Alma Media Corporation

FINANCIAL STATEMENTS 2011

Table of Contents

Report by the Board of Directors

Financial performance 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

	2011	**2010**	**Change**	
MEUR	**1-12**	**1-12**	**M€**	**%**
Revenue	316.2	311.4	4.9	1.6
Circulation revenue	124.8	125.3	-0.5	-0.4
Advertising revenue	155.3	148.2	7.1	4.8
Contents and service revenue *)	36.1	37.8	-1.7	-4.5
Total expenses excluding non-recurring items	273.6	267.6	5.9	2.2
Operating profit excluding non-recurring items	42.9	43.9	-1.0	-2.2
% of revenue	13.6	14.1		
Operating profit	42.0	43.4	-1.4	-3.3
% of revenue	13.3	13.9		
Profit for the period	30.8	33.2	-2.4	-7.1
Earnings per share, EUR (basic)	0.39	0.44	-0.1	-11.0
Earnings per share, EUR (diluted)	0.39	0.44	-0.1	-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.

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 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.

Newspapers

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

- 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.

- 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.

- 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.

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

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.

	2011	**2010**
MEUR	**1-12**	**1-12**
Newspapers		
Restructuring	-0.8	-0.4
Gains on sales of assets		0.2
Impairment losses of intangible and tangible assets	-0.2	
Kappalehti Group		
Marketplaces		
Restructuring		-0.5
Gains on sales of assets	0,2	
Other operations		
Restructuring	-0.5	0.1
Gains on sales of assets	0.4	0.0
NON-RECURRING ITEMS IN OPERATING PROFIT	-1.0	-0.5
Translation differences	0.1	-0.1
NON-RECURRING ITEMS IN FINANCIAL ITEMS	0.1	-0.1

Parent Company

The reported revenue of the parent company Alma Media Corporation in 2011 was M€ 21.7 (16.7) and the profit for the period M€ 47.5 (33.0). The balance sheet of the parent company stood at M€ 586.0 (560.1) in the end of December 2011.

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).

ALMA

Environmental Impacts

The most significant environmental impacts from Alma Media's business operations are related to the printing and distribution operations as well as real estates. The printing operations use mainly newsprint, 31,400 (32,000) tons in 2011. Electricity consumption by Alma Media in 2011 was 17,572 (17,408) MWh. Further details about the environmental issues are given in the Alma Media Annual Review.

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.

Key Figures 2007-2011

Key figures are calculated applying IFRS recognition and measurement principles

		IFRS 2011	Change %	IFRS 2010	Change %	IFRS 2009	Change %	IFRS 2008	Change %	IFRS 2007	Change %
Key Figures											
Revenue	M€	316.2	1.6	311.4	1.1	307.8	-9.8	341.2	3.7	328.9	8.9
Operating profit	M€	42.0	-3.3	43.4	7.4	40.4	-16.4	48.3	-25.0	64.4	31.2
% of revenue	%	13.3		13.9		13.1		14.2		19.6	
Operating profit without non-recurring items		42.9	-2.2	43.9	3.3	42.6	-10.5	47.7	-9.9	52.9	14.0
% of revenue		13.6		14.1		13.9		14.0		16.1	
Profit before tax	M€	42.0	-6.6	45.0	13.2	39.7	-24.2	52.4	-22.9	68.0	36.3
Profit without non-recurring items	M€	42.9	-6.0	45.7	8.8	42.0	-15.9	49.9	-11.7	56.5	33.6
Profit for the period	M€	30.8	-7.1	33.2	17.3	28.3	-27.5	39.0	-23.8	51.2	37.3
Return on Equity/ROE	%	29.1	-7.9	31.6	2.6	30.8	-18.2	37.7	-13.9	43.8	41.7
Return on Invets/ROI	%	26.1	-15.9	31.1	9.7	28.3	-18.7	34.8	-12.8	39.9	60.2
Net financial expenses	M€	2.5	-375.1	-0.9	-369.4	0.3	-10.6	0.4	-480.9	-0.1	-120.0
Net financial expenses, % of revenue	%	0.8		-0.3		0.1		0.1		0.0	
Share of profit of associated companies	M€	2.5	271.3	0.7	-315.3	-0.3	-107.1	4.5	27.5	3.5	191.7
Balance sheet total	M€	198.0	7.3	184.5	19.5	154.4	-7.5	166.9	-8.0	181.4	-9.2
Capital expenditure	M€	6.3	-51.4	12.9	57.0	8.2	-43.3	14.5	20.3	12.1	-38.5
Capital expenditure, % of revenue	%	2.0		4.1		2.7		4.2		3.7	
Research and development costs	M€	4.6	13.6	4.0	346.8	0.9	-66.7	2.7	-27.0	3.7	112.8
Research and development costs, % of revenue	%	1.4		1.3		0.3		0.8		1.1	
Equity ratio	%	57.0		67.1		66.9		57.2		69.8	
Gearing, %	%	-33.4		-28.2		-17.3		6.5		-15.2	
Interest-bearing net debt	M€	-32.3		-32.4		-16.5		5.8		-17.9	
Interest-bearing liabilities	M€	25.5	539.0	4.0	-13.2	4.6	-75.9	19.1	179.8	6.8	-68.6

Non-interest-bearing liabilities	M€	75.7	15.2	65.7	19.7	54.9	-7.4	59.3	5.5	56.2	-10.3
Average no. of personnel, calculated as full-time employees, excl. delivery staff		1816	0.6	1806	-4.4	1888	-4.7	1981	0.5	1971	3.7
Delivery staff total (no of emplyees)		961	-0.1	962	-0.7	969	0.1	968	0.6	962	12.3

Per share data

Earnings per share, EUR	€	0.39	0.44	0.38	0.51	0.68
Cash flow from operating activities/ share, EUR	€	0.67	0.61	0.58	0.63	0.70
Shareholders' equity per share, EUR	€	1.24	1.50	1.27	1.18	1.58
Dividend per share	€	0.40 *)	0.70	0.40	0.30	0.90
Payout ratio	%	102.8	160.0	106.0	58.3	132.9
Effective dividend yield	%	6.5	8.5	5.3	6.1	7.7
P/E Ratio		15.8	18.9	19.8	9.6	17.2
Share prices						
Highest	€	9.44	8.46	8.94	11.70	12.43
Lowest	€	5.40	6.00	4.50	4.38	8.93
On Dec 31	€	6.14	8.28	7.48	4.95	11.67
Market capitalization	M€	463.5	621.4	558.1	369.3	870.7
Turnover of shares, total	kpcs	10,034	14,839	38,290	65,800	62,102
Relative turnover of shares, total	%	13.3	19.8	51.3	88.2	83.2
Average no. of shares (1,000 shares), basic	kpcs	75,339	74,894	74,613	74,613	74,613
Average no. of shares (1,000 shares), diluted	kpcs	75,772	75,086	74,859	74,764	74,773
No. Of shares on December 31, 2010	kpcs	75,487	75,053	74,613	74,613	74,613

*) Based on the dividend proposal by the Board of Directors

Quarterly Information

M€	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	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	12.7
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

ALMA

Calculation of Key Figures

Return on shareholders' equity, % (ROE)

$$\frac{\text{Profit for the period}}{\text{Shareholders' equity + non-controlling interest (average during the year)}} \times 100$$

Return on investment, % (ROI)

$$\frac{\text{Profit for the period + interest and other financial expenses}}{\text{Balance sheet total - non-interest-bearing debt (average during the year)}} \times 100$$

Equity ratio, %

$$\frac{\text{Shareholders' equity + non-controlling interest}}{\text{Balance sheet total - advances received}} \times 100$$

Operating profit

Profit before tax and financial items

Basic earnings per share, EUR

$$\frac{\text{Share of net profit belonging to parent company owners}}{\text{Average number of shares adjusted for share issues}}$$

Diluted adjusted earnings per share, EUR

$$\frac{\text{Share of net profit belonging to parent company owners}}{\text{Diluted average number of shares adjusted for share issues}}$$

Net gearing, %

$$\frac{\text{Interest-bearing debt - cash and bank receivables}}{\text{Shareholders' equity + non-controlling interest}} \times 100$$

Dividend per share, €

Dividend per share approved by annual general meeting.

With respect to the most recent year, Board's proposal to the AGM

Payout ratio, %

$$\frac{\text{Dividend / share}}{\text{Share of EPS belonging to parent company shareholders}} \times 100$$

Effective dividend yield, %	$\dfrac{\text{Dividend / share adjusted for share issues}}{\text{Final quotation at close of period adjusted for share issues}}$	x 100
Price/earnings (P/E) ratio	$\dfrac{\text{Closing price at end of period adjusted for share issues}}{\text{Share of EPS belonging to parent company owners}}$	
Shareholders' equity per share, €	$\dfrac{\text{Equity attributable to equity holders of the parent}}{\text{Number of shares at end of period adjusted for share issues}}$	
Market capitalization of share stock, M€	Number of shares (1,000) x closing price at end of period	

Consolidated Comprehensive Income Statement

M€	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Revenue	1,3	**316.2**	311.4
Other operating income	4	**0.8**	0.4
Materials and services	5	**-88.9**	-89.4
Expenses arising from employee benefits	7	**-119.8**	-117.2
Depreciation, amortization and impairment charges	13,14	**-9.2**	-9.5
Other operating expenses	8,9	**-57.1**	-52.4
Operating profit	1	**42.0**	43.4
Finance income	10	**1.1**	1.5
Finance expenses	10	**-3.6**	-0.6
Share of profit of associated companies	16	**2.5**	0.7
Profite before tax		**42.0**	45.0
Income tax	11	**-11.2**	-11.8
Profit for the period		**30.8**	33.2
Other comprehensive income			
Exchange differences on translation of foreign operations		**-0.1**	0.6
Share of other comprehensive income of associated companies		**-0.1**	0.9
Other comprehensive income for the year, net of tax		**-0.2**	1.5
Total comprehensive income for the year, net of tax		**30.6**	34.7

Profit for the period attributable to			
Owners of the parent		**29.4**	32.8
Non-controlling interest		**1.4**	0.3

Total comprehensive income for the period attributable to			
Owners of the parent		**29.2**	34.4
Non-controlling interest		**1.4**	0.3

Earning per share calculated from the profit for the period attributable to the parent company shareholders			
Earnings per share (basic), EUR	12	**0.39**	0.44
Earnings per share (diluted), EUR	12	**0.39**	0.44

Consolidated Financial Position

M€	Note	Dec 31, 2011	Dec 31, 2010
ASSETS			
Non-current assets			
Goodwill	13	**30.6**	30.4
Intangible assets	13	**9.9**	10.5
Property, plant and equipment	14	**23.0**	27.8
Investments in associated companies	16	**35.0**	33.6
Other non-current financial assets	17	**5.3**	11.8
Deferred tax assets	24	**0.5**	0.2
		104.4	114.3
Current assets			
Inventories	18	**1.0**	1.0
Tax receivables		**4.1**	3.5
Trade and other receivables	19	**26.9**	27.0
Other short-term financial assets	20	**3.8**	2.3
Cash and cash equivalents	21	**57.8**	36.3
		93.6	70.2
Assets, total		**198.0**	184.5

M€	Note	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	22	**93.8**	112.8

Non-controlling interest		**2.9**	2.0
Total equity		**96.7**	114.8
Non-current liabilities			
Non-current interest-bearing liabilities	27	**2.0**	2.4
Deferred tax liabilities	24	**2.2**	2.4
Pension liabilities	25	**2.6**	2.8
Provisions	26	**0.1**	0.1
Other financial liabilities	29	**0.9**	2.5
Other non-current liabilities		**0.3**	0.4
		8.1	10.6
Current liabilities			
Current interest-bearing liabilities	27	**23.5**	1.6
Advances received		**28.2**	13.4
Income tax liability		**1.5**	3.6
Provisions	26	**1.0**	0.6
Trade and other payables	30	**38.9**	39.9
		93.1	59.1
Liabilities, total		**101.2**	69.7
Equity and liabilities, total		**198.0**	184.5

Consolidated Cash Flow Statement

M€	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Operating activities			
Profit for the period		**30.8**	33.2
Adjustments		**20.2**	20.3
Change in working capital		**14.2**	5.3
Dividend received		**1.1**	1.0
Interest received		**0.4**	0.3
Interest paid		**-1.3**	-0.7
Taxes paid		**-14.6**	-13.2
Net cash flow from operating activities		**50.7**	46.1
Investing activities			
Acquisitions of tangible and intangible assets		**-2.8**	-3.3
Proceeds from sale of tangible and intangible assets		**0.0**	0.1
Other investments		**-0.1**	0.0
Proceeds from sale of other investments		**0.1**	0.0
Change in loan receivables		**0.0**	0.1
Acquisition of subsidiaries and business operations	2	**-0.1**	-2.3
Proceeds from sale of subsidiaries		**2.5**	3.9
Acquisition of associated companies	16	**0.4**	-0.8
Net cash flows from / (used in) investing activities		**0.0**	-2.4
Cash flow before financing activities		**50.7**	43.7

M€	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Financing activities			
Proceeds from exercise of share options		**3.3**	2.1
Current loans taken		**37.0**	0.0
Repayment of current loans		**-15.0**	0.0
Financial lease payments		**-1.4**	-1.6
Change in interest-bearing receivables	20	**0.3**	0.8
Dividends paid	22	**-53.2**	-30.0
Net cash flows from / (used in) financing activities		**-29.0**	-28.6
Change in cash and cash equivalent funds (increase + / decrease -)		**21.7**	15.1
Cash and cash equivalents at beginning of period	21	**36.3**	21.1
Effect of change in foreign exchange rates		**-0.2**	0.2
Cash and cash equivalents at end of period	21	**57.8**	36.3

Further details for statement of cash flow

M€	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Operating activities			
Adjustments:			
Depreciation, amortization and impairment charges	13,14	**9.2**	9.5
Share of results in associated companies	16	**-2.5**	-0.7
Capital gains (losses) on sale of fixed assets and other investments		**-0.4**	0.4
Finance income and expenses	10	**2.5**	-0.9
Taxes	11	**11.2**	11.8
Change in provisions	26	**0.5**	-0.4
Other adjustments		**-0.2**	0.6
Adjustments, total		**20.2**	20.3
Change in working capital:			
Change in trade receivable		**-0.4**	-1.3
Change in inventories		**0.0**	0.5
Change in trade payable		**14.5**	6.1
Change in working capital, total		**14.2**	5.3
Investing activities			
Investments financed through finance leases		**-3.1**	-3.4
Gross capital expenditure, payment-based *)		**-3.3**	-6.4
Sold and purchased business operations, non-payment-based		**0.2**	-3.1
Investments, total		**-6.3**	-12.9

*) Investments in tangible and intangible assets, investments in securities, subsidiary shares purchased, associated company shares purchased

Consolidated Statement of Changes in Equity

		Attributable to equity holders of the parent						
M€	Note	Share capital	Share premium reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to the owners of parent	Non-controlling interest	Total equity
Total equity at Dec 31, 2009	23	**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
Business transactions with the owners								
Dividends paid by parent					-29.8	-29.8		-29.8
Dividends paid by subsidiaries							-0.2	-0.2
Share-based payment transactions					0.6	0.6		0.6
Excercised options		0.3	1.9			2.1		2.1
Change in ownership in subsidiaries					10.7	10.7	1.7	12.4

M€	Note	Share capital	Share premium reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to the owners of parent	Non-controlling interest	Total equity
		Attributable to equity holders of the parent						
Total equity at Dec 31, 2010	23	**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
Business transactions with the owners								
Dividends paid by parent					-52.4	-52.4		-52.4
Dividends paid by subsidiaries							-0.7	-0.7
Share-based payment transactions					1.0	1.0		1.0
Excercised options		0.3	3.0			3.3		3.3
Change in ownership in subsidiaries							0.2	0.2
Total equity at Dec 31, 2011	23	**45.3**	**7.7**	**0.2**	**40.6**	**93.8**	**2.9**	**96.7**

Accounting Principles Used In The Consolidated Financial Statements

General

Alma Media Group publishes newspapers, distributes business information and maintains online (internet) market places. The parent company, Alma Media Corporation, is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki, address: Eteläesplanadi 20, PO Box 140, FI-00101 Helsinki, Finland.

A copy of the financial statements is available on the company's website at www.almamedia.fi or from the head office of the parent company.

On February 14, 2012, the Board of Directors approved the consolidated financial statements for publication.

According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS, applying the IAS and IFRS standards and the SIC and IFRIC interpretations in effect on December 31, 2011. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedure stipulated in the EU's regulation (EC) no 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it.

The notes to the consolidated financial statements also comply with Finnish accounting standards and the provisions of the Limited Liability Companies Act.

The Group adopted IFRS accounting principles during 2005 and in this connection has applied IFRS 1 (First-Time Adoption), the transition date being January 1, 2004.

The consolidated financial statements are based on the purchase method of accounting unless otherwise specified in the accounting principles described below. The financial statements are presented in thousands of euros.

The Group's parent company, Alma Media Corporation (corporate ID code FI19447574, called Almanova Corporation until 7 November 2005) was established on 27 January 2005. The company acquired the shares of the previous Alma Media Corporation (corporate ID code FI14495809) during 2005. The acquisition has been treated in the consolidated accounts as a reverse acquisition based on IFRS 3. This means that the acquiring company was the old Alma Media Corporation and the company being acquired was the Group's current legal parent company, Almanova Corporation.

The net fair value of the assets, liabilities and contingent liabilities on the acquisition date did not differ from their carrying values in the company's accounts. The acquisition cost was equivalent to the net fair value of the assets, liabilities and contingent liabilities and therefore no goodwill was created by the acquisition. The accounting principles adopted for the reverse acquisition apply only to the consolidated financial statements.

