

tamedia: Financial Report on the First Half Year of 2005



Economic data – slow improvement continues

Unemployment: stabilised but still on a high level

- After an increase last year, the unemployment rate remained at 3.8% in the first half of 2005.

Slow economic growth

- GDP rose 0.7% in the first quarter of 2005 compared to previous year. Slight growth prospects for Switzerland.

Consumer confidence

- Consumer Confidence Index changed for the better yet remains on a low level (–10 indexpoints in June 2005).

Media data – some pleasing changes

Publicitas Index:

- Publicitas Index (representing ad spending in daily papers) remains at historical low in June 2005 with 94.0 indexpoints (June 2004: 94.4; June 2003: 97.1).

Small recovery in ad spending

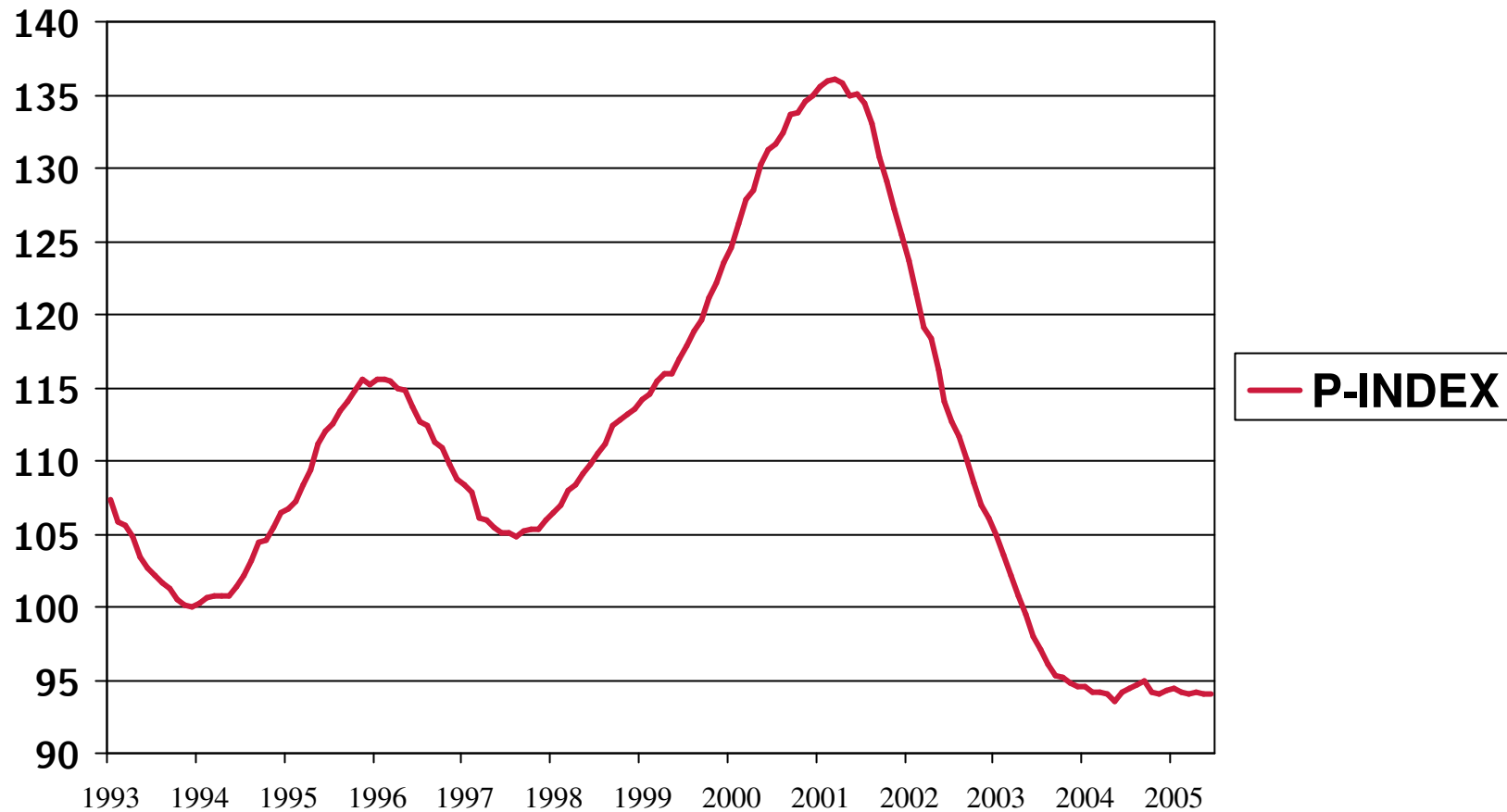
- Total ad spending (excl. media barter deals) increased 4.0% from January 2005 to June 2005 compared to the previous year period according to WEMF (AIS).

Recovery in (executive) job advertising

- Executive job ads increased by a significant 26% at Tamedia. However, there is no recovery in the general job classified ads.

Nevertheless, for newspapers 2005 looks to be another weak year

Publicitas-Index: Development of ad spendings in daily papers



Source: Publigroupe

Remarks to financial results of HY1 2005

- **Segment information with slight changes**

- Newspapers new with 20 Minuten AG
- Magazines unchanged
- Electronic Media without Condor (sold by 1.1.2005)
- Services without Regor (sold by 1.1.2005)

