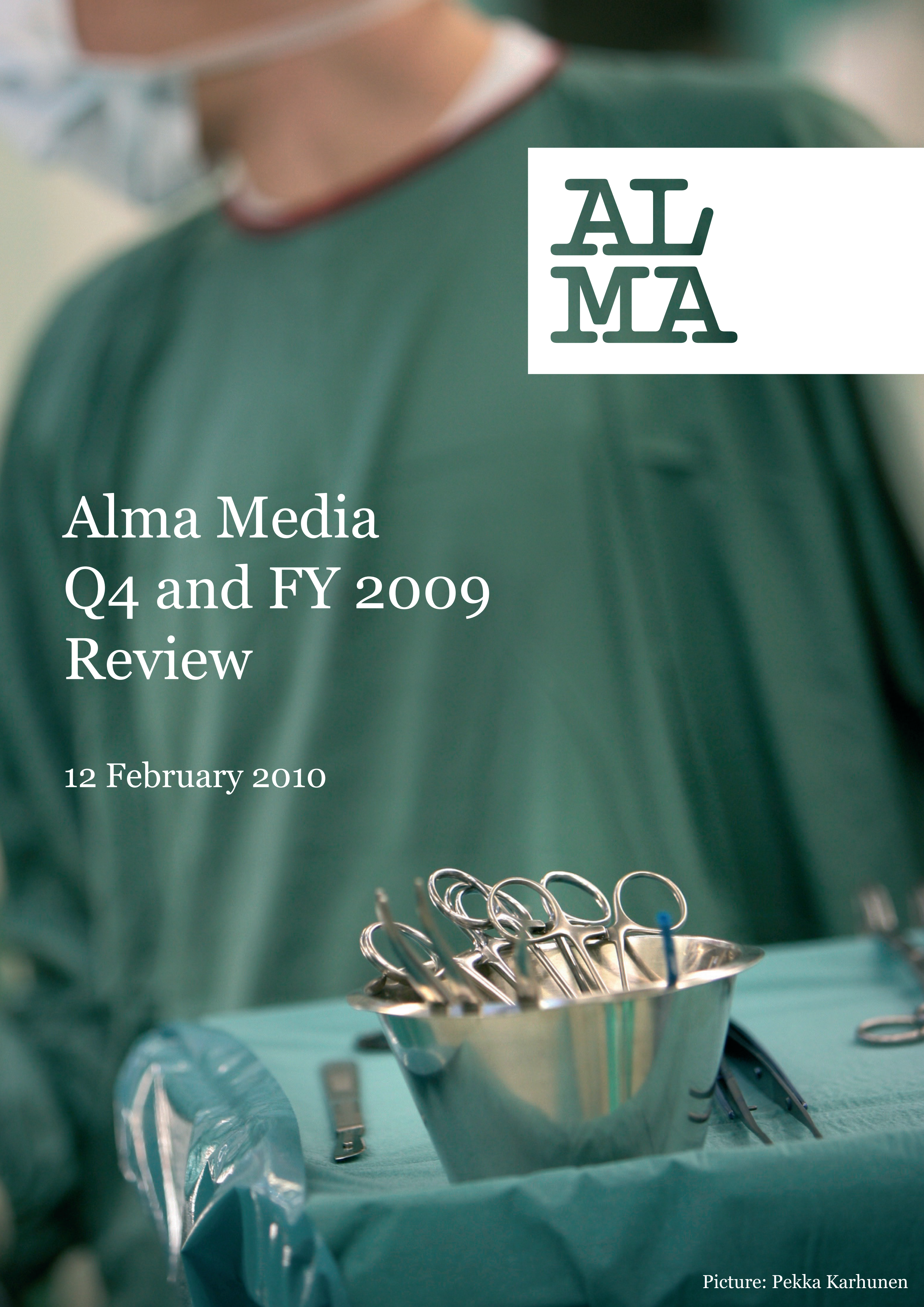

Alma Media Q4 and FY 2009 Review

12 February 2010

Picture: Pekka Karhunen

Alma Media Corporation Financial statement release February 12, 2010 at 09:00am

ALMA MEDIA CORPORATION: FINANCIAL STATEMENTS RELEASE 2009
Net sales decreased, but relative profitability was maintained in a difficult market conditions

Highlights of the financial year 2009

- Net sales MEUR 307.8 (341.2), down 9.8%.
- Operating profit MEUR 41.4 (48.3), 13.5% (14.2%) of net sales, operating profit without one-time items MEUR 42.6 (47.7).
- Profit before tax MEUR 40.8 (52.4), profit before tax excluding one-time items MEUR 42.0 (49.9).
- Result of the financial period MEUR 29.3 (39.0).
- Earnings per share EUR 0.39 (0.51).
- Dividend for financial year 2008 was EUR 0.30 (0.90) per share. The Board of Directors did not use the authorisation by the Annual General Meeting to distribute additional dividends.

October–December 2009 in brief

- Net sales MEUR 79.0 (86.6), down 8.8%.
- Operating profit MEUR 11.8 (9.5), 15.0% (10.9%) of net sales; operating profit up 25%.
- Operating profit without one-time items MEUR 11.3 (9.5), 14.3% (10.9%) of net sales, up 19.2%.
- Earnings per share EUR 0.12 (0.12).

Dividend proposal for the Annual General Meeting

- Alma Media Corporation's Board of Directors will propose to the Annual General Meeting on March 11, 2010 that a dividend of EUR 0.40 (0.30) per share be paid for the 2009 financial year.

Outlook for 2010

- Alma Media expects its comparable net sales and operating profit to increase moderately from the 2009 level as a result of gradual growth in advertising sales.
- First-quarter net sales and operating profit are expected to remain close to the previous year's level.

Kai Telanne, President and CEO:

Alma Media's year 2009 began in an extremely difficult market environment. When the Finnish national economy took a downturn, our advertising net sales plummeted during the first half of the year. The business units Kauppalehti and Marketplaces, as well as the newspaper Aamulehti, particularly suffered from the weak advertising market. The decline in the first quarter in comparison with the same period in 2008 levelled during the second quarter, and advertising sales in newspapers stabilised at a level approximately one-fifth lower than in the previous year. After the drop at the beginning of the year, uncertainty in the media market continued in the second half of the year.

The full-year net sales of the Newspapers segment declined 6.6%. Thanks to quickly implemented savings measures, however, we managed to maintain the proportional operating profit of the segment at a good 17.3 % (17.5%) level. Towards the end of the year, newspaper advertising in general developed poorly. There was an upturn in online advertising in the last two months of the year.

Regardless of the weak demand, the market shares of our online services grew, for example in home sales and recruitment advertising. Online sales accounted for 13.1% (13.1%) of our net sales at the end of the year.

As expected, the circulations of Alma Media's regional and local newspapers declined slightly, The circulation of Kauppalehti, on the other hand, grew to a record level. The single-copy sales of Iltalehti declined aligned to the decline of the overall afternoon paper market. The increases in the subscription prices of newspapers to offset rising costs boosted circulation net sales.

The uncertainty prevailing in the media market in the last half of 2009 has continued in January and February 2010.

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ALMA MEDIA GROUP FINANCIAL STATEMENT RELEASE JANUARY 1–DECEMBER 31, 2009

The descriptive part of this review focuses on the annual financial statements. The comparisons according to the International Financial Reporting Standards (IFRS) refer to the figures from the corresponding period in 2008 unless otherwise stated. The full-year figures in the financial statement release are audited. The figures in the tables are independently rounded.

