

Alma Media Q1 2014

Kai Telanne, President and CEO
Juha Nuutinen, CFO
29 April 2014



Agenda

Main points

Market development

Financial development

Strategy and future outlook

Q & A

Main points Q1 2014

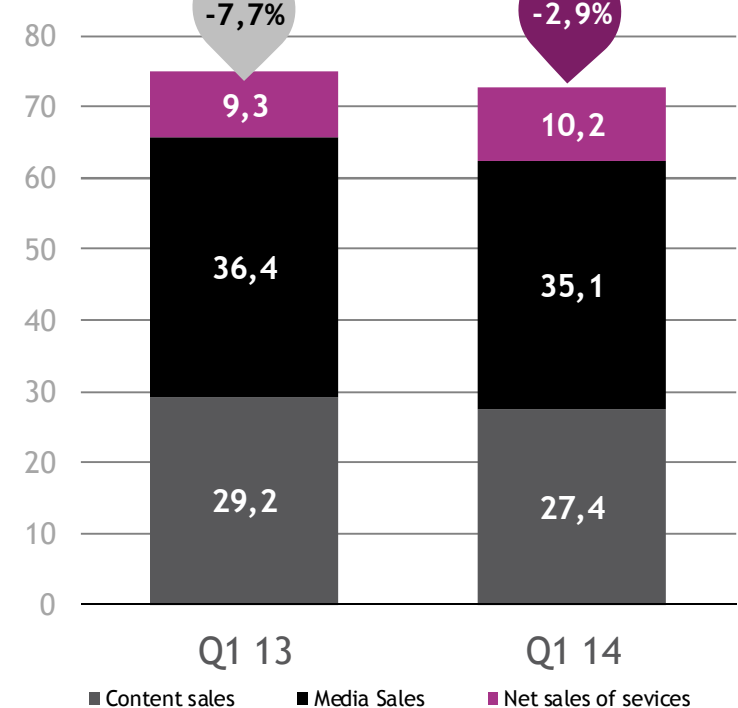
- Alma Media accelerated its development efforts and investment in future digital business. The share of digital products and services of Group revenue was 32.7% (28.6%) in the first quarter. Revenue from online business increased by 11.0% in the first quarter.
- Successful sales of digital advertising and digital content was not sufficient to compensate for the weak development of print media.
- The revenue and profits of Alma Media's printed newspaper business did not develop as expected in the first quarter. The company had to lower its first-quarter revenue and operating profit estimates from those in the Financial Statements release of 13 February 2014.
- Alma Media will start adjustment measures in Alma Regional Media, where the objective is to achieve annual savings of MEUR 1.5. In addition, the Group's financial administration will be reorganised for better efficiency.
- Alma Career, bringing together Alma Media's recruitment operations in different countries, started operation in the beginning of 2014.

Revenue Q1 2014

- First-quarter revenue decreased by 2.9% from the comparison period to MEUR 72.7.
- Online business revenue increased by 11%.
- Digital products and services accounted for 32.7% (28.6%) of Group revenue.
- Content revenue decreased by 6.3%.
 - Content income from digital channels do not cover the content income decrease in print media.
- Revenue from advertising sales decreased by 3.5%.
 - Online ad sales increased by 6.2%. The comparison period's online ad sales included MEUR 1.1 revenue from the Mascus business, sold in April 2013.
 - Ad sales in printed media declined by 11.1%.

Revenue, MEUR

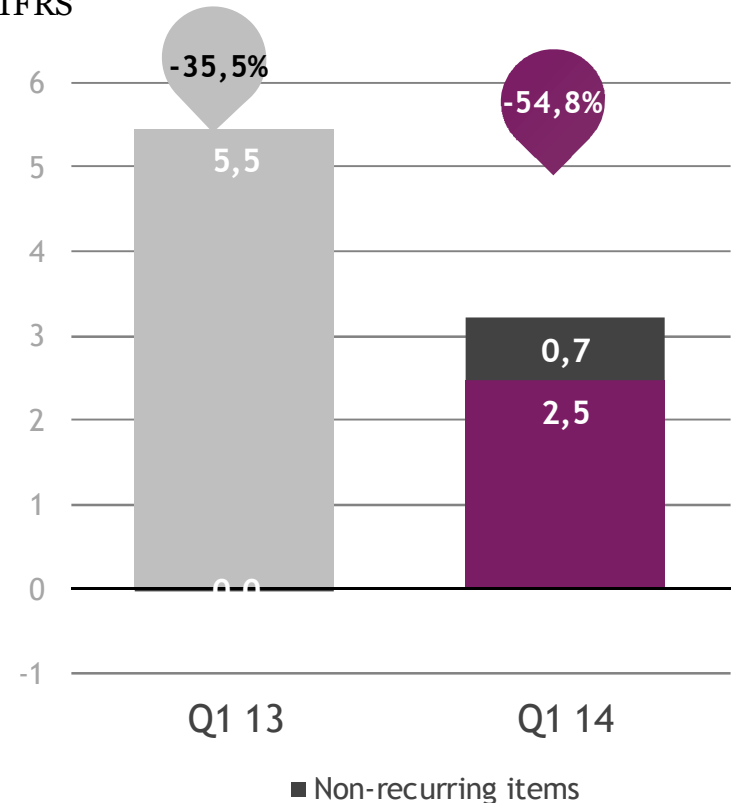
IFRS



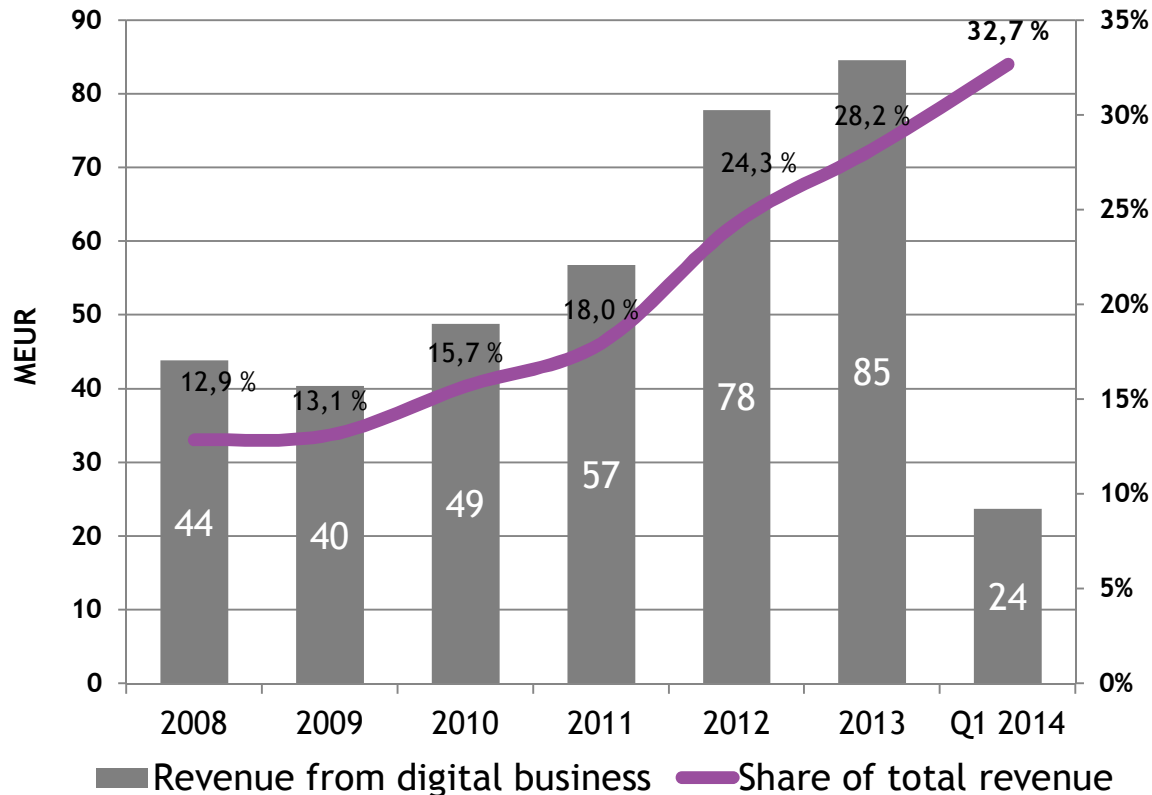
Operating profit Q1 2014

- Total expenses increased by 1.1% from the comparison period to MEUR 70.4.
 - Depreciation and impairment included in total expenses were MEUR 3.6. Depreciation increase influenced by new printing facility in Tampere.
 - No non-recurring expenses during review period.
- Operating profit excl. non-recurring items MEUR 2.5 or 3.4% of revenue.
- Operating profit MEUR 3.2 or 4.4% of revenue.
 - Operating profit includes net non-recurring items MEUR 0.7.
 - Non-recurring items related to sales gains from Baltic News Service divestment.