Impacts of standards adopted during 2011

The Group has adopted the following new standards and interpretations from 1 January 2011 onwards:

IAS 24 Related Party Disclosures (effective for financial periods beginning on or after 1 January 2011)

The revised standard is intended to clarify and simplify the definition of a related party, particularly in relation to significant influence or joint control by the parties. The revision also provides a partial exemption from related party disclosures by government-related entities. The revised standard has no material effect on the consolidated financial statements of the Group.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for financial periods beginning on or after 1 February 2010)

The amendment particularly concerns the practices applied to rights issues denominated in foreign currencies. Under the amended standard, rights issues denominated in foreign currencies can, under certain conditions, be classified as equity rather than derivative liabilities. The amendment has no material effect on the consolidated financial statements of the Group.

IFRIC 14 IAS 19

The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for financial periods beginning on or after 1 January 2011)

The amended interpretation eliminates a purposeless calculation in circumstances where prepayments are made to cover the minimum funding requirement. Under the amendment, payments made to cover the minimum funding requirement can be recognised as assets. The amendment has no material effect on the consolidated financial statements of the Group.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for financial periods beginning on or after 1 July 2010)

The interpretation clarifies the accounting practices applied where an entity renegotiates the terms of a financial liability and as a result, issues its own equity instruments to the creditor to extinguish all or part of a financial liability. The revised interpretation has no material effect on the consolidated financial statements of the Group.

Improvements to IFRS, May 2010 (primarily effective for financial periods beginning on or after 1 January 2011)

The annual improvements process is a collection of necessary but non-urgent amendments to IFRS implemented once per year. The 2010 improvements incorporate amendments to a total of seven standards. The effects of the amendments vary according to the standard concerned. None of the amendments have a material effect on the consolidated financial statements of the Group.

IFRS 9 Financial Instruments (effective for financial periods beginning on or after 1 January 2013)

IFRS 9 is the first step in a comprehensive project to replace IAS 39. The new standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The IAS 39 provisions on impairment and hedge accounting remain effective. Figures for past financial periods do not need to be adjusted if the new standard is adopted for the financial period beginning on 1 January 2012. The standard has not yet been approved for application within the EU.

Comparability of consolidated financial statements

The 2011 and 2010 financial years are comparable. The company has no discontinued operations to report in the 2010–2011 financial periods.

Subsidiary companies

All subsidiaries are consolidated in the Group's financial statements. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest arises when the Group holds more than half of the voting power or over which the Group otherwise exercises the right of control. The existence of potential voting rights are also taken into consideration in evaluating whether the Group has a controlling interest when the instruments involving potential voting rights can be exercised at the time of evaluation. The right of control means the right to control the company's business and financial principles in order to extract benefit from its operations. The accounting principles applied in the subsidiaries have been brought into line with the IFRS principles applied in the consolidated financial statements. Mutual holdings are eliminated using the purchase method. Purchase consideration and the individualised assets and liabilities of the acquired entity are recognised at their fair value on the acquisition date. The costs related to the acquisition, with the exception of costs arising from the issue of equity or debt securities, are recorded as expenses. The purchase consideration does not include business operations that are treated separately from the acquisition. Their effect in conjunction with the acquisition is recognised through profit or loss. Additional purchase cost, if applicable, is recognised at fair value on the acquisition date and classified as a liability through profit or loss. Additional purchase cost classified as a liability is recognised through profit or loss at fair value on the last day of each reporting period.

Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. All intra-group transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements. The distribution of the profit for the year between the parent company owners and non-controlling interest shareholders is shown in the statement of comprehensive income. The eventual non-controlling interest in the acquired companies are measured at fair value or to the amount corresponding to the share of the non-controlling interest based on the proportionate share of the specified net assets. The measurement method is defined for each acquisition separately. The amount of shareholders' equity attributable to non-controlling interests is shown as a separate item in the balance sheet under shareholders' equity. The comprehensive profit is allocated to the shareholders of the parent company and the non-controlling interest in its total amount, also the accumulated losses.

Acquisitions that took place before 1 January 2010 are recognised according to the provisions valid at the time.

Associated companies

Associated companies are those in which the Group has a significant controlling interest. A significant controlling interest arises when the Group holds 20% or more of the company's voting power or over which the Group otherwise is able to exercise significant control. Associated companies are consolidated using the equity method. Investments in associated companies include any goodwill arising from their acquisition. If the Group's share of the associated company's losses exceeds the book value of the investment, this investment is entered at zero value in the balance sheet and any losses in excess of this value are not recognized unless the Group has obligations with respect to the associated company. The Group's share of the results of its associated companies is shown as a separate item under operating profit. The Group's share of its associated companies' other changes in comprehensive income are recognised in the consolidated comprehensive income statement under other comprehensive income.

Joint venture entities

Joint venture entities are companies in which the Group exercises joint control with one or more other parties. The Group's jointly controlled assets include shares in the joint venture Mascus A/S established in 2007 (until February 2011) and shares in mutually owned property companies and housing companies. The Group acquired a controlling interest in Mascus A/S in February 2011. Joint venture entities are consolidated in accordance with the proportionate consolidation method permitted under IAS 31.

Translation of items denominated in foreign currencies

Figures in the consolidated financial statements are shown in euro, the euro being the functional and presentation currency of the parent company. Foreign currency items are entered in euro at the rates prevailing at the transaction date. Monetary foreign currency items are translated into euro using the rates prevailing at the balance sheet date. Non-monetary foreign currency items are measured at their fair value and translated into euro using the rates prevailing at the balance sheet date. In other respects non-monetary items are measured at the rates prevailing at the transaction date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions respectively in the statement of comprehensive income. Exchange rate differences related to loans and loan receivables are taken to other finance income and expenses in the profit or loss for the period.

The income statements of foreign Group subsidiaries are translated into euro using the weighted average rates during the period, and their balance sheets at the rates prevailing on the balance sheet date. Goodwill arising from the acquisition of foreign companies is treated as assets and liabilities of the foreign units in question and translated into euro at the rates prevailing on the balance sheet date. Translation differences arising from the consolidation of foreign subsidiaries and associated companies are entered under shareholders' equity. Exchange differences arising on a monetary item that forms part of the reporting entity’s net investment in the foreign operation shall be recognized in the balance sheet and reclassified from equity to profit or loss on disposal of the net investment.

Assets available for sale and discontinued operations

Assets available for sale, and the assets related to the discontinued operation that are classified as available for sale, are measured at the lower of their book value or their fair value less the costs arising from their sale. The Group does not have assets classified under assets available for sale in the financial statements for 2010 or 2011.

Recognition principles

Reported revenue includes the income from the sale of goods and services at fair value and adjusted by indirect taxes, discounts and foreign currency exchange rate differences. Income from the sale of goods is recognized when the material risks and rewards incidental to ownership of the goods have been transferred to the buyer. Rental income is recognized in equal installments over the rental period. Income from services is recognized in accordance with their percentage of completion at the balance sheet date. License and royalty income is recognized in accordance with the actual content of the agreement.

Employee benefits

Employee benefits cover short-term employee benefits, other long-term benefits, termination benefits, and post-employment benefits.

Short-term employee benefits include, among others, salaries and benefits in kind, annual holidays and bonuses. Other long-term benefits include, for example, a celebration, holiday or remuneration (e.g. bonuses for years of service) based on a long period of service. Termination benefits are benefits that are paid due to the termination of an employee's contract and not from service in the company.

Post-employment benefits comprise pension and benefits to be paid after termination of the employee's contract, such as life insurance and healthcare. These benefits are classified as either defined contribution or defined benefit plans. The Group has both forms of benefit plans.

Payments made under defined contribution plans are entered in the profit or loss in the period that the payment applies to. The disability pension component of the Finnish Employees' Pension System (Tyel) handled by insurance companies was reclassified under IFRS as a defined contribution plan from the beginning of 2006. Accordingly, this is treated as a defined contribution plan in the financial statements.

Defined benefit plans are all those that do not meet the criteria for a defined contribution plan. In Alma Media

Group, supplementary pension obligations arising from voluntary plans are treated as defined benefit plans. In a defined benefit pension plan, the company is left with additional obligations also after the payment for the period is made. Actuarial calculations are acquired annually for plans classified as defined benefit plans as a basis for entering the expense, debt or asset item. Debt recognized in the balance sheet is the difference between the present value of the pension obligation and the fair value of the plan assets, on the one hand, and the unrecognized actuarial profits and losses on the other.

Obligations arising from defined benefit plans are calculated for each arrangement separately. Pension costs are recognised as expenses over the beneficiaries' period of employment in the Group based on calculations made by authorised actuaries. Obligations arising from defined benefit plans are calculated using actuarial assumptions. These are divided into demographic and economic assumptions. Demographic assumptions are mortality rates, termination rates and the commencement of disability. Economic assumptions are the discount rate, future salary levels, the expected yield from the plan's assets, and estimated rate of inflation.

Alma Media applies the corridor method in the treatment of actuarial gains and losses, under which actuarial gains and losses are entered in the balance sheet. The accumulated unrecognized actuarial gains and losses, net, are entered in the profit or loss if at the end of the previous period they exceed the greater of the following: 10% of the present value of the defined benefit obligation on the day in question (before deduction of plan assets), or 10% of the fair value of the plan assets on the day in question. These limits are calculated for, and applied to, each defined benefit plan separately. The portion of the actuarial gains and losses entered in the profit or loss for each defined benefit plan is the excess divided by the expected average remaining service lives of the participating employees, i.e. the portion for only one year.

Share-based payments

On the balance sheet date, December 31, 2010, Alma Media has current stock option schemes for senior management launched in spring 2006 and in spring 2009, respectively. The 2006 and 2009 stock options are measured at fair value on the date of issue and expensed during the vesting period. The expense determined at the time of issue is based on the Group's estimate of the number of stock options that are expected to generate rights at the end of the vesting period. Their fair value is determined using the Forward Start Option Rubinstein (1990) model based on the Black–Scholes option pricing model. The Group updates the estimate of the final amount of options on each balance sheet date. When the stock options are exercised, the cash payments received from the subscription of shares, adjusted for transaction costs, are entered in shareholders' equity. Payments received for share subscriptions based on stock options issued prior to the entry into force on 1 September 2006 of the Finnish Limited Liability Companies Act (21.7.2006/624) have been recognised in share capital and the share premium reserve in accordance with the terms of the respective option programmes. Payments received for share subscriptions based on stock options issued after the entry into force of the Companies Act, adjusted for transaction costs, are recognised in the reserve for invested non-restricted equity in accordance with the terms of the respective option programmes. The 2006 and 2009 stock option schemes and their impacts on the profit or loss and balance sheet are described in the notes to the financial statements.

Leasing agreements

Leases applying to tangible assets in which the Group holds a significant share of the risks and rewards incremental to their ownership are classified as finance leases. These are recognized in the balance sheet as assets and liabilities at the lower of their fair value or the present value of the required minimum lease payments at inception of the lease. Assets acquired through finance leases are depreciated over their useful life, or over the lease term, if shorter. Lease obligations are included under interest-bearing liabilities.

Other leases are those in which the risks and rewards incremental to ownership remain with the lessor. When the Group is the lessee, lease payments related to other leases are allocated as expenses on a straight-line basis over the lease term. The lease payments during the future periods are presented as contingent liabilities. When the Group is the lessor, lease income is entered in the profit or loss on a straight-line basis over the lease term.

The Group has made purchasing agreements that include a lease component. Any such arrangements in effect are treated according to the IFRIC 4 interpretation and the arrangements are accounted for based on their actual content.

The Group's current purchasing agreements that include a lease component are treated as other leases in accordance with IAS 17.

Taxes and deferred taxes included in the taxable income for the period

The tax expense in the profit or loss comprises the tax based on the company's taxable income for the period together with deferred taxes. The tax based on taxable income for the period is the taxable income calculated on the applicable tax rate in each country of operation. The tax is adjusted for any tax related to previous periods.

Deferred tax assets and liabilities are recognized on all temporary differences between their book and actual tax values. Deferred tax is not calculated if the difference is not expected to be reversed in the foreseeable future. Deferred taxes are calculated using the tax rates enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. A deferred tax liability is recognized on non-distributed retained earnings of subsidiaries when it is likely that the tax will be paid in the foreseeable future.

Deferred tax assets and liabilities are netted by the company when they relate to income tax levied by the same tax authority and when the tax authority permits the company to pay or receive a single net tax payment. Deferred taxes are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. For this purpose, the conditions for the recognition of deferred taxes are assessed on the final day of each reporting period.

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation, amortization and impairment losses. The acquisition cost includes the costs arising directly from the acquisition of a tangible asset. In the event that a tangible asset comprises several components with different useful lives, each component will be recognised as a separate asset.

Straight line depreciation is entered on the assets over their estimated useful lives. Depreciation is not entered on land. The estimated useful lives are:

- Buildings 30–40 years
- Structures 5 years
- Machinery and equipment 3–15 years
- Large rotation printing presses 20 years

The residual value and useful life of an asset are reviewed, at a minimum, at the end of each financial period and adjusted, where necessary, to reflect the changes in their expected useful lives.

When an item of property, plant and equipment is replaced, the costs related to this new item are capitalized. The same procedure is applied in the case of major inspection or service operations. Other costs arising later are capitalized only when they give the company added economic benefit from the asset. All other expenses, such as normal service and repair procedures, are entered as an expense in the profit or loss as they arise.

Gains and losses arising from the decommissioning and sale of tangible assets are recognised through profit and loss under other operating income and expenses. The gain or loss on sale is defined as the difference between the selling price and the remaining acquisition cost.

Intangible assets

Goodwill created through mergers and acquisitions is recorded at the amount by which the sum of the purchase price, the share of the non-controlling interest in the acquired entity and the purchaser's previously held share in the entity exceed the fair value of the net assets acquired. Acquisitions carried out between 1 January 2004 and 31 December 2009 were recognised according to the previous version of IFRS 3 (2004). Goodwill created through mergers that were carried out prior to 2004 corresponds with the book value under earlier accounting standards, which was used as the acquisition cost. Goodwill represents the excess of the acquisition cost over the Group's share of the net fair values of the acquired company's assets at the time of acquisition. Goodwill is applied to cash-generating units and tested on the transition date and thereafter annually for impairment. Goodwill is measured at the original acquisition cost less impairment losses.

Research costs are entered as an expense in the period in which they arise. Development costs arising from the development of new or significantly improved products are capitalised as intangible assets when the costs of the development stage can be reliably determined, the product is technically feasible and economically viable, the product is expected to produce an economic benefit and the Group has the intention and the required resources to complete the development effort. Capitalised development costs include the costs of material, labour and testing, as well as capitalised borrowing costs, if any, that directly arise from the process of making the product complete for its intended purpose. Development costs that have previously been recognised as expenses will not be capitalised at a later date.

Patents, copyright and software licenses with a finite useful life are shown in the balance sheet and expensed on a straight-line basis in the profit or loss during their useful lives. No depreciation is entered on intangible assets with an indefinite useful life; instead, these are tested annually for impairment. In Alma Media, intangible assets with an indefinite useful life are trademarks measured at fair value at the time of acquisition.

The useful lives of intangible assets are 3–10 years.

Impairments

On each balance sheet date, Alma Media assesses the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. In addition, the recoverable amounts of the following assets are assessed annually whether or not indications of impairment exist: goodwill and intangible assets with an indefinite useful life, and capitalized development costs for projects in progress. The recoverable amounts of intangible and tangible assets are determined as the higher of the fair value of the asset less cost to sell, or the value in use. Impairment losses are recognized when the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognized in the profit or loss. An impairment loss may be reversed if circumstances regarding the intangible or tangible assets in question change. Impairment losses recognized on goodwill are never reversed.

Inventories

Inventories are materials and supplies, work in progress and finished goods. Fixed overhead costs are capitalized to inventories in manufacturing. Inventories are measured at the lower of their acquisition cost or net realizable value. The net realizable value is the sales price expected to be received on them in the normal course of business less the estimated costs necessary to bring the product to completion and the costs of selling. The acquisition cost is defined by the FIFO (first-in-first-out) method. Within Alma Media, inventories mainly comprise the production materials used for newspaper printing.

Financial assets, derivative contracts and hedge accounting

The Group's financial assets have been classified into the following categories as required by IAS 39: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Financial assets are classified according to their purpose when acquired and at the time of acquisition.

Financial assets at fair value through profit or loss are contingent considerations from the sales of the business operations and derivatives. Contingent considerations arise in sales of business operations. The company employs derivative instruments to hedge against changes in paper and electricity prices. Contingent considerations and derivatives are measured at their fair value on the balance sheet date. Changes in fair value of the considerations are recognized in the profit or loss. Changes in the fair value of paper derivatives are recognized under Material Purchases and of electricity derivatives under Other Operating Costs in the profit or loss. Matured derivatives are recognized in the profit or loss in the period during which they mature. The company does not apply hedge accounting.

Loans and Other Receivables are valued at their amortized cost. In Alma Media, this group consists of trade receivable and other receivables. The amount of uncertain receivables is estimated based on the risks associated with individual items. A debtor experiencing considerable financial difficulties, the probability of bankruptcy, the failure to make payments or having payment delayed by more than 180 days are evidence of the impairment of trade receivables. Credit losses are entered as an expense in the profit or loss.

Held to maturity investments are financial assets that mature on a given date and which the Group intends and is able to keep until this date. These are measured at amortized cost.

