



PRESIDENT AND CEO'S REVIEW

Kai Telanne

Living
Information

ALMA MEDIA AGM 2016
17 MARCH 2016





**Investments in
marketing
communications at a
very low level**

**Finnish
economy still in the
doldrums**

**Intensifying
global competition in
the media sector**

Presentation contents

Macroeconomic climate and marketing
Competitive situation in the media sector
Financial statements 2015
Alma Media's path forward

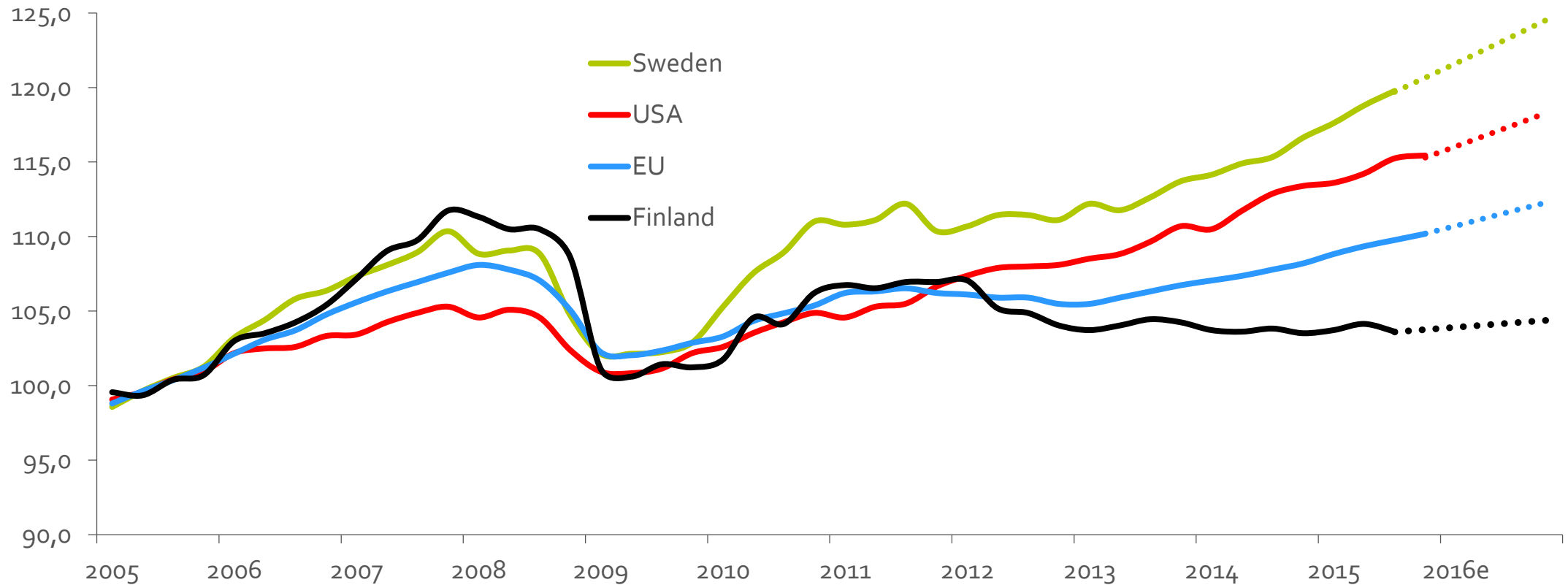




THE ECONOMY AND MARKETING

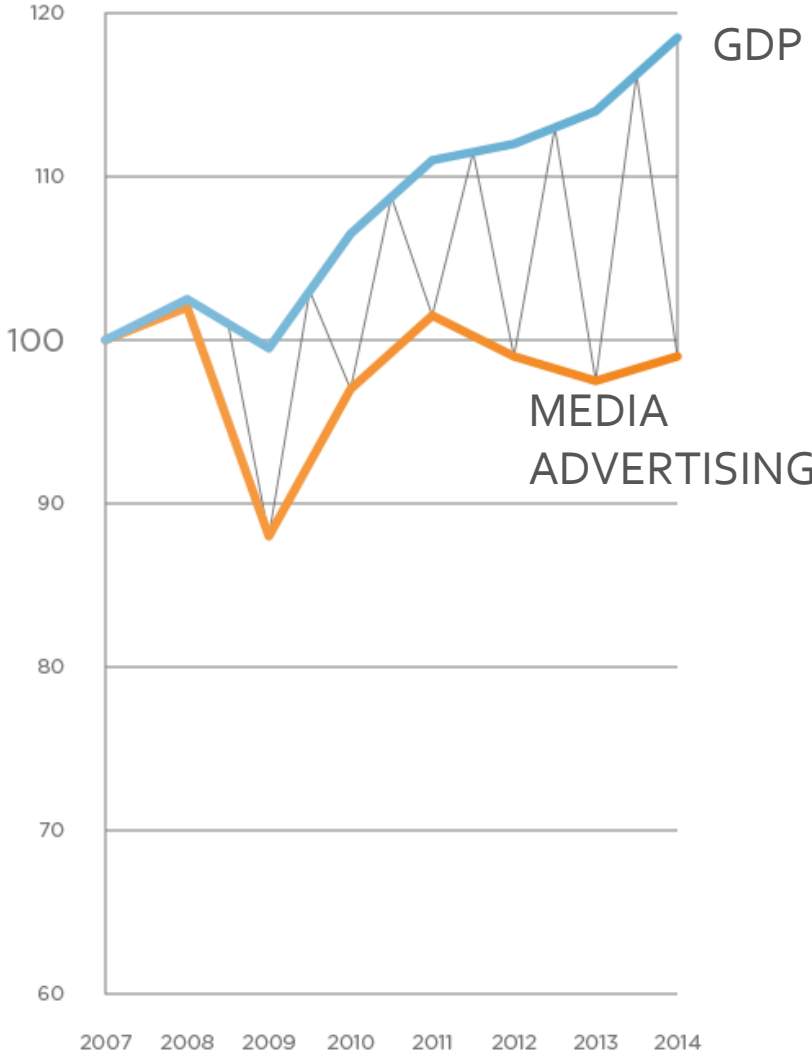
Finland's lost decade

GDP volume index, 2005=100, seasonal adjustment + Commission forecast 2016

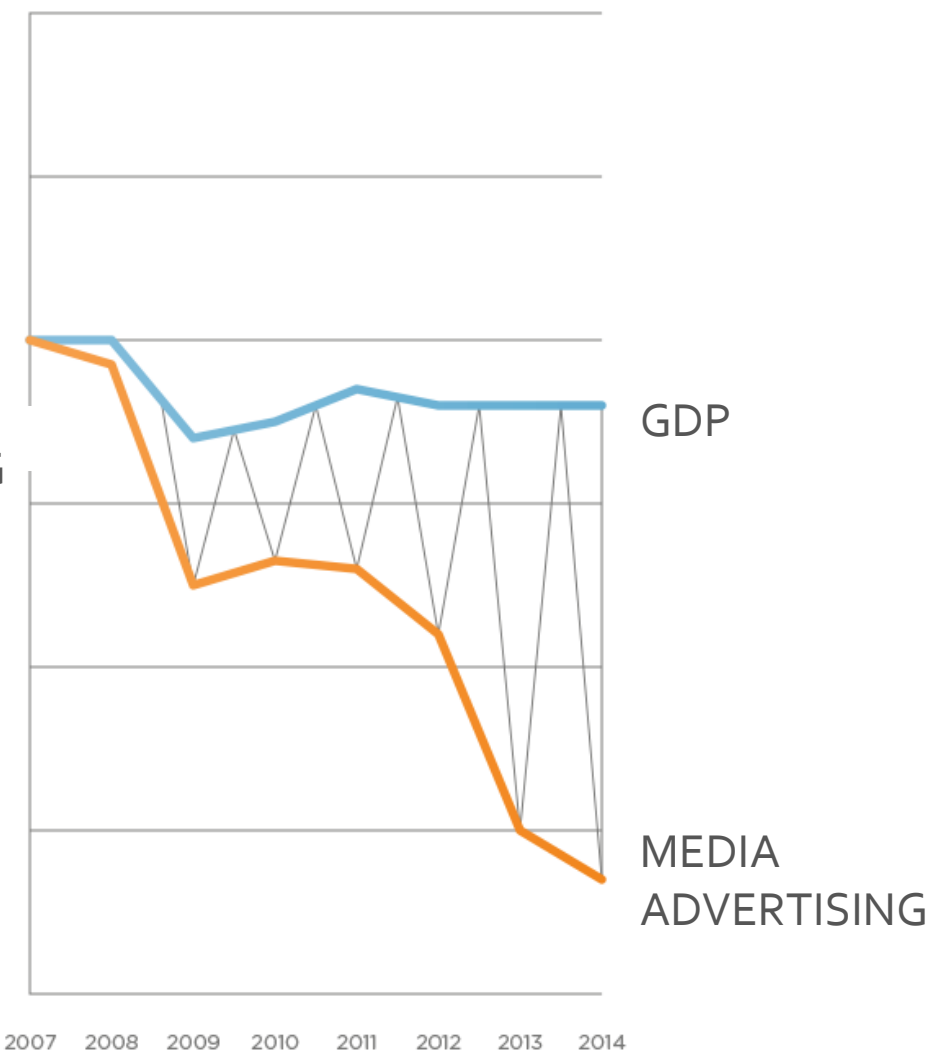


