ALMA | MEDIA

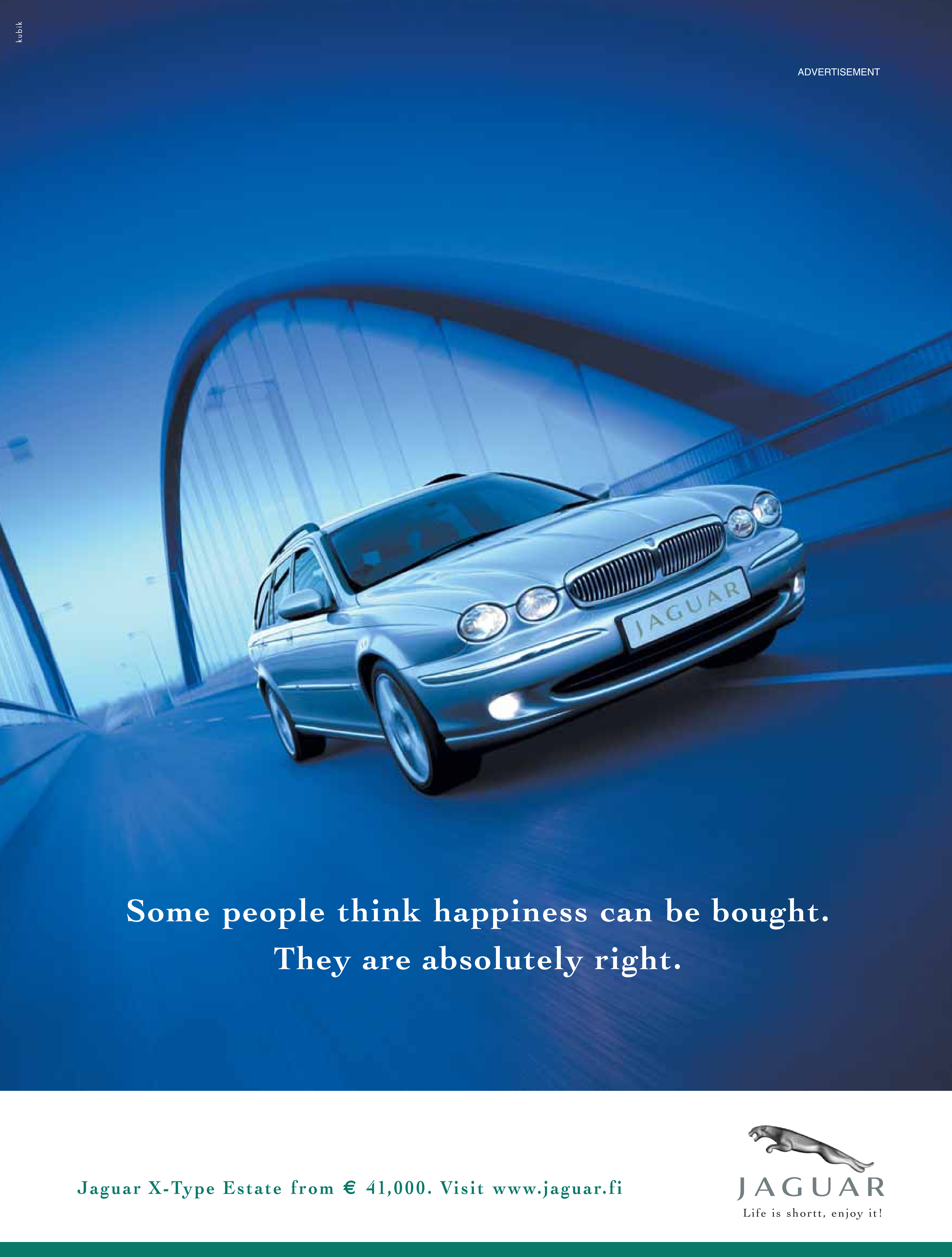
2004

ALMA MEDIA SEEKS GROWTH

Presso finds new market niche

Digital drives Subtv

Iltalehti third-largest in Finland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Contents

Cover picture:
Hanna Isohanni-Nikula, Subtv
Markus Frey, Kauppalehti Presso,
Kari Lumikero, MTV3

[to the reader]

Value for shareholders

ALMA MEDIA'S GOAL is to be the top-of-mind media group in Finland and a solid investment for its shareholders. The 2004 Annual Report describes what sort of company the old Alma Media became in its seven-year history. Financially it reached almost all its targets.

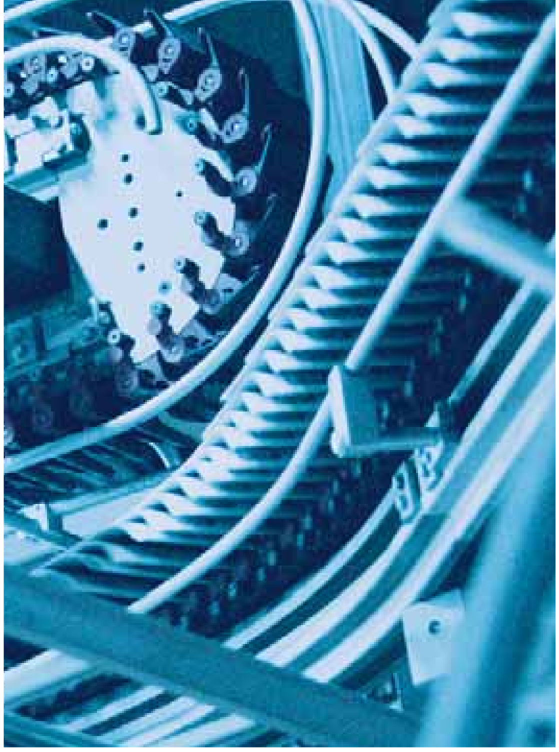
2004 will be remembered for its record-high dividends and the public offer made by Schibsted in December. The latter set in motion a chain of events that led to an extraordinary shareholders meeting on 31 January 2005. The shareholders at this meeting, with almost 99% of the votes present, decided to authorize the Board of Directors to sell the Broadcasting division to a holding company jointly owned by Bonnier and Proventus provided that these companies also pulled out of Alma Media.

Since ownership of Alma Media was locked in stalemate, this solution was seen as the best for the company's shareholders. Although it changed Alma Media from a diverse corporation covering both the electronic and print media, to a company concentrating primarily on the print media, the new Alma Media will continue to operate as before from its shareholders' perspective. We respect openness and wish to be seen as a pioneer. Above all, we want to drive our shareholders' interests and it is for them that this Annual Report has been produced.

The Annual Report is designed to resemble 2004, spiced with advertisements paid for by our customers as a reminder that 'business goes where it is invited, and stays where it is well treated'. The new Alma Media, too, will derive roughly half of its total revenues directly from advertising.

The new Alma Media – working for its shareholders, customers, the business community and its employees.

Ahti Martikainen



Alma Media in 2004

Over the past three years Alma Media's management have resolutely pushed the company forward on its path of profitable growth. When the task was started in 2002, management set the goals of improving profitability, lightening the balance sheet and simplifying the Group's structure.

By the end of 2004 these goals had essentially been achieved. In three years the company's profitability has risen from an operating loss to an operating profit corresponding to 8% of net sales. The balance sheet has been reduced by more than M€ 100 to M€ 317, and all the company's established business operations either already cover their capital costs or are well on the way to doing so.

MISSION POSSIBLE. Alma Media's vision is the desire to become 'the top-of-mind media corporation' – to its readers, viewers and listeners. Through continuous operational improvements the company also seeks to attract more advertisers, investors, employees and other stakeholders.

The company has chosen 'Freedom and Pluralism of Journalism' and 'Spirit of Teamwork' as its values. In 2004 considerable thought was given to the company's mission. 'To make your day better' was chosen as the mission for the whole Group and Alma Media is now concentrating on putting it into effect.

KEEPING SHAREHOLDERS IN MIND. In spring 2004 Alma Media started mapping out its potential directions for growth and in the autumn commissioned the investment bank Mandatum to help management determine how Alma Media could participate in consolidation of the broadcasting sector, should this take place.

Management's plans changed, however, when the Norwegian media group Schibsted ASA announced a public offer for Alma Media in December, followed by the Swedish Proventus Industrier AB's acquisition of 15.2% of the company's voting power in January 2005. In this new situation the Board of Directors felt that in the interests of the company's shareholders the most sensible course of action was to sell the Broadcasting division and at the same time to buy out the major shareholders that had created the deadlock in ownership. •

KEY FIGURES

M€	2004	2003
Net sales	465	460
Operating profit	39	18
Operating margin, %	8.3	3.8
Profit before extraordinary items	36	14
Net profit for the year	20	11
Capital expenditure on fixed assets	14	21
Capital expenditure/net sales, %	3.0	4,6
Interest-bearing debt	77	109
Capital invested, average	255	300
Return on investment, %	15.5	6.3
Cash flow from investing activities	67	55

Television's year

Media companies had a rather good year in 2004. The Finnish economy grew by around 3%. Coupled with lower unemployment and intense competition among teleoperators, this boosted media advertising by 6%. Local and EU parliament elections raised newspaper advertising. But the star of the year was television, which gained market share in media advertising. The decision was taken to cease analogue broadcasting, sales of digital set-top boxes exceeded all expectations, and restructuring in the sector was a common talking-point.

2004 was the year of strongest economic growth during the current business cycle, say the forecasters. The moderate growth of the previous year gained pace to roughly 3%. Global economic growth, however, was hampered by the sharp increase in the price of oil, while the strengthening of the euro against the dollar kept growth in the large economies of central Europe depressed. At the beginning of the year one euro cost $ 1.27, and at the end $ 1.36.

In Finland growth was buoyed by exceptionally low interest rates, an increase in income levels among private households and decreasing unemployment. 2004 is also remembered as an exceptionally good year for dividends: Finnish companies paid out dividends totalling M€ 6,300, or M€ 1,400 more than one year earlier. Low interest rates kept the home-buying market lively and also had a positive effect on vehicle sales and consumer durables, while the stable price of paper improved print media profitability.

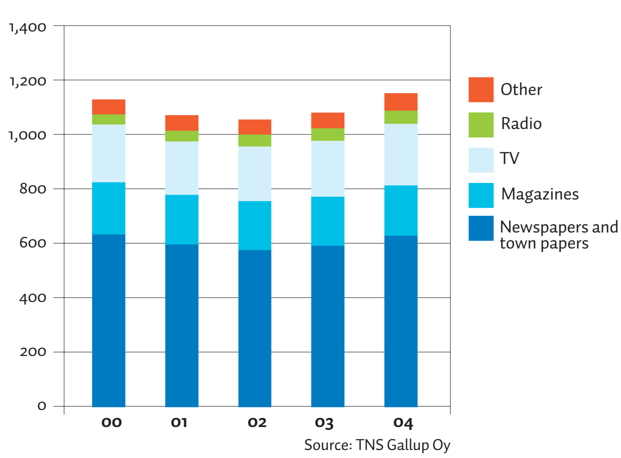
The media business also saw some restructuring. The sale of the media group Janton's newspaper division to the Keski-Uusimaa group spurred competition in the free paper market, especially in the Helsinki metropolitan area, where SanomaWSOY announced it would establish an entire chain of free papers.

The shift towards digital television has spurred the broadcasting sector to restructure. The Danish government began the privatization of Denmark's TV2. Sweden's TV4 is now an attractive proposition. And in December Norwegian media corporation Schibsted announced it was making a public offer for Alma Media's entire share stock. This led to a chain of events which ended in an extraordinary general meeting of Alma Media shareholders authorizing Alma Media's Board of Directors to sell the Broadcasting division to a holding company jointly owned by Bonnier and Proventus for at least M€ 460. Underlying this activity is the outlook for the television broadcasting business: digitalization will offer new earnings potential and reduce television companies' broadcasting costs.

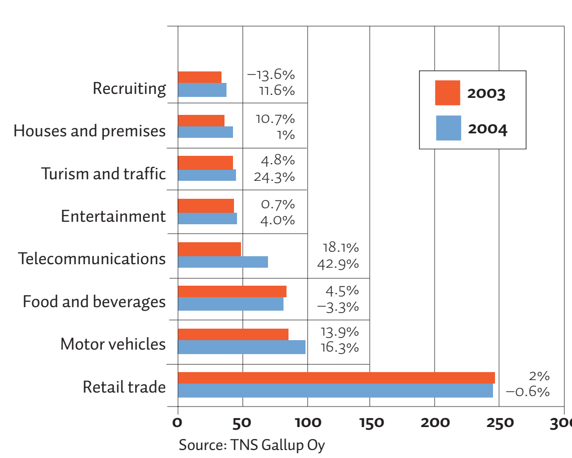
Broadband connections have increased sharply as well as digital receivers. "At the end of the year 50% of all households had an Internet connection and more than half of these were broadband," Ahti Martikainen says.

MEDIA ADVERTISING AT 2000 LEVEL. In 2000, a record year, media advertising in Finland was M€ 1,127. In 2003 the level was still roughly M€ 100 below this level but grew in 2004 by more than 6%. Media advertising normally rises about 2–3 percentage points faster than GDP but in 2004 this equation needed to be adjusted

MEDIA ADVERTISING EXPENDITURE AND TRENDS 2000–2004 M€



CHANGE IN MEDIA ADVERTISING M€



upwards slightly. One major reason was a strong rise in recruitment and business-to-business advertising after the first quarter, following several years of decline. Economic growth and continuing strong consumer confidence have started to be reflected in reduced unemployment levels.

Advertising by the retail sector has traditionally represented almost one-fourth of the entire media advertising pie. As international competition in this sector increased during 2003 many companies raised their advertising spending and the 2004 figure remained at the previous year's level. Food and beverage advertising was lower than usual as well, principally due to a change in the taxation of beer which virtually halted beer advertising during the first third of the year. Home-buying advertising increased 24.3% and vehicle advertising was up 16.3%, spurred by the low interest rates.

TELEVISION GAINED MARKET SHARE. The more households are able to watch digital broadcasts, the more this strengthens television as an advertising medium because it gives Nelonen and Subtv, for example, wider coverage in the country. Partly for this reason television's share of total media advertising rose 19.2% on the previous year to 19.7%.

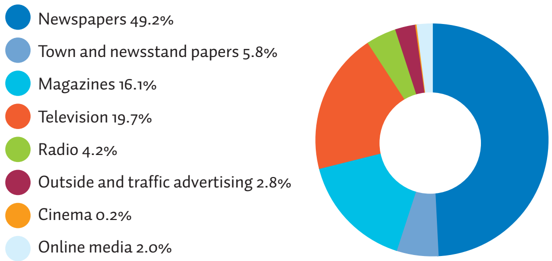
Newspaper advertising increased by 5.8%, television advertising by 9.5%, magazine advertising by 4.0% and online advertising by 35.7%. Radio advertising, after enjoying many years of growth, declined by 2.1%.

The date on which analogue television broadcasting will cease in Finland, 31 August 2007, was confirmed during the year. Digital broadcasts were extended to cover 94% of all Finnish households before the summer Olympics last year. The uptake of digital set-top boxes (DSBs) has also been accelerated by a broader range of both programmes and DSBs. At the start of 2004 11% of Finnish households were equipped to view digital broadcasts. By September this figure had risen to 19% and by the end of the year to almost one-quarter after brisk sales at Christmas. •

SENSITIVITY ANALYSIS

Factor	Change %	Impact on net sales M€
Paper prices	+ 1	– 0.2
Wages and salaries	+ 1	– 1.5
Advertising income in print media	+ 1	+ 1.2
Advertising income in electronic media	+ 1	+ 1.5
Average interest rates	+ 1	– 0.7
€/USD	+ 5	+ 0.2
USD/€	+ 5	+0.6

BREAKDOWN OF MEDIA ADVERTISING 2004 (M€ 1,149.5)



Source: TNS Gallup Oy

CASH FLOW IN ABUNDANCE CREATES

latitude for investment

Alma Media wants to be a growth company. Solid cash flow and strong key figures give room for manoeuvre.

Investors don't like surprises. What they do like is for things to turn out as the company's management has predicted. From CFO **Teemu Kangas-Kärki**'s viewpoint 2004 almost exactly matched expectations. "As for our targets we just about hit the bull's eye."

Slightly better than forecast were Alpress and Subtv. Disappointments, but they were expected, were the associated company Acta Print and the Swedish television channel TV4. The TV market in Sweden is extremely challenging as competition is intense between the commercial channels.

ROOM FOR MANOEUVRE. Alma Media's cash flow was in plentiful supply during 2004. Net debt was reduced despite dividend payments totalling M€ 40 in the spring; in spring 2001 net debt was M€ 180, but at the end of 2004 net debt stood at M€ 50.

Good cash flow and the reduced debt burden had a positive effect on both the equity ratio and gearing. The equity ratio at the end of the year was 49.8% and gearing was 36.4%. In Kangas-Kärki's estimation a minimum equity ratio of 40% is sufficient for the company. Gearing, on the other hand, should be no more than slightly over 100.

"This level of cash flow gives us the muscle to make meaningful investments that raise shareholder value. Market conditions appear reasonably favourable as well. For Alma Media it would be a very good thing if advertising stayed at the current level."

PROFIT COMES BY ITSELF. Alma Media's balance sheet has continued to shrink, in three years by some M€ 100, which has improved return on investment. The largest changes have been the Acta Print divestment and the writedown of the Talentum shares. With the adoption of IFRS accounting, there is no more annual amortization of goodwill on consolidation, which raises Alma Media's booked annual profit by about M€ 10.

PASSION CAN HAMPER GROWTH. Alma Media, with its good cash flow, is a highly profitable company and, assuming its investments are kept under control, also a good dividend payer; dividends can be paid direct from distributable earnings.

Kangas-Kärki emphasizes, though, that one of the main objectives of a listed company is growth. "Investments are not made for the sake of it. They must be profitable within an agreed time period, and they must also support the Group's strategy."

Besides for growth in Finland, Alma Media has set its sights on international expansion. "Either we internationalize or we will be internationalized," Kangas-Kärki summarizes with a laugh.

"The media business is a very emotional one and feelings can sometimes overtake rational business perspectives. That's why growth in this sector needs time. It's important to discuss matters through and through, to create the right atmosphere. Growth will never succeed by force."

Good cash flow and the reduced debt burden had a positive effect on both the equity ratio and gearing. The equity ratio at the end of the year was 49.8% and gearing was 36.4%.

The CFO's sights vary depending on what he is viewing. Where business operations are concerned it is 3–5 years; for developing financial management two years; and when scrutinizing profitability, the year and its quarters. But Alma Media has no time for short-sighted 'management by quarters'.

"International expansion requires precision, patience and realism but it also adds colour to the work we do. Five years is a very short period in this context. Where organic growth is concerned there is barely enough time to reap a small profit, or else a loss followed by a better result. It usually takes at least five years to turn a business unit into a diamond – and that's only if the choice was right in the first place."

MORE POWER FROM REPORTING. Developing Alma Media's reporting system was one of Teemu Kangas-Kärki's first projects. The new system was built in 2004 and its benefits are beginning to be felt in full this year. The system generates more focused, more detailed and more transparent infor-

"If the expected return on investment doesn't materialize, we must have the strength to react and pull out if necessary," Teemu Kangas-Kärki stresses.

mation on all parts of the Group as well as improving financial control and efficiency.

The revamp also has a direct impact on the integration and automation of information, which frees financial management to concentrate more on analysis. "I am confident that, thanks to the professionals we have in financial administration, we will perform as expected." •

The adoption of IFRS accounting principles means only minor changes for Alma Media. The most important is their impact on the earlier sale-and-lease-back agreement made for the Patamäki property in Tampere. Whereas the capital gain on this sale was previously recognized, under IFRS it is not. This reduces the company's shareholders' equity by almost M€ 10 and increases the balance sheet by about M€ 20.

Other changes include the replacement of planned amortization of goodwill with regular impairment tests and the absence of goodwill entries on associated companies. In the future Alma Media's share of its associated companies' results will be shown below the operating profit in the income statement.

All in all, as a result of the changes due to IFRS the opening balance sheet will increase by about M€ 25 and the equity ratio will decrease by slightly over 5%. The operating profit for 2004 will be roughly M€ 10 higher.

Quarters are not brothers

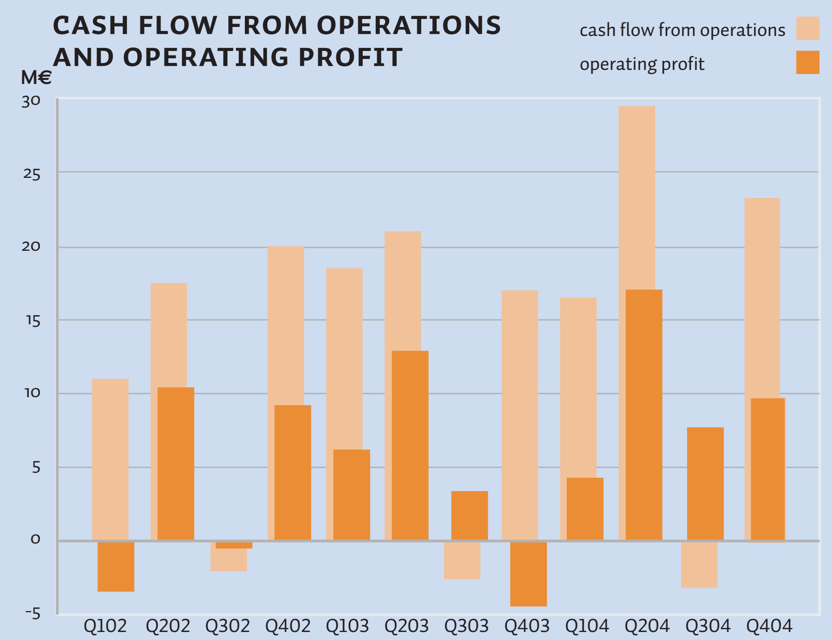
Sales revenues booked by Alma Media's divisions vary considerably from one month to the next. The Group derives two-thirds of its total income from advertising.

ALPRESS'S INCOME is divided between advertising and circulation revenue. Half of BIG's income is derived from advertising and the other half from both circulation and other revenue. The division most heavily dependent on advertising, with a figure of 90%, is Broadcasting. Media Services gains around 50% of its income from advertising.

Alma Media's first quarter of the year is an outstanding one for cash flow because that is when the subscriptions of its newspapers are paid in. The second quarter is also a good one for cash flow because sales of advertising space are strong during that period.

The third quarter is the poorest in terms of sales and weakest in terms of profit accrual; that is when cash flow dips into the red. Although September is generally a good month, it is not enough to make up for the quiet July–August period. Nonetheless summer is a good time for Iltalehti and Radio Nova. In the last quarter the operating profit begins to take shape again as sales pick up.

If Alma Media were to publish only a six-month interim report, the two halves of the year would be, if not brothers, at least half-brothers. •



Treasury strategy

STRONG CASH FLOW is the basis for Alma Media's treasury strategy, part of which is a continuously updated liquidity maintenance plan. Alma Media employs a commercial paper programme to secure continuous liquidity. Treasury actively monitors the interest rate risk arising from capital borrowing and investments, as well as the foreign exchange risk associated with cash flow from business operations and the balance sheet, and various commodity risks. These risks are hedged with derivative financial instruments following a predetermined risk policy.

Alma Media's treasury management goal is to optimize cash flow in line with prevailing conditions. Approved maturity and repayment plans are used to optimize the debt portfolio to the Group's cash flows in different quarters.

Where capital financing is concerned, the company gives particular attention to ensuring a balanced portfolio of different financial sources and markets. The Group's cash funds and surplus from business operations are invested in solid, low-risk financial instruments. When investing in fixed assets, Alma Media employs various types of lease contracts to im prove cash flow and reduce administrative expenses. •

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What you get is what you want

CEO Juho Lipsanen has little in common with Andy McCoy but he does borrow this line: 'Be careful what you want because that's what you'll get'.

Alma Media set itself the goal of becoming the top-of-mind media corporation in Finland. And that is what it has become.

During his entire three years as the company's chief executive, Juho Lipsanen has never tired of repeating the importance of cash flow, the balance sheet and profitability for Alma Media. Doubling cash flow in five years was such an important target that a mascot was acquired to travel around the company's various units in turn to symbolize it – a mechanical dog christened 2x5. "Except that five years turned into five months."

Not that Lipsanen is hungry to move on even though the company is only half what it was. He intends to manage the new Alma Media so that by the time he reaches sixty he might even qualify as a publisher.

SETTING THE TABLE. But Lipsanen certainly doesn't seem to have reached old age yet. It's just that the time has come to concentrate on other things for the future. Entrepreneurship is at the front of his mind: ownership brings the best return and the best profits go to the owners. "That's the name of the game."

Lipsanen didn't join Alma Media to knock it into shape for selling but to build up a solid foundation for a strong company. "This is the difference between luck and chance. Chance can let you win the lottery but you build luck by creating the conditions that make luck possible."

