Report by the Board of Directors

FINANCIAL PERFORMANCE YEAR 2010

- Revenue M€ 311.4 (307.8), up 1.1%.
- Operating profit M€ 43.4 (40.4), up 7.4%, 13.9% (13.1%) of revenue.
- Operating profit excluding non-recurring items M€ 43.9 (42.6), up 3.0%.
- Profit for the period M€ 33.2 (28.3), up 15.7%.
- Earnings per share € 0.44 (0.38).
- Dividend paid for the financial year 2009 was € 0.40 (0.30) per share

DIVIDEND PROPOSAL FOR THE ANNUAL GENERAL MEETING

Alma Media´s Board of Directors will propose to the Annual General Meeting that a dividend of € 0.70 (0.40) per share will be paid for the financial year 2010.

OUTLOOK FOR 2011

Alma Media expects newspaper and online advertising to grow in 2011 compared with the previous year. Alma Media expects the single-copy sales of afternoon papers to decline further. A slight decrease is expected in the circulation volumes of regional and local papers. Kauppalehti's circulation is expected to remain stable or decline slightly. The material and delivery costs of the Group are expected to increase from the level in the comparison year.

Alma Media estimates that its full-year revenue and operating profit excluding non-recurring items will grow from the 2010 levels. Full-year revenue for 2010 was M€ 311.4, operating profit M€ 43.4 and operating profit excluding non-recurring items M€ 43.9.

MARKET CONDITIONS

According to forecasts, the Finnish national economy is estimated to have grown 2.5–3.5% in 2010. Estimates of GDP growth published at the end of 2010, in particular, were clearly more positive than those published in the early part of the year. The growth in the national economy is primarily led by an increase in aggregate demand. According to forecasts, GDP growth will remain at the 2–3% level in 2011.

According to reports published by the Finnish Advertising Council, the total media advertising spending in Finland grew by 4.8% (–15.8%) in 2010. Advertising in newspapers and free issues grew by 3.1% in 2010 while advertising in online media increased by 14.7% compared to the previous year.

According to TNS Media Intelligence, total advertising volume grew by 10.6% in the last quarter of the year. Advertising in newspapers and city papers increased by 6.3% and advertising in online media by 32.9% compared to the corresponding period in the previous year.

REVENUE AND RESULT 2010

The Group's revenue for 2010 totalled M€ 311.4 (307.8), up 1.1% (down 9.8%). Online business accounted for 15.7% (13.1%) of revenue.

Advertising sales grew by 5.5% and amounted to M€ 148.2. The share of the advertising sales of the total revenue was 47.6% (45.7%). Advertising for the printed media grew by 1.0% from the previous year's level. The Group's online advertising sales grew by 24.6% to M€ 35.6.

Group's circulation revenue in 2010 was close to the previous year's level. Circulation revenue for the regional and local papers increased slightly due to price increases, while circulation volumes continued to decrease. Circulation revenue of Iltalehti decreased by 3.7% to M€ 39.8, while the single-copy sales decreased by 5.2%. Circulation revenue for Kauppalehti fell slightly below on the previous year´s level.

The operating profit strengthened to M€ 43.4 (40.4). Operating profit excluding non-recurring items was M€ 43.9 (42.6), up 3.0% (down 10.5%) from the comparison period. The operating profit was 13.9% (13.1%), excluding non-recurring items 14.1% (13.9%).

The operating profit for the 2010 financial year includes M€ –0.5 (–2.2) in net non-recurring items. The non-recurring items in 2010 were primarily related to restructuring of business operations and corporate restructuring. The non-recurring items in the comparison year were primarily made up of restructuring costs, impairment on goodwill and sales of business operations.

Profit before taxes for 2010 was M€ 45.0 (39.7). The profit before taxes excluding non-recurring items was M€ 45.7 (42.0). The result before taxes includes non-recurring items totalling M€ –0.7 (–2.2). The non-recurring items recorded in the finance expenses for 2010 include exchange rate losses on closed operations.

The development of consolidated revenue and operating profit was in line with the management's forecasts earlier in the year. Revenue grew slightly from 2009 levels as a result of increased advertising sales. The operating profit for the full financial year 2010, excluding non-recurring items increased on the previous year. Revenue in 2009 totalled M€ 307.8, operating profit was M€ 40.4 and operating profit excluding non-recurring items M€ 42.6.

NEWSPAPERS

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

The Newspapers segment's revenue in 2010 totalled M€ 219.3 (215.5). The segment's advertising revenue increased 3.6% (decreased 14.0%), totalling M€ 104.9 (101.3). The segment's circulation revenue grew slightly to reach M€ 110.3 (109.9). The Newspapers segment's operating profit was M€ 32.9 (29.7) and operating profit excluding non-recurring items was M€ 33.1 (30.8). Operating profit as a percentage of revenue grew to 15.0% (13.8%), or 15.1% (14.3%) excluding non-recurring items.

The segment's non-recurring items totalled M€ –0.2 (–1.1). The non-recurring items in 2010 comprised M€ 0.2 in gains on sales relating to corporate restructuring and M€ –0.4 on business restructuring. The non-recurring items in the comparison period consisted of M€ 0.4 in gains on sales relating to corporate restructuring and –M€ 1.4 on business restructuring.

The visitor numbers for the online services of Alma Media's newspapers continued to increase, exceeding the previous year's levels. Finland's most popular online service Iltalehti.fi solidified its position with an average of well over two million unique visitors per week. Aamulehti.fi remained Finland's largest online service for a regional newspaper, reaching a record number of visitors at 372,000 unique visitors (browsers) near the end of the year.

Alma Media also developed its printed newspapers, with new operating methods implemented for Lapin Kansa, Pohjolan Sanomat and Kainuun Sanomat and a redesigned format for the same three papers being introduced in January 2011. A revision of content and operating methods was also carried out at Aamulehti in autumn 2010.

KAUPPALEHTI GROUP

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

The revenue of the Kauppalehti Group was MEUR 57.9 (62.8). The comparison period's revenue includes the revenue of Kauppalehti 121 Oy, sold in November 2009, totalling M€ 6.6. Without the effect of Kauppalehti 121, the segment's revenue increased by 3.0% to M€ 57.9 (56.2). The segment's advertising revenue grew to M€ 17.7 (16.3). Circulation revenue were M€ 15.0 (15.4) and content and service revenue M€ 25.2 (24.4) (excluding Kauppalehti 121).

The operating profit for the segment was M€ 8.2 (6.7), excluding non-recurring items M€ 8.2 (6.7). The Kauppalehti Group's operating margin was 14.2% (10.7%), excluding non-recurring items 14.2% (10.7%). There were no non-recurring items recognized during the financial year. The non-recurring items in the comparison period were M€ 0.4, consisting of gains on sales of business operations, and M€ –0.4 as restructuring costs.

The number of visitors in Kauppalehti.fi kept on growing, which further strengthened the position of Kauppalehti product family as the leading business information provider in Finland. The online service was renewed in January 2011.

MARKETPLACES

The Marketplaces segment reports classified services produced on the internet and supported by printed products. The services in Finland are Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, Mascus.fi and Mikko.fi. The services outside Finland are Mascus, Bovision, Objektvision and City24.

The Marketplaces segment's revenue grew by 18.7% to M€ 32.1 (27.0). The operating profit grew to M€ 0.4 (down 1.7), excluding non-recurring items to M€ 0.8 (down 0.5). The non-recurring items of M€ 0.4 in 2010 occurred at the closing down from the business operations. The non-recurring items M€ 1.2 in 2009 were due to the impairment losses of assets and goodwill.

The Helsinki Court of Appeal confirmed in its ruling given in December that Alma Media has the right to use its established and well-known trademark ETUOVI.COM as the brand for its housing and real-estate online services. The ruling by the court confirmed that ETUOVI.COM could not be used as the trademark of a newspaper. Alma Media has changed the name of Etuovi.com –newspaper into Asuntomedia, but will apply the Supreme Court for a leave to appeal.

OTHER OPERATIONS

The Other operations segment reports the operations of the Group's parent company as well as those of the printing and distribution unit. The financial characteristics of both are similar as they primarily provide services for the other business segments. The Group's financial items and income taxes are not allocated to the segments.

In October 2010, Alma Media Corporation concluded an agreement to lease property to Alma Manu Oy. The construction of the building in question is scheduled for completion in 2012. In conjunction with that transaction, Alma Media Corporation sold the real estate company Kiinteistö Oy Uusi Paino to OP-Henkivakuutus Oy. The agreement will be recognized in the financial statements as a financial leasing agreement under IAS 17 from the date on which the printing facility becomes operational. The estimated present value of the agreement's minimum rental revenue at the time the facility becomes operational is M€ 16.8. The printing facility is expected to become operational in late 2012.

CHANGES IN GROUP STRUCTURE 2010

Further details about the subsidiary companies are given in the Note 15 and about the associated companies in the Note 16. The group has branches in Sweden and Great Britain belonging to the Mascus operations.

On March 1, 2010, Alma Media Corporation acquired a 60% shareholding in Marknadspriser i Sverige AB, a Swedish company running the Marknadspriser.se online service. The company is reported as part of the Marketplaces segment in Alma Media's consolidated financial statements.

On March 16, 2010, Alma Media Corporation acquired a 24% shareholding in the Finnish company Kateetti Oy (now Alkali Oy) through a share transaction and a directed share issue. The company is reported as an associate company under the Marketplaces segment in Alma Media's consolidated financial statements.

The business operations of Tyrvään Sanomat Oy were transferred to Suomen Paikallissanomat Oy, an Alma Media company on April 16, 2010. The acquisition included two local papers, Tyrvään Sanomat and Paikallissanomat, as well as the business operations of advertising agency Idea-Mainos. The entity is reported as part of the Newspapers segment.

Alma Media's ownership in Kotikokki.net Oy rose from 40% to 65% on June 1, 2010. The company is reported as a subsidiary under the Newspapers segment in the consolidated financial statements.

Alma Media Corporation and Arena Partners Oy started cooperation in the nationwide marketplaces business. The business operations concerned, Etuovi.com, Vuokraovi.com, Autotalli.com and Mikko.fi, were transferred into a new Group subsidiary, Alma Media Partners Oy, created through a partial demerger of Alma Media Interactive Oy. Arena Partners Oy purchased a 35% shareholding of this subsidiary. Simultaneously, Alma Media purchased a 35% shareholding of Arena Interactive Oy, a subsidiary of Arena Partners. The share transactions pertaining to the arrangement were made on September 1, 2010. The deal increased the Group's equity by M€ 10.7. Alma Media Interactive Oy was merged to Alma Media Corporation on December 31, 2010.

Alma Media acquired in October 2010 the entire stock of Intermedia Partners Oy (now Alma Intermedia Oy) and MIG Group Oy operating in Pori, Finland. Through the acquisition, Alma Media expanded its business to company directory services aimed at consumers. The online company directory service increases the online service portfolio of Alma Media's regional and local newspapers and supports their growth into even more communal consumer services that offer a variety of content packages. The operations are reported as a part of the Newspapers segment.

On November 1, 2011 Alma Media acquired Suunnittelutoimisto TTNK Helsinki Oy (Titanik Helsinki), an agency specialized in digital marketing communications. The deal broadened the content production offering of the custom media house Alma Media Lehdentekijät, a member of Kauppalehti Group. The company is reported as part of the Kauppalehti Group.

During the third quarter Alma Media closed down the business operations of City24, acting in the housing advertising, in Serbia, Ukraine and Croatia. The business operations of City24 continue in Estonia, Latvia, Lithuania and Poland.

As intra-group arrangements, on April 30, 2010 Alma Media Interactive Oy was partially demerged into Alma Markkinapaikat Oy (now Alma Mediapartners Oy), on June 30, 2010 Kustannus Oy Aamulehti, Satakunnan Kirjateollisuus Oy and Pohjois-Suomen Media Oy were partially demerged into Alma Manu Oy, and on December 31, 2010 Alma Media Interactive Oy was merged into Alma Media Corporation.

ASSOCIATED COMPANIES

Alma Media Group holds a 32.14% stake in Talentum Oyj, which is reported under the Kauppalehti Group. The company's own shares in the possession of Talentum are here included in the total number of shares. In the consolidated financial statements of Alma Media the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding in Talentum is stated as 32.64% in its consolidated financial statements of December 31, 2010 and in this interim report.

In March 2010, Alma Media acquired a 24% shareholding in the Finnish company Kateetti Oy (now Alkali Oy) through a share transaction and a directed share issue. The company is reported as an associate company under the Marketplaces segment in Alma Media's consolidated financial statements.

In September 2010, Alma Media Corporation acquired a 35% shareholding in Arena Interactive Oy, a subsidiary of Arena Partners Oy. The deal was part of the cooperation arrangement between Alma Media and Arena Partners in the nationwide marketplaces business.

PARENT COMPANY

The reported revenue of the parent company Alma Media Corporation in 2010 was M€ 16.7 (15.9) and the profit for the period M€ 33.0 (26.0). The balance sheet of the parent company stood at M€ 560.1 (537.7) in the end of December 2010.

BALANCE SHEET AND FINANCIAL POSITION

The consolidated balance sheet at the end of December 2010 stood at M€ 184.5 (154.4). Alma Media's equity ratio at the end of December was 67.1 % (66.9 %) and equity per share was € 1.50 (1.27).

The Group's interest-bearing net debt at the end of December was M€ –32.4 (–16.5). The fair value of the contingent considerations, i.e. financial assets recognized at fair value through profit or loss, due to the mergers and acquisitions in 2010, as at December 31, 2010 was M€ 9.2 and that of the other debt M€ 2.8.

The consolidated cash flow from operations in January–December was M€ 46.1 (43.1). Cash flow before financing was M€ 43.7 (43.9). The cash flow from investing activities was affected primarily by the mergers and acquisitions implemented in the current year.

The Group currently has a M€ 100.0 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of M€ 0–100. The unused part of the programme was M€ 100.0 on December 31, 2010. In addition, the Group has a credit limit in the amount of M€ 50.0 for the period August 6, 2009–August 6, 2011, which on December 30, 2010 was totally unused.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs in 2010 amounted to M€ 4.0 (0.9). Of this total, M€ 2.6 (0.5) was expensed and M€ 1.4 (0.5) capitalized. The most significant projects pertained to the development of online business.

CAPITAL EXPENDITURE

Alma Media Group's capital expenditure in 2010 totalled M€ 12.9 (8.2). They comprised mainly of acquisitions and development projects within online business. Other expenditure were related with normal operational and replacement investments.

Alma Media Corporation announced on December 17, 2009 that it had initiated preparations for an investment aiming at the modernisation of its printing facilities in Tampere. The

Board of Directors decided to proceed with the initiative to the execution phase on March 11, 2010. Most of the investment will be carried out in 2011 and 2012. The new printing facility is estimated to be operational in late 2012.

PERSONNEL

During 2010, the average number of Alma Media employees, calculated as full-time employees (excluding deliverers), was 1,805 (1,888). The average number of delivery staff totaled 962 (969).

RISKS AND RISK MANAGEMENT

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

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

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

ENVIRONMENTAL IMPACTS

The most significant environmental impacts from Alma Media´s business operations are related to the printing and distribution operations as well as real estates. The printing operations use mainly newsprint, 32,000 (30,000) tons in 2010. Electricity consumption by Alma Media in 2010 was 17,408 (17,502) MWh. Further details about the environmental issues are given in the Alma Media Annual Review.

ADMINISTRATION

Alma Media Corporation's ordinary Annual General Meeting (AGM) held on March 11, 2010 elected Lauri Helve, Kai Seikku, Erkki Solja, Kari Stadigh, Harri Suutari, Catharina Stackelberg-Hammarén and Seppo Paatelainen members of the company's Board of Directors. In its constitutive meeting held after the AGM, the Board of Directors elected Kari Stadigh its Chairman and Seppo Paatelainen its Deputy Chairman.

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

The Board of Directors of Alma Media Corporation has evaluated that Kari Stadigh, the CEO of Sampo plc, acting as Chairman of Alma´s Board of Directors, and Seppo Paatelainen, the Chairman of the Board of Directors of Ilkka-Yhtymä Oyj, acting as Deputy Chairman of Alma´s Board of Directors, are independent of the company but not independent of a significant shareholder. Other persons elected to the Board of Directors are evaluated to be independent of the company and its major 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.

