Zurich, 25 August 2016

Dear Shareholders
Dear Employees
Dear Friends and Associates of Tamedia

Despite falling revenue from print advertising, Tamedia closed the first half of 2016 with a sound result. Whilst the *20 Minuten* media network reported revenue growth, advertising revenue for the regional newspapers, Sunday media and some magazines declined. The Digital division performed strongly, with significant growth in revenues and net income. The strategic interim goal of generating half of EBITDA out of digital activities has thus been achieved.

Investments in digital business models and digital publication offers are paying off. The income contributions of the directory services provided by *search.ch* and *local.ch*, which were reported for the first time directly under the Digital division, had a positive impact on our financial statements. At the start of the year, Tamedia launched mobile flea market *Tradono* in Switzerland, which is mirroring the exceptional development of *tutti.ch* on the user market. In the spring, the merger of the platforms *starticket.ch* and *Ticketportal*, the Swiss market leader for customised ticketing distribution concepts for event organisers, created an even stronger ticketing service provider. At the end of June, *Doodle*, the world's leading scheduling platform, took over Israeli chatbot scheduling assistant *Meekan*.

With the launch of digital subscriptions at *Zürcher Regionalzeitungen* in spring, all of Tamedia's regional daily newspapers now have online payment models. Over the next few months, *Le Matin* will also be introducing an online payment offer. At the same time, we are investing in digital marketing and product development, two examples being the internationally acclaimed *12-App* and the successful Tamedia opinion polling surveys. In June, in German-speaking Switzerland *20minuten.ch* became the first news portal ever to reach more than 1 billion page impressions. With our planned stake in *Heute* and *heute.at* we will be expanding our commuter media with Austria's largest-circulation commuter newspaper.

Investments in *Heute* and *heute.at*, along with our new digital offers in Switzerland, demonstrate Tamedia's faith in the future of digital publishing. Despite rising digital revenue, however, revenues in publishing continued to fall overall. This is chiefly due to falling advertising revenue, which is declining at a faster pace than in the previous year. Therefore, to preserve the profitability of our regional daily newspapers, Sunday newspapers and magazines, we are continually considering new measures to increase efficiency. At the same time, we are working on the repositioning of the advertising and user market that was announced in 2015. With a joint sales team, we will be able to respond even faster to changing customer needs. The repositioning is progressing well and is likely to be completed by 1 November 2016.

In the first half of 2016, our media group's revenues decreased by 5.1 per cent because of falling print advertising revenue, to CHF 503.6 million (prior year: CHF 530.7 million). Earnings before interest, taxes and depreciation/amortisation (EBITDA) consequently sank by 6.9 per cent to CHF 99.7 million (prior year: CHF 107.0 million), earnings before interest and taxes (EBIT) by 15.4 per cent to CHF 61.3 million (prior year: CHF 72.4 million).

In total, the Digital offers and Tamedia's digital publishing media contributed CHF 155.4 million or 30.9 per cent to total revenues (pro forma). The share of all digital offers in EBITDA reached CHF 49.7 million or 49.9 per cent, the EBIT share CHF 32.2 million or 52.6 per cent. Thus, as the leading private Swiss media group, Tamedia for the first time generated half of its EBITDA from digital offers.

Net income fell by 22.0 per cent to CHF 55.8 million (prior year: CHF 71.6 million). The decline is due in part to the lower financial income year-on-year. In the prior year, financial income contributed a total of CHF 17.0 million to net income.

