



# Leading the media transformation

Alma Media Roadshow in London and Edinburgh

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March 3 & 4, 2011

**AL  
MA**

# Contents







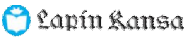





1. Overview of Alma Media
2. Market, products and competition landscape
3. Financials
4. Leading the media transformation
5. Strategy for creating value & growth



# Overview of Alma Media



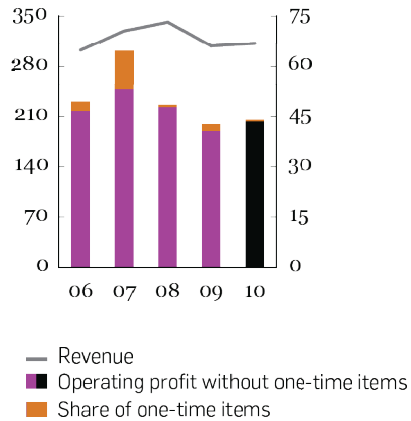
# Leading publishing and digital brands in Finland

MARKETPLACES	KAUPPALEHTI GROUP	NEWSPAPER AND ONLINE MEDIA
  	  	      +28 local papers
International  		
Revenue 32 MEUR Personnel: 180	Revenue 57 MEUR Personnel: 437	Revenue 215 MEUR Personnel: 972
Group revenue 311.4 MEUR, EBIT 43.4 MEUR		
Digital business: 49 MEUR, 15.7 % of total revenue (2010).		

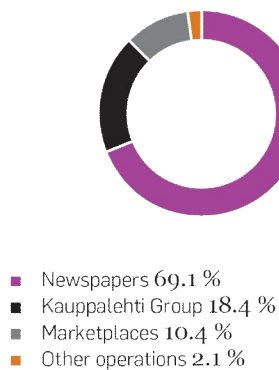


# Financial highlights

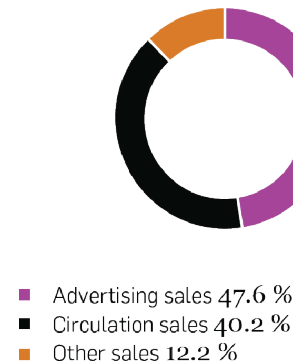
REVENUE AND OPERATING PROFIT, MC



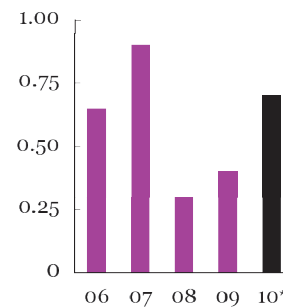
REVENUE BY SEGMENT, %



BREAKDOWN OF REVENUE, %



DIVIDEND PER SHARE, C

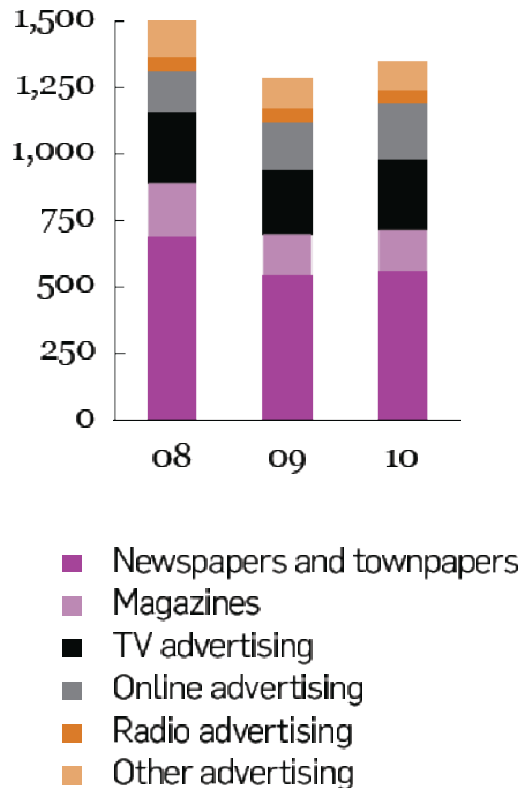


\* Proposal by the Board of Directors to the Annual General Meeting.



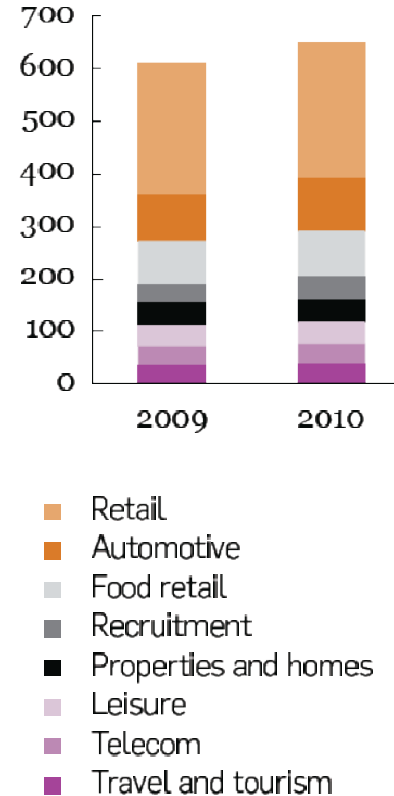
# Market, products and competitive landscape

