

# Strategic directions

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Alma Media Corporation Capital Markets Day  
November 24, 2010, Helsinki

# Strategic directions

## Contents

- Since one year ago...
- Strong position in the domestic market
- Near-term outlook of media transformation
- Creating value, creating growth

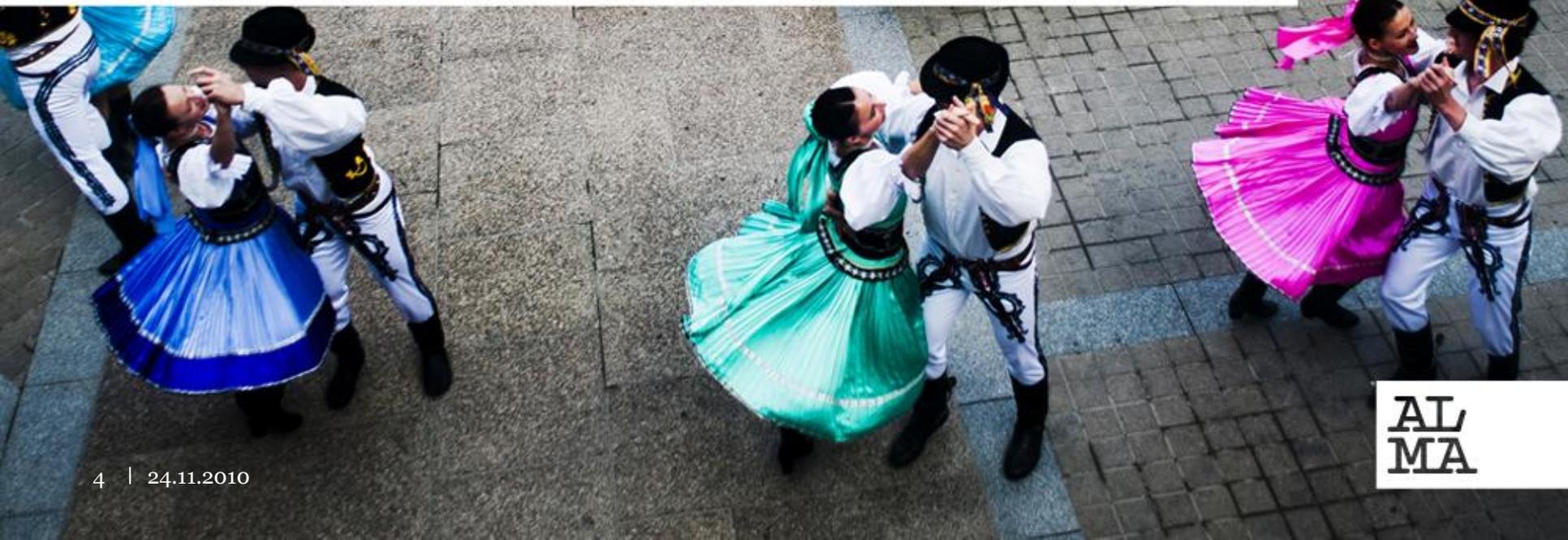


Since one year ago...





# Alma has been renewing operations



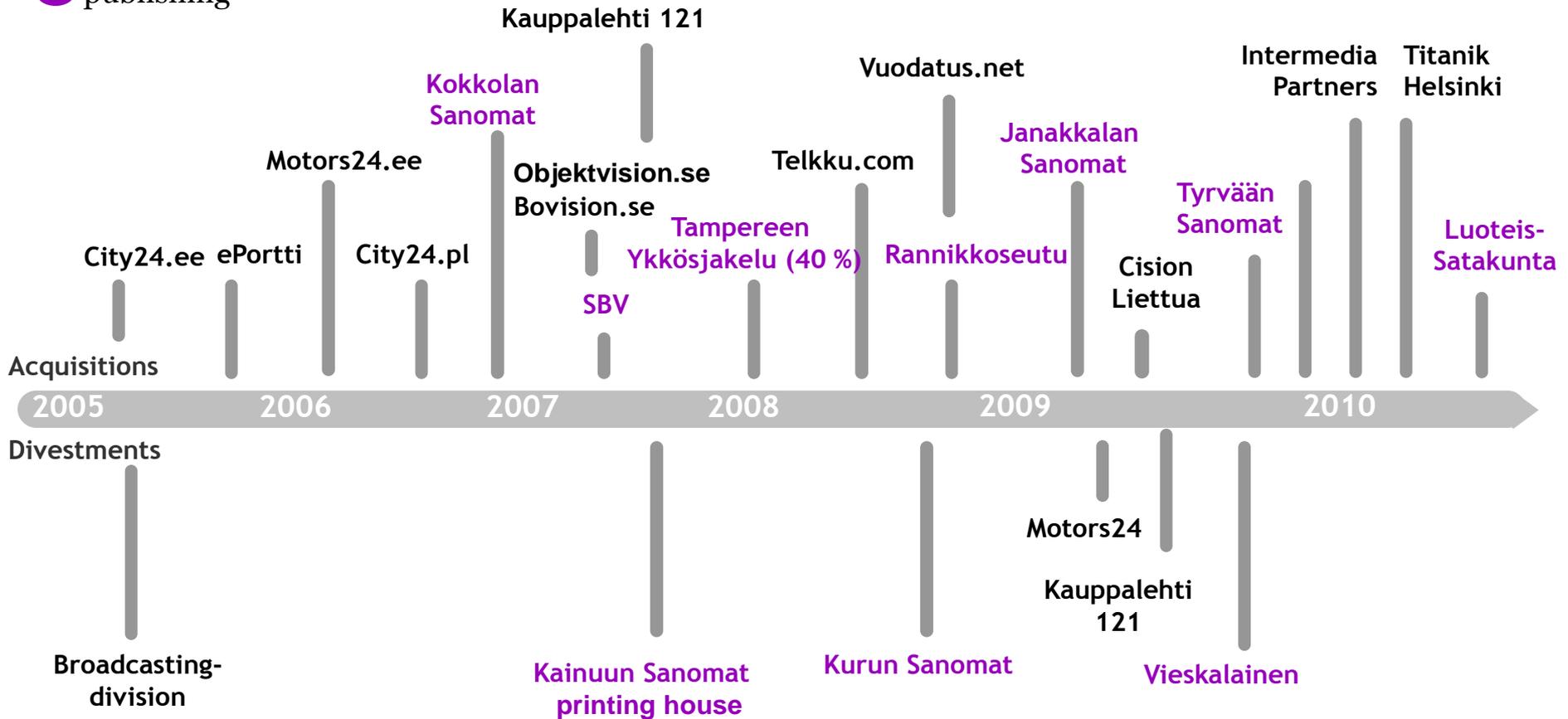
# Some examples of the renewal

- Renewal of several regional newspapers.
- The cooperation with Arena Partners in national marketplaces business.
- Replacement investment decision of the Tampere newspaper printing facility (50 MEUR).
- Printing and distribution business unit, Alma Manu, started.
- Small-scale but strategically important acquisitions.

