

## Tamedia: Investments in Digital Division and Efficiency Enhancements Lead to Improved Earnings – Introduction of Digital Payment Models Forges Ahead

**The Swiss media group Tamedia achieved revenues of CHF 551.4 million for the first half of 2014 (previous year: CHF 536.8 million). This correlates to an increase of 2.7 per cent. The operating income (EBIT) consequently rose by 14.8 per cent to CHF 73.2 million (previous year: CHF 63.8 million), while earnings reached CHF 59.2 million (previous year: 54.7 million).**

**Zurich, 22 August 2014** – The revenues recorded by our media group grew by 2.7 per cent during the first half of 2014 to reach CHF 551.4 million (previous year: CHF 536.8 million), with the increase attributable to acquisitions. EBITDA rose by 11.8 per cent to reach CHF 108.1 million (previous year: CHF 96.7 million), with EBIT up by 14.8 per cent to CHF 73.2 million (previous year: CHF 63.8 million). This positive performance is due to the acquisition of Ziegler Druck- und Verlags-AG, the publisher of the *Landbote*, efficiency-increasing measures introduced in the Print Regional and Print National business divisions, and organic growth in the Digital business division. The print advertising market continued to be in structural decline in the first half of 2014, albeit slowing down in comparison with the same period of the previous year. Net income from continuing operations rose by 8.4 per cent to CHF 59.4 million (previous year: CHF 54.8 million). Total comprehensive income including discontinued operations, at CHF 59.2 million, is likewise considerably above the previous year's figure of CHF 54.7 million.

The introduction of the payment model of the *Tages-Anzeiger* in April set a milestone with respect to the efforts of Tamedia to extend the business model of quality journalism into the digital age. The number of digital subscriptions of around 7,400 at the start of August exceeded expectations. While the individual page views (page-impressions, -30 percent June 2013: 112.6 million vs. June 2014: 79.0 million (Net-Metrix Audit)) decreased slightly more than expected, the range increased (unique clients, +9 per cent: June 2013: 1.70 million vs. June 2014: 1.86 million (Net-Metrix Audit)). On 31 October 2014, the payment model will be introduced at the Bern daily *Der Bund* and, subsequently, by the end of 2015, at all other regional dailies in German and Western Switzerland, beginning with *24 heures* and *Tribune de Genève*.

Consequently, Tamedia carried on with its investment strategy in the Digital division in the first half year. Thus, a majority of the leading Danish platform for vintage fashion *trendsales.dk* and a minority stake in the Swiss mortgage and financing website *moneypark.ch* could be taken over after the balance sheet date. The planned collaboration with Swisscom in the directory market, which provides for collaboration between *local.ch* and *search.ch* as a strong Swiss alternative to Google, will, should the Competition Commission approve the project, generate an additional positive contribution to earnings as of 2015.

The newly launched Innovation Fund at the start of the year proved to be a success already in the first few months. Since the launch on 18 February 2014, project ideas were submitted from all company divisions. Out of more than 90 entries, seven projects to date have been supported with means from the Innovation Fund and have been cleared to proceed. The first projects, such as, for example, a new app for *20minuten.ch* could become available to users during the course of the next half year.

## Key figures

	30.06.2014	30.06.2013	Change in %
<b>Revenues (in CHF mill.)</b>	<b>551.4</b>	<b>536.8</b>	2.7
<b>Operating income before depreciation and amortisation (EBITDA) (in CHF mill.)</b>	<b>108.1</b>	<b>96.7</b>	11.8
EBITDA-margin in percent	19.6	18.0	8.9
<b>Operating income (EBIT) (in CHF mill.)</b>	<b>73.2</b>	<b>63.8</b>	14.8
EBIT-margin in percent	13.3	11.9	11.7
<b>Net income of continuing operations (in CHF mill.)</b>	<b>59.4</b>	<b>54.8</b>	8.4
Net income of discontinued operations (in CHF mill.)	(0.2)	(0.1)	117.0
<b>Net income (in CHF mill.)</b>	<b>59.2</b>	<b>54.7</b>	8.2
Net income-margin in percent	10.7	10.2	5.4
<b>Net income per share (undiluted) (in CHF)</b>	<b>5.08</b>	<b>4.94</b>	3.0
<b>Cash flow from operating activities (in CHF mill.)</b>	<b>109.6</b>	<b>67.1</b>	63.3
<b>Total assets as of 30.06 / 31.12. (in CHF mill.)</b>	<b>2 207.8</b>	<b>2 176.6</b>	1.4
<b>Equity ratio as of 30.06 / 31.12 (in percent)</b>	<b>64.3</b>	<b>64.5</b>	(0.3)

