Report by the Board of Directors 2007

2007 highlights:

- Net sales MEUR 328.9 (2006: MEUR 301.9)
- Operating profit MEUR 64.4, 19.6% of net sales (MEUR 49.1, 16.3%)
- One-time items of capital gain MEUR 11.5 (MEUR 2.7)
- Profit before tax MEUR 68.0 (MEUR 49.9)
- Earnings per share EUR 0.68 (EUR 0.50)
- Proposed dividend EUR 0.90 per share (EUR 0,65)
- In 2008 net sales will rise, comparable operating profit similar to 2007

Consolidated net sales and result 2007

Alma Media Corporation's net sales in 2007 totalled MEUR 328.9 (MEUR 301.9). Higher media sales in newspapers and online services were the biggest factor in increasing net sales.

The consolidated operating profit improved to MEUR 64.4 (MEUR 49.1). The operating margin was 19.6%, compared to 16.3% a year ago.

Operating profit includes a one-time item of capital gains of altogether MEUR 11.5. Alma Media sold a property used by the newspaper Lapin Kansa in Rovaniemi on 1 February 2007 and land in Rovaniemi on 19 September 2007. In addition, the company obtained a one-time gain on 25 October 2007 when it cancelled the finance leasing agreement for the office and printing works building in Tampere and agreed on a new leasing contract for the property with a new landlord. The 2006 operating profit included one-time items with a net impact of MEUR +2.7.

Changes in Group structure compared to 2006

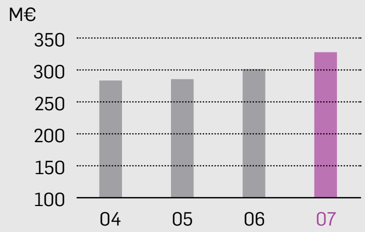
The mergers of Alma Media Corporation's subsidiaries Suomalainen Lehtipaino Oy, Alpress Oy and Marcenter Oy with their parent company were registered in the Trade Register on 31 December 2007. The objective of the mergers is to clarify the group structure.

Kainuun Sanomat sold its sheet printing business on 15 August 2007 to KS Paino Oy and its newspaper printing business on 28 June 2007 to Pyhäjokiseudun Kirjapaino Oy.

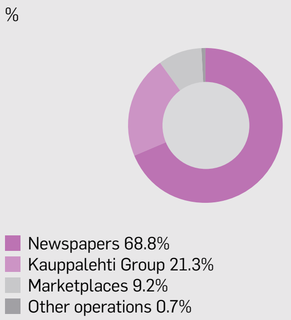
Sensitivity analysis

	Change	Impact on operating profit
Media advertising	+1%	1,6 M€
Paper prices	+1%	-0,2 M€
Distribution costs	+1%	-0,6 M€
Wages and salaries, average	+1%	-1,1 M€
Average interest rate	+1%	-0,1 M€

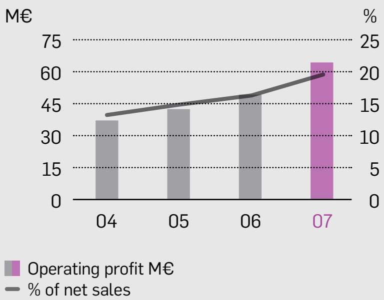
Net sales



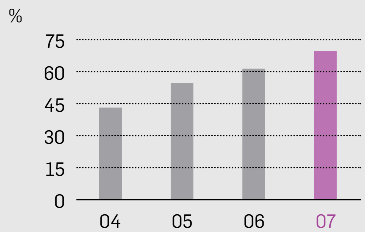
Net sales by segment



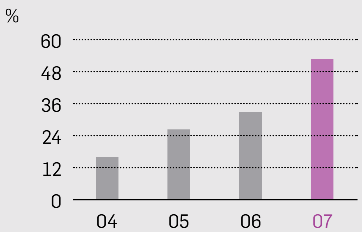
Operating profit



Equity ratio



Return on investment



Aamulehti acquired a 40% stake in direct mailing distribution company Tampereen Ykkösjakelu Oy on 22 May 2007.

On 1 July 2007 Kauppalehti raised its holding in TietoEnator 121 Oy from 49% to 100%. This company was renamed Kauppalehti 121 Oy, and its annual net sales total roughly EUR 9 million.

Kauppalehti Group's Alma Media Lehdentekijät business acquired Suomen Business Viestintä Oy on 1 July 2006. This company has annual net sales of approximately MEUR 2.5.

On 1 July 2006 two companies, Bovision AB and Objektvision AB with aggregate annual net sales of around MEUR 1.7, were acquired for the Marketplaces segment.

Prospects for 2008

Alma Media expects its net sales to increase from the previous year. The media market is expected to grow in 2008, but uncertainty will increase.

The full year comparable operating profit should be similar to that in the previous year. The operating profit at the beginning of the year will fall short of the previous year's figure. One-time items have been eliminated from the comparable 2007 operating profit.

Market conditions

The restlessness in the money markets and the fading of economic growth in the USA are likely to slow down growth prospects in Finland's economy and increase uncertainty.

In 2007 altogether MEUR 1,315 was used in media advertising in Finland, which is 6.4% more than in the previous year. Newspapers and city papers accounted for 52.5% of the euros spent on advertising, television for 19.9%, magazines for 16.0% and online media for 4.7%. Advertising in the online media grew 29.3% in the year.

During the final quarter of 2007, growth in advertising volume slowed down considerably from the record pace at the start of the year, to 3.9%. In October-December, growth in media advertising in newspapers was 1.1%. Advertising sales in online media continued to grow strongly, increasing by 27.7%. Growth in television advertising was 8.3%.

Newspapers

The Newspapers segment reports the publishing activities of 34 newspapers. The largest of these are the regional paper Aamulehti and the daily tabloid Iltalehti.

The Newspapers segment's net sales in 2007 increased 5.8% from the previous year to MEUR 230.6. In the first half of the year, net sales grew at record pace, thanks to good market conditions and, for one thing, the general elections. The media sales of the Alma Media newspapers increased significantly more than market growth. In particular Aamulehti and Iltalehti were very successful. Towards the end of the year growth in net sales was low, which resulted from the sharp slow down in growth in media sales in November and December.

Circulation sales for the newspapers grew apace. The circulations of Aamulehti and Lapin Kansa in particular increased well. The increase in the price of Iltalehti made in November 2006 raised the comparable circulation sales for that paper. Iltalehti increased its market share from the beginning of 2007 by one percentage point to 42.4%. However, the daily tabloid market declined over the same period by 3.5%.

Iltalehti's online service Iltalehti.fi was in fine shape throughout the year, in terms of numbers of visitors and of media sales. The online services of the regional newspapers also returned healthy figures.

The full-year operating profit for the Newspapers segment improved to MEUR 42.8 (MEUR 38.4).

Kauppalehti Group

The Kauppalehti Group specializes in producing business and financial information. Its best known title is Finland's leading business media Kauppalehti. The Group also includes Alma Media Lehdentekijät (contract publishing), Kauppalehti 121 (direct marketing) and the BNS news agency operating in the Baltic countries. Kauppalehti 121, which was acquired in 2006, is included in the fourth quarter figures for comparison.

In January-December 2007 the net sales of the Kauppalehti Group grew 12.1% from the previous year to MEUR 70.1 (MEUR 62.6). Net sales increased due to the new business units purchased during 2006 and to the strong sales by the online business.

The Kauppalehti Group had an operating profit of MEUR 7.6 (MEUR 4.8). The 2006 operating profit included a restructuring provision of MEUR 1.1. Within the Kauppalehti Group, the Kauppalehti product family improved its operating profit. The profitability of the contract publishing business declined towards the end of the year due to the intense competition in the sector.

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 City 24, Motors 24, Mascus and Bovision.

During 2007 the net sales of Marketplaces increased 33.9%, to MEUR 30.9. Marketplaces maintained a strong rate of growth in net sales steadily throughout the year. Growth was faster at the Monster.fi and City24 services, but Etuovi.com and Autotalli.com also boosted their sales rapidly.

Marketplaces' full-year operating profit improved to MEUR 5.3 (MEUR 2.8). Especially the services Etuovi.com, Monster.fi, and City24 in Estonia recorded a good result. Marketplaces' result was weakened by the launch of the Mikko.fi service, an important future initiative in Finland, and by the international operations.

Associated companies

The Group holds a 29.9% stake in Talentum Oyj, which is reported under the Kauppalehti Group, and 36.0% of Acta Print Kivenlahti Oy, reported under Other Operations. In July 2007 Acta Print Oy announced that it was selling its magazine business to Forssan Kirjapaino. The name of the company responsible for the remaining business of Kivenlahden paino has been changed to Acta Print Kivenlahti Oy.

Balance sheet and financial position

The consolidated balance sheet on 31 December 2007 stood at MEUR 181.3 (31 December 2006: MEUR 199.7). The Group's equity ratio at the end of December was 69.8% (31 December 2006: 61.3%) and equity per share was EUR 1.58 (31 December 2006: EUR 1.54).

The consolidated cash flow before financing was MEUR 49.1 (MEUR 45.2). At the end of December the Group's net debt totalled MEUR -17.9 (31 December 2006: MEUR -6.5)

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.

The Group has a current MEUR 100 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of MEUR 0-100. On 31 December 2007 this programme was entirely unused.

Group structure

A more detailed list of the Group's subsidiaries is given in Note 17 and of associated comapnies in Note 18. The Group has branch offices connected to the Mascus business in Sweden and England.

