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# Alma Media The winning team in hybrid media

Tuomas Itkonen, CFO  
SEB Enskilda Nordic Seminar  
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## Presentation structure

- Overview of Alma Media
- Finnish media markets
- Markets and Financials Q1-Q3 2008
- Economic downturn
- M&A Opportunities?
- Summary



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A person in a blue shirt is seen from the side, holding a camera up to their eye to take a photograph. The camera is pointed towards a boat on the ocean in the distance. The boat is moving, creating a white wake. The sky is overcast and grey. The water is a deep blue with some ripples. The overall scene is a maritime or documentary-style photograph.

# Overview of Alma Media

## Company statements

Mission

Values

Vision

Strategy



- To promote individual freedom and wellbeing

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- Freedom and pluralism of journalism
- Team play

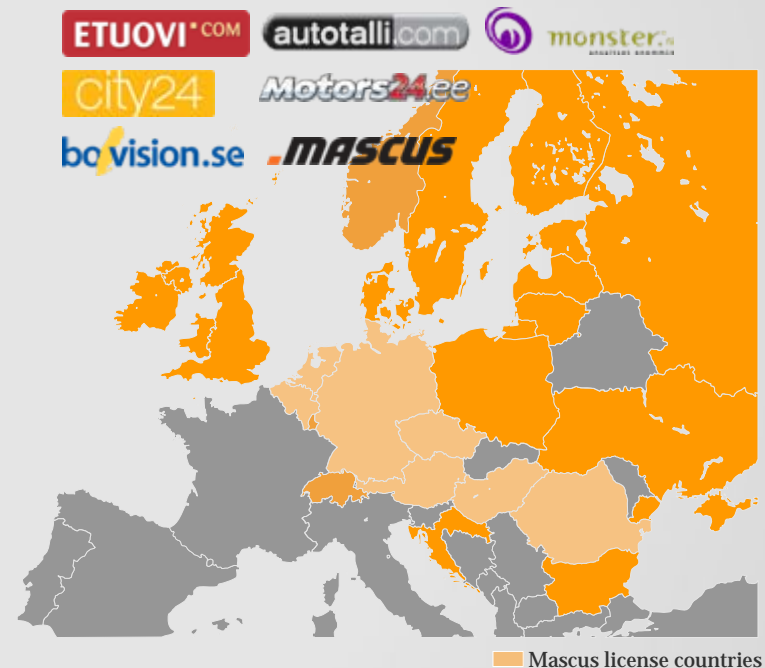
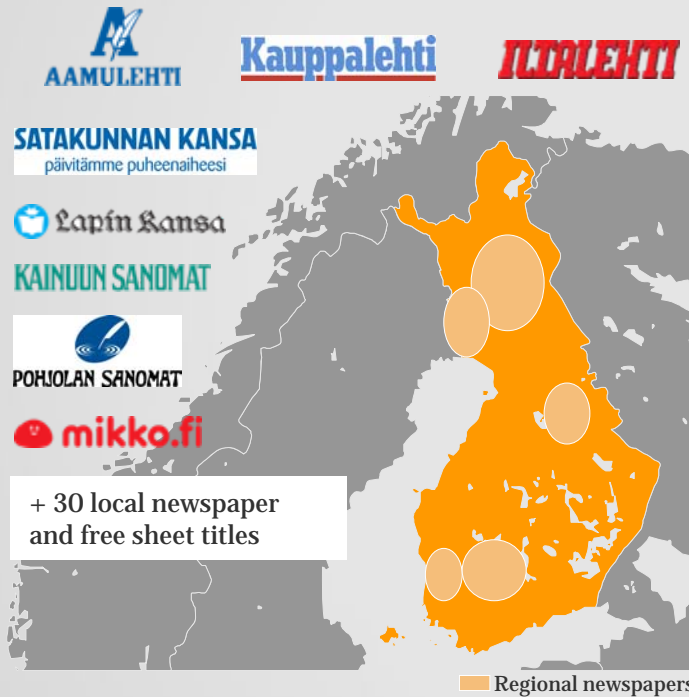
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- The winning team in newspaper and online media

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- Chaining operations
- Constant improvement and renewal
- Internationalisation
- Mergers & Acquisitions

## Finnish Newspapers, European Classified



**Net sales 2007: 329 MEUR - - EBIT-% 2007 : 19.6 % - - Listed in OMX Helsinki (ALN1V, Mid Cap)**

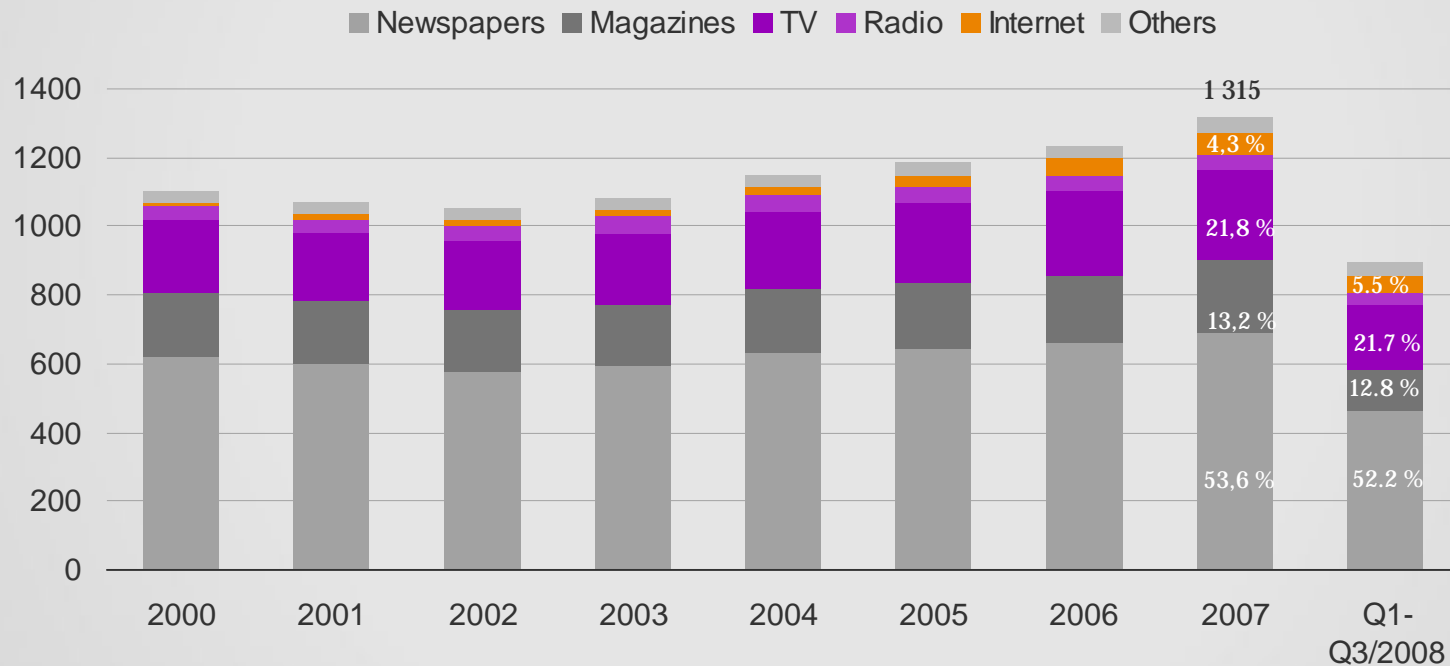
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# Finnish media markets & Alma Media