## MEDIA ADVERTISING EXPENDITURE AND TREND, M€



Source: Finnish Advertising Council

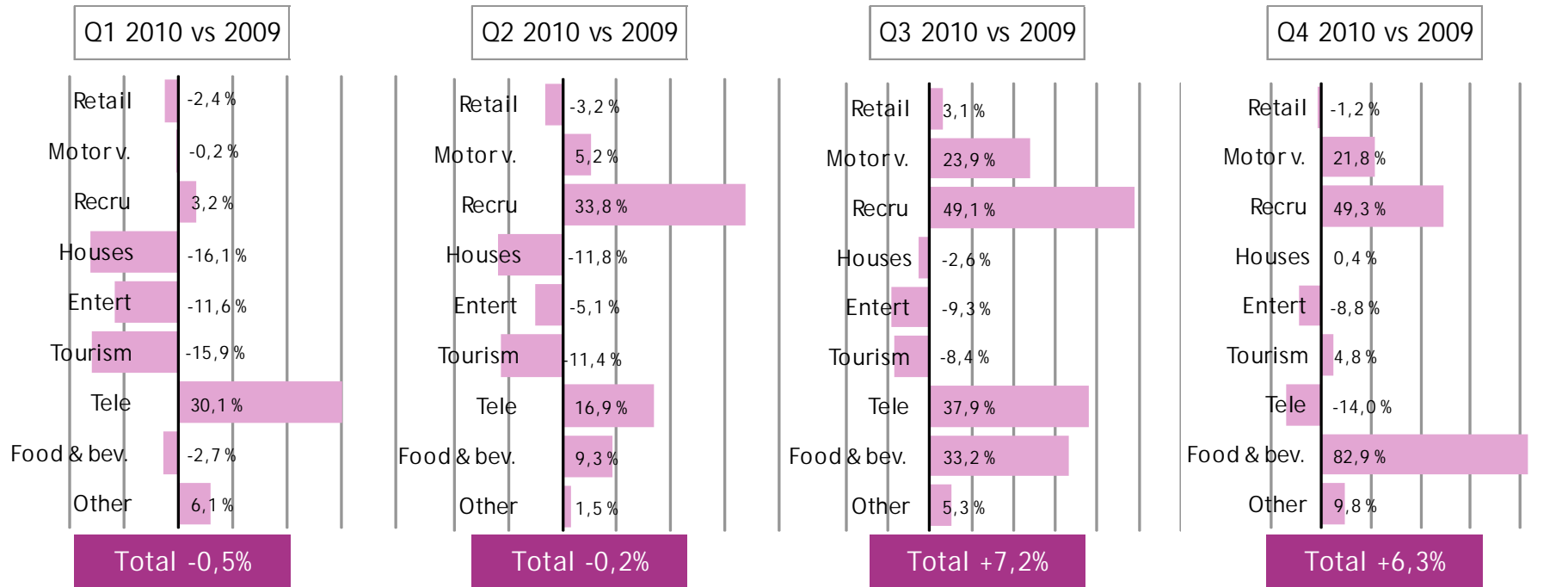
## LARGEST ADVERTISING CATEGORIES, M€



Source: TNS Media Intelligence

# Advertising change by branch in newspapers

Newspapers total\*; change from previous year



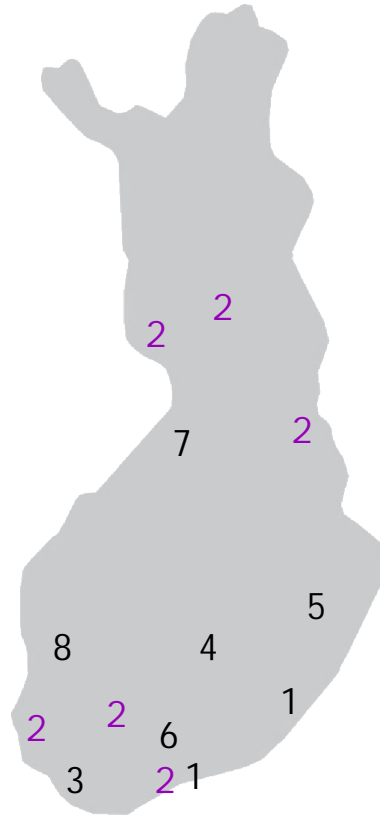
Source: TNS Media Intelligence

\* Newspapers, local and free issue papers

# 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

# Marketing communications will grow in 2011



# Leading Finnish media group



## Market position\* in Finland (pop 5.3 m)

Online advertising (display and classified)	1/3 of market
Online media consumption	2.6 million visitors /week
Print readership	1.5 million readers; 33 % reach of population
Print advertising	1/5 of market
Combined total reach (print and online)	2/3 of population

