

Transforming the media business

Kai Telanne, President & CEO, Alma Media Corporation
Carnegie Media Seminar, Helsinki
June 5, 2013



Contents

- Alma Media in brief
- Market dynamics and Alma Media
- Key financials
- Implementing our strategy

Appendix:

- Share and contact info & upcoming events
- Alma Media - a digitally growing media company

Alma Media in brief

The logo for Alma Media, featuring the letters 'ALMA' in a stylized, purple, serif font. The letters are stacked vertically, with 'AL' on top and 'MA' on the bottom. The logo is set against a white square background.

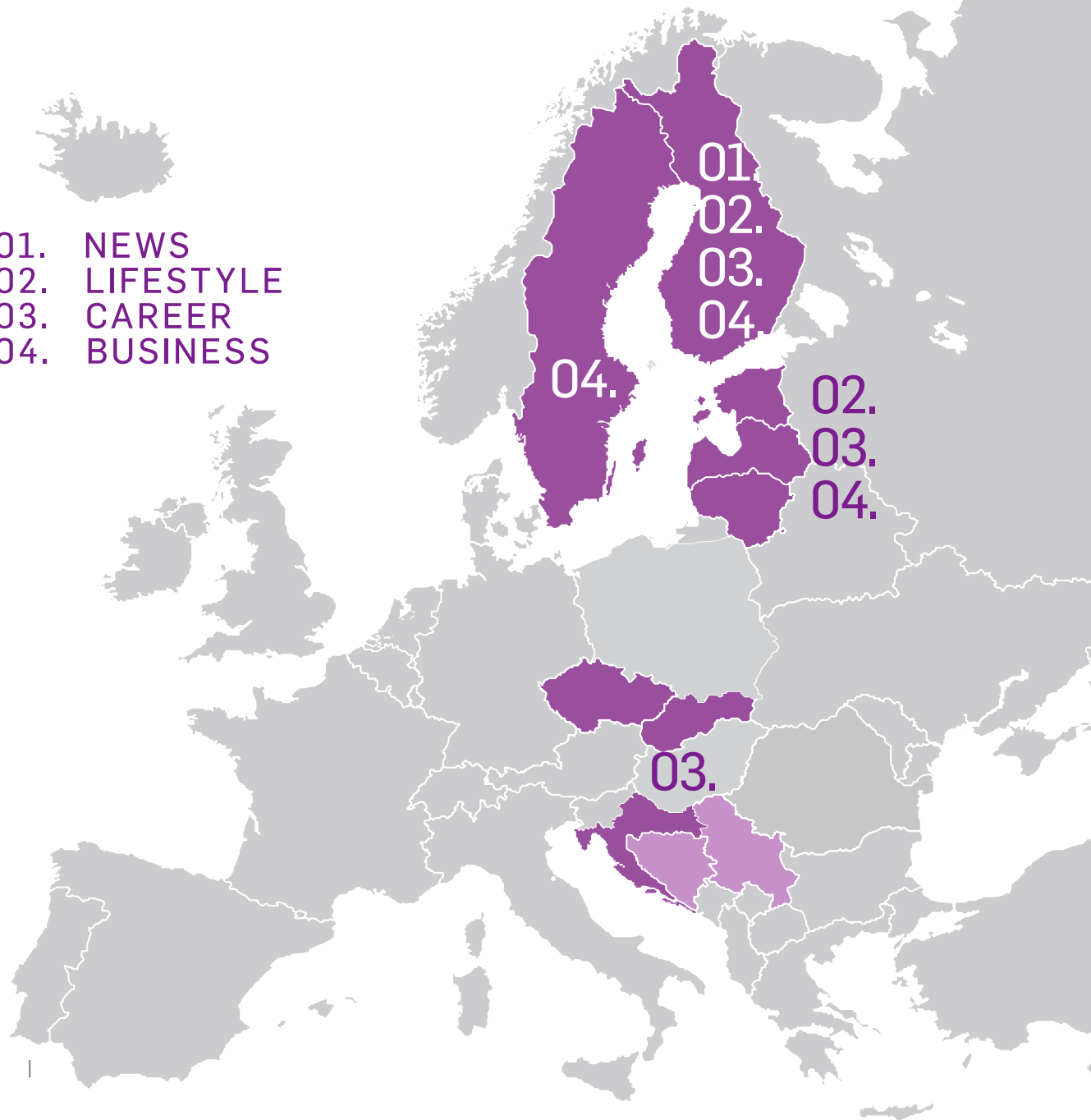
ALMA

Alma Media is a dynamic media group focusing on digital services and publishing.



