

tamedia:

Press Release

Tamedia once again with significant growth – Net income rises to new peak level

The Swiss media corporation Tamedia records significant growth in sales and net income figures for 2007. Espace Media Groupe, which was integrated into Tamedia in the early part of the fourth quarter of 2007, contributed to more than half of the increase in revenues. Net income before taxes (EBIT) showed a large increase despite high levels of investment into new media projects. Especially thanks to one-time tax and sales incidences, the net income rose by 45 per cent and reached a new record level.

Zurich, 23 April 2008 – During the fiscal year 2007, Tamedia once again increased its sales (operating revenues) by 17 per cent to CHF 772.0 million. The increase by CHF 114.1 million is in particular a direct result of the merger with Espace Media Groupe that took effect in the last quarter, as well as growth once again in job ad supplements of Tages-Anzeiger and in 20 Minuten.

The operating income before depreciation and amortisation (EBITDA) improved significantly for the fourth time in a row by CHF 26.9 million or rather by 19 per cent to CHF 167.9 million. Here again, 20 Minuten, job ads and the activities of the Espace Media played the largest role in contributing to the overall growth. Compared to sales the operating expenses rose at a slightly below-average rate of 17 per cent, which led to a rise in the EBITDA margin from 21 per cent to 22 per cent.

Operating income (EBIT) rose by 19 per cent or CHF 22.9 million to CHF 141.1 million and thus reached its highest value since 2000. The figures shown for depreciation and amortisation, at CHF 26.8 million, were CHF 4.0 million, or rather 18 per cent, higher than in the previous year. The increase is entirely a result of the merger with Espace Media Groupe, whereby depreciation requirements for previous existing activities were again reduced. The EBIT margin remained at 18 per cent. All the business divisions recorded positive figures at the EBIT level.

Net income for 2007 is 45 per cent, or CHF 44.6 million, higher than the CHF 98.4 million recorded in the previous year and thus with CHF 143.0 million, has reached the highest level in the corporation's history. CHF 24.5 million of the income were a result of making use of tax losses brought forward, of which the realisation had been regarded so far as open, as well as the dissolution of provisions for taxation, of which the necessity was considered up to now as probable. The sale of Radio Basilisk also contributed in a positive way towards the result.

Espace Media Groupe, which since 1 October 2007 has been entirely consolidated, contributed to overall sales in the last quarter of the reporting year with CHF 69.0 million, CHF 10.1 million to the EBITDA and CHF 4.5 million to the EBIT. The EBIT margin reached 7 per cent.

Facts, Radio Basilisk, the Uster Nachrichten as well as various activities of the Huber group are now being reported under discontinued operations. The separately itemised, discontinued operations, which yielded sales figures of CHF 42.1 million (previous year

CHF 65.7 million), show a loss of CHF 12.0 million (previous year: CHF 4.7 million) in the EBITDA category, primarily as a result of social compensation plan expenses.

Newspapers continue to be the most important mainstay of sales

The Newspaper division increased its sales as compared to third parties by 16 per cent to CHF 547.7 million. This increase is essentially the result of the merger with Espace Media Groupe in addition to an increase in job ads and in 20 Minuten. Despite high investments in the regionalisation measures of Tages-Anzeiger and start-up efforts for the commuter papers 20 minutes, News and L'essentiel (Luxembourg), the company's EBITDA increased by 14 per cent to CHF 100.4 million. At 18 per cent, the EBITDA margin remains at a similar high level as it was in the previous year.

The media network 20 Minuten continued its growth in 2007. Only 18 months after having been launched the commuter paper 20 minutes for French-speaking Switzerland already reached readership numbers of 390,000 and is thus in the lead position ahead of all penny press newspapers available in the Western part of Switzerland. Finanz und Wirtschaft also enjoyed an excellent year, profiting from an extremely positive development in the financial market during the first three quarters of the reporting year.

Magazines record high profitability

The Magazines division shows an increase in sales by 12 per cent as compared to third parties to CHF 92.9 million. Schweizer Familie, Das Magazin and Annabelle were particularly responsible for the growth as well as the newly contained Automobil Revue, Revue Automobile, Moto Sport Schweiz and Moto Sport Suisse. The EBITDA rose 19 per cent to CHF 15.6 million. The EBITDA margin also increased to 17 per cent (previous year 16 per cent). After the discontinuation of the news magazine Facts, which is reported under discontinued operations in the fiscal as well as in the previous year, the Magazines division reaches therewith profitability close to the one of the Newspapers division.

Significant growth in online activities

The Electronic Media division increased its sales as compared to third parties by 14 per cent to CHF 58.6 million. The growth in sales is a result of both increases at 20minuten.ch, alpha.ch and jobwinner.ch as well as in the newly contained Capital FM and TeleBärn. The financial performance for radio and television activities, which continues to be unsatisfactory, as well as the investments in new online projects, led to an EBITDA of CHF 3.0 million. The EBITDA margin fell from 6 per cent in the previous year to 5 per cent.

