Alma Media Q4 and FY2014

Kai Telanne, President and CEO
Juha Nuutinen, CFO
13 February 2015

Agenda

Highlights

Market development

Financial development

Dividend proposal

Strategy and outlook

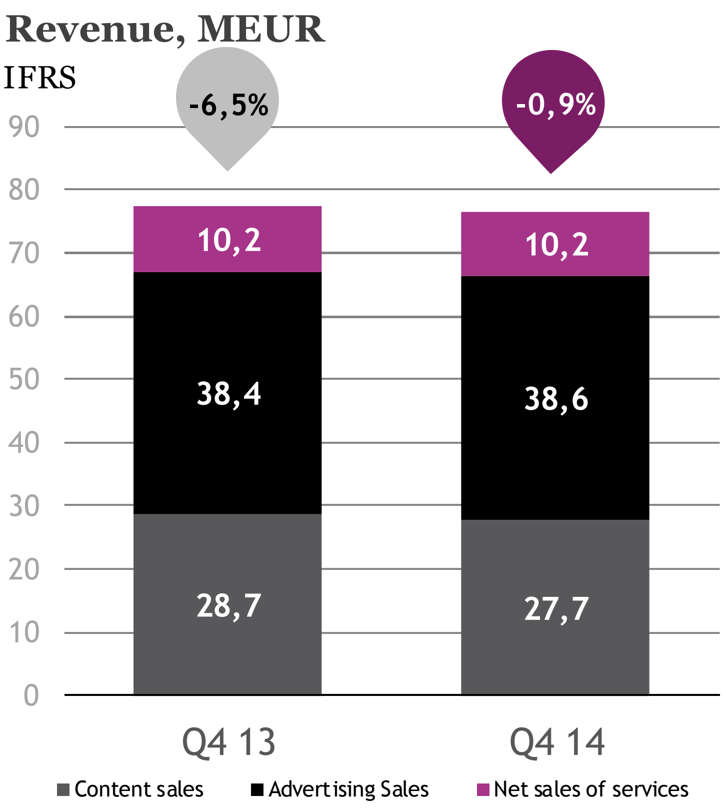
Q & A

Q4/2014 and FY2014 highlights

- Alma Media's revenue nearly remained on last year's level. Operating profit excluding non-recurring items decreased to MEUR 21.4.
- As the economy in Finland continued to be weak, the development of the company's business in Finland in 2014 was also weak in print media.
- The digital recruitment service business in Eastern Central Europe saw strong growth throughout the year and its profitability level remained excellent. In the final quarter of 2014, recruitment business outside Finland grew by over 25%.
- Towards the end of 2014, Alma Media decided to divest City24, a housing portal in the Baltic countries. Outside Finland, Alma Media will now focus on strengthening its digital recruitment services.
- The Group's revenue from digital products and services increased by 12% in 2014. Digital advertising sales nearly reached the level of print media advertising sales.
- In the first half of 2015, Alma Media expects its revenue and operating profit excluding non-recurring items to decrease from the 2014 level. The revenue for the first half of 2014 was MEUR 148.4, and operating profit excluding non-recurring items MEUR 8.8.

Revenue Q4/2014

- Revenue for the quarter decreased by 0.9% to MEUR 76.6.
- Content revenue decreased by 3.5%. Content revenue from digital channels did not completely cover the decline in print content revenue.
- Advertising revenue increased by 0.6%. Digital advertising sales nearly equalled print media advertising sales.
    - Online advertising sales increased by 11.3%.
    - Advertising sales for print media decreased by 6.0%.
- Digital products and services accounted for 32.3% (28.3%) of Group revenue.



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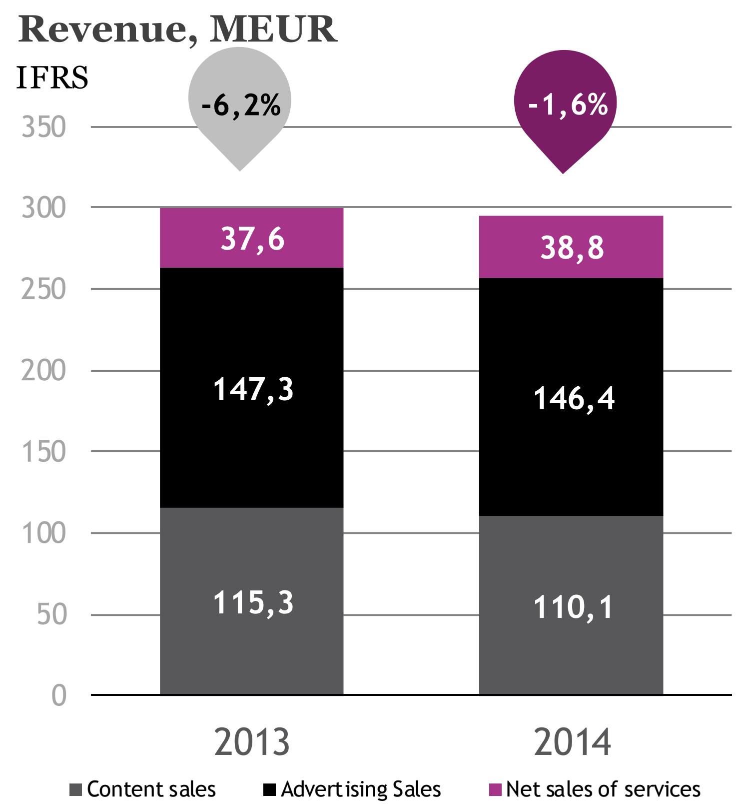
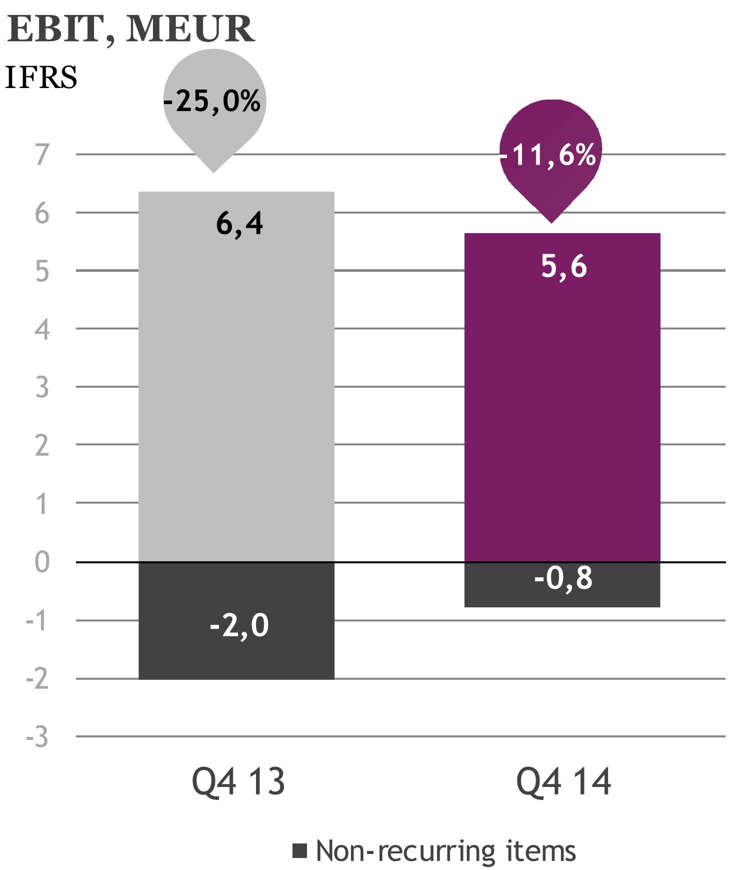
Revenue 2014

- The Group's full-year revenue fell by 1.6% and was MEUR 295.4.
- Content revenue declined by 4.5% due to lower circulations of print media.
- Advertising revenue declined by 0.6%. Digital advertising sales nearly equalled print media advertising sales.
    - Online advertising sales increased by 9.4%.
    - Advertising sales for print media decreased by 7.8%.
- Online business revenue increased by 11.9%, primarily due to the digital recruitment service business in Eastern Central Europe.



