tamedia:

Press release

Tamedia with significantly increased operating revenues and income in the first half of 2006

Zurich, 1st September 2006. In the first half of 2006 Tamedia achieved again a very positive development. Operating revenues increased by 14.2 percent to CHF 366.5 million. Operating income before depreciation and amortisation (EBITDA) rose disproportionately by 21.8 percent to CHF 75.7 million. The EBITDA margin is now 20.6 percent (previous year: 19.4 percent). Operating income (EBIT) amounted to CHF 62.3 million, up 22.3 percent over the first half of 2005. The relevant margin continued to improve to 17.0 percent. Except for the Electronic Media Division, where, in addition to investments in the online activities, the unsatisfactory development of the two radio stations had the most significant adverse impact, all Divisions reported a positive operating income. In the first half of 2006, consolidated net income increased by 25.1 percent to CHF 52.3 million (previous year: CHF 41.8 million).

Although the economy experienced strong growth rates and unemployment figures continued to drop, print advertising expenditures in Switzerland increased only marginally in the first half of 2006. Job advertising was the only segment to report considerably higher revenues, which was due to the economic upswing. The results within the Electronic Media Division are inconsistent. A decrease in the revenues of the private radio stations is offset by a slight increase in the advertising volume of the regional TV stations, while the share of the online media in total revenues continued to go up.

Key figures for the first six month of 2006
(in CHF mill.)

	06/30/2006	**06/30/2005**	**Change in %**
Operating revenues	366.5	321.0	14.2%
Operating expenses	(290.9)	(258.9)	12.4%
Operating income before depreciation and amortizations (EBITDA)	75.7	62.1	21.8%
Depreciation and amortizations	(13.4)	(11.2)	19.6%
Operating income (EBIT)	62.3	50.9	22.3%

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

Newspapers

Compared to the previous year, *Thurgauer Zeitung, Regionalzeitung Hinterthurgau, Uster Nachrichten* and *20 minutes* were consolidated for the first time. Combined with an increase in various products, this caused a growth in operating revenues of the Newspaper Division by 13.6 percent to CHF 252.0 million. Operating income before depreciation and amortisation (EBITDA) amounted to CHF 51.7 million, which represents an increase of 32.7 percent. The start up of *20 minutes* in the French-speaking part of Switzerland exceeded expectations. The costs of the launching in Geneva and Lausanne were more than compensated by positive developments in the *Alpha* executive market as well as *Stellen-Anzeiger, Finanz und Wirtschaft, Magazin, SonntagsZeitung* and *20 Minuten*. An adjustment of internally charged newspaper printing rates to market prices totalling CHF 2.7 million contributed to the improved result, as did the transfer of *Car4you-Zeitung* to the online provider with the same name. Mainly due to the positive development of the job advertisements, the *Tages-Anzeiger* could defend its leading position in the print advertising market. Operating income (EBIT) of Newspaper division, jumped 36.0 percent to CHF 50.3 million. Accordingly, the Division contributed as much as 80.7 percent to the consolidated result. The margin went up 3.3 percentage points from 16.7 to 20.0 percent.

Key figures for the first six month of 2006
(in CHF mill.)

	06/30/2006	**06/30/2005**	**Change in %**
Operating revenues	250.6	221.8	13.6%
Operating expenses	(200.3)	(182.9)	9.5%
Operating income before depreciation and amortizations (EBITDA)	51.7	38.9	32.7%
Depreciation and amortizations	(1.4)	(1.9)	(19.9%)
Operating income (EBIT)	50.3	37.0	36.0%

Figures in parentheses indicate negative values.

Magazines

Operating revenues of the Magazine Division climbed 8.3 percent to CHF 47.7 million due to first time integration of the magazine publications of Huber & Co. AG, as well as higher revenues generated by *annabelle* and *Schweizer Familie. annabelle* solidified its leadership position in the market for women's magazines in a highly competitive environment. The news magazine *Facts* was not yet able to profit from higher advertising revenues. The positive developments at *annabelle* and *Schweizer Familie* also influenced EBITDA, which increased by 86.2 percent to CHF 4.6 million. A similar improvement (88.6 percent to CHF 4.5 million) was reported at the EBIT level, which caused the EBIT margin to rise sharply from 5.5 to 9.5 percent.

Key figures for the first six month of 2006
(in CHF mill.)

