

**In the first half of 2016, Tamedia achieves solid net income of CHF 55.8 million – growing digital activities generate half of the EBITDA and EBIT.**

**The Swiss media group Tamedia achieved revenues of CHF 503.6 million (-5.1 per cent) in the first half of 2016. Net income before interest, taxes and depreciation and amortisation (EBITDA) fell by 6.9 per cent to CHF 99.7 million (EBITDA margin 19.8 per cent) due to dwindling print advertising revenue. Net income before interest and taxes (EBIT) reached CHF 61.3 million (EBIT margin 12.2 per cent) and net income (loss) was CHF 55.8 million (-22.0 per cent). The offers from Digital and all of Tamedia's digital publishing platforms contributed 30.9 per cent to revenues and 49.9 per cent to EBITDA (pro forma). Effective 1 January 2017, Samuel Hügli will reinforce Tamedia's Management Board as CTO & Head Digital Ventures.**

**Zurich, 25 August 2016** – In the first half of 2016, revenues of the media group Tamedia decreased by 5.1 per cent because of falling print advertising revenue to CHF 503.6 million (prior year: CHF 530.7 million). Operating income 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), and operating income before interest and taxes (EBIT) by 15.4 per cent to CHF 61.3 million (prior year: CHF 72.4 million). In total, the offers of the Digital division 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 operative 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 due to a sale of participation.

In addition to the organic growth of the news platforms, classifieds and marketplaces, 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 the media group's financial statements. At the beginning of the year, Tamedia launched the mobile flea market *Tradono* in Switzerland, which is mirroring the exceptional development of *tutti.ch* on the user market. In spring, the merger of the platforms *starticket.ch* and *Ticketportal*, the Swiss market leader for customised ticketing distribution concepts for event customers, created an even stronger ticketing service provider. At the end of June, *Doodle*, the world's leading scheduling platform, took over the Israeli chatbot scheduling assistant *Meekan*.

"The investments in digital business models and digital publication offers are paying off," says Tamedia CEO Christoph Tonini. "With the launch of digital subscriptions at the Zürcher Regionalzeitungen in spring, all of Tamedia's regional daily newspapers now have online payment models. At the same time, we are investing in digital marketing and product development. *20minuten.ch* is also evolving extremely well. And with our stake in *Heute* and *heute.at* we will be expanding our free daily media in Austria."

Despite rising digital revenue, however, revenues in publishing continued to fall overall. This is primarily due to falling advertising revenue, which is declining at a faster pace than in the previous year. To preserve the profitability of the regional daily newspapers, Sunday newspapers and magazines, Tamedia therefore keeps investigating new measures to boost efficiency and cooperation. At the same time, the media group is working on the repositioning of the advertising and user market that was announced in 2015. With a joint sales team, Tamedia will be able to respond even faster to changing customer needs. The repositioning is progressing well and is expected to be completed by 1 November 2016.

### **Tamedia embarks upon innovation partnership with US start-up accelerator Matter**

Swiss media group Tamedia has become the first non-US company to partner with the media venture capital fund Matter. Matter VC, with headquarters in San Francisco and an office in New York, invests in media start-ups and supports them with expertise and access to the network of participating media companies. The partners include the Knight Foundation, Associated Press, Community Newspaper Holdings Inc., The McClatchy Company, Tronc (the former Tribune Publishing Company) and the New York Times.

"Matter's mission (inform, connect, empower) is a perfect fit for Tamedia. By partnering with Matter, we are expanding our network, are able to support innovative media start-ups and can engage with like-minded people who want to help shape the future of journalism", says Tamedia publisher Pietro Supino. "It is a good fit with our own innovation projects and over the coming years will offer Tamedia's employees access to a unique international network."

### **Samuel Hügli will become new CTO & Head of Digital Ventures at Tamedia**

As of 1 January 2017, Samuel Hügli, age 46, will be appointed new CTO and Head of Digital Ventures at Tamedia. Aside his position, he will also become member of the Management Board at the Swiss Media Group. The new division Technology & Digital Ventures includes the former Corporate IT, IT Publishing, IT Digital as well as the digital ventures. Therewith, Tamedia will develop a comprehensive and user-oriented sector of IT competence. As a result of the strong growth of the digital division under Christoph Brand, part of the portfolio is to be set wider. Samuel Hügli therefore assumes responsibility for the online platforms *Doodle*, *Olmero* and *starticket.ch* as well as for the participations in *local.ch* & *search.ch* and *Zattoo*. As of 2017 Christoph Brand will be responsible as Head Classifieds & Marketplaces for the strategic core activities such as *homegate.ch*, *ricardo.ch*, *JobCloud* and *tutti.ch* and will continue its successful growth path.

