

COMBINATION OF ALMA MEDIA AND TALENTUM

ALMA MEDIA'S EXCHANGE OFFER
TO THE SHAREHOLDERS OF TALENTUM

Conference call 29 September 2015

29/09/2015



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Presenters

Kai Telanne
President and
CEO
Alma Media
Corporation



Juha Nuutinen
CFO
Alma Media Corporation



**Juha-Petri
Loimovuori**
Senior Vice President
Financial Media and
Business Services
Alma Media Corporation

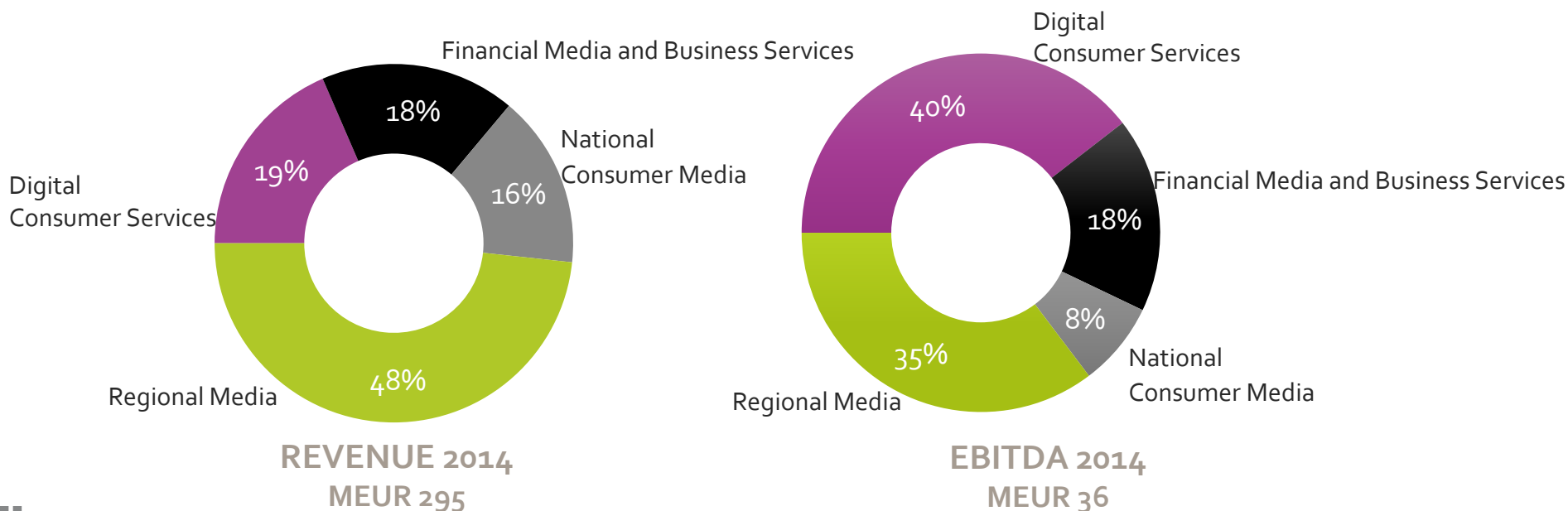


Aarne Aktan
CEO
Talentum
Corporation



Alma Media in Brief

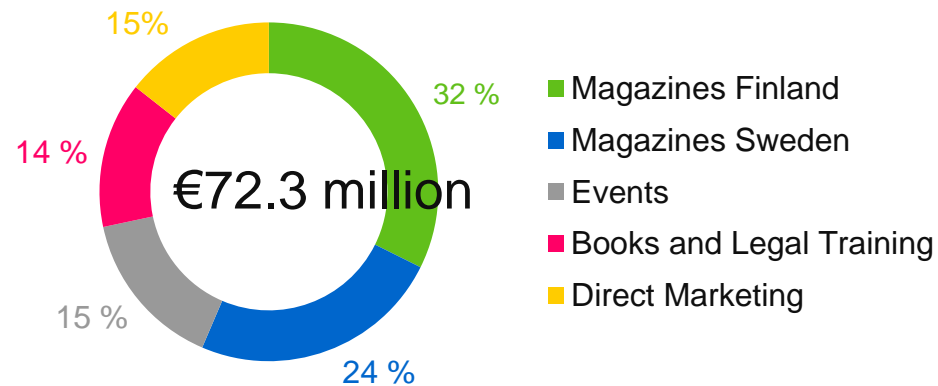
- A media company focusing on digital services and publishing, operating in 10 countries in Europe.
- Offering both regional and national media contents in Finland and different kinds of online services internationally.
- Approximately 1,800 full-time employees
- Growing and profitable digital business since mid-1990s (2014: 33% of the total revenue)



