

tamedia:

Financial Report on the First Half Year of 2006



Business environment – economic growth has accelerated

Unemployment continued to drop

- After a slight decrease last year, the unemployment rate continued to drop in the first half of 2006 and reached 3.1% in June (previous year 3.6%)

Economic growth gained momentum

- GDP rose strongly by 3.5% in the first quarter of 2006 compared to previous year. Slight growth prospects for Switzerland

Consumer confidence is positive

- Consumer Confidence Index improved further and stands at +4.5 index points in April 2006

Media data – some pleasing changes

Publicitas Index:

- Publicitas Index (representing ad spending in daily papers) remains at historical lows in June 2006 with 92.4 index points (December 2005: 93.5; June 2005: 94.0; June 2004: 94.2; June 2003: 98.0)

Recovery in job advertising

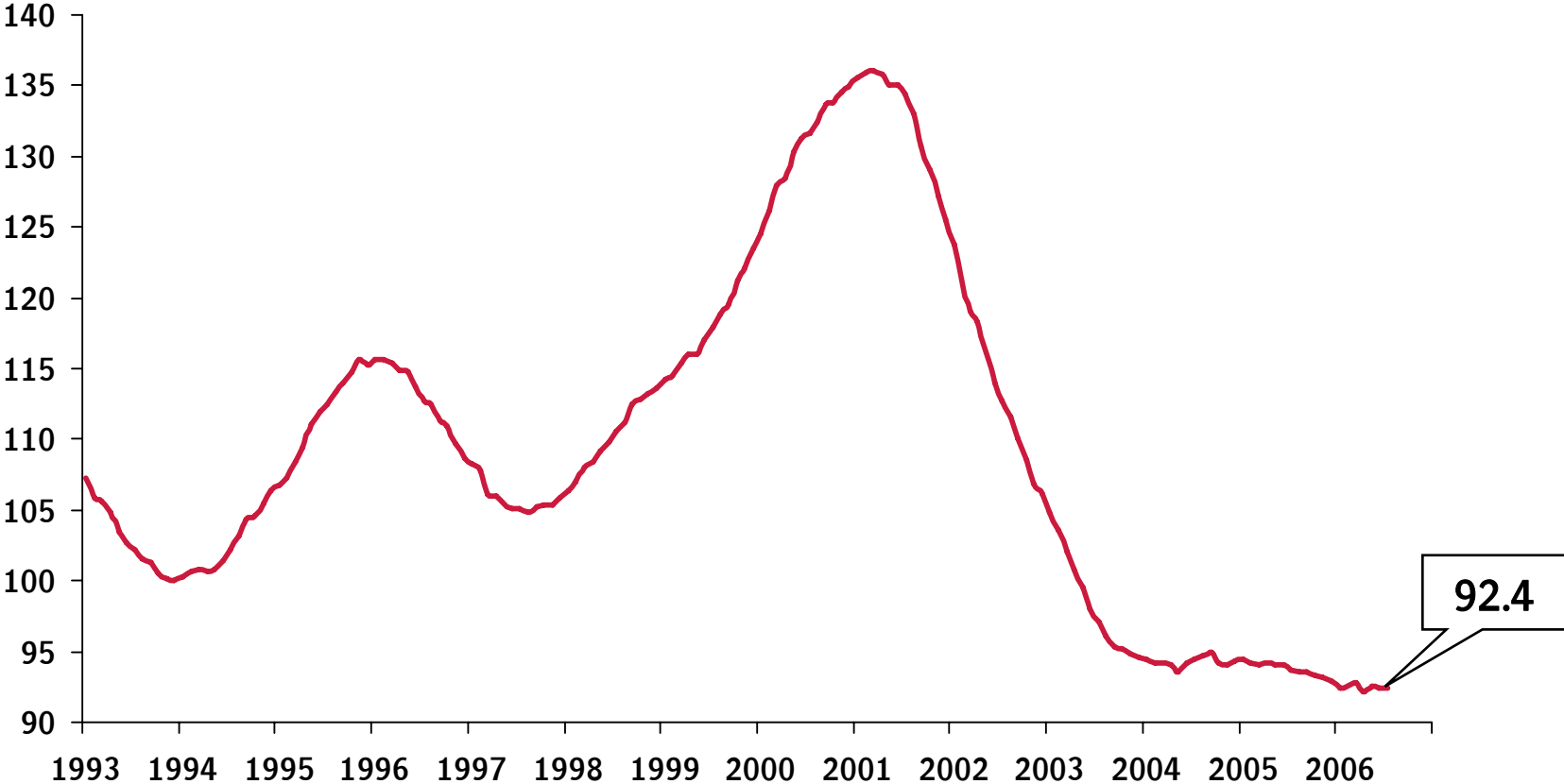
- Job advertisements rose by 11.2% from January till June 2006 compared to previous year period according to Publicitas Index; Tamedia's *Stellenanzeiger* and *Alpha* increased revenues by 16.0%

Small recovery in ad spending

- Total ad spending (excl. media barter deals) increased 3.7% from January 2006 to June 2006 compared to the previous year period according to WEMF (AIS)

Nevertheless, 2006 seems to be another weak year for newspapers

Development of ad spendings in daily papers according to Publicitas Index (12/1993 = 100)



