

# Alma Media

October 1 – December 31, 2005

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## Key figures 2005 - ongoing operations

- Net sales 285.9 (283.6) MEUR
  - Contract printing decrease, divestment of NWS
- EBIT 42.3 (37.0) MEUR
- EPS 0.52 (0.30) EUR
- Net debt –13.2 (79.2) MEUR
- Total balance sheet December 31 243,6 (354,8) MEUR
- Market capital December 31 573.0 (715.5) MEUR



## Highlights 2005

- Good year for Newspapers business area
  - All-time high EBIT 38,9 MEUR (35,7 MEUR) in moderate market conditions
- Stronger H2 performance turned Kauppalehti-Group back to profitable growth
  - Presso, ePortti and 121 Oy in line with targets
- Net sales of online Marketplaces + 56 %
  - Alma Media Group's advertising income grew faster than the market due to continuous growth in online advertising
- Divestment of the Broadcasting-division
  - Lean organization structure



## Strategic agenda 2005

- Focused strategy
  - Chains and team play
  - Division structure dismantle
  
- Identifying opportunities for future growth
  - Key role in Finnish printed media consolidation
  - Searching growth from faster growing markets than Finland
  - Marketplaces act as spearhead

# Q4 2005

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## Highlights Q405

- Almanova/Alma Media merged on November 7
- Temporary decline in the newspaper advertising market in Q4. Alma Media gained market share.
- All-time high EBIT margin (21.1%) for Alma Media Newspapers
- Kauppalehti-Group's EBIT excluding one-time items exceeded clearly last year's level.
- Strong growth continues in Marketplaces' online services
  - Total growth + 23 %, Online services + 56%

# Market

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## Media advertising Alma Media vs. market Q4 2005

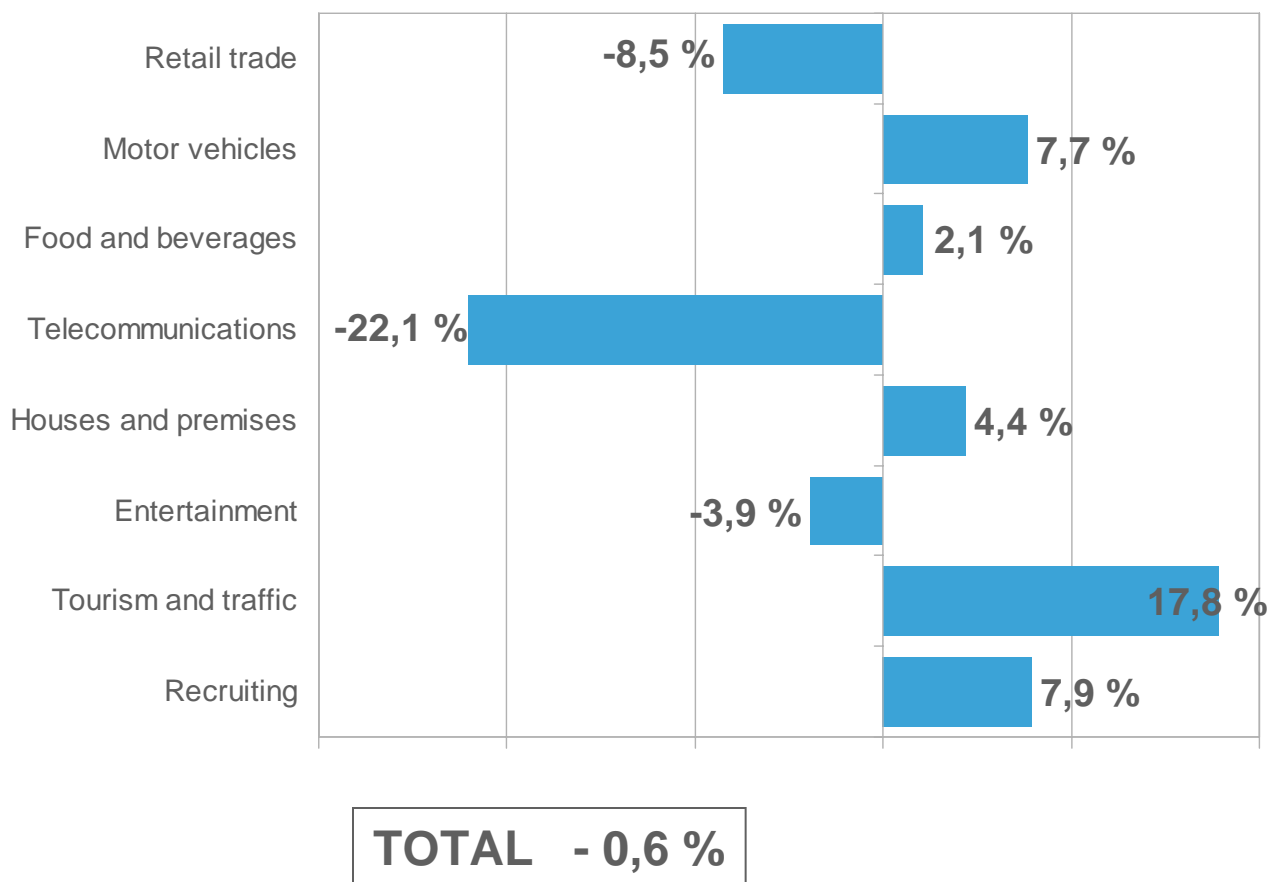
Change, %	Market Q405 *	Alma Media Q405 **
Newspapers	-6.9	-0.7
Magazines	7.1	-
Television	7.3	-
Radio	-8.0	-
<b>TOTAL</b>	<b>-0.6</b>	<b>1.1</b>

**Alma Media Classified + 24.6 %**

Source: \* TNS Gallup Oy Adex / \*\*Alma Media



## Most advertised branches: October – December 2005



Adv. volumes 10-12/05	MEUR
Retail trade	70
Motor vehicles	25
Food and beverages	19
Telecommunications	18
Houses and premises	12
Entertainment	11
Tourism and traffic	12
Recruiting	11
Others	114
<b>TOTAL</b>	<b>292</b>

