Alma Media Corporation Q4 and FY 2011 Review

15 February 2012

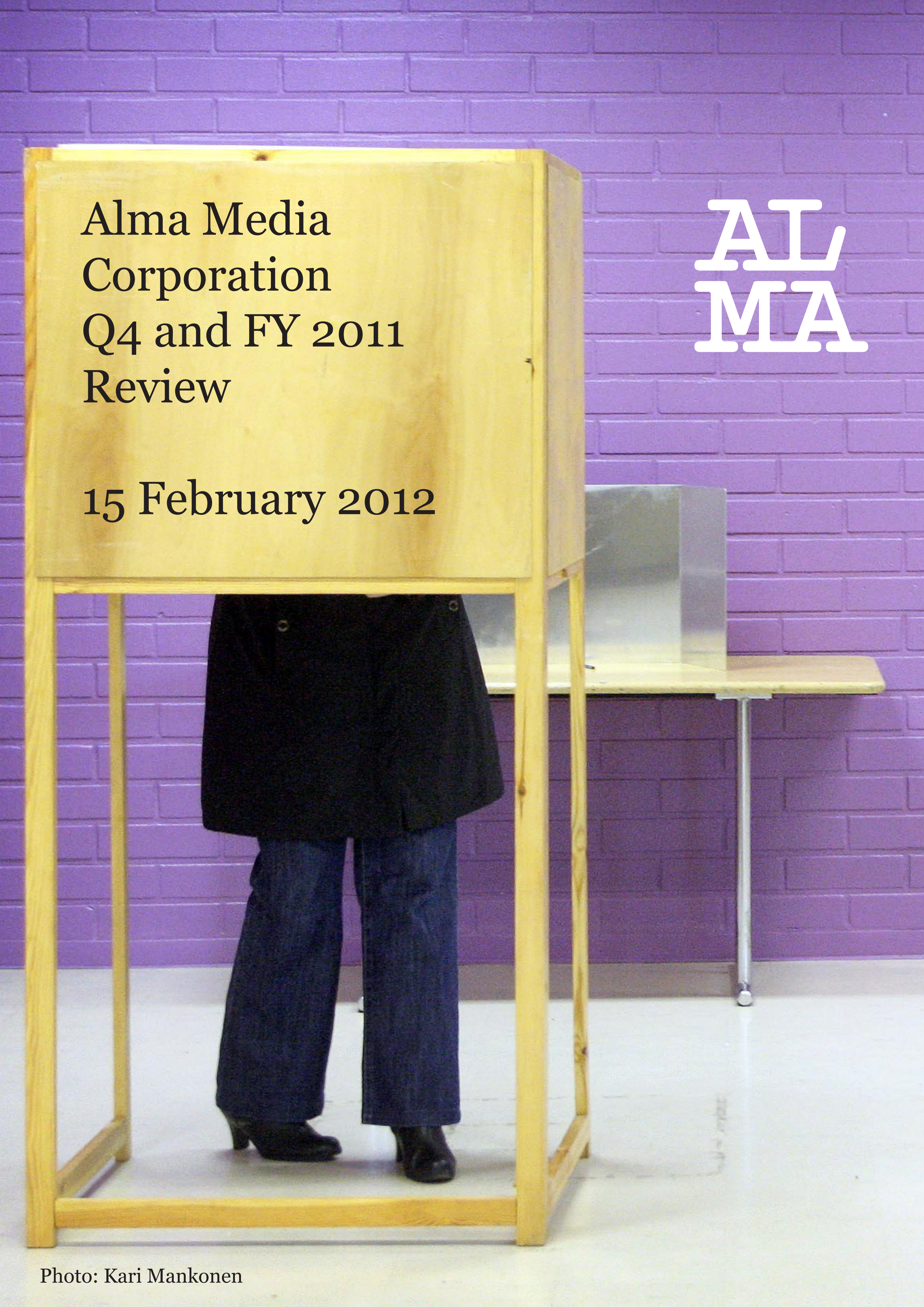

Photo: Kari Mankonen

Alma Media Corporation Financial Statement Release February 15, 2012 at 9:00am (EET)

Alma Media's Financial Statement Release 2011: THE SHARE OF THE DIGITAL PRODUCTS AND SERVICES IN THE GROUP REVENUE AND OPERATING PROFIT INCREASED

Financial performance October–December 2011:

- Revenue was MEUR 81.3 (83.0), down 2.1%.
- Circulation revenue was MEUR 31.4 (31.8), down 1.5%, advertising revenue was MEUR 40.6 (41.1), down 1.1%, contents and service revenue was MEUR 9.4 (10.2), down 8.0%.
- Operating profit excluding non-recurring items was MEUR 10.1 (11.0), 12.4% (13.2%) of revenue, down 8.1%.
- Operating profit was MEUR 9.6 (10.7), 11.7% (12.9%) of revenue, down 10.9%.
- Profit for the period was MEUR 2.8 (9.2), down 69.2%.
- Earnings per share was EUR 0.03 (0.12), down 72.4%.

Financial performance full year 2011:

- Revenue was MEUR 316.2 (311.4), up 1.6%.
- Circulation revenue was MEUR 124.8 (125.3), down 0.4%, advertising revenue was MEUR 155.3 (148.2), up 4.8%, contents and service revenue was MEUR 36.1 (37.8), down 4.5%.
- Operating profit excluding non-recurring items was MEUR 42.9 (43.9), 13.6% (14.1%) of revenue, down 2.2%.
- Operating profit was MEUR 42.0 (43.4), 13.3 % (13.9%) of revenue, down 3.3%.
- Profit for the period was MEUR 30.8 (33.2), down 7.1%.
- Earnings per share was EUR 0.39 (0.44), down 11.0%.
- Dividend paid for the financial year 2010 was EUR 0.70 (0.40) per share.

Key figures MEUR	2011 Q4	2010 Q4	Change	 %	2011 Q1-Q4	2010 Q1-Q4	Change	 %
Revenue	81.3	83.0	-1.7	-2.1	316.2	311.4	4.9	1.6
Circulation revenue	31.4	31.8	-0.5	-1.5	124.8	125.3	-0.5	-0.4
Advertising revenue	40.6	41.1	-0.5	-1.1	155.3	148.2	7.1	4.8
Contents and service revenue *)	9.4	10.2	-0.8	-8.0	36.1	37.8	-1.7	-4.5
Total expenses excluding non-recurring items	71.4	72.0	-0.6	-0.8	273.6	267.6	5.9	2.2
Operating profit excluding non-recurring items	10.1	11.0	-0.9	-8.1	42.9	43.9	-1.0	-2.2
% of revenue	12.4	13.2			13.6	14.1		
Operating profit	9.6	10.7	-1.2	-10.9	42.0	43.4	-1.4	-3.3
% of revenue	11.7	12.9			13.3	13.9		
Profit for the period	2.8	9.2	-6.4	-69.2	30.8	33.2	-2.4	-7.1
Earnings per share, EUR (basic)	0.03	0.12	-0.09	-72.4	0.39	0.44	-0.05	-11.0
Earnings per share, EUR (diluted)	0.03	0.12	-0.09	-72.5	0.39	0.44	-0.05	-11.3

*) Contents and service revenue includes the Group's digital service and custom media revenue as well as the external rental, distribution and printing revenue.