Research and development costs

Research and development costs in 2007 amounted to MEUR 3.7 (MEUR 1.7). Of this total, MEUR 2.8 (MEUR 1.3) was capitalized and MEUR 0.8 (MEUR 0.5) expensed. Most of the R&D costs went on developing online business.

Capital expenditure

Gross capital expenditure in 2007 totalled MEUR 12.1 (MEUR 19.6) and this consisted mainly of development projects for online media and maintenance investments at the printing plants.

Administration

Alma Media's annual general meeting, held on 8 March 2007 elected the following to the Board of Directors: Lauri Helve, Matti Häkkinen, Matti Kavetvuo, Kai Seikku, Kari Stadigh, Harri Suutari, and new member Ahti Vilppula. At the organization meeting of the Board held after the AGM, the Board elected Kari Stadigh as its chairman and Matti Kavetvuo as its deputy chairman.

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

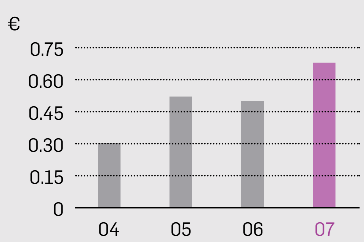
The regulations as stated in the articles of association concerning the election of the Board of Directors, the term of office of the Board, and selection of the President and CEO are given in more detail in Note 7. The main terms of employment for the President and CEO are also given there.

Risks and risk management

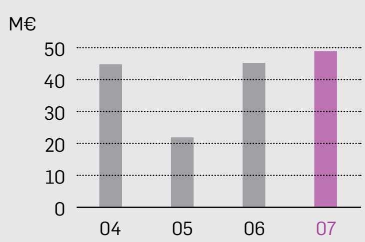
The most important strategic risks contingent on Alma Media's business operations are a significant drop in the readerships of its newspapers and a critical decline in retail advertising. The major operational risks are disturbances in information technology systems and telecommunications, and an interruption of printing operations.

Alma Media's risk management process helps to identify the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management function.

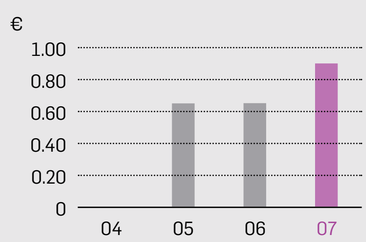
Earnings per share



Cash flow after investing activities



Dividend per share



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; consumption of this was about 36,000 tonnes in 2007. The company used 20 632 MWh of electricity in 2007. The carbon dioxide emissions from printing and distribution arise mainly from traffic.

Personnel

During 2007, the average number of Alma media employees, calculated as full-time employees, was 1,971 (1,901). The average number of distribution staff totalled 962 (857). The number of personnel grew proportionately most during the year at Marketplaces. Salaries and bonuses paid amounted to altogether MEUR 90.9 (MEUR 86.2).

The Alma Media Share

During January-December 2007, a total of 62.1 million Alma Media shares were traded on the Helsinki Stock Exchange, representing 83.2% of the total number of shares. The closing price for the share on 31 December 2007 was EUR 11.67. During the year the lowest price paid for the share was EUR 8.93 and the highest EUR 12.43. The company's market capitalization at the end of December was MEUR 870.7.

In March 2007 Alma Media paid a dividend of EUR 0.65 a share, in total MEUR 48.5.

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

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 25.

More details about the company's ownership structure and the main shareholders on 31 December 2007 are given in Note 39.

Option rights

The annual general meeting on 8 March 2006 approved a three-stage option programme (option rights 2006A, 2006B and 2006C), disapplying the pre-emptive subscription right of the shareholders, under which stock options would be granted to the managements of Alma Media Corporation and its subsidiaries as a scheme for ensuring personnel's motivation and long-term commitment to the company. Altogether 1,920,000 stock options may be granted in three lots of 640,000 each, and these may be exercised to subscribe for at most 1,920,000 Alma Media shares.

So far 515,000 of the 2006A options have been issued to Group management. Altogether 65,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. On 8 March 2007 the company's Board of Directors decided to annul the 190,000 2006A option rights in the company's possession.

In March 2007 the Board of Directors decided to issue 510,000 options under the 2006B scheme to Group management.

If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 2.3%.

The share subscription periods and prices under the scheme are:

- 2006A: 1 April 2008 - 30 April 2010, average trade-weighted price 1 April - 31 May 2006
- 2006B: 1 April 2009 - 30 April 2011, average trade-weighted price 1 April - 31 May 2007
- 2006C: 1 April 2010 - 30 April 2012, average trade-weighted price 1 April - 31 May 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 6.48 per share and the subscription price under the 2006B option was EUR 9.85 correspondingly.

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

Dividend proposal

Alma Media Corporation's Board of Directors proposes to the annual general meeting on 12 March 2008 that a dividend of EUR 67,151,271 (EUR 0.90 per share) be paid for the 2007 financial year. The payment date is 27 March 2008. On 31 December 2007, the Group's parent company had distributable funds of altogether EUR 76,998,227.

ALMA MEDIA CORPORATION
Board of Directors

Key figures

Key figures for 2004-2007 calculated applying IFRS recognition and measurement principles
Key figures for 2003 calculated applying FAS recognition and measurement principles

M€		IFRS 2007	%	IFRS 2006	%	IFRS 2005	%	IFRS 2004	%	FAS 2003	%
Key figures											
Net sales	M€	**328.9**		301.9		348.5		465.7		460.0	
Net sales, continuing operations	M€	**328.9**		301.9		285.9		283.4			
Operating income	M€	**64.4**	**19.6**	49.1	16.3	370.6	106.3	52.1	11.2	17.7	3.8
Operating income, continuing operations	M€	**64.4**	**19.6**	49.1	16.3	42.3	14.8	37.0	13.1		
Operating. income before extraordinary items	M€	**68.0**	**20.7**	49.9	16.5	376.3	108.0	43.9	9.4	14.0	3.0
Income before tax	M€	**68.0**	**20.7**	49.9	16.5	376.3	108.0	43.9	9.4	14.0	3.0
Net income for the period	M€	**51.2**	**15.6**	37.3	12.4	364.9	104.7	30.1	6.5	10.8	2.3
Net income, continuing operations	M€	**51.2**	**15.6**	37.3	12.4	39.0	13.6	21.4	7.6		
Return on shareholders' equity (ROE)	%	**43.8**		30.9		265.8		19.8		6.9	
ROE, continuing operations	%	**43.8**		30.9		28.4		14.1			
Return on investment (ROI)	%	**52.7**		32.8		177.7		20.4		6.3	
ROI, continuing operations *)	%	**52.7**		32.8		26.1		15.7			
Equity ratio	%	**69.8**		61.3		54.5		43.1		49.0	
Gross capital expenditure	M€	**12.1**	**3.7**	19.6	6.5	22.4	6.4	14.1	3.0	21.0	4.6
Research and development costs	M€	**3.7**	**1.1**	1.7	0.6	3.1	0.9	3.0	0.6	3.3	0.7
Average personnel, excl. delivery staff		**1,971**		1,901		2,239		2,312		2,459	
Average personnel, excl. delivery staff, continuing operations		**1,971**		1,901		1,807		1,796			
Delivery staff, total number		**962**		857		900		947		1,045	
Per share data											
Earnings per share	€	**0.68**		0.50		4.89		0.41		0.15	
Earnings per share, continuing operations	€	**0.68**		0.50		0.52		0.30			
Shareholders' equity per share	€	**1.58**		1.54		1.69		1.96		2.32	
Dividend per share	€	**0.90**		0.65		0.65 **)		0		0.54	
Payout ratio	%	**132.9**		131.1		13.3 **)		0		362.3	
Effective dividend yield	%	**7.7**		7.0		8.5 **)					
P/E ratio		**17.2**		18.8		1.6					
P/E ratio, continuing operations		**17.2**		18.8		14.8					
Share prices											
Highest **)	€	**12.43**		9.95		7.75					
Lowest **)	€	**8.93**		6.90		6.55					
On 31.12.	€	**11.67**		9.25		7.68					
Market capitalization	M€	**870.7**		690.2		573.0		715.5		442.6	
Turnover of shares, total **)	1,000	**62,102**		47,600		10,100					
Relative turnover of shares, total **)	%	**83.2**		63.8		13.5		32.9		21.4	
Adjusted average no. of shares, total	1,000	**74,613**		74,613		74,474		71,876		71,876	
Adjusted number of shares on 31.12., total.	1,000	**74,613**		74,613		74,613		74,446		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 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 2003–2004 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 years 2003–2004 have not been changed and are not shown for the comparative periods since comparability cannot be achieved.

The separation of continuing operations from the overall result has been done only for the comparative year 2004 and 2005.

*) 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.

