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Semi-annual results 2007

August 24, 2007



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Hans Elekan
Head of Corporate Communication

Introduction

Agenda



Mr. Ad J. Swartjes - CEO

- Highlights
- Strategy, Goals
- Organization in the Netherlands
- Outlook full year 2007

Mr. Fred Th.J. Arp - CFO

- Headlines
- Financial Results H1 2007

Q&A



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Ad J. Swartjes - CEO

Highlights

TMG Highlights (1)

Portfolio changes



Acquired:

- Sky Radio Group
- Keesing Media Group
- Puzzle Magazines Sanoma
- Carp
- Media Librium (from 40% to 84%)

- April 2006
- July 2006
- June 2007
- July 2007
- July 2007

Divested:

- Activities in Limburg

- June 2006

TMG Highlights (2)

Portfolio changes



Terminated:

- Telegraaf Expomedia Events JV - first half 2007

Sold:

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

Future acquisition:

- Option to acquire 12% (13,127,832) of the voting shares in ProSiebenSat.1, exercisable as per 1 June 2008

TMG Financial Highlights 07H1

Amounts x € 1 million



- Recurring normalised revenues EUR 365.1 (06H1: EUR 316.7)
- Recurring normalised operating result (EBIT) EUR 14.0 (06H1: EUR 10.2)
- Recurring normalised EBITA EUR 31.8 (06H1: EUR 18.0)
- Net result EUR 39.7 (06H1: EUR 52.9)
- Profit per share EUR 0.79 (06H1: EUR 1.02)

TMG Review 07H1 results



- Telegraaf Media Nederland: print and digital
- Pressure on advertisement and circulation revenues print media
- Cost savings:
 - Headcount
 - Budgets
- Improved results national, regional newspapers and magazines
- Growing revenues from digital activities
- Growing number of listeners Sky Radio Group
- Results Keesing Media Group under pressure
- Changes Portfolio
 - National: puzzles, narrowcast, exhibitions and personnel market
 - International: magazines, free sheets, internet

TMG Highlights acquisitions – Sky Radio Group



- Sky Radio Group acquired April 2006
Crossownership rules relaxed in June 2007
TMG stake from 28% to 85% in July 2007
- The leading group of commercial radio stations in the Netherlands
- Sky Radio 101FM, Radio Veronica, Classic FM,
TMF Radio (50%) started December 27, 2006
- Growing market radio advertising
- Growing market share for most of the Sky Radio Group stations

TMG Highlights acquisitions – Keesing Media Group



- Focus on core business: puzzles & games
- Assets held for sale:
 - Keesing Reference Systems (reference books of genuine and false banknotes, identity cards and security. In printed and digital form in many languages)
 - Editions de Saxe (hobby-, needlework- and leisure magazines)
- Acquired Sanoma Puzzles: Puzzelsport, Bingo!, 10 voor Taal
- French puzzle market temporarily hit by oversupply Sudoku titles
- Internationalisation
- Digitalisation

TMG Highlights International (1)



- Puzzles/games – France, Belgium, Denmark
 - Consolidation leadership positions Keesing in France, Belgium and Denmark in turbulent market on track
 - Start with expansion outside current region (start in Poland, Sweden and Ukraine).
- Magazines, newsprint & digital – Sweden, Ukraine
 - Transformation of magazine publishers to multimedia players on track
 - Originally acquired titles develop according plan
 - Further growth through mix of acquisitions and organic growth/new launches

TMG Highlights International (2)



- Events & conferences – Poland, Russia, India, Germany
(through 20%-participation Expomedia)
 - Execution of focus on selected markets and niches on track
- Television – Europe
 - Offer from ProSiebenSat.1 on 20%-share in SBS accepted.
Option on 12% of voting shares ProSiebenSat.1
Two boardseats as of July 2007
- Further search for acquisition opportunities in line with TMG's core competences, on track



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TMG Strategy and Goals

TMG Strategy



- TMG is in the business of creating and marketing compelling content
- Infotainment is the core of our existence
- TMG aims to independently grow its business and share holder value by executing the following, five-step strategy:
 - Investing in existing brands and products
 - Maximizing Synergy
 - Cost cutting
 - Investing in multimedia, non-print products
 - Exporting and exploiting publishing knowledge abroad

TMG Goals (1)



Overall TMG

- A net return on equity on average of at least 12% by exploiting media products

TMG Goals (2)



Print media

- In 2009 a structural average ROS (return on sales; ebita/sales) of 15%*

Digital media

- In 2009 15% share in TMG's revenues (2006 3,5%; 07H1 4,7%) and on average a ROS of 30%*

*Excluding overhead of around € 15 million

Return on sales print + digital

- In 07H1: 9.8% (2006: 7.5%)

Radio

- Sky Radio Group has its own specific margin goals

TMG Goals (3)



Share of advertising expenditure:

Original goal: 15% share in total advertising expenditure in the Netherlands in 2009
(market volume over € 4 billion;
TMG market share 2006 12%)

Adjustment: The 15% goal included indirect stake (23.9%) in ad sales of Wegener and indirect stake (20%) in ad sales of SBS Netherlands.
Both stakes were sold.
Adjusted TMG market share over 2006: 9%

Adjusted goal 2009: 10.4% share in total advertising expenditure in the Netherlands

TMG Goals (4)



Outside the Netherlands

- In 2009 around 10% share in TMG's revenues
(2006 5,8%*; 07H1 6.3%)