Dividend proposal for the Annual General Meeting:

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).

Outlook for 2012:

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

Alma Media expects its full-year revenue for 2012 to increase from the 2011 level, primarily due to the acquisitions made. Operating profit excluding non-recurring items is expected to be lower than in 2011. Full-year revenue for 2011 was MEUR 316.2, operating profit excluding non-recurring items MEUR 42.9 and operating profit MEUR 42.0.

Kai Telanne, President and CEO:

Alma Media's strategy is to increase the share of digital services in its revenue through both in-house product and service development and acquisitions in Finland and other countries. The implementation of this strategy is progressing 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%).

In December, Alma Media acquired LMC s.r.o, a company that owns the leading recruitment portals in the Czech Republic. The deal creates a significant bridgehead for the internationalisation of Alma Media's recruitment service offering. In February 2012, we additionally acquired CV Online, the leading online recruitment service company in the Baltic area. After these acquisitions, recruitment services are the largest service area of Alma Media's Marketplaces business.

Digital business was also substantially developed by renewing our existing products and services. We opened Etuovi.com and Autotalli.com services to advertisements by consumers in addition to the earlier corporate customers. Etuovi.com, Autotalli.com and Monster.fi launched their mobile services. The online, mobile and tablet applications of our newspapers were also developed further.

Alma Media additionally supports its strategy implementation by renewing its organisation and management system, as well as seeking operational efficiencies. We established a digital business development and service unit, and brought our regional and local papers together into one business unit. The new units, Alma Diverso and Alma Regional Media, respectively, started operations in the beginning of 2012. In case the need for structural change of the industry continues to gather momentum due to the rapid shift in consumers' media use, Alma Media will also have to accelerate its projects for change.

Alma Media invests heavily in the renewal of print media, too, aiming to further improve its cost efficiency and ensure the quality of its products. The investment in the new printing facility in Tampere, Finland, progressed as planned during the year, but in November Alma Media was informed that the printing press supplier, manroland AG, had filed for insolvency. Alma Media immediately initiated measures to secure its position and to have the printing machinery delivered according to the original investment plan. At the moment we do not expect manroland's situation to have any significant financial effect on Alma Media, nor do we forecast any major changes in the delivery schedule of the printing press.

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ALMA MEDIA GROUP: FINANCIAL STATEMENT RELEASE JANUARY 1 – DECEMBER 31, 2011

The descriptive part of this review focuses on the result of financial year 2011. The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2010, unless otherwise stated. The full-year figures in the financial statement release are audited. The figures in the tables are independently rounded.

KEY FIGURES MEUR	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %	2009 Q1-Q4
Revenue	81.3	83.0	-2.1	316.2	311.4	1.6	307.8
Total expenses excluding non-recurring items	71.4	72.0	-0.8	273.6	267.6	2.2	265.3
Operating profit excluding non-recurring items	10.1	11.0	-8.1	42.9	43.9	-2.2	42.6
% of revenue	12.4	13.2		13.6	14.1		13.9
Operating profit	9.6	10.7	-10.9	42.0	43.4	-3.3	40.4
% of revenue	11.7	12.9		13.3	13.9		13.1
Profit before tax	5.3	12.1	-56.2	42.0	45.0	-6.6	39.7
Profit for the period	2.8	9.2	-69.2	30.8	33.2	-7.1	28.3
Return on Equity/ROE (Annual),%*	12.6	38.1	-67.0	29.1	31.6	-7.9	30.8
Return on Investment/ROI (Annual),%*	10.0	37.6	-73.5	26.1	31.1	-15.9	28.3
Net financial expenses	3.6	-1.0	462.9	2.5	-0.9	375.1	0.3
Net financial expenses,% of revenue	4.5	-1.2		0.8	-0.3		0.1
Balance sheet total				198.0	184.5	7.3	154.4
Capital expenditure	2.1	2.8	-21.2	6.3	12.9	-51.4	8.2
Capital expenditure,% of revenue	2.6	3.4		2.0	4.1		2.7
Research and development costs				4.6	4.0	13.6	
Equity ratio				57.0	67.1	-15.1	66.9
Gearing,%				-33.4	-28.2	18.4	-17.3
Interest-bearing net debt				-32.3	-32.4	-0.2	-16.5
Interest-bearing liabilities				25.5	4.0	539.0	4.6
Non-interest-bearing liabilities				75.7	65.7	15.2	54.9
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,746	1,792	-2.6	1816	1805	0.6	1,888
Average no. of delivery staff	940	887	6.0	961	962	-0.1	969
Share indicators							
Earnings per share, EUR (basic)	0.03	0.12	-72.4	0.39	0.44	-11.0	0.38
Earnings per share, EUR (diluted)	0.03	0.12	-72.5	0.39	0.44	-11.3	0.38
Cash flow from operating activities/share, EUR	0.27	0.16	63.9	0.67	0.61	9.4	0.58
Shareholders' equity per share, EUR				1.24	1.50	-17.3	1.27
Dividend per share				0.40	0.70		0.40
Effective dividend yield				6.5	8.5		5.3

P/E Ratio				15.8	18.9		19.8
Market capitalisation				463.5	621.4	-25.4	558.1
Average no. of shares (1,000 shares)							
- basic	75,487	75,053		75,339	74,894		74,613
- diluted	75,898	75,216		75,772	75,086		74,859
No. of shares at end of period (1,000 shares)				75,487	75,053		74,613

Market conditions

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.

According to reports by the Finnish Advertising Council, the total media advertising spend in Finland grew by 3.7% (4.8%) in 2011. Advertising in newspapers and city papers grew by 3.7% while advertising in online media increased by 8.2% from the comparison period.

According to TNS Media Intelligence, total advertising volume grew by 0.2% (10.6%) in the last quarter of the year. Advertising in newspapers and city papers decreased by 2.8%, while advertising in online media increased by 19.4% from the comparison period.

Calculated in copies, the total market for afternoon papers shrank by 4.7% (3.3%) in 2011.

Changes in Group structure 2011

In February 2011, Alma Media acquired the majority (51%) of Mascus A/S. The company is reported as a subsidiary company in the Marketplaces segment in Alma Media's consolidated financial statements.

Further details of acquired businesses are given in the notes to this financial statement release.

Changes in Group structure 2012

On December 21, 2011, Alma Media Corporation made an agreement to acquire LMC s.r.o, a company that owns the two leading recruitment portals in the Czech Republic. The acquisition price was MEUR 39.5 paid in cash at the time of signing. According to the agreement, an additional sum not in excess of MEUR 3.9 will be paid based on LMC’s 2012 result. The deal was closed on January 2, 2012.

Northern Media, part of Alma Media, has acquired the publishing rights of the free issue paper Kotikymppi that appears in Kemijärvi, Finland. The deal became effective January 1, 2012.

Both acquisitions will be consolidated in Alma Media’s consolidated financial statements starting January 2012.

On February 2, Alma Media Corporation acquired CV Online, the leading internet recruitment service company in the Baltic countries. The 2011 revenue of CV Online is estimated at approximately MEUR 2.0, with an operating margin of approximately MEUR 0.6. The company will be reported as part of Alma Media's Marketplaces segment as of February 2, 2012.

