tamedia:

Press release

Tamedia with a solid result in a difficult market environment

The media group, Tamedia, achieved a turnover of CHF 524.0 mill. in the first half-year 2012 (previous year: CHF 554.2 mill.). This represents a decrease of 5.4 percent. The decline in turnover reflects the mixed development of the Swiss advertising market. The EBIT sank in consequence by 31.6 percent to CHF 60.3 mill. (previous year: CHF 88.1 mill.), whereas the result reached the solid figure of CHF 73.7 mill. (previous year: CHF 87.7 mill.).

Zurich, 30 August 2012 – Tamedia's half-year figures for 2012 reflect the developments that have taken place in the Swiss advertising market. The advertisement statistics compiled by the Swiss media association (Verband Schweizer Medien) indicate a fall of 12 per cent for print media in terms of net advertising revenues and a 10 per cent drop in the case of daily newspapers. Meanwhile, job advertisements were dealt a particularly severe blow, down by 23 per cent compared with the first six months of 2011. Tamedia's revenues duly fell by 5.4 per cent to CHF 524.0 million (previous year: CHF 554.2 million). Two thirds of this fall can be attributed to the Print Regional business division. The revenues recorded by the Digital business division were lower than expected. The business division contributed 12.1 per cent (previous year: 11.1 per cent) to total revenues, while the Print Regional business division contributed 47.2 per cent (previous year: 48.7 per cent). The Print National business division once again delivered a strong performance, contributing 40.8 per cent to total revenues (previous year: 40.2 per cent).

The lower advertising revenues also had an impact on income. Operating income before depreciation and amortisation (EBITDA) fell by 22.5 per cent to CHF 89.3 million (previous year: CHF 115.1 million). The EBITDA margin is now 17.0 per cent (previous year: 20.8 per cent). Operating income (EBIT) fell by 31.6 per cent to CHF 60.3 million (previous year: CHF 88.1 million). The EBIT margin is 11.5 per cent (previous year: 15.9 per cent). Net income from continuing operations declined to CHF 59.3 million (previous year: CHF 87.3 million). Radio and TV stations in particular, along with specialist agricultural and car magazines, are not included in continuing operations. Total comprehensive income including discontinued operations now amounts to CHF 73.7 million (previous year: CHF 87.7 million). Special items totalling CHF 19.5 million are included in this figure. These comprise gains (after tax) from the disposal of *Capital FM*, *TeleBärn* and *TeleZüri* activities, totalling CHF 14.2 million, and the decrease of CHF 5.3 million in the expected amount of the last instalment towards the purchase price obligation for Edipresse Suisse.

Key Figures

	30.06.2012	30.06.2011[1]	Change in %
Operating revenues (in CHF mill.)	**524.0**	**554.2**	(5.4)
Operating income before depreciation and amortisation (EBITDA) (in CHF mill.)	**89.3**	**115.1**	(22.5)
Margin in per cent	17.0	20.8	(18.0)
Operating income (EBIT) (in CHF mill.)	**60.3**	**88.1**	(31.6)
Margin in per cent	11.5	15.9	(27.6)
Net income (loss) of continuing operations (in CHF mill.)	**59.3**	**87.3**	(32.1)
Net income (loss) of discontinued operations (in CHF mill.)	14.4	0.4	n.a.
Net income (in CHF mill.)	**73.7**	**87.7**	(16.0)
Margin in per cent	14.1	15.8	(11.1)
Net income (loss) per share (undiluted) (in CHF)	**7.00**	**8.23**	(14.9)
Cash flow from operating activities (in CHF mill.)	**106.4**	**88.4**	20.3
Total assets of 30 June / 31 December	**1 636.3**	**1 741.0**	(6.0)
Equity ratio as of 30 June /31 December	**59.8**	**54.9**	8.9

[1] The figures of the prior period have been adjusted with retroactive effect due to the reclassification of discontinued operations.

Print Regional

The revenue of the Print Regional business division decreased by 11.7 per cent to CHF 278.4 million. In what was a negative market environment, most regional daily and weekly newspapers recorded lower revenues than during the first half of the previous year. Particularly marked falls in revenue were recorded by *Tages-Anzeiger* with its job supplements *Alpha* and *Stellen-Anzeiger*, as well as by *24heures* and *Tribune de Genève*. Half of the fall in revenue recorded by the Print Regional business division was due to a decrease in sales of job advertisements. In contrast, printing facilities, which are also included in the Print Regional business division, exceeded expectations. The stable readership figures for regional dailies was another gratifying aspect. Operating income before depreciation and amortisation (EBITDA) for the Print Regional business division fell from CHF 52.8 million to CHF 41.7 million. This equates to what remains a sound EBITDA margin of 15.0 per cent (previous year: 16.7 per cent). Operating income at EBIT level also fell, down from CHF 34.2 million to CHF 22.7 million. The EBIT margin is now 8.2 per cent (previous year: 10.8 per cent).