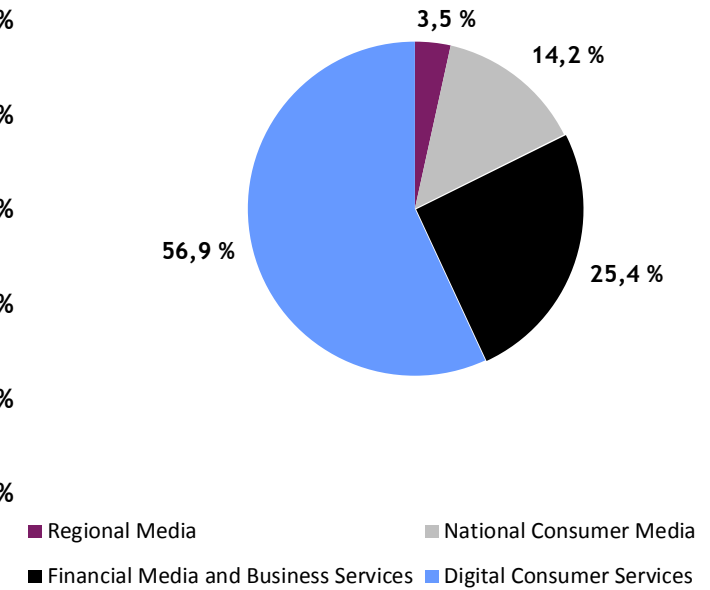
EBIT, MEUR
IFRS



Digital business is growing



Digital business by segments Q1 2014





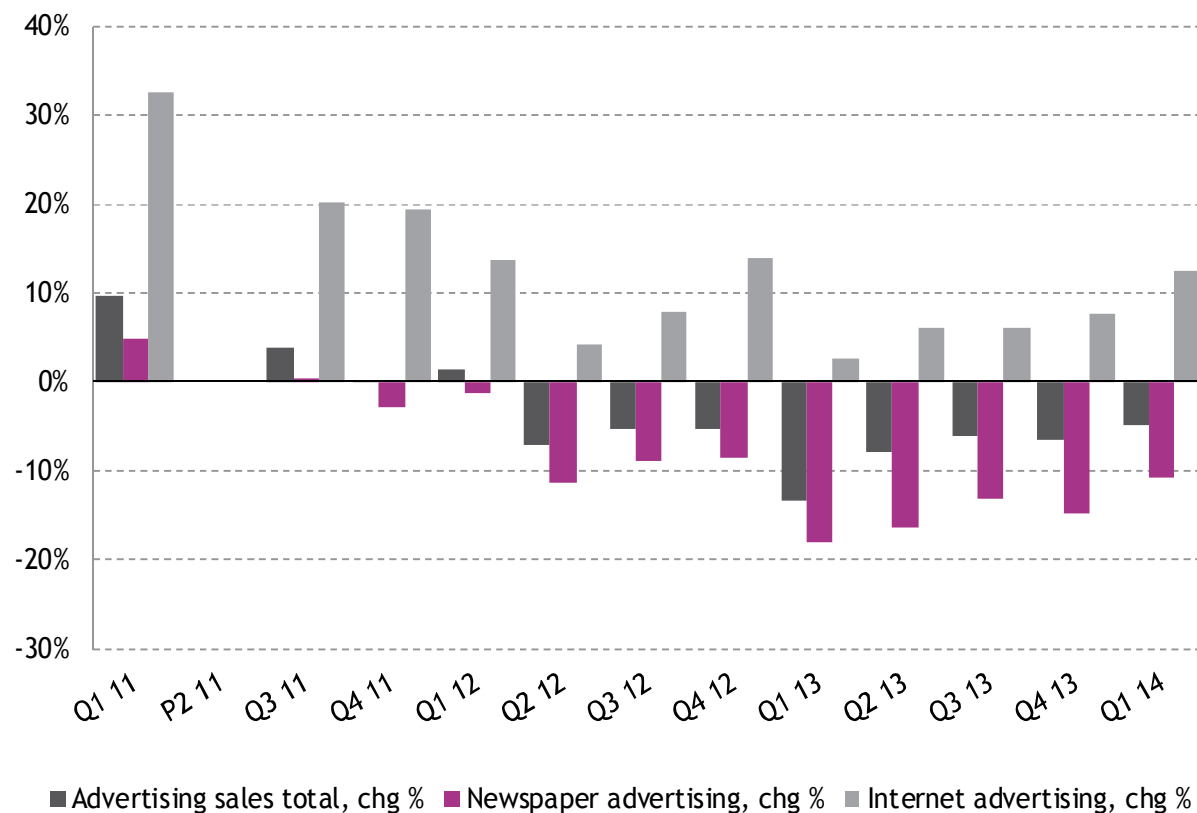
Market development in Finland



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Change in media advertising Q1/2011–Q1/2014



Change-% Q1/14 vs. Q1/13	
News- papers	-10,8
Magazines	-18,0
TV	-3,8
Radio	+12,0
Internet	+12,5
Total	-4,8

