

Financial statements 2008

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Report by the Board of Directors

Financial year 2008 in brief:

- Net sales MEUR 341.2 (328.9), up 3.7%.
- Operating profit MEUR 48.3 (64.4), 14.2% (19.6%) of net sales, operating profit excluding one-time items MEUR 47.7 (52.9).
- Profit before tax MEUR 52.4 (68.0), profit before tax excluding one-time items MEUR 49.9 (56.5).
- Earnings per share EUR 0.51 (0.68).

Dividend proposal for the Annual General Meeting:

- Alma Media Corporation's Board of Directors will propose to the Annual General Meeting on March 11, 2009 that a dividend of EUR 0.30 (0.90) per share be paid for the 2008 financial year.
- The Board of Directors will also propose that the Annual General Meeting, according to Chapter 13, Section 6, Paragraph 2 of the Finnish Companies Act, authorise the Board to decide upon an additional dividend of no more than EUR 0.20 per share.

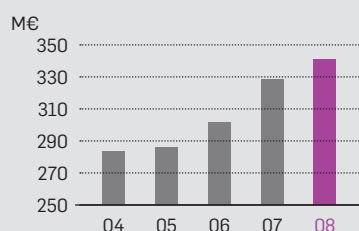
Sensitivity analysis

The development of media advertising and wages and salaries are the main factors with regard to operating profit.

	Change	Impact on operating profit
Media advertising	+1%	1.7 M€
Paper prices	+1%	-0.2 M€
Delivery costs	+1%	-0.6 M€
Wages and salaries, average	+1%	-1.2 M€
Average interest rate	+1%	-0.2 M€

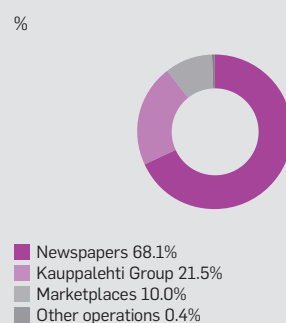
Net sales

Apart from the end of the year, media sales developed well, increasing net sales.



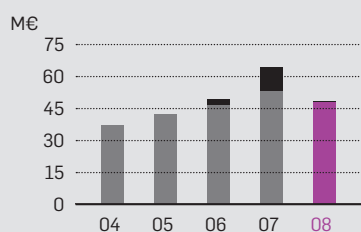
Net sales by segment

More than two-thirds of Alma Media's net sales comes from the Newspapers segment.



Operating profit

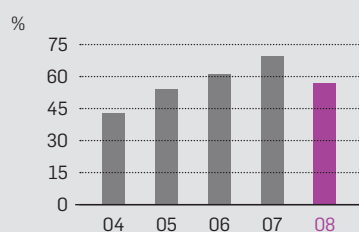
The operating profit of the comparison period 2007 included one-time items to the amount of MEUR 11.5.



■ Operating profit excluding one-time items
■ One-time items

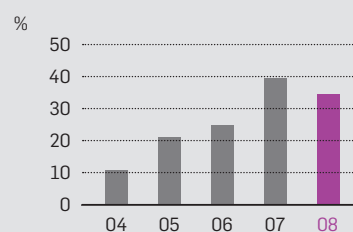
Equity ratio

Equity ratio remained good.



Return on investment

The weakening results of the end of the year also affected the return on investment.



Outlook for 2009:

- Alma Media expects its comparable net sales and operating profit to decline from the 2008 figures due to a decrease in media advertising.

Consolidated net sales and result 2008

Alma Media Group's net sales in 2008 totalled MEUR 341.2 (328.9). Favorably developed media sales in newspapers and online services, with the exception of the last few months of the year, were the main factor in increasing net sales. Online net sales grew by 24.6% during the year, being MEUR 44.7 (35.9). Online sales accounted for 13.1% (10.9%) of consolidated net sales.

The consolidated operating profit declined from the previous year to MEUR 48.3 (64.4). The operating margin was 14.2% (19.6%). The operating profit for 2008 includes a one-time capital gain of MEUR 0.6 from the sale of property. The operating profit for the comparison period included capital gains totalling MEUR 11.5.

Operating profit for the financial period, excluding one-time items, was MEUR 47.7 (52.9). Operating margin excluding one-time items was 14.0% (16.1%).

Profit before taxes for the financial period was MEUR 52.4 (68.0), including one-time items totalling MEUR 2.5 (11.5). The one-time items consist of capital gains from sales of property and the shares of AP-Paino Oy.

The increase in consolidated net sales was in line with the management's forecasts earlier in the year. Comparable operating profit fell short of the original estimate. In November, the company issued a profit warning due to the unexpectedly rapid change in the media sales market. The slowdown in the growth of media sales, which eventually turned into negative sales, as well as the investments in the development of the online business brought the operating profit below the previous year's level.

Group structure and changes in Group structure in 2008

A more detailed list of the Group's subsidiaries is given in Note 16 and of associated companies in Note 17. The Group has branch offices connected to the Mascus business in Sweden and England.

Alma Media purchased the entire stock of Jadecon Oy on February 20, 2008. The purchased company's business includes the online TV listing service Telkku.com. In addition, the corporation acquired the entire stock of Vuodatus.net Oy on October 1, 2008. Both of these companies are reported under the Newspapers segment as part of Iltalehti.

Suomen Paikallissanomat Oy acquired the business of Rannikkoseudun Sanomat, publisher of the Rannikkoseutu newspaper, on September 1, 2008, as well as the business of

Janakkalan Sanomat, a local newspaper, on December 31, 2008. The local newspaper Kurun Sanomat was sold on December 31, 2008.

Internal structural changes were implemented through the following mergers: Alma Media Palvelut Oy, subsidiary of Alma Media Corporation, was merged with Alma Media Corporation on November 30, 2008. The subsidiaries Kainuun Sanomat Oy and Pohjolan Sanomat Oy merged with Lapin Kansa Oy on October 31, 2008, and the company name was changed into Pohjois-Suomen Media Oy.

Prospects for 2009

Uncertainty in the Finnish media market is exceptionally high at the start of the year 2009.

Alma Media forecasts a drop in the single-copy sales of afternoon papers in line with the developments in 2008. The circulation of Kauppalehti is expected to stay at the 2008 level. No major changes are estimated in the circulations of regional and local papers. Alma Media expects the newspaper advertising market to decline in 2009 as well as slower growth for online advertising. The steep drop in the advertising market that began at the end of 2008 has continued during January–February.

Alma Media expects a decrease in its comparable net sales and operating profit from the figures in 2008 due to the decline in media advertising.

Market conditions

The growth of the Finnish national economy stopped at the end of 2008. According to economic forecasts, the Finnish national economy will shrink during the spring of 2009. The gross national product is forecasted to decline by 0.8–3.7% during 2009.

According to data collected by TNS Media Intelligence, the total media advertising spending in Finland in 2008 was MEUR 1,203, down 0.1%. Of the total spending, newspapers accounted for 45.8% (spending decreased 2.8% from the previous year) and television for 17.8% (spending increased by 2.3%). The share of online advertising grew to 10.1%, but the growth in its market share was largely attributable to the changes in the research methods. Comparable growth for online advertising was 22.2% in 2008.

During the last quarter, total advertising declined by 5.8%, according to TNS Media Intelligence. In December 2008, media advertising decreased 13.0% compared to the previous year. Newspaper advertising declined 7.5% in the last quarter and 15.4% in December. Online advertising grew by 15.1% in the last quarter and 3% in December.

Newspapers

The Newspapers segment reports the publishing activities of 35 newspapers. The largest of these are Aamulehti and

Italehti.

The Newspapers segment's net sales in 2008 increased 2.7% from the previous year to MEUR 236.7. During the year, the quarterly growth rates of the newspapers' net sales experienced significant fluctuation. The media sales of the Alma Media newspapers increased more than market growth in 2008. As expected, the municipal elections in October refreshed advertising sales. In November–December, the media sales of most newspapers started to decline. Especially Aamulehti and Italehti, whose media sales had developed well in the earlier months of the year, suffered from the decline towards the end of the year. The development of advertising sales in the online media was particularly favourable in Satakunnan Kansa and Italehti. The share of Italehti.fi in the entire media sales of Italehti rose to about one-third.

Circulation net sales for the newspapers grew, thanks to price increases. For regional and local newspapers, circulation development continued neutral or slightly declining. The circulation of Italehti decreased 6%, while the entire afternoon paper market dropped by 8.2%. Italehti increased its market share by half a percentage point to 42.9%.

The regional and local newspapers of Alma Media gradually deployed a common online service platform before the municipal elections in the autumn. At the end of the year, Italehti's online service Italehti.fi was Finland's largest online medium with its approximately 1.6 million unique visitors a week.

The full-year operating profit for the Newspapers segment declined to MEUR 41.5 (42.8).

Kauppalehti Group

The Kauppalehti Group specialises in producing business and financial information. Its best known title is Finland's leading business newspaper Kauppalehti. The Group also includes Alma Media Lehdentekijät (contract publishing),

Kauppalehti 121 (direct marketing) and the BNS news agency operating in the Baltic countries.

The net sales of the Kauppalehti Group grew by 4.8% in 2008 to MEUR 73.5. The growth was fuelled in particular by Kauppalehti's exceptional success: its circulation sales increased 9% during the year. Media sales for Kauppalehti increased 15%. The general market conditions also slowed down the growth of Kauppalehti's media sales towards the end of the year. Net sales of Kauppalehti's online services retained a good growth rate throughout the year. Kauppalehti's largest subsidiary, Lehdentekijät Oy, faced tight competition throughout the year.

Kauppalehti's circulation reached the record level of 86,577 copies in the circulation audit performed in August 2008. The number of visitors to Kauppalehti.fi grew by approximately 200,000 during the year, finishing at more than 500,000.

The full-year operating profit of the Kauppalehti Group improved by MEUR 2.1 to MEUR 9.7.

Marketplaces

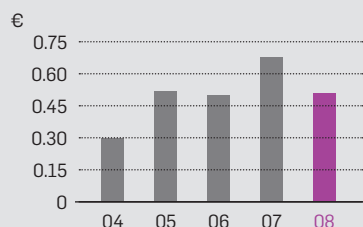
The Marketplaces segment reports Alma Media's classified services, which are produced on the internet and supported by printed products. The services in Finland are Etuovi.com, Monster.fi, Autotalli.com, Mascus.fi and Mikko.fi. The services outside Finland are City24, Motors24, Mascus and Bovision.

With its decision of October 16, 2008, the District Court of Helsinki dismissed all claims against Alma Media's use of the Etuovi.com trademark. Among other things, the district court decision confirmed Alma Media's right to use the trademark "ETUOVI.COM" for online home and real estate business and a special newspaper focusing on real estate sales. The case will continue in the Court of Appeal of Helsinki.

Net sales for Marketplaces grew 11.2% in 2008. In

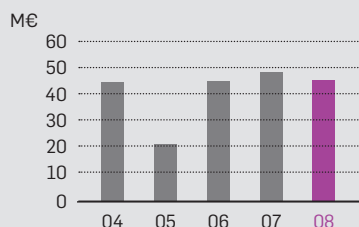
Earnings per share

Earnings per share fell short of the record level in 2007, being EUR 0.51.



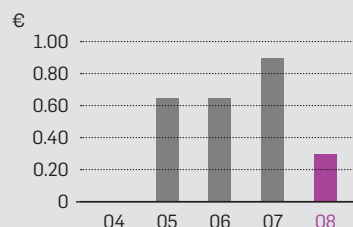
Cash flow after investing activities

The lower financial result weakened the cash flow.



Dividend per share

In addition to dividends of EUR 0.30 per share, the Board of Directors proposes that it is authorised to decide upon a possible additional dividend (max. EUR 0.20 per share).



January–September, net sales grew by more than 17%. The slowdown in the growth of home advertising that began in Finland and the Baltic countries in early autumn, as well as the sharp drop in recruitment advertising in Finland from November turned the growth trend downward during the last quarter of the year.

The full-year operating profit for Marketplaces declined from MEUR 5.3 to MEUR 2.0.

Associated companies

Alma Media Group holds a 29.9% stake in Talentum Oyj, reported under the Kauppalehti Group. Talentum's own shares in possession of Talentum are here included in the total number of shares. In the consolidated financial statements of Alma Media, the ownership in Talentum is combined in a way that does not take Talentum's own shares into account in the total number of shares. The figure used in Alma Media's consolidated financial statements of December 31, 2008 is 30.3%.

Alma Media Group divested its holding in AP-Paino Oy in December 2008. The sale brought a profit of MEUR 1.8.

Balance sheet and financial position

The consolidated balance sheet at the end of December 2008 stood at MEUR 166.9 (181.3). The equity ratio at the end of December was 57.2% (69.8%) and equity per share was EUR 1.18 (1.58).

The consolidated cash flow before financing was MEUR 45.8 (49.0). At the end of December the net debt totalled MEUR 5.8 (-17.9).

Alma Media Group has a current MEUR 100 commercial paper programme in Finland. In March, the corporation issued papers to the total amount of MEUR 35. The unused part of the programme was MEUR 87.0 on December 31, 2008.

The Group's interest-bearing debt is denominated in euros and therefore does not require hedging against exchange rate differences. The most significant purchasing contracts denominated in foreign currency are hedged.

Research and development costs

Research and development costs in 2008 amounted to MEUR 2.7 (3.7). Of this total, MEUR 2.3 (2.8) were capitalised and MEUR 0.3 (0.8) expensed. Most of the R&D development projects pertained to the development of online business.

Capital expenditure

Gross capital expenditure in 2008 totalled MEUR 14.5 (12.1), consisting mainly of acquisitions of business operations and development projects for online media. The rest of the capital

expenditure was related to normal operational and maintenance investments.

Events after financial period

Lehdentekijät Oy, part of Alma Media Group, has begun statutory personnel negotiations affecting all employees in January 2009. The subject of the negotiations is the plan to reorganise the company's operations and to clarify its cost structure. The planned changes would lead to the reduction of maximum nine employees.

The publishing company Iltalehti Oy, part of Alma Media Group, has started statutory personnel negotiations concerning all employees. The planned objective for the negotiations is the extensive reorganisation of operations. The purpose of the negotiations is to examine the future of the various services within Iltalehti and to identify measures that take the changes in media consumption into account. The maximum need for resource reductions is planned to be 30 person years. The objective for the negotiations is to find ways to implement the reduction without lay-offs.

Oy Herttaässä Ab, a shareholder of Alma Media Corporation, has in a letter dated December 18, 2008 and received by the Board of Directors on December 21, 2008 presented a request to convene an extraordinary general meeting of shareholders to consider and decide on the composition of the Board of Directors, repurchasing the company's own shares and company restructuring. On January 18, 2009 the Board of Directors of Alma Media Corporation decided to convene an ordinary general meeting of shareholders, the notice of which also includes the proposals by the shareholder Oy Herttaässä Ab. The ordinary general meeting will be arranged on March 11, 2009.

Administration

Alma Media Corporation's Annual General Meeting on March 12, 2008 elected the following persons to the Board of Directors: Lauri Helve, Matti Kavetvuo, Kai Seikku, Kari Stadigh, Harri Suutari, Ahti Vilppula and Erkki Solja.

At its constitutive meeting held after the annual general meeting, the Board elected Kari Stadigh its chairman and Matti Kavetvuo its deputy chairman. The Board also elected the members of its committees. Kai Seikku, Erkki Solja and Harri Suutari were elected members of the Audit Committee. According to the charter of the Board of Directors, Kari Stadigh, chairman of the Board, and Matti Kavetvuo, deputy chairman of the Board, will continue as members of the Nomination and Compensation Committee. Ahti Vilppula resigned from the Board of Directors on June 6, 2008.

The Annual General Meeting appointed Ernst & Young Oy as the company's auditors.

As stated in the notice to the annual general meeting dated January 18, 2009, the Board of Directors proposes that

the number of board members would be eight and that Ms Catharina Stackelberg-Hammarén, CEO, and Mr Seppo Paatelainen, be elected new members in addition to the present members of the Board.