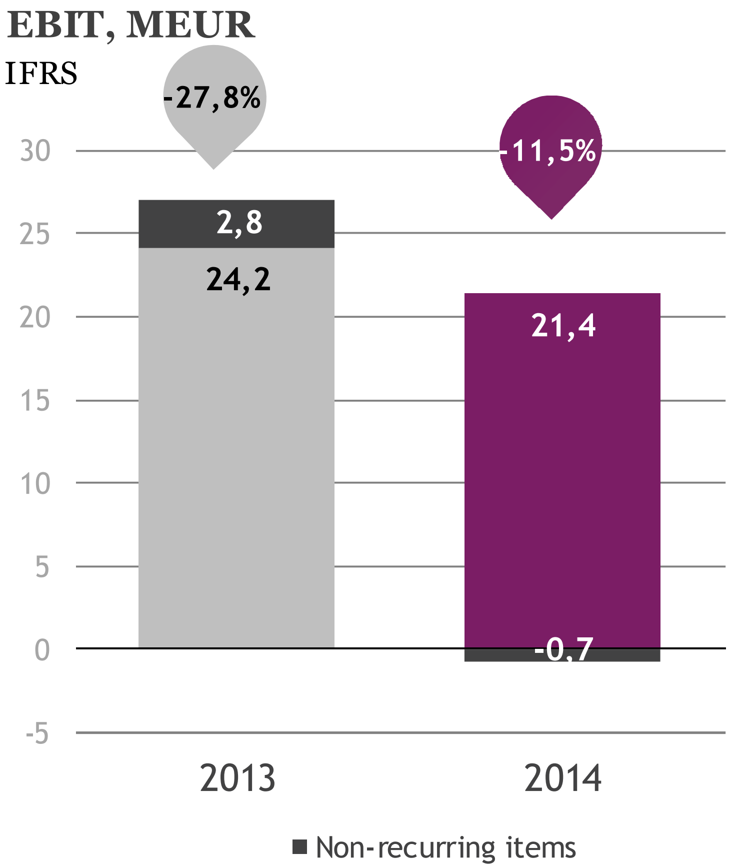
Operating profit Q4/2014

- Operating profit excluding non-recurring items decreased by 11.6% to MEUR 5.6.
- The operating profit includes net non-recurring items of MEUR -0.8.
- Total expenses grew by 0.7% year-on-year to MEUR 73.8.
  - The increase in expenses was attributable to marketing costs and investments in the development of the digital business.

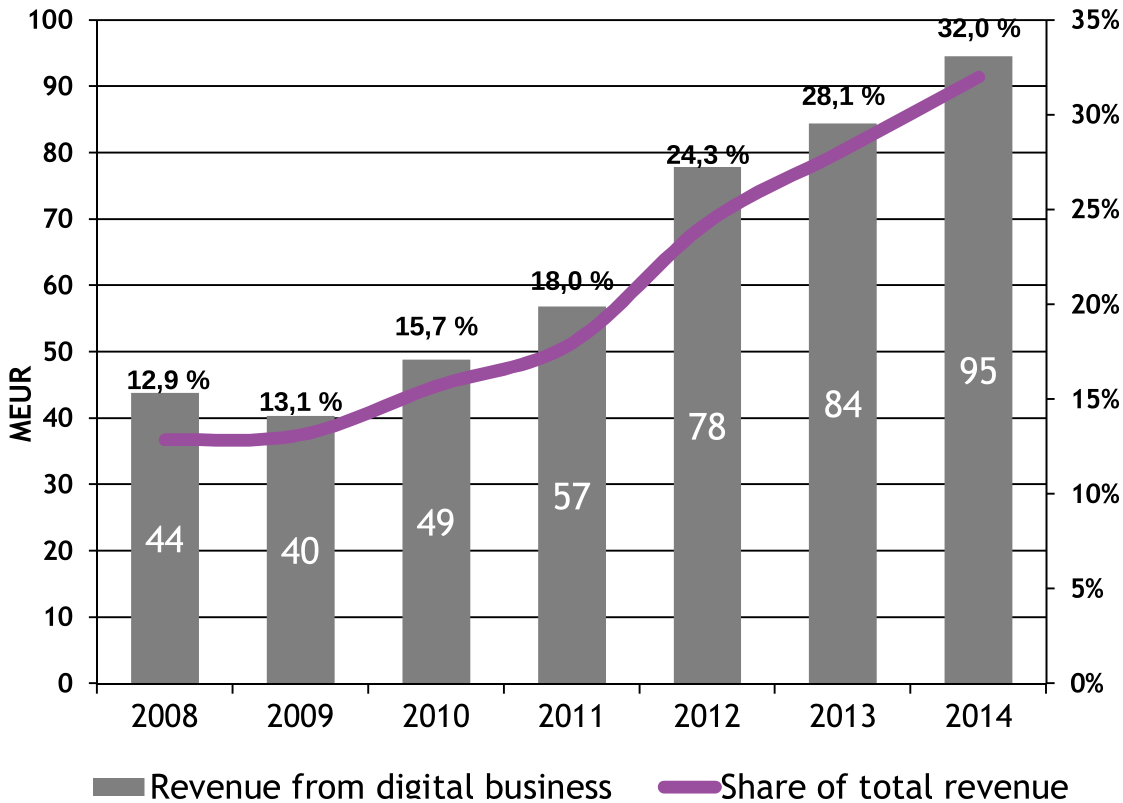


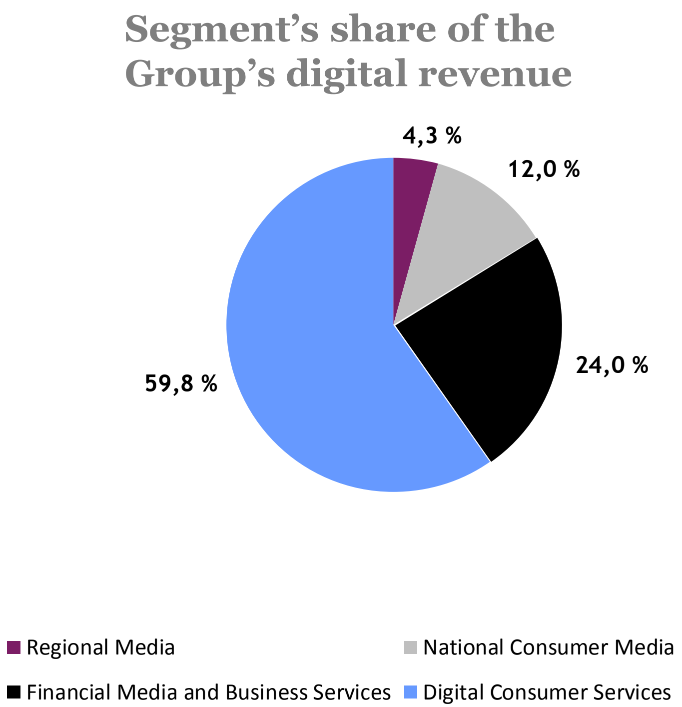
Operating profit 2014

- Operating profit excluding non-recurring items decreased by 11.5% to MEUR 21.4.
- The operating profit includes net non-recurring items of MEUR -0.7.
- Total expenses excluding non-recurring items decreased by 1.6% to MEUR 277.9.
  - The decrease in expenses was attributable to a decline in printing and distribution costs due to lower volume. Expenses were increased by IT investments in digital services.



Growth in digital business





Market development in Finland

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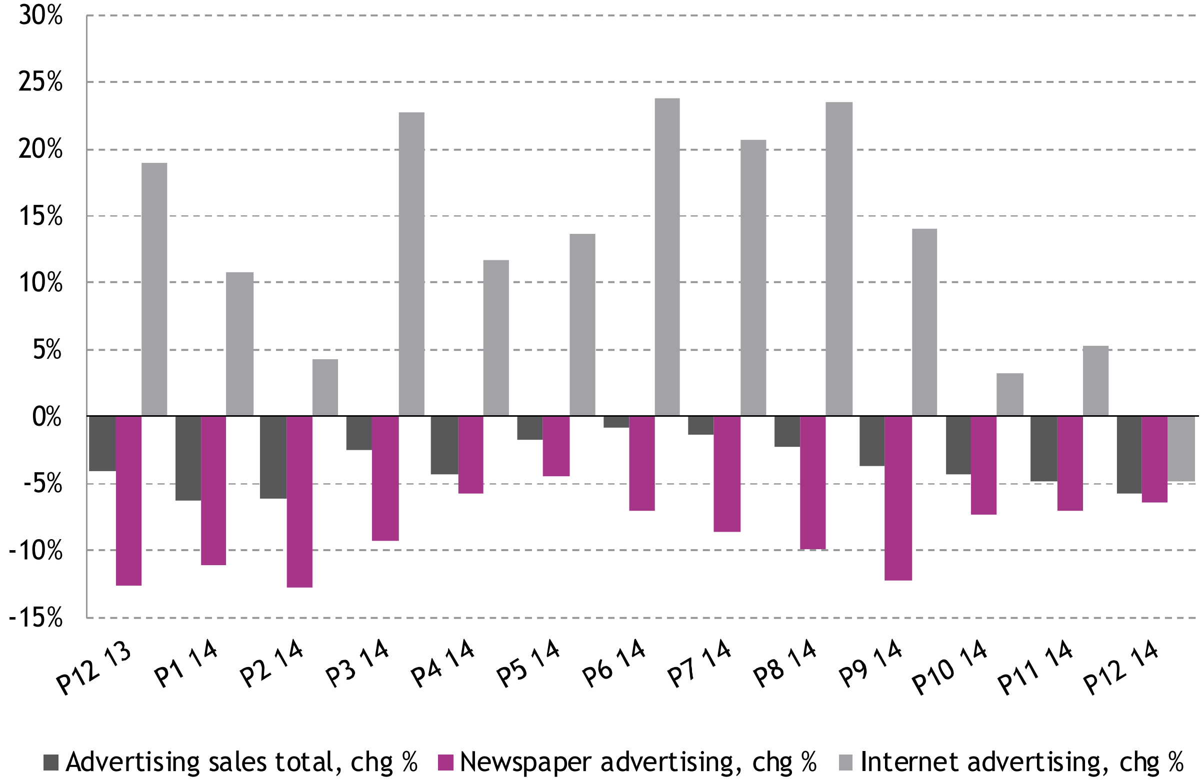
Change in advertising 12/2013 – 12/2014

