

INTERIM REPORT FOR THE PERIOD ENDING 30 JUNE 2006 //

LAUSANNE, 28 AUGUST 2006

Growth on international markets and in electronic and online media in Switzerland

Progress in operations in all the group's areas of activity – Growth of EBIT and net result on a comparable basis

PubliGroupe's consolidated sales for the first half of 2006 rose by 2.9% to CHF 1,035 million due to a boost by the international markets and the group's growth in electronic media.

All of the group's activity areas reported operational progress and their operating results (EBIT) were either maintained or improved as at the end of the first half-year 2006, while considerable resources (about CHF 8 million) were deployed for group developments especially in the electronic, digital and interactive media and to strengthen press and directories in connection with the migration from print to online.

PubliGroupe's EBIT at the end of June 2006 stood at CHF 34.2 million. On a comparable basis, and by excluding non-recurring items (earnings from the sale of participations and from companies in liquidation), the EBIT is 26.5% above that of the comparable period of the previous year.

The financial result for the first six months of 2006 of CHF 5.8 million remains on a normal level. The first half-year did not benefit from the substantial increase in market value of the share portfolio seen during the first half of 2005 (+ CHF 9.6 million on the position in «PSP Swiss Property» shares), which resulted in an increase to CHF 19.1 million.

The net result attributable to the shareholders of PubliGroupe Ltd. as at 30 June 2006 stands at CHF 28.6 million. It therefore increased by 1.9% compared to the same period of the previous year when excluding the non-recurring special items which caused net results for the first half-year 2005 to rise to CHF 46.7 million.

Key figures as at 30 June

in million of CHF	1st half year 2006	Pro forma excluding non- recurring items	1st half year 2005 *	Pro forma excluding non- recurring items	Change 2005–2006 pro forma	
Turnover	1'035.0	1'035.0	1'005.5	1'005.5	+ 2.9%	+ 2.9%
Gross margin	215.7	215.7	209.8	209.8	+ 2.8%	+ 2.8%
EBITDA	21.1	(1.3) 19.8	25.6	(10.3) 15.3	- 17.6%	+ 29.4%
Operating result (EBIT)	34.2	(1.3) 32.9	36.3	(10.3) 26.0	- 5.8%	+ 26.5%
Financial result	5.8	5.8	19.1	(9.6) 9.5	- 69.6%	- 38.9%
Net result, share of PubliGroupe Ltd.	28.6	(1.3) 27.3	46.7	(19.9) 26.8	- 38.8%	+ 1.9%

* Comparative figures as of 30 June 2005 have been restated to comply with IFRS

	as of 30 June 2006	as of 31 December 2005	Change
Number of employees at the end of the period	2'768	2'852	- 2.9%

GROUP //

2.9% sales growth. Improved operational performance in all of the group's main activity areas. EBIT increased by 26.5% compared to the same period the previous year and excluding the non-recurring special items.

As expected, advertising spending remained stable or grew slightly in the developed markets and more strongly in Asia. The online media and some categories of electronic media benefited from a greater growth dynamic than the print media, which successfully defended their very strong positions.

In this increasingly competitive environment, PubliGroupe continued its efforts to increase the productivity of its traditional activities and to strengthen its positions on growth markets. This is reflected in improved operational performance of all group activity areas and in sales growth of 2.9%, led by the international Publicitas Promotion Network (+ 18.6%) division and business under development (+ 36.6%). PubliDirect is still growing (+ 1.7%), while PubliPresse has lost ground slightly (- 0.9%).

PubliDirect maintained its EBIT at CHF 25.1 million (1st half 2005: CHF 25.4 million, or - 1.2%) while developing and successfully launching a new portal/search engine www.local.ch (negative impact on EBIT of CHF 4.5 million). PubliPresse improved its EBIT by 8.6% to CHF 7.6 million (1st half 2005: CHF 7.0 million), thereby offsetting the reduction of sales (- 0.9%), while supporting the continued development of Publicconnect (negative impact on EBIT of CHF 3.4 million). The international Publicitas Promotion Network division tripled its EBIT to CHF 5.4 million (1st half 2005: CHF 1.7 million) with a sales increase of 18.6%. With growth of 36.6% to CHF 40.3 million, business under development («consulting e-business», «electronic, digital & interactive media») is almost at breakeven and generated a minimum operating loss of CHF 0.6 million (1st half 2005: - CHF 6.8 million). All the companies included in this activity area contributed to the improvement.