Mr Mikko Korttila, General Counsel of Alma Media Corporation, was appointed member of the Group Executive Team from June 1, 2008.

Mr Tuomas Itkonen started as Chief Financial Officer of Alma Media Corporation and a member of the Group Executive Team on October 1, 2008.

The regulations as stated in the articles of association concerning the election of the Board of Directors, the term of office of the Board, and selection of the president and CEO are given in more detail in Note 7. The main terms of employment for the president and CEO are also given there.

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 control function and thereby part of good corporate governance. Written limits and processing methods are set for quantitative and qualitative risks by the corporate risk management system.

The most important strategic risks for Alma Media are a significant drop in the readership of its newspapers and a decline in media sales. Fluctuating economic cycles are reflected on the development of media sales, which accounts for approximately half of the Group's net sales. Developing businesses outside Finland, such as in the Baltic countries and other East European countries, include country-specific risks related to the development of the market and economic growth.

In the long term, the media business will undergo changes along with the shift in media consumption and technological developments. Alma Media's strategic objective is to meet this challenge through renewal and the development of new business operations, particularly 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 consist of paper and energy

consumption and traffic emissions. The company mainly uses newsprint in its newspaper products; the consumption of this was about 36,000 tonnes in 2008. The company used 18,838 MWh of electricity in 2008 (20,632 MWh in 2007). The carbon dioxide emissions from printing and distribution arise mainly from traffic.

Personnel

During 2008, the average number of Alma Media employees, calculated as full-time employees (excluding distributors), was 1,981 (1,971). The average number of distribution staff totalled 968 (962). During the year, the number of personnel grew proportionately most at Marketplaces.

The Alma Media Share

During January-December 2008, a total of 65.8 million Alma Media shares were traded on the NASDAQ OMX Helsinki Stock Exchange, representing 88.2% of the total number of shares. The closing price for the share on December 31, 2008 was EUR 4.95. During the year the lowest price paid for the share was EUR 4.38 and the highest EUR 11.70. The company's market capitalization at the end of December was MEUR 369.3.

In March 2008 Alma Media paid a dividend of EUR 0.90 a share, in total MEUR 67.2.

The company does not own any of its own shares and does not have a current authorisation to purchase its own shares on the market.

The company has one share series, so there is no difference in the voting rights held by shares. More details about the redemption procedures according to Articles of Association are given in Note 23.

More details about the company's ownership structure and the main shareholders on 31 December 2008 are given in Note 37.

Option rights

The Annual General Meeting on March 8, 2006, disapplying the pre-emptive subscription right of the shareholders, approved a three-stage option programme (option rights 2006A, 2006B and 2006C) as an incentive and commitment system for the managements of Alma Media Corporation and its subsidiaries. Altogether 1,920,000 stock options may be granted in three lots of 640,000 each, and these may be exercised to subscribe for a maximum of 1,920,000 Alma Media shares.

So far 515,000 of the 2006A options have been issued to corporate management. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 440,000 2006A options. In 2007 and 2008, the Alma Media's Board

of Directors decided to annul the 200,000 2006A option rights in the company's possession. The options in the 2006A programme are traded in Nasdaq OMX Helsinki Stock Exchange since April 10, 2008.

The Board of Directors of Alma Media Corporation decided in 2007 to issue 515,000 options under the 2006B programme to corporate management. A total of 40,000 2006B options have been returned to the company and are now in possession of the company. The corporate management possesses 475,000 B options. In 2008, the Board decided to annul 125,000 2006B options.

The Board of Directors of Alma Media Corporation decided in 2008 to issue 520,000 options under the 2006C programme to corporate management. A total of 40,000 2006C options have been returned to the company and are now in possession of the company. The corporate management possesses 480,000 2006C options.

If all the subscription rights are exercised, this programme will dilute the holdings of the earlier shareholders by 2.1%.

The share subscription periods and prices under the scheme are:

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

The subscription price of shares that may be subscribed under these stock option rights will be reduced by the amount of dividends and capital repayments decided after the start of the period determining the subscription price and before the subscription of shares, on the settlement date for each dividend payment or capital repayment. The share subscription price under the 2006A option was EUR 5.58 per share, the subscription price under the 2006B option was EUR 8.95 and the subscription price under the 2006C option was EUR 9.06 correspondingly.

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 share holdings and options rights held by the company's president and CEO, Executive Team and Board of Directors and by related parties are given in Note 7.

Market liquidity guarantee

Alma Media Corporation and eQ Pankki Oy have made a liquidity providing contract under which eQ Pankki guarantees bid and ask prices for the shares with a maximum

spread of 3% during 85% of the exchange's trading hours. The contract applies to a minimum of 2,000 shares.

Dividend proposal

Alma Media Corporation's Board of Directors will propose to the Annual General Meeting on March 11, 2009 that a dividend of EUR 0.30 (0.90) per share be paid for the 2008 financial year. Dividends are paid to shareholders who are entered in Alma Media Corporation's shareholder register maintained by the Finnish Central Securities Depository no later than the record date, March 16, 2009. The payment date is March 25, 2009. On December 31, 2008, the Group's parent company had distributable funds of altogether EUR 50,107,510. In addition, the Board of Directors proposes that, in accordance with Chapter 13, Section 6, Paragraph 2 of the Finnish Companies Act, the Annual General Meeting authorise the Board to decide upon the distribution of additional dividend on the following conditions:

- according to the authorisation, the Board may decide upon distributing additional dividend in a manner that limits the amount of additional dividend distributed on the basis of the authorisation to a maximum of EUR 0.20 per share
- the additional dividend may be distributed in one lot or in several proportions
- the total dividend for the 2008 financial year based on the authorisation may be no more than EUR 0.50 per share
- it is proposed that the authorisation include a right to the Board of Directors to decide upon all other conditions pertaining to the distribution of the dividend
- it is proposed that the authorisation be valid until the next ordinary annual general meeting of shareholders.

ALMA MEDIA CORPORATION
Board of Directors and CEO

Key figures

Key figures are calculated applying IFRS recognition and measurement principles.

		IFRS 2008	%	IFRS 2007	%	IFRS 2006	%	IFRS 2005	%	IFRS 2004	%
Key figures											
Net sales	M€	341.2		328.9		301.9		348.5		465.7	
Net sales, continuing operations	M€	341.2		328.9		301.9		285.9		283.4	
Operating income	M€	48.3	14.2	64.4	19.6	49.1	16.3	370.6	106.3	52.1	11.2
Operating income, continuing operations	M€	48.3	14.2	64.4	19.6	49.1	16.3	42.3	14.8	37.0	13.1
Operating income before extraordinary items	M€	52.4	15.4	68.0	20.7	49.9	16.5	376.3	108.0	43.9	9.4
Income before tax	M€	52.4	15.4	68.0	20.7	49.9	16.5	376.3	108.0	43.9	9.4
Net income for the period	M€	39.0	11.4	51.2	15.6	37.3	12.4	364.9	104.7	30.1	6.5
Net income, continuing operations	M€	39.0	11.4	51.2	15.6	37.3	12.4	39.0	13.6	21.4	7.6
Return on shareholders' equity (ROE)	%	37.7		43.8		30.9		265.8		19.8	
ROE, continuing operations	%	37.7		43.8		30.9		28.4		14.1	
Return on investment (ROI) ^{****)}	%	34.8		39.9		24.9		172.3		15.2	
ROI, continuing operations ^{****)}	%	34.8		39.9		24.9		21.2	^{*)}	10.9	
Equity ratio	%	57.2		69.8		61.3		54.5		43.1	
Gross capital expenditure	M€	14.5	4.2	12.1	3.7	19.6	6.5	22.4	6.4	14.1	3.0
Research and development costs	M€	2.7	0.8	3.7	1.1	1.7	0.6	3.1	0.9	3.0	0.6
Average personnel, excluding delivery staff		1,981		1,971		1,901		2,239		2,312	
Average personnel, excluding delivery staff, continuing operations		1,981		1,971		1,901		1,807		1,796	
Delivery staff, total number		968		962		857		900		947	
Per share data											
Earnings per share	€	0.51		0.68		0.50		4.89		0.41	
Earnings per share, continuing operations	€	0.51		0.68		0.50		0.52		0.30	
Shareholders' equity per share	€	1.18		1.58		1.54		1.69		1.96	
Dividend per share	€	0.30		0.90		0.65		0.65	^{**)}	0	
Payout ratio	%	58.3		132.9		131.1		13.3	^{**)}	0	
Effective dividend yield	%	6.1		7.7		7.0		8.5	^{**)}		
P/E ratio		9.6		17.2		18.8		1.6			
P/E ratio, continuing operations		9.6		17.2		18.8		14.8			
Share prices											
Highest ^{**)}	€	11.70		12.43		9.95		7.75			
Lowest ^{**)}	€	4.38		8.93		6.90		6.55			
On Dec 31	€	4.95		11.67		9.25		7.68			
Market capitalization Dec 31	M€	369.3		870.7		690.2		573.0		715.5	
Turnover of shares, total ^{***)}	1,000	65,800		62,102		47,600		10,100			
Relative turnover of shares, total ^{***)}	%	88.2		83.2		63.8		13.5		32.9	
Adjusted average number of shares, total	1,000	74,613		74,613		74,613		74,474		71,876	
Adjusted number of shares on Dec 31, total	1,000	74,613		74,613		74,613		74,613		74,446	

The consolidated financial statements and key figures are calculated in the name of the current legal parent company, the new Alma Media Corporation (Almanova Corporation) but continuity in the consolidated financial statements and key figures applies to the financial statements of the old Alma Media. The financial period is the 12-month calendar year and in year 2004 the comparative figures are the comparative figures for the old Alma Media.

The per share figures are adjusted to correspond with the amounts of shares of the new Alma Media Corporation (Almanova Corporation). The share numbers for 2004 have been changed to reflect the share numbers following the Group's restructuring in 2005 in order to achieve comparability. The share prices in the year 2004 have not been changed and are not shown for the comparative periods since comparability cannot be achieved.

^{*)} When calculating return on investment (ROI) for continuing operations, the capital employed in the opening balance sheet for 2005 includes the computed share of continuing operations in the whole company's capital employed.

^{**)} Includes the capital repayment (€ 0.53 per share) from the share premium fund.

^{***)} Applies to the period 7.11–31.12.2005, during which time the company's share was quoted on the Main List of the OMX Helsinki Stock Exchange.

^{****)} The calculation method of the return on investment (ROI) has been changed. Net income for the period has been used in numerator instead of income before taxes. The accounting principle change will be applied in prior periods and key figures for comparable periods has been adjusted according to new rule.

Consolidated income statement

Financial year ended December 31, M€	Note	2008	2007
Net sales	1, 3	341.2	328.9
Other operating income	4	1.7	13.0
Change in inventories of finished goods and work in progress	19	0.0	-0.2
Materials and services	5	-102.0	-99.1
Expenses arising from employee benefits	7	-119.0	-111.7
Depreciation, amortization and impairment charges	14, 15	-8.8	-9.8
Other operating expenses	8, 9	-64.9	-56.8
Operating income	1	48.3	64.4
Financial income	10	1.2	1.2
Financial expenses	10	-1.6	-1.1
Share of results in associated companies	17	4.5	3.5
Income before tax		52.4	68.0
Income tax	11	-13.4	-16.8
Net income for the period		39.0	51.2
Distribution			
To the parent company shareholders		38.4	50.5
Minority interest		0.6	0.6
EPS (EUR) calculated from net income belonging to the parent company shareholders			
Earning per share, basic	13	0.51	0.68
Earning per share, diluted	13	0.51	0.68

Consolidated balance sheet

December 31, M€	Note	2008	2007
Assets			
Non-current assets			
Goodwill	14	33.0	29.7
Intangible assets	14	12.3	10.2
Property, plant and equipment	15	35.2	38.4
Investments in associated companies	17	31.6	34.1
Other financial assets	18	4.2	4.0
Deferred tax assets	25	1.3	1.0
		117.6	117.6
Current assets			
Inventories	19	1.5	1.4
Tax receivables		4.0	0.0
Accounts receivable and other receivables	20	27.5	29.9
Other short-term financial assets	21	2.9	3.0
Cash and cash equivalents	22	13.3	24.8
		49.3	59.1
Non-current assets available for sale	12	0.0	4.7
Assets, total		166.9	181.3
Shareholders' equity and liabilities			
Share capital		44.8	44.8
Share premium fund		2.8	2.8
Cumulative translation adjustment		-0.8	0.0
Retained earnings		41.1	70.0
Parent company shareholders's equity	23	87.9	117.7
Minority interest		0.6	0.6
Shareholders' equity, total		88.5	118.3
Long-term liabilities			
Interest-bearing liabilities	28	3.9	4.6
Deferred tax liabilities	25	2.5	1.8
Pension liabilities	26	3.7	3.7
Provisions	27	0.1	0.1
Other long-term liabilities		0.5	0.9
		10.8	11.1
Current liabilities			
Interest-bearing liabilities	28	15.2	2.2
Advances received		12.3	12.0
Tax liabilities		1.3	1.1
Provisions	27	1.0	0.3
Accounts payable and other liabilities	31	37.9	36.4
		67.6	52.0
Liabilities, total		78.4	63.0
Shareholders' equity and liabilities, total		166.9	181.3

Consolidated cash flow statement

Financial year ended December 31, M€	Note	2008	2007
Cash flow from operating activities			
Net income for the period		39.0	51.2
Adjustments		17.5	8.8
Change in working capital		4.0	3.4
Dividend received		4.5	3.2
Interest received		0.9	1.1
Interest paid		-1.6	-1.1
Taxes paid		-17.5	-14.1
Net cash provided by operating activities		46.9	52.5
Cash flow from investing activities			
Investments in tangible and intangible assets		-4.2	-5.6
Proceeds from disposal of tangible and intangible assets		1.0	1.5
Other investments		-1.2	-1.0
Proceeds from disposal of other investments		0.8	3.4
Acquisition of group companies	2	-4.0	-0.3
Acquisition and sales of associated company	17	6.5	-1.5
Net cash used in investing activities		-1.0	-3.5
Cash flow before financing activities		45.8	49.0
Cash flow from financing activities			
Short-term loans raised		35.0	2.0
Short-term loans, repayments		-24.3	-5.2
Increase (-) or decrease (+) in interest-bearing receivables	21	0.0	-0.5
Dividends paid and capital repayment	23	-67.8	-48.8
Net cash used in financing activities		-57.1	-52.5
Change in cash funds (increase + / decrease -)		-11.2	-3.4
Cash and cash equivalents at start of period	22	24.8	28.2
Impact of changes in foreign exchange rates		-0.2	-0.1
Cash and cash equivalents at close of period	22	13.3	24.8

Further detaild of consolidated cash flow statement presented on page 52 →

Further details for statement of cash flow

Financial year ended December 31, M€	Note	2008	2007
Cash flow from operating activities			
Adjustments			
Depreciation, amortization and impairment charges	14, 15	8.8	9.8
Share of results in associated companies	17	-4.5	-3.5
Capital gains (losses) on sale of fixed assets and other investments		-1.4	-12.3
Financial income and expenses	10	0.4	-0.1
Taxes	11	13.4	16.8
Change in provisions	27	0.7	-1.9
Other adjustments		0.1	0.0
		17.5	8.8
Change in working capital			
Change in accounts receivable		2.4	-0.7
Change in inventories		-0.1	0.4
Change in accounts payable		1.8	3.7
		4.0	3.4
Cash flow from investing activities			
Investments financed through finance leases		-4.2	-4.0
Gross capital expenditure, payment-based ^{*)}		-9.4	-8.4
Investments, total		-13.5	-12.4

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

Statement of changes in Group's shareholders' equity

M€	Note	Share of equity belonging to parent company owners					Minority interest	Equity total
		Share capital	Share premium fund	Translation differences	Retained earnings	Total		
Shareholders' equity at December 31 2006 (IFRS)		44.8	2.8	0.1	67.2	114.9	0.4	115.3
Change in translation differences				-0.1		-0.1		-0.1
Share of items recognized directly in associated company's equity					0.2	0.2		0.2
Income/expenses recognized directly in equity				-0.1	0.2	0.1		0.1
Net income for the period					50.5	50.5	0.6	51.2
Income and expenses for the period, total				-0.1	50.7	50.6	0.6	51.2
Share-based payments					0.6	0.6		0.6
Dividend payment by parent company					-48.5	-48.5		-48.5
Dividend payment by Group company							-0.3	-0.3
Subsidiary shares sold							0.0	0.0
Other change					0.0	0.0	0.0	0.0
Other changes affecting equity					-47.9	-47.9	-0.4	-48.3
Shareholders' equity at December 31 2007 (IFRS)	23	44.8	2.8	0.0	70.0	117.7	0.6	118.3
Change in translation differences				-0.8		-0.8		-0.8
Share of items recognized directly in associated company's equity					-0.9	-0.9		-0.9
Income/expenses recognized directly in equity				-0.8	-0.9	-1.8		-1.8
Net income for the period					38.4	38.4	0.6	39.0
Income and expenses for the period, total				-0.8	37.4	36.6	0.6	37.2
Share-based payments					0.8	0.8		0.8
Dividend payment by parent company					-67.2	-67.2		-67.2
Dividend payment by Group company							-0.6	-0.6
Other change					-0.1	-0.1	0.1	0.0
Other changes affecting equity					-66.4	-66.4	-0.6	-67.0
Shareholders' equity at December 31 2008 (IFRS)	23	44.8	2.8	-0.8	41.1	87.9	0.6	88.5

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, P.O. Box 140, FI-00101 Helsinki, Finland.

