Zurich, 20 August 2015

Dear Shareholders
Dear Employees
Dear Friends and Associates of Tamedia

Tamedia closed the first half of 2015 with a sound result. This was despite the slowdown in the Swiss economy, particularly in the months of April and May, leading to a sharp fall in advertising income.

In addition to the successful introduction of the digital payment models at *24 heures* and *Tribune de Genève* as well as the start of the Leading European Newspaper Alliance LENA, in which *Tages-Anzeiger* and *Tribune de Genève* work together with *Le Figaro* from France, *El País* from Spain, *La Repubblica* from Italy, *Die Welt* from Germany and *Le Soir* from Belgium, attention was focused on the Digital division in the first half. With the acquisition of the Ricardo Group, we again made significant progress and will complete this before the end of the year following the anticipated approval from the Competition Commission. Thanks to network effects with our media, we aim to develop the *ricardo.ch* offer, exploit synergies in the small ads market and create a strong offer in the car market. The acquisition of the 50 per cent shares held by our associate Schibsted in *tutti.ch* and *car4you.ch* in July was an important first step towards this.

The directory service *search.ch* has been part of Swisscom Directories AG, which already operated *local.ch*, since 1 July 2015. Tamedia now holds 31 per cent of the joint subsidiary with Swisscom, which ranks among the most successful Swiss online offers with around 3.8 million users per month. As a consequence of the merger, our shares in *search.ch* will be revalued. This revaluation will lead to an estimated revaluation gain of CHF 203 million in Tamedia's net financial income in the second half. The contribution to net income by *local.ch* and *search.ch* will also be shown as a share of net income of associated companies in the Digital division from 1 July 2015.

In the first half of 2015, our media group's revenues decreased by 3.8 per cent because, among other factors, of the slowdown in the economy and the ongoing structural change in the Print segment to CHF 530.7 million (prior year: CHF 551.4 million). Earnings before interest, taxes and depreciation/amortisation (EBITDA) consequently sank by 3.9 per cent to CHF 107.0 million (prior year: CHF 111.3 million), earnings before interest and taxes (EBIT) by 5.2 per cent to CHF 72.4 million (prior year: CHF 76.4 million).

In total, the digital offers and all Tamedia's digital publishing platforms contributed CHF 141.7 million or 26.7 per cent to total revenues (pro forma). The digital offers' share of EBITDA reached CHF 39.4 million or 36.8 per cent, the share of EBIT CHF 26.2 million or 36.2 per cent.

The net income from continuing operations increased by 20.6 per cent to CHF 71.6 million (prior year: CHF 59.4 million). The profit on the sale of investments in LS Distribution Suisse SA and the Aktiengesellschaft des Winterthurer Stadtanzeiger made a material contribution to this. At CHF 71.6 million, total revenues including discontinued operations are well up on the prior year's net income of CHF 59.2 million.

Operational reporting by Tamedia on the first half of 2015

The figures shown are rounded in following tables. As the calculations are made with a higher level of numerical accuracy, it is possible that small rounding differences may occur.

The segmentation was adjusted slightly with the interim financial statements for 2015. The Print Regional and Print National business segments are now run as the Publishing Regional and Publishing National business segments. Publishing Regional and Publishing National now also contain the revenues and net income of the digital publishing offers, which were previously reported in the Digital business segment. The adjustment reflects the convergence in the editorial teams' method of working and the increased importance of combined subscriptions.

Key figures

in CHF mn		30.06.2015	30.06.2014[1]	Change in %
Revenues		530.7	551.4	(3.8)
Operating income before depreciation and amortisation (EBITDA)		107.0	111.3	(3.9)
Margin	in %	20.2	20.2	(0.1)
Operating income (EBIT)		72.4	76.4	(5.2)
Margin	in %	13.6	13.9	(1.5)
Net income (loss) from continuing operations		71.6	59.4	20.6
Net income (loss) from discontinued operations		–	(0.2)	(100.0)
Net income (loss)		71.6	59.2	21.0
Margin	in %	13.5	10.7	25.7
Net income (loss) per share (undiluted)	in CHF	5.90	5.08	16.1
Cash flow from (used in) operating activities		71.4	109.6	(34.9)
Total assets as of 30 June / 31 December		2 043.4	2 156.2	(5.2)
Equity ratio as of 30 June /31 December	in %	69.9	67.6	3.4

1 The figures of the prior period have been adjusted due to a restatement. Further details can be found in the section on the restatement.