Source: TNS Gallup Oy Adex

# Business areas Q405

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## Newspapers Q405

- **Net sales 55.4 (56.4) MEUR**
  - Contract printing -0.5 MEUR
  - Circulation sales up 1.8% in subscribed newspapers
    - Tabloid market down 3.8 %, Iltalehti market share 40.2% (39.6%)
  - Advertising sales down 0.5 MEUR
    - Group's newspapers performed better than the market on average
    - Total retail trade advertising - 8.5%
    - Local elections in Q404
    - Iltalehti + 10.5%, IL Online sales + 85.3%
- **EBIT 11.7 MEUR, 21.1% (10.4 MEUR, 18.5 %)**
  - All-time high EBIT for Aamulehti
  - Dismantling of division structure lowered administrative costs



*All Iltalehti products have been renewed during 2005 which resulted in growth in market share and media sales.*



*The main cause for the decrease in advertising income was declining advertising of the retail and telecom sectors*

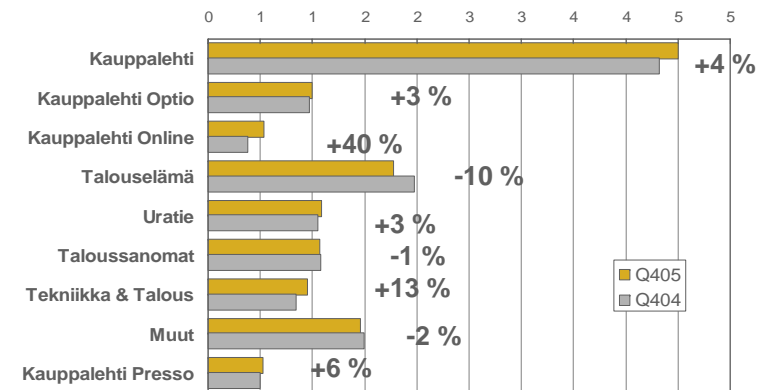


## Kauppalehti Group Q405

- Net sales up 14,2 %, 15.9 (14.0) MEUR
  - Strong Q4 compensated weaker than expected performance during H1
  - Circulation income + 10.2 %
  - Advertising income + 7.9 %
  - Other income + 46.1%
  - Presso Q4 in line with targets
    - Subscribed circulation 11 000 copies
    - Total circulation including Kauppalehti subscribers 50 000 copies
- EBIT 3.9 MEUR, 24.7% (1.1 MEUR, 7.9%)
  - Capital gain 0.8 MEUR due to Talentum share capital increase (IFRS)
  - Presso's loss decreased 0.5 MEUR to Q404



*Kauppalehti renewed the whole product family.*



*Good quarter for Kauppalehti business paper but volatility in the market is increasing.*



## Marketplaces Q405

- Comparable net sales up to 4.3 (3.5) MEUR, + 23.2%
  - Reported net sales 5.0 (5.7) MEUR
    - Autotalli.com + 67.6%
    - Monster.fi + 91.1%
    - Mascus.com + 9.2%
    - Etuovi.com - 3.4 %, (fewer printed issues in Q4, online sales +22 %)
    - City24.ee + 60.7 %
- EBIT 0.2 (-0.1) MEUR
  - Very strong quarter for monster.fi
  - Investments to technical platforms strained profitability
  - City24 in Estonia, Latvia and Lithuania together close to breakeven



*Monster launched first virtual recruitment fair.*



*Autotalli.com and monster.fi are the most profitable profit centers of Alma Media group measured by EBIT margin.*



# Financials Q405

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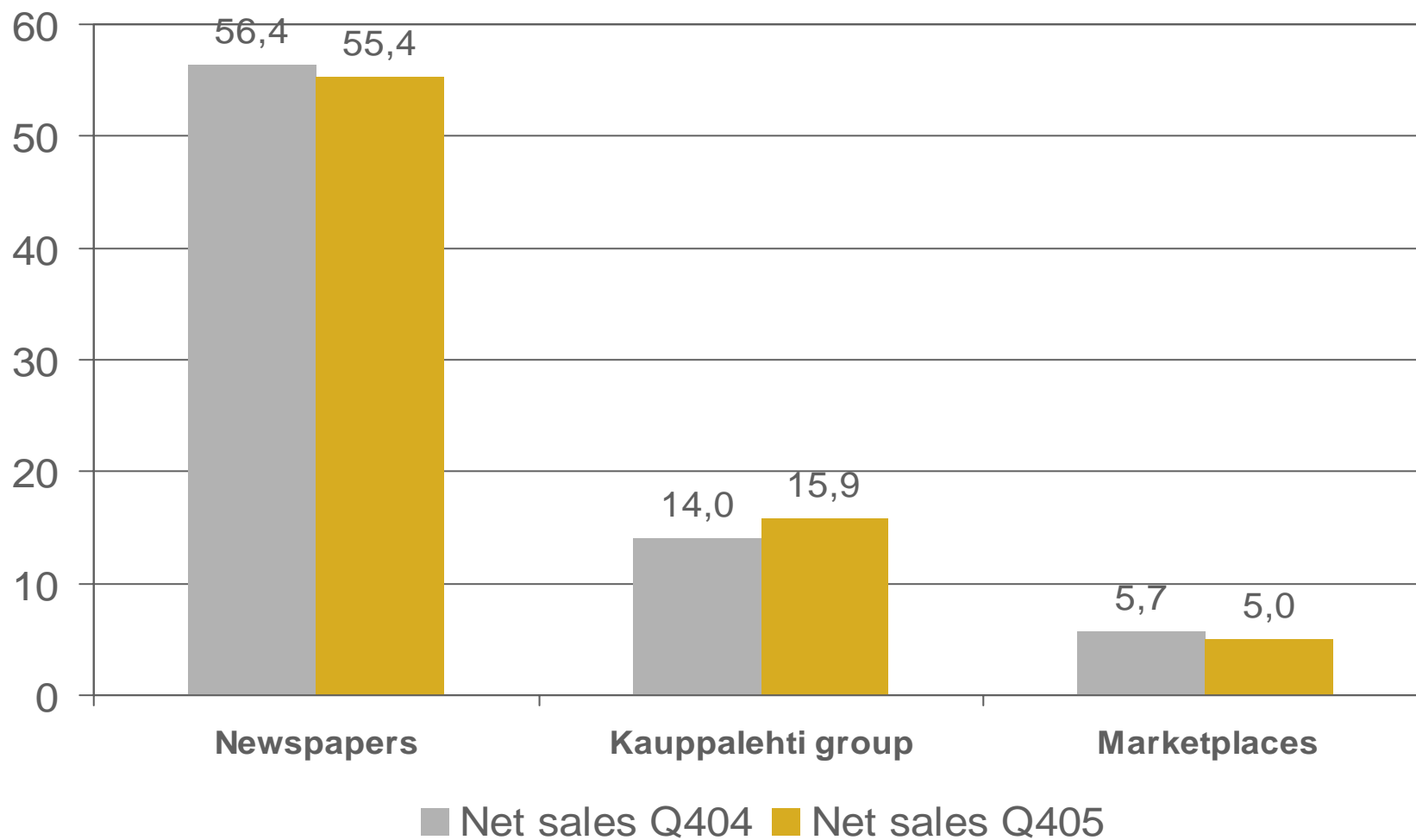
## Key figures Q405– ongoing operations