*Including re-calculated results of Keesing Media Group for full year 2006

TMG Goals



TMG goal: a net return on equity on average of at least 12% by exploiting media							2006 results	07H1 results		
							9%	n.a.		
	Telegraaf Media Nederland	Keesing Media Group	Sky Radio Group	Outside Netherlands	Other	2009 goals in % of TMG total revenues	2009 margin goals			
Print						15% of TMG rev.	17% ROS	7.5% ROS	9.8% ROS	
advertising revenues	X			X						15%*
circulation revenues	X	X		X						ROS
Digital										30%* ROS
advertising revenues	X		X	X						
user generated revenues	X	X		X						
Radio						specific margin goals				
advertising revenues			X	X						
listeners revenues										
Other revenues						specific margin goals				
printing, distributing, ICT					X					
2009 goals in % of TMG total revenues				10%			3.5%	4.7%		
							5.8%	6.3%		
TMG 2009 goal: a share of 10.4% in the advertising expenditure in the Netherlands							2006 results	07H1 results		
							9%	not available		

* Excluding around € 15 million overhead



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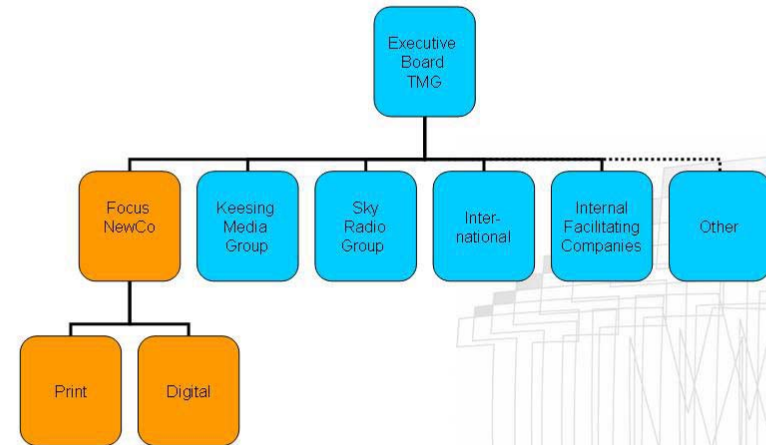
Organization in the Netherlands

Organization in the Netherlands



- 07Q4: organizational restructuring completed
- In order to realise an important part of the print and digital goals
 - Synergy in print
 - Seize opportunities in the digital world
 - Centralising back office activities
- Name: Telegraaf Media Nederland

Changing organization: Focus-programme
'Independent when needed, shared if possible'



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Outlook 2nd half year 2007

TMG Outlook 2nd half of 2007



Favourable influence:

- Sale of 20% in SBS Broadcasting S.à.r.l., book profit approx. €350 million
- Sale of stake in ANP, book profit €2.5 million
- Higher financial income (sale of the interests above and the repayment of loans of Sky Radio Group)
- Acquisition of Sanoma puzzle magazines
- Continued effects of cost reductions

TMG Outlook 2nd half of 2007



Negative influence:

- Increases in wages (2.75%)
- Employee profit-sharing on realised gains (approx. €2.5 million gross)
- Possible additional costs in connection with restructuring
- Additional expenses, (estim. €2.0 million), re. start-up problems in
Customer Relation Management software
- Share in Media Librium's start-up losses (increased stake to 84%)



In conclusion,

No forward looking statement on net result

TMG does expect a better EBITA result for 2007



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Fred Th. J. Arp - CFO

Headlines

Headlines - Reporting changes compared to last year



- Change in portfolio
- Change in reporting period
- Change in presentation/definition
 - Mobillion sales SMS/0900-services recorded as net sales (2006: gross sales)
 - Definition similar barter transactions extended to advertisements in general (2006: advertisements in same media type)
- Reclassification
 - Contracted work Sky Radio Group classified as other operating expenses (2006: raw materials)

Headlines - Profit & Loss Continued operations



including Sky Radio Group and Keesing Media Group, excluding Limburg activities

* € 1.000

	H1 2007 Reported	H1 2007 Recurring	Pro forma H1 2006 Recurring	Pro forma H1 2006 Reported	16-7-2006 H1 2006 Reported 2007	16-7-2006 H1 2006 Reported 2006
Total revenues	366.230	365.119	316.697	318.103	344.592	365.018
Total operating expenses excl. amortisation	355.377	333.330	298.657	340.148	366.543	386.969
EBITA	10.853	31.789	18.040	-22.045	-21.951	-21.951
Amortisation	17.845	17.845	7.782	7.782	7.969	7.969
EBIT	-6.992	13.944	10.258	-29.827	-29.920	-29.920
Financial income and expenses	45.107	144	5.946	20.673	20.667	20.667
Results before taxes	38.115	14.088	16.204	-9.154	-9.253	-9.253
Tax on result	-986	4.353	5.336	-6.529	-6.559	-6.559
Result for the year	39.101	9.735	10.868	-2.625	-2.694	-2.694

