

Company presentation TOMORROW FOCUS AG

Dirk Schmelzer, CFO

29 + 30 September 2011



CELLULAR

ElitePartner

Finanzen100



HolidayCheck.com

jameda



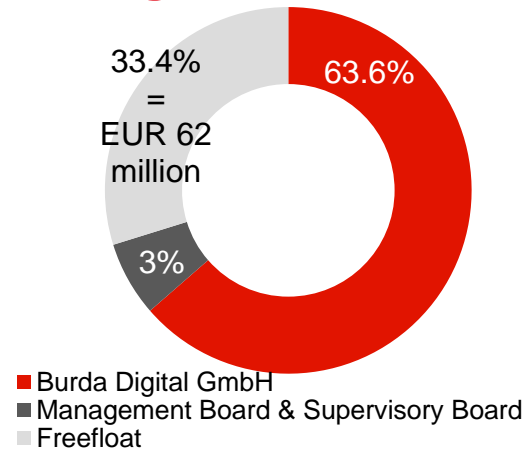
TOMORROW
FOCUS MEDIA



TOMORROW FOCUS AG

- one of Germany's leading listed internet groups

Shareholdings



Management Board



Stefan Winners
CEO
before that: int. al. Bertelsmann Group



Dirk Schmelzer
CFO
before that: Telefónica Group



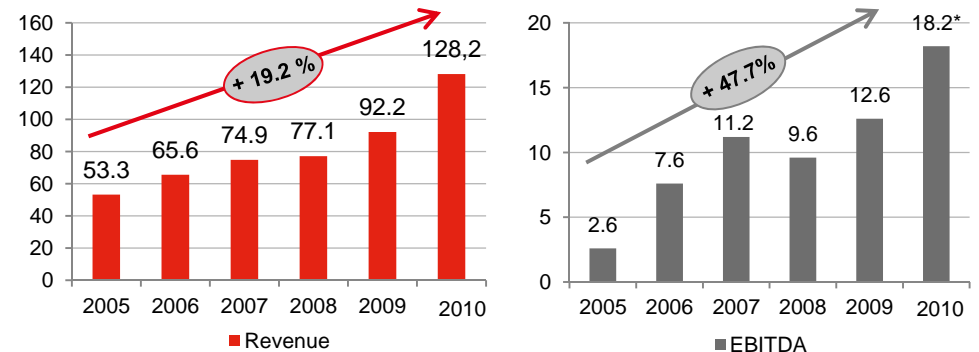
Christoph Schuh
Member of the Management Board
before that: Tomorrow Internet AG

Key facts

- Headquarters: Munich, Germany
- Employees: 614 (FTE)
- Share capital: EUR 53,012,390
- Admitted to Prime Standard: 'TFA'; ISIN DE0005495239
- Share price 52wk high/low: EUR 5.37/ EUR 3.05
- Share price 29 September 2011: 3.50 €
- Market capitalisation: EUR 185.5 million