A person is seen from behind, wearing large black headphones. They are in a server room or data center, with several computer monitors and server racks visible. The room is dimly lit with blue and yellow lights, creating a bokeh effect in the background. The overall atmosphere is technical and focused.

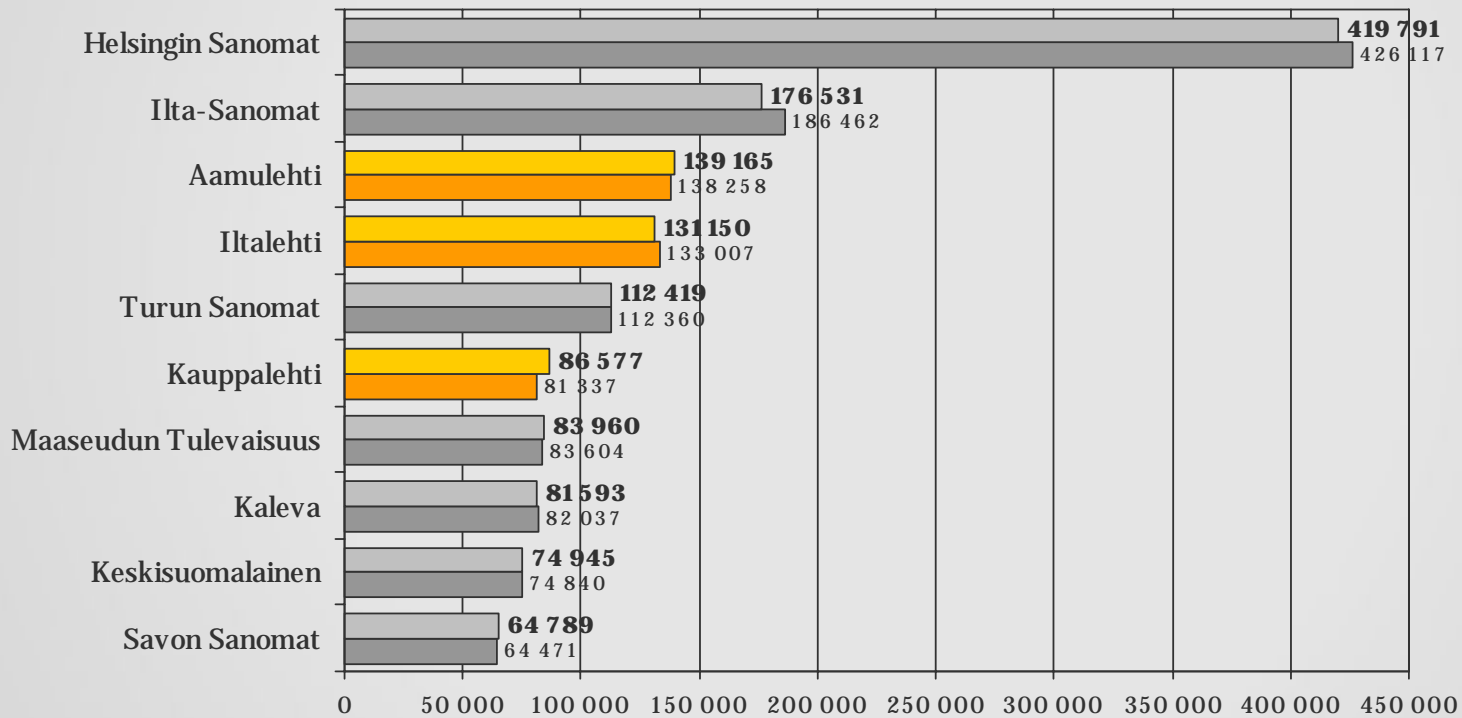
# Newspapers dominate the Finnish ad market

