

Alma Media  
Interim Report  
1 Jan - 30 Sept 2012

25 October 2012

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## Alma Media's Interim Report for January - September 2012:

**GROWTH IN ONLINE ADVERTISING SALES, ADVERTISING SALES IN PRINT MEDIA CONTINUED TO DECLINE****Financial performance in July–September 2012:**

- Revenue was MEUR 75.2 (75.1), up 0.2%.
- Circulation revenue was MEUR 30.0 (32.5), down 7.5%, advertising revenue MEUR 36.1 (34.3), up 5.1% and content and service revenue MEUR 9.1 (8.3), up 9.8%.
- EBITDA (Earnings before interests, taxes, depreciation and amortisation) excluding non-recurring items was MEUR 12.0 (14.2), down 15.3%
- EBITDA was MEUR 11.3 (14.6), down 22.4%.
- Operating profit excluding non-recurring items was MEUR 8.9 (12.0), 11.8% (16.0%) of revenue, down 26.1%.
- Operating profit was MEUR 8.1 (12.4), 10.8% (16.5%) of revenue, down 34.4%.
- Revenue of acquired businesses was MEUR 5.5 and operating profit MEUR 0.9.
- Profit for the period was MEUR 8.1 (12.2), down 33.6%.
- Earnings per share were EUR 0.10 (0.16).

**Financial performance in January–September 2012:**

- Revenue was MEUR 237.4 (234.9), up 1.1%.
- Circulation revenue was MEUR 90.2 (93.4), down 3.4%, advertising revenue MEUR 118.6 (114.7), up 3.4%, and content and service revenue MEUR 28.6 (26.8), up 6.8%.
- EBITDA excluding non-recurring items was MEUR 34.5 (39.6), down 13.0%.
- EBITDA was MEUR 29.8 (39.2), down 23.9%.
- Operating profit excluding non-recurring items was MEUR 25.0 (32.9), 10.5% (14.0%) of revenue, down 23.9%.
- Operating profit was MEUR 18.9 (32.4), 8.0% (13.8%) of revenue, down 41.6%.
- Revenue of acquired businesses was MEUR 15.6 and operating profit MEUR 2.9.
- Profit for the period was MEUR 15.3 (28.0), down 45.3%.
- Earnings per share were EUR 0.20 (0.36).

Key figures	2012	2011	Change		2012	2011	Change	2011	
MEUR	Q3	Q3		%	Q1-Q3	Q1-Q3		%	Q1-Q4
Revenue	75.2	75.1	0.1	0.2	237.4	234.9	2.5	1.1	316.2
Circulation revenue	30.0	32.5	-2.4	-7.5	90.2	93.4	-3.2	-3.4	124.8
Advertising revenue	36.1	34.3	1.8	5.1	118.6	114.7	3.9	3.4	155.3
Contents and service revenue	9.1	8.3	0.8	9.8	28.6	26.8	1.8	6.8	36.1
Total expenses excluding non-recurring items	66.4	63.1	3.3	5.2	212.6	202.2	10.4	5.2	273.6
EBITDA excluding non-recurring items	12.0	14.2	-2.2	-15.3	34.5	39.6	-5.1	-13.0	51.9
EBITDA	11.3	14.6	-3.3	-22.4	29.8	39.2	-9.3	-23.9	51.2
Operating profit excluding non-recurring items	8.9	12.0	-3.1	-26.1	25.0	32.9	-7.9	-23.9	42.9
% of revenue	11.8	16.0			10.5	14.0			13.6
Operating profit	8.1	12.4	-4.3	-34.4	18.9	32.4	-13.5	-41.6	42.0
% of revenue	10.8	16.5			8.0	13.8			13.3
Profit for the period	8.1	12.2	-4.1	-33.6	15.3	28.0	-12.7	-45.3	30.8
Earnings per share, EUR (basic)	0.10	0.16	-0.05	-33.6	0.20	0.36	-0.2	-45.2	0.39
Earnings per share, EUR (diluted)	0.10	0.16	-0.05	-33.4	0.19	0.35	-0.2	-45.0	0.39
Acquired businesses									
Revenue	5.5	0.0	5.5		15.6	0.0	15.6		0.0
EBITDA	1.6	0.0	1.6		5.1	0.0	5.1		0.0
Operating profit	0.9	0.0	0.9		2.9	0.0	2.9		0.0



## Outlook for 2012:

Due to the uncertainty prevailing in the macroeconomic conditions of the Group's main markets, it is exceptionally complicated to estimate the development of circulation and advertising revenues. Digital services are expected to further increase their share of the media market. Alma Media expects that the change in value-added tax, effective since the beginning of 2012, may decrease the circulations of the Group's newspapers.

Alma Media repeats its estimate given in the interim report of July 20, 2012, according to which the company expects its full-year revenue for 2012 to increase from the 2011 level, primarily due to the acquisitions made. Operating profit excluding non-recurring items is expected to be lower than in 2011. Full-year revenue for 2011 was MEUR 316.2, operating profit excluding non-recurring items MEUR 42.9 and operating profit MEUR 42.0.

### **Kai Telanne**, President and CEO:

The weakened national economy had a negative effect on the Finnish advertising market and therefore also on Alma Media's financial development in the third quarter.

In July–September, the total advertising spending declined by 5.3%, according to TNS Media Intelligence. The advertising volume of printed newspapers and local papers decreased by 8.8% (grew by 0.5%). Advertising in online media increased by 7.9% (20.3%) from the corresponding period in 2011. The circulations of printed papers continued to decline in the third quarter as expected.

In July–September, the revenue of Alma Media Group remained at the level of the corresponding period and amounted to MEUR 75.2. Online advertising sales of the Newspapers segment grew, in particular with the support of Iltalehti.fi's favourable development. Iltalehti.fi further strengthened its position in the growing markets of display advertising.

Kauppalähti's service and subscription model renewal, launched in May, has been well received among customers, which was reflected on the growth in the sales of the digital content services of the Kauppalähti Group in the third quarter.

Advertising sales in print media declined by 12.7% in July–September to MEUR 21.1 (24.2).

Alma Media's circulation revenue decreased by 7.5% in July–September as expected, mainly due to the decline in the single copy sales of afternoon tabloids, and was MEUR 30.0 (32.5).

Alma Media's strategy is to increase the share of digital business in its revenue. In line with this strategy, the company finalised corporate acquisitions in the Czech Republic and the Baltic countries at the turn of the year, and acquired E-Kontakti Oy in August. In the third quarter, digital products and services accounted for 24.4 (17.7)% of Alma Media's revenue.

Alma Media is presently in the middle of several change projects aiming at adapting to the structural change in the industry. One of the largest initiatives is the reorganisation of the Group's regional and local paper unit, Alma Regional Media, to strengthen the collaboration between the unit's 34 newspapers for better reader service. As part of the renewal of Alma Regional Media's operational model, Alma Regional Media and the newspapers Ilkka and Pohjalainen of Ilkka-Yhtymä agreed on wide-ranging operational content and development collaboration efforts in August. The letter of intent concerning the new collaboration was signed on August 30, 2012, and the new operational model being developed between the parties is intended to be in full operation from the beginning of 2014.

As a result of the statutory personnel negotiations in relation to the ongoing change projects, Alma Media's personnel decreases by a total of 155 full-time work years in January–September.

Alma Media's investment in the new printing facility in Tampere, Finland, is progressing as planned, with equipment installation already going on. The new facility will be operational in the first quarter of 2013. From the beginning of 2014, it will produce three seven-day regional papers in addition to its other products as the printing of the newspaper Hämeen Sanomat appearing in Hämeenlinna will be transferred to Alma Media as agreed in a letter of intent signed in September.

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## ALMA MEDIA GROUP INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2012

The descriptive part of this review focuses on the result of July–September 2012. The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2011, unless otherwise stated. The figures in the tables are independently rounded.

KEY FIGURES MEUR	2012 Q3	2011 Q3	Change %	2012 Q1-Q3	2011 Q1-Q3	Change %	2011 Q1-Q4
Revenue	75.2	75.1	0.2	237.4	234.9	1.1	316.2
Total expenses excluding non-recurring items	66.4	63.1	5.2	212.6	202.2	5.2	273.6
EBITDA excluding non-recurring items	12.0	14.2	-15.3	34.5	39.6	-13.0	51.9
EBITDA	11.3	14.6	-22.4	29.8	39.2	-23.9	51.2
Operating profit excluding non-recurring items	8.9	12.0	-26.1	25.0	32.9	-23.9	42.9
% of revenue	11.8	16.0		10.5	14.0		13.6
Operating profit	8.1	12.4	-34.4	18.9	32.4	-41.6	42.0
% of revenue	10.8	16.5		8.0	13.8		13.3
Profit before tax	10.5	15.6	-32.6	19.9	36.7	-45.8	42.0
Profit for the period	8.1	12.2	-33.6	15.3	28.0	-45.3	30.8
Return on Equity/ROE (Annual)*	48.8	69.2	-29.5	23.5	37.4	-37.3	29.1
Return on Invest/ROI (Annual)*	26.6	61.0	-56.4	17.0	36.3	-53.2	26.1
Net financial expenses	-2.5	-0.9	-181.4	-1.3	-1.1	-17.9	2.5
Net financial expenses, % of revenue	-3.4	-1.2		-0.6	-0.5		0.8
Balance sheet total				224.7	163.8	37.1	198.0
Capital expenditure	5.9	1.3	366.8	78.4	4.1	1796.4	6.3
Capital expenditure, % of revenue	7.9	1.7		33.0	1.8		2.0
Equity ratio				39.8	64.6	-38.4	57.0
Gearing, %				56.3	-13.3	-523.4	-33.4
Interest-bearing net debt				46.1	-12.4	-472.4	-32.3
Interest-bearing liabilities				67.0	8.5	684.9	25.5
Non-interest-bearing liabilities				75.8	62.2	21.8	75.7
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,949	1,867	4.4	1,915	1,839	4.1	1,816
Average no. of delivery staff	955	1,027	-7.1	955	968	-1.4	961
Share indicators							
Earnings per share, EUR (basic)	0.10	0.16	-33.6	0.20	0.36	-45.2	0.39
Earnings per share, EUR (diluted)	0.10	0.16	-33.4	0.19	0.35	-45.0	0.39
Cash flow from operating activities/share, EUR	0.02	0.06	-69.7	0.18	0.40	-55.3	0.67
Shareholders' equity per share, EUR				1.05	1.20	-11.9	1.24
Dividend per share							0.40
Effective dividend yield							6.5
P/E Ratio							15.8
Market capitalization				366.9	457.5	-19.8	463.5
Average no. of shares (1,000 shares)							
- basic	75,487	75,487		75,487	75,290		75,339
- diluted	75,657	75,884		75,673	76,478		75,772
No. of shares at end of period (1,000 shares)				75,487	75,487		75,487

\*) see Main Accounting Principles of the Interim Report

## Market conditions

The growth of the Finnish economy in 2012 will be slow. The GDP change is estimated at only 0–1%. GDP growth swung to a decline in summer, despite positive development earlier in the year. Towards the end of 2012, the economy is forecast to return to slight growth.