Source: Publigruppe

Remarks to financial results of HY1 2006

Segment information with slight changes

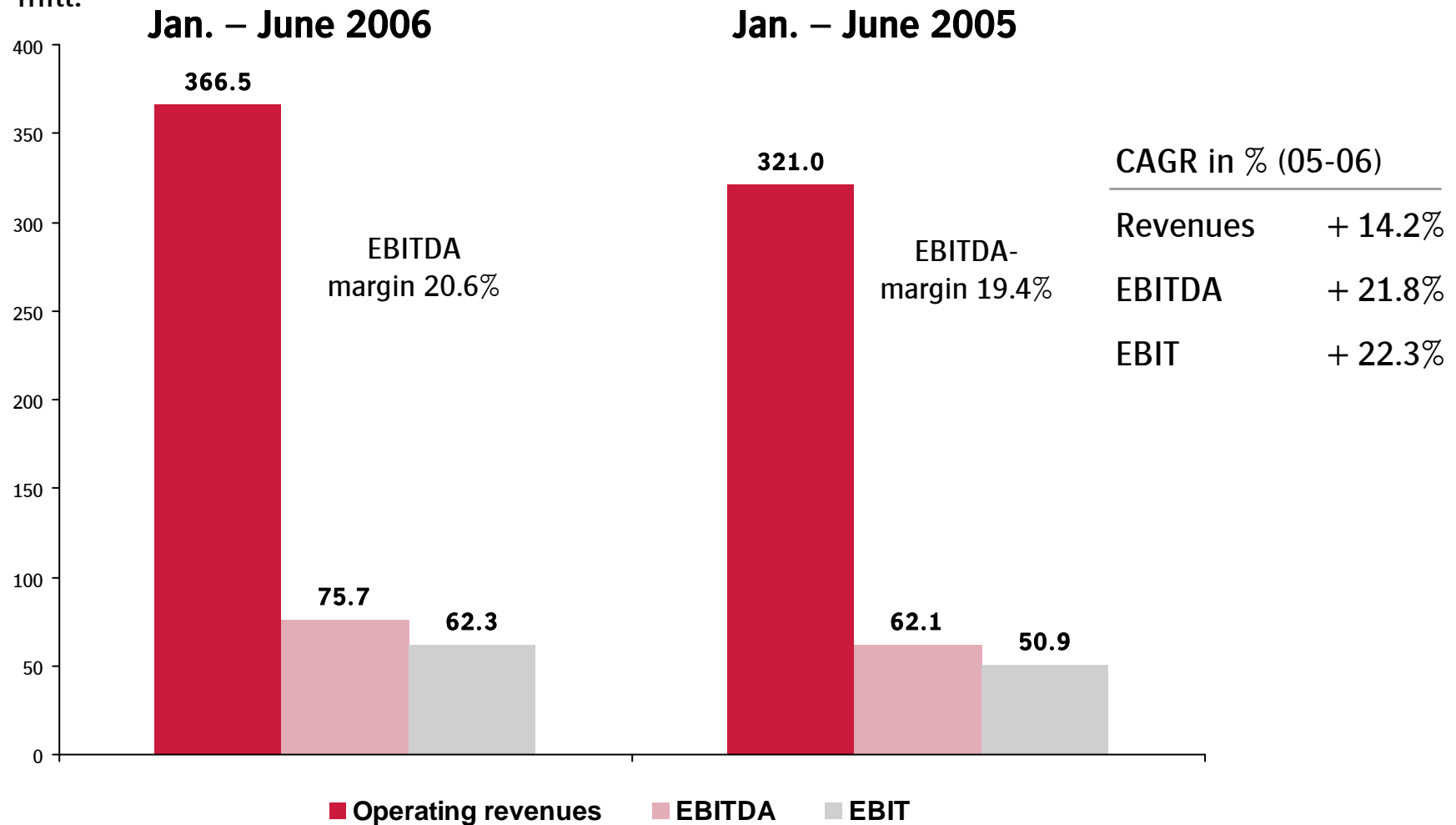
- Newspapers Bury Verlag AG: merged into Tagblatt der Stadt Zürich AG as of 1 January 2006
- Magazines Presse Publicité Rep. SA: increase from 50% to 100% of shares as of 4 January 2006
- Electronic Media unchanged
- Services Huber PrintPack AG (formerly Meier Waser Druck AG): increase from 50% to 80% of shares as of 1 January 2006

IFRS

- The partially revised standards had no effect on the results

Strong increase in revenues and profitability

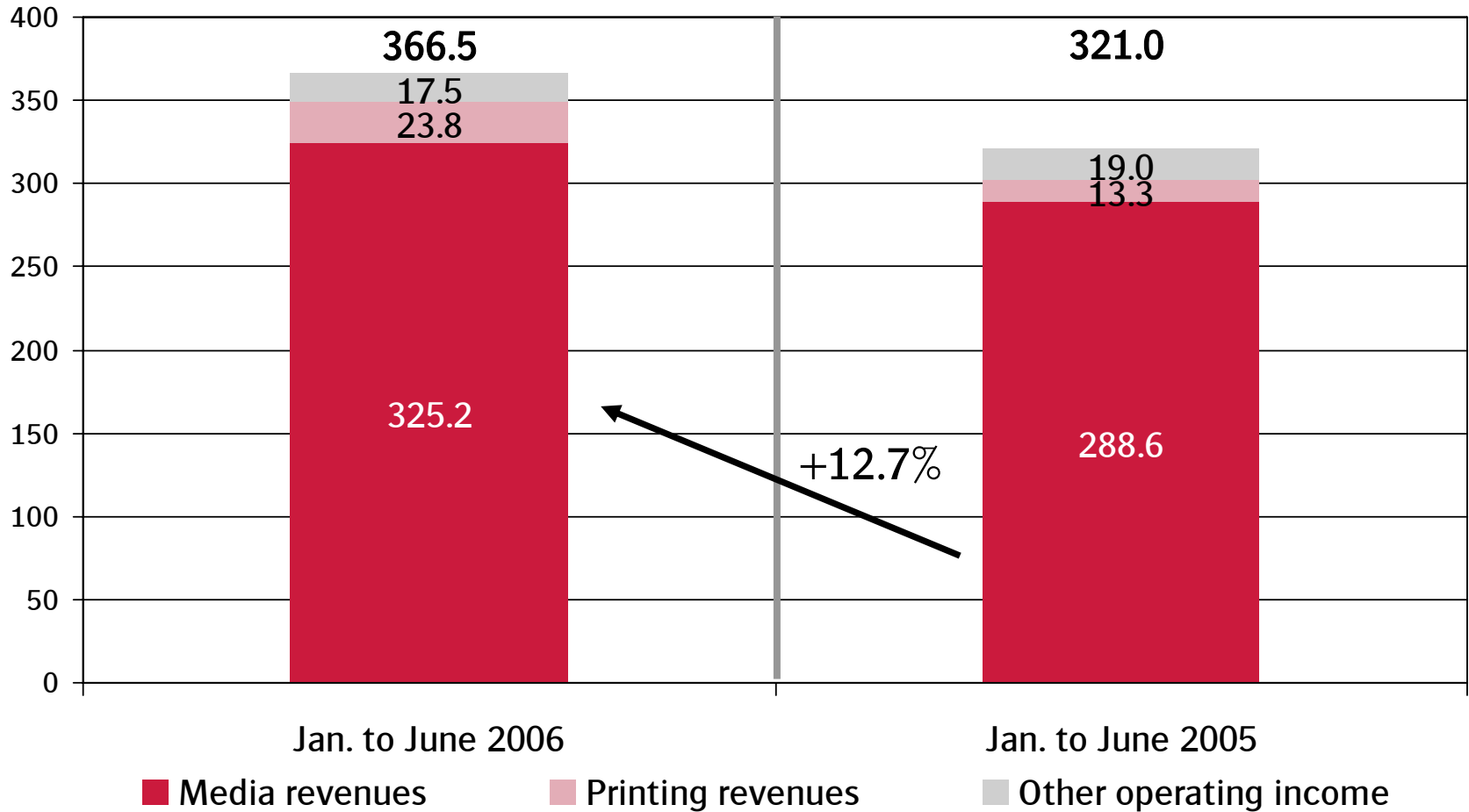
CHF mill.