Segment information for continuing operations

in CHF mn	Publishing Regional	Publishing National	Digital	Elimination incl. IAS 19	**Total**
As of 30 June 2015					
Third parties	237.3	185.5	107.8	–	**530.7**
Intersegment	25.6	1.1	0.0	(26.7)	–
Revenues	**262.9**	**186.6**	**107.8**	**(26.7)**	**530.7**
Operating expenses	**(221.2)**	**(151.2)**	**(72.8)**	**20.8**	**(424.4)**
Share of net income (loss) of associated companies/ joint ventures	0.6	0.9	(0.8)	–	**0.7**
Operating income before depreciation and amortisation (EBITDA)	**42.3**	**36.3**	**34.3**	**(5.9)**	**107.0**
Margin [2]	16.1%	19.5%	31.8%	–	20.2%
Annual depreciation	(15.8)	(0.2)	(4.9)	–	**(20.9)**
Depreciation and amortisation from business combinations [3]	(2.7)	(2.9)	(8.1)	–	**(13.7)**
Impairments	–	–	–	–	–
Operating income (EBIT)	**23.8**	**33.3**	**21.2**	**(5.9)**	**72.4**
Margin [2]	9.0%	17.8%	19.7%	–	13.6%
Average number of employees [4]	2 024	761	601	–	**3 386**
As of 30 June 2014 [1]					
Third parties	255.8	196.6	98.9	–	**551.4**
Intersegment	27.8	1.4	0.1	(29.3)	–
Revenues	**283.7**	**198.0**	**99.0**	**(29.3)**	**551.4**
Operating expenses	**(239.7)**	**(160.7)**	**(69.1)**	**26.2**	**(443.3)**
Share of net income (loss) of associated companies/ joint ventures	3.1	1.2	(1.2)	–	**3.2**
Operating income before depreciation and amortisation (EBITDA)	**47.1**	**38.6**	**28.7**	**(3.1)**	**111.3**
Margin [2]	16.6%	19.5%	29.0%	–	20.2%
Annual depreciation	(17.1)	(0.2)	(4.3)	–	**(21.6)**
Depreciation and amortisation from business combinations [3]	(2.7)	(2.9)	(7.7)	–	**(13.4)**
Impairments	–	–	–	–	–
Operating income (EBIT)	**27.3**	**35.5**	**16.7**	**(3.1)**	**76.4**
Margin [2]	9.6%	17.9%	16.9%	–	13.9%
Average number of employees [4]	2 128	804	564	–	**3 495**

1 The figures of the prior period have been adjusted due to a restatement. Further details can be found in the section on the restatement.
2 The margin relates to revenues.
3 The depreciation and amortisation from business combinations comprise depreciation and amortisation from customer bases and publishing rights, which were acquired and capitalised as part of a business combination.
4 The average number of employees does not include employees at associated companies/joint ventures.

Publishing Regional

The revenues of the Publishing Regional segment fell by 7.3 per cent to CHF 262.9 million. The downturn in the Swiss economy resulted in a sharp fall in advertising investment. The measures already planned and implemented to increase efficiency only partly offset the more rapid fall in revenues. Operating income before depreciation and amortisation (EBITDA) of the Publishing Regional segment fell from CHF 47.1 million to CHF 42.3 million. This equates to an EBITDA margin of 16.1 per cent (prior year: 16.6 per cent). Net income at EBIT level consequently decreased from CHF 27.3 million to CHF 23.8 million. At 9.0 per cent, the EBIT margin decreased slightly down on the prior year's level of 9.6 per cent.

Publishing National

The revenues of the Publishing National segment decreased year on year by 5.8 per cent to CHF 186.6 million. The fall in sales is essentially due to the downturn in the advertising market for magazines and the Sunday press. The commuter newspapers *20 Minuten* and the *Finanz und Wirtschaft* bucked the trend, increasing both revenues and income. Operating income before depreciation and amortisation (EBITDA) of the Publishing National segment fell slightly to CHF 36.3 million (prior year: CHF 38.6 million). At 19.5 per cent, the EBITDA margin stands at exactly the same level as the prior year. Operating income (EBIT) reached CHF 33.3 million (prior year: CHF 35.5 million). At 17.8 per cent, the EBIT margin remains virtually unchanged (prior year: 17.9 per cent)