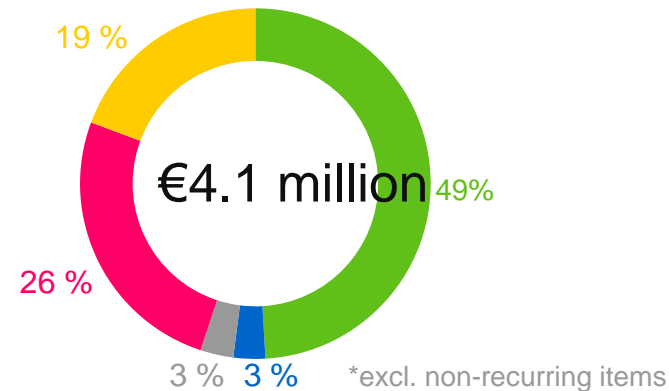
Talentum In Brief

- Talentum focuses on professionals by offering magazines, books, digital services, trainings, and events
- Talentum produces contents from the fields of economy, law, management, HR, sales and marketing, ICT, technology, and health care
- Talentum operates in Finland, Sweden, Denmark, Estonia, and Latvia
- Number of employees in 2014 was 721 people

Net Sales 2014



EBIT 2014*



Talouselämä

tekniikka
& talous

ARVOPAPERI

tivi

NyTeknik

affärs
världen

SUOMEN LAKI

talentum events

COMBINATION



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Background of the Combination

- Changes in the consumer behaviour and media usage
- Changes in the business models of media companies, toughening international competition for Finnish media companies, in particular in the advertising market
- The investments in the digital technology and services required to be made as a result of technological development and changes in consumer behaviour
- The poor economic development that has continued for a long time and is predicted to continue in Finland

Combination Agreement and Exchange Offer

- On 28 September 2015, the Boards of Directors of Alma Media and Talentum signed an agreement to combine the companies' operations.
- Alma Media is offering to acquire all of Talentum's issued and outstanding shares, as well as securities entitling to shares, for a combination of share and cash consideration.
- Talentum's Board of Directors considers the offer consideration to be in the interests of Talentum's shareholders and recommends that all shareholders accept Alma Media's exchange offer.
- Talentum's shareholders, Ilmarinen and Accendo Capital, who together represent 20.98% of the shares and votes, have agreed to accept the exchange offer subject to certain conditions.

The Combination Will Create Significant Value for Alma Media and Talentum's Shareholders

- An operational entity that is clearly larger and more stable than the current operational entity brings along benefits in the rapidly digitalising media market
 - concrete cost synergies
 - utilisation of the subscriber potential
- The combination is expected to improve the liquidity of the Combined Company's share.
- The Combined Company's balance sheet position will remain strong
 - The combined preliminary equity ratio approximately 39% (30 June 2015)
 - a possibility to continue investing in digitalisation
 - continuance of the active dividend payment practice

Administration and Management of the Combined Company

- Alma Media's Board of Directors will continue as the Combined Company's Board of Directors
 - **Harri Suutari** will be the chairman of the Board of Directors and **Petri Niemisvirta** the deputy chairman.
 - The other members of the Board of Directors are **Niklas Herlin, Esa Lager, Perttu Rinta, Erkki Solja,** and **Catharina Stackelberg-Hammarén.**
- Alma Media's President and CEO, **Kai Telanne,** will continue as the Combined Company's President and CEO.

