



telegraaf media groep





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Semi-Annual Results 2008

August 15, 2008



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Hans Elekan
Head of Corporate Communication
& Investor Relations

Introduction

Agenda



Mr. Ad J. Swartjes - CEO

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- Outlook
- Targets

Mr. Fred Th. J. Arp - CFO

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- Option ProSiebenSat.1
- Investments

Q&A



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Ad J. Swartjes - CEO



TMG Financial Highlights 08H1

Amounts x € 1 million

- Recurring revenues EUR 360.0 (07H1: EUR 365.1)
- Recurring EBITA EUR 26.2 (07H1: EUR 31.8)
- Recurring EBITA margin 7.3% (07H1: 8.7%; 07FY: 7.2%)

- Net result EUR -175.5 (07H1: EUR 39.7)
- Net result excluding
extra ordinary items EUR 9.5 (07H1: EUR - 4.8)
- Profit per share EUR -3.63* (07H1: EUR 0.79**)

- Net Cash flow from
Operating Activities EUR 17.3 (07H1: EUR 14.4)

* 48.3 million depositary receipts; ** 50.5 million depositary receipts

TMG Financial Highlights 08H1

Amounts x € 1 million



Revenues:

- Printed media EUR 287.4 (07H1: EUR 292.5)
- Non printed media EUR 51.5 (07H1: EUR 42.5)
- Other activities EUR 21.2 (07H1: EUR 30.1)

TMG Financial Highlights 08H1 – EBITA changes

Amounts x € 1 million



Recurring EBITA H1 2008	26,2
H1 2007	<u>31,8</u>
Decrease	-/- 5,6

Autonomous cost increase	9,5
Autonomous revenue decrease	<u>2,1</u>

Cost savings	14,0
Divestments loss making activities	2,0
Portfolio changes	-/- 1,0

Total effects according to implementation strategy + 15,0

+ 3,4

Not normalised one off costs H1 2008 - /- 9,0

-/- 5,6

-/- 11,6

TMG Highlights (1)

Portfolio changes



Acquired among others:

- WebRegio Media (70%) - January 2008
- Amsterdams Stadsblad - February 2008
- Nobiles Media - February 2008
- Smart Events and Info Pinnacle (from 50% to 100%) - February 2008
- Nieuwsmedia (from 40% to 100%) - April 2008
- Online gaming - May 2008

TMG Highlights (2)

Portfolio changes



Divested:

- Door-to-door distribution activities - 2nd half of 2007
- Sky Radio Hessen (for 49%) - October 2007
- Editions de Saxe S.A.S. - October 2007

- Interests in Wegener (April 2007), ANP and SBS Broadcasting S.à.r.l. (second half of 2007)

Put option exercised August 2008:

- 12% (13,127,832) of the voting shares in ProSiebenSat.1;
6% of total shares



TMG Highlights (3)

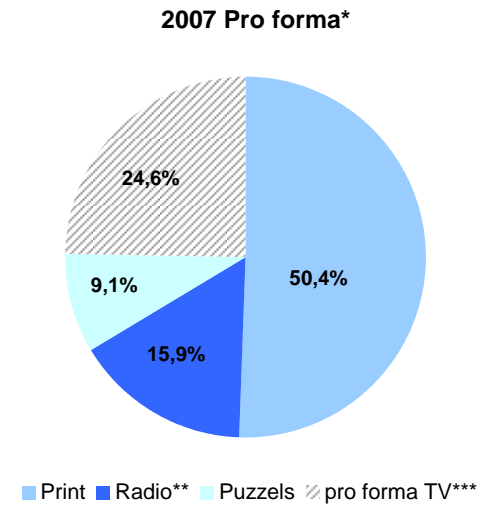
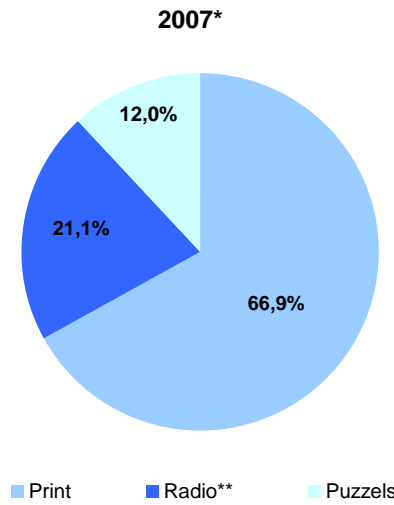
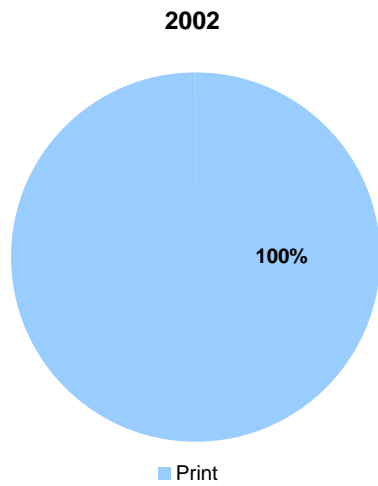
Portfolio changes – SBS / ProSiebenSat.1

- TMG is pro active following changes in the media landscape
- Dutch crossownership rules prohibited TMG (until Mid June 2007) to take a larger stake than one third in a commercial broadcaster
- 1996: 30% stake in SBS Nederland (cross ownership restrictions)
- 2005: Swap of stake in the Netherlands to 20% SBS International
- 2006: KKR/Permira acquires majority stake in ProSiebenSat.1
- 2007: ProSiebenSat.1 acquires SBS (including 20% stake of TMG), call/put option arrangement on 6% (13.127.832 shares with voting rights) of ProSiebenSat.1
- 2008: TMG does not exercise call option
- 2008: Lavena exercises put option

Over the years:

Positive cash flow TMG: € 33 million
+ 6% stake in ProSiebenSat.1 Media AG

Recurring Ebita 2002 - 2007 - Pro forma 2007



* Excluding holding costs

** Excluding FM-license costs

*** Pro forma dividend 2007 ProSiebenSat.1

Financial outlook H2 2008



Positive influence

- Impact cost saving operations
- Sale of activities with marginal or negative contribution
- Freeze on the recruitment of staff

Negative influence

- Increased salary level (around 3,5%)
- Product introduction Local freesheet Rotterdam (door-to-door distribution)
- Restructuring costs
- Pressure on autonomous advertisement income
- Energy and fuel expenses increase
- Lower interest income (investment of € 377 million in ProSiebenSat.1)

Outlook 2008



- January 2008, New Year's speech:
 - “..a considerable increase of the operating result excluding extraordinary influences, assuming a limited increase in advertising and circulation revenue..”
- AGM in April: “.. TMG expects to realise an increase in normalised EBITA margin to 9 to 10% (2007: 7.2%) this year..”
- However in first half of 2008:
 - Modest decrease in advertising revenues
 - Modest increase in circulation revenues
- August 1, 2008: TMG lowered its expected recurring EBITA margin for 2008 to at least 8% (08H1: 7.3%)