Source: TNS Media Intelligence

Online advertising is growing

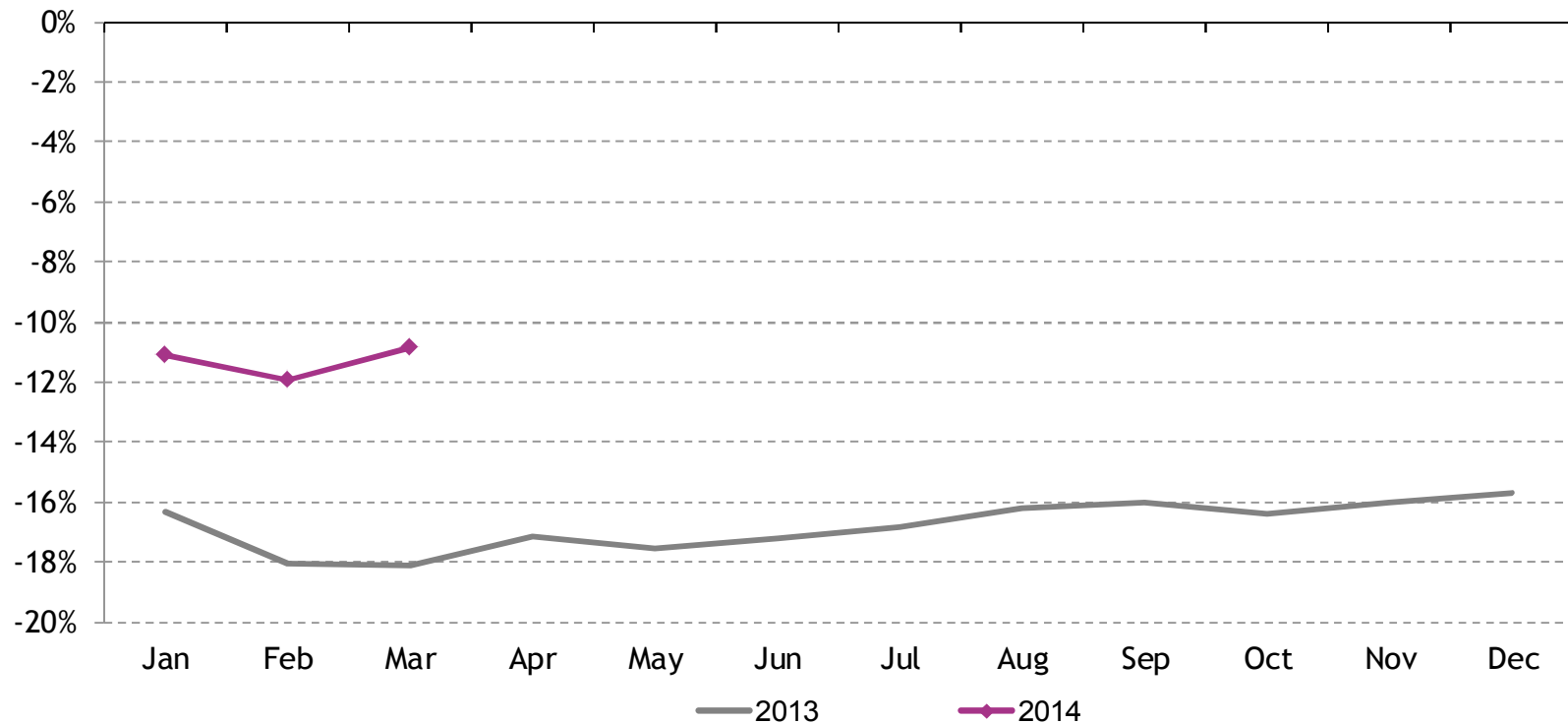
YTD change from previous year, %



Source: TNS Media Intelligence

Advertising volume in printed newspapers* still low

YTD change from previous year, %



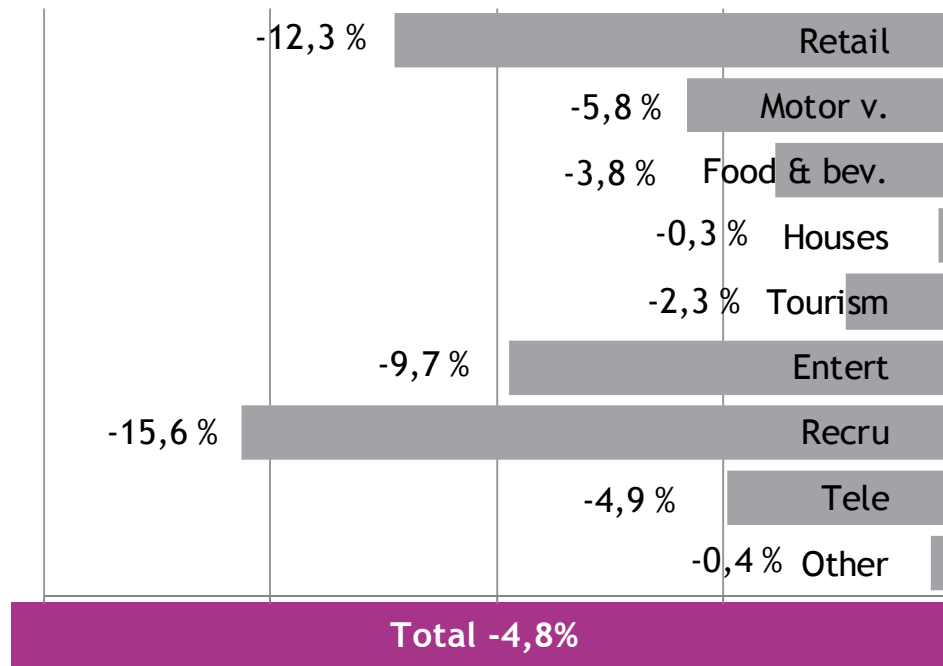
Source: TNS Media Intelligence

* Newspapers, local and free issue papers

All industries cut down on advertising

Advertising by branch Q1 / 2014

Total market, change from Q1 2013

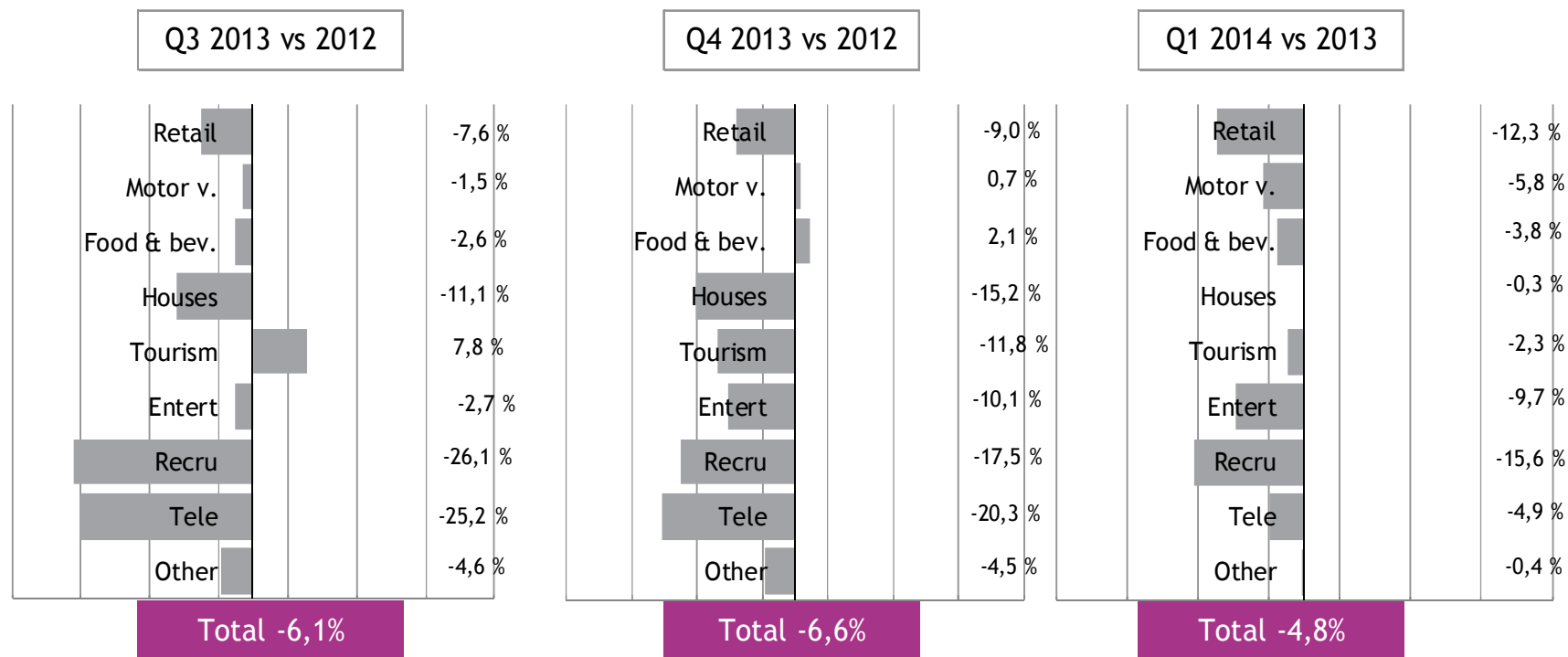


Advertising in Q1 14	MEUR
Retail	48
Motor vehicles	25
Food & beverages	21
Houses and premises	12
Tourism and traffic	11
Entertainment	9
Recruiting	9
Telecommunications	5
Other	93
Total	233

Source: TNS Media Intelligence

Decline apparent for a long time

Total market, change from previous year



Source: TNS Media Intelligence



Financial review

Juha Nuutinen, CFO

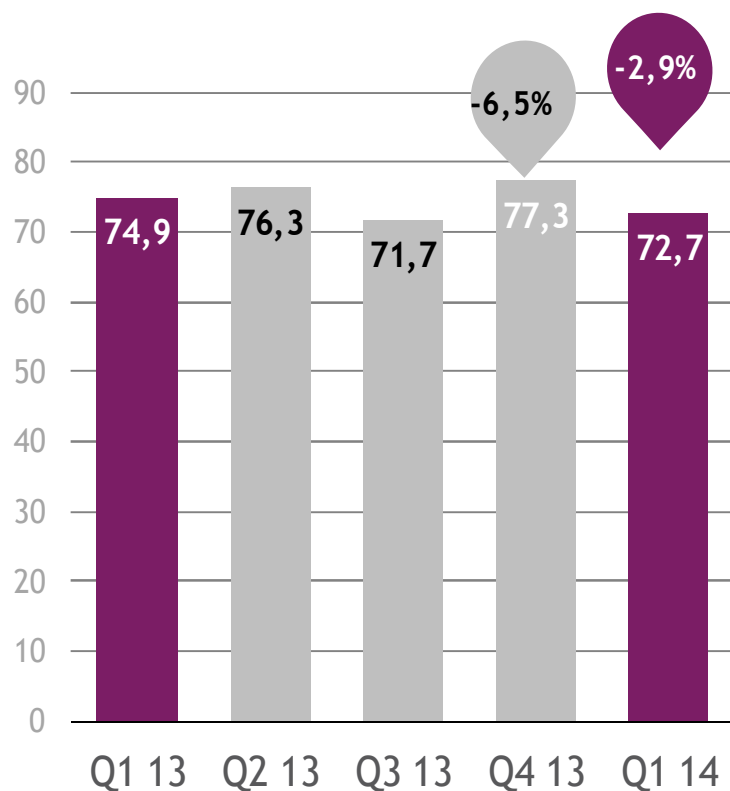
Long-term financial targets

Alma Media's financial targets	2011	2012	2013	Q1/ 2014	Target level
Growth in digital business	16.3%	36.8%	8.4%	11,0 %	> 15%
Return on investment ROI, %	26.1%	13.8%	10.1%	5,8 %	> 15%
Dividend payout ratio*	103%	45%	50%	n/a	> 50%

