

Improved result in spite of stagnating investments in advertising

The Swiss media group, Tamedia, increased its turnover to CHF 386.4 million in the first half year of 2010 (previous year CHF 377.3 million). The increase is due in particular to the newly acquired media such as search.ch, the Zürcher Unterländer and the Zürichsee-Zeitung. The operating profit before depreciation and amortisation (EBITDA) increased by 154.4 per cent to CHF 66.1 million (previous year CHF 26.0 million) thanks to cost reduction measures. The operating profit before depreciation and amortisation (EBIT) reached CHF 48.8 million (previous year CHF 9.1 million). A contribution to the result of CHF 10.8 million came from the participation of 49.9 per cent in Presse Publications SR S.A. (PPSR).

Zurich, 1 September 2010 – During the first half year of 2010, the media group, Tamedia, increased its sales moderately by 2.4 per cent to CHF 386.4 million (previous year CHF 377.3 million). The growth in sales results in particular from the newly acquired media such as search.ch, the Zürcher Unterländer and the Zürichsee-Zeitung. At the same time, the cost reduction measures implemented in the previous year led to a significant decrease in the operating expenses of 8.8 per cent to CHF 320.4 million. The operating income before depreciation (EBITDA) showed as a result a significant increase of 154.4 percent to CHF 66.1 million (previous year CHF 26.0 million). The EBITDA margin is now 17.1 percent (previous year 6.9 per cent). At CHF 48.8 million, Tamedia's operating income after depreciation and amortisation (EBIT) is significantly higher than in the previous year (CHF 9.1 million). The EBIT margin amounts to 12.6 per cent (previous year 2.4 per cent).

The result from the continued operations increased to CHF 49.9 million (previous year CHF 5.7 million) in the first half year 2010. The newly acquired participation of 49.9 percent in Presse Publications SR S.A. (PPSR), which encompasses the Swiss media activities of Edipresse, contributed CHF 10.8 million to the result. Excluded from the continued operations are in particular the activities of the Thurgauer Zeitung, which was sold to the NZZ media group in mid-April 2010. The overall result including the discontinued operations now amounts to CHF 52.5 million (previous year CHF 0.8 million)

Key Data	30.06.2010	30.06.2009 ¹	Change	
In CHF million			in %	
Operating revenues	386,4	377,3	2,4	
Operating income before depreciation and amortisation (EBITDA)	66,1	26,0	154,4	
Margin	in %	17,1	6,9	148,4
Operating income (EBIT)	48,8	9,1	438,4	
Margin	in %	12,6	2,4	425,6
Result from continued operations	49,9	5,7	768,6	
Result from discontinued operations	2,7	(5,0)	(153,4)	
Net income	52,5	0,8	n.a.	
Margin	in %	13,6	0,2	n.a.
Net income per share	5.03	0.06	n.a.	
Cash flow from operations	79,4	15,5	412,6	
Balance sheet total as of 30.06./31.12.	1 321,3	1 145,0	15,4	
Equity ratio	63,2	70,8	(10,3)	

¹ The figures for the previous period were adjusted retroactively as a result of the reclassification of the discontinued operations. Additional details can be found in the section Reclassification of discontinued operations.

The advertising investments, which had continuously decreased since June 2008, have stabilised in the first half year 2010 at a significantly lower level. Individual months of the first half year show increasing advertising investments as compared to the previous year. The job advertisements, which react with some delay to an upswing in the job market, showed again with -8.8 per cent a decline. The total advertising sales of the Swiss press were, with an increase of 0.4 per cent in the first half year, marginally above the previous year's figure, but were, however, with -18.5 per cent, still significantly below the figure for the first half year 2008. Tamedia expects largely stable advertising investments in the coming months.

Newspapers

The sales (operating revenues) of the Newspapers division increased by 0.4 per cent to CHF 255.0 million. The growth is due in particular to the publications Zürcher Unterländer and Zürichsee-Zeitung, which are included for the first time for two months, plus 20 Minuten and the SonntagsZeitung. On the other hand, the Berner Zeitung and the Tages-Anzeiger showed again decreases in sales. Tamedia's regional daily newspapers closed the first half year just with a balanced result. The development of the Bund, which shows a balanced result for the first time in more than a decade, is encouraging. The operating income before depreciation and amortisation (EBITDA) of the Newspapers division improved, thanks in particular to the cost reduction measures introduced in the previous year, from CHF -2.2 million to CHF 30.6 million. The operating income (EBIT) increased to CHF 28.5 million (previous year CHF -3.7 million). The EBIT margin of 11.2 per cent is significantly higher than the previous year's figure (-1.5 per cent).

