



# Alma Media navigating the media transformation

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Raodshow in Geneva, June 2011













# Presentation topics

- Alma Media in brief
- Market conditions
- Key financials 2010 and Q1 2011
- Living the media transformation
- Strategy navigating forward
- Q & A



# Alma Media in brief

# Leading publishing and digital brands in Finland

MARKETPLACES	KAUPPALEHTI GROUP	NEWSPAPERS
  	 	 
<div style="border: 1px dashed gray; padding: 5px;">     </div>		    +28 local newspapers
Segment revenue 32 MEUR Personnel: 180	Segment revenue 57 MEUR Personnel: 437	Segment revenue 215 MEUR Personnel: 972
Group revenue 311.4 MEUR, EBIT 43.4 MEUR		



# Finnish media landscape

## Share of advertising per media group (in 2010, % / MEUR; Advertiser's Council)

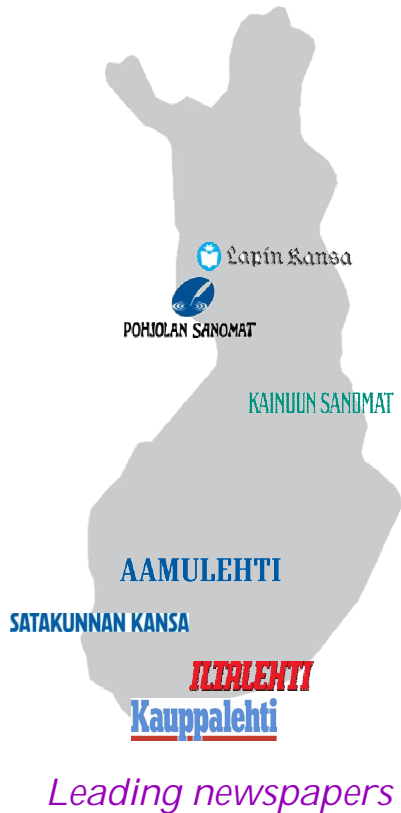
Newspapers	36.1	485.6
Television	19.7	265.9
Online media	15.3	206.2
Magazines	11.4	153.6
Free sheets	5.4	73.1
Directories (print)	5.1	69.1
Radio	3.9	52.0
Outdoor and movies	3.1	41.4
Total	100	1,346.9



## Largest newspaper publishers in Finland (by 2010 revenues)

1. Sanoma News
2. Alma Media
3. TS Group
4. Keski-suomalainen
5. Pohjois-Karjalan Kirjapaino
6. Suomen Lehtiyhtymä
7. Kaleva Kustannus
8. Iikka Group

# Leading Finnish media group



## Newspapers (b. 1846)

**1/5**  
of the print  
advertising market

**1.5 million**  
people read Alma's  
newspapers

**33 %**  
reach of population

**74,3 %**  
Share of net sales  
(Q1 2011)

## Online (b. 1996)

**1/3**  
of the online  
advertising market  
(display and classified)

**5.2 million**  
visitors /week

*Everybody?*

**18,3 %**  
Share of net sales  
(Q1 2011)



**79 %**  
*Combined total reach*

Sources: National Media  
Survey,  
TNS Gallup, Alma Media

# Shareholding and share facts

## Investor calendar

- Q2 2011 results July 22
- Q3 2011 results Oct 28

## Share facts

- Nasdaq OMX Helsinki (Nordic Mid-Cap) ALN1V; ALN1V FH (Bloomberg); ALN1V.HE (Reuters)
- ISIN code FI009013114
- Number of shares: 75,129,523.
- Share capital EUR 45,077,713.80
- Non-Finnish shareholding approx. 7,5 %

[www.almamedia.fi/investors](http://www.almamedia.fi/investors)

IR contact: Rauno Heinonen, tel. +358 40 861 9345

## Main shareholders

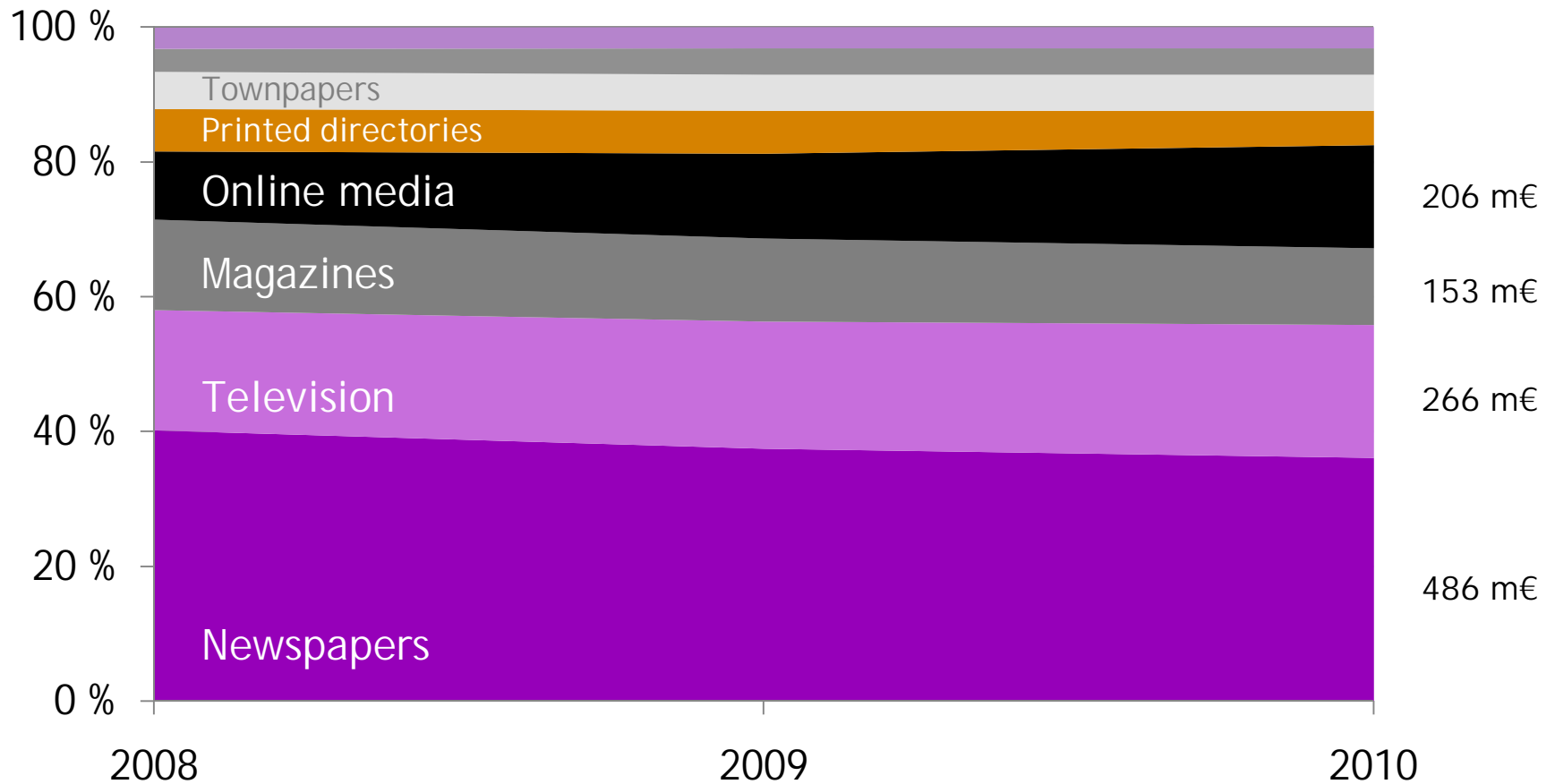
May 31, 2011

	% of shares and voting rights
1. Iikka-Yhtymä Oyj	29.93
2. Varma Mutual Pens. Insurance	9.59
3. Mandatum Life	8.78
4. Kaleva Publishing Oy	5.93
5. Kaleva Mutual Pens. Insurance	5.57
6. C.V. Åkerlund foundation	4.56
7. Oy Herttaässä Ab	3.39
8. Tapiola Mutual Pens. Insurance	2.47
9. Ilmarinen Mutual Pension Insurance	1.69
10. Veljesten Viestintä Oy	1.13

A person wearing a striped beanie, a green jacket, and green rubber boots is walking away from the camera on a dirt path. They are carrying a black bucket in their right hand and a red bucket in their left hand. In the background, there is a rustic log cabin with a wooden door and a window. The scene is set in a forest with tall trees and some moss on the ground. A white text box is overlaid on the image.