Consolidated EBIT, therefore, stands at CHF 34.2 million while considerable resources (about CHF 8 million) were deployed for developing the group's new activities. EBIT rose by 26.5% when compared to the first half in 2005, in other words, excluding the non-recurring special factors (earnings from the sale of participations and from companies in liquidation). It therefore reflects an improvement in the operational performance of all the main activity areas.

High volatility of the financial result following the transition to IFRS standards

The introduction of IFRS standards in the 2005 financial year resulted in a high volatility of the financial result which is influenced by the fluctuation in the value of the share portfolio between the beginning and the end of each period. The financial result for the first half of 2005 includes a non-recurring capital gain of CHF 9.6 million on the "PSP Swiss Property" shareholding. Nothing on this scale occurred in the first half of 2006 so that the financial result fell from CHF 19.1 million to CHF 5.8 million (- 38.9% on a comparable basis).

Net result grows by 1.9% excluding non-recurring special items on the EBIT and the financial result levels

The net result attributable to the shareholders of PubliGroupe Ltd. as at 30 June 2006 stood at CHF 28.6 million. This corresponds to a 1.9% increase compared to the same period the previous year when excluding the special items that gave rise to a net result of CHF 46.7 million for the first half-year in 2005.

A robust consolidated balance sheet

As at 30 June 2006, shareholders' equity (share accruing to PubliGroupe shareholders) stood at CHF 594.3 million, equivalent to 54% of the balance sheet. The "marketable securities" moved from CHF 118.1 million as at 31 December 2005 to CHF 31.7 million as at 30 June 2006 following the disposal of the PSP Swiss Property shares, which the group had held since the sale to that company of parts of its real estate assets in January 2000. The proceeds of this sale enabled the short-term debt level to be reduced from CHF 120.6 million to 40.3 million. The shareholders were reimbursed CHF 9.- on the nominal value of each share, or a total of CHF 21.5 million, on 14 August 2006 after closure of the half-yearly account.



Acquisition of Radiotele – Further development of electronic media selling activities

On 23 June 2006, PubliGroupe announced the acquisition of the entire share capital of Radiotele Ltd. domiciled in Zollikon, Canton Zurich, and operating a branch in Bern. Radiotele sells advertising for more than 50 radio stations, 17 regional television channels and Teletext (SWISS TXT). The company is also active in Internet advertising. In 2005, it achieved a total of net sales of CHF 41 million: radio sales accounted for CHF 24 million and television sales reached CHF 15 million. The company employs around 30 staff members. With this acquisition, which took effect on 4 July 2006, PubliGroupe made its entry into the sector of advertising sales for radio and is developing its activities in the field of local television stations. Radiotele rounds off the cinecom and web2com offering.

The group is therefore now able to sell advertising space on all of the electronic media in Switzerland, i.e. TV, radio, cinema, Internet, Teletext and mobile phone services. It will also be in a more favorable position to meet the existing needs for cross media communication and create added value for its media and advertising partners with innovative marketing concepts.

Group management

PubliGroupe expects to see significant growth of its different companies operating in the electronic, digital and interactive media. The implementation of an ambitious strategy requires enforced structures to be put in place at group level. The Board of Directors, therefore, decided to create the new position of manager of «Electronic Digital & Interactive Media» activities at the group general management level.

As announced on 29 June 2006, the Board appointed Christian Gartmann to fill this post. He will be joining the group general management on 1 January 2007. Born in 1965, and of Swiss nationality, Christian Gartmann benefits from extensive experience in the field of electronic media. After taking his school-leaving certificate in economics, Mr Gartmann studied business management at St. Gallen University and soon embarked upon an active career in the world of radio. In autumn 1996, he took over responsibility for management of Radio Z in Zurich and successfully repositioned the business with its audience and the advertising market. In 2000, he took over the management of SevenOne Media Switzerland and Sat. 1 Switzerland. In that capacity, he is responsible for the advertising windows of ProSieben, Sat.1 and kabel eins in Switzerland, for the Sat. 1 Switzerland programs and for the commercial sale of the group's Swiss Internet and Teletext platforms.

