

Press release

## **Tamedia grows in 2010 thanks to Zurich regional newspapers and online media – profit (EBIT) jumps to CHF 112.4 million – EBIT Margin reaches 13.9 per cent**

The Swiss media company, Tamedia, increased its turnover in 2010 to CHF 806.3 million. Thanks to improving advertising income and a significant increase in efficiency, the company shows a jump in profit. The EBITDA amounts to CHF 151.7 million (EBITDA Margin 18.8 per cent) and the EBIT to CHF 112.4 million (EBIT Margin 13.9 per cent). The net profit, to which Presse Publications SR (Edipresse Switzerland) also contributed, climbed to CHF 110.8 million. All business divisions were profitable at the EBIT level. The Board of Directors proposes the distribution of CHF 4 per share.

**Zurich, 12 April 2011** – The turnover (operating income) increased by 7.6 per cent or CHF 56.8 million to CHF 806.3 million. The positive development of the turnover is primarily due to the first time inclusion of the regional newspapers Zürcher Unterländer and Zürichsee-Zeitung, the commuter newspapers 20 Minuten and 20 minutes, the job platforms of Jobup and the platform search.ch, which was acquired at the beginning of 2010.

The operating result before depreciation, amortisation, interest and taxes (EBITDA) increased by CHF 61.5 million or 68.2 per cent to CHF 151.7 million. The main reasons for the broadly based improvement in the result are significant increases in efficiency and moderate growth in advertising investments. Significantly increased results in comparison to the previous year are shown in particular by the commuter newspaper 20 Minuten, BZ Berner Zeitung and Der Bund, the job platforms of Jobup as well as the Tages-Anzeiger. The EBITDA Margin increased from 12.0 per cent in the previous year to 18.8 per cent. The operating profit (EBIT) increased by 121.5 per cent or CHF 61.6 million to reach CHF 112.4 million. The EBIT Margin climbed from 6.8 in the previous year to 13.9 per cent. All business divisions were profitable at the EBIT level.

The net profit for 2010 of CHF 110.8 million is 137.3 percent or CHF 64.1 million higher than the previous year's figure of CHF 46.7 million. Whereas the share in the earnings of the associated companies was a loss of CHF -0.9 million in the previous year, it amounted to a profit of CHF 16.9 million in 2010. The 49.9 per cent participation in Presse Publications SR S.A. (PPSR), which comprises the significant Swiss media activities of Edipresse, made the major contribution.

Under the profit participation program, the employees of the company participate in the result with a total of CHF 4.2 million. The distribution is made at choice in cash or in shares.

The separately disclosed discontinued operations, which comprise in particular the sold Thurgauer Zeitung, achieved a turnover of CHF 13.4 million (previous year: CHF 78.2 million) and at the EBITDA level a profit of CHF 4.1 million (previous year: CHF -7.6 million). The EBIT of the discontinued operations amounted to CHF 4.0 million (previous year: CHF -8.2 million) and the net profit to CHF 3.3 million (previous year: CHF -4.3 million).

| Key figures  | 2009<br>in CHF million | 2010<br>in CHF million | Change<br>in % |
|--|------------------------|------------------------|----------------|
| <b>Tamedia Group</b>   |                        |                        |                |
| Turnover (operating revenues) <sup>1</sup>                     | 749.5                  | 806.3                  | 7.6            |
| Operating income before depreciation and amortisation (EBITDA) | 90.2                   | 151.7                  | 68.2           |
| EBITDA margin (in %)   | 12.0                   | 18.8                   | 56.4           |
| Operating income (EBIT)  | 50.8                   | 112.4                  | 121.5          |
| EBIT margin (in %)   | 6.8                    | 13.9                   | 105.9          |
| Net income   | 46.7                   | 110.8                  | 137.3          |
| Net income per share (in CHF)                                  | 4.48                   | 10.61                  | 137.0          |
| Share premium distribution per share (in CHF) <sup>2</sup>     | 1.5                    | 4.0                    | 166.7          |
| Cash flow from operations                                      | 62.6                   | 190.3                  | 204.1          |
| Balance sheet total  | 1,145.0                | 1,233.6                | 7.7            |
| Equity ratio (in %)  | 70.8                   | 68.4                   | -3.4           |
| <b>Newspapers</b>  |                        |                        |                |
| Turnover (operating revenues) <sup>3</sup>                     | 495.3                  | 521.1                  | 5.1            |
| Of which Intersegment  | 29.6                   | 10.6                   | -64.1          |
| EBIT   | 10.1                   | 65.1                   | 546.6          |
| EBIT margin (in %)   | 2.0                    | 12.5                   | 554.3          |
| <b>Magazines</b>   |                        |                        |                |
| Turnover (operating revenues) <sup>3</sup>                     | 94.6                   | 96.7                   | 2.2            |
| Of which Intersegment  | 0.7                    | 0.4                    | -40.8          |
| EBIT   | 11.5                   | 16.8                   | 45.8           |
| EBIT margin (in %)   | 12.2                   | 17.4                   | 42.6           |
| <b>Electronic media</b>  |                        |                        |                |
| Turnover (operating revenues) <sup>3</sup>                     | 93.0                   | 118.7                  | 27.6           |
| Of which Intersegment  | 1.8                    | 6.0                    | 228.6          |
| EBIT   | -1.4                   | 9.2                    | 754.1          |
| EBIT margin (in %)   | -1.5                   | 7.8                    | 612.5          |
| <b>Services</b>  |                        |                        |                |
| Turnover (operating revenues) <sup>3</sup>                     | 225.7                  | 210.3                  | -6.9           |
| Of which Intersegment  | 127.7                  | 123.5                  | -3.3           |
| EBIT   | 30.6                   | 21.3                   | -30.3          |
| EBIT margin (in %)   | 13.5                   | 10.1                   | -25.2          |
| <b>Number of employees as at 31.12.</b> <sup>4</sup>           | 2,286                  | 2,382                  | 4.2            |