Digital

The Digital segment, which comprises all non-publishing digital offers, posted an increase in revenues of 8.9 per cent to CHF 107.8 million. This development is driven by the platforms' organic growth and by taking *Trendsales* and *Doodle* into consideration for the first time. JobCloud AG again performed well, expanding both revenues and net income significantly. The property portal *homegate.ch* also increased revenues and earnings further. The Digital segment's operating income before depreciation and amortisation (EBITDA) increased to CHF 34.3 million (prior year: CHF 28.7 million). The EBITDA margin reached 31.8 per cent (prior year: 29.0 per cent). Operating income (EBIT) improved significantly from CHF 16.7 million in the prior year to CHF 21.2 million. The EBIT margin reached a gratifying 19.7 per cent (prior year: 16.9 per cent).

Equity fell slightly by CHF 28.9 million to CHF 1,428.1 million. The self-financing ratio is a very respectable 69.9 per cent (67.6 per cent as of the end of 2014).

Tamedia expects further falls in the market for print advertising in the second half. The ongoing measures to increase efficiency will also be continued in the second half of 2015. We shall provide you with more information on the company's most significant projects and the performance of our media group when the annual report 2015 is published on Tuesday, 15 March 2016.

Yours sincerely,

Dr Pietro Supino
President of the Board of Directors

Christoph Tonini
Chairman of the Executive Management

Financial reporting by Tamedia on the first half of 2015

Consolidated income statement

in CHF mn	30.06.2015	30.06.2014[1]
Revenues	**530.7**	**551.4**
Operating expenses	**(424.4)**	**(443.3)**
Share of net income (loss) of associated companies/joint ventures	0.7	3.2
Operating income before depreciation and amortisation (EBITDA)	**107.0**	**111.3**
Annual depreciation	(20.9)	(21.6)
Depreciation and amortisation from business combinations	(13.7)	(13.4)
Operating income (EBIT)	**72.4**	**76.4**
Other financial income	17.0	2.1
Net income (loss) before taxes	**89.4**	**78.5**
Income taxes	(17.8)	(19.1)
Net income (loss) from continuing operations	**71.6**	**59.4**
Discontinued operations	–	(0.2)
Net income (loss)	**71.6**	**59.2**
of which		
Attributable to Tamedia shareholders	62.5	53.9
Attributable to non-controlling interests	9.1	5.3

1 The figures of the prior period have been adjusted due to a restatement. Further details can be found in the section on the restatement.

Earnings per share

in CHF	30.06.2015	30.06.2014
Net income (loss) per share (undiluted)	5.90	5.08
Net income (loss) per share (diluted)	5.89	5.08
Net income (loss) from continuing operations per share (undiluted)	5.90	5.10
Net income (loss) from continuing operations per share (diluted)	5.89	5.10

Consolidated statement of total comprehensive income

in CHF mn	30.06.2015	30.06.2014
Net income (loss)	**71.6**	**59.2**
Value fluctuation of financial assets	(4.3)	19.2
Currency translation differences	(7.3)	(0.0)
Income tax effects	0.9	(4.0)
Other comprehensive income – will be reclassified via the income statement in future periods	**(10.7)**	**15.1**
Actuarial gains/(losses) IAS 19	(28.3)	(77.6)
Income tax effects	6.0	17.2
Other comprehensive income – will not be reclassified via the income statement in future periods	**(22.3)**	**(60.4)**
Other comprehensive income	**(33.1)**	**(45.3)**
Total comprehensive income	**38.5**	**13.9**
of which		
Attributable to Tamedia shareholders	30.2	9.2
Attributable to non-controlling interests	8.3	4.7

Consolidated balance sheet

in CHF mn	30.06.2015	31.12.2014
Current assets from continuing operations	**265.2**	**319.6**
Assets held for sale	45.5	48.3
Current assets	**310.7**	**367.9**
Non-current assets	**1 732.7**	**1 788.2**
Assets	**2 043.4**	**2 156.2**
Current liabilities from continuing operations	**354.5**	**460.3**
Liabilities associated with assets held for sale	16.8	1.9
Current liabilities	**371.3**	**462.2**
Non-current liabilities	**244.0**	**236.9**
Liabilities	**615.3**	**699.1**
Equity, attributable to Tamedia shareholders	**1 196.1**	**1 219.8**
Non-controlling interests	232.1	237.2
Equity	**1 428.1**	**1 457.0**
Total liabilities and shareholders′ equity	**2 043.4**	**2 156.2**

