Alma Media Interim Report 1 Jan-31 Mar 2012

27 April 2012

Photo: Jenni Gästgivar

Alma Media's Interim Report for January-March 2012:

ACQUISITIONS INCREASED REVENUE, DIGITAL BUSINESS NOW ACCOUNTS FOR NEARLY A QUARTER OF REVENUE

Financial performance January–March 2012:

- Revenue was MEUR 81.1 (77.1), up 5.2%.
- Circulation revenue was MEUR 30.5 (30.7), down 0.5%, advertising revenue MEUR 41.1 (37.7), up 9.0% and content and service revenue MEUR 9.6 (8.8), up 9.3%.
- EBITDA (Earnings before interests, taxes, depreciation and amortization) excluding non-recurring items was MEUR 11.6 (11.6)
- EBITDA was MEUR 10.7 (11.3).
- Operating profit excluding non-recurring items was MEUR 8.5 (9.3), 10.4% (12.1%) of revenue, down 9.1%.
- Operating profit was MEUR 6.0 (9.0), 7.4% (11.7%) of revenue, down 33.3%.
- Revenue of acquired businesses was MEUR 5.3 and operating profit MEUR 1.4.
- Profit for the period was MEUR 2.7 (6.9), down 60.6%.
- Earnings per share were EUR 0.03 (0.09).

Key figures MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Revenue	81.1	77.1	5.2	316.2
Circulation revenue	30.5	30.7	-0.5	124.8
Advertising revenue	41.1	37.7	9.0	155.3
Contents and service revenue	9.6	8.8	9.3	36.1
Total expenses excluding non-recurring items	72.8	67.8	7.3	273.6
EBITDA excluding non-recurring items	11.6	11.6	0.1	51.9
EBITDA	10.7	11.3	-4.7	51.2
Operating profit excluding non-recurring items	8.5	9.3	-9.1	42.9
% of revenue	10.4	12.1		13.6
Operating profit	6.0	9.0	-33.3	42.0
% of revenue	7.4	11.7		13.3
Profit for the period	2.7	6.9	-60.6	30.8
Earnings per share, EUR (basic)	0.03	0.09	-63.0	0.39
Earnings per share, EUR (diluted)	0.03	0.09	-62.9	0.39

Acquired businesses				
Revenue	5.3	0.0		0.0
EBITDA	2.1	0.0		0.0
Operating profit	1.4	0.0		0.0

Outlook for 2012:

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

Alma Media repeats its estimate given in the financial statements release of February 15, 2012, according to which the company expects its full-year revenue for 2012 to increase from the 2011 level, primarily due to the acquisitions made. Operating profit excluding non-recurring items is expected to be lower than in 2011. Full-year revenue for 2011 was MEUR 316.2, operating profit excluding non-recurring items MEUR 42.9 and operating profit MEUR 42.0.

Kai Telanne, President and CEO:

In January–March, Alma Media's revenue increased to MEUR 81.1, supported by the acquisitions made. The share of digital products and services in the revenue increased to 24.0% (18.3%). This development followed the Group's strategy and was supported by Alma Media's acquisitions in the Czech Republic and the Baltic countries at the turn of the year. The revenue and profitability of the acquired businesses, LMC and CV Online, developed favourably as expected, and their integration is proceeding according to plan. Recruitment services have become the largest business area in the Digital Consumer Services segment. According to TNS Metrix, the online services of Alma Media Group have nearly 4.7 million unique visitors (browsers) weekly, representing 73% of all Finns aged between 15 and 65 years.

Advertising revenue grew to MEUR 41.1. Online advertising sales grew by 47.9% to MEUR 15.9. Circulation revenue developed positively, considering the business conditions, and at MEUR 30.5 (30.7) was close to that of the comparison period.

Alma Regional Media unit, combining the regional and local newspaper businesses and reported under Alma Media's Newspapers segment, as well as Alma Diverso, a development and service unit reported under Digital Consumer Services, started operations in the beginning of 2012. Alma Diverso focuses on the development of managing traffic to Alma Media's online services, as well as new products and service concepts with regard to online advertising and e-commerce.

The structural change apparent in the media industry accelerated during the first quarter of the year. The total volume of advertising grew by only 1.4% in January–March, according to TNS Media Intelligence. Advertising in printed newspapers and city papers continued to decline and decreased by 1.3% in January–March. Advertising in online media increased by 13.7% from the comparison period. As expected, the circulations of printed newspapers continued to decline during the first quarter.

Alma Media has initiated wide-ranging change projects to develop its operations. The objectives include, for instance, improving the quality of Alma Media's products and services and strengthening the Group's ability to develop multi-channel media products to meet consumers' and advertisers' changing needs on a commercially sustainable basis. Through closer internal cooperation, enabled by reorganisation, we aim to utilise the wide range of special journalistic expertise within the Group across all business units. Due to these change projects, a total of four cooperation processes have been started in the Group. The processes concern the printing operations in Rovaniemi, Finland, the marketplace business, directory business and regional and local paper business. As a result of statutory personnel negotiations completed by the publishing date of this interim report, the staff of Alma Media will decrease by 32 work years. Negotiations still going on may entail a staff reduction of 146 full-time work years maximum.

Alma Media invests in the renewal of print media, aiming to further improve cost efficiency and ensure the quality of products. On April 26, 2012, Alma Media signed a delivery agreement for a printing press with manroland web systems GmbH. The agreement with this company, continuing the business of manroland AG, which filed for insolvency in November 2011, will secure the implementation of the printing facility investment according to the original plan.

