



# Alma Media navigating the media transformation

Rauno Heinonen, VP Corporate Comms & IR  
First Securities, Oslo, May 24 2011

# Presentation topics

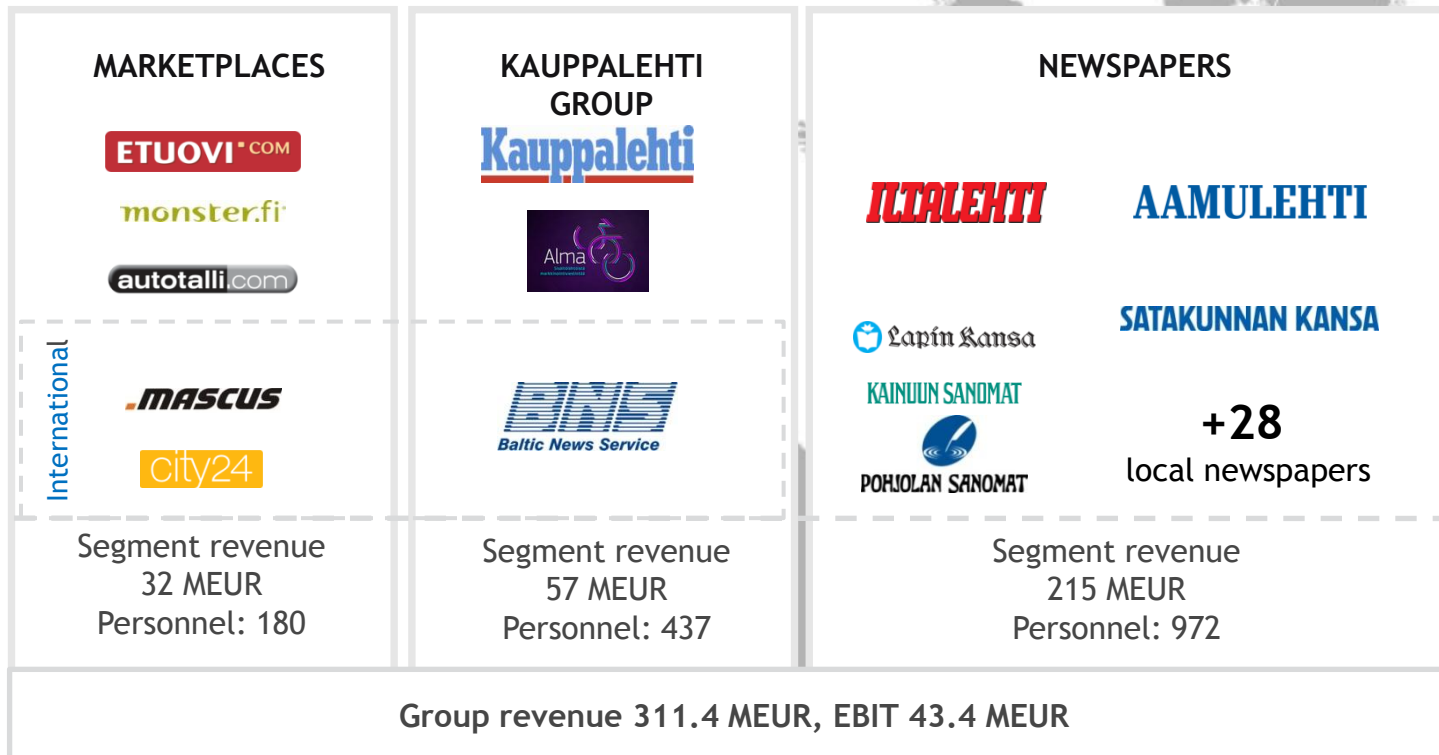
- Alma Media in brief
- Markets and key financials
- Living the media transformation
- Strategy navigating forward
- Q & A



# Alma Media in brief

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MA

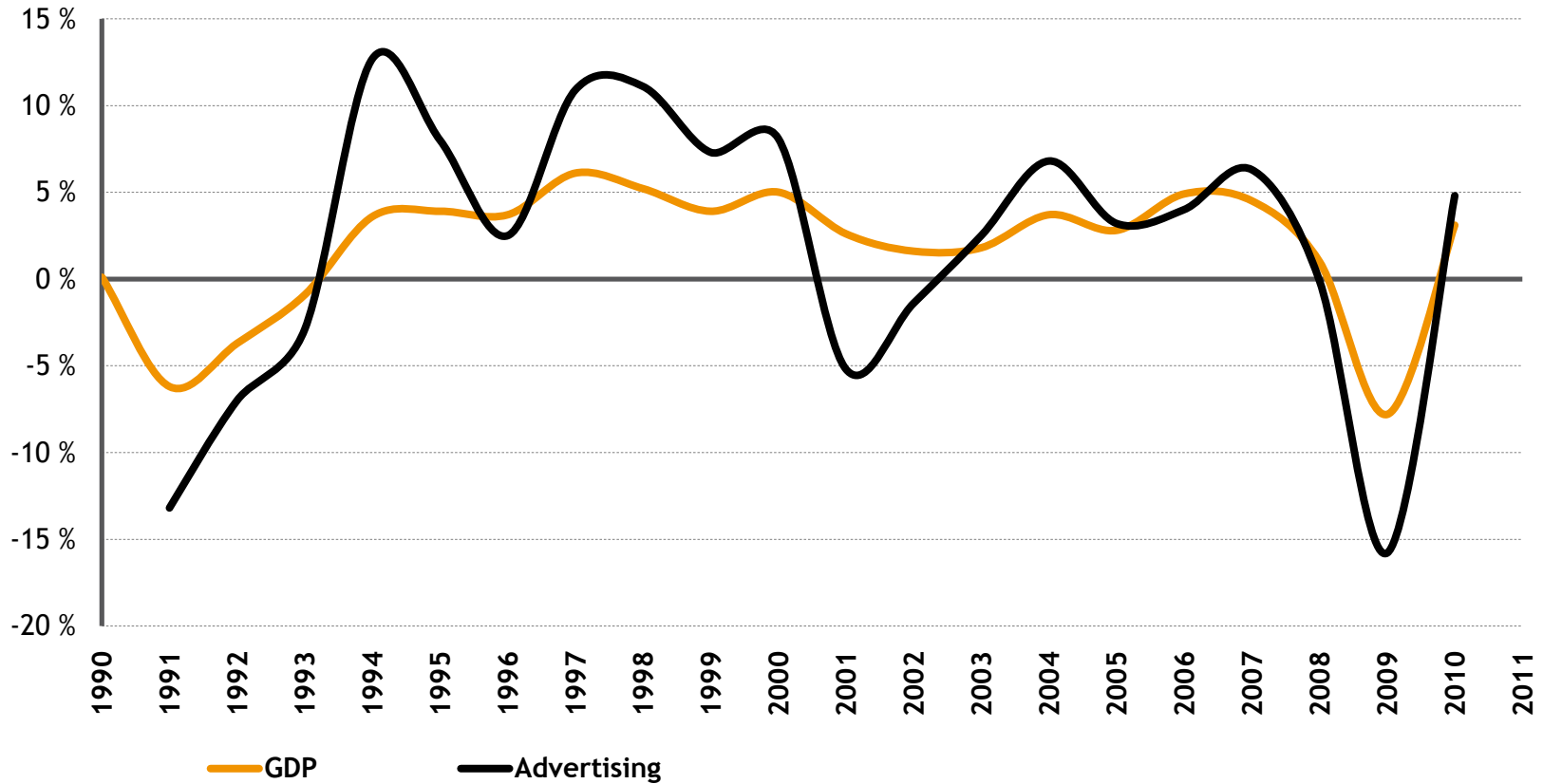
# Leading publishing and digital brands in Finland