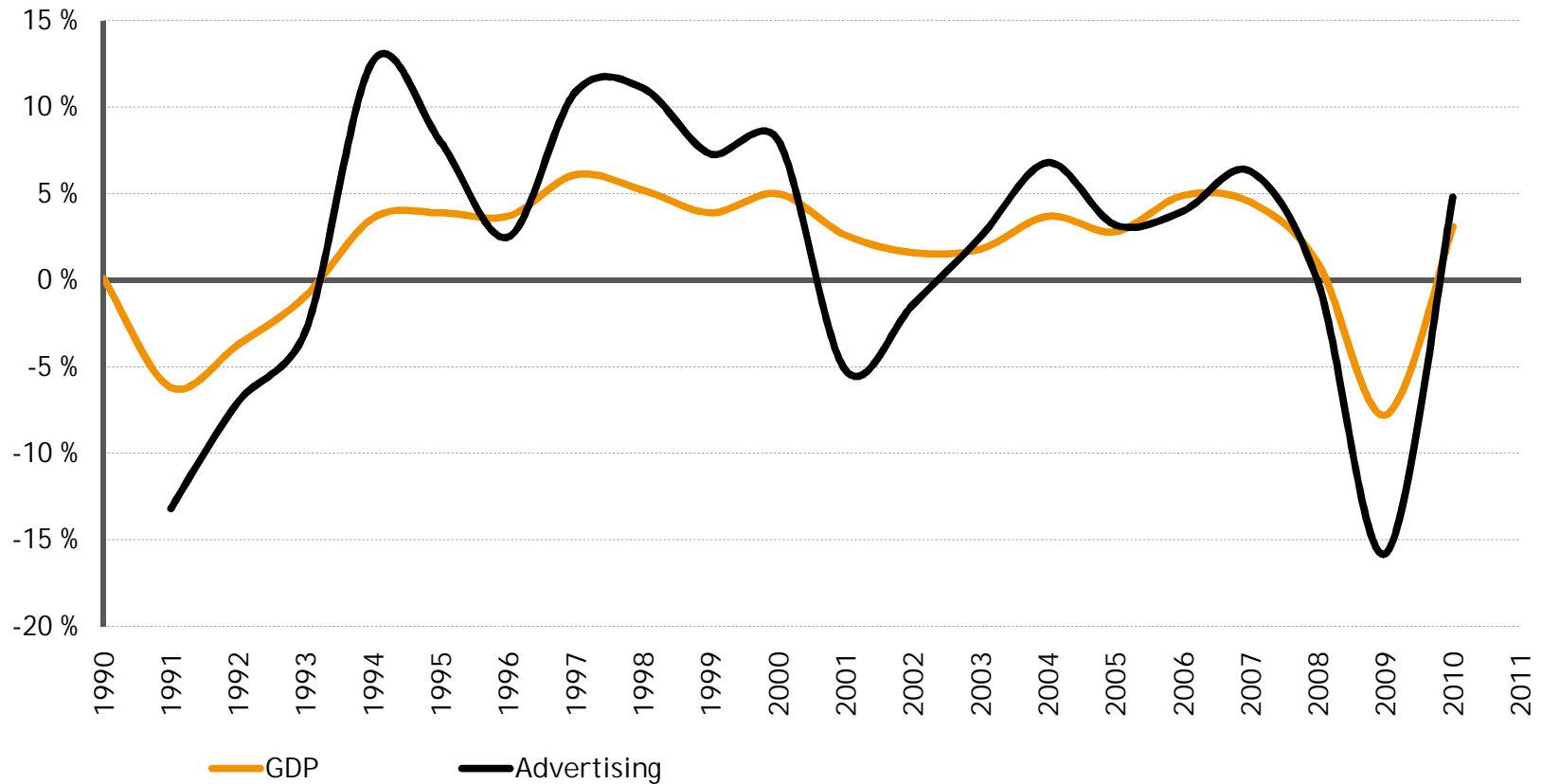
# Market conditions

# Printed newspaper remains a major media



The amount of media advertising 2008 - 2010

# 2010: advertising started to grow with GDP



Sources: Statistics Finland, Advertisers' Council

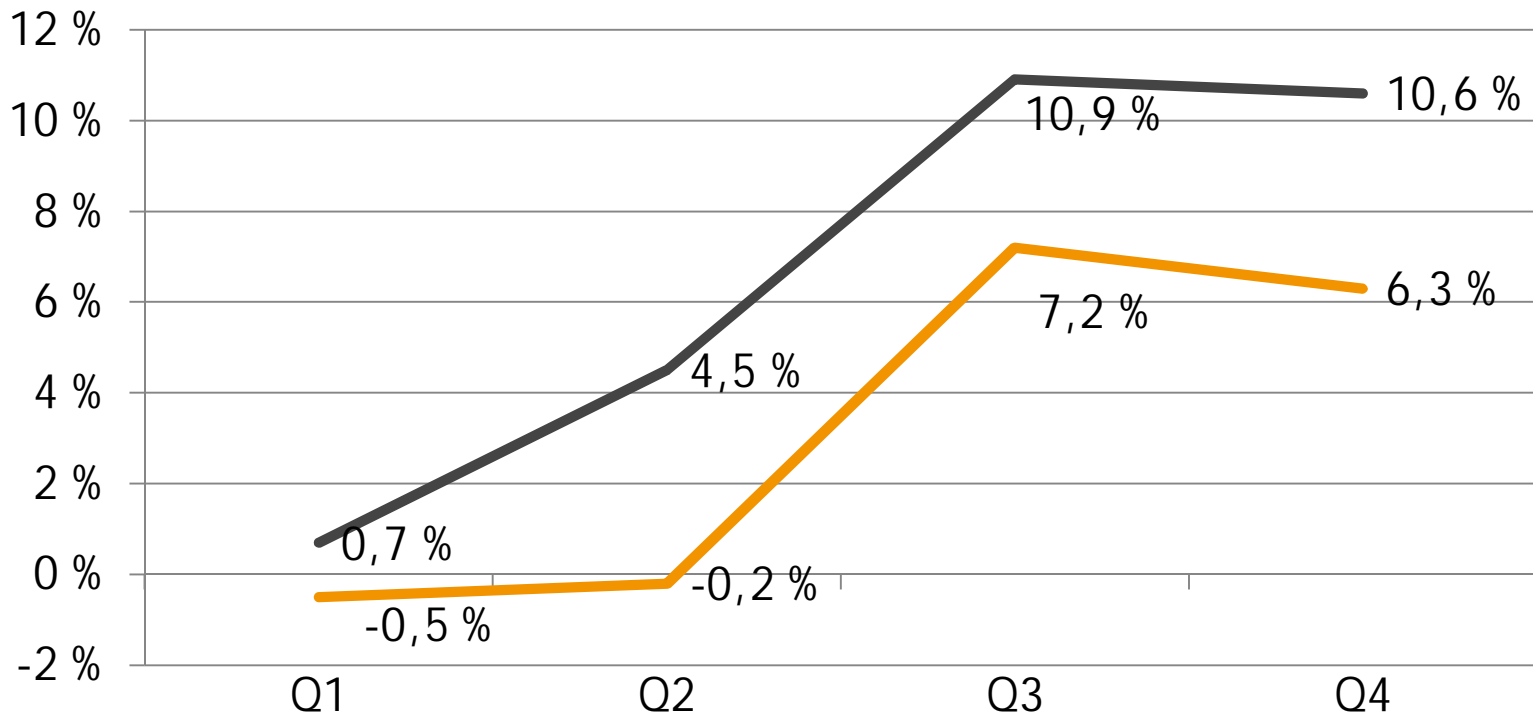
# 2010 was a very good year for tv and internet

Change in advertising 2010 vs. 2009

newspapers	3,1 %
magazines	- 2,6 %
television	12,0 %
radio	7,0 %
internet	33,4 %
<hr/>	
change total	6,9 %

