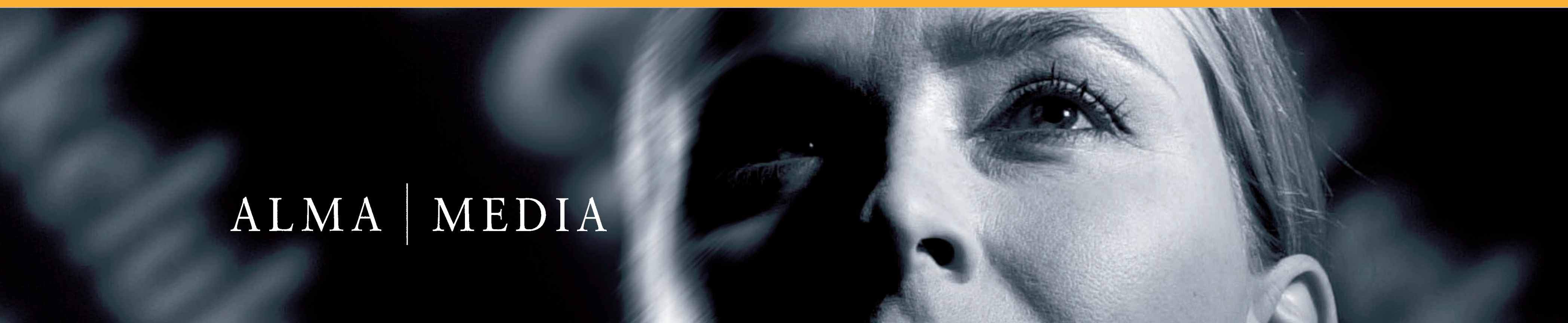
Interim Report
1 January—30 June 2001



Press
Business
New Media
Information
Broad-
casting
Print

Alma Media's Interim Report January—June 2001

Consolidated net sales totalled 1,458 MFIM, 245 MEUR (1,448 MFIM, 244 MEUR). The Group's operating profit was 15 MFIM, 3 MEUR (73 MFIM, 12 MEUR). The decrease in operating profit was caused by reduced revenues from sales of advertising time by MTV3 Channel and a rise in programme costs, as well as higher investments in the New Media business area and digital television compared to the same period last year. The Group's full-year operating profit will be well below last year.

■ Economic growth in Finland has slowed down noticeably. According to preliminary data released by Ad Facts Ltd, the volume of media advertising in Finland was a good 2 % lower between January and June 2001 than in the same period last year. Television advertising fell almost 9 % and newspaper advertising 2 %.

■ The afternoon newspaper market grew almost 4 %. Iltalehti's circulation was audited on 9 August 2001. Iltalehti's weekday circulation rose 8.4 % on the previous year to 132,836. The weekend edition's circulation increased 5.1 % to 165,528. Both circulation figures are all-time highs. Iltalehti's circulation income rose 20 % between January and June and the newspaper's profitability has clearly improved.

■ Alpress's overall performance developed positively during the period. Net sales increased 9 % and the operating profit 11 %.

■ Alma Media decided to combine the cable channel TVTV! and digital channel City-TV into a single new entity called SubTV. This co-operation will save the company altogether 20 MFIM this and next year. Preparations for the launch of digital television in Finland on 27 August increased costs during the reporting period by 8 MFIM. The Group estimates that it will incur altogether 27 MFIM in costs from digital television for the whole year.

■ Business Information Group acquired a majority holding in Baltic News Service in May. Kauppalehti's circulation sales rose 3 % but advertising sales were almost 2 % lower than in the comparable period owing in particular to a decrease in recruitment advertising. Net sales of Kauppalehti Online grew 27 %. Kauppalehti recorded an alltime high circulation of 85,147. Its circulation rose by 0.6 %.

■ The volume of television advertising also fell sharply in Sweden. Alma Media's share of its Swedish associated company TV4 AB's result was 14 (8) MFIM. The increase resulted from the Swedish parliament's decision to release TV4 AB from its obligation to pay an operating licence fee for the entire first half of the year.

■ In Finland, a parliamentary committee set up by the ministry of transport and communications proposed that the operating licence fee levied on commercial channels be halved from 1 July 2002. No licence fee would be levied on digital channels. If adopted, this change will reduce Alma Media's annual expenses by some 100 MFIM.