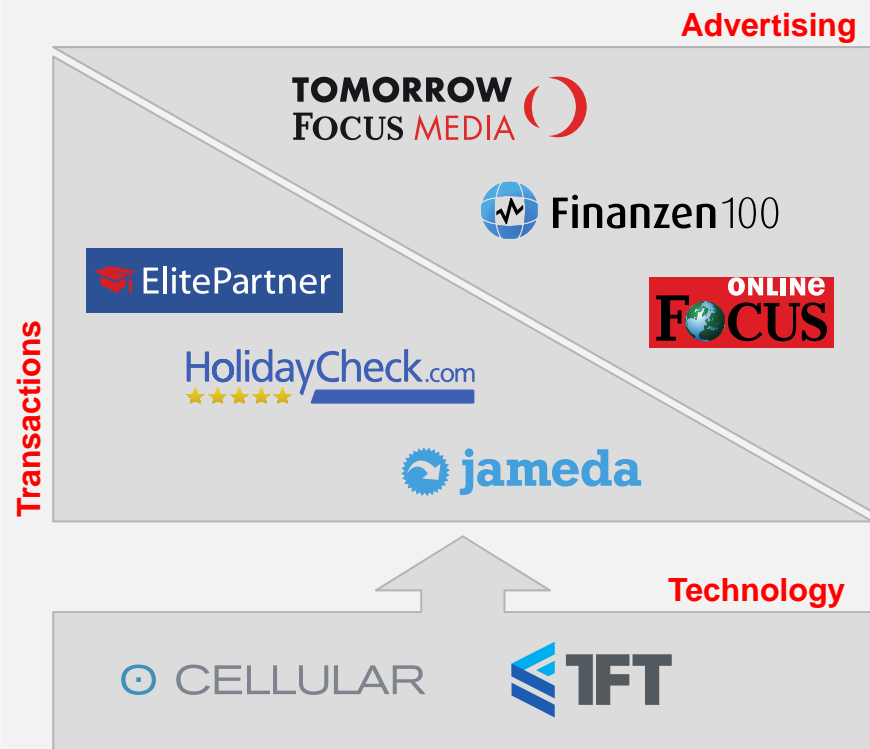
Revenue and EBITDA 2005 - 2010

In EUR million / CAGR



TOMORROW FOCUS AG – steady growth and cash flow supported by balanced portfolio

T FAG revenue streams



Strengths & Principles

- Broadly based Internet model with well-known brands in fast-growing markets
- **Natural hedge through well-balanced portfolio:** transactions business benefits from low advertising prices; advertising business benefits from high advertising prices
- **Advertising business is simultaneously used as a platform** for young transactions business (exploit reach of FOCUS Online and media marketing to stimulate growth)
- **Technology segment is profitable on its own** thanks to outside customers but also acts as facilitator for transactions and advertising business

Transactions

Transactions segment



Revenue stream

Market position

Competitors

Prospects

- Commission from bookings of package holidays in Germany, Austria and Switzerland ; CPC in France
- #1 in Germany, #1 in Poland
- Expedia, Tripadvisor, Unister-Gruppe
- European roll-out of HolidayCheck business model: Poland and France on track

- Subscription revenue from membership fees
- #1 in Germany
- Parship, eDarling; Internat. peers: eHarmony, Meetic
- Beneficiary of market consolidation

- Subscription revenue from physician premium membership fees
- #1 in Germany
- Gelbe Seiten, Google Places
- Beneficiary of shift from offline towards online

HolidayCheck comfortably placed within attractive market

Market overview

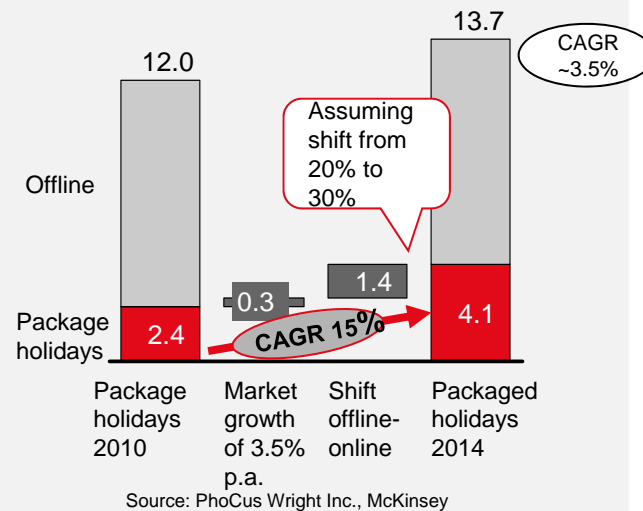
Package holidays in Germany



- Total bookings 2010 Germany: EUR 12.0 billion, of which EUR 2.4 billion via online bookings.
- Market share of HolidayCheck in Germany: approx. 35% of package holidays booked online.

Market trend

Package holidays in Germany

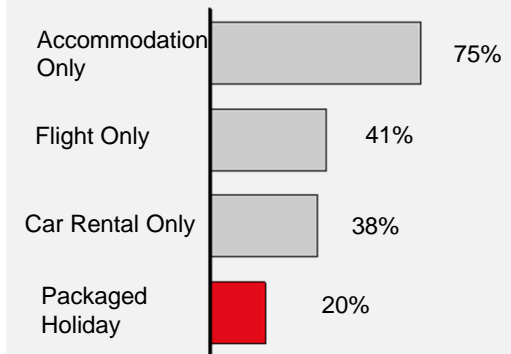


- German package holiday market set to increase by 3.5% p.a. up to 2014.
- Above-average 15% growth in online market for package holidays

