

Alma Media Corporation

Corporate ID code: 1449580-9

Financial Statements

7.11.2005

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REPORT OF THE BOARD OF DIRECTORS 1 JANUARY – 7 NOVEMBER 2005

The merger of Alma Media Corporation (corporate ID code 1449580-9) and Almanova Corporation (corporate ID code 1944757-4) was registered on 7 November 2005. Following the merger Almanova Oyj was renamed Alma Media Corporation. This report of the Board of Directors concentrates on the continuing operations of Alma Media Group (parent company ID code 1449580-9). The figures in the comparison year are the consolidated and parent company income statements for 2004 in which the Broadcasting division is shown as a discontinued operation within the Group. Discontinued operations are not shown in the balance sheet separately.

Net sales from the continuing operations of Alma Media Group between 1 January and 7 November 2005 totalled MEUR 235.7 (1 Jan.–31 Dec. 2004: MEUR 283.6) and its operating profit from continuing operations between 1 January and 7 November 2005 was MEUR 32.5 (1 Jan.–31 Dec. 2004: MEUR 37.0). The operating profit includes one-time items totalling MEUR 2.9 from restructuring of the parent company and Alpress, and from the costs of the Broadcasting division divestment.

The Group's balance sheet at 7 November 2005 totalled MEUR 642.7 (31 Dec. 2004: MEUR 354.8). The balance sheet figures for the comparative year comprise both continuing operations and the discontinued operation.

CHANGES IN GROUP STRUCTURE COMPARED TO 2004

A general meeting of Alma Media shareholders on 31 January 2005 approved the plan presented by the Board of Directors proposing the sale of the company's Broadcasting division for an enterprise value of at least EUR 460 million and voted to amend the company's articles of association to enable implementation of this plan. On 4 March 2005 Alma Media signed a conditional agreement with Nordic Broadcasting Oy, a company jointly owned by Bonnier and Proventus, on the sale of the Broadcasting division. Almanova Corporation made a public exchange and purchase offer to all Alma Media Corporation shareholders and option holders under which holders of Alma Media Series I shares were offered EUR 6.50 in cash and 1.25 new Almanova shares for each share, and Alma Media Series II shareholders EUR 5.60 in cash and 1.07 new Almanova shares for each share. EUR 29.00 was offered for each A option and EUR 25.70 for each B option. The offer period began on 30 March 2005 and ended on 19 April 2005. During this period Almanova acquired 626,523 Alma Media Series I shares, 7,477,565 Series II shares, 25,284 A options and 38,592 B options. Almanova's holding after the purchase and exchange offer represented approximately 13% of all the shares and almost 5% of the votes.

The sale of the Broadcasting division was completed on 26 April 2005 and Nordic Broadcasting paid the cash instalment of the purchase price to Alma Media. The Broadcasting division is included in Alma Media's consolidated January-September figures for the period 1 January – 30 April 2005.

This interim report primarily covers Alma Media's continuing operations, i.e. the activities and results of its businesses excluding Broadcasting. Some tables also include additional figures for Broadcasting as a discontinued operation. The Group entered a capital gain of EUR 324.5 million on the sale of the Broadcasting division.

Alma Media's reporting units are: Newspapers (corresponding to the former Alpress division), Kauppalehti group (the BIG division) and Marketplaces (Media Services division). These entities form the continuing operations as defined by IFRS. The Broadcasting division is shown in the financial statements as a discontinued operation.

ANALYSIS OF DISTRIBUTION OF CONSIDERATION

The merger of Almanova and Alma Media was put into effect on 7 November 2005. Alma Media shareholders received as consideration seven (7) Almanova shares for three (3) Alma Media Series I shares and two (2) Almanova shares for (1) Alma Media Series II series shares as stipulated in the merger plan made by Almanova and Alma Media. Insofar as the shareholding of holders of Alma Media Series I shares was not divisible by three, merger consideration of EUR 14.00 per Series I share in Alma Media exceeding the highest number of shares divisible by three was paid in cash. In the merger Alma Media's assets and liabilities were transferred to Almanova, after which Alma Media was dissolved.

The Alma Media shares and option warrants held by Almanova, as well as the Alma Media shares owned by Bonnier & Bonnier AB and Proventus Industrier AB and transferred to Almanova on 2 November 2005 prior to the merger, were annulled in conjunction with the merger.

APPROVAL OF MERGER

Not a single shareholder asked for redemption.

MARKET CONDITIONS

The industrial dispute in the Finnish paper industry in May and June slowed growth of Finland's GDP by almost one percentage point this year. The latest estimates indicate that Finland's GDP this year will grow by slightly less than two per cent.

The Finnish economy has developed well, driven by growth in private spending and low interest rates. Employment has improved slightly throughout the year. Interest rates have remained low, which has been reflected positively in consumer demand and especially in home-buying and home advertising.

Media advertising increased 3.7% between January and October, according to TNS Gallup. Television advertising lost ground within media advertising as a whole. Newspaper advertising was up 3.9% on the comparison period.

The strong growth in newspaper advertising was driven by rising retail advertising, recovering recruitment advertising, and property advertising which was boosted by low interest rates.

NET SALES AND RESULT

Net sales of the Group's continuing operations in the period 1 Jan.-7 Nov. 2005 amounted to MEUR 235.7 (1 Jan.-31 Dec. 2004: MEUR 283.6). The Group's net sales developed as planned and the difference compared with the previous year was due to the different length of reporting period.

The profitability of the Group's continuing operations grew favourably. The operating profit of the Group's continuing operations in 1 Jan.-7 Nov. 2005 excluding the capital gain on the Broadcasting sale was MEUR 32.5 or 13.8 % of net sales (1 Jan.-31 Dec. 2004: MEUR 37.0, or 13.0 % of net sales). The operating profit includes one-time items totalling MEUR 2.9 arising from the restructuring of the parent company and Alpress and from the costs associated with the Broadcasting division's divestment.

BALANCE SHEET AND FINANCIAL POSITION

The balance sheet on 7 November 2005 totalled MEUR 642.7 (31 Dec. 2004: MEUR 354.8). The main reason for the increase in the balance sheet total was the sale of the Broadcasting division in April 2005, on which the Group recorded a gain of MEUR 324.5.

The company's equity ratio on 7 November 2005 was 81.7 % (31 Dec. 2004: 43.1 %) and shareholders' equity per share was EUR 7.87 (31 Dec. 2004: EUR 2.32).

The Group's cash flow was good. Alma Media's net liabilities on 7 November 2005 totalled MEUR -56.9 (31 Dec. 2004: MEUR 79.2).

CAPITAL EXPENDITURE

Gross capital expenditure by the Group's continuing operations in the 1 Jan.-7 Nov. 2005 period totalled MEUR 17.1 (1 Jan.-31 Dec. 2004: MEUR 8.9). The most important items were MEUR 6.9 paid to acquire the Kauppalehti ePortti business and direct marketing company TietoEnator 121 Oy, and a printing works investment totalling MEUR 3.3 for the Lapin Kansa newspaper. In other respects capital expenditure consisted of normal replacement and maintenance investments.

PERSONNEL AND ADMINISTRATION

Alma Media Corporation's Board of Directors between 1 January and 8 March 2005 consisted of Bengt Braun, Lauri Helve, Matti Häkkinen, Matti Kavetvuo, Jonas Nyren and Kari Stadigh.

Of these members, the chairman of the Board Bengt Braun and Jonas Nyren did not participate in the Board meetings that dealt with the events precipitated by the Schibsted ASA purchase offer, leading to an extraordinary general meeting and eventually to the divestment of the Broadcasting division from Alma Media Group. These meetings were chaired by the Board's deputy chairman Kari Stadigh.

Alma Media Corporation's annual general meeting on 8 March 2005 elected Bengt Braun, Lauri Helve, Matti Häkkinen, Matti Kavetvuo, Kari Stadigh, Daniel Sachs and Harri Suutari as its members.

Mauri Palvi (APA) and KPMG Oy Ab were appointed as the company's auditors.

Convening after the AGM, the new Board of Directors elected Kari Stadigh as its chairman and Matti Kavetvuo as the deputy chairman.

At the end of March Alma Media's Board of Directors decided on a new President and CEO for the company. Kai Telanne was appointed President and CEO from 1 April 2005. The previous CEO, Juho Lipsanen, remained with the company handling special responsibilities related to the divestment of the Broadcasting division until 30 September 2005.

OPERATIONS BY DIVISION

NEWSPAPERS

The Newspapers group comprises the publishing activities of 32 newspapers. The largest are the regional paper Aamulehti and the afternoon paper Iltalehti.

Net sales of the Newspapers group between 1 Jan. and 7 Nov. 2005 totalled MEUR 175.0 (1 Jan.-31 Dec. 2004: MEUR 212.4).

KAUPPALEHTI GROUP

The Kauppalehti group specializes in producing business information. Its best-known product is the Finnish business and financial daily Kauppalehti. At the beginning of July Kauppalehti acquired TietoEnator's ePortti business, which specializes in selling various public administration and corporate online databases, and at the same time took a 49% stake in a new direct marketing company called TietoEnator 121 Oy.

Net sales of the Kauppalehti group between 1 Jan. and 7 Nov. 2005 totalled MEUR 43.2 (1 Jan.-31 Dec. 2004: MEUR 49.1).

MARKETPLACES

Marketplaces comprises two business units: Classified Services – i.e. Etuovi.com (home-buying), Autotalli.com (vehicles), Monster.fi (jobs), mascus.com (used heavy machinery), City24 (home-buying and real estate in the Baltic countries) – and network services (NWS). Alma Media sold NWS at the end of September to Plenware Group Oy. Maintenance of Alma Media's IT systems, previously handled by NWS, was outsourced to Fujitsu Invia at the beginning of 2005. Since October Marketplaces has focused solely on classified services, which it distributes to customers both via the internet and as supplementary printed publications.

Net sales of Marketplaces between 1 Jan. and 7 Nov. 2005 totalled MEUR 19.3 (1 Jan.-31 Dec. 2004: MEUR 21.3).

SHARES AND OWNERSHIP STRUCTURE

A total of 4,775,000 (1,988,000) Series I shares and 41,594,000 (18,703,000) Series II shares were traded on OMX Helsinki Stock Exchange between 1 January and 7 November 2005. Altogether 206,070 (178,000) A options and 258,594 (128,000) options were traded during the same period. Trading in the options ended on 20 June 2005.

Number of shares and votes at the end of the period, 7 November 2005:

	Shares	Votes
Series I	26 056 004	26 056 004
Series II	38 948 732	3 894 873
Total	65 004 736	29 950 877

Consolidated income statement (IFRS)
1000 EUR

1.1. - 7.11.2005 1.1. - 31.12.2004

Continuing operations:

Net sales	1,2	235 747	283 579
Other operating income	3	3 940	2 899
Change in inventories of finished goods and work in progress	19	-150	0
Materials and services	6	-73 571	-85 627
Expenses arising from employee benefits	7	-88 163	-102 596
Depreciation, amortization and impairment charges	12,13	-8 939	-11 556
Other operating expenses		-36 373	-49 709
Operating income	1	32 491	36 990
Net financial expenses	9	5 468	-100
Share of results in associated companies	16	3 513	-3 633
Income before tax		41 472	33 257
Income tax	10	-9 843	-11 809
Net income from continuing operations		31 630	21 448
Income from discontinued operations	4	1 145	8 293
Capital gain on discontinued operations	4	324 543	0
Adjustments and eliminations		245	316
Net income for the period		357 563	30 057

Distribution:

To the parent company shareholders		357 172	29 203
Minority interest		390	854

EPS (EUR) calculated from net income belonging to the parent company shareholders

EPS, continuing operations, undiluted	11	0,49	0,34
EPS, continuing operations, adjusted for effect of dilution	11	0,49	0,34
EPS, discontinued operations, undiluted	11	5,07	0,12
EPS, discontinued operations, adjusted for effect of dilution	11	5,07	0,12

Consolidated balance sheet (IFRS)		7.11.2005	31.12.2004
1000 EUR			
Assets			
Non-current assets			
Goodwill	12	18 756	18 724
Intangible assets	12	7 105	61 142
Property, plant and equipment	13	61 369	87 141
Investment properties	14	2 598	2 707
Investments in associated companies	16	37 556	102 279
Other long-term investments	17	3 981	4 622
Deferred tax assets	24	4 249	4 966
Other receivables	18	5 470	7 229
		<u>141 083</u>	<u>288 810</u>
Current assets			
Inventories	19	1 399	1 972
Tax receivables		10 679	0
Accounts receivable and other receivables	20	373 381	40 031
Other short-term investments	21	1 905	1 575
Cash and cash equivalents	22	114 237	22 454
		<u>501 602</u>	<u>66 032</u>
Assets, total		642 685	354 842
		7.11.2005	31.12.2004
Shareholders' equity and liabilities			
Share capital		27 333	26 473
Share issue		0	1 820
Share premium fund		60 419	50 759
Cumulative translation adjustment		-4	0
Retained earnings		66 836	37 565
Net income for the period		357 172	29 203
Parent company shareholders's equity	23	<u>511 755</u>	<u>145 820</u>
Minority interest		689	2 059
Shareholders' equity, total		<u>512 444</u>	<u>147 879</u>
Long-term liabilities			
Interest-bearing liabilities	27	20 519	69 898
Deferred tax liabilities	24	1 816	3 536
Pension liabilities	25	3 834	4 409
Provisions	26	333	371
Other long-term liabilities		7 264	7 882
		<u>33 767</u>	<u>86 096</u>
Current liabilities			
Interest-bearing liabilities	27	36 830	31 719
Advances received		15 618	11 637
Tax liabilities		9 584	6 730
Provisions	26	403	2 324
Accounts payable and other liabilities	28	34 038	68 457
		<u>96 474</u>	<u>120 867</u>
Shareholders' equity and liabilities, total		642 685	354 842