Changes in Group structure in 2009

The ownership of Alma Media Group in Kotikokki.net Oy increased to 40% in June 2009, and the company is reported as an associate company in the Newspapers segment as part of Iltalehti in the consolidated financial statements. On November 4, 2009, Alma Media sold 100% of shares of of Kauppalehti 121 Oy. Balti Uudistetalituse AS, part of the BNS group in the Kauppalehti Group segment, acquired 100% ownership of UAB "Cision Lietuva" operating in Lithuania on October 1, 2009. In May 2009, Alma Media Group sold the business operations of Motors24 vehicle sales portals, which belonged to the Marketplaces segment and operated in Estonia, Latvia and Lithuania.

Suomen Paikallissanomat Oy discontinued the city paper Kokkolan Sanomat published in Kokkola on December 3, 2009, and on the same date sold the city paper Vieskalainen published in Ylivieska to Jokilaaksojen Kustannus Oy.

The Group's legal structure changed through two mergers. Alma Media Corporation's subsidiary Jadecon Oy merged with Kustannusosakeyhtiö Iltalehti Oy on December 31, 2009. Harjavallan Kustannus Oy merged with Satakunnan Kirjateollisuus Oy on November 30, 2009.

Consolidated and segment net sales and results October–December 2009

Group's net sales in October–December 2009 totalled MEUR 79.0 (86.6). Operating profit amounted to MEUR 11.8 (9.5). The fourth-quarter comparable operating profit was MEUR 11.3 (9.5), up 19.2% from the comparison period. The operating margin was 15.0% (10.9%), excluding one-time items 14.3% (10.9%). The operating profit for October–December 2009 includes one-time capital gains in the amount of MEUR 0.6, generated by the sale of business operations.

Net sales for the Newspapers segment amounted to MEUR 57.3 (61.1). Net sales for the segment's advertising sales declined by 12.3%. Towards the end of the quarter, Iltalehti increased its online advertising sales from the comparison period. The circulation net sales of Newspapers increased, supported by price increases. Due to a general decline in the afternoon paper market, Iltalehti's circulation net sales decreased in the last quarter. Operating profit for Newspapers in October–December was MEUR 10.5 (10.5). Operating margin was 18.3% (17.2%).

Kauppalehti Group's net sales were MEUR 15.8 (19.0). The decline of the segment's advertising sales slowed down to -15.4% during the last quarter, supported by the positive development of online advertising sales. Circulation sales were down 5.4%. Kauppalehti Group's operating profit was MEUR 2.3 (2.0); excluding one-time items, the operating profit remained at the level of the comparison period, MEUR 2.0 (2.0). The operating profit of the segment for the fourth quarter includes a one-time gain of MEUR 0.4, generated by the sale of business operations.

The Marketplaces segment had net sales of MEUR 6.5 (7.5). Marketplaces recorded an operating loss of MEUR 0.3 (loss of MEUR 1.0). The declining net sales and the operating loss were a result of the continued weak classified advertising market of home sales, vehicles and recruitment during the quarter.

Key figures by segments in 2009 are reported starting on page 6.

Consolidated net sales and result 2009

Alma Media Group's net sales in 2009 totalled MEUR 307.8 (341.2). Net sales decreased from the comparison period, in particular due to the declining net sales from advertising sales. Circulation sales remained at the previous year's level. Consolidated advertising net sales amounted to MEUR 140.6 (168.8). Circulation net sales were MEUR 133.3 (133.0). Online net sales amounted to MEUR 40.4 (44.7). Online net sales accounted for 13.1% (13.1%) of consolidated net sales.

The consolidated operating profit declined from the previous year to MEUR 41.4 (48.3). The operating margin was 13.5% (14.2%). The operating profit for the financial period, excluding one-time items, was MEUR 42.6 (47.7). The operating margin without one-time items was 13.9% (14.0%). The operating profit for 2009 includes one-time items in the amount of MEUR -1.2 (0.6). One-time items in the reported figures of 2009 are comprised of restructuring costs due to cost saving measures and sales of business operations. The operating profit for the comparison period included MEUR 0.6 capital gains from the sale of property.

Profit before taxes for the financial period was MEUR 40.8 (52.4). The result before taxes includes one-time items totalling MEUR -1.2 (2.5). The 2009 one-time items are comprised of restructuring costs due to cost saving measures and sales of business operations. The one-time items of the comparison period include capital gains from sale of property and the shares of AP-Paino Oy.

The result for the financial period 2009 was MEUR 29.3 (39.0), representing a 9.5% (11.4%) margin.

The development of consolidated net sales was in line with the management's forecasts earlier in the year. Comparable net sales and operating profit fell short of the comparison period as expected. In December, the company issued a profit warning as the company’s advertising sales developed better than anticipated during the last two months of the year. The significant slowdown in advertising sales brought the full-year operating profit below the previous year's level as expected. Due to cost savings from savings measures and the decrease in business operations, consolidated operating profit without one-time items only declined by MEUR 5.0 to MEUR 42.6 (47.7).

Outlook for 2010

The Finnish media market is forecast to remain weak in the early part of 2010. A gradual upturn in advertising sales is expected if the GDP follows growth predictions during 2010.

Alma Media expects the single-copy sales of afternoon papers to decline further in line with the development in 2009. Kauppalehti's circulation is expected to decline slightly from the 2009 level because of its structural changes. The development of the employment situation is expected to affect the circulations of Alma Media's regional and local papers. Alma Media estimates the Finnish newspaper advertising market to grow moderately in 2010. Growth in online advertising is expected to strengthen during 2010 from the previous year.

Alma Media estimates that its comparable net sales and operating profit will grow moderately from the 2009 level as a result of the gradual growth in media advertising. The first-quarter net sales and operating profit are expected to remain close to the previous year's level.

Market conditions

The Finnish national economy declined steeply in 2009. According to Statistics Finland, the Finnish GDP declined 7.6% in the first quarter of 2009, 9.4% in the second quarter and 9.1% in the third quarter. During the full year 2009, the Finnish GDP is forecast to have declined 4.5–7.5%. In 2010, the GDP is forecast to grow moderately, from 0% to 2%.

According to research subscribed by The Advisory Board of Advertising and conducted by TNS Gallup Oy, the total media advertising spend in Finland in 2009 was MEUR 1,263 (1,500), down 15.8%. Of the total spending, newspapers and city papers accounted for 42.9 (45.8%), down 21.2% from the previous year, and television for 18.8% (17.8%). The share of online advertising grew to 12.5% (10.1%).

According to TNS Media Intelligence, the total advertising volume declined by 11.6% in the last quarter of the year. In December 2009, media advertising decreased 4.3% compared to the year before. Newspaper advertising declined 15.6% in the last quarter, 7.2% in December. Online advertising grew by 6.4% in the last quarter, 10.3% in December.