# Acquisitions and divestments

- online services
- publishing

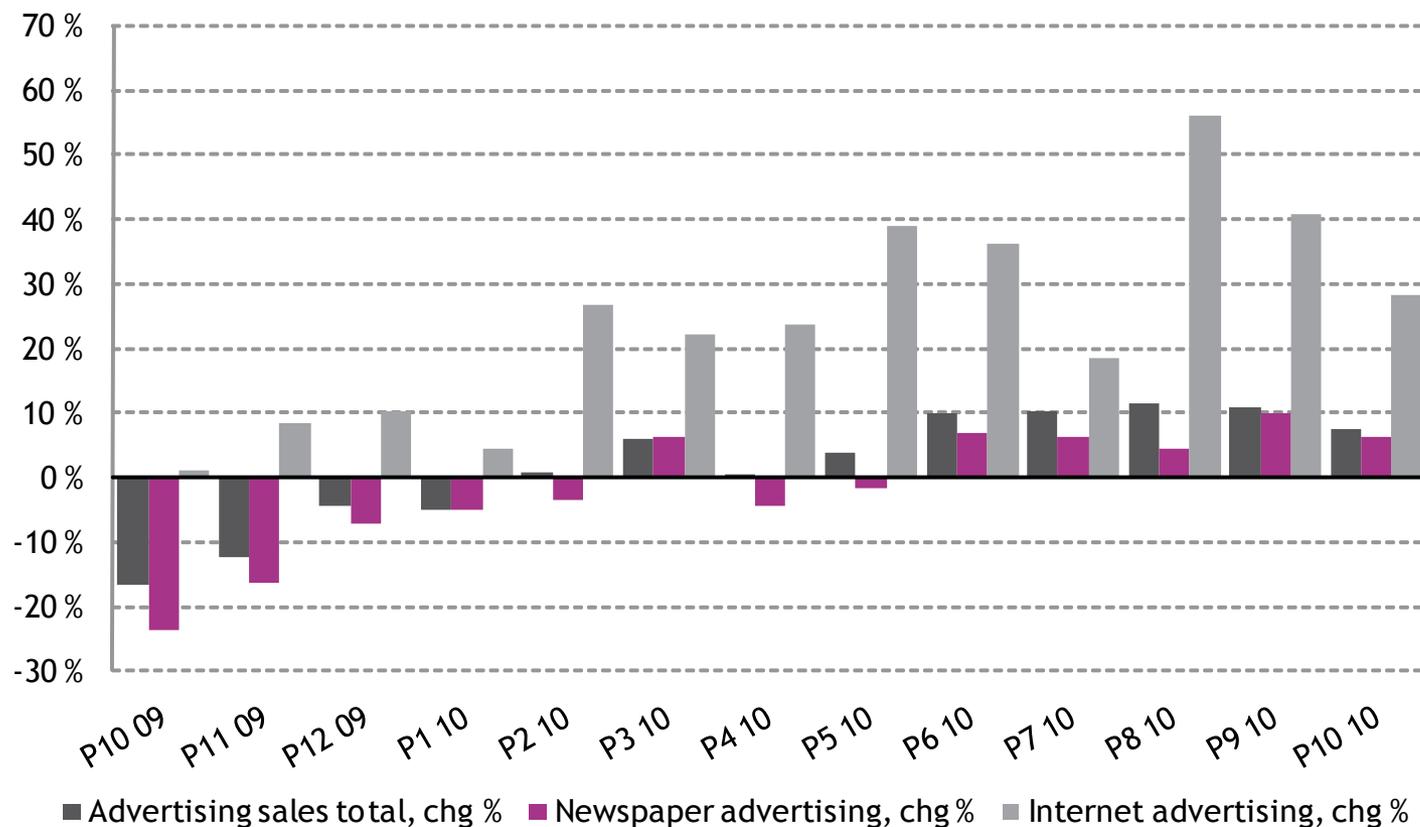
In 2010 also:  
 Arena Interactive, 35% share  
 Kotikokki.net, from 40% to 65% share  
 Kateetti Oy, 24% share  
 Marknadspriiser.se, 60% share





# Advertising market slowly picking up

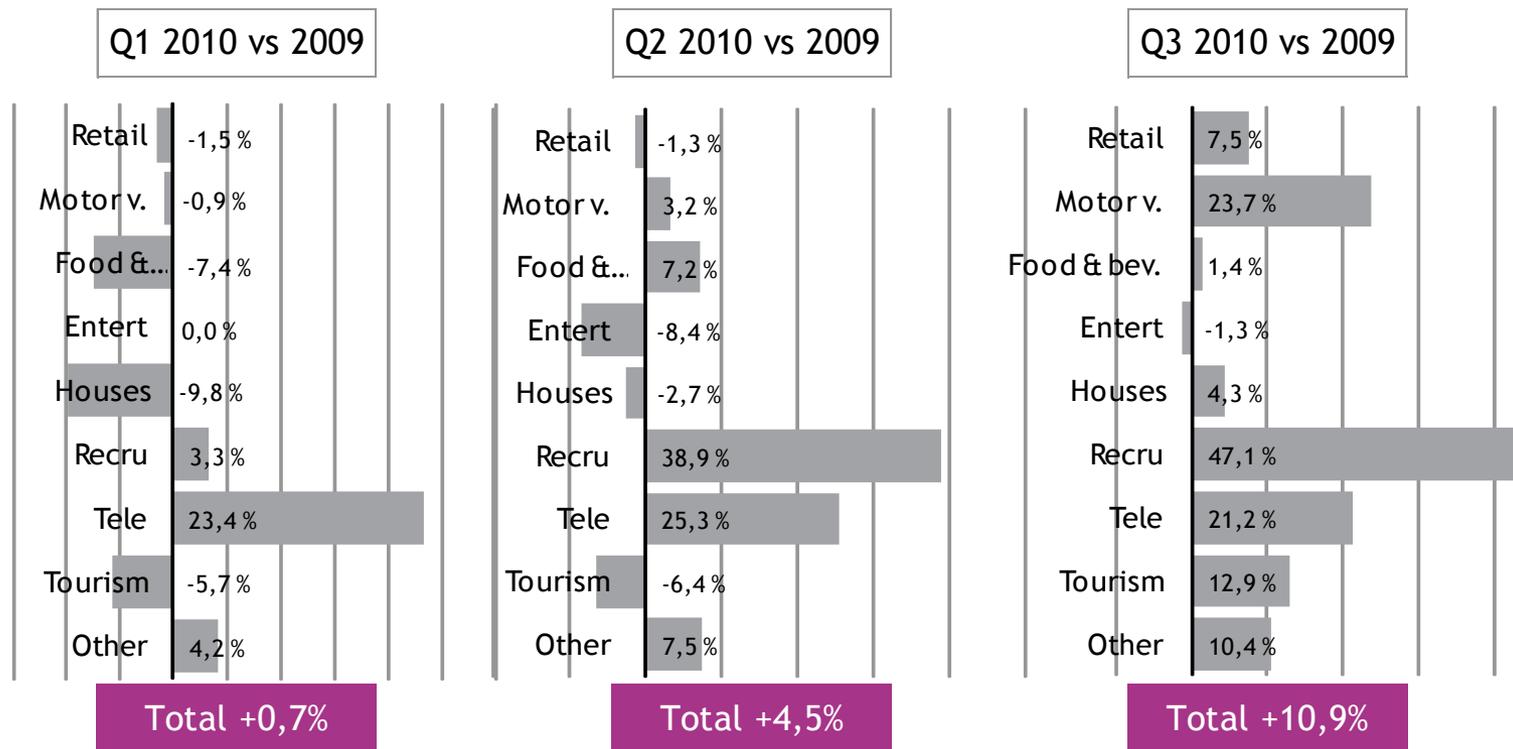
# Advertising sales change 10/2009 - 10/2010