01. NEWS
02. LIFESTYLE
03. CAREER
04. BUSINESS

- 01. NEWS
- 02. LIFESTYLE
- 03. CAREER
- 04. BUSINESS

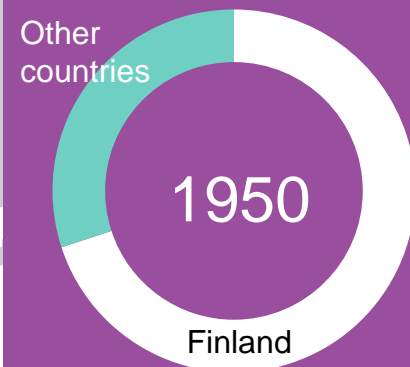


Alma Media today - growing internationally

Net sales 2012, MEUR

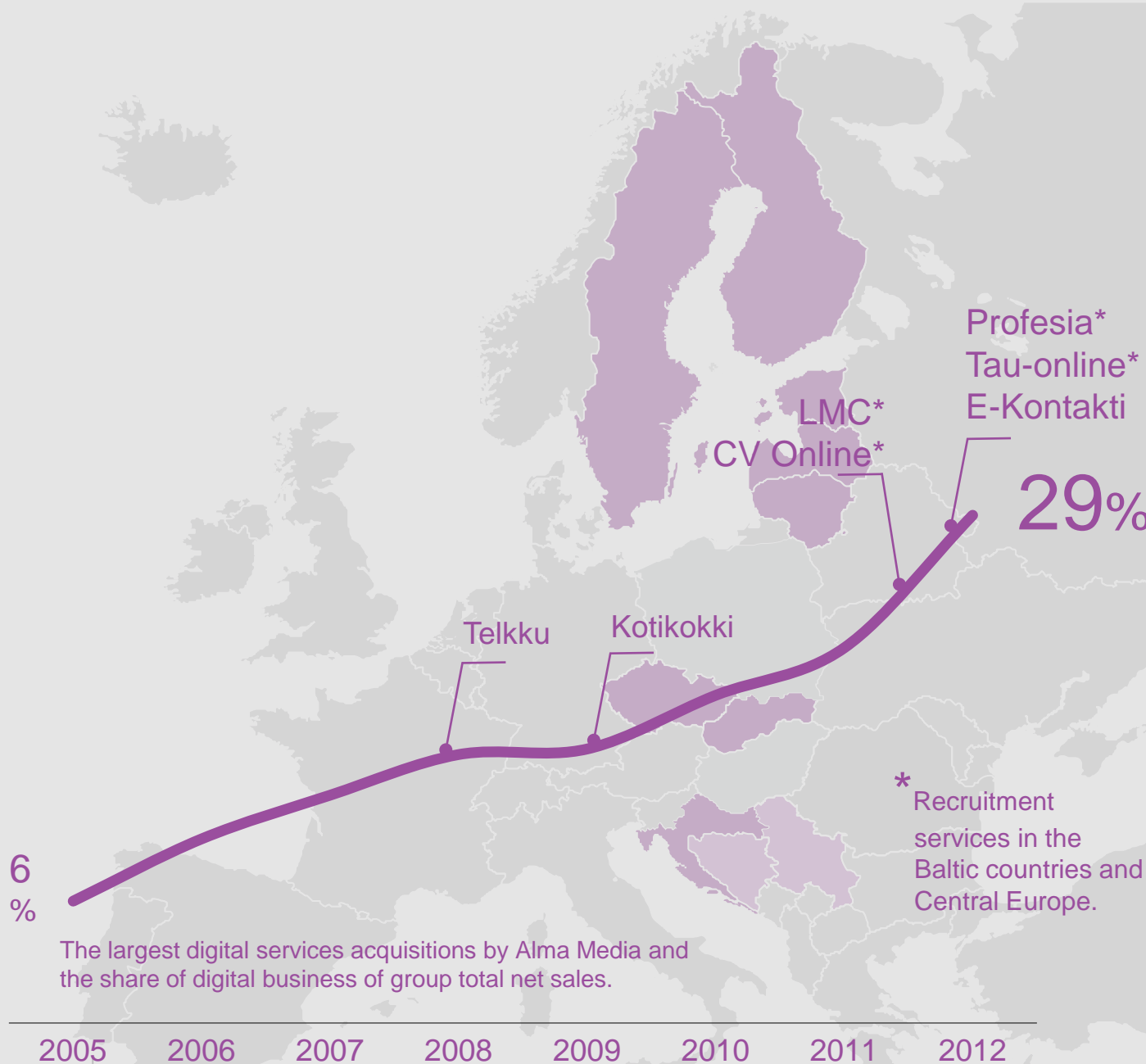


Personnel 2012



Growing increasingly digital

In 2012, Alma Media invested in market-leading recruitment portals in the Baltic states, Czech Republic, Slovakia and Croatia. Alma Media also holds minority interests in Bosnian and Serbian portals.



The largest digital services acquisitions by Alma Media and the share of digital business of group total net sales.

* Recruitment services in the Baltic countries and Central Europe.

Alma Media's Reporting Segments

Digital Consumer
Services,
revenue 2012

MEUR **56.5**

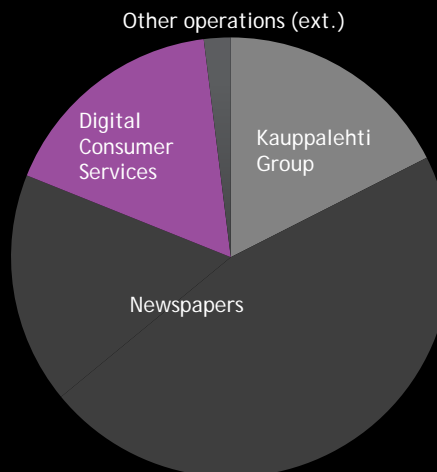
EBIT 13.0 % of revenue*



Newspapers,
revenue 2012

MEUR **206.6**

EBIT 12.4 % of revenue*



Kauppalehti Group,
revenue 2012

MEUR **56.9**

EBIT 10.1 % of revenue*

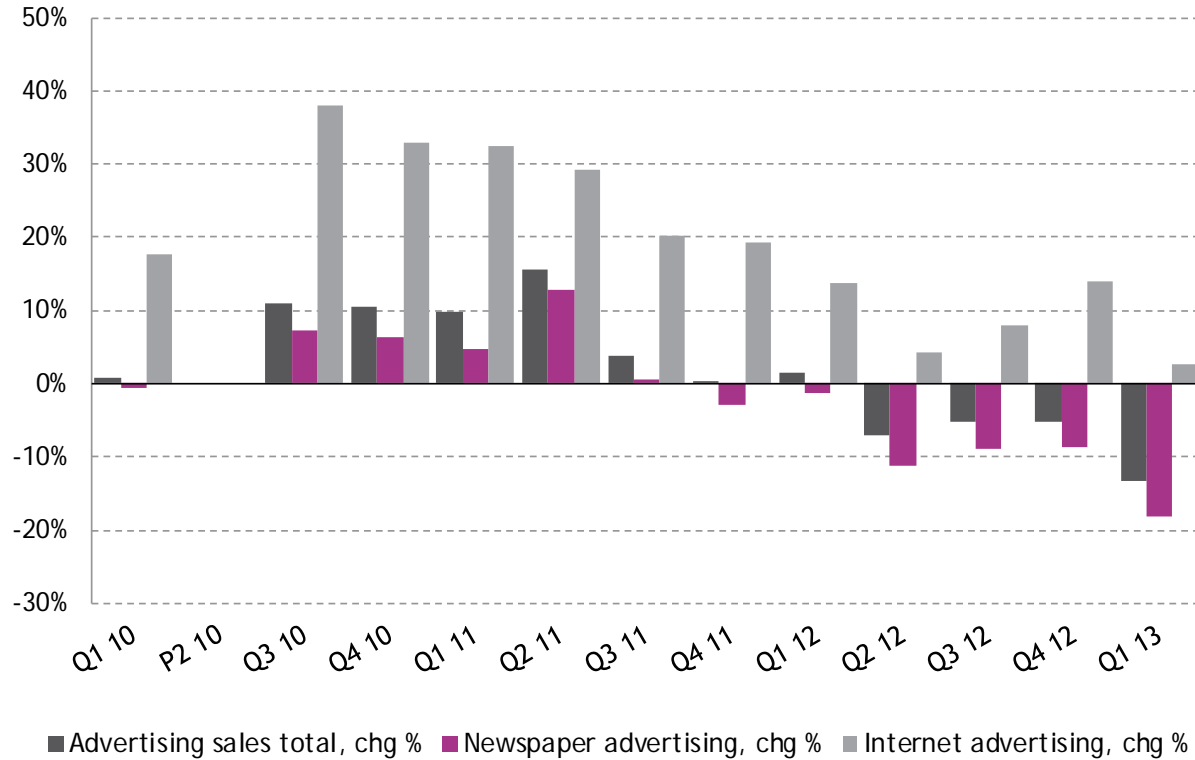
Group revenue 320.1 MEUR
EBIT 10.5 % of revenue w/o one-time items

*EBIT w/o onetime items

A person wearing a red t-shirt and white shorts is standing on a grassy area, holding a large white sheet that is being hung on a clothesline. The clothesline is strung across the frame, and the sheet is partially draped over it. In the background, there is a yellow building with several windows. The scene is brightly lit, suggesting a sunny day. A purple rectangular box is overlaid on the left side of the image, containing the text 'Market dynamics and Alma Media'.

Market dynamics and Alma Media

Advertising sales changes Q1/2010 – Q1/2013



Change-% 1-4/13 vs. 1-4/12	
News-papers	-17,2
Magazines	-16.1
TV	-6.0
Radio	-14.0
Internet	5.6
Total	-11.3