# Newspaper advertising grew only H2 / 2010

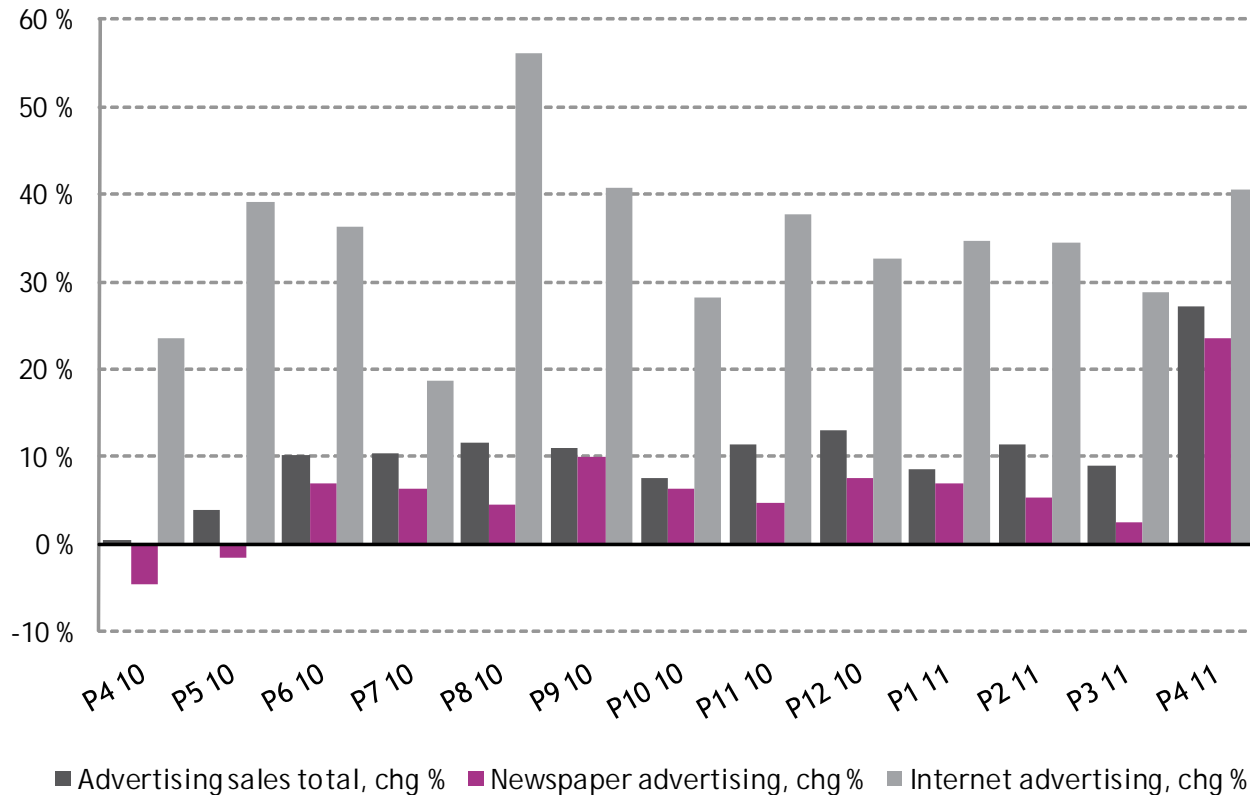
Change from 2009



— Advertising    — Newspaper advertising

Including city papers and free sheets. Source : TNS Media Intelligence

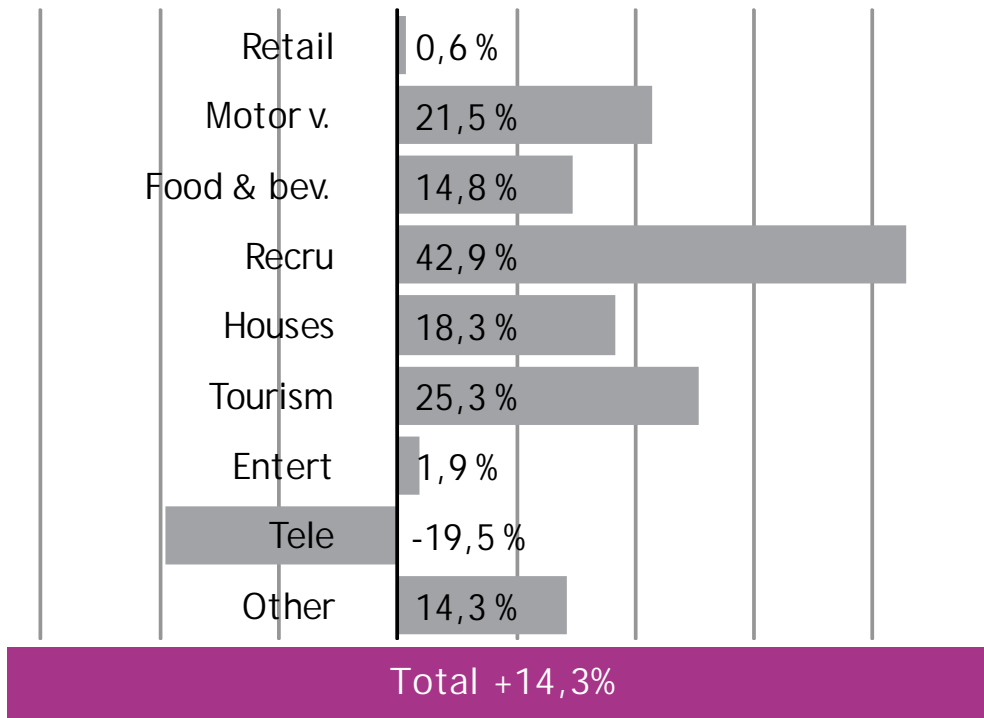
# Advertising sales change 4/2010 - 4/2011



Source: TNS Media Intelligence

# Advertising by branch 1-4 / 2011

Total market; change from 1-4 2010

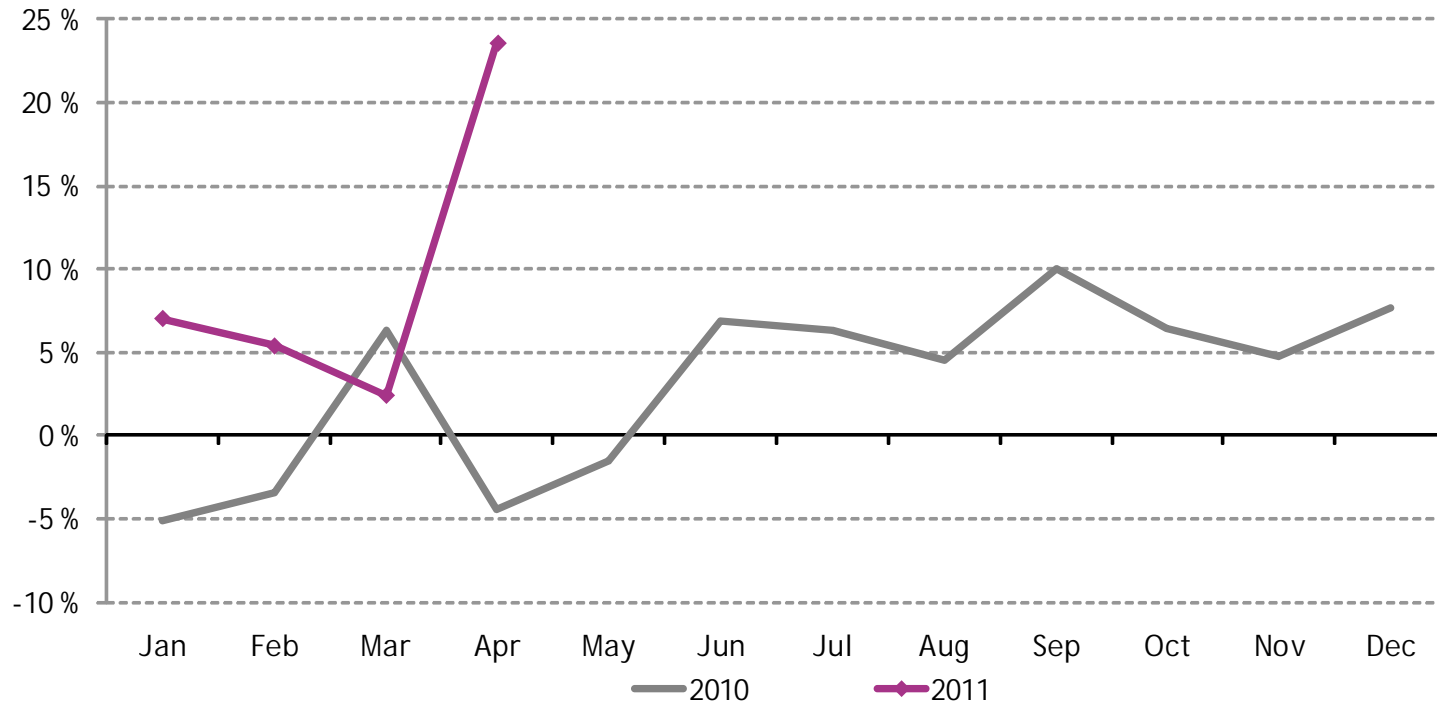


Advertising in 1-4 11	MEUR
Retail	56
Motor vehicles	31
Food & beverages	25
Recruiting	16
Houses and premises	12
Tourism and traffic	12
Entertainment	10
Telecommunications	8
Other	153
<b>Total</b>	<b>389</b>

