

Alma Media
Interim Report
1 Jan - 30 June 2008

23 July 2008



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ALMA MEDIA CORPORATION STOCK EXCHANGE RELEASE 23 July 2008 at 09.00 (EET)

ALMA MEDIA CORPORATION'S INTERIM REPORT FOR JANUARY – JUNE 2008:

Second quarter net sales and operating profit at record level

April-June 2008 highlights:

- Net sales MEUR 89.3 (Q2/2007: MEUR 84.0)
- Operating profit MEUR 15.0 (MEUR 14.4)
- Operating profit 16.8 % of net sales (17.1 %)
- One-time item of capital gains of MEUR 0.6
- Profit before tax MEUR 15.7 (MEUR 14.8)
- Earnings per share EUR 0.16 (EUR 0.15)

Prospects for 2008 unchanged: net sales will increase and comparable operating profit will be similar to that in the previous year.

President and CEO Kai Telanne:

Alma Media's business during the second quarter developed well despite the increased uncertainty in the economy and in the media market. Our net sales increased more than 6 % and comparable operating profit improved on the strong performance in the comparable period in the previous year.

Media sales by the Group's newspapers increased encouragingly in the second quarter. Growth was particularly marked at Aamulehti, which recorded the best quarter in its history. Kauppalehti had a strong quarter in terms of both net sales and operating profit. Major factors here were the strong growth in Kauppalehti's media sales as well as vigorously growing circulation sales and the development of the online business. Instead, the declining market and rising costs continued to depress Iltalehti's profitability.

Developments in the online services of Alma Media's newspapers were positive. As summer approached, the number of weekly visitors to the Iltalehti and Kauppalehti websites settled at the levels they had previously reached. Media sales by these online services were growing well. The joint technology platform project by the regional and local newspapers will create a firm foundation for boosting the number of visitors to the online services of the other newspapers as well and for raising their media sales.

Growth in the net sales of Marketplaces slowed down slightly, mainly because home sales stopped growing in Estonia and the growth in job vacancy advertising in Finland slowed down in June. Our investments in the Mikko.fi business and the City24 home sales services reduced the operating profit of Marketplaces. The direction taken by the home sales and recruitment markets in Finland will affect the financial performance of Marketplaces in the final part of the year.

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Alma Media Group's Interim Report January - June 2008

The descriptive part of this interim report concentrates on the Group's performance between April and June. Figures in brackets refer to the second quarter of 2007 unless otherwise stated. The figures in the tables are independently rounded.

Changes in Group structure compared to 2007

On 20 February 2008 Alma Media purchased the share stock of Jadecon Oy. The company's business comprises the TV programme information internet service Telkku.com and it is reported as part of Iltalehti in the Newspapers segment.

Group net sales and result January - June 2008

Consolidated net sales in the January – June 2008 period totalled MEUR 173.2 (MEUR 165.9). Net sales in the period for comparison included advertising for the general election held in March 2007 (MEUR 1.5). The Newspapers segment accounted for MEUR 118.5 of net sales, Kauppalehti group for MEUR 38.0 and the Marketplaces segment for MEUR 18.4.

The consolidated operating profit in January – June was MEUR 26.6 (MEUR 30.4). The operating profit for the period includes a one-time item of MEUR 0.6 from the sale of real estate. The operating profit for the period for comparison includes a one-time item of a capital gain of MEUR 1.9.

Group net sales and result April – June 2008

Alma Media's net sales increased 6.3 % in the April – June period from the corresponding period in the previous year to MEUR 89.3 (MEUR 84.0).

The consolidated operating profit was MEUR 15.0 (MEUR 14.4). The operating profit as a percentage of net sales was 16.8 % (17.1 %). The second quarter operating profit includes a one-time capital gain of MEUR 0.6.

Prospects for 2008

Alma Media keeps unchanged its forecast that the company expects its net sales to increase from the previous year. The media market is expected to grow in 2008, but uncertainty will increase. Changes in media advertising and the daily tabloid market are major factors that may affect the company's result.



Alma Media estimates that the comparable operating profit for the whole year will be similar to that in 2007. One-time items have been eliminated from the comparable 2007 operating profit.