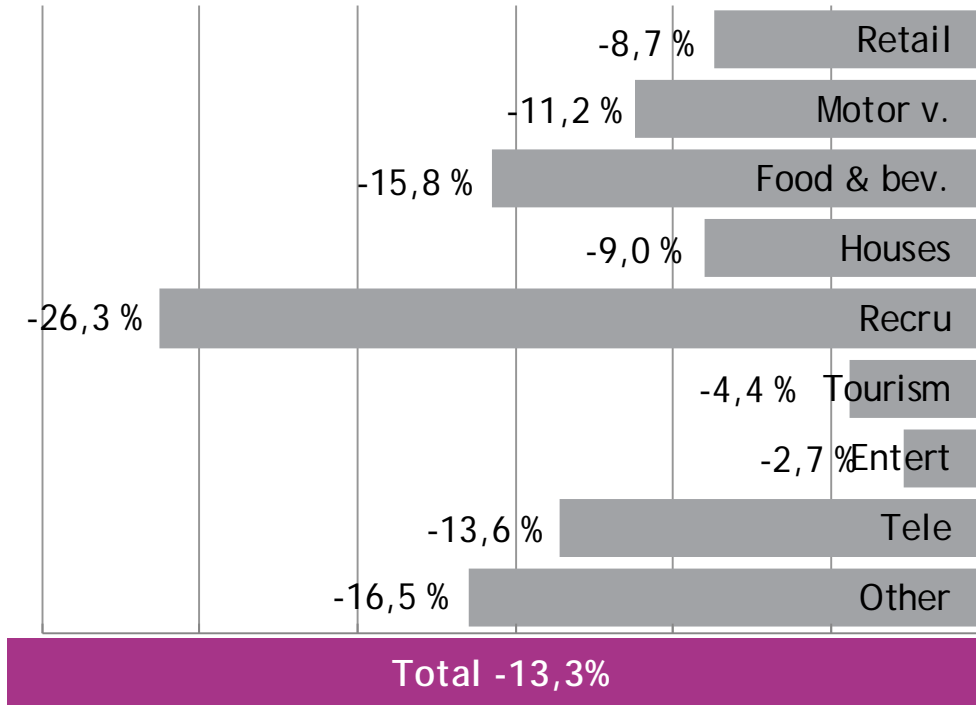
Source: TNS Media Intelligence

LIVING INFORMATION



Advertising declined in all industries

Total market; change from Q1/2012

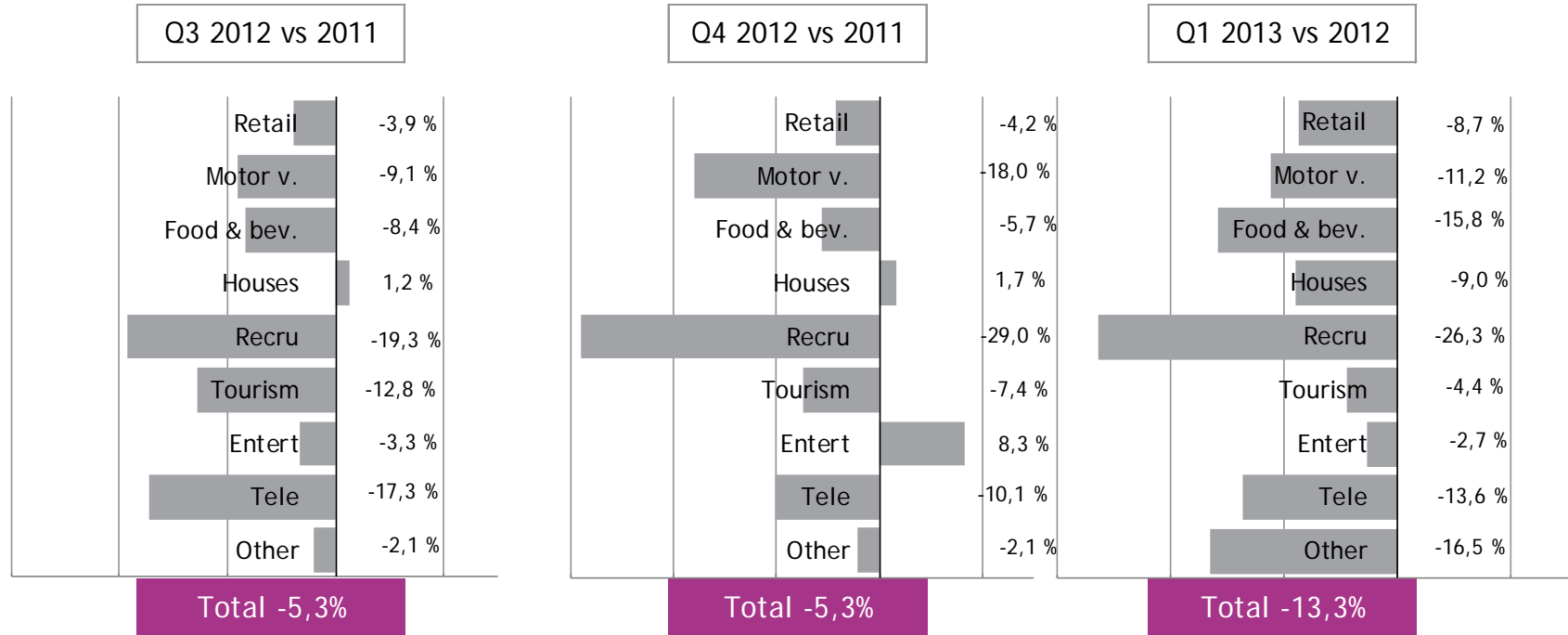


Advertising in Q1/13	MEUR
Retail	53
Motor vehicles	26
Food & beverages	22
Houses and premises	12
Recruiting	11
Tourism and traffic	11
Entertainment	10
Telecommunications	6
Other	93
Total	244

Source: TNS Media Intelligence

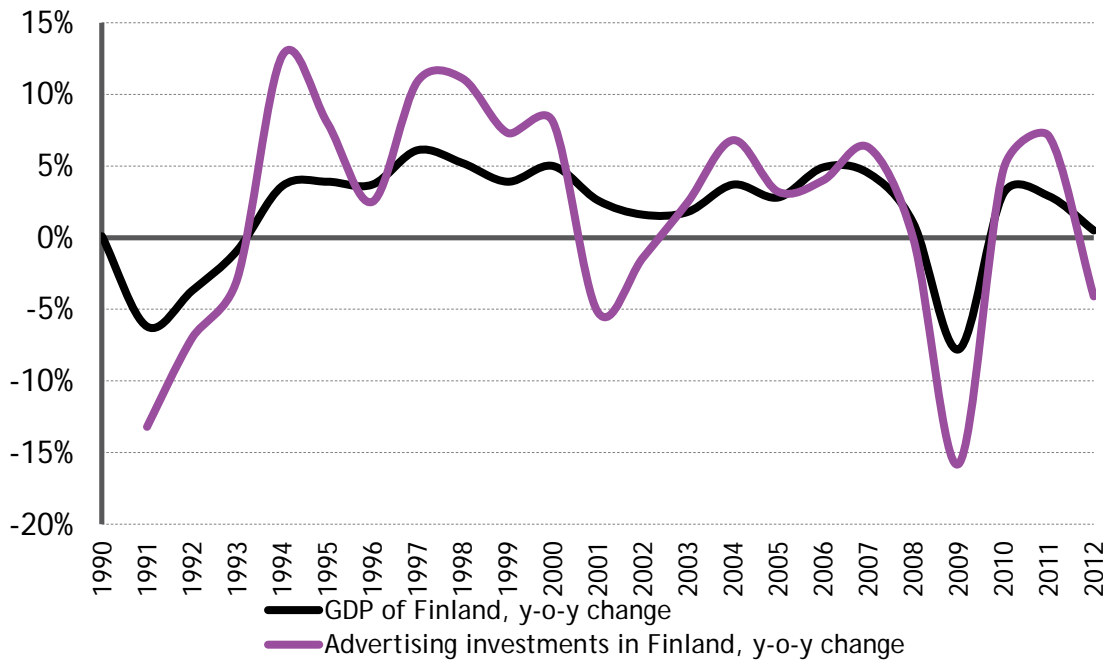
Continued decline for three consecutive quarters

Total market; change from previous year

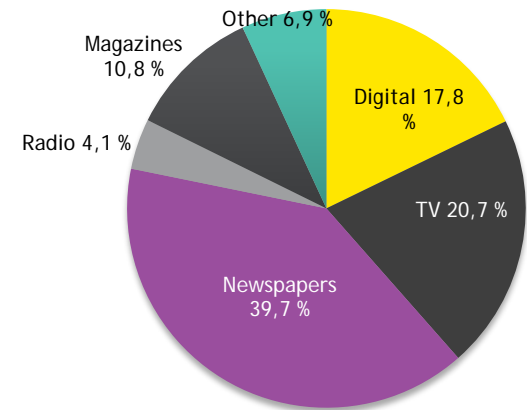


Source: TNS Media Intelligence

Digital channels gain market share



Advertising by media group, Finland 2012



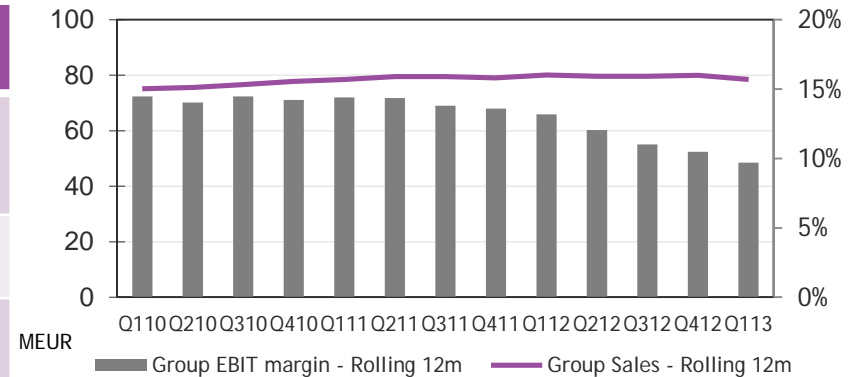
Sources: Statistics Finland, Advertisers' Council, TNS

The dynamics of Alma Media's transformation

Changes in business fundamentals....