## Operational reporting by Tamedia on the first half of 2016

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

### Key figures

| in CHF mn | | 30.06.2016 | 30.06.2015 | Change in % |
|---|---|---|---|---|
| **Revenues** | | 503.6 | 530.7 | (5.1) |
| **Operating income before depreciation and amortisation (EBITDA)** | | 99.7 | 107.0 | (6.9) |
| Margin | in % | 19.8 | 20.2 | (1.8) |
| **Operating income (EBIT)** | | 61.3 | 72.4 | (15.4) |
| Margin | in % | 12.2 | 13.6 | (10.9) |
| **Net income/(loss)** | | 55.8 | 71.6 | (22.0) |
| Margin | in % | 11.1 | 13.5 | (17.8) |
| **Net income/(loss) per share (undiluted)** | in CHF | 4.42 | 5.90 | (25.1) |
| | | | | |
| **Cash flow from (used in) operating activities** | | 93.9 | 71.4 | 31.6 |
| **Total assets as of 30 June / 31 December** | | 2 440.1 | 2 508.9 | (2.7) |
| **Equity ratio as of 30 June / 31 December** | in % | 65.5 | 66.2 | (1.1) |

## Segment information

| in CHF mn | Publishing Regional | Publishing National | Digital | Elimination incl. IAS 19 | **Total** |
|---|---|---|---|---|---|
| **As of 30 June 2016** | | | | | |
| Revenues third parties | 210.6 | 176.6 | 116.5 | – | **503.6** |
| Revenues intersegment | 22.9 | 0.1 | 0.5 | (23.5) | – |
| **Revenues** | **233.5** | **176.7** | **117.0** | **(23.5)** | **503.6** |
| **Operating expenses** | **(200.9)** | **(144.8)** | **(77.6)** | **12.5** | **(410.8)** |
| Share of net income/(loss) of associated companies/joint ventures | 0.3 | 0.9 | 5.5 | – | **6.8** |
| **Operating income before depreciation and amortisation (EBITDA)** | **32.9** | **32.9** | **44.9** | **(11.0)** | **99.7** |
| Margin [1] | 14.1% | 18.6% | 38.4% | – | 19.8% |
| Depreciation and amortisation | (15.3) | (0.1) | (5.2) | – | **(20.6)** |
| Amortisation from business combinations [2] | (2.7) | (2.9) | (12.3) | – | **(17.9)** |
| **Operating income (EBIT)** | **14.9** | **29.9** | **27.4** | **(11.0)** | **61.3** |
| Margin [1] | 6.4% | 16.9% | 23.4% | – | 12.2% |
| Average number of employees [3] | 1 923 | 758 | 606 | – | **3 286** |
| **As of 30 June 2015** | | | | | |
| Revenues third parties | 237.3 | 185.5 | 107.8 | – | **530.7** |
| Revenues 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 [1] | 16.1% | 19.5% | 31.8% | – | 20.2% |
| Depreciation and amortisation | (15.8) | (0.2) | (4.9) | – | **(20.9)** |
| Amortisation from business combinations [2] | (2.7) | (2.9) | (8.1) | – | **(13.7)** |
| **Operating income (EBIT)** | **23.8** | **33.3** | **21.2** | **(5.9)** | **72.4** |
| Margin [1] | 9.0% | 17.8% | 19.7% | – | 13.6% |
| Average number of employees [3] | 2 024 | 761 | 601 | – | **3 386** |

1 The margin relates to revenues.
2 The amortisation from business combinations comprise amortisation from customer bases and publishing rights acquired and capitalised as part of a business combination.
3 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 11.2 per cent to CHF 233.5 million. Half of the decline in revenues is due to falling print advertising revenue and the closure of the commercial printer Ziegler Druck at the end of 2015. The marginal, low-level growth in digital revenues continued. The measures taken to boost efficiency were not enough to fully offset the fall in revenues. Operating income before depreciation and amortisation (EBITDA) of the Publishing Regional segment fell as a result from CHF 42.3 million to CHF 32.9 million. This equates to an EBITDA margin of 14.1 per cent (prior year: 16.1 per cent). EBIT was CHF 14.9 million (prior year: CHF 23.8 million). At 6.4 per cent, the EBIT margin was down on the prior year's level of 9.0 per cent.

