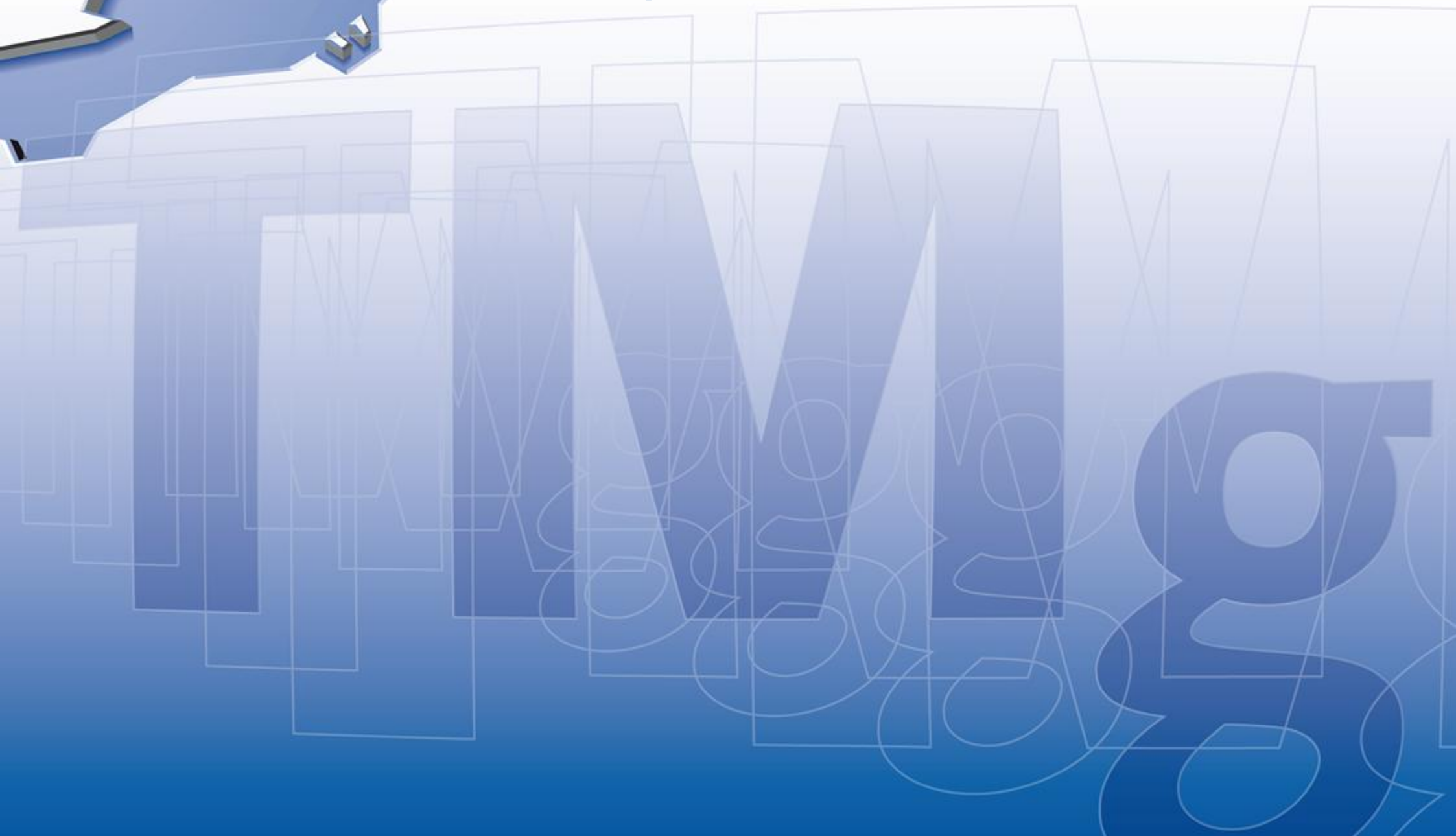




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## **Semi-Annual results 2011 TMG**

### **Analyst Meeting**

12 August 2011



**telegraaf media groep**

**H.M.P. van Campenhout - CEO**

# Contents



## Part I:

- Headlines first half of 2011
- Business Units
- Strategy
- Outlook

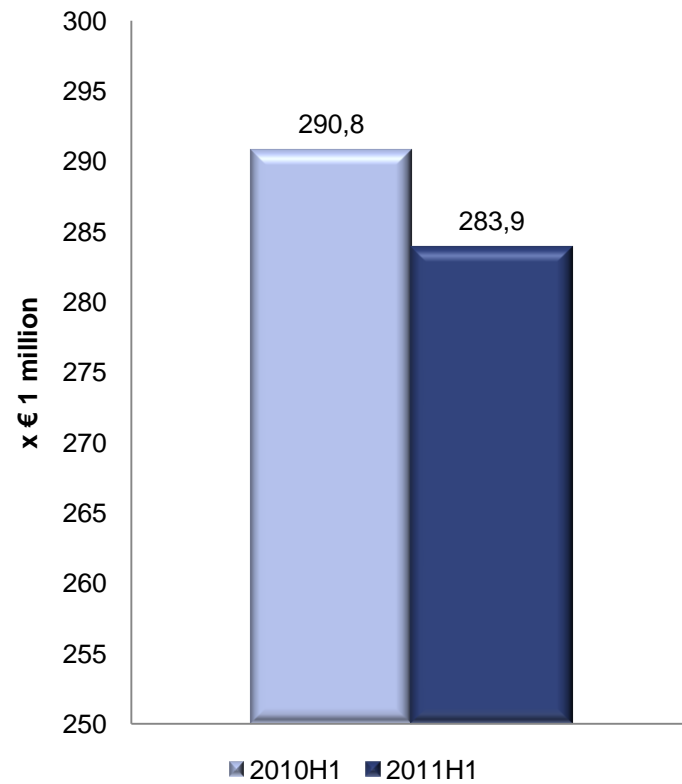
## Part II:

- General Financial Information
- Analysis result 11H1
- ProSiebenSat.1 Media AG
- Subsequent events

