tamedia:

Media Release

Tamedia achieves sound result in first half of 2015 despite market downturn – new Advertising & Commuter Media and Paid-For Media divisions in 2017 at the latest

The Swiss media group Tamedia achieved revenues of CHF 530.7 million (-3.8 per cent) in the first half of 2015. Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased by 3.9 per cent to CHF 107.0 million because of the market downturn (EBITDA margin 20.2 per cent), while earnings before interest and taxes (EBIT) declined by 5.2 per cent to CHF 72.4 million (EBIT margin 13.6 per cent). Net income increased to CHF 71.6 million (+21.0 per cent) because of sales. The offers from Digital and all Tamedia's digital publishing platforms contributed 26.7 per cent to revenues and 36.2 per cent to EBIT overall (pro forma). Latest from 2017 onwards, Tamedia will adapt its business organization and combine its sales teams into a single central advertising market team to provide customers with an even more comprehensive service.

Zurich, 20 August 2015 – Tamedia closed the first half of 2015 with a sound result. 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 declined 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). 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 substantial 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.

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. We are looking forward to taking over the Ricardo Group 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 general classifieds market and create a strong offer in the car market. The acquisition of the 50 per cent shares held by our partner Schibsted in *tutti.ch* and *car4you.ch* in July was an important first step towards this.

search.ch expected to post revaluation gain of CHF 203 million

The directory platform *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 of 2015. 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.

New segment structure: digital platforms for Publishing Regional and National

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 subscription packages. The share of net income of associated companies and joint ventures is also restated in the consolidated income statement and in the segment information within EBITDA. The net income (loss) 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 our development.

Key figures

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

[1] The figures of the prior period have been adjusted due to a restatement.

Publishing Regional sees advertising investment fall

The revenues of the Publishing Regional segment decreased by 7.3 per cent to CHF 262.9 million. The downturn in the Swiss economy resulted in a sharp decline 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 enjoys consistently high EBIT margin

The revenues of the Publishing National segment decreased year on year by 5.8 per cent to CHF 186.6 million. The decline 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 posts further growth in revenues and net income

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. Job-Cloud AG again performed well, expanding both revenues and net income significantly. The real estate platform *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).

Segment information for continuing operations

	Revenues 30.6.2015	Revenues[1] 30.6.2014	EBITDA[2] 30.6.2015	EBITDA[1,2] 30.6.2014	EBIT[3] 30.6.2015	EBIT[1,3] 30.6.2014
Publishing Regional (in CHF mn)	262.9	283.7	42.3	47.1	23.8	27.3
Publishing National (in CHF mn)	186.6	198.0	36.3	38.6	33.3	35.5
Digital (in CHF mn)	107.8	99.0	34.3	28.7	21.2	16.7
Elimination (in CHF mn)	(26.7)	(29.3)	(5.9)	(3.1)	(5.9)	(3.1)
Total (in CHF mn)	**530.7**	**551.4**	**107.0**	**111.3**	**72.4**	**76.4**

[1] The figures of the prior period have been adjusted due to a restatement.
[2] Operating income before depreciation and amortisation
[3] Operating income

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 on-going 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.

Tamedia to add new corporate divisions latest from 2017: Advertising & Commuter Media, and Paid Media

Not later than 2017, the Swiss media group Tamedia is to create one central advertising market, bringing together the decentralised sales teams that are currently assigned to separate divisions. The objectives of this realignment are to respond with greater agility to customers' changing wishes and requirements, and to make it easier for customers to book attractive offerings. Latest from 2017 onwards, it will be even simpler for advertising customers to plan and implement multi-media and multi-platform campaigns with Tamedia. In taking this step, Tamedia will pursue its strategy to run an own high-quality sales operation for all newspapers, magazines and digital journalistic offerings.

Management of the new Advertising & Commuter Media Division will be taken on by Marcel Kohler, who will therefore retain overall management responsibility for *20 Minuten*, *l'essentiel*, *MX Metroxpress* and *News:express*. Alongside the advertising sales teams, the new division will also embrace in-house advertising services and advertisement marketing. In his present post, Marcel Kohler will provide support and guidance for the step-by-step implementation of this new organisation and for the harmonisation of the booking, planning and CRM systems until the end of 2016.

Serge Reymond, who currently heads the two divisions Tamedia Publications romandes (for French-speaking Switzerland) and Media German-speaking Switzerland – will become head of the new Paid Media Division as of 1 January 2017. This new division will comprise all reader marketing and product management teams as well as the editorial departments. Editors-in-chief will continue to report directly to the division head, and to the Journalism Committee of the Board of Directors where issues of content are discussed.

Four current divisions – Tamedia Publications romandes, Media German-speaking Switzerland, Regional Media German-speaking Switzerland and 20 Minuten – will be replaced by the new structure at the start of 2017 at the latest. Ueli Eckstein, Head of Regional Media German-speaking Switzerland, will step down from the Management Board at the end of 2016; however, he will continue to work for Tamedia as Head of Special Projects in the field of journalism after his ordinary retirement date in mid-2017. In this capacity, he will report directly to Christoph Tonini, Chief Executive Officer.

There are no changes to the Digital Division headed by Christoph Brand, the Finance and Human Resources Division headed by Sandro Macciacchini and the Publishing Services Division headed by Andreas Schaffner.

Press conference and information for financial analysts

The press conference call in German shall take place today, Thursday, 20 August 2015 at 10.00 am. In addition, an analysts' conference call in English shall be held at 11.00 am for analysts and investors.

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Further information about Tamedia

Tamedia is a Swiss media group headquartered in Zurich. With its daily and weekly newspapers, magazines, online platforms and printing facilities Tamedia is a leading media enterprise in Switzerland. With their independent reporting and critical research, the media published by Tamedia AG and its subsidiaries Tamedia Publications romandes and Espace Media make an important contribution to opinion-forming and provide topics for conversation with entertaining stories from all areas of life. The company was established in 1893 and has been listed on the Swiss stock exchange since 2000.

Further information: www.tamedia.ch