Consolidated cash flow statement (IFRS)	1.1. - 7.11.2005	1.1. - 31.12.2004
1000 EUR		
Continuing operations		
Cash flow from operating activities		
Net income for the period	31 630	21 448
Adjustments:		
Depreciation, amortization and impairment charges	8 939	11 556
Share of results in associated companies	-3 513	3 633
Capital gains (losses) on sale of fixed assets and other investments	-3 660	-486
Net financial expenses	-5 468	100
Taxes	9 923	11 809
Change in provisions	-538	-385
Other adjustments	49	1 092
Change in working capital:		
Total increase (-) / decrease (+) in non-interest-bearing accounts receivable	-9 097	-420
Increase (-) / decrease (+) in inventories	351	-277
Increase (+) / decrease (-) in non-interest-bearing accounts payable	11 325	-773
Dividend income received	2 386	3 889
Interest income received	2 724	4 535
Interest expenses paid	-3 492	-5 190
Taxes paid	-14 695	-4 421
Net cash provided by operating activities	26 864	46 110
Cash flow from investing activities		
Investments in tangible and intangible assets	-3 093	-3 645
Proceeds from sale of tangible and intangible assets	1 138	2 310
Other investments	-3 486	-227
Proceeds from sale of other investments		1 412
Loans granted		-32
Subsidiary shares purchased	-1 895	-1 220
Subsidiary shares sold		188
Associated company shares purchased	-3 353	-11
Net cash used in investing activities	-10 689	-1 225
Cash flow before financing activities	16 175	44 885
Cash flow from financing activities		
Paid share issue	8 699	2 011
Long-term loans raised		10 000
Long-term loans, repayments	-35 288	-51 056
Short-term loans raised		8 062
Short-term loans, repayments	-16 512	0
Increase (-) or decrease (+) in interest-bearing receivables		21 463
Group contributions received and paid	824	6 119
Dividends paid	-95	-39 325
Net cash used in financing activities	-42 372	-42 726
	-26 197	2 159
Discontinued operations		
Cash flow from operating activities	-1 321	21 500
Cash flow used in investing activities	37 702	200
Cash flow used in financing activities	81 599	-25 471
Change (increase + / decrease -) in cash funds	91 783	-1 612
Cash funds at start of period	22 454	24 066
Cash funds at close of period	114 237	22 454
Further details:		
Investments financed through finance leases	-4 762	-4 518
Gross capital expenditure, payment-based *)	-11 827	-5 135
Investments, total	-16 589	-9 653
*) Investments in tangible and intangible assets, investments in securities, loans approved, subsidiary shares purchased, associated company shares purchased		

Statement of changes in Group's shareholders' equity
1000 EUR

Share of equity belonging to parent company owners

	Share capital	Share premium fund	Share issue	Transl'n diff's	Re-valuation fund	Retained earnings	Total	Minority interest	Sh.s' equity total
Shareholders' equity 31.12.2003 (FAS)	26 456	50 582	3	-254	0	90 173	166 960	1 405	168 365
IAS 12 Income tax						3 350	3 350		3 350
IAS 16 Property, plant and equipment						-598	-598		-598
IAS 17 Leases						-9 993	-9 993		-9 993
IAS 19 Employee benefits						-964	-964		-964
IAS 28 Investments in associates						-4 789	-4 789		-4 789
IAS 36 Impairment of assets						-289	-289		-289
IAS 39 Financial instruments					596	0	596		596
Adjusted shareholders' equity 1.1.2004 (II)	26 456	50 582	3	-254	596	76 890	154 273	1 405	155 678
Subscribed with warrants			1 817				1 817		1 817
Registration of shares sub'd with warrants	17	177					194		194
Dividend distribution						-39 325	-39 325		-39 325
Income/expenses entered directly under equity									
Change in translation differences				254			254	-200	254
Change in revaluation fund					-596		-596		-596
Net income for the period						29 203	29 203	854	29 857
Shareholders' equity 31.12.2004 (IFRS)	26 473	50 759	1 820	0	0	66 768	145 820	2 059	147 879
Subscribed with warrants									
Registration of shares sub'd with warrants	860	9 660	-1 820				8 700		8 700
Dividend distribution									
Income/expenses entered directly under equity									
Change in translation differences				-4			-4		-4
Change in revaluation fund									
Net income for the period						357 172	357 172	390	357 562
Minority interest in companies sold								-1 760	-1 760
Other change						67	67		67
Shareholders' equity 7.11.2005 (IFRS)	27 333	60 419	0	-4	0	424 007	511 755	689	512 444

Accounting principles used to prepare the IFRS consolidated financial statements

General

Alma Media Group publishes newspapers, distributes business information and maintains online marketplaces. The company divested its Broadcasting operation during 2005. The parent company, Alma Media Corporation, is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki, address: Eteläesplanadi 20, P.O. Box 140, 00101 Helsinki, Finland.

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS, applying the IAS and IFRS standards and the SIC and IFRIC interpretations in force at 7 November 2005. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedure stipulated in the EU's IAS regulation (EC) No. 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting standards and the provisions of the Companies Act.

The Group adopted IFRS accounting principles during 2005 and in this connection has applied IFRS 1 (First-Time Adoption), the transition date being 1 January 2004. The section Adoption of IFRS Reporting below describes the differences between IFRS and FAS (Finnish Accounting Standards) in more detail and provides the statements of reconciliation required by IFRS 1.

The consolidated financial statements are based on the purchase method of accounting unless otherwise specified in the accounting principles described below. The Board of Directors has approved the consolidated financial statements for publication in their entirety on 7 December 2005.

Subsidiary companies

All subsidiaries are consolidated in the Group's financial statements. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest arises when the Group holds more than half of the voting power or over which the Group otherwise exercises the right of control. The right of control means the right to control the company's business and financial principles in order to extract benefit from its operations. The accounting principles applied in the subsidiaries have been brought into line with the IFRS principles applied in the consolidated financial statements. Mutual holdings are eliminating using the purchase method. Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. As permitted by IFRS 1, acquisitions taking place prior to the transition date are not IFRS-adjusted but are left at their previous FAS values. All intragroup transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements.

Associated companies

Associated companies are those in which the Group has a significant controlling interest. A significant controlling interest arises when the Group holds more than 20% of the company's voting power or over which the Group otherwise is able to exercise significant control. Associated companies are consolidated using the equity method. Investments in associated companies include any goodwill arising from their acquisition. If the Group's share of the associated company's losses exceeds the book value of the investment, this investment is entered at zero value in the balance sheet and any losses in excess of this value are not recognized unless the Group has obligations with respect to the associated company.

Joint venture entities

Joint venture entities are companies in which the Group exercises joint control with one or more other parties. In Alma Media, jointly controlled assets are shares in mutually owned property companies and housing companies. Joint venture entities are consolidated in accordance with the proportionate consolidation method permitted under IAS 31 (Interests in Joint Ventures).

Translation of items denominated in foreign currencies

Figures in the consolidated financial statements are shown in thousands of euro, which is the operational and reporting currency of the parent company. Foreign currency items are entered in euro at the rates prevailing at the transaction date. Monetary foreign currency items are translated into euro using the rates prevailing at the balance sheet date. Non-monetary foreign currency items are measured at their value and translated into euro using the rates prevailing at the measurement date. In other respects non-monetary items are valued at the rates prevailing at the transaction date. Exchange rate

differences arising from sales and purchases are treated as additions or subtractions respectively in the income statement. Exchange rate differences related to loans and loan receivables are taken to other financial income and expenses in the income statement.

The income statements of foreign Group subsidiaries are translated into euro using the weighted average rates during the period, and their balance sheets at the rates at the balance sheet date. Translation differences arising from the consolidation of foreign subsidiaries and associated companies are entered under shareholders' equity.

Assets available for sale and discontinued operations

Assets available for sale, and the assets related to the discontinued operation that are classified as available for sale, are valued at the lower of their book value or their fair value less the costs arising from their sale.

The Broadcasting operation was treated as a discontinued operation in the 2005 financial period and further details are provided in the notes as required by IFRS 5. In the 2004 comparison figures Broadcasting is also treated as a discontinued operation in the income and cash flow statements.

Recognition principles

Income from the sale of goods is recognized when the material risks and rewards incidental to ownership of the goods have been transferred to the buyer. Income from services is recognized in accordance with their percentage of completion at the balance sheet date.

Employee benefits

Employee benefits cover short-term employee benefits, other long-term benefits, termination benefits, and post-employment benefits.

Short-term employee benefits include salaries and benefits in kind, annual holidays and bonuses. Other long-term benefits include, for example, a celebration, holiday or remuneration (e.g. bonuses for years of service) based on a long period of service. Termination benefits are benefits that are paid due to termination of an employees' contract and not from service in the company.

Post-employment benefits comprise pension and benefits to be paid after termination of the employee's contract, such as life insurance and healthcare. These benefits are classified as either defined contribution or defined benefit plans. The Group has both forms of benefit plan.

Payments made under defined contribution plans are entered in the income statement in the period which the payment applies to. The disability pension component of the Finnish Employees' Pension System (TEL) handled by insurance companies will be reclassified under IFRS as a defined contribution plan from the beginning of 2006. Accordingly, this is treated as a defined contribution plan in the Group's opening balance sheet, the comparison figures and the figures for 2005.

Defined benefit plans are all those that do not meet the criteria defining a defined contribution plan. In Alma Media Group, voluntary supplementary pension commitments are treated as defined benefit plans. In a defined benefit pension plan, the company is left with additional obligations also after the payment for the period is made. Actuarial calculations are acquired annually for plans classified as defined benefit plans as a basis for entering the expense, debt or asset item. Debt entered in the balance sheet is the difference between the present value of the pension obligation and the fair value of the plan assets, on the one hand, and the unrecognized actuarial profits and losses on the other.

Obligations arising from defined benefit plans are calculated using actuarial assumptions. These are divided between demographic and economic assumptions. Demographic assumptions are mortality rates, termination rates and the commencement of disability. Economic assumptions are the discount rate, future salary levels, the expected yield from the plan's assets, and estimated rate of inflation.

Alma Media applies the corridor method in the treatment of actuarial gains and losses, under which actuarial gains and losses are entered in the balance sheet. The accumulated unrecognized actuarial gains and losses, net, are entered in the income statement if at the end of the previous period they exceed the greater of the following: 10% of the present value of the defined benefit obligation on the day in question (before deduction of plan assets), or 10% of the fair value of the plan assets on the day in question. These limits are calculated for, and applied to, each defined benefit plan separately. The portion of the actuarial gains and losses entered in the income statement for each defined benefit plan is the excess divided by the expected average remaining working lives of the participating employees, i.e. the portion for only one year.

Stock option schemes under which options have been granted after 7 November 2002 but which did not give their holders rights before 1 January 2005 are measured at their fair value at the time of issue and entered as an expense in the income statement during the interim period. Option schemes predating this date are not entered as an expense. Alma Media Group issued bonds with warrants to personnel in 1999. No expenses have been entered on this scheme. Options valid during the 2005 financial period were required to be converted into shares or redeemed by 30 June 2006 owing to the restructuring. At the close of the 2005 period Alma Media Corporation had no outstanding option schemes.

The Group operates a share bonus scheme for key employees. This is a share-based scheme under which the employees in question are paid a bonus in cash. The debt arising from the employee's service is entered in the balance sheet and measured in the financial statements and on the day of payment at its fair value. Changes in fair value are entered under personnel expenses in the income statement in the period to which they relate. The company has also made hedges with respect to this share bonus scheme. The option instrument in question is measured at its fair value in the financial statements and changes in the fair value are charged to the income statement.

Leasing agreements

Leases applying to tangible assets and in which the Group holds a significant share of the risks and rewards incremental to their ownership are classified as finance leases. These are recognized in the balance sheet as assets and liabilities at the lower of their fair value or the present value of the required minimum lease payments at inception of the lease. Assets acquired through finance leases are depreciated over their useful life, or over the lease term if shorter. Lease obligations are included under interest-bearing liabilities.

Other leases are those in which the risks and rewards incremental to ownership remain with the lessor. When the Group is the lessee, lease payments related to other leases are allocated as expenses on a straight-line basis over the lease term. When the Group is the lessor, lease income is entered in the income statement on a straight-line basis over the lease term.

Income taxes

The tax expense in the income statement comprises the tax based on the company's taxable income for the period together with deferred taxes. The tax based on taxable income for the period is the taxable income calculated on the applicable tax rate in each country of operation. Tax is adjusted for any tax related to previous periods.

Deferred tax assets and liabilities are recognized on all temporary differences between their book and actual tax values. Deferred tax is not calculated if the difference is not expected to be reversed in the foreseeable future. Deferred taxes are calculated using the tax rates enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are netted by company when they relate to income tax levied by the same tax authority and when the tax authority permits the company to pay or receive a single net tax payment.

Tangible fixed assets

Property, plant and equipment are measured at cost less depreciation, amortization and impairment losses. Straight-line depreciation is entered on the assets over their estimated useful lives. Depreciation is not entered on land. The estimated useful lives are:

- Buildings and structures 30-40 years
- Machinery and equipment 3-10 years
- Large rotation printing presses 20 years

When an item of property, plant and equipment is replaced, the costs related to this new item are capitalized. The same procedure is applied in the case of major inspection or service operations. Other costs arising later are capitalized only when they give the company added economic benefit from the asset. All other expenses, such as normal service and repair procedures, are entered as an expense in the income statement as they arise.

Intangible assets

Goodwill represents the excess of the acquisition cost over the Group's share of the net fair values of the acquired company's assets at the time of acquisition; see section Adoption of IFRS Reporting below, which describes the IFRS treatment at the transition date of acquisitions made when previous accounting standards were in force. Goodwill is applied to cash-generating units and tested at the

Investments held to maturity are financial assets that mature on a given date and which the Group intends and is able to keep until this date. These are measured at amortized cost.