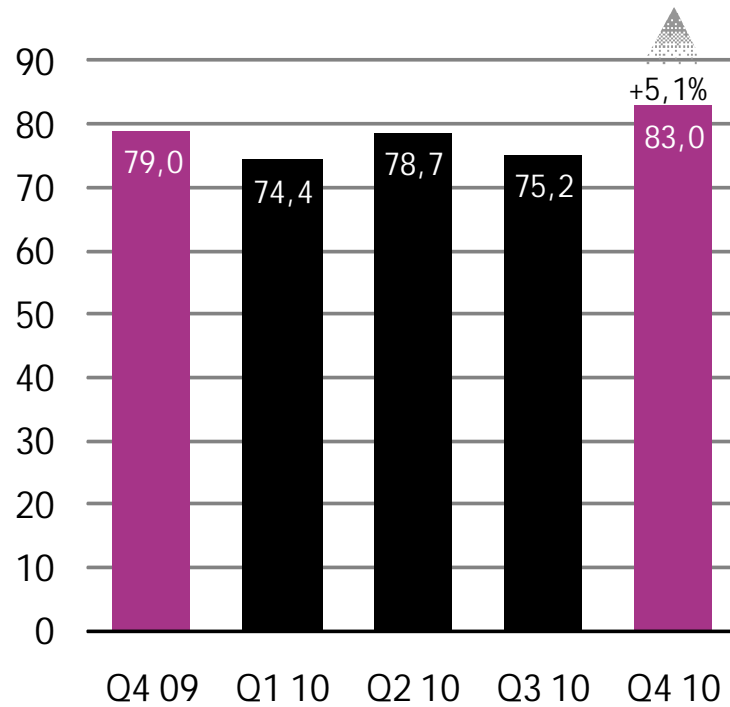


# Financials

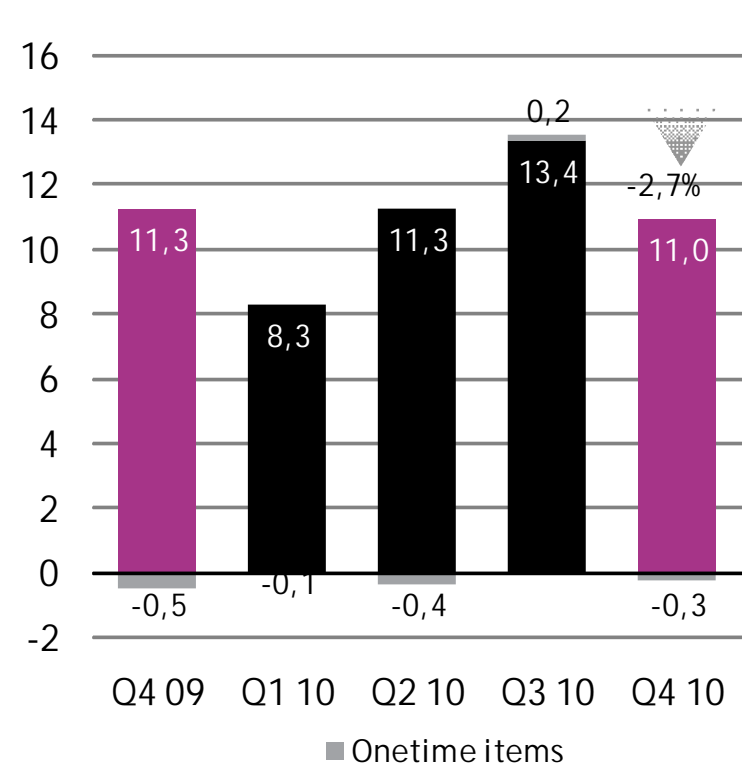
# Key figures Q4 2010, MEUR

IFRS

Net sales, MEUR



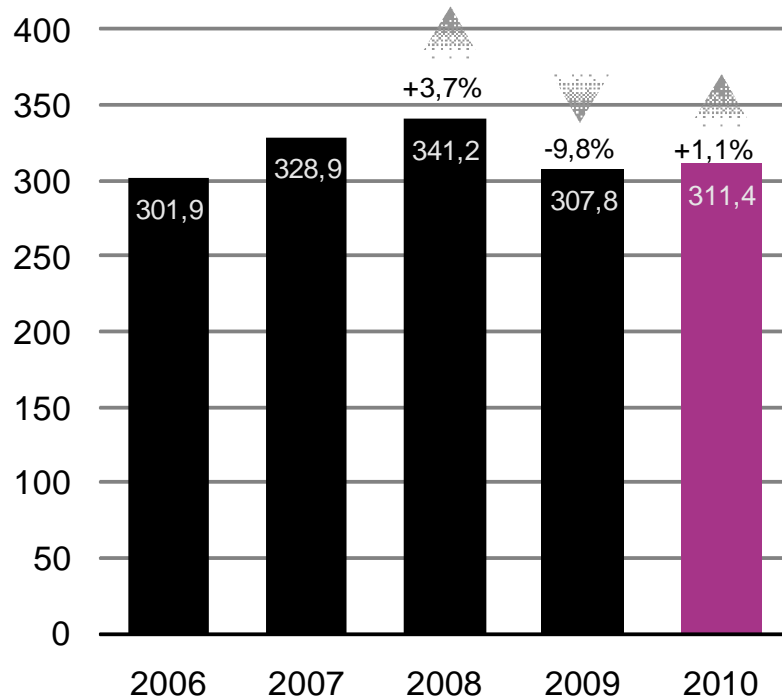
EBIT, MEUR



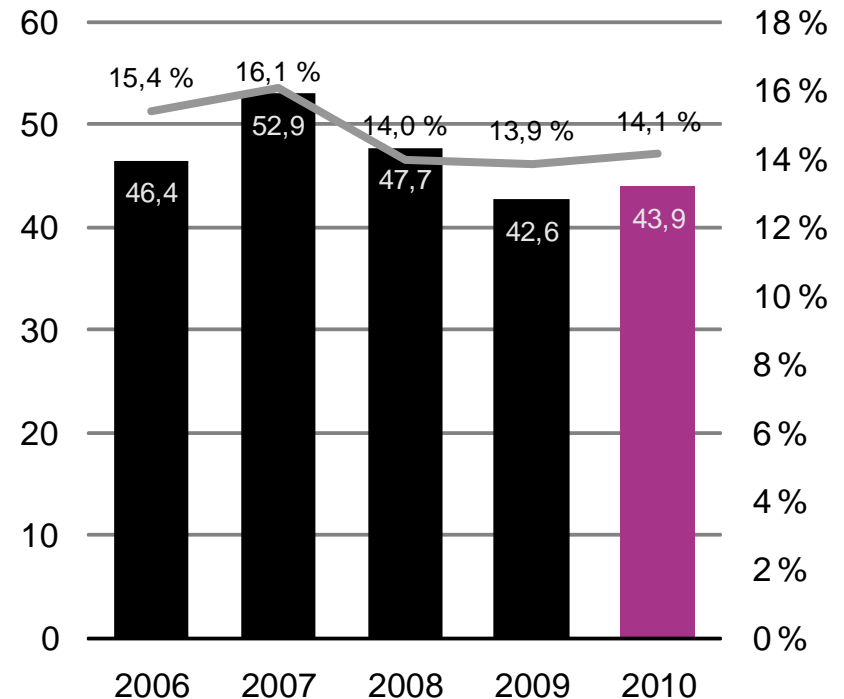
# Key figures 2006 - 2010, MEUR

w/o onetime items

Net sales, MEUR



EBIT, MEUR & %



# Net sales by segment and type

w/o onetime items

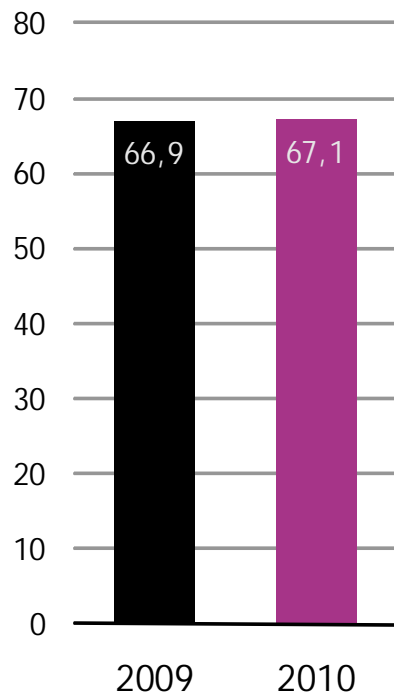
NS BY BUSINESS AREA	Q4 10	Chg	Chg %	2010	Chg	Chg %
Newspapers	58,1	2,2	3,9 %	219,3	3,8	1,7 %
Kauppalehti group	16,1	0,3	1,8 %	57,9	-4,9	-7,8 %
Marketplaces	8,4	1,9	28,5 %	32,2	5,1	19,0 %
Other operations	20,4	2,0	10,9 %	78,5	5,8	8,0 %
Eliminations	-19,9			-76,4		
<b>Alma Media total</b>	<b>83,0</b>	<b>4,0</b>	<b>5,1 %</b>	<b>311,4</b>	<b>3,5</b>	<b>1,1 %</b>

NS BY TYPE	Q4 10	Chg	Chg %	2010	Chg	Chg %
Circulation sales	31,8	0,6	2,0 %	125,3	0,0	0,0 %
Advertising sales	41,1	3,1	8,3 %	148,2	7,7	5,5 %
Advertising sales, print	31,1	1,2	4,1 %	111,9	1,2	1,0 %
Advertising sales, online	9,8	2,1	27,1 %	35,6	7,0	24,6 %
Other sales	10,2	0,3	2,8 %	37,8	-4,2	-10,0 %
<b>Net sales total</b>	<b>83,0</b>	<b>4,0</b>	<b>5,1 %</b>	<b>311,4</b>	<b>3,5</b>	<b>1,1 %</b>