Media revenues mainly increased thanks to Huber and 20 Minuten*

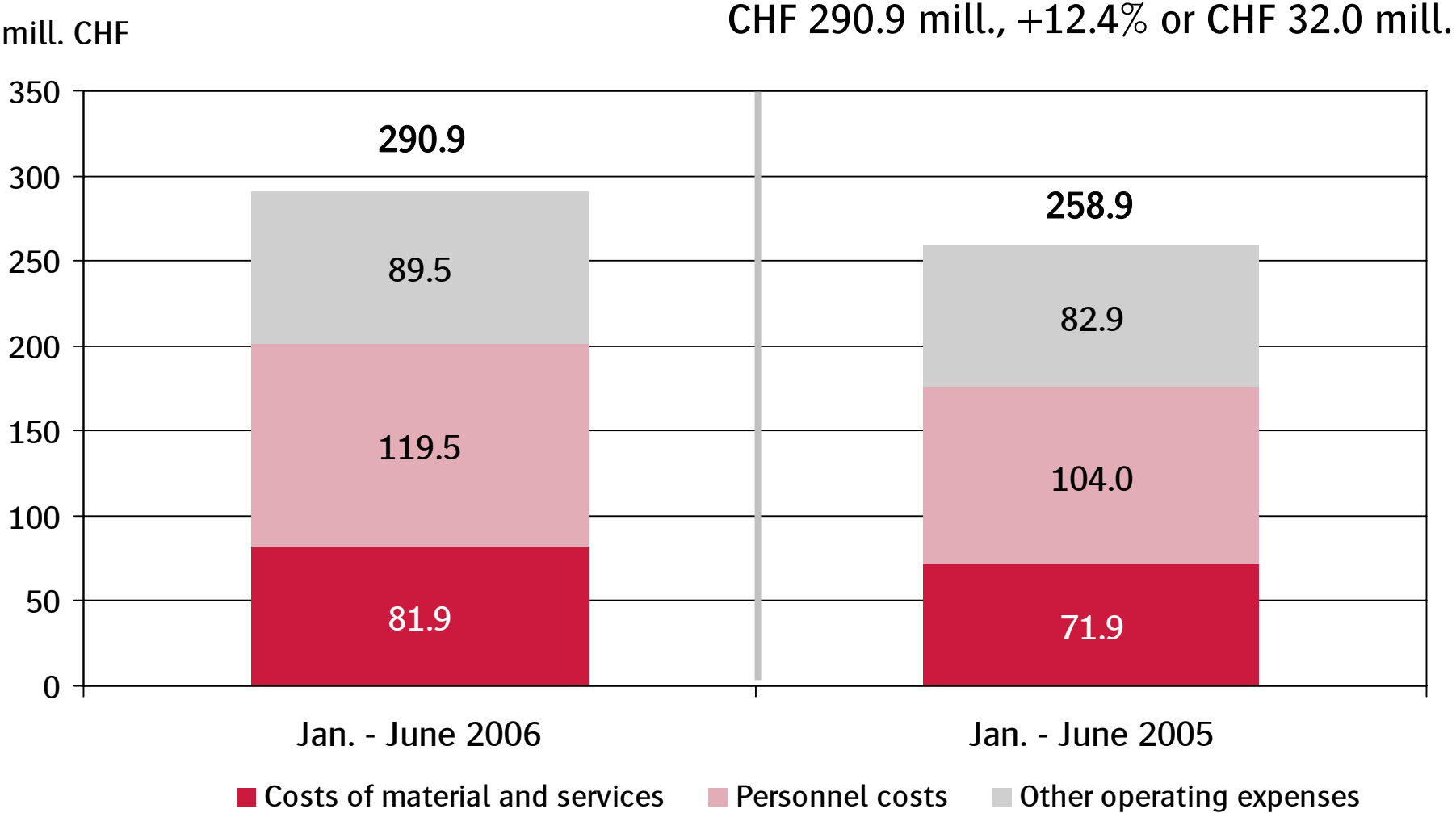
mill. CHF

CHF 366.5 mill., +14.2% or CHF 45.5 mill.



*incl. 20 minutes

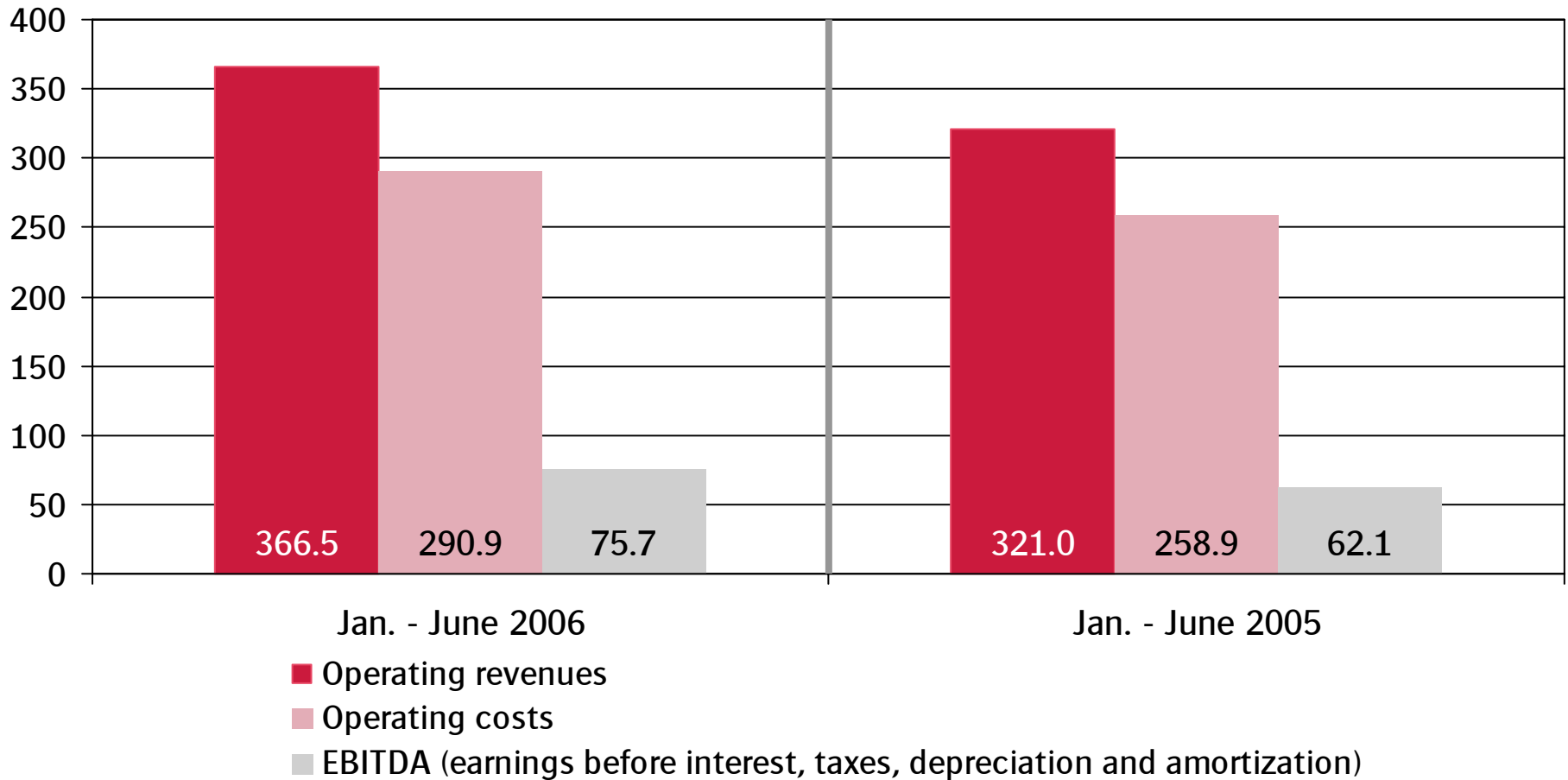
Operating expenses increased under proportionally only by 12.4%...