As announced last spring, Thomas Kaiser (40) took over business development management and joined the group's general management on 1 July 2006. In these two functions, he replaces Moritz Wuttke (41), who has moved to Shanghai, from where he is now directing the Asia Pacific region with the aim of developing group activities at a sustained pace in the region.

Outlook

The trends observed on our markets in the first half are likely to continue in the second part of the year. Sales will continue to grow thanks to foreign markets and developments in electronic media, especially following the integration of Radiotele into the group in July 2006. Resources allocated to the development of new activities will be maintained at a high level. Provided that these trends continue unchanged and in the absence of exceptional events, the operational results for the second half-year are unlikely to differ significantly from those achieved in the first six months.

SEGMENT REPORTING //

in million of CHF	PubliDirect		PubliPresse		PPN		Business under dev.		Corporate & others						
	First half		First half		First half		First half		First half						
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005					
Turnover	+ 1.7%	52.6	51.7	- 0.9%	767.7	774.8	+ 18.6%	183.9	155.1	+ 36.6%	40.3	29.5	- 0.7%	29.0	29.2
Gross margin	+ 1.6%	43.9	43.2	- 2.0%	117.0	119.4	+ 12.1%	35.1	31.3	+ 71.4%	18	10.5	- 2.8%	20.7	21.3
EBITDA	- 19.0%	9.8	12.1	+ 6.9%	9.3	8.7	+ 217.6%	5.4	1.7		0.8	(5.5)		(4.1)	8.5
Associated companies	+ 11.3%	15.7	14.1		0.1	-		0.4	0.4		(0.2)	(0.1)	+ 22.2%	3.3	2.7
EBIT	- 1.2%	25.1	25.4	+ 8.6%	7.6	7.0	+ 217.6%	5.4	1.7		(0.6)	(6.8)		(3.3)	9
Number of employees*	- 6.7%	491	526	- 2.7%	1,315	1,352	- 1.7%	476	484	- 0.4%	227	228	- 1.1%	259	262

* (2006: as of 30 June / 2005: as of 31 December)

PubliDirect - Search & Find / Publication of Yellow Pages and other print/Internet directories

PubliDirect succeeded in increasing its sales (CHF 52.6 million/ + 1.7%) and in maintaining its EBIT at a high level (CHF 25.1 million/- 1.2%), while at the same time covering the cost of several development projects (CHF 4.5 million); these involve primarily the launch of the new www.local.ch search engine/Internet portal and repositioning of the Internet portals of the Fundgrueb and Auto Börse companies (which were integrated into PubliDirect in 2005), together with the expansion of «The Guide Company», in which PubliGroupe increased its participation from 30% to 64% in July 2006.

In Switzerland, sales achieved with telephone directories "LOCAL" grew by 12%, with 3 more editions than last year. Yellow Pages were up 4%, with an identical number of publications. Commissions on sales of Swisscom Directories products were down by 19% for reasons inherent in the pace of renewal of advertising contracts every three years; a structural change can be observed with a steep increase in online products and less interest in printed products.

The www.local.ch search engine/Internet portal was successfully launched in 2006. Dedicated to the needs of the local markets, it already reports promising performance with constantly rising traffic, and the response on the part of advertisers is also very positive. Fundgrueb and Auto Börse show cumulative sales of CHF 1.4 million, a 34% decrease on the comparable period the previous year. Their Internet portals, which will be integrated into local.ch, are currently being completely restructured. The Guide Company, which produces local print/Internet guides, is also being integrated into the local.ch project. The majority shareholding acquired by PubliGroupe in this company in July 2006 will enable the cooperation to be strengthened further.

On the French market Amitel rose by 6.7% to CHF 3.8 million.