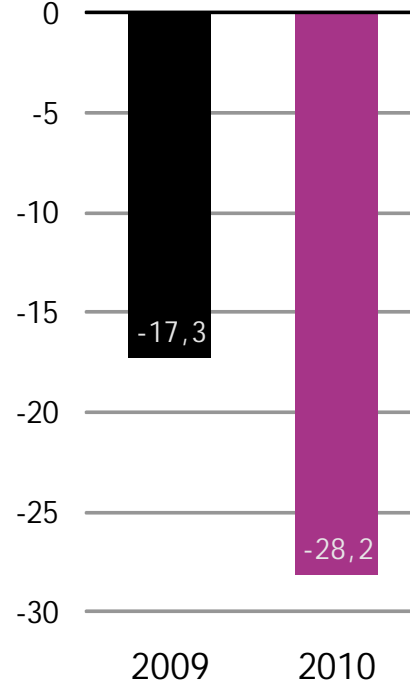
# Key ratios in 2010

IFRS

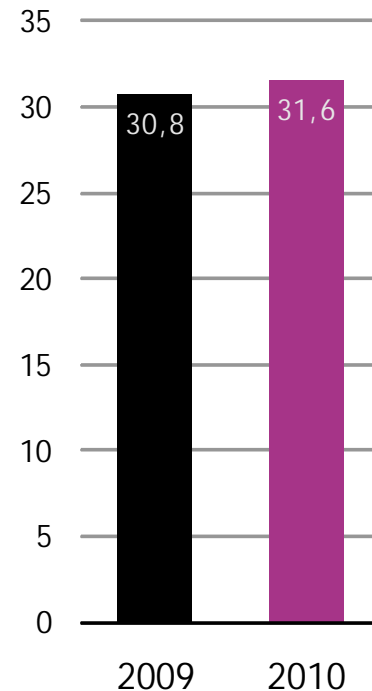
Equity ratio, %



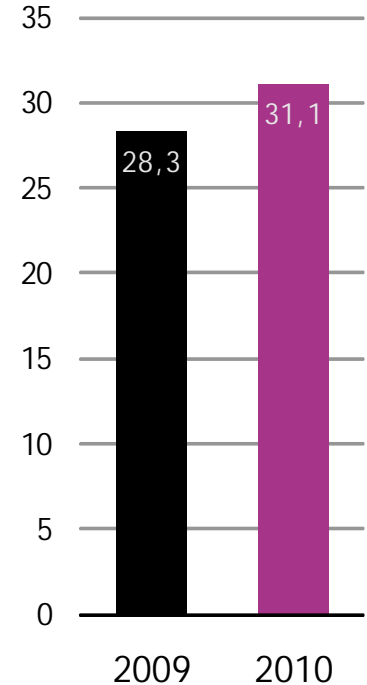
Gearing, %



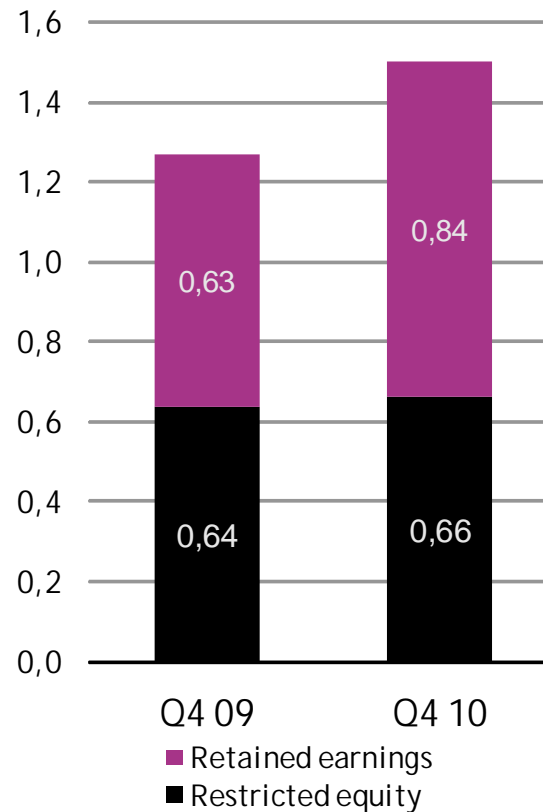
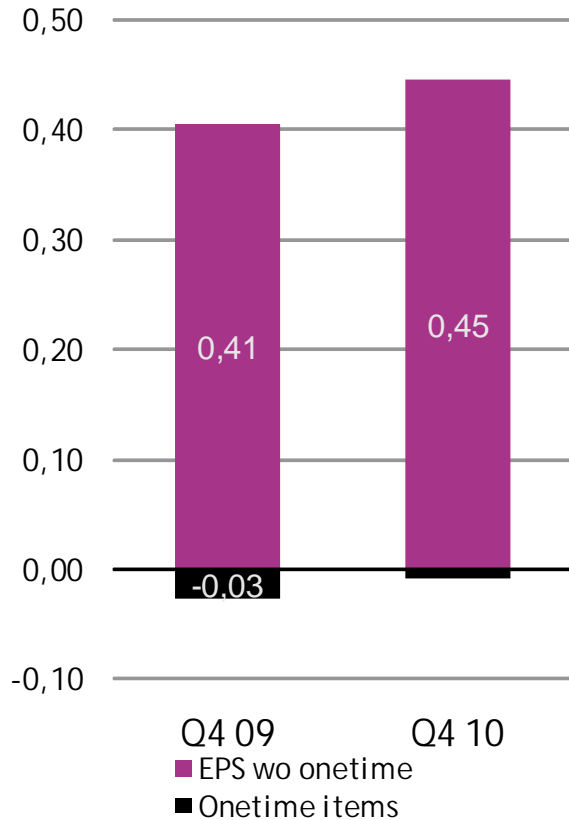
ROE%



