

# Balance Analysis

**Alma Media group**

Financial statements 2004/12

[www.almamedia.fi](http://www.almamedia.fi)

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# Balance Analysis

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Company : Alma Media group

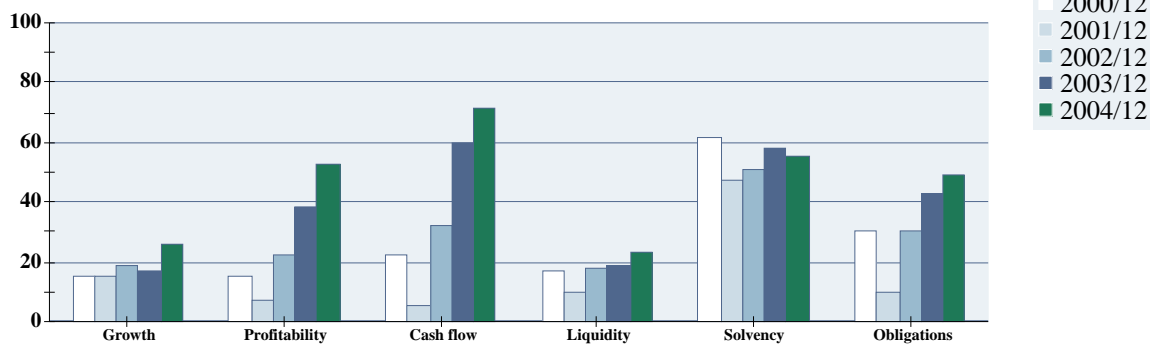
Classification branch : Publishing, printing and reproduction of recorded media (22)

## Overall classification of the company: B- (Satisfactory)

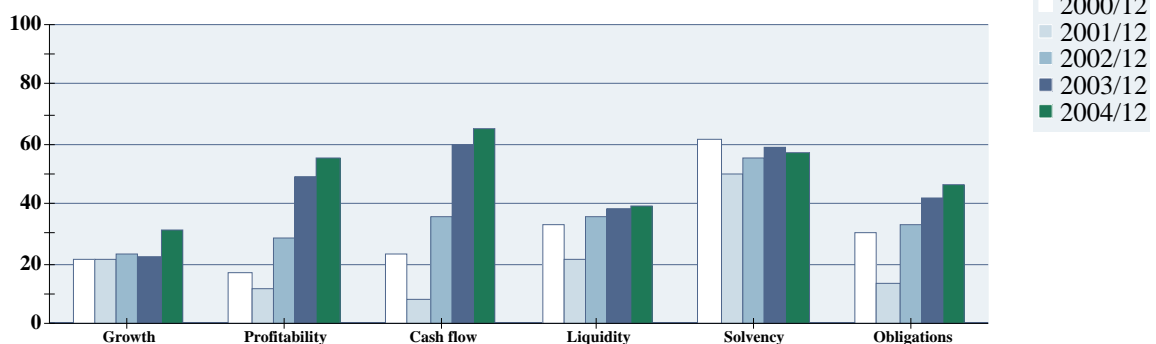
Sector of evaluation	Comparison to all	Comparison to branch
Growth	26	31
Profitability	53	55
Cash flow	71	65
Liquidity	23	39
Solvency	55	57
Obligations	49	46
Rating points	46.2	48.8

	2000/12	2001/12	2002/12	2003/12	2004/12
Overall rating points	28.9	18.2	32	42.1	47.5
Overall rating	C	C-	C+	B-	B-
Branch rating	B-	B-	B-	B-	

### Performance against all companies



### Performance against industry



**Address** Eteläesplanadi 14, PL 140  
00101 Helsinki

**Telephone** 010665000

**Business ID** 14495809

**Parent company** Alma Media Oyj

**Domicile** Helsinki

**Year of foundation** 1998

**Managing Director** Telanne Kai

**Chairman of the Board** Stadigh Kari

**Members of the Board** Suutari Harri, Sachs Daniel,  
Häkkinen Matti, Helve Lauri, Kavetvuoto Matti

**Auditors** KPMG Oy Ab  
Palvi Mauri, KHT  
Salli Kai, KHT

**Branch** Publishing, printing and reproduction of recorded media (22)

### Change in company rating in April 2005

The company rating of Balance Consulting has been changed to match better with our customer's requirements and in order to increase rating accuracy of both the best and problem companies. In the new rating company's financial success is compared to branch and to all 12 000 Finnish companies in our database.

Rating points received by the company are distributed between 0 and 100. Points express the financial state of the company compared to rating group in certain financial sector, the more points the better. Companies are compared to the same branch and to all companies in our database. The average company receives points between 40 and 60.

The biggest change occurs to companies that in the earlier rating received full 100 points. In the new rating they receive points from 80 to 100 and are rated as A or A+ companies. The problem companies receive points from 0 to 20 and are rated as C- and D companies.

The highest graph on previous page describes the financial performance of the company by sectors compared to companies in the same branch and to all companies in our database. The overall rating is the average of these.

The middle graph describes the company's performance against all companies in our database by performance sectors with five years time series. The bottom graph describes the performance against the branch.

Please note that the company rating of the earlier Balance Analysis is not fully comparable with the new one. The new rating on company's economical success is more versatile and rates companies with more accuracy.

More information on the new rating can be found at the end of this analysis and [www.balanceconsulting.fi](http://www.balanceconsulting.fi).

The accounting period of Alma Media group for the year ending 2004 was a normal calendar year.

### Turnover unchanged

The turnover of Alma Media group for the last accounting period remained almost unchanged. The turnover of group was 464.6 million euro (460.5 million euro). The growth of turnover remained at 0.9 per cent. In the previous accounting period, the percentage change of turnover was negative (-5.2).

The monetary volume of foreign activities was 9.4 million euro (27.3 million euro). The share of foreign activities of turnover was 2.0 per cent (5.9%). The share of turnover of foreign activities fell somewhat from the previous year, by 3.9 per cent.

The investments of group in fixed assets remained at 13.8 million euro (21.0 million euro). The amount of investments fell below the corresponding level of replacement investments for the period under review (2001 to 2004), which accounted for 25.7 million euro based on the average of planned depreciation. The average level of investments over four accounting periods has been 35.9 million euro. Long-term investments however exceeded the level of replacement investments. The ratio of investments to annual depreciation during the accounting period was 0.7, and for the whole period under review, the corresponding figure was 1.4. The ratio of turnover to investments was 3.0 per cent (4.6%).

The added value from activities was 202.2 million euro (191.6 million euro), which, as a percentage of turnover representing the degree of added value, was 43.5 per cent (41.6%). The degree of added value thus increased slightly from the level of the previous year (1.9 per cent).