GROUP KEY FIGURES

KEY FIGURES MEUR	2009 Q4	2008 Q4	Change %	2009 Q1-Q4	2008 Q1-Q4	Change %	2007 Q1-Q4
Net sales	79.0	86.6	-8.8	307.8	341.2	-9.8	328.9
Operating profit	11.8	9.5	25.0	41.4	48.3	-14.2	64.4
% of net sales	15.0	10.9		13.5	14.2		19.6
Operating profit without one-time items	11.3	9.5	19.2	42.6	47.7	-10.5	52.9
% of net sales	14.3	10.9		13.9	14.0		16.1
Profit before tax	11.9	11.7	1.7	40.8	52.4	-22.2	
Profit without one-time items	11.3	9.8	14.8	42.0	49.9	-15.9	
Profit for the period	8.8	8.9	-1.3	29.3	39.0	-24.7	
Return on Equity (ROE)*	44.2	49.0	-9.8	31.8	37.7	-15.6	43.8
Return on Invets (ROI)*	41.0	39.2	4.6	29.1	34.8	-16.3	39.9
Net financial expenses	0.1	0.4	83.7	0.3	0.4	10.6	-0.1
Net financial expenses, % of net sales	0.1	0.5		0.1	0.1		
Share of associated companies' results	0.1	2.6	-96.5	-0.3	4.5	-107.1	3.5
Balance sheet total				155.5	166.9	-6.9	181.3
Gross capital expenditure	3.0	2.9	4.1	8.2	14.5	-43.2	12.1
Gross capital expenditure, % of net sales	3.8	3.3		2.7	4.2		3.7
Research and development costs				0.9	2.7	-66.7	3.7
Equity ratio				67.2	57.2		69.8
Gearing, %				-17.1	6.5		-15.2
Interest-bearing net debt				-16.5	5.8	-384.3	-17.9
Interest-bearing liabilities				4.6	19.1	-75.9	6.8
Non-interest -bearing liabilities				54.9	59.3	-7.4	56.2
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,777	1,959	-9.3	1,888	1,981	-4.7	1,971
Average no. of delivery staff	894	910	-1.8	969	968	0.0	962
Earnings/share, EUR (basic)	0.12	0.12	-2.3	0.39	0.51	-24.0	0.68
Earnings/share, EUR (diluted)	0.12	0.12	-2.4	0.39	0.51	-24.1	0.68
Cash flow from operating activities, EUR	0.14	0.11	22.6	0.58	0.63	-8.0	0.70
Shareholders' equity/share, EUR				1.28	1.18		1.58
Dividend per share				0.40	0.30		0.90
Dividend yield				5.3	6.1		7.7
P/E Ratio				19.1	9.6		17.2
Market capitalization				558.1	369.3	51.1	870.7
Average no. of shares (1,000 shares)							
- basic	74,613	74,613		74,613	74,613		74,613
- diluted	74,859	74,859		74,859	74,764		74,773
No. of shares at end of period (1,000 shares)				74,613	74,613		74,613

* See Main Accounting Principles (IFRS) of Financial Statements Release

NET SALES AND OPERATING PROFIT/LOSS BY SEGMENT

NET SALES BY SEGMENT, MEUR	2009 Q4	2008 Q4	Change %	2009 Q1-Q4	2008 Q1-Q4	Change %
Newspapers						
External	56.2	59.9		216.9	232.2	
Inter-segments	1.1	1.3		4.4	4.5	
Newspapers total	57.3	61.1	-6.2	221.3	236.7	-6.5
Kauppalehti Group						
External	15.9	19.0		62.5	73.4	
Inter-segments	-0.1	0.1		0.3	0.1	
Kauppalehti Group total	15.8	19.0	-16.6	62.8	73.5	-14.5
Marketplaces						
External	6.5	7.4		27.0	34.0	
Inter-segments	0.0	0.1		0.0	0.3	
Marketplace total	6.5	7.5	-12.7	27.0	34.3	-21.3
Others						
External	0.3	0.3		1.4	1.6	
Inter-segments	3.5	3.8		14.5	13.5	
Others total	3.8	4.2	-8.2	15.9	15.1	5.4
Elimination	-4.5	-5.2		-19.2	-18.4	
Total	79.0	86.6	-8.8	307.8	341.2	-9.8

OPERATING PROFIT/LOSS BY SEGMENT, MEUR *	2009 Q4	2008 Q4	Change %	2009 Q1-Q4	2008 Q1-Q4	Change %
Newspapers	10.5	10.5	-0.4	37.3	41.5	-10.3
Kauppalehti Group	2.3	2.0	15.0	6.7	9.7	-30.8
Marketplaces	-0.3	-1.0	71.1	-.7	2.0	-133.1
Other operations	-0.7	-2.0	65.3	-1.9	-4.9	62.3
Total	11.8	9.5	25.1	41.4	48.3	-14.2

*) incl. one-time items

Newspapers Key figures, MEUR	2009 Q4	2008 Q4	Change %	2009 Q1-Q4	2008 Q1-Q4	Change %
Net sales	57.3	61.1	-6.2	221.3	236.7	-6.5
Circulation sales	27.2	27.1	0.4	109.9	108.6	1.1
Media advertising sales	27.4	31.3	-12.3	101.3	117.7	-14.0
Other sales	2.7	2.7	0.3	10.2	10.4	-2.3
Operating profit	10.5	10.5	-0.4	37.3	41.5	-10.3
Operating profit, %	18.3	17.2		16.8	17.5	
Operating profit without one-time items	10.3	10.5	-2.2	38.4	41.5	-7.7
Operating profit without one-time items, %	17.9	17.2		17.3	17.5	
Average no. of personnel, calculated as full-time employees excl. delivery staff	1,084	1,169	-7	1,149	1,197	-4
Average no. of delivery staff	894	910	-2	969	968	0

Operational key figures Audited circulation	2009 Q4	2008 Q4	2009 Q1-Q4	2008 Q1-Q4
Iltalehti				122,548
Aamulehti				139,130
Online services, unique visitors, weekly				
Iltalehti.fi	1,945,453	1,610,952	1,762,615	1,412,534
Telkku.com	603,000	542,121	580,989	515,939
Aamulehti.fi	254,726	171,699	207,978	147,048

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

The Newspapers segment's net sales in 2009 decreased 6.5% from the previous year to MEUR 221.3 (236.7). During the year, the quarterly growth rates of the newspapers' net sales experienced significant fluctuation due to the market conditions. The advertising sales of Alma Media newspapers decreased significantly in 2009, the full-year total being MEUR 101.3 (117.7). In November–December, online advertising sales grew slightly from the comparison period. Aamulehti and Iltalehti suffered most from the marked advertising market decline in the beginning of the year. For the smaller regional and local papers, the market decline had a delayed effect, becoming evident during the second half-year. Online advertising sales grew for Iltalehti, whose online service Iltalehti.fi was the largest Finnish online medium with its approximately two million average unique visitors per week at the end of the year.

Circulation net sales for the newspapers grew during the year thanks to price increases. For regional and local newspapers, circulation development declined slightly, partly due to cutbacks in free circulation. The single-copy sales of Iltalehti decreased approximately 6.1%, circulation by approximately 7.8%, while the entire afternoon paper market dropped by approximately 6.1%. Iltalehti retained its market share at the previous year’s level, at 42.9% (42.9%).

The full-year operating profit for the Newspapers segment declined to MEUR 37.3 (41.5). The operating profit for the segment without one-time items declined to MEUR 38.4 (41.5).

Kauppalehti Group Key figures, MEUR	2009 Q4	2008 Q4	Change %	2009 Q1-Q4	2008 Q1-Q4	Change %
Net sales	15.8	19.0	-16.6	62.8	73.5	-14.5
Circulation sales	6.1	6.5	-5.4	23.5	24.8	-5.4
Media advertising sales	5.0	5.9	-15.4	16.3	22.2	-26.4
Other sales	4.7	6.6	-28.4	23.0	26.4	-13.2
Operating profit	2.3	2.0	15.0	6.7	9.7	-30.8
Operating margin, %	14.8	10.7		10.7	13.2	
Operating profit without one-time items	2.0	2.0	-2.9	6.7	9.7	-30.8
Operating margin without one-time items, %	12.5	10.8		10.7	13.2	
Average no. of personnel, calculated as full-time employees	453	494	-8	477	499	-4

Operational key figures	2009 Q4	2008 Q4	2009 Q1-Q4	2008 Q1-Q4
Audited circulation				
Kauppalehti				86,654
Online services, unique visitors, weekly				
Kauppalehti.fi	589,293	484,056	544,533	391,453

The Kauppalehti Group specialises in producing business and financial information. Its best known title is Finland's leading business paper Kauppalehti. The group also includes the contract publishing company Alma Media Lehdentekijät and the news agency BNS operating in the Baltic countries. On October 1, 2009, Alma Media sold the entire stock of the direct marketing company Kauppalehti 121 Oy. In the 2009 financial statements, the net sales reported for the sold Kauppalehti 121 Oy is MEUR 6.6 and operating profit MEUR 0.4.

