

tmag



TMG Annual Results 2012

Investor/Analyst Meeting

Herman van Campenhout, CEO
Fred Arp, CFO

March 12, 2013








Operational and Financial highlights 2012

- 1 EBITDA under pressure in transition year due to adverse market conditions
- 2 Revenue flat with print decline compensated by online growth and acquisitions
- 3 Cost savings accelerating
- 4 Recent acquisitions on track to meet expectations
- 5 Online development organization delivering on the first innovations
- 6 TMG radio gaining market share and successful launch innovative digital myradio offering
- 7 KMG under strategic review



2012 management agenda executed as promised

- Structuring of new organisation 
- Works council approval on new organisation 
- Strengthening print position 
- Invest in online 
- Implementation of cost saving programme 

Clear strategy in place for Core Company

TMG Core

1

Print

Strengthen print position with proactive role in consolidating market

2

Online

Accelerate online growth: increase reach through social media and video. Add e-commerce as monetization tool

3

Radio

Integrate into TMG portfolio

Joining forces throughout TMG portfolio

Shared content, bundled sales and crossmedia approach

Acquisitions in print and online

Build customer focused organization and accelerate
€70M cost savings program



Recent acquisitions on target

NAME

DEAL RATIONALE AND STATUS 2012



- Consolidation of free sheet market
- Company integrated and synergies on target



- Increased ownership from 70% to 100% to strengthen local online position
- Double digit revenue increase



- Increased ownership from 40% to 60% to strengthen e-commerce
- Company relocated to TMG and working together with TMG e-commerce team



- TMG captures #2 position in digital video with acquisition of 70% stake in online video sales and production company Zoomin.tv
- Company integrated and working together with editorial and sales teams

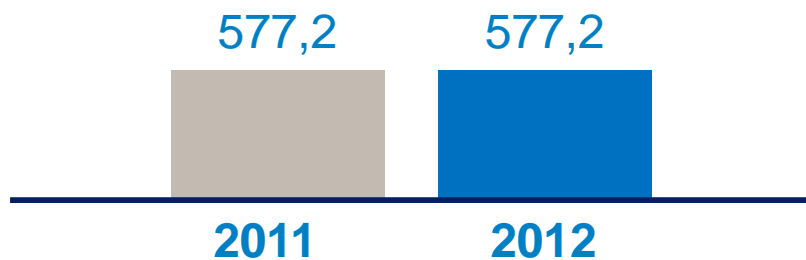


- Support international roll-out of KMG
- Significant synergies achieved and target met

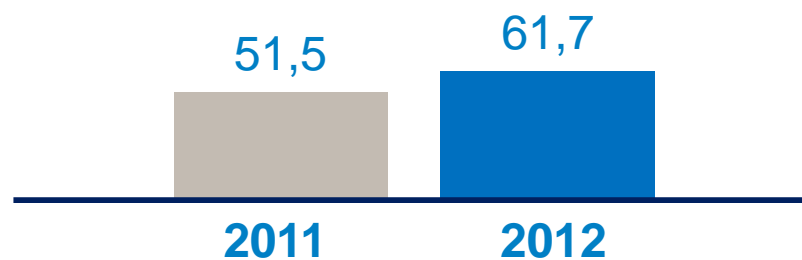


Financial Results 2012

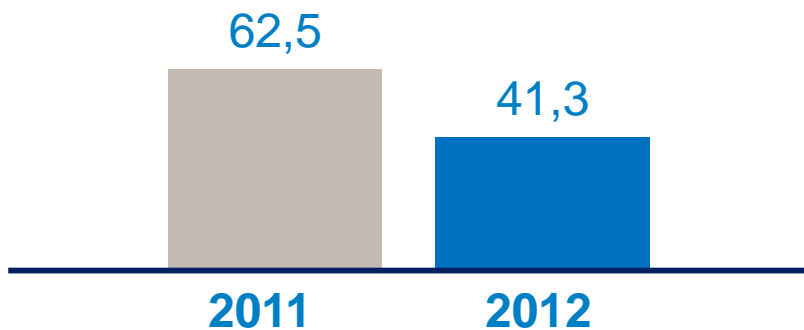
Revenues
(x € million)



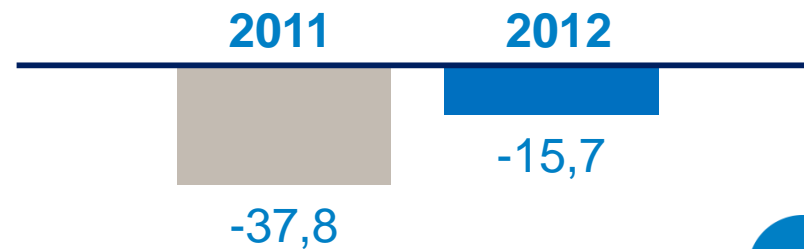
Internet revenues (excl. Hyves)
(x € million)



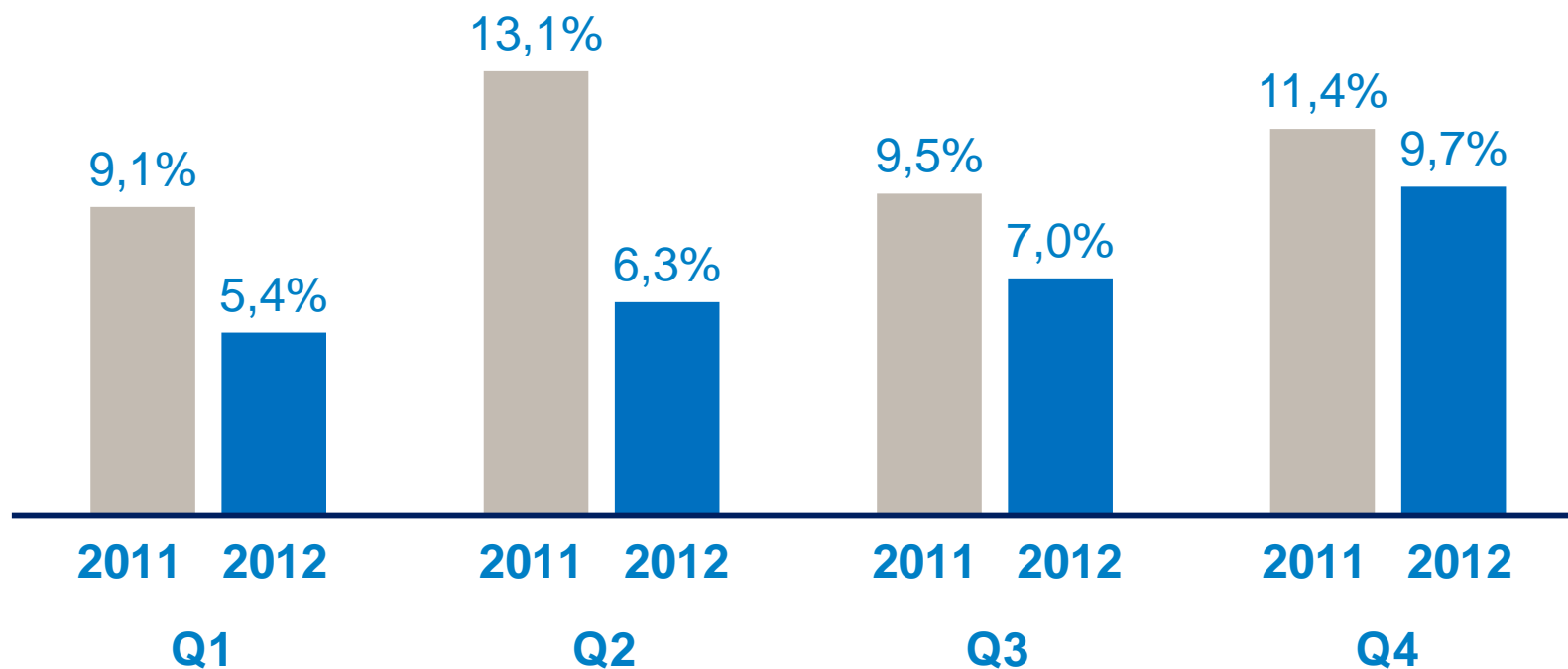
Recurring EBITDA
(x € million)