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

12 February 2009 the Board of Directors has approved the consolidated financial statements for publication. According to the Finnish 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 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 force at 31 December 2008. 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 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 1 January 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, and called Almanova Corporation until 7 November 2005), was established on 27 January 2005. The company acquired the shares of the previous Alma Media Corporation (corporate ID code FI14495809) during 2005. The acquisition 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 28 April 2005. Almanova Corporation then acquired a 40.2% holding on 2 November 2005 from Bonnier & Bonnier AB and Proventus Industrier AB. Almanova acquired the remaining 47.3% of the shares of the old Alma Media in a privileged share issue on 7 November 2005.

The acquisition has been treated in the consolidated accounts as a reverse acquisition based on IFRS 3. This means that the acquiring company is the old Alma Media Corporation and the company being acquired is the Group's current legal parent company Almanova Corporation. The Finnish Financial Supervision Authority published its position on this matter on 26 January 2006. In the consolidated financial statements the acquisition date is the situation before the exchange and purchase offer that started on 28 April 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 euros, received when it was established. The net fair value of the assets, liabilities and contingent liabilities at the acquisition date do not differ from their carrying values in the company's

accounts. The acquisition cost is 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 2008

The Group has applied the following standards and interpretations from 1 January 2008:

- IAS 39 Financial Instruments: Recognition and Measurement (Amendments)
- IFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets (Amendments)

Due to international credit crisis IASB published amendments in October 2008 to allow reclassification of certain financial assets. Reclassification is allowed in given period back from 1 July 2008 and after that in certain exceptional cases. Because group balance sheet does not comprise certain financial instruments mentioned in the amendment standard, the effect of the application of new amendment standard is minor in financial year 2008 and years after.

- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions

Interpretation clarifies the scope of application regarding the equity-settled share-based transactions (IFRS 2) and sets out the requirements to reassess the share-based transactions at the subsidiary level. Based on our initial estimation the interpretation does not have effect in group financial statements.

- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The interpretation is applied to post-employment defined benefit plans and other long-term defined employee benefits (IAS 19) when minimum funding requirements exist. Interpretation also defines balance sheet recognition of future refunds and reductions in the contributions. Group have defined benefit plans mentioned in the interpretation, but based on the initial estimation the implementation of interpretation do not cause any major effects in group balance sheet.

Comparability of consolidated financial statements

The 2008 and 2007 financial years are comparable. The company has no discontinued operations to report in the 2007–2008 financial periods.

Subsidiary companies

All subsidiaries are consolidated in the Group's financial statements. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest arises when the Group holds more than half of the voting power or over which the Group otherwise exercises the right of control. The 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 eliminating 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 intragroup transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements. The distribution of the net profit for the year between the parent company owners and minority interest shareholders is shown in the income statement. The amount of shareholders' equity attributable to minority interests is shown as a separate items in the balance sheet under shareholders' equity. The amount of accumulated losses attributable to minority interests is recognized in the consolidated accounts only up to the amount of their investment.

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 euros, which is the functional and presentation currency of the parent company. Foreign currency items are entered in euros at the rates prevailing at the transaction date. Monetary foreign currency items are translated into euros using the rates prevailing at the balance sheet date. Non-monetary foreign currency items are measured at their fair value and translated into euros using the rates prevailing at the measurement 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 income statement. Exchange rate differences related to loans and loan receivables are taken to other financial income and expenses in the income statement.

The income statements of foreign Group subsidiaries are translated into euros 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 euros at the rates prevailing on the balance sheet date. Exchange differences arising on a monetary item that forms part of reporting entity's net investment in the foreign operation shall be recognised in the balance sheet and reclassified from equity to income statement 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. In year 2007 and 2008 accounts the Group's long-term receivable from the associated company AP-Paino Oy is shown in the balance sheet under assets available for sale. Alma Media has sold its shares of the company in December 2008. In financial statements 2008 group does not have assets classified under assets available for sale.

Recognition principles

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 instalments over the rental period. Income from services is recognized in accordance with their percentage of completion at the balance sheet date. Licence and royalty income is recognized in accordance with the actual content of the agreement.

Employee benefits

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

Short-term employee benefits include, among others, salaries and benefits in kind, annual holidays and bonuses. Other long-term benefits include, for example, a celebration, holiday or remuneration (e.g. bonuses for years of service) based on a long period of service. Termination benefits are benefits that are paid due to termination of an employees' 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 plan.

Payments made under defined contribution plans are entered in the income statement 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 entered 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 income statement 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 income statement 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

Stock option schemes under which options have been granted after 7 November 2002 but which did not give their holders rights before 1 January 2005 (the vesting period) are measured at their fair value at the time of issue and entered as an expense in the income statement during the vesting period. Option schemes predating this date are not entered as an expense. At the balance sheet date, 31 December 2008, Alma Media has a current stock option scheme for senior management launched in spring 2006. The 2006 stock options are measured at fair value at 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 stock option scheme and its impacts on the income statement and balance sheet are described in the notes to the financial statements.

Leasing agreements

Leases applying to tangible assets and 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. When the Group is the lessor, lease income is entered in the income statement on a straight-line basis over the lease term.

The Group has made purchasing agreements that include a lease component. Any such arrangements in force 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 income statement 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. 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 retail 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 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	3–10 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 service operations. Other costs arising later are capitalized only when they give the company added economic benefit from the asset. All other expenses, such as normal service and repair procedures, are entered as an expense in the income statement 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 at the transition date and thereafter annually for impairment. Goodwill is measured at 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 corresponding economic added value and the costs arising from this can be reliably determined.

Patents, copyright and software licences with a finite useful life are shown in the balance sheet and expensed on a straight-line basis in the income statement 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 them. 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 entered in the income statement in the period during which they arise. The derivative financial instruments used by the Group also fall into this category. The company does not apply hedge accounting.

The company employs derivative instruments to hedge against changes in paper and electricity prices. For this purpose the company has entered into commodity derivative contracts. These are measured at their fair value at the balance sheet date and changes in the fair value of paper derivatives are entered under material purchases and of electricity derivatives under other operating costs in the income statement.

Financial assets belonging under Loans and Other Receivables are valued at their amortized cost. In Alma Media, this group consists of accounts 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 income statement.

Investments held to maturity 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.

Financial assets available for sale 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. Investments in unquoted shares are also classified in the Group 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 funds consist of cash, demand and time deposits, and other short-term highly liquid investments.

The transaction date is generally used when recognizing financial instruments. Cash and cash equivalents are removed 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

Financial liabilities are entered in the accounts initially at fair value. Later all 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 fulfil 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 fulfil 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.

Group estimates the adequacy of the provisions annually and the amount is adjusted based on actual expenses and changes in estimates.

Impairments

At 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 amount of the following assets is 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 income statement. 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 income 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 income statement not mentioned above are shown under operating profit. Exchange rate differences and changes in the fair value of derivative instruments 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

As its primary business segments Alma Media Group reports the Newspapers, Kauppalähti group, Marketplaces, and Other Operations.

Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the primary 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. Based on initial estimation Implementation of IFRS 8 on 1 January 2009 will not have impact in reporting segment in the group.

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 at 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 to any significant extent the rewards and risks incidental to ownership for the premises and therefore the agreements are by nature operating lease agreements. Lease commitments for the business premises on the balance sheet date of 31 December 2008 total EUR 45.3 million.

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 Bulletin will be published. Events occurring during the period referred to above are examined to determine whether they do or do not make it necessary to correct the information in the financial statements.

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

Application of new but not yet adopted standards

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

- IFRS 8 Operating Segments: (effective from 1 January 2009)

IFRS 8 replaces IAS 14 Segment Reporting. IFRS 8 states that segment reporting is based on internal management reporting and accounting principles. The standard changes the disclosures required about segments.

- IAS 23 Borrowing Costs, amendment to standard (effective from 1 January 2009).

The amendment to IAS 23 states that borrowing costs must be included in the acquisition cost of an asset if they are directly attributable to the acquisition, construction or production of the asset. Previously these costs could alternatively be immediately expensed.

- IAS 1 Presentation of Financial Statements: amendment to standard (effective from 1 January 2009).

The amendment to IAS 1 mainly affects the presentation of the income statement and the statement of changes in shareholders' equity.

- IFRS 3 Business Combinations, amendment to standard (effective from the financial period starting 1 July 2009 or afterwards).

After the amendment to IFRS 3, entities may measure minority interest either at full fair value or at the proportionate share of the fair value of the underlying net assets of the subsidiary. In step acquisitions, holdings acquired previously are measured at fair value at the acquisition date, which

affects the amount of goodwill to be recognized. Contingent consideration is measured at fair value at the acquisition date. Subsequent changes to the measurement no longer affect goodwill but are taken to the income statement. Expenses relating to the acquisition are recognized immediately through profit and loss after the service has been received. A change in the holding in a subsidiary while control is retained is accounted for as an equity transaction with owners, and has no impact on the amount of goodwill or the result for the period. The standard is still subject to endorsement by the European Union.

- IAS 27 Consolidated and separate financial statements (effective from the financial period starting 1 July 2009 or afterwards).

Revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control such that they will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost such that any remaining interest in the entity is remeasured to fair value and a gain or loss is recognised in profit or loss. Corresponding accounting treatment will be applied also to associated companies and joint venture companies. Based on revised standard losses incurred by the subsidiary can be allocated to non-controlling interest even if the losses exceed the non-controlling equity investment. The standard is still subject to endorsement by the European Union.

- IFRS 2 Share-based Payment – Vesting Conditions and Cancellation (effective from the financial period starting 1 January 2009 or afterwards).

The amendment standard requires that non-vesting conditions to be factored into account in determining the fair value of the equity instruments granted.

- IAS 32 Financial Instruments: Presentation

IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (effective from the financial period starting 1 January 2009 or afterwards).

The amendment standards require that puttable financial instruments with certain specified features will be classified as equity rather than financial liabilities.

- IFRIC 12 Service Concession Arrangements (effective from 1 January 2008 or the financial periods commencing after that).

Group does not have public-to-private service concession arrangements in financial year 2008 or after. The interpretation is still subject to endorsement by the European Union.

- IFRIC 13 Customer Loyalty Programmes (effective from 1 July 2008 or the financial period commencing after that date).

IFRIC 13 states that companies must account for customer loyalty award credits ('points') as a separate part of the sales of goods or services. Since the points are included in the price of the product, they are entered in the balance sheet as a liability and recognized as revenue in the financial period in which the points are used. The selling price received is divided into products and points in proportion to their fair values.

- IFRIC 15 Agreements for the Construction of Real Estate (effective from 1 July 2009 or the financial period commencing after that date).

The Interpretation instructs which standard is applied for construction revenues and the revenue recognition. The interpretation does not have any effects in group financial statement because group does not operate in construction business. The interpretation is still subject to endorsement by the European Union.

- IFRIC 16 Hedges of Net Investment in Foreign Operation (effective from 1 October 2008 or the financial period commencing after that date).

Interpretation provides guidance in respect of hedges of foreign currency gains and losses on a net investment in the foreign operation. The interpretation is still subject to endorsement by the European Union.

- IFRIC 17 Distributions of Non-cash Assets to Owners (effective from 1 July 2009 or the financial period commencing after that date).

According to the interpretation non-cash dividend should be measured at the fair value. The difference between the dividend paid and the carrying amount of the net assets should be recognized in profit or loss. The interpretation is still subject to endorsement by the European Union.

- IAS 39 Financial Instruments: Recognition and Measurement (effective from 1 July 2008 or the financial period commencing after that date).

Amendment handles the hedging accounting and clarifies the guidance given to the hedging of unilateral risk of hedged item and hedging for inflation risk. The interpretation is still subject to endorsement by the European Union.

- Improvements to IFRS's (effective from 1 January 2009 unless stated otherwise or the financial period commencing after that date).

The improvement to IFRS is an annual process in order to deal with small and non-urgent amendments to IFRS. In the first edition 34 amendments are dealt with. The effects of amendments vary between standards, but group consider the effect to be minor.

The impact of the aforementioned new standards (apart from the amendments to IFRS 3) and IFRIC interpretation on the Group is initially estimated to be minor. The effect of the application of the new standards and interpretation is initially estimated to apply mainly to the income statement, balance sheet, statement of changes in shareholders' equity, and notes to the financial statements. The amendments to IFRS 3 will affect accounting of future acquisitions, including minority interest, goodwill and costs related to the acquisition. The amendment to IFRS 3 will not affect earlier acquisitions.

Calculation of key figures

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

Notes to the consolidated financial statements

1. Segment information

Alma Media Group reports as its primary segments Newspapers, Kauppalehti group, Marketplaces, and Other Operations.

The publishing activities of 35 newspapers are reported in the Newspapers segment. The largest are the regional paper Aamulehti and the daily tabloid Iltaalehti. The Kauppalehti group is specialized in producing business information. Its best known product is Finland's leading business daily, the Kauppalehti paper. The Kauppalehti group also includes a contract publishing company, Alma Media Lehdentekijät, and a direct marketing company called Kauppalehti 121. The Marketplaces segment reports the company's online and printed classified services. Other Operations are Group administration and the financial administration service centre, which serves the entire Group. Inter-segment transfer prices are based on market prices.

