Alma Media Interim Report 1 Jan- 30 June 2012

20 July 2012

Photo: Joel Maisalmi

Alma Media's Interim Report for January–June 2012:

SHRINKING ADVERTISING VOLUMES IN PRINT MEDIA PUSHED DOWN OPERATING PROFIT

Financial performance in April–June 2012:

- Revenue was MEUR 81.0 (82.7), down 2.0%.
- Circulation revenue was MEUR 29.7 (30.3), down 2.0%, advertising revenue MEUR 41.5 (42.7), down 2.9% and content and service revenue MEUR 9.9 (9.7), up 1.8%.
- EBITDA (Earnings before interests, taxes, depreciation and amortisation) excluding non-recurring items was MEUR 10.8 (13.8), down 21.5%
- EBITDA was MEUR 7.7 (13.8), down 41.7%.
- Operating profit excluding non-recurring items was MEUR 7.7 (11.5), 9.5% (14.0%) of revenue, down 33.5%.
- Operating profit was MEUR 4.8 (11.0), 5.9% (13.3%) of revenue, down 56.4%.
- Revenue of acquired businesses was MEUR 4.7 and operating profit MEUR 0.6.
- Profit for the period was MEUR 4.5 (8.8), down 49.4%.
- Earnings per share were EUR 0.06 (0.11).

Financial performance in January–June 2012:

- Revenue was MEUR 162.2 (159.8), up 1.5%.
- Circulation revenue was MEUR 60.2 (61.0), down 1.3%, advertising revenue MEUR 82.5 (80.4), up 2.6%, and content and service revenue MEUR 19.5 (18.5), up 5.4%.
- EBITDA (Earnings before interests, taxes, depreciation and amortisation) excluding non-recurring items was MEUR 22.4 (25.4), down 11.7%.
- EBITDA was MEUR 18.5 (24.5), down 24.7%.
- Operating profit excluding non-recurring items was MEUR 16.1 (20.9), 9.9% (13.0%) of revenue, down 22.7%.
- Operating profit was MEUR 10.8 (20.0), 6.7% (12.5%) of revenue, down 46.0%.
- Revenue of acquired businesses was MEUR 10.1 and operating profit MEUR 2.0.
- Profit for the period was MEUR 7.2 (15.7), down 54.3%.
- Earnings per share were EUR 0.09 (0.20).

Key figures MEUR	2012 Q2	2011 Q2	Change	%	2012 Q1-Q2	2011 Q1-Q2	Change	%	2011 Q1-Q4
Revenue	81.0	82.7	-1.7	-2.0	162.2	159.8	2.4	1,5	316.2
Circulation revenue	29.7	30.3	-0.6	-2.0	60.2	61.0	-0.8	-1.3	124.8
Advertising revenue	41.5	42.7	-1.3	-2.9	82.5	80.4	2.1	2.6	155.3
Content and service revenue	9.9	9.7	0.2	1.8	19.5	18.5	1.0	5.4	36.1
Total expenses excluding non-recurring items	73.4	71.2	2.2	3.1	146.2	139.0	7.2	5.1	273.6
EBITDA excl. non-recurring items	10.8	13.8	-3.0	-21.5	22.4	25.4	-3.0	-11.7	51.9
EBITDA	7.7	13.3	-5.5	-41.7	18.5	24.5	-6.1	-24.7	51.2
Operating profit excl. non-recurring items	7.7	11.5	-3.9	-33.5	16.1	20.9	-4.7	-22.7	42.9
% of revenue	9.5	14.0			9.9	13.0			13.6
Operating profit	4.8	11.0	-6.2	-56.4	10.8	20.0	-9.2	-46.0	42.0
% of revenue	5.9	13.3			6.7	12.5			13.3
Profit for the period	4.5	8.8	-4.3	-49.4	7.2	15.7	-8.6	-54.3	30.8
Earnings per share, EUR (basic)	0.06	0.11	-0.05	-47.9	0.09	0.20	-0.1	-54.5	0.39
Earnings per share, EUR (diluted)	0.06	0.11	-0.05	-47.7	0.09	0.20	-0.1	-54.3	0.39
Acquired businesses									
Revenue	4.7	0.0	4.6		10.1	0.0	10.1		0.0
EBITDA	1.3	0.0	1.3		3.4	0.0	-3.4		0.0
Operating profit	0.6	0.0	0.6		2.0	0.0	2.0		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 interim report of April 27, 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:

The prolonged uncertainty regarding the economic situation within the euro area was reflected on the Finnish advertising market, and thus also on Alma Media's financial development in the second quarter.

According to TNS Media Intelligence, the total advertising volume in April–June decreased by 7.1%. The advertising volume in printed newspapers and city papers decreased by 11.3%. Advertising in online media increased by 4.2% from the corresponding period in 2011. The comparison period's figures were improved by the candidate advertising for the parliamentary elections in April 2011. The decrease in the circulation of printed papers continued as expected in the second quarter.

The revenue of Alma Media Group decreased to MEUR 81.0 in April–June, mainly due to the decreasing advertising sales for print media. The online advertising sales of Alma Media's Newspapers segment had strong growth. According to TNS Metrix, the various online services of Alma Media Group receive almost 4.7 million visitors a week (measured by unique browsers), representing 73% of Finns within the age group 15 to 65 years. Alma Media's circulation revenue developed relatively well in the current market situation, being MEUR 29.7 (30.3).

Alma Media's strategy is to increase the share of digital business in its revenue. In the second quarter, the share of digital products and services in Alma Media's revenue increased to 23.4% (17.6%). This development followed the Group 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 positively, and the integration of these businesses advanced as planned.

Alma Media's home sales advertising sales decreased as customers began to consolidate their advertising in a service owned by real estate brokers since late 2011. By the end of the review period, however, the most important customers of Etuovi.com and Vuokraovi.com had returned to Alma Media's services. Alma Media continuously develops its home sales services and their pricing to retain competitiveness.

Alma Media is in the midst of implementing several changes to develop its business operations and to meet the challenges of the accelerating structural change in the media business. One of the largest renewal projects is the reorganisation of the Group's regional and local paper unit, Alma Regional Media, with the focus on improving the collaboration between the units' 34 papers to improve the service provided for the readers. As a result of personnel negotiations held in connection with this project, the staff at Alma Regional Media will be reduced by 100 full-time work years. The personnel negotiation processes of the first half-year will reduce Alma Media Group's workforce by a total of 142 full-time work years.

Alma Media's investment in its new printing facility in Tampere, Finland, is advancing as planned. The installation of machinery has begun, and the new facility is expected to be operational in the first quarter of 2013.