Oy Herttaässä Ab, a company holding more than 10% of the shares in Alma Media, proposed to the AGM that a special audit should be conducted regarding the operations of the Nomination and Compensation Committee of the Board of Directors of Alma Media Corporation for the last five years. The AGM considered the proposal, and as the shareholding of Oy Herttaässä Ab exceeds 10%, the proposal was recorded in the meeting minutes. On April 15, 2010, Alma Media received notification that Oy Herttaässä Ab has submitted an application for the special audit to the Regional State Administrative Agency of Southern Finland. Alma Media has submitted its answer to the Regional State Administrative Agency of Southern Finland.

On August 19, 2010, Alma Media Corporation held an Extraordinary General Meeting (EGM) at the request of Oy Herttaässä Ab, a shareholder of Alma Media. The meeting decided not to change the composition of the Board of Directors. Mr Kai Telanne, President and CEO of Alma Media, presented to the EGM a clarification regarding the investment in the new printing facility at the request of Oy Herttaässä Ab. Since the investment belongs under the general jurisdiction of the Board of Directors, and as the Board of Directors had not submitted the matter for approval by the EGM, the EGM made no decisions on the matter.

The district prosecutor of Helsinki decided on July 1, 2010 to charge Mr Kai Telanne, President and CEO of Alma Media, on suspicion of discrimination at work in connection with the termination of a director contract.

The regulations of the Articles of the Association regarding the election of the company´s Board of Directors and President and CEO are detailed in Note 7 to the financial statements. The note also describes the most important terms of employment for the CEO.

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. Alma Media has published its Corporate Governance Statement for 2010 separately in connection with the Report by the Board of Directors. The Corporate Governance Statement can be reviewed at www.almamedia.fi/corporate_governance.

THE ALMA MEDIA SHARE

In January–December, altogether 14,839,425 Alma Media shares were traded at NASDAQ OMX Helsinki Stock Exchange, representing 19.8% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the financial year, December 30, 2010, was € 8.28. The lowest quotation during the financial year was € 6.00 and the highest € 8.46. Alma Media Corporation's market capitalization at the end of the review period was M€ 621.4.

The company paid in dividends to its shareholders € 0.40 per share, a total of M€ 29.8 (22.4) March 2010.

The Annual General Meeting on March 11, 2010 decided to authorise the Board of Directors to repurchase a maximum of 3,730,600 of the company's shares, representing approximately 5% of all shares. The authorisation is valid until the next ordinary general meeting, however no later than June 30, 2011. No shares were repurchased by the end of the reported period.

Further details for the ownership structure of the company and the principal shareholders are given in the Note 35 to the financial statements.

OPTION RIGHTS

Option programme 2006

The Annual General Meeting held on March 8, 2006 decided on a stock option programme under which a maximum of 1,920,000 options may be granted and these may be exercised to subscribe to a maximum of 1,920,000 Alma Media Corporation's shares with a book counter-value of € 0.60 per share. The programme is an incentive and commitment system for the company's management. Of the total number of options, 640,000 were marked 2006A (ALN1VEW106), 640,000 were marked 2006B (ALN1VEW206) and 640,000 were marked 2006C (ALN1VEW306).

Share subscription periods and subscription prices:

- 2006A April 1, 2008–April 30, 2010, trade-weighted average share price April 1–May 31, 2006
- 2006B April 1, 2009–April 30, 2011, trade-weighted average share price April 1–May 31, 2007 and
- 2006C April 1, 2010–April 30, 2012, trade-weighted average share price April 1–May 31, 2008.

As authorized by the Annual General Meeting, the Board of Directors has granted 515,000 of the 2006A options. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. In 2007 and 2008, Alma Media's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. By June 30, 2010, all of the 440,000 options had been either sold (242,263) or used for share subscription (197.737). The subscription price of the A options was € 4.88.

In 2007, the Board of Directors decided to issue a total of 515,000 options under the 2006B scheme to Group management. Altogether 50,000 of the 2006B options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 465,000 2006B options. The share subscription price under the 2006B option, € 9.85 per share was determined by the trade-weighted average share price in public trading between April 1 and May 31, 2007. The subscription price of the 2006B options was reduced by the amount of dividend payment in March 2008 (€ 0.90 per share), by dividend payment in March 2009 (€ 0.30 per share) to € 8.65 per share and by dividend payment in March 2010 (€ 0.40 per share) to € 8.25 per share. All of the 175,000 2006B option rights in the company's possession have been annulled. The options in the 2006B programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2009. No shares have been subscribed to by September 30, 2010.

In 2008, the Board of Directors decided to issue 520,000 options under the 2006C programme to Group management. Altogether 50,000 of the 2006C options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 470,000 2006C options. The share subscription price under the 2006C option, € 9.06 per share, was determined by the trade-weighted average share price in public trading between April 1 and May 31, 2008. The subscription price of the 2006C options was reduced by the amount of dividend payment in March 2009 (€ 0.30 per share) to € 8.76 per share and by dividend payment in March 2010 (€ 0.40 per share) to € 8.36 per share. All of the 170,000 2006C option rights in the company's possession have been annulled. The options in the 2006C programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2010.

If all the subscription rights are exercised, the programme will dilute the holdings of the earlier shareholders by 1.23%.

Option programme 2009

The Annual General Meeting of Alma Media on March 11, 2009 decided, in accordance with the proposal by the Board of Directors, to continue the incentive and commitment system for Alma Media management through an option programme according to earlier principles and decided to grant stock options to the key personnel of Alma Media Corporation and its subsidiaries in the period 2009–2011. Altogether 2,130,000 stock options may be granted, and these may be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of Alma Media. Of the total number of options, 710,000 were marked 2009A (ALN1VEW309), 710,000 were marked 2009B (ALN1VEW209) and 710,000 were marked 2009C (ALNVEW109).

Share subscription periods and subscription prices:

- 2009A April 1, 2012–March 31, 2014, trade-weighted average share price April 1–30, 2009
- 2009B April 1, 2013–March 31, 2015, trade-weighted average share price April 1–30, 2010 and
- 2009C April 1, 2014–March 31, 2016, trade-weighted average share price April 1–30, 2011.

The Board of Directors of Alma Media Corporation decided in May 2009 to grant 640,000 option rights to corporate management under the 2009A programme. 30,000 option rights have been returned to the company due to the termination of the employment contracts. The company is in possession of 100,000 2009A options. The subscription price of a 2009A option, € 5.21 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2009. The subscription price of the 2009A options was reduced by the amount of dividend payment in March 2010 (€ 0.40 per share) to € 4.81 per share.

The Board of Directors of Alma Media Corporation decided in April 2010 to grant 610,000 option rights to corporate management under the 2009B programme. 15,000 of the granted option rights were returned to the company. In June 2010 the Board of Directs of Alma Media Corporation decided to grant 15,000 option rights to corporate management under the 2009B programme. The company is in possession of 100,000 2009B options. The subscription price of a 2009B option, € 7.33 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2010.

If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders at least by 2.73%.

The Board of Directors has no other current authorisations to raise convertible loans and/or to raise the share capital through a new issue.

More details about the shareholdings and option rights held by the company´s President and CEO, Group Executive Team and Board of Directors and by their related parties are given in Note 7.

MARKET LIQUIDITY GUARANTEE

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

EVENTS AFTER THE REVIEW PERIOD

Alma Media's printing and distribution company Alma Manu Oy has concluded in January 2011 an agreement on the financing of equipment for the printing facility scheduled for completion in Tampere in 2012. The agreement stipulates maximum financing of M€ 50. The agreement will be recognized in the consolidated financial statements as a financial leasing agreement under IAS 17 from the date on which the printing equipment becomes operational. The new printing facility is expected to become operational in late 2012.

On 1 February 2011, the Supreme Court has decided to refuse Pohjois-Suomen Media Oy, a subsidiary of Alma Media, the right to appeal the decision made by Helsinki Court of Appeal on 18 March 2010 regarding the matter of the termination of a Director's Agreement. As a result, the decision handed down by the Helsinki Court of Appeal remains unchanged.

Satakunnan Kirjateollisuus Oy, the publisher of Satakunnan Kansa, and Porin Sanomat Oy, are initiating co-determination negotiations pertaining to all employees. According to the preliminary view of the companies, they may reduce personnel by a maximum of 20 man-years. The objective of the restructuring and rationalisation of operations is to improve the competitiveness of Satakunnan Kansa and Porin Sanomat as the media markets undergo major shifts, thereby securing their viability in the future.

Board members Lauri Helve and Kari Stadigh have notified that they will not be available for election to the Board of Directors of Alma Media. The Nomination and Compensation Committee proposes to the Annual General Meeting that the current Board members Seppo Paatelainen, Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari be re-elected to the Board of Directors for the term ending at the close of the following ordinary annual general meeting. In addition, the Committee proposes that Mr Timo Aukia, Managing Director, Timo Aukia Oy, and Mr Petri Niemisvirta, Managing Director, Mandatum Life Insurance Company Ltd, be elected new members of the Board for the said term. The aforementioned candidates have given their consent to the election.

DIVIDEND PROPOSAL

Alma Media's Board of Directors will propose to the Annual General Meeting that a dividend of € 0.70 (0.40) per share be paid for the 2010 financial year, in total € 52,536,766 (29,845,009). On December 31, 2010, the Group's parent company had distributable funds totalling € 56,858,658 (53,724,933), of which profit for the period € 32,978,734 (26,001,181). Dividends are paid to shareholders who are entered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy no later than the record date, March 22, 2011. The payment date is March 29, 2011.

Key figures

Key figures are calculated applying IFRS recognition and measurement principles

		IFRS 2010	**%**	IFRS 2009	%	IFRS 2008	%	IFRS 2007	%	IFRS 2006	%
Financial key figures											
Revenue	M€	**311.4**	**1.1**	307.8	–9.8	341.2	3.7	328.9	8.9	301.9	–13.4
Operating profit	M€	**43.4**	**7.4**	40.4 *)	–16.4	48.3	–25.0	64.4	31.2	49.1	16.1
% of revenue	%	**13.9**		13.1		14.2		19.6		16.3	
Operating profit excluding non-recurring items		**43.9**	**3.0**	42.6	–10.5	47.7	–9.8	52.9	14	46.4	2
% of revenue		**14.1**		13.9		14.0		16.1		15.4	
Profit before tax	M€	**45.0**	**13.2**	39.7	–24.2	52.4	–22.9	68.0	36.3	49.9	0.8
Profit excluding non-recurring items	M€	**45.7**	**8.8**	42.0	–15.9	49.9	–11.7	56.5	33.6	42.3	–12.8
Profit for the period	M€	**33.2**	**17.3**	28.3	–27.5	39.0	–23.8	51.2	37.3	37.3	–89.8
Return on Equity/ROE	%	**31.6**	**2.6**	30.8	–18.2	37.7	–13.9	43.8	41.7	30.9	–88.4
Return on Investments/ROI	%	**31.1**	**9.9**	28.3	–18.7	34.8	–12.8	39.9	60.2	24.9	–85.5
Net financial expenses	M€	**–0.9**	**–369.4**	0.3	–10.6	0.4	–480.9	–0.1	–120	0.5	–135.7
Net financial expenses, % of revenue	%	**–0.3**		0.1		0.1		0.0		0.2	
Share of profit of associated companies	M€	**0.7**	**–315.3**	–0.3	–107.1	4.5	27.5	3.5	191.7	1.2	–73.3
Balance sheet total	M€	**184.5**	**19.5**	154.4	–7.5	166.9	–8.0	181.4	–9.2	199.7	–18.0
Capital expenditure	M€	**12.9**	**57.0**	8.2	–43.3	14.5	20.3	12.1	–38.5	19.6	–12.4
Capital expenditure, % of revenue	%	**4.1**		2.7		4.2		3.7		6.5	
Research and development costs	M€	**4.0**	**344.4**	0.9	–66.7	2.7	–27.0	3.7	112.8	1.7	–43.9
Research and development costs, % of revenue	%	**1.3**		0.3		0.8		1.1		0.6	
Equity ratio	%	**67.1**		66.9		57.2		69.8		61.3	
Gearing	%	**–28.2**		–17.3		6.5		–15.2		–5.6	
Interest-bearing net debt	M€	**–32.4**		–16.5		5.8		–17.9		–6.5	
Interest-bearing liabilities	M€	**4.0**	**–13.2**	4.6	–75.9	19.1	179.8	6.8	–68.6	21.7	–61.5
Non-interest-bearing liabilities	M€	**65.7**	**19.7**	5.5	–90.7	59.3	5.5	56.2	–10.3	62.7	3.8
Average no. of personnel, calculated as full-time employees, excl. delivery staff		**1,805**	**–4.4**	1,888	–4.7	1,981	0.5	1,971	3.7	1,901	–15.1
Delivery staff total (no of employees)		**962**	**–0.7**	969	0.1	968	0.6	962	12.3	857	–4.8
Share indicators											
Earnings per share	€	**0.44**		0.38		0.51		0.68		0.50	
Cash flow from operating activities/share	€	**0.61**		0.58		0.63		0.70		0.63	
Shareholders' equity per share	€	**1.50**		1.27		1.18		1.58		1.54	
Dividend per share	€	**0.70**	**)	0.40		0.30		0.90		0.65	
Payout ratio	%	**160.0**		106.0		58.3		132.9		131.1	
Effective dividend yield	%	**8.5**		5.3		6.1		7.7		7.0	
P/E Ratio		**18.9**		19.8		9.6		17.2		18.8	
Share prices											
Highest	€	**8.46**		8.94		11.70		12.43		9.95	
Lowest	€	**6.00**		4.50		4.38		8.93		6.90	
On Dec 31	€	**8.28**		7.48		4.95		11.67		9.25	
Market capitalization	M€	**621.4**		558.1		369.3		870.7		690.2	
Turnover of shares, total	kpcs	**14,839**		38,290		65,800		62,102		47,600	
Relative turnover of shares, total	%	**19.8**		51.3		88.2		83.2		63.8	
Average no. of shares (1,000 shares), basic	kpcs	**74,894**		74,613		74,613		74,613		74,613	
Average no. of shares (1,000 shares), diluted	kpcs	**75,086**		74,859		74,764		74,773		74,613	
No. Of shares on December 31, 2010	kpcs	**75,053**		74,613		74,613		74,613		74,613	

*) 2009 figures restated, see Note 13 **) Proposal for 2010 by the Board of Directors

Consolidated comprehensive income statement

M€	Note	**Jan 1–Dec 31, 2010**	Jan 1–Dec 31, 2009
Revenue	1, 3	**311.4**	307.8
Other operating income	4	**0.4**	0.9
Materials and services	5	**–89.4**	–93.1
Expenses arising from employee benefits	7	**–117.2**	–112.3
Depreciation, amortization and impairment charges	13, 14	**–9.5**	–9.9 *)
Other operating expenses	8, 9	**–52.4**	–53.0
Operating profit	1	**43.4**	40.4
Finance income	10	**1.5**	0.6
Finance expenses	10	**–0.6**	–1.0
Share of profit of associated companies	16	**0.7**	–0.3
Profit before tax		**45.0**	39.7
Income tax	11	**–11.8**	–11.4
Profit for the period		**33.2**	28.3
Other comprehensive income			
Change in translation differences		**0.6**	0.5
Share of other comprehensive income of assocated companies		**0.9**	–0.4
Other comprehensive income for the year, net of tax		**1.5**	0.2
Total comprehensive income for the year, net of tax		**34.7**	28.4
Profit for the period attributable to			
Owners of the parent		**32.8**	28.1
Non-controlling interest		**0.3**	0.1
Total comprehensive income for the period attributable to			
Owners of the parent		**34.4**	28.3
Non-controlling interest		**0.3**	0.1
Earning per share calculated from the profit for the period attributable to the parent company shareholders			
Earnings per share (basic), €	12	**0.44**	0.38
Earnings per share (diluted), €	12	**0.44**	0.38

*) 2009 restated, see Note 13

Consolidated balance sheet

M€	Note	Dec 31, 2010	Dec 31, 2009
ASSETS			
Non-current assets			
Goodwill	13	**30.4**	27.2 *)
Intangible assets	13	**10.5**	10.4
Property, plant and equipment	14	**27.8**	32.0
Investments in associated companies	16	**33.6**	30.5
Other non-current financial assets	17	**11.8**	4.5
Deferred tax assets	24	**0.2**	0.7
		114.3	105.3
Current assets			
Inventories	18	**1.0**	1.5
Tax receivables		**3.5**	0.0
Trade and other receivables	19	**27.0**	25.3
Other short-term financial assets	20	**2.3**	1.2
Cash and cash equivalents	21	**36.3**	21.1
		70.2	49.1
Assets, total		**184.5**	154.4