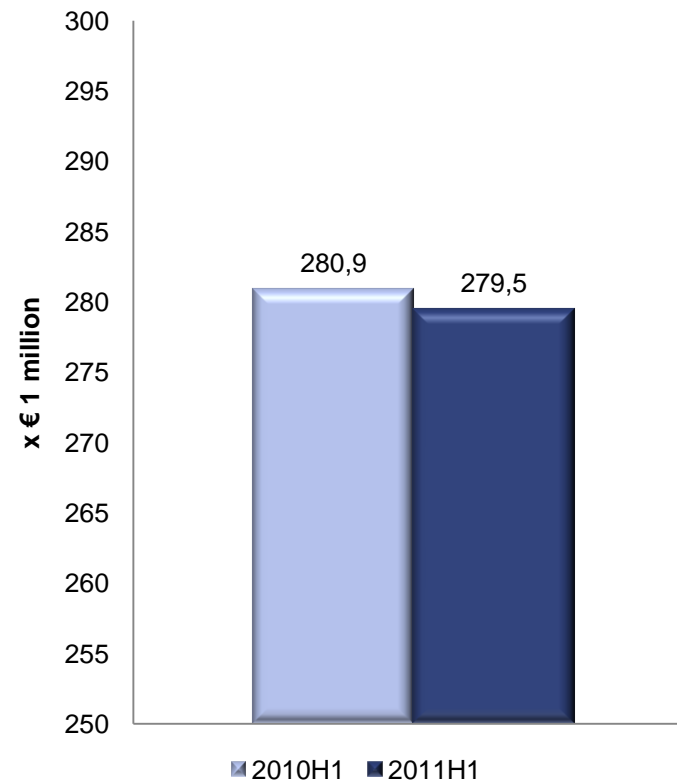
# Headlines first half of 2011



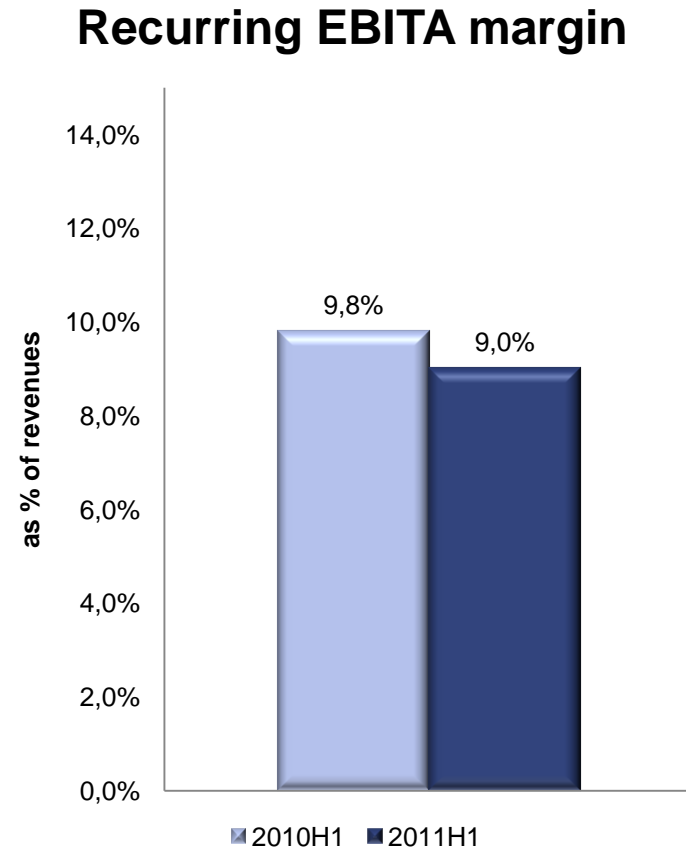
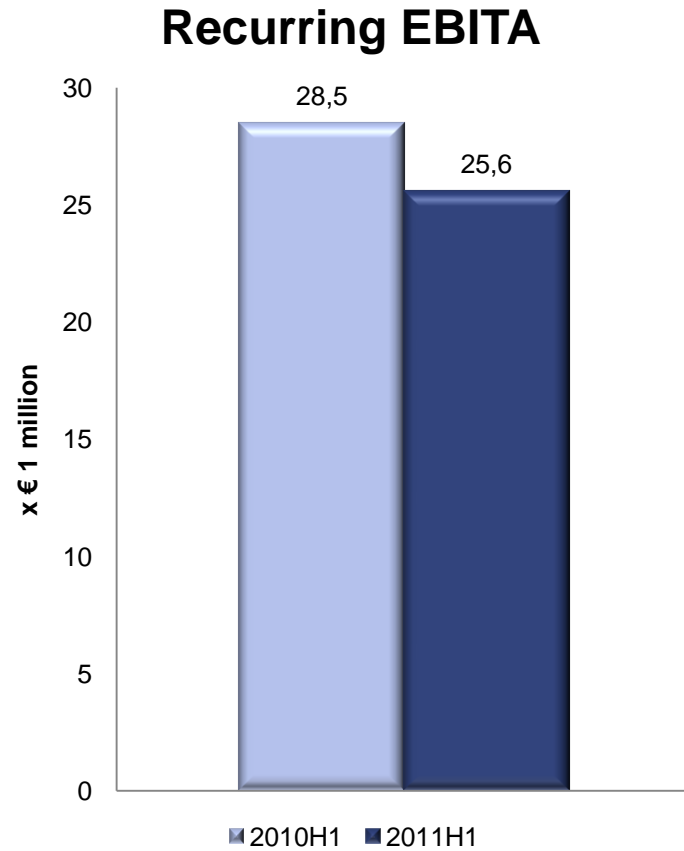
## Revenues



## Operating Expenses



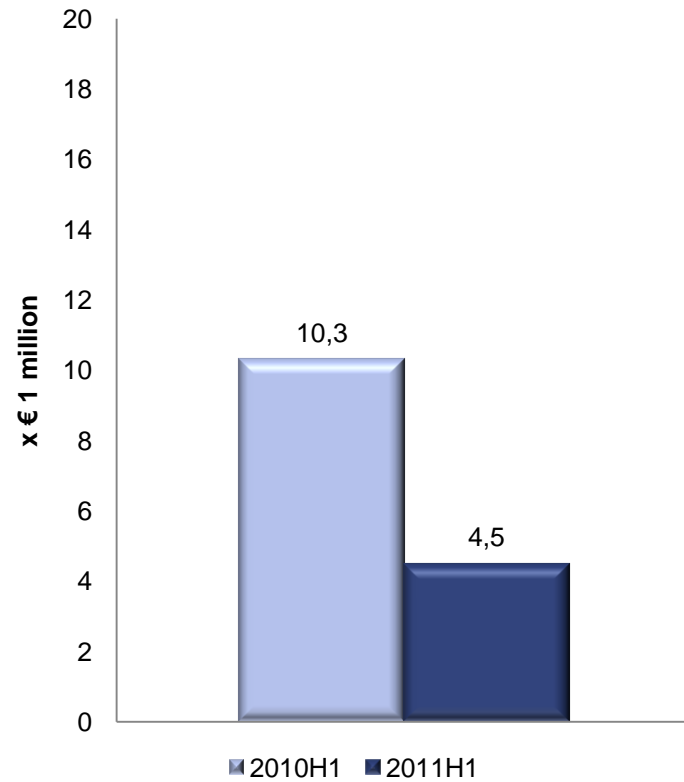
# Headlines first half of 2011



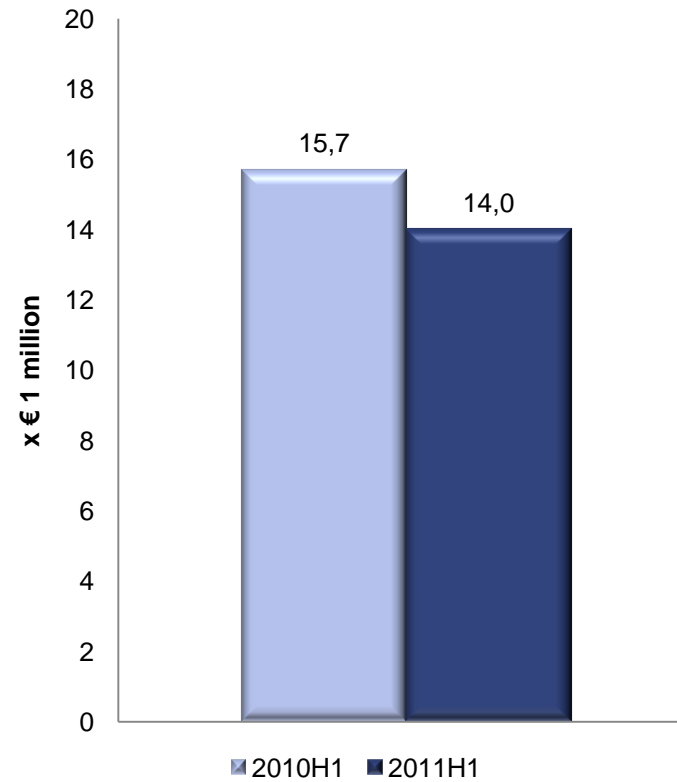
# Headlines first half of 2011



## EBIT



## Net result





## Internet:

- Growth in unique visitors and advertising revenues
- Growth in revenues from E-commerce
- Paid apps for tablets and smartphones:  
De Telegraaf, DFT, HDC Media, Autovisie
- Expansion of hyper local platform : dichtbij.nl  
(ultimately national coverage)

## Video media:

- Video views growing fast
  - Telegraaf network: from 1.9m views in July 2010 to 8.4m in July 2011
- Growth in production for television
- Growth in branded content



# Telegraaf Media Nederland



## Print:

- Advertising revenues declined markedly
- Circulation revenues declined somewhat
- Exceptions: magazines and internet

## Sky Radio Group / Keesing Media Group



### Sky Radio Group:

- FM licenses Sky Radio 101 FM and Radio Veronica renewed for another 6 years:
  - Lower license fees (objection fee Radio Veronica)
  - Mandatory development of digital radio
- Decrease in advertising revenues

### Keesing Media Group:

- Revenues almost stable

## Other activities – Hyves / Distribution / Printing Facilities



### Hyves:

- Growth (modest) in revenues and results
- Stable number of active users
- Change in focus from number of active user to time spend
- Synergy projects (a.o. Telesport /Hyves Tour de France Game)

### Distribution:

- Roll out combined home delivery of newspapers  
TMG/NDC/Wegener completed

### Newspaper printing facilities:

- Expansion full colour capacity printing presses  
in Amsterdam and Alkmaar

## Strategy (1)



*Ongoing pressure on advertising and circulation revenues of print products gives pressure on TMG-results.*

### Current strategy:

- Realising synergies
- Content exploitation via new distribution channels
- Segment approach
- Digitisation
- Further development video (creation and exploitation)
- Use of relations with customers and reach for new business models:
  - E commerce
  - Sales funnel

## Strategy (2)



- Process of sharpening TMG strategy started
- Strategy update: latest at beginning of next year

## Outlook (1)



**Operating result** full year 2011 will be positively affected by:

- Expected autonomous growth of revenues from digital activities
- Full-year effect of Hyves
- Lower costs of distribution
- Cost measures taken earlier

## Outlook (2)



**Operating result** full year 2011 will be negatively affected by:

- Lower advertising revenues from print products
- Higher price of newsprint (paper)
- Inflation, increases in collective labour agreements
- Investments roll out of dichtbij.nl

**Key question:**

*will the recently lowered consumer and producers trust in the economic developments affect advertising revenues even further?*

## Outlook (3)



### Full year recurring EBITA margin:

- Given the economic circumstances TMG expects it's recurring EBITA margin to decline more than the limited decline that was indicated after the first quarter of 2011.

