

ALMA

Alma Media Corporation Financial Statements Bulletin

1 Jan - 31 Dec 2008

13 Feb 2009

Alma Media Corporation Stock Exchange Release February 13, 2009 at 09:00am

ALMA MEDIA GROUP'S FINANCIAL STATEMENTS BULLETIN 2008:

- Net sales increased, operating profit weakened

Financial year 2008 in brief (2007 figures in brackets):

- Net sales MEUR 341.2 (328.9), up 3.7%
- Operating profit MEUR 48.3 (64.4), 14.2% (19.6%) of net sales, operating profit excluding one-time items MEUR 47.7 (52.9)
- Profit before tax MEUR 52.4 (68.0), profit before tax excluding one-time items MEUR 49.9 (56.5)
- Earnings per share EUR 0.51 (0.68)

Dividend proposal for the Annual General Meeting:

- Alma Media Corporation's Board of Directors will propose to the Annual General Meeting on March 11, 2009 that a dividend of EUR 0.30 (0.90) per share be paid for the 2008 financial year.
- The Board of Directors will also propose that the Annual General Meeting, according to Chapter 13, Section 6, Paragraph 2 of the Finnish Companies Act, authorise the Board to decide upon an additional dividend of no more than EUR 0.20 per share.

Outlook for 2009:

- Alma Media expects its comparable net sales and operating profit to decline from the 2008 figures due to a decrease in media advertising.

Mr Kai Telanne, President and CEO:

"Alma Media's year 2008 began better than we could ever have expected but ended weaker than estimated due to the rapid slowdown of general economic growth. Our net sales increased, but the operating profit fell short of the targeted 2007 level.

For our newspapers, the entire year was good, as shown by the 17.5-% operating profit level for the segment in 2008. The end of the year, however, was poor, because after a good October the media sales of most newspapers dropped significantly in November and December. Net sales of the Kauppaliehti Group grew well, and the operating profit improved. The otherwise good year of Marketplaces was spoiled by the steep decline of media sales in the last quarter. Recruitment and home sale advertising turned down at the same time as our investments in development projects remained high.

Alma Media's online business grew by a good 24.6% in 2008. Through our services, we increased our market share for example in home and recruitment advertising and other online advertising. At the end of the year, online business accounted for 13.1% (10.9%) of our net sales, and its operating profit was clearly positive.

On average, the circulation figures of Alma Media's regional and local newspapers remained unchanged. Kauppaliehti's circulation grew to a new record level. The single-copy sales of Iltalehti decreased along with the decline in the afternoon paper market. Subscription price increases, made to counter the general increase in costs, boosted our circulation net sales.

The steep drop in the advertising market that began at the end of 2008 has continued during January-February. Consequently, we are taking measures to achieve significant cost savings in Alma Media."

For further information, please contact:

Mr Kai Telanne, President and CEO, tel. +358 10 665 3500
Mr Tuomas Itkonen, CFO, tel. +358 10 665 2244

Distribution:

NASDAQ OMX Helsinki
Principal media

Alma Media Group: Financial Statements Bulletin January 1–December 31, 2008

The descriptive part of this review focuses on the annual financial statements. The comparisons according to the International Financial Reporting Standards (IFRS) refer to the figures from the corresponding period in 2007 unless otherwise stated. The figures in the tables are independently rounded.

Changes in Group structure in 2008

Alma Media purchased the entire stock of Jadecon Oy on February 20, 2008. The purchased company's business includes the online TV listing service Telkku.com. In addition, the corporation acquired the entire stock of Vuodatus.net Oy on October 1, 2008. Both of these companies are reported under the Newspapers segment as part of Iltalehti.

Suomen Paikallissanomat Oy acquired the business of Rannikkoseudun Sanomat, publisher of the Rannikkoseutu newspaper, on September 1, 2008, as well as the business of Janakkalan Sanomat, a local newspaper, on December 31, 2008. The local newspaper Kurun Sanomat was sold on December 31, 2008.

Internal structural changes were implemented through the following mergers: Alma Media Palvelut Oy, subsidiary of Alma Media Corporation, was merged with Alma Media Corporation on November 30, 2008. The subsidiaries Kainuun Sanomat Oy and Pohjolan Sanomat Oy merged with Lapin Kansa Oy on October 31, 2008, and the company name was changed into Pohjois-Suomen Media Oy.

Consolidated net sales and result October–December 2008

Consolidated net sales in October–December 2008 totalled MEUR 86.6 (85.5). Operating profit amounted to MEUR 9.5 (20.6). The comparable operating profit of the fourth quarter was 9.5 (11.7) MEUR, falling 19%. The operating margin was 10.9% (24.1%). The operating profit of the comparison period includes a one-time capital gain of MEUR 8.9.

Net sales for the Newspapers segment amounted to MEUR 61.1 (59.3). Net sales for the segment's media sales grew by 5.5%. Satakunnan Kansa, Lapin Kansa and Suomen Paikallissanomat, the local papers company, increased their media sales supported by advertising income from municipal elections. The media sales of other regional papers and Iltalehti declined in November–December, which weakened the growth for the entire last quarter. Online sales developed well, especially for Iltalehti. The circulation net sales of Newspapers increased due to price increases. The circulation net sales for Iltalehti decreased in the last quarter due to a general decline in the afternoon paper market. Operating profit for Newspapers was MEUR 10.5 (9.4).