M€	Note	Dec 31, 2010	Dec 31, 2009
EQUITY AND LIABILITIES			
Share capital		**45.0**	44.8
Share premium reserve		**4.7**	2.8
Foreign currency translation reserve		**0.4**	−0.3
Retained earnings		**62.7**	47.4
Equity attributable to owners of the parent	22	**112.8**	94.7
Non-controlling interest		**2.0**	0.2
Total equity		**114.8**	94.9
Non-current liabilities			
Non-current interest-bearing liabilities	27	**2.4**	2.8
Deferred tax liabilities	24	**2.4**	2.5
Pension liabilities	25	**2.8**	3.1
Provisions	26	**0.1**	0.1
Other financial liabilities	29	**2.5**	0.3
Other non-current liabilities		**0.4**	0.0
		10.6	8.8
Current liabilities			
Current interest-bearing liabilities	27	**1.6**	1.8
Advances received		**13.4**	12.6
Income tax liability		**3.6**	1.6
Provisions	26	**0.6**	1.0
Trade and other payables	30	**39.9**	33.7
		59.1	50.7
Liabilities, total		**69.7**	59.5
Equity and liabilities, total		**184.5**	154.4

*) 2009 restated, see Note 13

Consolidated cash flow statement

M€	Note	**Jan 1–Dec 31, 2010**	Jan 1–Dec 31, 2009
Operating activities			
Profit for the period		**33.2**	28.3
Adjustments		**20.3**	20.5 *)
Change in working capital		**5.3**	–0.8
Dividend received		**1.0**	1.8
Interest received		**0.3**	0.4
Interest paid		**–0.7**	–1.0
Taxes paid		**–13.2**	–6.2
Net cash flow from operating activities		**46.1**	43.1
Investing activities			
Acquisitions of tangible and intangible assets		**–3.3**	–4.2
Proceeds from sale of tangible and intangible assets		**0.1**	0.0
Proceeds from sale of other investments		**0.0**	2.0
Change in loan receivables		**0.1**	–0.1
Acquisition of subsidiaries and business operations	2	**–2.3**	–0.8
Proceeds from sale of subsidiaries		**3.9**	6.2
Acquisition of associated companies	16	**–0.8**	–2.5
Net cash flows from / (used in) investing activities		**–2.4**	0.7
Cash flow before financing activities		**43.7**	43.9
Financing activities			
Proceeds from exercise of share options		**2.1**	
Current loans taken		**0.0**	17.8
Repayment of current loans		**0.0**	–30.8
Financial lease payments		**–1.6**	-1.9
Change in interest-bearing receivables	20	**0.8**	1.7
Dividends paid and capital repayment	22	**–30.0**	–23.0
Net cash flows from / (used in) financing activities		**–28.6**	–36.1
Change in cash and cash equivalent funds (increase + / decrease –)	15	**15.1**	7.7
Cash and cash equivalents at beginning of period	21	**21.1**	13.3
Effect of change in foreign exchange rates		**0.2**	0.1
Cash and cash equivalents at end of period	21	**36.3**	21.1

*) 2009 restated, see Note 13

Further details for statement of cash flow

M€	Note	**Jan 1–Dec 31, 2010**	Jan 1–Dec 31, 2009
Operating activities			
Adjustments:			
Depreciation, amortization and impairment charges	13, 14	**9.5**	9.9 *)
Share of results in associated companies	16	**−0.6**	0.3
Capital gains (losses) on sale of fixed assets and other investments		**0.4**	−1.0
Finance income and expenses	10	**−1.0**	0.3
Taxes	11	**11.8**	11.4
Change in provisions	26	**−0.4**	0.0
Other adjustments		**0.6**	−0.6
Adjustments, total		**20.3**	20.5
Change in working capital:			
Change in trade receivable		**−1.3**	1.0
Change in inventories		**0.5**	0.0
Change in trade payable		**6.1**	−1.9
Change in working capital, total		**5.3**	−0.8
Investing activities			
Investments financed through leases		**−3.4**	−1.4
Gross capital expenditure, payment-based **)		**−6.4**	−7.4
Sold and purchased business operations, non-payment-based		**−3.0**	0.6
Investments, total		**−12.9**	−8.2

*) 2009 restated, see Note 13

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

Consolidated statement of changes in equity

		Attributable to equity holders of the parent						
M€	Note	Share capital	Share premium account	Foreign currency translation reserve	Retained earnings	Equity attributable to the owners of parent	Non-controlling interest	Total equity
TOTAL EQUITY AT DEC 31, 2008	23	44.8	2.8	–0.8	41.1	87.9	0.6	88.5
Profit for the period					28.1	28.1	0.1	28.3*)
Other comprehensive income				0.5	–0.4	0.2		0.2
Business transactions with the owners								
Dividends paid by parent					–22.4	–22.4	0.0	–22.4
Dividends paid by subsidiaries							–0.6	–0.6
Share-based payment transactions					0.7	0.7		0.7
Excercised options								
Share of items recognized directly in associated company's equity					0.2	0.2		0.2
TOTAL EQUITY AT DEC 31, 2009	23	44.8	2.8	–0.3	47.4	94.7	0.2	94.9
Profit for the period					32.8	32.8	0.3	33.2
Other comprehensive income				0.6	0.9	1.5		1.5
Business transactions with the owners								
Dividends paid by parent					–29.8	–29.8		–29.8
Dividends paid by subsidiaries							–0.2	–0.2
Share-based payment transactions					0.6	0.6		0.6
Excercised options		0.3	1.9			2.1		2.1
Share of items recognized directly in associated company's equity								
Change in ownership in subsidiaries					10.7	10.7	1.7	12.4
TOTAL EQUITY AT DEC 31, 2010	23	45.0	4.7	0.4	62.7	112.8	2.0	114.8

*) 2009 restated, see Note 13

Accounting principles used in the consolidated financial statements

GENERAL

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

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

On February 15, 2011, the Board of Directors approved the consolidated financial statements for publication. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS, applying the IAS and IFRS standards and the SIC and IFRIC interpretations in effect on December 31, 2010. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedure stipulated in the EU's regulation (EC) no 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting standards and the provisions of the Limited Liability Companies Act.

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

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

The Group's parent company, Alma Media Corporation (corporate ID code FI19447574, called Almanova Corporation until November 7, 2005), was established on January 27, 2005. The company acquired the shares of the previous Alma Media Corporation (corporate ID code FI14495809) during 2005. The acquisition proceeded in stages with Almanova Corporation first acquiring a 12.5% holding as a result of an exchange and purchase offer. The privileged share issue to shareholders of the old Alma Media, pursuant to this offer, was recorded in the Trade Register on April 28, 2005. Almanova Corporation then acquired a 40.2% holding from Bonnier & Bonnier AB and Proventus Industrier AB on November 2, 2005. Almanova acquired the remaining 47.3% of the shares of the old Alma Media in a privileged share issue on November 7, 2005.

The acquisition has been treated in the consolidated accounts as a reverse acquisition based on IFRS 3. This means that the acquiring company was the old Alma Media Corporation and the company being acquired was the Group's current legal parent company, Almanova Corporation. The Finnish Financial Supervision Authority published its position on this matter on January 26, 2006. In the consolidated financial statements, the acquisition date is the situation before the exchange and purchase offer that started on April 28, 2005, in which Almanova offered new shares in exchange for shares in the old Alma Media. Before the start of the exchange and purchase offer Almanova had no other significant assets than the funds, one million euro, received when it was established. The net fair value of the assets, liabilities and contingent liabilities on the acquisition date did not differ from their carrying values in the company's accounts. The acquisition cost was equivalent to the net fair value of the assets, liabilities and contingent liabilities and therefore no goodwill has arisen.

The accounting principles adopted for the reverse acquisition apply only to the consolidated financial statements.

IMPACTS OF STANDARDS ADOPTED DURING 2010

The Group has applied the following standards and interpretations from January 1, 2010:

- IFRS 3 Business Combinations (revised, originally published in 2008, effective for financial periods starting July 1, 2009 or thereafter).

  The scope of application of the revised standard is wider than before, and it includes several changes relevant to the Group. The changes affect goodwill recognized for acquisitions and the gains from the sale of business operations. The changes also have an impact on financial assets at fair value through profit or loss in both the financial period during which they are acquired and until the financial periods during which additional purchase cost is paid or additional acquisitions carried out. In accordance with the standard's transition rule, business combinations with the acquisition date preceding the compulsory adoption date of the standard are not adjusted.
- IAS 27 Consolidated and Separate Financial Statements (revised, originally published in 2008, effective for financial periods starting July 1, 2009 or thereafter).

The revised standard requires the effects of all changes in the ownership of a subsidiary company to be recorded in Group equity when the parent company retains control. In case control is lost, any remaining interest in the subsidiary is re-measured to fair value through profit or loss. Corresponding accounting treatment will also be applied to investments in associated companies (IAS 28) and joint venture companies (IAS 31). Based on the revised standard, losses incurred by the subsidiary can be allocated to non-controlling interest even if the losses exceed the non-controlling equity investment.

- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (amended, effective for financial periods starting July 1, 2009 or thereafter).
  The amendment pertains to hedging accounting. It clarifies the IAS 39 guidelines on the hedging of unilateral risk of a hedged item and hedging for inflation risk in the case of items belonging to financial assets or liabilities. The amendment has not had any significant effect on the consolidated financial statements of the Group.
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective for financial periods starting July 1, 2009 or thereafter).
  The interpretation gives accounting guidelines for cases when non-cash assets are distributed to owners or when the owner is given a choice of taking cash in lieu of the non-cash assets. The interpretation has not had any significant effect on the consolidated financial statements of the Group.
- IFRIC 18 Transfers of Assets from Customers (effective for financial periods starting July 1, 2009 or thereafter).
  The interpretation clarifies the requirements of IFRS standards for agreements in which an entity receives from a customer an item of property, plant, and equipment, or cash to be invested in such items, that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services or both. The interpretation has not had any significant effect on the consolidated financial statements of the Group.
- Improvements to IFRSs (April 2009)
  Through the Annual Improvements process, minor, non-urgent amendments to standards are collected in a single document and adopted once a year. Amendments included in this project concern a total of 12 standards. The effects of the amendments differ by standard, but the amendments will not be significant to the future consolidated financial statements. The amendments to these standards have not yet been approved for application within the EU.
- Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions.
  The amendments clarify how an individual subsidiary in a group should account for some share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers. The amendments make clear that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendment has not had any significant effect on the consolidated financial statements of the Group.

COMPARABILITY OF CONSOLIDATED FINANCIAL STATEMENTS

The 2010 and 2009 financial years are comparable. The company has no discontinued operations to report in the 2009–2010 financial periods.

SUBSIDIARIES

All subsidiaries are consolidated in the Group's financial statements. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest arises when the Group holds more than half of the voting power or over which the Group otherwise exercises the right of control. The right of control means the right to control the company's business and financial principles in order to extract benefit from its operations. The accounting principles applied in the subsidiaries have been brought into line with the IFRS principles applied in the consolidated financial statements. Mutual holdings are eliminated using the purchase method. Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. As permitted by IFRS 1, acquisitions taking place prior to the transition date are not IFRS-adjusted but are left at their previous FAS values. All intra-group transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements. The distribution of the profit for the year between the parent company owners and non-controlling interest shareholders is shown in the statement of comprehensive income. The eventual non-controlling interest in the acquired companies are measured at fair value or to the amount corresponding to the share of the non-controlling interest based on the proportionate share of the specified net assets. The measurement method is defined for each acquisition separately. The amount of shareholders' equity attributable to non-controlling interests is shown as a separate item in the balance sheet under shareholders' equity. The comprehensive profit is allocated to the shareholders of the parent company and the non-controlling interest in its total amount, also the accumulated losses.

ASSOCIATED COMPANIES

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

JOINT VENTURE ENTITIES

Joint venture entities are companies in which the Group exercises joint control with one or more other parties. In Alma Media, jointly controlled assets are shares in the joint venture Mascus A/S established in 2007 and in mutually owned property companies and housing companies. Joint venture entities are consolidated in accordance with the proportionate consolidation method permitted under IAS 31 (Interests in Joint Ventures).

TRANSLATION OF ITEMS DENOMINATED IN FOREIGN CURRENCIES

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

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

ASSETS AVAILABLE FOR SALE AND DISCONTINUED OPERATIONS

Assets available for sale, and the assets related to the discontinued operation that are classified as available for sale, are measured at the lower of their book value or their fair value less the costs arising from their sale.The Group does not have assets classified under assets available for sale in the financial statements for 2009 or 2010.

RECOGNITION PRINCIPLES

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

EMPLOYEE BENEFITS

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

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

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

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

Defined benefit plans are all those that do not meet the criteria for a defined contribution plan. In Alma Media Group, supplementary pension obligations arising from voluntary plans are treated as defined benefit plans. In a defined benefit pension plan, the company is left with additional obligations also after the payment for the period is made. Actuarial calculations are acquired annually for plans classified as defined benefit plans as a basis for entering the expense, debt or asset item. Debt recognized in the balance sheet is the difference between the present value of the pension obligation and the fair value of the plan assets, on the one hand, and the unrecognized actuarial profits and losses on the other.

Obligations arising from defined benefit plans are calculated using actuarial assumptions. These are divided into demographic and economic assumptions. Demographic assumptions are mortality rates, termination rates and the commencement of disability. Economic assumptions are the discount rate, future salary levels, the expected yield from the plan's assets, and estimated rate of inflation.

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

SHARE-BASED PAYMENTS

On the balance sheet date, December 31, 2010, Alma Media has current stock option schemes for senior management launched in spring 2006 and in spring 2009, respectively. The 2006 and 2009 stock options are measured at fair value on the date of issue and expensed during the vesting period. The expense determined at the time of issue is based on the Group's estimate of the number of stock options that are expected to generate rights at the end of the vesting period. Their fair value is determined using the Forward Start Option Rubinstein (1990) model based on the Black–Scholes option pricing model. The Group updates the estimate of the final amount of options on each balance sheet date. When the stock options are exercised, the cash payments received from the subscription of shares, adjusted for transaction costs, are entered in shareholders' equity. The 2006 and 2009 stock option schemes and their impacts on the profit or loss and balance sheet are described in the notes to the financial statements.

LEASING AGREEMENTS

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

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

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

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

INCOME TAXES

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

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

Deferred tax assets and liabilities are netted by the company when they relate to income tax levied by the same tax authority and when the tax authority permits the company to pay or receive a single net tax payment.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less depreciation, amortization and impairment losses. Straight line depreciation is entered on the assets over their estimated useful lives. Depreciation is not entered on land. The estimated useful lives are:

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

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

INTANGIBLE ASSETS

Goodwill represents the excess of the acquisition cost over the Group's share of the net fair values of the acquired company's assets at the time of acquisition. Goodwill is applied to cash-generating units and tested on the transition date and thereafter annually for impairment. Goodwill is measured at the original acquisition cost less impairment losses.

Research costs are entered as an expense in the period in which they arise. Development costs are capitalized when it is expected that the intangible asset will generate future economic added value and the costs arising from this can be reliably determined.

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

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

INVENTORIES

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

FINANCIAL ASSETS, DERIVATIVE CONTRACTS AND HEDGE ACCOUNTING

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

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

Loans and Other Receivables are valued at their amortized cost. In Alma Media, this group consists of trade receivable and other receivables. The amount of uncertain receivables is estimated based on the risks associated with individual items. Credit losses are entered as an expense in the profit or loss.

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

Available-for-sale financial assets are measured at their fair value and the change in fair value is entered in the revaluation fund under shareholders' equity. This category comprises financial assets that are not classified in any of the other categories. The Group also classifies investments in unquoted shares in this category, but these investments are measured at acquisition cost in the financial statements because they cannot be reliably valued at fair value.

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

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

FINANCIAL LIABILITIES AND BORROWING COSTS

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

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

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

PROVISIONS

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

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

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

IMPAIRMENTS

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

OPERATING PROFIT

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

SEGMENT REPORTING AND ITS ACCOUNTING PRINCIPLES

In its financial statements, Alma Media Group reports the Newspapers, Kauppalehti Group and Marketplaces segments. The printing and distribution operations and parent company's operations are reported in Other Operations. Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the business segments listed above.

The segment information is based on Group management internal reporting in which the valuation of assets and liabilities is based on IFRS standards. IFRS 8 standard applied on January 1, 2009 onwards didi not have any impact on the Group´s operative segments.