Segments' assets and liabilities include balances, which segment uses in its business operations. Financial items and income taxes are not allocated to the segments

Alma Media Group's geographical segments cannot be distinguished (Alma Media operates mainly in one geographical segment), and therefore segment reporting is restricted to the primary business segments listed above. The following table shows net sales for 2008 ja 2007 by geographical area:

M€	2008	2007
Finland	324.0	314.8
Rest of EU countries	16.7	14.0
Rest of other countries	0.6	0.2
	341.2	328.9

Net sales

M€	News-papers	Kauppalehti group	Market-places	Other	Eliminations	Group
Financial year 2008						
Net sales						
External net sales	232.2	73.4	34.0	1.6		341.2
Inter-segment net sales	4.5	0.1	0.3	13.5	-18.4	0.0
Net sales, total	236.7	73.5	34.3	15.1	-18.4	341.2

Financial year 2007

Net sales						
External net sales	226.3	70.0	30.4	2.2		328.9
Inter-segment net sales	4.3	0.1	0.5	12.0	-16.9	0.0
Net sales, total	230.6	70.1	30.9	14.2	-16.9	328.9

Net income in period

M€	News-papers	Kauppalehti group	Market-places	Other	Eliminations	Group
Financial year 2008						
Operating income	41.5	9.7	2.0	-4.9		48.3
Share of results in associated companies	0.1	1.6		2.8		4.5
Non-allocated items						
Net financial expenses				-0.4		-0.4
Income tax				-13.4		-13.4
Net income for the period	41.7	11.3	2.0	-16.0	0.0	39.0
Financial year 2007						
Operating income	42.8	7.6	5.3	8.7		64.4
Share of results in associated companies	0.1	2.6		0.8		3.5
Non-allocated items						
Net financial expenses				0.1		0.1
Income tax				-16.8		-16.8
Net income for the period	42.8	10.3	5.3	-7.3	0.0	51.2

Assets and liabilities

M€	News- papers	Kauppalehti group	Market- places	Other	Eliminations	Group
Financial year 2008						
Segment assets	65.9	25.2	15.2	7.7		113.9
Investments in associated companies	1.7	27.0		2.9		31.6
Non-allocated assets				21.3		21.3
	67.5	52.3	15.2	31.9	0.0	166.9
Segment liabilities	32.7	11.8	4.2	6.8		55.5
Non-allocated liabilities				22.9		22.9
	32.7	11.8	4.2	29.7	0.0	78.4
Total	34.9	40.5	11.0	2.2	0.0	88.5

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

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

Financial year 2007

Segment assets	63.1	27.4	15.4	15.6		121.5
Investments in associated companies	1.7	29.0		3.4		34.1
Non-allocated assets				25.8		25.8
	64.7	56.5	15.4	44.7	0.0	181.3
Segment liabilities	31.4	12.6	3.9	5.5		53.4
Non-allocated liabilities				9.7		9.7
	31.4	12.6	3.9	15.2	0.0	63.0
Total	33.4	43.9	11.5	29.5	0.0	118.3

Other information

M€	News- papers	Kauppalehti group	Market- places	Other	Eliminations	Group
Financial year 2008						
Investments	9.4	1.4	2.1	1.6		14.5
Depreciation	4.7	1.0	1.7	1.5		8.8
Other expenses not requiring transaction, e.g. depreciation		0.6		0.3		0.9
Writedowns			0.2			0.2
Financial year 2007						
Investments	6.0	1.1	2.8	2.2		12.1
Depreciation	4.8	1.2	1.8	2.0		9.8
Other expenses not requiring transaction, e.g. depreciation				0.1		0.1
Writedowns	0.1					0.1

2. Acquired businesses

Acquired businesses in 2008

The Group acquired four companies during 2008. These are listed by segment as follows:

Business		Acquisition date	Acquired
Newspapers			
Jadecon Oy	TV-program information service	February 20 2008	100%
Rannikkoseutu	Publishing rights for town paper Rannikkoseutu	September 1 2008	100%
Vuodatus.net Oy	Blog service	October 1 2008	100%
Janakkalan Sanomat	Publishing rights for town paper Janakkalan sanomat	December 31 2008	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:

Newspapers

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment		
Intangible assets	0.0	0.2
Intangible assets, trademarks		1.0
Intangible assets, customer agreements		0.9
Accounts receivable and other receivables	0.2	0.2
Cash and cash equivalents	0.1	0.1
Assets, total	0.3	2.4
Deferred tax liabilities		0.6
Accounts payable and other payables	0.1	0.1
Liabilities, total	0.1	0.6
Net assets	0.2	1.8
Goodwill arising from acquisition		4.0
Acquisition price (paid in cash)		5.8
Cash and cash equivalents of acquired subsidiaries or businesses		0.1
Impact on cash flow		5.7

The fair values entered on intangible assets in the integration relate primarily to trademarks and customer agreements. The goodwill arising from these acquisitions totalled M€ 4.0. Contributory factors were the synergies related to these businesses expected to be realized, and the possibility to expand business operations into new markets. The year's operating profit of the operations acquired for the segment was M€ 0.6 from the acquisition date. Net sales would have been an estimated M€ 342.4 and the operating profit M€ 48.6, assuming the acquisitions had taken place at the beginning of 2008.

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 fair value of the trademarks is based on the estimated discounted royalty payments avoided by virtue of owning these trademarks.

Acquired businesses in 2007

The Group did not acquire any business operations during 2007 except a 40% holding in Tampereen Ykkösjakelut Oy in May 2007. Further information on this acquisition is presented in Note 17, holdings in associated companies.

3. Net sales

M€	2008	2007
Distribution of net sales between goods and services		
Sales of goods	134.4	133.5
Sales of services	206.8	195.5
Net sales, total	341.2	328.9

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

4. Other operating income

M€	2008	2007
Gains on sale of property, plant and equipment	0.7	2.8
Gains on sale of intangible assets	0.8	0.4
Other	0.2	9.9
Other operating income, total	1.7	13.0

Specification of other major operating income items:

Gain on disposal of the office building and land of Kainuun Sanomat	0.6	
Gain on disposal of property and land in Rovaniemi		2.7
Leasing contract rearrangement for the office and printing works building in Tampere		8.9

In year 2007 non-recurring profit for the lease contract rearrangement on an office and printing works building in Tampere consist M€ 6.5 of gains on sale, which were not recognised as a profit in 2001. The rest of non-curring profit, M€ 2.4 consist of the difference between the book value for the lease building and the lease liability.

5. Materials and services

M€	2008	2007
Purchases during period	20.8	21.5
Change in inventories	-0.1	0.2
Materials, goods and supplies	20.7	21.8
External services	81.3	77.3
Total	102.0	99.1

6. Research and development costs

The Group's research and development costs in 2008 totalled M€ 2.7 (M€ 3.7 in 2007). Of this total, M€ 0.3 (M€ 0.8) was charged to the income statement and M€ 2.3 (M€ 2.8 in 2007) was capitalized to the balance sheet in 2008. There were capitalized research and developments costs M€ 4.7 in the balance sheet at December 31, 2008.

7. Expenses arising from employee benefits

M€	2008	2007
Salaries and fees	96.2	90.9
Pension costs – defined contribution plans	15.9	14.5
Pension costs – defined benefit plans	0.1	0.2
Approved stock options to be settled in shares	0.8	0.6
Other personnel expenses	6.0	5.6
Total	119.0	111.7

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

Newspapers	1,197	1,218
Kauppalehti group	499	527
Marketplaces	216	158
Other	69	68
Total	1,981	1,971

Additionally, Group's own distribution staff (number of employees) **968** 962

Salaries and fees to management

Parent company president (Kai Telanne)		
Salaries and other short-term employee benefits	0.5	0.4
Termination benefits		
Post-employment benefits	0.2	0.0
Approved stock options to be settled in shares	0.1	0.1
Total	0.8	0.5

The figures in the table are presented as accrual basis. In 2008 the salary and benefits paid to the President and CEO totalled € 455,442 (€ 372,073).

Other members of the Group Executive Team

Salaries and other short-term employee benefits	1.4	1.1
Termination benefits		
Post-employment benefits	0.3	0.2
Approved stock options to be settled in shares	0.3	0.2
Total	2.0	1.5

The figures in the table are presented as accrual basis. In 2008 the salary and benefits paid to the other members of the Group Executive Team totalled € 1,418,184 (€ 1,103,841).

Other Group presidents (not in Group Executive Team)

Salaries and other short-term employee benefits	1.3	1.1
Termination benefits		
Post-employment benefits	0.0	0.0
Approved stock options to be settled in shares	0.2	0.3
Total	1.5	1.4

The figures in the table are presented as accrual basis. In 2008 the salary and benefits paid to other Group presidents totalled € 1,325,642 (€ 1,169,542).

1,000 €		2008	2007
Board of Directors of Alma Media Corporation and fees paid to its members			
Kari Stadigh	Chairman	48	43
Matti Kavetvuo	Deputy chairman	37	33
Lauri Helve	Member	27	26
Erkki Solja	Member	27	
Kai Seikku	Member	29	26
Harri Suutari	Member	30	30
Ahti Vilppula	Member (until 6 June, 2008)	21	23
Matti Häkkinen	Member (until 12 March, 2008)	2	28
Total		221	208

The figures in the table are presented as accrual basis.

M€	2008	2007
Salaries and fees to management, total, M€	4.5	3.6

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

The members of the Board of Directors, the president of the parent company and the other members of the Group Executive Team together held 232,392 of the company's shares on 31 December 2008, representing 0.3% of the total number of shares and votes. The members of the Board of Directors, the president of the parent company and the other members of the Group Executive Team held altogether 220,000 options under the 2006 option A plan, 265,000 options under the 2006B plan and 270,000 options under the 2006C plan on 31 December 2008. These option rights entitle their holders to subscribe for at most 755,000 new shares in the company. The option rights and shares owned by the members of the Board of Directors, the president of the parent company and the members of the Group Executive Team represent 1.3% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights are as follows Dec 31, 2008 *)

		Shares	Options A plan	Options B plan	Options C plan
Kari Stadigh	Chairman	14,049			
Matti Kavetvuo	Deputy chairman	11,511			
Lauri Helve	Member	42,765			
Kari Seikku	Member	2,525			
Erkki Solja	Member	39,262			
Harri Suutari	Member	83,713			
Kai Telanne	President	4,339	80,000	80,000	80,000
Matti Apunen	Group Executive Team	4,339	25,000	25,000	25,000
Rauno Heinonen	Group Executive Team			10,000	10,000
Tuomas Itkonen	Group Executive Team				
Kari Kivelä	Group Executive Team		40,000	40,000	40,000
Mikko Korttila	Group Executive Team			5,000	10,000
Juha-Petri Loimovuori	Group Executive Team	150	10,000	40,000	40,000
Raimo Mäkilä	Group Executive Team	25,000	40,000	40,000	40,000
Minna Nissinen	Group Executive Team	4,739	25,000	25,000	25,000
		232,392	220,000	265,000	270,000

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

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

The company shall have a President appointed by the Board of Directors. The President 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€	2008	2007
Information technology and telecommunication	12.8	11.9
Business premises	11.5	9.9
Other costs	40.7	35.0
Total	64.9	56.8

9. Audit expenses

M€	2008	2007
Ernst Young Oy		
Audit	0.1	0.1
Reporting and opinions	0.0	0.0
Tax consultation	0.0	0.0
Other	0.1	0.0
Total	0.3	0.2

10. Financial income and expenses

M€	2008	2007
Financial income		
Interest income on investments held to maturity	0.9	1.1
Dividend income on other non-current investments	0.3	0.2
Total	1.2	1.2
Financial expenses		
Interest costs		
Interest costs from other interest-bearing debt	-0.9	0.0
Interest costs from finance leases	-0.4	-1.0
Foreign exchange gains and losses	-0.2	-0.1
Muut rahoituskulut	-0.1	0.0
Total	-1.6	-1.1
Financial income and expenses, total	-0.4	0.1
Financial income presented by categories as required by IAS 39		
Interest income on investments held to maturity	0.9	1.1
Dividend income from available-for-sale financial assets	0.3	0.2
Financial income, total	1.2	1.2
Financial expenses presented by categories as required by IAS 39		
Interest costs from interest-bearing debts		
measured at amortized cost	-0.9	0.0
Interest costs from finance leases measured at amortized cost	-0.4	-1.0
Foreign exchange losses (loans and receivables)	-0.2	-0.1
Other financial expense	-0.1	0.0
Total	-1.6	-1.1

11. Income tax

M€	2008	2007
Tax based on taxable income for the period	13.6	13.7
Tax from previous periods	0.0	0.1
Deferred taxes	-0.1	3.1
Total	13.4	16.8

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

The Finnish corporate tax rate in 2008 and 2007 was 26%.

M€	2008	2007
Income before tax	52.4	68.0
Share of associated companies' result	-4.5	-3.5
	47.9	64.5
Tax calculated on the parent company's tax rate	12.5	16.8
Impact of varying tax rates of foreign subsidiaries	0.0	0.1
Tax-free income	-0.4	-0.1
Non-tax-deductible expenses	0.6	0.2
Items from previous periods	0.0	0.1
Use of previously non-entered deferred tax assets	-0.1	-0.1
Non-entered deferred tax asset of the confirmed tax losses	0.7	0.0
Recognition in balance sheet of previously non-entered deferred tax assets *)	0.1	0.0
Other items	0.1	-0.1
Tax shown in the income statement	13.4	16.8

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

12. Non-current assets available for sale and discontinued operations

In financial year 2007 the non-current loan receivable from group's association company AP-Paino Oy has been shown in non current asset available for sale. The group has sold the assets relating to AP-Paino Oy in December 2008 and recognised M€ 1.8 as profit. There is no non-current assets available for sale or discontinued operations in 2008.

13. Earnings per share

Basic earnings per share is calculated by dividing income for the period belonging to the parent company's owners by the weighted average number of shares in the period. Diluted earnings per share is calculated by dividing the income for the period belonging to the parent company's owners by the weighted average number of diluted shares during the period.

M€	2008	2007
Parent company owners' income in the period	38.4	50.5
Number of shares (1,000)		
Weighted average number of outstanding shares	74,613	74,613
Impact of issued share options calculated as number of shares	152	161
Diluted weighted average number of outstanding shares	74,764	74,773
EPS, basic	0.51	0.68
EPS, diluted	0.51	0.68

14. Intangible assets and goodwill

M€	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2007					
Acquisition cost Jan 1	17.3	4.0	0.5	30.4	52.1
Increases	2.3	0.1	1.2		3.7
Decreases	-1.4	-1.0	-0.1	-0.4	-2.9
Exchange differences				-0.1	-0.1
Transfers between items	0.1	0.5	-0.6		0.0
Acquisition cost Dec 31	18.3	3.6	1.0	29.9	52.8
Acc. depreciation, amortization and impairments Jan 1	10.8	1.3	0.0	0.2	12.2
Acc. depreciation in decreases and transfers	-1.3	-1.0			-2.3
Writedowns	1.7	1.1			2.8
Accumulated depreciation Dec 31	11.2	1.4	0.0	0.2	12.8
Book value Jan 1	6.5	2.7	0.5	30.2	39.9
Book value Dec 31	7.0	2.2	1.0	29.7	40.0
Financial year 2008					
Acquisition cost Jan 1	18.3	3.6	1.0	29.9	52.8
Increases	3.0		2.2	4.1	9.2
Decreases	-3.5			-0.1	-3.6
Exchange differences				-0.7	-0.7
Transfers between items	1.5	0.4	-1.9		0.0
Acquisition cost Dec 31	19.2	4.0	1.3	33.2	57.7
Acc. depreciation, amortization and impairments Jan 1	11.2	1.4	0.0	0.2	12.8
Acc. depreciation in decreases and transfers	-3.3				-3.3
Depreciation in period	2.0	0.7			2.7
Writedowns	0.1			0.1	0.2
Accumulated depreciation Dec 31	10.1	2.1	0.0	0.2	12.4
Book value Jan 1	7.0	2.2	1.0	29.7	40.0
Book value Dec 31	9.1	1.9	1.3	33.0	45.3

Intangible assets include assets purchased through finance leases as follows:

M€	Intangible rights	Total
Financial year 2007		
Acquisition cost Jan 1	1.6	1.6
Increases	0.0	0.0
Decreases	-0.8	-0.8
Acquisition cost Dec 31	0.8	0.8
Accumulated depreciation Jan 1	1.1	1.1
Accumulated depreciation in decreases	-0.8	-0.8
Depreciation in period	0.2	0.2
Accumulated depreciation Dec 31	0.4	0.4
Book value Dec 31	0.4	0.4
Financial year 2008		
Acquisition cost Jan 1	0.8	0.8
Increases	0.0	0.0
Decreases	0.0	0.0
Acquisition cost Dec 31	0.8	0.8
Accumulated depreciation Jan 1	0.4	0.4
Accumulated depreciation in decreases	0.0	0.0
Depreciation in period	0.2	0.2
Accumulated depreciation Dec 31	0.6	0.6
Book value Dec 31	0.2	0.2

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€	2008	2007
Ittalehti	0.8	0.0
Suomen Paikallissanomat	0.2	0.0
Newspapers, total	1.0	0.0
Kauppalehti 121	0.4	0.4
Alma Media Lehdentekijät	0.1	0.1
Kauppalehti group, total	0.6	0.6
Homes and business premises	0.8	0.8
Marketplaces, total	0.8	0.8
Group, total	2.3	1.3

Allocation of goodwill to cash-generating units

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

M€	2008	2007
Aamulehti	0.0	0.0
Itälehti	3.1	0.0
Kainuun Sanomat	2.3	2.3
Lapin Kansa	2.5	2.5
Northern Newspapers	1.0	1.0
Satakunnan Kansa	4.1	4.1
Local Newspapers group	2.2	1.3
Newspapers group, total	15.2	11.2
Baltic News Service	0.8	0.8
Kauppalehti	3.3	3.3
Kauppalehti 121	5.2	5.2
Alma Media Lehdentekijät	2.9	3.1
Kauppalehti group, total	12.3	12.4
Homes and business premises	5.1	5.7
Vehicles and heavy machinery	0.3	0.3
Marketplaces, total	5.3	6.0
Units allocated an insignificant amount of goodwill	0.1	0.1
Goodwill total	33.0	29.7

Impairment testing of goodwill and intangible with indefinite lives

In financial year 2008 M€ 0.2 impairment loss has been recognised in Marketplace-segment, vehicles and heavy machinery. M€ 0.1 of impairment loss has been allocated to goodwill. No impairment losses were recorded in the financial year 2007.