Financial assets available for sale are measured at their fair value and the change in fair value is entered in the revaluation fund under shareholders' equity. This category comprises financial assets that are not classified in any of the other categories. In Alma Media, this category includes investments in listed shares shown under long- and short-term investments. Listed shares are measured at their fair value, which is their market value at the balance sheet date. Changes in fair value are moved from shareholders' equity to the income statement when the investment is sold or when its value is reduced to the point where a writedown on this investment is required.

Cash funds consist of cash, demand and time deposits, and other short-term highly liquid investments.

Interest-bearing debt

Interest-bearing debt comprises the loans issued by the company and is measured at amortized cost.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The provision is discounted if the time-value of the money is significant with respect to the size of the provision. Provisions shown in the balance sheet are not discounted at the balance sheet date. Examples of provisions entered by Alma Media are rental expenses on vacant office premises (loss-making agreements), and pension obligation provisions on unemployment pension insurance.

Impairments

Alma Media reviews the carrying amounts at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Furthermore, the recoverable amount is estimated annually for the following assets, whether there are indications of impairment or not: goodwill, and intangible assets with an indefinite useful life. The recoverable amounts of intangible and tangible assets are determined as the greater of the net selling price (fair value less costs to sell) or value in use. An impairment loss is entered if the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are entered in the income statement. An impairment loss may be reversed if circumstances regarding the intangible or tangible assets in question change. Impairment losses recognized on goodwill cannot be reversed under any circumstances.

Segment reporting and its accounting principles

As its primary business segments Alma Media Group reports the Newspapers group, Kauppalehti group, Marketplaces, Broadcasting and Other Operations. The Broadcasting segment was sold at the end of April 2005. Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the primary business segments listed above.

Accounting principles requiring management discretion and main uncertainty factors underlying assessments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which may differ from actual results in the future. Management is also required to use its discretion as to the application of the accounting principles used to prepare the statements.

The Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and reviews any indications of impairment in the manner described above.

Estimating useful lives used to calculate depreciation and amortization also requires management to estimate the useful lives of these assets.

Other management estimates relate mainly to other assets, such as the current nature of receivables, to tax risks, to determining pension obligations, and to the utilization of tax assets against future taxable income.

Events subsequent to the closing of the accounts

The period during which matters affecting the financial statements are taken into account is the period from the closing of the accounts to the release of the statements. The release date is the day on which the Board of Directors considers and signs the statements. Events occurring during the period referred to above are examined to determine whether they do or do not make it necessary to correct the information in the financial statements.

Information in the financial statements is corrected in the case of events that provide additional insight into the situation prevailing at the balance sheet date. Events of this nature include, for example, information received after the closing of the accounts indicating that the value of an asset had been reduced on the balance sheet date.

Impacts of new but not yet adopted standards

The following new standards and interpretations will be applied in the Group in future periods:

IFRIC 4 Determining whether an agreement contains a lease (published 2004, to be applied from 1 Jan. 2006)

IAS 19 Employee benefits – change in the standard (published 2004, to be applied from 1 Jan. 2006) concerning the entry of actuarial gains and losses directly under shareholders' equity.

and IFRS 7 Financial Instruments: Disclosures (published 2005, to be applied from 1 Jan. 2007).

The impact of the aforementioned new interpretation on the Group is initially estimated to be minor. The effect of the application of the new standards is initially estimated to apply mainly to the notes to the financial statements.

Notes to the consolidated financial statements
1000 EUR

1. SEGMENT INFORMATION

Alma Media Group reports as its primary segments the Newspapers group, the Kauppalehti group, Marketplaces, Broadcasting and Other Operations. The Broadcasting segment was sold at the end of April 2005 and is no longer included in continuing operations. Alma Media Group's geographical segments cannot be distinguished (Alma Media operates mainly in one geographical segment), and therefore segment reporting is restricted to the primary business segments listed above.

The 2005 column gives the income statement figures for the period 1.1 - 7.11.2005 and the balance sheet figures at 7.11.2005. The 2004 column gives the income statement figures for the period 1.1 - 31.12.2004 and the balance sheet figures at 31.12.2004.

NET SALES

	Newspapers		Kauppalehti group		Marketplaces		Other		Eliminations		Continuing op's total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
NET SALES:												
External net sales	171 322	208 374	43 000	48 918	16 761	17 390	4 664	8 897	0	0	235 747	283 579
Inter-segment net sales	3 645	3 994	274	135	2 553	3 943	6 594	5 694	-13 066	-13 766	0	0
Net sales, total	174 967	212 368	43 274	49 053	19 314	21 333	11 258	14 591	-13 066	-13 766	235 747	283 579

	Continuing op's total		Discontinued op's Broadcasting		Eliminations		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
NET SALES:								
External net sales	235 747	283 579	67 203	195 353	-4 637	-13 227	298 313	465 705
Inter-segment net sales	0	0	0	0	0	0	0	0
Net sales, total	235 747	283 579	67 203	195 353	-4 637	-13 227	298 313	465 705

NET INCOME IN THE PERIOD

	Newspapers		Kauppalehti group		Marketplaces		Other		Eliminations		Continuing op's total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Operating income	30 729	35 702	4 776	6 100	856	301	-3 870	-5 113	0	0	32 491	36 990
Share of results in assoc. co's	17		4 464				-968				3 513	-3 633
Non-allocated items:												
Net financial expenses											5 468	-100
Income tax											-9 843	-11 809
Net income for the period	30 746		9 240		856		-4 838		0		31 630	21 448

	Continuing op's total		Broadcasting		Broadcasting myyntivoitto		Eliminations		Group	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Operating income	32 491	36 990	3 484	14 737	324 543	0	242	365	360 760	52 092
Share of results in assoc. co's	3 513	-3 633	133	628			7		3 653	-3 005
Non-allocated items:										
Net financial expenses	5 468	-100	-1 330	-5 065			-2	-49	4 136	-5 214
Income tax	-9 843	-11 809	-1 142	-2 007			-2		-10 987	-13 816
Net income for the period	31 630	21 448	1 145	8 293	324 543	0	245	316	357 563	30 057

ASSETS AND LIABILITIES

	Newspapers		Kauppalehti group		Marketplaces		Other		Eliminations		Continuing op's total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Segment assets	72 135	71 895	17 284	11 597	9 817	7 716	44 915	52 623	-4 611	-22 630	139 540	121 201
Investments in assoc. companies	97	83	32 749	26 928	0	6	4 710	4 386	0	0	37 556	31 403
Non-allocated assets											465 589	160 575
											642 685	313 179
Segment liabilities	39 499	36 459	9 742	8 710	2 840	3 406	15 546	17 313	6 136	6 410	61 491	59 478
Non-allocated liabilities											68 750	110 087
											130 241	169 565

	Continuing op's total		Broadcasting		Eliminations		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
Segment assets	139 540	121 201	0	119 651	0	-15 147	139 540	225 705
Investments in assoc. companies	37 556	31 403	0	70 876	0	0	37 556	102 279
Non-allocated assets	465 589	160 575		0	-133 717		465 589	26 858
							642 685	354 842
Segment liabilities	61 491	59 478	0	35 946	0	0	61 491	95 424
Non-allocated liabilities	68 750	110 087	0	0	0	1 452	68 750	111 539
							130 241	206 963

OTHER INFORMATION

	Newspapers		Kauppalehti group		Marketplaces		Other		Eliminations		Continuing op's total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Investments	5 558	3 830	8 065	1 855	3 038	2 347	422	872	0	0	17 083	8 904
Depreciation	4 648	6 915	889	986	1 636	1 871	1 766	1 883	0	-99	8 939	11 556
Other expenses not requiring transaction, e.g. depreciation	135	0	0	0	0	0	1 504	4 134	0	0	1 639	4 134

	Continuing op's total		Broadcasting		Eliminations		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
Investments	17 083	8 904	2 680	5 190	0	0	19 763	14 094
Depreciation	8 939	11 556	21 527	57 241	-1	-365	30 465	68 432
Other expenses not requiring transaction, e.g. depreciation	1 639	2 468	0	2 000	0	0	1 639	4 468

2. NET SALES

Distribution of net sales between goods and services

	1.1. - 7.11.2005	1.1. - 31.12.2004
Sales of goods	101 001	127 249
Sales of services	134 746	156 330
Net sales (continuing operations) total	235 747	283 579

In this specification, sales of goods comprises newspaper circulation sales, sales of printing work and book sales. Sales of services comprises advertising sales and sales of distribution services, as well as Marketplaces in its entirety.

3. OTHER OPERATING INCOME

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Gains on sale of property, plant and equipment	553	919
Gains on sale of intangible assets	119	103
Gains on sale of assets available for sale	-	890
Other	3 268	987
Other operating income, total	<u>3 940</u>	<u>2 899</u>

Specification of other major operating income items:

Compensation paid by Edita Oyj on Acta Print dispute as required by court of arbitration	1 175
Gain recognized on sale of NWS business	1 215

4. DISCONTINUED OPERATIONS

The Group sold its Broadcasting business segment in spring 2005. The table below shows the divested segment's share of the Group's net sales, result and cash flows:

	<u>1.1. - 30.4.2005</u>	<u>1.1.-31.12.2004</u>
Net sales	67 203	195 353
Operating expenses	- 63 719	- 180 616
Operating income	<u>3 484</u>	<u>14 737</u>
Net financial items	- 1 330	- 5 065
Share of result in associated company	133	628
Income before tax	<u>2 287</u>	<u>10 300</u>
Tax	- 1 142	- 2 007
Income after tax	<u>1 145</u>	<u>8 293</u>
Cash flow from operating activities	- 1 321	21 500
Cash flow from investing activities *	37 702	200
Cash flow from financing activities *	81 599	25 471
Cash flow, total	<u>117 980</u>	<u>47 171</u>

The Group recognized a gain of EUR 324.5 million on the sale of the Broadcasting business segment.

* also includes impact of cash flow from sale in period 1.1 - 30.4.2005.

5. ACQUIRED BUSINESSES

The Group made two acquisitions during the 2005 period. In January the Group acquired the City 24 subgroup, allocated to the Marketplaces segment, which specializes in chargeable internet property portal services in the Baltic countries. In July the Group acquired the E-portti business for its Kauppalehti group. This business provides information and documents on the internet for public offices and companies. In July the Group also acquired an associated company holding (49 %) in Tietoenator 121 Oy, further information on which is given in Note 15. The following table gives the opening balance sheets in the Group of the acquired businesses (City 24 and E-portti) as well as their total acquisition price and impact on cash flow:

	<u>Book values before combination</u>	<u>Fair values entered in combination</u>
Property, plant and equipment	31	31
Intangible assets	8	908
Inventories	0	0
Accounts receivable and other receivables	37	37
Cash and cash equivalents	<u>269</u>	<u>269</u>
Assets, total	345	1 245
Deferred tax liabilities	0	0
Pension obligations	0	0
Interest-bearing liabilities	0	0
Accounts payable and other liabilities	<u>73</u>	<u>73</u>
Liabilities, total	73	73
Net assets	272	1 172
Goodwill arising in acquisition		3 374
Acquisition price		4 546
Cash reserves of acquired subsidiaries or businesses		269
Impact on cash flow		4 277

Goodwill arised from acquisitions can be derived from increased synergies and possibilities to invest in new marketplaces.

6. MATERIALS AND SERVICES

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Materials, goods and supplies		
Purchases during the period	16 306	22 849
Change in inventories	202	- 106
	<u>16 508</u>	<u>22 743</u>
External services	57 063	62 884
Total	<u>73 571</u>	<u>85 627</u>

7. EXPENSES ARISING FROM EMPLOYEE BENEFITS

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Salaries and fees	70 661	82 592
Pension costs - defined contribution plans	12 131	13 338
Pension costs - defined benefit plans	392	491
Approved share schemes to be settled in cash	441	828
Other personnel expenses	4 538	5 347
Total	<u>88 163</u>	<u>102 596</u>

Liability for approved share schemes to be settled in cash amounted to EUR 1,3 million at 7.11.2005

Average total workforce, calculated as full-time employees:

Newspapers	1 561	1 607
Kauppaliehti group	417	401
Marketplaces	98	115
Other	81	40
Continuing operations, total	<u>2 157</u>	<u>2 163</u>

Discontinued operations	432	516
-------------------------	-----	-----

Salaries and fees to management:

Presidents:

Salaries and other short-term employee benefits	3 215	2 866
Termination benefits	1 003	-
Post-employment benefits	88	292
Share-based payments *	78	146
Members of the Board of Directors	154	129
Total	<u>4 538</u>	<u>3 433</u>

* Share-based payments refers to the cost impact on the company of the benefit arising from approved share-based scheme to be settled in cash.

Under a separate agreement the President of the parent company has the right to retire on reaching 60 years of age.

The members of the Board of Directors and the President of the parent company owned altogether 116,048 Series I shares and 75,484 Series II shares before the merger. The aggregate number of votes held by these shares represent 0.41 % of the voting rights conferred by all the shares.

8. RESEARCH AND DEVELOPMENT COSTS

Research and development costs in the income statement totalled EUR 2,5 million in 2005 (EUR 3.0 million in 2004).

9. NET FINANCIAL EXPENSES

	1.1. - 7.11.2005	1.1. - 31.12.2004
Interest income	8 520	4 773
Dividend income	233	249
Interest expenses:		
Interest expenses to others	- 2 161	- 3 904
Interest expenses from finance leases	- 1 018	- 1 214
Exchange rate gains and losses	2	4
Other financial items	- 108	
Total	5 468	100

10. INCOME TAX

	1.1. - 7.11.2005	1.1. - 31.12.2004
Tax based on taxable income for the period	10 879	11 801
Tax from previous periods	- 137	1 609
Deferred taxes	- 900	1 601
Total	9 843	11 809

Reconciliation of tax expense in income statement and tax calculated on Finnish tax rate:
The Finnish corporate tax rate in 2004 was 29 % and in 2005 26 %.