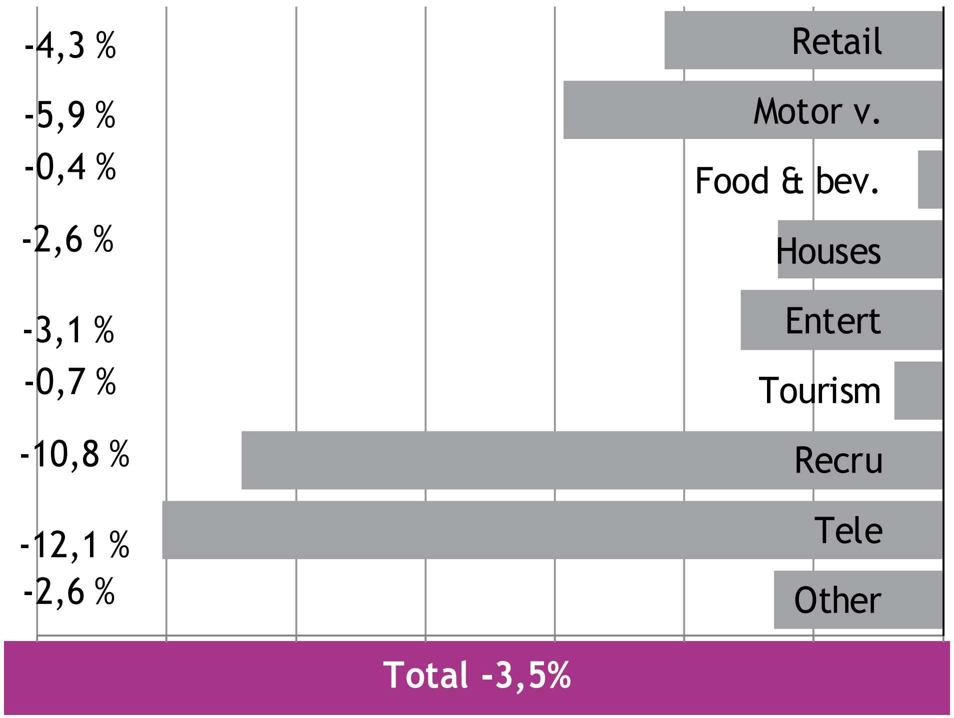


Change % 2014 vs. 2013	
Newspapers	-8.3
Magazines	-15.6
TV	-3.5
Radio	+9.4
Internet	+12.3
Total	-3.5

Source: TNS Media Intelligence

Advertising declined across all industries

Total market, change from Q1-Q4 2013



Advertising in Q1-Q4 14	MEUR
Retail	228
Motor vehicles	89
Food & beverages	88
Houses and premises	45
Entertainment	43
Tourism and traffic	41
Recruiting	30
Telecommunications	21
Other	387
Total	**970**

Source: TNS Media Intelligence

Financial review

Juha Nuutinen, CFO

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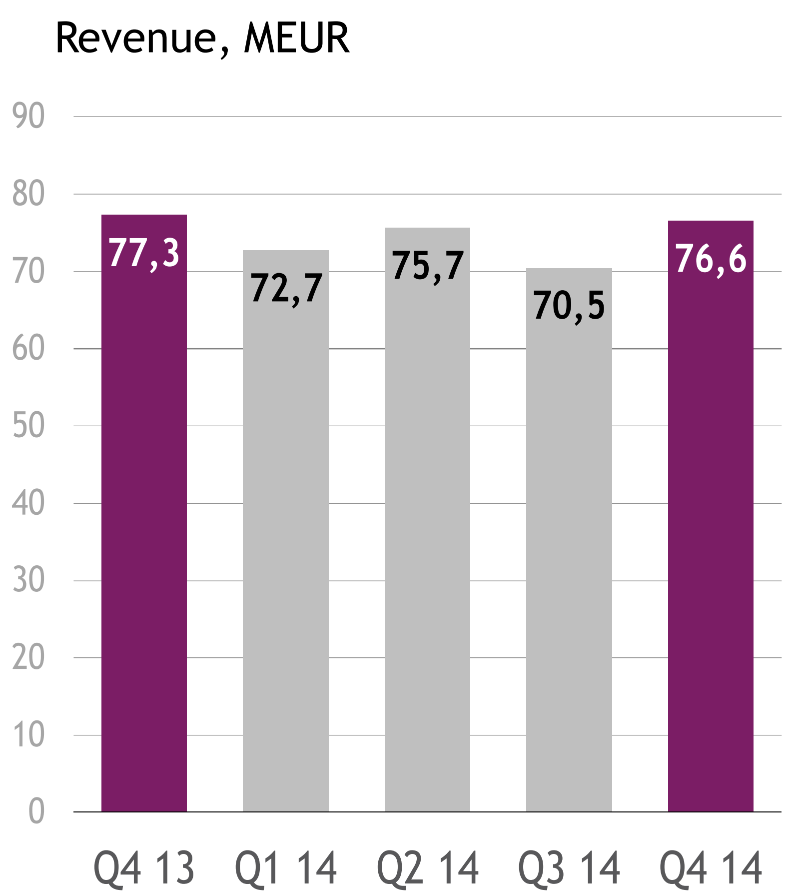
Long-term financial targets

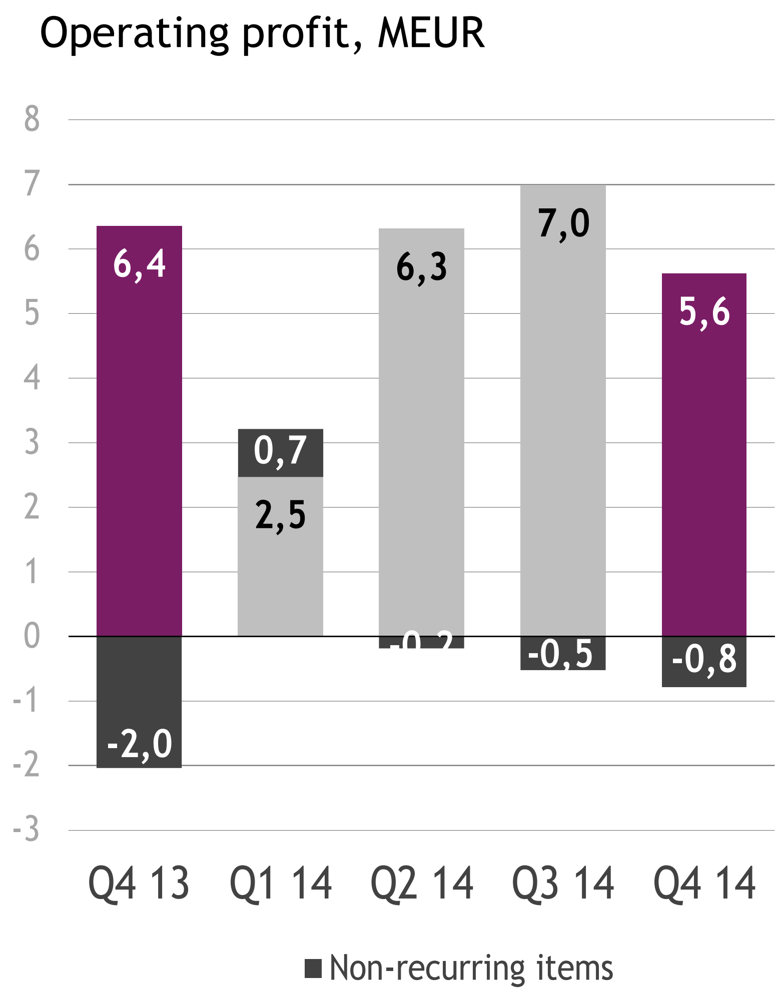
Alma Media's financial targets	2011	2012	2013	2014	Target level
Digital business growth	16.3%	36.8%	8.4%	11.9%	> 15%
Return on Investment (ROI), %	26.1%	13.8%	10.0%	9.7%	> 15%
Dividend payout ratio*	103%	45%	50%	63%**	> 50%

* Includes capital repayment to shareholders.

