

ALMA MEDIA

Q1 2015

Kai Telanne, President and CEO

Juha Nuutinen, CFO

30 April 2015

@AlmaMedia_IR

29.4.2015



Agenda

Highlights

Market development

Financial development

Strategy and outlook

Q & A



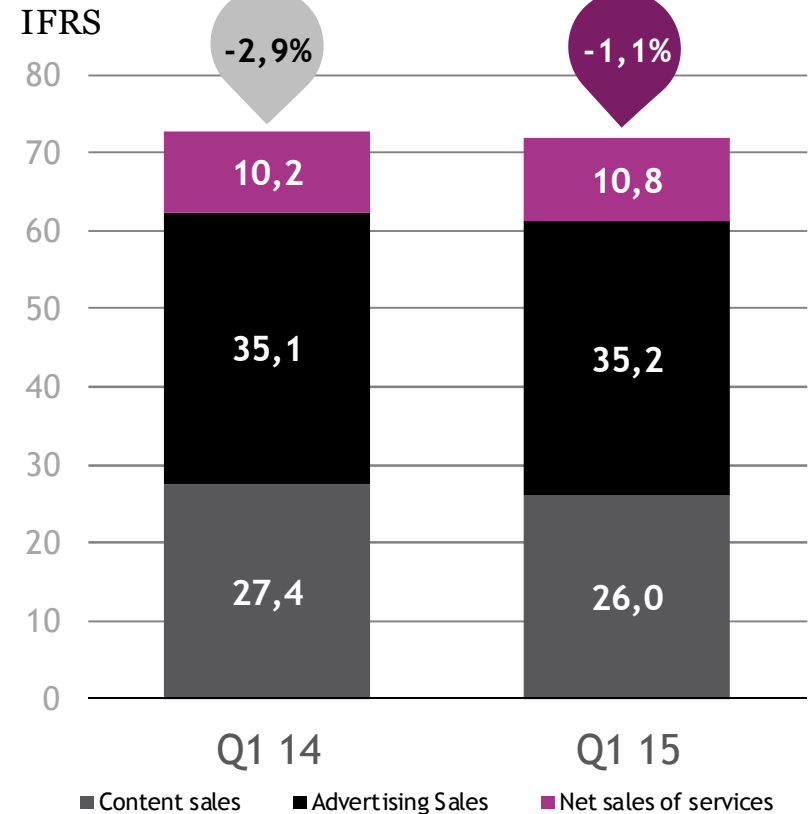
Q1/2015 highlights

- The operating environment remained challenging in the first quarter. Advertising volume declined by 2.8% year-on-year in Finland.
- Alma Media's revenue remained almost at the previous year's level. Recruitment business outside Finland continued to see strong growth at more than 18%.
- Revenue from domestic business operations declined due to the general economic situation in Finland. The result of businesses such as IL-Media and domestic digital services weakened.
- The Financial Media and Business Services segment's performance showed positive development. Advertising sales and digital content revenue grew. Kauppalehti saw its visitor numbers increase after a content renewal implemented in January.
- In the first quarter, Alma Media implemented structural reforms in order to improve the profitability of the publishing business. The company sold its newspaper business in Kainuu to SLP Kustannus Oy in March.
- 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 Q1/2015

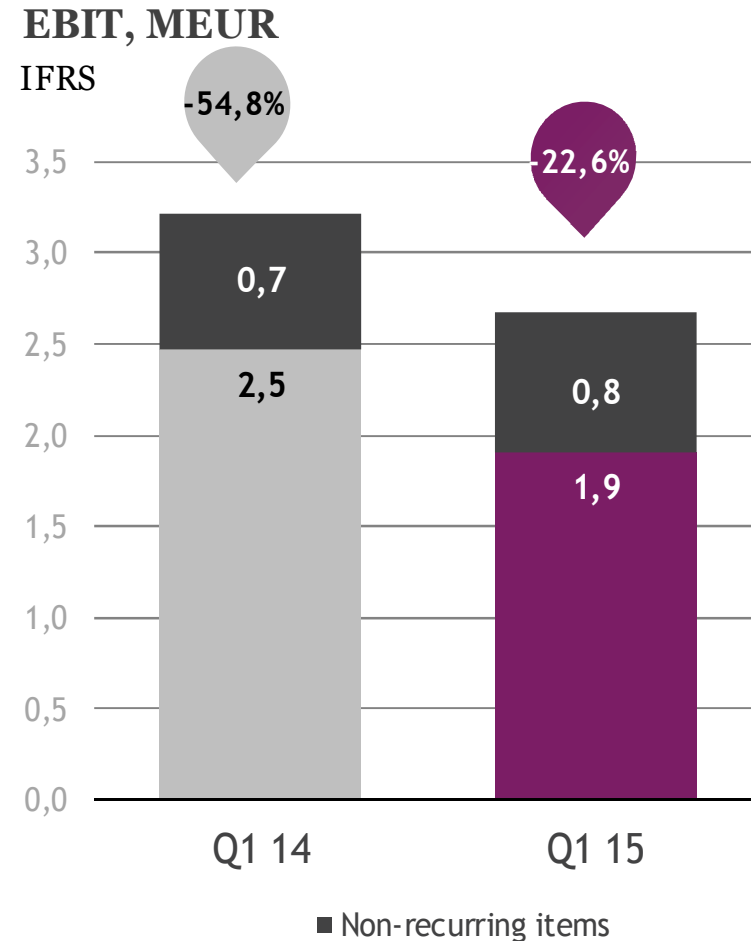
- Revenue for the quarter decreased by 1.1% to MEUR 71.9.
- Digital products and services accounted for 33.1% (32.6%) of Group revenue in the first quarter.
- Content revenue declined by 5.1%.
 - Content revenue from digital channels did not completely cover the decline in print content revenue.
- Advertising revenue increased by 0.2%.
 - Online advertising sales increased by 2.1%.
 - Advertising sales for print media decreased by 1.3%.
- Service revenue increased by 5.2% to MEUR 10.8.

Revenue, MEUR

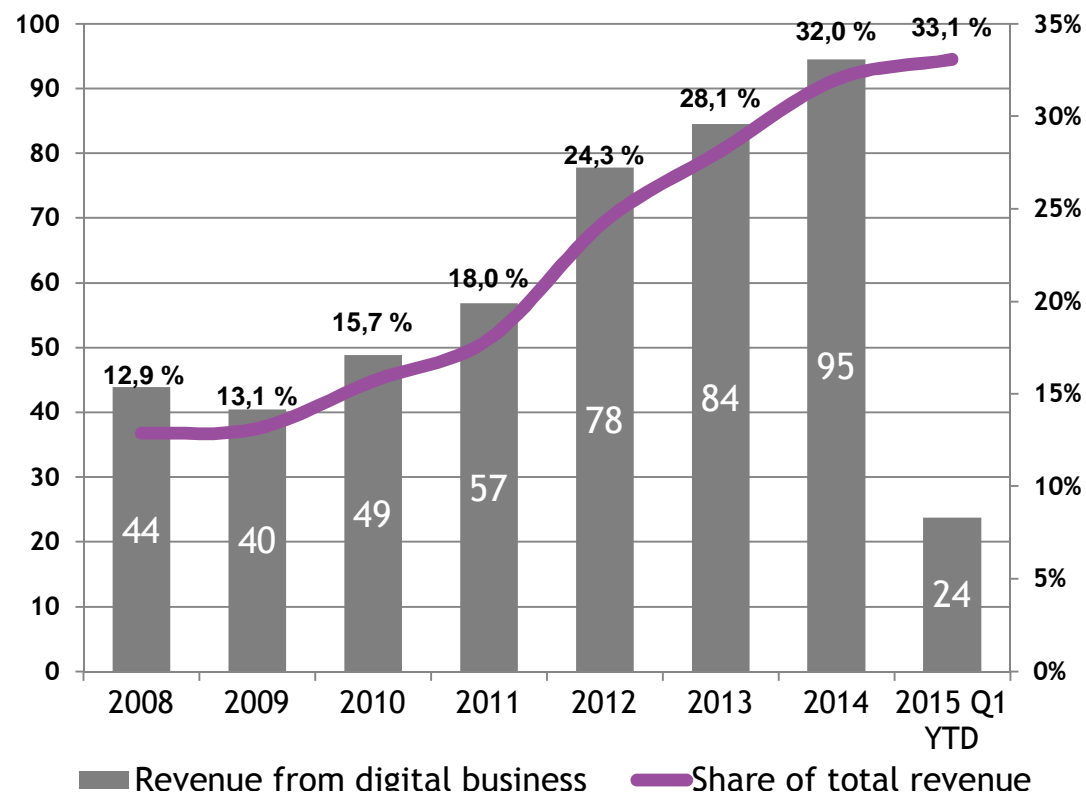


Operating profit Q1/2015

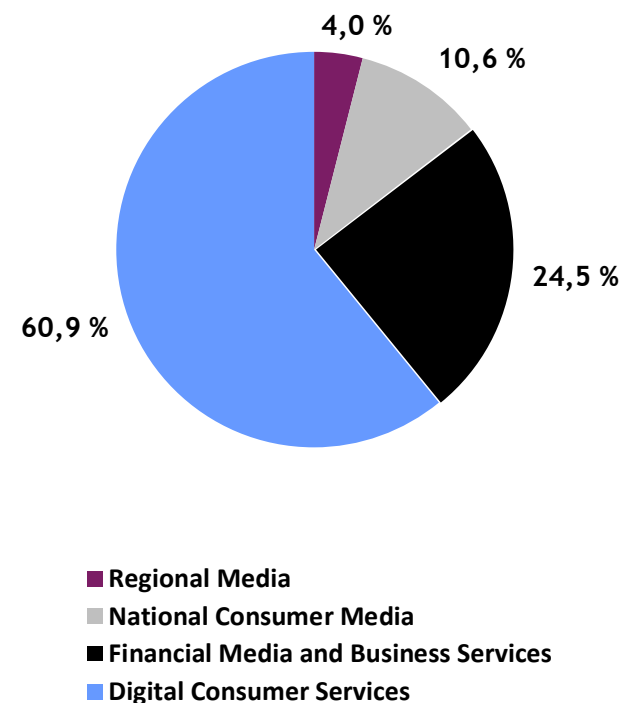
- Operating profit excluding non-recurring items decreased by 22.6% to MEUR 1.9.
- Operating profit was MEUR 2.7, or 3.7% of revenue.
 - The operating profit includes net non-recurring items in the amount of MEUR 0.8.
- Total expenses excluding non-recurring items decreased by 0.5% year-on-year to MEUR 70.0.



