



# Building the future of newspaper and online media

Tuomas Itkonen, CFO, Alma Media  
SEB Enskilda TMT seminar, 23.9.2010

# Contents

- Alma Media in the Finnish media market
- Trends in digital marketing and advertising
- Alma Media financials Q2 and H1 2010
- The great transformation of the media industry



# Alma Media in the Finnish media market

# Alma Media today

Main brands of Alma Media in print and online

## MARKETPLACES

**ETUOVI**.COM

monster.fi

autotalli.com

**MASCUS**

city24

Net sales  
27 MEUR (2009)  
Personnel: 200

## KAUPPALEHTI GROUP

**Kauppalehti**

LEHDENTEKIJÄT

**BNS**  
Baltic News Service

Net sales:  
63 MEUR (2009)  
Personnel: 477

## NEWSPAPER AND ONLINE MEDIA

**ILTALEHTI**

**ILTALEHTI.fi**

Lapin Kansa

KAINUUN SANOMAT

**AAMULEHTI**

SATAKUNNAN KANSA

**POHJOLAN SANOMAT**

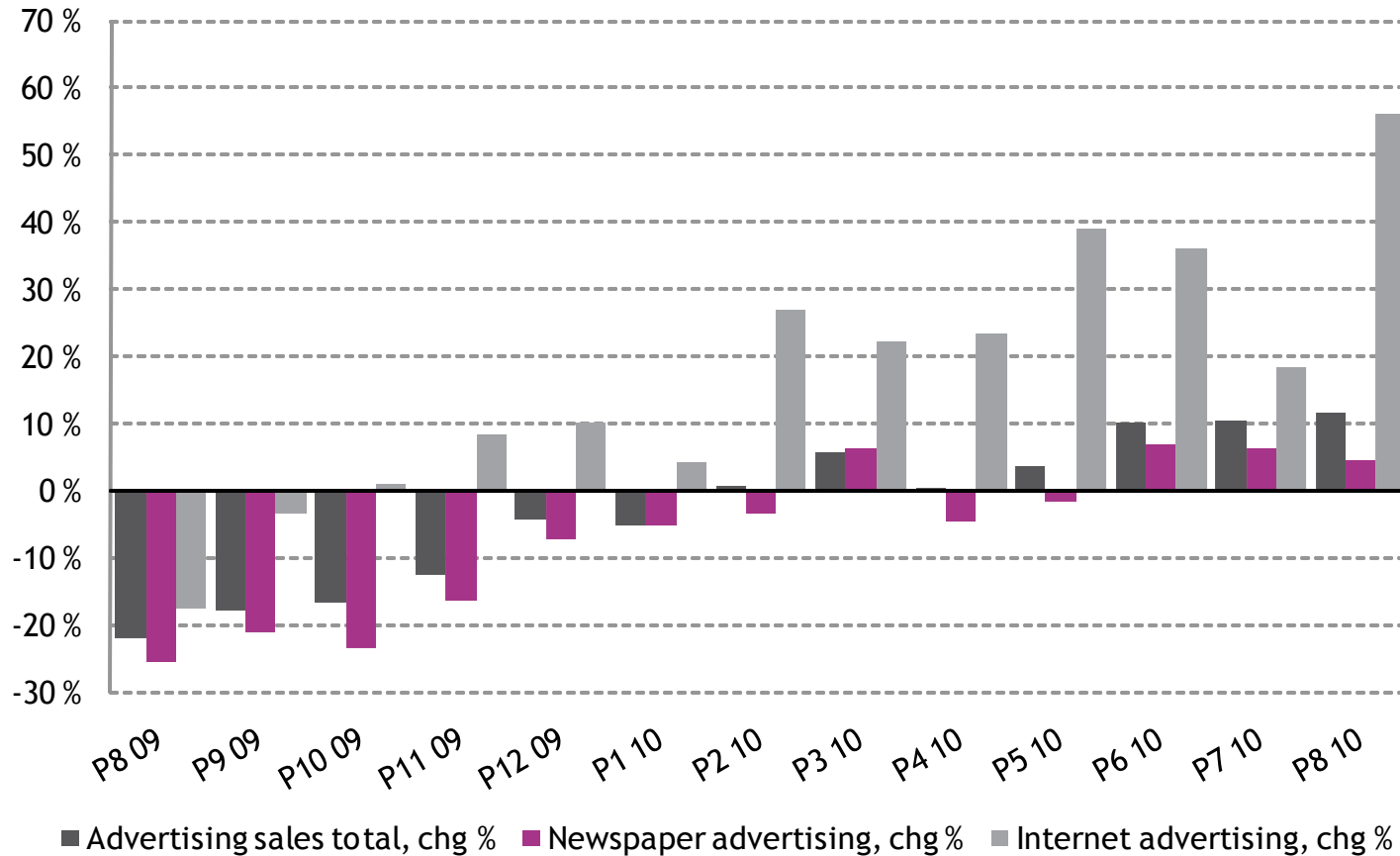
Net sales  
221 MEUR (2009)  
Personnel: 1 149

Net sales total 2009: 308 MEUR, EBIT-% 13,8 %. Online 13 % of net sales.