** Based on the Board of Directors' proposal to the Annual General Meeting.

Operating profit decreased in the fourth quarter





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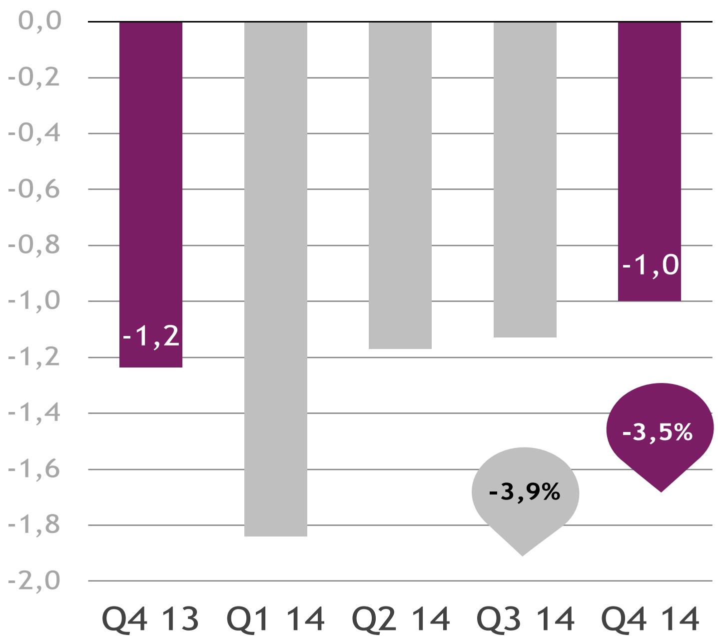
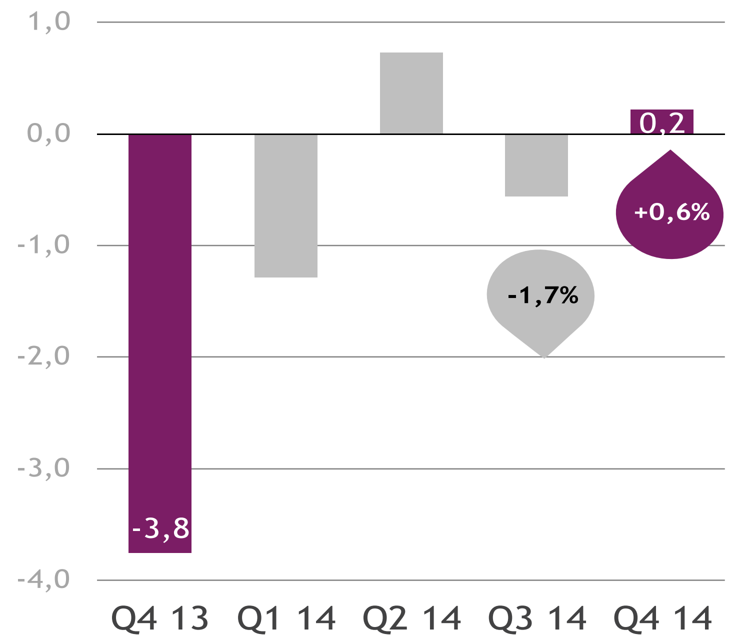
Content revenue decreased, advertising sales unchanged from the previous year

Content revenue, MEUR



Advertising revenue, MEUR

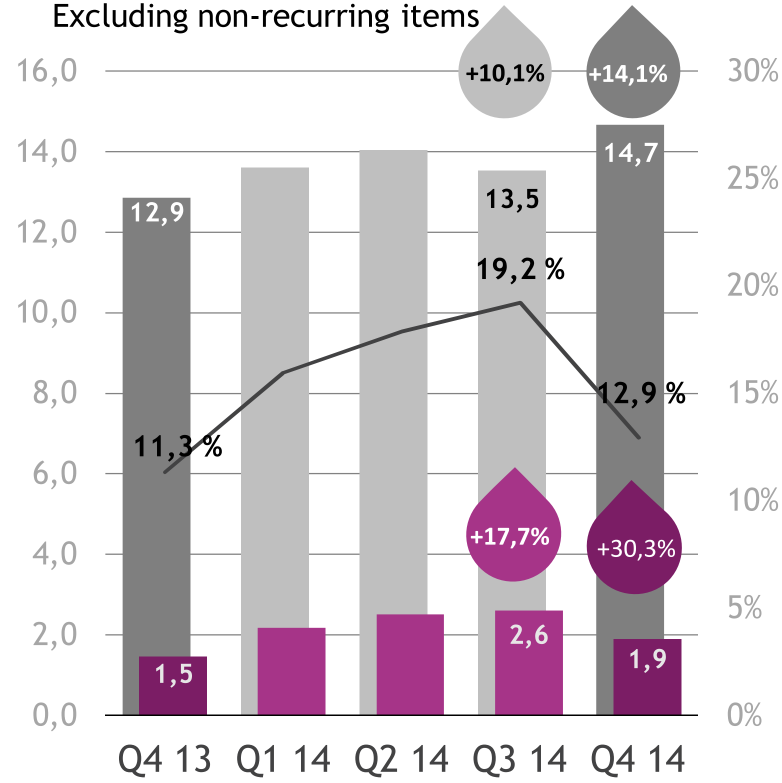


Digital Consumer Services Q4/2014

- Revenue grew by 14.1% to MEUR 14.7.
    - Revenue from operations in Finland was on a par with the comparison period.
- Recruitment service revenue increased by 23.4% and accounted for 69.5% of the segment's revenue.
    - Excluding the new Monster business operations acquired at the beginning of 2014, recruitment business outside Finland increased by 17.1%.
- Operating profit excluding non-recurring items was MEUR 1.9.
    - The non-recurring items, MEUR +1.6, were related to sales gains from the divestment of the City24 housing portal and the impairment of assets.
- Total expenses excluding non-recurring items were MEUR 12.9.
    - Expenses were increased by new business operations in Hungary, the Czech Republic and Poland.

Revenue and operating profit, MEUR & %

Excluding non-recurring items

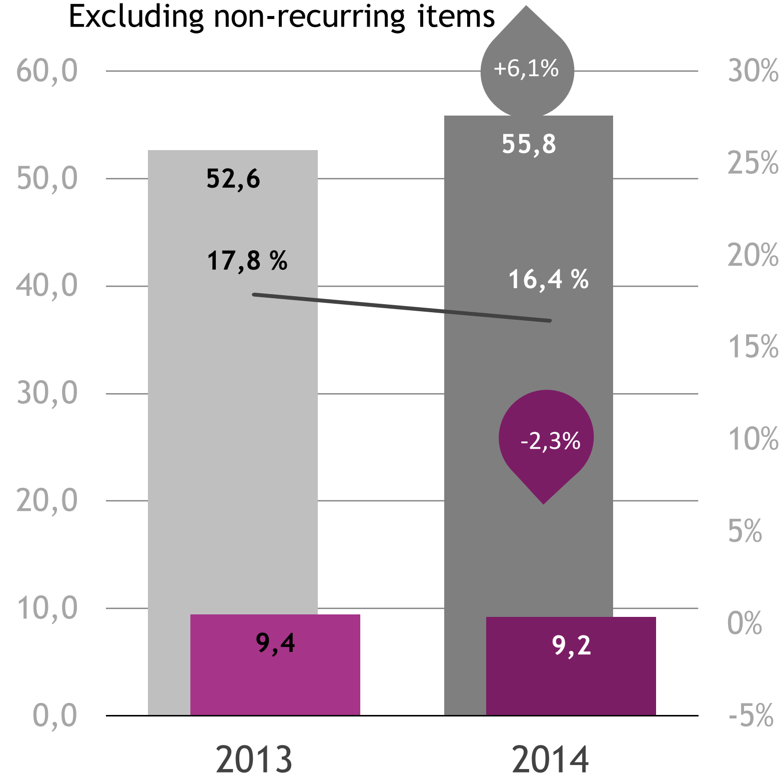


Digital Consumer Services in 2014

- Revenue grew by 6.1% to MEUR 55.8.
  - The devaluation of the Czech koruna in November 2013 decreased the euro revenue by MEUR 1.1.
  - The revenue for the comparison period includes MEUR 2.2 in revenue from the Mascus business sold in April 2013.
  - Revenue was increased by MEUR 1.9 by new recruitment service companies in Hungary, the Czech Republic and Poland.
- Operating profit excluding non-recurring items was MEUR 9.2.
  - The non-recurring items were related to sales gains from the divestment of the City24 housing portal and the impairment of assets. The operating profit for the comparison period includes non-recurring proceeds from the divestment of the Mascus business.
  - Investments made in the recruitment services acquired at the beginning of 2014 weakened the result by MEUR 1.2.

Revenue and operating profit, MEUR & %

Excluding non-recurring items

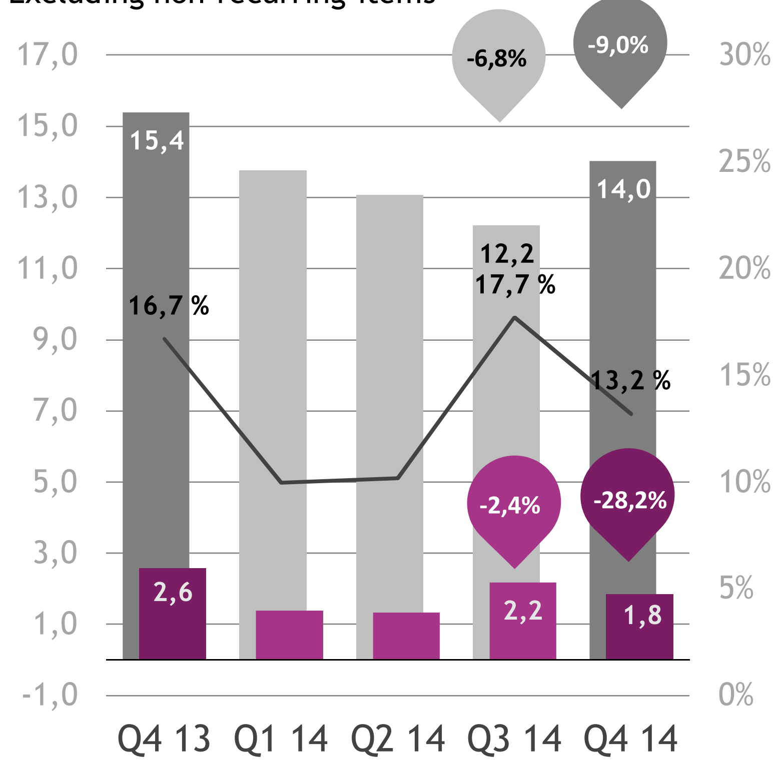


Financial Media and Business Services Q4/2014

- Revenue declined by 9.0% to MEUR 14.0.
    - The divestment of the BNS business had an effect of MEUR 1.1 on the decrease in revenue.
    - Digital business accounted for 42.5% of revenue.
- Content revenue was unchanged from the previous year at MEUR 4.4.
    - Digital content revenue grew by 20.8%, compensating for the decline in content revenue for print media.
- Advertising sales declined by 12.7% due to the decrease of print media advertising sales.
    - Online advertising sales increased by 11.9%.
- Operating profit excluding non-recurring items was MEUR 1.8.
- Total expenses excluding non-recurring items decreased by 4.9% as a result of the divestment of the BNS business.

