

Tamedia: Increasing earnings from digital businesses compensate structural drop of print businesses

The Swiss media group Tamedia achieved an operating revenue of CHF 536.8 million (previous year: CHF 506.2 million) in the first half-year. This represents an increase of 6.0 percent. The growth is notably a result of the now fully consolidated digital platforms. Consequently, the EBIT increased by 8.1 percent to CHF 63.8 million (previous year: CHF 59.0 million), whereas the result reached CHF 54.7 million (previous year: CHF 67.8 million).

Zurich, 22. August 2013 – The revenues recorded by Swiss media group Tamedia grew by 6.0 per cent during the first half of 2013 to reach CHF 536.8 million (previous year: CHF 506.2 million), with the increase attributable to acquisitions. EBITDA rose by 10.3 per cent to reach CHF 96.7 million (previous year: CHF 87.6 million), with EBIT up by 8.1 per cent to CHF 63.8 million (previous year: CHF 59.0 million). These positive developments can be attributed to the rise in revenues and income recorded by the Digital business division, which accounted for 20.8 per cent of revenues (previous year: 12.2 per cent), 27.3 per cent (previous year: -4.9 per cent) of EBITDA and 23.2 per cent (previous year: -19.5 per cent) of EBIT. Rising income from digital operations therefore more than offset the structural decline in the Print Regional and Print National business divisions. The EBITDA margin is now 18.0 per cent (previous year: 17.3 per cent), and the EBIT margin is 11.9 per cent (previous year: 11.7 per cent). Net income from continuing operations rose slightly to CHF 54.8 million (previous year: CHF 53.4 million). Compared with the previous year, there were no longer any discontinued operations as at the reporting date. Total comprehensive income including discontinued operations, at CHF 54.7 million, is thus down on the previous year's figure of CHF 67.8 million.

Key Figures

	30.06.2013	30.06.2012 ¹	Change in %
Operating revenues (in CHF mill.)	536.8	506.2	6.0
Operating income before depreciation and amortisation (EBITDA) (in CHF mill.)	96.7	87.6	10.3
EBITDA-margin in percent	18.0	17.3	4.0
Operating income (EBIT) (in CHF mill.)	63.8	59.0	8.1
EBIT-margin in percent	11.9	11.7	1.9
Net income of continuing operations (in CHF mill.)	54.8	53.4	2.6
Net income of discontinued operations (in CHF mill.)	(0.1)	14.4	n.a.
Net income (in CHF mill.)	54.7	67.8	(19.4)
Net income-margin in percent	10.2	13.4	(24.0)
Net income per share (undiluted) (in CHF)	4.94	6.45	(23.5)
Cash flow from operating activities (in CHF mill.)	67.1	107.7	(37.6)
Total assets as of 30.06 / 31.12. (in CHF mill.)	2 112.6	2 063.4	2.4
Equity ratio as of 30.06 / 31.12 (in percent)	60.3	58.1	3.8

¹The figures for the prior period have been adjusted due to restatement

Print Regional

The revenue of the Print Regional business division decreased by 4.6 per cent to CHF 260.0 million. In what was a negative market environment, most regional daily and weekly newspapers experienced a fall in sales. Measures introduced to increase efficiency were not enough to offset this decline in full. Meanwhile, however, the printing facilities, which form part of the Print Regional business division, mainly performed in line with expectations thanks to new orders from third parties. Operating income before depreciation and amortisation (EBITDA) for the Print Regional business division fell from CHF 40.7 million to CHF 36.4 million. This equates to an EBITDA margin of 14.0 per cent (previous year: 14.9 per cent). Operating income at EBIT level also fell, down from CHF 21.8 million to CHF 18.1 million. The EBIT margin is now 6.9 per cent (previous year: 8.0 per cent).