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ALMA MEDIA GROUP INTERIM REPORT JANUARY 1–MARCH 31, 2012

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

KEY FIGURES MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Revenue	81.1	77.1	5.2	316.2
Total expenses excluding non-recurring items	72.8	67.8	7.3	273.6
EBITDA excluding non-recurring items	11.6	11.6	0.1	51.9
EBITDA	10.7	11.3	-4.7	51.2
Operating profit excluding non-recurring items	8.5	9.3	-9.1	42.9
% of revenue	10.4	12.1		13.6
Operating profit	6.0	9.0	-33.3	42.0
% of revenue	7.4	11.7		13.3
Profit before tax	3.8	9.3	-59.3	42.0
Profit for the period	2.7	6.9	-60.6	30.8
Return on Equity/ROE (Annual)*	13.8	33.5	-58.9	29.1
Return on Investment/ROI (Annual)*	10.1	31.1	-67.6	26.1
Net financial expenses	1.7	0.1	-1633.9	2.5
Net financial expenses, % of revenue	2.1	0.1		0.8
Balance sheet total	234.6	170.0	38.0	198.0
Capital expenditure	69.5	1.4	4863.0	6.3
Capital expenditure, % of revenue	85.6	1.9	4369.8	2.0
Equity ratio	33.9	48.6	-30.3	57.0
Gearing, %	60.2	-11.4	-630.6	-33.4
Interest-bearing net debt	42.2	-7.9	-635.8	-32.3
Interest-bearing liabilities	70.7	18.9	273.3	25.5
Non-interest-bearing liabilities	93.8	81.7	14.9	75.7
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,817	1,794	1.3	1,816
Average no. of delivery staff	985	917	7.4	961
Share indicators				
Earnings per share, EUR (basic)	0.03	0.09	-63.0	0.39
Earnings per share, EUR (diluted)	0.03	0.09	-62.9	0.39
Cash flow from operating activities/share, EUR	0.16	0.37	-56.7	0.67
Shareholders' equity per share, EUR	0.89	0.90	-1.5	1.24
Dividend per share				0.40
Effective dividend yield				6.5
P/E Ratio				15.8
Market capitalization	403.1	611.6	-34.1	463.5
Average no. of shares (1,000 shares)				
- basic	75,487	75,076		75,339
- diluted	75,720	75,507		75,772
No. of shares at end of period (1,000 shares)	75,487	75,130		75,487

*) see Main Accounting Principles of the Interim Report

Market conditions

The GDP of Finland is expected to grow by 0 – 2% in 2012. According to TNS Media Intelligence, total advertising volume grew by 1.4 (9.7)% in the first quarter of 2012. Advertising in newspapers decreased by 1.3 (grew by 4.6)%. Advertising in online media continued to grow, in the first quarter by 13.7 (32.5)% from the comparison period.

The total market of afternoon papers declined by 3.3 (6.7)%) in the first quarter of 2012.

Changes in Group structure

On January 2, 2012, Alma Media Corporation acquired 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 of CZK 100 million (approx. MEUR 3.9) will be paid based on LMC's 2012 result. The company is reported under Alma Media's Digital Consumer Services since January 2, 2012.

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

On February 2, 2012, Alma Media Corporation acquired CV Online, the leading internet recruitment service company in the Baltic countries. The company is reported as part of Alma Media's Digital Consumer Services segment since 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 decreasing minimising the number of legal companies in the Group during 2012. The rearrangement will not have any effect on the profit and loss statement or the balance sheet of Alma Media Group.

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

Group revenue and result in January–March 2012

The Group's revenue grew by 5.2% (3.7%) and totalled MEUR 81.1 (77.1). Revenue from the business operations acquired in 2012 was MEUR 5.3 (0.0). Revenue from print media was MEUR 55.2 (57.3), representing 68.0% (74.3%) of the Group's revenue. Revenue from digital products and services was MEUR 19.5 (14.1), showing a growth of 38.5% mainly due to the acquisitions made. The share of digital products and services in the Group's revenue was 24.0% (18.3%). According to TNS Metrix, the online services of Alma Media Group in Finland have nearly 4.7 million unique visitors (browsers) weekly, representing 73% of all Finns aged between 15 and 65 years. Other revenue amounted to MEUR 6.3 (5.7), 7.8% (7.4%) of Group total revenue.

Revenue from the Group's advertising sales grew by 9.0% to MEUR 41.1 (37.7), representing 50.6% (48.9%) of the total revenue. The advertising sales for printed media declined 7.5% from the comparison period's level, being MEUR 24.7 (26.7). Online advertising sales grew by 47.9% to MEUR 15.9 (10.8).

Circulation revenue remained close to the level of the comparison period at MEUR 30.5 (30.7). Thanks to the price increases, the circulation revenue of the Newspapers segment was at the comparison period's level, even though the circulation volumes continued to fall. Circulation revenue for Kauppalehti decreased slightly from the comparison period level.

Content and service revenue was MEUR 9.6 (8.8).

Total expenses excluding non-recurring items grew by MEUR 4.9 or 7.3% and amounted to MEUR 72.8 (67.8). Total expenses grew by 10.1% to MEUR 75.2 (68.3). The main reason for the increase in total expenses was the rise in ICT expenses. The business operations acquired during the review period, LMC and CV Online, accounted for a MEUR 4.0 share of the total expenses.

EBITDA (Earnings before interests, taxes, depreciation and amortization) excluding non-recurring items was MEUR 11.6 (11.6). EBITDA was MEUR 10.7 (11.3).

Depreciations during the review period amounted to MEUR 4.8 (2.3). The period's depreciations include MEUR 1.6 in impairment losses. Depreciations in connection with acquired businesses total MEUR 0.7 (0.8).

The operating profit excluding non-recurring items decreased by 9.1% (increased by 12.0%) and amounted to MEUR 8.5 (9.3). The operating margin excluding non-recurring items was 10.4% (12.1%) of revenue. The operating profit was MEUR 6.0 (9.0) and the operating margin decreased to 7.4% (11.7%) of revenue. The operating profit of the acquired businesses was MEUR 1.4 (0.0).

The operating profit includes MEUR -2.5 (-0.2) in net non-recurring items. The non-recurring items in the review period pertained to operational rearrangements and the impairment losses from capitalised product development costs for the Marketplaces business. The details of the non-recurring items are explained under Non-recurring items on page 12.

Profit before taxes for January–March 2012 was MEUR 3.8 (9.3), and profit before taxes excluding non-recurring items MEUR 6.3 (9.5). The item having the most significant impact on the result of the review period was the change in the fair value of a contingent consideration and the debt from corporate transactions in relation with the Marketplaces segment, in the amount of MEUR -1.1.

