

INTERIM REPORT FOR THE PERIOD ENDING 30 JUNE 2007 //

LAUSANNE, 27 AUGUST 2007

4.2% increase in sales attributable to slight growth of Swiss press advertising (+ 1.8%) combined with group developments on the international markets (+ 7.5%) and in the electronic media (+ 61.5%) – EBIT reaches CHF 34.8 million (+ 3%) – Net result more than doubled at CHF 58.4 million with the profit on the sale of 24/7 Real Media shares.

Consolidated sales rose by 4.2% to CHF 1,074 million. All the group's business areas reported higher sales, with the exception of PubliDirect which for the time being is 6.3% behind last year's figure because publication of some important directories has been deferred to the second half.

The EBIT stood at CHF 34.8 million (+ 3%) at end June 2007. It advanced following the 73.7% improvement in the PubliPresse EBIT and a gain of CHF 4.9 million on the sale and exchange of minority shareholding interests in the publishing sector. On a comparable basis, excluding non-recurring factors and changes in the consolidation scope, it was down by CHF 3.9 million. This downturn is attributable in part to the many initiatives taken to strengthen our sales structures and online services within all of our divisions. It is also explained by delays in sales by PubliDirect and cinecom (cinema activity), which will be made good to some extent in the second half.

The net result attributable to shareholders is CHF 58.4 million. It has doubled because of the gain of CHF 27.6 million after tax made on the sale of 24/7 Real Media shares.

The transaction involving the acquisition, jointly with Axel Springer, of the online marketing services provider zanox was completed in July 2007. The positive impact of this transaction on the consolidated accounts will become apparent in the 2nd half of 2007.

Key figures as of 30 June 2007

in millions of CHF	1st half year 2007			1st half year 2006			Change 2006–2007	
	IFRS	Pro forma excluding non-recurring items and before the 2007 changes in the consolidation scope		IFRS	Pro forma excluding non-recurring items 2006		IFRS	Pro forma
Turnover	1'074.4	(21.0)	1'053.4	1'030.9		1'030.9	+ 4.2%	+ 2.2%
Gross margin	216.1	(4.6)	211.5	209.5		209.5	+ 3.2%	+ 1.0%
EBITDA	21.8	(6.1)	15.7	20.8	(1.3)	19.5	+ 4.8%	- 19.5%
Operating result (EBIT)	34.8	(6.2)	28.6	33.8	(1.3)	32.5	+ 3.0%	- 12.0%
Financial result	34.8	(29.2)	5.6	5.8	-	5.8	+ 500.0%	- 3.4%
Net result, share of PubliGroupe Ltd.	58.4	(33.0)	25.4	28.6	(1.3)	27.3	+ 104.2%	- 7.0%
	as of 30 June 2007			as of 30 June 2006			Change 2006–2007	
Number of employees at the end of the period	2'896			2'698			+ 7.3%	

GROUP //

Sales up by 4.2% attributable to a small increase in Swiss press advertising and group developments on the international markets and in the electronic media – EBIT 3% higher thanks to the 73.7% improvement in the PubliPresse EBIT and a gain of CHF 4.9 million on the sale and exchange of minority shareholding interests in publishing

Consolidated sales rose by 4.2% to CHF 1,074.4 million. All of the group business areas reported higher sales with the exception of PubliDirect which is temporarily 6.3% behind last year's figure because of the deferral of the publication of some directories, including the Geneva Yellow Pages, to the second half. PubliPresse (+ 1.8%) is benefiting from a favourable trend on the advertising market and the continuing rise in employment advertising (+ 27.8%). The international Publicitas Promotion Network (PPN) (+ 7.5%) has made progress in every region. In Asia (+ 36.7%) growth has gathered pace thanks to development of the group in India following the acquisition of a majority interest in the Mediascope Publicitas company. Growth is equally pleasing in Europe (+ 4.7%) and in the Americas (+ 14.7%). The activities listed as «Business under development» advanced by 50.1%; this sector includes group companies operating in the sale of advertising for electronic, digital & interactive media – EDI – which reported substantial sales growth (+ 61.5%) following the integration of the Radiotele company (sales CHF 18.5 million) which has only been owned by PubliGroupe since the beginning of the second half of 2006. While sales for television (+ 22.6%) and Internet (+ 22.8%) advertising have risen strongly, the figure for cinemas is down (- 20.4%) on last year and is adversely affecting the results of the "Business under development" sector for the time being. This weakness should be made good to some extent in the second half. namics (consulting/E-business), which is also attached to this sector, continues to expand with 16.5% growth.