Market drivers

Online travel market

Share of online travel market in Germany
Percent of revenues, 2010

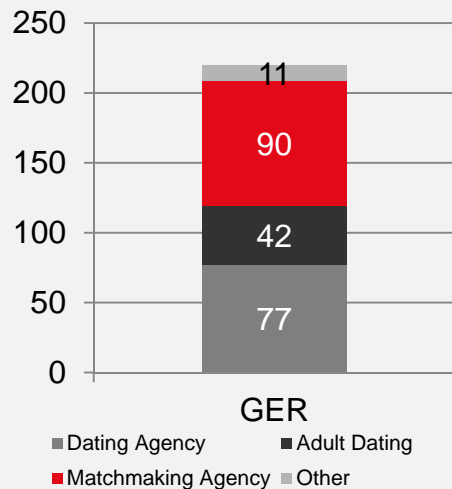


- Growth driven by ongoing shift from offline to online booking of package holidays.
- Online booking in markets such as Poland several years behind Germany, therefore greater potential

ElitePartner is market leader in Matchmaking sector

Market overview

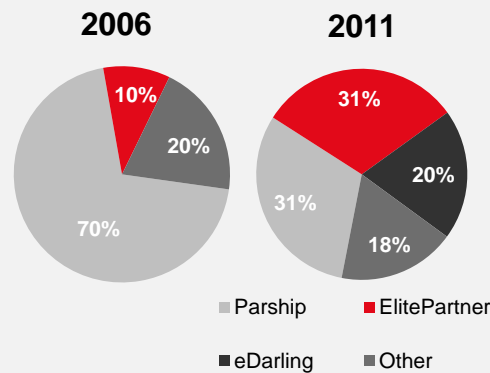
Dating and matchmaking in Germany 2010



- Market volume of online matchmaking portals in GER around EUR 90 million in 2010.

Market share & Market development

Premium online matchmaking in Germany



- Three players dominate the market
- ElitePartner is market leader in GER according to own estimation
- Fierce competition between the Top 3
- Market growth in single-digit range expected

Market drivers

Online matchmaking



- Ongoing shift from offline to online matchmaking
- Online matchmaking now widely viewed as positive.

jameda is market leader among online physician rating portals

Market overview

Number of physicians in Germany



- Currently 250,000 authorised physicians in around 150,000 medical practices in Germany; average marketing spendings EUR 1,800

Market share & trend

Amount spent by physicians on advertising (offline and online in GER)



- The amount spent by physician on advertising in GER is estimated at EUR 250 – 300 mill. p.a., of which over 85% is still printed advertisement
- Only approx. 15% of advertising is based online, even though over 60% of physician searches are conducted online
- Market leader Jameda has a share of 20% of all online physician searches in GER

Market drivers

Online physician rating portals



- Total market for physician marketing (offline & online) set to grow by 8% in 2011, compared to very strong above average growth in the online segment; tripling is expected by 2015
- Ongoing shift of physician searches from offline to online and therefore increasing willingness of physicians to purchase a jameda subscription

Transactions segment delivers particularly strong growth

Transactions segment: Strong growth

- Segment with highest revenue, earnings and growth
- CAGR 2011 – 2013: 5 – 25% of revenue
- Largely stable business model

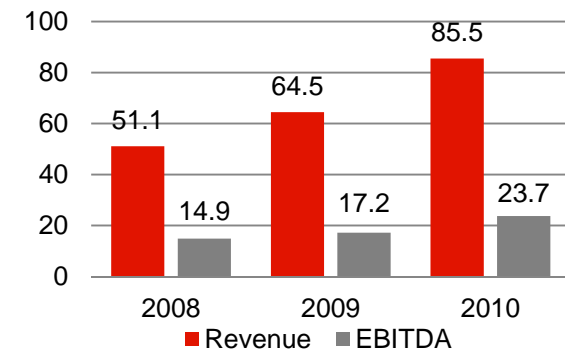
Current development:

- ElitePartner gains market share in highly competitive market; #1 in Germany
- HolidayCheck: revenue growth above market average; Strong #1 position
- Early success at HolidayCheck International: #1 in Poland; Strong growth in visits in France