PubliPresse – Sale of advertising space in the Swiss press and its online supplements

In an environment, which remains difficult, highly volatile and more and more competitive, PubliPresse sales were down by 0.9% to CHF 767.7 million. Two changes which occurred in relation to last year must be borne in mind. Firstly, exclusive cooperation agreement from 1 January 2006 for the Aargauer Zeitung, which contributed additional sales estimated to be worth CHF 7 million; secondly, the Südostschweiz Publicitas AG company (in which PubliGroupe holds a 50% share) is now being consolidated by the equity method and no longer by full inclusion; this deprives the division of sales worth CHF 11 million. Therefore, assuming a comparable consolidation scope, the decline in the sales of PubliPresse would have been 0.5%.

PubliPresse is facing a continuing decline of commercial advertising by 2.9% with ongoing major disparities between different branches. With important differences of behaviour from one advertiser to another, mass retailers are maintaining their advertising spending at last year's level, while advertising spending by the motor vehicle, telecommunications and tourism sectors is on the decline. The expanding sectors once again include banks, the healthcare sector and staff recruitment companies. Real estate advertising fell for the first time in three years with a reduction of 3.4%. The positive trend in employment advertising is continuing, showing an increase of 18.7% for the half-year.

EBIT increased from CHF 7.0 million to CHF 7.6 million. The reduction in the gross margin and the increased resources (CHF 3.4 million) dedicated to the continuing development of Publiconnect (advertising marketing for professional customers in classified print and online advertising) were therefore more than offset by cost reductions.



Publicitas Promotion Network – International marketing of print advertising space

Publicitas Promotion Network (PPN) succeeded in tripling its EBIT to CHF 5.4 million on a sales increase of 18.6% to CHF 183.9 million and a 12% rise in the gross margin to CHF 35.1 million, while costs were held at the same level as for the comparable period last year.

Asia/Australia continues to report very strong growth (sales + 24% / gross margin + 27.5%), while Europe is recovering vigorously (sales + 23.3% / gross margin + 15.3%). The "Americas" region remains negative, but its fundamentals have become robust again (sales - 7.7% / gross margin - 7.4%).

With a presence in 12 European countries, PPN is growing again in the region led by the British, Belgian and German markets; the German market benefited greatly from the football World Cup.

In Asia, the Emphasis group has consolidated its No. 1 position in in-flight entertainment under the combined effect of market growth and the winning of new contracts. Its sales have accordingly risen by 31%. Activities in mainland China are also growing strongly (+ 88%). In the second half of 2006, the group will increase its participation in the Indian Mediascope organization from 40% to 65%, with the aim of achieving rapid development on this subcontinent and a focus on business with in-flight entertainment.

In the "Americas" region, activities in Canada are developing satisfactorily while positive signs are reported in the United States following several difficult years marked by major restructuring operations. Leading Hispanic Media started developing its activities in the service of the Spanish-language media on US territory and is making a first modest contribution to overall sales in North America. Activities with Latin America have declined slightly following the much reduced budget of one key account, which has not been off-set yet.

Business under development: E-business consulting - Sale of «electronic, digital & interactive media»

All the companies brought together in this business area substantially improved their performance in terms of both sales and results. Together, they achieved a sales growth of 36.6%. With an overall operating loss of CHF 0.6 million (compared with CHF 6.8 million the previous year), their negative impact on PubliGroupe's EBIT is no longer significant.

namics (interactive communication consultancy/design and development of e-business solutions) increased its sales by 45.9% to CHF 13 million. The company is experiencing rapid expansion through the enlargement of its consultancy services (acquisition and development of namics rotweiss) and with the opening of new offices in Munich. The workforce now stands at 160 persons and should reach 180 by the end of the year.

cinecom (marketing of cinema and TV advertising) stepped up its sales by 32% to CHF 23.3 million. The cinema business grew by 9%, thanks to a 6% increase in national advertising, and by 20% on local markets. The company is therefore benefiting from the initial effects of digitization which has made the cinema media more attractive to local advertisers. TV advertising sales rose by 35%, largely due to the new representation contract signed with kabel eins. They will make further progress during the second half-year with the beginning of commercialization of the new channel 3+ ("drei plus") in September 2006.

web2com (marketing of advertising for the interactive media: online and mobile) gained 59.3% and raised its turnover to CHF 5 million with the business now showing a profit for the first time.

Corporate and others

The "Corporate and others" segment comprises the group IT companies brought together in PubliService, the group participations in the publishing sector and central services. Essentially, this involves a cost center for the group. It includes special factors owing to gains on the disposal of participations and from companies in liquidation.