The EBIT stood at CHF 34.8 million (+ 3%) at end June 2007. It rose thanks to the 73.7% improvement of the PubliPresse EBIT (CHF 13.2 million) and a gain of CHF 4.9 million on the sale and exchange of minority shareholding interests in publishing. On a comparable basis excluding non-recurring factors and changes in the consolidation scope, it was down by CHF 3.9 million. This downturn is explained by the reduction in the EBIT of PubliDirect (CHF 20 million / - 20.3%), Publicitas Promotion Network (CHF 3.2 million / - 40.7%) and Business under development (- CHF 3.1 million in 2007 against CHF 0.6 million in 2006). These reductions are partly attributable to the many initiatives taken to strengthen our sales structures and online services within PubliDirect and PPN, together with more effective management structures for EDI activities. They are also explained by delays in sales by PubliDirect and cinecom (cinema activity) which will be to some extent made good in the second half, to judge by new orders already taken in the past two months and the existing order book.

Sale of 24/7 Real Media shares: steep increase in the financial result and net result

On 28 June 2007, PubliGroupe sold its 4.5% participation in 24/7 Real Media Inc., New York, when a public takeover bid was made for this company by the British WPP Group Plc. PubliGroupe achieved a price of CHF 36.3 million (USD 29.5 million) for its shares. The financial result accordingly shows a pre-tax gain of CHF 29.2 million (USD 23.8 million). This amount represents the difference between the sale price of these shares and their historical cost shown in the «restatement» of the consolidated accounts for 2004 when the transition was made to IFRS standards. Taxation of the gain resulting from this transaction will be in the order of CHF 1.6 million. The net result attributable to Publi-Groupe shareholders has therefore more than doubled. It stands at CHF 58.4 million (+ 104.2%).

A robust consolidated balance sheet

According to the applicable IFRS standards, the impact of the sale of 24/7 Real Media shares on the balance sheet differs from the effect on the income statement. This transaction has a positive influence in the order of CHF 8.6 million on shareholders' equity. That amount represents the difference between the sale price and the market value on 31.12.2006. On 30 June 2007, shareholders' equity (share attributable to PubliGroupe shareholders) stood at CHF 617.6 million, representing 52.6% of the balance sheet.

Acquisition of the online marketing services provider zanox: a decisive step in the international development of the group in the performance-based interactive marketing sector (Multichannel commerce)

On 22 May 2007, PubliGroupe and Axel Springer announced the joint acquisition of the international ZANOX.de AG company based in Berlin. 60% of the purchase price for the ZANOX.de AG equity is being paid by Axel Springer and 40% by PubliGroupe. The PubliGroupe share stands at EUR 105.6 million (CHF 174.9 million), including a deferred payment phased between 2008 and 2010 which will depend on the company's results. The share transfer was effected on 16 July 2007 after the necessary authorisations had been obtained from the Swiss and foreign cartel authorities. The acquisition of zanox is therefore not yet reflected in the account statements as at 30 June 2007.

zanox provides an internet platform for advertisers, suppliers of e-commerce services and operators of online shops to enable them to effectively distribute their products and services through a variety of channels. The core of this offering is an international network comprising more than one million partners. The company charges a commission on each transaction successfully completed via its platform. zanox has its own subsidiaries in 9 countries. In addition

to affiliate marketing and management of search engines, the online marketing services provided by zanox include marketing by e-mail, online shopping and customer loyalty programmes.

Incorporated in 2000, ZANOX.de AG currently has more than 275 employees worldwide. This company is reporting strong growth and has been profitable since its launch. Its pro forma sales rose from EUR 59 million in 2005 to EUR 107 million in 2006 and its pro forma EBITDA from EUR 4 million to EUR 8 million. This vigorous growth continued in 2007. In the first half of 2007 sales rose by 160% to EUR 77.4 million (1st half 06: EUR 29.8 million) with an EBITDA of EUR 7.2 million (1st half 06: EUR 2.5 million). *(All numbers according to HGB/German GAAP)*

Between now and the end of 2007, responsibility for the geographical markets of the zanox Group and for their development will be shared by two companies operating under the single zanox brand. Axel Springer and PubliGroupe will each own a majority interest in one of the two companies, which they will consolidate in their respective accounts. This structure will enable the shareholders to give optimum support to the growth of zanox on the markets for which they are responsible and to participate in the success of the business as a whole in proportion to their respective commitment. PubliGroupe will accordingly own a majority interest in the company responsible for the Swiss, French, Spanish, Italian, Asian and Latin American markets. Moreover, each of the two partners contributes complementary expertise – Axel Springer as the leading company in the media sector and PubliGroupe as a business specialising in media marketing on advertising markets all over the world. The investment in zanox is a central feature of PubliGroupe's new strategy designed in particular to strengthen its position in the Digital and Marketing Services segment.

New strategy and new organisation in place from 2008

To implement the group strategy announced in spring 2007, the Board of Directors appointed managers for the four business segments which will constitute the basis of PubliGroupe's operational organisation with effect from 1 January 2008.

