

Driving transformation in media

Alma Media investor presentation

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August – September 2014



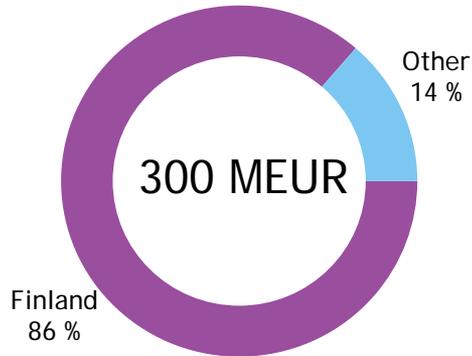
A traditional media company?

Alma Media is investing in fast-growing and profitable digital media and services, with a European focus.

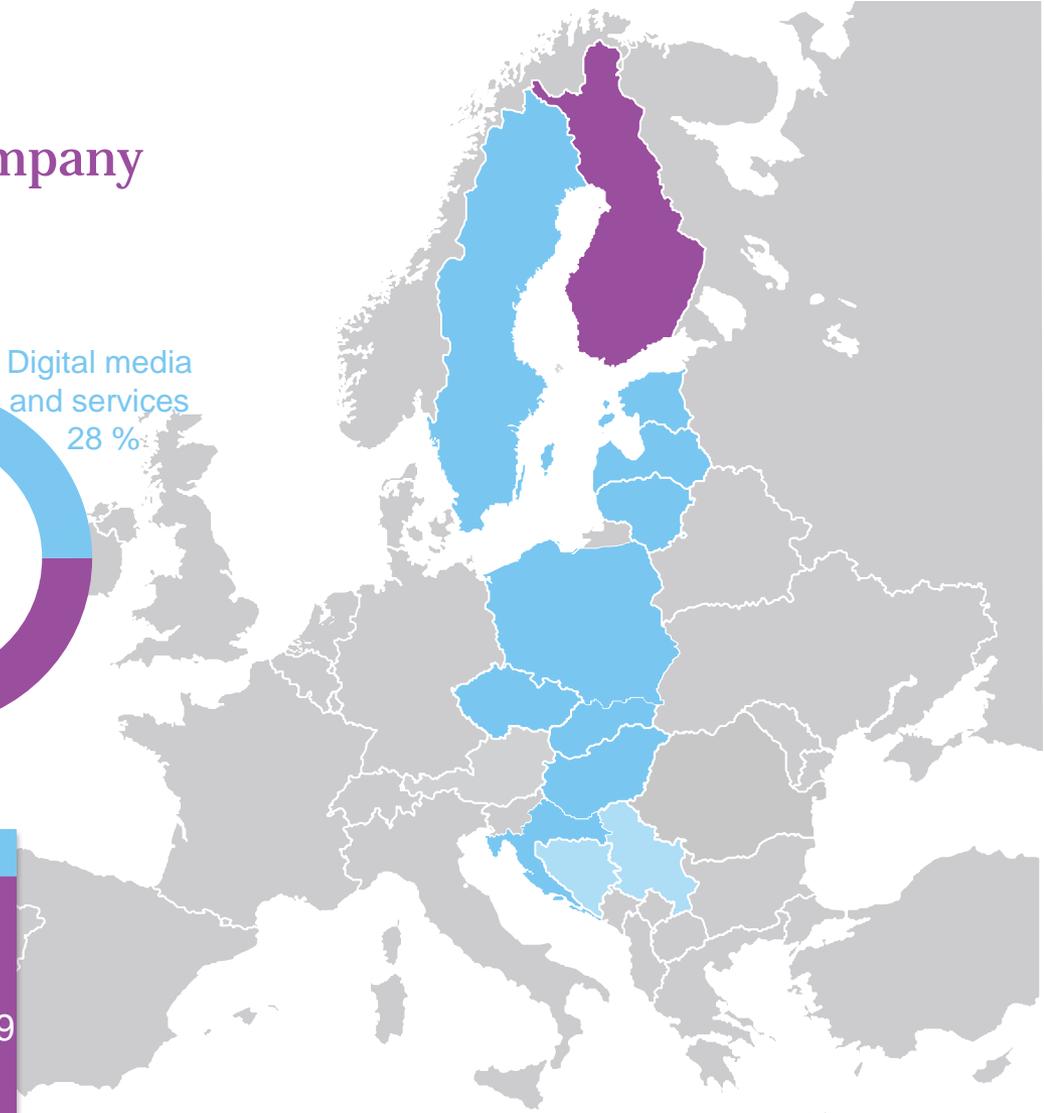
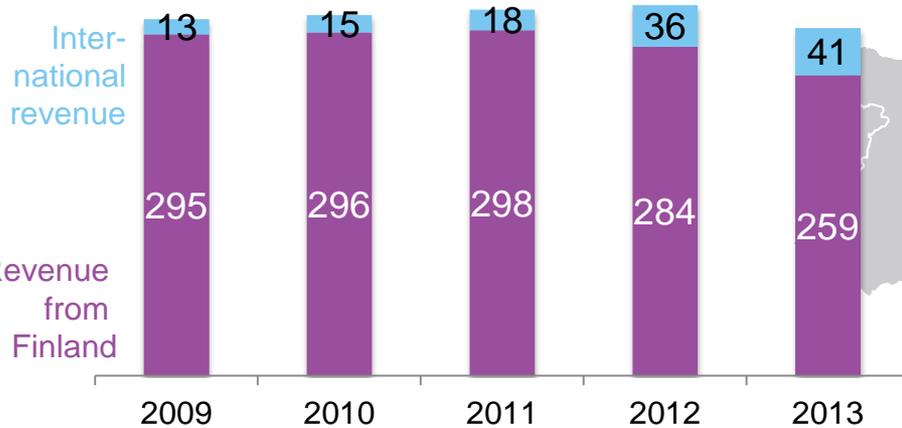
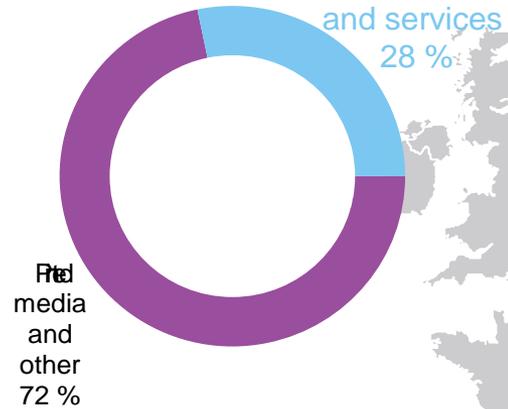
At the same time the company is boosting the multi-channel user experience and improving the cost efficiency of its traditional printed newspaper business based in Finland.