A person wearing a green jacket, a striped beanie, 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, surrounded by tall evergreen trees. The scene is set in a forest with a mossy ground and a stone fire pit in the foreground.

# Key financials

# Advertising started to grow with GDP...



Sources: Statistics Finland, Advertisers' Council

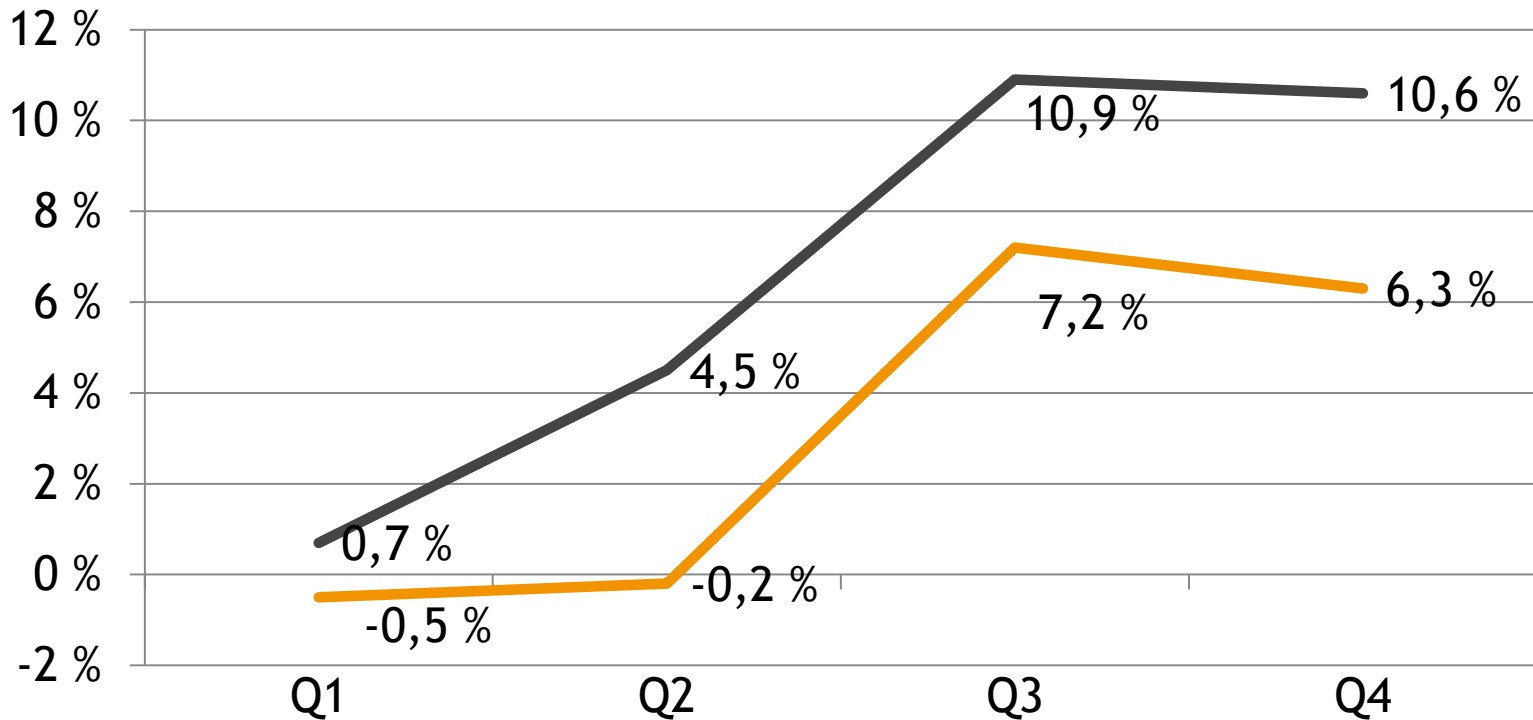
# 2010 was a very good year for tv and internet