Available-for-sale financial assets are measured at their fair value and the change in fair value is entered in other comprehensive income and presented under equity. Accrued changes in fair value are transferred from equity to profit or loss as adjustments arising from reclassification when the asset is sold or when its value has decreased to the extent that impairment loss is recognised. This category comprises financial assets that are not classified in any of the other categories. The Group also classifies investments in unquoted shares in this category, but these investments are measured at acquisition cost in the financial statements because they cannot be reliably valued at fair value.

Cash and cash equivalents consist of cash, demand and time deposits, and other short-term highly liquid investments.

The transaction date is generally used when recognizing financial assets. Financial assets are derecognized from the balance sheet when the Group has lost the contractual right to the cash flows or when the Group has transferred a substantial portion of the risks and income to an external party.

On the final day of each reporting period, the Group evaluates whether there is objective evidence of impairment with regard to an individual financial asset or a group of financial assets.

Financial liabilities and borrowing costs

Contingent considerations arising from the business acquisitions are classified as financial liabilities through profit or loss. They are recognized at fair value in the balance sheet and the change in fair value is recognized in the financial items through profit or loss.

Other financial liabilities are initially recognized in the balance sheet at fair value. Later all the other financial liabilities are measured at amortized cost. Financial liabilities are included in current and long-term liabilities and can be interest-bearing or non-interest bearing.

Costs arising from interest-bearing liabilities are expensed in the period in which they arise. The Group has not capitalized its borrowing costs because the Group does not incur borrowing costs on the purchase, building or manufacturing of an asset in the manner specified in IAS 23.

Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the costs required to fulfill the obligation. The provision is discounted if the time-value of the money is significant with respect to the size of the provision. Examples of provisions entered by Alma Media are rental expenses on vacant office premises (loss-making agreements), provisions to cover restructuring costs, and pension obligation provisions on unemployment pension insurance.

A restructuring provision is entered when the Group has prepared and started to put into effect a detailed restructuring plan or has informed those affected by the restructuring of the key aspects of the plan. No provisions are entered for expenses related to the Group's regular operations.

A provision is entered on loss-making agreements when the immediate costs required to fulfill the obligation exceed the benefits available from the agreement. A restructuring provision is entered when the Group has prepared and started to put into effect a detailed restructuring plan or has informed employees about this.

The Group prepares monthly and quarterly estimates on the adequacy of the provisions, and the amounts are adjusted based on actual expenses and changes in estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not within the Group's control. A contingent liability can also be a present obligation that is not recognised because it is not probable that the payment obligation will be realised, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are presented in the notes to the financial statements.

Operating profit

IAS 1 Presentation of Financial Statements does not include a definition of operating profit. The operating profit is the net amount formed when other operating profit is added to net sales, and the following items are then subtracted from the total: material and service procurement costs adjusted for the change in inventories of finished and unfinished products; the costs arising from employee benefits; depreciation, amortization and impairment costs; and other operating expenses. All other items in the profit or loss not mentioned above are shown under operating profit. Exchange rate differences and changes in the fair value of financial assets and liabilities at fair value through profit or loss are included in operating profit if they arise on items related to the company's normal business operations; otherwise they are recognized in financial items.

Segment reporting and its accounting principles

In its financial statements, Alma Media Group reports the Newspapers, Kauppalehti Group and Marketplaces segments. The printing and distribution operations and parent company's operations are reported in Other Operations.

Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the business segments listed above. The segment information is based on Group management internal reporting in which the valuation of assets and liabilities is based on IFRS standards.

Non-recurring items

Non-recurring items are income or expense arising from non-recurring or rear 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 recognized as non-recurring items. Non-recurring items are recognized within the corresponding income or expense group. Non-recurring items are described in the Report by the Board of Directors.

Accounting principles requiring management's judgement and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which may differ from actual results in the future. Management is also required to use its discretion as to the application of the accounting principles used to prepare the statements. The estimates are based on management's best understanding on the balance sheet date. Any changes to these estimates and assumptions are entered in the accounts for the period in which the estimates or assumptions are adjusted and for all periods thereafter.

Accounting principles requiring management's judgement:

Operating leases: The Group has significant lease agreements for its business premises. Based on assessment of the terms of the agreements, the Group has determined that it does not bear any significant rewards and risks incidental to the ownership of the premises and therefore the agreements are by nature operating lease agreements.

Key sources of estimation uncertainty:

The determination of the fair value of intangible assets in conjunction with business combinations is based on the management's estimate of the cash flows related to the assets in question. The determination of the fair value of liabilities related to contingent considerations arising from business combinations are based on the management's estimate. The key variables in the change in fair value of contingent considerations are estimates of future operating profit.

Impairment tests:

The Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and reviews any indications of impairment in the manner described above. The amounts recoverable from cash-generating units are recognized based on calculations of their fair value. The preparation of these calculations requires the use of estimates. The estimates and assumptions used to test major goodwill items for impairment, and the sensitivity of changes in these factors with respect to goodwill testing is described in more detail in the note which specifies goodwill.

Useful lives:

Estimating useful lives used to calculate depreciation and amortization also requires management to estimate the useful lives of these assets. The useful lives used for each type of asset are listed above under Property, Plant and Equipment and Intangible Assets.

Other estimates:

Other management estimates relate mainly to other assets, such as the current nature of receivables and capitalized R&D costs, to tax risks, to determining pension obligations, to the utilization of tax assets against future taxable income.

Events subsequent to the closing of the accounts

The period during which matters affecting the financial statements are taken into account is the period from the closing of the accounts to the release of the statements. The release date is the day on which the Financial Statements Bulletin will be published. Events occurring during the period referred to above are examined to determine whether they do or do not make it necessary to correct the information in the financial statements.

Information in the financial statements is corrected in the case of events that provide additional insight into the situation prevailing on the balance sheet date. Events of this nature include, for example, information received after the closing of the accounts indicating that the value of an asset had been reduced on the balance sheet date.

Application of new but not yet adopted standards

The following new standards and interpretations will be applied in the Group in future periods:

IFRS 7 Financial Instruments: Disclosures (amendment, effective for financial periods beginning on or after 1 July 2011)

The amendment will increase the transparency of disclosures of transfers of financial assets and enables users of the financial statements to evaluate the risks associated with transfers of financial assets and the effects of the risks on the entity's financial position, particularly with regard to the securitisation of financial assets. The amendment has not yet been approved for application within the EU.

IAS 12 Income Taxes (amendment, effective for financial periods beginning on or after 1 January 2012)

Previously, IAS 12 required an entity to evaluate what proportion of the carrying amount of an asset recognised at fair value on the balance sheet will be recovered through use (e.g. rental revenue) and what proportion through sale. The amendment introduces a presumption that recovery of the carrying amount will normally happen through sale. The presumption applies to deferred taxes arising from investment properties, property, plant and equipment and intangible assets that are measured using the fair value or revaluation model. The amendment has not yet been approved for application within the EU.

IAS 1 Presentation of Financial Statements (amendment, effective for financial periods beginning on or after 1 July 2012)

The most significant change concerns the grouping of other comprehensive income items based on whether they are potentially reclassifiable to profit or loss at a later date, subject to certain conditions being met. The amendment has not yet been approved for application within the EU.

IAS 19 Employee Benefits (amendment, effective for financial periods beginning on or after 1 January 2013)

The amendment requires immediate recognition of actuarial gains and losses in other comprehensive income items, discontinuing the use of the corridor method and measuring finance cost based on net interest. The amendment has not yet been approved for application within the EU.

IFRS 9 Financial Instruments (effective date to be confirmed)

IFRS 9 is the first phase of a broader project to replace IAS 39 with a new standard. The new standard retains the existing valuation methods but simplifies them. Based on the valuation method used, financial assets are divided into two main classes: those measured at amortised cost and those measured at fair value. The classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The IAS 39 provisions on impairment and hedge accounting will remain effective. The new standard does not change the recognition and measurement of financial liabilities, with the exception of financial liabilities to which the fair value option is applied. The standard has not yet been approved for application within the EU.

IFRS 10 Consolidated Financial Statements (effective for financial periods beginning on or after 1 January 2013)

In line with existing principles, the standard establishes control as the basis for consolidation. The standard also sets out how to apply the principle of control to identify whether an investor controls an investee. The standard has not yet been approved for application within the EU.

IFRS 11 Joint Arrangements (effective for financial periods beginning on or after 1 January 2013)

The standard emphasises the importance of the rights and obligations arising from joint arrangements in accounting rather than the legal structure of such arrangements. There are two types of joint arrangements: joint operations and joint ventures. The standard also requires the equity method to be used in reporting on joint ventures in place of the previously allowed proportionate consolidation method. The standard has not yet been approved for application within the EU.

IFRS 12 Disclosure of Interests in Other Entities (effective for financial periods beginning on or after 1 July 2013)

The standard covers the disclosure of information regarding interests in other entities, including subsidiaries, joint arrangements, special purpose entities and unconsolidated structured entities. The standard has not yet been approved for application within the EU.

IFRS 13 Fair Value Measurement (effective for financial periods beginning on or after 1 January 2013)

The purpose of the standard is to increase consistency and reduce complexity by providing an exact definition of fair value and setting out in a single standard the requirements for measuring fair value and making related disclosures. The standard does not extend the use of fair value, but provides a framework for situations where another standard requires or permits fair value measurements. The standard has not yet been approved for application within the EU.

IAS 28 Investments in Associates and Joint Ventures (revised, effective for financial periods beginning on or after 1 January 2013)

The revised standard sets out requirements for using the equity method of accounting for associates and joint ventures as a result of the publication of IFRS 11. The standard has not yet been approved for application within the EU.

Notes to the Consolidated Financial Statements

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1. SEGMENT INFORMATION

Alma Media Group has four reporting segments: Newspapers, the Kauppalehti Group, Marketplaces and Other Operations. The segment information provided by the Group is based on internal management reporting, applying the IFRS standards.

Alma Media Group has defined eight operating segments: Aamulehti, Iltalehti, Pohjois-Suomen Media, Satakunnan Kansa, Suomen Paikallissanomat, Kauppalehti Group, Marketplaces and other operations. Newspapers have been consolidated segment of similar products and services that are produced by operating segments into one reportable segment, due to their ecomonic performance economic characteristics are similar.

The Newspapers segment reports the publishing activities of 34 newspapers. The largest of them are the regional paper Aamulehti and the daily afternoon paper Iltalehti. Kauppalehti Group specialises in providing business and financial information. Its best known title is Finland's leading business media Kauppalehti. The group also includes customer and media communications solutions for generating Alma 360 Customer Media -Group (previously known as Alma Lehdentekijät, Suomen Business Viestintä as well as TTNK Helsinki) and a news agency operating in the Baltic countries BNS. Marketplaces segment includes digital classified services at home and abroad as well as their support of the printing industry. The inter-segment transfer is based on market prices. Other Operations segment includes printing and distribution unit and the parent company's operations.

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.

Geographical segments cannot be distinguished within the Group (Alma Media chiefly operates in one geographical segment), which is why segment reporting comprises only the business segments listed above. The following table shows the geographical breakdown of the Group's revenue in 2011 and 2010.

M€	**2011**	Share of total	**2010**	Share of total
Finland	301.8	95.4	298.4	95.8
Rest of EU countries	13.3	4.2	12.1	3.9
Other countries	1.1	0.4	0.8	0.3
Total	316.2	100.0	311.4	100.0

REVENUE

M€	News-papers	Kauppalehti Group	Market places	Others	Segments total	Non-allocated items and elimi-nations	Group
Financial year 2011							
Revenue							
External revenue	217.3	55.9	37.5	5.6	316.2		316.2
Inter-segment revenue	4.2	0.8	-0.5	75.9	80.4	-80.4	0.0
Revenue, total	221.5	56.7	37.0	81.5	396.6	-80.4	316.2
Financial year 2010							
Revenue							
External revenue	215.1	57.2	32.3	6.7	311.4		311.4
Inter-segment revenue	4.1	0.7	-0.3	71.9	76.4	-76.4	0.0
Revenue, total	219.3	57.9	32.1	78.5	387.8	-76.4	311.4

PROFIT FOR THE PERIOD M€	News- papers	Kauppalehti Group	Market places	Others	Segments total	Non- allocated items and elimi- nations	Group
Financial year 2011							
Operating income	30.2	7.4	5.8	-1.4	42.0		42.0
Share of results in assoc. Companies		1.8	-0.1	0.9	2.5		2.5
Net finance expenses	0.4	-1.1	-1.3	-0.4	-2.5		-2.5
Income before tax	30.5	8.0	4.4	-0.9	42.0	0.0	42.0
Income tax						-11.2	-11.2
Profit for the period	30.5	8.0	4.4	-0.9	42.0	-11.2	30.8
Financial year 2010							
Operating income	32.9	8.2	0.4	1.9	43.4		43.4
Share of results in assoc. companies	0.1		-0.1	0.6	0.7		0.7
Net finance expenses		-0.8	1.0	0.7	0.9		0.9
Income before tax	33.0	7.4	1.3	3.3	45.0	0.0	45.0
Income tax						-11.8	-11.8
Profit for the period	33.0	7.4	1.3	3.3	45.0	-11.8	33.2

ASSETS AND LIABILITIES

M€	News-papers	Kauppalehti Group	Market places	Others	Segments total	Non-allocated items and elimi-nations	Group
Financial year 2011							
Segment assets	44.0	14.2	20.6	15.7	94.5		94.5
Investments in assoc. companies	1.5	26.6	-0.2	7.0	35.0		35.0
Non-allocated assets						68.5	68.5
	45.5	40.8	20.4	22.7	129.4	68.5	198.0
Segment liabilities	39.3	11.0	6.8	14.9	72.0		72.0
Non-allocated liabilities						29.2	29.2
	39.3	11.0	6.8	14.9	72.0	29.2	101.2
Total	6.2	29.8	13.6	7.8	57.4	39.3	96.7
Financial year 2010							
Segment assets	44.7	16.2	21.7	21.6	104.1		104.1
Investments in assoc. companies	1.7	25.1	-0.1	6.9	33.6		33.6
Non-allocated assets						46.7	46.7
	46.3	41.3	21.7	28.5	137.8	46.7	184.5
Segment liabilities	27.4	10.4	7.7	14.3	59.7		59.7
Non-allocated liabilities						10.0	10.0
	27.4	10.4	7.7	14.3	59.7	10.0	69.7
Total	19.0	30.9	14.0	14.1	78.0	36.7	114.8

Assets not allocated to the segments are financial assets and tax receivables.

Liabilities not allocated to the segments are financial and tax liabilities.

OTHER DISCLOSURES

M€	News-papers	Kauppalehti Group	Market places	Others	Segments total	Non-allocated items and elimi-nations	Group
Financial year 2011							
Investments	2.5	0.6	2.0	1.2	6.3		6.3
Depreciation and amortisation	1.7	0.9	1.2	5.3	9.0		9.0
Other expenses not requiring payment transaction, other than depreciation	0.1	0.0	-1.6	-0.4	-1.8		-1.8
Impairments	0.2	0.0	0.0	0.0	0.2		0.2

M€	News-papers	Kauppalehti Group	Market places	Others	Segments total	Non-allocated items and elimi-nations	Group
Financial year 2010							
Investments	4.0	1.4	5.6	1.8	12.9		12.9
Depreciation and amortisation	1.8	0.8	1.5	5.4	9.5		9.5
Other expenses not requiring payment transaction, other than depreciation	-0.6	0.7	-0.9		-0.9	-0.1	-1.0

2. BUSINESS COMBINATIONS

Acquisitions in 2011

Alma Media acquired the majority (51%) of Mascus A/S in Denmark, which was previously reported as joint venture company.

Acquisitions in 2010

The Group acquired five business operations during 2010. These are listed by segment as follows:

	Business line	Acquired on	Ownership %
Marketplaces segment			
Marknadspriser i Sverige AB, Ruotsi	Online advertising	March 1, 2010	60 %
Newspapers segment			
Tyrvään Sanomat	Local newspaper	April 16, 2010	100 %
Kotikokki.net	Online advertising	June 1, 2010	65 %
Alma Intermedia	Online advertising	October 1, 2010	100 %
Kauppalehti Group			
TTNK-Helsinki Oy	Digital marketing communication	November 1, 2010	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.

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.1	0.1
Intangible assets	0.0	1.5
Trade and other receivables	0.7	0.7
Cash and cash equivalents	0.3	0.3
Assets, total	1.1	2.6
Deferred tax liabilities	0.0	0.4
Trade and other payables	1.0	1.0
Liabilities, total	1.0	1.4
Total identifiable net assets at fair value	0.1	1.1
Cash and cash equivalents of acquired subsidiaries or businesses		0.3
Purchase consideration		
Consideration, settled in cash		2.6
Contingent consideration liability		1.1
Total consideration		3.7
Contingent consideration at fair value on Dec 31, 2010		1.0

The minimum realizable value of the contingent considerations is 0.2 M€. The amount of the contingent considerations is based on the net sales and operating profits of the acquired business during 2010-2012.

Contingent considerations are classified as financial assets recognized at fair value through profit and loss. The change in fair value is recognized in the financial items.

The fair value of the non-controlling interests at the time of the acquisition was 0.1 M€.

The fair values are the estimated final considerations discounted to the balance sheet date.

Goodwill arising on acquisition

Contingent consideration	3.7
The share of the non-controlling interest based on the propotional share of the specified net assets	0.1
Non-controlling interest measured at fair value	0.2
Identifiable net assets of the acquired business operations	-1.1
Goodwill	**2.9**

Alma Media has recognized consulting fees of M€ 0.04 for the business combinations as other operating costs.