In testing for impairment of goodwill and intangible rights, the recoverable amount is the value in use. Estimated cash flows determined in the test are based on the Group's strategic forecasts for the following three years confirmed by the company's management and Board of Directors. The years following this period are estimated by extrapolation, taking into account the business cycle. In addition to general economic factors, the main assumptions and variables used when determining cash flows are the forecast growth of media sales in different market segments and estimated growth of newspaper circulations. The growth rate assumptions of media sales vary in different market segments and in different product categories. When evaluating the growth the past events has also taken into account.

Goodwill allocated to new business areas, and goodwill arising from recent acquisitions, are more sensitive to impairment testing and therefore more likely to be subject to an impairment loss when the aforementioned main assumptions change. Based on a sensitivity analysis, the tested goodwill and intangible rights were not critical. A discount rate of 8.5% (interest rate before taxes) has been used. The interest rate is based on the weighted average yield set for shareholders' equity and liabilities.

When estimating the recoverable amount of Alma Media's segments, based on the management's evaluation the possible change of any essential variable, with reasonable estimation, do not cause the situation where the cash generating units' recoverable amount would be under the carrying amount.

In connection with the sensitivity analysis it has been estimated the effects of the increase of discount rate and decrease of media sales to recoverable amount. In case of constant 10% decrease of media sales the valuation risks amounts M€ 4.0 in group's assets, aligned to Marketplace segment. The constant 10% decrease in media sales does not have valuation risk of assets in Newspapers or Kauppalehti group. Based on sensitivity analysis the increase of discount rate does not cause material valuation risk of assets.

15. 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 2007						
Acquisition cost Jan 1	2.4	44.1	67.6	4.7	0.2	119.0
Increases	0.0	0.2	4.6	0.2	0.5	5.5
Decreases	-0.5	-18.9	-9.0	-0.1		-28.6
Transfers between items		0.2			-0.2	0.0
Acquisition cost Dec 31	1.9	25.6	63.2	4.8	0.5	96.0
Accumulated depreciation, amortization and impairments Jan 1	0.0	21.2	43.8	2.3	0.0	67.3
Accumulated depreciation in decreases and transfers		-7.9	-8.8			-16.7
Depreciation in period		1.2	5.3	0.4		6.9
Accumulated depreciation, amortization and impairments Dec 31	0.0	14.5	40.3	2.7	0.0	57.5
Book value Jan 1	2.4	22.9	23.7	2.4	0.2	51.7
Book value Dec 31	1.9	11.0	22.9	2.1	0.5	38.4
Book value of machinery and equipment			15.4			
Financial year 2008						
Acquisition cost Jan 1	1.9	25.6	63.2	4.8	0.5	96.0
New companies		0.2	2.2	0.1	0.5	2.9
Increases	-0.2	-0.5	-1.7	-0.3		-2.7
Transfers between items			0.9	0.1	-1.0	0.0
Acquisition cost Dec 31	1.7	25.2	64.5	4.7	0.1	96.2
Accumulated depreciation, amortization and impairments Jan 1	0.0	14.5	40.3	2.7	0.0	57.5
Accumulated depreciation in decreases and transfers		-0.5	-1.7	-0.2		-2.5
Depreciation in period		0.6	5.0	0.3		5.9
Accumulated depreciation, amortization and impairments Dec 31	0.0	14.6	43.6	2.8	0.0	61.1
Book value Jan 1	1.9	11.0	22.9	2.1	0.5	38.4
Book value Dec 31	1.7	10.6	20.9	1.8	0.1	35.2
Book value of machinery and equipment			14.0			

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

M€	Buildings and structures	Machinery and equipment	Total
Financial year 2007			
Acquisition cost Jan 1	17.4	10.3	27.6
Increases	0.0	2.6	2.6
Decreases	-17.4	-2.2	-19.6
Acquisition cost Dec 31	0.0	10.7	10.7
Accumulated Depreciation Jan 1	5.3	4.3	9.6
Accumulated depreciation in decreases	-6.0	-2.2	-8.2
Depreciation in period	0.7	2.0	2.7
Accumulated Depreciation Dec 31	0.0	4.1	4.1
Book value Dec 31	0.0	6.6	6.6
Financial year 2008			
Acquisition cost Jan 1	0.0	10.7	10.7
Increases	0.0	1.5	1.5
Decreases	0.0	-0.4	-0.4
Acquisition cost Dec 31	0.0	11.9	11.9
Accumulated Depreciation Jan 1	0.0	4.1	4.1
Accumulated depreciation in decreases	0.0	-0.4	-0.4
Depreciation in period	0.0	2.0	2.0
Accumulated Depreciation Dec 31	0.0	5.7	5.7
Book value Dec 31	0.0	6.1	6.1

16. Subsidiary companies

Company	Registered office	Holding, %	Share of votes, %
Aamujakelu Oy	Tampere, Finland	100.00	100.00
Alma Media doo	Belgrad, Serbia	100.00	100.00
Alma Media Interactive Oy	Helsinki, Finland	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki, Finland	97.00	97.00
Alma Media Lehdentekijät Oy	Helsinki, Finland	100.00	100.00
Arctic Press Oy	Rovaniemi, Finland	100.00	100.00
AS Autoinfo.ee	Tallinn, Estonia	95.00	95.00
AS Kinnisvaraportaal	Tallinn, Estonia	100.00	100.00
Balti Uudistetalituse AS	Tallinn, Estonia	100.00	100.00
BNS Eesti OÜ	Tallinn, Estonia	100.00	100.00
BNS Latvija SIA	Riga, Latvia	99.99	99.99
BNS UAB	Vilnius, Lithuania	99.95	99.95
Bovision AB	Stockholm, Sweden	100.00	100.00
City24 Adriatic d.o.o	Zagreb, Croatia	80.00	80.00
City24 EOOD	Sofia, Bulgaria	100.00	100.00
City24 Polska Sp z.o.o.	Warsaw, Poland	70.00	70.00
ETA Uudistetalituse OÜ	Tallinn, Estonia	100.00	100.00
Etuovi Oy	Helsinki, Finland	100.00	100.00
Jadecon Oy	Helsinki, Finland	100.00	100.00
Karenstock Oy	Helsinki, Finland	100.00	100.00
Kauppalehti Oy	Helsinki, Finland	100.00	100.00
Kauppalehti 121 Oy	Espoo, Finland	100.00	100.00
Kustannus Oy Aamulehti	Tampere, Finland	100.00	100.00
Kustannus Oy Otsikko	Tampere, Finland	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki, Finland	100.00	100.00
Mediju Monitorings SIA	Riga, Latvia	100.00	100.00
Mediaskopas UAB	Vilnius, Lithuania	100.00	100.00
Monster Oy	Helsinki, Finland	75.00	75.00
Motors24.lv SIA	Riga, Latvia	100.00	100.00
OOO City24	Moskow, Russia	100.00	100.00
Objektvision AB	Stockholm, Sweden	100.00	100.00
Osakeyhtiö Harjavallan Kustannus	Harjavalta, Finland	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi, Finland	100.00	100.00
Porin Sanomat Oy	Pori, Finland	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori, Finland	100.00	100.00
SIA City24	Riga, Latvia	96.80	96.80
Suomen Business Viestintä SBV Oy	Helsinki, Finland	100.00	100.00
Suomen Paikallissanomat Oy	Tampere, Finland	100.00	100.00
TOB Citi 24	Kiev, Ukraine	70.00	70.00
UAB City24	Vilnius, Lithuania	99.88	99.88
UAB Motors24	Vilnius, Lithuania	100.00	100.00
Vuodatus.net Oy	Helsinki, Finland	100.00	100.00

17. Holdings in associated and joint venture companies**Holdings in associated companies**

M€	2008	2007
At start of period	34.1	32.1
Increases	0.0	1.5
Decreases	0.0	0.0
Share of results	4.5	3.4
Share of items recognized directly in associated company's equity	-0.9	0.2
Dividends received	-4.2	-3.1
Transfers between items	-1.8	0.0
At end of period	31.6	34.1

Further information on associated companies

Talentum Oyj, included in the book value of associated companies at December 31 2008, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements at December 31 2008 is M€ 27.0 and its market capitalization was M€ 24.7. The investent is considered as long term and strategic for Alma Media. The investment's value in use exceeds the carrying amount.

During 2007 the Group acquired a 40% holding in Tampereen Ykkösjakelut Oy in 2007. Goodwill arising from associated companies totalled M€ 21.1 (M€ 21.1) at December 31 2008.

M€	2008	2007
Book value of shares, total	31.6	34.1
Receivables from associated companies	-	4.7
Liabilities to associated companies	0.1	0.1
Summary of associated company totals (100%)		
Aggregate assets of associated companies	66.6	127.7
Aggregate liabilities of associated companies	33.9	94.9
Aggregate net sales of associated companies	124.2	203.4
Aggregate profit/loss of associated companies	8.4	9.2

Associated companies

	Holding, %	Share of votes, %
Ahaa Sivunvalmistus Oy	20.00	20.00
Holding Oy Visio	24.74	24.74
Oy Suomen Tietotoimisto – Finska Notisbyrån Ab	24.07	24.07
Talentum Oyj	29.85	29.85
Tampereen Tietoverkko Oy	34.92	34.92
Tampereen Ykkösjakelu Oy	40.00	40.00
Kytöpiiritti Oy	43.20	43.20
Nokian Uutistalo Oy	36.90	36.90

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 Marketplace 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.

Group's share of balance sheets and results of joint venture companies

M€	2008	2007
Non-current assets	3.7	3.7
Current assets	0.1	0.1
Long-term liabilities	0.1	0.1
Current liabilities	0.0	0.0
M€	2008	2007
Net sales	0.1	0.0
Operating profit	0.0	0.0
Net income for the period	0.0	0.0
Average total workforce in joint venture companies	1	1

18. Other financial assets

M€	Book values 2008	Fair values 2008	Book values 2007	Fair values 2007
Available-for-sale financial assets	4.1	4.1	4.0	4.0
Loan receivables	0.1	0.1	0.0	0.0
Total	4.2	4.2	4.0	4.0

19. Inventories

M€	2008	2007
Materials and supplies	1.5	1.4
Total	1.5	1.4

A M€ 0.1 writedown on inventories was entered in the 2007 accounts and allocated under book inventories (finished goods).

20. Accounts receivable and other receivables

M€	2008	2007
Accounts receivable	24.5	25.8
Receivables from others		
Prepaid expenses and accrued income	2.2	2.6
Other receivables	0.8	1.5
	3.0	4.0
Receivables, total	27.5	29.9

The aging analysis of trade receivables is as follows

Non-matured receivables and receivables maturing in 1–4 days	18.7	20.0
Maturing in 5–30 days	3.8	4.5
Maturing in 31–120 days	1.3	1.0
Maturing after 120 days	0.6	0.3
Accounts receivable, total	24.5	25.8

In financial year 2008 approximately M€ 0.2 impairment loss recognised in accounts receivable.
There has not been realised any major bad debts during the years 2008 and 2007.

21. Other short-term financial assets

M€	2008	2007
Investments held to maturity	2.9	3.0
Total	2.9	3.0

22. Cash and cash equivalents

M€	2008	2007
Cash and bank accounts	7.8	8.2
Investment certificates (1–3 months)	5.5	16.6
Total	13.3	24.8

23. Information on shareholders' equity and its administration

The following describes information of Alma Media shares and changes in 2008.

	Total number of shares	Share capital, M€	Share premium fund, M€
January 1 2008	74,612,523	44.8	2.8
December 31 2008	74,612,523	44.8	2.8

The company has one share series and all shares confer the same voting rights, one vote per share.

The shares have no par value.

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 for shares in conjunction with an increase in the share capital, 1) who are listed on the record date as shareholders in the shareholders' register; or 2) whose right to receive payment is recorded on the record date in the book-entry account of a shareholder listed in the shareholders' register, 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 the 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 2008 or 2007.

Translation differences

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

Asset revaluation fund

The asset revaluation fund is used to record increases in the fair value of financial assets available-for-sale. The group has not recognised any revaluation of assets during the financial year 2008. The financial assets available-for-sale consist of investments of non-listed shares and no reliable fair value is available.

Distributable funds

The distributable funds of the Group's parent company on December 31 2008 totalled € 50,107,510.

Administration of shareholder's equity

The purpose of administration of shareholder's equity and optimal capital structure is to secure normal business preconditions. Capital structure is affected by dividend distribution. The development of capital structure is followed with gearing and equity ratio key figures. Those key figures are presented in the following in 2008 and 2007.

M€	2008	2007
Interest-bearing liabilities	19.1	6.8
Cash and cash equivalents	13.3	24.8
Interest-bearing net debt	5.8	-17.9
Shareholder's equity	88.5	118.3
Net gearing, %	6.5	-15.2
Equity ratio, %	57.2	69.8

Dividend policy

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

Redemption of shares

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

24. Share-based payments

The Annual General Meeting held on 8 March 2006 decided on a new stock option scheme under which at most 1,920,000 options would be granted and these may be exercised to subscribe for at most 1,920,000 Alma Media shares with a book counter-value of 0.60 euros per share. This scheme forms part of the company's plan for motivating its senior management and ensuring their long-term commitment to the company. Of the total number of options, 640,000 were marked 2006A, 640,000 were marked 2006B and 640,000 were marked 2006C.

Share subscription periods:

for stock options 2006A 1 April 2008–30 April 2010,
for stock options 2006B 1 April 2009–30 April 2011, and
for stock options 2006C 1 April 2010–30 April 2012.

As authorized by the AGM, the Board of Directors has so far granted 515,000 of the 2006A options to a total of 18 executives. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. On 8 March 2007 and 29 April 2008 the company's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. The share subscription price under the A options, 7.66 euros per share, was determined by the trade weighted average share price in public trading between 1 April and 31 May 2006. The subscription price of the 2006A options was reduced by the amount of capital repayment in 2006, i.e. by 0.53 euros per share, by dividend payment in March 2007, i.e. by 0.65 euros per share and by dividend payment in March 2008, i.e. by 0.90 euros per share, to 5.58 per share. The vesting period for the options has ended and the share subscription period began on 1 April 2008. Until December 31 2008 there has not been any subscription of shares.

In March 2007 the Board of Directors decided to issue 515,000 options under the 2006B scheme to Group management. Altogether 40,000 of the 2006B options have been returned to the company owing to the termination of employment contracts. The share subscription price under the 2006B option, 9.85 euros per share was determined by the trade weighted average share price in public trading between 1 April and 31 May 2007. The subscription price of the 2006B was reduced by the amount of dividend payment in March 2008, i.e. by 0.90 euros per share, to 8.95 euros per share. On April 29 2008 the company's Board of Directors decided to annul the 125,000 2006B option rights in the company's possession.

In March 2008 the Board of Directors decided to issue 520,000 options under the 2006C scheme to Group management. The share subscription price under the 2006C option, 9.06 euros per share was determined by the trade weighted average share price in public trading between 1 April and 31 May 2008. Altogether 40,000 of the 2006C options have been returned to the company owing to the termination of employment contracts.