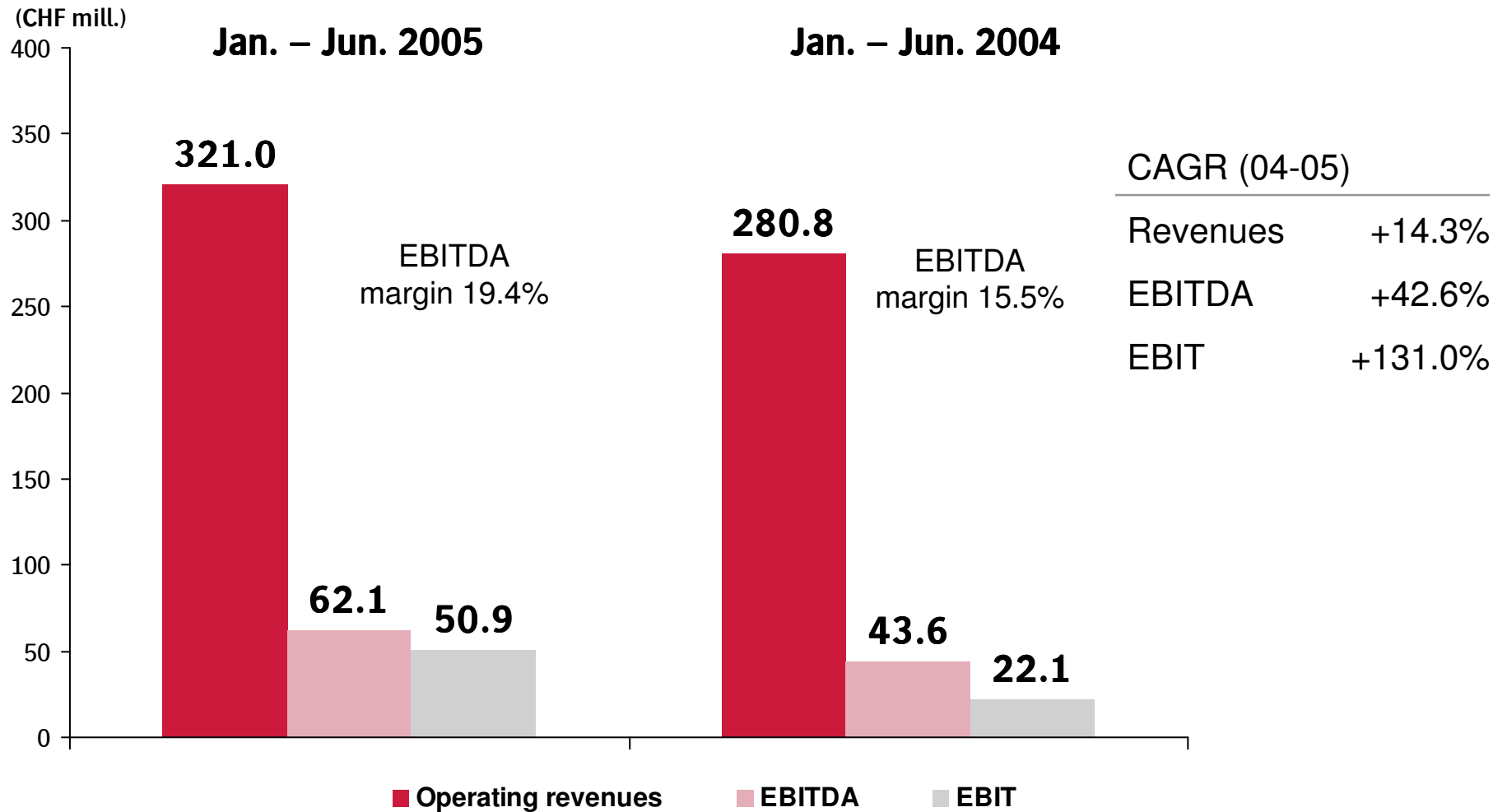
- **Restatement in the Electronic Media division**

- The previous year's results in the Electronic Media division were restated due to barter transactions that had not been accounted for in the first half of 2004.

- **IFRS 3 *Business Combination***

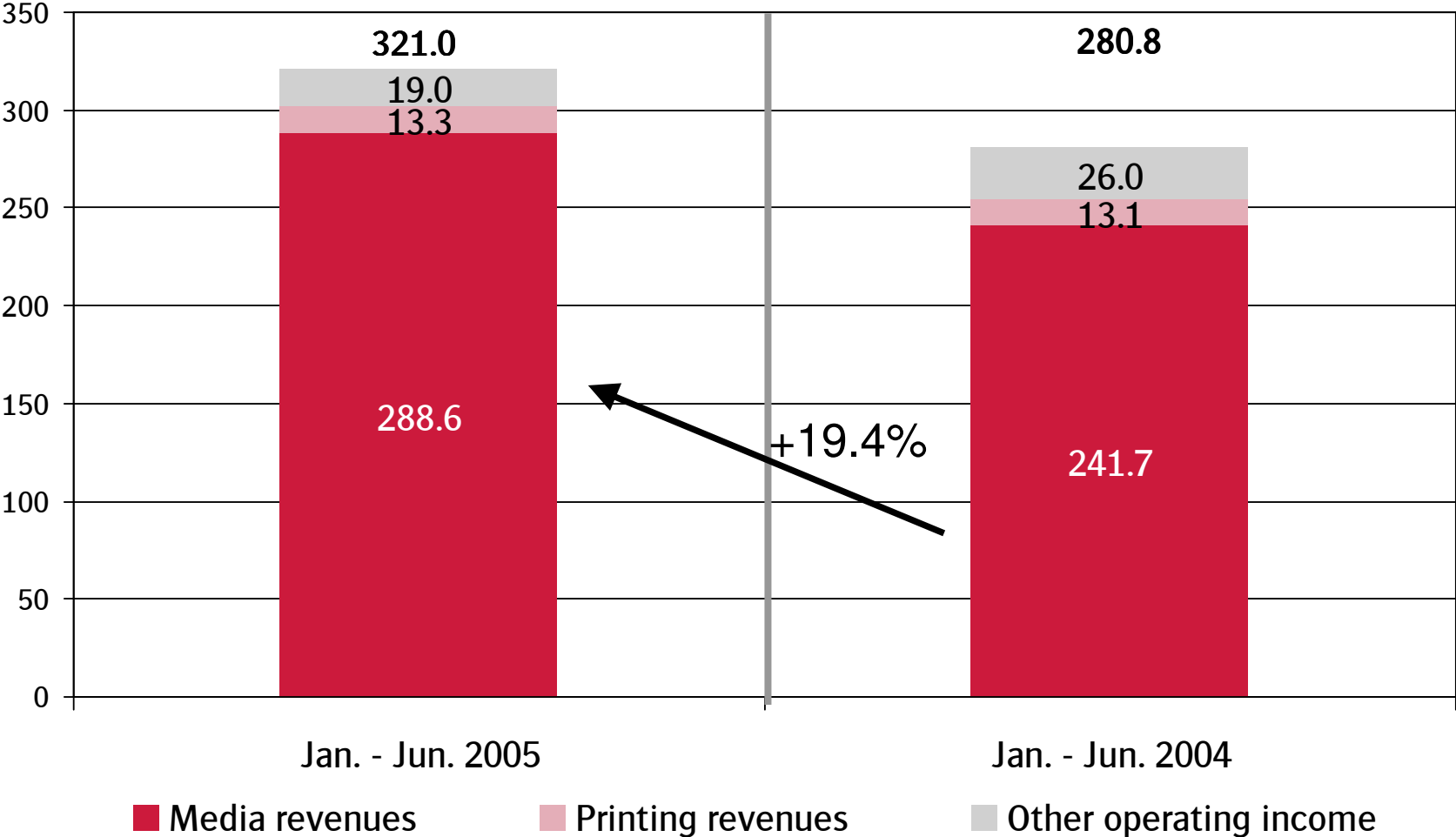
- The new IFRS-standard for business combination has been applied. Old goodwills are no longer depreciated.