CONSOLIDATED BALANCE SHEET //

in million of CHF

	Notes	as of 30 June 2006	as of 31 December 2005
Assets			
Cash and cash equivalents		45.9	50.6
Marketable securities	(5)	31.7	118.1
Accounts receivable		335.7	326.9
Taxes receivable		1.3	1.4
Accrued income and prepaid expenses		107.4	66.5
Current assets		522.0	563.5
Investment properties		42.2	43.2
Owner-occupied properties		78.7	78.5
Other tangible assets		17.7	17.0
Intangible assets		37.7	33.0
Investments in associated companies		117.7	110.9
Financial assets		283.1	268.2
Deferred tax assets		3.7	4.2
Non-current assets		580.8	555.0
Total assets		1'102.8	1'118.5
Liabilities and equity			
Short-term debts	(5)	40.3	120.6
Accounts payable		269.0	236.8
Taxes payable		5.2	10.3
Accrued expenses and deferred income		93.7	76.3
Short-term provisions		5.0	5.4
Short-term liabilities		413.2	449.4
Long-term debts		10.8	12.8
Provision for deferred taxes		20.6	20.9
Other long-term provisions		9.9	9.7
Long-term liabilities		41.3	43.4
Liabilities		454.5	492.8
Share capital PubliGroupe Ltd.		24.9	24.9
Treasury shares		(55.6)	(47.9)
Reserves		625.0	590.5
Equity, PubliGroupe's shareholders	(7)	594.3	567.5
Minority interests		54.0	58.2
Total equity		648.3	625.7
Total liabilities and equity		1'102.8	1'118.5

CONSOLIDATED INCOME STATEMENT //

in million of CHF

	Notes	1st half year 2006	1st half year 2005	Change
Turnover		1'035.0	1'005.5	+ 2.9%
Purchases		(763.1)	(742.1)	+ 2.8%
Sales reductions		(56.2)	(53.6)	+ 4.9%
Gross margin		215.7	209.8	+ 2.8%
Personnel expenses		(151.3)	(145.8)	+ 3.8%
General and administrative expenses		(45.5)	(51.8)	- 12.2%
Other income and expenses		2.2	13.4	- 83.6%
EBITDA		21.1	25.6	- 17.6%
Depreciation		(6.2)	(6.0)	+ 3.3%
Impairment loss		-	(0.4)	- 100.0%
Share in net result of associated companies		19.3	17.1	+ 12.9%
Operating result (EBIT)		34.2	36.3	- 5.8%
Financial result	(5)	5.8	19.1	- 69.6%
Result before taxes		40.0	55.4	- 27.8%
Taxes	(6)	(7.4)	(3.9)	+ 89.7%
Net result		32.6	51.5	- 36.7%
Net result attributable to :				
- Minority interests		4.0	4.8	- 16.7%
- Shareholders of PubliGroupe Ltd.		28.6	46.7	- 38.8%
Earnings per share				
Basic earnings per share (in CHF)		11.98	19.49	- 38.5%
Diluted earnings per share (in CHF)		11.94	19.41	- 38.5%

CONSOLIDATED STATEMENT OF CASH FLOWS //

in million of CHF

	Notes	1st half year 2006	1st half year 2005
EBITDA		21.1	25.6
Interest paid		(0.9)	(1.4)
Interest received		1.3	1.2
Dividends paid to minority shareholders by group companies		(7.7)	(7.8)
Dividends received		15.0	13.1
Non-cash expenses		2.8	4.5
Gain on sale of real estate and non-cash income		(0.3)	(9.5)
Taxes paid		(12.2)	(4.7)
Utilization of provisions		(0.2)	(1.1)
Working capital changes		(7.9)	(22.9)
Cash flows from operating activities		11.0	(3.0)
Capital expenditures		(6.1)	(5.7)
Sales of tangible fixed assets		1.4	0.3
Purchases of intangible assets		(1.5)	(0.1)
Sale of marketable securities	(5)	89.1	7.1
Acquisitions of subsidiaries		-	(2.0)
Sale of subsidiaries		-	(0.1)
Sale of associated companies		-	10.9
Investment in non-current financial assets		(4.6)	(33.8)
Divestments of non-current financial assets		1.3	0.2
Cash flows from investing activities		79.6	(23.2)
Increase in bank overdrafts		-	30.0
Repayment of bank overdrafts	(5)	(80.0)	-
Increase in share capital		-	0.5
Acquisitions of treasury shares		(9.6)	-
Sale of treasury shares and options		-	1.1
Dividend paid to shareholders of PubliGroupe Ltd.	(7)	(4.8)	(21.6)
Cash flows from financing activities		(94.4)	10.0
Effect of exchange rates		(0.9)	2.1
Change in cash and cash equivalents		(4.7)	(14.1)
Cash and cash equivalents as of 1 January		50.6	56.9
Cash and cash equivalents as of 30 June		45.9	42.8