## Advertising expenditure in Finland, MEUR



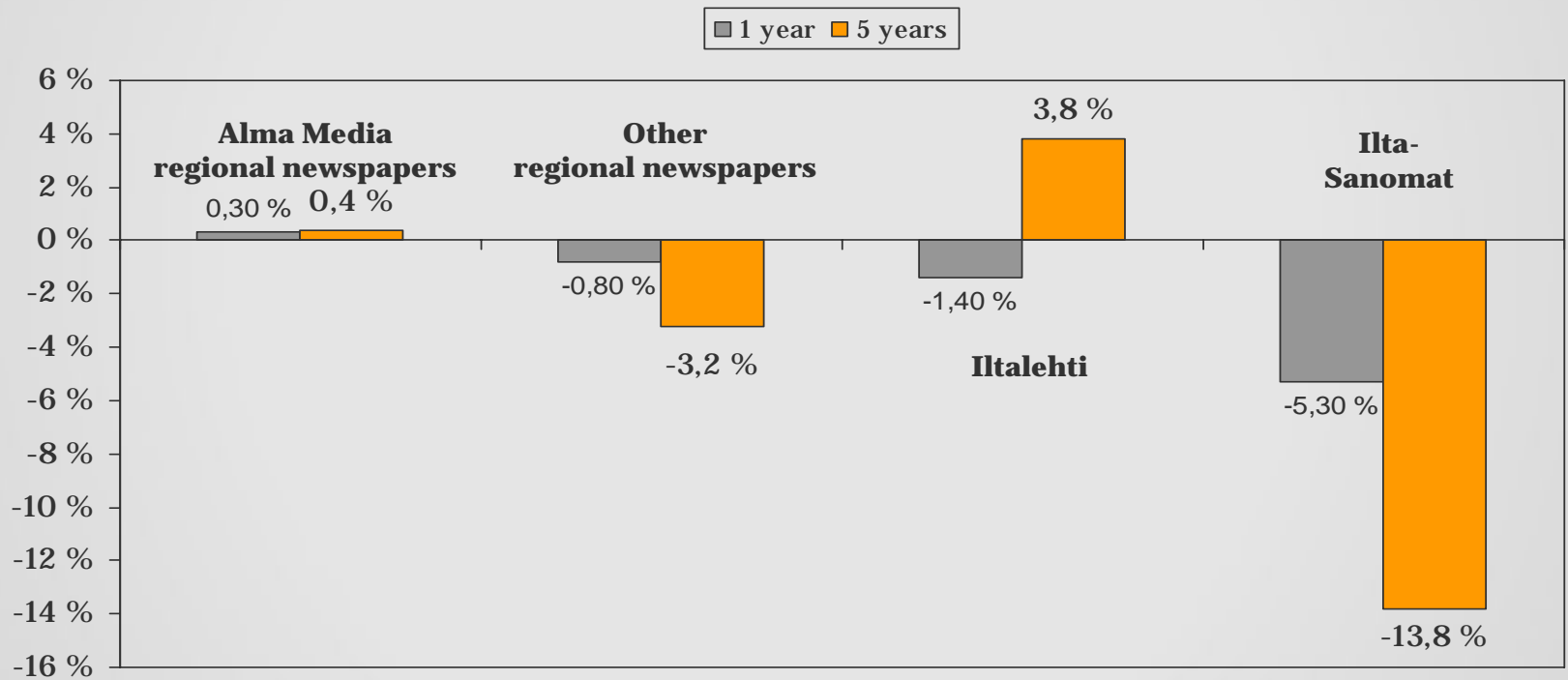
# Top 10 newspapers in Finland

## Circulation in 2007 and 2006



## Circulation development 2002-2007

Change 2007/2006 and 2007/2002



Source: Finnish Audit Bureau of Circulations

## SUOMEN WEB-SIVUSTOJEN VIIKKOLUVUT (WEEKLY SITE RANKINGS)

[Liity TNS Metrix-mittaukseen](#)
[TNS Gallupin online-mittaus ja yksityisyyden suoja](#)
[Vanha tulospalvelu](#)

### Viiikkoluvut

Viikko: 2008/51

Kategoria: -Kaikki-

Site	Browsers	Browsers%	Sess	Sess%	PI	PI%	Freq
1 ± Iltalehti	<a href="#">1615885</a>	-0,3 ↓	<a href="#">8277743</a>	-1,8 ↓	<a href="#">41421067</a>	-6,6 ↓	5,1
2 ± Ilta-Sanomat	<a href="#">1561646</a>	-0,7 ↓	<a href="#">7768268</a>	-2,5 ↓	<a href="#">30375963</a>	-5,3 ↓	5,0
3 ± MTV3	<a href="#">1366392</a>	0,5 ↑	<a href="#">6086483</a>	-1,9 ↓	<a href="#">40516210</a>	-0,7 ↓	4,5
4 ± Helsingin Sanomat	<a href="#">1178663</a>	7,1 ↑	<a href="#">3994819</a>	2,7 ↑	<a href="#">17193831</a>	3,9 ↑	3,4
5 ± Suomi24.fi	<a href="#">1170324</a>	-0,4 ↓	<a href="#">4409976</a>	-2,0 ↓	<a href="#">58407197</a>	-5,6 ↓	3,8
6 MSN/Windows Live Messenger	<a href="#">1135853</a>	1,1 ↑	<a href="#">8478922</a>	1,4 ↑	<a href="#">12084285</a>	1,8 ↑	7,5
7 YLE	<a href="#">1059496</a>	-1,9 ↓	<a href="#">3861283</a>	-3,7 ↓	<a href="#">25485946</a>	-12,4 ↓	3,6
8 MSN.fi	<a href="#">939978</a>	0,4 ↑	<a href="#">4516193</a>	-1,7 ↓	<a href="#">10225795</a>	-1,4 ↓	4,8
9 Windows Live Hotmail (suomenkielinen)	<a href="#">826616</a>	0,5 ↑	<a href="#">3220249</a>	-1,6 ↓	<a href="#">16596172</a>	-1,2 ↓	3,9
10 ± IRC-Galleria	<a href="#">817924</a>	-4,8 ↓	<a href="#">4787098</a>	-13,7 ↓	<a href="#">238861030</a>	-13,2 ↓	5,9
11 Eniro.fi	<a href="#">648211</a>	-7,4 ↓	<a href="#">1323377</a>	-6,6 ↓	<a href="#">6358799</a>	-17,0 ↓	2,0
12 ± Plaza	<a href="#">559450</a>	-0,4 ↓	<a href="#">1799175</a>	-1,7 ↓	<a href="#">7550642</a>	-6,6 ↓	3,2
13 Telkku.com	<a href="#">552017</a>	0,3 ↑	<a href="#">2538666</a>	-1,5 ↓	<a href="#">15193647</a>	0,2 ↑	4,6
14 ± Kauppalehti.fi	<a href="#">524079</a>	5,7 ↑	<a href="#">1952703</a>	1,9 ↑	<a href="#">11959527</a>	-1,9 ↓	3,7
15 ± NettiX	<a href="#">477347</a>	-1,5 ↓	<a href="#">1557373</a>	-2,2 ↓	<a href="#">22755742</a>	-3,7 ↓	3,3
16 ± Taloussanomat	<a href="#">450332</a>	-0,1 ↓	<a href="#">1295102</a>	0,5 ↑	<a href="#">3851795</a>	5,8 ↑	2,9
17 ± Huuto.net	<a href="#">440352</a>	-4,4 ↓	<a href="#">1379175</a>	-8,8 ↓	<a href="#">25108697</a>	-13,2 ↓	3,1
18 Etuovi.com	<a href="#">273379</a>	-16,5 ↓	<a href="#">621932</a>	-15,8 ↓	<a href="#">8775809</a>	-14,3 ↓	2,3
19 ± Oikotie.fi	<a href="#">249569</a>	-10,2 ↓	<a href="#">471506</a>	-12,1 ↓	<a href="#">5105012</a>	-13,3 ↓	1,9
20 020300200.com	<a href="#">230561</a>	-5,7 ↓	<a href="#">274045</a>	-6,3 ↓	<a href="#">561982</a>	-7,3 ↓	1,2
21 Vuodatus.net	<a href="#">230498</a>	4,4 ↑	<a href="#">526712</a>	1,5 ↑	<a href="#">2353788</a>	-5,3 ↓	2,3
22 Hintaseuranta.fi	<a href="#">200475</a>	-0,6 ↓	<a href="#">288511</a>	-1,4 ↓	<a href="#">844769</a>	0,1 ↑	1,4
23 Afterdawn.fi	<a href="#">195989</a>	0,6 ↑	<a href="#">321878</a>	0,3 ↑	<a href="#">1016933</a>	-1,4 ↓	1,6