The Kauppalehti Group's net sales were MEUR 19.0 (19.1). Media sales for the segment, taking into account the 2007 net sales of Presso, remained at the same level as in the comparison period. Sales of Kauppalehti's online business grew as planned. Circulation sales were up 5%. The operating profit of the Kauppalehti Group was MEUR 2.0 (2.2). The operating profit of Kauppalehti Oy remained at the level of the comparison period.

Net sales for the Marketplaces segment were MEUR 7.5 (8.0). Marketplaces recorded an operating loss of MEUR 1.0 (operating profit MEUR 1.2). The declining net sales and the operating loss were attributable to a sharp drop in the Baltic home sale market as well as the rapid shrinking of home and recruitment advertising in Finland in November–December. The financial result of Marketplaces was burdened by the continuing investments in new business operations. In Finland, the net sales of the Etuovi.com online service continued to rise by more than 20%. Autotalli.com also fared well.

Consolidated net sales and result 2008

Alma Media Group's net sales in 2008 totalled MEUR 341.2 (328.9). Favorably developed media sales in newspapers and online services, with the exception of the last few months of the year, were

the main factor in increasing net sales. Online net sales grew by 24.6% during the year, being MEUR 44.7 (35.9). Online sales accounted for 13.1% (10.9%) of consolidated net sales.

The consolidated operating profit declined from the previous year to MEUR 48.3 (64.4). The operating margin was 14.2% (19.6%). The operating profit for 2008 includes a one-time capital gain of MEUR 0.6 from the sale of property. The operating profit for the comparison period included capital gains totalling MEUR 11.5.

Operating profit for the financial period, excluding one-time items, was MEUR 47.7 (52.9). Operating margin excluding one-time items was 14.0% (16.1%).

Profit before taxes for the financial period was MEUR 52.4 (68.0), including one-time items totalling MEUR 2.5 (11.5). The one-time items consist of capital gains from sales of property and the shares of AP-Paino Oy.

The increase in consolidated net sales was in line with the management's forecasts earlier in the year. Comparable operating profit fell short of the original estimate. In November, the company issued a profit warning due to the unexpectedly rapid change in the media sales market. The slowdown in the growth of media sales, which eventually turned into negative sales, as well as the investments in the development of the online business brought the operating profit below the previous year's level.

Reviews of the 2008 key figures for the segments are given starting on page 6.

Outlook for 2009

Uncertainty in the Finnish media market is exceptionally high at the start of the year 2009.

Alma Media forecasts a drop in the single-copy sales of afternoon papers in line with the developments in 2008. The circulation of Kauppalehti is expected to stay at the 2008 level. No major changes are estimated in the circulations of regional and local papers. Alma Media expects the newspaper advertising market to decline in 2009 as well as slower growth for online advertising. The steep drop in the advertising market that began at the end of 2008 has continued during January-February.

Alma Media expects a decrease in its comparable net sales and operating profit from the figures in 2008 due to the decline in media advertising.

Market conditions

The growth of the Finnish national economy stopped at the end of 2008. According to economic forecasts, the Finnish national economy will shrink during the spring of 2009. The gross national product is forecasted to decline by 0.8–3.7% during 2009.

According to data collected by TNS Media Intelligence, the total media advertising spending in Finland in 2008 was MEUR 1,203, down 0.1%. Of the total spending, newspapers accounted for 45.8% (spending decreased by 2.8% from the previous year) and television for 17.8% (spending increased by 2.3%). The share of online advertising grew to 10.1%, but the growth in its market share was largely attributable to the changes in the research methods. Comparable growth for online advertising was 22.2% in 2008.

During the last quarter, total advertising declined by 5.8%, according to TNS Media Intelligence. In December 2008, media advertising decreased 13.0% compared to the previous year. Newspaper advertising declined 7.5% in the last quarter and 15.4% in December. Online advertising grew by 15.1% in the last quarter and 3% in December.

Newspapers

Key figures, MEUR	2008	2007	2008	2007
	10-12	10-12	1-12	1-12
Net sales	61.1	59.3	236.7	230.6
Circulation sales	27.1	26.9	108.6	106.9
Media advertising sales	31.3	29.6	117.7	112.6
Printing sales	1.1	1.2	4.3	5.4
Other sales	1.6	1.5	6.1	5.7
Operating profit	10.5	9.4	41.5	42.8
Operating margin, %	17.2	15.8	17.5	18.5
Gross capital expenditure	1.3	1.2	9.4	6.0
Average no. of personnel, calculated as full-time employees. excl. delivery staff	1,169	1,167	1,197	1,218
Average no. of delivery staff	910	909	968	962

The Newspapers segment reports the publishing activities of 35 newspapers. The largest of these are Aamulehti and Iltalehti.

The Newspapers segment's net sales in 2008 increased 2.7% from the previous year to MEUR 236.7. During the year, the quarterly growth rates of the newspapers' net sales experienced significant fluctuation. The media sales of the Alma Media newspapers increased more than market growth in 2008. As expected, the municipal elections in October refreshed advertising sales. In November–December, the media sales of most newspapers started to decline. Especially Aamulehti and Iltalehti, whose media sales had developed well in the earlier months of the year, suffered from the decline towards the end of the year. The development of advertising sales in the online media was particularly favourable in Satakunnan Kansa and Iltalehti. The share of Iltalehti.fi in the entire media sales of Iltalehti rose to about one-third.

Circulation net sales for the newspapers grew, thanks to price increases. For regional and local newspapers, circulation development continued neutral or slightly declining. The circulation of Iltalehti decreased 6%, while the entire afternoon paper market dropped by 8.2%. Iltalehti increased its market share by half a percentage point to 42.9%.