Targets

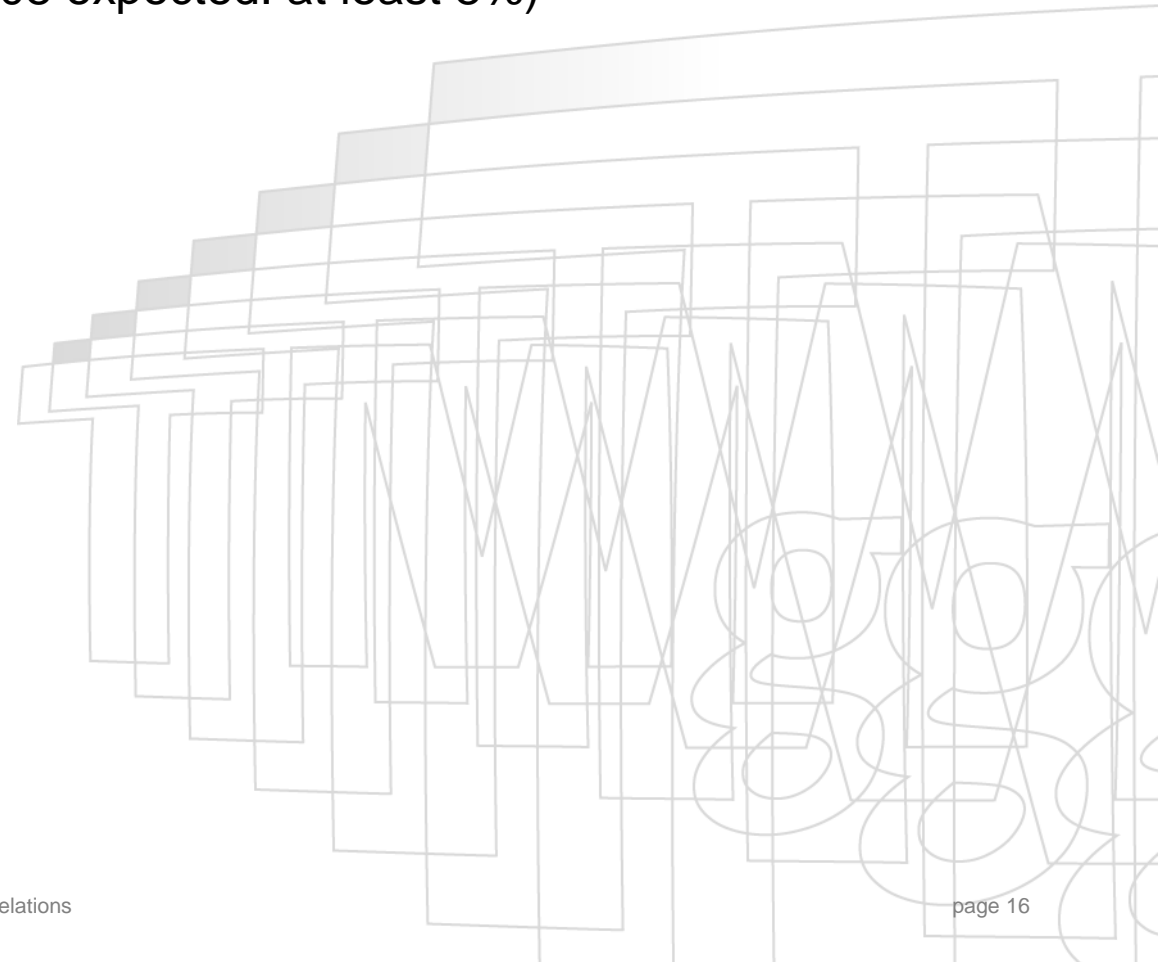


- Macro economic outlook negative
- Consequences for TMG in case of 'business as usual':
 - Further pressure on revenues
 - On average increase in costs of 3 to 4% per year
- Further discrepancy in development revenues vs costs unacceptable
- Therefore cost cutting initiatives as of second half of 2008:
 - FTE reduction of at least 425
 - Divestment of activities with insufficient profitability
 - Outsourcing non core activities
- Resulting in lowering the yearly cost base with € 40 - € 50 million
- Possible acquisitions

Targets



- Ambition: 15% EBITA-margin
- Coming 3 years:
a marked growth in normalised EBITA-margin annually
(2008 expected: at least 8%)
- Influenced by:
 - Development revenues
 - Execution:
 - Lowering cost level
 - Outsourcing of non core activities
 - Opportunities:
 - To acquire
 - To divest