Key figures Continued operations



incl. SRG and KMG, excl. Limburg activities

* € 1.000

	H1 2007		Pro forma H1 2006	
	<u>Reported</u>	<u>Recurring</u>	<u>Recurring</u>	<u>Reported</u>
Revenues*	365.119	365.119	316.697	316.697
Other operating income	1.111			1.406
Operating result (EBIT)	-6.992	13.944	10.258	-29.827
Amortisation	17.845	17.845	7.782	7.782
EBITA	10.853	31.789	18.040	-22.045
Overall EBITA margin**		8,7%	5,7%	
Adjustment amortisation license costs SRG (cash out)		4.929	2.354	
EBITA after adjustment paid license costs SRG		26.860	15.686	
Overall EBITA margin**		7,4%	5,0%	

*Including digital sales H1 2007 17,3M

**Including product introductions H1 2007 8,9M, H1 2006 9,5M

Analysis of EBIT improvement - Continued operations



incl. SRG and KMG, excl. Limburg activities

* € 1.000

	H1 2007		pro forma H1 2006	
	Reported	Recurring	Recurring	Reported
Revenues	365.119	365.119	316.697	316.697
Other operating income	1.111	0	0	1.406
	366.230	365.119	316.697	318.103
			Δ 48.422	
Raw materials	30.260	30.260	30.780	30.780 *
Personnel costs	151.991	135.714	128.253	165.148
Depreciation	11.794	11.794	14.564	14.564
Amortisation	17.845	17.845	7.782	7.782
Other operating expenses	161.332	155.562	125.060	129.656 *
	373.222	351.175	306.439	347.930
			Δ 44.736	
EBIT	-6.992	13.944	10.258	-29.827
			Δ 3.686	

* after reclassification of 4,138 raw materials into general costs

** Δ + 44,736 of which + 8,016 autonomous and + 36,720 increase costs SRG and KMG (6 months H1 2007 SRG and KMG compared to H1 2006 2,5 months SRG)

Key figures Autonomous



	<u>excl. SRG/KMG/Limburg activities</u>		Δ
	<u>H1 2007</u>	<u>pro forma H1 2006</u>	
* € 1.000	<u>Recurring</u>	<u>Recurring</u>	
Revenues	318.304	304.391	13.913
Operating result (EBIT)	15.107	9.210	5.897
Amortisation	4.543	4.870	-327
EBITA	19.650	14.080	5.570
Overall EBITA margin	6,2%	4,6%	

Analysis of EBIT improvement - Autonomous



excl. SRG/KMG/Limburg activities

* € 1.000

	H1 2007		pro forma H1 2006	
	<u>Total</u>	<u>Recurring</u>	<u>Recurring</u>	<u>Total</u>
Revenues	318.304	318.304	304.391	304.391
Other operating income	1.111	0	0	1.406
	319.415	318.304	304.391	305.797
			Δ 13.913	
Raw materials	30.031	30.031	30.780	30.780
Personnel costs	139.767	123.490	126.090	162.986
Depreciation	11.237	11.237	14.366	14.366
Amortisation	4.543	4.543	4.870	4.870
Other operating expenses	139.372	133.896	119.075	121.666
	324.950	303.197	295.181	334.668
			Δ 8.016	
EBIT	-5.535	15.107	9.210	-28.871
			Δ 5.897	

* Δ - 2,6M, reduction of staff, mainly printing and distribution division

** Δ - 3,1M, mainly related to outsourcing ICT

*** Δ + 14,8M, mainly due to transport & delivery 3rd parties, automation costs Atos and Contact, contracted work specials, marketing costs BtC TTG NL and Sweden

Effect portfolio changes on EBITA



* € 1.000

	<u>H1 2007</u> <u>Recurring</u>	<u>pro forma</u> <u>H1 2006</u> <u>Recurring</u>
Ebita Keesing Media Group	2.081	0
Ebita Sky Radio Group	10.056	3.961
Ebita SRG and KMG	12.137	3.961
Amortisation	13.301	2.911
EBIT SRG and KMG	<u>-1.164</u>	<u>1.050</u>
EBITA SRG/KMG vs. Limburg	12.137	9.614

Difference reported resp. recurring cost



* € 1.000

	<u>incl. SRG and KMG, excl. Limburg activities</u>	
	<u>H1 2007</u>	<u>pro forma H1 2006</u>
Personnel costs reported	151.991	165.148
Profit sharing: book profit Wegener / Limburg	-11.905	-3.855
Reorganisation costs	-2.272	-33.552
Pension adjustment (2006: IFRS)	-2.100	512
Personnel costs recurring	135.714	128.253
Other operating expenses reported	161.332	129.656
Reservation settlement participations a.o. Datawire, Twickel	-5.770	-4.596
Other operating expenses recurring	155.562	125.060

Financial income and expenses



* € 1.000

	<u>incl. SRG and KMG, excl. Limburg</u>	
	H1 2007	pro forma
	<u>Reported</u>	<u>Reported</u>
SBS Broadcasting SA	-2.040	-3.300
Media Librium	-571	-639
Other participations	56	117
Total result participations	<u>-2.555</u>	<u>-3.822</u>
Book profit vs. revaluation Wegener	44.498	14.727
Interest income PEC's SBS SA	6.764	6.288
Interest income other	2.472	2.602
Dividend	526	2.004
Other financial income	6	42
Total financial income	<u>54.266</u>	<u>25.663</u>
Total financial expenses	-6.604	-1.168
Financial income and expenses	<u>45.107</u>	<u>20.673</u>