The fair values entered on intangible assets in the integration relate primarily to customer agreements. The goodwill arising from these acquisitions totalled M€ 2.9. Contributory factors were the synergies related to these businesses expected to be realised. The year's operating profit of the operations acquired for the segment was M€ -0.09 from the acquisition date. Group revenue would have been an estimated M€ 313.4 (reported M€ 311.4) and the operating profit M€ 43.6 (reported M€ 43.4), assuming the acquisitions had taken place at the beginning of 2010.

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 change in fair value of the previous ownership of 40 per cent was M€ 0.2, which was recognized in the other operating income.

3. REVENUE

M€	2011	2010
Distribution of revenue between goods and services		
Sales of goods	**124.8**	125.3
Sales of services	**191.4**	186.1
Revenue, total	**316.2**	311.4

In this specification, sales of goods comprises newspaper circulation sales. Sales of services comprises advertisement sales, printing contract sales, book sales and distribution services as well as sales of Marketplaces in its entirety.

4. OTHER OPERATING INCOME

M€	2011	2010
Gains on sale of non-current assets	**0.6**	0.4
Other	**0.2**	0.0
Other operating income, total	**0.8**	0.4

Specification of other major operating income items:

Gains on sales of business operations

5. MATERIALS AND SERVICES

M€	2011	2010
Purchases during period	16.9	16.3
Change in inventories	-0.0	-0.5
Materials, goods and supplies	16.9	15.8
External services	72.1	73.5
Total	88.9	89.4

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2011 totalled M€ 4.6 (M€ 4.0 in 2010). Of this total, M€ 3.0 (M€ 2.6) was recognized in the income statement and M€ 1.6 (M€ 1.4 in 2010) was capitalized to the balance sheet in 2011. There were capitalized research and developments costs M€ 5.3 in the balance sheet at December 31, 2011.

7. EMPLOYEE BENEFITS EXPENSE

M€	2011	2010
Salaries and fees	**96.2**	94.7
Pension costs - defined contribution plans	**16.5**	16.2
Pension costs - defined benefit plans	**-0.0**	-0.0
Share-based payment transaction expense	**1.0**	0.6
Other personnel expenses	**6.3**	5.6
Total	**119.8**	117.2

Average total workforce, calculated as full-time employees, excl. distribution staff

Newspapers	**964**	972
Kauppalehti group	**429**	437
Marketplaces	**180**	180
Other	**242**	217
Total	**1816**	1806
Additionally, Group's own distribution staff (number of employees)	**961**	962

Salaries and bonuses paid to management

Parent company president (Kai Telanne):

Salaries and other short-term employee benefits	**0.4**	0.5
Post-employment benefits	**0.2**	0.1
Approved stock options to be settled in shares	**0.2**	0.1
Total	**0.8**	0.7

The figures in the table are presented as accrual basis. In 2011 the salary and benefits paid to the President and CEO totalled M€ 0.5 (in 2010 M€ 0.6) , including M€ 0.0 share-based payments.

Other members of the Group Executive Team:

Salaries and other short-term employee benefits	**1.3**	1.4
Termination benefits		
Post-employment benefits	**0.5**	0.2
Approved stock options to be settled in shares	**0.4**	0.3
Total	**2.2**	2.0

The figures in the table are presented as accrual basis. In 2011 the salary and benefits paid to the other members of the Group Executive Team totalled M€ 1.6 (in 2010 M€ 1.5), including M€ 0.1 share-based payments.

1 000 EUR

Board of Directors of Alma Media Corporation and benefits paid to its members, figures presented in thousand euros

Kari Stadigh	Chairman (until March 17, 2011)	**5**	50
Seppo Paatelainen	Chairman (starting March 17,2011)	**56**	37
Petri Niemisvirta	Deputy chairman (starting March 17, 2011)	**40**	0
Timo Aukia	Member (starting March 17, 2011)	**30**	0
Lauri Helve	Member (until March 17, 2011)	**3**	30
Kai Seikku	Member	**31**	28
Erkki Solja	Member	**33**	28
Catharina Stackelberg-Hammarén	Member	**32**	29
Harri Suutari	Member	**33**	31
Total		**261**	231

The figures in the table are presented on accrual basis.

According to the resolution of the general meeting the benefits to the board members are paid as shares of Alma Media

M€

Salaries and bonuses to management, total	**3.2**	2.9

The president of the parent company has the right to retire upon reaching 60 years of age. His pension is 60% of his salary. The period of notice salary is 6 months, and additional 12 months' basic salary if the employer terminates his contract without the President and CEO being in breach of contract. The latter is not paid if the President himself resigns.

The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team together held 260,917 of the company's shares on December 31, 2011, representing 0.4% of the total number of shares and votes. The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team held altogether 260,000 options under the 2006C plan, 355,000 options under the 2009A plan, 355,000 options under the 2009B plan and 370,000 options under the 2009C plan on December 31, 2011. These option rights entitle their holders to subscribe to a maximum of 1,340,000 new shares in the company.

The option rights and shares owned by the members of the Board of Directors, the President and CEO of the parent company and the members of the Group Executive Team represent 2.1% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights on Dec 31, 2011, are as follows *)

		Shares	**Options 2006C**	**Options 2009A**	**Options 2009B**	**Options 2009C**
Seppo Paatelainen	Chairman	4,770				
Petri Niemisvirta	Deputy chairman	1,318				
Timo Aukia	Member	1,075				
Kai Seikku	Member	6,230				
Erkki Solja	Member	42,967				
Catharina Stackelberg-Hammarén	Member	3,705				
Harri Suutari	Member	44,418				
Kai Telanne	President	89,753	80,000	100,000	100,000	100,000
Pekka Heinänen	Group Executive Team (starting August 15, 2011)					15,000
Tuomas Itkonen	Group Executive Team			30,000	30,000	30,000
Jouko Jokinen	Group Executive Team	21,000	25,000	30,000	30,000	30,000
Kari Kivelä	Group Executive Team	1,710	40,000	45,000	45,000	45,000
Mikko Korttila	Group Executive Team	127	10,000	30,000	30,000	30,000
Juha-Petri Loimovuori	Group Executive Team	3,055	40,000	45,000	45,000	45,000
Raimo Mäkilä	Group Executive Team	30,000	40,000	45,000	45,000	45,000
Minna Nissinen	Group Executive Team	10,789	25,000	30,000	30,000	30,000
Total		260,917	260,000	355,000	355,000	370,000

* Figures include holdings of entities under their control as well as holdings of related parties.

According to the Articles of Association, the Board of Directors is appointed by the Annual General Meeting. The number of members in the Board of Directors is no less than three and no more than nine ordinary members. The Board of Directors shall elect from among its members a Chairman and a Deputy Chairman. The term of office for a member of the Board of Directors shall be one year, ending at the close of the Annual General Meeting following his or her election. The company's President and CEO may not be the Chairman of the Board.

The company shall have a President and CEO appointed by the Board of Directors. The President and CEO shall be responsible for managing the administration of the company in accordance with the instructions and requirements of the Board of Directors.

8. OTHER OPERATING EXPENSES

Specification of other operating expenses by business:

M€	2011	2010
Information technology and telecommunication	**12.9**	11.6
Business premises	**11.2**	10.8
Sales and marketing	**12.1**	10.8
Other costs	**20.9**	19.3
Total	**57.1**	52.4

9. AUDIT EXPENSES

M€	2011	2010
Ernst Young Oy		
Audit	**0.1**	0.1
Reporting and opinions	**0.0**	0.0
Tax consultation	**0.0**	0.0
Other	**0.0**	0.0
Total	**0.1**	0.2

10. FINANCE INCOME AND EXPENSES

M€	2011	2010
Finance income		
Interest income		
Other interest income	**0.4**	0.3
Foreign exchange gains and losses	**0.0**	0.0
Dividend income on other non-current investments	**0.2**	0.3
Fair value gain on financial assets at fair value through profit or loss	**0.0**	0.8
Fair value gain on financial liabilities at fair value through profit or loss	**0.5**	0.1
Total	**1.1**	1.5
Finance expenses		
Interest costs		
Interest costs from other interest-bearing debt	**-0.2**	0.0
Interest costs from finance leases	**-0.1**	-0.2
Foreign exchange losses	**-0.7**	0.0
Change in fair value of financial assets through profit or loss	**-2.2**	0.0
Other financial expences	**-0.4**	-0.4
Total	**-3.6**	-0.6
Finance income and expenses, total	**-2.5**	0.9
Finance income presented by categories as required by IAS 39		
Interest income on held to maturity investments	**0.4**	0.3
Foreign exchange gains (loans and receivables)	**0.0**	0.0
Fair value gain on financial assets at fair value through profit or loss	**0.0**	0.8
Fair value gain on financial liabilities at fair value through profit or loss	**0.5**	0.1
Dividend income from available-for-sale financial assets	**0.2**	0.3
Total	**1.1**	1.5

Finance expenses presented by categories as required by IAS 39

Interest expenses from interest-bearing debts measured at amortized cost	**-0.2**	0.0
Interest expenses on financial assets and liabilities at fair value through profit of loss	**-0.1**	-0.2
Foreign exchange losses	**-0.7**	0.0
Fair value gain on financial liabilities at fair value through profit or loss	**-2.2**	0.0
Other finance expenses	**-0.4**	-0.4
Total	**-3.6**	-0.6

Contigent considerations are classified as derivatives. Following IAS 39, they are financial assets recognized at fair value through profit or loss. The change in fair value is recognized in the finance income and expenses.

11. INCOME TAX

M€	2011	2010
Current income tax charge	**11.6**	11.9
Adjustments in respect of current income tax of previous years	**0.2**	-0.1
Deferred taxes	**-0.6**	0.0
Total	**11.2**	11.8

Reconciliation of tax expense in income statement and tax calculated on Finnish tax rate:

The Finnish corporate tax rate in 2011 and 2010 was 26 %.

M€	2011	2010
Income before tax	**42.0**	45.0
-Share of associated companies' result	**-2.5**	-0.7
	39.5	44.3
Tax calculated on the parent company's tax rate	**10.3**	11.6
Impact of varying tax rates of foreign subsidiaries	**-0.1**	-0.1
Tax-free income	**-0.5**	-0.2
Non-tax-deductable expenses	**1.4**	0.4
Items from previous periods	**0.2**	-0.1
Use of previously non-entered deferred tax assets	**-0.1**	0.0
Unrecognized deferred tax asset of the confirmed tax losses	**0.1**	0.3
Other items	**0.0**	0.0
Tax recognized in the income statement	**11.2**	11.8

No taxes are recognized for the other comprehensive income items.

12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the ordinary equity holders of the parent by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit for the period belonging to the parent company's owners by the weighted average number of diluted shares during the period.

M€	2011	2010
Profit attributable to ordinary share holders of parent	**29.4**	32.8
Number of shares (x 1,000)		
Weighted average number of shares for basic earnings per share	**75,339**	74,894
Effect of dilution, share options	**433**	192
Diluted weighted average number of outstanding shares	**75,772**	75,086
EPS, basic, €	**0.39**	0.44
EPS, diluted, €	**0.39**	0.44

13. INTANGIBLE ASSETS AND GOODWILL

M€	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2011					
Acquisition cost Jan 1	20.8	4.8	1.6	31.4	58.6
Increases	0.3	0.0	1.8	0.2	2.3
Decreases	-1.0		0.0	0.0	-1.0
Exchange differences				0.1	0.1
Transfers between items	0.7	0.9	-1.6		0.0
Acquisition cost Dec 31	20.9	5.7	1.8	31.7	60.1
Acc. depreciation, amortization and impairments Jan 1	13.1	3.7	0.0	1.1	17.8
Acc. depreciation in decreases and transfers	-0.7			0.0	-0.7
Depreciation for the financial year	1.9	0.5		0.0	2.4
Writedowns				0.0	0.0
Exchange differences	0.0			0.0	0.0
Accumulated depreciation Dec 31	14.3	4.2	0.0	1.1	19.5
Book value Jan 1	7.8	1.1	1.6	30.4	40.9
Book value Dec 31	6.6	1.5	1.8	30.6	40.6

M€	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2010					
Acquisition cost Jan 1	19.2	4.7	1.0	28.4	53.2
Increases	1.8	0.0	1.8	2.9	6.5
Decreases	-0.9	0.0	-0.1	-0.3	-1.3
Exchange differences	0.0			0.4	0.4
Transfers between items	0.8	0.1	-1.1		-0.2
Acquisition cost Dec 31	20.8	4.8	1.6	31.4	58.6
Acc. depreciation, amortization and impairments Jan 1	11.6	2.9	0.0	1.2	15.6
Acc. depreciation in decreases and transfers	-0.7	0.0		-0.1	-0.8
Depreciation for the financial year	2.2	0.8			3.0
Writedowns	0.0	0.0		0.0	0.0
Exchange differences	0.0	0.0			0.0
Accumulated depreciation Dec 31	13.1	3.7	0.0	1.1	17.8
Book value Jan 1	7.6	1.8	1.0	27.2	37.6
Book value Dec 31	7.8	1.1	1.6	30.4	40.9

Decreases to the goodwill concern the acquisitions made before the implementation of the revised IFRS 3.

Intangible assets include assets purchased through finance leases as follows:

M€	Intangible rights
Financial year 2011	
Acquisition cost Jan 1	0.8
Acquisition cost Dec 31	0.8
Acc. depreciation Jan 1	0.8
Accumulated depreciation Dec 31	0.8
Book value Dec 31	0.0

M€	Intangible rights
Financial year 2010	
Acquisition cost Jan 1	0.8
Decreases	0.0
Acquisition cost Dec 31	0.8
Acc. depreciation in decreases	0.8
Depreciation for the financial year	0.0
Accumulated depreciation Dec 31	0.8
Book value Dec 31	0.0

Allocation of intangibles with indefinite lives to cash-generating units

The book value of intangible assets includes intangible rights totalling M€ 2.3 which are not depreciated; instead these rights are tested annually for impairment. These assets, which have an indefinite economic impact, are trademarks recognized at fair value by the Group at the time of acquisition. These non-depreciated intangible rights are allocated to the cash-generating units as follows:

M€	2011	2010
Iltalehti	**1.0**	1.0
Suomen Paikallissanomat	**0.4**	0.4
Other	**0.1**	0.1
Newspapers, total	**1.4**	1.4
Alma Media Lehdentekijät	**0.1**	0.1
Kauppalehti group, total	**0.1**	0.1
Homes and business premises	**0.8**	0.8
Marketplaces, total	**0.8**	0.8
Group, total	**2.3**	2.3

Allocation of goodwill to cash-generating units

M€	2011	2010
A significant amount of goodwill has been allocated to the following cash-generating units:		
Aamulehti	**0.0**	0.0
Iltalehti	**3.6**	3.6
Pohjois-Suomen Media Oy	**5.8**	5.8
Satakunnan Kansa	**4.0**	4.0
Suomen Paikallissanomat	**2.6**	2.6
Other	**0.6**	0.6
Newspapers, total	**16.7**	16.6
Baltic News Service	**1.1**	1.1
Kauppalehti	**3.3**	3.3
Alma Media Lehdentekijät	**3.1**	3.1
Kauppalehti group, total	**7.5**	7.5
Homes and business premises	**4.9**	4.9
Vehicles and heavy machinery	**1.4**	1.2
Marketplaces, total	**6.3**	6.1
Units allocated an insignificant amount of goodwill	**0.1**	0.1
Goodwill total	**30.6**	30.4

Impairment testing of goodwill and intangible with indefinite lives

Testing for goodwill and intangible rights with indefinite useful lives is conducted at the level of units producing cash flow. In testing for impairment, the recoverable amount is the value in use.

Following the model used before, estimated cash flows determined in the test are based on the Group's strategic forecasts for the following three years confirmed by the Board of Directors and business units' management. The years following this period are estimated by extrapolation, taking into account the business cycle and management's views. In addition to general economic factors, the main assumptions and variables used when determining cash flows are the forecast growth of advertising sales in different market segments, the unit-specific average cost of capital (discount rate) and estimated growth of newspaper circulation sales. The growth rate assumptions for advertising sales vary in different market segments and in different product categories. When evaluating growth, past events are taken into account.

The discount rates used in the calculations for the segments are: units operating in Finland, 9.7% (interest rate before taxes); units operating in Sweden, 8.8% (interest rate before taxes); and units operating in the Baltic countries, 15.5% (interest rate before taxes). The interest rate is based on the weighted average yield set for shareholders' equity and liabilities. During the review period, the interest rates have been updated to current market information from the different markets. The capital structure of the Group has remained unchanged from the comparison period.

Discount rates used in impairment testing

	Publishing Business	**Online Business**
Newspapers	9.5 %	11.9 %
Kauppalehti-Group		
Domestic	9.3 %	
Foreign	12.8 %	
Marketplaces		
Domestic		11.9 %
Sweden		11.7 %
Foreign, other		16.2 %

Goodwill allocated to new business areas, as well as goodwill arising from recent acquisitions, are more sensitive to impairment testing and therefore more likely to be subject to impairment loss when the above main assumptions change. Based on a sensitivity analysis, the tested goodwill and intangible rights have not been critical.

In connection with the sensitivity analysis, the effects of an increase in the discount rate (at the most 3%) a decrease in advertising sales (at the most 6%) and a decrease in the circulation sales (at the most 3%) to estimated cash flows have been estimated. The sensitivity analysis of the advertising and circulations sales are based on the management view of the future development at the
balance sheet date.