■ Alma Media acquired 33 % of Talentum Oyj's shares at the end of March. Talentum's January-June net sales totalled 366 (354) MFIM and its operating profit was 2 (91) MFIM. After goodwill amortization Talentum reduced Alma Media Group's operating profit by 3 MFIM during the second quarter.

■ Alma Media Corporation sold an office and industrial property in Tampere at the end of June. The property covers a total area of 33,000 square metres, 20,000 square metres of which is leased for the Aamulehti press. Alma Media is also responsible for leasing the remaining space from the buyer. The property is currently fully leased under long-term contracts. Alma Media recorded a capital gain of 59 MFIM on the sale. The consolidated operating profit in the second quarter was 60 MFIM (50 MFIM). Operating profit includes the capital gain on the property sale.

Changes in Group Structure during Q2

Alma Media raised its holding in Baltic News Service to 85 % (26 %) in May. In this interim report Baltic News Service is consolidated in the Business Information Group's figures as an associated company with an average holding of 39 %. Alprint sold its tabloid newspaper press to Pirkanmaan Lehtipaino Oy at the beginning of June.

Group performance during Q2

Business conditions for Alma Media deteriorated during the second quarter. The GNP growth rate has slowed down considerably and companies have cancelled or postponed their advertising expenditure. Demand for graphic products has weakened likewise in all markets except Russia. According to preliminary data published by Ad Facts Ltd the volume of media advertising declined 2.1 % between January and June. The decline strengthened towards the end of the period since in June media advertising was 8.7 % lower than last year. Especially pronounced was the decrease in recruitment advertising.

Newspaper advertising declined 1.8 % and television advertising was down by as much as 8.6 % during the first six months. Magazine advertising increased 2.9 %, as did radio advertising by 3.3 %, cinema advertising by 38.8 % and Internet advertising by 5.7 %.

Alma Media's consolidated net sales grew 1.5 % during the second quarter to 747 MFIM (736 MFIM). The increase was due to good circulation growth by Alpress, and especially by Iltalehti, and the fact that the Broadcasting business area's figures this year include the operations of Radio Nova. Net sales by the New Media business area rose 17 %. Alprint's net sales declined almost 10 %.

Alpress's second-quarter operating profit almost reached the previous year's record level despite an increase of over 10 % in paper prices, largely thanks to strong growth in Iltalehti's circulation revenues

The decrease in advertising expenditure in June was most strongly reflected in the performance of the Broadcasting and Business Information Group business areas. The decrease in television advertising and rise in programme costs reduced Broadcasting's operating profit. The Swedish associated company TV4 AB's profit contri-bution developed positively compared to the same period last year.

The Group's expenses during the second quarter totalled 66

Key Figures, MFIM

	2001 Q2	2000 Q2	2001 H1	2000 H1	2000
Net sales	747	736	1,458	1,448	2,880
Operating profit	60	50	15	73	93
-% of net sales	8.0	6.8	1.0	5.0	3.2
Profit before extraordinary items	47	46	0	74	70
-% of net sales	6.3	6.2	-	5.1	2.4
Equity ratio (%)			42	52	49
Gearing (%)			86	46	52
Gross capital expenditure	49	76	450	134	222
Full-time employees on average			2,813	2,892	2,887
Earnings per share (FIM)	2.86	2.17	-0.32	3.33	2.77

MEUR	2001 Q2	2000 Q2	2001 H1	2000 H1	2000
Net sales	126	124	245	244	484
Operating profit	10	8	3	12	16
Profit before extraordinary items	8	8	0	12	12
Gross capital expenditure	8	13	76	23	37
Earnings per share (EUR)	0.48	0.36	-0.05	0.56	0.47

Group Performance by business area, MFIM

	2001 Q2	2000 Q2	2001 H1	2000 H1	2000
Alpress	320	294	625	571	1,159
BIG	65	68	132	128	252
Broadcasting	264	259	500	516	1,000
New Media	28	24	55	46	95
Alprint	110	122	229	248	497
Parent company	24	23	48	46	92
Intragroup sales	-64	-54	-131	-107	-215
Total	747	736	1,458	1,448	2,880