Consolidated income statement (IFRS)

M€	Note	1.1.–31.12.2007	1.1.–31.12.2006
Continuing operations			
Net sales	1,3	**328.9**	301.9
Other operating income	4	**13.0**	5.5
Change in inventories of finished goods and work in progress	19	**-0.2**	0.0
Materials and services	5	**-99.1**	-92.0
Expenses arising from employee benefits	7	**-111.7**	-105.7
Depreciation, amortization and impairment charges	14,15,16	**-9.8**	-10.1
Other operating expenses	8	**-56.8**	-50.4
Operating income	1	**64.4**	49.1
Financial income	9	**1.2**	2.1
Financial expenses	9	**-1.1**	-2.6
Share of results in associated companies	16	**3.5**	1.2
Income before tax		**68.0**	49.9
Income tax	10	**-16.8**	-12.5
Net income from continuing operations		**51.2**	37.3
Income from discontinued operations	11	**0.0**	0.0
Net income for the period		**51.2**	37.3
Distribution:			
To the parent company shareholders		**50.5**	37.0
Minority interest		**0.6**	0.3
EPS (EUR) calculated from net income belonging to the parent company shareholders			
EPS, continuing operations, basic	13	**0.68**	0.50
EPS, continuing operations, diluted	13	**0.68**	0.50
EPS, discontinued operations, basic	13	**0.00**	0.00
EPS, discontinued operations, diluted	13	**0.00**	0.00

Consolidated balance sheet (IFRS)

M€	Note	31.12.2007	31.12.2006
Assets			
Non-current assets			
Goodwill	14	**29.7**	30.2
Intangible assets	14	**10.2**	9.7
Property, plant and equipment	15	**38.4**	51.7
Investment properties	16	**0.0**	0.0
Investments in associated companies	18	**34.1**	32.1
Other long-term investments	19	**4.0**	3.9
Deferred tax assets	27	**1.0**	4.1
Other receivables	20	**0.0**	4.8
		117.6	136.5
Current assets			
Inventories	21	**1.4**	1.8
Tax receivables		**0.0**	0.7
Accounts receivable and other receivables	22	**29.9**	28.8
Other short-term investments	23	**3.0**	2.4
Cash and cash equivalents	24	**24.8**	28.2
		59.1	61.9
Non-current assets available for sale	12	**4.7**	1.2
Assets, total		**181.3**	199.7
Shareholders' equity and liabilities			
Share capital		**44.8**	44.8
Share premium fund		**2.8**	2.8
Cumulative translation adjustment		**0.0**	0.1
Retained earnings		**70.0**	67.2
Parent company shareholders's equity	25	**117.7**	114.9
Minority interest		**0.6**	0.4
Shareholders' equity, total		**118.3**	115.3
Long-term liabilities			
Interest-bearing liabilities	31	**4.6**	19.1
Deferred tax liabilities	27	**1.8**	1.8
Pension liabilities	28	**3.7**	3.6
Provisions	29	**0.1**	0.1
Other long-term liabilities		**0.9**	7.2
		11.1	31.8
Current liabilities			
Interest-bearing liabilities	31	**2.2**	2.6
Advances received		**12.0**	11.6
Tax liabilities		**1.1**	2.2
Provisions	29	**0.3**	2.3
Accounts payable and other liabilities	32	**36.4**	33.9
		52.0	52.6
Shareholders' equity and liabilities, total		**181.3**	199.7

Consolidated cash flow statement (IFRS)

M€	1.1.–31.12.2007	1.1.–31.12.2006
Continuing operations		
Cash flow from operating activities		
Net income for the period	**51.2**	37.3
Adjustments:		
Depreciation, amortization and impairment charges	**9.8**	10.1
Share of results in associated companies	**-3.5**	-1.2
Capital gains (losses) on sale of fixed assets and other investments	**-12.3**	-4.9
Financial income and expenses	**-0.1**	0.5
Taxes	**16.8**	12.5
Change in provisions	**-1.9**	1.3
Other adjustments	**0.0**	-0.1
Change in working capital:		
Change in accounts receivable	**-0.7**	-3.3
Change in inventories	**0.4**	-0.2
Change in accounts payable	**3.7**	-0.3
Dividend income received	**3.2**	6.4
Interest income received	**1.1**	1.9
Interest expenses paid	**-1.1**	-3.1
Taxes paid	**-14.1**	-10.3
Net cash provided by operating activities	**52.5**	46.7
Cash flow from investing activities		
Investments in tangible and intangible assets	**-5.6**	-5.4
Proceeds from disposal of tangible and intangible assets	**1.5**	3.8
Other investments	**-1.0**	0.0
Proceeds from disposal of other investments	**3.4**	9.1
Subsidiary shares purchased	**-0.3**	-9.0
Subsidiary shares sold	**0.0**	
Associated company shares purchased and sold	**-1.5**	0.0
Net cash used in investing activities	**-3.5**	-1.5
Cash flow before financing activities	**49.0**	45.2

Consolidated cash flow statement continues on page 48 –>

M€	1.1.–31.12.2007	1.1.–31.12.2006
Cash flow from financing activities		
Long-term loan repayments		-33.6
Short-term loans raised	**2.0**	0.0
Short-term loans, repayments	**-5.2**	-3.5
Increase (-) or decrease (+) in interest-bearing receivables	**-0.5**	-0.6
Dividends paid and capital repayment	**-48.8**	-48.8
Net cash used in financing activities	**-52.5**	-86.5
	-3.4	-41.4
Discontinued operations		
Cash flow from operating activities		
Cash flow used in investing activities		
Cash flow used in financing activities		
Change (increase + / decrease -) in cash funds	**-3.4**	-41.4
Cash and cash equivalents at start of period	**28.2**	69.6
Impact of changes in foreign exchange rates	**-0.1**	0.0
Cash and cash equivalents at close of period	**24.8**	28.2
Further details:		
Investments financed through finance leases	**-4.0**	-3.8
Gross capital expenditure, payment-based *)	**-8.4**	-14.4
Investments, total	**-12.4**	-18.2

*) 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€	Share capital	Share premium fund	Translation differences	Retained earnings	Total	Minority interest	Equity total
	Share of equity belonging to parent company owners						
Shareholders' equity 31.12.2005 (IFRS)	44.8	42.4	0.0	39.0	126.2	0.6	126.7
Change in translation differences			0.1		0.1		0.1
Share of items recognized directly in associated company's equity				-0.1	-0.1		-0.1
Income/expenses recognized directly in equity	0.0	0.0	0.1	-0.1	0.0	0.0	0.0
Net income for the period				37.0	37.0	0.3	37.3
Income and expenses for the period, total	0.0	0.0	0.1	36.9	37.0	0.3	37.4
Share-based payments				0.3	0.3		0.3
Dividend payment by parent company				-9.0	-9.0		-9.0
Capital repayment by parent company		-39.5			-39.5		-39.5
Dividend payment by Group company						-0.3	-0.3
Dissolution of subsidiary						-0.3	-0.3
Other changes affecting equity	0.0	-39.6	0.0	-8.7	-48.3	-0.5	-48.8
Shareholders' equity 31.12.2006 (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 31.12.2007 (IFRS)	44.8	2.8	0.0	70.0	117.7	0.6	118.3

Accounting principles used in the IFRS 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, 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.

The Board of Directors has approved the consolidated financial statements for publication on 13 February 2008. 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.

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 2007. 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 code1944757-4, 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 1449580-9) 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 2007

The Group has applied the following standards and interpretations from 1 January 2007:

- IAS 1 Presentation of financial statements
  Information on equity to be presented in financial statements.

The amended IAS 1 requires the notes to the financial statements to present information on the level of the entity's equity and its administration during the fiscal period.

- IFRS 7 Financial instruments: Disclosures in financial statements.

The IFRS 7 standard requires the notes to the financial statements to present information on the significance of financial instruments for an entity's financial position and on the nature and scope of risks arising from financial instruments.

- IFRIC 8 Scope of IFRS 2.

IFRIC 8 is applied to transactions where the Group grants / gives share-based payments / instruments and the consideration received by the Group is less than the fair value of the payments / instruments granted.

- IFRIC 9 Reassessment of embedded derivatives

IFRIC states that an entity shall not reassess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative unless there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

- IFRIC 10 Interim financial reporting and impairment.

IFRIC 10 forbids the reversal of impairment loss recognized in an interim report later in the financial year or on the closing date in respect of goodwill, equity instruments classified in IAS 39 as available-for-sale, or unquoted equity instruments entered at acquisition cost in the balance sheet.

The new standards and interpretation have resulted in changes mainly in the notes to the consolidated financial statements.

Comparability of consolidated financial statements

The 2007 and 2006 financial years are comparable. The company has no discontinued operations to report in the 2006–2007 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 thousands of 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.

Assets available for sale and discontinued operations

Assets available for sale, and the assets related to the discontinued operation that are classified as available for sale, are measured at the lower of their book value or their fair value less the costs arising from their sale. The property used by Lapin Kansa in Rovaniemi and sold by the Group at the beginning of 2007 is treated as an asset available for sale in the 2006 accounts. In the 2007 accounts the Group's long-term receivable from the associated company Acta Print Kivenlahti Oy is shown in the balance sheet under assets available for sale. Alma Media intends to relinquish its entire holding in the company. This divestment is not expected to have a significant impact on Alma Media's financial position.

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 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 2007, 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 and development (R&D) costs are entered as an expense in the period in which they arise. 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.

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 5–10 years.

Investment properties

Investment properties are properties held by the Group for the purpose of obtaining rental income or capital appreciation. The Group applies the cost model in which investment properties are valued at their acquisition cost less straight-line depreciation and impairment losses. The fair values of the investment properties are shown in the notes to the financial statements. When estimating the fair value the company endeavours to use the most up-to-date market information possible. Measurements are made for the most part by the company itself. The company divested its investment properties in 2006

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 thr 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.

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 substracted 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 group, Kauppalehti 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.

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 agreemets 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 2007 total EUR 49.8 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 Board of Directors reviews and signs the statements. 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 3Business Combinations, amendment to standard (published 2007, 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. Subsequences changes to the measurement no longer affect goowill 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.

- IFRS 8 Operating Segments: (published 2006, 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 (published 2007, 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 (published 2007, 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.

