Zurich, 31 August 2011

Dear Shareholders
Dear Staff
Dear Friends and Partners of Tamedia

Tamedia once again increased net income for the first six months of 2011 and reported the best interim result of the last ten years. This was largely thanks to the first-time consolidation of Presse Publications SR S.A. (Edipresse Suisse). Revenues rose by 55.1 per cent to CHF 558.9 million (previous year: CHF 360.3 million). The new segment reporting underlines the growing importance of digital media at Tamedia. The external share of revenues of the fast-growing Digital business division amounts to 11.0 per cent (previous year: 9.5 per cent). The Print Regional business division contributed 53.4 per cent (previous year: 47.9 per cent) and Print National 35.6 per cent (previous year: 42.6 per cent) to revenues. The company's operating expense rose a disproportionately low 49.2 per cent to CHF 443.1 million.

Operating income before depreciation and amortisation (EBITDA) increased by a substantial 82.7 per cent to CHF 115.8 million (previous year: CHF 63.4 million). The EBITDA margin increased markedly and is now at a pleasing 20.7 per cent (previous year: 17.6 per cent). At CHF 88.7 million, Tamedia's operating income (EBIT) for the first half of 2011 is double the previous year's figure (CHF 46.7 million). The EBIT margin is 15.9 per cent (previous year: 12.9 per cent). Net income from continuing operations rose to CHF 87.5 million (previous year: CHF 48.1 million). Radio and TV stations in particular and the automobile specialist media are not included in continuing operations. Net income including discontinued operations amounts to CHF 87.7 million (previous year: CHF 52.5 million).

After recovering in the previous year, advertising exposure rose only slightly in the first six months of 2011. The advertisement statistics of the Swiss media association (Verband Schweizer Medien) indicate growth of 2 per cent for print media in terms of net advertising revenues and 1 per cent for the daily newspapers. Job advertisements were up a pleasing 4 per cent while real estate advertisements declined by 9 per cent.

Key figures

in CHF mill.		30.06.2011	30.06.2010 [1]	Change in %
Operating revenues		558.9	360.3	55.1
Operating income before depreciation and amortisation (EBITDA)		115.8	63.4	82.7
Margin	in %	20.7	17.6	17.8
Operating income (EBIT)		88.7	46.7	90.1
Margin	in %	15.9	12.9	22.5
Net income (loss) of continuing operations		87.5	48.1	82.0
Net income (loss) of discontinued operations		0.3	4.5	(94.2)
Net income (loss)		87.7	52.5	67.0
Margin	in %	15.7	14.6	7.6
Net income (loss) per share (undiluted)	in CHF	8.23	5.03	63.6
Cash flow from operating activities		89.1	77.2	15.4
Total assets of 30 June / 31 December		1 721.4	1 233.6	39.6
Equity ratio	in %	53.0	68.4	(22.5)

1 The figures of the prior period have been adjusted with retroactive effect due to the reclassification of discontinued operations. More information can be found in the section on reclassifications of discontinued operations.

Operational reporting of Tamedia for the first half of 2011

The merger with Edipresse Suisse resulted in Tamedia's introduction of new segment reporting by market. The Print Regional business division comprises all regional newspapers and gazettes, while the Print National business division comprises all newspapers and magazines that have a national focus. All areas that hitherto fell under the Services business division are being integrated into the Print Regional business division. The integration of these areas, which operate almost exclusively for internal clients, into the Print Regional business division and the reporting of the two Print National and Digital business divisions enhance comparability with other media companies. The Digital business division, which is set to gain in importance over the next few years, will for the first time encompass all online media. The figures for the first half of 2010 have been adjusted with retroactive effect to take account of the new business divisions.

All the figures provided in the tables have been rounded. Minor rounding differences may occur as the calculations have been carried out with a high degree of accuracy.