Consolidated cash flow statement

in CHF mn	30.06.2015	30.06.2014[1]
Direct method		
Cash flow from (used in) trading activities	**107.0**	**136.6**
Cash flow from (used in) operating activities	**71.4**	**109.6**
Cash flow from (used in) investing activities	**(11.9)**	**(104.5)**
Cash flow after investing activities	**59.5**	**5.1**
Increase/(decrease) in non-controlling interests	(5.6)	49.3
Cash flow from (used in) financing activities	**(132.7)**	**(5.1)**
Cash flow from discontinued operations	**47.1**	**0.7**
Impact of currency translation	**(0.9)**	**(0.0)**
Change in cash and cash equivalents	**(26.9)**	**0.6**
Cash and cash equivalents as of 1 January	97.5	54.1
Cash and cash equivalents from discontinued operations as of 1 January	–	–
Cash and cash equivalents as of 30 June	58.4	54.8
Cash and cash equivalents from discontinued operations as of 30 June	12.1	–
Change in cash and cash equivalents	**(26.9)**	**0.6**

1 The figures of the prior period have been adjusted due to a restatement. Further details can be found in the section on the restatement.

Changes in equity

in CHF mn	Share capital	Treasury shares	Currency translation differences	Reserves	**Equity, attributable to Tamedia shareholders**	Minority interests in equity	**Equity**
As of 31 December 2013	**106.0**	**(0.3)**	**(0.0)**	**1 113.1**	**1 218.7**	**184.9**	**1 403.6**
Net income (loss)	–	–	–	53.9	**53.9**	5.3	**59.2**
Value fluctuation of financial assets	–	–	–	19.2	**19.2**	–	**19.2**
Actuarial gains/(losses) IAS 19	–	–	–	(77.0)	**(77.0)**	(0.7)	**(77.6)**
Currency translation differences	–	–	0.0	(0.0)	**(0.0)**	(0.0)	**(0.0)**
Taxes on other comprehensive income	–	–	–	13.1	**13.1**	0.1	**13.2**
Total comprehensive income	–	–	**0.0**	**9.1**	**9.2**	**4.7**	**13.9**
Dividends paid	–	–	–	(42.4)	**(42.4)**	(13.9)	**(56.3)**
Change in the group of consolidated companies	–	–	–	–	–	7.3	**7.3**
Acquisition of non-controlling interests	–	–	–	(0.1)	**(0.1)**	(9.6)	**(9.7)**
Sale of minority interests	–	–	–	1.9	**1.9**	56.6	**58.5**
Contractual obligations to purchase own equity instruments/ non-controlling interests	–	–	–	2.4	**2.4**	–	**2.4**
Share-based payments	–	–	–	(0.2)	**(0.2)**	–	**(0.2)**
(Purchase)/sale of treasury shares	–	0.3	–	–	**0.3**	–	**0.3**
As of 30 June 2014	**106.0**	**(0.0)**	**(0.0)**	**1 083.9**	**1 189.9**	**230.0**	**1 419.8**
As of 31 December 2014	**106.0**	**(0.4)**	**(0.3)**	**1 114.5**	**1 219.8**	**237.2**	**1 457.0**
Net income (loss)	–	–	–	62.5	**62.5**	9.1	**71.6**
Value fluctuation of financial assets	–	–	–	(4.3)	**(4.3)**	–	**(4.3)**
Actuarial gains/(losses) IAS 19	–	–	–	(27.8)	**(27.8)**	(0.5)	**(28.3)**
Currency translation differences	–	–	(7.3)	–	**(7.3)**	(0.3)	**(7.6)**
Taxes on other comprehensive income	–	–	–	6.8	**6.8**	0.1	**6.9**
Total comprehensive income	–	–	**(7.3)**	**37.2**	**29.9**	**8.3**	**38.2**
Dividends paid	–	–	–	(47.7)	**(47.7)**	(13.7)	**(61.4)**
Change in the group of consolidated companies	–	–	–	–	–	–	–
Acquisition of non-controlling interests	–	–	–	(5.8)	**(5.8)**	0.1	**(5.7)**
Share-based payments	–	–	–	(0.5)	**(0.5)**	–	**(0.5)**
(Purchase)/sale of treasury shares	–	0.4	–	–	**0.4**	–	**0.4**
As of 30 June 2015	**106.0**	**(0.0)**	**(7.7)**	**1 097.8**	**1 196.1**	**232.1**	**1 428.1**

General

The unaudited interim consolidated financial statements as of 30 June 2015 were prepared in accordance with the International Accounting Standard (IAS) 34, «Interim Financial Reporting». The same accounting policies were applied as in the 2014 Annual Report and the adjustments, which have been introduced since 1 January 2015, listed in the Accounting section were also taken into consideration. The interim consolidated statements were approved by the Board of Directors of Tamedia AG on 14 August 2015.