In the third quarter, the total advertising spending decreased by 5.3% (increased by 3.7%) according to TNS Media Intelligence. Advertising in local papers and newspapers declined by 8.8% (up 0.5%) but continued to grow in online media, by 7.9x% (20.3%) from the comparison period.

The market for afternoon papers, calculated in number of copies, declined by 13.6% (2.9%) in the third quarter of 2012.

## Changes in Group structure

On January 2, 2012, Alma Media Corporation acquired LMC s.r.o. The company is reported under Digital Consumer Services since January 2, 2012.

Northern Media, part of Alma Media's Newspapers segment, acquired the publishing rights of the free issue paper Kotikymppi that appears in Kemijärvi, Finland, on January 1, 2012.

On February 2, 2012, Alma Media Corporation acquired CV Online, the leading internet recruitment service company in the Baltic countries. The company is reported as part of the Digital Consumer Services segment since February 2, 2012.

Alma Mediapartners Oy, part of Alma Media Group, has acquired the entire stock of PlanMyRoom Finland Oy. The company is reported as part of the Digital Consumer Services segment starting May 2, 2012.

Alma Media Corporation acquired the entire stock of Suomen Hankintakeskus Oy. Suomen Hankintakeskus will be merged with Mascus, Alma Media's international marketplace for second-hand heavy machinery. From June 1, 2012, Suomen Hankintakeskus Oy is reported as part of the Digital Consumer Services segment.

Alma Media Corporation acquired a 51-per cent share of the US company Adalia Media. Adalia Media has been a licence partner of Mascus, Alma Media's international marketplace for second-hand heavy machinery since 2009. Starting June 1, 2012, Adalia Media Inc. is reported as part of the Digital Consumer Services segment.

On August 1, 2012, Alma Media Corporation acquired the entire stock of Finland's leading online dating service E-Kontakti Oy. Starting August 1, 2012, the company is reported as part of the Digital Consumer Services segment.

On August 1, 2012, Alma Media Corporation sold the entire stock of Bovision AB. The company used to be reported as part of the Digital Consumer Services segment.

More information on the acquired business operations of the Group is in the notes section of this Interim Report.

## Group revenue and result in July–September 2012

The Group's third-quarter revenue remained at last year's level amounting to MEUR 75.2 (75.1). The revenue of businesses acquired in 2012 was MEUR 5.5 (0.0). Revenue from print media was MEUR 51.2 (56.7), constituting 68.1% (75.5%) of the Group's total revenue. Revenue from digital products and services was MEUR 18.4 (13.3), a growth of 38.3% mainly through acquisitions. Digital products and services made up 24.4% (17.7%) of Group revenue. Other revenue amounted to MEUR 5.5 (5.1), accounting for 7.3% (6.8%) of Group revenue.

Revenue from advertising sales increased by 5.1% to MEUR 36.1 (34.3), representing a 47.9% (45.7%) share of Group total revenue. Advertising sales for print media decreased by 12.7% from the comparison period, being MEUR 21.1 (24.2). Online advertising sales grew by 47.1% to MEUR 14.5 (9.9).

Circulation revenue declined by 7.5% to MEUR 30.0 (32.5). The circulation revenue of the Newspapers segment was lower than in the comparison period, a result of a declining number of distributed copies. Kauppalehti's circulation revenue grew slightly from the comparison period.

Content and service revenue was MEUR 9.1 (8.3).

Total expenses excluding non-recurring items rose by MEUR 3.3 or 5.2%, and were MEUR 66.4 (63.1). Total expenses increased by 6.4%, being MEUR 67.2 (63.1). The share of acquired businesses in total expenses for the third quarter was MEUR 4.7. Total expenses were additionally increased mainly by reorganisation provisions reported as non-recurring items.

EBITDA excluding non-recurring items declined by 15.3% to MEUR 12.0 (14.2). EBITDA was MEUR 11.3 (14.6).

Depreciations during the review period totalled MEUR 3.2 (2.2). Depreciations related to acquired businesses were MEUR 0.7 (0.1).

Operating profit excluding non-recurring items decreased by 26.1% (10.3%) to MEUR 8.9 (12.0), 11.8% (16.0%) of revenue. Operating profit was MEUR 8.1 (12.4), down to 10.8% (16.5%) of revenue. Operating profit from acquired businesses was MEUR 0.9 (0.0).

The operating profit includes MEUR -0.7 (+0.4) in net non-recurring items. The non-recurring items in the review period were related to operational reorganisation in the Newspapers and Other Operations segments.

Profit before taxes in July–September was MEUR 10.5 (15.6), and profit before taxes excluding non-recurring items MEUR 11.3 (15.2).

### **Group revenue and result in January–September 2012**

In January–September, revenue grew by 1.1% (2.9%) totalling MEUR 237.4 (234.9). Revenue from businesses acquired in 2012 was MEUR 15.6 (0.0). Revenue from print media was MEUR 162.2 (175.5), representing 68.3% (74.7%) of the Group's total revenue. Revenue from digital products and services was MEUR 56.8 (41.9), up 35.4% mainly due to acquisitions. The share of the digital products and services in the Group's revenue was 23.9% (17.9%). Other revenue totalled MEUR 18.1 (17.3), representing a share of 7.6% (7.4%) of Group total revenue.

Revenue from advertising sales increased by 3.4% to MEUR 118.6 (114.7). The share of advertising sales in the Group's total revenue was 50.0% (48.8%). Advertising sales for print media declined by 12.4% from the comparison period, totalling MEUR 71.9 (82.1). Online advertising sales increased by 43.0% to MEUR 45.7 (32.0).

Circulation revenue decreased by 3.4% to MEUR 90.2 (93.4). Circulation revenue for the Newspapers segment declined by 3.7% to MEUR 79.4 (82.4). Kauppalehti's circulation revenue remained at the comparison period level at MEUR 10.9 (11.1).

Content and service revenue was MEUR 28.6 (26.8).

Total expenses excluding non-recurring items grew by MEUR 10.4, or 5.2%, and totalled MEUR 212.6 (202.2). Total expenses grew by 7.6% to MEUR 218.7 (203.2). The share of acquired businesses in total expenses for the review period was MEUR 12.8. The growth in total expenses was mainly attributable to reorganisation provisions.

The January–September EBITDA excluding non-recurring items declined by 13.0% to MEUR 34.5 (39.6). EBITDA was MEUR 29.8 (39.2).

Depreciations in the review period amounted to MEUR 10.9 (6.8). Depreciations in the financial period include an impairment loss of MEUR 1.6 reported as a non-recurring item. Acquisition-related depreciations increased to MEUR 2.1 (0.4).

Operating profit excluding non-recurring items was down 23.9% (down 0.3%) to MEUR 25.0 (32.9). The operating margin excluding non-recurring items was 10.5% (14.0%). The operating profit was MEUR 18.9 (32.4), and the operating margin 8.0% (13.8%). Operating profit from acquired businesses amounted to MEUR 2.9 (0.0).

The operating profit includes MEUR -6.1 (0.4) in net non-recurring items. The non-recurring items during the review period were related to organisational restructuring, as well as impairment losses for capitalised R&D costs for the Marketplaces business.

The January–September 2012 profit before taxes was MEUR 19.9 (36.7), and the profit before taxes excluding non-recurring items MEUR 25.9 (37.1). The period's financial result included changes in the fair value of contingent considerations and debt incurred by the reorganisation of the Marketplaces business in the amount of MEUR 2.6.

## Business segments

This Interim Report reports Alma Media's business segments according to the new organisational structure. The segment structure was changed from the beginning of 2012. The reportable segments of Alma Media are Newspapers, Kauppalehti Group, Digital Consumer Services and Other Operations.

### REVENUE AND OPERATING PROFIT/LOSS BY SEGMENT

REVENUE BY SEGMENT, MEUR	2012 Q3	2011 Q3	Change %	2012 Q1-Q3	2011 Q1-Q3	Change %	2011 Q1-Q4
Newspapers							
External	48.3	51.4		151.4	159.5		214.1
Inter-segments	0.6	1.0		2.6	3.1		4.3
Newspapers total	48.9	52.5	-6.8	154.0	162.6	-5.3	218.3
Kauppalehti Group							
External	12.6	12.4		40.9	40.9		55.9
Inter-segments	0.1	0.2		0.6	0.6		0.8
Kauppalehti Group total	12.7	12.6	1.0	41.4	41.5	-0.1	56.7
Digital consumer services							
External	12.7	9.9		40.5	30.5		40.7
Inter-segments	0.6	0.4		1.5	1.1		1.4
Digital consumer services total	13.3	10.3	28.9	42.0	31.6	33.1	42.1
Other operations							
External	1.6	1.3		4.6	4.1		5.6
Inter-segments	19.6	18.7		58.6	55.3		73.9
Other operations total	21.2	20.1	5.8	63.3	59.3	6.7	79.5
Elimination	-20.9	-20.3		-63.3	-60.0		-80.4
Total	75.2	75.1	0.2	237.4	234.9	1.1	316.2

### OPERATING PROFIT/LOSS BY

SEGMENT, MEUR *)	2012 Q3	2011 Q3	Change %	2012 Q1-Q3	2011 Q1-Q3	Change %	2011 Q1-Q4
Newspapers	5.2	7.0	-24.9	15.2	22.0	-31.0	29.7
Kauppalehti Group	1.3	2.0	-33.2	3.5	5.2	-32.6	7.4
Digital consumer services	1.8	1.9	-5.6	3.7	5.5	-33.2	6.4
						-	
Other operations	-0.1	1.7	-107.8	-3.2	0.0	8201.2	-1.6
Total	8.1	12.4	-34.4	18.9	32.4	-41.6	42.0

\*) including non-recurring items

The Group has six operating segments, in accordance with the table below. The operating segments that offer similar products and services are combined to reportable segments due to their uniform profitability and other characteristics.