**Publishing National**

The Publishing National segment reported revenues of CHF 176.7 million, which were 5.3 per cent down on the prior year. The decreasing revenues are due to falling print advertising revenue, particularly affecting the Sunday newspapers and some magazines. Conversely, the *20 Minuten* media network bucked the international trend and continued to grow. Sharply rising receipts from the digital business compensated for dwindling print advertising revenues. Operating income before depreciation and amortisation (EBITDA) of the Publishing National segment fell to CHF 32.9 million (prior year: CHF 36.3 million). The EBITDA margin was 18.6 per cent (previous year: 19.5 per cent). Operating income (EBIT) reached CHF 29.9 million (prior year: CHF 33.3 million). The EBIT margin reached 16.9 per cent, which was below the previous year’s level of 17.8 per cent.

**Digital**

The Digital segment, which comprises all non-publishing digital offers, posted an increase in revenues of 8.5 per cent to CHF 117.0 million. JobCloud AG, real estate portal *homegate.ch* and ticketing portal *starticket.ch* made good progress and significantly increased both revenues and net income. The Digital segment’s operating income before depreciation and amortisation (EBITDA) increased to CHF 44.9 million (prior year: CHF 34.3 million). The EBITDA margin reached a high 38.4 per cent (prior year: 31.8 per cent). Operating income (EBIT) improved significantly from CHF 21.2 million in the prior year to CHF 27.4 million. The EBIT margin reached 23.4 per cent (prior year: 19.7 per cent).

Equity fell by CHF 63.5 million to CHF 1,598.0 million. The changes are due in particular to the dividends paid and the actuarial changes in accordance with IAS 19 (valuation of employee benefits). The equity ratio remains a solid 65.5 per cent compared with 66.2 per cent at the end of 2015.

The ongoing measures to increase efficiency will also be continued in the second half of 2016. We shall provide you with more information on the company’s most important projects and the performance of our media group when the net income for 2016 is published on Thursday, 2 March 2017.

Yours sincerely,

| | |
|---|---|
| Dr Pietro Supino | Christoph Tonini |
| Publisher and President of the Board of Directors | Chief Executive Officer |

# Financial reporting by Tamedia on the first half of 2016

## Consolidated income statement

| in CHF mn | 30.06.2016 | 30.06.2015 |
|---|---|---|
| **Revenues** | **503.6** | **530.7** |
| **Operating expenses** | **(410.8)** | **(424.4)** |
| Share of net income/(loss) of associated companies/joint ventures | 6.8 | 0.7 |
| **Operating income before depreciation and amortisation (EBITDA)** | **99.7** | **107.0** |
| Depreciation and amortisation | (20.6) | (20.9) |
| Amortisation from business combinations | (17.9) | (13.7) |
| **Operating income (EBIT)** | **61.3** | **72.4** |
| Other financial income/(expense) | (0.1) | 17.0 |
| **Net income/(loss) before taxes** | **61.2** | **89.4** |
| Income taxes | (5.4) | (17.8) |
| **Net income/(loss)** | **55.8** | **71.6** |
| of which | | |
| attributable to Tamedia shareholders | 46.9 | 62.5 |
| attributable to non-controlling interests | 9.0 | 9.1 |

## Earnings per share

| in CHF | 30.06.2016 | 30.06.2015 |
|---|---|---|
| Net income (loss) per share (undiluted) | 4.42 | 5.90 |
| Net income (loss) per share (diluted) | 4.41 | 5.89 |

## Consolidated statement of total comprehensive income

| in CHF mn | 30.06.2016 | 30.06.2015 |
|---|---|---|
| **Net income/(loss)** | **55.8** | **71.6** |
| Value fluctuation of hedges | (0.3) | (4.3) |
| Currency translation differences | 0.4 | (7.3) |
| Income tax effects | 0.1 | 0.9 |
| **Other comprehensive income – will be reclassified via the income statement in future periods** | **0.1** | **(10.7)** |
| Actuarial gains/(losses) IAS 19 | (62.4) | (28.3) |
| Share of net income/(loss) of associated companies/joint ventures directly recognised in equity | (3.3) | – |
| Income tax effects | 13.1 | 6.0 |
| **Other comprehensive income – not be reclassified via the income statement in future periods** | **(52.6)** | **(22.3)** |
| **Other comprehensive income** | **(52.5)** | **(33.1)** |
| **Total comprehensive income** | **3.3** | **38.5** |
| of which | | |
| Attributable to Tamedia shareholders | (5.3) | 30.2 |
| Attributable to non-controlling interests | 8.6 | 8.3 |

