

# Alma Media

April 1 – June 30, 2006

ALMA | MEDIA





## Key figures Q2 2006 - ongoing operations

- Net sales 74.8 (73.5) MEUR
  - Divestment of NWS (0.7 MEUR), contract printing decrease (0.3 MEUR)
- EBIT 11.6 (9.5) MEUR
  - Strong performance in Marketplaces and Kauppalehti's subsidiaries
  - Cost savings from division structure dismantle and parent company restructuring
- EPS 0.12 (0.07) EUR
- Net debt -31.1 (Q4 2005 -13.2) MEUR
- Total balance sheet Q2 2006 252.3 (Q4 2005 243.6) MEUR
- Market cap March Q2 2006 548.4 (Q4 2005 573.0) MEUR



## Highlights Q2 2006

- Alma Media Newspapers' profitability at good level despite decline in newspaper advertising market in Q2
  - Healthy development in circulation sales
  - Nationwide Kärkimedia advertising sales disappointing
- Strong growth and internationalization continues in Marketplaces
  - Improved sales growth and profitability in domestic operations
- Kauppalehti acquired marketing services company "121" and Finnish Business Communications Ltd
  - Acquisitions complement Kauppalehti group's B-to-B information offering
  - The new units reduce dependency on media advertising

# Market

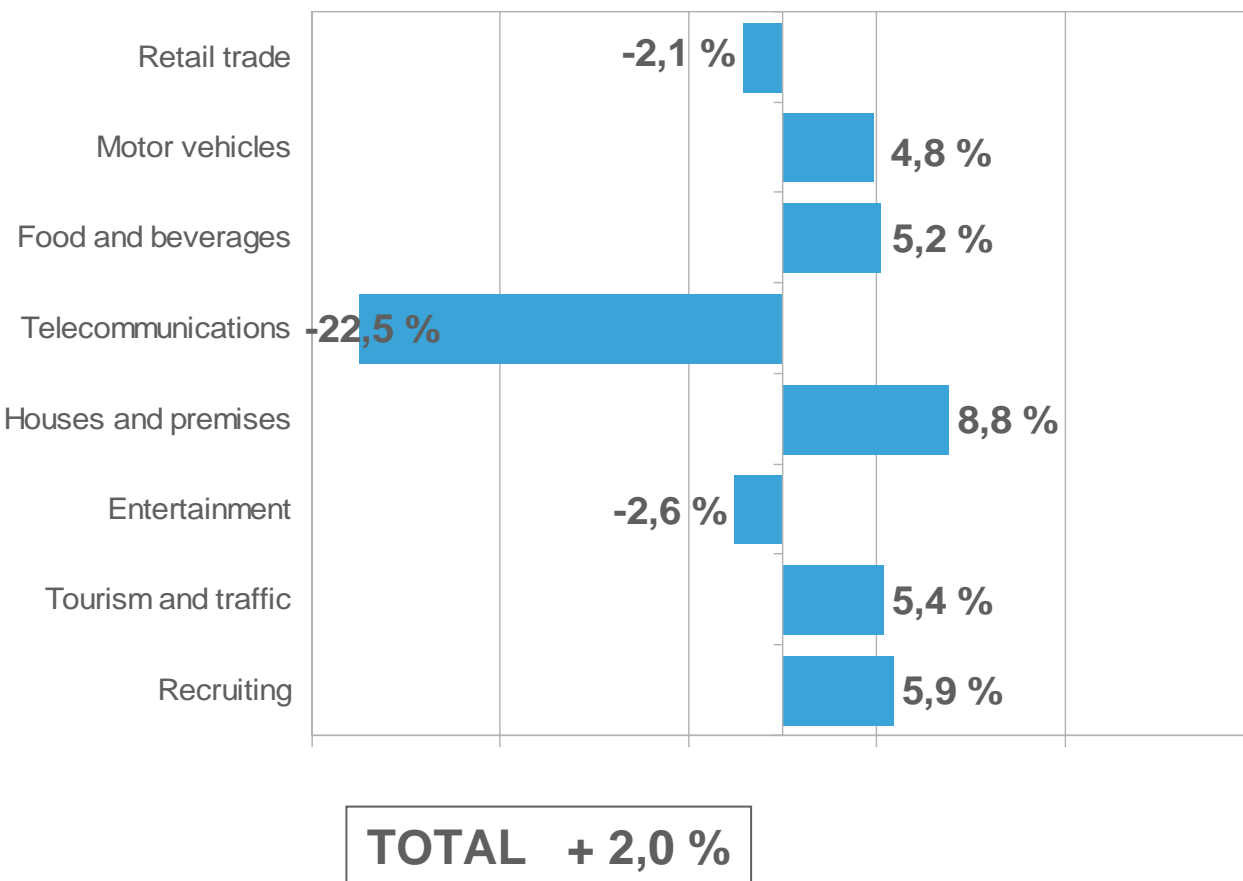






# Most advertised branches Q2 2006

## Total market

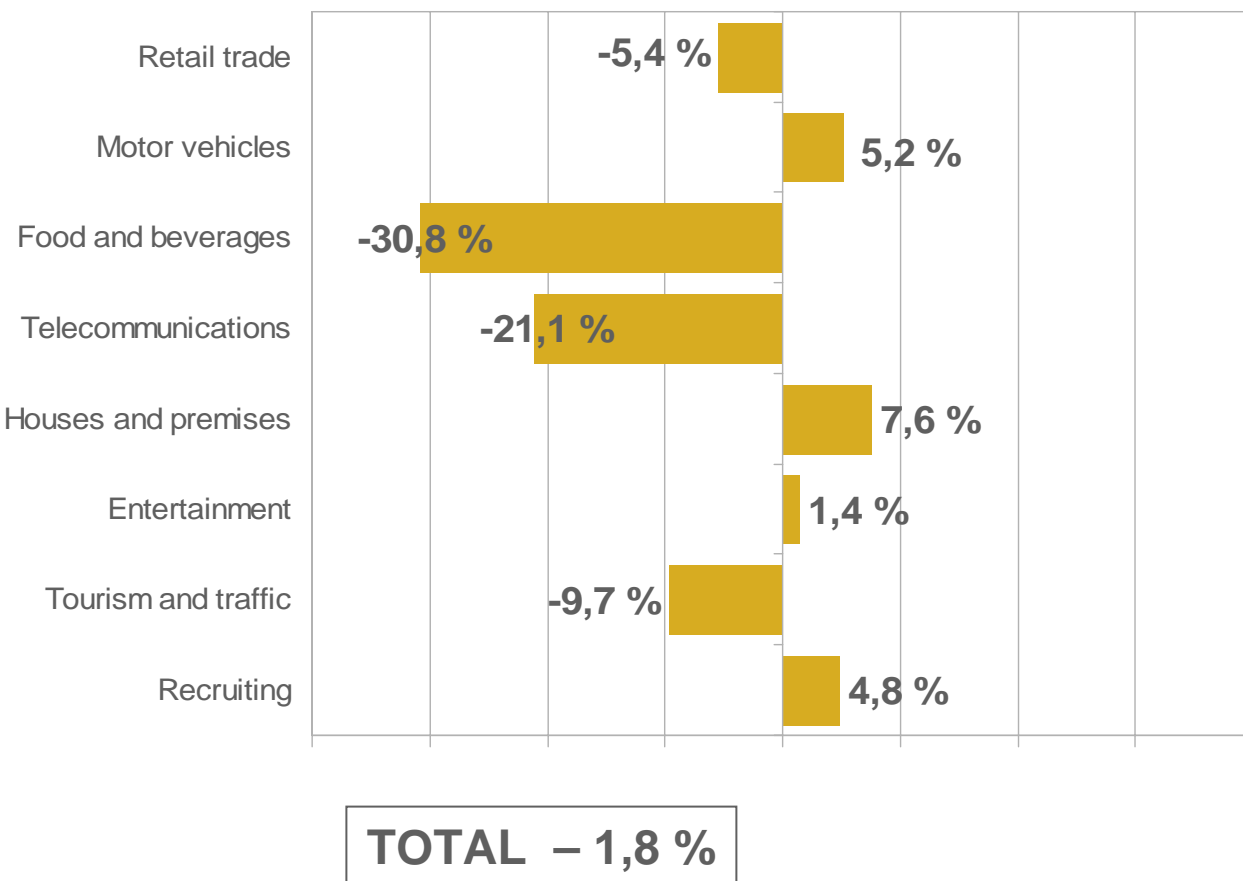


Adv. volumes 4-6/06	MEUR
Retail trade	64
Motor vehicles	31
Food and beverages	26