Many things in the company have changed during Lipsanen's time at the helm. When he arrived, the Group was still operating like five different companies. Even their accounting procedures were different. The new president, fresh from the clockwork precision of a Swiss company, found himself wondering why it took two weeks to compile a list of the top one hundred customers from Alma Media's databases, or how difficult it was to find out who the one hundred best paid employees were. The Group is now managed systematically without any need for centralized administration.

Lipsanen says he droned the same mantra for a year – that either Alma Media internationalizes or it will be internationalized. He also invented apt symbols to describe these two alternatives: La Place d'Alma for the first, and a forgotten kiosk in the back-of-beyond for the second. Before he arrived, the very thought of going international was inconceivable.

"The table was set and management had a mega-plan," Lipsanen describes the situation in mid-2004. With the Board of Directors' permission the idea of internationalizing Alma Media's broadcasting business was put before all the other players in this sector, Schibsted included. "They promised to revert and they did – coming back with a public offer."

TALK AND SHOW. Management knew that some shareholders might want to sell. On the other hand management was sure these owners were well capable of making price estimates and they knew the value of the plan envisaged for the Group. "Such a plan always calls for work, sweat and confidence. In a listed company those that don't believe always have a choice: to take their money and run."

In Lipsanen's words management applies a policy called 'Talk and Show' in the way it works. "All the promises we made, we've also fulfilled." Norwegian Schibsted rated Alma Media the best media corporation in Europe and wanted to claim a piece of the cake.

The decision of the Finnish insurance group Pohjola to sell its shares to the Swedes threatened to create a stalemate in Alma Media's ownership structure and leave the company's small investors licking their wounds. The situation needed a new approach which was adopted at the extraordinary general meeting at the end of January.

EUROS FOR THE PICKING. Cash flow and profitability will be the dogma for the new company too. The new Alma Media, now with only one share series, will no longer have any excuses; from its owners' perspective the structure is clear. Lipsanen also wants to turn its managers into owners. "Either with their own money or through some form of ownership scheme."

The new Alma Media has a bright future ahead, Lipsanen believes. Its structure and systems are in good shape and its development costs paid off. "The euros are there for the picking," he says.

The basis has been laid for improving productivity, he thinks. From now on, everything will depend on people and leadership. "The most important thing is 'spirit'. If people are disgruntled, the newspaper will suffer," the future publisher intones.

In the future the CEO intends to pay greater attention to return on capital in the company: its capital must be put to effective use. The company can have a lot of debt too, as that will keep management on its toes. •

The CEO was interviewed by Hannu Leinonen, editor-in-chief of Kauppalehti.

"I'm the son of an entrepreneur and the new Alma Media suits my background like a glove. Now we're close to the action," says Juho Lipsanen.

Maija Vanninen and Juho Lipsanen

Suppose the West were already destroyed?

"One way of building the picture rather than fragmenting it is to see things from as many perspectives as possible… … with five hundred or so journalists in this company, one could imagine that's possible."

In his latest collection of essays, The History of Silence, the renowned Swedish historian **Peter Englund** ponders our ability to see what's happening around us. As examples he takes a few years in the his tory of the West: 476, 1453, 1492, 1789, 1914, 1968, 1989. All are turning points starting from the year when **Odoacer**, leader of German tribesmen in the Roman army, toppled **Romulus Augustulus**, the last emperor of Rome, and ending in the year when the Berlin Wall fell.

Englund says that these years, which have since become symbols, were chosen as turning points only a long time after they took place. No-one in 476 Rome, for instance, would have noticed any collapse or destruction. People lived as before, bread and meat were distributed and the gladiators sized each other up. Englund's purpose is to challenge his readers to consider what if the Western countries might already have been destroyed? It's just that we haven't noticed yet.

"Outbreaks of political violence, previously accorded the importance of world wars, are now relegated to the inside pages of the newspapers – or ignored… economic forecasts that sound like a death knell are just bypassed or explained as of no consequence."

This question could hardly be more important for us. Rome in 476 had no press or electronic media like we do. The First World War, of course, made the front pages as did the fall of the Berlin Wall. But how many journalists actually predicted what the East Germans were thinking? How many really understood the eastern bloc was disintegrating before their eyes?

Englund's thesis could also be understood in the sense that he expects the media to at least try to understand. That even though our human ability to adjust is deceptive and almost infinite, someone might be able to build a complete picture from the pieces that we could steer by.

One way of building the picture rather than fragmenting it is to see things from as many perspectives as possible and seek information from as many sources as possible. In a media group like Alma Media, with its dozens of editorial departments and five hundred or so journalists, one might be forgiven for imagining that this is possible.

But there is one fly in the ointment: the whole group needs to be convinced that in these different perspectives, different messages from around the country and the world lies a strategic strength that no other media corporation has. We don't need to depend on the information provided by the foreign ministry or the news agencies, even when reporting news like the tsunami catastrophe in Southeast Asia. The opportunity we have to report on events and changes for ourselves is a very real one. •

Seppo Turunen, Alpress Oy, Newsdesk Manager, Head of the Editorial Competence Centre.

Content is king

The Alpress division publishes 33 newspapers which have an aggregate circulation of roughly one million copies and a readership approaching two million. The best-known of Alpress's papers is Iltalehti but its other stars include Aamulehti, Satakunnan Kansa, Kainuun Sanomat, Lapin Kansa and Pohjolan Sanomat. Alpress is headed by Hannu Olkinuora.

➔ Iltalehti's success demonstrates that it has both the teeth and the will to challenge the afternoon paper market.

➔ Investments in training and quality produce results. They are the cornerstones underlying content development.

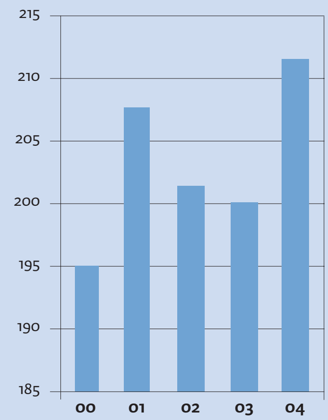
➔ Newspapers must return to their roots. The mission of the regional papers is to defend their local interests and to activate their readers.

KEY FIGURES

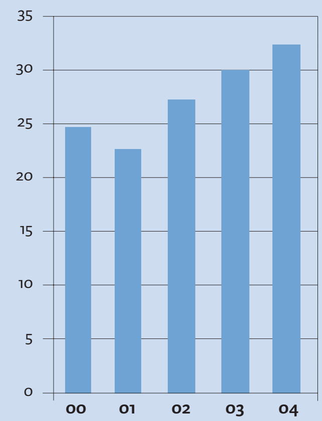
M€	2004	2003
Net sales	211.6	200.2
Share of Group net sales, %	43	41
Operating profit	32.4	30.0
Investments	3.8	5.3
Depreciation, total	9.8	10.9
Goodwill amortization[1]	3.1	3.0
Capital invested, average	62.8	67.4
Full-time employees, average[2]	1,607	1,626

[1] INCLUDED UNDER TOTAL DEPRECIATION
[2] FULL-TIME EMPLOYEES CALCULATED FROM AVERAGE PERSONNEL

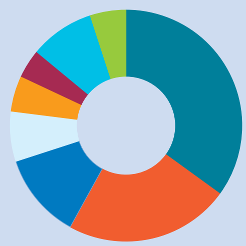
M€ NET SALES



M€ OPERATING PROFIT

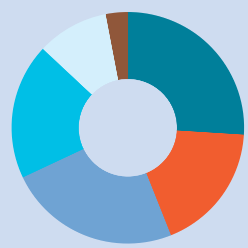


NET SALES (M€ 211.6)
BY UNIT



- Aamulehti 36%
- Iltalehti 23%
- Satakunnan Kansa 11%
- Lapin Kansa 7%
- Kainuun Sanomat 5%
- Pohjolan Sanomat 4%
- Suomen Paikallissanomat 9%
- Outside printing contracts 5%

PUBLISHING COSTS[1] (M€ 172.7)



- Editorial 25%
- Marketing 18%
- Printing 25%
- Distribution 19%
- Other operating expenses 10%
- Depreciation 3%

[1] COSTS OF NEWSPAPER UNITS

Asko Raudasoja (left) and Mikko Majaniemi.

The newspaper is the voice of its region

Newspapers are successful when they make sure they are defending the interests of the region they serve. That means getting back to basics. The newspaper must have a soul, says Hannu Olkinuora.

Alma Media's largest division Alpress is a reliable profit generator. The core of its business and profit-making potential are its regional papers, all leaders in their areas, and the national afternoon paper Iltalehti.

The division's President, **Hannu Olkinuora**, emphasizes that the keys to success are at the grassroots level, in each newspaper and its editorial staff. Content is decisive. "The foundation stone of Alma Media's strategy is the success of its divisions' media. Alpress's strategy is to enable its newspapers to succeed and to create a framework for development and growth.

"The work itself is done by the individual papers. Alpress itself has no intrinsic value, rather it's a tool for collaboration. When the resources of the papers are not enough to ensure their growth and development, that's when we step in to help."

Olkinuora's opinions reflect a strong background and career in journalism, especially given the emphasis he places on the importance of content in the media business in general and in the newspaper business in particular. "I don't in the least belittle the importance of the other parts of the process but ultimately a newspaper's fate is in the hands of its readers. A newspaper needs enough 'bite' to ensure that its readers find it not just useful and necessary, but absolutely irreplaceable."

LOCAL NEWS REACHES READERS. A great deal of research has been done on how people spend their time and the results can be interpreted to make very pessimistic prognoses for the future of newspapers. Yet newspapers still hold a strong position in people's lives.

"Editors and their staff must express clear opinions in support of their regions as well as activate their readers. An excellent example is the way the Alpress regional and local papers dealt with local elections."

One of the high spots in Alpress's year was the performance of the Paikallislehdet group of local papers. Their improved performance was the result of prolonged development, an essential element of which was enhancing the skills of the editorial staff.

"This indicates that newspapers are truly becoming local and that people are very interested in their own communities. Keeping a keen watch on local issues while offering traders an effective local marketplace demonstrates the strength of the Paikallislehti chain."

Alpress has 16 subscribed local papers and 11 free town papers. "The thrust of our development is on the subscribed titles but we are also expanding and developing our portfolio of free papers as opportunities arise."

The Helsinki metropolitan area has recently seen plenty of interesting new developments in the newspaper business but so far Alpress has left this arena to its competitors although Olkinuora is quick to add that this does not imply any strategic decision. "Naturally, the strongest growing markets are attractive but competition is also more intense and the risks are greater.

"The newspaper's role as the guardian of local issues in its circulation area is further emphasized in areas of population migration. For that reason we have strengthened our northern papers by installing new printing technology at the Rovaniemi press, for instance, to enable the development of a modern newspaper."

GREAT GROWTH POTENTIAL FOR ILTALEHTI. The newspaper market in Finland will not grow significantly in the foreseeable future. Total advertising spending is rising only slowly and the number of players laying claim to it is increasing. Nor can newspaper circulations grow significantly; indeed the papers have their work cut out simply maintaining existing levels. Yet Olkinuora believes in growth.

"Training and professional skills are key factors in maintaining competitive strength and performance. Ultimately, it is content that sells the newspaper," Hannu Olkinuora says.

"There are many ways to expand – developing new products, subscribed papers, pay-services, other publications, hybrids, online and mobile services… Acquisitions in Finland and abroad are another possibility. We aim to complete at least one major acquisition in the next three years.

"Where organic growth is concerned, the aim is stable and profitable development", Olkinuora continues. Of the Alpress newspapers, Iltalehti has the best potential.

"This paper's strong success shows that it has both the will and the teeth to take on the afternoon paper market. In this segment, overall growth is also possible, even probable."

Last year Aamulehti launched a new supplement called Valo (Light). Hannu Olkinuora hints that similar launches might take place in Alpress's other regional papers. "Aamulehti is in extremely good financial shape. Supplements like Valo will certainly find their place in our other papers." •

Participation raises quality

Quality, collaboration and people are three top priorities when enhancing journalism.

"It's all about improving the quality of the content," replies **Jouko Jokinen**, editor-in-chief of Satakunnan Kansa, when asked to summarize in one sentence the aims and strategy of Alpress Oy's Editorial Competence Centre started up two years ago.

A simple statement it might be, but it encompasses the many sides of developing journalism which is best described in Jokinen's opinion in the three words quality, collaboration and people. By way of background to the project he points out that financial goals carry little if any weight when improving quality. "But that doesn't mean it's forbidden to cut costs."

We should also remember, he underlines, that the newspaper market in Finland will not grow significantly. "Advertising volumes could grow but the newspapers will only retain their central role in the media by improving the quality of their content."

"Quality also means pursuing subjects further. And that means researching their background, and even backtracking if necessary," Jouko Jokinen underlines.

The quality of a newspaper and the variety of its content grow in a linear way, he continues. However, for this to happen all the Alpress newspapers, and later possibly the entire Alma Media Group, must have access to all the editorial material.

"Increasing the volume of content means that each unit can choose from the pool of material whatever it feels is most relevant to its own readers," Jokinen says, adding that there is no point in inventing the wheel twice.

"Using ready material is part of quality assurance. It also releases resources for improving the unit's own journalistic quality or the quality of special interest areas."

DEVELOPING SPECIAL EXPERTISE. When preparing the action plan for the Competence Centre it was considered important to backtrack a little in the direction of the special correspondents. The first journalists to be trained by the Centre, focusing on 'Europe', have now completed their course and next in line are legislation and court practice, Russia and general journalism – the latter sounding rather banal to the professional writer.

"It's about attitude. The journalist must have basic skills in describing ordinary daily matters. No doubt people are most interested in scandals and sex but it's important to be able to write about important issues in an everyday, interesting way. And that's a real challenge for us."

Jokinen proves his point by noting that there is no shortage of subjects concerning the EU, for example. But these are not always presented in a way that meets readers' needs because journalists tend to treat such matters very dryly.

Improving quality is also about finding new perspectives. "We need to rethink our approach to journalism about Europe or legislation. We must be able to tell readers what is most important for them."

Jokinen suspects that the world has changed faster than newspapers and gives credit to the periodicals, which he thinks have found their own niche rather well. "Newspapers don't have the agility of the periodical. Too often they are stuck in their old ways," he says.

"The newspaper's circulation area must always be in the reader's consciousness wherever he travels. Reading a newspaper mustn't be an effort or simply a matter of following events by reading the headlines. We journalists are fighting for the time of our readers."

SEAMLESS VIRTUAL EDITING. The 'virtual editorial department', set up during the Europe course, is setting a trend for the Competence Centre. The terminals of this 'department' are in the actual editorial offices of the Aamulehti, Lapin Kansa and Satakunnan Kansa newspapers. Four of the course participants work as a team, come up with new areas to examine, and are in close personal contact. "Virtual editing sorts the better from the good, bringing to light the most interesting stories," Jokinen thinks.

He also expects a great deal from the training session to be given in 2005 by the American guru **Ed Miller**. "The participants have been chosen from among Alma Media's various media. Miller's task is to guide news chiefs for example in managing the news desk, finding new perspectives, and investigating issues further. They need to learn how to deal with tough subjects in a human way and from a broad perspective, though the copy they write mustn't be loose." •

Iltalehti's success story

"Rarely has a paper that's been around for some time succeeded in raising its sales and circulation as much as Iltalehti since April 2004," says Veli-Matti Asikainen, Iltalehti's Managing Director.

Iltalehti is the third largest newspaper in Finland in terms of number of readers. Its circulation is 130,371 and its market share is over 39%. Early in the year the signals were pointing to a downward trend. Reader surveys showed a slight drop in circulation and Iltalehti's market share slipped slightly reaching its lowest figure, below 37%, in April.

Iltalehti's response was to pull together a team that spent two months considering a programme of measures to kick-start the circulation figures again. "It wasn't a matter of any single dramatic change, rather the result of many factors," Asikainen says.

"The competitiveness of a newspaper lies simply in its content – content and content. In sharpening the quality of Iltalehti's content we were helped by a change in the printing schedule, which gave us more time, especially when putting together the weekend edition. That also gave us time to do a better job of the front page."

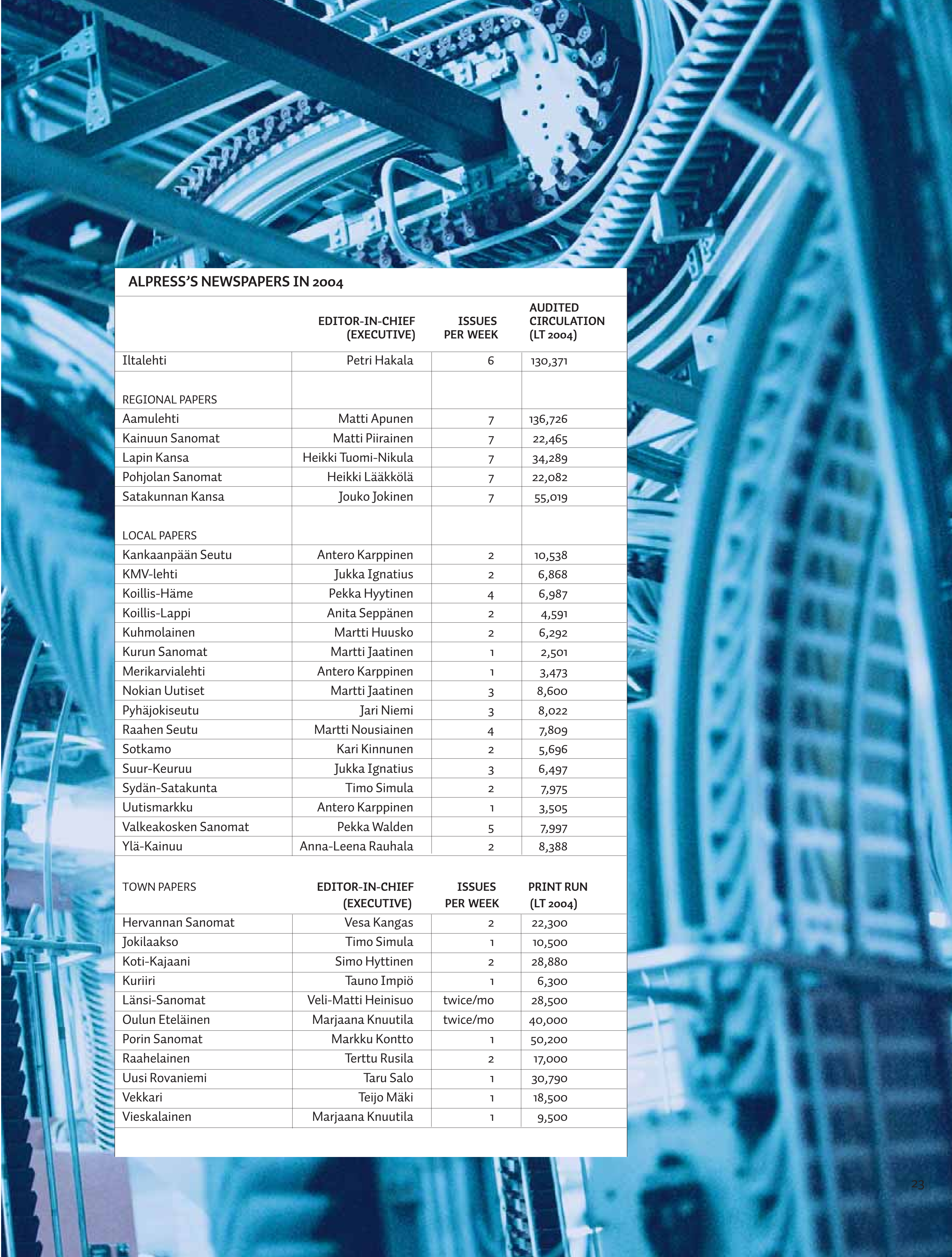
The vital factor in turning the decline to growth was reacting to the negative trend immediately, thinks Iltalehti's Managing Director Veli-Matti Asikainen.

A PIECE OF HISTORY. The Iltalehti team also decided to expand the Tuesday edition by inserting the TV World supplement produced by United Magazines for insertion in certain periodicals.

"This move proved high successful", says Asikainen, and it also marked a historical milestone in that for the first time the papers of two media groups were sold as a single package. Iltalehti's price, however, stayed the same: one euro for the weekday editions, and two euros for the weekend edition. "We feel buying the paper should be easy and for that reason we chose a clear pricing structure."

The circulation started growing strongly the very next month, well over 10%. Asikainen admits that when planning the changes the team didn't believe they would have such a fast impact.

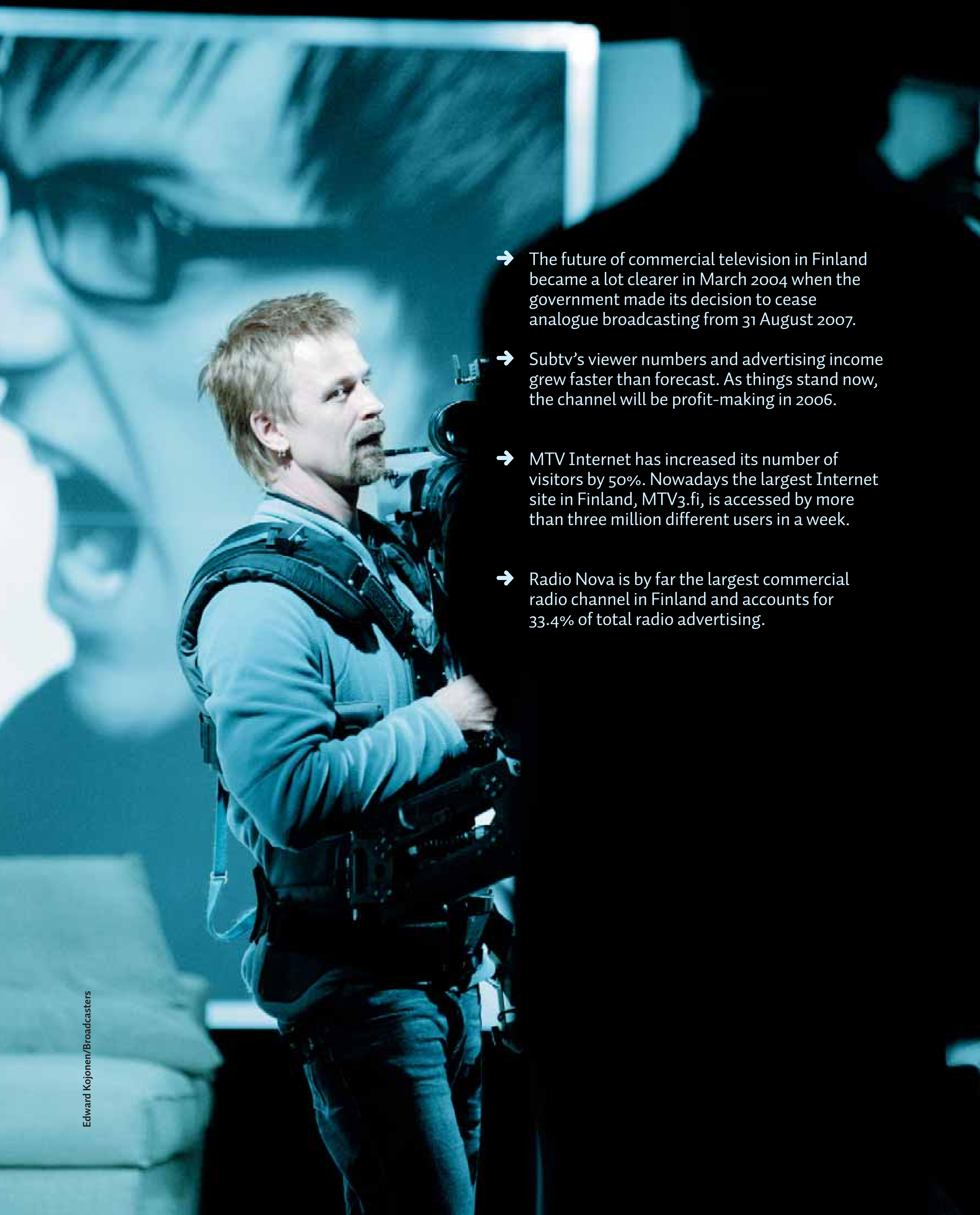
And the growth didn't stop there. In August Iltalehti's market share was 41% and it remained at around 40% for the rest of the year. •



ALPRESS'S NEWSPAPERS IN 2004

	EDITOR-IN-CHIEF (EXECUTIVE)	ISSUES PER WEEK	AUDITED CIRCULATION (LT 2004)
Iltalehti	Petri Hakala	6	130,371
REGIONAL PAPERS			
Aamulehti	Matti Apunen	7	136,726
Kainuun Sanomat	Matti Piirainen	7	22,465
Lapin Kansa	Heikki Tuomi-Nikula	7	34,289
Pohjolan Sanomat	Heikki Lääkkölä	7	22,082
Satakunnan Kansa	Jouko Jokinen	7	55,019
LOCAL PAPERS			
Kankaanpään Seutu	Antero Karppinen	2	10,538
KMV-lehti	Jukka Ignatius	2	6,868
Koillis-Häme	Pekka Hyytinen	4	6,987
Koillis-Lappi	Anita Seppänen	2	4,591
Kuhmolainen	Martti Huusko	2	6,292
Kurun Sanomat	Martti Jaatinen	1	2,501
Merikarvialehti	Antero Karppinen	1	3,473
Nokian Uutiset	Martti Jaatinen	3	8,600
Pyhäjokiseutu	Jari Niemi	3	8,022
Raahen Seutu	Martti Nousiainen	4	7,809
Sotkamo	Kari Kinnunen	2	5,696
Suur-Keuruu	Jukka Ignatius	3	6,497
Sydän-Satakunta	Timo Simula	2	7,975
Uutismarkku	Antero Karppinen	1	3,505
Valkeakosken Sanomat	Pekka Walden	5	7,997
Ylä-Kainuu	Anna-Leena Rauhala	2	8,388

TOWN PAPERS	EDITOR-IN-CHIEF (EXECUTIVE)	ISSUES PER WEEK	PRINT RUN (LT 2004)
Hervannan Sanomat	Vesa Kangas	2	22,300
Jokilaakso	Timo Simula	1	10,500
Koti-Kajaani	Simo Hyttinen	2	28,880
Kuriiri	Tauno Impiö	1	6,300
Länsi-Sanomat	Veli-Matti Heinisuo	twice/mo	28,500
Oulun Eteläinen	Marjaana Knuutila	twice/mo	40,000
Porin Sanomat	Markku Kontto	1	50,200
Raahelainen	Terttu Rusila	2	17,000
Uusi Rovaniemi	Taru Salo	1	30,790
Vekkari	Teijo Mäki	1	18,500
Vieskalainen	Marjaana Knuutila	1	9,500



Edward Kojonen/Broadcasters

➜ The future of commercial television in Finland became a lot clearer in March 2004 when the government made its decision to cease analogue broadcasting from 31 August 2007.

