

Alma Media Q2 2013

Kai Telanne, President and CEO
Juha Nuutinen, CFO
19 July 2013



Agenda

Main points Q2

Market development

Financial review

Strategy and future outlook

Q & A

Main points Q2 2013

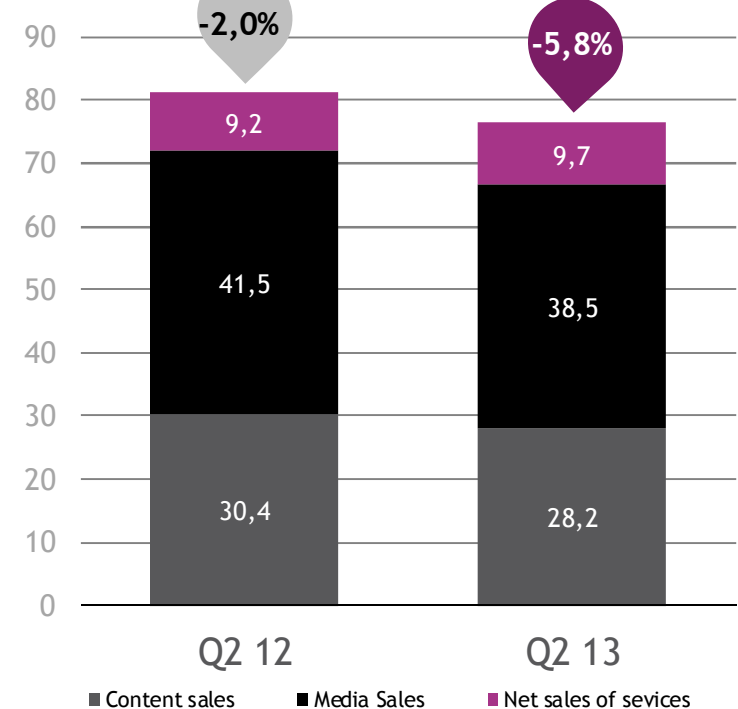
- The European economic development continued to affect the media business. Advertising declined steeply and media consumption gradually moved to digital channels. Alma Media's revenue decreased by 5.8% and operating profit excluding non-recurring items dropped 40.1% from the comparison period.
- The Marketplaces unit continued to reach excellent results, in particular in its East European recruitment-related businesses.
- Non-recurring gains from the sale of the online service Mascus increased earnings per share.
- Digital products and services, the focus of Alma's growth strategy, increased their share of Group revenue. Several competitiveness-enhancing measures were taken in the publishing business.
- Alma Media has continued to make operations more efficient and successfully followed its savings programmes.
- Alma Media estimates the revenue and operating profit excluding non-recurring items for the second half of 2013 and the full year to decrease from 2012 levels.

Revenue Q2 2013

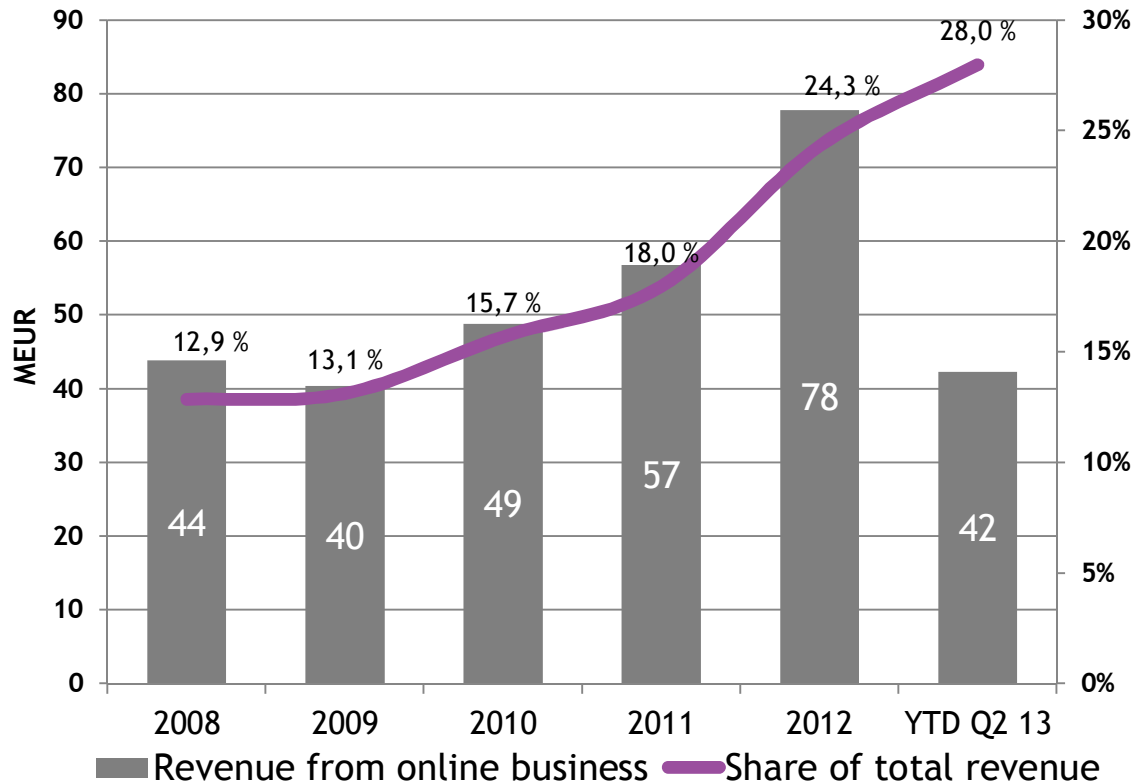
- The first-quarter revenue declined by 5.8% from comparison period to MEUR 76.3.
- Revenue from digital products and services grew mainly thanks to recruitment service companies acquired in Slovakia and Croatia in 2012.
- Revenue from advertising sales declined by 7.3%.
 - Online advertising sales grew by 9.4%
 - Advertising sales for print papers declined by 17.5%.
- Content revenue declined by 7.3%.
- Service revenue grew by 5.6%.

Revenue, MEUR

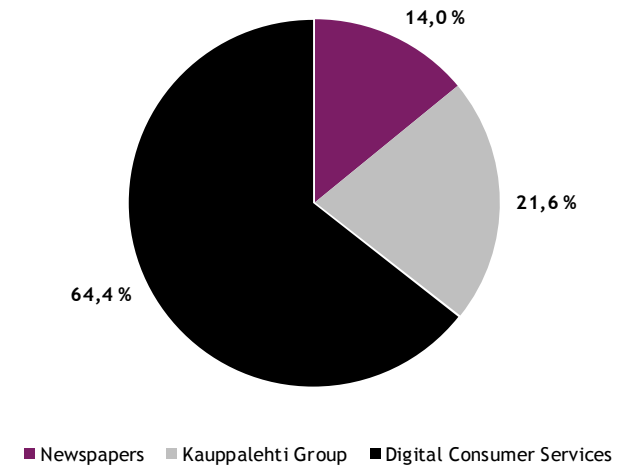
IFRS



Digital business keeps growing



Digital business by segments Q2/2013



Operating profit Q2 2013

- Total expenses excl. non-recurring items decreased by 2.0% from comparison period to MEUR 72.0.
 - Decrease mainly due to reorganisation in 2012 and savings programmes in 2013.
- Operating profit excl. non-recurring items declined by 40.1% to MEUR 4.6 (7.7), being 6.0% of revenue.
- Operating profit was MEUR 9.5 (4.8), rising to 12.4% of revenue.
 - Non-recurring items: gains from sale of Mascus business and write-down of Rovaniemi printing press.
 - Non-recurring items mainly related to operational restructuring.

