

# tamedia:

Press Release

## **Tamedia reporting strong growth in 2006 Operating income (EBIT) increased by 18 per cent to CHF 112 million**

**EBIT of all divisions in the black for the first time.  
Net income with CHF 98 million up significantly (previous year: CHF 80 million).  
Proposed dividend payment of CHF 3.**

**Zurich, 27 March 2007** – In the 2006 financial year, Tamedia again achieved a significant increase in sales (operating revenues) by 11 per cent to CHF 723.6 million. Primarily the growth in job advertisements and at *20 Minuten* as well as integration of the *Thurgauer Zeitung* led, together with the full consolidation of Huber PrintPack AG (previously Meier Waser Druck AG), to an increase in sales of CHF 73.5 million.

The operating income before depreciation and amortisation (EBITDA) improved significantly again by CHF 11.9 million or 9 per cent to CHF 139.0 million. The operating expenses rose at a slightly over-proportional rate of 12 per cent which led to a small decline in the EBITDA margin from 20 per cent to 19 per cent.

The operating income (EBIT) rose by 18 per cent or CHF 17.0 million to CHF 112.2 million. In total, the non-recurring revenues and expenses before tax in the 2006 financial year amounted to CHF +0.1 million (negative effect in the previous year: CHF 7.9 million). As there was no impairment on goodwill, which had amounted to CHF 7.3 million in the previous year for *Radio Basilisk* and *Büry Verlag AG*, the depreciation and amortisation were significantly lower. The EBIT margin raised from 15 per cent to 16 per cent. For the first time in 2006, all the business divisions recorded positive figures at the EBIT level.

Consolidated net income increased by 23 per cent to CHF 98.4 million, mainly due to a higher share of the earnings/profits of associated companies rose. The Board of Directors will propose a dividend payment of CHF 3.00 per share to the Annual Shareholders' Meeting.

### **Newspaper division with over-proportional operating income increase**

The **Newspaper** division increased its sales (operating revenues) to third parties by a good 10 per cent to CHF 492.0 million. This increase is primarily attributable to integration of the *Thurgauer Zeitung* and the growth in sales of *20 Minuten* and job advertisements. The commuter paper *20 minutes*, launched in March 2007 in the French-speaking part of Switzerland, also contributed to the boost in operating revenues, while the four new regional editions of *Tages-Anzeiger* had a minor impact on sales since they were not introduced until November 2006. The operating income before depreciation and amortisation (EBITDA) rose over-proportionally by

approximately 18 per cent to CHF 89.6 million. The EBITDA margin was raised to 18 per cent (previous year: 17 per cent).

### **Magazines: *annabelle* and *Schweizer Familie* increase sales**

The **Magazines** division recorded sales to third parties which were 5 per cent higher at CHF 91.7 million. Carriers of this growth are primarily the magazines publishing house of Huber & Co. AG as well as *annabelle* and *Schweizer Familie*. Sales were slightly lower in the case of *Facts*. The EBITDA rose at a below-average rate of approximately 4 per cent to CHF 7.0 million, whilst the margin remained constant at 8 per cent.

### **Electronic Media: Online Segment with strong growth**

The **Electronic Media** division increased its sales to third parties by more than 16 per cent to CHF 58.7 million. The growth in sales is mainly attributable to the positive development in the online job market, at *20minuten.ch* as well as *TeleZüri* and *Radio Basilisk*. However, the high investments in *Piazza.ch* and the unsatisfactory income development of income from *TeleZüri* and *Radio 24* were the main reasons for a reduction of 16 per cent in the operating income before depreciation and amortisation (EBITDA) of CHF 4.0 million. As a result, the EBITDA margin fell to 7 per cent (previous year: 9 per cent).

### **Services increase thanks to Zuvo and Huber PrintPack AG**

The **Services** division increased its sales (operating revenues) over-proportionately by 22 per cent to CHF 81.2 million. Apart from Huber PrintPack AG, which was fully consolidated for the first time, having been taken into account in 2005 as Meier Waser Druck AG by means of quota consolidation, and the expansion of the distribution regions of Zuvo positively affected the sales. The operating income before depreciation and amortisation (EBITDA) sank by 3 per cent to CHF 38.5 million and the margin to a high 16 per cent (previous year: 18 per cent).