# Market development

# Advertising sales change 8/2009 - 8/2010

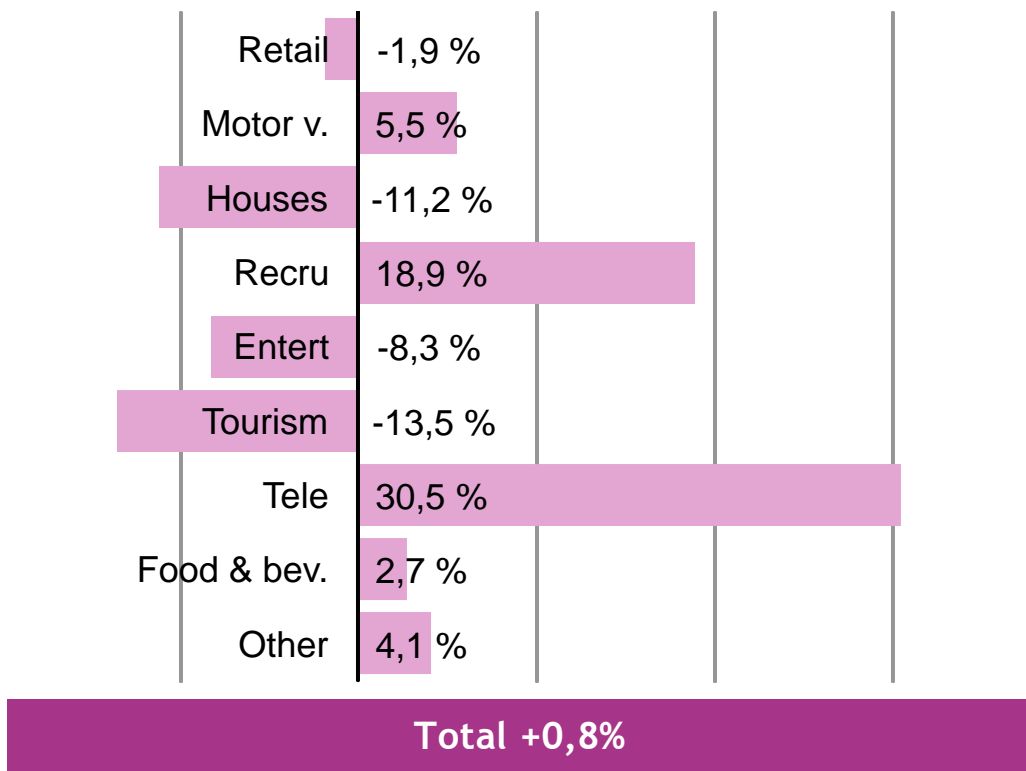


\* Source: TNS Media Intelligence



# Advertising by branch 1-8 2010

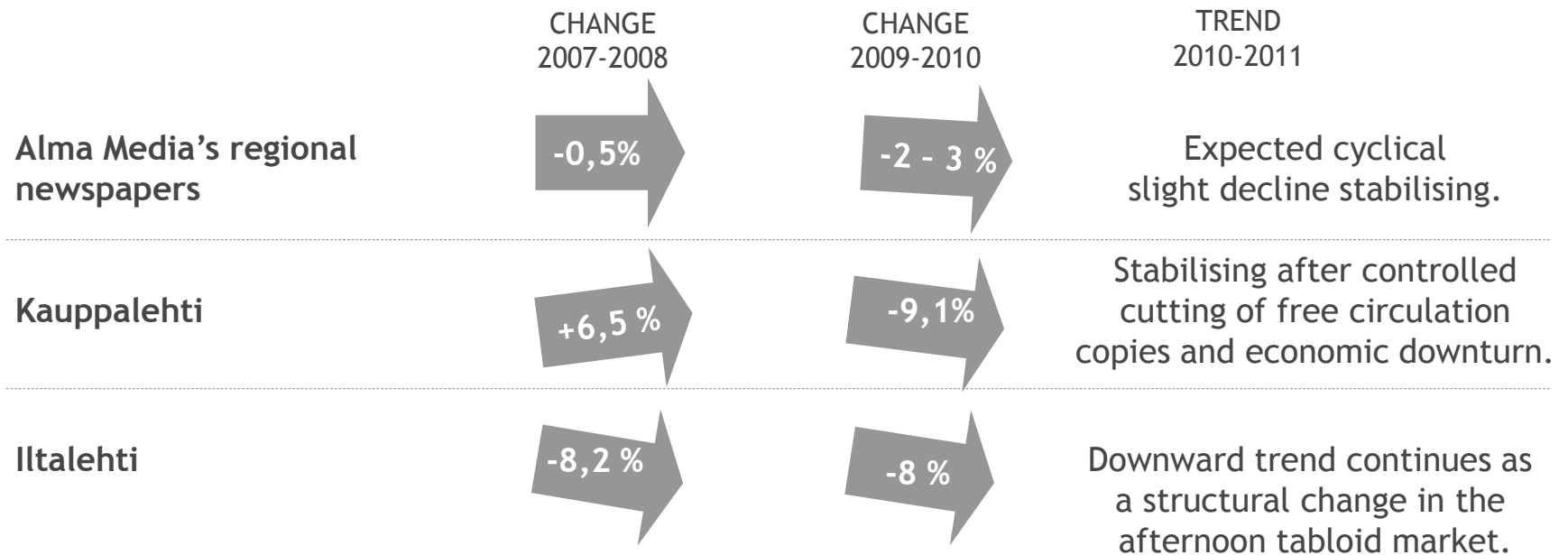
Newspapers total, change from 1-8 2009



Advertising in 1-8 10	MEUR
Retail	121
Motor vehicles	35
Houses and premises	18
Recruiting	17
Entertainment	12
Tourism and traffic	11
Telecommunications	8
Food & beverages	3
Other	92
<b>Total</b>	<b>317</b>

Source: TNS Media Intelligence

# Newspapers' circulation trends





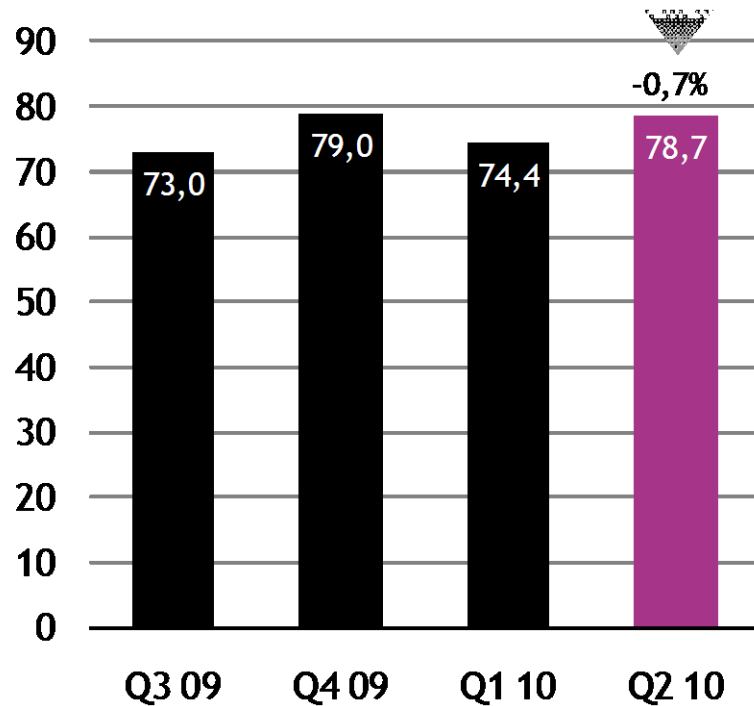
# Alma Media financials Q2 and H1 2010

# Highlights Q2 2010

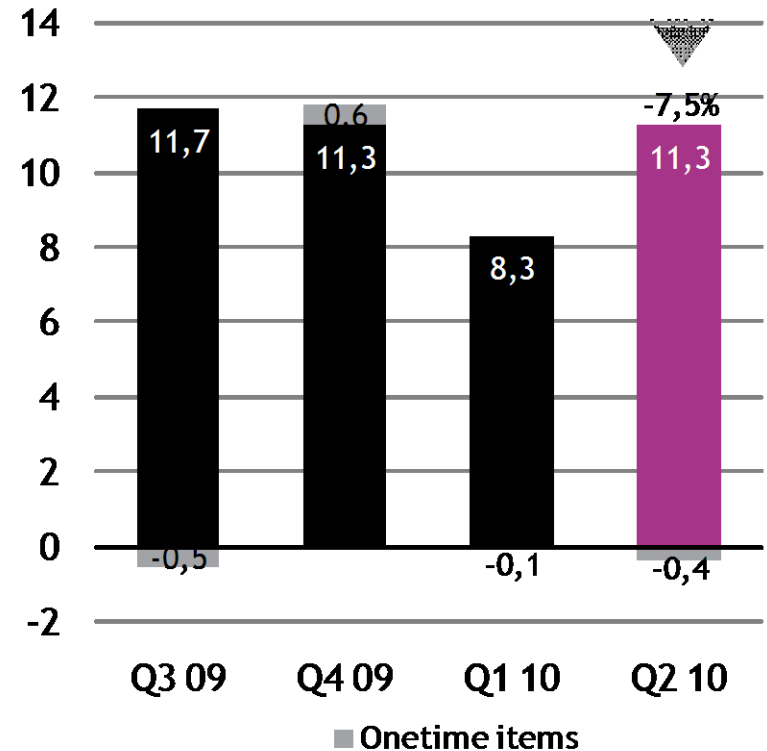
- Divided development of the advertising market
  - Market growth in online media including house and job advertising commenced.
  - Print newspaper advertising on last year's weak level, June figures encouraging.
- Comparable net sales of Alma Media grew 2.1 %.
- Print media advertising sales growing in Aamulehti, Kauppalehti and Lapin Kansa.
- Share of online business grew to 16.1 %.
  - Iltalehti.fi, Kauppalehti.fi, Etuovi.com and Monster.fi leading growth.
- Slower than anticipated growth in net sales and rise in total costs were burdening operating profit.
- Important development projects were proceeding as planned.
  - The cooperation with Arena Partners in Marketplaces business was approved in July by the Finnish Competition Authority.