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Fred Th. J. Arp - CFO



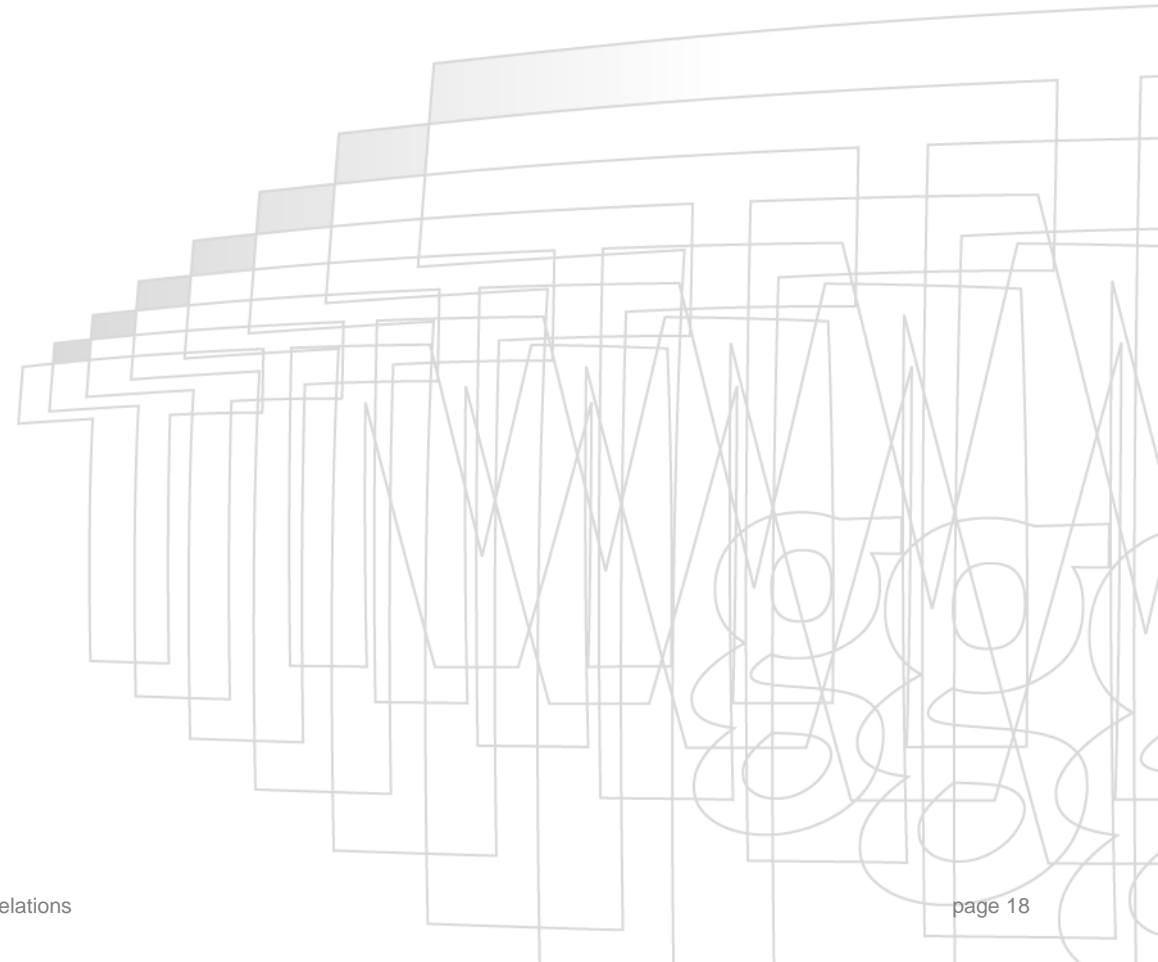
I General information

- Headlines
- Income statement
- Cash flow statement
- Balance sheet

II Analysis result H1 2008

III Option ProSiebenSat.1

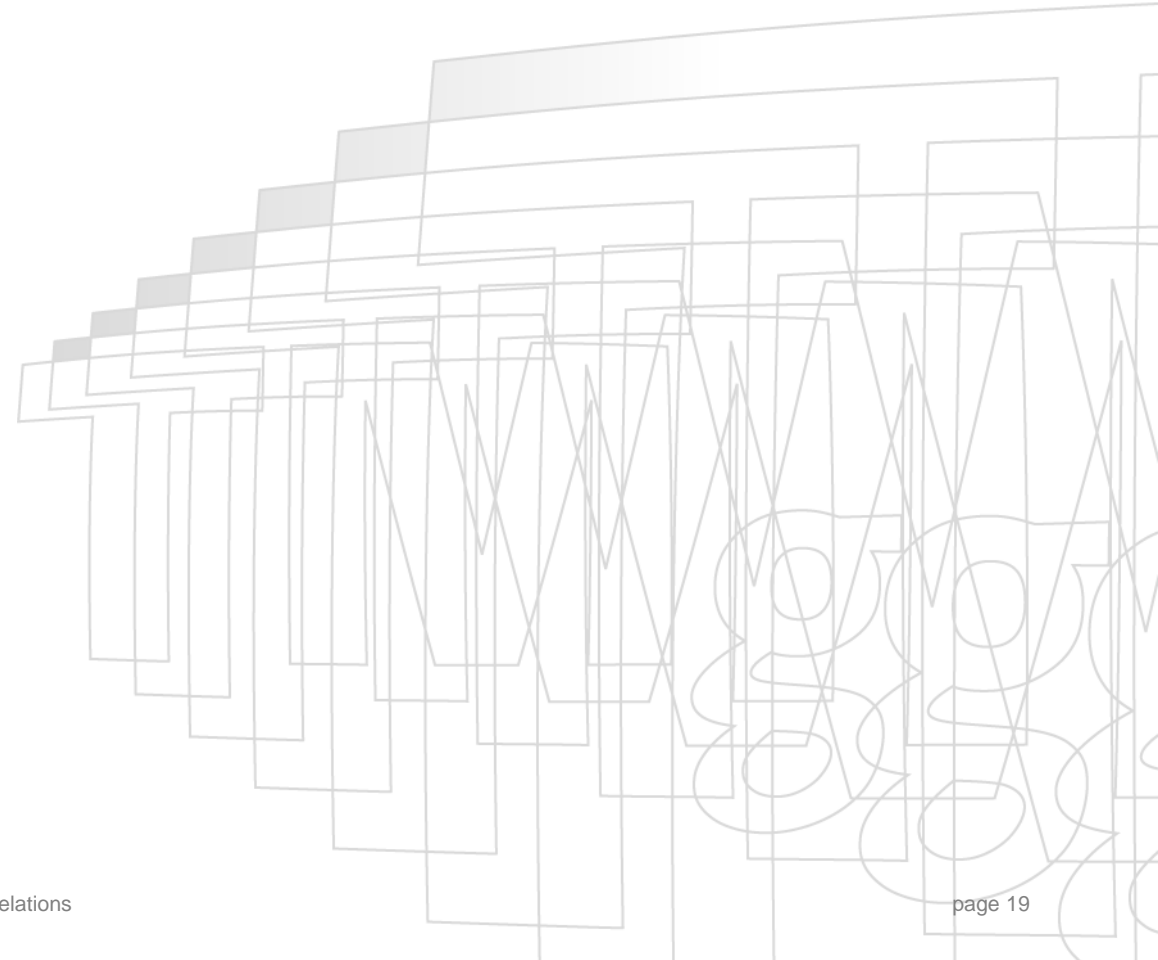
IV Investments





I General information

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Headlines (amounts in € million)



H1 2008

H1 2007

Recurring

- Ebita
- Ebita margin
- Revenues
- Expenses excl. amortisation and impairment loss

26.2

31.8

7.3%

8.7%

360.0

365.1

333.8

333.3

Reported net result

- Shareholders TMG
- Excl. impairment loss ProSieben/
book profit Wegener

- 175.5

39.7

9.5 1)

- 4.8 2)

1) impairment loss ProSiebenSat.1 € 185M

2) gain on sale Wegener € 44.5M

Development half year results recurring Ebita 2007 / 2008 (amounts in € million)



	<u>H1 2007</u>	<u>H2 2007</u>	<u>H1 2008</u>
Recurring			
• Revenues	365.1	373.7	360.0
• Total operating expenses excl. amortisation and impairment loss	<u>333.3</u>	<u>352.2</u>	<u>333.8</u>
• Ebita	<u>31.8</u>	<u>21.5</u>	<u>26.2</u>
• Ebita margin	<u>8.7%</u>	<u>5.8%</u>	<u>7.3%</u>

Income statement



* € 1.000

Reported

	<u>H1 2008</u>	<u>H1 2007</u>	<u>% H1 08 vs. 07</u>
Total revenues	361,750	366,230	-1%
Total operating expenses excl. amortisation and impairment loss	<u>339,590</u>	<u>355,377</u>	-4%
EBITA	22,160	10,853	104%
Total normalisations	<u>4,072</u>	<u>20,936</u>	-81%
Recurring EBITA	26,232	31,789	-17%
As % of sales	7.3%	8.7%	
Amortisation and impairment loss	<u>19,406</u>	<u>17,845</u>	9%
EBIT	2,754	-6,992	
Financial income and expenses	<u>-177,481</u>	<u>45,107</u>	
Result before tax	-174,727	38,115	
Tax on result	<u>1,235</u>	<u>-986</u>	
Result	-175,962	39,101	
Minority interest	<u>438</u>	<u>598</u>	
Result shareholders TMG	-175,524	39,699	

Cashflow statement



* € 1.000

	<u>H1 2008</u>	<u>H1 2007</u>
Net cash from operating activities	+ 17,284	+ 14,418
Received interest	8,228	0
Acquisitions/Disposals	-25,116	-22,481
Net investments/divestments	<u>-6,554</u>	<u>166,193</u>
Net cash from investing activities	- 23,442	+ 143,712
Change in (non-current) borrowings	-2,804	-108,222
Dividends paid	-47,747	-25,000
Repurchase of own shares	-47,030	0
Adjustments minority interest	<u>-187</u>	<u>-779</u>
Net cash from financing activities	- 97,768	- 134,001
Change in cash	- 103,926	+ 24,129

Balance sheet - assets



* € 1.000

	<u>30-6-2008</u>	<u>31-12-2007</u>
Non-current assets	583,346	571,677
of which:		
Intangible assets	450,416	429,603
Property, plant and equipment	104,201	112,155
Other non-current assets	28,729	29,919
Current assets	517,930	661,534
of which:		
Cash	391,872	496,025
Other current assets	126,058	165,509
Total Assets	<u><u>1,101,276</u></u>	<u><u>1,233,211</u></u>

Balance sheet - equity and liabilities



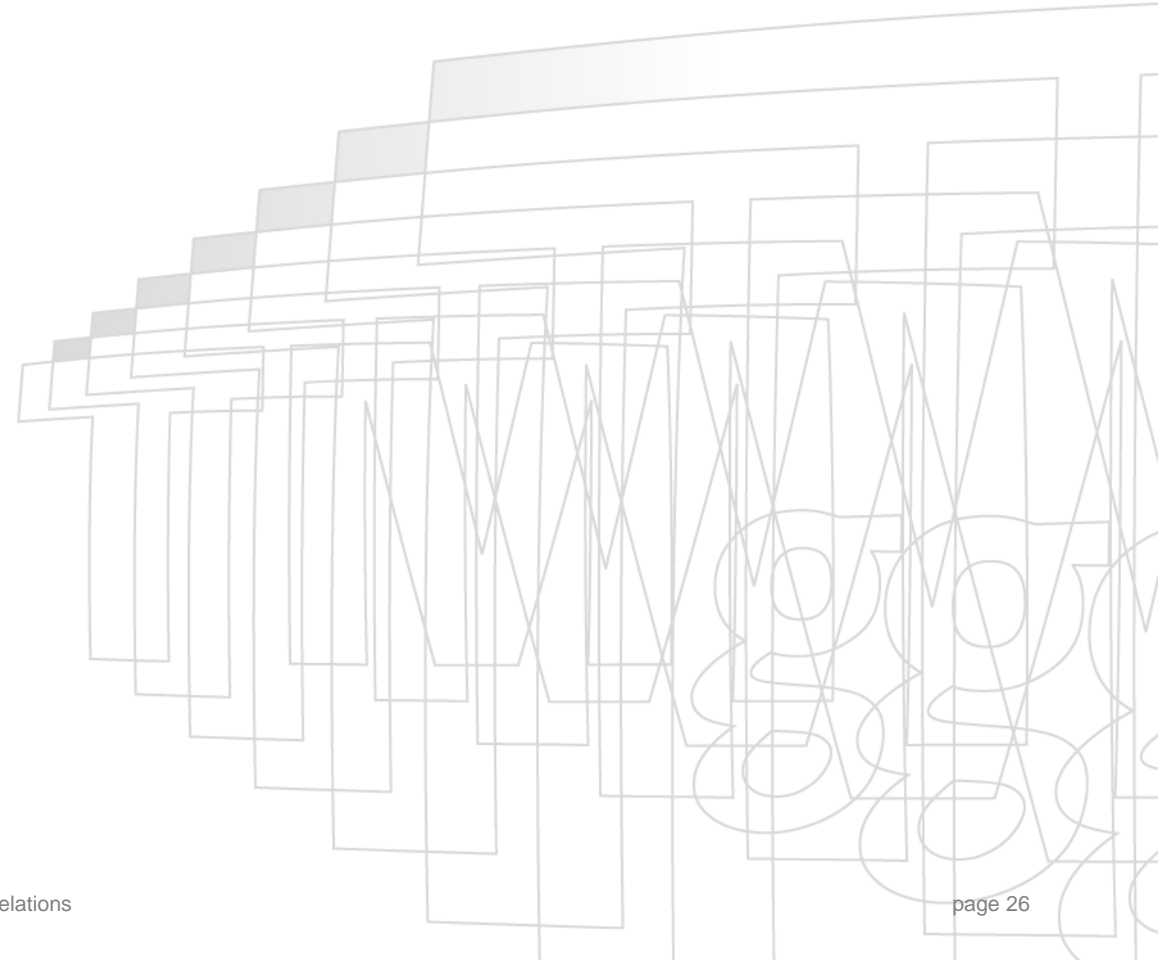
* € 1.000

	<u>30-6-2008</u>	<u>31-12-2007</u>
Shareholders' equity	599,873	870,836
Interest-bearing loans and borrowings	38,202	38,074
of which:		
Interest bearing loans	10,727	10,946
Acquisition payables	6,147	6,375
Other financing	21,328	20,753
Provisions	69,314	73,777
of which:		
Post-employment benefit liabilities	27,566	29,684
Restructuring provision	7,456	10,201
Deferred tax liabilities	34,292	33,892
Current liabilities*	<u>393,887</u>	<u>250,524</u>
Total liabilities	501,403	362,375
Total equity and liabilities	<u><u>1,101,276</u></u>	<u><u>1,233,211</u></u>