## Consolidated balance sheet

| in CHF mn | 30.06.2016 | 31.12.2015 |
|---|---|---|
| **Current assets before assets held for sale** | **254.7** | **328.0** |
| Assets held for sale | 15.2 | 15.2 |
| **Current assets** | **269.9** | **343.2** |
| **Non-current assets** | **2 170.1** | **2 165.6** |
| **Assets** | **2 440.1** | **2 508.9** |
| | | |
| **Current liabilities before liabilities associated with assets held for sale** | **378.5** | **412.3** |
| Liabilities associated with assets held for sale | 1.9 | 1.9 |
| **Current liabilities** | **380.4** | **414.3** |
| **Non-current liabilities** | **461.7** | **433.1** |
| **Liabilities** | **842.1** | **847.4** |
| **Equity, attributable to Tamedia shareholders** | **1 361.2** | **1 425.8** |
| Non-controlling interests | 236.8 | 235.8 |
| **Equity** | **1 598.0** | **1 661.5** |
| **Total liabilities and shareholders´ equity** | **2 440.1** | **2 508.9** |

## Consolidated statement of cash flows

| in CHF mn | 30.06.2016 | 30.06.2015 |
|---|---|---|
| **Direct method** | | |
| **Cash flow from (used in) operating activities before interest and tax** | **106.5** | **107.0** |
| **Cash flow from (used in) operating activities** | **93.9** | **71.4** |
| | | |
| **Cash flow from (used in) investing activities** | **(31.2)** | **(11.9)** |
| **Cash flow after investing activities** | **62.7** | **59.5** |
| Acquisition of non-controlling interests | (0.2) | (5.6) |
| **Cash flow from (used in) financing activities** | **(107.7)** | **(132.7)** |
| **Cash flow for the sale of assets held for sale** | – | **47.1** |
| **Impact of currency translation** | **(0.0)** | **(0.9)** |
| **Change in cash and cash equivalents** | **(45.0)** | **(26.9)** |
| | | |
| Cash and cash equivalents as of 1 January | 98.6 | 97.5 |
| Cash and cash equivalents as of 30 June | 53.6 | 58.4 |
| Cash and cash equivalents for the sale of assets held for sale as of 30 June | – | 12.1 |
| **Change in cash and cash equivalents** | **(45.0)** | **(26.9)** |

## Statement of 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 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 hedges | – | – | – | (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)** |
| Income tax effects | – | – | – | 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)** |
| 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** |
| | | | | | | | |
| **As of 31 December 2015** | **106.0** | **(0.6)** | **(6.5)** | **1 326.8** | **1 425.8** | **235.8** | **1 661.5** |
| Net income/(loss) | – | – | – | 46.9 | **46.9** | 9.0 | **55.8** |
| Share of net income/(loss) of associated companies/joint ventures directly recognised in equity | – | – | – | (3.3) | **(3.3)** | – | **(3.3)** |
| Value fluctuation of hedges | – | – | – | (0.3) | **(0.3)** | – | **(0.3)** |
| Actuarial gains/(losses) IAS 19 | – | – | – | (62.0) | **(62.0)** | (0.5) | **(62.4)** |
| Currency translation differences | – | – | 0.4 | – | **0.4** | – | **0.4** |
| Income tax effects | – | – | (0.1) | 13.1 | **13.0** | 0.1 | **13.1** |
| **Total comprehensive income** | – | – | **0.3** | **(5.6)** | **(5.3)** | **8.6** | **3.3** |
| Dividends paid | – | – | – | (47.7) | **(47.7)** | (16.8) | **(64.5)** |
| Acquisition of non-controlling interests | – | – | – | (7.2) | **(7.2)** | 6.8 | **(0.4)** |
| Sale of minority interests | – | – | – | – | **–** | 2.3 | **2.3** |
| Contractual obligations to purchase non-controlling interests | – | – | – | (4.3) | **(4.3)** | – | **(4.3)** |
| Share-based payments | – | – | – | (0.4) | **(0.4)** | – | **(0.4)** |
| (Purchase)/sale of treasury shares | – | 0.2 | – | – | **0.2** | – | **0.2** |
| **As of 30 June 2016** | **106.0** | **(0.3)** | **(6.2)** | **1 261.7** | **1 361.2** | **236.8** | **1 598.0** |