# Media markets and Financials Q1-Q3 2008



# Advertising sales growth Q1-Q3 2008

## Alma Media vs. market

Change, %	Market Q1-Q3 08 *	Alma Media Q1-Q3 08 **
Newspapers	-1.1	3.6
Magazines	2.0	-
Television	6.1	-
Radio	6.4	-
Internet	27.5	30.8
TOTAL	2.7	7.1

Alma Media @ SEB Nordic Seminar

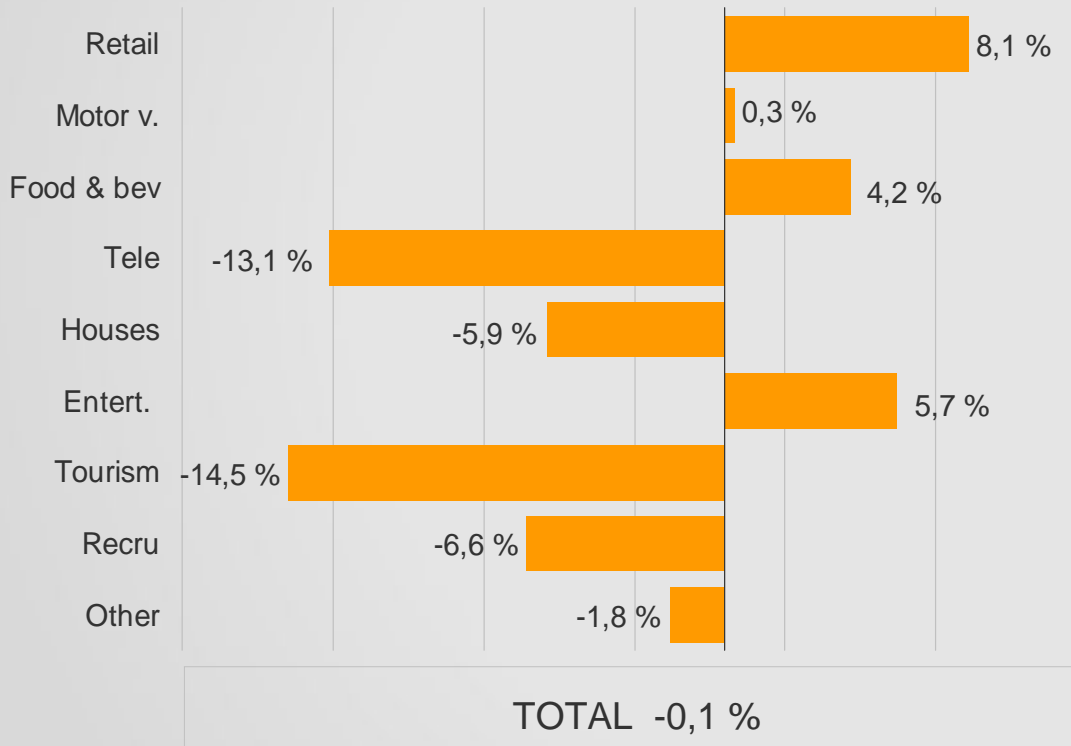
\* Source: TNS Media Intelligence

\*\* Newspapers segment (excl. online services),  
Kauppalehti and Etuovi.com print

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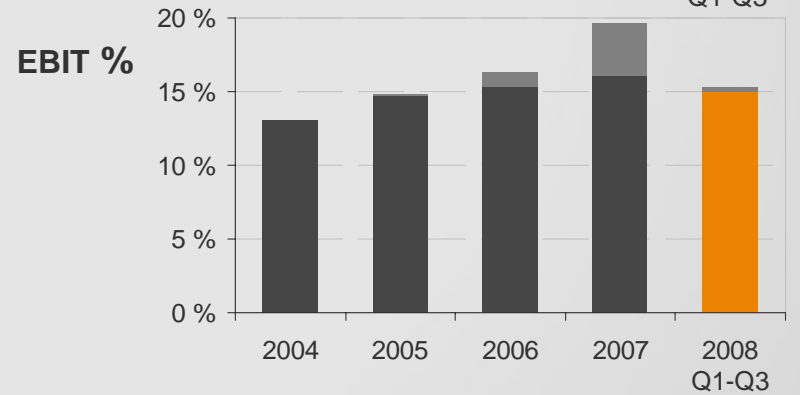
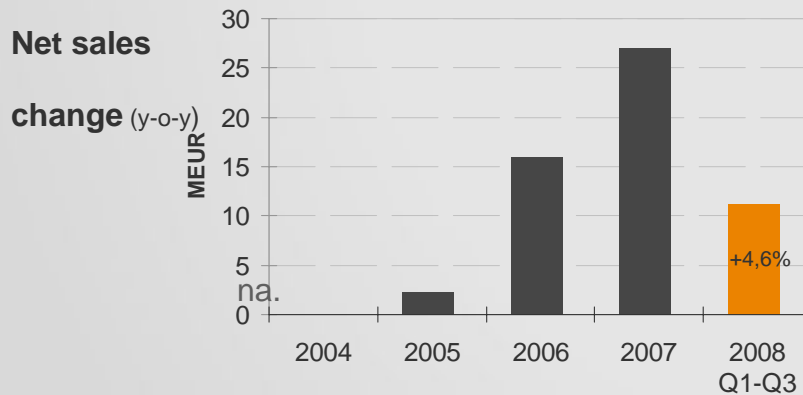
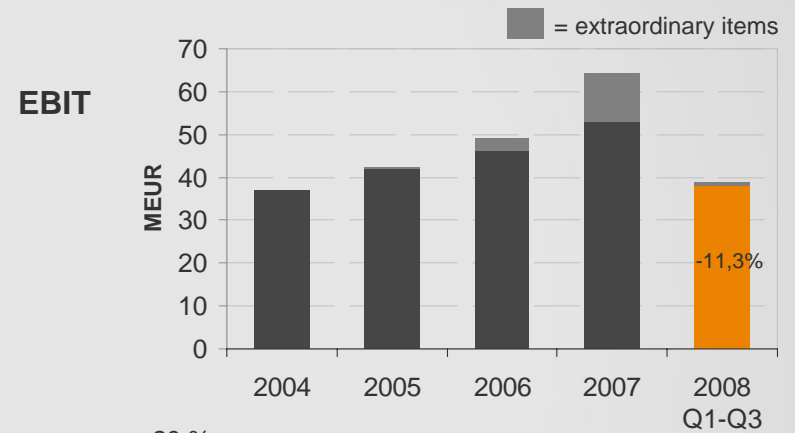
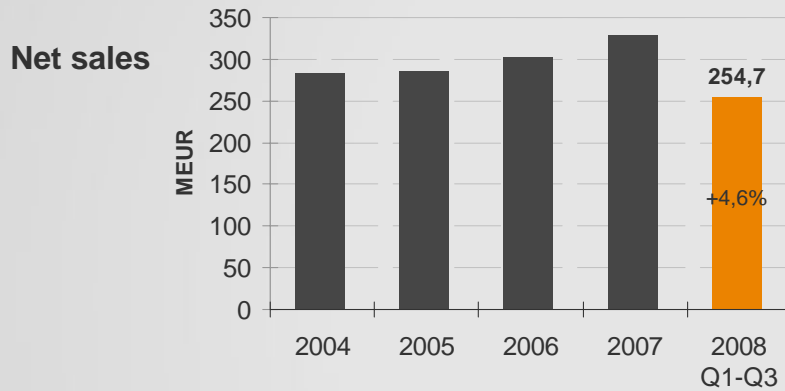
# Finnish advertising by branch Q3 2008