### Other factors affecting the full year **net result**:

- The share in the higher result of ProSiebenSat.1 Media AG
- Decrease in amortisation of Sky Radio Group's FM license rights and annual FM license payments





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**F.Th.J. Arp - CFO**



- I. General information
- II. Analysis result H1 2011
- III. ProSiebenSat.1 Media AG
- IV. Subsequent events

## I General information



- Headlines
- Statement of comprehensive income
- Statement of cash flows
- Statement of financial position

## TMG semi-annual report 2011



- The consolidated semi-annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS) IAS 34 Interim Financial reporting, as adopted and authorized by the European Commission.
- The consolidated semi-annual report has not been audited.
- The following portfolio changes took place:
  - *During H1 2010:*
    - Sale Keesing Reference Systems – February 2010
  - *After H1 2010:*
    - Disposal of SMS activities of Mobillion – July 2010
    - Disposal of expedition of 402 Events – September 2010
    - Acquisition Hyves – 1 November 2010
    - Acquisition Gaspedaal.nl/Huizenzoeker.nl – 1 April 2011

## Headlines

*(amounts in millions of euros)*



	<u>H1 2011</u>	<u>H1 2010</u>	<u>Change</u>
Revenues (recurring)	283.9	290.8	-2%
of which: Internet revenue	34.0	22.2	53%
Ebita (recurring)	25.6	28.5	-10%
Ebita margin (recurring)	9.0 %	9.8 %	-8%
Ebitda margin (recurring)	10.8 %	12.3 %	-12%
Financial incomes and expenses	9.8	7.5	30%
Net result (realized) attributable to Shareholders of TMG	14.0	15.7	-11%

## Statement of comprehensive income (amounts in thousands of euros)



	<u>H1 2011</u>	<u>H1 2010</u>
Total income	284,043	291,244
Total operating expenses excl. amortisation	259,421	262,298
<b>EBITA</b>	<b>24,622</b>	<b>28,946</b>
Total normalisations	1,004	-410
<b>Recurring EBITA</b>	<b>25,626</b>	<b>28,536</b>
As % of sales	9.0%	9.8%
Amortisation	20,108	18,630
<b>EBIT</b>	<b>4,514</b>	<b>10,316</b>
Financial income and expenses	9,779	7,535
<b>Result before tax</b>	<b>14,293</b>	<b>17,851</b>
Tax on result	1,061	2,812
<b>Result for the year</b>	<b>13,232</b>	<b>15,039</b>
Minority interest	755	623
<b>Result attributable to Shareholders of TMG</b>	<b>13,987</b>	<b>15,662</b>

## Statement of cash flows

(amounts in thousands of euros)



	<u>H1 2011</u>	<u>H1 2010</u>
<b>Net cash (used in)/ from operating activities</b>	- 4,891	+ 15,355
Acquisitions/disposals	-2,410	1,765
Net investments/divestments	<u>-9,444</u>	<u>-3,472</u>
<b>Net cash used in investing activities</b>	- 11,854	- 1,707
Redemption of borrowings	-	-2,495
Dividends paid	-21,488	-16,713
Change in minority interest	<u>-36</u>	<u>45</u>
<b>Net cash used in financing activities</b>	- <u>21,524</u>	- <u>19,163</u>
<b>Net decrease in cash</b>	- <u><u>38,269</u></u>	- <u><u>5,515</u></u>

**Statement of financial position – assets**  
*(amounts in thousands of euros)*



	<u>30/06/2011</u>	<u>31/12/2010</u>
<b>Non-current assets</b>	<b>654,945</b>	<b>656,985</b>
of which:		
Intangible assets	382,206	396,898
Property, plant and equipment	52,935	52,056
Other non-current assets	219,804	208,031
<b>Current assets</b>	<b>103,379</b>	<b>139,696</b>
of which:		
Cash and cash equivalents	1,315	39,584
Other current assets	102,064	100,112
<b>Total assets</b>	<b><u><u>758,324</u></u></b>	<b><u><u>796,681</u></u></b>



## Statement of financial position – equity and liabilities (amounts in thousands of euros)



	<u>30/06/2011</u>	<u>31/12/2010</u>
<b>Shareholders' equity</b>	<b>525,261</b>	<b>533,552</b>
Interest-bearing loans and borrowings of which:	17,645	16,654
Interest-bearing loans	10,796	10,638
Acquisition payables	6,804	5,972
Other financing	45	44
Provisions of which:	48,673	53,000
Post-employment benefit liabilities	20,968	23,336
Restructuring provision	765	1,973
Deferred tax liabilities	26,940	27,691
Current liabilities	<u>166,745</u>	<u>193,475</u>
<b>Total liabilities</b>	<b>233,063</b>	<b>263,129</b>
<b>Total equity and liabilities</b>	<b><u>758,324</u></b>	<b><u>796,681</u></b>

## II Analysis result H1 2011



## Ebita: reported and recurring (amounts in thousands of euros)



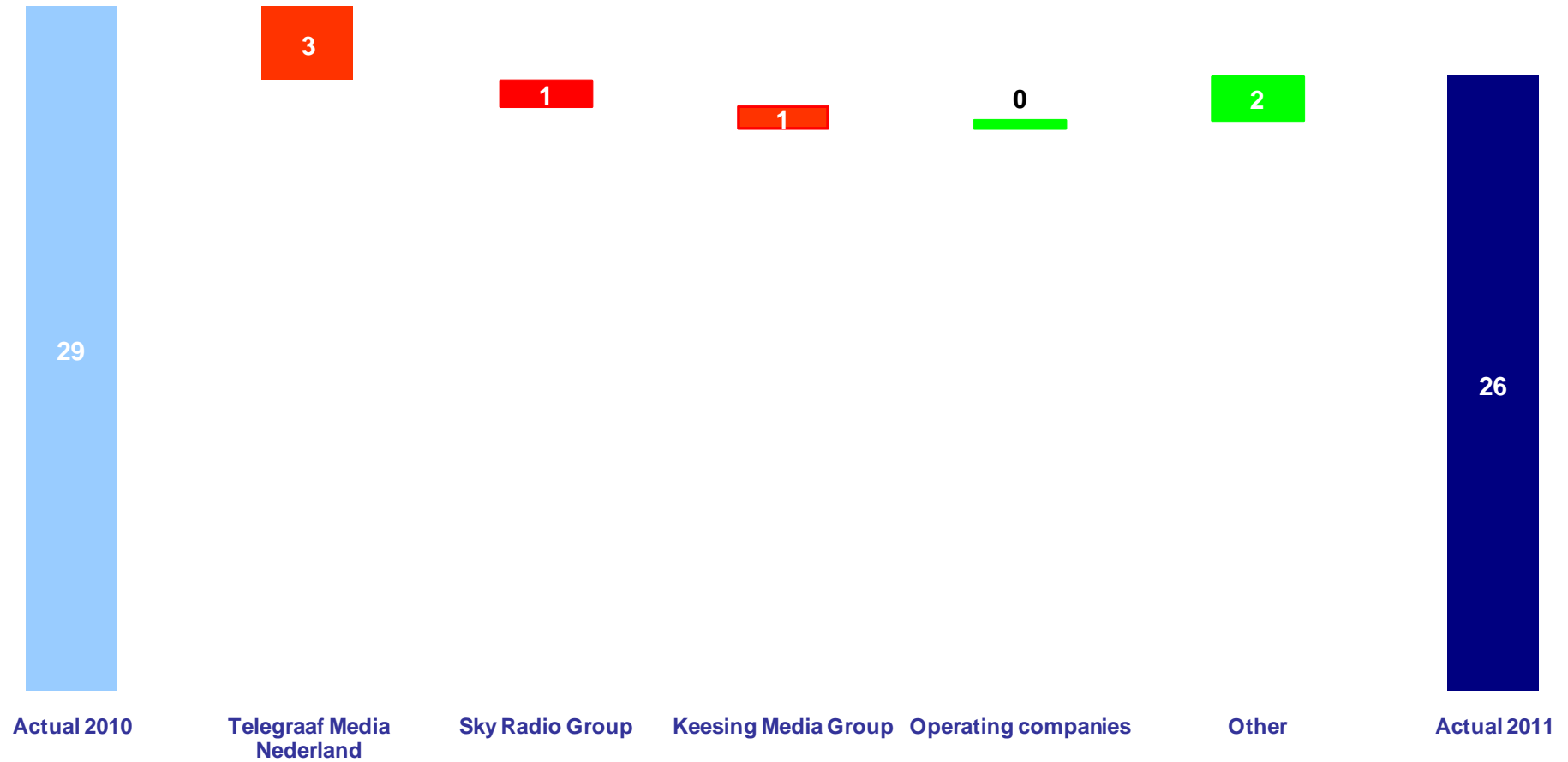
	H1 2011		H1 2010	
	Reported	Recurring	Recurring	Reported
Revenues	283,886	283,886	290,792	290,792
Other operating income	157			452
Total income	284,043	283,886	290,792	291,244
Total operating expenses excl. amortisation and impairment loss	259,421	258,260	262,256	262,298
<b>EBITA</b>	24,622	<b>25,626</b>	<b>28,536</b>	28,946
<b>EBITA margin</b>		<b>9.0%</b>	<b>9.8%</b>	
Amortisation intangible assets*)	20,108	20,108	18,630	18,630
Impairment loss of intangible assets	-			-
Amortisation and impairment loss	20,108	20,108	18,630	18,630
EBIT	4,514	5,518	9,906	10,316
*) Including amortisation license costs SRG (cash out)		9,857	9,857	