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ALMA MEDIA GROUP INTERIM REPORT JANUARY 1–JUNE 30, 2012

The descriptive part of this review focuses on the result of April–June 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 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
Revenue	81.0	82.7	-2.0	162.2	159.8	1.5	316.2
Total expenses excluding non-recurring items	73.4	71.2	3.1	146.2	139.0	5.1	273.6
EBITDA excluding non-recurring items	10.8	13.8	-21.5	22.4	25.4	-11.7	51.9
EBITDA	7.7	13.3	-41.7	18.5	24.5	-24.7	51.2
Operating profit excluding non-recurring items	7.7	11.5	-33.5	16.1	20.9	-22.7	42.9
% of revenue	9.5	14.0		9.9	13.0		13.6
Operating profit	4.8	11.0	-56.4	10.8	20.0	-46.0	42.0
% of revenue	5.9	13.3		6.7	12.5		13.3
Profit before tax	5.6	11.8	-52.8	9.3	21.1	-55.6	42.0
Profit for the period	4.5	8.8	-49.4	7.2	15.7	-54.3	30.8
Return on Equity/ROE (Annual)*	27.2	55.8	-51.2	17.6	34.8	-49.4	29.1
Return on Investments/ROI (Annual)*	15.5	45.7	-66.1	13.2	32.9	-59.9	26.1
Net financial expenses	-0.4	-0.3	-46.5	1.2	-0.2	694.5	2.5
Net financial expenses, % of revenue	-0.6	-0.4		0.8	-0.1		0.8
Balance sheet total				223.6	166.1	34.6	198.0
Capital expenditure	3.0	1.4	118.5	72.5	2.9	2428.4	6.3
Capital expenditure, % of revenue	3.7	1.6		44.7	1.8	2391.7	2.0
Equity ratio				36.8	56.6	-35.1	57.0
Gearing, %				58.4	-10.6	-652.1	-33.4
Interest-bearing net debt				42.9	-8.5	-601.9	-32.3
Interest-bearing liabilities				63.2	14.7	330.6	25.5
Non-interest-bearing liabilities				86.9	70.6	23.1	75.7
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,977	1,858	6.4	1,897	1,826	3.9	1,816
Average no. of delivery staff	963	960	0.4	963	938	2.7	961
Share indicators							
Earnings per share, EUR (basic)	0.06	0.11	-47.9	0.09	0.20	-54.5	0.39
Earnings per share, EUR (diluted)	0.06	0.11	-47.7	0.09	0.20	-54.3	0.39
Cash flow from operating activities/share, EUR	0.00	-0.02	-119.9	0.16	0.35	-53.0	0.67
Shareholders' equity per share, EUR				0.95	1.04	-9.1	1.24
Dividend per share							0.40
Effective dividend yield							6.5
P/E Ratio							15.8
Market capitalisation				388.8	508.8	-23.6	463.5
Average no. of shares (1,000 shares)							
- basic	75,487	75,302		75,487	75,190		75,339
- diluted	75,657	75,751		75,693	75,793		75,772
No. of shares at end of period (1,000 shares)				75,487	75,487		75,487

*) see Main Accounting Principles of the Interim Report

Market conditions

The GDP of Finland is expected to change by 0–1% in 2012.

According to TNS Media Intelligence, total advertising volume fell by 7.1% (+15.6%) in the second quarter of 2012. Advertising in newspapers and city papers decreased by 11.3% (grew by 12.8%). Advertising in online media continued to grow, in the second quarter by 4.2% (29.2%) from the comparison period.

The total market of afternoon papers in terms of volumes declined by 6.8% (4.7%) in the second 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 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 Digital Consumer Services segment since February 2, 2012.

Alma Mediapartners Oy, part of Alma Media Group, has acquired the entire stock of PlanMyRoom Finland Oy. The company is reported as part of Digital Consumer Services segment starting May 2, 2012.

Alma Media Corporation acquired the entire stock of Suomen Hankintakeskus Oy. Suomen Hankintakeskus will be merged with Mascus, Alma Media's international marketplace for second-hand heavy machinery. From June 1, 2012, Suomen Hankintakeskus Oy is reported as part of Digital Consumer Services segment.

Alma Media Corporation acquired a 51-per cent share of the US company Adalia Media. Adalia Media has been a licence partner of Mascus, Alma Media's international marketplace for second-hand heavy machinery since 2009. Starting June 1, 2012, Adalia Media Inc. is reported as part of Digital Consumer Services segment.

A decision has been made to simplify the legal structure of Alma Media Group. The change aims at gradually minimising the number of legal companies in the Group during 2012 and 2013. 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 April–June 2012

The Group's second-quarter revenue decreased by 2.0% (increased by 5.1%), totalling MEUR 81.0 (82.7). Revenue from business operations acquired in 2012 was MEUR 4.7 (0.0). Revenue from print media was MEUR 55.8 (61.5), accounting for 68.9% (74.4%) of Group revenue. Revenue from digital products and services was MEUR 18.9 (14.6), an increase of 29.8% mainly due to acquisitions. The share of digital products and services in Group revenue was 23.4% (17.6%). Other revenue totalled MEUR 6.4 (6.6), 7.7% (8.0%) of Group revenue.

Revenue from advertising sales decreased by 2.9% to MEUR 41.5 (42.7), being 51.2% (51.7%) of Group revenue. Advertising sales for print media decreased by 16.3% from the comparison period, totalling MEUR 26.1 (31.2). Online advertising sales increased by 34.8% to MEUR 15.2 (11.3). The advertising sales of print media in the comparison period were increased by the parliamentary elections in April 2011.

Circulation revenue decreased by 2.0% to MEUR 29.7 (30.3). The circulation revenue of the Newspapers segment decreased from the comparison period along with the decrease in the number of circulated copies. Kauppalehti's circulation revenue increased slightly from the comparison period.

Content and service revenue totalled MEUR 9.9 (9.7).

Total expenses excluding non-recurring items increased by MEUR 2.2, 3.1%, totalling MEUR 73.4 (71.2). Total expenses increased by 6.3% and amounted to MEUR 76.3 (71.7). The share of business operations acquired during the review period in total expenses was MEUR 4.1. Additionally, total expenses grew mainly through restructuring provisions reported as non-recurring items.

EBITDA (Earnings before interests, taxes, depreciation and amortisation) for the review period, excluding non-recurring items, was MEUR 10.8 (13.8). EBITDA was MEUR 7.7 (13.3).

Depreciations during the review period amounted to MEUR 2.9 (2.2). Depreciations in connection with acquired business operations totalled MEUR 0.7 (0.1).

Operating profit excluding non-recurring items decreased by 33.5% (increased by 2.6%) to MEUR 7.7 (11.5). Operating margin excluding non-recurring items was 9.5% (14.0%). Operating profit was MEUR 4.8 (11.0) and the operating margin decreased to 5.9% (13.3%). Operating profit from acquired business operations was MEUR 0.6 (0.0).

The operating profit includes MEUR -2.9 (-0.5) in net non-recurring items. The non-recurring items during the review period were related to operational restructuring in the Newspapers and Digital Consumer Services segments.

Profit before taxes for April–June 2012 was MEUR 5.6 (11.8), and profit before taxes excluding non-recurring items MEUR 8.4 (12.3). The result for the review period included changes in the fair values of contingent considerations and debts from business restructuring in the Marketplaces segment in the amount of MEUR 0.5.

Group revenue and result in January–June 2012

In the first half of 2012, the revenue grew by 1.5% (4.4%) and totalled MEUR 162.2 (159.8). Revenue from business operations acquired in 2012 was MEUR 10.1 (0.0). The revenue from print media was MEUR 111.0 (118.8), representing 68.4% (74.4%) of the Group's total revenue. Revenue from digital products and services totalled MEUR 38.4 (28.7), an increase of 34.1% mainly due to business acquisitions. Digital products and services accounted for 23.7% (17.9%) of the Group's total revenue. Other revenue was MEUR 12.6 (12.3), accounting for 7.8% (7.7%) of the Group's total revenue.