Segment information of continuing business divisions

in CHF mill.	Print Regional	Print National	Digital	Elimination	**Total**
As of 30.06.2010 [1]					
Third parties	172.7	153.5	34.1	–	**360.3**
Intersegment	15.2	1.0	1.9	(18.1)	–
Operating revenues	**187.9**	**154.5**	**36.0**	**(18.1)**	**360.3**
Operating expenses	(164.2)	(117.2)	(33.5)	18.1	**(296.9)**
Operating income before depreciation and amortisation (EBITDA)	**23.6**	**37.3**	**2.5**	–	**63.4**
Depreciation and amortisation	(13.7)	(0.4)	(2.6)	–	**(16.7)**
of which relating to publishing rights (IFRS 3)	(1.2)	(0.4)	(0.8)	–	**(2.4)**
Operating income (EBIT)	**9.9**	**36.8**	**(0.1)**	–	**46.7**
As of 30.06.2011					
Third parties	298.7	198.9	61.3	–	**558.9**
Intersegment	45.2	30.1	2.9	(78.2)	–
Operating revenues	**343.9**	**229.0**	**64.2**	**(78.2)**	**558.9**
Operating expenses	(292.6)	(170.7)	(58.0)	78.2	**(443.1)**
Operating income before depreciation and amortisation (EBITDA)	**51.3**	**58.3**	**6.2**	–	**115.8**
Depreciation and amortisation	(18.6)	(2.8)	(5.7)	–	**(27.2)**
of which relating to publishing rights (IFRS 3)	(2.4)	(2.5)	(3.0)	–	**(7.9)**
Operating income (EBIT)	**32.7**	**55.5**	**0.5**	–	**88.7**

1 The figures of the prior period have been adjusted with retroactive effect due to the reclassification of discontinued operations. More information can be found in the section on discontinued operations.

Print Regional

The revenues of the Print Regional business division increased by 83.1 per cent to CHF 343.9 million. The growth is to be attributed mainly to the first-time consolidation of Edipresse Suisse, in particular to the *24 heures* and *Tribune de Genève* dailies, which contributed CHF 137.3 million to the business division's revenues. The *Zürichsee-Zeitung* and *Zürcher Unterländer* dailies, for the first time included for a full six months, also made a positive contribution to revenues. The revenues of other newspapers registered mostly stable development. The printing centres, likewise now included in the new Print Regional business division, reported a renewed decline in revenues due to price adjustments. The improvement in the net income reported by the Print Regional business division is broadly based. Operating income before depreciation and amortisation (EBITDA) of the Print Regional business division jumped from CHF 23.6 million to CHF 51.3 million. Income at EBIT level more than tripled to CHF 32.7 million over the previous year (CHF 9.9 million). The EBIT margin is now 9.5 per cent (previous year: 5.3 per cent).

Print National

Revenues of the Print National business division increased by 48.2 per cent to CHF 229.0 million. Growth was mainly to be attributed to the first-time consolidation of Edipresse Suisse, in particular the *Le Matin* daily and *Le Matin Dimanche* Sunday newspaper, as well as to the now fully consolidated French-speaking *20 minutes* commuter newspaper, which contributed CHF 75.1 million. The *20 Minuten* commuter newspaper and *Annabelle* women's magazine once again made a positive contribution to the rise in revenues, whereas *Schweizer Familie* and *Finanz & Wirtschaft* had to contend with a fall in revenues. The revenues of the other print media registered mostly stable development. The development of net income – which was positive almost right across the board – led to an improvement in operating income before depreciation and amortisation (EBITDA) of the Print National business division from CHF 37.3 million to CHF 58.3 million. Operating income (EBIT) improved to CHF 55.5 million (previous year: CHF 36.8 million). This put the EBIT margin at a pleasing 24.2 per cent, slightly above the previous year's level (23.8 per cent).

Digital

The online media reported under the Digital business division continued their strong growth. The revenues of the Digital business division increased by 78.3 per cent to CHF 64.2 million. The online media of Edipresse Suisse and the *car4you.ch* online platform, which were consolidated for the first time, together with the fully consolidated *homegate.ch, jobup.ch* and *swissfriends.ch* online platforms, contributed CHF 21.2 million to growth. *20 Minuten Online* and the Jobup job platforms continued to show pleasing growth. The *search.ch* directory platform likewise reported strong growth in revenues. Operating income before depreciation and amortisation (EBITDA) of the Digital business division improved by CHF 3.7 million to CHF 6.2 million (previous year: CHF 2.5 million) despite high corporate spending in the expansion of the editing teams of *20 Minuten Online* and *Newsnetz* as well as of *search.ch*. Operating income (EBIT) remained at a low level of CHF 0.5 million (previous year: CHF –0.1 million). The EBIT margin is now 0.8 per cent (previous year: –0.4 per cent).