The accounting requires assessments and assumptions from the Management Board and Board of Directors, which influence the reported assets and liabilities as well as contingent liabilities but also expenses and income during the reporting period. These estimates and assumptions take account of past experience as well as changes in the economic situation and are mentioned where relevant. They are subject to risks and uncertainties. The actual results may differ from these estimates.

Accounting

Tamedia has introduced the annual «Improvements to the International Financial Reporting Standards» (2013). Their application for the first time did not result in any changes to the consolidation and valuation principles or the net assets and earnings situation respectively and neither did it affect disclosure in the consolidated annual statement.

Restatement

The share of net income of associated companies and joint ventures is restated in the consolidated income statement and in the segment information within EBITDA. The net income from investments in associated companies and joint ventures is considered as an operational component of the net income particularly in connection with the expansion of the Digital division and its increased significance for business development.

The figures for the prior period were adjusted as a consequence of the restatement. The effects of the restatement on the consolidated income statement, the segment information and the consolidated cash flow statement are shown in tabular form. The dividends from associated companies and joint ventures are reported as cash flow from operating activities for the first time in the consolidated cash flow statement. The restatement has no impact on the consolidated balance sheet, earnings per share and the consolidated statement of total comprehensive income.

Consolidated income statement

in CHF mn	Published on 30.06.2014	Restatement	Restated on 30.06.2014
Revenues	**551.4**	–	**551.4**
Operating expenses	**(443.3)**	–	**(443.3)**
Operating income before depreciation and amortisation (EBITDA)	**108.1**	**3.2**	**111.3**
Annual depreciation	(34.9)	13.4	(21.6)
Depreciation and amortisation from business combinations [1]	–	(13.4)	(13.4)
Operating income (EBIT)	**73.2**	**3.2**	**76.4**
Share of net income (loss) of associated companies/ joint ventures	3.2	(3.2)	–
Other financial result	2.1	–	2.1
Income before taxes	**78.5**	–	**78.5**
Income taxes	(19.1)	–	(19.1)
Net income (loss) of continuing operations	**59.4**	–	**59.4**
Discontinued operations	(0.2)	–	(0.2)
Net income	**59.2**	–	**59.2**
of which			
attributable to Tamedia shareholders	53.9	–	53.9
attributable to non-controlling interests	5.3	–	5.3

1 The depreciation and amortisation from business combinations comprise depreciation and amortisation from customer bases and publishing rights, which were acquired and capitalised as part of a business combination.

Consolidated cash flow statement

in CHF mn	Published on 30.06.2014	Restatement	Restated on 30.06.2014
Direct method			
Dividends from associated companies/joint ventures	–	12.0	12.0
Cash flow from (used in) trading activities	**124.6**	**12.0**	**136.6**
Dividends from associated companies/joint ventures	12.0	(12.0)	–
Cash flow from operating activities	**109.6**	–	**109.6**
Cash flow used in investing activities	**(104.5)**	–	**(104.5)**
Cash flow after investing activities	**5.1**	–	**5.1**
Increase/(decrease) of non-controlling interests	49.3	–	49.3
Cash flow used in financing activities	**(5.1)**	–	**(5.1)**
Cash flow from discontinued operations	**0.7**	–	**0.7**
Impact of currency translation	**(0.0)**	–	**(0.0)**
Change in cash and cash equivalents	**0.6**	–	**0.6**
Cash and cash equivalents as of 1 January	54.1	–	54.1
Cash and cash equivalents as of 30 June	54.8	–	54.8
Change in cash and cash equivalents	**0.6**	–	**0.6**

The Print Regional and Print National business segments are now run as Publishing Regional and Publishing National. They also contain the revenues and net income of the regional and national digital news platforms. The adjustment reflects the increasing integration of the digital and print media offers through the creation of joint print and digital editorial teams and the growing significance of combined print and digital subscriptions.