- Net sales 75.6 (76.5) MEUR
  - Circulation income + 1.8 % (+0.5 MEUR)
  - Advertising income + 1.1 % (+0.4 MEUR)
  - Printing income, -29.0 % (-0.5 MEUR)
  - Other income –19.3 % (-1.4 MEUR)
- EBIT 14.7 (9.2) MEUR
  - EBIT-margin 19.5 (12.0) %
  - Share capital increase in Talentum caused capital gain 0.8 MEUR due to IFRS accounting treatment
  - Total balance sheet 243.6 MEUR
- Equity ratio 54.5 %, gearing –10.5 %



## Net Sales Q4 by business area, MEUR

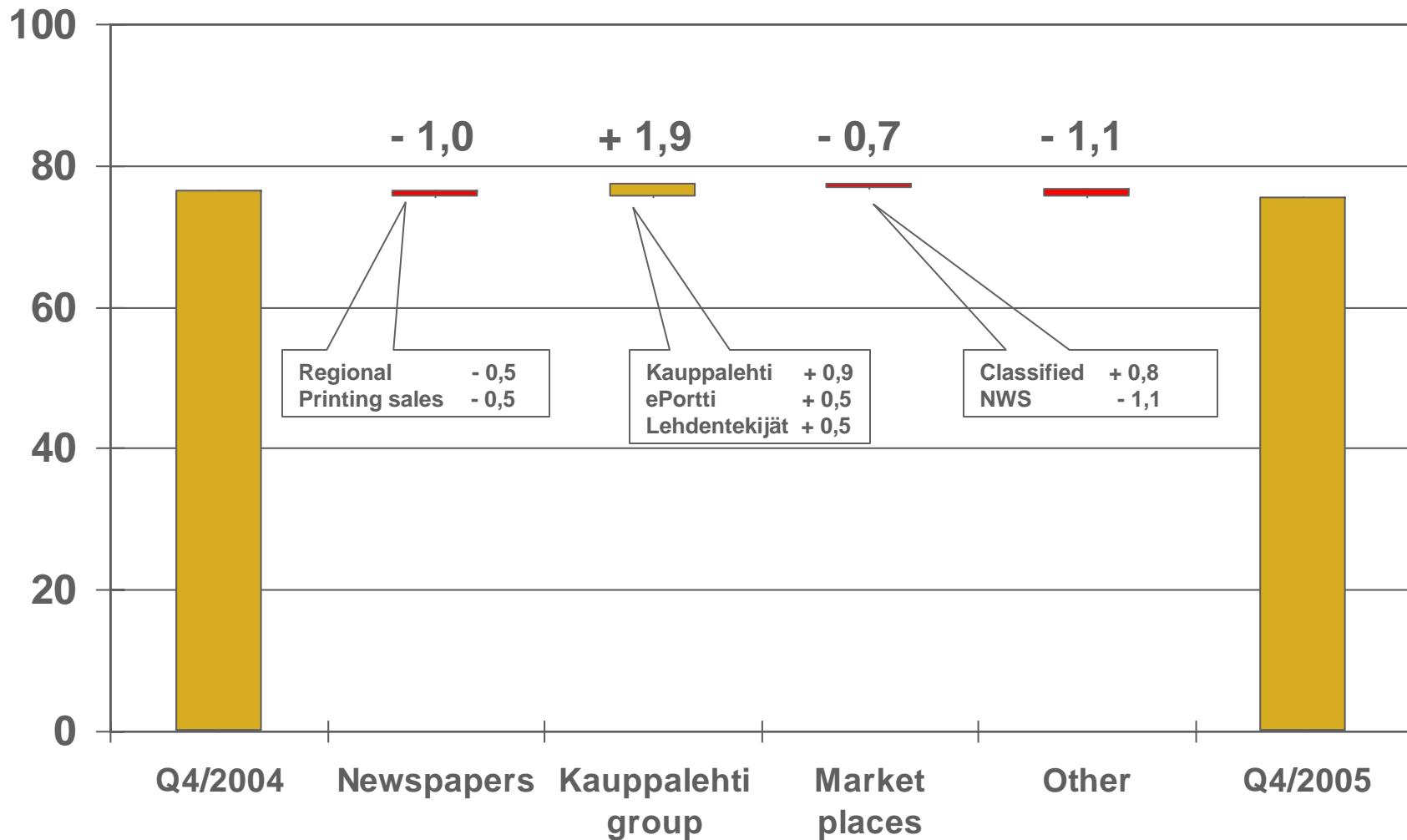
Ongoing operations





## Net sales change by business area, MEUR Q4/04 vs. Q4/05

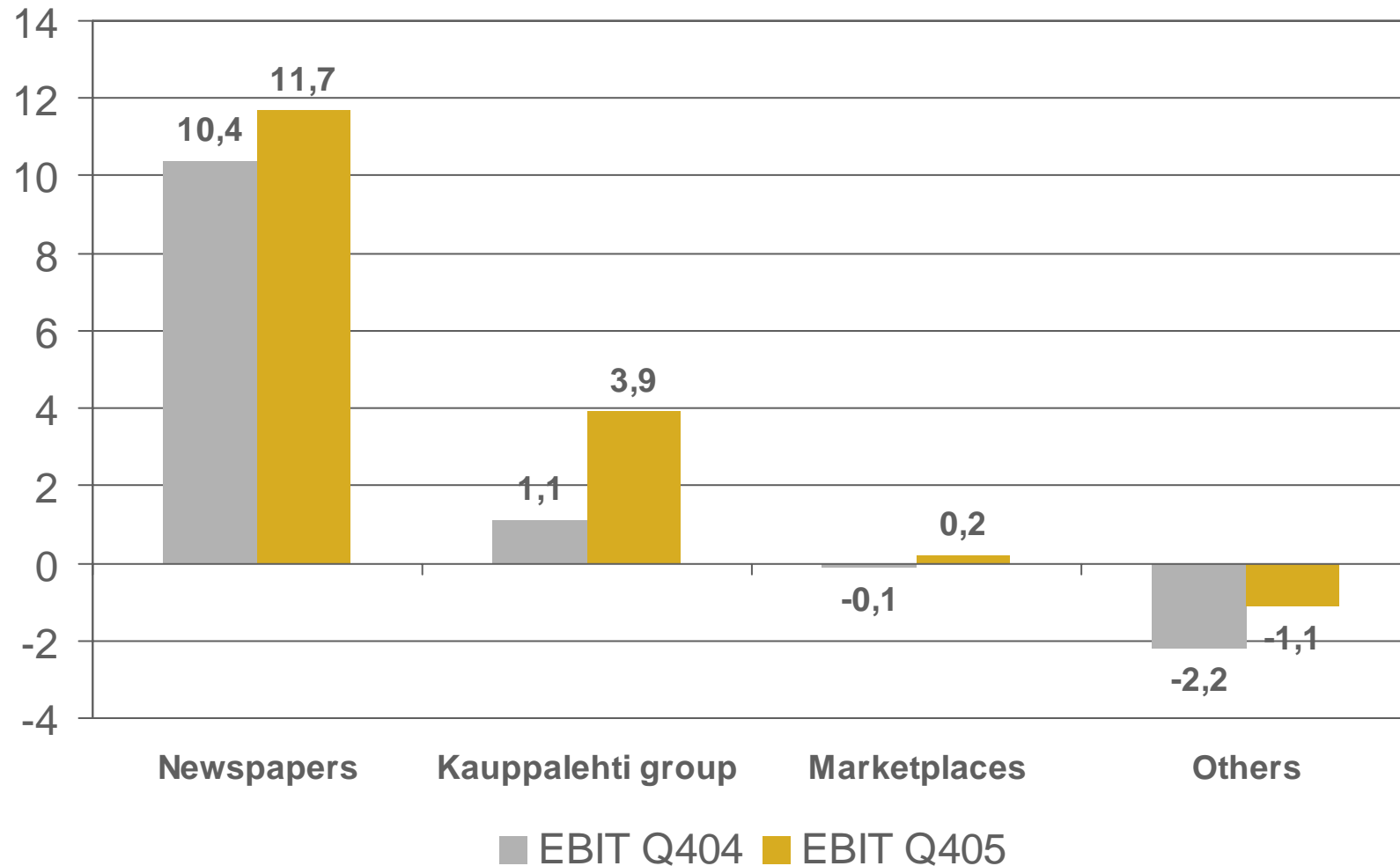