ROI%

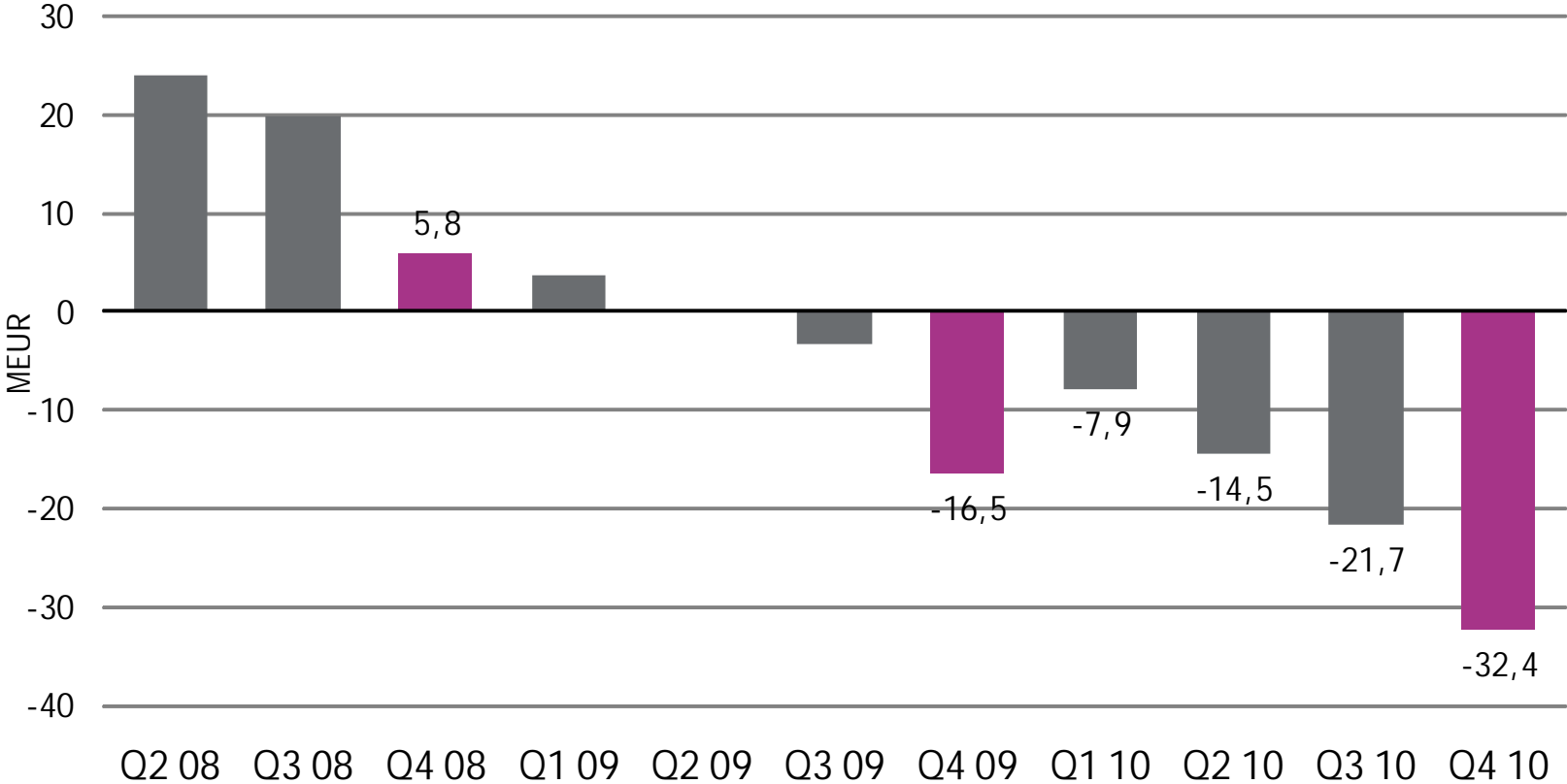


# EPS and shareholders' equity per share



# Net debt, MEUR

IFRS



# Balance Sheet

IFRS

MEUR	Q4 2010	Q4 2009
Intangibles and goodwill	40,9	37,6
Tangibles	27,8	32,0
Associated companies	33,6	30,5
Inventory	1,0	1,5
Receivables	44,8	31,7
Cash	36,3	21,1
<b>Assets</b>	<b>184,5</b>	<b>154,4</b>
Equity	114,8	94,9
Reserves-obligatory	0,7	1,1
Pension liabilities	2,8	3,1
lb debt	4,0	4,6
Non-lb debt	48,8	38,1
Advances received	13,4	12,6
<b>Equity and liabilities</b>	<b>184,5</b>	<b>154,4</b>

# Profit and loss Q4 and 2010

w/o onetime items

MEUR	Q4 2010	Q4 2009	Chg	Chg %	2010	2009	Chg	Chg %
Circulation sales	31,8	31,2	0,6	2,0 %	125,3	125,2	0,0	0,0 %
Advertising sales	41,1	37,9	3,1	8,3 %	148,2	140,6	7,7	5,5 %
Advertising sales, print	31,1	29,8	1,2	4,1 %	111,9	110,7	1,2	1,0 %
Advertising sales, online	9,8	7,7	2,1	27,1 %	35,6	28,6	7,0	24,6 %
Other sales	10,2	9,9	0,3	2,8 %	37,8	42,0	-4,2	-10,0 %
Net Sales	83,0	79,0	4,0	5,1 %	311,4	307,8	3,5	1,1 %
Other operating income	-0,1	0,0	-0,2	-587 %	0,2	0,1	0,0	30,0 %
Total expenses	72,0	67,8	4,2	6,2 %	267,6	265,3	2,3	0,9 %
EBIT	11,0	11,3	-0,3	-2,7 %	43,9	42,6	1,3	3,0 %
EBIT %	13,2 %	14,3 %			14,1 %	13,9 %		

# Outlook for Alma Media

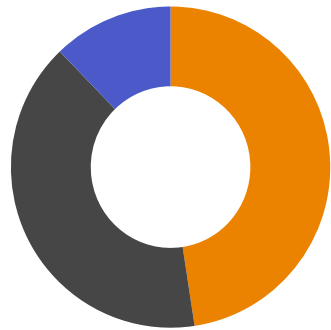
Feb 16, 2011

- Alma Media expects its full-year revenue and operating profit excluding non-recurring items to increase from the 2010 level.
- In 2010,
  - Revenue was M€ 311.4
  - Operating profit M€ 43.4
  - Operating profit excluding non-recurring items M€ 43.9.

