
PubliGroupe

Results for the period
ending 30 June 2009

Results as of 30 June 2009

- PubliGroupe: first half affected by the recession and weaker results of Media Sales which is undergoing in-depth transformation
- Growth of online services maintained
- Operating loss (EBIT) CHF -3.5 million; net loss CHF -8.5 million at the height of the worst crisis of the last 50 years

Lausanne, 24 August 2009

The economic downturn is hitting the advertising markets more and more severely and stepping up the pace of their structural change. This is mainly affecting the Group's activities in the press field handled by Media Sales which is undergoing in-depth transformation at present, while the other business segments have slowed temporarily. Activities in the fields of online directories and online marketing services continue to achieve double digit growth.

- **Consolidated sales are down 28% at CHF 798.4 million, while the gross margin is 22.6% lower at CHF 164.8 million, a reduction of CHF 48.1 million.**

Media Sales-Publicitas and the group's participations in the press are the worst affected by the crisis. Media Sales-Publicitas, with sales down by 28.8% and an operating loss of CHF 15.6 million, is the prime cause of the group's lower results.

Search & Find is standing up well to the recession thanks to the development of its online business activities, as too is Digital & Marketing Services because of its stake in zanox which operates in the performance-based online marketing sector.

- **PubliGroupe reported an operating loss of CHF -3.5 million and a net loss of CHF -8.5 million at the end of the first half of 2009.**

Cost-cutting programmes at Media Sales-Publicitas enable the impact of the recession to be cushioned and are already contributing savings worth CHF 23 million (-16.3%) by comparison with the first six months of 2008; however, these are still not enough to make good the decline of the gross margin.

Goodwill depreciations and loss on the stock market value of the Edipresse shares included in these figures amount to CHF 7.3 million in all. They are offset by gains on disposals and an increase in participations worth CHF 11.3 million in all. Non-recurring items therefore have a positive net effect of CHF 4 million.

The first half of 2008 (EBIT CHF 61.9 million – net result CHF 43.9 million) had benefited from a pre-tax gain of CHF 42.5 million (CHF 33.5 million after tax) on the sale of a property.

- **The fundamental transformation of the Media Sales business model is progressing. Cost-cutting programmes are being stepped up. Investments in the group's development on the online-digital markets are being maintained.**
- **No cyclical improvement is expected in the second half.**

Key figures as of 30 June 2009

in millions of CHF	1st half year 2009			1st half year 2008			Change 2008–2009	
	IFRS	Pro forma excluding non- recurring items		IFRS	Pro forma excluding non- recurring items		IFRS	Pro forma
Revenue	798.4	-	798.4	1'108.3	-	1'108.3	- 28.0%	- 28.0%
Gross margin	164.8	-	164.8	212.9	-	212.9	- 22.6%	- 22.6%
EBITDA	(4.9)	(11.3)	(16.2)	51.6	(42.5)	9.1	- 109.5%	- 277.1%
Operating result (EBIT)	(3.5)	(8.8)	(12.3)	61.9	(42.5)	19.4	- 105.6%	- 163.5%
Financial result	(3.8)	4.8	1.0	0.2	-	0.2		
Result, share of PubliGroupe Ltd.	(8.5)	(4.0)	(12.6)	43.9	(33.5)	10.4	- 119.5%	- 220.9%
Number of employees at the end of the period	2'797			3'055			- 8.4%	

General comments

General situation coloured by recession – Media Sales is the main cause of the group's weaker results

All of the group's business segments are affected to varying degrees by the worst economic crisis of the last 50 years, but Media Sales is the main cause of the 28% reduction of consolidated sales to CHF 798.4 million, while the gross margin is now 22.6% narrower at CHF 164.8 million.

Heavily dependent on the press, Media Sales in Switzerland is facing a problem linked to the economic environment, which is resulting in a decline in the advertising market as a whole; it is also having to contend with the special situation of the classical daily press which is losing market shares to the other media and, finally, with structural changes on the market; these have made a fundamental transformation of its business model unavoidable. That process is under way at present. While two-thirds of the present downturn at Media Sales are attributable to the prevailing economic situation, one-third originates from structural changes which are leading to a reduction of its market shares.

