

tamedia:

Press release

Newspapers with heavy decrease in turnover and result – Satisfactory result thanks to lower costs and strong portfolio

The Swiss media company Tamedia shows a significant decrease in turnover in 2009 as a consequence of the economic crisis. The decrease is almost entirely a result of the lower advertising income. Thanks to the positive development of the magazines and the online media, and various cost reduction measures, Tamedia achieved a satisfactory result in the past year.

Zurich, 15 April 2010 – The business year 2009 was under the influence of a declining advertising market. Tamedia's advertising income declined by 21.7 per cent to CHF 410.8 million (previous year: CHF 524.4 million). As a consequence, the turnover (operating revenues) decreased by 14 per cent or CHF 124.1 million to CHF 766.0 million. The activities of the commuter newspaper L'essentiel, the online platforms homegate.ch, tilllate.ch and Newsnetz, plus the newly acquired classified advertisement platform search.ch, made a positive contribution to the development of the turnover.

The operating result before depreciation, amortisation, interest and taxes (EBITDA) decreased by CHF 76.4 million or 45.5 per cent to CHF 91.7 million. It is thanks to the positive development of the commuter newspaper L'essentiel, the Schweizer Familie and the online activities of homegate.ch and Newsnetz that this decrease was not more severe. The cost reduction measures of all media and in the service area showed their first positive effects towards the end of the year. In spite of this, the operating expense sank with 7.1 per cent significantly less than the turnover, leading to a decrease in the EBITDA margin from 18.9 to 12.0 per cent.

Operating income (EBIT) declined by 61.3 per cent or CHF 81.9 million and amounts to CHF 51.6 million. Depreciation and amortisation, reported at CHF 40.0 million, was CHF 5.5 million higher, i.e. 16 per cent, than in the previous year. This increase can be attributed entirely to the necessary write-down of the goodwill of tilllate.com in the amount of CHF 4.6 million. The EBIT margin dropped significantly from 15.0 to 6.7 per cent. With the exception of the electronic media, all business divisions recorded positive figures at the EBIT level.

The reported net profit for 2009 of CHF 46.7 million is 55.8 per cent or CHF 59.1 million below that of the previous year of CHF 105.7 million. The share of the earnings of associated companies declined in the reporting year by CHF 1.6 million to CHF -0.9 million. This development is due principally to the new participations in online portals, most of which are in a development phase.

The discontinued commuter newspaper, News, the sold motorcycle magazines, Moto Sport Schweiz and Moto Sport Suisse, and the early delivery activities are shown under the discontinued operations. The discontinued operations achieved a turnover of CHF 53.0 million (previous year: CHF 75.3 million). In the prior year, the figures for the discontinued operations also included the printing activities of Benteli Hallwag. At the EBITDA level, the discontinued operations showed a loss of CHF -9.0 million (previous year: CHF -16.8 million).

Regional daily newspapers with heavy losses

The turnover (operating revenues) from third parties of the Newspapers Division sank by 18.6 per cent to CHF 491.5 million. The decrease is principally due to the significant declines in turnover of the Berner Zeitung, the SonntagsZeitung, the job supplements and the Tages-Anzeiger. Tamedia's regional daily newspapers operated in deficit. The cost reduction measures during the course of the year affected the results only towards the end of the year. The operating income before depreciation and amortisation (EBITDA) decreased therefore by 84.5 per cent to CHF 14.5 million. The EBITDA margin is at 2.8 per cent far below the level of the prior year (14.7 per cent).

Magazines as an important contributor to the result

The Magazine Division closes the past year with the sales to third parties (operating revenues) 6.8 per cent lower than the previous year at CHF 93.9 million. The decrease results from the advertising market developments due to the economy. Thanks to the stable revenues of Annabelle and Fachmedien Agrar and the positive development of Schweizer Familie, the operating income before depreciation (EBITDA) increased by 3.2 per cent to CHF 11.8 million in spite of the investments in 20 Minuten Friday. The EBITDA margin increased from 11.2 per cent in the prior year to 12.5 per cent. The Magazine Division thus strengthened the position it achieved in 2007 as an important contributor to the result of the Group.

Electronic media grow thanks to online portals

The turnover (operating revenues) from third parties of the Electronic Media Division increased by 8.7 per cent to CHF 91.2 million. Although the turnover from the radio and TV activities declined, the online turnover increased strongly, in particular through the growth of 20minuten.ch, homegate.ch and Newsnetz, and the acquisition of search.ch. The operating income before depreciation and amortisation (EBITDA) improved by 60.6 per cent to CHF 7.1 million. As a result, the EBITDA margin at 7.7 per cent lies significantly above the level of the prior year (5.2 per cent).

Service areas again with increased profitability

The turnover (operating revenues) from third parties of the Services Division decreased by 11.8 per cent to CHF 89.4 million in the past year. The lower turnovers reflect principally the decreases in volumes due to the economy and the discontinuation of individual titles. The operating income before depreciation and amortisation of CHF 58.2 million is 1.0 per cent below that of the prior year of CHF 58.7 million. With an EBITDA margin of 25.9 per cent, the Services Division again shows a high profitability (previous year: 20.6 per cent).