➜ Subtv's viewer numbers and advertising income grew faster than forecast. As things stand now, the channel will be profit-making in 2006.

➜ MTV Internet has increased its number of visitors by 50%. Nowadays the largest Internet site in Finland, MTV3.fi, is accessed by more than three million different users in a week.

➜ Radio Nova is by far the largest commercial radio channel in Finland and accounts for 33.4% of total radio advertising.

Digital attraction

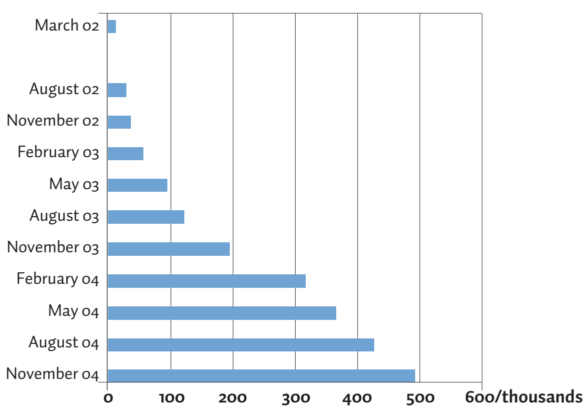
The Broadcasting division includes the television channels MTV3 and Subtv, the national radio channel Radio Nova (74%), the digital interactive services provider MTV Interactive, and a minority holding (23.4%) in the Swedish commercial channel TV4. Although the future will be all about multimedia, the jewel in Broadcasting's crown is still television. MTV3 is far and away the largest medium in Finland reaching round three million of the population daily and more than four million every week. Broadcasting is headed by Pekka Karhuvaara.

KEY FIGURES

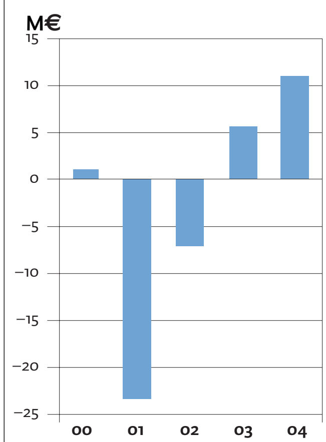
M€	2004	2003
Net sales	195.4	178.1
Share of Group net sales, %	40	37
Operating profit	11.0	5.9
Capital expenditure	5.2	6
Depreciation, total	7.3	8.1
Goodwill amortization[1]	0.7	0.6
Capital invested, average	152.2	172.4
Full-time employees, average[2]	516	517

[1] INCLUDED UNDER TOTAL DEPRECIATION
[2] FULL-TIME EMPLOYEES CALCULATED FROM AVERAGE PERSONNEL

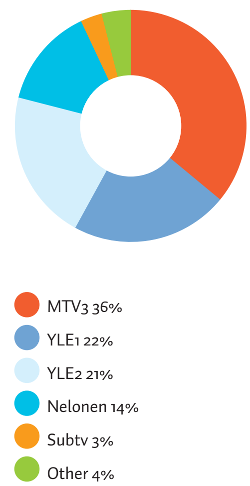
NUMBER OF DIGITAL RECEIVERS



OPERATING PROFIT/LOSS

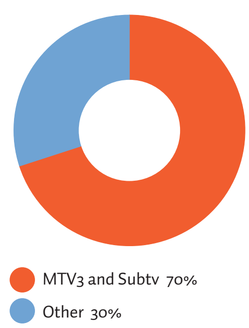


VIEWER SHARES BY CHANNEL FOR 10+ VIEWERS PRIME TIME

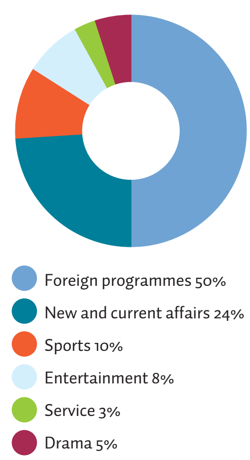


VIEWER SHARES ARE FOR 10+ VIEWERS (6 PM–11 PM).
Source: Finnpanel Oy

MTV OY'S SHARE OF TV ADVERTISING IN FINLAND



MTV3'S PROGRAMMING BREAKDOWN



Multimedia's time has come

Alma Media's Broadcasting division will derive a considerable share of its future revenue from the Internet, mobile media and new pay-TV consumer products. The division still revolves around television, though.

In 2004 the Broadcasting division took a major stride towards real multimedia operations. The hub of its business is still the mover and shaker MTV3. But solid support is offered by Radio Nova, the largest nationwide commercial radio channel, the rapidly growing Subtv cable channel for the younger generation, and MTV3 Internet which in 2004 emerged as by far the most popular online service in Finland.

The division is now able to offer all forms of electronic media and with extremely wide coverage. "Advertisers can now use our media to carry out an entire campaign beginning, say, with a teaser on TV and ending with online buying which the customer can do on the Internet or using his/her mobile phone. Managing this chain in a creative way will be the most important factor in our future success," describes **Pekka Karhuvaara**, the division's President and Managing Director of MTV Oy.

STRONG EMPHASIS ON INTERACTIVE SERVICES. Broadcasting's advertising sales were reorganized in 2003 around the concept of multimedia thinking. The sales staff now sell all the division's products except Radio Nova, which has its own sales organization although co-operation with Nova is tight.

"Putting a common sales channel into effect has been a demanding process both for us and our customers. The new concept requires an ability to innovate and create packages from the various components available that really work. This has meant a lot of new learning but our sales organization is clearly getting used to the new style and we have several examples of good multimedia campaigns."

Although the Internet and mobile devices offer new dimensions to online advertising, television says Karhuvaara is still the most important channel of communication. "Television is king, no doubt about it, and it will stay that way. Television's power to attract brings feelings to communication."

ONLY THE BEST ARE GOOD ENOUGH. Broadcasting's strategy is built on five pillars. In Karhuvaara's words, these are content, spirit, sales, the dual-channel model, and developing new consumer products. The most important of these, once again, is content.

"The core issue is quality. We buy only the best series. If we show soap, it must be the best soap available. In everything we do, we want to rank with the best in Europe."

By spirit, Karhuvaara means the company's internal working procedures and values. "We give top priority to respect for the individual. Whatever their positions in the organization, people are treated as individuals. For us the most important thing is that position is determined by results, nothing else."

NO PRICE RISES. In its sales, MTV3 has concentrated for the past three years on raising its television advertising prices. "In 2001 prices fell by 14% from where they were in 1998. We've now reached the level we were at six years ago in absolute terms, but including inflation we're still a bit behind."

In 2005 prices will only be raised in pace with inflation, says Karhuvaara. "Instead we are focusing on improving utilization of our slot capacity. One priority area, for instance, is regional sales. By mid-June we will have contacted 2,000 customers that have never advertised on television."

The biggest hindrance to growth in regional sales, Karhuvaara continues, is the wrong impression about price. "Many believe that making advertisements is both expensive and time-consuming. Neither is true thanks to today's digital technology."

NEW SOURCES OF REVENUE. The dual-channel model in Broadcasting's strategy has proved its worth. "We can keep MTV3 as the major channel with many viewer groups while Subtv dampens our competitor's growth among the younger urban population."

W-tyyli (W-style) is an example of how a Finnish super talkshow is produced in practice.

The fifth pillar of the strategy – developing new consumer products – is taking Broadcasting towards new ways of doing things. "In Britain revenues from pay-TV exceeded television advertising income back in 2003. We are now moving in the same direction in Finland. We must increasingly derive our income direct from viewers and consumers," Pekka Karhuvaara predicts.

Besides pay-TV this could mean various interactive products. A taste of what is to come was offered by the Idols final in which 700,000 viewers voted by mobile phone. TV games controlled by mobile phone have likewise made a good start.

Online services and the mobile media also play an important role in launching and implementing Reality-TV formats. The popular Big Brother gained one-third of its revenue from various consumer products. Big Brother in Finland will start on Subtv this year. •

Even more entertaining

2004 was a breakthrough year for Subtv as both viewers and advertisers found the cable channel. "Sub's sharp profiles and coverage, now that it's sufficient, have worked. We are on the buying list of most TV advertisers," says Managing Director Tomi Halonen.

Halonen is especially satisfied that advertising sales and viewer numbers are growing faster than planned. "But we mustn't be oversatisfied. We need to go on stoking the fire, pushing forward full steam ahead."

The channel's targets, when originally set, were already challenging, so no breathing space is in sight. Subtv should start posting a profit by the end of 2005.

Subtv has a lean organization: just ten people working as a team can achieve a lot. "We are such a small group that the chemistry has to work. We must all keep a cool head and have respect for each other.

"Last spring's marketing budget was extremely tight so we ended up doing our own ads almost entirely by ourselves," Tomi Halonen and programming manager **Maaretta Tukiainen** laugh with pride.

"Subtv is growing at meteoric speed. A fact that hasn't gone unnoticed by advertisers," Tomi Halonen and Maaretta Tukiainen observe.

DIGITAL TV AND THE CHANGING MEDIA ARENA. Sub's viewer potential is growing as the transfer to digital television makes progress. The terrestrial digital TV network now covers 94% of the population and sales are lively for set-top boxes.

Digital broadcasting will also introduce new channels in its wake. "The upcoming generations will develop into different television viewers. For ten-year-olds today it's no big deal that the number of free channels is increasing, pay-TV is expanding and that you can get everything via broadband," Halonen says.

Maaretta Tukiainen sees before her a media arena with increasingly blurred borders. "We are more married to the media than ever. The issues aired on television are the raw material for the next day's afternoon papers," she explains. "But I still believe that the various media have their own places within the day. Television is dominant in the evening."

Subtv's prime time differs from the large channels. "For example Conan O'Brien at around 11 pm is an excellent time for us. That's when Subtv viewers are more active."

SUBJECTIVE ENTERTAINMENT. A recent programme image survey indicates that Subtv is bolder and more individual than Nelonen, and even more entertaining. Halonen and Tukiainen cannot help smiling, the channel's image is on a high. Subtv's core viewers may be between 15 and 34 years of age but it has a wide following in other age groups as well.

Entertainment is a subjective concept, Halonen adds. "Marketing communication is important too; the channel must be able to advertise what it offers. We must lift the level and volume of communication about ourselves to ensure our message is clear: Sub's underlying idea is entertainment in all its forms."

Research and development thinking is a high priority when planning the channel's programmes. Subtv must show the way that Finnish television will follow. "We are interested in knowing how consumers want to spend their time and money," Tukiainen summarizes.

Subtv adds depth to the Viewer Survey conducted by MTV3's research unit. "Processes are very slow so enough time must be reserved for planning. We need to be able to see in advance what will be uppermost in people's minds in half a year's time. We aim to make the programme schedule as clear as possible so that people really know what sort of programme will be broadcast when. Within that schedule, though, we work flexibly and follow the stipulated times."

Tomi Halonen ponders the problems of leading the pack. "Following trends, or being trendy, is not that simple. We mustn't be too trendy or else we'll be seen as serving the interests of only a niche group."

Co-operation with MTV3 helps in this context too, the aim being to optimize the viewer potential of both channels. "Externally we are two totally different channels with our own identities and programmes but we gain maximum benefit from our internal synergies," Tukiainen points out.

"Each channel's brand must be clearly differentiated and individual," Halonen agrees. "Our common broadcasting infrastructure, purchasing resources and marketing work in the background."

EMPHASIS ON BIG BROTHER. The biggest investment in 2005 will be the Finnish version of the reality-TV show Big Brother, which will dominate the channel for three months next autumn. Originally created in the Netherlands, this format has taken the world by storm. "In buying the foreign version of this programme we hit the bull's eye," Tukiainen says.

Big Brother is an enormous undertaking that also involves building websites and interactive services. Here, Subtv is working closely with MTV Interactive on a wide front to optimize the Internet, mobile services and Teletext to support Subtv's offering.

"Our programme content is extremely interesting and our public is 100% familiar with the technology," Tomi Halonen says. "Entertainment is a driver on the web as well." •


ROCLA

Programme schedule guides the choices

Given a good slot a TV series can be a success, broadcast at the wrong time and it can flop. MTV3's programme schedule isn't for trial and error; each move must hit the mark.

Although viewers might think sometimes that a TV series is shown at a ridiculous time, the slot usually has its reasons. More than likely it is due to the programme schedule, where there is only limited room for manoeuvre.

"Sometimes a series just has to be given a time that attracts fewer viewers than somewhere else in the schedule – and this is known beforehand. But we can't broadcast all our programmes between eight and nine or nine and ten. Those slots are in hot demand," points out **Jorma Sairanen**, MTV3's Programming Director.

Building the programme schedule is no easy task because one change leads to many others. The schedule planners must know the alternatives they have and be experts at their job. MTV3 has produced its own schedule since 1993 when the channel was restructured.

"It takes account of the whole day's programme flow: where it starts and how it continues. We also know people's viewing habits – what programmes they want to see on what days," Sairanen says.

VIEWER NUMBERS IMPORTANT. It's impossible to put every wish into effect given the restrictions placed by the programme schedule. The decision had to be taken, for example, not to show Lord of the Rings films after all since these each last over three hours, apart from being too expensive.

"It would also have been quite impossible to fit them into the schedule due to News at Ten. The only option was Monday but even then they would have started at 21.15 and ended at one in the morning. We knew we would not have attracted enough viewers."

Viewer numbers are monitored with a sharp eye in both MTV3 and Subtv. It's also important when building the schedule to ensure that MTV3 and Subtv don't take each other's viewers. "Our data is getting more precise all the time. We see every day how many viewers move from one channel to the other."

TESTS DIFFICULT. Subtv's schedule can be used for testing purposes but not MTV3's. "Every rescheduling is difficult, unlike with Subtv whose schedule is still at the development stage," Sairanen considers.

For budget reasons the programme schedule is drawn up in the autumn for the entire year ahead. "Generally it's nailed down at the last minute, roughly half a year in advance, although some domestic programmes are pencilled in a good year and a half earlier."

MTV3's programming director is not entirely happy with MTV3's viewer figures in 2004. None of the channels had any really big hits, although they also avoided flops as well. "2003 was so good that last year we fell short by comparison. In the long run, though, MTV3 had a good year. We're in no trouble," Jorma Sairanen says with assurance.•

There's a good reason behind each TV programme's slot, says Jorma Sairanen, Programming Director.

Saturday entertainment for the masses

Viewers' habits have a strong impact on the programming schedule, as Jorma Sairanen's interview confirms, and MTV3's programming executives take them very seriously.

On Saturday evenings, for example, the Finns are used to watching MTV3's home-grown entertainment at the sacred time of eight in the evening. "Saturday evening entertainment has a long heritage. That slot's been reserved since the 1970s," Sairanen recalls.

MTV3's Saturday evening viewing schedule has seen many a show over the years but the longest-running, seven years now, was Bumtsibum hosted by **Marco Bjurström**. Its place was taken on 5th March by Huuma (Euphoria), hosted by **Jaakko Saariluoma** and **Lorenz Backman**.

Ending Bumtsibum was a nerve-wracking time for the channel. In its best years the programme attracted as many as 1.3 million viewers and even during the final months the figure still hovered around 800,000.

"It's tough taking a programme out that has been so popular. But not even the best can go on for ever. Far better to leave the stage the victor," Sairanen thinks.

Expectations for Huuma are huge although MTV3 knows it will be difficult to cross the one million threshold. "We certainly don't fool ourselves into believing that every Saturday evening entertainment programme will attract over a million viewers but our minimum requirement is the number that Bumtsi got during its final hours."

Huuma has been planned meticulously. Its aim is to represent the sort of big stage entertainment typical of this decade. "We hope as many people as possible will find it easy to watch Huuma. It will be live entertainment with humour, competitions, music and candid camera. It's based on the format of the British ITV's successful Ant & Dec's Saturday Night Takeaway format." •

Expanding through cross-media growth

The BIG division distributes business information independent of time and place – via the press, the Internet, television and radio, mobile phones… BIG's breadwinner is Kauppalehti but its other profit-makers are Balance Consulting, Baltic News Service and the Lehdentekijät Group, along with its associated companies Talentum (31.1%) and Efektor (51%). BIG is headed by Juha Blomster.

- A new category of newspaper emerged with Presso, the new Saturday paper for the Helsinki region. The circulation target of 50,000 in three years appears very realistic.
- A new platform for growth are BIG's cross-media approach and its expanding databases, which can be exploited by all the division's units.
- Loyal-customer campaigns, which require precise message targeting, have increased in popularity and intensified competition in the newspaper market.

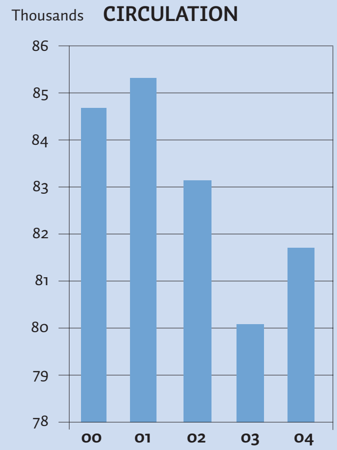
KEY FIGURES

M€	2004	2003
Net sales	49.1	46.4
Share of Group net sales, %	10	10
Operating profit	5.4	4.2
Investments	1.9	3,7
Depreciation, total	1.4	1.5
Goodwill amortization[1]	0.4	0.4
Capital invested, average	35.1	19.9
Full-time employees, average[2]	401	384

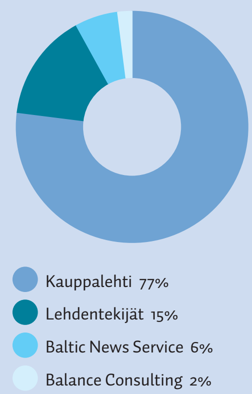
[1] INCLUDED UNDER TOTAL DEPRECIATION

[2] HEADCOUNT

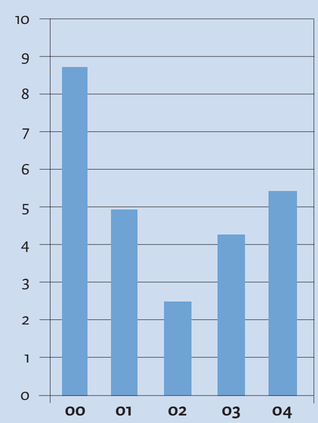
KAUPPALEHTI CIRCULATION



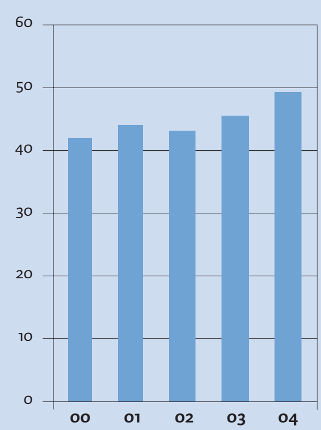
NET SALES (M€ 46.4) BY BUSINESS UNIT



M€ OPERATING PROFIT



M€ NET SALES



BIG takes a giant leap

Profitability doesn't suffer from investments in the future. The strategic goal of Business Information Group, Alma Media's second smallest division, remains to boost its net sales with a vengeance by 2009.

In practice that will mean having to raise net sales by an annual 15% over the next four years. BIG's net sales in 2004 were M€ 49. The division's growth strategy also includes acquisitions, says **Juha Blomster**, BIG's President.

"For a normal newspaper publisher our profitability – operating margin over 10% in 2004 – can be considered sufficient, especially given our heavy investments in Presso last year. Yet we must get more below the line. If we raise net sales and keep the operating margin at today's level, our profits will grow in pace with net sales."

BIG could in fact be more profitable than it already is, Blomster continues, if it didn't invest in its future but concentrated simply on intensifying its existing businesses. But he believes that broadening the production and distribution of cross-media business information will also raise profitability in the future.

"It goes without saying of course that growth, whether organic or through acquisitions, must be profitable. However, the profitability of a division like BIG, which is still under development, should be viewed from a longer-term perspective than the typical quarter-year."

NEW GROWTH FROM DATABANKS. BIG's bread and butter is Kauppalehti, which produces business information for news papers, the Internet, television, radio and mobile phones. Among the smaller units, Lehdentekijät specializes in contract publishing, and Baltic News Service (BNS) in news and information services for companies, while Balance Consulting provides valuation, M&A and investor services.

BIG's operations, says Blomster, can be divided today into four groups: publishing (Kauppalehti, Optio and Presso), communications (Lehdentekijät), news (BNS) and databank services (Balance Consulting). What they all have in common is producing information and distributing it via the media, some more some less.

In Blomster's vision BIG's growing databases form a platform for new growth. They can be used in all the division's units and also in a cross-media way.

"The logical growth path for BIG from here on is to broaden, develop and exploit its services based on databases and their management. We are already working hand in hand with the Media Services division. The homes, jobs and used car advertisements published in Presso, for example, are produced by Media Services."

Although BIG is putting its biggest effort at the moment into boosting subscriptions for the Presso Saturday newspaper launched last October, Presso certainly isn't taking all of BIG's attention. On the contrary, all the units are required to grow vigorously. That is also encouraged and supported at the Group level. After several years of sluggish growth, help is also coming from the markets; the Finnish economy will grow this year and next by an annual 3%.

NEW READERS AND ADVERTISERS. Presso, published in the Helsinki metropolitan area on Saturdays, hopes to reach a circulation of 50,000 and to return a profit by 2007. "We've taken a limited risk in launching this new publication. It must prove a profitable investment within the timeframe we've set," Blomster underlines.

By having Presso delivered to readers' homes on Saturday mornings BIG hopes to attract not only new readers for Kauppalehti but also new business-to-customer advertisers. "Presso's first months already show that there was a clear market niche for a new voice for the Helsinki region," he notes with satisfaction.

BIG's expanding databases are a platform for growth.

New readers and advertisers are important for BIG since most of the euros it derives from media sales have come from business-to-business advertising in Kauppalehti, which is highly sensitive to business fluctuations.

"Economic up- and downturns have a direct impact on b-to-b advertising. The downturn that started in 2001 didn't bottom out until around August 2004 as economic prospects brightened and Kauppalehti's media sales rose by more than 15% in the last months of the year. But due to the slack first months in the year BIG's growth in media sales only reached about 6% in 2004."

The outlook for 2005 is better, Blomster predicts. If Presso continues to drive advertising at the same pace as in January and b-to-b advertising grows as normal, BIG's media sales should increase this year. Media sales represent about 40% of the division's total net sales.

"Kauppalehti Optio, a bi-monthly periodical focusing on lifestyle advertising, saw a sharp rise in sales last year – as did Kauppalehti Online, whose media sales rose almost 40%. We could even have sold more but we ran out of space."•

"It's time to go on the offensive. And we have both the human and financial resources to do so," Juha Blomster affirms.


BIG

CONTRACT PUBLISHING IS *growing and networking*

The number of customer and stakeholder magazines in Finland is growing steadily and outsourcing is becoming more popular. Not only companies but associations and public bodies as well expect their magazines to have quality: better magazines at lower cost.

Alma Media's subsidiary Lehdentekijät Oy raised its net sales from M€ 6.7 in 2003 to M€ 7.3 in 2004 and the pace of growth is increasing. The company started a number of new magazine projects during the year including 'Prima' for the Confederation of Finnish Industries EK, the 'Aesculapius' and 'Galenos' magazines for pharmaceuticals producer Orion Pharma, 'Financial Solutions' for IT services provider TietoEnator, 'PB Magazine' for Nordea Bank, and 'EE-mail' for the city of Espoo.