Income before tax	41 472	33 257
Tax calculated on the parent company's tax rate	10 783	9 645
Impact of varying tax rates of foreign subsidiaries	- 94	169
Tax-free income	- 91	-
Non-tax-deductible expenses	205	753
Share of results in associated companies	- 913	1 053
Items from previous periods	- 137	1 609
Impact of change in tax legislation in 2004 and other items	90	1 082
Tax shown in the income statement	9 843	11 809

11. EARNINGS PER SHARE

Undiluted earnings per share is calculated by dividing income for the period belonging to the parent company's owners by the weighted average number of shares in the period. Diluted earnings per share is calculated by dividing the income for the period belonging to the parent company's owners by the weighted average number of diluted shares during the period.

PC owners' income in the period, continuing operations	31 438	21 398
PC owners' income in the period, discontinued operations	325 735	7 805
Number of shares (x 1000)		
Weighted average number of outstanding shares	64 225	62 940
Impact of issued share options calculated as number of shares	-	930
Diluted weighted average number of outstanding shares	64 225	63 871
EPS, continuing operations, undiluted	0,49	0,34
EPS, continuing operations, adjusted for impact of dilution	0,49	0,34
EPS, discontinued operations, undiluted	5,07	0,12
EPS, discontinued operations, adjusted for impact of dilution	5,07	0,12

12. INTANGIBLE ASSETS AND GOODWILL

Financial year 2005	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Acquisition cost 1.1.	110 337	2 729	878	47 045	160 989
Increases	16 278	171	198	3 676	20 323
Decreases	- 97 627	-	-	- 4 887	- 102 514
Transfers between items	782	-	782	-	-
Acquisition cost 31.12.	29 770	2 900	294	45 834	78 798
Acc. depr'n, amort'n and impairments. 1.1.	52 103	699	-	28 321	81 123
Acc. depreciation in decreases and transfer-	48 705	- 424	-	- 1 423	- 50 552
Depreciation in period	21 454	733	-	-	22 187
Impairment charges	-	-	-	179	179
Acc. depreciation 31.12.	24 852	1 008	-	27 077	52 937
Book value 1.1.	58 234	2 030	878	18 724	79 866
Book value 31.12.	4 918	1 892	294	18 757	25 861

Financial year 2004	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Acquisition cost 1.1.	108 989	2 481	619	45 538	157 627
Increases	54 702	2 141	853	1 641	59 337
Decreases	- 53 498	- 1 893	- 324	- 255	- 55 970
Transfers between items	144	-	270	121	5
Acquisition cost 31.12.	110 337	2 729	878	47 045	160 989
Acc. depr'n, amort'n and impairments 1.1.	50 571	807	-	28 309	79 687
Acc. depreciation in decreases and transfer-	51 544	- 508	-	12	- 52 040
Depreciation in period	53 076	400	-	-	53 476
Impairment charges	-	-	-	-	-
Acc. depreciation 31.12.	52 103	699	-	28 321	81 123
Book value 1.1.	58 418	1 674	619	17 229	77 940
Book value 31.12.	58 234	2 030	878	18 724	79 866

Intangible assets include assets purchased through finance leases as follows:

Financial year 2005	Intangible rights	Other intangible assets	Advance payments	Total
Acquisition cost	1 489	-	782	2 271
Acc. depreciation 1.1.	- 502	-	-	- 502
Increases/Decreases	137	-	782	645
Depreciation in period	- 392	-	-	- 392
Book value	732	-	-	732

Financial year 2004	Intangible rights	Other intangible assets	Advance payments	Total
Acquisition cost	24	-	782	806
Acc. depreciation 1.1.	-	-	-	-
Increases/Decreases	1 465	-	-	1 465
Depreciation in period	- 502	-	-	- 502
Book value	987	-	782	1 769

Allocation of goodwill to cash-generating units

A significant amount of goodwill has been allocated to the following cash-generating units:	7.11.2005	31.12.2004
Newspapers group	11 013	11 013
Kauppalehti group	6 117	3 335
Marketplaces	1 510	901
Discontinued operations	-	3 327
Units allocated insignificant amount of goodwill	116	147
Goodwill, total	18 756	18 724

A goodwill impairment loss of 179,000 euros was entered in the income statement for the period 1.1-7.11.2005 on the Marketplaces segment due to the dissolution of the Medianoste unit and the termination of its operations.

In testing for goodwill impairment, the recoverable amount is the value in use. Estimated cash flows determined in the test are based on the Group's strategic forecasts for the following three years. The years following this period are estimated by extrapolating without a growth percentage. A discount rate of 8-9% is used.

13. PLANT, PROPERTY AND EQUIPMENT

Financial period 2005	Land and water areas	Buildings and structures	Machinery and equip.	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost 1.1.	3 474	65 949	132 794	15 420	699	218 336
Increases	-	89	4 383	271	384	5 127
Decreases	- 206	- 13 707	- 64 542	- 11 662	- 470	- 90 587
Transfers between items	-	-	122	-	122	-
Exchange rate differences	-	-	-	-	-	-
Acquisition cost 31.12.	3 268	52 331	72 757	4 029	491	132 876
Acc. depr'n, amort'n and impairments 1.1.	-	24 573	95 283	11 339	-	131 195
Depreciation in period	-	1 726	5 895	343	-	7 964
Impairment charges	-	-	-	-	-	-
Decreases	-	- 4 161	- 53 542	- 9 949	-	- 67 652
Transfers between items	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-
Acc. depr'n, amort'n and impairments 31.12.	-	22 138	47 636	1 733	-	71 507
Book value 1.1.	3 474	41 376	37 511	3 974	699	87 141
Book value 31.12.	3 268	30 193	25 121	3 974	699	61 369

Financial period 2004	Land and water areas	Buildings and structures	Machinery and equip.	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost 1.1.	3 351	69 222	141 440	18 414	924	233 351
Increases	-	448	9 065	267	177	9 957
Decreases	- 51	- 3 619	- 18 108	- 3 198	-	- 24 976
Transfers between items	174	- 102	397	- 63	402	4
Exchange rate differences	-	-	-	-	-	-
Acquisition cost 31.12.	3 474	69 949	132 794	15 420	699	218 336
Acc. depr'n, amort'n and impairments 1.1.	-	25 402	100 203	13 203	-	133 808
Acquisition of subsidiary	-	-	-	-	-	-
Divestment of subsidiary	-	-	-	-	-	-
Depreciation in period	-	2 355	10 785	1 557	-	14 697
Writedowns	-	-	-	-	-	-
Decreases	-	- 3 184	- 15 705	- 3 421	-	- 22 310
Transfers between items	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-
Acc. depr'n, amort'n and impairments 31.12.	-	24 573	95 283	11 339	-	131 195
Book value 1.1.	3 351	43 820	41 237	5 211	924	94 543
Book value 31.12.	3 474	41 376	37 511	4 081	699	87 141

Property, plant and equipment includes assets purchased through finance leases as follows:

Financial period 2005	Land and water areas	Buildings and structures	Machinery and equip.	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost	-	17 352	8 014	-	122	25 488
Acc. depreciation 1.1.	-	3 374	1 550	-	-	4 924
Increases/Decreases	-	-	1 077	-	-	955
Depreciation in period	-	804	998	-	-	1 802
Book value	-	13 174	6 543	-	122	19 717

Financial period 2004	Land and water areas	Buildings and structures	Machinery and equip.	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost	-	17 352	1 394	-	122	18 868
Acc. depreciation 1.1.	-	2 410	79	-	-	2 489
Increases/Decreases	-	-	6 620	-	-	6 620
Depreciation in period	-	964	1 471	-	-	2 435
Book value	-	13 978	6 464	-	122	20 564

14. INVESTMENT PROPERTIES

	7.11.2005	31.12.2004
Acquisition cost 1.1.	6 237	6 237
Increases	25	-
Decreases	-	-
Transfers between items	-	-
Acquisition cost 31.12.	6 262	6 237
Acc. depr'n, amort'n and impairments 1.1.	3 530	3 399
Acc. depreciation in decreases and transfers	-	-
Depreciation in period	134	131
Transfers between items	-	-
Impairment charges	-	-
Acc. depr'n, amort'n and impairments 31.12.	3 664	3 530
Book value 1.1.	2 707	2 838
Book value 31.12.	2 598	2 707
	1.1. - 7.11.2005	1.1. - 31.12.2004
Rental income from investment properties	413	569
Maintenance expenses of investment properties	232	286
Fair values of investment properties	6 300	6 300

15. SUBSIDIARY COMPANIES

Company	Registered office	Holding %	Share of votes %
Aamujakelu Oy	Tampere	100,00	100,00
Agentura BNS SIA	Riika	100,00	100,00
Alma Media Interactive Oy	Helsinki	100,00	100,00
Alma Media Lehdentekijät Oy	Helsinki	100,00	100,00
Alma Media Palvelut Oy	Helsinki	100,00	100,00
Alpress Oy	Tampere	100,00	100,00
Arctic Press Oy	Rovaniemi	100,00	100,00
AS Kinnisvaraportaal	Tallinna	100,00	100,00
Balance Consulting Oy	Helsinki	100,00	100,00
Balti Uudistetalituse AS	Tallinna	100,00	100,00
BNS Eesti OÜ	Tallinna	100,00	100,00
BNS Latvija SIA	Riika	99,97	99,97
BNS UAB	Vilna	99,93	99,93
ETA Uudistetalituse OÜ	Tallinna	100,00	100,00
Etuovi Oy	Helsinki	100,00	100,00
Kainuun Sanomat Oy	Kajaani	100,00	100,00
Kainuun Viestintä Oy	Kajaani	100,00	100,00
Karenstock Oy	Helsinki	100,00	100,00
Kiint. Oy Kajaanin Kauppakatu 34	Kajaani	100,00	100,00
Kiint. Oy Kajaanin Kauppakatu 36	Kajaani	100,00	100,00
Kiint. Oy Kajaanin Kauppakatu 38	Kajaani	100,00	100,00
Kiint. Oy Liike- ja Autokuilma	Rovaniemi	79,20	79,20
Kiint. Oy Veneentekijäntie 20	Helsinki	100,00	100,00
Kustannus Oy Aamulehti	Tampere	100,00	100,00
Kustannus Oy Otsikko	Tampere	100,00	100,00
Kustannusosakeyhtiö Iltalehti	Helsinki	100,00	100,00
Kustannusosakeyhtiö Kauppalehti	Helsinki	100,00	100,00
Kustannusosakeyhtiö Uusi Suomi	Vantaa	100,00	100,00
Lapin Kansa Oy	Rovaniemi	99,23	99,23
Marcenter Oy	Tampere	100,00	100,00
Medianoste Oy	Helsinki	51,00	51,00
Monster Oy	Helsinki	75,00	75,00
Osakeyhtiö Harjavallan Kustannus	Harjavalta	99,72	99,72
Pohjois-Suomen Media Oy	Helsinki	100,00	100,00
Pohjolan Sanomat Oy	Kemi	100,00	100,00
Porin Sanomat Oy	Pori	100,00	100,00
Satakunnan Kirjateollisuus Oy	Pori	100,00	100,00
SIA City24	Riika	92,00	92,00
Starfunds Finland Oy	Helsinki	100,00	100,00
Suomalainen Lehtipaino Oy	Helsinki	100,00	100,00
Suomen Lehtistudio Oy	Helsinki	100,00	100,00
Suomen Paikallissanomat Oy	Tampere	100,00	100,00
Suomen Utislinkki Oy	Helsinki	100,00	100,00
SVY Viestintä Profilli Oy	Helsinki	100,00	100,00
UAB City24	Vilna	94,00	94,00

16. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

Holdings in associated companies *	7.11.2005	31.12.2004
At start of period	102 279	109 908
Increases	3 353	26
Decreases	- 71 033	-
Share of results	3 653	810
Dividends received	- 2 157	- 6 142
Change in translation differences	-	109
Impairment charges	-	993
Transfers between items	1 461	1 439
At end of period	37 556	102 279

Further information on associated companies:

The Group has entered a writedown of MEUR 2,6 in 2004 on the associated company Acta Print. MEUR 1,6 of that amount was allocated to receivables from the associated company. In 2005 the writedown on the same company was MEUR 1,4, which was allocated entirely to receivables from associated company.

The share of results in associated companies in 2005 includes the impact on the income statement of discontinued operations, MEUR 3.5, which the companies themselves determined. This amount mainly comprises the impact of Satama Interactive sold by Talentum Oyj. The book value of investments in associated companies at 7.11.2005 includes the plc Talentum Oyj (book value MEUR 29.4, market capitalization MEUR 48.7).

Goodwill arising from associated companies at 7.11.2005 totalled MEUR 23.7 (67.0).

	7.11.2005	31.12.2004
Book value of shares, total	37 556	102 279
Receivables from associated companies	5 339	6 941
Liabilities to associated companies	199	307
Summary (100%) of associated company totals		
Aggregate assets of associated companies *	163 165	302 754
Aggregate liabilities of associated companies *	94 908	142 547
Aggregate net sales of associated companies *	237 192	479 596
Aggregate profit/loss of associated companies *	17 078	1 556

* the figures for the associated companies in 2005 apply to continuing operations in the period 1.1 - 30.9.2005 and to discontinued operations in the period 1.1 - 30.4.2005.

Associated companies

Company	Holding (%)	Share of votes (%)
Acta Print Oy	36,00	36,00
Ahaa Sivunvalmistus Oy	20,00	20,00
Holding Oy Visio	25,70	25,70
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	28,20	28,20
Talentum Oyj *	31,02	31,02
Tampereen Tietoverkko Oy	34,92	34,92
Jämsänjokilaakson Paikallisviestintä Oy	49,00	49,00
Kytöpirtti Oy	43,20	43,20
Nokian Utustalo Oy	36,90	36,90
Tietoerator 121 Oy	49,00	49,00

* holding (%) is presented before October 2005, when share exchange was executed

Joint venture companies

The Group treats as joint venture companies its mutual property and housing companies. The joint venture companies are consolidated using the proportionate consolidation method in accordance with IAS 31.