Media Sales turnover has fallen from CHF 925 million to CHF 658.3 million (-28.8%), bringing a reduction of CHF 40.8 million (-28.2%) in its gross margin and an operating loss of CHF -15.6 million. The reduction is 26% in Switzerland and 39% internationally. On the Swiss market, press activity is down by 27% under the impact of the 20.3 reduction of commercial sales and the 41% downturn in job vacancy advertising. Television is 4% lower, cinemas down by 32% and Internet (display) by 8%, while radio remains stable. The international network has been hit by the decline in the sectors of finance, tourism and luxury which represent a substantial share of its client base. Faced with the downturn in its sales, Media Sales has cut its costs steeply in the past 18 months. Following a reduction of CHF 22 million in 2008 against 2007, savings reached CHF 23 million in the first half of 2009 against the first half of 2008. They will amount to over CHF 40 million for the financial year as a whole.

The Search & Find and Digital & Marketing Services segments are being held back by the economic situation, but they have robust business models and are well placed to benefit from growth of online services

Sales of Search & Find are down 8.7% at CHF 42.9 million following the cessation, already completed or under way, of publication of unprofitable specialised publications (City Guides, Autobörse, Fundgrueb) and because of a 28% reduction on the French market attributable to its Bégécom subsidiary; underlying activities with directories on the Swiss market on the other hand remain stable at the heart of the recession, with 19.3% growth of online products brought together on the www.local.ch platform. This is offsetting the 8.2% decline in printed products. Search & Find's EBIT stood at CHF 11.5 million (1st half of 2008: CHF 20.4 million) after goodwill depreciation of CHF 2.5 million on its French Bégécom subsidiary and a reduction of its share of the profit of its participation in Swisscom Directories (Publi-Groupe: 49%), which is having to contend with high development costs.

Digital & Marketing Services has reported a 31.9% reduction in its sales which now stand at CHF 83.6 million because of the decline in the volume of advertising handled by SVBmedia; this company spe-

cializes in marketing and media services in The Netherlands. Its sales are down from CHF 99.3 million to CHF 64.3 million. This reduction concerns first and foremost the budgets earmarked for the press and television. SVBmedia has only a limited impact on the gross margin of Digital & Marketing Services, which is down by 8.8%. Earnings of the e-business consultancy company namics are 18% lower because of downscaling or deferrals of its clients' projects. On the other hand, the international provider of online marketing services zanox (PubliGroupe 47.5%) which specializes in performance marketing was still advancing by 14.4% at the end of the first half of 2009. Digital & Marketing Services increased its EBIT to CHF 5.3 million (2008: CHF 2.8 million), largely because of a book gain of CHF 3.8 million made on the occasion of the increase of its participation in zanox from 40% to 47.5%. At CHF 1.6 million (+86%), the PubliGroupe share of its net result is sharply higher. SVBmedia and namics on the other hand have reported weaker results.

Search & Find and Digital & Marketing Services are therefore contributing an aggregate EBIT of CHF 16.8 million, substantially lower than their 2008 figure (CHF 23.2 million).

Custom Publishing has also seen a reduction of its earnings to CHF 12.7 million (-12.4%), -10% in Asia and -20% in Switzerland with an operating loss of CHF -1.8 million (2008: CHF 1.2 million).

In the depths of the worst crisis of the last 50 years, PubliGroupe reported an operating loss (EBIT) of CHF -3.5 million and a net loss of CHF -8.5 million at the end of the first half of 2009

PubliGroupe has reported an operating loss (EBIT) of CHF -3.5 million. The first half of 2008 (EBIT: CHF 61.9 million) had benefited from a gain on the sale of a property of CHF 42.5 million, while the first half of 2009 in turn benefited from a gain of CHF 7.5 million on the disposal of a participation in publishing.

The consolidated operating loss is attributable essentially to the decline reported by Media Sales. It is also affected by the group share in the results of minority participations in publishing which has become negative at CHF -3 million, CHF 6 million lower than in 2009.