Business segments

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

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

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

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

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

REVENUE AND OPERATING PROFIT/LOSS BY SEGMENT

REVENUE BY SEGMENT, MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Newspapers				
External	50.9	52.0		214.1
Inter-segments	1.1	1.0		4.3
Newspapers total	51.9	53.0	-2.1	218.3
Kauppalehti Group				
External	14.1	13.7		55.9
Inter-segments	0.2	0.2		0.8
Kauppalehti Group total	14.3	13.9	3.0	56.7
Digital consumer services				
External	14.6	10.0		40.7
Inter-segments	0.3	0.4		1.4
Digital consumer services total	14.9	10.4	43.5	42.1
Other operations				
External	1.6	1.4		5.6
Inter-segments	19.4	17.7		73.9
Other operations total	21.0	19.1	10.1	79.5
Elimination	-21.1	-19.3		-80.4
Total	81.1	77.1	5.2	316.2

OPERATING PROFIT/LOSS BY SEGMENT, MEUR *)	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Newspapers	5.3	6.0	-11.5	29.7
Kauppalehti Group	1.3	1.2	6.3	7.4
Digital consumer services	0.8	1.8	-57.3	6.4
Other operations	-1.3	-0.1	-1956.1	-1.6
Total	6.0	9.0	-33.3	42.0

*) including non-recurring items

Newspapers

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

Newspapers Key figures, MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Revenue	51.9	53.0	-2.1	218.3
Circulation revenue	26.8	26.9	-0.5	109.9
Advertising revenue	24.2	25.2	-3.8	104.4
Content and service revenue	0.9	0.9	-0.1	4.0
Total expenses excluding non-recurring items	46.1	46.5	-0.9	187.7
EBITDA excluding non-recurring items	6.2	6.9	-9.5	32.2
EBITDA	5.7	6.4	-11.0	31.4
Operating profit excluding non-recurring items	5.9	6.5	-9.9	30.7
Operating profit excluding non-recurring items, %	11.3	12.3		14.1
Operating profit	5.3	6.0	-11.5	29.7
Operating profit, %	10.3	11.4		13.6
Average no. of personnel, calculated as full-time employees excl. delivery staff	853	932	-8	940
Average no. of delivery staff *	97	103	-5	117

Operational key figures	2012 Q1	2011 Q1	2011 Q1-Q4
Audited circulation			
Iltalehti			102,124
Aamulehti			130,081
Online services, unique browsers, weekly			
Iltalehti.fi	3,631,483	2,781,813	2,978,518
Aamulehti.fi	352,168	316,245	333,987

January–March 2012

The Newspapers segment's revenue decreased to MEUR 51.9 (53.0). Advertising sales in the segment totalled MEUR 24.2 (25.2), down 3.8% (up 4.0%) on the previous year. Advertising sales in print media decreased by 5.1% (increased by 1.9%). Advertising sales in online media grew by 7.9% amounting to MEUR 2.7 (2.5). The segment's circulation sales remained close to the comparison period's level supported by the price increases of regional and local papers.

The segment's total expenses excluding non-recurring items of the segment were MEUR 46.1 (46.5). Total expenses were MEUR 46.6 (47.0). The non-recurring items, in the amount of MEUR 0.5, were related to operational rearrangements.

The segment's operating profit excluding non-recurring items was MEUR 5.9 (6.5) and operating profit MEUR 5.3 (6.0). Operating profit excluding non-recurring items declined due to the decrease in advertising sales of the print media.

Alma Media combined its 34 regional and local papers into the new business unit Alma Regional Media from the beginning of 2012.

The statutory personnel negotiations at Northern Media, part of the Newspapers segment, were completed in January 2012. As a result, Northern Media reduces its staff by nine 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, and the news agency and media monitoring unit BNS Group that operates in all of the Baltic countries.

Kauppalehti Group Key figures, MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Revenue	14.3	13.9	3.0	56.7
Circulation revenue	3.7	3.8	-1.2	15.0
Advertising revenue	4.0	4.1	-3.3	17.1
Content and service revenue	6.7	6.1	9.8	24.6
Total expenses excluding non-recurring items	13.1	12.7	2.7	49.3
EBITDA excluding non-recurring items	1.5	1.4	3.4	8.2
EBITDA	1.5	1.4	3.4	8.2
Operating profit excluding non-recurring items	1.3	1.2	6.3	7.4
Operating margin excluding non-recurring items, %	8.9	8.6	3.2	13.0
Operating profit	1.3	1.2	6.3	7.4
Operating profit, %	8.9	8.6	3.2	13.0
Average no. of personnel, calculated as full-time employees	402	435	-7.7	429

Operational key figures	2012 Q1	2011 Q1	2011 Q1-Q4
Audited circulation			
Kauppalehti			68,252
Online services, unique browsers, weekly			
Kauppalehti.fi	732,206	811,857	729,742

January–March 2012

Kauppalehti Group's revenue was MEUR 14.3 (13.9) in the first quarter of the year. The revenue for the review period increased by 3.0% (decreased by 1.0%). Online business accounted for 25.8% (24.8%) of the segment's revenue.

The segment's advertising sales decreased by 3.3% (decreased by 1.8%) to MEUR 4.0 (4.1). Online advertising sales increased by 6.4% (up 1.5%) from the comparison period.

The segment's circulation revenue remained at the previous year's level at MEUR 3.7 (3.8). Kauppalehti's audited circulation in 2011 was 68,252 (70,118). The content and service revenue of the segment rose to MEUR 6.7 (6.1).

The total expenses of the segment were MEUR 13.1 (12.7). No non-recurring items were recognised during the review period.

The operating profit excluding non-recurring items of the Kauppalehti Group was MEUR 1.3 (1.2) and the operating profit MEUR 1.3 (1.2). The operating margin excluding non-recurring items was 8.9% (8.6%), and the operating margin 8.9% (8.6%). Operating profit excluding non-recurring items grew due to the strong development of the content and service revenue.

Digital Consumer Services

The new Digital Consumer Services segment comprises the former Marketplaces segment, and additionally the digital consumer service operations previously reported in the Newspapers and Other Operations segments.