Market conditions

The economy of Finland, Alma Media's main market area, is estimated to have grown at a rate of about 3 per cent in the first half of 2008 (Ministry of Finance, Economic Bulletin 2/2008). The bulletin states however that the economy is expected to weaken towards the end of the year and that growth for the whole of 2008 is likely to be less than 3 per cent. It considers that there is a serious risk of an even faster slowdown in growth in the rest of the year and next year. If the forecast slowdown in the national economy takes place, this can be expected to slow down growth in media advertising already in the remainder of 2008.

Expenditure on advertising in newspapers increased by 0.7 % in January – June 2008. Advertising in the online media increased 28.3 % during the same period. The daily tabloids market has declined 6.7 % since the beginning of the year.

GROUP KEY FIGURES, MEUR	2008 4-6	2007 4-6	2008 1-6	2007 1-6	2007 1-12
Net sales	89.3	84.0	173.2	165.9	328.9
Operating profit	15.0	14.4	26.6	30.4	64.4
% of net sales	16.8	17.1	15.4	18.3	19.6
Net financial expenses	0.1	0.0	-0.2	0.0	-0.1
Net financial expenses, % of net sales	0.1	0.0	-0.1	0.0	0.0
Share of associated companies' results	0.8	0.4	1.8	1.6	3.5
Balance sheet total	170.3	185.2	170.3	185.2	181.3
Gross capital expenditure	3.9	3.6	10.1	5.3	12.1
Gross capital expenditure, % of net sales	4.3	4.3	5.8	3.2	3.7
Equity ratio	48.5	55.4	48.5	55.4	69.8
Gearing, %	33.2	6.9	33.2	6.9	-15.2
Interest-bearing net debt	23.9	6.3	23.9	6.3	-17.9
Interest-bearing liabilities	32.4	21.5	32.4	21.5	6.8
Non-interest-bearing liabilities	66.0	73.0	66.0	73.0	56.2
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,993	2,008	1,962	1,977	1,971
Average no. of delivery staff	980	968	959	949	962
Earnings/share, EUR (basic)	0.16	0.15	0.28	0.32	0.68
Earnings/share, EUR (diluted)	0.16	0.14	0.28	0.32	0.68



Cash flow from operating activities, EUR	0.08	0.14	0.44	0.52	0.70
Shareholders' equity/share, EUR	0.96	1.21	0.96	1.21	1.58
Market capitalization	643.2	813.3	643.2	813.3	870.7
Average no. of shares (1,000 shares)					
- basic	74,613	74,613	74,613	74,613	74,613
- diluted	74,770	74,742	74,796	74,735	74,773
No. of shares at end of period (1,000 shares)	74,613	74,613	74,613	74,613	74,613

	2008	2007	2008	2007	2007
NET SALES BY SEGMENT, MEUR	4-6	4-6	1-6	1-6	1-12
Newspapers	61.2	58.9	118.5	116.4	230.6
Kauppalehti group	19.5	17.8	38.0	35.5	70.1
Marketplaces	9.4	7.9	18.4	15.3	30.9
Other operations and eliminations	-0.8	-0.6	-1.7	-1.3	-2.7
Total	89.3	84.0	173.2	165.9	328.9

	2008	2007	2008	2007	2007
OPERATING PROFIT/LOSS BY SEGMENT, MEUR	4-6	4-6	1-6	1-6	1-12
Newspapers	11.8	11.5	21.1	23.0	42.8
Kauppalehti group	3.1	2.4	5.1	3.8	7.6
Marketplaces	0.9	1.3	2.0	2.9	5.3
Other operations and eliminations	-0.8	-0.8	-1.6	0.7	8.7
Total	15.0	14.4	26.6	30.4	64.4

Newspapers

Newspapers, key figures, MEUR	2008	2007	2008	2007	2007
	4-6	4-6	1-6	1-6	1-12
Net sales	61.2	58.9	118.5	116.4	230.6
Circulation sales	26.9	26.4	53.3	52.8	106.9
Media advertising sales	31.5	29.5	60.0	57.6	112.6
Printing sales	1.1	1.4	2.3	3.1	5.4
Other sales	1.7	1.5	3.0	2.8	5.7
Operating profit	11.8	11.5	21.1	23.0	42.8
Operating margin, %	19.2	19.5	17.8	19.8	18.5
Gross capital expenditure	2.1	2.6	3.3	3.6	6.0
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,210	1,254	1,188	1,220	1,218
Average no. of delivery staff	980	968	959	949	962



The Newspapers segment reports the publishing activities of 34 newspapers. The largest of these are the regional paper Aamulehti and the daily tabloid Iltalehti.