COMBINATION AGREEMENT AND EXCHANGE OFFER

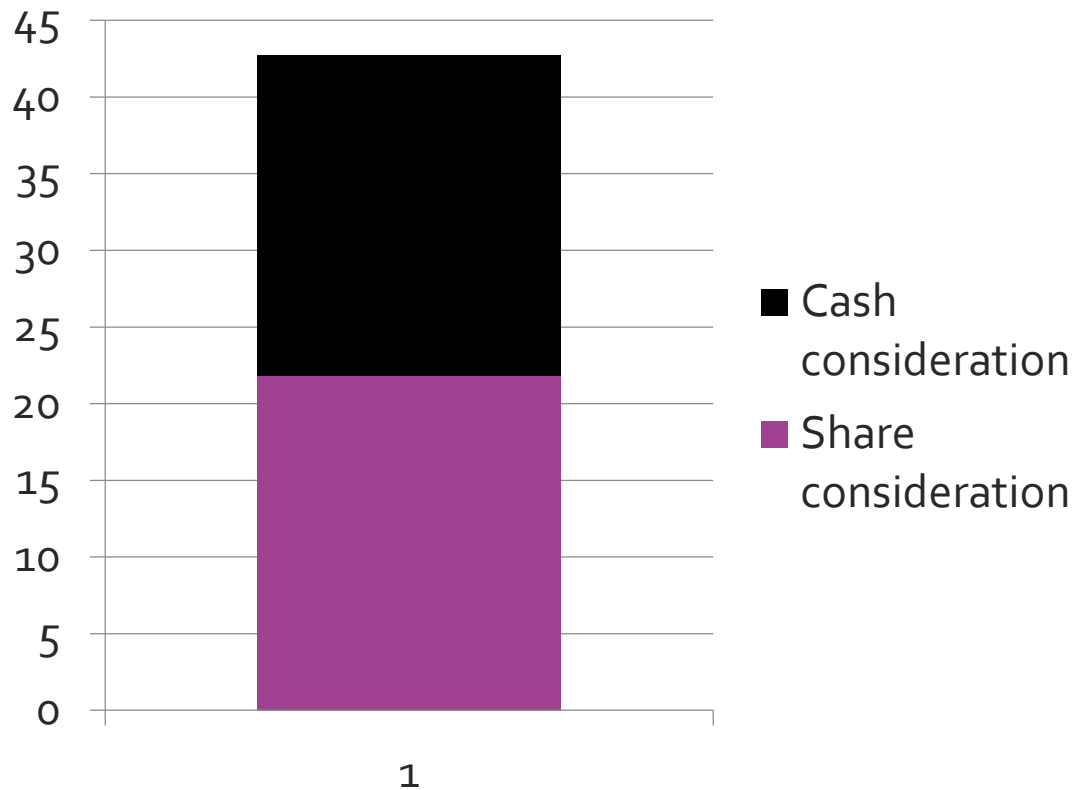
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Structure and Timetable of the Exchange Offer

- In the exchange offer, Alma Media is offering 0.25 new shares in Alma Media as share consideration and EUR 0.70 as cash consideration for each of Talentum's shares. The offer is also extended to options entitling to shares.
- The offer period of the exchange offer is estimated to begin on or about 15 October 2015 and preliminarily to end 12 November 2015.
- Authority permissions, e.g. from the competition authorities, are required for the combination.
- Provided that the conditions of the offer are met, it is the intention of Alma Media to redeem any possible minority holdings and to request that Talentum be delisted from the Helsinki Stock Exchange.
- The combination is expected to be closed in the course of H1/2016.

The Exchange Offer is comprised of the cash consideration and share consideration



- The total value of the Exchange Offer is approximately EUR 42.7 million based on Alma Media's volume-weighted average share price in the three-month period ending 28 September 2015 to which the total amount of the cash consideration is added.
- A cash payment in the amount of EUR 20.9 million will be paid as offer consideration.
- As share consideration, Alma Media will issue 7.4 million new shares estimated to represent 8.95% of Alma Media's entire share capital.
- The Board of Directors will exercise the authorisation issued by the General Meeting of 17 March 2015 to resolve on an issue of up to 15 million shares.

Information on the Pricing Basis of the Exchange Offer

The structure of the offer gives Talentum's shareholders the possibility to receive cash consideration for their shares while continuing as shareholders in the company combining the businesses of Alma Media and Talentum.