REPORTABLE SEGMENT:	OPERATING SEGMENT:
Newspapers	Alma Regional Media Iltalehti
Kauppalehti Group	Kauppalehti Group
Digital Consumer Services	Marketplaces Alma Diverso
Other Operations	Other operations

The new Digital Consumer Services segment consists of the former Marketplaces segment as well as the Alma Diverso operating segment. Alma Diverso comprises the digital consumer services previously reported in the Newspapers segment, namely Telkku.com, Kotikokki.net, E-kontakti.fi/ Neffit.fi, Nytmatkaan.fi, Suomenyritykset.fi as well as the development of the technical platform of the online services of the regional and local newspapers, previously reported in Other Operations.

With the change in the structure and composition of the reportable segments, Alma Media has, in accordance with the IFRS 8 Operating Segments standard, adjusted the corresponding items in segment information for the comparison period 2011. The tables presented in the Notes section of this Interim Report summarise the impact of the changes and present revenue and operating profit by segment in accordance with the new segment composition.

## Newspapers

The Newspapers segment reports the Alma Regional Media and Iltalehti business units, that is, the publishing activities of a total of 35 newspapers. The best-known titles in this segment are Aamulehti and Iltalehti.

Newspapers	2012	2011	Change	2012	2011	Change	2011
Key figures, MEUR	Q3	Q3	%	Q1-Q3	Q1-Q3	%	Q1-Q4
Revenue	48.9	52.5	-6.8	154.0	162.6	-5.3	218.3
Circulation revenue	26.5	28.7	-7.7	79.4	82.4	-3.7	109.9
Advertising revenue	21.7	22.9	-5.6	72.0	77.3	-6.9	104.4
Content and service revenue	0.8	0.8	-5.2	2.6	2.9	-8.1	4.0
Total expenses excluding non-recurring items	43.6	45.5	-4.2	135.7	140.2	-3.2	187.7
Ebitda excluding non-recurring items	5.7	7.3	-22.6	19.4	23.5	-17.6	32.2
Ebitda	5.5	7.3	-24.2	15.9	23.1	-30.9	31.4
Operating profit excluding non-recurring items	5.4	7.0	-23.2	18.4	22.4	-18.0	30.7
Operating profit excluding non-recurring items, %	10.9	13.3		11.9	13.8		14.1
Operating profit	5.2	7.0	-24.9	15.2	22.0	-31.0	29.7
Operating profit, %	10.7	13.3		9.8	13.5		13.6
Average no. of personnel, calculated as full-time employees excl. delivery staff	858	976	-12	863	959	-10	940
Average no. of delivery staff *	0	128	-100	44	115	-62	117



	2012	2011	2012	2011	2011
Operational key figures	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
Audited circulation					
Iltalehti					102,124
Aamulehti					130,081
Online services, unique browsers, weekly					
Iltalehti.fi	2,690,562	2,696,276	3,333,091	2,883,106	2,978,518
Aamulehti.fi	319,350	305,903	347,779	330,157	333,987

### July–September 2012

The Newspapers segment's revenue decreased to MEUR 48.9 (52.5). Advertising sales in the segment were MEUR 21.7 (22.9), down 5.6% (down 2.3%). Advertising sales for print media decreased by 8.1% (decreased by 3.6%). The segment's online advertising sales grew by 20.9% to MEUR 2.4 (2.0). Iltalehti.fi further strengthened its position in the growing markets of display advertising.

The segment's circulation revenue decreased by 7.7% in July–September due to a decrease in the number of distributed copies and was MEUR 26.5 (28.7). Online business accounted for 5.0% (3.9%) of the segment's revenue.

The segment's total expenses excluding non-recurring items were MEUR 43.6 (45.5). The total expenses amounted to MEUR 43.7 (45.5). The non-recurring items were related to operational restructuring.

The segment's operating profit excluding non-recurring items was MEUR 5.4 (7.0) and operating profit MEUR 5.2 (7.0). The operating profit excluding non-recurring items decreased due to the decline in circulation revenue and print advertising sales.

### January–September 2012

The Newspapers segment's revenue decreased to MEUR 154.0 (162.6). Advertising sales in the segment totalled MEUR 72.0 (77.3), down 6.9% (up 3.6%). Advertising sales for print media decreased by 9.1% (increased by 2.6%). The segment's online advertising sales grew by 15.0% to MEUR 8.0 (7.0). The segment's circulation revenue declined by 3.7% to MEUR 79.4 (82.4). Online business accounted for 5.3% (4.4%) of the segment's revenue.

The segment's total expenses excluding non-recurring items were MEUR 135.7 (140.2) and total expenses MEUR 138.9 (140.7). The non-recurring expenses in the amount of MEUR 3.2 were related to operational restructuring and a loss from the sale of real estate.

The segment's operating profit excluding non-recurring items was MEUR 18.4 (22.4) and the operating profit MEUR 15.2 (22.0). The segment's operating profit excluding non-recurring items decreased due to the decline in circulation revenue and print advertising sales.

Pohjois-Suomen Media Oy (Alma Media Northern Media), part of the Newspapers segment, concluded its statutory personnel negotiations in January. As a result of the negotiations, the number of employees of Pohjois-Suomen Media is reduced by 9 full-time work years.

Alma Media combined its 34 regional and local papers into a new business unit, Alma Regional Media, at the beginning of 2012 and started a large-scale renewal project to strengthen the collaboration between the papers. In the statutory personnel negotiations held in May–June 2012 in connection with the renewal project, the number of employees in Alma Regional Media decreased by 100 full-time work years. As part of the renewal of Alma Regional Media's operational model, Alma Regional Media and the newspapers Ilkka and Pohjalainen, members of Ilkka-Yhtymä, in August agreed on wide-ranging operational collaboration covering content and development. A letter of intent for the collaboration was signed on August 30, 2012, and the jointly developed new collaboration model is meant to be in full operation from the beginning of 2014.

## Kauppalehti Group

The Kauppalehti Group specialises in the production of business and financial information as well as in the provision of marketing solutions. Its best known title is Finland's leading business paper, Kauppalehti. The Group also includes the custom media house Alma 360, and the news agency and media monitoring unit BNS Group that operates in all of the Baltic countries.

Kauppalehti Group Key figures, MEUR	2012 Q3	2011 Q3	Change %	2012 Q1-Q3	2011 Q1-Q3	Change %	2011 Q1-Q4
Revenue	12.7	12.6	1.0	41.4	41.5	-0.1	56.7
Circulation revenue	3.5	3.8	-5.5	10.9	11.1	-1.7	15.0
Advertising revenue	2.9	3.2	-6.5	10.8	12.0	-9.9	17.1
Content and service revenue	6.2	5.7	9.5	19.8	18.4	7.3	24.6
Total expenses excluding non-recurring items	11.2	10.6	6.2	37.8	36.3	4.2	49.3
EBITDA excluding non-recurring items	1.7	2.2	-24.1	4.2	5.8	-27.2	8.2
EBITDA	1.6	2.2	-30.1	4.1	5.8	-29.5	8.2
Operating profit excluding non-recurring items	1.5	2.0	-26.6	3.6	5.2	-30.0	7.4
Operating margin excluding non-recurring items, %	11.6	16.0		8.7	12.5		13.0
Operating profit	1.3	2.0	-33.2	3.5	5.2	-32.6	7.4
Operating profit, %	10.6	16.0		8.4	12.5		13.0
Average no. of personnel, calculated as full-time employees	421	431	-2	414	433	-4.6	429

Operational key figures	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
Audited circulation Kauppalehti					68,252
Online services, unique browsers, weekly Kauppalehti.fi	597,000	638,716	683,761	737,687	729,742

### July–September 2012

The revenue of the Kauppalehti Group in the third quarter amounted to MEUR 12.7 (12.6). The revenue of the review period increased by 1.0% (decreased by 5.4%). Online business accounted for 26.8% (26.6%) of the segment's revenue.

The segment's advertising sales decreased to MEUR 2.9 (3.2), down 6.5% (down 12.9%). Online advertising sales decreased by 13.0% (decreased by 10.7%) from the comparison period. The decline in advertising sales was mainly attributable to weakening demand in the main customer industries caused by the general economic situation.

The segment's circulation revenue decreased from the previous year and was MEUR 3.5 (3.8). Content and service revenue increased to MEUR 6.2 (5.7). The growth in content and service revenue was particularly attributable to new customer acquisitions by Alma 360, as well as the increased sales income from Kauppalehti's information services and digital contents.

The segment's total expenses excluding non-recurring items amounted to MEUR 11.2 (10.6) and total expenses MEUR 11.4 (10.6). The increase in the segment's expenses was due to ICT and marketing efforts caused by product renewals. The non-recurring items were related to losses from the sale of shares.

Kauppalehti Group's operating profit excluding non-recurring items was MEUR 1.5 (2.0) and operating profit MEUR 1.3 (2.0). Kauppalehti Group's operating margin excluding non-recurring items was 11.6% (16.0%).

## January–September 2012

Kauppalehti Group's January–September revenue was MEUR 41.4 (41.5). The revenue during the review period was down 0.1% (down 0.7%). Online business generated 26.3% (24.8%) of the segment's revenue.

The segment's advertising sales decreased by 9.9% (decreased by 2.6%), amounting to MEUR 10.8 (12.0). Online advertising sales decreased by 3.7% (decreased by 0.5%) from the comparison period.

The segment's circulation revenue remained at the previous year's level at MEUR 10.9 (11.1). The content and service revenue increased by 7.3% to MEUR 19.8 (18.4).

The segment's total expenses excluding non-recurring items were MEUR 37.8 (36.3) and total expenses MEUR 38.0 (36.3). Non-recurring items were related to losses from the sale of shares.

The operating profit of the Kauppalehti Group excluding non-recurring items was MEUR 3.6 (5.2) and operating profit MEUR 3.5 (5.2) Kauppalehti Group's operating margin excluding non-recurring items was 8.7% (12.5%).

In May, Kauppalehti renewed its printed paper and online contents, as well as the subscription models of its services.

### Digital Consumer Services

The Digital Consumer Services segment, reported since the beginning of 2012, comprises the former Marketplaces segment and the digital consumer service operations previously reported in the Newspapers and Other Operations segments.