Group Performance by business area, MEUR

	2001 Q2	2000 Q2	2001 H1	2000 H1	2000
Alpress	54	49	105	96	195
BIG	11	11	22	22	42
Broadcasting	44	44	84	87	168
New Media	5	4	9	8	16
Alprint	19	21	39	42	84
Parent company	4	4	8	8	15
Intragroup sales	-11	-9	-22	-18	-36
Total	126	124	245	244	484

Operating profit/loss by business area, MFIM

	2001 Q2	2000 Q2	2001 H1	2000 H1	2000
Alpress	43	46	73	66	145
BIG	12	20	27	30	52
Broadcasting	5	17	-39	18	9
DigiTV project	-5	0	-8	0	0
New Media	-23	-11	-46	-19	-59
Alprint	-17	-14	-27	-17	-29
Parent company	47	-8	28	-12	-29
Group entries	-2	0	7	7	4
Total	60	50	15	73	93

Operating profit/loss by business area, MEUR

	2001 Q2	2000 Q2	2001 H1	2000 H1	2000
Alpress	7	8	12	11	24
BIG	2	3	5	5	9
Broadcasting	1	3	-7	3	2
DigiTV project	-1	0	-1	0	0
New Media	-4	-2	-8	-3	-10
Alprint	-3	-2	-5	-3	-5
Parent company	8	-1	5	-2	-5
Group entries	0	0	1	1	1
Total	10	8	3	12	16

MFIM, 9 % higher than in the same period last year. The most significant factors were the consolidation of Radio Nova as a subsidiary, the increase in paper prices, investments in new media projects and digital television, and a general rise in payroll costs.

Alpress

Alpress's January-June net sales totalled 625 MFIM (571 MFIM) and the operating profit was 73 MFIM (66 MFIM). Of total net sales, 45 % came from advertising, 43 % from circulation revenues and 12 % from other sales. The latter figure included 52 MFIM from printing contracts to outside customers. Net sales were boosted in particular by a 10 increase in circulation revenues, most of all in Iltalehti. The profitability of the Group's northern newspapers developed favourably as well.

Alpress was more successful in the advertising markets than on average in this sector, its advertising revenues growing by over one percent. The volume of external printing work was similarly higher than forecast. Alpress's performance was depressed by a more than 10 % increase in newsprint prices.

Business Information Group

Business Information Group (BIG) comprises Kustannusosakeyhtiö Kauppalehti, Balance Consulting, Baltic News Service (85 %) and Suomen Uutislinkki Oy.

BIG's net sales amounted to 132 MFIM (128 MFIM) and the operating profit was 27 MFIM (30 MFIM). The decrease in operating profit was due to a decline in recruitment advertising in May and June, as well as to development projects started after the comparable period and a rise in labour costs.

Kauppalehti's circulation continued to show positive development. Its six-month circulation reached an all-time high of 85,147 (84,626). Circulation revenues increased by over 1 MFIM while advertising revenues declined by about the same amount. Kauppalehti Online's net sales increased 27 % to approximately 10 MFIM.

Balance Consulting's net sales slightly exceeded 2 MFIM. Baltic News Service was treated as an associated company during this period with an average holding of 39 %.

Broadcasting

The Broadcasting business area consists of MTV3 Channel, the cable channel TVTV!, Radio Nova and MTV3-Tele. Broadcasting's result also includes the Swedish TV4 AB's contribution as an associated company.

Television viewing remain at almost the same level as last year during the reporting period. Despite this, however, television lost market share in media advertising. Its market share between January and June was 20.1 % (21.4 %). MTV was highly successful in the competition for television viewers. MTV3 Channel's share of total viewing time was 40.5 % (40.1 %) and TVTV!'s share was 0.8 % (0.4 %). MTV3 Channel's share of prime-time viewing was 40.7 % (39.5 %). MTV3 Channel's Seitsemän (Seven o'Clock) and Kymmenen (Ten o'Clock) news broadcasts were rated the most popular in the country. The ten films that attracted the most viewers during the period were broadcast by MTV3 Channel. The Formula I races and the new adventure programmes Far Out and Suuri Seikkailu (Big Adventure) were similarly high successful among viewers.

Despite its greater share of viewing time MTV3 Channel's advertising revenues decreased 55 MFIM, which reduced the company's operating profit by approximately 40 MFIM. Broadcasting's net sales totalled 500 MFIM (516 MFIM) and the business unit recorded an operating loss of 39 MFIM (operating profit 18 MFIM). Programme costs and variable costs increased altogether 30 MFIM. Broadcasting's costcutting programme has forged ahead as planned. Annual savings from Q4 will be 35-40 MFIM.