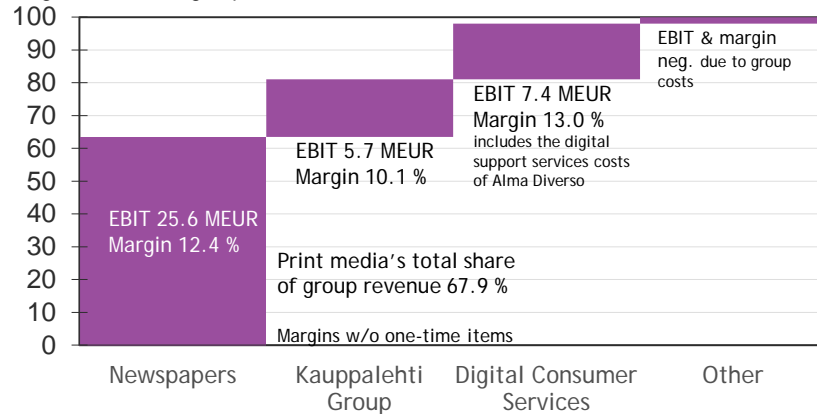
Revenue source	Share of sales 2012	Change, FY11 - FY12	Structural trend
Advertising <ul style="list-style-type: none"> • Print • Digital 	50.2 % <ul style="list-style-type: none"> • 30.5 % • 19.3 % 	+ 3.9 % <ul style="list-style-type: none"> • - 12.2 % • + 43.4 % 	Stable <ul style="list-style-type: none"> • Decreasing • Growing
Circulation	37.2 %	- 5.5 %	Stable to decreasing
Content & Services	12.5 %	+ 3.9 %	Growing

...impact overall profitability

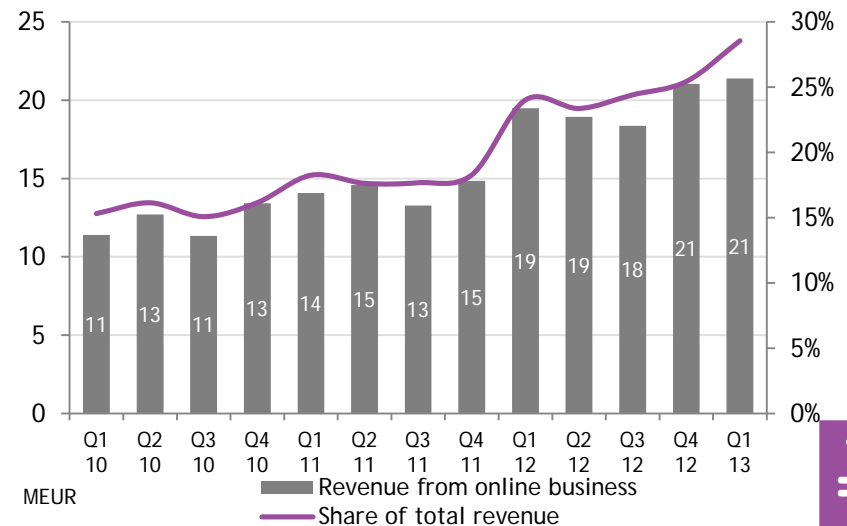


Publishing business forms a strong base....

Segment share of group revenues 2012, %



...and supports growth in digital

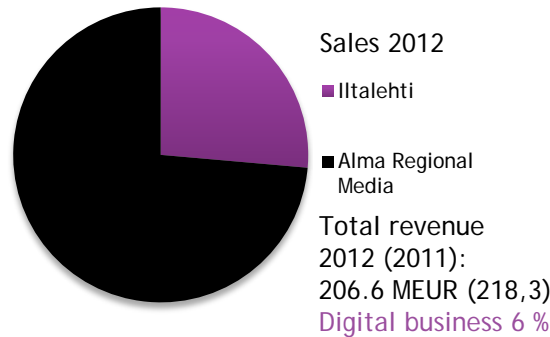


Newspapers

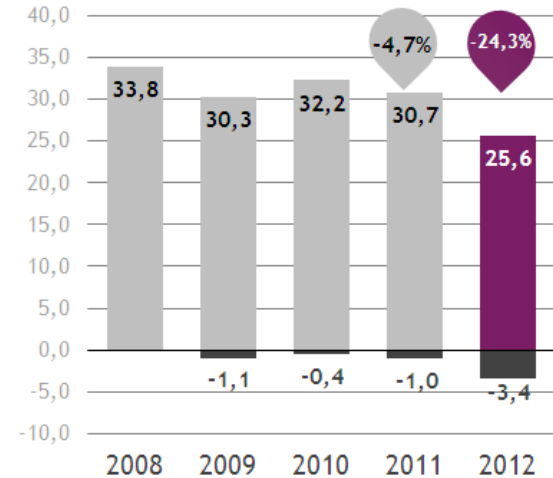
Newspaper segment basics and value creation

Segment structure:

- Alma Regional Media business unit
- Iltalehti business unit



Operating profit, IFRS
MEUR



Value creation drivers

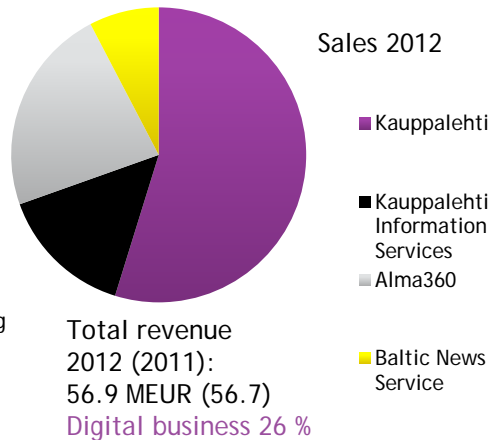
Main businesses	Sales structure	Trend	Business value driver
Regional and local newspapers	Print B-to-C advertising; print subscription sales; digital advertising and subscription packages Digital sales 2 - 5 %	- +	Brand value; customer loyalty; local and regional reach; efficiency & synergy measures; platform for cross-marketing
Iltalehti newspaper and supplements	Print B-to-C advertising; Print single copy sales	-	Brand value; reader loyalty; efficiency
Iltalehti.fi online media	B-to-C digital advertising Digital sales 100 %	+	Mass digital media; growing demand as consumers move online; cross marketing

Kauppalehti Group

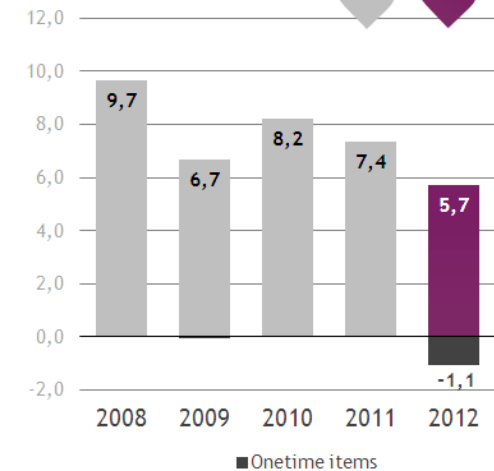
Segment basics and value creation

Segment structure:

- Kauppalehti business media
- Kauppalehti Information Services business information
- Alma 360 content marketing services
- Baltic News Service News agent & media monitoring



Operating profit, IFRS MEUR



Value creation drivers

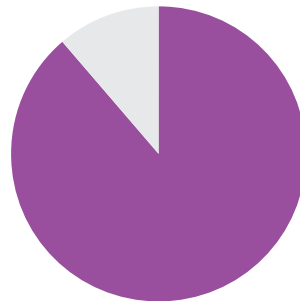
Main businesses	Sales structure	Trend	Business value driver
Business newspaper and supplement	Print and digital advertising; print subscription sales; digital content sales Digital sales approx. 20 %	- +	Growing need for financial and business insight and specialised quality content.
Information services	Business information Digital sales 100 %	+	Growing demand for information to back up business decisions.
Alma360	Services and consultancy (n/a)	+	Increasing demand for content marketing for companies' own channels.