Increasingly digital, internationally growing media company

Revenue 2013
by geography



Revenue 2013
by source



4 businesses in transition to digital

31.4 %

Share of digital business
in group revenue
Q2 2014

Share of digital business
in segment revenue
Q2 / 2014

REGIONAL MEDIA

Local and regional
news media

Group revenue 2013
300 meur

EBIT margin 2013
9.0 %

Personnel in 2013
1965

DIGITAL CONSUMER SERVICES

Career services, Housing and car marketplaces, Lifestyle services

FINANCIAL MEDIA AND BUSINESS SERVICES

Financial news media, Business information
services, Content marketing services

NATIONAL CONSUMER MEDIA

News and lifestyle media

Alma Media's businesses

Regional Media

AAMULEHTI
SATAKUNNAN KANSA
 31 newspapers

Digital
Consumer
Services

ETUOVI.com
e-kontakti.fi

LMC monster.fi

Financial Media
and Business
Services

Kauppalehti


National
Consumer
Media

ILTALEHTI
ILTALEHTI.fi

Revenue 2013 **MEUR 147.1**
 Q2 Revenue **MEUR 37.2**

EBIT 2013 **MEUR 9.8** (6.6%)
 EBIT Q2 **MEUR 3.0** (8.0%)

Revenue 2013 **MEUR 52.6**
 Q2 Revenue **MEUR 14.0**

EBIT 2013 **MEUR 9.4** (17.8%)
 EBIT Q2 **MEUR 2.5** (18.1%)

Revenue 2013 **MEUR 56.8**
 Q2 Revenue **MEUR 13.1**

EBIT 2013 **MEUR 7.8** (13.8%)
 EBIT Q2 **MEUR 1.3** (10.1%)

Revenue 2013 **MEUR 49.0**
 Q2 Revenue **MEUR 12.7**

EBIT 2013 **MEUR 4.7** (9.6%)
 EBIT Q2 **MEUR 1.7** (13.1%)

Group Revenue 2013 MEUR 300.2

Group EBIT 2013 MEUR 24.2

Regional Media

Revenue 2013 **MEUR 147.1**
Q2 Revenue **MEUR 37.2**

EBIT 2013 **MEUR 9.8** (6.6%)
EBIT Q2 **MEUR 3.0** (8.0%)

Online sales 2013 **MEUR 2.6** (1.8%)
Online sales Q2 **MEUR 0.9** (2.5%)

- Regional Media includes:
 - 31 newspapers of Alma Regional Media and the Group's printing and distribution company Alma Manu
- The segment's best-known title is Aamulehti



Financial Media and Business Services

Revenue 2013 **MEUR 56.8**

Q2 Revenue **MEUR 13.1**

EBIT 2013 **MEUR 7.8** (13.8%)

EBIT Q2 **MEUR 1.3** (10.1%)

Online sales 2013 **MEUR 19.0** (33.4%)

Online sales Q2 **MEUR 5.6** (42.6%)

- The Financial Media and Business Services segment specialises in the production of financial information as well as providing information and marketing solutions for businesses
- Its best-known product is Finland's leading business paper, Kauppalehti. The segment also includes Kauppalehti Information
- Other services are: the business premises service provider Objektvision.se, and the custom media house Alma 360



Kauppalehti

Tietopalvelut
Kauppalehti

objektvision.se

National Consumer Media

Revenue 2013 **MEUR 49.0**
Q2 Revenue **MEUR 12.7**

EBIT 2013 **MEUR 4.7** (9.6%)
EBIT Q2 **MEUR 1.7** (13.1%)

Online sales 2013 **MEUR 10.5** (21.5%)
Online sales Q2 **MEUR 3.7** (28.8%)

- The National Consumer Media segment reports the various publishing services of IL-Media, including the largest online news site in Finland and the second largest afternoon tabloid newspaper.

fiidi.fi

ILTALEHTI

ILTALEHTI.fi

ilona



Juha Mieto ja Iltalehti etsivät:
Suomen Teräsmiestä

miehet rautaa, puuta. Niinhän sitä
mutta mie emme sitä laskea. Me
mi on tärinä. Rautaa miehiä,
Dietrich näyttävät suurem-
mat. Etteko sinä yllä-työmiehiä
silmiinpäästä huokaus. Itäisistä
kumpossa? Tai kumpo?



JUUREI NYTT! Aikajournalistikko...
Infokutsu ilman aiheetta - Stubb kertoo ehdokkuudestaan?

moita kaverisi Suomen Teräsmies -kisaan!
WWW.ILTALEHTI.FI/TERASMIES

Digital Consumer Services

Revenue 2013 **MEUR 52.6**
Q2 Revenue **MEUR 14.0**

EBIT 2013 **MEUR 9.4** (17.8%)
EBIT Q2 **MEUR 2.5** (18.1%)

Online sales 2013 **MEUR 52.6** (100%)
Online sales Q2 **MEUR 14.0** (100%)

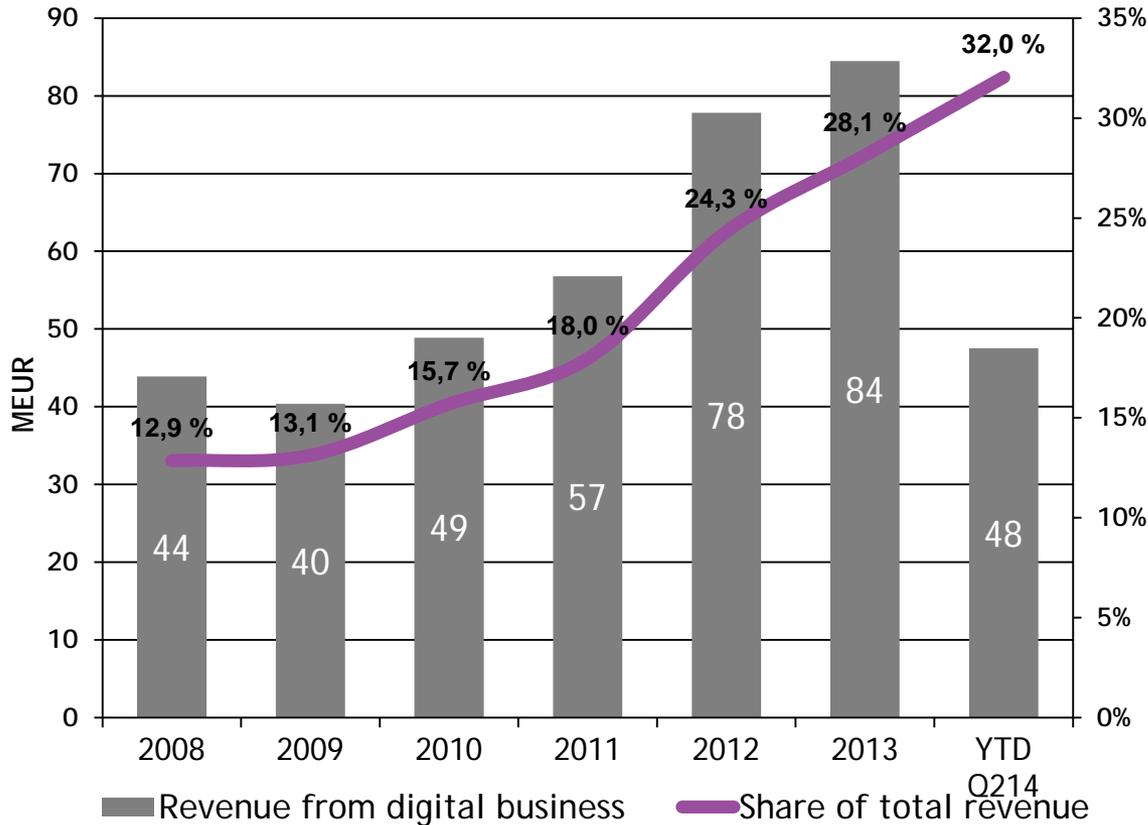
- Digital Consumer Services include:
 - Alma Diverso and Marketplaces
- Services operating in Finland are:
 - Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, MyyjaOsta.com, Telkku.com, Kotikokki.net, E-kontakti.fi and Meedio.fi
- Services operating outside Finland are:
 - Jobs.cz, Prace.cz, Topjobs.sk, CV Online, LMC, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl, Monster.cz and City 24