Revenue and operating profit, MEUR & %

Excluding non-recurring items

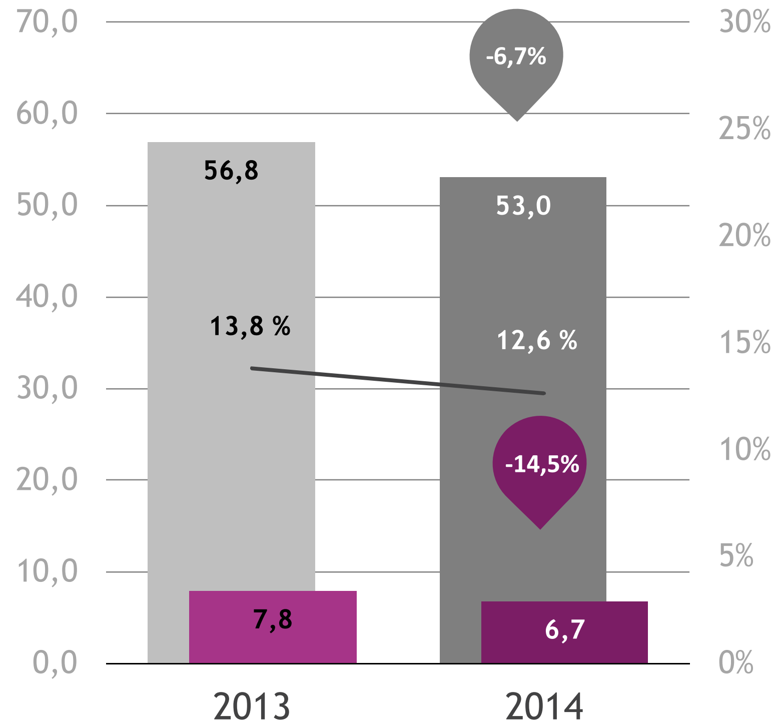


Financial Media and Business Services in 2014

- Revenue declined by 6.7% to MEUR 53.0.
  - The divestment of the BNS business had an effect of MEUR 2.1 on the decrease in revenue.
  - Digital business accounted for 43.0% of revenue.
- Content revenue decreased by 3.5%.
  - Increase in digital content revenue partly covered print media content revenue decline.
- Advertising revenue declined by 4.1% to MEUR 15.6.
  - Online advertising sales increased by 14.4%.
- Operating profit excluding non-recurring items was MEUR 6.7.
  - Operating profit was weighed down by the weakened profitability of custom media business.
  - Non-recurring items affecting operating profit were related to gains from the sale of the BNS business, costs associated with the operational restructuring of Alma360, and impairment losses.
- Total expenses excluding non-recurring items decreased by 5.4% as a result of the divestment of the BNS business.

Revenue and operating profit, MEUR & %

Excluding non-recurring items



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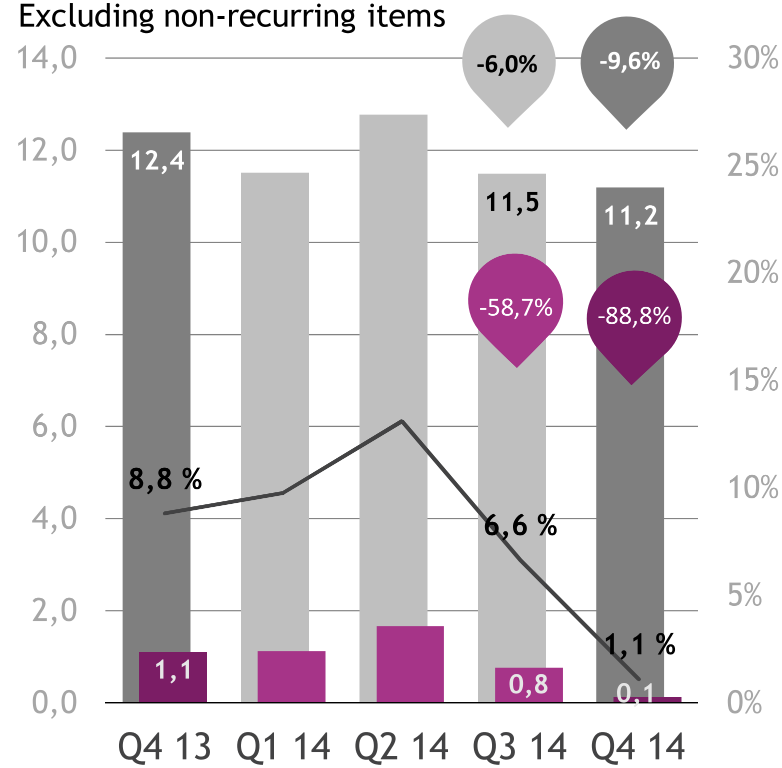
National Consumer Media Q4/2014

- Revenue declined by 9.6% to MEUR 11.2.
    - Online business accounted for 26.6% of the segment's revenue.
- Content revenue decreased by 6.3% due to a decline in Iltalehti's circulation.
- Advertising sales decreased by 8.2%.
    - Online advertising sales declined by 1.8% to MEUR 2.9.
    - Advertising sales for print media decreased by 18.5%.
- Operating profit excluding non-recurring items was MEUR 0.1, or 1.1% of revenue.
    - The non-recurring items were related to operational restructuring.
- Total expenses excluding non-recurring items decreased to MEUR 11.1.
    - A decrease in printing and distribution costs contributed to the decline in total expenses. Expenses were increased by investments in IL-TV and digital services.

Revenue and operating profit, MEUR & %
Excluding non-recurring items



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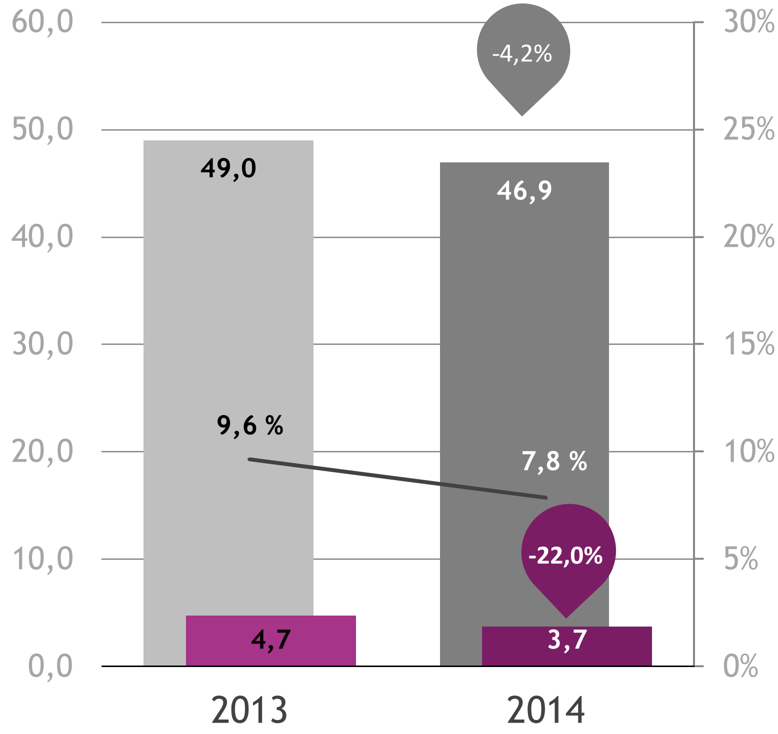
National Consumer Media in 2014

- Revenue declined by 4.2% to MEUR 46.9.
    - The share of online business of the segment's revenue grew to 27.0%.
- Content revenue declined by 7.8%.
- Advertising sales increased by 4.8% to MEUR 18.4.
    - Online advertising sales increased by 20.8% to MEUR 12.5.
    - Advertising sales for print media decreased by 17.4%.
- Operating profit excluding non-recurring items declined by 22.0% to MEUR 3.7.
    - The non-recurring expenses of MEUR 0.6 recorded in 2014 were related to operational restructuring.