## Overall profitability

### Operating profit before depreciation and cost structure

As the turnover of Alma Media group grew, so the operating profit before depreciation improved substantially from the previous year. The operating profit before depreciation was 63.7 million euro, an increase of 7.8 million euro, or 14.0%. The relative profitability of group improved somewhat and the percentage operating profit before depreciation rose from the previous year's 12.1% to 13.7%. The improvement in operating profit before depreciation was partially caused by operating expenses falling even though turnover was growing. The operating profit before depreciation of Alma Media group was satisfactory. It covered debt servicing costs, taxes and dividends but investments remained uncovered from revenues.

Table 1:

#### Cost structure, percentage of turnover

Year	Finished goods stocks increase	Other operating income	Share of profits less losses of associated undertakings	Material usage	External services	Personnel expenses	Other costs	Operating profit before depreciation
2000/12	0.0	..	0.9	13.2	24.0	31.7	24.4	7.6
2001/12	0.0	0.5	-0.8	13.2	26.9	32.5	25.7	1.4
2002/12	-0.1	0.5	-1.9	11.3	26.8	28.6	21.4	10.4
2003/12	-0.1	0.2	-1.3	8.4	27.1	29.5	21.7	12.1
2004/12	0.0	0.5	-1.9	5.0	28.3	29.8	21.8	13.7

The net financial costs of Alma Media group fell substantially from the previous year. The net financial costs for the accounting period were 2.9 million euro, representing a decrease of -800 thousand euro or -21.6% over the previous year. The low indebtedness and the good financial standing of group meant that the financing encumbrance was low. The net financial costs account for 0.6% of turnover. Financial activities only had a small effect on operating profit, and net financial costs represented 4.6% of operating profit before depreciation.

### Financial result

The net result of Alma Media group improved clearly from the previous year. The net result was 24.5 million euro, which was an improvement of 3.9 million euro or 18.9% compared to the previous year. The relative profitability of group also improved slightly and the net profit ratio improved from last year's 4.5% to 5.3%. The net profit ratio was the best of the entire period under review. The overall result of group was 21.2 million euro. The overall result was weakened by one-time net costs of 3.3 million euro. In long-term review, the performance of Alma Media group has been poor. The (5.0 annual) sum of the net results of the last five accounting periods is 23.7 million euro, and the average annual result has thus been 4.7 million euro. The long-term return on capital has been 2.8%.

Table 2:

#### Profitability trend

Year	Operating result (% of t/o)	Result before extraordinary items (% of t/o)	Net profit/loss (%)	Return on capital employed (%)	Return on equity (%)	Dividend ratio (%)
2000/12	1.7	6.5	0.6	3.1	1.4	363.5
2001/12	-5.7	1.3	-5.8	-7.4	-15.0	-24.6
2002/12	3.3	7.8	0.7	5.0	2.0	93.9
2003/12	6.7	9.9	4.5	10.8	12.5	18.9
2004/12	9.3	9.7	5.3	17.5	15.3	160.4

The positive performance of Alma Media group was also reflected in the return on capital. The return on capital rose significantly from last year's 10.8% to 17.5%. The profitability of Alma Media group in terms of

## Balance Analysis

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Company : **Alma Media group**

Benchmark branch : **Publishing, printing and reproduction of recorded media (22)**

the return on capital employed was good. The return on equity of group was good at 15.3%, and the total return on equity was good at 12.8%.

## Solvency

### Capital structure

There were no significant changes in the equity ratio of Alma Media group during the accounting period, and it remained at the good level of 47%. Despite the positive overall result, the loss buffers of group decreased compared to the previous year. At the end of the accounting period, the buffers totalled 153.9 million euro and were good. The balance sheet net asset value of Alma Media group totalled 150.2 million euro at the end of the accounting period. The net asset value fell clearly compared to the previous year. The decrease was 16.8 million euro, which is -10.1%. Profit distribution of 39.3 million euro contributed to the decrease in balance sheet net asset value.

Table 3:

**Financing structure trend**

Year	Equity ratio (%)	Gearing	Relative indebtedness (% of t/o)	Net financial expenses per operating profit before depreciation (%)
2000/12	48.5	61.0	44.5	7.4
2001/12	37.1	122.0	58.4	102.3
2002/12	41.3	96.0	47.6	13.8
2003/12	48.3	65.0	39.2	6.6
2004/12	47.2	51.0	36.6	4.6

### Indebtedness

The relative indebtedness of Alma Media group remained at the level of the previous year. The debt accounted for 36.6% of turnover. The debts of group totalled 170.2 million euro at the end of the accounting period, consisting of 76.3 million euro of interest-free debt and 16.7 million euro of leasing liabilities. The interest-bearing debts of group decreased considerably compared to the previous accounting period. During the accounting period, interest-bearing debts decreased by 31.6 million euro (-29.0%), totalling 77.2 million euro at the end of the accounting period. Deducting cash and cash equivalents from the interest-bearing debts leaves 54.7 million euro of interest-bearing net debts. The indebtedness of group in terms of the ratio of interest-bearing debt to equity, or net gearing, improved slightly compared to the previous accounting period and was at a very good level at 36. Thanks to low indebtedness, the financial flexibility of group is good, enabling additional funding if necessary. The cash flow from operations of group was fine and the debt servicing ability was good. The payback time for liabilities was short, 1.7 years.

## Liquidity

The liquidity of Alma Media group, measured in terms of the current ratio (1.0) remained at the satisfactory level of the previous year. At the time of closing the accounts, the financing buffer of group was small. Cash at bank and in hand, short-term receivables and stocks exceeded short-term liabilities by only 4.0 million euro. Even though the financing buffer was small, the steady liquidity of group is supported by a positive cash flow from operations and low indebtedness. The cash and cash equivalents of Alma Media group decreased slightly 1.6 million euro during the accounting period. At the end of the accounting period, the cash and cash equivalents totalled 22.5 million euro. Based on the situation at the end of the accounting period, the cash liquidity of group was only satisfactory, as the cash and cash equivalents would have covered the operational costs of only 21 days. The quick ratio 0.7, which was only rather poor, is also an indication of the fairly poor cash-to-current-liability of group.

## Efficiency of operations

The number of employees of Alma Media group decreased clearly during the accounting period. Group employed 2,679 people on average during the accounting period, with a decrease of 182 people compared to the previous year. The number of employees decreased by 6.4% even though turnover grew slightly by 0.9% compared to the previous accounting period. The sales efficiency of group increased slightly compared to the previous accounting period. The turnover per person grew by 12 thousand euro, which is 7.7%, climbing to 173 thousand euro.