CHANGES IN THE CONSOLIDATED EQUITY //

in million of CHF

Notes	Share capital PubliGroupe Ltd.	Treasury shares	Additional paid-in capital	Retained earnings	Accumulated translation differences	Unrealized gains reserve	Equity, PubliGroupe's shareholders	Minority interests	Total equity
Balance as of 1.1.2005	24.9	(52.0)	3.2	470.8	(1.3)	69.5	515.1	50.9	566.0
Increase in share capital			0.5				0.5		0.5
Changes in treasury shares		4.1		(2.2)			1.9		1.9
Fair value adjustments of financial instruments									
– unrealized						10.9	10.9		10.9
– realized						(0.2)	(0.2)		(0.2)
Changes in the scope of consolidation							-	2.0	2.0
Share based compensation				0.9			0.9		0.9
Net result				46.7			46.7	4.8	51.5
Translation differences					3.9		3.9	0.1	4.0
Dividends				(21.6)			(21.6)	(7.8)	(29.4)
Balance as of 30.6.2005	24.9	(47.9)	3.7	494.6	2.6	80.2	558.1	50.0	608.1

Balance as of 1.1.2006	24.9	(47.9)	3.7	520.1	2.6	64.1	567.5	58.2	625.7
Changes in treasury shares		(7.7)		(0.7)			(8.4)		(8.4)
Fair value adjustments of financial instruments									
– unrealized						12.5	12.5		12.5
Changes in the scope of consolidation							-	(0.3)	(0.3)
Share based compensation				1.2			1.2		1.2
Other changes in the equity of associated companies				0.3			0.3		0.3
Net result				28.6			28.6	4.0	32.6
Translation differences					(2.6)		(2.6)	(0.2)	(2.8)
Dividends (7)				(4.8)			(4.8)	(7.7)	(12.5)
Balance as of 30.6.2006	24.9	(55.6)	3.7	544.7	-	76.6	594.3	54.0	648.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS //

Segment reporting

1st half year 2006

in million of CHF

	PubliDirect	PubliPresse	Publicitas Promotion Network	Business under development	Corporate and others	Eliminations	Total
Turnover with third parties	52.1	756.6	182.6	36.6	7.1		1'035.0
Inter-segment revenues	0.5	11.1	1.3	3.7	21.9	(38.5)	-
Total turnover	52.6	767.7	183.9	40.3	29.0	(38.5)	1'035.0
Gross margin	43.9	117.0	35.1	18.0	20.7	(19.0)	215.7
Share in net result of associated companies	15.7	0.1	0.4	(0.2)	3.3		19.3
Operating result (EBIT)	25.1	7.6	5.4	(0.6)	(3.3)	-	34.2
Financial result							5.8
Taxes							(7.4)
Minority interests							(4.0)
Net result, share of PubliGroupe Ltd.							28.6
Other information							
Capital expenditure	1.7	6.2	0.6	0.8	2.5		11.8
Depreciation	(0.3)	(1.7)	(0.4)	(1.2)	(2.6)		(6.2)
Number of employees at the end of the period	491	1'315	476	227	259		2'768