EBIT, MEUR

IFRS



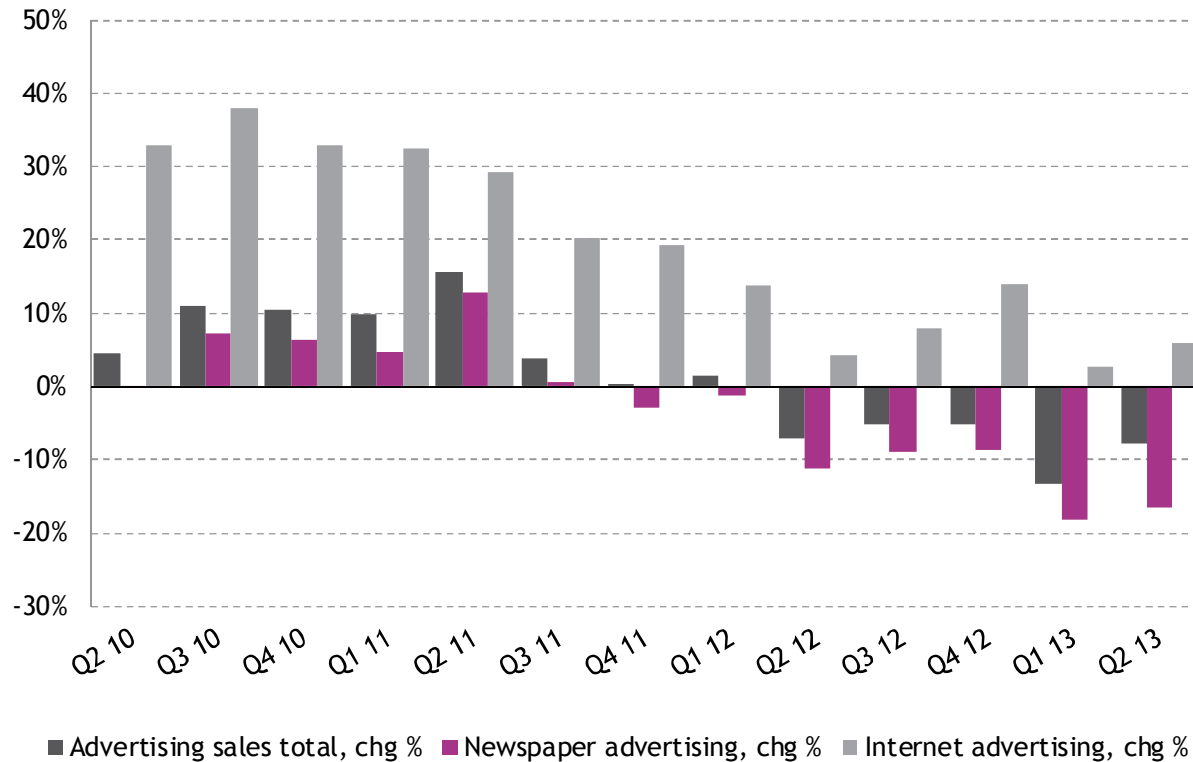
Market development in Finland



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Advertising volume changes Q2/2010–Q2/2013

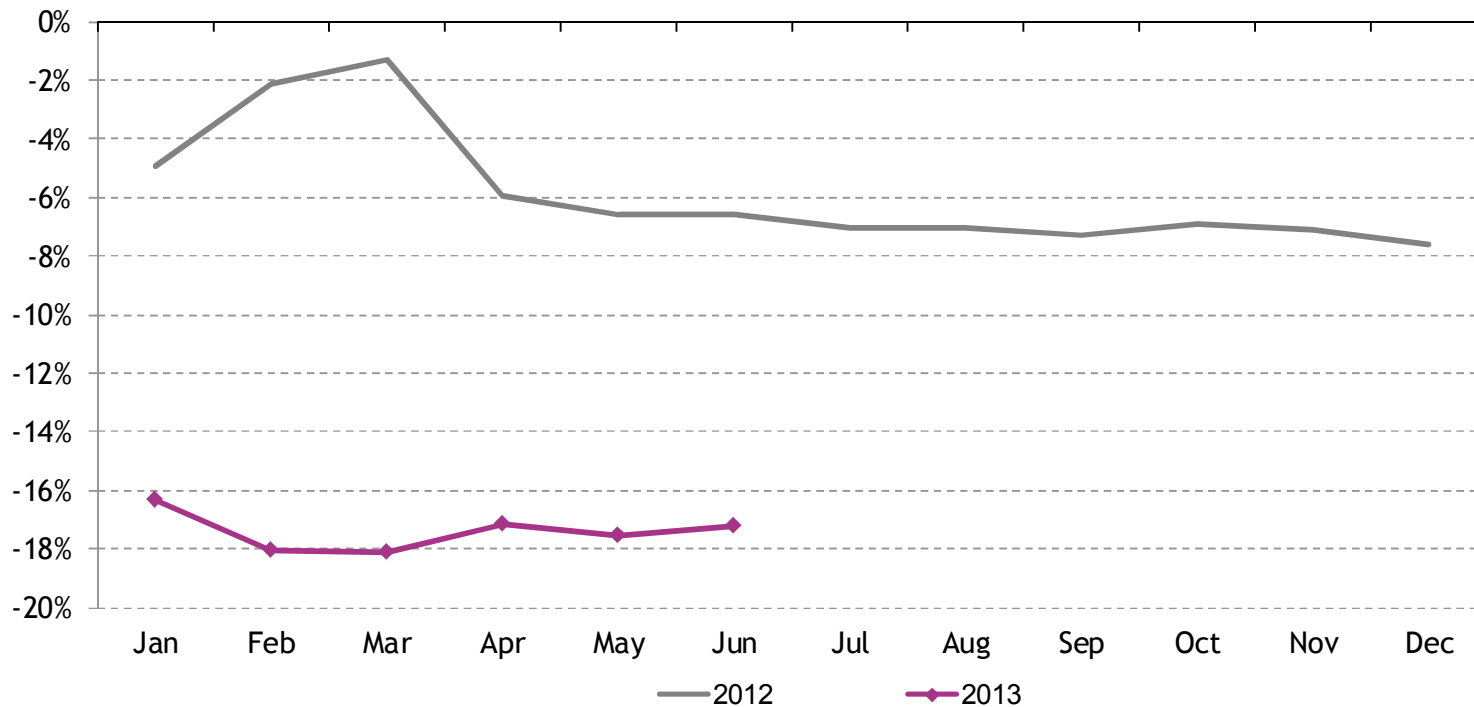


Change % Q2/13 vs. Q2/12	
News- papers	-16,4
Magazines	-15,6
TV	+3,1
Radio	-3,3
Internet	+6,0
Total	-7,8