Net Result
(x € million)



Recurring EBITDA margin by quarter



Agenda for 2013 to create shareholder value



- **Ensure solid financial position by acceleration of cost saving program**



- **Focus on autonomous growth**



- **Facilitate liquidity for shareholders**



You will find the video of Pieter & Sophie (Dutch spoken) here:
<http://corporate.tmg.nl/nl/visie-en-ambitie>

Portfolio changes

TMG financial statements 2012

- The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted and authorized by the European Commission

Portfolio changes

(included in the financial position: revenues € 36 million and recurring EBITDA € 9 million)

- Increased interest in GroupDeal B.V. to 60% as at January 2012.
- Acquisition of Metro Holland B.V. as at September 2012.
- Acquisition of an interest of 70% in Zoom.in Nederland B.V. as at November 2012.
- Acquisition of Megastar Groupe as at the end of December 2011.



II. Analysis result 2012

EBITDA development

Headlines

(amounts in millions of euros)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues (recurring)	577.2	577.2	0.0%
Of which: digital revenue	82.2	79.5	3.4%
EBITDA (recurring)	41.3	62.5	-33.8%
EBITDA margin (recurring)	7.2%	10.8%	-33.8%
Financial incomes and expenses	14.5	35.2	-58.8%
Net result (realized) attributable to Shareholders of TMG	-15.1	-32.6	53.6%

EBITDA: reported and recurring

(amounts in thousands of euros)

	2012		2011	
	Reported	Recurring	Recurring	Reported
Revenues	577,199	577,199	577,200	577,200
Other operating income	20			1,358
Total income	577,219	577,199	577,200	578,558
Total operating expenses excl. depreciation, amortisation and impairment loss	542,934	535,861	514,725	562,347
EBITDA	34,285	41,338	62,475	16,211
EBITDA margin		7.2%	10.8%	
Depreciation	10,974	10,974	11,424	11,424
Amortisation intangible assets*)	23,699	23,699	35,177	35,177
Impairment loss of tangible assets	5,188			940
Impairment loss of intangible assets	36,500			51,154
Amortisation and impairment loss	76,361	34,673	46,601	98,695
EBIT	-42,076	6,665	15,874	-82,484
*) Including amortisation license costs SRG (excluding interest)		7,685	9,133	

Reported EBITDA versus recurring EBITDA

(amounts in thousands of euros)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Reported EBITDA	34,285	16,211	18,074
Other operating income (book profits)	20-	1,358-	1,338
Restructuring costs	1,130	43,910	42,780-
Other operating expenses	<u>5,943</u>	<u>3,712</u>	2,231
Total normalisations	7,053	46,264	39,211-
Recurring EBITDA	<u><u>41,338</u></u>	<u><u>62,475</u></u>	<u><u>21,137-</u></u>

EBITDA: autonomous

(amounts in thousands of euros)

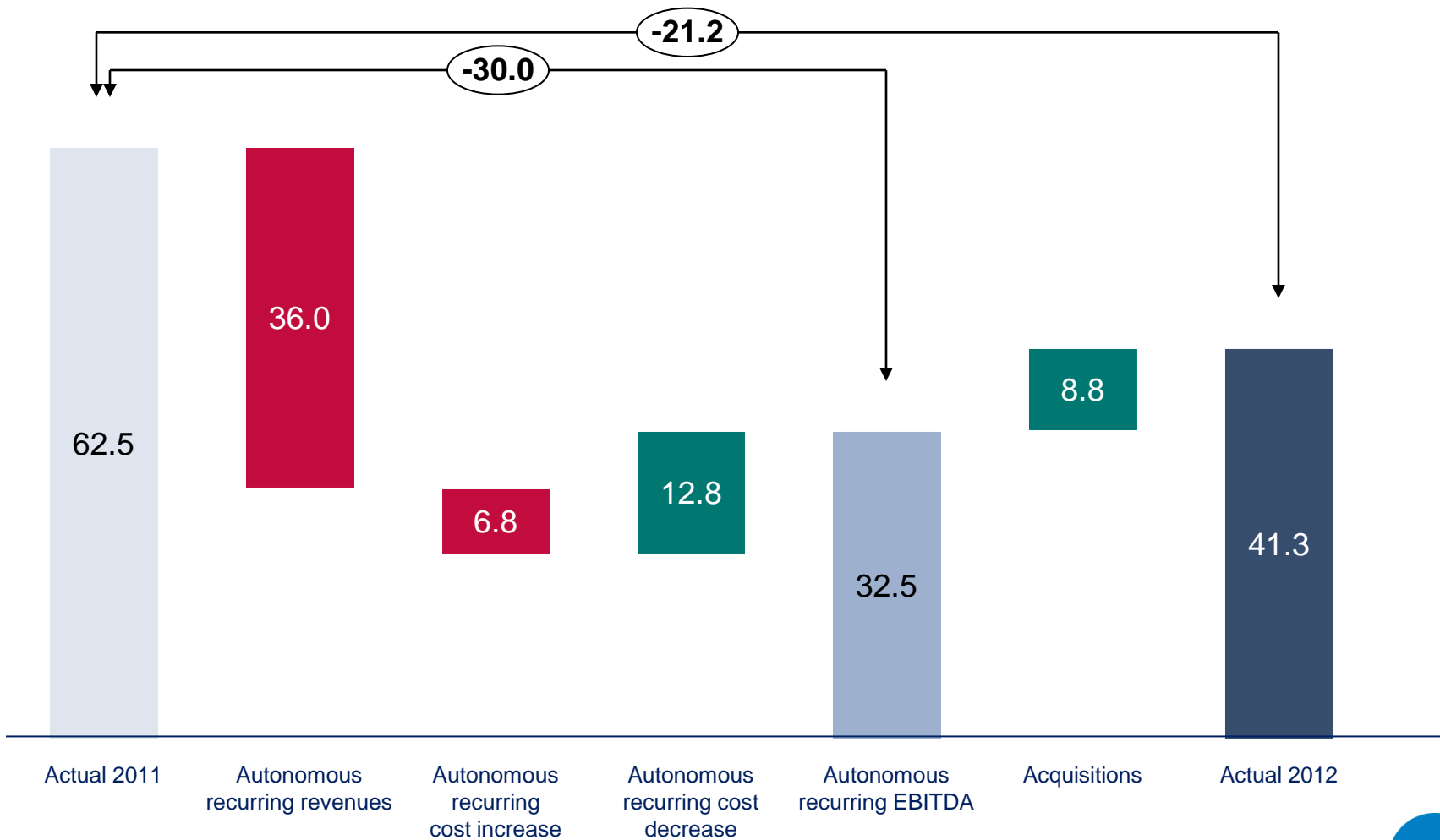
	<u>2012</u>	<u>2011</u>
Total income	541,226	578,558
Total operating expenses excl. depreciation, amortisation and impairment loss	<u>514,420</u>	<u>562,347</u>
EBITDA	26,806	16,211
Total normalisations	<u>5,777</u>	<u>46,264</u>
Recurring EBITDA	32,583	62,475
As % of sales	6.0%	10.8%
Depreciation, amortisation and impairment loss	<u>73,859</u>	<u>98,695</u>
EBIT	<u>-47,053</u>	<u>-82,484</u>