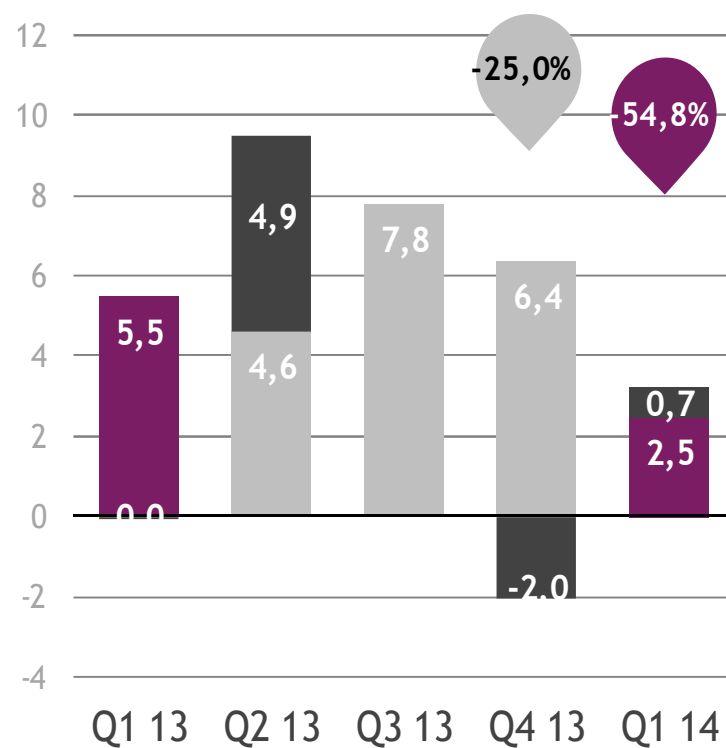
* Including capital repayment to shareholders.

Revenue decline continued in first quarter

Revenue, MEUR
IFRS



Operating profit, MEUR
IFRS

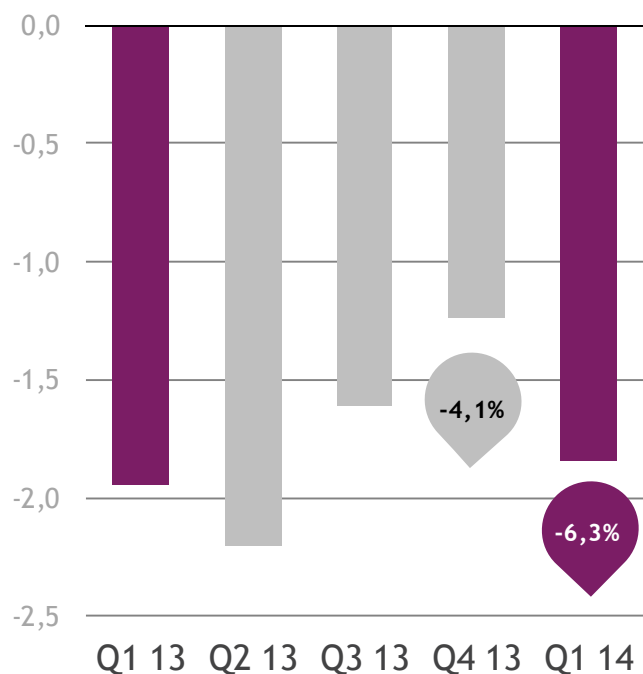


■ Non-recurring items

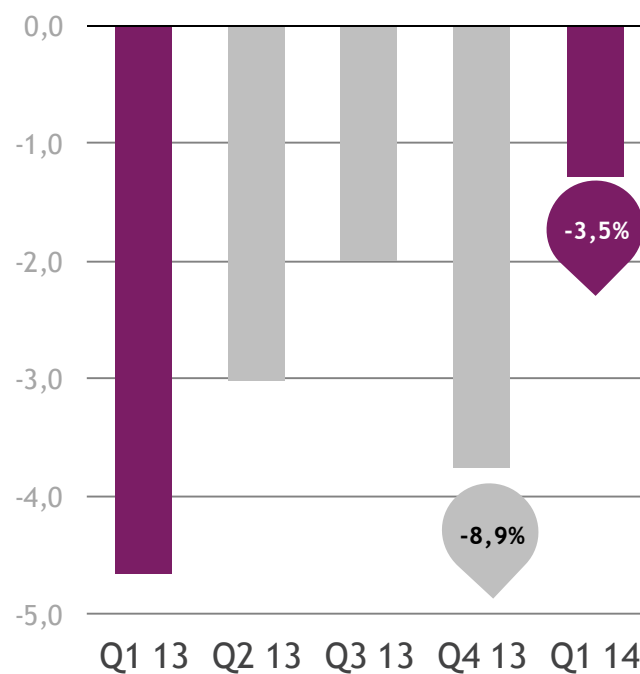
Content and advertising revenue decreased along with decline in print media

IFRS

Content revenue, MEUR



Advertising revenue, MEUR



Change in segment structure

The reporting structure of Alma Media Group changed from the beginning of 2014.

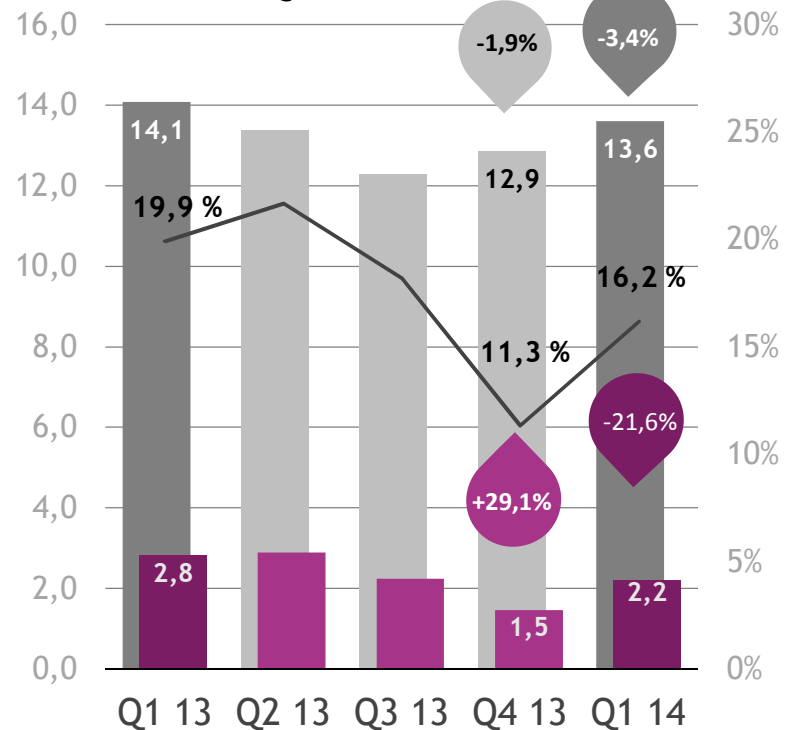
REPORTABLE SEGMENT:	OPERATING SEGMENT:
Digital Consumer Services	Alma Diverso
	Marketplaces
Financial Media and Business Services	Financial Media and Business Services
National Consumer Media	National Consumer Media
Regional Media	Regional Media

Digital Consumer Services Q1 2014

- Revenue declined by 3.4% to MEUR 13.6.
 - Comparison period revenue included MEUR 1.1 from Mascus business sold in April 2013.
 - Revenue development affected by devaluation of Czech koruna in November 2013.
 - Revenue increased by MEUR 0.4 through new recruitment service companies in Hungary, Czech Republic and Poland.
- Recruitment service share of segment's revenue 68.2%.
- Total expenses MEUR 11.5.
- Operating profit MEUR 2.2 (2.8).
 - Revenue decline affected by Mascus divestment, devaluation of the koruna and investments in businesses acquired in January 2014.
 - No non-recurring income or expenses recorded in review period.