The financial result is adversely affected in the amount of CHF 4.8 million by a value adjustment resulting from a further reduction of the stock market valuation of its 19.9% participation in Edipresse. On the other hand, the trend in the share price of its 1.4% participation in Tamedia, which required a substantial writedown at the end of 2008, is stable and even contributed a small book gain of CHF 0.4 million.

The net loss after tax (group share) therefore stands at CHF -8.5 million (2008: CHF 43.9 million, including a gain of CHF 33.5 million after tax on the sale of a property).

Goodwill depreciation (CHF 2.5 million) and value adjustments (CHF 4.8 million) included in these results amount to CHF 7.3 million. They are offset by gains on a sale (CHF 7.5 million) and an increase (CHF 3.8 million) in participations totalling CHF 11.3 million. Excluding all these non-recurring items of an exceptional nature which have a net positive impact of CHF 4 million on the account statements, the net loss would be CHF -12.6 million.

Group's financing

Shareholders' equity, group share, stands at a total of CHF 428.4 million. This represents 42.8% of the balance sheet total and is CHF 2.9 million lower than at 31.12.2008. The group is therefore well-placed to safeguard its development once the present crisis is behind us. It has reduced its debt level at CHF 153.4 million on 30 June 2009 (30 June 2008: CHF 199.8 million / 31 December 2008: CHF 185 million). The group has secured its financing for the next few years by two credit lines, one a mortgage for CHF 120 million and the other for CHF 90 million (reduced to CHF 50 million in July 2010), guaranteed by non-operational assets. The securitization of these borrowings has enabled advantageous terms to be obtained.

Transformation of Media Sales-Publicitas

Commercial communication is living through a phase of far-reaching change whose effects are being amplified by the economic situation: advertising opportunities are increasing sharply with the boom of online communication, an inevitable phenomenon of concentration is transforming the media world while national advertisers are exerting considerable pressure on media prices. Competition between media groups to secure national advertising budgets is therefore increasingly keen and price offers tend to be negotiated directly with clients. These trends have called into question the business model of Media Sales-Publicitas based on representation contracts, remunerated by commissions calculated on the basis of the fixed rate card decided by the publisher.

A new business model, based on a flexible service offering and a system of remuneration for each service rendered, has therefore been developed. It responds to the need felt by certain media to negotiate their offers directly with the big advertisers, while benefiting from the services of Publicitas, each of which is remunerated on the basis of its added value. Last spring Media Sales-Publicitas announced the broad outline of the new service offering which it proposes to introduce gradually on the Swiss market in coming years:

- Publicitas will develop a modern promotion and sales organization for the media (network of over 50 points of sale, online platforms). The promotion and sales services will be offered on a modular basis and invoiced transparently in the light of the services requested, with a performance-based component. In future, therefore, Publicitas will offer variable service packages; the media will also retain the possibility of outsourcing all of their promotion and sales to Publicitas.
- Publicitas is developing a digital platform for the management of all kinds of advertising orders which will be open to all the entities involved in this branch. Thanks to standardisation and the use of modern technologies, it will provide benefits in terms of efficiency and costs for all its users. The first pilot projects for this platform will be implemented before the end of the year.
- Publicitas-Publimedia plans to reorganise media promotion at national level in the light of the realities of this market and in agreement with the media concerned. In addition, PubliGroupe will develop a new concept of "media services" for major national clients and their agencies in 2010, in a separate entity.

This ambitious project will be introduced onto the market from the end of this year; the complete transformation of Publicitas Switzerland

will require around two to three years. All existing contracts will be respected. The final outcome will be an organisation which is smaller than today, but more competitive, and profitable with higher added value.

Outlook

The operational and strategic measures taken some time ago in anticipation of the structural changes which are gathering pace today will enable the adverse impact of the crisis to be mitigated.

The Media Sales business model is being restructured in-depth as explained above. Its costs are constantly being cut, as are those of PubliGroupe's central structures. Other measures, including for instance an early retirement programme, will enable further cost reductions to be achieved in 2010 and beyond.

Search & Find intends to safeguard the profitability of its printed products and develop its online services.