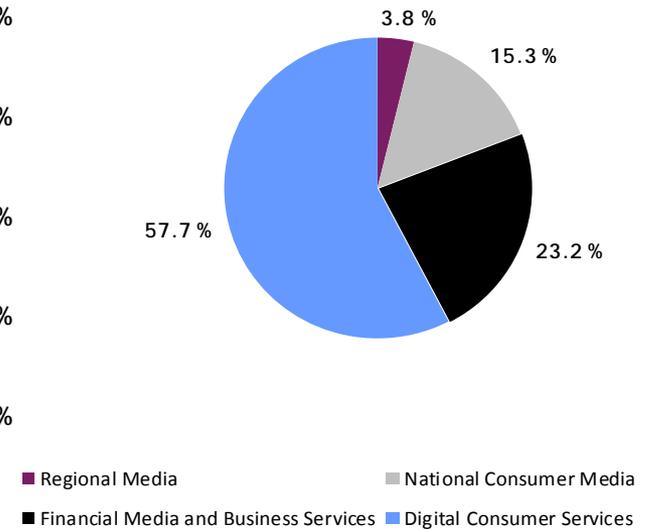
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Growth in digital business

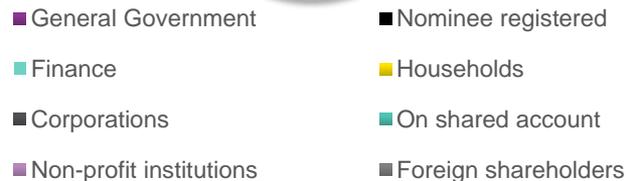
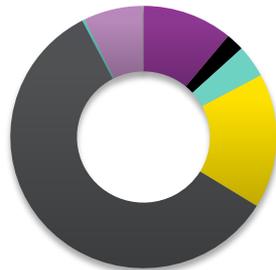


Segment's share of the Group's digital revenue



Ownership and share facts

Shareholders by sector



Share facts

- Nasdaq OMX Helsinki (Nordic Mid-Cap) ALN1V; ALN1V FH (Bloomberg); ALN1V.HE (Reuters)
- ISIN code FI009013114
- Number of shares: 75 486 853
- Share capital EUR 45 292 111,80

Largest shareholders 31.7.2014

| | | |
|-----|--------------------------|---------|
| 1. | Ilkka-Yhtymä Oyj | 29.79 % |
| 2. | Mariatorp Oy | 14.64 % |
| 3. | Kaleva Kustannus Oy | 7.95 % |
| 4. | Varma (pension fund) | 7.06 % |
| 5. | C.V.Åkerlund foundation | 4.53 % |
| 6. | Elo (pension fund) | 2.45 % |
| 7. | Herttäessä Oy Ab | 2.16 % |
| 8. | Kaleva (pension fund) | 2.08 % |
| 9. | Ilmarinen (pension fund) | 1.46 % |
| 10. | Veljesten Viestintä | 1.13 % |

See www.almamedia.fi/investors

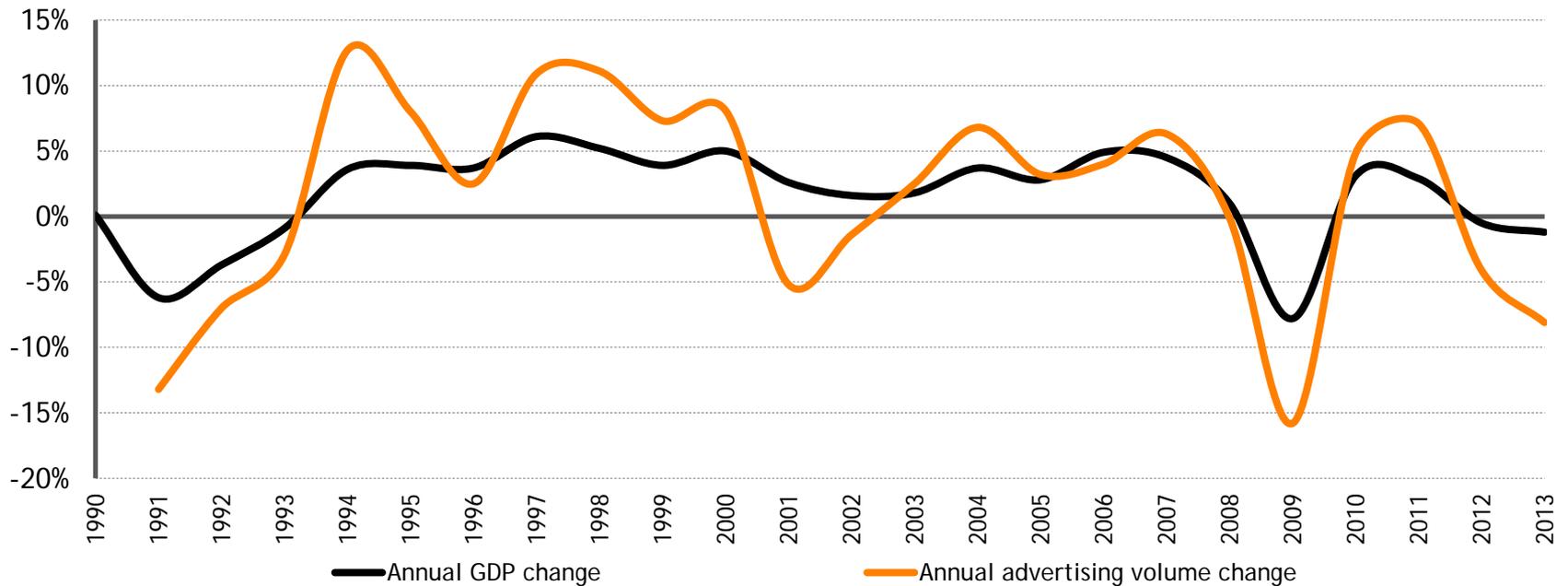
for updated information.