Revenue and operating profit, MEUR & %

Excl. non-recurring items

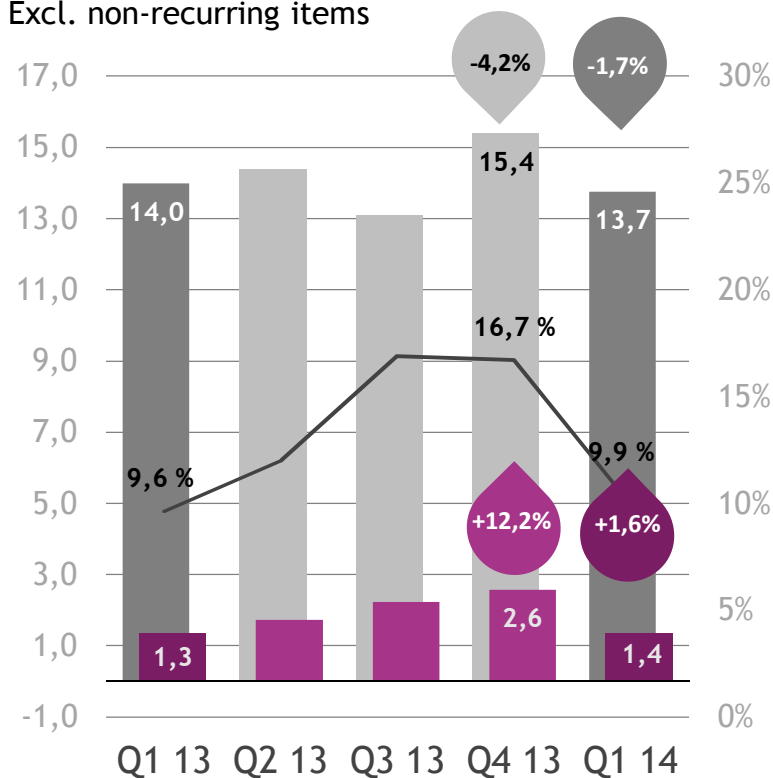


Financial Media and Business Services Q1 2014

- Revenue decreased by 1.7% to MEUR 13.7.
 - Online business 43.8% of revenue.
 - Divestment of the BNS businesses affected revenue decline.
- Content revenue down by 4.2%.
 - Kauppalehti's digital content income strongly increased, partly covering the decline of print media content income.
 - Print media content income down partly due to termination of unprofitable subscriptions.
- Advertising sales at previous year's level at MEUR 3.9.
 - Online advertising sales up by 14.4%.
- Total expenses MEUR 12.4 (12.7) and operating profit excl. non-recurring items MEUR 1.4.
 - Non-recurring items related to BNS divestment.

Revenue and operating profit, MEUR & %

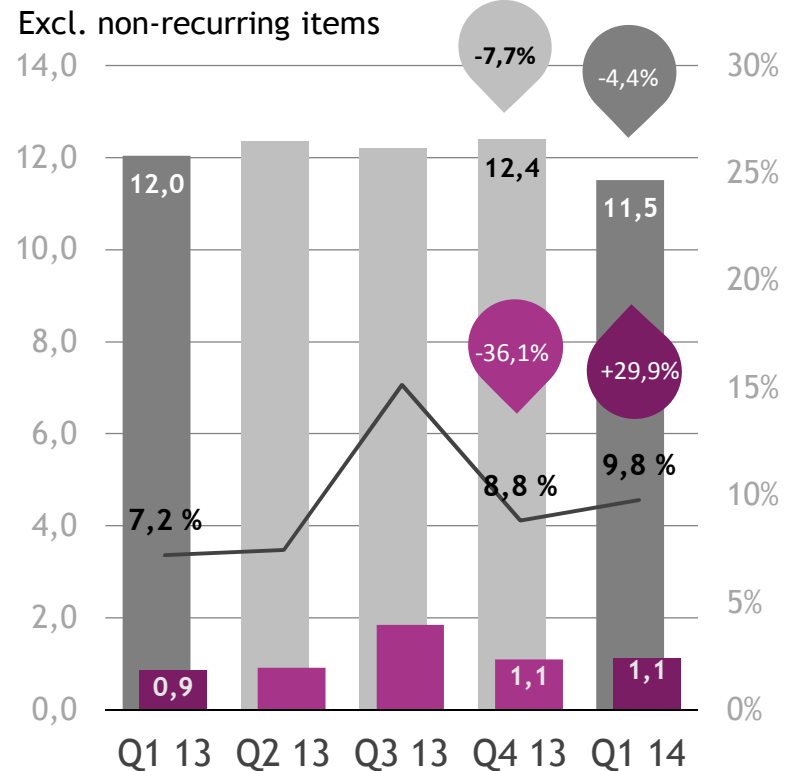
Excl. non-recurring items



National Consumer Media Q1 2014

- Revenue decreased by 4.4% to MEUR 11.5.
 - Online business 29.2% of segment's revenue.
- Content revenue down by 15.0% due to circulation decline of Italehti.
- Advertising sales up by 17.0%.
 - Online advertising sales up by 42.7%.
 - Advertising sales for print media down by 18.1%.
- Total expenses were MEUR 10.4 (11.2).
 - Lower printing and distribution costs contributed to decrease in total expenses.
- Operating profit MEUR 1.1 or 9.8% of revenue.
 - No non-recurring income or expenses reported in review period.

Revenue and operating profit MEUR & %

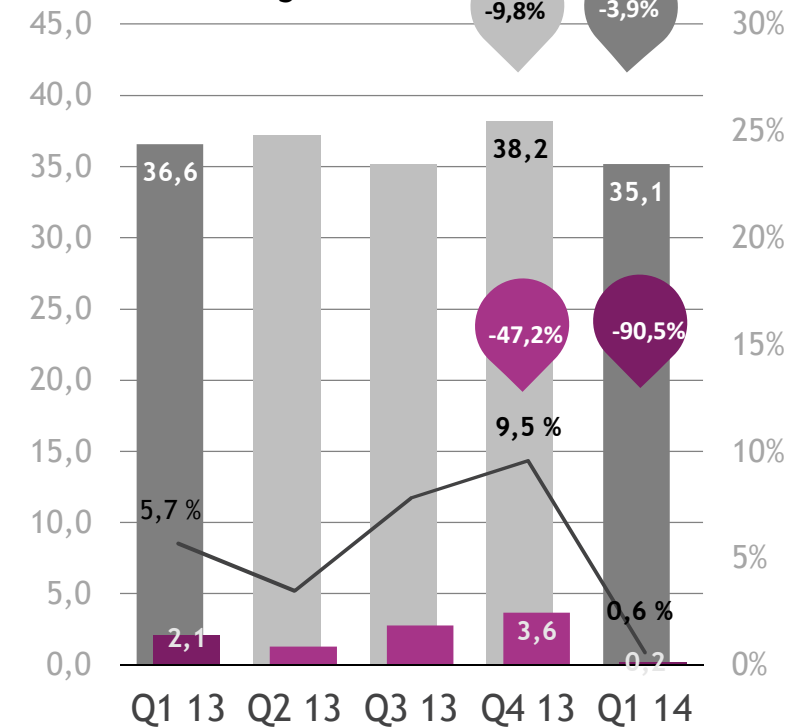


Regional Media Q1 2014

- Revenue declined by 3.9% to MEUR 35.1.
 - Online business 2.3% of revenue.
- Content revenue down by 2.7% due to circulation decline.
- Advertising sales down by 9.6%.
 - Online advertising sales up by 19.2%.
 - Advertising sales in print media down by 10.6%. Decrease particularly in nationwide advertising sales.
- Service revenue up by 15.8% thanks to increase in Alma Manu's external revenue.
- Total expenses excl. non-recurring items MEUR 35.0 (34.5).
 - Increased depreciations due to start of new printing facility.
- Operating profit excl. non-recurring items MEUR 0.2 or 0.6% of revenue.