## Reported Ebita versus recurring Ebita (amounts in thousands of euros)

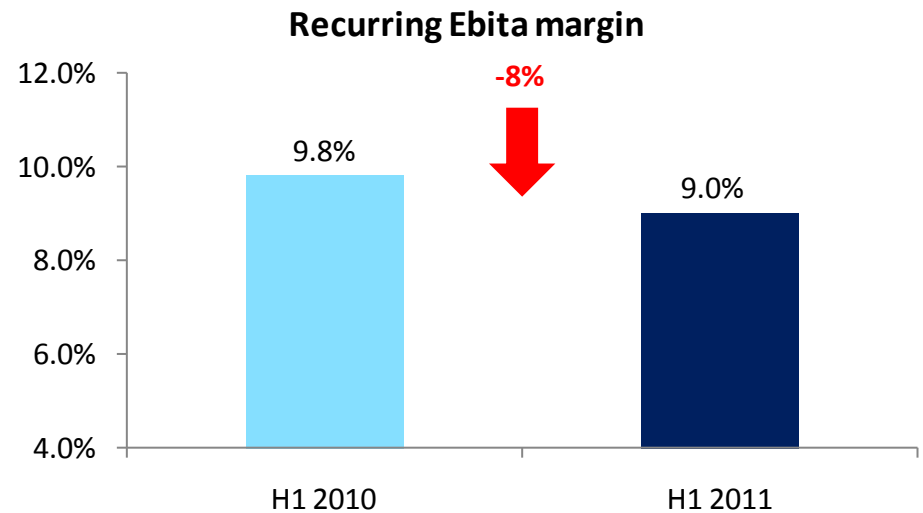
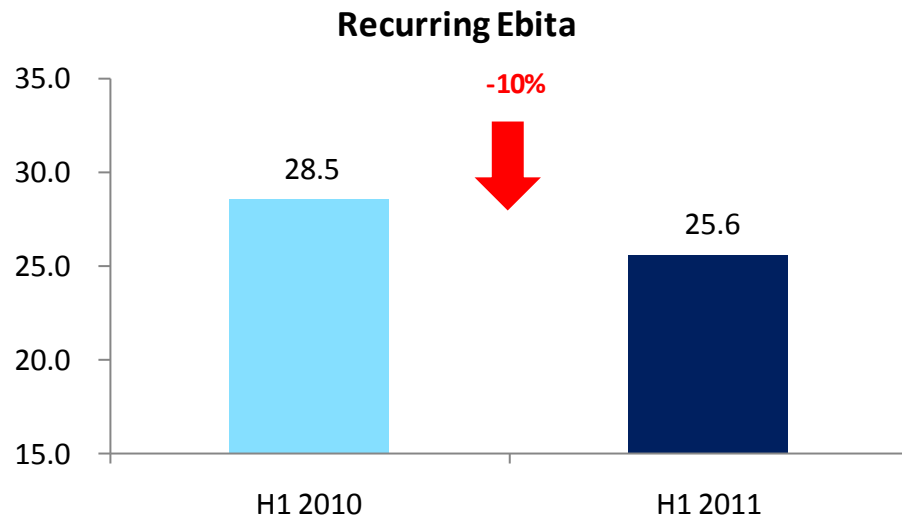
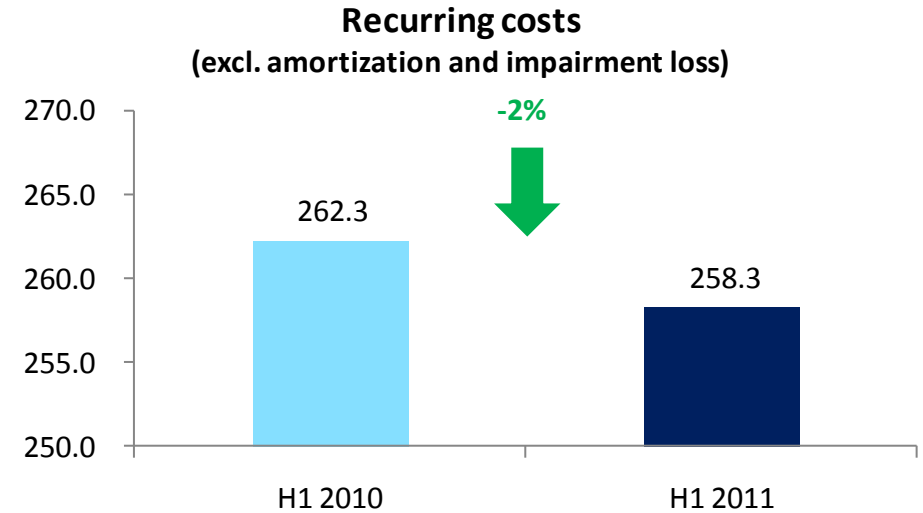
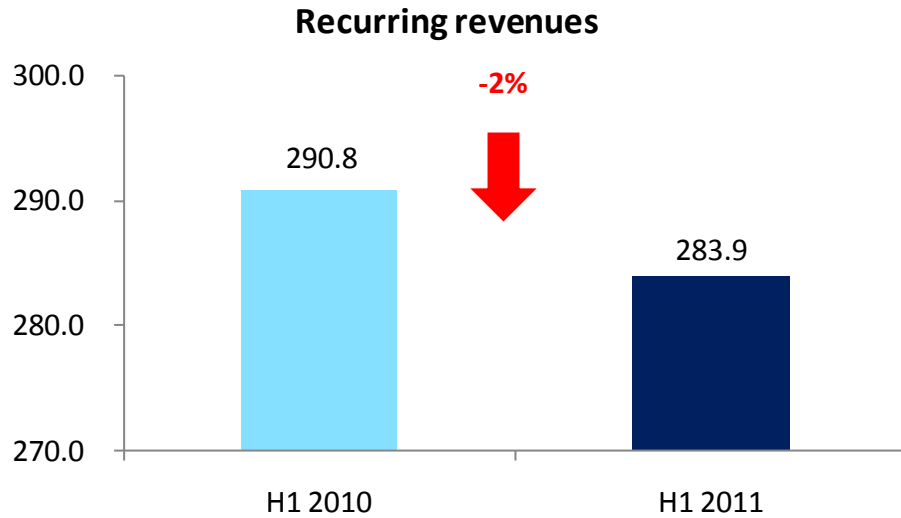


