

A large crowd of people is gathered at an outdoor event, likely a market or festival. The sky is filled with many birds in flight, creating a sense of a storm or a large-scale event. The background shows large white tents and a green banner with the Carlsberg logo. The overall atmosphere is one of a busy, outdoor gathering.

# Afternoon papers in a storm

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Alma Media Capital Markets Day  
Nov 6, 2008

# Overall market decline affects afternoon papers

- Table: circulation market in the Nordic countries

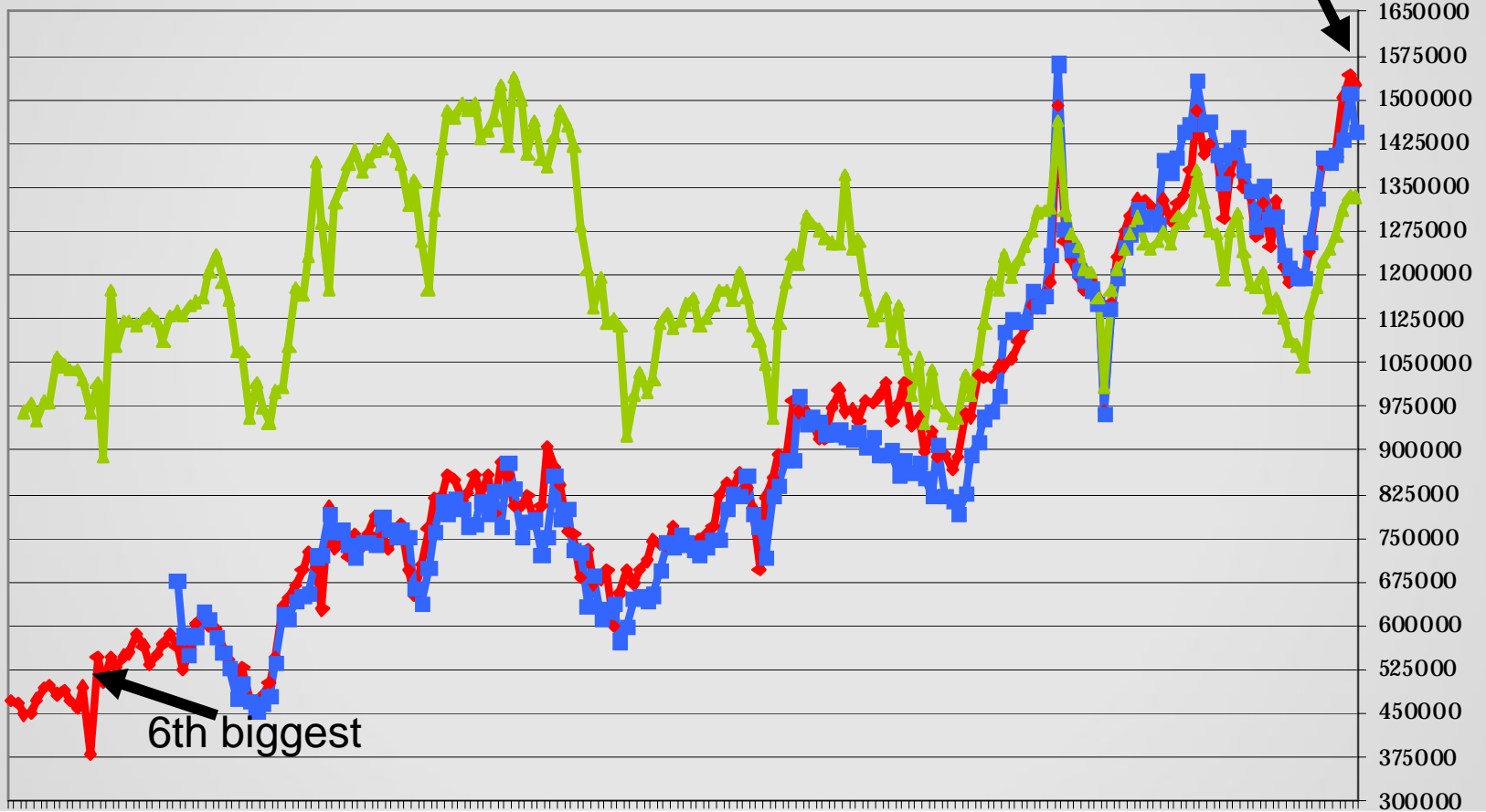
	<b>VG</b>	<b>Aftonbladet</b>	<b>Ilta=Sanomat</b>	<b>Iltaleshti</b>
<b>2004</b>				
Weekdays	365 266	444 100	201281	130371
Sundays	315 103	504 300	237665	159090
<b>2005</b>				
Weekdays	343 702	428 422	195673	130290
Sundays	298 736	501 428	226399	156693
<b>2006</b>				
Weekdays	315 549	416 500	186462	133007
Sundays	268 355	475 300	218309	166240
<b>2007</b>				
Weekdays	309 610 (-2%) (-15%)	388 500 (-7%) (-13%)	176531 (-5,3%) (-12,3%)	131150 (-1,4%) (+0,5%)
Sundays	262 786 (-2%) (-17%)	455 800 (-4%) (-10%)	208487(-4,5%) (-12,2%)	163359 (-1,7%) (+2,6%)
<b>( ) = 2004-2007</b>				
<b>2008 (1-6)</b>				
Avg circulation	-6%	-4%	-7,6 %	-5,8 %