### Ongoing operations





## EBIT: Q4 by business area, MEUR

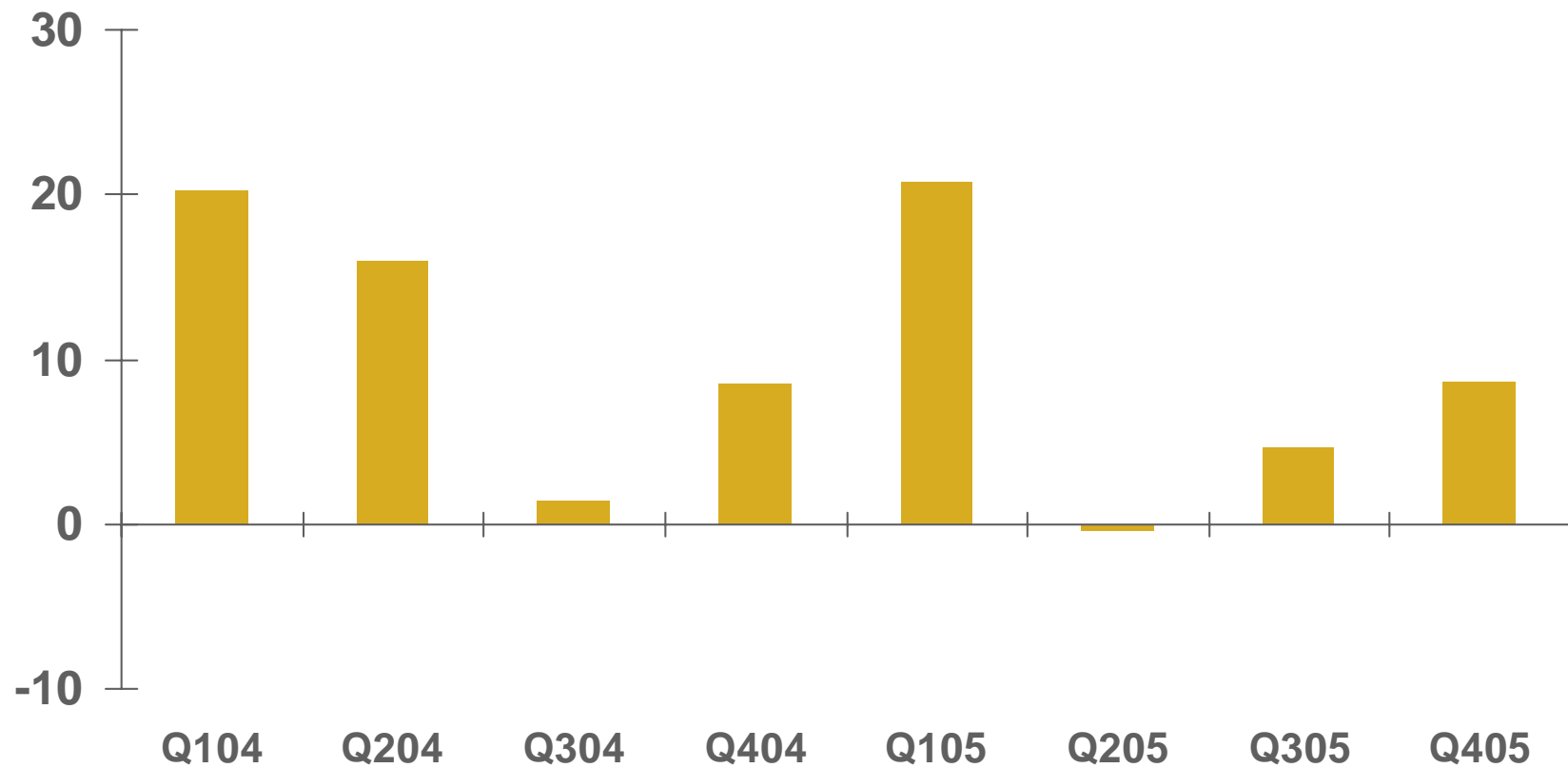
Ongoing operations





## Cash flow from operating activities Q104-Q405, MEUR

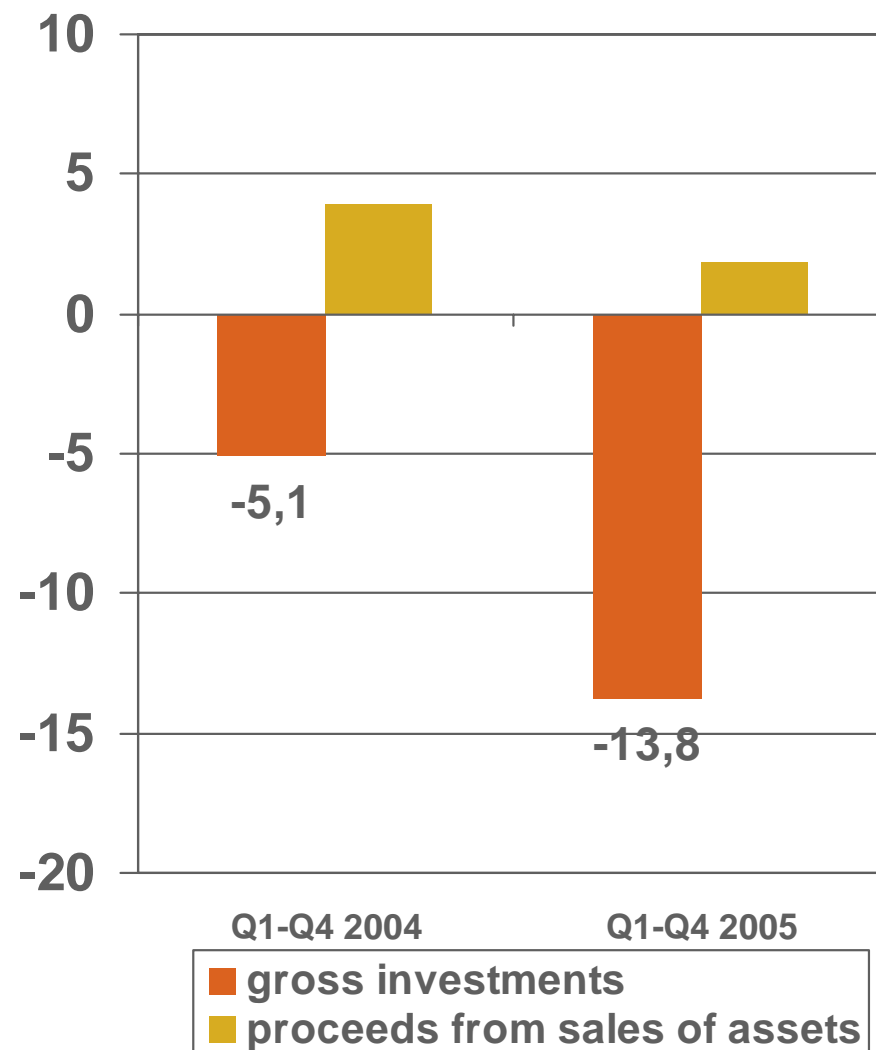
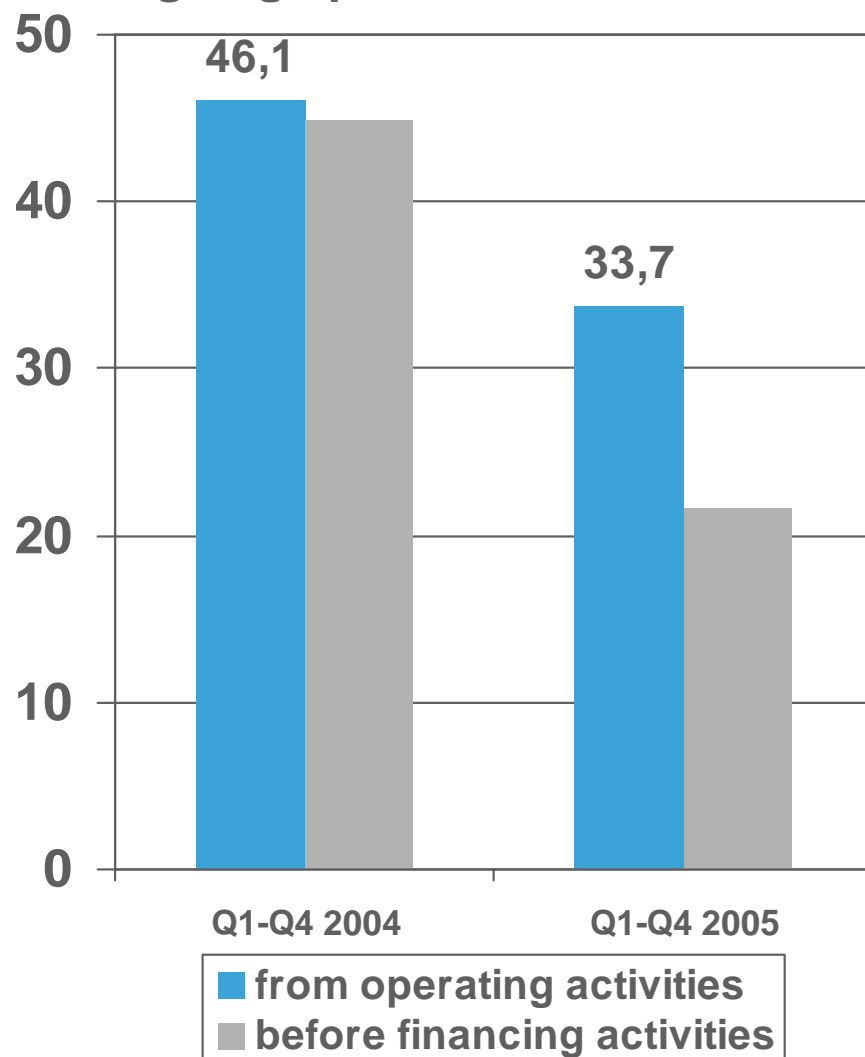
### Ongoing operations