*including ProSiebenSat.1 impairment loss € 185M



II Analysis result H1 2008



Ebita: reported and recurring



* € 1.000

	H1 2008		H1 2007	
	<u>Reported</u>	<u>Recurring</u>	<u>Recurring</u>	<u>Reported</u>
Revenues	360,046	360,046	365,119	365,119
Other operating income	1,704			1,111
Total income	<u>361,750</u>	<u>360,046</u>	<u>365,119</u>	<u>366,230</u>
Total operating expenses excl. amortisation and impairment loss	<u>339,590</u>	<u>333,814</u>	<u>333,330</u>	<u>355,377</u>
EBITA	22,160	26,232	31,789	10,853
EBITA margin		7.3%	8.7%	
Amortisation intangible assets*	18,856	18,856	17,845	17,845
Impairment loss of intangible assets	550			
Amortisation and impairment loss	<u>19,406</u>	<u>18,856</u>	<u>17,845</u>	<u>17,845</u>
EBIT	2,754	7,376	13,944	-6,992
		4,929	4,929	

*Including amortisation license costs SRG (cash out)

Reported Ebita versus recurring Ebita



* € 1.000

	<u>H1 2008</u>	<u>H1 2007</u>	<u>Delta</u>
Reported EBITA	22,160	10,853	+ 11,307
Other operating income (book profits)	-1,704	-1,111	
Profit share employees (related to gain on sale Wegener)	0	11,906	
Restructuring costs	6,727	2,272	
Other operating expenses	-951	7,869	
Total normalisations	<u>4,072</u>	<u>20,936</u>	- 16,864
Recurring EBITA	<u>26,232</u>	<u>31,789</u>	- 5,557

Recurring Ebita changes H1 2007 - H1 2008 (amounts in €M)



Inflation

-salary level	-4,5
-energy/fuel expenses	-1,5
-other expenses	-3,5
	<hr/>

-9,5

Autonomous revenue

-advertisements	-7,1
-circulation	5,0
	<hr/>

-2,1

-11,6

Total autonomous

Total effect measures according to implementation strategy

(see next page)

15,0

Combined Ebita effect autonomous/measures

+ 3,4

One off costs

-Distribution/printing margin decrease third parties	-4,0
-One off distribution expenses	-1,0
-IT expenses (CRM, decreased coverage ICT dept.)	-4,0
	<hr/>

- 9,0

- 5,6

Total Recurring Ebita effect

Measures according to implementation strategy (amounts in € M)



Cost savings

-freeze on recruitment of staff	6,0
-holding costs	3,0
-sales and other expenses	5,0
	<hr/>

14,0

Divestments loss making activities

-EDS, Sky Radio Hessen, Plus magazine (Sweden)

2,0

Portfolio changes

-Media Librium, Webregio, Carp (start up losses)
-Nobiles Media, GeenStijl, Pilarczyk, Weekmedia,
Puzzelsport, Zigiz, Himes (50%)

-4,0

3,0

-1,0

15,0

Total effect measures according to implementation strategy

Revenue development



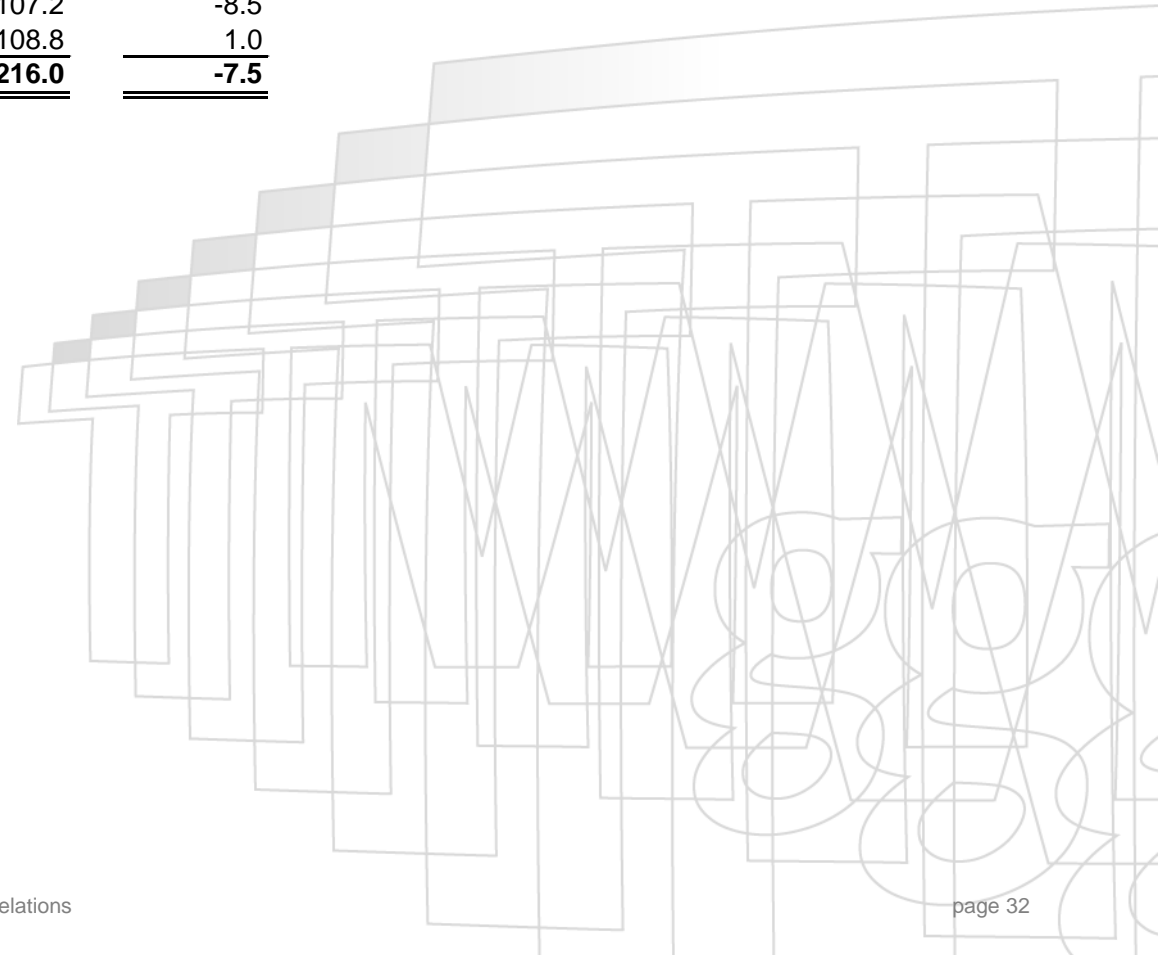
* € M	<u>H1 2008</u>	<u>H1 2007</u>	<u>Delta</u>
Advertisements	179.9	182.2	-2.3
Circulation	144.1	139.0	5.1
Production	3.3	5.0	-1.7
Distribution	16.0	23.6	-7.6
Other income	16.7	15.3	1.4
Revenues	<u>360.0</u>	<u>365.1</u>	<u>-5.1</u>
Other operating income	1.7	1.1	0.6
Total income	<u>361.7</u>	<u>366.2</u>	<u>-4.5</u>
Print	287.4	292.5	-5.1
Non-print	51.5	42.5	9.0
Other	21.1	30.1	-9.0
Revenues	<u>360.0</u>	<u>365.1</u>	<u>-5.1</u>

Print revenue



* € M	<u>H1 2008</u>	<u>H1 2007</u>	<u>Delta</u>
Newspapers (national/regional)	208.5	216.0	-7.5
Door-to-door	29.0	28.0	1.0
Magazines	19.9	19.4	0.5
Puzzels/international/other	30.0	29.1	0.9
Total print revenue	<u>287.4</u>	<u>292.5</u>	<u>-5.1</u>

* € M	<u>H1 2008</u>	<u>H1 2007</u>	<u>Delta</u>
Advertisements	98.7	107.2	-8.5
Circulation	109.8	108.8	1.0
Print revenue newspapers	<u>208.5</u>	<u>216.0</u>	<u>-7.5</u>