Revenue and operating profit, MEUR

Excl. non-recurring items



Acquired businesses in Q1/2014

Digital Consumer Services	Business	Acquisition date	Group's share
Monster Hungary	Online service	3 Jan, 2014	85 %
Monster Poland	Online service	3 Jan, 2014	85 %
Monster Czech	Online service	3 Jan, 2014	85 %
Alma Career Oy (formerly Monster Oy)	Online service	3 Jan, 2014	10 %

- In connection with the arrangement, the name of Monster Oy, an Alma Media associated company, changed into Alma Career Oy, with Monster Worldwide, Inc. becoming its minority shareholder with a 15-per cent stake.
- For this share of the company, Monster Worldwide, Inc. transferred its recruitment service operations in Poland, Hungary and Czech Republic to the new company, as well as purchased shares in the company for MEUR 4.7.
- Alma Media transferred a 15-per cent share of its recruitment operations, including LMC in Czech Republic, CVOnline in the Baltics, Profesia in Slovakia and Czech Republic, and TauOnline in Croatia.
- After the transaction, Alma Media Group's ownership of the new companies is 85%.
- Monster Worldwide, Inc. has an option to increase its ownership to 20% by 2017.
- Monster Worldwide, Inc. used to own 25% of the Monster business in Finland, and Alma Media 75%.

Acquired businesses in Q1/2014

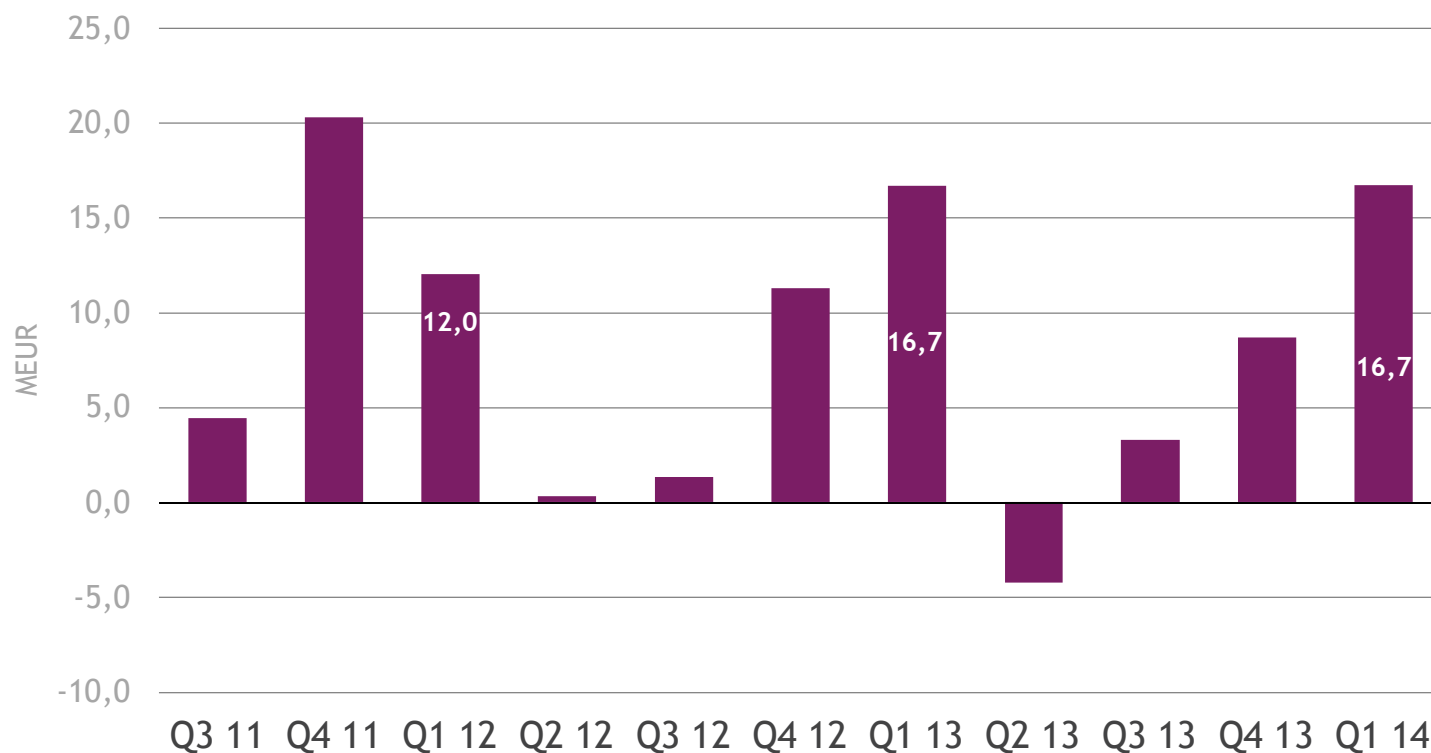
The tables below show how the arrangement affected the balance sheet of Alma Media Group.

MEUR

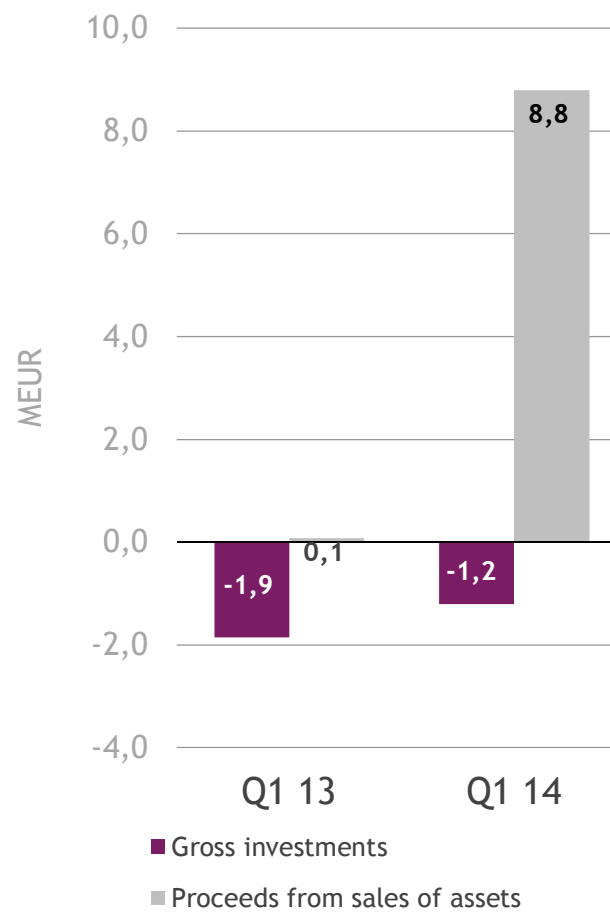
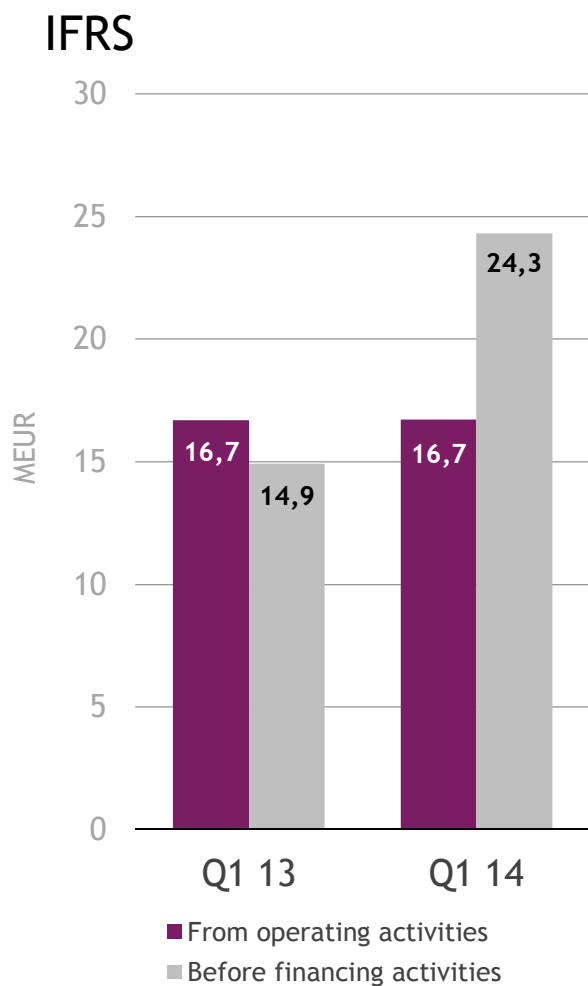
Fair value share of disposed businesses (Increase of Non-Controlling interest)	12.2
Consideration, settled in cash	-4.7
Consideration total	7.5
 Total identifiable net assets at fair value 85 %	 1.1
 Cash and cash equivalents of acquired subsidiaries or businesses	 0.3
 Goodwill arising on acquisition	 3.2
Goodwill*) arising on Acquisition of Alma Career Oy (10 %) is booked to adjustment of retained earnings	3.1