The regional and local newspapers of Alma Media gradually deployed a common online service platform before the municipal elections in the autumn. At the end of the year, Iltalehti's online service Iltalehti.fi was Finland's largest online medium with its approximately 1.6 million unique visitors a week.

The full-year operating profit for the Newspapers segment declined to MEUR 41.5 (42.8).

Kauppalehti Group

Key figures, MEUR	2008	2007	2008	2007
	10-12	10-12	1-12	1-12
Net sales	19.0	19.1	73.5	70.1
Circulation sales	6.5	6.3	24.8	24.4
Media advertising sales	5.9	6.5	22.2	21.5
Other sales	6.6	6.4	26.4	24.3
Operating profit	2.0	2.2	9.7	7.6
Operating margin, %	10.7	11.7	13.2	10.8
Gross capital expenditure	0.3	0.4	1.4	1.1
Average no. of personnel, calculated as full-time employees	494	498	499	527

The Kauppalehti Group specialises in producing business and financial information. Its best known title is Finland's leading business newspaper Kauppalehti. The Group also includes Lehdentekijät (contract publishing), Kauppalehti 121 (direct marketing) and the BNS news agency operating in the Baltic countries.

The net sales of the Kauppalehti Group grew by 4.8% in 2008 to MEUR 73.5. The growth was fuelled in particular by Kauppalehti's exceptional success: its circulation sales increased 9% during the year and media sales increased 15%. The general market conditions also slowed down the growth of Kauppalehti's media sales towards the end of the year. Net sales of Kauppalehti's online services retained a good growth rate throughout the year. Kauppalehti's largest subsidiary, Lehdentekijät Oy, faced tight competition throughout the year.

Kauppalehti's circulation reached the record level of 86,577 copies in the circulation audit performed in August 2008. The number of visitors to Kauppalehti.fi grew by approximately 200,000 during the year, finishing at more than 500,000.

The full-year operating profit of the Kauppalehti Group improved by MEUR 2.1 to MEUR 9.7.

Marketplaces

Key figures, MEUR	2008 10-12	2007 10-12	2008 1-12	2007 1-12
Net sales	7.5	8.0	34.3	30.9
Operations in Finland	6.0	6.5	28.0	25.2
Operations outside Finland	1.5	1.5	6.3	5.7
Operating profit	-1.0	1.2	2.0	5.3
Operating margin, %	-13.0	15.0	5.9	17.3
Gross capital expenditure	0.9	1.6	2.1	2.8
Average no. of personnel, calculated as full-time employees	234	176	216	158

The Marketplaces segment reports Alma Media's classified services, which are produced on the internet and supported by printed products. The services in Finland are Etuovi.com, Monster.fi, Autotalli.com, Mascus.fi and Mikko.fi. The services outside Finland are City24, Motors24, Mascus and Bovision.

With its decision of October 16, 2008, the District Court of Helsinki dismissed all claims against Alma Media's use of the Etuovi.com trademark. Among other things, the district court decision confirmed Alma Media's right to use the trademark "ETUOVI.COM" for online home and real estate business and a special newspaper focusing on real estate sales. The case will continue in the Court of Appeal of Helsinki.

Net sales for Marketplaces grew 11.2% in 2008. In January–September, net sales grew by more than 17%. The slowdown in the growth of home advertising that began in Finland and the Baltic countries in early autumn, as well as the sharp drop in recruitment advertising in Finland from November turned the growth trend negative during the last quarter of the year.

The full-year operating profit for Marketplaces declined from MEUR 5.3 to MEUR 2.0.

Associated companies

Share of associated companies' results, MEUR	2008 10-12	2007 10-12	2008 1-12	2007 1-12
Newspapers	0.0	0.0	0.1	0.1
Kauppalehti Group				
Talentum Oyj	0.6	1.3	1.6	2.6
Other associated companies	0.0	0.0	0.0	0.0
Marketplaces				
Other operations	1.8	0.0	1.8	0.1
Acta Print Kivenlahti Oy	0.2	0.0	0.9	0.7
Other associated companies	2.6	1.4	4.5	3.5

Alma Media Group holds a 29.9% stake in Talentum Oyj, reported under the Kauppalehti Group. Talentum's own shares in possession of Talentum are here included in the total number of shares. In the consolidated financial statements of Alma Media, the ownership in Talentum is combined in a way that does not take Talentum's own shares into account in the total number of shares. The figure used in Alma Media's consolidated financial statements of December 31, 2008 is 30.3%.

Alma Media Group divested its holding in AP-Paino Oy in December 2008. The sale brought a profit of MEUR 1.8.

Balance sheet and financial position

The consolidated balance sheet at the end of December 2008 stood at MEUR 166.9 (181.3). The equity ratio at the end of December was 57.2% (69.8%) and equity per share was EUR 1.18 (1.58).

The consolidated cash flow before financing was MEUR 45.8 (49.1). At the end of December the net debt totalled MEUR 5.8 (-17.9).

Alma Media Group has a current MEUR 100 commercial paper programme in Finland. In March, the corporation issued papers to the total amount of MEUR 35. The unused part of the programme was MEUR 87.0 on December 31, 2008.

The Group's interest-bearing debt is denominated in euros and therefore does not require hedging against exchange rate differences. The most significant purchasing contracts denominated in foreign currency are hedged.

Research and development costs

Research and development costs in 2008 amounted to MEUR 2.7 (3.7). Of this total, MEUR 2.3 (2.8) were capitalised and MEUR 0.3 (0.8) expensed. Most of the R&D development projects pertained to the development of online business.