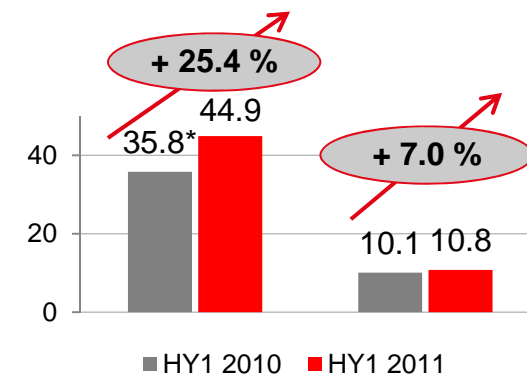
Transactions

HolidayCheck, ElitePartner, jameda**

Revenue + EBITDA 2008-2010 in EUR million



Revenue + EBITDA HY1 2010 + 2011 in EUR million



*adjusted for revenue of Playboy Deutschland Publishing GmbH (sold in November 2010);

**jameda from 2011, PDP in 2010

Advertising

The Advertising segment

**TOMORROW
FOCUS MEDIA** 
Premium online ad network



Revenue stream

- Commission income from marketing of online advertising

Market position

- #2 in Germany

Competitors

- InteractiveMedia, SevenOne Media, IP Deutschland

**ONLINE
FOCUS**
News portal



- Online advertising

- #2 in Germany

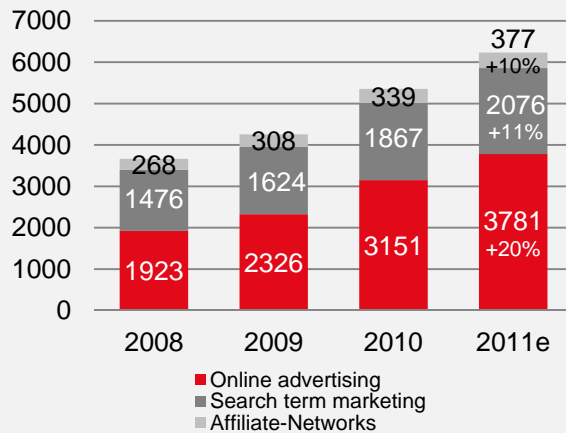
- Spiegel Online, Welt Online, Sueddeutsche.de

TFM is Germany's second biggest online ad network

Market overview

OVK advertising statistics 2008 - 2011

In EUR million

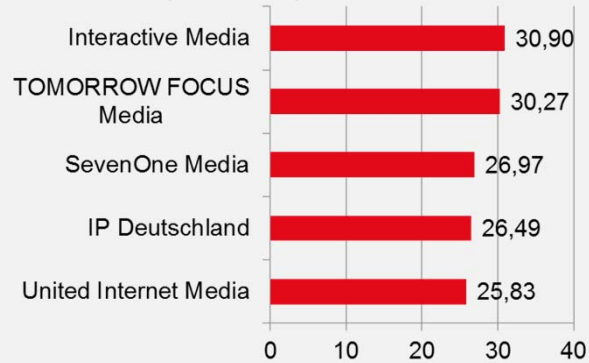


- Online advertising has grown consistently for years.
- Traditional display advertising shows above-average growth compared to search term marketing and affiliate marketing.

Market share & Market development

Reach of online ad networks in Germany

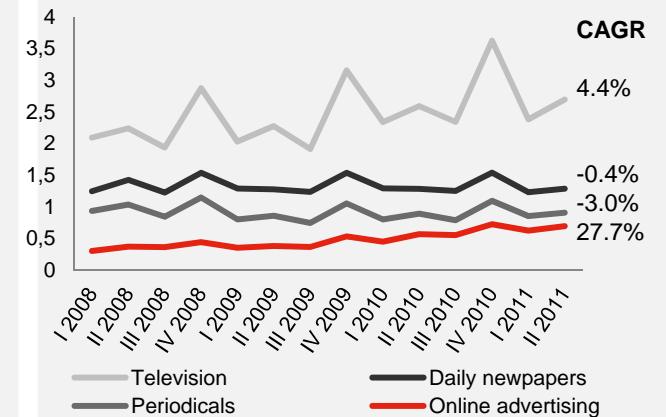
In million unique users per month



- TOMORROW FOCUS Media reaches over 30 million Germans; this represents almost 60% of all online users in Germany.
- TFM has continuously increased its share of Germany's online ad networks.