The growth in sales has brought on an increase in personnel efficiency. The added value produced per person was 75 thousand euro, with an increase of 9 thousand euro, which is 12.7%, compared to the previous year. The increase in personnel productivity was also reflected in personnel expenses. The personnel expenses per person increased by 4 thousand euro compared to the previous year and were now 52 thousand euro. The growth of personnel expenses was slower than the growth of productivity. The share of personnel expenses compared to produced added value fell from 70.8% in the previous year to 68.5%. Both the operating profit and the net profit per person were on the rise. The operating profit per person was 16 thousand euro and the net profit per person was 9 thousand euro.

There were no significant changes in the efficiency of trade receivables collection. The customers of group had a payment term of 23 days on average. At the end of the accounting period, trade receivables totalled 29.3 million euro. The receivables tied down 3.0 million euro more funds than in the previous year.

The payment of trade payables slowed down. The payables turnover became slightly slower compared to the previous accounting period. Group had an average payment term of 38 days from its suppliers, while the payment term was 32 days in the previous year.

There were no significant changes in warehousing efficiency during the accounting period. At the end of the accounting period, 49.8 million euro of capital was tied down in stocks, which is 0.4% of turnover. In the previous year, stocks tied down 48.6 million euro of capital, which is 0.4% of turnover.

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Company : Alma Media group

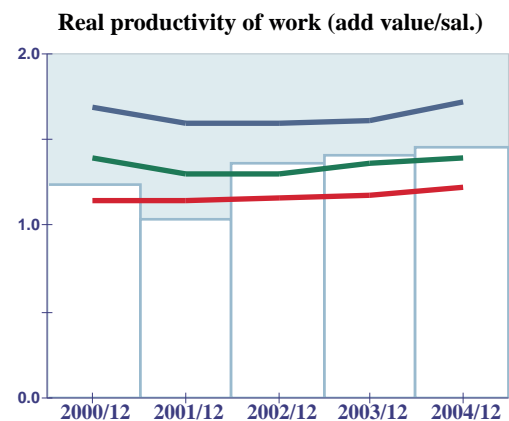
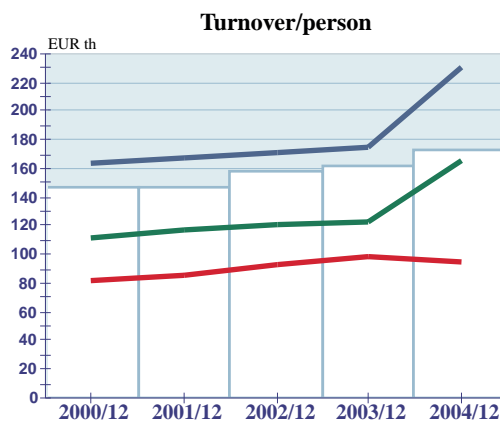
Benchmark branch : Publishing, printing and reproduction of recorded media (22)

## Profit and loss account

Length of accounting period	2001/12		2002/12		2003/12		2004/12	
	12 months		12 months		12 months		12 months	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
<b>Turnover</b>	<b>478.3</b>	<b>100.0</b>	<b>485.9</b>	<b>100.0</b>	<b>460.5</b>	<b>100.0</b>	<b>464.6</b>	<b>100.0</b>
+ Increase in finished goods stocks	0.2	0.0	-0.3	-0.1	-0.6	-0.1	0.1	0.0
+ Other operating income	2.4	0.5	2.3	0.5	1.0	0.2	2.1	0.5
+ Share of profits – losses of ass. undert.	-3.8	-0.8	-9.3	-1.9	-6.2	-1.3	-8.7	-1.9
- Material usage	63.3	13.2	54.8	11.3	38.6	8.4	23.1	5.0
- External services	128.6	26.9	130.3	26.8	124.7	27.1	131.5	28.3
- Personnel expenses	155.6	32.5	138.8	28.6	135.7	29.5	138.5	29.8
- Other operating costs	122.8	25.7	104.1	21.4	99.8	21.7	101.3	21.8
<b>Operating profit before depreciation</b>	<b>6.7</b>	<b>1.4</b>	<b>50.6</b>	<b>10.4</b>	<b>55.9</b>	<b>12.1</b>	<b>63.7</b>	<b>13.7</b>
- Depreciation according to plan	29.5	6.2	28.1	5.8	25.1	5.5	20.3	4.4
- Value adjustments	4.5	0.9	6.6	1.4	..	..	0.2	0.0
<b>Operating profit/loss</b>	<b>-27.2</b>	<b>-5.7</b>	<b>15.9</b>	<b>3.3</b>	<b>30.8</b>	<b>6.7</b>	<b>43.2</b>	<b>9.3</b>
+ Dividends received	1.2	0.2	..	..	0.5	0.1	0.3	0.1
+ Other interest receiv. and similar income	1.0	0.2	1.0	0.2	0.8	0.2	0.8	0.2
+ Foreign exchange profit or loss	..	..	..	..	..	..	..	..
- Interest payable and other similar charges	9.0	1.9	8.0	1.6	5.0	1.1	4.0	0.9
- Value adj. of inv. held as current assets	0.4	0.1	..	..	..	..	..	..
+ Share of profits – losses of ass. undert.	..	..	..	..	..	..	..	..
- Direct taxes	-6.8	-1.4	5.6	1.2	6.5	1.4	15.8	3.4
<b>Net profit/loss</b>	<b>-27.6</b>	<b>-5.8</b>	<b>3.3</b>	<b>0.7</b>	<b>20.6</b>	<b>4.5</b>	<b>24.5</b>	<b>5.3</b>
+ Extraordinary income	12.2	2.6	6.5	1.3	2.7	0.6	1.5	0.3
- Extraordinary charges	8.3	1.7	6.7	1.4	12.0	2.6	4.8	1.0
+ Extraord. share of prof.–loss of ass. und.	..	..	..	..	..	..	..	..
+ Group contributions	..	..	..	..	..	..	..	..
<b>Overall result</b>	<b>-23.6</b>	<b>-4.9</b>	<b>3.1</b>	<b>0.6</b>	<b>11.3</b>	<b>2.5</b>	<b>21.2</b>	<b>4.6</b>
- Increase in untaxed reserves	..	..	..	..	..	..	..	..
- Diff btw act and pl depr, incr(-)/decr(+)	..	..	..	..	..	..	..	..
- Other adjustment items	..	..	..	..	..	..	..	..
- Minority interest of profit/loss	0.5	0.1	0.7	0.1	0.5	0.1	0.9	0.2
<b>Book result</b>	<b>-24.1</b>	<b>-5.0</b>	<b>2.4</b>	<b>0.5</b>	<b>10.8</b>	<b>2.3</b>	<b>20.3</b>	<b>4.4</b>