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



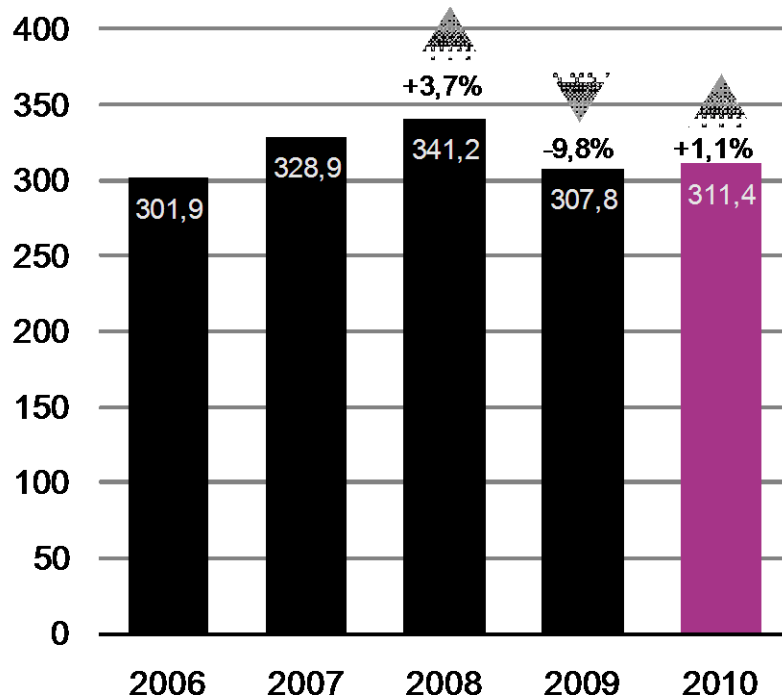
— Advertising — Newspaper advertising

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

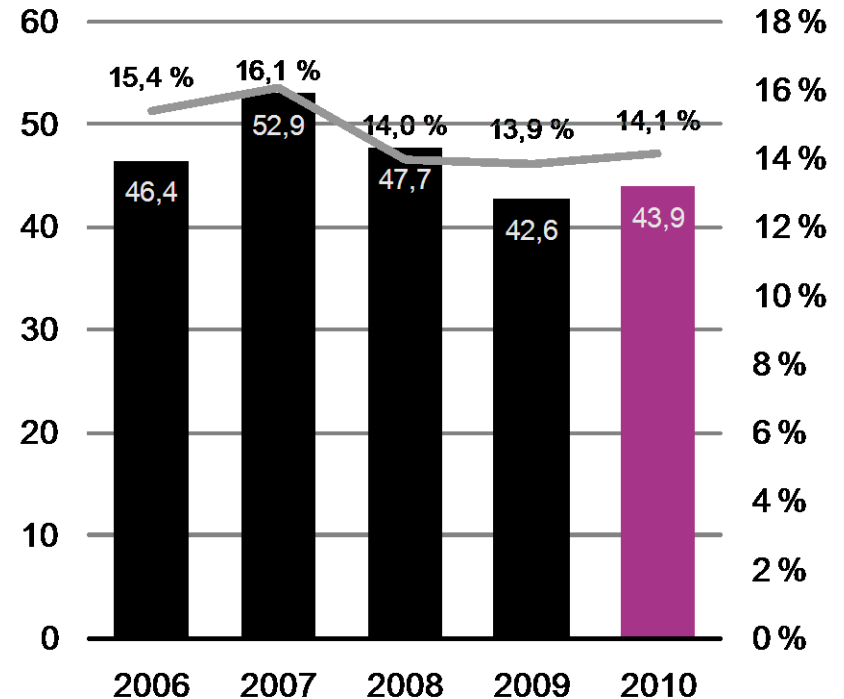
# Key figures 2006 - 2010, MEUR

w/o onetime items

## Net sales, MEUR



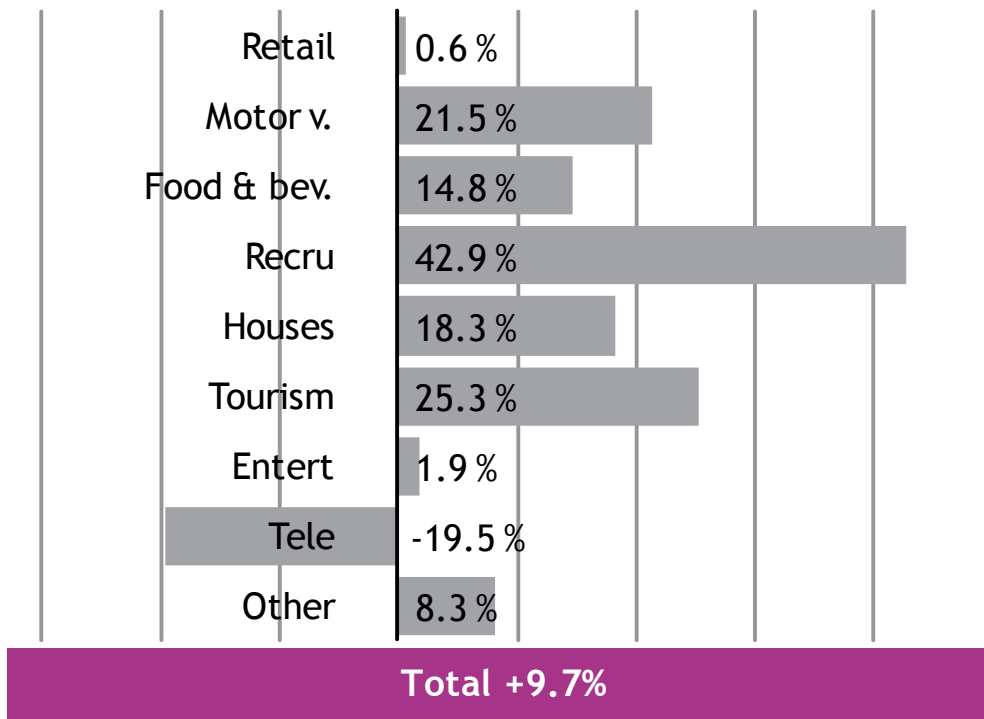
## EBIT, MEUR & %



# Q1: retailers still cautious in advertising

## Finnish advertising by branch Q1 / 2011

Total market; change from Q1 2010



Advertising in Q1 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	106
<b>Total</b>	<b>275</b>

