



Alma Media Corporation
ANNUAL REVIEW 2011

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Alma Media determines the environmental impacts of print and online media

Alma Media carried out a study in partnership with leading research institutes to determine the life cycle environmental impact three of its newspapers and those of their respective online services. The unique study was the first side-by-side comparison of the environmental impacts of print and online media. The environmental impacts of editorial work were also incorporated into the analysis. The study was carried out by VTT Technical Research Centre in Finland and the Royal Institute of Technology in Sweden. The study was part of the Green Growth programme of Tekes, the Finnish Funding Agency for Technology and Innovation.

The survey was carried out to help Alma Media develop more ecological ways of operating and respond to its stakeholders' growing need for information on the environmental impacts of the media industry. Previous studies have not focused much on the impacts of online media. The existing literature on the subject also tends to focus largely on climate effects, and it has not been possible to form an overall picture of the environmental impacts. The risk of incorrect impressions has been high as no reliable research information has been available.

The study focused on the following products:

- Iltalehti and Iltalehti.fi
- Kauppalehti and Kauppalehti.fi
- Aamulehti, one Aamulehti pull-out and Aamulehti.fi

What is the carbon footprint of a newspaper – in print and online?

When compared with a trip made using an average car, the carbon footprint of one print paper is:

- Kauppalehti approximately 100 g CO₂-eq./paper or half a kilometre by car
- Iltalehti approximately 160 g CO₂-eq./paper or one kilometre by car
- Aamulehti approximately 240 g CO₂-eq./paper or one and a half kilometres by car

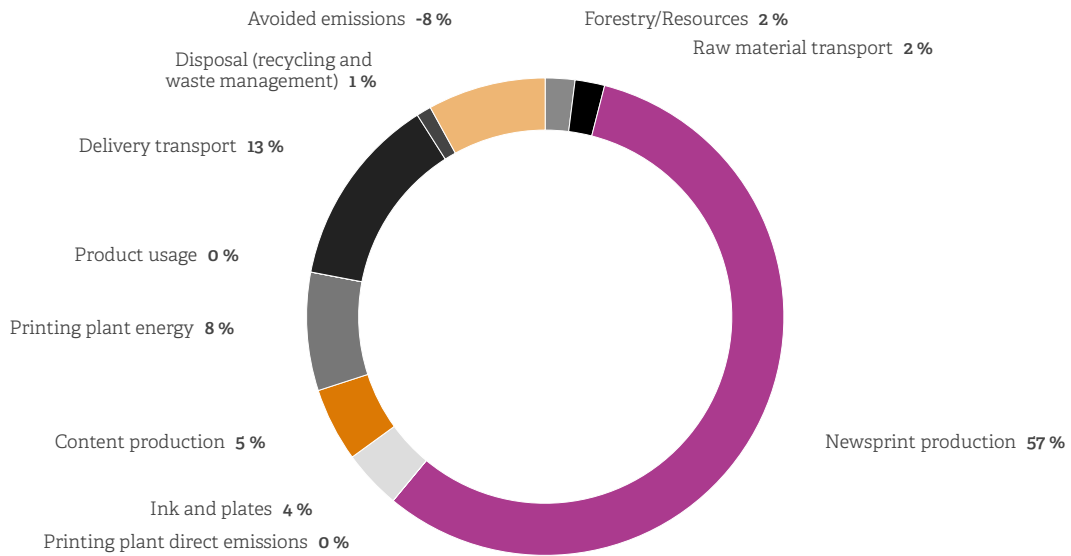
The range of carbon footprints of the print newspapers studied in the research were comparable to the climate effects of an average Finnish newspaper when taking into account that Alma Media's study was more extensive than any previous research and also covered the environmental effects of the editorial work. Differences between newspapers are caused by the different newspaper formats – tabloid and broadsheet – and the difference in weight due to the number of pages as well as differences in the amount of ink used.

Carbon footprint of printed paper smaller than that of corresponding online service when read for one hour

Although the completely different user interfaces and types of use make comparing the carbon footprints of print papers and online media challenging, the climate impacts caused by one reader reading the paper for one hour can be compared, at least theoretically, for print media and online media.

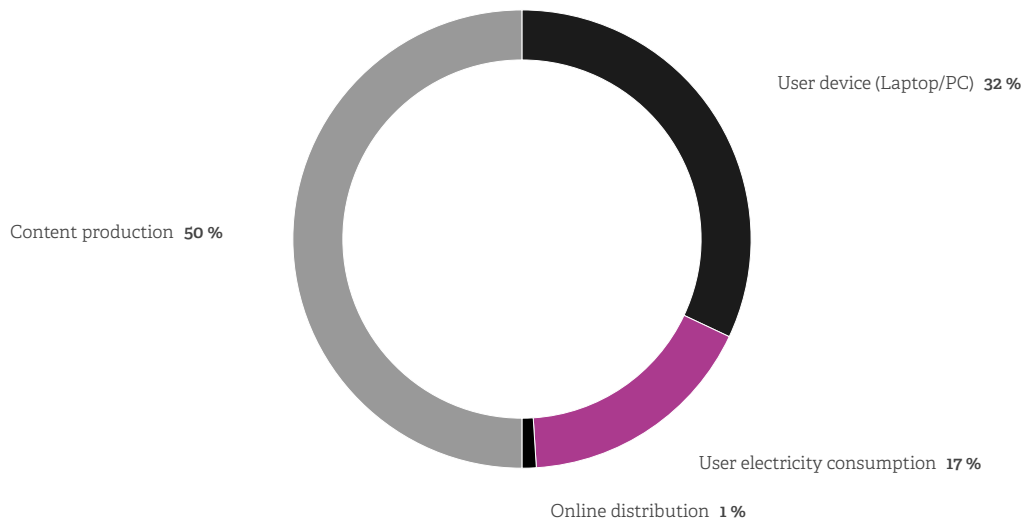
Aamulehti carbon footprint

185 g CO₂e/ reader and hour



Aamulehti.fi carbon footprint

205 g CO₂eq/ reader and hour (Aamulehti.fi)



When comparing Aamulehti and Aamulehti.fi, the carbon footprints for one reader and one hour of reading are at nearly the same level: each causes a climate impact comparable to those caused by driving a car for a little over one kilometre. The result of the comparison varies for different types of media due to such factors as the number of visitors to online services and the number of readers per copy of printed papers. The carbon footprint per reader and hour of reading of Iltalehti, for instance, is around 75g CO₂e for the printed paper and 155g CO₂e for Iltalehti.fi.

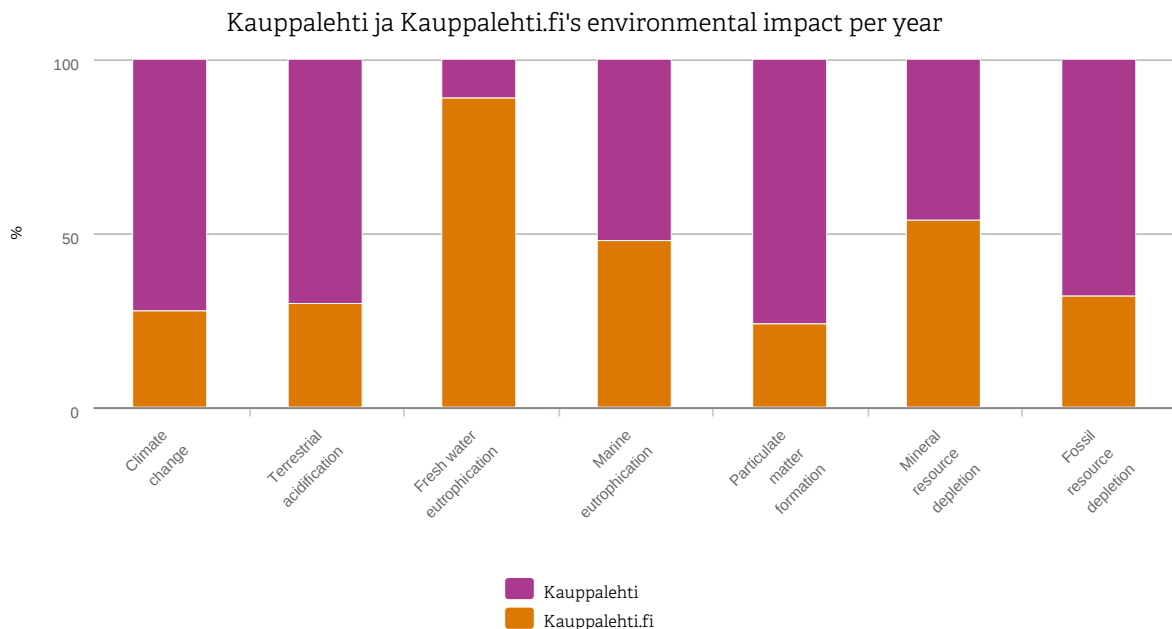
Where are the impacts of the different media created?

The most significant environmental effects of print and online media are created during different phases of the life cycle. In print media, the most important source of effects is the production of newsprint as the production of paper requires lots of energy. On the other hand, consuming the paper, i.e. the actual reading, causes no environmental effects.

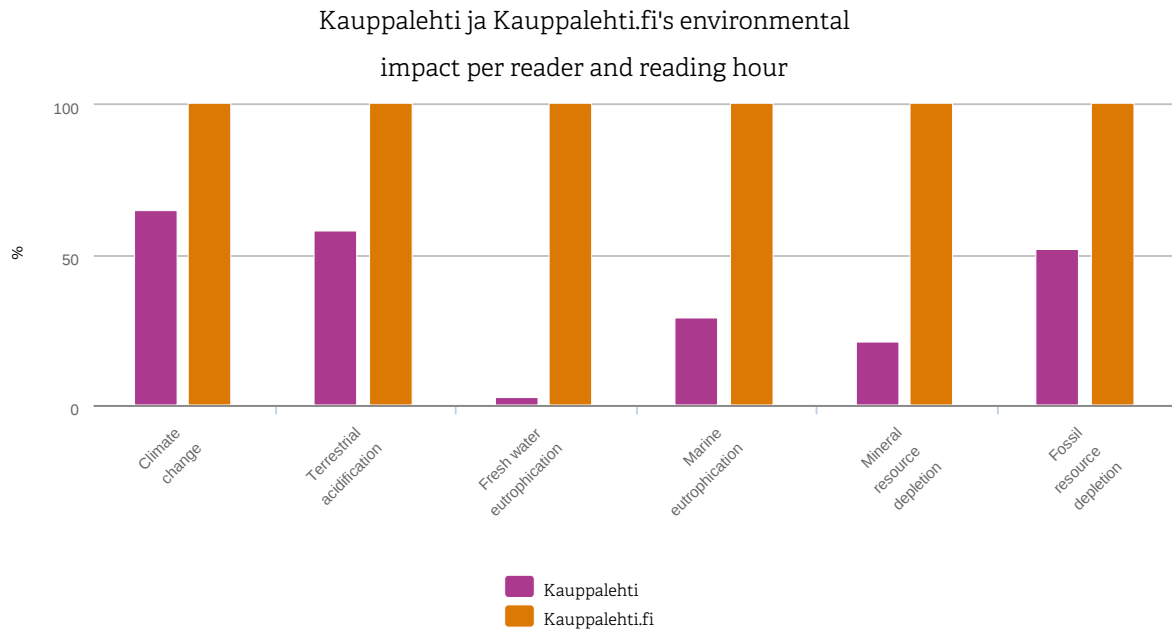
Online media, on the other hand, causes environmental effects particularly at the end of its life cycle. The environmental effects of online media are especially influenced by the material and energy properties of terminal devices used, the production method of the electricity used by the reader as well as the browsing time and number of downloads. Unlike in print media, the majority of environmental effects of online media are caused by the actual reading.

Which one is more ecological, print media or online media?

Comparing print media and online services is difficult. The results of the comparative study are influenced by what is included and excluded from the analysis, but also by the fact that print and online media tend to be used in a complementary fashion rather than being seen as substitutes for one another, which is reflected in the visit statistics affecting the environmental effects. The amount of time spent reading does not factor into the environmental impact of the printed newspaper, whereas the impacts of online media are largely dependent on reading time, the number of loaded pages and the technical specifications of the device used to access the service. As a result, conclusions on which type of media is more ecological depend on what unit of measurement is applied.



When evaluating the annual environmental effects, online media is more environmentally friendly than print media on average. Online media does, however, cause larger effects in certain impact categories, such as the eutrophication of waterways and toxicity. The environmental impacts of online media are especially caused by the production of devices needed for reading and the production and processing of raw materials, such as various metals.



When comparing the environmental effects of one hour's reading in print or online media, however, print media is a more environmentally friendly option than online services on average. Especially the effects of online services on the eutrophication of waterways, depletion of mineral resources and toxicity are considerably higher than in print media and are mainly caused by the production of terminal devices.

From knowledge of impacts into action

Awareness of environmental impacts is the only way to control operations and monitoring actions aimed at reducing such effects. Based on the study, Alma Media is starting a more detailed evaluation and monitoring of the environmental impacts of its own operations as well as the value chain. The goal is to reduce the environmental load caused by the operations. By observing environmental matters in the purchase of newsprint, chemicals and ICT equipment, the environmental impacts can be reduced considerably especially for print media and content production. Ecological aspects are already an important principle for purchase, especially in the case of printing materials.

In its own operations, Alma Media can have the highest impact on environmental matters by improving its material and energy efficiency even further. Alma Media is taking big steps forward in terms of ecological efficiency. All operations of the Group in Helsinki will relocate to a new building, and LEED certification observing energy efficiency and environmental aspects is being sought for the property. Alma Media's printing activities in Southern Finland, on the other hand, will be centralised to the new printing press in Tampere, which will improve the energy and material efficiency of printing by several dozens of per cent after its implementation in 2013. LEED certification is also being sought for the Tampere printing press as the first printing house in the world.

In order to reduce the environmental effects of online media, Alma Media continues to provide information on the environmental effects of the various types of media and the possibilities the user has to influence them. The design of web sites can also have an effect on the environmental impact.

Readers of print papers are encouraged to recycle as this can reduce the carbon footprint of a print paper by one fifth.

How significant are the environmental impacts of media?

- Although comparisons between studies are difficult and often even impossible to make because of different assumptions and limitations, environmental impacts can be put into perspective with the help of other research results. An annual subscription to the print Aamulehti corresponds to a maximum of 1.3% of the annual environmental impacts of an average European customer, while reading Aamulehti.fi for one year is responsible for only some 0.16% of them. Online media's better performance is due to the smaller number of visitors to the Aamulehti.fi service when compared with the number of papers printed.
- Communications and ICT industry generate approximately 3% of the world's greenhouse gas emissions (KTH 2010).
- The effect of the publishing and printing sectors on climate change is 0.54% in the Finnish economy (VTT 2010).

What do the various environmental impacts mean?

Climate change	This refers to the warming of the climate caused by the so-called greenhouse gases. In the life cycle of printed products, the most important greenhouse gas emissions are caused by carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O).
Depletion of natural fossil resources	Refers to the reduction of oil, coal and natural gas resources on the globe.
Depletion of natural mineral resources	Refers to the reduction of mineral resources, such as different metals and uranium, on the globe.
Eutrophication of waterways	Refers to the excess growth of aquatic plants and vegetable plankton caused by excess nutrient loads in waterways (such as seas or freshwater bodies). Eutrophication is caused by phosphorous (P) and nitrous (N) compounds.
Acidification	Refers to the reduction of the pH value of soil. Acidification slows down the growth of forests, for example. Acidification is caused by nitrous oxides (NO _x) and sulphur oxides (SO _x) released into the air.
Forming of ozone in the lower atmosphere	Refers to a phenomenon in which nitrous oxide and volatile organic compounds (VOC emissions, for example), from ozone under the influence of bright sunlight. Ozone forming in the lower parts of the atmosphere is harmful to people and plants.
Fine particles	Created in combustion processes in industry and traffic. Fine particles penetrate deep into the lungs and may lead to diseases of the respiratory tract.
Ecotoxicity and toxicity	Refer to the capacity of chemical substances to cause disturbances in the functioning of the environment and the human body or cause structural damage. Toxicity can be demonstrated as toxic influences of chemical substances, their accumulation and residual effects in the nature or the human food chain. They can cause various types of toxicity and harm.
Ozone depletion	Refers to the thinning of the ozone layer located in the stratosphere or the upper layers of the earth's atmosphere. The reduction of the ozone layer increases the amount of UV B radiation that reaches the earth. CFC, HFC and halogen compounds affect the formation of potential ozone depletion.

Changes in media also impact environmental issues

“With a changing media sector, environmental performance and sustainability challenges also change. By increasing the ways that content is distributed and accessed media companies will interact with an increasing number of value chain actors and the different value chains will have different environmental impacts. To learn more about the environmental impacts related to different media channels case studies are needed. Not only looking at printed, but also addressing electronic media is a bit more challenging as the media company in general is not closely connected to the supply chain of the electronic devices. Up to date and comprehensive environmental data, especially regarding the readers' electronic devices is hard to find, and this makes the assessment difficult. By performing an assessment we can contribute to the further development of knowledge in this field.

A common assumption is that printed media generally are worse than electronic media when it comes to environmental impact. The results of the Alma Media study shows that things are far more complicated; different environmental impacts arise from the different types of media. Furthermore, the study points out that the Alma media online newspapers have a lower total environmental impact than printed. However, when considering the time people actually spend reading the printed newspaper or the electronic version, the printed version has the advantage.

Similarly for the printed and online newspapers studied, the manufacturing of the "platforms" (i.e. the printed paper and the electronic devices) are key factors giving rise to a large part of the overall environmental impact. The major impacts are distributed differently geographically as the majority of the impact of printed newspapers occurs from paper and printing manufacturing, which are located in Finland. Production of electronic devices on the other hand takes place in other countries and at suppliers not directly related to Alma Media.

A proactive media sector will collaborate with the relevant supply chains and act to decrease environmental impact and at the same time provide transparent information on their overall environmental performance to enable assessments and informed choices for media consumers.”



Åsa Moberg, researcher, Centre for Sustainable Communications, KTH

Increasing familiarity with the Group's vision, strategy and values through discussion

As consumers rush to adopt digital services and media, Alma Media faces a need for rapid renewal. Alma Media published its revised vision statement, strategy and updated values in spring 2011. Throughout the year, the company's employees were engaged in a broad dialogue on the meaning of Alma Media's choices in daily operations.

Alma Media's vision is to be the most exciting provider of information, services and experiences and to set the stage for the future of media. The vision provides a general guideline for the development of all of the Group's business operations, products and services, also beyond newspapers and online media.

Digital services have a key role in the company's renewed growth strategy and their share of Alma Media's total revenue is increasing. The company's digital businesses benefit from the relationships its publishing operations, namely newspapers and their online versions, have built with consumers and corporate clients across Finland. In line with the company's strategy, Alma Media newspapers are being refined into multimedia brands and the company will launch new digital services that go beyond publishing operations, for example in the field of e-commerce.

Digital services represent an increasing share of revenue.

Alma Media's two core values – Freedom and pluralism of journalism and Team play – were complemented in 2011 by a third value, Courage. The company aims to be a frontrunner in its industry through courageous and rapid renewals. Courage also illustrates Alma Media's way of operating and the company's commitment to channelling resources to entirely new business segments.

Nearly one thousand Alma employees participated in "Taking the Bearings" sessions

The revised vision, strategy and values were developed by Alma Media's Group Executive Team. Implementing the strategy and realising the company's vision involves everyone at the company. With this in mind, employees were provided numerous opportunities throughout the year to discuss the new strategy and influence the direction of the company.

The campaign for employee dialogue on the revised vision, strategy and values - Alma Media's choices - was named "Taking the Bearings" and launched in April with an employee survey that received responses from nearly one thousand Alma Media employees. Employees could respond to the digital survey on the company intranet or by using their mobile phones. The feedback received through the employee survey was the basis for planning and implementation of the Taking the Bearings events, which involved further discussions of Alma Media's choices in small groups using question cards.



Group discussions provide future direction.

A total of some 25 "Taking the Bearings" events were organised during the year, with nearly a thousand Alma Media employees participating. Business units organised the events according to their schedules and selected their preferred method of implementation from a number of alternatives. For instance, Kauppalehti organised a single event with nearly 200 participants as part of the business unit's annual strategy day, whereas Aamulehti opted for a number of department-specific sessions. In addition to the "Taking the Bearings" sessions, the strategy of Alma Media and its business units was reviewed and discussed in numerous other employee events.

All of the feedback received through the campaign was collected and used to draft jointly approved content for the Group's vision, strategy and values. Alma's choices, revised according to employee feedback, were discussed once more during Alma Media's management and delegate day and subsequently published to all employees at the beginning of 2012.



"I'm very interested in knowing how Alma Media intends to achieve its targets"

"I participated in a "Taking the Bearings" session at Aamulehti's consumer marketing department in May 2011. It was an interesting event that opened up a new channel for discussing our strategy. I felt that some of the questions were a bit too rhetorical or general, which made it difficult to come up with practical or comprehensive answers. On the other hand, it's good that the questions weren't so specific that they would have led the discussion in a given direction. Nevertheless, I felt that they could have been a little more precise. In our session, we occasionally lost sight of what the focus needed to be on, which perhaps resulted in the discussion not quite meeting expectations.

It would have been interesting to hear more about the Group's future plans at the event. Then again, at the time it probably wasn't fully clear what the near future would hold for Alma Media. Going forward, I hope we will have more detailed and forward-looking communications on these subjects, but without unnecessary speculation on unfinished matters.

I am personally very interested in knowing what Alma Media's goals are and how the company intends to achieve them. I work at Aamulehti, but the decisions and choices made at the Group level affect my job description and ways of working, too. In the current atmosphere of organisational renewal and major shifts in our industry, Alma Media's strategic choices feel even more topical than they normally do."



Hannu Timonen, Web Graphics Designer, Aamulehti

Readers embrace smaller format newspapers

Alma Media's regional newspapers in northern Finland - Lapin Kansa, Kainuun Sanomat and Pohjolan Sanomat - redesigned their formats in January 2011. The change from broadsheet to tabloid format was the most obvious aspect of the redesign, but there were also numerous other changes: all three newspapers implemented a renewal of content, structure and layout as well as their organisational structures and ways of working.

The renewal process also resulted in increased cooperation between Lapin Kansa, Kainuun Sanomat and Pohjolan Sanomat. The three newspapers established a joint editorial team that complements their local editorial offices by producing and coordinating journalistic content for all three newspapers. This helps the newspapers focus their resources on their core mission, which is to cover local news, phenomena and topics of discussion. The renewal and redesign of the three newspapers also emphasised the growing role of service journalism. Each daily issue has an 'A' section for shorter news articles and a 'B' section for longer stories that are read more slowly. The two sections are stapled separately, which makes it easier for two readers to share the newspaper.

The renewal and redesign resulted in major changes from the readers' viewpoint. In recognition of this, the newspapers included readers in the design process from an early stage by incorporating reader panels and eye movement studies in the process. Social media was also used as an important channel for customer feedback.

Positive reception by readers

Over a year has now passed since the renewal and redesign of the three newspapers. The first year has seen the newspapers work on their internal processes, as many of the changes had significant impacts on editorial work. Aspects such as headlining and visual thinking are completely different for a tabloid format newspaper compared to a broadsheet.

The newspapers received a great deal of reader feedback in the early stages of implementing the changes, particularly regarding the smaller format of the newspapers. Nevertheless, readers quickly embraced their redesigned regional newspapers. A reader survey carried out at all three newspapers in spring 2011 indicated that two out of three readers would not want to see a return to the broadsheet format. Advertisers have also been satisfied with the redesigned newspapers: a survey conducted in October 2011 confirmed that the majority of advertisers are satisfied with the new format. The newspapers continue to receive a large amount of reader feedback, which is a good thing. The focus of the feedback, however, has shifted from the format to other aspects, such as content.

“Switching to the new format was a large but rewarding undertaking. We should be more open to bold decisions like this, after all our readers are more receptive to renewal than we think.”

Antti Kokkonen, Editor-in-Chief of Lapin Kansa

With the redesign of the printed newspapers successfully carried out, Alma Media's newspapers in northern Finland will turn their focus to developing their online services.

The renewals of Alma Media's regional newspapers continued with Satakunnan Kansa in Pori, which made the switch to the tabloid format in January 2012. The Satakunnan Kansa website was also redesigned at the same time. The early signs indicate that the changes have been well received by the majority of Satakunnan Kansa's readers and advertisers.

Lapin Kansa, Kainuun Sanomat, Pohjolan Sanomat and Satakunnan Kansa are part of Alma Media's [Newspapers segment](#).



For us, articles on Murmansk and Kiruna are local, not world news

“Advertisements every day, a big sign on the exterior wall of the editorial office, stories and explanations... What on earth is going on and why is there so much noise about it ahead of time? For me, the morning newspaper is part of a harmonious daily routine that makes me feel that everything is well with the world. If the newspaper fails to be delivered, I have to dig up something else to read, even an old mail order catalogue. I simply need to read something to get my day started. This isn't to say that I am not particular about what I read in the morning - on the contrary. The newspaper on the breakfast table needs to be a little like a husband: familiar, necessary and safe without being boring.

The word “tabloid” makes me think of screaming headlines and questionable editorial policy.

I am a heavy user of information. I embrace all media. There is a need for quick news items, but in my work there is more emphasis on perceiving the big picture and anticipating future challenges. It is more important to know why something happened than simply what happened. News on capsized boats and fires can be adequately consumed on mobile phones, but articles on social changes and the state of our world require a different medium. Understanding one's own operating environment is crucially important. For that, there is nothing better than a high-quality regional newspaper. Cooperation in the North Calotte and Barents region on a day-to-day basis requires a newspaper that provides extensive coverage of the entire region, which receives little to no attention in the

Associating that word with a dear friend I spend my mornings with could be risky, but it was clear that the publisher was aware of that. We were constantly informed of what changes were on the way and why, with particular emphasis on the qualities that would not be changing. We the readers aren't that resistant to change, I thought to myself, but I suppose the publisher knows better. At the very least, it must be said that the redesign could not have been a surprise to anyone.

They also did a good job of following up with the readers. A reader panel was organised at my workplace for twenty participants to voice their opinions. In the panel, we met with the Editor-in-Chief and reviewed two weeks worth of newspapers, giving our views on everything from comic strips to advertisements. The majority of the panel's comments were related to the role the newspaper plays in our lives. Electronic channels are fine for quickly checking breaking news stories, but we also need something to communicate more demanding content, help us see the big picture and give a Lappish perspective on world and national news. For this, we need a newspaper of genuine editorial quality, one whose journalists find subjects for their stories in real life, not simply by surfing the web.

national media. For us in Lapland, articles on Murmansk and Kiruna are local, not world news.

The format of the newspaper is secondary in importance to its content. I am very satisfied with the newspaper's smaller format and two separate sections. In a household with three readers, we now fight over the morning paper one third less than before. The smaller page size also makes it much easier to read the newspaper on the sofa. Now, if we could only get the leading article moved to a better spot, comic strips in black and white and advertisements rearranged (and off the front page)..."



Kristiina Vuopala, Lapin Kansa reader from Rovaniemi

Stronger focus on developing digital business operations

Alma Media began planning a new operating model in summer 2011. The changes arise from Alma Media's strategic goal of increasing its focus on developing digital services while also improving the efficiency and quality of its publishing operations. The implementation of the strategic operating model and related organisational changes began in autumn 2011 with the appointment of key personnel to execute the changes. The changes will be implemented in the first half of 2012.

The most significant changes to Alma Media's organisation and operating model are:

- Establishing Alma Diverso, a new development and service unit focused on digital business. The unit's primary task is to identify and develop new digital business opportunities for Alma Media.
- Consolidating the Group's local and regional newspapers in one business unit instead of four. The primary task of the new Alma Regional Media unit is to improve the quality and efficiency of regional publishing operations.
- Consolidating Finance and Human Resources functions at the Group level. The change is intended to streamline and improve the effectiveness of support functions.

Alma Media has also begun to simplify the Group's legal structure with the aim of minimising the number of legal entities under the Group appropriately. The change, which will also be implemented in 2012, will proceed in phases and in parallel to the change in the operating model. Adjusting the legal structure helps streamline processes, particularly in the area of financial management, which in turn will create cost savings.

Digital development and support functions as Group level functions in Alma Media

Starting from 2005, Alma Media's objective has been to improve cooperation between the Group's business operations to promote team play, one of Alma Media's values. The selected method of cooperation was a matrix structure known as chain operations. Alma Media's revised strategy in 2011 states that cooperation will be further improved by consolidating functions that involve only a minor need for unit-level customisation and functions for which the distribution of skills and expertise across the organisation is unnecessary.