Events after the balance sheet date: Merger with Edipresse Schweiz

Edipresse and Tamedia are planning to merge their Swiss business. In a first step, Tamedia will take over, in 2010, 49.9 per cent of the share capital of Presse Publications SR S.A. (PPSR), which encompasses the most significant Swiss media activities of Edipresse. In a second step, Tamedia will increase its participation early in 2011 by an additional 0.2 per cent of the share capital and finally, as a 1 January 2013, it will take over the remaining 49.9 per cent. The purchase price for the first two investment steps is CHF 226 million. Taking into account the net current assets and the net debt of PPSR, the effective purchase price to be paid for the first two investment steps is CHF 208

million. The price for the third investment step will depend on the future business development of Edipresse Switzerland.

Further, Tamedia has acquired a 20 per cent participation in Olmero AG as of 23 February 2010. From 2013, Tamedia has the possibility of increasing its participation to more than 51 per cent.

As of 5 March 2010, Tamedia made, as a first step, a 15 per cent investment in Car4you Schweiz AG, the operator of the online vehicle portal car4you.ch launched in 1997. The full takeover is planned in a second step by 2013 at the latest. The development of car4you.ch is to be pushed ahead jointly with the existing management, and the cooperation with the media of Tamedia is to be strengthened.

Consolidated income statement	2008	2009	Change
	in Mio. CHF	In Mio. CHF	in %
Tamedia Group			
Turnover (operating revenues)*	890,1	765,9	-13,9
Operating income before depreciation and amortisation (EBITDA)	168,1	91,7	-45,5
EBITDA margin (in %)	18,9	12,0	-36,6
Operating income (EBIT)	133,6	51,6	-61,3
EBIT margin (in %)	15,0	6,7	-55,1
Net income	105,8	46,7	-55,8
Net income per share (in CHF)	10.27	4.48	-56,4
Dividend per share (in CHF)**	3.00	1.50	-66,7
Cash flow from operations	123,3	63,9	-48,2
Balance sheet total	1'098,7	1'145,0	4,2
Equity ratio (in %)	68,0	70,8	4,0
Newspapers			
Turnover (operating revenues)***	636,7	491,5	-18,0
Of which Intersegment	32,6	29,6	-9,2
EBITDA	93,4	14,5	-84,5
EBITDA margin (in %)	14,7	2,8	-81,0
Magazines			
Turnover (operating revenues)***	101,9	94,6	-7,2
Of which Intersegment	1,1	0,7	-36,4
EBITDA	11,4	11,8	3,2
EBITDA margin (in %)	11,2	12,5	11,1
Electronic media			
Turnover (operating revenues)***	85,3	93,0	9,0
Of which Intersegment	1,4	1,8	28,6
EBITDA	4,5	7,2	60,6
EBITDA margin (in %)	5,2	7,7	47,3
Services			
Turnover (operating revenues)***	285,6	224,9	-21,3
Of which Intersegment	184,3	135,5	-26,5
EBITDA	58,7	58,2	-1,0
EBITDA margin (in %)	20,6	25,9	25,8
Number of employees as at 31.12****	2'474	2'358	-4,7

* Operating revenues from third parties

** Proposal of the Board of Directors

*** Operating revenues including Intersegment

**** Number of full-time positions in the continued operations

Profit participation of employees totals CHF 1.2 million

Since the result margin exceeds 4 per cent, the employees of the Tamedia AG and its fully consolidated subsidiary companies will receive 5.75 per cent of the amount by which this margin is exceeded as profit participation. A total amount of CHF 1.2 million will be available for distribution. The profit participation at an employment rate of 100 percent during 12 months would be 616 francs.

Outlook: A further decline in investments in advertising expected

Tamedia expects that the modest economic recovery in the current year will not yet result in a significant growth in advertising. The unemployment rate is expected to increase further in spite of a modest economic growth. On this basis, Tamedia anticipates declining advertising turnover in the media categories newspapers and magazines. A real turnaround in the trend on the advertising market continues to be expected by the end of the year or in the following year.

Resignation of Dr. Robert Karrer from Administrative Board

Dr. Robert Karrer will retire from the Tamedia Administrative Board during the General Assembly on 11 May 2010 due to his age. Robert Karrer had been voted into the Tamedia AG Administrative Board in 1992. Following Tamedia's initial public offer, he developed the Administrative Boards's Revision Council and acted as its president for nine years. The Tamedia Administrative Board thanks him for his longstanding commitment to the company and wishes him the very best for his future.

Media Orientation and Information for Analysts

Note: The Balance Media Conference planned for 11 am at Tamedia, Werdstrasse 21, Zürich will be postponed due to a recent change. The following new events will take place:

11 to 12 pm: Joint media conference NZZ Media Group, Tamedia and Zürichsee Media on the regional newspaper market in Zunfthaus zur Schneidern, Stüssihofstatt 3 in 8001 Zürich.

Followed by (from ca. 12 pm to 1pm): Balance Media Conference on 2009 Financial Report by Tamedia in Zunfthaus zur Schneidern, Stüssihofstatt 3 in 8001 Zürich.

3 to 4 pm: Analyst conference at Tamedia in Presseclub Medienhaus Werd, Werdstrasse 21, 8004 Zürich

5.30 to 6.30 pm: Conference call for analysts and investors

Further information:

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Further information on Tamedia: www.tamedia.ch with Newsletter Service

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