Market trend

Advertising spendings in Germany according to Nielsen (in EUR billion)



- Ongoing shift of the advertising budget away from traditional forms of advertising in favour of online advertising.
- Online advertising is steadily gaining importance.

Advertising segment delivers strong growth in HY1 2011

Advertising segment: Strong market growth in HY1 2011

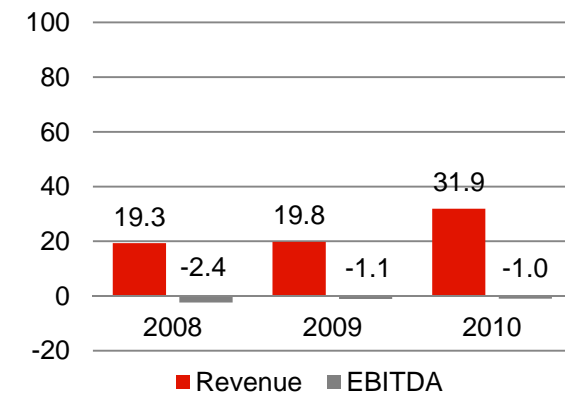
- Online marketing is steadily gaining market share
- CAGR 2011-2013: 5 – 25 % of revenue
- Currently strong growth, but reliant on the economic situation

Current developments:

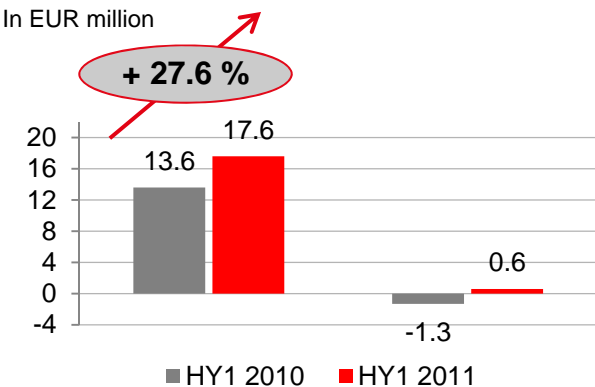
- Strong growth of the premium marketer TOMORROW FOCUS Media
- Positive segment EBITDA in HY1 2011; EBIT slightly negative

Advertising

Revenue and EBITDA 2008-2010
In EUR million



Revenue and EBITDA HY1 2010 & 2011
In EUR million



Technologies

Renewed growth in Technology segment for HY1 – EBITDA above forecast

Technology segment: strong growth at Cellular

- Strategic segment with technology and mobile expertise; enabling role for transactions- and advertising segment
- CAGR 2011-2013: 5 – 10 % of revenue
- Next steps: expansion of external business; improvement in profitability

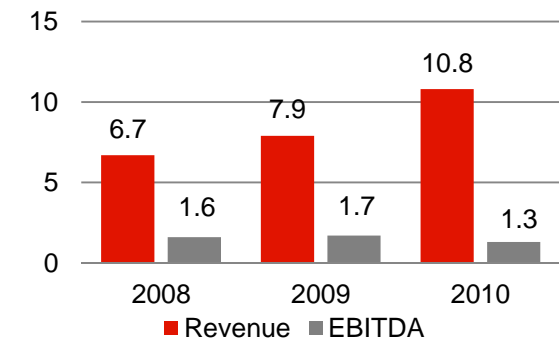
Current development:

- Cellular once again shows significant growth rates in the attractive fields of iPhone, iPad and Android apps
- TFT: results from external business development not yet satisfactory
- Overall revenue and earnings already exceeding planned figures