Shared functions, or Alma Media Group functions, include support functions (finance, human resources management, ICT, legal affairs and communication), Alma Media's printing and distribution unit Alma Manu and Alma Media's digital service and development function, the newly established Alma Diverso unit.

Operational from the beginning of 2012, Alma Diverso is focused on the Group's digital service development as well as the optimisation of internal website visitor traffic, the productisation and sales of the online advertising network and improving the usability of digital services. The unit will initially assume responsibility for five of Alma's digital services, namely Suomenyritykset.fi, Kotikokki.net, Telkku.com, Vuodatus.net and Nytmatkaan.fi.

The external challenges make cooperation more necessary than ever before.

Alma Regional Media combines effective background cooperation with the reader promise emphasising locality

The declining trend in the circulation of printed newspapers, the uncertain prospects of newspaper advertising sales and the development of media technology are some of the significant and diverse challenges in the business environment for publishing operations. These external challenges make cooperation in publishing operations more necessary than ever before.

Alma Media is responding to these challenges by creating an operating model that is completely new in the Finnish newspaper industry. The company discontinued all business units engaged in local and regional publishing operations at the beginning of 2012 and started a project to establish a single unit, Alma Regional Media, in their place. The changes will be implemented in 2012. The aim is to achieve significant gains in efficiency and also to improve quality as perceived by local readers and advertisers.

The new Alma Regional Media unit will consolidate the background operations serving all 34 of its newspapers to improve the consistency of processes and eliminate duplications of effort. Management and work will be organised with a focus on close cooperation, content production and sales. Each regional newspaper will be represented in its respective area by the Editor-in-Chief and Sales Director. The new organisation will no longer have Managing Directors at the publishing company or newspaper level. This approach has previously been successfully implemented in the management of Alma Media's local newspapers.



Alma Diverso is an engine for developing digital business operations

“The impact of digitalisation on consumers’ daily lives and behaviour challenges media companies to rapidly develop their business and services. Alma Media revised its strategy in 2011 to strengthen the development of digital services and accelerate the increase in revenue they produce. In an effort to strengthen this aspect of its operations, Alma Media decided to establish a digital service and development function. The new unit, which began operations in the beginning of 2012, was named Alma Diverso.

Alma Diverso brings together Alma Media's strong and diverse digital knowhow and expertise.

We develop new digital services and concepts, act as the home of Alma's online advertising unit and serve all Alma Media functions in matters related to technological development, usability and managing the visitor traffic of digital services. By many measures, Alma Media's digital services are already market leaders. Our goal is to further strengthen our position in our current market areas while also moving into entirely new markets.”

Minna Nissinen, Senior Vice President, Alma Diverso

Prepared for faster growth

The positive developments seen in the European economy in the first half of 2011 were overshadowed by increasingly serious concerns over the future of the eurozone from the summer months onwards. While the total market for media advertising in Finland grew by 3.7 per cent in 2011, the general economic uncertainty was clearly reflected in the development of media advertising in the second half of the year.

Alma Media's revenue in 2011 increased slightly from the previous year, totalling M€ 316.2. Revenue from digital products and services increased to M€ 56.8 and its share of the Group's total revenue reached 18.0 per cent. Our operating profit in 2011 was M€ 42.0, or 13.3 per cent of revenue.

Alma Media's dividend yield was 6.5%.

Alma Media's Board of Directors proposes to the Annual General Meeting that a dividend of € 0.40 per share be paid for the financial year 2011. At the rate of the last trading day of the year, this would correspond to a dividend yield of 6.5 per cent.

We added the 9% value added tax newly imposed on newspaper subscriptions to the subscription prices of our papers, effective at the beginning of 2012. The change is expected to result in a decrease in the circulation figures for Alma Media's subscription-based newspapers.

Strategy implementation in 2011

We published our revised strategy in 2011 with a stated focus of increasing investment in growing our digital business operations. In publishing business, we will continue to develop our newspapers into multimedia brands. We will tap into entirely new media channels and services in our business operations, also beyond traditional publishing. We will further increase internal cooperation in the Group in all functions and operations.

The implementation of the revised strategy advanced on many fronts in 2011. Near the end of the year, Alma Media acquired LMC s.r.o, owner of leading recruitment portals in the Czech Republic. The acquisition increases our earnings per share, represents a significant step in the internationalisation of our recruitment services and also brings a great deal of expertise in this segment to Alma Media.

Acquisition of leading Czech portals is a significant step in internationalising our recruitment services.

We also developed our digital business operations strongly during the year by renewing our existing products and services. The advertising customer base on [Etuovi.com](#) and [Autotalli.com](#) was expanded to include consumers. Etuovi.com, Autotalli.com and [Monster.fi](#) also launched mobile versions of their services. We also developed the online, mobile and tablet applications of our newspapers.

Additionally, we supported the implementation of our strategy by renewing the Alma Media organisation and management system. The most significant organisational changes were the establishment of Alma Diverso, a digital business development and service unit, and the combination of regional and local newspapers into a single business unit, Alma Regional Media. The new units began their operations at the beginning of 2012.

Building sustainable media

Alma Media sets the stage for the industry as a whole also when it comes to corporate responsibility. In 2011, we commissioned a unique study on the environmental impact of media. The results indicate that, based on one hour of reading, the printed newspaper is, on average, a more ecological news media than an online service. However, taking into account actual usage volume and consumption hours, the annual environmental impacts of printed media generally outweigh those of a corresponding online service. Read more details on the study [here](#).

Alma Media drafted and published a [Code of Conduct](#) in 2011. We also joined the United Nations Global Compact initiative to underline our commitment to implementing and promoting ten principles related to human rights, labour, the environment and anti-corruption.

*A unique study commissioned by
Alma Media produced
comprehensive information on the
environmental impacts of media.*

A clear sense of direction

In line with its strategy, Alma Media will continue to focus on developing and growing its digital business operations in 2012. Growth will also be sought through acquisitions. We also have a lot of work to do on our organisational restructuring and renewal, particularly in organising our new business units.

I wish to extend my warmest thanks to everyone at Alma Media, our customers, shareholders and other stakeholders for the past year. Under the circumstances, 2011 was financially a good year for Alma Media and also very significant in terms of refocusing and developing our operations.

Kai Telanne

President and CEO

The share of the digital products and services in the Group's revenue increased

In keeping with its strategy, Alma Media's aims to increase the share of digital services in its revenue through developing its existing products and services as well as through acquisitions in Finland and abroad. The implementation of this strategy progressed according to plan in 2011. Alma Media's online advertising sales grew by 20.9%, and the share of digital products and services in the Group's revenue rose to 18.0% (15.7%).

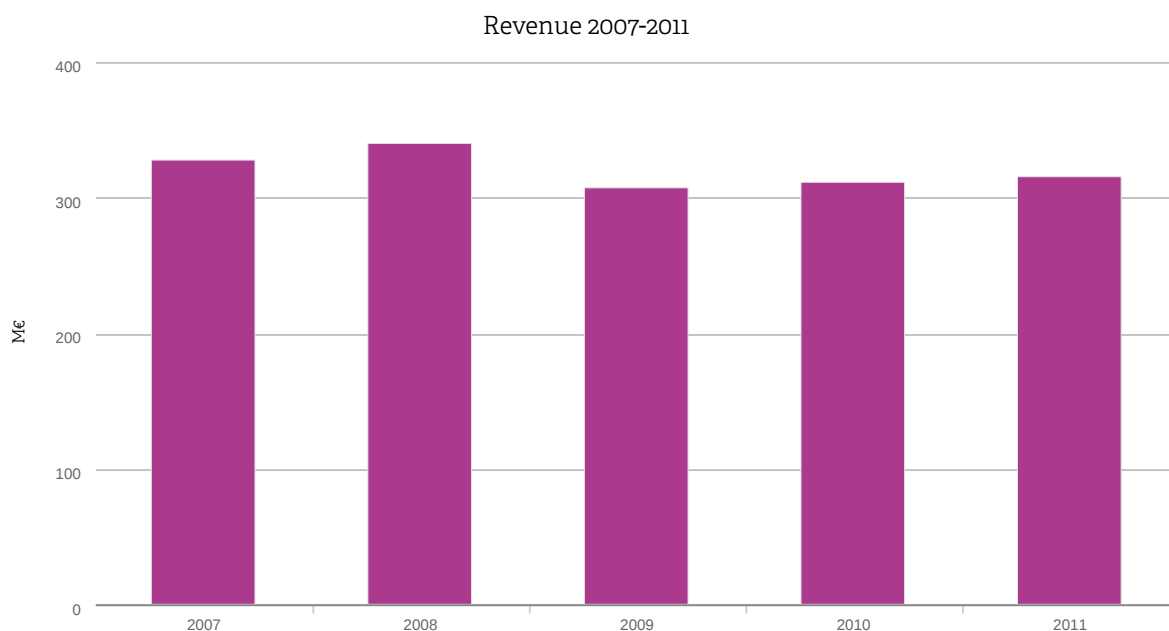
The economic uncertainty in Europe was clearly reflected in the development of media advertising sales in Finland in the second half of the year. Alma Media's operating profit fell behind the target level set in the beginning of 2011. Despite that, 2011 was financially a good year for Alma Media under the circumstances.

This section contains the key figures describing Alma Media's performance in 2011. The entire financial statement and the report by the Board of Directors are available [here](#).

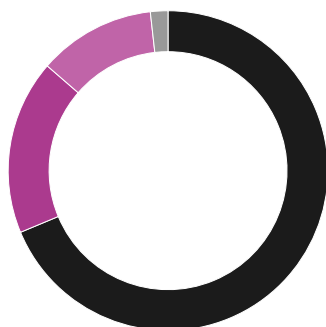
Group revenue

The Group's revenue for the full year 2011 increased by 1.6% (1.1%), totalling MEUR 316.2 (311.4). Revenue from print media was MEUR 236.1 (237.1), accounting for 74.7% (76.1%) of total Group revenue. Revenue from digital products and services grew by 16.3% and was MEUR 56.8 (48.9). The share of digital products and services in total Group revenue was 18.0% (15.7%).

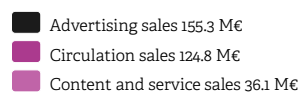
Revenue from advertising sales increased by 4.8% to MEUR 155.3 (148.2). Advertising sales accounted for 49.1% (47.6%) of total Group revenue. Advertising sales for printed papers decreased by 0.5% and was MEUR 111.3 (111.9). Online advertising sales increased by 20.9% to MEUR 43.1 (35.6). Circulation revenue was MEUR 124.8 (125.3), and contents and service revenue MEUR 36.1 (37.8).



Revenue by segment



Revenue by category

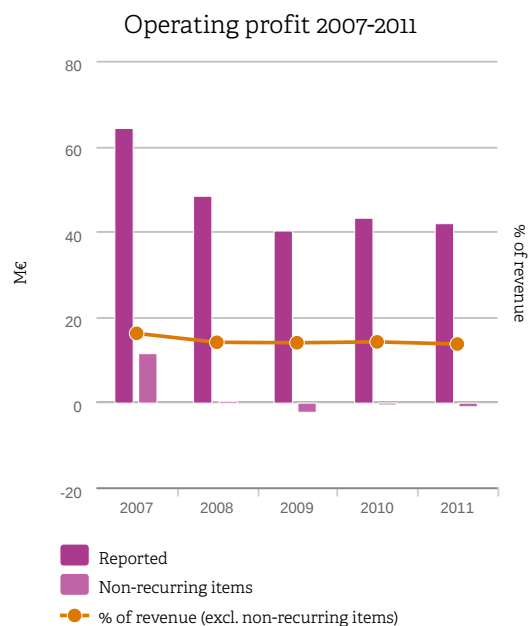


Group operating profit and profit for the period

Operating profit excluding non-recurring items was down 2.2% (up 3.0%), totalling MEUR 42.9 (43.9). Operating margin excluding non-recurring items was 13.6% (14.1%). Operating profit was MEUR 42.0 (43.4). Operating margin decreased from the comparison period and was 13.3% (13.9%). Alma Media issued a profit warning on January 13, 2012 because the operating profit fell behind that of the comparison period. Alma Media had earlier estimated that the full-year 2011 revenue and the operating profit excluding non-recurring items would increase from the level of 2010.

The operating profit includes MEUR -1.0 (-0.5) in net non-recurring items.

The financial result for the financial year 2011 was MEUR 30.8 (33.2) and the result excluding non-recurring items MEUR 31.7 (33.8). The non-recurring items included in the financial result for the period total MEUR -0.9 (-0.7).



Operating profit by segment



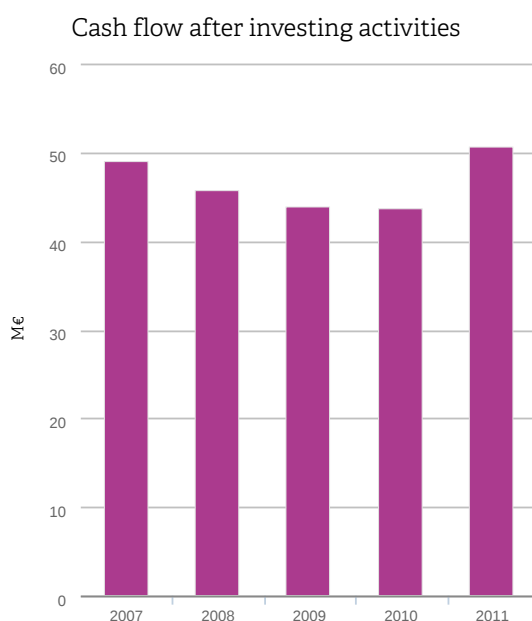
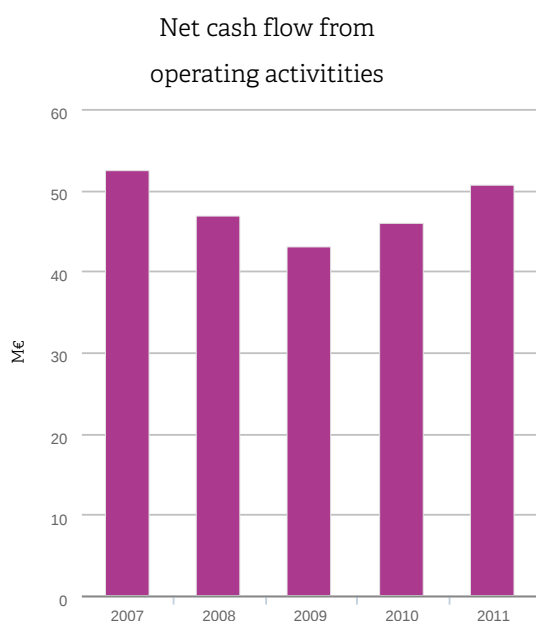
Balance sheet and financial position

At the end of December 2011, the consolidated balance sheet stood at MEUR 198.0 (184.5). Alma Media's equity ratio at the end of December was 57.0% (67.1%) and equity per share was EUR 1.24 (1.50).

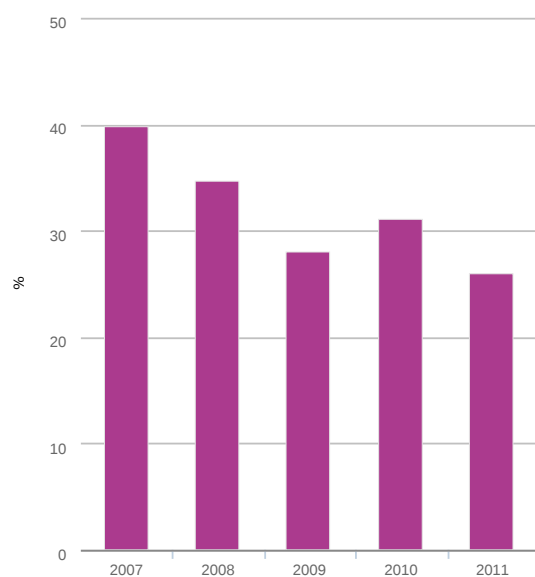
The consolidated cash flow from operations in 2011 was MEUR 50.7 (46.1). Cash flow before financing was MEUR 50.7 (43.7) and cash flow from financing activities MEUR -29.0 (-28.6). The 2011 cash flow was primarily affected by the value-added tax imposed on newspaper subscriptions that had an effect on the accumulation of advance payments, as well as the financing for acquisitions that took place at the change of the year.

The Group's interest-bearing net debt at the end of December was MEUR -32.3 (-32.4). The fair value of the financial assets recognised at fair value through profit or loss, due to arrangements and acquisitions, was MEUR 5.9 on December 31, 2011, and the fair value of debt MEUR 2.0.

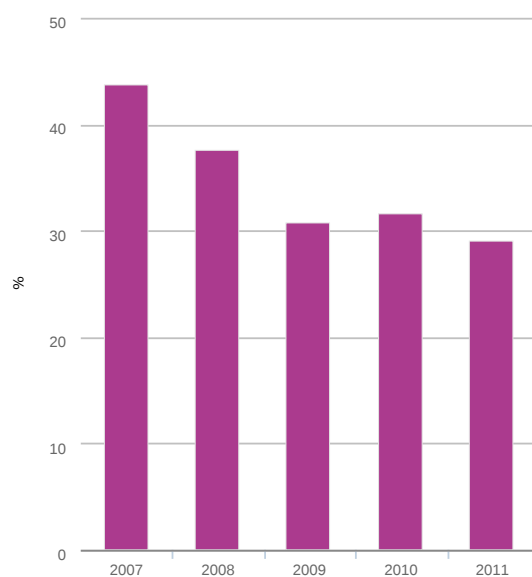
The Group currently has a MEUR 100.0 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of MEUR 0–100. The unused part of the programme was MEUR 100.0 on December 31, 2011. In addition, the Group has a credit facility in the amount of MEUR 30.0 until October 9, 2013, of which on December 31, 2011, MEUR 23 were unused, as well as a credit facility in the amount of MEUR 35 until December 19, 2012, of which on December 31, 2011, MEUR 20 were unused.



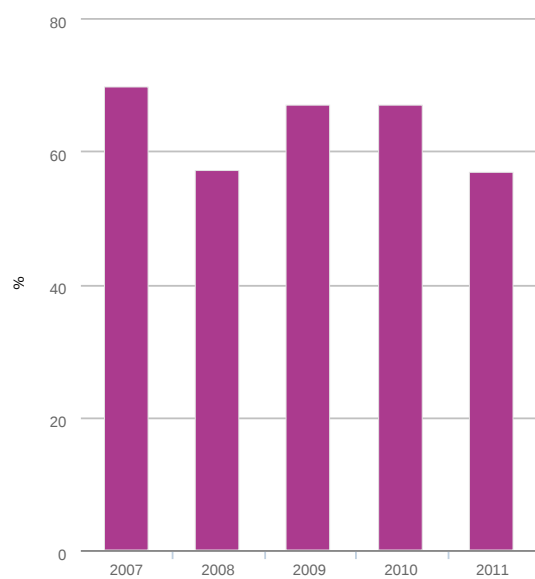
Return on investment



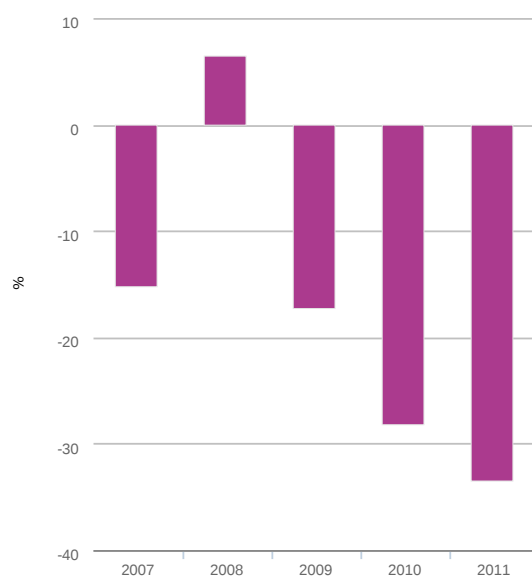
Return on Equity



Equity ratio



Gearing



Alma Media share and dividend

Share

Alma Media share is quoted at NASDAQ OMX Helsinki Stock Exchange, in the Mid Cap category.

In January-December, altogether 10,034,238 Alma Media shares were traded at NASDAQ OMX Helsinki Stock Exchange, representing 13.3% 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, December 30, 2011, was EUR 6.14. The lowest quotation during the reporting period was EUR 5.40 and the highest EUR 9.44. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 463.5.

Trading in alternative trading venues (Burgundy, Turquoise and Chi-X, among others) was minor in 2011, totalling only to a few per cents of the trading volume.

Of the indices of sustainable investing, Alma Media is included in the OMX GES Finland Sustainability Index, comprising the 40 leading companies in Finland in terms of sustainability.

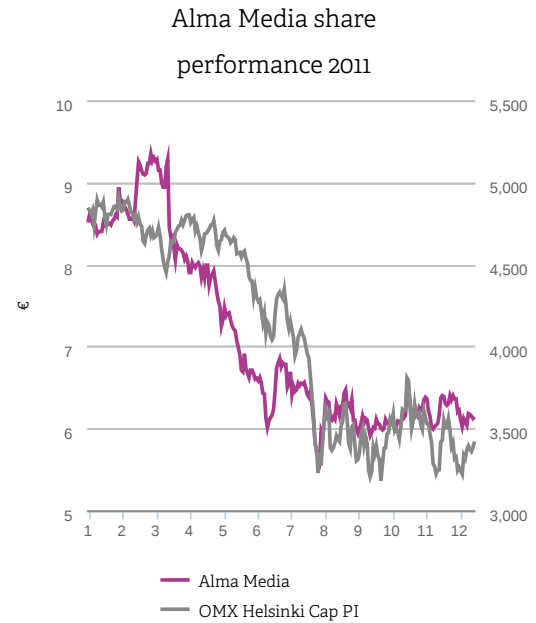
Dividend paid for the financial year 2010

The Annual General Meeting resolved to distribute a dividend of EUR 0.70 per share for the financial year 2010 in accordance with the proposal of the Board of Directors. The dividend was paid on March 29, 2011 to shareholders who were registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy on the record date, March 22, 2011. The company paid a total of MEUR 52.5 (29.8) in dividends to its shareholders.

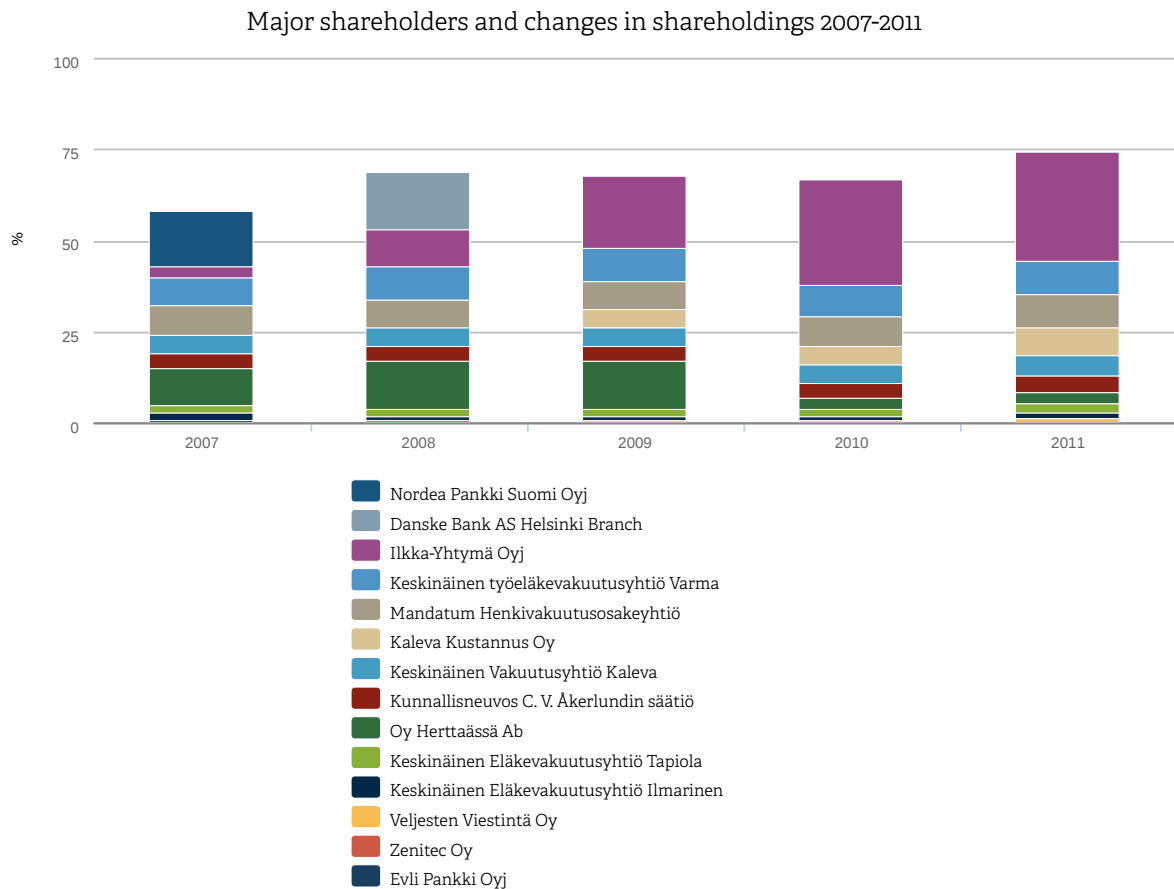
Dividend proposal for the Annual General Meeting 2012

Alma Media's Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.40 (0.70) per share be paid for the 2011 financial year. Based on the number of shares on the closing date, December 31, 2011, the total dividend distribution would amount to EUR 30,194,741 (52,536,766). On December 31, 2011, the Group's parent company had distributable funds totalling EUR 51,941,032 (56,858,658) of which profit for the period amounted to EUR 47,486,273 (32,978,734). No essential changes in the company's financial standing have taken place after the end of the financial year.

Dividends are paid to shareholders who are entered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy no later than the record date, March 19, 2012. The dividend payment date is March 26, 2012.



In 2011: Proposal for the Annual General Meeting.



Shareholdings in the end of each calendar year.

Key figures for responsibility

Key figures for responsibility

39%

of Alma Media employees in management positions were women.

3/16

The Council for Mass Media made 16 decisions that apply to Alma Media. Only three of these were condemnatory.

1.

Alma Media rose for the second time running to first place among Nordic media companies in the global Carbon Disclosure Project initiative.

1,25g

The carbon footprint of one half-page advertisement published in the *Ilta-lehti* newspaper is 1.25 grams of CO₂e, or less than the climate impact of one orange slice.

74

The Responsible Summer Job campaign, a cooperative effort of Alma Media and the Finnish Children and Youth Foundation, recruited 74 responsible summer employers and provided 16,000 responsible summer jobs.