\* Source: TNS Media Intelligence

# Advertising change by branch

Total market; change from previous year

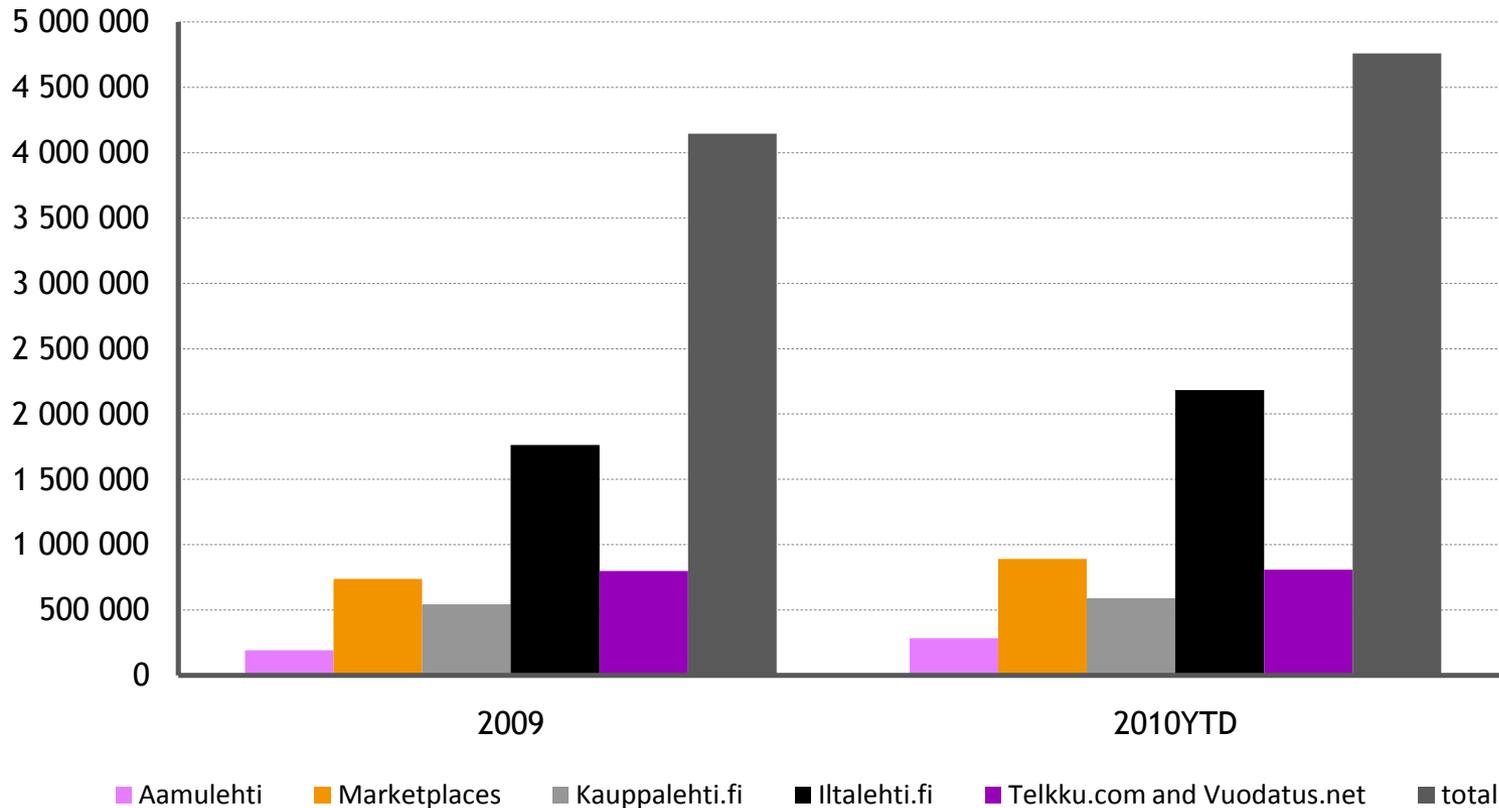


Source: TNS Media Intelligence



People have been busy  
consuming media

# Online keeps attracting more visitors



Annual average visitors numbers.  
Overlapping use not taken into account.

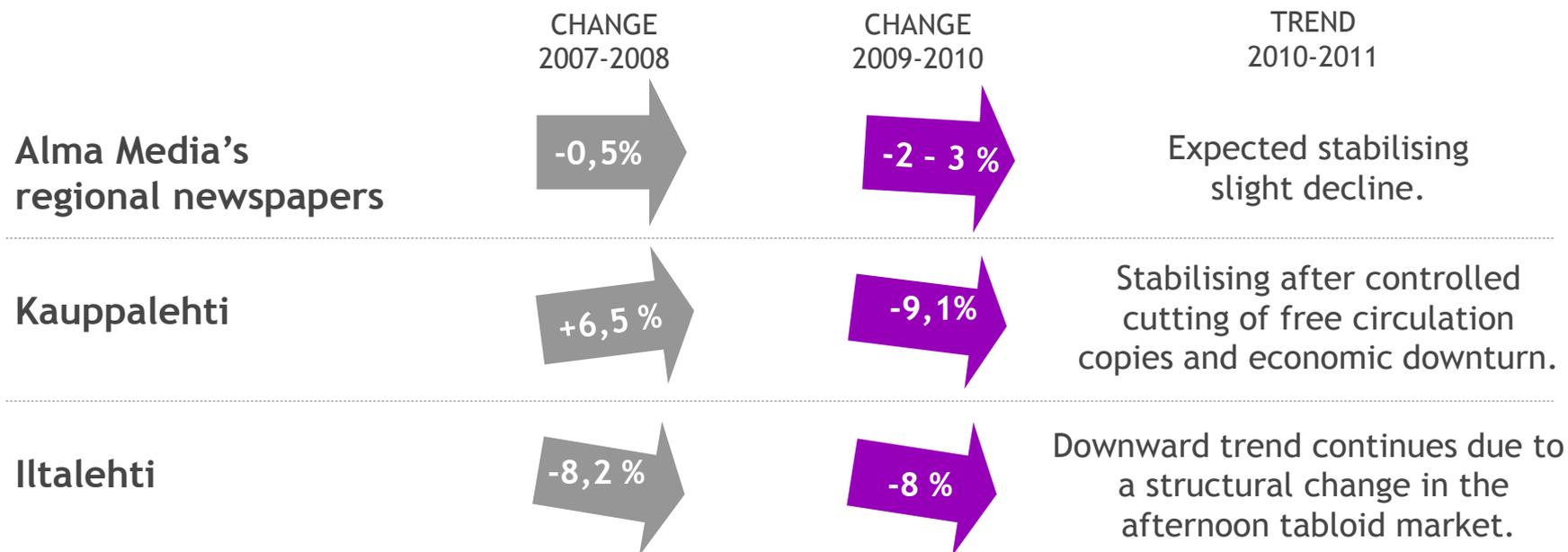
# People continue to read printed media

	Readers ('000)	Change, %
Iltalehti	654	+1.6
Aamulehti	310	-1.6
Kaupparehti	229	-0.4
Satakunnan Kansa	134	+3.9
Lapin Kansa	85	-4.5
Kainuun Sanomat	58	-3.3
Pohjolan Sanomat	53	-7.0

Readership change 2009. The gross readership of all daily newspapers declined 1.8 %.