### Efficiency key figures

Turnover/person	147 EUR th	158 EUR th	161 EUR th	173 EUR th
Added value / person	50 EUR th	61 EUR th	67 EUR th	75 EUR th
Personnel expenses / person	48 EUR th	45 EUR th	47 EUR th	52 EUR th
Operating profit before depr. / person	2 EUR th	16 EUR th	20 EUR th	24 EUR th
Operating profit / person	-8 EUR th	5 EUR th	11 EUR th	16 EUR th
Net profit / person	-8 EUR th	1 EUR th	7 EUR th	9 EUR th
Real productivity of work (add value/sal.)	1.0	1.4	1.4	1.5



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Company : Alma Media group

Benchmark branch : Publishing, printing and reproduction of recorded media (22)

## Balance sheet, assets

Length of accounting period	2001/12		2002/12		2003/12		2004/12	
	12 months		12 months		12 months		12 months	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
<b>Fixed assets</b>								
<b>Intangible assets</b>								
Formation and research expenses	..		..		..		..	
Goodwill	19.6	4.3	17.6	4.4	17.3	4.8	14.0	4.2
Other intangible assets	19.8	4.4	19.1	4.7	18.6	5.2	14.0	4.2
<b>Intangible assets, total</b>	<b>39.4</b>	<b>8.7</b>	<b>36.7</b>	<b>9.1</b>	<b>35.9</b>	<b>10.0</b>	<b>28.0</b>	<b>8.4</b>
<b>Tangible assets</b>								
Land and water areas	7.8	1.7	4.3	1.1	3.1	0.9	3.3	1.0
Buildings and constructions	43.0	9.5	31.8	7.9	23.5	6.5	21.9	6.6
Machinery and equipment	74.3	16.4	64.2	15.9	39.9	11.1	31.0	9.3
Other tangible assets	1.7	0.4	1.3	0.3	1.2	0.3	1.2	0.4
Tangible assets in course of constructions	2.9	0.6	1.1	0.3	0.9	0.2	0.6	0.2
<b>Tangible assets, total</b>	<b>129.7</b>	<b>28.6</b>	<b>102.7</b>	<b>25.4</b>	<b>68.6</b>	<b>19.0</b>	<b>58.0</b>	<b>17.4</b>
<b>Long-term investments</b>								
Shares in group undertakings	143.3	31.6	134.3	33.3	114.7	31.8	103.9	31.1
Other investments	24.2	5.3	12.9	3.2	10.9	3.0	8.0	2.4
Loans to group undertakings	0.4	0.1	..		9.6	2.7	6.9	2.1
Other receivables from investments	0.1	0.0	..		..		..	
<b>Financial assets, total</b>	<b>168.0</b>	<b>37.1</b>	<b>147.2</b>	<b>36.5</b>	<b>135.2</b>	<b>37.5</b>	<b>118.8</b>	<b>35.6</b>
Off-balance-sheet items (assets)	..		..		5.1	1.4	16.7	5.0
Value adj. and diff. btw act/planned depr.	..		..		..		..	
<b>Current assets</b>								
<b>Stocks</b>								
Raw materials and consumables	3.9	0.9	2.9	0.7	1.3	0.4	1.6	0.5
Work in progress	0.9	0.2	0.6	0.1	..		..	
Finished goods and goods for resale	0.0	0.0	..		..		0.1	0.0
Other stocks	48.0	10.6	48.3	12.0	47.3	13.1	48.1	14.4
<b>Stocks, total</b>	<b>52.8</b>	<b>11.7</b>	<b>51.8</b>	<b>12.8</b>	<b>48.6</b>	<b>13.5</b>	<b>49.8</b>	<b>14.9</b>
<b>Long-term receivables</b>								
Long-term trade debtors	..		..		..		..	
Long-term loan debtors	0.0	0.0	0.1	0.0	0.5	0.1	0.3	0.1
Other long-term debtors	0.7	0.2	0.5	0.1	0.1	0.0	..	
<b>Long-term debtors, total</b>	<b>0.7</b>	<b>0.2</b>	<b>0.6</b>	<b>0.1</b>	<b>0.6</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>
<b>Short-term receivables</b>								
Short-term trade debtors	35.0	7.7	31.1	7.7	26.3	7.3	29.3	8.8
Prepayments and accrued income	6.7	1.5	6.7	1.7	12.8	3.6	8.1	2.4
Loan receivables	0.8	0.2	0.5	0.1	1.9	0.5	0.5	0.1
Other short-term debtors	1.0	0.2	0.9	0.2	1.2	0.3	2.0	0.6
<b>Short-term debtors, total</b>	<b>43.6</b>	<b>9.6</b>	<b>39.2</b>	<b>9.7</b>	<b>42.2</b>	<b>11.7</b>	<b>39.9</b>	<b>11.9</b>
Investments	..		..		..		..	
Cash and bank balances	19.2	4.2	25.4	6.3	24.1	6.7	22.5	6.7
<b>Assets, total</b>	<b>453.4</b>	<b>100.0</b>	<b>403.6</b>	<b>100.0</b>	<b>360.3</b>	<b>100.0</b>	<b>334.0</b>	<b>100.0</b>

# Balance Analysis

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Company : Alma Media group

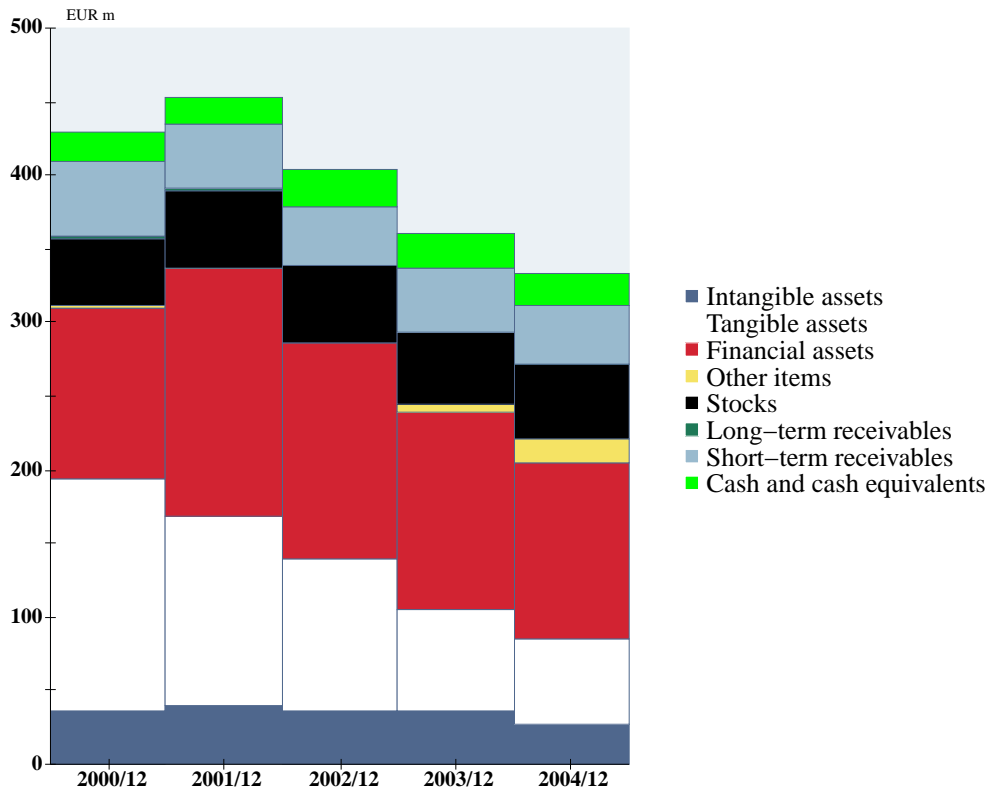
Benchmark branch : Publishing, printing and reproduction of recorded media (22)