### **Equity ratio rose to 64 per cent**

Total assets are up CHF 69.9 million, from CHF 719.0 million to CHF 789.0 million. This change is primarily attributable to the positive developments in the liquidity. Based on an absolute increase in shareholders' equity of CHF 72.7 million to CHF 503.5 million, the equity ratio is now at 64 per cent.

### **Changes after the reporting date**

As at 1 March 2007, Tamedia took over from the NZZ subsidiary Freie Presse Holding a share package of 25 per cent of the Tagblatt der Stadt Zürich AG. Tamedia has therefore increased its majority interest from 60 per cent to 85 per cent. Freie Presse Holding continues to hold 15 per cent. The two shareholders NZZ and Tamedia therewith continue their approved partnership at *Tagblatt der Stadt Zürich*.

Effective 2 March 2007, Tamedia acquired a 50 per cent block of shares in RV Radio Vision AG from BaZ Group. RV Radio Vision AG combines the sales activities of three radio stations (*Radio Basilisk*, *Basel 1* and *Regenbogen*) under one roof.

### **Largely stable readership figures**

According to the readership figures published by WEMF (AG für Werbemittelforschung) on 27 March, most Tamedia publications were able to largely hold on to their readership. *20 Minuten* achieved another significant jump of 12.6 per cent over the prior year reporting period and now reaches 1.17 million readers.

### **Outlook: advertising market is growing**

According to economic research institutes, economic growth will soften in 2007, and therefore, Tamedia anticipates only a slight rise in commercial advertising spending. Due to the ongoing recovery in the job market, job ads as the primary revenue generator in classified ads are likely to continue growing, although at a below average rate compared to earlier economic cycles. Developments in online advertising are expected to remain positive. In addition to the growth in commercial advertising, this segment also benefits from a shift of classifieds away from the print media.

<b>Tamedia Group Consolidated Income Statement</b>	<b>2005 in CHF million</b>	<b>2006 in CHF million</b>	<b>Change in %</b>
<b>Operating revenues*</b>	<b>650.0</b>	<b>723.6</b>	<b>11.3</b>
Newspapers	445.6	492.0	10.4
Magazines	87.1	91.7	5.3
Electronic Media	50.7	58.7	15.6
Services	66.6	81.2	21.9
<b>Operating income before depreciation and amortization (EBITDA)</b>	<b>127.2</b>	<b>139.0</b>	<b>9.3</b>
Newspapers	76.1	89.6	17.7
Magazines	6.8	7.0	3.9
Electronic Media	4.7	4.0	(15.6)
Services	39.6	38.4	(2.9)
EBITDA margin (in %)	19.6	19.2	(1.8)
<b>Operating income (EBIT)</b>	<b>95.2</b>	<b>112.2</b>	<b>17.8</b>
EBIT margin (in %)	14.6	15.5	5.9
<b>Consolidated net income</b>	<b>79.7</b>	<b>98.4</b>	<b>23.4</b>
Total assets	719.0	789.0	9.7
Equity ratio	59.9	63.8	6.5
Net income / (loss) per share (in CHF)	7.95	9.85	24.0
Dividend per share (in CHF)**	2.50	3.00	20.0
Number of employees (at year-end)	1 839	1 893	2.9

\* Operating revenues with third parties

\*\* Proposal at the Board of Directors

Negative amounts are stated in parentheses. The shown figures have been rounded. As the calculations are made with a higher level of numerical accuracy, it is possible that small rounding differences may occur.

As announced, the media conference will be held at our headquarters in Zurich at 10:30 a.m. today, followed by the financial analysts' meeting at 14:15 p.m.

**For further information, please contact:**

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

Our detailed 2006 financial report is available at [www.tamedia.ch](http://www.tamedia.ch) under Investor Relations > Publications