Revenue development



incl. SRG and KMG, excl. Limburg activities

<i>x € M</i>	pro forma		Δ
	<u>H1 2007</u>	<u>H1 2006</u>	
Advertisements	182,2	166,3	9,6%
Circulation	139,0	118,6	17,2%
Production	5,0	3,4	46,8%
Distribution	23,6	18,2	29,5%
Other income	15,3	10,2	50,1%
Net sales	365,1	316,7	15,3%
Newspapers (national/regional)	121,0	118,9	1,8%
Door-to-door	27,8	27,9	-0,4%
Magazines (incl. international)	10,6	8,0	32,5%
Radio	22,5	11,5	95,7%
Other	0,3		
Advertisements	182,2	166,3	9,6%

Revenue development



incl. SRG and KMG, excl. Limburg activities

x € M

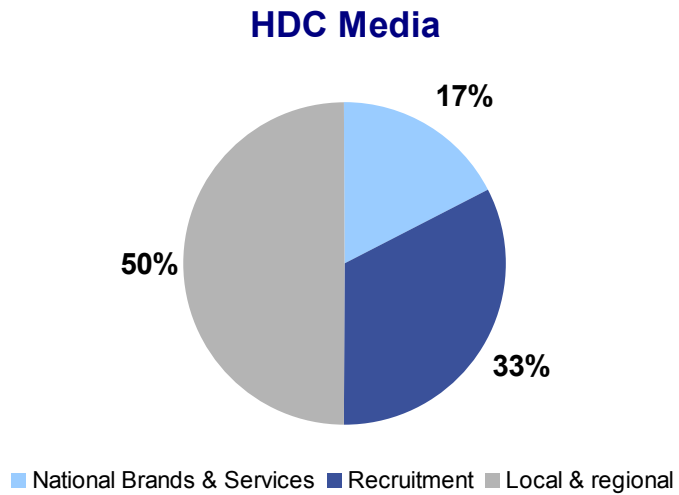
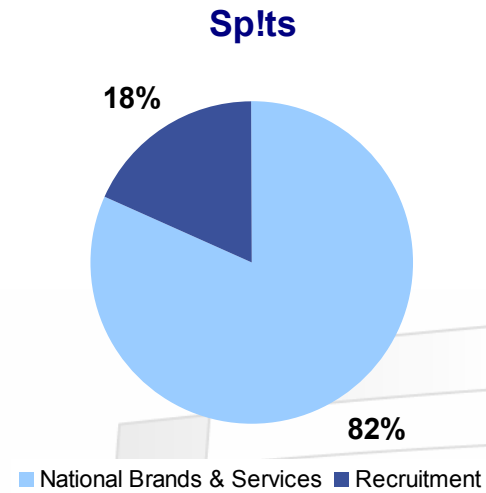
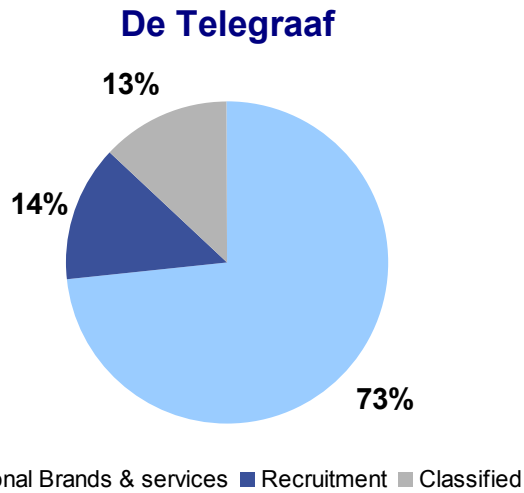
	<u>H1 2007</u>	pro forma <u>H1 2006</u>	<u>Δ</u>
National Brands and Services	65,6	67,6	-3,0%
Recruitment	20,1	17,0	18,2%
Classified	8,9	9,4	-5,3%
Local/regional	12,6	13,0	-3,2%
Print advertisements newspapers	107,2	107,1	0,2%
Other	13,8	11,8	16,9%
Total advertisements newspapers	121,0	118,9	1,8%