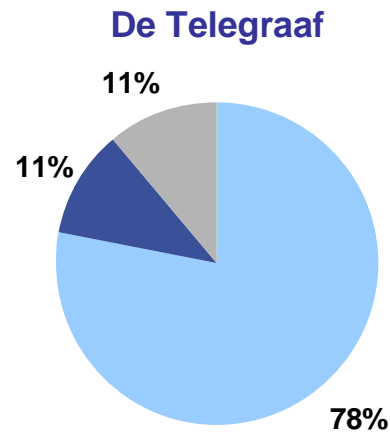




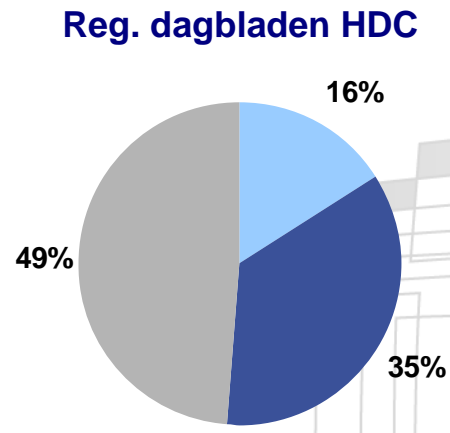
Print advertisement revenue (NL newspapers)

* € M

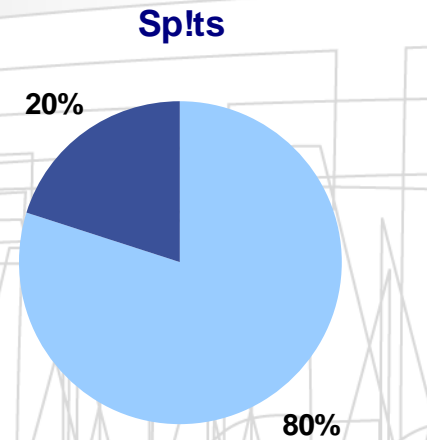
	<u>H1 2008</u>	<u>H1 2007</u>	<u>Delta</u>
National Brands and Services	61.5	65.6	-4.1
Recruitment	18.0	20.1	-2.1
Classified	7.1	8.9	-1.8
Local/regional	12.1	12.6	-0.5
Print advertisements newspapers	<u>98.7</u>	<u>107.2</u>	<u>-8.5</u>



■ National Brands & services ■ Recruitment ■ Classified

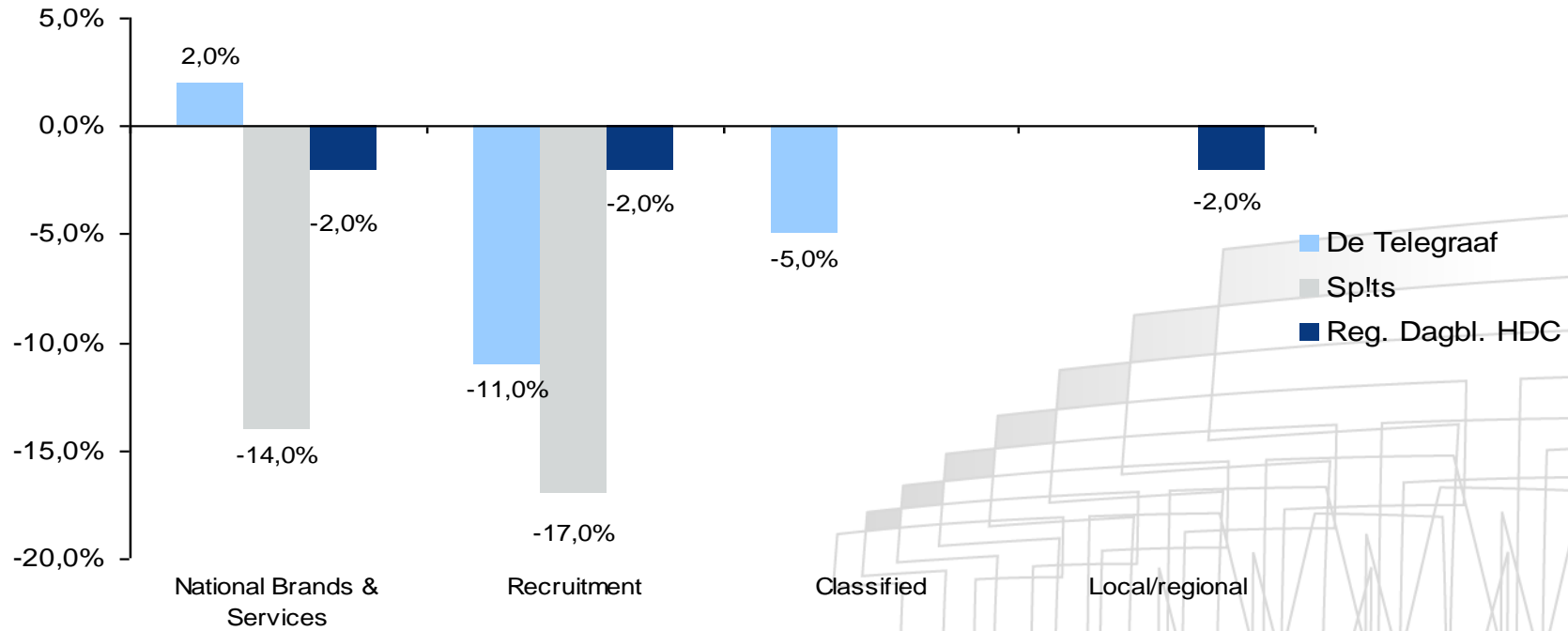


■ National Brands & Services ■ Recruitment ■ Local & regional



■ National Brands & Services ■ Recruitment

Volume advertisement index H1 2008 - H1 2007

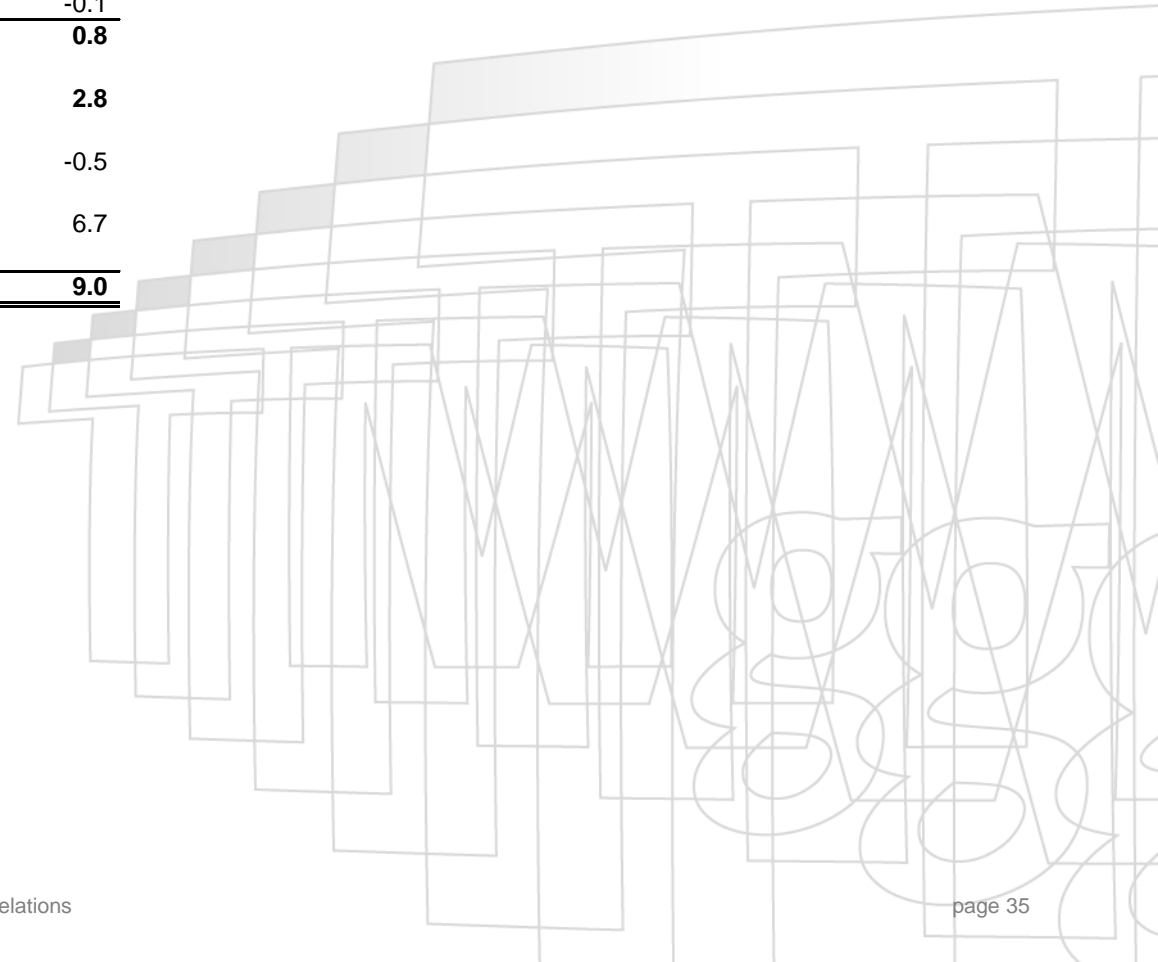


Non-print revenue



* € M	<u>2008 H1</u>	<u>2007 H1</u>	<u>Delta</u>
Classified	2.9	3.4	-0.5
Buttons en Banners	5.4	4.1	1.3
Other	2.5	1.3	1.2
Total BtoB	10.8	8.8	2.0
Classified	0.7	0.6	0.1
Social communities	5.6	4.8	0.8
Other	0.0	0.1	-0.1
Total BtoC	6.3	5.5	0.8
Total internet sales	17.1	14.3	2.8
Radio	24.2	24.7	-0.5
Other*	10.2	3.5	6.7
Total non-print revenue	51.5	42.5	9.0