Capital expenditure

Gross capital expenditure in 2008 totalled MEUR 14.5 (12.1), consisting mainly of acquisitions of business operations and development projects for online media. The rest of the capital expenditure was related to normal operational and maintenance investments.

Events after the financial period

Lehdentekijät Oy, part of Alma Media Group, has begun statutory personnel negotiations affecting all employees in January 2009. The subject of the negotiations is the plan to reorganise the company's operations and to clarify its cost structure. The planned changes would lead to the reduction of maximum nine employees.

The publishing company Iltalehti Oy, part of Alma Media Group, has started statutory personnel negotiations concerning all employees. The planned objective for the negotiations is the extensive

reorganisation of operations. The purpose of the negotiations is to examine the future of the various services within Iltalehti and to identify measures that take the changes in media consumption into account. The maximum need for resource reductions is planned to be 30 person years. The objective for the negotiations is to find ways to implement the reduction without lay-offs.

Oy Herttaässä Ab, a shareholder of Alma Media Corporation, has in a letter dated December 18, 2008 and received by the Board of Directors on December 21, 2008 presented a request to convene an extraordinary general meeting of shareholders to consider and decide on the composition of the Board of Directors, repurchasing the company's own shares and company restructuring. On January 18, 2009 the Board of Directors of Alma Media Corporation decided to convene an ordinary general meeting of shareholders, the notice of which also includes the proposals by the shareholder Oy Herttaässä Ab. The ordinary general meeting will be arranged on March 11, 2009.

Administration

Alma Media Corporation's Annual General Meeting on March 12, 2008 elected the following persons to the Board of Directors: Lauri Helve, Matti Kavetvuo, Kai Seikku, Kari Stadigh, Harri Suutari, Ahti Vilppula and Erkki Solja.

At its constitutive meeting held after the annual general meeting, the Board elected Kari Stadigh its chairman and Matti Kavetvuo its deputy chairman. The Board also elected the members of its committees. Kai Seikku, Erkki Solja and Harri Suutari were elected members of the Audit Committee. According to the charter of the Board of Directors, Kari Stadigh, chairman of the Board, and Matti Kavetvuo, deputy chairman of the Board, will continue as members of the Nomination and Compensation Committee. Ahti Vilppula resigned from the Board of Directors on June 6, 2008.

The Annual General Meeting appointed Ernst&Young Oy as the company's auditors.

As stated in the notice to the annual general meeting dated January 18, 2009, the Board of Directors proposes that the number of board members would be eight and that Ms Catharina Stackelberg-Hammarén, CEO, and Mr Seppo Paatelainen, be elected new members in addition to the present members of the Board.

Mr Mikko Korttila, General Counsel of Alma Media Corporation, was appointed member of the Group Executive Team from June 1, 2008.

Mr Tuomas Itkonen started as Chief Financial Officer of Alma Media Corporation and a member of the Group Executive Team on October 1, 2008.

Risks and risk management

The purpose of Alma Media's risk management activities is to continuously evaluate and manage all opportunities, threats and risks in conjunction with the company's operations to enable the company to reach its set objectives and to secure business continuity.

The risk management process identifies the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance. Written limits and processing methods are set for quantitative and qualitative risks by the corporate risk management system.

The most important strategic risks for Alma Media are a significant drop in the readership of its newspapers and a decline in media sales. Fluctuating economic cycles are reflected on the development of media sales, which accounts for approximately half of the Group's net sales. Developing businesses outside Finland, such as in the Baltic countries and other East European countries, include country-specific risks related to the development of the market and economic growth.

In the long term, the media business will undergo changes along with the shift in media consumption and technological developments. Alma Media's strategic objective is to meet this challenge through renewal and the development of new business operations, particularly in online media.

The most important operational risks are disturbances in information technology systems and telecommunication, and an interruption of printing operations.

Personnel

During 2008, the average number of Alma Media employees, calculated as full-time employees (excluding distributors), was 1,981 (1,971). The average number of distribution staff totalled 968 (962). During the year, the number of personnel grew proportionately most at Marketplaces.

The Alma Media share

During January-December 2008, a total of 65.8 million Alma Media shares were traded on the NASDAQ OMX Helsinki Stock Exchange, representing 88.2% of the total number of shares. The closing price for the share on December 31, 2008 was EUR 4.95. During the year the lowest price paid for the share was EUR 4.38 and the highest EUR 11.70. The company's market capitalization at the end of December was MEUR 369.3.

In March 2008 Alma Media paid a dividend of EUR 0.90 a share, in total MEUR 67.2.

The company does not own any of its own shares and does not have a current authorisation to purchase its own shares on the market.

Option rights

The Annual General Meeting on March 8, 2006, disapplying the pre-emptive subscription right of the shareholders, approved a three-stage option programme (option rights 2006A, 2006B and 2006C) as an incentive and commitment system for the managements of Alma Media Corporation and its subsidiaries. Altogether 1,920,000 stock options may be granted in three lots of 640,000 each, and these may be exercised to subscribe for a maximum of 1,920,000 Alma Media shares.

So far 515,000 of the 2006A options have been issued to corporate management. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 440,000 2006A options. In 2007 and 2008, the Alma Media's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. The options in the 2006A programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 10, 2008.

The Board of Directors of Alma Media Corporation decided in 2007 to issue 515,000 options under the 2006B programme to corporate management. A total of 40,000 2006B options have been returned to the company and are now in possession of the company. The corporate management possesses 475,000 B options. In 2008, the Board decided to annul 125,000 2006B options.