Digital Consumer Services

Segment basics and value creation

Segment structure:

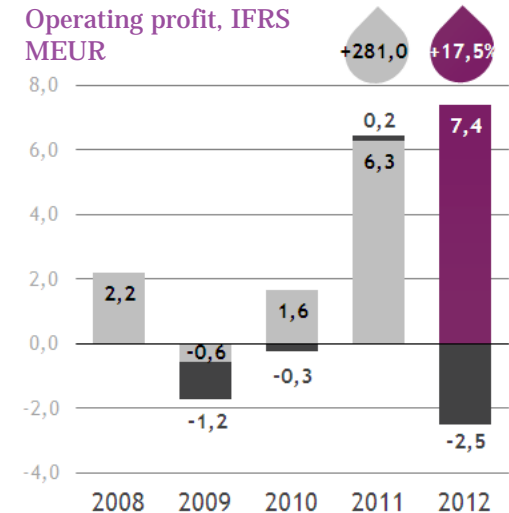
- Alma Marketplaces business unit
- Alma Diverso development and business unit



Sales 2012

- Alma Marketplaces
- Alma Diverso

Total revenue 2012 (2011):
56.5 MEUR (42.1)
Digital business 100 %



Value creation drivers

Main businesses	Sales structure	Trend	Value creation driver
Recruitment services	B-to-C digital ads and integration services Digital sales 100 %	+	Growing demand as transition from print continues; market leader position in countries; synergies
Real estate services	B-to-C and C-to-C digital ads and integration services Digital sales 100 %	+	Moderate demand growth as transition continues; strong market position; synergies
Car service	B-to-C and C-to-C digital ads Digital sales 100 %	+	Growing demand as transition from print continues; strong market position
Dating service	C-to-C digital ads Digital sales 100 %	+	Growing and less cyclical demand; consumer income; strong market position

LIVING INFORMATION

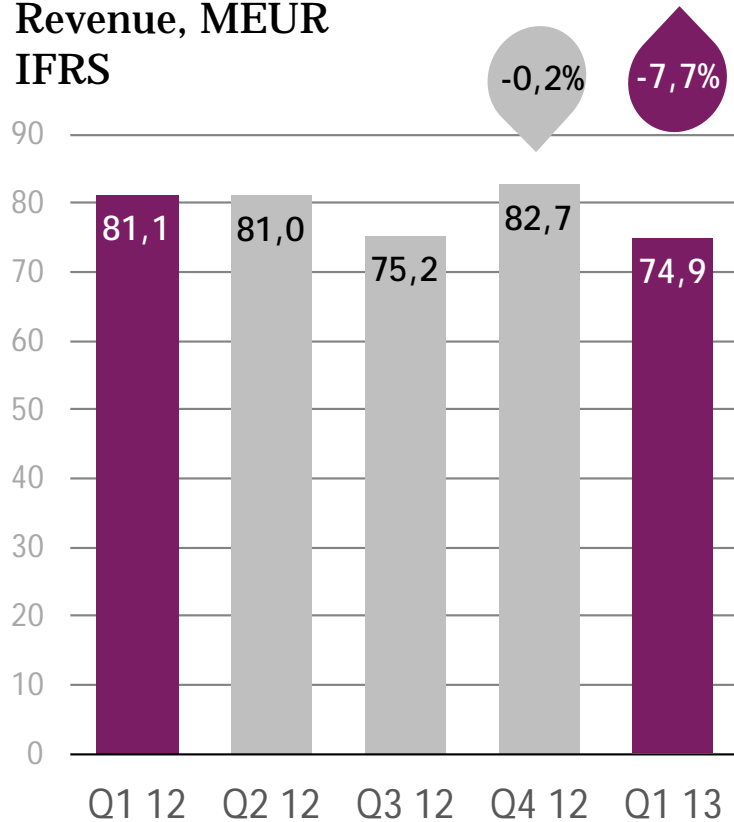


A high-angle, close-up photograph of a person's legs walking across a zebra crossing. The person is wearing tan loafers and a dark skirt. The scene is characterized by strong, parallel shadows cast across the white stripes of the crossing, suggesting bright, direct sunlight. The overall composition is rhythmic due to the repeating lines of the pavement.

Financials

Revenue and operating profit declined from comparison period

Revenue, MEUR
IFRS



Operating profit, MEUR
IFRS



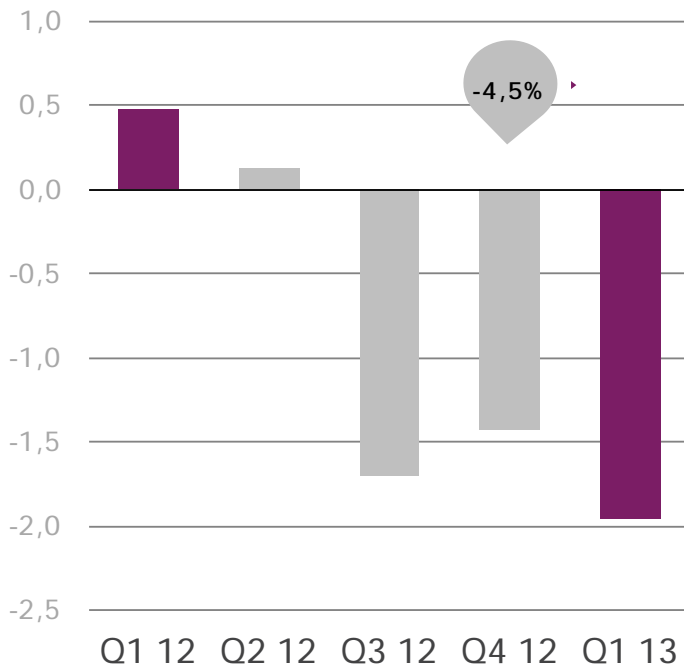
■ Non-recurring items
LIVING INFORMATION



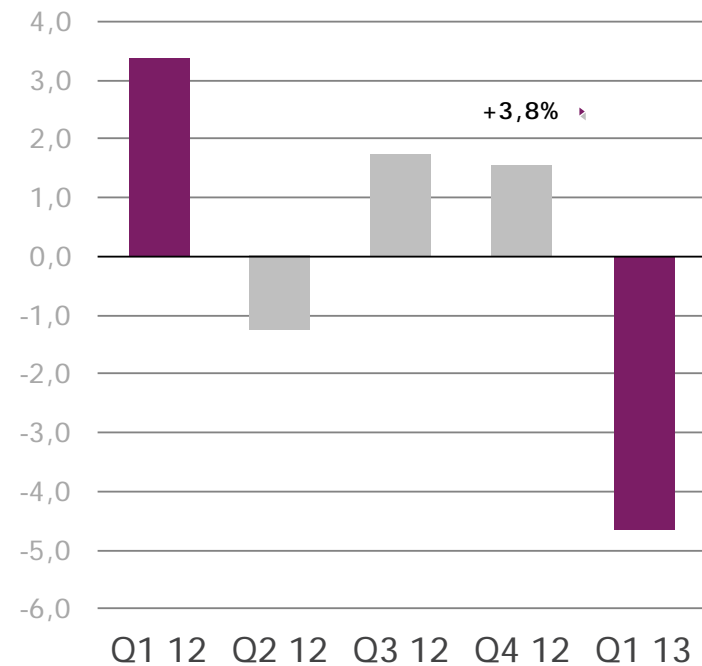
Content and advertising revenue declined together with the fall of printed media