Source: TNS Media Intelligence

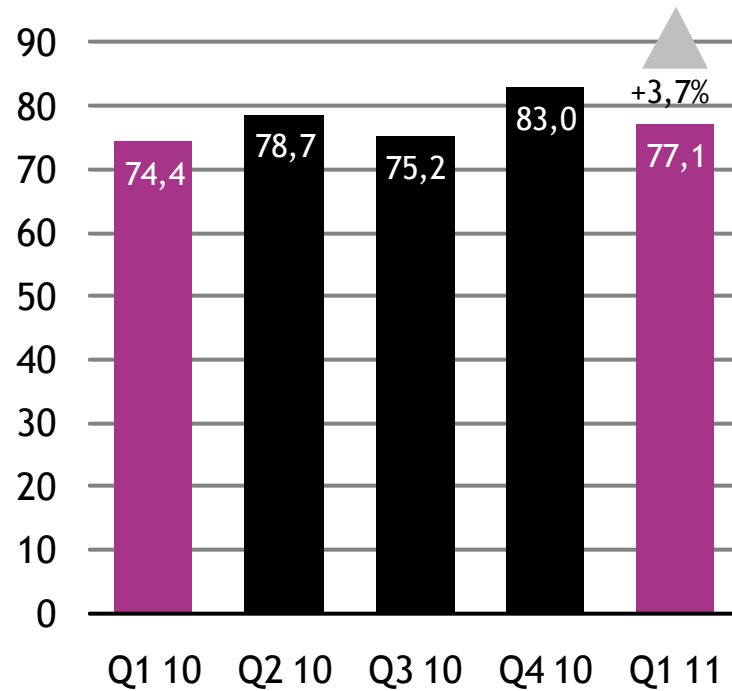
# Highlights Q1 2011

- 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.

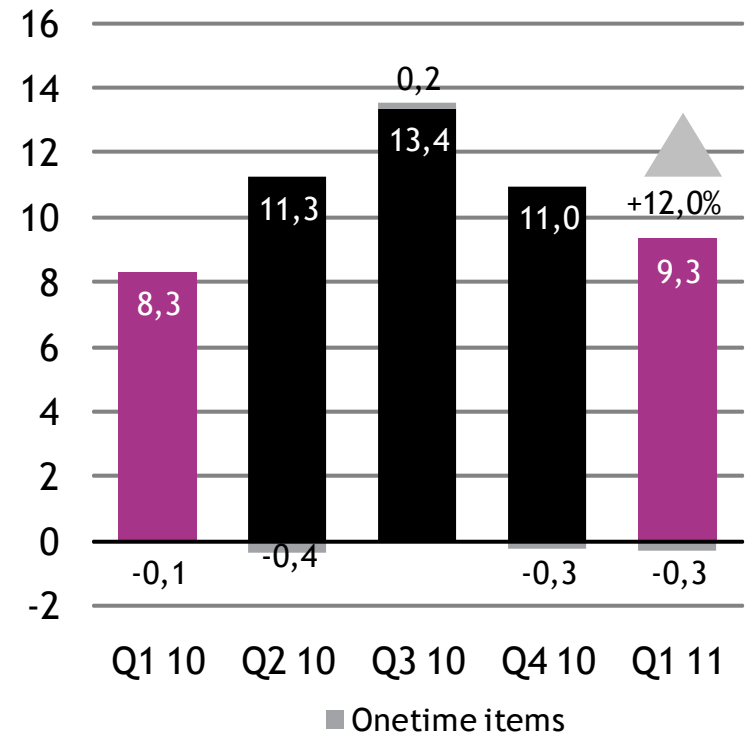
# Key figures Q1 2011

IFRS

Revenue, MEUR



EBIT, MEUR



# 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 (red, blue, 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. The overall scene is industrial and busy.

# Living the media transformation

# The industry transformation

## Technology

*digitalization, new channels, tablets*

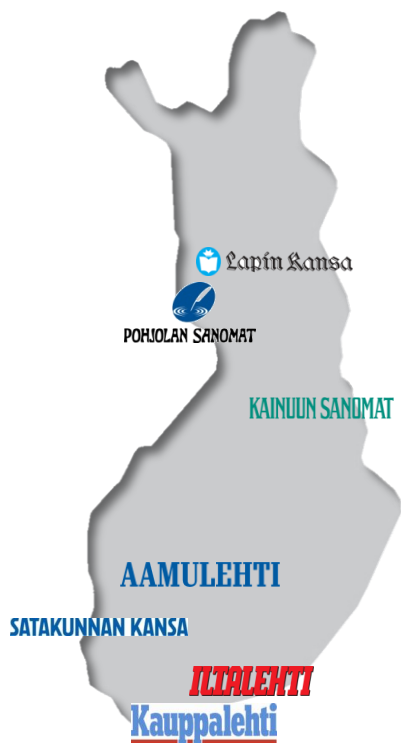
## Consumers / readers

*multi media usage, time constraints, fragmented life*

## Advertisers

*direct contact with consumers, new channels, ROI*

# Leading Finnish media group



Leading newspapers

## 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)



Top-of-mind online brands

**79 %**  
**Combined total reach**

Sources: National Media  
Survey,  
TNS Gallup, Alma Media

# 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**



**HELPOIT ILTALEHTI-RISTIKOT**



**VUODATUS.NET**



**ILTALEHTI nettiv**



**neffit**



**GAMELI**

2011 →

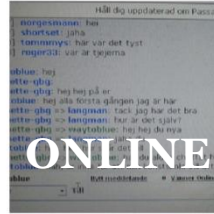
The largest online media in Finland.