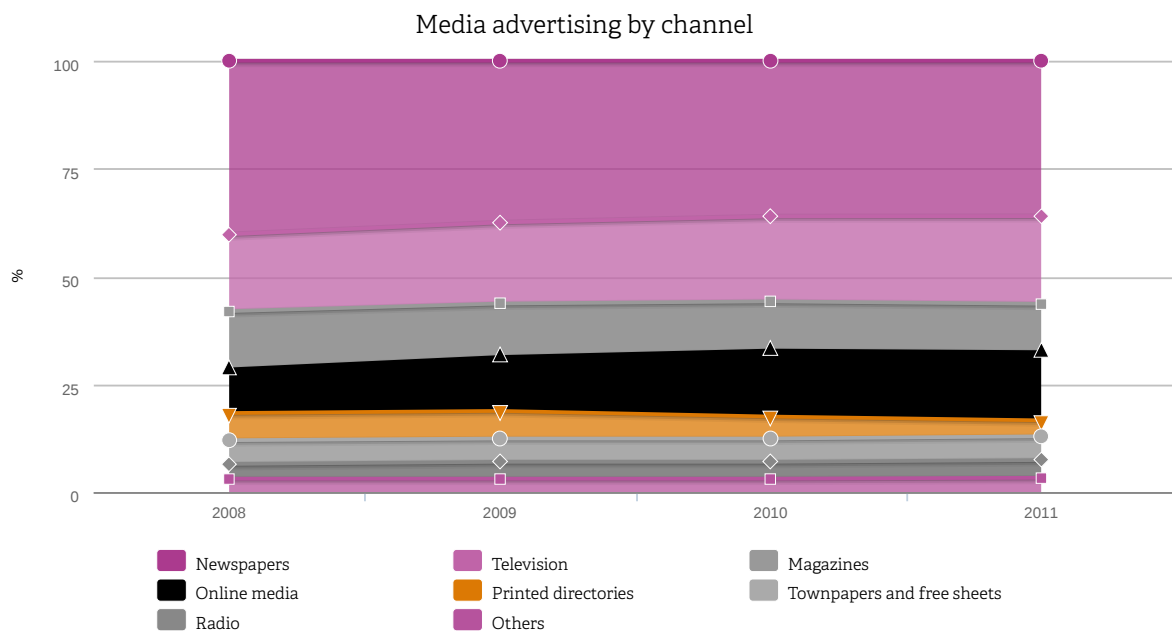
A variable year in media advertising

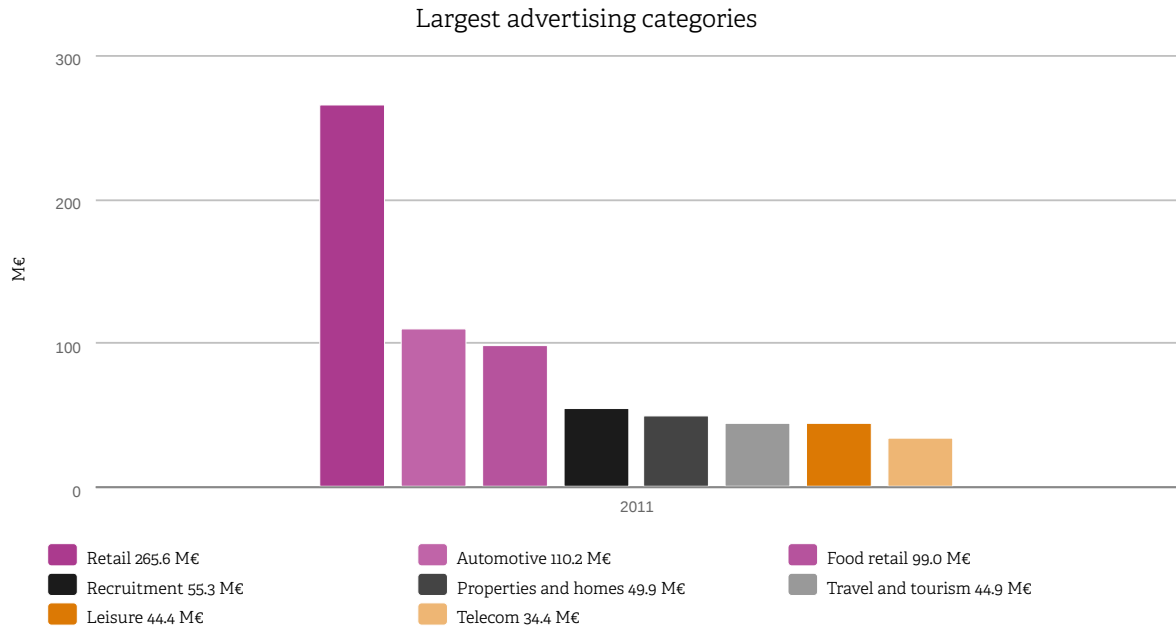
Media advertising volume in Finland grew by 3.7 per cent in 2011, totalling M€ 1,395. The year in advertising began on a positive note, with market growth boosted by the parliamentary elections in April. However, later in the year the European economic uncertainty was reflected in advertisers' decisions and advertising spending declined.

The printed newspaper is still the largest advertising medium in Finland. The monetary value of newspaper advertising grew 3.5 per cent compared to 2010. Advertising in local and free issue papers increased by 5.3 per cent on the previous year.

Alma Media estimates that its market share is approximately one fifth of all newspaper advertising.

Retail businesses were the most important advertisers in Finland in 2011. The segments with the largest increases in advertising were car retail, the food industry and the travel and hospitality industry.





Rapid growth in online classified advertising

According to TNS Gallup, online advertising in Finland grew by 8.2 per cent in 2011 compared to the previous year. Classified online advertising increased by 25.3 per cent while display advertising grew by 16.6 per cent. Spending on search engine advertising remained largely unchanged from 2010. Advertising spending in online directory services was down 9.6 per cent on the previous year.

The 2011 figure for display advertising includes, for the first time, Facebook advertising. IAB Finland estimates the value of Facebook advertising in Finland during the year at M€ 4.6.

Alma Media's share of the Finnish display and classified online advertising market is slightly below one third and its share of all online advertising (including, in addition to the aforementioned, search engine advertising and online directories) approximately one seventh.

Mobile advertising on the rise

The growing popularity of smartphones has created a foundation for growth in mobile advertising. According to Statistics Finland, nearly one third of all Finns use the Internet on a mobile phone. In the 35-44 age group the corresponding share is even larger at 47 per cent.

According to forecasts, the share of mobile advertising in advertising budgets will increase from half a per cent to four per cent globally in the 2010-2015 time period. Gartner Research estimates that the growth in the relative share of mobile advertising will be the strongest in North America and Western Europe. Gartner puts the global value of mobile advertising in 2012 at approximately 2.4 billion euros and expects the figure to rise to 15 billion in 2015.

In Finland media companies expect the value of the mobile advertising market to reach some 4-5 million euros in 2012.

Advertising Barometer slightly on the positive side

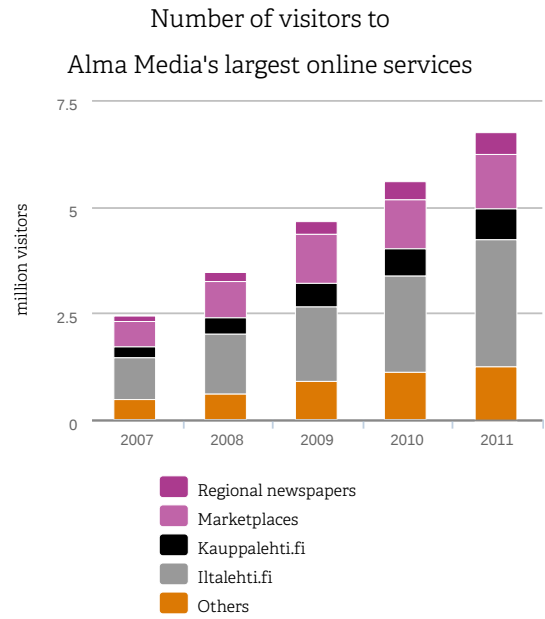
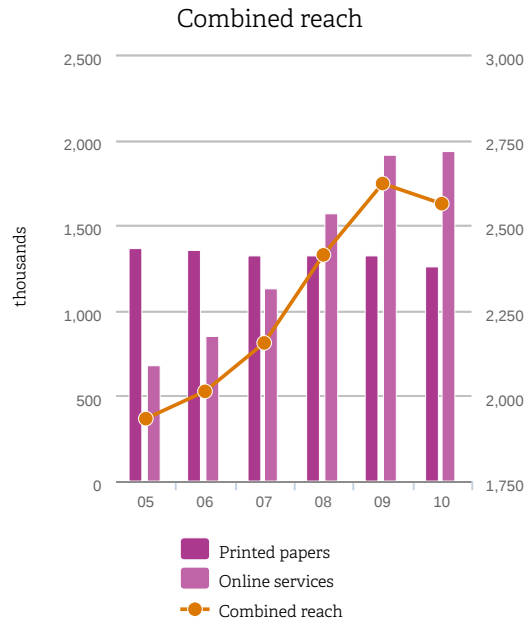
The Advertising Barometer published by the Association of Finnish Advertisers suggests that the direction of the advertising market is difficult to predict at present. The Advertising Barometer's net change indicator is slightly on the positive side at +2. Of the advertisers who participated in the Advertising Barometer survey, 28 per cent intend to increase advertising spending in 2012, while 26 per cent plan to cut back and 46 per cent indicate that their advertising spending will remain unchanged from 2011. Online media and television were highlighted as particularly interesting by participating advertisers. The survey was carried out in December 2011.

The popularity of Iltalehti.fi puts it in a league of its own

According to TNS Metrix, Iltalehti.fi further solidified its position as the largest online service in Finland. In the latter part of 2011, the site consistently had over 2.5 million unique visitors per week, or over three million visitors based on different browsers used to access the service. Visitor records were repeatedly broken in the first weeks of 2012, partly due to the public interest in news related to the Finnish presidential election.

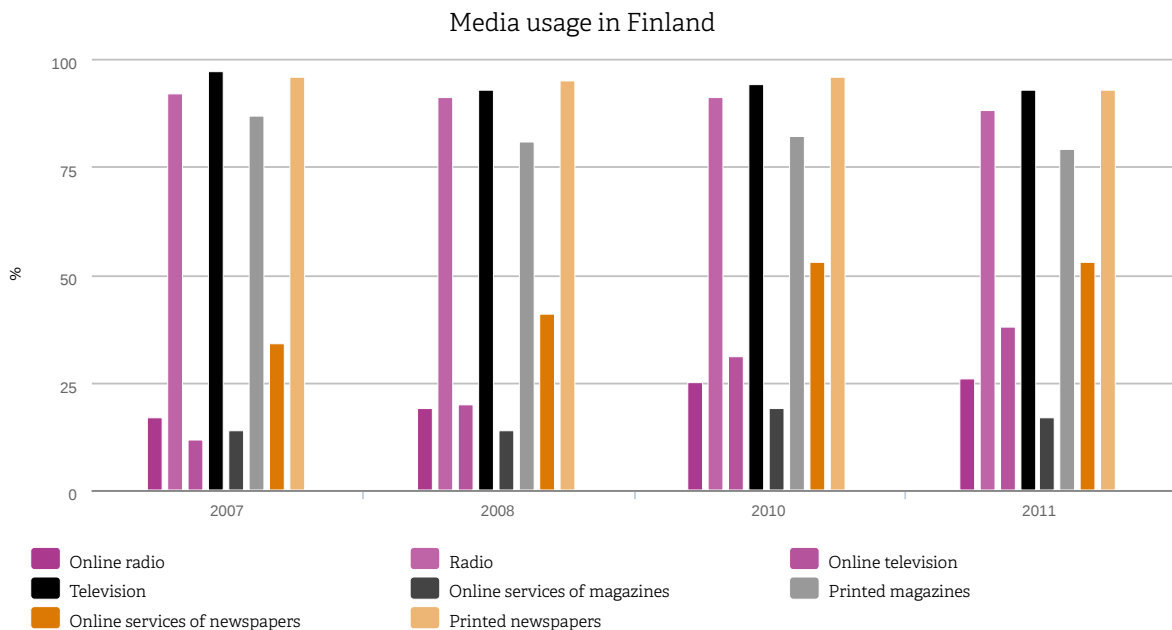
The growing popularity of online services is resulting in increased exposure for media content. This means that the total reach of the printed newspaper and the online service had continued to grow despite the slight general decline in the circulation figures of printed newspapers. Advertisements in the printed newspaper and the newspaper's website complement each other.

More information on the circulation and print volumes of Alma Media's papers as well as the numbers of visitors to their online services is available on [Alma Media's website](#).



Including Aamulehti, Satakunnan Kansa, Lapin Kansa, Pohjolan Sanomat, Kainuun Sanomat, Iltaalehti and Kauppalehti. The calculation method of online visitors changed in 2010 and the date from 2005 to 2009 has been adjusted from unique browsers to unique visitors. Additionally, the study has changed. Sources: KMT Lukija, TNS Gallup Oy, TNS Atlas, 2010 KMT Kuluttaja.

Figures refer to annual averages of weekly unique visitors (unique browsers). Visits by the same visitors to different services are not eliminated. Source: TNS Metrix.



Data on media usage in 2009 is not available. Sources: eMedia 2007-2011, Taloustutkimus

Subscription newspapers now subject to value added tax

In December 2011, the Finnish parliament approved a new law that imposes value added tax of 9 per cent on subscription newspapers, effective from the beginning of 2012. Subscriptions were previously exempt from value added tax. Alma Media has added the tax to the subscription prices charged to consumers and expects this to result in decreased circulation figures.

The new Postal Act entered into force in June 2011. The aim of the legislative amendment was to make the distribution and delivery market more efficient by opening it up to more competition. In response to the change in legislation, Alma Media's printing and distribution company Alma Manu will apply for an operating licence for postal services.

Sources: Finnish Advertising Council, IAB Finland, TNS Gallup, the Association of Finnish Advertisers, Statistics Finland, Gartner, Alma Media

Four reporting segments

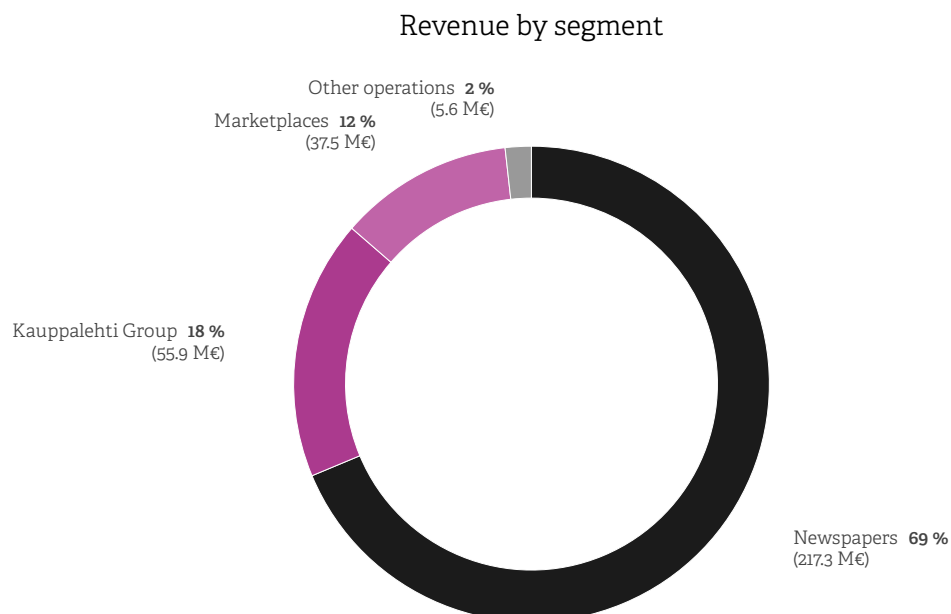
Alma Media has four reporting segments: Newspapers, Kauppalehti Group, Marketplaces and Other operations.

In the 2011 financial period, the Newspapers segment included Iltalehti, five regional newspapers, 18 local newspapers and 10 town papers, for a total of 34 newspapers and their respective online services. In the end of 2011, Alma Media acquired the publishing rights to Kotikymppi, a weekly paper published in Kemijärvi.

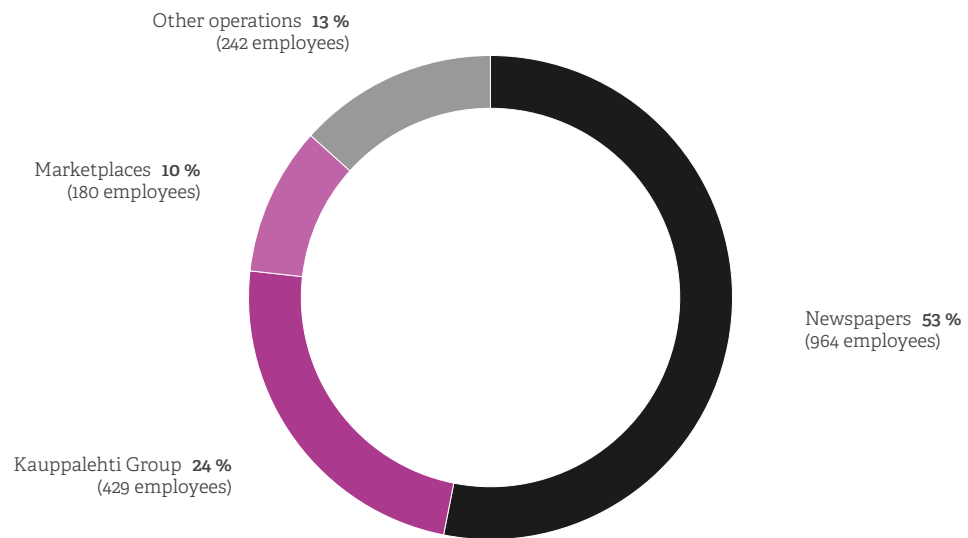
Kauppalehti Group specialises in the provision of financial information and business services as well as marketing solutions. Its best-known title is Finland's leading business media brand Kauppalehti. Kauppalehti Group also includes business information providers ePortti and Balance Consulting, custom media and communications solutions provider Alma 360 and BNS, a news agency and media monitoring unit operating in the Baltic countries.

The Marketplaces segment comprises Alma Media's digital classified advertising services supported by printed papers. Marketplaces focuses on three main sectors: housing (Etuovi.com, Vuokraovi.com, City24, Bovision and Objektvision), recruitment (Monster.fi, jobs.cz, topjobs.sk and praze.cz) and cars and heavy machinery (Autotalli.com, Mascus).

The Other operations segment reports on the Group's printing and distribution unit Alma Manu Oy and the operations of the parent company. The role of the Other operations segment is primarily to serve Alma Media's other segments.



Employees by segment



Other operations segment: excluding newspaper deliverers.

A newspaper's brand works across several channels

Alma Media's Newspapers segment comprises the publishing operations for 35 newspapers and their digital services. The largest newspapers are *Iltalehti* and the Pirkanmaa regional newspaper *Aamulehti*, which celebrated its 130th anniversary in December. Effective from the beginning of 2012, the segment has two reporting business units: Alma Regional Media and Iltalehti.

Financial performance in 2011

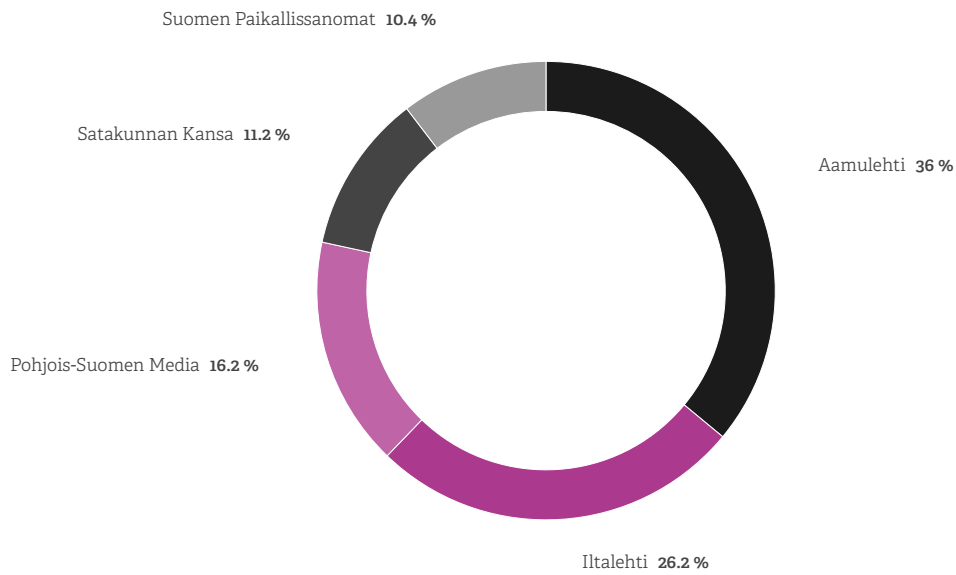
The revenue of the Newspapers segment in 2011 increased to M€ 221.5 (219.3). Revenue from advertising sales stood at M€ 107.6 (104.9), up 2.5 per cent from the previous year. Advertising sales in print media grew by 0.3% and in online media by 22.7% from the previous year. The segment's circulation revenue remained stable at M€ 109.9 (110.3). Operating profit was M€ 30.2 (32.9), or 13.6% (15.0%) of revenue.

In Finland, advertising in printed newspapers increased in total by 3.7 per cent in 2011. The markets received a boost from advertising related to the parliamentary elections early in the year, but later in the year the European economic uncertainty was reflected in advertisers' decisions and spending on newspaper advertising decreased. This also had an impact on Alma Media newspapers' advertising sales in 2011.

Online advertising continued to grow at a brisk rate with online media spending increasing 8.2% compared to the previous year.



Revenue by business unit 2011



Operating profit



Market conditions

Alma Media places a strong emphasis on growing and developing digital services while also developing its journalistic and publishing operations to maintain its strong position among both readers and advertisers. Alma Media refines and extends its respected newspaper brands to cover other media channels and services, also beyond traditional publishing.

The total reach, defined as the total number of users of printed newspapers and online services, of Alma Media's newspaper brands is higher than ever before. While the circulation numbers for printed newspapers have decreased slightly in recent years, the popularity of their online services has grown considerably. In the Pirkanmaa market

area, for instance, the printed Aamulehti has 303,000 readers every day, while its online service Aamulehti.fi has an average of 266,000 unique users per week. Together, the printed Aamulehti and its online service reach as much as 80% of the region's population.

The Finnish government decided to impose a value added tax of nine per cent on the subscription fees of printed newspapers, effective at the beginning of 2012. Newspaper subscriptions had previously been tax-exempt in Finland. Alma Media has added the value added tax to the subscription prices paid by consumers, but the possible effects of the price increases on the circulation figures for the Group's printed newspapers were not yet known in early 2012.

Product and service development in 2011

Alma Media's newspapers actively developed their digital services in 2011. Ilta-lehti and Aamulehti launched iPhone and iPad apps to complement their existing mobile versions. Alma Media's 17 local newspapers can also be read on the iPhone, iPad and iPod Touch via the Lehtiluukku reader application.

In September, Ilta-lehti launched the Nytmatkan.fi travel website that offers package tours from several agencies at a single address. The online service features a wide variety of travel products ranging from last minute deals to beach holidays, city breaks and skiing trips. The service is a good example of new digital business operations beyond traditional publishing.

Alma Media also invests in developing its printed newspapers. In January 2011, the Group's regional newspapers in northern Finland, namely Lapin Kansa, Pohjolan Sanomat and Kainuun Sanomat, adopted a reader-friendly tabloid format. The changes were well received by both readers and advertisers, which encouraged Alma Media's Satakunnan Kansa to also launch a similar project. In addition to redesigning the printed version, Satakunnan Kansa also renewed its online service. The redesigned Satakunnan Kansa and sk24.fi were launched in January 2012. The initial feedback from readers and advertisers has been primarily positive.

Alma Media acquired the copyrights to Kotikymppi, a free newspaper published in the Kemijärvi region, in December 2011. Kotikymppi is published weekly in Kemijärvi, Salla, Savukoski, Pelkosenniemi, Luosto, Sodankylä, Northern Posio and Northern Kuusamo.

Nytmatkan.fi is a good example of new digital business operations beyond traditional publishing.

Organisational development

Alma Media decided to combine its regional and local newspapers into a single business unit, Alma Regional Media, effective from the beginning of 2012. The new unit was formed by Kustannusosakeyhtiö Aamulehti, Satakunnan Kirjateollisuus Oy, Pohjois-Suomen Media Oy and Suomen Paikallissanomat Oy. The organisational change is aimed at making development and product renewal efforts more agile and flexible while improving the efficiency of background operations. From the readers' perspective, the goal of the restructuring is to improve the general quality of content and particularly to maximise the capacity of the editorial offices of each publication to produce locally interesting content.

Alma Media's subsidiary Pohjois-Suomen Media, which publishes regional newspapers in northern Finland, began making plans for restructuring in preparation for the impact of the newly imposed value added tax on newspaper subscriptions and the weakening future prospects for advertising sales in the Kemi and Kajaani regions. The objective of the restructuring is to ensure the profitability and competitiveness of Pohjois-Suomen Media and the vitality of its newspapers in the future. The company initiated cooperation negotiations in December 2011 as part of the planned restructuring, resulting in layoffs corresponding to nine man-years.

Satakunnan Kirjateollisuus Oy, the publisher of Satakunnan Kansa, and Porin Sanomat Oy also decided on restructuring operations. The aim of the restructuring is to clarify the separation between the printed newspaper and the online service and also to emphasise locality. The restructuring resulted in customer service, advertising traffic and technical layout being combined into a subscription and advertising service unit. Cooperation negotiations related to the restructuring, held in February-March 2011, resulted in layoffs equivalent to 18 man-years.



Responsibility as seen by Editors-in-Chief

We interviewed six Alma Media Editors-in-Chief on the subject of responsibility in journalism in 2011:

- 1) What was the most responsible or socially significant act by your media in 2011?
- 2) What socially important subject did not receive enough media attention in 2011?

Minna Ala-Heikkilä, Editor-in-Chief, Nokian Uutiset and Tyrvään Sanomat

1. To address the issues of population ageing and poor health, Tyrvään Sanomat had a yearlong campaign to encourage people to be more physically active. Under the campaign, the newspaper organised regular exercise for a group of ten people and also introduced various kinds of physical activity to them. Tyrvään Sanomat also featured physical exercise related content prominently on its pages throughout the year and organised a major event in partnership with a local sports association and the city's sports services.

In addition to this "slow" social influence, I would also like to highlight a few individual cases. Tyrvään Sanomat offered readers comprehensive and detailed coverage of the pending municipal merger. Nokian Uutiset highlighted the effects of the cost savings measures implemented by the city and the local parish and emphasised that savings measures are not always a bad thing. Failure to take such action can also have negative impacts. Nokian Uutiset also implemented the physical exercise campaign mentioned above, albeit in a smaller scale.

2. The necessity of prioritising public services: do we necessarily need all this, can we really afford it, and will the consequences of cutting back on public services be as bad as people think?

Jorma Pokkinen, Editor-in-Chief, Aamulehti

1. Aamulehti organised eight debates around Pirkanmaa in the run-up to the parliamentary elections, the last of which was organised in partnership with YLE Radio Tampere, who also broadcast the event live. Aamulehti – an advocate of democracy.

The new Perspective section increased social dialogue and responsibility and introduced new viewpoints.

Aamulehti - a campfire for discussion.

2. The new government programme was not sufficiently analysed in the media due to the amount of attention paid to the EU financial crisis. In addition to economic policy, the only aspects of the 89-page programme that have already been discussed are the YLE tax, social security and exclusion. People will see changes in their daily lives over the course of the parliament's four-year term. We need to continue the discussion and debate on these matters in 2012: we need to actively present alternatives, opinions and new ideas.

Jouko Jokinen, Editor-in-Chief, Aamulehti

1. I would like to echo Jorma Pokkinen's answers to the first question, but I also want to emphasise the need for general discussion and debate on ethics. The Finnish political system is incapable of genuine ethical discussion when decisions are guided by the economy and the focus is on short-term solutions. Newspapers must provide a foundation for ethical discussion and also spark and maintain it, as Finnish society is facing many very difficult choices. We started to emphasise this in 2011.
2. The lost youth. Of course there have been articles about young people who fall off the track after completing comprehensive education, but more is required. The tens of thousands of youngsters who, after the turn of the century, have found neither employment nor further education opportunities after comprehensive education, are the greatest problem in Finnish society. It is also a problem that must not be approached simply from an economical angle, as it involves countless tragedies at the individual and family levels.

Editors-in-Chief: Media paid too little attention for children and youth issues.

Kari Kivelä, Publisher, Iltalehti

1. I am not entirely comfortable with the suggestion that the media should highlight certain news stories or events as more responsible than others. Nevertheless, I believe our readers have appreciated our coverage of healthcare issues and problems related to the operations of the healthcare authorities. I think this also factored in Iltalehti's **Jarmo Luuppala**, who exposed Finland's first fake doctor, being selected Finnish Journalist of the Year 2011 by Bonnier.
2. The dark spot in this quiet country known for its high level of welfare is the violence that some children experience in their family lives. Some of the more shocking cases end up in the news, but the full extent of the problem is not publicised. That being said, I was pleased to see the media highlight the sexual abuse of children that had gone on for decades in a particular religious community.

Petri Hakala, Executive Editor-in-Chief, Satakunnan Kansa

1. Finns in general and the people in our circulation area have the same interests. Political decision-making is woefully short-sighted. There are plenty of people eager to take a piece of the current pie, but not enough people focused on contributing to the size of the pie. Over the past year, we focused on these aspects through our news choices and related opinion pieces. The nation needs vibrant regional hubs and better balance between them and the capital region.
2. Unemployment. The fate of young people at risk of exclusion is particularly worrisome. As agents of social influence, newspapers can assume a more active role through campaign journalism in matters such as employment schemes and helping reduce bullying in schools.

Olli-Pekka Behm, Editor-in-Chief, Satakunnan Kansa

1. We contributed to greater social discussion by organising a parliamentary election tour in our region and also by providing comprehensive coverage of the Finland Arena, political event held in Pori. The extensive visibility and strong support provided by Satakunnan Kansa for the political discussion event helped promote the dialogue between citizens and decision-makers. Finland Arena is growing each year, with last summer's event drawing well over 20,000 participants.
2. Detecting and critically assessing the True Finns' electoral success prior to the polls. The most significant after-effect of the True Finns' election victory is the increased short-sightedness in politics, which poses a threat to the future well-being of the Finnish people. The press must contribute to this discussion by offering critical views and alternatives.