In the space of just two years, Digital & Marketing Services has become a business area which is making a major contribution to the results of the group and to its development in the promising field of performance-based online marketing; this is its main focus of development today and the area in which core investments are being made. Its zanox participation (PubliGroupe 47.5% / Axel Springer 52.5%) is currently growing at the rate of 14.4%. The acquisition of an English company, Digital Window, which operates in the same business area as zanox, was implemented jointly with Axel Springer in August 2009 (PubliGroupe 47.5%). Provided that the approval of the anti-trust authorities is forthcoming, this will strengthen the position of the two partners on Europe's largest online marketing and e-business market.

Taken together, these measures therefore hold out promising long-term prospects for the group.

On the other hand, the outlook for the second half of 2009 remains challenging for the advertising markets and the group results for 2009 will reflect this situation which is likely to mirror that of the first half.

Corporate governance

The General Meeting held on 29 April elected Mr Hans-Peter Rohner, Group CEO, to the board of directors. Since that time and for a limited period, Mr Hans-Peter Rohner, is serving as both Chairman of the Board and Group CEO. At the same time, Board member Pascal Böni was appointed lead director; he is charged with ensuring compliance with the principles of sound corporate governance for the duration of Mr Rohner's double mandate.

At the beginning of the year, the general management encouraged all staff to take up to 4 weeks unpaid leave. Its own members acted on this suggestion and, where that was not possible, some, like the CEO, voluntarily waived all or part of their rights, accepting in effect an equivalent reduction of their remuneration. The remuneration of the group management is likely to be more than 10% lower overall in 2009.

The overall compensation of the Board of Directors will be more than 25% lower in 2009 than in 2008 because of a 10% cut in individual fees and a reduction in the number of board members to seven.

Segment Information

in millions of CHF

1st half year	Search & Find		Media Sales			Custom Publishing			Digital & Marketing Services			Corporate and others			
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
Revenue	-8.7%	42.9	47.0	-28.8%	658.3	925.0	-12.4%	12.7	14.5	-31.9%	83.6	122.7	-30.5%	15.3	22.0
Gross margin	-16.1%	32.3	38.5	-28.2%	104.1	144.9	-24.2%	5.0	6.6	-9.0%	24.3	26.7	-26.6%	12.4	16.9
EBITDA	-56.4%	3.4	7.8	-	(13.9)	3.9	-	(1.4)	1.5	+58.6%	4.6*	2.9	-93.2%	2.4	35.5
Depreciation and amortisation	+50.0%	(0.9)	(0.6)	-17.4%	(1.9)	(2.3)	+33.3%	(0.4)	(0.3)	-	(0.9)	(0.9)	-23.3%	(2.3)	(3.0)
Impairment loss	-	(2.5)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share in net result of associates	-12.9%	11.5	13.2	-	0.2	0.2	-	-	-	-	1.6	0.8	-	(3.0)	3.2
EBIT	-43.6%	11.5	20.4	-	(15.6)	1.8	-	(1.8)	1.2	+89.3%	5.3*	2.8	-	(2.9)	35.7
Number of employees at the end of the period	+4.2%	600	576	-15.4%	1'559	1'842	+2.8%	109	106	+4.8%	353	337	-9.4%	176	194

* Included the unique profit of CHF 3.8 million (negative goodwill) due to the increase of interest in the zanox investment (40% to 47.5%).

Search & Find

Search & Find supplies and sells tools to facilitate searches for persons, companies, products and services targeting local markets. Its offering comprises printed, internet and mobile telephony supports. Consulted over 300 million times a year, these products put advertisers in touch with purchasers.

Search & Find is strongly placed in Switzerland with its joint venture partner Swisscom Directories and is number 2 on the French market. With its very strong position in printed products and prestigious brands such as Yellow Pages and local, Search & Find is successfully pursuing a strategy of expansion in online products which already account for about 40% of its sales today in terms of new orders taken.

Search & Find's sales of the joint venture's basic products, i.e. both online and printed directories, continued to resist the crisis in Switzerland with a degree of overall stability compared to last year, thanks to the 19.3% progression of online services which offset the decline in printed products amounting to 8.2%, assuming a constant publishing programme.