Source: KMT (National Media Study) 2009

# Print circulations in slow decline



Sources: Alma Media, Finnish Circulation Audit

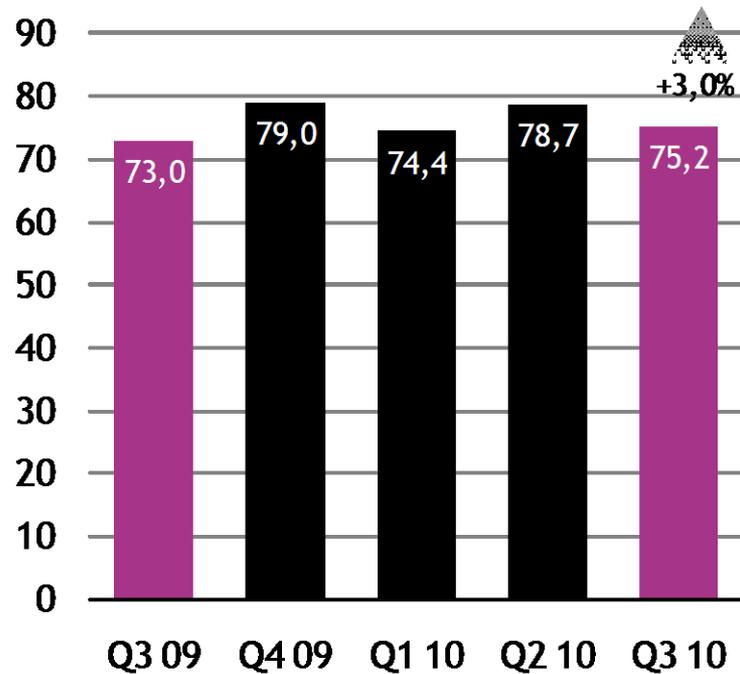


We have kept our numbers  
healthy

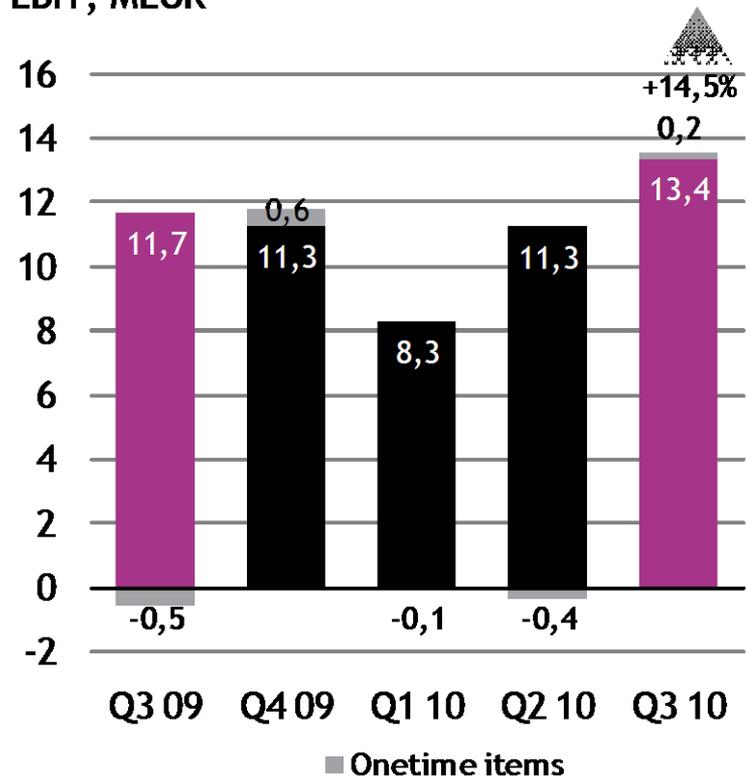
# Net sales and EBIT development

IFRS

Net sales, MEUR



EBIT, MEUR



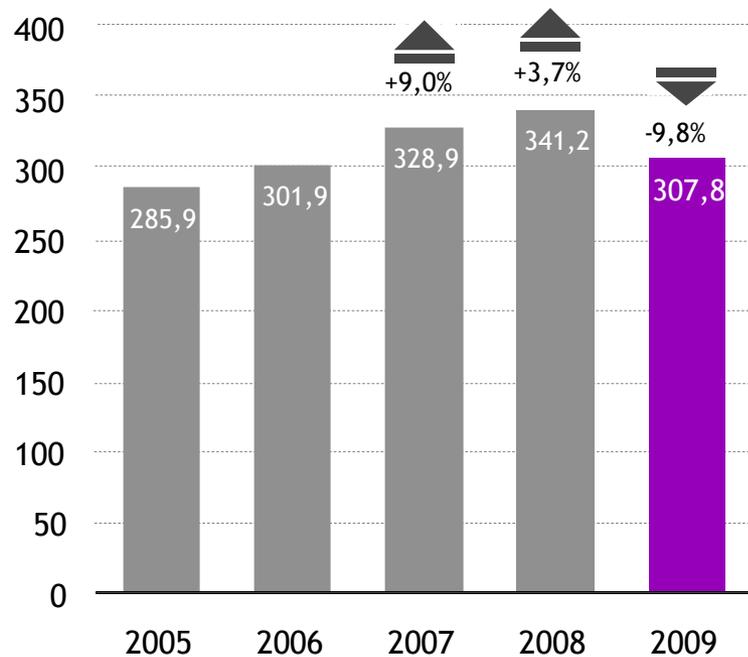


# Sustained financial performance

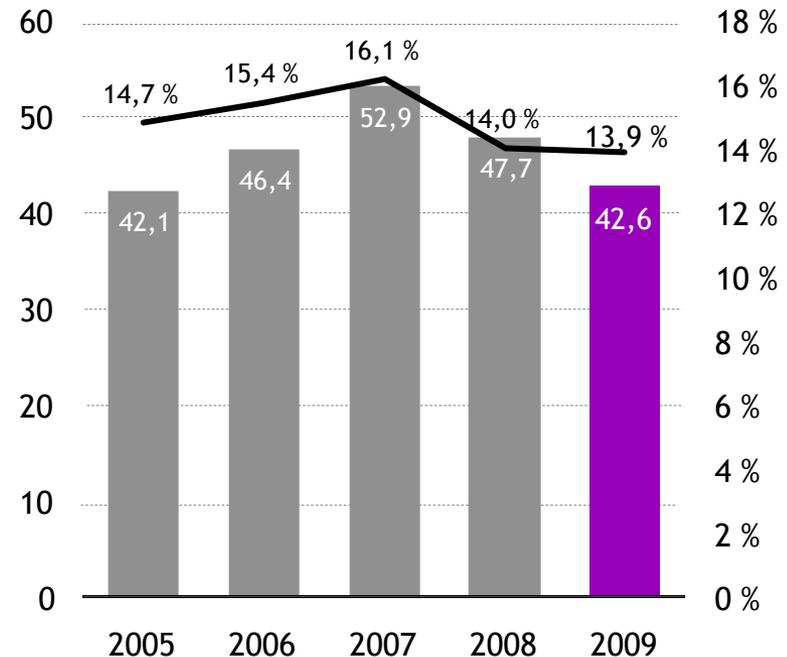
# Key figures 2005 - 2009

Without one-time items

## Net sales MEUR



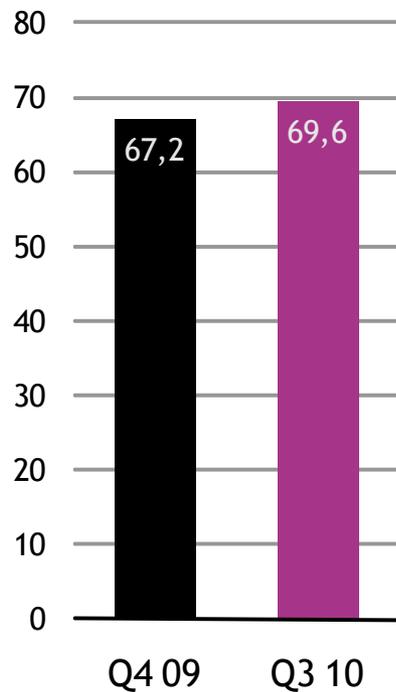
## EBIT, MEUR & margin (%)