From 2000 to 2011, Samuel Hügli worked in various roles at Ringier. As head of Technology & Informatics and later as Group CIO, he was in charge of the media company's IT until he was appointed CFO of the Ringier Group in 2007. Since 2012, Samuel Hügli has been working as independent consultant for companies in Switzerland and South Africa. In addition, he serves on various Boards of Directors. The former typographer holds different management degrees from the ZFU, the St. Gallen Business School as well as the London Business School. Most recently, he attended a Strategic Business Management course at the University of Cape Town in South Africa.

"Technological competence is of significant strategic importance for media companies today", says Christoph Tonini. "In the past years, Samuel Hügli successfully managed projects on transformation and digitalisation. As Group CFO at Ringier, he furthermore was involved in numerous startups and acquisitions in the media industry. I am pleased that Samuel Hügli will strengthen our Management Board as of 2017."

Key figures	2016-6 in CHF mn	2015-6 in CHF mn	Change As a %
<b>Tamedia Group</b>			
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
Of which attributable to Tamedia shareholders	46.9	62.5	-20.6
Cash flow from (used in) operating activities	93.9	71.4	31.6
Total assets	2 440.1	2 508.9 <sup>1</sup>	-2.7
Equity ratio (in %) <sup>2</sup>	65.5	66.2	-1.1
<b>Publishing Regional</b>			
Revenues	233.5	262.9	-11.2
of which intersegment	22.9	25.6	-10.5
EBITDA	32.9	42.3	-22.2
EBITDA margin (in %) <sup>3</sup>	14.1	16.1	-12.4
<b>Publishing National</b>			
Revenues	176.7	186.6	-5.3
of which intersegment	0.1	1.1	-89.7
EBITDA	32.9	36.3	-9.4
EBITDA margin (in %) <sup>3</sup>	18.6	19.5	-4.6
<b>Digital</b>			
Revenues	117.0	107.8	8.5
of which intersegment	0.5	0.0	–
EBITDA	44.9	34.3	30.8
EBITDA margin (in %) <sup>3</sup>	38.4	31.8	20.8
<b>Headcount as of balance sheet date<sup>4</sup></b>	<b>3 286</b>	<b>3 386</b>	<b>-2.9</b>

<sup>1</sup> As at 31 December 2015

<sup>2</sup> Equity to total assets

<sup>3</sup> The margin relates to revenues

<sup>4</sup> Number of full-time equivalents

### **Publishing Regional challenged by the slowdown in the advertising market**

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. Digital revenues grew on a low-level marginal. The measures taken to boost efficiency were not enough to fully offset the fall in revenues. As a result, operating income before depreciation and amortisation (EBITDA) of the Publishing Regional segment fell 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 with strong media network 20 Minuten**

The Publishing National segment reported revenues of CHF 176.7 million, which were 5.3 per cent down on the prior year. The dwindling revenues are due to falling print advertising revenue, particularly affecting the Sunday newspapers and some magazines. The *20 Minuten* me-

dia 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 posts excellent EBITDA margin**

The Digital business segment, which comprises all non-publishing digital platforms and services, 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).

### **Press conference and information for financial analysts**

The conference call for representatives of the press will take place today, Thursday, 25 August 2016 at 10.00 am in German. In addition, an analysts' conference call in English will be held at 11.00 am for analysts and investors.

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On request, an additional conference call in English will be offered on the following day for investors and analysts from overseas.

### **For further information**

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### **About Tamedia**

Tamedia is the leading private Swiss media group. Tamedia's digital platforms, daily and weekly newspapers and magazines offer an overview, placement and choice. The company, which was established in 1893, employs around 3,400 employees in Switzerland, Denmark, Luxembourg and Germany and has been listed on the Swiss stock exchange since 2000.

Further information: [www.tamedia.ch](http://www.tamedia.ch)