The Newspapers segment's net sales rose by 3.9 % during the second quarter to total MEUR 61.2 (MEUR 58.9). The rate of growth in the net sales of individual newspapers continued to vary considerably. The biggest increases in net sales were achieved by Aamulehti, which recorded the best quarter in its history, and Lapin Kansa, which showed good growth. Iltalehti's net sales declined slightly due to its circulation and media sales, which continued to be weak.

Newspapers' circulation sales rose by 1.7 % in the second quarter. Aamulehti's circulation sales increased significantly, but those of Iltalehti fell, along with the continuing decline in the entire daily tabloid circulation market. The market declined altogether 6.7 % in January - June. Iltalehti had a market share in the second quarter of 43.2 % (43.0 %).

Media sales in the Newspapers segment grew by 7 % in the second quarter. Growth was particularly strong at Aamulehti and Lapin Kansa. Media sales at Iltalehti.fi increased at a good pace. Online advertising at the regional newspapers increased well, but in terms of actual euros is still at a low level.

The operating profit of the Newspapers segment improved by 2.1 % to MEUR 11.8 (MEUR 11.5). This improvement was largely due to the excellent result recorded by Aamulehti. Iltalehti's result was considerably weaker than in the previous year. Cost levels for Newspapers rose as forecast.

Kauppa-lehti Group

Kauppa-lehti group, key figures, MEUR	2008	2007	2008	2007	2007
	4-6	4-6	1-6	1-6	1-12
Net sales	19.5	17.8	38.0	35.5	70.1
Circulation sales	6.3	6.2	12.5	12.1	24.4
Media advertising sales	5.8	5.3	11.6	10.7	21.5
Other sales	7.5	6.4	14.0	12.7	24.3
Operating profit	3.1	2.4	5.1	3.8	7.6
Operating margin, %	16.1	13.3	13.4	10.8	10.8
Gross capital expenditure	0.4	0.1	0.8	0.4	1.1
Average no. of personnel, calculated as full-time employees	501	534	499	537	527

The Kauppa-lehti group specializes in producing business and financial information. Its best known title is Kauppa-lehti, Finland's leading business media. The group also includes Alma Media Lehtentekijät (contract publishing), Kauppa-lehti 121 (direct marketing) and the Baltic News Service (BNS) news agency operating in the Baltic countries.



The Kauppalehti group's net sales rose by 9.5 % in the second quarter to MEUR 19.5. Kauppalehti's media sales grew 11.9 % and circulation sales 9.5 %. The net sales for the period for comparison were boosted by the net sales of Presso, which was closed down at the end of 2007. The net sales of ePortti and Kauppalehti.fi also increased well. The net sales of the subsidiaries remained unchanged from the period for comparison, apart from BNS, which improved its net sales by 9 %.

The operating profit of the Kauppalehti group improved by almost 33 % to MEUR 3.1. Most of this improvement came from Kauppalehti. Of the subsidiaries, Kauppalehti 121 increased its profit. The operating profit of Lehdentekijät improved from the first quarter of the year but was unchanged from the level in the period for comparison.

Marketplaces

Marketplaces, key figures, MEUR	2008	2007	2008	2007	2007
	4-6	4-6	1-6	1-6	1-12
Net sales	9.4	7.9	18.4	15.3	30.9
Operations in Finland	7.6	6.4	15.1	12.5	25.2
Operations outside Finland	1.8	1.5	3.3	2.8	5.7
Operating profit	0.9	1.3	2.0	2.9	5.3
Operating margin, %	9.4	16.2	10.9	18.8	17.3
Gross capital expenditure	0.5	0.2	0.8	0.3	2.8
Average no. of personnel, calculated as full-time employees	211	154	205	152	158

The Marketplaces segment reports Alma Media's classified services, which are produced on the internet and are 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, Bovision and Objektvision.