*TV productions/narrowcasting/sms services/exhibitions



Other revenue



* € M	<u>2008 H1</u>	<u>2007 H1</u>	<u>Delta</u>
Distribution third parties	16.7	24.1	-7.4
Printing third parties	3.3	4.9	-1.6
Other	1.1	1.1	0.0
Total other revenue	<u>21.1</u>	<u>30.1</u>	<u>-9.0</u>

Reported and recurring expenses



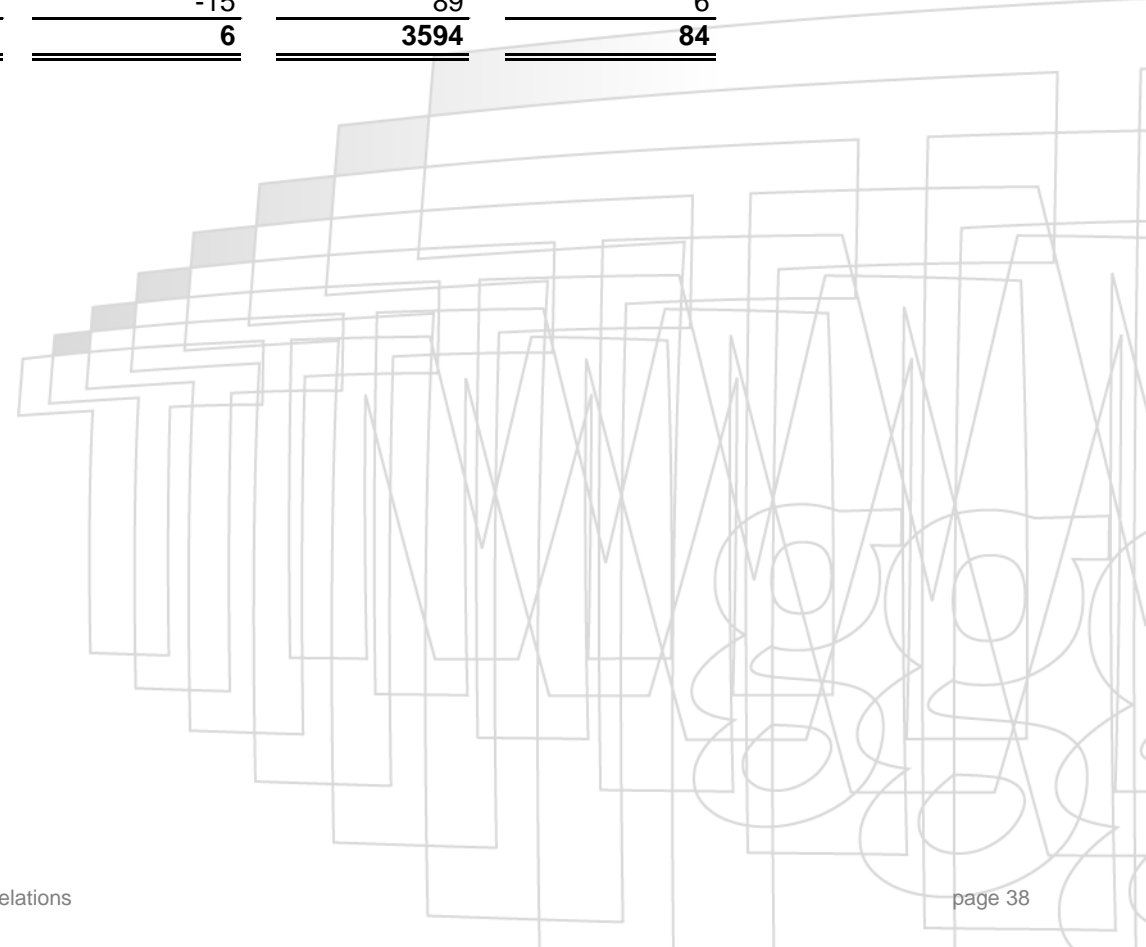
* € 1.000	<u>H1 2008</u>	<u>H1 2007</u>	<u>% H1 08 vs. 07</u>
Recurring CoGS	130,557	131,668	-1%
of which:			
recurring distribution costs	59,085	61,669	-4%
other	71,472	69,999	2%
Recurring SG & A expenses	191,294	189,868	1%
of which:			
Personnel costs	137,032	135,714	1%
Other SG&A expenses	54,262	54,154	0%
Depreciation	11,963	11,794	1%
Total expenses recurring	333,814	333,330	0%
Total expenses non-recurring	5,776	22,047	-74%
Amortisation & impairment	19,406	17,845	
Reported expenses	358,996	373,222	-4%

Headcount (FTE)

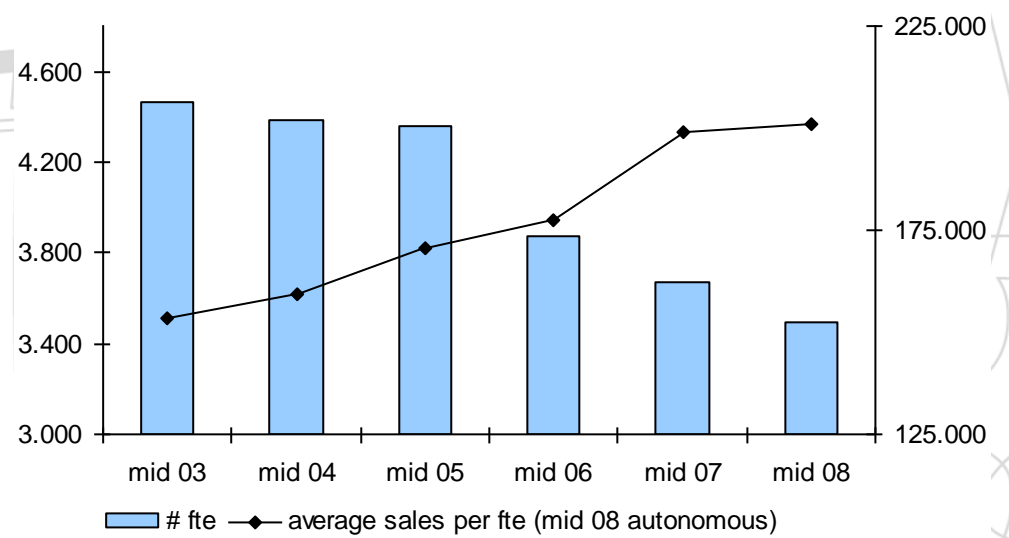
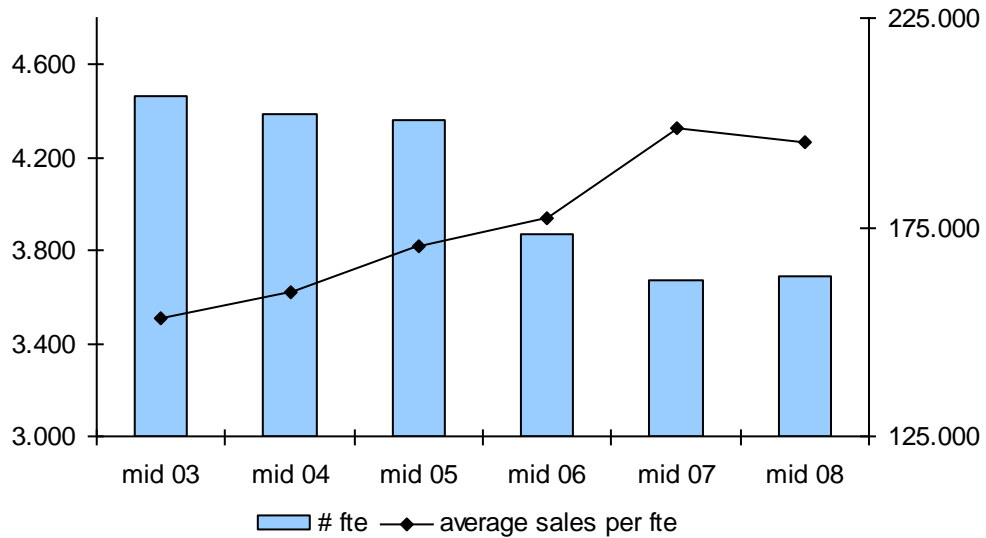
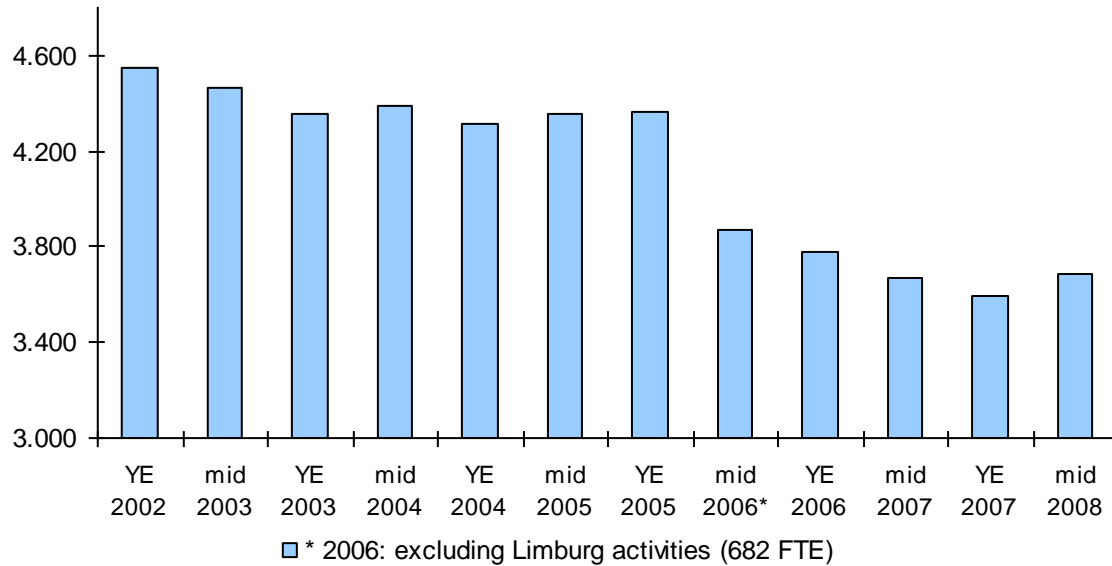