	H1 2011	H1 2010	Change
<b>Reported EBITA</b>	<b>24,622</b>	<b>28,946</b>	<b>4,324-</b>
Other operating income (book profits)	157-	452-	295
Other operating expenses	1,161	42	1,119
<b>Total normalisations</b>	<b>1,004</b>	<b>410-</b>	<b>1,414</b>
<b>Recurring EBITA</b>	<b>25,626</b>	<b>28,536</b>	<b>2,910-</b>

# Recurring Ebita H1 2011 versus H1 2010 (amounts in millions of euros)



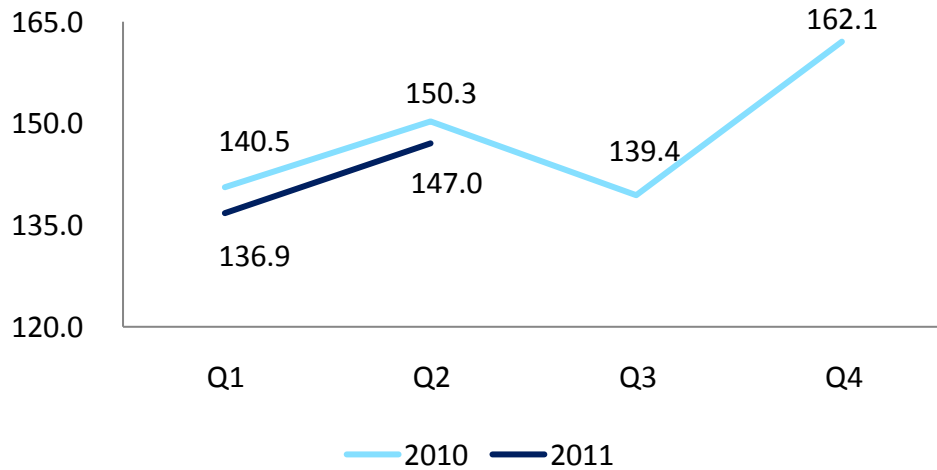
# Cost saving measures take effect (amounts in millions of euros)



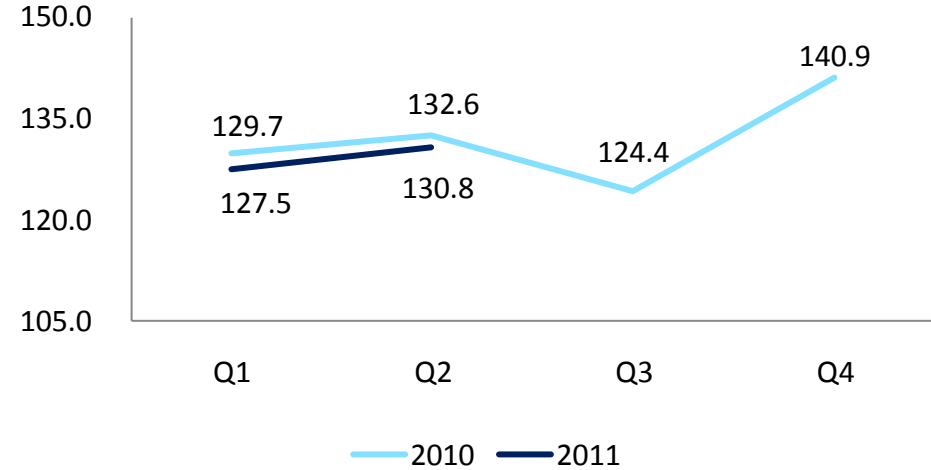
# Cost saving measures take effect (by quarter continued) (amounts in millions of euros)



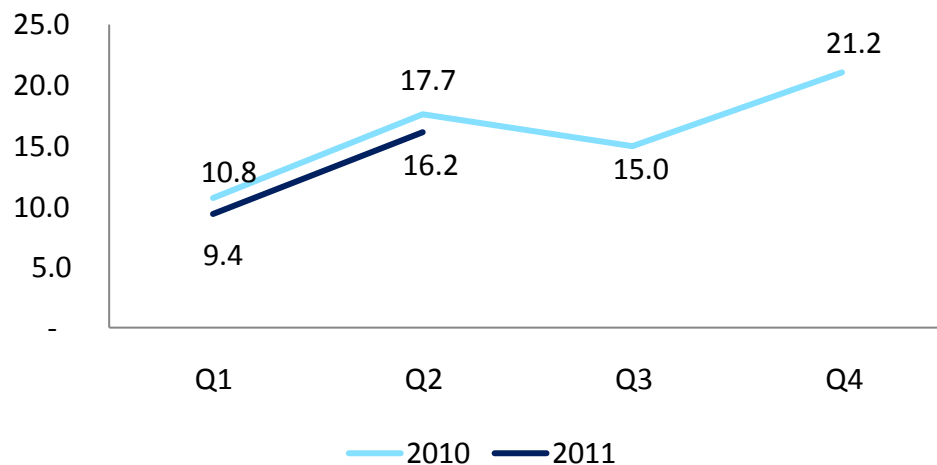
Recurring revenues by quarter



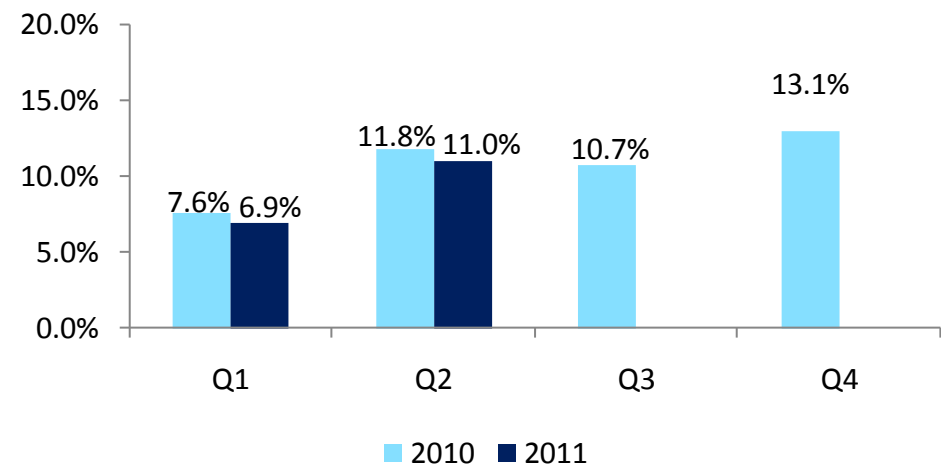
Recurring costs by quarter



Recurring Ebita by quarter



Recurring Ebita margin by quarter



## Recurring Ebita changes H1 2010 – H1 2011 (amounts in millions of euros)



H1 2011

### Revenues

Decrease advertisements  
Decrease distribution and printing third parties  
Other

-	7	
-	2	
	2	
		<u>- 7</u>

### Cost reductions

Production costs (paper)  
Distribution costs  
Depreciation costs  
Staff costs  
Other