- IFRIC 13 Customer Loyalty Programmes (published 2007, 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.

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

The publishing activities of 35 newspapers are reported in the Newspapers group. The largest are the regional paper Aamulehti and the daily tabloid Iltalehti. 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 2007 and 2006 by geographical area:

M€	2007	2006
Finland	**314.8**	290.7
Baltic countries	**7.0**	5.5
Sweden	**4.9**	3.5
Rest of Europe	**2.1**	1.9
Rest of other countries	**0.2**	0.4
	328.9	301.9

Net sales

M€	News-papers	Kauppalehti Group	Market-places	Other	Elimin-ations	Continuing operations	Discont'd operations	Group
Financial year 2007								
Net sales								
External net sales	226.3	70.0	30.4	2.2		328.9	0.0	328.9
Inter-segment net sales	4.3	0.1	0.5	12.0	-16.9	0.0	0.0	0.0
Net sales, total	230.6	70.1	30.9	14.2	-16.9	328.9	0.0	328.9
Financial year 2006								
Net sales								
External net sales	212.8	62.5	22.5	4.1		301.9	0.0	301.9
Inter-segment net sales	5.1	0.1	0.5	10.5	-16.2	0.0	0.0	0.0
Net sales, total	217.9	62.6	23.1	14.6	-16.2	301.9	0.0	301.9

Net income in period

M€	News-papers	Kauppalehti Group	Market-places	Other	Elimin-ations	Continuing operations	Discont'd operations	Group
Financial year 2007								
Operating income	42.8	7.6	5.3	8.7		64.4	0.0	64.4
Share of results in assoc. companies	0.1	2.6		0.8		3.5		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	9.5	0.0	51.2	0.0	51.2
Financial year 2006								
Operating income	38.4	4.8	2.8	3.1	0.0	49.1	0.0	49.1
Share of results in assoc. companies	0.0	0.9		0.3		1.2		1.2
Non-allocated items:								
Net financial expenses						-0.5		-0.5
Income tax						-12.5		-12.5
Net income for the period	38.4	5.7	2.8	3.4	0.0	37.3	0.0	37.3

Assets and liabilities

M€	News-papers	Kauppalehti Group	Market-places	Other	Elimin-ations	Group
Financial year 2007						
Segment assets	63.1	27.4	15.4	15.6	0.0	121.5
Investments in assoc. companies	1.7	29.0	0.0	3.4		34.1
Non-allocated assets				25.8		25.8
	64.8	56.4	15.4	44.8	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	43.8	11.5	29.5	0.0	118.3

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

M€	News-papers	Kauppalehti Group	Market-places	Other	Elimin-ations	Group
Financial year 2006						
Segment assets	66.6	27.5	13.9	26.5	-0.6	133.8
Investments in assoc. companies	0.1	28.6	0.0	3.4		32.1
Non-allocated assets				33.8		33.8
	66.7	56.1	13.9	63.7	-0.6	199.7
Segment liabilities	29.9	12.2	3.5	9.9	-0.5	54.9
Non-allocated liabilities				29.4		29.4
	29.9	12.2	3.5	39.3	-0.5	84.4
Total	36.8	43.8	10.4	24.4	-0.2	115.3

Other information

M€	News-papers	Kauppalehti Group	Market-places	Other	Elimin-ations	Continuing operations	Discont'd operations	Group
Financial year 2007								
Investments	6.0	1.1	2.8	2.2		12.1		12.1
Depreciation	4.8	1.2	1.8	2.0		9.8	0.0	9.8
Other expenses not requiring transaction, e.g. depreciation				0.1		0.1		0.1
Writedowns	0.1					0.1		0.1
Financial year 2006								
Investments	4.1	6.4	7.3	1.8		19.6		19.6
Depreciation	5.2	1.1	1.2	2.4	0.0	10.0	0.0	10.0
Other expenses not requiring transaction, e.g. depreciation	0.2	1.1		0.4		1.8		1.8
Writedowns	0.3					0.3		0.3

2. Acquired businesses

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 18, holdings in associated companies.

Acquired businesses in 2006

The Group acquired seven companies during 2006. These are listed by segment as follows:

	Business	Acquisition date	% acquired
Kauppalehti Group			
Mediaskopas UAB	Media monitoring services	1.2.2006	100%
Kauppalehti 121 Oy (51% holding)	Direct marketing services	1.7.2006	51%
Suomen Business Viestintä SBV Oy	Advertisement marketing, corporate publications	1.7.2006	100%
Marketplaces			
Bovision AB	Classified marketplaces, homes	1.7.2006	100%
Objektvision AB	Classified marketplaces, business premises	1.7.2006	100%
Kiinteistöalan Tietopalvelut R.E.I Oy	Customer management systems for property rentals	1.11.2006	90%
Newspapers			
Kokkolan Sanomat	Publishing rights for town paper Kokkolan Sanomat	1.9.2006	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:

Kauppalehti Group

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.2	0.2
Intangible assets	0.0	0.1
Intangible assets, trademarks		0.6
Intangible assets, customer agreements		1.0
Accounts receivable and other receivables	1.6	1.6
Cash and cash equivalents	0.5	0.5
Assets, total	2.3	3.9
Deferred tax liabilities		0.4
Accounts payable and other payables	1.4	1.4
Liabilities, total	1.4	1.8
Net assets	0.8	2.1
Goodwill arising from acquisition		3.1
Acquisition price (paid in cash)		5.2
Cash and cash equivalents of acquired subsidiaries or businesses		0.5
Impact on cash flow		4.6

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€ 3.1. Contributory factors were the synergies related to these businesses expected to be realized especially with Alma Media Lehdentekijät Oy, which already belongs to the Group, and the possibility to broaden the service offering in corporate services. The year's operating profit of the operations acquired for the segment was M€ 0.4 from the acquisition date.

Newspapers and Marketplaces

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.0	0.0
Intangible assets, IT software	0.0	0.1
Intangible assets, trademarks		0.8
Accounts receivable and other receivables	0.4	0.4
Cash and cash equivalents	0.3	0.3
Assets, total	0.8	1.7
Deferred tax liabilities		0.2
Interest-bearing liabilities	0.0	0.0
Accounts payable and other payables	0.4	0.4
Liabilities, total	0.5	0.7
Net assets	0.3	1.0
Group's share of net assets of acquired companies		1.0
Goodwill arising from acquisition		5.0
Acquisition price (paid in cash)		5.9
Cash and cash equivalents of acquired subsidiaries or businesses		0.3
Impact on cash flow		5.6

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€ 5.0. 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€ 0.3 from the acquisition date.

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. In determining the fair value, an estimated reasonable royalty percent has been used based on market factors and which an external party would be willing to pay for a licence agreement. The year's operating profit of all the acquired businesses from the date of acquisition was M€ 0.7. Net sales of continuing operations would have been an estimated M€ 308.3 and the operating profit M€ 49.8, assuming the acquisitions had taken place at the beginning of 2006.

3. Net sales

M€	2007	2006
Distribution of net sales between goods and services		
Sales of goods	**133.5**	127.5
Sales of services	**195.5**	174.4
Ne sales, total	**328.9**	301.9

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€	2007	2006
Gains on sale of property, plant and equipment	**2.8**	4.6
Gains on sale of intangible assets	**0.4**	0.2
Other	**9.9**	0.7
Other operating income, total	**13.0**	5.5
Specification of other major operating income items:		
Gain on disposal of properties in Tampere and Kemi		4.2
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**	

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

5. Material and services

M€	2007	2006
Purchases during period	**21.5**	21.0
Change in inventories	**0.2**	-0.2
Materials, goods and supplies	**21.8**	20.8
External services	**77.3**	71.1
Total	**99.1**	92.0

6. Research and development costs

The Group's research and development costs in 2007 totalled M€ 3.7 (M€ 1.7 in 2006). Of this total, M€ 0.8 (M€ 0.5) was charged to the income statement and M€ 2.8 (M€ 1.2 in 2006) was capitalized to the balance sheet in 2007. There were capitalized research and developments costs M€ 3.9 in the balance sheet at 31.12.2007.

7. Expenses arising from employee benefits

M€	2007	2006
Salaries and fees	**90.9**	85.9
Pension costs - defined contribution plans	**14.5**	13.9
Pension costs - defined benefit plans	**0.2**	0.2
Approved stock options to be settled in shares	**0.6**	0.3
Other personnel expenses	**5.6**	5.4
Total	**111.7**	105.7
Average total workforce, calculated as full-time employees, excl. distribution staff:		
Newspapers	**1,218**	1,220
Kauppalehti Group	**527**	496
Marketplaces	**158**	111
Other	**68**	74
Total	**1,971**	1,901
Additionally, Group's own distribution staff (number of employees)	**962**	857
Salaries and fees to management:		
Parent company president (Kai Telanne):		
Salaries and other short-term employee benefits	**0.4**	0.4
Termination benefits		
Post-employment benefits	**0.0**	0.0
Approved stock options to be settled in shares	**0.1**	0.0
Total	**0.5**	0.5

The figures in the table are presented as accrual basis. In 2007 the salary and benefits paid to the President and CEO totalled € 372,073 (€ 446,014 in 2006).

Other members of the Group Executive Team:		
Salaries and other short-term employee benefits	**1.1**	1.6
Termination benefits		
Post-employment benefits	**0.2**	0.1
Approved stock options to be settled in shares	**0.2**	0.1
Total	**1.5**	1.8

The figures in the table are presented as accrual basis. In 2007 the salary and benefits paid to the other members of the Group Executive Team totalled € 1,103,841 (€ 1.721.629 in 2006).