Source: TNS Media Intelligence

# Advertising sales, newspapers total\*

Periodic change from previous year, %

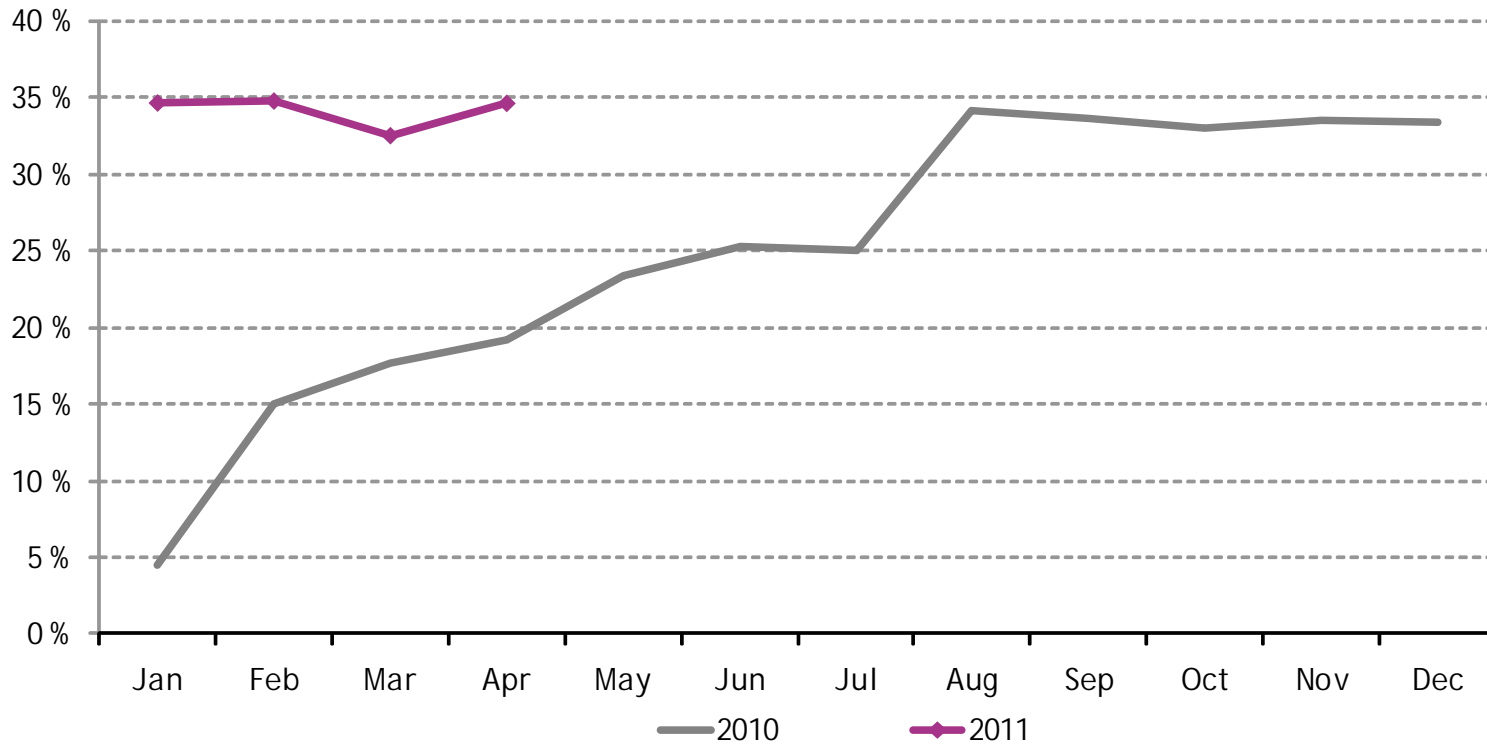


Source: TNS Media Intelligence

\* Newspapers, local and free issue papers

# Advertising sales, internet

YTD change from previous year, %



Source: TNS Media Intelligence



# Key financials 2010 and Q1 2011

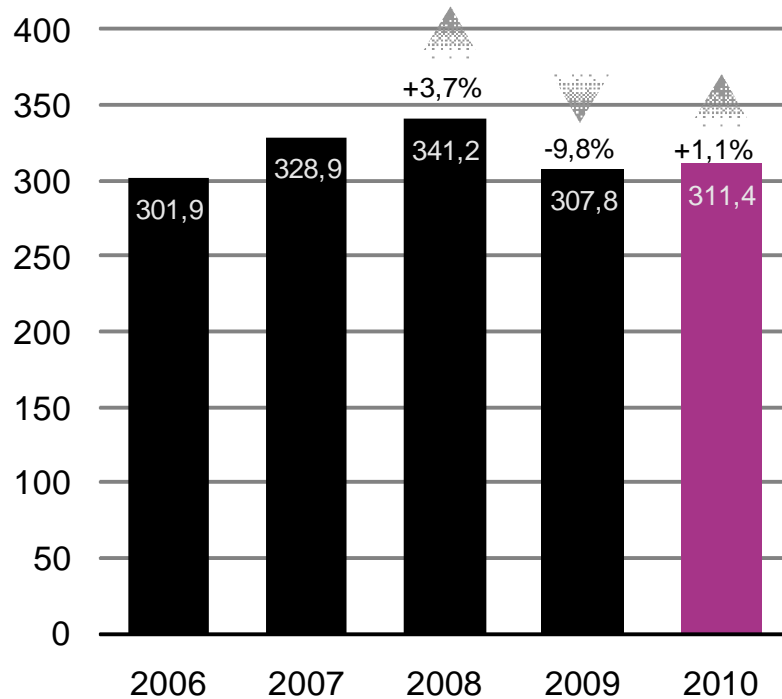
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AL  
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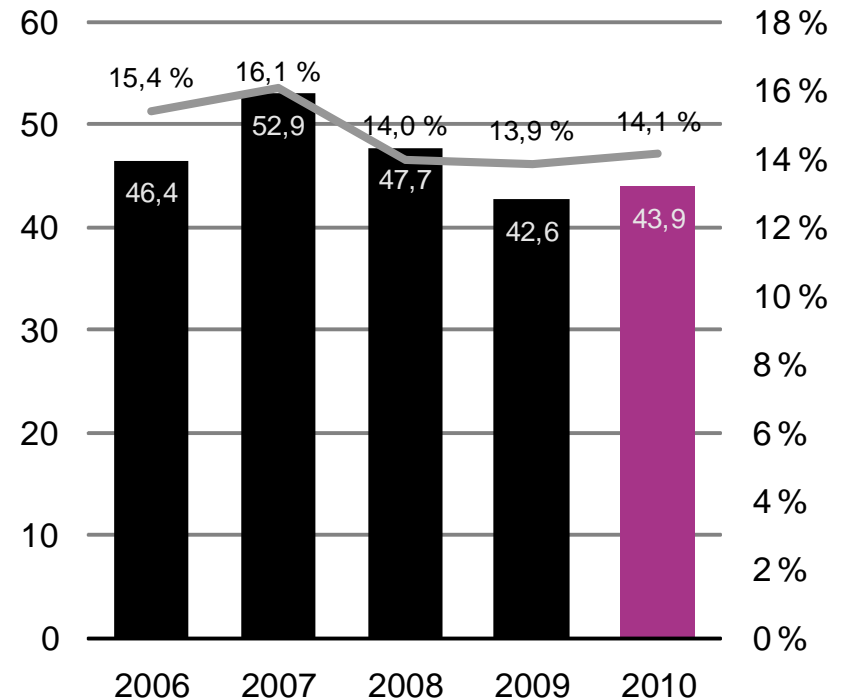
# Key figures 2006 - 2010, MEUR

w/o onetime items

Net sales, MEUR



EBIT, MEUR & %



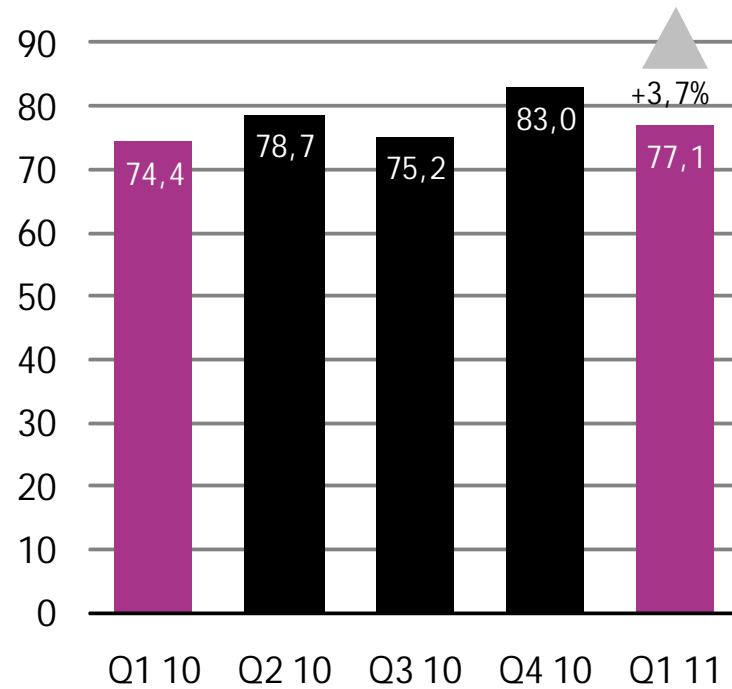
# Highlights Q1 2011

- Revenue amounted to MEUR 77.1 (74.4), up 3.7%
  - The share of digital products and services totalled grew to MEUR 14.1 (11.4), representing 18.3% (15.3%) of the revenue.
- Advertising sales grew by 8.2% to MEUR 37.7 (34.8).
  - Online advertising sales increased by 31.4%, developing particularly well in Iltalehti.fi, Etuovi.com and Monster.fi.
  - Print advertising sales remained at the comparison period's level.
- Circulation revenue as well as content and service revenue remained unchanged.
- Operating profit excl. non-recurring items improved to MEUR 9.3 (8.3).
- We initiated a programme to develop and rationalise our printing and distribution operations.

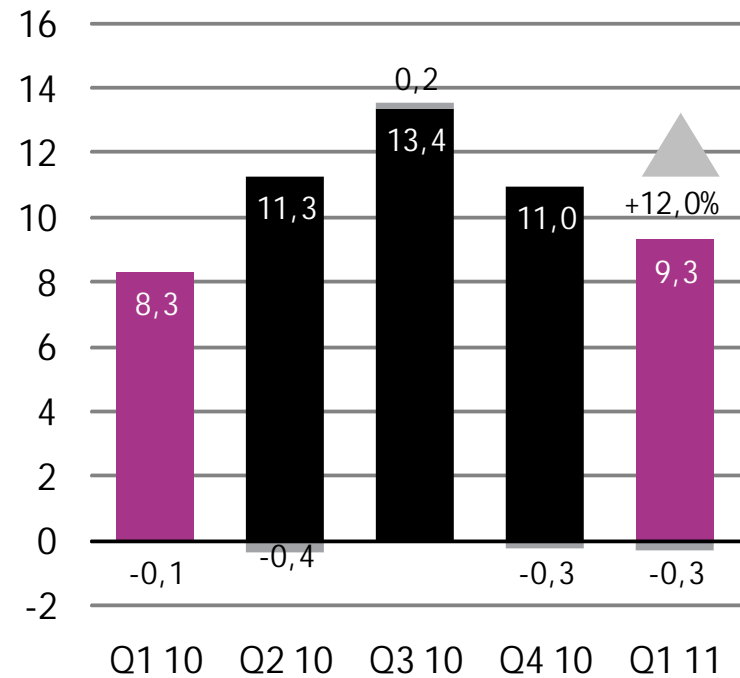
# Key figures Q1 2011

IFRS

Revenue, MEUR



EBIT, MEUR



■ Onetime items

# Newspapers

- Revenue grew to MEUR 53.8 (52.2), up 3,2 %.
  - Circulation revenue remained at comparison period's level at MEUR 26.9 (26.8).
  - Advertising sales grew to MEUR 26.0 (24.6), up 5,6 % (up 0.9%).
    - Advertising sales in printed papers grew by 1.9% (down 1.4%).
    - Online advertising sales increased by 40.8% (28.6%).
- Total expenses excl. non-recurring items amounted to MEUR 47.2 (45.3).
- Operating profit excl. non-recurring items totalled MEUR 6.7 (6.9).
- Iltalehti.fi broke the Finnish records with its 3.1 million unique visitors (browsers) visiting the site in week 11.

# Kauppalehti Group

- Revenue declined to MEUR 13.9 (14.1), down 1,0 %.
  - Circulation revenue remained at comparison period's level, at MEUR 3.8 (3.8).
  - Advertising sales decreased by 1.8% (down 3.3%), while online advertising sales grew by 1.5% (29.9%).
  - Content and service sales at the level of the comparison period, MEUR 6.1 (6.0).
- Total expenses were MEUR 12.7 (12.5).
- Operating profit excl. non-recurring items totalled MEUR 1.2 (1.5).