Autonomous: excluding Megastar Groupe, GroupDeal, Metro and Zoom.in



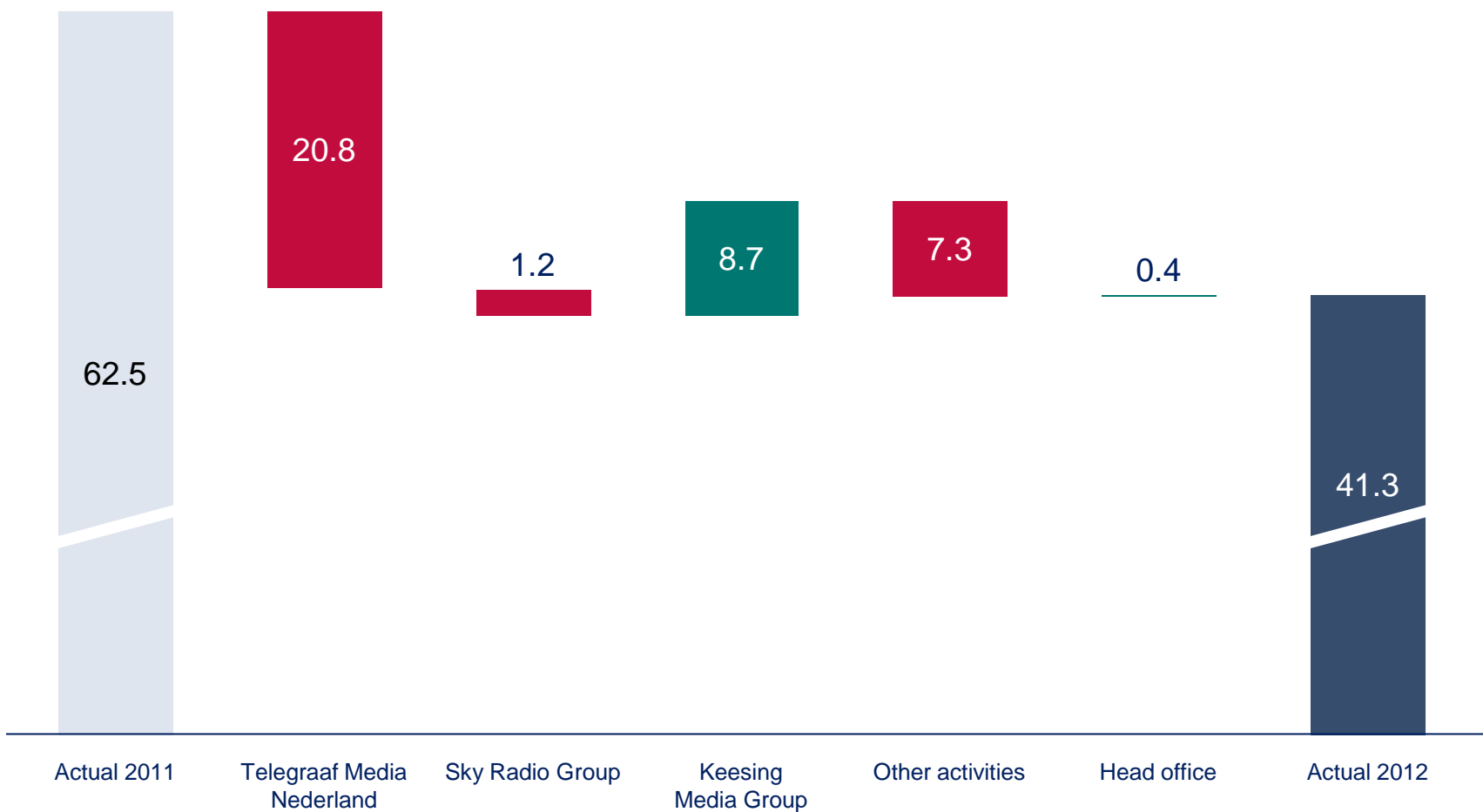
Recurring EBITDA changes 2012 versus 2011

(amounts in millions of euros)



Recurring EBITDA 2012 versus 2011 per business unit

(amounts in millions of euros)

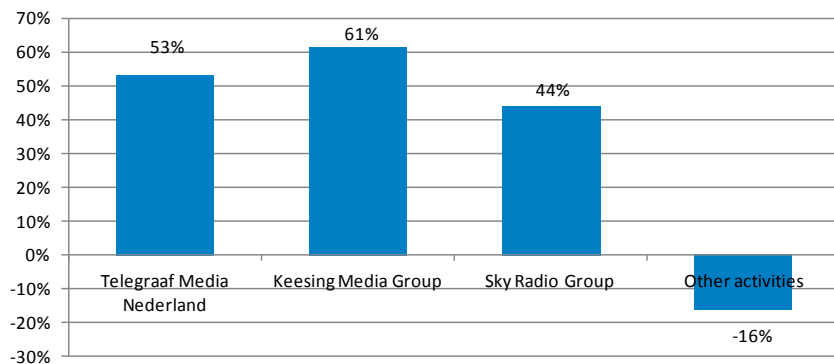


Recurring EBITDA by business unit

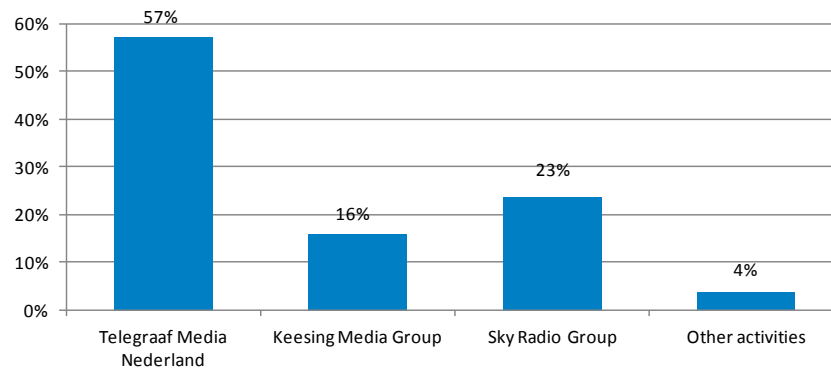
(amounts in millions of euros)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Telegraaf Media Nederland	15.5	35.6	-56%
Keesing Media Group	17.9	9.8	83%
Sky Radio Group	12.8	14.7	-13%
Other activities	- 4.9	2.4	-304%
	<u>41.3</u>	<u>62.5</u>	<u>-34%</u>

Recurring EBITDA 2012



Recurring EBITDA 2011



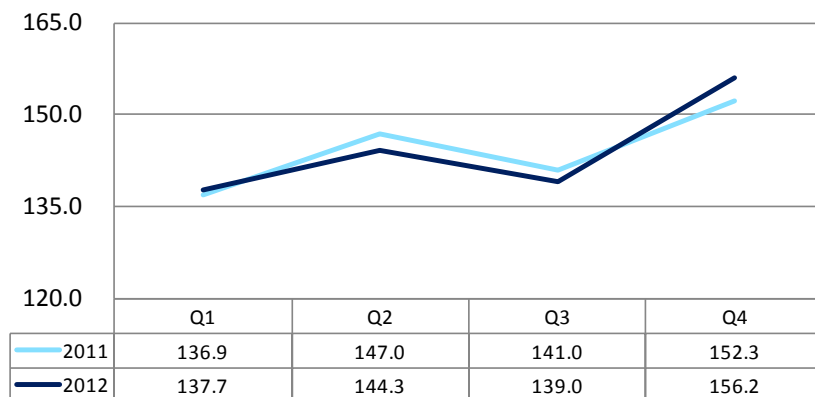
II. Analysis result 2012

Revenue development

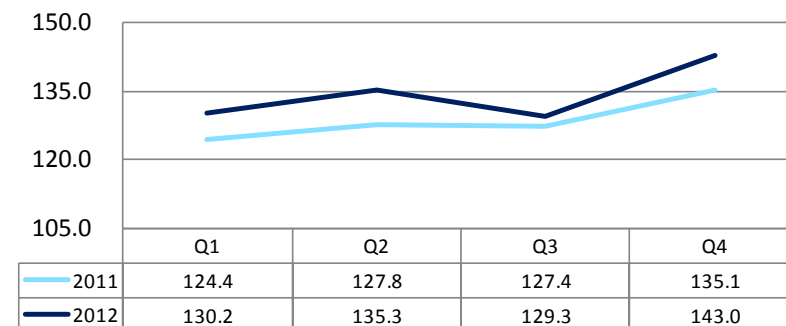
Recurring revenues, costs and EBITDA by quarter