Strong increase in revenues and profitability



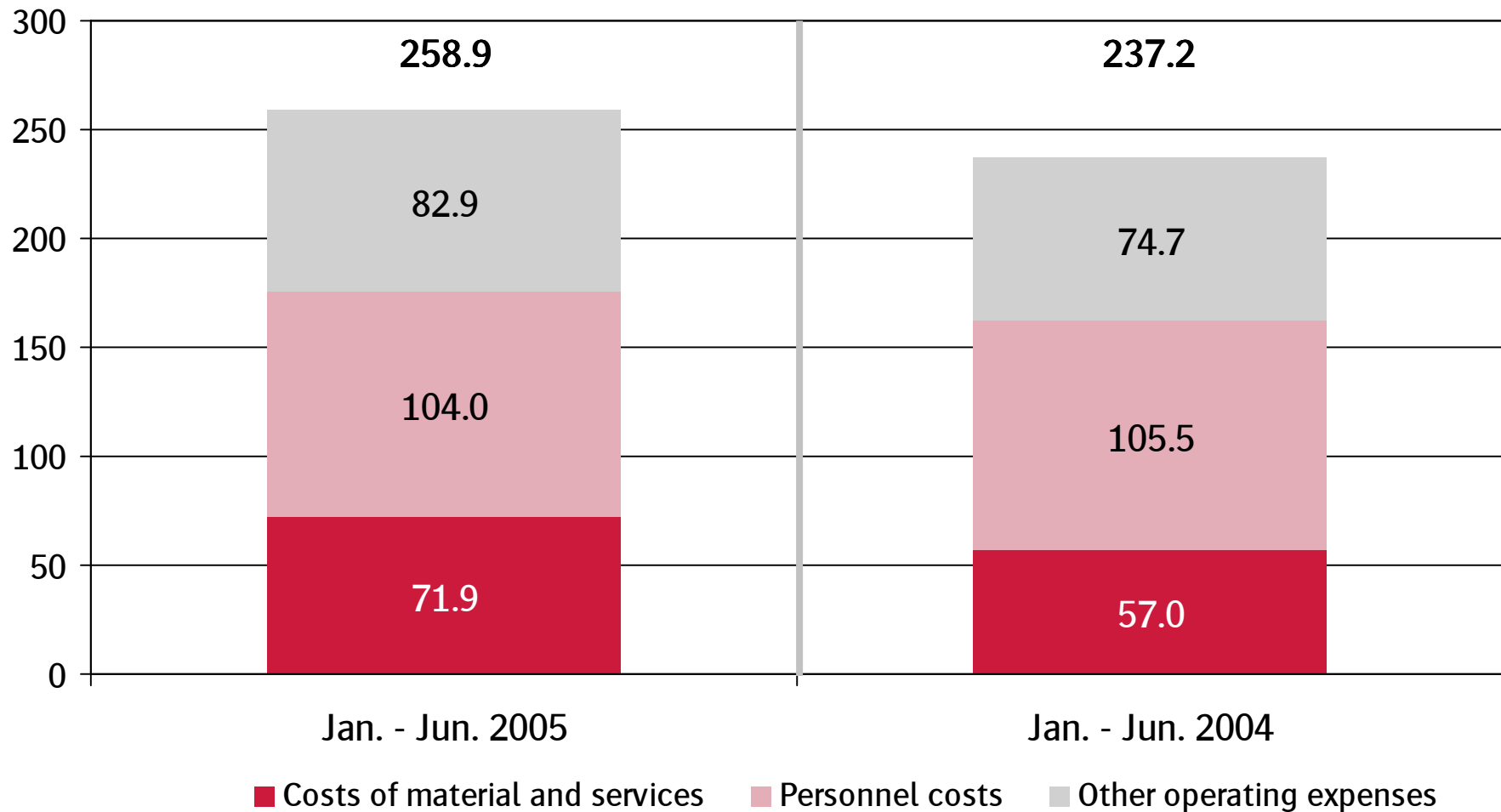
Media revenues mainly increased thanks to *20 Minuten*

CHF 321.0 mill., +14.3% or CHF 40.2 mill.



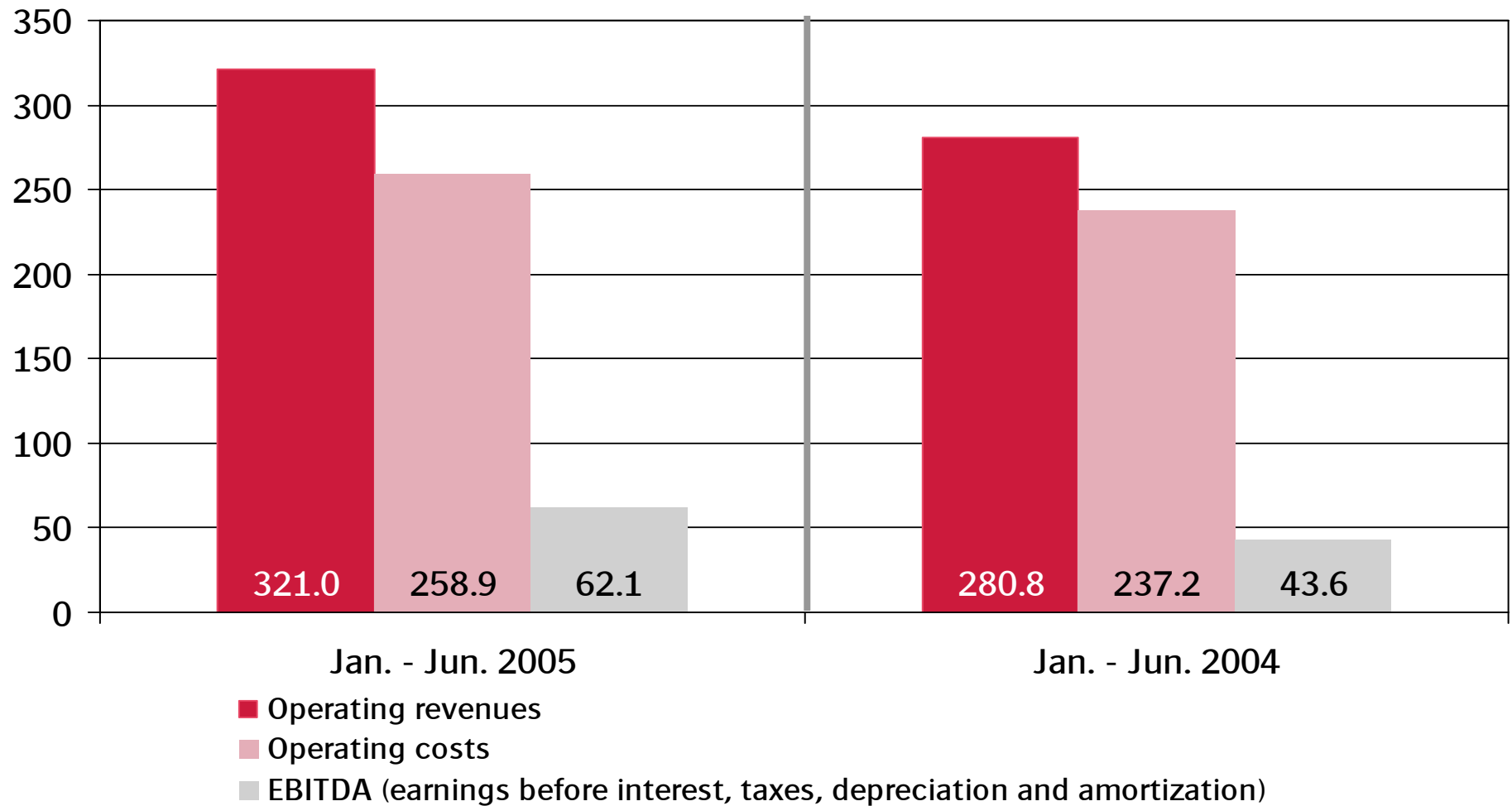
Operating expenses increased only by 9.1% ...