"Contract publishing is in overdrive. Retailers, for instance, have realized that a magazine of their own is an extremely effective and cost-efficient tool for precise targeting of messages to loyal customers," says **Kimmo Kallonen**, CEO of Lehdentekijät.

Market growth goes hand in hand with more intense competition. Lehdentekijät's response is continuous improvements to its customer service and quality of operations: "For us it is not enough that the customer is satisfied. We are continuously thinking how we could be doing even better. The best 'lehdentekijä' (magazine maker), is a partner and adviser who is busy developing new ideas and solutions with the customer all the time," Kallonen describes.

Tuuli Juusela and Miikka Tikka

A good customer magazine represents good journalism – which also makes it a good forum for advertising

AN ADVERTISING MEDIUM WORTH USING. The growth of contract publishing has not gone unnoticed by advertisers, either. In 2003 advertising in customer magazines increased by 8.1% compared with just 1.8% in the other media.

Advertisements are sold in eight of the more than 40 magazines produced by Lehdentekijät and media sales are below 10% of the company's total net sales. Kallonen, however, believes this volume will increase.

"Customer magazines offer several unique advantages. We constantly research our readerships and in many cases we know the readers of our magazines better than publishers of general periodicals or even special periodicals know their own. And advertisers know exactly what media environment their ads will appear in." •

Brave New Presso

The first edition of Presso hit the streets of Helsinki at the end of October 2004. The new paper has been many years in the making, though, from business newspaper step by step to a new weekend paper for the paper for the capital's young-at-heart.

Leena Filpus (left), Juha Ruonala, Jenny Jännäri and Markus Frey.

Asked why Presso?, Kauppalehti's editor-in-chief **Hannu Leinonen** answers simply: "It would have been quite thoughtless not to react to changing market needs."

The idea of a Saturday newspaper has been growing in the editor-in-chief's mind for a good seven years, since in fact the birth of Kauppalehti's competitor, Taloussanomat. It was also a big factor in the equation that Kauppalehti's circulation in terms of Finland's total population is the largest in the world and in that respect increasing the core paper's circulation would have been difficult without making radical changes.

Kauppalehti is clearly a business-to-business paper and for many readers a daily tool in their work. It's supplemented by the bi-monthly Optio, more of a lifestyle magazine for consumers in general, but even this does not reach the consumer population at large.

One step on the road towards the average reader was MTV3's and Kauppalehti's co-operation started in 2002 to make joint business news broadcasts, Leinonen thinks. "That has generated a new readership that now recognizes the name Kauppalehti. So the next step was Presso."

TESTED AND RESEARCHED. The decision to launch Presso was taken in September 2003 and the first dummies were presented in December. The content was carefully planned, the preferred readership precisely targeted. Research also showed what young Helsinki professionals wanted to read. A test edition was produced for the editorial staff to ensure that all was in place.

This was supported by a reader survey in November 2004, which confirmed that the editors had succeeded in their mix of business, leisure and entertainment. The result is that the urban adult population of the Helsinki metropolitan area now has a new paper to read on Saturdays, and they appear to like the lighter touch to the business news. "We've produced a new category of newspaper," Hannu Leinonen has concluded.

Commercially as well, the paper has exceeded expectations, he continues. "The order book filled up promisingly right from the start. Our circulation target is 50,000 and that seems quite realistic."

Presso is a breath of fresh air on Saturdays for Helsinki's newspaper readers.

The commercial timing of Presso's launch was right on the button. The advertising market, recovering from a long downturn, began to grow towards the end of 2004. Presso is also able to take advantage of Alma Media's expertise in classified advertising as the ads posted on the nationally strong online websites etuovi.com (home-buying) and autotalli.com (used cars) are now reproduced in every issue of Presso. •

The springboard for online marketplaces

Media Services has three businesses: Classified Services, Alma Media Information Systems, and New Ventures. The division is best known for its hugely popular online market-places: Etuovi.com (home buying), Auto-talli.com (vehicles), Monster.fi (jobs), Mascus.com (used heavy equipment) and from the beginning of 2005 city24.ee, Estonia's largest online home-buying service. Media Services is headed by Raimo Mäkilä.

- Media Services utilizes Alma Media's other media. Monster, Autotalli and Etuovi all found a new outlet through Kauppalehti's new Saturday newpaper Presso.
- Mascus demonstrates that national borders are irrelevant today. On the European scale Mascus is the number one marketplace in its field.
- Monster, formerly Jobline, posted an all-time record number of visitors to its site in November: over 180,000 job seekers.

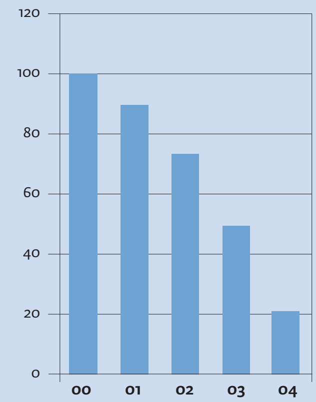
KEY FIGURES

M€		2004
2003		
Net sales	21.0	48.4
Share of Group net sales, %	4	10
Operating profit/loss	–6.3	–5.6
Capital expenditure	2.2	4.9
Depreciation, total	1.4	4.2
Goodwill amortization[1]	0.4	0.4
Capital invested, average	27.9	32.8
Full-time employees, average[2]	115	308

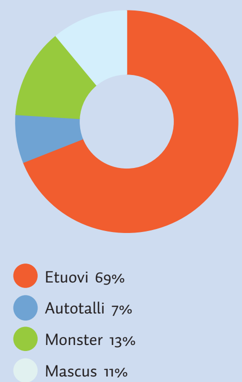
[1] INCLUDED UNDER TOTAL DEPRECIATION

[2] HEADCOUNT

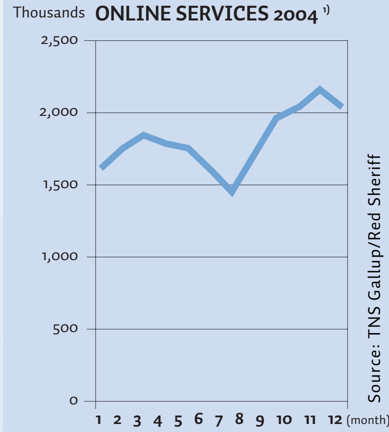
M€ NET SALES



NET SALES,
CLASSIFIED SERVICES (M€ 8.1)

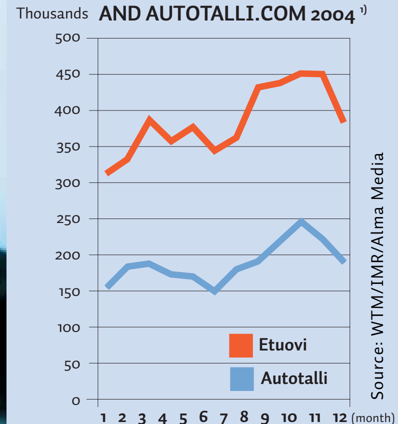


NO. OF VISITORS TO ALMA MEDIA´S
ONLINE SERVICES 2004 [1)]



[1)] DIFFERENT VISITORS PER MONTH

NO. OF VISITORS TO ETUOVI.COM
AND AUTOTALLI.COM 2004 [1)]



[1)] DIFFERENT VISITORS PER MONTH

Media Services accelerates out front

Monster, Mascus, Autotalli and Etuovi.com, that's where the customers are. To keep their lead these marketplaces have to run faster than their closest rivals.

Raimo Mäkilä, President of Media Services, wants to further strengthen the division through co-operation within Alma Media. Classified Services can benefit from the Group's other media and distribution platforms, and offer them benefits in the same measure.

"A good example of media at work is the co-operation between the Monster, Autotalli and Etuovi online marketplaces with Kauppalehti's Presso newspaper. Our job is to produce the classified advertisements and services for this other profit unit's product."

Each of the three Media Services business units – Classified Services, Information Systems and New Ventures – has its own role to play. Information Systems is responsible for the functionality of the Group's internal ICT systems, while New Ventures specializes in developing interactive media.

Classified Services epitomizes Alma Media's strategy of profitable growth. Monster, Etuovi, Autotalli and Mascus all share the same common denominator; they are online marketplaces. Their main focus has so far been on the Internet but other channels are feasible as well.

Etuovi.com is Finland's leading home-buying and real estate online service. It is strongly supported by a clutch of printed newspapers in five localities as well as printed catalogues for buyers looking for a summer home in the country. "We are also equipped and ready to use digital television and mobile connections."

Autotalli.com (used cars) is another online service that benefits from Alma Medias's other media. "Our aim in using the Group's range of media is to increase awareness, which is critical to the growth of these services," Mäkilä emphasizes.

CHAINS IN THE MAKING. The classified advertising business is seeing the emergence of chains, a good example being Monster with operations in more than twenty countries. Through an associated company in Finland Alma Media owns 75% of Monster Oy.

"There are very few players in the recruitment advertising business with a constant need to recruit. Those marketplaces that have most to offer and are easiest to use will also achieve growth if their sales are active."

From its outset Mascus, which caters to the market for used heavy work machinery, has been designed as an international marketplace for companies. Mascus is the leading European service in its sector. "National borders have no significance any more – used heavy earth-moving and agricultural machinery is moving from the west to the east."

ABILITY TO RENEW ESSENTIAL. Vital to success in this business is the ability to generate something new. That takes a motivated and competent staff. It's people that create the competitive edge.

Media Services wants to serve both companies and people. "We ensure that the service is both sufficiently comprehensive and also easy to use for consumers. At the same time we are eager to hear the wishes of our corporate customers and put them into effect swiftly," Raimo Mäkilä promises. •

Mäkilä's sights are set beyond the Gulf of Finland and the Baltic Sea. Media Services is assessing its possibilities for international expansion in the Baltic countries and Scandinavia.

Unrivalled for online job ads

The Internet has rapidly become a popular channel for seeking new staff or jobs. Alma Media's Monster.fi is no featherweight – it's the number one in its business.

Alma Media's Jobline.fi was renamed in November 2004 to Monster.fi. The reason was the need to put all the 23 recruitment websites under one name – making it easier to use for both employers and job seekers.

"Changing brand worked out well for us," says **Stefan Kajanus**, Monster Oy's Managing Director. "Once that was done, we set a new record for number of visitors; more than 180,000 different job seekers visited our pages in November."

BRAVE NEW RECRUITMENT CULTURE. Monster had a successful year in 2004. "Companies that earlier had not expected to be recruiting for some time woke up to the need for new talent. There were also huge numbers of well qualified job seekers on the move."

Monster revolutionized the recruitment market by introducing a new concept in Finland. Now, all the recruitment ads published online are also included at no extra cost as a one-line ad in Kauppalehti's Wednesday edition and also Presso, Kauppalehti's Saturday paper for the Helsinki region. The line ad contains the company's name, job name, geographical area and code number for finding the complete ad on the Monster online pages.

"We offer companies an opportunity for visibility both online and in print, and job seekers a new way of finding work. This is an excellent way for us to maintain our lead in recruitment advertising in Finland," Stefan Kajanus declares. •

- See the service at www.monster.fi.
- See also the recruitment ads in Kauppalehti's Wednesday edition and the Saturday Presso.

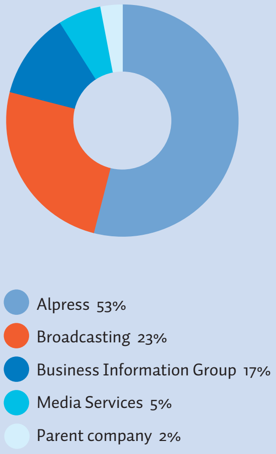
Management by Alma Media

Alma Media has set itself the task of creating an energizing and mentoring management style. The motto is to make every customer's day a better one and the key words are 'spirit of teamwork'. Personnel management is headed by Terhi Heikkinen.

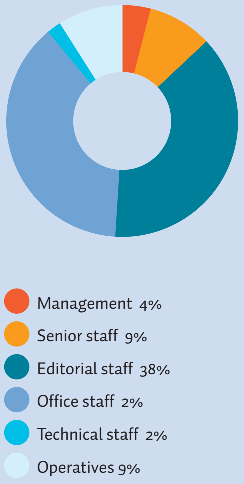
- Alma Media's values – 'Freedom and Pluralism of Journalism' and 'Spirit of Teamwork' – lay the groundwork for turning individuals and teams into star performers.
- Skills development and coaching play an important role. The shared, high-standard training courses are brought together in the virtual Alma Academy.
- The Executive Committee's steering team asks, questions and offers its own opinions. It acts as an automatic opinion generator that corporate management can use to test out its ideas.

Asko Raudasoja (left) and Heikki Hirvelä

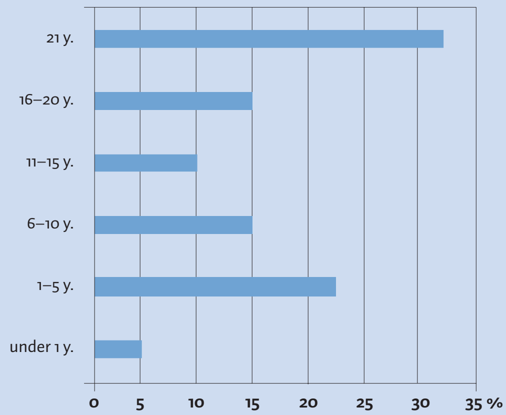
FULL-TIME PERSONNEL ON AVERAGE (HEADCOUNT)



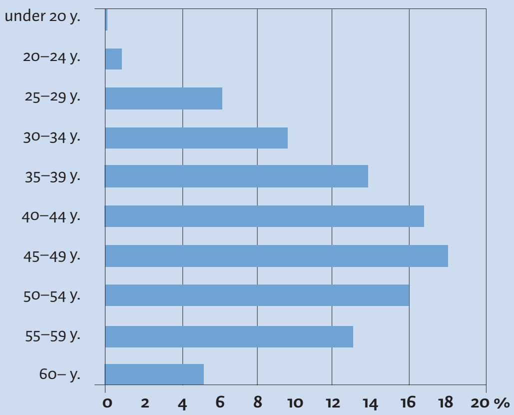
PERSONNEL GROUPS



DURATION OF EMPLOYMENT, PERCENTAGE OF TOTAL



AGE STRUCTURE, PERCENTAGE OF TOTAL FULL-TIME PERSONNEL



Shared goals give drive

The Group's business strategy rests on profitable growth, satisfied customers and motivated employees. Together, these generate shareholder value which keeps the owners satisfied. But how do we get there?

Exactly, the answer is people. Systematic personnel management aiming for long-term results took top priority during the year. This project started in 2003 with an analysis of the current situation and expectations for the future. A personnel survey was then conducted at the beginning of 2004.

"We used the results to define strategic goals with the divisions and these were then approved by the Executive Committee. The most important of these was creating a management culture for Alma Media that is both energizing and mentoring," explains **Terhi Heikkinen**, EVP, Human Resources.

MAKERS OF A BETTER DAY. Where does the energy come from? "We can't buy it in the shops. But we can generate it – by having a common feeling for the purpose of our work. Together we are doing something big and important – work, the result of which makes each customer's day a better one."

That was the mission Alma Media set itself at the end of 2004. The Group's various newspapers promote the vitality of their regions, the TV and radio channels entertain, the sources of financial news serve the interests of the business community, and the Internet services make life easier. When a person feels he or she is part of a total enterprise, their own work takes on greater significance and gives strength.

Alma Media has two values: Freedom and Pluralism of Journalism, and Spirit of Teamwork. The latter, also called team spirit, gives the opportunity to turn individuals and teams into stars.

WINNING TEAM'S BEST PROFESSIONALS. The strategic goals cover the years 2004 to 2006. "Besides developing our management culture, we are also moving towards 'learning together'. We are creating a framework to ensure that the best people are in the right place at the right time. At the same time we are honing our responsibilities, roles, expectations and targets. We are also defining our future competence needs and developing our skills in many ways."

But even this is not enough. "Competence needs nurturing. We are building a 'virtual Alma Media' within which we are gathering and creating common, high-standard training courses."

"The daily challenge of all of us is to make our customer's day a better one," says Terhi Heikkinen, EVP Human Resources.

Regular personnel surveys are carried out to measure how well the strategic goals are being implemented. "Good results depend on developing a positive atmosphere. The most important key indicator is the operating result," Terhi Heikkinen says. •

Steering team glues Alma Media together

Alma Media has a steering team for its corporate management consisting of eight young Alma Media people. Their task is to tackle the senior executives head-on as their sparring partners, asking tough questions and putting forward their own opinions to the executive they are assigned to partner.

ALMA MEDIA

- **Vision: To be the top-of-mind media corporation**
- **Mission: We make your day a better one**
- **Values: Spirit of Teamwork, Freedom and Pluralism of Journalism**

CFO Teemu Kangas-Kärki with his sparring partner Saana Hiera.

Both sides, senior management and the young contenders themselves, benefit from the work of the steering team. The veterans get the younger generation's input on the evolving media world while the weapons at the young people's disposal are 'silly' questions and voicing their doubts out loud. The questions can often turn out to be sensible and useful, though, encouraging the senior managers to look at self-evident matters and established working practices in a new light.

Since the sparring partners come from different divisions the team as a whole increases dialogue throughout the company and people get a natural opportunity to discuss with each other. It also gives the senior managers the chance to hear about work at the grass roots level in another division through their partner. For the young members, the team offers a window through which to view what else Alma Media is doing.

Dialogue adds to everyone's understanding of a large media corporation's activities and opportunities. At its best this means excitement and experience that transcends generations and business units.

The steering team also acts as an 'automatic opinion dispenser' that corporate management can use to test out its ideas. The team works independently, considering and raising issues that in its opinion are important to the whole company. The team is thus a force for change in Alma Media.

The steering team is one way of nurturing an Alma Media generation that understands what the entire corporation is about. It is also a means of ensuring that key people stay with the company. When the team's year-long term of office is over, its members and sparring partners still form networks within Alma Media that have a wide-ranging appreciation of the company's business. These networks glue the people working in Alma Media closer together towards its common goal, to be the top-of-mind media corporation. •

Corporate governance

Alma Media Corporation applies the recommendations (entry into force on 1 July, 2004) prepared by HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industries EK (formerly Confederation of Finnish Industry and Employers) concerning the corporate governance of listed companies, subject to the following derogations:

1. Nomination committee
(Recommendation 31)
Within the Alma Media Group, this committee is known as the Election Committee. The Board of Directors does not appoint members to the committee; the committee's members are appointed from the company’s principal shareholders.

2. Compensation committee
(Recommendations 25 and 34)
The Board of Directors does not appoint members to the Compensation Committee; under the Board of Directors’ rules of procedure, the Chairman and Deputy Chairman of the Board of Directors serve as members of the committee.

The items subject to a reporting or disclosure obligation are listed on the company’s website at www.almamedia.fi/-corporategoverna. The same site contains a link to Alma Media’s Corporate Governance Statement.

The company’s corporate governance is described and kept up to date at the same Internet address.

Group structure

Responsibility for Alma Media Group's management and operations belongs to the constitutional bodies required by the Finnish Companies Act: namely, the Annual General Meeting of Shareholders, which elects the members of the Board of Directors; and the President and CEO, who is appointed by the Board of Directors.

The activities of these bodies are also set out in Alma Media Corporation's Articles of Association (http://www.almamedia.fi/articlesofassociation).

The Group's supreme decision-making body is the General Meeting of Share holders, where shareholders exercise their decision-making power. The Board of Directors is responsible for the company's management and its appropriate organization. The Group's parent company, Alma Media Corporation, is responsible for the Group's management, accounting and financing, strategic planning, communications, and compliance with the disclosure obligations of a public listed company.

Alma Media Corporation was restructured on 1 January 2003 around four divisions: Alpress (newspaper publishing and printing), Business Information Group (production and distribution of business information), Broadcasting (television and radio), and Media Services (classified services and internal support services).

Each division manages its own operations independently within the framework set by the Board of Directors. Specific financial and operational targets are set for the divisions.

General meetings of shareholders

A General Meeting of Alma Media Corporation shareholders is held at least once a year. The Meeting is convened by the Board of Directors, which also sets its agenda.

The Annual General Meeting is held on the date set by the Board of Directors, however no later than the end of April. General Meetings of Shareholders resolve on matters required by the Finnish Companies Act and the company's Articles of Association.

The Annual General Meeting decides the following matters:

- Confirmation of the income statement and balance sheet,
- Distribution of profit,
- Discharge of the Board of Directors and the President and CEO from liability for the financial year, and
- Election of the members of the Board of Directors and appointment of the company's auditors.

The tasks of General Meetings of Shareholders also include:

- Amendments to the Articles of Association, and
- Decisions concerning changes to the company's share capital.

An Extraordinary General Meeting must be held when:

- The Board of Directors considers that there is reason to hold one, or
- Shareholders representing at least 1/10th of the shares require such a meeting in writing to consider the matter they have announced.

The company’s aim is that all members of the Board of Directors attend General Meetings of Shareholders.

Notice of a General Meeting is published in Kauppalehti, Aamulehti and Iltalehti at least 17 days before the Meeting. In addition to this, the notice is published as a Stock Exchange Announcement and on Alma Media's Internet pages. Shareholders must register their attendance at the Meeting according to the instructions in the notice.

The Board of Directors

The tasks and responsibilities of the Board of Directors are determined by the Finnish Companies Act. The Board exercises authority in all matters that legislation or the company's Articles of Association do not otherwise require other bodies to resolve on. The detailed working of the Board is set out in the Board's Charter, which is reviewed in the Board’s constitutive meeting following the Annual General Meeting.

The Charter of the Board was approved by the Board on 8 March 2004. According to the Charter, the duties of the Board of Directors include:

- confirming the Group's strategy and

long-term objectives, reviewing the annual budget, monitoring implementation of the annual budget and strategies, and if required, initiating action to rectify deviations

- considering and approving the interim reports and the annual accounts
- approving strategically significant corporate and real estate acquisitions
- approving investments according to separate investment instructions
- deciding on Alma Media Group's capital financing programmes and operations according to the company's approved Treasury Policy
- approving Alma Media Corporation's dividend policy
- submitting a dividend proposal to the Annual General Meeting
- reviewing annually the main risks associated with the company's operations and their management; if necessary, giving the President and CEO instructions on how to deal with them, and, if required, initiating corrective action
- appointing and dismissing the President and CEO
- deciding on the Compensation Committee's proposal for the terms of employment of the President and CEO
- confirming the company's organization based on the CEO's proposal
- confirming the terms of employment of the CEO's direct subordinates based on the CEO's proposal
- confirming, based on the CEO's proposal, the appointment and dismissal of the editors-in-chief of Aamulehti, Iltalehti, Kauppalehti, MTV, Kainuun Sanomat, Lapin Kansa, Pohjolan Sanomat and Satakunnan Kansa
- considering other matters that the chairman of the Board and the President and CEO have agreed should be included in the agenda for the Board's meeting; other Board members are also entitled to put a matter before the Board by notifying the chairman of such a matter
- approving the principles underlying the donation of sums to good causes
- responsibility for other duties stipulated for a board of directors in the Companies Act or other regulations and provisions.

Under the company's Articles of Association the Board of Directors has between five and nine members. The Annual General Meeting in 2004 confirmed the number of Board members to be six. The Board of Directors elects from amongst its members a chairman and a deputy chairman. During 2004 the Chairman was **Bengt Braun** and the Deputy Chairman was **Kari Stadigh**. Their terms of office expire at the close of the first Annual General Meeting following their election. The other members of the Board of Directors were **Lauri Helve**, **Matti Häkkinen**, **Matti Kavetvuo** and **Jonas Nyrén**.

The General Meeting's power of decision is restricted by two rules: persons over the age of 67 may not be elected to the Board of Directors, and the President and CEO may not be the Chairman of the Board of Directors.

In addition to the members of the Board of Directors, the Board's meetings are also attended by the President and CEO, the Group's Chief Financial Officer, a person appointed to keep the minutes of the meeting, and other individuals asked to attend as required.

The primary tasks of the Compensation Committee are to prepare and monitor Alma Media Corporation's compensation scheme and to prepare compensation matters, such as the terms of employment of the President and CEO and his direct subordinates, and the appointment of the Editors-in-Chief of the Group's principal media for consideration by the Board of Directors. The Compensation Committee comprises the Chairman and Deputy Chairman of the Board. During 2004 the Compensation Committee met 4 times.

The Audit Committee's tasks are to monitor the integrity of the financial statements, interim reports and financial reporting process and systems, and to monitor the independence and performance of the company's independent auditors. The Audit Committee also monitors the Group's significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. The Audit Committee comprises two or more directors as determined by the Board, each of whom is a non-executive director independent of the company. The Audit Committee meets at least 4 times a year.

During 2004 the Audit Committee's members were Matti Häkkinen, Matti Kavetvuo and Jonas Nyrén. The Chairman

was Jonas Nyrén. The Committees meetings are also attended by the auditor and the President and CEO, who presents matters. During 2004 the Audit Committee met 4 times.