FTE's	<u>30-6-2008</u>	<u>30-6-2007</u>	<u>Diff. 30/6/08 vs. 30/6/07</u>	<u>31-12-2007</u>	<u>Diff. 30/6/08 vs. 31/12/07</u>
TMnl	2257	2122	135 1)	2158	99
Sky Radio Group	112	132	-20 2)	116	-4
Keesing Media Group	196	221	-25 3)	185	11
TTG Sweden	59	56	3	60	-1
TMG Ukraine	145	136	9	143	2
Operating companies (excl TMI)	717	793	-76 4)	743	-26
TMI	97	102	-5	100	-3
Other	95	110	-15	89	6
Total	<u>3678</u>	<u>3672</u>	<u>6</u>	<u>3594</u>	<u>84</u>
Acquired (H2 2007-H1 2008)	-174				
Autonomous	<u>3504</u>				

- 1) acquisitions TMnl + 163, staff stop -27
- 2) Sky Radio Hessen -18
- 3) EDS -45, Puzzle magazines Sanoma + 12, Zigiz/Himes + 11
- 4) TMG Distribution -73, outsourcing Door-to-Door



Headcount (FTE)



Financial income and expenses

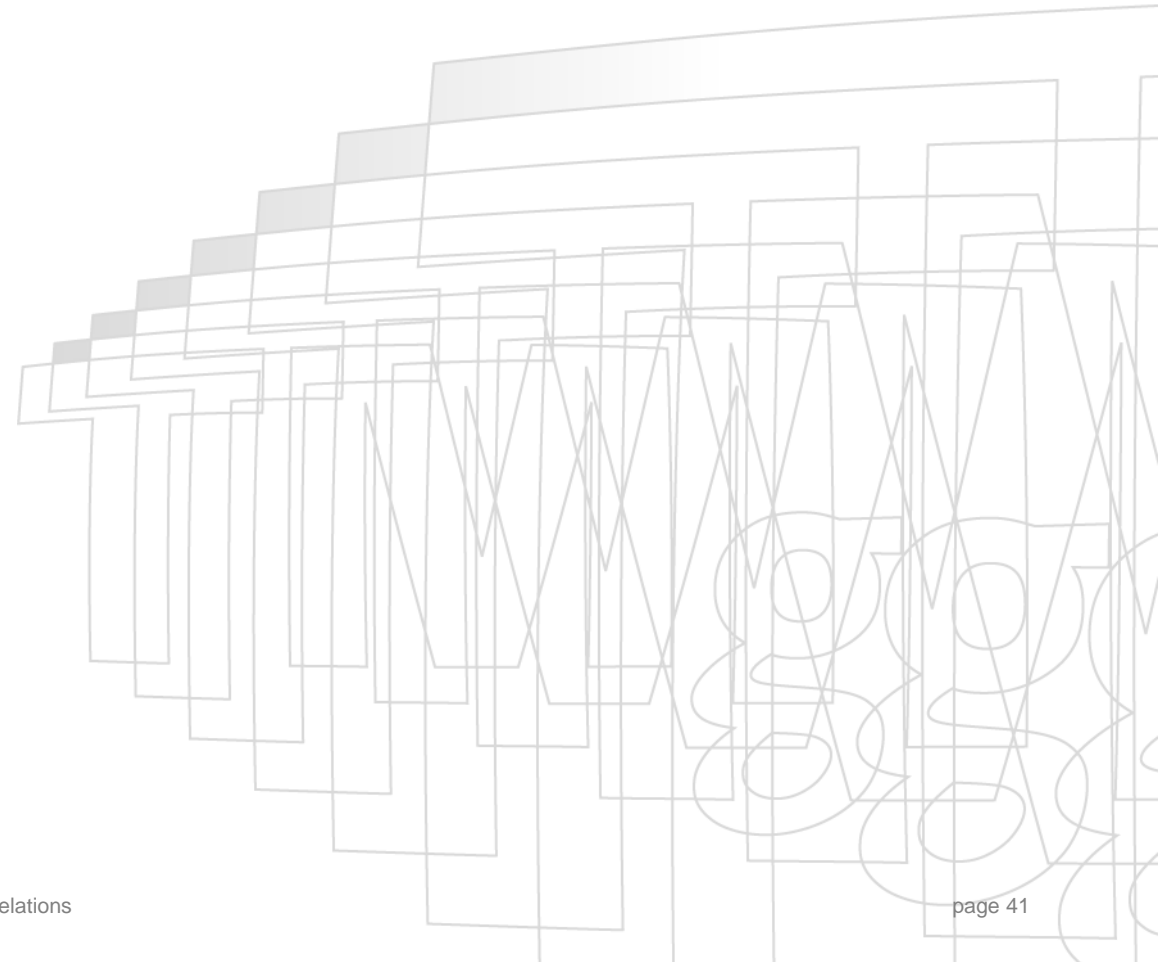


* € 1.000

	H1 2008	H1 2007
	<u>Reported</u>	<u>Reported</u>
Result on sale of associates	-886	0
Share in result from associates	157	-2,555
Result from associates	<u>-729</u>	<u>-2,555</u>
Interest income	10,166	9,236
Dividend income from other investments	0	526
Gain on sale of other investments	0	44,498
Other financial income	-2	6
Financial income	<u>10,164</u>	<u>54,266</u>
Financial expenses	-1,916	-6,604
Impairment loss financial instrument	-185,000	0
Financial expenses	<u>-186,916</u>	<u>-6,604</u>
Financial income and expenses	<u><u>-177,481</u></u>	<u><u>45,107</u></u>



III Option ProSiebenSat.1



Investment ProSiebenSat.1



Cash flow statement

- Investment SBS Netherlands 1996 - € 25M
- Investment SBS Sarl December 2005 - € 18M
- Sale SBS Sarl/Pro7Sat.1 option July 2007 € 433M
- Investment Pro7Sat.1 August 2008 - € 377M
- Interest income 2007-2008 € 20M