A decision has been made to simplify the legal structure of Alma Media Group. All legal companies that are part of Alma Media Group will be affected. The change aims at gradually minimising the number of legal companies in the Group during 2012.

Group revenue and result October–December 2011

In the last quarter, revenue declined by 2.1% (increased 5.1%) and totalled MEUR 81.3 (83.0). Revenue from print media was MEUR 60.6 (62.9), with a share of 74.5% (75.7%) in the Group’s revenue. Revenue from digital products and services increased by 10.8% to MEUR 14.9 (13.4). Digital products and services accounted for 18.3% (16.2%) of Group revenue.

Revenue from advertising sales was down 1.1%, totalling MEUR 40.6 (41.1). Advertising sales made up 49.9% (49.5%) of the Group's total revenue. Advertising sales for printed papers decreased by 6.0% to MEUR 29.2 (31.1). Online advertising sales grew by 13.5% to MEUR 11.1 (9.8).

Circulation revenue decreased by 1.5% to MEUR 31.4 (31.8).

Contents and service revenue was MEUR 9.4 (10.2).

Total expenses excluding non-recurring items were down 0.8%, totalling MEUR 71.4 (72.0). Total expenses were down 0.7% and were 71.9 (72.4).

Operating profit excluding non-recurring items decreased by 8.1% (decreased by 2.7%) to MEUR 10.1 (11.0). Operating margin excluding non-recurring items was 12.4% (13.2%). Operating profit was MEUR 9.6 (10.7) and operating margin 11.7% (12.9%).

The operating profit includes MEUR -0.5 (-0.3) in net non-recurring items. A breakdown of non-recurring items is presented in this financial statements release as a separate chapter on page 13.

The financial result for October–December 2011 was MEUR 2.8 (9.2). The result for the financial period, excluding non-recurring items, was MEUR 3.4 (9.5). The item having most signifigant impact on the result of the last quarter of the year was the change in the fair value of a contingent consideration and the debt from corporate transactions related with the Marketplaces segment, in the amount of MEUR -2.9.

Group revenue and result full year 2011

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).

Total expenses excluding non-recurring items increased by 2.2%, totalling MEUR 273.6 (267.6). Total expenses increased by 2.5% to MEUR 275.1 (268.4). The increase in total expenses was due to increases in personnel costs, printing and distribution costs, and marketing and IT costs.

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. A breakdown of non-recurring items is presented in this financial statements release as a separate chapter on page 13.

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). The item having the most significant impact on the result of the financial year was the change in the fair value of a contingent consideration from an acquisition in the amount of MEUR -1.7.

Business segments

Alma Media's business segments are Newspapers, Kauppalehti Group, Marketplaces and Other operations. In this financial statements release, the business segments are reported according to the Group's internal organisational structure.

REVENUE BY SEGMENT, MEUR	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %
Newspapers						
External	55.4	57.2		217.3	215.1	
Inter-segments	1.1	0.9		4.2	4.1	
Newspapers total	56.6	58.1	-2.6	221.5	219.3	1.0
Kauppalehti Group						
External	15.0	15.9		55.9	57.2	
Inter-segments	0.2	0.2		0.8	0.7	
Kauppalehti Group total	15.2	16.1	-5.7	56.7	57.9	-2.1
Marketplaces						
External	9.4	8.5		37.5	32.3	
Inter-segments	-0.1	-0.1		-0.5	-0.3	
Marketplace total	9.3	8.4	10.2	37.0	32.1	15.2
Other operations						
External	1.5	1.4		5.6	6.7	
Inter-segments	19.1	18.9		75.9	71.9	
Other operations total	20.6	20.4	1.3	81.5	78.5	3.8
Elimination	-20.4	-19.9		-80.4	-76.4	
Total	81.3	83.0	-2.1	316.2	311.4	1.6

OPERATING PROFIT/LOSS BY SEGMENT, MEUR *)	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %
Newspapers	7.8	8.5	-8.5	30.2	32.9	-8.2
Kauppalehti Group	2.2	1.7	25.8	7.4	8.2	-10.3
Marketplaces	1.0	0.0	2297.2	5.8	0.4	1467.1
Other operations	-1.6	0.5	-440.8	-1.4	1.9	-171.0
Total	9.6	10.7	-10.9	42.0	43.4	-3.3

Newspapers

The Newspapers segment reports the publishing activities of 34 newspapers. The largest titles are Aamulehti and Iltalehti.

Newspapers Key figures, MEUR	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %
Revenue	56.6	58.1	-2.6	221.5	219.3	1.0
Circulation revenue	27.5	27.8	-1.4	109.9	110.3	-0.3
Advertising revenue	27.9	29.0	-3.6	107.6	104.9	2.5
Content and service revenue	1.2	1.3	-7.8	4.0	4.1	-1.3
Total expenses excluding non-recurring items	48.3	49.2	-1.8	190.4	186.3	2.2
Operating profit excluding non-recurring items	8.3	8.7	-4.6	31.2	33.1	-5.7
Operating profit excluding non-recurring items,%	14.7	15.0		14.1	15.1	
Operating profit	7.8	8.5	-8.5	30.2	32.9	-8.2
Operating profit,%	13.8	14.7		13.6	15.0	
Average no. of personnel, calculated as full-time employees excl. delivery staff	903	961	-6	964	972	-1
Average no. of delivery staff *, Q	124	99	26	124	99	26

Operational key figures	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Audited circulation				
Iltalehti				107,052
Aamulehti				131,539
Online services, unique browsers, weekly				
Iltalehti.fi	3,275,072	2,555,355	2,978,518	2,276,375
Telkku.com	701,048	636,464	661,908	616,325
Aamulehti.fi	342,673	346,903	333,987	299,467

October–December 2011

The Newspapers segment's revenue decreased by 2.6% to MEUR 56.6 (58.1). Advertising sales in the segment were down 3.6% (up 5.6%) and were MEUR 27.9 (29.0). Advertising sales in print media decreased 5.9% (increased 3.6%). The segment's online advertising sales increased by 15.6% (26.8%).

The segment's circulation revenue was down 1.4%, totalling MEUR 27.5 (27.8).

The segment's total expenses excluding non-recurring items decreased by 1.8% to MEUR 48.3 (49.2). Total expenses amounted to MEUR 48.8 (49.6).

The Newspapers segment's operating profit excluding non-recurring items was MEUR 8.3 (8.7) and operating margin excluding non-recurring items 14.7% (15.0%). Operating profit was MEUR 7.8 (8.5) and operating margin 13.8% (14.7%).

Pohjois-Suomen Media, reported in Alma Media's Newspapers segment, agreed on the purchase of the publishing rights of the free issue paper Kotikymppi appearing in Kemijärvi in December 2011. The purchase became effective on January 1, 2012.

In December 2011, Northern Media started statutory personnel negotiations concerning its entire staff. As a result of the negotiations, completed in January 2012, the staff of the company will be reduced by 9 full-time work years.