# At the same time, online has strong growth and position

—●— Italehti —■— Ilta-sanomat —▲— Mtv3

1 st



6th biggest

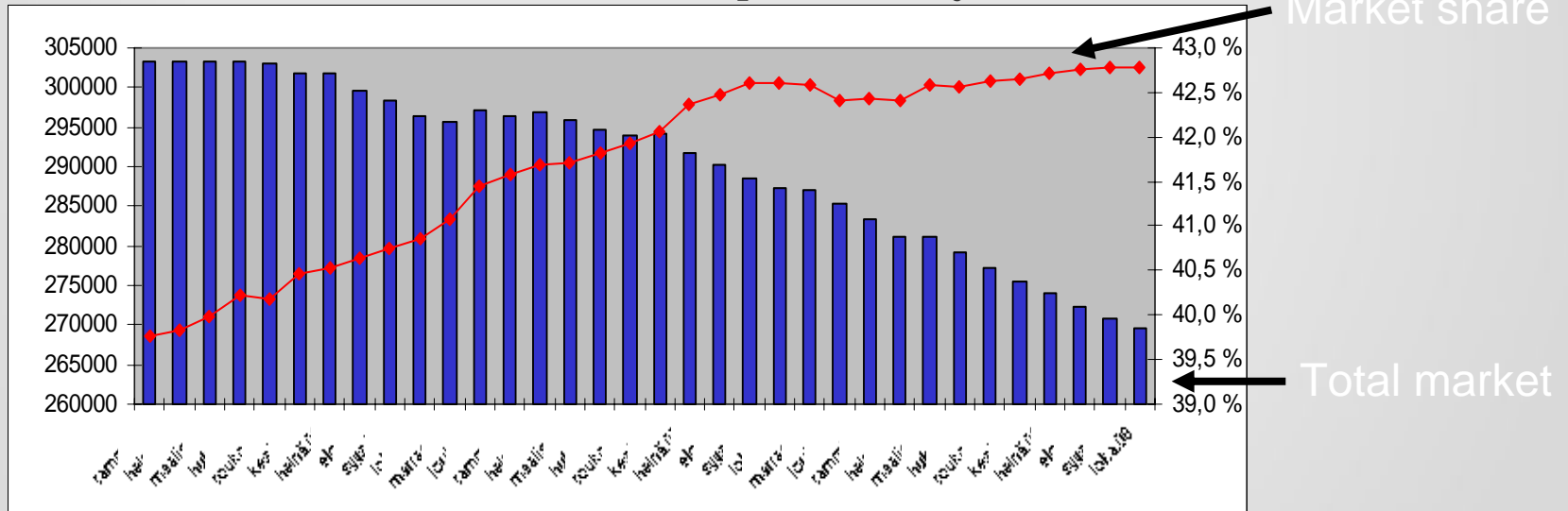
2004/vko 45  
2004/vko 51  
2005/vko 4  
2005/vko 14  
2005/vko 20  
2005/vko 26  
2005/vko 32  
2005/vko 38  
2005/vko 44  
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2006/vko 34  
2006/vko 40  
2006/vko 46  
2007/vko 6  
2007/vko 12  
2007/vko 18  
2007/vko 24  
2007/vko 30  
2007/vko 36  
2007/vko 42  
2008/vko 2  
2008/vko 8  
2008/vko 14  
2008/vko 20  
2008/vko 26  
2008/vko 32  
2008/vko 38

## Reasons behind this market development

- Breakthrough of the internet as a news medium:
  - The internet has revealed the efficiency and quality of afternoon paper news desks > seen in the popularity of particularly afternoon papers' online services > the printed paper suffers
- Change in consumers' buying habits:
  - People buying more at a time at longer intervals is poison to newsstands and the afternoon paper sales network. UK market has suffered least. Why? Mainly, because the papers are still sold "in the street".

# Market situation in Finland

- In a declining market the market leader, Sanoma Oy's Iltasanomat, has chosen a strong price strategy.
- IL has concentrated on content strategy and managed to gain market share as well as maintain better profitability.



# Iltalehti's strategy – how do we respond?

## Own news at the core

- Own news, own reporting and own news profile are critical success factors.

## Different roles for paper and online

- The printed paper should be developed into a combination of a newspaper and daily popular magazine.

## Higher ad sales quality and price increasing

- The online growth potential and target are high. The market position as an advertising vehicle has changed radically: traditionally, an afternoon paper was a "support medium". The online IL will become the main medium instead of a support medium—the share of advertising in net sales will increase.

## Iltalehti's strategy – how do we respond?

### New revenue streams: shares of the sales of goods and services

- The Swedish market has been forerunner.

### Lower costs through tighter operation

- Critical and accelerated evaluation of supplements and the scope of online editing

### New online consumer services

- Acquire strong online consumer services that have target group synergies and compete in magazine advertising
- [telkku.com](http://telkku.com), [kotikokki.net](http://kotikokki.net), [vuodatus.net](http://vuodatus.net)

## Summary

- The afternoon paper market is declining due to a clear trend
- A crucial factor behind the trend is the rapid and strong change in media consumption: news are going online.
- Success requires
  - Strong renewal of the paper into a "magazine appearing daily"
  - A strong online position to enable increasing advertising income.
  - Adapting cost structure and level
  - Probably new streams of income: shares of the sales of goods and services