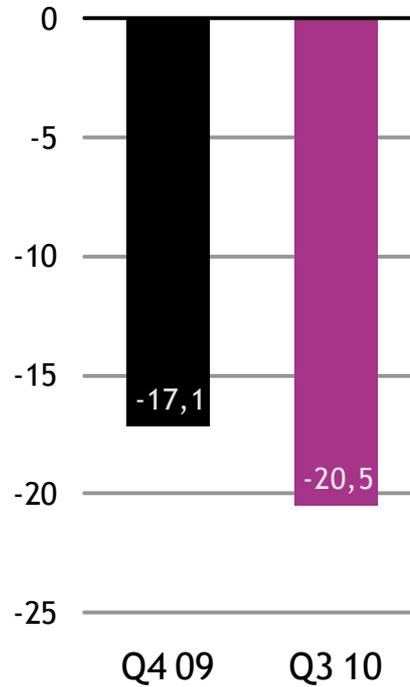
# Key ratios in 2010

IFRS

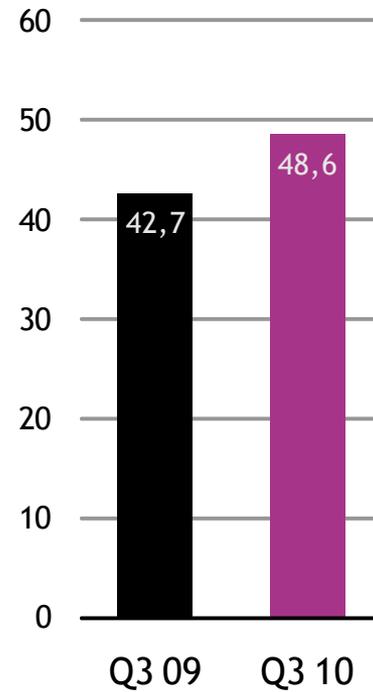
Equity ratio, %



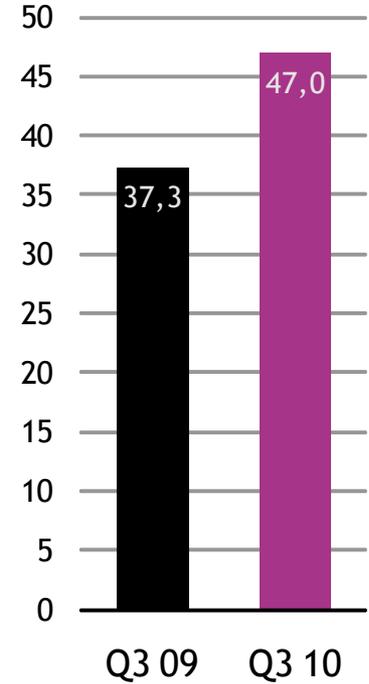
Gearing, %



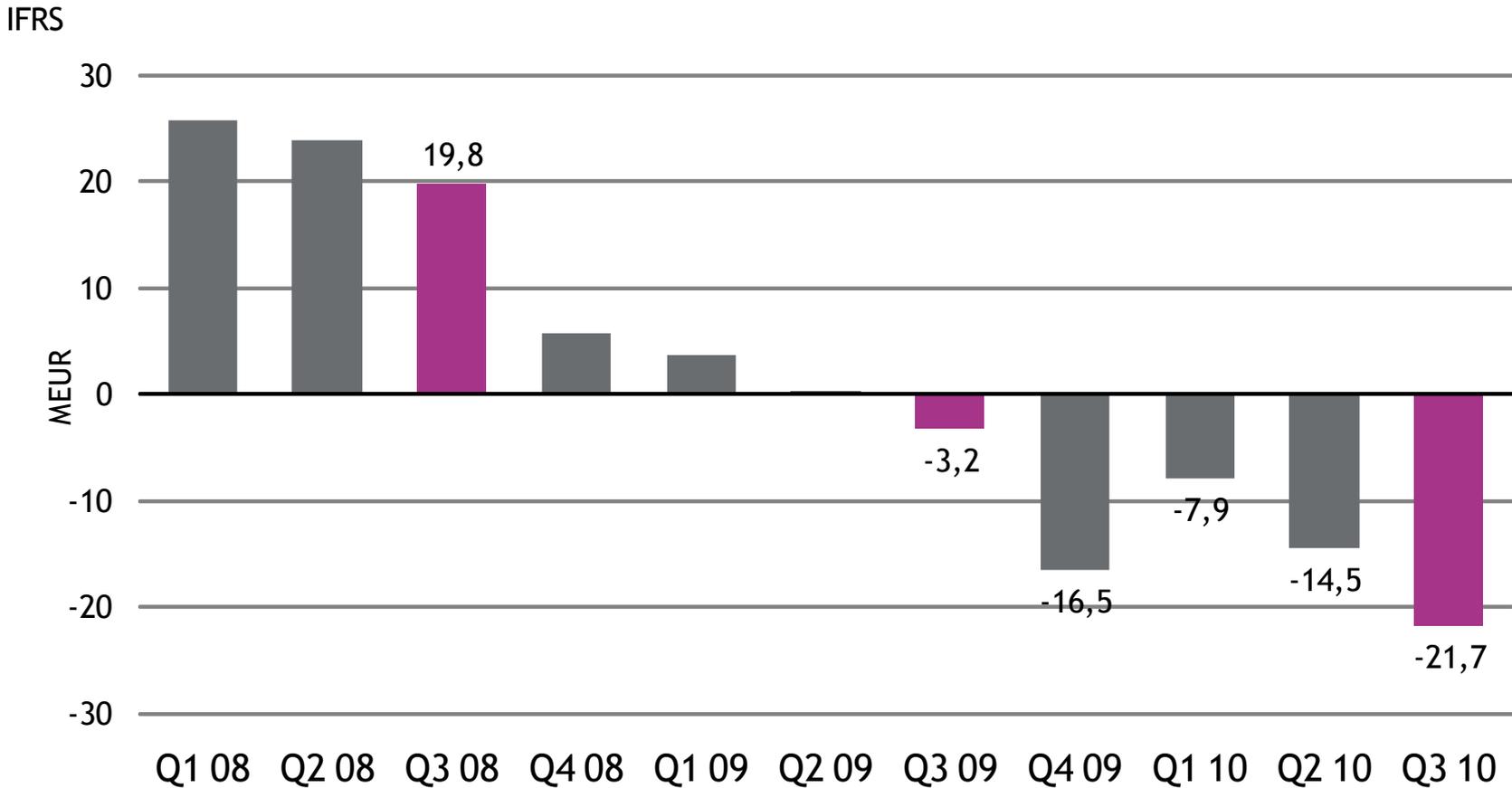
ROE%



ROI%



# Net debt, MEUR





# Strong position in the market

# Alma Media in line with the market

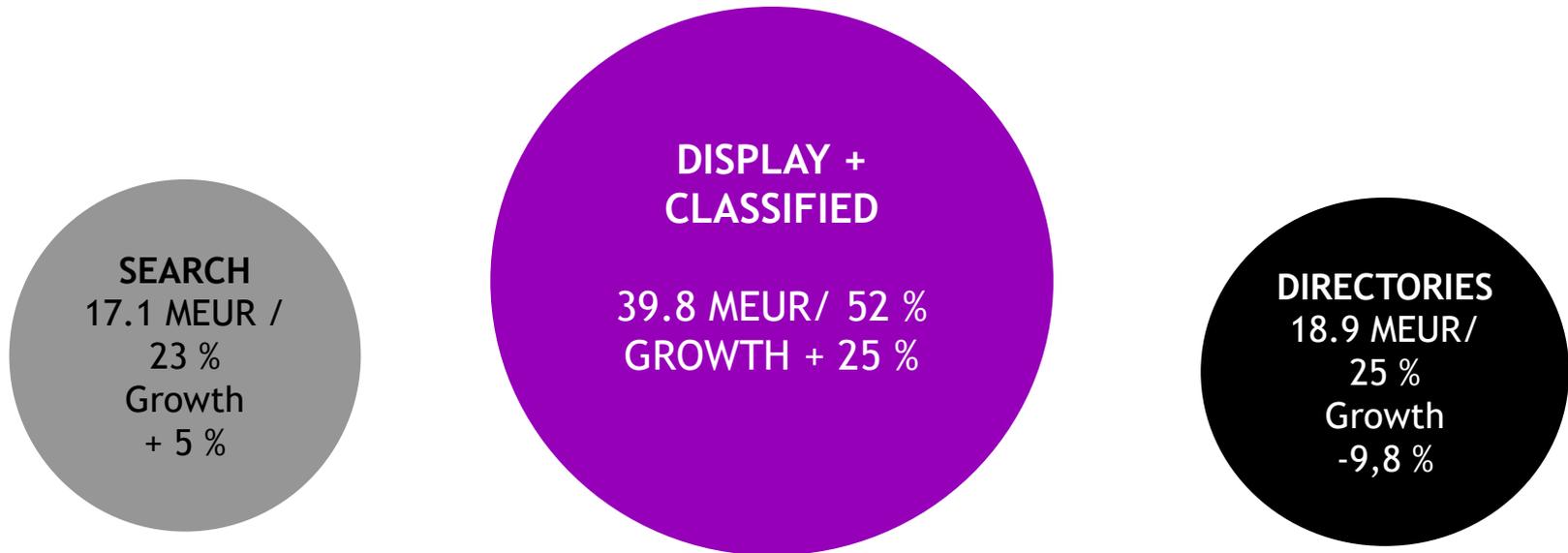
## Alma Media vs. market

Change, %	Market Q1-Q3 10 *	Alma Media Q1-Q3 10
Newspapers total	1,9	0,6 **
Magazines	-3,3	-
Television	9,5	-
Radio	6,4	-
Internet	33,6	26,0
<b>TOTAL</b>	<b>5,3</b>	<b>5,1</b>