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

Digital consumer services Key figures, MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Revenue	14.9	10.4	43.5	42.1
Operations in Finland	8.1	9.0	-10.7	36.5
Operations outside Finland	6.9	1.4	402.5	5.6
Total expenses excluding non-recurring items	12.6	8.7	44.0	35.9
EBITDA excluding non-recurring items	3.5	2.1	66.7	8.0
EBITDA	3.5	2.3	54.9	8.1
Operating profit excluding non-recurring items	2.4	1.7	42.5	6.3
Operating margin excluding non-recurring items, %	16.0	16.1	-0.7	14.9
Operating profit	0.8	1.8	-57.3	6.4
Operating margin, %	5.3	17.7	-70.2	15.3
Average no. of personnel, calculated as full-time employees	291	206	41	205

Acquired businesses			
Revenue	5.3	0.0	0.0
EBITDA	2.1	0.0	0.0
Operating profit	1.4	0.0	0.0

Operational key figures	2012 Q1	2011 Q1	2011 Q1-Q4
Online services, unique browsers, weekly			
Etuovi.com	427,653	468,514	453,453
Autotalli.com	114,849	108,515	99,142
Monster.fi	112,421	107,947	91,205
MyyjaOsta.com	34,910	45,376	42,239
Telkku.com	770,506	675,612	661,908
Vuodatus.net	240,506	289,757	256,582
Kotikokki.net	186,857	224,098	196,509
Suomenyritykset.fi	42,497	80,306	76,618
Mascus.com (Finland)	376,650	303,372	279,089
City24	167,650	153,503	190,842
Bovision	65,655	83,574	66,019

January–March 2012

In the first quarter of 2012, the revenue of the Digital Consumer Services segment was MEUR 14.9 (10.4), up 43.5% (20.0%). Revenue from the business operations acquired in 2012 was MEUR 5.3. The advertising sales of the segment amounted to MEUR 13.5 (9.0). During the review period, recruitment advertising grew supported by the acquisitions while home sales advertising revenue declined.

Total expenses excluding non-recurring items during the period were MEUR 12.6 (8.7) and total expenses MEUR 14.2 (8.7). The acquired businesses accounted for MEUR 4.0 of the expenses.

The operating profit excluding non-recurring items of the Digital Consumer Services segment increased to MEUR 2.4 (1.7) in the first quarter. The operating profit was MEUR 0.8 (1.8).The operating profit from the businesses acquired in 2012 was MEUR 1.4. The non-recurring expenses of the period, MEUR 1.6, were related to the impairment losses from capitalised product development costs. The non-recurring gains of MEUR 0.2 in the comparison period were related to restructuring costs. Operating profit excluding non-recurring items grew due to the acquisitions made.

Organisational rearrangement and measures to increase operational efficiencies in the businesses of home sales, vehicle sales and trade between consumers were started in March. At the same time, statutory personnel negotiations concerning the number of staff in these operations were initiated. As a result of the negotiations, the number of employees will be reduced by 28 work years.

Alma Intermedia Oy, a company providing electronic directory services and part of the segment, on March 12, 2012 announced its plans for reorganisation and rationalisation of its operations as well as the initiation of statutory personnel negotiations concerning its entire staff. As a result of the negotiations, the number of Alma Intermedia Oy staff may be reduced by no more than 11 full-time work years.

Other Operations

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

Other operations Key figures, MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
Revenue	21.0	19.1	10.1	79.5
External	1.6	1.4	11.2	5.6
Inter-segments	19.4	17.7	10.0	73.9
Total expenses excluding non-recurring items	22.1	19.2	15.1	81.1
EBITDA excluding non-recurring items	0.4	1.2	-65.4	3.5
EBITDA	0.1	1.2	-92.9	3.4
Operating profit excluding non-recurring items	-1.0	-0.1	-1452.0	-1.4
Operating profit excluding non-recurring items, %	-4.8	-0.3	-1310.2	-1.8
Operating profit	-1.3	-0.1	-1956.1	-1.6
Operating profit, %	-6.4	-0.3	-1768.3	-2.0
Average no. of personnel, calculated as full-time employees	271	220	23	241
Average no. of delivery staff	887	814	9	844

Operational key figures	2012 Q1	2011 Q1	2011 Q1-Q4
Printing volume (thousand units)	51,083	59,914	224,724
Paper usage (tons)	7,102	7,467	31,428

Alma Media has entered a finance leasing agreement with Pohjola Bank Plc for the financing of the machinery and movable property of Alma Media's new printing facility. By March 31, 2012, the financer has paid a total of MEUR 10.7 as advance payments. The agreements cover a total of MEUR 40.6. The total amount of the investment is approximately MEUR 50.0.

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

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

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

The operating profit of the segment decreased due to the changes implemented in the structures of delivery and corporate operations from the comparison period. Alma Media's human resources, Finance and ICT functions were centralised to parent company at the beginning of the first quarter of 2012.

Associated companies

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

Alma Media Group holds a 32.14-% stake in Talentum Oyj, which is reported under the Kauppalehti Group. The company's own shares in the possession of Talentum are here included in the total number of shares. In the consolidated financial statements of Alma Media the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding in Talentum is stated as 32.64% in Alma Media's consolidated financial statements of December 31, 2012 and in this Interim Report.

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 in the profit and loss statement within the corresponding income or expense group.

The non-recurring items during the first quarter consisted of reorganisation expenses in the Newspapers and Other Operations segments. The non-recurring item of the Digital Consumer Services segment was the impairment of capitalised product development expenses.

NON-RECURRING ITEMS MEUR	2012 Q1	2011 Q1	2011 Q1-Q4
Newspapers			
Restructuring	-0.5	-0.5	-1.0
Gains on sales of assets			
Digital consumer services			
Restructuring	-1.6		
Gains on sales of assets		0.2	0.2
Other operations			
Restructuring	-0.3		-0.5
Gains on sales of assets			0.4
NON-RECURRING ITEMS IN OPERATING PROFIT	-2.5	-0.3	-1.0
Translation differences		0.1	0.1
NON-RECURRING ITEMS IN FINANCIAL ITEMS		0.1	0.1

Balance sheet and financial position

At the end of March 2012, the consolidated balance sheet stood at MEUR 234.6 (170.0). Alma Media's equity ratio at the end of March was 33.9% (48.6%) and the equity per share declined to EUR 0.89 (0.90).

The Group's interest-bearing net debt at the end of March was MEUR 42.2 (-7.9). The increase in net debt was due to the rent agreement of the new printing facility, treated as finance leasing, becoming effective, as well as the debt taken for acquisitions and dividend payment, a total of MEUR 24. The fair value of the financial assets recognised at fair value through profit or loss, due to arrangements and acquisitions, was MEUR 0.0 (7.3) on March 31, 2012, and the fair value of debt MEUR 6.0 (2.9).

The consolidated cash flow from operations in January–March 2012 was MEUR 12.0 (27.5). Cash flow before financing was MEUR -22.6 (28.7). Owing to the change in Finnish value-added tax imposed on newspapers, part of the subscription fees for 2012 exceptionally accumulated in 2011, which significantly decreased the cash flow from operations during the review period. Investment cash flow was primarily affected by the financing for acquisitions that took place during the review period.