Antti Kokkonen, Editor-in-Chief, Lapin Kansa

1. Prior to the parliamentary elections, we organised five debates for candidates in different parts of Lapland. The debates were focused on regional themes that received little to no coverage in other media.

Among other socially significant stories, I would like to highlight **Jarno Lakkala's** articles on city planning in Rovaniemi. In June, we broke the news that the Deputy Mayor appeared to be incompetent due to the likelihood of bias in the preparation and decision-making on a zoning application by YIT Construction, as his wife worked for the company as a sales consultant. A couple of months later, Rovaniemi Administrative Court overruled a zoning decision on a housing development in central Rovaniemi for the same reason. The financially significant project is important for Rovaniemi.

2. The public dialogue on the welfare state seems to be going nowhere. What should people be responsible for themselves? What is society's role? Can society do more to push people to seek employment? What methods does it have at its disposal? What kind of welfare state can the ageing Finland afford to maintain? Why has Sweden successfully implemented a number of structural changes while Finland appears to be dead in the water? Is there something wrong with the Finnish political system, or why are we wasting time on irrelevant matters instead of making important decisions?

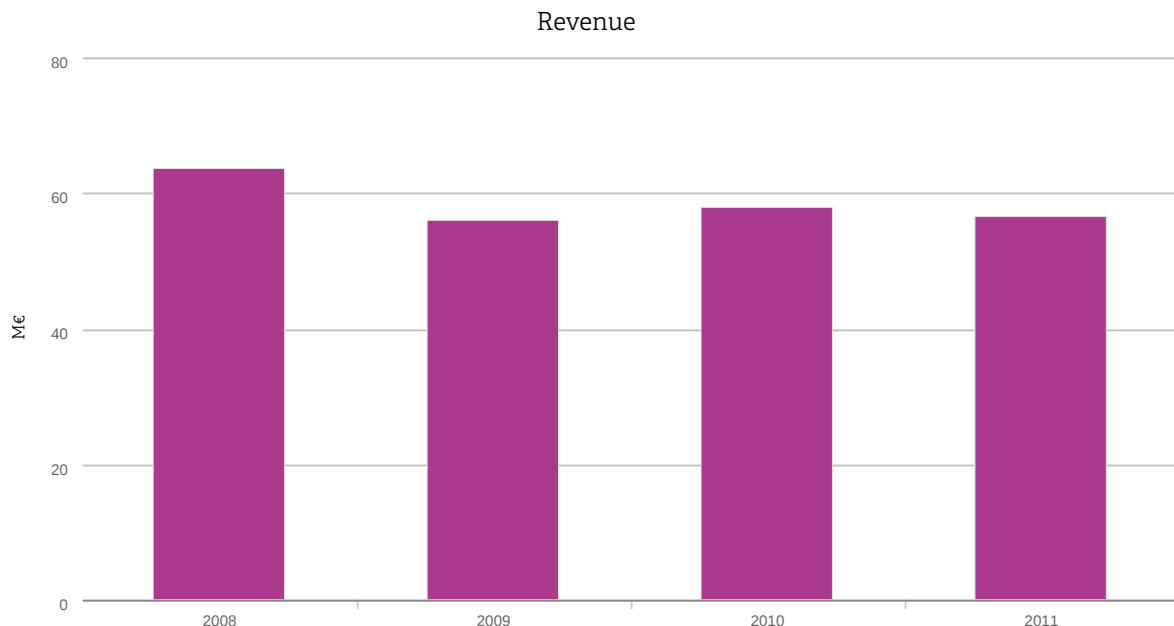
Product and service development on a broad front

Kauppalehti Group provides financial information and business services as well as marketing solutions. Its best-known title is Finland's leading business media brand **Kauppalehti**. Kauppalehti Group also includes business information providers **ePortti** and **Balance Consulting**, custom media and communications solutions provider **Alma 360** and **BNS**, a news agency and media monitoring unit operating in the Baltic countries.

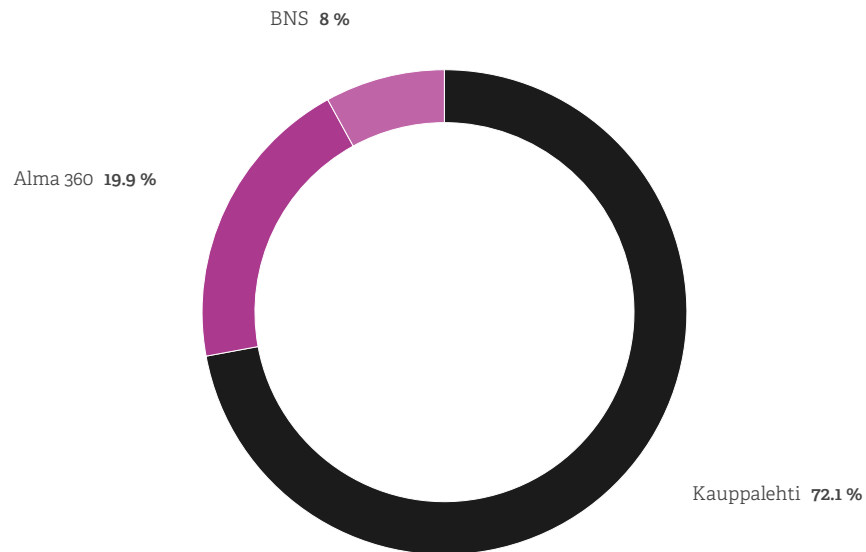
Financial performance in 2011

Kauppalehti Group's revenue declined from the previous year to M€ 56.7 (57.9). Of this total revenue, advertising sales accounted for M€ 17.1 (17.7), circulation sales M€ 15.0 (15.0), and content and service sales M€ 24.6 (25.2). The operating profit of the Kauppalehti Group was M€ 7.4 (8.2), representing 13.0% (14.2) of revenue.

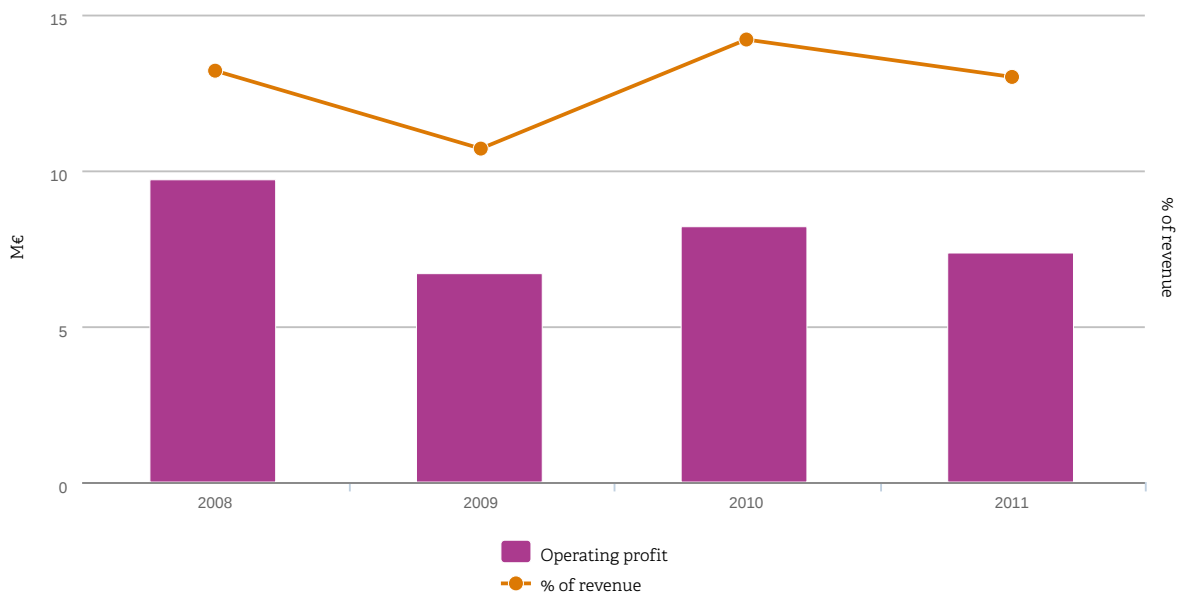
The European economic uncertainty weighed on advertisers' decisions and, as a result, on Kauppalehti Group's advertising sales in 2011. Despite a slight decrease in the circulation of the printed newspaper, circulation sales remained at the previous year's level. Circulation revenue is bolstered by a stable and relatively large proportion of subscribers opting for ongoing subscriptions. Alma 360 successfully acquired several major customers in 2011, including the full range of OP-Pohjola Group's customer magazines. Alma 360 also designs the online services of an increasing number of clients.



Revenue by business unit 2011



Operating profit



Diversifying subscription models

One of Alma Media's strategic objectives is stronger growth from digital business. Kauppalehti Group contributes to this goal by developing a range of digital business services and increasing the revenue generated by these services. Revenue growth is sought through organic growth based on the company's own innovation and through acquisitions.

A large proportion of the content of Kauppalehti.fi is financed by advertising revenue, and therefore the access for readers is free. However, there are some sections, such as Market News, behind a paywall. In spring 2012, Kauppalehti will offer its customers a broader range of subscription models and implement changes in the pricing of its content.

In conjunction with the changes, the printed Kauppalehti and the Kauppalehti.fi online service will be redesigned and differentiated from each other to a greater extent. The online service will adopt an even greater focus on rapid daily business news, while the printed newspaper will offer more future-oriented perspectives.

Product and service development in 2011

Kauppalehti launched a number of product and service innovations in 2011. Developments extended to the printed newspaper, the online service as well as mobile products.

Launched in January, Kauppalehti Kulmahuone ("Corner Office") combines the journalistic column on working life and leadership and a section for recruitment adverts for management and expert positions produced in partnership with Monster.fi. Kulmahuone, which also includes news on recent appointments, has been well received by customers.

Kauppalehti also developed its Achievers concept during the year. The Achievers series of articles and the popular Achiever certificates were complemented by an Achievers magazine published in December as a supplement to Kauppalehti. The magazine presents the most successful entrepreneurs in Finland's 20 regions. Finnish entrepreneurs were also highlighted by Kauppalehti during its springtime Growth Companies tour, which concluded with Rovio Mobile Oy, developer of Angry Birds, being awarded the title of Best Growth Company of 2011.

Mobile services were also developed intensively. Kauppalehti launched an iPad app in June. The daily issue of Kauppalehti can now be read on the iPad from Monday to Friday, from 04:30 in the morning. Kauppalehti Group also launched other products and services including the Business Radar mobile app, which allows users to instantly check the credit rating of any Finnish company via an iPhone or iPad.



Responsibility brings Kauppalehti and its media clients together

Responsibility is incorporated into the purchasing policy of an increasing number of organisations. This has also been reflected in media purchasing over the past year. Alma Media's various media units are increasingly receiving enquiries from advertisers regarding responsibility and how Alma Media's media outlets support their customers' communications on sustainable development.

Alma Media's Sustainable Media programme encourages everyone in the organisation to adopt a proactive approach to responsibility. For instance, Kauppalehti aims to engage in active dialogue on responsibility with readers and advertisers. In 2011, Kauppalehti and Alma Media participated in the "Ratkaisun paikka" ("Site for Solutions") corporate

"For example, we take financial responsibility into account in our work with media clients by offering advertising solutions with basis on support for the client's financial success. We regularly evaluate the results of our cooperation together with the clients. Kauppalehti's own financial success, in turn, ensures that our clients and readers continue to have a reliable and independent media available to them", Kukkonen says.

Customers confirm that Kauppalehti is on the right track in emphasising the significance of sustainably produced media:

"Kauppalehti plays a key role in promoting the financial literacy of the Finnish people and Finnish

responsibility event and organised a workshop on corporate responsibility in the media industry at the Finnish Family Firms Association's annual event.

“Responsibility is a shared theme for Kauppalehti and its customers. For Kauppalehti, corporate responsibility means taking financial, social, ecological and cultural responsibility into account in all business operations. Kauppalehti is an interpreter of business news for its readers, providing Finnish-language analysis of economic events and their causes and consequences”, explains **Elina Kukkonen**, Marketing Manager at Kauppalehti.

corporate decision-makers. OP-Pohjola Group expects Kauppalehti to consistently offer Finns an understandable and comprehensive view of the state of the economy. A newspaper that operates consistently is able to highlight relevant aspects and provide a forum for different views, which promote effective public dialogue. Responsibly operating newspaper is transparent in the way it works and requires the same level of transparency from its sources and subjects”, says **Stina Suominen**, Brand Director and Director of Corporate Responsibility, OP-Pohjola Group.

A record year for Marketplaces

The Marketplaces business unit comprises Alma Media's digital classified advertising services, supported with printed papers. Marketplaces focuses on three main sectors: housing ([Etuovi.com](#), [Vuokraovi.com](#), [City24](#), [Bovision](#) and [Objektvision](#)), recruitment ([Monster.fi](#), [jobs.cz](#), [topjobs.sk](#) and [praze.cz](#)) and cars and heavy machinery ([Autotalli.com](#), [Mascus](#)).

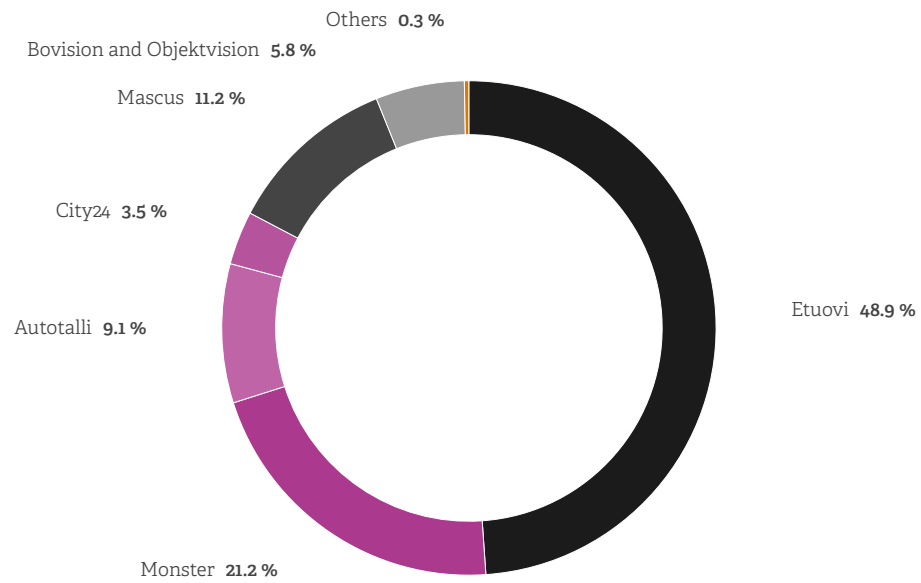
Financial performance and market position

The financial performance of the Marketplaces segment was excellent in 2011. The segment reached a record revenue of M€ 37.0 (32.1). Revenue was boosted by strong demand for recruitment and housing online advertisements as well as the business unit's successful product development, sales and marketing efforts. The segment's operating profit grew to M€ 5.8 (0.4), equal to 15.8% (1.2%) of revenue.

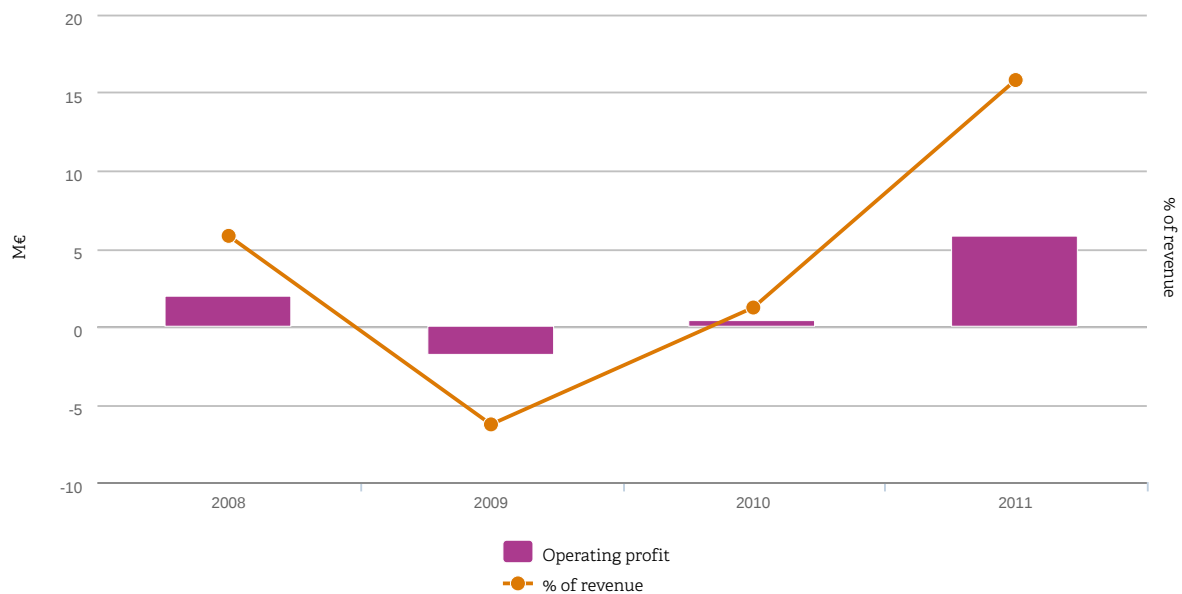
Etuovi.com and Monster.fi solidified their leading market positions in 2011. The market situation for Etuovi.com changed late in the year with the launch of a new housing portal owned jointly by Finland's largest real estate agents, the Central Federation of Finnish Real Estate Agencies and MTV3 Media. Alma Media continues to monitor the market for real estate classifieds and is prepared for various developments.



Revenue by business unit 2011



Operating profit



International growth

Marketplaces is Alma Media's most international segment and it plays an important role in the implementation of the Group's strategic focus on digital business. Marketplaces has operations in Finland and abroad in all three of its customer sectors: housing, recruitment and cars and heavy machinery.

Mascus, an electronic marketplace for used heavy machinery and equipment, operates in 43 countries.

Alma Media's goal is to increase the share of online recruitment services in the revenue of the Marketplaces segment. Growth is sought both organically and through acquisitions. The acquisitions made in the end of 2011 and in the beginning of 2012 support the execution of this strategy.

Through the acquisition of Czech-based LMC, the leading Czech recruitment portals (jobs.cz, topjobs.sk and praze.cz) and the recruitment software developed by LMC joined Alma Media. LMC's total revenue in 2011 was approximately M€ 16.5. The company has some 200 employees.

CV Online, acquired in February 2012, is the leading online recruitment service company in the Baltic area. The company operates in Estonia, Latvia and Lithuania, employing a total of 34 people. After these two acquisitions, online recruitment services are the largest service area of Alma Media's Marketplaces business.

Product and service development in 2011

Alma Media's Marketplaces developed its services on a broad front in 2011. The advertising customer base on Etuovi.com and Autotalli.com was expanded to include consumers. Prior to the changes, the two portals only published classified adverts by real estate agents and professional car dealers.

The business unit also engaged in extensive development of the technological platform used by its housing portals. The results of the development efforts will become visible to customers in 2012. In March 2012, the launch of the new GoDome housing portal in markets outside Finland will further support the internationalisation of Alma Media's housing portals. GoDome offers improved usability to customers and easy maintenance to administrators. The platform also allows a quick implementation of new language versions.

In late 2011, Alma Media decided to rebrand its consumer-to-consumer marketplace Mikko.fi. The service, which was relaunched as Myyjaosta.com in February 2012, will benefit from extensive national publicity through Alma Media's regional media and co-operation with newspapers in Central Finland.

Marketplaces also has a strong presence in mobile services.



Alma Media and Monster.fi promote youth employment

Alma Media, its recruitment service Monster.fi and the Finnish Children and Youth Foundation jointly carried out their first Responsible Summer Job campaign in 2011. The campaign challenged employers to offer more and better summer jobs for young people between the ages of 16 and 25. A total of 74 employer organisations participated in the campaign, made a commitment to its principles of responsible summer jobs and offered over 16,000 summer jobs to young people. The campaign was carried out under the patronage of **Sari Baldauf**, a member of the Board of Directors of the Finnish Children and Youth Foundation.

For Monster.fi, the campaign was a natural way to implement corporate responsibility.

“There has been a lot of talk about youth unemployment lately. This campaign gave our job portal an excellent opportunity to help young people find work and gain valuable experience before entering the job market”, says **Maria Soini**, Marketing Manager for Monster.fi.

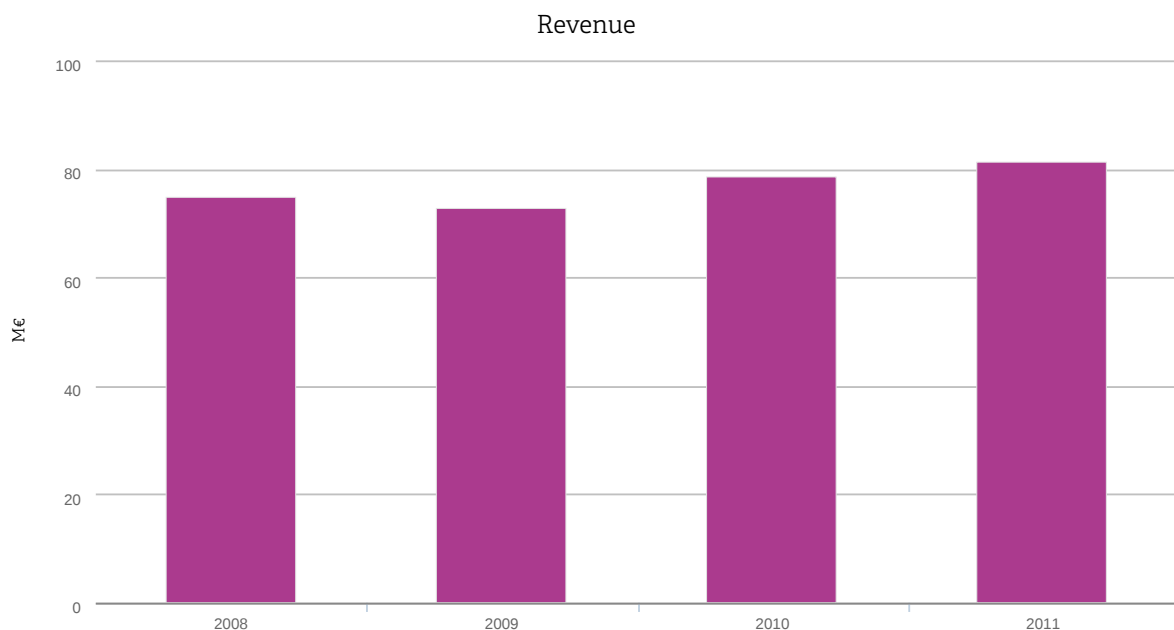
The Responsible Summer Job campaign will be repeated in 2012. The goal for the campaign's second year is to double the number of participating businesses and offered summer jobs, and also to arrange expert seminars on responsible human resource management for the partner businesses. Alma Media and Monster.fi will again be closely involved with the planning and execution of the campaign.

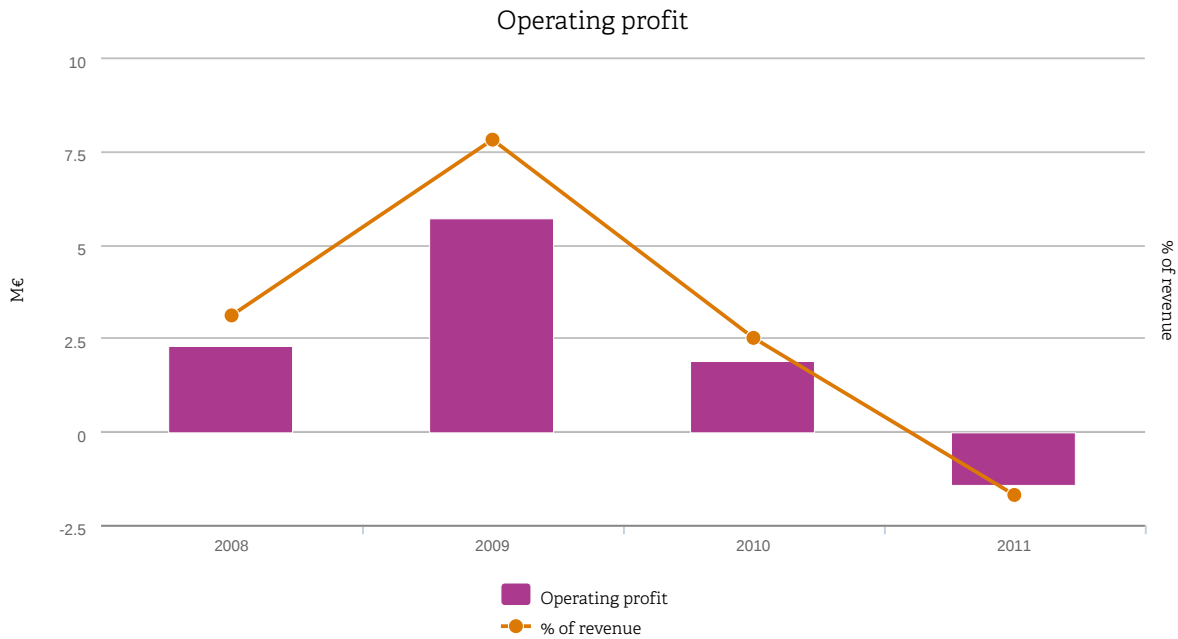
Investment in new printing press in Tampere makes progress, efficiency of distribution operations improved

Alma Media's Other operations reporting segment comprises the functions of the Group's printing and distribution unit **Alma Manu Oy** and the operations of the parent company, Alma Media Corporation.

Alma Manu operates two printing presses, one in Tampere and one in Rovaniemi. Printing operations in Pori were discontinued in January 2012. In 2011, the unit's printing presses printed a total of 230 million newspapers and used a total of 30,000 tonnes of newsprint. Distribution operations are located in Pirkanmaa, Satakunta, Sea Lapland and Lapland.

The revenue of the Other operations segment in 2011 was M€ 81.5 (78.5), of which M€ 5.6 (6.7) was generated by sales to customers outside Alma Media Group.





Printing operations in 2011

In January 2011, Alma Media reached an agreement with Pohjola Bank on the financing of the machinery and equipment for the new printing facility currently being constructed in Tampere. The maximum total amount under the financing agreement was set at 50 million euros. The printing machine was ordered from manroland AG and the mailing equipment from Ferag AG.

The investment in the new printing facility progressed according to plan in 2011. However, in late November, Alma Media was informed that the printing machine supplier manroland AG had filed for insolvency due to its financing problems. Alma Media initiated measures to secure the realisation of the original investment plan. Installation work on the new printing press is due to start in the summer of 2012. During 2011, Alma Media has made advance payments to manroland, which have securing collaterals.

A decision was made to close the Pori printing press as part of Alma Manu's development and efficiency improvement programme. A total of 32 persons, corresponding to 25 man-years, were laid off after cooperation negotiations. Some of the personnel will transfer to work at the printing facility in Tampere. The printing press in Pori produced its final batch of newspapers in January 2012.

Distribution operations in 2011

Alma Manu decided to reorganise and increase the efficiency of its distribution operations in Pirkanmaa and Satakunta. After cooperation negotiations held in May-June 2011, the company decided on cutbacks in distribution operations corresponding to 29 man-years. The cutbacks in Pirkanmaa were primarily implemented in 2011-2012, while those in Satakunta will mainly take effect in 2012.

Alma Manu decided to expand its distribution operations in the Lapland region. As a result, the morning delivery of the Lapin Kansa and Koillis-Lappi newspapers was transferred from Itella to Alma Manu in January 2012.

Parent company in 2011

Alma Media began to consolidate its Group support functions such as ICT administration, financial administration and human resources management at the parent company level in 2011 as part of a Group-wide organisational renewal project. The process will continue in 2012.



New printing press in Tampere a step towards a more environmentally friendly future

Alma Media's new printing facility in Tampere will begin operations in 2013. Environmental aspects have been a major focal point in the plans for the new printing press. The new facility will feature significantly improved energy efficiency, among other things.

The new equipment at the printing facility will be considerably more energy efficient than the equipment currently used. The greatest energy savings arise from the printing press itself. Its energy consumption in proportion to production volume will decline significantly and the new machine will consume some 15% less energy per hour than the current one. Productivity will also be improved, as the new printing machine will be 25% faster than the existing one. The new equipment also requires less cleaning, which will result in a marked decrease in the consumption of solvent-based detergents and water.

In addition to the printing machines, the new building will also provide improved energy efficiency. The building's advanced heat recovery system will capture over 80% of the heat in exhaust air, which will then be used to heat incoming air. Outside air is used to cool down both the production machine and the building.