In addition to the merger with the Swiss media activities of Edipresse Suisse, Tamedia will be focusing in the coming few months on the further expansion of digital media as well as on the launch of the *20 minuti* commuter newspaper in Ticino. We will inform you of the progress of these and other projects with the publication of our 2011 annual results on Wednesday, 4 April 2012.

Sincerely

Dr. Pietro Supino	Martin Kall
Chairman of the Board of Directors	Chief Executive Officer

Financial reporting of Tamedia for the first half of 2011

Consolidated Income Statement

in CHF mill.	30.06.2011	30.06.2010 [1]
Operating revenues	**558.9**	**360.3**
Operating expenses	**(443.1)**	**(296.9)**
Operating income before depreciation and amortisation (EBITDA)	**115.8**	**63.4**
Depreciation and amortisation	(27.2)	(16.7)
Operating income (EBIT)	**88.7**	**46.7**
Share of net income (loss) of associated companies	3.3	10.8
Other financial income	18.3	4.0
Income before taxes	**110.2**	**61.5**
Income taxes	(22.7)	(13.4)
Net income (loss) of continuing operations	**87.5**	**48.1**
Discontinued operations	0.3	4.5
Net income (loss)	**87.7**	**52.5**
of which		
Attributable to Tamedia shareholders	87.1	52.4
Attributable to non-controlling interests	0.6	0.1

1 The figures relate to continuing operations in 2011.

Net Income per Share

in CHF	30.06.2011	30.06.2010
Net income (loss) per share (undiluted)	8.23	5.03
Net income (loss) per share (diluted)	8.23	5.03
Net income (loss) of continuing operations per share (undiluted)	8.21	4.61
Net income (loss) of continuing operations per share (diluted)	8.20	4.61

Consolidated Statement of Comprehensive Income

in CHF mill.	30.06.2011	30.06.2010
Net income (loss)	**87.7**	**52.5**
Share of assets recognised directly in the equity of associated companies	(0.8)	(6.1)
Value fluctuation financial assets	0.7	(1.9)
Actuarial gains/(losses) IAS 19	(16.2)	0.4
Currency translation differences	0.1	0.3
Other comprehensive income	**(16.2)**	**(7.3)**
Total comprehensive income	**71.5**	**45.2**
of which		
Attributable to Tamedia shareholders	70.9	45.1
Non-controlling interests	0.6	0.1

Consolidated Balance Sheet

in CHF mill.	30.06.2011	31.12.2010
Current assets of continuing operations	**290.8**	**220.9**
Assets held for sale	60.0	22.6
Current assets	**350.8**	**243.5**
Non-current assets	**1 370.6**	**990.0**
Total assets	**1 721.4**	**1 233.6**
Current liabilities of continuing operations	**553.7**	**309.4**
Liabilities associated with assets held for sale	9.4	2.3
Current liabilities	**563.1**	**311.7**
Non-current liabilities	**245.6**	**78.1**
Total liabilities	**808.7**	**389.8**
Equity, attributable to Tamedia shareholders	**896.6**	**839.2**
Non-controlling interests	16.2	4.5
Equity	**912.7**	**843.7**
Total liabilities and shareholders´ equity	**1 721.4**	**1 233.6**

