

A person in a blue shirt is holding a camera up to their eye, taking a photograph of a ship on the ocean. The ship is moving from left to right, leaving a white wake. The sky is overcast and grey. The water is dark blue with small waves.

# Marketplaces towards 2010

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November 6, 2008



## Marketplaces online vision

- To be the market leader in online Marketplaces business in Finland
- To be a major player in European online Marketplaces business
  - Eastern Europe and real estate portals the main focus

### ***Superior offerings in high-value product categories***

- \* *real estate*
- \* *cars*
- \* *jobs*
- \* *heavy equipment*
- \* *C to C, Mikko*

### ***Benefits to consumers***

- Top-of-mind brand
- The biggest supply and quality content
- Superior usability

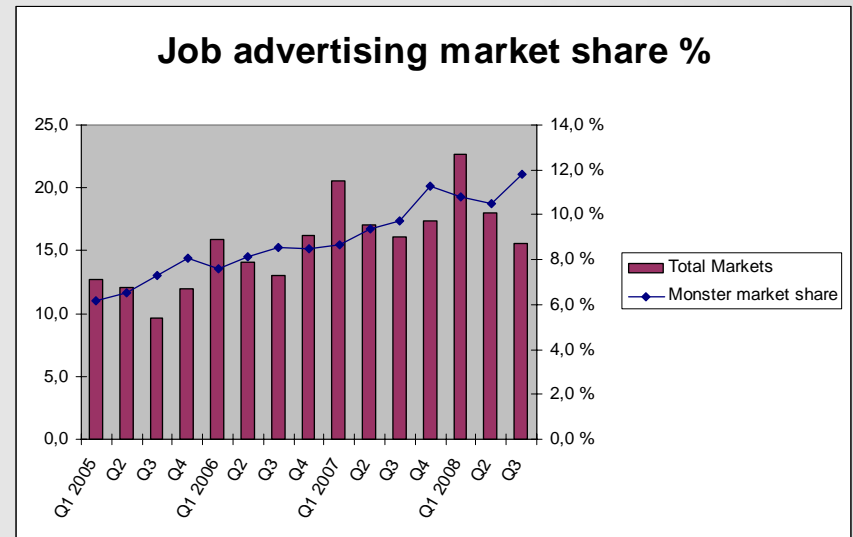
### ***Benefits to advertisers***

- The best supply of potential customers
- IT support for their own marketplaces
- The best customer service

## Market leader in Finland

### Monster.fi

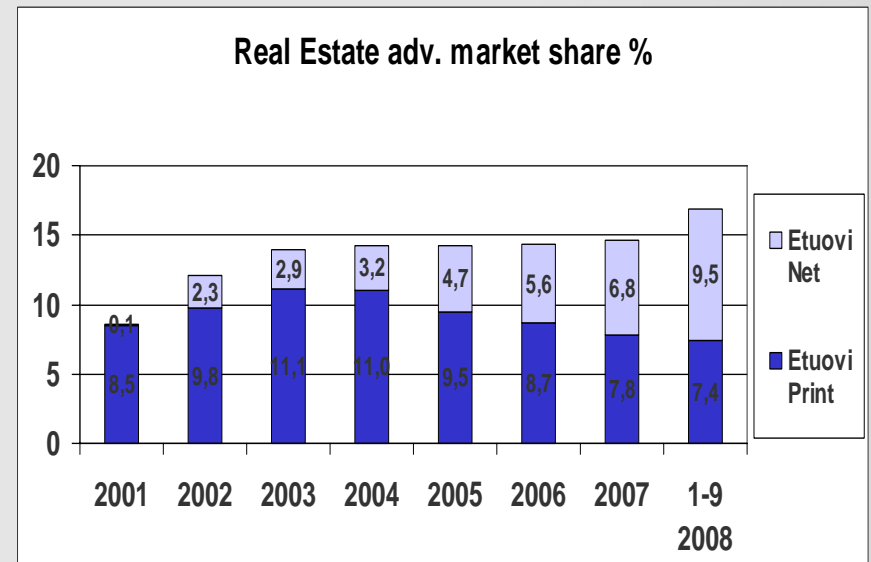
- Job advertising and CV database
- Established 1998
- 70,000 weekly users 9/2008
- 90% of revenues from advertising
- 11.9-% share of the Finnish recruitment ad market Q3/2008
- Main competitor Oikotie.fi