Revenue from advertising sales grew by 2.6% to MEUR 82.5 (80.4), representing 50.9% (50.3%) of the total Group revenue. The advertising sales for print media decreased by 12.3% from the comparison period, amounting to MEUR 50.8 (57.9). The online advertising sales grew by 41.2% to MEUR 31.2 (22.1).

Circulation revenue decreased by 1.3% to MEUR 60.2 (61.0). The content revenue of the Newspapers segment remained close to the comparison period's level, thanks to price increases, although the circulation in terms of number of copies continued to decline. Kauppalehti's circulation revenue was at the level of the comparison period.

The contents and service revenue was MEUR 19.5 (18.5).

Total expenses excluding non-recurring items increased by MEUR 7.2, by 5.1%, and totalled MEUR 146.2 (139.0). Total expenses grew by 8.2% to MEUR 151.5 (140.0). The share of business operations acquired during the review period was MEUR 8.1. Total expenses were chiefly increased through restructuring provisions.

EBITDA for the first half of the year, excluding non-recurring items, was MEUR 22.4 (25.4). EBITDA was MEUR 18.5 (24.5).

Depreciations during the review period amounted to MEUR 7.7 (4.5). The depreciations include an impairment loss of MEUR 1.6 reported as a non-recurring item. Depreciations related to acquired business operations amounted to MEUR 1.3 (0.3).

Operating profit excluding non-recurring items decreased by 22.7% (increased by 6.6%) to MEUR 16.1 (20.9). Operating margin excluding non-recurring items was 9.9% (13.0%). Operating profit amounted to MEUR 10.8 (20.0), meaning a decline of the operating margin to 6.7% (12.5%). Operating profit from acquired businesses was MEUR 2.0 (0.0).

The operating profit includes MEUR -5.3 (-0.8) in net non-recurring items. The non-recurring items during the review period were related to operational restructuring as well as capitalised impairment losses relating to the R&D costs of the Marketplaces business.

Profit for January–June 2012 before taxes was MEUR 9.3 (21.1), and the review period's profit before taxes excluding non-recurring items was MEUR 14.7 (21.9). The profit for the period included changes in the fair values of contingent considerations and debts from restructuring in the Marketplaces business in the amount of MEUR -0.4.

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.

REVENUE AND OPERATING PROFIT/LOSS BY SEGMENT

REVENUE BY SEGMENT, MEUR	2012 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
Newspapers							
External	52.2	56.0		103.1	108.0		214.1
Inter-segments	1.0	1.1		2.0	2.1		4.3
Newspapers total	53.2	57.1	-6.9	105.1	110.1	-4.6	218.3
Kauppalehti Group							
External	14.2	14.8		28.3	28.5		55.9
Inter-segments	0.2	0.2		0.4	0.4		0.8
Kauppalehti Group total	14.4	15.0	-3.8	28.7	28.9	-0.6	56.7
Digital consumer services							
External	13.2	10.6		27.8	20.6		40.7
Inter-segments	0.6	0.3		1.0	0.7		1.4
Digital consumer services total	13.8	10.9	27.0	28.8	21.3	35.1	42.1
Other operations							
External	1.5	1.3		3.0	2.8		5.6
Inter-segments	19.6	18.8		39.0	36.5		73.9
Other operations total	21.0	20.2	4.3	42.1	39.3	7.1	79.5
Elimination	-21.4	-20.4		-42.4	-39.7		-80.4
Total	81.0	82.7	-2.0	162.2	159.8	1.5	316.2

OPERATING PROFIT/LOSS BY SEGMENT, MEUR *)	2012 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
Newspapers	4.6	9.0	-48.8	9.9	15.0	-33.8	29.7
Kauppalehti Group	0.9	2.0	-55.8	2.1	3.1	-32.2	7.4
Digital Consumer Services	1.1	1.8	-37.2	1.9	3.6	-47.3	6.4
Other operations	-1.7	-1.7	-2.0	-3.1	-1.8	-74.6	-1.6
Total	4.8	11.0	-56.4	10.8	20.0	-46.0	42.0

*) including non-recurring items

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 the 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.

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 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
Revenue	53.2	57.1	-6.9	105.1	110.1	-4.6	218.3
Circulation revenue	26.1	26.8	-2.5	52.9	53.7	-1.5	109.9
Advertising revenue	26.1	29.1	-10.5	50.3	54.3	-7.4	104.4
Content and service revenue	1.0	1.2	-15.9	1.9	2.1	-9.2	4.0
Total expenses excluding non-recurring items	46.0	48.1	-4.4	92.1	94.7	-2.7	187.7
EBITDA excluding non-recurring items	7.5	9.3	-19.6	13.7	16.2	-15.3	32.2
EBITDA	4.7	9.3	-49.7	10.4	15.7	-33.9	31.4
Operating profit excluding non-recurring items	7.2	9.0	-20.0	13.0	15.5	-15.7	30.7
Operating profit excluding non-recurring items, %	13.5	15.7		12.4	14.0		14.1
Operating profit	4.6	9.0	-48.8	9.9	15.0	-33.8	29.7
Operating profit, %	8.6	15.7		9.4	13.6		13.6
Average no. of personnel, calculated as full-time employees excl. delivery staff	877	1,002	-12	865	951	-9	940
Average no. of delivery staff	33	370	-91	65	108	-40	117

Operational key figures	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Audited circulation					
Iltalehti					102,124
Aamulehti					130,081
Online services, unique browsers, weekly avg					
Iltalehti.fi	3,470,260	2,907,546	3,550,872	2,900,309	2,978,518
Aamulehti.fi	347,254	343,435	349,711	336,205	333,987

April - June 2012

The Newspapers segment’s revenue decreased to MEUR 53.2 (57.1). Advertising sales in the segment totalled MEUR 26.1 (29.1), down 10.5% (up 8.5%). Advertising sales in print media decreased by 13.2% (increased by 8.8%). The advertising sales in the comparison period was increased by, among other things, candidate advertising for the parliamentary elections held in April 2011. The segment’s online advertising sales grew more than the general market development, by 17.3%, amounting to MEUR 2.9 (2.5). The segment’s circulation revenue decreased by 2.5% due to a decline in the circulation volumes, amounting to MEUR 26.1 (26.8).

The segment’s total expenses excluding non-recurring items were MEUR 46.0 (48.1), and total expenses MEUR 48.6 (48.1). The non-recurring expenses in the amount of MEUR 2.6 were related to operational restructuring and a loss from the sale of real estate.

The segment’s operating profit excluding non-recurring items was MEUR 7.2 (9.0), and the operating profit MEUR 4.6 (9.0). The segment’s operating profit excluding non-recurring items declined mainly due to the decrease in advertising sales for print media.

The statutory personnel negotiations at Alma Regional Media were concluded in June. The decisions made as a result of the negotiations will decrease Alma Regional Media’s staff by 100 full-time work years.