## Balance sheet, liabilities

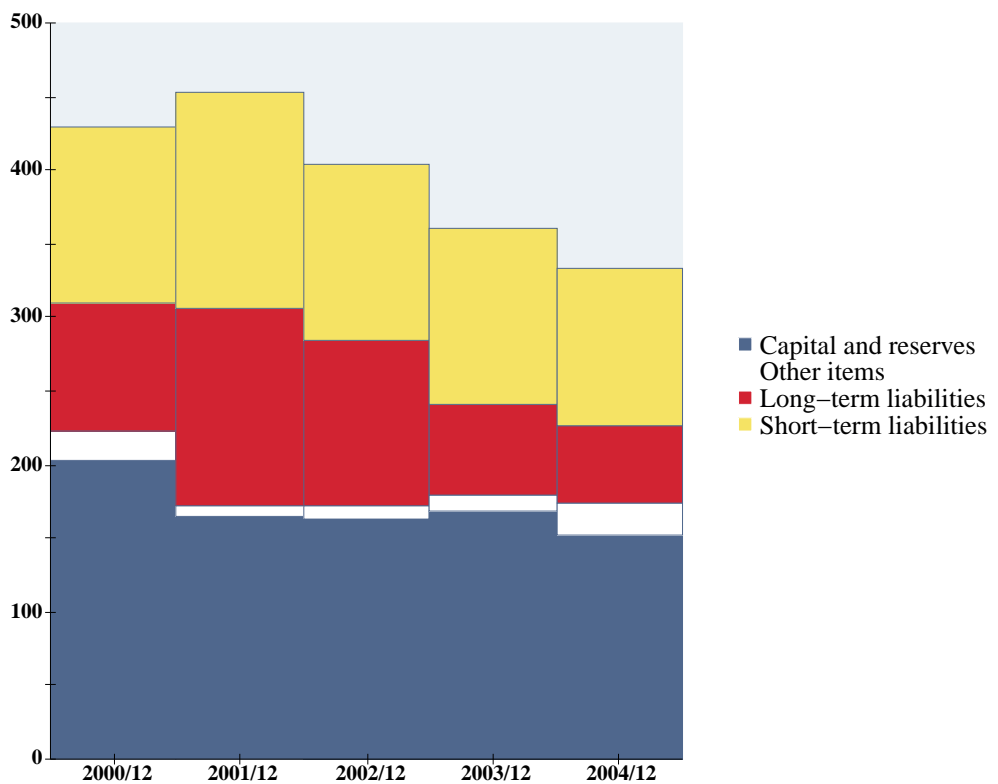
Length of accounting period	2001/12		2002/12		2003/12		2004/12	
	12 months		12 months		12 months		12 months	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
<b>Capital and reserves</b>								
Subscribed capital	26.5	5.8	26.5	6.6	26.5	7.4	26.5	7.9
Share premium account	3.7	0.8	3.7	0.9	3.7	1.0	3.9	1.2
Revaluation reserve	..		..		..		..	
Other reserves	46.9	10.3	46.9	11.6	46.9	13.0	46.9	14.0
Other capital employed	..		..		..		1.8	0.5
Profit/loss brought forward	108.5	23.9	81.3	20.1	79.1	22.0	50.8	15.2
Profit/loss for the accounting period	-24.1	-5.3	2.4	0.6	10.8	3.0	20.3	6.1
<b>Capital and reserves, total</b>	<b>161.4</b>	<b>35.6</b>	<b>160.8</b>	<b>39.8</b>	<b>167.0</b>	<b>46.4</b>	<b>150.2</b>	<b>45.0</b>
Subordinated loans	..		..		..		..	
Capital and reserves adjustment	..		..		..		..	
Other capital items, total	2.8	0.6	1.5	0.4	1.4	0.4	2.1	0.6
<b>Accumulated appropriations</b>								
Accum. depr. in excess of/less than plan	..		..		..		..	
Untaxed reserves, total	..		..		..		..	
Accumulated appropriations	..		..		..		..	
<b>Appropriations, total</b>	<b>..</b>		<b>..</b>		<b>..</b>		<b>..</b>	
Provisions, total	3.3	0.7	3.6	0.9	1.3	0.4	2.7	0.8
Off-balance-sheet items (liabilities)	..		..		5.1	1.4	16.7	5.0
Deferred tax liability	4.6	1.0	6.7	1.7	3.8	1.1	1.6	0.5
<b>Creditors</b>								
<b>Long-term liabilities</b>								
Bonds and notes	30.0	6.6	30.0	7.4	30.0	8.3	30.0	9.0
Convertible bonds	..		..		..		..	
Subord. loans from financial institutions	98.7	21.8	77.3	19.2	28.8	8.0	18.7	5.6
Pension loans	0.5	0.1	0.4	0.1	..		..	
Advances received	..		..		..		..	
Long-term trade creditors	..		..		..		..	
Other long-term creditors	4.4	1.0	4.3	1.1	4.0	1.1	3.8	1.1
<b>Long-term creditors, total</b>	<b>133.6</b>	<b>29.5</b>	<b>112.0</b>	<b>27.8</b>	<b>62.8</b>	<b>17.4</b>	<b>52.5</b>	<b>15.7</b>
<b>Short-term liabilities</b>								
Loans from financial institutions	22.1	4.9	21.1	5.2	47.8	13.3	18.3	5.5
Short-term pension loans	..		..		..		..	
Advances received from orders	10.0	2.2	10.2	2.5	11.3	3.1	11.6	3.5
Trade creditors	22.6	5.0	17.5	4.3	14.0	3.9	16.0	4.8
Accruals and deferred income	33.9	7.5	31.9	7.9	30.5	8.5	36.1	10.8
Bills of exchange payable	..		..		..		..	
Other short-term creditors	59.0	13.0	38.3	9.5	15.3	4.2	26.2	7.8
<b>Short-term creditors, total</b>	<b>147.6</b>	<b>32.5</b>	<b>119.0</b>	<b>29.5</b>	<b>118.9</b>	<b>33.0</b>	<b>108.2</b>	<b>32.4</b>
<b>Liabilities, total</b>	<b>453.4</b>	<b>100.0</b>	<b>403.6</b>	<b>100.0</b>	<b>360.3</b>	<b>100.0</b>	<b>334.0</b>	<b>100.0</b>