CHF 258.9 mill., +9.1% or CHF 21.7 mill.



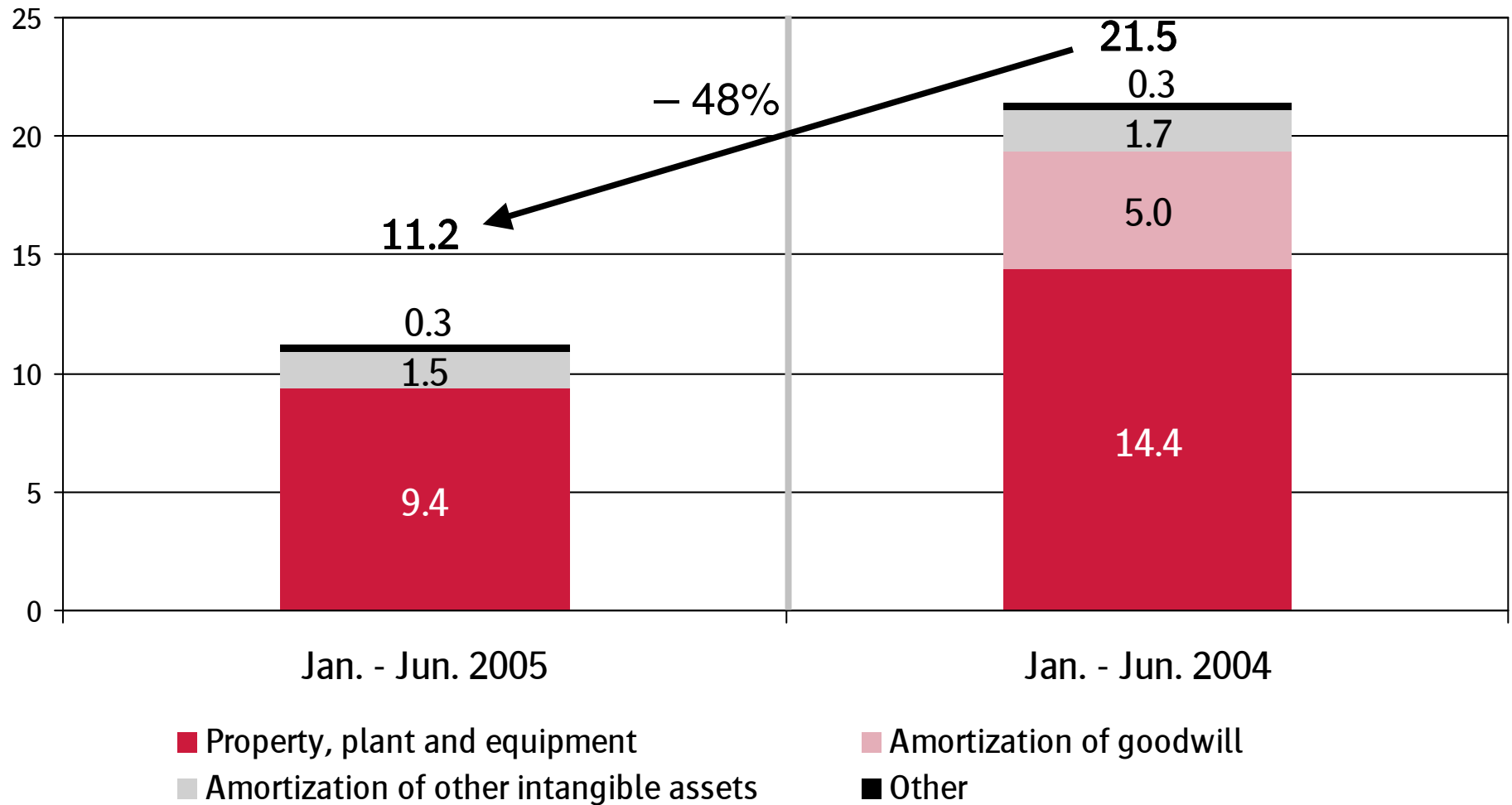
... which results in an EBITDA-increase of 43%