Sources: Eurostat, European Commission, Confederation of Finnish Industries EK

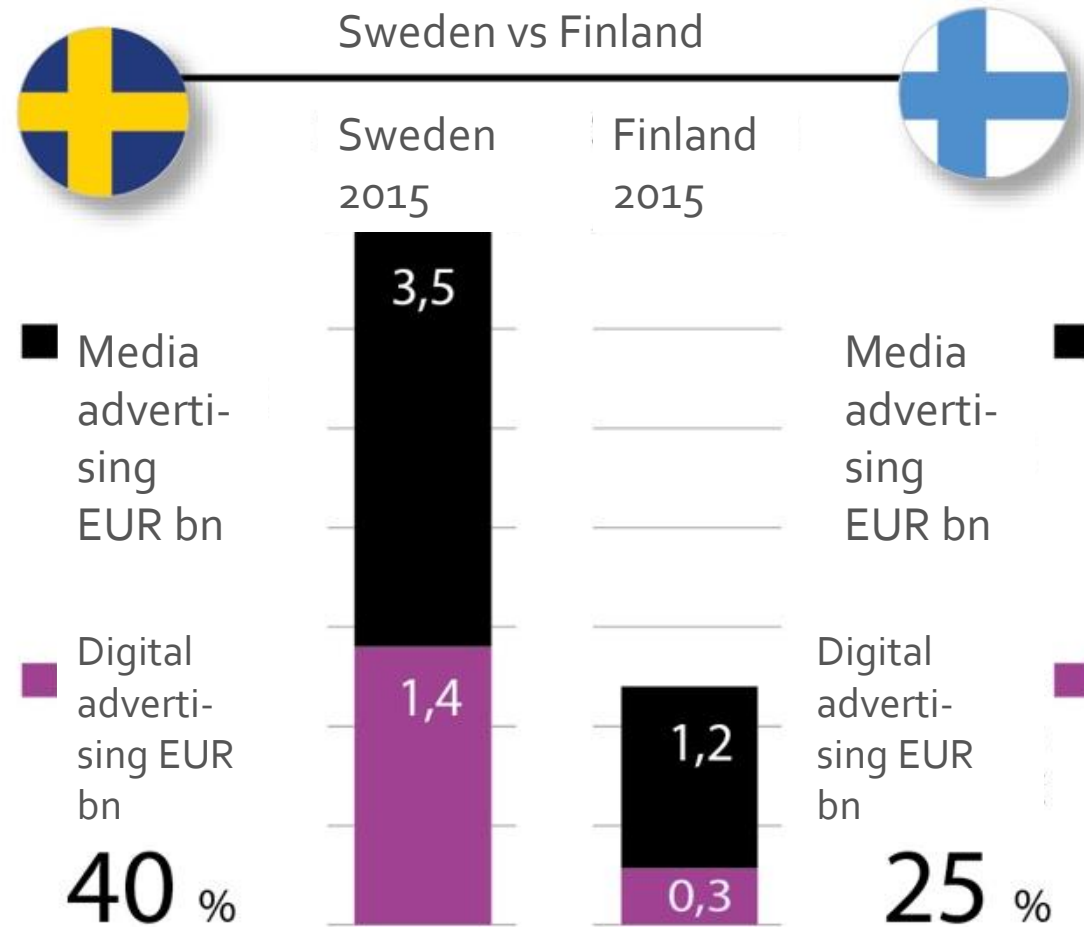
SWEDEN



FINLAND



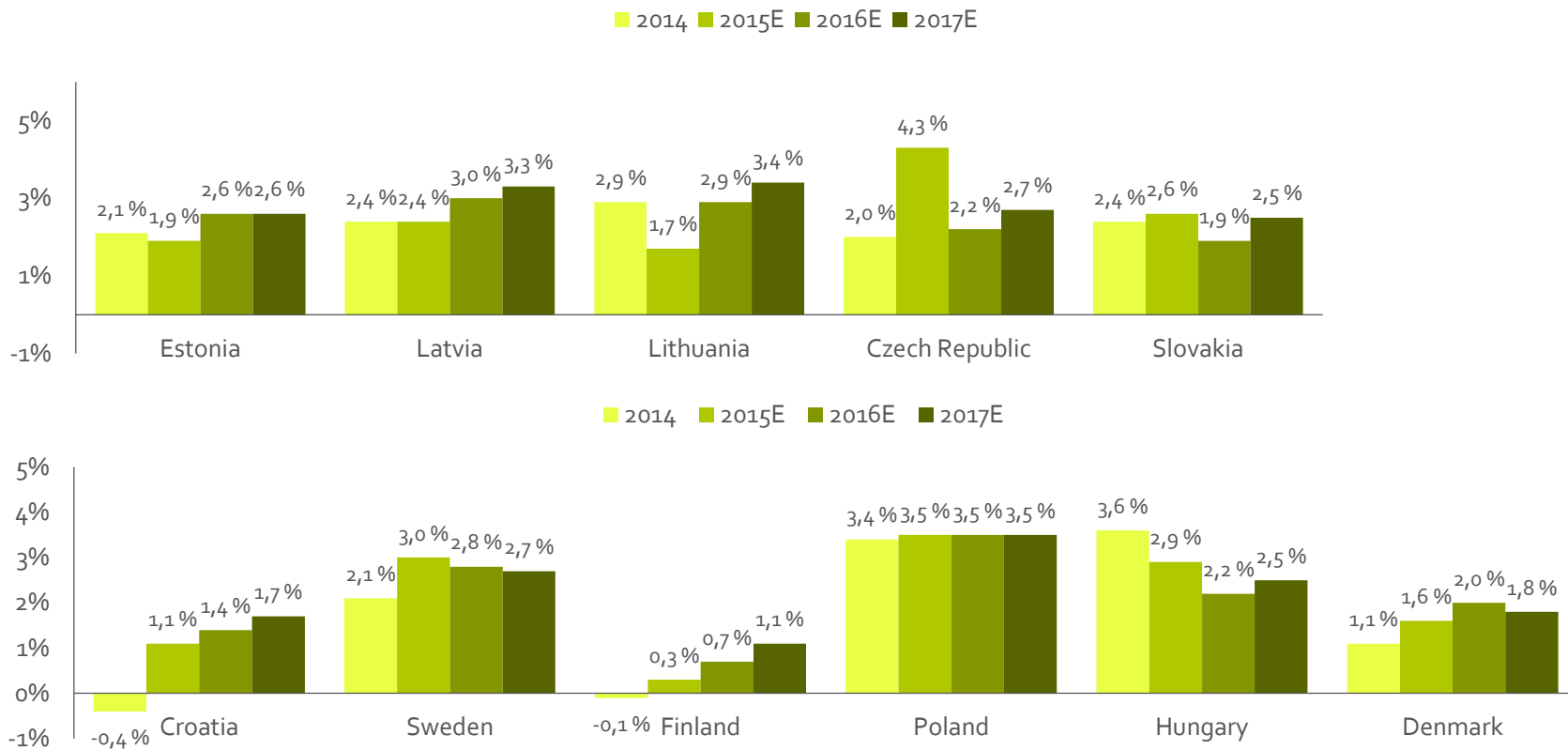
Sweden beats Finland in advertising volume



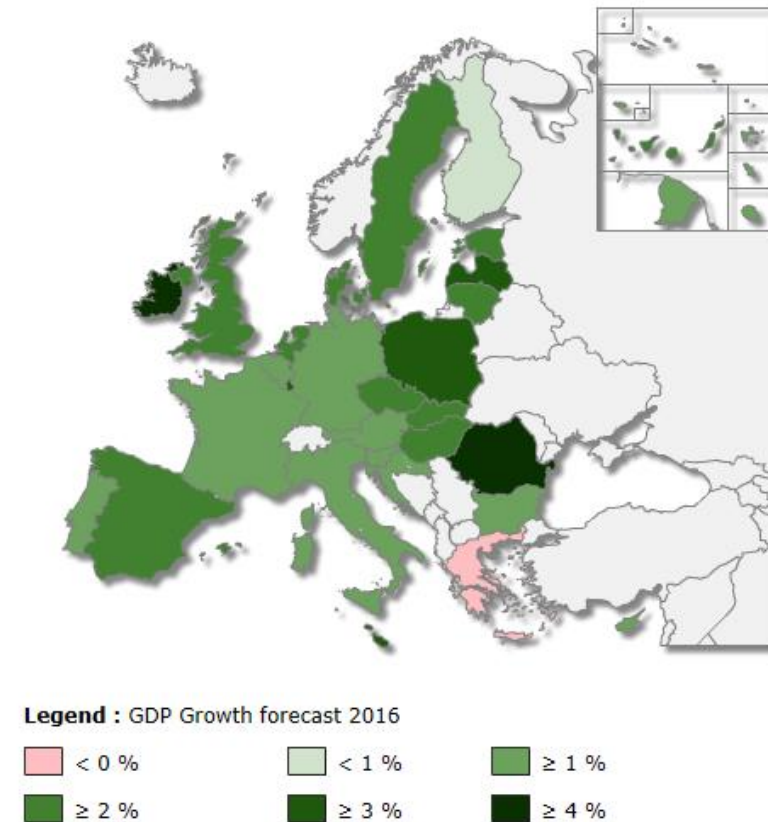
Sources: IAB, AVAUS

GDP forecasts in Alma's operating areas

GDP development and Commission forecasts of GDP growth in Alma's operating countries in 2014–2017E



Commission growth forecast in 2016

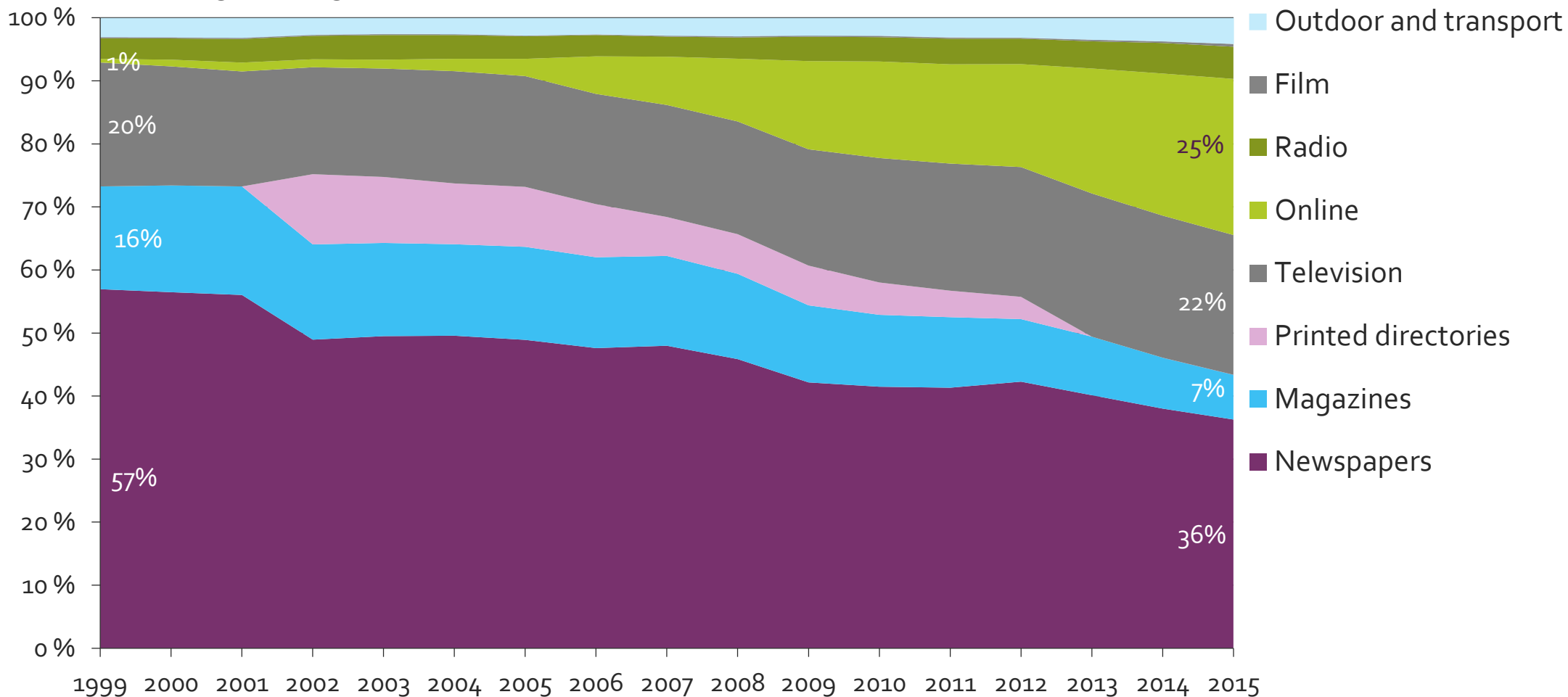




COMPETITIVE
SITUATION
IN THE MEDIA
SECTOR

The structural transformation of media advertising has led to an increase in online advertising