(amounts in millions of euros)

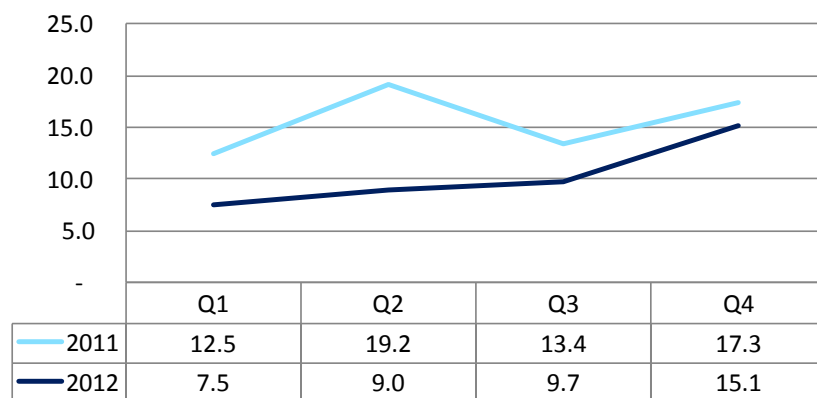
Recurring revenues by quarter



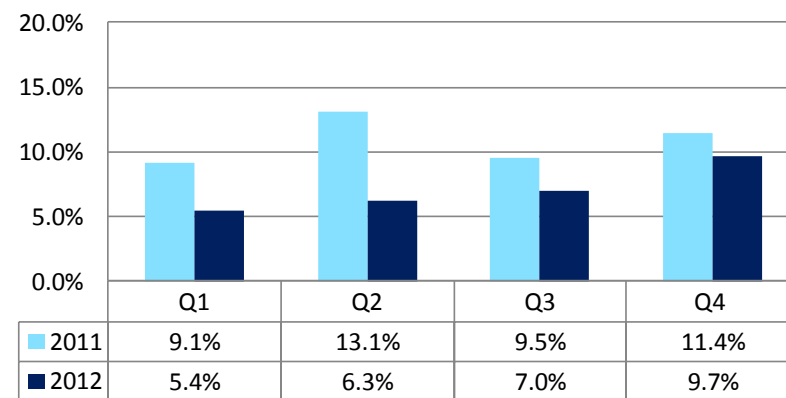
Recurring costs by quarter (excl. depreciation, amortization and impairment loss)



Recurring EBITDA by quarter

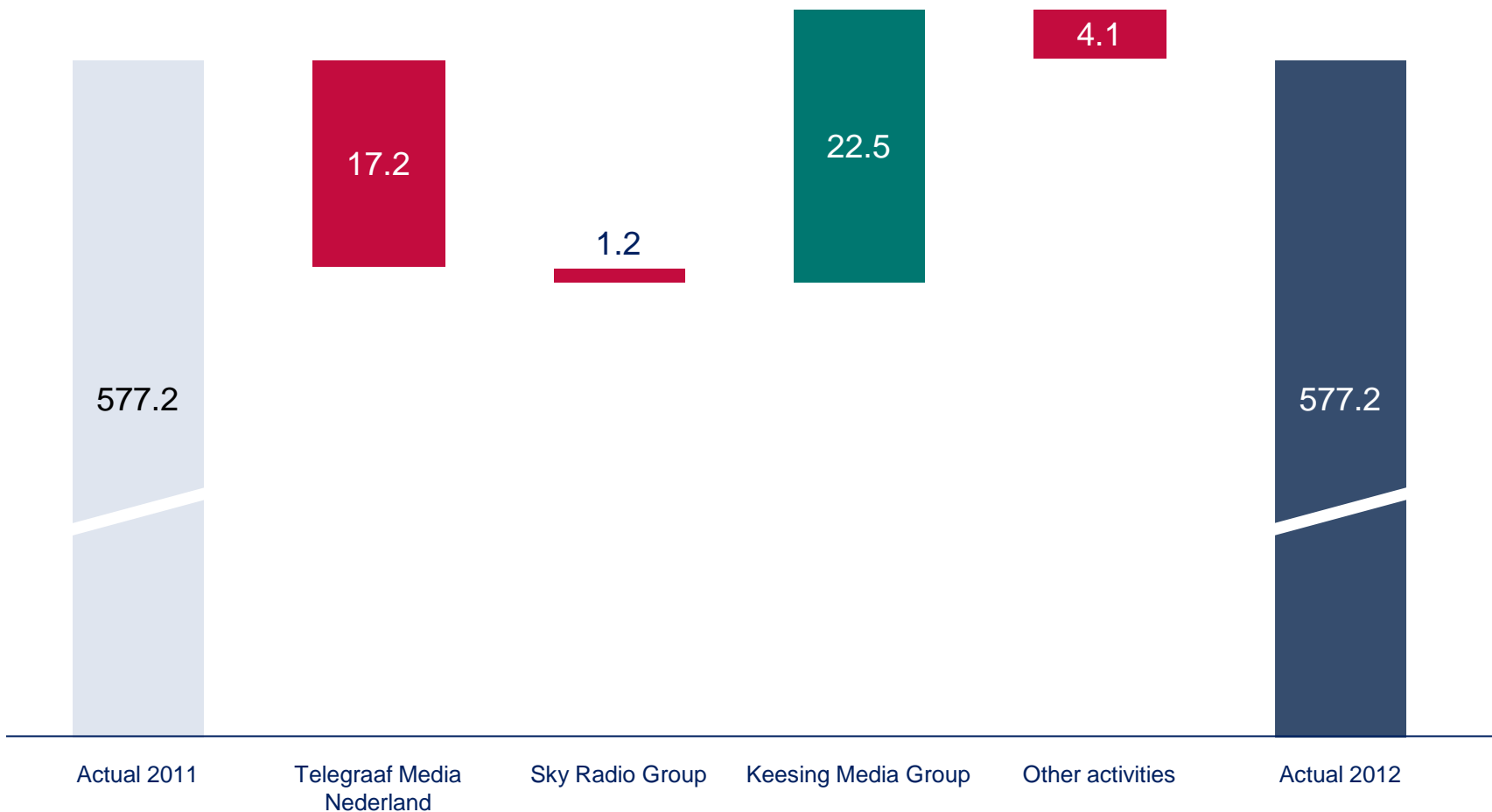


Recurring EBITDA margin by quarter



Recurring Revenue 2012 versus 2011 per business unit

(amounts in millions of euros)



Revenue development by business unit

(amounts in millions of euros)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Telegraaf Media Nederland	439.7	456.9	-4%
Keesing Media Group	70.8	48.3	47%
Sky Radio Group	35.7	37.0	-4%
Other activities	31.0	35.0	-11%
	<u>577.2</u>	<u>577.2</u>	<u>0%</u>