If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 2.1%.

The stock option plan is entered in the accounts as required by IFRS 2 – Share-Based Payments. The option rights granted are measured at their fair value at 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€ 0.8 was entered in the 2008 accounts (M€ 0.6 in 2007). The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the shares of the previous Alma Media Corporation.

Specification of option rights

Options	Number	Annuled	Free	Share subscription period		Period determining subscription price (trade volume weighted average share price)		
				begins	ends			
2006A	640,000	200,000	–	Apr 1 2008	Apr 30 2010	Apr 1 2006	–	May 31 2006
2006B	640,000	125,000	40,000	Apr 1 2009	Apr 30 2011	Apr 1 2007	–	May 31 2007
2006C	640,000		160,000	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 payment 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:				
Grant date		April 26 2006	March 8 2007	March 12 2008
Number of options granted	option	515,000	515,000	520,000
Subscription price	€	5.58	8.95	9.06
Share subscription price at grant date	€	7.66	9.85	9.06
Total duration of option scheme	days	1,496	1,521	1,491
Expected volatility	%	30	23	25
Vesting period	days	736	761	730
Risk-free interest rate	%	3.5	4.5	5.0
Payment method		as shares	as shares	as shares
Expected personnel reductions	%	0	0	0
Expected dividend yield	%	0	0	0
Value of option at grant date	€/share	1.526	1.731	1.689
	total M€	1.0	1.1	1.1
Value pricing model		Black&Scholes (Forward Start Option, 1990 Rubinstein)		

The option rights are granted on condition that the person receiving the options pledges to subscribe for shares corresponding to at least 25% of the gross value of the options granted to him/her 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 option right in question.

Should the option holder's work or employment contract with Alma Media end for reasons other than the death or retirement, as determined by the company, or permanent work disability of the option holder, 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 such option certificates for which the share subscription period has not begun on the date on which his/her work or employment contract ended. Altogether 75,000 options under 2006A plan, 40,000 options under 2006B plan and 40,000 options under 2006C plan, 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 share subscription period for the options in question has commenced, option rights may only be transferred with the consent of the Board of Directors.

Changes during option period

Number of options	A option plan		B option plan		C option plan	
	2008	2007	2008	2007	2008	2007
At start of financial year	440,000	450,000	510,000	0	0	0
Number of new options granted	0	0	5,000	510,000	520,000	0
Number of options forfeited	0	-10,000	0	0	0	0
Number of options exercised	0	0	0	0	0	0
Cancelled / nullified options at end of financial year	440,000	440,000	515,000	510,000	520,000	0

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

25. Deferred tax assets and liabilities**Changes in deferred taxes during 2007**

M€	Dec 31 2006	Entered in income statement	Entered under equity	Acquired/ sold subsidiaries	Dec 31 2007
Deferred tax assets					
Provisions	0.6	-0.5			0.1
Pension benefits	0.1	0.0			0.1
Deferred depreciation	1.2	0.1		0.0	1.3
Sale and lease-back agreement	2.6	-2.6			0.0
Other items	0.6	-0.1			0.5
Total	5.0	-3.0	0.0	0.0	2.0
Taxes, net	-0.9				-1.0
Deferred tax assets in balance sheet	4.1				1.0
Deferred tax liabilities					
Accumulated depreciation differences	0.4	0.0			0.4
Fair value measurement of property, plant and equipment and intangible assets in business combinations	0.9	-0.3		0.1	0.6
Retained earnings of subsidiary companies	0.7	0.1			0.8
Other items	0.7	0.3			1.0
Total	2.7	0.1	0.0	0.1	2.8
Taxes, net	-0.9				-1.0
Deferred tax liabilities in balance sheet	1.8				1.8
Deferred tax, net	2.3	-3.1		-0.1	-0.8

Changes in deferred taxes during 2008

M€	Dec 31 2007	Entered in income statement	Entered under equity	Acquired/ sold subsidiaries	Dec 31 2008
Deferred tax assets					
Provisions	0.1	0.2			0.3
Pension benefits	0.1	0.0			0.1
Deferred depreciation	1.3	0.4		0.0	1.7
Sale and lease-back agreement	0.0	0.0			0.0
Other items	0.5	0.0			0.5
Total	2.0	0.7	0.0	0.0	2.7
Taxes, net	-1.0				-1.4
Deferred tax assets in balance sheet	1.0				1.3
Deferred tax liabilities					
Accumulated depreciation differences	0.4	0.2			0.6
Fair value measurement of property, plant and equipment and intangible assets in business combinations	0.6	-0.1		0.6	1.1
Retained earnings of subsidiary companies	0.8	0.2			1.0
Other items	1.0	0.3			1.3
Total	2.8	0.6	0.0	0.6	3.9
Taxes, net	-1.0				-1.4
Deferred tax liabilities in balance sheet	1.8				2.5
Deferred tax, net	-0.8	0.1	0.0	-0.6	-1.2

No deferred tax asset has been calculated on the confirmed tax losses (M€ 4.4) of Group companies in 2008. Utilization of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire between the years 2009–2015.

26. 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€	2008	2007
Present value of obligations at start of period	9.3	10.5
Service cost during period	0.3	0.1
Interest cost	0.3	0.3
Actuarial gains and losses	0.5	-1.5
Payments of defined benefit obligations	-0.5	-0.6
Losses / gains from plan settlements	-0.7	0.5
Present value of funded obligations at end of period	9.1	9.3
Fair value of plan assets at start of period	5.2	6.8
Expected return on plan assets	0.3	0.3
Actuarial gains and losses	1.6	-1.8
Incentive payments	0.0	0.1
Payments of defined benefit obligations	-0.5	-0.5
Losses / gains from plan settlements	-0.5	0.3
Present value of plan assets at end of period	6.0	5.2
Deficit/surplus	3.1	4.1
Unrecognized actuarial gains (-) and losses (+)	0.5	-0.5
Losses / gains from plan settlements	0.0	0.0
Defined benefit pension liabilities in the balance sheet	3.7	3.7

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

M€	2008	2007	2006	2005	2004
Present value of unfunded obligations	3.2	3.2	3.3	3.4	3.8
Present value of funded obligations	6.0	6.1	7.2	7.2	9.0
Fair value of assets	-6.0	-5.2	-6.8	-6.8	-8.3
Deficit/surplus	3.1	4.1	3.6	3.8	4.5

The presentation of the defined benefit pension obligation has been changed compared to previous financial year. The pension obligation M€ 3.2 (December 31 2008) presented previously in other pension liability has been included in defined benefit pension obligation and it has been categorized as unfunded obligations.

The change of presentation do not have effects in amount of pension liability. The change has been shown also in previous years. The plan assets are invested primarily in interest- and share-based instruments and they have an aggregate expected annual return of 5.75%. A more detailed specification of the plan assets is not available.

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

M€	2008	2007
Service cost during period	0.3	0.1
Interest cost	0.3	0.3
Expected return on plan assets	-0.3	-0.3
Actuarial gains and losses	0.0	0.1
Losses / gains from plan settlements	-0.2	0.0
Total	0.1	0.2

Changes in liabilities shown in balance sheet

M€	2008	2007
Start of period	3.7	3.6
Incentive payments paid	0.0	-0.1
Pension expense in income statement	0.1	0.1
Divestments of subsidiaries	0.0	0.0
Defined benefit pension obligation in balance sheet	3.7	3.7

A similar investment is expected to be made in the plan in 2009 as in 2008.

Actuarial assumptions used

%	2008	2007
Discount rate	5.8	4.7
Expected return on plan assets	5.8	4.7
Future salary increase assumption	3.5	3.5
Inflation assumption	2.0	2.0

27. Provisions

M€	Restructuring provision	Loss-making contracts	Other provisions	Total
January 1 2008	0.3	0.0	0.1	0.4
Increase in provisions	0.6		0.3	0.9
Provisions employed	-0.2	0.0		-0.2
Reversals of unemployed provisions				
Impact of changes in discount rate				
December 31 2008	0.7	0.0	0.4	1.1
Current	0.7	0.0	0.3	1.0
Non-current	0.0	0.0	0.1	0.1

Restructuring provision: this provision has been made to cover implemented or possible personnel reductions in different companies and the costs arising from the divestment of the Broadcasting operation. The provision is expected to be realized in 2009.

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

28. Interest-bearing liabilities

M€	Book values 2008	Fair values 2008	Book values 2007	Fair values 2007
Non-current				
Finance lease liabilities	3.9	3.9	4.6	4.6
	3.9	3.9	4.6	4.6
Current				
Other current interest-bearing debt	13.0	13.0	0.0	0.0
Finance lease liabilities	2.2	2.2	2.2	2.2
	15.2	15.2	2.2	2.2

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

Non-current debt matures as follows

M€	2008	2007
2009		1.6
2010	1.6	0.9
2011	0.9	0.5
2012	0.4	0.4
2013	1.0	1.2
Later	0.0	0.0
Total	3.9	4.6

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

M€	2008	2007
EUR	3.9	4.6

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

	2008	2007
Finance lease liabilities	5.0	5.9

Interest-bearing current debt is divided by currency as follows
 M€

	2008	2007
EUR	15.2	2.2

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

	2008	2007
Other current interest-bearing debt	4.5	
Finance lease liabilities	5.0	5.9

Maturity of finance leases
 M€

	2008	2007
Finance lease liabilities – total minimum lease payments		
2008		2.5
2009	2.3	1.9
2010	1.7	1.1
2011	1.0	0.6
2012	0.6	0.5
2013	1.2	1.2
Later	0.0	0.0
Total	6.7	7.7

Finance lease liabilities – present value of minimum lease payments

2008		2.2
2009	2.2	1.6
2010	1.5	0.9
2011	0.9	0.5
2012	0.4	0.4
2013	1.0	1.2
Later	0.0	0.0
Total	6.1	6.8

Financial expenses accruing in the future	0.7	0.9
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29. Financial risks

Alma Media Corporation'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 organization 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 organization. Risk management employs an online reporting system. Financial risk management is part of the Group's risk management policy. Alma Media categorizes 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 profit. The impact of the interest rate risk on net profit 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€ 19.1 at 31 December 2008, all of which carried a variable rate. A one percentage point increase in the interest rate would increase the Group's financial expenses by M€ 0.2.

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 profit in the currencies of most importance to the Group can be reduced by taking the following measures:

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

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

Translation risk: A foreign exchange risk that arises when on 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 falling in value, Group management can 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, e.g. raw materials, on the Group's net profit. 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 1 % change in the price of paper would reduce the Group's operating profit by an estimated M€ 0.2. The Group had not open paper derivatives on the balance sheet date. The Group had open electricity derivative contracts at the balance sheet date. The values of these open derivatives are described in more detail in Note 36 to the consolidated financial statements.

Capital management risks

Liquidity management: To secure its liquidity, Alma Media issues its own commercial papers if required via brokers, and hedges over-liquidity according to the plan laid down in its treasury policy. Liquidity is assessed daily and liquidity forecasts are drawn up 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 that allows the company to issue papers between M€ 0 and M€ 100. On December 31, 2008 the unused portion of the programme is M€ 87.0.

Long-term capital funding: To secure its long-term financing needs, Alma Media uses either capital market facilities or other especially long-term facilities. Examples are share issues, convertible bonds, notes and especially long direct credit lines.

Credit risk

Group's credit policy has been described and documented in group credit policy. The group do not have significant risks of aged receivable, because it has large customer base and any individual customer does not comprise a significant amount. In financial year 2008 in profit and loss has been recognised M€ 0.2 impairment loss of accounts receivable which are caused by an unexpected change of customers' financial environment. The accounts receivable aging has been presented in note 20 Accounts receivable and other receivables.

30. Financial instruments

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

M€	Book value		Fair value	
	2008	2007	2008	2007
Financial assets				
Financial assets at fair value through profit or loss				
Commodity derivate contracts	-0.1	0.1	-0.1	0.1
Held-to-maturity investments				
Other short-term financial assets	2.9	3.0	2.9	3.0
Available-for-sale financial assets				
Other long-term financial assets	4.1	4.0	4.1	4.0
Loans and receivables				
Long-term loan receivables	0.1	0.0	0.1	0.0
Accounts receivables and other receivables	27.5	29.8	27.5	29.8
Cash and cash equivalents	13.3	24.8	13.3	24.8
	47.8	61.7	47.8	61.7
Financial liabilities				
Measured at amortized costs				
Financial leases	6.1	6.8	6.1	6.8
Other interest-bearing liabilities	13.0	0.0	13.0	0.0
Accounts payable and other liabilities	37.8	36.4	37.8	36.4
	56.8	43.2	56.8	43.2

Financial assets at fair value through profit or loss consist of electricity derivatives. More details concerning derivative contracts are given in Note 33.

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

Financial asset available for sale consist mainly non-listed shares and they are carried at amortised cost, because there are no active markets. It is not possible to measure reliable the fair value of financial assets available for sale and estimates have significant deviations. The probability of values in range of variations is not measured reliable to asses the fair values.

Accounts receivable and other receivables (both non-current and current) ja other short term investments book value is estimated to equal to fair value. The effect of discount interest method is not material.

The initial measurement of accounts payable and other liabilities equals to fair value, because the effect of discount interest method is not material.

31. Accounts payable and other liabilities

M€	2008	2007
Accounts payable	7.1	8.8
Owed to associated companies		
Accounts payable	0.1	0.1
Accrued expenses and prepaid income	24.0	21.7
Other liabilities	6.7	5.9
Total	37.9	36.4

The book values of accounts payable 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.

32. Other leases**The Group as lessee**

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

M€	2008	2007
Within one year	7.9	7.5
Within 1–5 years	19.1	18.1
After 5 years	27.9	26.5
Total	54.9	52.1

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

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 15 years length. Alma Media has agreed on termination events concerning equity and gearing commitments with the new landlord.

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

M€	2008	2007
Minimum payments payable based on these purchase agreements	3.1	4.6

The Group as lessor

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

M€	2008	2007
Within one year	1.1	2.0
Within 1–5 years	0.7	2.6
After 5 years	1.8	4.5

33. Derivative contracts

M€	2008	2007
Commodity derivative contracts, electricity derivatives		
Fair value *)	-0.1	0.1
Value of underlying instrument	0.7	0.4

*) 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 raw material derivatives have been calculated using market values on the balance sheet date.

34. Commitments and contingencies

M€	2008	2007
Collateral for others		
Guarantees	0.0	0.0
Other commitments		
Commitments based on agreements	0.1	0.1
	0.1	0.1

35. Contingent assets and liabilities

The Corporation had a contingent liability totalling MEUR 7.8. The tax authorities issued a claim to correct the company's income tax for 2003. The tax authorities considered that the loss arising from Alma Media's disposal of the shares of its associated company Talentum to Kauppalehti Oy at the market price should not have been tax-deductible. At the end of 2006 (December 20, 2006) the company was informed of a ruling by the Adjustments Board of the Corporate Taxation Centre to the effect that the Adjustments Board rejected the claim by the tax authorities. The tax authorities appealed the Adjustments Board's ruling to the Helsinki Administrative Court, which on December 4, 2008 dismissed the appeal. The tax authorities have not appealed to the Supreme Administrative Court.

36. Related parties

Alma Media Group's related parties are its associated companies (see Note 17) and the companies that they own.