The net sales of the Kauppalehti Group declined by 14.5% in 2009, being MEUR 62.8 (73.5). The most important reason for the decline was the group's advertising sales development during the year, down 26.4%. Online advertising sales remained at the previous year's level, and online content sales increased from the comparison period. Circulation net sales declined by 5.4% to MEUR 23.5 (24.8) due to the declining sales of the Lehdentekijät business division. In a fiercely competitive situation, Lehdentekijät, however, managed to increase its profitability.

Kauppalehti's circulation reached a record level in 2009, 86,654 copies. Its free distribution to associations has been cut down as part of Kauppalehti Oy's cost saving measures. This will decrease the audited circulation of Kauppalehti in the 2010 audit, while paid circulation will further increase from the 2009 level.

Kauppalehti continued to increase its readership in the early part of 2009. According to the 2009 National Readership Survey, Kauppalehti's readers numbered 230,000 (+7%) and Kauppalehti Optio's 229,000 (+3%). Kauppalehti's readership has enjoyed continuous growth since 2007. The changes in the circulation structure due to cost saving measures are not expected to have a significant effect on Kauppalehti's readership.

The number of visitors to the online service Kauppalehti.fi grew remarkably during the year, the average being 544,533 (391,453) unique visitors per week.

The full-year operating profit of the segment declined by MEUR 3.0 to MEUR 6.7 (9.7). The operating profit without one-time items declined to MEUR 6.7 (9.7). The operating profit of the segment for the fourth quarter includes a one-time gain of MEUR 0.4, generated by the sale of business operations.

Marketplaces Key figures, MEUR	2009 Q4	2008 Q4	Change %	2009 Q1-Q4	2008 Q1-Q4	Change %
Net sales	6.5	7.5	-12.7	27.0	34.3	-21.3
Operations in Finland	5.4	6.0	-10.3	22.4	28.0	-20.1
Operations outside Finland	1.1	1.5	-25.0	4.7	6.3	-26.0
Operating profit	-0.3	-1.0	71.1	-0.7	2.0	-133.1
Operating margin, %	-4.3	-13.0		-2.5	5.9	
Operating profit without one-time items	-0.3	-1.0	70.2	-0.5	2.0	-127.2
Operating margin without one-time items, %	-4.5	-13.2		-2.0	5.9	
Average no. of personnel, calculated as full-time employees	178	234	-24	200	216	-8

Operational key figures	2009 Q4	2008 Q4	2009 Q1-Q4	2008 Q1-Q4
Online services, unique visitors, weekly				
Etuovi.com	355,748	313,269	354,826	321,176
Autotalli.com	93,525	88,412	96,872	91,744
Monster.fi	76,109	62,966	74,473	65,585
Mikko.fi	70,798	70,723	76,854	47,915
Mascus.com (Finland)	168,960	106,898	135,272	80,679
City24	197,489	283,694	232,640	265,516

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

Net sales for Marketplaces declined by 21.3% in 2009 to MEUR 27.0 (34.3). The slowdown in home advertising in Finland and the Baltic countries, as well as the sharp drop in recruitment advertising in Finland kept net sales development negative during the entire year 2009. Marketplaces' Finnish services, however, increased their market shares in 2009.

The full-year operating profit of Marketplaces declined from MEUR 2.0 to a loss of MEUR 0.7. The operating loss without one-time items was MEUR 0.5 (operating profit of MEUR 2.0).

Based on impairment testing, Alma Media booked a depreciation of MEUR 1.0 in financial year 2009. The depreciation is related with the City24 business unit in the home sales business of the Marketplaces segment.

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

Associated companies

Share of associated companies result, MEUR	2009 Q4	2008 Q4	2009 Q1-Q4	2008 Q1-Q4
Newspapers	0.0	0.0	0.1	0.1
Kauppalehti Group				
Talentum Oyj	-0.3	0.6	-1.4	1.6
Marketplaces	0.0	0.0	0.0	0.0
Other operations				
AP-Paino Oy	0.0	1.8	0.0	1.8
Other associated companies	0.4	0.2	0.9	0.9
Total	0.1	2.6	-0.3	4.5

Alma Media Corporation purchased 375,000 Talentum Oyj shares in a deal on August 10, 2009. After the purchase, Alma Media Group held a 30.65% stake in Talentum Oyj, which is reported under the Kauppalehti Group. The company's own shares in the possession of Talentum are here included in the total number of shares. As the holding of Alma Media Group in Talentum Oyj exceeded three-tenths (3/10), Alma Media was obliged to make a mandatory tender offer for all of Talentum Oyj's shares as stipulated in the Securities Markets Act.

Alma Media Corporation on August 10, 2009 announced that it will make a mandatory tender offer for all of the issued and outstanding shares in Talentum Oyj. The offer period commenced on August 19, 2009 and ended on November 16, 2009 in accordance with its terms and conditions. The cash consideration offered was EUR 1.85 per share. According to the final result of the tender offer, a total of 661,295 Talentum shares representing approximately 1.49% of all votes in Talentum were tendered to Alma Media. Taking the tendered shares into account, Alma Media Group's holding in Talentum rose to 14,236,295 shares, representing approximately 32.14% of all votes in Talentum and 32.64% of votes when taking into account 681,000 shares held by Talentum which do not carry a voting right.

On the date of the financial statements, Alma Media Group's holding in Talentum Oyj, reported under the Kauppalehti Group, totals 32.14%. The own shares held by Talentum itself are here included in the total number of shares. In the consolidated financial statements of Alma Media the ownership in Talentum is combined in a way that does not take Talentum's own shares into account in the total number of shares. Alma Media's shareholding in Talentum was stated as 32.64% in its consolidated financial statements of December 31, 2009.

The Group sold its ownership in AP-Paino Oy in December 2008.

Balance sheet and financial position

The consolidated balance sheet at the end of December 2009 stood at MEUR 155.5 (166.9). The Group's equity ratio at the end of December was 67.2% (57.2%) and equity per share was EUR 1.28 (1.18).

The consolidated cash flow before financing was MEUR 43.8 (45.8). At the end of December the Group’s net debt totalled MEUR -16.5 (5.8).

The Group has a current MEUR 100.0 commercial paper programme in Finland. During 2009, the Group used the commercial paper programme to finance the payment of dividends. The unused part of the programme was MEUR 100.0 (87.0) on December 31, 2009. In addition, Alma Media made a two-year credit limit agreement for MEUR 50.0 with Nordea Bank Finland in the third quarter. On the date of the financial statements, MEUR 50.0 of the limit are unused.

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

Research and development costs

Research and development costs in 2009 amounted to MEUR 0.9 (MEUR 2.7 in 2008 and MEUR 3.7 in 2007). Of this total, MEUR 0.5 (MEUR 2.3 in 2008 and MEUR 2.8 in 2007) were capitalised and MEUR 0.5 (MEUR 0.3 in 2008 and MEUR 0.8 in 2007) expensed. Most of the R&D development projects pertained to the development of online business.