## Market leader in Finland

### Etuovi.com

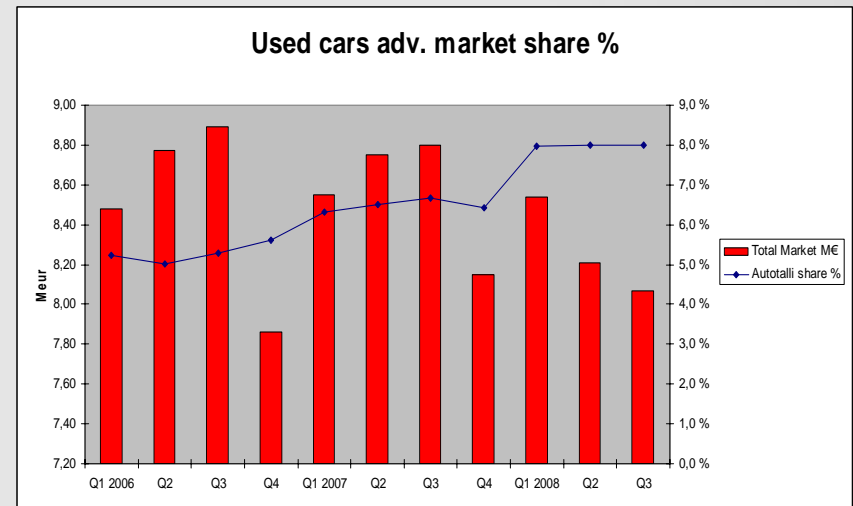
- Real estate online and in print
- Established 1996
- 330,000 weekly users 10/2008
- 58,000 objects 10/2008
- Print 1 million copies every second week, 5 cities, free delivery
- Online service market share 9.5% of the total real estate ad market in Finland Q3/2008
- Main competitor Oikotie.fi



## Market leader in Finland

### Autotalli.com

- Used and new cars
- Established 2001
- 100,000 weekly users 10/2008
- 44,000 cars 10/2008
- 8.0% of the total used cars ad market in Finland Q3/2008
- Main competitor Nettiauto.fi



## Market leader in Finland

### Mikko.fi

- Established 2007
- General classifieds auction and sale
- 85,000 weekly users 10/2008
- Integrated into Newspapers
  - advertising channel
  - auction campaigns
- Still in content and traffic building phase
- Over MEUR 1 invested in 2008
  - target to break even at the end of 2010
- Main competitors
  - huuto.net
  - keltainenporssi.fi

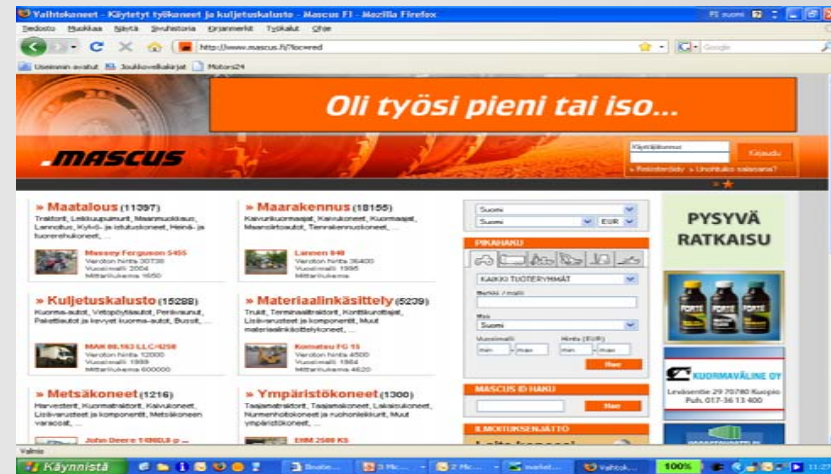


A person wearing a bright red jacket and red gloves is holding a large red megaphone. They are standing on a metal structure, possibly a scaffolding or a stage. In the background, there is a large, classical-style building with a pediment and columns. The sky is clear and blue. The text is overlaid on the image in a white, serif font.