NON-RECURRING ITEMS

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

ACCOUNTING PRINCIPLES REQUIRING MANAGEMENT'S JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Accounting principles requiring management's judgement:

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

Key sources of estimation uncertainty:

Impairment tests: The Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and reviews any indications of impairment in the manner described above. The amounts recoverable from cash-generating units are recognized based on calculations of their fair value. The preparation of these calculations requires the use of estimates. The estimates and assumptions used to test major goodwill items for impairment, and the sensitivity of changes in these factors with respect to goodwill testing is described in more detail in the note which specifies goodwill.
Useful lives: Estimating useful lives used to calculate depreciation and amortization also requires management to estimate the useful lives of these assets. The useful lives used for each type of asset are listed above under Property, Plant and Equipment and Intangible Assets.
Other estimates: Other management estimates relate mainly to other assets, such as the current nature of receivables and capitalized R&D costs, to tax risks, to determining pension obligations, to the utilization of tax assets against future taxable income, and to the fair value adjustment of assets received in conjunction with acquisitions.

EVENTS SUBSEQUENT TO THE CLOSING OF THE ACCOUNTS

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

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

APPLICATION OF NEW BUT NOT YET ADOPTED STANDARDS

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

- IAS24 Related Party Disclosures (revised, effective for financial periods starting January 1, 2011 or thereafter).
  The amendment is aiming at clarifying and simplifying the definition of the related party and to provide for a partial exemption of related party disclosures for transactions between government-related entities as well as with the government itself. This revision has no major impact on the Group´s financial statements.
- IAS32 Financial Instruments: Presentation: Classification of Right Issues (amendment, effective for financial periods starting February 1, 2010 or thereafter).
  The amendment concerns the share issues in foreign currencies. The amendment allows recognition of the warrants for the share issues in foreign currencies as equity instead of derivatives. This amendment has no major impact on the Group´s financial statements.
- IFRIC 14 IAS 19 The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for financial periods starting January 1, 2011 or thereafter).
  In the amendment the calculation requirements were eased and the payments made to meet minimum funding requirement maybe recognized in equity. This amendment has no major impact on the Group´s financial statements.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for financial periods starting July 1, 2010 or thereafter).
  The interpretation is giving instructions to reclassify the financial liabilities into equity. The debtor recognizes in profit or loss the difference between the carrying amount of the financial liability (or part) extinguished and the measurement of the equity instruments issued. If only part of a liability is extinguished, the debtor must determine whether any part of the consideration paid relates to modification of the terms of the remaining liability. If it does, the debtor must allocate the fair value of the consideration paid between the liability extinguished and the liability retained. This amendment has no major impact on the Group´s financial statements.
- Improvements to IFRSs (May 2010, effective mainly for financial periods starting January 1, 2011 or thereafter).
  Through the Annual Improvement process, minor, non-urgent amendments to standards are collected in a single document and adopted once a year. Amendments included in this project concern a total of 6 standards. The amendments to these standards have not yet been approved for application within EU.
- IFRS 9 Financial Instruments (effective mainly for financial periods starting January 1, 2013 or thereafter).
  IFRS 9 is the first phase of a larger project aiming at replacing IAS 39. The existing measurement methods remain, but they are simplified. Financial assets are classified into two groups based on the measurement method: Amortized cost and fair value. Entity may choose the classification based on their business operation model and cash flows. The existing rules in IAS 39 for impairment testing and hedge accounting remain. No restatement for the previous periods is needed, if the standard will be applied as from January 1, 2012. The new standard has not yet been approved for application within EU.

The impact of the aforementioned new standards and IFRIC interpretations on the Group is initially estimated to be minor.

Calculation of key figures

Return on shareholders’ equity, % (ROE)	$\dfrac{\text{Profit for the period}}{\text{Shareholders' equity + non-controlling interest (average during the year)}} \times 100$
Return on investment, % (ROI)	$\dfrac{\text{Profit for the period + interest and other financial expenses}}{\text{Balance sheet total - non-interest-bearing debt (average during the year)}} \times 100$
Equity ratio, %	$\dfrac{\text{Shareholders' equity + non-controlling interest}}{\text{Balance sheet total - advances received}} \times 100$
Operating profit	Profit before tax and financial items
Basic earnings per share, €	$\dfrac{\text{Share of net profit belonging to parent company owners}}{\text{Average number of shares adjusted for share issues}}$
Diluted adjusted earnings per share, €	$\dfrac{\text{Share of net profit belonging to parent company owners}}{\text{Diluted average number of shares adjusted for share issues}}$
Net gearing, %	$\dfrac{\text{Interest-bearing debt - cash and bank receivables}}{\text{Shareholders' equity + non-controlling interest}} \times 100$
Dividend per share, €	Dividend per share approved by annual general meeting. With respect to the most recent year, Board’s proposal to the AGM
Payout ratio, %	$\dfrac{\text{Dividend / share}}{\text{Share of EPS belonging to parent company shareholders}} \times 100$
Effective dividend yield, %	$\dfrac{\text{Dividend / share adjusted for share issues}}{\text{Final quotation at close of period adjusted for share issues}} \times 100$
Price/earnings (P/E) ratio	$\dfrac{\text{Closing price at end of period adjusted for share issues}}{\text{Share of EPS belonging to parent company owners}}$
Shareholders’ equity per share, €	$\dfrac{\text{Equity attributable to equity holders of the parent}}{\text{Number of shares at end of period adjusted for share issues}}$
Market capitalization of share stock, M€	Number of shares (1,000) x closing price at end of period

Notes to the consolidated financial statements

1. SEGMENT INFORMATION

Alma Media Group has four reporting segments, which are the Group's strategic business units. The strategic business units produce a variety of products and services, and they are managed as separate entities. The segment information provided by the Group is based on internal management reporting, applying the IFRS standards. The segment structure was changed from the beginning of 2010 when Alma Media´s printing and distribution operations were combined in a new group unit. The primary business segments to be reported within the Group are Newspapers, the Kauppalehti Group, Marketplaces and Other Operations. The parent company's operations are reported under Other operations business segment. After the change in the segment structure and composition, Alma Media has restated the segments´ items for the comparison period 2009 according to the IFRS 8 Operating Segments standard.

The Newspapers segment reports the publishing activities of 34 newspapers. The largest of them are the regional paper Aamulehti and the daily afternoon paper Iltalehti. Kauppalehti Group specialises in providing business and financial information. Its best known title is Finland's leading business media Kauppalehti. The group also includes Alma Media Lehdentekijät, a custom media house, and the news agency and media monitoring unit BNS Group that operates in the Baltic countries. Marketplaces reports classified advertising services produced online and supported by printed media. Inter-segment transfer prices are based on market prices.

The segments' assets and liabilities are items used by the respective segments in their business operations. Non-allocated items mainly include tax and financial items.

Geographical segments cannot be distinguished within the Group (Alma Media chiefly operates in one geographical segment), which is why segment reporting comprises only the business segments listed above. The following table shows the geographical breakdown of the Group's revenue in 2010 and 2009.

M€	**2010**	**Share of total, %**	2009	Share of total, %
Finland	**298.4**	**95.8**	295.3	96.0
Other EU countries	**12.1**	**3.9**	11.9	3.9
Other countries	**0.8**	**0.3**	0.5	0.2
Total	**311.4**	**100.0**	307.8	100.0

REVENUE

M€	Newspapers	Kauppalehti Group	Marketplaces	Others	Segments total	Non-allocated items and eliminations	Group
Financial year 2010							
Revenue							
External revenue	215.1	57.2	32.3	6.7	311.4		311.4
Inter-segment revenue	4.1	0.7	–0.3	71.9	76.4	–76.4	0.0
Revenue, total	219.3	57.9	32.1	78.5	387.8	–76.4	311.4
Financial year 2009							
Revenue							
External revenue	213.4	62.5	27.0	4.8	307.8		307.8
Inter-segment revenue	2.1	0.3		67.8	70.2	–70.2	0.0
Revenue, total	215.5	62.8	27.0	72.6	378.0	–70.2	307.8

PROFIT FOR THE PERIOD

M€	Newspapers	Kauppalehti Group	Marketplaces	Others	Segments total	Non-allocated items and eliminations	Group
Financial year 2010							
Operating profit	32.9	8.2	0.4	1.9	43.4		43.4
Share of results in assoc. companies	0.1	0.0	–0.1	0.6	0.7		0.7
Net finance expenses	0.0	–0.8	1.0	0.7	0.9		0.9
Profit before tax	32.9	7.4	1.3	3.3	45.0		45.0
Income tax						–11.8	–11.8
Profit for the period	32.9	7.4	1.3	3.3	45.0	–11.8	33.1
Financial year 2009							
Operating profit	29.7	6.7	–1.7*)	5.7	40.4		40.4
Share of results in assoc. companies	0.1	–1.4	0.0	0.9	–0.3		–0.3
Net finance expenses	0.0	–1.1	–0.4	1.2	–0.3		–0.3
Profit before tax	29.9	4.2	–2.1	7.8	39.7		39.7
Income tax						–11.4	–11.4
Profit for the period	29.9	4.2	–2.1	7.8	39.7	–11.4	28.3

ASSETS AND LIABILITIES

M€	Newspapers	Kauppalehti Group	Marketplaces	Others	Segments total	Non-allocated items and eliminations	Group
Financial year 2010							
Segment assets	44.7	16.2	21.7	21.6	104.1		104.1
Investments in assoc. companies	1.6	25.1	–0.1	6.9	33.6		33.6
Non-allocated assets						46.7	46.7
	46.3	41.3	21.7	28.5	137.8	46.7	184.5
Segment liabilities	27.4	10.4	7.7	14.3	59.7		59.7
Non-allocated liabilities						10.0	10.0
	27.4	10.4	7.7	14.3	59.7	10.0	69.7
Total	19.0	30.9	14.0	14.1	78.0	36.7	114.8
Financial year 2009							
Segment assets	43.6	17.1	11.9*)	25.4	98.0		98.0
Investments in assoc. companies	1.8	24.2	0.0	4.5	30.5		30.5
Non-allocated assets						25.9	25.9
	45.4	41.3	11.9	29.9	128.5	25.9	154.4
Segment liabilities	24.9	9.8	3.5	12.6	50.8		50.8
Non-allocated liabilities						8.7	8.7
	24.9	9.8	3.5	12.6	50.8	8.7	59.5
Total	20.5	31.5	8.4	17.3	77.7	17.2	94.9

Assets not allocated to the segments are financial assets and tax receivables.
Liabilities not allocated to the segments are financial and tax liabilities.
*) 2009 restated, see Note 13

OTHER DISCLOSURES

M€	Newspapers	Kauppalehti Group	Marketplaces	Others	Segments total	Non-allocated items and eliminations	Group
Financial year 2010							
Investments	4.0	1.4	5.6	1.8	12.9		12.9
Depreciation and amortisation	1.8	0.8	1.5	5.4	9.5		9.5
Other expenses not requiring payment transaction, other than depreciation	−0.6	0.7	−1.1	0.0	−1.1	−0.1	−1.2
Impairments	0.0	0.0	0.0	0.0	0.0		0.0
Financial year 2009							
Investments	1.8	2.6	0.7	3.0	8.2		8.2
Depreciation and amortisation	1.8	0.9	1.5	4.5	8.7		8.7
Other expenses not requiring payment transaction, other than depreciation	−0.2	0.2		0.0	−0.1		−0.1
Impairments	0.0		1.2*)		1.2		1.2

*) Year 2009 restated, see note 13

2. BUSINESS COMBINATIONS

Acquisitions in 2010

The Group acquired five business operations during 2010.

	Business line	Acquired on	Ownership %
Marketplaces segment			
Marknadspriser i Sverige AB, Ruotsi	Online advertising	Mar 1, 2010	60
Newspapers segment			
Tyrvään Sanomat	Local newspaper	Apr 16, 2010	100
Kotikokki.net	Online advertising	Jun 1, 2010	65
Other	Online advertising	Oct 1, 2010	100
Kauppalehti Group			
TTNK-Helsinki Oy	Digital marketing communication	Nov 1, 2010	100

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

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.1	0.1
Intangible assets	0.0	1.5
Trade and other receivables	0.7	0.7
Cash and cash equivalents	0.3	0.3
Assets, total	1.1	2.6

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

The minimum realizable value of the contingent considerations is M€ 0.2.

The amount of the contingent considerations is based on the net sales and operating profits of the acquired business during 2010–2012.

Contingent considerations are classified as financial assets recognized at fair value through profit or loss.. The change in fair value is recognized in the financial items.The fair value of the non-controlling interests at the time of the acquisition was M€ 0.1. The fair values are the estimated final consderations discounted to the balance sheet date.

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

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

The fair values entered on intangible assets in the integration relate primarily to customer agreements. The goodwill arising from these acquisitions totalled M€ 2.9. Contributory factors were the synergies related to these businesses expected to be realised. The year's operating profit of the operations acquired for the segment was M€ –0.09 from the acquisition date. Group revenue would have been an estimated M€ 313.4 (reported M€ 311.4) and the operating prof t M€ 43.6 (reported M€ 43.4), assuming the acquisitions had taken place at the beginning of 2010.

In the case of the customer agreements, the fair values are based on the estimated duration of the customer relationships and the discounted net cash flows generated by existing customers.

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

Acquisitions in 2009

The Group acquired one business operation during 2009.

	Business line	Acquired on	Ownership %
Kauppalehti Group			
UAB BNS Newsventure	Media monitoring	Oct 1, 2009	100

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

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.0	0.0
Intangible assets	0.0	0.0
Trade and other receivables	0.2	0.2
Cash and cash equivalents	0.2	0.2
Assets, total	0.5	0.9
Deferred tax liabilities		0.1
Trade and other payables	0.2	0.2
Liabilities, total	0.2	0.3
Total identifiable net assets at fair value	0.2	0.6
Non-controlling interest measured at fair value		0.3
Goodwill arising on acquisition		0.9
Cash and cash equivalents of acquired subsidiaries or businesses		0.2
Impact on cash flow		0.7

Goodwill arising on acquisition	
Contingent consideration	0.9
Identifiable net assets of the acquired business operations	–0.6
Goodwill	0.3

The fair values entered on intangible assets in the integration relate primarily to customer agreements. The goodwill arising from these acquisitions totalled M€ 0.3. Contributory factors were the synergies related to these businesses expected to be realised. The year's operating profit of the operations acquired for the segment was M€ –0.0 from the acquisition date. Group revenue would have been an estimated M€ 309.0 and the operating profit M€ 41.4, assuming the acquisitions had taken place at the beginning of 2009.

In the case of the customer agreements, the fair values are based on the estimated duration of the customer relationships and the discounted net cash flows generated by existing customers.

3. REVENUE

M€	2010	2009
Distribution of revenue between goods and services *)		
Sales of goods	**127.3**	126.4
Sales of services	**184.1**	181.4
Revenue, total	**311.4**	307.8

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

*) 2009 restated between the lines.

4. OTHER OPERATING INCOME

M€	2010	2009
Gains on sale of non-current assets	**0.4**	0.8
Other	**0.0**	0.1
Other operating income, total	**0.4**	0.9

5. MATERIALS AND SERVICES

M€	2010	2009
Purchases during period	**16.3**	17.1
Change in inventories	**–0.5**	0.0
Materials, goods and supplies	**15.8**	17.1
External services	**73.5**	76.0
Total	**89.4**	93.1

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2010 totalled M€ 4.0 (M€ 0.9 in 2009). Of this total, M€ 2.6 (M€ 0.5) was expensed and M€ 1.4 (M€ 0.5 in 2009) was capitalized in 2010. There were capitalized research and developments costs M€ 3.9 in the balance sheet at December 31, 2010.

7. EMPLOYEE BENEFITS EXPENSES

M€	2010	2009
Salaries and fees	**94.7**	92.5
Pension costs - defined contribution plans	**16.2**	14.5
Pension costs - defined benefit plans	**0.0**	–0.2
Share-based payment transaction expense	**0.6**	0.7
Other personnel expenses	**5.6**	4.9
Total	**117.2**	112.3

Average total workforce, calculated as full-time employees, excl. distribution staff		
Newspapers	**972**	1,002
Kauppalehti Group	**437**	477
Marketplaces	**180**	200
Other	**217**	210
Total	**1,805**	1,888

Additionally, Group's own distribution staff (number of employees)	**962**	969

M€	2010	2009
Salaries and bonuses paid to management		
Parent company President and CEO (Kai Telanne):		
Salaries and other short-term employee benefits	**0.5**	0.4
Post-employment benefits	**0.1**	0.2
Approved stock options to be settled in shares	**0.1**	0.1
Total	**0.7**	0.7

The figures in the table are presented as accrual basis. In 2010 the salary and benefits paid to the President and CEO totalled M€ 0.6 (in 2009 M€ 0.4), including M€ 0.2 share-based payments.