Alma Media will apply for LEED environmental certification for the new building upon completion. LEED is a global environmental classification system for building design, construction and use. The aim of the certification process is to reduce the building's environmental impact and to create a healthier working environment.

There is also a major management system improvement project underway at the Tampere printing press aimed at developing the printing facility's quality and environmental systems to meet ISO 9001 and ISO 14001 standards. The investment in the new printing facility will also improve environmental management. The environmental management function will be completely redesigned and equipment will be replaced.

Operational quality and environmental considerations go hand in hand. This is also evident in Alma Manu's operations. Improvements in operational quality also result in increased material efficiency. Almost all waste created by the printing facility is used as a raw material by another business. Waste that cannot be recycled or otherwise reused is disposed of safely. The Tampere printing press produces as little as 100 kilograms of disposable waste per year, which represents a mere 0.005 per mille of total material use. Material loss is expected to be a further 30% lower at the new printing facility.

The new printing facility will be the best possible working environment for employees. Occupational well-being and a good working environment are preconditions for efficient and high-quality operations. Increased automation aims to improve employee well-being, with machines handling the most strenuous work phases. The unit also has the aim of improving the environmental awareness and competences of personnel.

Siina Wacker, Marketing and Communications Manager, Alma Manu

What is sustainable media?

Corporate responsibility means a company's responsibility for the impacts of its operations on the surrounding society, the environment and stakeholders. The media sector has many impacts on society through the content, services and forums it provides. Almost all Finns are connected to media in some way, which gives corporate responsibility in the media industry a number of special characteristics in addition to the traditional areas of economic, social and environmental responsibility. According to [a study](#), Alma Media's stakeholders rank the following aspects as the most important for corporate responsibility in the media sector and Alma Media in particular:

- Responsibilities related to journalism and the relationship with the reader:
 - Reliability of information
 - Promoting free speech
 - Highlighting social issues and problems
 - Integrity and fairness
 - Improving media literacy
- Supporting locality and communality and contributing to the sustainable development of local and other communities
- The ecological and social responsibilities common to all businesses

Alma Media's corporate responsibility principles are the foundation of its Sustainable Media programme. Sustainable media refers to responsibility in our own operations and making responsibility a fixed element in our business. Responsible operation and profitability are not conflicting goals. On the contrary, they are preconditions for each other: economically sustainable media needs to also be socially and ecologically sustainable, and vice versa. Changes in media consumption and consumer behaviour create a need for renewal in the media sector. Alma Media's response to these challenges is sustainable media that cultivates traditional journalistic values while integrating broader corporate responsibility in all operations.

Sustainable media 2011

Over the past few years, Alma Media has made considerable efforts to develop the sustainable media perspective, both in its own operations and by introducing the theme in public discussion. In 2011, Alma Media was one of the main partners in organising "Ratkaisun paikka", Finland's first corporate responsibility fair. Alma Media also took the initiative in establishing the Nordic Media CSR Forum and commissioned an internationally unique study on the environmental impact of media. Alma Media's activity in this field places the Group in a strong position as a forerunner in corporate responsibility in the Nordic media industry.

Goals and achievements in 2011

The Sustainable Media programme is implemented in Alma Media's way of working and through the choices employees make on a daily basis. Alma Media's corporate responsibility objectives are thus implemented by every employee, function and business unit in their daily operations and the communication of specific corporate responsibility goals is not always possible or even meaningful. Nevertheless, Alma Media has set certain specific corporate responsibility objectives to support responsible actions in daily work. In addition to the objectives described below, goals related to corporate responsibility are also described in the sections on the environment and personnel.

	Objectives 2010–2012	Implementation in 2011	Description of activities in 2011
Management and coordination of corporate responsibility	Establishing an active corporate responsibility network	***	The network, comprising some 30 Alma Media employees, has been established and is operational
	Alma Media Code of Conduct	***	Code of Conduct has been drafted, approved and published
	Joining the UN Global Compact initiative	***	Alma Media was approved as a signatory in November 2011
	Sustainable development as part of risk management	**	Incorporated in risk management in some units; Alma Media ranked as the best Nordic media company in the 2011 CDP climate change initiative with a score of 78 points.
	Improving awareness of corporate responsibility internally	**	Coaching and training initiatives throughout the Group and through the corporate responsibility network.
Stakeholder interaction	Ratkaisun paikka fair	***	Alma Media was one of the main partners of the corporate responsibility fair.
	Corporate responsibility campaign	***	Alma Media and the Finnish Children and Youth Foundation carried out the Responsible Summer Job 2011 campaign.
	Nordic Media CSR Forum	***	Establishing a corporate responsibility network for Nordic media companies, first meetings held.
Responsible journalism	Updating the ethical principles of editorial offices and increasing transparency	**	A pilot project started at Aamulehti to update journalistic processes and guidelines and communicate them to readers on an interactive basis. The project will later be extended to Alma Media's other regional newspapers.
	Responsibility as part of Alma Media's Media Academy.	***	Responsible journalism was one of the main themes at the Academy in 2011.

Environmental responsibility	Research collaboration with VTT Technical Research Centre in Finland and KTH Royal Institute of Technology in Sweden	***	Study conducted on the environmental impacts of Iltalehti, Aamulehti and Kauppalehti and their respective online services.
	Environmental fact campaign	**	First phase of the environmental fact campaign carried out in spring 2011 with nearly all newspapers published by the Group involved. A follow-up campaign is being planned.
	Environmental matters in the working environment	*	Participation in Energy Awareness Week, increasing recycling efforts, office printer upgrades to conserve paper and ink. More systematic improvements will be implemented when operations in Helsinki are relocated to a new building in Töölönlahti.
	Setting quantitative environmental targets	**	New targets have been set, particularly for CO ₂ emissions. More targets will be set as current property projects progress.
Developing corporate responsibility reporting	Integrating corporate responsibility into the annual report	**	A review integrating corporate responsibility into traditional annual reporting published in March 2010. Integrated reporting is still a work in progress at Alma Media and in the corporate world in general.
	Improving data collection on environmental and human resource matters	**	Improved effectiveness and reliability in reporting on human resource data. For environmental data, waste and water consumption reporting for the entire Group is not yet available. Supply chain reporting is under development.

* measures have been started

**significant progress towards the objective, but further developments are planned

***objective has been achieved

Employees

Best of 2011:

- Development and renewal tool KehU adopted throughout the Group
- More consistent occupational health practices through centralised occupational health services
- "Joker" business development project directed at Alma Media's top performers
- Employee survey carried out

According to the most recent employee survey carried out in late 2011, the work atmosphere at Alma Media has remained good, with a score of 60.6 (previously 62.0 and 61.5). The overall results of the employee survey are better than the average level of Finnish corporations, but they have fallen slightly from the previous survey. According to the survey, Alma Media's key strengths are:

- motivating work,
- managers' leadership skills,
- fair rewards and incentives and
- investments in occupational health and well-being.

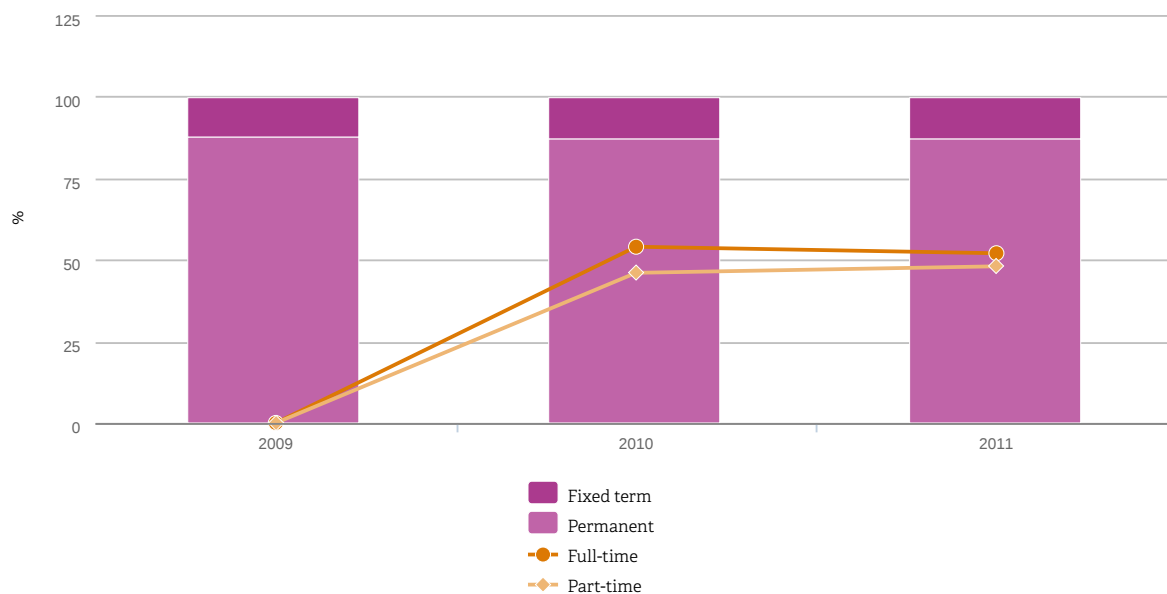
The most important areas of development highlighted by the respondents were:

- clearer individual and shared objectives and decision-making,
- better training opportunities and
- reducing bureaucracy.

The results of the employee survey are processed at multiple organisational levels with each manager planning improvement measures for their own unit on the basis of the results. The organisational renewal started at the turn of the year 2011-2012, aims to clarify decision-making, goal setting and bureaucracy, and will introduce significant improvements in these areas.

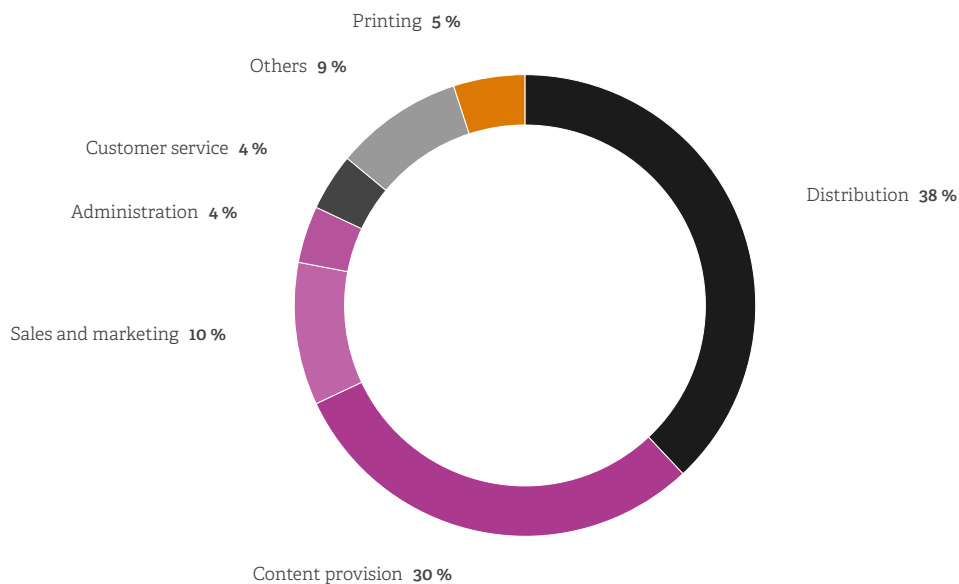
The most recent Alma Media employee survey had a response rate of 81%, excluding Alma Manu, where the response rate was under 41% due to difficulties in reaching delivery personnel. At the end of 2011, Alma Media employed a total of some 2,800 people in nearly 50 locations in Finland and in six other European countries.

Employees by employment contract type



Large proportion of employees represented by newspaper deliverers explains the high share of part-timers. The share of full- and part-timers has been reported since 2010.

Employees by function



The data is from December 2011.

Developing competence

The development and renewal tool KehU, which was first launched in 2010, was adopted throughout the Group last year. The tool further improved procedures related to performance discussions and it is also expected to increase the number of performance discussions. Approximately 85% of Alma Media's employees had a performance discussion in 2011, which represents a slight increase on the previous year. The tool helps ensure that the matters agreed upon are documented consistently, which is helpful if the employee's supervisor changes. KehU also improves transparency and openness in goal-setting.

Another focal point in operations was the Joker 2011 project, which is a multi-year personnel development programme aimed at coaching selected employees for more demanding positions and to take advantage of their expertise in various business development undertakings. A total of 21 exceptionally strong performers across Alma Media's organisational boundaries were selected to participate in the project. Diversity was one of the main criteria in the selection process. The selected employees broadly represent different age groups, functions, units and backgrounds.

In addition to the Joker 2011 programme, Alma Media organised nearly 1,500 days worth of training for its personnel in 2011. In addition to open training days organised by the company, employees complemented their professional development through training provided by external partners. Training provided by external training providers is not included in the reported figure for total training days.

Equality and non-discrimination

Alma Media's equality plans include practical and detailed objectives, actions, schedules, responsible persons and metrics such as the equality index, which is measured once every two years. The equality index based on the most recent employee survey was 52.8 (compared to 54.9 and 55.2 in previous years).

Although the differences in salaries between men and women at Alma Media have been in line with the average Finnish pay structure, improving gender equality in pay has been highlighted as an important area of development for the Group. Gender equality in pay has been improved in almost all personnel groups, partly by allocating company-specific portions of salary increases in a manner that promotes gender equality in pay. In 2011, gender equality in pay at Alma Media improved by several percentage points compared to the previous year in the categories of professional and managerial staff as well as journalists. Gender equality in pay at the executive level declined slightly. For other personnel groups, the situation remained unchanged from the previous year.



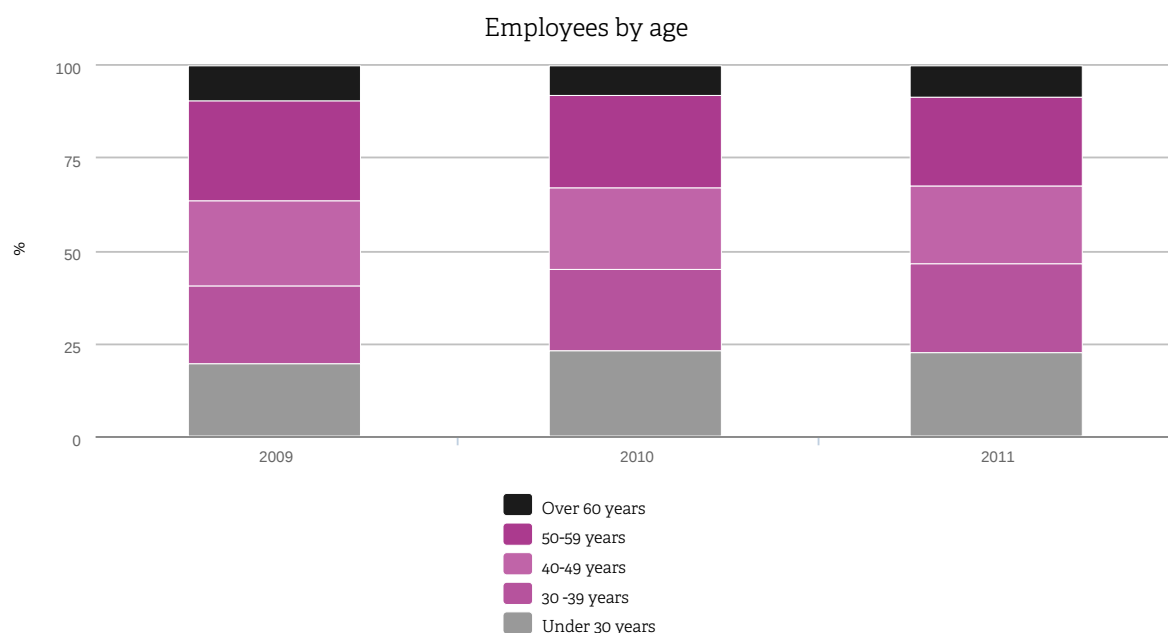
The ratio of basic salary cannot be calculated as there are no women amongst technical employees. Book employees category has been reported since 2010.

The proportion of women among supervisors and senior management increased slightly in 2011. In December 2011, 61% of those in managerial positions were men (2010: 62%) and 39% were women (38%). At present, senior management includes 31% (30%) women, the Group Executive Team 10% (11%) and the Board of Directors of the parent company 14% (14%). This structure is typical both in media companies and in other industries.

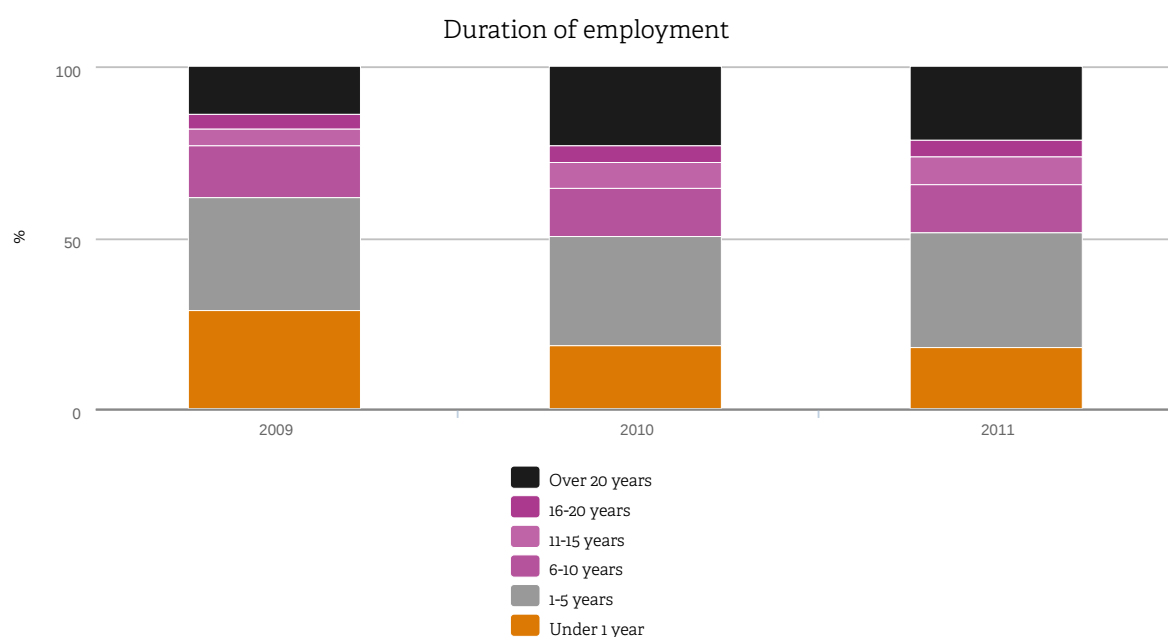
Diversity

Building the future of media requires a diverse group of Alma Media employees. The significance of employee diversity has increased in the aging and increasingly international society. At Alma Media, distribution operations in particular offer employment opportunities for qualified candidates who have moved to Finland from abroad. For instance, in distribution operations in Pirkanmaa, immigrants represent 22% of all personnel, which is 8 percentage points higher than in 2010.

Alma Media has adopted the average retirement age as a metric for monitoring employee well-being and diversity as well as social responsibility. In 2011, the average retirement age was 63.4 years (2010: 63 years). In Finland, the average age of retirement was 60.5 years in 2011 (Finnish Centre for Pensions).



Total percentage may not be equal to 100 due to the figures being rounded separately.



Total percentage may not be equal to 100 due to the figures being rounded separately.

Prevention of workplace bullying and discrimination

Alma Media does not tolerate bullying or discrimination under any circumstances. The company has addressed the matter in many ways in recent years, including training to prevent bullying. The Group's Code of Conduct published

in 2011 includes the principle of non-discrimination on the basis of gender, age, religious beliefs, nationality, sexual orientation or disabilities.

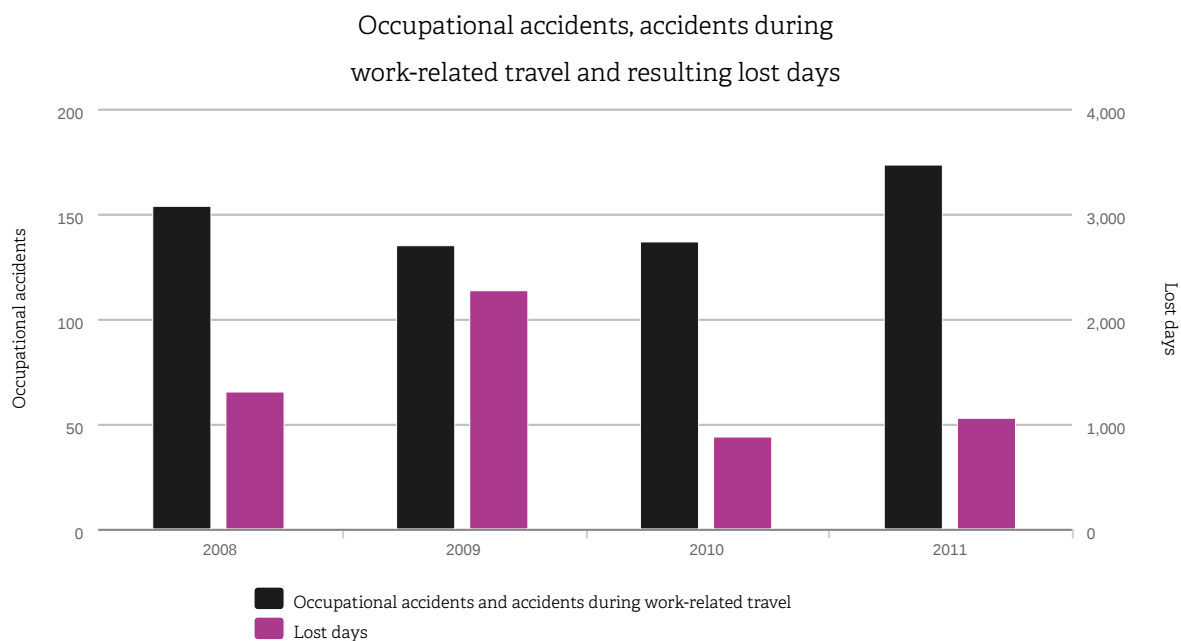
In 2008, legal action was taken against the company over the termination of the director contract of the Editor-in-Chief of a newspaper owned by Alma Media. Helsinki District Court dismissed the case, but in March 2010 the Court of Appeal of Helsinki ordered Alma Media to pay damages to the appellant on the grounds of the wrongful termination of a director's contract. As the Supreme Court did not grant Alma Media leave to appeal, the decision of the Court of Appeal remains unchanged. Alma Media contests this ruling. In relation to the same case, the President and CEO Kai Telanne was sued for occupational discrimination. The case was dismissed by the Helsinki District Court in 2011. The prosecutor has filed an appeal against the decision with the Court of Appeal.

Occupational health and safety

Alma Media centralised its occupational health services in Finland to two providers in 2011 and established common Group-wide occupational healthcare practices. The changes have improved the availability of doctors specialising in occupational health care and Alma Media's employees now have access to a broader range of services that help them maintain their working capacity. All Alma Media units now have access to the same services, which improves employee equality across the organisation.

The number of occupational accidents increased slightly in 2011 due to unusually snowy and slippery conditions in the winter. The majority of occupational accidents and accidents during work-related travel at Alma Media occur in distribution operations, as they are heavily affected by weather conditions. Coaching and training for delivery personnel in 2012 will focus on the theme of occupational safety, such as appropriate clothing and anti-slip solutions.

Occupational safety and employee well-being have been given a great deal of consideration in the design of Alma Media's new printing facility in Tampere, which will begin operations in 2013. The aim is to minimise accidents during printing and distribution.



Journalism and the readers

Best of 2011:

- Responsible Journalism process launched
- Sustainable Media was a key theme in Alma Media's media academy and the Joker 2011 programme
- Focus on service journalism
- Aamulehti actively involved in media literacy activities

Transparent and interactive media

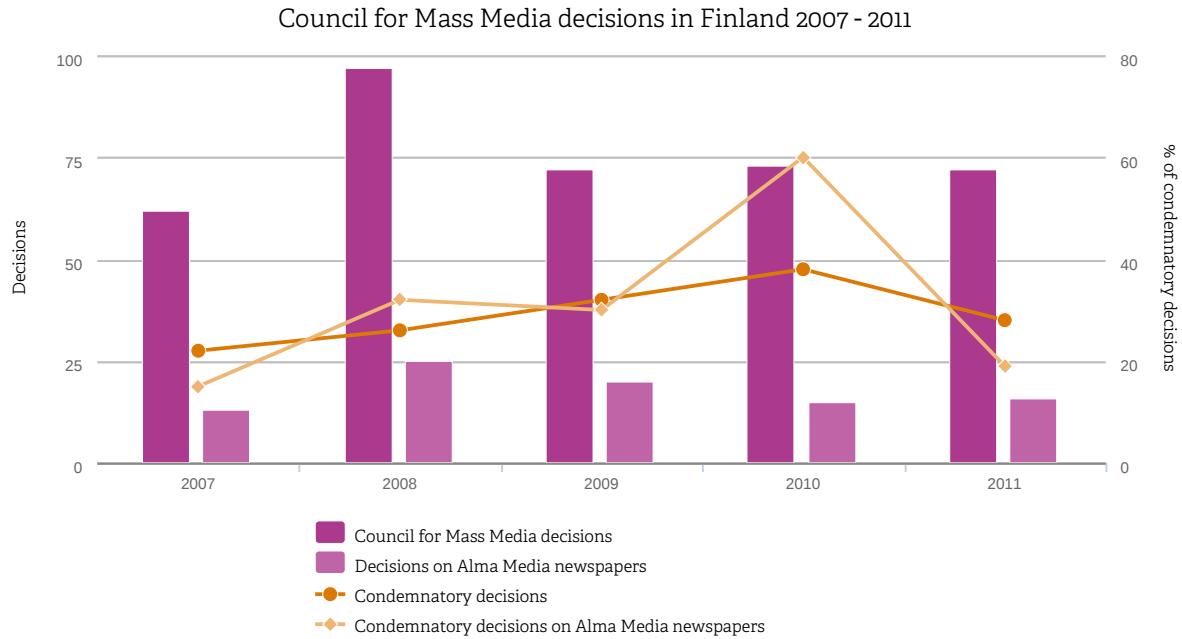
The basic values of journalism and their impact on society have been a subject of public debate in recent times. This has strengthened the commitment of Alma Media's newspapers and online services to open and transparent journalism. In 2011, Alma Media started a joint project between editorial offices with the aim of updating the newspapers' ethical principles and communicating them more transparently. The project will be piloted at Aamulehti and the resulting best practices will later be shared with Alma Media's other regional papers. In addition to updating the general ethical principles, the project will focus particularly on processes related to social media.

The project's outcome will be more open communication with readers on the journalistic process and related choices and ethical principles and increased dialogue between editorial teams and readers, for example online. The dialogue between editors and readers was also a major theme for Alma Media's media academy in 2011. The media academy sought ways to improve open interaction between editors and readers and studied ethical guidelines. The theme was also highlighted in the Joker 2011 coaching programme.

Reliable media

Council for Mass Media (CMM) decisions, reader feedback, reader panels and requests for corrections are all metrics for reliability and responsible journalism. Alma Media papers discuss CMM decisions at the newspaper level, led by the Editor-in-Chief.

In 2011 the Council for Mass Media issued a total of 72 decisions on matters such as corrections and surreptitious advertising. Of the 72 decisions, 16 pertained to Alma Media's various media. Only 19% of the decisions pertaining to Alma Media were condemnatory, compared to the overall rate of 28% for CMM decisions in 2011. The number of decisions pertaining to Alma Media newspapers and media was almost identical to the previous year, but the percentage of condemnatory decisions decreased considerably.



Service journalism

Service journalism, or journalism that serves readers and makes their lives easier, was a significant part of the renewal of Alma Media's newspapers in 2011. Dialogue and service journalism were highlighted as focal points in addition to news in the renewal of Aamulehti and Alma Media's three regional papers published in northern Finland. Both dialogue and service journalism are closely linked to the role of the media in a sustainable society. For example, the "Good Life" section launched in conjunction with the renewal of Aamulehti is intended to encourage readers to engage in moderate and sustainable consumption through ecological product choices, recycling and local food.

Media literacy

Among Alma Media's newspapers, Aamulehti is particularly well-known for its activity in the area of media literacy. In 2011, Aamulehti organised weekly opportunities for schools to get an inside look at how a newspaper is produced. Over 1,000 students visited Aamulehti to see what happens at a newspaper and to listen to journalists talk about their work.

Schools in Pirkanmaa are also provided with free copies of Aamulehti for use in teaching. The School World section of Aamulehti's website includes a variety of useful content, including instructions for organising a newspaper workshop. For the annual Newspaper Week, Aamulehti prepared four lectures on opinion writing for secondary and upper secondary schools. During the same week, a number of entries to a column-writing contest for young people were published in Aamulehti.