# Marketplaces

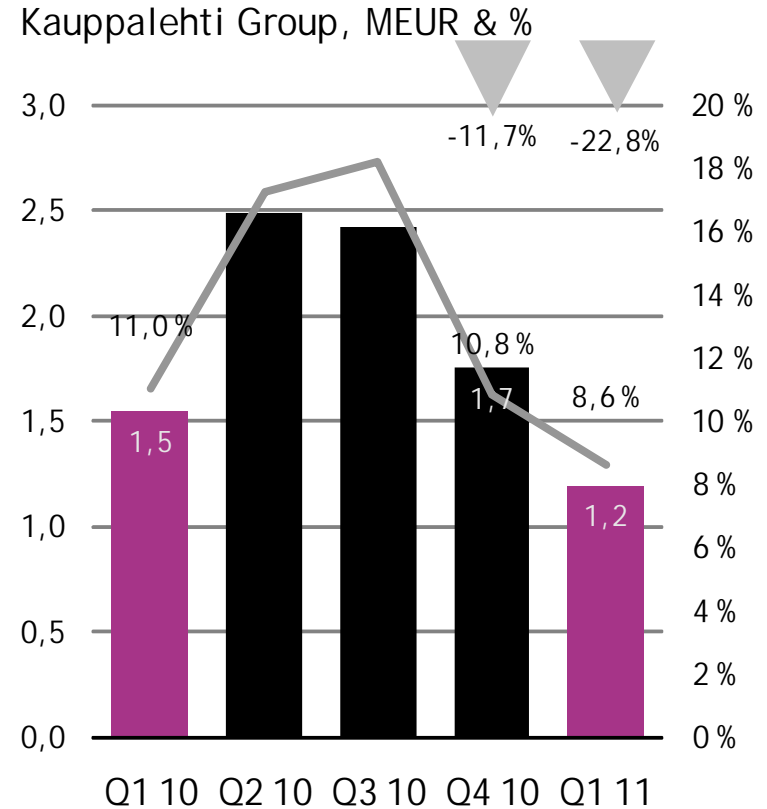
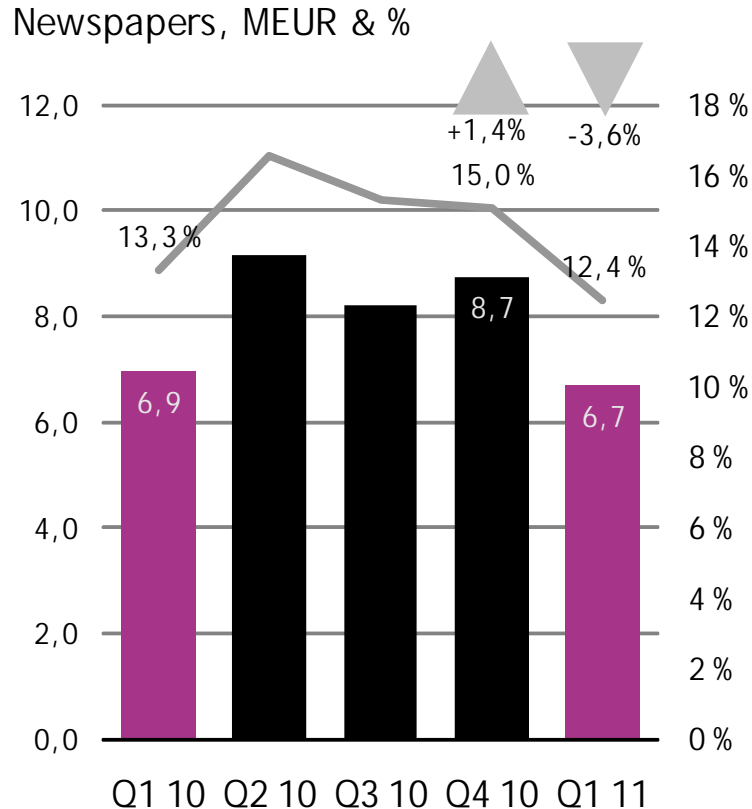
- Revenue grew to MEUR 9.1 (7.6), up 20.0%.
- The increase in revenue was mainly driven by the strong growth in advertising for recruitment and online advertising for housing.
- Total expenses remained at the level of the comparison period, at MEUR 7.7 (7.6).
- Operating profit excl. non-recurring items grew to MEUR 1.5 (0.1).

# Other operations

- Revenue was MEUR 19.6 (19.3), of which external revenue MEUR 1.4.
- The investment in renewing the Tampere printing facility proceeds as planned.
  - The printing press will be purchased from manroland AG, the supplier for the mailing equipment will be selected in 2011.
  - Financing of the equipment to be purchased has been agreed.
- Programme to develop and rationalise the printing and distribution operations initiated in April, including a plan to discontinue printing operations in Pori, Finland.