# Key figures Q2 2010, MEUR

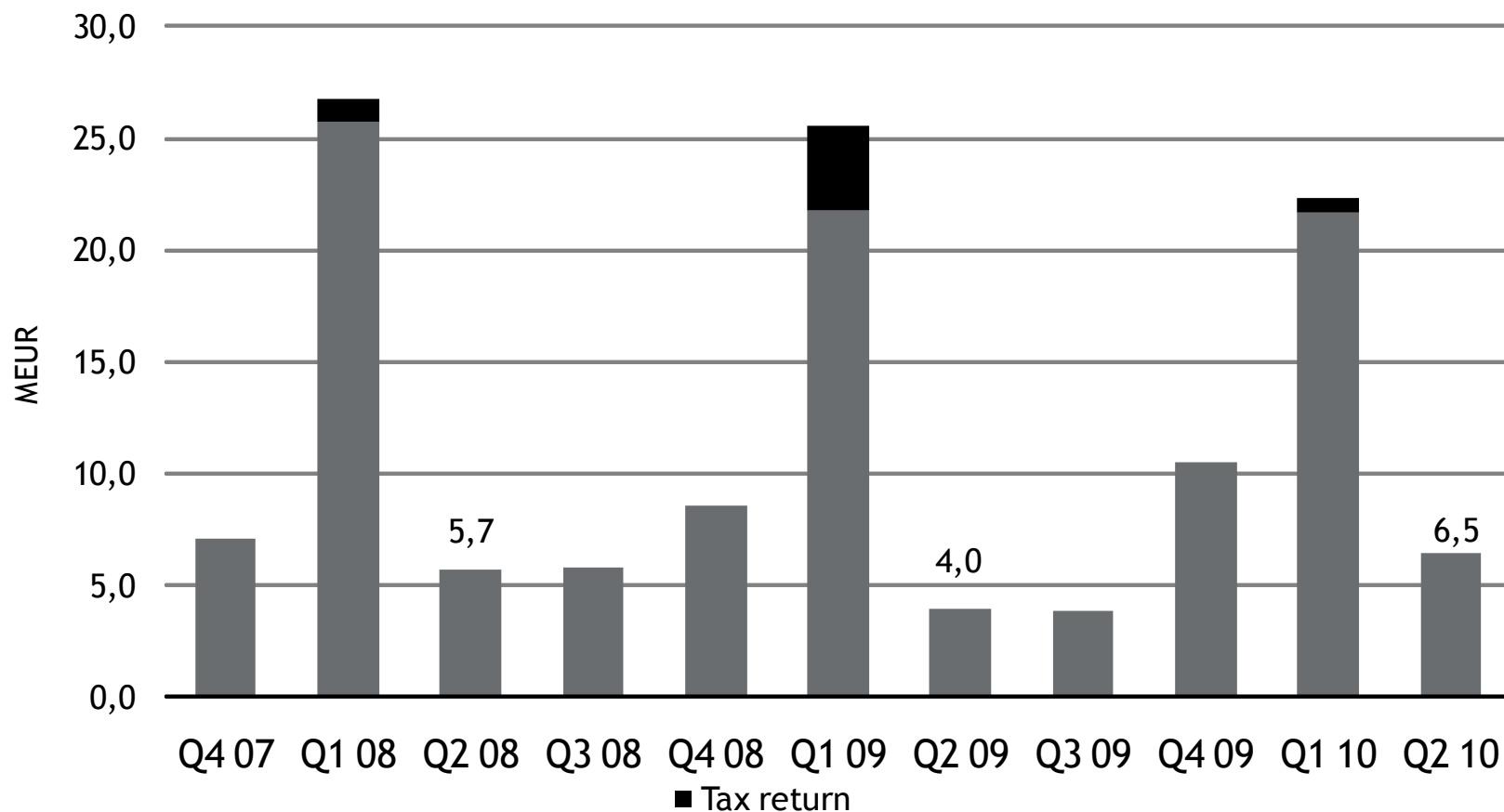
Net sales, MEUR



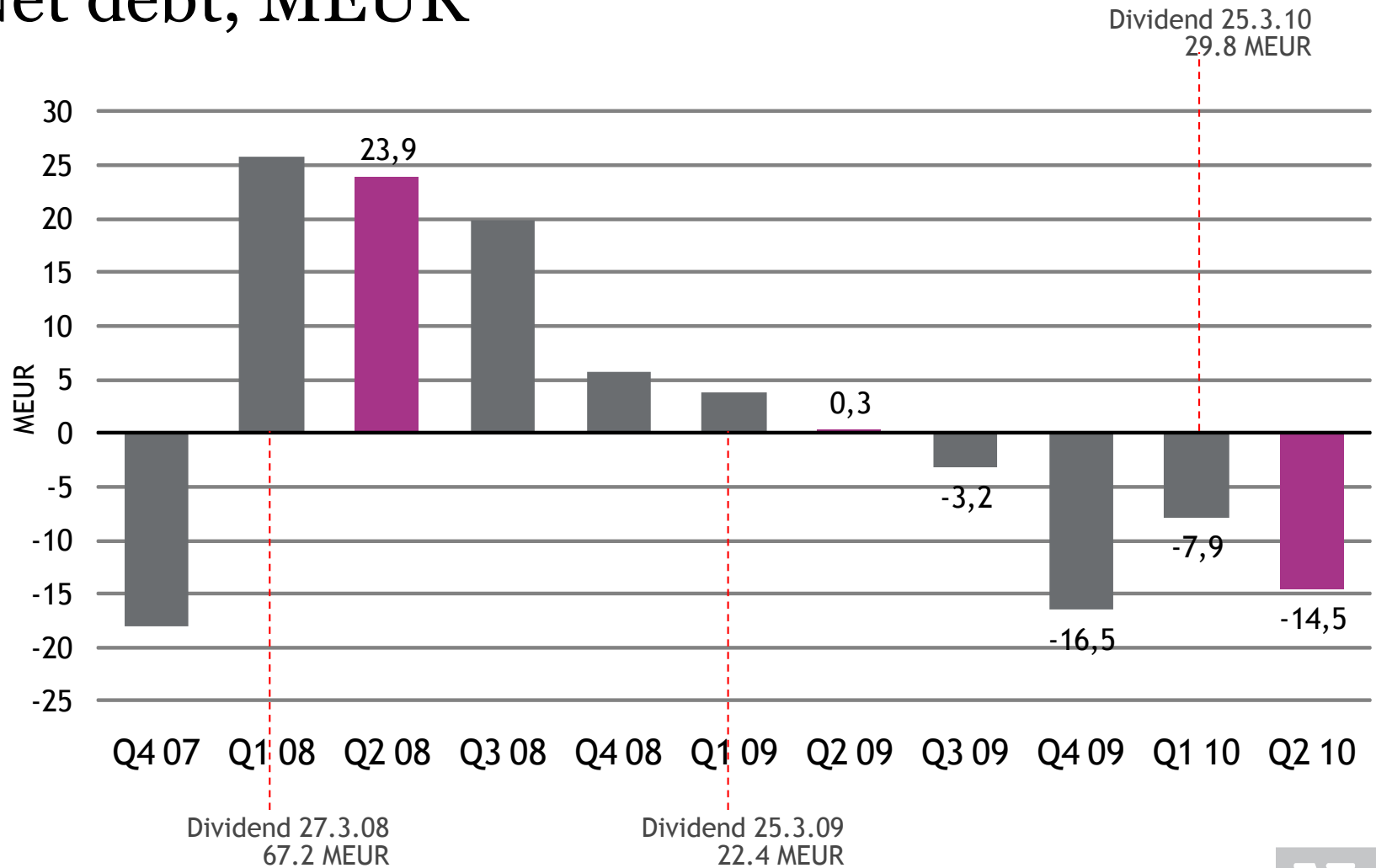
EBIT, MEUR



# Cash flow from operating activities



# Net debt, MEUR





# The great transformation of the media

# Operating environment changing fast, leading to complex set of revenue streams



Source: Shaping the Future of the Newspaper