The Board of Directors of Alma Media Corporation decided in 2008 to issue 520,000 options under the 2006C programme to corporate management. A total of 40,000 2006C options have been returned to the company and are now in possession of the company. The corporate management possesses 480,000 2006C options.

If all the subscription rights are exercised, this programme will dilute the holdings of the earlier shareholders by 2.1%.

The share subscription periods and prices under the scheme are:

2006A: April 1, 2008-April 30, 2010, average trade-weighted price April 1-May 31, 2006

2006B: April 1, 2009-April 30, 2011, average trade-weighted price April 1-May 31, 2007

2006C: April 1, 2010-April 30, 2012, average trade-weighted price April 1-May 31, 2008

The subscription price of shares that may be subscribed under these stock option rights will be reduced by the amount of dividends and capital repayments decided after the start of the period determining the subscription price and before the subscription of shares, on the settlement date for each dividend payment or capital repayment. The share subscription price under the 2006A option was EUR 5.58 per share, the subscription price under the 2006B option was EUR 8.95 and the subscription price under the 2006C option was EUR 9.06 correspondingly.

The Board of Directors has no other current authorisations to raise convertible loans and/or to raise the share capital through a new issue.

Market liquidity guarantee

Alma Media Corporation and eQ Pankki Oy have made a liquidity providing contract under which eQ Pankki 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 a minimum of 2,000 shares.

Flagging notices

During 2008 the company received the following notices concerning changes in shareholdings under chapter 2, section 9 of the Securities Market Act:

June 23, 2008: The holding of Danske Bank A/S Helsinki Branch in Alma Media voting rights and share capital has reached 16%. Additionally, Danske Bank A/S Helsinki Branch announces that it has made forward contracts maturing in March 2009. Provided that these forward contracts materialise, the ownership of Danske Bank A/S Helsinki Branch will fall below 15%.

June 10, 2008: Contrary to its earlier notification, the holding of Danske Bank A/S Helsinki Branch in Alma Media Corporation has not decreased below 1/20 but will reach 1/10 on June 20, 2008. Additionally, Danske Bank A/S Helsinki Branch has made forward contracts maturing in June 2008 and March 2009. Provided that these forward contracts materialise, the ownership of Danske Bank A/S Helsinki Branch in Alma Media Corporation will be at least 1/10.

June 6, 2008: Oy Herttaässä Ab, a company controlled by Kai Mäkelä, has acquired 50,000 forward contracts related to Alma Media's shares from Helsingin Mekaanikontalo Oy.

March 26, 2008: Helsingin Mekaanikontalo Oy announced it has received a one-sided agreement whereby Kai Mäkelä or issued purchases 5,000,000 forward contracts related to Alma Media's shares from Helsingin Mekaanikontalo Oy. If the agreement materialises, Helsingin Mekaanikontalo Oy's (potential) shareholding in Alma Media would fall below 1/20.

March 14, 2008: Helsingin Mekaanikontalo Oy announced it had sold forward contracts related to Alma Media's shares, and the company holds 50,000 forward contracts that mature in March 2008. If these forward contracts materialise, the shareholding of Helsingin Mekaanikontalo Oy in Alma Media would fall to 6.70%.

March 14, 2008: Nordea Group's ownership in Alma Media Corporation fell to 2.17% as a result of share transactions.

March 14, 2008: Ilkka Yhtymä Oyj announced that its holding in Alma Media Corporation has exceeded 1/10.

March 3, 2008: The total holding of Nordea Bank Suomi Oyj and the Nordea Group in Alma Media has fallen under 1/10 as a result of share transactions.

February 29, 2008: Helsingin Mekaanikontalo Oy informed that the forward contracts held by it have been extended, and at the time of flagging, the company held 95,565 forward contracts. If these forward contracts materialise, Helsingin Mekaanikontalo Oy would hold 12.81% of Alma Media shares. If the forward contracts materialise, Procomex SA, Helsingin Mekaanikontalo Oy and Ahti Vilppula will together hold 12.84% of Alma Media shares.

February 28, 2008: Danske Bank A/S Helsinki Branch announced that its holding in Alma Media has reached 1/20 (6.41%) due to share transactions.

February 18, 2008: Nordea Bank AB (publ) announced that its holding in Alma Media has not changed according to the announcement on January 21, 2008. According to the announcement, the total holding of Nordea Group has fallen below 3/20 (13.35%).

January 21, 2008: Oy Herttaässä Ab announced that its holding in Alma Media has risen above 1/5 (20.68%) following forward contracts.

January 21, 2008: Nordea Bank AB (publ) announced that its ownership in Alma Media has not changed according to the announcement on December 28, 2007. According to the announcement, Nordea Group's ownership exceeds 3/20 (17.50%).

January 2, 2008: Nordea Bank AB (publ) announced that its ownership in Alma Media has not changed according to the announcement on October 1, 2007. According to the announcement, the holding of Nordea Group in Alma Media Corporation exceeds 3/20 (16.84%)

Environmental impacts

The most significant environmental impacts from Alma Media's business operations consist of paper and energy consumption and traffic emissions. The company mainly uses newsprint in its newspaper products; the consumption of this was about 36,000 tonnes in 2008. The company used 18,838 MWh of electricity in 2008. The carbon dioxide emissions from printing and distribution arise mainly from traffic.