January–June 2012

The Newspapers segment’s revenue decreased to MEUR 105.1 (110.1). Advertising sales in the segment totalled MEUR 50.3 (54.3), down 7.4% (up 6.4%). Advertising sales in print media decreased by 9.5% (increased by 5.5%). The segment’s online advertising sales grew by 12.7% to MEUR 5.6 (5.0). The segment’s circulation revenue declined by 1.5% to MEUR 52.9 (53.7).

The segment’s total expenses excluding non-recurring items were MEUR 92.1 (94.7) and total expenses MEUR 95.2 (95.1). The non-recurring expenses in the amount of MEUR 3.1 were related to operational restructuring and a loss from the sale of real estate.

The segment’s operating profit excluding non-recurring items was MEUR 13.0 (15.5), with the operating profit being MEUR 9.9 (15.0). The operating profit excluding non-recurring items declined mainly due to a decrease in advertising sales for print media.

The statutory personnel negotiations of Northern Media, part of the segment, were concluded in January 2012. As a result, Northern Media will decrease its staff by nine full-time work years.

Alma Media combined its 34 regional and local papers under a new business unit called Alma Regional Media starting from the beginning of 2012.

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 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
Revenue	14.4	15.0	-3.8	28.7	28.9	-0.6	56.7
Circulation revenue	3.6	3.5	1.7	7.3	7.3	0.2	15.0
Advertising revenue	3.9	4.7	-17.9	7.8	8.8	-11.1	17.1
Content and service revenue	6.9	6.7	3.1	13.6	12.8	6.3	24.6
Total expenses excluding non-recurring items	13.5	13.0	4.0	26.6	25.7	3.3	49.3
EBITDA excluding non-recurring items	1.1	2.2	-50.3	2.5	3.6	-29.2	8.2
EBITDA	1.1	2.2	-50.3	2.5	3.6	-29.2	8.2
Operating profit excluding non-recurring items	0.9	2.0	-55.8	2.1	3.1	-32.2	7.4
Operating margin excluding non-recurring items, %	6.0	13.1		7.4	10.9	-31.8	13.0
Operating profit	0.9	2.0	-55.8	2.1	3.1	-32.2	7.4
Operating profit, %	6.0	13.1		7.4	10.9	-31.8	13.0
Average no. of personnel, calculated as full-time employees	418	434	-4	410	435	-5.7	429

Operational key figures	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Audited circulation					
Kauppalehti					68,252
Online services, unique browsers, weekly					
Kauppalehti.fi	676,154	713,927	704,180	781,601	729,742

April–June 2012

The second-quarter revenue of the Kauppalehti Group was MEUR 14.4 (15.0). The review period's revenue decreased by 3.8% (increased by 3.8%). Online business accounted for 26.4% (23.2%) of the segment's revenue.

Advertising sales in the review period decreased to MEUR 3.9 (4.7), down 17.9% (up 5.0%). Online advertising sales declined by 6.1% (increased by 6.9%) from the comparison period.

The segment's circulation revenue increased from the previous year to MEUR 3.6 (3.5). Content and service revenue grew to MEUR 6.9 (6.7).

The segment's total expenses amounted to MEUR 13.5 (13.0). The expenses increased because of ICT and marketing investments entailed by product renewals. No non-recurring items were reported during the review period.

Kauppalehti Group's operating profit excluding non-recurring items was MEUR 0.9 (2.0) and operating profit was MEUR 0.9 (2.0). Kauppalehti Group's operating margin excluding non-recurring items was 6.0% (13.1%), and operating margin 6.0% (13.1%). The operating profit excluding non-recurring items declined as a result of decreased advertising sales and increased total expenses.

In May, Kauppalehti renewed the contents of both the printed paper and online service, as well as the subscription models for its services.

January–June 2012

In the first half of 2012, Kauppalehti Group's revenue amounted to MEUR 28.7 (28.9), down 0.6% (up 1.4%). Online business accounted for 26.1% (24.0%) of the segment's revenue.

The segment's advertising sales decreased by 11.1% (increased by 1.7%), amounting to MEUR 7.8 (8.8). Online advertising sales remained at the comparison period's level.

The segment's circulation revenue remained at the previous year's level at MEUR 7.3 (7.3). Contents and service revenue grew to MEUR 13.6 (12.8).

The segment's total expenses were MEUR 26.6 (25.7). No non-recurring expenses were reported during the review period.

Kauppalehti Group's operating profit excluding non-recurring items was MEUR 2.1 (3.1) and operating profit MEUR 2.1 (3.1). Operating margin excluding non-recurring items was 7.4% (10.9%) and operating margin 7.4% (10.9%).

Digital Consumer Services

The new Digital Consumer Services segment comprises the former Marketplaces segment and 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 Online, 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 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
Revenue	13.8	10.9	27.0	28.8	21.3	35.1	42.1
Operations in Finland	7.4	9.5	-21.6	15.5	18.5	-16.3	36.5
Operations outside Finland	6.4	1.4	352.0	13.3	2.8	376.8	5.6
Total expenses excluding non-recurring items	12.5	9.1	36.9	25.0	17.8	40.4	35.9
EBITDA excluding non-recurring items	2.5	2.2	14.1	6.0	4.3	39.9	8.0
EBITDA	2.2	2.2	1.4	5.7	4.5	28.6	8.1
Operating profit excluding non-recurring items	1.4	1.8	-21.7	3.8	3.5	9.3	6.3
Operating margin excluding non-recurring items, %	10.2	16.5		13.2	16.3	-19.1	14.9
Operating profit	1.1	1.8	-37.2	1.9	3.6	-47.3	6.4
Operating margin, %	8.2	16.5		6.7	17.1	-61.0	15.3
Average no. of personnel, calculated as full-time employees	415	207	101	353	206	71	205
Acquired businesses							
Revenue	4.7	0.0		10.1	0.0		0.0
EBITDA	1.3	0.0		3.4	0.0		0.0
Operating profit	0.6	0.0		2.0	0.0		0.0

Operational key figures	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Online services, unique browsers, weekly					
Etuovi.com	397,261	456,970	412,457	471,740	453,453
Autotalli.com	101,941	98,819	108,395	108,130	99,142
Monster.fi	96,217	80,857	104,319	99,573	91,205
MyyjaOsta.com	35,229	43,832	35,070	46,139	42,239
Telkku.com	764,329	646,887	767,417	678,840	661,908
Vuodatus.net	242,520	259,863	241,513	274,810	256,582
Kotikokki.net	183,155	196,411	185,006	210,254	196,509
Suomenyritykset.fi	70,694	80,327	68,986	80,317	76,618
Mascus.com (Finland)	338,350	198,014	357,500	285,840	279,089
City24	104,455	146,522	109,608	142,113	190,842
Bovision	48,900	63,417	57,277	76,043	66,019

April–June 2012

In the second quarter of 2012, the revenue of the Digital Consumer Services segment was MEUR 13.8 (10.9), up 27.0% (20.5%). Revenue from business operations acquired in 2012 was MEUR 4.7. The segment's advertising sales amounted to MEUR 12.1 (9.5).

