

Press Release

## Tamedia records CHF 1.07 billion in revenue and CHF 119.1 million in net income with rapidly growing Digital income offsetting the decline in printed advertising

The Swiss media group Tamedia has closed its financial year 2013 in a position of strength with revenue of CHF 1.07 billion. Growing digital business division income offset the sustained drop in advertising income from Print activities. The operating income before depreciation and amortisation (EBITDA) stands at CHF 197.1 million (EBITDA margin of 18.4 per cent) and the operating income (EBIT) comes to CHF 127.7 million, which corresponds to an EBIT margin of 11.9 per cent. The net income fell by 14.4 per cent to CHF 119.1 million. The Board of Directors proposes to the Annual General Meeting the election of Marina de Planta as a member of the Board of Directors. The founding family of Tamedia extended its Shareholder Binding Agreement indefinitely, ahead of its expiration in 2017.

**Zurich, 13 March 2014** – Swiss media group Tamedia’s revenue (operating revenues) rose by 5.0 per cent or CHF 51.1 million to CHF 1,069.1 million (previous year CHF 1,018.0 million) due to acquisitions made in 2013. The operating income before depreciation and amortisation (EBITDA) decreased slightly by CHF 1.4 million or 0.7 per cent to CHF 197.1 million (previous year CHF 198.5 million), which corresponds to an EBITDA margin of 18.4 per cent (previous year 19.5 per cent). The operating result (EBIT) fell particularly due to higher depreciation and amortisation due to acquisitions by 8.1 percent or 11.2 million CHF and now stands at 127.7 million CHF (previous year CHF 138.9 million). Thus the EBIT margin now comes to 11.9 per cent (previous year 13.6 per cent). The 2013 net income of 119.1 million falls 14.4 per cent or CHF 20.0 million short of the previous year’s result of CHF 139.1 million.

In context of the Tamedia employee profit-sharing model, the company’s employees participate in the result with a total amount of CHF 4.9 million. The Tamedia profit-sharing model has been in place since the company went public in 2000.

Key figures	2013 in CHF million	2012 in CHF million	Change in %
<b>Tamedia group</b>			
Operating revenues	1 069.1	1 018.0	5.0
Operating income before depreciation and amortisation (EBITDA)	197.1	198.5	-0.7
EBITDA margin (in %)	18.4	19.5	-5.5
Operating income (EBIT)	127.7	138.9	-8.1

EBIT margin (in %)	11.9	13.6	-12.5
Net income	119.1	139.1	-14.4
Net income per share (in CHF)	10.68	13.33	-19.8
Dividend per share (in CHF)	4.00 <sup>1</sup>	4.50	-11.1
Cash flow from operating activities	185.1	190.3	-2.7
Balance sheet total	2 176.6	2 063.4	5.5
Equity ratio (in %) <sup>2</sup>	64.5	58.1	11.0
<b>Print Regional</b>			
Revenues	521.2	540.3	-3.3
thereof intersegment revenues	59.1	62.5	-5.4
EBITDA	80.9	92.1	-12.2
EBITDA margin (in %) <sup>3</sup>	15.5	17.0	-
<b>Print National</b>			
Revenues	376.7	397.5	-5.7
thereof intersegment revenues	2.6	0.7	253.1
EBITDA	59.5	96.7	-38.5
EBITDA margin (in %) <sup>3</sup>	15.8	24.3	-
<b>Digital</b>			
Revenues	233.3	143.9	62.3
thereof intersegment revenues	0.4	0.3	20.5
EBITDA	56.7	9.7	486.3
EBITDA margin (in %) <sup>3</sup>	24.3	6.7	-
<b>Number of staff per 31.12.</b> <sup>4</sup>	3 382	3 351	0.9

<sup>1</sup> Proposal of the Board of Directors

<sup>2</sup> Ratio of equity to balance sheet total

<sup>3</sup> The margin refers to the operating revenues

<sup>4</sup> Number of full-time positions in the continued operations

### Print Regional: Measures for offsetting the decline in advertising income

In the year under review, media performance in the Print Regional business division was dominated by the strong decline in income from print advertising, which was reflected by a drop in net income. During the course of the year under review, measures to adapt the publications' cost structure to market conditions have already been taken. For this, a total provision of CHF 6.2 million was recognized in both print business divisions.

Revenues (operating revenues) recorded by the Print Regional Division in 2013 fell by 3.3 per cent to CHF 462.1 million (previous year: CHF 477.7 million). The drop in revenues is primarily attributable to the decline in income from commercial advertising and the renewed fall in job advertising. Operating income before depreciation and amortisation (EBITDA) declined by 12.2 per cent to CHF 80.9 million (previous year: CHF 92.1 million). The EBITDA margin, at 15.5 per cent, was thus lower than in the previous year (17.0 per cent).

### **Print National: Declining advertising market and investment put strain on net income**

The Print National and Print Regional business divisions were challenged by the state of the print advertising market, which was down overall. While the national dailies and the Sunday newspapers experienced a significant fall in advertising revenue, the business media was largely able to maintain its advertising income. The cost-cutting measures already introduced, will first impact the net income in the coming year.

Revenues (operating revenues) recorded by the Print National Division in 2013 fell by 5.7 per cent to CHF 374.1 million (previous year: CHF 396.7 million). Operating income before depreciation and amortisation (EBITDA) declined markedly by 38.5 per cent to CHF 59.5 million (previous year: CHF 96.7 million) as a result of falling advertising revenues and the investments in the Sunday market and in Denmark. The EBITDA margin, at 15.8 per cent, was thus considerably lower than in the previous year (24.3 per cent).