Radio Nova's net sales rose 5 % on the previous year and its profitability improved. Nova's profitability has been particularly good during the summer months.

Net sales of MTV3-Tele, which became a subsidiary in July 2000, slightly exceeded 12 MFIM and its profitability was good.

The Swedish parliament released TV4 AB from its obligation to pay an operating licence fee for the first six months of the year, which improved the company's six-month result by approximately 200 MSEK. TV4 AB's contribution to Broadcasting's operating profit rose accordingly to 14 MFIM (8 MFIM). At the same time the Swedish parliament also urged the government to review the principles underlying the operating licence fee in future years.

In Finland, a parliamentary working committee appointed by the ministry of transport and communications submitted its proposal for the future funding of Yleisradio (the Finnish Broadcasting Company). Under this proposal MTV3 Channel's operating licence fee would be halved from 1 July 2002, which would mean an annual saving of approximately 100 MFIM. The proposal also recommends that the digital channels due to start broadcasting in August would not be subject to an operating licence fee.

New Media

Alma Media is the leading Internet service provider in Finland in terms of number of users. New Media's net sales increased 20 % to 55 MFIM (46 MFIM). Especially positive growth was evident in the business unit's classified services and MTV Teletext.

The business unit reported an operating loss of 46 MFIM (-19 MFIM). The main reason for the increase in operating loss was the start-up of projects after the comparable period. KCRnet Oy and Communication Base Finland Oy alone accounted for 13 MFIM of the loss. It was decided during the period to terminate the Base operation owing to its weaker than forecast performance. KCRnet's business plan will be revised.

New Media's operations are being increasingly focused on profitable activities. Its development activities will be revised at the same time. Net Media's operating loss is expected to be reduced in the fourth quarter and its operations are forecast to return a profit in 2002.

Digital TV

Alma Media will begin digital TV transmissions on 27 August 2001 as previously planned with broadcasts by the digital MTV3 Channel (100%), the regional Subtv (100 %) and Urheilukanava (Sports Channel), which is 50 % owned by Alma Media.

In June Alma Media decided to combine its cable TV channel TVTV! and the regional digital channel CityTV into a single new entity, Subtv, that will exploit both the analogue cable network and the digital transmission network. The company estimates that it will save altogether 20 MFIM in costs this year and the next by expanding co-operation in programming and marketing between the cable and regional digital channels. This co-operation will also ensure that both Alma Media's digital channels have their own groups of viewers in analogue networks even if the penetration of digital receivers should develop more slowly than forecast.

Digital TV will add some 27 MFIM to the Group's costs this year compared to last year. The original budget provided for costs of about double this amount.

Alprint

Alprint's operations comprise a specialized magazine printing press in Rahola, Tampere, and a specialized comic printing press in Hyvinkää. Alprint sold its tabloid newspaper rotation press to an outside company in Tampere in June.

Printing companies have continued to compete heavily on prices throughout the period, a situation that has been exacerbated by falling demand in all markets except Russia.

Alprint's January-June net sales decreased 8 % to 229 MFIM (248 MFIM). Alprint posted an operating loss of 27 MFIM (-17 MFIM), which was principally caused by difficulties at the Rahola unit. Measures are being taken to raise the unit's cost efficiency during the remainder of the year.

Parent company

The Group's real estate assets are the responsibility of the parent company. The property sale during the second quarter raised the parent company's operating profit to 28 MFIM (-12 MFIM). Writedowns of technology shares totalled 3 MFIM. A further 3 MFIM in writedowns were made in the New Media business area. The parent company's net sales were on the same level as in the comparable period.

Balance Sheet

The consolidated balance sheet totalled 2,760 MFIM (2,497 MFIM) on 30 June 2001. The equity ratio was 42 % (49 % on 31 December 2000) and shareholders' equity per share was 69.86 FIM (75.73 FIM on 31 December 2000).

Investemtns and Financing

The Group's capital expenditure totalled 450 MFIM (134 MFIM). Over MFIM 350 of this covered the acquisition of the Talentum Oyj shares on the Helsinki Exchanges at the end of March 2001. Other investments during the period related to normal maintenance and replacement items.