-	4	
-	3	
-	1	
	2	
	2	
		<u>- 4</u>

### Total recurring Ebita effect

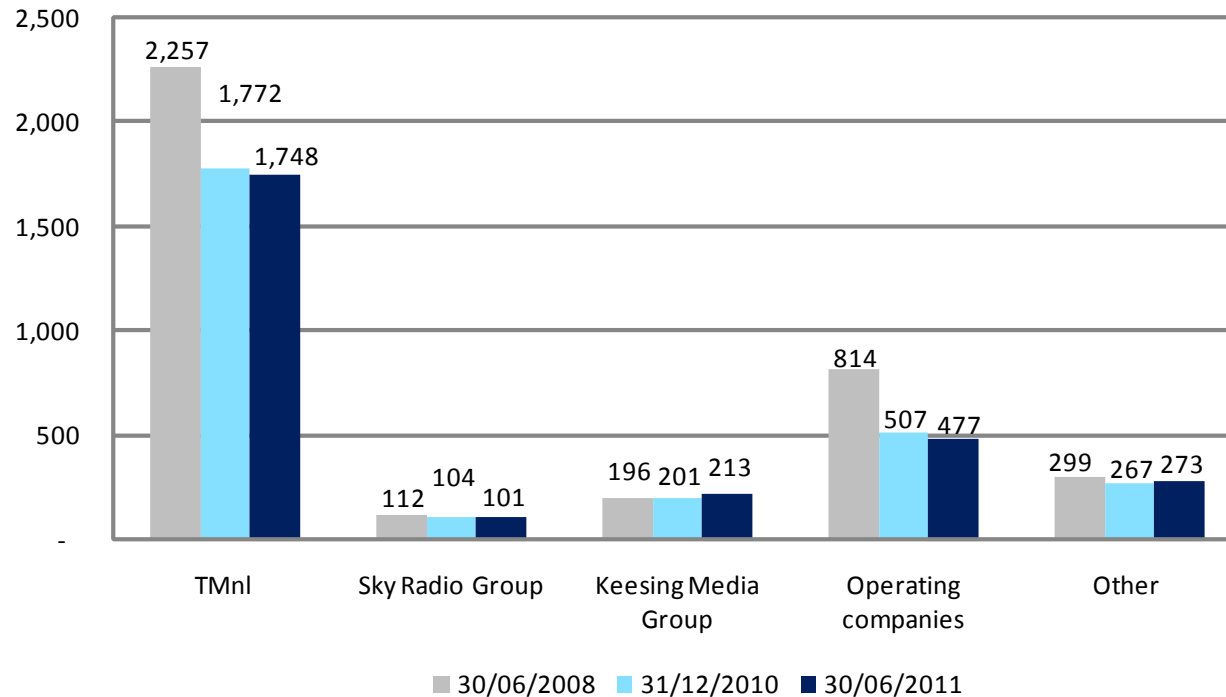
- 3



# Headcount - Operations



FTE's as at	30/06/2008	31/12/2010	30/06/2011	Diff. 30-6-2011 vs 30/6/2008
TMnl (**)	2,257	1,772	1,748	509-
Sky Radio Group	112	104	101	11-
Keesing Media Group	196	201	213	17
Operating companies	814	507	477	337-
Other (*) (**)	299	267	273	26-
<b>Operations</b>	<b>3,678</b>	<b>2,851</b>	<b>2,812</b>	<b>866-</b>



(\*) = 31/12/2010 includes the FTE of Hyves (132 fte).

(\*\*) = As from 1 January 2010, approx. 40 FTE of FSSC are transferred from TMnl to Other.

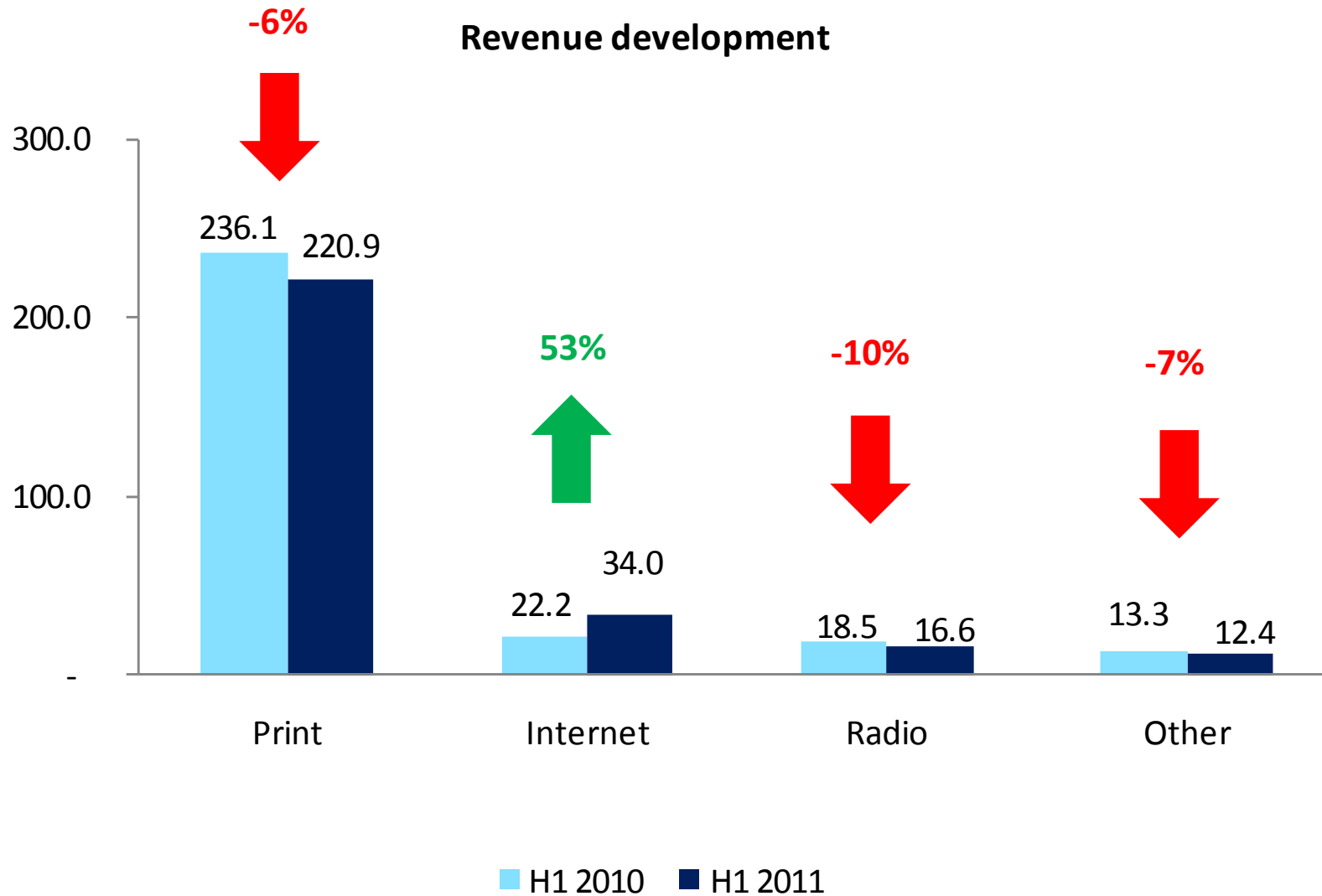
## Revenue development (amounts in millions of euros)



	H1 2011		H1 2010		Change
	Total	of which: Internet	Total	of which: Internet	Total
Advertisements	124.2	22.5	131.0	14.8	6.8-
Circulation	132.7	-	135.0	-	2.3-
Production	1.8	-	1.8	-	0.0
Distribution	5.1	-	7.5	-	2.4-
Other income	20.1	11.5	15.5	7.4	4.6
<b>Revenues</b>	<b>283.9</b>	<b>34.0</b>	<b>290.9</b>	<b>22.2</b>	<b>6.9-</b>
Other operating income	0.2	-	0.4	-	0.3-
<b>Total income</b>	<b>284.0</b>	<b>34.0</b>	<b>291.2</b>	<b>22.2</b>	<b>7.2-</b>

# Revenue development (continued)

(amounts in millions of euros)





## Revenue development – Quantitative information

<b>Circulation volume (*)</b>	<b>Q1 2010</b>	<b>Q1 2011</b>	<b>Change</b>
- De Telegraaf	638,670	609,930	-4%
- Regional newspapers	336,508	327,143	-3%
- Sp!ts	423,846	391,178	-8%
<b>Advertisement volume (**)</b>	<b>H1 2010</b>	<b>H1 2011</b>	
- De Telegraaf	8,933,196	7,888,806	-12%
- Regional newspapers	20,232,159	20,954,176	4%
- Sp!ts	2,649,755	2,243,212	-15%
<b>Reach internet (***)</b>	<b>June 2010</b>	<b>June 2011</b>	
- Telegraaf.nl	3,395,000	3,514,000	4%
- Telesport	1,742,000	1,492,000	-14%
- Dumpert	894,000	1,122,000	26%
- DFT	719,000	793,000	10%
- Speurders	918,000	850,000	-7%
<b>Video views</b>	<b>July 2010</b>	<b>July 2011</b>	
- Telegraaf.nl network	1.9M	8.4M	342%

(\*) = Source: HOI Q1 2011 versus Q1 2010

(\*\*) = Source: ASS cumulative June 2011, in mm (incl. own publications)