Media advertising by category



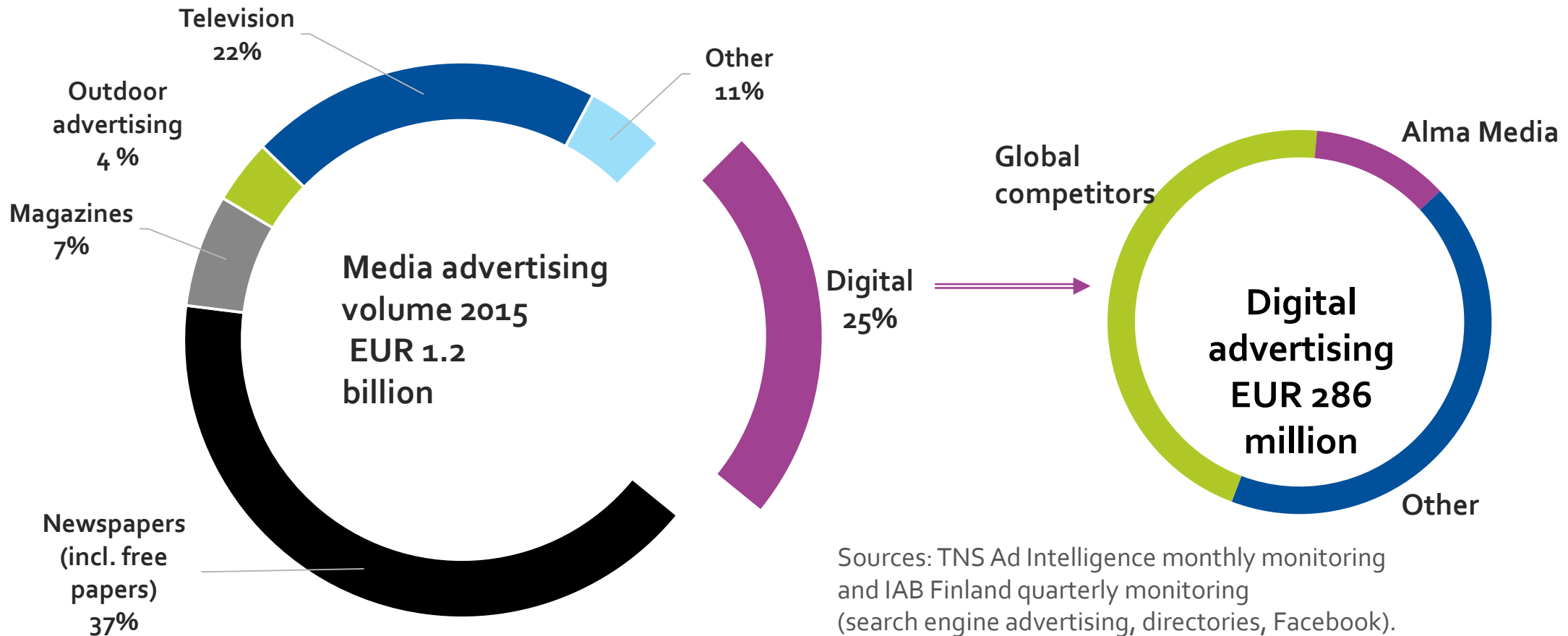
Source: Finnish Advertising Council

Media advertising volume development 2015

	2015, MEUR	% change	% share
Newspapers	354	- 7.5	31
Town papers and free distributed papers	65	+1.2	6
Magazines	82	-13.5	7
Television	256	-3.5	22
Radio	59	+3.1	5
Outdoor advertising	48	+9.4	4
Film	5	+43.4	0.4
Digital	286	+6.8	25
Total	1,155.4	-2.1	100

Source: Finnish Advertising Council, TNS

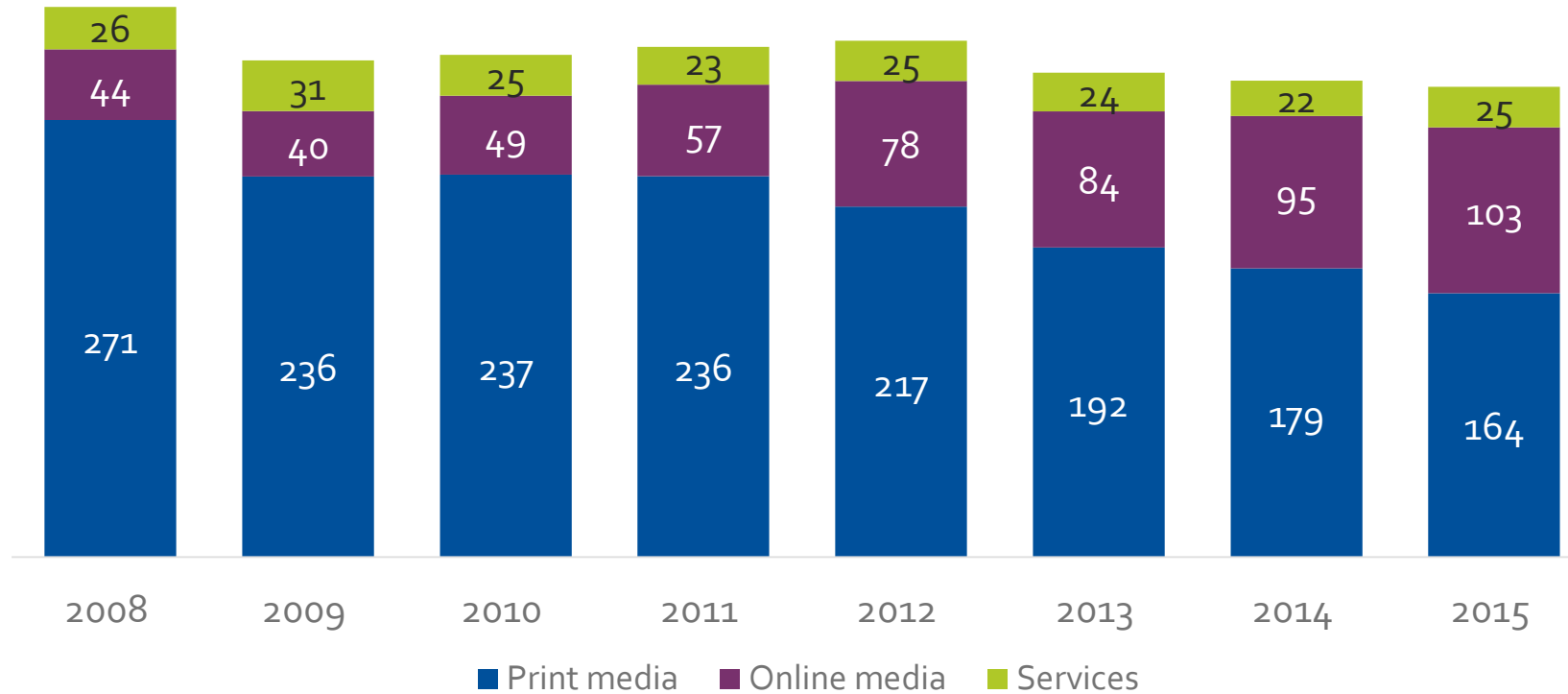
Half of all digital advertising spending goes to global competitors



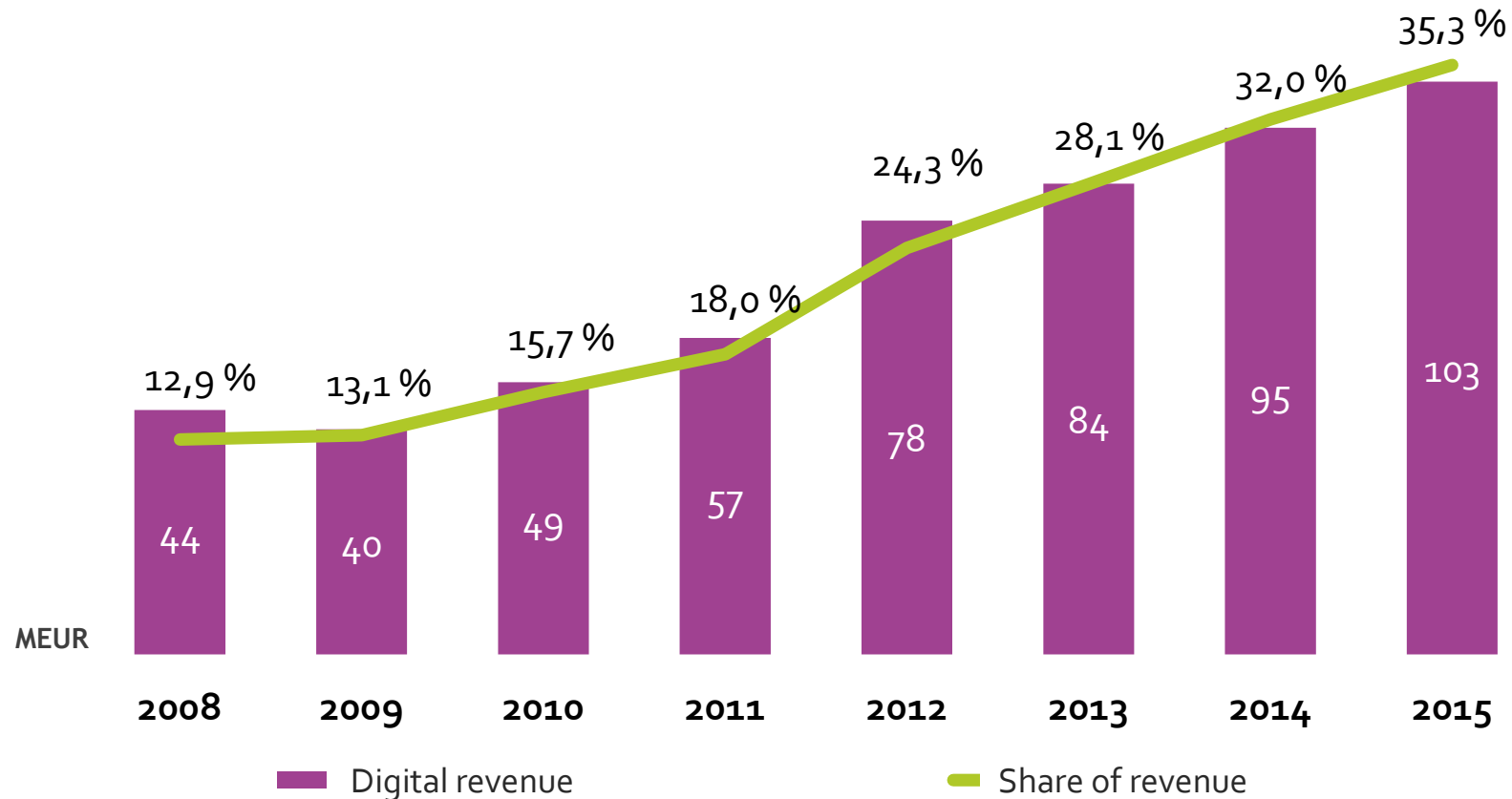
Sources: TNS Ad Intelligence monthly monitoring and IAB Finland quarterly monitoring (search engine advertising, directories, Facebook).