Magazines

The sales (operating revenues) of the Magazines division increased by 0.6 per cent to CHF 48.4 million. Positive contributions to the operating revenues were made by the Schweizer Familie, the specialist media Mobil and the people magazine 20 Minuten Friday, which had been launched at the end of 2008. On the other hand, Annabelle and TVtäglich showed declines in sales in a difficult market environment. The operating income before depreciation and amortisation (EBITDA) of the Magazines division improved across the board from CHF 3.7 million to CHF 9.4 million. The development of the Schweizer Familie in particular was again very satisfactory. The operating income (EBIT) increased substantially to CHF 9.2 million (previous year CHF 3.6 million). The EBIT margin is now at 19.0 per cent (previous year 7.4 per cent).

Electronic Media

The sales (operating revenues) of the Electronic Media division increased by 25.7 per cent to reach CHF 52.8 million. The growth results exclusively from the online media. Apart from the online platforms search.ch, jobup.ch and swissfriends.ch, which are included for the first time, 20 Minuten Online and Newsnetz also contributed to the growth. The real estate platform Homegate continued to develop positively. The radio and TV activities did not meet the expectations and made no contribution to the result. The operating income before depreciation and amortisation (EBITDA) of the Electronic Media division improved by CHF 4.4 million to CHF 3.0 million (previous year CHF -1.4 million). The operating income (EBIT) increased to CHF 0.4 million (previous year CHF -3.1 million). The EBIT margin is now 0.7 per cent (previous year -7.3 per cent).

Services

In the first six months of the year, the sales (operating revenues) of the Services division amounted to CHF 99.4 million, representing a decrease of 18.4 per cent in comparison to the previous year's figure of CHF 119.3 million. The sales of the printing facility DZO Oetwil, which prints the Zurich regional newspapers, are included in the Services division for the first time. The again lower volumes in newspaper printing led, however, to significantly reduced sales in both the printing facilities and the pre-printing services. The operating income before depreciation and amortisation (EBITDA) decreased in consequence by 10.8 per cent to

CHF 23.1 million (previous year CHF 25.9 million). On the other hand, the margin increased modestly from 21.7 to 23.2 per cent. The operating income (EBIT) decreased by 12.7 per cent to CHF 10.7 million (previous year CHF 12.3 million), which led to an increase in the EBIT margin by 0.5 per cent to 10.8 per cent (previous year 10.3 per cent).

Information by segment of the continued operations

in CHF million	Operating revenues		Operating income (EBIT)	
	30.06.2010	30.06.2009 ¹	30.06.2010	30.06.2009 ¹
Newspapers	255,0	253,8	28,5	(3,7)
Magazines	48,7	48,4	9,2	3,6
Electronic medias	52,8	42,0	0,4	(3,1)
Services	99,4	119,3	10,7	12,3
Elimination	(69,3)	(86,2)	0,0	0,0
Total	386,4	377,3	48,8	9,1

¹ The figures for the previous period were adjusted retroactively as a result of the reclassification of the discontinued operations. Additional details can be found in the section Reclassification of discontinued operations.

Presse Publications SR S.A. (PPSR), which encompasses the significant Swiss media activities of Edipresse, fulfilled the high expectations in the first half year 2010. With sales of CHF 176.7 million, PPSR achieved an operating income after depreciation and amortisation (EBIT) of CHF 24.8 million. The EBIT margin was then at 14.0 per cent. The jointly operated commuter newspaper 20 minutes and the also already merged online market places developed particularly satisfactorily. Since Tamedia holds, until the beginning of 2011, only a minority interest of 49.9 per cent in PPSR, its sales are not included in the half year figures of Tamedia. Based on the participation of 49.9 per cent, CHF 10.8 million, or almost half of the net income of CHF 21.6 million, nevertheless flowed into the net income of Tamedia.

Apart from the merger with the Swiss media activities of Edipresse, Tamedia's attention will be centred on the future of the Zurich regional newspapers in the coming months. Together with the partners, Ziegler Druck und Verlags AG (Der Landbote) and Zürcher Oberland Medien AG (Zürcher Oberländer), possible forms of cooperation are currently being examined. The partners have already decided to operate their advertising business jointly as from 2011. Further projects should be concluded by the end of 2010.

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Portrait

Tamedia is a Swiss media company with headquarters in Zurich. With its daily and weekly newspapers, magazines, online platforms, regional radio and TV stations as well as newspaper printing facilities, Tamedia is one of the leading media companies in Switzerland. The company was founded in 1893 and has been listed on the Swiss securities market since 2000 (symbol TAMN, securities number 1117825, ISIN CH001117825). Tamedia employs a total of 3,200 persons. Tamedia will take over the Swiss business of Edipresse step by step until 2013.

Our detailed 2010 half year report is available at:
www.tamedia.ch > Investor Relations > Financial Reports

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