- **Media Sales:** The PubliDirect CEO, Robert Schmidli (57), will take over responsibility for the new Media Sales segment bringing together under a single roof the group's media marketing activities, i.e. those of PubliPresse (Publicitas - Publimedia - Publimag - Mosse Media), the international Publicitas Promotion Network and the PubliGroupe companies active in the electronic, digital and interactive media (cinecom, Radiotele, web2com). He will take over from Mr Otto Meier at the head of PubliPresse on 1 November 2007.

- **Search & Find:** Jean-Pascal Michel (47), national sales director and member of the PubliDirect (Search & Find) Managing Board since 1997, will take over from Mr Robert Schmidli at the head of this business segment. He is familiar with all of its mechanisms after a career of more than 25 years, in the course of which he has successfully mastered all its aspects.

- **Custom Publishing:** Monica Woo (42) has been successfully managing the Emphasis company since 2001. Based in Hong Kong, Emphasis is active in the In-flight Entertainment (magazines, on board advertising, films, e-publicity) and customer magazine publishing sectors. As the new manager of the Custom Publishing sector, she will be charged with the further development of these activities in Asia, the Middle East and on some markets in Europe.

- **Digital & Marketing Services:** Thomas Kaiser (41), currently responsible for Business Development, has been appointed to head up the new Digital & Marketing Services business area. The recently acquired zanox company, together with namics which is reporting rapid growth in consultancy, design and implementation of e-business solutions, are the foundation of the Digital & Marketing Services segment, which is set to develop further with a strong international bias.

The organisation and members of the group's General Management as per January 2008, which will continue to be chaired by the CEO Hans-Peter Rohner, will be announced in September 2007. The existing organisational structures will remain in place until 31 December 2007.

Outlook

Sales growth should be rather more sustained in the second half of 2007 than in the first half of the financial year, particularly because the delay reported by PubliDirect and cinecom in the 1st half will be made good to some extent.

This will have a positive influence on the EBIT which will also benefit from the integration of zanox and book gains totalling CHF 10 million resulting from the sale and exchange of minority shareholding interests in publishing in July 2007.

SEGMENT REPORTING //

in millions of CHF

1st half year	PubliDirect		PubliPresse			Publicitas Promotion Network			Business under development			Corporate and others			
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006			
	Turnover	-6.3%	49.3	52.6	+1.8%	781.9	767.7	+7.5%	197.7	183.9	+50.1%	60.5	40.3	+0.5%	20.1
Gross margin	-5.7%	41.4	43.9	+1.0%	118.2	117.0	+9.1%	38.3	35.1	+23.9%	22.3	18.0	+1.4%	14.7	14.5
EBITDA	-44.9%	5.4	9.8	+53.8%	14.3	9.3	-35.2%	3.5	5.4	-	(1.7)	0.7	-	0.3	(4.4)
Share in net result of associated companies	-3.8%	15.1	15.7	-	0.1	0.1	-50.0%	0.2	0.4	-	-	(0.2)	+29.0%	4.0	3.1
EBIT	-20.3%	20.0	25.1	+73.7%	13.2	7.6	-40.7%	3.2	5.4	-	(3.1)	(0.6)	-	1.5	(3.7)
Number of employees at the end of the period	+7.3%	527	491	-4.7%	1'253	1'315	+31.5%	626	476	+32.2%	300	227	+0.5%	190	189

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

Results influenced by the deferred publication of some directories in the second half and by investments designed to enhance the loyalty and efficiency of the sales force

PubliDirect reported sales worth CHF 49.3 million, down by 6.3%. This decline, which is reflected in a CHF 2.5 million fall in the gross margin, is attributable essentially to the deferral to the second half of the publication of a LOCAL directory and of the Geneva Yellow Pages. Sales reported in Switzerland with the «LOCAL» telephone directories are therefore down by 9.7% with two editions fewer than last year, while the Yellow Pages are 63% lower. These differences on the publishing schedule will be made good in the second half. Commissions on sales of Swisscom Directories products were up by 9.7%; both printed products (+ 13.4%) and online products (+ 7%) contributed to this growth. The Guide Company generated sales worth CHF 1.3 million.

The search engine/Internet portal www.local.ch, and the associated Autobörse and Fundgrueb companies generated sales worth CHF 2.1 million, 51% higher than in 2006. The resources allocated to this project remain substantial (CHF 3.4 million), but did not exceed the amounts already deployed last year in the same period. www.local.ch, with the three partner portals of Swisscom Directories (www.directories.ch, www.pagesjaunes.ch and www.pagesblanches.ch), have together become the leader in terms of traffic on their market. Studies are in progress with a view to achieving a further improvement of their joint performance in an environment which is becoming increasingly competitive because of the local initiatives taken by international search engines.

Amitel grew by 11.4% and reported sales worth CHF 4.3 million on the French market.