# EBIT by segment, MEUR

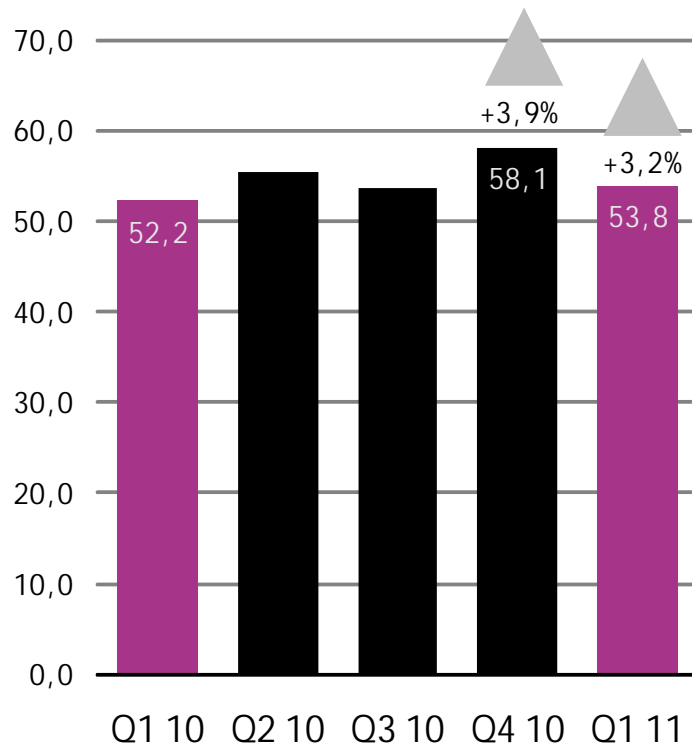
w/o onetime items



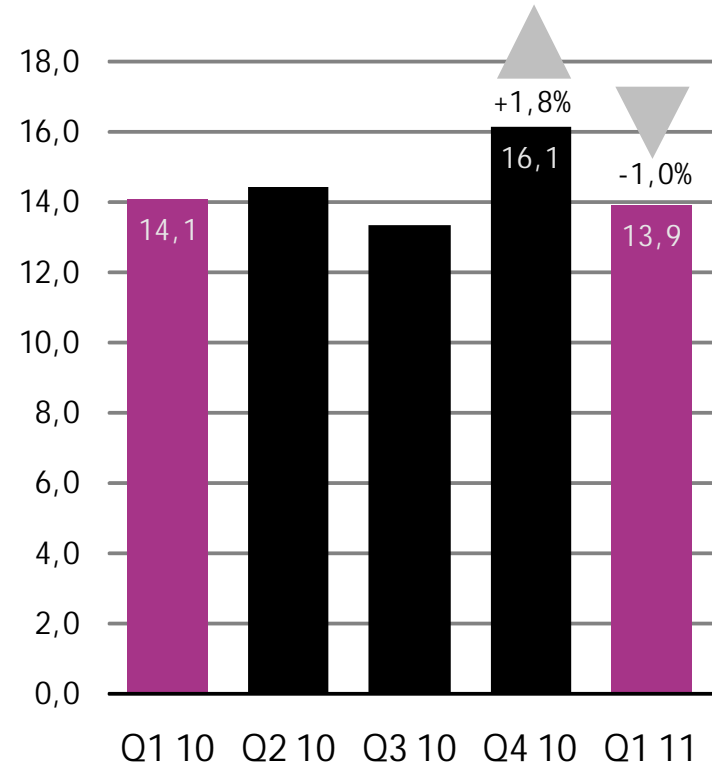
# Revenue by segment

w/o onetime items

Newspapers, MEUR & %



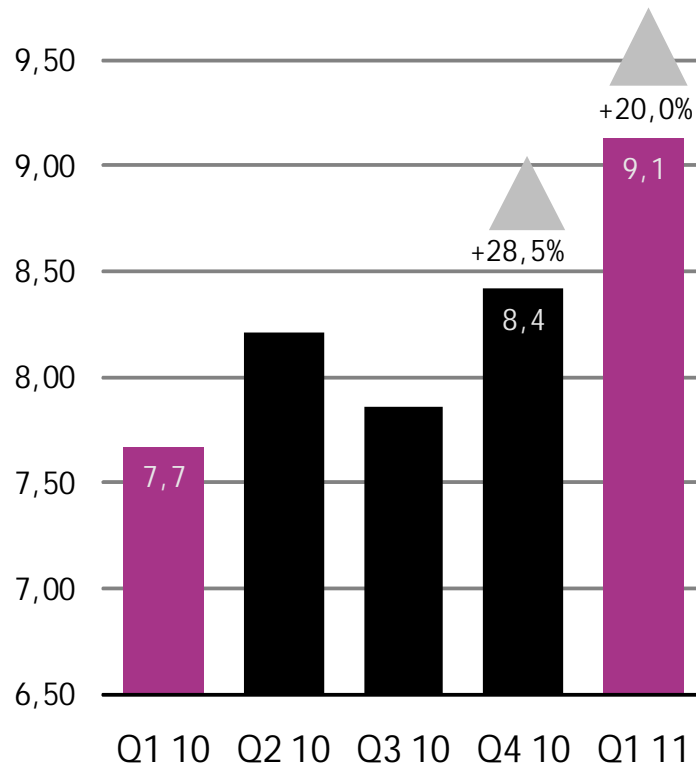
Kauppalehti Group, MEUR & %



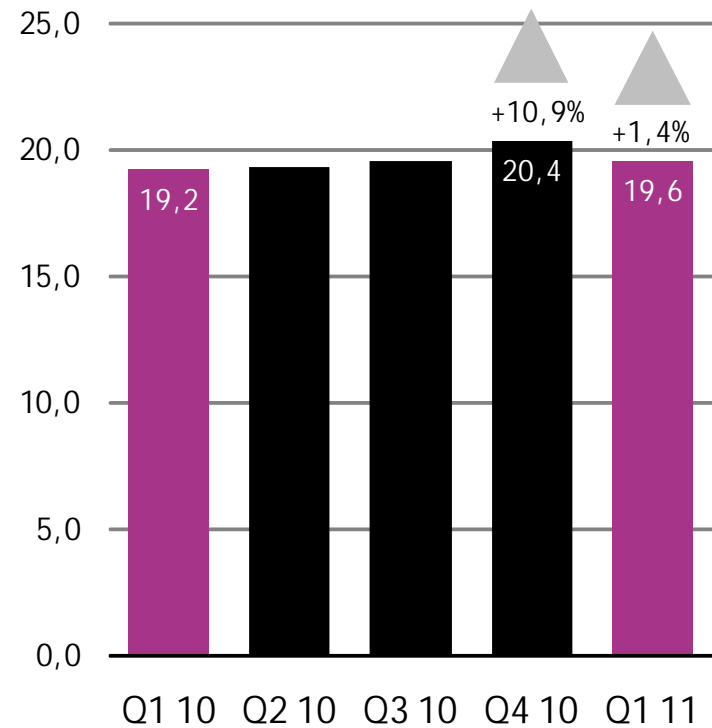
# Revenue by segment

w/o onetime items

Marketplaces, MEUR & %



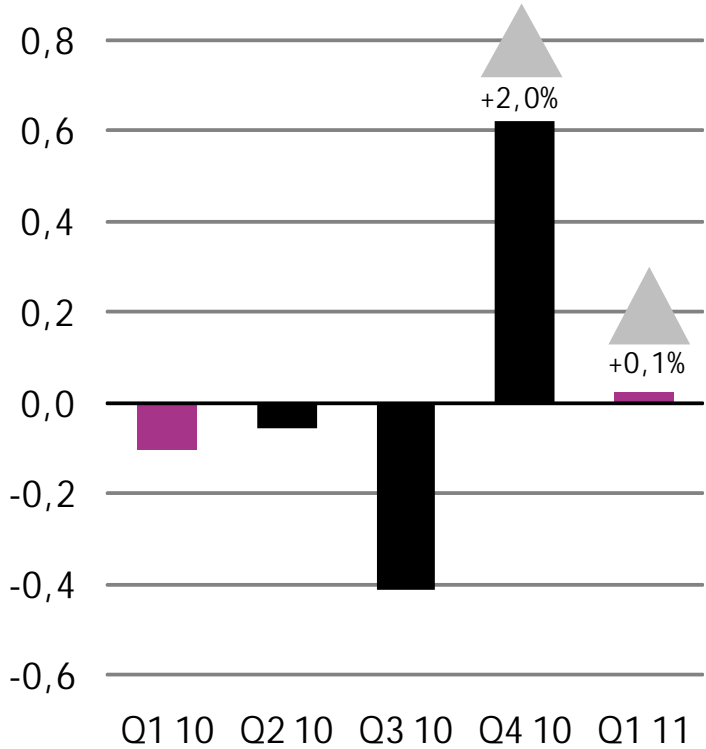
Other, MEUR



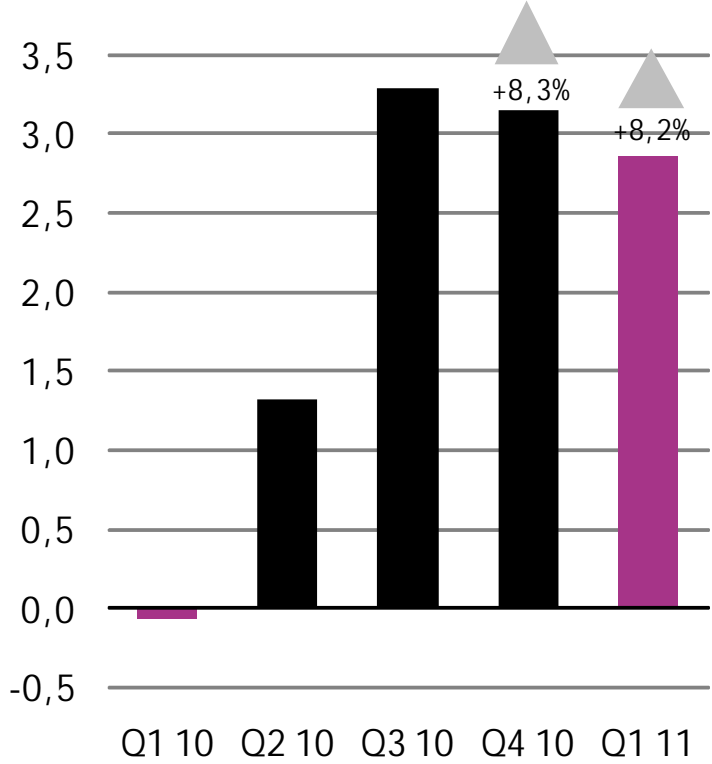
# Revenue change by type

IFRS

Circulation, MEUR

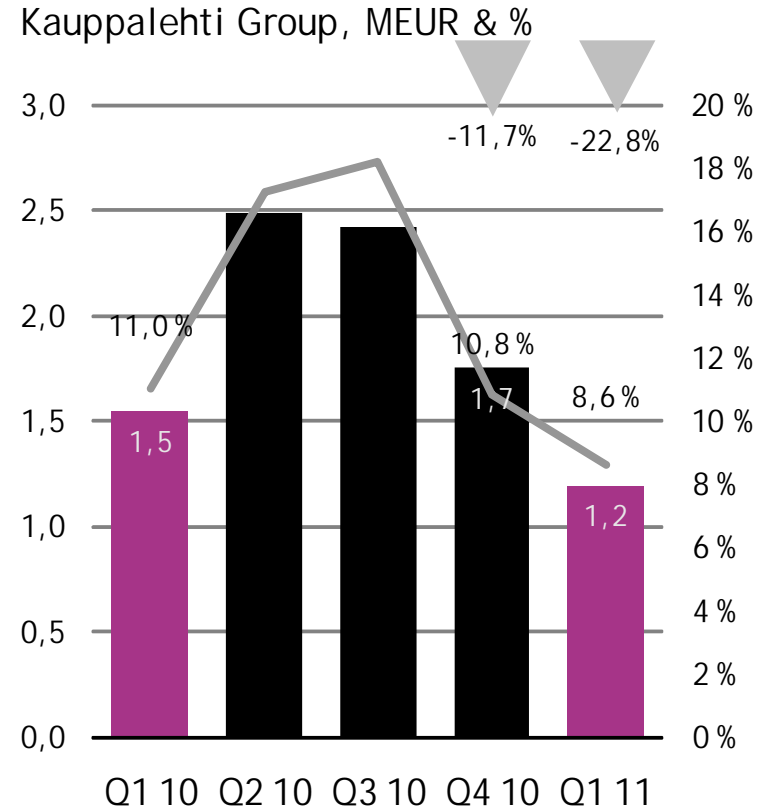
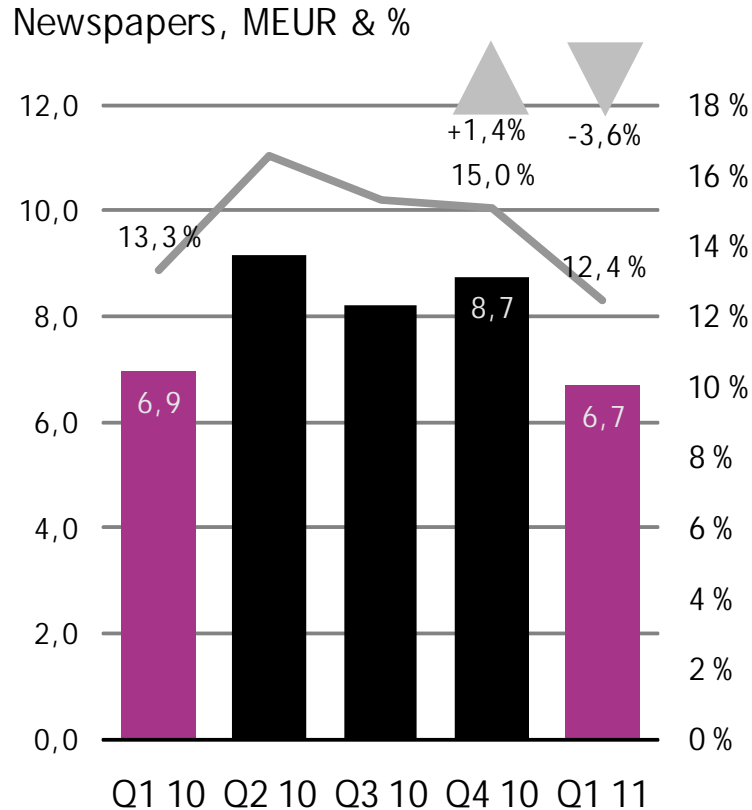