(\*\*\*) = Source: STIR - month June 2011, unique visitors

**Revenue development by business unit**  
*(amounts in millions of euros)*

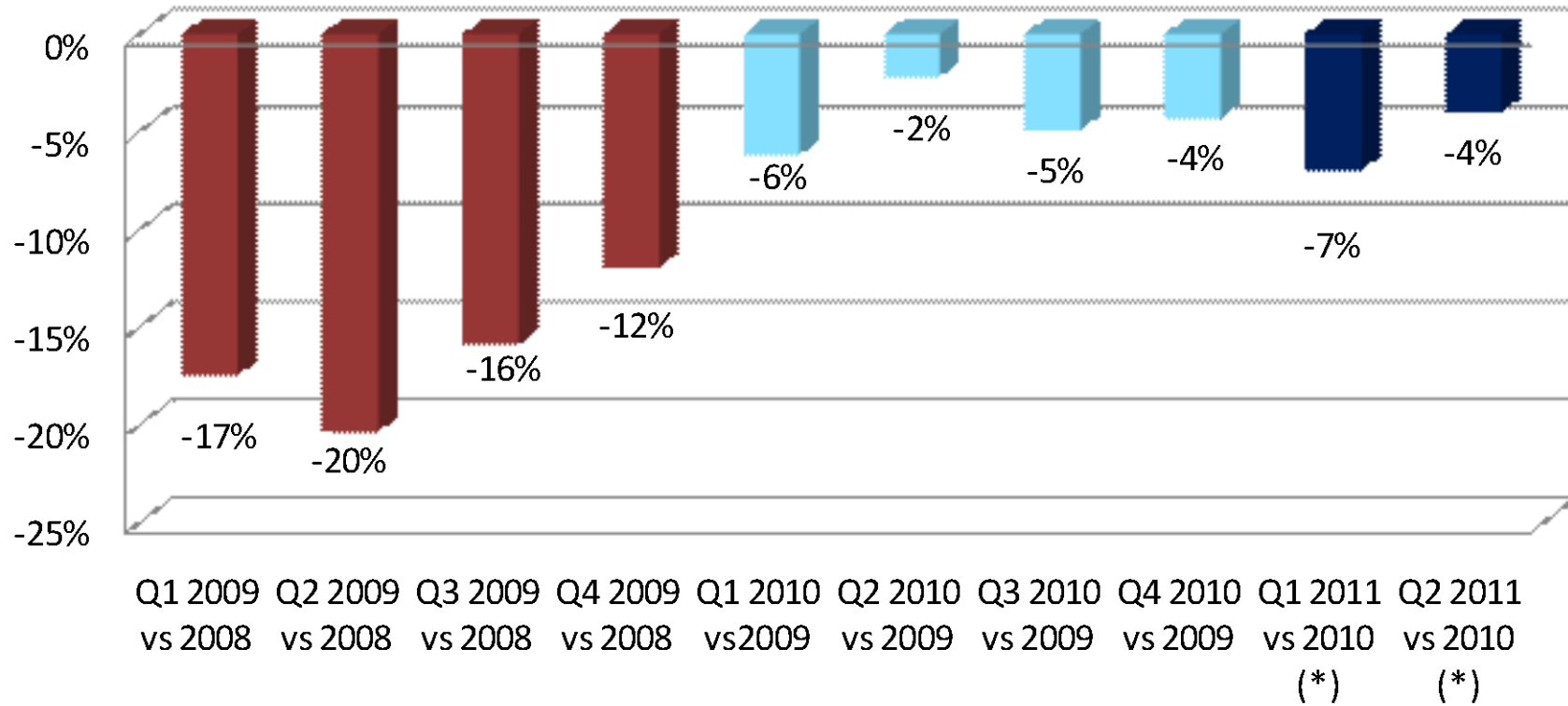


	<b><u>H1 2011</u></b>	<b><u>H1 2010</u></b>	<b><u>Change</u></b>
Telegraaf Media Nederland	225.7	237.6	-11.9
Keesing Media Group	22.7	22.9	-0.2
Sky Radio Group	17.0	18.9	-1.9
Other activities	18.5	11.4	7.1
	<b><u><u>283.9</u></u></b>	<b><u><u>290.8</u></u></b>	<b><u><u>-6.9</u></u></b>

# Revenue development – Advertisement



## Ontwikkeling advertentieopbrengsten

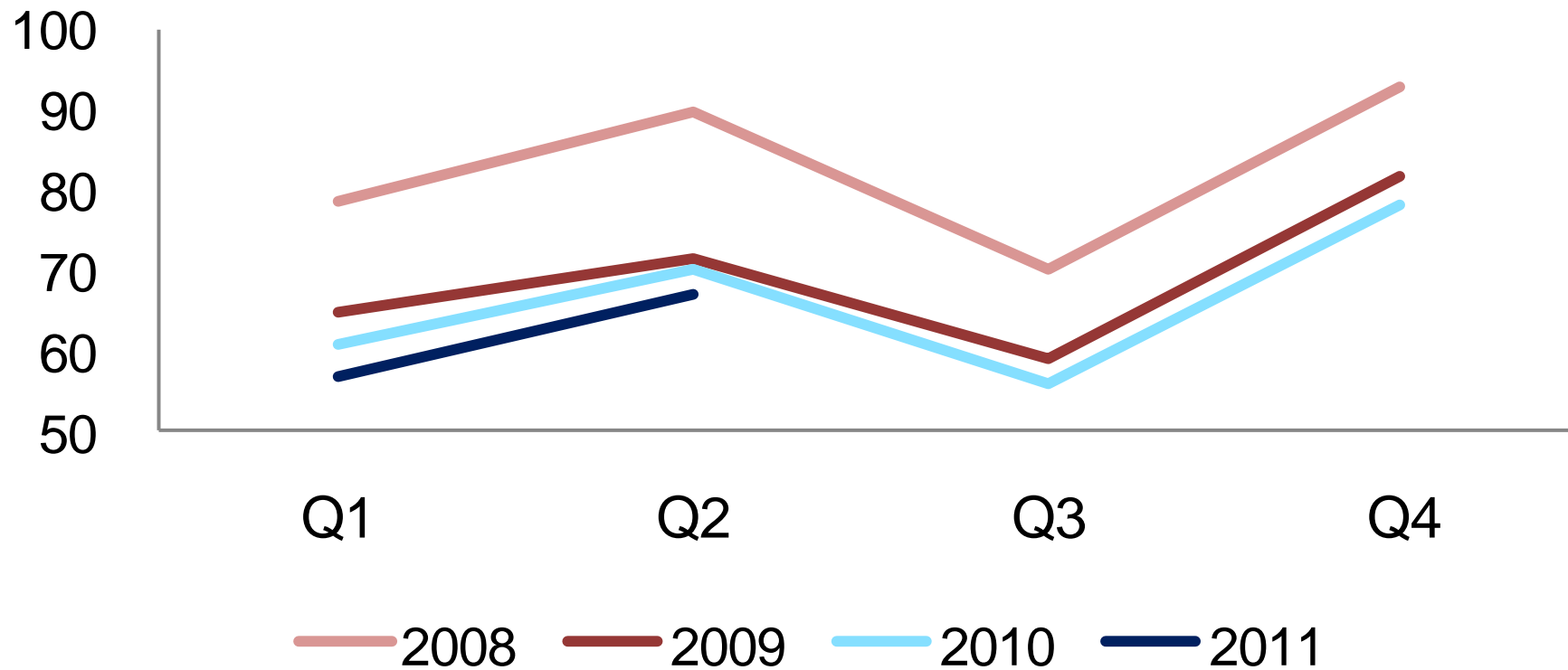


(\*) = 2011 includes advertisement revenues of Hyves.