The PubliDirect EBIT fell from CHF 25.1 to CHF 20 million (- 20.3%). One-half of this reduction is explained by differences in the publication schedule whose effect will be offset in the second part of the year. The other half is attributable to an increase in resources dedicated to enhancing the loyalty of the sales force by recasting the remuneration system and improving its effectiveness through new IT tools for the acquisition and transmission of orders

PubliPresse – Sale of advertising space for the Swiss press and its online editions

EBIT 73.7% higher thanks to the combined effects of higher sales and rationalisation of structures and processes

The Swiss press advertising market has been doing well for nearly a year, but remains volatile with growth rates which may vary steeply from one month to another. Growth of 5.3% in the first quarter was almost wiped out by a very disappointing month of April, before May and June brought further dynamic performance and enabled PubliPresse to end the first half of 2007 with sales up by 1.8% at CHF 781.9 million.

Employment advertising (+ 27.8%) remain the spearhead of growth, together with occasional advertising sales (+ 8.6%) which are benefiting this year from much higher electoral and political advertising. Real estate advertising continues to fall off (- 8.3%) while commercial advertising was down by 2.8%, still under the impact of April which proved very disappointing. The trends observed since May have once again shown a steady improvement. The mass retailing and motor vehicle sectors are down very slightly; mergers and acquisitions are in fact reducing the number of players on the mass retailing market. The bank, insurance and personnel recruitment company branches are growing.

Publicconnect, an entity specialising in the sale and management of classified advertising in the press and on the Internet for major clients, continued to expand. Sales via its online channels were sharply higher (+ 26%), so contributing to the rationalisation efforts in this division. Under the «Publisherconnect» brand, Publicconnect is cooperating with an increasing number of publishers (currently 25) for the operation of 44 classified advertising Internet portals. Publicconnect has reached the end of its launch phase and is no longer a burden on the results of the division.

In May 2007 PubliPresse announced that cooperation with Basler Zeitung would continue on a new non-exclusive basis after 1 January 2008. A management contract has been signed with the new Sunday edition of the Mittelland Zeitung which is to be launched in September 2007.

The increase in sales and the first effects of the HPO (High Performance Organization) project designed to optimise structures and processes brought a sharp increase in the PubliPresse EBIT from CHF 7.6 million to CHF 13.2 million (+ 73.7%). These rationalisation efforts are affecting staff numbers which fell over a twelve months period from 1,315 to 1,253 persons.

Publicitas Promotion Network – International sale of media advertising offering

Growth in every region – Development in India – Results influenced by the strengthening of structures and online services

With sales growth of 7.5% to CHF 197.7 million and the gross margin up by 9.1% at CHF 38.3 million, Publicitas Promotion Network (PPN) is expanding on all its markets.

Asia/Australia remains a rapidly expanding market for the group (sales + 36.7% / gross margin + 32.4%) which has strengthened its position in India by acquiring a majority interest (65%) in the Mediascope Publicitas company. Even without this acquisition, growth remains vigorous (+ 13.9%) thanks to the good development of our companies based in Hong Kong, Singapore and Australia. The Emphasis Group also advanced by 9% in the In-flight Entertainment branch. Emphasis won three new contracts in the last four months, notably with the Singapore Airlines Group; on the other hand Emphasis will no longer be publishing the Cathay Pacific inflight magazines after September 2007, because this partner felt a need for change after more than 25 years of close cooperation. However, that does not call into question this group's excellent growth prospects.

In the European region where PPN is present in 12 countries, growth (sales + 4.7% / gross margin + 3.1%) is being boosted by the dynamic progress of our English and German companies.

The sales of "Americas" region are positive again (sales + 14.7% / gross margin - 6.6%) thanks to the steep rise in sales with Latin America (+ 41%) and the development of the sales of Leading Hispanic Media which represents Spanish language media published in North America. Despite several restructuring operations, the national daily press department of Publicitas North America (PNA) failed to achieve its growth and profitability targets. The decision was therefore taken to focus PNA's activities on the International Press and Magazine Press departments.

Because of the growth targets of PPN, its management structures have been strengthened in the Asia/Pacific and European regions. Online expertise will also be integrated into our various organisations so as to better satisfy the needs of our media partners and clients. This brings additional costs which are not immediately offset by new revenues. Their impact caused the PPN EBIT to fall by CHF 2.2 million to the present figure of CHF 3.2 million.