Total market change from Q3 2007



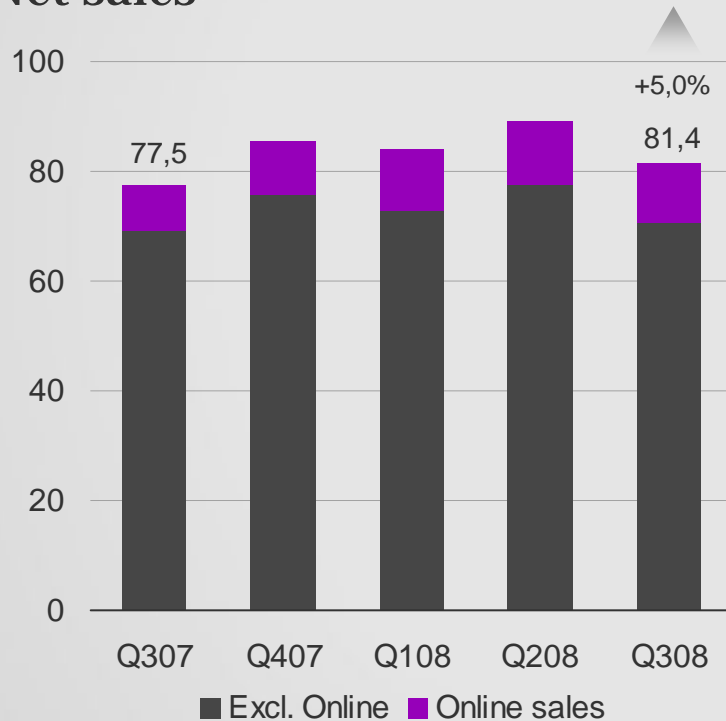
Advertising in Q3 2008	MEUR
Retail	64
Motor vehicles	28
Food & beverages	18
Telecommunications	9
Houses and premises	16
Entertainment	12
Tourism and traffic	8
Recruiting	15
Other	88
<b>Media sales total</b>	<b>259</b>