Capital expenditure

Gross capital expenditure in 2009 totalled MEUR 8.2 (14.5), consisting mainly of acquisitions of business operations and development projects for online media. The rest of the capital expenditure related to normal operation and maintenance investments. In December, the Group announced that it will start preparing for an investment in printing facilities. This investment project is expected to take place in 2010–2012 and be valued at MEUR 30–50.

Events after the financial period

On January 8, 2010, Alma Media published a press release about its plan to establish a joint venture with Grey-Hen Oy and Kateetti Oy for developing and maintaining auto industry application solutions. According to the press release, the joint venture will commence operations during spring 2010.

Administration

Alma Media Corporation's annual general meeting on March 11, 2009 elected Lauri Helve, Matti Kavetvuo, Kai Seikku, Erkki Solja, Kari Stadigh, Harri Suutari, Catharina Stackelberg-Hammarén and Seppo Paatelainen to the Board of Directors.

At the constitutive meeting of the Board held after the annual general meeting, the Board elected Kari Stadigh its chairman and Seppo Paatelainen its deputy chairman. The Board also elected the members of its committees. Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari were elected members of the Audit Committee. Kari Stadigh, Seppo Paatelainen and Lauri Helve were elected members of the Nomination and Compensation Committee.

The annual general meeting appointed Ernst&Young Oy as the company's auditors.

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on October 20, 2008, in its unaltered form. The statement on the company's administration and control system, as required by Recommendation 51 of the Code, is published separately.

Oy Herttaässä Ab, which holds more than 10% of Alma Media shares, proposed to the annual general meeting that a special audit be conducted on the administration and accounting of Alma Media for the financial periods 2006, 2007 and 2008, as well as the ending financial period 2009. The annual general meeting considered the proposal and it was included in the minutes of the meeting. The application for a special audit must be made within one month of the annual general meeting. The State Provincial Office of Helsinki has confirmed to Alma Media that it did not receive an application for special audit on Alma Media Corporation within the stipulated period.

Risks and risk management

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

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

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

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

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

Personnel

During 2009, the average number of Alma Media employees, calculated as full-time employees (excluding deliverers), was 1,888 (1,981). The average number of delivery staff totalled 969 (968).

The Alma Media share

During January-December 2009, a total of 38.3 million Alma Media shares were traded on the NASDAQ OMX Helsinki Stock Exchange, representing 51.3% of the total number of shares. The closing price for the share on December 31, 2009 was EUR 7.48. During the year, the lowest price paid for the share was EUR 4.50 and the highest EUR 8.94. The company's market capitalisation at the end of December was MEUR 558.1.

In March 2009, Alma Media paid a dividend of EUR 0.30 a share, in total MEUR 22.4.

On the date of the financial statements, the company does not own any of its own shares. The ordinary annual general meeting on March 11, 2009 decided to authorise the Board of Directors to repurchase 3,730,600 (approximately 5%) of the company's own shares. The authorisation is valid until the closing of the following ordinary annual general meeting.

Option rights

Option programme 2006

The annual general meeting held on March 8, 2006 decided on a new stock option programme under which a maximum of 1,920,000 options may be granted and these may be exercised to subscribe to a maximum of 1,920,000 Alma Media shares with a book countervalue of EUR 0.60 per share. The programme is part of the company's management incentive and commitment system. Of the total number of options, 640,000 were marked 2006A, 640,000 were marked 2006B and 640,000 were marked 2006C.

Share subscription periods and subscription prices:

2006A April 1, 2008–April 30, 2010, trade-weighted average share price Apr 1–May 31, 2006

2006B April 1, 2009–April 30, 2011, trade-weighted average share price Apr 1–May 31, 2007 and

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

As authorised by the annual general meeting, the Board of Directors has granted 515,000 of the 2006A options. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 440,000 2006A options. In 2007 and 2008, Alma Media's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. The share subscription price under the A options, EUR 7.66 per share, was determined by the trade weighted average share price in public trading between April 1 and May 31, 2006. The subscription price of the 2006A options was reduced by the amount of capital repayment in 2006 (EUR 0.53 per share), by dividend payment in March 2007 (EUR 0.65 per share), by dividend payment in March 2008 (EUR 0.90 per share) and by dividend payment in March 2009 (EUR 0.30 per share) to 5.28 per share. The vesting period for the 2006A options has ended and the share subscription period began on April 1, 2008. No shares have been subscribed to by December 31, 2009.

In 2007, the Board of Directors decided to issue a total of 515,000 options under the 2006B scheme to Group management. Altogether 50,000 of the 2006B options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 465,000 2006B options. The share subscription price under the 2006B option, EUR 9.85 per share, was determined by the trade weighted average share price in public trading between April 1 and May 31, 2007. The subscription price of the 2006B options was reduced by the amount of dividend payment in March 2008 (EUR 0.90 per share) and by dividend payment in March 2009 (EUR 0.30 per share) to EUR 8.65 per share. All of the 175,000 2006B option rights in the company's possession have been annulled. The options in the 2006B programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2009. No shares have been subscribed to by December 31, 2009.

In 2008, the Board of Directors decided to issue 520,000 options under the 2006C programme to Group management. Altogether 50,000 of the 2006C options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 470,000 2006C options. The share subscription price under the 2006C option, EUR 9.06 per share, was determined by the trade weighted average share price in public trading between April 1 and May 31, 2008. The subscription price of the 2006C options was reduced by the amount of dividend payment in March 2009 (EUR 0.30 per share) to EUR 8.76 per share. All of the 170,000 2006C option rights in the company's possession have been annulled.

If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 1.8%.

The stock option plan is entered in the accounts in accordance with the standard IFRS 2 – Share-Based Payments. The option rights granted are measured at their fair value on the grant date using the Forward Start Option Rubinstein (1990) model based on the Black&Scholes pricing model and expensed in the income statement under personnel expenses over the vesting period. An expense of MEUR 0.5 was entered in the 2009 accounts (MEUR 0.8 in 2008). The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Option programme 2009

The annual general meeting of Alma Media on March 11, 2009 decided, in accordance with the proposal by the Board of Directors, to continue the incentive and commitment system for Alma Media management through an option programme according to earlier principles and decided to grant stock options to the key personnel of Alma Media Corporation and its subsidiaries in the period 2009–2011. Altogether 2,130,000 stock options may be granted, and these may be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of Alma

Media. Of the total number of options, 710,000 were marked 2009A, 710,000 were marked 2009B and 710,000 were marked 2009C.

Share subscription periods and subscription prices:

2009A April 1, 2012–March 31, 2014, trade-weighted average share price April 1–30, 2009

2009B April 1, 2013–March 31, 2015, trade-weighted average share price April 1–30, 2010 and

2009C April 1, 2014–March 31, 2016, trade-weighted average share price April 1–30, 2011

The Board of Directors of Alma Media Corporation decided in May 2009 to grant 640,000 option rights to corporate management under the 2009A programme. The company is in possession of 70,000 2009A options. The subscription price of a 2009A option is EUR 5.21 per share. The subscription price of a 2009A option, EUR 5.21 per share, was determined by the trade weighted average share price in public trading between April 1 and April 30, 2009. If all the subscription rights are exercised, the programme will dilute the holdings of the earlier shareholders by 2.8%.

The stock option plan is entered in the accounts in accordance with the standard IFRS 2 – Share-Based Payments. The option rights granted are measured at their fair value on the grant date using the Forward Start Option Rubinstein (1990) model based on the Black&Scholes pricing model and expensed in the income statement under personnel expenses over the vesting period. An expense of MEUR 0.2 was entered in the 2009 accounts. The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.The Board of Directors has no other current authorisations to raise convertible loans and/or to raise the share capital through a new issue.