Full year 2011

The Newspapers segment's revenue increased to MEUR 221.5 (219.3). The segment's advertising sales were MEUR 107.6 (104.9), an increase of 2.5% (3.6%). Advertising sales in print media grew by 0.3% (0.9%). The segment's online advertising sales increased by 22.7% (35.7%).

The segment's circulation revenue was MEUR 109.9 (110.3).

The segment's total expenses excluding non-recurring items were MEUR 190.4 (186.3). Total expenses amounted to MEUR 191.4 (186.7). Total expenses increased mainly due to increases in printing, transport and distribution costs.

The segment's operating profit excluding non-recurring items was MEUR 31.2 (33.1) and operating margin excluding non-recurring items 14.1% (15.1%). The segment's operating profit was MEUR 30.2 (32.9) and operating margin 13.6% (15.0%).

Alma Media's regional papers, Lapin Kansa, Pohjolan Sanomat and Kainuun Sanomat, appearing in Northern Finland, switched to the tabloid format in January 2011. The new format was mainly received well among readers and advertisers. In April 2011, Satakunnan Kansa also decided to switch to tabloid format. The first tabloid-format copies of Satakunnan Kansa were issued in January 2012.

Statutory personnel negotiations concerning all employees of Satakunnan Kirjateollisuus Oy and Porin Sanomat Oy were concluded in March. As a result of the negotiations, non-recurring restructuring costs in the amount of MEUR 0.5 were recorded. The number of employees of Satakunnan Kirjateollisuus Oy was reduced by 18 full-time work years.

Kauppalehti Group

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

Kauppalehti Group Key figures, MEUR	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %
Revenue	15.2	16.1	-5.7	56.7	57.9	-2.1
Circulation revenue	3.9	4.0	-2.1	15.0	15.0	-0.6
Advertising revenue	5.1	5.4	-4.4	17.1	17.7	-3.2
Content and service revenue	6.2	6.8	-8.8	24.6	25.2	-2.3
Total expenses excluding non-recurring items	13.0	14.4	-9.5	49.3	49.7	-0.8
Operating profit excluding non-recurring items	2.2	1.7	25.8	7.4	8.2	-10.3
Operating margin excluding non-recurring items,%	14.5	10.8		13.0	14.2	-8.3
Operating profit	2.2	1.7	25.8	7.4	8.2	-10.3
Operating profit,%	14.5	10.8		13.0	14.2	-8.3
Average no. of personnel, calculated as full-time employees	417	439	-5	429	437	-1.8

Operational key figures	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Audited circulation Kauppalehti				70,118
Online services, unique browsers, weekly				
Kauppalehti.fi	706,930	688,144	729,742	615,354

October–December 2011

The revenue of the Kauppalehti Group was MEUR 15.2 (16.1) in the fourth quarter. The review period's revenue was down 5.7% (up 1.8%). Online business accounted for 25.1% (22.8%) of the segment's revenue.

The segment's advertising sales decreased by 4.4% (increased by 7.5%), totalling MEUR 5.1 (5.4). Advertising sales in print media were down 4.3% (up 12.1%). Online advertising sales decreased by 6.9% (increased by 13.7%) from the comparison period.

The segment's circulation revenue was MEUR 3.9 (4.0). Contents and service revenue decreased to MEUR 6.2 (6.8).

The segment's total expenses were MEUR 13.0 (14.4).

The operating profit of the Kauppalehti Group was MEUR 2.2 (1.7) and operating margin 14.5% (10.8%). No non-recurring items were reported during the review period.

Full year 2011

The revenue of the Kauppalehti Group in 2011 was MEUR 56.7 (57.9). The revenue for the review period decreased by 2.1% (decreased by 7.8%). Online business accounted for 24.9% (23.6%) of the segment's total revenue.

Advertising sales in the segment was down 3.2% (up 8.0%) and were MEUR 17.1 (17.7). Advertising sales in print media decreased by 4.0% (increased by 7.8%). Online advertising sales decreased by 2.3% (increased by 28.0%) from the comparison period.

The segment's circulation revenue was MEUR 15.0 (15.0). Contents and service revenue declined to MEUR 24.6 (25.2).

The total expenses of the segment amounted to MEUR 49.3 (49.7). No non-recurring items were reported during the review period.

The operating profit of the Kauppalehti Group was MEUR 7.4 (8.2) and operating margin 13.0% (14.2%). No non-recurring items were reported during the review period.

In January 2011, Kauppalehti introduced the Corner Office concept, combining the journalistic Jobs column and a specialised recruitment advertising section for management and expert positions, created together with Monster.fi. Kauppalehti also developed its Achiever concept. In addition to the Achiever article series and Achiever certificates, the Achiever magazine was launched in December.

Kauppalehti introduced its iPad application in June.

Marketplaces

The Marketplaces segment reports digital classified services and the printed products supporting them. The services in Finland are Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, Mascus.fi and Mikko.fi. The services outside Finland are Mascus, Bovision, Objektvision and City24.

Marketplaces Key figures, MEUR	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %
Revenue	9.3	8.4	10.2	37.0	32.1	15.2
Operations in Finland	7.9	7.3	9.3	31.7	27.5	15.2
Operations outside Finland	1.4	1.2	15.3	5.6	4.9	15.5
Total expenses excluding non-recurring items	8.3	8.4	-1.0	31.3	31.3	-0.1
Operating profit excluding non-recurring items	1.0	0.0	4596.4	5.7	0.8	571.1
Operating margin excluding non-recurring items,%	10.4	0.2		15.3	2.6	
Operating profit	1.0	0.0	2297.2	5.8	0.4	1470.7
Operating margin,%	10.4	-0.5		15.8	1.2	
Average no. of personnel, calculated as full-time employees	177	178	-1	180	180	0

Operational key figures	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Online services, unique browsers, weekly				
Etuovi.com	424,782	407,785	453,453	413,044
Autotalli.com	96,189	81,468	99,142	91,182
Monster.fi	93,428	85,663	91,205	85,911
Mikko.fi	35,302	44,133	42,239	59,349
Mascus.com (Finland)	305,676	241,371	279,089	235,647
City24	93,903	115,606	91,140	182,616
Bovision	53,733	68,669	66,019	96,706

October–December 2011

In the last quarter of 2011, the Marketplaces segment’s revenue grew to MEUR 9.3 (8.4). The segment’s advertising sales were MEUR 8.3 (7.4). The positive revenue growth was mainly based on increasing recruitment advertising and online home sales advertising.

Total expenses in the review period, excluding non-recurring items, were MEUR 8.3 (8.4). Total expenses amounted to MEUR 8.3 (8.5).

The Marketplaces segment’s operating profit in the last quarter grew to MEUR 1.0 (0.0). Operating profit excluding non-recurring items was MEUR 1.0 (0.0).

In December, Alma Media Corporation made an agreement to acquire LMC s.r.o, a company that owns the two leading recruitment portals in the Czech Republic. The acquisition price, based on the company’s market capitalisation, was MEUR 39.5 paid in cash at the time of signing. According to the agreement, an additional sum not in excess of MEUR 3.9 will be paid based on LMC’s 2012 result. The deal became effective on January 2, 2012.

An iPhone application for Etuovi.com was introduced in November. This application is the first in the world that utilises positioning data in searching of homes.