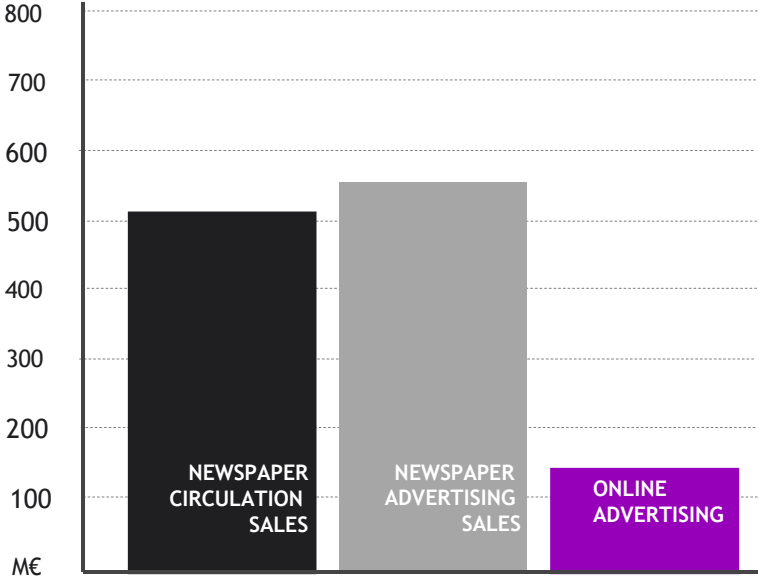
© WAN-IFRA 2010

# Online services growing to major business

## Market size & market growth estimates

### MARKET SIZE

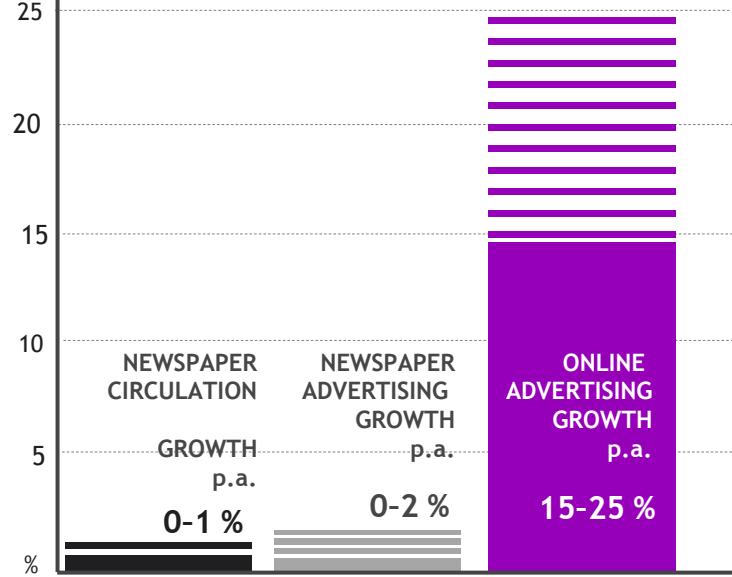
MEUR



Finnish Newspapers Association, Association of Advertisers, Alma Media