## Key figures 2004-2008/Q3

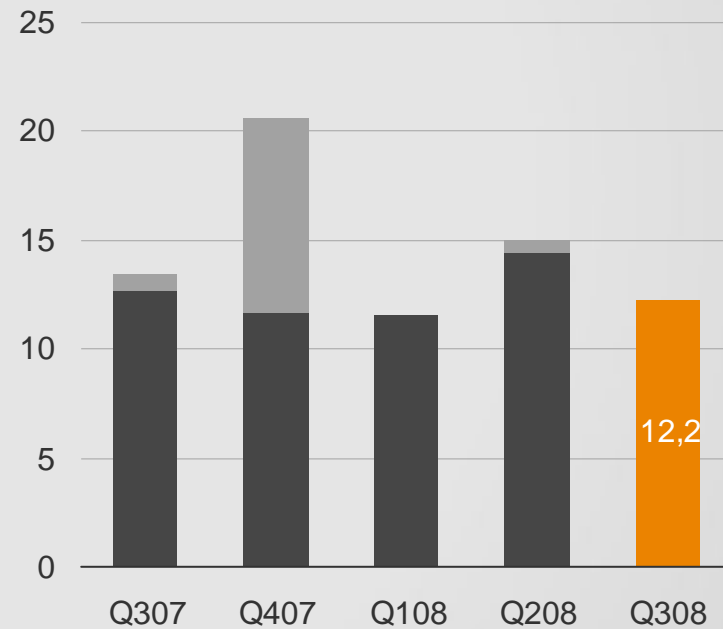


## Key figures Q3 2008, MEUR

### Net sales

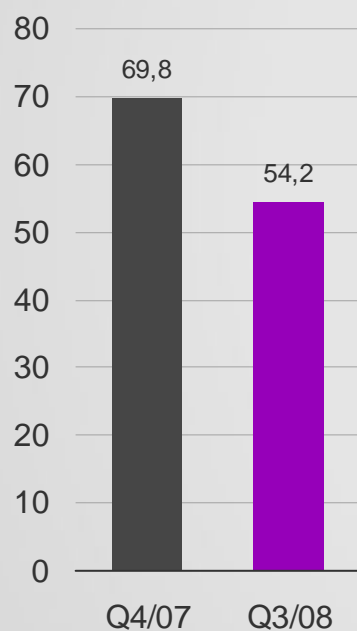


### EBIT

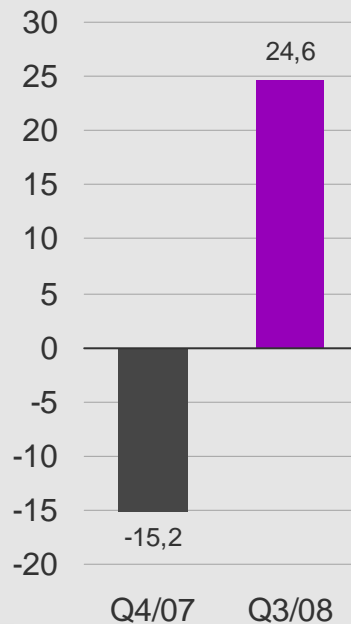


## Key ratios in Q3 2008

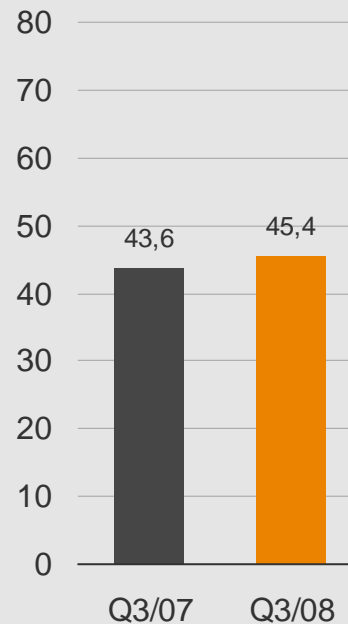
Equity ratio, %



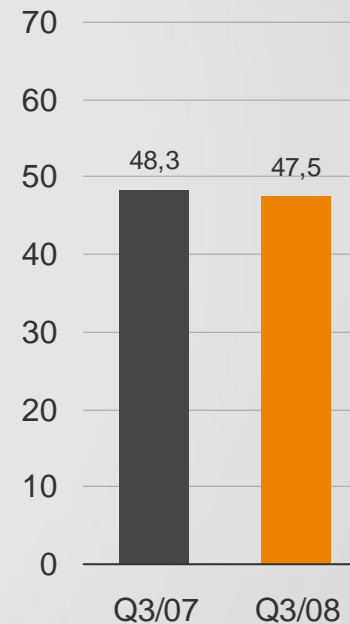
Gearing, %



ROE %

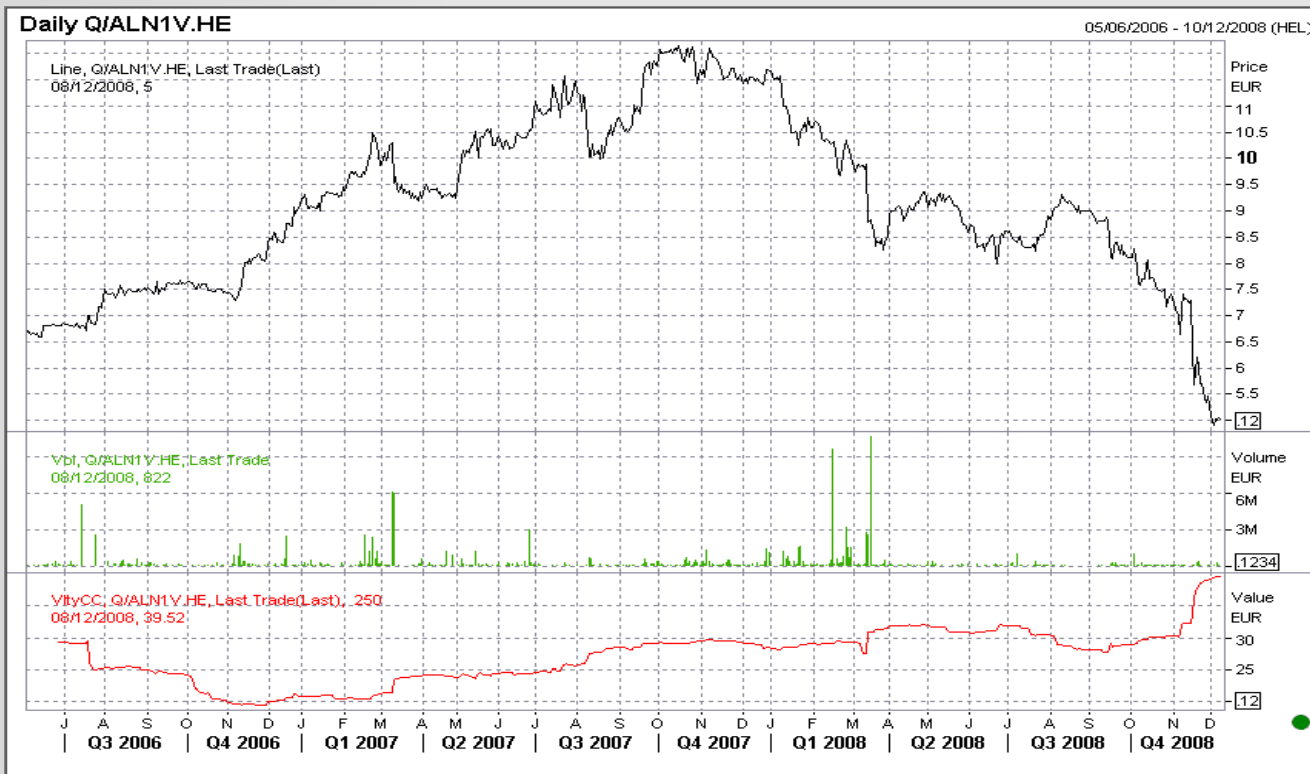


ROI %





# The Share Price and Divident of Alma Media Oyj



	EPS, eur	Divident, eur
2005	0.52	0.12 0.53 (capital repayment)
2006	0.50	0.65
2007	0.68	0.90

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A photograph of three firefighters in full gear, including helmets and reflective stripes, working at a demolition site. They are silhouetted against a bright, hazy background. The ground is wet and reflective, and there is a large pile of rubble in the background. The text 'Economic downturn' is overlaid in white serif font across the center of the image.