Advertising, MEUR



# EBIT by segment, MEUR

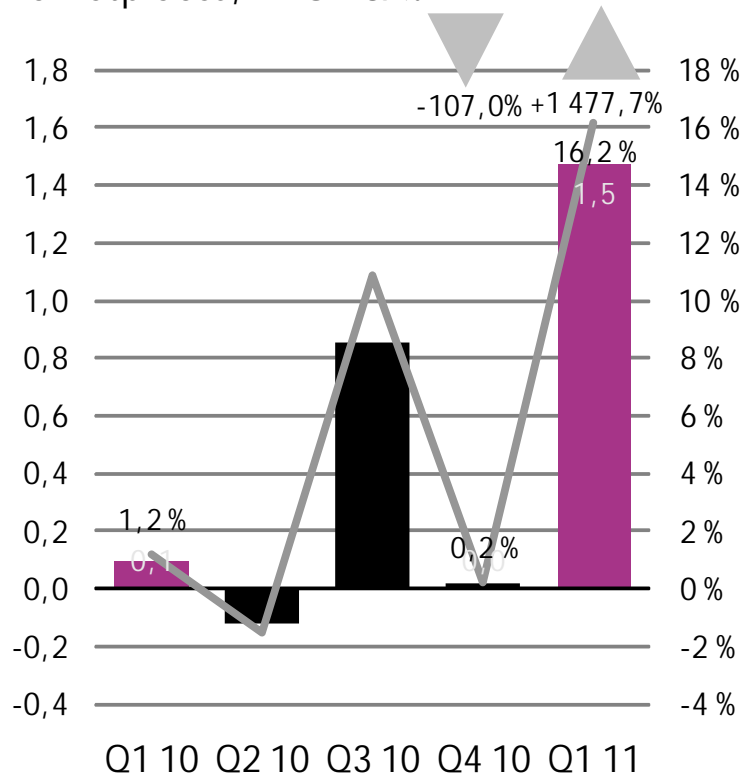
w/o onetime items



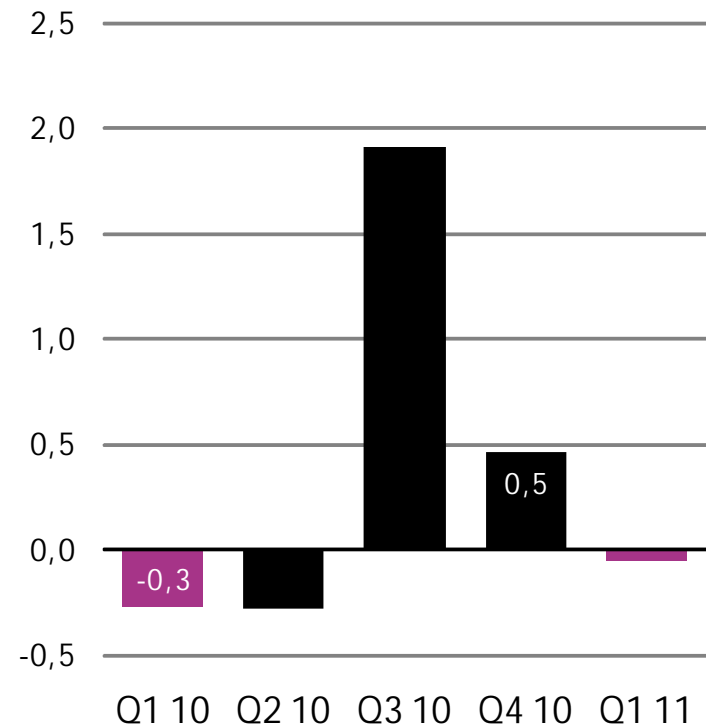
# EBIT by segment, MEUR

w/o onetime items

Marketplaces, MEUR & %

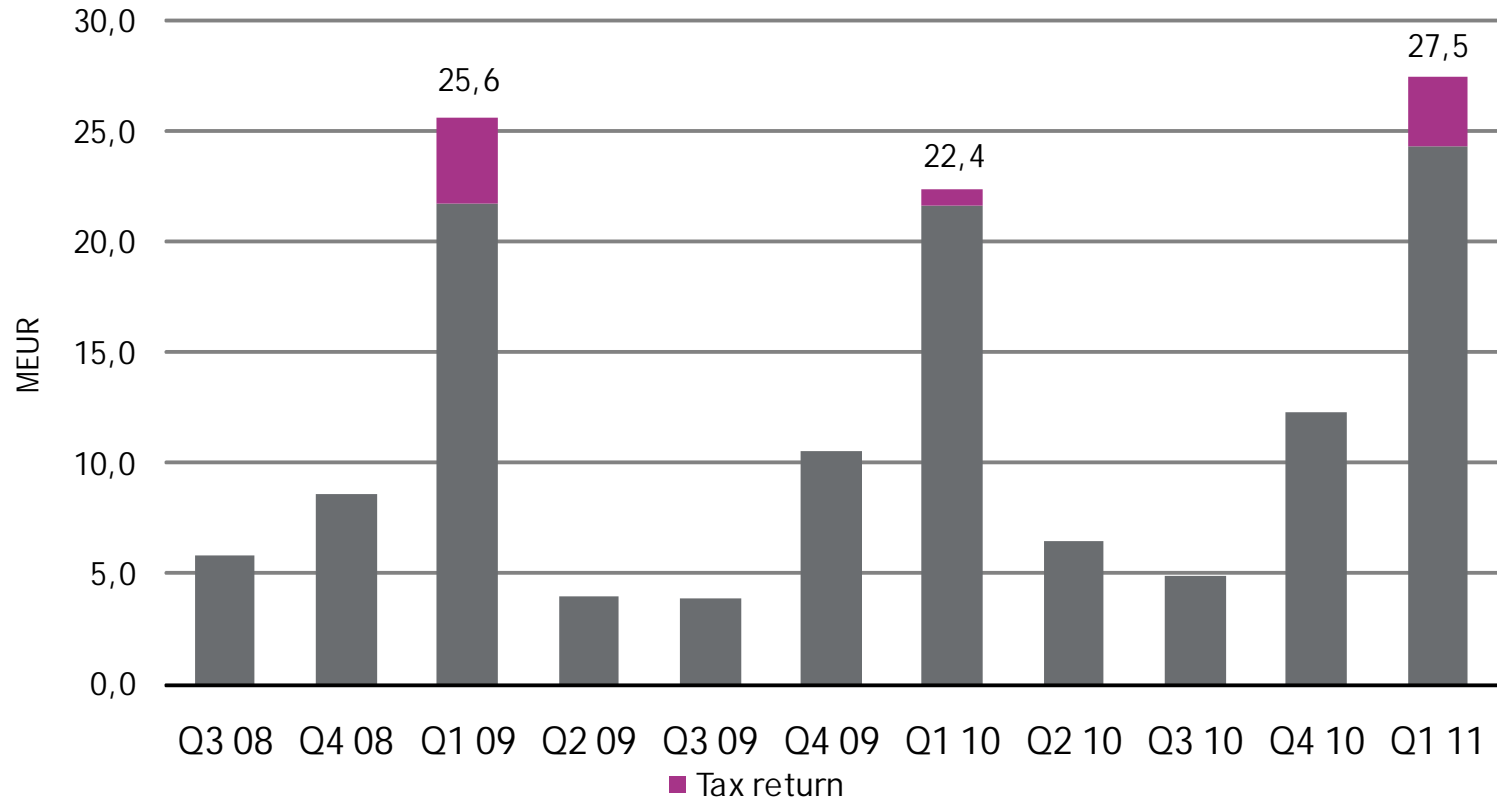


Other, MEUR

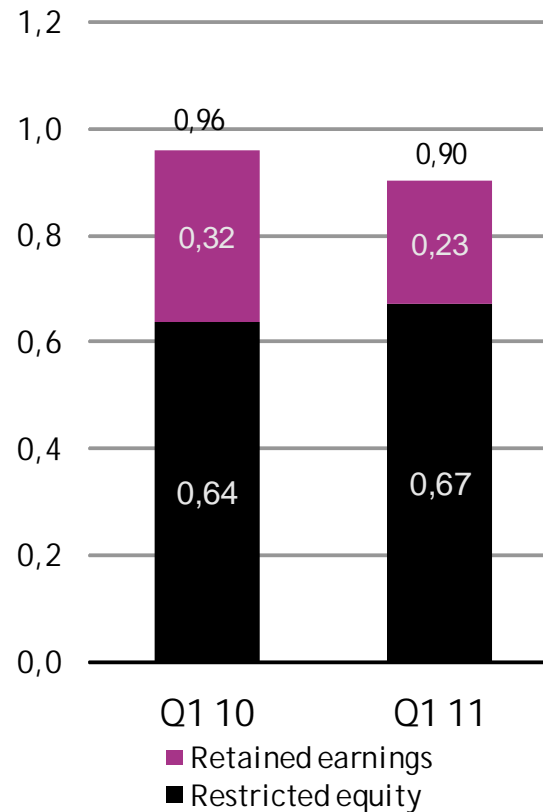
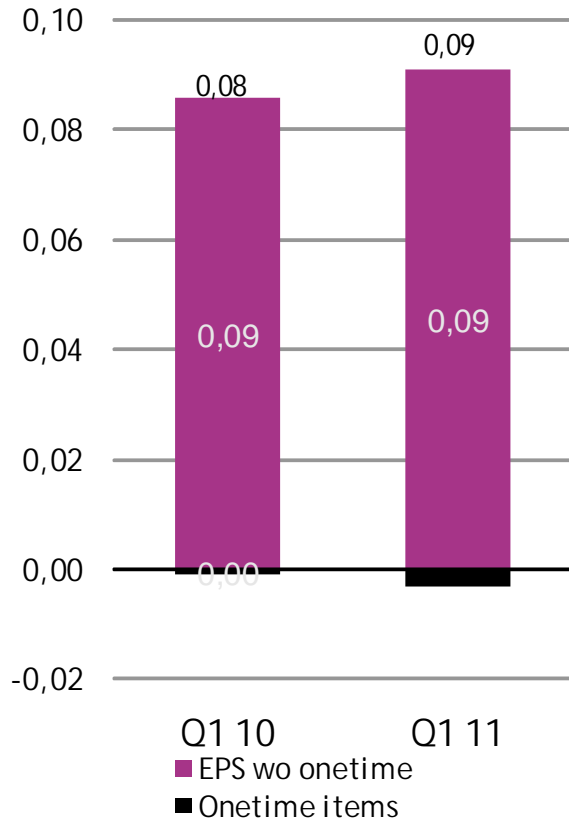


# Cash flow from operating activities

IFRS



# EPS and shareholders' equity per share



# Outlook on April 29, 2011

- Alma Media estimates that its full-year revenue and operating profit excluding non-recurring items will grow from the 2010 levels.
- In 2010, revenue totalled MEUR 311.4, operating profit excluding non-recurring items was MEUR 43.9 and operating profit MEUR 43.4.

A photograph of a port terminal. In the foreground, there are stacks of shipping containers in various colors (blue, red, green). In the background, a large orange gantry crane is visible against a bright sky. The sun is shining from the top left, creating a lens flare effect. A white rectangular box is overlaid on the image, containing the text "Living the media transformation".

# Living the media transformation

# The industry transformation

## Technology

*digitalization, new channels, tablets*

## Consumers / readers

*multi media usage, time constraints, fragmented life*

## Advertisers

*direct contact with consumers, new channels, ROI*

# Good track in transformation

- We have had *15 years* to practice success online.
- Our *clients* already *pay for online* content (some of it).
- We do *R&D* only *with customers*.
- We've made *online brand advertising* work.
- We develop *print also online*.
- Multiple small *revenue streams* already emerging.

# From afternoon tabloid to multitude of services

1980-  
2005



**ILTALEHTI**

2005 -



**ILTALEHTI ILTALEHTI.fi**



**Kotikokki.net**



**ilona**



**Telkku.com**



**ILTALEHTI tv Jätti**



**HELPO!**  
ILTALEHTI-RISTIKOT



**VUODATUS NET**



**ILTALEHTI nettiv**



**neffit**



**GAMELI**

2011 →

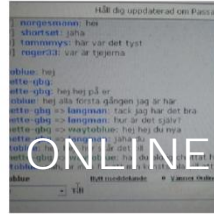
The largest online media in Finland.

- over 2.3 million weekly visitors.
- over 50 % of advertising income from online.