Alma's digital business has compensated for the decline in revenue from print media

Alma Media's revenue by category, MEUR

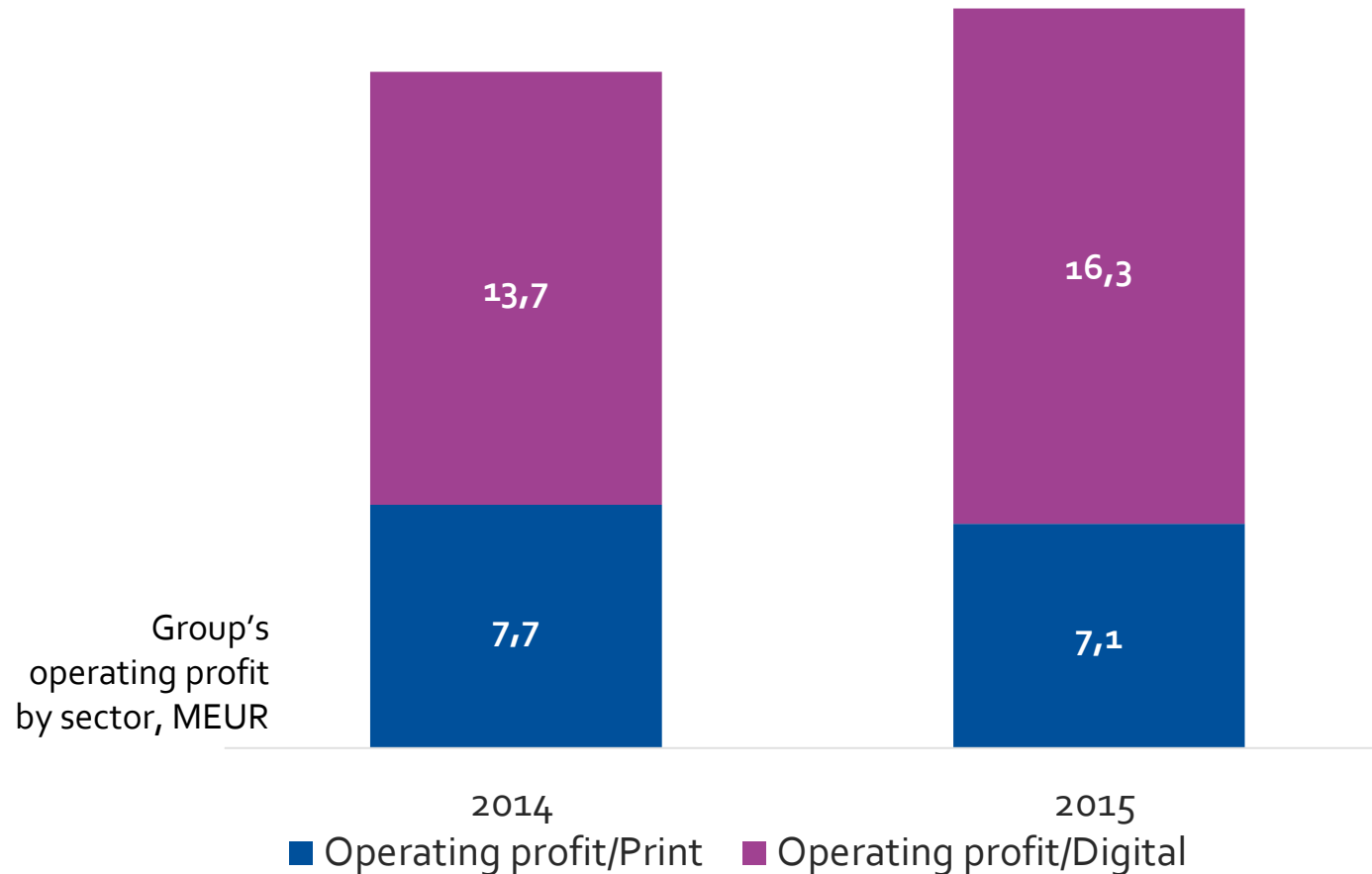


MEUR 100 milestone exceeded in Alma's digital revenue



Digital revenue grew by 8.7% in 2015.

Digital business generated more than 2/3 of Alma's operating profit





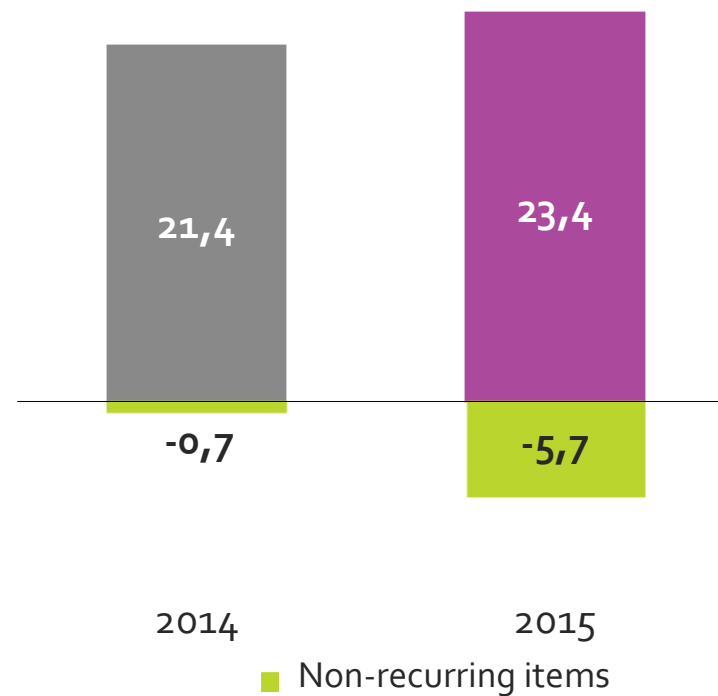
**FINANCIAL
STATEMENTS
2015**

Group revenue and operating profit 2014–2015

Revenue

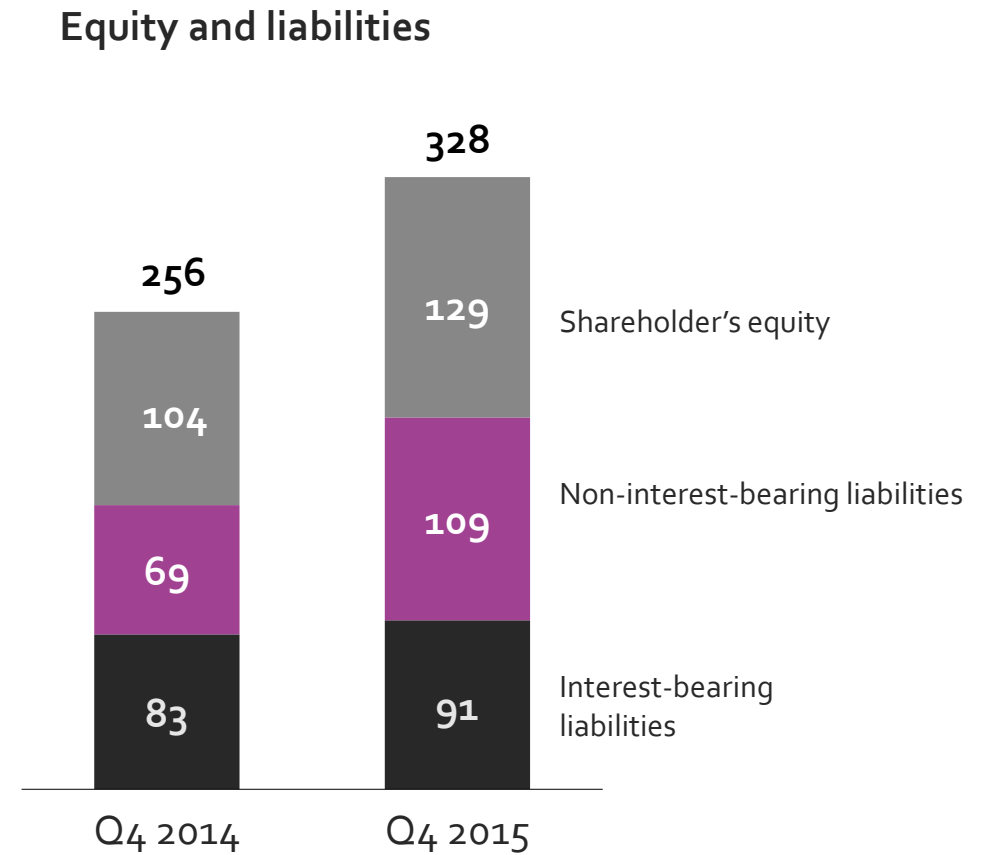
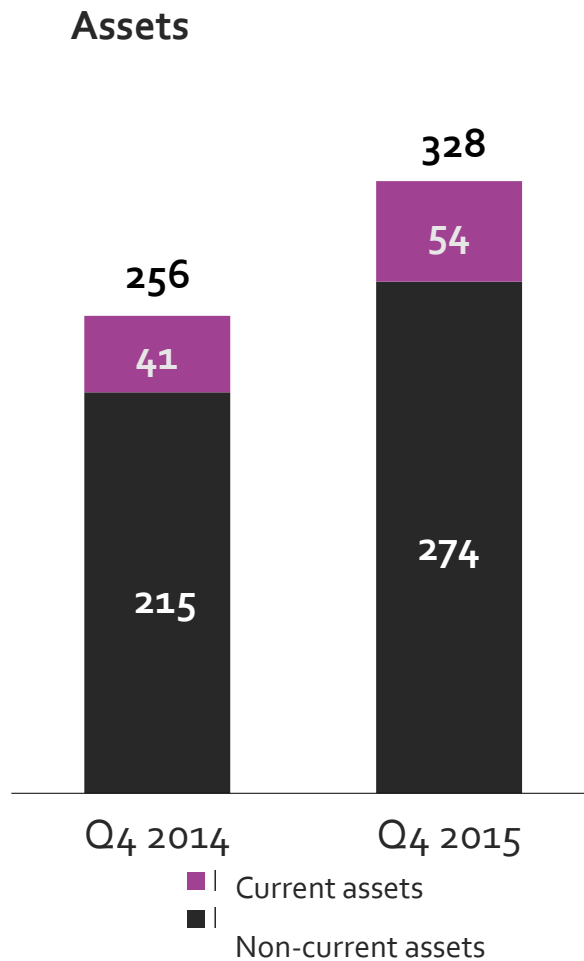