Market liquidity guarantee

Alma Media Corporation and eQ Pankki Oy had a liquidity guarantee contract for the Alma Media share until October 22, 2009. After this date, the Alma Media share has not had a market guarantee in effect.

Flagging notices

In 2009, Alma Media received the following notices of changes in shareholdings pursuant to Chapter 2, Section 9 of the Securities Markets Act:

On February 27, 2009, Alma Media received information to the effect that the holding of Danske Bank A/S Helsinki Branch (business ID 1078693-2) in the share capital and voting rights of Alma Media Corporation had fallen below the flagging limit of 1/20 (5%) to zero due to a transaction conducted on February 26, 2009.

On February 27, 2009, Alma Media received information to the effect that Skadinaviska Enskilda Banken AB (publ) currently holds 11,958,000 Alma Media shares, representing 16% of share capital and voting rights. Skandinaviska Enskilda Banken announced it entered into a share transaction in order to hedge a transaction exposure expiring March 20, 2009 in an equal amount.

On March 31, 2009, in accordance with the notice Alma Media received from Oy Herttaässä Ab (business ID 0761658-8), the forward contracts Oy Herttaässä Ab flagged on June 6, 2008 and that matured on March 20, 2009 have not been converted into Alma Media shares. Thus, the holding of Oy Herttaässä Ab in Alma Media Corporation remains unchanged.

On July 2, 2009, Alma Media received flagging notices from Skandinaviska Enskilda Banken, Ilkka-Yhtymä Oy and Kaleva Kustannus Oy. According to the notices, Skandinaviska Enskilda Banken AB (publ) Helsinki Branch intended to sell an aggregate of 11,958,000 Alma Media shares to Ilkka-Yhtymä Oy and Kaleva Kustannus Oy.

On August 10, 2009, Skandinaviska Enskilda Banken AB (publ) Helsinki Branch notified that it had sold 11,958,000 Alma Media shares. With the completed deal, the holding of Skandinaviska Enskilda Banken AB (publ) Helsinki Branch in the shares and voting rights of Alma Media Corporation falls below the flagging limit of 1/20 and becomes zero.

According to a notification by Ilkka-Yhtymä Oyj (business ID 0182140-9), the company purchased an aggregate of 7,500,000 Alma Media shares on August 10, 2009. With the deal, Ilkka-Yhtymä Oyj's holding in Alma Media Corporation's shares and voting rights exceeds the flagging limit of 1/5, being 20.40% (a total of 15,218,991 shares and votes).

According to a notification by Kaleva Kustannus Oy (business ID 0187274-0), the company purchased an aggregate of 4,458,000 Alma Media shares on August 10, 2009. With the deal, Kaleva Kustannus Oy's holding in Alma Media Corporation exceeds the flagging limit of 1/20, being 5.97% (a total of 4,458,000 shares and votes).

Environmental impacts

The most significant environmental impacts from Alma Media's business operations consist of paper and energy consumption and traffic emissions. The company mainly uses newsprint in its newspaper products; the consumption of this in 2009 was approximately 30,000 (36,000) tonnes. In 2009, the company used 17,502 (18,632) MWh of electricity. The carbon dioxide emissions from printing and distribution arise mainly from traffic.

Dividend proposal

Alma Media's Board of Directors will propose to the annual general meeting convening on March 11, 2010 that a dividend of EUR 0.40 (0.30) per share be paid for the 2009 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 1, 2010. The payment date is March 25, 2010. On December 31, 2009, the Group's parent company had distributable funds totalling EUR 53,724,934 (50,107,510).

The report by Alma Media’s Board of Directors, the financial statements and the audit report will be available on the company’s website no later than February 18, 2010.

INCOME STATEMENT, MEUR	2009 Q4	2008 Q4	Change %	2009 Q1-Q4	2008 Q1-Q4	Change %
NET SALES	79.0	86.6	-8.8	307.8	341.2	-9.8
Other operating income	0.7	0.9	-17.4	0.9	1.7	-46.7
Materials and services	-23.1	-25.5	9.3	-93.1	-102.0	8.7
Costs arising from employment benefits	-29.1	-32.0	9.1	-112.3	-119.0	5.6
Depreciation and writedowns	-2.3	-2.4	4.3	-8.9	-8.8	-0.8
Operating expenses	-13.4	-18.2	26.3	-53.0	-64.9	18.4
OPERATING PROFIT	11.8	9.5	25.0	41.4	48.3	-14.2
Financial income	0.1	0.2	-41.6	0.6	1.2	-45.7
Financial expenses	-0.3	-0.6	46.4	-1.0	-1.6	37.3
Share of associated companies' results	0.1	2.6	-96.5	-0.3	4.5	-107.1
PROFIT BEFORE TAX	11.9	11.7	1.7	40.8	52.4	-22.2
Income tax	-3.1	-2.8	-11.3	-11.4	-13.4	14.7
PROFIT FOR THE PERIOD	8.8	8.9	-1.3	29.3	39.0	-24.7
OTHER COMPREHENSIVE INCOME						
Exchange difference on translation of foreign operations	0.2	-0.8		0.5	-0.8	
Share of associated companies' other comprehensive income	0.0	-0.6		-0.4	-0.9	
Income tax relating to components of other comprehensive income	0.0	0.0		0.0	0.0	
Other comprehensive income for the period, net of tax	0.2	-1.4		0.2	-1.7	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9.0	7.5	19.9	29.5	37.2	-20.8
Distribution of the profit for the period:						
To the parent company shareholders	8.7	8.9		29.2	38.4	
Minority interest	0.1	0.0		0.1	0.6	
Distribution of the comprehensive income for the period:						
To the parent company shareholders	8.9	7.5		29.3	36.7	
Minority interest	0.1	0.0		0.1	0.6	
Earning/share calculated from the profit for the period to the parent company shareholders						
Earnings/share, EUR	0.12	0.12		0.39	0.51	
Earnings/share (diluted), EUR	0.12	0.12		0.39	0.51	

BALANCE SHEET, MEUR	31 Dec 2009	31 Dec 2008
ASSETS		
NON-CURRENT ASSETS	28.2	33.0
Intangible assets	10.4	12.3
Tangible assets	32.0	35.2
Investments in associated companies	30.5	31.6
Other financial assets	4.5	4.2
Deferred tax assets	0.7	1.3
CURRENT ASSETS		
Inventories	1.5	1.5
Tax receivables	0.0	4.0
Accounts receivable and other receivables	25.3	27.5
Other short-term financial assets	1.2	2.9
Cash and cash equivalents	21.1	13.3
ASSETS AVAILABLE FOR SALE	0.0	0.0
TOTAL ASSETS	155.5	166.9

BALANCE SHEET, MEUR	31 Dec 2009	31 Dec 2008
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	44.8	44.8
Share premium fund	2.8	2.8
Cumulative translation adjustment	-0.3	-0.8
Retained earnings	48.5	41.1
Parent company shareholders' equity	95.8	87.9
Minority interest	0.2	0.6
TOTAL SHAREHOLDERS' EQUITY	96.0	88.5
LIABILITIES		
Non-current liabilities		
Interest-bearing liabilities	2.8	3.9
Deferred tax liabilities	2.5	2.5
Pension obligations	3.1	3.7
Provisions	0.1	0.1
Other long-term liabilities	0.4	0.5
Current liabilities		
Interest-bearing liabilities	1.8	15.2
Advances received	12.6	12.3
Tax liabilities	1.6	1.3
Provisions	1.0	1.0
Accounts payable and other liabilities	33.7	37.9
TOTAL LIABILITIES	59.5	78.4
TOTAL EQUITY AND LIABILITIES	155.5	166.9