\* Source: TNS Media Intelligence

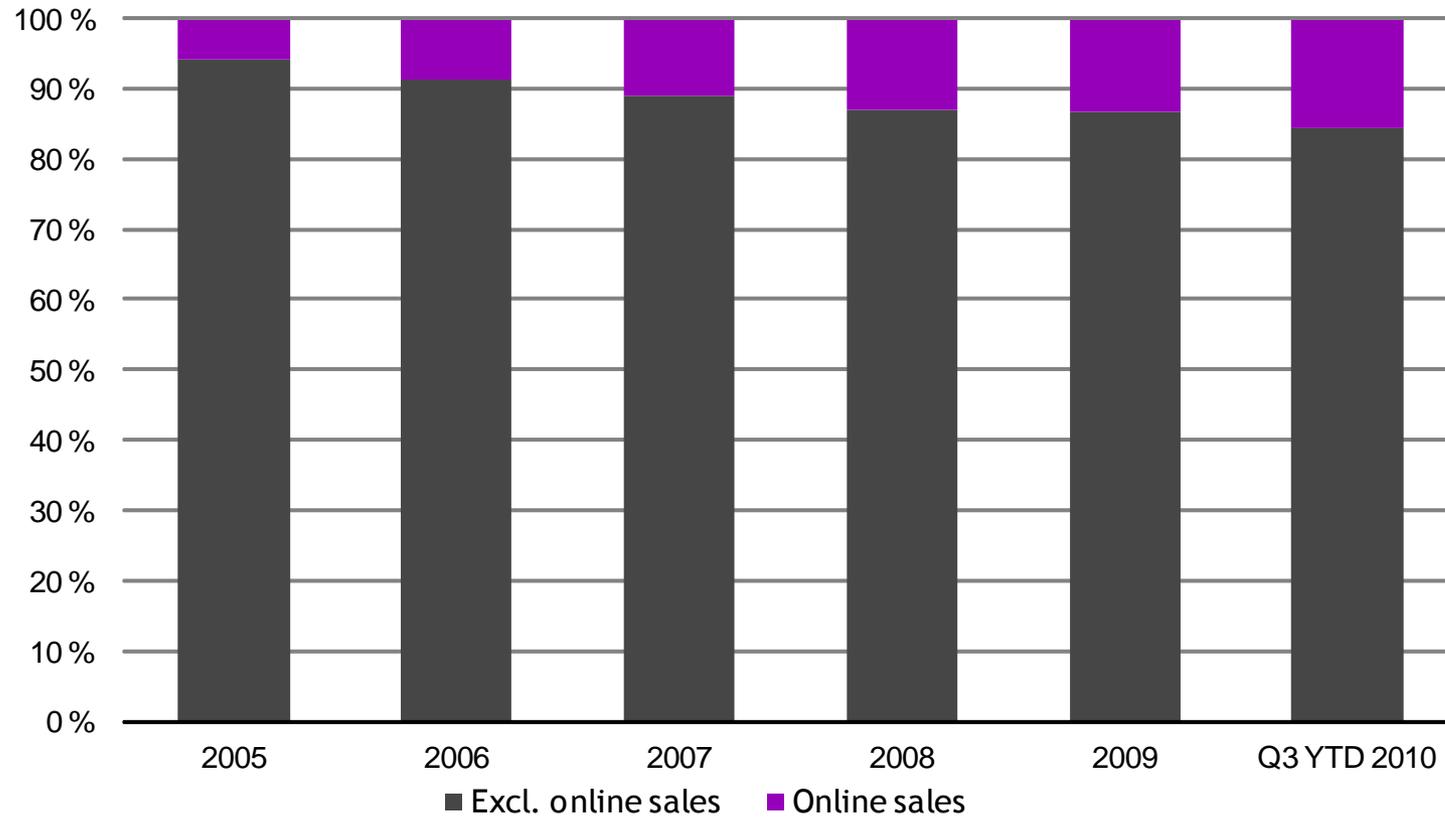
\*\* Newspapers segment (excl. online services), Kauppalehti and Etuovi print; ongoing operations

# Market for display and classified advertising growing fast



Source: IAB Finland

# At Alma, the share of online sales is growing





# Near-term outlook of media transformation

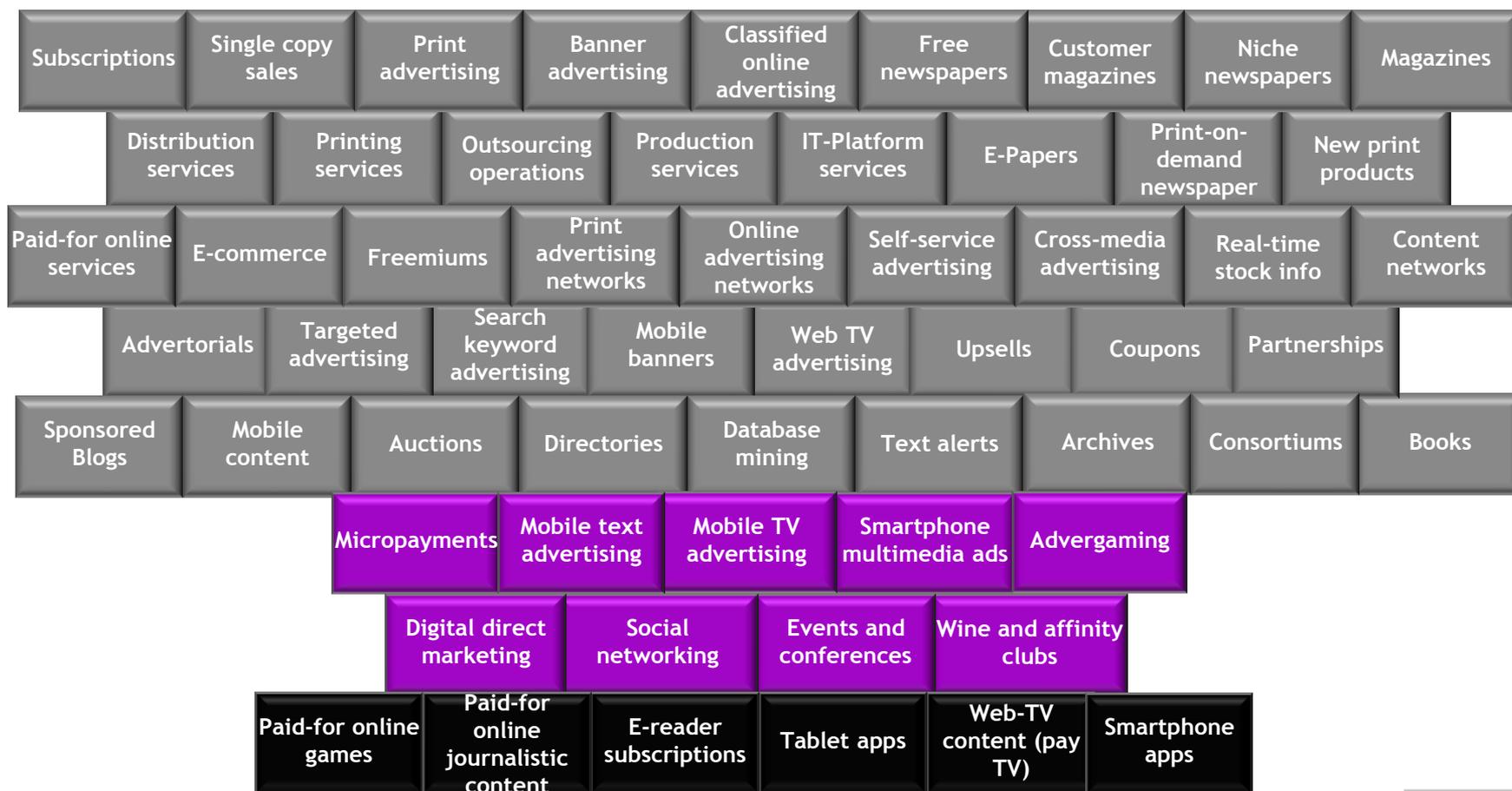
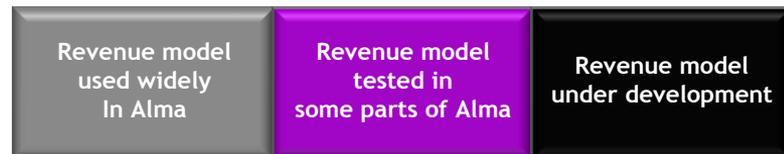
# A complex set of revenue streams



Source: Shaping the Future of the Newspaper

© WAN-IFRA 2010

# Alma's Revenue Model Mosaic



Source: Adapted from WAN-Ifra's The New Revenue Model Mosaic by Alma Media Management.