Recruitment advertising sales increased supported by acquisitions, but in Finland, the economic uncertainty began to be reflected on recruitment advertising toward the end of the review period. Alma Media's home sales advertising sales decreased as customers began to consolidate their advertising in a service owned by real estate brokers since late 2011. By the end of the review period, however, the most important customers of Etuovi.com and Vuokraovi.com had returned to Alma Media services. Alma Media continuously develops its home sales services and their pricing to remain competitive in a new market situation.

The total expenses of the segment excluding non-recurring items during the review period were MEUR 12.5 (9.1) and total expenses MEUR 12.7 (9.1). The expenses of acquired business operations amounted to MEUR 4.1.

Operating profit for the Digital Consumer Services segment declined to MEUR 1.4 (1.8) in the second quarter. Operating profit was MEUR 1.1 (1.8). The operating profit from business operations acquired in 2012 was MEUR 0.6. Non-recurring items, MEUR 0.3, were related to restructuring.

Organisational restructuring and implementing increased operational efficiencies related to the business areas of home sales, car sales and trade between consumers were initiated in March. Statutory personnel negotiations concerning staff in these businesses were started simultaneously. As a result of the negotiations, concluded in April, the number of employees will be reduced by 28 full-time work years.

Alma Intermedia Oy, a company offering electronic directory services, concluded its statutory personnel negotiations in May. As a result, its staff will be reduced by 10 full-time work years.

January–June 2012

In the first half of 2012, the Digital Consumer Services segment's revenue amounted to MEUR 28.8 (21.3), up 35.1% (23.0%). Revenue from business operations acquired in 2012 was MEUR 10.1. The segment's advertising sales totalled MEUR 25.6 (18.5).

Total expenses during the review period, excluding non-recurring items, were MEUR 25.0 (17.8) and total expenses MEUR 26.9 (17.8). The expenses of acquired business operations were MEUR 8.1.

The operating profit of the Digital Consumer Services segment excluding non-recurring items grew to MEUR 3.8 (3.5) in the first half-year 2012. Operating profit was MEUR 1.9 (3.6). Operating profit from business operations acquired in 2012 was MEUR 2.0. Non-recurring expenses in the amount of MEUR 1.9 were related to restructuring as well as capitalised impairment losses relating to R&D costs. The non-recurring gains of MEUR 0.2 in the comparison period were related to corporate transactions. The segment's operating profit excluding non-recurring items grew due to acquired business operations.

Other Operations

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

Other operations Key figures, MEUR	2012 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
Revenue	21.0	20.2	4.3	42.1	39.3	7.1	79.5
External	1.5	1.3	9.2	3.0	2.8	10.2	5.6
Inter-segments	19.6	18.8	4.0	39.0	36.5	6.9	73.9
Total expenses excluding non-recurring items	22.8	21.4	6.6	44.8	40.5	10.6	81.0
EBITDA excluding non-recurring items	-0.3	0.1	-376.2	0.2	1.3	-88.4	3.5
EBITDA	-0.3	-0.4	37.2	-0.2	0.8	-123.2	3.4
Operating profit excluding non-recurring items	-1.7	-1.2	-47.7	-2.7	-1.2	-122.0	-1.4
Operating profit excluding non-recurring items, %	-8.2	-5.8		-6.5	-3.1	-107.3	-1.8
Operating profit	-1.7	-1.7	-2.0	-3.1	-1.8	-74.6	-1.6
Operating profit, %	-8.2	-8.4		-7.3	-4.5	-63.1	-2.0
Average no. of personnel, calculated as full-time employees	266	247	8	269	234	15	241
Average no. of delivery staff	930	846	10	909	830	9	844

Operational key figures	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Printing volume (thousand units)	50,976	59,276	102,059	119,190	224,724
Paper usage (tons)	7,291	8,282	14,392	15,749	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. The agreements cover a total of MEUR 42.6. 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 Oy, Alma Media's printing and distribution company, 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 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.

Alma Manu started statutory personnel negotiations in June with its newspaper deliverers in the Pirkanmaa region. According to the tentative estimate of the company, the work load in delivery operations may decrease by 18 full-time work years at most.

Associated companies

Share of profit of associated companies MEUR	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Newspapers	0.0	0.0	0.0	0.0	-0.0
Kauppalehti Group					
Talentum Oyj	0.2	0.1	-0.5	0.3	1.8
Digital consumer services	-0.0	-0.0	0.0	-0.0	-0.1
Other operations					
Other associated companies	0.1	0.4	0.3	0.5	0.9
Total	0.3	0.4	-0.2	0.8	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, 2011 and in this Interim Report.

Non-recurring items

A 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.

NON-RECURRING ITEMS MEUR	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Newspapers					
Restructuring	-2.5		-3.0	-0.5	-1.0
Gains on sales of assets	-0.1		-0.1		
Digital consumer services					
Restructuring	-0.3		-1.9		
Gains on sales of assets				0.2	0.2
Other operations					
Restructuring		-0.5	-0.3	-0.5	-0.5
Gains on sales of assets					0.4
NON-RECURRING ITEMS IN OPERATING PROFIT	-2.9	-0.5	-5.3	-0.8	-1.0
Translation differences				0.1	0.1
NON-RECURRING ITEMS IN FINANCIAL ITEMS				0.1	0.1

The non-recurring items during the second quarter comprised restructuring expenses in the Newspapers and Digital Consumer Services segments, as well as the loss from a real estate sale reported in the Newspapers segment.

Balance sheet and financial position

The consolidated balance sheet at the end of June 2012 stood at MEUR 223.6 (166.1). Alma Media's equity ratio at the end of June was 36.8% (56.6%) and equity per share declined to EUR 0.95 (1.04).

At the end of June, the Group's interest-bearing net debt was MEUR 42.9 (-8.5). The increase in net debt was due to the entering into force of the rental agreement of the printing facility, treated as finance leasing, as well as loans taken for company acquisitions and dividend payment. Financial assets recognised at fair value through profit or loss created through corporate restructuring amounted to MEUR 0.0 (7.3) on June 30, 2012, and the fair value of debts on the same date MEUR 4.9 (2.6).

The consolidated cash flow from operations in January–June 2012 was MEUR 12.2 (26.0). Cash flow before financing was MEUR -21.8 (26.7). Because of the change in value-added tax treatment of newspaper subscriptions, part of 2012 subscription revenue was exceptionally created in 2011, which significantly reduced the cash flow from operations during the review period. Cash flow from investing activities was affected primarily by the acquisitions of business operations during the financial 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 June 30, 2012. In addition, the Group has a credit limit in the amount of MEUR 30 until October 9, 2013, of which MEUR 10.0 were unused on June 30, 2012, and a credit limit in the amount of MEUR 35 until December 19, 2012, of which MEUR 35.0 were unused on June 30, 2012.

Capital expenditure

Alma Media Group's capital expenditure in April–June 2012 totalled MEUR 3.0 (1.4), consisting mainly of business acquisitions, 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 are 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–June, a total of 3,274,749 Alma Media shares were traded at NASDAQ OMX Helsinki Stock Exchange, representing 4.3% 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, June 29, 2012, was EUR 5.15. The lowest quotation during the reporting period was EUR 4.52 and the highest EUR 5.43. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 388.8.