Full year 2011

The Marketplaces segment’s full-year 2011 revenue increased by 15.2% (18.7%) and was MEUR 37.0 (32.1). The segment’s advertising sales amounted to MEUR 33.2 (28.5). The positive revenue growth was mainly based on increasing recruitment advertising and online home sales advertising.

Total expenses in the review period, excluding non-recurring items, were MEUR 31.3 (31.3). Total expenses amounted to MEUR 31.3 (31.8).

The Marketplaces segment's operating profit excluding non-recurring items grew to MEUR 5.7 (0.8). Operating profit was MEUR 5.8 (0.4). The non-recurring items in the review period, MEUR 0.2, pertained to acquisitions. The non-recurring items in the comparison period, MEUR -0.5, were due to restructuring.

The Supreme Court did not grant a leave of appeal to either of the parties to the dispute over the ETUOVI.COM trademark, which meant that the decision by the Helsinki Court of Appeal in December 2010 remained in force and the long trademark dispute was brought to a satisfactory end for Alma Media. According to the Helsinki Court of Appeal, there are no obstacles for Alma Media to use the ETUOVI.COM trademark to identify its internet services. However, Alma Media cannot use the ETUOVI.COM trademark as a trademark for a newspaper.

The Autotalli.com and Etuovi.com services, earlier available only for corporate customers, were opened for consumers' advertisements.

Other operations

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

Other operations Key figures, MEUR	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %
Revenue	20.6	20.4	1.3	81.5	78.5	3.8
External	1.5	1.4	4.7	5.6	6.7	-15.5
Inter-segments	19.1	18.9	1.1	75.9	71.9	5.6
Total expenses excluding non-recurring items	22.3	19.9	11.8	82.9	76.7	8.1
Operating profit excluding non-recurring items	-1.6	0.5	-443.8	-1.3	1.8	-169.4
Operating profit excluding non-recurring items,%	-7.7	2.3		-1.5	2.3	
Operating profit	-1.6	0.5	-440.8	-1.4	1.9	-171.0
Operating profit,%	-7.7	2.3		-1.7	2.5	
Average no. of personnel, calculated as full-time employees	249	214	16	242	217	12
Average no. of delivery staff	816	788	4	844	863	-2

Operational key figures	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Printing volume (thousand units)	46,343	58,122	224,724	237,532
Paper usage (tons)	7,927	8,622	31,428	32,000

In January 2011, Alma Media entered a financing agreement with Pohjola Bank Plc concerning the financing of the machinery and movable property for its new printing facility in the maximum amount of MEUR 50. A decision has been made to purchase the printing press from manroland AG and the finishing equipment from Ferag AG. The investment is progressing according to plan, and the facility will be taken into production use in early 2013.

In November, manroland AG 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.

The personnel cooperation negotiations related to the development and rationalisation programme of Alma Media's printing and distribution company Alma Manu Oy were completed in June. As a result of the negotiations, the number of staff will be decreased by 54 full-time work years and printing operations in Pori will be discontinued. The printing facility in Pori was closed down in the end of January 2012. As a result of the personnel negotiations, non-recurring reorganisation expenses in the amount of MEUR 0.5 were recognised.

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

Associated companies

Share of profit of associated companies MEUR	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Newspapers	-0.0	0.0	-0.0	0.1
Kauppalehti Group				
Talentum Oyj	-0.7	0.2	1.8	0.0
Marketplaces	-0.0	-0.0	-0.1	-0.1
Other operations				
Other associated companies	0.1	0.2	0.9	0.6
Total	-0.6	0.4	2.5	0.7

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

Non-recurring items

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

NON-RECURRING ITEMS MEUR	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Newspapers				
Restructuring	-0.3	-0.4	-0.8	-0.4
Gains on sales of assets		0.2		0.2
Impairment losses of intangible and tangible assets	-0.2		-0.2	
Kauppalehti Group				
Marketplaces				
Restructuring		-0.1		-0.5
Gains on sales of assets			0,2	
Other operations				
Restructuring			-0.5	0.1
Gains on sales of assets	0.0	0.0	0.4	0.0
NON-RECURRING ITEMS IN OPERATING PROFIT	-0.5	-0.3	-1.0	-0.5
Translation differences			0.1	-0.1
NON-RECURRING ITEMS IN FINANCIAL ITEMS	0.0		0.1	-0.1

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 4.9 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.

Research and development costs

The Group's research and development costs in 2011 amounted to MEUR 4.6 (4.0). Of this total, MEUR 3.0 (2.6) were expensed and MEUR 1.6 (1.4) capitalised. The most significant projects pertained to the development of digital business.

Capital expenditure

Alma Media Group's capital expenditure in January–December 2011 totalled MEUR 6.3 (12.9), consisting mainly of development projects related with digital services. Other expenditure was related with normal operational and replacement investments.

In November, manroland AG, supplier of the printing press for the new Tampere printing facility, 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. Alma Media aims to take the facility into production use in early 2013.

Employees

During 2011, the average number of Alma Media employees, calculated as full-time employees (excluding newspaper deliverers), was 1,816 (1,805). The average number of delivery staff totalled 961 (962).

Administration

Alma Media Corporation's Annual General Meeting (AGM) held on March 17. 2011 elected Timo Aukia, Petri Niemisvirta, Seppo Paatelainen, Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari members of the company's Board of Directors. In its constitutive meeting held after the AGM, the Board of Directors elected Seppo Paatelainen its Chairman.

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

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

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

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

The Regional State Administrative Agency for Southern Finland in August approved an application by Oy Herttaässä Ab, an Alma Media Corporation shareholder, for a special audit on Alma Media to the extent that the application concerned the actions of the Nomination and Compensation Committee and its predecessor, the Election Committee, and how the principle of equality has been taken into account in the operations of the Committees. Alma Media has decided to appeal against the decision to the Hämeenlinna Administrative Court. In addition to revoking the decision by the Regional State Administrative Agency, Alma Media applies for a suspension of the enforcement until the matter has been resolved.

Mr Pekka Heinänen, Master of Arts (Education), age 51, started as Alma Media's Vice President, Human Resources and as a member of the Group's Executive team on August 15, 2011.

On November 1, 2011, Alma Media publicised its plan for an organisational renewal. The Group establishes a new development and service unit focusing on digital business and combines all of its regional, local and city papers—that is, the business units of Aamulehti, Satakunnan Kirjateollisuus, Suomen Paikallissanomat and Pohjois-Suomen Media—under one business unit.

Mr Kari Juutilainen, 55, has been appointed head of the business unit combining Alma Media's newspaper activities, Alma Regional Media, and a member of Alma Media's Executive Team. His former position was Managing Director of Suomen Paikallissanomat, part of Alma Media.

Ms Minna Nissinen, 43, has been appointed head of the digital business unit, Alma Diverso. Her previous position was Senior Vice President, Corporate Development at Alma Media. Ms Nissinen continues as a member of Alma Media's Executive Team.

Mr Juutilainen and Ms Nissinen assumed their new positions from the beginning of 2012.

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on June 15, 2010, in its unaltered form. The Corporate Governance Statement for 2011 has been published separately at www.almamedia.fi/corporate_governance.

Dividends

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 in March.

The Alma Media share

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.

