Alma Media’s year 2015 in brief

Operating profit excluding non-recurring items improved – in spite of the difficult economic climate:

• Revenue decreased to MEUR 291.5 in 2015 due to divestments.
  • Operating profit excluding non-recurring items increased by 9.3% to MEUR 23.4.
  • The operating profit includes net non-recurring items of MEUR -5.7.
• Revenue from digital products and services exceeded the MEUR 100 milestone.
• Strong financial position: equity ratio 42.5% and gearing 59.2%
• The Board’s proposal of capital repayment is EUR 0.12 per share

Business development:

• In Digital Consumer Services, revenue growth with an excellent level of profitability, led by the international recruitment business. In Finland, digital services maintained their level of profit performance.
• Significant acquisitions and divestments in Financial Media and Business Services (Talentum, JM Tieto, Alma360). For the first time, the number of subscribers of Kauppalehti’s digital products exceeded print (53%). A difficult year for IL-Media, but there was a positive turn in digital advertising late in the year.
• In Regional Media, operational restructuring and efficiency improvement measures continued and the gradual shift towards paid digital content began.
• Organisational restructuring of national media sales has strengthened Alma’s competitiveness in advertising sales and increased market share.
MARKET DEVELOPMENT IN FINLAND

@AlmaMedia_IR
12.2.2016
Advertising sales change 12/2014 - 12/2015

Source: TNS Media Intelligence
Advertising increased in December, with growth in vehicle, food and entertainment advertising.

Source: TNS Media Intelligence
Digital advertising has established its position as the second-largest area of media advertising, behind newspapers.

Online advertising investments 2015

- Search engine advertising and online directories: 98,6 M€ (34.5%)
- Display advertising: 153,6 M€ (53.7%)
- Classified advertising: 33,9 M€ (11.8%)

Total MEUR 286.1

Breakdown of display advertising in 2015

- Facebook: 20.7%
- Mobile: 12.2%
- In-stream: 10%
- Other: 57.1%

Sources: TNS Ad Intelligence monthly monitoring and IAB Finland quarterly monitoring (search engine advertising, directories, Facebook).
Investments by online media type in 2015

- Search engine advertising: 34%
- Online services of newspapers: 18%
- Social media: 12%
- Classifieds: 14%
- Online services of TV and radio broadcasters: 9%
- Other online services: 7%
- Online services of financial media: 3%
- Magazines: 3%

Sources: TNS Ad Intelligence monthly monitoring and IAB Finland quarterly monitoring (search engine advertising, directories, Facebook).
Revenue decreased due to divestments

- Revenue in 2015 decreased by 1.3%, primarily due to divestments.
  - Talentum’s effect on revenue was MEUR +5.8.
  - JM Tieto’s effect on revenue was MEUR +3.4.
  - Alma 360’s effect on revenue was MEUR -3.6.
  - The effect of Regional Media’s newspaper divestments on revenue was MEUR -9.8.

- In National Consumer Media and Regional Media, advertising and content revenue have decreased in recent years. The sales of digital products and services are growing, but they are not sufficient to compensate for the loss of revenue that accumulates from the decline in print media.
Operating profit excluding non-recurring items improved

- Operating profit excluding non-recurring items for the full year 2015 was MEUR 23.4, or 8.0% (7.2%) of revenue.
  - Total expenses decreased by MEUR 0.5, or 0.2%, to MEUR 277.4 (277.9).
  - Depreciation and impairment included in the total expenses amounted to MEUR 16.8 (15.7).
MEUR 100 milestone exceeded in revenue from digital products and services – growth accelerated in Q4

Q4 digital business revenue grew by 17.7%. The growth rate in 2015 was 8.7%.
Alma’s digital product portfolio has grown substantially since the late 1990s

- Media business brands operated with a multi-channel approach.
- Digital consumer and business services have been developed in-house and obtained by acquisitions.
- Divestments have also been made.
Alma’s operations in Finland and internationally

- Alma’s international business is growing and profitable.
- The most significant investments in the international recruitment business were made in 2012: LMC, Profesia and CV Online acquisitions totalled more than MEUR 70.