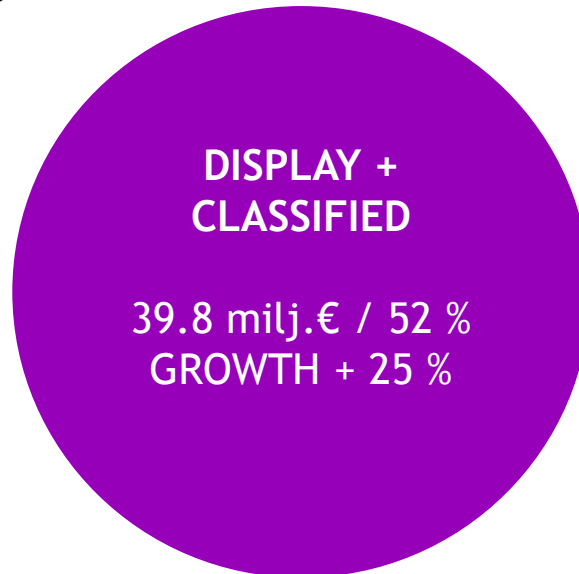
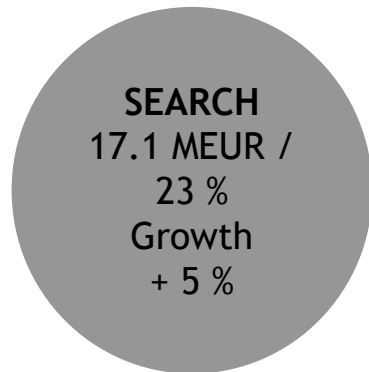
### FUTURE MARKET GROWTH ESTIMATES

%



# Display and classified advertising growing fastest

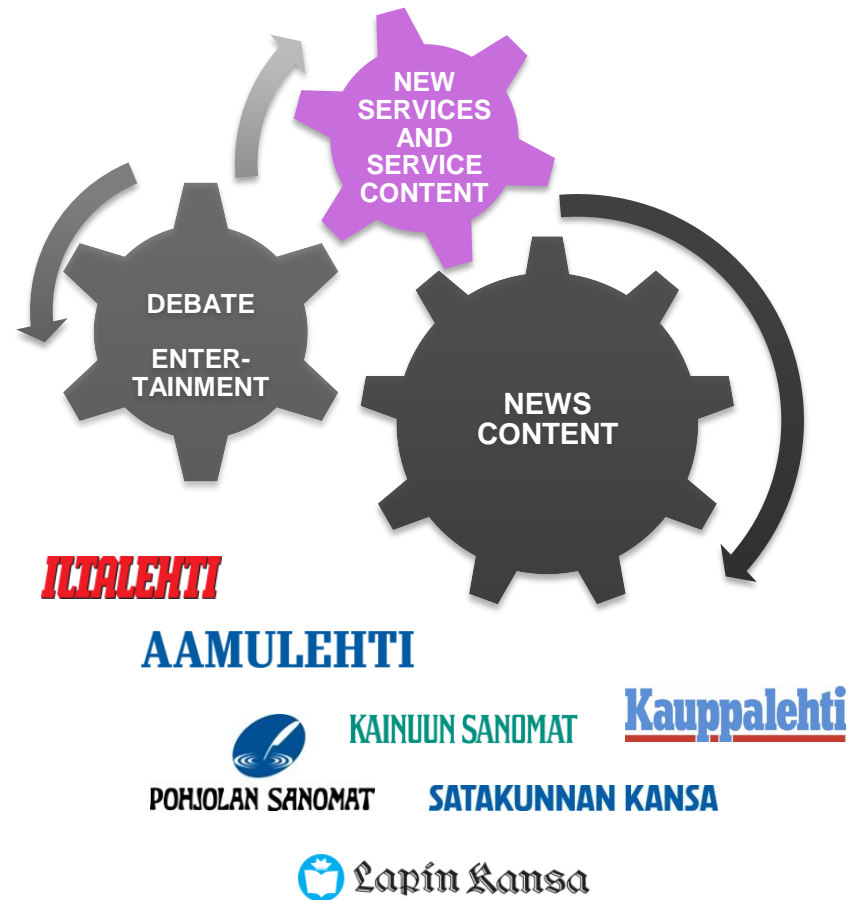
- The share of online advertising of total advertising H1/2010:14 %  
(2009: 12.6 %)
- Growth H1 2010: +10 %