Group's share of balance sheets and results of joint venture companies:

Long-term assets	5 101
Current assets	-
Long- and short-term liabilities	-
Income and expenses	-

17. OTHER LONG-TERM INVESTMENTS

	7.11.2005	31.12.2004
Investments available for sale	-	216
Investments held to maturity	-	-
Loans and other receivables	3 981	4 406
Total	3 981	4 622

Investments available for sale in the 2004 financial year consist of shares in publicly quoted companies. These shares are measured at their fair value. Capital gains from investments available for sale totalling EUR 0.9 million were entered under other operating income in the 2004 income statement.

18. OTHER RECEIVABLES - LONG-TERM ASSETS

	Book values 7.11.2005	Fair values 7.11.2005	Book values 31.12.2004	Fair values 31.12.2004
Receivables from associated companies				
Accounts receivable	-	-	-	-
Loan receivables	5 249	5 249	6 894	6 894
Other receivables	-	-	-	-
	<u>5 249</u>	<u>5 249</u>	<u>6 894</u>	<u>6 894</u>
Receivables from others				
Loan receivables	221	221	265	265
Other long-term receivables	-	-	70	70
	<u>221</u>	<u>221</u>	<u>335</u>	<u>335</u>
Other receivables, total	5 470	5 470	7 229	7 229

19. INVENTORIES

	7.11.2005	31.12.2004
Materials and supplies	1 368	1 577
Products in progress	-	23
Finished goods	29	127
Other inventories	2	245
Total	<u>1 399</u>	<u>1 972</u>

20. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	7.11.2005	31.12.2004
Accounts receivable	21 924	29 245
Receivables from joint venture companies		
Accounts receivable	90	47
Loan receivables	-	-
Prepaid expenses and accrued income	-	-
Other income	-	-
Total	<u>90</u>	<u>47</u>
Receivables from others		
Loan receivables	234	512
Prepaid expenses and accrued income	10 192	8 107
Other receivables	<u>340 941</u>	<u>2 120</u>
	351 367	10 739
Receivables, total	373 381	40 031

Book values of accounts receivables and other receivables are estimated to be close to fair value.

21. OTHER SHORT-TERM INVESTMENTS

	7.11.2005	31.12.2004
Investments available for sale	-	-
Investments held to maturity	1 905	1 575
Total	<u>1 905</u>	<u>1 575</u>

Book values of other short term investments are estimated to be close to fair value.

22. CASH RESERVES

	7.11.2005	31.12.2004
Cash and bank accounts	29 237	22 454
Financial securities	85 000	-
Total	<u>114 237</u>	<u>22 454</u>

Book values of cash reserves are estimated to be close to fair value.

23. INFORMATION ON SHAREHOLDERS' EQUITY AND SHARES

	Series I share No.	Series II share No.	Shares total	Share capital 1000 EUR	Share premium fund 1000 EUR
1.1.2004	26 056 004	36 864 236	62 920 240	26 456	50 583
Registration of shares subscribed with warrants	-	40 400	40 400	17	176
31.12.2004	26 056 004	36 904 636	62 960 640	26 473	50 759
Registration of shares subscribed with warrants	-	2 044 096	2 044 096	860	9 660
7.11.2005	26 056 004	38 948 732	65 004 736	27 333	60 419

Share series voting rights:

For Series I shares: 1 vote / share

For Series II shares: 1 vote / 10 consecutive shares

The shares have no par value. The book counter-value of the share is EUR 0.42.

The company's minimum share capital is 17,000,000 euros and the maximum share capital is 68,000,000 euros, within which limits the share capital may be raised or lowered without amending the Articles of Association. The number of shares is minimum 50,000,000 and maximum 160,000,000. There are at most 60,000,000 Series I shares and at most 100,000,000 Series II shares.

Own shares

The Group did not hold any of the company's own shares in 2004 or in 2005.

Translation differences

The translation differences fund comprises the exchange rate differences arising from the translation into euros of the financial statements of the independent foreign units.

Revaluation fund

The revaluation fund comprises the changes in fair values of the investments available for sale.

Equity-based benefits - bond with warrants to personnel

As decided by the Annual General Meeting on 24 March 1999 the company offered bonds with warrants to its employees totalling 1,220,000 Finnish markka (205,189.27 euros). The 1:4 share split in 2004 (5 April 2004) changed the total number of Series II shares to 2,440,000. The subscription period for these shares ended on 30 June 2005 based on the decision taken by the Board of Directors on 8 March 2005 in accordance with the terms of the bond. This change to the bond's terms was caused by the restructuring in 2005. Trading in these warrants ended on 20 June 2005.

Altogether 2,044,096 new Series II shares were registered in 2005 as subscribed under these warrants, which raised the company's share capital by 859,501 euros. A total of 2,084,496 new shares were subscribed under this scheme and the total increase in share capital was 876,468 euros. The option rights (63,876) obtained by Almanova Corporation through its purchase and exchange offer were annulled and an additional 25,000 option rights remained unexercised.

Changes in options (number):

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
At start of period	599 900	610 000
New options granted	-	-
Options exercised	- 511 024	- 10 100
Unexercised / annulled options	- 88 876	-
At end of period	-	599 900

Each option conferred the right to subscribe for 4 new shares.

Management holdings are described in Note 7, Expenses Arising from Employee Benefits.

24. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 2005:

	31.12.2004	Entered in income statement	Entered under sh. equity	Exchange rate differences	Acquired / sold subsidiaries	7.11.2005
Deferred tax assets:						
Provisions	910	-	310		- 174	426
Pension benefits	154	-	45		- 9	100
Shelved depreciation	1 434		48		- 835	647
Sale and lease-back agreement	2 609	-	3		-	2 606
Other items	403		474		1	878
Total	5 510		164		- 1 017	4 657
Taxes, net	- 544					- 408
Deferred tax assets in balance sheet	4 966					4 249
Deferred tax liabilities:						
Accumulated depreciation differences	2 778		23		- 1 391	1 410
Measurement of property, plant and equipment at fair value at acquisition	312	-	17			295
Other items	990	-	471		-	519
Total	4 080	-	465		- 1 391	2 224
Taxes, net	- 544					- 408
Deferred tax liabilities in balance sheet	3 536					1 816
Deferred tax, net	1 430		629		374	2 433

Changes in deferred taxes during 2004:

	31.12.2003	Entered in income statement	Entered under sh. equity	Exchange rate differences	Acquired / sold subsidiaries	31.12.2004
Deferred tax assets:						
Provisions	654		256			910
Confirmed losses	1 212	-	1 212			-
Impairment losses on property, plant and equipment	-		-			-
Pension benefits	178	-	24			154
Shelved depreciation	922		512			1 434
Sale and lease-back agreement	2 897	-	288			2 609
Other items	474	-	71			403
Total	6 337	-	827			5 510
Taxes, net	- 1 890					- 544
Deferred tax assets in balance sheet	4 447					4 966
Deferred tax liabilities:						
Accumulated depreciation differences	4 212	-	1 434			2 778
Measurement of property, plant and equipment at fair value at acquisition	331	-	19			312
Measurement of other investments at fair value	243		-	- 243		-
Other items	2 270	-	1 186	- 94		990
Total	7 056	-	2 639	- 337		4 080
Taxes, net	- 1 890					- 544
Deferred tax liabilities in balance sheet	5 166					3 536
Deferred tax items, net	- 719		1 812	337		1 430

Deferred tax assets have not been calculated on shelved depreciation in certain Group companies. This amount, MEUR 0.4, is not entered as an asset and is not included in the statement of deferred tax assets above.

25. PENSION OBLIGATIONS

The defined benefit pension obligation in the balance sheet is determined as follows:	7.11.2005	31.12.2004
Present value of unfunded obligations	-	-
Present value of funded obligations	6 921	9 541
Fair value of plan assets	- 6 450	- 8 841
Deficit / surplus	471	700
Unrecognized actuarial gains (-) and losses (+)	- 89	- 108
Unrecognized costs based on prior (retrospective) employee service	-	-
Pension obligation for defined benefit plans in balance sheet	382	592

The defined benefit pension expense in the income statement is determined as follows:	1.1. - 7.11.2005	1.1. - 31.12.2004
Costs based on employee service in period	405	548
Interest costs	360	585
Expected return on plan assets	- 329	- 543
Actuarial gains and losses	4	7
Costs based on prior (retrospective) employee service	-	-
Losses /gains from plan reductions	- 192	-
	248	597 *

* Includes EUR 188,000 share from discontinued operation in 2004

* Includes EUR 72,000 share from discontinued operation in 2005

Changes in liabilities shown in balance sheet:	7.11.2005	31.12.2004
Start of period	592	615
Exchange rate differences	-	-
Incentive payments paid	- 423	- 620
Pension expense in income statement	248	597
Divestments of subsidiaries	- 35	-
Defined benefit pension obligation in balance sheet	382	592

Actuarial assumptions used:	1.1. - 7.11.2005	1.1. - 31.12.2004
Discount rate	5,0 %	5,0 %
Expected return on plan assets	5,0 %	5,0 %
Future salary increase assumption	3,5 %	3,5 %

Pension obligation in balance sheet	7.11.2005	31.12.2004
Defined benefit pension obligation in balance sheet	382	592
Defined contribution pension obligation in balance sheet	3 452	3 817
Pension obligation in balance sheet, total	3 834	4 409

26. PROVISIONS

	Restructuring provision	Loss-making contracts	Cost provisions		Other provisions	Total
			related to divestments			
1.1.2005	295	213	2 022		165	2 695
Increase in provisions	-	150	-		135	285
Provisions employed	-	- 122	- 2 022		- 100	- 2 244
Reversals of unemployed provisions	-	-	-		-	-
Impact of changes in discount rate	-	-	-		-	-
7.11.2005	295	241	-		200	736
Current	22	181	-		200	403
Non-current	273	60	-		-	333

The restructuring provision was made to cover personnel reductions in various companies. Loss-making contracts include rental commitments for unoccupied office premises.

27. INTEREST-BEARING LIABILITIES

	Book values 7.11.2005	Fair values 7.11.2005	Book values 31.12.2004	Fair values 31.12.2004
Non-current:				
Loans to financial institutions	-	-	18 693	18 693
Medium-term notes	-	-	30 000	31 443
Finance lease liabilities	20 519	20 519	21 205	21 205
	<u>20 519</u>	<u>20 519</u>	<u>69 898</u>	<u>71 341</u>
Current:				
Loans from financial institutions	3 606	3 606	18 283	18 283
Medium-term notes	30 000	30 816	-	-
Other current interest-bearing debt	706	706	10 221	10 221
Finance lease liabilities	2 518	2 518	3 215	3 215
	<u>36 830</u>	<u>37 646</u>	<u>31 719</u>	<u>31 719</u>

The first MEUR 30.0 tranche was issued under a MEUR 100.0 medium-term note programme established in 2001. The loan period is 4 Oct. 2001 - 4 Oct. 2006 and the loan carries a coupon of 5.75 %.

Non-current debt matures as follows:

	7.11.2005	31.12.2004
2006	-	45 968
2007	2 444	4 843
2008	1 718	4 918
2009	1 312	978
2010	1 156	800
Later	13 889	12 391
	<u>20 519</u>	<u>69 898</u>

Interest-bearing non-current debt is divided by currency as follows:

	7.11.2005	31.12.2004
EUR	20 519	69 898

Weighted averages of the effective tax rates for the interest-bearing non-current debt at 31 Dec. 2005 and 31 Dec. 2004:

	1.1. - 7.11.2005	1.1. - 31.12.2004
Loans to financial institutions	-	2,8 %
Medium-term notes	-	5,8 %
Finance lease liabilities	4,0 %	4,4 %

Interest-bearing current debt is divided by currency as follows:

	07.11.2005	31.12.2004
EUR	36 830	31 719

Weighted averages of the effective tax rates for the interest-bearing current debt at 31 Dec. 2005 and 31 Dec. 2004:

	1.1. - 7.11.2005	1.1. - 31.12.2004
Loans to financial insitutions	2,3 %	2,3 %
Medium-term notes	5,8 %	-
Finance lease liabilities	2,7 %	3,1 %

Maturity of finance leases	7.11.2005	31.12.2004
Finance lease liabilities - total minimum lease payments:		
2006	3 498	4 488
2007	3 548	3 403
2008	2 767	3 436
2009	2 308	3 470
2010	2 103	1 950
Later	18 583	18 501
	<u>32 807</u>	<u>35 249</u>
Finance lease liabilities - present value of minimum lease payments:		
2006	2 518	3 215
2007	2 444	2 274
2008	1 718	2 344
2009	1 312	2 418
2010	1 156	978
Later	13 889	13 190
	<u>23 037</u>	<u>24 420</u>
Financial expenses accruing in the future	9 770	10 829

Risk management

Under the risk management policy of Alma Media Corporation, the risk management strategy and plan, the control limits imposed and the course of action are reviewed annually. Risks are managed using the risk management organization and process based on the company's risk management policy. The risk management process identifies the risks threatening the company's business; it assesses and updates these risks, develops the necessary risk management methods and regularly reports on the risks to the risk management organization. Risk management employs an online reporting system.

28. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	<u>7.11.2005</u>	<u>31.12.2004</u>
Accounts payable	4 734	15 804
Owed to associated companies		
Accounts payable	199	154
Accrued expenses and prepaid income	-	153
Accrued expenses and prepaid income	23 139	41 958
Other liabilities	5 966	10 388
Total	<u>34 038</u>	<u>68 457</u>

Book values of accounts payables and other liabilities are estimated to be close to fair value.