Other members of the Group Executive Team:		
Salaries and other short-term employee benefits	**1.4**	1.3
Post-employment benefits	**0.2**	0.3
Approved stock options to be settled in shares	**0.3**	0.3
Total	**2.0**	1.9

The figures in the table are presented as accrual basis. In 2010 the salary and benefits paid to the other members of the Group Executive Team totalled M€ 1.5 (in 2009 M€ 1.2), including M€ 0.4 share-based payments.

1,000 €		2010	2009
Board of Directors of Alma Media Corporation and fees paid to its members			
Kari Stadigh	Chairman	**50**	52
Seppo Paatelainen	Deputy chairman	**37**	34
Matti Kavetvuo	Member (until March 11, 2010)		28
Lauri Helve	Member	**30**	32
Erkki Solja	Member	**28**	29
Kai Seikku	Member	**28**	30
Harri Suutari	Member	**31**	32
Catharina Stackelberg-Hammarén	Member	**29**	27
Total		**231**	264

The figures in the table are presented on accrual basis. According to the resolution of the general meeting the benefits to the board members are paid as shares of Alma Media Corporation.

M€	2010	2009
Salaries and fees to management, total	**2.9**	2.8

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

The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team together held 305,949 of the company's shares on December 31, 2010, representing 0.4% of the total number of shares and votes. The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team held altogether 255,000 options under the 2006B plan, 260,000 options under the 2006C plan, 355,000 options under the 2009A plan and 355,000 options under the 2009B plan on December 31, 2010. These option rights entitle their holders to subscribe to a maximum of 1,225,000 new shares in the company.

The option rights and shares owned by the members of the Board of Directors, the President and CEO of the parent company and the members of the Group Executive Team represent 1.8% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights on Dec 31, 2010, are as follows *)

Kpl		Shares	Options 2006B	Options 2006C	Options 2009A	Options 2009B
Kari Stadigh	Chairman	17,995				
Seppo Paatelainen	Deputy chairman	3,157				
Lauri Helve	Member	28,645				
Kai Seikku	Member	5,155				
Erkki Solja	Member	41,892				
Harri Suutari	Member	86,343				
Catharina Stackelberg-Hammarén	Member	2,630				
Kai Telanne	President and CEO	36,643	80,000	80,000	100,000	100,000
Jouko Jokinen	member, Group Executive Team	21,000	25,000	25,000	30,000	30,000
Tuomas Itkonen	member, Group Executive Team				30,000	30,000
Kari Kivelä	member, Group Executive Team	2,300	40,000	40,000	45,000	45,000
Mikko Korttila	member, Group Executive Team		5,000	10,000	30,000	30,000
Juha-Petri Loimovuori	member, Group Executive Team	950	40,000	40,000	45,000	45,000
Raimo Mäkilä	member, Group Executive Team	49,000	40,000	40,000	45,000	45,000
Minna Nissinen	member, Group Executive Team	10,239	25,000	25,000	30,000	30,000
Total		305,949	255,000	260,000	355,000	355,000

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

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

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

8. OTHER OPERATING EXPENSES

Specification of other operating expenses by business:

M€	**2010**	2009
Information technology and telecommunication	**11.6**	11.3
Business premises	**10.8**	11.2
Sales and marketing	**10.8**	10.5
Other costs	**19.3**	19.9
Total	**52.4**	53.0

9. AUDIT EXPENSES

M€	**2010**	2009
Ernst & Young Oy		
Audit	**0.1**	0.1
Reporting and opinions	**0.0**	0.0
Tax consultation	**0.0**	0.1
Other	**0.0**	0.1
Total	**0.2**	0.2

10. FINANCE INCOME AND EXPENSES

M€	2010	2009
Finance income		
Interest income		
Other interest income	**0.3**	0.4
Foreign exchange gains and losses	**0.0**	0.0
Dividend income on other non-current investments	**0.3**	0.2
Fair value gain on financial assets at fair value through profit or loss	**0.8**	0.0
Fair value gain on financial liabilities at fair value through profit or loss	**0.1**	0.0
Total	**1.5**	0.6
Finance expenses		
Interest costs		
Interest costs from other interest-bearing debt	**–0.0**	–0.5
Interest costs from finance leases	**–0.2**	–0.3
Other financial expences	**–0.4**	–0.3
Total	**–0.6**	–1.0
Finance income and expenses, total	**0.9**	–0.3

Finance income presented by categories		
Interest income on held to maturity investments	**0.3**	0.4
Foreign exchange gains (loans and receivables)	**0.0**	0.0
Fair value gain on financial assets at fair value through profit or loss	**0.8**	0.0
Fair value gain on financial liabilities at fair value through profit or loss	**0.1**	0.0
Dividend income from available-for-sale financial assets	**0.3**	0.2
Total	**1.5**	0.6

Finance expenses presented by categories		
Interest expenses from interest-bearing debts measured at amortized cost	**–0.0**	–0.5
Interest expenses from finance leases measured at amortized cost	**–0.2**	–0.3
Other finance expenses	**–0.4**	–0.3
Total	**–0.6**	–1.0

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

11. INCOME TAX

M€	2010	2009
Current income tax charge	**11.9**	10.8
Adjustments in respect of current income tax of previous years	**–0.1**	–0.1
Deferred taxes	**0.0**	0.7
Total	**11.8**	11.4

Reconciliation of tax expense in income statement and tax calculated on Finnish tax rate:
The Finnish corporate tax rate in 2010 and 2009 was 26%.

M€	2010	2009
Income before tax	**45.0**	39.7 **)
Share of associated companies' result	**–0.7**	0.3
	44.3	40.1
Tax calculated on the parent company's tax rate	**11.6**	10.7
Impact of varying tax rates of foreign subsidiaries	**–0.1**	0.1
Tax-free income	**–0.2**	–0.2
Non-tax-deductable expenses	**0.4**	0.4
Items from previous periods	**–0.1**	–0.1
Use of previously non-entered deferred tax assets	**0.0**	0.0
Unrecognized deferred tax asset of the confirmed tax losses *)	**0.3**	0.6
Recognition in balance sheet of previously non-entered deferred tax assets	**0.0**	0.0
Other items	**0.0**	–0.1
Tax recognized in the income statement	**11.8**	11.4

*) Based on re-evaluation of usability of deferred tax assets.

**) 2009 restated, Note 13.

No taxes are recognized for the other comprehensive income items.

12. EARNINGS PER SHARE

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

M€	2010	2009
Profit attributable to ordinary share holders of parent	**32.8**	28.1*)
Number of shares (1,000)		
Weighted average number of shares for basic earnings per share	**75,053**	74,613
Effect of dilution, share options	**164**	247
Diluted weighted average number of outstanding shares	**75,216**	74,859
EPS, basic, €	**0.44**	0.38
EPS, diluted, €	**0.44**	0.38

*) 2009 restated, Note 13.

13. INTANGIBLE ASSETS AND GOODWILL

M€	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2010					
Acquisition cost Jan 1	19.2	4.7	1.0	28.4	53.2
Increases	1.8	0.0	1.8	2.9	6.5
Decreases	−0.9		−0.1	−0.3	−1.3
Exchange differences				0.4	0.4
Transfers between items	0.8	0.1	−1.1		−0.2
Acquisition cost Dec 31	20.8	4.8	1.6	31.4	58.6
Acc. depreciation, amortization and impairments Jan 1	11.6	2.9		1.2	15.6
Acc. depreciation in decreases and transfers	−0.7			−0.1	−0.8
Depreciation for the financial year	2.2	0.8			3.0
Writedowns					0.0
Exchange differences	0.0				0.0
Accumulated depreciation Dec 31	13.1	3.7	0.0	1.1	17.8
Book value Jan 1	7.6	1.8	1.0	27.2	37.6
Book value Dec 31	7.8	1.1	1.6	30.4	40.9
Financial year 2009					
Acquisition cost Jan 1	19.2	4.0	1.3	33.2	57.7
Increases	1.4	0.1	1.0	0.8	3.2
Decreases	−2.0	0.0	−0.1	−5.6	−7.7
Exchange differences	0.0				0.0
Transfers between items	0.6	0.6	−1.2		0.0
Acquisition cost Dec 31	19.2	4.7	1.0	28.4	53.2
Acc. depreciation, amortization and impairments Jan 1	10.1	2.1	0.0	0.2	12.4
Acc. depreciation in decreases and transfers	−0.8	−0.3		−0.2	−1.3
Depreciation for the financial year	2.2	1.1			3.3
Writedowns	0.1	0.0		1.1*)	1.2
Exchange differences					0.0
Accumulated depreciation Dec 31	11.6	2.9	0.0	1.2	15.6
Book value Jan 1	9.1	1.9	1.3	33.0	45.3
Book value Dec 31	7.6	1.8	1.0	27.2	37.6

*) 2009 restated

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

Intangible assets include assets purchased through finance leases as follows:

M€	Intangible rights
Financial year 2010	
Acquisition cost Jan 1	0.8
Decreases	0.0
Acquisition cost Dec 31	0.8
Acc. depreciation Jan 1	0.8
Depreciation for the financial year	0.0
Accumulated depreciation Dec 31	0.8
Book value Dec 31	0.0
Financial year 2009	
Acquisition cost Jan 1	0.8
Acquisition cost Dec 31	0.8
Acc. depreciation 1.1.	0.6
Depreciation for the financial year	0.2
Accumulated depreciation Dec 31	0.8
Book value Dec 31	0.0

Allocation of intangibles with indefinite lives to cash-generating units

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

M€	2010	2009
Iltalehti	**1.0**	0.8
Suomen Paikallissanomat	**0.4**	0.2
Other	**0.1**	0.0
Newspapers, total	**1.4**	1.0
Alma Media Lehdentekijät	**0.1**	0.1
Kauppalehti Group, total	**0.1**	0.1
Homes and business premises	**0.8**	0.8
Marketplaces, total	**0.8**	0.8
Group, total	**2.3**	1.9

Allocation of goodwill to cash-generating units

A significant amount of goodwill has been allocated to the following cash-generating units:

M€	2010	2009
Aamulehti	**0.0**	0.0
Iltalehti	**3.6**	3.1
Pohjois-Suomen Media Oy	**5.8**	5.8
Satakunnan Kansa	**4.0**	4.0
Suomen Paikallissanomat	**2.6**	2.0
Other	**0.6**	0.0
Newspapers, total	**16.6**	15.0
Baltic News Service	**1.1**	1.1
Kauppalehti	**3.3**	3.3
Alma Media Lehdentekijät	**3.1**	2.9
Kauppalehti Group, total	**7.5**	7.3
Homes and business premises	**4.9**	4.5
Vehicles and heavy machinery	**1.2**	0.3
Marketplaces, total	**6.1**	4.8
Units allocated an insignificant amount of goodwill	**0.1**	0.1
Goodwill total	**30.4**	27.2

Impairment testing of goodwill and intangible with indefinite lives

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

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

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

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

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

With regard to the recoverable amounts from Alma Media Group's Newspapers and Kauppalehti Group segments, as well as the Marketplaces segment's business operations in Finland, the management does not believe that a change in any of the central variables would lead to a situation in which the recoverable amounts of the business units would be lower than their book values. For the Newspapers, Kauppalehti Group segments and the Marketplaces segment's operations in Finland, the combined book values of the assets of business units under the segments at the time of testing were less than 10% of the current value of the estimated recoverable amount of the segments.

For the Marketplaces segment's operations outside Finland, the combined book value of the assets is some 40% of the current value of the estimated recoverable amount. Should the advertising sales decrease 6% from the management view at the balance sheet date, the Marketplaces segment's operations in Sweden have an exposure for an impairment loss of some M€ 0.1.

No impairment losses on goodwill were recognized in 2010. Based on the impairment testing there is no indication for any impairment losses of goodwill or other intangible assets.

An impairment loss of M€ 1.0 was recognized in 2009, allocated to the City24 business division of the Marketplaces segment´s home sales business. Of this impairment loss, M€ 1.0 affects goodwill.

Restatement

In 2010, the impairment losses occurred in the Marketplaces segment in 2009 were restated in the consolidated financial statements.

The impairment losses were included in the notes to the financial statements of 2009. The impact on the basic and diluted earnings per share was € 0.01 in 2009.

M€	Presented	Restatement	Restated
Dec 31, 2009			
Income statement			
Depreciation, amortization and impairment charges	–8.9	–1.0	–9.9
Profit for the period	29.3	–1.0	28.3
Balance sheet			
Goodwill	28.2	–1.0	27.2
Retained earnings	48.5	–1.0	47.4

14. PROPERTY, PLANT AND EQUIPMENT

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2010						
Acquisition cost Jan 1	1.7	25.4	63.0	4.5	0.6	95.3
Increases		0.1	2.2	0.0	0.5	2.9
Decreases	0.0	–1.1	–5.5	–0.1	–0.2	–6.8
Exchange differences			0.1			0.1
Transfers between items			1.2	0.0	–1.0	0.2
Acquisition cost Dec 31	1.7	24.5	61.0	4.5	0.0	91.6
Acc. depreciation, amortization and impairments Jan 1	0.0	15.1	45.5	2.6	0.0	63.2
Accumulated depreciation in decreases and transfers		–1.0	–4.9	0.0		–5.9
Depreciation for the financial year		0.6	5.6	0.3		6.5
Exchange differences			0.0			0.0
Acc. depreciation, amortization and impairments Dec 31	0.0	14.7	46.2	2.9	0.0	63.8
Book value Jan 1	1.7	10.3	17.5	1.9	0.6	32.0
Book value Dec 31	1.7	9.8	14.8	1.6	0.0	27.8
Balance sheet value of machinery and equipment, Dec 31			14.0			

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2009						
Acquisition cost Jan 1	1.7	25.2	64.5	4.7	0.1	96.2
Increases		0.2	1.3	0.2	1.3	3.1
Decreases	0.0	–0.1	–3.5	–0.4		–4.0
Exchange differences			0.0	0.0		0.0
Transfers between items		0.2	0.6	0.0	–0.8	0.0
Acquisition cost Dec 31	1.7	25.4	63.0	4.5	0.6	95.3
Acc. depreciation, amortization and impairments Jan 1	0.0	14.6	43.6	2.8	0.0	61.1
Accumulated depreciation in decreases and transfers		0.0	–3.0	–0.3		–3.3
Depreciation for the financial year		0.5	4.8	0.1		5.5
Writedowns			0.0	0.0		0.0
Exchange differences				0.0		0.0
Acc. depreciation, amortization and impairments Dec 31	0.0	15.1	45.5	2.6	0.0	63.2
Bookg value Jan 1	1.7	10.6	20.9	1.8	0.1	35.2
Book value Dec 31	1.7	10.3	17.5	1.9	0.6	32.0
Balance sheet value of machinery and equipment, Dec 31			16.6			

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

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

M€	Machinery and equipment
Financial year 2009	
Acquisition cost Jan 1	11.9
Increases	0.6
Decreases	–2.8
Acquisition cost Dec 31	9.7
Acc. Depreciation Jan 1	5.7
Acc. depreciation in decreases	–2.6
Depreciation for the financial year	1.8
Acc. Depreciation Dec 31	4.9
Book value Dec 31	4.8

15. SUBSIDIARY COMPANIES

Company	Registered office	Holding %	Share of votes %
Alma Intermedia Oy	Pori	100.00	100.00
Alma Manu Oy	Tampere	100.00	100.00
Alma Media doo	Belgrad	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki	100.00	100.00
Alma Media Lehdentekijät Oy	Helsinki	100.00	100.00
Alma Mediapartners Oy	Helsinki	65.00	65.00
Arctic Press Oy	Rovaniemi	100.00	100.00
AS Kinnisvaraportaal	Tallinn	100.00	100.00
Balti Uudistetalituse AS	Tallinn	100.00	100.00
BNS Eesti OÜ	Tallinn	100.00	100.00
BNS Latvija SIA	Riga	99.99	99.99
BNS UAB	Vilnius	99.95	99.95
Bovision AB	Stockholm	100.00	100.00
City24 Polska Sp z.o.o.	Warsaw	70.00	70.00
ETA Uudistetalituse OÜ	Tallinn	100.00	100.00
Etuovi Oy	Helsinki	100.00	100.00
Karenstock Oy	Helsinki	100.00	100.00
Kauppalehti Oy	Helsinki	100.00	100.00
Kotikokki.net Oy	Helsinki	65.00	65.00
Kustannus Oy Aamulehti	Tampere	100.00	100.00
Kustannus Oy Otsikko	Tampere	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki	100.00	100.00
Marknadspriser i Sverige AB	Lidköping	60.00	60.00
Mediaskopas UAB	Vilnius	100.00	100.00
Mediju Monitorings SIA	Riga	100.00	100.00
MIG Group Oy	Pori	100.00	100.00
Monster Oy	Helsinki	75.00	75.00
Objektvision AB	Stockholm	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi	100.00	100.00
Porin Sanomat Oy	Pori	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	100.00
SIA City24	Riga	100.00	100.00
Suomen Business Viestintä SBV Oy	Helsinki	100.00	100.00
Suomen Paikallissanomat Oy	Tampere	100.00	100.00
Suunnittelutoimisto TTNK Helsinki Oy	Helsinki	100.00	100.00
TOB Citi 24	Kiev	70.00	70.00
UAB BNS Newsventure	Vilnius	100.00	100.00
UAB City24	Vilnius	100.00	100.00
Vuodatus.net Oy	Helsinki	100.00	100.00

During the financial year 35 per cent of Alma Mediapartners Oy was sold. From this transaction, a contingent consideration of M€ 8.4, classified as a derivative, was recognized in the balance sheet. Following IAS 39, they are financial assets recognized at fair value through profit or loss. A change in fair value, M€ 0.8 was recognized in the finance income and expenses.