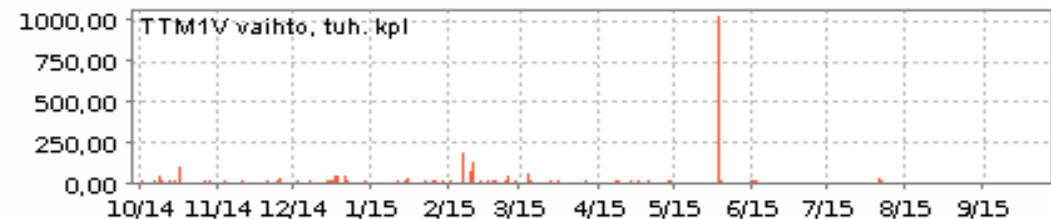
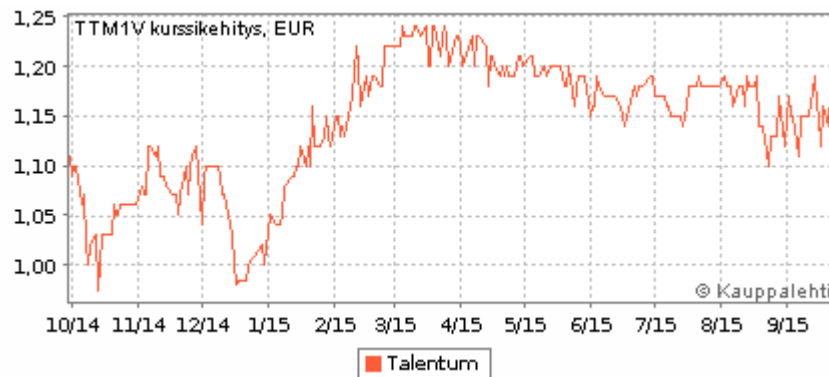
The offer consideration corresponds to:

- a premium of approximately 24.4 per cent in comparison to Talentum's volume-weighted average share price (EUR 1.15) in a 3-month-period when the Share Consideration is valued at the corresponding average share price of Alma Media (EUR 2.93)
- a premium of approximately 14.4 per cent in comparison to Talentum's closing price (EUR 1.17) on 28 September 2015, when the Share Consideration is valued at the closing price of Alma Media (EUR 2.55) on the same day

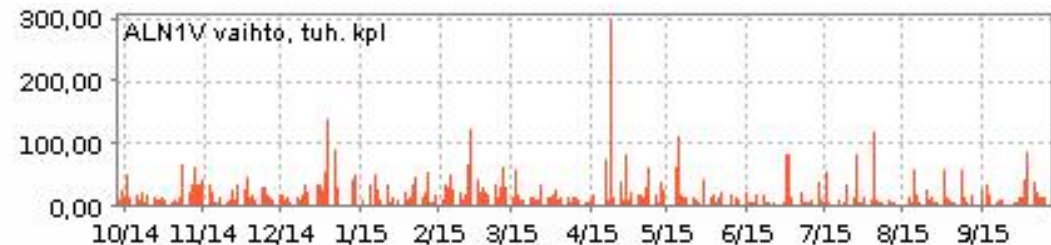
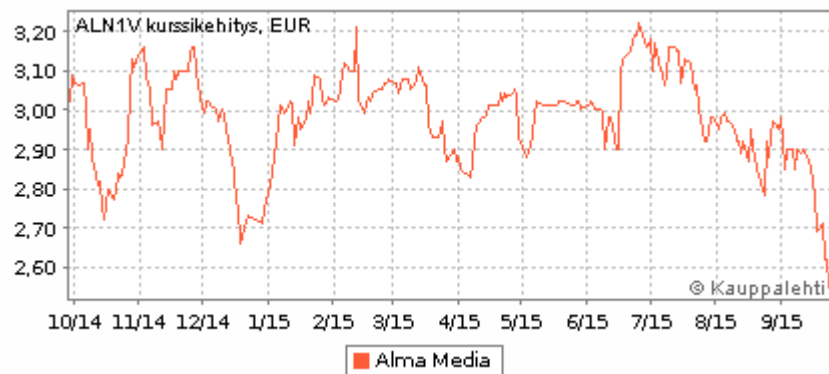
Improving liquidity

Based on Alma Media's assumption, the Combination is also likely to improve the liquidity of the Combined Company's share in comparison to the current low liquidity of the Alma Media and Talentum shares.

Talentum
Corporation



Alma Media
Corporation



THE COMBINED COMPANY

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The Combined Company is clearly larger than the current Alma Media and Talentum

The goal of the Combined Company is:

- The goal of the Combined Company is to be a multichannel media company producing high-quality journalism, professional literature and professional events, and other services.
- to offer new and even better services and products to readers, subscribers, advertisers, and other business customers.
- to be an employer that is motivating and attractive to its employees and that invests particularly in the development of the personnel's digital know-how.