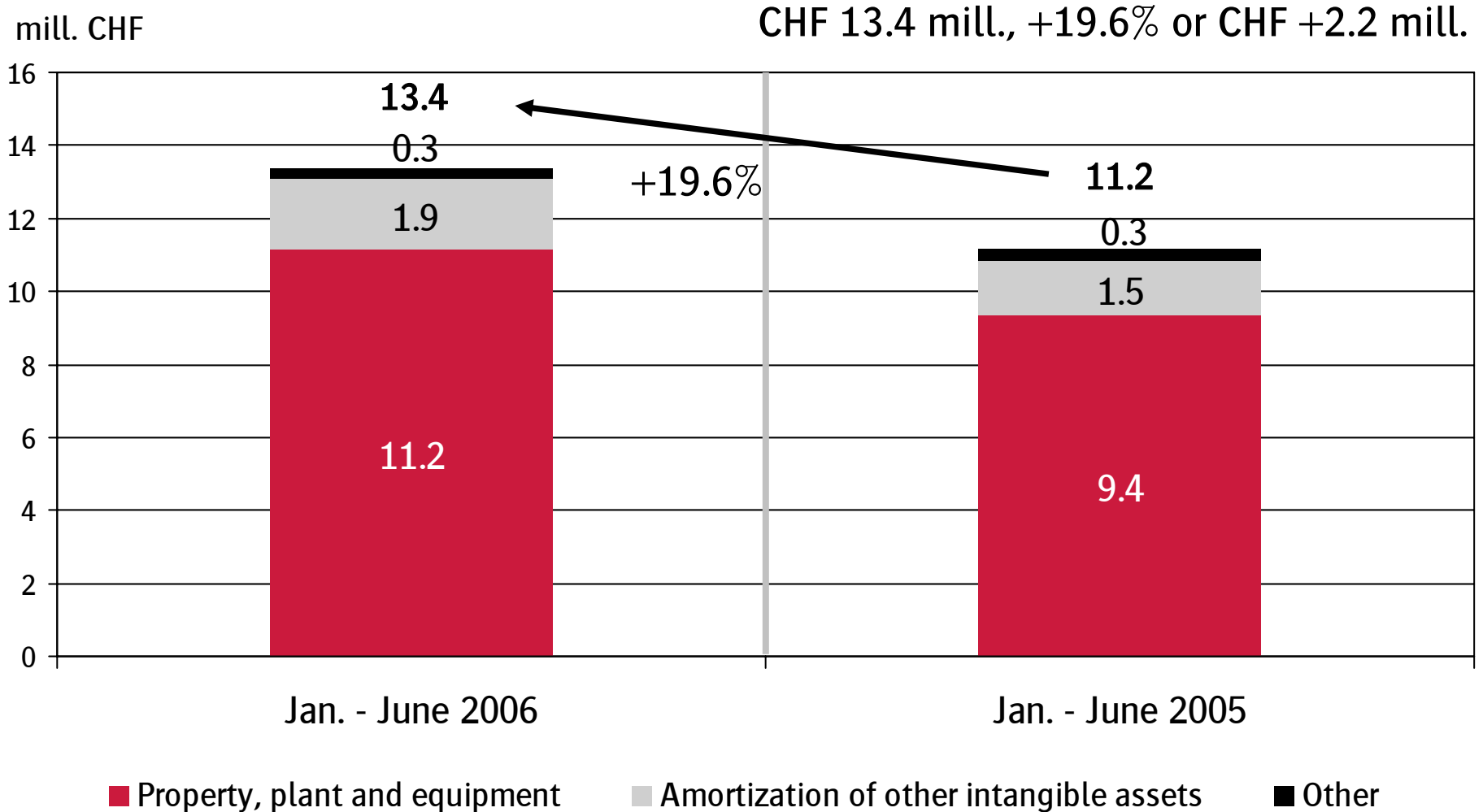
...which results in an EBITDA-increase of 22%

mill. CHF

CHF 75.7 mill., +21.8% or CHF 13.6 mill.; margin 20.6%,
margin 2005: 19.4%



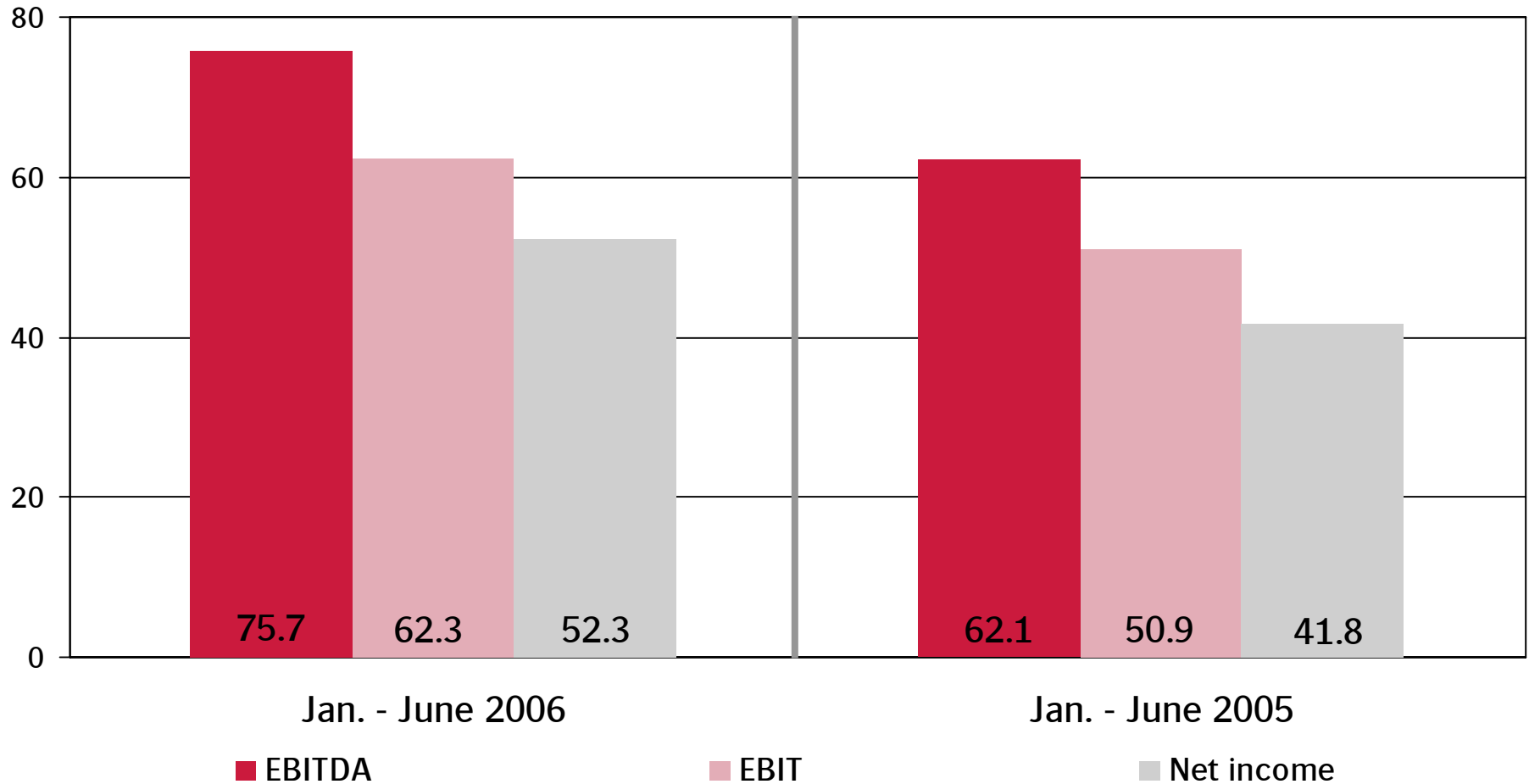
Depreciation increased by nearly 20% due to Huber and Bubenberg



EBIT and net income increased by more than 20%

mill. CHF

CHF 52.3 mill., +25.2% resp. CHF +10.5 mill.