CHF 62.1 mill., +42.6% or CHF 18.6 mill.; margin 19.4%,
margin 2004: 15.5%



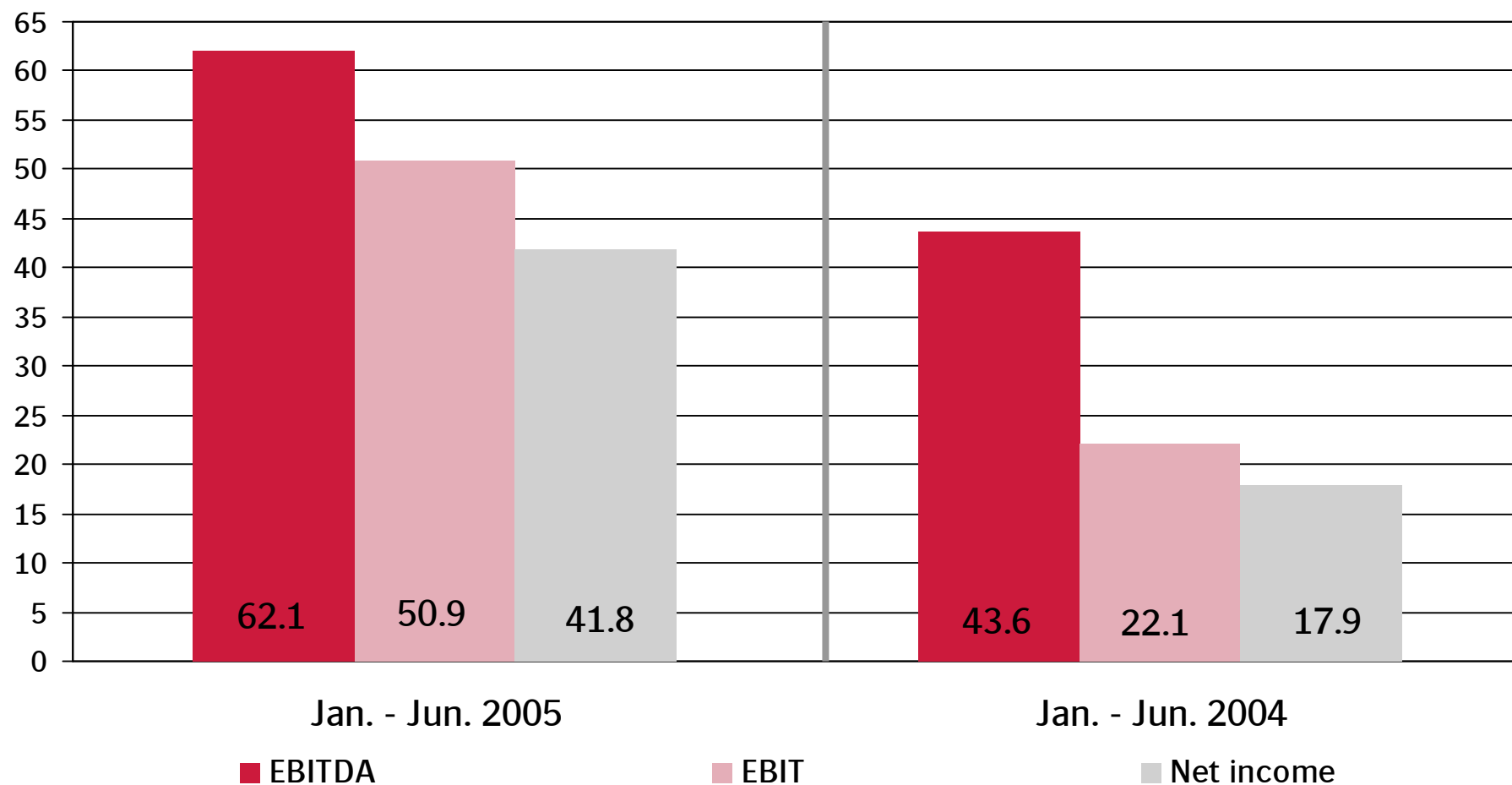
Depreciation & amortization reduced by nearly 50%

CHF 11.2 mill., -48.0% or CHF -10.3 mill.



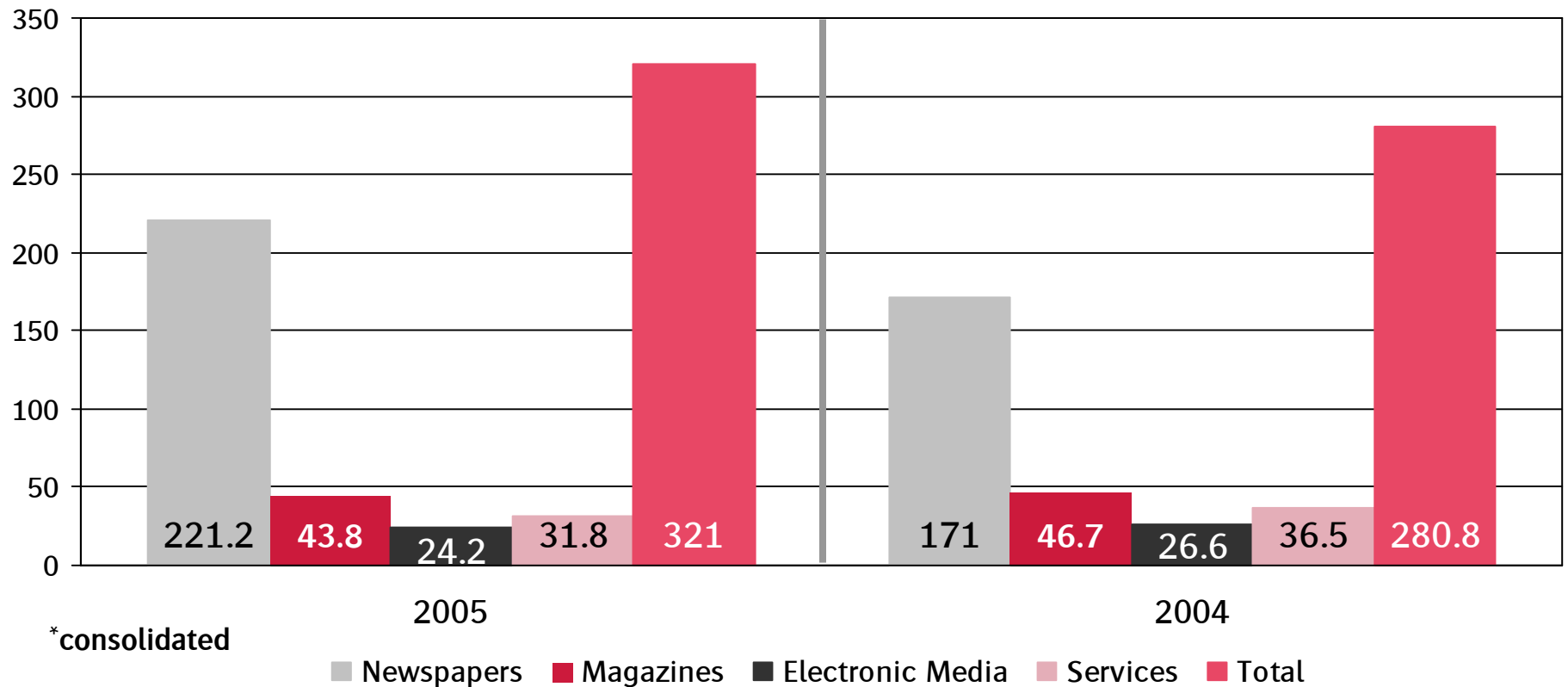
EBIT and net income more than doubled

CHF 41.8 mill., 133.7% resp. CHF 23.9 mill.