An Election Committee is appointed from among the company's principal shareholders before the Annual General Meeting to prepare the election of the Board of Directors by the AGM. The Election Committee members are appointed by the Chairman of the Board of Directors, who also convenes the Committee. Proposals concerning new Board members are published in the notice of meeting and a newspaper announcement about one week before the AGM.

The Board of Directors evaluates its operations and working policies annually through self-assessment. The Board has evaluated the independence of its members in compliance with the guidelines concerning the corporate governance of listed companies. Evaluation shows that Board members Matti Häkkinen, Matti Kavetvuo and Kari Stadigh are independent both of the company and of the company's principal shareholders.

The Board convenes according to a preconfirmed timetable six or seven times a year, and in addition whenever necessary. Most meetings are held on publication of the company's financial statements or interim reports. In addition to these meetings, the Board also holds one or two Strategic Meetings at which it considers the Group's future scenarios and confirms Alma Media Corporation's strategy.

During 2004 the Board of Directors met 14 times. The attendance of the Board members at these meetings was 95%. The chairman of the Board Bengt Braun and member Jonas Nyrén announced that they were disqualified from attending Board meetings after Schibsted ASA announced on 21 December 2004 its intention of making a public offer for the shares of Alma Media. In his absence the Board was chaired by its deputy chairman Kari Stadigh.

The Board's meetings are conducted in English.

The President and CEO and the Executive Committee

The President and CEO is responsible for the day-to-day management of the company in accordance with the guidelines and instructions of the Board of Directors. The President and CEO **Juho Lipsanen** is assisted by an Executive Committee comprising the division presidents **Juha Blomster**, **Pekka Karhuvaara**, **Raimo Mäkilä** and **Hannu Olkinuora**, the Chief Financial Officer **Teemu Kangas-Kärki**, and the Executive Vice President, Human Resources, **Terhi Heikkinen**. The secretary of the Executive Committee is **Ahti Martikainen**.

In addition to their main organizational functions, Juha Blomster is responsible for co-operation in nationwide media marketing within Alma Media Corporation, and Raimo Mäkilä for Alma Media Corporation's ICT issues.

The Executive Committee considers the monthly reports, investments, Group guidelines and policies, the long-range plans, the action plans covering the following 12 months, and the financial statements for confirmation by the Board of Directors. The Executive Committee generally meets twice a month. In 2004 it met 16 times.

Division boards

Each division of Alma Media Corporation has its own board of management. These boards function in accordance with the guidelines issued by the Board of Directors.

The division boards meet according to a preconfirmed timetable and in addition at the request of their chairman as required. The subsidiaries have their own boards of directors which resolve on the matters stipulated by the Companies Act.

Personnel representation

Personnel representation in the administration of the company is organized so that the representatives of the company's various personnel groups meet the Chairman of Alma Media Corporation's Board of Directors and the President and CEO before each Board meeting. The personnel groups appoint their own representatives to the boards of directors of Alpress Oy and MTV Oy. Group companies also have their own local personnel representation schemes.

Reporting

Reporting to the Board of Directors

Alma Media Corporation's President and CEO prepares the Group's monthly report, the annual and interim financial statements, and the other matters stipulated in the Board's Rules of Procedure, for consideration by the Board. In conjunction with the interim accounts, the Board of Directors also receives an investment monitoring report.

Once a year the auditors inform the Board's Audit Committee about their auditing plan and about the conclusions they have reached from their audits. They are also present at Board meetings dealing with the annual accounts.

Reporting to the President and CEO

The President and CEO monitors the operations of the divisions by means of a monthly report. In addition the members of the Executive Committee report to the President and CEO at its meetings or as separately agreed. Alma Media Corporation's finance and administration department prepares monthly and quarterly reports based on the divisions' financial reports for the President and CEO and the Executive Committee.

Internal control

Control and supervision of Alma Media's business operations takes place in accordance with the administrative and management system described above. The Board of Directors is responsible for ensuring that monitoring of the company's accounts and capital management is properly organized. The President and CEO ensures that the accounting procedures comply with Finnish legislation and that the company's capital management is organized in a reliable way.

The President and CEO, the Executive Committee and the heads of the divisions are responsible for ensuring that the accounting and administration of the areas within their spheres of responsibility comply with Finnish legislation, the Group's operating principles, and the guidelines and instructions issued by Alma Media Corporation's Board of Directors.

Each division supervises the accounting and administration of its profit centres. Alma Media Corporation's external auditors examine the accounts and the administration of the profit centres once a year. The audit plan prepared by the auditors also takes into account the requirements set by the internal audit function.

The company's business operations and capital management are monitored using the reporting systems described above. Alma Media Corporation operates a financial reporting system based on profit centres. This system also monitors implementation of the profit centre budgets.

The auditors submit an annual report to Alma Media Corporation's shareholders at the Annual General Meeting. Additionally the auditors submit to the Board of Directors an annual summary of their auditing plan and a written report on the entire Group in conjunction with publication of the interim financial statements in June and the annual financial statements. They also provide regular reports on the divisions to the Group's financial management and division managements.

Alma Media Corporation's Annual General Meeting appointed the firm of authorized public accountants KPMG Oy Ab and Mr **Mauri Palvi** APA as the company's auditors for the financial year 2004. The deputy auditors are Ms **Eija Kauppi-Hakkarainen** APA and Ms **Michaela Teir** APA.

During 2004 KPMG Oy Ab charged Alma Media Corporation a total of € 392,000. Auditing costs amounted to € 170,000 of this figure.

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.

Internal audit

Given the nature and scope of its business, Alma Media Corporation does not consider it expedient to have a separate internal audit organization. Internal audit functions have been incorporated into the responsibilities of Alma Media Corporation's business organization and are also taken into account in the auditors' audit plans.

Fees paid to the Board of Directors

The following salaries, fees and benefits in kind were paid during 2004: (number of shares prior to 1:4 split on 5 April 2004):

- Bengt Braun € 30,000, part of which paid in Alma Media shares (593)
- Kari Stadigh € 24,000, part of which paid in Alma Media shares (292)
- Lauri Helve € 20,000, part of which paid in Alma Media shares (243)
- Matti Häkkinen € 15,000, part of which paid in Alma Media shares (182)
- Matti Kavetvuo € 20,000, part of which paid in Alma Media shares (243)
- Jonas Nyrén € 20,000, part of which paid in Alma Media shares (397)

The fees were paid to the Board members partly in the form of Alma Media Series II shares as decided by the Annual General Meeting in 2004. The portion corresponding to withholding/source tax was paid in cash.

Remuneration of the President and CEO and other members of the Executive Committee

The salary, fees and benefits paid to Alma Media Corporation's President and CEO in 2004 totalled € 508,199.63.

Under his terms of employment, President and CEO Lipsanen is entitled to retire at 60 years of age. His pension is 60% of his salary. In the event of his resignation, he is also entitled to receive a salary for 6 months during the period of notice as well as his basic salary for 18 months if he is dismissed by the employer without being in breach of contract. The 18-month extra salary does not apply if he himself resigns.

The salary, fees and benefits paid to the other members of the Executive Committee in 2004 totalled € 1,350,938.21.

The compensation paid to the President and CEO and his immediate subordinates, and their incentive scheme, are decided by Alma Media Corporation's Board of Directors. The bonuses paid during 2004 were determined by improvements in the Group's and its divisions' profitability and development of cash flow. The President and CEO and the other members of the Executive Committee are participants in the stock option scheme approved by the 1999 Annual General Meeting. This scheme is explained under Shares and Shareholders. Information on shares and options owned by the President and CEO and other members of the Executive Committee is given on page 50–51 of this Annual Report and is kept updated in the Insiders' Register on the company's website (http://www.almamedia.fi/insidersholdings).

Insider management

A list of Alma Media Corporation's permanent insiders and their holdings is given on the company's website (http://www.almamedia.fi/insidersholdings). The company ensures that its permanent insiders are aware of their status and its implications by providing these individuals with appropriate information and instruction. Alma Media Corporation's permanent insiders may not trade in Alma Media shares or options 21 days before the publication of the company's interim or annual results (the so-called "silent period"). The need for insider registers for specific projects is assessed case by case. The officer responsible for insider matters in Alma Media is the General Counsel. The company also applies the Insider Guidelines of the HEX Helsinki Exchanges that came into effect on 1 March 2000. •

SHAREHOLDINGS AND STOCK OPTIONS

The number of shares owned by the members of the Board of Directors and the Executive Committee, and the number of new shares subscribable under their stock options at 31 December 2004 were as follows:

	Shares Series I	Shares Series II	A warrants under 1999 bond with warrants	B warrants under 1999 bond with warrants
Board of Directors	116,048	27,932	10,000	10,000
President and CEO	–	800	15,000	25,000
Other members of the Executive Committee	376	5,300	17,000	50,000

Management is teamwork

1. SET DESIGNER
TEEMU KANGAS-KÄRKI
(born 1966)
MSc (Econ.),
CFO since 2003
10,000 B warrants

2. STUDIO HOST
JUHA BLOMSTER
(born 1957)
MSc (Econ.), President,
Business Information
Group since 2000
3,800 Series II shares,
2,000 A warrants,
10,000 B warrants

3. MAKE-UP ARTIST
HANNU OLKINUORA
(born 1950)
MSc (Phil.), President,
Alpress since 2002
24 Series I shares,
1,000 Series II shares,
10,000 B warrants

4. STUDIO HOST
AHTI MARTIKAINEN
(born 1959)
MSc (Phil.),
Vice President,
Corporate Communications and Investor
Relations since 2002,
Executive Committee
secretary
200 Series II shares,
2,500 A warrants,
2,400 B warrants

5. FIRST GRIP
RAIMO MÄKILÄ
(born 1958)
MSc (Eng.), President,
Media Services since 1999
500 Series II shares,
10,000 A warrants,
10,000 B warrants

6. DIRECTOR

PEKKA KARHUVAARA
(born 1954)
President,
Broadcasting since 2001
5,000 A warrants,
10,000 B warrants

7. CAMERA OPERATOR

TERHI HEIKKINEN
(born 1964)
MSc (Econ.), EVP,
Human Resources
since 2003
352 Series I shares

8. GAFFER

JUHO LIPSANEN
(born 1961)
MSc (Econ.), President
and CEO, Chairman of the
Executive Committee
since 2002
800 Series II shares,
15,000 A warrants,
25,000 B warrants

BENGT BRAUN
(born 1946)
Chairman of the Board since 2001, Board member since 1998; President and CEO, Bonnier AB
Board memberships: Hufvudstaden, Swedish Newspapers Association (c), Oriflame International (dc), Swedish American Chamber of Commerce
8,616 Series II shares
Term of office ended in 2005

MATTI HÄKKINEN
(born 1946)
Board member since 1998 LLB
Board memberships: Eva Lovisa and C.G. Dunderberg Foundation (c), Tampere Tuberculosis Foundation, C.V. Åkerlund Fund
116,048 Series I shares, 3,020 Series II shares
Term of office ends 2005

JONAS NYRÉN
(born 1951)
Board member since 2000
Executive Vice President and CFO, Bonnier Group
Board memberships: Dagens Industri and other Bonnier Group companies, TV4 AB, Kungsleden AB, Skandiabanken AB, Frango AB
5,748 Series II shares
Term of office ended in 2005

LAURI HELVE
(born 1943)
Board member since 2003
Board memberships: Bonnier AB's Grand Journalist Award, Diana Hunting Oy, Media-lehdet Oy Vantaa, Sako Oy, Uusimaa Oy
2,776 Series II shares, 10,000 A warrants, 10,000 B warrants
Term of office ends 2006

MATTI KAVETVUO
(born 1944)
Board member since 2000
Board memberships: KCI Konecranes International Plc, Kesko Corporation, Marimekko Corporation, Metso Corporation (c), Orion Corporation (c), Perlos Plc, Suominen Corporation (c)
3,532 Series II shares
Term of office ended in 2005

KARI STADIGH
(born 1955)
Deputy Chairman since 2001, Board member since 1999
Deputy CEO of, Sampo plc
Board memberships: Aspo Oyj (c), If Skadeförsäkring Holding (c), Kaleva Mutual Insurance Company (c), Federation of Finnish Insurance Companies SVK (c)
4,240 Series II shares
Term of office ends 2005

Alma Media Group's structure 31 December 2004

PRESIDENT AND CEO JUHO LIPSANEN

ALPRESS – HANNU OLKINUORA
- ILTALEHTI – Veli-Matti Asikainen
- AAMULEHTI – Kai Telanne
- SATAKUNNAN KANSA – Tuomo Saarinen
- NORTHERN NEWSPAPERS – Juha Ruotsalainen
  - LAPIN KANSA – Juha Ruotsalainen
  - POHJOLAN SANOMAT – Martti Nikkanen
  - KAINUUN SANOMAT – Juha Ruotsalainen, Matti Piirainen
- SUOMEN PAIKALLISSANOMAT – Jorma Valkama

BUSINESS INFORMATION GROUP – JUHA BLOMSTER
- KAUPPALEHTI – Juha Blomster
- BALANCE CONSULTING – Jorma Raike
- BALTIC NEWS SERVICE – Kari Väisänen
- LEHDENTEKIJÄT – Kimmo Kallonen

BROADCASTING – PEKKA KARHUVAARA
- MTV3 – Pekka Karhuvaara
- SUBTV – Tomi Halonen
- RADIO NOVA – Petri Manninen
- MTV INTERACTIVE – Jorma Härkönen

MEDIA SERVICES – RAIMO MÄKILÄ
- CLASSIFIED SERVICES – Petri Pekki
- ALMA MEDIA INFORMATION SYSTEMS – Leena Heimo
- NEW VENTURES – Mauri Köykkä

GROUP ADMINISTRATION

- CHIEF FINANCIAL OFFICER – TEEMU KANGAS-KÄRKI
- EVP, HUMAN RESOURCES – TERHI HEIKKINEN
- CORPORATE COMMUNICATIONS AND IR – AHTI MARTIKAINEN
- BUSINESS DEVELOPMENT – PIRJO TIAINEN

Financial Statements

Hannu Saravo

Report by the Board of Directors

The Group's operating profit in 2004 rose 118% on the previous year to M€ 38.6 (M€ 17.7). Net sales remained virtually unchanged. Cash flow from operating activities increased 21% to M€ 66.6. The company's interest-bearing net debt was reduced by M€30 to M€ 54.7 (M€ 84.7).

- The Group's operating profit excluding associated companies was M€ 47.3 (M€ 39.7).
- Alpress once again returned an outstanding operating profit that turned out to be an all-time high. The operating profit increased from M€ 30.0 to M€ 32.4 mainly as a result of growth in media sales. Iltalehti's share of the circulation market rose to the highest level in its history. The division gave priority to continuous development of content while reinforcing its newspaper chain concept.
- Broadcasting's operating profit almost doubled to M€ 11.0, the main reason for which was strong growth in television advertising.
- Business Information Group's operating profit rose by M€ 1.2 primarily because of reduced goodwill amortization in the associated company Talentum Oyj. A major investment for the division was Kauppalehti Presso, circulation sales of which made a good start as expected. The Lehdentekijät group is growing strongly likewise.
- Media Services is the Group's most international and fastest growing division. Between October and December Monster.fi (online recruitment) grew 122%, Autotalli.com (used cars) 76%, Etuovi.com (home-buying) 47% and Mascus.com (used machinery) 44%. The division's share of its associated company Acta Print Oy's result, coupled with writedowns associated with this holding, reduced the division's result to a loss of M€ 6.3.

MARKET CONDITIONS

Growth in the Finnish economy rose to around three percent. Along with lower unemployment, low interest rates and strong competition among teleoperators, this drove media advertising to growth of six percent. Newspaper advertising was also boosted by EU parliament and local elections. Television raised its market share by half a percentage point to 19.7%. The decision was taken to discontinue analogue television broadcasting on 31 August 2007, sales of digital set-top boxes exceeded expectations, and consolidation in the broadcasting sector aroused lively debate in Finland and abroad.

Media advertising normally rises by some 2–3 percentage points faster than growth in GDP. In 2004, the 6.1 % growth in media advertising was well above the conventional level. A major reason was new growth in both recruitment advertising and b-to-b advertising from April onwards following several years of decline. Recruitment advertising showed an 11.6% increase and advertising in the business media an increase of 4.0%. The circulations of the afternoon papers rose 3.2% during the year.

Newspaper advertising grew 5.8% on the previous year, television advertising 9.5%, magazine advertising 4% and online advertising 35.7%. Radio advertising declined 2.1%.

Retail sector advertising accounts roughly for one-quarter of total media advertising. Additional international competition arrived in Finland in 2003, which spurred advertising spending but in 2004 the level of spending by the retail sector remained unchanged. Advertising of food and beverages were reduced by a change in alcohol taxation in the spring, which virtually halted beer advertising during the first four months of the year. Home advertising rose 24.3%, boosted by low interest rates, and vehicle advertising grew 16.3% as a result of tax changes.

Roughly 550,000 households, or a quarter of the country's total, are now estimated to own a digital set-top box following lively sales over the Christmas period. According to Finnpanel's survey at the end of November the figure then was 493,000 households. The number has increased by 62,000 in three months. The number of broadband connections has risen as well. At the end of the year 50% of all households had an Internet connection, more than half of them with broadband.

NET SALES AND RESULT

The Group's net sales increased to M€ 464.6 (460.5) despite of divestments. The increase in comparable net sales was 8.4%. The previous year's total included net sales from printing operations, M€ 32.0. The business was part of the Media Services division at that time. Net sales of the other divisions increased.

The Group's operating profit more than doubled from M€ 17.7 to M€ 38.6. The largest increase was reported by Broadcasting, from M€ 5.9 to M€ 11.0, but the highest operating profit was posted by Alpress, M€ 32.4 (M€ 30.0). The increase in Business Information Group's operating profit was principally due to the writedown of the associated company Talentum Oyj's shares in 2003, which in 2004 was reflected in lower amortization of goodwill on consolidation. The Media Services division reported an operating loss owing to its share of the associated company Acta Print Oy's result and to writedowns associated with this holding.

BALANCE SHEET AND FINANCIAL POSITION

The Group's balance sheet totalled M€ 317.3 at the end of 2004 (M€ 355.2 at 31 December 2003). The company's interest-bearing net debt was reduced by M€ 30 as a result of continued strong cash flow. The dividend payment (M€ 39.3) in March reduced shareholders' equity.

DEPRECIATION

The Group's depreciation amounted to M€ 20.5 (M€ 25.1), which included M€ 4.5 (M€ 4.2) in goodwill amortization.

CAPITAL EXPENDITURE

Gross capital expenditure totalled M€ 14.1 (M€ 21.0). This included roughly 4 % related to shares in subsidiaries. The remainder comprised normal maintenance and repair expenditure.

PERSONNEL AND ADMINISTRATION

Alma Media's annual general meeting on 8 March 2004 approved an amendment to the articles of association limiting the terms of office of the Board members to one year at a time. The members of the Board in turn for retirement were re-elected. The chairman of the Board was **Bengt Braun**, the deputy chairman was **Kari Stadigh**, and the other members were **Lauri Helve**, **Matti Häkkinen**, **Matti Kavetvuo** and **Jonas Nyrén.** Chairman of the Board **Bengt Braun** and member **Jonas Nyrén** informed the Board that they were disqualified from attending Board meetings following Schibsted ASA's announcement on 21 December 2004 of its intention to make a public offer for the Alma Media Corporation shares. In Bengt Braun's absence the Board was chaired by its deputy chairman Kari Stadigh.

The AGM appointed the firm of authorized public accountants KPMG Oy Ab and **Mauri Palvi** APA as the company's auditors, and **Eija Kauppi-Hakkarainen** APA and **Michaela Teir** APA as their deputies.

The AGM decided to increase the number of shares in the ratio of one-to-four from 15,730,185 to 62,920,740 without raising the share capital. At the same time the par value of the share decreased correspondingly from € 1.68 to € 0.42 (not an exact figure).

The AGM decided to add a clause to the articles of association (article 15) allowing shareholders to voluntarily convert their Series I into Series II shares in order to improve the company's share liquidity.

Furthermore the AGM decided to authorize the Board for one year to issue convertible bonds. This authorization is explained in detail under Board Authorizations below.

Alma Media Corporation applies the recommendations (entry into force on July 1, 2004) prepared by HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industries EK (formerly Confederation of Finnish Industry and Employers) concerning the corporate governance of listed companies, subject to the following derogations:

- Nomination committee (Recommendation 31): Within the Alma Media Group, this com mittee is known as the Election Committee. The Board of Directors does not appoint members to the committee; the committee's members are appointed from the company's principal shareholders.

- Compensation committee (Recommendations 25 and 34): The Board of Directors does not appoint members to the Compensation Committee; under the Board of Directors' rules of procedure, the Chairman and Deputy Chairman of the Board of Directors serve as members of the com mittee.

Alma Media's corporate governance is described and its information is updated on the company's website, http://www.almamedia.fi/corporate-governa-1

Alma Media Group's total workforce, calculated as full-time employees, was 2,607 (2,634) at the end of 2004.

DIVIDEND PROPOSAL

Alma Media Corporation's Board of Directors will propose to the annual general meeting on 8 March 2005 that no dividend be distributed on 2004.

OPERATIONS BY DIVISION

Alpress

Alpress is responsible for publishing 33 newspapers. The largest of these are the regional paper Aamulehti and the afternoon paper Iltalehti.

Alpress has given high priority to continuous improvements in the content of its papers in order to strengthen reader loyalty and thereby reader coverage. In this task the papers have been successful. The editorial competence centre has started providing courses in both general and specific editorial skills. Alpress's concept of chain collaboration between its papers has become established routine.

The division's net sales between January and December rose 5.7% and the operating profit increased 8.1% on the previous year.

Once again Aamulehti managed to raise its circulation slightly. The comparable circulation of the Suomen Paikallissanomat (local newspapers) group stayed at the previous year's level. The circulation sales of the subscribed newspapers grew 3.1%. In November Aamulehti established a book publishing unit with a net sales target of M€ 1.5 in 2005.

Iltalehti's circulation increased by 7.5% to 130,371 copies due to reforms in May and the continuous improvement in the content. The increase in circulation was an all-time high.

Media sales in Alpress's regional and local papers rose 13.9% during the final quarter of the year, spurred by local election advertising which accounted for M€ 0.9. Media sales grew especially favourably in Satakunnan Kansa, Kainuun Sanomat and the Paikallislehti group.

Broadcasting

The Broadcasting division consists of the MTV3 and Subtv television channels, Radio Nova, and MTV Interactive. The division's result also includes the profit contribution of the associated company TV4 AB in Sweden, less goodwill amortization.

Broadcasting's net sales between January and December rose 9.7% and its operating profit 86.4% on the previous year. The operating profit was reduced by the division's share of associated company results, M€ 3.0. The main reason underlying the increase in operating profit was growth in television advertising sales. The cost of raising digital transmission capacity has so far largely equalled the progressive reduction in the operating licence fee as digital set-top boxes become more prevalent.

Subtv's advertising sales between January and December rose 84.5% while advertising sales on MTV3 Internet's pages were up by 46.6%. Radio Nova's net sales increased 2.4%.

MTV's share of total television advertising between October and December was 69% (73%). Subtv increased its net sales by 76%. Net sales from Broadcasting's other services (non-advertising) rose 36% due to new MTV Interactive ventures. These proved unprofitable and were discontinued at the beginning of 2005. Excluding new ventures the division's other net sales in the fourth quarter increased 9%. MTV Interactive's fourth-quarter was burdened by one-time business termination costs totalling M€ 2.4.

Business Information Group

Business Information Group (BIG) specializes in producing business and financial information. Its best-known product is Kauppalehti. The division's result also contains its share (31.1% holding) of the associated company Talentum Oyj's result after goodwill amortization.

BIG reported a 5.8% increase in net sales and a 29% increase in operating profit for the January-December period compared to the previous year. The most significant reason was a reduction in amortization of goodwill on consolidation in Talentum Oyj due to the writedown in 2003.

Kauppalehti's circulation rose by one percent and its media sales grew 6%, which was faster than on average in the business paper segment. Kauppalehti's growth was derived from advertising sales in Kauppalehti Online and Kauppalehti Optio. Advertising sales of Kauppalehti Online grew 38%. The Lehdentekijät group gained several new customer magazine contracts.

Kauppalehti Presso was launched on Saturday 30 October 2004. Heavy investments were devoted to Presso during the year and this was reflected in a drop of M€ 0.3 in operating profit between October and December. Subscriptions to Presso have been sold as expected. BIG believes that Presso will reach its circulation target of 50,000 copies in 2007.

Media Services

The Media Services division comprises three business units: Classified Services, Information Systems and New Ventures. The division's result includes its share (36% holding) of its associated company Acta Print Oy's result.

The division's comparable net sales increased 36% and its operating loss increased 11%. The latter figure was attributable to Acta Print's result and to writedowns on the division's shares in this company. Media Services' operating profit (EBIT) improved by M€ 0.5 on the previous year.