With regard to the recoverable amounts from Alma Media Group's Newspapers and Kauppalehti Group, as well as the Marketplaces segment's business operations in Finland, the management does not believe that a change in any of the central variables would lead to a situation in which the recoverable amounts of the business units would be lower than than their book values. For the Newspapers, Kauppalehti Group segments and the Marketplaces segment's operations in Finland, the combined book values of the assets of business units under the segments at the time of testing were less than 10 of the current value of the estimated recoverable amount of the segments. The goodwill of Intermedia, unit reported in Newspaper segment, has an exposure for an impairment loss of some 0.4 M€, if advertising sales decrease 6 % from the management view at the balance sheet date.

For the Marketplaces segment's operations outside Finland, the combined book value of the assets is some 35 per cent of the current value of the estimated recoverrable amout. Should advertising sales decrease 6% from the management view at the balance sheet date, the Marketplaces segment's City-Business has an exposure for an impairment loss of some MEUR 0.1.

In the financial period 2011 and 2010 impairment of Goodwill is not recorded. Based on impairment testing assets and goodwill do not contain the risk of impairment.

14. PROPERTY, PLANT AND EQUIPMENT

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2011						
Acquisition cost Jan 1	1.7	24.5	61.0	4.5	0.0	91.6
Increases		0.0	2.2	0.1	0.3	2.6
Decreases	0.0	-0.1	-5.8	-0.4	0.0	-6.3
Exchange differences			0.1			0.1
Transfers between items		0.1	0.0	0.3	-0.3	0.0
Acquisition cost Dec 31	1.7	24.5	57.4	4.4	0.0	88.0
Acc. depreciation, amortization and impairments Jan 1		14.7	46.2	2.9		63.8
Accumulated depreciation in decreases and transfers		0.0	-5.3	-0.4		-5.7
Depreciation for the financial year		0.5	5.8	0.2		6.6
Writedowns		0.2				0.2
Exchange differences			0.0			0.0
Acc. depreciation, amortization and impairments Dec 31	0.0	15.5	46.7	2.7	0.0	64.9
Book value Jan 1	1.7	9.8	14.8	1.6	0.0	27.8
Book value Dec 31	1.7	9.0	10.7	1.7	0.0	23.0

Balance sheet value of machinery and equipment	10.1

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2010						
Acquisition cost Jan 1	1.7	25.4	63.0	4.5	0.6	95.3
Increases		0.1	2.2	0.0	0.5	2.9
Decreases	0.0	-1.1	-5.5	-0.1	-0.2	-6.8
Exchange differences			0.1	0.0	0.0	0.1
Transfers between items		0.0	1.2	0.0	-1.0	0.2
Acquisition cost Dec 31	1.7	24.5	61.0	4.5	0.0	91.6
Acc. depreciation, amortization and impairments Jan 1	0.0	15.1	45.5	2.6		63.2
Accumulated depreciation in decreases and transfers		-1.0	-4.9	0.0		-5.9
Depreciation for the financial year		0.6	5.6	0.3		6.5
Writedowns			0.0	0.0		0.0
Exchange differences			0.0	0.0		0.0
Acc. depreciation, amortization and impairments Dec 31	0.0	14.7	46.2	2.9	0.0	63.8
Book value Jan 1	1.7	10.3	17.5	1.9	0.6	32.0
Book value Dec 31	1.7	9.8	14.8	1.6	0.0	27.8

Balance sheet value of machinery and equipment	14.0

Property, plant and equipment includes assets purchased through finance leases as follows:

M€	Machinery and equipment
Financial year 2011	
Acquisition cost Jan 1	9.0
Increases	1.9
Decreases	-3.2
Acquisition cost Dec 31	7.7
Acc. Depreciation Jan 1	4.5
Acc. depreciation in decreases	-2.5
Depreciation for the financial year	1.4
Acc. Depreciation Dec 31	3.4
Book value Dec 31	4.3

M€	Machinery and equipment
Financial year 2010	
Acquisition cost Jan 1	9.7
Increases	1.7
Decreases	-2.4
Acquisition cost Dec 31	9.0
Acc. Depreciation Jan 1	4.9
Acc. depreciation in decreases	-2.0
Depreciation for the financial year	1.5
Acc. Depreciation Dec 31	4.5
Book value Dec 31	4.5

15. SUBSIDIARY COMPANIES

Company	Registered office	Holding %	Share of votes %
Alma Intermedia Oy	Pori, Suomi	100.00	100.00
Alma Manu Oy	Tampere, Suomi	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki, Suomi	100.00	100.00
Alma Media Kustannus Oy	Helsinki, Suomi	100.00	100.00
Alma Media Lehdentekijät Oy	Helsinki, Suomi	100.00	100.00
Alma Media Ventures Oy	Helsinki, Suomi	100.00	100.00
Alma Mediapartners Oy	Helsinki, Suomi	65.00	65.00
AS Kinnisvaraportaal	Tallinna, Viro	100.00	100.00
Balti Uudistetalituse AS	Tallinna, Viro	100.00	100.00
BNS Eesti OÜ	Tallinna, Viro	100.00	100.00
BNS Latvija SIA	Riika, Latvia	99.99	99.99
BNS UAB	Vilna, Liettua	99.95	99.95
Bovision AB	Tukholma, Ruotsi	100.00	100.00
City24 Polska Sp z.o.o.	Varsova, Puola	70.00	70.00
ETA Uudistetalituse OÜ	Tallinna, Viro	100.00	100.00
Etuovi Oy	Helsinki, Suomi	100.00	100.00
Karenstock Oy	Helsinki, Suomi	100.00	100.00
Kauppalehti Oy	Helsinki, Suomi	100.00	100.00
Kotikokki.net Oy	Helsinki, Suomi	65.00	65.00
Kustannus Oy Aamulehti	Tampere, Suomi	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki, Suomi	100.00	100.00
Marknadspriser i Sverige AB	Lidköping, Ruotsi	60.00	60.00
Mascus A/S	Hojbjerg, Tanska	51.00	51.00
Mediaskopas UAB	Vilna, Liettua	100.00	100.00
Mediju Monitorings SIA	Riika, Latvia	100.00	100.00
Monster Oy	Helsinki, Suomi	75.00	75.00
Objektvision AB	Tukholma, Ruotsi	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi, Suomi	100.00	100.00

Satakunnan Kirjateollisuus Oy	Pori, Suomi	100.00	100.00
SIA City24	Riika, Latvia	100.00	100.00
Suomen Business Viestintä SBV Oy	Helsinki, Suomi	100.00	100.00
Suomen Paikallissanomat Oy	Tampere, Suomi	100.00	100.00
Suunnittelutoimisto TTNK Helsinki Oy	Helsinki, Suomi	100.00	100.00
Newsworks International UAB	Vilna, Liettua	100.00	100.00
UAB City24	Vilna, Liettua	100.00	100.00

16. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

M€	2011	2010
Holdings in associated companies		
At beginning of period	**33.6**	30.5
Increases	**0.0**	2.5
Decreases	**0.0**	0.0
Share of results	**2.5**	0.9
Share of items recognized directly in associated company's equity	**-0.1**	0.7
Saadut pääomanpalautukset	**-0.3**	0.0
Dividends received	**-0.9**	-0.6
Transfers between items	**0.0**	-0.3
At end of period	**35.0**	33.6

Further information on associated companies

Talentum Oyj, included in the book value of associated companies on December 31, 2011, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements on December 31, 2011 is M€ 28.9 and its market capitalisation was M€ 20,9. The investment is considered as long-term and strategic for Alma Media. The investment's value in use equals the carrying value.

Goodwill arising from associated companies totalled M€ 24.1 (24.1) on December 31, 2011. Due to the arrangements related to the associated companies, Alma Media has recognized M€ 1.1 of financial liabilities at fair value through profit of loss. Change in fair value of the contingent considerations M€ 0,4 was recognized during the financial year.

M€	2011	2010
Book value of shares, total	**35.0**	33.6
Liabilities to associated companies	**0.1**	0.1
Summary (100%) of associated company totals		
Aggregate assets of associated companies	**82.8**	86.9
Aggregate liabilities of associated companies	**51.7**	60.5
Aggregate revenue of associated companies	**126.1**	121.1
Aggregate profit/loss of associated companies	**8.2**	2.6

Associated companies	Holding %	Share of votes %
Ahaa Sivunvalmistus Oy	**20.00**	20.00
Alkali Oy	**24.32**	24.32
Arena Interactive Oy	**35.00**	35.00
Finland Events Oy	**20.00**	20.00
Holding Oy Visio	**24.74**	24.74
Kytöpirtti Oy	**43.20**	43.20
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	**24.07**	24.07
Talentum Oyj	**32.14**	32.14
Tampereen Tietoverkko Oy	**34.14**	34.14
Tampereen Ykkösjakelu Oy	**40.00**	40.00

Joint Venture Companies

In year 2011 Alma Media acquired the majority (51%) of Mascus A/S in Denmark. The Group owned 50 % of joint venture company in year 2010 and it reported in the marketplaces segment. In addition, the Group treats as joint venture companies its mutual property and housing companies. The joint venture companies are consolidated using the proportionate consolidation method in accordance with IAS 31.

M€	2011	2010
Group's share of balance sheets and results of joint venture companies:		
Non-current assets	**3.7**	3.8
Current assets	**0.2**	0.1
Non-current liabilities	**0.0**	0.0
Current liabilities	**0.0**	0.0

M€	2011	2010
Revenue	**0.2**	0.1
Operating profit	**0.0**	0.0
Profit for the period	**0.0**	0.0

Average total workforce in joint venture companies	1

17. OTHER FINANCIAL ASSETS

M€	Book value 2011	Fair value 2011	Book value 2010	Fair value 2010
Available-for-sale financial assets	**4.1**	**4.1**	4.0	4.0
Financial assets recognized at fair value through profit or loss	**1.2**	**1.2**	7.5	7.5
Loan receivables	**0.1**	**0.1**	0.3	0.3
Total	**5.3**	**5.3**	11.8	11.8

Financial assets recognized at fair value through profit or loss are commodity derivatives and contingent considerations. Contigent considerations are classified as derivatives. Following IAS 39, they are financial assets recognized at fair value through profit or loss. The change in fair value is recognized in the finance income and expenses.

Available-for-sale investments are mainly unquoted shares.

18. INVENTORIES

M€	2011	2010
Materials and supplies	**1.0**	1.0
Total	**1.0**	1.0

19. TRADE AND OTHER RECEIVABLES

M€	2011	2010
Trade receivable	**23.3**	22.8
Receivables from others		
Prepaid expenses and accrued income	**2.9**	3.5
Other receivables	**0.6**	0.7
Total	**3.5**	4.2
Receivables, total	**26.9**	27.0

M€	2011	2010
The ageing analysis of trade receivables is as follows:		
Receivables not yet due and receivables past due for 1-4 days	**21.6**	21.3
Past due date for 5-30 days	**1.4**	1.1
Past due date for 31-120 days	**0.1**	0.4
Past due date for more than 120 days	**0.2**	0.1
Trade receivable, total	**23.3**	22.8

M€ 0.1 provision for bad debts was made in 2011.

In financial year 2011 approximately M€ 0.2 (M€ 0.8 in 2010) impairment loss was recognised in Group.

The credit losses totalled 0.1 per cent of revenue in 2011 (0.3 per cent in 2010).

20. OTHER CURRENT FINANCIAL ASSETS

M€	2011	2010
Held to maturity investments	**0.0**	0.2
Financial assets recognized at fair value through profit or loss	**3.7**	2.1
Total	**3.8**	2.3

Contigent considerations are classified as derivatives. Following IAS 39, they are financial assets recognized at fair value through profit or loss. The change in fair value is recognized in the finance income and expenses.

21. CASH AND CASH EQUIVALENTS

M€	2011	2010
Cash and bank accounts	**50.4**	15.6
Investment certificates (1-3 months)	**7.4**	20.7
Total	**57.8**	36.3

22. INFORMATION ON SHAREHOLDERS' EQUITY AND ITS ADMINISTRATION

The following describes information of Alma Media shares and changes in 2011.

	Total number of shares	Share capital, M€	Share premium reserve, M€
January 1, 2011	75,052,523	45.0	4.7
Excercised options	434,330	0.3	3.0
December 31, 2011	75,486,853	45.3	7.7

The company has one share series and all shares confer the same voting rights, one vote per share. The shares have no nominal value.

The subscribtions of the shares based on the excercised options are recognized in the share capital and share premium reserve as stated in the share option scheme 2006 and the prevailing Company Act.

Book-entry securities system

The company's shares belong to the book-entry system. Only such shareholders shall have the right to receive distributable funds from the company, and to subscribe to shares in conjunction with an increase in the share capital, 1) who are listed as shareholders in the shareholders' register on the record date; or 2) whose right to receive payment is recorded in the book-entry account of a shareholder listed in the shareholders' register on the record date, and this right is entered in the shareholders' register; or 3) whose shares, in the case of nominee-registered shares, are registered in their book-entry account on the record date and, as required by §28 of the Book-Entry Securities Act, the respective manager of the shares is listed on the record date in the shareholders' register as the manager of said shares. Shareholders whose ownership is registered in the waiting list on the record date shall have the right to receive distributable funds from the company, and the right to subscribe for shares in conjunction with an increase in the share capital, who are able to furnish evidence of ownership on the record date.

Own shares

The Group did not hold any of the company's own shares in 2011 or 2010.

Translation differences

The translation differences fund comprises the exchange rate differences arising from the translation into euros of the financial statements of the independent foreign units.

Asset revaluation fund

The asset revaluation fund is used to record increases in the fair value of financial assets availabe-for-sale.The group has not recognised any revaluation of assets during the financial years 2011 and 2010. The financial assets available-for-sale consist of investments to non-listed shares and no reliable fair value is available.

Distributable funds

The distributable funds of the Group's parent company on December 31, 2011 totalled € 51 941 032.

Administration of shareholder's equity

The purpose of administration of shareholder's equity and optimal capital structure is to secure normal business preconditions. The development of capital structure is followed with gearing and equity ratio key figures. Those key figures are presented in the following in 2011 and 2010.

	2011	2010
Interest-bearing liabilities	**25.5**	4.0
Cash and cash equivalents	**57.8**	36.3
Interest-bearing net debt	**-32.3**	-32.4
Shareholder's equity	**96.7**	114.8
Gearing, %	**-33.4 %**	-28.2 %
Equity ratio, %	**57.0 %**	67.1 %

Dividend policy

The Group does not have a predefined dividend policy. The dividend policy will depend on the equity ratio and the group's needs, the final proposal being made to the AGM by the Board of Directors.

Redemption of shares

A shareholder whose proportional holding of all company shares, or whose proportional entitlement to votes conferred by the company shares, either individually or jointly with other shareholder's, is or exceeds 33 1/3 per cent or 50 per cent as defined hereinafter is obliged on demand by other shareholder's to redeem such shareholders' shares.

23. SHARE-BASED PAYMENTS

Stock option scheme 2006

The annual general meeting held on March 8, 2006 decided on a 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 Corporation's shares with a book counter-value of EUR 0.60 per share. The programme is an incentive and commitment system for the company's management. Of the total number of options, 640,000 were marked 2006A (ALN1VEW106), 640,000 were marked 2006B (ALN1VEW206) and 640,000 were marked 2006C (ALN1VEW306).

Share subscription periods:

2006A April 1, 2008–April 30, 2010,

2006B April 1, 2009–April 30, 2011 and

2006C April 1, 2010–April 30, 2012.

Stock option scheme 2006A and 2006B have expired.

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), by dividend payment in March 2010 (EUR 0.40 per share) and by dividend payment in March 2011 (EUR 0.70 per share) to EUR 7.66. All of the 170,000 2006C option rights in the company's possession have been annulled. The options in the 2006C programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2010. No shares have been subscribed to by December 31, 2011.

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

The stock option plan is recognized in the financial statements 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. No expense were recognized in 2011 in profit and loss statement (M€ 0.1 in 2010). The expected volatility has been determined by calculating the historical volatility of the company share price, which includes the colatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

Scheme 2006

Options	Number	Annulled	Free	Share subscription period begins	Share subscription period ends	Period determining subscription price (trade-weighted average share price)		
2006A	640,000	200,000		April 1, 2008	April 30, 2010	April 1, 2006	-	May 31, 2006
2006B	640,000	175,000		April 1, 2009	April 30, 2011	April 1, 2007	-	May 31, 2007
2006C	640,000	170,000		April 1, 2010	April 30, 2012	April 1, 2008	-	May 31, 2008

The share subscription prices will be reduced by the amount of dividend per share and capital repayment per share decided after the period for determination of the share subscription price but before share subscription.

	A option plan	B option plan	C option plan
Principal terms and conditions:			
Annual General Meeting date	March 8, 2006	March 8, 2006	March 8, 2006
Grant date	April 26, 2006	March 8, 2007	March 12, 2008
Number of options granted	515 000	515 000	520 000
Share price on grant date	8.00	10.29	9.89
Initial excercise price	7.66	9.85	9.06
Excercise price on Dec 31, 2011	-	-	7.66
Contractual life, years	4.0	4.1	4.1
Expected volatility	30 %	23 %	25 %
Expected contractual life at grant date, years	2.0	2.1	2.0
Risk-free interest rate	3.5 %	4.5 %	5.0 %
Payment method	shares	shares	shares
Expected personnel reductions	0 %	0 %	0 %
Expected dividend yield	0 %	0 %	0 %
End of excercise period (expiration)	April 30, 2010	April 30, 2011	April 30, 2012
Remaining contractual life on December 31, 2010, years	Expired	Expired	0.3
Value of option at grant date	1.526 € / share	1.731 € / share	1.689 € / share
	MEUR 1.0	MEUR 1.1	MEUR 1.1
Value pricing model	Black&Scholes (Forward Start Option, 1990 Rubinstein)		

The option rights are granted on condition that the receivers pledge to subscribe to shares corresponding to at least 25% of the gross value of the options granted to them when the options are sold and to refrain from selling the subscribed shares for at least one year from the end of the share subscription period for each respective option right.