REVENUE*
EUR 367 million

EBITDA*
EUR 40 million

**OPERATING
PROFIT***
EUR 22 million

PERSONNEL
approximately 2,500
in 11 countries

EQUITY RATIO 39.4%**

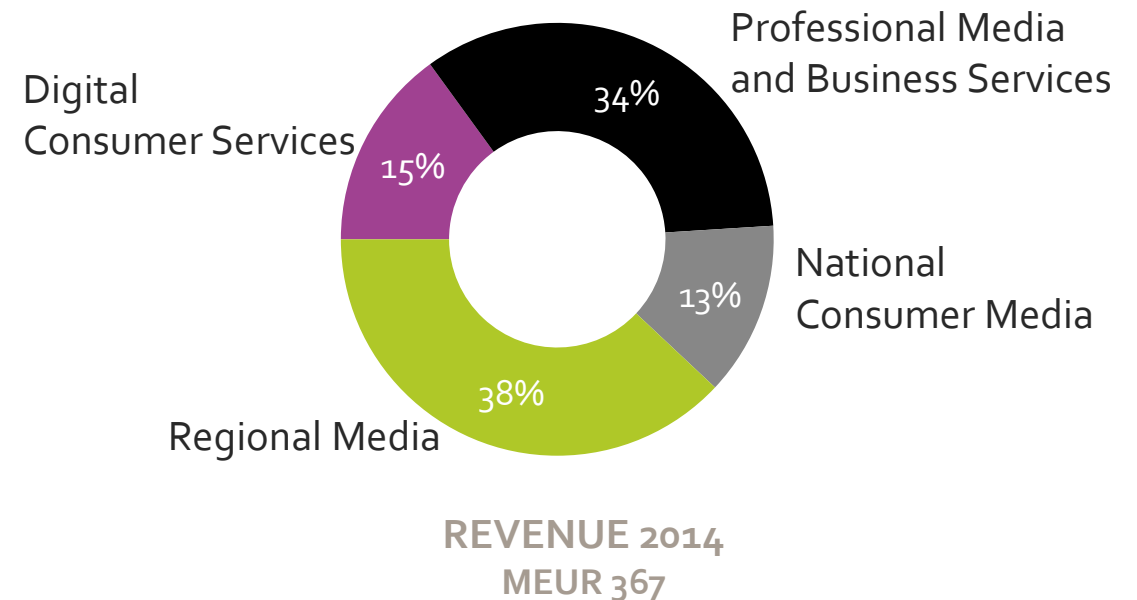
*2014 combined key figures

17 **combined balance sheet as at 30 June 2015

The combined company's operational emphasis will be more strongly on professional media and business services

- Talentum's business operations are combined with Alma Media's Financial Media and Business Services unit
 - the working title of the unit is Professional Media and Business Services.
- The new unit will clearly be one of the Combined Company's largest business operations.
 - the business operation's aggregate revenue in 2014 is EUR 124 million.

THE COMBINED COMPANY





Benefits of the combination

The ability to invest in future media

- Digital publishing
- Management of subscriptions and advertising
- Solutions related to allocated advertising.

Strong brands and high-quality journalism

- Strong brands that complement one another
- Utilisation of subscriber potential
- The financial ability to maintain high-quality Finnish journalism will improve.

Synergies

- Cost synergies: MEUR 4-5 per year in approximately two years
- Material income synergies in the long term
- Synergies are achieved more efficiently through the sale of products and advertising, the combination of the development work required by digitalisation, and a centralised administration.



PROFESSIONAL MEDIA AND BUSINESS SERVICES

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Professional Media and Business Services unit

STRONG
MEDIA BRANDS

BEST TARGET GROUPS IN FINLAND AND SWEDEN

GROWING BUSINESS
SERVICES

Kauppalehti

affärs
världen

tekniikka
& talous

Talouselämä

NyTeknik

- Operates in the field of financial and professional media and different information and business services in Finland and in the other Nordic Countries.
- Utilises its strong brand portfolio in the development and expansion of operations, especially into new digital pay services
- Cross-sells products and services to professionals and decision-makers by utilising its own broad customer bases and marketing and sales channels
- Combines its own high-quality target groups with Alma Media's digital advertising network and know-how
- Seeks to grow, both organically and through possible acquisitions, with the help of different services that support and utilise the media business, such as digital information services

Tietopalvelut
Kauppalehti

JM Tieto
Kauppalehti



objektvision.se

Suoramarkkinointi
MEGA

 **SUOMEN LAKI**

DIGITAL DEVELOPMENT AND HIGH-QUALITY JOURNALISM





**New and even better services and products for readers, subscribers, advertisers,
and other business customers.**

THANK YOU!
QUESTIONS?

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