# Different media channels, different game



<p>Content for a reader</p>	<p>Local content News analysis Debate Meaningfulness Entertainment Content by professionals</p>	<p>Fast news Topical issues Entertainment Web TV, video Services Content by professionals and users</p>	<p>News in brief - right now  Location-based and other services</p>	<p>Multimedia news media content experience  Beneficial services</p>
<p>Business model</p>	<p>Subscription fee Single copy sales</p>	<p>Freemium Micro/nano payments</p>	<p>Paid for</p>	<p>Subscription-based Single issue sales</p>
<p>Packages for subscribers</p>				
<p>Advertising income</p>				

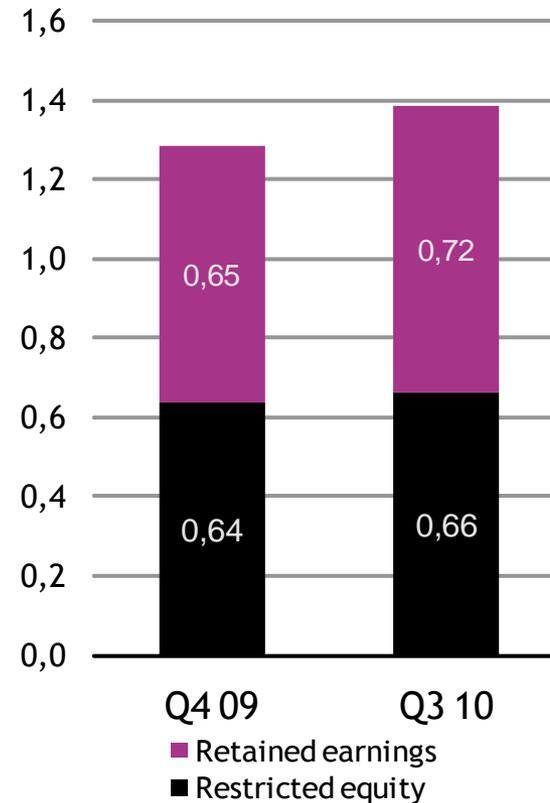
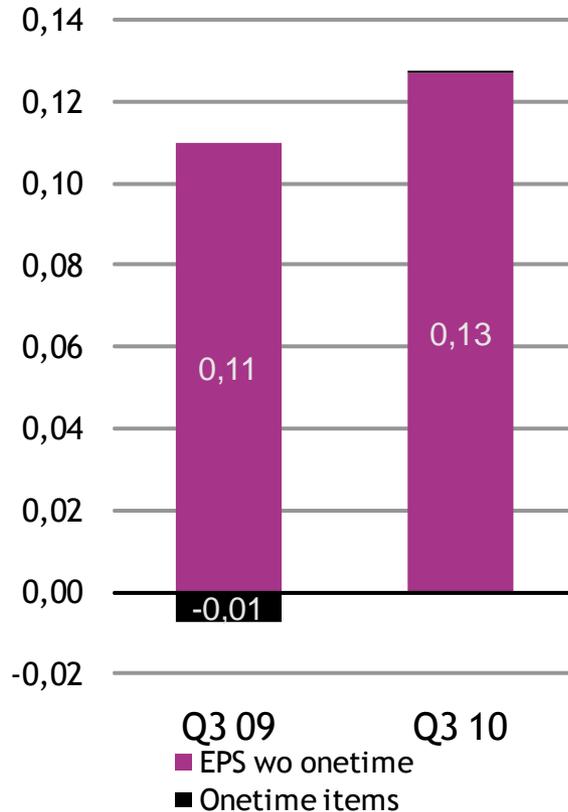




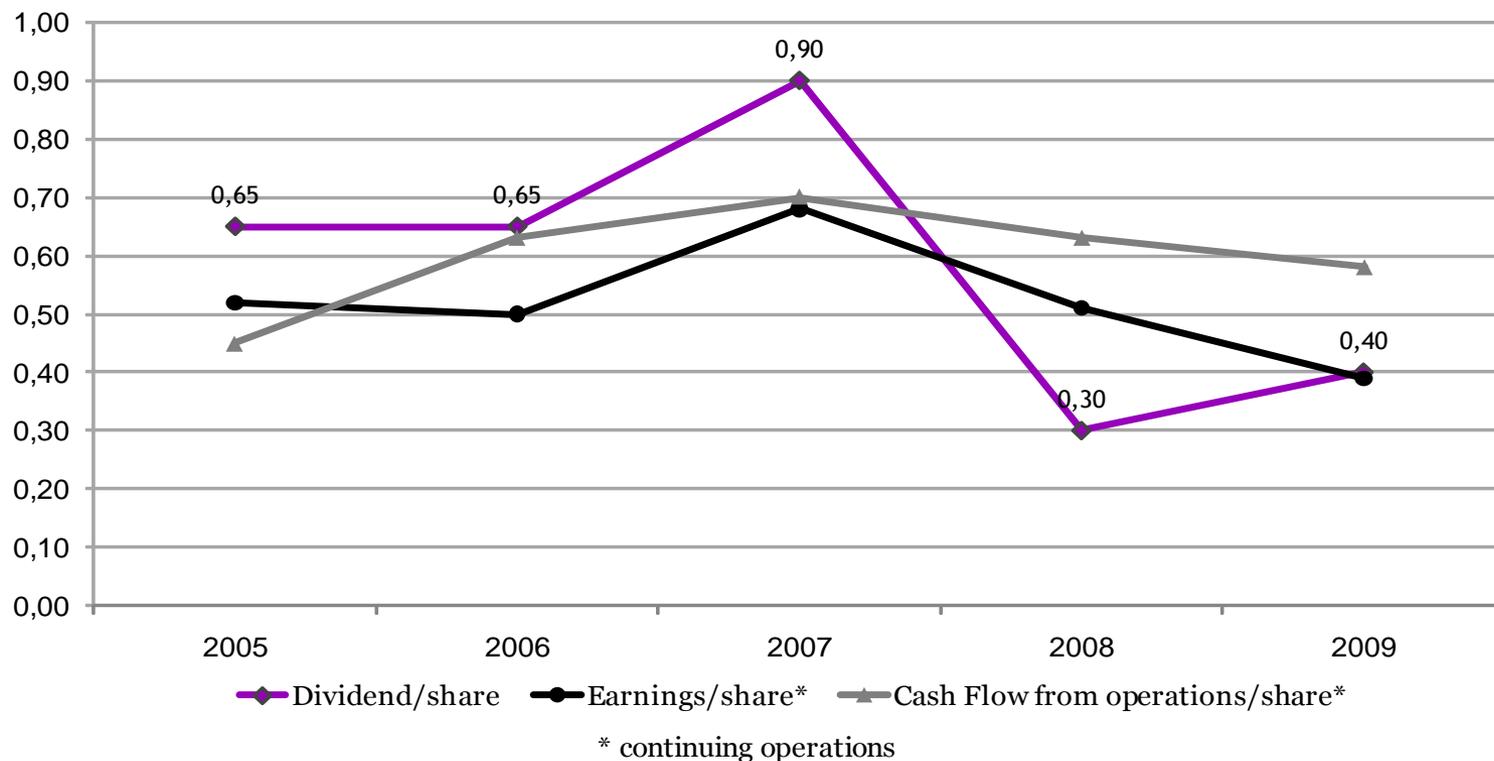
# Creating value, creating growth



# Earnings already above 2009 level



# Healthy dividend over the years



Dividends and effective dividend yields 2005-2009					
	2005	2006	2007	2008	2009
Dividend, eur	0.65	0.65	0.90	0.30	0.40
Effective dividend yield	8.5%	7.0%	7.7%	6.1%	5,3 %