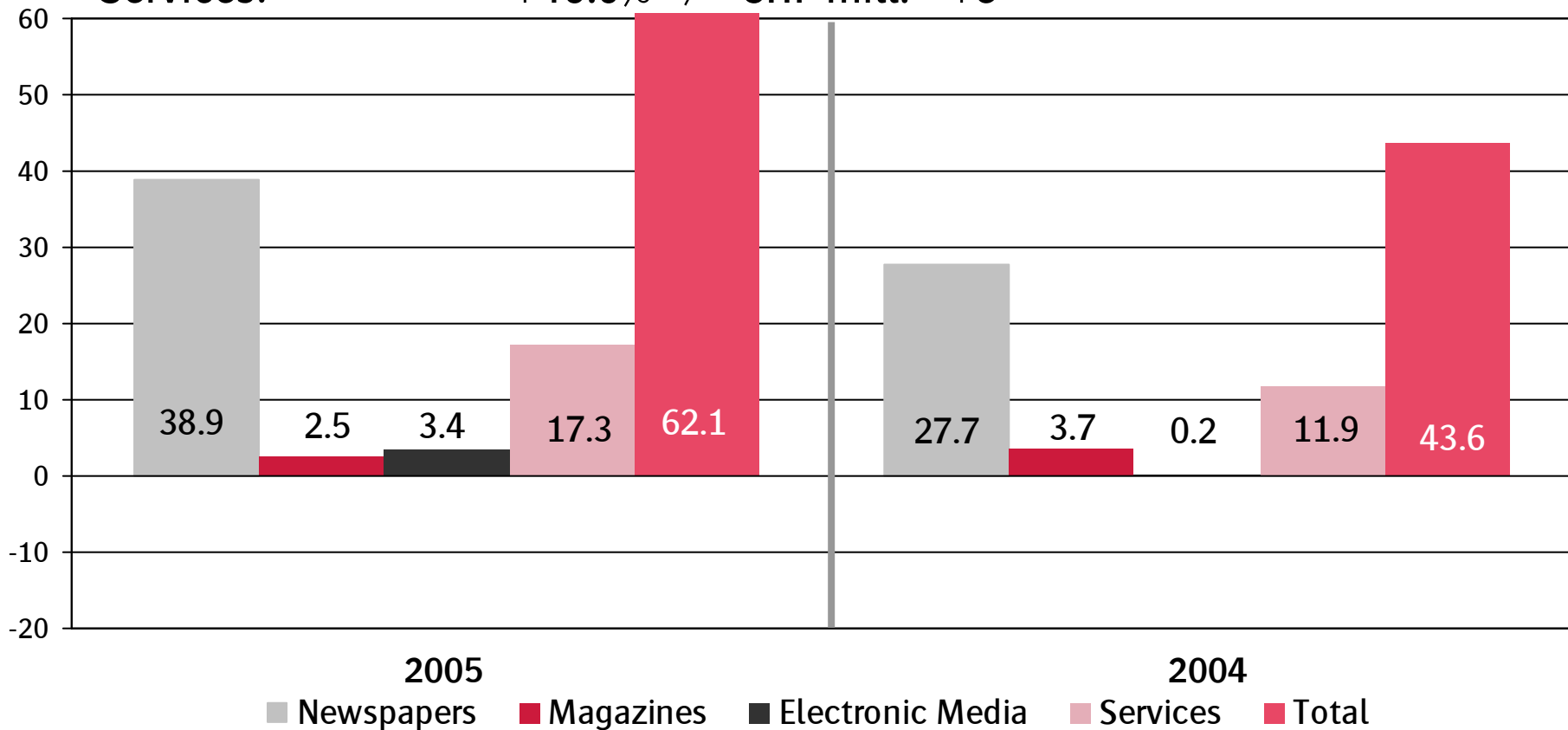
Strong increase of revenues*

Operating revenues: +14.3% / CHF mill. +40
Newspapers: +29.4% / CHF mill. +50
Magazines: -6.1% / CHF mill. -3
Electronic Media: -9.1% / CHF mill. -2
Services: -12.9% / CHF mill. -5