The fall in global turnover of 8.7% for Search & Find, which amounted to CHF 42.9 million, was therefore attributable to the 28% downturn on the French market and to the closure, completed or in progress, of the publications of the The Guide Company, Fundgrueb and Autobörse in Switzerland. These had ceased to be profitable in recent years and the economic downturn had removed any hope of recovery. These three companies together contributed aggregate turnover of CHF 1.9 million in the first half of 2008, down to CHF 0.6 million in the first half of 2009.

The EBIT of Search & Find reached CHF 11.5 million, a decrease of CHF 8.9 million compared to the first half of 2008. This decrease was attributable to goodwill depreciation of CHF 2.5 million on the French

Bégécom company, to a CHF 1.7 million fall in the group share of the earnings of Swisscom Directories which had to finance substantial IT development costs, and to costs linked to business activities in the course of closure. Many of these items were either non-recurring or temporary in nature; a rapid improvement of the EBIT of this business segment, which remains the group's cornerstone, can therefore be expected.

Search & Find Switzerland

Turnover on the Swiss market stood at CHF 35.3 million (-3.2%).

The printed products of the joint venture are circulated in more than 8.5 million copies to all of the 4 million or so households and business addresses in Switzerland. Available to all their potential users, they have an important penetration rate with advertisers (30%). Their advertising revenues declined by 8.2% during the first half of 2009.

Since October 2008, the www.local.ch portal has been fully upgraded and combines under the same roof all of the joint venture's online offerings. This strengthening and enlargement of the offer was immediately rewarded by an increase in traffic which reached 2.5 million monthly unique users. This reflects an increase in market share which is sufficient for local.ch to aim to become the Swiss leader on this particular market. Following 22.7% growth in 2008, advertising revenues for online products continued to grow at the rate of 19.3% in the first half of 2009.

As stated, sales by Search & Find Switzerland of the joint venture's basic products are overall stable. The 3.2% decline was attributable to the cessation, completed or in progress, of the publications of The Guide Company, Fundgrueb and Autobörse.

Search & Find France

Search & Find has been active on the French market since 1997 with the Amitel company which is present in Eastern France. In November 2007, acquisition of the Bégécom group extended this activity to Lyon and to the South and West of France; this acquisition therefore enabled Search & Find to achieve a national dimension on the local markets and, in October 2008, to launch a new Internet portal www.local.fr covering the whole of France.

With its 42 directories circulated in 3.1 million copies, Search & Find France achieved sales worth CHF 7.6 million (first half 2008: CHF 10.5 million).

The French market has been particularly badly affected by the crisis. The Amitel company has seen a 10% decrease in sales, while remaining profitable.

Bégécom on the other hand is still fully engaged in a product relaunch; this explains the 28% decline of Search & Find on the French market. Its recovery has started but has been held up by the economic downturn. Goodwill depreciation of CHF 2.5 million has been stated on this company.

The new portal www.local.fr, which is being promoted by both companies, got off to a promising start by achieving high rates of traffic and advertising revenue growth, although its underlying size remains modest.

Media Sales

Since 1 January 2008, Media Sales has brought together under the single Publicitas brand, all the group entities dedicated to the commercial sale of media advertising, essentially in the press, in Switzerland and in 22 other countries.

Media Sales–Publicitas suffered an unprecedented downturn on its markets which has been worsening month after month since the summer of 2008. On the Swiss market, the recession is being accompanied by structural changes which require a fundamental transformation of the Media Sales business model (see page 4).

At the end of the first half of 2009, Media Sales–Publicitas is therefore having to contend with a loss of sales amounting to 28.8%. They are down from CHF 925 million to CHF 658.3 million. The fall amounts to 26% in Switzerland and 39% internationally. For the first six months of the year, this is equivalent to a reduction of the gross margin of CHF 40.8 million (-28.2%) which is only partially offset by cost reductions of CHF 23 million (-16.3%). The operating loss therefore stands at CHF -15.6 million (1st half of 2008: CHF 1.8 million). This includes a charge of CHF 2.4 million linked to the development of its new business model.