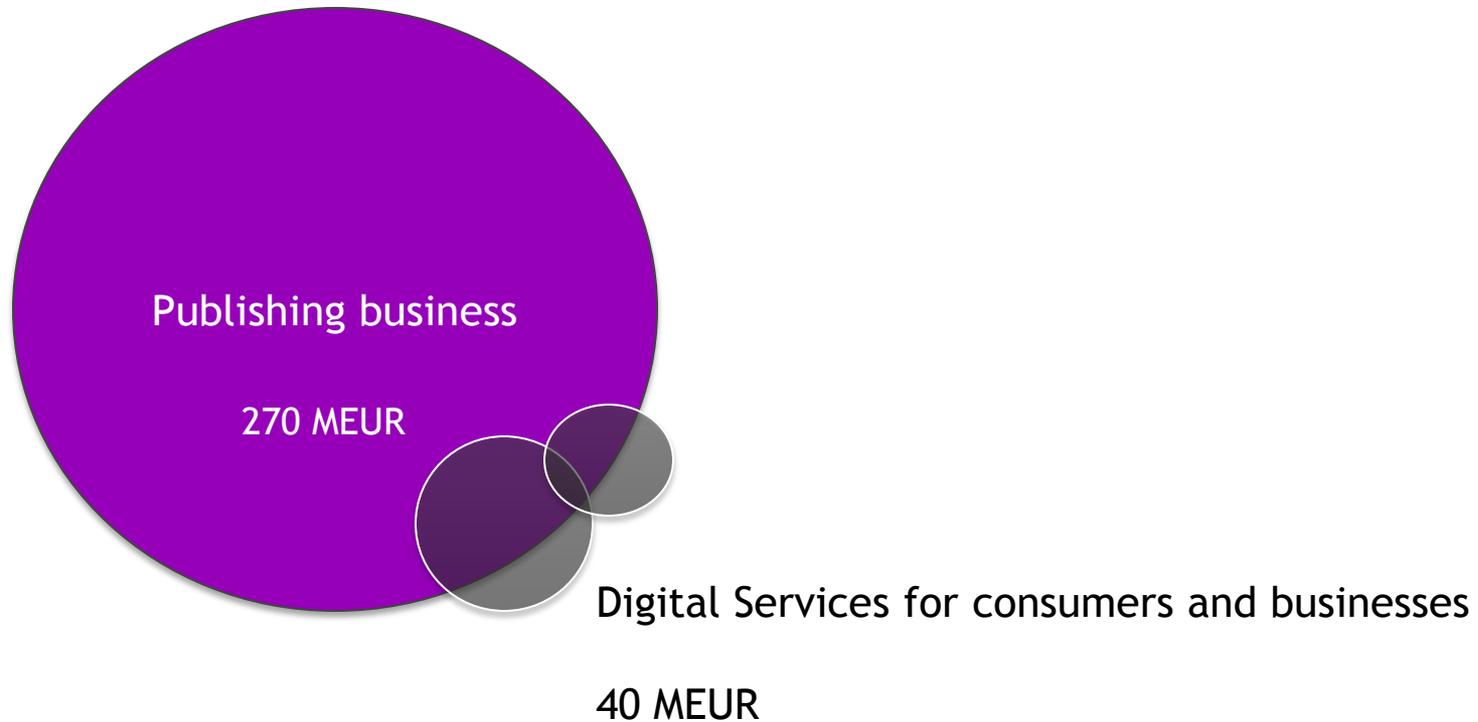


# Our goal

is to grow through creating value for our customers



# Alma is a pure publishing company, or is it?



# Dynamics of the business environment 1/3

The society is digitalizing, e-commerce is growing

- E-services and e-commerce grow as the usage of internet becomes more regular, the array of services expands and as the consumers gain confidence to e-commerce and e-payments.
- Lack of time and ease of buying support the growth of e-commerce and e-services.
- Social media enables the empowerment of the consumers.

The growth of the digital media continues

- Internet is consumed through a variety of terminals. Multi-channel usage becomes a mundane element of media business and media consumption.
- Media is consumed when a consumer sees it fit. The popularity of on-demand services grows.
- Use of mobile services and videos over internet increases.
- Social media will take a significant role in communications.

# Dynamics of the business environment 2/3

The share of digital advertising increases year after year

- The structural changes in media advertising caused by the recession remain partially permanent.
- The significance of targeting in advertising increases. Measuring of advertising gets more efficient, supporting digital advertising.
- Local online advertising grows thanks to new, easy solutions suitable also for smaller-scale advertisers.
- Video advertising becomes more popular, mobile advertising takes off.

The profitability of the traditional media companies under pressure

- The playground of communications and advertising become more fragmented.
- The decline in circulations accelerates.
- The need to renewals increases, multi-channel media is a necessity.
- Paper and distribution costs under severe pressure for price increases.
- The chase for new growth areas forces the players to seek new businesses. Some remain at the traditional media business.

# Dynamics of the business environment 3/3

Growth is enabled by development, which requires investments

- Product and service development utilizing the resources of the whole personnel is needed, together with investing in the competence development and the organization's ability to renew itself.
- Stakeholders involved in development projects
- The standard for the development and technology projects is rising. It gets more difficult to find skillful partners while project management and leadership take an important role.
- Development cycle gets faster, the number of new services launched will increase, business boundaries dissolve.

Cooperation and deeper partnerships may be useful

- Increasing development needs and scant growth potential in traditional media business will lead to consolidation and deeper cooperation in the media sector, also across industry boundaries.
- Revenue share business model will become more popular.
- Investments in newspaper printing will enhance planning for cooperation and more healthy capacity in longer term.
- In technology development projects, resources in countries of lower-cost level are utilized.

# Strategic cornerstones

## RENEWAL

Transformation of media

## NEW BUSINESS AREAS

Growth from digital consumer  
and business services

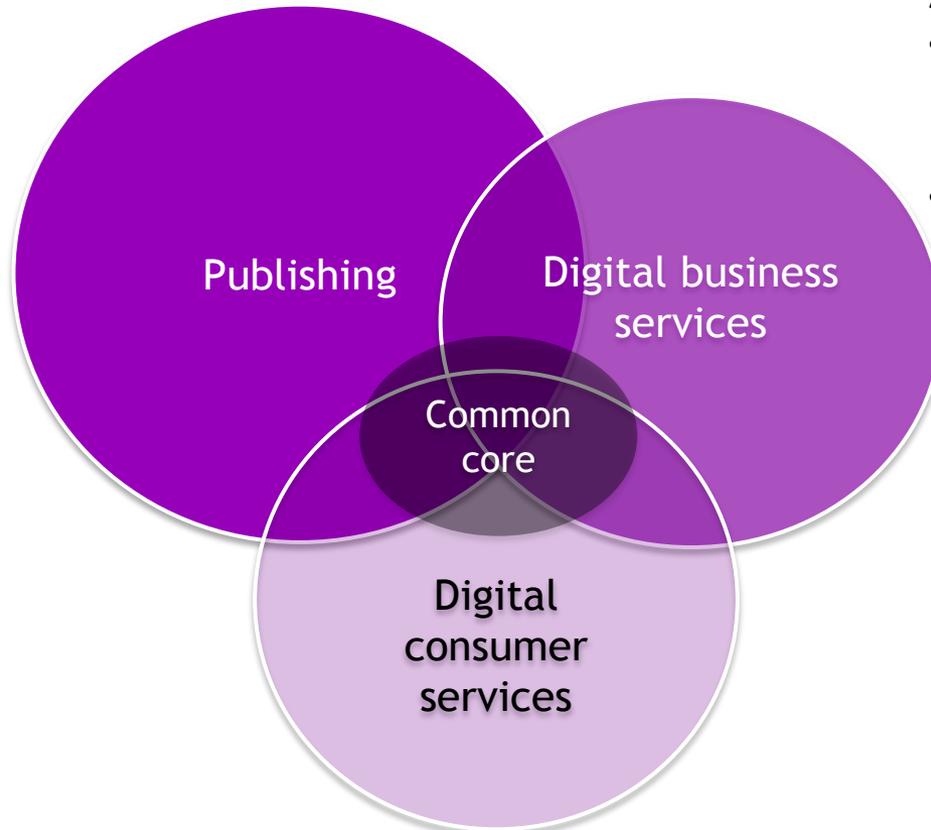
## COOPERATION

The utilization and strengthening of  
the sources of competitive advantage

# Redefining Alma Media

## PUBLISHING

- Regional media
- Business media
- Afternoon tabloid media
- Mobile services and IPTV support



## DIGITAL BUSINESS SERVICES

- Information, analysis and other online services
- Solutions for marketplaces and marketing

## DIGITAL CONSUMER SERVICES

- Marketplaces combining information, supply and demand with experience



Questions?