Consolidated Cash Flow Statement

in CHF mill.	30.06.2011	30.06.2010 [1]
Direct method		
Cash flow from operating activities	98.9	79.9
Cash flow from (used in) other ordinary activities	(9.8)	(2.7)
Cash flow from operating activities	**89.1**	**77.2**
Cash flow from (used in) investing activities	5.4	(232.9)
Cash flow after investing activities	**94.5**	**(155.7)**
Cash flow from (used in) financing activities	(67.9)	67.6
Cash flow from discontinued operations	14.8	16.3
Impact of currency translation	0.4	0.3
Change in cash and cash equivalents	**41.8**	**(71.5)**
Cash and cash equivalents as of 1 January	53.5	113.6
Cash and cash equivalents as of 30 June	95.3	42.1
Change in cash and cash equivalents	**41.8**	**(71.5)**

1 The figures relate to continuing operations in 2011.

Statement of Changes in Equity

in CHF mill.	Share capital	Treasury shares	Currency translation differences	Reserves	**Equity, attributable to Tamedia shareholders**	Minority interests in equity	**Equity**
As of 31 December 2009	**106.0**	**(8.2)**	**0.3**	**706.5**	**804.6**	**5.7**	**810.3**
Net income (loss)	–	–	–	52.4	**52.4**	0.1	**52.5**
Share of assets recognised directly in the equity of associated companies	–	–	–	(6.1)	**(6.1)**	–	**(6.1)**
Value fluctuation financial assets	–	–	–	(1.9)	**(1.9)**	–	**(1.9)**
Actuarial gains/(losses) IAS 19	–	–	–	0.4	**0.4**	–	**0.4**
Currency translation differences	–	–	0.3	–	**0.3**	–	**0.3**
Total comprehensive income	–	–	**0.3**	**44.8**	**45.1**	**0.1**	**45.2**
Dividends paid	–	–	–	(15.9)	**(15.9)**	–	**(15.9)**
Change in the group of consolidated companies	–	–	–	–	–	(0.5)	**(0.5)**
(Purchase)/sale of treasury shares	–	(3.7)	–	–	**(3.7)**	–	**(3.7)**
As of 30 June 2010	**106.0**	**(11.9)**	**0.6**	**735.4**	**830.1**	**5.3**	**835.4**
As of 31 December 2010	**106.0**	–	**(15.3)**	**747.7**	**839.2**	**4.5**	**843.7**
Net income (loss)	–	–	–	87.1	**87.1**	0.6	**87.7**
Share of assets recognised directly in the equity of associated companies	–	–	–	(0.8)	**(0.8)**	(0.0)	**(0.8)**
Value fluctuation financial assets	–	–	–	0.7	**0.7**	–	**0.7**
Actuarial gains/(losses) IAS 19	–	–	–	(16.2)	**(16.2)**	–	**(16.2)**
Currency translation differences	–	–	0.1	–	**0.1**	–	**0.1**
Total comprehensive income	–	–	**0.1**	**70.8**	**70.9**	**0.6**	**71.5**
Dividends paid	–	–	–	(41.3)	**(41.3)**	(0.1)	**(41.5)**
Change in the group of consolidated companies	–	–	–	–	–	11.2	**11.2**
Shares to be delivered	–	–	–	31.0	**31.0**	–	**31.0**
(Purchase)/sale of treasury shares	–	(3.2)	–	–	**(3.2)**	–	**(3.2)**
As of 30 June 2011	**106.0**	**(18.5)**	**0.8**	**808.3**	**896.6**	**16.2**	**912.7**

General comments

The unaudited consolidated interim financial statements as at 30 June 2011 have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Reporting”. The same accounting standards have been applied as in the Annual Report 2010 and in addition the new standards and interpretations effective from 1 January 2011. The consolidated interim financial statements were approved by the Board of Directors of Tamedia AG on 19 August 2011.

The preparation of the consolidated financial statements requires that the Management Board and the Board of Directors make estimates and assumptions that directly impact the amounts of the assets and liabilities, contingent liabilities, as well as the expenditures and income disclosed in the consolidated financial statements for the reporting period. These estimates and assumptions not only take past experience into account but also developments in the state of the economy and are mentioned wherever relevant in the Notes. They are subject to risks and uncertainties. The actual results may deviate from these estimates.