Over and above the far-reaching review of its business model, Media Sales is constantly intensifying its cost-cutting programmes, while pulling out of non-priority and unprofitable activities, as was done in continental China at the beginning of this year. Cost reductions for the financial year as a whole should therefore reach CHF 40.4 million compared to 2008.

Media Sales - Swiss market

Sales are down by 26% overall.

Sales achieved in press advertising – CHF 530 million – are 27% lower. The downturn affects all regions and all categories of advertisements. Commercial advertising is 20.3% lower. All the branches are affected by this highly negative trend, but the biggest reductions are attributable to the sectors of finance, mass retailing, industrial capital goods, employment agencies and luxury goods. Job vacancy advertising continued to decline, because of the economic situation and the employment market, by 41% at the end of the first half.

Online advertising (display) sold by Media Sales in Switzerland, including classified advertising on the Internet, was worth CHF 7.6 million (-8%). At CHF 15.9 million, sales of television advertising were 4% lower. At CHF 3.1 million, radio advertising was stable. Sales of cinema advertising were 32% lower at CHF 8.1 million.

Media Sales - International markets

Present in 23 countries, the international network is confronted with the impact of the prevailing economic situation on its main clients in the branches of finance, luxury goods and tourism / leisure. Sales were 39% lower overall at CHF 113 million.

In Europe the sales figures are down by 43% from CHF 135 million to CHF 77 million. All countries are experiencing reductions in the range of 30 to 50%. Costs have been cut by 23%, so offsetting the impact of the steep downturn in sales.

In the Americas, sales are down 22% at CHF 15 million. Costs have been cut by 26%.

In Asia, sales are also 29% lower at CHF 22 million with costs cut by 24%.

Overall, the international network is therefore adversely affecting the EBIT of Media Sales–Publicitas with an operating loss of CHF 3.2 million.

Custom Publishing

Custom Publishing develops and creates customized professional media solutions for airlines (inflight entertainment) and other companies or institutions. With the Emphasis Group, this segment is strongly established in Asia in the inflight entertainment sector, by which is meant both information and entertainment on board aircraft. Acquired in February 2008, the Swiss group Denon is active mainly in corporate publishing of customer magazines, house journals and other brochures. Denon also produces websites, films and videos, including those broadcast on the web.

Custom Publishing is therefore systematically focusing its services on the printed and audiovisual media and also on the web.

Custom Publishing sales fell by 12.4% to CHF 12.7 million at the end of the first half of 2009, resulting in an operating loss of CHF -1.8 million.

The Emphasis Group's decline of 10% is explained by its "Corporate Publishing" activity (-39%) while its "video entertainment" business (distribution of films to airline companies) advanced by 26%. The development of its activities in London and Singapore is still in an initial phase and should help to attenuate the decline of the Corporate Publishing activity over the financial period as a whole.

The Denon Group's sales were down by 20%, explained in particular by lower advertising revenue from its specialist magazines.

Digital & Marketing Services

Digital & Marketing Services is a marketing and technology service provider which enhances the performance and return on investment of its clients' marketing campaigns, especially in the digital and interactive world.

This segment comprises the following companies:

– *namics*, an active provider of e-business consulting services in Switzerland and Germany,

– *SVBmedia*, active in marketing and media services in The Netherlands,

– and the participation (47.5%) in *zanox*, a group which is active in the field of online performance-based marketing with subsidiaries on all the main European markets and also in China and the USA. Acquired jointly with Axel Springer in June 2007, zanox is consolidated by the equity method as an affiliated company. zanox is the European market leader today and is experiencing growth far above the average for the whole online market.

namics

namics is the leading Swiss company in the field of e-business consultancy and is developing on the German market where it has become a major player in services at the top end of the market. Its 273 staff work at sites in Zurich, Zug, St. Gallen, Frankfurt, Munich and Hamburg.

namics advises its clients on the definition and implementation of their own Internet business models (e-business solutions) and on ways of making their Internet communication more visible and effective. The company also specializes in the implementation of online communication concepts.