# Sales and expenses breakdown 2010

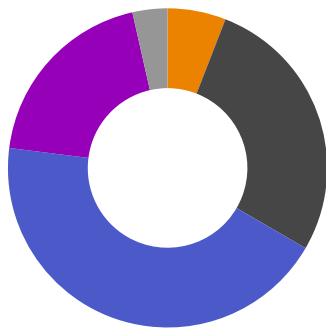
IFRS\_vert

Sales 311,4 meur



- Advertising sales (47,6%)
- Circulation sales (40,2%)
- Other sales (12,2%)

Expenses 267,6 meur



- Materials (5,9%)
- External services (27,5%)
- Personnel expenses (43,6%)
- Other oper. expenses (19,5%)
- Depreciation (3,5%)

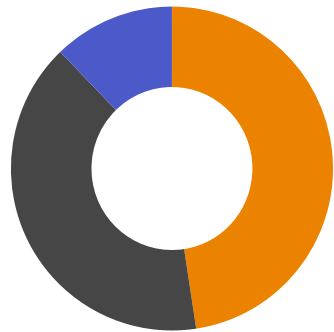
## Sensitivity analysis

Factor (Full year impact)	Change (%-point)	Impact on EBIT, MEUR
Media advertising	+ 1.0 %	1,5
Wages and salaries	+ 1.0 %	-1,2
Distribution cost	+ 1.0 %	-0,6
Paper prices	+ 1.0 %	-0,1
Aveg. interest rate	+ 1.0 %	0,0

# Sales and expenses breakdown 2010

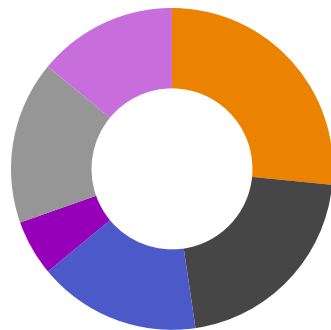
IFRS\_vert

Sales 311,4 meur



- Advertising sales (47,6%)
- Circulation sales (40,2%)
- Other sales (12,2%)

Expenses 267,6 meur



- Content (26,6%)
- Distribution (21,1%)
- Printing (16,3%)
- Web services (5,6%)
- Sales & marketing (16,4%)
- General & admin. (14,0%)

## Sensitivity analysis

Factor (Full year impact)	Change (%-point)	Impact on EBIT, MEUR
Media advertising	+ 1.0 %	1,5
Wages and salaries	+ 1.0 %	-1,2
Distribution cost	+ 1.0 %	-0,6
Paper prices	+ 1.0 %	-0,1
Aveg. interest rate	+ 1.0 %	0,0



Leading the media  
transformation

AL  
MA

Transformation from afternoon tabloid to a multitude of consumer media services...

1980-2005

The logo for the newspaper ILTALEHTI, featuring the word in a bold, red, italicized sans-serif font.

2005-



2010 →

...and to the largest online media in Finland:

- over 2.1 million weekly visitors
- over 50 % of advertising income from online

# Different media channels, different game



Content for a reader

Local content  
News analysis  
Debate  
Meaningfulness  
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