Accounting standards

In the period under review, various new and revised standards (IFRS) and interpretations (IFRIC) found application for the first time. The IFRIC 14 amendment “IAS 19: The Limitation on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” was prematurely applied in 2010. Tamedia has implemented the following standards and interpretations in 2011. Their first-time application did not lead to any significant changes in the consolidation and valuation principles nor in the assets or income situation.

— IAS 24 “Related Party Disclosures” (revised)
— IAS 32 “Financial Instruments — Presentation” (supplemented)
— IAS 39 “Financial Instruments — Recognition and Measurement” (supplemented)
— IFRS 2 “Share-based Payments” (supplemented)

— IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"
— IFRS (2010) "Improvements to International Financial Reporting Standards"

The new and revised standards and interpretations that must be applied to the consolidated financial statements for 2012 or later are not being applied earlier than required. The effects of their application are still being clarified.
— IAS 12 "Income Taxes" (supplemented)
— IAS 19 "Employee Benefits" (supplemented)
— IFRS 7 "Financial Instruments: Disclosures" (supplemented)
— IFRS 9 "Financial Instruments"
— IFRS 10 "Consolidated Financial Statements"
— IFRS 11 "Joint Arrangements"
— IFRS 12 "Disclosure of Interests in Other Entities"
— IFRS 13 "Fair Value Measurement"

Reclassification of discontinued operations
Various operations, such as radio and TV operations in particular, are reported both in the interim financial statements for the first half of 2011 and with retroactive effect under discontinued operations. These reclassifications affect the income statement, cash flow statement and segment information. The previous year's figures of these components of the report have thus been adjusted.

Segmentation
The merger with Edipresse Suisse resulted in an adjustment to Tamedia's segmentation. Further information on the new segment reporting can be found in the operational reporting section.

Changes to the group of consolidated companies
In the first half year of 2011, the following changes were made to the group of consolidated companies. As the allocation of synergies had not yet been concluded as of the balance sheet date, provisional figures were used for the initial consolidation. The goodwill is assumed not to be deductible for tax purposes.

Car4you Schweiz AG
After acquiring a 15 percent interest in the operator of the online vehicle portal *car4you.ch* at the beginning of January 2010, Tamedia AG acquired the remaining 85 percent on 1 January 2011. The cost of the transaction amounted to CHF 6.0 million in cash, and the fair value of the previously acquired interest to CHF 0.9 million. Assets of CHF 8.6 million and liabilities of CHF 1.7 million were included in the first-time consolidation. In addition to cash of CHF 0.7 million, the assets comprise goodwill of CHF 7.3 million. Revenues accounted for since 1 January 2011 amounted to CHF 1.8 million and net income for the same period to CHF 0.2 million.

Presse Publications SR S.A. (Edipresse Suisse)
Edipresse and Tamedia announced on 3 March 2009 plans to gradually merge their business in Switzerland. In a first step, Tamedia acquired 49.9 percent of the share capital of Presse Publications SR S.A. (Edipresse Suisse) for CHF 206.3 million in cash on 1 January 2010. In a second step, Tamedia increased its ownership interest by a further 0.2 per cent of share capital in early 2011, thereby assuming control of Edipresse Suisse. The purchase price was CHF 1.0 million. Edipresse Suisse has been fully consolidated since 1 January 2011 after having been reported as an investment in an associated company using the equity method in 2010. The joint ventures 20 minutes Romandie SA, comfriends SA, homegate AG und Jobup AG were likewise fully consolidated after having been proportionally consolidated in 2010.

In connection with the assumption of control with effect from the beginning of 2011, Edipresse and Tamedia agreed to merge their Swiss business in 2011 instead of with effect from 1 January 2013, as had been laid down in the original contract. The now largely fixed purchase price for the prematurely acquired remaining 49.9 per cent of share capital of

Presse Publication SR S.A. (Edipresse Suisse) ranges between an estimated CHF 269.8 million and CHF 330.2 million in cash in addition to 250,000 shares of Tamedia AG and will become due over a period of two years. Tamedia will pay CHF 200.4 million of the purchase price in cash by 1 March 2012 at the latest. The second part that falls due in the first quarter of 2013 will range between CHF 69.4 million and CHF 129.8 million in cash and include 250,000 shares of Tamedia AG. The amount will be largely influenced by the development of business as measured in terms of the revenues of selected operations.