29. OTHER RENTAL AGREEMENTS

1.1. - 7.11.2005 1.1. - 31.12.2004

The Group as lessee:

Minimum lease payments payable based on other non-cancellable rental agreements:

Within one year	4 734	5 399
Within 1-5 years	12 151	14 723
After 5 years	13 905	17 676
	<u>30 790</u>	<u>37 798</u>

The Group's companies largely operate in leased premises. Rental agreements vary in length from 6 months to 17 years.

The Group as lessor:

Minimum rental payments receivable based on other non-cancellable rental agreements:

Within one year	312	-
Within 1-5 years	-	-
After 5 years	-	-
	<u>312</u>	<u>-</u>

30. DERIVATIVE CONTRACTS

	<u>7.11.2005</u>	<u>31.12.2004</u>
Foreign exchange forward contracts		
Fair value *	-	1 728
Value of underlying instrument	-	15 310
Raw material derivatives (Paper Swap)		
Fair value *	6	6
Amount, tonnes	3 000	3 000
Value of underlying instrument	1 506	1 506
Share options		
Fair value *	561	78
Value of underlying instrument	2 210	1 861

* The fair value represents the return that would have arisen if the derivative positions had been cleared on the balance sheet date.

31. CONTINGENT LIABILITIES

	<u>07.11.2005</u>	<u>31.12.2004</u>
Collateral for own commitments:		
Chattel mortgages	-	84
Collateral for Group companies:		
Guarantees	-	135
Collateral for others:		
Guarantees	2 172	2 172
Other commitments:		
Commitments based on agreements	135	169
	<u>3 040</u>	<u>3 747</u>

Alma Media has agreed with financiers on covenants related to collateral for the Group's financial loans. The most important of these are an equity ratio pledge and a negative pledge.

32. TRANSACTIONS WITH RELATED PARTIES

Alma Media Group's related parties comprises its associated companies (see Note 16) and the companies that they own, as well as Alma Media Corporation's major owners Bonnier & Bonnier AB (until 2 November 2005), Proventus Industriel AB (until 2 November 2005) and Almanova Corporation. The related parties also includes the company's senior management (Board of Directors and presidents). The employee benefits of management and other related party transactions between management and the company are described in Note 7.

Sales of goods and services with inner circle members are based on the Group's prices in force at the time of transaction:

1.1. - 7.11.2005 1.1. - 31.12.2004

Related party transactions with the Alma Media Corporation's major owners

a) Sales of goods and services	230	170
b) Purchases of goods and services	108	145
c) Accounts receivable	31	18
d) Accounts payable	5	28

At 7 November 2005 Alma Media Corporation also had a sales and interest receivable totalling MEUR 345.6 from Nordic Broadcasting AB, the joint venture company owned by Bonnier & Bonnier AB and Proventus Industriel AB.

Related party transactions with associated companies

a) Sales of goods and services	1 323	7 849
b) Purchases of goods and services	6 354	9 022
c) Accounts receivable	130	16
d) Accounts payable	220	312

33. SHAREHOLDINGS

20 principal shareholders at 3.11.2005

	Series I	Series II	Total	% of shares	% of votes
1. Alma Media Ltd (former Almanova Ltd)	13 740 903	20 484 153	34 225 056	52,7	52,6
2. Sampo Life Insurance Company Ltd	2 546 784	3 000	2 549 784	3,9	8,5
3. Kaleva Mutual Insurance Company	1 772 788	0	1 772 788	2,7	5,9
4. Varma Mutual Pension Insurance Company	1 544 784	488 979	2 033 763	3,1	5,3
5. C.V. Åkerlundin fund	1 146 900	61 712	1 208 612	1,9	3,8
6. TT fund	604 828	11 600	616 428	0,9	2,0
7. Ilkka Corporation	322 614	73 016	395 630	0,6	1,1
8. Federation of Finnish Textile and Clothing Industries	273 896	0	273 896	0,4	0,9
9. The Heikki Häkkinen estate	220 044	1 948	221 992	0,3	0,7
10. Ilmarinen Mutual Pension Insurance Company	95 000	1 091 450	1 186 450	1,8	0,7
11. The Veera Heleena Häkkinen estate	197 116	998	198 114	0,3	0,7
12. Hertta Åssä Oy	0	1 789 300	1 789 300	2,8	0,6
13. The Finnish Cultural Foundation	144 000	120 000	264 000	0,9	0,5
14. The Tampere Tuberculosis Foundation	131 600	10 000	141 600	0,9	0,5
15. Matti Häkkinen	116 048	3 020	119 068	0,2	0,4
16. Reino Laakkonen	110 526	0	110 526	0,2	0,4
17. Kaarina Osonen	109 864	0	109 864	0,2	0,4
18. Tapiola Mutual Pension Insurance Company	0	926 400	926 400	1,4	0,3
19. Raija Sinkkonen	80 000	4 000	84 000	0,1	0,3
20. Laakkosen Arvopaperi Oy	78 200	21 150	99 350	0,2	0,3
Total	23 235 895	25 090 726	48 326 621	74,8	85,8
Nominee-registered	1 100 107	8 694 108	9 794 215	15,1	6,6
Other	1 720 002	5 163 898	6 883 900	10,1	7,6
Grand total	26 056 004	38 948 732	65 004 736	100,0	100,0

Shareholdings of Members of the Board of Directors and the President are presented in note 7

Ownership structure at 3.11.2005

	Number of owners	% of total	Number of shares	% of shares
Private corporations	146	5,9	37 325 649	57,4
Financial and insurance institutions	25	1,0	6 157 054	9,5
Public entities	27	1,1	5 227 633	8,0
Non-profit associations	83	3,3	2 965 642	4,6
Households	2 199	88,1	3 419 807	5,3
Foreign owners	10	0,4	19 278	0,0
Nominee-registered shares	5	0,2	9 794 215	15,1
In general account			95 458	0,1
Total	2 495	100	65 004 736	100

Distribution of ownership

Number of shares	Number of owners	% of total	Number of shares	% of shares
1 - 100	723	29,0	28 727	0,0
101 - 1 000	1 121	44,9	465 240	0,7
1 001 - 10 000	532	21,3	1 563 880	2,4
10 001 - 100 000	87	3,5	2 376 270	3,7
100 001 - 1 000 000	23	0,9	6 298 677	9,7
1 000 001 -	9	0,4	54 176 484	83,3
In general account			95 458	0,1
Total	2 495	100	65 004 736	100

CALCULATION OF KEY INDICATORS

Return on shareholders' equity, % (ROE)	$\frac{\text{Net income for the period}}{\text{Shareholders' equity + minority interest}} \times 100$ (Average during the year)
Return on investment, % (ROI)	$\frac{\text{Income before tax + interest and other financial expense}}{\text{Balance sheet total - non-interest-bearing debt}} \times 100$ (Average during the year)
Equity ratio, %	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$
Operating income	Income before tax and financial items
Undiluted earnings per share, EUR	$\frac{\text{Share of net income belonging to parent company owners}}{\text{Average number of shares adjusted for share issues}}$
Diluted adjusted earnings per share, EUR	$\frac{\text{Share of net income belonging to parent company owners}}{\text{Diluted average number of shares adjusted for share issues}}$
Gearing, %	$\frac{\text{Interest-bearing debt - cash and bank receivable}}{\text{Shareholders' equity + minority interest}} \times 100$
Dividend per share	Dividend per share approved by annual general meeting. With respect to the most recent year, Board's proposal to the AGM
Payout ratio, %	$\frac{\text{Dividend / share}}{\text{Share of EPS belonging to parent company shareholders}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend / share adjusted for share issues}}{\text{Final quotation at close of period adjusted for share issues}} \times 100$
Price/earnings (P/E) ratio	$\frac{\text{Closing price at end of period adjusted for share issues}}{\text{Share of EPS belonging to parent company owners}}$
Shareholders' equity per share	$\frac{\text{Shareholders' equity belonging to parent company owners}}{\text{Number of shares at end of period adjusted for share issues}}$
Market capitalization of share stock	Number of shares x closing price at end of period

KEY INDICATORS

Key indicators for 2004-2005 calculated applying IFRS recognition and measurement principles
Key indicators for 2001-2003 calculated applying FAS recognition and measurement principles

The 2005 figures cover the period 1.1.2005 - 7.11.2005

The 2004 figures cover the period 1.1.2004 - 31.12.2004

Key indicators		IFRS		IFRS		FAS		FAS		FAS	
		2005	%	2004	%	2003	%	2002	%	2001	%
Net sales	Meur	298		466		460		486		478	
Net sales, continuing operations	Meur	236		283							
Operating income	Meur	361	121,0	52	11,2	18	3,8	16	3,3	-19	-4,1
Op. income, continuing operations	Meur	32	13,8	37	13,1						
Op. income before extraordinary items	Meur	369	123,5	44	9,4	14	3,0	9	1,8	-27	-5,6
Income before tax	Meur	369	123,5	44	9,4	14	3,0	9	1,8	-29	-6,0
Net income for the period	Meur	358	119,9	30	6,5	11	2,3	2	0,5	-24	-5,0
Net income, continuing operations	Meur	32	13,4	21	7,6						
Return on shareholders' equity (ROE)	%	108,3		19,0		6,9		2,0		-12,0	
Return on shareholders' equity, continuing operations 1	%	11,5		13,6							
Return on investment (ROI)	%	89,9		18,4		6,3		4,9		-5,1	
Return on investment (ROI), continuing operations 1)	%	12,1		14,5							
Equity ratio	%	81,7		43,1		49,0		41,3		37,0	
Gross cap. expenditure	Meur	20	6,6	14	3,0	21	4,6	15	3,1	94	19,7
Research and development costs	Meur	3	0,8	3	0,6	3	0,7	4	0,7	11	2,4
Personnel on average, total		2 589		2 679		2 861		3 083		3 246	
Personnel on average, total, continuing operations		2 157		2 163							
Per share data *											
Earnings per share	eur	5,56		0,46		0,17		0,04		-0,36	
Earnings per share, continuing operations	eur	0,49		0,34							
Shareholders' equity per share	eur	7,87		2,32		2,65		2,56		2,57	
Dividend per share	eur	0,00		0,00		0,62		0,06		0,05	
Payout ratio	%	0,0		0,0		362,3		156,3		-14,0	
Effective dividend yield, Series I	%	0,0		0,0		9,3		1,3		1,1	
Effective dividend yield, Series II	%	0,0		0,0		8,6		1,3		1,3	
Adjusted share prices, Series I											
Highest	eur	16,50		12,70		7,37		5,62		6,25	
Lowest	eur	11,13		6,50		4,20		3,88		3,63	
On 31 Dec.	eur	15,70		11,95		6,75		4,72		4,70	
Adjusted share prices, Series II											
Highest	eur	14,35		12,00		7,75		5,81		6,12	
Lowest	eur	10,25		6,60		4,00		4,00		3,63	
On 31 Dec.	eur	13,63		10,95		7,25		4,77		4,00	
Market capitalization, Series I	Meur	409,1		311,4		182,8		128,0		127,3	
Market capitalization, Series II	Meur	530,9		404,1		259,8		171,1		143,3	
Market capitalization, total	Meur	940,0		715,5		442,6		299,1		270,6	
Av. adjusted no. of shares, total	1000	64 225		62 940		62 920		62 920		62 920	
Adjusted no. of shares 31.12., Series I	1000	26 056		26 056		27 086		27 086		27 086	
Adjusted no. of shares 31.12., Series II	1000	38 949		36 905		35 834		35 834		35 834	
Adjusted no. of shares 31.12. total	1000	65 005		62 961		62 920		62 920		62 920	

*) The number of shares and the per share data for all the years have been adjusted to correspond with the 1:4 split (2 April 2004).

1) When calculating continuing operations' return on shareholder's equity (ROE) and return on investment (ROI) for 2005, the values has been modified to correspond the whole 12 month's period.

Adoption of IFRS reporting

Alma Media Group adopted the International Financial Reporting Standards (IFRS) in its interim and year-end reports for 2005. The transition date was 1 January 2004. purpose of this section is to describe the main impacts of IFRS on the financial statements for 2004 compared with the previously applied accounting principles (Finnish Accounting Standards, FAS) applicable for Finnish companies quoted in Finland.

In preparing its opening balance sheet on 1 January 2004 Alma Media Group has applied IFRS 1 (First-Time Adoption). This standard in principle requires the retrospective application of the standards but it also permits certain exemptions, the most important of which is the use of FAS values for acquisitions in the IFRS balance sheet at the transition date. Alma Media Group has not applied the exemption permitted by IAS 39 (Financial Instruments), which allows non-adjustment of the comparative information, because the Group has applied this standard since 1 January 2004.

The impacts of the adoption of IFRS are also described in the stock exchange release issued by the company on 23 May 2005, which also provides information on a quarterly basis.

The following analysis of IFRS impacts should be read in conjunction with the more detailed description of the accounting principles applied in the preparation of the consolidated financial statements. For Alma Media, the principal changes in accounting principles when adopting IFRS compared to the previous FAS principles are in the following areas:

LEASES, AND SALE AND LEASEBACK TRANSACTIONS (IAS 17)

IFRS requires that assets leased under a finance lease are recognized in the balance sheet as assets and liabilities. Rental expenses recognized in the income statement under FAS are apportioned between financial expenses and the reductions in the related outstanding lease liabilities. Depreciation is recorded on the assets recognized in the balance sheet. Capital gains on sale and leaseback transactions already recorded under FAS are reversed and amortized over the lease term in the IFRS statements.

EMPLOYEE BENEFITS (IAS 19)

Treating voluntary supplementary pension plans and other employee benefits as defined benefit plans increases the pension liabilities and reduces equity in the opening balance sheet.