Source: IAB Finland

# Towards new breed of content and services

- Strong media brands support operational expansion to new kind of services and service content
  - online and print as hybrid media



# Iltaalehti.fi drives online growth

## Q2 2010:

- Iltaalehti.fi online advertising grew 56 % while the total online advertising market grew 33 %.
- Approximately half of Iltaalehti's advertising sales is online.
- New breed of online content raised Iltaalehti.fi to be the most popular news medium among young adults.
- Iltaalehti.fi is # 2 advertising media for 20-29 year age group.

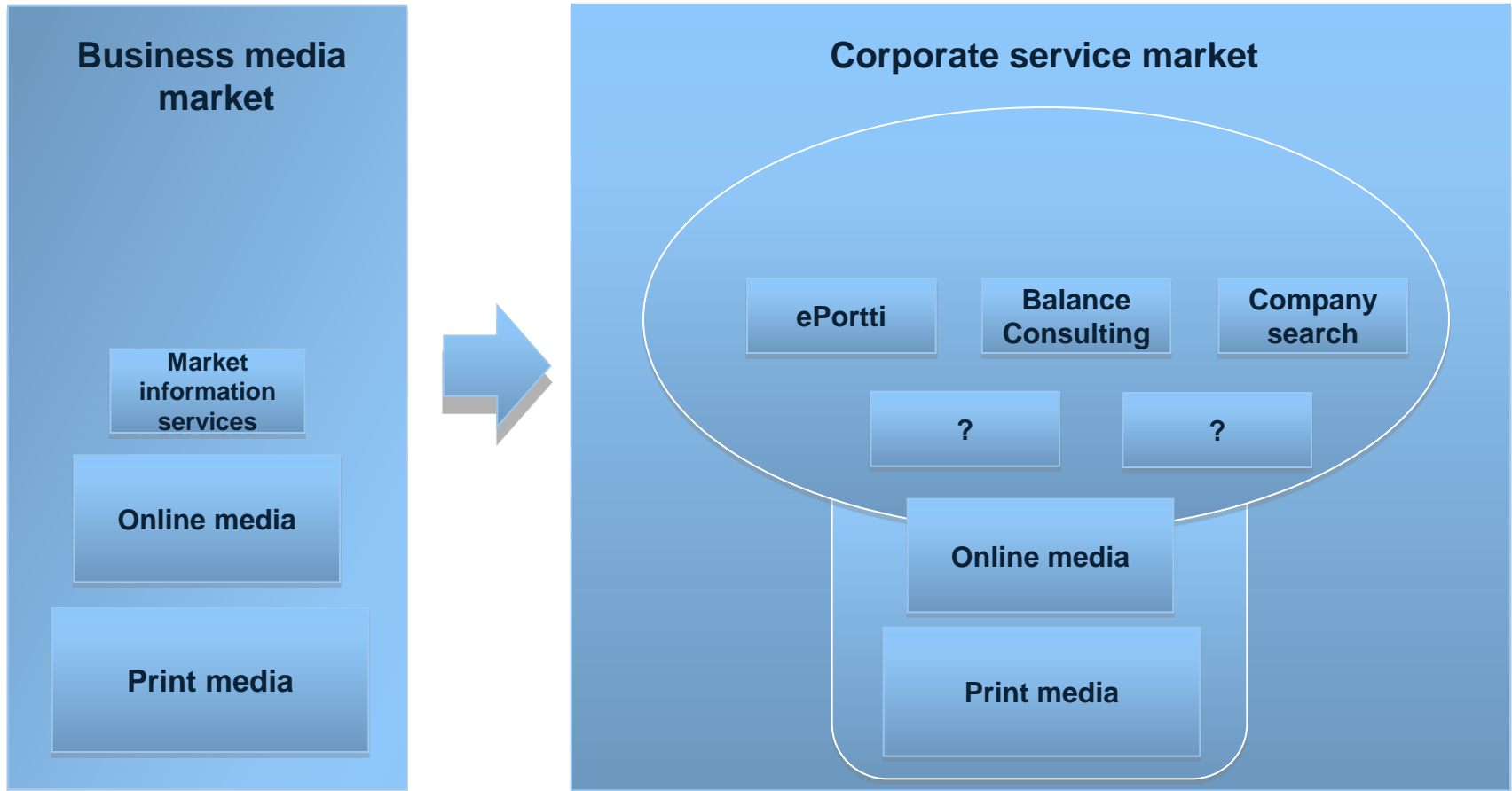
## Top online media in Finland

- |                   |        |
|-------------------|--------|
| • Iltaalehti.fi   | 1.85 m |
| • Ilta-Sanomat.fi | 1.59 m |
| • MTV3.fi         | 1.57 m |
| • HS.fi           | 1.22 m |
| • YLE.fi          | 1.11 m |