![Graphs showing revenue and operating profit from 2012 to 2015, with breakdowns for domestic, foreign operations, and not allocated.]
**Long-term financial targets**

<table>
<thead>
<tr>
<th>Alma Media’s financial targets</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital business growth</td>
<td>16.3%</td>
<td>36.8%</td>
<td>8.4%</td>
<td>11.9%</td>
<td>8.7%</td>
<td>&gt; 15%</td>
</tr>
<tr>
<td>Return on Investment (ROI), %</td>
<td>26.1%</td>
<td>13.8%</td>
<td>10.0%</td>
<td>9.8%</td>
<td>6.9%</td>
<td>&gt; 15%</td>
</tr>
<tr>
<td>Dividend payout ratio*</td>
<td>103%</td>
<td>45%</td>
<td>50%</td>
<td>63%</td>
<td>92%</td>
<td>&gt; 50%</td>
</tr>
</tbody>
</table>

* Includes capital repayment to shareholders.
Revenue breakdown

October–December
- Content revenue +5.5%.
  - Talentum’s effect on content revenue MEUR +4.1.
- Advertising revenue +5.2%
  - Advertising sales for print media -2.2%
  - Online advertising sales +20.7%
  - Talentum’s effect on advertising sales revenue MEUR +1.0.

Full year 2015
- Content revenue -4.9% due to lower circulations of print media.
- Advertising revenue +0.3%
  - Advertising sales for print media -10.2%
  - Online advertising sales +11.0%
Operating profit breakdown

Digital Consumer Services
Financial Media and Business Services
National Consumer Media
Regional Media
Group operations
Alma Media total

Q4 2014
Q4 2015

46.0% 11.5% 968.9%
-9.4%
-21.4%
26.3 %

9.2 6.7 3.7
-31.4% -7.0%
-22.7%
23.4

9.2 13.4 6.7 8.0
-9.5

12.2.2016
@AlmaMedia_IR
Digital Consumer Services in 2015: strong international growth

- Revenue from the recruitment business increased by 20.5% and it accounted for 73.6% (67.5%) of the segment’s revenue in 2015.
- In Finland, Alma Media’s digital services maintained their profit level.
- The business was highly profitable, with operating profit excluding non-recurring items increasing by 47% compared to 2014.

**Revenue and operating profit (excluding non-recurring items)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue 2014 MEUR</th>
<th>Revenue 2015 MEUR</th>
<th>Operating Profit 2014 MEUR</th>
<th>Operating Profit 2015 MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 14</td>
<td>14.7</td>
<td>15.3</td>
<td>1.9</td>
<td>2.8</td>
</tr>
<tr>
<td>Q1 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Revenue Growth**

- Q4 14 to Q1 15: +54.6%
- Q1 15 to Q2 15: +6.0%
- Q2 15 to Q3 15: +13.1%
- Q3 15 to Q4 15: +12.9%

**Operating Profit Growth**

- Q4 14 to Q1 15: +54.6%
- Q1 15 to Q2 15: +10.5%
- Q2 15 to Q3 15: +13.1%
- Q3 15 to Q4 15: +12.9%
Financial Media and Business Services in 2015: significant acquisitions and divestments

- Online business accounted for 41.7% (43.0%) of the segment’s revenue.
- For the first time, the number of subscribers of Kauppalehti’s digital products exceeded print (53%).
- Profitability excluding non-recurring items improved to a good extent. Talentum had a minor effect on the result for the full year.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 14</td>
<td>14.0 MEUR</td>
<td>1.8 MEUR</td>
</tr>
<tr>
<td>Q1 15</td>
<td>12.5 MEUR</td>
<td>2.1 MEUR</td>
</tr>
<tr>
<td>Q2 15</td>
<td>2.1 MEUR</td>
<td>8.0 MEUR</td>
</tr>
<tr>
<td>Q3 15</td>
<td>2.1 MEUR</td>
<td>53.0 MEUR</td>
</tr>
<tr>
<td>Q4 15</td>
<td>18.2 MEUR</td>
<td>2.1 MEUR</td>
</tr>
</tbody>
</table>

Revenue and operating profit (excluding non-recurring items)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>53.0 MEUR</td>
<td>6.7 MEUR</td>
</tr>
<tr>
<td>2015</td>
<td>58.5 MEUR</td>
<td>8.0 MEUR</td>
</tr>
</tbody>
</table>

12.2.2016 @AlmaMedia_IR
National Consumer Media in 2015: encouraging growth in mobile advertising late in the year

- Online business accounted for 29.8% (27.0%) of the segment’s revenue.
- Content revenue -13.2% to MEUR 24.7 due to the decrease in ltalehti’s circulation
- Advertising sales -8.6% to MEUR 16.8: print media advertising sales -22.6%, online advertising sales -2.1%
Regional Media in 2015: continued structural reforms

- Online business represented 3.5% (2.6%) of revenue.
- Content revenue -8.7% to MEUR 59.8. Advertising sales -9.9% to MEUR 56.3: print media advertising sales -11.1%, while online advertising sales +23.2%.
- Operating profit excluding non-recurring items remained at 6.6% of revenue. Non-recurring items, including structural reforms late in the year, weighed down operating profit.
Cash flow from operating activities and investments