Cash reserves amounted to MFIM 116 on 30 June (31 December 2000: 112 MFIM). Interest-bearing loans totalled 1,060 MFIM (639 MFIM) and gearing was 86 % (31 December 2000: 52 %). The increase in interest-bearing loans was caused by short-term debt raised to finance the acquisition of the Talentum Oyj shares.

Personnel and Administration

The average number of employees during the period was 2,813 (2,892). Personnel also included 1,341 (1,335) part-time employees.

Mr Heikki Salonen was appointed president of Alprint Oy in May. Mr Salonen is also responsible for the Rahola heatset unit in Tampere. Management resources at Rahola were strengthened. Alma Media's executive vice president Risto Takala took over responsibility for Alma Media's Group services and real estate management.

The Alma Media Share

Altogether 616,000 (722,000) Series I shares and 1,517,000 (3,062,000) Series II shares were traded on the Helsinki Exchanges during the period.

Trading of the A warrants attached to the 1999 bond with warrants began on the Helsinki Exchanges during the period. The A warrants may be exercised from 28 May 2001 and the B warrants from 28 May 2003. Each warrant series will remain in force until 30 June 2006. Trading in these warrants has been very minor.

Alma Media Corporation's market capitalization on 30 June was 348 MEUR (561 MEUR). The Board of Directors has no unexercised authorizations to increase the share capital.

Share price (euro) 1 January - 29 June 2001

	Highest	Lowest	29 June 2001
Series I	25.00	16.00	25.00
Series II	24.50	15.00	20.00
A warrants	6.00	3.50	6.00

Subsequent events

Mr Jouko Jokinen was appointed editor of the Pori regional newspaper Satakunnan Kansa from 1 September, when the newspaper's current editor Tapio Metsä retires. Mr Jokinen will become editor-in-chief on 1 February 2002 on the retirement of the current editor-in-chief Erkki Teikari.

Measures are underway to raise the profitability of Alprint Oy's Rahola unit and to streamline its operations in line with the prevailing market conditions. Personnel negotiations on this matter were started at the end of July concerning the renewal of local employment contracts and the unit's financial condition. Three months' notice is required for cancellation of local employment contracts. Redundancies may be necessary.

Prospects to the year end

Alma Media's business environment has clearly deteriorated in the past few months. An exceptional number of uncertainty factors are affecting the national economy and the media markets at the moment and for this reason the company is unable to accurately forecast developments to the end of the year.

Consolidated net sales in the third quarter will remain at last year's level but the operating loss in the third quarter will be higher than last year owing mainly to the poorer outlook for the Broadcasting business unit and the higher investments in digital television compared to last year.

The Group's result for the full year will depend above all on how the media markets develop in October and November, the most important months in the year with respect to advertising revenues. New Media division is expected to show better performance than in the comparable period last year.

Consolidated net sales are expected to reach last year's level but the consolidated operating profit is forecast to remain well below last year's figure.

Alma Media derives roughly two-thirds of its net sales from media advertising and to this extent the Group is dependent on general market trends. The Group is currently focusing on cost management in its programme to raise profitability.

The main areas for improving cost efficiency are MTV Oy and the Alprint and New Media business areas. Streamlining measures under-taken in MTV Oy this year will reduce MTV's annual costs by 35-40 MFIM starting from the final quarter of the current year. The halving of the operating licence fee from 1 July 2002, should this be approved, will reduce MTV's cost load by about 50 MFIM next year and by 100 MFIM annually thereafter.

Personnel negotiations were started in Alprint at the end of July to determine the measures necessary to raising the business area's performance.

The New Media business area has already begun to streamline its operations this year. Its performance is expected to improve henceforth every quarter and its target is to reach breakeven level in 2002.

Alma Media Group's interim report for the first nine months of the year will be published on 7 November 2001. The figures in this interim report are unaudited.