Sales by the Classified Services unit grew 59%, the largest increase coming from sales by the online used car marketplace Autotalli.com (+ 80%). Also highly successful were the jobs marketplace Monster.fi (earlier Jobline.fi, 62%) and the home-buying service Etuovi.com (online + 43%, printed paper + 31%). These services are profitable. The online service Mascus (used machinery) acquired at the beginning of 2004 saw an increase in its comparable net sales of 38% but has not yet entered into profit.

SUBSEQUENT EVENTS

Alma Media outsourced the ICT workstation support and availability services at its Helsinki and Pirkanmaa offices to Fujitsu from 1 January 2005. This reduced by 25 the number of Alma Media employees working in Alma Media Interactive, Iltalehti, Kauppalehti and Aamulehti. The agreement covers 2,000 workstations and operating services for 250 servers.

Schibsted ASA made a public offer for the share capital of Alma Media Corporation on 4 January 2005. The offer was valid until 31 January 2005.

Alma Media acquired City24.ee, the leading online home-buying marketplace in Estonia, on 7 January 2005.

The aggregate number of votes held by Suomi Life Assurance Company and Pohjola Non-Life Insurance Company decreased to below 5% after Proventus Industrier AB acquired 8.5% of the shares and 15.2% of the votes in Alma Media Corporation in transactions that took place on 14 January 2005.

MTV Oy sold its broadband connection business to Song Networks and Spinbox on 19 January 2005.

On 13 January Alma Media's Board of Directors convened an extraordinary general meeting for 31 January 2005 to decide on granting the Board authorization to sell the Broadcasting division or otherwise to participate in consolidation of the broadcasting sector, and to amend the article in the articles of association applying to the company's field of business.

On 24 January 2005 Alma Media's Board of Directors announced that it would present an alternative offer to the extraordinary general meeting that would be clearly higher in value than the Schibsted offer. The main items in the offer were as follows:

- Bonnier & Bonnier AB and Proventus Industrier AB will sell their Alma Media

Corporation shares to a new company to be established, called Almanova.

- Almanova will make a public offer to all the shareholders other than the two aforementioned.
- In this offer, € 14.00 will be paid for each Series I share, comprising € 6.50 in cash and the remainder in Almanova shares, and € 12.00 for each Series II share, comprising € 5.60 in cash and the remainder in Almanova shares. € 29.00 will be paid in cash for each 1999A warrant and € 25.70 in cash for each 1999B warrant.
- After this, Alma Media Corporation will be merged with Almanova. The new company will continue under the name of Alma Media Corporation, engaging in newspaper publishing, the production and distribution of business information, and classified advertising marketplaces.

Oy Suomen Uutisradio Ab (Radio Nova) acquired the share capital of Suomen Sävelradio Oy on 27 January 2005.

Alma Media Corporation's extraordinary general meeting on 31 January 2005 authorized the Board of Directors to sell the Broadcasting division for a price of at least M€ 460 to a company owned jointly by Bonnier & Bonnier AB and Proventus Industrier AB. The consummation of this plan is subject to continuing negotiations and obtaining approvals. The EGM also authorized the Board to amend the article applying to the company's field of business.

PROSPECTS FOR THE CURRENT YEAR

The main factor affecting the Group's profitability is how media advertising will develop. Growth in media advertising is expected to continue. The comparable net sales and operating profit of the new Alma Media are expected to be higher than in 2004. This forecast does not include the impact of the Group's associated companies.

ADOPTION OF IAS/IFRS PRINCIPLES

Alma Media will start reporting according to IFRS from the first quarter of 2005. The company plans to issue a stock exchange release on 8 April 2005 containing the IFRS opening balance sheet at 1 January 2004 and comparison data for the interim reporting periods in 2004.

SHARES AND OWNERSHIP STRUCTURE

The company's issued and registered share capital on the balance sheet date was € 26,473,048.73. The share capital comprises 26,056,004 Series I shares and 36,904,636 Series II shares. An increase of € 16,987 in the share capital was registered during 2004 as a result of new Series II shares subscribed for against 40,000 warrants.

The company's book-entry register had 3,877 shareholders on the balance sheet date and altogether 13,569,674 shares were held in nominee-registered accounts. Nominee-registered and foreign holdings accounted for 54.8% of the total number of shares.

SHARE PERFORMANCE AND TRADING VOLUME

Altogether 1,988,000 or 7.5% of Alma Media's Series I shares and 18,703,000 or 51.5% of the Series II shares were traded on the Helsinki Exchanges during the year. 178,000 A warrants and 128,000 B warrants were exercised to subscribe for shares. The total trading volume was M€ 173 (82). The company's market capitalization at the close of the period stood at M€ 715 (443).

The price of the Alma Media share rose roughly 50% during the year. The rise was particularly strong right at the end of the year when the Norwegian media company Schibsted ASA announced its public offer for Alma Media's share capital.

The HEX all-share index barely changed during the year but the media sector index was slightly higher at the year end than at the beginning.

BOND WITH WARRANTS TO PERSONNEL

In accordance with the decision of the Annual General Meeting on 24 March 1999 Alma Media Corporation offered bonds with warrants totalling 1,220,000 Finnish markka (€ 205,189.27) to its employees entitling subscription of altogether 610,000 Series II shares. The 1:4 share split on 5 April 2004 changed this number to 2,440,000 Series II shares. Of this amount 1,939,368 are still unsubscribed. The number of shares subscribable under the outstanding warrants represents 3.06% of all the shares and 0.65% of all the votes.

The average quoted price of the Series II share in October 1999 used to calculate the share subscription price was € 20.58 which equals € 5.15 per share after the split. The conditions of the bond stipulate that one half of the shares may be subscribed for on or after 28 May 2001 at a subscription price 12% above the average quoted price in October 1999, i.e. for € 23.05 per share at the time and € 5.76 per current share, and that half of the shares may be subscribed for on or after 28 May 2003 at a subscription price 28% above the aforementioned price, i.e. for € 26.34 per share at the time and € 6.59 per current share. Dividends payable will be deducted from the subscription prices before subscription. Before any dividend that may be paid in the financial year 2004, the A warrants may be used to subscribe for four Series II shares for € 4.75 per share, and the B warrants to subscribe for four Series II shares for € 5.58 per share.

Trading in the A warrants began on 29 May 2001 and in the B warrants on 28 May 2003.

During 2004, 40,400 warrants were used to subscribe for Series II shares, which raised the share capital by € 16,987. Furthermore, 460,232 new Series II shares were registered in the share capital in January 2005 following the exercise of warrants between 2 October and 31 December 2004. These new shares also carry dividend rights for 2004.

A total of 1,030,340 Series I shares were registered during the year as having been converted into Series II shares.

LIQUIDITY PROVIDING CONTRACT

Alma Media Corporation made a liquidity providing contract covering its Series II shares. The contract, signed in January 2004 with Conventum Securities Limited, guarantees bid and ask prices for the shares with a maximum spread of 3% during 85% of the exchange's trading hours. The contract applies to minimum lots of 2,000 Series II shares. Due to business operations transfer from

Conventum to eQ Pankki Alma Media's partner in this contract has been eQ Pankki Oy since November 2004.

BOARD AUTHORIZATIONS

The Annual General Meeting on 8 March 2004 approved the Board's proposal that the Board be authorized:

- for a period of one year from the Annual General Meeting to decide on the issue of one or more convertible bonds in such a way that the maximum number of new Series II shares, whose par value is € 0.42 (not an exact figure), exchanged for convertible bonds shall amount to no more than 6,292,074, and that the company's share capital may not be increased by more than € 2,645,627.20, and on the terms and conditions decided by the Board, and
- to disapply the shareholders pre-emptive rights to subscribe for the convertible bonds provided that the company has important financial grounds for doing so, such as developing the company's financial or capital structure, financing of acquisitions or other development of the company's businesses. The Board of Directors may not deviate from the shareholders pre-emptive rights in the interests of the company's inner circle.

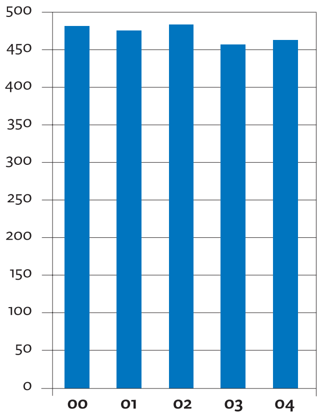
Neither the company nor its subsidiaries hold any of the company's own shares. During 2004 the Board of Directors had no authorization to purchase the company's own shares.

Varma Mutual Pension Insurance Company's holding of the shares and votes of Alma Media Corporation exceeded the 5% limit on 9 September 2004.

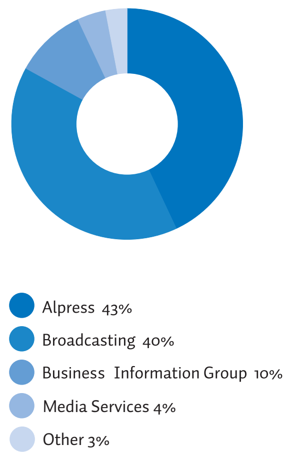
GENERAL STATEMENT

The statements in this report represent estimates based on the views of Alma Media's management at the time of its release. For this reason they include risks and uncertainty factors. The estimates could change in the event of significant changes taking place in the Finnish economy or the media sector.

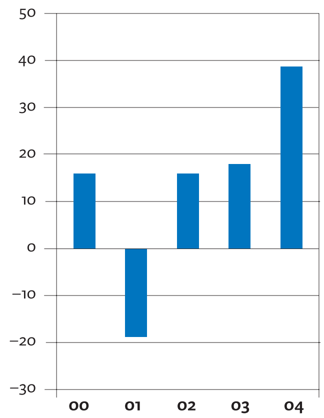
M€ NET SALES



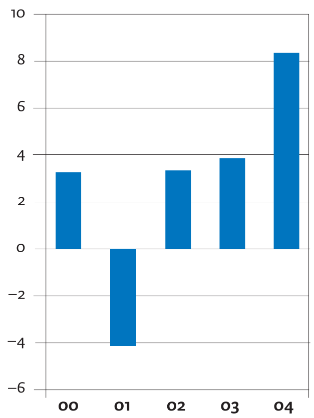
NET SALES BY DIVISION



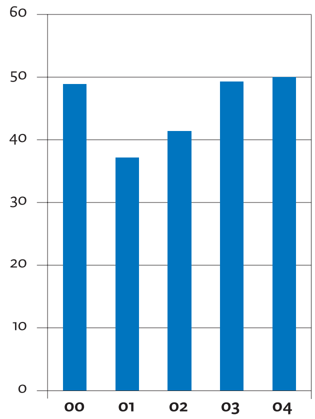
M€ OPERATING PROFIT / LOSS



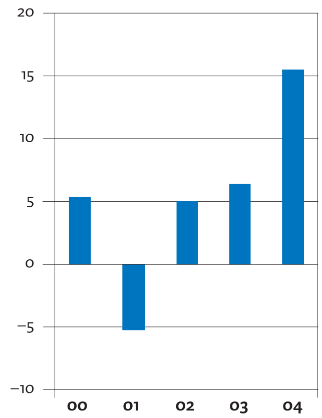
% OPERATING MARGIN



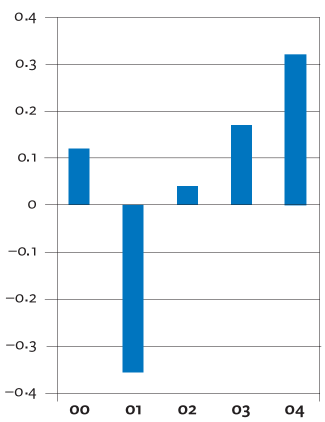
% EQUITY RATIO



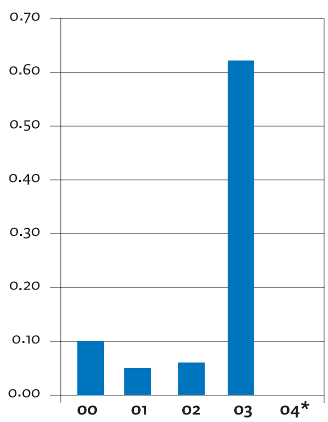
% RETURN ON INVESTMENT (ROI)



€ EARNINGS PER SHARE

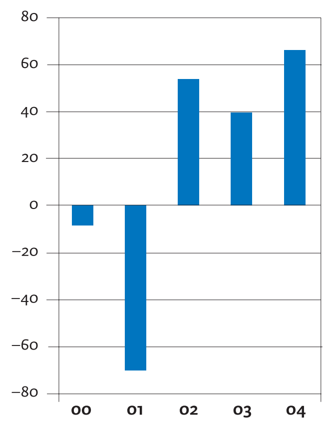


€ DIVIDEND PER SHARE



* BOARD'S PROPOSAL TO THE AGM

M€ CASH FLOW AFTER INVESTING ACTIVITIES



M€	Note	CONSOLIDATED 1 Jan.–31 Dec. 2004	CONSOLIDATED 1 Jan.–31 Dec. 2003	PARENT COMPANY 1 Jan. –31 Dec. 2004	PARENT COMPANY 1 Jan.–31 Dec. 2003
NET SALES	1	464.6	460.5	13.6	13.5
Increase (+)/decrease (–) in stocks of finished and unfinished goods		0.1	–0.6		
Other operating income	2	3.6	3.7	0.5	0.2
Materials and services	3	–154.6	–164.9		
Personnel expenses	4	–138.5	–135.7	–3.7	–3.4
Depreciation and writedowns	5	–20.5	–25.1	–0.8	–0.7
Other operating expenses		–107.4	–98.2	–14.7	–39.1
Associated companies, share of losses		–8.7	–22.0		
OPERATING PROFIT (LOSS)	1	38.6	17.7	–5.1	–29.5
Financial income and expenses	6	–2.9	–3.7	5.5	6.3
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS		35.7	14.0	0.4	–23.2
Extraordinary items	7	0.0	0.0	23.4	29.7
PROFIT BEFORE TAXES		35.7	14.0	23.8	6.5
Appropriations	8			0.0	0.1
Income taxes	9	–14.5	–2.7	–8.8	–1.6
Minority interest		–0.9	–0.5		
NET PROFIT FOR THE YEAR		20.3	10.8	15.0	5.0

ASSETS M€	Note	CONSOLIDATED 31 Dec. 2004	31 Dec. 2003	PARENT COMPANY 31 Dec. 2004	31 Dec. 2003
FIXED ASSETS					
Intangible assets	11	15.1	19.1	0.5	0.6
Goodwill on consolidation	11	12.9	16.8		
Tangible assets	12, 13	58.0	68.6	6.2	6.7
Holdings in Group companies	14, 15			64.2	64.1
Holdings in associated companies	14, 15	103.9	114.7		
Other investments	14	14.9	20.5	9.6	11.2
FIXED ASSETS, TOTAL		204.8	239.7	80.5	82.6
CURRENT ASSETS					
Inventories	16	49.8	48.6		
Long-term receivables	17	0.3	0.6	0.1	0.1
Short-term receivables	17	39.9	42.2	177.1	213.1
Cash and bank		22.5	24.1	17.0	15.5
CURRENT ASSETS, TOTAL		112.5	115.5	194.2	228.7
ASSETS, TOTAL		317.3	355.2	274.7	311.3

SHAREHOLDERS' EQUITY AND LIABILITIES M€	Note	CONSOLIDATED 31 Dec. 2004	31 Dec. 2003	PARENT COMPANY 31 Dec. 2004	31 Dec. 2003
SHARE CAPITAL	18, 19, 20				
Shareholders' equity		26.5	26.5	26.5	26.5
Share issue		1.8	0.0	1.8	0.0
Share premium fund		3.9	3.7	3.9	3.7
Reserve fund		46.9	46.9	46.9	46.9
Contingency fund				20.4	20.4
Retained earnings		50.8	79.1	33.1	67.4
Net profit for the year		20.3	10.8	15.0	5.0
SHAREHOLDERS' EQUITY, TOTAL		150.2	167.0	147.6	169.9
MINORITY INTEREST		2.1	1.4		
PROVISIONS	21	2.7	1.3	0.3	0.8
LIABILITIES					
Deferred tax liabilities	22, 23	1.6	3.8		
Long-term liabilities	23, 24	52.5	62.8	51.0	59.3
Short-term liabilities	25	108,2	118.9	75.8	81.3
LIABILITIES, TOTAL		162.3	185.5	126.8	140.6
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		317.3	355.2	274.7	311.3

M€	CONSOLIDATED 1 Jan.–31 Dec. 2004	CONSOLIDATED 1 Jan.–31 Dec. 2003	PARENT COMPANY 1 Jan. –31 Dec. 2004	PARENT COMPANY 1 Jan.–31 Dec. 2003
OPERATING CASH FLOW				
Operating profit	38.6	17.7	−5.1	−29.5
Adjustments to operating profit *)	30.4	44.0	1.1	26.7
Change in working capital	0.2	6.5	−0.2	0.3
Interest received	0.5	0.9	9.3	9.2
Interest paid and payments on other financial expenses	−4.0	−5.1	−4.6	−5.5
Dividends received	6.5	4.5	0.4	1.8
Income taxes paid	−5.6	−13.5	−2.0	−10.6
NET CASH FROM OPERATING ACTIVITIES	66.6	55.0	−1.1	−7.6
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in tangible and intangible assets	−6.6	−10.6	−0.1	−0.5
Proceeds from sale of tangible and intangible assets	5.9	3.3	0.1	1.8
Investments in other securities	−0.2	−0.5	0.0	−0.1
Proceeds from sale of other investments	1.5	2.3	0.6	1.9
Loans granted	0.0	−4.2	0.0	0.0
Repayments on loans	0.1	0.1	0.0	0.0
Subsidiary shares acquired	−1.6	−4.8	0.0	−0.8
Subsidiary shares sold	0.2	0.0	0.0	0.0
Associated company shares acquired	0.0	−2.0	−0.1	0.0
Associated company shares sold	0.0	0.4	0.0	33.0
NET CASH FROM INVESTING ACTIVITIES	−0.7	−16.0	0.5	35.3
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share issue	2.0	0.0	2.0	0.0
Proceeds from (+) / payments of (–) short term loans	8.1	−25.0	23.7	−41.3
Long-term loans raised	10.0	0.0	10.0	0.0
Payments of long-term loans	−49.7	−22.2	−47.4	−20.4
Increase (–) / decrease (+) in interest-bearing receivables	1.4	10.9	30.5	5.1
Dividend payments	−39.3	−4.0	−39.3	−3.9
Proceeds from / payments of Group contributions			22.6	29.7
NET CASH USED IN FINANCING ACTIVITIES	−67.5	−40.3	2.1	−30.8
NET INCREASE (+) / DECREASE (–) IN CASH AND CASH EQUIVALENTS	−1.6	−1.3	1.5	−3.1
CASH RESERVES ON 1 JAN.	24.1	25.4	15.5	18.6
CASH RESERVES ON 31 DEC.	22.5	24.1	17.0	15.5

*) Includes adjustments to depreciation, results of associated companies, provisions and gains/losses on sale of fixed assets.

Accounting Principles

All companies in the Alma Media Group apply the accounting principles specified in the Finnish Accounting Act (30 December 1997) and these have been used to prepare the consolidated and parent company's financial statements. Alma Media has adopted IFRS (International Financial Reporting Standards) principles in the preparation of its financial statements since the beginning of 2005. The company will issue a separate bulletin on the impacts of IFRS on 8 April 2005.

SCOPE OF CONSOLIDATION

The consolidated accounts comprise the parent company Alma Media Corporation and those companies in which the parent company holds, directly or indirectly, more than 50% of the voting rights at the end of the financial period, or over which it has the right of control. Companies acquired during the accounting period are consolidated from the date of acquisition and companies divested during the period are consolidated up to the date of sale.

Associated housing and real estate companies are not consolidated. The impact of such companies on the consolidated profit and shareholders' equity is not significant.

The consolidated accounts have been prepared according to the purchase method whereby the acquisition costs of subsidiaries are eliminated against the shareholders' equity of the subsidiaries at the time of acquisition. The excess amounts generated by the difference between the acquisition price of the shares and the equity of the subsidiaries at the time of acquisition are allocated mainly to the balance sheet items concerned.

Goodwill on consolidation allocated to fixed assets is amortized according to the planned depreciation of the item concerned. Non-allocated goodwill on consolidation is shown separately in the consolidated balance sheet and amortized over its period of influence. Goodwill (assets) is amortized, and goodwill (liabilities) is charged to the income statement over 10 years, or 20 years in the case of TV4 AB and Talentum Oyj.

Intragroup transactions, dividends, receivables, payables and the unrealized margins on intragroup deliveries are eliminated. Minority interest is shown as a separate item in the income statement and the balance sheet.

Associated companies are consolidated using the equity method. The Group's share of the results of associated companies in the review year, less amortization of goodwill on consolidation, is shown separately in the income statement.

FIXED ASSETS

Tangible and intangible assets are capitalized at direct acquisition cost less planned depreciation. Revaluations are included under fixed assets in the balance sheet and their counter-entries under restricted shareholders' equity. Planned depreciation is calculated from the original acquisition cost based on the estimated economic life of the asset as follows:

Buildings and structures	30–40 years
Machinery and equipment	3–10 years
Large rotation presses	20 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 periodized on a FIFO (first-in-first-out) basis. MTV's inventories consist of advance payments on programme broadcasting rights. The programmes are expensed as they are shown on television.

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 and the change in deferred tax liabilities and accrued tax assets. Deferred tax liabilities and accrued tax assets are entered in the consolidated balance sheet and presented according to IAS 12 in line with the general guidelines of the Finnish Accounting Board. The parent company's deferred tax liabilities and accrued tax assets are included under tax liabilities and assets in the consolidated financial statements.

FOREIGN CURRENCY 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.

MTV Oy has hedged its purchase contracts using foreign exchange forward contracts. Exchange rate differences from these foreign exchange forward contracts are entered in the balance sheet as the amount corresponding to the exchange rate differences on accounts payable for purchase contracts under advance payments for programme broadcasting rights.

In the consolidation of foreign companies, the average exchange rate during the year is used in the income statement, and in the balance sheets the average rate on the balance sheet date. Translation differences arising from the consolidation of foreign subsidiaries and associated companies are entered under shareholders' equity.

PENSION COMMITMENTS

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

Adoption of IFRS Reporting

The European Union will require all publicly listed companies in the EU to adopt International Financial Reporting Standards (IFRS) no later than 2005. The purpose behind introducing IFRS standards is to improve the operation of the EU's capital markets by increasing the reliability, transparency and comparability of the financial statements of companies operating in the EU area.

IFRS ADOPTION PROJECT AND TRANSITION TIMETABLE

Alma Media Corporation will adopt the IFRS principles in its interim and year-end reports in 2005. The preparations for adopting IFRS started in 2002, when an IFRS project team with a designated team manager was set up.
A separate steering group was also established to supervise the activities of the project team. During 2002 and 2003, work started in different areas of Alma Media's business to identify the differences that exist between IFRS and Finnish generally accepted accounting principles (GAAP) regarding Alma Media's accounting principles. Sub-project groups were set up to analyse the most important subareas in more detail.

Decisions were made during 2004 on the optional accounting principles to be adopted and the figures for the opening IFRS balance sheet were calculated as well as the 2004 comparison figures for the 2005 interim reports. The necessary system changes were also made to be able to start IFRS reporting at the beginning of 2005. The project has progressed on schedule.

IMPACTS ON THE FINANCIAL STATEMENTS RESULTING FROM IFRS

The changes in Alma Media's accounting principles in the IFRS opening balance sheet and the comparison data affect the following subareas:

Leases, and sale and lease-back transactions

IFRS requires that goods leased under a finance lease are recognized in the balance sheet as assets and liabilities. Minimum lease payments entered in the income statement will be apportioned under IFRS between financial expenses and the reduction in the outstanding lease liabilities. Depreciation is recorded on the assets recognized in the balance sheet.

Capital gains recorded on sale and lease-back transactions under Finnish GAAP will be reversed from equity and amortized over the lease term under IFRS.

Employee benefits

Under IFRS, treating voluntary supplementary pension policies and other employee benefits as defined benefit plans increases the pension liabilities in the balance sheet and reduces equity in the IFRS opening balance sheet.

Under IFRS the statutory disability pension payments required by the Finnish Employees Pension System (TEL) are treated as a defined benefit plan. Alma Media has decided not to include 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. In its financial reports, the company will provide sufficiently detailed information on how it treats the disability pension payments in the balance sheet and income statement.

Business combinations and goodwill

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. These tests have been made for the opening balance sheet and have revealed that there is no need to record significant impairment losses.

Goodwill amortization previously included in Alma Media's share of its associated companies' results has been reversed.

Financial instruments

Available-for-sale financial assets are measured at their fair values and the change in value is recognized in equity. Derivatives are recognized when they are made 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.

Real estate

Real estate properties are classified according to use between owner-occupied properties and those acquired as investments. Investment properties are measured at cost.

Inventories / Intangible rights

The method used by MTV Oy to recognize programme broadcasting rights in inventories will be changed under IFRS. These rights will be presented as intangible rights in the balance sheet and their impact on profit is presented in the income statement under depreciation and amortization. As before, the programme broadcasting rights are amortized as the programmes are broadcast.