**) amount recognized directly in equity of controlling interest which the non-controlling interests adjustment differs from the fair value of the consideration received*

Cash flow from operations

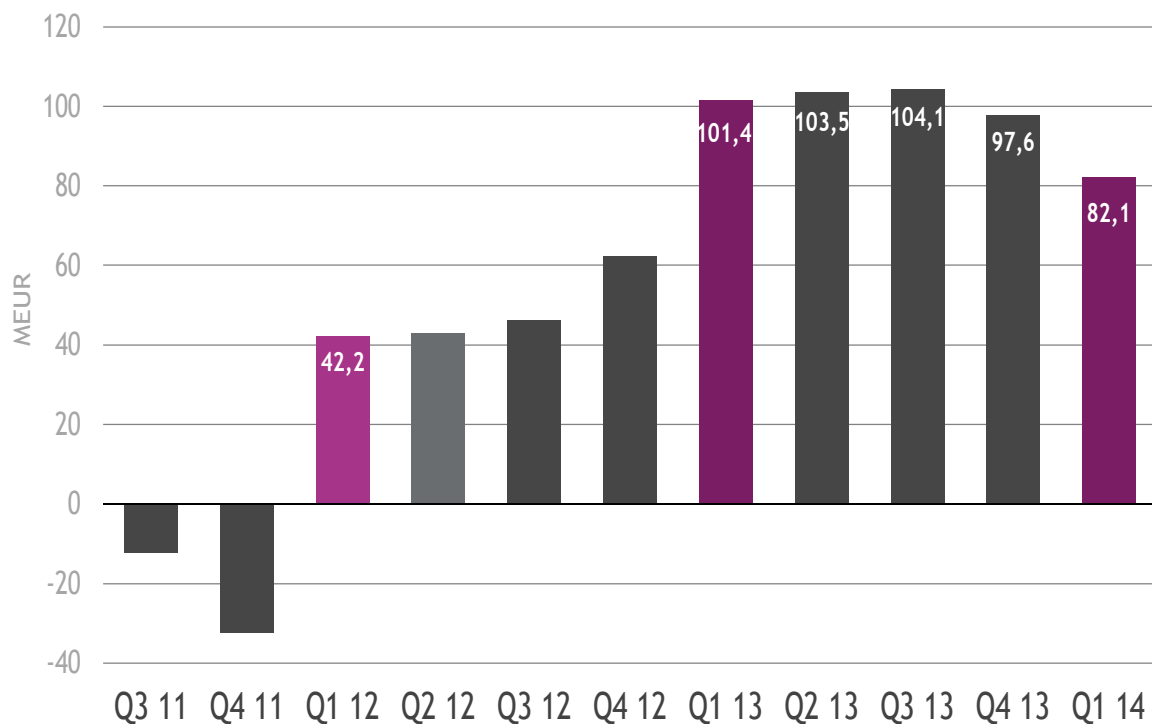


Cash flow and investments



Interest-bearing debt

Net debt Q2/2011-Q4/2013



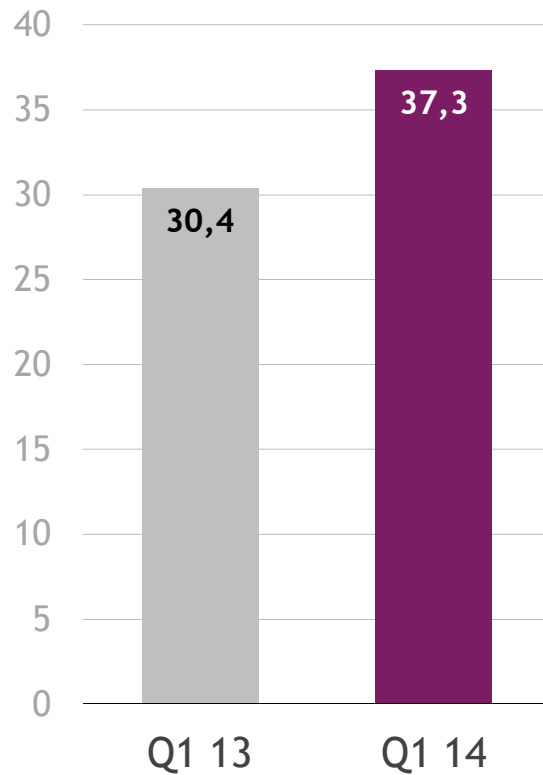
Breakdown of net debt

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

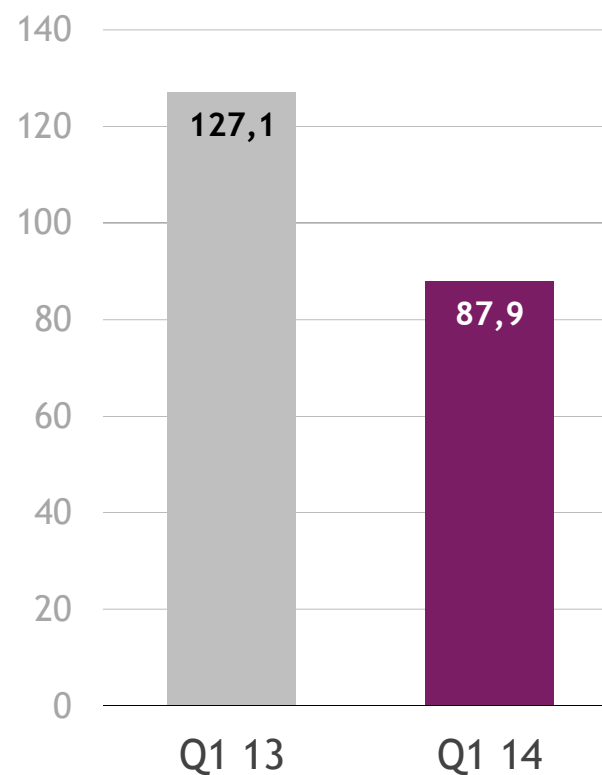
Key figures

IFRS

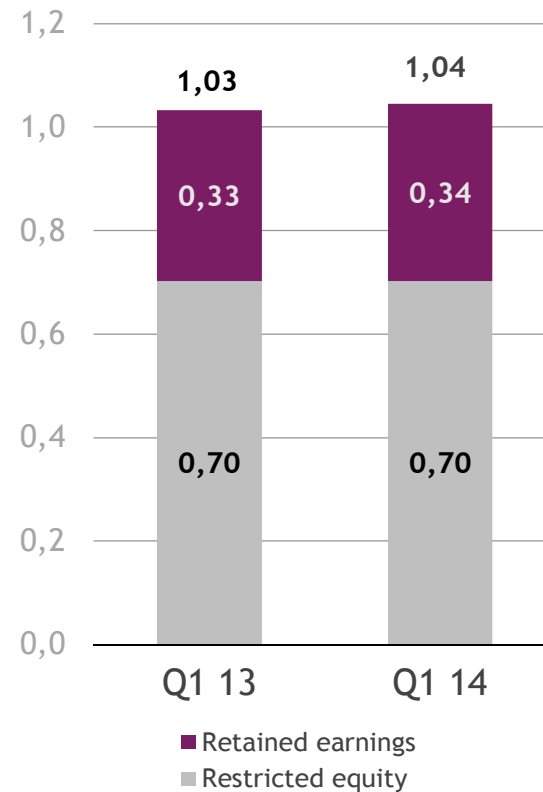
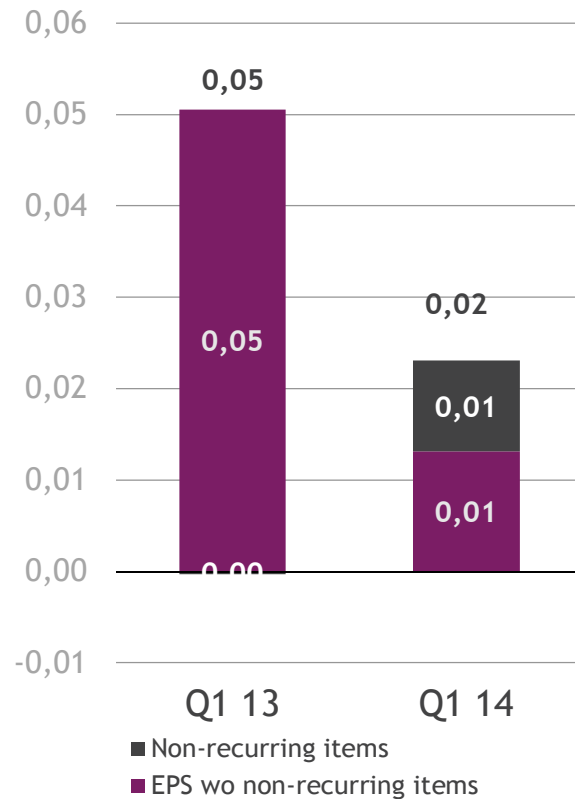
Equity ratio, %