**Business under development: Consulting e-business – Marketing of electronic, digital & interactive media
Sales growth for Internet and television – Integration of Radiotele – Results influenced by the strengthening of the management structures for the EDI activities and the weak performance of cinema advertising**

Business under development sales rose by 50.1% to reach CHF 60.5 million. This essentially reflects the impact of the acquisition in July 2006 of Radiotele (radio advertising) which reported sales worth CHF 18.5 million in the first half of 2007. With a constant consolidation scope, growth reached 4.2% thanks to the excellent performance of namics (consulting/e-business CHF 15.1 million, + 16.5%) and web2com (Internet advertising CHF 6.1 million, + 22.8%). The "television" activities of cinecom (+ 22.6%) also rose but a substantial decline (- 20.4%) was noted in "cinema" sales; orders already on the books suggest that this will be to some extent made good in the second half. At CHF 21 million, cinecom sales were 9.6% lower. This fall, together with the strengthening of management structures for the group's EDI activities, is placing a burden on the result of the "Business under development" sector. The operating loss therefore stood at CHF 3.1 million, largely attributable to cinecom.

Corporate & other

The «Corporate & other» sector comprises the group's IT companies brought together in PubliService, group participations in the publishing field and the central services. Essentially, this is a cost centre for the group which reported a positive EBIT in 2007 because of book gains of CHF 4.9 million resulting from transactions involving the sale and exchange of minority shareholding interests in the publishing sector.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 JUNE 2007 //

Consolidated balance sheet

in millions of CHF

	Notes	as of 30 June 2007	as of 31 December 2006
Assets			
Cash and cash equivalents		46.6	63.0
Marketable securities		34.2	33.2
Accounts receivable		420.3	354.0
Taxes receivable		0.8	1.1
Accrued income and prepaid expenses		109.9	65.6
Assets held for sale	(6)	-	15.7
Current assets		611.8	532.6
Investment properties		46.4	45.7
Owner-occupied properties		71.1	72.8
Other tangible assets		17.8	17.7
Intangible assets		43.0	41.5
Investments in associated companies	(2)	140.8	119.6
Financial assets	(7)	240.4	279.3
Deferred tax assets		3.5	3.7
Non-current assets		563.0	580.3
Total assets		1'174.8	1'112.9
Liabilities and equity			
Short-term debts		70.2	45.2
Accounts payable		274.4	255.5
Taxes payable		6.4	6.7
Accrued expenses and deferred income		105.1	87.7
Short-term provisions		2.6	2.9
Liabilities held for sale	(6)	-	9.6
Short-term liabilities		458.7	407.6
Long-term debts		6.3	7.1
Provision for deferred taxes		22.3	21.5
Other long-term provisions		10.8	10.7
Long-term liabilities		39.4	39.3
Liabilities		498.1	446.9
Share capital PubliGroupe Ltd.		2.5	2.5
Treasury shares		(45.0)	(51.3)
Reserves		660.1	656.2
Equity, PubliGroupe's shareholders	(9)	617.6	607.4
Minority interests		59.1	58.6
Total equity		676.7	666.0
Total liabilities and equity		1'174.8	1'112.9

Consolidated income statement

in millions of CHF

	Notes	1st half year 2007	1st half year 2006	Change
Turnover		1'074.4	1'030.9	+ 4.2%
Purchases		(802.3)	(765.2)	+ 4.8%
Sales reductions		(56.0)	(56.2)	- 0.4%
Gross margin		216.1	209.5	+ 3.2%
Personnel expenses		(153.1)	(147.5)	+ 3.8%
General and administrative expenses		(48.5)	(43.3)	+ 12.0%
Other income and expenses	(6)	7.3	2.1	+ 247.6%
EBITDA		21.8	20.8	+ 4.8%
Depreciation		(6.2)	(6.1)	+ 1.6%
Impairment loss		(0.2)	-	-
Share in net result of associated companies		19.4	19.1	+ 1.6%
Operating result (EBIT)		34.8	33.8	+ 3.0%
Financial income	(7)	36.0	9.0	+ 300.0%
Financial expenses		(1.2)	(3.2)	- 62.5%
Financial result		34.8	5.8	+ 500.0%
Result before taxes		69.6	39.6	+ 75.8%
Taxes		(9.1)	(7.3)	+ 24.7%
Net income of continuing operations		60.5	32.3	+ 87.3%
Net result from activities held for sale		(0.1)	0.3	- 133.3%
Net result		60.4	32.6	+ 85.3%
Net result attributable to :				
- Minority interests		2.0	4.0	- 50.0%
- Shareholders of PubliGroupe Ltd.		58.4	28.6	+ 104.2%
Earnings per share				
Basic earnings per share (in CHF)		24.29	11.98	+ 102.8%
Diluted earnings per share (in CHF)		24.28	11.94	+ 103.3%

2006 comparative figures have been restated to take the activities held for sale into account.