## Cash flow and investments, MEUR

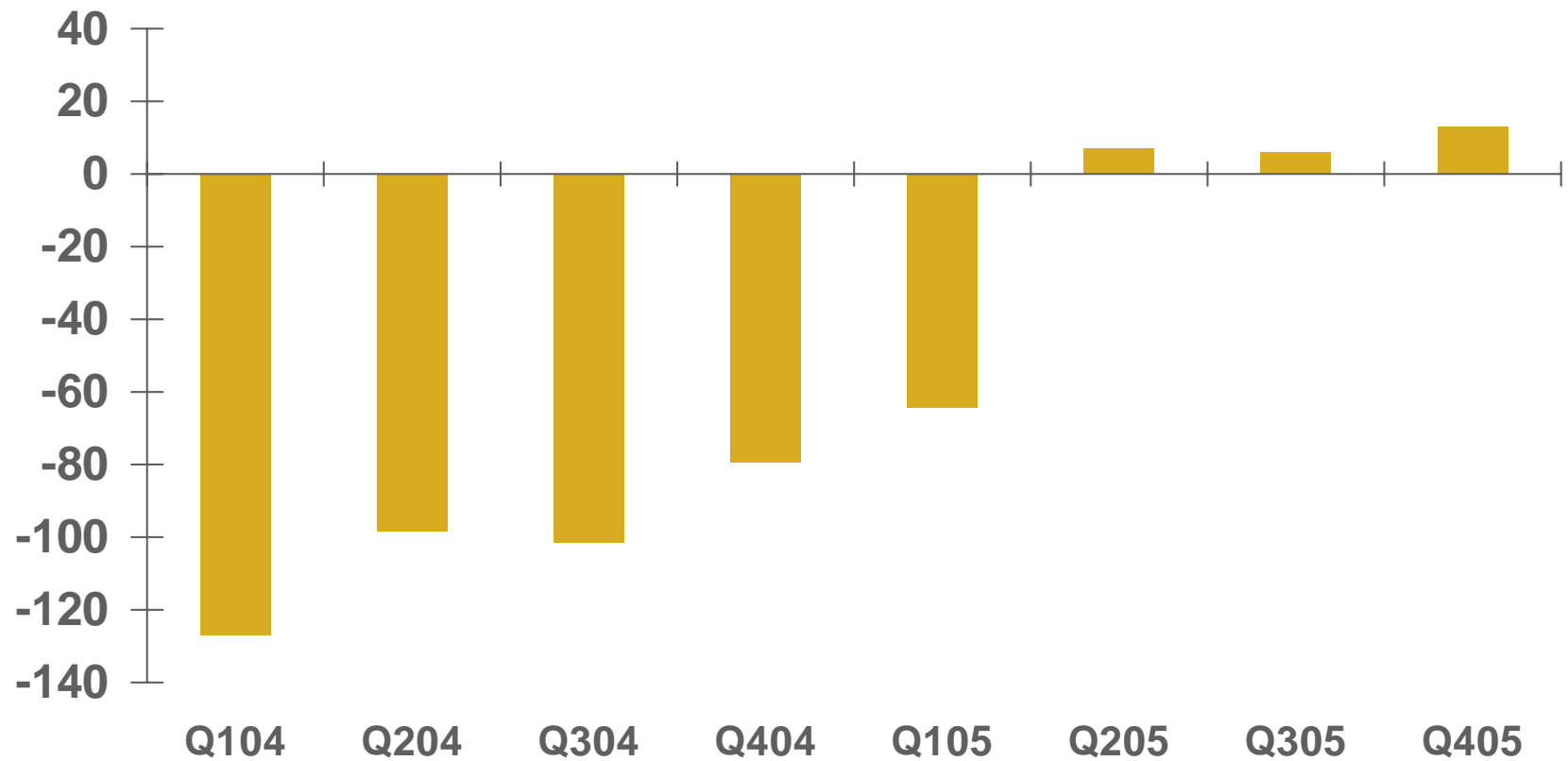
### Ongoing operations





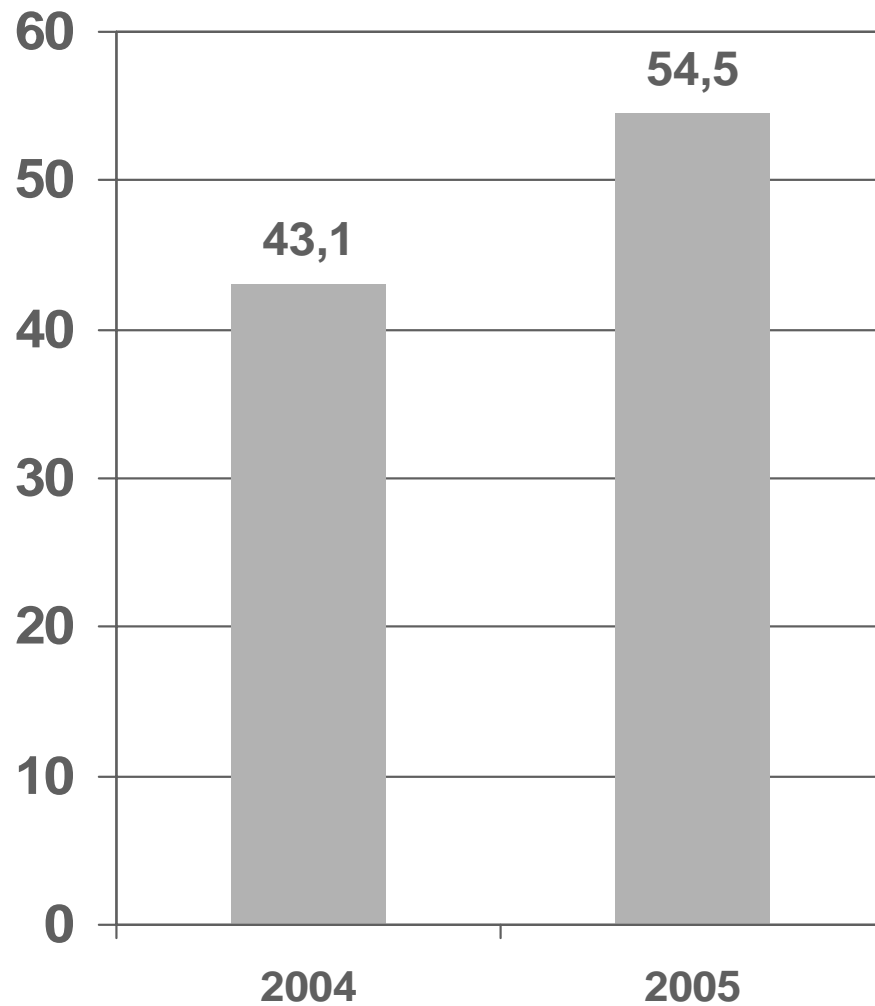
## Net debt Q104 – Q405, MEUR

Q205-Q305 adjusted to current structure

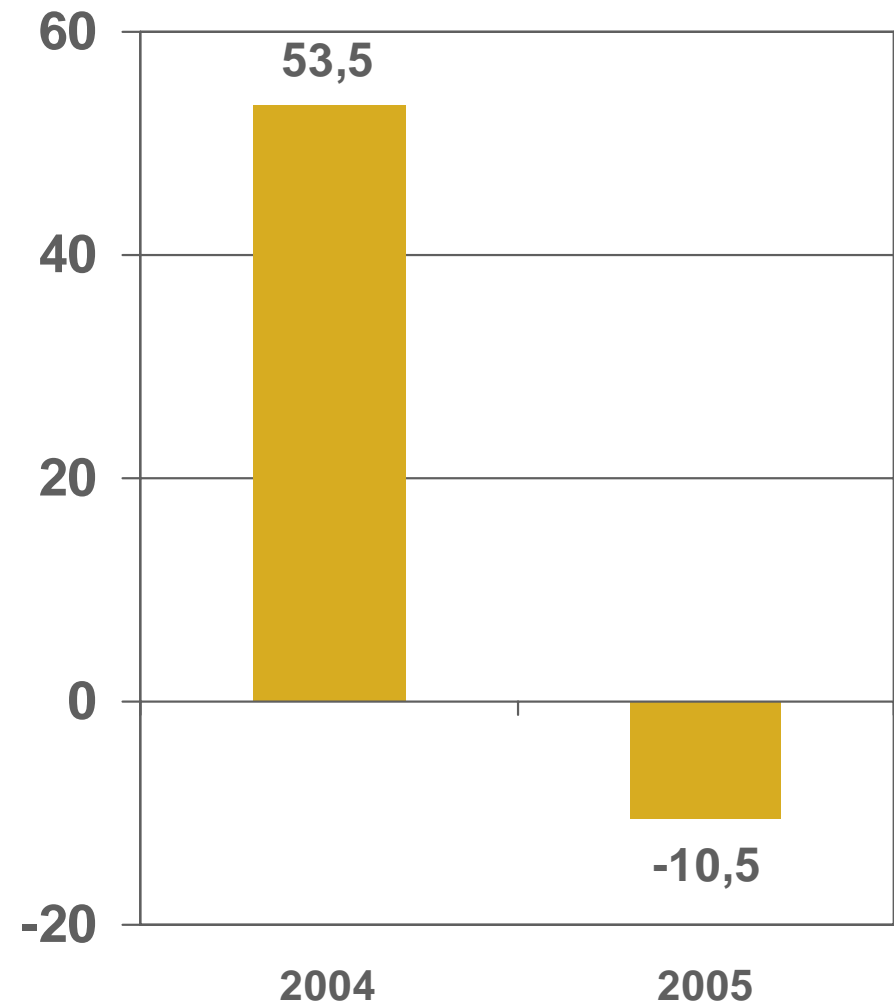




## Equity ratio and gearing, %



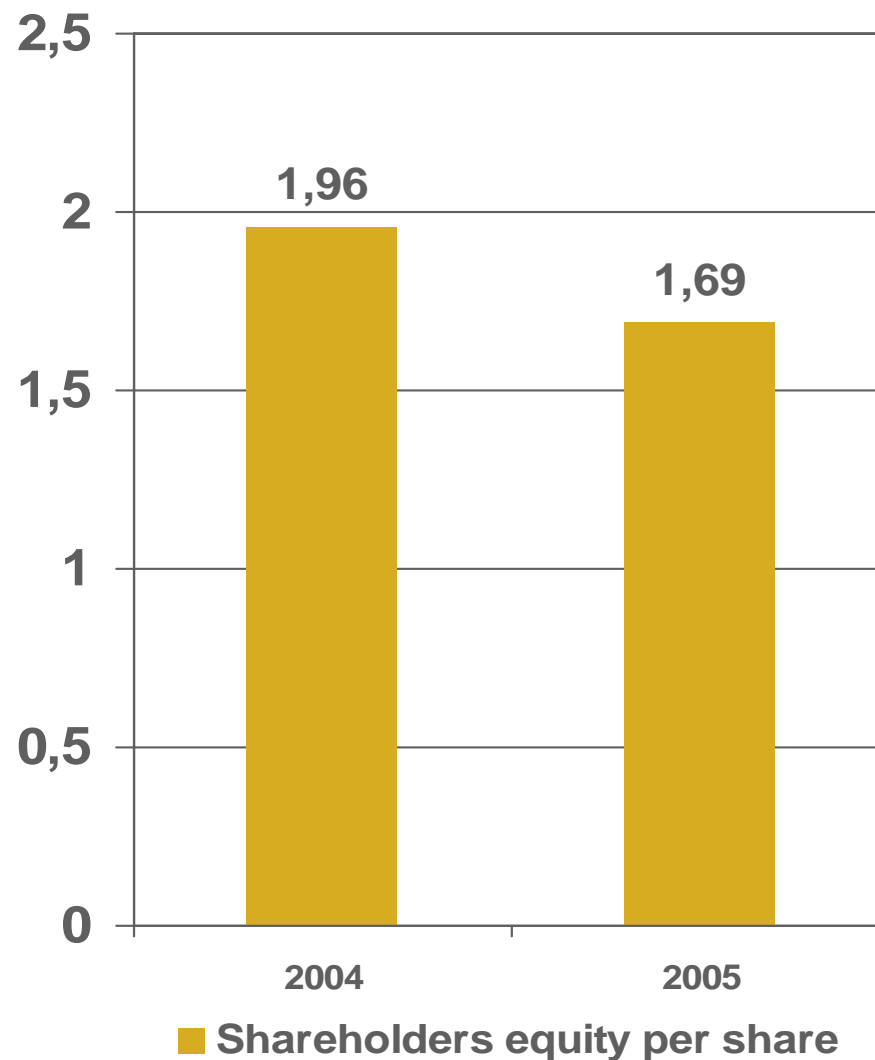
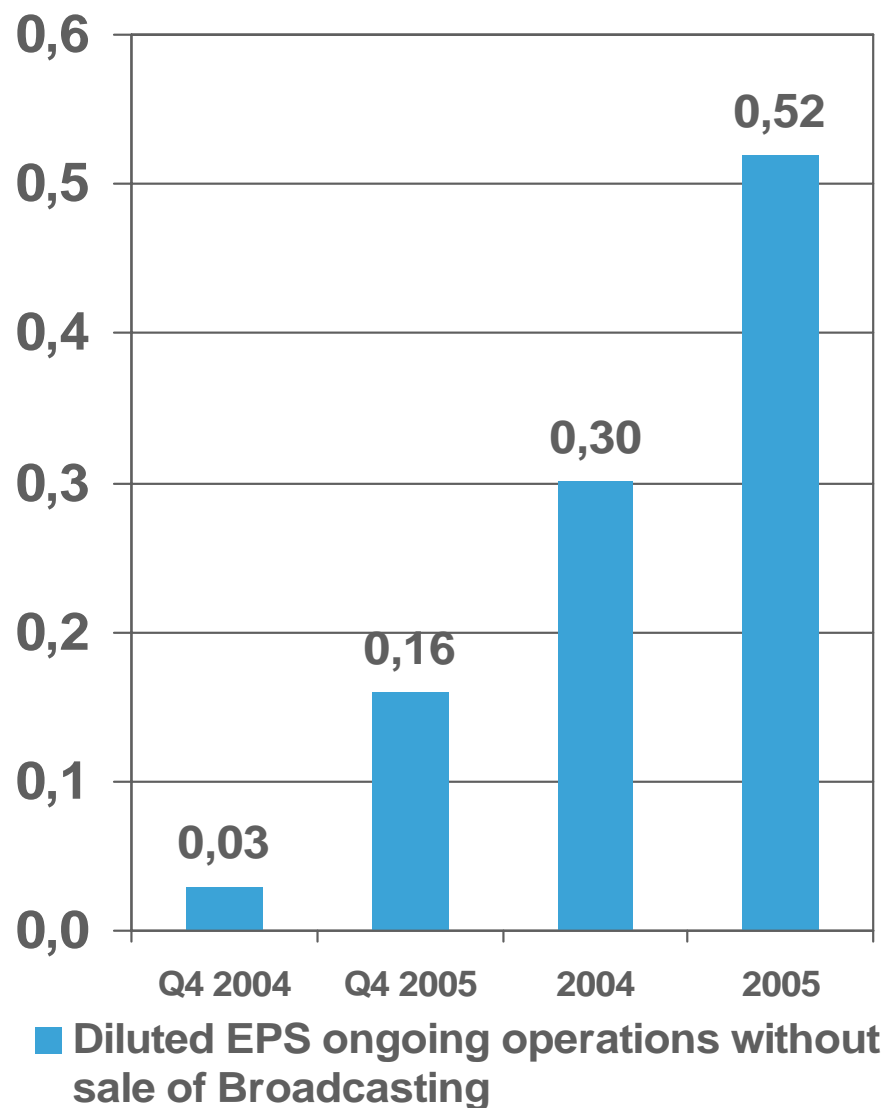
■ Equity ratio %



■ Gearing %



## EPS and shareholders' equity per share





## Balance Sheet

	Group		Parent
	31.12.2005	31.12.2004	31.12.2005
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	60,6	87,1	6,1
Intangible assets	7,4	61,1	0,2
Goodwill on consolidation	18,9	18,7	
Holdings in group companies			423,5