The services in Finland are Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, Mascus.fi, MyyJaOsta.com, Telkku.com, Vuodatus.net, Kotikokki.net, E-kontakti.fi, Nytmatkaan.fi and Suomenyritykset.fi. The services operating outside Finland are Jobs.cz, Prace.cz, topjobs.sk, CV Online, Mascus, Objektvision.se and City24. In addition, the segment includes print media supporting the digital services, as well as the development of the technology platform for the online services of the regional and local papers.

Digital consumer services	2012	2011	Change	2012	2011	Change	2011
Key figures, MEUR	Q3	Q3	%	Q1-Q3	Q1-Q3	%	Q1-Q4
Revenue	13.3	10.3	28.9	42.0	31.6	33.1	42.1
Operations in Finland	6.5	8.9	-26.4	22.0	27.4	-19.6	36.5
Operations outside Finland	6.7	1.4	376.2	20.0	4.2	376.6	5.6
Total expenses excluding non-recurring items	11.1	8.4	31.2	36.1	26.3	37.4	35.9
EBITDA excluding non-recurring items	3.4	2.3	46.4	9.4	6.6	42.1	8.0
EBITDA	2.9	2.3	26.9	8.7	6.8	28.0	8.1
Operating profit excluding non-recurring items	2.2	1.9	20.2	6.0	5.3	13.1	6.3
Operating margin excluding non-recurring items, %	16.9	18.1		14.4	16.9	-15.0	14.9
Operating profit	1.8	1.9	-5.6	3.7	5.5	-33.2	6.4
Operating margin, %	13.2	18.1		8.7	17.4	-49.8	15.3
Average no. of personnel, calculated as full-time employees	402	210	92	370	207	78	205
Acquired businesses							
Revenue	5.5	0.0		15.6	0.0		0.0
EBITDA	1.6	0.0		5.1	0.0		0.0
Operating profit	0.9	0.0		2.9	0.0		0.0

Operational key figures	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
Online services, unique browsers, weekly					
Etuovi.com	391,865	424,284	415,641	462,335	453,453
Autotalli.com	94,394	86,030	106,148	100,033	99,142
Monster.fi	93,523	77,063	103,118	90,380	91,205
MyyjaOsta.com	24,232	41,779	32,078	44,611	42,239
Telkku.com	596,076	584,493	725,588	650,503	661,908
Vuodatus.net	226,078	241,547	242,165	263,711	256,582
Kotikokki.net	168,193	186,688	183,714	201,838	196,509
Suomenyritykset.fi	66,701	72,913	69,745	77,725	76,618
Mascus.com (Finland)	294,947	235,035	344,212	270,728	279,089
City24	159,597	144,760	160,593	144,820	190,842
Bovision	48,735	59,415	55,679	69,840	66,019

### July–September 2012

In the third quarter of 2012, the revenue of the Digital Consumer Services segment was MEUR 13.3 (10.3), up 28.9% (18.5%). Revenue from businesses acquired in 2012 was MEUR 5.5. The segment's advertising sales amounted to MEUR 11.7 (8.8).

Advertising sales in the segment's recruitment business continued to grow supported by acquisitions abroad. In Finland, the weakening of the business environment caused a downturn in the recruitment market and the advertising sales of Monster.fi. The competitive situation in home sales services levelled out in summer, and Etuovi.com's revenue started to grow in comparison with the second quarter.

The total expenses for the review period excluding non-recurring items were MEUR 11.1 (8.4), and total expenses MEUR 11.5 (8.4). The expenses of the acquired businesses amounted to MEUR 4.6.

The operating profit of the Digital Consumer Services segment excluding non-recurring items grew to MEUR 2.2 (1.9) in the third quarter. The operating profit was MEUR 1.8 (1.9). The operating profit from businesses acquired in 2012 was MEUR 0.9.

Alma Media Corporation on August 1, 2012 bought the entire stock of Finland's leading online dating service provider, E-Kontakti Oy. The company is reported as part of the Digital Consumer Services segment from August 1, 2012.

Alma Media Corporation on August 1, 2012 sold the entire stock of Bovision AB. The company used to be reported as part of the Digital Consumer Services segment.

### January–September 2012

In January–September, the revenue of the Digital Consumer Services segment was MEUR 42.0 (31.6), up 33.1% (20.7%). Revenue from businesses acquired in 2012 was MEUR 15.6. The segment's advertising sales totalled MEUR 37.2 (27.3).

The total expenses for the review period excluding non-recurring items were MEUR 36.1 (26.3) and total expenses MEUR 38.5 (26.3). The expenses of the acquired businesses amounted to MEUR 12.7.

The January–September operating profit for the Digital Consumer Services segment excluding non-recurring items increased by 13.1% to MEUR 6.0 (5.3). The operating profit was MEUR 3.7 (5.5). The operating profit from businesses acquired in 2012 was MEUR 2.9 in January–September. The non-recurring expenses in the amount of MEUR 2.0 were due to reorganisation measures and impairment losses for capitalised R&D costs. The non-recurring income during the comparison period, MEUR 0.2, was due to corporate restructuring. The segment's operating profit excluding non-recurring items grew, thanks to the businesses acquired in January–September.

## Other Operations

The Other Operations segment reports the operations of the Group's printing and distribution company Alma Manu Oy as well as the parent company. The financial characteristics of both are similar as they primarily provide services for the other business segments.

Other operations Key figures, MEUR	2012 Q3	2011 Q3	Change %	2012 Q1-Q3	2011 Q1-Q3	Change %	2011 Q1-Q4
Revenue	21.2	20.1	5.8	63.3	59.3	6.7	79.5
External	1.6	1.3	20.9	4.6	4.1	13.7	5.6
Inter-segments	19.6	18.7	4.7	58.6	55.3	6.1	73.9
Total expenses excluding non-recurring items	21.4	18.8	13.7	66.2	59.3	11.6	81.0
EBITDA excluding non-recurring items	1.3	2.4	-44.2	1.5	3.7	-59.8	3.5
EBITDA	1.3	2.8	-52.3	1.1	3.6	-67.7	3.4
Operating profit excluding non-recurring items	-0.1	1.3	-110.2	-2.9	0.1	-3778.7	-1.4
Operating profit excluding non-recurring items, %	-0.6	6.5		-4.5	0.1		-1.8
Operating profit	-0.1	1.7	-107.8	-3.2	0.0	-8201.2	-1.6
Operating profit, %	-0.6	8.6		-5.1	-0.1		-2.0
Average no. of personnel, calculated as full-time employees	268	250	7	268	239	12	241
Average no. of delivery staff	954	899	6	924	853	8	844
Operational key figures	2012 Q3	2011 Q3		2012 Q1-Q3	2011 Q1-Q3		2011 Q1-Q4
Printing volume (thousand units)	48,948	59,191		151,007	178,381		224,724
Paper usage (tons)	6,759	7,752		21,151	23,501		31,428

Alma Media entered an agreement with Pohjola Bank Plc for the financing of the machinery and movable property of Alma Media's new printing facility. The agreements covered a total of MEUR 49.5 at the end of September, out of which MEUR 33.8 have been paid to suppliers by the end of September. The total amount of the investment is approximately MEUR 50.0.

The rent agreement for the new printing facility property became effective on January 1, 2012, and it is treated as a finance leasing agreement in the consolidated balance sheet.

Alma Manu expanded its distribution operations in the province of Lapland. The distribution of Lapin Kansa and Koillis-Lappi, both Alma Media's newspapers, was transferred from Itella to Alma Manu in January 2012.

Alma Manu initiated statutory personnel negotiations in relation to its planned operational rationalisation and reorganisation measures for its printing operations in Rovaniemi in March. As a result of the negotiations, completed in April, the number of employees at the Rovaniemi printing facility was reduced by four full-time work years.

Alma Manu started statutory personnel negotiations in June with its newspaper deliverers in the Pirkanmaa region. As a result of the negotiations, concluded in August, the work load in delivery operations decreases by 13 full-time work years.

Alma Manu agreed on the sale of its Pori printing press to Daily Print i Umeå AB in August.



## Associated companies

Alma Media Group holds a 32.14-% stake in Talentum Oyj, which is reported under the Kauppalehti Group. The company's own shares in the possession of Talentum are here included in the total number of shares. In the consolidated financial statements of Alma Media the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding in Talentum is stated as 32.64% in Alma Media's consolidated financial statements of December 31, 2011 and in this Interim Report.

Share of profit of associated companies MEUR	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
Newspapers	0.0	-0.1	0.0	-0.0	-0.0
Kauppalehti Group					
Talentum Oyj	-0.4	2.1	-1.0	2.5	1.8
Digital consumer services	-0.0	-0.0	-0.0	-0.1	-0.1
Other operations					
Other associated companies	0.3	0.3	0.5	0.7	0.9
Total	-0.2	2.3	-0.4	3.2	2.5

## Non-recurring items

A non-recurring item is an income or expense arising from non-recurring or rare events. Gains or losses from the sale of business operations or assets, gains or losses from discontinuing or restructuring business operations as well as impairment losses of goodwill and other assets are recognised as non-recurring items. Non-recurring items are recognised in the profit and loss statement within the corresponding income or expense group.

NON-RECURRING ITEMS MEUR	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
Newspapers					
Restructuring	-0.1		-3.1	-0.5	-1.0
Gains on sales of assets			-0.1		
Kauppalehti Group					
Gains on sales of assets	-0.1		-0.1		
Digital Consumer Services					
Restructuring	-0.2		-2.1		
Gains on sales of assets	-0.3		-0.3	0.2	0.2
Other operations					
Restructuring			-0.3	-0.5	-0.5
Gains on sales of assets		0.4		0.4	0.4
NON-RECURRING ITEMS IN OPERATING PROFIT	-0.7	0.4	-6.1	-0.4	-1.0
Translation differences				0.1	0.1
NON-RECURRING ITEMS IN FINANCIAL ITEMS				0.1	0.1

The non-recurring items in January–September comprised restructuring expenses in the Newspapers, Digital Consumer Services and Other Operations segments, as well as the sales losses reported in the Newspapers and Kauppalehti Group segments.

## Balance sheet and financial position

The consolidated balance sheet at the end of September 2012 stood at MEUR 224.7 (163.8). Alma Media's equity ratio at the end of September was 39.8% (64.6%) and equity per share declined to EUR 1.05 (1.20).