The Management Board estimates that the final tranche of the purchase price will amount to CHF 99.1 million in cash. The value of the shares of Tamedia AG is based on their value as at 31 December 2010 of CHF 31.0 million or CHF 124.10 per share and is taken into account in the purchase price. The rate used to discount the individual purchase price components corresponds to 3-month Libor plus 50 or 100 basis points for the first and second tranches respectively. This corresponds to the interest rate that was contractually agreed with Edipresse Suisse that would be applied in the case of premature settlement or settlement after the due date in cash. After discounting the individual purchase price components, the estimated fair value of the prematurely acquired remaining 49.9 percent of the share capital of Edipresse Suisse amounts to CHF 324.1 million. The financing of the as yet pending purchase price due will be met primarily by Tamedia's own resources and by existing credit lines where necessary.

The purchase price due for the premature acquisition of the remaining 49.9 percent will be accounted for as a current or non-current financial liability and in terms of the shares to be delivered in shareholders' equity. The amount of this liability will be subject to regular review. A deviation from the first-time consolidation of the liability due to a reassessment of the expected business of Edipresse Suisse will be reported in net financial income as follows: if the residual price due rises, the difference will be recognised as a financial expense; if it declines, the difference will be recognised in financial income. The expected value of the purchase price due remained unchanged as of June 2011. The interest accrued on the cash value of the obligation to pay the residual purchase price of CHF 2.0 million was taken through the income statement.

As the acquisition is being made in several steps, the interests hitherto held in Edipresse Suisse, including the jointly managed joint ventures 20 minutes Romandie SA, comfriends SA, Homegate AG and Jobup AG, are to be accounted for at fair value of CHF 250.4 million as of the date of the transfer of control. The deviation from the previous value of these investments is CHF 12.1 million and is reported as profit in net financial income. The remaining minority interests have been recognised at fair value. Costs of CHF 0.1 million arose in connection with the transaction.

The assets comprise receivables with a fair value of CHF 42.4 million, the gross amount of which is CHF 43.9 million and of which CHF 1.1 million were impaired.

The recognised assets amount to CHF 788.6 million and the liabilities to CHF 201.3 million. The key positions and contribution to income reported since 1 January 2011 can be found in the table below. The assets reported include goodwill of CHF 178.5 million arising from the market position to date in Western Switzerland and from the synergy effects listed below:

- Merger of the two commuter newspapers *20 minutes* and *Le Matin bleu* and activities in the area of online classified platforms
- Strengthening of the regional dailies, Sunday newspapers, magazines and online platforms by the development of new joint media services
- Offers for advertising customers that also make national solutions in particular possible
- Cost improvements in central areas such as printing, distribution and technical infrastructure

in CHF mill.	Total
Cash and cash equivalents paid	1.0
Purchase price due	293.1
Shares of Tamedia AG to be delivered	31.0
Purchase price	**325.1**
Equity value of the shares held to date prior to the remeasurement gain	238.3
+/- remeasurement gain	12.1
Fair value of shares held to date	**250.4**
Equivalent value of the transaction after the remeasurement gain	**575.5**

in CHF mill.	preliminary values on initial consolidation
Cash and cash equivalents	41.2
Trade accounts receivable	42.4
Inventories	7.5
Property, plant and equipment	69.6
Investments in associated companies	47.6
Other non-current financial assets	14.7
Intangible assets	561.5
Other assets	4.3
Assets	**788.6**
Trade accounts payable	(16.4)
Deferred revenues and accrued liabilities	(62.8)
Deferred tax liabilities	(90.8)
Provisions	(5.0)
Non-current financial liabilities	(11.3)
Employee benefit obligations as per IAS 19	(1.8)
Other liabilities	(13.2)
Liabilities	**(201.3)**
Net assets	**587.3**
Attributable to non-controlling interests	(11.8)
Equivalent value of the transaction after the remeasurement gain	**575.5**
Cash and cash equivalents purchased (excluding shares held to date in joint ventures)	32.0
Cash and cash equivalents paid	(1.0)
Decrease/(increase) in cash	**31.0**
Revenues recognised since acquisition date	**205.3**
Net income recognised since acquisition date	**42.1**

March Höfe Zeitung Verlag AG
Zürichsee Presse AG
Zürcher Unterland Medien AG
The companies were merged with retroactive effect into Zürcher Regionalzeitungen AG on 1 January 2011.