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

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

Related party transactions with associated companies

M€	2008	2007
a) Sales of goods and services	0.2	0.2
b) Purchases of goods and services	4.5	5.9
c) Accounts receivable	0.0	4.7
d) Accounts payable	0.1	0.1

37. Shareholdings**20 principal shareholders at 31 December 2008**

	No.	% of total shares	% of total votes
1. Danske Bank AS Helsinki Branch	11,958,000	16.0	16.0
2. Oy Herttaässä Ab	10,098,400	13.5	13.5
3. Ilkka-Yhtymä Oyj	7,718,991	10.3	10.3
4. Varma Mutual Pension Insurance Company	7,202,994	9.7	9.7
5. Mandatum Life Insurance Company Limited	6,665,912	8.9	8.9
6. Kaleva Mutual Insurance Company	4,189,281	5.6	5.6
7. Kunnallisneuvos C. V. Åkerlund's Foundation	3,118,071	4.2	4.2
8. Tapiola Mutual Pension Insurance Company	1,852,800	2.5	2.5
9. Zenitec Oy	1,377,856	1.8	1.8
10. Ilmarinen Mutual Pension Insurance Company	1,265,000	1.7	1.7
11. Nordea Bank Finland Plc (Nom. reg.)	1,243,436	1.7	1.7
12. OMXBS/Skandinaviska Enskilda Banken AB (Nom. reg.)	1,060,517	1.4	1.4
13. Veljesten Viestintä Oy	851,500	1.1	1.1
14. Keski-suomalainen Oyj	823,997	1.1	1.1
15. The Finnish Cultural Foundation	576,000	0.8	0.8
16. The estate of Häkkinen Heikki	517,332	0.7	0.7
17. The Federation of Finnish Textile and Clothing Industries	476,462	0.6	0.6
18. The estate of Häkkinen Veera	461,911	0.6	0.6
19. Sinkkonen Raija	460,000	0.6	0.6
20. Tampereen tuberkuloosisäätiö	327,062	0.4	0.4
Total	62,245,522	83.4	83.4
Nominee-registered	2,557,802	3.4	3.4
Other	9,809,199	13.1	13.1
Grand total	74,612,523	100.0	100.0

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

Ownership structure at 31 December 2008

	Number of owners	% of total	Number of shares	% of shares
Private corporations	288	5.2	22,080,905	29.6
Financial and insurance institutions	15	0.3	23,375,062	31.3
Public entities	9	0.2	10,977,423	14.7
Households	5,045	91.6	9,806,265	13.1
Non-profit associations	128	2.3	5,484,805	7.4
Foreign owners	18	0.3	127,934	0.2
Nominee-registered shares	7	0.1	2,557,802	3.4
In general account			202,327	0.3
Total	5,510	100	74,612,523	100.0

Distribution of ownership

	Number of owners	% of total	Number of shares	% of shares
1–100	1,227	22.3	69,704	0.1
101–1,000	2,848	51.7	1,306,877	1.8
1,001–10,000	1,234	22.4	3,663,141	4.9
10,001–100,000	167	3.0	4,498,476	6.0
100,001–500,000	18	0.3	4,351,911	5.8
500,000–	16	0.3	60,520,087	81.1
In general account			202,327	0.3
Total	5,510	100	74,612,523	100

Parent company income statement

Financial year ended December 31, M€	Note	2008	2007
Net sales	1	12.3	11.7
Other operating income	2	0.3	21.2
Personnel expenses	3	-4.2	-3.1
Depreciation and writedowns	4	-0.5	-0.3
Other operating expenses	5	-12.4	-12.3
Operating loss (-income)		-4.4	17.2
Financial income and expenses	8	8.9	4.1
Income before extraordinary items		4.4	21.3
Extraordinary items	9	46.9	46.6
Income before appropriations and tax		51.3	68.0
Appropriations	10	0.1	0.0
Income tax	11	-11.2	-11.9
Net income for the year		40.3	56.0

Parent company balance sheet

December 31, M€	Note	2008	2007
Assets			
Fixed assets			
Intangible assets	12	1.7	0.9
Tangible assets	13	3.2	3.4
Investments			
Holdings in Group companies	14	477.9	474.8
Other investments	14	3.9	8.5
Fixed assets, total		486.8	487.7
Current assets			
Short-term receivables	15	54.1	54.0
Cash and bank		10.4	21.6
Current assets, total		64.4	75.6
Assets, total		551.2	563.2

December 31, M€	Note	2008	2007
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		44.8	44.8
Share premium fund		414.4	414.4
Other funds		5.4	5.4
Retained earnings (loss)		9.8	21.0
Net income for the period (loss)		40.3	56.0
Shareholders' equity, total	16	514.6	541.5
Accumulated appropriations	17	0.0	0.1
Provisions	18	0.4	0.1
Liabilities			
Long-term liabilities	19	2.4	2.5
Short-term liabilities	20	33.8	19.0
Liabilities, total		36.2	21.5
Shareholders' equity and liabilities, total		551.2	563.2

Parent company cash flow statement

Financial year ended December 31, M€	2008	2007
Operating cash flow		
Net income for the year	40.3	56.0
Adjustments		
Depreciation and writedowns	0.5	0.3
Capital gains (losses) on sale of fixed assets and other investments	-8.9	-4.1
Taxes	11.2	11.9
Financial income and expenses	-47.1	-68.0
Change in working capital		
Total increase (-) / decrease (+) in current non-interest-bearing receivables	0.4	-0.4
Total increase (+) / decrease (-) in current non-interest-bearing liabilities	1.1	0.9
Dividend received	8.2	0.7
Interest received	2.7	4.7
Interest paid	-2.4	-1.3
Taxes paid	-16.2	-11.2
Net cash from operating activities	-10.2	-10.6
Investments		
Investments in tangible and intangible assets	-0.8	-1.7
Proceeds from disposal of tangible and intangible assets	0.0	1.0
Acquisition of group companies	-4.0	0.0
Investments in other securities	-0.1	-0.1
Acquisition and sales of associated company	6.5	0.0
Proceeds from disposal of other investments	0.1	0.2
Net cash from investing activities	1.8	-0.6
Cash flow before financing activities	-8.5	-11.2
Financing		
Short-term loans raised	35.5	2.0
Short-term loans, repayments	-22.0	-2.2
Group contributions received	46.9	46.6
Increase (-) or decrease (+) in interest-bearing receivables	3.8	9.2
Dividends paid and capital repayment	-67.0	-48.5
Net cash used in financing activities	-2.7	7.1
Change in cash reserves (increase + / decrease -)	-11.2	-4.1
Cash reserves at start of period	21.6	25.7
Cash reserves at end of period	10.4	21.6

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

The Alma Media Corporation subsidiary Alma Media Palvelut Oy was merged with Alma Media Corporation on 30 November 2008.

Fixed assets

Tangible and intangible assets are capitalized at direct acquisition cost less planned depreciation and writedowns. Planned depreciation is calculated from the original acquisition cost based on the estimated economic life of the asset. Depreciation is not entered on land. The economic lifetimes used are as follows:

Buildings	30–40 years
Structures	5 years
Machinery and equipment	3–10 years
Other long-term expenses	5–10 years

Research and development costs

Research and development (R&D) costs are entered 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 corresponding economic added value and the costs arising from this can be reliably determined.

Inventories

The balance sheet value of inventories is the lower of direct acquisition cost or the probable market value. Inventories are amortized on a FIFO (first-in-first-out) basis.

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 entered in the parent company's accounts.

Foreign exchange items

Foreign currency items are entered at the rates prevailing on the transaction date. Receivables and payables on the balance sheet date 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 taken to other financial income and expenses in the income statement. The parent company does not have significant foreign currency loans.

Pension commitments

Statutory and voluntary employee pension benefits are arranged mainly through pension insurance companies.

Other employee benefits

The parent company has a current stock option scheme launched in spring 2006 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. Net sales by market area

M€	2008	2007
Finland	12.3	11.7
Total	12.3	11.7

2. Other operating income

M€	2008	2007
Gains on sale of fixed assets	0.0	0.0
Other income	0.3	21.1
Total	0.3	21.2

In year 2008 major balance in other income consist of merger M€ 0.2 with Alma Media Palvelut Oy and Alma Media Oy on November 30 2008. In year 2007 major balance in other operating income consists of merger gains, M€ 20.8. The mergers of Alma Media Corporation's subsidiaries Suomalainen Lehtipaino Oy, Alpress Oy and Marcenter Oy with their parent company on 31 December 2007.

3. Personnel expenses

M€	2008	2007
Wages, salaries and fees	2.8	2.4
Pension expenses	1.2	0.4
Other social expenses	0.1	0.3
Total	4.2	3.1
Average number of employees	31	25
Salaries and fees to management		
President	0.5	0.4
Board of Directors	0.2	0.2
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.

4. Depreciation and writedowns

M€	2008	2007
Depreciation on tangible and intangible assets	0.5	0.3
Total	0.5	0.3

5. Other operating expenses

M€	2008	2007
Information technology and telecommunication	3.8	3.5
Business premises	3.2	3.5
Other costs	5.3	5.3
Total	12.4	12.3

6. Audit expenses

M€	2008	2007
Ernst Young Oy		
Audit	0.1	0.1
Reporting and opinions	0.0	0.0
Tax consultation	0.0	0.0
Other	0.1	0.0
Total	0.3	0.2

Parent company audit expenses includes audit fees for whole group.

7. Research and development expenses

The company's research and development expenses in 2008 totalled M€ 0.7 (M€ 0.8 in 2007). M€ 0.7 of R&D expenses were capitalized to the balance sheet (M€ 0.7 in 2007).

8. Financial income and expenses

M€	2008	2007
Dividend income		
From Group companies	6.8	0.0
From associated companies	1.4	0.6
From others	0.0	0.0
	8.2	0.7
Other interest and financial income		
From Group companies	2.2	4.0
From others	0.5	0.8
Total	2.7	4.7
Impairment for non-current investments		
Return of impairment of investments in associated companies	1.8	0.0
Impairment of group companies	-1.4	0.0
	0.4	0.0
Interest expenses and other financial expenses		
To Group companies	-1.4	-1.2
To others	-0.9	-0.1
Total	-2.4	-1.3
Financial income and expenses, total	8.9	4.1
Interest and other financial income includes translation differences (net)	0,0	0,0

9. Extraordinary items

M€	2008	2007
Group contribution received	46.9	46.6

10. Appropriations

M€	2008	2007
Difference between planned depreciation and depreciation made for tax purposes	0.1	0.0

11. Income tax

M€	2008	2007
Income tax payable on extraordinary items	-12.2	-12.1
Income tax from regular business operations	1.0	0.2
Total	-11.2	-11.9

On the balance sheet date the parent company had M€ 1.8 in confirmed but unused tax losses from 2005. The unrecognized tax asset calculated on this amount totals M€ 0.5.

12. Intangible assets

M€	Intangible rights	Advance payments	Total
Financial year 2007			
Acquisition cost Jan 1 2007	0.5	0.2	0.8
Increases	0.2	1.4	1.6
Decreases		-1.0	-1.0
Transfers between items			0.0
Acquisition cost Dec 31 2007	0.7	0.7	1.4
Accumulated depreciation and writedowns Jan 1 2007	0.5	0.0	0.5
Accumulated depreciation in decreases			0.0
Depreciation in period	0.0		0.0
Writedowns			0.0
Accumulated depreciation and writedowns Dec 31 2007	0.5	0.0	0.5
Book value 31 Dec 2007	0.2	0.7	0.9

M€	Intangible rights	Advance payments	Total
Financial year 2008			
Acquisition cost Jan 1 2008	0.7	0.7	1.4
Merger, Alma Media Palvelut Oy	0.8	0.0	0.9
Increases	0.1	0.7	0.7
Decreases	-0.4		-0.4
Transfers between items	1.4	-1.4	0.0
Acquisition cost Dec 31 2008	2.6	0.0	2.6
Accumulated depreciation and writedowns Jan 1 2008	0.5	0.0	0.5
Merger, Alma Media Palvelut Oy	0.5		0.6
Accumulated depreciation in decreases	-0.4		-0.4
Depreciation in period	0.2		0.2
Writedowns			
Accumulated depreciation and writedowns Dec 31 2008	0.9	0.0	0.9
Book value 31 Dec 2008	1.7	0.0	1.7

13. Tangible assets

M€	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Financial year 2007						
Acquisition cost Jan 1 2007	0.5	4.3	1.3	1.0	0.1	7.2
Merger, Suomalainen Lehtipaino Oy				0.0		0.0
Increases		0.0	0.1	0.0	0.0	0.1
Decreases			0.0			0.0
Transfers between items		0.1			-0.1	0.0
Acquisition cost Dec 31 2007	0.5	4.4	1.3	1.1	0.0	7.3
Accumulated depreciation Jan 1 2007	0.0	2.3	1.2	0.2	0.0	3.7
Accumulated depreciation in decreases			0.0			0.0
Depreciation in period		0.1	0.0	0.1		0.2
Accumulated depreciation Dec 31 2007	0.0	2.4	1.2	0.3	0.0	3.9
Book value Dec 31 2007	0.5	2.0	0.1	0.7	0.0	3.4
Balance sheet value of machinery and equipment Dec 31 2007			0.1			
M€	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Financial year 2008						
Acquisition cost Jan 1 2008	0.5	4.4	1.3	1.1	0.0	7.3
Merger, Alma Media Palvelut Oy			0.1			0.1
Increases			0.0	0.0		0.0
Decreases			0.0	-0.1		-0.1
Transfers between items				0.0	0.0	0.0
Acquisition cost Dec 31 2008	0.5	4.4	1.3	1.0	0.0	7.3
Accumulated depreciation Jan 1 2008	0.0	2.4	1.2	0.3	0.0	3.9
Merger, Alma Media Palvelut Oy			0.1			0.1
Accumulated depreciation in decreases			0.0	-0.1		-0.1
Depreciation in period		0.1	0.0	0.1		0.2
Accumulated depreciation Dec 31 2008	0.0	2.5	1.2	0.4	0.0	4.1
Book value Dec 31 2008	0.5	1.9	0.1	0.7	0.0	3.2
Balance sheet value of machinery and equipment Dec 31 2008			0.1			

14. Investments

M€	Shares, Group companies	Shares, associated companies	Shares, other	Receivables, Group companies	Receivables, associated companies	Total
Financial year 2007						
Acquisition cost Jan 1 2007	423.5	1.9	0.5	0.4	0.0	426.4
Merger, Alpress Oy, Suomalainen Lehtipaino Oy ja Marcenter Oy	51.3	0.5	1.3	-0.4	4.7	57.3
Increases	0.0		0.1			0.1
Decreases			-0.2			-0.2
Acquisition cost Dec 31 2007	474.8	2.4	1.7	0.0	4.7	483.5
Accumulated depreciation and writedowns Jan 1 2007	0.0	0.0	0.2	0.0	0.0	0.2
Accumulated depreciation and writedowns Dec 31 2007	0.0	0.0	0.2	0.0	0.0	0.2
Book value Dec 31 2007	474.8	2.4	1.5	0.0	4.7	483.4

M€	Shares, Group companies	Shares, associated companies	Shares, other	Receivables, Group companies	Receivables, associated companies	Total
Financial year 2008						
Acquisition cost Jan 1 2008	474.8	2.4	1.7	0.0	4.7	483.5
Merger, Alma Media Palvelut Oy	0.0					
Increases	4.6	0.0	0.1	0.1		4.7
Decreases			0.0		-4.7	-4.7
Acquisition cost Dec 31 2008	479.4	2.4	1.7	0.1	0.0	483.5
Accumulated depreciation and writedowns Jan 1 2008	0.0	0.0	0.2	0.0	0.0	0.2
Writedowns	1.4					1.4
Accumulated depreciation and writedowns Dec 31 2008	1.4	0.0	0.2	0.0	0.0	1.6
Book value Dec 31 2008	477.9	2.4	1.5	0.0	0.0	481.9

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding of shares, %	Holding of votes, %
Group companies			
Aamujakelu Oy	Tampere, Finland	100.00	100.00
Alma Media Interactive Oy	Helsinki, Finland	100.00	100.00
Jadecon Oy	Helsinki, Finland	100.00	100.00
Karenstock Oy	Helsinki, Finland	100.00	100.00
Kauppalehti Oy	Helsinki, Finland	100.00	100.00
Kustannus Oy Aamulehti	Tampere, Finland	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki, Finland	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi, Finland	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori, Finland	100.00	100.00
Suomen Paikallissanomat Oy	Tampere, Finland	100.00	100.00
Vuodatus.net Oy	Helsinki, Finland	100.00	100.00
Associated companies			
Alma Media Lehdentekijät Oy	Helsinki, Finland	25.00	25.00
As Oy Vammalan Reku	Vammala, Finland	21.00	21.00
Kiinteistö Oy Oulaisten Kulma	Oulainen, Finland	35.00	35.00
Kustannus Oy Otsikko	Tampere, Finland	34.20	34.20
Kytöpirtti Oy	Seinäjoki, Finland	43.20	43.20
Nokian Utistalo Oy	Nokia, Finland	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrå Ab	Helsinki, Finland	24.07	24.07
Tampereen Tietoverkko Oy	Tampere, Finland	34.92	34.92

15. Receivables

M€	2008	2007
Short-term		
Receivables from Group companies		
Accounts receivable	0.0	0.4
Loan receivables *)	49.3	52.8
Prepaid expenses and accrued income **)	0.0	0.0
Total	49.4	53.2
Receivables from others		
Accounts receivable	0.0	0.1
Other receivables	3.9	0.2
Prepaid expenses and accrued income	0.7	0.5
Total	4.7	0.8
Short-term receivables, total	54.1	54.0

*) 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.