IFRS

Content revenue, MEUR



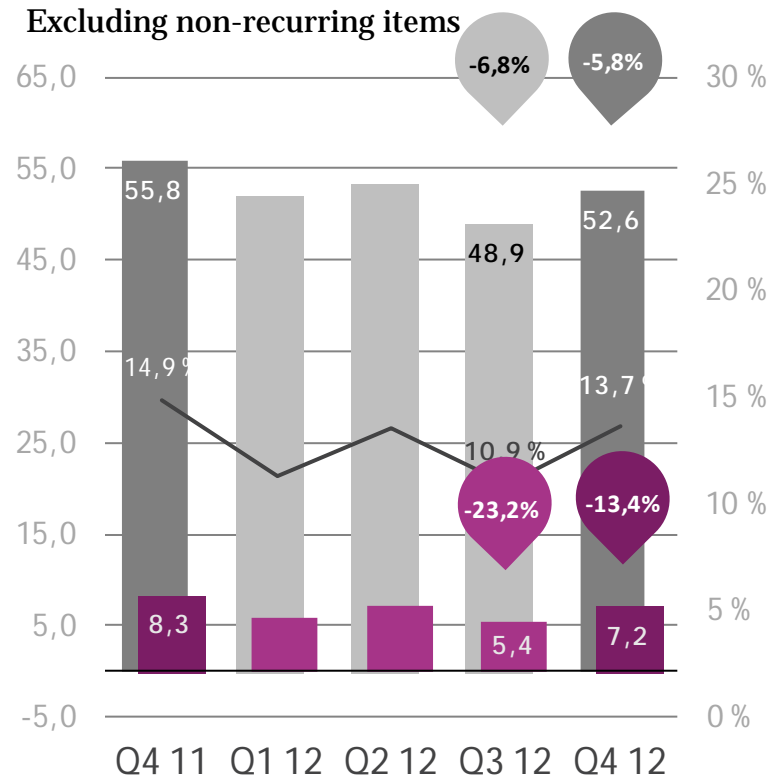
Advertising revenue, MEUR



Newspapers Q1

- Revenue declined by 12.3% to MEUR 45.6.
 - Share of online business in revenue still low except for Iltalehti.
- Advertising sales declined by 17.8% to MEUR 19.9 (24.2).
 - Online advertising sales grew by 2.0%.
 - Iltalehti's online advertising sales delivered 59% of Iltalehti's total advertising sales.
 - Advertising sales in print media declined by 20.1% due to decreasing daily goods, recruitment and home sales advertising volume.
- Content revenue declined by 6.8% to MEUR 25.0 (26.9).
 - Circulations of print newspapers continue to decline.
- Total expenses excl. non-recurring items were MEUR 43.6 (46.1).
 - The reorganisation in 2012 brought cost savings.
- Operating profit excl. non-recurring items was MEUR 2.0 (5.9) representing 4.4% (11.3%) of revenue.

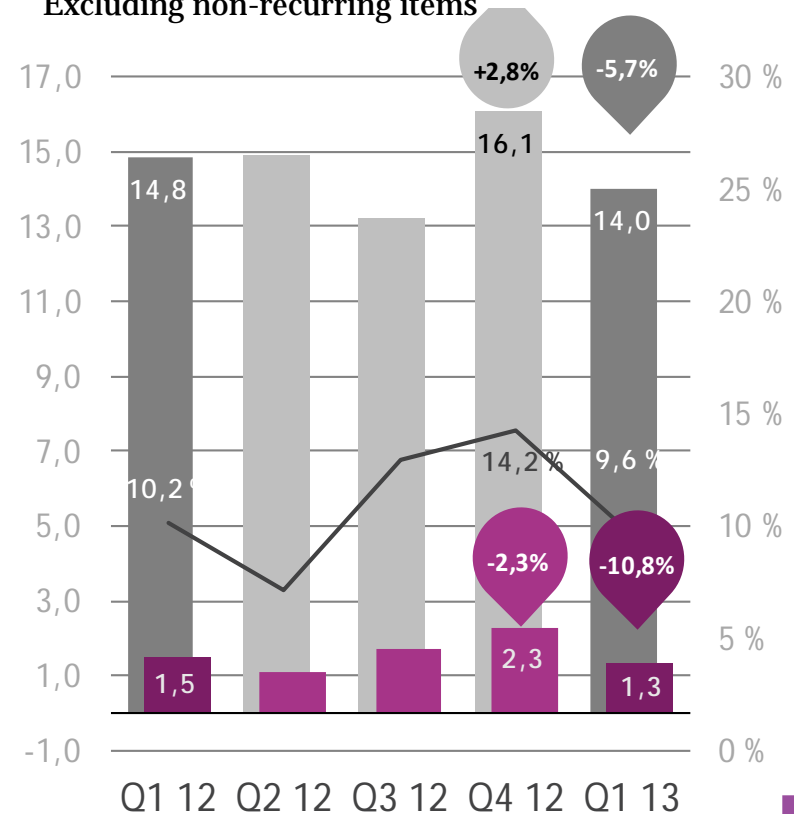
Revenue and operating profit MEUR & %



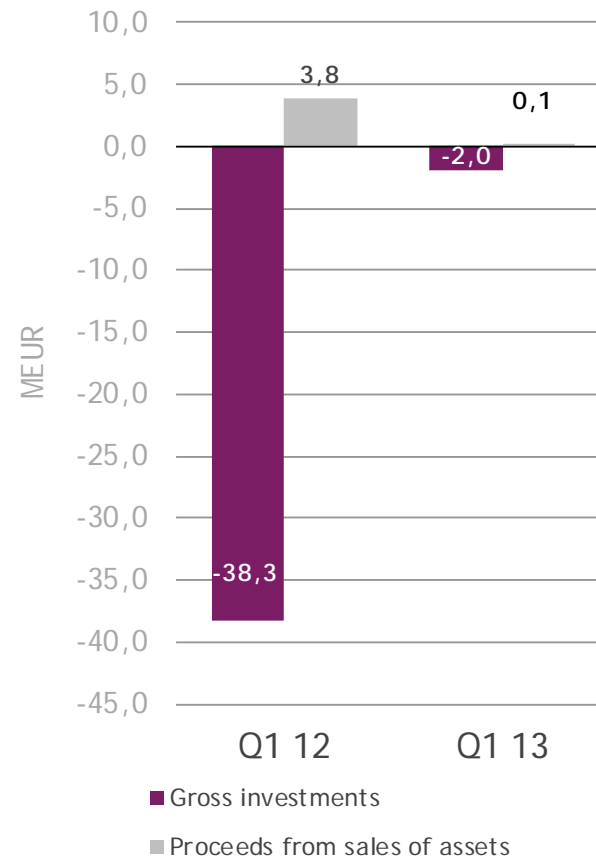
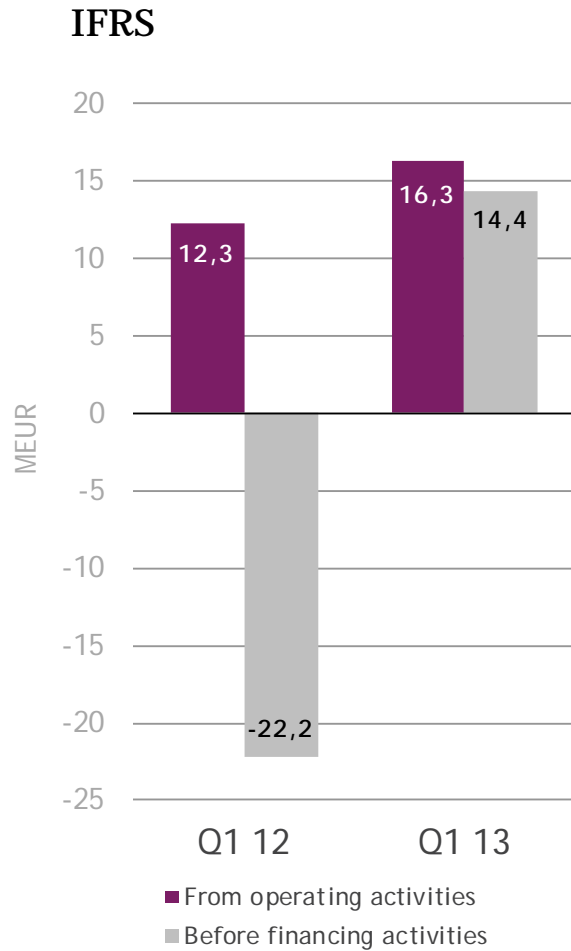
Kauppalehti Group Q1

- Revenue declined by 5.7% to MEUR 14.0.
 - Online business delivered 32.3% of total revenue.
- Kauppalehti's advertising sales declined by 13.5% to MEUR 3.9 (4.5).
 - Online advertising sales grew by 8.7%.
- Content revenue declined by 3.0% to MEUR 4.2 (4.3).
 - Digital content revenue grows as expected but does not cover decline in print media circulation.
- Service revenue declined by 1.8% to MEUR 6.0 (6.1).
 - Kauppalehti Business Information Services is a growing business area.
- Total expenses were MEUR 12.7 (13.3).
 - Decrease of expenses is the result of reorganisation and strict cost discipline.
- Operating profit excl. non-recurring items was MEUR 1.3 (1.5).