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 2.74%. 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 the second quarter of 2012, Alma Media received the following notices of changes in shareholdings pursuant to Chapter 2, Section 9 of the Securities Markets Act:

On June 21, 2012 Mandatum Life Insurance Company Limited informed Alma Media that its holding in Alma Media shares and voting rights has decreased to 3.69%. Kaleva Mutual Insurance Company informed Alma Media that its holding has decreased to 3.01%. Additionally, Mariatorp Oy announced on the same day that it had acquired 7,600,000 Alma Media shares, representing approximately 10.07% of all Alma Media shares and votes.

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 difficult 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 interim report of April 27, 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.

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

COMPREHENSIVE INCOME STATEMENT, MEUR	2012 Q2	2011 Q2	Change %	2012 Q1-Q2	2011 Q1-Q2	Change %	2011 Q1-Q4
REVENUE	81.0	82.7	-2.0	162.2	159.8	1.5	316.2
Other operating income	0.1	0.0	88.8	0.1	0.2	-37.2	0.8
Materials and services	20.8	23.2	-10.1	41.6	44.9	-7.4	88.9
Employee benefits expense	35.7	31.3	14.3	69.7	61.6	13.2	119.8
Depreciation, amortisation and impairment	2.9	2.2	30.1	7.7	4.5	69.3	9.2
Other operating expenses	16.8	15.1	11.7	32.5	29.0	12.0	57.1
OPERATING PROFIT	4.8	11.0	-56.4	10.8	20.0	-46.0	42.0
Finance income	0.7	0.8	-9.8	0.6	1.0	-39.7	1.1
Finance expenses	0.3	0.5	-45.7	1.9	0.8	126.6	3.6
Share of profit of associated companies	0.3	0.4	-32.1	-0.2	0.8	-126.2	2.5
PROFIT BEFORE TAX	5.6	11.8	-52.8	9.3	21.1	-55.6	42.0
Income tax	1.1	3.0	-62.8	2.2	5.3	-59.5	11.2
PROFIT FOR THE PERIOD	4.5	8.8	-49.4	7.2	15.7	-54.3	30.8
OTHER COMPREHENSIVE INCOME							
Change in translation differences	-0.2	-0.2	26.4	0.3	-0.2	216.8	-0.1
Share of other comprehensive income of associated companies	0.1	-0.2		0.1	-0.2	191.6	-0.1
Income tax relating to components of other comprehensive income							
Other comprehensive income for the period, net of tax	-0.1	-0.4	74.0	0.4	-0.4		-0.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4.4	8.4	-48.2	7.6	15.3	-50.4	30.6
Profit for the period attributable to							
Owners of the parent	4.4	8.4		6.8	15.0		29.4
Non-controlling interest	0.1	0.4		0.4	0.8		1.4
Total comprehensive income for the period attributable to							
Owners of the parent	4.3	8.0		7.3	14.6		29.2
Non-controlling interest	0.1	0.4		0.4	0.8		1.4
Earnings per share calculated from the profit for the period attributable to the parent company shareholders							
Earnings per share (basic), EUR	0.06	0.11		0.09	0.20		0.39
Earnings per share (diluted), EUR	0.06	0.11		0.09	0.20		0.39

BALANCE SHEET, MEUR	Jun 30 2012	Jun 30 2011	31 Dec 2011
ASSETS			
NON-CURRENT ASSETS			
Goodwill	58.1	30.5	30.6
Other intangible assets	30.6	10.4	9.9
Tangible assets	38.9	25.2	23.0
Investments in associated companies	34.0	33.9	35.0
Other non-current financial assets	4.2	8.5	5.3
Deferred tax assets	0.4	0.4	0.5
CURRENT ASSETS			
Inventories	0.6	1.1	1.0
Current tax assets	7.7	2.0	4.1
Trade receivable and other receivables	28.8	27.7	26.7
Other current financial assets	0.0	3.1	3.8
Cash and cash equivalents	20.3	23.2	57.8
TOTAL ASSETS	223.6	166.1	198.0

BALANCE SHEET, MEUR	Jun 30 2012	Jun 30 2011	31 Dec 2011
EQUITY AND LIABILITIES			
Share capital	45.3	45.3	45.3
Share premium reserve	7.7	7.7	7.7
Foreign currency translation reserve	0.5	0.1	0.2
Retained earnings	17.9	25.5	40.6
Equity attributable to owners of the parent	71.4	78.6	93.8
Non-controlling interest	2.0	2.2	2.9
TOTAL EQUITY	73.5	80.8	96.7
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	26.3	2.2	2.0
Deferred tax liabilities	5.1	2.4	2.2
Pension obligations	2.5	2.6	2.6
Provisions	0.1	0.1	0.1
Other financial liabilities	0.7	1.2	0.9
Other non-current liabilities	0.4	0.3	0.3
CURRENT LIABILITIES			
Current interest-bearing liabilities	37.0	12.5	23.5
Advances received	23.8	23.4	28.2
Income tax liability	0.0	0.0	1.5
Provisions	0.6	1.1	1.0
Trade and other payables	53.7	39.5	38.9
TOTAL LIABILITIES	150.2	85.2	101.2
TOTAL EQUITY AND LIABILITIES	223.6	166.1	198.0

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				6.8	6.8	0.4	7.2
Other comprehensive income			0.3	0.1	0.4		0.4
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						-1.3	-1.3
Share-based payments				0.5	0.5		0.5
Exercised share options							
Business combinations							
Equity Jun 30 2012	45.3	7.7	0.5	17.9	71.4	2.0	73.5

	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				15.0	15.0	0.8	15.7
Other comprehensive income			-0.2	-0.2	-0.4		-0.4
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				0.4	0.4		0.4
Exercised share options	0.3	3.0			3.3		3.3
Business combinations						0.1	0.1
Equity Jun 30 2011	45.3	7.7	0.1	25.5	78.6	2.2	80.8

Column headings on Consolidated Statement of Change in Equity

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

CASH FLOW STATEMENT, MEUR	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Operating activities					
Profit for the period	4.5	8.8	7.2	15.7	30.8
Adjustments	3.9	4.9	11.8	9.0	20.2
Change in working capital	-3.7	-11.4	1.1	8.4	14.2
Dividends received	0.2	0.2	0.2	0.3	1.1
Interest received	0.1	0.3	0.1	0.5	0.4
Interest paid and other finance expenses	-0.4	-0.3	-1.1	-0.5	-1.3
Income taxes paid	-4.2	-4.0	-7.0	-7.5	-14.6
Net cash flows from operating activities	0.3	-1.5	12.2	26.0	50.7
Investing activities					
Acquisitions of tangible and intangible assets	-1.0	-0.9	-1.8	-1.5	-2.8
Proceeds from sale of tangible and intangible assets	2.5	0.0	2.5	0.0	0.0
Other investments	0.0	0.0	-0.1	0.1	-0.1
Proceeds from sale of other investments	0.0	0.0	0.0	0.0	0.1
Acquisition of subsidiaries	-1.9	0.0	-39.1	0.1	-0.1
Acquisition of associated companies	0.0	0.0	-0.3	-0.3	-0.3
Proceeds from sale of subsidiaries	0.0	0.0	3.8	2.1	2.5
Proceeds from sale and repayment of associated companies	0.9	0.3	0.9	0.3	0.7
Net cash flows from / (used in) investing activities	0.5	-0.6	-34.0	0.7	0.0
Cash flow before financing activities	0.8	-2.0	-21.8	26.7	50.7
Financing activities					
Proceeds from exercise of share options	0.0	2.7	0.0	3.3	3.2
Current loans taken	0.0	0.0	24.0	15.0	37.0
Repayment of current loans	-7.6	-4.4	-8.2	-4.7	-16.4
Change in interest-bearing receivables	0.0	0.1	0.0	0.1	0.3
Dividends paid	-1.3	0.0	-31.5	-53.2	-53.2
Net cash flows from / (used in) financing activities	-8.9	-1.5	-15.7	-39.5	-29.0
Change in cash and cash equivalent funds (increase + / decrease -)	-8.1	-3.6	-37.5	-12.8	21.7
Cash and cash equivalents at beginning of period	28.5	26.8	57.8	36.3	36.3
Effect of change in foreign exchange rates	0.0	0.0	0.0	-0.3	-0.2
Cash and cash equivalents at end of period	20.3	23.2	20.3	23.2	57.8