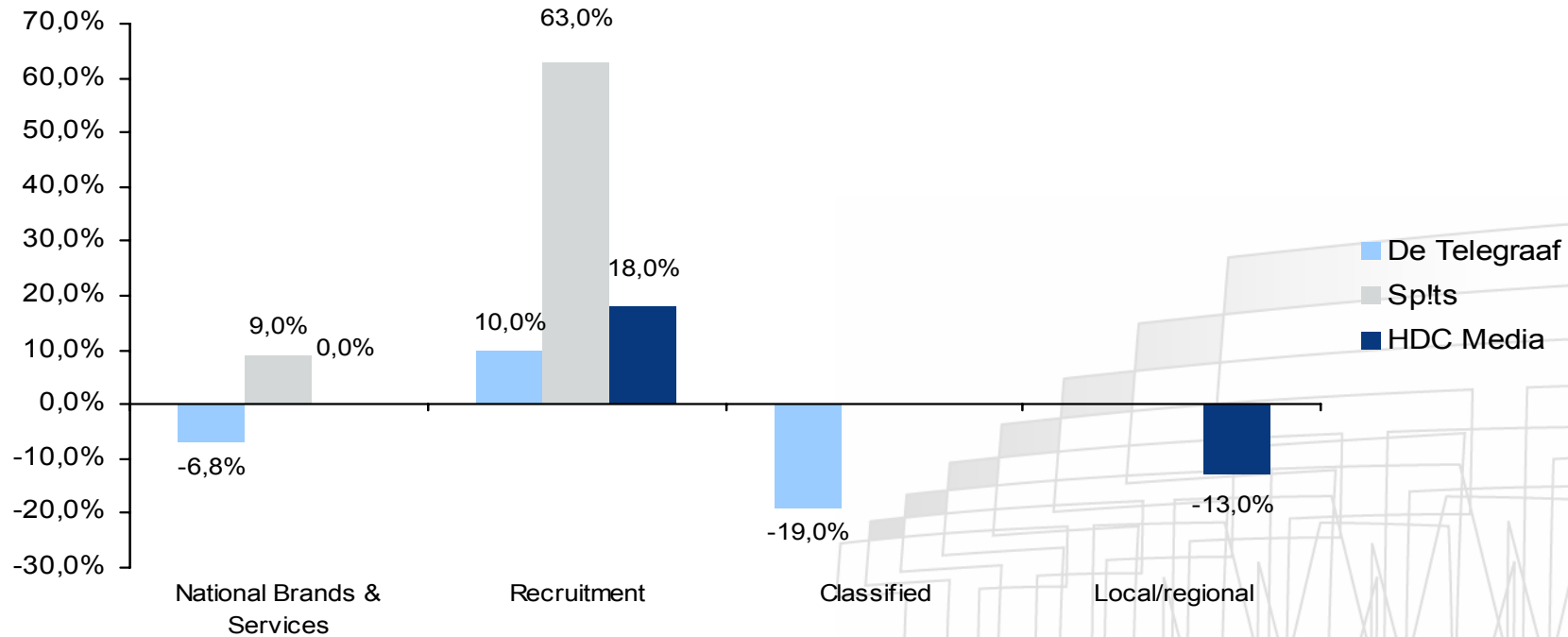
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Financial Results H1 2007

Advertisement sales daily newspapers



H1 2007- H1 2006 change in advertising volume daily newspapers