Income statement
Information on revenues, EBITDA and EBIT of the business divisions as well as selected media can be found in the segment information section of operational reporting.

Current depreciation and amortisation increased markedly by CHF 10.4 million to CHF 27.2 million over the first half of 2010 due to changes in the group of consolidated companies. Depreciation and amortisation of existing operations declined slightly, in contrast.

The share in net income contributed by associated companies was only CHF 3.3 million in the first half of 2011, compared to CHF 10.8 million in the previous year. This decrease is largely attributable to Edipresse Suisse, which in 2010 had been reported as an investment in an associated company and has now been consolidated. Other financial income improved by CHF 14.3 million to CHF 18.3 million. In addition to revaluation gains on the investments hitherto held in Edipresse Suisse and the jointly managed joint ventures of CHF 12.1 million, the main contributors to the improvement were the reduction in currency losses and an increase in net financial income resulting from the application of IAS 19.

The effective tax rate of continuing operations declined from 21.8 percent to 20.6 percent.

Discontinued operations

The products and investments listed below are disclosed in the income statement and balance sheet as discontinued operations. The resolutions of the Board of Directors and their judgment that the necessary criteria are fulfilled form the basis for the decision as to whether these activities are to be disclosed as discontinued operations or as assets held for sale. To the extent that assets held for sale still exist for these operations as of the balance sheet date, they are disclosed separately as such in the balance sheet. The prior year figures in the income statement and segment reporting have been adjusted accordingly. In the previous year the regional newspaper *Thurgauer Zeitung* and the local newspapers *Der Murtenbieter* and *Anzeiger von Kerzers* and the weekly *Solothurner Woche* are also reported under discontinued operations. No retroactively effective adjustments have been made in the balance sheet.

Radio and TV operations and specialist media

In April Tamedia and Edipresse Suisse approved a joint corporate strategy that made newspapers, magazines and online media their core business. In view of the unfavourable operating conditions and low synergy potential, Tamedia is reviewing the disposal of its radio and TV operations and automobile specialist media. A disposal of *Capital FM*, *Radio 24*, *TeleBärn* and *TeleZüri* and the automobile specialist media comprising *Automobil Revue* and *Revue Automobile* will be contingent on whether the interested buyers can put forward a clear concept for their future development and offer a perspective for staff and whether the purchase price is satisfactory, among other factors.

Druckzentrum Oetwil am See

Following its closure at the end of March 2011, the printing centre in Oetwil am See will likewise be reported as a discontinued operation.

Net assets held for sale

Net assets held for sale increased by CHF 30.4 million from CHF 20.3 million to CHF 50.7 million. The decision to review the disposal of radio and TV operations and individual print media led to a rise of CHF 47.7 million in net assets held for sale, while the disposal of three properties in Berne and Uetendorf led at the same time to a decline of CHF 17.3 million in net assets held for sale.

Key figures of discontinued operations

in CHF mill.		30.06.2011	30.06.2010
Operating revenues		29.6	37.6
Operating expenses		(25.5)	(31.6)
Depreciation and amortisation		(0.1)	(0.6)
Operating income (EBIT)		**4.0**	**5.4**
Net financial income (loss)		(0.2)	(0.1)
Income before taxes		**3.8**	**5.3**
Income taxes		0.2	(0.8)
Net income (loss) from the valuation of assets		(3.8)	–
Income taxes on valuation		–	–
Net income (loss)		**0.3**	**4.5**
Net income (loss) of discontinued operations per share [1]	in CHF	0.02	0.43

in CHF mill.	30.06.2011	31.12.2010
Current assets	14.3	–
Non-current assets	45.8	22.6
Assets	60.0	22.6
Current liabilities	(9.1)	(0.5)
Non-current liabilities	(0.3)	(1.8)
Liabilities	(9.4)	(2.3)
Net assets	**50.7**	**20.3**

in CHF mill.	30.06.2011	30.06.2010
Cash flow from operating activities	3.4	2.8
Cash flow from (used in) investing activities	20.1	13.5
Cash flow from (used in) financing activities	(8.8)	–
Change in cash and cash equivalents	**14.8**	**16.3**