Dividend proposal

Alma Media Corporation's Board of Directors will propose to the Annual General Meeting on March 11, 2009 that a dividend of EUR 0.30 (0.90) per share be paid for the 2008 financial year. Dividends are paid to shareholders who are entered in Alma Media Corporation's shareholder register maintained by the Finnish Central Securities Depository no later than the record date, March 16, 2009. The payment date is March 25, 2008. On December 31, 2008, the Group's parent company had distributable funds of altogether EUR 50,107,510. In addition, the Board of Directors proposes that, in accordance with Chapter 13, Section 6, Paragraph 2 of the Finnish Companies Act, the Annual General Meeting authorise the Board to decide upon the distribution of additional dividend on the following conditions:

- according to the authorisation, the Board may decide upon distributing additional dividend in a manner that limits the amount of additional dividend distributed on the basis of the authorisation to a maximum of EUR 0.20 per share
- the additional dividend may be distributed in one lot or in several proportions
- the total dividend for the 2008 financial year based on the authorisation may be no more than EUR 0.50 per share
- it is proposed that the authorisation include a right to the Board of Directors to decide upon all other conditions pertaining to the distribution of the dividend
- it is proposed that the authorisation be valid until the next ordinary annual general meeting of shareholders.

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT, MEUR	2008 10-12	2007 10-12	2008 1-12	2007 1-12
NET SALES	86.6	85.5	341.2	328.9
Other operating income	0.9	9.1	1.7	13.0
Materials and services	-25.5	-25.7	-102.0	-99.1
Costs arising from employment benefits	-32.0	-30.0	-119.0	-111.7
Depreciation and writedowns	-2.4	-2.3	-8.8	-9.8
Operating expenses	-18.2	-15.9	-64.9	-56.8
OPERATING PROFIT	9.5	20.6	48.3	64.4
Financial income	0.2	0.3	1.2	1.2
Financial expenses	-0.6	-0.1	-1.6	-1.1
Share of associated companies' results	2.6	1.4	4.5	3.5
PROFIT BEFORE TAX	11.7	22.1	52.4	68.0
Income tax	-2.8	-5.5	-13.4	-16.8
PROFIT FOR THE PERIOD	8.9	16.6	39.0	51.2

Distribution:

To the parent company shareholders	8.9	16.5	38.4	50.5
Minority interest	0.0	0.1	0.6	0.6
Earnings/share, EUR	0.12	0.22	0.51	0.68
Earnings/share (diluted), EUR	0.12	0.22	0.51	0.68

BALANCE SHEET, MEUR	31.12.2008	31.12.2007
ASSETS		
NON-CURRENT ASSETS		
Goodwill	33.0	29.7
Intangible assets	12.3	10.2
Tangible assets	35.2	38.4
Investments in associated companies	31.6	34.1
Other long-term investments	4.2	4.0
Deferred tax assets	1.3	1.0
CURRENT ASSETS		
Inventories	1.5	1.4
Tax receivables	4.0	0.0
Accounts receivable and other receivables	27.5	29.9
Other short-term investments	2.9	3.0
Cash and cash equivalents	13.3	24.8
ASSETS AVAILABLE FOR SALE	0.0	4.7
TOTAL ASSETS	166.9	181.3

BALANCE SHEET, MEUR	31.12.2008	31.12.2007
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	44.8	44.8
Share premium fund	2.8	2.8
Cumulative translation adjustment	-0.8	0.0
Retained earnings	41.1	70.0
Parent company shareholders' equity	87.9	117.7
Minority interest	0.6	0.6
TOTAL SHAREHOLDERS' EQUITY	88.5	118.3
LIABILITIES		
Non-current liabilities		
Interest-bearing liabilities	3.9	4.6
Deferred tax liabilities	2.5	1.8
Pension obligations	3.7	3.7
Provisions	0.1	0.1
Other long-term liabilities	0.5	0.9
Current liabilities		
Interest-bearing liabilities	15.2	2.2
Advances received	12.3	12.0
Tax liabilities	1.3	1.1
Provisions	1.0	0.3
Accounts payable and other liabilities	37.9	36.4
TOTAL LIABILITIES	78.4	63.0
TOTAL EQUITY AND LIABILITIES	166.9	181.3

RECONCILIATION OF SHAREHOLDERS' EQUITY 1 JANUARY - 31 DECEMBER 2008

MEUR	Share capital	Share premium fund	Translation difference	Retained earnings	Parent company total	Minority interest	Equity total
Equity, 1 January 2008	44.8	2.8	0.0	70.0	117.7	0.6	118.3
Translation differences			-0.8		-0.8		-0.8
Share of items recognized directly in associated company's equity				-0.9	-0.9		-0.9
Income recognized directly in equity			-0.8	-0.9	-1.7	0.0	-1.7
Profit for the period				38.4	38.4	0.6	39.0
Net income for the period			-0.8	37.4	36.6	0.6	37.2
Share-based payments				0.8	0.8		0.8
Dividend paid by parent company				-67.2	-67.2		-67.2
Dividends paid by subsidiaries						-0.6	-0.6
Equity, 31 December 2008	44.8	2.8	-0.8	41.1	87.9	0.6	88.5

RECONCILIATION OF SHAREHOLDERS' EQUITY 1 JANUARY - 31 DECEMBER 2007

MEUR	Share capital	Share premium fund	Translation difference	Retained earnings	Parent company total	Minority interest	Equity total
Equity, 1 January 2007	44.8	2.8	0.1	67.2	114.9	0.4	115.3
Translation differences			-0.1		-0.1		-0.1
Share of items recognized directly in associated company's equity				0.2	0.2		0.2
Income recognized directly in equity			-0.1	0.2	0.1	0.0	0.1
Profit for the period				50.5	50.5	0.6	51.2
Net income for the period			-0.1	50.7	50.6	0.6	51.3
Share-based payments				0.6	0.6		0.6
Dividend paid by parent company				-48.5	-48.5		-48.5
Dividends paid by subsidiaries						-0.3	-0.3
Equity, 31 December 2007	44.8	2.8	0.0	70.0	117.7	0.6	118.3