Net gearing, %



Earnings per share and equity per share



Balance sheet

MEUR	Q1 2014	Q1 2013
Intangibles and goodwill	114,9	118,0
Tangibles	84,8	85,6
Associated companies	25,5	31,7
Inventory	1,2	0,9
Receivables	34,5	37,2
Cash	13,9	15,7
Assets	274,7	289,0
Equity	93,3	79,8
Reserves-obligatory	4,1	0,4
Pension liabilities	2,6	2,8
Ib debt	95,9	117,0
Non-Ib debt	54,1	62,5
Advances received	24,6	26,6
Equity and liabilities	274,7	289,0



Strategy and future outlook

Kai Telanne

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Focal points of strategy implementation 2014

**Multi-channel
content**

**Marketing
solutions**

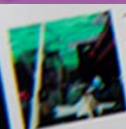
**Digital
services**

**Resources and
competencies**

We build stronger competencies, seek efficiency and accelerate growth in digital services and media.

Multi-channel content

**Siilasmaa: Englannista virallinen
kieli Suomeen**



Tampereen uusi ydinkeskusta
on yli puolen miljardin hanke



Ylätyösten taidokkaiden
näppäät Warholin, Pönnönen
Tom Ollin



NOKIA

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Renewed Aamulehti peaks subscription sales

- Aamulehti with its renewed format and content was received positively.
- More than 5,300 new periodic subscriptions sold during tabloid campaign.
- Aamulehti will collect customer feedback on a regional roadshow in May and continue changes based on customer response.



IL-TV viewing on the increase, Pelipäivä studio something new

- Publishing and start figures of IL-TV by Iltalehti.fi increased by 30 per cent in January-March 2014.
- IL-TV gets a new platform that improves video distribution on mobile devices.
- At the end of March 2014, IL-TV launched Pelipäivä-studio focusing on the NHL ice-hockey league.
- <https://vimeo.com/92808349>





Marketing solutions



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Kauppalehti's new advertising solutions and renewed blog service

- Kauppalehti's multi-channel front page enables reaching over 320,000 decision-makers and experts a day - 64% more than print-only front page.
- Renewed blog service is one of Finland's most significant business blog communities.
- Blogs provide a new channel for companies' marketing communications.
- New in blogs: comparison of post reach in social media, and possibility to follow blog-induced discussions throughout the internet.

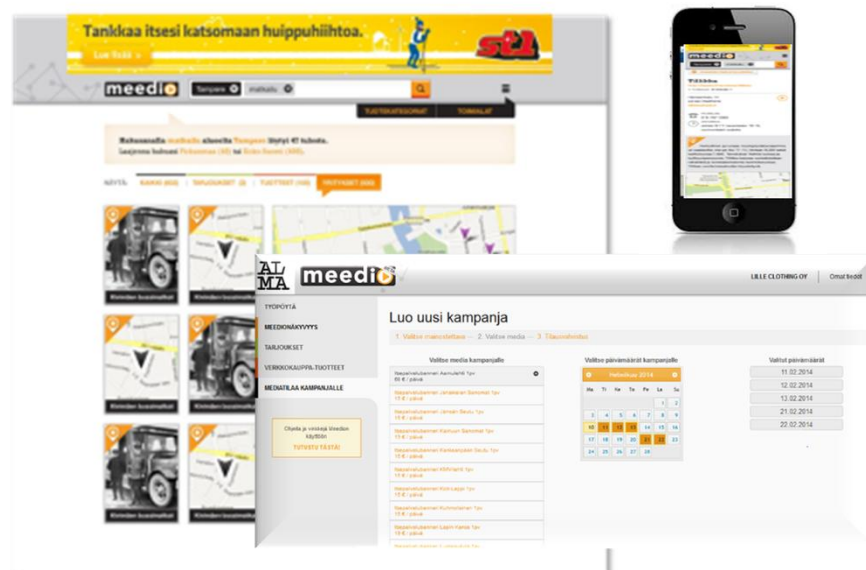


New marketing tool – Meedio.fi

- The service collects self-service tools for companies to manage their directory visibility, e-commerce sales and marketing activities, web analytics and digital marketing in Alma Media publications into one integrated system.
- Consumers find all Finnish companies as well as a variety of special offers and online shop products in Meedio.
- Presently in use on the web pages of Alma's regional and local papers but will in future come to Iltalehti's and Aamulehti's web pages plus Alma Media's printed media.



Markkinointipalvelusi verkossa





Digital services

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Alma Media buys share of Rantapallo.fi service

- In February, Alma Media acquired minority share in Rantapallo Oy, Finland's leading online travel service. Alma has an option to increase its share up to majority.
- Rantapallo.fi offers travel and hotel search, destination descriptions and other tourism-related content.
- More than 200,000 different weekly visitors in the first months of 2014.
- Rantapallo continues to operate the business, Alma Media participates through its marketing power and content cooperation.
- Potential for sales cooperation and new travel-related products.





Resources and competencies

Establishing Lännen Media

- Alma Media, together with five other Finnish media companies, signed a Letter of Intent aiming at expanding journalistic cooperation between the papers.
- Objective: to found a jointly operated company Lännen Media during 2014, with Aamulehti, Satakunnan Kansa, Lapin Kansa, Pohjolan Sanomat, Kainuun Sanomat, Turun Sanomat, Kaleva, Ilkka, Pohjalainen, Keskipohjanmaa, Hämeen Sanomat and Forssan Lehti.
- Content production and product development to start from the beginning of 2015.
- Founding and management recruiting; personnel for joint editorial office being searched.
- Aamulehti's Matti Posio appointed Project Manager.



Future outlook

29 April 2014

The revenue and operating profit of Alma Media's print newspaper business, especially regional media, did not develop as expected during the first quarter of the year. Therefore, the company lowered its estimate on 15 April 2014 of the development of both revenue and operating profit during the first half of the year, as announced in the Financial Statements Release on 13 February 2014.

The economic operating environment in Finland has remained weaker than expected in the beginning of 2014. The advertising market for print media has declined more than anticipated. In the current economic situation, forecasting the operating environment and especially advertising sales is exceptionally difficult.

In its Financial Statements Release on 13 February 2014, Alma Media expected the revenue of the first half of 2014 to be on a par with, or slightly lower than the corresponding period in 2013. Operating profit excluding non-recurring items was estimated to be MEUR 9.0-10.5.

According to the company's new estimate, the revenue for the first half of the year will be lower than the corresponding period in 2013 and operating profit excluding non-recurring items will be below the level estimated in the Financial Statements Release on 13 February 2014.

Revenue for the first half of 2013 was MEUR 151.2 and operating profit excluding non-recurring items MEUR 10.1.

A photograph of two sailboats on a body of water under a blue sky with light clouds. The sailboat in the foreground has a large, bright pink sail and a white hull with the number '20' on the side. Two crew members in black and yellow gear are visible on deck. The sailboat in the background has a blue and white sail. A semi-transparent purple horizontal band is overlaid across the middle of the image, containing the text.

Thank you! Any questions?

Next on the Investor Calendar:

- Q2 result 18 July 2014

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