**Balance sheet structure**

**Asset structure**



**Capital structure**



# Balance Analysis

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Company : Alma Media group

Benchmark branch : Publishing, printing and reproduction of recorded media (22)

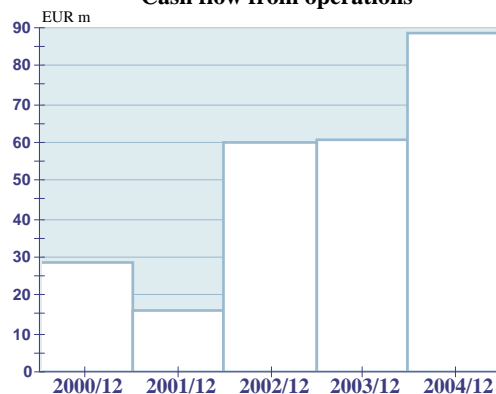
## Cash flow statement

Length of accounting period	2001/12		2002/12		2003/12		2004/12	
	12 months		12 months		12 months		12 months	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
<b>Turnover</b>	<b>478.3</b>	<b>99.3</b>	<b>485.9</b>	<b>99.2</b>	<b>460.5</b>	<b>98.7</b>	<b>464.6</b>	<b>100.6</b>
- Increase in trade debtors	-3.6	-0.7	-3.9	-0.8	-4.8	-1.0	3.0	0.6
- Increase in partial debiting receivables	..	..	..	..	..	..	..	..
+ Increase in advances received	0.0	0.0	0.2	0.0	1.1	0.2	0.3	0.1
<b>Cash receipts from sales</b>	<b>481.9</b>	<b>100.0</b>	<b>490.0</b>	<b>100.0</b>	<b>466.4</b>	<b>100.0</b>	<b>461.9</b>	<b>100.0</b>
+ Other operating income from cash flow, %	14.6	3.0	8.8	1.8	3.7	0.8	3.6	0.8
- Material purchases	61.6	12.8	53.7	11.0	37.1	8.0	23.2	5.0
+ Increase in trade creditors	-2.8	-0.6	-5.1	-1.0	-3.5	-0.8	2.0	0.4
- Increase in advances received	9.3	1.9	-0.2	0.0	-1.1	-0.2	1.1	0.2
- Personnel expenses (cash flow)	155.6	32.3	138.8	28.3	135.7	29.1	138.5	30.0
- External services	128.6	26.7	130.3	26.6	124.7	26.7	131.5	28.5
- Other short-term charges, total	127.3	26.4	110.7	22.6	99.8	21.4	107.4	23.3
+ Increase in deferred items	4.3	0.9	-0.7	-0.1	-7.6	-1.6	21.2	4.6
+ Increase in provisions	0.1	0.0	0.3	0.1	-2.3	-0.5	1.4	0.3
+ Work perf. for own purpose and capitalised	..	..	..	..	..	..	..	..
<b>Cash flow from operations</b>	<b>15.7</b>	<b>3.3</b>	<b>59.9</b>	<b>12.2</b>	<b>60.5</b>	<b>13.0</b>	<b>88.4</b>	<b>19.1</b>
+ Financial income	2.2	0.4	1.0	0.2	1.3	0.3	1.1	0.2
- Financial charges	9.0	1.9	8.0	1.6	5.0	1.1	4.0	0.9
- Taxes	-5.2	-1.1	5.6	1.1	2.7	0.6	14.5	3.1
- Dividends	6.8	1.4	3.1	0.6	3.9	0.8	39.3	8.5
+ Group contributions	..	..	..	..	..	..	..	..
+ Extraordinary income - charges	-2.2	-0.5	-0.1	0.0	-15.8	-3.4	..	..
<b>Cash flow from financing activities</b>	<b>5.1</b>	<b>1.1</b>	<b>44.1</b>	<b>9.0</b>	<b>34.4</b>	<b>7.4</b>	<b>31.7</b>	<b>6.9</b>
- Capital expenditure	94.4	19.6	14.9	3.0	21.0	4.5	14.1	3.1
- Change in investm. and long-term debtors	-0.2	0.0	-0.1	0.0	..	..	-0.3	-0.1
- Unspecified investments	-23.3	-4.8	-30.6	-6.2	-42.8	-9.2	-28.5	-6.2
<b>Cash flow from investing activities</b>	<b>-65.8</b>	<b>-13.6</b>	<b>59.9</b>	<b>12.2</b>	<b>56.2</b>	<b>12.0</b>	<b>46.4</b>	<b>10.0</b>
+ Increase in long-term creditors	46.4	9.6	-21.6	-4.4	-49.2	-10.5	-10.3	-2.2
+ Increase in short-term creditors	30.8	6.4	-22.9	-4.7	3.8	0.8	-29.5	-6.4
+ Increase in subordinated loans	..	..	..	..	..	..	..	..
+ Increase in capital and reserves	..	..	..	..	..	..	2.0	0.4
+ Increase in financial resources	0.4	0.1	6.2	1.3	-1.3	-0.3	-1.6	-0.3
+ Increase in other short-term debtors	-0.7	-0.1	-0.5	-0.1	1.7	0.4	-0.6	-0.1
+ Adjustment items	-0.7	-0.2	-2.5	-0.5	-0.6	-0.1	-0.1	0.0
<b>Adjustment of cash flow statement</b>	<b>11.0</b>	<b>2.3</b>	<b>7.2</b>	<b>1.5</b>	<b>9.8</b>	<b>2.1</b>	<b>10.7</b>	<b>2.3</b>