Source: TNS Media Intelligence

Advertising volume in print newspapers* remains low

YTD change from previous year, %

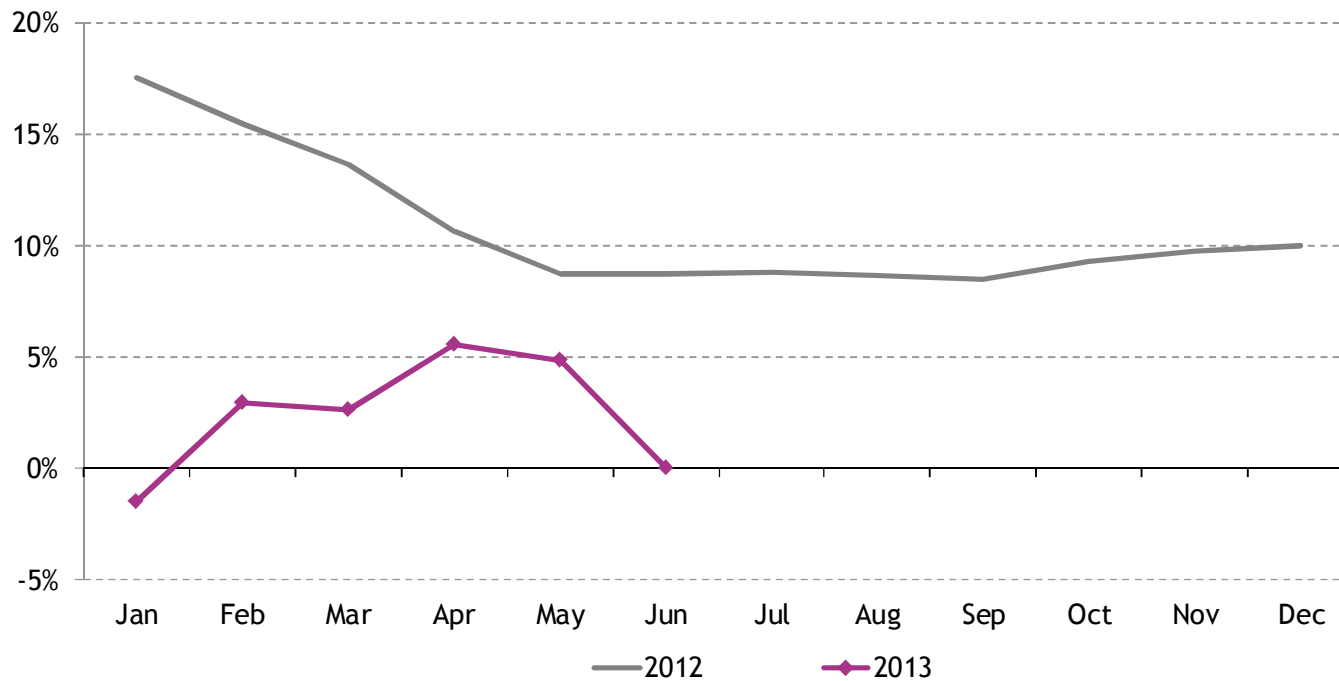


Source: TNS Media Intelligence

* Newspapers, local and free issue papers

Advertising in online media slowed down

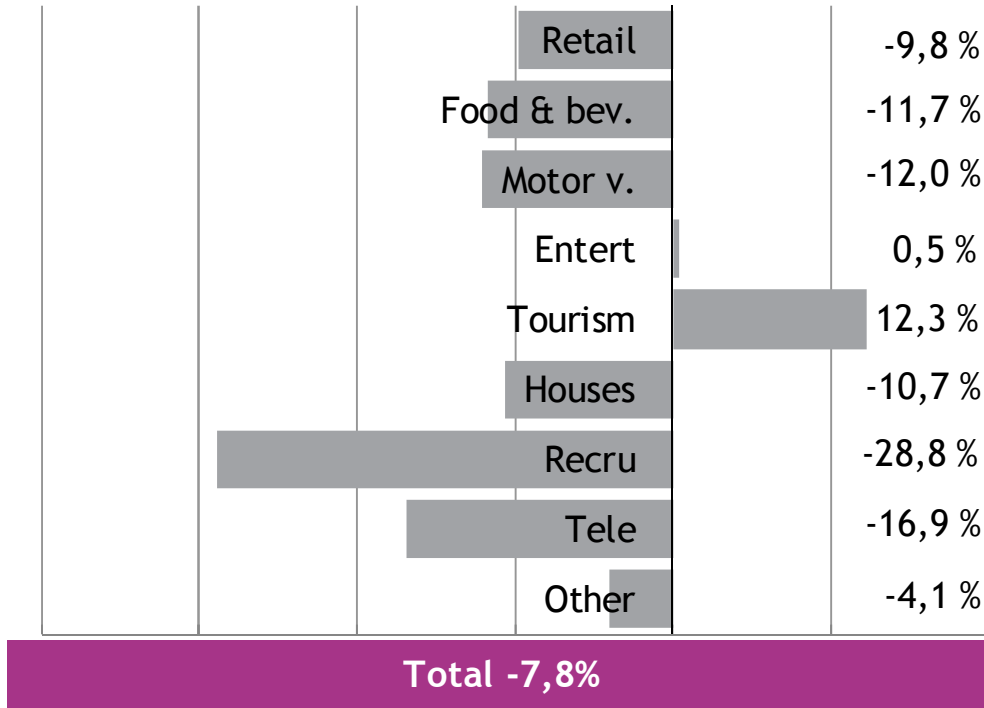
YTD change from previous year, %



Source: TNS Media Intelligence

Almost all industries cut down on advertising

Total market; change from Q2/2012

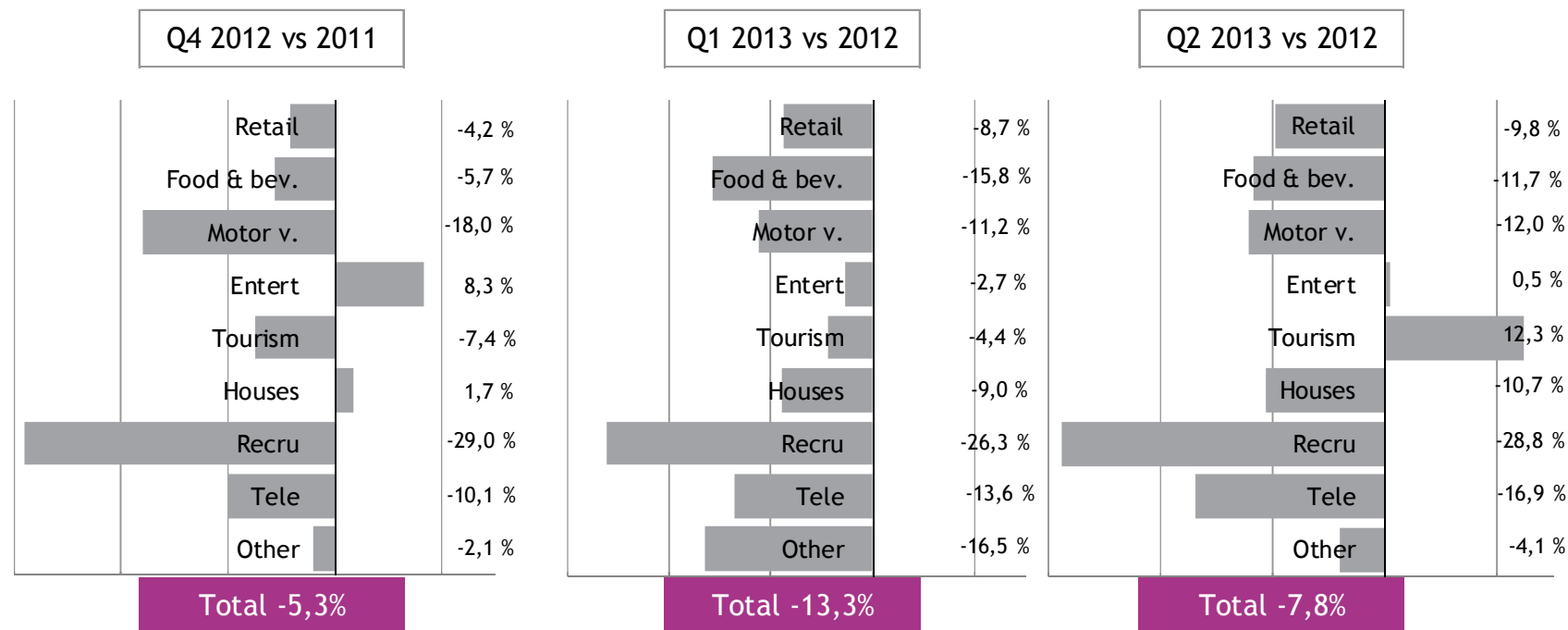


Advertising in Q2/13	MEUR
Retail	63
Food & beverages	29
Motor vehicles	23
Entertainment	12
Tourism and traffic	12
Houses and premises	12
Recruiting	8
Telecommunications	7
Other	107
Total	274