CASH FLOW STATEMENT, MEUR	2008 10-12	2007 10-12	2008 1-12	2007 1-12
Cash flow from operating activities				
Profit for the period	8.9	16.6	39.0	51.2
Adjustments	3.1	-3.7	17.5	8.8
Change in working capital	1.0	-2.5	4.0	3.4
Dividend income received	0.5	0.0	4.5	3.2
Interest income received	0.2	0.3	0.9	1.1
Interest expenses paid	-0.6	-0.1	-1.6	-1.1
Taxes paid	-4.4	-3.5	-17.5	-14.1
Net cash provided by operating activities	8.6	7.1	46.9	52.5
Cash flow from investing activities				
Investments in tangible and intangible assets	-0.7	-1.8	-4.2	-5.6
Proceeds from disposal of tangible and intangible assets	0.0	0.0	1.0	1.5
Other investments	-0.3	-1.0	-1.2	-1.0
Proceeds from disposal of other investments	0.7	0.2	0.8	3.4
Subsidiary shares purchased	-0.1	0.0	-4.0	-0.3
Associated company shares purchased	0.0	0.0	0.0	-1.5
Net cash used in investing activities	6.5	0.0	6.5	0.0
Cash flow before financing activities	6.2	-2.5	-1.0	-3.5
Cash flow from financing activities	14.7	4.6	45.8	49.1
Long-term loan repayments				
Short-term loans raised	0.0	0.0	35.0	2.0
Short-term loans repaid	-6.6	-0.6	-24.3	-5.2
Change in interest-bearing receivables	-0.2	0.1	0.0	-0.5
Dividends paid and capital repayment	0.0	0.0	-67.8	-48.8
	-6.8	-0.5	-57.1	-52.5
Change in cash funds (increase + / decrease -)	7.9	4.0	-11.2	-3.4
Cash and cash equivalents at start of period	5.6	20.8	24.8	28.2
Impact of change in foreign exchange rates	-0.2	0.0	-0.2	0.0
Cash and cash equivalents at end of period	13.3	24.8	13.3	24.8

BUSINESS ACQUISITIONS JANUARY–DECEMBER 2008

Alma Media purchased the entire stock of Jadecon Oy on February 20, 2008. The purchased company's business includes the online TV listing service Telkku.com. In addition, the corporation acquired the entire stock of Vuodatus.net Oy on October 1, 2008. Both of these companies are reported under the Newspapers segment as part of Iltalehti.

Suomen Paikallissanomat Oy acquired the business of Rannikkoseudun Sanomat, publisher of the Rannikkoseutu newspaper, on September 1, 2008, as well as the business of Janakkalan Sanomat, a local newspaper, on December 31, 2008.

	Book value before consolidation	Fair values used in consolidation
Intangible assets	0.0	2.1
Receivables	0.2	0.2
Cash and cash equivalents	0.1	0.1
Assets total	0.3	2.4
Deferred tax liabilities		0.6
Current liabilities	0.1	0.1
Total liabilities	0.1	0.6
Net assets	0.2	1.8
Goodwill arising in acquisitions		4.0
Acquisitions cost		5.8
Cash and cash equivalents of acquired operations		0.1
Impact on cash flow		5.7

The current values recorded under intangible assets in consolidation related mainly to brands and customer agreements. Goodwill on acquisitions, totalling MEUR 4.0, was affected by the expectable synergy benefits pertaining to the acquired businesses. The operating profit of the business operations acquired since the acquisition dates has been MEUR 0.6 in total. The consolidated net sales would have been approximately MEUR 342.6 and operating profit MEUR 48.8 if the acquisitions had been made in the beginning of 2008.

The determination of the current values of customer agreements is based on the expected duration of the customer relationships and the discounted net cash flow produced by existing customers. The current value of the acquired brands is determined based on estimated discounted royalty payments.

INFORMATION BY SEGMENT

Alma Media's reporting segments in the financial statements are Newspapers, Kauppalehti group and Marketplaces. Other Operations comprises the Corporation's parent company and the operations of the Corporation's financial management service centre.

The descriptive section of this bulletin presents the net sales and operating profits of the segments and the allocation of the associated companies' results to the reporting segments. Financial items and income taxes are handled as not allocated to the segments. The following table presents the assets and liabilities of the segments as well as the non-allocated asset and liability items.

ASSETS BY SEGMENT, MEUR	31.12.2008	31.12.2007
Newspapers	67.5	64.7
Kauppalehti group	52.3	56.5
Marketplaces	15.2	15.4
Other operations and eliminations	10.5	19.0
Non-allocated assets	21.4	25.7
Total	166.9	181.3

LIABILITIES BY SEGMENT, MEUR	31.12.2008	31.12.2007
Newspapers	32.7	31.4
Kauppalehti group	11.8	12.6
Marketplaces	4.2	3.9
Other operations and eliminations	6.8	5.5
Non-allocated liabilities	22.9	9.7
Total	78.4	63.0

GROUP INVESTMENTS, MEUR	2008	2007	2008	2007
	10-12	10-12	1-12	1-12
Gross capital expenditure	2.9	3.8	14.5	12.1

PROVISIONS

The Group's provisions at the end of 2008 totalled MEUR 1.1. The amount of provisions has increased by MEUR 0.7 compared with the situation on December 31, 2007. The increase mainly comprises restructuring provisions. Decreases in the provisions during the financial year are the result of actual costs.