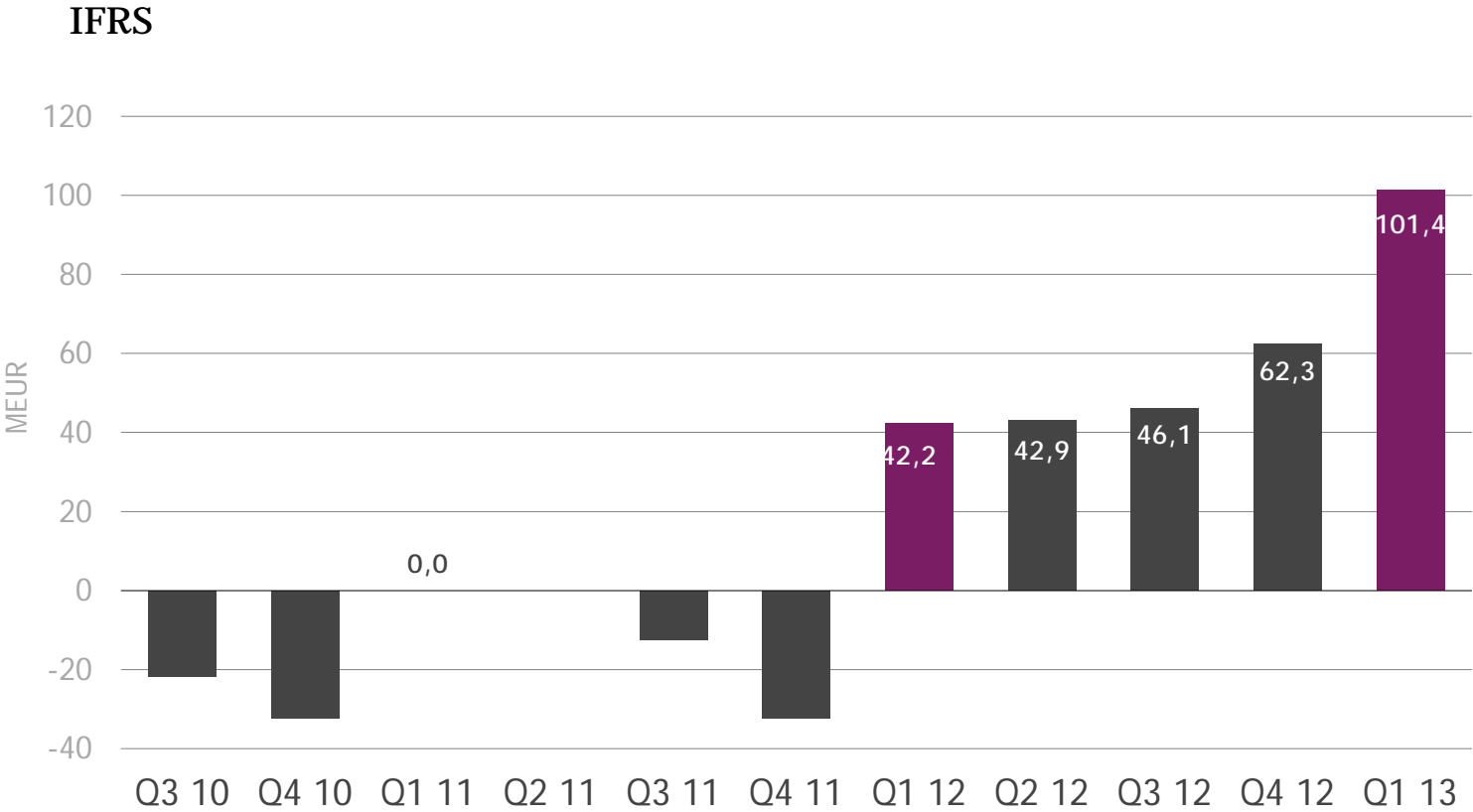
**Revenue and operating profit,
MEUR & %**
Excluding non-recurring items



Cash flow and investments



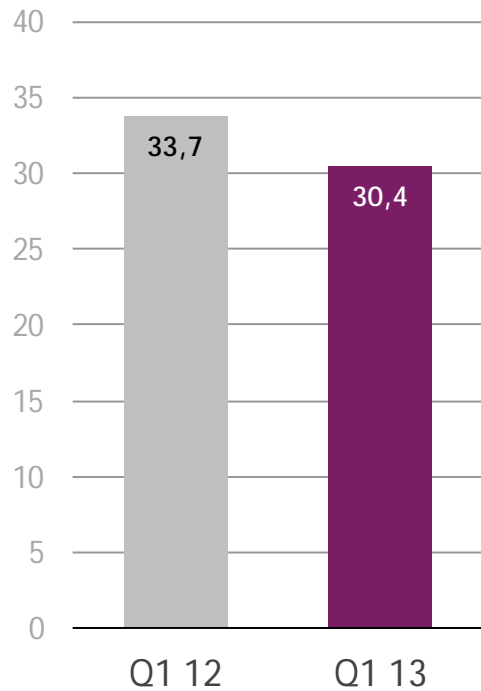
Net debt



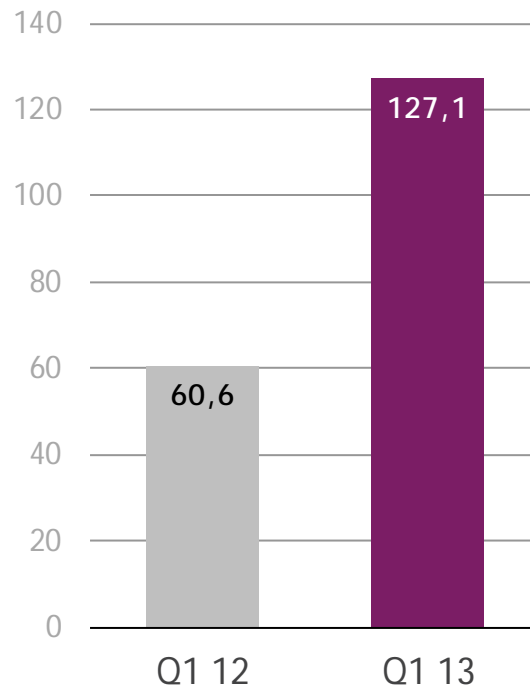
Key indicators

IFRS

Equity ratio, %



Gearing, %



Outlook

April 26, 2013

The general uncertainty prevailing in the Group's principal markets, as well as the shift in media consumption from print media to electronic channels, make it difficult to forecast the development of the advertising and circulation revenues. The share of digital services in the media market will continue to grow.

Economic growth is estimated to remain weak in Europe in the early part of 2013. The increase in the sales of digital services is not enough to cover the drop in the sales of print media.

Alma Media maintains unchanged its estimate given in the financial statements release of February 15, 2013, according to which the company's revenue and operating profit, excluding non-recurring items, will decrease in the first half of 2013 from the level of the corresponding period in 2012. The revenue for the first half of 2012 was MEUR 162.2 and operating profit, excluding non-recurring items, was MEUR 16.1.

A photograph of a white mug filled with dark coffee on a saucer with a silver spoon. The saucer has a gold floral pattern. A blue marker lies on a white surface next to several red scribbles. A purple horizontal band is overlaid on the image, containing the text "Strategy going forward".

Strategy going forward

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The fundamentals of Alma Media



MISSION

For individual freedom and well-being.