Other Group presidents (not in Group Executive Team)		
Salaries and other short-term employee benefits	**1.1**	1.5
Termination benefits		
Post-employment benefits		0.0
Approved stock options to be settled in shares	**0.3**	0.1
Total	**1.4**	1.6

The figures in the table are presented as accrual basis. In 2007 the salary and benefits paid to other Group presidents totalled € 1,169,542 (€ 1,556,044 in 2006).

1,000 €		2007	2006
Board of Directors of Alma Media Corporation and fees paid to its members, figures presented in thousend euros			
Kari Stadigh	Chairman	**43**	47
Matti Kavetvuo	Deputy chairman	**33**	37
Lauri Helve	Member	**26**	28
Matti Häkkinen	Member	**28**	29
Kai Seikku	Member	**26**	26
Harri Suutari	Member	**30**	31
Ahti Vilppula	Member	**23**	
		208	196

The figures in the table are presented as accrual basis.

M€		
Salaries and fees to management, total	**3.6**	4.1

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 1,456,318 of the company's shares on 31 December 2007, representing 2.0% 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 260,000 options under the 2006 option A plan and 300,000 options under the 2006 B plan on 31 December 2007. These option rights entitle their holders to subscribe for at most 550,000 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 2.7% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights are as follows *):

		Shares	Options A plan	Options B plan
Kari Stadigh	Chairman	12,655		
Matti Kavetvuo	Deputy chairman	10,396		
Lauri Helve	Member	41,836		
Matti Häkkinen	Member	1,262,016		
Kari Seikku	Member	1,596		
Harri Suutari	Member	82,784		
Ahti Vilppula	Member	5,868		
Kai Telanne	President	4,339	80,000	80,000
Matti Apunen	Group Executive Team	4,339	25,000	25,000
Rauno Heinonen	Group Executive Team, secretary			10,000
Teemu Kangas-Kärki	Group Executive Team	1,000	40,000	40,000
Kari Kivelä	Group Executive Team	0	40,000	40,000
Juha-Petri Loimovuori	Group Executive Team	150	10,000	40,000
Raimo Mäkilä	Group Executive Team	25,000	40,000	40,000
Minna Nissinen	Group Executive Team	4,339	25,000	25,000
		1,456,318	260,000	300,000

*) Figures include holdings of entities under their control as well as holdings of related parties. In addition Procomex SA and Helsingin Mekaanikontalo Oy, which are under control of Ahti Vilppula, owns 8,250,100 forward contracts.

According to Articles of Association, Board of Directions 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€	2007	2006
Information technology and telecommunication	**11.9**	10.2
Business premises	**9.9**	9.3
Other costs	**35.0**	30.8
Total	**56.8**	50.4

9. Financial income and expenses

M€	2007	2006
Financial income		
Interest income on investments held to maturity	**1.1**	1.9
Dividend income on other non-current investments	**0.2**	0.2
Total	**1.2**	2.1
Financial expenses		
Interest costs		
Interest costs from other interest-bearing debt	**0.0**	-1.4
Interest costs from finance leases	**-1.0**	-1.1
Foreign exchange gains and losses	**-0.1**	0.0
Total	**-1.1**	-2.6
Financial income and expenses, total	**0.1**	-0.5

Financial income presented by categories as required by IAS 39

Interest income on investments held to maturity	**1.1**	1.9
Dividend income from available-for-sale financial assets	**0.2**	0.2
Financial income, total	**1.2**	2.1

Financial expenses presented by categories as required by IAS 39		
Interest costs from interest-bearing debts measured at amortized cost	**0.0**	-1.4
Interest costs from finance leases measured at amortized cost	**-1.0**	-1.1
Foreign exchange losses (loans and receivables)	**-0.1**	0.0
Financial expenses, total	**-1.1**	-2.6

10. Income tax

M€	2007	2006
Tax based on taxable income for the period	**13.7**	12.2
Tax from previous periods	**0.1**	0.1
Deferred taxes	**3.1**	0.3
Total	**16.8**	12.5

Reconciliation of tax expense in income statement and tax calculated on Finnish tax rate:
The Finnish corporate tax rate in 2007 and 2006 was 26%.

Income before tax	**68.0**	49.9
- Share of associated companies' result	**-3.5**	-1.2
	64.5	48.6
Tax calculated on the parent company's tax rate	**16.8**	12.6
Impact of varying tax rates of foreign subsidiaries	**0.1**	-0.1
Tax-free income	**-0.1**	0.0
Non-tax-deductable expenses	**0.2**	0.2
Items from previous periods	**0.1**	0.1
Use of previously non-entered deferred tax assets	**-0.1**	-0.5
Recognition in balance sheet of previously non-entered deferred tax assets *)	**0.0**	0.2
Other items	**-0.1**	0.0
Tax shown in the income statement	**16.8**	12.5

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

11. Discontinued operations

The Group sold its Broadcasting business segment in spring 2005. There is no discontinued operations reported in 2006 and 2007.

12. Non-current assets available for sale

The Group's long-term receivable from the associated company Acta Print Kivenlahti Oy is shown in the balance sheet under non-current assets available for sale. Alma Media intends to relinquish its entire holding in Acta Print Kivenlahti Oy. This disvestment is not expected to have a significant impact on Alma Media's financial position.

The sale, at the beginning of 2007, of the property used by Lapin Kansa in Rovaniemi was treated as a non-current asset for sale in the 2006 annual accounts.

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€	2007	2006
Parent company owners' income in the period, continuing operations	**50.5**	37.0
Parent company owners' income in the period, discontinued operations	**0.0**	0.0
Number of shares (x 1000)		
Weighted average number of outstanding shares	**74,613**	74,613
Impact of issued share options calculated as number of shares	**161**	0
Diluted weighted average number of outstanding shares	**74,773**	74,613
EPS, continuing operations, basic	**0.68**	0.50
EPS, continuing operations, diluted	**0.68**	0.50
EPS, discontinued operations, basic	**0.00**	0.00
EPS, discontinued operations, diluted	**0.00**	0.00

14. Intangible assets and goodwill

M€	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2006					
Acquisition cost 1.1.	14.5	3.4	0.2	19.0	37.2
New companies	0.1				0.1
Increases	3.8	0.7	0.3	11.2	16.0
Decreases	-1.2	-0.2	-0.1		-1.4
Exchange rate differences				0.1	0.1
Transfers between items	0.1				0.1
Acquisition cost 31.12.	17.3	4.0	0.5	30.4	52.1
Acc. depreciation, amortization and impairments 1.1.	9.6	1.1		0.2	10.9
New companies	0.0	0.0			0.0
Acc. depreciation in decreases and transfers	-0.9	-0.2			-1.1
Depreciation in period	2.0	0.4			2.4
Writedowns					0.0
Accumulated depreciation 31.12.	10.8	1.3	0.0	0.2	12.2
Book value 1.1.	4.9	2.3	0.2	18.9	26.3
Book value 31.12.	6.5	2.7	0.5	30.2	39.9
Financial year 2007					
Acquisition cost 1.1.	17.3	4.0	0.5	30.4	52.1
Increases	2.3	0.1	1.2	0.0	3.6
Decreases	-1.4	-1.0	-0.1	-0.4	-2.9
Exchange rate differences			-0.1	-0.1	
Transfers between items	0.1	0.5	-0.6		0.0
Acquisition cost 31.12.	18.3	3.6	1.0	29.9	52.8
Acc. depreciation, amortization and impairments 1.1.	10.8	1.3	0.0	0.2	12.2
Acc. depreciation in decreases and transfers	-1.3	-1.0			-2.3
Depreciation in period	1.7	1.1			2.8
Writedowns					0.0
Accumulated depreciation 31.12.	11.2	1.4	0.0	0.2	12.7
Book value 1.1.	6.5	2.7	0.5	30.2	39.9
Book value 31.12.	7.0	2.2	1.0	29.7	40.0

Intangible assets include assets purchased through finance leases as follows:

M€	Intangible rights	Advance payments	Total
Financial year 2006			
Acquisition cost 1.1.	1.6		1.6
Increases	0.0		0.0
Acquisition cost 31.12.	1.6	0.0	1.6
Acc. Depreciation 1.1.	0.9		0.9
Depreciation in period	0.2		0.2
Accumulated depreciation 31.12.	1.1		1.1
Book value 31.12.	0.5	0.0	0.5
Financial year 2007			
Acquisition cost 1.1.	1.6		1.6
Increases	0.0		0.0
Decreases	-0.8		-0.8
Acquisition cost 31.12.	0.8	0.0	0.8
Acc. Depreciation 1.1.	1.1		1.1
Acc. depreciation in decreases	-0.8		-0.8
Depreciation in period	0.2		0.2
Accumulated depreciation 31.12.	0.4		0.4
Book value 31.12.	0.4	0.0	0.4

The book value of intangible assets includes intangible rights totalling M€ 1.3 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€	31.12.2007	31.12.2006
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	**1.3**	1.3

Allocation of goodwill to cash-generating units

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

M€	31.12.2007	31.12.2006
Aamulehti	**0.0**	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	**1.3**	1.3
Newspapers group, total	**11.2**	11.2
Baltic News Service	**0.8**	0.8
Kauppalehti	**3.3**	3.3
Kauppalehti 121	**5.2**	5.2
Alma Media Lehdentekijät	**3.1**	3.1
Kauppalehti Group, total	**12.4**	12.4
Homes and business premises	**5.7**	6.2
Vehicles and heavy machinery	**0.3**	0.3
Marketplaces, total	**6.0**	6.5
Units allocated an insignificant amount of goodwill	**0.1**	0.1
Goodwill, total	**29.7**	30.2

No impairment losses were recorded in the financial year 2007 and 2006. Goodwill decrease from the year 2006 is caused by changes in final acquisition prices of acquired businesses in 2006.