Holdings in associated companies	40,4	102,3	
Other non-current assets	16,6	19,5	8,5
	<u>143,8</u>	<u>288,7</u>	<u>438,4</u>
<b>Current assets</b>			
Inventories	1,6	2,0	
Receivables	28,5	41,6	106,8
Cash and bank	69,6	22,5	67,8
	<u>99,8</u>	<u>66,1</u>	<u>174,6</u>
<b>ASSETS TOTAL</b>	<b><u>243,6</u></b>	<b><u>354,8</u></b>	<b><u>613,0</u></b>
<b>LIABILITIES</b>			
Share capital	44,8	28,3	44,8
Share premium fund	42,4	50,8	459,3
Non-restricted	39,0	66,8	10,0
Shareholders' equity	<u>126,2</u>	<u>145,8</u>	<u>514,1</u>
Minority interest	0,5	2,1	
Total equity	<u>126,7</u>	<u>147,9</u>	<u>514,1</u>
Provisions			0,6
Deferred tax liabilities	1,5	3,5	
Non-current liabilities	31,3	82,6	2,1
Current liabilities	84,0	120,9	96,2
<b>LIABILITIES TOTAL</b>	<b><u>243,6</u></b>	<b><u>354,8</u></b>	<b><u>613,0</u></b>



## Didividend and capital repayment in 2006

- Total 0.65 EUR per share
- Proposed dividend for the 2005 is 0.12 EUR per share to be paid March 20.
- Proposed capital repayment is 0.53 EUR per share expected to be repaid to the shareholders by the end of September.

# Outlook 2006

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## Outlook 2006

- Market conditions are expected to stay broadly similar to 2005
- Group net sales higher than 2005
- Operating profit at least on 2005 level

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

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