RECONCILIATION OF SHAREHOLDERS' EQUITY 1 January - 31 December 2009

MEUR	Share capital	Share premium fund	Translation difference	Retained earnings	Parent company total	Minority interest	Equity total
Equity, 1 Jan 2009	44.8	2.8	-0.8	41.1	87.9	0.6	88.5
Dividend paid by parent company				-22.4	-22.4		-22.4
Dividends paid by subsidiaries						-0.6	-0.6
Share of associated companies' equity items				0.2	0.2		0.2
Share-based payments				0.7	0.7		0.7
Total Comprehensive income for the period			0.5	28.9	29.4	0.1	29.5
Equity, 31 Dec 2009	44.8	2.8	-0.3	48.5	95.8	0.2	96.0

RECONCILIATION OF SHAREHOLDERS' EQUITY 1 January - 31 December 2008

MEUR	Share capital	Share premium fund	Translation difference	Retained earnings	Parent company total	Minority interest	Equity total
Equity, 1 Jan 2008	44.8	2.8	0.0	70.0	117.7	0.6	118.3
Dividend paid by parent company				-67.2	-67.2		-67.2
Dividends paid by subsidiaries					0.0	-0.6	-0.6
Share of associated companies' equity items				0.0	0.0		0.0
Share-based payments				0.8	0.8		0.8
Total Comprehensive income for the period			-0.8	37.4	36.6	0.6	37.2
Equity, 31 Dec 2008	44.8	2.8	-0.8	41.1	87.9	0.6	88.5

CASH FLOW STATEMENT, MEUR	2009 Q4	2008 Q4	2009 Q1-Q4	2008 Q1-Q4
Cash flow from operating activities				
Profit for the period	8.8	8.9	29.3	39.0
Adjustments	4.5	3.1	19.5	17.5
Change in working capital	-1.8	1.0	-0.8	4.0
Dividend income received	0.3	0.5	1.8	4.5
Interest income received	0.1	0.2	0.4	0.9
Interest expenses paid	-0.2	-0.6	-1.0	-1.6
Taxes paid	-1.1	-4.4	-6.2	-17.5
Net cash provided by operating activities	10.5	8.6	43.1	46.9
Cash flow from investing activities				
Investments in tangible and intangible assets	-1.2	-0.7	-4.2	-4.2
Proceeds from disposal of tangible and intangible assets	0.0	0.0	0.0	1.0
Other investments	0.0	-0.3	0.0	-1.2
Proceeds from disposal of other investments	0.4	0.7	2.0	0.8
Change in receivables	0.0	0.0	-0.1	0.0
Subsidiary shares purchased	-0.8	-0.1	-0.8	-4.0
Associated company shares purchased	-1.4	0.0	-2.5	
Proceeds from disposal of subsidiary shares	6.2		6.2	
Proceeds from disposal of associated company shares	0.0	6.5	0.0	6.5
Net cash used in investing activities	3.3	6.2	0.7	-1.0
Cash flow before financing activities	13.8	14.7	43.9	45.8
Cash flow from financing activities				
Long-term loan repayments	0.0	0.0	0.0	0.0
Short-term loans raised	0.0	0.0	17.8	35.0
Short-term loans repaid	-7.4	-6.6	-32.7	-24.3
Change in interest-bearing receivables	-0.4	-0.2	1.7	0.0
Dividends paid and capital repayment	0.0	0.0	-23.0	-67.8
	-7.9	-6.8	-36.1	-57.1
Change in cash funds (increase + / decrease -)	5.9	7.9	7.7	-11.2
Cash and cash equivalents at start of period	15.1	5.6	13.3	24.8
Impact of change in foreign exchange rates	-0.1	-0.2	-0.1	-0.2
Cash and cash equivalents at end of period	21.1	13.3	21.1	13.3

Net sales by geographical area, MEUR	2009 Q4	2008 Q4	2009 Q1-Q4	2008 Q1-Q4
Finland	75.7	82.6	295.4	324.0
Rest of EU countries	3.1	3.8	11.9	16.7
Rest of other countries	0.2	0.2	0.5	0.6
Total	79.0	86.6	307.8	341.2

Acquired businesses in 2009

The Group acquired one company during 2009. These are listed by segment as follows:

	Business	Acquisition date	% acquired
Kauppalehti Group			
UAB BNS Newsventure	Media monitoring	October 1, 2009	100%

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

Kauppalehti Group (MEUR)	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.0	0.0
Intangible assets	0.0	0.0
Intangible assets, trademarks		
Intangible assets, customer agreements		0.5
Accounts receivable and other receivables	0.2	0.2
Cash and cash equivalents	0.2	0.2
Assets, total	0.5	0.9
Deferred tax liabilities		0.1
Accounts payable and other payables	0.2	0.2
Liabilities, total	0.2	0.3
Net assets	0.2	0.6
Goodwill arising from acquisition		0.3
Acquisition price (paid in cash)		0.9
Cash and cash equivalents of acquired subsidiaries or businesses		0.2
Impact on cash flow		0.7

The fair values entered on intangible assets in the integration relate primarily to customer agreements. The goodwill arising from these acquisitions totalled M€ 0.3. Contributory factors were the synergies related to these businesses expected to be realized. The year's operating profit of the operations acquired for the segment was M€ -0.1 from the acquisition date. Group net sales would have been an estimated M€ 309.0 and the operating profit M€ 41.4, assuming the acquisitions had taken place at the beginning of 2009.

In the case of the customer agreements, the fair values are based on the estimated duration of the customer relationships and the discounted net cash flows generated by existing customers.

Acquired businesses in 2008

The Group acquired four companies during 2008. These are listed by segment as follows:

	Business	Acquisition date	% acquired
Newspapers			
Jadecon Oy	TV- program information service	February 20, 2008	100%
Rannikkoseutu	Publishing rights for town paper Rannikkoseutu	September 1, 2008	100%
Vuodatus.net Oy	Blog service	October 1, 2008	100%
Janakkalan Sanomat	Publishing rights for town paper Janakkalan sanomat	December 31, 2009	100%

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

Newspapers (MEUR)	Book values before integration	Fair values entered in integration
Property, plant and equipment		
Intangible assets	0.0	0.2
Intangible assets, trademarks		1.0
Intangible assets, customer agreements		0.9
Accounts receivable and other receivables	0.2	0.2
Cash and cash equivalents	0.1	0.1
Assets, total	0.3	2.4
Deferred tax liabilities		0.6
Accounts payable and other payables	0.1	0.1
Liabilities, total	0.1	0.6
Net assets	0.2	1.8
Goodwill arising from acquisition		4.0
Acquisition price (paid in cash)		5.8
Cash and cash equivalents of acquired subsidiaries or businesses		0.1
Impact on cash flow		5.7

The fair values entered on intangible assets in the integration relate primarily to trademarks and customer agreements. The goodwill arising from these acquisitions totalled M€ 4.0. Contributory factors were the synergies related to these businesses expected to be realized, and the possibility to expand business operations into new markets. The year's operating profit of the operations acquired for the segment was M€ 0.6 from the acquisition date. Net sales would have been an estimated M€ 342.4 and the operating profit M€ 48.6, assuming the acquisitions had taken place at the beginning of 2008.

In the case of the customer agreements, the fair values are based on the estimated duration of the customer relationships and the discounted net cash flows generated by existing customers. The fair value of the trademarks is based on the estimated discounted royalty payments avoided by virtue of owning these trademarks.