Multimedia, news media content experience  
Various services

Alma Media future business model

Subscription fees  
Single copy sales

Freemium  
Micro/nano payments

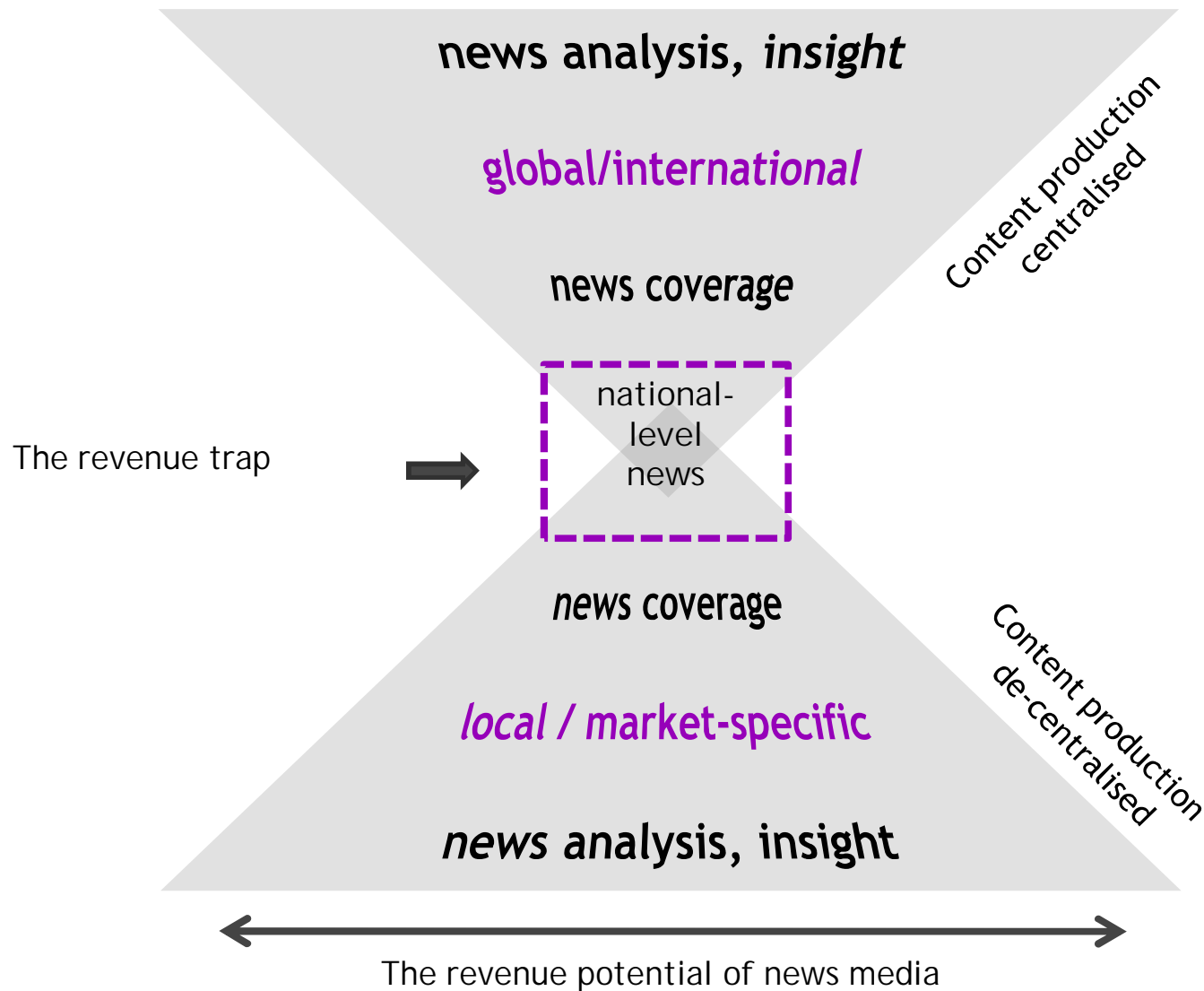
Paid for

Subscription-based  
Single issue sales

Packages for subscribers

Advertising income

# Revenue potential from news operations



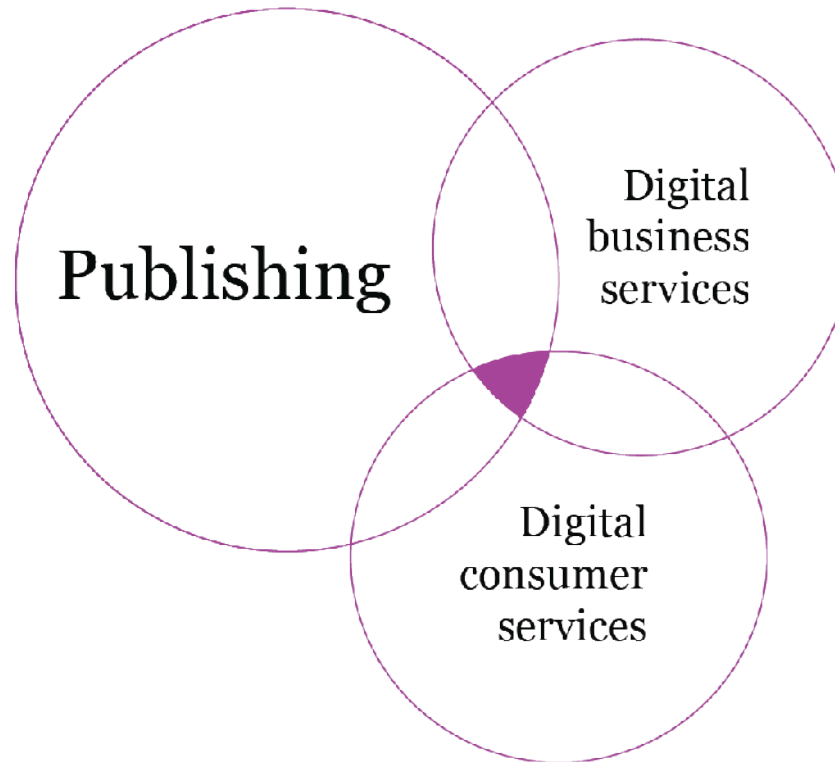


# Strategy for creating value and growth

# Redefining Alma Media

## PUBLISHING

- Regional media
- Business media
- Afternoon tabloid media
- Mobile services and IPTV support



## DIGITAL BUSINESS SERVICES

- Information, analysis and other online services
- Solutions for marketplaces and marketing

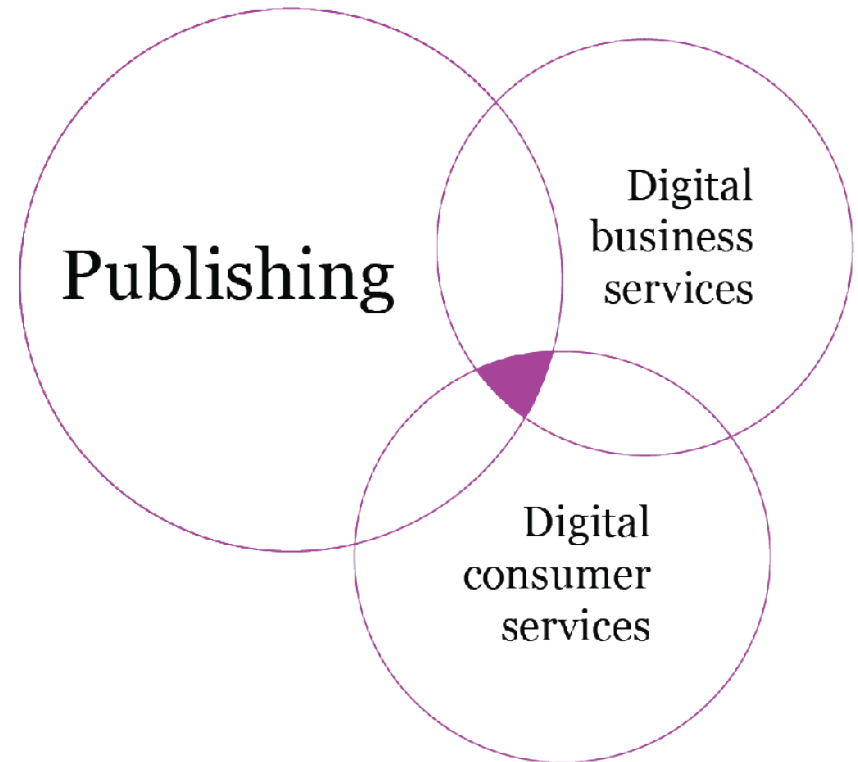
## DIGITAL CONSUMER SERVICES

- Marketplaces combining information, supply and demand with experience

# 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 expertise, management, organisation and steering systems to support growth and business renewal.