The net sales of Marketplaces increased 18.2 % during the second quarter. A major part of the increase came from the strong sales at Etuovi.com. The rate of growth in net sales for Monster.fi weakened with the approach of summer, as businesses postponed their recruitment decisions until after the holiday period. Autotalli.com and Mascus.com grew encouragingly.

Growth in the home sales market in the Baltic countries came to a halt, which caused the net sales of the City24 service in Estonia to stop growing. In the new City24 countries, Croatia,

Poland and Ukraine recorded strong growth in the number of properties and visitors, whereas starting up sales at the Moscow City24 service was slower than expected. In Sweden the market position of Bovision remained challenging, whereas the business premise service Objektvision grew well.



The operating profit of Marketplaces decreased by MEUR 0.4 from the period for comparison in the previous year to MEUR 0.9. The operating profit of the classified services outside Finland was weakened by the slowdown in growth in net sales and the planned expenditure on personnel and marketing. The classified services in Finland improved their operating profit, but profitability was weakened by investments in the Mikko.fi service.

Associated companies

Share of associated companies' results, MEUR	2008	2007	2008	2007	2007
	4-6	4-6	1-6	1-6	1-12
Newspapers	0.1	0.0	0.1	0.0	0.1
Kauppalehti group					
Talentum Oyj	0.6	0.2	1.3	1.1	2.6
Marketplaces	0.0	0.0	0.0	0.0	0.0
Other operations					
Acta Print Kivenlahti Oy	0.0	0.0	0.0	0.1	0.1
Other associated companies	0.2	0.2	0.4	0.4	0.7
Total	0.8	0.4	1.8	1.6	3.5

The Group holds altogether a 29.9% stake in Talentum Oyj, which is reported under the Kauppalehti group. The company's own shares held by Talentum are here included in the total number of shares. The holding in Talentum has been incorporated in the Alma Media consolidated financial statements such that Talentum's own shares are not included in the total number of shares. The holding used in Alma Media's consolidated financial statements on 30 June 2008 was 30.3 %.

The Group's holding in Acta Print Kivenlahti Oy, reported under Other Operations, is 36.0 %. The name of the company has been changed to AP-Paino Oy as of 11 June, 2008.

Balance sheet and financial position

The Group's balance sheet totalled MEUR 170.3 at the end of June 2008 (MEUR 185.2). The equity ratio at the end of June was 48.5 % (31 March 2008: 39.5 %).

Alma Media Corporation's annual general meeting on 12 March 2008 decided to pay a dividend of EUR 0.90 per share. The record date for the dividend payment was 17 March and the payment date 27 March. The company paid a total dividend of MEUR 67.2 to its shareholders in March.

The Group has a current MEUR 100 commercial paper programme in Finland, under which it is permitted to issue papers to a total amount of MEUR 0-100. In March the Group issued papers for a total of MEUR 35.0. On 30 June 2008 MEUR 74.0 of the commercial paper programme was unused.



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.

The consolidated cash flow from operations declined by MEUR 5 from the period for comparison to MEUR 5.7. The cash flow before financing was MEUR 2.5 (MEUR 7.8). Factors affecting the cash flow from investments were the purchase of the business operations of Rannikkoseudun Sanomat and the capital gains from the sale of property.

Capital expenditure

Alma Media Group's capital expenditure in the April-June period totalled MEUR 3.9 (MEUR 3.6). Capital expenditure includes the purchase of the business operations of Rannikkoseudun Sanomat Oy. Otherwise the expenditure comprised normal maintenance and replacement investments.

Suomen Paikallissanomat Oy has agreed to acquire the business operations of Rannikkoseudun Sanomat, which publishes the newspaper Rannikkoseutu. The purchase will be completed at the latest by 15 September 2008.

Risks and risk management

The most important strategic risks contingent on Alma Media's business operations are a significant drop in the readerships of its newspapers and a critical decline in retail advertising. The major operational risks are disturbances in information technology systems and telecommunications, and an interruption of printing operations.