Following several years of uninterrupted growth, the company reported a decline of 18% in the first half of 2009, bringing its turnover down to CHF 19.2 million. The company experienced deferrals and resizing of projects by its clients. However, it is reasonable to conclude that namics performed comparatively well in a challenging environment. The company has a good inflow of new projects.

SVBmedia

SVBmedia provides its marketing and media services to the medium-sized enterprise segment in The Netherlands. Its 75 employees work in Amsterdam, Rotterdam, Eindhoven and Apeldoorn.

The company offers a broad range of services comprising media planning, placing and administration of orders for all the media.

Sales were worth CHF 64.3 million (-35%) in the first half of 2009; the advertising volume was spread between the press (55%), electronic media (Radio & TV: 33%), online (6%) and billboards (6%). Its gross margin reached CHF 5.9 million (-23%).

The company did not lose any major clients but was affected by the contraction of their advertising volumes, in particular those earmarked for the press. It did manage to maintain a positive result by improving its margin and cutting its costs.

zanox

zanox is developing and operating an interactive platform which brings advertisers into contact with a network of publishers of partner websites (affiliates). The platform enables advertisers to effectively acquire targeted clients through the network of partner sites and to perform transactions with them. It enables website publishers to benefit from their traffic by making space available to zanox advertising clients on a dynamic basis. The business model is founded on performance, the websites and zanox being remunerated by the quality of the contacts and transactions obtained by advertisers. The zanox platform assures monitoring of traffic, transactions and commissions due on sales. Other services in the performance marketing field round off this central model.

zanox has been reporting double-digit growth since its creation in 2000 in Berlin. In the first half of 2009 it achieved 14.4% with sales of EUR 110 million and an EBITDA of EUR 8.5 million (+25%). The strong cash flow growth will permit a further increase in 2009 in the dividend distributed to its shareholders. As the zanox participation is consolidated by the equity method, only the PubliGroupe share of its net profit (CHF 1.6 million / +86%) appears in the income statement of Digital & Marketing Services.

PubliGroupe's participation rose from 40% to 47.5% in March 2009. This adjustment followed the cancellation of the financial reorganisation project planned between shareholders at the time of the acquisition and resulted in a book gain of CHF 3.8 million for Digital & Marketing Services.

In the same business area as zanox, Axel Springer and PubliGroupe both strengthened their position in Great Britain, by jointly acquiring (via a 52.5% Axel Springer / 47.5% PubliGroupe joint venture) a majority interest (50.1%) in the English Digital Window company, which posted sales worth EUR 40 million, with growth superior to that of the market as a whole. Announced on 4 August, this transaction is still awaiting authorization by the anti-trust authorities.

Digital & Marketing Services accordingly posted sales worth CHF 83.6 million (-31.9%), a gross margin of CHF 24.3 million (-9%) and an EBIT of CHF 5.3 million.

Consolidated interim income statements

in millions of CHF

	1st half year 2009	1st half year 2008
Revenue	798.4	1'108.3
Purchases	(598.8)	(844.3)
Sales reductions	(34.8)	(51.1)
Gross margin	164.8	212.9
Personnel expenses	(140.6)	(156.4)
General and administrative expenses	(44.3)	(50.3)
Other income and expenses	15.2	45.4
EBITDA	(4.9)	51.6
Depreciation and amortisation	(6.4)	(7.1)
Impairment loss	(2.5)	-
Share in net result of associates	10.3	17.4
Operating result (EBIT)	(3.5)	61.9
Financial income	3.8	4.3
Financial expenses	(7.6)	(4.1)
Financial result	(3.8)	0.2
Result before income tax	(7.3)	62.1
Income tax expense	(0.3)	(15.0)
Result	(7.6)	47.1
Result attributable to :		
- Minority interests	0.9	3.2
- Shareholders of PubliGroupe Ltd	(8.5)	43.9

Earnings per share

Basic earnings per share (in CHF)	(3.71)	19.05
Diluted earnings per share (in CHF)	(3.71)	19.05

Consolidated interim statements of comprehensive income

in millions of CHF

	1st half year 2009	1st half year 2008
Result for the period recognised in the income statements	(7.6)	47.1
Translation differences	6.8	(13.6)
Fair value adjustments of financial instruments		
- Valuation gains / (losses) taken to equity	-	(15.0)
Other comprehensive income *	6.8	(28.6)
Total comprehensive income	(0.8)	18.5
Comprehensive income attributable to:		
- Minority interests	0.9	3.0
- Shareholders of PubliGroupe Ltd	(1.7)	15.5

* There is no income tax relating to components of other comprehensive income.