The Group currently has a MEUR 100.0 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of MEUR 0–100. The unused part of the programme was MEUR 81 on March 31, 2012. In addition, the Group has a credit facility in the amount of MEUR 30.0 until October 9, 2013, of which on March 31, 2012, MEUR 18.0 were unused, as well as a credit facility in the amount of MEUR 35 until December 19, 2012, of which on March 31, 2012, MEUR 20.0 were unused. The equity ratio of the Group was 33.9% in March 31, 2012. Regarding the terms and conditions of its financing agreements, the company has permission for deviation.

Capital expenditure

Alma Media Group's capital expenditure in January–March 2012 totalled MEUR 69.5 (1.4), consisting mainly of business acquisitions and the rental agreement for the new printing facility becoming effective. Other capital expenditure was related with online service development projects and normal operational and replacement investments.

Administration

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

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

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

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

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

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on June 15, 2010, in its unaltered form. The Corporate Governance Statement as well as the Salary and remuneration report for 2011 has been published separately on the company's website www.almamedia.fi/corporate_governance.

Dividends

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

The Alma Media share

In January–March, altogether 2,360,120 Alma Media shares were traded at NASDAQ OMX Helsinki Stock Exchange, representing 3.1% 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, March 30, 2012, was EUR 5.34. The lowest quotation during the reporting period was EUR 5.15 and the highest EUR 6.80. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 403.1.

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

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

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

Option rights

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

The Board of Directors of Alma Media Corporation has resolved on a new share-based incentive plan for the Group key employees. The new Performance Share Plan consists of three performance periods, the calendar years 2012, 2013 and 2014. The Board of Directors will decide on the plan's performance criteria and their targets at the beginning of each performance period. The potential reward from the plan for the performance period 2012 will be based on the Alma Media Group's profitability, and it will be paid partly in the company's shares and partly in cash in 2013. For the members of the Group Executive Team, the plan additionally includes one three-year performance period, the calendar years 2012–2014, based on the profitable growth of the Group. The potential reward from the performance period 2012–2014 will be paid partly in the company's shares and partly in cash one year and two years from the end of the performance period. The Performance Share Plan includes approximately 25 persons.

Other authorisations of the Board of Directors

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

Market liquidity guarantee

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

Flagging notices

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

Risks and risk management

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

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

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

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

Outlook for 2012

Due to the uncertainty prevailing in the macroeconomic conditions of the Group's main markets, it is exceptionally 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.

Events after the review period

Alma Media has renewed its management system and revised the composition of the Group Executive Team and the areas of responsibility for its members. The Group Executive Team is composed of:

Kai Telanne, President and CEO (Chairman of the Group Executive Team)
Pekka Heinänen, Vice President, Human Resources (Group Human Resources)
Tuomas Itkonen, CFO (Group Finance)
Kari Juutilainen, Senior Vice President (Alma Regional Media)
Kari Kivelä, Publisher (Iltalehti)
Mikko Korttila, General Counsel (Legal Affairs, M&A, Corporate Development)
Juha-Petri Loimovuori, Senior Vice President (Kauppalehti Group)

Raimo Mäkilä, Senior Vice President (Marketplaces)
Minna Nissinen, Senior Vice President (Alma Diverso).

Rauno Heinonen, Vice President, Corporate Communications and IR, will continue as the secretary of the Group Executive Team. Jouko Jokinen, Executive Editor-in-Chief of Aamulehti, resigned from the Group Executive Team as of April 1, 2012.

Alma Manu Oy, the printing and distribution company of Alma Media Group, has completed the statutory personnel negotiations that began in March 2012. The negotiations concerned the company's plans to rationalise and reorganise the operations of its printing facility in Rovaniemi. As a result of the negotiations, the number of employees at the Rovaniemi printing facility will decrease by four full-time work years.

Alma Media will make considerable changes to the operational model of all its regional newspaper operations in 2012. The aim of the reorganisation is to improve the quality of the newspapers' content and to guarantee their ability to work together to develop multi-channel media products to meet consumers' and advertisers' changing needs on a commercially sustainable basis. Due to the planned changes, Alma Regional Media initiated statutory personnel negotiations with its entire personnel. Alma Regional Media's initial estimate is that the number of personnel in the unit may be reduced by no more than 135 full-time work years as a result of the change in the operational model.

Alma Mediapartners Oy, part of Alma Media's Digital Consumer Services segment, completed its statutory cooperation negotiations with its personnel on April 26, 2012. As a result of the negotiations, the number of employees in the Group will be reduced by 28 work-years.

On April 26, 2012, Alma Media signed a delivery agreement for a printing press with manroland web systems GmbH. The agreement with this company, continuing the business of manroland AG, which filed for insolvency in November 2011, will secure the implementation of the printing facility investment according to the original plan.

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

COMPREHENSIVE INCOME STATEMENT, MEUR	2012 Q1	2011 Q1	Change %	2011 Q1-Q4
REVENUE	81.1	77.1	5.2	316.2
Other operating income	0.1	0.2	-56.2	0.8
Materials and services	20.8	21.8	-4.4	88.9
Employee benefits expense	34.0	30.3	12.2	119.8
Depreciation, amortization and impairment	4.8	2.3	107.9	9.2
Other operating expenses	15.7	14.0	12.4	57.1
OPERATING PROFIT	6.0	9.0	-33.3	42.0
Finance income	0.0	0.5	-92.9	1.1
Finance expenses	1.7	0.6	186.8	3.6
Share of profit of associated companies	-0.5	0.4	-229.2	2.5
PROFIT BEFORE TAX	3.8	9.3	-59.3	42.0
Income tax	1.1	2.4	-55.3	11.2
PROFIT FOR THE PERIOD	2.7	6.9	-60.6	30.8
OTHER COMPREHENSIVE INCOME				
Change in translation differences	0.5	-0.1	733.6	-0.1
Share of other comprehensive income of associated companies	0.1	0.0	905.1	-0.1
Income tax relating to components of other comprehensive income				
Other comprehensive income for the period, net of tax	0.5	-0.1		-0.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.3	6.9	-52.5	30.6
Profit for the period attributable to				
Owners of the parent	2.5	6.6		29.4
Non-controlling interest	0.3	0.4		1.4
Total comprehensive income for the period attributable to				
Owners of the parent	3.0	6.5		29.2
Non-controlling interest	0.3	0.4		1.4
Earnings per share calculated from the profit for the period attributable to the parent company shareholders				
Earnings per share (basic), EUR	0.03	0.09		0.39
Earnings per share (diluted), EUR	0.03	0.09		0.39