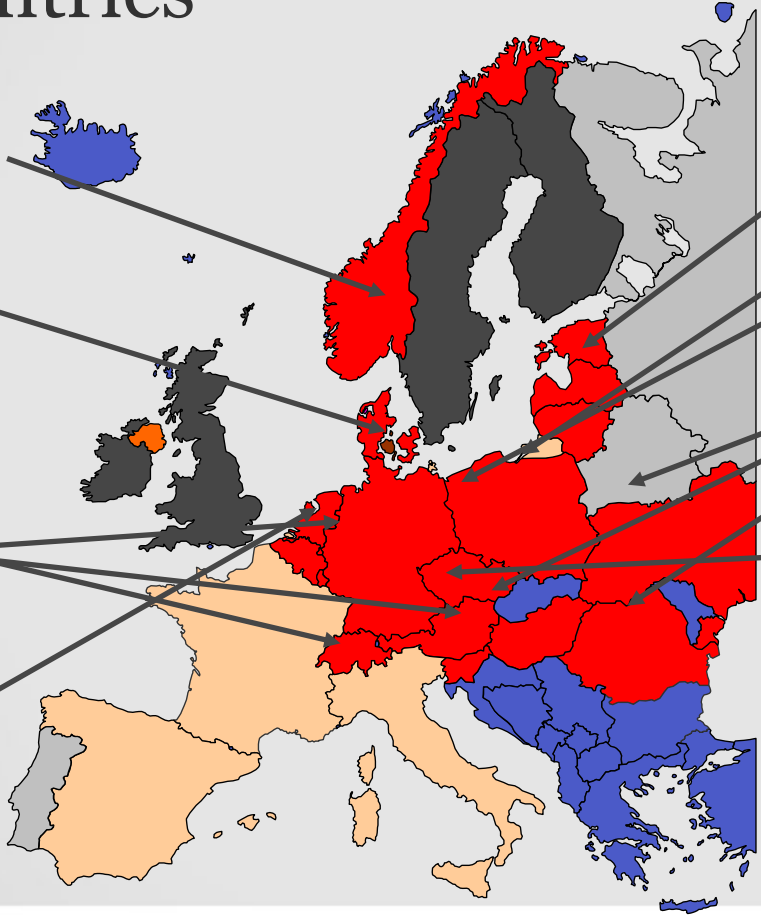
To be a major player  
in European  
online marketplaces  
business

## Mascus.com— Europe-wide marketplace

- Heavy machinery online
- Established 2000
- 100,000 weekly users  
10/2008
- 23 languages, 21 countries
- Expansion through licensing model
  - local partners for sales and marketing



## Mascus countries



Light orange square: Tele sales in 3 countries

Orange square: Own offices in 4 countries

Red square: Licence partners in 17 countries

Blue square: Less than 10 customers or no sales

## City24

Growth slowing because of the credit crisis



## City24 in Eastern Europe The most valuable real estate network

- Concentrating on the development of the existing countries
- Platform development together with Etuovi
- Synergies between countries
- Content quality and quantity as a focus area
- Partnering with local high traffic portals to ensure traffic and brand visibility



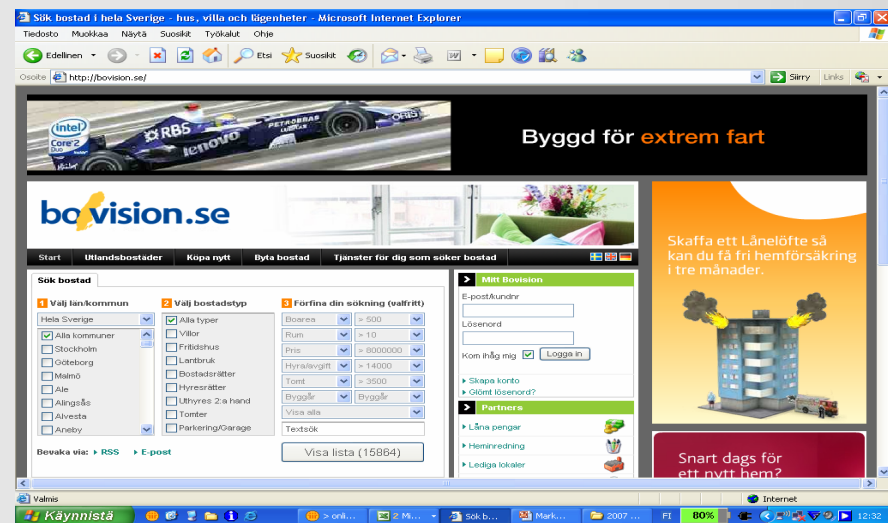
Real estate online  
Established 2000  
300,000 weekly users 10/2008  
9 countries in CEE