Growth in digital business



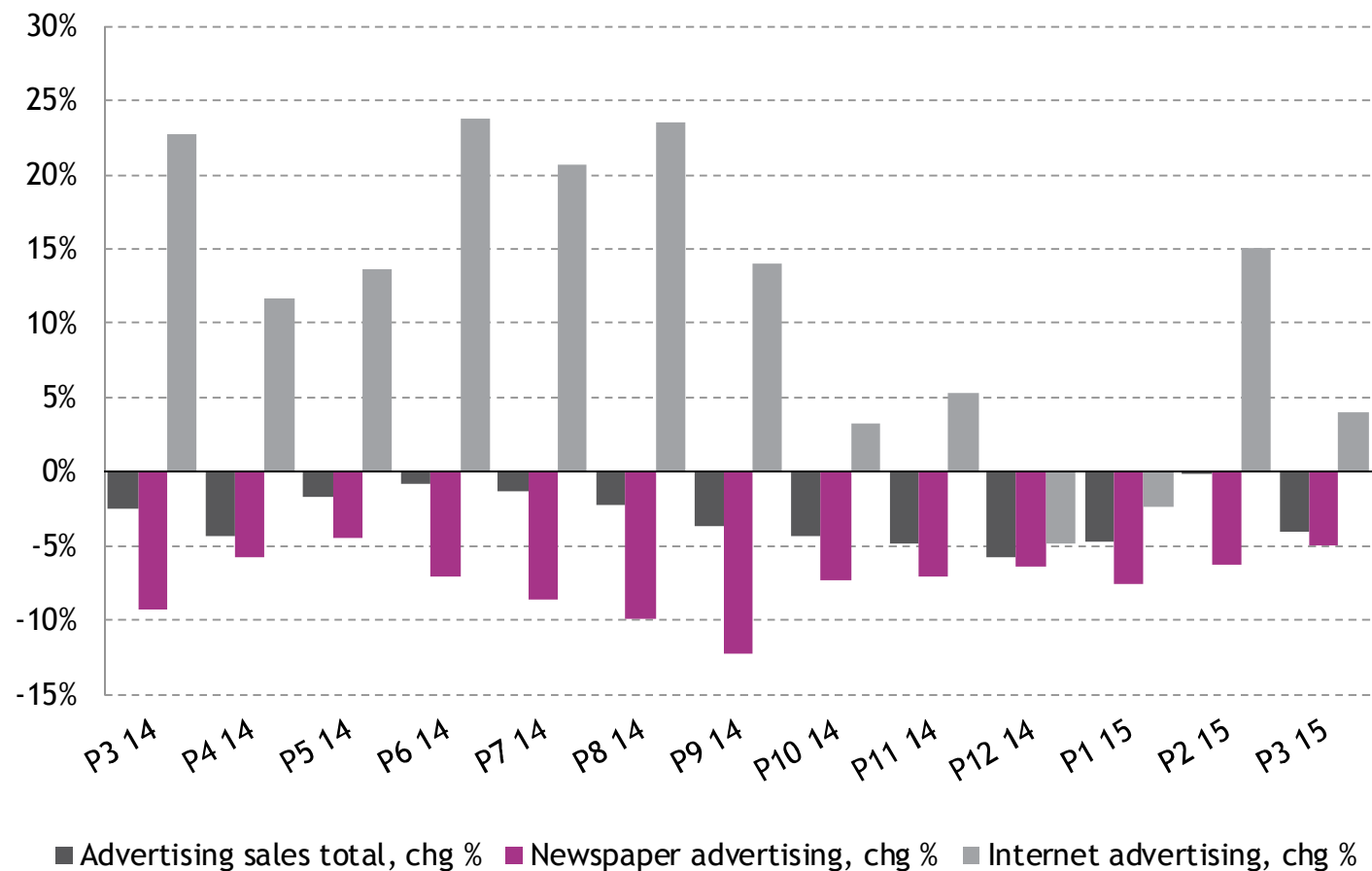
Segment's share of the Group's digital revenue



A photograph of a person's hands holding a smartphone horizontally, with the screen glowing white. The background is dark and out of focus, showing bokeh light effects from what appears to be an indoor event or stage. The text 'MARKET DEVELOPMENT IN FINLAND' is overlaid in white, bold, sans-serif font on the left side of the image.

