPSR Board of Directors (which incorporates all Edipresse's Swiss activities) will comprise five people, three appointed by Edipresse and two by Tamedia: Pierre Lamunière, Chairman, Pietro Supino, Vice-Chairman, Tibère Adler, Managing Director, Martin Kall and Michel Preiswerk.

At the same time, Pierre Lamunière will be invited to join the Tamedia Board. Otherwise top and middle management of the two companies will remain unchanged.

The international activities of the Edipresse Group will not be affected by the merger, nor will the magazine Bilan and Edipresse's luxury division which concentrates on providing multimedia products and solutions to the watch making industry.

The Board of Directors of the two companies have approved the merger. The transaction is governed by the competition legislation and will only come into effect after approval by the Swiss Competition Commission (COMCO).

**For more information, please contact:**

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