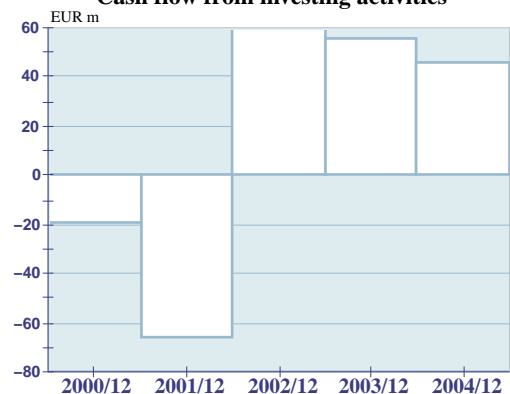
### Key figures based on cash flow

Administration expenses of financing costs	1.6	6.5	7.9	8.9
Investments by cash flow from operations	5.4	298.7	163.8	229.7
Payback time for liabilities (cash flow)	39.3 years	3.5 years	3.2 years	2.4 years

Cash flow from operations



Cash flow from investing activities



# Balance Analysis

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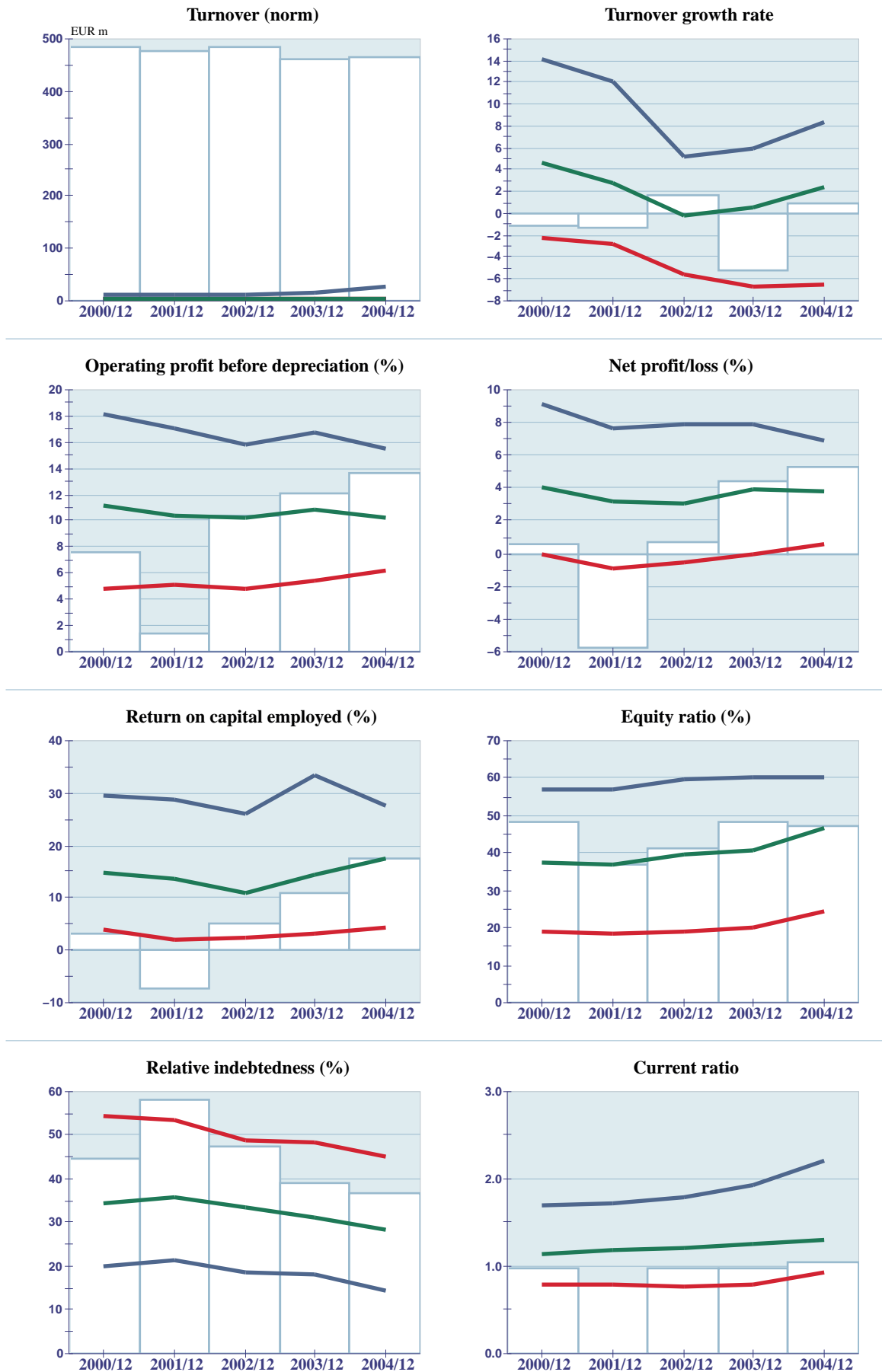
Company : Alma Media group

Benchmark branch : Publishing, printing and reproduction of recorded media (22)