Consolidated statement of cash flows

in millions of CHF

	Notes	1st half year 2007	1st half year 2006
EBITDA		21.8	20.8
Interest paid		(0.4)	(0.9)
Interest received		2.0	1.3
Dividends paid to minority shareholders by group companies		(0.9)	(7.7)
Dividends received		16.7	15.5
Non-cash expenses		4.9	2.8
Non-cash income		(6.0)	(0.3)
Taxes paid		(8.4)	(12.1)
Utilization of provisions		(1.9)	(0.2)
Working capital changes		(39.5)	(8.0)
Cash flows from operating activities		(11.7)	11.2
Capital expenditures		(3.9)	(6.0)
Sales of tangible fixed assets		0.2	1.4
Acquisitions of intangible assets		(0.3)	(1.5)
Sales of marketable securities		-	89.1
Acquisitions of subsidiaries	(5)	(2.3)	-
Investments in financial assets		(4.0)	(4.6)
Divestments of financial assets		4.2	1.1
Cash flows from investing activities		(6.1)	79.5
Increase in bank overdrafts		25.0	-
Repayment of bank overdrafts		-	(80.0)
Acquisitions of treasury shares		-	(9.6)
Sale of treasury shares and options		3.6	-
Increase in share capital		0.7	-
Dividend paid to shareholders of PubliGroupe Ltd.		(28.7)	(4.8)
Cash flows from financing activities		0.6	(94.4)
Cash flows from activities held for sale		-	(0.1)
Effect of exchange rates		0.8	(0.9)
Change in cash and cash equivalents		(16.4)	(4.7)
Cash and cash equivalents as of 1 January		63.0	50.6
Cash and cash equivalents as of 30 June		46.6	45.9

2006 comparative figures have been restated to take the activities held for sale into account.

Statement of recognized income and expenses

in millions 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
Net result for the period recognized in the income statement as of 30 June 2006				28.6			28.6	4.0	32.6
Translation differences					(2.6)		(2.6)		(2.6)
Fair value adjustments of financial instruments									
– unrealized						12.5	12.5		12.5
– realized						-	-		-
Share based compensation cost				1.2			1.2		1.2
Other changes in the equity of associated companies				0.3			0.3		0.3
Recognized profit and loss	-	-	-	1.5	(2.6)	12.5	11.4	-	11.4
Total recognized profit and loss for the half year 2006	-	-	-	30.1	(2.6)	12.5	40.0	4.0	44.0
Net result for the period recognized in the income statement as of 30 June 2007				58.4			58.4	2.0	60.4
Translation differences					2.5		2.5		2.5
Fair value adjustments of financial instruments									
– unrealized						(6.7)	(6.7)		(6.7)
– realized	(7)					(21.9)	(21.9)		(21.9)
Share based compensation cost				0.9			0.9		0.9
Other changes in the equity of associated companies							-		-
Recognized profit and loss	-	-	-	0.9	2.5	(28.6)	(25.2)	-	(25.2)
Total recognized profit and loss for the half year 2007	-	-	-	59.3	2.5	(28.6)	33.2	2.0	35.2

Changes in consolidated equity

in millions 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 January 2006	24.9	(47.9)	3.7	520.2	2.6	64.0	567.5	58.2	625.7
Total recognized profit and loss for the half year 2006				30.1	(2.6)	12.5	40.0	4.0	44.0
Increase in share capital							-		-
Change in treasury shares		(8.4)					(8.4)		(8.4)
Equity-settled share-based transactions settlement		0.7		(0.7)			-		-
Dividends				(4.8)			(4.8)		(4.8)
Total distributions to and transactions with shareholders of the parent	-	(7.7)	-	(5.5)	-	-	(13.2)	-	(13.2)
Net change in minority interests							-	(8.2)	(8.2)
Balance as of 30 June 2006	24.9	(55.6)	3.7	544.8	-	76.5	594.3	54.0	648.3
Balance as of 1 January 2007	2.5	(51.3)	4.3	569.2	1.6	81.1	607.4	58.6	666.0
Total recognized profit and loss for the half year 2007				59.3	2.5	(28.6)	33.2	2.0	35.2
Increase in share capital			0.7				0.7		0.7
Net change in treasury shares		5.0					5.0		5.0
Equity-settled share-based transactions settlement		1.3		(1.3)			-		-
Dividends (9)				(28.7)			(28.7)		(28.7)
Total distributions to and transactions with shareholders of the parent	-	6.3	0.7	(30.0)	-	-	(23.0)	-	(23.0)
Net change in minority interests							-	(1.5)	(1.5)
Balance as of 30 June 2007	2.5	(45.0)	5.0	598.5	4.1	52.5	617.6	59.1	676.7