Market development in Finland

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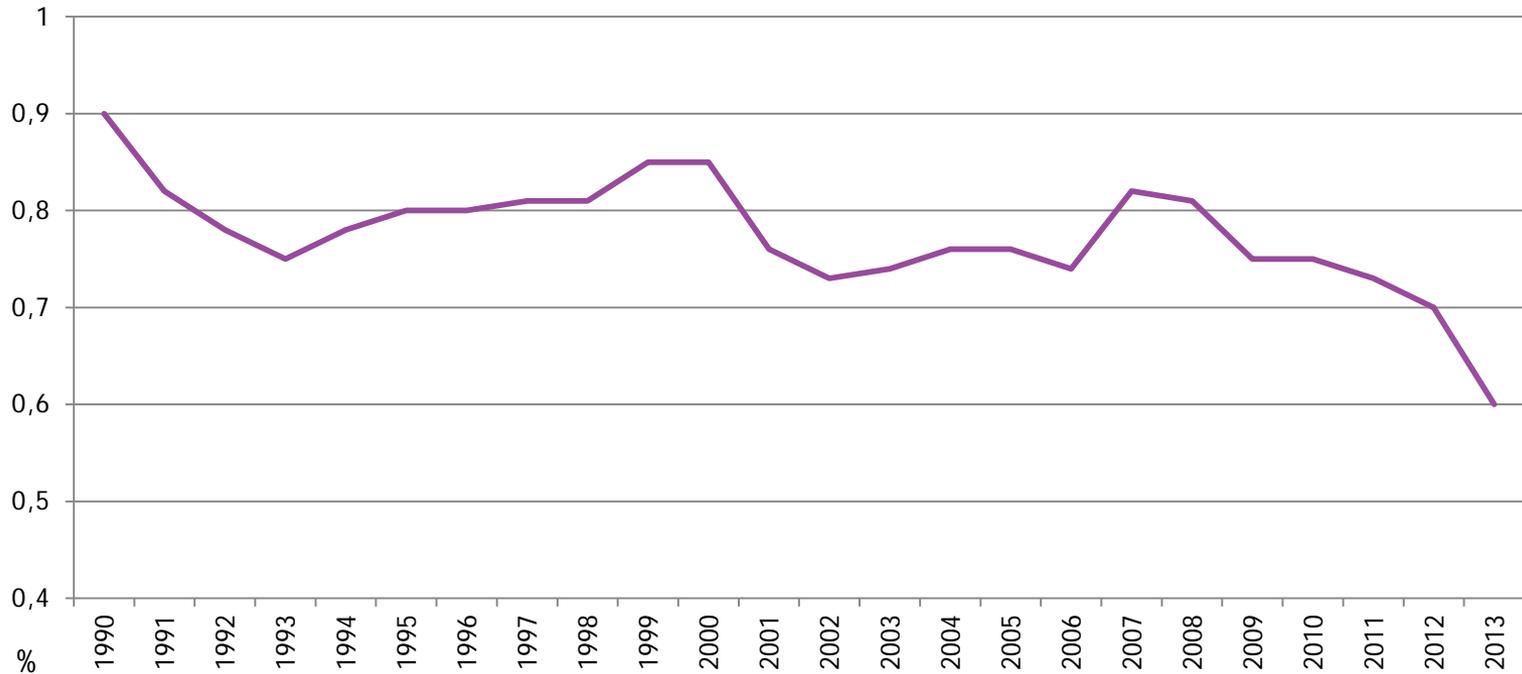


Advertising volumes in Finland follow GDP

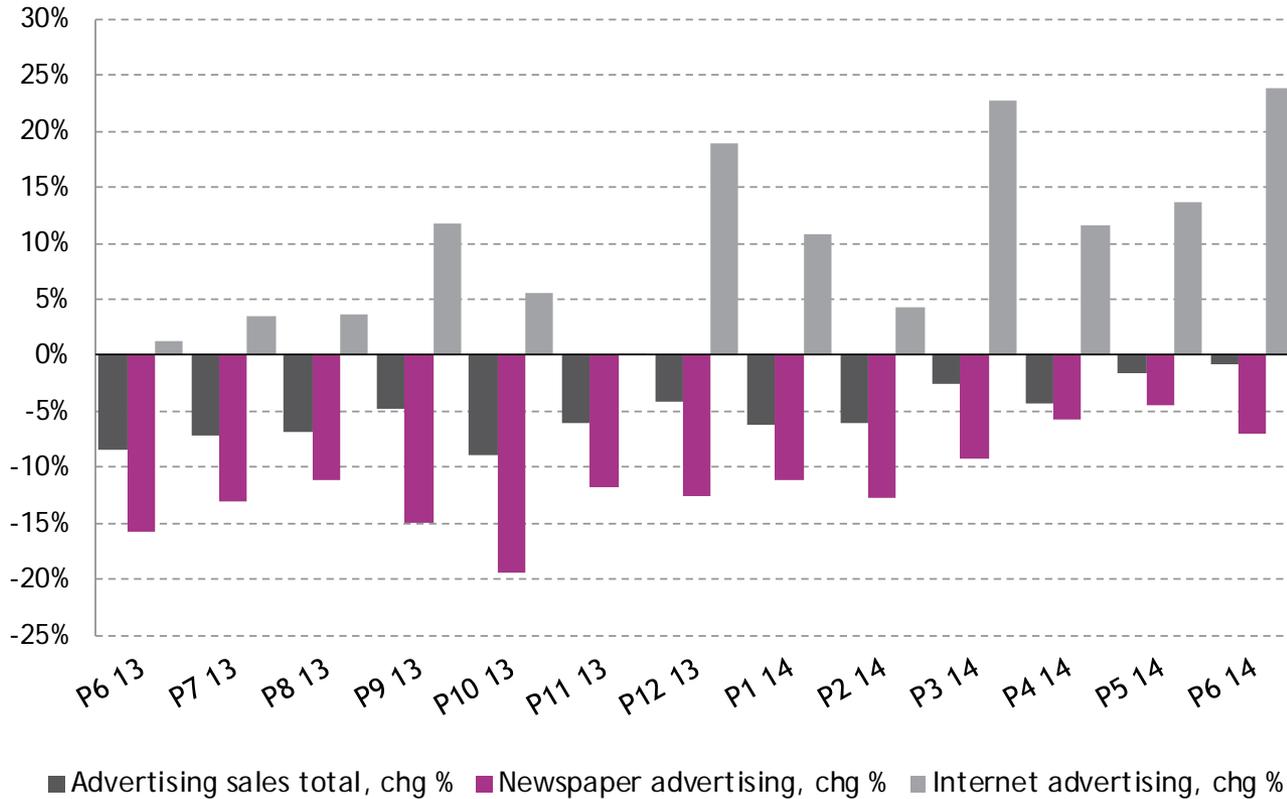


Sources: Statistics Finland, Finnish Advertising Council, TNS

Advertising share of Finnish GDP at record low



Change in media advertising 6/2013–6/2014



| Change (%) YTD 6/14 vs. 6/13 | |
|---------------------------------|-------------|
| News-papers | -8.3 |
| Magazines | -14.8 |
| TV | -5.2 |
| Radio | +10.5 |
| Internet | +13.8 |
| Total | -3.6 |

Source: TNS Media Intelligence

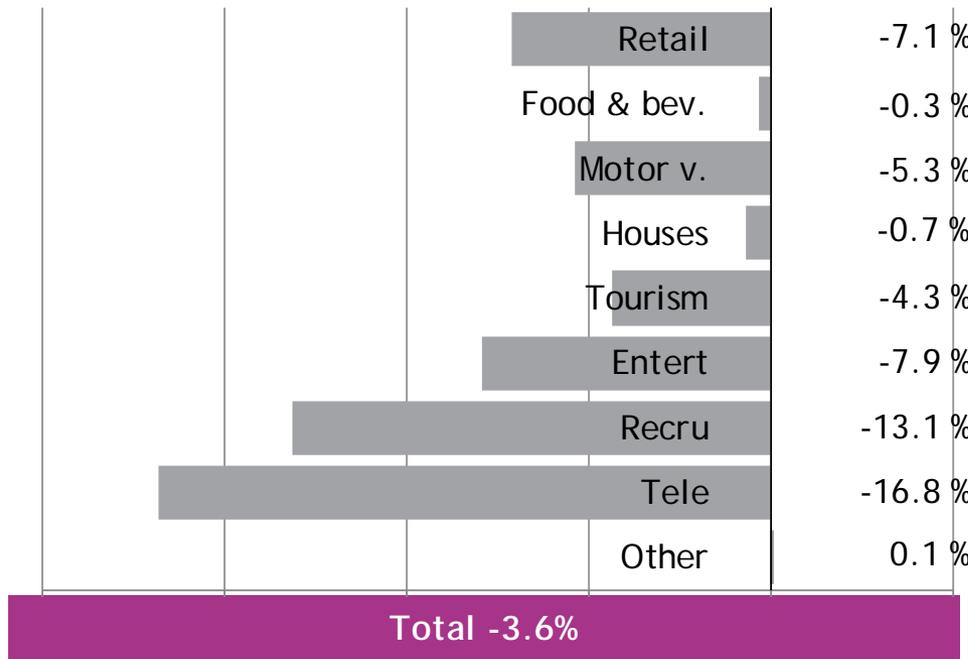
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Advertising declined across all industries