In late 2011, improving citizens' media literacy was included in Alma Media's Sustainable Media corporate responsibility programme. The development of media literacy is an essential part of responsible media operations, as it contributes to greater media transparency and dialogue with readers and improves citizens' understanding of media ethics. Improving media literacy also provides tools for analytical social discussion, which is a fundamental part of an effective democracy.

Products

Best of 2011:

- Reliability of online marketplaces developed further
- Responsibility and Fair Play Rules as a guideline for marketing
- Sustainably-produced media space offered to advertisers
- Responsible media buying seminar in the making
- Customer service personnel trained on quality and reliability

Reliability of products and services

Reliability is the foundation of all operations. It is a common feature for Alma Media's various digital online services. The importance of reliability will only grow further as commerce moves to the online realm and fraud becomes increasingly frequent.

Alma Media's digital marketplaces continued their long-term efforts to ensure reliability in 2011. Authentication and online payments have been identified as good methods for improving reliability. For instance, advertisements posted on Etuovi.com, Vuokraovi.com and Autotalli.com are paid for in advance through online banking, which significantly reduces the incidence of fraud and false advertising. Autotalli.com has a stated objective of using authentication to help sellers and buyers avoid falling victim to fraud altogether and to protect the buyer's position to the fullest extent possible. Authentication will also play an increasing role on Myyjaosta.com (formerly Mikko.fi).

The use of customer registers specific to particular newspapers and services is governed by, among other regulations, the Personal Data Act and the Data Protection Act. Customer data is protected through various measures. The server rooms for all online services have been protected against physical and digital attacks. Maintaining a high level of service availability helps ensure that the services offered are reliable and available to potential buyers or tenants: Etuovi.com, Vuokraovi.com and Autotalli.com, for instance, have nearly 100% availability.

The customer service communications of Alma Media's online services have been analysed and all customer service employees have been provided with a personal development plan intended to improve the quality and reliability of the service experience further.

Sustainably-produced media space

Alma Media's advertisers are increasingly interested in how Alma Media supports their communications on sustainable development through its own responsibility. The Group and its media have taken an active approach to responsibility in advertising. In 2011, the Group's media sales personnel attended training on Alma Media's responsibility and how to communicate it to advertisers. New perspectives were also introduced in the Responsible Media Buying event organised by Alma Media in early 2012 to communicate the environmental impact of the media to advertisers. In 2012, Alma Media will offer its media clients the opportunity to determine the environmental impact of individual advertising campaigns.

Communities

Best of 2011:

- Youth employment was promoted through the Responsible Summer Job 2011 campaign
- Numerous product and service redesigns and renewals were implemented with feedback from the relevant communities
- Diversity was improved through e.g. providing content in the Sami language
- The multi-channel approach was developed in both traditional and new publication channels

The economic impacts of operations

		Direct effect	Indirect effect
Customers M€ 316.2	Readers and website visitors	Alma Media's newspapers and online services provide information, service and experiences to three million Finns.*	Alma Media's various media feed social dialogue, inspire consumers to make sustainable choices, help them analyse what is going on in the world and understand the challenges of sustainable development.
	Advertisers	Alma Media provides media for customer encounters.	Alma Media's newspapers and online services are effective and responsibly produced, high-quality advertising media that indirectly support economic vitality.
Personnel M€ 119.8		Alma Media has approximately 3,000 paid employees.	Alma Media offers its employees challenges through which they can achieve genuine self-actualisation and act in a socially responsible manner. By developing their competence, Alma Media helps its employees maintain their value on the labour markets as the industry faces a time of changes.
Business partners M€ 88.9		Alma Media buys materials, products and services from local, domestic and international suppliers.	In addition to the obvious employment and business effects, Alma Media offers its partners the opportunity to meet the challenges of sustainable development together (e.g. the company's environmental cooperation with the paper industry).
Society M€ 11.2		Alma Media and its business units are important tax payers and promoters of well-being in their communities.	Alma Media's various media are proponents of their communities, maintainers of public dialogue and promoters of social vitality.

Shareholders

M€ 52.5

In March 2011, the company paid a dividend of € 0.70 per share for the 2010 financial year.

Alma Media is a responsible company to invest in. An investment in Alma Media promotes sustainable development and freedom of speech in society.

**Source: Atlas 2009*

Economic well-being through the Responsible Summer Job campaign

In addition to the direct and indirect impacts of its business operations, Alma Media supports economically and socially sustainable development through partnerships such as the campaign to promote youth employment carried out jointly with the Finnish Children and Youth Foundation (FCYF) in 2011. In January 2011, Alma Media and FCYF along with other partners launched the Responsible Summer Job 2011 campaign to challenge companies to create good summer jobs for young people. The goal of the campaign was to take an action-oriented approach to youth employment. A total of 74 employers joined the campaign to offer some 16,000 responsible jobs. The campaign will continue in 2012 with a target of doubling the number of employers and summer jobs.

Renewal on the terms of locality and communities

In a changing world, the media bear a responsibility for the well-being of its community by maintaining its own vitality and renewing itself with the support of the local community. For example, the newspapers [Lapin Kansa](#), [Pohjolan Sanomat](#) and [Kainuun Sanomat](#), published in Northern Finland, renewed their format, content and ways of operating in 2011 on the basis of reader feedback. In addition to reader panels, the renewal of the newspapers was discussed on Facebook, where each of the newspapers has an active fan page. An important aspect of the renewal process was the creation of a joint virtual editorial team. The joint editorial team allows the newspapers to focus the resources of their local editorial desks better on reporting on their local communities. In 2011, there were several municipal mergers in areas where Alma Media has local newspapers, such as Jämsä. According to a survey published in issue 11/2011 of Suomen Lehdistö, a trade journal for the Finnish press, local newspapers have an important role in maintaining local identity and municipal mergers offer local papers an opportunity to strengthen this role as the voice of the community. When municipal mergers are carried out, local newspapers consider it their responsibility to promote equality and solidarity among citizens. The mergers also underline the importance of newspapers as a forum for public discourse; in half of the surveyed newspapers, the intended municipal merger has resulted in greater activity in readers' columns.

Diversity and the multi-channel approach

The multi-channel approach is a key aspect of Alma Media's services. In 2011, the company invested in developing both traditional and new channels. To better serve print media consumers, the equipment purchases for the new printing facility in Tampere were planned with an eye to developing the printed newspaper. At the same time, increased content was provided to users of tablet computers and smartphones. Kauppalehti and Iltalehti both launched tablet versions in 2011.

Finland's growing senior age group was the focal point of the Seniors pilot project to develop media services for elderly users. Young people are also offered customised content, for instance during the annual Newspaper Week.

Lapin Kansa has included supporting Finland's only indigenous population group, the Sami, in its agenda. The newspaper will offer Sami news that interests them in their own language.

Environment

Best of 2011:

- A unique study on the environmental impacts of print and online media was carried out
- The printing facility in Tampere and office building in Helsinki under development, both designed to meet LEED certification standards
- Climate objectives were set and the company was again successful in the Carbon Disclosure Project
- Increased environmental awareness through coaching, training and the Sustainable Media campaign
- Environmental factors were taken into account in the purchase for the new printing facility
- A project to develop a quality and environmental system for printing operations was launched

Alma Media's environmental study

Alma Media aims to respond to the growing need for information among customers and other stakeholders on the environmental impacts of printed and online media. One major step in this direction was an extensive study commissioned in 2011 to analyse the environmental impacts of Aamulehti, Iltalehti and Kauppalehti and their respective online services. The results of the study are described in the [Top Stories section](#).

Environmental responsibility in construction projects

The most significant environmental impacts of Alma Media's and its business units' operations are related to printing and distribution, properties (including the electricity consumption of computers and server rooms) and travel. Alma Media's new Helsinki office in Töölönlahti and the new printing facility in Tampere, set to begin operations in 2013, will start a new era in the company's environmental responsibility. Environmental impacts during construction as well as use are minimised in both projects. This helps reduce the Group's environmental impacts in the operations in which they are the highest. LEED environmental certification will be sought for both the printing facility and the office building in Töölönlahti.

Material and energy efficiency

Alma Media can best develop its environmental management by improving its material and energy efficiency. The company has sought information on opportunities for improving efficiency, for example through the extensive environmental study commissioned in 2011. Once completed, the new printing facility in Tampere and office building in Helsinki will significantly improve the energy efficiency of Alma Media's properties. For instance, the printing facility in Tampere will have a heat recovery system that captures 80% of exhaust air. The production efficiency of the new printing press will also be improved, with the energy consumption per one hour of production declining by over 15 per cent. The use of solvent-based detergents and water will also be lower.

As the quality of printing operations improves, fewer materials are wasted. Material loss is expected to be 30% lower with the new printing press. Alma Media has already taken many steps to improve material efficiency at its existing printing facility in Tampere, with the maculature percentage decreasing by 16% from 2007. Another key aspect of material efficiency is the recovery of waste: almost all waste created by the printing facility is used as a raw material by another business. For instance, the Tampere printing press produces as little as 100kg of disposable waste per year, which represents a mere 0.005 per mille of total material use. The figure does not include mixed waste taken to landfill sites.

Supply chain and purchasing

Alma Media can also influence its environmental impact through its purchasing. Environmental considerations are particularly taken into account in newsprint purchase. In 2011, 61% of the newsprint used by Alma Media contained recycled fibre. The share of recycled fibre in all newsprint pulp used by Alma Media was slightly over 40 per cent. Environmental characteristics are also a key factor in purchasing chemicals.

The Sustainable Media corporate responsibility programme drafted in 2011 includes the objective of integrating ecological considerations increasingly into ICT purchases. The environmental perspective also played an important role in the Group's renewal of office printers in 2011, which aimed at reducing paper and ink consumption.

The average carbon dioxide emissions of the Group's motor vehicles are also regularly monitored. The target is to reduce average emissions by 11% from 2008 to 2014. In 2011, the average CO₂ emissions of the Group's motor vehicles were 152g of CO₂ equivalent per kilometre.

Increasing awareness

Increasing awareness of environmental issues among stakeholders is one of Alma Media's most important ways of influencing its environmental impacts. Environmental training was organised in 2011 in the printing and distribution company Alma Manu, with all employees participating. Information on the environmental impact of media was also distributed to media sales, consumer marketing and the Group's corporate responsibility network.

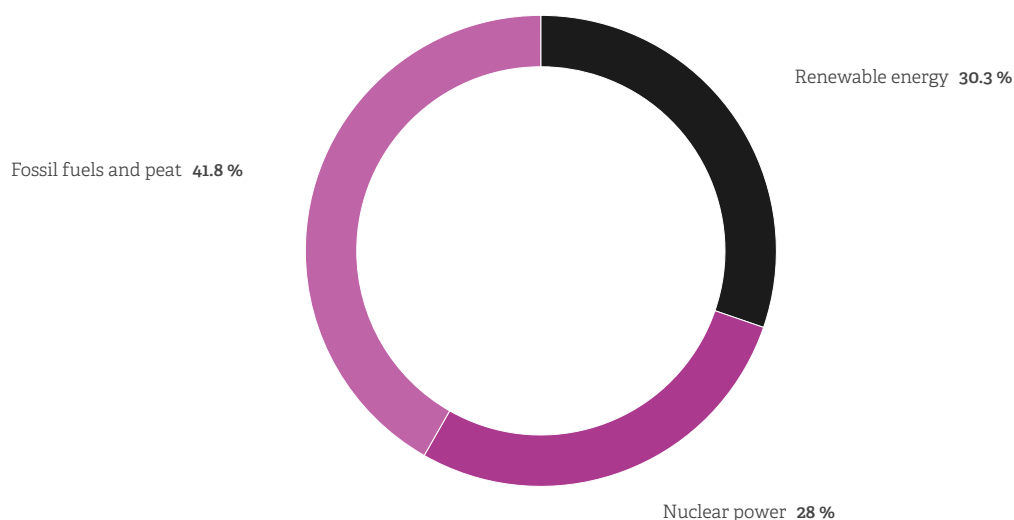
In addition to its in-house measures, Alma Media is actively involved in industry-wide environmental undertakings such as the preparation of the Federation of the Finnish Media Industry's environmental guidelines and the Print Power project on environmental communication led by Graafinen Teollisuus, the Finnish graphic industry association. Also in 2011, Alma Media participated in a research project entitled "Changes in the energy efficiency of printing presses from 1990 to 2010 and sustainable development from the present until the 2020s".

Alma Media also received international recognition: the company was ranked first among Nordic media companies for the second consecutive year in Carbon Disclosure Project (CDP), a global initiative on climate impacts.

Alma Media carried out a Sustainable Media environmental campaign in 2011. The goal of the campaign was to communicate the environmental impact of the media to readers and inform them of how they can reduce the environmental effects of their own media consumption.

Other projects related to increasing environmental awareness in 2011 included Alma Media's participation in the Energy Awareness Week organised by Motiva and the company's involvement in the planning of a climate partnership network in Helsinki.

Production profile of the electricity used at Alma Media 2011



Materials used for printing

Material	Unit	Consumption 2008	Consumption 2009	Consumption 2010	Consumption 2011
Paper	tonnes	35 000	31 000	32 000	32 000
Inks	tonnes	560	500	520	570
Printing plates	m ²	120 000	107 000	120 000	119 000

Energy consumption

		Unit	Consumption 2008	Consumption 2009	Consumption 2010	Consumption 2011
Direct	Petrol	GJ	*	7 250	6 160	4 900
		litres		224 760	190 950	152 500
	Diesel	GJ	*	2 650	3 020	3 800
		litres		72 800	82 930	105 120
	Fuels total	GJ	*	9 900	9 180	8 700
Indirect	Electricity	GJ	67 080	63 010	62 670	64 040
		kWh	18 632 000	17 502 000	17 408 000	17 790 000

*Figures not available

Emissions

		Unit	2009	2010	2011
Direct	Fuels	tCO ₂ eq.**	720	670	640
Indirect	Electricity consumption	tCO ₂	2520	2470	5000
Other indirect sources	Air travel	tCO ₂ eq.***	190	280	355
Other significant emissions	VOC emissions	kg	12 750	13 300	12 350

**For fuels, total greenhouse gas emissions are reported converted to carbon dioxide

***From 2011 on, air travel emissions are reported in carbon dioxide equivalent. For 2010 and 2009, only carbon dioxide emissions are reported.

Increasing investments aimed to grow the digital business

According to various forecasts, the Finnish national economy is estimated to have grown 2.5–2.8% in 2011. Estimates of GDP growth in 2012 published by the writing of this release vary between -1.5–0.4%. The variation in the forecasts highlights the uncertainty in forecasting the development of the economy.

The Advertising Barometer published by the Association of Finnish Advertisers suggests that the direction of the advertising market is difficult to predict at present. The Advertising Barometer's net change indicator is slightly on the positive side at +2. Of the advertisers who participated in the Advertising Barometer survey, 28% intend to increase advertising spending in 2012, while 26% plan to cut back and 46% indicate that their advertising spending will remain unchanged from 2011. Online media and television were highlighted as particularly interesting by participating advertisers. The survey was carried out in December 2011.

The development of the circulations of subscription-based newspapers and magazines is affected, among other things, by the addition of the nine per cent value-added tax, effective since the beginning of 2012.

Outlook for 2012

In its Financial Statement Release, published on February 15, 2012, Alma Media stated as follows:

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 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.

Management priorities in 2012

In 2012, Alma Media focuses on taking new measures in growing and internationalising its digital businesses, in line with the Group strategy. Alma Media seeks to grow both organically and through acquisitions.

To accelerate the implementation of its strategy, Alma Media works on the changes made in organisation and to the Group's management system. Among other things, Alma Media focuses on organising the operations of its new units Alma Regional Media and Alma Diverso so that the units support the strategy implementation in the best possible way. On the other hand, the operations of the new units should improve the overall business efficiencies and profitability.

Sustainable media 2012

The **Sustainable Media corporate responsibility programme** creates the framework for Alma Media's responsibility. In 2012, the focus areas of the programme are:

- Incorporating responsibility into the day-to-day work of Alma Media employees:
 - Communicating the Code of Conduct to the staff
 - Facilitating volunteer work by Alma Media employees in cooperation with the Finnish Red Cross
 - Organising corporate responsibility campaigns related to well-being at work and the environment
- Responsibility as an integral part of product and service development
 - Continuing the sustainable journalism project in cooperation with Alma Media's different media outlets
 - Integrating the environmental study into communications in media sales
 - Implementing a financial reading skills project in cooperation with customers
 - Integrating responsibility as a part of ICT purchase
- Developing open corporate communications
 - Developing integrated reporting
 - Communicating the Sustainable Media project
 - Communicating the environmental study
 - Succeeding in indices and surveys related to responsible investments, such as the Carbon Disclosure Project initiative
- Responsible influence
 - Participation in promoting economic and social well-being in society: incl. Responsible Summer Job 2012 campaign, Finnish Business & Society and Yllätetään yhteiskunta ("take society by surprise") network
 - Advancement of responsibility in the media industry: incl. Nordic Media CSR Forum

In addition, Alma Media has specified certain climate goals for the coming years. In 2012, the realisation of these goals is especially promoted by the Group's property projects, which are expected to improve the energy and material efficiency of operations considerably.

Climate goals

Goal	Target in comparison to the reference year	Reference year	Level during reference year	Target year	Review period already passed (%)	Percentage of goal reached (%)	Further information
Reduction of the CO ₂ emissions of electricity consumed in own operations	9 %	2011	5,000 tCO ₂	2015	0 %	-	Goal set in 2011.
Reduction of CO ₂ emissions caused by operations in Helsinki	4 %	2011	410 tCO ₂	2013	0 %	-	Goal set in 2011.
Reduction of CO ₂ emissions of the Tampere (and Pori*) printing presses	5 %	2011	3,700 tCO ₂	2013	0 %	-	Goal set in 2011.
Reduction of the average CO ₂ emission of the Group's car fleet	11 %	2008	168 g CO ₂ -eq./km	2014	57 %	89 %	Goal almost achieved thanks to renewed fleet.

*The printing facility in Pori was closed down in January 2012.

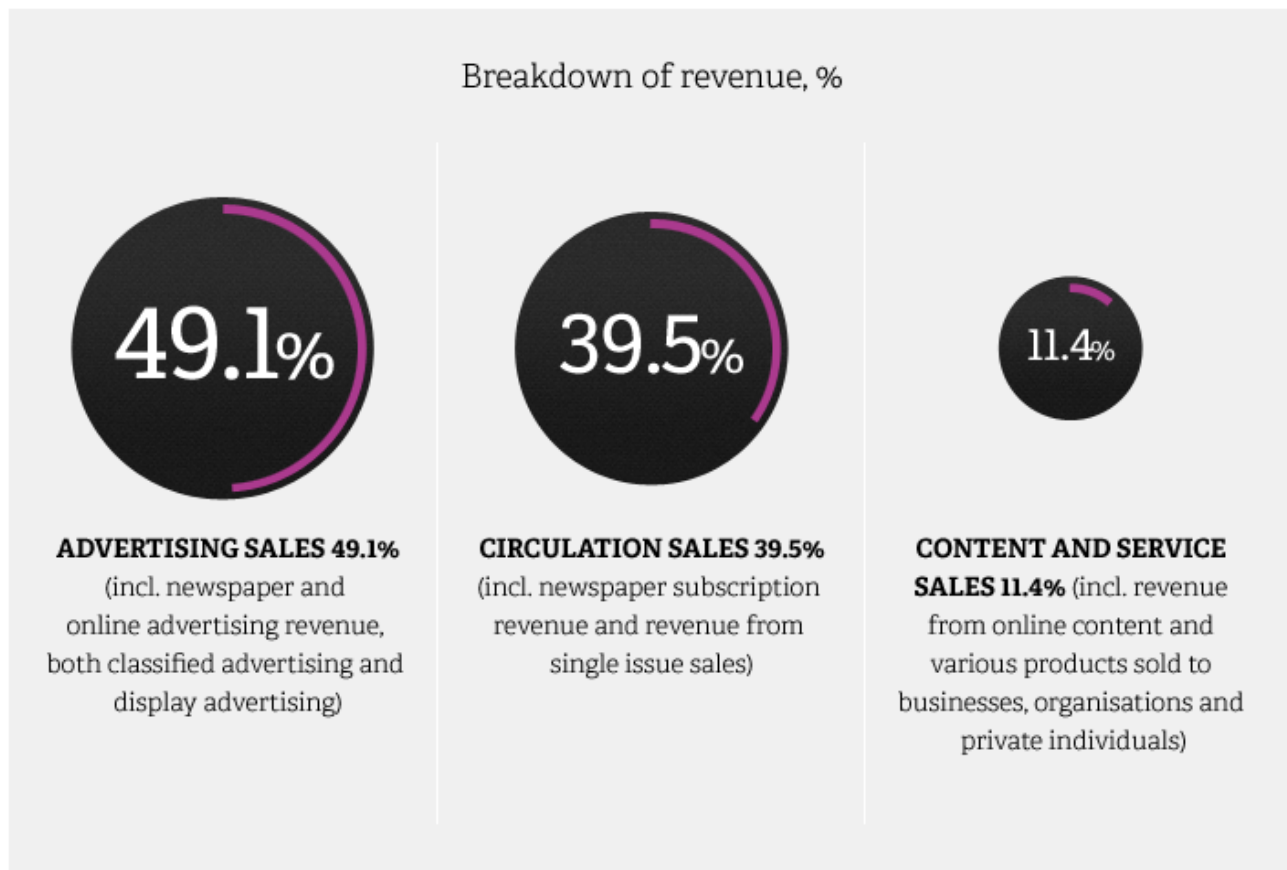
Dividend

On December 31, 2011, the Group's parent company had distributable funds totalling EUR 51,941,032 (56,858,658). No essential changes in the company's financial standing have taken place after the end of the financial year. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.40 (0.70) per share be paid for the 2011 financial year. Based on the number of shares on the closing date, December 31, 2011, the total dividend distribution would amount to EUR 30,194,741 (52,536,766).

Newspapers and digital services: cash flow and growth

Alma Media is an increasingly international Finnish media company. The focus of its operations is on publishing and the growing market for digital services. The company's primary sources of revenue are:

- advertising sales in printed newspapers and various online services
- circulation sales of printed newspapers and
- rapidly growing content and service sales.



In publishing, which includes the newspapers in Alma Media's Newspapers segment and Kauppalehti with its online services, the business is based on a trusting relationship with readers built through good journalistic content. As media develops, the reader relationship as a source of circulation revenue has become a multidimensional customer relationship with a media brand. The strength of this new relationship can vary from an occasional website visit to a decades-long ongoing newspaper subscription and the use of online services as a paid and registered user.

The reader relationship and the resulting coverage of the desired target audience is the foundation of advertising sales. The overall reach of Alma's media brands has increased in recent years as a result of strong growth in website visitors. This means that an advertising campaign appearing in both the printed newspaper and the corresponding website in e.g. the Pirkanmaa region can reach up to 80% of the population. Most readers perceive advertising as an essential part of the benefit provided by a newspaper product.

Media brand reader relationships and strong regional brand awareness also enable the extension of media brands to new areas such as digital services.

Digital services boost sales and provide added benefits

Alma Media's digital marketplaces (e.g. Etuovi.com, Vuokraovi.com, Autotalli.com, Myyjaosta.com, Monster.fi, City24 and Praze.cz) have a clear purpose: they bring sellers and buyers together to find homes, cars, tools, jobs or second-hand goods. Alma Media's marketplaces have both businesses and private individuals as sellers. The revenue model of Alma Media's Marketplaces business is based on fees charged for classified advertising and display advertising as well as service sales.

In order for sellers and buyers to find each other and to create a genuine and effective marketplace, there must be a sufficient number of both buyers and sellers using the same service. In most markets, there is only room in the long term for two or three marketplace brands operating in the same product category. The marketplace brands that have the largest advertisement base and the highest brand awareness have the best chances of success. Brand appeal is crucial in the competition for market share. Alma Media's marketplaces are the best-known brands in their segments in Finland, the Czech Republic and other countries the Group operates in.

The business models of Alma Media's other digital services aimed at businesses and private individuals (e.g. ePortti, Telkku.com, Kotikokki.net, Nytmatkan.fi and Suomenyrikyset.fi) are based on revenue streams from service content and/or advertising targeted at the users of the service. The popularity of these services among users is based on a high level of usability, unique content and, in many cases, the importance of the social or communal dimension. For an advertiser, this opens up valuable opportunities to reach specific target audiences, such as Finns who enjoy cooking.

The digitalisation of consumer life challenges the media industry to renewals

Media plays a central role in the daily life of consumers. People spend a great deal of time using media, as much as 7.5 hours per day in Finland and over 11 hours per day in the United States.

Digitalisation is a megatrend that has changed, and continues to change the global media industry and plays a key role in the media field. In Finland, for example, the Internet has already surpassed television as the most important media. Advertising, marketing, buying and selling are also increasingly moving to the online realm. Digitalisation has also facilitated many other development trends that have a significant impact on the media industry, such as the popularity of social media and the rise of citizen journalism.

The way consumers use media is also undergoing a major shift. As people feel busier and busier, their use of time becomes more fragmented and so do their media needs. Many people now seek media content to fill passing idle moments in fragmented daily life by using quick and location-independent platforms such as mobile phones and tablet computers. The nature of media consumption and consumer expectations regarding the media they use can also change from one moment to the next: sometimes people just want to access information quickly and efficiently, at other times they may look for more experience-oriented and thought-provoking content that is characterised by a slower consumption speed. Media is also expected to facilitate interaction between readers and journalists as well as between the readers themselves.

Mobile media provides easily accessible content for passing idle moments in daily life.

The central role media plays in the lives of consumers is also reflected in increasingly critical attitudes towards media. For example in Finland, the number of consumer complaints reported to the Council for Mass Media, the self-regulatory body of mass media, is increasing every year. Consumers are said to be increasingly interested in many aspects media operations, such as transparency in journalistic processes, decision-making criteria in editorial work and the environmental impacts of media.



Alma Media is promoting shared corporate responsibility efforts by Nordic media companies

In response to consumer demands regarding environmental issues, transparency in journalism and ethical ways of working, Alma Media brought Nordic media companies together to discuss these common challenges. The cooperation network was modelled after the UK's Media CSR Forum, which has successfully brought British media companies such as the BBC, Guardian News & Media and Pearson together to collaborate on corporate responsibility for the past ten years. Alma Media's aim is to formally establish the Nordic Media CSR Forum and its operations in 2012.

“As we have seen in 2011, confidence in media and its independence is a shared concern for the entire industry and a critical issue for the business. The experiences from the UK Media CSR Forum prove that bringing media industry professionals and their stakeholders, such as political decision-makers, public officers, civic organisations, other industries and academics together can produce valuable increased understanding that is crucial in these times of technological progress and rapid social change. We commend Alma Media for the central role it has assumed in promoting Nordic cooperation on corporate responsibility issues”, says **Christian Toennesen**, coordinator of the UK Media CSR Forum.

Mobile advertising close to breaking through

Advertisers' primary objective in media use has remained unchanged despite the shifts seen in the industry, digitalisation and the media channel concerned: the goal is to create and strengthen customer relationships and increase sales. The reach and effectiveness of advertising and the credibility of the media environment plays a key role in media choices: advertisers are looking for better ways to target their messages, measure their results and make buying their products or services as easy as possible.

Studies on the perceptions of Finnish consumers regarding advertising in different media channels indicate that Finns have the most positive attitudes towards newspaper advertising and the most negative attitudes towards direct marketing.

Digital advertising channels such as online and mobile advertising offer interesting new possibilities for the targeting and measurement of advertising. Location-based mobile advertising is expected to make a major breakthrough in the near future.

Online commerce becoming increasingly commonplace is making it possible for marketing communications and the marketplace to come together online, allowing consumers to easily purchase a product immediately after seeing an advertisement for it.

Intense competition over advertisers as well as readers

Competition in the media industry has intensified greatly in the 21st century, with the battle over consumer and advertiser customers becoming tighter and more international. At the same time, the way consumers use media is rapidly changing.

Advertisers can now choose from a broad variety of digital alternatives with a global reach to build and strengthen customer relationships. We have come a long way from the time when domestic newspapers were competing only against other domestic media for the euros spent on advertising.

As international rivals are entering the fray, the domestic competitive field in media advertising is also undergoing a major shift. Online advertising is constantly finding new forms and competing channels such as regional television advertising are also getting a strong marketing push. In printed media, developments in printing and distribution technology are enabling increasingly diverse and targeted media solutions such as regional or target group based issues and accordingly targeted advertising. Publishers are actively looking for entirely new revenue models to complement subscription and advertising sales.