Source: TNS Media Intelligence

Decline has continued for a long time

Total market; change from previous year



Source: TNS Media Intelligence

Steeper decline in newspapers

Newspapers total*; change from previous year



Source: TNS Media Intelligence

* Newspapers, local and free issue papers



Financial review

Juha Nuutinen, CFO

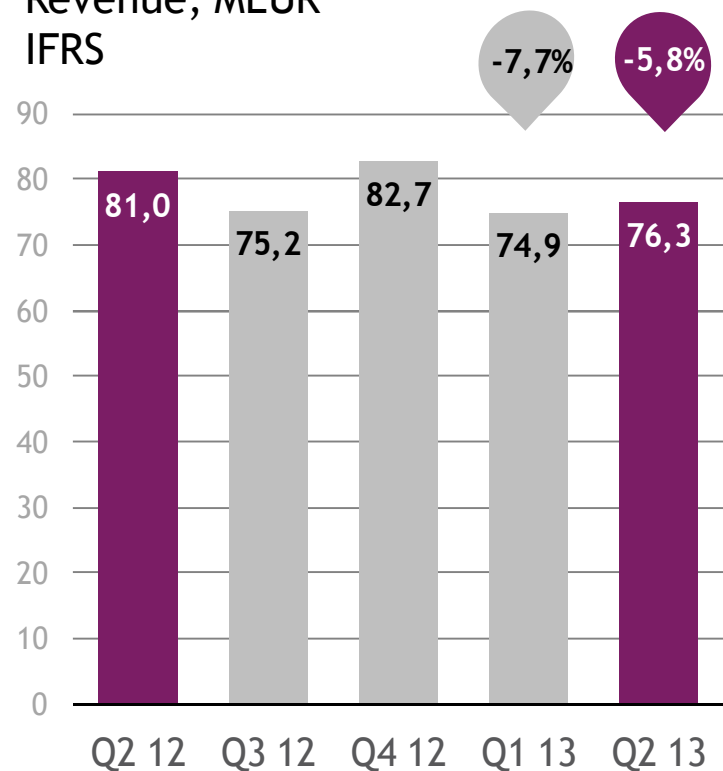


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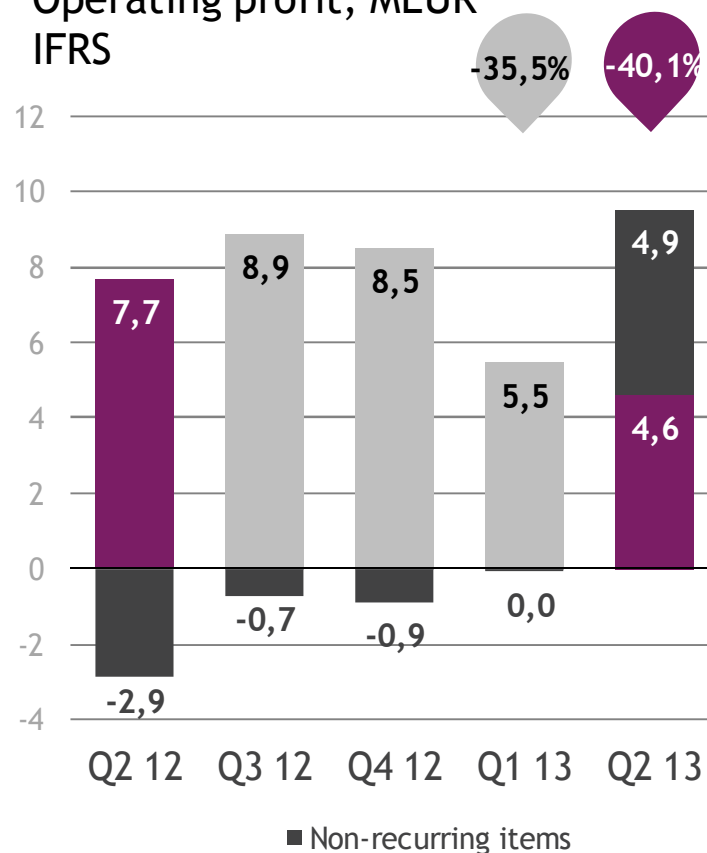


Revenue and operating profit excl. non-recurring items declined from comparison period

Revenue, MEUR
IFRS



Operating profit, MEUR
IFRS

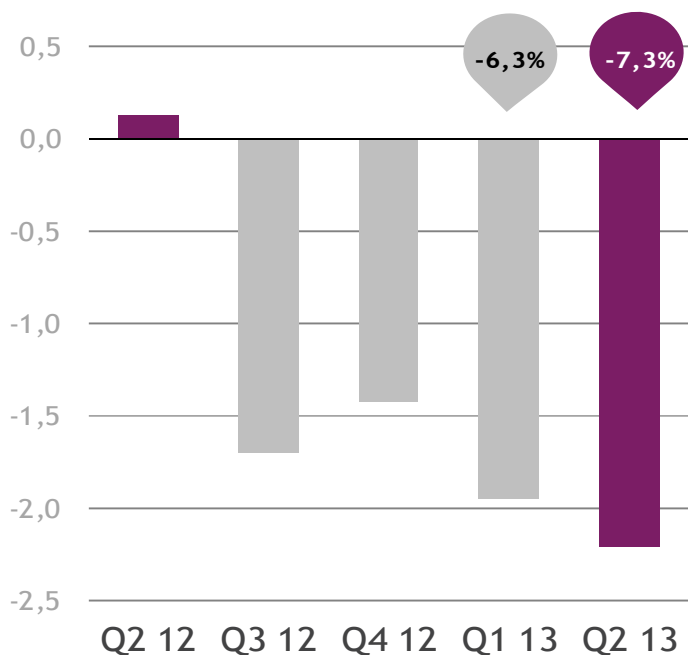


■ Non-recurring items

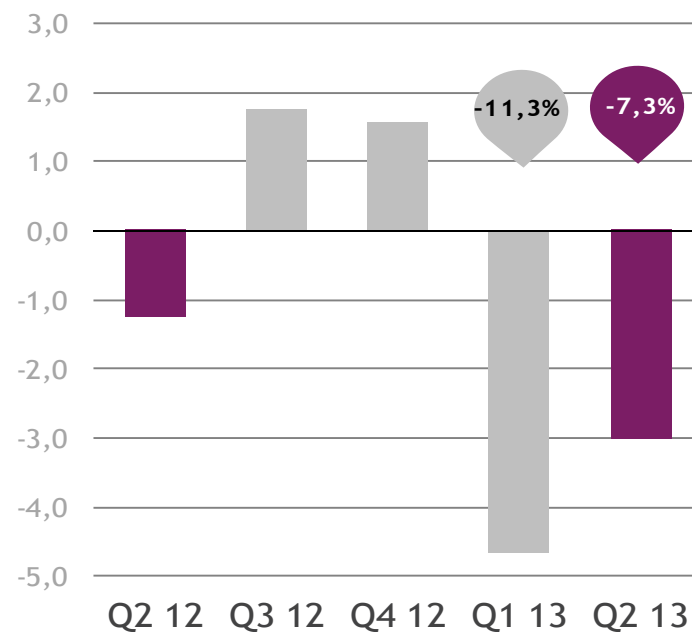
Content and advertising sales revenue decreased along with the print media decline