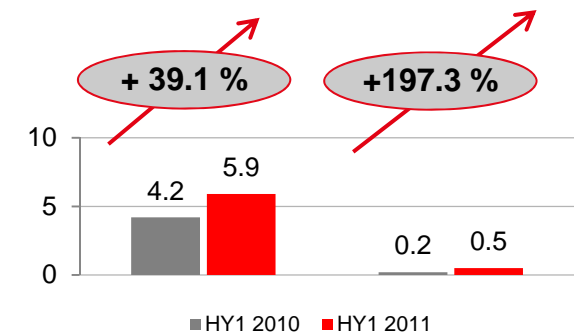
Technologies

TFT, Cellular

Revenue and EBITDA HY1 2010 + 2011 in EUR million



Revenue and EBITDA HY1 2010 + 2011 in EUR million

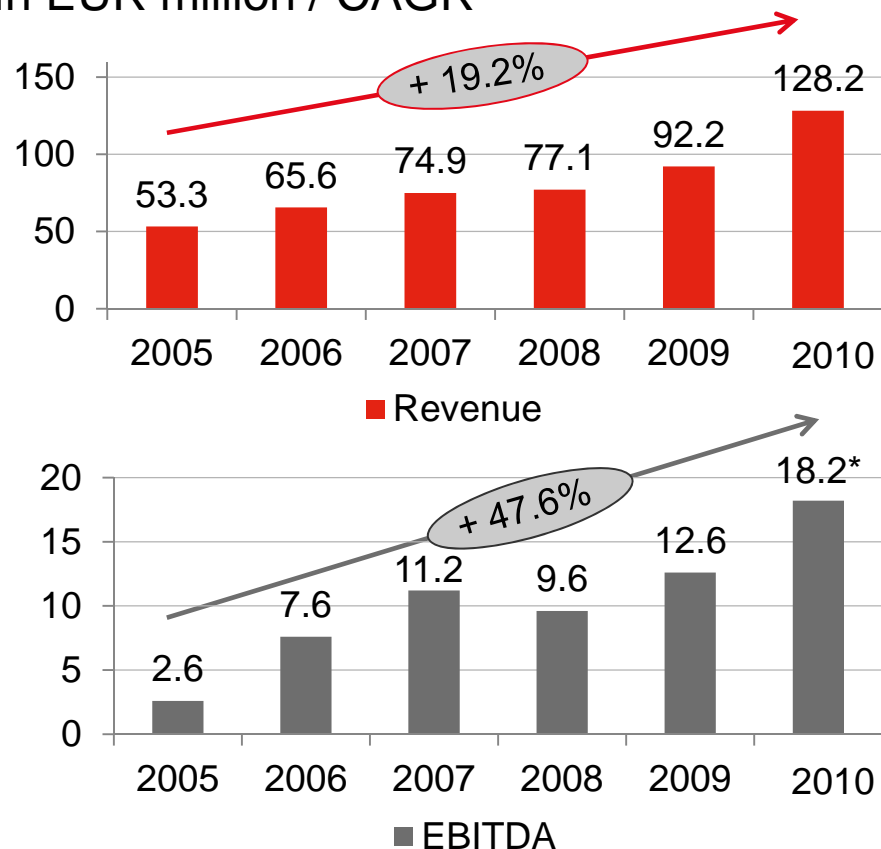


Key Figures

TOMORROW FOCUS: achieving high revenue and earnings growth since 2005

Revenue and EBITDA 2005 - 2010

In EUR million / CAGR



Key figures (IFRS)

in EUR million		2008	2009	2010
1	Revenue Growth rate in %	77.1 +3.0	92.2 +19.5	128.2 +39.1
2	EBITDA EBITDA margin	9.6 12.4%	12.6 13.7%	24.0 18.7%
3	Depreciation	3.9	3.7	8.1
4	EBIT EBIT margin	5.7 7.4%	8.9 9.7%	15.9 12.4%
5	Financial costs	-2.7	-4.2	-2.8
6	EBT EBT margin	3.0 3.9%	4.7 5.1%	13.1 10.2%
7	EAT EPS (in EUR) EPS before sale of Playboy and non-recurring depreciation in EUR	2.3 0.05	2.1 0.05	10.6 0.22 0.16

*EBITDA 2010 adjusted for positive non-recurring impact of sales of shares in Playboy Deutschland Publishing GmbH (as at: November 2010)

Trend rate of growth continues in HY1 2011

In EUR million		HY1 2011	HY1 2010*	Change
1	Adjusted revenue	68.0	53.6	+27.0%
	Revenue (including Playboy)	68.0	59.2	+15.0%
2	EBITDA	8.7	6.6	+32.1%
	EBITDA margin	12.8%	12.3%	
3	Depreciation	2.4	2.7	-11.1%
4	EBIT	6.3	3.9	+60.7%
	EBIT margin	9.3%	7.2%	
5	Financial result	-2.3	-1.8	-27.8%
6	EBT	4.0	2.1	+92.6%
	EBT margin	5.9%	3.9%	
7	EAT	2.5	0.8	+224.0%