Should the option holder's work or employment contract with Alma Media end for reasons other than death or retirement, as determined by the company, or permanent work disability, or for another reason determined by the Board of Directors and independent of the option holder, the option holder shall return to the company without consideration all option certificates for which the share subscription period has not begun on the date of the termination of the employment contract. Altogether 75,000 2006A options, 50,000 2006B options and 50,000 2006C options have been returned to the company as a result of the termination of employment contracts.

The option rights may be freely transferred when the share subscription period that applies to them has commenced. Before the commencement of the share subscription period for the options in question, option rights may only be transferred with the consent of the Board of Directors.

Changes during option period

Scheme 2006

	A option plan		**B option plan**		**C option plan**	
Number of options	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
At beginning of financial year	**0**	440,000	**465,000**	465,000	**470,000**	470,000
Number of new options granted	**0**	0	**0**	0	**0**	0
Number of options forfeited	**0**	0	**-30,670**	0		0
Number of options exercised	**0**	-440,000	**-434,330**	0	**0**	0
At end of financial year	**0**	0	**0**	465,000	**470,000**	470,000

Stock option scheme 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 (ALN1VEW309), 710,000 were marked 2009B (ALN1VEW209) and 710,000 were marked 2009C (ALNVEW109).

Share subscription periods:

2009A April 1, 2012–March 31, 2014

2009B April 1, 2013–March 31, 2015 and

2009C April 1, 2014–March 31, 2016.

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. 45,000 option rights have been returned to the company due to the termination of the employment contracts. The company is in possession of 115,000 2009A options. 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. The subscription price of the 2009A options was reduced by the amount of dividend payment in March 2010 (EUR 0.40 per share) and in March 2011 (EUR 0.70 per share) to EUR 4.11.

The Board of Directors of Alma Media Corporation decided in April 2010 to grant 610,000 option rights to corporate management under the 2009B programme. 30,000 of the granted option rights were returned to the company. In June 2010 the Board of Directors of Alma Media Corporation decided to grant 15,000 option rights to corporate management under the 2009B programme. The company is in possession of 115,000 2009B options. The subscription price of a 2009B option, EUR 7.33 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2010. The subscription price of the 2009B options was reduced by the amount of dividend payment In March 2011 (EUR 0.70 per share) to EUR 6.63.

The Board of Directors of Alma Media Corporation decided in May 2011 to grant 640,000 option rights to corporate management under the 2009C programme. The company is in possession of 70,000 2009C options. The subscription price of a 2009C option, EUR 7.95 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2011.

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

The stock option plan is recognized in the financial statements 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 M€ 1.0 was recognized in 2011 (M€ 0.5 in 2010). The expected volatility has been determined by calculating the historical volatility of the company share price, which includes the colatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

Scheme 2009

					Share subscription period	Period determining subscription price		
Options	**Number**	**Annulled**	**Free**	**begins**	**ends**	**(trade-weighted average share price)**		
2009A	710,000		115,000	April 1, 2012	March 31, 2014	April 1, 2009	-	April 30, 2009
2009B	710,000		115,000	April 1, 2013	March 31, 2015	April 1, 2010	-	April 30, 2010
2009C	710,000		70,000	April 1, 2014	March 31, 2016	April 1, 2011	-	April 30, 2011

The share subscription prices will be reduced by the amount of dividend per share and capital repayment per share decided after the period for determination of the share subscription price but before share subscription.

	A option plan	B option plan	C option plan
Principal terms and conditions:			
Annual General Meeting date	March 11, 2009	March 11, 2009	March 11, 2009
Grant date	May 1, 2010	June 9, 2010	May 5, 2011
		June 22, 2010	July 21, 2011
Number of options granted	640,000	610,000	640,000
Share price on grant date	5.08	6.80	7.52
Initial excercise price	5.21	7.33	7.95
Excercise price on Dec 31, 2011	4.11	6.63	7.95
Contractual life, years	3.9	4.8	4.9
Expected volatility	30 %	28 %	31 %
Expected contractual life at grant date, years	2.9	2.8	2.9
Risk-free interest rate	3.00 %	1.40 %	3.00 %
Payment method	shares	shares	shares
Expected personnel reductions	0 %	0 %	0 %
Expected dividend yield	0 %	0 %	0 %
End of excercise period (expiration)	March 31, 2014	March 31, 2015	March 31, 2016
Remaining contractual life on December 31, 2011, years	2.2	3.2	4.3
Value of option at grant date	1.570 € / share	1.617 € / share	2.30 € / share
	M€ 1.1	M€ 1.0	M€ 1.5
Value pricing model	Black&Scholes (Forward Start Option, 1990 Rubinstein)		

The option rights are granted on condition that the receivers pledge to subscribe to shares corresponding to at least 25% of the gross value of the options granted to them when the options are sold and to refrain from selling the subscribed shares for at least one year from the end of the share subscription period for each respective option right.

Should the option holder's work or employment contract with Alma Media end for reasons other than death or retirement, as determined by the company, or permanent work disability, or for another reason determined by the Board of Directors and independent of the option holder, the option holder shall return to the company without consideration all option certificates for which the share subscription period has not begun on the date of the termination of the employment contract.

The option rights may be freely transferred when the share subscription period that applies to them has commenced. Before the commencement of the share subscription period for the options in question, option rights may only be transferred with the consent of the Board of Directors.

Changes during option period

Scheme 2009

Number of options	A option plan 2011	A option plan 2010	B option plan 2011	B option plan 2010	C option plan 2011
At beginning of financial year	**610,000**	640,000	**610,000**	0	**0**
Number of new options granted	**0**	0	**0**	625,000	**640,000**
Number of options forfeited	**-15,000**	-30,000	**-15,000**	-15,000	**0**
Number of options exercised	**0**	0	**0**	0	**0**
At end of financial year	**595,000**	610,000	**595,000**	610,000	**640,000**

The share and option holdings of the company's senior management are detailed in Note 7, Expenses Arising from Employee Benefits.

24. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 2011

M€	Dec 31, 2010	Recognized in income statement	Acquired/ sold subisidiaries	Dec 31, 2011
Deferred tax assets				
Provisions	0.2	0.1		0.3
Pension benefits	0.0	0.0		0.0
Deferred depreciation	0.9	0.1	0.0	0.9
Other items	0.4	0.0	0.0	0.4
Total	1.5	0.2	0.0	1.7
Taxes, net	-1.3			-1.2
Deferred tax assets in balance sheet	0.2			0.5
Deferred tax liabilities				
Accumulated depreciation differences	0.3	-0.1		0.2
Fair value measurement of property, plant and equipment and intangible assets in business combinations	1.0	-0.2	0.0	0.8
Retained earnings of subsidiary companies	0.5	-0.1		0.3
Other items	1.9	0.0	0.0	1.9
Total	3.7	-0.4	0.0	3.3
Taxes, net	1.3			-1.2
Deferred tax liabilities in balance sheet	2.4			2.2
Deferred tax, net	-2.2	0.6	0.0	-1.6

No deferred tax asset has been calculated on the confirmed tax losses (M€ 2.3) of Group companies in 2011. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire between the years 2015–2020.

The Group does not have any taxes recognized in the equity or other comprehensive income.

Changes in deferred taxes during 2010

M€	Dec 31, 2009	Recognized in income statement	Acquired/ sold subisidiaries	Dec 31, 2010
Deferred tax assets				
Provisions	0.3	-0.1		0.2
Pension benefits	0.1	0.0	0.0	0.0
Deferred depreciation	1.3	-0.4	0.0	0.9
Other items	0.5	-0.1	0.0	0.4
Total	2.1	-0.6	0.0	1.5
Taxes, net	-1.4			-1.3
Deferred tax assets in balance sheet	0.7			0.2
Deferred tax liabilities				
Accumulated depreciation differences	0.7	-0.4		0.3
Fair value measurement of property, plant and equipment and intangible assets in business combinations	0.8	-0.2	0.4	1.0
Retained earnings of subsidiary companies	0.8	-0.3		0.5
Other items	1.6	0.3	0.0	1.9
Total	3.9	-0.6	0.4	3.7
Taxes, net	1.4			1.3
Deferred tax liabilities in balance sheet	2.5			2.4
Deferred tax, net	-1.8	0.0	-0.4	-2.2

25. PENSION OBLIGATIONS

The Group has defined benefit pension plans which consist of supplementary pension insurance which are based on former pension funds of group.

The defined benefit pension obligation in the balance sheet is determined as follows:

M€	Dec 31, 2011	Dec 31, 2010
Present value of obligations at start of period	**9.8**	9.3
Service cost during period	**0.0**	0.0
Interest cost	**0.3**	0.3
Actuarial gains and losses	**-0.3**	0.9
Payments of defined benefit obligations	**-0.6**	-0.7
Losses /gains from plan settlements	**0.0**	0.0
Present value of funded obligations at end of period	**9.2**	9.8
Fair value of plan assets at start of period	**6.9**	6.2
Expected return on plan assets	**0.4**	0.4
Actuarial gains and losses	**-0.8**	0.8
Incentive payments	**0.1**	0.3
Payments of defined benefit obligations	**-0.5**	-0.7
Losses /gains from plan settlements	**0.0**	0.0
Present value of plan assets at end of period	**6.1**	6.9
Deficit / surplus	**3.1**	2.9
Unrecognized actuarial gains (-) and losses (+)	**-0.6**	-0.1
Losses /gains from plan settlements	**0.0**	0.0
Defined benefit pension liabilities in the balance sheet	**2.5**	2.8

Defined benefit pension liabilities in the balance sheet

Pension liability	**2.6**	2.8
Pension asset	**0.1**	0.0
Defined benefit pension liabilities in the balance sheet	**2.5**	2.8

Time series of present value of obligations and fair value of plan assets

M€	2011	2010	2009	2008	2007
Present value of unfunded obligations	**2.6**	2.7	2.9	3.2	3.2
Present value of funded obligations	**6.6**	7.2	6.4	6.0	6.1
Fair value of assets	**-6.1**	-6.9	-6.2	-6.0	-5.1
Deficit / surplus	**3.1**	2.9	3.1	3.1	4.1

The plan assets are invested primarily in interest and share based instruments and they have an aggregate expected annual return of 6.0 %. A more detailed specification of the plan assets is not available.

The defined benefit pension expense in the income statement is determined as follows:

M€	2011	2010
Service cost during period	**0.0**	0.0
Interest cost	**0.3**	0.3
Expected return on plan assets	**-0.4**	-0.4
Actuarial gains and losses	**0.0**	0.0
Losses /gains from plan settlements	**0.0**	0.0
Total	**-0.1**	0.0

Changes in liabilities shown in balance sheet:

M€	2011	2010
At beginning of period	**2.8**	3.1
Incentive payments paid	**-0.2**	-0.3
Pension expense in income statement	**-0.1**	0.0
Divestments of subsidiaries	**0.0**	0.0
Defined benefit pension obligation in balance sheet	**2.5**	2.8

A similar investment is expected to be made in the plan in 2012 as in 2011.

Actuarial assumptions used:

%	2011	2010
Discount rate	**5.0**	4.1
Expected return on plan assets	**5.5**	6.0
Future salary increase assumption	**3.5**	3.5
Inflation assumption	**2.0**	2.0

26. PROVISIONS

M€	Restructuring provision	Other provisions	Total
January 1, 2011	0.5	0.2	0.7
Increase in provisions	0.9	0.0	0.9
Provisions employed	-0.3	-0.1	-0.4
December 31, 2011	1.1	0.1	1.2
Current	1.0	0.0	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 2012.

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

27. INTEREST-BEARING LIABILITIES

M€	Book value 2011	Fair value 2011	Book value 2010	Fair value 2010
Non-current				
Finance lease liabilities	**2.0**	**2.0**	2.4	2.4
Total	**2.0**	**2.0**	2.4	2.4
Current				
Other current interest-bearing debt	**22.0**	**22.0**	0.0	0.0
Finance lease liabilities	**1.5**	**1.5**	1.6	1.6
Total	**23.5**	**23.5**	1.6	1.6

The fair values in the table are based on discounted cash flows.

Non-current debt matures as follows:

M€	2011	2010
2012		1.0
2013	**1.8**	1.4
2014	**0.2**	0.0
2015	**0.0**	0.0
Later	**0.0**	0.0
Total	**2.0**	2.4

Interest-bearing non-current debt is divided by currency as follows:

M€	2011	2010
EUR	**2.0**	2.4

Weighted averages of the effective tax rates for the interest-bearing non-current

%	2011	2010
Finance lease liabilities	**3.8**	3.8

Interest-bearing current debt is divided by currency as follows:

M€	2011	2010
EUR	**23.5**	1.6

Weighted averages of the effective tax rates for the interest-bearing current

%	2011	2010
Other current interest-bearing debt	**1.9**	0.6
Finance lease liabilities	**3.8**	3.8

Maturity of finance leases

M€	2011	2010
Finance lease liabilities - total minimum lease payments:		
2011		1.6
2012	**1.6**	1.0
2013	**1.8**	1.4
2014	**0.2**	0.0
2015	**0.0**	0.0
2016	**0.0**	0.0
Total	**3.6**	4.1
Finance lease liabilities - present value of minimum lease payments:		
2011		1.6
2012	**1.5**	1.0
2013	**1.8**	1.4
2014	**0.2**	0.0
2015	**0.0**	0.0
2016	**0.0**	0.0
Total	**3.5**	4.0
Financial expenses accruing in the future	**0.1**	0.1

Maturity of finance leases liabilities based on signed Agreements which are not included on December 31, 2011 statement of financial position: Finance leases initial recognition to statement of financial position at the commencement of the lease term according to IAS 17

Table below shows the euro value of signed Finance lease agreements. For signed finance lease agreements with Pohjola Bank plc. the financier has made advanced payments of M€ 20.8 before December 31, 2011. The total amount of Finance lease agreements is M€ 40.6. Total minimum lease payments for property are M€ 34.0 and present value of minimum lease payments is M€ 22.1.

Finance lease agreements signed before closing date but whose lease terms have not started until December 31, 2011 are related to group's printing facility investment. Lease term for allocated share of the property commence on January 1, 2012 and for other assets of the printing facility during year 2013.

M€	**2011**
Finance lease liabilities - total minimum lease payments:	
2012	**1.4**
2013	**5.0**
2014	**5.0**
2015	**4.9**
2016	**4.9**
2017	**7.3**
Later	**51.5**
Total	**80.1**
Finance lease liabilities - present value of minimum lease payments:	
2012	**1.3**
2013	**4.8**
2014	**4.6**
2015	**4.4**
2016	**4.3**
2017	**6.4**
Later	**35.8**
Total	**61.7**
Financial expenses accruing in the future	**18.4**

28. FINANCIAL RISKS

Alma Media Group's risk management policy requires that the risk management strategy and plan, the control limits imposed and the course of action are reviewed annually. Risk management takes place through the risk management organisation and process based on the company's risk management policy. The risk management process identifies the risks threatening the company's business, assesses and updates them, develops the necessary risk management methods, and regularly reports on the risks to the risk management organisation. Financial risk management is part of the Group's risk management policy.

Alma Media categorises its financial risks as follows:

Interest rate risk

The interest rate risk describes how changes in interest rates and maturities related to various interest-bearing business transactions and balance sheet items could affect the Group's financial position, investment portfolio and net result. The impact of the interest rate risk on net result can be reduced using interest rate swaps, interest forwards and futures, and interest and foreign exchange options. The Group had no open interest rate derivatives on the balance sheet date.

The Group's interest-bearing debt totalled MEUR 25.5 on December 31, 2011. In addition group has signed finance lease agreements, carried at variable rate, related to printing facility investment by value of MEUR 40.6, that are not included in the statement of financial position at December 31, 2011. Signed finance lease agreements are recognised as part of groups statement of financial position at the commencement of the lease term. According to the plan finance lease agreements commence at beginning of year 2013. All interest bearing debts are carried at variable rate.An increase of one percentage point in the interest rate would increase the Group's financial expenses by M€ 0.7.

FOREIGN EXCHANGE RISKS

Transaction risk

The transaction risk describes the impact of changes in foreign exchange rates on sales, purchases and balance sheet items denominated in foreign currencies. The impact of changes in exchange rates on net result in the most important currencies of the Group can be reduced by the following measures:

- Cash flows in the same currency are netted through a common foreign currency account whenever the cost/benefit ratio is significant
- Larger one-time payments (minimum book counter value of MEUR 1), are always 100% hedged over the following rolling 18-month period,
- At least 50% of known continuous foreign currency cash flow (minimum book counter value of MEUR 1) are always hedged over the following rolling 18-month period.

The Group had no open foreign currency derivatives on the balance sheet date.

Translation risk

A foreign exchange risk that arises from the translation of foreign investments into the functional currency of the parent company. The risk associated with translating long-term net investments in foreign currencies is not hedged. However, should there be a clear risk of a currency devaluating, Group management may decide to hedge the company's foreign currency exposure. The foreign exchange risk arising from the translation of foreign investments is generally reduced by arranging financing in the same currency in which the investment was made, assuming that this is possible and economically viable.

The Group has cash denominated in foreign currency amounting MCZK 1.000 at December 31, 2011.

Commodity risk

The commodity risk refers to the impact of changes in the prices of commodities, such as raw materials, on the Group's net result. The Group regularly assesses its commodity risk exposure and hedges this risk employing generally used commodity derivatives whenever this is possible and economically viable.