IFRS

Content revenue, MEUR



Advertising sales revenue, MEUR



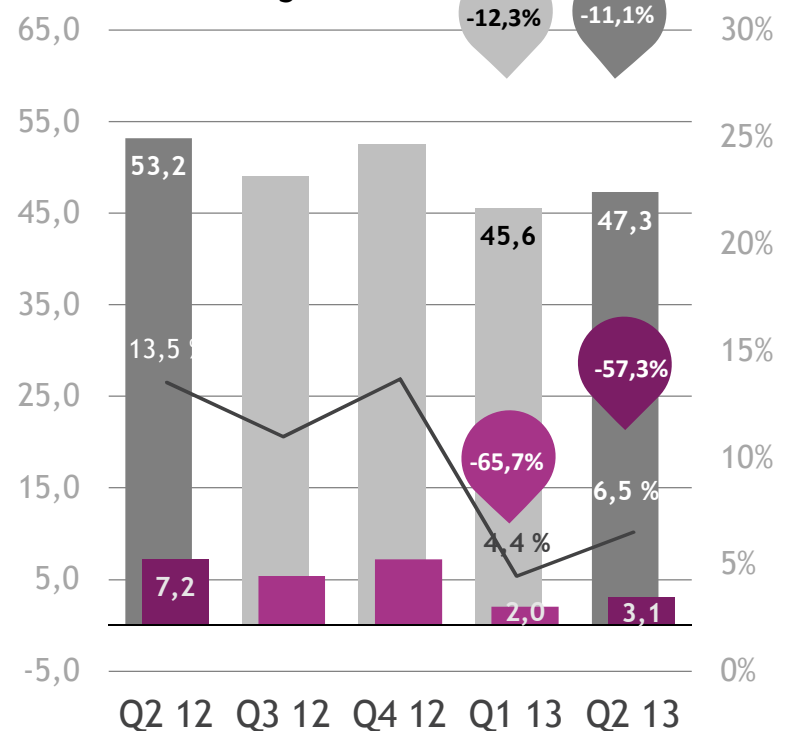
Newspapers Q2

- Revenue declined by 11.1% to MEUR 47.3.
 - Online business has only minor share, Iltalehti excepted.
- Advertising sales declined by 14.5% to MEUR 22.3 (26.1).
 - Online advertising sales down 1.4%.
 - Print media ad sales down 16.1% as volumes of daily goods, recruitment and home sales ads declined.
- Content revenue down 7.9% to MEUR 24.2 (26.2).
 - Circulations of print newspapers continue to decline.
- Total expenses excl. non-recurring items MEUR 44.2 (46.0).
 - Cost reductions due to reorganisation in 2012 and additional savings in 2013.
- Operating profit excl. non-recurring items MEUR 3.1 (7.2), 6.5% (13.5%) of revenue.

Revenue and operating profit

MEUR & %

Excl. non-recurring items

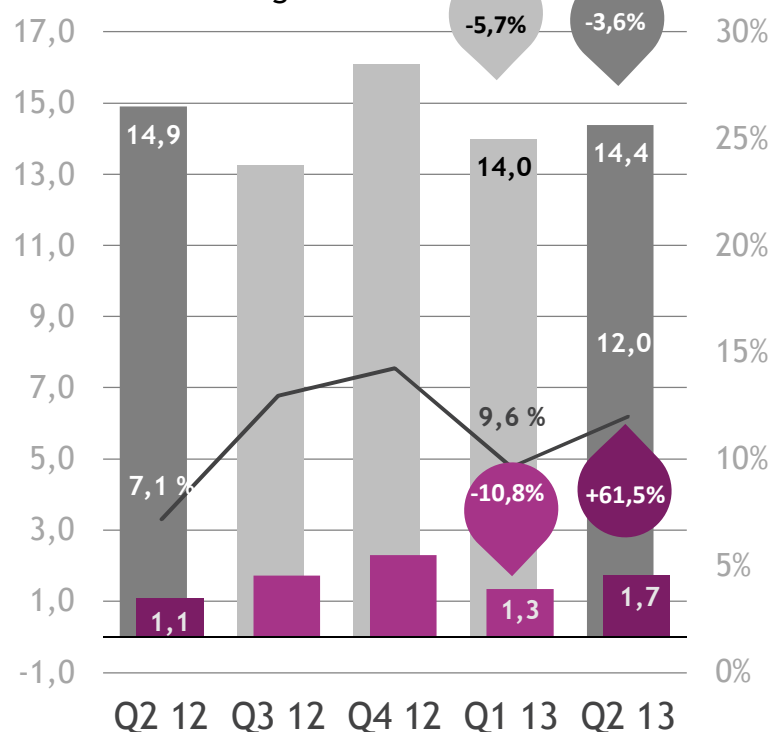


Kauppalehti Group Q2

- Revenue down 3.6% to MEUR 14.4.
 - Share of online business 32.1% of revenue.
- Kauppalehti advertising sales down 5.7% to MEUR 4.1 (4.4).
 - Online advertising sales grew by 6.2%.
- Content revenue down 3.3% to MEUR 4.1 (4.2).
 - Digital content income growing as expected.
- Service revenue down 2.2% to MEUR 6.2 (6.3).
- Total expenses MEUR 12.7 (13.8).
 - Cost reduction due to reorganisation in 2012 and savings programmes in early 2013.
- Operating profit excl. non-recurring items MEUR 1.7 (1.1).