Operating profit



MEUR
IFRS

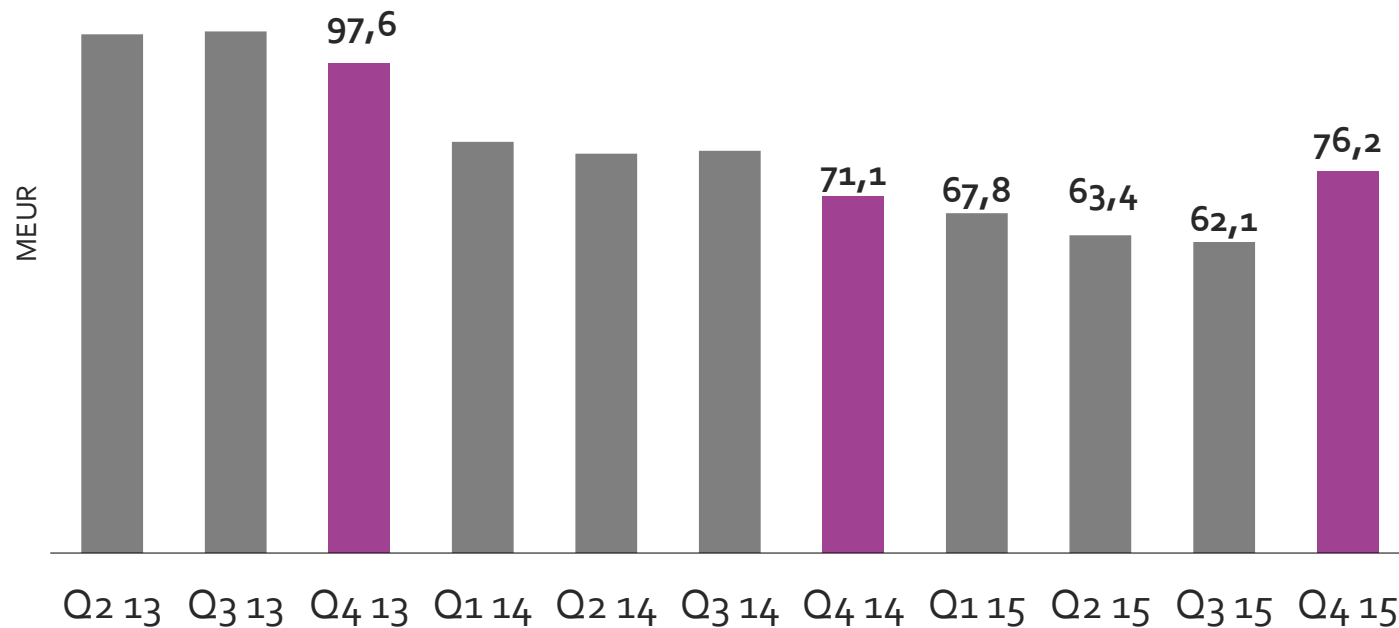
Balance sheet



MEUR
IFRS

Interest-bearing debt

Net debt Q2/2013–Q4/2015

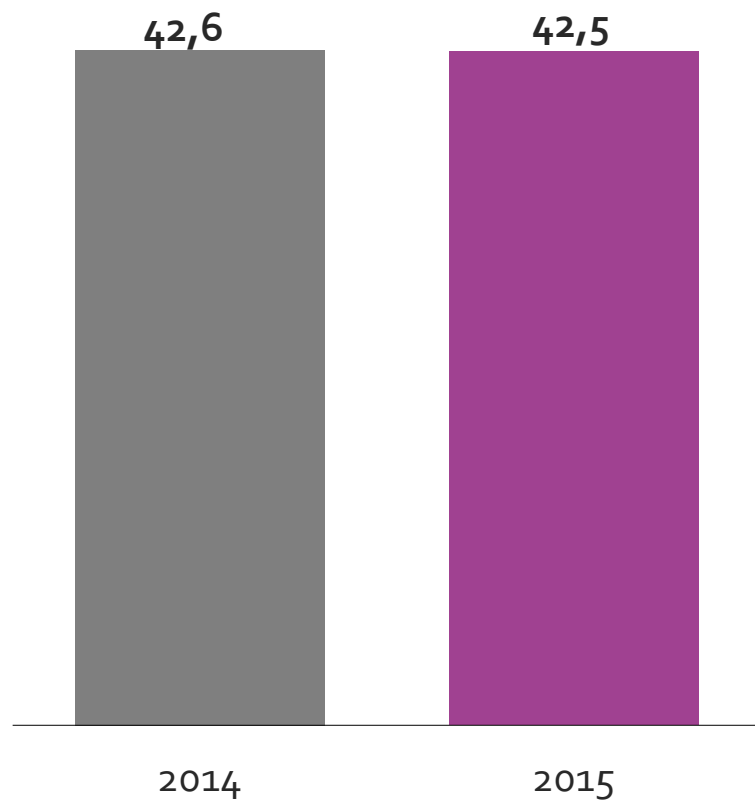


Net debt distribution

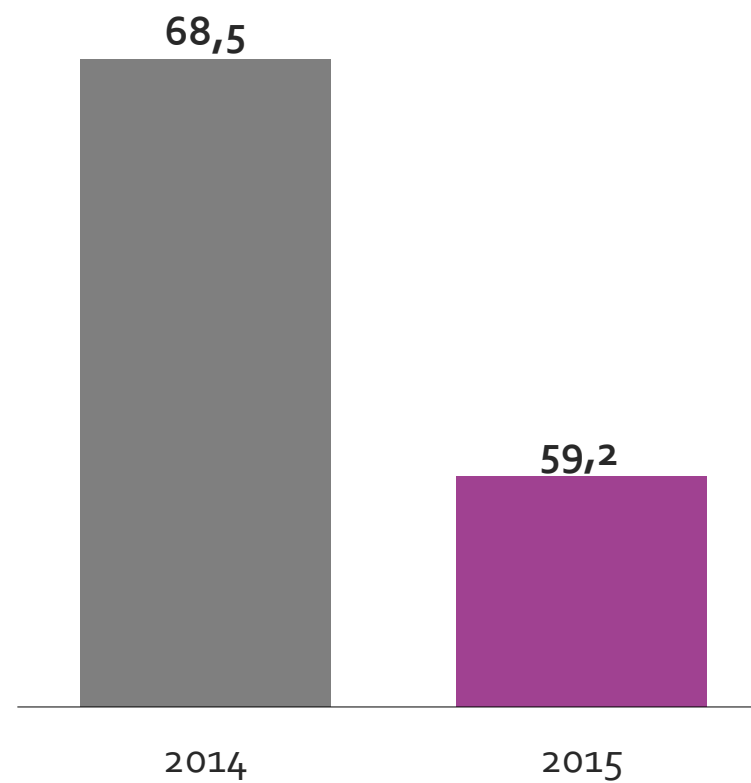
	Q4/2015
Financial leasing	65.0
Financial loans	25.6
Commercial papers	0.0
Cash and cash equivalents	-14.4
Total	76.2