Advertising by branch Q1-Q2 / 2014

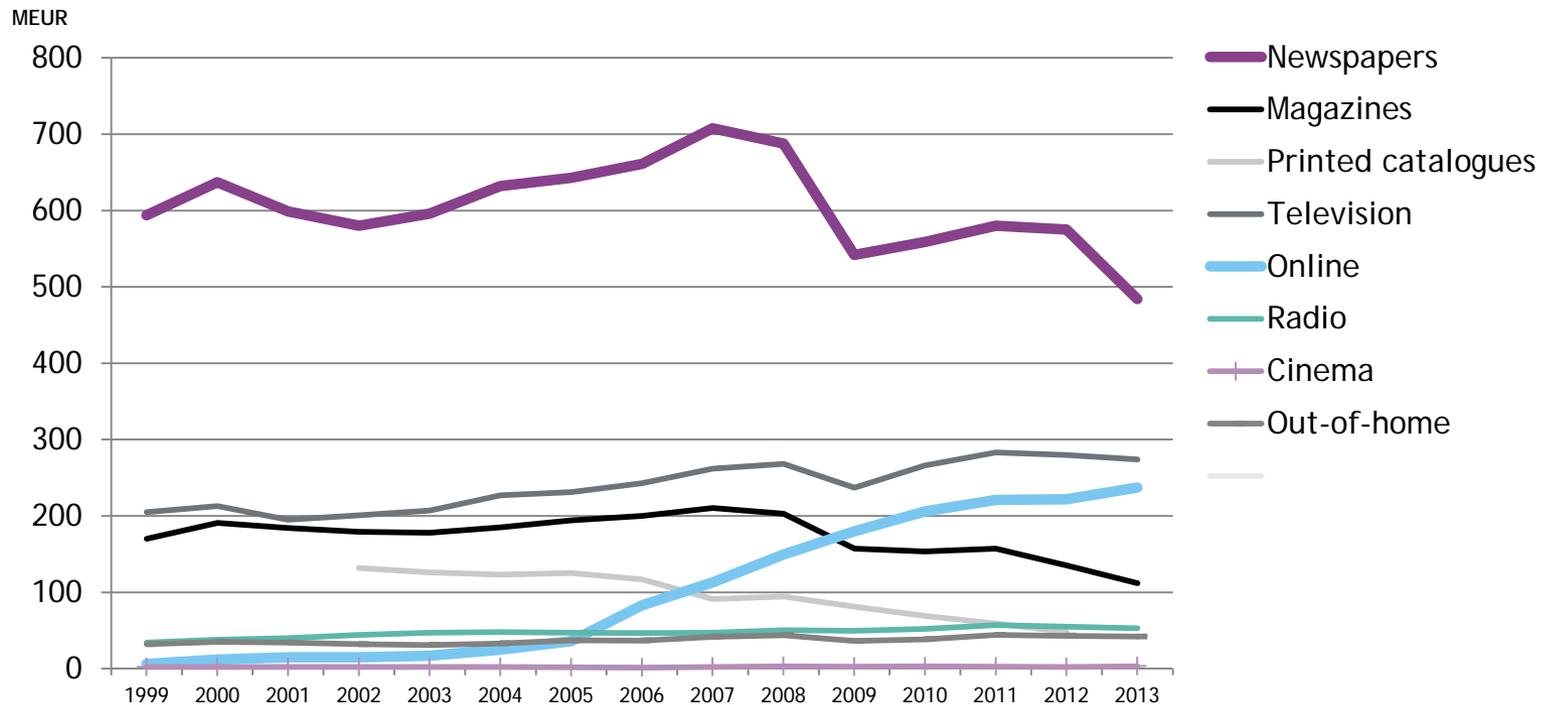
Total market, change from Q1-Q2 2013



| Advertising in Q1-Q2 14 | MEUR |
|-------------------------|------------|
| Retail | 109 |
| Food & beverages | 51 |
| Motor vehicles | 47 |
| Houses and premises | 24 |
| Tourism and traffic | 22 |
| Entertainment | 21 |
| Recruiting | 17 |
| Telecommunications | 10 |
| Other | 198 |
| Total | 500 |

Source: TNS Media Intelligence

Structural change in media advertising



Transformation strategy



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Evolution may not be enough.

Rapid changes in technology and consumer behaviour require reallocation of resources and focus on new products and services. We also need the courage to relinquish some things we have done before.

Strategy: key must-win-battles



Accelerate growth in digital services and media



Improve the user experience and cost efficiency of the printed newspaper business.

Strategy: implementation focus areas

Multi-channel
content

Marketing
solutions

Digital services

Resources and
competencies

We will build new competencies, seek efficiencies and accelerate growth in digital services and media.

Multi-channel content

Market drivers

The usage of digital media content moves to 24/7, driven by mobile and video.

Online and offline advertising complement each other, and support other communications channels and methods.

Business focus

Paid content
Thematic content
Online TV

Implementation examples

Content revenues

- Kauppalehti subscription model operative from May 2013, digital content sales at strong growth since. All digital content channels to be renewed late 2014.
- Aamulehti moved into tabloid format April 1, 2014 - all Alma Media regional papers now in tabloid. Renewed Aamulehti.fi online news offering, extended news package for subscribers with an extra fee.

Innovation

- Tablet publishing trials of Iltalehti (Cars, Summer Cooking).
- Online TV documentary series IL-Doc.
- Regional digital content hubs for subscribers.

Marketing solutions

Market drivers

Advertisers with limited budgets are seeking for the highest marketing ROI

Investments in own and earned communications are increasing.

Marcomms needs to be targeted and measured

Business focus

Marketing comms solutions.
Targeted advertising & analytics.
Mobile and web-TV advertising.

Implementation examples

Content marketing

- Kauppalehti Studio as a turn-key content marketing solution by Kauppalehti & Alma360.
- Iltalehti ILab: content marketing campaigns for optimal utilisation of own, earned and bought media. Includes print, online, mobile and web TV.

Targeting and analytics

- Audience-targeted advertising service Almascope.

Joint key account sales

- Strong team to start joint sales of Alma offering, with a solution-oriented approach to solve large advertisers' needs.

Digital services

Market drivers

Classified advertising moves to digital

People seek solutions to various everyday challenges from mobile

Business focus

Recruitment business growth and synergies. Digital consumer services growth. Broaden offering for digital business.

Implementation examples

Recruitment

- Alma Media has invested more than 70 MEUR into very successful online recruitment services in Central Europe. Alma Media services are market leaders in nearly all countries where the company operates.
- Together with Monster Worldwide, Alma Career has widened operations into new markets such as Poland.
- Value-adding services for employers added to portfolio

Housing

- Etuovi.com, the largest housing site in Finland, has added home improvement into its service portfolio.

Lifestyle

- In Finland, Alma Media has invested in digital lifestyle services (home cooking, online dating, holiday booking etc.)