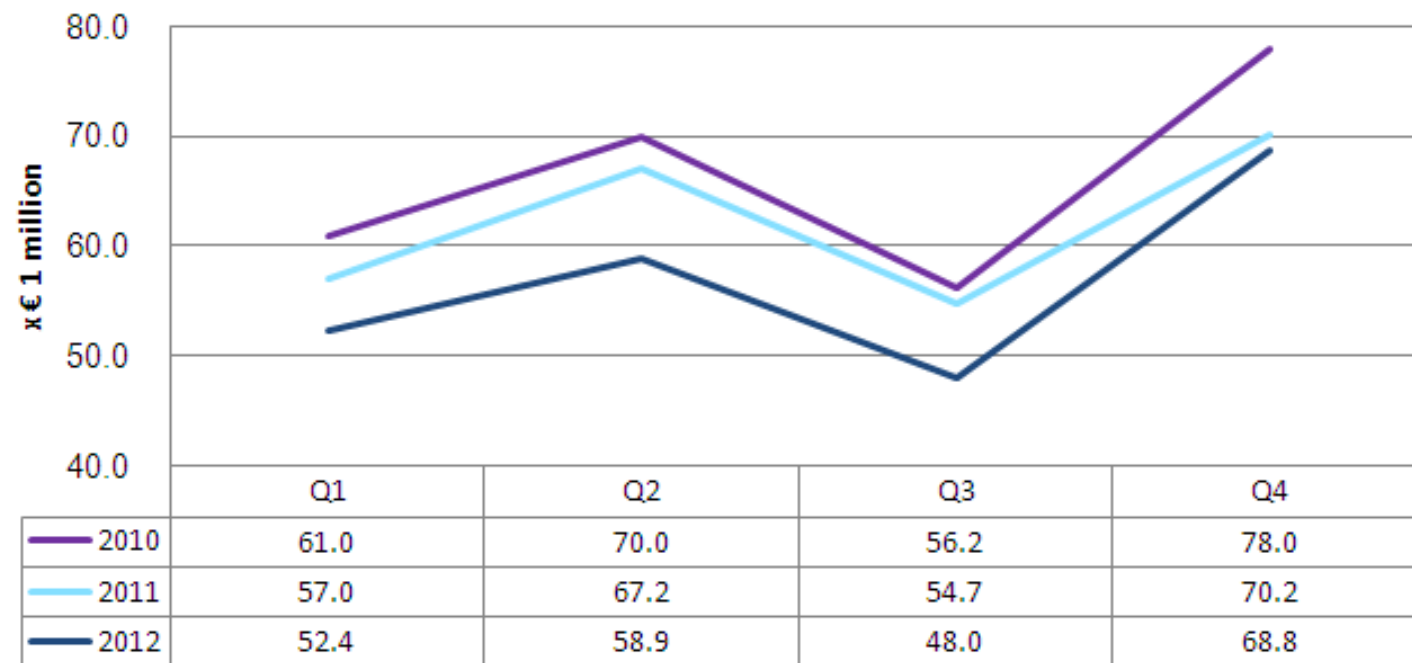
Revenue development

(amounts in millions of euros)

	<u>2012</u>		<u>2011</u>		<u>Change</u>
	Total	of which: Digital	Total	of which: Digital	Total
Advertisements	228.1	45.3	249.1	47.4	21.0-
Circulation	290.7	-	272.3	-	18.4
Production	3.2	-	3.7	-	0.5-
Distribution	10.3	-	10.6	-	0.3-
Other income	44.9	36.9	41.5	32.1	3.4
Revenues	577.2	82.2	577.2	79.5	-
Other operating income	-	-	1.4	-	1.4-
Total income	577.2	82.2	578.6	79.5	1.4-

Revenue development – Advertisement by quarter

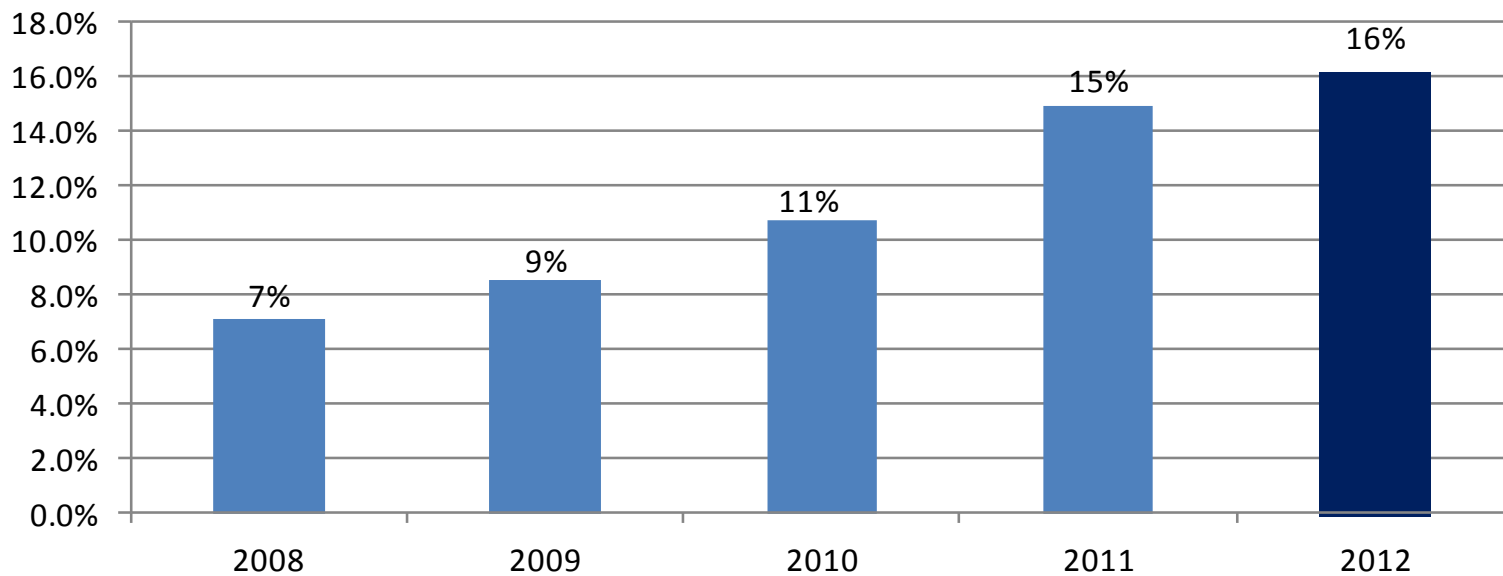
(amounts in millions of euros)



Share digital activities of revenues core business

Internet & video revenues

Share digital activities of revenues core business
(excl. Keesing Media Group)