The fair value of the contingent consideration is based on the operating profit of the company during the period 2010–2013, as stated in the sales contract.

16. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

M€	2010	2009
Holdings in associated companies		
At beginning of period	**30.5**	31.6
Increases	**2.5**	2.5
Decreases	**0.0**	–1.5
Share of results	**0.9**	–0.3
Share of items recognized directly in associated company's equity	**0.7**	–0.1
Dividends received	**–0.6**	–1.7
Transfers between items	**–0.3**	0.0
At end of period	**33.6**	30.5

Further information on associated companies

Talentum Oyj, included in the book value of associated companies on December 31, 2010, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements on December 31, 2010 is M€ 27.4 and its market capitalisation was M€ 28.2. The investment is considered as long-term and strategic for Alma Media.

During 2010 the Group acquired an additional 25% share in Kotikokki.net Oy raising its ownership to 65%. The company is reported within the Newspapers segment in the financial statements of 2010.

The Group acquired 35% of Arena Interactive Oy during the financial year. The acquisition was part of the country-wide co-operation between Alma Media Corporation and Arena Partners Oy. Alma Media Corporation acquired 24% of Alkali Oy through share purchase and share issuance transactions. Both companies are reported within the Marketplaces segment in the fconsolidated financial statements.

Goodwill arising from associated companies totalled M€ 24.1 (23.4) on December 31, 2010.

Due to the arrangements related to the associated companies, Alma Media has recognized M€ 1.8 of financial liabilities at fair value through profit or loss. Change in fair value of the contingent considerations M€ 0.0 was recognized during the financial year.

M€	2010	2009
Book value of shares, total	**33.6**	30.5
Receivables from associated companies	**0.0**	0.0
Liabilities to associated companies	**0.1**	0.1
Summary (100%) of associated company totals		
Aggregate assets of associated companies	**86.9**	72.5
Aggregate liabilities of associated companies	**60.4**	49.8
Aggregate revenue of associated companies	**121.1**	101.6
Aggregate profit/loss of associated companies	**2.6**	–1.0

Associated companies	Holding %	Share of votes %
Ahaa Sivunvalmistus Oy	20.00	20.00
Alkali Oy	24.30	24.30
Arena Interactive Oy	35.00	35.00
Finland Events Oy	20.00	20.00
Holding Oy Visio	24.74	24.74
Kytöpirtti Oy	43.20	43.20
Nokian Uutistalo Oy	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	24.07	24.07
Talentum Oyj	32.14	32.14
Tampereen Tietoverkko Oy	34.92	34.92
Tampereen Ykkösjakelu Oy	40.00	40.00

Joint Venture Companies

The Group established a joint venture company, Mascus A/S, together with Bil Markedet ApS in Denmark in 2007. The Group owns 50% of the joint venture and it is reported in the Marketplaces segment. In addition, the Group treats as joint venture companies its mutual property and housing companies. The joint venture companies are consolidated using the proportionate consolidation method in accordance with IAS 31.

M€	2010	2009
Group's share of balance sheets and results of joint venture companies:		
Non-current assets	**3.8**	3.7
Current assets	**0.1**	0.1
Non-current liabilities	**0.0**	0.1
Current liabilities	**0.0**	0.0

M€	2010	2009
Revenue	**0.1**	0.1
Operating profit	**0.0**	0.0
Profit for the period	**0.0**	0.0
Average total workforce in joint venture companies	**1**	1

17. OTHER FINANCIAL ASSETS

M€	Book value 2010	Fair value 2010	Book value 2009	Fair value 2009
Available-for-sale financial assets	**4.0**	**4.0**	4.0	4.0
Financial assets recognized at fair value through profit or loss	**7.5**	**7.5**		
Loan receivables	**0.3**	**0.3**	0.5	0.5
Total	**11.8**	**11.8**	4.5	4.5

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

Available-for-sale investments are mainly unquoted shares.

18. INVENTORIES

M€	2010	2009
Materials and supplies	**1.0**	1.5
Total	**1.0**	1.5

19. TRADE AND OTHER RECEIVABLES

M€	2010	2009
Trade receivable	**22.8**	21.3
Receivables from others		
Prepaid expenses and accrued income	**3.5**	3.2
Other receivables	**0.7**	0.8
Total	**4.2**	4.0
Receivables, total	**27.0**	25.3

M€	2010	2009
The ageing analysis of trade receivables is as follows:		
Receivables not yet due and receivables past due for 1–4 days	**21.3**	18.2
Past due date for 5–30 days	**1.1**	2.2
Past due date for 31–120 days	**0.4**	0.7
Past due date for more than 120 days	**0.1**	0.2
Trade receivable, total	**22.8**	21.3

M€ 0.2 provision for bad debts has been made in 2010.

In financial year 2010 approximately M€ 0.8 (M€ 0.8 in 2009) impairment loss was recognised in Group. The credit losses totalled 0.3% of revenue in 2010 (0.3% in 2009).

20. OTHER CURRENT FINANCIAL ASSETS

M€	2010	2009
Held to maturity investments	**0.2**	1.2
Financial assets recognized at fair value through profit or loss	**2.1**	0.0
Total	**2.3**	1.2

21. CASH AND CASH EQUIVALENTS

M€	2010	2009
Cash and bank accounts	**15.6**	8.0
Investment certificates (1–3 months)	**20.7**	13.1
Total	**36.3**	21.1

22. INFORMATION ON SHAREHOLDERS' EQUITY AND IT'S ADMINISTRATION

The following describes information of Alma Media shares and changes in 2010.

	Total number of shares	Share capital, M€	Share premium reserve, M€
January 1, 2010	74,612,523	44.8	2.8
Excercised options	440,000	0.3	1.9
December 31, 2010	75,052,523	45.0	4.7

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

The subscription of the shares related to the excercised options are recognized in the share capital and share premium reserve accoding to the share option scheme 2006 and prevailing Company Act.

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

Own shares
The Group did not hold any of the company's own shares in 2010 or 2009.

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

Asset revaluation fund
The asset rerecignised any revaluation of assets during the financial years 2010 and 2009. The financial assets available-for-sale consist of valuation fund is used to record increases in the fair value of financial assets availabe-for-sale.The group has not investments to non-listed shares and no reliable fair value is available.

Distributable funds
The distributable funds of the Group's parent company on December 31, 2010 totalled € 56,858,658.

Administration of shareholder's equity
The purpose of administration of shareholder's equity and optimal capital structure is to secure normal business preconditions. The development of capital structure is followed with gearing and equity ratio key figures. Those key figures are presented in the following in 2010 and 2009.

M€	**2010**	2009
Interest-bearing liabilities	**4.0**	4.6
Cash and cash equivalents	**36.3**	21.1
Interest-bearing net debt	**–32.4**	–16.5
Shareholder's equity	**114.8**	94.9
Gearing, %	**–28.3 %**	–17.3 %
Equity ratio, %	**67.1 %**	66.9 %

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

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

23. SHARE-BASED PAYMENTS

Stock option scheme 2006
The annual general meeting held on March 8, 2006 decided on a stock option programme under which a maximum of 1,920,000 options may be granted and these may be exercised to subscribe to a maximum of 1,920,000 Alma Media Corporation's shares with a book counter-value of € 0.60 per share. The programme is an incentive and commitment system for the company's management. Of the total number of options, 640,000 were marked 2006A (ALN1VEW106), 640,000 were marked 2006B (ALN1VEW206) and 640,000 were marked 2006C (ALN1VEW306).

Share subscription periods and subscription prices:
- 2006A April 1, 2008–April 30, 2010, trade-weighted average share price Apr 1–May 31, 2006
- 2006B April 1, 2009–April 30, 2011, trade-weighted average share price Apr 1–May 31, 2007 and
- 2006C April 1, 2010–April 30, 2012, trade-weighted average share price Apr 1–May 31, 2008.

As authorized by the Annual General Meeting, the Board of Directors has granted 515,000 of the 2006A options. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. In 2007 and 2008, Alma Media's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. By June 30, 2010, all of the 440,000 options had been either sold (242,263) or used for share subscription (197,737). The subscription price of the A options was € 4.88.

In 2007, the Board of Directors decided to issue a total of 515,000 options under the 2006B scheme to Group management. Altogether 50,000 of the 2006B options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 465,000 2006B options. The share subscription price under the 2006B option, € 9.85 per share was determined by the trade-weighted average share price in public trading between April 1 and May 31, 2007. The subscription price of the 2006B options was reduced by the amount of dividend payment in March 2008 (€ 0.90 per share), by dividend payment in March 2009 (€ 0.30 per share) to € 8.65 per share and by dividend payment in March 2010 (€ 0.40 per share) to € 8.25 per share. All of the 175,000 2006B option rights in the company's possession have been annulled. The options in the 2006B programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2009. No shares have been subscribed to by September 30, 2010.

In 2008, the Board of Directors decided to issue 520,000 options under the 2006C programme to Group management. Altogether 50,000 of the 2006C options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 470,000 2006C options. The share subscription price under the 2006C option, € 9.06 per share, was determined by the trade-weighted average share price in public trading between April 1 and May 31, 2008. The subscription price of the 2006C options was reduced by the amount of dividend payment in March 2009 (€ 0.30 per share) to € 8.76 per share and by dividend payment in March 2010 (€ 0.40 per share) to € 8.36 per share. All of the 170,000 2006C option rights in the company's possession have been annulled. The options in the 2006C programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2010.

If all the subscription rights are exercised, the programme will dilute the holdings of the earlier shareholders by 1.23%.

The stock option plan is recognized in the financial statements in accordance with the standard IFRS 2 Share-based payments. The option rights granted are measured at their fair value on the grant date using the Forward Start Option Rubinstein (1990) model based on the Black-Scholes pricing model and expensed in the income statement under personnel expenses over the vesting period. An expense of M€ 0.1 was recognized in 2010 (M€ 0.5 in 2009). The expected volatility has been determined by calculating the historical volatility of the company share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

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

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

	A option plan	B option plan	C option plan
Principal terms and conditions:			
Annual General Meeting date	Mar 8, 2006	Mar 8, 2006	Mar 8, 2006
Grant date	Apr 26, 2006	Mar 8, 2007	Mar 12, 2008
Number of options granted	515,000	515,000	520,000
Share price on grant date, €	8.00	10.29	9.89
Initial excercise price, €	7.66	9.85	9.06
Excercise price on Dec 31, 2010, €	4.88	8.25	8.36
Contractual life, years	4.0	4.1	4.1
Expected volatility	30%	23%	25%
Expected contractual life at grant date, years	2.0	2.1	2.0
Risk-free interest rate	3.5%	4.5%	5.0%
Payment method	shares	shares	shares
Expected personnel reductions	0%	0%	0%
Expected dividend yield	0%	0%	0%
End of excercise period (expiration)	Apr 30, 2010	Apr 30, 2011	Apr 30, 2012
Remaining contractual life on December 31, 2010, years	Expired	0.3	1.3
Value of option at grant date	1.526€ / share	1.731€ / share	1.689€ / share
	M€ 1.0	M€ 1.1	M€ 1.1
Value pricing model	Black&Scholes (Forward Start Option, 1990 Rubinstein)		

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

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

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

Changes during option period

	A option plan		**B option plan**		**C option plan**	
Number of options	**2010**	2009	**2010**	2009	**2010**	2009
At beginning of financial year	**440,000**	440,000	**465,000**	515,000	**470,000**	520,000
Number of new options granted	**0**	0	**0**	0	**0**	0
Number of options forfeited	**0**	0	**0**	–50,000		–50,000
Number of options exercised	**–440,000**	0	**0**	0	**0**	0
At end of financial year	**0**	440,000	**465,000**	465,000	**470,000**	470,000

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

Stock option scheme 2009

The Annual General Meeting of Alma Media on March 11, 2009 decided, in accordance with the proposal by the Board of Directors, to continue the incentive and commitment system for Alma Media management through an option programme according to earlier principles and decided to grant stock options to the key personnel of Alma Media Corporation and its subsidiaries in the period 2009–2011. Altogether 2,130,000 stock options may be granted, and these may be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of Alma Media. Of the total number of options, 710,000 were marked 2009A (ALN1VEW309), 710,000 were marked 2009B (ALN1VEW209) and 710,000 were marked 2009C (ALNVEW109).

Share subscription periods and subscription prices:

- 2009A April 1, 2012–March 31, 2014, trade-weighted average share price Apr 1–30, 2009
- 2009B April 1, 2013–March 31, 2015, trade-weighted average share price Apr 1–30, 2010 and
- 2009C April 1, 2014–March 31, 2016, trade-weighted average share price Apr 1–30, 2011.

The Board of Directors of Alma Media Corporation decided in May 2009 to grant 640,000 option rights to corporate management under the 2009A programme. 30,000 option rights have been returned to the company due to the termination of the employment contracts. The company is in possession of 100,000 2009A options.

The subscription price of a 2009A option, € 5.21 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2009. The subscription price of the 2009A options was reduced by the amount of dividend payment in March 2010 (€ 0.40 per share) to € 4.81 per share.

The Board of Directors of Alma Media Corporation decided in April 2010 to grant 610,000 option rights to corporate management under the 2009B programme. 15,000 of the granted option rights were returned to the company. In June 2010 the Board of Directs of Alma Media Corporation decided to grant 15,000 option rights to corporate management under the 2009B programme. The company is in possession of 100,000 2009B options. The subscription price of a 2009B option, EUR 7.33 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2010.

If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders at least by 2.73%.

The stock option plan is recognized in the financial statements in accordance with the standard IFRS 2 Share-based payments. The option rights granted are measured at their fair value on the grant date using the Forward Start Option Rubinstein (1990) model based on the Black-Scholes pricing model and expensed in the income statement under personnel expenses over the vesting period. An expense of M€ 0.1 was recognized in 2010 (M€ 0.5 in 2009). The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the colatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

				Share subscription period		Period determining subscription price
Options	Number	Annulled	Free	begins	ends	(trade-weighted average share price)
2009A	710,000	-	100,000	Apr 1, 2012	Mar 31, 2014	Apr 1, 2009 – Apr 30, 2009
2009B	710,000	-	100,000	Apr 1, 2013	Mar 31, 2015	Apr 1, 2010 – Apr 30, 2010
2009C	710,000	-	710,000	Apr 1, 2014	Mar 31, 2016	Apr 1, 2011 – Apr 30, 2011

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

	A option plan	B option plan	C option plan
Principal terms and conditions:			
Annual General Meeting date	Mar 11, 2009	Mar 11, 2009	Mar 11, 2009
Grant date	May 1, 2010	Jun 9, 2010	Jun 22, 2010
Number of options granted	640,000	595,000	15,000
Share price on grant date, €	5.08	6.8	6.8
Initial excercise price, €	5.21	7.33	7.33
Excercise price on Dec 31, 2010, €	5.21	7.33	7.33
Contractual life, years	3.9	4.8	4.8
Expected volatility	30%	28%	32%
Expected contractual life at grant date, years	2.9	2.8	2.8
Risk-free interest rate	3.00 %	3.00 %	3.00 %
Payment method	shares	shares	shares
Expected personnel reductions	0%	0%	0%
Expected dividend yield	0%	0%	0%
End of excercise period (expiration)	Mar 31, 2014	Mar 31, 2015	Mar 31, 2015
Remaining contractual life on December 31, 2010, years	3.2	4.2	4.2
Value of option at grant date	1.570 € / share	1.617 € / share	1.880 € / share
	M€ 1.1	M€ 1.0	M€ 0.0
Value pricing model			Black&Scholes (Forward Start Option, 1990 Rubinstein)

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

Altogether 15,000 2009B options have been returned to the company as a result of the termination of employment contracts.