### General

The unaudited interim consolidated financial statements as of 30 June 2016 were prepared in accordance with the International Accounting Standard (IAS) 34, “Interim Financial Reporting”. The same accounting policies were applied as in the 2015 Annual Report and the adjustments, which have been introduced since 1 January 2016, 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 19 August 2016.

The preparation of the consolidated financial statements requires estimates 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. As they are subject to risks and uncertainties, the actual results may differ from these estimates.

### Accounting

Tamedia has adopted the following new and revised standards and interpretations. Their first-time application did not lead to any significant changes in the consolidation and measurement principles, in the assets or income situation or in the disclosures in the consolidated financial statements.

- IAS 1 “Disclosure Initiative” (amendments to IAS 1 “Presentation of Financial Statements”) — 2016
- IAS 16, IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation” (amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”) — 2016
- IFRS 10/IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”) — 2016
- IFRS 10/IFRS 12/IAS 28 “Investment Entities: Applying the Consolidated Exception” (amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures”) — 2016
- IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations” (amendment to IFRS 11 “Joint Arrangements”) — 2016
- IFRS 14 “Regulatory Deferral Accounts” (new standard) — 2016
- IFRS (2014) “Improvements to International Financial Reporting Standards” — 2016

## 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 2016.

### Adextra AG, ImmoStreet.ch S.A., Ticketportal AG, Meekan Solutions Ltd.

As at 12 February 2016, Tamedia AG acquired 100 per cent of the shares in Adextra AG, headquartered in Zurich.

On 11 April 2016, Homegate AG acquired a further 80 per cent interest in real estate platform ImmoStreet.ch S.A., thereby increasing its stake from 20 to 100 per cent. Since the acquisition took place in several steps, the previously held shares must be taken into consideration at a fair value of CHF 7.4 million at the date control is transferred. The difference compared with the previous value of these interests is CHF 1.2 million, which is reported as a gain in other operating revenue.

As at 21 April 2016, Starticket AG acquired 100 per cent of the shares in ticketportal AG headquartered in St. Gallen and as of 28 June 2016 Doodle AG acquired 100 per cent of the shares in Meekan Solutions Ltd. headquartered in Israel.

The purchase price for the four transactions amounted to CHF 46.6 million. Of that total, CHF 44.7 million was paid in cash. A variable purchase price payment of CHF 1.9 million was taken into consideration. Depending on business developments in 2019 this may be lower.

Assets of CHF 65.6 million and liabilities of CHF 12.2 million were acquired upon first consolidation of the company. In addition to cash and cash equivalents of CHF 9.2 million, the assets comprise goodwill and intangible assets not subject to amortisation equalling 55 per cent of the total assets or CHF 36.2 million in total. The assets also include receivables with a fair value of CHF 2.8 million. The gross amount of the receivables was CHF 3.0 million, of which CHF 0.2 million was impaired.

The goodwill of CHF 31.7 million arose from the strong market position in Switzerland and the expected synergy effects resulting from the merging of existing activities and the cost improvements in central areas. It is assumed that the goodwill is not deductible for tax purposes. The disclosures on first consolidation of net assets are based on preliminary figures and estimates. Any new information on facts and circumstances that existed at the time of acquisition may lead to the adjustment of the preliminary values stated for the assets and liabilities during the valuation period (up to one year after the date of acquisition).