At the end of September, the Group's interest-bearing net debt was MEUR 46.1 (-12.4). The increase in net debt was due to the entering into force of the rental agreement of the printing facility, treated as finance leasing, as well as loans taken for company acquisitions and dividend payment. Financial assets recognised

at fair value through profit or loss created through corporate transactions amounted to MEUR 0.9 (7.9) on September 30, 2012, and the fair value of debts on the same date MEUR 2.7 (2.0).

The consolidated cash flow from operations in January–September 2012 was MEUR 13.6 (30.4). Cash flow before financing was MEUR -24.7 (30.6). Because of the change in value-added tax treatment of newspaper subscriptions, part of 2012 subscription revenue was exceptionally created in 2011, which significantly reduced the cash flow from operations during the review period. Cash flow from investing activities was affected primarily by the acquisitions of business operations during the financial period.

The Group currently has a MEUR 100.0 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of MEUR 0–100. The unused part of the programme was MEUR 81 on September 30, 2012. In addition, the Group has a credit limit in the amount of MEUR 30 until October 9, 2013, of which MEUR 6.0 were unused on September 30, 2012, and a credit limit in the amount of MEUR 35 until December 19, 2012, of which MEUR 35.0 were unused on September 30, 2012.

To further strengthen and diversify its financing structure, Alma Media Corporation in October signed two new credit facilities, both valued at MEUR 25 and valid for two years, with Nordea Pankki Suomi Oyj and Skandinaviska Enskilda Banken Ab. At the same time, Alma Media terminated its valid credit facility of MEUR 35, agreed previously with Skandinaviska Enskilda Banken Ab.

### **Capital expenditure**

Alma Media Group's capital expenditure in January–September 2012 totalled MEUR 78.4 (4.1), consisting mainly of business acquisitions, development projects and normal operational and replacement investments.

### **Administration**

Alma Media Corporation's Annual General Meeting (AGM) held on March 14, 2012 elected Timo Aukia, Petri Niemisvirta, Seppo Paatelainen, Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari members of the company's Board of Directors. In its constitutive meeting held after the AGM, the Board of Directors elected Seppo Paatelainen its Chairman.

The Board also elected the members of its committees. Timo Aukia, Kai Seikku, Catharina Stackelberg-Hammarén and Harri Suutari as Chairman were elected members of the Audit Committee. Petri Niemisvirta and Erkki Solja, as well as Seppo Paatelainen as Chairman, were elected members of the Nomination and Compensation Committee.

The Board of Directors of Alma Media Corporation has evaluated that with the exception of Timo Aukia, Petri Niemisvirta and Seppo Paatelainen, the elected members of the Board of Directors are independent of the company and its significant shareholders. The three members named above are evaluated to be independent of the company but dependent on its significant shareholders.

Mikko Korttila, General Counsel of Alma Media Corporation, was appointed secretary to the Board of Directors.

The AGM appointed Ernst & Young Oy as the company's auditors.

Mr Juha Nuutinen has been appointed CFO of Alma Media Corporation as of November 1, 2012. Mr Nuutinen also joins the Group Executive Team of Alma Media.

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on June 15, 2010, in its unaltered form. The Corporate Governance Statement as well as the Salary and remuneration report for 2011 are published separately on the company's website [www.almamedia.fi/corporate\\_governance](http://www.almamedia.fi/corporate_governance).

## Dividends

The Annual General Meeting resolved to distribute a dividend of EUR 0.40 per share, a total of MEUR 30.2 (52.5), for the financial year 2011 in accordance with the proposal of the Board of Directors. The dividend was paid on March 26, 2012 to shareholders who were registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy on the record date, March 19, 2012.

## The Alma Media share

In July–September, a total of 4,120,712 Alma Media shares were traded at NASDAQ OMX Helsinki Stock Exchange, representing 5.5% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, September 28, 2012, was EUR 4.86. The lowest quotation during the reporting period was EUR 4.35 and the highest EUR 5.19. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 366.9.

The Annual General Meeting of Alma Media Corporation on March 14, 2012 authorised the Board of Directors to repurchase a maximum of 1,000,000 of the company's shares, corresponding to approximately 1.4 per cent of the company's total number of shares. The shares will be repurchased at the market price in public trade on NASDAQ OMX Helsinki using the company's non-restricted equity, which will decrease the disposable funds of the company for the distribution of profit. The price paid for the shares shall be based on the price of the company's shares in public trade with the minimum price of the shares to be purchased being the lowest quoted market price in public trade during the validity of the authorisation and the maximum price the highest quoted market price during the validity of the authorisation. The shares can be repurchased for the purpose of developing the capital structure of the company, or financing or implementing of corporate acquisitions or other arrangements, or implementing of the incentive programmes for the management or key personnel of the company, or to be otherwise disposed of or cancelled. The authorisation is valid until the following ordinary Annual General Meeting, however no longer than until June 30, 2013.

The Annual General Meeting of Alma Media Corporation on March 14, 2012 authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company. The authorisation entitles the Board to issue a maximum of 1,000,000 shares, corresponding to approximately 1.4 per cent of the total number of shares of the company. The authorisation entitles the Board to decide on a directed share issue, which would entail deviating from the pre-emption rights of shareholders. The Board may use the authorisation in one or more parts. The authorisation may be used to implement incentive programmes for the management or key personnel of the company. The authorisation is valid until the following ordinary Annual General Meeting, however no longer than until June 30, 2013. This authorisation does not override the authorisation for a share issue resolved in the Annual General Meeting held on March 17, 2011.

The Annual General Meeting of Alma Media Corporation on March 17, 2011 authorised the Board of Directors to decide on a share issue. The authorisation entitles the Board to issue a maximum of 7,500,000 shares. This maximum amount of shares corresponds to approximately 10% of the total number of shares of the company. The share issue can be implemented by issuing new shares or transferring shares in possession of the company. The authorisation entitles the Board to decide on a directed share issue, which would entail deviating from the pre-emption rights of shareholders. The Board may use the authorisation in one or more parts. The Board may use the authorisation for developing the capital structure of the company, widening the ownership base, financing or realising acquisitions or other similar arrangements, or for other purposes decided upon by the Board. The authorisation may not, however, be used for incentive programmes for the management or key personnel of the company. The authorisation is in effect until March 17, 2013.

## Option rights

Alma Media has the option programmes 2006 and 2009 in effect. The programmes are incentive and commitment systems for Group management. If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders by a maximum of 2.74%. Further details about the programmes are given in the notes to this Interim Report.

The Board of Directors of Alma Media Corporation has resolved on a new share-based incentive plan for the Group key employees. The new Performance Share Plan consists of three performance periods, the calendar years 2012, 2013 and 2014. The Board of Directors will decide on the plan's performance criteria and their

targets at the beginning of each performance period. The potential reward from the plan for the performance period 2012 will be based on Alma Media Group's profitability, and it will be paid partly in the company's shares and partly in cash in 2013. For the members of the Group Executive Team, the plan additionally includes one three-year performance period, the calendar years 2012–2014, based on the profitable growth of the Group. The potential reward from the performance period 2012–2014 will be paid partly in the company's shares and partly in cash one year and two years from the end of the performance period. The Performance Share Plan includes approximately 25 persons.

### **Other authorisations of the Board of Directors**

The Board of Directors has no other current authorisations to raise convertible loans.

### **Market liquidity guarantee**

There is no market liquidity guarantee in effect for the Alma Media share.

### **Flagging notices**

In the third quarter of 2012, Alma Media did not receive notices of changes in shareholdings pursuant to Chapter 2, Section 9 of the Securities Markets Act.

### **Risks and risk management**

The purpose of Alma Media Group'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 audit function and thereby part of good corporate governance. Limits and processing methods are set for quantitative and qualitative risk methods by the corporate risk management system in writing.

The most critical strategic risks for Alma Media are a significant drop in its newspaper subscriptions, a decline in advertising sales and a significant increase in distribution and delivery costs. Fluctuating economic cycles are reflected on the development of advertising sales, which accounts for approximately half of the Group's revenue. Developing businesses outside Finland such as in the Baltic countries and other East European countries include country-specific risks relating to market development and economic growth.

In the long term, the media business will undergo changes along with the transformation in media consumption and technological developments. The Group's strategic objective is to meet this challenge through renewal and the development of new business operations in online media. The most important operational risks are disturbances in information technology systems and telecommunication, and an interruption of printing operations.

### **Outlook for 2012**

Due to the uncertainty prevailing in the macroeconomic conditions of the Group's main markets, it is exceptionally difficult to estimate the development of circulation and advertising revenues. Digital services are expected to further increase their share of the media market. Alma Media expects that the change in value-added tax, effective since the beginning of 2012, may decrease the circulations of the Group's newspapers.

Alma Media repeats its estimate given in the interim report of July 20, 2012, according to which the company expects its full-year revenue for 2012 to increase from the 2011 level, primarily due to the acquisitions made. Operating profit excluding non-recurring items is expected to be lower than in 2011. Full-year revenue for 2011 was MEUR 316.2, operating profit excluding non-recurring items MEUR 42.9 and operating profit MEUR 42.0.

**Events after the review period**

Alma Media Corporation on October 1, 2012 acquired 20 per cent of the stock of JM-Tieto Oy, a company specialising in corporate intelligence services. The company will be reported in the Kauppalehti Group segment as of November 1, 2012.

Alma Media Corporation signed two new credit facilities, both valued at MEUR 25, with Nordea Pankki Suomi Oyj and Skandinaviska Enskilda Banken Ab. At the same time, Alma Media has terminated its valid credit facility of MEUR 35, agreed previously with Skandinaviska Enskilda Banken Ab.