Resources and competencies

Market drivers

Media companies are becoming increasingly technical, thus the skills base need to transformed to contain

Business focus

Digital skills
IT systems
Content cooperation
Efficient printing

Implementation examples

Digital skills

- Recruitment of digital expertise

Investments into digital development

- Operative IT systems, such as CRM originally designed for print subscription management, are being updated.

Content cooperation

- The Lännen Media collaboration agreement was finalised between Alma Media and five other regional publishers.
- The joint editorial team will produce national content on domestic and international news, background articles on current events, weekend materials, daily theme pages and national online news.

Printing facilities

- New printing facility in Tampere, old facilities in Pori and Rovaniemi closed

We are building a round-the-clock media consumption experience

based on extensive analysis of our customers' preferences
and media usage.

By the year 2020, 50% of Alma
Media's revenue comes from
digital.

Long-term financial targets

| Alma Media's financial targets | 2011 | 2012 | 2013 | 2014 YTD | 2014 Q2 | Target level |
|--------------------------------|-------|-------|-------|----------|---------|--------------|
| Digital business growth | 16.3% | 36.8% | 8.4% | 12.2% | 13.4% | > 15% |
| Return on Investment (ROI), % | 26.1% | 13.8% | 10.1% | 8.6% | 12.0% | > 15% |
| Dividend payout ratio* | 103% | 45% | 50% | n/a | n/a | > 50% |

* Includes capital repayment to shareholders.

Key financials

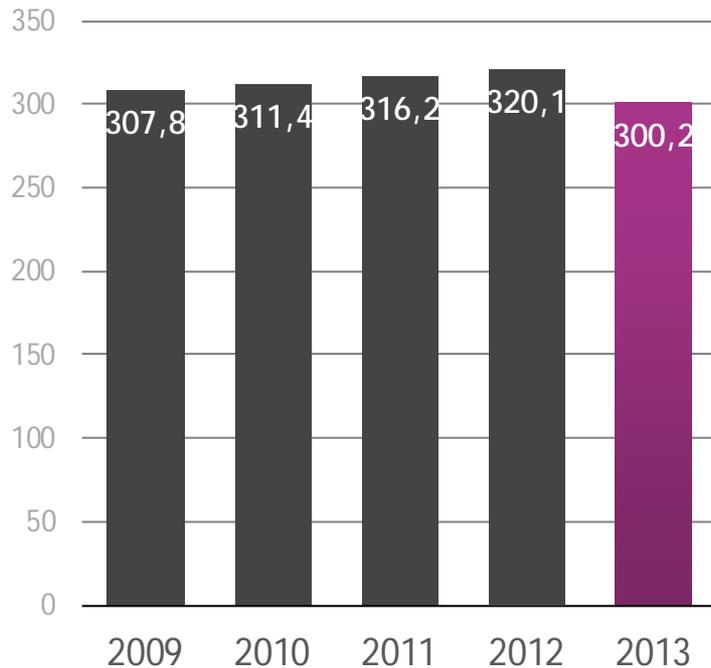


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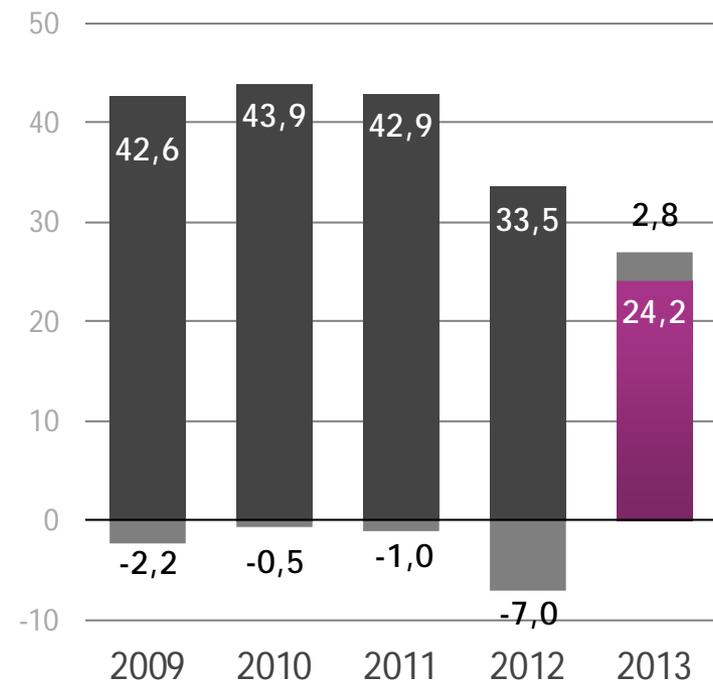


Revenue and operating profit 2009–2013

Revenue, MEUR
IFRS



Operating profit, MEUR
IFRS



■ Non-recurring items

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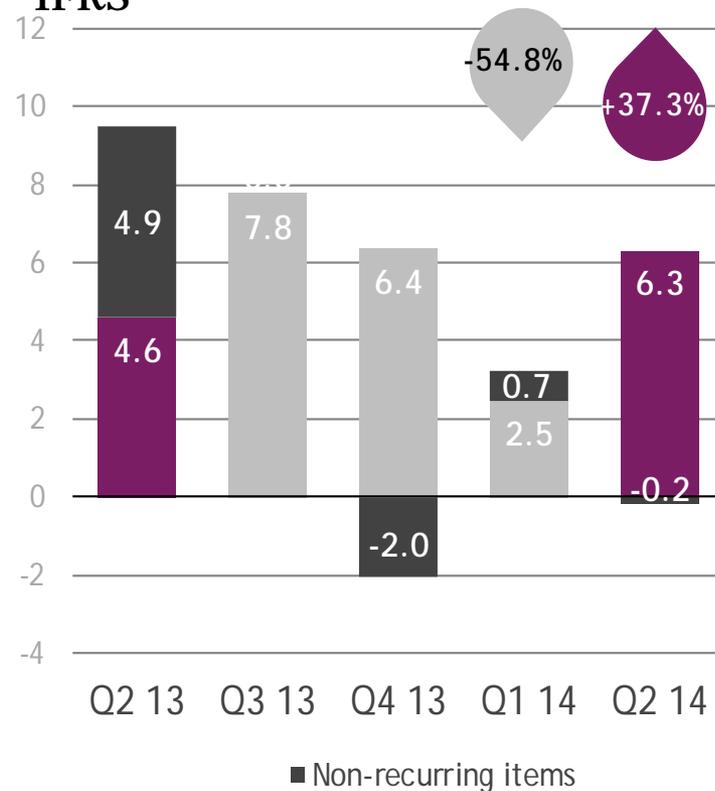