MARKET DEVELOPMENT IN FINLAND

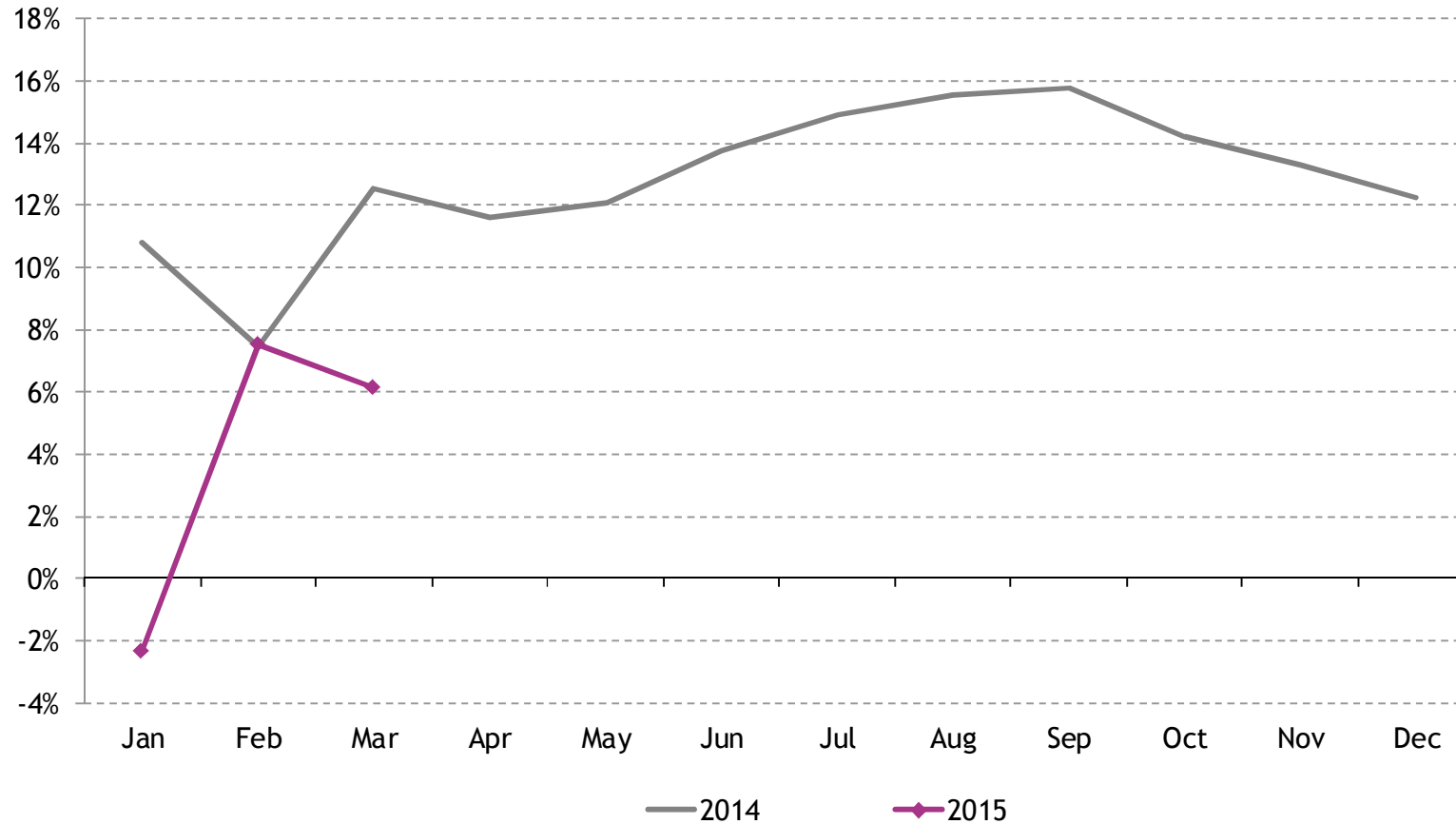
Change in advertising 3/2014 – 3/2015



Source: TNS Media Intelligence

Growth in digital advertising slowed down

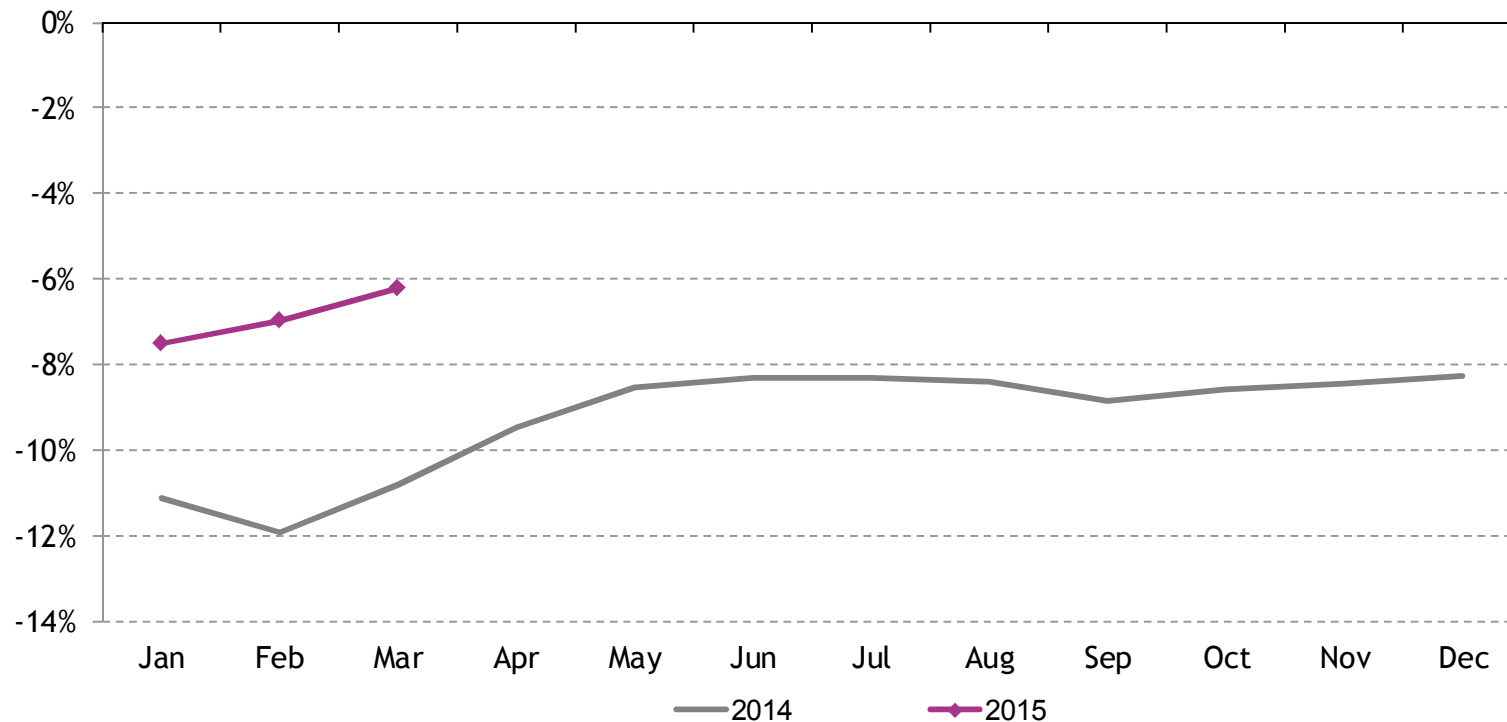
YTD change from previous year, %



Source: TNS Media Intelligence

Advertising volume decline in printed newspapers* slowed down

YTD change from previous year, %

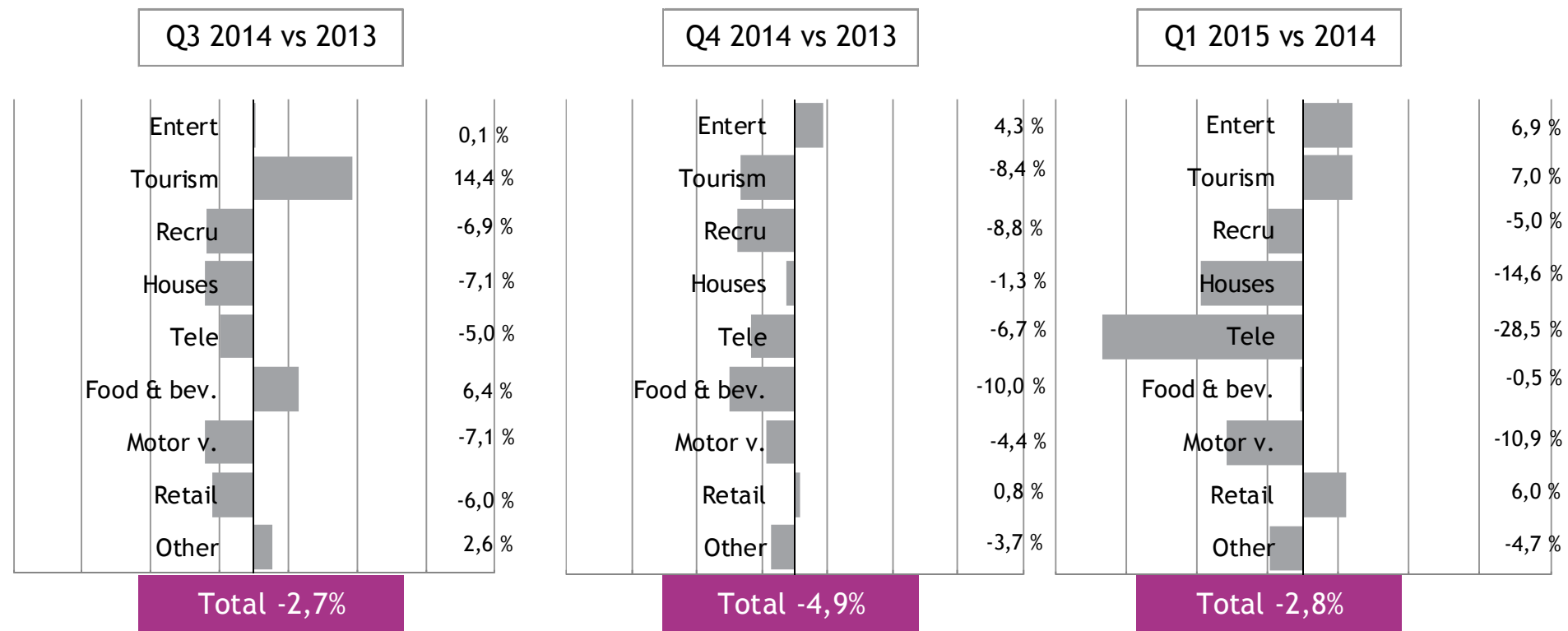


Source: TNS Media Intelligence

* Newspapers, local and free issue papers

Advertising volume turned positive in some industries

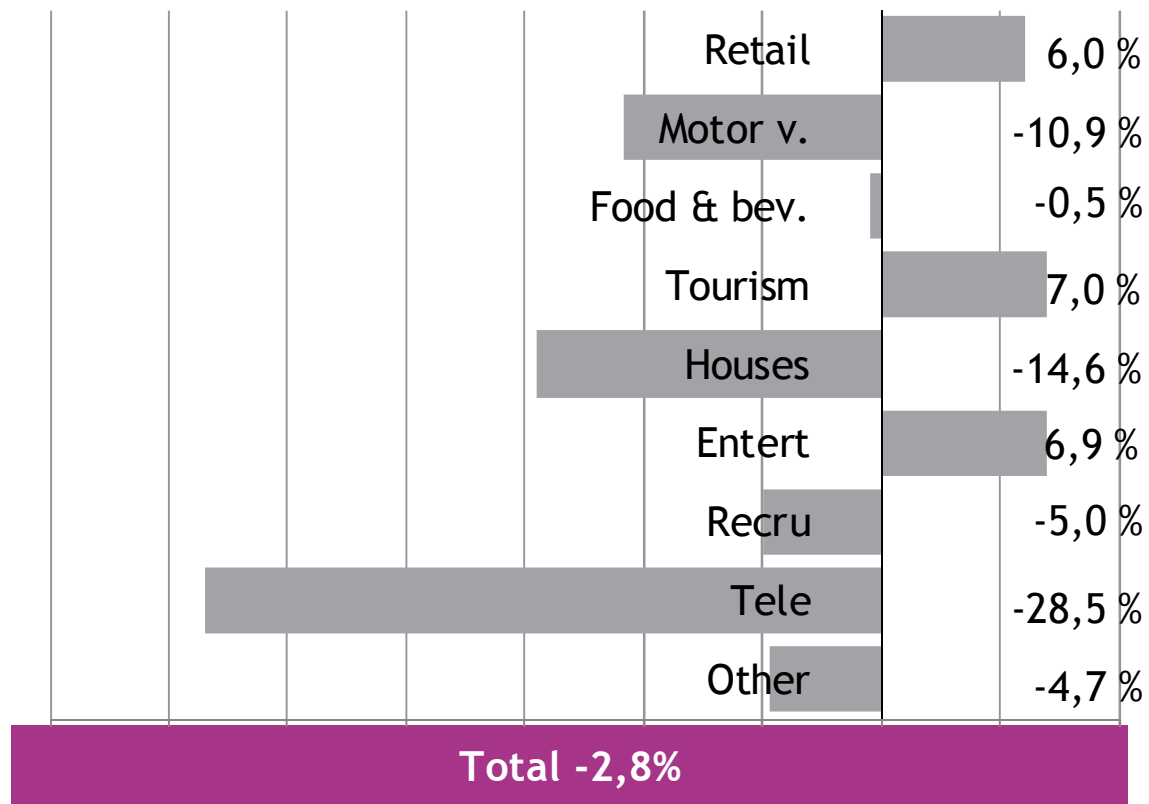
Total market, change from previous year



Source: TNS Media Intelligence

Change in advertising by industry

Total market, change from Q1 2014



Advertising in Q1 15	MEUR
Retail	50
Motor vehicles	22
Food & beverages	21
Tourism and traffic	12
Houses and premises	10
Entertainment	10
Recruiting	9
Telecommunications	4
Other	89
Total	227

Source: TNS Media Intelligence

An aerial photograph of the Shanghai skyline, featuring the Oriental Pearl Tower and the Bund. The image is hazy, suggesting a misty or smoggy day. The text "FINANCIAL REVIEW" is overlaid in white, bold, sans-serif font on the left side of the image.