Revenue and operating profit MEUR & %

Excl. non-recurring items



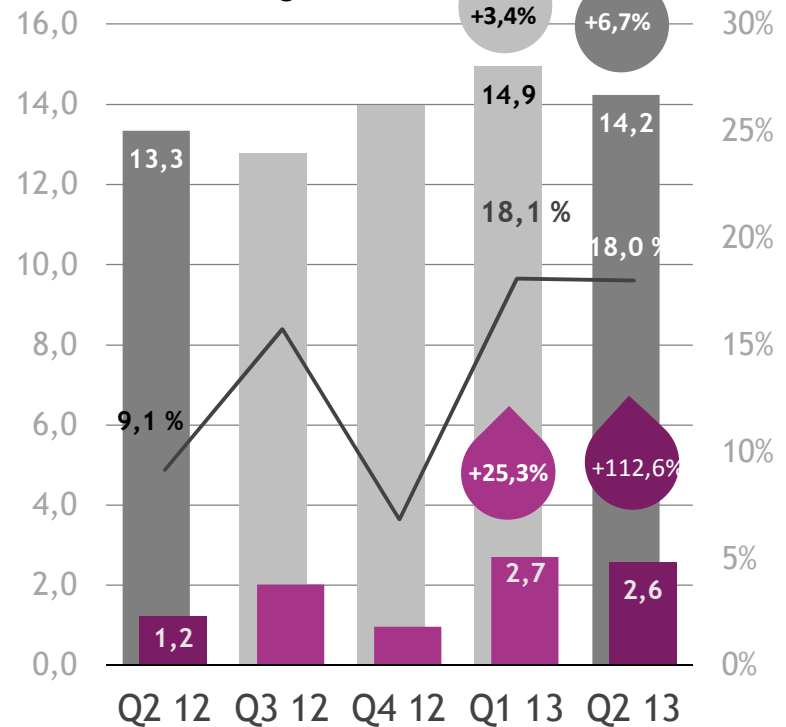
Digital Consumer Services Q2

- Revenue grew to MEUR 14.2.
 - Revenue from businesses outside Finland MEUR 7.5.
 - Digital revenue share 100%.
- Recruitment business revenue grew.
 - Recruitment services 57% of revenue.
 - Profitability of operations outside Finland remained at expected level.
- Total expenses excl. non-recurring items MEUR 11.7 (12.2).
 - Savings measures successful in reducing expenses.
- EBITDA excl. non-recurring items improved to MEUR 3.9 (2.3).
- Operating profit excl. non-recurring items MEUR 2.6 (1.2).

Revenue and operating profit

MEUR & %

Excl. non-recurring items

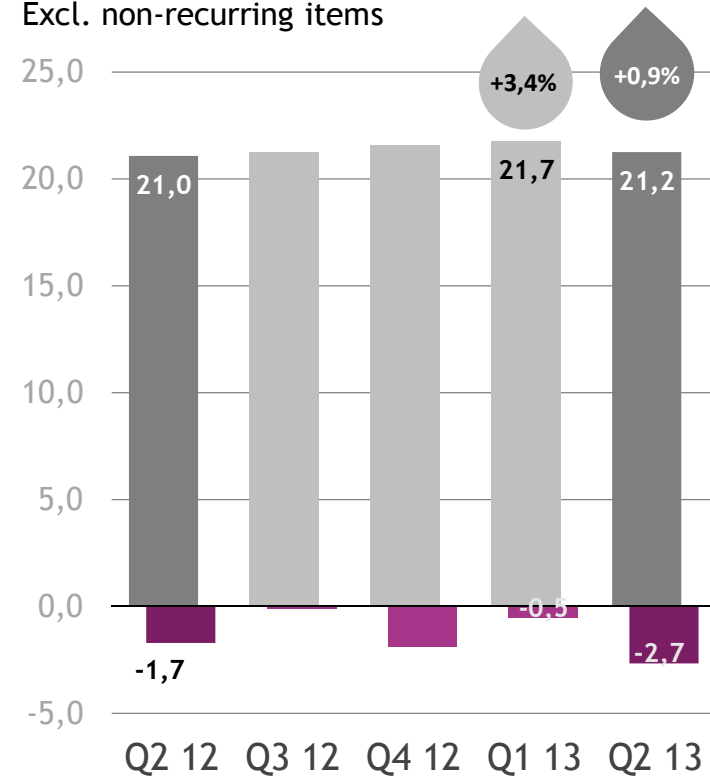


Other Operations Q2

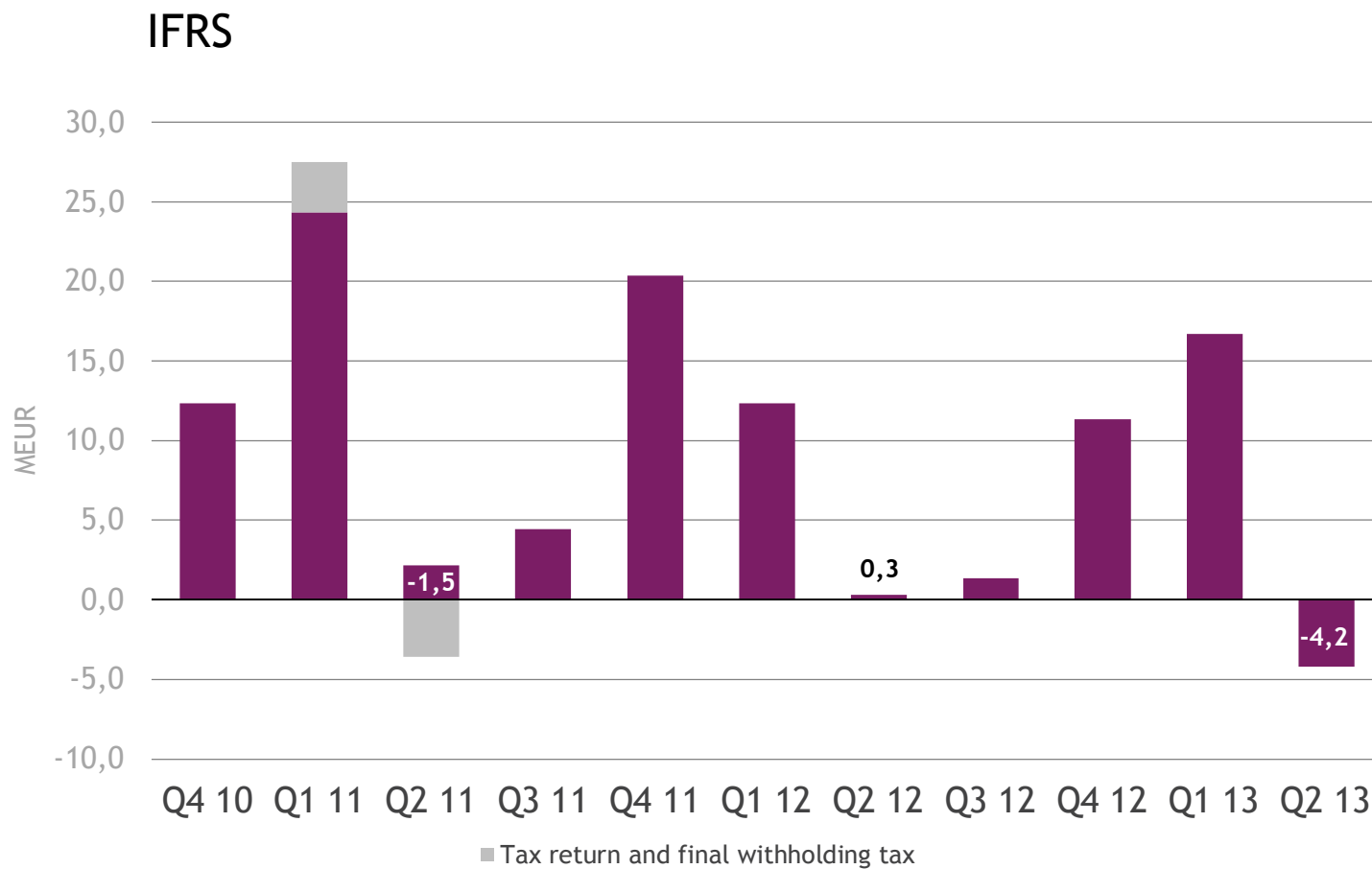
- Revenue MEUR 21.2, of which external revenue MEUR 1.8 (1.5).
- Total expenses excl. non-recurring items MEUR 24.1 (22.8).
- New Tampere printing facility taken into use.
 - Commissioning-related costs weighed on financial result.
 - Investment in printing press increased due to additional and modification work, and unresolved tax dispute.
 - Depreciations of new print facility started during Q2.
 - Production costs will decrease in second half of 2013.