	06/30/2006	**06/30/2005**	**Change in %**
Operating revenues	47.7	44.1	8.3%
Operating expenses	(43.1)	(41.6)	3.7%
Operating income before depreciation and amortizations (EBITDA)	4.6	2.5	86.2%
Depreciation and amortizations	0.0	(0.1)	(18.2%)
Operating income (EBIT)	4.5	2.4	88.6%

Figures in parentheses indicate negative values.

Electronic Media

While revenues increased slightly to CHF 27.3 million (+7.1 percent), the Electronic Media Division suffered a substantial drop in EBITDA of 90.3 percent to CHF 0.3 million. The growth in revenues was primarily attributable to the online activities. While the expansion of *20 Minuten-Online* already contributed to a significant rise in revenues, Jobwinner.ch also benefited from the greatly improved situation in the job market. The negative impact on EBITDA is primarily due to the currently unsatisfactory developments at *Radio 24, Radio Basilisk* and *TeleZüri*. Results at the EBIT level fell by CHF 3.2 million to CHF −0.3 million.

Key figures for the first six month of 2006
(in CHF mill.)

	06/30/2006	06/30/2005	Change in %
Operating revenues	27.3	25.5	7.1%
Operating expenses	(27.0)	(22.1)	21.9%
Operating income before depreciation and amortizations (EBITDA)	0.3	3.4	(90.3%)
Depreciation and amortizations	(0.6)	(0.5)	27.4%
Operating income (EBIT)	(0.3)	2.9	n/a

Figures in parentheses indicate negative values.

Services

The Services Division achieved encouraging results and reported 20.8 percent higher revenues of CHF 122.5 million (including third party revenues of CHF 41.2 million, representing an increase of 31.0 percent). This is mainly due to the services of the Huber group, which were not yet included in the prior year, and the holding in Huber PrintPack AG (formerly Meier Waser Druck AG), which had not been fully consolidated before. EBITDA rose by 10.0 percent to CHF 19.1 million, while the margin declined from 17.1 to 15.6 percent as a result of considerably higher revenues and a price reduction in newspaper printing. The decrease is also attributable to one-time effects in the previous year from the sale of the Waser Druck property and the reversal of provisions for the social plan in the amount of CHF 2.5 million. In contrast to the higher EBITDA, EBIT fell by 10.5 percent to CHF 7.7 million as a result of an increase in depreciation to CHF 11.4 million (previous year: CHF 8.7 million). The higher depreciation was due to the start-up of the second production line of the new newspaper printing presses, which is being depreciated since the beginning of October 2005 and the depreciation of Huber group, which largely affects the Services Division. The EBIT margin for the Division is at 6.3 percent.

Key figures for the first six month of 2006
(in CHF mill.)

	06/30/2006	06/30/2005	Change in %
Operating revenues	122.5	101.5	20.8%
Operating expenses	(103.5)	(84.1)	23.0%
Operating income before depreciation and amortizations (EBITDA)	19.1	17.3	10.0%
Depreciation and amortizations	(11.4)	(8.7)	30.3%
Operating income (EBIT)	7.7	8.6	(10.5%)

Figures in parentheses indicate negative values.

Capital and Asset Structure

Total assets increased in the first half of 2006 from CHF 719.0 million to CHF 736.4 million (up CHF 17.4 million). Shareholders' equity grew by CHF 27.5 million or 6.4 percent to CHF 458.3 million. Other factors contributing to this change, in addition to the positive consolidated net income, included a dividend distribution of CHF 25.0 million (CHF 2.50 per share), a reduction in treasury shares by CHF 0.3 million to pay profit sharing for 2005 in shares, as well as a decrease in the fair market values (net after taxes) of the accounting hedges by CHF 0.2 million. As a result, the equity ratio is now 62.2 percent (previous year: 59.9 percent). On the asset side of the balance sheet, a decrease in non-current assets by CHF 20.3 million to CHF 525.9 million was offset by an increase in current assets of CHF 37.8 million to CHF 210.6 million. The most significant changes in the current assets occurred in cash and cash equivalents, which increased by CHF 14.4 million, and trade receivables (up CHF 22.5 million). The latter is attributable, on the one hand, to higher total revenues and also reflects strong revenues generated in the months of May and June.

For further information, please contact:
Franziska Hügli, Head of Corporate Communications,
phone +41 44 248 41 00 / +41 44 248 41 90

Our detailed 2006 half year report is available at www.tamedia.ch under Investor Relations > Publications

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