All Divisions reported increasing operating revenues* ...

Operating revenues: + 14.2% /+ CHF 45.5 mill.

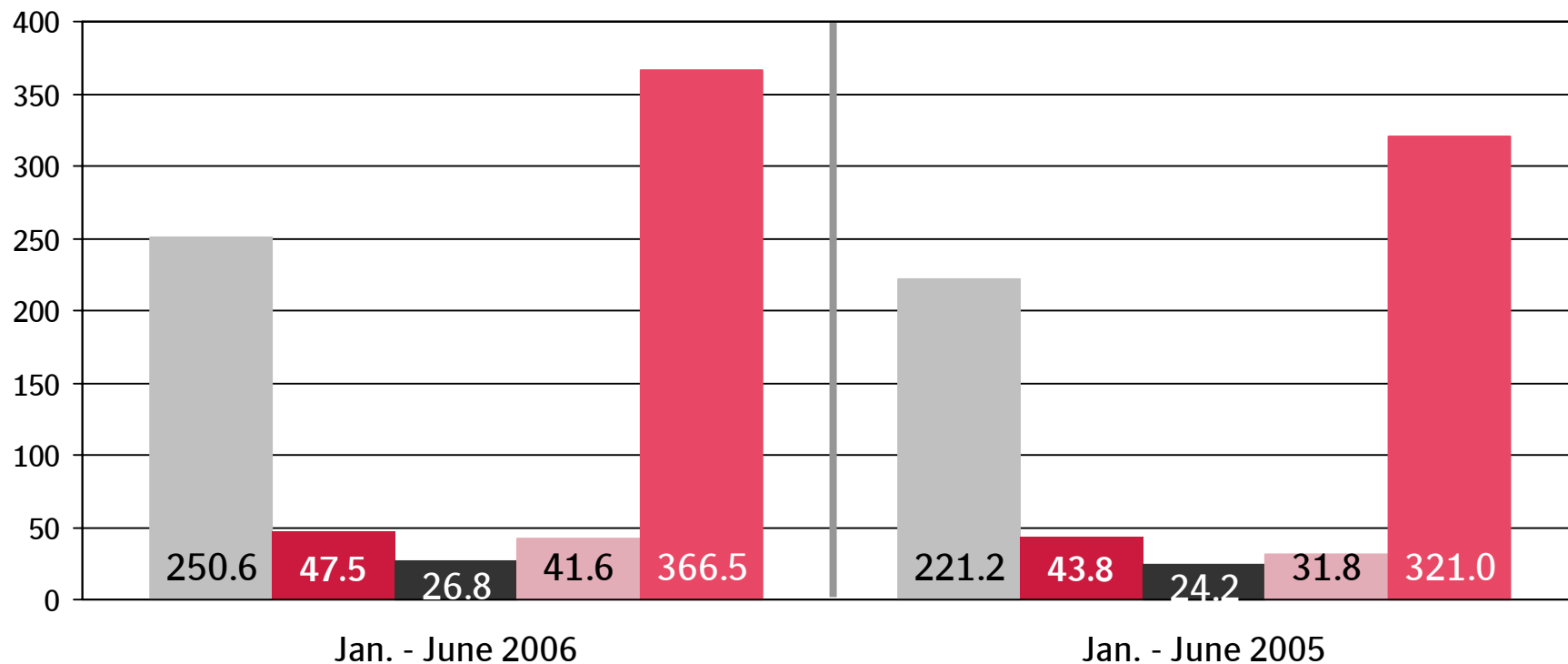
Newspapers: + 13.3% /+ CHF 29.4 mill.

Magazines: + 8.3% / + CHF 3.6 mill.

Electronic Media: + 10.8% /+ CHF 2.6 mill.

Services: + 31.0% /+ CHF 9.8 mill.

mill. CHF



*consolidated

■ Newspapers ■ Magazines ■ Electronic Media ■ Services ■ Total

...and (except the Electronic Media Division) significantly higher EBITDA

EBITDA: + 21.8% / + CHF 13.6 mill.

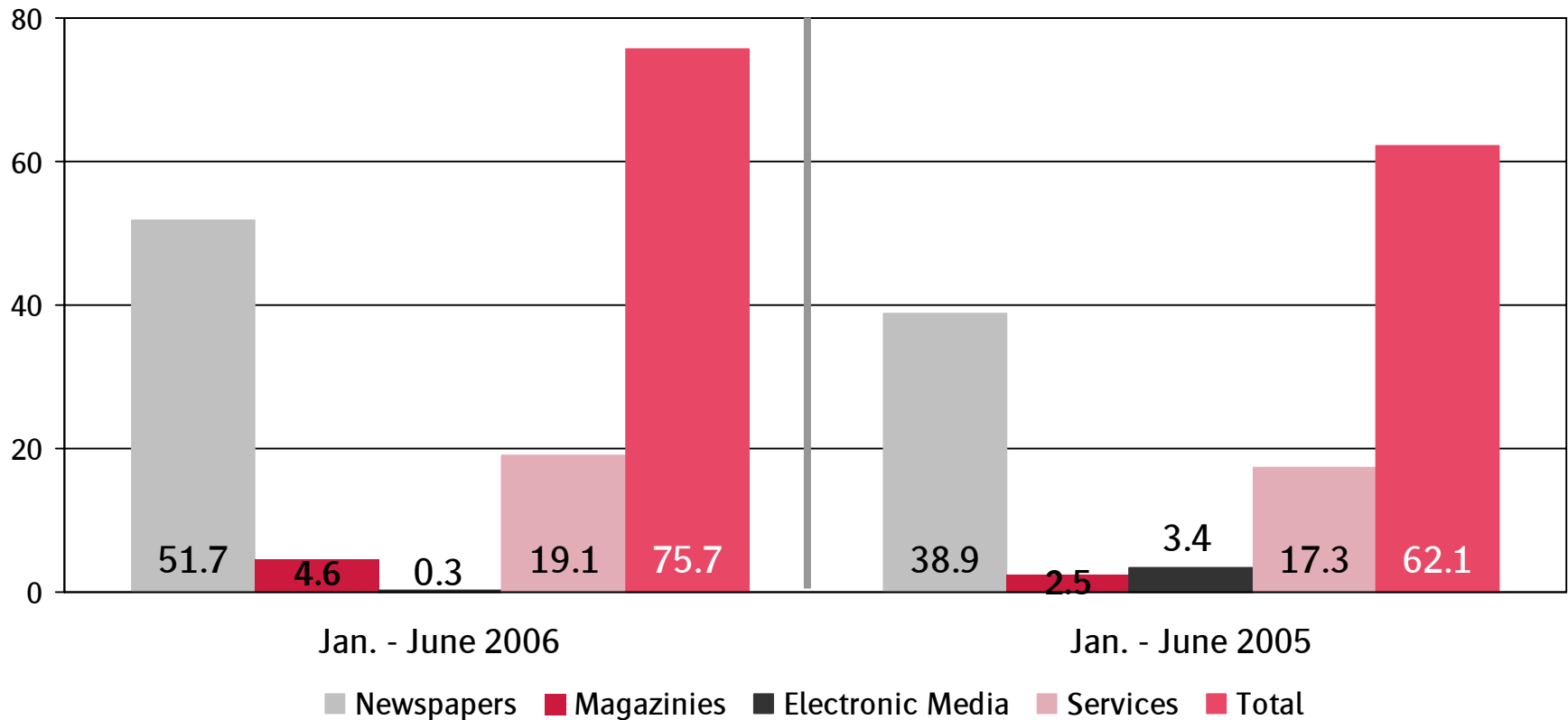
Newspapers: + 32.7% / + CHF 12.7 mill.