- 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

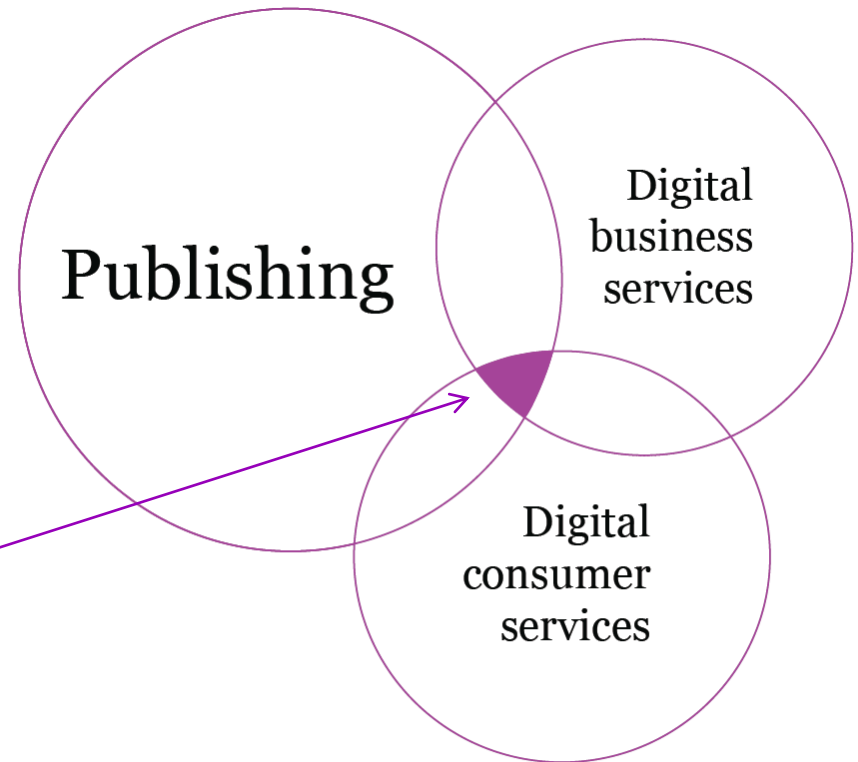


# Strategy navigating forward

# Strategy forward

## Strategic goals:

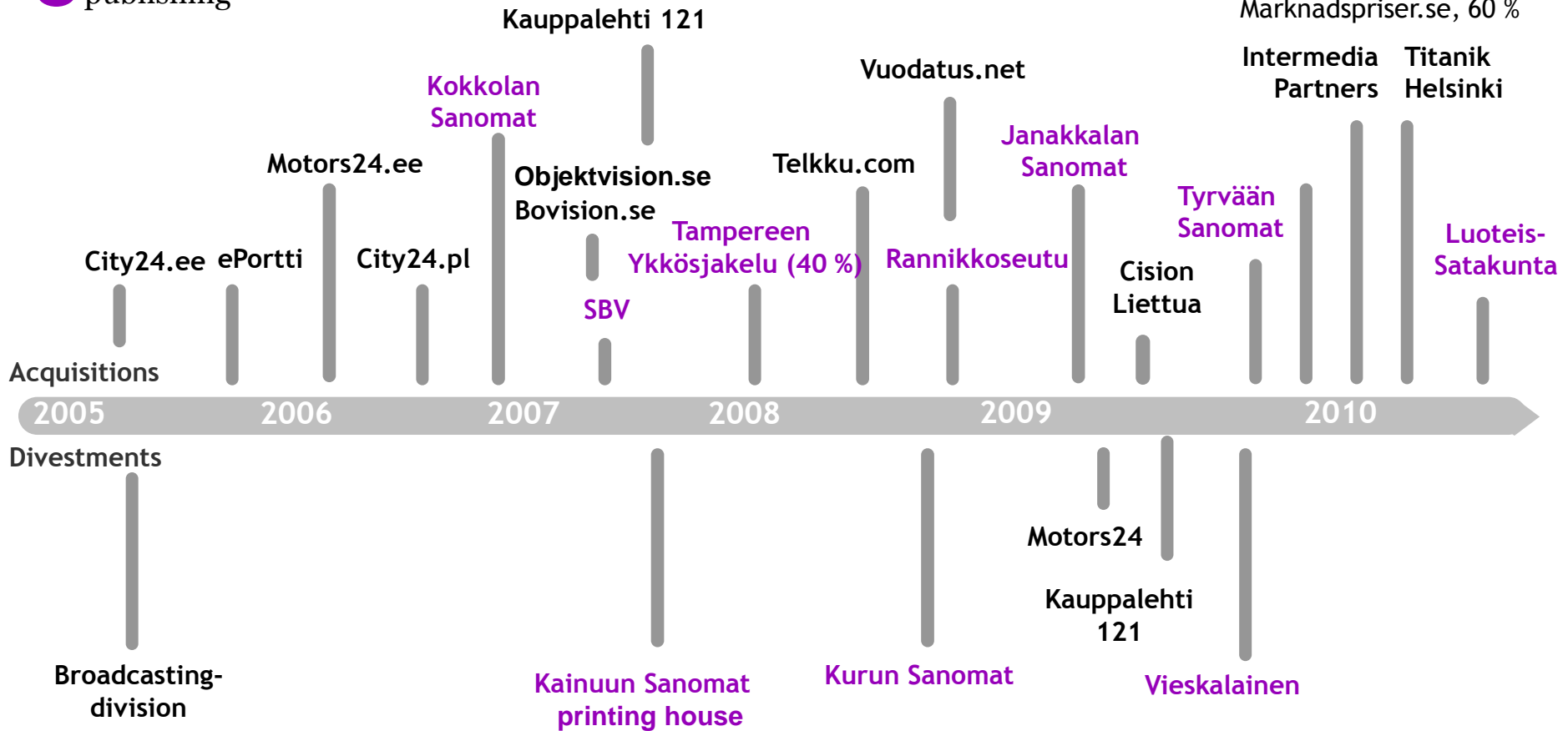
- Increasing revenue from digital consumer and business services through both organic growth and acquisitions.
- Strengthening existing products and services.
- Aggressively driving the remodeling of publishing brands into multimedia brands.
- Developing common core: expertise, management, organisation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