Under IFRS the statutory disability pension payments required by the statutory Finnish Employees' Pension System (TEL) are treated as a defined benefit plan. Alma Media Group has not included the reclassification of the disability pension in the IFRS opening balance sheet or in the IFRS comparative information for 2004 as this benefit will become a defined contribution plan. If it had, the impact on the opening balance sheet, interim reports and annual financial statements would have been as follows:

Impact on balance sheet (EUR million):

	<u>Opening balance sheet</u>	<u>31.12.2004</u>
Reduction in shareholders' equity	-5.1	-0.6
Equity ratio, %	-1.4	-0.2
Increase in pension obligations	7.2	0.8
Increase in deferred tax assets	2.1	0.2
		<u>1.1.-31.12.2004</u>
Impact on income statement		5.0

BUSINESS COMBINATIONS AND GOODWILL (IFRS 3)

Goodwill is no longer amortized on a straight-line basis over the useful life of an asset. Instead goodwill is subject to annual tests for impairment. The impairment tests for goodwill did not show any indications of any significant impairment and therefore there was no need to record significant impairment losses. Nor did the annual test for 2004 require impairment losses to be recognized. Goodwill amortization previously included in Alma Media's share of results in its associated companies has been reversed as required by IFRS.

INVENTORIES (IAS 2) / INTANGIBLE ASSETS (IAS 38)

The method used by MTV Oy to recognise programme broadcasting rights in inventories has changed under IFRS. These rights are presented as intangible assets in the balance sheet and their impact on profit is presented in the income statement under depreciation and amortization. Programme broadcasting rights are amortized as the programmes are broadcast. Owing to the adoption of IFRS principles certain MTV broadcasting rights were recognized in the balance sheet earlier than before, which increased the amount of broadcasting rights and related liabilities in the balance sheet in the transition.

FINANCIAL INSTRUMENTS (IAS 32/39)

Financial assets available for sale are measured at their fair values and the change in value is recognized in equity. Derivatives are recognized when they are entered into and measured at their fair values in the financial statements. Derivatives designated for hedging purposes are measured at their fair values and recognized in the balance sheet.

OTHER DIFFERENCES AND IMPACTS

Concerning the income statement, the main difference is that under IFRS goodwill on consolidation and goodwill included in the Group's share of its associated companies' results is no longer amortized on a straight-line basis. The most important changes in equity arise from the treatment of finance leases (sale and leaseback transactions) and the liability recognized on employee benefits. The most important item increasing the balance sheet total is caused by the recognition of finance leases as assets and liabilities.

In the appended income statement and balance sheet tables, the FAS method of presentation has been adjusted to correspond with the IFRS classification. The results of associated companies are also reported in a new way; under FAS the Group's share of these results was presented before the operating profit but under IFRS it is shown as a separate item below the operating profit.

The tangible and intangible asset groups have been reclassified for IFRS purposes. The reserve fund required by FAS is presented in the IFRS statements as part of the share premium fund. In the income statement the method of treating rental income has changed.

The cash flow statements are not included because the differences between FAS and IFRS in this respect in Alma Media Group are not significant.

As its primary business segments Alma Media Group reports Alpress, Broadcasting, Business Information Group, Media Services and Other Businesses. Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the primary business segments listed above.

The following tables show the statements of reconciliation when transferring from FAS to IFRS reporting. The reconciliation of shareholders' equity is shown together with the statement of the change in shareholders' equity.

RECONCILIATION OF OPENING BALANCE SHEET
1 000 000 EUR

	Group FAS 31.12.2003	IFRS change	Group IFRS 1.1.2004
Assets			
Non-current assets			
Goodwill	16,8	-	16,8
Intangible assets	19,1	42,0	61,1
Property, plant and equipment	68,6	24,7	93,3
Investment properties	-	2,8	2,8
Investments in associated companies	114,7	-	109,9
Other non-current investments	10,9	-	7,3
Deferred tax assets	-	4,4	4,4
Other receivables	9,6	1,0	10,6
	<u>239,7</u>	<u>66,5</u>	<u>306,2</u>
Current assets			
Inventories	48,6	-	46,7
Accounts receivable and other receivables	42,8	0,3	43,1
Other current investments	24,1	-	24,1
Cash and cash equivalents	115,5	-	69,1
	<u>115,5</u>	<u>46,4</u>	<u>69,1</u>
Assets, total	355,2	20,1	375,3
Shareholders' equity and liabilities			
Share capital	26,5	-	26,5
Share premium fund	3,7	46,9	50,6
Reserve fund	46,9	-	-
Cumulative translation adjustment	-	0,3	-
Revaluation fund	-	0,6	0,6
Retained earnings	90,2	-	76,9
Equity belonging to the PC shareholders	167,0	-	154,3
Minority interest	1,4	-	1,4
Shareholders' equity, total	168,4	-	155,7
Provisions	1,3	-	-
Non-current liabilities			
Interest-bearing liabilities	58,8	17,0	75,8
Deferred tax liabilities	3,8	1,4	5,2
pension obligations	4,0	0,6	4,6
Other non-current liabilities	0,1	9,5	9,6
	<u>66,7</u>	<u>28,5</u>	<u>95,2</u>
Current liabilities			
Interest-bearing liabilities	50,0	0,8	50,8
Advances received	11,3	-	11,3
Accounts payable and other liabilities	57,5	4,8	62,3
	<u>118,8</u>	<u>5,6</u>	<u>124,4</u>
Shareholders' equity and liabilities, total	355,2	20,1	375,3

RECONCILIATION OF INCOME STATEMENT 1.1 - 31.12.2004
1 000 000 EUR

	Group FAS 1.1-31.12.2004		IFRS change		Group IFRS 1.1-31.12.2004
Net sales	464,6		1,1		465,7
Other operating income	3,6	-	0,5		3,1
Operating expenses	- 400,4		52,1	-	348,3
Depreciation, amortization and impairment changes	- 20,5		47,9	-	68,4
Share of associated companies' results	- 8,7		8,7		-
Operating income	38,6		13,5		52,1
Financial income and expenses	- 2,9	-	2,3	-	5,2
Share of associated companies' results	-	-	3,0	-	3,0
Income before tax	35,7		8,2		43,9
Income tax	- 14,5		0,7	-	13,8
Net income for the period	21,2		8,9		30,1
Distribution:					
To the parent company shareholders	20,3		8,9		29,2
Minority interest	0,9		-		0,9
EPS calculated on share of net income belonging to the parent company shareholders, (EUR)					
EPS, undiluted	0,32				0,46
EPS, adjusted for dilution effect	0,32				0,46

RECONCILIATION OF SEGMENT INFORMATION 1.1.31.12.2004

	Newspapers	Broadcasting	Kauppaleht group	Marketplaces	Other&eliminations	Total
NET SALES FAS	207,0	192,7	48,2	13,9	2,8	464,6
NET SALES IFRS	207,8	192,7	48,2	14,2	2,8	465,7
OPERATING INCOME FAS	32,4	11,0	5,4	-6,3	-3,9	38,6
OPERATING INCOME IFRS	35,7	14,7	6,1	0,3	-4,7	52,1

RECONCILIATION OF BALANCE SHEET AT 31.12.2004
1 000 000 EUR

	Group FAS 31.12.2004	IFRS change	Group IFRS 31.12.2004
Assets			
Non-current assets			
Goodwill	12,9	4,5	17,4
Intangible assets	15,1	47,5	62,6
Property, plant and equipment	58,0	29,0	87,0
Investment properties	-	2,7	2,7
Investments in associated companies	103,9	- 1,6	102,3
Other non-current investments	8,0	- 3,4	4,6
Deferred tax assets	-	5,0	5,0
Other receivables	6,9	0,3	7,2
	<u>204,8</u>	<u>84,0</u>	<u>288,8</u>
Current assets			
Inventories	49,8	- 47,8	2,0
Accounts receivable and other receivables	40,2	1,4	41,6
Other current investments	22,5	-	22,5
Cash and cash equivalents	112,5	- 46,4	66,0
	<u>317,3</u>	<u>37,7</u>	<u>354,8</u>
Shareholders' equity and liabilities			
Share capital	26,5	-	26,5
Share issue	1,8	-	1,8
Share premium fund	3,9	46,9	50,8
Reserve fund	46,9	- 46,9	-
Cumulative translation adjustment	0,1	- 0,1	-
Revaluation fund	-	-	-
Retained earnings	50,7	- 13,1	37,6
Net income for the period	20,3	8,9	29,2
Equity belonging to the PC shareholders	<u>150,2</u>	<u>- 4,3</u>	<u>145,8</u>
Minority interest	2,1	-	2,1
Shareholders' equity, total	<u>152,3</u>	<u>- 4,3</u>	<u>147,9</u>
Provisions	2,7	- 2,7	-
Non-current liabilities			
Interest-bearing liabilities	48,7	21,2	69,9
Deferred tax liabilities	1,6	1,9	3,5
Pension commitments	3,8	0,6	4,4
Other non-current liabilities	-	8,3	8,3
	<u>54,1</u>	<u>32,0</u>	<u>86,1</u>
Current liabilities			
Interest-bearing liabilities	28,5	3,2	31,7
Advances received	11,6	-	11,6
Accounts payable and other liabilities	68,1	9,4	77,5
	<u>108,2</u>	<u>12,6</u>	<u>120,8</u>
Shareholders' equity and liabilities, total	<u>317,3</u>	<u>37,6</u>	<u>354,8</u>

Parent company income statement (FAS)
EUR

1.1. - 7.11.2005 1.1. - 31.12.2004

Net sales	1	8 120 407	13 613 665
Other operating income	2	326 570 079	543 642
Change in stocks of finished and unfinished goods		0	0
Materials and services		0	0
Personnel expenses	3	-6 953 243	-3 676 862
Depreciation and writedowns	4	-398 168	-785 665
Other operating expenses		-9 796 336	-14 779 620
Operating income		<u>317 542 739</u>	<u>-5 084 840</u>
Financial income and expenses	5	9 388 188	5 445 266
Income before extraordinary items		<u>326 930 927</u>	<u>360 426</u>
Extraordinary items	6	0	23 418 660
Income before appropriations and tax		<u>326 930 927</u>	<u>23 779 086</u>
Appropriations	7	-90 065	0
Income tax	8	-467 419	-8 747 377
Net income for the year		<u>326 373 443</u>	<u>15 031 709</u>

Parent company balance sheet (FAS)	7.11.2005	31.12.2004
EUR		
Assets		
Fixed assets		
Intangible assets	9 438 468	567 988
Tangible assets	10 5 949 925	6 198 544
Holdings in Group companies	11 9 405 995	64 172 744
Other investments	11 9 586 907	9 577 185
Fixed assets, total	<u>25 381 295</u>	<u>80 516 460</u>
Current assets		
Long-term receivables	12 53 168	113 168
Short-term receivables	12 443 225 003	177 044 040
Cash and bank	<u>112 283 199</u>	<u>16 987 700</u>
Current assets, total	<u>555 561 370</u>	<u>194 144 908</u>
Assets, total	580 942 664	274 661 368
	7.11.2005	31.12.2004
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	27 332 529	26 473 049
Share issue	0	1 820 389
Share premium fund	13 555 271	3 895 023
Reserve fund	46 863 593	46 863 593
Other funds	20 413 658	20 413 658
Retained earnings	48 112 505	33 080 796
Net income for the period	<u>326 373 443</u>	<u>15 031 709</u>
Shareholders' equity, total	13 <u>482 651 000</u>	<u>147 578 217</u>
Accumulated appropriations	14 90 065	0
Provisions	15 241 330	265 076
Liabilities		
Long-term liabilities	16 2 193 967	50 995 361
Short-term liabilities	17 95 766 303	75 822 713
Liabilities, total	<u>97 960 270</u>	<u>126 818 074</u>
Shareholders' equity and liabilities, total	580 942 664	274 661 368

Parent company cash flow statement (FAS)	1.1. - 7.11.2005	1.1. - 31.12.2004
EUR		
Operating cash flow		
Income before extraordinary items	326 930 927	360 426
Depreciation and writedowns	398 168	785 665
Financial income and expenses	-9 388 188	-5 445 266
Other adjustments	-326 663 085	266 905
Change in working capital:		
Total increase (-) / decrease (+) in current non-interest-bearing receivables	99 011 258	-256 465
Increase (-) / decrease (+) in inventories		
Increase (+) / decrease (-) in current non-interest-bearing liabilities	1 786 484	27 514
Dividend income received	220 910	376 779
Interest income received	6 082 911	9 318 080
Interest expenses paid	-3 031 471	-4 526 057
Taxes paid	-9 119 357	-2 004 078
Net cash from operating activities	86 228 557	-1 096 497
Investments:		
Investments in tangible and intangible assets	-47 637	-138 312
Proceeds from sale of tangible and intangible assets	56 112	64 841
Investments in other securities	-9 722	
Proceeds from sale of other investments	80 660	652 503
Subsidiary shares acquired		
Subsidiary shares sold	41 507 672	
Associated company shares acquired		-46 596
Net cash from investing activities	41 587 085	532 436
Cash flow before financing activities		
Financing:		
Paid share issue	8 699 340	2 011 286
Long-term loans raised		10 000 000
Long-term loans, repayments	-33 375 609	-47 434 253
Short-term loans raised	20 745 195	24 175 130
Short-term loans, repayments	-17 620 371	-483 173
Increase (-) or decrease (+) in interest-bearing receivables	-11 792 358	30 558 512
Group contributions received and paid	823 660	22 595 000
Dividends paid		-39 325 463
Net cash used in financing activities	-32 520 143	2 097 039
Change (increase + / decrease -) in cash reserves	95 295 499	1 532 978
Cash reserves at start of period	16 987 700	15 454 722
Cash reserves at end of period	112 283 199	16 987 700

Accounting principles used to prepare the parent company's FAS financial statements

General

Alma Media Corporation is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki, address: Eteläesplanadi 20, P.O. Box 140, 00101 Helsinki, Finland.

Parent company financial statements

The financial statements of the parent company are prepared according to Finnish Accounting Standards (FAS).