Print National

Despite the first-time inclusion of *Metroxpress*, the revenues recorded by the Print National business division declined by 4.1 per cent to CHF 193.5 million on account of a fall in advertising investment, which mainly affected the commuter newspaper *20 Minuten*, *20 minutes*, women's magazine *Annabelle* and *SonntagsZeitung*. In contrast, the magazine *Schweizer Familie* was able to more or less match the previous year's level. The financial publications *Bilan* and *Finanz und Wirtschaft* ended their downward trend and successfully eliminated their losses. Similarly, the people magazine *20 Minuten Friday* succeeded in moving back into the black. The Print National business division's operating income before depreciation and amortisation (EBITDA) dropped to CHF 33.9 million (previous year: CHF 51.2 million) due to factors such as the investment in *Metroxpress* and the expansion of *SonntagsZeitung*. Operating income (EBIT) was down by 48.7 per cent to CHF 30.9 million, while the EBIT margin, at 16.0 per cent, was significantly below the previous year's level (24.1 per cent).

Digital

The Digital business division saw its revenues jump by 81.1 per cent from CHF 61.8 million to CHF 111.9 million. Key factors in this gratifying development were the first-time inclusion of JobCloud AG (Tamedia currently holds a 62.9 per cent interest) and of *FashionFriends* (Tamedia holds a 65.0 per cent interest) for a full six-month period, and also the first-time consolidation of *Olmero/Reovero* (Tamedia holds a 92.8 per cent interest) in April 2013. The news platforms *20 Minuten* and *Newsnet* also recorded slight improvements in their results with higher revenues. Investment in the expansion of the search.ch directory platform translated into a positive development in revenues, while the real estate portal *homegate.ch* was able to maintain a high level of revenues and income. The Digital operating division's operating income before depreciation and amortisation (EBITDA) increased considerably to CHF 26.4 million (previous year: CHF -4.3 million). Operating income (EBIT) improved from CHF -11.5 million to CHF 14.8 million, a figure that includes a revaluation gain of CHF 5.6 million on the step up acquisition of *Olmero/Reovero*. The EBIT margin is now a gratifying 13.2 per cent (previous year: -18.6 per cent).

Segment information of continuing business divisions

	OR ¹ 30.6.2013	OR ¹ 30.6.2012 ⁴	EBITDA ² 30.6.2013	EBITDA ² 30.6.2012 ⁴	EBIT ³ 30.6.2013	EBIT ³ 30.6.2012 ⁴
Print Regional (in CHF mill.)	260.0	272.5	36.4	40.7	18.1	21.8
Print National (in CHF mill.)	193.5	201.7	33.9	51.2	30.9	48.7
Digital (in CHF mill.)	111.9	61.8	26.4	(4.3)	14.8	(11.5)
Elimination	(28.5)	(29.7)	-	-	-	-
Total	536.8	506.2	96.7	87.6	63.8	59.0

¹ Operation revenues

² Operating income before depreciation and amortisation (EBITDA)

³ Operating income (EBIT)

⁴ The figures for the prior period have been adjusted due to restatement

Shareholders' equity rose by CHF 75.1 million to CHF 1,273.6 million. The equity ratio is now a solid 60.3 per cent (compared with 58.1 per cent at the end of 2012). Contributory factors included the positive amount of CHF 92.2 million (before deferred taxes) from actuarial changes to employee benefit obligations pursuant to IAS 19 "Employee benefits", which is recognised directly in equity.

Tamedia expects the advertising market for print media to continue to decline during the second half of the year. Over the next few months, the group will therefore be focusing on measures to boost revenues and efficiency with the aim of recording an improvement in net income in the Print Regional and Print National business divisions and on further investment in the digital sector. Following approval by the Swiss Federal Competition Commission, Tamedia is planning to acquire a 75 per cent interest in the ticket agent *Starticket*. Additionally, a joint venture with the Norwegian media house Schibsted is planned in the online classified ads and car classifieds market, which will bring together Tamedia's *car4you.ch* and *piazza.ch* with Schibsted's *tutti.ch*.

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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