16. Shareholders' equity

M€	2008	2007
Restricted shareholders' equity		
Share Capital Jan 1	44.8	44.8
Share Capital Dec 31	44.8	44.8
Share premium fund Jan 1	414.4	414.4
Share premium fund Dec 31	414.4	414.4
Other funds Jan 1	5.4	5.4
Other funds Dec 31	5.4	5.4
Restricted shareholders' equity total	464.5	464.5
Non-restricted shareholders' equity		
Retained earnings Jan 1	77.0	69.5
Dividend payment	-67.2	-48.5
Retained earnings Dec 31	9.8	21.0
Net income for the period	40.3	56.0
Non-restricted shareholders' equity total	50.1	77.0
Shareholders' equity total	514.6	541.5
Calculation of the parent company's distributable funds on December 31 2008		
Retained earnings	9.8	21.0
Net income for the period	40.3	56.0
Total	50.1	77.0

17. Accumulated appropriations

In year 2008 the company do not have any accumulated appropriations. In financial year 2007 the accumulated appropriations consist of the accumulated depreciation difference.

18. Provisions

Provisions on December 31 2008 totalling M€ 0.4 and consists of restructuring provisions and other personel related provisions.

19. Long-term liabilities

M€	2008	2007
Other long-term debt	2.4	2.5
Long-term liabilities, total	2.4	2.5
Debt due after five years		
Other long-term debt	1.7	1.7

20. Short-term liabilities

M€	2008	2007
Loans from financial institutions		
Accounts payable	0.4	1.2
Totals	0.4	1.2
Debt to Group companies		
Accounts payable	0.0	0.1
Other debt	16.9	16.6
Accrued expenses and prepaid income	0.0	0.0
Total	16.9	16.7
Debt to associated companies		
Accounts payable	0.0	0.0
Total	0.0	0.0
Others		
Other short-term liabilities	13.8	0.4
Accrued expenses and prepaid income	2.7	0.7
Total	16.5	1.2
Short-term liability total	33.8	19.0

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

21. Commitments and contingencies

M€	2008	2007
Collateral for own commitments		
Guarantees	1.2	1.2
Collateral for others		
Guarantees	0.0	0.0
Other own commitments		
Other commitments	0.1	0.1
Leasing commitments		
During following 12 months	2.1	1.8
Later	22.5	23.4
Total	24.6	25.2

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 15 years length. Alma Media has agreed on termination events concerning equity and gearing commitments with the new landlord.

22. Derivative contracts

M€	2008	2007
Commodity derivative contracts, electricity derivatives		
Fair value *)	-0.1	0.1
Value of underlying instrument	0.7	0.4

*) 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

On December 31, 2008, the Group's parent company had distributable funds of altogether € 50,107,509.83. There were 74,612,523 shares carrying dividend rights.

The Board of Directors proposes that a dividend of € 22,383,756.90 (€ 0.30 per share) be distributed on the financial year 2008.

In addition, the Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to decide upon the distribution of additional dividend of € 14,922,504.60 (€ 0.20 per share). The additional dividend may be distributed in one lot or in several proportions. In addition, it is proposed that the authorisation include a right to the Board of Directors to decide upon all other conditions pertaining to the distribution of the dividend and that the authorisation be valid until the next ordinary annual general meeting of shareholders.

Helsinki, Finland, 12 February 2009

Kari Stadigh
Chairman of the Board

Matti Kavetvuo
Deputy Chairman of the Board

Lauri Helve
Board member

Kai Seikku
Board member

Erkki Solja
Board member

Harri Suutari
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 on 31 December, 2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity 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.

The responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with 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 perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 and the Managing Director have complied with the Limited Liability Companies Act.

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 of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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.

The audit was performed in accordance with good auditing practice in Finland. 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, together with the consolidated financial statements included therein, and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company 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, 12 February 2009

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Pärssinen
Authorized Public Accountant

Shares and shareholders

Main facts about the shares

Stock exchange	NASDAQ OMX Helsinki
List	Nordic Mid-Cap
Business sector	Consumer goods and services
Listed	Almanova on Pre-List 28 April 2005 Alma Media on Main List 7 November 2005, on Nordic Mid-Cap List 2 October 2006
Trading code	ALNiV
Bloomberg	ALNiV FH
Reuters	ALNiV.HE
ISIN code	FI0009013114
Number of shares	74,612,523
Voting rights	1 vote per share

History of Alma Media corporation share

Aamulehti Corporation, listed on the Helsinki Exchanges, and MTV Corporation, which was unlisted, were merged by the pooling method into a new company called Alma Media Corporation on 1 April 1998. This company had two share series, both listed on the Main List of the Helsinki Stock Exchange. The final listing day was 4 November 2005. Alma Media Corporation (business ID code 1449580-9) was merged with Almanova Corporation (business ID code 1944757-4) on 7 November 2005. Almanova Corporation had been listed on the Pre-List of the Helsinki Stock Exchange since 28 April 2005.

The Series I shares of the merged Alma Media carried one vote per share and the Series II shares one vote per ten successive shares. In all other respects the share series were identical. In the merger Almanova was renamed Alma Media. The new Alma Media (business ID code 1944757-4), with one share series and 74,612,523 shares, has been listed on the Helsinki Stock Exchange since 7 November 2005.

Share capital

On the balance sheet date, the company's fully paid up and registered share capital totalled € 44,767,513.80.

The Board of Directors has no current authorizations to raise the share capital apart from the present option programme.

Share price and turnover

During 2008, a total of 65.8 million Alma Media shares were traded on the Nasdaq OMX Helsinki, representing 88.2% of the total number of shares. During the year the lowest price paid for the share was EUR 4.38, the highest EUR 11.70 and the closing price on 31 December 2008 was EUR 4.95. The company's market capitalization on the final trading day of 2008 was MEUR 369.3.

The company does not own any of its own shares and does not have a current authorization to purchase its own shares on the market.

Market liquidity guarantee

Alma Media Corporation and eQ Pankki Oy have made a liquidity providing contract under which eQ Pankki Oy guarantees bid and ask prices for the shares with a maximum spread of 3% during 85% of the exchange's trading hours. The contract applies to a minimum of 2,000 shares.

Option rights

The Annual General Meeting on March 8, 2006, disapplying the pre-emptive subscription right of the shareholders, approved a three-stage option programme (option rights 2006A, 2006B and 2006C) as an incentive and commitment system for the managements of Alma Media Corporation and its subsidiaries. Altogether 1,920,000 stock options may be granted in three lots of 640,000 each, and these may be exercised to subscribe for a maximum of 1,920,000 Alma Media shares.

So far 515,000 of the 2006A options have been issued to corporate management. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 440,000 2006A options. In 2007 and 2008, the Alma Media's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. The options in the 2006A programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 10, 2008.

The Board of Directors of Alma Media Corporation decided in 2007 to issue 515,000 options under the 2006B programme to corporate management. A total of 40,000 2006B options have been returned to the company and are now in possession of the company. The corporate management possesses 475,000 B options. In 2008, the Board decided to annul 125,000 2006B options.

The Board of Directors of Alma Media Corporation decided in 2008 to issue 520,000 options under the 2006C programme to corporate management. A total of 40,000 2006C options have been returned to the company and are now in possession of the company. The corporate management possesses 480,000 2006C options.

If all the subscription rights are exercised, this programme will dilute the holdings of the earlier shareholders by 2.1%.

The share subscription periods and prices under the scheme are:

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

The subscription price of shares that may be subscribed

under these stock option rights will be reduced by the amount of dividends and capital repayments decided after the start of the period determining the subscription price and before the subscription of shares, on the settlement date for each dividend payment or capital repayment. The share subscription price under the 2006A option was EUR 5.58 per share, the subscription price under the 2006B option was EUR 8.95 and the subscription price under the 2006C option was EUR 9.06 correspondingly.

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

Dividend policy

The company has no predefined dividend policy. Alma Media aims to be an attractive investment prospect, whose shareholders are satisfied both with growth in the value of their holdings and with regular dividend payments. Dividend may fluctuate largely depending whether the company needs funds for the investments. It is the responsibility of management to present to the Board the objects in which the company's funds are being invested. The equity ratio and the company's needs form the basis for the dividend payment, for which the Board makes a proposal to the Annual General Meeting.

Dividend history

euros	Profit/share, euros	Dividend, euros
2005	0.52	0.12 0.53 (refund of capital)
2006	0.50	0.65
2007	0.68	0.90
2008	0.51	0.30 ^{*)}

^{*)} The Board's proposal to the Annual General Meeting. Additionally, the Board proposes that the Annual General Meeting authorises the Board to decide upon an additional dividend of no more than EUR 0.20 per share.

Ownership structure

The company had 5,510 shareholders in book-entry accounts on the balance sheet date. Altogether 2,557,802 shares were nominee-registered, representing 3.4% of the total number of shares. Foreigners holding nominee-registered shares are entitled only to financial rights such as the right to receive dividends and to subscribe for shares. Shareholders who do not register their shares in their own name are not permitted to participate, or exercise the votes carried by their shares, in general meetings.

The ownership structure is described in greater detail on page 90 and on the company's website at www.almamedia.fi. Also a full list of flagging notices is provided on the company's website at www.almamedia.fi.

Management holdings

The members of the company's Board of Directors and the President owned altogether 232,392 of the company's shares

on 31 December 2008. The total number of votes carried by these shares represented 0.3% of the votes carried by all the shares. Management holdings are described in more detail on page 67.

Shareholder agreements

The company has no knowledge of any agreements relating to the ownership of its shares or exercising of its voting rights.

Redemption obligation

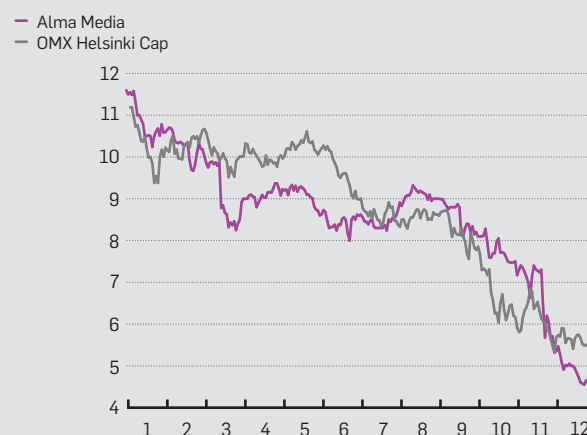
Under the articles of association, a shareholder who owns 33 $\frac{1}{3}$ % or more of the total number of shares, or 50% or more of the total number of votes, shall be obliged, should the other shareholders so require, to redeem the shares and attached rights of the other shareholders.

The redemption limits stipulated in the Finnish Securities Markets Act are 30% and 50%.

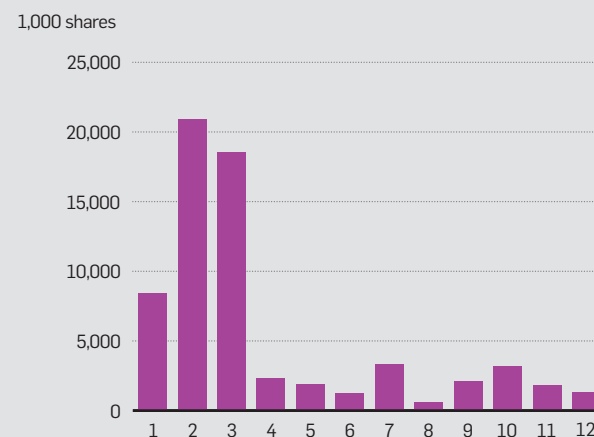
Insider management

Details of insider management at Alma Media Corporation are given on page 36.

Alma Media share performance 1.1.–31.12.2008



Monthly trading volume 2008



Information for shareholders

Annual general meeting

The Annual General Meeting (AGM) of Alma Media Corporation will be held on Wednesday, 11 March 2009 at 1.00 pm at the conference room Pörssisali of Pörssitalo, address Fabianinkatu 14, Helsinki, Finland.

The documents relating to the annual accounts and the proposals by the Board of Directors and its committees, as well as this notice to the Annual General Meeting are available on Alma Media Corporation's website on www.almamedia.fi/general_meeting. The proposals by the Board of Directors and the financial statement documents are also available at the Annual General Meeting, and copies of them as well as this notice will be sent to shareholders on request.

Only those shareholders who are registered no later than March 1, 2009 in the company's shareholders' register maintained by Euroclear Finland Oy (previously Finnish Central Securities Depository) have the right to attend the Annual General Meeting. Shareholders wishing to attend the Annual General Meeting must register with the company no later than March 6, 2009 by 12:00 (noon). The registration may be delivered:

- by e-mail to yhtiokokous@almamedia.fi;
- by telephone on +358 10 665 2220;
- by telefax on +358 10 665 2270; or
- by letter to Alma Media Corporation, Sirpa Jyräsalo, P.O. Box 140, FI-00101 Helsinki, Finland.

Should a shareholder wish to be represented by proxy, the proxy should arrive at the above address before the period of notification expires.

Oy Herttaässä Ab, a shareholder of the company, has in a letter dated December 18, 2008 and received by the Board of Directors on December 21, 2008 presented a request to convene an Extraordinary General Meeting of shareholders. The shareholder has requested that the Extraordinary General Meeting of shareholders consider and decide on the composition of the Board of Directors, repurchasing the company's own shares and company transactions. As the proposals presented by Oy Herttaässä Ab are included in the agenda of the Annual General Meeting, the company will not convene an Extraordinary General Meeting to consider the aforementioned proposals.

Right to bring a matter before the agm

Shareholders have the right to bring any matter they wish before the AGM provided that they submit their request in writing to the Board of Directors early enough for the matter to be included in the Notice of Meeting. The Notice of Meeting is generally prepared about 4–6 weeks before the

Annual General Meeting.

Dividend payment

The Board of Directors will propose to the Annual General Meeting on March 11, 2009 that a dividend of EUR 0.30 (0.90) per share be paid for the 2008 financial year. The Board of Directors will also propose that the Annual General Meeting, according to Chapter 13, Section 6, Paragraph 2 of the Finnish Companies Act, authorise the Board to decide upon an additional dividend of no more than EUR 0.20 per share. The dividend payment date is 25 March 2009.

Financial reporting in 2009

Alma Media Corporation will publish financial reports in 2009 as follows:

- Interim Report January–March on Wednesday 29 April 2009
- Interim Report January–June on Thursday 23 July 2009
- Interim Report January–September on Friday 29 October 2009

The Financial Statements Bulletin was published on Friday 13 February 2009.

All reports are published in Finnish and English. All stock exchange and press releases as well as the financial reports issued by Alma Media Corporation are available on company's website www.almamedia.fi. The releases and annual reports can be received free of charge by completing the order form at www.almamedia.fi/orders or by calling +358 (0)10 665 2204. The interim reports will be delivered via e-mail.

Changes of address

Shareholders are kindly asked to notify any changes of name or address to the custodian of their book-entry accounts.

Investor contact

Rauno Heinonen, Vice President,
Corporate Communications & IR
Tel. +358 (0)10 665 2251,
firstname.lastname@almamedia.fi