BALANCE SHEET, MEUR	Mar 31 2012	Mar 31 2011
ASSETS		
NON-CURRENT ASSETS		
Goodwill	57.4	30.6
Other intangible assets	30.9	10.4
Tangible assets	43.3	26.6
Investments in associated companies	34.5	34.1
Other non-current financial assets	4.2	8.5
Deferred tax assets	0.6	0.2
CURRENT ASSETS		
Inventories	0.6	1.0
Current tax assets	4.1	0.4
Trade receivable and other receivables	30.6	28.2
Other current financial assets	0.0	3.3
Cash and cash equivalents	28.5	26.8
TOTAL ASSETS	234.6	170.0

BALANCE SHEET, MEUR	Mar 31 2012	Mar 31 2011
EQUITY AND LIABILITIES		
Share capital	45.3	45.1
Share premium reserve	7.7	5.3
Foreign currency translation reserve	0.7	0.3
Retained earnings	13.2	17.0
Equity attributable to owners of the parent	66.9	67.6
Non-controlling interest	3.2	1.8
TOTAL EQUITY	70.1	69.4
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current interest-bearing liabilities	26.6	2.4
Deferred tax liabilities	5.4	2.4
Pension obligations	2.5	2.7
Provisions	0.1	0.1
Other financial liabilities	0.8	1.2
Other non-current liabilities	0.4	0.3
CURRENT LIABILITIES		
Current interest-bearing liabilities	44.1	16.5
Advances received	27.7	27.2
Income tax liability	0.0	2.4
Provisions	0.8	0.8
Trade and other payables	56.1	44.4
TOTAL LIABILITIES	164.5	100.5
TOTAL EQUITY AND LIABILITIES	234.6	170.0

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Attributable to equity holders of the Parent Company						
MEUR	A	B	C	D	E	F	G
Equity Jan 1 2012	45.3	7.7	0.2	40.6	93.9	2.9	96.7
Profit for the period				2.5	2.5	0.3	2.7
Other comprehensive income			0.5	0.1	0.5		0.5
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent				-30.2	-30.2		-30.2
Dividends paid by subsidiaries							
Share-based payments				0.3	0.3		0.3
Excercised share options							
Business combinations							
Equity Mar 31 2012	45.3	7.7	0.7	13.2	66.9	3.2	70.1

	Attributable to equity holders of the Parent Company						
MEUR	A	B	C	D	E	F	G
Equity Jan 1 2011	45.0	4.7	0.4	62.7	112.8	2.0	114.8
Profit for the period				6.6	6.6	0.4	6.9
Other comprehensive income			-0.1	0.0	-0.1		-0.1
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent				-52.4	-52.4		-52.4
Dividends paid by subsidiaries						-0.7	-0.7
Share-based payments				0.2	0.2		0.2
Excercised share options	0.0	0.5			0.6		0.6
Business combinations						0.1	0.1
Equity Mar 31 2011	45.1	5.3	0.3	17.0	67.6	1.8	69.4

Column headings on Consolidated Statement of Change in Equity

A=Share capital
B=Share premium reserve
C=Translation difference
D=Retained earnings
E=Total
F=Non-controlling interest
G=Equity total

CASH FLOW STATEMENT, MEUR	2012 Q1	2011 Q1	2011 Q1-Q4
Operating activities			
Profit for the period	2.7	6.9	30.8
Adjustments	7.9	4.1	20.2
Change in working capital	4.8	19.7	14.2
Dividends received	0.0	0.2	1.1
Interest received	0.0	0.3	0.4
Interest paid and other finance expenses	-0.8	-0.3	-1.3
Income taxes paid	-2.8	-3.5	-14.6
Net cash flows from operating activities	12.0	27.5	50.7
Investing activities			
Acquisitions of tangible and intangible assets	-0.8	-0.7	-2.8
Other investments	-0.1	0.0	-0.1
Proceeds from sale of other investments	0.0	0.1	0.1
Acquisition of subsidiaries	-37.2	0.1	-0.1
Acquisition of associated companies	-0.3	-0.3	-0.3
Proceeds from sale of subsidiaries	3.8	2.1	2.5
Proceeds from sale of associated companies	0.0	0.0	0.7
Net cash flows from / (used in) investing activities	-34.6	1.3	0.0
Cash flow before financing activities	-22.6	28.8	50.7
Financing activities			
Proceeds from exercise of share options	0.0	0.6	3.2
Current loans taken	24.0	15.0	37.0
Repayment of current loans	-0.6	-0.4	-16.4
Change in interest-bearing receivables	0.0	0.0	0.3
Dividends paid	-30.2	-53.2	-53.2
Net cash flows from / (used in) financing activities	-6.8	-38.0	-29.0
Change in cash and cash equivalent funds (increase + / decrease -)	-29.4	-9.3	21.7
Cash and cash equivalents at beginning of period	57.8	36.3	36.3
Effect of change in foreign exchange rates	0.1	-0.3	-0.2
Cash and cash equivalents at end of period	28.5	26.8	57.8

ACQUIRED BUSINESSES JANUARY 1 - MARCH 31, 2012

Alma Media has acquired the following business operations

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

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

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

LMC s.r.o

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

CV Online

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

Purchase consideration, MEUR	
LMC s.r.o	
Consideration, settled in cash	39.2
Contingent consideration liability	3.9
Total consideration	43.1

Purchase consideration, MEUR	
CV Online	
Consideration, settled in cash	4.0
Contingent consideration liability	1.2
Total consideration	5.2

The amount of contingent considerations is based on the operating profits of the acquired business during 2011 and 2012. Contingent considerations are classified as financial assets recognised at fair value through profit and loss. The change in fair value is recognized in the financial items.

Goodwill arising on acquisition, LMC s.r.o	
Contingent consideration	43.1
Identifiable net assets of the acquired business operations	-21.0
Goodwill	22.0

Goodwill arising on acquisition, CV Online	
Contingent consideration	5.2
Identifiable net assets of the acquired business operations	-2.1
Goodwill	3.1

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

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

CONTINGENT CONSIDERATIONS

Contingent considerations are classified as financial assets and liabilities recognized at fair value through profit or loss. The amount of the contingent considerations due to the acquisitions and business arrangements is based on the revenue and operating profits of the acquired business during 2010-13. The fair values are the estimated final considerations discounted to the balance sheet date. The minimum realizable value of the contingent considerations is 1.2 MEUR.