Source: TNS Gallup rankings  
(week 36/2010, unique visitors per week)

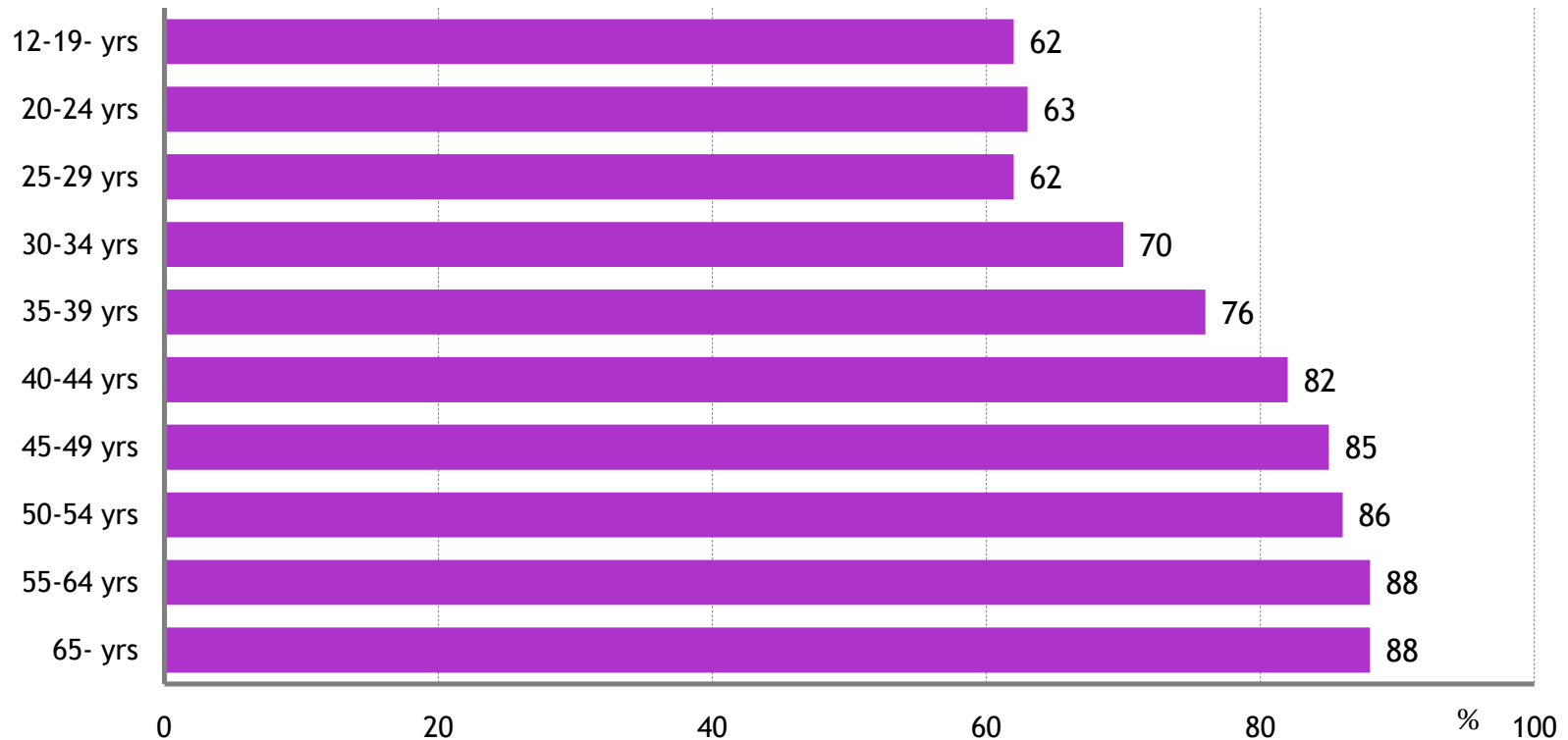
**ILTALEHTI.fi**

# Business media growing into service



# Newspaper remains a media with wide reach

## Reach per age group, %



Source: KMT Reader 2009, TNS Gallup Oy



# Investing in the future of the printed newspaper

- Tampere printing facility investment (max 50 MEUR) 2011-2013
  - the replacement investment secures the cost-efficient printing of Alma Media's newspapers.
  - enables product development and improved print quality.
  - enables cooperating with other publishers in printing.
- The structural renewal of Aamulehti's content in October 2010
- The complete redesign of the three regional newspapers in the north of Finland
  - Tabloid format in January 2011
  - Joint editorial desk supported by local editors



Thanks!

AL  
MA

# Coming events

Oct 29, 2010

Q3 2010 Interim Report

Nov 24, 2010

Capital Markets Day (preliminary)