Segment reporting

1st half year 2007

in millions of CHF

	PubliDirect	PubliPresse	Publicitas Promotion Network	Business under development	Corporate and others	Eliminations	Total
Turnover with third parties	49.3	767.8	196.3	58.0	3.0	-	1'074.4
Inter-segment revenues	-	14.1	1.4	2.5	17.1	(35.1)	-
Total turnover	49.3	781.9	197.7	60.5	20.1	(35.1)	1'074.4
Gross margin	41.4	118.2	38.3	22.3	14.7	(18.8)	216.1
Share in net result of associated companies	15.1	0.1	0.2	-	4.0	-	19.4
Operating result (EBIT)	20.0	13.2	3.2	(3.1)	1.5	-	34.8
Financial result							34.8
Taxes							(9.1)
Net result from activities held for sale							(0.1)
Minority interests							(2.0)
Net result, share of PubliGroupe Ltd.							58.4
Other information							
Capital expenditure	0.7	0.6	3.5	2.1	1.8	-	8.7
Depreciation	(0.5)	(1.3)	(0.5)	(1.2)	(2.7)	-	(6.2)
Impairment loss	-	-	-	(0.2)	-	-	(0.2)
Number of employees at the end of the period	527	1'253	626	300	190	-	2'896

1st half year 2006

in millions 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	3.0	-	1'030.9
Inter-segment revenues	0.5	11.1	1.3	3.7	17.0	(33.6)	-
Total turnover	52.6	767.7	183.9	40.3	20.0	(33.6)	1'030.9
Gross margin	43.9	117.0	35.1	18.0	14.5	(19.0)	209.5
Share in net result of associated companies	15.7	0.1	0.4	(0.2)	3.1	-	19.1
Operating result (EBIT)	25.1	7.6	5.4	(0.6)	(3.7)	-	33.8
Financial result							5.8
Taxes							(7.3)
Net result from activities held for sale							0.3
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)	(2.5)	-	(6.1)
Impairment loss	-	-	-	-	-	-	-
Number of employees at the end of the period	491	1'315	476	227	189	-	2'698

Notes to the consolidated financial statements

1. Accounting principles

The unaudited interim financial statements comply with Swiss law on public limited companies and with the International Accounting Standard 34 (Interim financial reporting) issued by the International Accounting Standards Board (IASB). The accounting principles are the same as those applied to the consolidated financial statements as of 31 December 2006.

As from 1 January 2007, PubliGroupe has adopted IFRS 7 as well as the IAS 1 amendment on managing capital. These standards have no effect on the valuation rules applied. However, they will require the presentation of more detailed information on financial instruments. This information will be published for the first time in the consolidated financial statements as of 31 December 2007.

2. Scope of consolidation

As of 30 June 2007, the scope of consolidation was modified as follows:

- PLASMEDIA AG: increase from 50.0% to 100.0% on 19 January 2007 for CHF 0.2 million. The company is now fully consolidated.
- Mediascope Publicitas (India) Private Limited: increase from 40.0% to 65.0% on 1 March 2007 for INR 94.2 million i.e. CHF 2.7 million. The company is now fully consolidated.
- FPH Freie Presse Holding AG: As of 8 March 2007, PubliGroupe increased its investment in FPH Freie Presse Holding AG from 11.2% to 22.2%. In return, PubliGroupe transferred its interests in Zürcher Unterland Medien AG (60.0%) and Zürichsee Presse AG (20.0%) that were recognised as "activities held for sale" in the consolidated financial statements as of 31 December 2006. As from 8 March 2007, FPH Freie Presse Holding AG is consolidated by the equity method.

3. Translation of foreign currencies

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

		2007		2006	
		1st half	1st half	30.06.	31.12.
		Average rates	Average rates	Closing date rates	Closing date rates
AUD	1	0.9968	0.9432	1.0453	0.9652
CAD	1	1.0945	1.1203	1.1677	1.0516
CNY	100	15.9330	15.7870	16.1600	15.6300
EUR	1	1.6360	1.5662	1.6572	1.6067
GBP	1	2.4252	2.2736	2.4632	2.3939
HKD	100	15.7026	16.3297	15.7357	15.6944
SGD	1	0.8035	0.7906	0.8030	0.7964
USD	1	1.2270	1.2671	1.2300	1.2204

4. 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.

5. Acquisitions of subsidiaries of the group

in millions of CHF	1st half year 2007		1st half year 2006	
	Carrying amount	Fair value	Carrying amount	Fair value
Current assets	8.3	8.3	-	-
Non-current assets	0.8	0.8	-	-
Short-term liabilities	(6.5)	(6.5)	-	-
Long-term liabilities	(1.2)	(1.2)	-	-
Net assets	1.4	1.4	-	-
Attributable to minority interests and/or previously acquired		(0.7)		
Net assets acquired		0.7	-	-
Goodwill on consolidated companies		2.2	-	-
Total acquired		2.9	-	-
Cash acquired		(0.6)	-	-
Consideration payable		-	-	-
Total cash outflows on acquisitions of subsidiaries		2.3	-	-

Goodwill arising on acquisitions essentially reflects the discounted future value of the companies acquired. This value is estimated on the basis of forecasts for long-term growth and of synergies in income and expenses.