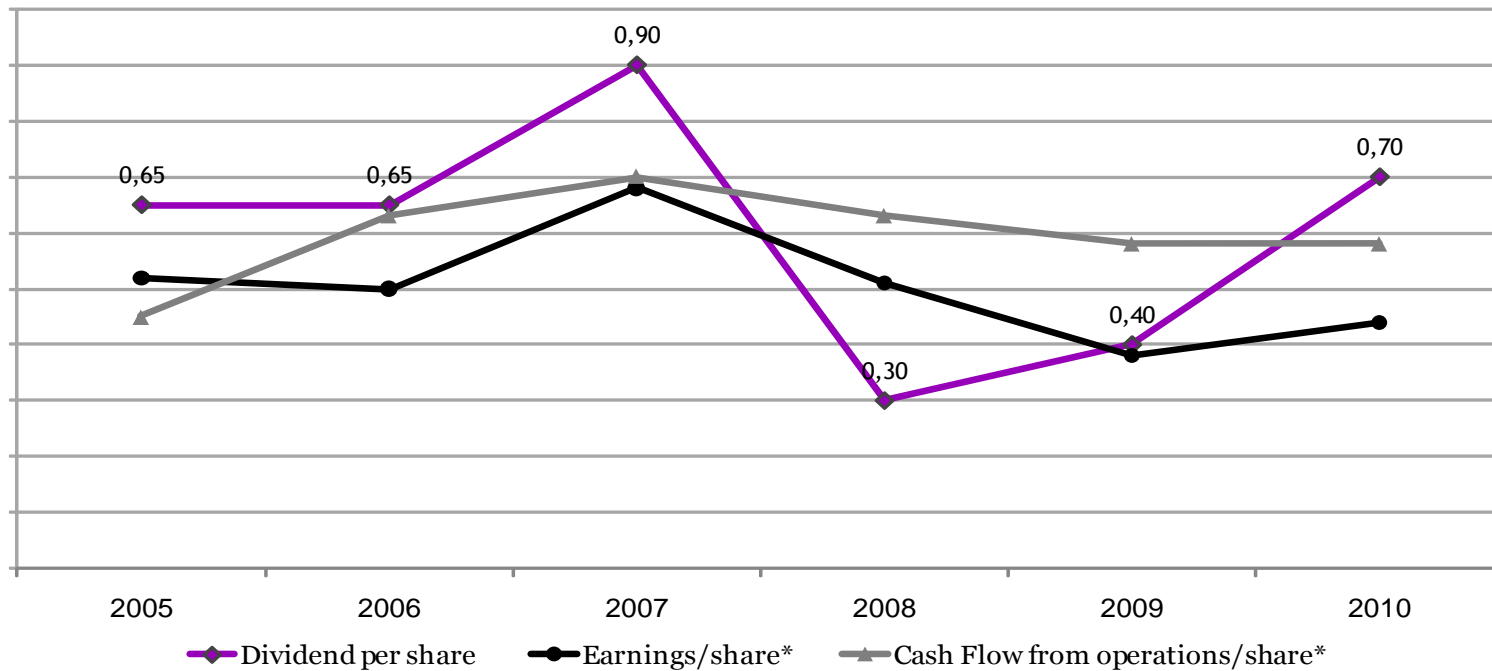


Alma Media is the most exciting provider of information, service and experiences. The company sets the stage for the future of media.

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.

Thanks! Questions?

# 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 %

# 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

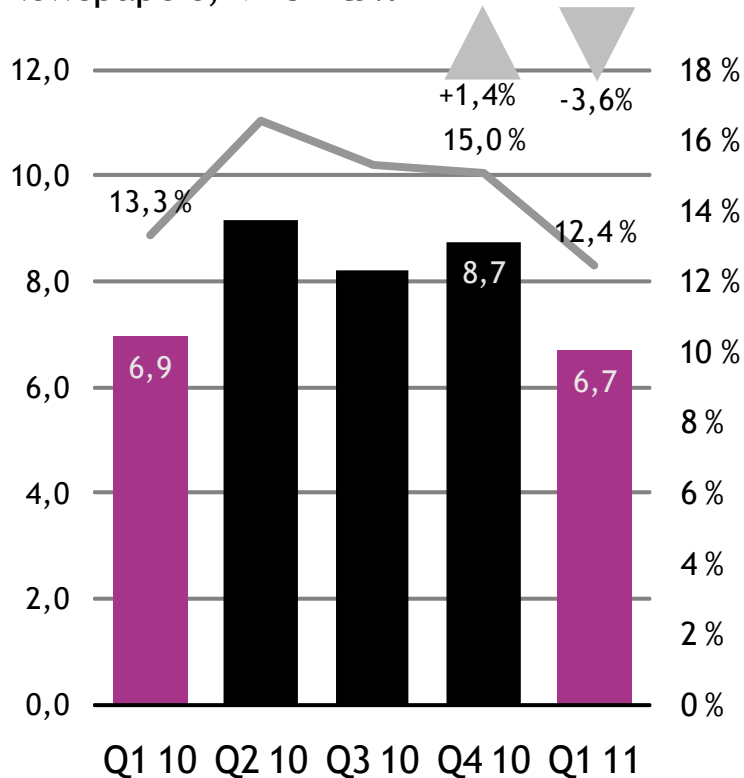
Apr 30, 2011

	% of shares and voting rights
1. Ilkka-Yhtymä Oyj	29.93
2. Varma Mutual Pens. Insurance	9.59
3. Mandatum Life	8.78
4. Kaleva Kustannus Oy	5.93
5. Kaleva Mutual Pens. Insurance	5.57
6 C.V. Åkerlund foundation	4.56
7. Oy Herttaässä Ab	3.31
8. Tapiola Mutual Pens. Insurance	2.47
9. Ilmarinen Mutual Pension Insurance	1.69
10. Veljesten Viestintä Oy	1.13