Digital sales

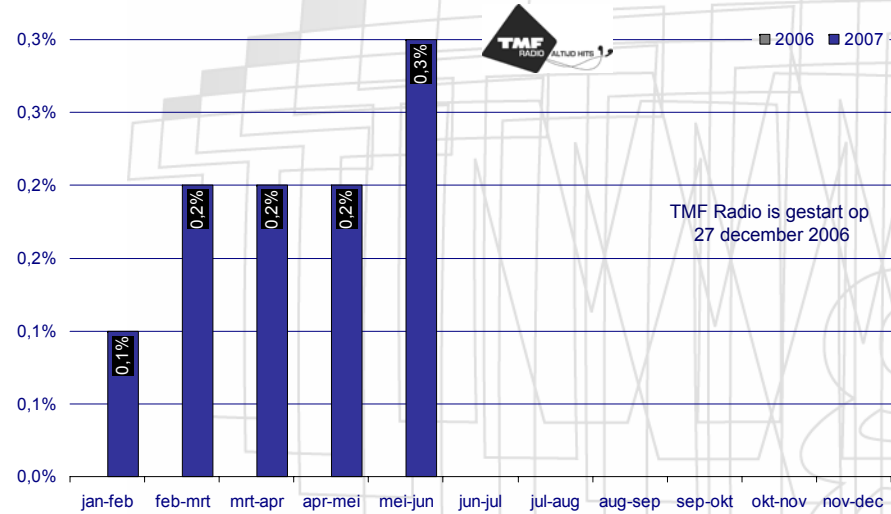
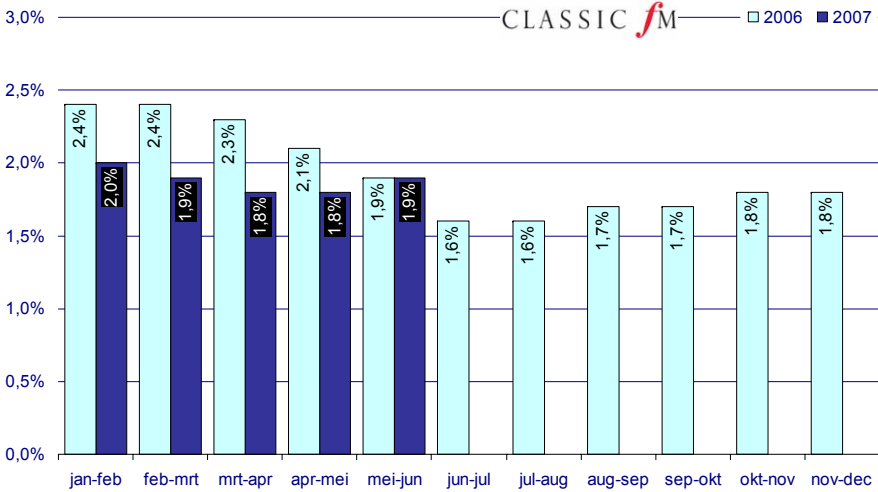
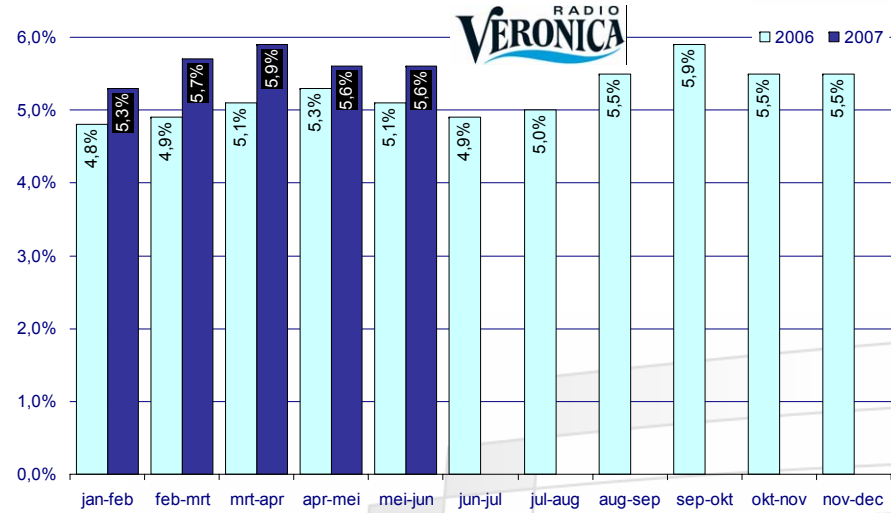
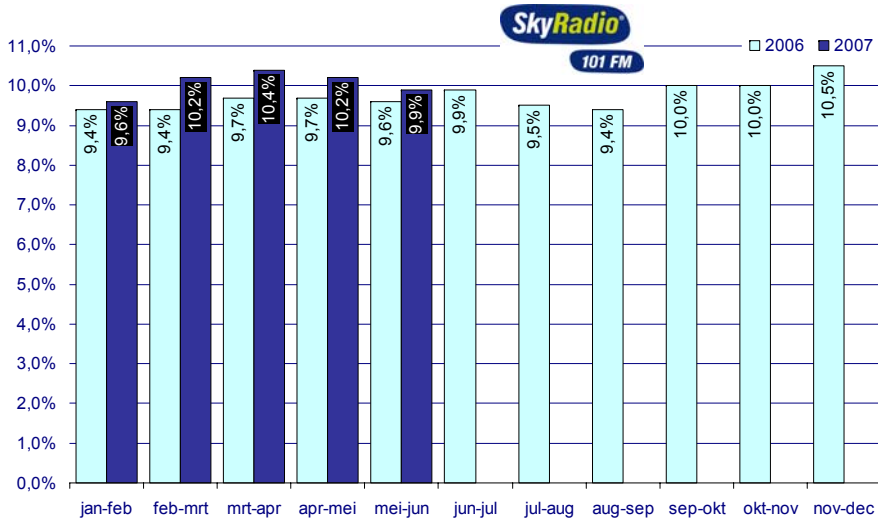