1st half year 2005

in million of CHF

	PubliDirect	PubliPresse	Publicitas Promotion Network	Business under development	Corporate and others	Eliminations	Total
Turnover with third parties	50.9	764.4	153.3	28.7	8.2		1'005.5
Inter-segment revenues	0.8	10.4	1.8	0.8	21.0	(34.8)	-
Total turnover	51.7	774.8	155.1	29.5	29.2	(34.8)	1'005.5
Gross margin	43.2	119.4	31.3	10.5	21.3	(15.9)	209.8
Share in net result of associated companies	14.1	-	0.4	(0.1)	2.7		17.1
Operating result (EBIT)	25.4	7.0	1.7	(6.8)	9.0	-	36.3
Financial result							19.1
Taxes							(3.9)
Minority interests							(4.8)
Net result, share of PubliGroupe Ltd.							46.7
Other information							
Capital expenditure	0.1	1.6	0.4	3.0	0.9		6.0
Depreciation	(0.4)	(1.7)	(0.4)	(1.2)	(2.3)		(6.0)
Impairment loss	(0.4)	-	-	-	-		(0.4)
Number of employees at the end of the period	540	1'368	479	194	217		2'798

1. Accounting principles

The unaudited interim financial statements comply with Swiss law on public limited companies and with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB). They also comply with the interpretations issued by the IASB's International Financial Reporting Interpretations Committee (IFRIC). These accounting principles are the same as those applied as of the 2005 annual closing date. Comparative figures as of 30 June 2005 have been restated to comply with IFRS. The reconciliation of Swiss GAAP ARR - IFRS equity and result as of 30 June 2005 is available on the internet site www.publigroupe.com.

2. Scope of consolidation

As of 30 June 2006, the scope of consolidation was modified as follows:

- increase from 60% to 90% in the group's holding in Auto Börse Medien AG,
- change in the method of consolidation of Südostschweiz Publicitas AG from full consolidation to the equity method.

3. Seasonality

The associated company Swisscom Directories AG is subject to strong seasonal effects, a significant portion of its earnings being generated in the first half of the year. To a lesser extent, the fully consolidated companies in the PubliDirect division also experience seasonal effects, though in this case earnings are stronger in the second half of the year.

Other divisions have no notable seasonal cycles.

4. Translation of foreign currencies

The table below shows the main exchange rates used to translate balance sheet and income statement items to Swiss francs :

Exchange rates		2006	2005	2006	2005
		1st half Average rates	1st half Average rates	30.06. Closing date rates	31.12. Closing date rates
AUD	1	0.9432	0.9361	0.9165	0.9647
CAD	1	1.1203	0.9781	1.1097	1.1309
CNY	100	15.7870	15.1067	15.4200	16.2850
EUR	1	1.5662	1.5442	1.5671	1.5554
GBP	1	2.2736	2.2608	2.2605	2.2669
HKD	100	16.3297	15.5400	15.8679	16.9546
SGD	1	0.7906	0.7334	0.7767	0.7907
USD	1	1.2671	1.2106	1.2325	1.3147

5. Financial result

As of 30 June 2005, the significant financial result was due to the stock market's strong performance of PSP Swiss Property AG shares. During the period from 1 January to 30 June 2006, the market price remained stable and the shares were sold. The proceeds of this sale were used to repay short-term debts.

6. Income taxes

Tax expense on results for the period from 1 January to 30 June is based on the best estimate of the tax rate that will be applied to the full-year result.

7. Dividend

The Annual General Meeting of 16 May 2006 voted, firstly, to distribute a dividend of CHF 2.- per share, which was paid to shareholders on 24 May 2006, and, secondly, to carry out a capital repayment of CHF 9.- per share. As a result of this second decision CHF 21.5 million was repaid to shareholders on 14 August 2006 in respect of outstanding shares.

8. Contingent liabilities and contingent assets

There are no changes in contingent liabilities or contingent assets since 31 December 2005.

9. Events subsequent to the balance sheet date

On 23 June 2006, PubliGroupe acquired all the shares of Mediatransfer Holding AG for CHF 10.8 million, taking control of the company as of 4 July 2006. Mediatransfer Holding AG owns 100% of Radiotele AG, which markets advertising on radio, local TV and the internet.

On 17 July 2006, PubliGroupe increased its holding in The Guide Company AG from 30% to 64% at a cost of CHF 2.4 million.

10. Publication of the interim report

The publication of PubliGroupe's interim consolidated financial statements was authorized by the board of directors on 25 August 2006.