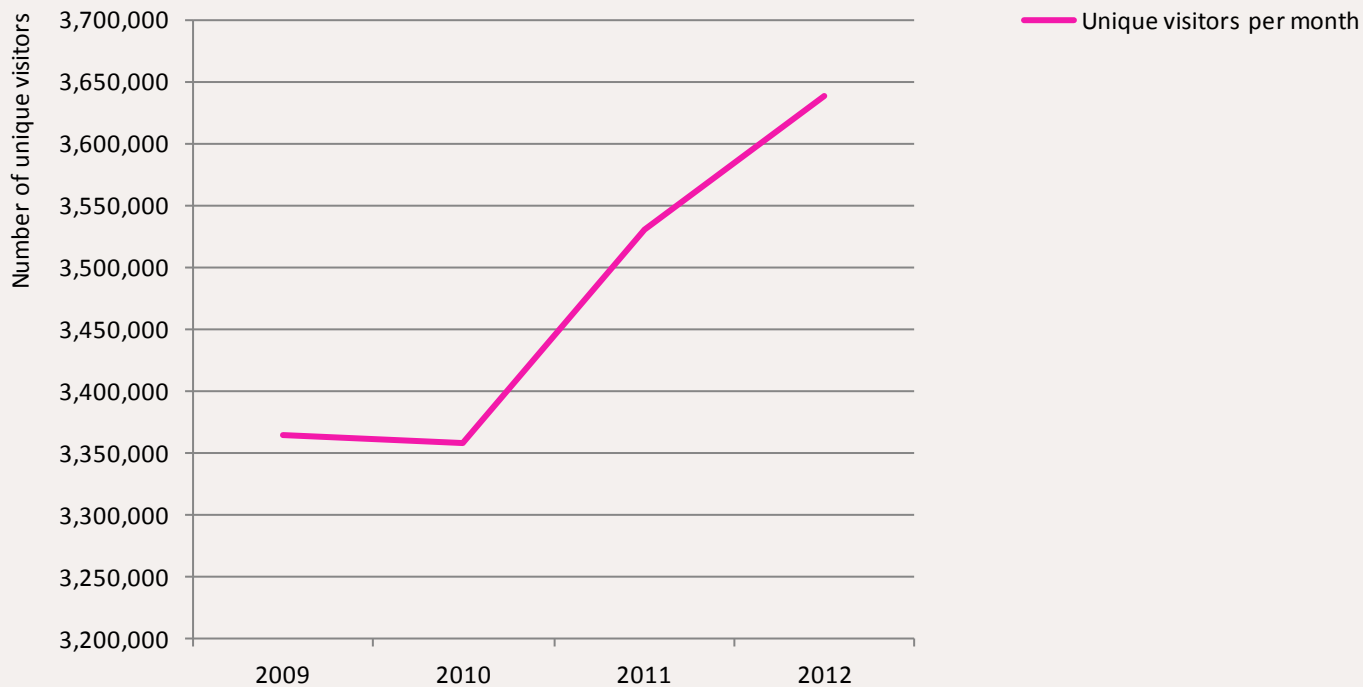


Revenue development – Digital activities

(amounts in millions of euros)

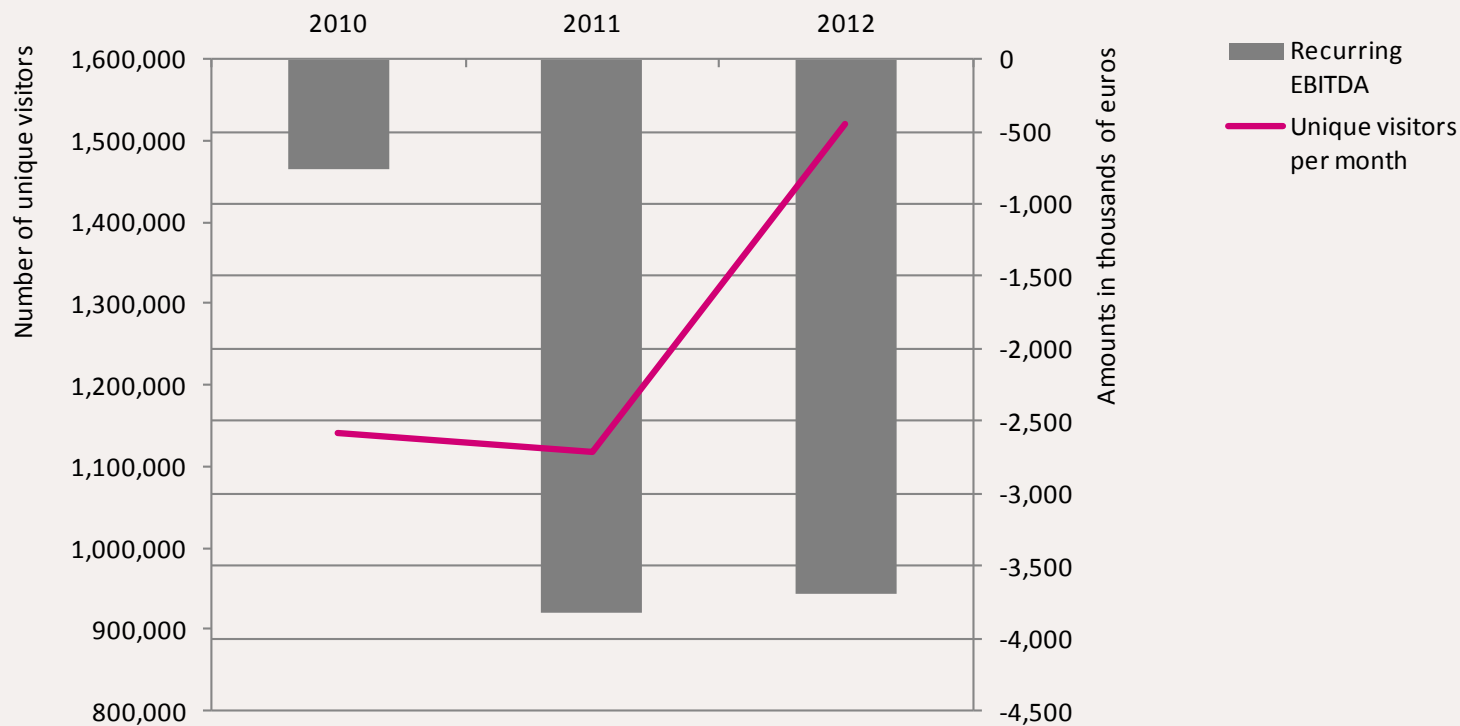
	<u>2012</u>	<u>2011</u>	<u>Change</u>
Internet news	26.9	21.5	5.4
Internet supply and demand	7.4	7.1	0.3
E-Commerce	16.9	9.7	7.2
Video productions	10.9	9.8	1.1
	62.1	48.1	14.0
Internet communities	14.8	25.6	-10.8
Internet other	5.3	5.8	-0.5
	20.1	31.4	-11.3
Total digital activities	<u>82.2</u>	<u>79.5</u>	<u>2.7</u>

Unique visitors – Telegraaf.nl



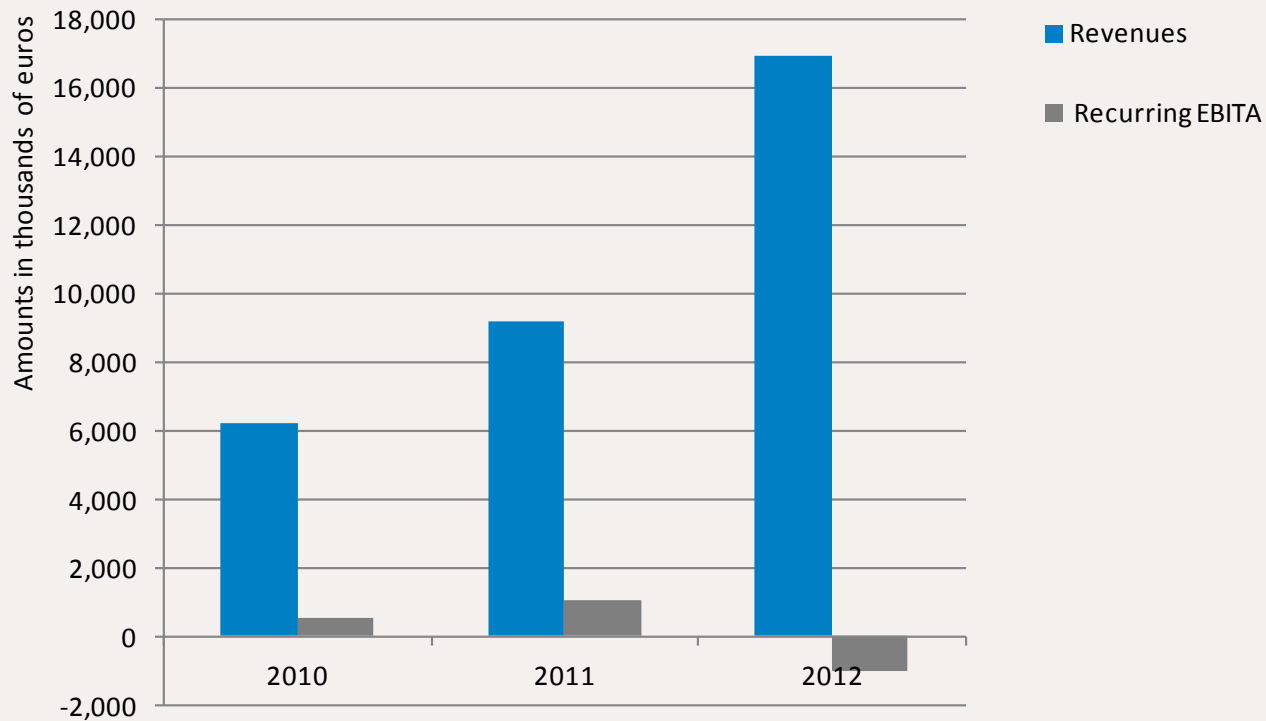
Unique visitors – Dichtbij.nl

(amounts in thousands of euros)