A one per cent change in the price of paper would affect the Group's operating profit by an estimated MEUR 0.1. The Group had no open paper derivatives on the balance sheet date. The Group had open electricity derivative contracts on the balance sheet date. The values of these open derivatives are described in more detail in Note 32 to the consolidated financial statements.

CAPITAL MANAGEMENT RISKS

Liquidity management

Alma Media has a MEUR 50 financing limit at its disposal, in addition to which Alma Media ensures its liquidity by issuing its own commercial papers if required via brokers, and hedges over-liquidity according to its treasury policy. Liquidity is assessed daily and liquidity forecasts are made at weekly, monthly and 12-month rolling intervals.

Financing of working capital

To finance its working capital, Alma Media uses financial programmes (syndicated credit facilities, medium-term notes), as well as direct credit lines, bonds and various products offered by financial companies (leases etc). The company had a MEUR 100 commercial paper programme in Finland on the balance sheet date. The programme allows the company to issue papers between MEUR 0–100. On December 31, 2010 the unused portion of the programme is MEUR 100.0. In addition to the commercial paper programme, the company may use its existing financing limit of MEUR 50.0 to finance its working capital.

Long-term capital funding

To secure its long-term financing needs, Alma Media uses either capital market instruments or other long-term facilities.

CREDIT RISK

The Group's credit policy is described and documented in the Group credit management policy. The Group does not have significant risks of past due receivables, because it has a large customer base and no individual customer will comprise a significant amount. During the financial period, impairment losses of MEUR 0.01 were recognised through profit or loss. These impairment losses were caused by an unexpected change in customers' economic environment. The ageing structure of trade receivable is presented in Note 19, Trade and Other Receivables.

29. FINANCIAL INSTRUMENTS

Comparison between book values and fair values of the financial instruments are presented as follows. In addition financial instruments are presented by categories as required by IAS 39.

	Book value		Fair value	
M€	**2011**	**2010**	**2011**	**2010**
Financial assets				
Recognized at fair value				
Commodity derivate contracts	**-0.1**	0.3	**-0.1**	0.3
Other receivables	**5.0**	9.2	**5.0**	9.2
Held-to-maturity investments				
Other current financial assets	**0.0**	0.2	**0.0**	0.2
Available-for-sale financial assets				
Other lnon-current financial assets	**4.1**	4.0	**4.1**	4.0
Loans and receivables				
Loans receivable	**0.1**	0.3	**0.1**	0.3
Trade receivables and other receivables	**26.9**	27.0	**26.9**	27.0
Cash and cash equivalents	**57.8**	36.3	**57.8**	36.3
Total	**93.8**	77.5	**93.8**	77.5
Financial liabilities				
Measured at amortized costs				
Financial leases	**3.5**	4.0	**3.5**	4.0
Other interest-bearing liabilities	**22.0**	0.0	**22.0**	0.0
Financial liabilities at fair value through profit or loss	**2.1**	2.8	**2.1**	2.8
Trade payable and other liabilities	**37.7**	39.7	**37.7**	39.7
Total	**65.3**	46.4	**65.3**	46.4

Financial assets recognized at fair value through profit or loss consist of electricity derivatives and contingent considerations. More details are given in the Notes 2, 17 and 33.

Held-to-maturity investments consist of other short-term financial assets. Such financial assets are carried at amortised cost and they they are presented in current assets.

Financial assets available for sale consist mainly of unquoted shares and they are carried at amortised cost, because the amortised cost is equal to their fair value.

Trade receivable and other receivables (both non-current and current) and other short-term investments' book value is estimated to equal fair value. The effect of the discount interest method is immaterial.

The initial measurement of trade payable and other liabilities equals fair value, because the effect of the discount interest method is immaterial.

Fair value hierarchy

Financial assets and liabilities measured at fair value are categorised according to the following hierarchy of fair values. The hierarchy reflects the significance of the inputs used in making the measurements.

Level 1	quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3	techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable, market data

			Fair values at end of period	
				Dec 31
M€	**2011**	**Level 1**	**Level 2**	**Level 3**
Assets recognized at fair value				
Financial assets at fair value through profit or loss				
Commodity derivatives	-0.1	-0.1		
Other financial assets	5.0			5.0
Available-for-sale financial assets				
Equity shares	4.1			4.1
Total	9.0	-0.1	0.0	9.1
Liabilities recognized at fair value				
Other liabilities	2.1			2.1
Total	2.1			2.1

During the financial period, no transfers were made between the fair value hierarchy levels 1, 2 and 3. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety has been determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

30. TRADE PAYABLE AND OTHER LIABILITIES

M€	2011	2010
Trade payable	**7.0**	6.0
Owed to associated companies		
Trade payable	**0.1**	0.1
Accrued expenses and prepaid income	**23.7**	26.5
Other financial liabilities	**1.2**	0.2
Other liabilities	**7.0**	7.1
Total	**38.9**	39.9

The book values of trade payables and other liabilities are estimated to correspond with their fair values.

The effect of discounting is not significant.

The main items in accrued expenses and prepaid income are allocated wages, salaries and other personnel expenses.

31. OTHER LEASES

The Group as lessee:

Minimum lease payments payable based on other non-cancellable leases:

M€	2011	2010
Within one year	**7.1**	6.7
Within 1-5 years	**27.1**	21.1
After 5 years	**43.7**	48.2
Total	**77.9**	75.9

The Group's companies largely operate in leased premises. Rental agreements vary in length from 6 months to 15 years.

Changes in commitments and contingencies are mainly due to the new and prolonged lease contracts made during the financial year for the real estates. Additionally, the company has signed a lease contract for the real estate of the printing facilities during the financial year 2010. According to the IAS 17 standard, the contract will be recognized as a finance lease contract when the printing facility will be operational. The estimated present value of the minimum lease payments at the implementation day is MEUR 16.8. The printing facility is estimated to be operational during 2012.

Purchase agreements under IFRIC 4 that contain another lease component, as described in IAS 17

M€	2011	2010
Minimum payments payable based on these purchase agreements	**1.5**	1.2

The Group as lessor:

Minimum rental payments receivable based on other non-cancellable leases:

M€	2011	2010
Within one year	**1.7**	1.5
Within 1-5 years	**0.3**	0.3
After 5 years	**0.0**	0.1
Total	**2.0**	1.9

32. DERIVATIVE CONTRACTS

M€	2011	2010
Commodity derivative contracts, electricity derivatives		
Fair value *	**-0.1**	0.3
Value of underlying instrument	**1.1**	1.0

*) The fair value represents the return that would have arisen if the derivative positions had been cleared on the balance sheet date. The fair values of foreign exchange forward contracts and raw material derivatives have been calculated using market values on the balance sheet date. Fair values of share options have been calculated using the option price model.

33. COMMITMENTS AND CONTINGENCIES

M€	2011	2010
Collateral for others:		
Guarantees	**1.3**	0.0
Other commitments:		
Commitments based on agreements	**0.0**	0.1
Total	**1.3**	0.1

34. RELATED PARTIES

Alma Media Group's related parties are its associated companies (see Note 16) and the companies that they own.

Related parties also include the company's management (Board of Directors, the Presidents and Group Executive Team). The employee benefits of management and other related party transactions between management and the company are detailed in Note 7.

Sales of goods and services with inner circle members are based on the Group's prices in force at the time of transaction.

Related party transactions

M€	2011	2010
Sales of goods and services	**0.3**	0.2
Purchases of goods and services	**4.0**	3.6
Trade receivable	**0.0**	0.0
Trade payable	**0.1**	0.1

The related party transactions are mainly with the associated companies.

35. SHAREHOLDINGS

20 principal shareholders on Dec 31, 2011

	Number of shares	% of total shares	% of total votes
1. Ilkka-Yhtymä Oyj	22,489,186	29.8 %	29.8 %
2. Keskinäinen työeläkevakuutusyhtiö Varma	7,202,994	9.5 %	9.5 %
3. Mandatum Henkivakuutusosakeyhtiö	6,600,512	8.7 %	8.7 %
4. Kaleva Kustannus Oy	6,000,538	8.0 %	8.0 %
5. Keskinäinen Vakuutusyhtiö Kaleva	4,181,281	5.5 %	5.5 %
6. Kunnallisneuvos C. V. Åkerlundin säätiö	3,422,871	4.5 %	4.5 %
7. Oy Herttaässä Ab	2,415,614	3.2 %	3.2 %
8. Keskinäinen Eläkevakuutusyhtiö Tapiola	1,852,800	2.5 %	2.5 %
9. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,200,000	1.6 %	1.6 %
10. Veljesten Viestintä Oy	851,500	1.1 %	1.1 %
11. Keskisuomalainen Oyj	782,497	1.0 %	1.0 %
12. Suomen Kulttuurirahasto	576,100	0.8 %	0.8 %
13. Häkkinen Heikki kuolinpesä	532,332	0.7 %	0.7 %
14. Sinkkonen Raija	522,000	0.7 %	0.7 %
15. Häkkinen Veera kuolinpesä	490,011	0.7 %	0.7 %
16. Sijoitusrahasto Nordea Nordic Small Cap	444,664	0.6 %	0.6 %
17. Nordea Henkivakuutus Suomi Oy	385,000	0.5 %	0.5 %
18. Mäkelä Kai	340,000	0.5 %	0.5 %
19. Sijoitusrahasto Nordea Pro Suomi	327,464	0.4 %	0.4 %
20. Tampereen tuberkuloosisäätiö	327,062	0.4 %	0.4 %
Total	60,944,426	80.7 %	80.7 %
Nominee-registered	1,714,023	2.3 %	2.3 %
Others	12,828,404	17.0 %	17.0 %
Grand total	75,486,853	100,0 %	100,0 %

The holdings of the Board of Directors, the President and CEO and the members of the Group Executive Team are shown in Note 7.

Ownership structure on December 31, 2011

	Number of owners	% of total	Number of shares	% of shares
Private corporations	394	4.5 %	33,932,158	45.0 %
Financial and insurance institutions	18	0,3 %	12,209,957	16.2 %
Public entities	7	0,1 %	10,448,789	13.8 %
Households	8,169	93.4 %	11,281,996	14.9 %
Non-profit assiciations	133	1.5 %	5,660,074	7.5 %
Foreign owners	21	0,3 %	38,529	0.1 %
Nominee-registered shares	7	0,1 %	1,714,023	2.3 %
In general account		0,0 %	201,327	0.3 %
Total	8,749	100,0 %	75,486,853	100.0 %

Distribution of ownership

Number of shares	Number of owners	% of total	Number of shares	% of shares
1 - 100	1,943	22.2 %	119,261	0.2 %
101 - 1 000	4,949	56.6 %	2,182,780	2.9 %
1 001 - 10 000	1,660	19.0 %	4,695,389	6.2 %
10 001 - 100 000	169	1.9 %	4,673,547	6.2 %
100 001 - 500 000	13	0.1 %	3,543,231	4.7 %
500 000 -	15	0.2 %	60,071,318	79.6 %
In general account			201,327	0.3 %
Total	8,749	100,0 %	75,486,853	100.0 %

36. EVENTS AFTER THE REPORTING PERIOD

The group has acquired the following business operations after the reporting period:

	Business line	Acquired on	Ownership %
Newspapers segment			
Koti-Kymppi newspaper	Local newspaper	Jan 2, 2012	100 %
Marketplaces segment			
LMC s.r.o	Online	Jan 2, 2012	100 %
CV Online	Online	Feb 1, 2012	100 %

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

The purchase price allocation for the business combinations included in Marketplaces segment have not been completed until the closing date therefore preliminary purchase price allocation are not presented in notes of financial statements. According to the preliminary estimate the book value of net assets of LMC s.r.o is approximately MEUR 9,4 and the fair value allocation of intangible assets and goodwill comprise approximately MEUR 34,0. According to the preliminary estimate the book value of net assets of CV Online is approximately MEUR 0.4 and the fair value allocation of intangible assets and goodwill comprise approximately MEUR 4.4. The fair values entered on intangible assets in the integration relate primarily to domains and trademarks, IT and customer agreements.

Preliminary purchase consideration, LMC s.r.o	**1000 CZK**	**1000 EUR**
Consideration, settled in cash	1,018,000.0	39,477.3
Contingent consideration liability	100,000.0	3,877.9
Total consideration	1,118,000.0	43,355.2
Preliminary purchase consideration, CV Online		**1000 EUR**
Consideration, settled in cash		4,000.0
Contingent consideration liability		800.0
Total consideration		4,800.0

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

The fair values are the estimated final considerations discounted to the balance sheet date. Alma Media has recognized consulting fees of M€ 0.7 for the business combinations as other operating costs.

Group revenue would have been an estimated M€ 335.7 (reported M€ 316.2) and the operating profit M€ 46.0 (reported M€ 42.0), assuming the acquisitions had taken place at the beginning of 2011.

Parent Company Income Statement

M€	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Revenue	1	**21.7**	16.7
Other operating income	2	**0.5**	9.5
Materials and services	3	**-1.0**	-0.2
Personnel expenses	4	**-10.4**	-5.9
Depreciation and writedowns	5	**-1.1**	-0.7
Other operating expenses	6,7,8	**-18.8**	-12.9
Operating profit (loss)		**-9.0**	6.6
Finance income and expenses	9	**25.2**	3.9
Income before extraordinary items		**16.2**	10.5
Extraordinary items	10	**40.2**	29.8
Income before appropriations and tax		**56.3**	40.3
Appropriations	11	**0.0**	0.0
Income tax	12	**-8.9**	-7.3
Profit for the period		**47.5**	33.0

Parent Company Statement of Financial Position

M€	Liite	Dec 31, 2011	Dec 31, 2010
ASSETS			
Non-current assets			
Intangible assets	13	**3.6**	2.2
Tangible assets	14	**2.7**	2.9
Investments			
Holdings in Group companies	15	**472.3**	474.9
Other investments	15	**10.1**	16.6
Non-current assets, total		**488.8**	496.6
Current assets			
Current receivables	16	**42.1**	29.8
Cash and bank		**55.1**	33.8
Current assets, total		**97.2**	63.6
Assets, total		**586.0**	560.1

M€	Note	Dec 31, 2011	Dec 31, 2010
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**45.3**	45.0
Share premium reserve		**419.3**	416.3
Other reserves		**5.4**	5.4
Retained earnings (loss)		**4.5**	23.9
Profit for the period (loss)		**47.5**	33.0
Shareholders' equity, total	17	**521.9**	523.5
Accumulated depreciation difference	18	**0.0**	0.1
Compulsory provisions	19	**1.4**	1.8
Liabilities			
Non-current liabilities	20	**2.0**	2.1
Current liabilities	21	**60.7**	32.7
Liabilities, total		**62.7**	34.8
Shareholders' equity and liabilities, total		**586.0**	560.1

Parent Company Cash Flow Statement

M€	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Operating activities		
Profit for the period	**47.5**	33.0
Adjustments		
Depreciation and writedowns	**1.1**	0.7
Capital gains (losses) on sale of fixed assets and other investments	**-0.4**	-9.5
Finance income and expenses	**-25.2**	-3.9
Taxes	**8.9**	7.3
Change in provisions	**-0.4**	1.7
Other adjustments	**-40.2**	-29.9
Change in working capital:		
Total increase (-) / decrease (+) in current non-interest-bearing receivables	**2.3**	-2.7
Increase (+) / decrease (-) in current non-interest-bearing liabilities	**0.6**	-0.3
Dividend received	**24.7**	3.7
Interest received	**2.3**	1.5
Interest paid	**-1.5**	-0.1
Taxes paid	**-9.9**	-12.5
Net cash flow from operating activities	**9.7**	-11.0
Investing activities		
Acquisitions of tangible and intangible assets	**-1.5**	-0.4
Other investments	**-0.1**	0.0
Proceeds from sale of other investments	**0.1**	0.0
Change in loan receivables	**-0.4**	-1.5
Repayment of loan receivables	**0.3**	0.0
Acquisition of subsidiaries and business operations	**-0.3**	-4.3
Proceeds from sale of subsidiaries	**4.4**	8.0
Acquisition of associated companies	**0.1**	-0.8
Net cash flows from / (used in) investing activities	**2.6**	1.0
Cash flow before financing activities	**12.3**	-10.0

Financing activities		
Proceeds from exercise of share options	**3.3**	2.1
Current loans taken	**37.0**	0.0
Repayment of current loans	**-15.0**	0.0
Change in interest-bearing receivables	**6.5**	15.6
Paid and received group contributions	**29.8**	37.8
Dividends paid	**-52.5**	-29.8
Net cash flows from / (used in) financing activities	**9.1**	25.7
Change in cash and cash equivalent funds (increase + / decrease -)	**21.3**	15.7

Cash and cash equivalents at beginning of period	**33.8**	17.6
Merger, Alma Media Interactive Oy	**0.0**	0.6
Cash and cash equivalents at end of period	**55.1**	33.8

Accounting Principles Used In The Parent Company's Financial Statements

General information

Alma Media Corporation is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki at the address Eteläesplanadi 20, P.O. Box 140, FI-00101 Helsinki, Finland.

Parent company financial statements

The financial statements of the parent company are prepared according to Finnish Accounting Standards (FAS).

The parent company was established on January 27, 2005. On November 7, 2005, the old Alma Media Corporation was merged with Almanova Corporation, which adopted the name of Alma Media Corporation after the merger. The merger difference arising in conjunction with the merger has been capitalized to the Group's shares. The Alma Media Corporation subsidiary MIG-Group Oy was merged with Alma Media Corporation on November 31, 2010.

Non-current assets

Tangible and intangible assets are capitalized at direct acquisition cost less planned depreciation and write downs.