Cash flow from operating activities

<table>
<thead>
<tr>
<th>Q2 13</th>
<th>Q3 13</th>
<th>Q4 13</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEUR</td>
<td>8.7</td>
<td>8.2</td>
<td>6.2</td>
<td>-0.9</td>
<td>-21.9</td>
<td>3.4</td>
<td>5.7</td>
<td>8.7</td>
<td>16.7</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Gross investments
Proceeds from sales of assets

Q4 14  Q4 15
-21.9
3.4
5.7
Interest-bearing liabilities

Net debt Q2/2013-Q4/2015

Net debt distribution

<table>
<thead>
<tr>
<th></th>
<th>Q4/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial leasing</td>
<td>65.0</td>
</tr>
<tr>
<td>Financial loans</td>
<td>25.6</td>
</tr>
<tr>
<td>Commercial papers</td>
<td>0.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-14.4</td>
</tr>
<tr>
<td>Total</td>
<td>76.2</td>
</tr>
</tbody>
</table>
Equity ratio and Gearing

IFRS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio, %</td>
<td>42.6</td>
<td>42.5</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>68.5</td>
<td>59.2</td>
</tr>
</tbody>
</table>
Earnings per share and equity per share

2014 2015
EPS w/o non-recurring items 0.19 0.13
Non-recurring items -0.01 -0.07

Retained earnings 1.17 1.35
Restricted equity 0.47 0.71

2014 2015
EPS w/o non-recurring items 0.20 0.20
Non-recurring items -0.01 -0.07

Retained earnings 0.70 0.64
Restricted equity 0.47 0.71
Balance sheet

**Assets**

- **Q4 2014**
  - Long-term assets: 215
  - Short-term assets: 41

- **Q4 2015**
  - Long-term assets: 274
  - Short-term assets: 54

**Liabilities**

- **Q4 2014**
  - Shareholders' equity: 328
  - Non-Ib debt: 83
  - Ib debt: 109

- **Q4 2015**
  - Shareholders' equity: 328
  - Non-Ib debt: 104
  - Ib debt: 91

Depreciation of intangible assets – timetable

**Depreciations on business combinations**

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
</tr>
<tr>
<td>2013</td>
<td>3.7</td>
</tr>
<tr>
<td>2014</td>
<td>3.8</td>
</tr>
<tr>
<td>2015</td>
<td>4.3</td>
</tr>
<tr>
<td>2016S</td>
<td>6.5</td>
</tr>
<tr>
<td>2017S</td>
<td>4.1</td>
</tr>
<tr>
<td>2018S</td>
<td>3.1</td>
</tr>
</tbody>
</table>
Talentum 2015 in brief

Achievements

• Positive trend in Talentum Group’s operating income without non-recurring items continued

• Operating profit without non-recurring items was EUR 5.4 million (EUR 4.1 million)

• Operating income without non-recurring items in Magazines Finland improved markedly mainly due to circulation revenue increase and cost management

• Also Talentum Pro and Direct Marketing generated excellent results

Challenges

• Operating income without non-recurring items in Magazines Sweden and in Events decreased

• As a result of Talentum’s impairment testing, the company recognised a write-down totalling EUR 9.9 million. The write-down concerns publishing rights and goodwill and was allocated to Magazine Business Sweden.

• Advertising sales continued to decrease in both Magazines Finland and Magazines Sweden
Talentum Financial Review

Sales progression R12M

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/2014</td>
<td>72,3</td>
</tr>
<tr>
<td>Q1/2015</td>
<td>72,5</td>
</tr>
<tr>
<td>Q2/2015</td>
<td>72,4</td>
</tr>
<tr>
<td>Q3/2015</td>
<td>73,1</td>
</tr>
<tr>
<td>Q4/2015</td>
<td>72,6</td>
</tr>
</tbody>
</table>

EBIT margin progression R12M without non-recurring items

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBIT Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/2014</td>
<td>4,1</td>
</tr>
<tr>
<td>Q1/2015</td>
<td>4,4</td>
</tr>
<tr>
<td>Q2/2015</td>
<td>4,9</td>
</tr>
<tr>
<td>Q3/2015</td>
<td>5,6</td>
</tr>
<tr>
<td>Q4/2015</td>
<td>5,4</td>
</tr>
</tbody>
</table>
EBIT development 2015
Excluding one-off items