## SUMMARY OF FINANCIAL STATEMENT AND NOTES

COMPREHENSIVE INCOME STATEMENT, MEUR	2012 Q3	2011 Q3	Change %	2012 Q1-Q3	2011 Q1-Q3	Change %	2011 Q1-Q4
REVENUE	75.2	75.1	0.2	237.4	234.9	1.1	316.2
Other operating income	0.1	0.5	-83.3	0.2	0.7	-68.0	0.8
Materials and services	19.7	21.8	-9.4	61.4	66.7	-8.0	88.9
Employee benefits expense	29.2	26.8	9.3	99.0	88.3	12.0	119.8
Depreciation, amortization and impairment	3.2	2.2	44.8	10.9	6.8	61.3	9.2
Other operating expenses	15.0	12.4	21.0	47.5	41.4	14.7	57.1
OPERATING PROFIT	8.1	12.4	-34.4	18.9	32.4	-41.6	42.0
Finance income	3.1	1.2	169.1	4.0	2.0	105.4	1.1
Finance expenses	0.6	0.2	124.2	2.7	0.9	219.3	3.6
Share of profit of associated companies	-0.2	2.3	-106.7	-0.4	3.2	-111.9	2.5
PROFIT BEFORE TAX	10.5	15.6	-32.6	19.9	36.7	-45.8	42.0
Income tax	2.4	3.4	-29.3	4.6	8.7	-47.7	11.2
PROFIT FOR THE PERIOD	8.1	12.2	-33.6	15.3	28.0	-45.3	30.8
OTHER COMPREHENSIVE INCOME							
Change in translation differences	-0.2	-0.1	-255.3	0.1	-0.3	127.1	-0.1
Share of other comprehensive income of associated companies	0.4	-0.2		0.5	-0.4	230.7	-0.1
Income tax relating to components of other comprehensive income							
Other comprehensive income for the period, net of tax	0.2	-0.3	153.4	0.6	-0.7		-0.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8.3	12.0	-31.3	15.9	27.3	-41.8	30.6
Profit for the period attributable to							
Owners of the parent	7.9	11.9		14.7	26.8		29.4
Non-controlling interest	0.2	0.4		0.6	1.1		1.4
Total comprehensive income for the period attributable to							
Owners of the parent	8.0	11.7		15.30	26.2		29.2
Non-controlling interest	0.2	0.4		0.6	1.1		1.4
Earnings per share calculated from the profit for the period attributable to the parent company shareholders							
Earnings per share (basic), EUR	0.10	0.16		0.20	0.36		0.39
Earnings per share (diluted), EUR	0.10	0.16		0.19	0.35		0.39

BALANCE SHEET, MEUR	Sep 31 2012	Sep 31 2011	31 Dec 2011
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	61.2	30.4	30.6
Other intangible assets	30.5	10.1	9.9
Tangible assets	37.7	24.1	23.0
Investments in associated companies	33.6	35.4	35.0
Other non-current financial assets	4.7	8.5	5.3
Deferred tax assets	0.2	0.3	0.5
<b>CURRENT ASSETS</b>			
Inventories	0.7	1.1	1.0
Current tax assets	5.5	2.1	4.1
Trade receivable and other receivables	29.6	27.6	26.7
Other current financial assets	0.0	3.4	3.8
Cash and cash equivalents	20.9	20.9	57.8
<b>TOTAL ASSETS</b>	<b>224.7</b>	<b>163.8</b>	<b>198.0</b>

BALANCE SHEET, MEUR	Sep 31 2012	Sep 31 2011	31 Dec 2011
<b>EQUITY AND LIABILITIES</b>			
Share capital	45.3	45.3	45.3
Share premium reserve	7.7	7.7	7.7
Foreign currency translation reserve	0.3	0.0	0.2
Retained earnings	26.3	37.4	40.6
Equity attributable to owners of the parent	79.6	90.4	93.8
Non-controlling interest	2.2	2.6	2.9
<b>TOTAL EQUITY</b>	<b>81.9</b>	<b>93.1</b>	<b>96.7</b>

<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current interest-bearing liabilities	26.2	2.1	2.0
Deferred tax liabilities	5.1	2.3	2.2
Pension obligations	2.4	2.6	2.6
Provisions	0.1	0.1	0.1
Other financial liabilities	0.7	0.8	0.9
Other non-current liabilities	0.4	0.3	0.3
<b>CURRENT LIABILITIES</b>			
Current interest-bearing liabilities	40.9	6.5	23.5
Advances received	18.8	19.7	28.2
Income tax liability	0.0	0.0	1.5
Provisions	0.3	0.9	1.0
Trade and other payables	47.9	35.4	38.9
<b>TOTAL LIABILITIES</b>	<b>142.8</b>	<b>70.8</b>	<b>101.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>224.7</b>	<b>163.8</b>	<b>198.0</b>

CONSOLIDATED STATEMENT OF CHANGE IN  
EQUITY

MEUR	Attributable to equity holders of the Parent Company						
	A	B	C	D	E	F	G
Equity Jan 1 2012	45.3	7.7	0.2	40.6	93.9	2.9	96.7
Profit for the period				14.7	14.7	0.6	15.3
Other comprehensive income			0.1	0.5	0.6		0.6
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent				-30.2	-30.2		-30.2
Dividends paid by subsidiaries						-1.3	-1.3
Share-based payments				0.7	0.7		0.7
Exercised share options							
Business combinations							
Equity Sep 31 2012	45.3	7.7	0.3	26.3	79.6	2.2	81.9

MEUR	Attributable to equity holders of the Parent Company						
	A	B	C	D	E	F	G
Equity Jan 1 2011	45.0	4.7	0.4	62.7	112.8	2.0	114.8
Profit for the period				26.8	26.8	1.1	28.0
Other comprehensive income			-0.3	-0.4	-0.7		-0.7
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent				-52.4	-52.4		-52.4
Dividends paid by subsidiaries						-0.7	-0.7
Share-based payments				0.7	0.7		0.7
Exercised share options	0.3	3.0			3.3		3.3
Business combinations						0.1	0.1
Equity Sep 31 2011	45.3	7.7	0.0	37.4	90.4	2.6	93.1

Column headings on Consolidated Statement of Change in Equity

A=Share capital

B=Share premium reserve

C=Translation difference

D=Retained earnings

E=Total

F=Non-controlling interest

G=Equity total

CASH FLOW STATEMENT, MEUR	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
<b>Operating activities</b>					
Profit for the period	8.1	12.2	15.3	28.0	30.8
Adjustments	6.3	3.2	18.1	12.3	20.2
Change in working capital	-13.3	-8.2	-12.1	0.2	14.2
Dividends received	0.6	0.6	0.8	1.0	1.1
Interest received	0.0	0.3	0.1	0.8	0.4
Interest paid and other finance expenses	-0.4	-0.2	-1.5	-0.8	-1.3
Income taxes paid	0.0	-3.5	-7.1	-11.0	-14.6
<b>Net cash flows from operating activities</b>	<b>1.3</b>	<b>4.4</b>	<b>13.6</b>	<b>30.4</b>	<b>50.7</b>
<b>Investing activities</b>					
Acquisitions of tangible and intangible assets	-0.6	-0.4	-2.4	-1.9	-2.8
Proceeds from sale of tangible and intangible assets	0.0	0.0	2.5	0.0	0.0
Other investments	0.0	0.0	-0.1	0.0	-0.1
Proceeds from sale of other investments	0.2	0.0	0.2	0.1	0.1
Acquisition of subsidiaries	-3.8	-0.1	-42.9	0.0	-0.1
Acquisition of associated companies	-0.1	-0.1	-0.4	-0.3	-0.3
Proceeds from sale of subsidiaries	0.0	0.0	3.8	2.1	2.5
Proceeds from sale and repayment of capital of associated companies	0.0	0.0	0.9	0.3	0.7
<b>Net cash flows from / (used in) investing activities</b>	<b>-4.2</b>	<b>-0.5</b>	<b>-38.2</b>	<b>0.2</b>	<b>0.0</b>
<b>Cash flow before financing activities</b>	<b>-2.9</b>	<b>3.9</b>	<b>-24.7</b>	<b>30.6</b>	<b>50.7</b>
<b>Financing activities</b>					
Proceeds from exercise of share options	0.0	0.0	0.0	3.3	3.2
Current loans taken	4.0	0.0	28.0	15.0	37.0
Repayment of current loans	-0.7	-6.3	-8.9	-11.0	-16.4
Change in interest-bearing receivables	0.0	0.1	0.0	0.2	0.3
Dividends paid	0.0	0.0	-31.5	-53.2	-53.2
<b>Net cash flows from / (used in) financing activities</b>	<b>3.3</b>	<b>-6.2</b>	<b>-12.4</b>	<b>-45.8</b>	<b>-29.0</b>
<b>Change in cash and cash equivalent funds (increase + / decrease -)</b>	<b>0.5</b>	<b>-2.3</b>	<b>-37.0</b>	<b>-15.1</b>	<b>21.7</b>
Cash and cash equivalents at beginning of period	20.3	23.2	57.8	36.3	36.3
Effect of change in foreign exchange rates	0.1	0.0	0.1	-0.3	-0.2
Cash and cash equivalents at end of period	20.9	20.9	20.9	20.9	57.8

**Acquired businesses 2012**

Alma Media has acquired the following business operations:

	Business line	Acquired on	Ownership %
Newspapers segment			
Koti-Kymppi newspaper	Local newspaper	2.1.2012	100 %
Digital Consumer Services segment			
LMC s.r.o	Online	2.1.2012	100 %
CV Online	Online	1.2.2012	100 %
PlanMyRoom Finland Oy	Online	2.5.2012	100 %
Suomen Hankintakeskus Oy	Online	1.6.2012	100 %
Adalia Media Inc	Online	1.6.2012	51 %
E-kontakti Oy	Online	1.8.2012	100 %

The acquisition of newspapers segment has no major impact on the consolidated financial statements and thus no additional information is presented.

The following table presents the opening balance sheets of the acquired operations of Digital Consumer Services in the Group, the total acquisition price and impact on cash flow.

## LMC s.r.o

MEUR	Book values before consolidation	Fair values at the consolidation
Property, plant and equipment	0.2	0.2
Intangible assets	7.5	22.1
Trade and other receivables	3.3	3.3
Cash and cash equivalents	5.9	5.9
Assets, total	16.8	31.4
Deferred tax liabilities	0.0	2.9
Trade and other payables	7.5	7.5
Liabilities, total	7.5	10.4
Total identifiable net assets at fair value	9.4	21.0
Cash and cash equivalents of acquired subsidiaries or businesses		5.9

## CV Online

MEUR	Book values before consolidation	Fair values at the consolidation
Property, plant and equipment	0.0	0.0
Intangible assets	1.3	2.2
Trade and other receivables	0.2	0.2
Cash and cash equivalents	0.4	0.4
Assets, total	2.0	2.9
Deferred tax liabilities	0.1	0.4
Trade and other payables	0.5	0.5
Liabilities, total	0.6	0.8
Total identifiable net assets at fair value	1.4	2.1
Cash and cash equivalents of acquired subsidiaries or businesses		0.4



## E-kontakti Oy

MEUR	Book values before consolidation	Fair values at the consolidation
Property, plant and equipment	0.0	0.0
Intangible assets	0.0	0.0
Trade and other receivables	0.0	0.0
Cash and cash equivalents	0.5	0.5
Assets, total	0.5	0.5
Deferred tax liabilities	0.0	0.0
Trade and other payables	0.2	0.2
Liabilities, total	0.2	0.2
Total identifiable net assets at fair value	0.3	0.3
Cash and cash equivalents of acquired subsidiaries or businesses		0.5
Purchase consideration, MEUR		
LMC s.r.o		
Consideration, settled in cash		39.2
Contingent consideration liability		3.9
Total consideration		43.1
Purchase consideration, MEUR		
CV Online		
Consideration, settled in cash		4.0
Contingent consideration liability		1.2
Total consideration		5.2
Purchase consideration, MEUR		
E-kontakti Oy		
Consideration, settled in cash		4.2
Contingent consideration liability		0.0
Total consideration		4.2

The amount of contingent considerations is based on the operating profits of the acquired businesses during 2012. Contingent considerations are classified as financial assets recognised at fair value through profit and loss. The change in fair value is recognised in the financial items.