INFORMATION BY SEGMENT

Alma Media Group has three reporting segments, which are the Group's strategic business units. The strategic business units produce a variety of products and services, and they are managed as separate entities. The segment information provided by the Group is based on internal management reporting. The primary business segments to be reported within the Group are Newspapers, the Kauppalehti Group and Marketplaces. The parent company's operations are reported under Other Operations. The adoption of IFRS 8 has not brought about changes in the reported operating segments, because the segment information provided by the Group was already based on the Group's internal reporting structure.

The descriptive section of this bulletin presents the net sales and operating profits of the segments and the allocation of the associated companies' results to the reporting segments. Financial items and income taxes are handled as not allocated to the segments. The segments' assets and liabilities are items used by the respective segments in their business operations. Non-allocated items mainly include tax and financial items.

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

ASSETS BY SEGMENT, MEUR	31.12.2009	31.12.2008
Newspapers	65.3	67.5
Kauppalehti Group	41.3	52.3
Marketplaces	13.0	15.2
Other operations and eliminations	10.0	10.5
Non-allocated assets	25.9	21.4
Total	155.5	166.9

LIABILITIES BY SEGMENT, MEUR	31.12.2009	31.12.2008
Newspapers	31.7	32.7
Kauppalehti Group	9.8	11.8
Marketplaces	3.5	4.2
Other operations and eliminations	5.8	6.8
Non-allocated liabilities	8.7	22.9
Total	59.5	78.4

GROUP INVESTMENTS, MEUR	2009 Q4	2008 Q4	2009 Q1-Q4	2008 Q1-Q4

Newspapers	0.8	1.3	3.2	9.4
Kauppalehti Group	1.9	0.3	3.5	1.4
Marketplaces	0.1	0.9	0.7	2.1
Others	0.2	0.4	0.7	1.6
Total	3.0	2.9	8.2	14.5

PROVISIONS

The Group's provisions at the end of 2009 totalled MEUR 1.1. The amount of provisions has increased by MEUR 0.03 compared with the situation on December 31, 2008. The increase mainly comprises restructuring provisions. Decreases in the provisions during the financial year are the result of actual costs.

	Restructuring provision	Other provisions	Total
January 1, 2009	0.7	0.4	1.1
Increase in provisions	0.2		0.2
Provisions employed		-0.2	-0.2
December 31, 2009	0.9	0.2	1.1
Current	0.9	0.1	1.0
Non-current	0.0	0.1	0.1

Restructuring provision: this provision has been made to cover implemented or possible personnel reductions in different companies. The provision is expected to be realized in 2010.

Other provisions: mainly consists of the environmental provision for sold property and other personel related provisions.

COMMITMENTS AND CONTINGENCIES, MEUR	31.12.2009	31.12.2008
Collateral on own behalf		
Chattel mortgages	0,0	0,0
Collateral for others		
Guarantees	0.0	
Other commitments		
commitments based on agreements	0.1	0.1
Minimum rents payable based on other lease agreements:		
Within one year	6.3	7.9
Within 1-5 years	15.2	19.1
After 5 years	19.9	27.9
Total	41.4	54.9
The Group also has purchase agreements based on IFRIC 4 which include a lease component per IAS 17, Minimum payments based on these agreements:	0.4	3.1

GROUP DERIVATE CONTRACTS, MEUR	31.12.2009	31.12.2008

Commondity derivate contracts, electricity derivativies		
Fair value *	0.0	-0.1
Nominal value	0.8	0.7

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

RELATED PARTY ACTIVITIES

Alma Media Group's related parties are its associated companies and the companies they own. Related parties also include Group management (members of the Board of Directors, CEOs and the Group Executive Team). Information about changes to the option programme in effect, which forms the management’s incentive and commitment system, is presented in the section Option Rights under the subhead The Alma Media Share.

RELATED PARTY ACTIVITIES WITH ASSOCIATED COMPANIES, MEUR	2009 10-12	2008 10-12	2009 1-12	2008 1-12
Sales of goods aservices	0.1	0.0	0.2	0.2
Purchases of goods and services	0.9	1.2	3.7	4.5
Accounts receivable, loan and other receivables at the balance sheet date			0.0	0.0
Accounts payable at the balance sheet date			0.1	0.1

MAIN ACCOUNTING PRINCIPLES (IFRS)

This bulletin has been prepared in accordance with IFRS standards (IAS 34).

The bulletin applies the same accounting principles and calculation methods as in the previous annual accounts dated December 31, 2008. However, the financial statements bulletin does not contain all the information or notes to the accounts included in the annual financial statements. This interim report should therefore be read in conjunction with the company's annual report.

The figures in both the financial statements bulletin and the financial statements are independently rounded.

The 2009 and 2008 financial years are comparable. The company has no discontinued operations to report in the 2008–2009 financial periods.

The key indicators are calculated using the same formulae as applied in the previous annual financial statements. The quarterly percentages of Return on Investment (ROI) and Return on Equity (ROE) have been annualised using the formula ((1+quarterly return)4)-1).

The Group has applied the following accounting standards and interpretations from January 1, 2009:

IAS 1 Presentation of Financial Statements (revised)

IFRS 7 Financial Instruments: Disclosures – Enhancement of Financial Instruments Disclosures (amended)

IAS 23 Borrowing Costs (revised)

IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (amendment), Improvement to IFRSs, May 2008

IFRIC 12: Service Concession Arrangements

IFRIC 13: Customer Loyalty Programmes

IFRIC 15: Agreements for the Construction of Real Estate

IAS 1 Presentation of Financial Statements (amended)

IAS 32 Financial Instruments: Presentation – Puttable Instruments and Obligations Arising on Liquidation (amended)

IFRIC 9 Reassessment of Embedded Derivatives (amended)

IAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives Assessment (amended)

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

IFRS 8 Operating Segments

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (amended, effective for financial periods commencing on February 1, 2010 or thereafter)

The above new standards and interpretations will have only a minor effect on the Group's income statement and balance sheet. Their application will mainly affect the notes to the financial statements.

New accounting standards and interpretations to be adopted from January 1, 2010:

IFRS 3 Business Combinations (revised, originally published in 2008, effective for financial periods starting July 1, 2009 or thereafter).

IAS 27 Consolidated and Separate Financial Statements (revised, originally published in 2008, effective for financial periods starting July 1, 2009 or thereafter).

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (amended, effective for financial periods starting July 1, 2009 or thereafter).

IFRIC 17 Distributions of Non-cash Assets to Owners (effective for financial periods starting July 1, 2009 or thereafter).

IFRIC 18 Transfers of Assets from Customers (effective for financial periods starting July 1, 2009 or thereafter).

Improvements to IFRSs (April 2009, effective mainly for financial periods starting January 1, 2010 or thereafter).

IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions (amendment, effective for financial periods starting January 1, 2010 or thereafter).

An EU-level approval of these standards as well as their revisions and amendments is required before they are adopted by the Group.

The impact of the above new standards (with the exception of the amendments to IFRS 3) and IFRIC interpretations on the Group is initially estimated to be minor. The amendments to IFRS 3 will affect the accounting of future corporate acquisitions, such as the treatment of minority interest, goodwill and costs related to the acquisition. The amendment to IFRS 3 will not affect earlier acquisitions.

The item Assets held for sale in the balance sheet of the previous financial year includes a long-term receivable from the Group's associate company AP-Paino Oy. Alma Media has no ownership in the company since December 2008.

The full-year figures in this financial statements bulletin are audited.

SEASONALITY

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

GENERAL STATEMENT

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

ALMA MEDIA CORPORATION

Board of Directors