Alma Media's risk management process helps to identify the risks, develop appropriate risk management methods and regularly report on risk issues to the risk management function.

Administration

Ahti Vilppula resigned from the Board of Directors of Alma Media Corporation on 6 June 2008.

Share

Altogether 5,463,264 Alma Media Corporation shares were traded on the Helsinki Exchanges during April-June 2008, which represented 7.3 % of the total number of shares. The closing price for the share on 30 June 2008 was EUR 8.62. The lowest quotation during the second quarter was EUR 7.87 and the highest EUR 9.47. The market capitalization of Alma Media Corporation at the end of June was MEUR 643.2.



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

Option rights

The annual general meeting on 8 March 2006 approved a three-stage option programme (option rights 2006A, 2006B and 2006C), disapplying the pre-emptive subscription right of the shareholders, under which stock options would be granted to the managements of Alma Media Corporation and its subsidiaries as a scheme for ensuring personnel's motivation and long-term commitment to the company. Altogether 1,920,000 stock options may be granted in three lots of 640,000 each, and these may be exercised to subscribe for at most 1,920,000 Alma Media shares.

A total of 515,000 of the 2006A options have been issued to Group management. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. Following the return of these options, Group management hold altogether 440,000 2006A options. Trading in the options under the 2006A scheme began on the OMX Nordic Exchange (Helsinki) on 10 April 2008.

In 2007, Alma Media Corporation's Board of Directors decided to issue 515,000 options under the 2006B scheme to Group management.

In 2008, Alma Media Corporation's Board of Directors decided to issue 520,000 options under the 2006C scheme to Group management.

In 2007 and 2008 Alma Media Corporation's Board of Directors decided to annul altogether 200,000 2006A option rights which were in the company's possession. In 2008 the Board of Directors decided to annul 125,000 2006B option rights which were in the company's possession.

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

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

2006C: 1 April 2010 - 30 April 2012, average trade-weighted price 1 April - 31 May 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 correspondingly, and under the 2006C option EUR 9.06.

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



Market liquidity guarantee

Alma Media Corporation and eQ Pankki Oy have made a liquidity providing contract under which eQ Pankki Oy 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

Between April and June 2008 Alma Media received the following notices concerning changes in share holdings, under chapter 2, section 9 of the Securities Market Act:

23 June 2008 Danske Bank A/S Helsinki Branch announced that its holding had risen to 16 % of the voting rights and share capital of Alma Media Corporation. In addition Danske Bank A/S Helsinki Branch announced that it had made forward contracts which will mature in March 2009, and which if carried out will reduce its holding will fall below 15 %.

10 June 2008 Danske Bank A/S Helsinki Branch announced that, contrary to earlier announcements, its holding in Alma Media Corporation had not fallen below 1/20th, but that it would reach 1/10th on 20 June 2008. In addition Danske Bank A/S Helsinki Branch has made forward contracts which mature in June 2008 and November 2009, which if carried out will raise the bank's holding to at least 1/10th.

6 June 2008 Oy Herttaässä Ab, a company controlled by Kai Mäkelä, announced that it had purchased from Helsingin Mekaanikontalo Oy a forward contract relating to 50,000 Alma Media shares. The potential holding of Oy Herttaässä Ab is 28.02 %.



SUMMARY OF FINANCIAL STATEMENTS AND NOTES

	2008	2007	2008	2007	2007
INCOME STATEMENT, MEUR	4-6	4-6	1-6	1-6	1-12
NET SALES	89.3	84.0	173.2	165.9	328.9
Other operating income	0.7	0.5	0.7	2.6	13.0
Materials and services	-26.4	-24.9	-51.5	-48.8	-99.1
Costs arising from employment benefits	-30.1	-28.4	-59.5	-56.4	-111.7
Depreciation and writedowns	-2.1	-2.5	-4.3	-4.8	-9.8
Operating expenses	-16.3	-14.5	-32.1	-28.2	-56.8
OPERATING PROFIT	15.0	14.4	26.6	30.4	64.4
Financial income	0.2	0.3	0.8	0.7	1.2
Financial expenses	-0.3	-0.3	-0.6	-0.7	-1.1
Share of associated companies' results	0.8	0.4	1.8	1.6	3.5
PROFIT BEFORE TAX	15.7	14.8	28.6	32.0	68.0
Income tax	-4.0	-3.8	-7.2	-7.9	-16.8
PROFIT FOR THE PERIOD	11.8	11.0	21.5	24.1	51.2
Distribution:					
To the parent company shareholders	11.6	10.8	21.0	23.8	50.5
Minority interest	0.2	0.2	0.4	0.3	0.6
Earnings/share, EUR	0.16	0.15	0.28	0.32	0.68
Earnings/share (diluted), EUR	0.16	0.14	0.28	0.32	0.68