Magazines: + 86.2% / + CHF 2.1 mill.

Electronic Media: - 90.3% / - CHF 3.0 mill.

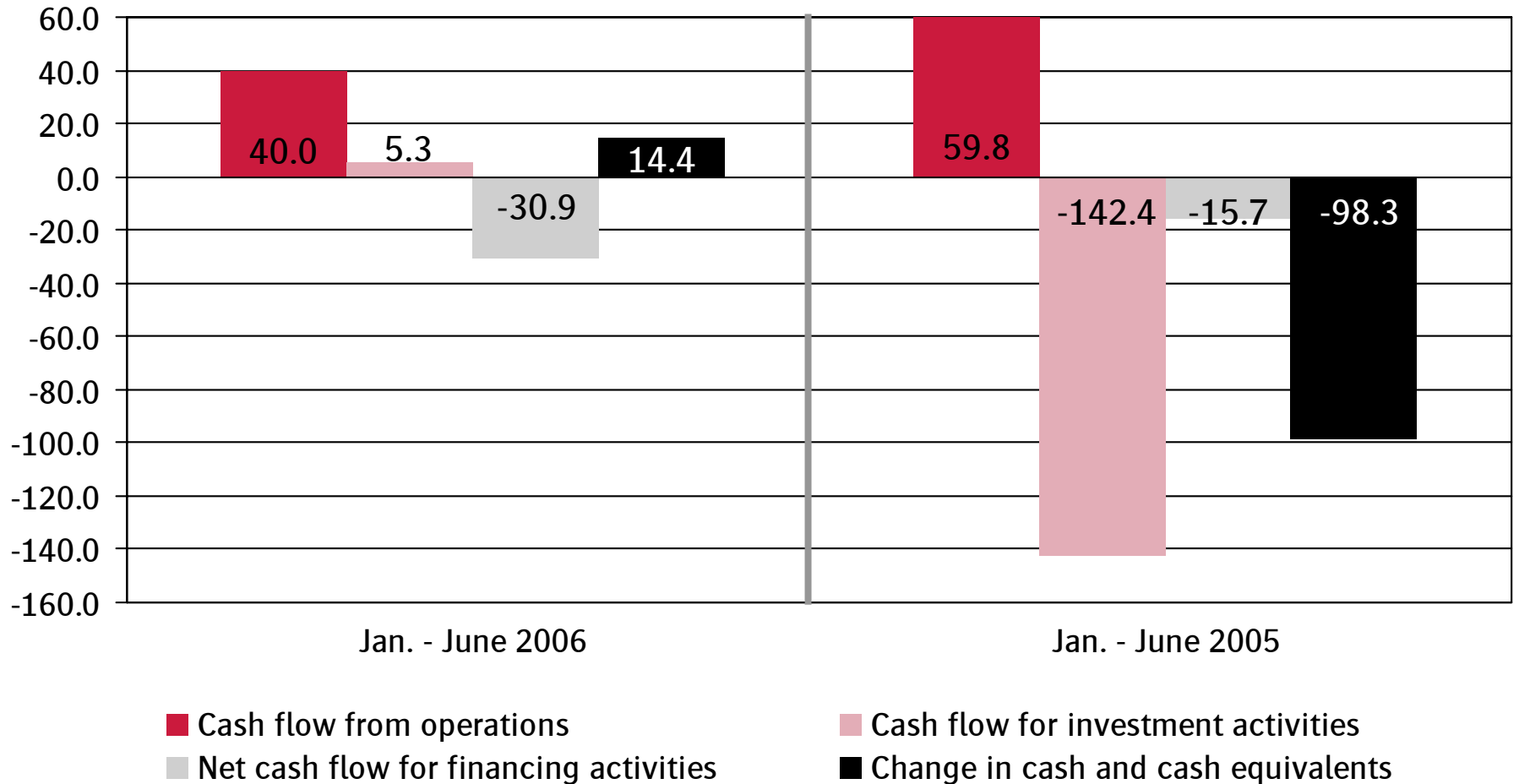
Services: + 10.0% / + CHF 1.7 mill.