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. 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.

15. Property, plant and equipment

M€	Land and water areas	Buildings and structures	Machinery and equip.	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2006						
Acquisition cost 1.1.	3.2	51.6	71.8	4.0	1.0	131.6
New companies			0.3	0.0		0.3
Increases		0.1	3.3	0.9	0.3	4.6
Decreases	-0.7	-6.3	-8.8	-0.3	-0.1	-16.3
Transfers between items	0.0	-1.2	1.0	0.0	-1.0	-1.2
Acquisition cost 31.12.	2.4	44.1	67.6	4.7	0.2	119.0
Acc. depreciation, amortization and impairments 1.1.		22.4	46.8	1.8		71.0
New companies		0.0	0.1	0.1		0.2
Accumulated depreciation in decreases and transfers		-3.0	-8.5			-11.5
Depreciation in period		1.7	5.3	0.4		7.5
Writedowns			0.1			0.1
Acc. depreciation, amortization and impairments 31.12.	0.0	21.2	43.8	2.3	0.0	67.3
Book value 1.1.	3.2	29.2	25.0	2.2	1.0	60.6
Book value 31.12.	2.4	22.9	23.7	2.4	0.2	51.7
Book value of machinery and equipment			23.0			
Financial year 2007						
Acquisition cost 1.1.	2.4	44.1	67.6	4.7	0.2	119.0
New companies		0.2	4.6	0.2	0.5	5.5
Increases	-0.5	-18.9	-9.0	-0.1		-28.5
Decreases		0.0				0.0
Transfers between items		0.2	0.0	0.0	-0.2	0.0
Acquisition cost 31.12.	1.9	25.6	63.2	4.8	0.5	96.0
Acc. depreciation, amortization and impairments 1.1.	0.0	21.2	43.8	2.3	0.0	67.3
Accumulated depreciation in decreases and transfers		-7.9	-8.8	0.0		-16.7
Depreciation in period		1.2	5.3	0.4		6.9
Writedowns						0.0
Acc. depreciation, amortization and impairments 31.12.	0.0	14.5	40.3	2.7	0.0	57.6
Book value 1.1.	2.4	22.9	23.7	2.4	0.2	51.7
Book value 31.12.	1.9	11.1	22.8	2.1	0.5	38.4
Book value of machinery and equipment			15.4			

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

M€	Buildings and structures	Machinery and equip.	Total
Financial year 2006			
Acquisition cost 1.1.	17.4	8.9	26.3
Increases	0.0	1.4	1.4
Acquisition cost 31.12.	17.4	10.3	27.6
Acc. Depreciation 1.1.	4.3	2.7	7.0
Depreciation in period	1.0	1.6	2.6
Acc. Depreciation 31.12.	5.3	4.3	9.6
Book value 31.12.	12.1	6.0	18.0
Financial year 2007			
Acquisition cost 1.1.	17.4	10.3	27.6
Increases		2.6	2.6
Decreases	-17.4	-2.2	-19.6
Acquisition cost 31.12.	0.0	10.7	10.7
Acc. Depreciation 1.1.	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
Acc. Depreciation 31.12.	0.0	4.1	4.1
Book value 31.12.	0.0	6.6	6.6

16. Investment properties

M€	31.12.2007	31.12.2006
Acquisition cost 1.1.	**0.0**	6.2
Increases	**0.0**	0.0
Decreases	**0.0**	-6.2
Acquisition cost 31.12.	**0.0**	0.0
Accumulated depreciation, amortization and impairments 1.1.	**0.0**	3.7
Accumulated depreciation in decreases and transfers	**0.0**	-3.8
Depreciation in period	**0.0**	0.1
Accumulated depreciation, amortization and impairments 31.12.	**0.0**	0.0
Book value 1.1.	**0.0**	2.6
Book value 31.12.	**0.0**	0.0

M€	2007	2006
Rental income from investment properties	**0.0**	0.4
Maintenance expenses of investment properties	**0.0**	0.1
Fair values of investment properties	**0.0**	0.0

17. Subsidiary companies

Company	Registered office	Holding %	Share of votes %
Aamujakelu Oy	Tampere, Finland	100.00	100.00
Agentura BNS SIA	Riga, Latvia	100.0	100.00
Alma Media Interactive Oy	Helsinki, Finland	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki, Finland	77.00	77.00
Alma Media Lehdentekijät Oy	Helsinki, Finland	100.00	100.00
Alma Media Palvelut Oy	Helsinki, Finland	100.00	100.00
Arctic Press Oy	Rovaniemi, Finland	100.00	100.00
@Apartament SP.z.o.o	Warsaw, Poland	70.00	70.00
AS Autoinfo.ee	Tallinn, Estonia	90.00	90.00
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	99.97	99.97
BNS UAB	Vilnius, Lithuania	99.93	99.93
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
ETA Uudistetalituse OÜ	Tallinn, Estonia	100.00	100.00
Etuovi Oy	Helsinki, Finland	100.00	100.00
Kainuun Sanomat Oy	Kajaani, 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
Kiinteistöalan Tietopalvelut R.E.I 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
Lapin Kansa Oy	Rovaniemi, Finland	100.00	100.00
Mediaskopas	Tallinn, Estonia	100.00	100.00
Monster Oy	Helsinki, Finland	75.00	75.00
Objektvision AB	Stockholm, Sweden	100.00	100.00
Osakeyhtiö Harjavallan Kustannus	Harjavalta, Finland	100.00	100.00
Pohjolan Sanomat Oy	Kemi, Finland	100.00	100.00
Porin Sanomat Oy	Pori, Finland	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori, Finland	100.00	100.00
SIA Autoinfo	Riga, Latvia	90.00	90.00
SIA City24	Riga, Latvia	95.08	95.08
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

18. Holdings in associated and joint venture companies

Holdings in associated companies

M€	31.12.2007	31.12.2006
At start of period	**32.1**	40.4
Increases	**1.5**	0.0
Decreases	**0.0**	0.0
Share of results	**3.4**	1.2
Share of items recognized directly in associated company's equity	**0.2**	-0.1
Dividends received	**-3.1**	-6.1
Transfers between items	**0.0**	-3.3
At end of period	**34.1**	32.1

Further information on associated companies

The Group entered a writedown on the associated company Acta Print totalling M€ 0.4 in the 2006 accounts, which is allocated in its entirety to receivables from associated companies.

Talentum Oyj, included in the book value of associated companies at 31 December 2007, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements at 31 December 2007 is M€ 29.0 and its market capitalization was M€ 36.3.

During 2006 the Group acquired the outstanding 51% of Kauppalehti 121 Oy, which thus became a wholly owned subsidiary. During 2007 the Group acquired a 40% holding in Tampereen Ykkösjakelut Oy in May 2007. Goodwill arising from associated companies totalled M€ 21.1 (M€ 19.7) at 31 December 2007.

M€	31.12.2007	31.12.2006
Book value of shares, total	**34.1**	32.1
Receivables from associated companies	**4.7**	4.6
Liabilities to associated companies	**0.1**	0.1
Summary (100%) of associated company totals		
Aggregate assets of associated companies	**127.7**	136.0
Aggregate liabilities of associated companies	**94.9**	79.5
Aggregate net sales of associated companies	**203.4**	209.5
Aggregate profit/loss of associated companies	**9.2**	4.2

Associated companies

	Holding %	Share of votes %
Acta Print Kivenlahti Oy	36.00	36.00
Ahaa Sivunvalmistus Oy	20.00	20.00
Holding Oy Visio	24.74	24.74
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	28.20	28.20
Talentum Oyj	29.85	29.85
Tampereen Tietoverkko Oy	35.14	35.14
Tampereen Ykkösjakelu Oy	40.00	40.00
Jämsänjokilaakson Paikallisviestintä Oy	49.00	49.00
Kytöpirtti Oy	43.20	43.20
Nokian Uutistalo Oy	36.90	36.90

The Group's long-term receivable and shares from the associated company Acta Print Kivenlahti Oy is shown in the balance sheet under non-current assets available for sale. More details are described in Note 12.

Joint venture companies

The Group established a joint venture company, Mascus A/S, together with Bil Markedet Aps in Denmark in 2007. The Groups 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€	31.12.2007	31.12.2006
Non-current assets	**3.7**	4.3
Current assets	**0.1**	
Long-term liabilities	**0.1**	
Current liabilities		

M€	2007	2006
Net sales	**0.0**	
Operating profit	**0.0**	
Net income for the period	**0.0**	
Average total workforce in joint venture companies	**1**	

19. Other long-term investments

M€	31.12.2007	31.12.2006
Non-listed shares	**4.0**	3.9

Other long-term investments are recognized at acquisition cost.

20. Other receivables – non-current assets

M€	Book values 31.12.2007	Fair values 31.12.2007	Book values 31.12.2006	Fair values 31.12.2006
Receivables from associated companies				
Loan receivables	-	-	4.6	4.6
Other receivables				
	-	-	4.6	4.6
Receivables from others				
Loan receivables	-	-	0.1	0.1
Other long-term receivables			0.1	0.1
	-	-	0.2	0.2
Other receivables, total	-	-	4.8	4.8

21. Inventories

M€	31.12.2007	31.12.2006
Materials and supplies	**1.4**	1.6
Finished goods	**-**	0.1
Other goods	**-**	0.0
Total	**1.4**	1.8

A M€ 0.1 writedown on inventories was entered in the 2007 accounts and allocated under book inventories (finished goods). Similar writedown, M€ 0.1, was entered also in 2006.