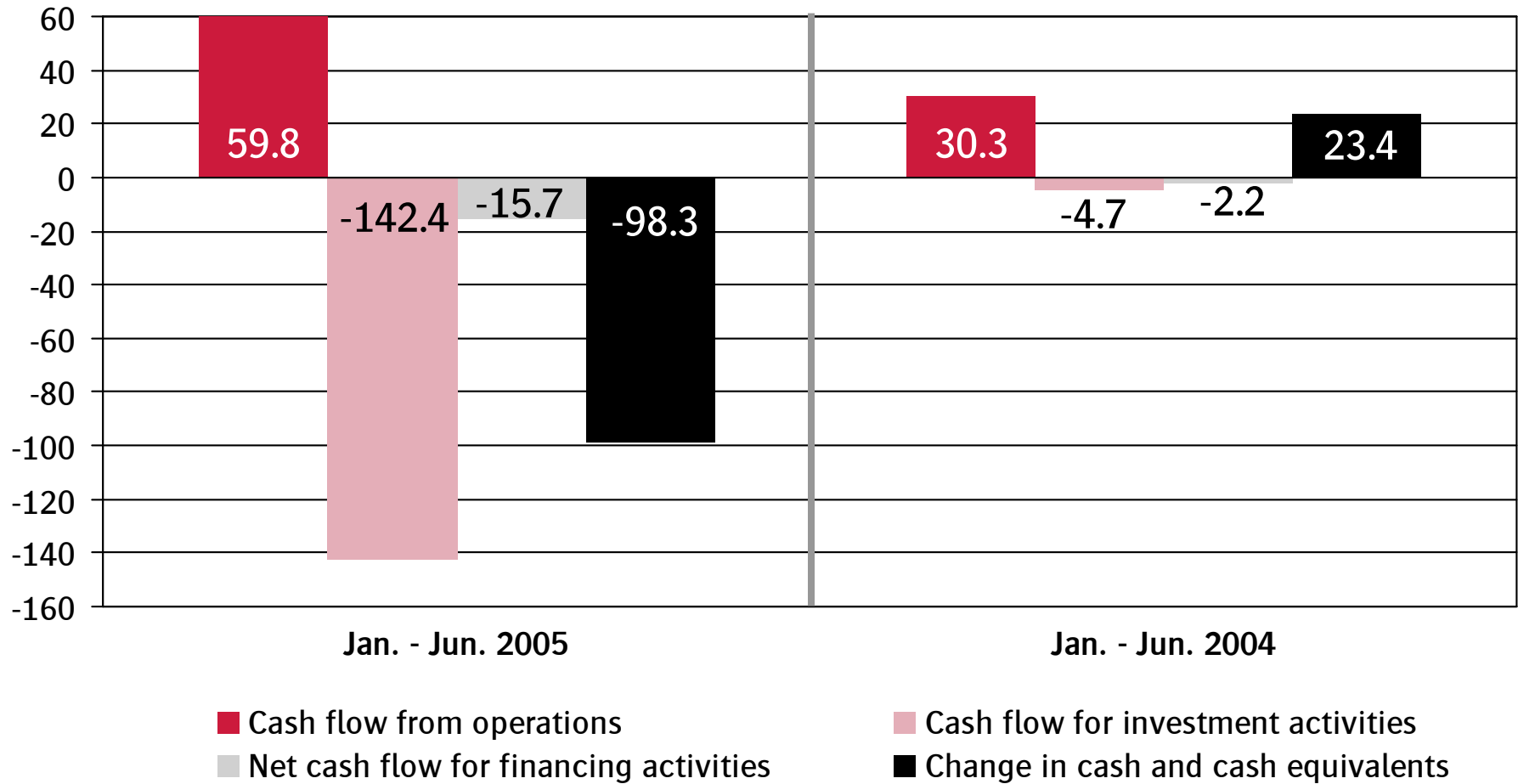


EBITDA improved by 43%

EBITDA:	+42.6%	/	CHF mill. +19
Newspapers:	+40.5%	/	CHF mill. +11
Magazines:	-33.7%	/	CHF mill. -1
Electronic Media:	+1'352.7%	/	CHF mill. +3
Services:	+46.0%	/	CHF mill. +5

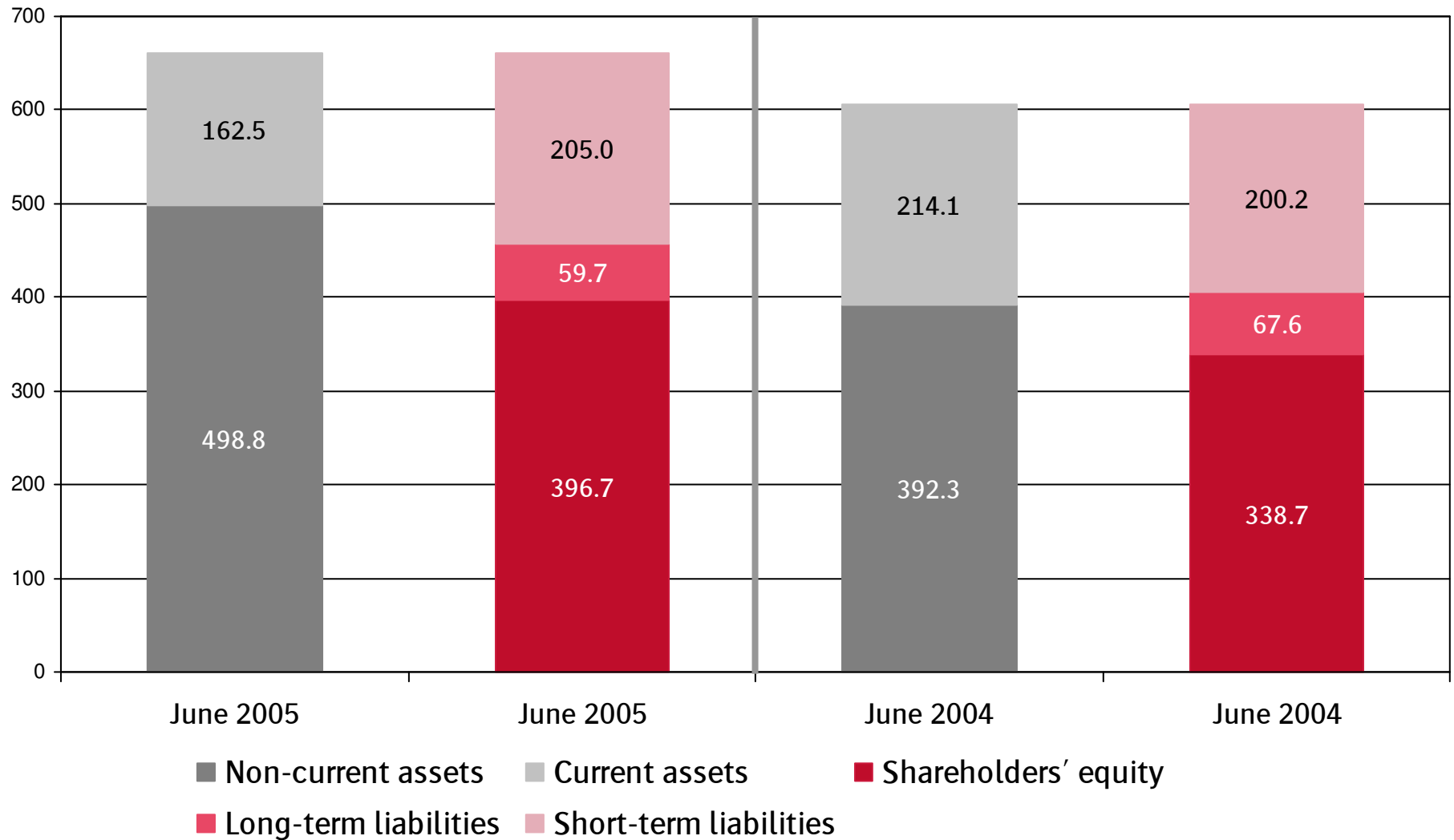


Substantial investments influenced cash flow



Balance sheet with very solid equity ratios

Equity ratio: 60%



Balance sheet total

- Increased total assets mainly due to integration of 20 Minuten AG

Current assets

- Decrease by CHF 74.9 mill. mainly due to a downpayment for acquisitions and dividend payment

Equity ratio

- Remains unchanged at a substantial 60.5%

Shareholders' equity

- Increases by CHF 25.4 mill. due to profit in the first half of 2005

- After a successful turnaround in 2004, the strong performance is persisting yet in a still difficult business environment
- Total EBITDA-margin increases to a sound 19,4%
- For the first time all divisions show positive EBIT-results
- Equity ratio still very good
- Net liquidity remains on solid level even after acquisitions

Newspapers with significant increases

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

In CHF mill.