Revenue and operating profit MEUR

Excl. non-recurring items

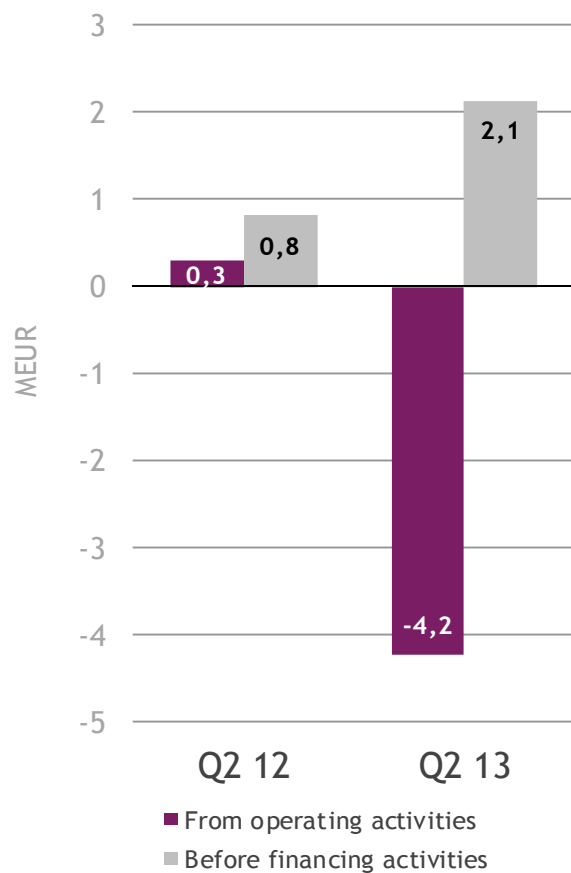


Cash flow from operations

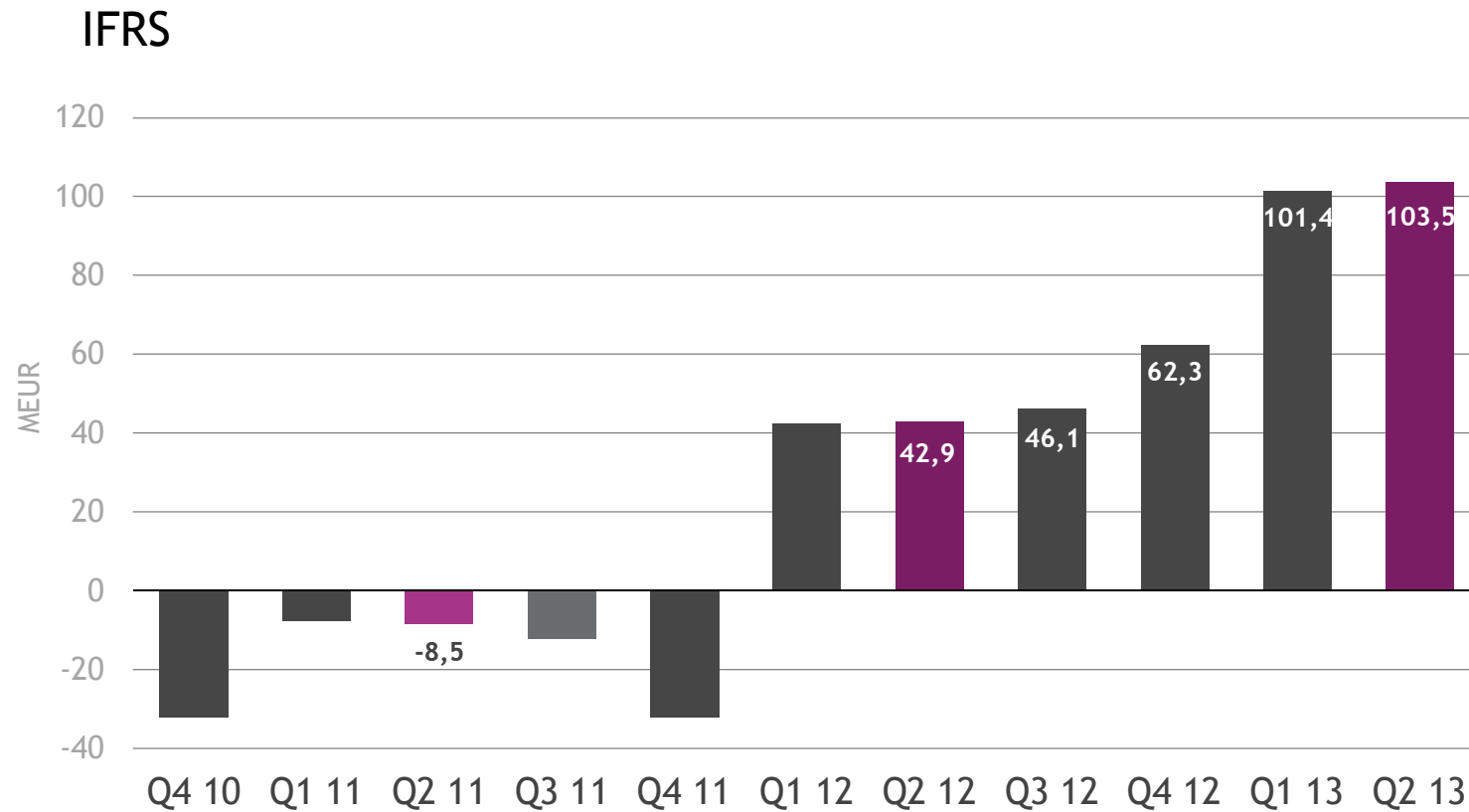


Cash flow and investments

IFRS



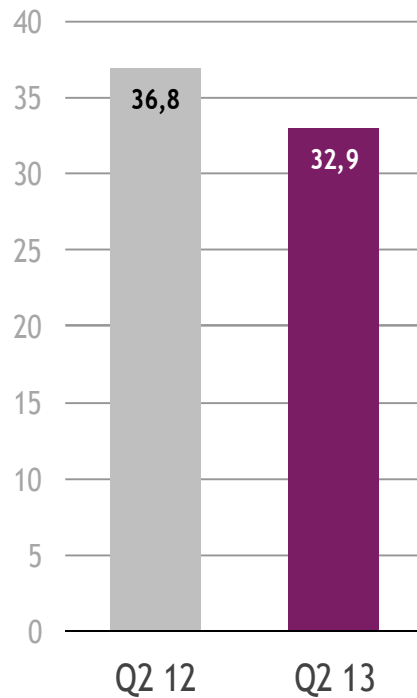
Net debt



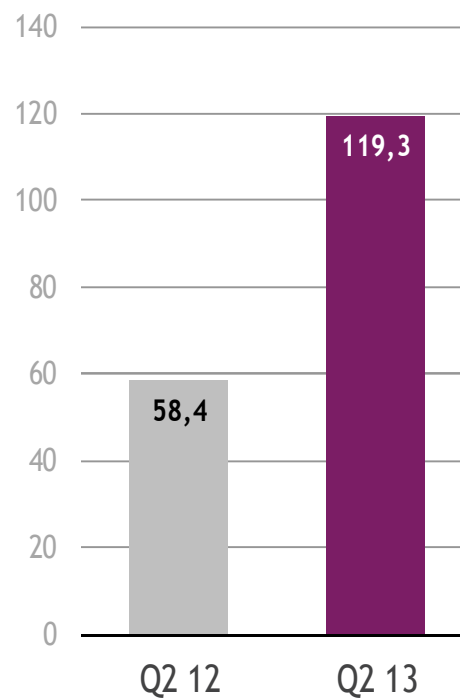
Key indicators

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Equity ratio, %



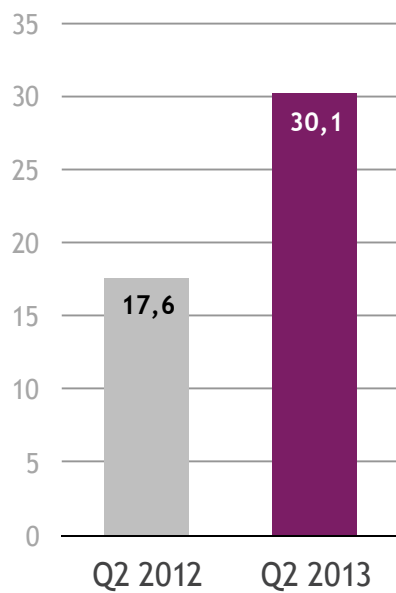
Gearing, %



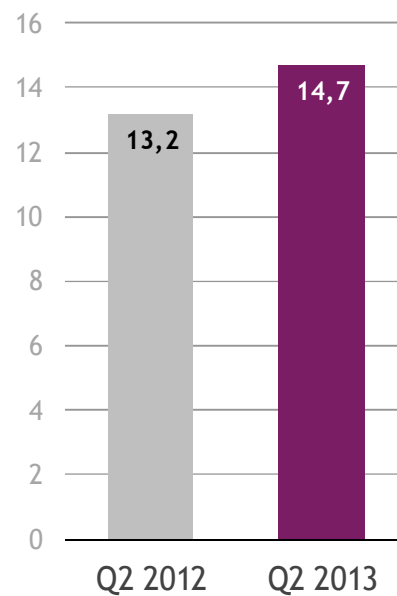
Key indicators

IFRS

ROE, %

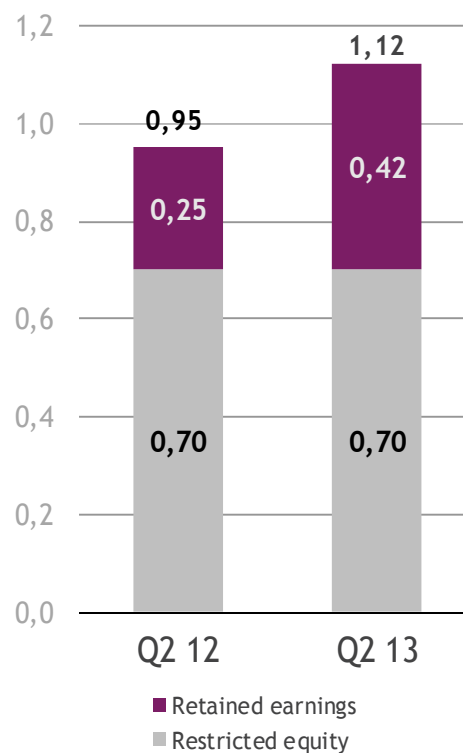


ROI, %



Earnings per share and equity per share

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Balance sheet

IFRS

MEUR	Q2 2013	Q2 2012
Intangibles and goodwill	116,4	88,7
Tangibles	87,9	38,9
Associated companies	31,0	34,0
Inventory	0,7	0,6
Receivables	37,8	41,2
Cash	12,4	20,3
Assets	286,2	223,7
Equity	86,8	73,1
Reserves-obligatory	3,9	0,8
Pension liabilities	2,8	3,0
Ib debt	116,0	63,2
Non-Ib debt	54,1	59,9
Advances received	22,7	23,8
Equity and liabilities	286,2	223,7

Profit and Loss

MEUR	2013 Q2	2012 Q2	Change %	2013 Q1-Q2	2012 Q1-Q2	Change %
Revenue	76,3	81,0	-5,8	151,2	162,2	-6,8
Total expenses excluding non-	71,9	73,4	-2,0	141,5	146,2	-3,2
Ebitda excluding non-recurring	8,0	10,8	-25,9	16,0	22,4	-28,6
Operating profit excluding non-	4,6	7,7	-40,1	10,1	16,1	-37,7
% of revenue	6,0	9,5		6,6	9,9	
Operating profit	9,5	4,8	97,5	14,9	10,8	38,1
% of revenue	12,4	5,9		9,9	6,7	
Profit for the period	7,9	4,5	78,1	12,0	7,2	67,2

A photograph of a skateboarder with tattoos and a hat performing a trick on a ledge. The skateboarder is in the foreground, with a large crowd of people watching in the background. The scene is set in an urban environment with buildings and trees under a blue sky with clouds. A semi-transparent purple banner is overlaid on the top half of the image, containing the title and author's name.

Strategy and future outlook

Kai Telanne

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Alma Media's strategic focus 2013-2015

1. DEVELOP PUBLISHING OPERATIONS

Secure cash flow from multiple-media publishing operations while improving productivity through developing operating methods and promoting cooperation within the industry.

Fully exploit investments in printing operations and ensure distribution efficiency.

2. GROW DIGITAL SERVICES

Grow and develop the digital service business.