## Motors24 in the Baltics

- Used and new cars online
- Established 2003
- 60,000 weekly users 10/2008
- Baltic countries
  - Estonia, Latvia, Lithuania
- The only Baltic-wide used car site
- Building content and traffic
- New platform together with Autotalli

## Bovision+, real estate and commercial properties

- Established 1996
- 100,000 weekly users  
10/2008
- In Sweden, also commercial premises: Objektvision.se
- Challenging market conditions in 2008



A person wearing a bright red jacket and red gloves is holding a large red megaphone. They are standing on a metal structure, possibly a scaffolding or a railing. In the background, there is a large, classical-style building with a pediment and columns. The sky is clear and blue. The text "Marketplaces strategy in Russia" is overlaid in white serif font on the image.

Marketplaces  
strategy in Russia



# Marketplaces business in Russia

## Strong print products dominate the market

- Marketplaces advertising value ca. MUSD 600 in 2007. Growth average 20% during the past few years. Main categories are cars, real estate and jobs.
- Geographically wide area covered by two strong players: Trader Media East , TME (Iz Ruk v Ruki generalist print and verticals) and RDW Media (jobs). Almost all bigger towns have independent, strong print products.
- In Moscow, heavy competition both in print and online
  - Big players dominate the market: Delevoy Mir, TME and RDW Media
- Internet as a business only seen in Moscow, even though there are many projects all over the country

## Internet in Russia

Geographically varying situations

32.7 million users, 29-% penetration among 18+ years, spring 2008

### Internet users geographically

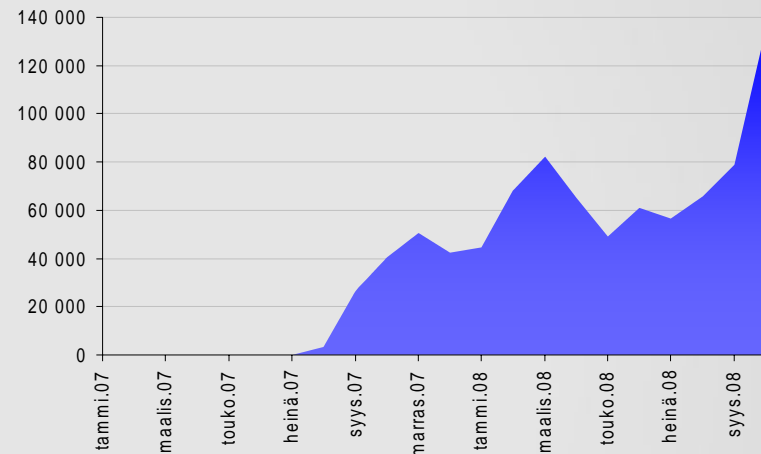


In Moscow penetration >60%

## Moscow: City24.ru Market in turbulence

- Internet hype started during 2007; new services popping up frequently:
  - Number of real estate portals ca. 100
  - Ca. 70 new portals within one year
- Customers are confused
- Big mass media portals dominating the advertising market
- Search engine Yandex dominates the online advertising market in whole Russia, market share close to 50%
- Housing market slowing down rapidly

Unique Visitors in Russia (monthly)



City24.ru short-term objective still in traffic and content development;  
market statistics tool unique in the market

## In Moscow: Internet hype and strong print market

### More potential in other big cities



- In other big cities (population over 1 million) the media market is in good growth, 15-20% annually
  - moderate competition and online market in its early stages
- The most interesting cities for Alma Media
  - National players do not have a strong position
  - Distance from Finland is reasonable

## Acquisitions of strong classified print products as a vehicle to enter the markets

### Expanding to online marketplaces

#### I. ACQUISITION TARGETS

- Interesting classified generalist and real estate print products available that meet our criteria
- Criteria for print products:
  - Strong competitive position
  - Enough turnover
  - Strong position among real estate and car advertisers