<sup>1</sup> Operating revenues from third parties

<sup>2</sup> Proposal of the Board of Directors to the General Meeting

<sup>3</sup> Operating revenues including Intersegment

<sup>4</sup> Number of full-time positions in the continued operations

### Newspapers: regional daily newspapers with much improved result

The turnover (operating revenues) from third parties of the Newspapers Division increased in 2010 by 9.5 per cent to CHF 510.5 million (previous year: CHF 466.3 million). The growth is particularly strong in the newly acquired daily newspapers Zürcher Unterländer and Zürichsee-Zeitung. Contributions to the positive development were also made by the commuter newspapers 20 Minuten and 20 minutes, and the commuter newspaper L'essentiel launched in Luxembourg in 2007, which achieved profitability earlier than expected. The regional daily newspapers showed only a weak growth in turnover, but improved their results significantly through increased efficiency. The adjustment of the internal billing prices for newspaper printing which was undertaken in 2010 led to a significant decrease in the manufacturing costs charged. The operating profit (EBIT) increased by 546.6 per cent to CHF 65.1 million (previous year: 10.1 million). The EBIT margin is at 12.5 per cent significantly higher than that of the previous year (2.0 per cent).

### **Magazines: an important contributor to the result thanks to higher profitability**

The turnover of the Magazines Division increased by 2.6 per cent to CHF 96.3 million (previous year: CHF 93.9 million). The satisfying development of 20 Minuten Friday and Schweizer Familie in particular had a positive effect on the advertising income of the Division. The manufacturing costs sank substantially thanks to new external printing contracts. The operating profit (EBIT) was at CHF 16.8 million significantly higher than in the previous year (CHF 11.5 million). With an EBIT margin of 17.4 per cent (previous year 12.2 per cent), the Magazines Division proved its significance as an important contributor to the result of the company.

### **Electronic Media: investments in online media pay off**

The turnover of the Electronic Media Division increased by 23.6 per cent to CHF 112.7 million (previous year: CHF 91.2 million). The principal drivers of the growth were the news platforms, 20 Minuten Online and Newsnetz, the job platforms of Jobup as well as search.ch. In spite of the substantial investments in the development of the online platforms, the operating profit (EBIT) improved from CHF -1.4 million in the previous year to CHF 9.2 million. Both the growth in the turnover and the improvement in the result are due primarily to the online media. The EBIT margin of the Electronic Media Division increased from -1.5 per cent in the previous year to a gratifying 7.8 per cent.

### **Services: again high profitability in spite of sinking print prices**

The turnover of the Services Division from third parties sank by 11.5 per cent to CHF 86.8 million (previous year: CHF 98.1 million) because of decreasing volumes and print prices. The operating profit (EBIT) is, at CHF 21.3 million, 30.3 per cent below the previous year's result of CHF 30.6 million. The EBIT margin remains, although slightly below the previous year's figure of 13.5 per cent, at a high level of 10.1 per cent. In the current year, the new printing strategy of Presse Publications SR and Tamedia should have a positive effect on the efficiency of the printing facilities.

The Board of Directors of Tamedia AG will propose to the General Meeting of Friday, 6 May 2011 in Zurich the distribution of CHF 4 per share out of the share premium reserve.

Based on the economic forecast of the State Secretariat for Economic Affairs, Seco, Tamedia anticipates moderate growth in investments in advertising in the current year and, over the course of the year, increasing turnover from job advertisements.

### **Merger with the Swiss business of Edipresse already in 2011**

The merger of Edipresse Switzerland and Tamedia will, as announced by the two companies on 8 April 2011, already take place in 2011 instead of in 2013 as originally intended. This decision followed a successful first phase of the integration process, in which numerous synergy and growth projects could be realised.

The purchase price for the 49.9 per cent of the share capital of Presse Publications SR S.A. acquired early lies, depending on the business development of PPSR in the year 2012, between CHF 269.8 and 330.2 million in cash plus 250,000 registered shares of Tamedia and will be payable over a period of two years. Tamedia has paid a total of CHF 207.3 million to Edipresse for the first two investment steps. The temporary bank loan taken out for this purpose has already been repaid in full. The financing of the purchase price commitment which is still open is to be made primarily out of own funds and to the extent necessary through existing operational credit limits.

Presse Publications SR S.A. achieved in the past year a turnover (operating revenues) of CHF 362.9 million. The operating result before depreciation, amortisation, interest and

taxes (EBITDA) amounted to CHF 63.7 million, and the operating income (EBIT) to CHF 39.5 million. The net profit for 2010 amounted to CHF 32.8 million.

**Further information:**

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Further information on Tamedia: [www.tamedia.ch](http://www.tamedia.ch) with Newsletter Service

Executive Report 2010 on [www.tamedia.ch](http://www.tamedia.ch) under Investor Relations > Financial Reports