CONTINGENT CONSIDERATION ASSETS	
Intial recognition of the assets	8.4
Change in fair value during previous financial years	-1.4
Considerations, settled in cash	-5.9
Change in fair value during the financial year	-1.1
Fair value of the contingent consideration assets in the end of the period	0.0

CONTINGENT CONSIDERATION LIABILITY	
Initial recognition of the liability	8.0
Change in fair value during previous financial years	-0.6
Considerations, settled in cash	-0.7
Change in exchange rate	0.2
Change in fair value during the financial year	-0.2
Fair value of the contingent consideration liability in the end of the period	6.7

REVENUE BY GEOGRAPHICAL AREA, MEUR	2012 Q1	2011 Q1	2011 Q1-Q4
Finland	77.3	73.7	301.8
Other EU countries	3.4	3.0	13.3
Other countries	0.5	0.3	1.1
Total	81.1	77.1	316.2

INFORMATION BY SEGMENT

The business segments of Alma Media are Newspapers, Kauppalehti Group, Digital Consumer Services and Other operations. The descriptive section of the interim report presents the revenue and operating profits of the segments and the allocation of the associated companies’ results to the reporting segments. The following table presents the assets and liabilities by segment as well as the non-allocated asset and liability items.

ASSETS BY SEGMENT, MEUR	Mar 31 2012	Mar 31 2011	31 Dec 2011
Newspapers	39.5	40.8	39.6
Kauppalehti Group	41.5	41.6	40.8
Digital consumer services	81.5	29.1	26.6
Other operations	33.1	24.4	22.4
Non-allocated assets and eliminations	39.1	34.2	68.5
Total	234.6	170.0	198.0

LIABILITIES BY SEGMENT, MEUR	Mar 31 2012	Mar 31 2011	31 Dec 2011
Newspapers	39.2	38.3	38.6
Kauppalehti Group	12.9	12.5	11.0
Digital consumer services	15.2	8.6	6.4
Other operations	14.9	15.7	14.9
Non-allocated liabilities and eliminations	82.2	25.3	30.4
Total	164.5	100.5	101.2

CAPITAL EXPENDITURE, MEUR	2012 Q1	2011 Q1	2011 Q1-Q4
Newspapers	0.6	0.6	2.5
Kauppalehti Group	0.1	0.2	0.6
Digital consumer services	47.2	0.5	2.0
Others	21.5	0.1	1.2
Total	69.5	1.4	6.3

PROVISIONS

The company's provisions totalled MEUR 0.9 (0.9) on March 31, 2012. The major part of the provisions concern restructuring provisions. It has not been necessary to change the estimates made when the provisions were entered.

COMMITMENTS AND CONTINGENCIES

COMMITMENTS AND CONTINGENCIES, MEUR	Mar 31 2012	Mar 31 2011	31 Dec 2011
Other commitments			
Commitments based on agreements		0.1	1.3
Minimum lease payments on other lease agreements:			
Within one year	8.4	6.6	7.1
Within 1-5 years	26.7	21.8	27.1
After 5 years	46.0	47.0	43.7
Total	81.2	75.4	77.9
The Group also has purchase agreements that based on IFRIC 4 include a lease component as per IAS 17. Minimum payments based on these agreements:	1.3	2.0	1.5

Additionally, the company has signed a lease contract for the machinery and movables of the new printing facility with Pohjola Pankki Plc. For the signed financial lease contracts, the financier has paid advance payments of MEUR 10.7 by March 31, 2012. The total amount of agreed contracts is MEUR 40.6. The total estimated value of the investment is MEUR 50.0. According to the IAS 17 standard, the contracts will be recognized as a finance lease contracts, when the printing facility will be operational.

DERIVATIVE CONTRACTS, MEUR	Mar 31 2012	Mar 31 2011	31 Dec 2011
Commodity derivate contracts, electricity derivatives			
Fair value *	-0.2	1.1	-0.1
Nominal value	1.2	0.2	1.1

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

RELATED PARTY TRANSACTIONS

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

RELATED PARTY TRANSACTIONS, MEUR	2012 Q1	2011 Q1	2011 Q1-Q4
Sales of goods and services	0.4	0.1	0.3
Purchases of goods and services	0.9	1.0	4.0
Trade receivable, loan and other receivables at the end of reporting period	0.1	0.0	0.0
Trade payable at the reporting date	0.1	0.1	0.1

OPTION PROGRAMMES

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

The option programmes 2006A and 2006B have expired.

A total of 520,000 options have been issued under the 2006C programme. The share subscription period for 2006C is April 1, 2010–April 30, 2012. The management has 470,000 options in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 7.26 in March 2012. No shares have been subscribed by March 31, 2012 under the programme 2006C.

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

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

A total of 640,000 options have been issued under the 2009A programme. Share subscription period for 2009A is April 1, 2012–March 31, 2014. The management has 595,000 options 2009A in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 3.71 in March 2011.

A total of 610,000 options have been issued under the 2009B programme. Share subscription period for 2009B is April 1, 2013–March 31, 2015. The management has 595,000 options in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 6.23 in March 2012.

A total of 640,000 options have been issued under the 2009C programme. Share subscription period for 2009C is April 1, 2014–March 31, 2016. The management has 640,000 options in its possession. The share subscription price was EUR 7.55 in December 2011.