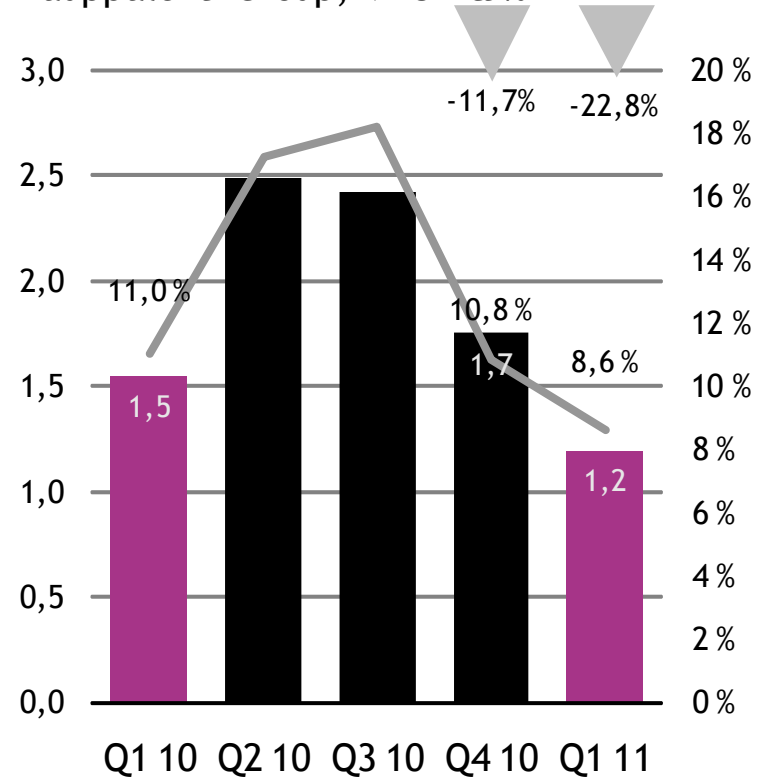
# EBIT by segment, MEUR

w/o onetime items

Newspapers, MEUR & %



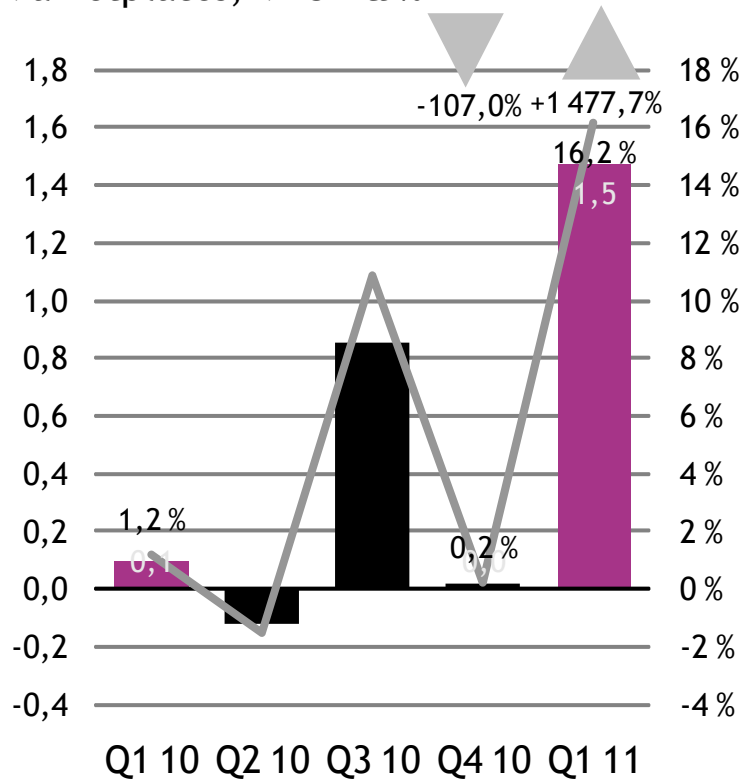
Kauppaletti Group, MEUR & %



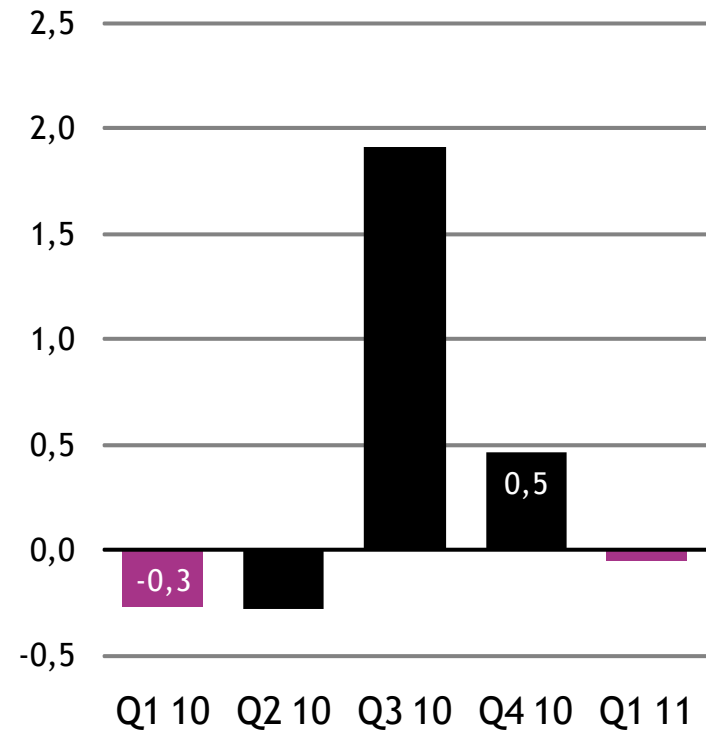
# EBIT by segment, MEUR

w/o onetime items