The continued expansion of 20minuten.ch and 20minutes.ch in 2007 once again paid off resulting in an increased number of users. With its participation in the leading nightlife platform tilllate.com and with the project of the news network Facts 2.0, Tamedia expanded its involvement in the online sector. Scheduled for the current year is the launch of the online news network NewsNetz in collaboration with the partner Basler Zeitung.

Services report increases thanks to Druckzentrum Espace and new orders

The Services division increased its sales as compared to third parties in the year under review by 45 per cent to CHF 72.7 million. Contributed to the increase in earnings have especially the newly integrated printing centre of Espace Media Groupe as well as the Production Services, the delivery organisation Zuvo and the Druckzentrum Bubenberg in Zurich. The EBITDA of the Services division rose by 34 per cent to CHF 48.9 million. At 18 per cent, the margin continued to be at a similar high level as it was in the previous year.

The Services division took advantage of the opportunity resulting from the strong growth in Tamedia's newspaper activities and yielded new printing contracts. With up to 1.5 million newspapers being printed during night operations, the printing centers in both Berne and Zurich are operating at nearly full capacity. Early in 2008, Zuvo took a 50 per cent interest in the delivery organisation Schazo located in Schaffhausen.

Significant events since balance sheet due date

On 6 March 2008, Tamedia and Farbendruck Weber, a company located in Biel, announced that the Benteli Hallwag printing business is being handed over to Farbendruck Weber AG. By concentrating production at the Brügg location near Biel, the largest job sheet-fed printing company in the Canton of Berne is being created under the name Weber Benteli.

On 18 March 2008, Tamedia took the next step of increasing its investment in Homegate AG from 16.5 per cent to 45.0 per cent. Along with Edipresse, by assuming these shares, Tamedia will exercise controlling interest in the company's financial and operational decisions.

Consolidated income statement	2006	2007	Change
	in million CHF	in million CHF	in %
Tamedia Group			
Sales (operating revenues)*	657.9	772.0	+ 17.3
Operating profit before depreciation and amortisation (EBITDA)	141.0	167.9	+ 19.1
EBITDA margin (in %)	21.4	21.8	-
Operating income (EBIT)	118.3	141.1	+ 19.3
EBITDA margin (in %)	18.0	18.3	-
Net income	98.4	143.0	+ 45.3
Net income per share (in CHF)	9.85	14.05	+ 36.5
Dividends per share (in CHF)	3.00	4.00**	+ 33.3
Cash flow from operations	116.3	156.0	+ 34.1
Balance sheet total	789.0	1 110.2	+ 40.7
Equity ratio (in %)	63.8	64.2	+ 0.5
Newspapers			
Sales (operating revenues)***	474.8	550.8	+ 16.0
EBITDA	88.3	100.4	+ 13.8
EBITDA margin (in %)	18.6	18.2	-
Magazines			
Sales (operating revenues)***	83.6	94.0	+ 12.6
EBITDA	13.1	15.6	+ 18.8
EBITDA margin (in %)	15.8	16.6	-
Electronic media			
Sales (operating revenues)***	51.8	62.3	+ 20.3
EBITDA	3.0	3.0	- 1.1
EBITDA margin (in %)	5.8	4.8	-
Services			
Sales (operating revenues)***	207.7	269.2	+ 29.6
EBITDA	36.6	48.9	+ 33.6
EBITDA margin (in %)	17.6	18.2	-
Workforce as of 31 December****	1 580	2 639	+ 67.0

* Operating revenues as compared to third parties

** Recommendation of the Board of Directors

*** Operating revenues including intersegment

**** Number of full-time positions in continued operations not including delivery staff

Outlook: Job ad volume continues to be stable

The growth of Switzerland's gross domestic product should continue in the current year, even if somewhat weaker. Based on the decline in the unemployment rate and the vibrant employment market, Tamedia expects the stable volume of job ads to continue. The first few weeks of the fiscal year 2008 show no signs of any slump in advertising earnings. The Publicitas-Index was at 98.3 points in February 2008 and thus even slightly higher than it had been at the end of the year 2007.

Reduction of the Board of Directors

The two current members of the Board of Directors, Christina von Wackerbarth and Prof. Dr. Ueli Maurer, shall not be putting themselves forward for re-election at Tamedia AG's General Meeting to be held on 27th June 2008. Christina von Wackerbarth and Ueli Maurer informed the company of this fact on 22 April 2008.

Prof. Dr. Ueli Maurer has been a member of Tamedia's Board of Directors since 2002, and Christina von Wackerbarth since 2000. Following their resignations the number of members of Tamedia's Board of Directors will drop back to seven again after a temporary increase in 2007.

Press conference and conference for analysts

The press conference will take place today at 10.30 a.m. at the head office in Zurich, at 1.30 p.m. the conference for analysts will be held.

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