VALUES

Freedom and pluralism of journalism
Team play
Courage



VISION

The most exciting provider of information, service and experiences. The company sets the stage for the future of media.



STRATEGY CORNERSTONES

Growth of digital revenue in multichannel news media and digital services
Agile corporate functions and development

Sustainable media

Sustainable media cultivates traditional journalistic values while integrating broader corporate responsibility in all operations.

This is part of Alma Media's response to the challenges related to the renewal the media sector.

The elements of the digital media storm

Digital
marketing

Big data

Video

eCommerce

Mobility

Paid
content

Alma Media Digital Strategy

Maintain and build
market leader position
in chosen vertical
marketplaces
to support margins.

C-to-C ads
Value-adding services

Capitalise on the number
of visitors to Alma
Media's news sites
(raising ARPU).

Advertising sales
(media brands and network)
E-trade commissions
Cross-traffic



Transform the
publishing brands
into full-scale
multimedia solutions
to fill the client's
needs.

Mobility and versatility
Content packages
Digital content sales

Expand to new areas
and markets utilising
already gained
expertise.

Service development
M&A
Joint ventures



Implementing strategy 2013



DIGITAL GROWTH

Fostering
organic growth
in the service business.
Integration of
the acquired
businesses.

AGILE GROUP

Strategic agility.
Leadership skills.
IT systems.

DEVELOP PUBLISHING

Multimedia access to news.
Securing cash flow from the
publishing business.
Utilising the new printing
facility.

Strategic progress spring 2013

examples

PUBLISHING

- ✓ Kauppalehti's Windows application and Iltalehti's iOS application
- ✓ New Tampere printing facility in operation
- ✓ Content collaboration with newspapers of Ilkka-Yhtymä, Kaleva and Turun Sanomat.
- ✓ Monthly subscription

DIGITAL SERVICES

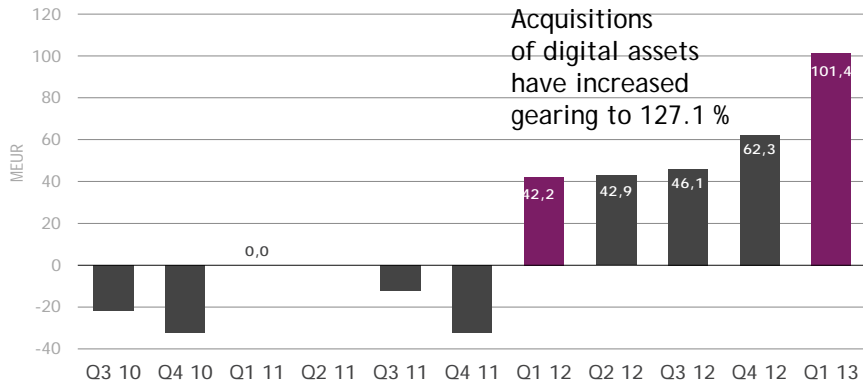
- ✓ Launch of Kauppalehti Business Information Services Procurement Search and Map Search
- ✓ Yourlapland.com launch
- ✓ Sisustusovi.com and Inspiraatiohaku services
- ✓ Teamio recruitment system (Monster and LMC) for the Finnish market
- ✓ Divesting Mascus for reasons of lacking synergies.

GROUP

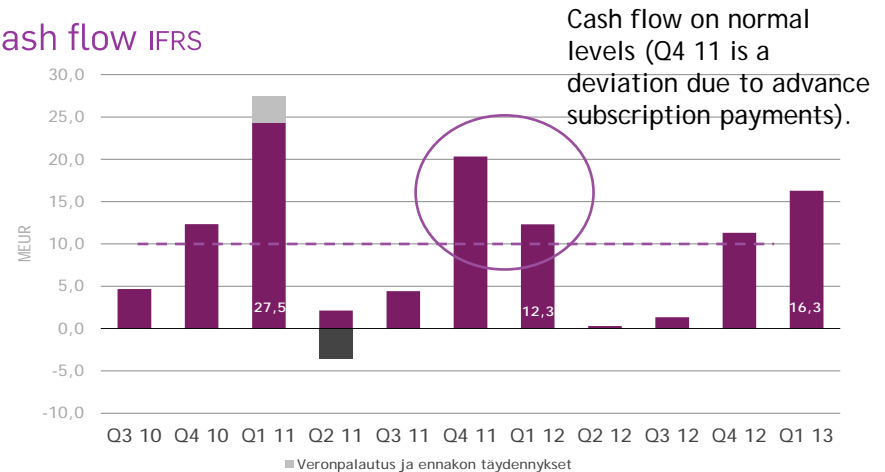
- ✓ Moving to new premises in Helsinki
- ✓ Managerial skills development programme
- ✓ IT system projects

Dividend affected by strong investment phase

Net debt IFRS



Cash flow IFRS

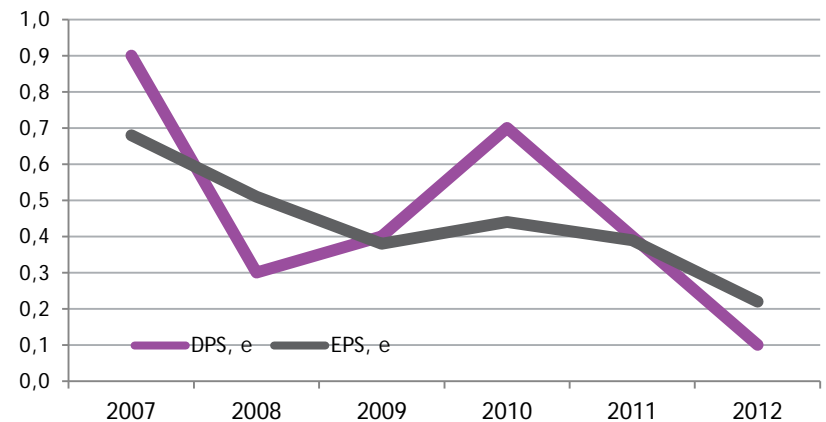


Balance sheet IFRS

MEUR	Q1 2013	Q1 2012
Intangibles and goodwill	118,0	88,2
Tangibles	85,6	43,3
Associated companies	31,7	34,5
Inventory	0,9	0,6
Receivables	37,2	39,5
Cash	15,7	28,5
Assets	289,0	234,7
Equity	79,8	69,7
Reserves-obligatory	0,4	0,9
Pension liabilities	2,8	3,0
lb debt	117,0	70,7
Non-lb debt	62,5	62,7
Advances received	26,6	27,7
Equity and liabilities	289,0	234,7

Printing facility investment now fully booked.

Dividend development

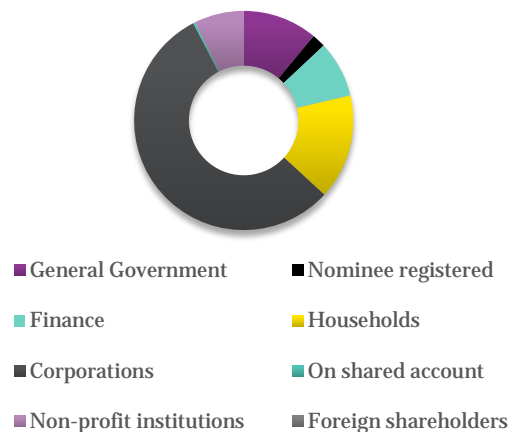


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Ownership and share facts

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

May 31, 2013

% of shares and voting rights

1.	Ilkka-Yhtymä Oyj	29.79
2.	Mariatorp Oy	10.07
3.	Kaleva Kustannus Oy	7.95
4.	Varma (mutual pension insurance)	7.06
5.	C.V. Åkerlund fund	4.53
6.	Mandatum Life (life insurance)	3.44
7.	Kaleva (mutual insurance)	2.88
8.	Oy Herttaässä Ab	2.79
9.	Tapiola (mutual insurance)	2.45
10.	Ilmarinen (mutual insurance)	1.46

See

www.almamedia.fi/calendar

for updated information on events



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For further information please go to: www.almamedia.fi/investors

Coming events for investors:

- Q2 2013 results 19 July 2013

 Quarterly

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