## Goodwill arising on acquisition: LMC

Contingent consideration	43.1
Identifiable net assets of the acquired business operations	-21.0
<b>Goodwill</b>	<b>22.0</b>

## Goodwill arising on acquisition: CV Online

Contingent consideration	5.2
Identifiable net assets of the acquired business operations	-2.1
<b>Goodwill</b>	<b>3.1</b>

## Goodwill arising on acquisition: E-kontakti

Contingent consideration	4.2
Identifiable net assets of the acquired business operations	-0.3
<b>Goodwill</b>	<b>3.9</b>

The other acquisitions by the Digital Consumer Services segment, PlanMyRoom Finland Oy, Suomen Hankintakeskus Oy and Adalia Media Inc., do not represent significant assets on the consolidated balance sheet. The purchase price of the business operations acquired in the segment totalled MEUR 0.7, generating MEUR 0.8 in goodwill.

The estimated Group revenue would have been MEUR 338.4 (reported MEUR 316.2) and the operating profit MEUR 47.2 (reported MEUR 42.0), assuming the acquisitions had taken place at the beginning of 2011.

The fair values entered on intangible assets in the integration relate primarily to domains and trademarks, IT applications and customer agreements. The goodwill created through the acquisitions is affected by the estimated synergy benefits to be realised from the acquired businesses.

### Contingent considerations

Contingent considerations are classified as financial assets recognized at fair value through profit or loss. The amount of the contingent considerations due to the acquisitions and business arrangements is based on the revenue and operating profits of the acquired business during 2010-2014. The fair values are the estimated final considerations discounted to the balance sheet date.

#### CONTINGENT CONSIDERATION ASSETS

Initial recognition of the assets	8.4
Change in fair value during previous financial years	-1.4
Considerations, settled in cash	-5.9
<b>Change in fair value during the financial year</b>	<b>-0.2</b>
Fair value of the contingent consideration assets in the end of the period	0.9

#### CONTINGENT CONSIDERATION LIABILITY

Initial recognition of the liability	8.0
Change in fair value during previous financial years	-0.6
Considerations, settled in cash	-1.9
Change in exchange rate	0.0
<b>Change in fair value during the financial year</b>	<b>-2.8</b>
Fair value of the contingent consideration liability in the end of the period	2.7

REVENUE BY GEOGRAPHICAL AREA, MEUR	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
Finland	71.7	71.4	226.3	224.2	301.8
Other EU countries	3.3	3.5	10.1	9.9	13.3
Other countries	0.2	0.2	1.0	0.8	1.1
Total	75.2	75.1	237.4	234.9	316.2

### Information by segment

The business segments of Alma Media are Newspapers, Kauppalehti Group, Digital Consumer Services and Other Operations. The descriptive section of the interim report presents the revenue and operating profits of the segments and the allocation of the associated companies' results to the reporting segments.

The following table presents the assets and liabilities by segment as well as the non-allocated asset and liability items.

ASSETS BY SEGMENT, MEUR	Sep 31 2012	Sep 31 2011	31 Dec 2011
Newspapers	36.1	39.4	39.6
Kauppalehti Group	40.0	42.3	40.8
Digital consumer services	80.0	30.8	26.6
Other operations	32.2	21.8	22.4
Non-allocated assets and eliminations	36.4	29.5	68.5
Total	224.7	163.8	198.0

LIABILITIES BY SEGMENT, MEUR	Sep 31 2012	Sep 31 2011	31 Dec 2011
Newspapers	30.4	29.5	38.6
Kauppalehti Group	10.5	10.2	11.0
Digital consumer services	14.2	8.0	6.4
Other operations	13.2	11.1	14.9
Non-allocated liabilities and eliminations	74.5	12.1	30.4
Total	142.8	70.8	101.2

CAPITAL EXPENDITURE, MEUR	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
Newspapers	0.2	0.4	1.1	1.4	2.5
Kauppalehti Group	0.2	0.1	0.4	0.5	0.6
Digital consumer services	0.6	0.3	49.6	1.5	2.0
Others	4.9	0.3	27.2	0.7	1.2
Total	5.9	1.3	78.4	4.2	6.3

### Provisions

The company's provisions totalled MEUR 0.4 (1.0) on September 30, 2012. The major part of the provisions concern restructuring provisions. It has not been necessary to change the estimates made when the provisions were entered.

## Commitments and contingencies

COMMITMENTS AND CONTINGENCIES, MEUR	Sep 31 2012	Sep 31 2011	31 Dec 2011
Other commitments			
Commitments based on agreements			1.3
Minimum lease payments on other lease agreements:			
Within one year	8.9	7.3	7.1
Within 1-5 years	25.1	22.8	27.1
After 5 years	35.7	44.9	43.7
Total	69.7	74.9	77.9

The Group also has purchase agreements that based on IFRIC 4 include a lease component as per IAS 17.

Minimum payments based on these agreements:	1.2	1.7	1.5
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Additionally, the total value of financial lease contracts for the machinery and movables of Alma Media's new printing facility, agreed with Pohjola Bank plc, is MEUR 49.5. The total estimated value of the investment is approximately MEUR 50.0. According to the IAS 17 standard, the contracts will be recognised as a finance lease contracts when the printing facility will be operational.

DERIVATIVE CONTRACTS, MEUR	Sep 31 2012	Sep 31 2011	31 Dec 2011
Commodity derivate contracts, electricity derivatives			
Fair value *	-0.1	0.0	-0.1
Nominal value	1.1	1.2	1.1

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

## Related party transactions

Alma Media Group's related parties are the major shareholders of the parent company, associated companies and companies owned by them. Related parties also include the company's senior management and their related parties (members of the Board of Directors, President and CEO and Managing Directors, and the Group Executive Team). The following table summarises the business operations undertaken between Alma Media and its related parties and the status of their receivables and liabilities:

RELATED PARTY TRANSACTIONS, MEUR	2012 Q3	2011 Q3	2012 Q1-Q3	2011 Q1-Q3	2011 Q1-Q4
Sales of goods and services	0.1	0.1	0.7	0.2	0.3
Purchases of goods and services	0.7	0.9	2.5	3.0	4.0
Trade receivable, loan and other receivables at the end of reporting period	0.0	0.0	0.0	0.0	0.0
Trade payable at the reporting date	0.1	0.1	0.1	0.1	0.1

## Option programmes

Alma Media has option programmes 2006 and 2009. The programmes are incentive and commitment systems for the company's management.

The option programmes 2006A, 2006B and 2006 C have expired.

Under option programme 2009 a total of 2,130,000 stock options may be granted during 2009–2011, and these may be exercised to subscribe to a maximum of 2,130,000 Alma Media shares. Of the total number of options, 710,000 were marked 2009A, 710,000 were marked 2009B and 710,000 were marked 2009C.

A total of 640,000 options have been issued under the 2009A programme. The share subscription period for 2009A is April 1, 2012–March 31, 2014. The management has 532,750 options 2009A in its possession. Additionally, the management has sold 62,250 2009A option rights. The share subscription price has been reduced annually by the dividend per share, and was EUR 3.71 in June 2011. Until June 30, 2012, no share subscriptions were made through 2009A option rights.

A total of 610,000 options have been issued under the 2009B programme. The share subscription period for 2009B is April 1, 2013–March 31, 2015. The management has 535,000 options in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 6.23 in June 2012.

A total of 640,000 options have been issued under the 2009C programme. The share subscription period for 2009C is April 1, 2014–March 31, 2016. The management has 565,000 options in its possession. The share subscription price was EUR 7.55 in June 2012.

If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders by 2.74% maximum.

## Performance Share Plan 2012

The Board of Directors of Alma Media Corporation has at its meeting in February 2012 resolved to implement a performance share plan for key personnel of Alma Media Group. The plan includes three (3) one (1) year performance periods, the calendar years 2012, 2013 and 2014, based on the Group's return. Furthermore, for the members of the Group Executive Team, the plan includes one (1) three (3) year performance period, the calendar years 2012–2014, based on the profitable growth of the Group.

The reward from the plan shall be paid to the key employees in a combination of shares and cash, after the end of each performance period by the end of April in 2013, 2014 and 2015. The reward from the performance period 2012–2014 shall be confirmed by the end of April 2015, and it shall be paid in two equal lots in a combination of shares and cash, one year and two years from the end of the performance period. Shares paid as reward on the basis of the plan, from the one-year performance periods, may not be assigned, pledged or otherwise exercised (transfer restriction/s) during the restriction period established for the shares (restriction period/s). The restriction period shall begin from the reward payment and end on December 31, 2014 for the shares earned from the performance period 2012, on December 31, 2015 for the shares earned from the performance period 2013 and on December 31, 2016 for the shares earned from the performance period 2014.

No reward shall be paid to a key employee, if a Group company or a key employee gives notice of termination, or terminates a key employee's employment or service contract before the reward payment. A key employee shall be obliged to return the shares given as reward and subject to the transfer restriction back to the company or its designate, gratuitously, without delay, if a Group company or key employee gives notice of termination, or terminates a key employee's employment or service contract before the end of the restriction period in question. Shares earned from the performance period 2012–2014 shall not be subject to the restriction period.

There shall be a maximum total of 600,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees on the book-entry registration date of the shares that shall be given as reward on the basis of the entire plan.