# Strategic cornerstones

## RENEWAL

Transformation of media

## NEW BUSINESS AREAS

Growth from digital consumer  
and business services

## COOPERATION

The utilization and strengthening of  
the sources of competitive advantage

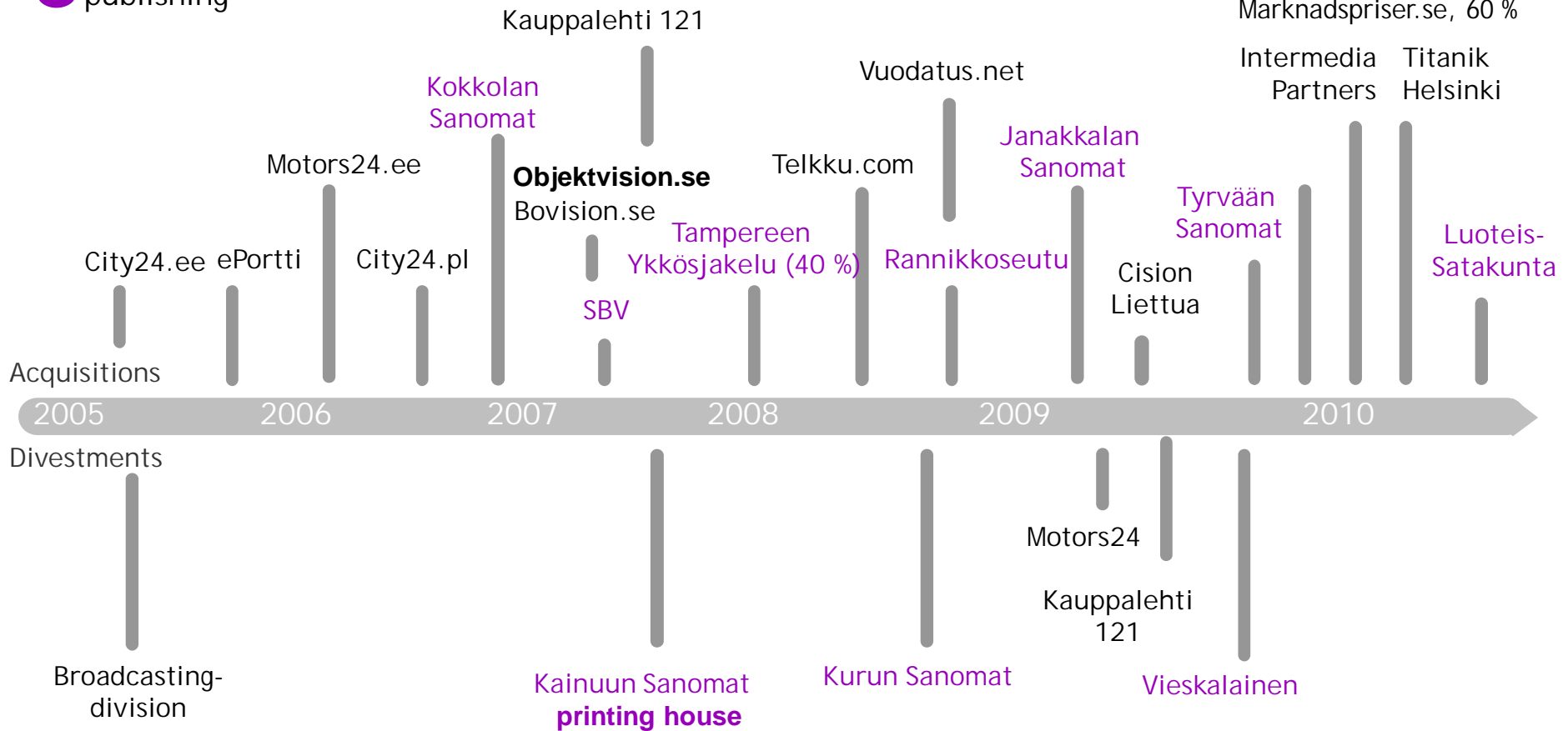
# Key developments in 2010

- Renewal of several regional newspapers.
- The cooperation with Arena Partners in national marketplaces business.
- Replacement investment decision of the Tampere newspaper printing facility (50 MEUR).
- Printing and distribution business unit, Alma Manu, started.
- Small-scale but strategically important acquisitions.

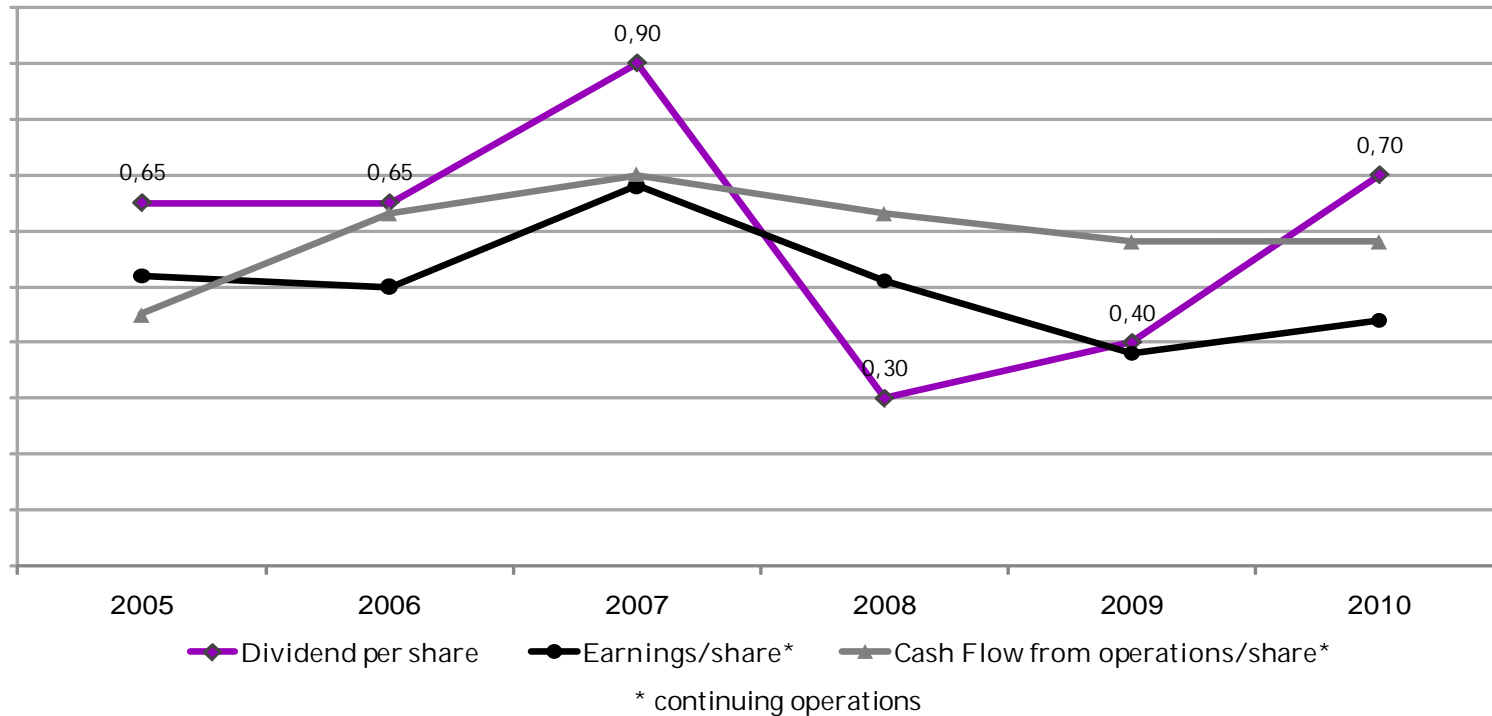
# Acquisitions to support renewal

- online services
- publishing

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



# Value creation through dividends



Dividends and effective dividend yields						
* 2010 as proposal to the AGM	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%

# Shareholding and share facts

## Investor calendar

- Registration for AGM by March 14
- AGM in Helsinki March 17
- Dividend payout March 29
- Q1 2011 results April 29
- 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: 75,052,523.
- Share capital EUR 45,031,513.80
- Market capitalisation approx. MEUR 690.

## Main shareholders

Feb 28, 2011

	% of shares and voting rights
1. Iikka-Yhtymä Oyj	29.96
2. Varma Mutual Pens. Insurance	9.60
3. Mandatum Life	8.95
4. Kaleva Kustannus Oy	5.94
5. Kaleva Mutual Pens. Insurance	5.58
6. C.V. Åkerlund foundation	4.40
7. Oy Herttaässä Ab	3.19
8. Tapiola Mutual Pens. Insurance	2.47
9. Ilmarinen Mutual Pension Insurance	1.69
10. Veljesten Viestintä Oy	1.13

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



# Thank you!

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

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Check out Alma's DIALQ iPad Journal and Annual Review  
on Apple iTunes Store

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