



# Edipresse Group Results 2004

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Emetteur : Edipresse Group

**For 2004, Edipresse expects an increase in turnover but lower profitability, mainly as a result of restructuring charges.**

As a result of its expanding activities and good copy sales performance, Edipresse anticipates an increase in turnover of more than 5% for 2004.

However, the Group expects lower profits arising from the three following factors:

- Economic environment: since October 2004, advertising markets are once more on a downward trend. In Switzerland, the Publicitas index of advertising expenditure in the daily press has fallen again; in the Iberian Peninsula, volumes are likewise declining.
- Major investment in new product launches: CHF 17 million for the whole of 2004, representing CHF 7 million more than in 2003.
- An amount of CHF 22 million for restructuring provisions, mainly concerning rationalisation of industrial activities.

As a result of the above, the Group's 2004 Net Profit before Taxation (NIBTA) will be around CHF 30 million below the prior year figure.

The investments which are being made, together with implementation of the various restructuring measures, should give rise to a significant improvement in profitability from 2005 onwards.

## **Strategic Investments**

To ensure the requisite level of growth in its business, the Group will invest more than CHF 17 million this year in launching new magazines and other products. This amount, which is CHF 7 million higher than in the prior year period, will be fully expensed in the annual accounts.

The two major launches were made in Spain (FHM in March, In Style in October). FHM, at 245,000 copies, has become the best-selling monthly in Spain.

### **Rationalisation Program**

In order to adapt quickly to the more difficult environment, Edipresse is implementing various cost-saving programs, in particular concerning its industrial activities in Switzerland and the Iberian Peninsula. Some of these measures, such as concentrating Edipresse Switzerland's magazine printing activities at Renens from early 2005 and its newspaper printing at Bussigny from 2006, have already been announced. These measures will lead to transfer of business activities, the sale of certain assets and workforce reductions.

These impacts have been evaluated and a corresponding provision, estimated at CHF 22 million, will be included in full in the 2004 fiscal year.

### **2004 Results**

Thanks to 2003 and 2004 cost-saving measures, Operating profit before interest, taxes, depreciation, investigation and launch of new products (EBITDAL) should come in slightly above the prior year level.

However, arising from the one-time costs outlined above, the Group's Net Profit before taxation (NIBTA) will be around CHF 30 million below the prior year figure.

### **2005 Outlook**

The investments which are being made, together with implementation of the various restructuring measures, should give rise to a significant improvement in profitability in 2005 and 2006. The development of the advertising market and likely increases in paper prices will need to be watched closely, however.

### **Contact us**

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