Revenue and operating profit, MEUR & %
Excluding non-recurring items



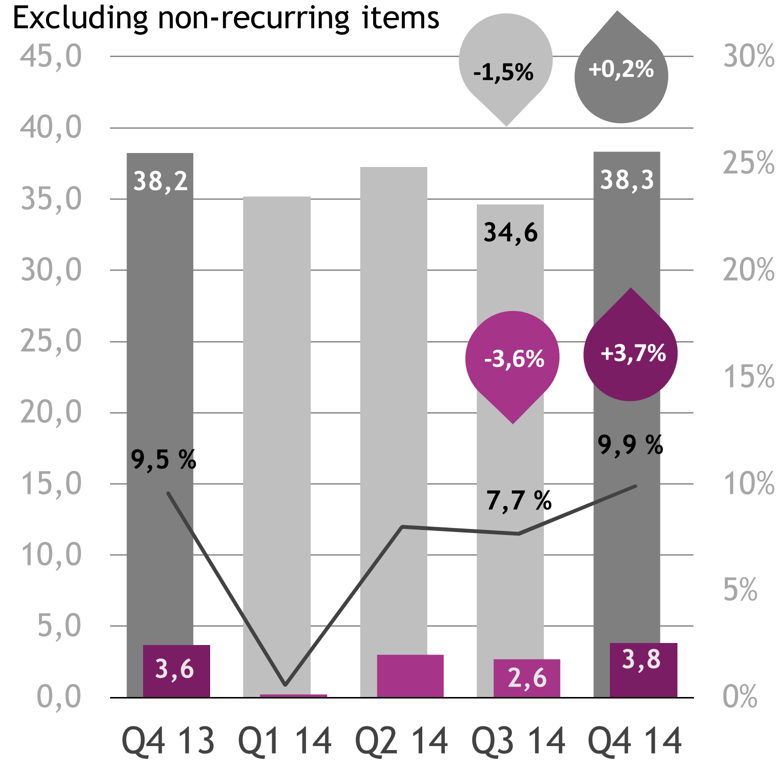
LIVING INFORMATION

Regional Media Q4/2014

- Revenue increased by 0.2% to MEUR 38.3.
    - Digital business accounted for 2.8% of revenue.
- Content revenue decreased by 2.8% due to the declining circulations of printed newspapers.
- Advertising sales decreased by 3.6%.
    - Online advertising sales remained unchanged from the comparison period, totalling MEUR 0.6.
    - Advertising sales for print media decreased by 3.6%.
- Service revenue increased by 32.3% due to an increase in external printing service revenue.
- Total expenses excluding non-recurring items remained unchanged from the comparison period at MEUR 34.6.
- Operating profit excluding non-recurring items was MEUR 3.8, or 9.9% of revenue.
    - The non-recurring expenses, MEUR 1.3, are related to impairment loss on goodwill.

Revenue and operating profit, MEUR

Excluding non-recurring items



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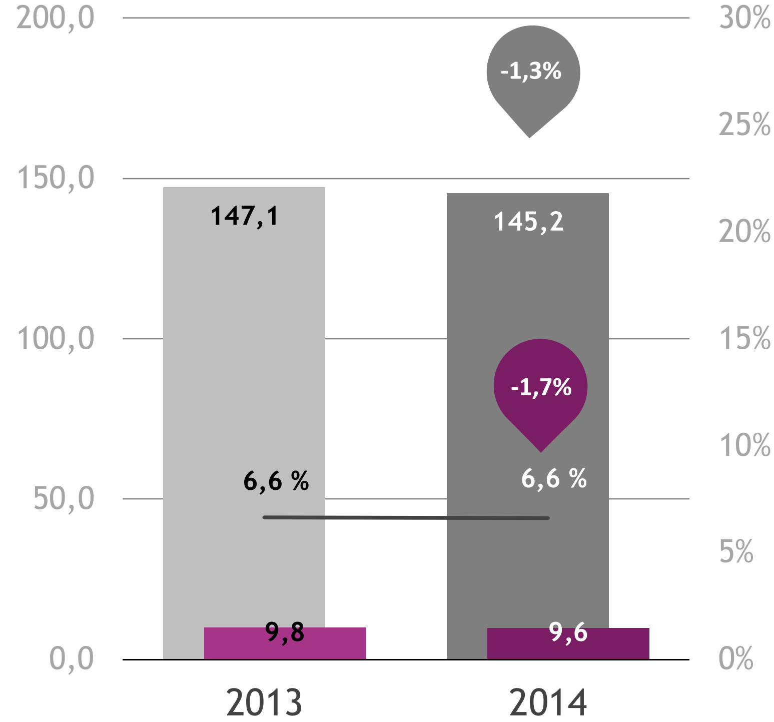
Regional Media in 2014

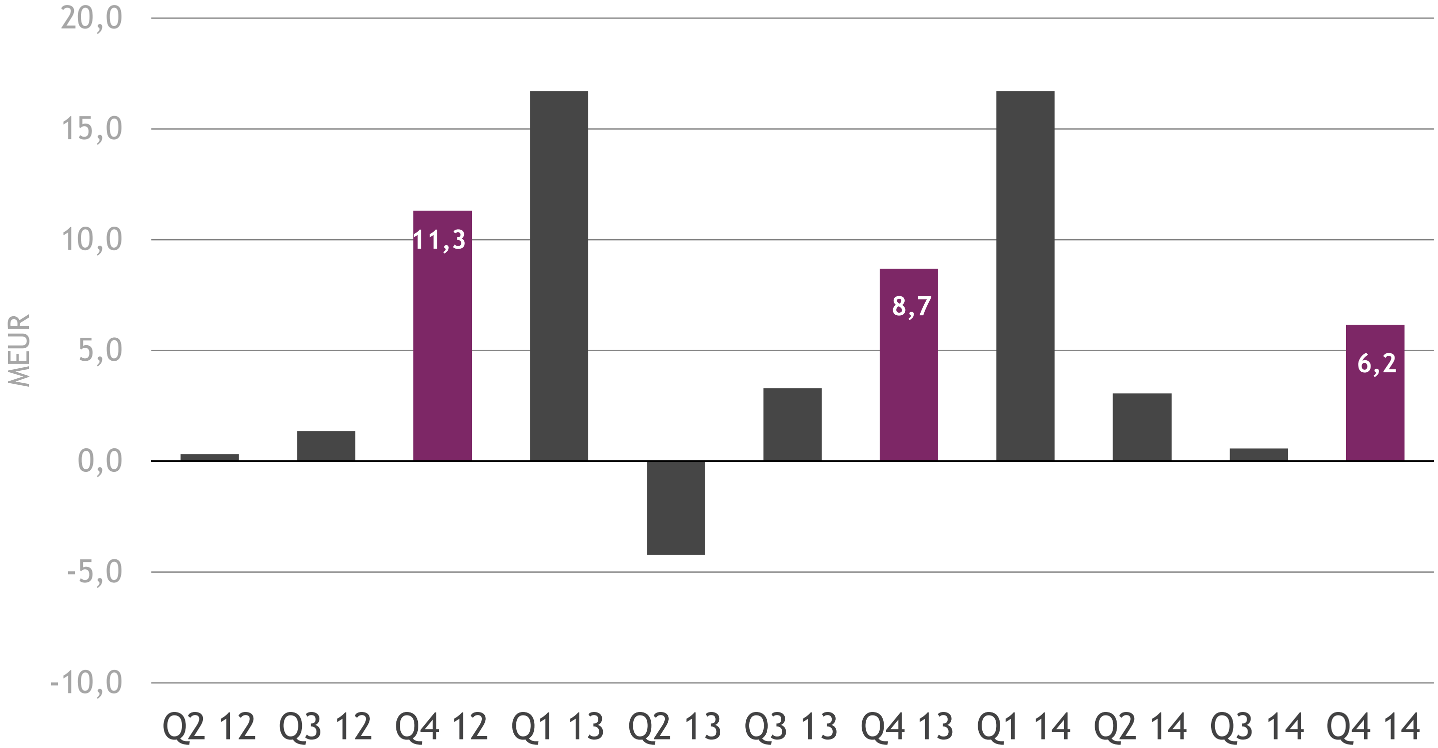
- Revenue decreased by 1.3% to MEUR 145.2.
  - Digital business accounted for 2.6% of revenue.
- Content revenue decreased by 3.1% due to the declining circulations of printed newspapers.
- Advertising sales decreased by 6.1%.
  - Online advertising sales increased by 10.8%.
  - Advertising sales for print media decreased by 6.7%
- Service revenue increased by 32.7% due to an increase in external printing service revenue.
- Operating profit excluding non-recurring items was MEUR 9.6, or 6.6% of revenue.
- Total expenses excluding non-recurring items decreased by 1.2% and amounted to MEUR 135.8.
  - Total expenses were reduced by the efficiency improvement measures for newspapers and printing operations.
  - The non-recurring items in 2014 were related to impairment losses on goodwill, while the non-recurring items in the comparison period were related to the restructuring of printing operations.