### **Digital: Significant increase in revenue and net income**

The positive performance in the Digital business division was largely dominated by the first-time inclusion of jobs platforms *jobs.ch/topjobs.ch* as well as *FashionFriends*, *Olmero* and *Renovero*, and also *Starticket*. It is gratifying to note that news platforms also managed to increase their advertising revenues.

Revenues (operating revenues) from third parties in the Digital business division rose by 62.3 per cent in 2013 to CHF 232.9 million (previous year: CHF 143.5 million). Factors that made a particular contribution to sales growth were the first-time inclusion of JobCloud AG and *FashionFriends* over the entire reporting period as well as the first-time consolidation of *Olmero*, *Renovero*, *Jobsuchmaschine* and *Starticket*. Operating income before depreciation and amortisation (EBITDA) rose by 486.3 per cent to CHF 56.7 million (previous year: CHF 9.7 million). The EBITDA margin, at 24.3 per cent, was significantly higher than in the previous year (6.7 per cent).

### **Change in the Board of Directors**

Member of the Board of Directors Tibère Adler will take over as Directeur Romand at Avenir Suisse in June 2014 and will no longer be up for election at the next Annual General Meeting. The Board of Directors will propose to the General Meeting that Marina de Planta be elected as a new member of the Board of Directors. The plan is for her also to take over from Tibère Adler as chair of the Audit Committee. Marina de Planta, born in 1965 in Paris, studied economics at Geneva University and subsequently worked for Ernst & Young for seventeen years, based in Geneva, Zurich and Hong Kong. In 1992, Marina de Planta qualified as a tax expert at the Swiss Chamber of Accountants and Tax Experts (*Schweizerischen Kammer der Wirtschaftsprüfer und Steuerexperten*) in Zurich and joined the law office of Borel & Barbey in 2003. Since 2010, Marina de Planta has been a partner and tax expert at the law practice Ducrest Heggli Avocats LLC in Geneva. Marina de Planta is also an independent board member

of various Swiss companies in the financial sector, as well as a member of the Geneva Committee of Human Rights Watch.

### **Indefinite extension of the founding family's Shareholder Binding Agreement**

The founding family of Tamedia renewed its Shareholder Binding Agreement expiring in 2017 early and for an unlimited period. The Shareholder Binding Agreement, unchanged with regard to content, encompasses all 21 members of the founding family with the exception of Regula Hauser-Coninx and was finalised concurrently with its stock market entry in order to safeguard the long-term independence of the Swiss media group through a stable group of shareholders. The shareholder binding agreement obligates the members, which collectively have 71.8 per cent of the capital and voting rights at their disposal, to a joint exercise of their voting rights in the election of the Board of Directors and in votes regarding essential business affairs. Additionally, the agreement contains a mutual right of pre-emption for the case in which a member wishes to sell his or her shares.

By way of their decision to carry forward the established shareholder binding agreement for the long term, the members of the founding family manifest their special bond to Tamedia and their readiness to commit themselves to continuity and sustainability in the development of the undertaking.

### **Tages-Anzeiger: launch of the digital pay-model on 31 March 2014**

The Tages-Anzeiger digital pay-model is set to be launched on the afternoon of 31 March 2014, as well as an update to the Tages-Anzeiger app and mobile offerings. The tagesanzeiger.ch news platform will move closer to replicating the appearance of the daily newspaper, thanks to a new, more-sophisticated and calmer design.

Subscribers will be offered five different offerings, ranging from the "Digital light" subscription, with which users will be able to read an unlimited number of articles on tagesanzeiger.ch and on their smartphones, all the way to the "Classic plus" subscription, with which users will receive the Tages-Anzeiger and the SonntagsZeitung, as well as having unlimited digital usage on all electronic devices. Thanks to the transparent payment model, which also allows occasional readers free access, the high level of coverage demanded in the advertising market will be preserved. Digital payment models will also be introduced for other Tamedia paid-for daily newspapers throughout the course of the year.

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

The press conference shall take place today, Thursday, 13 March 2014 at 10.00 am at Tamedia's head office at Werdstrasse 21 in Zurich. In addition, an analysts' conference shall be held at 12.00 am for analysts and investors. If required a conference call in English shall be offered the following day to investors and analysts from abroad.

### **Notice regarding the 2014 General Meeting**

The ordinary general shareholders' meeting of Tamedia AG will take place on 11 April 2014 at 09:30 hrs. at the office building at Werdstrasse 21, 8004 Zurich. The general shareholders' meeting will thus be conducted in-house for the first time since the stock exchange listing in the year 2000.

### **Additional Information:**

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The Annual Report 2013 is available at [www.tamedia.ch](http://www.tamedia.ch) under Investor Relations

### **Additional Information on Tamedia**

Tamedia is a Swiss media group having its registered office in Zurich. With its daily and weekly newspapers, magazines, online sites and printing facilities, Tamedia is one of the leading media companies in Switzerland. Thanks to their independent reporting and critical research, the media of the Tamedia Ltd and its subsidiaries Tamedia Publications romandes and Espace Media make an important contribution to forming opinions and provide discussion topics with entertaining stories from all walks of life. The company was founded in 1893 and has been traded on the Swiss stock exchange since 2000.

Additional Information: [www.tamedia.ch](http://www.tamedia.ch)