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magazines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>2,5</td>
<td>3,3</td>
</tr>
<tr>
<td>Sweden</td>
<td>-0,2</td>
<td>0,2</td>
</tr>
<tr>
<td>Events</td>
<td>0,2</td>
<td>0,1</td>
</tr>
<tr>
<td>Pro</td>
<td>1,3</td>
<td>1,7</td>
</tr>
<tr>
<td>Direct Marketing</td>
<td>1,0</td>
<td>1,5</td>
</tr>
<tr>
<td>Other</td>
<td>-1,1</td>
<td>-1,1</td>
</tr>
<tr>
<td>Total</td>
<td>4,1</td>
<td>5,4</td>
</tr>
</tbody>
</table>
We will build new capacities, seek efficiency and accelerate growth in digital services and media.
Kauppalehti and Talentum together are now Alma Talent.
The integration of Talentum and Alma Media – the combination is being implemented at two levels

**Integration of Group functions**

- **Digital Consumer Services**
  - Marketplaces

- **National Consumer Media**
  - Ilkalehti

- **Regional Media**
  - Alma Regional Media and the Group printing and distribution company Alma Manu

- **Financial Media and Business Services**
  - production and distribution of financial information: Kauppalehti, Kauppalehti Business Information Services, Objektvision.se

- **Magazine Business Finland**
  - publishes magazines for professionals in print and online, e.g. Talouselämä, Arvopaperi, Tekniikka&Talous

- **Events**
  - offers events and training and acts as B2B media for executives and experts

- **Books and Legal Training**
  - produces legal and professional literature and online services and offers training

- **Direct Marketing**
  - telemarketing operations

**Integration of business areas**

- **Alma Talent**
Combination process

- The annual cost synergies expected from the combination may amount to EUR 4–5 million, and the integration costs resulting from the combination will be approximately EUR 1–2 million in the first year of operation following the combination.

- The new business unit’s management team will start on 13 February:

  Juha-Petri Loimovuori (CEO of Talentum and head of the management team)

  Arno Ahosniemi (editorial staff)
  Tuomas Hämäläinen (content sales)
  Tiina Järvilehto (media sales)

  Otto Mattsson (Kauppalehti Business Information Services)
  Tapio Teppo (Talentum Events)
  Pia Ruusukivi (digital development)
  Maria Ampiala (Talentum Pro)
## Estimated timetable of Talentum’s delisting

### Execution of the exchange offer and redemption of minority shares

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 November</td>
<td>Decision regarding the execution of the purchase bid and share issue</td>
</tr>
<tr>
<td></td>
<td>Final result.</td>
</tr>
<tr>
<td>14 December</td>
<td>Offer execution trade</td>
</tr>
<tr>
<td></td>
<td>Announcement on redemption proceedings</td>
</tr>
<tr>
<td>15 December</td>
<td>Talentum’s Extraordinary General Meeting</td>
</tr>
<tr>
<td>19 January</td>
<td>Q1/2016 Arbitrators appointed</td>
</tr>
<tr>
<td></td>
<td>19 January 2016</td>
</tr>
<tr>
<td>19 January</td>
<td>19 January 2016</td>
</tr>
<tr>
<td>Q1/2016</td>
<td>Confirmation of redemption right</td>
</tr>
<tr>
<td></td>
<td>Confirmation and payment of collateral amount</td>
</tr>
<tr>
<td>Q2/2016</td>
<td>Talentum delisting</td>
</tr>
<tr>
<td>Q3/2016</td>
<td>Redemption proceedings estimated duration</td>
</tr>
</tbody>
</table>
Sustainable growth while making use of digitisation opportunities: growing the service business

• Alma has expanded beyond the sphere of traditional media to various system and expert services, such as:
  • in the real estate business, a housing marketplace system and information services.
  • in the recruitment business, HR consulting and recruitment systems.
  • in the automotive trade, ERP systems and systems for requesting bids
• Kauppalehti Business Information Services, JM Tieto and Alma Manu have launched new initiatives to complement their existing businesses.
Outlook

• The Finnish economy is expected to show zero growth or only slight growth in 2016. Alma Media’s significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see continued economic growth, but at a lower rate than in 2015.

• Macroeconomic development affects both consumer demand and advertising volume. The structural transformation of advertising will continue in 2016; online advertising will grow, while print media advertising will decline. Total advertising volume is not expected to increase in Finland in 2016.

• The Talentum acquisition completed in late 2015 will increase Alma Media’s revenue and operating profit in 2016. In 2016, Alma Media expects its full-year revenue and operating profit excluding non-recurring items to increase from the 2015 level. The full-year revenue for 2015 was MEUR 291.5, and operating profit excluding non-recurring items was MEUR 23.4.
THANK YOU!

Upcoming events in the investor calendar:

• Report by the Board of Directors and Financial Statements: 25 February 2016
• Annual General Meeting: 17 March 2016
• Q1 result: 29 April 2016
• CMD: 17 May 2016 /Helsinki