Operating profit increased in the second quarter

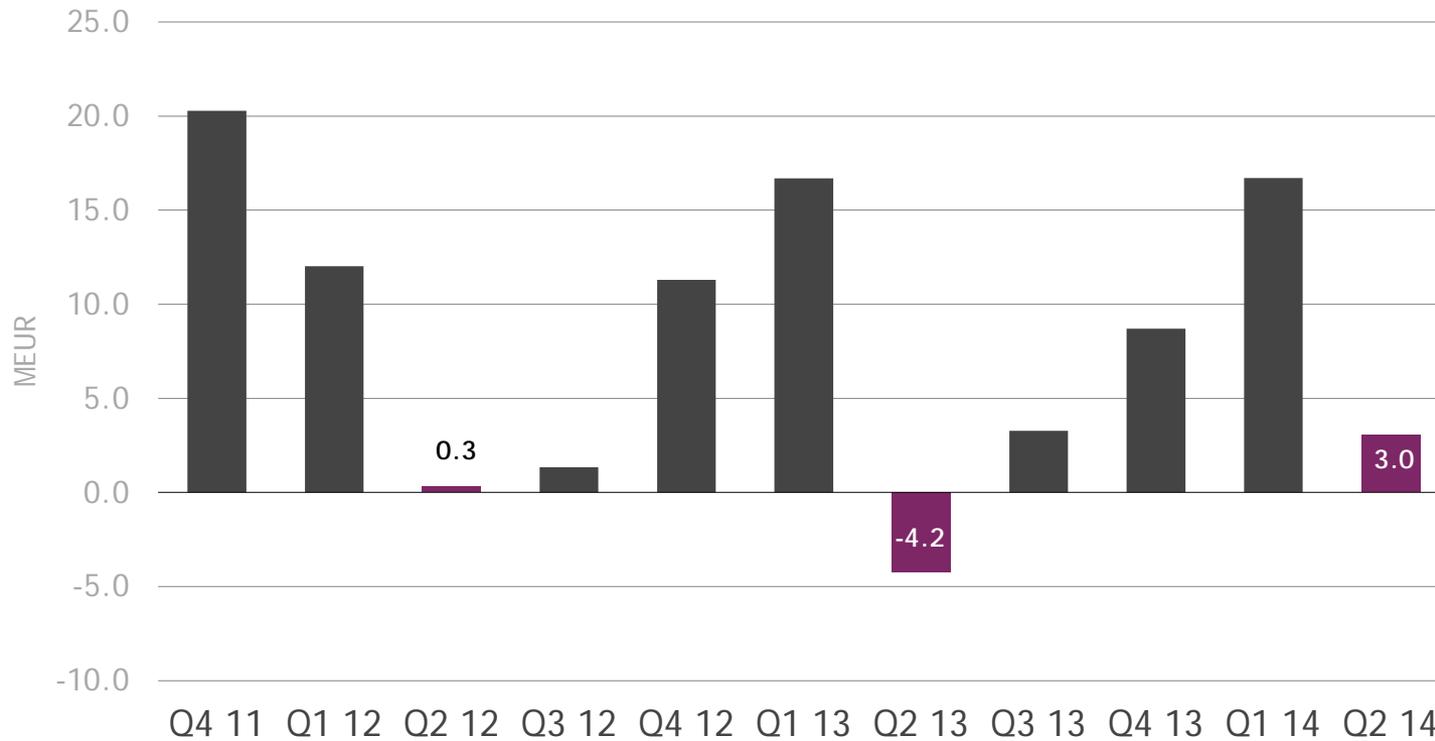
Revenue, MEUR
IFRS



Operating profit, MEUR
IFRS

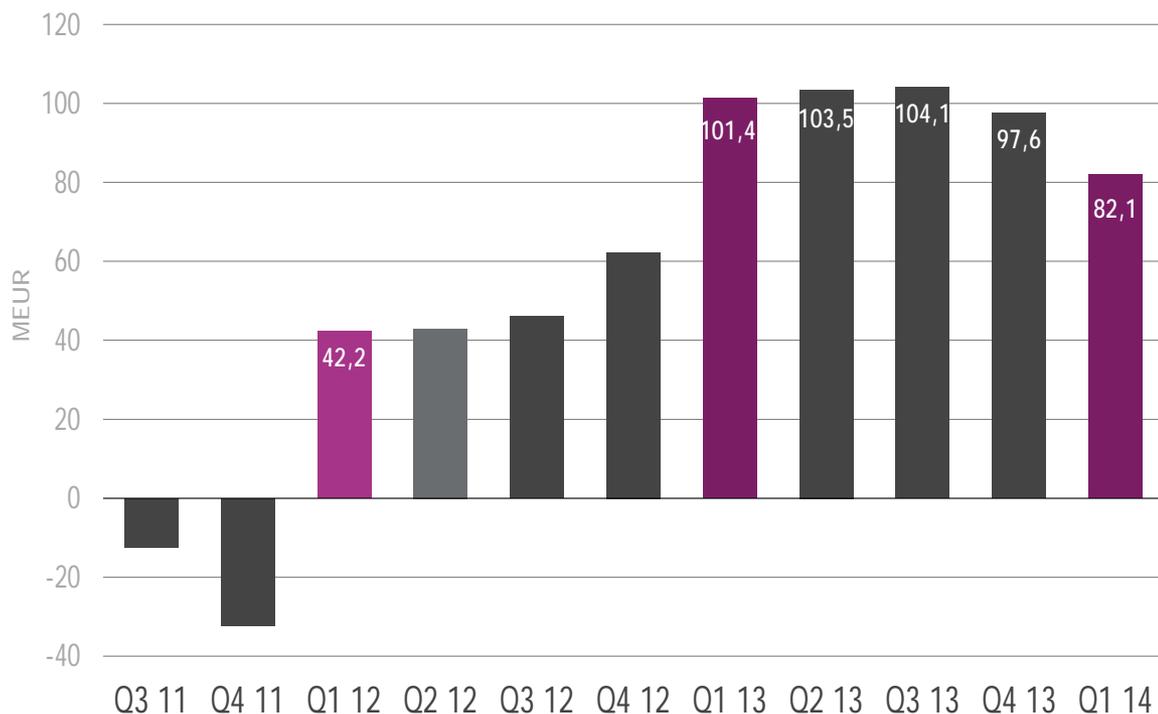


Cash flow from operating activities



Interest-bearing debt

Net debt Q2/2011-Q4/2013



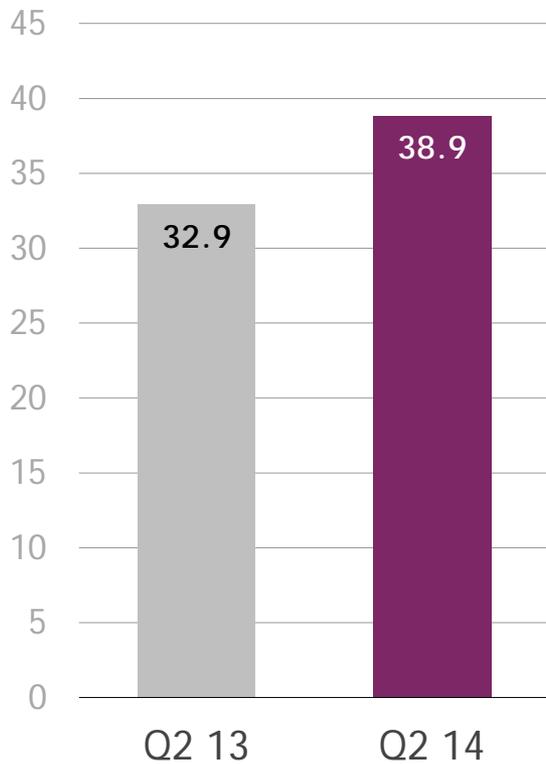
Breakdown of net debt

| | Q1/2014 |
|---------------------------|-------------|
| Financial leasing | 74.0 |
| Financing loans | 10,0 |
| Commercial papers | 12.0 |
| Cash and cash equivalents | -13.9 |
| Total | 82.1 |