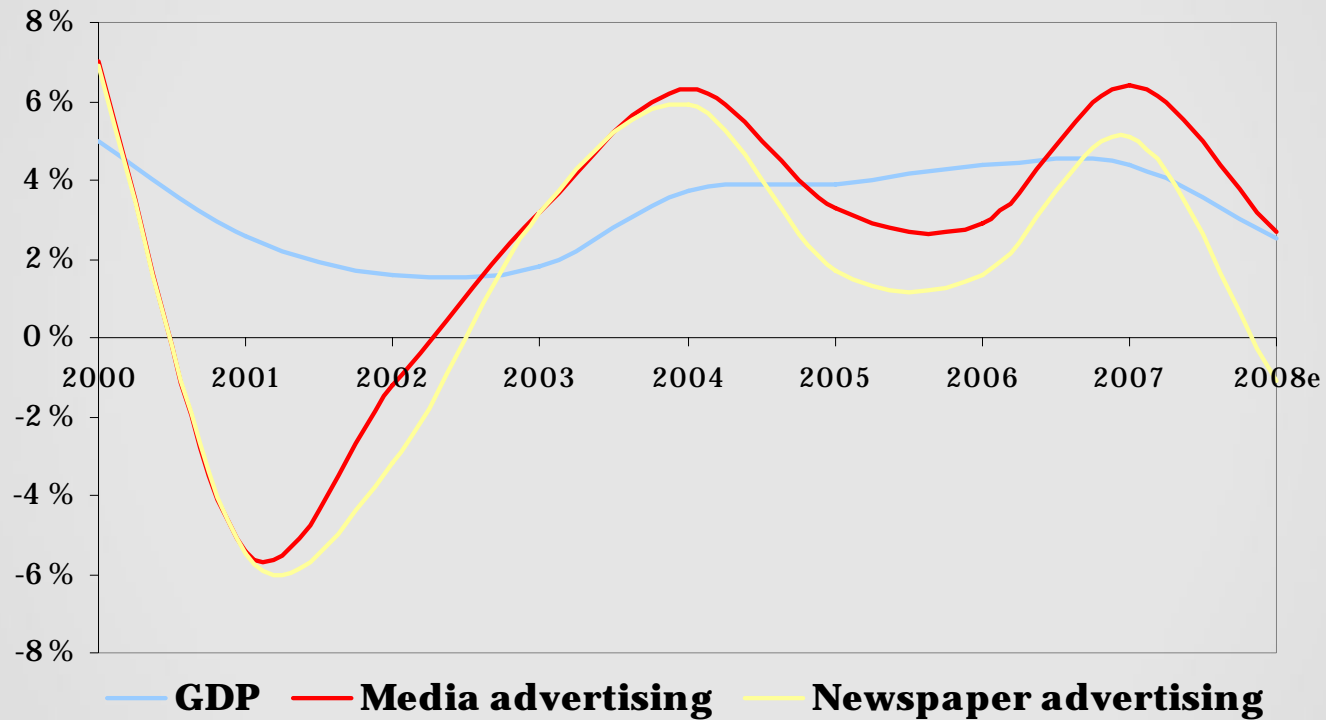
Economic downturn

# Advertising sales growth Oct - Nov 2008

## Total market\*

Market value change, %	October 2008	November 2008
Newspapers	1.9	-11.6
Magazines	0.4	-12.2
Television	- 4.8	2.7
Radio	- 4.6	6.0
Internet	13.0	16.3
TOTAL	1.3	-6.2

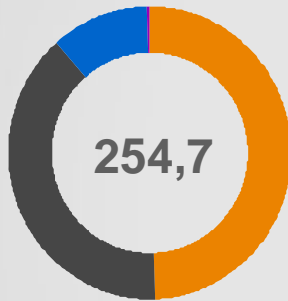
# GDP and advertising sales development



Source: TNS Gallup (2008:1-9, GDP growth estimate 2008: 2.5 %)

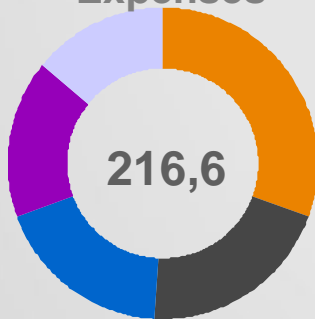
## Sales and expenses break down Q1-Q3 2008, MEUR

### Sales



- Advertising sales (49,4%)
- Circulation sales (39,2%)
- Other sales (11,1%)
- Printing sales (0,3%)

### Expenses



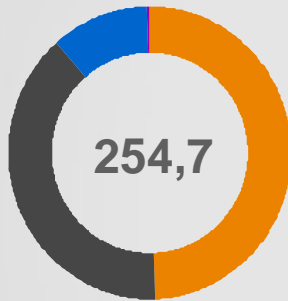
- Content (30,5%)
- Distribution (20,3%)
- Printing (18,7%)
- Sales & Marketing (16,3%)
- General & Admin (14,2%)

### Sensitivity analysis

Factor (Full year impact)	Change (%-point)	Impact on EBIT, MEUR
Media advertising	+1	1,7
Wages and salaries	+1	-1,2
Distribution cost	+1	-0,6
Paper prices	+1	-0,2
Aveg. interest rate	+1	-0,2

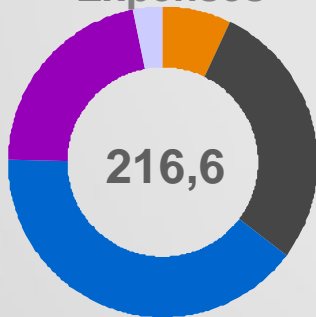
## Sales and expenses break down Q1-Q3 2008, MEUR

### Sales



- Advertising sales (49,4%)
- Circulation sales (39,2%)
- Other sales (11,1%)
- Printing sales (0,3%)

### Expenses



- Materials (7,2%)
- External services (28,1%)
- Personnel expenses (40,1%)
- Other oper. expenses (21,6%)
- Depreciation (3,0%)

### Sensitivity analysis

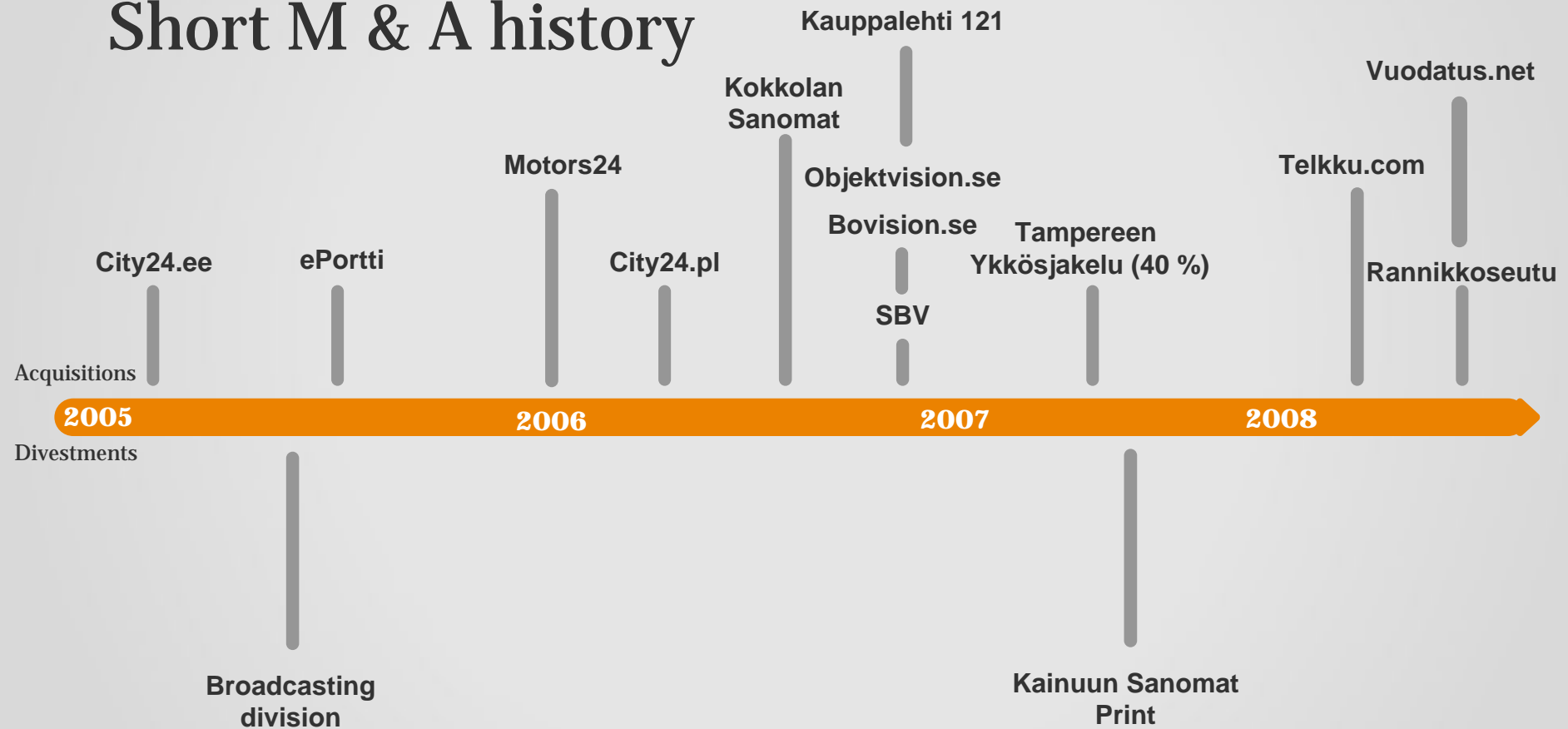
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# Opportunities in M&A?