Telecommunications	14
Houses and premises	16
Entertainment	12
Tourism and traffic	13
Recruiting	13
Others	106
<b>TOTAL</b>	<b>295</b>

Source: TNS Gallup Oy Adex



## Most advertised branches Q2 2006 Newspapers total



Adv. volumes 4-6/06	MEUR
Retail trade	52
Motor vehicles	20
Food and beverages	2
Telecommunications	6
Houses and premises	13
Entertainment	7
Tourism and traffic	6
Recruiting	10
Others	41
<b>TOTAL</b>	<b>157</b>

Source: TNS Gallup Oy Adex

# Business areas Q206





## Newspapers Q206

- **Net sales 54.8 (54.9) MEUR**
  - Circulation sales up 2.8%
    - Tabloid market down 1.8 %, Iltalehti circulation up 2,8% and market share 41.5% (39.6%)
  - Advertising sales down 0.4 MEUR
    - Alma Media Newspapers outperformed the market
    - Iltalehti +2.9 %
    - Ilona has a positive effect on Iltalehti's circulation
  - Contract printing -0.4 MEUR
  
- **EBIT 9.7 MEUR, 17.7% (9.8 MEUR, 17.9 %)**
  - Investments in free sheet Tori, Aamulehti's Sunday edition and Ilona burdened profitability



*Emphasis in circulation marketing is on the youth.*



*Telecom and retail decreased their ad spending.*

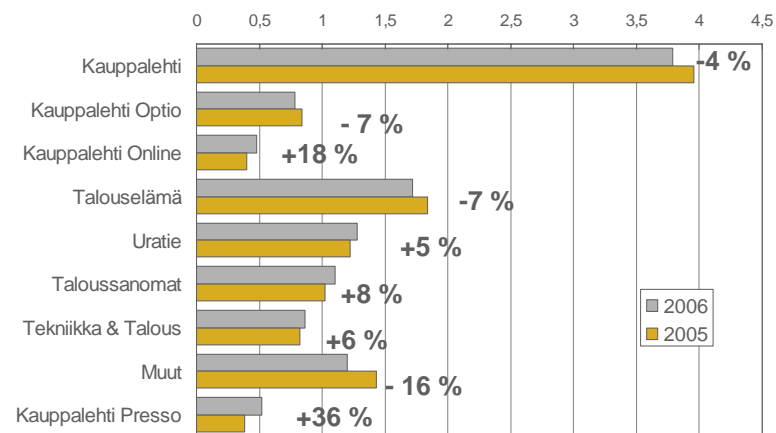


## Kauppalehti group Q206

- Net sales up 11.5 %, 14.6 (13.1) MEUR
  - Circulation income + 3.8 %
    - Healthy development in Kauppalehti subscriptions
  - Advertising income - 3.2 %, B-to-B total market - 2,2 %
  - ePortti +0.9 MEUR
  