The Annual General Meeting on March 17, 2011 authorised the Board of Directors to decide on a share issue. The authorisation would entitle the Board to issue a maximum of 7,500,000 shares. This maximum amount of shares corresponds to approximately 10% of the total number of shares of the company. The share issue can be implemented by issuing new shares or transferring shares presently in possession of the company. The authorisation entitles the Board to decide on a directed share issue, which would entail deviating from the pre-emption rights of shareholders. The Board may use the authorisation in one or more parts.

The Board may use the authorisation for developing the capital structure of the company, widening the ownership base, financing or realising acquisitions or other similar arrangements, or for other purposes decided upon by the Board. The authorisation, however, may not be used for the incentive and commitment systems for the company's management. The authorisation is in effect until March 17, 2013.

By April 30, 2011, a total of 434,330 shares were subscribed by using the option rights granted under the option programme 2006B. Due to the subscriptions, the share capital of the company increased to EUR 45,292,111.80. After the issuance, the total number of shares of Alma Media Corporation is 75,486,853.

Option rights

Alma Media has the option programmes 2006 and 2009. The programmes are incentive and commitment systems for the company's management. If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders by a maximum of 3.33%. Further details about the programmes are given in the notes of this financial statement release.

A total of 640,000 2009C options were granted during the review period. The subscription price is EUR 7.95.

Market liquidity guarantee

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

Flagging notices

In January-December 2011, Alma Media did not receive notices of changes in shareholdings pursuant to Chapter 2, Section 9 of the Securities Markets Act.

Risks and risk management

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

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

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

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

Events after the review period

On December 21, 2011, Alma Media Corporation announced it will acquire LMC s.r.o, a Czech company and the owner of the two leading recruitment portals in the Czech Republic. The deal was finalised as planned on January 2, 2012. LMC will be reported as part of Alma Media's Marketplaces segment.

Pohjois-Suomen Media Oy (Alma Media Northern Media), part of Alma Media Group, concluded in January the statutory personnel negotiations with its entire staff that started in December 2011. The negotiations concerned the planned reorganisation of the operations. Through the reorganisation, Northern Media aims at preparing for the effect of the value-added tax reform on the circulation income from subscription-based newspapers and guaranteeing the viability of its newspapers in future, especially considering the weakened outlook for advertising sales in the Kemi and Kajaani regions. As a result of the negotiations, the number of employees of Northern Media is reduced by 9 full-time work years.

On February 2, 2012, Alma Media Corporation acquired CV Online, the leading internet recruitment service company in the Baltic countries. The 2011 revenue of CV Online is estimated at approximately MEUR 2.0 million and its operating margin MEUR 0.6. As of February 2, 2012, the company will be reported as part of Alma Media's Marketplaces segment.

Proposal by the Board of Directors for distribution of profit

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.

The report by the Board of Directors, the financial statements and the auditors' report will be available on the company's website no later than Wednesday, February 22, 2012.

The next interim report

Alma Media will publish its interim report for the first quarter of 2012 on Friday, April 27, 2012 approximately at 12:00noon (EEST).

ALMA MEDIA CORPORATION
Board of Directors

COMPREHENSIVE INCOME STATEMENT, MEUR	2011 Q4	2010 Q4	Change %	2011 Q1-Q4	2010 Q1-Q4	Change %
REVENUE	81.3	83.0	-2.1	316.2	311.4	1.6
Other operating income	0.2	0.1	56.8	0.8	0.4	101.7
Materials and services	22.2	22.8	-2.6	88.9	89.4	-0.5
Employee benefits expense	31.5	32.5	-3.1	119.8	117.2	2.3
Depreciation, amortisation and impairment	2.5	2.4	3.3	9.2	9.5	-2.8
Other operating expenses	15.7	14.7	6.8	57.1	52.4	9.0
OPERATING PROFIT	9.6	10.7		42.0	43.4	-3.3
Finance income	-0.9	1.0	-173.2	1.1	1.5	-30.3
Finance expenses	2.7	0.0		3.6	0.6	489.9
Share of profit of associated companies	-0.6	0.4	-264.7	2.5	0.7	271.3
PROFIT BEFORE TAX	5.3	12.1	-56.2	42.0	45.0	-6.6
Income tax	2.4	2.9	-14.4	11.2	11.8	-5.3
PROFIT FOR THE PERIOD	2.8	9.2	-69.2	30.8	33.2	-7.1
OTHER COMPREHENSIVE INCOME						
Change in translation differences	0.2	0.2	-11.1	-0.1	0.6	-118.9
Share of other comprehensive income of associated companies	0.3	0.3	19.8	-0.1	0.9	-106.3
Income tax relating to components of other comprehensive income						
Other comprehensive income for the period, net of tax	0.5	0.5	6.6	-0.2	1.5	-111.7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.5	9.7	-64.4	30.6	34.7	-11.7
Profit for the period attributable to						
Owners of the parent	2.5	9.2		29.4	32.8	
Non-controlling interest	0.3	0.1		1.4	0.3	
Total comprehensive income for the period attributable to						
Owners of the parent	3.1	9.6		29.2	34.4	
Non-controlling interest	0.3	0.1		1.4	0.3	
Earnings per share calculated from the profit for the period attributable to the parent company shareholders						
Earnings per share (basic), EUR	0.03	0.12		0.39	0.44	
Earnings per share (diluted), EUR	0.03	0.12		0.39	0.44	

BALANCE SHEET, MEUR	Dec 31 2011	Dec 31 2010
ASSETS		
NON-CURRENT ASSETS		
Goodwill	30.6	30.4
Other intangible assets	9.9	10.5
Tangible assets	23.0	27.8
Investments in associated companies	35.0	33.6
Other non-current financial assets	5.3	11.8
Deferred tax assets	0.5	0.2
CURRENT ASSETS		
Inventories	1.0	1.0
Current tax assets	4.1	3.5
Trade receivable and other receivables	26.9	27.0
Other current financial assets	3.8	2.3
Cash and cash equivalents	57.8	36.3
TOTAL ASSETS	198.0	184.5

BALANCE SHEET, MEUR	Dec 31 2011	Dec 31 2010
EQUITY AND LIABILITIES		
Share capital	45.3	45.0
Share premium reserve	7.7	4.7
Foreign currency translation reserve	0.2	0.4
Retained earnings	40.6	62.7
Equity attributable to owners of the parent	93.8	112.8
Non-controlling interest	2.9	2.0
TOTAL EQUITY	96.7	114.8
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current interest-bearing liabilities	2.0	2.4
Deferred tax liabilities	2.2	2.4
Pension obligations	2.6	2.8
Provisions	0.1	0.1
Other financial liabilities	0.9	2.5
Other non-current liabilities	0.3	0.4
CURRENT LIABILITIES		
Current interest-bearing liabilities	23.5	1.6
Advances received	28.2	13.4
Income tax liability	1.5	3.6
Provisions	1.0	0.6
Trade and other payables	38.9	39.9
TOTAL LIABILITIES	101.2	69.7
TOTAL EQUITY AND LIABILITIES	198.0	184.5