FINANCIAL REVIEW

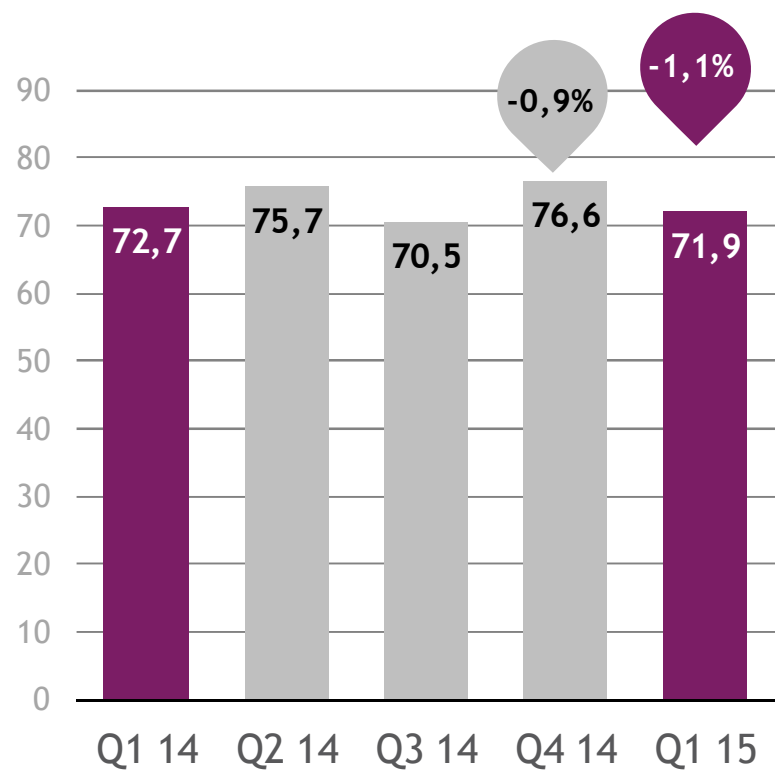
Juha Nuutinen, CFO

Long-term financial targets

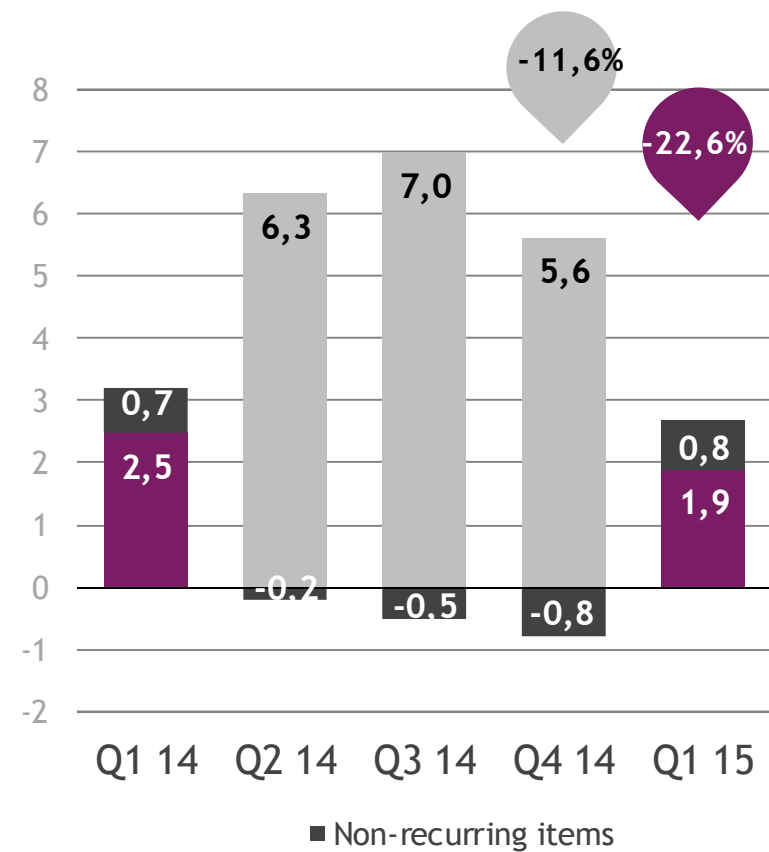
Alma Media's financial targets	2011	2012	2013	2014	2015 Q1	Target level
Digital business growth	16.3%	36.8%	8.4%	11.9%	0.3%	> 15%
Return on Investment (ROI), %	26.1%	13.8%	10.0%	9.7%	5.5%	> 15%
Dividend payout ratio*	103%	45%	50%	63%	n/a	> 50%