No material costs were incurred in relation to the four transactions.

The revenues from the four transactions taken into account since the acquisition date total CHF 3.9 million and the net income taken into account since the acquisition date is CHF 0.6 million. Had the acquisition taken place with effect from 1 January 2016, the revenues reported for 2016 would have been CHF 2.7 million higher, while reported net income would have been CHF 0.4 million lower.

#### Swiss Online Shopping AG

On 31 March 2016, Tamedia AG acquired a further 37.3 per cent interest in Swiss Online Shopping AG, thereby increasing its stake from 62.7 to 100 per cent. On 1 April 2016, Tamedia AG sold its 100 per cent interest in Swiss Online Shopping AG. Following the deconsolidation, assets of CHF 17.0 million (of which CHF 2.9 million were cash and cash equivalents) and liabilities of CHF 8.5 million were transferred. The sale price was CHF 8.9 million, of which CHF 8.4 million was paid in cash and CHF 0.5 million was recognised as a current purchase price claim. Transaction costs of CHF 0.6 million were incurred.

#### Additional changes to the group of consolidated companies

The following changes were implemented to simplify the corporate structure of the Tamedia media group: car4you Schweiz AG was merged with ricardo.ch AG retroactively to 1 January 2016. Swiss Classified Media AG was merged with Tamedia AG retroactively to 1 January 2016.

### 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.

Depreciation and amortisation increased by CHF 3.8 million year-on-year, to CHF 38.5 million, due mainly to increased amortisation resulting from business combinations with the Ricardo Group, ImmoStreet.ch S.A., and the additional changes to the group of consolidated companies.

Chiefly as a result of the recognition of the proportionate net income (loss) from the 31 per cent stake in Swisscom Directories AG, the share of net income (loss) of associated companies and joint ventures rose from the second half of 2015 by CHF 6.1 million to CHF 6.8 million.

In the first half of 2016, other financial income totalled CHF −0.1 million, a decrease of CHF 17.0 million year-on-year. The decline is due to the effects of the sale of the stakes in LS Distribution Suisse SA and Aktiengesellschaft des Winterthurer Stadtanzeiger which were taken into account in the equivalent period of the previous year. A change in the measurement of obligations on the part of Tamedia to purchase non-controlling interests resulted in a gain of CHF 1.4 million in the first half of 2016. Net interest sank by CHF −0.3 million to CHF −0.9 million year-on-year, as a result of the higher financial liabilities. At CHF −0.1 million, exchange rate effects were virtually neutral in the first half of the year (previous year CHF 0.9 million) whilst financial expenses in accordance with IAS 19 were CHF −0.4 million (prior year CHF −0.3 million).

As in the same period of the prior year, as of 30 June 2016, there were no discontinued operations.

The effective tax rate fell sharply from 19.9 per cent in the first half of 2015 to 8.7 per cent in the first half of 2016. The main reason for the fall are changes to tax deferrals in respect of current income taxes from prior periods due to loss carryforwards and investment deductions, the tax-effective use of which was not previously deemed likely. In contrast, the effects of unrecognised deferred tax assets relating to loss carryforwards, investment deductions and other non-taxable income and the tax effects on investments resulting from depreciation and amortisation on their carrying amounts (without any deferred tax consequences) cancel each other out.

## Balance sheet

In the first half of 2016, total assets decreased by CHF 68.8 million, from CHF 2,508.9 million to CHF 2,440.1 million. Equity fell by CHF 63.5 million to CHF 1,598.0 million. The self-financing ratio now stands at 65.5 per cent. The actuarial changes required in accordance with IAS 19 resulted in a negative amount of CHF 62.8 million (before deferred taxes), which was recorded directly in equity in the statement of total comprehensive income, while a reduction of CHF 28.3 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 2016, treasury shares worth CHF 0.6 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 0.4 million was recorded directly in equity. The minority interests in equity increased by CHF 1.0 million to CHF 236.8 million.

