

# tamedia:

Press Release

## **Tamedia 2003: Non-recurrent Expenditures Resulting in Loss in the Double-digit Millions; Revenues Declining due to Soft Economy**

**Revenues decreased by 11.2 percent to CHF 569 million. Consolidated net loss amounts to CHF 17.7 million. Equity ratio remains high.**

**Zurich, March 30, 2004.** In 2003, Tamedia achieved sales (operating revenues) of CHF 568.9 million, representing a decrease of CHF 71.4 million or 11.2 percent from the previous year due to the soft economic environment. Operating income before depreciation and amortization (EBITDA) declined by 61.4 percent to CHF 27.7 million. Accordingly, EBITDA fell from 11.2 to 4.9 percent. Depreciation and amortization amounted to CHF 68.3 million, including depreciation on Goodwill related to Radio Basilisk and Radio 24 for a total amount of CHF 15.5 million, in addition to value adjustments on non-operating real estate of CHF 1.5 million.

Operating income (EBIT) decreased by CHF 58.2 million to CHF (40.7) million. Restructuring costs were incurred in an amount of CHF 29.9 million. CHF 24.4 million were reserved for the compensation plans alone. Non-recurrent expenditures in fiscal year 2003 totaled CHF 57.2 million.

Net income from continuing operations fell by CHF 39.1 million to CHF (18.9) million. The reversal of reserves no longer required of CHF 1.2 million in connection with the shut-down of TV3 had a slightly positive effect on the net result, which is CHF (17.7) million vs. CHF 35.6 million last year.

At the General Shareholders' Meeting, the Board of Directors will propose no dividend payment.

### **Newspapers suffering from the slump in job classifieds**

Again, the highest absolute decline in 2003 was reported by the "Newspaper" division. Revenues decreased by 14.4 percent to CHF 343.4 million. Approximately half of the decrease of CHF 57.8 million is attributable to the loss in job classifieds. EBITDA is down by 45.5 percent to approximately CHF 49 million or 14.3 percent vs. 22.4 percent last year. EBIT fell by 66.4 percent to CHF 22 million.

In the "Magazine" division, lower income from advertising resulted in a 10.7 percent decrease in sales to CHF 97.9 million. EBITDA of CHF (3.3) million represents a slight improvement (+CHF 1.2 million) over the previous year. EBIT also rose by CHF 1 million in fiscal 2003 to CHF (8.8) million.

## **Electronic Media reporting slight increase in revenues**

Revenues of the “Electronic Media” division are up 3.3 percent to CHF 46 million, which includes the full twelve month results of Radio Basilisk for the first time, while last year only the period September-December was reflected. During the reporting period, the film production company Condor was reallocated to the “Electronic Media” division. In terms of operations, the division improved in the past year with EBITDA increasing by CHF 5.3 million to CHF (7.1) million. As a result of the depreciation on Goodwill related to Radio 24 and Radio Basilisk for a total of CHF 15.5 million, EBIT dropped significantly from the previous year from CHF (23.3) million to CHF (34.6) million.

In the past fiscal year, the “Services” division reported sales of CHF 81.6 million, down 3.9 percent, primarily due to a drop in printing orders. EBITDA decreased considerably to CHF (11) million, while EBIT dropped to CHF (19.2) million.

## **Equity ratio remaining high**

During the reporting period, total assets reduced by 7.3 percent to CHF 594.7 million. Total equity decreased by 9.1 percent to CHF 318.7 million. The equity ratio for the fiscal year 2003 is 53.6 percent vs. 54.7 percent a year ago.

## **“Tages-Anzeiger” restructured as of today**

With today’s date, the “Tages-Anzeiger” appears with a new structure for the first time. The changes announced in November 2003 were implemented by the editorial staff over the past few months. In the first section, articles on national issues now precede reports, articles and commentaries on international events. The last part of the section is a double page, one with background information, previously placed on page 2, and an additional analysis page on social discussions. Special and service items will be included in section 5 (Culture) from now on. Another focal point is the journalistic concept on regional and local reporting for metropolitan Zurich. The geographic separation with a Zurich section was discontinued, as planned. In addition, the newspaper has a slightly revised, cleaner layout.

## **“FACTS“ to be relaunched in April; “Schweizer Familie” modified**

During the year 2003, which was characterized by restructuring, the basis for strengthening the news magazine “FACTS” was also established. “FACTS” will be modified in look and its focus will shift more to the typical news magazine topics, politics, the economy and society/culture. “FACTS” will be relaunched April 7, 2004.

Effective May 13, the highly popular “**Schweizer Familie**” will also appear with a slightly modified, crisper look.

## **Special center for job classifieds established**

In February 2004, Tamedia decided to expand the job market and combine the print products and the on-line platform JobWinner.ch under “Tamedia Job Market”. The on-line job market will be reinforced by doubling human resources and by introducing a new technology platform. Tamedia is the market leader in the print business. With the expansion of the “Job Market” center, Tamedia is striving to

optimally meet the needs of its customers and to strengthen its market position in this strategically relevant business.

**Future outlook: No trend reversal in sight**

In the first three months of fiscal year 2004, no obvious turnaround was noted in commercial advertising or job classifieds. Although an economic recovery has been projected for the year 2004 overall, Tamedia is not anticipating the advertising market to improve. The job classified market is expected to stabilize over the course of the year, but due to the continued tight situation in the job market, a recovery is not likely. The restructuring measures taken in 2003 will have a positive impact on income.

<b>Tamedia Group Consolidated Income Statement</b>	<b>2003 in CHF million</b>	<b>2002 in CHF million</b>	<b>Change in %</b>
Operating revenues	568.9	640.3	(11.2)
Operating income before depreciation and amortization (EBITDA)	27.7	71.7	(61.4)
Operating income (EBIT)	(40.7)	17.6	N/A
<b>Net income from continuing operations</b>	<b>(18.9)</b>	<b>20.2</b>	<b>N/A</b>
Discontinued operations	1.2	15.4	(92.2)
<b>Net consolidated income/(loss)</b>	<b>(17.7)</b>	<b>35.6</b>	<b>N/A</b>
EBITDA margin (in %)	4.9	11.2	(56.6)
Net income/(loss) per share (in CHF)	(1.77)	3.56	N/A
<b>Operating revenues per Division</b>			
Newspapers	343.4	401.2	(14.4)
Magazines	97.9	109.7	(10.7)
Electronic Media	46.0	44.5	3.3
Services*	81.6	89.9	(9.3)
<b>Consolidated Balance Sheet as of December 31</b>			
Current assets	186.9	240.0	(22.1)
Non-current assets	407.8	401.3	1.6
Total debt	275.9	290.7	(5.1)
Total equity	318.7	350.6	(9.1)
Number of employees	1825	2007	(9.1)

\*Operating revenues with third parties  
N/A. not applicable  
Negative amounts in parentheses

As announced, the analyst meeting will be held today, at 7:30 a.m., and by the media conference at 10:30 a.m. at our headquarters in Zurich.

#### **Further information:**

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Further information on Tamedia visit: [www.tamedia.ch](http://www.tamedia.ch) with Newsletter-Service