Fixed assets

Tangible and intangible assets are capitalized at direct acquisition cost less planned depreciation and writedowns. Planned depreciation is calculated from the original acquisition cost based on the estimated economic life of the asset. Depreciation is not entered on land. The economic lifetimes used are as follows:

Buildings and structures	30-40 years
Machinery and equipment	3-10 years
Other long-term expenses	5-10 years

Research and development costs are expensed in the financial period during which they are incurred.

Inventories

The balance sheet value of inventories is the lower of direct acquisition cost or the probable market value. Inventories are amortized on a FIFO (first-in-first-out) basis.

Taxes

Taxes in the income statement are the taxes corresponding to the results of the Group's companies during the financial year as well as adjustments to taxes in previous years. No deferred tax assets are entered in the parent company's accounts.

Foreign exchange items

Foreign currency items are entered at the rates prevailing on the transaction date. Receivables and payables on the balance sheet date are valued at the average rate on the balance sheet date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions respectively in the income statement. Realized and unrealized exchange rate differences related to loans and loan receivables are taken to other financial income and expenses in the income statement. The Group does not have significant foreign currency loans.

Pension commitments

Statutory and voluntary employee pension benefits are arranged mainly through pension insurance companies.

Other employee benefits

The Group operates a share bonus scheme for key employees. This is a share-based scheme under which the employees in question are paid a bonus in cash. The payments required by the scheme are periodized in the parent company's balance sheet and entered under personnel expenses in the income statement. The company has also made hedges with respect to this share-based bonus scheme. The unrealized gain on the option instrument in question is not recognized in the parent company but shown under derivative instruments in the notes to the financial statements.

1. NET SALES BY MARKET AREA

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Finland	8 120 407	13 613 665
Total	<u>8 120 407</u>	<u>13 613 665</u>

2. OTHER OPERATING INCOME

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Gains on sale of fixed assets	326 450 076	543 287
Other	120 003	355
Total	<u>326 570 079</u>	<u>543 642</u>

Most of the gain on the sale of fixed assets is derived from the divestment of the Broadcasting business.

3. PERSONNEL EXPENSES

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Wages, salaries and fees	5 696 468	2 736 702
Pension expenses	961 282	653 485
Other social expenses	295 492	286 676
Total	<u>6 953 242</u>	<u>3 676 862</u>
Full-time personnel, average	26	27
Part-time staff	1	2

Salaries and fees to management

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Presidents *)	1 365 580	660 829
Members of the Board of Directors	154 000	129 000
Total	<u>1 519 580</u>	<u>789 829</u>

Based on his contract of employment, the President and CEO of the parent company is entitled to retire on reaching 60 years of age.

*) Salaries and fees paid to the presidents of the parent company include severance pay totalling 600,000 euros paid in 2005 to the previous president.

4. DEPRECIATION AND WRITEDOWNS

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Depreciation on tangible and intangible assets	398 168	597 257
Writedowns on fixed assets and other long-term investments	-	188 408
Total	<u>398 168</u>	<u>785 665</u>

5. FINANCIAL INCOME AND EXPENSES

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Dividend income:		
From Group companies	74 200	-
From associated companies	146 648	354 636
From others	62	583
Dividend income, total	<u>220 910</u>	<u>355 219</u>

Other interest and financial income:

From Group companies	4 708 096	9 080 227
From others	7 206 006	431 526
Total	<u>11 914 102</u>	<u>9 511 753</u>

Interest expenses and other financial expenses

To Group companies	- 585 620	- 597 979
To others	- 2 161 205	- 3 823 727
Total	<u>- 2 746 824</u>	<u>- 4 421 706</u>

Financial income and expenses, total

	9 388 188	5 445 266
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Interest and other fin. income includes translation differences (net)

-	-	4 149
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6. EXTRAORDINARY ITEMS

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Extraordinary income:		
Group contributions received	0	23 418 660

7. APPROPRIATIONS

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Difference between planned depreciation and depreciation made for tax purposes	-90 065	0

8. INCOME TAX

	<u>1.1. - 7.11.2005</u>	<u>1.1. - 31.12.2004</u>
Income tax on extraordinary items	0	-6 791 411
Prior year taxes	136 700	
Income tax from actual operations	-604 119	-1 955 966
Total	-467 419	-8 747 377

9. INTANGIBLE ASSETS

	Intangible rights	Goodwill	Other long-term costs	Advance payments	Total
Acquisition cost 1.1.	559 764	-	553 500	-	1 113 264
Increases	9 183	-	8 602	-	17 785
Decreases	- 35 625	-	- 9 401	-	- 45 026
Transfers between items	-	-	-	-	-
Acquisition cost 31.12.	533 322	-	552 701	-	1 086 023
Acc. depr'n and writedowns 1.1.	386 213	-	159 064	-	545 277
Acc. depreciation in decreases	- 14 138	-	- 9 401	-	- 23 539
Depreciation in period	68 808	-	57 010	-	125 818
Writedowns	-	-	-	-	-
Acc. depr'n and writedowns 31.12.	- 440 883	-	- 206 673	-	- 647 556
Book value 31.12.	92 439	-	346 028	-	438 467

10. TANGIBLE ASSETS

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Acquisition cost 1.1.	836 232	8 469 709	1 809 240	576 509	-	11 691 690
Increases	-	-	29 851	-	-	29 851
Decreases	-	- 990	- 159 277	- 55 000	-	- 215 267
Acquisition cost 31.12.	836 232	8 468 719	1 679 814	521 509	-	11 506 274
Acc. depr'n and writedowns 1.1.	-	3 685 587	1 696 547	111 014	-	5 493 148
Acc. depreciation in decreases	-	- 990	- 153 157	- 55 000	-	- 209 147
Depreciation in period	-	192 021	77 204	3 123	-	272 348
Acc. depr'n and writedowns 31.12.	-	-3 876 618	- 1 620 594	- 59 137	-	- 5 556 349
Book value 31.12.	836 232	4 592 101	59 220	462 372	-	5 949 925
Book value of machinery and equipment 31.12.2005			59 220			
Book value of machinery and equipment 31.12.2004			112 694			

11. INVESTMENTS

	Shares Group companies	Shares associated companies	Shares other	Receivables from Group companies	Receivables from assoc. companies	Total
Acquisition cost 1.1.	64 172 744	1 879 647	1 565 936	5 933 178	386 832	73 938 336
Increases	0	0	9 722	0	0	9 722
Decreases	-54 766 749	0	0	0	0	-54 766 749
Acquisition cost 31.12.	9 405 995	1 879 647	1 575 658	5 933 178	386 832	19 181 309
Acc. depreciation and writedowns 1.1.	0	0	188 408	0	0	188 408
Acc. depreciation 31.12.	0	0	-188 408	0	0	-188 408
Book value 31.12.	9 405 995	1 879 647	1 387 250	5 933 178	386 832	18 992 901

Parent company holdings in Group companies and associated companies

Company	Reg. office	PC holding of shares %	PC holding of votes%
Group companies			
Alma Media Interactive Oy	Helsinki	100,00	100,00
Alma Media Palvelut Oy	Helsinki	100,00	100,00
Alpress Oy	Tampere	90,09	90,09
Kiint. Oy Veneentekijäntie 20	Helsinki	100,00	100,00
Lapin Kansa Oy	Rovaniemi	32,72	32,72
Marcenter Oy	Tampere	100,00	100,00
Suomalainen Lehtipaino Oy	Helsinki	100,00	100,00
Associated companies			
Jämsänjokilaakson Paikallisviestintä Oy	Jämsä	49,00	49,00
Kytöpirtti Oy	Seinäjoki	43,20	43,20
Nokian Utistalo Oy	Nokia	36,90	36,90
Oy Suomen Tietotoimisto Ab	Helsinki	24,07	24,07
Tampereen Tietoverkko Oy	Tampere	34,92	34,92

12. RECEIVABLES

	7.11.2005	31.12.2004
Long-term		
Loan receivables	53 168	113 168
Receivables, total	53 168	113 168
Short-term		
Accounts receivable	11 423	47 799
Receivables from Group companies		
Accounts receivable	6 719	93 376
Loan receivables *)	85 688 905	174 499 188
Prepaid expenses and accrued income	0	104
Total	85 695 624	174 592 668
Loan receivables	60 000	0
Other receivables	351 278 563	0
Prepaid expenses and accrued income	6 179 393	2 403 573
Receivables, total	443 225 003	177 044 040

*) Cash and cash equivalents in Group bank accounts are shown under loan receivables.

Within other receivables, the sum of MEUR 339.7 is a receivable on the sale of the Broadcasting division.

13. SHAREHOLDERS' EQUITY

	<u>7.11.2005</u>	<u>31.12.2004</u>
Share capital 1.1.	26 473 049	26 456 062
Issue of new shares	859 481	16 987
Share capital 31.12.	<u>27 332 529</u>	<u>26 473 049</u>
Share issue 1.1.	1 820 389	2 689
Increase / decrease	- 1 820 389	1 817 700
Share issue 31.12.	<u>-</u>	<u>1 820 389</u>
Share premium fund 1.1.	3 895 023	3 718 635
Share premium	9 660 248	176 388
Share premium fund 31.12.	<u>13 555 271</u>	<u>3 895 023</u>
Reserve fund 1.1.	46 863 593	46 863 593
Reserve fund 31.12.	<u>46 863 593</u>	<u>46 863 593</u>
Contingency fund 1.1.	20 413 658	20 413 658
Contingency fund 31.12.	<u>20 413 658</u>	<u>20 413 658</u>
Retained earnings 1.1.	48 112 505	72 406 259
Dividend distribution	-	39 325 463
Retained earnings 31.12.	<u>48 112 505</u>	<u>33 080 796</u>
Net income for the period	326 373 443	15 031 709
Shareholders' equity, total	482 651 000	147 578 217
Parent company's share capital by share series:		
	Number	€
Series I (1 vote/share)	26 056 004	10 955 763
Series II (1 vote/consecutive 10 shares)	38 948 732	16 376 766
Total	<u>65 004 736</u>	<u>27 332 529</u>

14. ACCUMULATED APPROPRIATIONS

Accumulated appropriations consist of the accumulated depreciation difference.

15. PROVISIONS

Provisions mainly comprise loss-making contracts (rental commitments for unoccupied office premises).

16. LONG-TERM LIABILITIES

	<u>7.11.2005</u>	<u>31.12.2004</u>
Loans from financial institutions	-	48 692 536
Other long-term loans	2 193 967	2 302 825
Long-term liabilities, total	<u>2 193 967</u>	<u>50 995 361</u>
Debt due after five years		
Other long-term debt	2 193 967	2 233 638

17. SHORT-TERM LIABILITIES

	<u>7.11.2005</u>	<u>31.12.2004</u>
Loans from financial institutions	33 600 000	18 283 073
Accounts payable	-	501 711
Debt to Group companies	57 624 034	44 648 982
Other short-term liabilities	410 443	10 523 780
Accrued expenses and prepaid income	4 131 826	1 865 167
Short-term liabilities, total	<u>95 766 303</u>	<u>75 822 713</u>

Most of accrued expenses and prepaid income consists of allocated personnel expenses.

18. CONTINGENT LIABILITIES

Collateral for own commitments		
Guarantees	733 500	1 187 003
Collateral for others		
Guarantees	2 171 960	2 171 960
Other own commitments		
Leasing commitments	15 895 289	16 285 457
Other commitments	134 876	162 604
Maturity of leasing commitments:		
During following 12 months	579 663	517 216
Later	15 315 626	15 768 241

19. DERIVATIVE CONTRACTS

	<u>7.11.2005</u>	<u>31.12.2004</u>
Share options		
Fair value *	561 000	78 200
Value of underlying instruments	2 210 000	1 861 000

* The fair value represents the return that would have arisen if the derivative positions had been closed on the balance sheet date.

LEDGERS USED DURING THE REPORTING PERIOD

<u>LEDGERS</u>	<u>ARCHIVING METHOD</u>
Income statements and balance sheets	electronic
Balance sheet book	bound book
Daily and main book	electronic
Purchase ledger	electronic
Sales ledger	electronic
Fixed assets accounting	electronic

DOCUMENTS USED IN ACCOUNTING ARCHIVING METHOD

6 Sales invoices	electronic
8 Interest invoices	paper
G Manual entry of purchase invoices	paper
J Allocations (timing)	paper
K Verification	paper
L Purchase invoices	electronic
M Memoranda	paper
N Depreciation	paper
O Statements	paper
P Salaries and fees	paper
Q Holiday pay entries	paper
R Travel invoices	paper
S Manual payments of sales invoices	paper
T Manual payments of purchase invoices	electronic
V Online ref. payments of sales invoices	electronic
Z Mem. Statements, internal entries	paper

SIGNATURE OF THE BOARD OF DIRECTORS

Helsinki, Finland, 2 December 2005

Kari Stadigh

Matti Kavetvuo

Bengt Braun

Lauri Helve

Matti Häkkinen

Daniel Sachs

Harri Suutari

Kai Telanne
President and CEO

SIGNATURE OF THE AUDITORS

The above financial statements have been prepared in accordance with good accounting practice.

We have today submitted our report on the audit we have undertaken.

Helsinki, Finland, 2 December 2005

KPMG Oy Ab

Mauri Palvi
APA

Kai Salli
APA

TRANSLATION

AUDITORS' REPORT

To the shareholders of Alma Media Corporation

We have audited the accounting records, the final account as well as the administration by the Board of Directors and the Managing Director of Alma Media Corporation for the financial period 1 January – 7 November 2005 ending at the registration of the implementation of the merger. The final account, which includes the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the final account have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on the final account and the parent company's administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we perform the audit to obtain reasonable assurance about whether the final account is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the final account, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall final account presentation. The purpose of our audit of the administration is to examine that the Board of Directors and the Managing Director of the parent company have legally complied with the rules of the Finnish Companies' Act.

In our opinion, the final account has been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of a final account in Finland. The final account gives a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations, as well as of the financial position. The final account including the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us.

Helsinki, 2 December 2005

KPMG OY AB

Mauri Palvi
APA

Kai Salli
APA