*adjusted for revenue and earnings of Playboy Deutschland Publishing GmbH; Playboy Deutschland was sold in November 2010

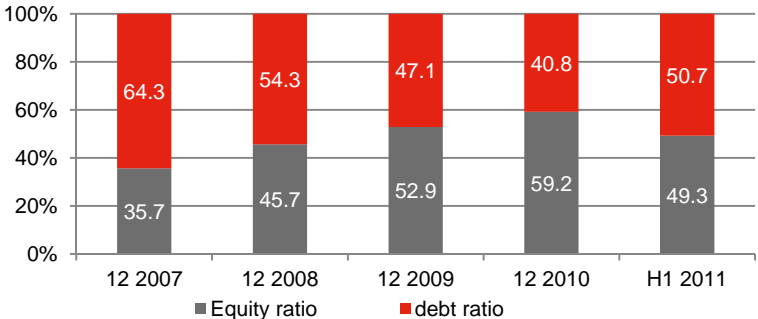
Strong growth, despite seasonal investments in the transactions segment

Strategy 2015

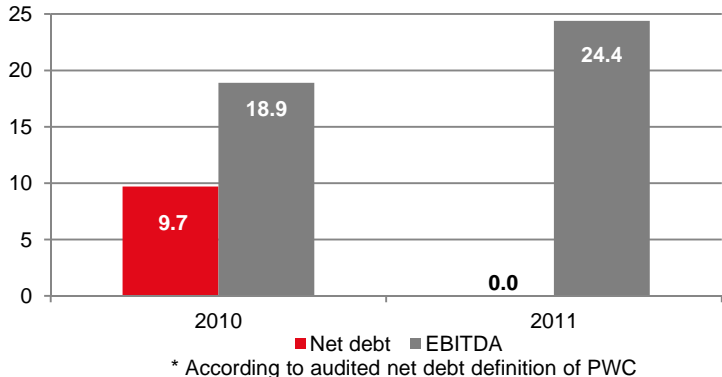
Equity ratio creates financial scope for growth