Equity ratio and gearing

Equity ratio, %



Gearing, %

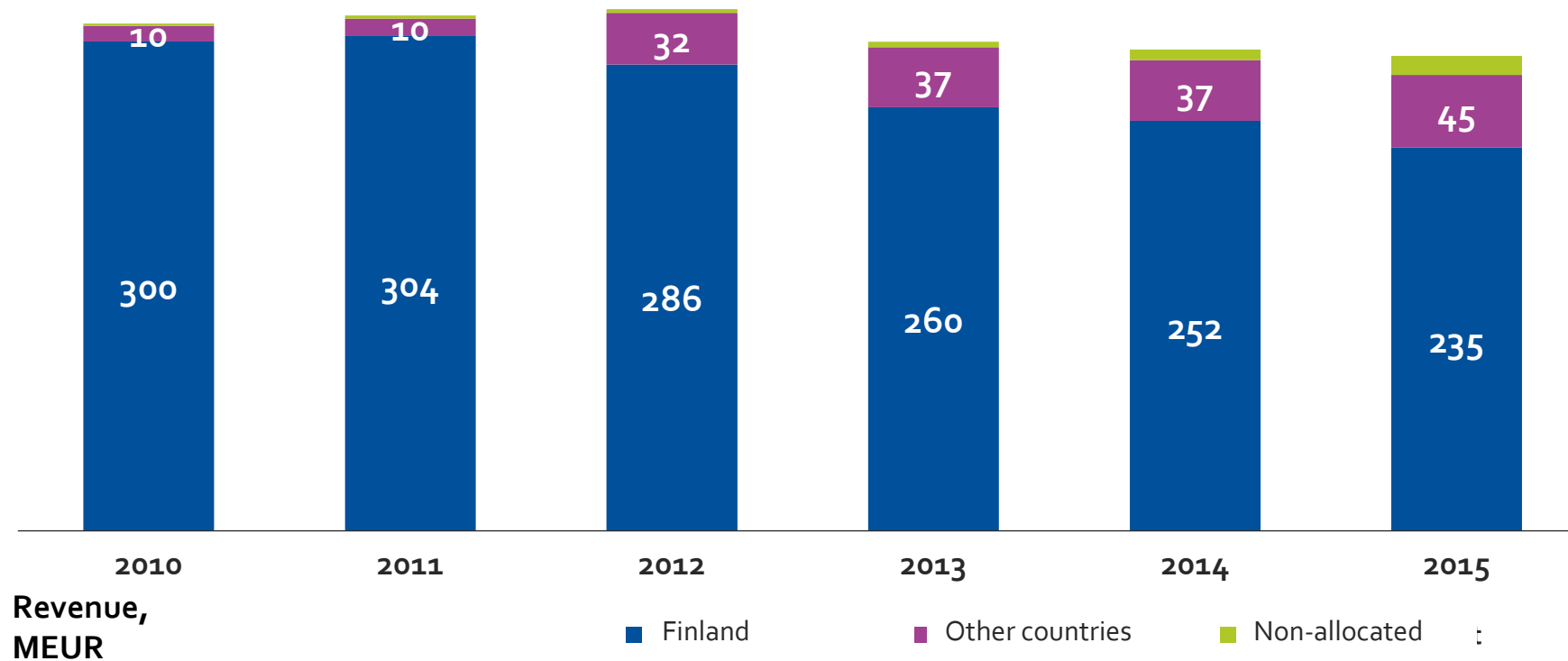


IFRS

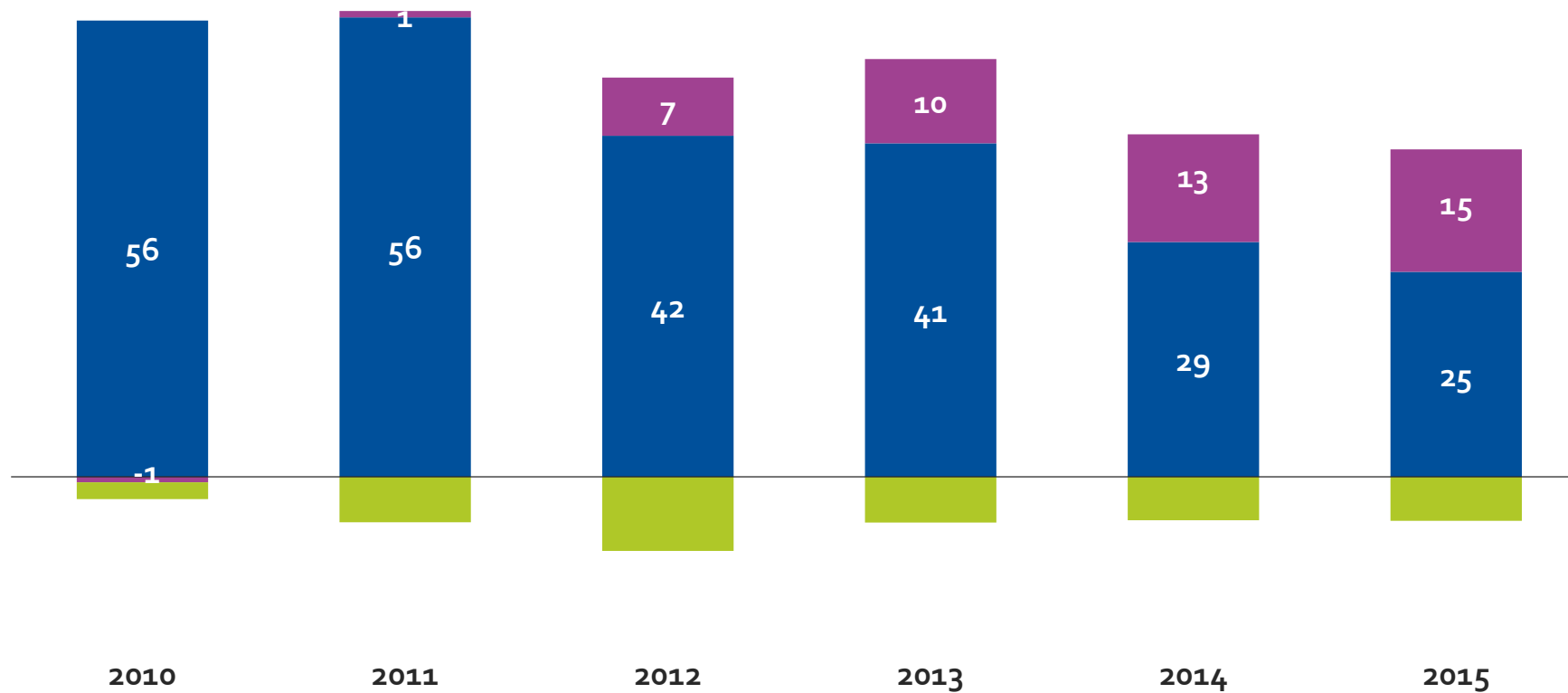
**Investments in digital
business in Finland, and
especially abroad, are
producing good results.**