Total positive cash flow

+ 6% share ProSiebenSat.1

€ 33M

Valuation ProSiebenSat.1



Broker consensus **preference** shares after Q1 results

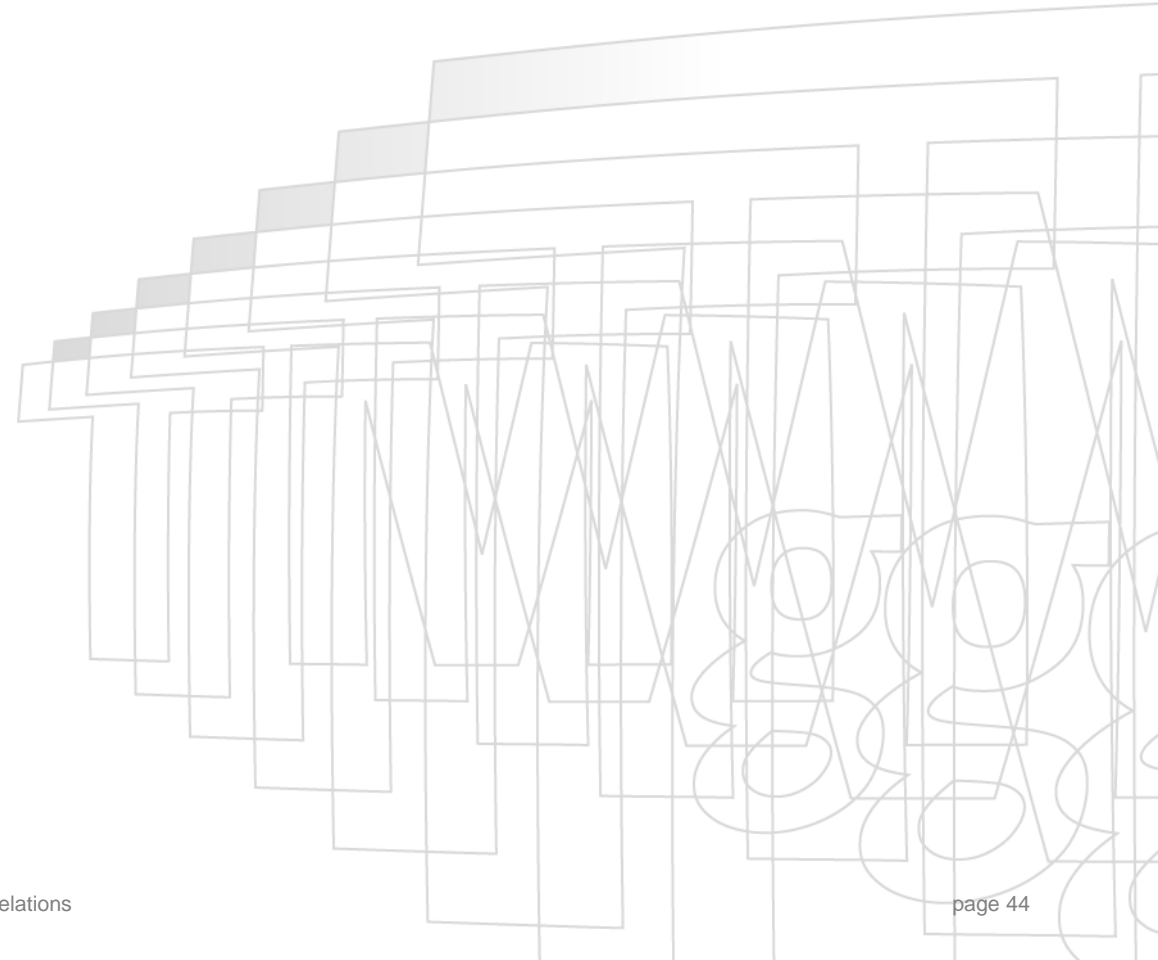
- 22 analyst reports
- Target price **listed** stock varying from € 4 - € 19 per share!!
- Wide range of fair value estimates is substantial
- After Q1 publications Pro7 broker consensus strong to sharp below put option price as per 31 December 2007

IFRS: Discounted cash flow assumptions

- TMG's 12% interest ordinary (**non-listed**) stock, i.e. 13,127,832 shares
- Change in EBITDA forecast and WACC compared to 31 December 2007
- ProSiebenSat.1 management forecast EBITDA 2008 € 780M
- TMG's estimate of future free cash flows
- Annual EBITDA growth range 0% - 1.5%
- Weighted average cost of capital 9.2%
- Discount factor of 25% (control premium and marketability discount) to preference shares
- Resulting in impairment loss € 185M (valuation € 192M)



IV Investments



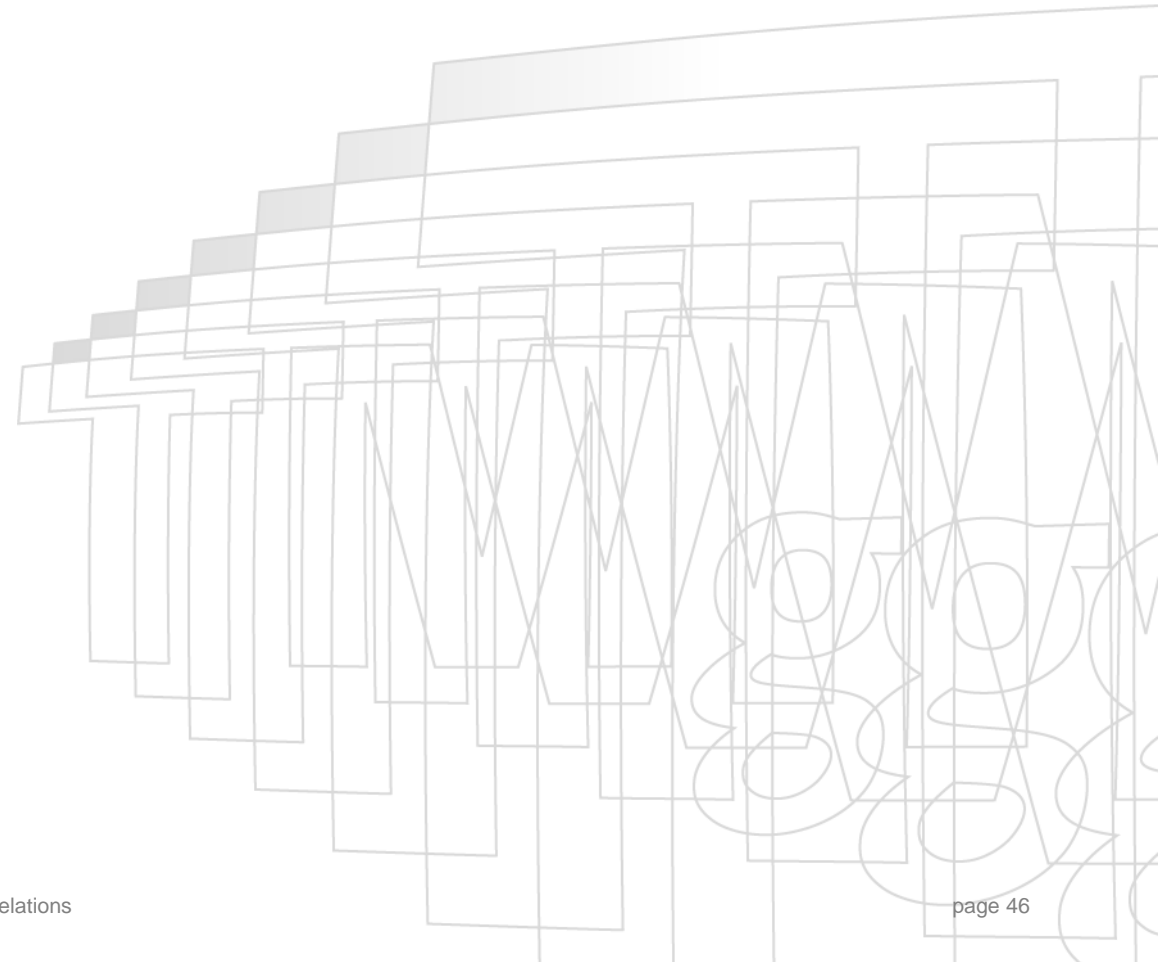
Investments 2008



- Replacement investments € 10M
- ProSiebenSat.1 option arrangement € 377M
- Other acquisitions PM
- Presses (format newspapers) To be discussed H2 2008
 - Life expectancy of existing presses more than substantial to meet the existing needs of the market
 - Limited investment in existing presses for updating to full colour tabloid production
 - Investment in new presses (Berliner) depending on sustainable business case



Q & A





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