# Business paper enlarged to service



# Different media channels, different game



Content for a reader

Local content  
News analysis  
Debate  
Usefulness  
Entertainment  
Content by professionals

Fast news  
Topical issues  
Entertainment  
Web TV, video  
Services  
Content by professionals and users

News in brief - right now  
  
Location-based and other services

Rich-media e-newspaper  
  
Various services

Alma Media future business model

Subscription fees  
Single copy sales

Freemium  
Micro/nano payments

Paid for

Subscription-based  
Single issue sales

Packages for subscribers

Advertising income

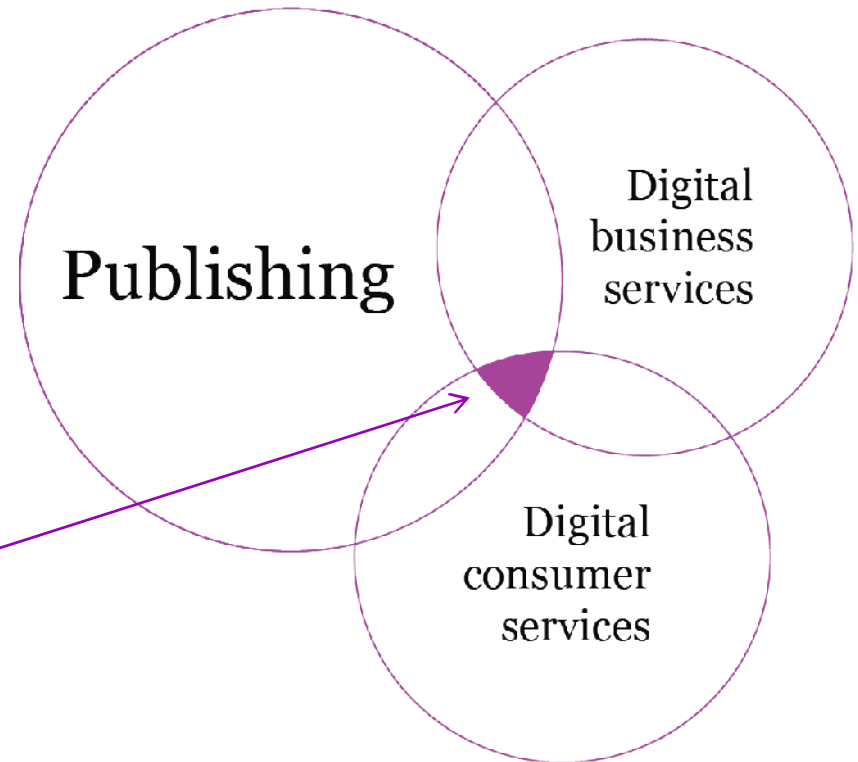


# Strategy navigating forward

# Strategy forward

## Strategic goals:

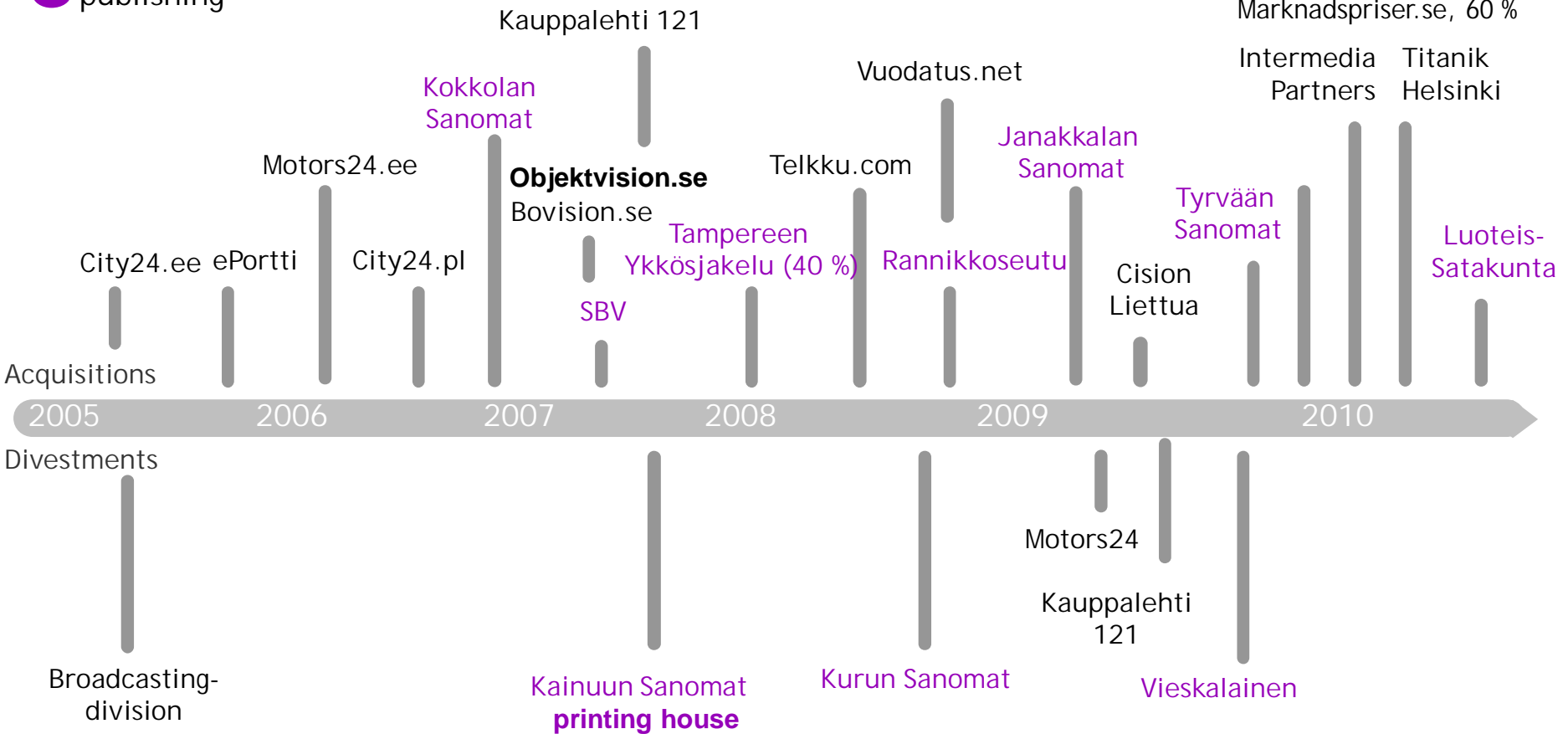
- Increasing revenue from digital consumer and business services through both organic growth and acquisitions.
- Strengthening existing products and services.
- Aggressively driving the remodeling of publishing brands into multimedia brands.
- Developing common core: expertise, management, organisation and steering systems to support growth and business renewal



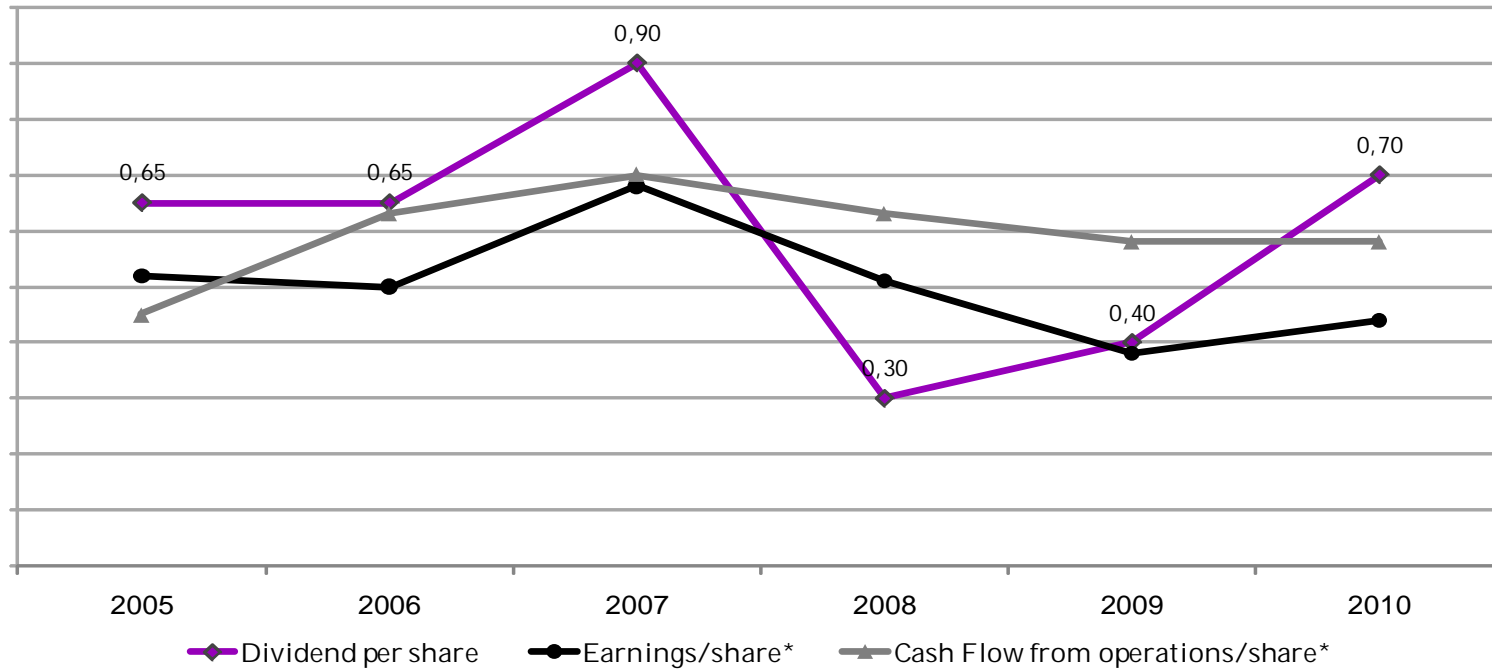
# Acquisitions for renewal and growth

- online services
- publishing

In 2010 also:  
 Arena Interactive, 35 %  
 Kotikokki.net, 40 % -> 65 %  
 Kateetti Oy, 24 %  
 Marknadspriser.se, 60 %



# Value creation through dividends



\* continuing operations

Dividends and effective dividend yields						
	2005	2006	2007	2008	2009	2010
Dividend, eur	0.65	0.65	0.90	0.30	0.40	0.70
Effective dividend yield	8.5%	7.0%	7.7%	6.1%	5.3%	8.5%

# vision

Alma Media is the most exciting provider of information, service and experiences. The company sets the stage for the future of media.

A high jumper is captured in mid-air, performing a Fosbury Flop over a bar. The athlete is silhouetted against a dramatic, cloudy sky. The bar is supported by two yellow posts. In the background, a row of flags is visible along the edge of the field.

Thank you