## Print Regional

The revenues of the Print Regional business division increased by 5.8 per cent to CHF 275.2 million. This rise is attributed in particular to the first-time inclusion of the Ziegler Druck- und Verlags-AG, which was newly consolidated in January 2014. In parallel to this, the structural decline of print advertising has also slowed down. The efficiency-enhancement measures taken to offset this decline in revenues in combination with lower IT and real estate costs and third-party newspaper printing orders had a positive impact on results. Operating income before depreciation and amortisation (EBITDA) for the Print Regional business division rose from CHF 36.4 million to CHF 44.6 million. This equates to an EBITDA margin of 16.2 per cent (previous year: 14.0 per cent). Operating income at EBIT level likewise grew significantly from CHF 18.1 million to CHF 24.9 million, while the EBIT margin, at 9.1 per cent, was significantly greater than in the previous year (6.9 per cent).

## Print National

The revenues recorded by the Print National business division dropped year-on-year by 7.3 per cent to CHF 179.3 million as advertising investment waned. The drop in revenues is, among other things, due to the merger of the commuter newspapers in Denmark, commuter newspapers *20 Minuten* and *20 minutes*, the Sunday newspaper *Le Matin Dimanche*, including its supplements, as well as the withdrawal of the *Natura* supplement. In contrast, *Schweizer Familie* was able to more or less match the previous year's level. Women's magazine *Annabelle* and *Das Magazin* ended their downward trend and increased their net income once again, as did *Finanz und Wirtschaft*. The Print National business division's operating income before depreciation and amortisation (EBITDA) remained largely unchanged at CHF 34.0 million (previous year: CHF 33.9 million). This equates to an EBITDA margin of 19.0 per cent (previous year: 17.5 per cent). Operating income (EBIT) rose slightly from CHF 30.9 million to CHF 31.0 million, while the EBIT margin, at 17.3 per cent, was slightly higher than in the previous year (16.0 per cent).

## Digital

The Digital business division saw its revenues jump by 11.6 per cent to CHF 124.9 million. The main driver of this performance is solid organic growth. Ticket marketer *Starticket* was also included for the first time. JobCloud AG recorded pleasing growth and enjoyed a rise in revenues and net income, while real estate portal *homegate.ch* maintained a high level of revenues and net income. The *20 Minuten* news platforms significantly increased revenues and net income, whereas the *Newsnet* platforms recorded slight losses. The Digital division's oper-

ating income before depreciation and amortisation (EBITDA) increased to CHF 29.4 million (previous year: CHF 26.4 million). The EBITDA margin attained the previous year's level of 23.6 per cent. Operating income (EBIT) improved from CHF 14.8 million in the previous year to CHF 17.3 million. The EBIT margin remained practically unchanged at 13.8 per cent (previous year: 13.2 per cent).

### Segment information of continuing business divisions

	Revenues 30.6.2014	Revenues 30.6.2013	EBITDA <sup>1</sup> 30.6.2014	EBITDA <sup>1</sup> 30.6.2013	EBIT <sup>2</sup> 30.6.2014	EBIT <sup>2</sup> 30.6.2013
Print Regional (in CHF mill.)	275.2	260.0	44.6	36.4	24.9	18.1
Print National (in CHF mill.)	179.3	193.5	34.0	33.9	31.0	30.9
Digital (in CHF mill.)	124.9	111.9	29.4	26.4	17.3	14.8
Elimination	(27.9)	(28.5)	-	-	-	-
<b>Total</b>	<b>551.4</b>	<b>536.8</b>	<b>108.1</b>	<b>96.7</b>	<b>73.2</b>	<b>63.8</b>

<sup>1</sup> Operating income before depreciation and amortisation (EBITDA)

<sup>2</sup> Operating income (EBIT)

Shareholders' equity increased slightly by CHF 16.2 million to CHF 1,419.8 million. The equity ratio remains largely unchanged at a solid 64.3 per cent (compared with 64.5 per cent at the end of 2013).

Tamedia expects the market environment for print advertising to continue to decline slightly during the second half of the year. We will update you on the progress of the company's key projects and the performance of our media group with the publication of our 2014 annual results on Thursday, 12 March 2015.

### Press conference and information for financial analysts

The press conference call in German shall take place today, Friday, 22 August 2014 at 10.00 am. In addition, an analysts' conference call in English shall be held at 12.00 pm for analysts and investors.

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### 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)