* € 1.000

	<u>2007 H1</u>	<u>2006 H1</u>
Total BtoB	8.883	8.313
Total BtoC	5.445	4.764
Total internet sales	14.328	13.078
Other	2.939	3.050
Total digital sales	17.267	16.128

Sky Radio Group - market share listeners

Bron: Intomart GfK CLO, ma-zo, 07.00-24.00 uur

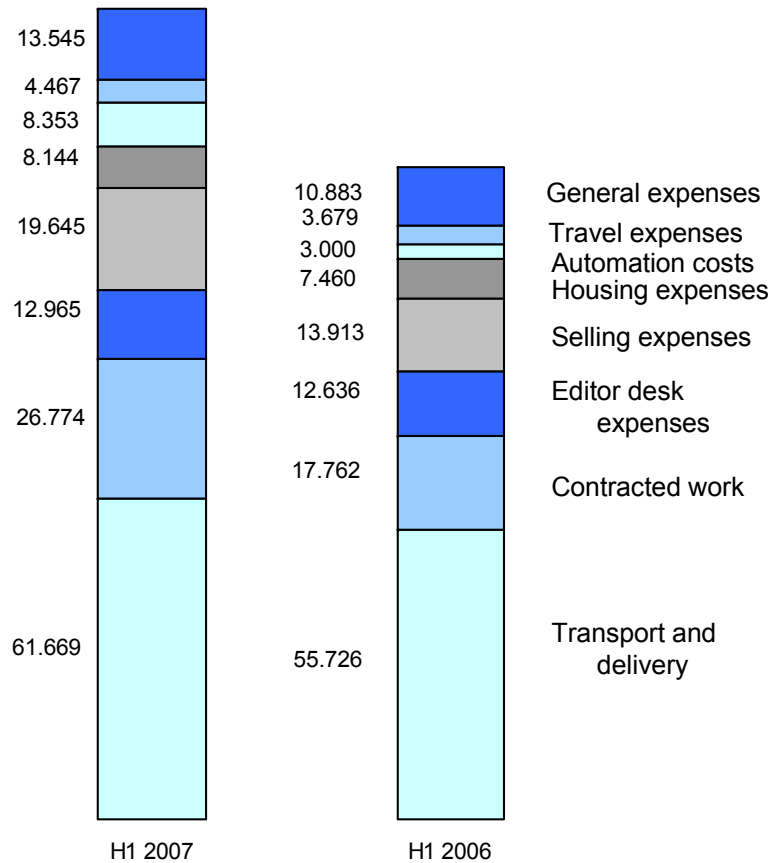


Recurring costs: H1 2007 vs pro forma H1 2006



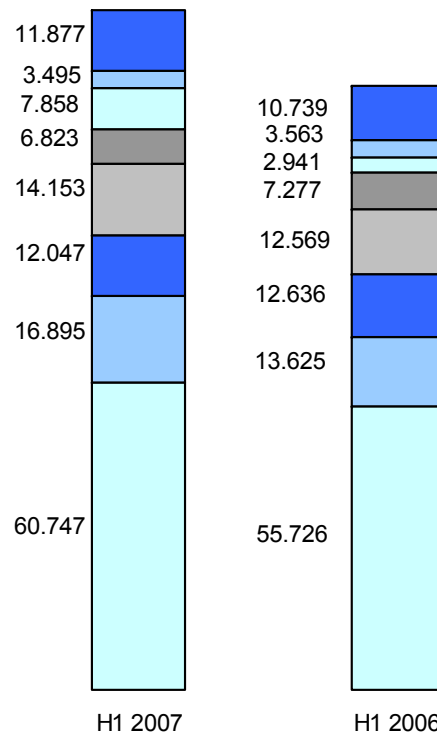
Continued operations incl. SRG and KMG, excl. Limburg

H1 2007 H1 2006
€ 155,6 M € 125,1 M



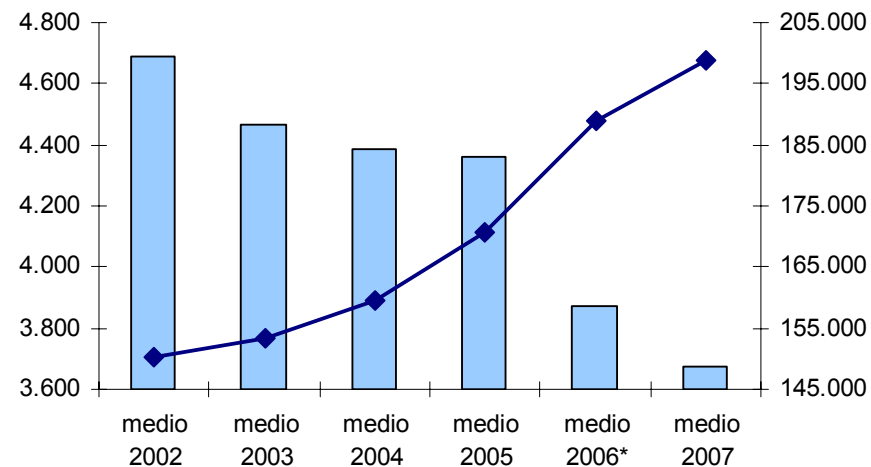
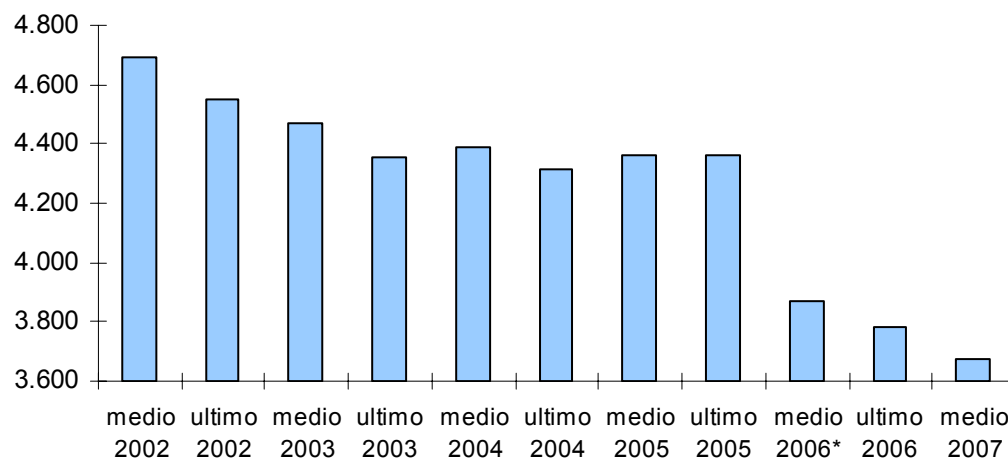
Autonomous excl. SRG, KMG, Limburg

H1 2007 H1 2006
€ 133,9 M € 119,1 M



	<u>continued</u>	<u>autonomous</u>
Transport and delivery	5.943	5.021
Contracted work	9.012	3.270
Editor desk expenses	329	-589
Selling expenses	5.732	1.584
Housing expenses	684	-454
Automation costs	5.353	4.917
Travel expenses	788	-68
General expenses	2.662	1.138
Other operating expenses	30.503	14.819

Headcount (FTE) and sales per FTE



* 2006: excluding Limburg activities (682 FTE)

FTE — Average sales per FTE

FTE's	<u>30-6-2007</u>	<u>30-6-2006</u>	<u>Δ 30/6 vs. 30/6</u>	<u>31-12-2006</u>	<u>Δ 30/6 vs. 31/12</u>
Print NL	2.081,5	2.175,5	-94,0	2.098,5	-17,0
Sky Radio Group	131,7	143,2	-11,5	138,5	-6,8
Keesing Media Group	221,2	0,0	221,2	236,8	-15,6
TTG Sweden	55,8	47,5	8,3	48,5	7,3
TMG Ukraine	136,0	119,0	17,0	113,0	23,0
Facility services (excl. TMI)	792,9	1.028,9	-236,0	805,4	-12,5
TMI	101,8	174,7	-72,9	161,8	-60,0
Other	150,8	181,3	-30,5	180,0	-29,2
Total	3.671,7	3.870,1	-198,4	3.782,5	-110,8