The effect of IAS 19 «Employee Benefits» is now shown outside the business segments in the segment information. The segments' operating expenses only contain the standard employer contributions as employee benefit expenses. The difference between employer contributions and employee benefit expenses is shown in the elimination column in accordance with IAS 19. The adjusted presentation is based on internal reporting.

Segment information

in CHF mn	Publishing Regional	Publishing National	Digital	Elimination incl. IAS 19	**Total**
As of 30 June 2014 after Restatement					
Third parties revenues	255.8	196.6	98.9	–	**551.4**
Intersegment revenues	27.8	1.4	0.1	(29.3)	–
Revenues	**283.7**	**198.0**	**99.0**	**(29.3)**	**551.4**
Operating expenses	(239.7)	(160.7)	(69.1)	26.2	(443.3)
Share of net income (loss) of associated companies/joint ventures	3.1	1.2	(1.2)	–	3.2
Operating income before depreciation and amortisation (EBITDA)	**47.1**	**38.6**	**28.7**	**(3.1)**	**111.3**
Margin [1]	16.6%	19.5%	29.0%	–	20.2%
Annual depreciation	(17.1)	(0.2)	(4.3)	–	**(21.6)**
Depreciation and amortisation from business combinations [2]	(2.7)	(2.9)	(7.7)	–	**(13.4)**
Impairments	–	–	–	–	–
Operating income (EBIT)	**27.3**	**35.5**	**16.7**	**(3.1)**	**76.4**
Margin [1]	9.6%	17.9%	16.9%	–	13.9%
Average number of employees [3]	**2 128**	**804**	**564**	–	**3 495**

	Print Regional	Print National	Digital	Elimination excl. IAS 19	**Total**
As of 30 June 2014 before Restatement					
Third parties revenues	248.8	178.2	124.4		**551.4**
Intersegment revenues	26.4	1.1	0.4	(27.9)	–
Revenues	**275.2**	**179.3**	**124.9**	**(27.9)**	**551.4**
Operating expenses	(230.5)	(145.2)	(95.4)	27.9	(443.3)
Operating income before depreciation and amortisation (EBITDA)	**44.6**	**34.0**	**29.4**	–	**108.1**
Margin [1]	16.2%	19.0%	23.6%	–	19.6%
Depreciation and amortisation	(19.7)	(3.1)	(12.1)	–	**(34.9)**
of which publishing rights (IFRS 3)	(2.7)	(2.9)	(7.7)	–	**(13.4)**
of which impairment on goodwill	–	–	–	–	–
Operating income (EBIT)	**24.9**	**31.0**	**17.3**	–	**73.2**
Margin [1]	9.1%	17.3%	13.8%	–	13.3%
Average number of employees [3]	**2 044**	**660**	**791**	–	**3 495**

1 The margin relates to revenues.
2 The depreciation and amortisation from business combinations comprise depreciation and amortisation from customer bases and publishing rights, which were acquired and capitalised as part of a business combination.
3 The average number of employees does not include employees at associated companies/joint ventures.

Segmentation

Information on segment reporting can be found in the operational reporting.

Changes to the group of consolidated companies

There were the following changes to the group of consolidated companies in the first half of 2015.

Doodle Deutschland GmbH

As of 31 March 2015, Doodle AG founded the wholly-owned subsidiary Doodle Deutschland GmbH, which is headquartered in Berlin and has share capital of EUR 0.25 million.

Aktiengesellschaft des Winterthurer Stadtanzeiger

On 25 March 2015, Tamedia sold its 100 per cent stake in the Aktiengesellschaft des Winterthurer Stadtanzeiger to Zürcher Oberland Medien AG. As a result of the company being deconsolidated, assets of CHF 0.4 million (of which CHF 0.1 million were cash and cash equivalents) and liabilities of CHF 0.2 million were transferred. The sale price amounted to CHF 1.7 million.

Additional changes to the group of consolidated companies

The following changes were implemented to simplify the corporate structure within the Tamedia media group: 20 Minuten AG was merged with Tamedia AG retroactively to 1 January 2015. DZO Druck Oetwil a.S. AG was merged with Zürcher Regionalzeitungen AG retroactively to 1 January 2015.

Stromberg AG, which is owned by Tamedia but is not one of the group of consolidated companies, was merged with Swiss Online Shopping AG (previously Fashion Friends AG) on 16 April 2015. As a result, Tamedia's stake decreased from 65.0 per cent to 62.7 per cent.