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

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

Changes during option period

	A option plan		B option plan	
Number of options	**2010**	2009	**2010**	2009
At beginning of financial year	**640,000**	0	**0**	0
Number of new options granted	**0**	640,000	**625,000**	0
Number of options forfeited	**–30,000**	0	**–15,000**	0
Number of options exercised	**0**	0	**0**	0
At end of financial year	**610,000**	640,000	**610,000**	0

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

24. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 2010

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

No deferred tax asset has been calculated on the confirmed tax losses (M€ 3.3) of Group companies in 2010. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire between the years 2011–2019.

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

Changes in deferred taxes during 2009

M€	Dec 31, 2008	Recognized in income statement	Acquired/sold subisidiaries	Dec 31, 2009
Deferred tax assets				
Provisions	0.3	0.0		0.3
Pension benefits	0.1	–0.1	0.0	0.1
Deferred depreciation	1.7	–0.5	0.0	1.3
Other items	0.5	0.0		0.5
Total	2.7	–0.6	0.0	2.1
Taxes, net	–1.4			–1.4
Deferred tax assets in balance sheet	1.3			0.7
Deferred tax liabilities				
Accumulated depreciation differences	0.6	0.1		0.7
Fair value measurement of property, plant and equipment and intangible assets in business combinations	1.1	–0.1	–0.2	0.8
Retained earnings of subsidiary companies	1.0	–0.2		0.8
Other items	1.3	0.3	0.0	1.6
Total	3.9	0.2	–0.2	3.9
Taxes, net	–1.4			–1.4
Deferred tax liabilities in balance sheet	2.5			2.5
Deferred tax, net	–1.2	–0.7	0.2	–1.8

25. PENSION OBLIGATIONS

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

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

M€	**Dec 31, 2010**	Dec 31, 2009
Present value of obligations at beginning of period	**9.3**	9.1
Service cost during period	**0.0**	0.0
Interest cost	**0.3**	0.3
Actuarial gains and losses	**0.9**	0.7
Payments of defined benefit obligations	**–0.7**	–0.8
Losses /gains from plan settlements	**0.0**	–0.1
Present value of funded obligations at end of period	**9.8**	9.3
Fair value of plan assets at beginning of period	**6.2**	6.0
Expected return on plan assets	**0.4**	0.4
Actuarial gains and losses	**0.8**	0.2
Incentive payments	**0.3**	0.5
Payments of defined benefit obligations	**–0.7**	–0.8
Losses /gains from plan settlements	**0.0**	0.0
Present value of plan assets at end of period	**6.9**	6.2
Deficit / surplus	**2.9**	3.1
Unrecognized actuarial gains (–) and losses (+)	**–0.1**	0.0
Losses /gains from plan settlements	**0.0**	0.0
Defined benefit pension liabilities in the balance sheet	**2.8**	3.1

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

M€	2010	2009	2008	2007	2006
Present value of unfunded obligarions	**2.7**	2.9	3.2	3.2	3.3
Present value of funded obligations	**7.2**	6.4	6.0	6.1	7.2
Fair value of assets	**–6.9**	–6.2	–6.0	–5.1	–6.8
Deficit / surplus	**2.9**	3.1	3.1	4.1	3.6

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

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

M€	2010	2009
Service cost during period	**0.0**	0.0
Interest cost	**0.3**	0.3
Expected return on plan assets	**–0.4**	–0.4
Actuarial gains and losses	**0.0**	–0.1
Losses /gains from plan settlements	**0.0**	0.0
Total	**-0.0**	–0.2

Changes in liabilities shown in balance sheet

M€	2010	2009
At beginning of period	**3.1**	3.7
Incentive payments paid	**–0.3**	–0.5
Pension expense in income statement	**0.0**	–0.2
Divestments of subsidiaries	**0.0**	0.0
Defined benefit pension obligation in balance sheet	**2.8**	3.1

A similar investment is expected to be made in the plan in 2011 as in 2010.

Actuarial assumptions used

%	2010	2009
Discount rate	**4.1**	4.7
Expected return on plan assets	**6.0**	6.0
Future salary increase assumption	**3.5**	3.5
Inflation assumption	**2.0**	2.0

26. PROVISIONS

M€	Restructuring provision	Other provisions	Total
Jan 1, 2010	0.9	0.2	1.1
Increase in provisions	0.4	0.1	0.5
Provisions employed	–0.9	–0.1	–0.9
Dec 31, 2010	0.5	0.2	0.7
Current	0.5	0.1	0.6
Non-current	0.0	0.1	0.1

Restructuring provision has been made to cover implemented or possible personnel reductions in different companies. The provision is expected to be realized in 2011.

Other provisions mainly consist of the environmental provision for sold property and other personnel related provisions.

27. INTEREST-BEARING LIABILITIES

M€	**Book value 2010**	**Fair value 2010**	Book value 2009	Fair value 2009
Non-current				
Finance lease liabilities	**2.4**	**2.4**	2.8	2.8
Total	**2.4**	**2.4**	2.8	2.8
Current				
Other current interest-bearing debt	**0.0**	**0.0**	0.1	0.1
Finance lease liabilities	**1.6**	**1.6**	1.7	1.7
Total	**1.6**	**1.6**	1.8	1.8

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

Non-current debt matures as follows:

M€	2010	2009
2011		1.1
2012	**1.0**	0.6
2013	**1.4**	1.1
2014	**0.0**	0.0
2015	**0.0**	
Later	**0.0**	0.0
Total	**2.4**	2.8

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

M€	2010	2009
EUR	**2.4**	2.8

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

%	2010	2009
Finance lease liabilities	**3.8**	4.0

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

M€	2010	2009
EUR	**1.6**	1.8

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

%	2010	2009
Other current interest-bearing debt	**0.6**	4.0
Finance lease liabilities	**3.8**	4.0

Maturity of finance leases

M€	2010	2009
Finance lease liabilities – total minimum lease payments:		
2010		1.8
2011	**1.6**	1.1
2012	**1.0**	0.6
2013	**1.4**	1.2
2014	**0.0**	0.0
2015	**0.0**	
Later	**0.0**	0.0
Total	**4.1**	4.7
Finance lease liabilities – present value of minimum lease payments:		
2010		1.7
2011	**1.6**	1.1
2012	**1.0**	0.6
2013	**1.3**	1.1
2014	**0.0**	0.0
2015	**0.0**	
Later	**0.0**	0.0
Total	**4.0**	4.5
Financial expenses accruing in the future	**0.1**	0.2

28. FINANCIAL RISKS

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

Alma Media categorises its financial risks as follows:

Interest rate risk

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

The Group's interest-bearing debt totalled M€ 4.0 on December 31, 2010, all of which carried a variable rate. An increase of one percentage point in the interest rate would increase the Group's financial expenses by M€ 0.1.

Foreign exchange risks

Transaction risk

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

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

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

Translation risk

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

Commodity risk

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

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

Capital management risks

Liquidity management

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

Financing of working capital

To finance its working capital, Alma Media uses financial programmes (syndicated credit facilities, medium-term notes), as well as direct credit lines, bonds and various products offered by financial companies (leases etc).

The company had a M€ 100 commercial paper programme in Finland on the balance sheet date. The programme allows the company to issue papers between M€ 0–100. On December 31, 2010 the unused portion of the programme is M€ 100.0. In addition to the commercial paper programme, the company may use its existing financing limit of M€ 50.0 to finance its working capital.

Long-term capital funding

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

Credit risk:

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

29. FINANCIAL INSTRUMENTS

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

	Book value		Fair value	
M€	**2010**	2009	**2010**	2009
Financial assets				
Recognized at fair value				
Commodity derivate contracts	**0.3**	0.0	**0.3**	0.0
Other receivables	**9.2**	0.0	**9.2**	0.0
Held-to-maturity investments				
Other current financial assets	**0.2**	1.2	**0.2**	1.2
Available-for-sale financial assets				
Other non-current financial assets	**4.0**	4.0	**4.0**	4.0
Loans and receivables				
Loans receivable	**0.3**	0.5	**0.3**	0.5
Trade receivables and other receivables	**27.0**	25.3	**27.0**	25.3
Cash and cash equivalents	**36.3**	21.1	**36.3**	21.1
Total	**77.5**	52.1	**77.5**	52.1
Financial liabilities				
Measured at amortized costs				
Financial leases	**4.0**	4.5	**4.0**	4.5
Other interest-bearing liabilities	**0.0**	0.1	**0.0**	0.1
Financial liabilities at fair value through profit or loss	**2.8**		**2.8**	
Trade payable and other liabilities	**39.7**	33.7	**39.7**	33.7
Total	**46.4**	38.3	**46.4**	38.3

Financial assets recognized at fair value through profit or loss consist of electricity derivatives and contingent considerations. More details are given in the Notes 2, 17, 20 and 33.

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

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

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

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

Fair value hierarchy

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

Level 1 quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

	Fair values at end of period			
M€	**31.12. 2010**	Level 1	Level 2	Level 3
Assets recognized at fair value				
Financial assets at fair value through profit or loss				
Commodity derivatives	**0.3**	0.3		
Other financial assets	**9.2**			9.2
Available-for-sale financial assets				
Equity shares	**4.0**			4.0
Total	**13.5**	0.3		13.2
Liabilities recognized at fair value				
Financial liabilities at fair value through profit or loss				
Other liabilities	**2.8**			2.8
Total	**2.8**			2.8

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

30. TRADE PAYABLE AND OTHER LIABILITIES

M€	**2010**	2009
Trade payable	**6.0**	5.4
Owed to associated companies		
Trade payable	**0.1**	0.1
Accrued expenses and prepaid income	**26.5**	22.6
Other financial liabilities	**0.2**	0.0
Other liabilities	**7.1**	5.6
Total	**39.9**	33.7

The book values of trade payables and other liabilities are estimated to correspond with their fair values. The effect of discounting is not significant. The main items in accrued expenses and prepaid income are allocated wages, salaries and other personnel expenses.

31. OTHER LEASES

The Group as lessee:

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

M€	2010	2009
Within one year	**6.7**	6.3
Within 1–5 years	**21.1**	15.2
After 5 years	**48.2**	19.9
Total	**75.9**	41.4

The Group's companies largely operate in leased premises. Rental agreements vary in length from 6 months to 15 years. Changes in commitments and contingencies are mainly due to the new and prolonged lease contracts made during the financial year for the real estates.

Additionally, the company has signed a lease contract for the real estate of the printing facilities during the financial year 2010. According to the IAS 17 standard, the contract will be recognized as a finance lease contract when the printing facility will be operational. The estimated present value of the minimum lease payments at the implementation day is M€ 16.8. The printing facility is estimated to be operational during 2012.

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

M€	2010	2009
Minimum payments payable based on these purchase agreements	**1.2**	0.4

The Group as lessor:

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

M€	2010	2009
Within one year	**1.5**	1.2
Within 1–5 years	**0.3**	0.2
After 5 years	**0.1**	0.0
Total	**1.9**	1.4

32. DERIVATIVE CONTRACTS

M€	2010	2009
Commodity derivative contracts, electricity derivatives		
Fair value *)	**0.3**	-0.0
Value of underlying instrument	**1.0**	0.8

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

The fair values of foreign exchange forward contracts and raw material derivatives have been calculated using market values on the balance sheet date. Fair values of share options have been calculated using the option price model.

33. COMMITMENTS AND CONTINGENCIES

M€	2010	2009
Collateral for others:		
Guarantees	**0.0**	0.0
Other commitments:		
Commitments based on agreements	**0.1**	0.1
Total	**0.1**	0.1

34. RELATED PARTIES

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

Related parties also include the company's management (Board of Directors, the Presidents and Group Executive Team).

The employee benefits of management and other related party transactions between management and the company are detailed in Note 7.

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

Related party transactions

M€	2010	2009
Sales of goods and services	**0.2**	0.2
Purchases of goods and services	**3.6**	3.7
Trade receivable	**0.0**	0.0
Trade payable	**0.1**	0.1

The related party transactions are mainly with the associated companies.

35. SHAREHOLDINGS

20 principal shareholders on Dec 31, 2010	Number of shares	% of total shares	% of total votes
1. Ilkka-Yhtymä Oyj	22,489,186	30.0%	30.0%
2. Varma Mutual Pension Insurance Company	7,202,994	9.6%	9.6%
3. Mandatum Life Insurance Company Limited	6,715,762	8.9%	8.9%
4. Kaleva Kustannus Oy	4,458,000	5.9%	5.9%
5. Keskinäinen Vakuutusyhtiö Kaleva	4,189,281	5.6%	5.6%
6. Kunnallisneuvos C. V. Åkerlundin säätiö	3,304,871	4.4%	4.4%
7. Oy Herttaässä Ab	2,362,798	3.1%	3.1%
8. Tapiola Mutual Pension Insurance Company	1,852,800	2.5%	2.5%
9. Ilmarinen Mutual Pension Insirance Company	1,269,117	1.7%	1.7%
10. Veljesten Viestintä Oy	851,500	1.1%	1.1%
11. Keskisuomalainen Oyj	823,997	1.1%	1.1%
12. Finnish Cultural Foundation	576,000	0.8%	0.8%
13. Häkkinen Heikki estate	532,332	0.7%	0.7%
14. Sinkkonen Raija	510,000	0.7%	0.7%
15. Häkkinen Veera estate	490,011	0.7%	0.7%
16. Investment Fund Nordea Nordic Small Cap	439,393	0.6%	0.6%
17. Tampereen tuberkuloosisäätiö	327,062	0.4%	0.4%
18. Häkkinen Matti Juhani	300,142	0.4%	0.4%
19. Nordea Life Assurance Ltd	260,000	0.3%	0.3%
20. Osonen Kaarina	256,347	0.3%	0.3%
Total	59,211,593	79.2%	79.2%
Nominee-registered	3,439,489	4.6%	4.6%
Other	12,401,441	16.2%	16.2%
Grand total	75,052,523	100.0%	100.0%

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

Ownership structure on December 31, 2010

	Number of owners	% of total	Number of shares	% of shares
Private corporations	332	4.8%	32,279,079	43.0%
Financial and insurance institutions	19	0.3%	12,229,321	16.3%
Public entities	8	0.1%	10,840,724	14.4%
Households	6,470	92.7%	10,601,483	14.1%
Non-profit assiciations	124	1.8%	5,316,974	7.1%
Foreign owners	22	0.3%	143,775	0.2%
Nominee-registered shares	6	0.1%	3,439,489	4.6%
In general account		0.0%	201,678	0.3%
Total	6,981	100.0%	75,052,523	100.0%

Distribution of ownership

Number of shares	Number of owners	% of total	Number of shares	% of shares
1 – 100	1,558	22.3%	92,687	0.1%
101 – 1 000	3,815	54.6%	1,696,172	2.3%
1 001 – 10 000	1,411	20.2%	4,123,224	5.5%
10 001 – 100 000	163	2.3%	4,630,157	6.2%
100 001 – 500 000	18	0.3%	4,004,395	5.3%
500 000 –	16	0.2%	60,304,210	80.3%
In general account			201,678	0.3%
Total	6,981	100.0%	75,052,523	100.0%

Parent company income statement

M€	Note	**Jan 1–Dec 31, 2010**	Jan 1–Dec 31, 2009
Revenue	1	**16.7**	15.9
Other operating income	2	**9.5**	0.1
Materials and services	3	**–0.2**	–0.2
Personnel expenses	4	**–5.9**	–4.8
Depreciation and writedowns	5	**–0.7**	–0.7
Other operating expenses	6, 7, 8	**–12.9**	–11.6
Operating profit (loss)		**6.6**	–1.2
Finance income and expenses	9	**3.9**	–0.8
Income before extraordinary items		**10.5**	–2.0
Extraordinary items	10	**29.8**	37.8
Income before appropriations and tax		**40.3**	35.8
Appropriations	11	**0.0**	0.0
Income tax	12	**–7.3**	–9.8
Profit for the period		**33.0**	26.0