Print National

The revenues recorded by the Print National business division declined by only 4.2 per cent to CHF 214.0 million. The lower figure can mainly be attributed to *Femina*, *Finanz und Wirtschaft*, *Le Matin* and *SonntagsZeitung*. The *20 Minuten* commuter newspapers and the magazines *Annabelle*, *Das Magazin* and *Schweizer Familie* were able to largely maintain the previous year's revenue figures. The business magazine *Bilan* and the Ticino commuter newspaper *20 minuti*, which moved into the black during only its second half-year, were included in the figures for the first time. With operating income before depreciation and amortisation (EBITDA) of CHF 51.4 million (previous year: CHF 56.2 million), the Print National business division has once again demonstrated its earning power. Meanwhile, income levels fell with regard to the publications *Finanz und Wirtschaft* and *Le Temps*, which are highly dependent on the financial market, and with regard to the women's magazine

Femina. Operating income (EBIT) was down from CHF 53.5 million to CHF 48.6 million. This puts the EBIT margin at a pleasing 22.7 per cent, slightly below the previous year's level (23.9 per cent).

Digital

The online media reported under the Digital business division were able to maintain their revenue levels for the greater part, with a drop of only 1.0 per cent to CHF 63.5 million. Both *20 Minuten Online* and the *Newsnet* platforms once again strongly expanded their reach over the previous year. Investment in editorial teams and the expansion of the advertising and service portals did not prove as profitable as had been hoped. Both *20 Minuten Online* and *Newsnet* developed less favourably than expected. In contrast, the real estate portal *homegate.ch* recorded renewed growth in revenues, whilst the *Jobup* jobs portals felt the effects of the sluggish labour market and, in common with the *car4you.ch* site and the small ads platform *piazza.ch*, suffered a fall in revenues. Other factors impacting on income levels included investments in the successful expansion of the directory platform *search.ch* and the costs associated with the now abandoned auction platform *scoup.ch*. The Digital business division's operating income before depreciation and amortisation (EBITDA) fell by CHF 10.0 million to CHF −3.8 million (previous year: CHF 6.2 million). Operating income (EBIT) was also negative, at CHF −11.0 million (previous year: CHF 0.5 million). The EBIT margin is now −17.3 per cent (previous year: 0.8 per cent).

The expansion of the Digital division progressed further in the first half-year 2012. After receipt of the consent of the competition commission, 20 Minuten AG acquired a 25.8 percent investment in the Italian language news portal *tio.ch*. Since summer 2011, *20 minuti* – the youngest member of the *20 Minuten* media union – and *tio.ch* had already exchanged content on a partnership basis. Also after receiving the consent of the competition commission, homegate AG took over 20 percent of the real estate portal *immostreet.ch* as of 31 July 2012. The investment will be increased to 100 percent by 2016 at the latest.

Overview segment information

	OR[1] 30.6.2012	**OR[1] 30.6.2011[4]**	**EBITDA[2] 30.6.2012**	**EBITDA[2] 30.6.2011[4]**	**EBIT[3] 30.6.2012**	**EBIT[3] 30.6.2011[4]**
Print Regional (in Mio. CHF)	278.4	315.2	41.7	52.8	22.7	34.2
Print National (in Mio. CHF)	214.0	223.4	51.4	56.2	48.6	53.5
Digital (in Mio. CHF)	63.5	64.2	(3.8)	6.2	(11.0)	0.5
Elimination (in Mio. CHF)	(31.8)	(48.6)	-	-	-	-
Total	**524.0**	**554.2**	**89.3**	**115.1**	**60.3**	**88.1**

[1] Operating revenues

[2] Operating income before depreciation and amortisation

[3] Operating Income

[4] The figures relating to the prior period have also been adjusted with retroactive effect due to the reclassification of the discontinued operations.

Additional Information:

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Additional Information on Tamedia

Tamedia is a Swiss media group having its registered office in Zurich. With daily and weekly newspapers, magazines, online sites and newspaper printing presses, Tamedia is one of the leading media companies in Switzerland. Thanks to their independent reporting and critical research, the media of the Tamedia Ltd and its subsidiaries Tamedia Publications romandes and Espace Media Group make an important contribution to forming opinions and provide discussion topics with entertaining stories from all walks of life. The company was founded in 1893 and has been traded on the Swiss stock exchange since 2000.

Additional Information: www.tamedia.ch