ALMA MEDIA CORPORATION
BOARD OF DIRECTORS

Consolidated Income Statement (MFIM/MEUR)

	2001 Q2 MFIM	MEUR	2000 Q2 MFIM	MEUR	2001 H1 MFIM	MEUR	2000 H1 MFIM	MEUR	2000 MFIM	MEUR
NET SALES	747	126	736	124	1,458	245	1,448	244	2,880	484
Share of associated companies results	15	3	12	2	11	2	12	2	27	5
Other operating income	64	11	2	0	72	12	15	3	44	7
Operating expenses	-766	-129	-700	-118	-1,526	-257	-1,402	-236	-2,858	-481
OPERATING PROFIT	60	10	50	8	15	3	73	12	93	16
Financial income and expenses	-13	-2	-4	-1	-15	-3	1	0	-23	-4
PROFIT BEFORE EXTRA'Y ITEMS	47	8	46	8	0	0	74	12	70	12
Extra'y income	0	0	0	0	0	0	0	0	1	0
Extra'y expenses	0	0	-15	-3	-3	-1	-15	-3	-21	-4
PROFIT BEFORE TAXES AND MINORITY INTEREST	47	8	31	5	-3	-1	59	10	50	8
Taxes	-1	0	-11	-2	-3	-1	-20	-3	-19	-3
Minority interest	-1	0	0	0	-2	0	0	0	-2	0
PROFIT/LOSS FOR THE PERIOD	45	8	20	3	-8	-1	39	7	29	5

Per share data (FIM/EUR)

	2001 Q2 FIM	EUR	2000 Q2 FIM	EUR	2001 H1 FIM	EUR	2000 H1 FIM	EUR	2000 FIM	EUR
EPS	2.86	0.48	2.17	0.36	-0.32	-0.05	3.33	0.56	2.77	0.47
Shareholders equity/ share					69.86	11.75	77.54	13.04	75.73	12.74

Net sales and operating profit by quarter (MFIM)

	I/00	II/00	III/00	IV/00	2000
Net sales	712	736	632	800	2,880
Operating profit	23	50	-6	26	93

	I/01	II/01
Net sales	711	747
Operating profit	-45	60

Consolidated balance sheet (MFIM/MEUR)

	2001 30 Jun. MFIM	MEUR	2000 30 Jun. MFIM	MEUR	2000 31 Dec. MFIM	MEUR
ASSETS						
FIXED ASSETS						
Intangible assets	122	21	90	15	105	18
Goodwill on consolidation	104	17	104	17	112	19
Tangible assets	795	134	992	167	932	157
Investments	1,043	175	721	121	698	117
CURRENT ASSETS						
Inventories	299	50	265	45	266	45
Receivables	281	47	246	41	314	53
Cash and bank	116	20	79	13	112	19
	2,760	464	2,497	420	2,539	427

	2001 30 Jun. MFIM	MEUR	2000 30 Jun. MFIM	MEUR	2000 31 Dec. MFIM	MEUR
SHAREHOLDER'S EQUITY AND LIABILITIES						
SHAREHOLDERS' EQUITY	1,099	185	1,220	205	1,191	200
MINORITY INTEREST	14	2	18	3	16	3
PROVISIONS	9	2	30	5	19	3
LIABILITIES						
Long-term	566	95	241	41	604	102
Short-term	1,072	180	988	166	709	119
	2,760	464	2,497	420	2,539	427

Capital expenditure (MFIM/MEUR)

	2001 Q2 MFIM	MEUR	2000 Q2 MFIM	MEUR	2001 H1 MFIM	MEUR	2000 H1 MFIM	MEUR	2000 MFIM	MEUR
Gross capital expenditure on fixed assets	49	8	76	13	450	76	134	23	222	37

Group contingent liabilities (MFIM/MEUR)

	2001 30 Jun. MFIM	MEUR	2000 30 Jun. MFIM	MEUR	2000 31 Dec. MFIM	MEUR
For own commitments						
Pledges	1	0	1	0	1	0
Mortgages on land and buildings	58	10	227	38	228	38
Chattel mortgages	33	6	142	24	140	24
Guarantees	26	4	22	4	26	4
For associated companies						
Guarantees	0	0	4	1	0	0
Other own commitments						
Leasing commitments	7	1	6	1	9	2
Other commitments	11	2	2	0	2	0
	136	23	404	68	406	68

Maturity of Group's leasing commitments (MFIM)

Between 1 July - 31 Dec. 2001	2	2	5
After 2001	5	4	4

Personnel on average by business area

	2001 H1	2000 H1	2000
Alpress	1,239	1,252	1,247
BIG	190	170	176
Broadcasting	571	629	623
New Media	198	84	106
Alprint	543	695	670
Parent company	72	62	65
Total	2,813	2,892	2,887
Plus part-time employees	1, 341	1,335	1,349