International revenue has grown to play a significant role



International business also has a growing significance to profitability



EBITDA,
MEUR

■ Finland

■ Other countries

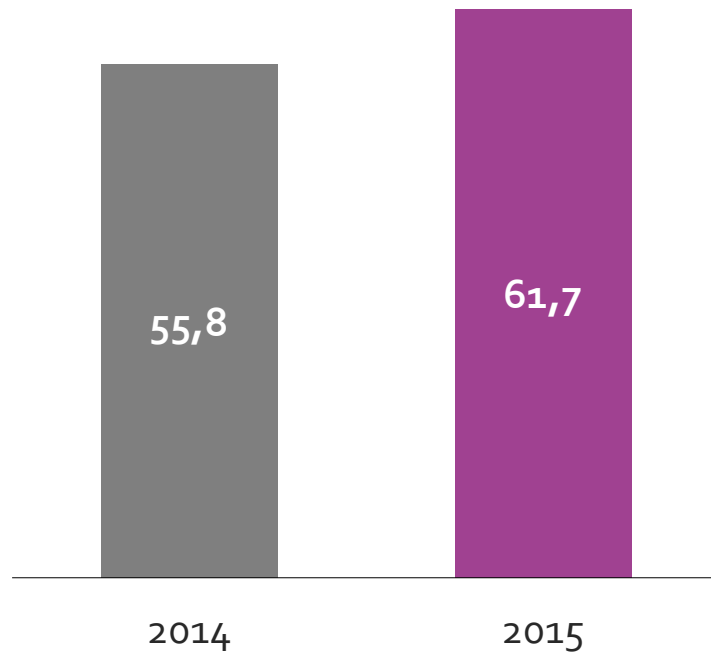
■ Non-allocated

Alma Media's business operations and key brands

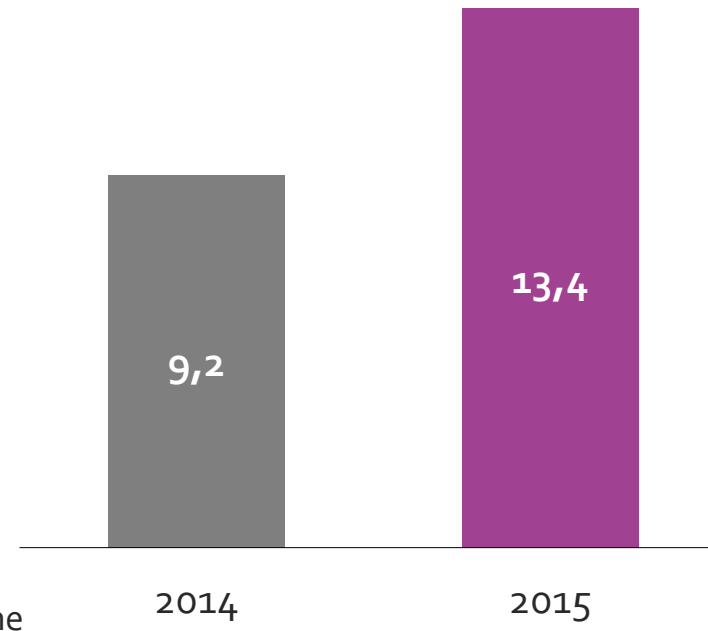


Digital Consumer Services

Revenue



Operating profit



MEUR,
IFRS_wo_onetime

ETUOVI.com

AUTOTALLI.COM

MONSTER

MONSTERPOLSKA

profesia

CV online

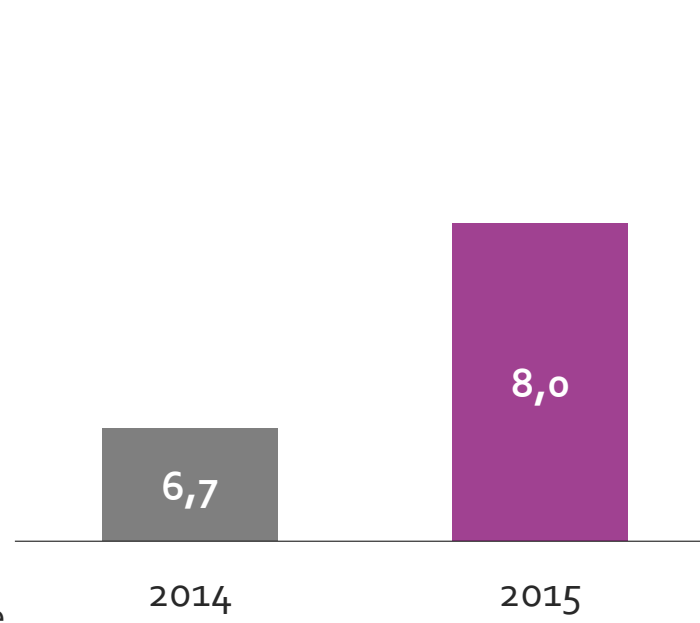
LMC

Financial Media and Business Services

Revenue



Operating profit

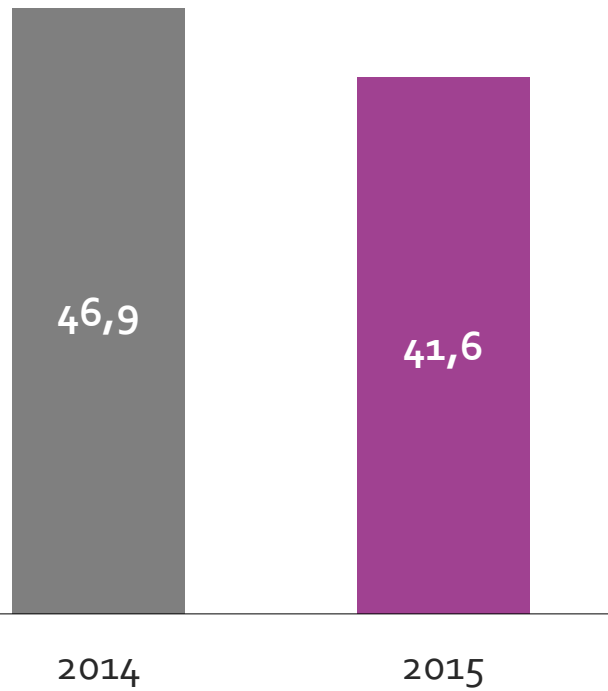


MEUR,
IFRS_wo_onetime

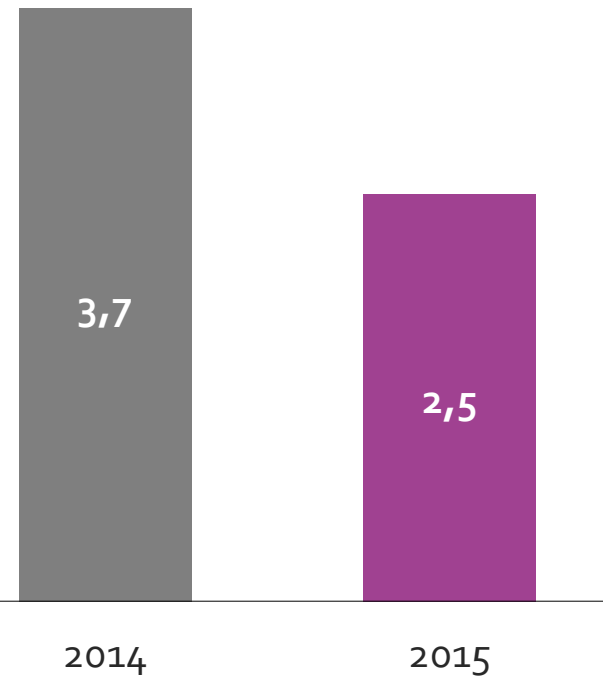


National Consumer Media

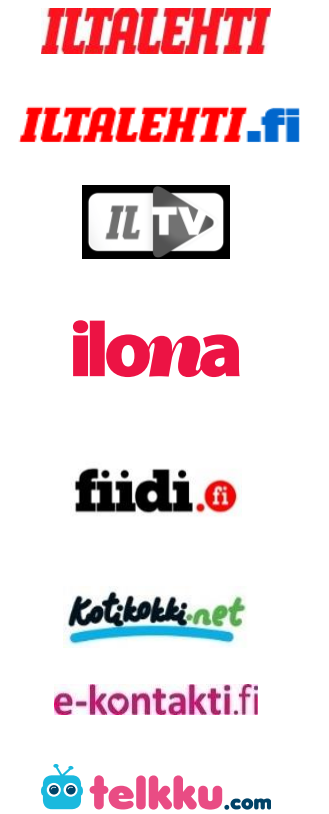
Revenue



Operating profit

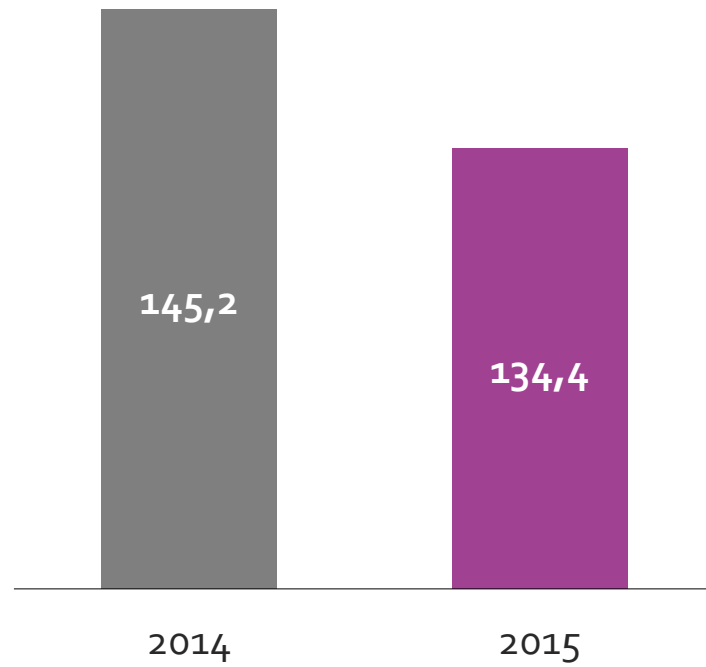


MEUR,
IFRS_wo_onetime

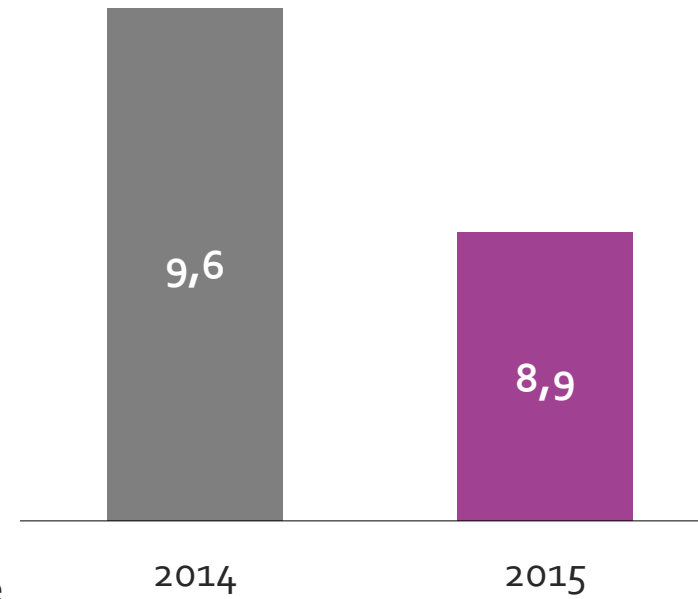


Regional Media

Revenue



Operating profit



MEUR,
IFRS_wo_onetime

AAMULEHTI

SATAKUNNAN KANSA

 **Lapin Kansa**

 **POHJOLAN SANOMAT**

**Valkeakosken
Sanomat**

KMV-lehti

Rannikkoseutu

Tyrvään Sanomat

MGNU
Alma Manu Oy

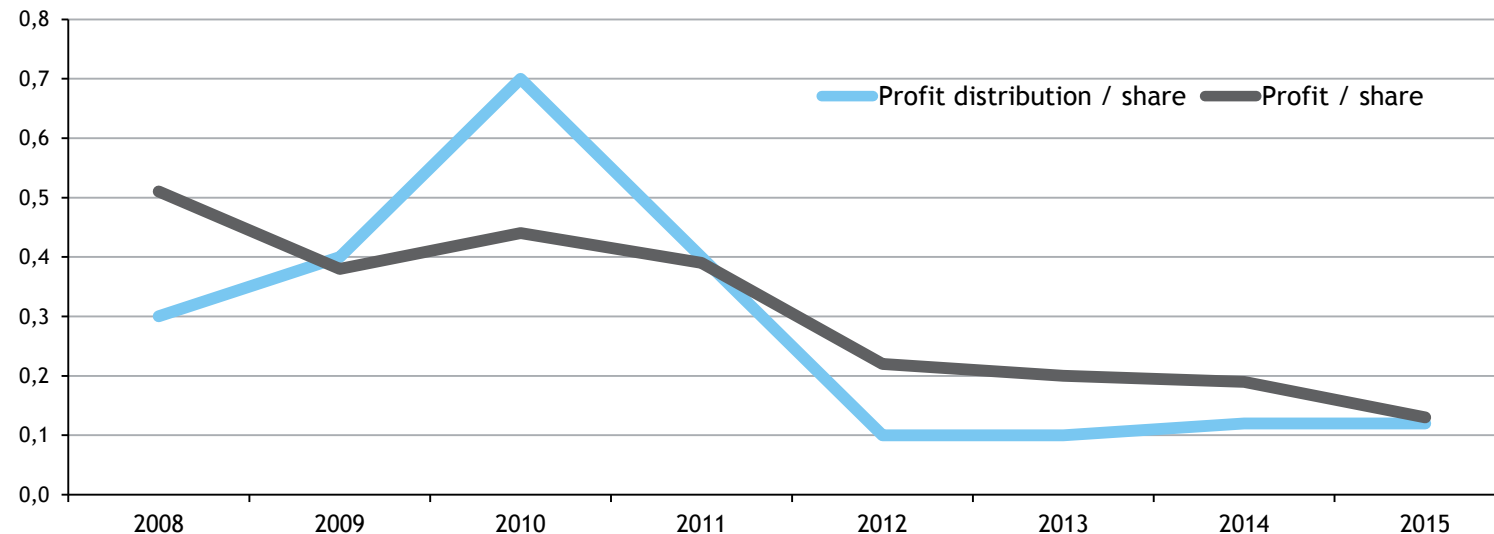
Distribution of profit 2006–2015

Dividend* and effective dividend yield

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dividend*, EUR	0.65	0.90	0.30	0.40	0.70	0.40	0.10	0.10	0.12	0.12
Effective dividend yield	7.7%	6.1%	5.3%	5.3%	8.5%	6.5%	2.2%	3.3%	4.4%	4.0%

* dividend and capital repayment combined

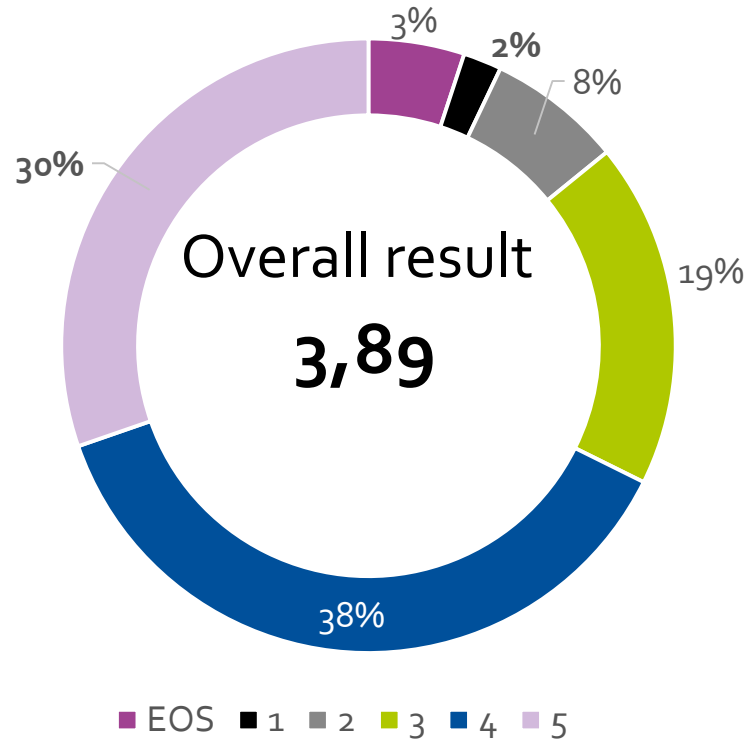
Profit distribution proposal for 2015: EUR 0.12 per share, effective dividend yield 4.0% (share price on 30 December 2015, EUR 3.00/share)





EMPLOYEE SATISFACTION

Employee satisfaction is at a good level



Of all the scores given, **68%** are positive (4 and 5) and **10%** are critical (1 and 2).