*not consolidated

Key issues in the Newspapers division

- **General issues**
 - Daily papers still lose commercial ads
 - Job classifieds reached bottom, executive job ads increase
- **Tamedia specific issues**
 - Cooperation with Ziegler Druck: *Stellen-Anzeiger* (job ads supplement) of *Tages-Anzeiger* enclosed with *Der Landbote* twice a week since March 2005. *Der Landbote* printed at printing plant Bubenberg and delivered by Zuvo since May 2005
 - 20 Minuten AG successfully integrated as of 1 March 2005
 - Successful launch of *20 Minuten* in St. Gall
 - *Finanz und Wirtschaft* integrated as of June 2005
 - Cooperation with *Basler Zeitung* and *Berner Zeitung* regarding *Das Magazin* increases revenues significantly
 - *car4you-Zeitung* divested

Magazines with stabilised profitability

	Jan–Jun 2005	Jan–Jun 2004	change in %
Operating revenues*	44.1	46.9	(6.0)
Operating expenses	(41.6)	(43.2)	(3.6)
Operating income before depreciation and amortization (EBITDA)	2.5	3.7	(33.7)
Depreciation and amortization	(0.1)	(0.1)	(34.7)
Operating income (EBIT)	2.4	3.6	(33.7)

In mill. CHF

*not consolidated

Key issues in the Magazines division

- **General issues**
 - Still fierce competition in the weekly news magazines market
- **Tamedia specific issues**
 - Sale of *Spick* finalised
 - New Head of Magazines division
 - Werd Verlag divested

Electronic Media achieved strong turnaround

	Jan–Jun 2005	Jan–Jun 2004	change in %
Operating revenues*	25.5	27.7	(7.8)
Operating expenses	(22.1)	(27.4)	(19.3)
Operating income before depreciation and amortization (EBITDA)	3.4	0.2	1'352.7
Depreciation and amortization	(0.5)	(3.9)	(88.3)
Operating income (EBIT)	2.9	(3.7)	n/a

In mill. CHF

*not consolidated

Key issues in the Electronic Media division

- **General issues**

- RTVG still pending in parliamentary hearings
- Slight improvements: mainly ads for light alcoholic beverages permitted
- Major risk: limitation of any media company to own a maximum of two radio and two regional TV broadcast licenses

- **Tamedia specific issues**

- First profit on EBIT-level realised in HY1 2005
- Condor divested
- On-line department decentralised into divisions, two on-line projects to be decided upon in the 2nd half of 2005

Services with increased profitability

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

In mill. CHF

*not consolidated

Key issues in the Services division

- General issues

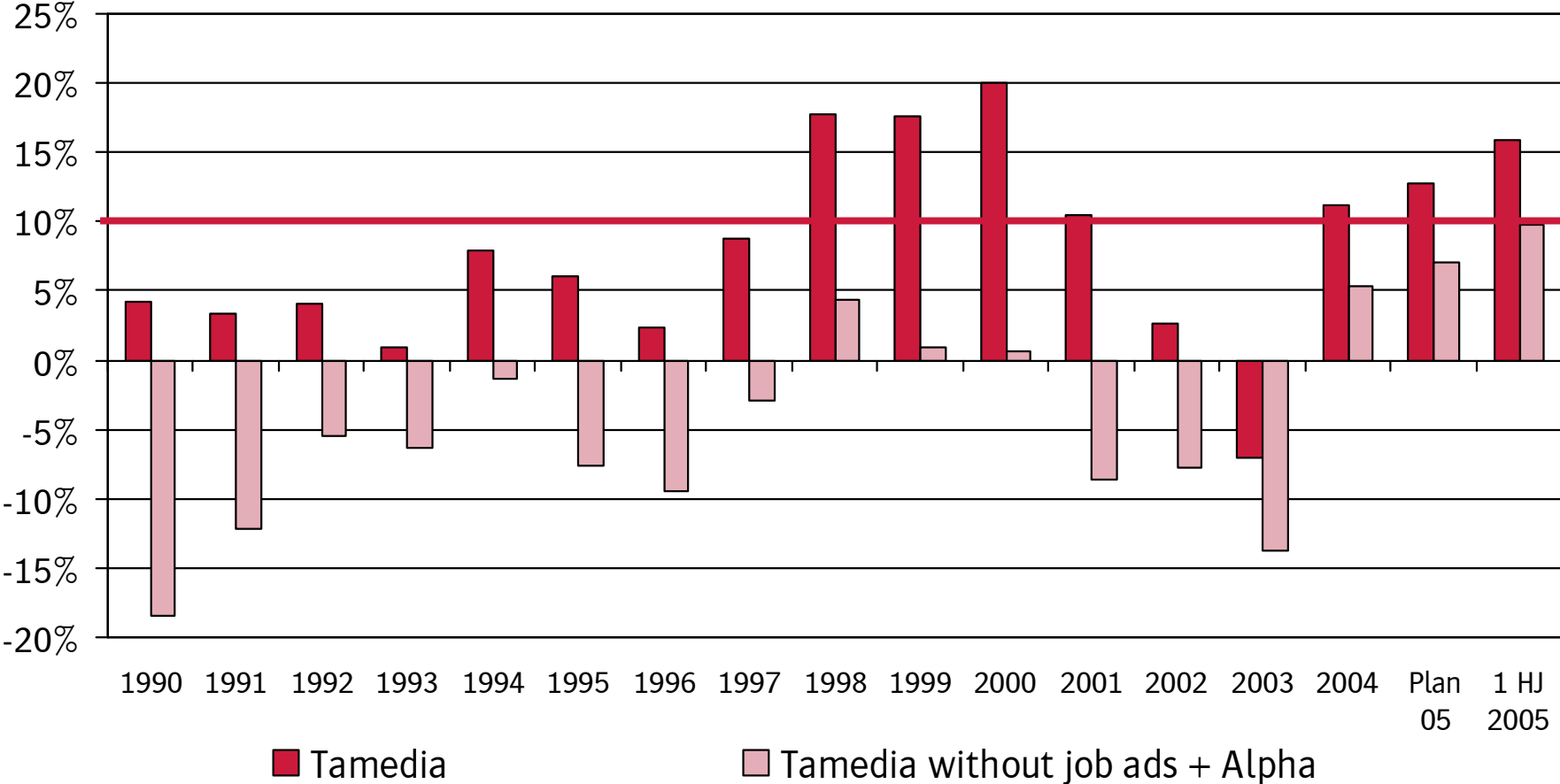
- Pressure on margins in printing industry still high
- New collective labour agreement for printing industry

- Tamedia specific issues

- Lettershop Regor successfully divested
- Printing plant Bubenberg wins additional contract for *20 Minuten Zurich* in April 2005
- *Der Landbote* gets into production at Bubenberg in May 2005
- Printing contract for *20 Minuten St. Gall* in June
- Analysis for printing plant Bubenberg under way
- Zuvo gains Winterthur as a new distribution area

Without job ads Tamedia achieved highest EBIT-margin in 15 years

EBIT margin of Tamedia with and without job ads* since 1990



* Until 1995 the result of the products on EBIT level were deducted from Tamedia's EBITDA. Between 1990-1994 EBIT was calculated along an average revenue per page and with a 80 percent margin.

Economic data

- Growth of Swiss economy solid, but no major revival expected
- Unemployment rate remains stable
- Consumer confidence still shaky

Media industry

- No fundamental change in ad expenditures
- No major increase in job classifieds expected but rebound in executive job ads continues

Tamedia

- Main attention is turned to the ongoing consolidation of the newspaper market
- Expansion of *20 Minuten* to the French-speaking part of Switzerland under consideration
- Continuous effort needed to achieve further cost-effectiveness

Thanks for your attention!