Parent company balance sheet

M€	Note	**Dec 31, 2010**	Dec 31, 2009
ASSETS			
Non-current assets			
Intangible assets	13	**2.2**	1.5
Tangible assets	14	**2.9**	3.0
Investments			
Holdings in Group companies	15	**474.9**	474.4
Other investments	15	**16.6**	5.7
Non-current assets, total		**496.6**	484.5
Current assets			
Current receivables	16	**29.8**	35.6
Cash and bank		**33.8**	17.6
Current assets, total		**63.6**	53.2
Assets, total		**560.1**	537.7

M€		**Dec 31, 2010**	Dec 31, 2009
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**45.0**	44.8
Share premium reserve		**416.3**	414.4
Other reserves		**5.4**	5.4
Retained earnings (loss)		**23.9**	27.7
Profit for the period (loss)		**33.0**	26.0
Shareholders' equity, total	17	**523.5**	518.2
Accumulated depreciation difference	18	**0.1**	0.0
Compulsory provisions	19	**1.8**	0.1
Liabilities			
Non-current liabilities	20	**2.1**	2.2
Current liabilities	21	**32.7**	17.2
Liabilities, total		**34.8**	19.4
Shareholders' equity and liabilities, total		**560.1**	537.7

Parent company cash flow statement

M€	**Jan 1–Dec 31, 2010**	Jan 1–Dec 31, 2009
Operating activities		
Profit for the period	**33.0**	26.0
Adjustments		
Depreciation and writedowns	**0.7**	0.7
Capital gains (losses) on sale of fixed assets and other investments	**−9.5**	
Finance income and expenses	**−3.9**	0.8
Taxes	**7.3**	9.8
Change in provisions	**1.7**	−0.3
Other adjustments	**−29.9**	−38.0
Change in working capital:		
Total increase (−) / decrease (+) in current non-interest-bearing receivables	**−2.7**	0.3
Increase (+) / decrease (−) in current non-interest-bearing liabilities	**−0.3**	−0.4
Dividend received	**3.7**	2.1
Interest received	**1.5**	2.1
Interest paid	**−0.1**	−0.8
Taxes paid	**−12.5**	−3.9
Net cash flow from operating activities	**−11.0**	−1.6
Investing activities		
Acquisitions of tangible and intangible assets	**−0.4**	−0.3
Proceeds from sale of other investments	**0.0**	0.8
Change in loan receivables	**−1.5**	
Acquisition of subsidiaries and business operations	**−4.3**	−0.7
Proceeds from sale of subsidiaries	**8.0**	
Acquisition of associated companies	**−0.8**	−2.5
Net cash flows from / (used in) investing activities	**1.0**	−2.6
Cash flow before financing activities	**−10.0**	−4.2
Financing activities		
Proceeds from exercise of share options	**2.1**	0.0
Current loans taken		17.8
Repayment of current loans		−30.8
Change in interest-bearing receivables	**23.6**	8.9
Paid and received group contributions	**29.8**	37.8
Dividends paid	**−29.8**	−22.4
Net cash flows from / (used in) financing activities	**25.7**	11.4
Change in cash and cash equivalent funds (increase + / decrease −)	**15.7**	7.2
Cash and cash equivalents at beginning of period	**17.6**	10.4
Merger, Alma Media Interactive Oy	**0.6**	
Cash and cash equivalents at end of period	**33.8**	17.6

Accounting principles used in the parent company's financial statements

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

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

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

Alma Media Interactive Oy, the subsidiary of Alma Media Corporation, was merged with Alma Media Corporation on December 31, 2010.

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

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

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

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

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

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

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

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

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

Notes to the parent company financial statements

1. REVENUE BY MARKET AREA

M€	2010	2009
Finland	16.7	15.9
Total	16.7	15.9

2. OTHER OPERATING INCOME

M€	2010	2009
Gains on sales	9.5	
Other income	0.0	0.1
Total	9.5	0.1

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

3. MATERIALS AND SERVICES

M€	2010	2009
External services	0.2	0.2
Total	0.2	0.2

4. PERSONNEL EXPENSES

M€	2010	2009
Wages. salaries and fees	4.4	3.6
Pension expenses	1.2	1.0
Other payroll connected expenses	0.2	0.2
Total	5.9	4.8
Average number of employees	72	63
Salaries and bonuses paid to management		
President and CEO	0.5	0.4
Board of Directors	0.2	0.3
Total	0.7	0.6

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

5. DEPRECIATION AND WRITEDOWNS

M€	2010	2009
Depreciation on tangible and intangible assets	0.7	0.7
Total	0.7	0.7

6. OTHER OPERATING EXPENSES

M€	2010	2009
Information technology and telecommunication	5.6	4.8
Business premises	2.9	3.0
Other costs	4.3	3.8
Total	12.9	11.6

7. AUDIT EXPENSES

M€	2010	2009
Ernst & Young Oy		
Audit	0.1	0.1
Reporting and opinions	0.0	0.0
Tax consultation	0.0	0.1
Other	0.0	0.1
Total	0.2	0.2

Parent company audit expenses includes audit fees for whole group.

8. RESEARCH AND DEVELOPMENT EXPENSES

The company's research and development expenses in 2010 totalled M€ 0.03 (M€ 0.04 in 2009). No research and development expenses are capitalized on the balance sheet on December 31, 2010 (M€ 0.0 in 2009).

9. FINANCE INCOME AND EXPENSES

M€	2010	2009
Dividend income		
From Group companies	3.0	1.1
From associated companies	0.5	1.0
From others	0.1	0.0
Total	3.7	2.1
Other interest and finance income		
From Group companies	1.4	1.9
From others	0.3	0.2
Total	1.8	2.1
Impairment for non-current investments		
Impairment of group companies	−1.4	−4.2
Total	−1.4	−4.2
Interest expenses and other financial expenses		
To Group companies		−0.2
To others	−0.1	−0.6
Total	−0.1	−0.8
Finance income and expenses. total	3.9	−0.8

10. EXTRAORDINARY ITEMS

M€	**2010**	2009
Group contribution received	**29.8**	37.8

11. APPROPRIATIONS

M€	**2010**	2009
Difference between planned depreciation and depreciation made for tax purposes	**0.0**	0.0

12. INCOME TAX

M€	**2010**	2009
Income tax payable on extraordinary items	**7.7**	9.8
Income tax from regular business operations	**–0.4**	–0.0
Total	**7.3**	9.8

The parent company has unutilized confirmed tax losses of M€ 1.8 from financial years 2005–2006. Deferred tax asset based on this (M€ 0.5) has not been recognised in balance sheet.

13. INTANGIBLE ASSETS

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

M€	Intangible rights	Other intangible assets	Advance payments	Total
Financial year 2009				
Acquisition cost Jan 1	2.6	0.0	0.0	2.6
Increases	0.1	0.0	0.2	0.3
Transfers between items	0.1	0.0	–0.1	0.0
Acquisition cost Dec 31	2.8	0.0	0.1	2.9
Accumulated depreciation and writedowns Jan 1	0.9	0.0		0.9
Depreciation for the financial year	0.5	0.0		0.5
Accumulated depreciation and writedowns Dec 31	1.3	0.0		1.4
Book value Dec 31	1.4	0.0	0.1	1.5

14. TANGIBLE ASSETS

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

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Financial year 2009					
Acquisition cost Jan 1	0.5	4.4	1.3	1.0	7.3
Increases	0.0	0.0	0.0	0.0	0.0
Acquisition cost Dec 31	0.5	4.4	1.3	1.0	7.3
Accumulated depreciation and writedowns Jan 1	0.0	2.5	1.2	0.4	4.1
Depreciation for the financial year		0.1	0.0	0.1	0.2
Accumulated depreciation and writedowns Dec 31	0.0	2.6	1.3	0.4	4.3
Book value Dec 31	0.5	1.8	0.0	0.6	3.0
Balance sheet value of machinery and equipment Dec 31			0.0		

15. INVESTMENTS

M€	Shares Group Companies	Shares associated companies	Shares other	Receivables Group Companies	Receivables other companies	Total
Financial year 2010						
Acquisition cost Jan 1	474.4	4.2	1.6	0.1	0.0	480.3
Merger, Alma Media Interactive Oy	3.8	0.0				3.8
Increases	–0.7	3.1	0.0	0.8	7.2	10.5
Decreases	–2.9		–0.0			–2.9
Transfers between items	0.3	–0.3				0.0
Acquisition cost Dec 31	474.9	7.1	1.6	0.8	7.2	491.7
Accumulated depreciation and writedowns Jan 1	0.0	0.0	0.2	0.0	0.0	0.2
Accumulated depreciation in decreases			0.0			0.0
Accumulated depreciation and writedowns Dec 31	0.0	0.0	0.2	0.0	0.0	0.2
Book value Dec 31	474.9	7.1	1.4	0.8	7.2	491.4

M€	Shares Group Companies	Shares associated companies	Shares other	Receivables Group Companies	Receivables other companies	Total
Financial year 2009						
Acquisition cost Jan 1	479.4	2.4	1.7	0.1	0.0	483.5
Increases	0.7	1.8				2.5
Decreases	–5.7		–0.0			–5.7
Transfers between items	0.0	0.1	–0.1			0.0
Acquisition cost Dec 31	474.4	4.2	1.6	0.1	0.0	480.3
Accumulated depreciation and writedowns Jan 1	1.4	0.0	0.2	0.0	0.0	1.6
Accumulated depreciation in decreases and transfers	–1.4		0.0			–1.4
Accumulated depreciation and writedowns Dec 31	0.0	0.0	0.2	0.0	0.0	0.2
Book value Dec 31	474.4	4.2	1.4	0.1	0.0	480.1

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding %	Share of votes %	Group holding %
Group companies				
Alma Intermedia Oy	Pori	48.00	48.00	100.00
Alma Manu Oy	Tampere	100.00	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki	100.00	100.00	100.00
Alma Mediapartners Oy	Helsinki	65.00	65.00	65.00
Alma Media Lehdentekijät Oy	Helsinki	25.00	25.00	100.00
AS Kinnisvaraportaal	Tallinn	100.00	100.00	100.00
Bovision AB	Stockholm	100.00	100.00	100.00
Karenstock Oy	Helsinki	100.00	100.00	100.00
Kauppalehti Oy	Helsinki	100.00	100.00	100.00
Kotikokki.net Oy	Helsinki	65.00	65.00	65.00
Kustannus Oy Aamulehti	Tampere	100.00	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki	100.00	100.00	100.00
Marknadspriser i Sverige AB	Lidköping	60.00	60.00	60.00
MIG-Group Oy	Pori	100.00	100.00	100.00
Monster Oy	Helsinki	75.00	75.00	75.00
Objektvision AB	Stockholm	100.00	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi	100.00	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	100.00	100.00
SIA City 24	Riga	100.00	100.00	100.00
Suomen Paikallissanomat Oy	Tampere	100.00	100.00	100.00
UAB City 24	Vilnius	100.00	100.00	100.00
Vuodatus.net Oy	Helsinki	100.00	100.00	100.00
Associated companies				
Ahaa Sivunvalmistus Oy	Tampere	10.00	10.00	20.00
Alkali Oy	Tuusula	24.30	24.30	24.30
Arena Interactive Oy	Vaasa	35.00	35.00	35.00
As Oy Vammalan Reku	Vammala	21.00	21.00	21.00
Kiinteistö Oy Oulaisten Kulma	Oulainen	35.00	35.00	35.00
Kytöpirtti Oy	Seinäjoki	43.20	43.20	43.20
Nokian Uutistalo Oy	Nokia	36.90	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki	24.07	24.07	24.07
Talentum Oyj	Helsinki	2.34	2.34	32.14
Tampereen Tietoverkko Oy	Tampere	35.14	35.14	35.14
Joint ventures				
Mascus A/S	Hojbjerg	50.00	50.00	50.00

16. RECEIVABLES

M€	2010	2009
Current receivables		
Receivables from Group companies		
Trade receivable	**0.7**	0.0
Loan receivables *)	**22.8**	35.1
Prepaid expenses and accrued income		0.0
Other non-interest-bearing receivables		0.0
Total	**23.5**	35.2
Receivables from others		
Trade receivable	**0.4**	0.0
Other receivables	**5.3**	0.0
Prepaid expenses and accrued income **)	**0.6**	0.4
Total	**6.3**	0.5
Current receivables, total	**29.8**	35.6

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

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

17.SHAREHOLDERS' EQUITY

M€	2010	2009
Restricted shareholders' equity		
Share capital Jan 1	**44.8**	44.8
Subsrciptions (options excercised)	**0.3**	
Share capital Dec 31	**45.0**	44.8
Share premium reserve Jan 1	**414.4**	414.4
Subsrciptions (options excercised)	**1.9**	
Share premium reserve Dec 31	**416.3**	414.4
Other reserves Jan 1	**5.4**	5.4
Other reserves Dec 31	**5.4**	5.4
Restricted shareholders' equity total	**466.7**	464.5
Non-restricted shareholders' equity		
Retained earnings Jan 1	**53.7**	50.1
Dividend payment	**–29.8**	–22.4
Retained earnings Dec 31	**23.9**	27.7
Profit for the period	**33.0**	26.0
Non-restricted shareholders' equity total	**56.9**	53.7
Shareholders' equity total	**523.5**	518.2

Calculation of the parent company's distributable funds on December 31	2010	2009
Retained earnings	**23.9**	27.7
Profit for the period	**33.0**	26.0
Total	**56.9**	53.7

18. APPROPRIATIONS

M€	2010	2009
Accumulated depreciation difference	**0.0**	0.0

19. PROVISIONS

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

Provisions on December 31, 2009 totaled M€ 0.1 and consisted of restructuring provisions and other personel related provisions.

20. NON-CURRENT LIABILITIES

M€	2010	2009
Other non-current liabilities	**2.1**	2.2
Total	**2.1**	2.2
Debt due after five years		
Other non-current liabilities	**1.2**	1.4

21. CURRENT LIABILITIES

M€	2010	2009
Trade payable	**0.5**	0.6
Totals	**0.5**	0.6
Liabilities to Group companies		
Trade payable	**0.1**	0.0
Other liabilities	**26.5**	11.6
Accrued expenses and prepaid income	**0.0**	0.0
Total	**26.5**	11.6
Others		
Other current liabilities	**1.3**	0.8
Accrued expenses and prepaid income	**4.5**	4.2
Total	**5.7**	5.0
Current liability total	**32.7**	17.2

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

22. COMMITMENTS AND CONTINGENCIES

M€	**2010**	2009
Collateral for own commitments		
Guarantees	**1.4**	1.3
Collateral for others		
Guarantees	**0.0**	0.0
Other own commitments		
Rental commitments – within one year	**0.8**	0.8
Rental commitments – after one year	**46.7**	10.9
Rental commitments total	**47.5**	12.4
Other commitments	**0.1**	0.1
Total		
Guarantees	**1.4**	1.4
Other commitments	**47.5**	12.5
Commitments total	**48.9**	13.9

The company cancelled the finance leasing agreement for the office and printing works building in Tampere Patamäenkatu and agreed on a new leasing contract for the property with a new landlord in 2007. The new operating leasing agreement is classified as a financial lease and is 15 years long. Alma Media has agreed on termination events concerning equity and gearing commitments with the new landlord.

23. DERIVATIVE CONTRACTS

M€	**2010**	2009
Commodity derivative contracts, electricity derivatives		
Fair value *)	**0.3**	0.0
Value of underlying instrument	**1.0**	0.8

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

Board's proposal to the Annual General Meeting

The parent company's distributable funds on December 31, 2010 totalled € 56,858,658.31.

There were 75,052,523 shares carrying dividend rights.

The Board of Directors proposes that a dividend of € 52,536,766.10 (€ 0.70 per share) will be distributed on the financial year 2010.

Helsinki, Finland, February 15, 2011

Kari Stadigh
Chairman of the Board

Seppo Paatelainen
Deputy Chairman of the Board

Erkki Solja
Board member

Lauri Helve
Board member

Harri Suutari
Board member

Kai Seikku
Board member

Catharina Stackelberg-Hammarén
Board member

Kai Telanne
President and CEO

Auditor's report

TO THE ANNUAL GENERAL MEETING OF ALMA MEDIA CORPORATION

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Alma Media Corporation for the year ended 31 December, 2010. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

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

Helsinki, 15 February, 2011

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Pärssinen
Authorized Public Accountant

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