Revenue and operating profit, MEUR

Excluding non-recurring items

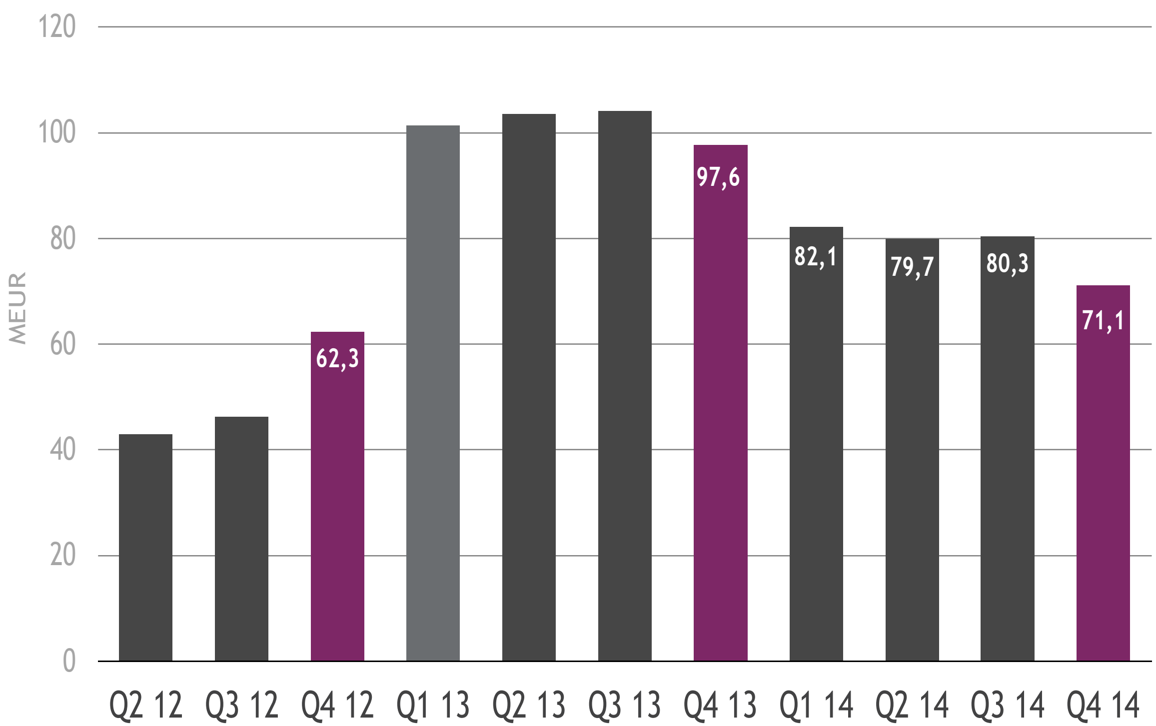


Cash flow from operating activities



Interest-bearing liabilities

Net debt Q2/2012-Q4/2014

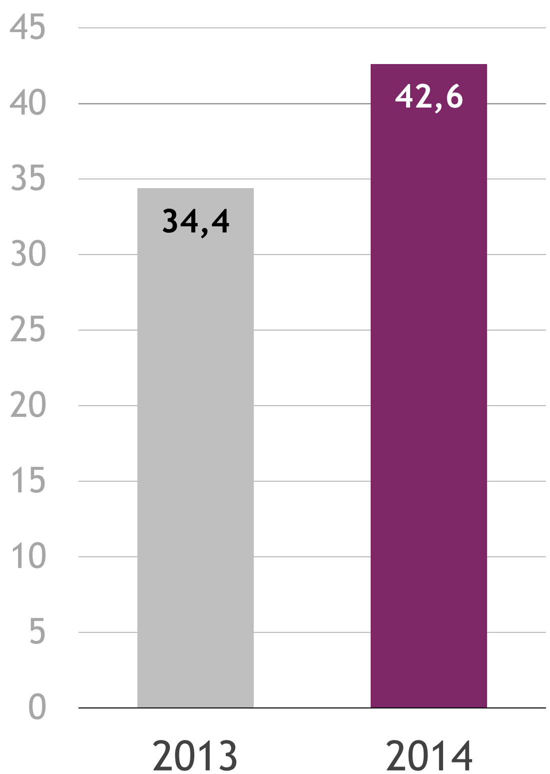


Net debt distribution

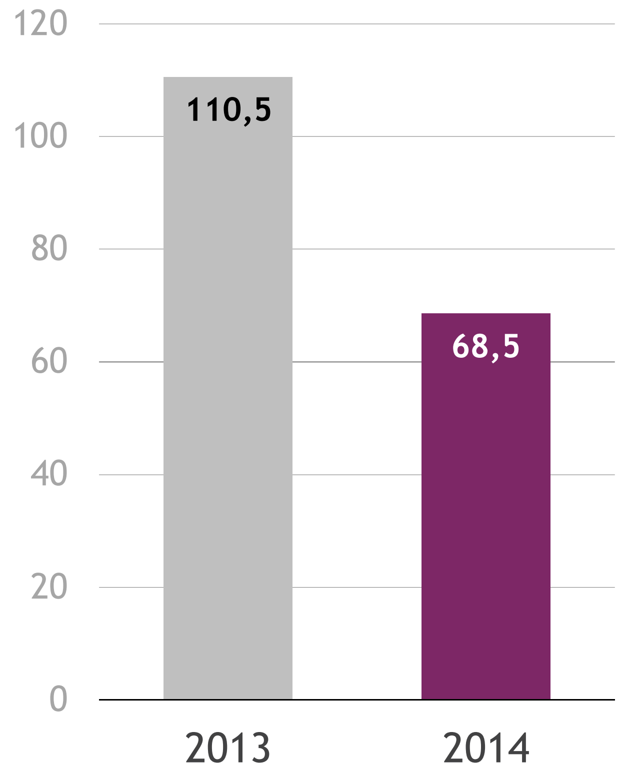
	Q4/2014
Financial leasing	69.6
Financial loans	8.5
Commercial papers	5.0
Cash and cash equivalents	-12.0
Total	71.1

Key indicators

Equity ratio, %



Gearing, %



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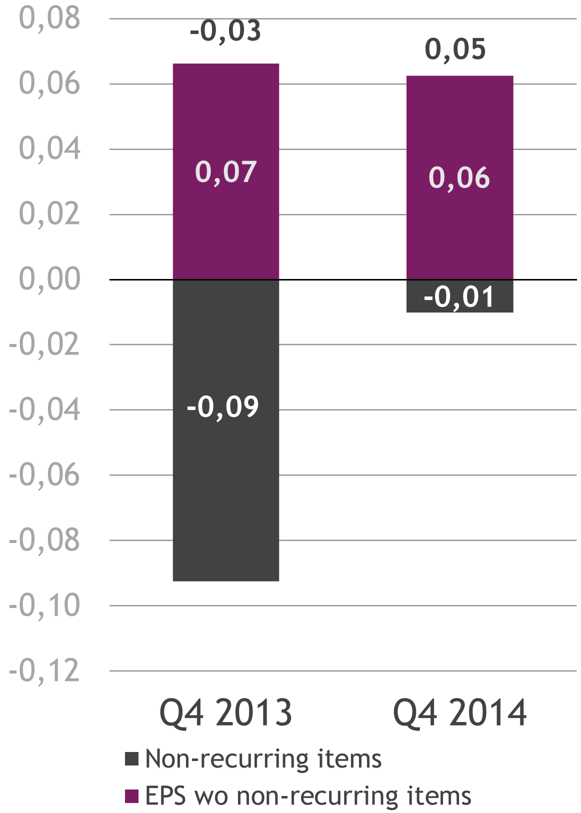
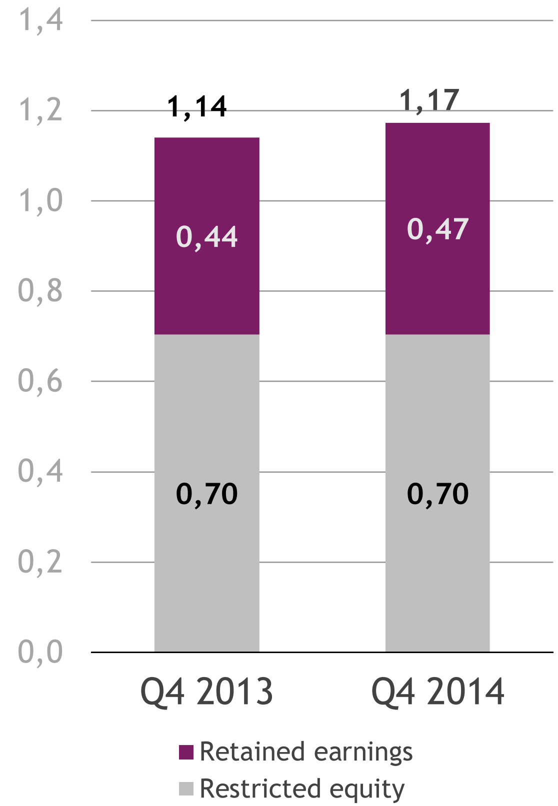
Earnings per share and equity per share





Balance sheet

MEUR	Q4 2014	Q4 2013
Intangibles and goodwill	107,9	110,9
Tangibles	76,2	86,3
Associated companies	25,7	25,5
Inventory	1,3	1,4
Receivables	33,1	34,3
Cash	12,0	12,3
Assets	**256,1**	**270,7**
Equity	103,7	88,3
Reserves-obligatory	0,4	4,2
Pension liabilities	2,7	2,6
Ib debt	83,0	109,9
Non-Ib debt	53,5	51,9
Advances received	12,9	13,7
Equity and liabilities	**256,1**	**270,7**

Dividend proposal

Proposal by the Board of Directors to the Annual General Meeting of 17 March 2015.