- EBIT 1.6 MEUR, 10.7% (1.0 MEUR, 7.1%)
  - Alma Media Lehdentekijät and Baltic News Service grow profitably
  - The new acquisitions contribute positively to Kauppalehti group's full year EBIT



*Finnish Business Communications strengthens Lehdentekijät media sales for corporate publications and 121 operates in one-to-one marketing.*



Source: TNS Gallup Oy Adex

*Weak quarter for Kauppalehti business paper media sales. Presso performed well and cut its loss to half.*



# Financials Q206





## Key figures Q206– ongoing operations

- Net sales 74.8 (73.5) MEUR
  - Circulation income + 3.0 % (+0.9 MEUR)
  - Advertising income + 1.3 % (+0.4 MEUR)
  - Printing income, -34.2 % (-0.3 MEUR)
  - Other income + 5.6 % (+0.3 MEUR)
- EBIT 11.6 (9.5) MEUR
  - EBIT-margin 15.6 (12.9) %
- Equity ratio 57.9 %, gearing –23.2 %
- Total balance sheet 252.3 MEUR

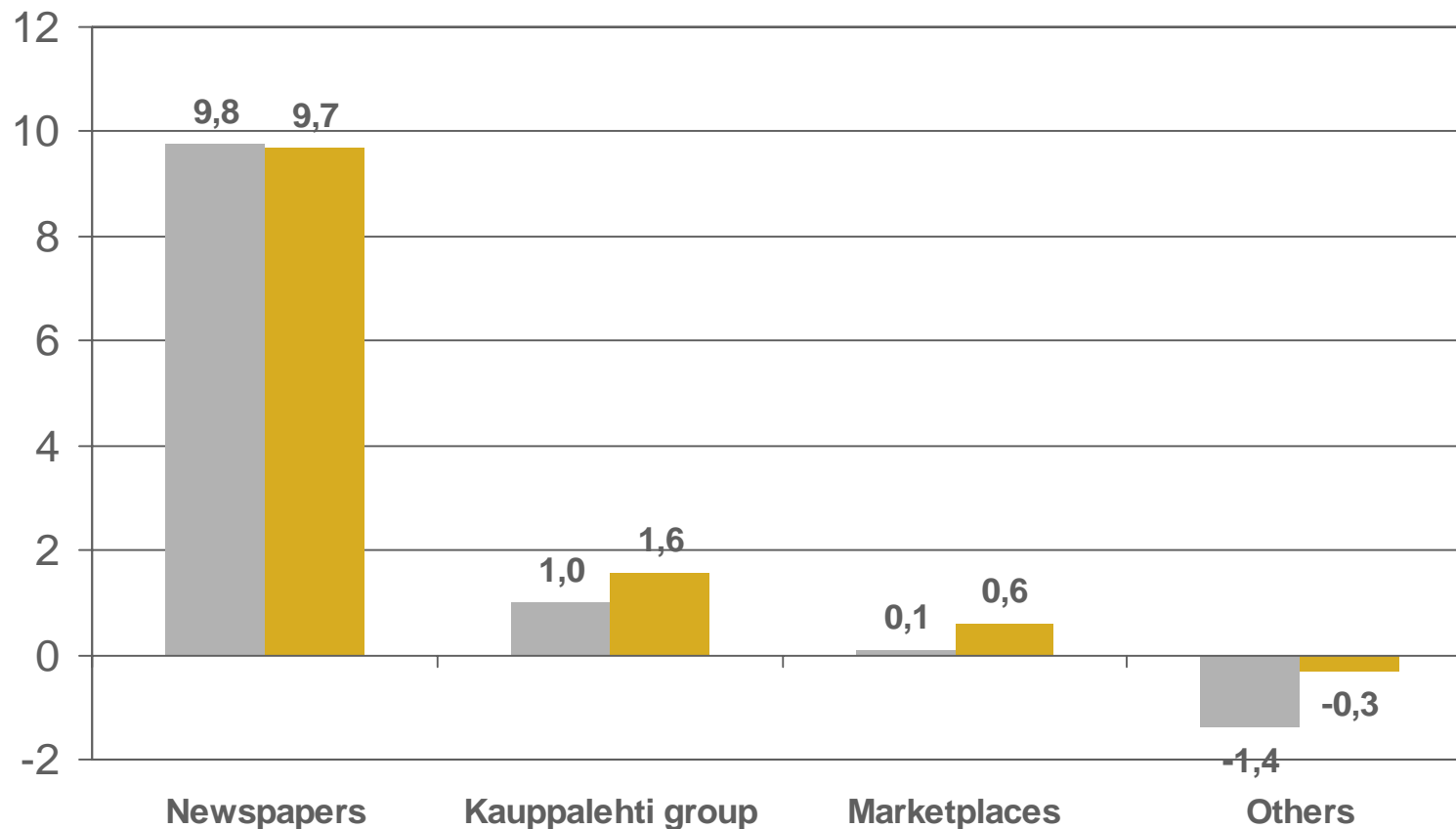






# EBIT: Q2 by business area, MEUR

## Ongoing operations



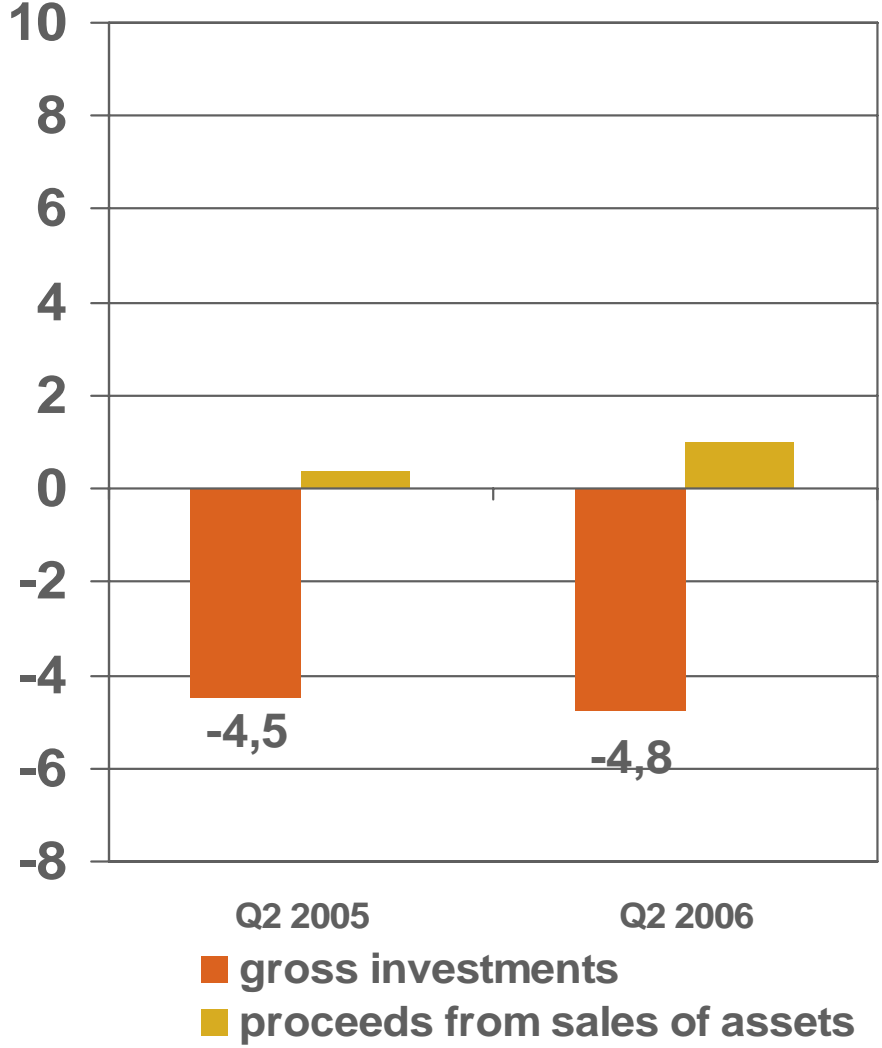
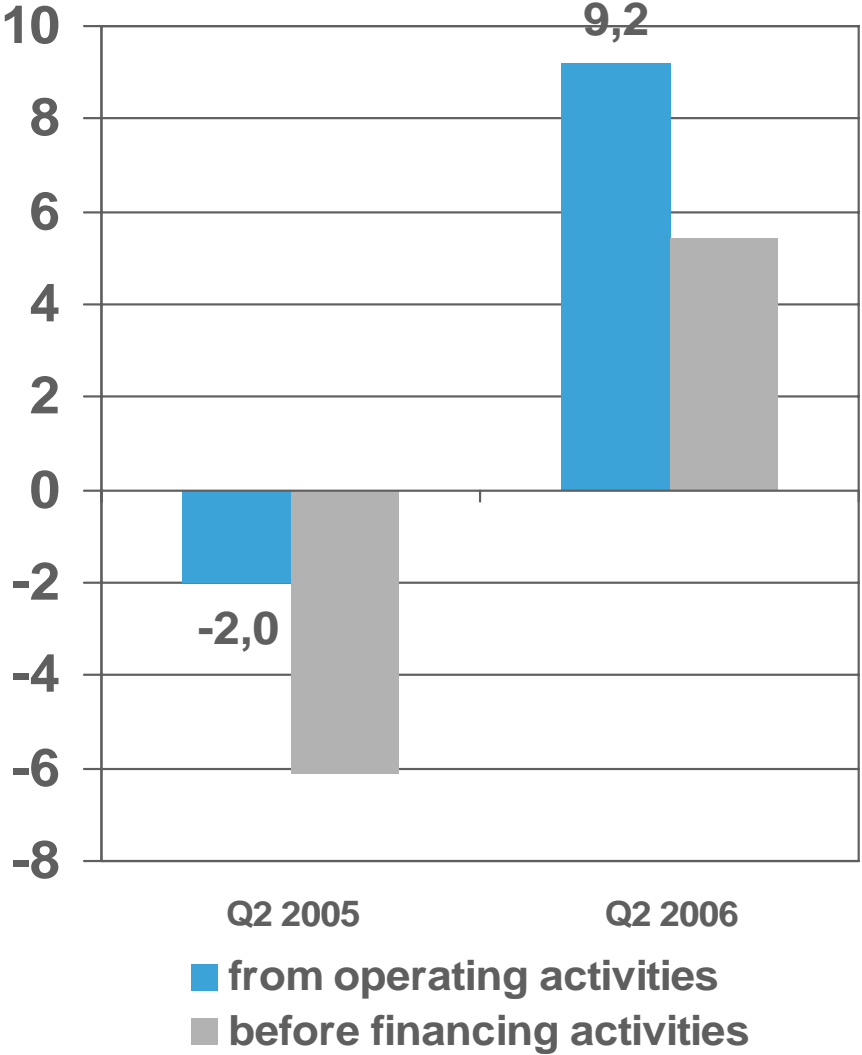
EBIT% Q205	17,9	7,1	1,7	-
EBIT% Q206	17,7	10,7	10,8	-