22. Accounts receivable and other receivables

M€	31.12.2007	31.12.2006
Accounts receivable	**25.8**	26.0
Receivables from associated companies		
Accounts receivable	**0.0**	0.0
Loan receivables		
Prepaid expenses and accrued income		
Other income		0.0
Total	**0.0**	0.0
Receivables from others		
Loan receivables		0.1
Prepaid expenses and accrued income	**2.6**	2.5
Other receivables	**1.5**	0.2
Total	**4.0**	2.8
Receivables, total	**29.9**	28.8

23. Other short-term investments

M€	31.12.2007	31.12.2006
Investments held to maturity	**3.0**	2.4
Total	**3.0**	2.4

24. Cash and cash equivalents

M€	31.12.2007	31.12.2006
Cash and bank accounts	**8.2**	6.4
Investment certificates (1-3 months)	**16.6**	21.8
Total	**24.8**	28.2

25. Information on shareholders' equity and it's administration

The following describes information of Alma Media shares and changes in 2007.

	Total number of shares	Share capital M€	Share premium fund M€
1.1.2007	74,612,523	44.8	2.8
31.12.2007	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 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 2007 or 2006.

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.

Revaluation fund

The revaluation fund comprises the changes in fair values of the investments available for sale. The Group has no available-for-sale financial assets in 2006 and 2007.

Distributable funds

The distributable funds of the Group's parent company on 31 December 2007 totalled € 76,998,277.

Administration of shareholder's equity

The purpose of administration of shareholder's equity and optimal capital structure is to secure normal business preconditions. The development of capital structure is followed with gearing and equity ratio key figures. Those key figures are presented in the following in 2006 and 2007.

M€	31.12.2007	31.12.2006
Interest-bearing liabilities	**6.8**	21.7
Cash and cash equivalents	**24.8**	28.2
Interest-bearing net debt	**-17.9**	-6.5
Shareholder's equity	**118.3**	115.3
Gearing, %	**-15.2**	-5.6
Equity ratio, %	**69.8**	61.3

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 companyäs 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 shareholders to redeem such shareholders' shares.

26. 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 the company's Board of Directors decided to annul the 190,000 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 and by dividend payment in March 2007, i.e. by 0.65 euros per share , to 6.48 per share. The vesting period for the options ends and the share subscription period begins on 1 April 2008.

In March 2007 the Board of Directors decided to issue 510,000 options under the 2006B scheme to Group management. 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 remaining A and B options, as well as all the C options have been issued to the Group's subsidiary, Karenstock Oy, which can grant them later at the time and in the manner decided by the Board of Directors. If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 2.3%.

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€ 0.6 was entered in the 2007 accounts (M€ 0.3 in 2006). 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

				Share subscription period		Period determining subscription price (trade volume weighted average share price)		
Options	**Number**	**Annuled**	**Free**	**begins**	**ends**			
2006A	640,000	190,000	10,000	1/4/08	30/4/10	1.4.2006	-	31.5.2006
2006B	640,000		130,000	1/4/09	30/4/11	1.4.2007	-	31.5.2007
2006C	640,000		640,000	1/4/10	30/4/12	1.4.2008	-	31.5.2008

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**
Principal terms and conditions (A options):			
Grant date		26 April 2006	8 March 2007
Number of options granted	options	515,000	510,000
Subscription price	€	6.48	9.85
Share subscription price at grant date	€	7.66	9.85
Total duration of option scheme	days	1,496	1,521
Expected volatility	%	30	23
Vesting period	days	736	761
Risk-free interest rate	%	3.5	4.5
Payment method		as shares	as shares
Expected personnel reductions	%	0	0
Expected dividend yield	%	0	0
Value of option at grant date	€/share	1,526	1,731
		total M€ 1.0	total M€ 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 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

	A option plan		B option plan	
Number of options	**2007**	**2006**	**2007**	**2006**
At start of financial year	450,000	0	0	0
Number of new options granted	0	515,000	510,000	0
Number of options forfeited	-10,000	-65,000	0	0
Number of options exercised	0	0	0	0
Cancelled / nullified options	0	0	0	0
At end of financial year	440,000	450,000	510,000	0

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

27. Deferred tax assets and liabilities

Changes in deferred taxes during 2006:

M€	31.12.2005	Entered in income statement	Entered under equity	Acquired/ sold subsidiaries	31.12.2006
Deferred tax assets:					
Provisions	1.2	-0.6			0.6
Pension benefits	0.1	0.0			0.1
Deferred depreciation	1.0	0.2			1.2
Sale and lease-back agreement	2.6	0.0			2.6
Other items	0.4	0.2			0.6
Total	5.2	-0.2	0.0	0.0	5.0
Taxes, net	-0.5				-0.9
Deferred tax assets in balance sheet	4.8				4.1
Deferred tax liabilities:					
Accumulated depreciation differences	0.9	-0.5			0.4
Fair value measurement of property, plant and equipment and intangible assets in business combinations	0.3	-0.1		0.7	0.9
Retained earnings of subsidiary companies	0.0	0.7			0.7
Other items	0.8	-0.1			0.7
Total	2.0	0.0	0.0	0.7	2.7
Taxes, net	-0.5				-0.9
Deferred tax liabilities in balance sheet	1.5				1.8
Deferred tax, net	3.3	-0.3		-0.7	2.3

Changes in deferred taxes during 2007:

	31.12.2006	Entered in income statement	Entered under equity	Acquired/ sold subsidiaries	31.12.2007
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

No deferred tax asset has been calculated on the confirmed tax losses (M€ 0.5) of Group companies in 2007. Utilization of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire beween the years 2011 and 2015.

28. Pension obligations

The Group has defined benefit pension plans, most of which consist of supplementary pension insurance plans for company executives. In addition the Group has defined benefit pension obligations based on former pension funds of Aamulehti Oy.

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

M€	31.12.2007	31.12.2006
Present value of unfunded obligations at start of period	**7.2**	7.2
Service cost during period	**0.1**	0.2
Interest cost	**0.3**	0.3
Actuarial gains and losses	**-1.5**	
Payments of defined benefit obligations	**-0.5**	-0.5
Adjustments	**0.5**	
Present value of funded obligations at end of period	**6.1**	7.2
Fair value of plan assets at start of period	**6.8**	6.8
Expected return on plan assets	**0.3**	0.3
Actuarial gains and losses	**-1.8**	
Incentive payments	**0.1**	0.2
Payments of defined benefit obligations	**-0.5**	-0.5
Adjustments	**0.3**	0.0
Present value of plan assets at end of period	**5.2**	6.8
Deficit/surplus	**0.9**	0.4
Unrecognized actuarial gains (-) and losses (+)	**-0.5**	0.0
Unrecognized costs based on retroactive service	**0.0**	0.0
Defined benefit pension liabilities in the balance sheet	**0.5**	0.4

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

M€	31.12.2007	31.12.2006	31.12.2005	31.12.2004
Present value of funded obligations	**6.1**	7.2	7.2	9.0
Fair value of assets	**-5.1**	-6.8	-6.8	8.3
Deficit/surplus	**0.9**	0.4	0.4	0.7

The time series is shown exceptionally for four years only because the company adopted IFRS practice from 1 January 2004. The plan assets are invested primarily in interest- and share-based instruments and they have an aggregate expected annual return of 4.7%. 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€	1.1.–31.12.2007	1.1.–31.12.2006
Service cost during period	**0.1**	0.2
Interest cost	**0.3**	0.3
Expected return on plan assets	**-0.3**	-0.3
Actuarial gains and losses	**0.1**	0.0
Losses/gains from plan curtailments	**0.0**	0.0
	0.2	0.2

Changes in liabilities shown in balance sheet:

M€	31.12.2007	31.12.2006
Start of period	**0.4**	0.4
Incentive payments paid	**-0.1**	-0.2
Pension expense in income statement	**0.2**	0.2
Divestments of subsidiaries	**0.0**	0.0
Defined benefit pension obligation in balance sheet	**0.5**	0.4

A similar investment is expected to be made in the plan in 2008 as in 2007.

Actuarial assumptions used:

%	1.1.–31.12.2007	1.1.–31.12.2006
Discount rate	**4.7**	4.5
Expected return on plan assets	**4.7**	4.5
Future salary increase assumption	**3.5**	3.5
Inflation assumption	**2.0**	2.0

Pension obligation in balance sheet

M€	31.12.2007	31.12.2006
Defined benefit pension obligation in balance sheet	**0.5**	0.4
Other pension obligation in balance sheet	**3.2**	3.3
Pension obligation in balance sheet, total	**3.7**	3.6

29. Provisions

	Restructuring provision	Loss-making contracts	Other provisions	Total
1.1.2007	1.9	0.2	0.3	2.3
Increase in provisions			0.1	0.1
Provisions employed	-1.6	-0.1	-0.3	-2.0
Reversals of unemployed provisions				
Impact of changes in discount rate				
31.12.2007	0.3	0.0	0.1	0.4
Current	0.3	0.0	0.0	0.3
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 2008 and 2009.

Loss-making agreements: mainly consists of rental commitments for unoccupied business premises. The provision will be realized in 2008 and 2009.