## Revenue development – Advertisement (continued) (amounts in millions of euros)



### Advertisement revenue by quarter

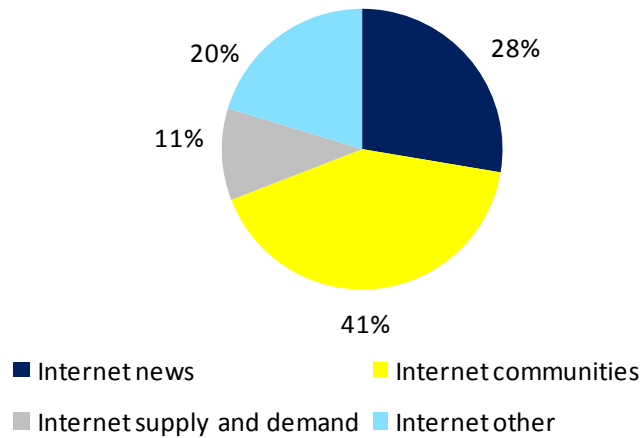


## Revenue development – Internet (amounts in millions of euros)

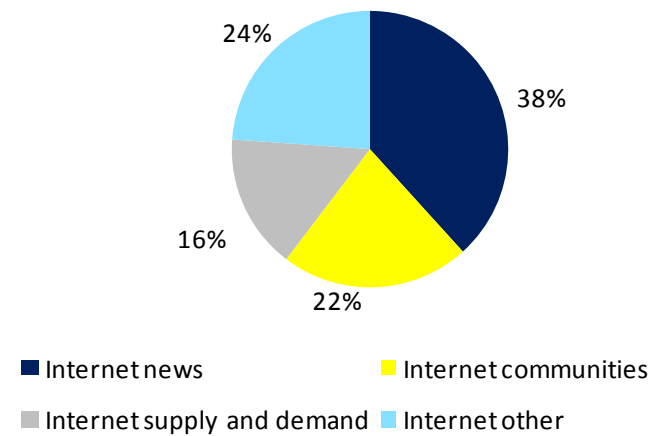


	<u>H1 2011</u>	<u>H1 2010</u>	<u>Change</u>
Internet news	9.4	8.5	0.9
Internet communities	14.1	4.9	9.2
Internet supply and demand	3.6	3.5	0.1
Internet other	6.9	5.3	1.6
	<u><u>34.0</u></u>	<u><u>22.2</u></u>	<u><u>11.8</u></u>

H1 2011 Internet revenue



H1 2010 Internet revenue





## Revenue development – Internet Hyves



- Revenue marginally higher than prior year  
(2010: World Championship Soccer)
- Synergy projects on track
- Number of active Hyvers remains stabile
- Total minutes spent (source: comScore) in June is 1,908M  
(May: 2,053M – highest of last 11 months)
- Average daily visitors (source: comScore) in June is 2,531K
- Average daily page views (source: STIR) in June is 84,931K

## Financial income and expenses (amounts in millions of euros)



	<u>H1 2011</u>	<u>H1 2010</u>
Share in result from associates	10	7
<b>Result from associates</b>	<b>10</b>	<b>7</b>
<b>Financial income</b>	-	1
<b>Financial expenses</b>	-	- 1
<b>Financial income and expenses</b>	<b><u>10</u></b>	<b><u>7</u></b>

### III ProSiebenSat.1 Media AG (ProSiebenSat.1)



## Valuation associated company ProSiebenSat.1 (amounts in millions of euros)



-Initial valuation at 25 September 2008		182.1
-6% minority interest in result ProSiebenSat.1 (25 Sep -31 Dec 2008)	-10.2	
-Impairment loss as at 31 December 2008	-99.8	
		<u>-110.0</u>
Carrying value at 31 December 2008		72.1
- 6% minority interest in result ProSiebenSat.1 (2009)	8.7	
-Reversal impairment loss	56.0	
		<u>64.7</u>
Carrying value at 31 December 2009		136.8
- 6% minority interest in result ProSiebenSat.1 (2010)	18.8	
-Reversal impairment loss	43.8	
		<u>62.6</u>
Carrying value at 31 December 2010		199.4
- 6% minority interest in result ProSiebenSat.1 (H1 2011)		10.3
<b>Carrying value at 30 June 2011</b>		<b><u>209.7</u></b>

## Valuation associated company ProSiebenSat.1 (continued)



(in millions of euros)

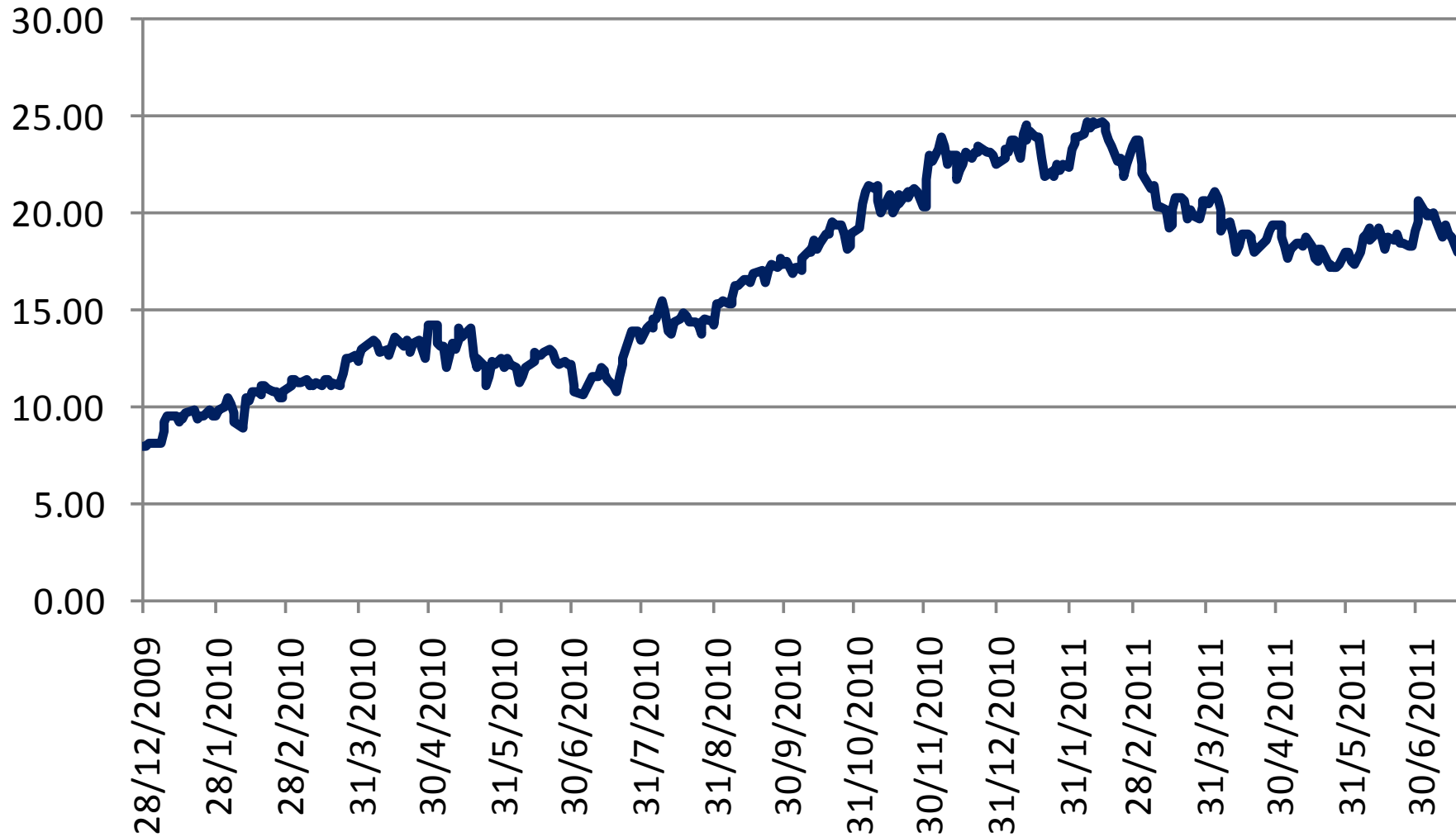
<b>Carrying value at 1 January 2011</b>	<b>199.4</b>
<b>Carrying value at 30 June 2011</b>	<b>209.7</b>
<b>Total effect in P&amp;L</b>	<b><u>10.3</u></b>

-Number of ordinary shares with voting rights	13,127,832
-Carrying value TMG per ordinary share at 31 December 2010	EUR 15.18
-Listed price per preferent share at 31 December 2010	EUR 22.50
-Carrying value TMG per ordinary share at 30 June 2011	EUR 15.97
-Listed price per preferent share at 30 June 2011	EUR 19.55

<b>Revenues and earnings ProSiebenSat.1</b>	<b><u>H1 2010 (*)</u></b>	<b><u>H1 2011</u></b>
Revenues	1,226.1	1,288.0
Recurring EBITDA	342.3	368.7

(\*)= adjusted for discontinued operations.

# ProSiebenSat.1 – Stock price



## IV Subsequent events



## Subsequent events



- ProSiebenSat.1 Media AG
  - Dividend
  - Book profit (sale of activities in the Netherlands)
- Limited investment in full colour facility Alkmaar





# Q & A



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