As a result of the adoption of IFRS principles certain MTV broadcasting rights will be recognized in the balance sheet, which will increase the volume of broadcasting rights and related liabilities in the balance sheet during the transition stage.

Requirements concerning presentation

The way in which the Group reports its share of associated companies' results in the income statement will be changed. Under Finnish GAAP this share was included in the operating profit but under IFRS it is presented as a separate line item below the operating profit.

IFRS requires more detailed segment information on the operational and geographical breakdown of business operations. Alma Media Corporation's segment information will be based on classification by business segments. IFRS financial statements also include more detailed notes, a more detailed description of the accounting principles applied, and a new statement of changes in equity. •

1. NET SALES, OPERATING PROFIT/LOSS AND PERSONNEL

1 000 €	NET SALES 2004	NET SALES 2003	OPERATING PROFIT/LOSS 2004	OPERATING PROFIT/LOSS 2003	PERSONNEL AVERAGE *) 2004	PERSONNEL AVERAGE *) 2003
Alpress	211 576	200 245	32 431	30 014	1 607	1 627
Broadcasting	195 353	178 063	11 017	5 870	516	517
Business Information Group **)	49 053	46 377	5 436	4 214	401	384
Media Services	21 018	48 374	–6 258	–5 644	115	303
Parent company *)	13 614	13 538	–5 085	–2 507	40	30
Group entries **)	–26 015	–26 098	1 016	–14 206		
Total	464 599	460 499	38 557	17 741	2 679	2 861

*) Average number of employees calculated as full-time personnel. The parent company's personnel in 2004 includes 12 persons providing shared services.

**) The M€ 15.8 writedown on the Talentum Oyj shares in 2003 is entered under Group entries in the operating profit in the year 2003. The Group's share of Talentum Oyj's result for the year is charged to Business Information Group's operating profit.

The distribution of net sales and operating profit above conforms to the reporting organization and is therefore not entirely in agreement with the legal organization.

NET SALES BY MARKETING AREA 1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Finland	455 205	433 190	13 614	13 538
Other EU countries	8 903	16 471	0	0
Russia	9	6 365	0	0
Other countries	482	4 473	0	0
Total	464 599	460 499	13 614	13 538

2. OTHER OPERATING INCOME

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Profit on sale of fixed assets	1 469	2 746	544	226
Other	2 179	929	0	1
Total	3 648	3 675	544	227

3. MATERIALS AND SERVICES

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Materials, supplies and goods:				
Purchased during the period	23 165	37 087	0	0
Change in inventories	–106	1 452	0	0
	23 059	38 539	0	0
External services	131 614	126 383	0	0
Total	154 673	164 922	0	0

4. PERSONNEL EXPENSES

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Wages, salaries and fees	112 461	110 654	2 737	2 408
Pension expenses	19 035	18 504	653	774
Other social expenses	7 076	6 581	287	201
Total	138 572	135 739	3 677	3 383
Salaries and fees to management				
Presidents	4 161	3 912	661	595
Members of the Board of Directors	129	129	129	129
Total	4 290	4 041	790	724

Based on contract of employment, the President and CEO of the parent company is entitled to take retirement on reaching 60 years of age. Similar contracts exist in certain of the Group's subsidiaries.

5. DEPRECIATION AND WRITEDOWNS

1 000 €	GROUP 2004	2003	PARENT COMPANY 2004	2003
Planned depreciation	15 791	20 865	598	741
Amortization of goodwill on consolidation	4 456	4 207	0	0
Writedowns of fixed assets	215	0	188	0
Total	20 462	25 072	786	741

6. FINANCIAL INCOME AND EXPENSES

1 000 €	GROUP 2004	2003	PARENT COMPANY 2004	2003
Dividend income				
From Group companies	0	0	0	342
From associated companies	0	0	354	2 173
From others	265	545	1	40
Total	265	545	355	2 555
Income from long-term investments, total	265	545	355	2 555
Other interest and financial income:				
From Group companies	0	0	9 080	8 920
From others	826	755	432	203
Total	826	755	9 512	9 123
Interest income from long-term investments and other interest and financial income, total	826	755	9 512	9 123
Interest expenses and other financial expenses:				
To Group companies	0	0	–598	–619
To others	–3 967	–5 016	–3 824	–4 752
Total	–3 967	–5 016	–4 422	–5 371
Financial income and expenses, total	–2 876	–3 716	5 445	6 307
Exchange rate differences in financial income and expenses	–4	–4	–4	–4

7. EXTRAORDINARY ITEMS

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Extraordinary income:				
Group contributions received	0	0	23 419	29 700
Extraordinary expenses:	0	0	0	0
Extraordinary items, total	0	0	23 419	29 700

8. APPROPRIATIONS

1 000 €	PARENT COMPANY 2004	PARENT COMPANY 2003
Depreciation difference	0	139

9. INCOME TAX

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Income taxes on extraordinary items	0	0	–6 791	–8 613
Current tax	–16 677	–4 664	–1 956	6 981
Change in deferred tax liabilities:				
Timing differences	–409	739	0	0
Appropriations	1 431	1 376	0	0
Other temporary differences	1 105	–141	0	0
Total	–14 550	–2 690	–8 747	–1 632

10. RESEARCH AND DEVELOPMENT COSTS

Research and development costs recorded in the year totalled M€ 3.0 (M€ 3.3).

11. INTANGIBLE ASSETS

GROUP

1 000 €	Intangible rights	Goodwill	Goodwill on consolidation	Other long-term expenditure	Advances paid	Total
Acquisition cost 1 Jan.	24 723	1 374	44 164	20 711	619	91 591
Increases	1 282	832	767	2 322	71	5 274
Decreases	−8 734	−84	−171	−5 091	−324	−14 404
Transfers between items	144	121	0	−80	−270	−85
Acquisition cost 31 Dec.	17 415	2 243	44 760	17 862	96	82 376
Accumulated depreciation and writedowns 1 Jan.	15 746	896	27 413	11 661	0	55 716
Accumulated depreciation on decreases and transfers	−6 780	12	0	−3 950	0	−10 718
Depreciation in the year	2 796	235	4 456	1 876	0	9 363
Accumulated depreciation 31 Dec.	−11 762	−1 143	−31 869	−9 587	0	−54 361
Net carrying amount 31 Dec.	5 653	1 100	12 891	8 275	96	28 015

PARENT COMPANY

1 000 €	Intangible rights	Goodwill	Goodwill on consolidation	Other long-term expenditure	Advances paid	Total
Acquisition cost 1 Jan.	609	0	0	441	0	1 050
Increases	12	0	0	112	0	124
Decreases	−61	0	0	0	0	−61
Acquisition cost 31 Dec.	560	0	0	553	0	1 113
Accumulated depreciation and writedowns 1 Jan.	308	0	0	104	0	412
Accumulated depreciation on decreases and transfers	−33	0	0	0	0	−33
Depreciation in the year	111	0	0	55	0	166
Accumulated depreciation 31 Dec.	−386	0	0	−159	0	−545
Net carrying amount 31 Dec.	174	0	0	394	0	568

12. TANGIBLE ASSETS

GROUP

1 000 €	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advances paid and uncompleted purchases	Total
Acquisition cost 1 Jan.	3 918	49 966	141 273	1 683	924	197 764
Increases	0	448	2 445	86	56	3 035
Decreases	–10	–3 619	–18 108	0	0	–21 737
Transfers between items	174	–102	397	17	–402	84
Acquisition cost 31 Dec.	4 082	46 693	126 007	1 786	578	179 146
Accumulated depreciation and writedowns 1 Jan.	1 131	27 891	101 351	492	0	130 865
Accumulated depreciation on decreases and transfers	0	–3 184	–15 705	21	0	–18 868
Depreciation in the year	0	1 489	9 314	81	0	10 884
Accumulated depreciation 31 Dec.	1 131	–26 196	–94 960	–594	0	–122 881
Revaluations	344	1 396				1 740
Net carrying amount 31 Dec.	3 295	21 893	31 047	1 192	578	58 005
Production machinery and equipment on 31 Dec. 2004			28 779			
Production machinery and equipment on 31 Dec. 2003			36 046			

PARENT COMPANY

1 000 €	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advances paid and uncompleted purchases	Total
Acquisition cost 1 Jan.	646	8 684	2 107	577	0	12 014
Increases	0	0	12	0	0	12
Decreases	0	–25	–309	0	0	–334
Transfers between items	190	–190	0	0	0	0
Acquisition cost 31 Dec.	836	8 469	1 810	577	0	11 692
Accumulated depreciation and writedowns 1 Jan.	0	3 415	1 844	90	0	5 349
Accumulated depreciation on decreases and transfers	0	–8	–279	0	0	–287
Depreciation in the year	0	278	132	21	0	431
Accumulated depreciation 31 Dec.	0	–3 685	–1 697	–111	0	–5 493
Net carrying amount 31 Dec.	836	4 784	113	466	0	6 199

13. REVALUATIONS

GROUP 1 000 €	Value 1 Jan.	Revaluations 1 Jan.–31 Dec.	Reversals of valuations 1 Jan.–31 Dec.	Value 31 Dec.
Land and water	344	0	0	344
Buildings and structures	1 396	0	0	1 396

14. INVESTMENTS

GROUP 1 000 €	SHARES In associated companies	SHARES In others	RECEIVABLES From associated companies	RECEIVABLES From others	Total
Acquisition cost 1 Jan.	155 761	17 772	9 609	127	183 269
Change in translation difference	109	0	0	0	109
Increases	2 570	2 226	100	5	4 901
Decreases	–8 738	–10 627	–156	–127	–19 648
Transfers between items	1 144	–1 151	0	0	–7
Acquisition cost 31 Dec.	150 846	8 220	9 553	5	168 624
Accumulated depreciation and writedowns 1 Jan.	41 064	6 894	0	127	48 085
Accumulated depreciation on decreases and transfers	0	–6 889	0	–127	–7 016
Amortization of goodwill	4 846	0	0	0	4 846
Writedowns	993	215	2 659	0	3 867
Accumulated depreciation 31 Dec.	–46 903	–220	–2 659	0	–49 782
Net carrying amount 31 Dec.	103 943	8 000	6 894	5	118 842

Goodwill on consolidation of associated companies not yet amortized at 31 December 2004 totalled M€ 65,8 (70,7 M€).

The aggregate market capitalization of the listed associated companies (TV4 AB and Talentum Oyj) on 31 December 2004 was M€ 15.1 higher than the carrying amount in the consolidated balance sheet (M€ 3.4).

PARENT COMPANY 1 000 €	SHARES In Group companies	SHARES In associated companies	SHARES In others	RECEIVABLES From Group companies	RECEIVABLES From others	Total
Acquisition cost 1 Jan.	64 126	1 501	8 780	5 933	514	80 854
Increases	47	0	0	0	0	47
Decreases	0	0	–6 836	0	–127	–6 963
Transfers between items	0	379	–379	0	0	0
Acquisition cost 31 Dec.	64 173	1 880	1 565	5 933	387	73 938
Accumulated depreciation and writedowns 1 Jan.	0	0	5 400	0	127	5 527
Accumulated depreciation on decreases and transfers	0	0	–5 400	0	–127	–5 527
Writedowns	0	0	188	0	0	188
Accumulated depreciation 31 Dec.	0	0	–188	0	0	–188
Net carrying amount 31 Dec.	64 173	1 880	0	5 933	387	73 750

15. SHARES AND HOLDINGS

	Domicile	Group holding %	Parent company holding %
GROUP COMPANIES:			
Aamujakelu Oy	Tampere	100.00	0.00
Agentura BNS SIA	Riga	100.00	0.00
Alexpress Oy	Tampere	100.00	100.00
Alma Media Interactive Oy	Helsinki	100.00	100.00
Alma Media Lehdentekijät Oy	Helsinki	100.00	0.00
Alma Media Palvelut Oy	Helsinki	100.00	100.00
Alpress Oy	Tampere	100.00	90.09
Arctic Press Oy	Rovaniemi	100.00	0.00
Balance Consulting Oy	Helsinki	100.00	0.00
Balti Uudistetalituse AS	Tallinn	100.00	0.00
BNS Eesti OÜ	Tallinn	100.00	0.00
BNS Latvija SIA	Riga	99.97	0.00
BNS UAB	Vilnius	99.93	0.00
ETA Uudistetalituse OÜ	Tallinn	100.00	0.00
Etuovi Oy	Helsinki	100.00	0.00
Intervisio Oy	Helsinki	51.00	0.00
Kainuun Sanomat Oy	Kajaani	100.00	0.00
Kainuun Viestintä Oy	Kajaani	100.00	0.00
Karenstock Oy	Helsinki	100.00	0.00
Kiint. Oy Kajaanin Kauppakatu 34	Kajaani	100.00	0.00
Kiint. Oy Kajaanin Kauppakatu 36	Kajaani	100.00	0.00
Kiint. Oy Kajaanin Kauppakatu 38	Kajaani	100.00	0.00
Kiint. Oy Liike- ja Autokulma	Rovaniemi	79.20	0.00
Kiint. Oy Veneentekijäntie 20	Helsinki	100.00	100.00
Kustannus Oy Aamulehti	Tampere	100.00	0.00
Kustannus Oy Otsikko	Tampere	100.00	0.00
Kustannusosakeyhtiö Iltalehti	Helsinki	100.00	0.00
Kustannusosakeyhtiö Kauppalehti	Helsinki	100.00	0.00
Kustannusosakeyhtiö Uusi Suomi	Vantaa	100.00	0.00
Lapin Kansa Oy	Rovaniemi	99.23	32.72
Marcenter Oy	Tampere	100.00	100.00
Monster Oy	Helsinki	75.00	0.00
MTV Oy	Helsinki	100.00	100.00
MTV-Palvelukiinteistöt Oy	Helsinki	100.00	0.00
Novatar Oy	Jyväskylä	100.00	0.00
Osakeyhtiö Harjavallan Kustannus	Harjavalta	99.72	0.00
Oy Suomen Uutisradio Ab	Helsinki	74.00	0.00
Pohjois-Suomen Media Oy	Helsinki	100.00	0.00
Pohjolan Sanomat Oy	Kemi	100.00	0.00
Porin Sanomat Oy	Pori	100.00	0.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	0.00
Starfunds Finland Oy	Helsinki	100.00	0.00
Subtv Oy	Helsinki	100.00	0.00
Suomalainen Lehtipaino Oy	Helsinki	100.00	100.00
Suomen Kansallisviestintä Oy	Helsinki	100.00	57.50
Suomen Lehtistudio Oy	Helsinki	100.00	0.00
Suomen Paikallissanomat Oy	Tampere	100.00	0.00
Suomen Uutislinkki Oy	Helsinki	100.00	0.00

15. SHARES AND HOLDINGS (CONTINUED)

	Domicile	Group holding %	Parent company holding %
SVY Viestintä Profiili Oy	Helsinki	100.00	0.00
Viestintäyhtiö Ruokala Oy	Helsinki	52.00	0.00
ASSOCIATED COMPANIES:			
Acta Print Oy	Helsinki	36.00	0.00
Ahaa Sivunvalmistus Oy	Tampere	20.00	0.00
Efektor Oy *)	Helsinki	51.00	0.00
Finn-Lab Oy	Helsinki	32.30	0.00
Holding Oy Visio	Pori	25.70	0.00
Oy Suomen Tietotoimisto Ab	Helsinki	28.86	24.07
Platco Oy	Helsinki	33.33	0.00
Sentraali Oy	Kajaani	20.00	0.00
Suomen Radioviestintä Oy	Helsinki	27.70	0.00
Talentum Oyj	Helsinki	31.07	0.00
Tampereen Tietoverkko Oy	Tampere	34.92	34.92
TV4 AB	Stockholm	23.40	0.00
VattiData Oy	Pori	30.00	0.00

*) Voting right of the Group 50%.

Associated companies are consolidated using the equity method.

Also certain other companies, principally housing and real estate companies, are not consolidated in the Group's financial statements.

16. INVENTORIES

	GROUP		PARENT COMPANY	
1 000 €	2004	2003	2004	2003
Materials and supplies	1 577	1 357	0	0
Uncompleted products	23	14	0	0
Finished products/goods	127	28	0	0
Other inventories	246	556	0	0
Advances paid	47 835	46 677	0	0
Total	49 808	48 632	0	0

17. RECEIVABLES

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Long-term				
Loans receivable	265	451	113	113
Other receivables	0	134	0	0
Long-term receivables, total	265	585	113	113
Short-term				
Accounts receivable	29 245	26 259	48	30
Receivables from Group companies				
Accounts receivable	0	0	93	10
Loans receivable	0	0	174 499	204 234
Total	0	0	174 592	204 244
Receivables from associated companies				
Accounts receivable	47	26	0	0
Loans receivable	0	32	0	0
Total	47	58	0	0
Loans receivable	512	1 897	0	0
Other receivables	2 032	1 259	0	0
Prepaid expenses and accrued income	8 107	12 782	2 404	8 827
Short-term receivables, total	39 943	42 255	177 044	213 101

18. SHAREHOLDERS' EQUITY

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Shareholders' equity 1 Jan.	26 456	26 456	26 456	26 456
Subscribed using warrants	17	0	17	0
Shareholders' equity 31 Dec.	26 473	26 456	26 473	26 456
Share issue 1 Jan.	3	0	3	0
Increase	1 817	3	1 817	3
Share issue 31 Jan.	1 820	3	1 820	3
Share premium fund 1 Jan.	3 719	3 719	3 719	3 719
Premium	176	0	176	0
Share premium fund 31 Dec.	3 895	3 719	3 895	3 719
Reserve fund 1 Jan.	46 864	46 864	46 864	46 864
Reserve fund 31 Dec.	46 864	46 864	46 864	46 864
Contingency fund 1 Jan.	0	0	20 414	20 414
Contingency fund 31 Dec.	0	0	20 414	20 414
Retained earnings 1 Jan.	89 918	83 811	72 405	71 286
Dividend distribution	−39 325	−3 933	−39 325	−3 933
Changes in translation differences	254	162	0	0
Structural changes	0	−909	0	0
Retained earnings 31 Dec.	50 847	79 131	33 080	67 353
Net profit for the year	20 276	10 787	15 032	5 052
Shareholders' equity, total	150 175	166 960	147 578	169 861

19. CALCULATION OF DISTRIBUTABLE FUNDS 31 DEC.

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Contingency fund	0	0	20 414	20 414
Retained earnings	50 847	79 131	33 080	67 353
Net profit for the year	20 276	10 787	15 032	5 052
./. Less share of accumulated depreciation difference in shareholders' equity	−7 999	−10 305	0	0
Distributable funds, total	63 124	79 613	68 526	92 819

20. PARENT COMPANY SHARE SERIES

	31 Dec. 2004 Number	31 Dec. 2004 €
Series I (1 vote/share)	26 056 004	10 955 763
Series II (1 vote/every 10 shares)	36 904 636	15 517 286
Total	62 960 640	26 473 049

An additional 460,232 new Series II shares were registered in January 2005. These shares were subscribed using warrants between 2 October 2004 and 31 December 2004.

21. PROVISIONS

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Pension liabilities	295	524	0	0
Provisions for expenses related to sold property	22	158	22	158
Other provisions	2 408	606	243	606
Total	2 725	1 288	265	764

22. DEFERRED TAX ASSETS AND LIABILITIES

1 000 €	GROUP 2004	GROUP 2003
Deferred tax assets:		
Timing differences	2 489	2 998
Deferred tax liabilities:		
Appropriations	2 778	4 209
Other temporary differences	761	1 959
Timing differences	556	656
Total	4 095	6 824
Deferred tax liabilities (net)	1 606	3 826

The parent company's deferred tax assets and liabilities are not entered in the balance sheet.
The parent company has no deferred tax liabilities.
A deferred tax asset totalling M€ 0.6 (M€ 0.9) arises from timing differences. The parent company's deferred tax assets and liabilities are included in the Group's deferred tax assets and liabilities.

23. LONG-TERM LIABILITIES

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Loans from financial institutions	18 693	28 792	18 692	26 976
Bonds	30 000	30 000	30 000	30 000
Deferred tax liabilities	1 606	3 826	0	0
Other long-term debt	3 823	4 040	2 303	2 393
Long-term liabilities, total	54 122	66 658	50 995	59 369

The company issued the first tranche of M€ 30.0 under its M€ 100.0 Medium-Term Note programme established in 2001. The loan period is 4 October 2001–4 October 2006 and the bond has a coupon of 5.75%.

A bond with warrants totalling 1.22 million Finnish markka (M€ 0.21) was offered to the company's personnel and to Alma Media Corporation's wholly owned subsidiary Marcenter Oy in 2000. The warrants attached to these bonds could be exercised to subscribe for altogether 610 000 Series II shares with a total nominal value of M€ 1.026. This number was changed to 2,440,000 Series II shares after the 1:4 share split on 5 April 2004. Any dividend paid before subscription will be deducted from the subscription prices. Before any dividends that might be paid on 2004 the A warrants may be used to subscribe for four Series II shares for a price of € 4.75 per share and the B warrants for four Series II shares for € 5.58 per share.

24. DEBT DUE AFTER FIVE YEARS

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Other long-term debt	3 748	4 033	2 234	2 303
Total	3 748	4 033	2 234	2 303

25. SHORT-TERM LIABILITIES

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Loans from financial institutions	18 283	47 798	18 283	47 434
Advances received	11 637	11 320	0	0
Accounts payable	15 804	13 871	502	419
Debt to Group companies				
Accounts payable	0	0	195	302
Other debt	0	0	44 454	28 787
Accrued expenses and prepaid income	0	0	0	4
Total	0	0	44 649	29 093
Debt to associated companies				
Accounts payable	154	60	0	0
Accrued expenses and prepaid income	153	0	0	0
Total	307	60	0	0
Other short-term debt	26 236	15 286	10 524	2 441
Accrued expenses and prepaid income	35 984	30 590	1 865	1 918
Short-term liabilities, total	108 251	118 925	75 823	81 305

26. COMMITMENTS AND CONTINGENCIES

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
Collateral for own commitments *)				
Mortgages on land and buildings	0	3 290	0	0
Chattel mortgages	84	84	0	0
Collateral for Group companies				
Guarantees	0	0	1 187	1 180
Collateral for others				
Guarantees	2 307	130	2 172	12
Other own commitments				
Leasing commitments	16 699	5 063	312	200
Other commitments	216	1 069	162	825
Total	19 306	9 636	3 833	2 217

Group leasing commitments fall due:	Group	Parent company
During 2005	5 960	136
After 2005	10 739	176

*) The pledges and mortgages given by the Group companies in 2003 apply to loans from financial institutions and have been given to the lending institutions. Alma Media Corporation has also signed covenants with financiers related to collateral for the Group's financial loans. The most important of these are an equity ratio pledge and a negative pledge.

Most of the Group's companies operated in rented business premises. The rental agreements vary in duration from six months to 17 years. Annual rental payments currently total approx. M€ 6.65. Some of these business premises have been sub-let and contribute approx. M€ 1.15 in annual income.

The Broadcasting division has network leasing agreements with Digita Oy covering analogue television and radio broadcasting. The TV agreement is in force for the duration of the licence fee period, i.e. until the end of August 2007. The radio agreement extends until the end of 2006. The annual leasing payments of these agreements totals M€ 16 on average.

A purchasing agreement covering digital television transmission capacity is in force until the end of the licence fee period, i.e. until 31 August 2010. The annual cost of this agreement averaged M€ 6 in 2005. The annual cost will increase to almost M€ 8 in 2006.

When analogue transmissions cease on 31 August 2007, it is estimated that total transmission costs will be reduced by more than one-third.

In addition to the broadcasting rights included in the balance sheet, MTV Oy also has binding 1-4 year long programme purchasing agreements with an aggregate value of approximately M€ 57.

27. DERIVATIVES

1 000 €	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
FOREIGN EXCHANGE FORWARD CONTRACTS				
Fair value *)	–1 728	–1 495	0	0
Value of underlying instruments (1 000 €)	15 310	15 093	0	0
RAW MATERIAL DERIVATIVES				
(Paper swap)				
Fair value *)	–6	0	0	0
Amount	3 000 tonnes	0	0	0
SHARE OPTIONS				
Fair value *)	78	0	78	0
Value of underlying instruments (1 000 €)	1 861	0	1 861	0

*) The fair value (1 000 €) represents the return that would have arisen if the derivative positions had been closed on the balance sheet date.

CALCULATION OF KEY INDICATORS

RETURN ON SHAREHOLDERS' EQUITY, % (ROE)

$$\frac{\text{Profit before extraordinary items – taxes for period}}{\text{Shareholders' equity + minority interests (Average)}} \times 100$$

RETURN ON INVESTMENT, % (ROI)

$$\frac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Balance sheet total – interest-free liabilities (Average)}} \times 100$$

EQUITY RATIO, %

$$\frac{\text{Shareholders' equity + minority interests}}{\text{Balance sheet total – advances received}} \times 100$$

EARNINGS PER SHARE

$$\frac{\text{Profit before extraordinary items +/– minority interests on profit/loss for the period – taxes for period}}{\text{Average number of shares adjusted}}$$

GEARING, %

$$\frac{\text{Interest-bearing debt - cash and bank}}{\text{Shareholders' equity}} \times 100$$

NOMINAL DIVIDEND PER SHARE

Dividend per share approved by the AGM.
In 2004 this corresponded with the Board's proposal to the AGM.