BALANCE SHEET, MEUR	30.6.2008	30.6.2007	31.12.2007
ASSETS			
NON-CURRENT ASSETS			
Goodwill	32.6	30.0	29.7
Intangible assets	11.8	9.6	10.2
Tangible assets	36.9	50.8	38.4
Investments in associated companies	31.9	32.0	34.1
Other long-term investments	5.2	3.9	4.0
Deferred tax assets	1.1	3.7	1.0
Other receivables	0.0	0.1	0.0
CURRENT ASSETS			
Inventories	1.2	1.5	1.4
Tax receivables	0.8	0.0	0.0
Accounts receivable and other receivables	32.8	31.1	29.9
Other short-term investments	2.7	2.5	3.0
Cash and cash equivalents	8.5	15.2	24.8
ASSETS AVAILABLE FOR SALE	4.7	4.7	4.7
TOTAL ASSETS	170.3	185.2	181.3



BALANCE SHEET, MEUR	30.6.2008	30.6.2007	31.12.2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	44.8	44.8	44.8
Share premium fund	2.8	2.8	2.8
Cumulative translation adjustment	0.0	0.1	0.0
Retained earnings	23.9	42.7	70.0
Parent company shareholders' equity	71.5	90.4	117.7
Minority interest	0.4	0.4	0.6
TOTAL SHAREHOLDERS' EQUITY	71.9	90.7	118.3
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	4.2	18.9	4.6
Deferred tax liabilities	2.4	1.6	1.8
Pension obligations	3.6	3.7	3.7
Provisions	0.1	0.0	0.1
Other long-term liabilities	0.5	6.8	0.9
Current liabilities			
Interest-bearing liabilities	28.2	2.6	2.2
Advances received	22.0	21.4	12.0
Tax liabilities	0.0	2.0	1.1
Provisions	0.2	1.4	0.3
Accounts payable and other liabilities	37.2	35.9	36.4
TOTAL LIABILITIES	98.4	94.5	63.0
TOTAL EQUITY AND LIABILITIES	170.3	185.2	181.3

RECONCILIATION OF SHAREHOLDERS' EQUITY 1 JAN. – 30 JUNE 2008

MEUR	Share capital	Share premium fund	Retained earnings	Parent company, total	Minority interest	Equity, total
Equity, 1 Jan. 2008	44.8	2.8	70.0	117.7	0.6	118.3
Translation differences			0.0	0.0		0.0
Share of items recognized directly in associated company's equity			-0.3	-0.3		-0.3
Income recognized directly in equity			-0.3	-0.3		-0.3
Profit for the period			21.0	21.0	0.4	21.4
Net income for the period			20.7	20.7	0.4	21.1
Share-based payments			0.4	0.4		0.4
Dividend paid by parent company			-67.2	-67.2		-67.2
Dividends paid by subsidiaries					-0.6	-0.6
Equity, 30 June 2008	44.8	2.8	23.9	71.5	0.4	71.9



RECONCILIATION OF SHAREHOLDERS' EQUITY 1 JAN. – 30 JUNE 2007

MEUR	Share capital	Share premium fund	Retained earnings	Parent company, total	Minority interest	Equity, total
Equity, 1 Jan. 2007	44.8	2.8	67.3	114.9	0.4	115.3
Translation differences			0.0	0.0		0.0
Share of items recognized directly in associated company's equity			0.0	0.0		0.0
Income recognized directly in equity			0.0	0.0		0.0
Profit for the period			23.8	23.8	0.3	24.1
Net income for the period			23.8	23.8	0.3	24.1
Share-based payments			0.2	0.2		0.2
Dividend paid by parent company			-48.5	-48.5		-48.5
Dividends paid by subsidiaries					-0.4	-0.4
Equity, 30 June 2007	44.8	2.8	42.7	90.4	0.4	90.7