**ALMA MEDIA'S
PATH FORWARD**

**We pursue
sustainable growth by
making use of the
opportunities presented by
digitisation.**



Long-term financial targets

Alma Media's financial targets	2011	2012	2013	2014	2015	Target
Digital business growth	16.3%	36.8%	8.4%	11.9%	8.7%	> 15%
Return on Investment (ROI), %	26.1%	13.8%	10.0%	9.8%	6.9%	> 15%
Dividend payout ratio*	103%	45%	50%	63%	92%	> 50%

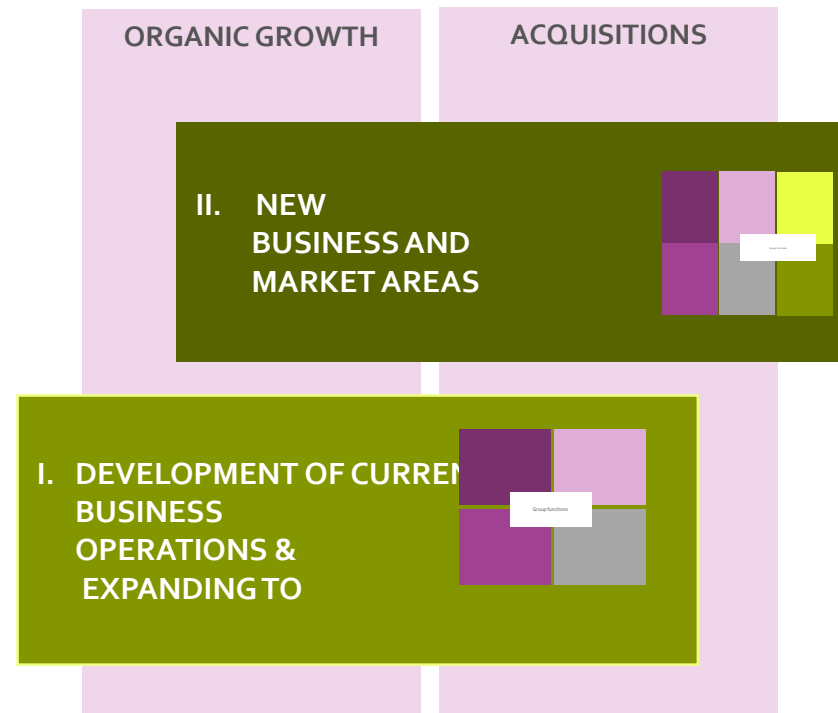
* Includes capital repayment to shareholders.

Strategic guidelines

STRATEGIC GOALS

- Increasing shareholder value through revenue growth and improved profitability.
- Increasing revenue and market shares, particularly in digital media and services in Finland.
- Developing and expanding international business operations.

STRATEGIC GUIDELINES



STRATEGIC DEVELOPMENT AREAS IN CURRENT BUSINESSES

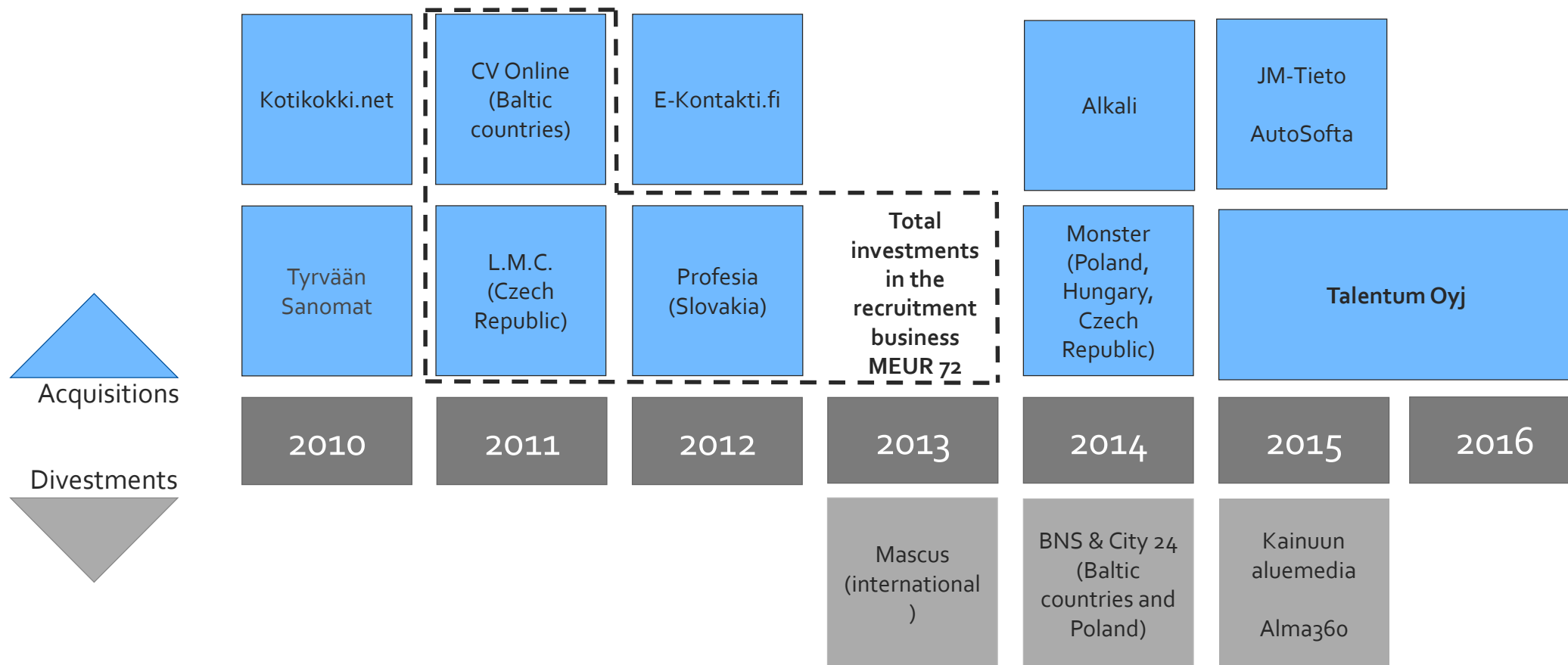
Multi-channel content

Service business

Marketing solutions for
advertisers

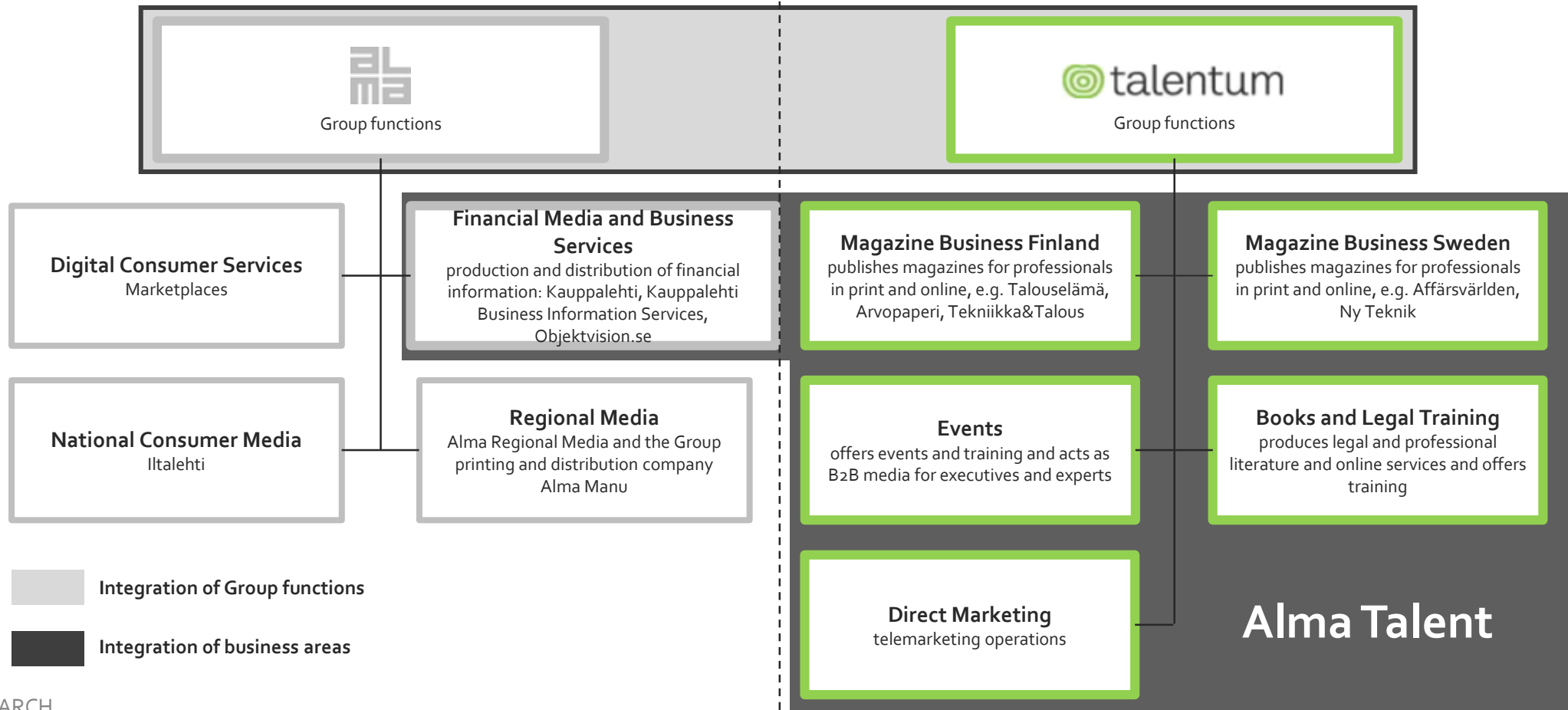
Resources
and expertise

Supporting the growth strategy by acquisitions



The Talentum acquisition was our most significant business transaction in 2015

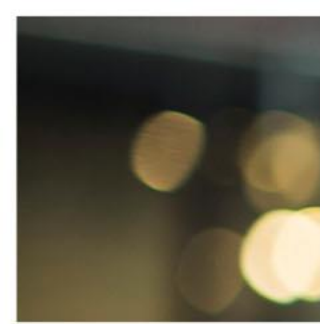
Operations will be combined at two levels.





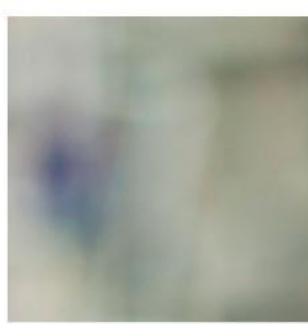
Future outlook

- 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.







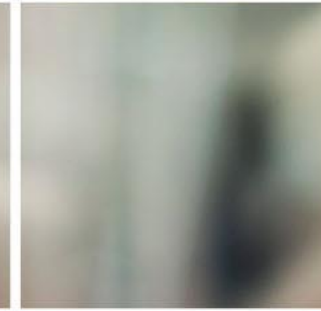
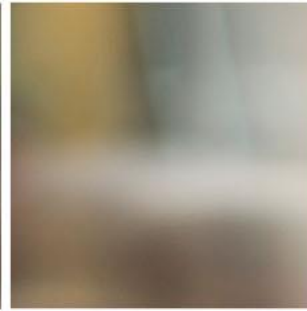



Structural transformation
and internationalisation to
continue






The decline of print media
revenue will continue, digital
business will continue to
grow



We will make
further
investments in
the
development of
our employees



The role of behavioural data
and analytics in business
development will grow.



Efficiency improvement
measures for print media will
continue and digital
development will be
expedited



Operating environment in
Finland to remain difficult,
positive development will
continue in international
markets



We will integrate Talentum
into Alma Media in such a
way as to achieve the
planned cost synergies of
EUR 4–5 million



A driver of sustainable growth.



A film about Alma Media, consumers, advertising and how media operates responsibly as a member of society.