PAYOUT RATIO, %

$$\frac{\text{Nominal dividend per share}}{\text{Earnings per share}} \times 100$$

EFFECTIVE DIVIDEND PER SHARE, %

$$\frac{\text{Adjusted dividend per share}}{\text{Adjusted share price on 31 Dec.}} \times 100$$

PRICE/EARNINGS (P/E) RATIO

$$\frac{\text{Adjusted share price on 31 Dec.}}{\text{Earnings per share}}$$

SHAREHOLDERS' EQUITY PER SHARE

$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on 31 Dec.}}$$

MARKET CAPITALIZATION OF SHARE STOCK

Number of shares x share price on 31 Dec.

FIVE YEARS IN FIGURES 2004–2000

		2004	%	2003	%	2002	%	2001	%	2000	%
Net sales	M€	465		460		486		478		484	
Operating profit/loss	M€	39	8.3	18	3.8	16	3.3	−19	−4.1	16	3.2
Profit/loss before extraordinary items	M€	36	7.7	14	3.0	9	1.8	−27	−5.6	12	2.4
Profit/loss before taxes	M€	36	7.7	14	3.0	9	1.8	−29	−6.0	8	1.7
Net profit/loss for the year	M€	20	4.4	11	2.3	2	0.5	−24	−5.0	5	1.0
Return on shareholders' equity (ROE)	%	13.2		6.9		2.0		−12.0		3.6	
Return on investment (ROI)	%	15.5		6.3		4.9		−5.1		5.3	
Equity ratio	%	49.8		49.0		41.3		37.0		48.7	
Gross capital expenditure	M€	14	3.0	21	4.6	15	3.1	94	19.7	37	7.7
Research and development costs	M€	3	0.6	3	0.7	4	0.7	11	2.4	9	1.9
Full-time personnel average		2 300		2 469		2 652		2 817		2 887	
Part-time staff		1 228		1 290		1 418		1 349		1 349	
Personnel on average, total		3 528		3 759		4 070		4 166		4 236	

PER SHARE DATA 2004–2000 *)

		2004		2003	2002	2001	2000
Earnings per share	€	0.32		0.17	0.04	−0.36	0.12
Shareholders' equity per share	€	2.39		2.65	2.56	2.57	3.18
Dividend per share	€	0.00	**)	0.62	0.06	0.05	0.10
Payout ratio	%	0.0	**)	362.3	156.3	−14.0	91.9
Effective divident yield, Series I	%	0.0	**)	9.3	1.3	1.1	2.2
Effective dividend yield, Series II	%	0.0	**)	8.6	1.3	1.3	2.1
P/E ratio, Series I		37.3		39.1	118.1	−13.1	41.5
P/E ratio, Series II		34.2		42.0	119.4	−11.2	43.7
Adjusted share prices, Series I							
Highest	€	12.70		7.37	5.62	6.25	16.25
Lowest	€	6.50		4.20	3.88	3.63	4.31
Average	€	8.54		6.39	4.89	4.97	10.62
On Dec. 31	€	11.95		6.75	4.72	4.70	4.75
Adjusted share prices, Series II							
Highest	€	12.00		7.75	5.81	6.12	17.50
Lowest	€	6.60		4.00	4.00	3.63	4.50
Average	€	8.32		6.04	4.86	4.81	10.30
On Dec. 31	€	10.95		7.25	4.77	4.00	5.00
A warrants							
Highest	€	27.00		9.60	5.00		
Lowest	€	4.75		1.70	2.50		
Average	€	16.28		6.18	3.55		
On Dec. 31	€	21.53		7.50	2.50		

PER SHARE DATA 2004–2000 (CONTINUED) *)

		2004	2003	2002	2001	2000
B warrants						
Highest	€	24.00	6.10			
Lowest	€	5.50	1.26			
Average	€	14.29	4.31			
On Dec. 31	€	18.52	4.31			
Market capitalization, Series I	M€	311.4	182.8	128.0	127.3	128.7
Market capitalization, Series II	M€	404.1	259.8	171.1	143.3	179.1
Market capitalization, total	M€	715.5	442.6	299.1	270.6	307.8
Turnover, Series I	x 1 000	1 988	3 116	136	2 756	3 812
Turnover, Series II	x 1 000	18 703	10 328	7 848	7 388	16 212
Turnover, total	x 1 000	20 692	13 444	7 984	10 144	20 024
Relative turnover, Series I.	%	7.5	11.5	0.5	10.2	14.1
Relative turnover, Series II.	%	51.5	28.8	21.9	20.6	45.2
Relative turnover, total	%	32.9	21.4	12.7	16.1	31.8
Turnover, A warrants	x 1 000	178	40	7		
Turnover, B warrants	x 1 000	128	9			
Turnover, total	x 1 000	306	49	7		
Adjusted average number of shares, Series I	x 1 000	26 647	27 086	27 086	27 086	27 086
Adjusted average number of shares, Series II	x 1 000	36 293	35 834	35 834	35 834	35 834
Adjusted average number of shares, total	x 1 000	62 940	62 920	62 920	62 920	62 920
Adjusted number of shares on 31 Dec., Series I	x 1 000	26 056	27 086	27 086	27 086	27 086
Adjusted number of shares on 31 Dec., Series II	x 1 000	36 905	35 834	35 834	35 834	35 834
Adjusted number of shares on 31 Dec., total	x 1 000	62 961	62 920	62 920	62 920	62 920

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

**) Board's proposal to the AGM

Shares and shareholders

SHARES AND SHARE CAPITAL
Aamulehti Corporation, listed on the Helsinki Exchanges, and MTV Corporation, which is unlisted, were merged by the pooling method into a new company called Alma Media Corporation on 1 April 1998. This meant that shareholders of both Aamulehti Corporation and MTV Corporation became shareholders of Alma Media Corporation. The shares of Alma Media Corporation have been quoted on the Main List of the HEX Helsinki Exchanges from 1 April 1998.

Alma Media Corporation has two share series. The Series I share carries one vote per share, and the Series II share one vote per ten shares, at general shareholders' meetings. In all other respects the two share series are identical. The shares have no nominal value.

The share capital is minimum € 17,000,000 and maximum € 68,000,000. Within these 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. The maximum number of Series I shares is 60,000,000 and the maximum number of Series II shares is 160,000,000.

The company's issued and registered share capital on the balance sheet date was € 26,473,048.73. The share capital comprises 26,056,004 Series I shares and 36,904,636 Series II shares. An increase in the share capital of € 16,987 was registered in 2004 as a result of new Series II shares subscribed for against 40,400 warrants.

The company's shares are registered in the book-entry securities system

AMENDMENTS TO ARTICLES OF ASSOCIATION IN 2004 APPLYING TO THE SHARES
Alma Media's Annual General Meeting on 8 March 2004 approved the Board of Directors' proposal that, to make trading easier and to improve the liquidity of the shares, the number of shares be increased in the ratio 1:4 without raising the share capital. At the same time the book countervalue of the shares would be reduced from € 1.68 to € 0.42 (not a precise figure) per share.

The AGM also approved the Board's proposal that, in order to improve the liquidity of the shares, shareholders be offered the possibility to convert their Series I shares into Series II shares. A total of 1,030,340 conversions of Series I shares into Series II shares were registered during the year.

LIQUIDITY PROVIDER CONTRACT
In the autumn Alma Media began to take several measures to improve the liquidity of its shares on the Helsinki Stock Exchange, examples of which were the decisions taken by the AGM in spring 2004. The company has in addition given greater emphasis to its investor relations activities and Alma Media Corporation was the first company on the Main List of the Helsinki Stock Exchange to enter into a Liquidity Provider Contract. This contract, signed in January 2004 between Alma Media and Conventum Securities Limited, guarantees bid and ask prices for the Alma Media shares with a maximum spread of 3% during 85% of the exchange's trading hours. Since November 2004 Alma Media's partner in this contract has been eQ Pankki Oy. The contract applies to minimum lots of 2,000 Series II shares. The aim of the contract is to encourage trading by private investors, to increase the liquidity of the share and to reduce the volatility of the share price. The company's own experience of the contract has been very positive.

DIVIDEND POLICY
Alma Media aims to be an attractive investment prospect, whose shareholders are satisfied both with growth in the value of their holdings and with regular dividend payments. The company has no predefined dividend policy. During the past five years the company has paid cumulatively altogether 374% of its earnings per share in dividend to shareholders.

OWNERSHIP STRUCTURE
The company had 3,877 shareholders in book-entry accounts on the balance sheet date. Altogether 13,569,674 shares were nominee-registered. Nominee-registered shares and shares held outside Finland represented 54.8% of the company's shares. Foreigners holding nominee-registered shares are entitled only to financial rights such as the right to receive dividends and to subscribe for shares. Shareholders who do not register their shares in their own name are not permitted to participate, or exercise the votes carried by their shares, in general shareholder meetings.

REDEMPTION OBLIGATION
Under the Articles of Association, a shareholder who owns 33 1/3 % or more of the total number of shares, or 50% or more of the total number of votes, shall be obliged, should the other shareholders so require, to redeem the shares and attached rights of the other shareholders.

INSIDER REGULATIONS
Alma Media Group has adopted the Guidelines for Insiders issued by the Helsinki Exchanges on 28 October 1999. Accordingly, insiders are not permitted to trade in Alma Media Corporation shares during a 'silent period' of 21 days prior to publication of the company's interim reports or financial statements bulletin. The same period applies to discussions with analysts. Alma Media Corporation's register of insiders is maintained by the company's legal counsel. A list of the company's permanent insiders and their shareholdings in the company is available on the company's website at www.almamedia.fi/insidersholdings.

BOARD'S AUTHORIZATIONS AND DECISIONS TO RAISE THE SHARE CAPITAL
The Annual General Meeting on 8 March 2004 approved the Board's proposal that the Board be authorized

- for a period of one year from the Annual General Meeting to decide on the issue of one or more convertible bonds in such a way that the maximum number of new Series II shares, whose par value is € 0.42, exchanged for convertible bonds shall amount to no more than 6,292,074, and that the company's share capital may not be increased by more than € 2,645,627.20, and on the terms and conditions decided by the Board, and
- to disapply the shareholders´ pre-emptive rights to subscribe for the convertible bonds provided that the company has important financial grounds for doing so, such as developing the company's financial or capital structure, financing of acquisitions or other development of the company's businesses. The Board of Directors may not deviate from the shareholders´ pre-emptive rights in the interests of the company's inner circle.

In 2004 the Board of Directors had no authorization to repurchase the company's shares in public trading.

BOND WITH WARRANTS TO PERSONNEL
As decided by the Annual General Meeting on 24 March 1999, the company offered bonds with warrants to personnel and Alma Media Corporation's wholly owned subsidiary Marcenter Oy, disapplying shareholders' pre-emptive subscription rights. The bond totalled 1,220,000 Finnish markka and the attached warrants may be exercised to subscribe for at most 610,000 Alma Media Corporation Series II shares. The bond was subscribed by 759 employees. Alma Media Corporation's subsidiary Marcenter Oy subscribed for warrants carrying subscription rights for 75,750 shares.

The bond was oversubscribed five-fold. The company's Board of Directors approved the final subscriptions.

After the EGM's decision to increase the number of shares in the ratio of 1:4 without raising the share capital, the conditions of the bond with warrants to personnel were changed so that each warrant can be used to subscribe for four shares instead of one. In all other respects the conditions of the bond remained unchanged.

The average quoted price of the Series II share in October 1999 used to calculate the share subscription price was € 20.58. The conditions of the bond stipulate that one half of the shares may be subscribed for on or after 28 May 2001 at a subscription price 12% above the average quoted price in October 1999, i.e. for € 23.05 per share at the time and € 5.76 per current share, and that half of the shares may be subscribed for on or after 28 May 2003 at a subscription price 28% above the aforementioned price, i.e. for € 26.34 per share at the time and € 6.59 per current share. Dividends payable will be deducted from the subscription prices before subscription. Before any dividend that may be paid in the financial year 2004, the A warrants may be used to subscribe for four Series II shares for altogether € 19.01, i.e. for € 4.75 per share, and the B warrants to subscribe for four Series II shares for altogether € 22.30, i.e. for € 5.58 per share.

The option rights for the A warrants were transferred to the book-entry securities system on 28 May 2001 and trading in these began on 29 May 2001. Trading in the option rights under the B warrants began on the Helsinki Exchanges on 28 May 2003.

During 2004, 40,400 warrants were registered as used to subscribe for Series II shares, which raised the share capital by € 16,987.

Furthermore, 460,232 new Series II shares were registered in the share capital in January 2005 following the exercise of warrants between 2 October and 31 December 2004. These new shares also carry dividend rights for 2004.

If all the A and B warrants outstanding were exercised, this would result in the subscription of 1,939,368 new Alma Media Corporation Series II shares, representing at most 3.06% of the total number of shares and 0.65% of the votes carried by these shares.

MANAGEMENT HOLDINGS

On 31 December 2004 the members of the Board of Directors and the President and CEO held altogether 116,048 Series I shares and altogether 28,732 Series II shares, entitling them to 0.4% of the total voting rights. Furthermore, the President and CEO owned altogether 15,000 A warrants and 25,000 B warrants under the 1999 bond with warrants to company employees. The warrants carry rights to subscribe for altogether 160,000 Alma Media Series II shares. Management holdings are shown in more detail on page 50–52.

SHARE TAXATION VALUE

The Finnish taxation values of the Alma Media Corporation shares confirmed for 2004 were € 7.93 for each Series I share, € 7.70 for each Series II share, € 15.05 for each Alma Media A warrant and € 11.20 for each Alma Media B warrant. The Board of Taxation has calculated a fair value of € 21.50 for the Alma Media A warrant and € 16.00 for the Alma Media B warrant.

SHAREHOLDER AGREEMENTS

The company has no knowledge of any agreements relating to the ownership of its shares or exercising of its voting rights. Hence all the company's shares are available for public trading.

TRADING CODES

Alma Media Corporation's share series are traded under the codes ALM1V and ALM2V on the Helsinki Exchanges. The share performance can be followed on Bloomberg, Reuters, Bridge and Startel with the following codes:

	Series I	Series II
Bloomberg	ALM1V FH	ALM2V FH
Reuters	ALM1V.HE	ALM2V.HE
Bridge	FI;ALM.A	FI;ALM.B
Startel	ALM1V	ALM2V

The shares are traded in lots of 50.

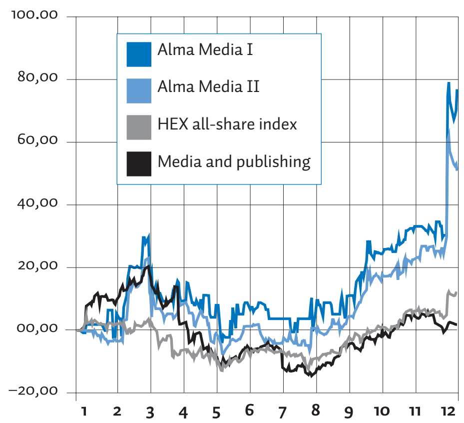
The trading code for the A warrants is ALM2VEW199 and for the B warrants is ALM2VEW299. The warrants are traded in lots of 100.

Alma Media Corporation's stock exchange bulletins for the current and previous financial years are available on the company's website, http://www.almamedia.fi/releases.

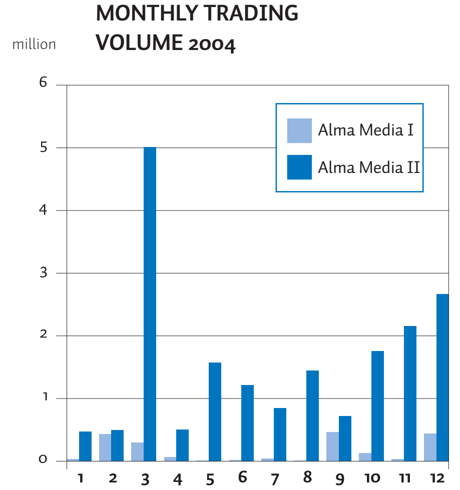
SHARE PERFORMANCE AND TRADING

The Alma Media share price rose approximately 50% in value during the year. The increase was particularly strong at the very end of the year when the Norwegian media corporation Schibsted ASA announced its intention to make a public bid for all the Alma Media shares. The HEX all-share index showed almost no change during the year but Alma Media's own industry index, communications, was slightly higher at the end of the year than at the beginning. Altogether 1,985,000 Series I shares, representing 7.5% of the total, and 17,488,000 Series II shares, 47.8% of the total, were traded on the Helsinki Exchanges. Altogether 178,000 A warrants and 128,000 B warrants were traded on the Helsinki Exchanges.

SHARE PERFORMANCE 1 JAN. –31 DEC.2004



MONTHLY TRADING VOLUME 2004



20 PRINCIPAL SHAREHOLDERS 31 DEC. 2004

	Series I	Series II	Total	% of shares	% of votes
1. Bonnier & Bonnier AB	8 687 704	12 074 792	20 762 496	33.0	33.3
2. Sampo Life Insurance Company Ltd	2 548 784	330 788	2 879 572	4.6	8.7
3. Suomi Mutual Life Assurance Company	1 892 928	0	1 892 928	3.0	6.4
4. Varma Mutual Pension Insurance Company	1 544 784	1 572 860	3 117 644	5.0	5.7
5. Kaleva Mutual Insurance Company	1 572 788		1 572 788	2.5	5.3
6. Pohjola Non-Life Insurance Company Ltd	1 536 000	0	1 536 000	2.4	5.2
7. C.V. Åkerlund Fund	1 146 900	61 712	1 208 612	1.9	3.9
8. Ilmarinen Mutual Pension Insurance Company	997 648	856 796	1 854 444	2.9	3.6
9. Confederation of Finnish Industries EK	604 828	16 096	620 924	1.0	2.0
10. Federation of Finnish Textile and Clothing Industries	511 200	896	512 096	0.8	1.7
11. Nordea Life Assurance Finland Ltd	215 000	672 150	887 150	1.4	0.9
12. Heikki Häkkinen's estate	220 044	1 948	221 992	0.4	0.7
13. Sampo Finance Ltd	200 000	0	200 000	0.3	0.7
14. Veera Heleena Häkkinen's estate	197 116	988	198 104	0.3	0.7
15. Finnish Cultural Foundation	144 000	120 000	264 000	0.4	0.5
16. Tampere Tuberculosis Foundation	131 600	10 000	141 600	0.2	0.4
17. Häkkinen Matti	116 048	3 020	119 068	0.2	0.4
18. Osonen Kaarina	111 164	0	111 164	0.2	0.4
19. Laakkonen Reino	110 276	0	110 276	0.2	0.4
20. Aro-Yhtymä Oy	95 464	125 604	221 068	0.4	0.4
Total	22 584 276	15 847 650	38 431 926	61.1	81.3
Nominee-registered	429 178	13 140 496	13 569 674	21.6	5.9
Others	3 042 550	7 916 490	10 959 040	17.3	12.8
Total	26 056 004	36 904 636	62 960 640	100.0	100.0
Members of the Board of Directors and the President	116 048	28 732	144 780	0 2	0 4

OWNERSHIP STRUCTURE 31 DEC. 2004

	Number of owners	Proportion %	Number of shares	% of shares
Private corporations	273	7.0	1 490 880	2.4
Public corporations	3	0.1	380 400	0.6
Financial and insurance institutions	38	1.0	11 586 077	18.4
Public entries	18	0.5	7 084 882	11.2
Non-profit organizations	107	2.8	3 271 177	5.2
Households	3 408	87.9	4 583 132	7.3
Foreign owners	21	0.5	20 894 970	33.2
Nominee-registered shares	9	0.2	13 569 674	21.6
In general account			99 448	0.1
Total	3 877	100.0	62 960 640	100.0

DISTRIBUTION OF OWNERSHIP 31 DEC. 2004

Number of shares	Number of owners	Proportion %	Number of shares	% of shares
1–100	947	24.4	38 917	0.1
101–1 000	1 917	49.4	827 132	1.3
1 001–10 000	863	22.3	2 437 051	3.9
10 001–100 000	114	2.9	3 154 999	5.0
100 001–1 000 000	26	0.7	8 518 314	13.5
1 000 001–	10	0.3	47 884 779	76.1
In general account			99 448	0.1
Total	3 877	100.0	62 960 640	100.0

Proposal of the Board of Directors

On 31 December 2004 the Group's non-restricted shareholders' equity totalled € 71,123,351.84, which included distributable funds amounting to € 63,123,975.19.

The Parent Company's non-restricted equity totalled € 68,526,163.05. There were 63,420,872 shares carrying divided rights.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed.

Helsinki , 10 February 2005

Bengt Braun

Lauri Helve Matti Häkkinen Matti Kavetvuo

Jonas Nyrén Kari Stadigh

Juho Lipsanen
President and CEO

To the shareholders of Alma Media Corporation

We have audited the accounting records, the financial statements and the administration of Alma Media Corporation for the year 2004. The financial statements, which include the report by the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on the parent company's administration.

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

In our opinion the financial statements have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position. The 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. The proposal made by the Board of Directors on how to deal with the result for the financial period is in compliance with the Companies Act.

Helsinki, 11 February 2005

KPMG Oy Ab

Mauri Palvi
Authorized Public Accountant

Kai Salli
Authorized Public Accountant

Information for Shareholders

ANNUAL GENERAL MEETING

The Annual General Meeting of Alma Media Corporation will be held on Tuesday, 8 March 2004, commencing at 1.00 pm, at the Savoy Theatre, Kasarmikatu 46-48, Helsinki. The Meeting will consider the matters stipulated in Article 12 of the Articles of Association and in the invitation to the Meeting. The invitation will be published for the last time in Aamulehti on 27 February, and in Kauppalehti and Iltalehti on 1 March.

Documents relating to the annual accounts and the proposals of the Board of Directors will be on display at the Company's head office, Eteläesplanadi 14, Helsinki for one week before the Meeting.

In order to attend the Annual General Meeting, shareholders must be registered no later than on 25 February 2004 in the Company's shareholder register maintained by the Finnish Central Securities Depository Ltd.

Shareholders wishing to attend must notify the Company no later than by 14.00 noon (Finnish time) on 3 March 2005 either in writing to Alma Media Corporation, Ms Kati Kareinen, P.O. Box 140, FIN-00101 Helsinki; by phone to +358-9-507 8731 or +358-9-507 8776; by telefax to +358-9-507 8774; or by e-mail: kati.kareinen@almamedia.fi.

Powers-of-attorney should arrive at the above address before the period of notification expires.

PAYMENT OF DIVIDENDS

Alma Media Corporation's Board of Directors proposes that no dividend be distributed on 2004.

FINANCIAL INFORMATION

Alma Media will publish three interim reports in Finnish and English during 2005:

Three-month interim report on 29 April 2005
Six-month interim report on 12 August 2005
Nine-month interim report on 28 October 2005

All stock exchange bulletins and press releases issued by Alma Media Corporation are also available on its website at http://www.almamedia.fi/releases. Alma Media's stock exchange bulletins can also be received in electronic format free of charge by completing the order form at http://www.almamedia.fi/orders. The press releases are sent to the subscriber's e-mail address, and headlines to subscribers' mobile phones, in Finnish or English as requested. Alma Media's interim reports are not printed.

Alma Media's Web pages also contain all financial information on the company's interim and annual financial statements for investors and shareholders.

To order the annual report in English, please contact: corporate.comms@almamedia.fi or http://www.almamedia.fi/orders or in writing to : Alma Media Corporation, Corporation Communications, P.O. Box 140, FIN-00101 Helsinki, Finland

SHARES AND WARRANTS AT 31 DECEMBER 2004

	Series I shares	**Series II shares**
Exchange	OMX Helsinki	OMX Helsinki
List	Main list	Main list
Business sector	Media and Publishing	Media and Publishing
Listed since	1 April 1998	1 April 1998
Share lot (pcs)	50	50
Trading code	ALM1V	ALM2V
ISIN code	FI0009007017	FI0009007025
Number of shares (pcs)	26,056,004	36,904,636
Voting power	1 vote/share	1 vote/each commencing 10 shares
Total number of shares (I+II)	62,960,640	62,960,640

	A warrants	**B warrants**
Exchange	OMX Helsinki	OMX Helsinki
List	Main list	Main list
Trading code	ALM2VEW199	ALM2VEW299
Listed since	29 May 2001	28 May 2003
ISIN code	FI0009602924	FI0009602932
Share lot (pcs)	100	100

Alma Media's share was split 1:4 on 5 April 2004.

SHARE REGISTER

Shareholders are kindly requested to forward any changes to their names, addresses or holdings direct to the register that is the custodian of their book-entry account.

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Alma Media's Annual Report 2004

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