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

QUARTERLY INFORMATION

MEUR	2012 Q1	2011 10-12	2011 7-9	2011 4-6	2011 Q1	2010 10-12	2010 7-9	2010 4-6	2010 Q1
Revenue									
Newspapers	51.9	55.8	52.5	57.1	53.0	57.2	53.1	54.9	51.8
Kauppalehti Group	14.3	15.2	12.6	15.0	13.9	16.1	13.3	14.4	14.1
Digital consumer services	14.9	10.5	10.3	10.9	10.4	10.5	8.5	9.0	8.3
Other operations	21.0	20.2	20.1	20.2	19.1	19.1	19.3	19.0	19.0
Eliminations	-21.1	-20.4	-20.3	-20.4	-19.3	-19.9	-19.0	-18.6	-18.9
REVENUE	81.1	81.3	75.1	82.7	77.1	83.0	75.2	78.7	74.3
Total expenses excluding non-recurring items									
Newspapers	46.1	47.5	45.5	48.1	46.5	48.5	45.1	46.2	45.0
Kauppalehti Group	13.1	13.0	10.6	13.0	12.7	14.4	10.9	11.9	12.5
Digital consumer services	12.6	9.6	8.4	9.1	8.7	9.7	7.6	9.1	8.3
Other operations	22.1	21.7	18.8	21.4	19.2	19.3	17.3	19.0	19.0
TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS	72.8	71.4	63.1	71.2	67.8	72.0	61.9	67.7	66.1
Operating profit excluding non-recurring items									
Newspapers	5.9	8.3	7.0	9.0	6.5	8.8	8.1	8.7	6.8
Kauppalehti Group	1.3	2.2	2.0	2.0	1.2	1.7	2.4	2.5	1.5
Digital consumer services	2.4	0.9	1.9	1.8	1.7	0.6	0.9	0.1	0.1
Other operations	-1.0	-1.5	1.3	-1.2	-0.1	-0.1	2.0	0.0	-0.1
OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS	8.5	10.1	12.0	11.5	9.3	11.0	13.4	11.3	8.3
% of revenue									
Newspapers	11.3	14.9	13.3	15.7	12.3	15.3	15.2	15.8	13.1
Kauppalehti Group	8.9	14.5	16.0	13.1	8.6	10.8	18.2	17.3	11.0
Digital consumer services	16.0	8.9	18.1	16.5	16.1	5.5	10.4	1.4	0.6
Other operations	-4.8	-7.6	6.5	-5.8	-0.3	-0.7	10.3	-0.1	-0.3
% OF REVENUE	10.4	12.4	16.0	14.0	12.1	13.2	17.8	14.3	11.2
Non-recurring items									
Newspapers	-0.5	-0.5	0.0	0.0	-0.5	-0.4	0.1	0.0	-0.1
Kauppalehti Group	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital consumer services	-1.6	0.0	0.0	0.0	0.2	0.2	0.3	-0.5	-0.1
Other operations	-0.3	0.0	0.4	-0.5	0.0	0.0	-0.2	0.2	0.1
NON-RECURRING ITEMS	-2.5	-0.5	0.4	-0.5	-0.3	-0.3	0.2	-0.4	-0.1
Operating profit									
Newspapers	5.3	7.8	7.0	9.0	6.0	8.4	8.2	8.7	6.7
Kauppalehti Group	1.3	2.2	2.0	2.0	1.2	1.7	2.4	2.5	1.5
Digital consumer services	0.8	0.9	1.9	1.8	1.8	0.7	1.2	-0.4	-0.1
Other operations	-1.3	-1.5	1.7	-1.7	-0.1	-0.1	1.8	0.1	0.1
OPERATING PROFIT	6.0	9.6	12.4	11.0	9.0	10.7	13.6	10.8	8.2
Finance income	0.0	-0.2	1.2	0.9	0.6	1.4	0.1	0.2	0.2
Finance expenses	1.7	-0.6	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Share of profit of associated companies	-0.5	-0.6	2.3	0.4	0.4	0.4	-0.1	0.1	0.3
PROFIT BEFORE TAX	3.8	5.3	15.6	11.8	9.3	12.1	13.4	11.0	8.6
Income tax	-1.1	-2.4	-3.4	-3.0	-2.4	-2.9	-3.5	-3.1	-2.4
PROFIT FOR THE PERIOD	2.7	2.8	12.2	8.8	6.9	9.2	9.8	7.8	6.3

MAIN ACCOUNTING PRINCIPLES (IFRS)

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

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

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

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

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

SEASONALITY

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

GENERAL STATEMENT

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

NEXT INTERIM REPORT

Alma Media will publish its interim report for January-June, 2012 on Friday, July 20, 2012, approximately at 9 a.m (EEST).

ALMA MEDIA CORPORATION
Board of Directors

REVENUE AND OPERATING PROFIT BY SEGMENT IN THE NEW SEGMENT STRUCTURE

2011

REVENUE BY SEGMENT, MEUR	New structure	Former structure	Change
Newspapers			
External	214.1	217.3	-3.2
Inter-segments	4.3	4.2	0.1
Newspapers total	218.3	221.5	-3.1
Kauppalehti Group			
External	55.9	55.9	0
Inter-segments	0.8	0.8	0
Kauppalehti Group total	56.7	56.7	0
Digital Consumer Services			
External	40.7	37.5	3.2
Inter-segments	1.4	-0.5	1.9
Digital Consumer Services total	42.1	37	5.2
Other Operations			
External	5.6	5.6	-0.1
Inter-segments	73.9	75.9	-2
Other Operations total	79.5	81.5	-2
Elimination	-80.4	-80.4	0
Total	316.2	316.2	0

OPERATING PROFIT/LOSS BY SEGMENT*, MEUR	New structure	Former structure	Change
Newspapers	29.7	30.2	-0.4
Kauppalehti Group	7.4	7.4	0
Digital Consumer Services	6.4	5.8	0.6
Other operations	-1.6	-1.4	-0.2
Total	42	42	0

*) incl. non-recurring items

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

REVENUE BY SEGMENT, MEUR	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q1-Q4
Newspapers					
External	52	56	51.4	54.6	214.1
Inter-segments	1	1.1	1	1.1	4.3
Newspapers total	53	57.1	52.5	55.8	218.3
Kauppalehti Group					
External	13.7	14.8	12.4	15	55.9
Inter-segments	0.2	0.2	0.2	0.2	0.8
Kauppalehti Group total	13.9	15	12.6	15.2	56.7
Digital Consumer Services					
External	10	10.6	9.9	10.2	40.7
Inter-segments	0.4	0.3	0.4	0.3	1.4
Digital Consumer Services total	10.4	10.9	10.3	10.5	42.1
Other Operations					
External	1.4	1.3	1.3	1.5	5.6
Inter-segments	17.7	18.8	18.7	18.7	73.9
Other Operations total	19.1	20.2	20.1	20.2	79.5
Elimination	-19.3	-20.4	-20.3	-20.4	-80.4
Total	77.1	82.7	75.1	81.3	316.2

OPERATING PROFIT/LOSS BY SEGMENT*, MEUR	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q1-Q4
Newspapers	6	9	7	7.8	29.7
Kauppalehti Group	1.2	2	2	2.2	7.4
Digital Consumer Services	1.8	1.8	1.9	0.9	6.4
Other operations	-0.1	-1.7	1.7	-1.5	-1.6
Total	9	11	12.4	9.6	42

*) incl. non-recurring items