Revenue development – E-commerce

(amounts in thousands of euros)

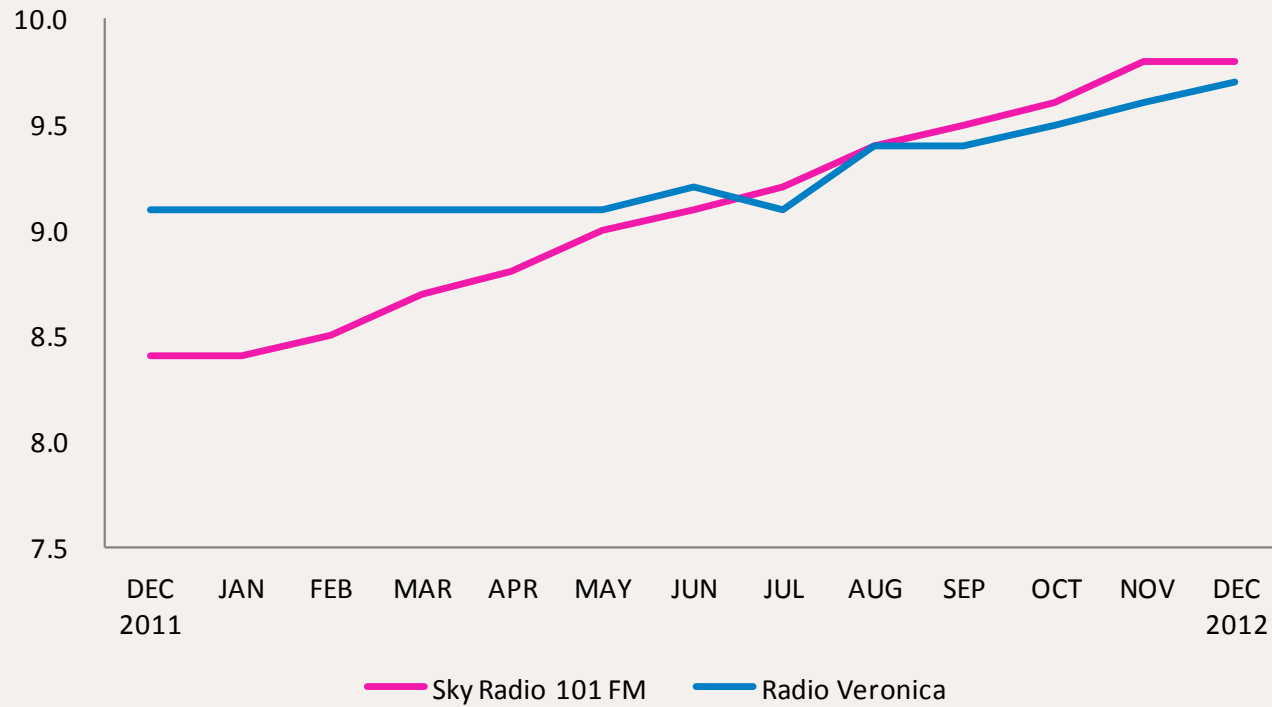


- Revenue € 9.2 million, decrease of 49%
- Active Hyvers 2.1 million per month
- Impairment of € 36.5 million

- Review of gaming activities
- Development center of digital activities TMG

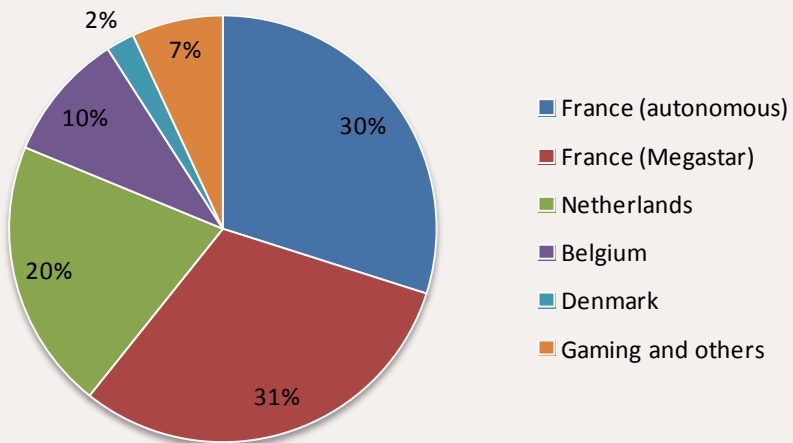
Market share Sky Radio Group

Age 20-49

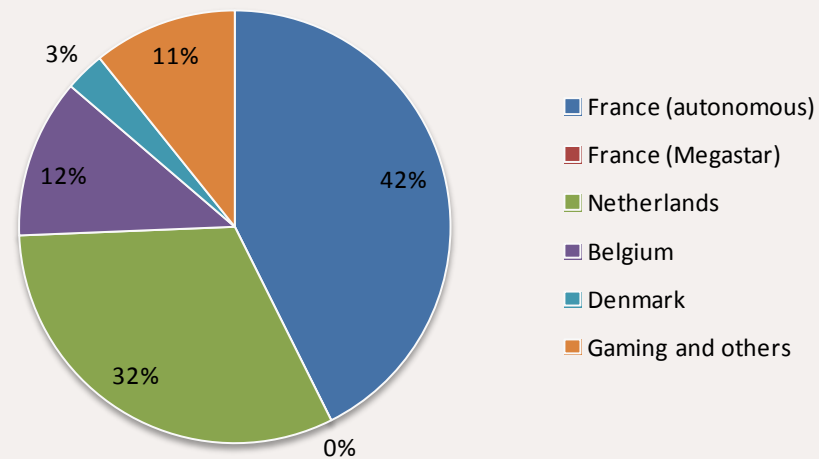


Revenue Keesing Media Group by country

2012



2011



II. Analysis result 2012

Development operating expenses

Development operating expenses

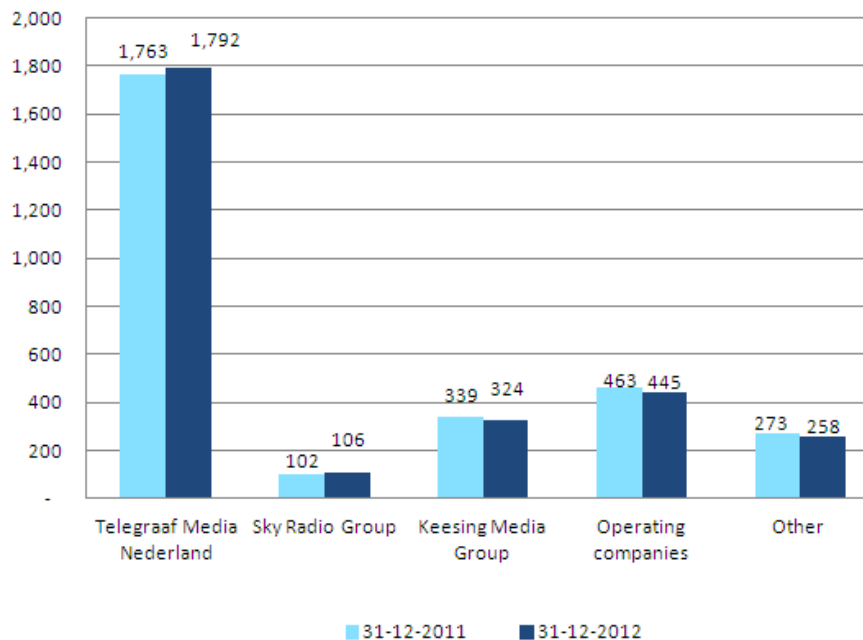
(amounts in millions of euros)