■ EBIT Q205 ■ EBIT Q206



# Cash flow and investments, MEUR

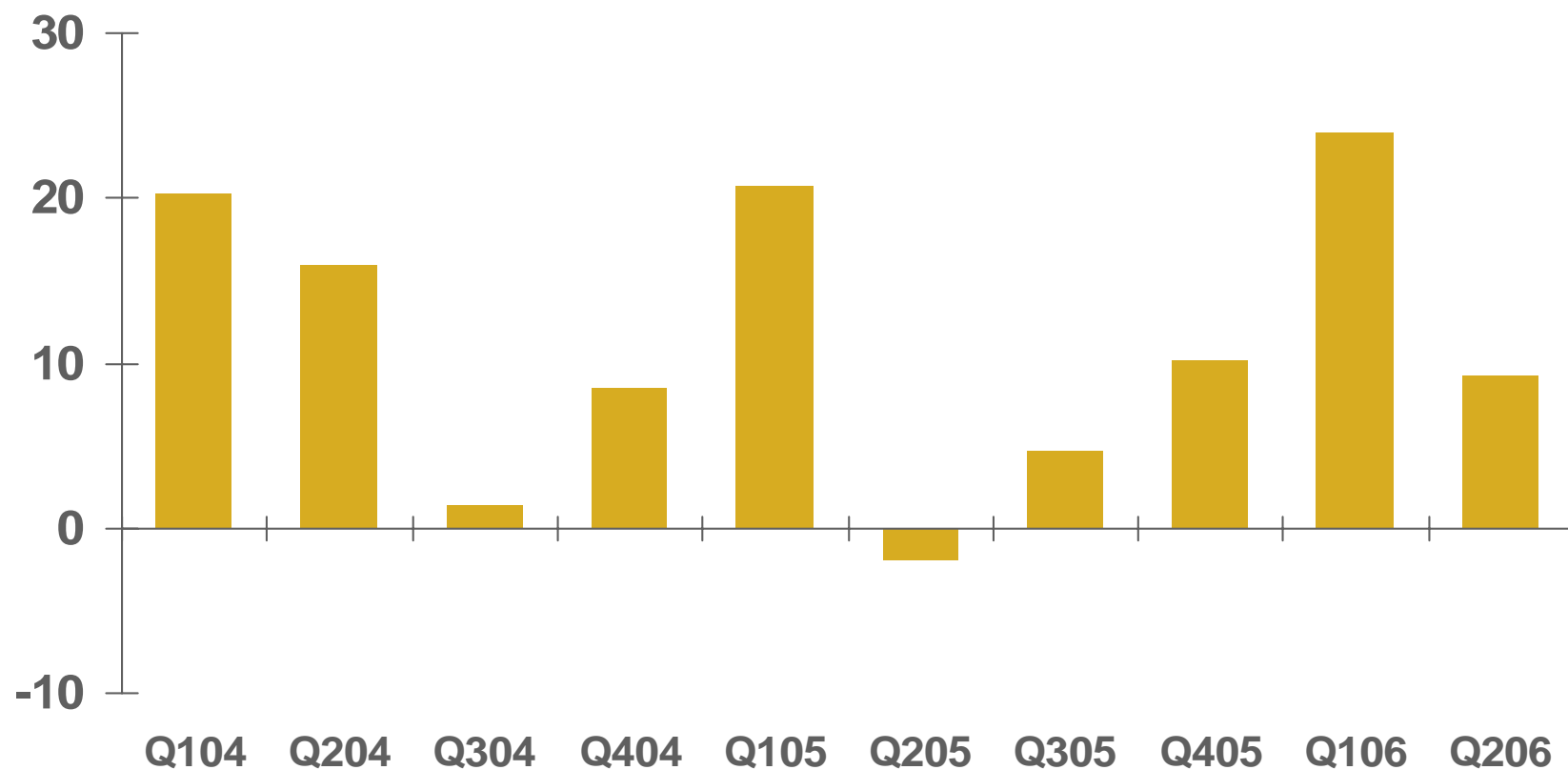
## Ongoing operations





# Cash flow from operating activities, MEUR

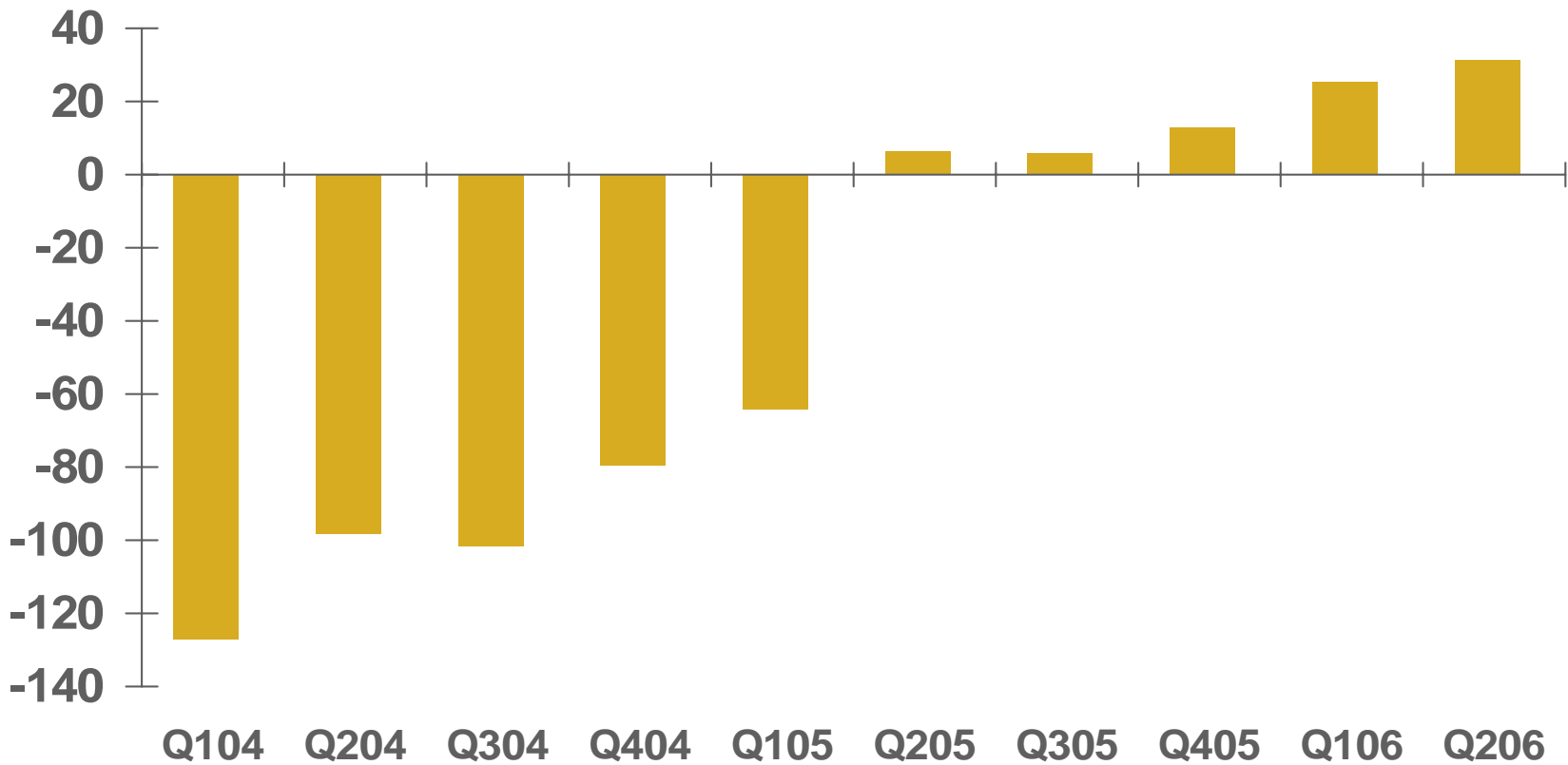
## Ongoing operations





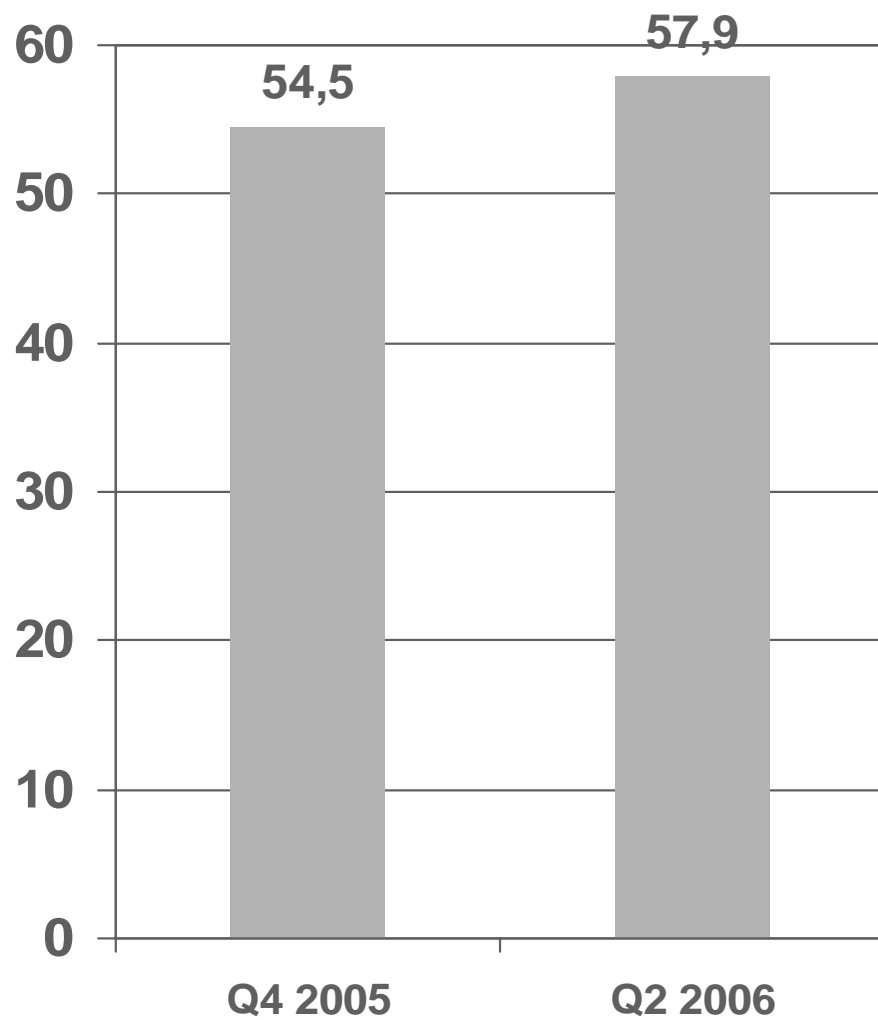