ACQUIRED BUSINESSES 2012

Alma Media has acquired the following business operations

	Business	Acquired on	Ownership %
Newpapers segment:			
Kotikymppi newspaper	Local newspaper	Jan 2, 2012	100 %
Digital Consumer Services segment:			
LMC s.r.o	Online	Jan 2, 2012	100 %
CV Online	Online	Feb 1, 2012	100 %
PlanMyRoom Finland Oy	Online	May 2, 2012	100 %
Suomen Hankintakeskus Oy	Online	Jun 1, 2012	100 %
Adalia Media Inc	Online	Jun 1, 2012	51 %

The acquisition of newspapers segment has no major impact on the consolidated financial statements and thus 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 at fair value	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 at fair value	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 businesses 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 recognised 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

The other acquisitions by the Digital Consumer Services segment, PlanMyRoom Finland Oy, Suomen Hankintakeskus Oy and Adalia Media Inc., do not represent significant assets on the consolidated balance sheet. The purchase price of the business operations acquired in the segment totalled MEUR 0.7, generating MEUR 0.8 in goodwill.

The estimated Group revenue would have been MEUR 336.5 (reported MEUR 316.2) and the operating profit MEUR 46.4 (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 recognised 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 businesses during 2010-13. The fair values are the estimated final considerations discounted to the balance sheet date.

CONTINGENT CONSIDERATION ASSETS	
Initial 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	-0.8
Considerations, settled in cash	-1.9
Change in exchange rate	0.0
Change in fair value during the financial year	-0.5
Fair value of the contingent consideration liability in the end of the period	4.9

REVENUE BY GEOGRAPHICAL AREA, MEUR	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Finland	77.3	79.1	154.6	152.8	301.8
Other EU countries	3.5	3.4	6.8	6.4	13.3
Other countries	0.3	0.3	0.8	0.6	1.1
Total	81.0	82.7	162.2	159.8	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	Jun 30 2012	Jun 30 2011	31 Dec 2011
Newspapers	36.1	39.5	39.6
Kauppalehti Group	39.9	40.5	40.8
Digital Consumer Services	81.2	30.3	26.6
Other Operations	32.2	23.3	22.4
Non-allocated assets and eliminations	34.3	32.4	68.5
Total	223.6	166.1	198.0

LIABILITIES BY SEGMENT, MEUR	Jun 30 2012	Jun 30 2011	31 Dec 2011
Newspapers	37.1	33.9	38.6
Kauppalehti Group	11.9	12.3	11.0
Digital Consumer Services	14.7	8.5	6.4
Other Operations	13.6	12.2	14.9
Non-allocated liabilities and eliminations	72.9	18.3	30.4
Total	150.2	85.2	101.2

CAPITAL EXPENDITURE, MEUR	2012 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Newspapers	0.3	0.3	0.9	1.0	2.5
Kauppalehti Group	0.1	0.2	0.2	0.4	0.6
Digital consumer services	1.8	0.7	49.0	1.2	2.0
Others	0.8	0.2	22.3	0.4	1.2
Total	3.0	1.4	72.5	2.9	6.3

PROVISIONS

The company's provisions totalled MEUR 0.8 (1.2) on June 30, 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	Jun 30 2012	Jun 30 2011	31 Dec 2011
Other commitments			
Commitments based on agreements		0.1	1.3
Minimum lease payments on other lease agreements:			
Within one year	8.5	6.9	7.1
Within 1-5 years	25.6	23.4	27.1
After 5 years	37.4	46.1	43.7
Total	71.5	76.4	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:	1.1	1.9	1.5

Additionally, the company has signed a lease contract for the machinery and movables of the new printing facility with Pohjola Bank Plc. For the signed financial lease contracts, the financier has paid advance payments of MEUR 42.6 by June 30, 2012. The total amount of agreed contracts is MEUR 42.6. The total estimated value of the investment is MEUR 50.0. According to the IAS 17 standard, the contracts will be recognised as a finance lease contracts when the printing facility will be operational.

DERIVATIVE CONTRACTS, MEUR	Jun 30 2012	Jun 30 2011	31 Dec 2011
Commodity derivate contracts, electricity derivatives			
Fair value *	-0.2	0.1	-0.1
Nominal value	1.2	1.3	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 Q2	2011 Q2	2012 Q1-Q2	2011 Q1-Q2	2011 Q1-Q4
Sales of goods and services	0.2	0.1	0.6	0.1	0.3
Purchases of goods and services	0.9	1.1	1.9	2.1	4.0
Trade receivable, loan and other receivables at the end of reporting period	0.0	0.0	0.0	0.0	0.0
Trade payable at the reporting date	0.2	0.2	0.2	0.2	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, 2006B and 2006 C have expired.

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. The share subscription period for 2009A is April 1, 2012–March 31, 2014. The management has 573,100 options 2009A in its possession. Additionally, the management has sold 21,900 2009A option rights. The share subscription price has been reduced annually by the dividend per share, and was EUR 3.71 in June 2011. Until June 30, 2012, no share subscriptions were made through 2009A option rights.

A total of 610,000 options have been issued under the 2009B programme. The 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 June 2012.

A total of 640,000 options have been issued under the 2009C programme. The 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 June 2012.

If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders by 2.74% maximum.

Performance Share Plan 2012

The Board of Directors of Alma Media Corporation has at its meeting in February 2012 resolved to implement a performance share plan for key personnel of Alma Media Group. The plan includes three (3) one (1) year performance periods, the calendar years 2012, 2013 and 2014, based on the Group's return. Furthermore, for the members of the Group Executive Team, the plan includes one (1) three (3) year performance period, the calendar years 2012—2014, based on the profitable growth of the Group.

The reward from the plan shall be paid to the key employees in a combination of shares and cash, after the end of each performance period by the end of April in 2013, 2014 and 2015. The reward from the performance period 2012—2014 shall be confirmed by the end of April 2015, and it shall be paid in two equal lots in a combination of shares and cash, one year and two years from the end of the performance period. Shares paid as reward on the basis of the plan, from the one-year performance periods, may not be assigned, pledged or otherwise exercised (transfer restriction/s) during the restriction period established for the shares (restriction period/s). The restriction period shall begin from the reward payment and end on December 31, 2014 for the shares earned from the performance period 2012, on December 31, 2015 for the shares earned from the performance period 2013 and on December 31, 2016 for the shares earned from the performance period 2014.