Operating profit decreased in Q1

Revenue, MEUR

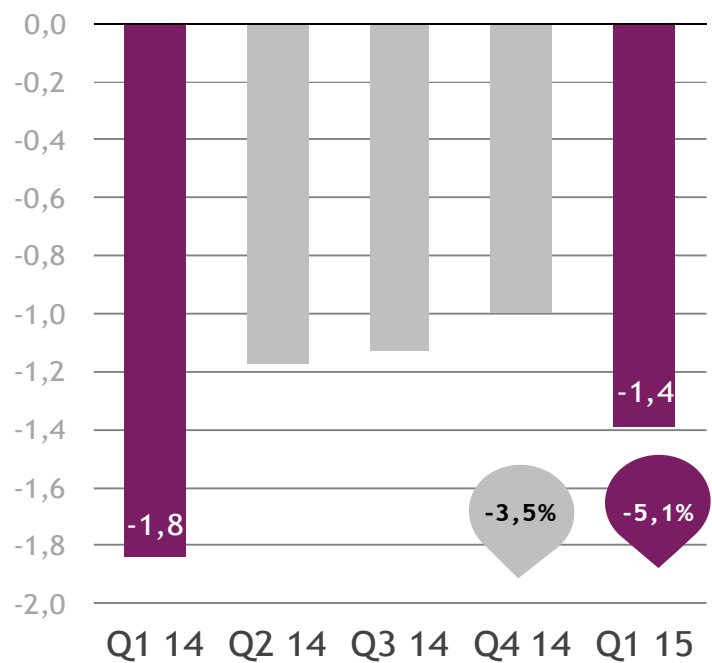


EBIT, MEUR

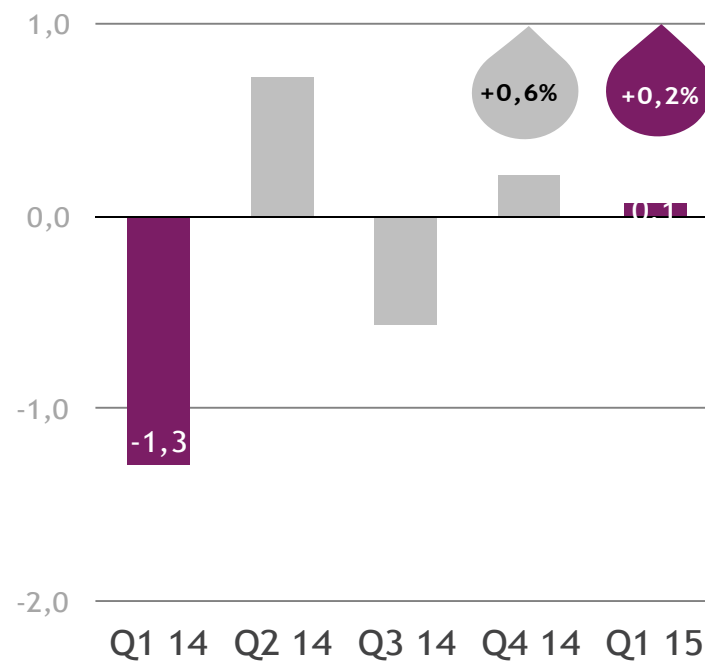


Content revenue declined, advertising sales on a par with the previous year

Content revenue, MEUR



Advertising sales, MEUR

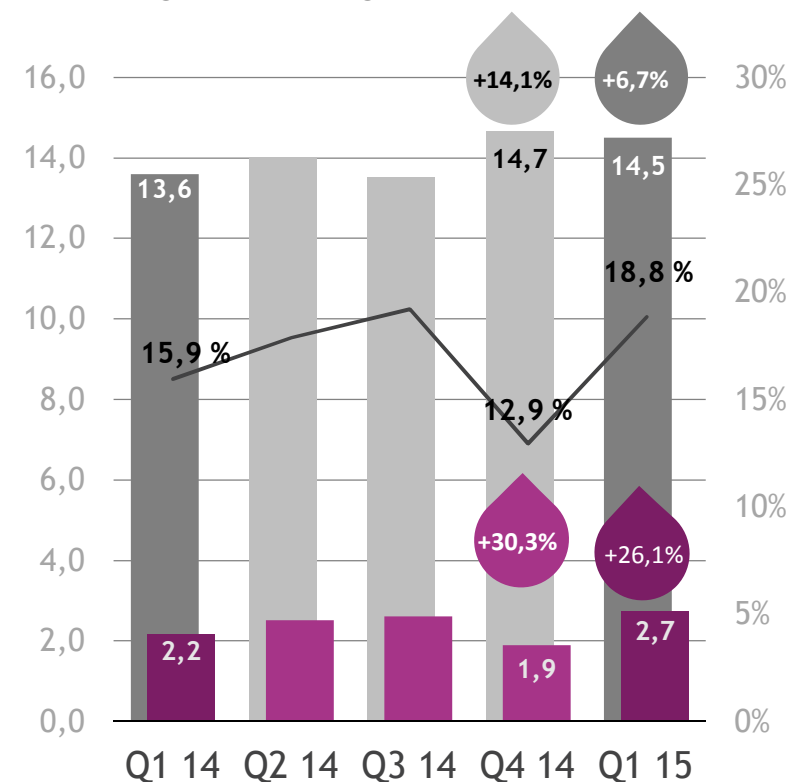


Digital Consumer Services Q1/2015

- Revenue grew by 6.7% to MEUR 14.5.
 - Revenue from operations in Finland decreased by 2.2% due to the weak market situation.
 - The City24 business reported previously under this segment was divested in November 2014. The effect of the divested business was MEUR 0.4 on the segment's revenue and MEUR -0.1 on the segment's operating profit in the comparison period.
- Recruitment service revenue increased by 14.6% and accounted for 73.3% of the segment's revenue.
- Total expenses excluding non-recurring items were MEUR 11.8.
- The operating profit was 2.7 MEUR. No non-recurring expenses were reported during the review period.

Revenue and operating profit, MEUR & %

Excluding non-recurring items



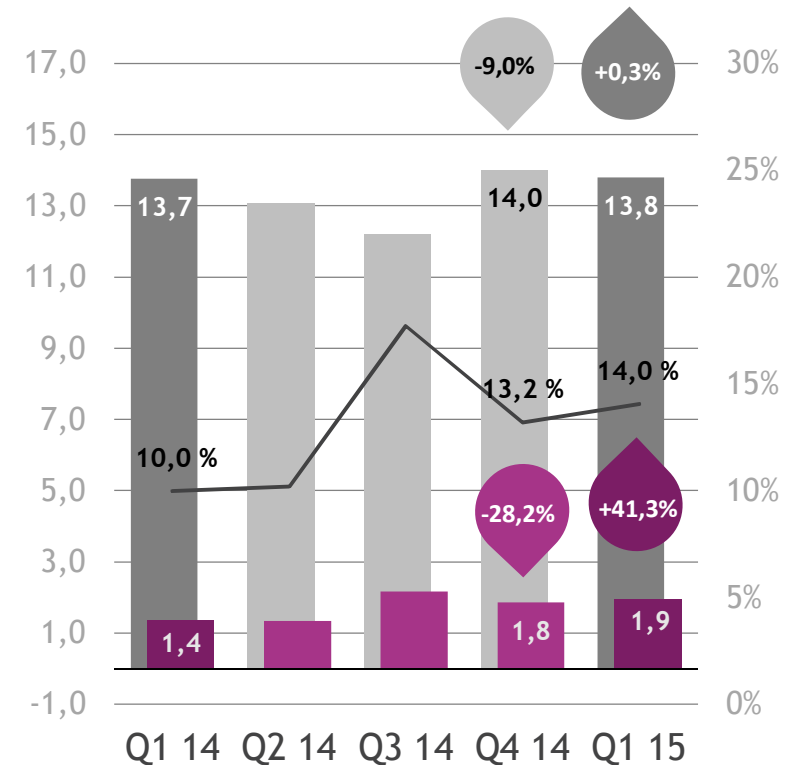
Financial Media and Business Services

Q1/2015

- Revenue grew by 0.3% to MEUR 13.8.
 - Digital business accounted for 42.2% of revenue.
- Content revenue was on a par with the comparison period at MEUR 4.0.
 - Kauppalehti's digital content revenue grew by 14.5%.
- Advertising sales increased by 4.4% due to positive development in March.
- Service revenue decreased to MEUR 5.8.
 - The acquisition of JM Tieto had an effect of MEUR 0.8 on service revenue. The divested BNS business had an effect of MEUR 0.7 on service revenue in the comparison period.
- Total expenses excluding non-recurring items decreased by 4.4%.
- Operating profit excluding non-recurring items increased by 41.3%.
 - A sales gain of MEUR 0.6 related to the acquisition of JM Tieto, implemented in stages, was reported as a non-recurring item for the period.

Revenue and operating profit, MEUR & %

Excluding non-recurring items

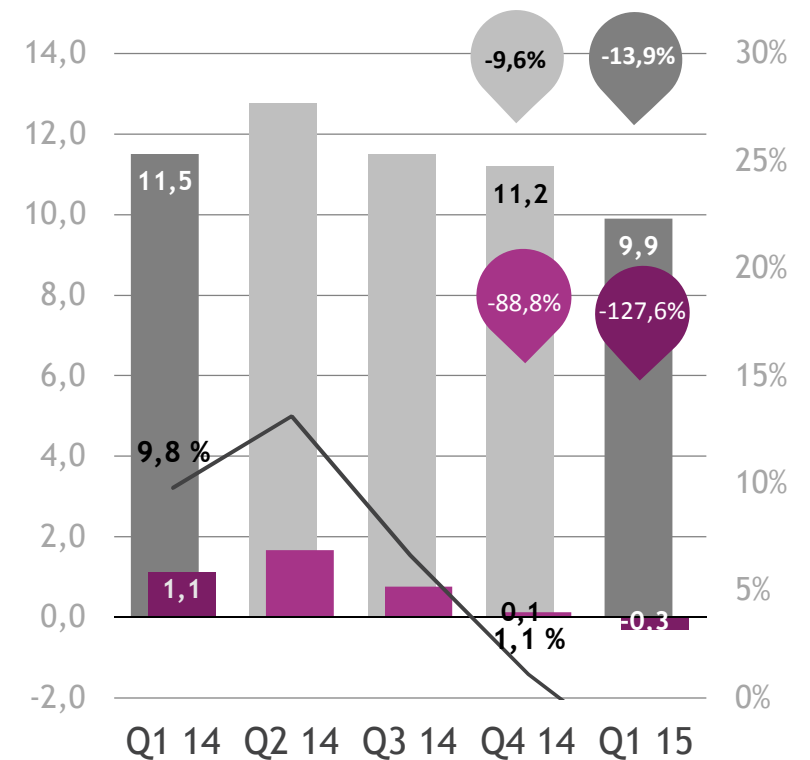


National Consumer Media Q1/2015

- Revenue declined by 13.9% to MEUR 9.9.
 - Online business accounted for 25.5% of the segment's revenue.
- Content revenue decreased by 6.9% due to a decline in Italehti's circulation.
- Advertising sales decreased by 24.6%.
 - Online advertising sales decreased by 25.2%. Social media channels put downward pressure on digital advertising prices in Finland.
 - Advertising sales for print media decreased by 23.0%
- Total expenses excluding non-recurring items decreased by 1.5% to MEUR 10.2.
 - A decrease in printing and distribution costs contributed to the decline in total expenses.
- Operating profit declined to MEUR -0.3.
 - No non-recurring expenses were reported during the review period.