The number of media choices available to consumers has also grown extremely rapidly. At the same time, an ever-increasing variety of other activities are competing for consumers' free time. Many people now read daily basic news online, often via social media, filtered by their network of friends. As basic news articles are increasingly read online, people expect the printed newspaper to provide a more interpretive and explanatory take on news. In a multi-channel world, the subscription alternatives of newspapers are also growing more diverse in response to changing consumer needs. There is now demand for alternatives such as combination subscriptions that allow consumers access to a digital edition read on mobile devices on weekdays and the printed newspaper on weekends.

Sources: eMedia 2011, Taloustutkimus Oy, eMarketer, Alma Media

Mission, vision, strategy and values

Mission

For individual freedom and well-being.

Alma Media's news media works to promote democracy, free speech, reliable transmission of information and the wellbeing of its own reference groups. Alma Media's digital consumer and business services as well as marketplaces bring together buyers and sellers of products and services and ensure a sense of communality.

We provide the most interesting combination of information, service and experiences.

Vision

*Alma Media is the most exciting provider of information, service and experiences.
The company set the stage for the future of media.*

The vision is a goal state that provides the direction for the development of all products and services provided by the corporation.

The most exciting?

Alma Media's products, services and corporate image are more attractive than those of other companies according to customers and employees, as well as other entities. We create content that is not offered by others and for which people are prepared to pay more. We provide the most fruitful solutions for advertisers. Alma Media employees create true added value through their work.

Alma Media provides its employees with the most interesting work environment, tasks and opportunities for development as well as the best tools for communication as it continues to become more digitised. Alma Media's employees work responsibly in their tasks, which strengthens the good reputation of the Group.

A producer of information, service and experiences?

The task of Alma Media employees in our information-flooded society is to continuously find new ways to refine and package information to suit all kinds of customer needs – to bring information to life. Consumers and companies feel that information refined by Alma Media, along with the phenomenon of using this information, is interesting, beneficial and experiential. The same content, visuals, customer service encounter or use of an online service can provide beneficial information for some and an experiential moment within the daily routine for others – experiences are different for each individual.

Setting the stage for the future of media?

Alma Media distinguishes itself from its competitors by providing its customers with information, perspectives and practical ideas that stand out from the crowd. Services are renewed together with the customers according to their needs in a way that is daring, quick and practical. Alma Media's service concepts and design are those which the customers have rated as the best. Alma Media closely monitors and reacts to consumer behaviour and changes in consumer needs.

The operations of Alma Media are being further expanded outside of publications. Alma Media acts perseveringly and responsibly in the changing world of media.

The role of forerunner inspires Alma Media employees in their work. Everyone who works at the company can be a forerunner by doing their work in a new way, trying out new methods and sharing their knowledge. Being a forerunner in journalism includes bringing new journalistic methods or types of stories to Finland, for example. Sometimes even forerunners make mistakes, but they always learn from their experiences.

Strategy

Alma Media is growing the proportion of revenue gained from digital consumer and business services. The company is refining its newspapers into multimedia brands and bringing new digital services to the market, also outside the area of publication.

"Growing"

Growth creates the prerequisites for the development of business operations. A growing company has the possibility to provide its employees with meaningful and interesting tasks and competitive compensation.

"Digital consumer and business services"

The day-to-day routines and consumption of media are shifting to digital channels at an ever-increasing rate. For this reason, Alma Media places a strong emphasis on growing and developing digital services. This growth is being accelerated through corporate acquisitions.

"Refining newspapers into multimedia brands"

Even as Alma Media invests strongly in digital services, the company also holds the development of publication in high esteem. News continues to be the foundation for publication. Newspapers are brands valued by people in their areas of reach and communities, and with their support Alma Media can boldly bring new media channels and services to the market.

"Outside of publications"

Consumer-oriented online commerce is one example of a service that falls outside of the realm of publications. Alma Media is claiming its own place in the developing world of e-commerce.

Values

Alma Media's shared values guide Alma Media employees' actions and decision-making both at the parent company and in the business units. Any separate values that may be defined for business units are complementary to the values of the Group.

Freedom and pluralism of journalism

Freedom and pluralism of communication is a basic requirement for reliable journalism. We promote free speech and pluralistic public discussion with the goal of treating all parties equally. Alma Media's publications comply with laws and regulations as well as ethical self-regulation in the field, journalistic guidelines and its own ethical guidelines. Our newspapers work independently of one another and of the Alma Media group in their journalistic decision-making.

This value does not only apply to journalistic work. We communicate openly in a way that respects pluralism and takes the opinions of others into consideration in all of our interactive situations, such as meetings. Working according to this value also makes it possible to cooperate fruitfully with entities outside of Alma Media.

Team play

Together we are more! Team play means sharing expertise and other resources between staff members, departments and units. When we play as a team, we provide a good example for others and also give them space to work. We also adapt these principles when all or part of our team is made up of employees from companies other than Alma Media.

Good team play involves conversation and goal-setting, values the expertise of others and is meaningful for its participants. All members of the team have suitable roles that complement one another.

Team play also allows us to make our operations more effective: there's no point in doing the same thing more than once. Alma has a well-equipped, experienced network for good cooperation and a working atmosphere that strengthens team play.

Courage

We strive to be a forerunner in our field by transforming quickly and courageously. Courage also describes our way of working and directing resources to new areas. Our future is in our hands, but we dare to listen to the perspectives of new customer groups. We also grab hold of new possibilities for business operations beyond publication with an open mind.

We demonstrate courage in our work by devoting ourselves to matters valued by our customers, by highlighting differing viewpoints, by seizing new ideas and facts and bringing them forth to the finish line.

Courage also includes providing and receiving constructive feedback both internally and externally from our interest groups. Sometimes mistakes happen, and the only way we can learn from them is to deal with them openly and constructively.

Corporate responsibility strategy

Alma Media first outlined its corporate responsibility strategy in 2010 and updated the strategy in late 2011. The purpose of the corporate responsibility strategy is to establish a permanent framework for Alma Media's corporate responsibility for the period 2010-2012 to incorporate systematic corporate responsibility efforts in the Group's day-to-day operations.

Good progress was made on the corporate responsibility front in 2010-2011, which led to an update to the strategy in late 2011. The update was carried out to ensure that the strategy and related objectives correspond to Alma Media's needs and support the Group's operations.

Sustainable Media programme

Alma Media's corporate responsibility is developed within the framework of the Sustainable Media corporate responsibility programme. As responsibility becomes an integral part of Alma Media's day-to-day operations, it will gradually begin to introduce new perspectives on the Group's business. While the primary responsibility for the programme lies with the Corporate Communications function, its effective implementation depends on the participation of everyone at Alma Media.

The Sustainable Media corporate responsibility programme is divided into three parts:

- Incorporating responsibility into the day-to-day work of Alma Media employees
- Integrating responsibility into product and service development
- Developing open corporate communications

In addition to the Sustainable Media programme, Alma Media has a programme for having a positive impact on society, the aim of which is to set the stage for responsibility in the media sector and to promote participation in society. Examples include cooperation with the Nordic Media CSR Forum and the Responsible Summer Job campaign. The Group also actively develops its relations and communication with SRI investors (Socially Responsible Investment) by cooperating, for instance, with Eurosif, the pan-European SRI network and by participating in the Carbon Disclosure Project climate initiative each year.

Responsibility in the daily work of Alma Media employees

Corporate responsibility is not a separate function, but rather a perspective on all Alma Media operations. The Sustainable Media corporate responsibility programme is based on responsibility in the daily work of everyone at Alma Media. Examples of responsibility in the daily work of employees include familiarity and compliance with Alma Media's Code of Conduct and projects concerned with employee well-being and ecological considerations related to the working environment. Offering employees opportunities for volunteer work is also an important and meaningful aspect of corporate responsibility. Its significance in the Sustainable Media programme is increasing as a result of the Group's cooperation with the Finnish Children and Youth Foundation and the planned new partnership with the Finnish Red Cross.

Responsibility as an integral part of product and service development

Responsibility in business operations will be developed by improving transparency in journalism, giving readers more opportunities to participate by providing ideas for articles and discussing their backgrounds and updating the ethical principles and processes that guide the Group's journalism. Media literacy projects are also included in the objectives of the Sustainable Media programme. In the area of media sales, the Sustainable Media programme supports clients in their corporate responsibility efforts by communicating the environmental impacts of Alma Media's media channels. In the future, corporate responsibility will be integrated into new product and service development, which is supported by Alma Media's strategic focus on digital media. A third focal area is purchasing and, in particular, analysing and developing responsibility in the ICT supply chain.

Developing open corporate communications

Openness and transparency are the cornerstones of Sustainable Media. Communications on responsibility in the coming years will be focused on integrated reporting, which combines corporate responsibility reporting with traditional financial reporting. Exercising influence on the development of reporting at large through participation in various working groups and the Finnish Business & Society network are key aspects of developing transparent communication. Communications will also become more dialogue-oriented and participatory through the launch of a new stakeholder publication. A third important objective in the field of communication is to extensively communicate the results of the environmental survey commissioned by Alma Media in 2011, both in Finland and internationally. Alma Media engages in active communication to spark discussion on sustainable media, not just in terms of ecology but also content, and the role it plays in people's daily lives and as part of a sustainable society.

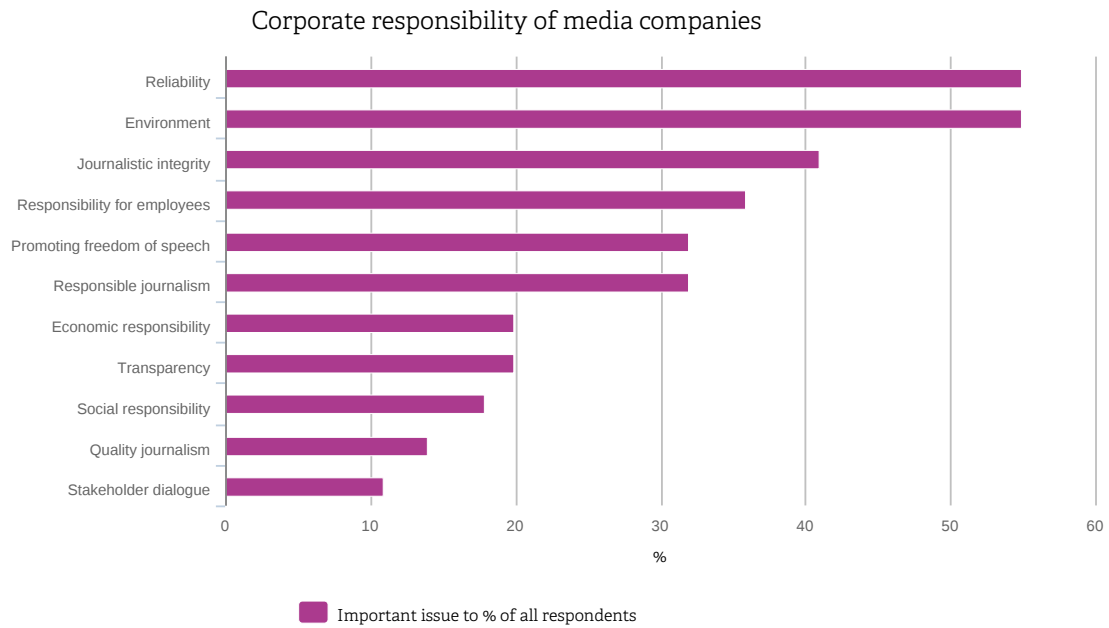
Relevance is defined through stakeholders

Stakeholders are the starting point of Alma Media's Sustainable Media corporate responsibility programme. Alma Media conducted a wide-ranging survey at the turn of 2009-2010 to find out what its key stakeholders consider the most important components of corporate responsibility in the media industry and what kind of expectations they have regarding these issues. The results of the survey indicate that corporate responsibility in the media sector comprises specific, even unique, characteristics of the industry as well as traditional areas of corporate responsibility that are shared by all businesses.

"Alma Media's corporate responsibility includes the specific characteristics of supporting locality and communality. Key stakeholder expectations are related to environmental matters."

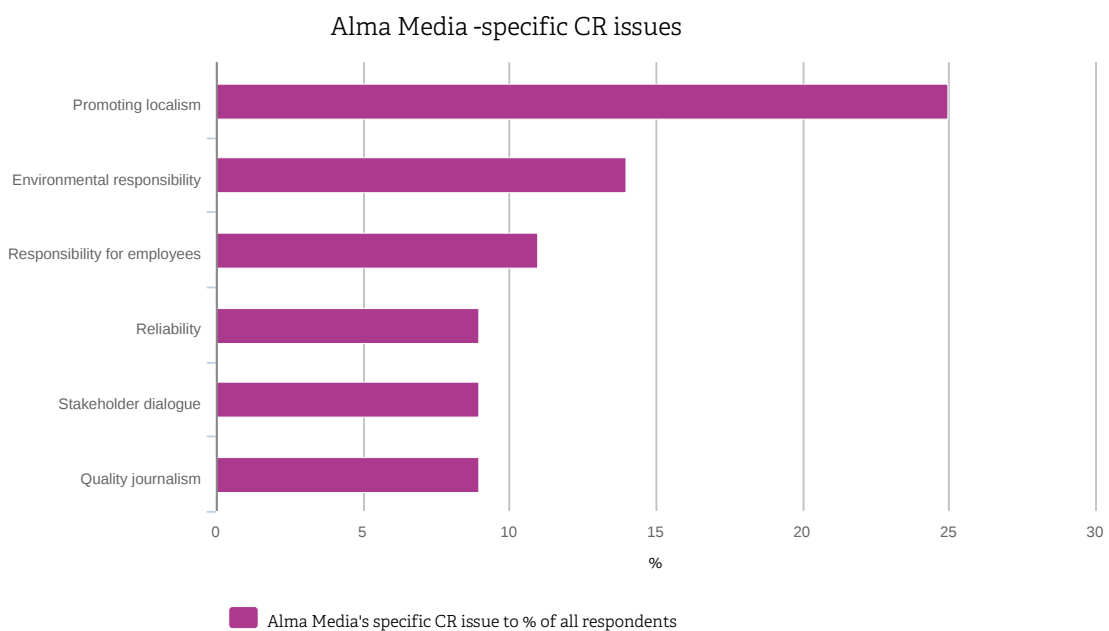
Corporate responsibility in the media industry

According to the stakeholder study, reliability, primarily implying the provision of reliable media content and services, and environmental responsibility are the two most important elements of responsibility in the media industry. Journalistic integrity, responsibility for employees and the promotion of freedom of speech also figure prominently.



Locality is a special characteristic of Alma Media's corporate responsibility

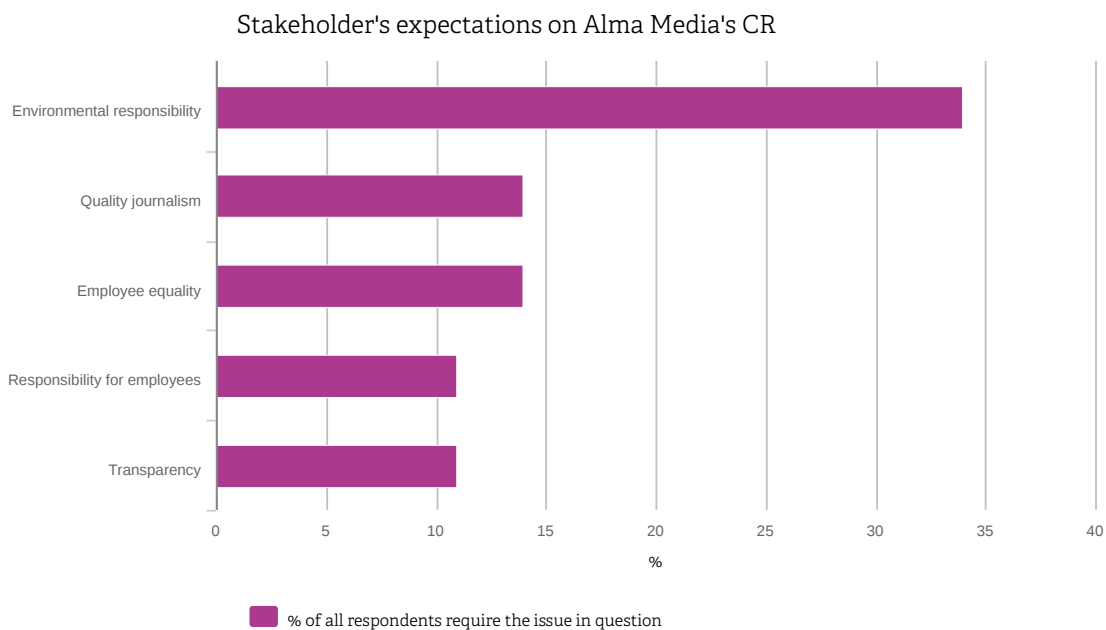
Alma Media's corporate responsibility includes the same components as that of media companies in general. However, the stakeholders surveyed also emphasised Alma Media's responsibility for supporting locality, as its newspapers and their online services have significant roles in creating and maintaining local identity and a sense of community. This means that Alma Media is expected to protect the viability of its local newspapers and engage in "local journalism" with genuinely local content on the pages of local papers.



Expectations regarding environmental matters

The survey also analysed the expectations and demands stakeholders have with regard to Alma Media's corporate responsibility to shed light on what areas the stakeholders want Alma Media to focus on particularly in improving the responsibility of its operations.

The survey revealed that employees, media clients, trade unions and investors have greater demands when it comes to corporate responsibility than certain other stakeholders such as newspaper readers and users of online services. The demands reflect each stakeholder group's relationship with Alma Media: employees, for instance, have expectations concerning the opportunities for training and career development, while readers tend to focus on demands pertaining to journalistic quality and reliability. In spite of the differences between stakeholder groups, they all have one expectation in common: environmental responsibility must be an integral part of all operations.



Stakeholders and channels for stakeholder dialogue

The stakeholder study gave Alma Media's various stakeholders the opportunity to actively participate in developing Sustainable Media. The most important interaction with stakeholders happens on a daily basis through Alma Media's various media, customer service departments, sales situations and online services. Alma Media has an exceptionally diverse range of stakeholders as the majority of Finnish adults use the Group's media in one form or another.

	Key channels
Readers	Newspaper-specific reader surveys, reader panels, focus groups, reader events, customer service contacts, opinion columns
Users of online services	Visitor surveys, customer satisfaction surveys, customer service contacts, social media services
Employees	Employee surveys, performance discussions, occupational safety and health committees, co-determination committees, management and delegate day, Intranet
Investors	General meeting, investor events and meetings, teleconferences, webcasts
Media clients	Direct contact with sales, customer satisfaction surveys, events, client publications
Public sector	Ministerial working groups; direct contacts through industry associations
Business partners	Direct contacts, fairs and exhibitions and other events
Organisations and federations	Member events, direct contacts, working groups

Management approach to corporate responsibility

Each component of the Sustainable Media programme includes practices and procedures to promote responsibility. The management and implementation of corporate responsibility is typically part of the day-to-day operations of various organisational units, such as human resources management and property functions.

The corporate responsibility network combines Alma Media's approaches to corporate responsibility and includes broad representation from Alma Media's business units and functions. Principles that are common to all components of corporate responsibility include proactivity and a focus on increasing openness and transparency in all operations.

Employees

In 2011, human resources management in Alma Media was the responsibility of the HR chain headed by the Vice President for Human Resources. As part of an extensive organisational renewal, many units including several regional and local newspapers were centralised into a new unit, Alma Regional Media, and a new digital business unit, Alma Diverso, was established. As a result of the organisational renewal, in 2012 human resources management

will be increasingly centralised at the Group level and the focal points in HR development will be renewal, developing and diversifying rewards and incentives as well as leadership and management.

Responsibility for employees is based on a number of policies and principles, such as the equality and non-discrimination principle, training policy and incentive policy. The key principles regarding responsibility for employees are also documented in Alma Media's Code of Conduct published in late 2011. One of the key principles in responsibility for employees is preserving the labour market value of employees, which comprises factors such as professional competence as well as occupational health and well-being.

Developing competence

Alma Media offers its employees a wide range of opportunities for renewal and professional growth. The Group uses the 70-20-10 model for competence development, under which 70% of all learning takes place on the job, for example through new projects and job rotation. According to the model, 20% of learning takes place through other people, for example in the form of development discussions. The remaining 10% is active studying in the form of coaching programmes, for instance. Special coaching programmes have been developed for management, supervisors and experts.

Equality and non-discrimination

Equality and equal opportunities are at the core of Alma Media's corporate responsibility. The company has implemented improvements in the area of equality based on an equality audit carried out in summer 2009. Based on the audit, there are no significant problems in the company related to equality and non-discrimination. All Alma Media units have revised and updated their equality plans and organised work related equality training in 2010–2011. While the contents of the equality plans are based on unit-specific needs, they all address issues raised in the equality audit, such as the justification of salary differences, the principles governing temporary employment contracts and the division of tasks based on gender. In addition to gender equality, the plans also cover non-discrimination based on age, religion, conviction and sexual orientation.

The differences in compensation between genders at Alma Media reflect the average pay structure in Finland. Alma Media employs roughly an equal number of men and women. Offering women equal opportunities to advance to supervisory and managerial positions has been selected as one of the areas of development in the company's efforts to maintain and improve equality.

Compensation

The Group's principle is to reward its employees for improving operations and the financial results. The basic salary is determined by the employee's job description and the competitive situation in the employment market. Other aspects of total compensation are defined in accordance with reward schemes drawn up on the basis of Alma Media's strategic objectives. All employees whose employment contract with Alma Media has lasted for more than six months are included in the incentive scheme.

In addition to salary, compensation at Alma Media comprises flexibility with regards to the employee's life circumstances and a number of personnel benefits at the Group and business unit levels. Full-time, temporary and part-time employees are entitled to the same benefits.

Diversity

The significance of employee diversity is increasing in the aging and increasingly international society. At Alma Media, this trend is reflected in, amongst other things, distribution operations, as a significant proportion of Alma Media's newspaper delivery personnel are of non-Finnish origin. Diversity is also reflected in different age groups being well represented among employees. Supporting well-being at work and providing opportunities for flexible working arrangements such as remote and part-time work can help match work with different life stages.

Prevention of workplace bullying and discrimination

Alma Media does not tolerate bullying or discrimination under any circumstances. In recent years, the company has ramped up its efforts on this front by organising Fight Bullying workshops with some 300 Alma Media employees participating. Based on the company's employee survey, workplace bullying and discrimination are not perceived to be a particular problem at Alma Media. Nevertheless, the company has adopted a zero tolerance policy on the matter. Every employee is entitled to fair and equal treatment and a positive working atmosphere.

Occupational health and safety

Effective occupational health services support the maintenance and improvement of occupational well-being. Alma Media has a consistent occupational health policy for all units. The company also takes a prevention-based approach to well-being. Instruments such as inspiration vouchers are used to encourage employees to exercise and engage in recreational activities. The company also supports club activities and provides employees advice and tools for improving occupational well-being.

Despite efforts to prevent occupational accidents, some still happen every year. The majority of occupational accidents and accidents during work-related travel that take place each year at Alma Media occur in printing and distribution operations due to the nature of their work. The majority of accidents happen in distribution operations; cases of slipping and falling, for instance, occur every winter. Measures such as the appropriate selection of materials for newspaper stacks have helped reduce the number of accidents. Occupational accidents in printing operations have been minimised with the help of training and specific operating policies.

Journalism and readers

The four dimensions of responsible media

Responsible journalism has four dimensions:

- supporting democracy,
- ethically transparent journalism,
- producing utility for readers,
- defending and speaking on behalf of the community.

The media has the most central role in implementing and promoting freedom of speech. The media's task is to exercise this freedom with the needs of readers and citizens as the starting point, in a manner that is socially meaningful and ethical. The media bears its responsibility by acting as a watchdog holding those in power accountable and by highlighting social issues. Therefore, journalism must be reliable and independent, promote freedom of speech and act in an ethically transparent manner. The Guidelines for Journalists are the foundation of responsible journalism.

Openness, transparency and a dialogue-based relationship between reader and journalist have also become core elements of journalistic responsibility. Openness allows the reader to better understand the source of information and the ethical choices made by the editors, thereby critically assessing various media content.

Media's task is to produce meaningful and useful information for readers to help improve their daily lives. In recognition of this, service journalism has become a key aspect of the journalistic approach at several newspapers published by Alma Media. Service journalism often involves comparisons and question-answer articles. Service journalism also enables the media to participate in building a sustainable society, as it often highlights aspects such as the ecological characteristics of products.

Responsible media also acts as a representative and advocate of its community, such as a region, city or a group of people with similar interests, in broader social dialogue. This also includes supporting the vitality of the region of publication.

Alma Media develops and monitors responsible and sustainable journalism built around these four dimensions both at the newspaper level and through cooperative projects. Responsible journalism is ultimately publication-specific and thus the responsibility of the Editor-in-Chief of each newspaper, but joint editorial teams and the sharing of best practices mean that Alma Media's newspapers and other media are increasingly cooperating on Sustainable Media projects.

Ethical principles

Alma Media's newspapers and their websites are committed to not only legislation and regulations, but also their own newspaper-specific ethical policies. These ethical policies may be stricter than the Guidelines for Journalists published by the [Council for Mass Media](#), which form the foundation of ethical self-regulation in the Finnish media industry. In order to ensure integrity, the newspaper-specific policies also include guidelines related to, for instance, editors' and journalists' relationships with advertisers. CMM decisions, reader feedback, reader panels and requests for corrections are all metrics for reliability and responsible journalism and they are discussed at the newspaper level.

The role of media in a sustainable society

The media has a unique relationship with sustainable development: through readers' choices and actions, journalistic content has indirect economic, social, ecological and cultural effects. Alma Media's newspapers and other media each approach environmental questions their own way. For instance, Kauppalehti approaches them from the perspective of business life, while Iltalehti's approach is more related to everyday choices made by consumers. At the international level, for instance in the Global Reporting Initiative (GRI), the role of journalism in promoting sustainable development has been highlighted as a key element of corporate responsibility in the media sector.

Finnish media emphasises freedom of speech, reliability and pluralism as the cornerstones of good journalism. Instead of directly campaigning for sustainable development, responsibility and transparency in content production are perceived to be the media's key most important ways of building a sustainable society. Nevertheless, the rise of service journalism has resulted in media increasingly highlighting the perspective of sustainable development with the intention of helping readers make sustainable consumption choices.

Media literacy

Media literacy, or the ability to filter and assess information, is one of the preconditions for public dialogue. In recent years, social media has given people greater opportunities for producing their own content. Media literacy includes the ability to filter and assess information as well as the ability to produce information and discuss it using various media. Alma Media's newspapers strive to promote Finnish media literacy and culture not only through their journalism, but also through playing an active role in schools. During the annual Newspaper Week, Alma Media's regional newspapers and some local newspapers provide some 100,000 free copies to schools along with related content and media education materials.

Environment

Environmental matters are one of the key focal points of Alma Media's Sustainable Media corporate responsibility programme. Alma Media's environmental responsibility is based on three principles:

- efficient operations,
- responsible supply chain and
- increasing environmental awareness.

The company aims to prevent and minimise negative environmental impacts by following these three principles.

The people in key roles in environmental matters in Alma Media's corporate responsibility network work on environmental issues on a cooperative basis. These key people, such as the Quality and Environmental Manager of Alma Manu, the printing and distribution unit, help set environmental responsibility objectives for Alma Media and implement environmental actions through their own roles in property management and printing operations. In addition, Alma Media set up a temporary environmental working group in 2011 to collect information for an environmental study.

The most significant environmental impacts of Alma Media and its business units are related to printing and distribution, properties (including the electricity consumption of computers and server rooms) and travel. For more information on Group-level actions and objectives, please refer to the section [Corporate Responsibility in 2011](#).

Material and energy efficiency

The continuous improvement of material and energy efficiency is emphasised in printing operations as well as other Alma Media properties. A printing facility's material efficiency can be measured as a percentage of material loss, also known as the maculature percentage.

The opening of the new printing facility in Tampere in 2013 will decrease energy use, water consumption and the use of solvent based detergents while improving material efficiency. Total water consumption in a printing facility is relatively low; a total of approximately six grams of water is required to produce one copy of a newspaper. The majority of this amount of water is tied to the newspaper itself; the printing process increases the moisture percentage of the paper from 9% to approximately 12%.

The environmental impact of distribution can be minimised by continuously optimising delivery routes. A major part of delivery routes are served by bicycle and on foot. For instance, in Pirkanmaa some 60% of all delivery routes

are bicycle routes. The total distance travelled by car per one copy of Aamulehti is approximately 70 metres. Delivery personnel using cars are provided with training on economical driving techniques.