Consolidated balance sheets

in millions of CHF

	as of 30 June 2009	as of 31 December 2008
Assets		
Cash and cash equivalents	36.7	81.4
Marketable securities	9.2	8.8
Accounts receivable	299.7	318.4
Current tax asset	3.5	2.0
Accrued income and prepaid expenses	108.5	72.1
Assets held for sale	15.6	-
Current assets	473.2	482.7
Investment properties	52.9	65.9
Owner-occupied properties	30.8	31.6
Equipment	17.9	20.2
Intangible assets	45.8	49.2
Investments in associates	298.9	321.5
Financial assets	75.2	127.0
Deferred tax assets	6.4	3.7
Non-current assets	527.9	619.1
Total assets	1'001.1	1'101.8
Liabilities and equity		
Short-term debts	153.3	185.0
Accounts payable	235.8	260.4
Current tax liabilities	2.3	6.1
Accrued expenses and deferred income	99.2	101.1
Short-term provisions	5.0	5.7
Current liabilities	495.6	558.3
Long-term debts	2.6	3.8
Deferred tax liabilities	19.3	19.7
Long-term provisions	8.8	9.4
Non-current liabilities	30.7	32.9
Liabilities	526.3	591.2
Share capital	2.5	2.5
Treasury shares	(53.2)	(88.6)
Reserves	479.1	517.4
Equity, shareholders of PubliGroupe Ltd	428.4	431.3
Minority interests	46.4	79.3
Total equity	474.8	510.6
Total liabilities and equity	1'001.1	1'101.8

Consolidated interim cash flow statements

in millions of CHF

	1st half year 2009	1st half year 2008
Result	(7.6)	47.1
Adjustments for non-cash items	(7.4)	(39.2)
Dividends paid to minority shareholders by group companies	(34.5)	(8.1)
Dividends received	43.4	15.2
Interest received	0.5	1.2
Interest paid	(3.2)	(3.7)
Taxes paid	(8.8)	(5.2)
Use of provisions	(1.7)	(2.1)
Working capital changes	(9.0)	(11.6)
Cash flows from operating activities	(28.3)	(6.4)
Acquisitions of tangible assets	(4.2)	(4.9)
Disposals of tangible assets	0.7	67.0
Acquisitions of intangible assets	(0.7)	(0.9)
Acquisitions of subsidiaries, net of cash acquired	(1.1)	(14.1)
Acquisitions of associates	(0.1)	(1.0)
Disposals of subsidiaries, net of cash disposed of	6.9	3.0
Disposals of associates	0.2	-
Investments in financial assets	(0.1)	(14.8)
Divestments of financial assets	14.4	6.9
Taxes paid	-	(6.6)
Cash flows from investing activities	16.0	34.6
Increase /(decrease) in bank overdrafts	(31.7)	19.8
Contribution from minority shareholders	-	0.4
Purchase of treasury shares	-	(37.9)
Sale of treasury shares	0.6	5.8
Increase in additional paid-in capital	0.1	0.4
Dividend paid to shareholders of PubliGroupe Ltd	(2.8)	(29.7)
Cash flows from financing activities	(33.8)	(41.2)
Effect of exchange rates	1.4	(3.9)
Change in cash and cash equivalents	(44.7)	(16.9)
Cash and cash equivalents as of 1 January	81.4	87.1
Cash and cash equivalents as of 30 June	36.7	70.2

The tables on pages 9 to 11 of this publication have been taken from the interim financial report (unaudited).

The complete financial report is available for downloading at the following Internet address:
<http://www.publigroupe.com/en/media-relations/downloads/key-figures.html>

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