#### II. BUILDING UP THE INTERNET BUSINESS

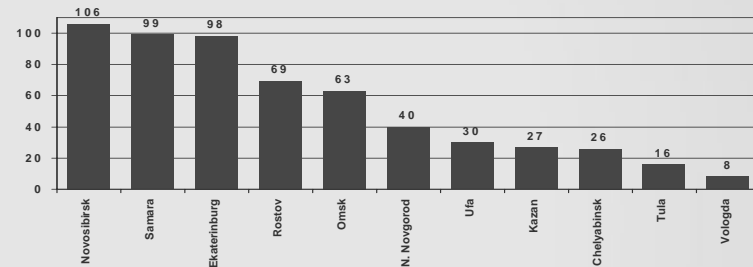
- Start up internet business beside print business
  - Real estate: utilise the City24.ru platform from Moscow
  - Cars: Motors24
  - Generalist site: Mikko
- Improve productivity by chaining operations
  - Internet platform, purchasing, administration, page production

## Big cities media market outside Moscow

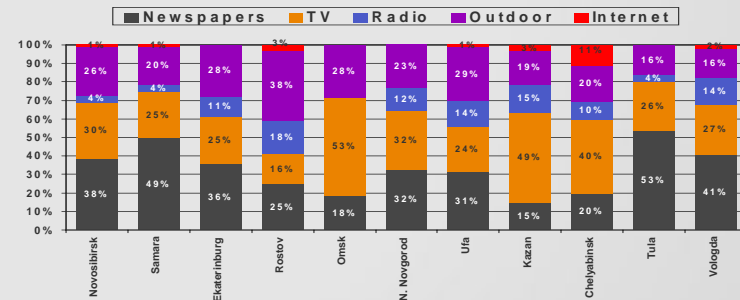
Newspaper market share 15–50%

- Population in each city almost the same
- Production output varies a lot
- Media market size varies a lot
  - In 2007, media market ca. MEUR 100 in the bigger cities and ca. MEUR 25-30 in the smaller cities
- The share of newspapers varies between 15-50%

Media m market 2007, MEUR



Media m market shares 2007

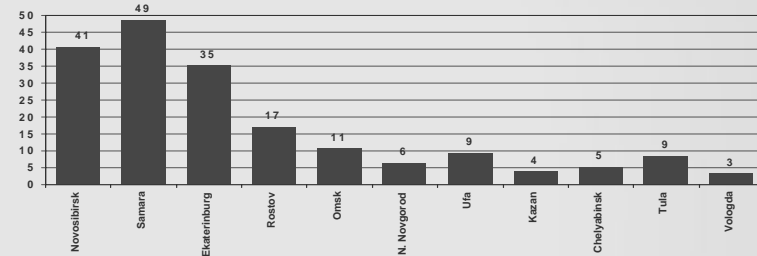


## Marketplaces advertising in big cities

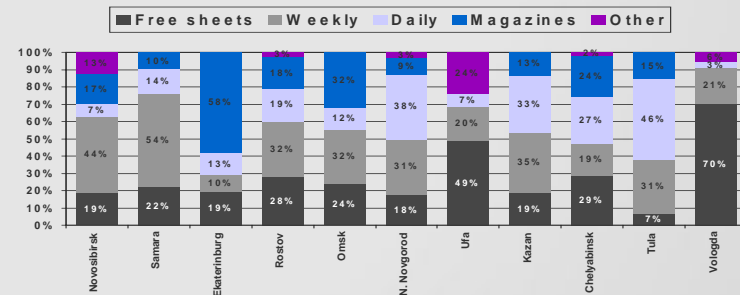
Market in print viable for many years, internet still in early stage

- Strong print players dominate the market
- Strong growth during the past years; 20-40% annually
- Generalist papers:
  - TME's Iz Ruki v Ruki (= Keltainen Pörssi) almost in every city, but the position varies a lot
- Vertical products
  - Strong print products in car and real estate classifieds in many cities
- Online:
  - Outside St Petersburg and Moscow the market is insignificant at the moment
  - Internet penetration outside Moscow and St Petersburg only 15-20%

Newspaper market 2007 MEUR



Newspaper market 2007



AL  
MA

A photograph of several soccer players in silhouette on a field during sunset. The players are in various dynamic poses, suggesting a game in progress. The background is a warm, golden-orange glow from the setting sun, with some trees visible in the distance. The overall mood is energetic and nostalgic.

Thank you!