Revenue and operating profit, MEUR & %

Excluding non-recurring items

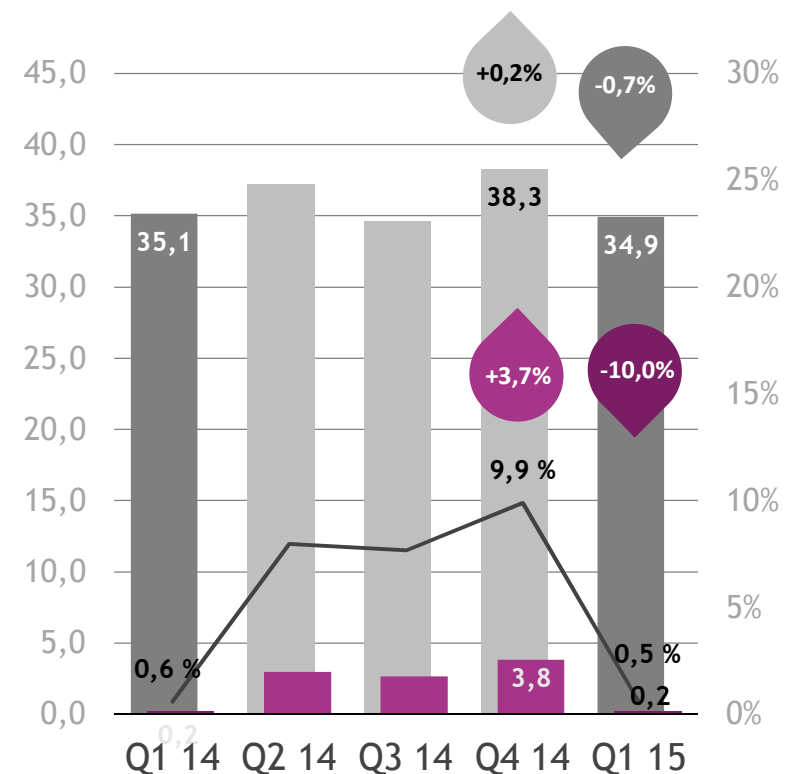


Regional Media Q1/2015

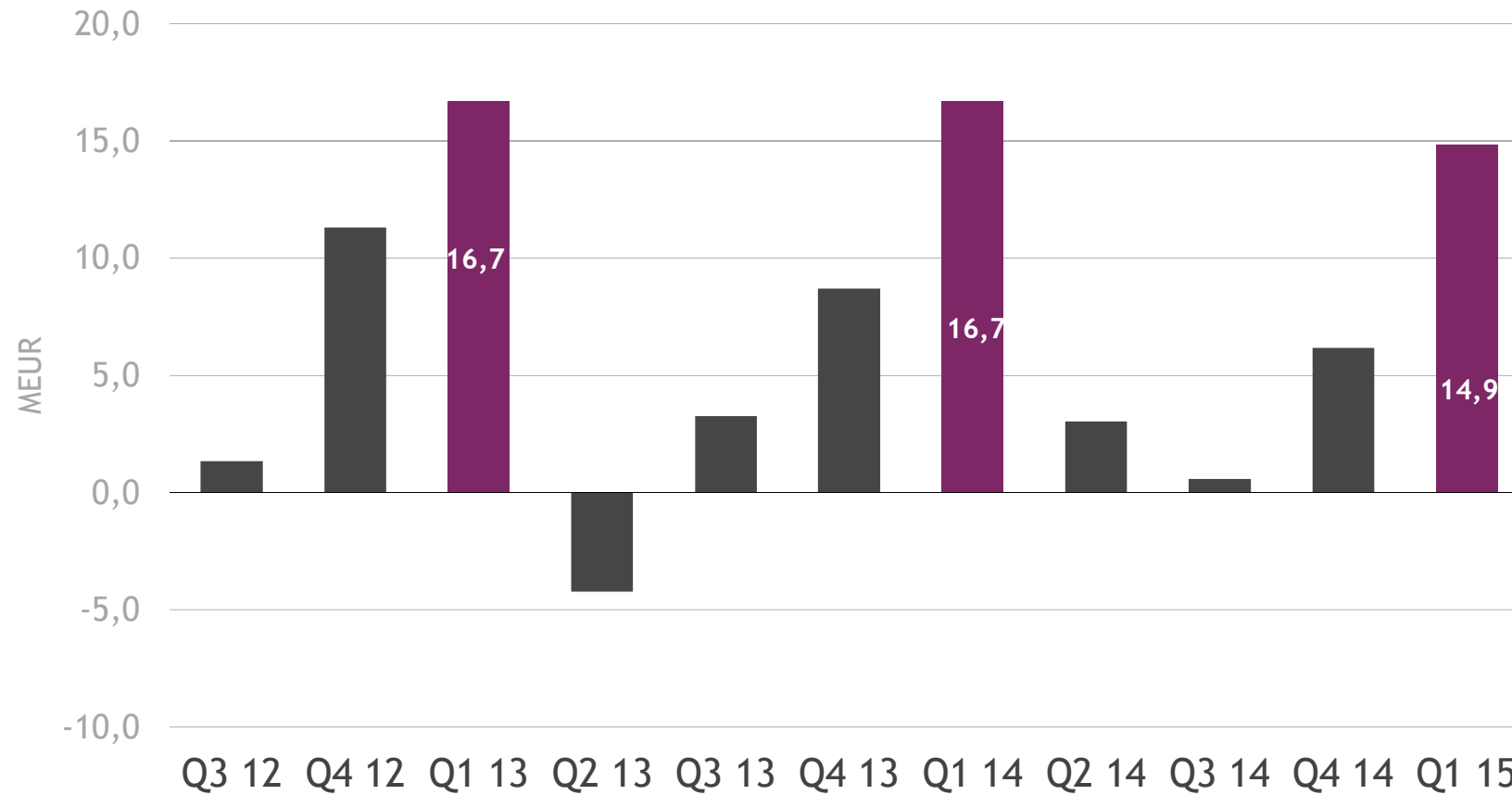
- Revenue was MEUR 34.9.
 - Digital business accounted for 2.7% of revenue.
 - The sold Kainuu business had an effect of MEUR 0.9 on revenue.
- Content revenue declined by 5.1%.
- Advertising sales decreased by 0.3%.
 - Online advertising sales increased by 11.2%.
 - Excluding the effect of the divested Kainuu business, advertising sales for print media also increased.
- Service revenue increased by 15.8%.
- Total expenses declined to MEUR 34.8 as a result of efficiency improvement measures for newspapers and printing operations.
- Operating profit excluding non-recurring items was on a par with the comparison period at 0.2 MEUR.
 - The non-recurring items in the review period were mainly related to a sales gain on real estate and operational restructuring costs.

Revenue and operating profit, MEUR & %

Excluding non-recurring items

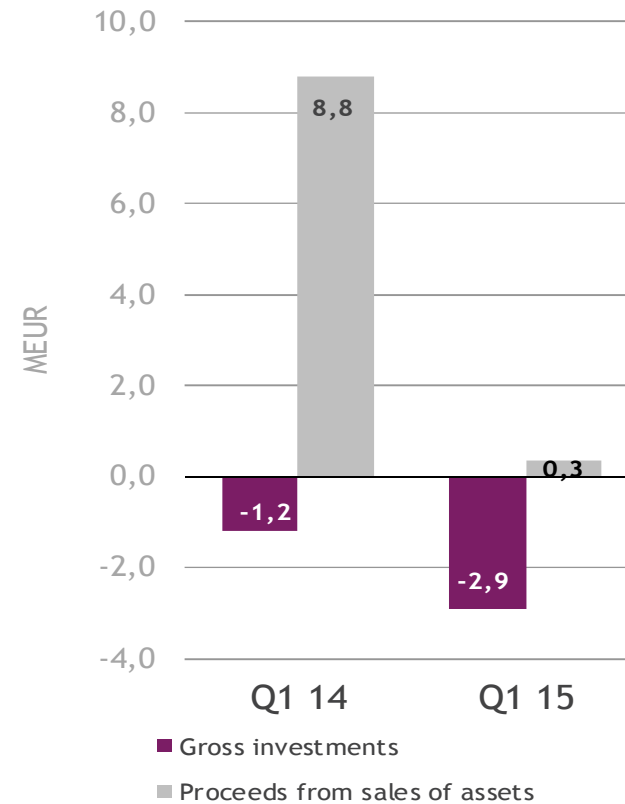
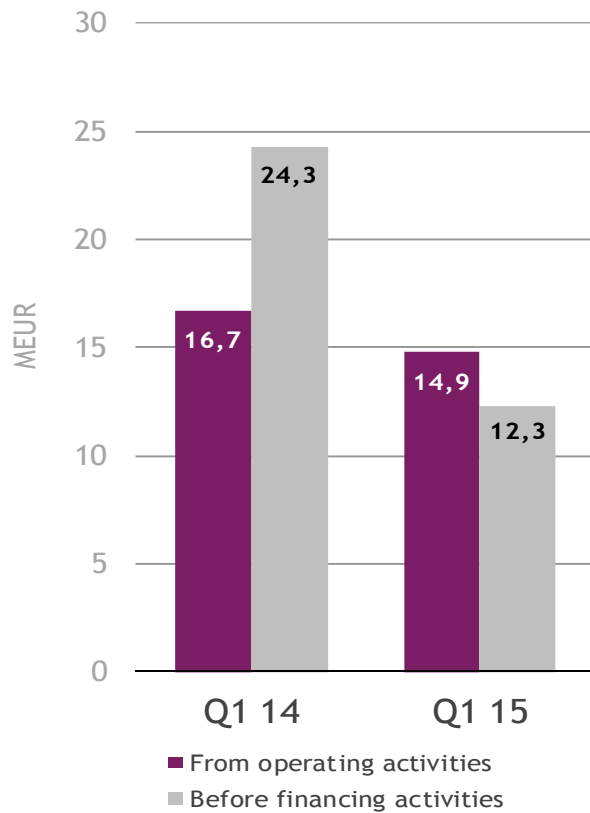