The current assets before assets held for sale decreased by CHF 73.3 million to CHF 254.7 million. This fall was largely attributable to the reduction in cash and cash equivalents and in trade accounts receivable. The decrease of CHF 45.0 million in cash and cash equivalents to CHF 53.6 million, was mainly due to the repayment of long-term bank loans. Seasonal factors caused trade accounts receivable to fall by CHF 20.1 million to CHF 144.3 million.

Non-current assets grew by CHF 4.5 million to CHF 2,170.1 million. In the first half of 2016, property, plant and equipment and intangible assets include the additions to the group of consolidated companies of Adextra AG, ImmoStreet.ch SA, Ticketportal AG and Meekan Solutions Ltd. Conversely, the property, plant and equipment and intangible assets of Swiss Online Shopping AG were disposed of when the company was sold in the first half of 2016. Thus the changes to the group of consolidated companies result in additional property, plant and equipment and intangible assets totalling CHF 47.2 million. Investments total CHF 3.3 million, of which roughly half are attributable to the capitalisation of IT equipment and software projects and a further CHF 0.5 million to capitalisation of assets under construction. Investments were offset by net disposals of CHF 0.8 million as well as depreciation and amortisation of CHF 38.5 million. The currency effects of property, plant and equipment and intangible assets in the first half of the year were insignificant. Among the financial assets, shares in investments in associated companies and joint ventures decreased by CHF 21.6 million net to CHF 270.2 million, partly as a consequence of the dividends paid by these investments and partly as a consequence of the loss of ImmoStreet.ch SA following its consolidation. Non-current financial assets increased by CHF 0.9 million as a result of the granting of a loan to an associated company and the purchase of another investment that has no significant influence. Deferred tax assets posted an increase of CHF 13.7 million to CHF 21.7 million, due to the higher deferred tax assets in respect of employee benefit obligations in accordance with IAS 19.

Assets held for sale remained unchanged. A purchase agreement was signed in Q3 of 2015 for the printing press building at Rudolf-Diesel-Strasse in Winterthur acquired when Ziegler Druck- und Verlags AG (Publishing Regional segment) was taken over in 2014. The transfer of ownership is scheduled for the start of December 2016.

The current liabilities from before liabilities associated with assets held for saleposted a fall of CHF 33.9 million to CHF 378.5 million. This is mainly due to the seasonal decline in trade accounts payable and the deferred revenues and accrued liabilities. The current provisions for redundancy plan benefits and reinstatement expenses remained stable during the first half of the year.

Non-current liabilities increased by CHF 28.6 million to CHF 461.7 million. While employee benefit obligations as per IAS 19 increased by CHF 73.8 million, the other non-current items decreased. Non-current financial liabilities fell by CHF 43.1 million, due mainly to the repayment of long-term bank loans totalling CHF 40.0 million and the disposal of loans granted to third parties by Swiss Online Shopping AG. Deferred tax liabilities fell by CHF 1.7 million and non-current provisions by CHF 0.4 million.

## Events after the balance sheet date

### heute.at

Tamedia acquires a minority stake in Austrian commuter newspaper *Heute* and a majority stake in *heute.at.* In connection with this, Tamedia is taking over 25.5 per cent of the shares in Ultimate Media GmbH (AHVV Verlags GmbH) which publishes free newspaper *Heute*. The majority stake in Heute Verlag is still held by the Periodika and Pluto foundations, which together hold 74.5 per cent. At the same time, Tamedia is acquiring 51.0 per cent of the shares in DJ Digitale Medien GmbH, which comprises all of *heute.at*'s digital offers. Dr Eva Dichand and Wolfgang Jansky will each hold 24.5 per cent of the shares. Completion is scheduled for the end of Q3 2016, once the Austrian Competition Authority has given its consent.

## Financial calendar

The net income (loss) will be published on Thursday, 2 March 2017.

## Investor Relations

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