CASH FLOW STATEMENT, MEUR	2008	2007	2008	2007	2007
	4-6	4-6	1-6	1-6	1-12
Cash flow from operating activities					
Profit for the period	11.8	11.0	21.5	24.1	51.2
Adjustments	4.7	5.1	8.6	8.4	8.8
Change in working capital	-8.1	-3.5	7.4	10.5	3.4
Dividend income received	3.8	3.2	4.0	3.2	3.2
Interest income received	0.2	0.1	0.6	0.5	1.1
Interest expenses paid	-0.3	-0.3	-0.6	-0.7	-1.1
Taxes paid	-6.3	-4.9	-8.9	-7.2	-14.1
Net cash provided by operating activities	5.7	10.7	32.5	38.7	52.5
Cash flow from investing activities					
Investments in tangible and intangible assets	-1.5	-1.5	-2.4	-2.4	-5.6
Proceeds from disposal of tangible and intangible assets	1.0	0.2	1.0	0.2	1.5
Other investments	-0.8	0.0	-0.8	0.0	-1.0
Proceeds from disposal of other investments	0.0	0.0	0.1	3.2	3.4
Subsidiary shares purchased	-1.9	0.0	-3.9	-0.2	-0.3
Associated company shares purchased	0.0	-1.5	0.0	-1.5	-1.5
Net cash used in investing activities	-3.2	-2.9	-6.0	-0.7	-3.5



Cash flow before financing activities	2.5	7.8	26.5	37.9	49.1
Cash flow from financing activities					
Long-term loan repayments	0.0	0.0	0.0	0.0	0.0
Short-term loans raised	0.0	0.0	35.0	2.0	2.0
Short-term loans repaid	-9.5	-3.0	-10.2	-3.7	-5.2
Change in interest-bearing receivables	0.4	-0.1	0.2	-0.3	-0.5
Dividends paid and capital repayment	-0.6	0.0	-67.8	-48.8	-48.8
	-9.8	-3.1	-42.8	-50.9	-52.5
Change in cash funds (increase + / decrease -)	-7.3	4.7	-16.3	-13.0	-3.4
Cash and cash equivalents at start of period	15.7	10.5	24.8	28.2	28.2
Cash and cash equivalents at end of period	8.5	15.2	8.5	15.2	24.8

BUSINESS ACQUISITIONS JANUARY-JUNE 2008

On 20 February 2008 Alma Media acquired the entire share stock of Jadecon Oy. The company's business comprises the TV programme information internet service Telkku.com and it is reported in the Newspapers segment as part of Iltalehti.

The fair values for intangible assets recorded in combining Jadecon Oy are mainly related to brands, the acquired IT application and customer contracts. The anticipated synergies between Iltalehti and the acquired business contributed to the goodwill arising from the acquisition. The operating profit for the purchased business since the acquisition date has been MEUR 0.3. The Group's net sales in the first half of the year would have been an estimated MEUR 173.5 and operating profit MEUR 26.7 if the acquisition had taken place at the start of 2008.

INFORMATION BY SEGMENT

Alma Media's reporting segments in the financial statements are Newspapers, Kauppalehti group and Marketplaces. Other Operations comprises the Group's parent company and the operations of the Group'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 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	30.6.2008	30.6.2007	31.12.2007
Newspapers	69.4	67.3	64.7
Kauppalehti group	54.0	54.9	56.5
Marketplaces	16.7	14.4	15.4
Other operations and eliminations	19.7	25.8	19.0
Non-allocated assets	10.5	22.8	25.7
Total	170.3	185.2	181.3



LIABILITIES BY SEGMENT, MEUR	30.6.2008	30.6.2007	31.12.2007
Newspapers	40.2	37.8	31.4
Kauppa-lehti group	13.5	14.5	12.6
Marketplaces	4.3	4.1	3.9
Other operations and eliminations	5.6	9.2	5.5
Non-allocated liabilities	34.7	28.9	9.7
Total	98.3	94.5	63.0

GROUP INVESTMENTS, MEUR	2008	2007	2008	2007	2007
Gross capital expenditure	4-6	4-6	1-6	1-6	1-12
	3.9	3.6	10.1	5.3	12.1

PROVISIONS

The company's provisions on 30 June 2008 totalled MEUR 0.3. The change from the situation on 31 December 2007 is a reduction of MEUR 0.1. It has not been necessary to change the estimates made when the provision was entered. The change in provisions is in consequence of actual costs.

