

tamedia:

Press release

Tamedia returned to growth in 2005; operating income (EBIT) increased by 51 percent to CHF 95.2 million

Significantly higher EBITDA of CHF 127.2 million; higher revenues due to acquisitions; Board of Directors to propose dividend payment of CHF 2.50

Zurich, 28 March 2006. In 2005, Tamedia generated sales (operating revenues) of CHF 650.0 million. The 14.7 percent growth is primarily attributable to the acquisitions of 20 Minuten AG and Huber & Co. AG. 20 Minuten AG was fully consolidated as of 1 January, while Huber & Co. AG was incorporated effective 1 October resulting in an increase in sales of CHF 112.2 million. In an effort to concentrate activities on the core business, divestitures were made by various divisions totaling CHF 27.6 million. Sales in Tamedia's core activities remained at the level of last year.

Operating income before depreciation and amortisation (EBITDA) improved by 23.4 percent or CHF 24.1 million to CHF 127.2 million, driving up the EBITDA margin from 18.2 to 19.6 percent. As in 2004, all divisions were profitable at the EBITDA level.

EBIT rose at an above average rate of 50.9 percent or CHF 32.1 million to CHF 95.2 million, although value adjustments on Goodwill in the amount of CHF 7.3 million had a negative impact on the results. Compared to the prior year depreciation and amortisation decreased by a total of 20.0 percent to CHF 32.0 million.

Consolidated net income surged by 55.6 percent to CHF 79.7 million. The Board of Directors will propose a dividend payment of CHF 2.50 per share to the Annual General Meeting.

Newspaper Division posting strong sales and profit

Due to the integration of *20 Minuten* and *Thurgauer Zeitung*, the **Newspaper Division** achieved an increase in operating revenues of 29.6 percent to CHF 445.6 million. EBITDA jumped 38.1 percent to CHF 76.1 million, CHF 19.0 million of which were generated by 20 Minuten AG. As a result of the exceptional growth rate, the margin rose from 15.9 to 17.0 percent.

The Division reported EBIT of CHF 71.7 million, up 51.4 percent. Newspapers represent 68.6 percent of total sales and 75.2 percent of operating income (EBIT).

Magazines investing in the reader market; EBITDA of Electronic Media doubled

The **Magazines Division** reported a decrease in sales of 3.6 percent to CHF 87.1 million, primarily due to the sale of the children's magazine *Spick* to Künzler Bachmann. Investments in the reader market and associated higher production costs resulted in a 21.9 percent drop in operating income to CHF 6.8 million, which lowered the EBITDA margin from 9.6 to 7.7 percent. EBIT also declined by 21.6 percent to 6.7 million.

Sales in the **Electronic Media Division** fell by just under 20.6 percent or CHF 13.2 million to CHF 50.7 million, CHF 11.0 million of which are attributable to the sale of a 70 percent interest in Condor. The slight decrease in operating revenues in the core activities was caused by fewer barter transactions than in the prior year. Electronic Media reported EBITDA of CHF 4.7 million, up 119.2 percent, which resulted in a significant increase in the margin from 3.2 percent to 8.8 percent. EBIT improved from CHF -5.6 million to CHF -3.2 million. Due to unsatisfactory business developments at Radio Basilisk, Goodwill had to be adjusted by CHF 7.0 million. Without this value adjustment, the Electronic Media Division would also have been profitable at the EBIT level.

Services reporting higher operating income

Operating revenues in the **Services Division** decreased by 2.6 percent to CHF 66.6 million as a result of the divestiture of the Regor letter shop, Werd Verlag and other, smaller operations, which had contributed a total of CHF 11.9 million in sales in 2004. The reduction was compensated primarily by the activities of Huber & Co. AG, which were integrated in the last quarter of 2005, and by the significantly improved utilisation rates at Tamedia's Bubenberg printing centre. EBITDA increased by 6.7 percent to CHF 39.6 million, while the margin was down (18.4 percent vs. 19.0 percent in the prior year) due to considerably higher revenues achieved with Tamedia's own products. EBIT climbed to CHF 20.1 million, representing an increase of 56.4 percent.

Equity ratio remains unchanged at 60 percent

During the reporting period, total assets rose by 17.8 percent to CHF 719.0 million. The change is largely due to the consolidation of 20 Minuten AG and the Huber Group. Tamedia reported shareholders' equity of CHF 430.8 million, up 17.2 percent, mainly as a result of the positive consolidated net income, while the equity ratio remained virtually unchanged at 59.9 percent in 2005 (previous year: 60.3 percent).

Outlook: Encouraging developments in the reader market; advertising market starting out sluggish

According to the figures published by WEMF (AG für Werbemittelforschung) today, 28 March, for the survey period from October 2004 to the end of September 2005, most Tamedia publications achieved an increase in readership. Especially *20 Minuten* reported another significant upsurge of 9.6 percent. As a result, it is the first daily newspaper in Switzerland to reach over a million readers (1,039,000).

No substantial boost from the advertising market is anticipated in the print media in 2006. This assessment was confirmed by the developments in the first three months of fiscal year 2006. The positive trend in the *Alpha* executive market continued. Unlike earlier economic recoveries, however, the job market is still stagnating. As job classifieds posted on the Internet are on the rise, which also benefits Tamedia's own job platform, *jobwinner.ch*, the growth potential in the job market is expected to remain limited in the future.

Tamedia Group Consolidated Income Statement	2005 in CHF million	2004 in CHF million	Change in %
Operating revenues*	650.0	566.6	14.7
Newspapers	445.6	343.9	29.6
Magazines	87.1	90.3	(3.6)
Electronic Media	50.7	63.9	(20.6)
Services	66.6	68.4	(2.6)
Operating income before depreciation and amortization (EBITDA)	127.2	103.0	23.4
Newspapers	76.1	55.1	38.1
Magazines	6.8	8.7	(21.9)
Electronic Media	4.7	2.1	119.2
Services	39.6	37.1	6.7
EBITDA margin (in %)	19.6	18.2	7.6
Operating income (EBIT)	95.2	63.1	50.9
EBIT margin (in %)	14.6	11.1	31.6
Consolidated net income	79.7	51.2	55.6
Total assets	719.0	610.2	17.9
Equity ratio	59.9	60.3	(0.7)
Net income / (loss) per share (in CHF)	7.95	4.98	59.6
Dividend per share (in CHF)	2.50	1.50	66.7
Number of employees (at year-end)	1839	1518	21.1

* Operating revenues with third parties
Negative amounts are stated in parentheses

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

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

Our detailed 2005 financial report is available at www.tamedia.ch under Investor Relations > Publications