On 31 December 2014, the Group's parent company had distributable funds totalling EUR 179,932,379 (23,905,611). No essential changes in the company's financial standing have taken place after the end of the financial year.

Alma Media's Board of Directors proposes to the Annual General Meeting that a capital repayment of EUR 0.12 (0.10) per share be paid from the reserve for invested non-restricted equity for the financial year 2014.

Based on the number of shares on the closing date 31 December 2014, the capital repayment totals EUR 9,058,422 (EUR 7,548,685).

Strategy and outlook

Kai Telanne

LIVING INFORMATION

The focal points of the implementation of the strategy in 2014

- Multi-channel content
- Marketing solutions
- Digital services
- Resources and expertise

We will build new capacities, seek efficiency and accelerate growth in digital services and media.

Multi-channel content

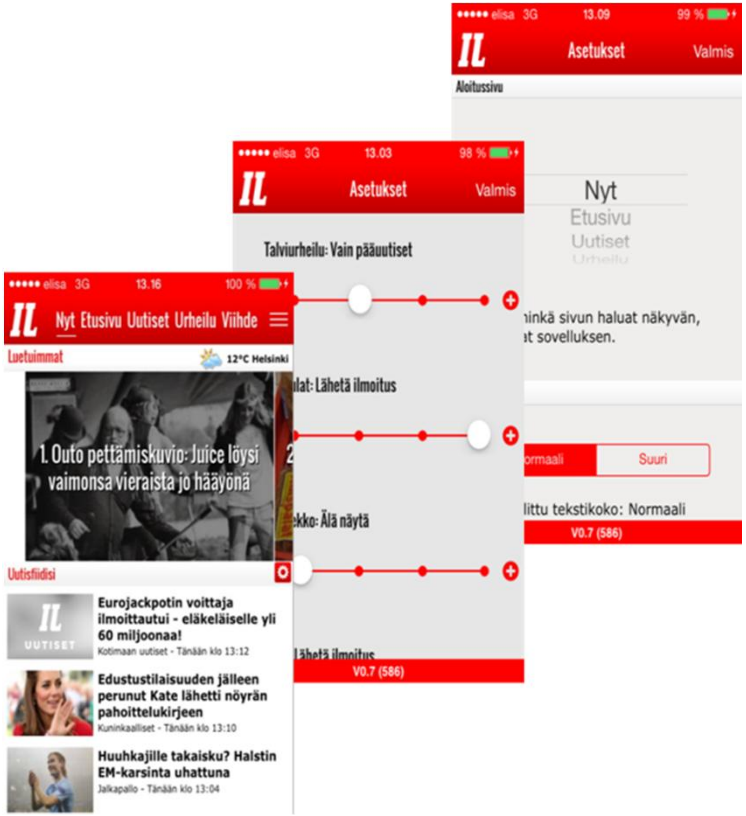
Multi-channel content

LIVING INFORMATION

Multi-channel content

IL's new mobile applications well received

- Iltalehti's renewed mobile applications launched in Q3 have substantially increased the application-based consumption of Iltalehti's content.
- Feedback from users has been positive: the applications are perceived as more modern, faster and easier to use.
- The users also read more articles per session when using the new applications.



Multi-channel content

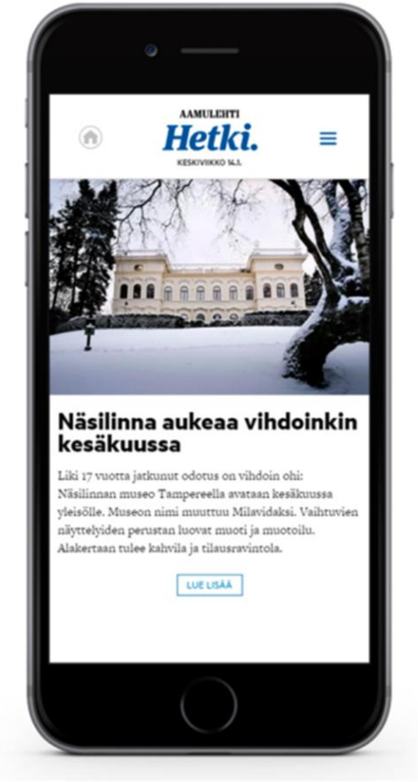
The new Kauppalehti online and on mobile

- Kauppalehti’s online service was redesigned at the beginning of January 2015 with regard to its content, visual style and technology.
- The redesign shifts the focus of Kauppalehti’s content production increasingly to the online and mobile channels.
- At the same time, the subscription model was changed to a weekly subscription and the paywall limit was reduced. Going forward, users can read five news articles per week without a subscription.

Multi-channel content

Aamulehti Hetki – a condensed digital news package for the afternoon

- Aamulehti launched its paid digital afternoon edition, Hetki (“*Moment*”) in January 2015.
- *Hetki* is a summary of the day’s news and stories published online and on mobile. It always includes new stories, some of which will be subsequently expanded upon in print.
- Results:
    - At its highest, the daily user figure is currently in excess of 3,000
    - Slightly under 5,000 unique weekly visitors
    - More than 600 Aamulehti subscribers have added the digital service to their subscription, with approximately 1,000 subscribing to the introductory offer.



Digital services

Digital services

LIVING INFORMATION

Digital services

JM Tieto becomes part of Alma Media

- Alma Media acquired full ownership of JM Tieto in January 2015. The Group's previous holding was 20%.
- In spring 2015, JM Tieto will be reorganised to constitute part of the Kauppalehti Information Services business operations.
- In addition to information services, JM Tieto's expertise can be utilised in areas such as Alma 360's
custom media solutions and Kauppalehti's media sales.

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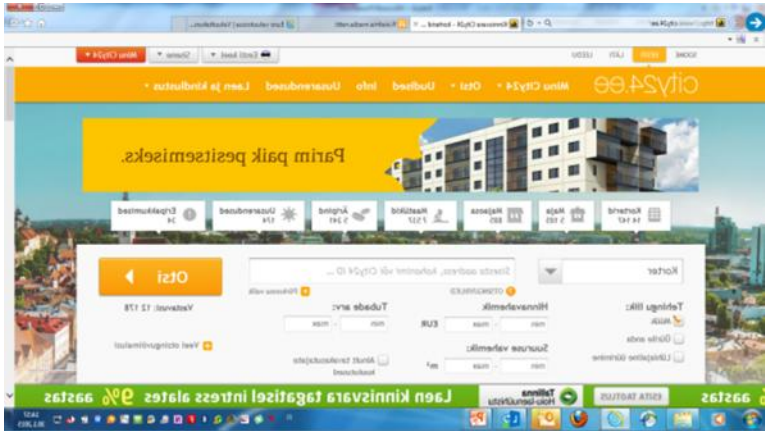
Digital services

The redesigned job search service of LMC in the Czech Republic

- LMC, which is part of Alma Career, redesigned its Job.cz service in October 2014.
- The aim was to refresh the visual style of the website, improve its usability and attract more users to the service
- The launch of the redesigned site was also supported by a multi-channel advertising campaign
- Results:
  - The service brand was strengthened in the target group
  - The volume of searches made directly through the website grew by 10%.
  - The number of visitors to the site’s Best Employers section grew by 30% and the section significantly improved its reach.

City24 business sold to Estonian buyer

- In November 2014, Alma Media sold its City24 business to Koha Capital, an Estonian venture capital company.
  - Alma Media had acquired the Estonian operations of the City24 housing portal in 2005 and subsequently expanded its operations to several countries in Eastern Central Europe.
  - However, the growth of the business area was hit by the financial crisis.
- Alma Media recorded a sales gain of MEUR 1.9 in its Q4/2014 result from the transaction.



Resources and expertise

Resources and expertise

Regional Media goes digital with Etukeno

- Alma Regional Media's Etukeno project, which is aimed at increasing digitality in the operations of regional and local newspapers, has progressed to the future workshop stage.
- The first workshops were organised in January, and during the winter, some 100 Alma Regional Media employees will participate in workshops.

LIVING INFORMATION

Resources and expertise

Alma Manu joins distribution cooperation

- Alma Manu Oy is becoming a founding partner in a new network company established by early morning delivery companies.
- The purpose of the new company is to sell and market the early morning delivery companies’ distribution network on a national level.
- The new company is yet to be named and its operations are likely to start in March.

Outlook

13 February 2015

Low interest rates, a weaker euro and lower oil price improve the chances for growth in the long run. However, in 2015, economic growth is still expected to remain weak in Europe and, in particular, in Finland. The weak overall economic growth has an impact on advertising volume, which is not expected to increase in Finland in 2015.

In the first half of 2015, Alma Media expects its revenue and operating profit excluding non-recurring items to decrease from the 2014 level. The revenue for the first half of 2014 was MEUR 148.4, and operating profit excluding non-recurring items MEUR 8.8.

Thank you! Questions?

Upcoming events in the investor calendar:

- Q1 result 30 April 2015

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