mill. CHF



Positive cash flow due to low investment activity

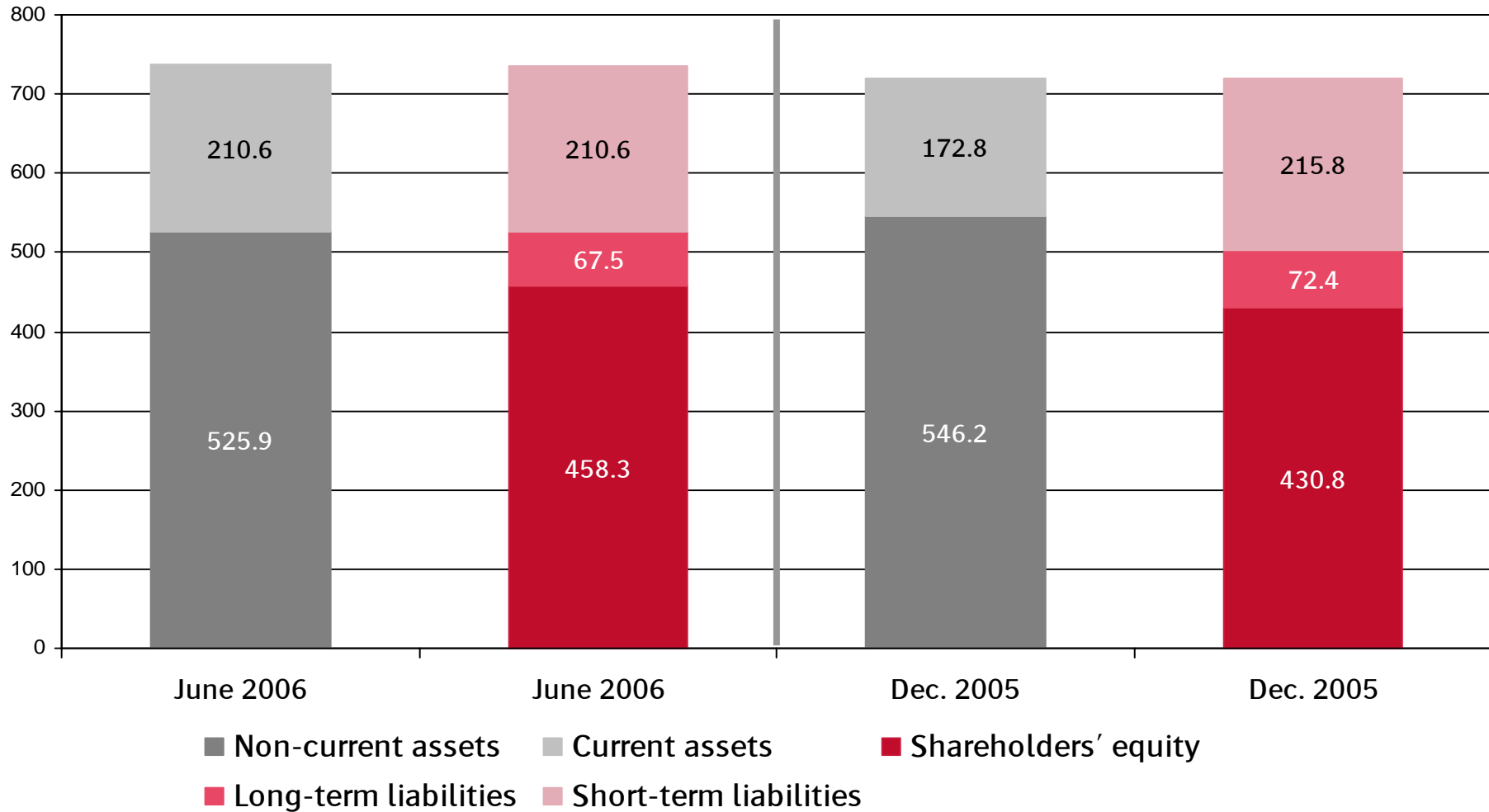
mill. CHF



Balance sheet with very solid equity ratios

mill. CHF

Equity ratio: 62.2%



Shareholders' equity increased due to positive group results

Balance sheet total

- Total assets increased by CHF 17.4 mill. to CHF 736.4 mill. mainly due to increasing cash and cash equivalents and higher trade receivables

Shareholders' equity

- Increases by CHF 27.5 mill. to CHF 458.3 mill. due to profit in the first half of 2006

Equity ratio

- Equity ratio improved again to 62.2% (previous year: 60.0%).

Return on shareholders' equity

- The Return on shareholders' equity rose significantly from 20.0% to 23.5%

Summary

- Tamedia's strong performance continues in a slightly brightening business environment
- Total EBITDA-margin increases to a sound 20.6% (previous year 19.4%)
- Due to the Newspaper Division, EBIT margin improved to 17.0% (previous year 15.9%)
- Equity ratio remains very good
- Net liquidity returns to a solid level after acquisitions in 2005

Newspapers with significant revenue and EBIT increases

mill. CHF	Jan. – June 2006	Jan. – June 2005	change in %
Operating revenues*	252.0	221.8	13.6
Operating expenses	(200.3)	(182.9)	9.5
Operating income before depreciation and amortization (EBITDA)	51.7	38.9	32.7
Depreciation and amortization	(0.8)	(1.9)	(57.2)
Operating income (EBIT)	50.8	37.0	37.4

*not consolidated

Key issues in the Newspapers division

General issues

- Daily papers still lose commercial ads
- Job classifieds with slight, executive job ads with strong increase

Tamedia specific issues

- Tamedia decided to launch four additional regional editions of *Tages-Anzeiger* in the 4th quarter of 2006
- Successful launch of *20 minutes* in Geneva and Lausanne as of 8 March 2006
- *20 Minuten* expands its readership in the German speaking part of Switzerland to more than 1 mill.
- Since January 2006, *Thurgauer Zeitung* is published in four-colours and a slightly modernised design

Magazines with enhanced profitability

mill. CHF	Jan. – June 2006	Jan. – June 2005	change in %
Operating revenues*	47.7	44.1	8.3
Operating expenses	(43.1)	(41.6)	3.7
Operating income before depreciation and amortization (EBITDA)	4.6	2.5	86.2
Depreciation and amortization	(0.0)	(0.1)	(18.2)
Operating income (EBIT)	4.5	2.4	88.6

*not consolidated

Key issues in the Magazines division

General issues

- Still strong competition in the weekly news magazines market

Tamedia specific issues

- *annabelle* remains stable on a high level despite new competitors (SI-Style)
- Relaunch of *Facts* didn't bring sustainable success yet
- *Schweizer Familie* with higher revenues

Electronic Media with disappointing EBIT development

mill. CHF	Jan. – June 2006	Jan. – June 2005	change in %
Operating revenues*	27.3	25.5	7.1
Operating expenses	(27.0)	(22.1)	21.9
Operating income before depreciation and amortization (EBITDA)	0.3	3.4	(90.3)
Depreciation and amortization	(0.6)	(0.5)	27.4
Operating income (EBIT)	(0.3)	2.9	(108.8)

*not consolidated

Key issues in the Electronic Media division

General issues

- RTVG adopted by the parliament
- Slight improvements: mainly ads for light alcoholic beverages permitted
- Worst case scenario has come true: limitation of any media company to own a maximum of two radio and two regional TV broadcast licenses

Tamedia specific issues

- TV- and radio-strategy has to be revised after change of business conditions
- Radio: revenues develop unsatisfactory due to restructuring in sales department
- Increased online-investments: expansion of *20minuten.ch* and launch of *piazza.ch*
- Classified ads portal *homegate.ch* as well as job ads platforms *Jobwinner.ch* and *Alpha.ch* with dynamic development

Services with strong increase in revenues

mill. CHF	Jan. – June 2006	Jan. – June 2005	change in %
Operating revenues*	122.5	101.5	20.8
Operating expenses	(103.5)	(84.1)	23.0
Operating income before depreciation and amortization (EBITDA)	19.1	17.3	10.0
Depreciation and amortization	(11.9)	(8.7)	36.4
Operating income (EBIT)	7.2	8.6	(16.6)