Income statement

Information on the business segments' revenues, EBITDA and EBIT as well as on selected media can be found in the segment information in the operational reporting.

At CHF 34.6 million, depreciation and amortisation are stable compared with the prior year. No impairments were required.

The share of net income of associated companies decreased to CHF 0.7 million compared with CHF 3.2 million in the prior year because of, among other factors, the sale of the investment LS Distribution Suisse SA in the first half of 2015. Other financial income increased by CHF 14.8 million to CHF 17.0 million. The increase was largely due to the profit on the disposal of the investments LS Distribution Suisse SA and the Aktiengesellschaft des Winterthurer Stadtanzeiger achieved in 2015. Net interest income remained stable compared with the prior period.

The effective tax rate of the continuing operations fell sharply from 24.4 per cent in the first half of 2014 to 19.9 per cent in the first half of 2015. The decrease is a result of higher tax expenses incurred in the prior period because of higher administrative and financing expenses on intra-group dividends and realised capital gains on investments.

Assets held for sale

Net assets held for sale decreased by CHF 17.7 million from CHF 46.4 million to CHF 28.7 million. The sale of the investment LS Distribution Suisse SA (Publishing Regional segment) was completed on 27 February 2015. A purchase agreement for the print facility at Rudolf-Diesel-Strasse in Winterthur acquired when Ziegler Druck- und Verlags AG (Publishing Regional segment) was taken over in 2014 will probably be signed in the 3rd quarter of 2015. The transfer of ownership will probably not take place until the second half of 2016.

Swisscom and Tamedia have placed the companies *local.ch* and *search.ch* as of 9 July 2015 in a joint subsidiary. Swisscom holds 69 per cent and Tamedia 31 per cent of the joint subsidiary Swisscom Directories AG. In the balance sheet, the assets and liabilities of search.ch AG were reclassified into assets held for sales and liabilities associated with assets held for sale respectively.

Assets held for sale

in CHF mn	30.06.2015	31.12.2014
Current assets	18.6	–
Non-current assets	27.0	48.3
Assets	**45.5**	**48.3**
Current liabilities	14.8	–
Non-current liabilities	2.0	1.9
Liabilities	**16.8**	**1.9**
Net assets	**28.7**	**46.4**

Balance sheet

In the first half of 2015, total assets decreased by CHF 112.7 million from CHF 2,156.2 million to CHF 2,043.4 million. Equity fell by CHF 28.9 million to CHF 1,428.1 million. The self-financing ratio now stands at 69.9 per cent. The actuarial changes required in accordance with IAS 19 resulted in a negative amount of CHF 28.3 million (before deferred taxes), which was recorded directly in equity in the statement of total comprehensive income, while a reduction of CHF 77.6 million had to be taken into consideration in the first half of the prior year. CHF 47.7 million (CHF 4.50 per share) was distributed to the Tamedia AG shareholders as a dividend. In the course of the first six months of 2015, treasury shares worth CHF 0.5 million were also used for equity components due from the executive management's profit sharing. The difference between the acquisition value and the higher market value at the date treasury shares were used of CHF 0.5 million was recorded directly in equity. The minority interests in equity decreased by CHF 5.2 million to CHF 232.1 million.

The current assets from continuing operations decreased by CHF 54.4 million to CHF 265.2 million. Among other factors, the decrease is attributable to the fact that the carrying amounts of search.ch AG are shown as assets held for sale (see section on events after the balance sheet date).

Non-current assets decreased by CHF 55.5 million to CHF 1,732.7 million. No material effects resulting from changes to the group of consolidated companies had to be taken into consideration for property, plant and equipment and intangible assets in the first half of 2015. Investments of CHF 7.5 million were offset by net disposals of CHF 0.3 million as well as depreciation and amortisation of CHF 34.6 million. Among the financial assets, shares in investments in associated companies decreased by CHF 1.8 million net to CHF 64.7 million, primarily as a consequence of the dividends paid by these investments. As of 30 June 2015, there were no longer any employee benefit assets as per IAS 19, which equates to a fall of CHF 14.7 million. Non-current financial assets increased by CHF 5.2 million because of the granting of long-term loans to joint ventures. Deferred tax assets posted a slight fall. Intangible assets reduced by CHF 33.7 million to CHF 1,327.9 million, which is attributable to ongoing amortisation as well as currency losses of CHF 6.7 million. The review of goodwill for impairment produced no indications of any loss of value (impairment).