Equity ratio vs. debt ratio 12/07 – HY1/11 Net debt* vs. EBITDA 2010/2011

In per cent

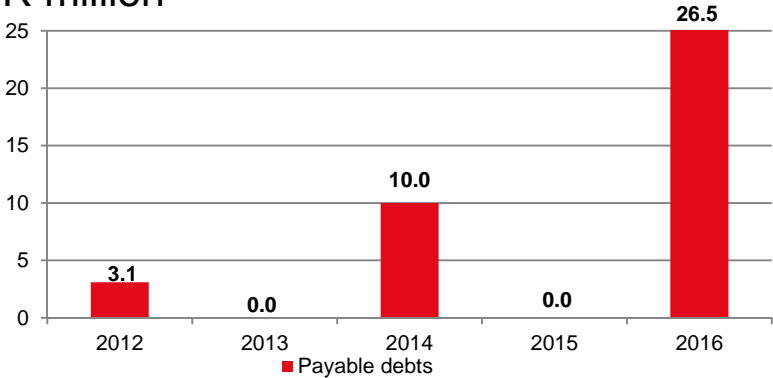


In EUR million



Payable debts 2012 - 2014

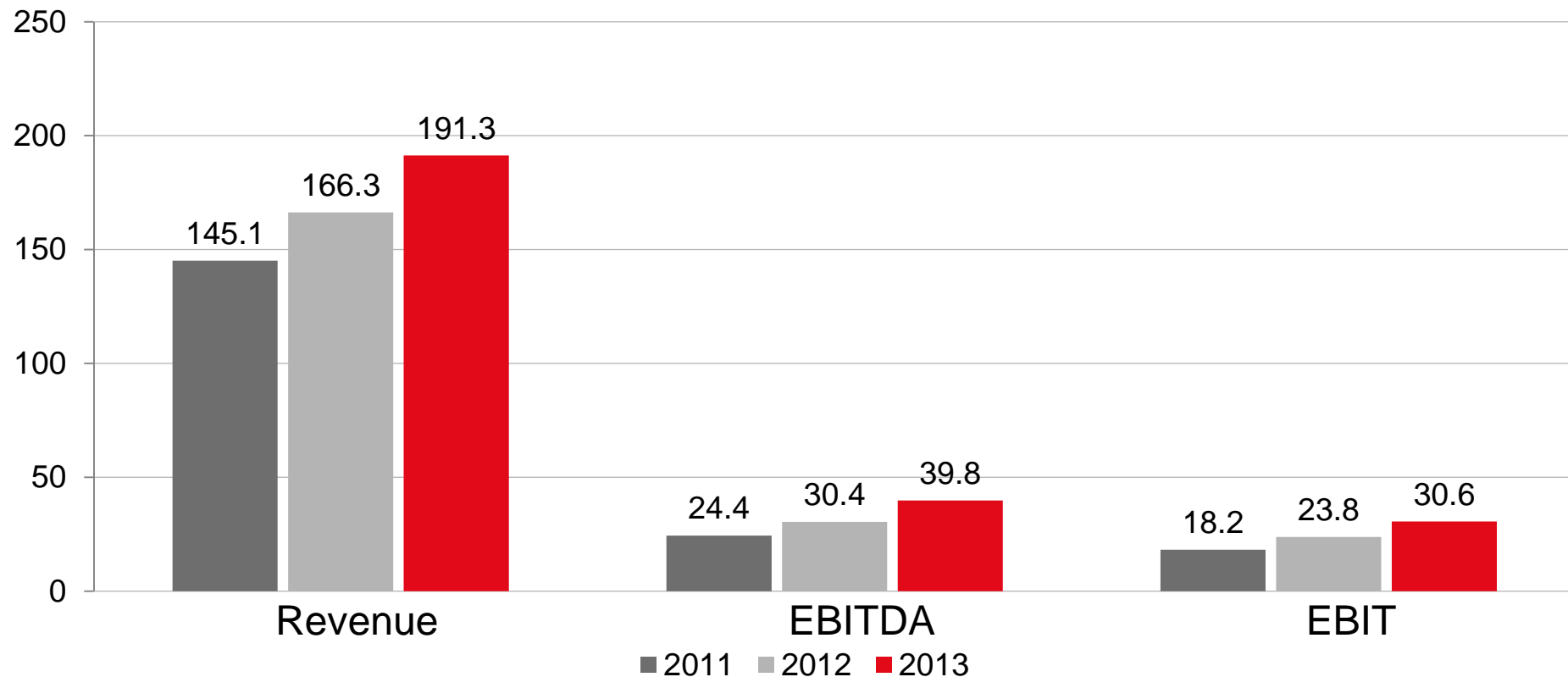
In EUR million



Analysts research* points to further growth for TOMORROW FOCUS in 2011 and 2013

Revenue, EBITDA and EBIT 2011 – 2013*

(in EUR million)



*2012 and 2013: Ø Analyst estimates Bankhaus Lampe, Deutsche Bank, HSBC, Landesbank Baden-Württemberg, Macquarie, M.M. Warburg;

Strategy 2015: expansion of digital activities with high level of revenue and earnings growth



Expansion of purely digital-based activities in Advertising and Transactions segments



Revenue and earnings targets 2015

- Revenue: EUR 250 million
- EBIT: EUR 30 – 40 million

Premise for strategy 2015: economy between stagnation and moderate growth, no recession

Strategy 2015: focus on earnings growth, dividend capacity and equity strength



2011 – 2012: planned acquisition of profitable internet companies

- Advertising & Transactions/ Travel segments
- Price range: EUR 5 to 50 million, EBITDA multiples: 6 to 12
- Acquisitions must generate a positive earnings-per-share contribution after financing costs and purchase price allocation depreciation
- Upper limit on bank borrowings: 2x EBITDA 2010
- Track record: HolidayCheck, ElitePartner, AdJug



**Clear focus on earnings growth,
dividend capacity and equity strength**

Summary



**TOMORROW FOCUS combines the qualities
growth and value within a single company**

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Financial calendar*

Date	Event	Location
14 November 2011	Publication of interim report Q3/2011	Munich
November 2011	Analyst meeting at German Equity Forum 2011	Frankfurt Congress Centre Ludwig-Erhard-Anlage

* Provisional dates