These acquisitions increased the group gross margin by 1.0% as of 30 June 2007. However, the effect on the net result attributable to PubliGroupe's shareholders is not material.

If these acquisitions had taken place on 1 January 2007, the effect on the gross margin and on the net result attributable to PubliGroupe's shareholders would not have been material.

6. Other income and expenses

The transfer of the interests in Zürcher Unterland Medien AG (60.0%) and Zürichsee Presse AG (40.0%), which were recognised as "activities held for sale" in the 2006 consolidated financial statements, generated an income of CHF 4.9 million.

7. Financial income

As of 30 June 2007, the financial income consists above all of a CHF 29.2 million profit (USD 23.8 million) on the sale of the 24/7 Real Media Inc. securities. These were sold USD 29.5 millions for an acquisition price of USD 5.7 million. As of 31 December 2006, these securities were presented as Available For Sale investments in the financial assets at their market value of USD 22.7 million. In return, a reserve for unrealised gains of USD 17.0 million (CHF 21.9 million) was shown in the consolidated equity. The proceeds of this sale have been received at the beginning of July 2007.

8. Taxes

The income tax expense 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.

9. Dividend

The Annual General Meeting dated 30 April 2007 voted to distribute a dividend of CHF 12.- per share, which was paid to the shareholders on 8 May 2007.

10. Contingent liabilities and contingent assets

There are no changes in contingent liabilities or contingent assets since 31 December 2006.



11. Events subsequent to the balance sheet date

On 22 May 2007, with a control taking on 16 July 2007, PubliGroupe acquired 40.0% of the shares of ZANOX.de AG for EUR 105.6 million (CHF 174.9 million). This transaction was realised jointly with Axel Springer AG who bought the remaining 60.0% of the shares. The acquisition price is made up of a cash payment of EUR 86.4 million (CHF 143.1 million) on 16 July 2007 and of a deferred payment estimated to EUR 19.2 million (CHF 31.8 million). The deferred payment will be spread out between 2008 and 2010 and will depend on the actual results of the group. In a first step, ZANOX.de AG will be consolidated by the equity method. It has been agreed that in a next step worldwide markets will be served by two companies under the brand name of zanox. Axel Springer and PubliGroupe will each hold a majority stake in one of the companies and a minority stake in the other. The companies will be consolidated accordingly into the financial statements of the shareholders. The purchase price allocation is currently under review and will be finalised for the annual closing as of 31 December 2007.

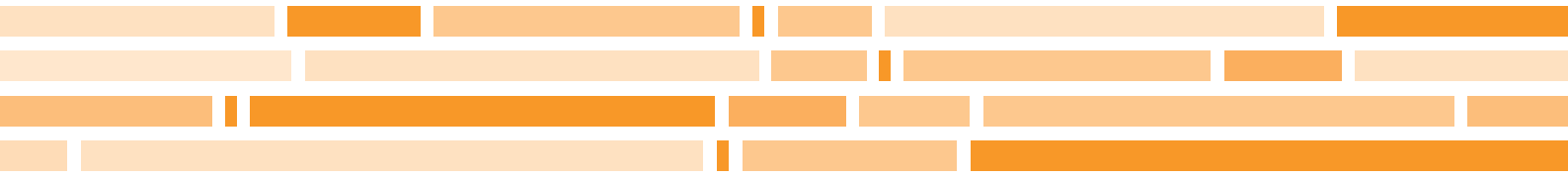
On 13 July 2007, PubliGroupe transferred its 25.0% interests in St-Galler Tagblatt AG and its investments in LZ Medien Holding AG (10.7% of the share capital) to FPH Freie Presse Holding AG. On its side, AG für die Neue Zürcher Zeitung, the parent company of FPH Freie Presse Holding AG, transferred to its subsidiary its interest in LZ Medien Holding AG (50.8%). After these transfers, FPH Freie Presse Holding AG owns 95.1% of St. Galler Tagblatt AG and 61.5% of LZ Medien Holding AG. In return, PubliGroupe received an additional interest in FPH Freie Presse Holding AG of 2.9% which means that PubliGroupe has from now on an interest of 25.1% in FPH Freie Presse Holding AG. This transaction will lead to an estimated profit of CHF 7.0 million.

On 13 July 2007, PubliGroupe increased its interests in The Guide Company AG by 36.0% to 100.0% for CHF 0.5 million.

On 22 July 2007, PubliGroupe sold its 20.0% interests in Der Bund Verlag AG to Espace Media Group for CHF 3.5 million. This sale will generate an estimated profit of CHF 3.0 million.

12. Publication of the interim report

The publication of PubliGroupe's interim consolidated financial statements was authorized by the board of directors on 24 August 2007.



This is an English translation of the original French version.
A German translation is also available.