## Key figures

Length of accounting period	2001/12		2002/12		2003/12		2004/12	
	12 months		12 months		12 months		12 months	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
<b>Scope of operations</b>								
Turnover	478.3	100.0	485.9	100.0	460.5	100.0	464.6	100.0
Turnover growth rate		-1.2		1.6		-5.2		0.9
Capital expenditure	94.4	19.7	14.9	3.1	21.0	4.6	14.1	3.0
Assets, total	453.4		403.6		360.3		334.0	
Average personnel count	3,246	persons	3,080	persons	2,861	persons	2,679	persons
<b>Profitability</b>								
Operating profit before depreciation	6.7	1.4	50.6	10.4	55.9	12.1	63.7	13.7
Operating profit/loss	-27.2	-5.7	15.9	3.3	30.8	6.7	43.2	9.3
Profit before extraordinary items	6.3	1.3	38.0	7.8	45.7	9.9	45.0	9.7
Net profit/loss	-27.6	-5.8	3.3	0.7	20.6	4.5	24.5	5.3
<b>Capital and return on capital</b>								
Capital turnover		1.1		1.1		1.2		1.3
Capital employed (average)	345.5		341.5		297.8		253.4	
Interest-bearing debt	200.5	41.9	156.0	32.1	108.8	23.6	77.2	16.6
Balance sheet net asset value	161.4		160.8		167.0		150.2	
Economic value added (EVA)	-69.3	-14.5	-15.9	-3.3	7.4	1.6	12.6	2.7
Weighted average cost of capital (WACC)		14.4		8.2		6.3		6.2
Return on capital employed (%)		-7.4		5.0		10.8		17.5
Return on capital (%)		-5.8		3.9		8.4		12.8
Return on equity (%)		-15.0		2.0		12.5		15.3
<b>Sufficiency of financing</b>								
Net interest income		2.2		5.7		8.3		11.4
Net financ. costs/op. profit bef depr. (%)		102.3		13.8		6.6		4.6
Net financing costs / turnover (%)		1.4		1.4		0.8		0.6
Payback time for liabilities	31.6	years	4.1	years	2.4	years	1.7	years
<b>Financing structure</b>								
Equity ratio (%)		37.1		41.3		48.3		47.2
Gearing (%)		122.0		96.0		65.0		51.0
Debt/equity ratio		1.2		1.0		0.7		0.5
Gearing ratio		1.1		0.8		0.5		0.4
Relative indebtedness (%)		58.4		47.6		39.2		36.6
Interest burden (%)		1.7		1.4		0.9		0.7
Interest costs / interest-bearing debt		5.6		4.5		3.8		4.3
<b>Working capital and working capital turnover</b>								
Working capital	55.2	11.5	55.2	11.4	49.6	10.8	51.6	11.1
Net working capital	-31.9	-6.7	-2.6	-0.5	-4.0	-0.9	4.0	0.9
Trade debtors turnover	27	days	23	days	21	days	23	days
Trade creditors turnover	43	days	35	days	32	days	38	days
Material stock turnover	23	days	19	days	12	days	25	days
Finished goods stock turnover	2	days	1	days	0	days	0	days
Turnover for entire stocks	9	days	8	days	4	days	5	days
Stocks/turnover (%)		1.0		0.8		0.4		0.4
<b>Liquidity</b>								
Quick ratio		0.5		0.6		0.6		0.7
Current ratio		0.8		1.0		1.0		1.0
<b>Efficiency key figures</b>								
Turnover/person	147	EUR th	158	EUR th	161	EUR th	173	EUR th
Added value / person	50	EUR th	61	EUR th	67	EUR th	75	EUR th
Personnel expenses / person	48	EUR th	45	EUR th	47	EUR th	52	EUR th
Operating profit before depr. / person	2	EUR th	16	EUR th	20	EUR th	24	EUR th
Operating profit / person	-8	EUR th	5	EUR th	11	EUR th	16	EUR th
Net profit / person	-8	EUR th	1	EUR th	7	EUR th	9	EUR th
Real productivity of work (add value/sal.)		1.0		1.4		1.4		1.5
<b>Other financial key figures</b>								
Added value / turnover (%)		33.9		39.0		41.6		43.5
Export/turnover (%)		10.6		9.6		5.9		2.0

**Key figure graphs**



## Branch profile

Key figure/risk ratings	Poor	Satisfactory	Good	Excellent
<b>Scope of operations</b>				
Turnover			████████████████████	
Turnover growth rate			█	
Investments/turnover (%)			████████████████	
Average personnel count			████████████████████	
<b>Efficiency of operations</b>				
Capital turnover		██████████		
Added value / turnover (%)			██	
Turnover/person			█	
Added value / person			████████████████	
Personnel expenses / person		████████████████		
Real productivity of work (add value/sal.)			██	
Material stock turnover				
Turnover for entire stocks			████████████████████	
Stocks/turnover (%)			████████████████	
<b>Profitability</b>				
Operating profit before depreciation (%)			████████████	
Operating profit/loss (%)			██████████████	
Profit before extraordinary items (%)			██	
Net profit/loss (%)			██████	
<b>Financing structure</b>				
Gearing (%)			█	
Net gearing (%)		██████████		
Equity ratio (%)			█	
Relative indebtedness (%)		██████████		
Gearing ratio		██████████		
Payback time for liabilities			██	
Net financing costs / turnover (%)		██████████		
Net financ. costs/op. profit bef depr. (%)		██████████		
Investments by equity finance (%)		██████████		
Interest burden (%)		██████████		
Interest costs / interest-bearing debt				
Weighted average cost of capital (WACC)			█	
<b>Return on capital</b>				
Return on capital employed (%)				
Return on capital (%)			██████	
Return on equity (%)			██	
Economic value added (%)			█	
<b>Working capital percentage</b>				
Working capital (%)		██████████		
Net working capital (%)			██████████	
<b>Liquidity</b>				
Current ratio		██████████		
Quick ratio		██████████		
Trade creditors turnover				
Trade debtors turnover			████████████████	

## Guidelines for interpretation and descriptions

### Financial statements analysis

The financial statements analysis has been drawn in accordance with the recommendations and guidelines of the Finnish Committee for Corporate Analysis. In rating the branch group consists of at least 30 companies. In branch comparison the group normally consists of at least 9 companies. The financial additional value calculated by Balance Consulting corresponds to an adapted EVA<sup>TM</sup> figure. EVA is a trademark registered by Stern Steward & Co.

### Interpreted financial statements analysis and the related rating

The verbally interpreted financial statements analysis has been created using software developed by Balance Consulting particularly for this purpose. The rule database used by the software consists of approximately 5,000 rules and the analysis produced by it is the equivalent of a corresponding analysis produced by financial analyst. The software also produces a financial rating describing the overall financial status and development of the company. The following tables show the rating boundaries and financial ratios.

Sector of evaluation	Financial ratio
Growth	Sales growth (%)
Profitability	Return on invested capital (%)
Cash flow	Net result before taxes (%)
Liquidity	Current ratio
Solvency	Equity ratio (%)
Obligations	Payback time for liabilities (years)

Rating	Grade	From	To
Excellent	A+ and A	80	100
Good	A- and B+	60	80
Satisfactory	B and B-	40	60
Adequate	C+ and C	20	40
Poor	C- and D	0	20

### Note

The company rating scale of Balance Consulting has been changed in April 2005. The rating takes into account success against both branch and all companies in Balance Consulting's database. The rating also takes into account general financial state of the companies. In the new rating points received by the company distribute more evenly between 0–100 and according to statistical normal distribution. The biggest change occurs on companies that gained 100 points according to earlier rating. These companies are now rated to A+ and A classes (80–100 points). More information of the new rating can be found at [www.balanceconsulting.fi](http://www.balanceconsulting.fi).

### Ratio graphics

The bars in the graphs represent the values of the company under review. The industry medians and upper and lower quartiles are presented with curves. The colours of the curves: blue for upper quartile, green for median and red for lower quartile. Thus over the blue curve are 25 % of the companies, over the green curve 50 % of the companies and under the red curve 25 % of the companies.

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- O Corporate products describing the development and state of the business operations of a single company; financial statement analyses, corporate value appraisals and research services.
- O Comparative products analysing the success of different companies; benchmarking analyses and ranking reports.
- O Branch products describing the development of a branch; branch key figure statistics and customised branch reviews.