No reward shall be paid to a key employee, if a Group company or a key employee gives notice of termination, or terminates a key employee's employment or service contract before the reward payment. A key employee shall be obliged to return the shares given as reward and subject to the transfer restriction back to the company or its designate, gratuitously, without delay, if a Group company or key employee gives notice of termination, or terminates a key employee's employment or service contract before the end of the restriction period in question. Shares earned from the performance period 2012—2014 shall not be subject to the restriction period.

There shall be a maximum total of 600,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees on the book-entry registration date of the shares that shall be given as reward on the basis of the entire plan.

On the first performance period 2012, the Performance Share Plan shall include approximately 25 persons. The value of the plan for the performance period 2012 shall correspond to the value of 120,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the Group's return is in line with the performance criteria set by the Board of Directors. On the performance period 2012–2014 the value of the plan shall correspond to the value of 212,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the Group's growth is in line with the performance criteria set by the Board of Directors.

The fair value of the reward is expensed until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price, on the date on which the target group has agreed to the terms and conditions of the plan, reduced by the estimated dividends. The fair value of the cash proportion is remeasured on each reporting date based on the share price on the reporting date.

QUARTERLY INFORMATION

MEUR	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2
Revenue									
Newspapers	53.2	51.9	55.8	52.5	57.1	53.0	57.2	53.1	54.9
Kauppalehti Group	14.4	14.3	15.2	12.6	15.0	13.9	16.1	13.3	14.4
Digital consumer services	13.8	14.9	10.5	10.3	10.9	10.4	10.5	8.5	9.0
Other operations	21.0	21.0	20.2	20.1	20.2	19.1	19.1	19.3	19.0
Eliminations	-21.4	-21.1	-20.4	-20.3	-20.4	-19.3	-19.9	-19.0	-18.6
REVENUE	81.0	81.1	81.3	75.1	82.7	77.1	83.0	75.2	78.7
Total expenses excluding non-recurring items									
Newspapers	46.0	46.1	47.5	45.5	48.1	46.5	48.5	45.1	46.2
Kauppalehti Group	13.5	13.1	13.0	10.6	13.0	12.7	14.4	10.9	11.9
Digital consumer services	12.5	12.6	9.6	8.4	9.1	8.7	9.7	7.6	9.1
Other operations	22.8	22.1	21.7	18.8	21.4	19.2	19.3	17.3	19.0
TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS	73.4	72.8	71.4	63.1	71.2	67.8	72.0	61.9	67.7
Operating profit excluding non-recurring items									
Newspapers	7.2	5.9	8.3	7.0	9.0	6.5	8.8	8.1	8.7
Kauppalehti Group	0.9	1.3	2.2	2.0	2.0	1.2	1.7	2.4	2.5
Digital consumer services	1.4	2.4	0.9	1.9	1.8	1.7	0.6	0.9	0.1
Other operations	-1.7	-1.0	-1.5	1.3	-1.2	-0.1	-0.1	2.0	0.0
OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS	7.7	8.5	10.1	12.0	11.5	9.3	11.0	13.4	11.3
% of revenue									
Newspapers	13.5	11.3	14.9	13.3	15.7	12.3	15.3	15.2	15.8
Kauppalehti Group	6.0	8.9	14.5	16.0	13.1	8.6	10.8	18.2	17.3
Digital consumer services	10.2	16.0	8.9	18.1	16.5	16.1	5.5	10.4	1.4
Other operations	-8.2	-4.8	-7.6	6.5	-5.8	-0.3	-0.7	10.3	-0.1
% OF REVENUE	9.5	10.4	12.4	16.0	14.0	12.1	13.2	17.8	14.3
Non-recurring items									
Newspapers	-2.6	-0.5	-0.5	0.0	0.0	-0.5	-0.4	0.1	0.0
Kauppalehti Group	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digital consumer services	-0.3	-1.6	0.0	0.0	0.0	0.2	0.2	0.3	-0.5
Other operations	0.0	-0.3	0.0	0.4	-0.5	0.0	0.0	-0.2	0.2
NON-RECURRING ITEMS	-2.9	-2.5	-0.5	0.4	-0.5	-0.3	-0.3	0.2	-0.4
Operating profit									
Newspapers	4.6	5.3	7.8	7.0	9.0	6.0	8.4	8.2	8.7
Kauppalehti Group	0.9	1.3	2.2	2.0	2.0	1.2	1.7	2.4	2.5
Digital consumer services	1.1	0.8	0.9	1.9	1.8	1.8	0.7	1.2	-0.4
Other operations	-1.7	-1.3	-1.5	1.7	-1.7	-0.1	-0.1	1.8	0.1
OPERATING PROFIT	4.8	6.0	9.6	12.4	11.0	9.0	10.7	13.6	10.9
Finance income	0.7	0.0	0.2	1.2	1.0	0.5	1.0	0.1	0.2
Finance expenses	0.3	1.7	3.9	0.3	0.8	0.6	0.0	0.3	0.1
Share of profit of associated companies	0.3	-0.5	-0.6	2.3	0.4	0.4	0.4	-0.1	0.1
PROFIT BEFORE TAX	5.6	3.8	5.3	15.6	11.8	9.3	12.1	13.4	11.0
Income tax	-1.1	-1.1	-2.4	-3.4	-3.0	-2.4	-2.9	-3.5	-3.1
PROFIT FOR THE PERIOD	4.5	2.7	2.8	12.2	8.8	6.9	9.2	9.8	7.8

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.

The figures in this interim report are unaudited.

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–September, 2012 on Thursday, October 25, 2012, approximately at 9 am (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	0.0
Inter-segments	0.8	0.8	0.0
Kauppalehti Group total	56.7	56.7	0.0
Digital Consumer Services			
External	40.7	37.5	3.2
Inter-segments	1.4	-0.5	1.9
Digital Consumer Services total	42.1	37.0	5.2
Other Operations			
External	5.6	5.6	-0.1
Inter-segments	73.9	75.9	-2.0
Other Operations total	79.5	81.5	-2.0
Elimination	-80.4	-80.4	0.0
Total	316.2	316.2	0.0

OPERATING PROFIT/LOSS BY SEGMENT*, MEUR	New structure	Former structure	Change
Newspapers	29.7	30.2	-0.4
Kauppalehti Group	7.4	7.4	0.0
Digital Consumer Services	6.4	5.8	0.6
Other operations	-1.6	-1.4	-0.2
Total	42.0	42.0	0.0

*) 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	52.0	56.0	51.4	54.6	214.1
Inter-segments	1.0	1.1	1.0	1.1	4.3
Newspapers total	53.0	57.1	52.5	55.8	218.3
Kauppalehti Group					
External	13.7	14.8	12.4	15.0	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	10.0	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	6.0	9.0	7.0	7.8	29.7
Kauppalehti Group	1.2	2.0	2.0	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	9.0	11.0	12.4	9.6	42.0

*) incl. non-recurring items