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Attributable to equity holders of the Parent Company						
MEUR	A	B	C	D	E	F	G
Equity Jan 1 2011	45.0	4.7	0.4	62.7	112.8	2.0	114.8
Profit for the period				29.4	29.4	1.4	30.8
Other comprehensive income			-0.1	-0.1	-0.2		-0.2
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent			0.0	-52.4	-52.4		-52.4
Dividends paid by subsidiaries						-0.7	-0.7
Share-based payments			0.0	1.0	1.0		1.0
Excercised share options	0.3	3.0			3.3		3.3
Business combinations						0.2	0.2
Equity Dec 31 2011	45.3	7.7	0.2	40.6	93.8	2.9	96.7

	Attributable to equity holders of the Parent Company						
MEUR	A	B	C	D	E	F	G
Equity Jan 1 2010	44.8	2.8	-0.3	47.4	94.7	0.2	94.9
Profit for the period				32.8	32.8	0.3	33.2
Other comprehensive income			0.6	0.9	1.5		1.5
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent				-29.8	-29.8		-29.8
Dividends paid by subsidiaries						-0.2	-0.2
Share-based payments				0.6	0.6		0.6
Excercised share options	0.3	1.9			2.1		2.1
Share of items recognised directly in associated company’s equity							
Business Combinations				10.7	10.7	1.8	12.5
Equity Dec 31 2010	45.0	4.7	0.4	62.7	112.8	2.0	114.8

Column headings on Consolidated Statement of Change in Equity
A=Share capital
B=Share premium reserve
C=Translation difference
D=Retained earnings
E=Total
F=Non-controlling interest
G=Equity total

CASH FLOW STATEMENT, MEUR	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Operating activities				
Profit for the period	2.8	9.2	30.8	33.2
Adjustments	7.9	5.3	20.2	20.3
Change in working capital	14.0	1.2	14.2	5.3
Dividends received	0.2	0.0	1.1	1.0
Interest received	-0.5	0.0	0.4	0.3
Interest paid and other finance expenses	-0.6	-0.1	-1.3	-0.7
Income taxes paid	-3.5	-3.2	-14.6	-13.2
Net cash flows from operating activities	20.3	12.3	50.7	46.1
Investing activities				
Acquisitions of tangible and intangible assets	-0.9	-1.0	-2.8	-3.3
Proceeds from sale of tangible and intangible assets	0.0	0.1	0.0	0.1
Acquisitions of other investments	-0.1	0.0	-0.1	0.0
Proceeds from sale of other investments	0.0	0.0	0.1	0.0
Change in loan receivables	0.0	0.0	0.0	0.1
Acquisition of subsidiaries	0.0	-0.7	-0.1	-2.3
Acquisition of associated companies	0.0	0.0	-0.3	-0.8
Proceeds from sale of subsidiaries	0.4	0.0	2.5	3.9
Proceeds from sale of associated companies	0.4	0.0	0.7	0.0
Net cash flows from / (used in) investing activities	-0.3	-1.6	0.0	-2.4
Cash flow before financing activities	20.1	10.7	50.7	43.7
Financing activities				
Proceeds from exercise of share options	0.0	0.0	3.3	2.1
Current loans taken	22.0	0.0	37.0	0.0
Repayment of current loans	-5.3	-0.4	-16.4	-1.6
Change in interest-bearing receivables	0.1	0.2	0.3	0.8
Dividends paid	0.0	0.0	-53.2	-30.0
Net cash flows from / (used in) financing activities	16.7	-0.2	-29.0	-28.6
Change in cash and cash equivalent funds (increase + / decrease -)	36.8	10.6	21.7	15.1
Cash and cash equivalents at beginning of period	20.9	25.8	36.3	21.1
Effect of change in foreign exchange rates	0.1	0.1	-0.2	0.2
Cash and cash equivalents at end of period	57.8	36.3	57.8	36.3

ACQUIRED BUSINESSES IN 2011

In February 2011 Alma Media acquired the majority (51%) of Mascus A/S in Denmark.
The goodwill from the business combinations is mainly from the expected synergies. No change in the fair values of the assets was recognised at the acquisition. The acquisition had no major impact on the consolidated financial statements.

CONTINGENT CONSIDERATIONS

CONTINGENT CONSIDERATION ASSETS	
Initial recognition of the assets	8.4
Change in fair value during previous financial years	0.8
Considerations, settled in cash	-2.1
Change in fair value during the financial year	-2,2
Fair value of the contingent consideration assets in the end of the period	4.9

CONTINGENT CONSIDERATION LIABILITY	
Initial recognition of the liability	2.9
Change in fair value during previous financial years	-0.1
Considerations, settled in cash	-0.4
Change in fair value during the financial year	-0.5
Fair value of the contingent consideration liability in the end of the period	2.0

Contingent considerations are classified as financial assets and liabilities recognised at fair value through profit or loss. The amount of the contingent considerations due to the acquisitions and business arrangements in 2010 is based on the revenue and operating profits of the acquired business during 2010–2013. The fair values are the estimated final considerations discounted to the balance sheet date.

REVENUE BY GEOGRAPHICAL AREA, MEUR	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Finland	77.7	79.6	301.8	298.4
Other EU countries	3.4	3.2	13.3	12.1
Other countries	0.3	0.2	1.1	0.8
Total	81.3	83.0	316.2	311.4

INFORMATION BY SEGMENT

The business segments of Alma Media are Newspapers, Kauppalehti Group, Marketplaces and Other operations. The descriptive section of the financial statement release presents the revenue and operating profits of the segments and the allocation of the associated companies' results to the reporting segments.

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

ASSETS BY SEGMENT, MEUR	Dec 31 2011	Dec 31 2010
Newspapers	45.5	46.3
Kauppalehti Group	40.8	41.4
Marketplaces	20,4	21.7
Other operations	22,7	28.5
Non-allocated assets and eliminations	68.5	46.7
Total	198.0	184.5

LIABILITIES BY SEGMENT, MEUR	Dec 31 2011	Dec 31 2010
Newspapers	39.3	27.4
Kauppalehti Group	11.0	10.4
Marketplaces	6.8	7.7
Other operations	14.9	14.3
Non-allocated liabilities and eliminations	29.2	10.0
Total	101.2	69.7

CAPITAL EXPENDITURE, MEUR	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Newspapers	1.1	1.0	2.5	4.0
Kauppalehti Group	0.1	0.8	0.6	1.4
Marketplaces	0.4	0.6	2.0	5.6
Others	0.5	0.4	1.2	1.8
Total	2.1	2.8	6.3	12.9

PROVISIONS

The company's provisions totalled MEUR 1.1 (0.7) on December 31, 2011. The major part of the provisions consists of restructuring provisions. It has not been necessary to change the estimates made when the provisions were entered.

COMMITMENTS AND CONTINGENCIES

COMMITMENTS AND CONTINGENCIES, MEUR	Dec 31 2011	Dec 31 2010
Other commitments		
Commitments based on agreements	1.3	0.1
Minimum lease payments on other lease agreements:		
Within one year	7.1	6.6
Within 1-5 years	27.1	21.1
After 5 years	43.7	48.2
Total	77.9	75.9
The Group also has purchase agreements that based on IFRIC 4 include a lease component as per IAS 17. Minimum payments based on these agreements:	1.5	1.2

Additionally, the company has signed a lease contract for the real estate of the printing facility. According to the IAS 17 standard, the contract will be recognised as a finance lease contract when the printing facility will be operational. The printing facility is estimated to be operational in early 2013. In financial years 2012-2013, the estimated present value of the minimum lease payments in the balance sheet is approximately MEUR 65-70.