On the first performance period 2012, the Performance Share Plan shall include approximately 25 persons. The value of the plan for the performance period 2012 shall correspond to the value of 120,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case

the Group's return is in line with the performance criteria set by the Board of Directors. On the performance period 2012–2014 the value of the plan shall correspond to the value of 212,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the Group's growth is in line with the performance criteria set by the Board of Directors.

The fair value of the reward is expensed until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price, on the date on which the target group has agreed to the terms and conditions of the plan, reduced by the estimated dividends. The fair value of the cash proportion is remeasured on each reporting date based on the share price on the reporting date.

## QUARTERLY INFORMATION

	2012 Q3	2012 4-6	2012 1-3	2011 10-12	2011 Q3	2011 4-6	2011 1-3	2010 10- 12	2010 Q3
MEUR									
Revenue									
Newspapers	48.9	53.2	51.9	55.8	52.5	57.1	53.0	57.0	53.0
Kauppalehti Group	12.7	14.4	14.3	15.2	12.6	15.0	13.9	16.1	13.3
Digital consumer services	13.3	13.8	14.9	10.5	10.3	10.9	10.4	10.7	8.7
Other operations	21.2	21.0	21.0	20.2	20.1	20.2	19.1	19.1	19.3
Eliminations	-20.9	-21.4	-21.1	-20.4	-20.3	20.4	19.3	-19.9	-19.0
<b>REVENUE</b>	<b>75.2</b>	<b>81.0</b>	<b>81.1</b>	<b>81.3</b>	<b>75.1</b>	<b>82.7</b>	<b>77.1</b>	<b>83.0</b>	<b>75.2</b>
Total expenses excluding non-recurring items									
Newspapers	43.6	46.0	46.1	47.5	45.5	48.1	46.5	47.6	44.3
Kauppalehti Group	11.2	13.5	13.1	13.0	10.6	13.0	12.7	14.4	10.9
Digital consumer services	11.1	12.5	12.6	9.6	8.4	9.1	8.7	10.6	8.5
Other operations	21.4	22.8	22.1	21.7	18.8	21.4	19.2	19.3	17.3
<b>TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS</b>	<b>66.4</b>	<b>73.4</b>	<b>72.8</b>	<b>71.4</b>	<b>63.1</b>	<b>71.2</b>	<b>67.8</b>	<b>72.0</b>	<b>61.9</b>
Operating profit excluding non-recurring items									
Newspapers	5.4	7.2	5.9	8.3	7.0	9.0	6.5	9.5	8.7
Kauppalehti Group	1.5	0.9	1.3	2.2	2.0	2.0	1.2	1.7	2.4
Digital consumer services	2.2	1.4	2.4	0.9	1.9	1.8	1.7	-0.1	0.2
Other operations	-0.1	-1.7	-1.0	-1.5	1.3	-1.2	-0.1	-0.1	2.0
<b>OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS</b>	<b>8.9</b>	<b>7.7</b>	<b>8.5</b>	<b>10.1</b>	<b>12.0</b>	<b>11.5</b>	<b>9.3</b>	<b>11.0</b>	<b>13.4</b>
% of revenue									
Newspapers	10.9	13.5	11.3	14.9	13.3	15.7	12.3	16.6	16.5
Kauppalehti Group	11.6	6.0	8.9	14.5	16.0	13.1	8.6	10.8	18.2
Digital consumer services	16.9	10.2	16.0	8.9	18.1	16.5	16.1	-1.2	2.6
Other operations	-0.6	-8.2	-4.8	-7.6	6.5	-5.8	-0.3	-0.7	10.3
<b>% OF REVENUE</b>	<b>11.8</b>	<b>9.5</b>	<b>10.4</b>	<b>12.4</b>	<b>16.0</b>	<b>14.0</b>	<b>12.1</b>	<b>13.2</b>	<b>17.8</b>
Non-recurring items									
Newspapers	-0.1	-2.6	-0.5	-0.5	0.0	0.0	-0.5	-0.4	0.1
Kauppalehti Group	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital consumer services	-0.5	-0.3	-1.6	0.0	0.0	0.0	0.2	0.2	0.3
Other operations	0.0	0.0	-0.3	0.0	0.4	-0.5	0.0	0.0	-0.2
<b>NON-RECURRING ITEMS</b>	<b>-0.7</b>	<b>-2.9</b>	<b>-2.5</b>	<b>-0.5</b>	<b>0.4</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.3</b>	<b>0.2</b>
Operating profit									
Newspapers	5.2	4.6	5.3	7.8	7.0	9.0	6.0	9.1	8.8
Kauppalehti Group	1.3	0.9	1.3	2.2	2.0	2.0	1.2	1.7	2.4
Digital consumer services	1.8	1.1	0.8	0.9	1.9	1.8	1.8	0.0	0.5
Other operations	-0.1	-1.7	-1.3	-1.5	1.7	-1.7	-0.1	-0.1	1.8
<b>OPERATING PROFIT</b>	<b>8.1</b>	<b>4.8</b>	<b>6.0</b>	<b>9.6</b>	<b>12.4</b>	<b>11.0</b>	<b>9.0</b>	<b>10.7</b>	<b>13.6</b>
Finance income	3.1	0.7	0.0	0.2	1.2	1.0	0.5	1.0	0.1
Finance expenses	0.6	0.3	1.7	3.9	0.3	0.8	0.6	0.0	0.3
Share of profit of associated companies	-0.2	0.3	-0.5	-0.6	2.3	0.4	0.4	0.4	-0.1
<b>PROFIT BEFORE TAX</b>	<b>10.5</b>	<b>5.6</b>	<b>3.8</b>	<b>5.3</b>	<b>15.6</b>	<b>11.8</b>	<b>9.3</b>	<b>12.1</b>	<b>13.4</b>
Income tax	-2.4	-1.1	-1.1	-2.4	-3.4	-3.0	-2.4	-2.9	-3.5
<b>PROFIT FOR THE PERIOD</b>	<b>8.1</b>	<b>4.5</b>	<b>2.7</b>	<b>2.8</b>	<b>12.2</b>	<b>8.8</b>	<b>6.9</b>	<b>9.2</b>	<b>9.8</b>

## **Main accounting principles (ifrs)**

This interim report has been prepared according to IFRS standards (IAS 34). The interim report applies the same accounting principles and calculation methods as the annual accounts dated December 31, 2011. The interim report does not, however, contain all the information or notes to the accounts included in the annual financial statements. This report should therefore be read in conjunction with the company's financial statements for 2011. The accounting principles of the financial years 2011 and 2010 are comparable. The company has no discontinued operations to report in the 2011–2012 financial periods.

The key indicators are calculated using the same formulae as applied in the previous annual financial statements. The quarterly percentages of Return on Investment (ROI) and Return on Equity (ROE) have been annualised using the formula  $((1 + \text{quarterly return})^4 - 1)$ . The figures in this financial statement release are independently rounded.

The Group has applied the following standards and interpretations as of January 1, 2012:

Change in IFRS7: Financial Instruments: Disclosures  
Change in IAS 12: Income Taxes

The impact of the new standards presented above on the Group has been marginal.

The figures in this interim report are unaudited.

## **Seasonality**

The Group recognises its circulation revenues as paid. Therefore, 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 the cash flow from operating activities is strongest in the first and second quarters. This also affects the company's balance sheet position in different quarters.

## **General statement**

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

## **Financial Statement Release**

Alma Media will publish its Financial Statement Release for 2012 on Friday, February 15, 2013.

ALMA MEDIA CORPORATION  
Board of Directors



REVENUE AND OPERATING PROFIT BY SEGMENT IN THE NEW SEGMENT STRUCTURE  
2011

REVENUE BY SEGMENT, MEUR	New structure	Former structure	Change
Newspapers			
External	214.1	217.3	-3.2
Inter-segments	4.3	4.2	0.1
Newspapers total	218.3	221.5	-3.1
 Kauppalehti Group			
External	55.9	55.9	0.0
Inter-segments	0.8	0.8	0.0
Kauppalehti Group total	56.7	56.7	0.0
 Digital Consumer Services			
External	40.7	37.5	3.2
Inter-segments	1.4	-0.5	1.9
Digital Consumer Services total	42.1	37.0	5.2
 Other Operations			
External	5.6	5.6	-0.1
Inter-segments	73.9	75.9	-2.0
Other Operations total	79.5	81.5	-2.0
 Elimination	-80.4	-80.4	0.0
<b>Total</b>	<b>316.2</b>	<b>316.2</b>	<b>0.0</b>

OPERATING PROFIT/LOSS BY SEGMENT*, MEUR	New structure	Former structure	Change
Newspapers	29.7	30.2	-0.4
Kauppalehti Group	7.4	7.4	0.0
Digital Consumer Services	6.4	5.8	0.6
Other operations	-1.6	-1.4	-0.2
<b>Total</b>	<b>42.0</b>	<b>42.0</b>	<b>0.0</b>

\*) incl. non-recurring items

REVENUE AND OPERATING PROFIT BY SEGMENT  
IN THE NEW SEGMENT STRUCTURE

2011

REVENUE BY SEGMENT, MEUR	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q1-Q4
Newspapers					
External	52.0	56.0	51.4	54.6	214.1
Inter-segments	1.0	1.1	1.0	1.1	4.3
Newspapers total	53.0	57.1	52.5	55.8	218.3
Kauppalehti Group					
External	13.7	14.8	12.4	15.0	55.9
Inter-segments	0.2	0.2	0.2	0.2	0.8
Kauppalehti Group total	13.9	15.0	12.6	15.2	56.7
Digital Consumer Services					
External	10.0	10.6	9.9	10.2	40.7
Inter-segments	0.4	0.3	0.4	0.3	1.4
Digital Consumer Services total	10.4	10.9	10.3	10.5	42.1
Other Operations					
External	1.4	1.3	1.3	1.5	5.6
Inter-segments	17.7	18.8	18.7	18.7	73.9
Other Operations total	19.1	20.2	20.1	20.2	79.5
Elimination	-19.3	-20.4	-20.3	-20.4	-80.4
Total	77.1	82.7	75.1	81.3	316.2

OPERATING PROFIT/LOSS BY SEGMENT*, MEUR	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q1-Q4
Newspapers	6.0	9.0	7.0	7.8	29.7
Kauppalehti Group	1.2	2.0	2.0	2.2	7.4
Digital Consumer Services	1.8	1.8	1.9	0.9	6.4
Other operations	-0.1	-1.7	1.7	-1.5	-1.6
Total	9.0	11.0	12.4	9.6	42.0

\*) incl. non-recurring items