COMMITMENTS AND CONTINGENCIES, MEUR	31.12.2008	31.12.2007
Collateral on own behalf		
Chattel mortgages	0.0	0.0
Collateral for others		
Guarantees	0.0	0.0
Other commitments		
Commitments based on agreements	0.1	0.1
Minimum rents payable based on other lease agreements:		
Within one year	7.9	7.5
Within 1-5 years	19.1	18.1
After 5 years	27.9	26.5
Total	54.9	52.1

The Group also has purchase agreements based on IFRIC 4 which include a lease component per IAS 17. Minimum payments based on these agreements:

	3.1	4.6
--	-----	-----

GROUP DERIVATIVE CONTRACTS, MEUR	31.12.2008	31.12.2007
Commodity derivative contracts, electricity derivatives		
Fair value *	-0.1	0.1
Nominal value	0.7	0.4

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

CONTINGENT LIABILITIES

Previously, the Group had contingent liabilities totalling MEUR 7.8. The tax authorities issued a claim to correct the company's income tax for 2003. The tax authorities considered that the loss arising from Alma Media's disposal of the shares of its associated company Talentum to Kauppalehti Oy at the market price should not have been tax-deductible. At the end of 2006 (December 20, 2006) the company was informed of a ruling by the Adjustments Board of the Corporate Taxation Centre to the effect that the Adjustments Board rejected the claim by the tax authorities. The tax authorities appealed the Adjustments Board's ruling to the Helsinki Administrative Court, which on December 4, 2008 dismissed the appeal. Tax authorities have not appealed the Helsinki Administrative Court's ruling to the Supreme Administrative Court.

RELATED PARTY ACTIVITIES

Alma Media Group's related parties are its associated companies and the companies they own. The following table summarises the operations undertaken between Alma Media and its associated companies and the status regarding their receivables and liabilities:

RELATED PARTY ACTIVITIES WITH ASSOCIATED COMPANIES, MEUR	2008 10-12	2007 10-12	2008 1-12	2007 1-12
Sales of goods and services	0.0	0.1	0.2	0.2
Purchases of goods and services	1.2	1.4	4.5	5.9
Accounts receivable, loan and other receivables at the balance sheet date			0.0	4.7
Accounts payable at the balance sheet date			0.1	0.1

Related parties also include the company's senior management (Board of Directors, managing directors and the Group Executive Team). The section Alma Media Share/Option Rights of this financial statements bulletin presents information on changes to the current option scheme intended to motivate and secure the long-term commitment of the Group's senior management.

MAIN ACCOUNTING PRINCIPLES (IFRS)

This bulletin has been prepared in accordance with IFRS standards.

The bulletin applies the same accounting principles and calculation methods as in the previous annual accounts dated December 31, 2007. However, the financial statements bulletin does not contain all the information or notes to the accounts included in the annual report. This interim report should therefore be read in conjunction with the company's annual report.

The key indicators are calculated using the same formulae as applied in the previous annual financial statements.

In 2008 the Corporation adopted the following new accounting standards:

IAS 39: Financial Instruments: Recognition and Measurement (amendment)
 IFRS 7: IFRS 7 Financial Instruments: Disclosures (amendment)
 IFRIC 11: IFRS 2 Group and Treasury Share Transactions
 IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The aforementioned new standards and interpretations have only a very minor effect on the Corporation's income statement and balance sheet. Their application mainly affects the notes to the accounts.

New accounting standards and interpretations to be adopted from the beginning of 2009 are:

IFRS 8: Operating Segments
 IAS 23: Borrowing Costs, amendment
 IAS 1: Presentation of Financial Statements, amendment
 IFRS 2: Share-based Payment
 IAS 1: Presentation of Financial Statements and IAS 32 Financial Instruments: Presentation
 IAS 39: Financial Instruments: Recognition and Measurement
 IFRIC 13: Customer Loyalty Programmes

The European Union has not yet approved the adoption of the amended standards IAS 39 and IAS 1. EU approval is required for the adoption of the amended standards within the Corporation.

New accounting standards to be adopted from the beginning of 2010 are:

IFRS 3: Business Combinations, amendment
 IAS 27: Consolidated and Separate Financial Statements

The amendments to the standards mainly affect items such as the handling of minority share, goodwill and acquisition costs in relation with future acquisitions. The amendments have no effect on acquisitions already made.

The amended standards have not yet been approved for application within the European Union. An approval is required for the adoption of the standards within the Corporation.

The Group's long-term receivable from the associated company AP-Paino Oy of the comparison period is shown in the balance sheet under assets available for sale. Alma Media has relinquished its entire holding in the company in December 2008.

The figures in this bulletin are unaudited.

SEASONALITY

The Group recognises its circulation revenues as paid. For this reason circulation revenues accrue in the income statement fairly evenly during the four quarters of the year. The bulk of circulation invoicing takes place at the beginning of the year and therefore cash flow from operating activities is strongest early in the year. This also affects the company's balance sheet position in different quarters.

GENERAL STATEMENT

This bulletin contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason they contain risks and uncertainty. The estimates may change in the event of significant changes in the general economic conditions.

ALMA MEDIA CORPORATION
Board of Directors