	2012		2011		Change
	Reported	Recurring & Autonomous	Recurring & Autonomous	Reported	Recurring & Autonomous
Personnel costs	224.5	213.2	216.5	260.4	-2%
Raw and auxiliary materials	46.3	41.8	42.9	42.9	-2%
Other operating costs	272.1	253.6	255.4	259.1	-1%
Total operating expenses excl. depreciation, amortisation and impairment loss	542.9	508.6	514.7	562.3	-1%

Cost reductions (part of € 70 million cost reduction programme)	-12.8
Cost increase	6.8
Total decrease of recurring & autonomous operating expenses	-6.0

FTE

	<u>31-12-2011</u>	<u>31-12-2012</u>	<u>Change</u>
Telegraaf Media Nederland	1,763	1,792	29
Sky Radio Group	102	106	4
Keesing Media Group	339	324	15-
Operating companies	463	445	18-
Other	273	258	15-
Telegraaf Media Groep	<u>2,940</u>	<u>2,925</u>	<u>15-</u>
Autonomous	2,819	2,693	126-



II. Analysis result 2012

Development financial income and expense

Financial income and expenses

(amounts in millions of euros)

	<u>2012</u>	<u>2011</u>
Share in result from associates		
ProSieben		
Of which: Continued operations	19.5	16.0
Result on sale	- 1.8 (*)	20.1
Net result on discontinued operations (Belgian and Dutch activities) (**)	-	1.9
	<u>17.7</u>	<u>38.1</u>
Other	<u>1.5</u>	- 1.0
Result from associates	19.2	37.1
Financial income	0.2	-
Financial expenses	- 4.0	- 2.0
Financial income and expenses	<u>15.4</u>	<u>35.1</u>

(*) Including held for sale Eastern Europe

(**) Until July 2011

Valuation associated company ProSiebenSat.1 AG

(amounts in millions of euros)

Carrying value at 31 December 2010			199.4
- 6% minority interest in result ProSiebenSat.1 continued operations (2011)	16.1		
- Disposal gain on Belgian and Dutch activities	20.2		
- Net result on discontinued operations (Belgian and Dutch activities)	<u>1.9</u>		
		38.2	
- Net dividend received		<u>-10.8</u>	
			<u>27.4</u>
Carrying value at 31 December 2011			226.8
- 6% minority interest in result ProSiebenSat.1 continued operations (2012)		19.5	
- Disposal gain on CEE and Nordics		-1.8	
- Net dividend received (including refund dividend withholding taxes 2011)		<u>-13.7</u>	
			<u>4.0</u>
<u>Carrying value at 31 December 2012</u>			<u>230.8</u>

Associated company ProSiebenSat.1 AG

- Number of ordinary shares with voting rights		13,127,832
- Dividend 2011 per preferent share	€	1.15
- Total net dividend 2011 received by TMG in 2012	€	13.7 million
- Dividend proposal 2012 (common shares)	€	5.63
- Carrying value TMG per ordinary share at 31 December 2012	€	17.58
- Listed price per preferent share at 31 December 2012	€	21.30

III. Dividend

- Dividend proposal 2012: nil (2011: € 0.47 per share)
- Interim dividend 2013 depending on receiving proposed dividend ProSiebenSat.1 (expected: August 2013): € 0.47 per share
- Outstanding shares at 31 December 2012: 46,350,000

IV. Financial covenants

TMG refinanced its debt on 1 November 2012 with a new bank facility for a total value of € 125 million.

Consisting of:

- amortising term loan (€ 50 million) and;
- maximum revolving credit facility of € 75 million;
- three year maturity;
- no collateral has been given.

The interest risk of the term loan is fully hedged.

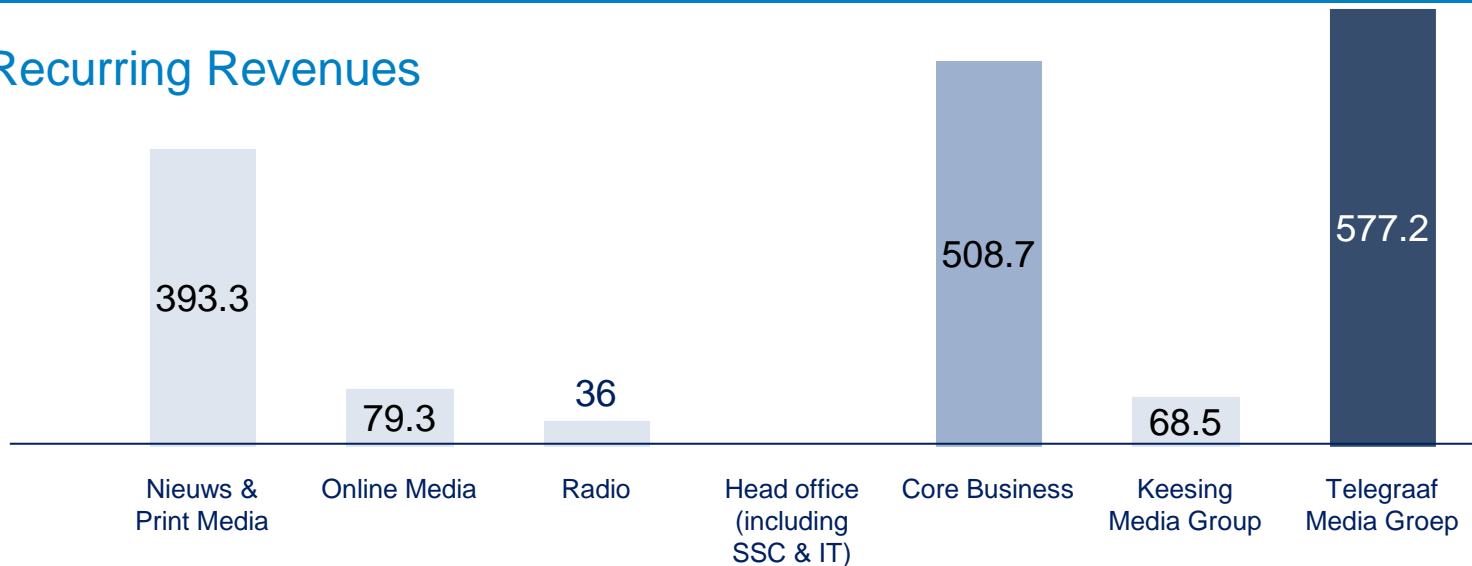
Amounts in thousands of euros		as at 31 December 2012
Covenant	(2.25 x recurring EBITDA previous 12 months)	93,011
Net debt		70,034
Headroom		22.977

V. Outlook 2013

2012 Pro-forma

(amounts in millions of euros)

Recurring Revenues



Recurring EBITDA



Outlook 2013

Core Business

Increasing of recurring EBITDA due to:

Nieuws & Print Media

- Significant decrease of print advertising income expected
- Modest decline in circulation revenues
- Cost reduction and synergy programme of € 30 million

Online Media

- Significant increase of online revenues

Radio

- Modest increase of radio advertising income

Keesing & ProSieben

Keesing Media Group

- Stable revenues and synergy Megastar

ProSiebenSat.1

- Expected gross dividend: € 74 million



Q&A