Integrate acquired businesses outside Finland into Alma Media, accelerating international growth.

3. AGILE GROUP

Increase strategic flexibility and efficiency. Develop leadership skills, and, in particular, digital business competencies.

Develop IT systems to meet changing needs.

Strategic progress Q2 2013

A NEW LIFE FOR PRINT

- ✓ Monthly subscription pricing for regional papers
- ✓ Paywall introduced for online Raahen Seutu and Pyhäjokiseutu
- ✓ Conclusion of tablet computer experiment in Lapland
- ✓ Decision to adopt the tabloid format for Aamulehti
- ✓ Acquisition of the Lounais-Lappi newspaper
- ✓ Renewed Iltalehti, Iltalehti Plus and applications for special papers
- ✓ Alma Manu's new print facility taken into use in Tampere
- ✓ Alma Manu's early-morning delivery area expanded to northwest Pirkanmaa province
- ✓ Decision to shut down the Rovaniemi print facility in spring 2014. Agreement with Kaleva print facility for printing Northern Finland newspapers

GROWING DIGITAL SERVICES

- ✓ Map service of Kauppalehti Information Services property search
- ✓ Autotalli's new website
- ✓ New user management system for online Kauppalehti
- ✓ Mascus divestment
- ✓ Several ICT projects

AGILE GROUP

- ✓ New financial administration system into production use in May
- ✓ Gradually move ICT services into the cloud
- ✓ Extensive managerial skills development project

Outlook statement

19 July 2013

Economic growth in Europe, and in particular Finland, is expected to remain weak also in the second part of 2013. The decline in media advertising and the gradual shift of media consumption to digital channels will decrease the revenue and profitability of print media. In this market situation, Alma Media's strong growth in the sales of digital services does not yet totally cover the decline in the sales of print media.

Alma Media expects the revenue and the operating profit excluding non-recurring items for the second half of 2013 and the full year to decline from the corresponding periods in 2012. Revenue for the second half of 2012 was MEUR 157.9 and operating profit excluding non-recurring items MEUR 17.4. Full-year revenue 2012 was MEUR 320.1 and operating profit excluding non-recurring items MEUR 33.5.



Thank you!

Coming events for investors:

- Q3 2013 result on 25 October 2013

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