Marketplaces, MEUR & %

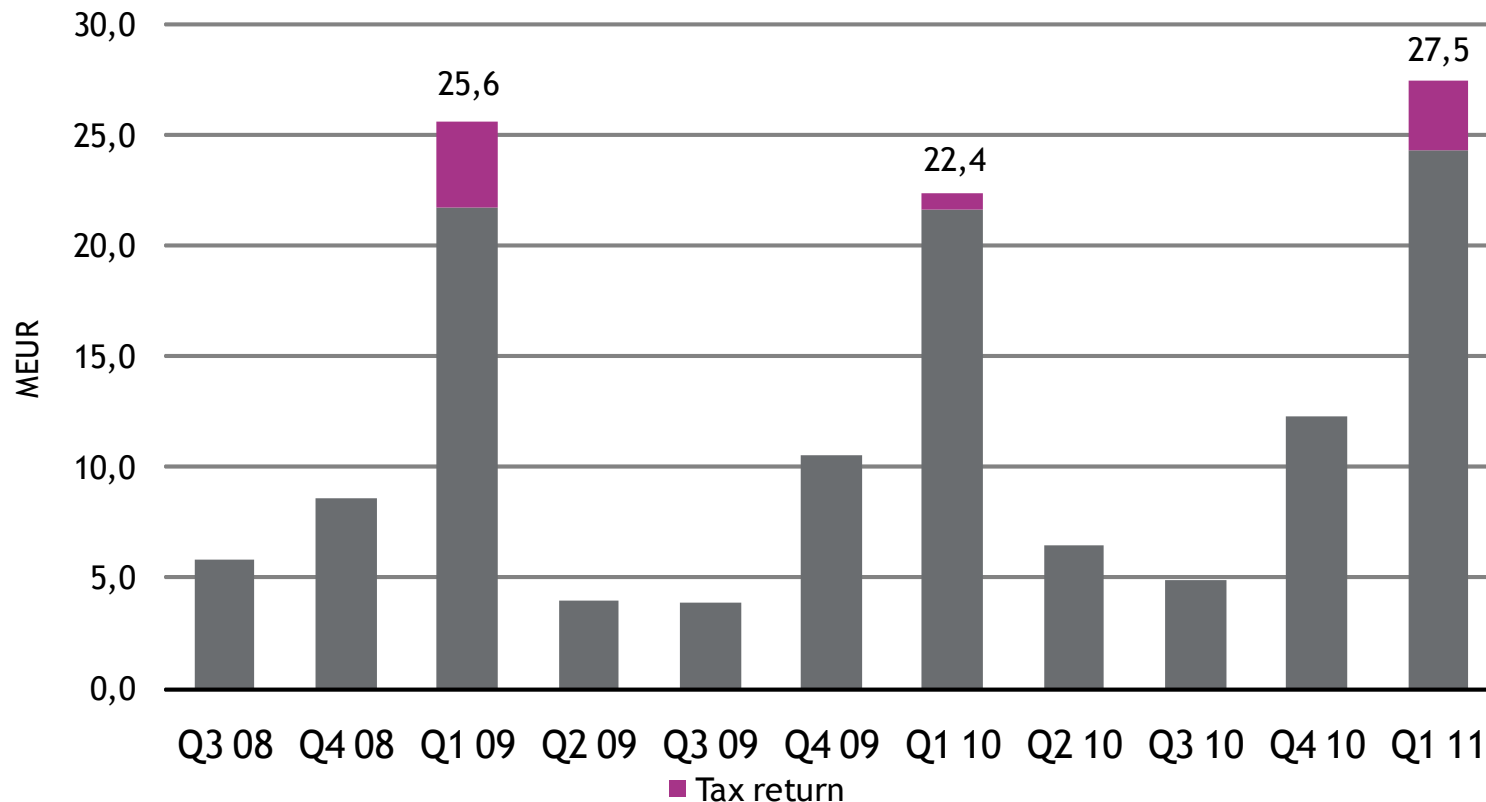


Other, MEUR

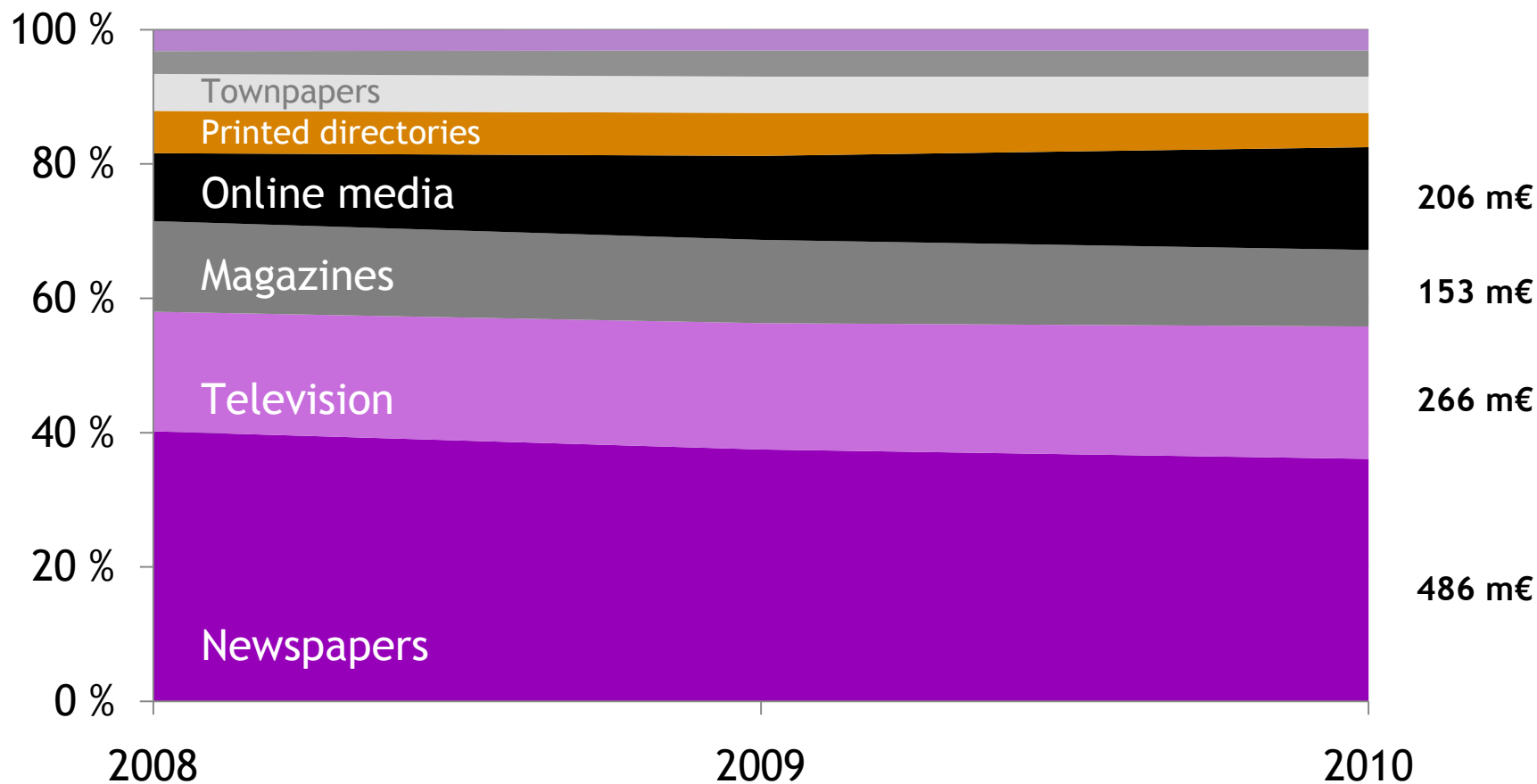


# Cash flow from operating activities

IFRS



# Printed newspaper remains a major media



The amount of media advertising 2008 - 2010