The supply chain

Sustainable development is taken into account in supply chain management, for instance in the choices of paper and chemicals made by printing facilities. Environmental concerns are also an important focal point in the purchases of machinery and equipment for the new printing press in Tampere and the purchases of new company cars. The emission limit for new company cars is currently set at 190g CO₂-eq. per kilometre and the goal is to lower the limit in the future.

Alma Media's printing facilities primarily use renewable and recyclable materials. Paper is the most significant of these. The company's aim is to only buy sustainably produced paper the production of which has been carried out with due consideration for natural diversity. Newsprint fibre can be reused 4-7 times, after which it is used for energy production. The company also recycles aluminium printing plates and printing ink is used for energy production. The carefully considered disposal of products, i.e. the appropriate use and recycling of waste - can significantly reduce harmful environmental impacts. For instance, the carbon footprint of a newspaper is reduced by 20% when it is recycled instead of being disposed in landfill. According to Paperinkeräys Oy, some 80-90 per cent of newsprint is recycled in Finland.

Increasing environmental awareness

Alma Media aims to promote sustainable ways of operating internally through employee training, amongst other things. Environmental training organised by the company includes training for printing personnel on material and energy efficiency, training for those with company cars on economical and safe driving and educating media sales personnel on the environmental impact of newspapers and their online versions from the customer's perspective.

Communities

A media company has significant direct and indirect effects on the communities in which it operates as well as the surrounding society at large and the way society operates. The effects on society and communities promote both economic and cultural well-being and vitality.

Economic responsibility

The profitability of its business and a solid financial position form the basis for the responsible operation of Alma Media and its business units. It also helps guarantee the journalistic integrity of the Group's newspapers.

Alma Media Group and its business units have versatile economic impacts on their stakeholders. In its areas of operation, the Group is an important employer, taxpayer and buyer of services and materials. Newspapers also have significant indirect effects through acting as advocates for their communities and promoting well-being.

In addition to the direct and indirect impacts of its business operations, Alma Media supports economically and socially sustainable development through various partnerships, for instance the Responsible Summer Job youth

employment campaign implemented in 2011 in collaboration with the Finnish Children and Youth Foundation (FCYF).

Locality and communality

Supporting and promoting locality and communality are special characteristics of Alma Media's corporate responsibility. Throughout their existence, Alma Media's newspapers have highlighted subjects that are important to local culture and identity, promoted good Finnish language and supported the cultural and economic development and vitality of their respective spheres of influence. For example, [Aamulehti](#)'s mission is to promote the well-being of the Pirkanmaa region. [Kauppalehti](#), for its part, seeks to support success and well-being in its community of economic decision-makers, entrepreneurs and other influencers in the world of business throughout Finland. Promoting and developing media skills, particularly among young readers, is also an important part of Alma Media's cultural responsibility and social role.

Vitality at a local level is one of the cornerstones of sustainable development and an important operating condition for Alma Media's local and regional newspapers. The success of the Group's various media in supporting locality and vitality in their respective areas is monitored through feedback, reader panels and circulation analysis.

In recent years, communality created through the use of online services has developed into an important area of social influence for Alma Media, becoming a new responsibility for the Group in the process. For instance, the company's [Vuodatus.net](#) blog platform creates communities around various interests and hobbies.

Renewal on communities' terms

Genuinely local journalism and a strong presence are at the core of Alma Media's corporate responsibility. The Group's media play a strong participatory role in building and maintaining local solidarity, bringing people together and evoking discussion and debate. In a changing world, the media bears a responsibility for the well-being of its community by maintaining its own vitality and renewing itself with the support of the local community. Continuous dialogue with readers enables media to serve the needs of the changing community and society. Through increased mutual cooperation, newspapers are able to serve their readers better by highlighting and interpreting subjects that are important to their respective regions. The success of changes and renewal projects are monitored in the same manner as themes related to locality and communality: through reader feedback, reader panels and monitoring circulation numbers.

Diversity and the multi-channel approach

According to the principles of sustainable development, a socially responsible corporation should serve multiple audiences, user groups and needs. Trends such as the aging of the population, globalisation and the fragmentation of interests have created an entirely new operating environment where audience needs can be served in a balanced manner.

Alma Media provides content through multiple channels: in addition to traditional print media, the Group's offering is quickly becoming digitalised: online news, digital marketplaces, different mobile and tablet versions and Internet television are already part of daily life. This gives everyone the opportunity to use media. Content must also meet the needs of a diverse society. This can best be achieved through a balanced approach to content. Diversity has been one of the starting points in the renewal processes of many of the Alma Media's newspapers and other media.

The success of the approach based on diversity and a multi-channel offering is monitored through feedback, panels, discussions and reader and user statistics.

Products

Key among product responsibility issues facing Alma Media are the reliability of products and services, responsible advertising and the confidentiality of customer data.

Product reliability

Reliability is a key issue in product liability and responsibility, both in media published by Alma Media and in the numerous digital marketplaces operated by the company.

Journalistic reliability is covered in the "Journalism and the Readers" section. As digital services, online commerce in particular, have grown in stature, reliability has become a special responsibility and source of competitive advantage for Alma Media's digital marketplaces.

Responsible marketing and advertising

In advertising, responsibility issues may arise for example if an advertiser is suspected of criminal activity. Alma Media's newspapers and online services each have their own guidelines regarding responsible advertising. Decisions are made on a case by case basis and the ultimate decision-making power in newspapers rests with the Editors-in-Chief.

Newspapers have traditionally supported election advertising as part of the promotion of democracy and well-being in society. Alma Media's newspapers and some of its online services have also granted discounts on election advertising. The discount rate has varied from one election to another, as well as between newspapers and online services. The election advertising pricing of regional papers is fully transparent, meaning that discounts are granted according to the same principles to all candidates and parties.

The use of customer registers specific to particular newspapers and services is governed by, amongst other regulations, the Personal Data Act and the Data Protection Act. Alma Media also complies with the Fair Play Rules of [the Finnish Direct Marketing Association](#), which provide ethical guidelines for marketing.

The most significant risks and uncertainties

Alma Media defines as risks events or circumstances that could prevent reaching a strategic, operative or economic objective. The risks are classified as

- strategic risks
- operative risks
- financial risks

Strategic risks

The most important strategic risks for Alma Media are a significant drop in readership, a decrease in advertising sales and a significant rise in distribution costs. Changes in the overall economy are reflected in the development of advertising sales.

Advertising sales generates approximately half of the Group revenue. There are also country-specific risks related to the development of the market, business and the economic growth with regards to developing businesses abroad, such as in the Baltic countries and other Eastern European countries.

In the long term, the media business is transforming with changes in media usage and new technologies. Alma Media's strategic objective is to react to this challenge by renewing its business and developing new businesses in the field of web media.

Operative risks

Disturbances of information technology and communications as well as disruption of printing are the most important operative risks. The risks of information technology and communications are reviewed and managed in cooperation with the group's ICT organisation and the business units as well as cooperation partners. Especially the technical operation and vulnerability of the digital business is closely monitored in the entire media industry.

In printing, it is important to prevent disruptions of operations in advance by means of good management and safety culture as well as with the help of guidelines. Back-up printing plans are made in preparation for interruptions.

The new Postal Act that entered into force in June, 2011 may lead to additional costs for the distribution of newspapers. Therefore, the Group aims to further improve the efficiency of its distribution activities in order to maintain a competitive edge. On the other hand, the amended act also offers Alma Media a possibility to expand its distribution business.

Financial risks

The Chief Financial Officer of the Group is responsible for the Group's financing. Alma Media's centralised financing and investment function takes care of the operative financing of all companies in the Group. The function includes the management of payments and liquidity, funding and investments. The Group's payments are centralised.

Capital market arrangements are used for long-term financing. The cash surplus is invested according to the Group's financing policy in financially sound investment instruments with a maturity of less than one year.

Alma Media has no significant financing risks.

The financing risks are described in more detail in the Financial Statements, [Appendix 28](#).

Sustainable development: Threats and opportunities

	Issue	Threat	Possible outcome if the threat materialises	Action taken to mitigate the threat	Example of actions taken in 2011
Journalism	Reliability	Factual errors in news, failed attempts to communicate about them or causing a stir in social media may result in the loss of readers' trust.	Loss of trust leads to a decline in circulation and visitor numbers, advertisers turn to other media. The best employees look elsewhere for work.	Compliance with ethical principles in journalism, clearly defining and monitoring journalistic processes and engaging in open dialogue (on responsible journalism) with readers.	Responsible Journalism project at Aamulehti.
	Difference between social media content and journalism	The Internet, and social media in particular, is full of free-of-charge information that competes with journalistic content for audience attention. The supply of free-of-charge content may make consumers less willing to pay for journalistically produced content if they do not perceive fee-based media to offer added value in the form of e.g. journalistic ethics and greater reliability.	Lower willingness to pay results in a decline in circulation and visitor numbers, advertisers turn to other media. The best employees look elsewhere for work.	Open dialogue with readers on responsible journalism and the production methods and principles applied. What do we pay for when we pay for media?	Responsible Journalism project at Aamulehti.
The diversity and multi-channel nature of content	Taking the diversity of the readership and different channel needs into consideration in the provision of media content	Readers and media channels become increasingly diverse and the company must respond to these new needs without dismissing the channels and content that have become familiar to the customer base.	Ignoring a customer segment may result in declining circulation and/or visitor numbers, advertisers may turn to other media. The best employees look elsewhere for work. Failure to recognise diversity also involves the risk of loss of reputation.	Actively listening to customers as part of media development. Continuous renewal of different media while respecting their traditions.	Renewals of Lapin Kansa, Pohjolan Sanomat, Kainuun Sanomat, Satakunnan Kansa and Aamulehti
Governance	Transparency and ensuring integrity	In addition to complying with the principles of transparent and good corporate governance, a media company has a special obligation to ensure the conditions for responsible journalism and maintain appropriate separation between governance and editorial work. Problems related to integrity or the transparency of governance may lead to a lack of trust and a loss of reputation.	Lack of trust and the loss of reputation can lead to a decline in circulation and a loss of investors and finance providers.	Clarifying and complying with the operating principles and ethics of all media and the Group's owners. Transparent communications on good governance, e.g. on the Group website.	Publication of the Group's Code of Conduct.

Employees	Equal opportunities	The need to offer equal career and training opportunities is highlighted in an expert organisation. A special feature of the media sector is the large number of part-time employees.	Failure to comply with the principles of equality and fairness may result in a weaker employer image; the best employees look elsewhere for work and advertisers may turn to other media.	Human resource management based on equality and fairness, developing concrete non-discrimination plans and monitoring the implementation thereof.	Principles of equality and fairness included in the Group's Code of Conduct; monitoring in performance discussions and an anonymous employee survey used to draft concrete development plans for 2012.
Environment	The environmental impact of media	Print media in particular tends to be seen as having a significant impact on the environment. Until recently, comparative information on the environmental impacts of print and online media has been difficult to find.	Readers and advertisers choose online media instead of print media, resulting in declining circulation and media sales.	Reliable studies on the environmental impact of different media and communicating this information to readers and media clients.	Sustainable media campaign to communicate environmental facts; environmental study commissioned by Alma Media and carried out by VTT and KTH. Communicating the results of the study.
	Climate change	CO ₂ reporting and environmental labels on products may become statutory requirements through legal measures designed to combat climate change.	Additional costs incurred from reporting and certification systems.	Voluntary CO ₂ reporting and applying for environmental labels before they become legally required.	Alma Media's environmental reporting in its annual review; environmental study; LEED certification for newly developed properties.
		Regulation mechanisms and the development of new technology to prepare for climate change result in increased energy prices.	Higher energy prices lead to an increase in operating expenses.	Improving energy efficiency.	Improving the efficiency of printing presses and other properties; LEED certification for new properties.
		Climate change may lead to increased raw material prices due to higher energy prices and the impact of a changing climate and soil conditions on cellulose production.	Increased purchasing costs.	Improving materials efficiency and using competitive bidding in purchasing.	Improving materials efficiency of printing operations; the high efficiency of the new printing facility in Tampere (2013).
		The increased frequency of extreme weather phenomena may lead to more occupational accidents in the delivery of newspapers, resulting in higher insurance costs. Disruptions to digital service provision are also possible.	Rising costs; consumers may choose media that offers a higher degree of reliability.	Safety training for delivery personnel. Measures to improve the operational reliability of server hardware for example.	Training for delivery personnel. Improving the operational reliability of digital media.
Purchasing	The value chain of products and services may involve reputational threats related to sustainable development. Information is scarce, particularly with regard to ICT technology.	The exposure of business practices that are in conflict with the principles of sustainable development in the value chain pose a risk to the reputation and reliability of the purchaser.	Loss of trust leads to a decline in circulation and visitor numbers, advertisers turn to other media.	Integrating responsibility in purchasing; reports on the sustainability and responsibility of the operations of business partners.	Including responsible purchasing in the Code of Conduct; analyses carried out as part of the environmental study on the value chains of print and online media.

Due to the relatively minor environmental impact of media operations and the central role the industry plays in society, sustainable development represents more opportunities than threats for the media sector. In many cases, the threats listed above can also be perceived as opportunities. Assuming a leading role in the development of sustainable media requires that these opportunities be actively pursued.

Opportunities presented by sustainable development:

- Journalism: Turning transparent, reliable and interactive journalism into a competitive advantage
 - Reaching responsible consumers and the advertisers who seek exposure to that target audience.
- Reaching new audiences and user groups through a multi-channel approach and diverse content
- The reputational benefits of sustainability and transparency and the resulting high level of trust
- Environment: Communicating reliable scientific data to create environmental perceptions based on fact.
- Building trust with current and future customers around the theme of sustainable development
 - Opportunities to identify joint projects and business ideas

Alma Media succeeded in global climate survey

In 2011, Alma Media was ranked the best Nordic media group in the global Carbon Disclosure Project (CDP) initiative for the second consecutive year. Globally, Alma Media was ranked among the top five media groups. CDP is an annual international climate change reporting system for listed companies. The 3,000 participating companies analyse the risks and opportunities presented to them by climate change and report their annual CO₂ emissions. The reports are primarily aimed at investors, with some 550 institutional investors around the world taking CDP results into account in making their investment decisions.



Trust is the core of threats and opportunities in the media sector

“Companies in the media sector are involved in a whole variety of activities, including content generation, content distribution, advertising and marketing, technology development, and social networking. This variety limits the ability to analyse the investment implications of environmental, social and governance (ESG) issues for the sector as a whole, or even for subsectors. Instead, ESG issues needs to be considered at the individual company level and, frequently, at the level of individual business lines.

As an example, trust is seen as a key ESG issue for the sector. The blurring of the boundaries between news, PR and entertainment may result in news and information providers producing material that does not meet the criteria of independence, impartiality, integrity, reliability and credibility.

The business implication may be that if an information or news provider is not perceived as trustworthy, it may lose customers to other providers or it may find itself subject to regulatory scrutiny. Reductions in the number of customers may, in turn, affect the company’s ability to attract advertisers.

On the other hand, news and information providers can enhance their trustworthiness through taking measures to ensure the quality of the information that they provide, by being transparent about the sources and reliability of the information they provide, by being transparent about their ownership structures (and how this may affect the information that they produce), through providing mechanisms for correcting factual or other errors, and through maintaining an open dialogue with their readers and other customers.”



Ulrika Hasselgren, CEO, founding partner, Ethix SRI Advisors

Corporate Governance in Alma Media

Alma Media Corporation applies the [Finnish Corporate Governance Code for listed companies](#), published by the Securities Market Association on 15 June 2010, in its unaltered form. The company's [Corporate Governance Statement](#), as required by the Code, [Salary and Remuneration Report](#) as well as plenty of other information on Alma Media's corporate governance is available on the company's [website](#).

Responsibility for Alma Media Group's business operations lies with the constitutional bodies required by the Limited Liability Companies Act: the General Meeting of Shareholders, which elects the members of the Board of Directors; and the President and CEO, who is appointed by the Board of Directors. The supreme decision-making body of Alma Media Corporation is the General Meeting of Shareholders where shareholders exercise their decision-making power in matters belonging to the General Meeting.

Board of Directors

The tasks and responsibilities of the Board of Directors are determined by the Finnish Limited Liability Companies Act and the Articles of Association. The Board of Directors is responsible for the company's management and its appropriate organisation. Principal tasks of the Board of Directors include confirming the Group's strategy and objectives as well as deciding on significant investments and acquisitions.

The detailed tasks of the Board of Directors are set out in the [Board's Charter](#).

The members of Alma Media's Board of Directors (as of March 17, 2011) are:



Seppo Paatelainen
born 1944

Chairman

- Deputy Chairman of the Board 2009 - 2011, Chairman since 2011
- MSc (Agr & For)



Petri Niemisvirta
born 1970

Deputy Chairman

- Managing Director, Mandatum Life Insurance Company Limited; Member of the Group Executive Committee, Head on Life Insurance, Sampo plc
- Deputy Chairman of the Board since 2011
- LL.M



Timo Aukia
born 1973

Member

- Managing Director, Timo Aukia Oy
- Member of the Board since 2011
- MSc



Erkki Solja
born 1954

Member

- CEO, Kiilto Family Oy
- Member of the Board since 2008
- M.Sc. (Econ.)



Kai Seikku
born 1965

Member

- President, Okmetic Oyj
- Member of the Board since 2006
- M. Sc. (Econ. & Bus. Admin)



Catharina Stackelberg-Hammarén
born 1970

Member

- CEO, Marketing Clinic Oy
- Member of the Board since 2009
- M.Sc. (Econ.)



Harri Suutari
born 1959

Member

- President & CEO, PKC Group
- Member of the Board since 2005
- Engineer

Detailed information, for instance, on the [principal working experience and positions of trust](#) as well as on their [shareholdings](#) is available on Alma Media's website.

Except for Timo Aukia, Petri Niemisvirta and Seppo Paatelainen, the Board of Directors has evaluated the persons elected for the Board to be independent of the company and its major shareholders. The aforementioned members are evaluated to be independent* of the company but not independent of its significant shareholder.

The Board of Directors has established two permanent committees: the Audit Committee and the Nomination and Compensation Committee. The members of the Audit Committee are Timo Aukia, Kai Seikku, Catharina Stackelberg-Hammaren and Harri Suutari (Chairman). The members of the Nomination and Compensation Committee are Petri Niemisvirta, Erkki Solja and Seppo Paatelainen (Chairman). Further information on the tasks of the Committees is available on Alma Media's [website](#).

Information on the remuneration of the members of the Board of Directors is included in [the Salary and Remuneration report](#) published on February 15, 2012.

**As defined by the Finnish Corporate Governance Code for listed companies by the Securities Market Association.*

Group Executive Team

The President and CEO is responsible for the day-to-day management of the company in accordance with the guidelines and instructions of the Board of Directors. The President and CEO is responsible for the company's accounts conforming to legislation and its assets being reliably managed. Alma Media's President and CEO, Mr Kai Telanne, is supported by a Group Executive Team that comprised the following members in 2011:



Kai Telanne
born 1964

*President and CEO, Chairman of
the Group Executive Team*

- In the current position as of 1 April 2005
- M.Sc. (Econ.)



Tuomas Itkonen
born 1968

CFO

- In the current position since 2008
- M.Sc. (Econ.)



Jouko Jokinen
born 1959

*Senior Vice President, Executive
Editor-in-Chief of Aamulehti*

- In the current position since August 2010
- Bachelor of Arts (Jyväskylä University), Journalist (Sanoma School of Journalism)



Kari Kivelä
born 1959

*Senior Vice President, Publisher of
Iltalehti*

- In the current position since 2005
- M.Sc. (Soc.), MBA



Mikko Korttila
born 1962

*General Counsel, Legal Affairs and
M&A; Secretary to the Board of
Directors of Alma Media*

- In the current position since 2007
- Master of Laws, Master of Laws trained on the bench, eMBA



Juha-Petri Loimovuori
born 1964

*Senior Vice President, Kauppalehti
Group; Managing Director of
Kauppalehti Oy*

- In the current position since 2006
- M.Sc. (Econ.)



Raimo Mäkilä
born 1958

*Senior Vice President, Head of
Marketplaces*

- In Alma Media since 1998 (in Aamulehti-yhtymä since 1997), in the current position since 1999
- M.Sc. (Eng.)



Minna Nissinen
born 1968

Senior Vice President, Alma Diverso

- In the current position since 2012 (Senior Vice President of Corporate Development and Chaining operations since 2005)
- M.Sc. (Econ.)



Pekka Heinänen
born 1960

Vice President, Human Resources

- In the current position since August 2011
- Master of Arts (Education)



Rauno Heinonen
born 1964

*VP, Corporate Communications and
IR and secretary to the GET (not a
member)*

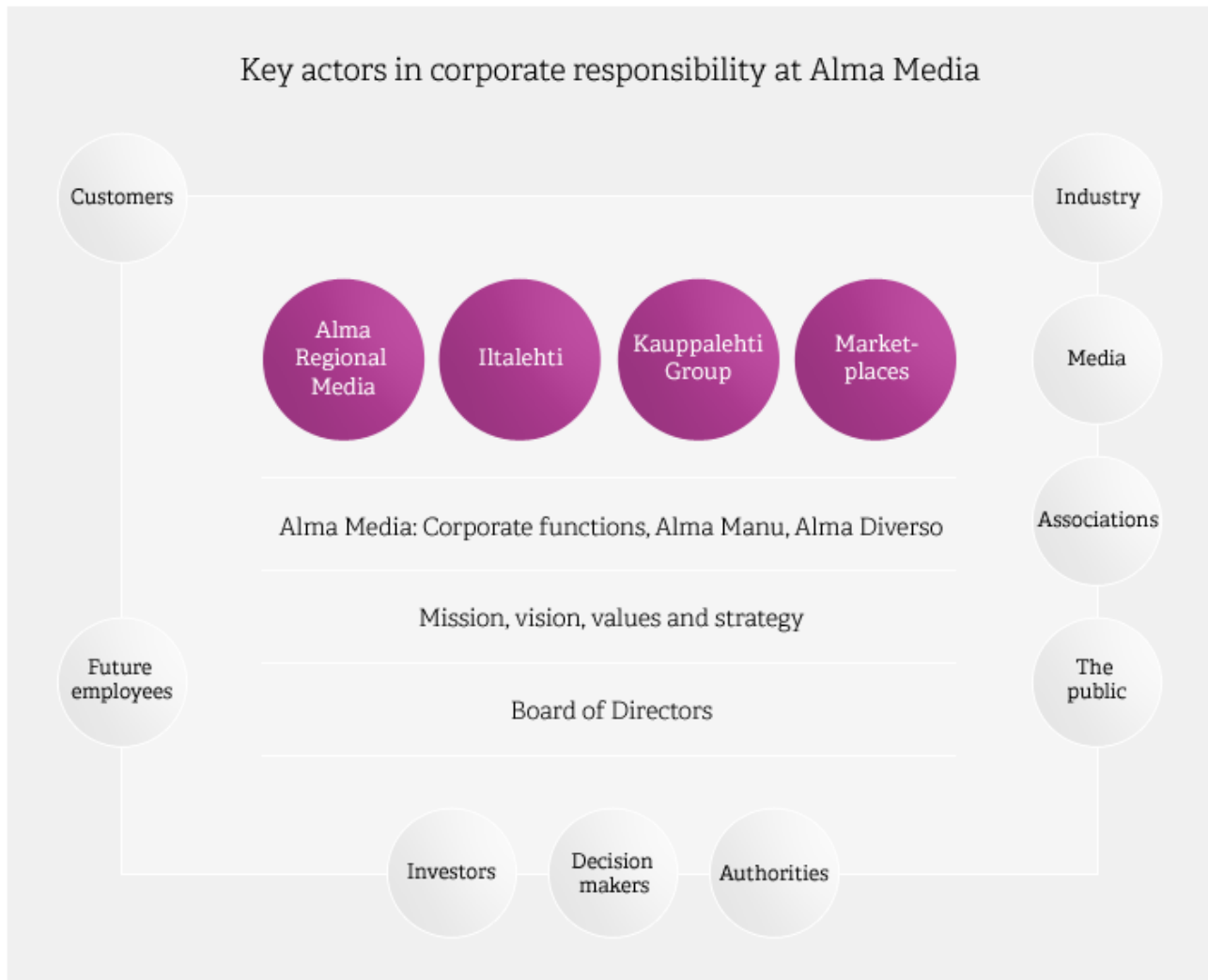
- In the current position
since 2007
- M.Sc. (Soc.)

Detailed information, for instance, on the principal [working experience and positions of trust](#) of the members as well as on their [shareholdings](#) is available on Alma Media's website.

Information on the remuneration of the members of the Group Executive Team is included in [the Salary and Remuneration report](#) published on February 15, 2012.

Corporate responsibility at Alma Media

At Alma Media, corporate responsibility refers to the way in which the Group, its business units and, ultimately, every employee acts in an ecologically, economically, socially and culturally responsible and sustainable manner. The high priority assigned to corporate responsibility at Alma Media is reflected in the operating model for managing corporate responsibility.



The guidelines for corporate responsibility are provided by the Group's executive management and, where necessary, the Board of Directors. At the core of the CR operations is the corporate responsibility network, which spans all of the Group's business units. The operation of the network is co-ordinated by Alma Media's CR Co-ordinator. The task of the network is to facilitate the flow of information regarding CR matters at the Group and business unit levels. The network also develops the responsibility of each business unit in line with common guidelines.

Code of Conduct

In 2011, Alma Media drafted and published a [Code of Conduct](#) defining the key ethical principles guiding the Group's operations. The Code of Conduct contains the key guidelines and principles for managing corporate responsibility and business operations sustainably. The Code of Conduct is in line with the UN Global Compact's ten principles.

Key memberships

Alma Media became a signatory to the UN Global Compact initiative in 2011.

Alma Media is a member of FiBS (Finnish Business & Society). FiBS promotes economically, socially and ecologically responsible business in Finland. Alma Media is also one of the founding members of the Nordic Media CSR Forum network.

In addition, Alma Media is a member of the Finnish Newspapers Association, the Federation of the Finnish Media Industry and IAB Finland. The company is also involved in the Next Media research project co-ordinated by the Federation of the Finnish Media Industry.

Awards and recognition in 2011

Kauppalehti Optio won four and Aamulehti won two honourable mentions at the European Newspaper Awards. The competition, which is focused on the visual design and layout of newspapers, had 226 participating newspapers from 27 countries.

Ilta-lehti journalist Jarmo Luuppala was selected as Journalist of the Year in the Great Journalist Awards by Bonnier Publications. The jury praised Luuppala for his perseverance in highlighting problems in society.

Lapin Kansa photographer Jussi Leinonen won an audience award at the Press Photo of the Year awards organised by the Finnish Press Photographers Association.

Kankaanpään Seutu and Valkeakosken Sanomat were given awards for best local newspapers in a local newspaper competition organised by the Finnish Newspapers Association. Three other Alma Media newspapers, namely Nokian Uutiset, Tyrvään Sanomat and Jämsän Seutu, all received honourable mentions. Kankaanpään Seutu and Jämsän Seutu received awards for their websites in their respective competition categories. Jämsän Seutu journalist Ilkka Palmu won a Local Newspaper Journalism award.

In January 2012, Alma Media Corporation's investor relations were recognised when the investor section of the company website was selected as best in its category in Finland in a competition organised by The Finnish Foundation for Share Promotion, the Finnish Society of Financial Analysts and Talouselämä magazine.

In May, Alma Media's reporting on corporate governance was ranked the best in Finland in the category of medium-sized listed companies in a competition organised by PwC, Boardman, the Finnish Association of Professional Board Members and Roschier Attorneys Ltd.

Risk management

Risk management is a part of Alma Media's financial reporting process and one of the most significant measures of internal control. At Alma Media Group, the task of risk management is to continuously evaluate and monitor all business opportunities, threats and risks to ensure the achievement of objectives and business continuity.

The Board of Directors carries the primary responsibility for Alma Media's risk management. The Board of Directors considers the most significant identified risks and is in charge of defining the Group's risk appetite. The Audit committee approves the risk management principles of the Group and monitors the efficiency of the risk management systems. The Audit committee also discusses the management reports on significant risks and the company's exposure to them as well as considers the plans to minimise risks.

The CEO, the Group Executive Team and other managers in the Group at all organisational levels are responsible for carrying out daily risk management. In each business unit, a member of the unit's executive group, usually the person in charge of the finances of the unit, is appointed as responsible for risk management and reporting on risk management operations.

The risk management process is a means to identify risks, develop risk management measures and report the risks regularly to the risk management organisation. Risk management is part of Alma Media's internal control and, thus, part of good corporate governance. Alma Media sets limits to and procedures for quantitative as well as qualitative risks in writing in its risk management system.

The most significant risk factors are described [here](#).