Planned depreciation is calculated from the original acquisition cost based on the estimated economic life of the asset. The land areas are not depreciated. The economic lifetimes of the assets are:

- Buildings 30–40 years
- Structures 5 years
- Machinery and equipment 3–10 years
- Other non-current expenses 5–10 years

Research and development costs

Research and development (R&D) costs are recognized as an expense in the financial period during which they are incurred. R&D costs are capitalized when it is expected that the intangible asset will generate future economic added value and the costs arising from this can be reliably determined.

Inventories

The balance sheet value of inventories is the less of the direct acquisition cost or the net realizable value. The acquisition cost is defined by the FIFO (first-in-first-out) method.

Taxes

Taxes in the income statement are the taxes corresponding to the results of the Group's companies during the financial year as well as adjustments to taxes in previous years. No deferred tax assets are recognized in the parent company's accounts.

Foreign currency items

Foreign currency items are entered at the rates prevailing on the transaction date. Receivables and payables on the balance sheet are valued at the average rate on the balance sheet date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions, respectively, in the income statement. Realized and unrealized exchange rate differences related to loans and loan receivables are recognized in the other finance income and expenses in the income statement. The parent company does not have any significant foreign currency loans.

Pension commitments

Statutory and voluntary employee pension benefits for the parent company's personnel are arranged mainly through pension insurance companies.

Other employee benefits

The parent company has current stock option programs launched in spring 2006 and in spring 2009 for the company's senior management. In compliance with Finnish Accounting Standards (FAS) the option benefit is not measured at fair value, nor is the calculated employee benefit expensed in the income statement.

Notes to the Parent Company

1. NET SALES BY MARKET AREA

M€	2011	2010
Finland	**21.7**	16.7
Total	**21.7**	16.7

2. OTHER OPERATING INCOME

M€	2011	2010
Gains on sale of fixed assets	**0.0**	9.5
Other income	**0.5**	0.0
Total	**0.5**	9.5

In year 2010 the major balance in the other operating income. M€ 9.5, consist of sales of 35% of Alma Mediapartners Oy to Arena Partners Oy.

3. MATERIALS AND SERVICES

M€	2011	2010
External services	**1.0**	0.2
Total	**1.0**	0.2

ALMA

4. PERSONNEL EXPENSES

M€	2011	2010
Wages, salaries and fees	**7.7**	4.4
Pension expenses	**1.8**	1.2
Other payroll connected expenses	**1.0**	0.2
Total	**10.4**	5.9
Average number of employees	**119**	72

Salaries and bonuses paid to management		
President	**0.4**	0.5
Board of Directors	**0.3**	0.2
Total	**0.7**	0.7

The benefits to which the president of the parent company is entitled are described in more detail in Note 7 to the consolidated financial statements.

5. DEPRECIATION AND WRITEDOWNS

M€	2011	2010
Depreciation on tangible and intangible assets	**1.1**	0.7
Total	**1.1**	0.7

6. OTHER OPERATING EXPENSES

M€	2011	2010
Information technology and telecommunication	**6.6**	5.6
Business premises	**3.3**	2.9
Other costs	**8.9**	4.3
Total	**18.8**	12.9

7. AUDIT EXPENSES

M€	2011	2010
Ernst Young Oy		
Audit	**0.1**	0.1
Reporting and opinions	**0.0**	0.0
Tax consultation	**0.0**	0.0
Other	**0.0**	0.0
Total	**0.1**	0.2

Parent company audit expenses includes audit fees for whole group.

8. RESEARCH AND DEVELOPMENT EXPENSES

The company's research and development expenses in 2011 totalled M€ 1.9 (M€ 1.2 in 2010). Of this total was capitalized to the balance sheet in 2011 M€ 1.2 (M€ 0.0 in 2010).

9. FINANCE INCOME AND EXPENSES

M€	2011	2010
Dividend income		
From Group companies	**23.9**	3.0
From associated companies	**0.8**	0.5
From others	**0.1**	0.1
Total	**24.7**	3.7
Other interest and finance income		
From Group companies	**1.5**	1.4
From others	**0.9**	0.3
Total	**2.4**	1.8
Impairment for non-current investments		
Return of impairment of investments in associated companies	**-0.3**	-1.4
Total	**-0.3**	-1.4
Interest expenses and other financial expenses		
To Group companies	**-0.3**	0.0
To others	**-0.5**	-0.1
Total	**-0.8**	-0.1
Foreign exchange profits/losses		
Foreign exchange losses	**-0.7**	0.0
Finance income and expenses, total	**25.2**	3.9

10. EXTRAORDINARY ITEMS

M€	2011	2010
Group contribution received	**40.2**	29.8

11. APPROPRIATIONS

M€	2011	2010
Difference between planned depreciation and depreciation made for tax purposes	**0.0**	0.0

12. INCOME TAX

M€	2011	2010
Income tax payable on extraordinary items	**10.4**	7.7
Income tax from regular business operations	**-1.5**	-0.4
Total	**8.9**	7.3

The parent company has unutilized confirmed tax losses M€ 1.8 from financial years 2005-2006.

Deferred tax asset based on this (M€ 0.5) has not been recognised in balance sheet.

13. INTANGIBLE ASSETS

M€	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2011					
Acquisition cost Jan 1	3.0	0.0	0.5	0.6	4.1
Increases	0.1	0.8	0.0	1.4	2.3
Transfers between items	0.0	0.2	0.0	-0.3	0.0
Acquisition cost Dec 31	3.1	1.1	0.5	1.7	6.4
Accumulated depreciation and writedowns Jan 1	1.8	0.0	0.0	0.0	1.9
Accumulated depreciation in decreases	-0.2	0.2	0.0	0.0	0.0
Depreciation for the financial year	0.5	0.2	0.2	0.0	0.9
Accumulated depreciation and writedowns Dec 31	2.1	0.4	0.2	0.0	2.8
Book value Dec 31	1.0	0.7	0.3	1.7	3.6

M€	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2010					
Acquisition cost Jan 1	2.8	0.0	0.0	0.1	2.9
Merger, Alma Media Interactive Oy	0.1	0.0	0.5	0.5	1.1
Increases	0.1	0.0	0.0	0.1	0.1
Transfers between items	0.1	0.0	0.0	-0.1	0.0
Acquisition cost Dec 31	3.0	0.0	0.5	0.6	4.1
Accumulated depreciation and writedowns Jan 1	1.3	0.0	0.0	0.0	1.4
Depreciation for the financial year	0.5	0.0	0.0	0.0	0.5
Accumulated depreciation and writedowns Dec 31	1.8	0.0	0.0	0.0	1.9
Book value Dec 31	1.1	0.0	0.5	0.6	2.2

14. TANGIBLE ASSETS

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Financial year 2011					
Acquisition cost Jan 1	0.5	4.4	0.8	1.1	6.7
Increases	0.0	0.0	0.0	0.0	0.0
Decreases	0.0	0.0	0.0	0.0	0.0
Acquisition cost Dec 31	0.5	4.4	0.8	1.1	6.8
Accumulated depreciation and writedowns Jan 1	0.0	2.7	0.6	0.5	3.9
Accumulated depreciation in decreases	0.0	0.0	0.0	0.0	0.0
Depreciation for the financial year	0.0	0.1	0.0	0.1	0.2
Accumulated depreciation and writedowns Dec 31	0.0	2.8	0.7	0.6	4.0
Book value Dec 31	0.5	1.6	0.1	0.5	2.7
Balance sheet value of machinery and equipment Dec 31			0.0		

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Financial year 2010					
Acquisition cost Jan 1	0.5	4.4	1.3	1.1	7.3
Merger, Alma Media Interactive Oy	0.0	0.0	0.0	0.0	0.1
Increases	0.0	0.0	0.1	0.0	0.1
Decreases	0.0	0.0	-0.7	0.0	-0.7
Transfers between items	0.0	0.0	0.0	0.0	0.0
Acquisition cost Dec 31	0.5	4.4	0.8	1.1	6.7
Accumulated depreciation and writedowns Jan 1	0.0	2.6	1.3	0.4	4.3
Accumulated depreciation in decreases	0.0	0.0	-0.7	0.0	-0.7
Depreciation for the financial year	0.0	0.1	0.0	0.1	0.2
Accumulated depreciation and writedowns Dec 31	0.0	2.7	0.6	0.5	3.9
Book value Dec 31	0.5	1.7	0.1	0.6	2.9
Balance sheet value of machinery and equipment Dec 31			0.0		

15. INVESTMENTS

M€	Shares Group Companies	Shares associated companies	Shares other	Receivables Group Companies	Receivables other companies	Total
Financial year 2011						
Acquisition cost Jan 1	474.9	7.1	1.6	0.8	7.2	491.7
Increases	0.0	0.0	1.3	0.6	0.8	2.7
Decreases	-2.6	-0.3	-0.2	-0.8	-8.0	-11.9
Acquisition cost Dec 31	472.3	6.8	2.7	0.7	0.0	482.4
Accumulated depreciation and writedowns Jan 1	0.0	0.0	0.2	0.0	0.0	0.2
Accumulated depreciation in decreases	0.0	0.0	-0.2	0.0	0.0	-0.2
Accumulated depreciation and writedowns Dec 31	0.0	0.0	0.0	0.0	0.0	0.0
Book value Dec 31	472.3	6.8	2.7	0.7	0.0	482.4

M€	Shares Group Companies	Shares associated companies	Shares other	Receivables Group Companies	Receivables other companies	Total
Financial year 2010						
Acquisition cost Jan 1	474.4	4.2	1.6	0.0	0.0	480.3
Merger, Alma Media Interactive Oy	3.8	0.0	0.0	0.0	0.0	3.8
Increases	-0.7	3.1	0.0	0.8	7.2	10.5
Decreases	-2.9	0.0	0.0	0.0	0.0	-2.9
Transfers between items	0.3	-0.3	0.0	0.0	0.0	0.0
Acquisition cost Dec 31	474.9	7.1	1.6	0.8	7.2	491.7
Accumulated depreciation and writedowns Jan 1	0.0	0.0	0.2	0.0	0.0	0.2
Accumulated depreciation and writedowns Dec 31	0.0	0.0	0.2	0.0	0.0	0.2
Book value Dec 31	474.9	7.1	1.4	0.8	7.2	491.5

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding %	Share of votes %	Group holding %
Group companies				
Alma Intermedia Oy	Pori	48.00	48.00	100.00
Alma Manu Oy	Tampere	100.00	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki	100.00	100.00	100.00
Alma Media Kustannus Oy	Helsinki	100.00	100.00	100.00
Alma Media Lehdentekijät Oy	Helsinki	25.00	25.00	100.00
Alma Media Ventures Oy	Helsinki	100.00	100.00	100.00
Alma Mediapartners Oy	Helsinki	65.00	65.00	65.00
AS Kinnisvaraportaal	Tallinna, Viro	100.00	100.00	100.00
Bovision AB	Tukholma, Ruotsi	100.00	100.00	100.00
Karenstock Oy	Helsinki	100.00	100.00	100.00
Kauppalehti Oy	Helsinki	100.00	100.00	100.00
Kotikokki.net Oy	Helsinki	65.00	65.00	65.00
Kustannus Oy Aamulehti	Tampere	100.00	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki	100.00	100.00	100.00
Marknadspriser i Sverige AB	Lidköping, Ruotsi	60.00	60.00	60.00
Mascus A/S	Hojbjerg, Tanska	51.00	51.00	51.00
Monster Oy	Helsinki	75.00	75.00	75.00
Objektvision AB	Tukholma, Ruotsi	100.00	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi	100.00	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	100.00	100.00
SIA City 24	Riika, Latvia	100.00	100.00	100.00
Suomen Paikallissanomat Oy	Tampere	100.00	100.00	100.00
UAB City 24	Vilna, Liettua	100.00	100.00	100.00

Associated companies				
Ahaa Sivunvalmistus Oy	Tampere	10.00	10.00	20.00
Alkali Oy	Tuusula	24.30	24.30	24.30
Arena Interactive Oy	Vaasa	35.00	35.00	35.00
As Oy Vammalan Reku	Vammala	21.00	21.00	21.00
Kiinteistö Oy Oulaisten Kulma	Oulainen	35.00	35.00	35.00
Kytöpirtti Oy	Seinäjoki	43.20	43.20	43.20
Nokian Uutistalo Oy	Nokia	36.90	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki	24.07	24.07	24.07
Talentum Oyj	Helsinki	2.34	2.34	32.14
Tampereen Tietoverkko Oy	Tampere	35.14	35.14	35.14

16. RECEIVABLES

M€	2011	2010
Current receivables		
Receivables from Group companies		
Trade receivable	**0.1**	0.7
Loan receivables *)	**33.0**	22.8
Other non-interest-bearing receivables	**0.1**	0.0
Total	**33.1**	23.5
Receivables from others		
Trade receivable	**0.4**	0.4
Other receivables	**7.9**	5.3
Prepaid expenses and accrued income **)	**0.6**	0.6
Total	**9.0**	6.3
Current receivables, total	**42.1**	29.8

*) Cash and cash equivalents in Group bank accounts are included in loan receivables.

**) Major balances in prepaid expenses and accrued income consist of rental accruals.

17. SHAREHOLDERS' EQUITY

M€	2011	2010
Restricted shareholders' equity		
Share capital Jan 1	**45.0**	44.8
Subsrciptions (options excercised)	**0.3**	0.3
Share capital Dec 31	**45.3**	45.0
Share premium reserve Jan 1	**416.3**	414.4
Subsrciptions (options excercised)	**3.0**	1.9
Share premium reserve Dec 31	**419.3**	416.3
Other reserves Jan 1	**5.4**	5.4
Other reserves Dec 31	**5.4**	5.4
Restricted shareholders' equity total	**469.9**	466.7
Non-restricted shareholders' equity		
Retained earnings Jan 1	**56.9**	53.7
Dividend payment	**-52.5**	-29.8
Unclaimed dividend	**0.1**	0.0
Retained earnings Dec 31	**4.5**	23.9
Profit for the period	**47.5**	33.0
Non-restricted shareholders' equity total	**51.9**	56.9
Shareholders' equity total	**521.9**	523.5

Calculation of the parent company's distributable funds on December 31	2011	2010
Retained earnings	**4.5**	23.9
Profit for the period	**47.5**	33.0
Total	**51.9**	56.9

18. APPROPRIATIONS

M€	2011	2010
Accumulated depreciation difference	**0.0**	0.1

19. PROVISIONS

Provisions on December 31, 2011 total M€ 1.4 and consists of conditional purchase liabilities.

Provisions on December 31, 2010 totaled M€ 1.8 and consisted of conditional purchase liabilities and contractual provisions.

20. NON-CURRENT LIABILITIES

M€	2011	2010
Other non-current liabilities	**2.0**	2.1
Total	**2.0**	2.1

Debt due after five years		
Other non-current liabilities	**1.2**	1.2

21. CURRENT LIABILITIES

M€	2011	2010
Loans from financial institutions	**22.0**	0.0
Trade payable	**1.2**	0.5
Totals	**23.2**	0.5
Liabilities to Group companies		
Trade payable	**0.0**	0.0
Other liabilities	**32.8**	26.5
Accrued expenses and prepaid income	**0.0**	0.0
Total	**32.8**	26.5
Liabilities to associated companies		
Accounts payable	**0.0**	0.0
Total	**0.0**	0.0
Others		
Other current liabilities	**1.5**	1.2
Accrued expenses and prepaid income	**3.3**	4.5
Total	**4.7**	5.7
Current liability total	**60.7**	32.7

Most of accrued expenses and prepaid income consists of allocated personnel expenses.

22. COMMITMENTS AND CONTINGENCIES

M€	2011	2010
Collateral for own commitments		
Guarantees	**1.4**	1.4
Collateral for others		
Guarantees	**1.3**	0.0
Other own commitments		
Rental commitments - within one year	**2.6**	0.8
Rental commitments - after one year	**84.6**	46.7
Rental commitments total	**87.2**	47.5
Other commitments	**0.9**	1.1
Total		
* Guarantees	**2.6**	1.4
* Other commitments	**88.0**	48.6
Commitments total	**90.7**	49.9

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.

An operational leasing agreement has been made for the office and printing work building in Tampere Patamäenkatu that is effective until December 1, 2027. Alma Media has agreed on termination events concerning equity and gearing commitments with the landlord.

23. DERIVATIVE CONTRACTS

M€	2011	2010
Commodity derivative contracts, electricity derivatives		
Fair value *	**-0.1**	0.3
Value of underlying instrument	**1.1**	1.0

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

Board's Proposal to the Annual General Meeting

The parent company's distributable funds on December 31, 2011 totalled € 51,941,031.84.

The Board of Directors proposes that a dividend of EUR 0.40 per share be paid for the 2011 financial year. On the closing date, December 31, 2011, there were 75,486,853 shares of dividend rights, based on the number of shares the total dividend distribution would be amount of EUR 30,194,741 (52,536,766).

Helsinki, Finland, February 14, 2012

Seppo Paatelainen

Chairman of the Board

Petri Niemisvirta

Deputy Chairman of the Board

Erkki Solja

Board member

Timo Aukia

Board member

Harri Suutari

Board member

Kai Seikku

Board member

Catharina Stackelberg-Hammarén

Board member

Kai Telanne

President and CEO

Auditor's Report

To the Annual General Meeting of Alma Media Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Alma Media Oyj for the year ended 31 December 2011. The financial statements comprise the consolidated statement of financial position, [income statement,] statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 14 February 2012

Ernst & Young Oy

Authorized Public Accountant Firm

Harri Pärssinen

Authorized Public Accountant