The current liabilities from continuing operations posted a fall of CHF 105.8 million to CHF 354.5 million. This is largely attributable to the sharp fall in current financial liabilities and the decrease in deferred revenues and accrued liabilities and current tax liabilities. The other current items also trended downwards. Current provisions for redundancy plan benefits and reinstatement expenses decreased by CHF 0.9 million in the course of the first half.

Non-current liabilities increased by CHF 7.1 million to CHF 244.0 million. While employee benefit obligations as per IAS 19 increased by CHF 19.8 million, the other non-current items decreased. Non-current financial liabilities posted a fall of CHF 2.8 million, while deferred tax liabilities and non-current provisions fell by CHF 9.8 million and CHF 0.1 million respectively.

Events after the balance sheet date

Merger of local.ch and search.ch

Swisscom and Tamedia have placed their companies *local.ch* and *search.ch* in a joint subsidiary. Since 9 July 2015, Swisscom holds 69 per cent and Tamedia 31 per cent of the joint subsidiary Swisscom Directories AG.

As a result of placing search.ch AG in the joint company, search.ch AG left the group of consolidated companies in July 2015. As a result of search.ch AG being deconsolidated, assets of CHF 35.1 million (of which CHF 12.1 million were cash and cash equivalents) and liabilities of CHF 16.1 million were transferred (please refer to the section Assets held for sale). The market value of search.ch AG is estimated to CHF 222 million. The difference between the market value and the transferred equity of estimated CHF 203 million will be reflected in the income statement through net financial income in the second half of 2015.

The shares in Swisscom Directories AG are estimated at CHF 222 million. This equates to the market value of search.ch AG cited in the preceding paragraph. Subsequently, the value of the shares will be updated in accordance with the equity method.

Swiss Classified Media

On 3 July 2015, Tamedia acquired the Norwegian Schibsted Media Group's 50 per cent investment in the previously jointly held subsidiaries Swiss Classified Media AG, car4you Schweiz AG and tutti.ch AG, which operate the small ads platform *tutti.ch* and the car advertising market *car4you.ch*. The purchase price consisted of a fixed payment of CHF 15.5 million in cash, of which CHF 12.1 million was attributable to the acquisition of Schibsted's shares in Swiss Classified Media AG and CHF 3.4 million to the assumption of loans granted to tutti.ch AG, and a performance-related payment of a maximum of CHF 12.5 million in 2019. This is based on the performance of *tutti.ch* up to 2018. Since the acquisition took place in several stages, the previously held shares must be taken into consideration at a fair value of CHF 9.1 million at the date control is transferred.

Assets of CHF 38.2 million and liabilities of CHF 16.9 million were acquired when the company was consolidated for the first time. In addition to cash and cash equivalents, the assets comprise goodwill of CHF 5.9 million and intangible assets of 80 per cent of total assets or CHF 30.7 million in total. It is assumed that this goodwill is not deductible for tax purposes. The disclosures on initial consolidation are based on preliminary figures and estimates.

Ricardo

Tamedia plans to acquire the Ricardo Group from the South African media group Naspers. The Ricardo Group operates the online marketplace *ricardo.ch*, the car platform *autoricardo.ch*, the small ads platform *olx.ch* and the online shopping centre *ricardoshops.ch*.

The Ricardo Group, which is combined in ricardo.ch AG and headquartered in Zug employs around 190 employees in Switzerland as well as a team of 30 developers in France. In 2014, the company generated revenues of around CHF 40 million.

The purchase price for ricardo.ch AG is CHF 240 million. The transaction is subject to approval from the Swiss Competition Commission, which is examining it in depth. Since Tamedia was not previously involved in the Ricardo Group's core business and in view of the intense competition in the markets for e-commerce and free small ads, Tamedia still assumes that the competition authority will give its consent. A decision is expected in autumn 2015.

Le Régional

The association «Les Amis du Régional» (Friends of the Régional) acquired the 88 per cent investment in Editions Le Régional SA, which issues the free weekly newspaper *Le Régional*, on 7 August 2015. As a result of the company being deconsolidated, assets of CHF 1.8 million (of which CHF 1.5 million are cash and cash equivalents) and liabilities of CHF 0.4 million were transferred. The sales price consists of an initial payment of CHF 2.3 million and a performance-related payment in 2016. This is based on the performance of Editions Le Régional SA in 2015.

Financial calendar

The annual report will be published on Tuesday, 15 March 2016.

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