Cashflow statement



x € 1.000	<u>1-1/30-6</u> <u>H1 2007</u>	<u>1-1/16-7</u> <u>H1 2006</u>
Cash flow from operating activities	14.418	37.684
Acquisitions/Divestures	-22.481	-116.312
Net disinvestments/investments	166.193	-6.156
Cash flow from investing activities	143.712	-122.468
Change in long-term debt	-108.222	179.846
Dividends paid	-25.000	-23.098
Repurchase of own shares	0	-54.415
Adjustments 3rd party interest	-779	6.144
Cash flow from financing activities	-134.001	108.478
Changes in liquid assets	24.129	23.694

Consolidated balance sheet, June 30



	30-6-2007	31-12-2006
	<u>H1 2007</u>	<u>2006</u>
x € 1.000		
Current assets	317.658	248.772
Short-term debt	-295.365	-240.155
Fixed assets	607.054	793.801
Total	<u>629.347</u>	<u>802.418</u>
Long-term debt	34.874	208.484
Provisions	76.624	89.406
of which:		
Post-employment liabilities	28.715	24.980
Restructuring provision	10.206	21.595
Deferred tax liability	37.703	42.831
Shareholders equity	517.849	504.528
Total	<u>629.347</u>	<u>802.418</u>

Change in restructuring provision



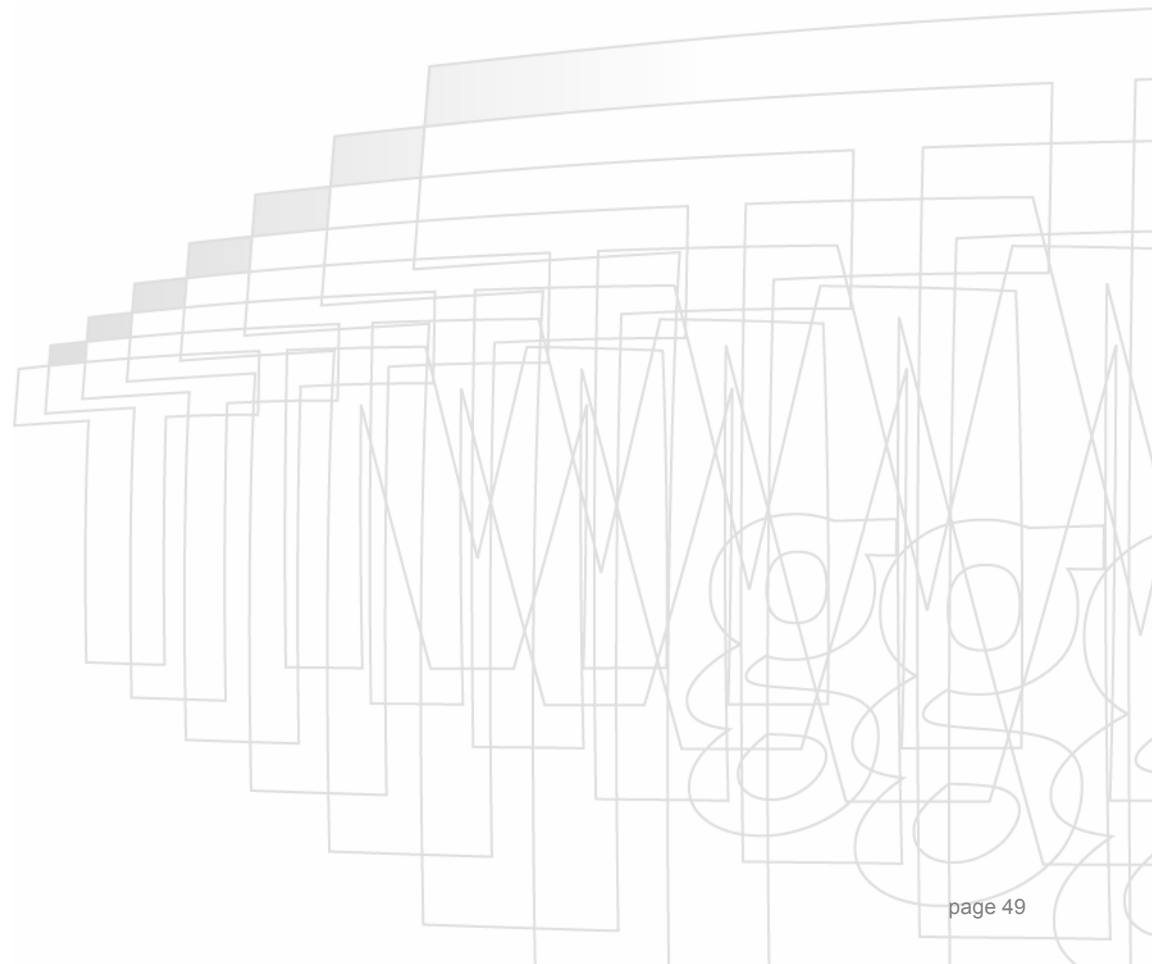
(x € 1.000)

	Balance 1-1-2007	Additions 2007	Releases 2007	Classified as liabilities held for sale 2007	Balance 30-6-2007
Long term	21.595	2.272	13.626	35	10.206
Short term	17.623	0	5.071		12.552
Total*	39.218	2.272	18.697	35	22.758

*Balance supernumary FTE's 30-6-2007: 111



Q & A





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