Cash flow from operating activities



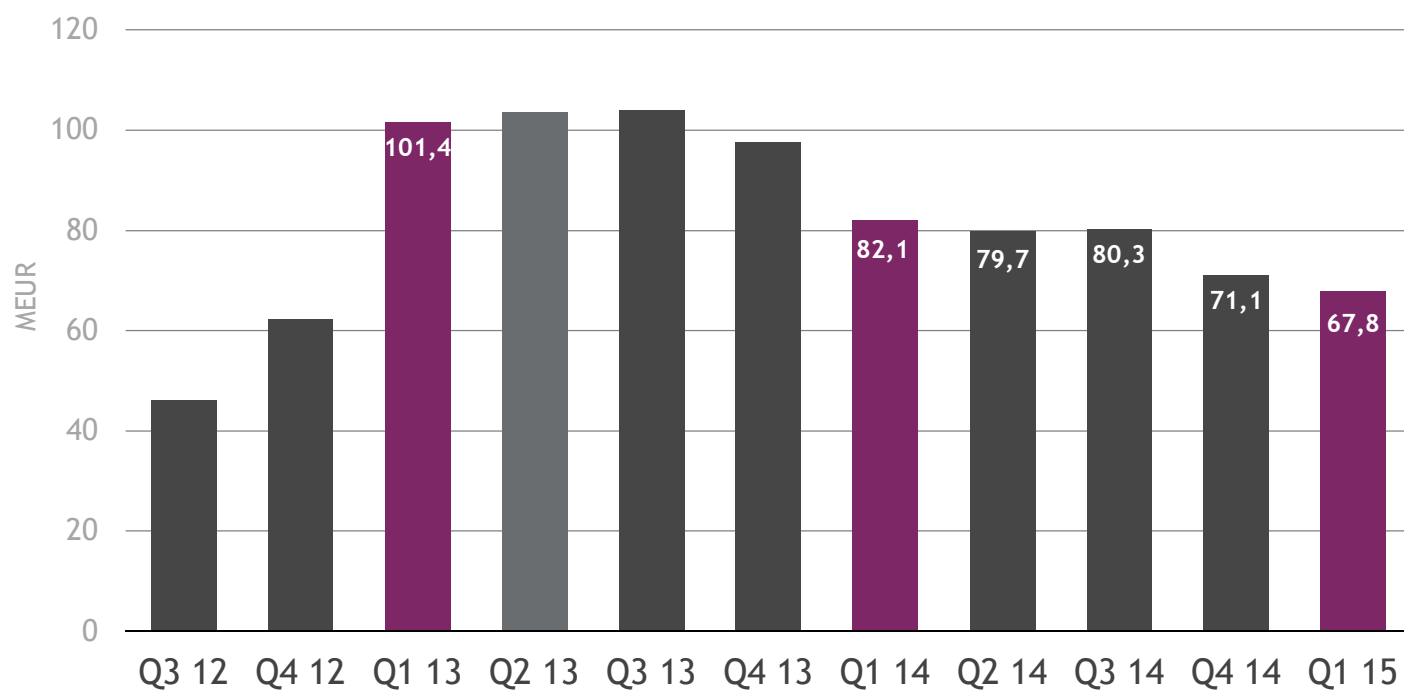
Cash flow and capital expenditure

IFRS



Interest-bearing liabilities

Net debt Q3/2012–Q1/2015



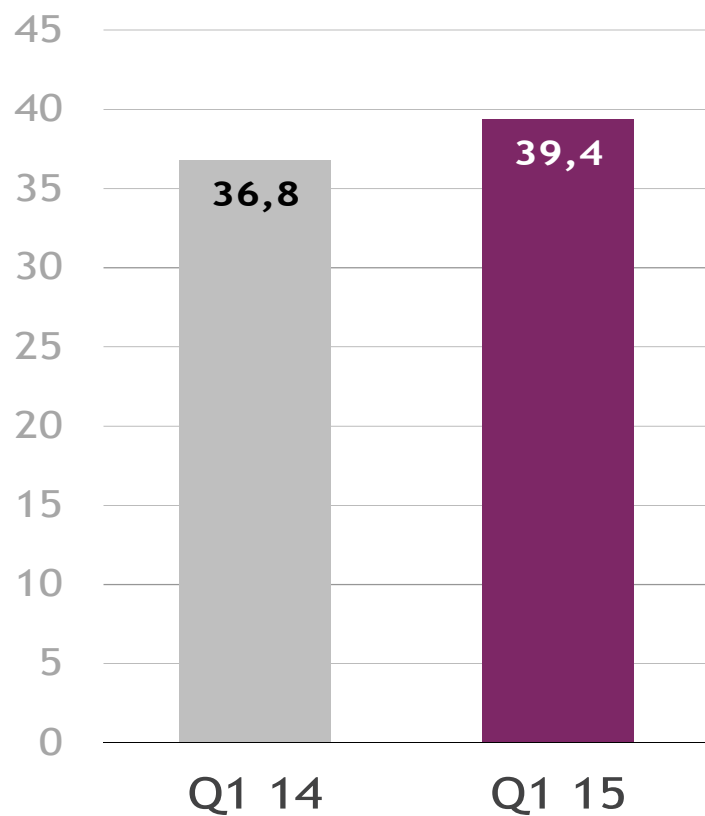
Net debt distribution

	Q1/2015
Financial leasing	68.5
Financial loans	8.0
Commercial papers	8.0
Cash and cash equivalents	-16.7
Total	67.8

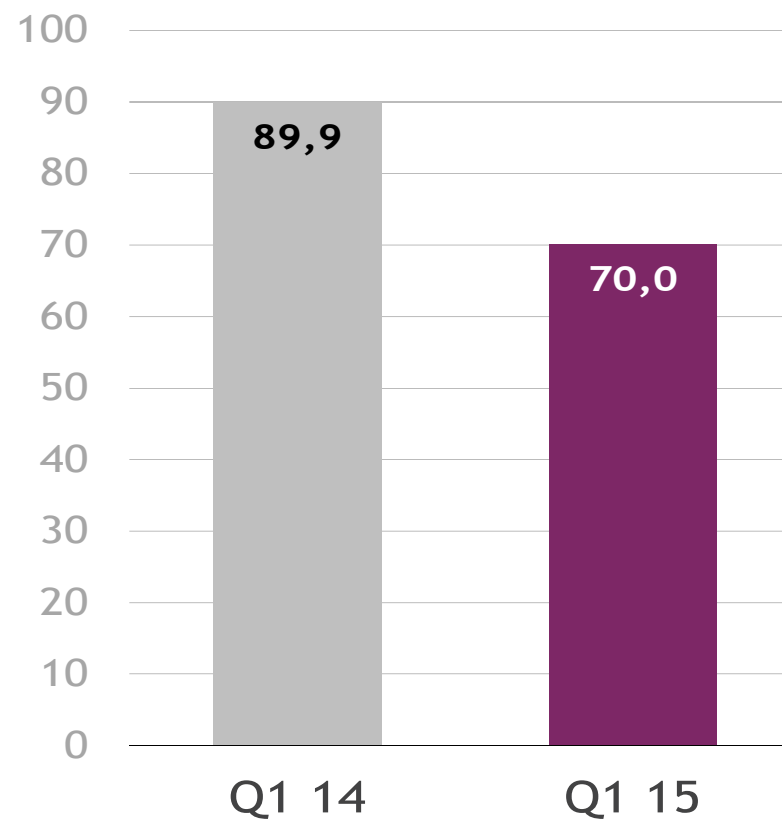
Key indicators

IFRS

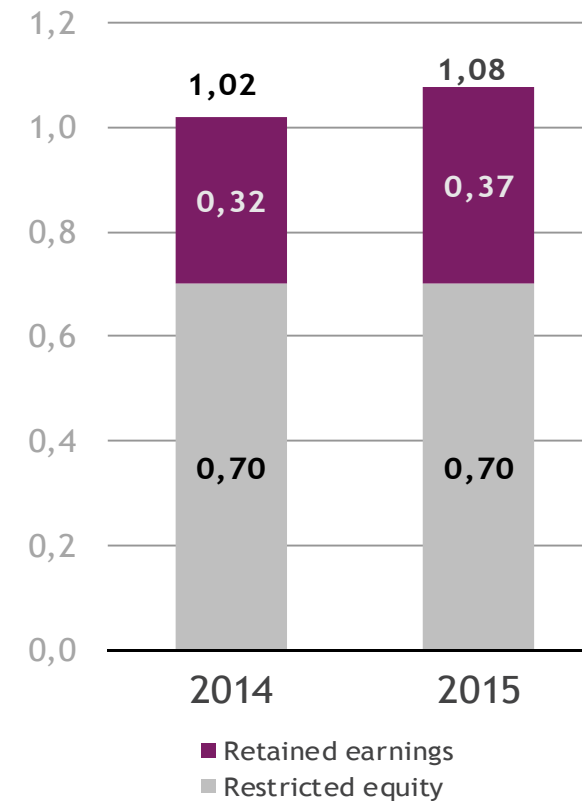
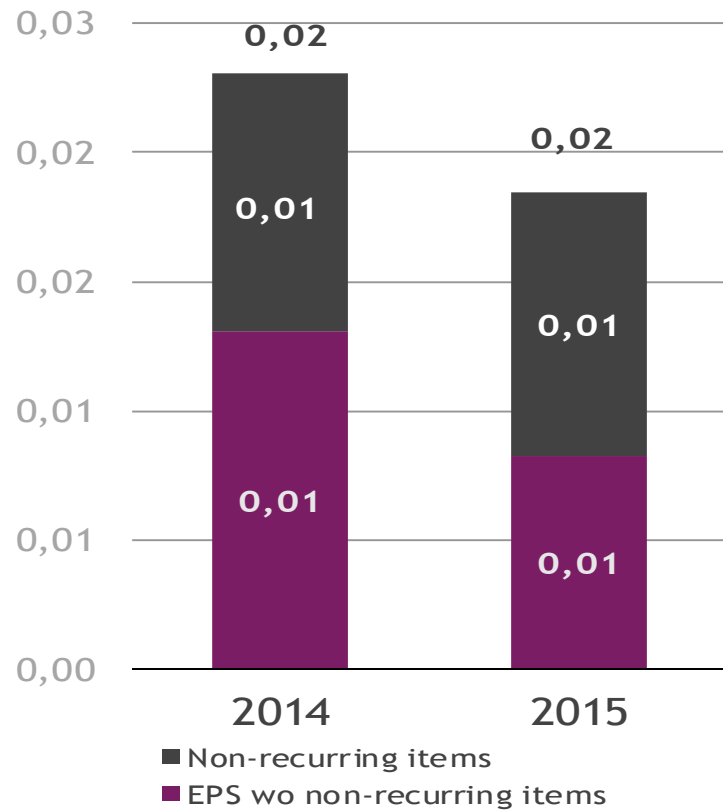
Equity ratio, %