DERIVATIVE CONTRACTS, MEUR	Dec 31 2011	Dec 31 2010
Commodity derivate contracts, electricity derivatives		
Fair value *	-0.1	0.3
Nominal value	1.1	1.0

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

RELATED PARTY TRANSACTIONS

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

RELATED PARTY TRANSACTIONS, MEUR	2011 Q4	2010 Q4	2011 Q1-Q4	2010 Q1-Q4
Sales of goods and services	0.1	0.1	0.3	0.2
Purchases of goods and services	1.0	0.9	4.0	3.6
Trade receivable, loan and other receivables at the end of reporting period			0.0	0.0
Trade payable at the reporting date			0.1	0.1

OPTION PROGRAMMES

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

The option programmes 2006A and 2006B have expired.

A total of 520,000 options have been issued under the 2006C programme. The share subscription period for 2006C is April 1, 2010–April 30, 2012. The management has 470,000 options in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 7.66 in December 2011. No shares have been subscribed by December 31, 2011 under the programme 2006C.

If all subscription rights are exercised, the programme 2006 will dilute the holdings of the earlier shareholders by 0.62%.

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

A total of 640,000 options have been issued under the 2009A programme. Share subscription period for 2009A is April 1, 2012–March 31, 2014. The management has 595,000 options 2009A in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 4.11 in December 2011.

A total of 610,000 options have been issued under the 2009B programme. Share subscription period for 2009B is April 1, 2013–March 31, 2015. The management has 595,000 options in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 6.63 in December 2011.

A total of 640,000 options have been issued under the 2009C programme. Share subscription period for 2009C is April 1, 2014–March 31, 2016. The management has 640,000 options in its possession. The share subscription price was EUR 7.95 in December 2011.

If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders by 3.33% maximum.

QUARTERLY INFORMATION

MEUR	2011 Q4	2011 7-9	2011 4-6	2011 1-3	2010 Q4	2010 7-9	2010 4-6	2010 1-3	2009 Q4
Revenue									
Newspapers	56.6	53.1	57.9	53.8	58.1	53.5	55.4	52.2	55.9
Kauppalehti Group	15.2	12.6	15.0	13.9	16.1	13.3	14.4	14.1	15.8
Marketplaces	9.3	9.0	9.5	9.1	8.4	7.9	8.2	7.6	6.5
Other operations	20.6	20.6	20.7	19.6	20.4	19.6	19.3	19.3	18.3
Eliminations	-20.4	-20.3	-20.4	-19.3	-19.9	-19.0	-18.7	-18.8	-17.6
REVENUE	81.3	75.1	82.7	77.1	83.0	75.2	78.7	74.4	79.0
Total expenses excluding non-recurring items									
Newspapers	48.3	46.2	48.8	47.2	49.2	45.4	46.5	45.3	47.3
Kauppalehti Group	13.0	10.6	13.0	12.7	14.4	10.9	11.9	12.5	13.9
Marketplaces	8.3	7.4	8.0	7.7	8.4	7.0	8.3	7.6	6.8
Other operations	22.3	19.2	21.9	19.6	19.9	17.7	19.6	19.5	17.4
TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS	71.4	63.1	71.2	67.8	72.0	61.9	67.7	66.1	67.8
Operating profit excluding non-recurring items									
Newspapers	8.3	7.0	9.2	6.7	8.7	8.2	9.2	6.9	8.6
Kauppalehti Group	2.2	2.0	2.0	1.2	1.7	2.4	2.5	1.5	2.0
Marketplaces	1.0	1.7	1.6	1.5	0.0	0.9	-0.1	0.1	-0.3
Other operations	-1.6	1.5	-1.1	-0.1	0.5	1.9	-0.3	-0.3	1.0
OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS	10.1	12.0	11.5	9.3	11.0	13.4	11.3	8.3	11.3
% of revenue									
Newspapers	14.7	13.1	15.8	12.4	15.0	15.3	16.5	13.3	15.4
Kauppalehti Group	14.5	16.0	13.1	8.6	10.8	18.2	17.3	11.0	12.5
Marketplaces	10.4	18.5	16.3	16.2	0.2	10.9	-1.5	1.2	-4.5
Other operations	-7.7	7.3	-5.5	-0.3	2.3	9.7	-1.5	-1.4	5.2
% OF REVENUE	12.4	16.0	14.0	12.1	13.2	17.8	14.3	11.2	14.3
Non-recurring items									
Newspapers	-0.5	0.0	0.0	-0.5	-0.2	0.1	0.0	-0.1	0.2
Kauppalehti Group	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Marketplaces	0.0	0.0	0.0	0.2	-0.1	0.3	-0.5	-0.1	-1.0
Other operations	0.0	0.4	-0.5	0.0	0.0	-0.2	0.2	0.1	0.0
NON-RECURRING ITEMS	-0.5	0.4	-0.5	-0.3	-0.3	0.2	-0.4	-0.1	-0.5
Operating profit									
Newspapers	7.8	7.0	9.2	6.2	8.5	8.3	9.2	6.9	8.8
Kauppalehti Group	2.2	2.0	2.0	1.2	1.7	2.4	2.5	1.5	2.3
Marketplaces	1.0	1.7	1.6	1.6	0.0	1.1	-0.7	0.0	-1.3
Other operations	-1.6	1.9	-1.7	-0.1	0.5	1.7	-0.1	-0.1	1.0
OPERATING PROFIT	9.6	12.4	11.0	9.0	10.7	13.6	10.9	8.2	10.8
Finance income	-0.2	1.2	1.0	0.5	1.0	0.1	0.2	0.2	0.1
Finance expenses	3.9	0.2	0.8	0.6	0.0	0.3	0.1	0.2	0.3
Share of profit of associated companies	-0.6	2.3	0.4	0.4	0.4	-0.1	0.1	0.3	0.1
PROFIT BEFORE TAX	5.3	15.6	11.8	9.3	12.1	13.4	11.0	8.6	10.8
Income tax	-2.4	-3.4	-3.0	-2.4	-2.9	-3.5	-3.1	-2.3	-3.1
PROFIT FOR THE PERIOD	2.8	12.2	8.8	6.9	9.2	9.8	7.8	6.3	7.7

MAIN ACCOUNTING PRINCIPLES (IFRS)

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

The Group has applied the following standards and interpretations from January 1, 2011:

IAS 24 Related Party Disclosures (revised)
IAS 32 Financial Instruments: Presentation: Classification of Right Issues
IFRIC 14 IAS 19 The Limit of a Defined Benefit Assets, Minimum Funding Requirements and their Interaction
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
Improvements to IFRS
IFRS 9: Financial Instruments

The impact of the above new standards and IFRIC interpretations on the Group has been marginal.

SEASONALITY

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

GENERAL STATEMENT

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

ALMA MEDIA CORPORATION
Board of Directors