COMMITMENTS AND CONTINGENCIES, MEUR	30.6.2008	30.6.2007	31.12.2007
Collateral on own behalf			
Chattel mortgages	0.0	0.0	0.0
Collateral for others			
Guarantees	0.0	0.0	0.0
Other commitments			
Commitments based on agreements	0.1	0.1	0.1
Minimum rents payable based on other lease agreements:			
Within one year	7.6	6.3	7.5
Within 1-5 years	17.4	14.2	18.1
After 5 years	25.1	12.3	26.5
Total	50.1	32.8	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:

	4.2	5.6	4.6
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GROUP DERIVATIVE CONTRACTS, MEUR	30.6.2008	30.6.2007	31.12.2007
Commodity derivative contracts, electricity derivatives			
Fair value *	0.2	0.0	0.1
Nominal value	0.4	0.0	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

The Group has contingent liabilities totalling MEUR 7.8. The tax authorities have issued a claim to correct the company's income tax for 2003. The tax authorities consider 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 (20 December 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 have appealed the Adjustments Board's ruling to the Helsinki Administrative Court. The company continues to believe that it is improbable that the claim will lead to additional tax consequences since the transaction was carried out at market prices for commercial reasons. The decision of the Helsinki Administrative Court is expected during 2008.

RELATED PARTIES

Alma Media Group's related parties are its associated companies and the companies they own. The following table summarizes 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	2007	2008	2007	2007
	4-6	4-6	1-6	1-6	1-12
Sales of goods and services	0.1	0.1	0.2	0.1	0.2
Purchases of goods and services	1.1	1.7	2.2	3.0	5.9
Accounts receivable, loan and other receivables at the balance sheet date	4.7	5.2	4.7	5.2	4.7
Accounts payable at the balance sheet date	0.1	0.3	0.1	0.3	0.1

Related parties also include the company's senior management (Board of Directors, presidents and the Group Executive Team). The section Option Rights of this interim report 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 interim report has been prepared applying IFRS recognition and measurement principles (IAS 34 - Interim Financial Reporting).

The interim report applies the same accounting principles and calculation methods as in the previous annual accounts dated 31 December 2007. However, the interim report 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 for 2007.



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

No new accounting standards or interpretations have been adopted during 2008. The following new accounting principles and interpretations will be applied from the beginning of 2009:

IFRS 8 Operating Standards

IAS 23 Borrowing Costs, amendment to standard

IAS 1 Presentation of Financial Statements, amendment to standard

IFRIC 13 Customer Loyalty Programmes

The Group has initially estimated that the new standards and interpretations mentioned above will only have a small impact. It has been initially estimated that their application will mainly affect the presentation of the income statement, balance sheet and statement of changes in shareholders' equity as well as the notes to the financial statements.

A new accounting standard to be adopted from the beginning of 2010 is IFRS 3, Business Combinations (amendment to standard). The changes to IFRS 3 will affect the treatment of business acquisitions, concerning for example minority interest, goodwill and expenses relating to the acquisition. The amendment to IFRS 3 will not affect previous business acquisitions.

The Group's long-term receivable from associated company Acta Print Kivenlahti Oy is shown in the balance sheet under assets available for sale. Alma Media intends to relinquish its entire holding in Acta Print Oy. This divestment is not expected to have a significant impact on Alma Media's financial position.

The figures in this bulletin are unaudited.

SEASONALITY

The Group recognizes 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 of the year.

USE OF ESTIMATES

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



NEXT INTERIM REPORT

Alma Media publishes its results for the first nine months of 2008 at 9.00 am (EET) on 29 October 2008.

ALMA MEDIA CORPORATION
Board of Directors