A low-angle, upward-looking photograph of a busy city street. In the center, a tall, modern building with a glass facade is the focal point. The building has several signs: 'STOCKMANN' at the base, 'SOUVENIRS from Stockmann' above it, and 'ZEAL PHOTO' and 'MAYAL PHOTO' on the side. A construction crane is visible in the background against a clear blue sky. In the foreground, several people are walking, their figures partially obscured by the low angle. A red car is visible on the street. The overall scene is bright and dynamic, suggesting a bustling urban environment.

## Short M & A history



## Shareholder issues

- On Dec 22, 2008 Herttaässä Oy requested an extraordinary general meeting of Alma Media to decide on:
  - Composition of the Board of Directors
  - Repurchase of Alma Media's own shares
  - Merger with Talentum Oyj to be considered
- The Board of Directors will in due course discuss the demand, as stated by law
- There are no ongoing merger negotiations between Talentum Oyj and Alma Media Oyj

Largest registered shareholders 31.12.2008	% of shares / votes
1. Danske Bank AS Helsinki Branch	16.0
2. Oy Herttaässä Ab	13.5
3. Ilkka-Yhtymä Oyj	10.4
4. Varma Mutual Insurance	9.7
5. Mandatum Life Insurance Company Limited	8.9
6. Kaleva Mutual Insurance Company	5.6
7. CV. Åkerlund´s Foundation	4.2
8. Tapiola Mutual Pension Insurance Company	2.5
9. Zenitec Oy	1.9
10. Ilmarinen Mutual Pension Insurance Co.	1.7

# Implementing the strategy

## Constant renewal

Product development  
Content development

## Chaining

Content sharing  
Cross-promotion

## Internationalisation

Classified as spearhead  
City24 & Mascus

## M & A

Classified in CE Europe  
Finnish consolidation



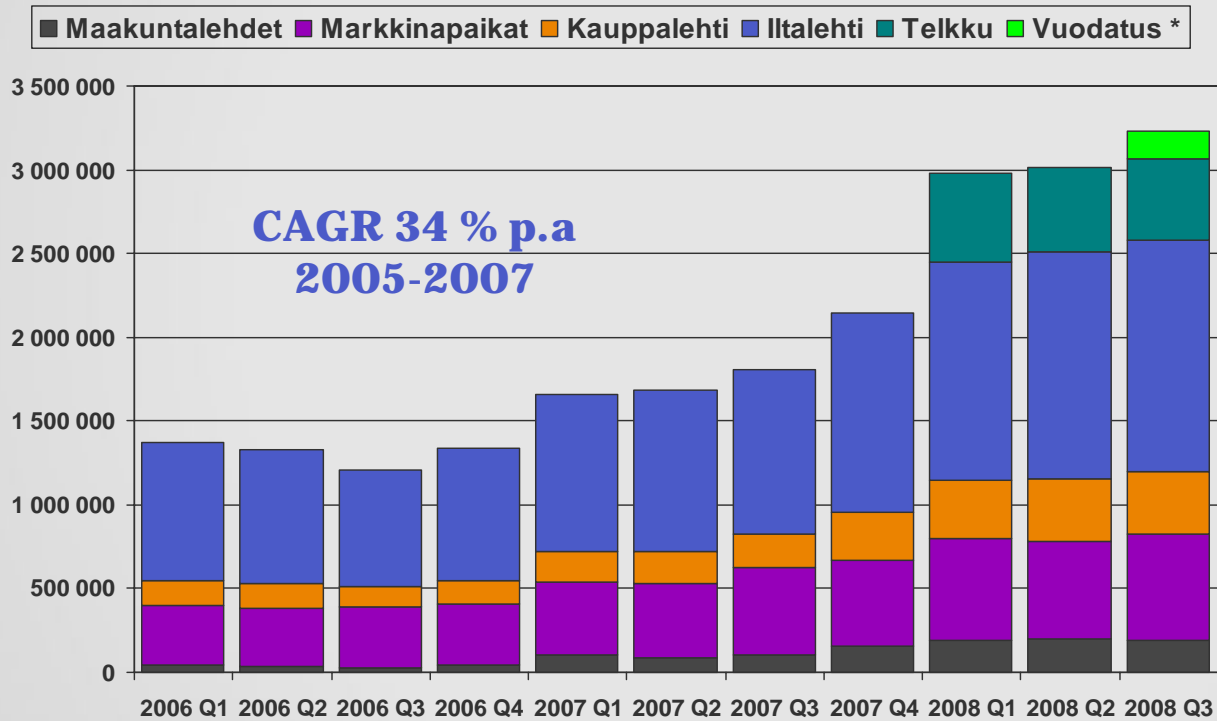
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A diverse crowd of people is shown at an outdoor event. Many individuals are wearing rain gear, including hooded ponchos and jackets. Several people have their hands raised in the air, suggesting an interactive or celebratory atmosphere. The background is a bright, overcast sky. The overall scene conveys a sense of community and participation.

Your questions, please!

# Appendix: Developing The Hybrid Media

# Online visitor development 2006 - 2008



Source: TNS Metrix

Satakunnan Kansa and Northern Newspapers followed by TNS Metrix since Q1/2007. SPS papers not followed by TNS.  
\* Vuodatus.net test week in June 2008

## Online development areas

### ONLINE MEDIA

News, editorial content

- Develop print+online hybrid
- Create or acquire new thematic services

### SEARCH SERVICES

Search and use of information

- Partnership strategy
- Company search

### USER MEDIA

Reader and user created content

- Introduce communality in present services
- Create or acquire new communality-oriented consumer services

### INFORMATION SERVICES

Useful content

- Create or acquire new information services
- Internationalisation