*not consolidated

Key issues in the Services division

General issues

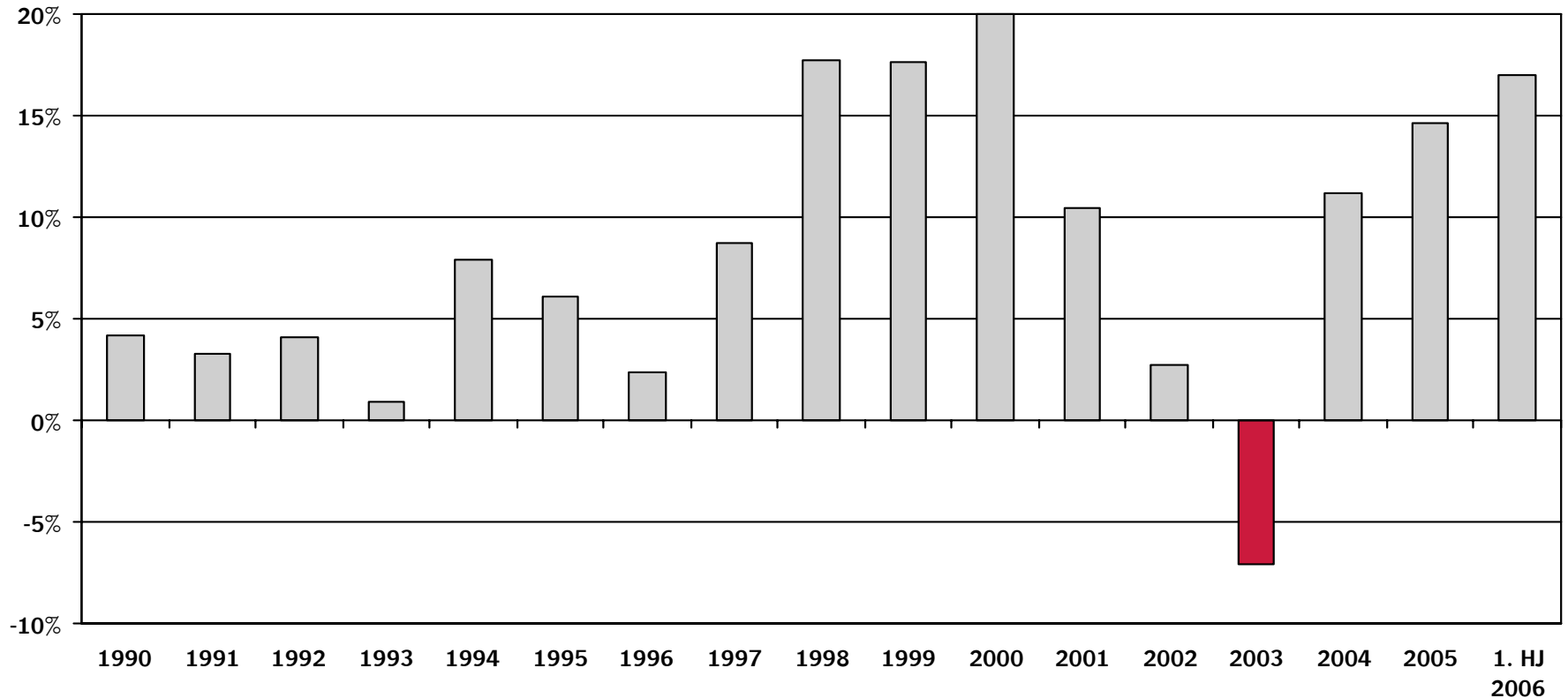
- Pressure on margins in printing industry still high
- Paper-prices tend to rise further

Tamedia specific issues

- Since the beginning of 2006, Tamedia's printing plant Bubenberg prints *Thurgauer Zeitung*
- Printing of *20 Minuten* Bern and Basel could be taken over by Bubenberg
- Printing plant Bubenberg wins additional contract for *20 Minuten Week* in Mai 2006
- Zuvo integrates distributing regions of *Thurgauer Zeitung* in Frauenfeld and Weinfelden – Integration of Prisma planned
- Huber PrintPack successfully integrated and moved the former MeierWaser-Druck printing facility to Frauenfeld

EBIT margin approaches strong 1998-2000 results...

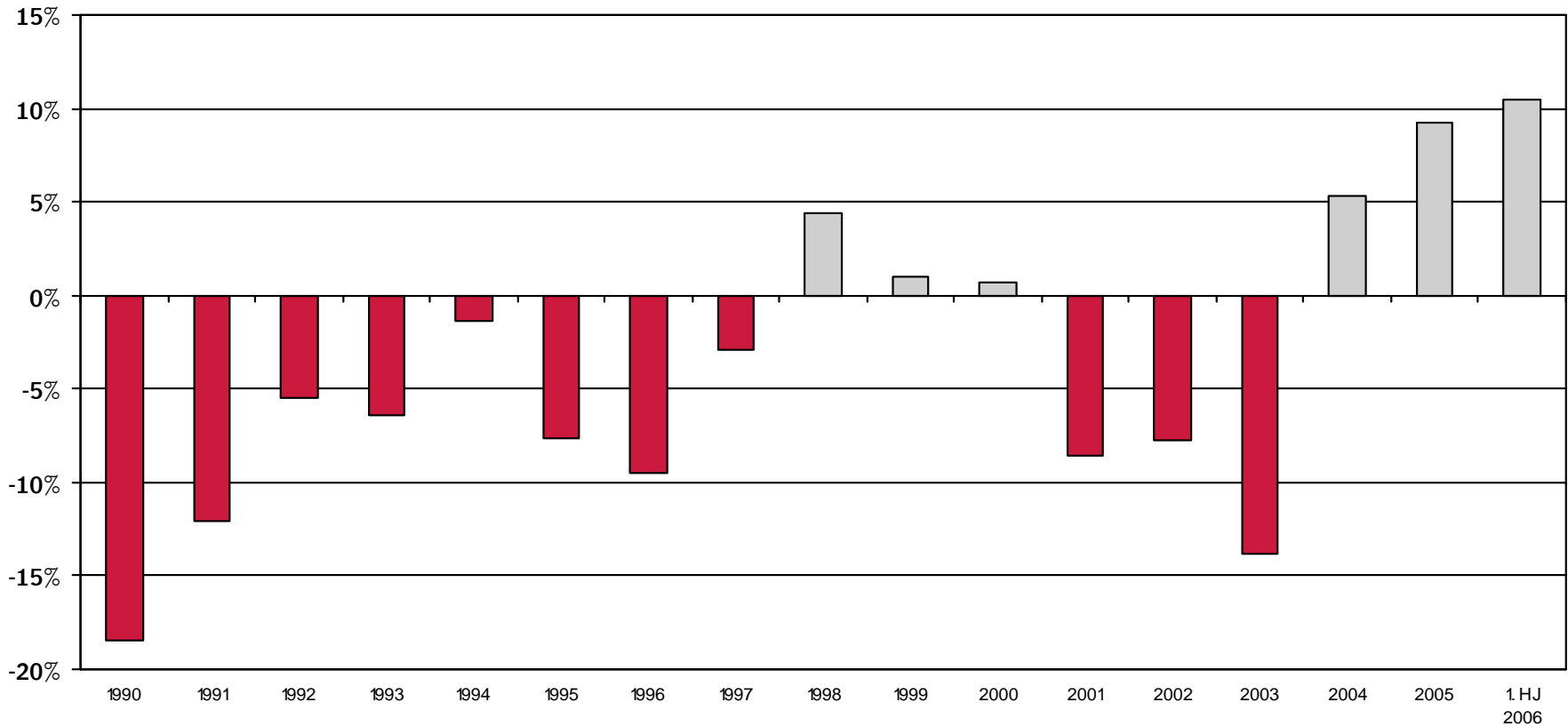
EBIT margin of Tamedia including job ads* since 1990



* Until 1995 the result of the products on EBIT level were deducted from Tamedia's EBITDA. Between 1990-1994 EBIT was calculated along an average revenue per page and with a 80% margin.

...thought Tamedia is far better positioned

EBIT margin of Tamedia without job ads* since 1990



* Until 1995 the result of the products on EBIT level were deducted from Tamedia's EBITDA. Between 1990-1994 EBIT was calculated along an average revenue per page and with a 80% margin.

Outlook

Economic data

- Growth of Swiss economy will continue on a lower level
- Unemployment rates should drop further
- Consumer confidence improved

Media industry

- No fundamental change in ad expenditures expected
- Slight increase in job classifieds expected and rebound in executive job ads continues

Tamedia

- Main attention is turned to the new regional editions of *Tages-Anzeiger* and the ongoing consolidation of the newspaper market
- *20 minutes* to gain ground in the French-speaking part of Switzerland
- Continuous efforts to achieve further cost-effectiveness continue

Thanks for your attention!