# Net debt, MEUR

Q104-Q305 adjusted to current structure

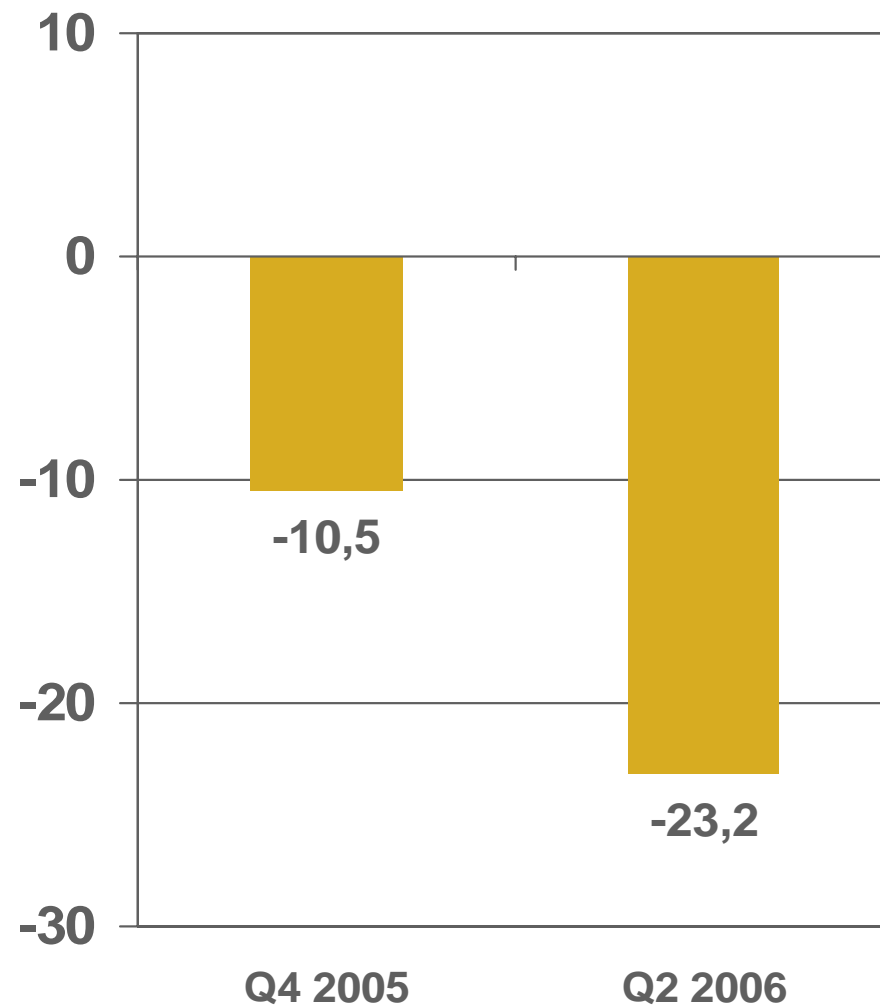




## Equity ratio and gearing, %



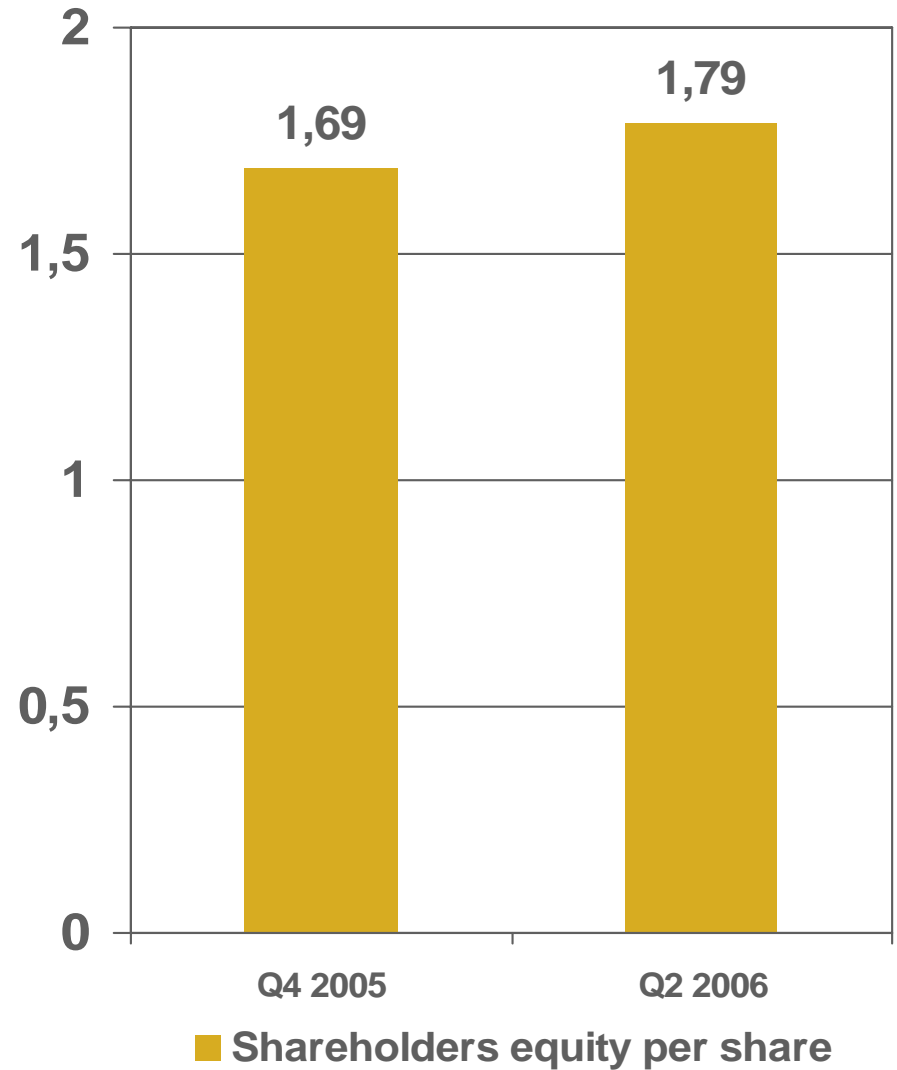
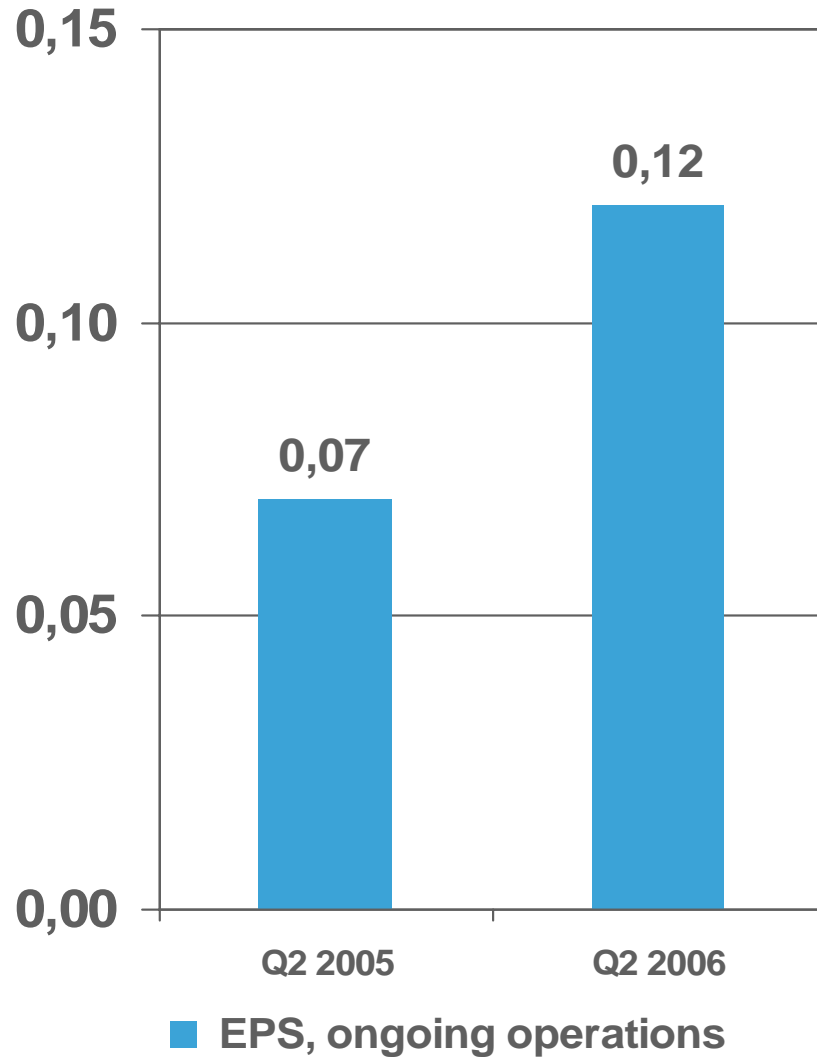
■ Equity ratio %



■ Gearing %



## EPS and shareholders' equity per share (EUR)





## Capital Repayment Schedule

- Payment date August 23, 2006
- Record date August 18, 2006
- Stocks purchased before the close of trading on August 15 receive capital repayment

# Outlook 2006





## Outlook 2006

- Newspaper media market growth is expected to slow down in second half of 2006
- Full year group net sales higher than 2005
- Full year operating profit above the 2005 level

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