1 Both diluted and undiluted

Balance sheet

Total assets increased in the first half of 2011 by CHF 487.9 million from CHF 1,233.6 million to CHF 1,721.4 million. Shareholders' equity rose by CHF 69.0 million to CHF 912.7 million. The equity ratio continues to be a solid 53.0 percent. Due to the low performance of employee benefit plan assets in 2011, the actuarial changes arising from the application of IAS 19 resulted in a negative amount of CHF –16.2 million (after deferred taxes), which was reported in the statement of comprehensive income after an increase of CHF 0.4 million was posted in the previous year. CHF 41.3 million (CHF 4.00 per share) was distributed to the shareholders of Tamedia AG from the capital contribution reserves. During the first six months of 2011, treasury shares were acquired with a value of CHF 3.2 million. These are to be used to pay that part of the purchase price of the third tranche of the investment in Edipresse Suisse that is to be settled in the form of shares of Tamedia AG. The value of CHF 31.0 million calculated on the basis of the share price as at 31 December 2010 was recognised directly in comprehensive income in the amount required as payment of the purchase price. Tamedia now holds the number of shares necessary for the payment of the purchase price.

On the asset side of the balance sheet, current assets of continuing operations increased by CHF 69.8 million to CHF 290.8 million. Non-current assets rose by CHF 380.6 million to CHF 1,370.6 million and the separately itemised assets held for sale also increased by CHF 37.5 million to CHF 60.0 million. The biggest changes in current assets resulted from the CHF 41.8 million increase in cash and cash equivalents and the CHF 31.4 million increase in trade accounts receivable.

The proceeds from the first-time consolidation of Edipresse Suisse and Car4you Schweiz AG as well as investments of CHF 17.6 million in property, plant and equipment and intangible assets stood in contrast to outflows of CHF 2.8 million and depreciation and amortisation of CHF 27.2 million. The share of investments in associated companies declined by CHF 114.1 million (net) to CHF 89.9 million. Due to the consolidation, the investments in Edipresse Suisse (see section on the acquisition of Presse Publications SR S.A.), which had been accounted for using the equity method in 2010, ceased to apply. The investments of Edipresse Suisse in associated companies are also included in the consolidation. They were valued at CHF 45.1 million as at the end of June.

The review of the carrying amounts of the goodwill positions for possible impairment resulted in no writedowns.

Current liabilities registered an increase of CHF 244.3 million to CHF 553.7 million. In addition to the recognition of the current share of the purchase price due for Edipresse Suisse, the rise is in particular attributable to the seasonal increase in current tax liabilities and deferred revenues and accrued liabilities of CHF 14.7 million and CHF 76.6 million, respectively. This stood in contrast to declines in trade accounts payable and other current liabilities of CHF 19.2 million and CHF 14.1 million, respectively. Current provisions for social plan benefits declined during the course of the first half of 2011 by CHF 1.3 million.

Non-current liabilities rose by CHF 167.5 million to CHF 245.6 million. This was primarily the result of the recognition of the non-current share of the purchase price due for Edipresse Suisse and the CHF 75.5 million increase in deferred tax liabilities. Non-current provisions increased slightly by CHF 0.8 million to CHF 6.7 million.

Events after the balance sheet date and those not taken into account in the financial statements

No known events took place after the balance sheet date that would need to be reported as per IAS 10. Events for which no definitive decisions had been agreed prior to the authorisation for issue of the financial statements for the first half of 2011 will be communicated separately from the present Letter to Shareholders.

Financial calendar

Information on the results of the full year 2011 is scheduled to be released on Wednesday, 4 April 2012.

Investor Relations

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