Gearing, %



Earnings per share and equity per share



Balance sheet

MEUR	Q1 2015	Q1 2014
Intangibles and goodwill	112,5	112,8
Tangibles	74,8	84,8
Associated companies	24,7	25,5
Inventory	1,0	1,2
Receivables	37,7	34,5
Cash	16,7	13,9
Assets	267,4	272,6
Equity	96,8	91,3
Reserves-obligatory	0,3	4,1
Pension liabilities	2,7	2,6
Ib debt	84,5	95,9
Non-Ib debt	61,6	54,1
Advances received	21,4	24,6
Equity and liabilities	267,4	272,6



STRATEGY AND OUTLOOK

Kai Telanne

The focal points of the implementation of the strategy

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

Revamped Kauppalehti.fi attracts a record number of visitors

- New features at Kauppalehti.fi:
 - Users can choose feeds to be displayed in the “KL Now” section: news, quick news, stock exchange releases and, in the future, press releases.
 - The international news offering has been expanded: articles from Financial Times, the Harvard Business Review and The New York Times are available in their original language.
- The renewal of Kauppalehti.fi will continue with a redesign of the stock exchange section.
- New visitor record in week 10: weekly reach 744,000





MARKETING SOLUTIONS

Programmatic buying channels and a new measurement method

- New programmatic buying channels were launched for advertisers to enhance digital advertising buying processes and efficiency.
- Alma Media's media adopted TNS Metrix's new measurement method for monitoring visitor numbers in online media.
 - More reliable data on the numbers of visitors to online services.
 - The participants in the planning process included Alma Media, Sanoma Media Finland, Yleisradio and MTV.



The screenshot shows the TNS Metrix website interface. At the top, there is a navigation bar with links: Viikkolista, Tiedotteet, Käyttöohje, TNS Gallupin online-mittaus ja yksityisyyden suoja, and Liity TNS. Below the navigation bar is the TNS logo. The main heading is 'SUOMEN WEB-SIVUSTOJEN VIIKKOLUVUT'. There are three dropdown menus: 'Viikko : 2015/16', 'Kategoria : -Kaikki-', and 'Aikajakso: Viikko (ma-su)'. Below these is a table with columns: Sivusto, Viikkotavoitavuusluku, %, Selaimet, %, Käynnit, %, and Siv. The table lists 10 websites with their respective statistics and trends.

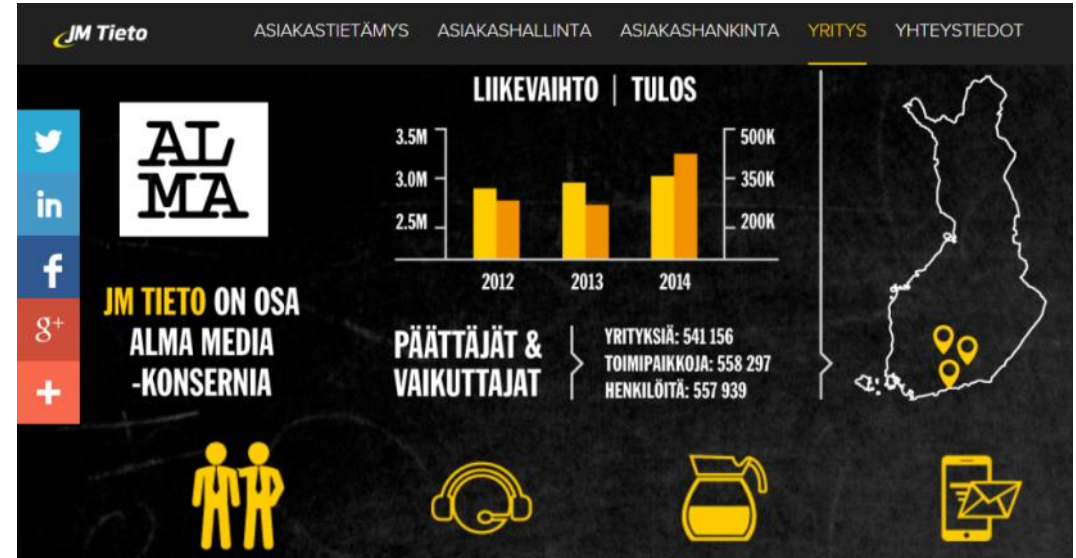
		Sivusto	Viikkotavoitavuusluku ↓	%	Selaimet	%	Käynnit	%	Siv
1	+	Iltä-Sanomat	2 242 000	4.2 ↑	6 255 726	3.2 ↑	27 827 969	4.7 ↑	
2	↑	Yle	2 105 000	13.7 ↑	4 168 149	14.1 ↑	10 723 370	13.2 ↑	
3	↓	Iltalehti	1 943 000	-0.2 ↓	6 299 203	6.4 ↑	23 919 923	1.7 ↑	
4	+	Helsingin Sanomat	1 800 000	3.3 ↑	3 649 119	7.0 ↑	8 599 282	9.4 ↑	
5	+	MTV	1 655 000	0.3 ↑	3 625 256	5.7 ↑	10 785 852	7.6 ↑	
6	+	Suomi24	946 000	3.4 ↑	1 720 405	-0.6 ↓	3 795 120	1.4 ↑	
7	+	Taloussanomat	884 000	8.6 ↑	1 287 000	11.4 ↑	2 645 986	19.5 ↑	
8	+	Nelonen Media	726 000	-6.7 ↓	1 353 263	-4.5 ↓	2 727 164	-5.0 ↓	
9	↑	Fonecta.fi	646 000	5.6 ↑	837 321	3.9 ↑	1 153 155	6.0 ↑	
10	↑	Kauppalehti.fi	636 000	16.3 ↑	1 132 760	20.0 ↑	2 753 314	31.5 ↑	

DIGITAL SERVICES



Alma Media acquires JM Tieto

- Alma Media acquired the entire share capital of JM Tieto Oy in the first quarter.
- JM Tieto specialises in building marketing and sales concepts for B2B companies.
- Its offering combines register and analytics services and new business acquisition services in addition to CRM and marketing technologies.
- JM Tieto will be reorganised to form part of Kauppalehti Information Services' operations in spring 2015.



Meedio.fi renewed in February

- Going forward, the focus of Meedio.fi will be on bringing special offers, such as those typically seen in print media, together in a single online service.
- The online service offers small and medium-sized businesses a simple tool for advertising special offers online without using middlemen.
- In addition to displaying special offers at Meedio.fi, businesses can buy additional visibility for their offers on Alma Media's other online services and monitor the effectiveness of their special offer advertising in real time.
- Meedio is also going from digital to print. Businesses can buy additional visibility for their offers in Alma Media's newspapers via the Meedio offer page. The first newspaper included in the service is Porilaine, from 2 April onwards.

meedio.fi



Alma Career launches Palkkadata.fi

- Palkkadata.fi offers users the opportunity to compare their pay with that of other people in similar jobs.
- The tool was developed by Profesia, spol. s r.o. (Alma Career). The same service is available via Alma Media's recruitment services in several different countries.
- In the future, the data collected via Palkkadata.fi can also be used to offer reports to consumers and businesses for a fee.
- Palkkadata.fi was launched in cooperation with Iltalehti in February. More than 40,000 pay data entries were collected in the first 24 hours.
- The pay data will be used by Iltalehti and Monster to produce interesting content related to work life.



54 941 vastaajaa



RESOURCES AND EXPERTISE

Changes in the regional and local newspaper field

- Kainuun Sanomat, the town paper Koti-Kajaani and three local papers transferred to SLP Kustannus Oy in February.
- In addition, the Koti-Lappi newspaper published in Kemijärvi was sold to SLP Kustannus Oy on 14 April.
- Alma Media is also planning to consolidate the operations of its newspapers in Lapland
 - From June 2015, one 6-day newspaper, Lapin Kansa, would be published in Lapland. Another edition, with partly different contents, called Pohjolan Sanomat, would be distributed in the Kemi–Tornio region.
 - These planned structural changes are aimed at improving the sustained poor financial situation of the newspapers.



Alma Media joins the Star-Tap programme

- Alma Media and DNA have joined KoppiCatch Oy's acceleration programme Star-Tap focusing on digital service innovations.
- The programme seeks growth companies to partner with the participating companies, particularly to generate new digital advertising solutions, develop audience measurement methods for multi-channel media, and create new innovations that combine online retail and media.
- The programme is not primarily aimed at capital investments. Instead, it is focused on product development, subcontracting and retail cooperation on commercial terms.



Outlook

30.4.2015

- 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!

Upcoming events in the investor calendar:
Q2 result 21 July 2015