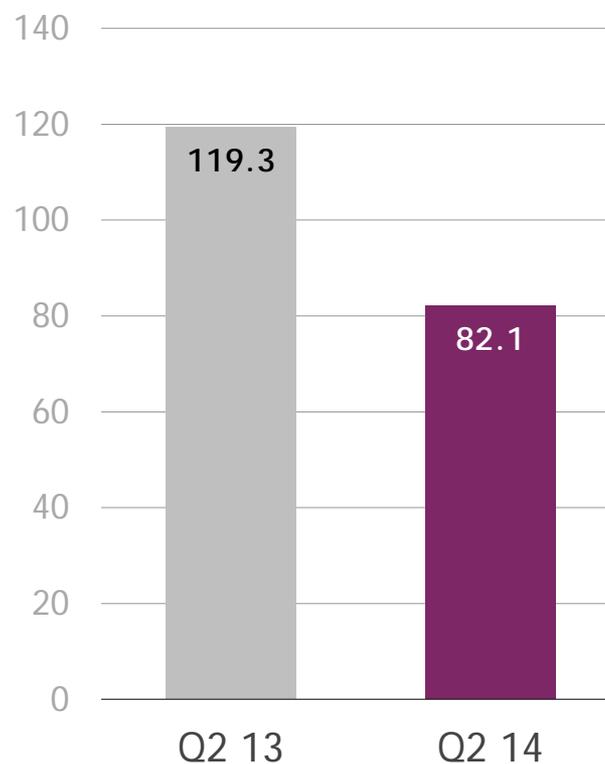
Key indicators

IFRS

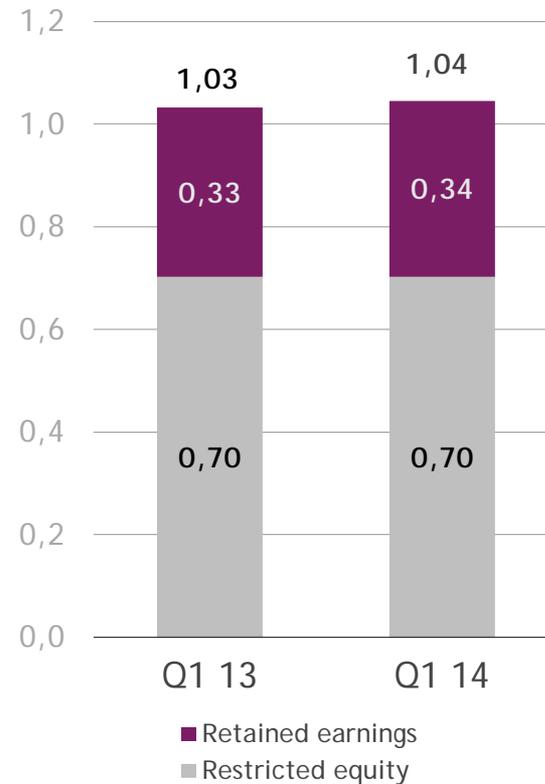
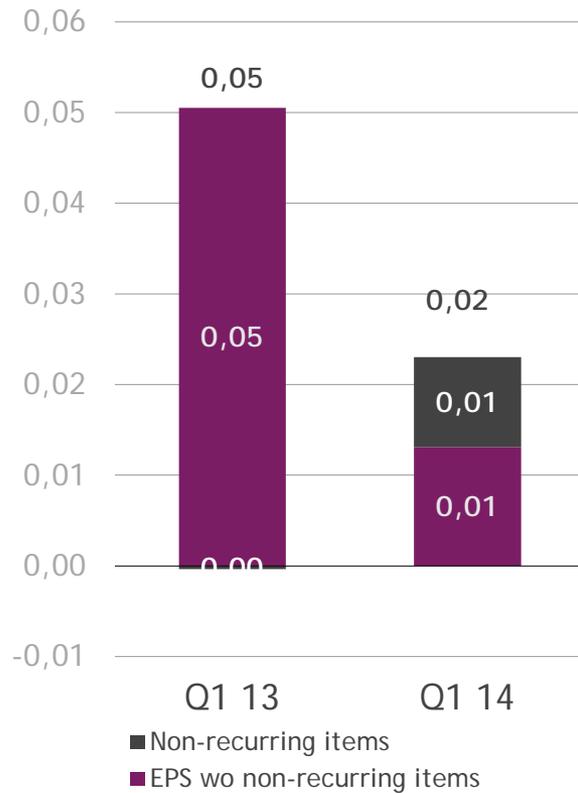
Equity ratio, %



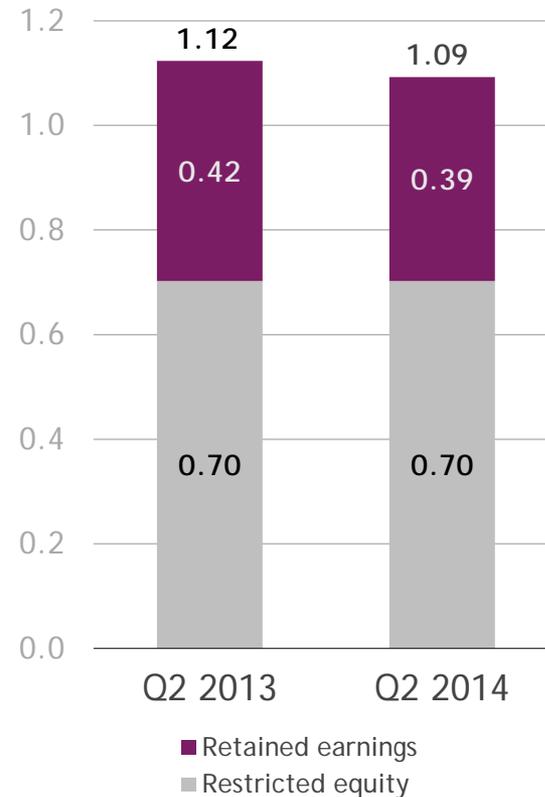
Gearing, %



Earnings per share and equity per share



Earnings per share and equity per share



Balance sheet

| MEUR | Q2 2014 | Q2 2013 |
|-------------------------------|--------------|--------------|
| Intangibles and goodwill | 114.8 | 116.4 |
| Tangibles | 83.2 | 87.9 |
| Associated companies | 24.9 | 31.0 |
| Inventory | 1.1 | 0.7 |
| Receivables | 33.8 | 37.8 |
| Cash | 13.6 | 12.4 |
| Assets | 271.3 | 286.2 |
| Equity | 97.1 | 86.8 |
| Reserves-obligatory | 3.9 | 3.9 |
| Pension liabilities | 2.9 | 2.8 |
| lb debt | 93.3 | 116.0 |
| Non-lb debt | 52.7 | 54.1 |
| Advances received | 21.4 | 22.7 |
| Equity and liabilities | 271.3 | 286.2 |

Outlook

18 July 2014

Economic growth in Europe, and in particular Finland, is expected to remain weak also in the second half of 2014. In this market situation, Alma Media's strong growth in digital service revenue does not yet fully offset the decline in the sales of print media.

Alma Media expects its full-year revenue 2014 to remain at the 2013 level. The operating profit excluding non-recurring items for 2014 is expected to be lower than in 2013. The full-year revenue 2013 was MEUR 300.2 and operating profit excluding non-recurring items was MEUR 24.2.

The background image shows two people standing on a surfboard in the ocean at sunset. The sun is low on the horizon, creating a bright glow and lens flare effects on the water. The people are silhouetted against the bright sky and are holding paddles. A purple horizontal band is overlaid on the image, containing the text.

Thank you! Questions?

Upcoming events in the investor calendar:

- Q3 result 24 October 2014

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