Other provisions: mainly consists of the environmental provision for sold property

30. Contingent assets and liabilities

Contingent liabilities

The Group has contingent liabliities totalling M€ 7.8. The tax authorities have issued a claim to correct the company's income tax for 2003. The tax authorities consider 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-deductable. At the end of 2006 (20 December 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 have appealed the Adjustments Board's ruling to the Helsinki Administrative Court. The company continues to believe that it is improbable that the claim will lead to additional tax consequences since the transaction was carried out at market prices for commercial reasons. The decision of the Helsinki Administrative Court is expected early in 2008.

31. Interest-bearing liabilities

M€	Book values 31.12.2007	Fair values 31.12.2007	Book values 31.12.2006	Fair values 31.12.2006
Non-current:				
Finance lease liabilities	**4.6**	**4.6**	19.1	19.1
	4.6	**4.6**	19.1	19.1
Current:				
Other current interest-bearing debt			0.2	0.2
Finance lease liabilities	**2.2**	**2.2**	2.4	2.4
	2.2	**2.2**	2.6	2.6

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

Non-current debt matures as follows:

M€	31.12.2007	31.12.2006
2008		2.1
2009	**1.6**	1.6
2010	**0.9**	1.3
2011	**0.5**	1.2
2012	**0.4**	1.1
Later	**1.2**	11.8
	4.6	19.1

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

M€	31.12.2007	31.12.2006
EUR	**4.6**	19.1

Weighted averages of the effective tax rates for the interest-bearing non-current debt at 31 Dec. 2007 and 31 Dec. 2006:

%	1.1.–31.12.2007	1.1.–31.12.2006
Finance lease liabilities	**5.9**	5.5

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

M€	31.12.2007	31.12.2006
EUR	**2.2**	2.6

Weighted averages of the effective tax rates for the interest-bearing current debt at 31 Dec. 2007 and 31 Dec. 2006:

%	1.1.–31.12.2007	1.1.–31.12.2006
Finance lease liabilities	**5.9**	5.5

Maturity of finance leases

M€	31.12.2007	31.12.2006
Finance lease liabilities - total minimum lease payments:		
2007		3.4
2008	**2.5**	3.5
2009	**1.9**	3.5
2010	**1.1**	3.5
2011	**0.6**	1.9
2012	**0.5**	1.9
Later	**1.2**	13.0
	7.7	30.7
Finance lease liabilities - present value of minimum lease payments:		
2007		2.4
2008	**2.2**	2.1
2009	**1.6**	1.6
2010	**0.9**	1.3
2011	**0.5**	1.2
2012	**0.4**	1.1
Later	**1.2**	11.8
	6.8	21.5
Financial expenses accruing in the future	**0.9**	9.2

32. 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€ 6.8 at 31 December 2007, 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€ 0.1.

Foreign exchange risks:
Transaction risk: The transaction risk describes the impact of changes in foreign exchange rates on sales, purchases and balance sheet items denominated in foreign currencies. The impact of changes in exchange rates on net 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.

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:

The following table details the maturities of the company's accounts receivable at 31 December 2007:

M€	31.12.2007	31.12.2006
Non-matured receivables and receivables maturing in 1-4 days	**20.0**	22.7
Maturing in 5-30 days	**4.5**	2.4
Maturing in 31-120 days	**1.0**	0.6
Maturing after 120 days	**0.3**	0.3
Accounts receivable, total	**25.9**	26.0

Company has not done any specific write downs for accounts receivable at 31 December 2007. There has not been realized any major bad debts during the years 2006 and 2007. Company evaluates regularly invoicing and credit risks for major customers.

33. 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 values 31.12.2007	Book values 31.12.2006	Fair values 31.12.2007	Fair values 31.12.2006
Financial assets				
Financial assets at fair value through profit or loss				
Commodity derivate contracts	**0.1**		**0.1**	
Held-to-maturity investments				
Other short-term investments	**3.0**	2.4	**3.0**	2.4
Available-for-sale financial assets				
Other long-term investments	**4.0**	3.9	**4.0**	3.9
Loans and receivables				
Accounts receivables and other receivables	**29.8**	28.8	**29.8**	28.8
Cash and cash equivalents	**24.8**	28.2	**24.8**	28.2
	61.7	63.3	**61.7**	63.3
Financial liabilities				
Measured at amortized costs				
Financial leases	**6.8**	21.5	**6.8**	21.5
Other interest-bearing liabilities		0.2		0.2
Accounts payable and other liabilities	**36.4**	33.9	**36.4**	33.9
	43.2	55.6	**43.2**	55.6

The book values of accounts recevables, other receivables (both long term and short term) and other short term investments are estimated to correspond with their fair values. The effect of discounting is not significant.

More details concerning derivative contracts are given in Note 36.

34. Accounts payable and other liabilities

M€	31.12.2007	31.12.2006
Accounts payable	**8.8**	7.4
Owed to associated companies		
Accounts payable	**0.1**	0.1
Accrued expenses and prepaid income		
Accrued expenses and prepaid income	**21.7**	20.3
Other liabilities	**5.9**	6.1
Total	**36.4**	33.9

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.

35. Other leases

The Group as lessee:

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

M€	31.12.2007	31.12.2006
Within one year	**7.5**	6.1
Within 1-5 years	**18.1**	14.6
After 5 years	**26.5**	13.0
Total	**52.1**	33.8

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€	31.12.2007	31.12.2006
Minimum payments payable based on these purchase agreements	**4.6**	7.7

The Group as lessor:

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

Within one year	**2.0**	1.6
Within 1-5 years	**2.6**	3.0
After 5 years		
	4.5	4.6

36. Derivative contracts

M€	31.12.2007	31.12.2006
Commodity derivative contracts, electricity derivatives		
Fair value *)	**0.1**	
Value of underlying instrument	**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 foreign exchange forward contracts and raw material derivatives have been calculated using market values on the balance sheet date. Fair values of share options have been calculated using the option price model.

37. Commitments and contingencies

M€	31.12.2007	31.12.2006
Collateral for others:		
Guarantees	**0.0**	0.0
Other commitments:		
Commitments based on agreements	**0.1**	0.1
	0.1	0.1

38. Related parties

Alma Media Group's related parties are its associated companies (see Note 18) 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€	1.1.–31.12.2007	1.1.–31.12.2006
a) Sales of goods and services	**0.2**	0.4
b) Purchases of goods and services	**5.9**	4.4
c) Accounts receivable	**4.7**	4.6
d) Accounts payable	**0.1**	0.1

39. Shareholdings

20 principal shareholders at 31 December 2007

	No.	% of total shares	% of total votes
1. Nordea Pankki Suomi Oyj	11,785,762	15.8	15.8
2. Oy Herttaässä Ab	7,592,798	10.2	10.2
3. Varma Mutual Pension Insurance Company	6,705,994	9.0	9.0
4. Sampo Life Insurance Company Ltd	6,665,912	8.9	8.9
5. Kaleva Mutual Insurance Company	4,189,281	5.6	5.6
6. C.V. Åkerlund Fund	3,080,071	4.1	4.1
7. Ilkka -Yhtymä Oyj	2,463,791	3.3	3.3
8. Ilmarinen Mutual Pension Insurance Company	2,128,018	2.9	2.9
9. Tapiola Mutual Pension Insurance Company	1,852,800	2.5	2.5
10. Evli Pankki Oyj	950,462	1.3	1.3
11. Keskisuomalainen Oyj	635,089	0.9	0.9
12. The Finnish Cultural Foundation	576,000	0.8	0.8
13. Federation of Finnish Textile and Clothing Industries	533,462	0.7	0.7
14. Häkkinen Heikki estate	517,332	0.7	0.7
15. FIM Pankkiiriliike Oy	497,375	0.7	0.7
16. Investment Fund Nordea Fennia	474,132	0.6	0.6
17. Häkkinen Veera estate	461,911	0.6	0.6
18. Sinkkonen Raija	460,000	0.6	0.6
19. Neste Oil Pension Fund	459,698	0.6	0.6
20. Nordea Life Assurance Finland Ltd	427,549	0.6	0.6
Total	52,457,437	70.3	70.3
Nominee-registered	8,542,295	11.4	11.4
Other	13,612,791	18.2	18.2
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 2007

	Number of owners	% of total	Number of shares	% of shares
Private corporations	265	6.0	12,709,986	17.0
Financial and insurance institutions	24	0.5	26,179,739	35.1
Public entities	18	0.4	12,026,538	16.1
Households	3,903	89.0	8,924,589	12.0
Non-profit associations	145	3.3	5,987,452	8.0
Foreign owners	20	0.5	38,465	0.1
Nominee-registered shares	9	0.2	8,542,295	11.4
In general account			203,459	0.3
Total	4,384	100	74,612,523	100.0

Distribution of ownership

Number of shares	Number of owners	% of total	Number of shares	% of shares
1 - 100	880	20.1	45,517	0.1
101 - 1,000	2,168	49.5	1,023,947	1.4
1,001 - 10,000	1,112	25.4	3,419,810	4.6
10,001 - 100,000	180	4.1	4,765,981	6.4
100,001 - 500,000	28	0.6	7,185,801	9.6
500,000 -	16	0.4	57,968,008	77.7
In general account			203,459	0.3
Total	4,384	100	74,612,523	100

Parent company income statement (FAS)

M€	Note	1.1.–31.12.2007	1.1.–31.12.2006
Net sales	1	**11.7**	10.3
Other operating income	2	**21.2**	1.4
Personnel expenses	3	**-3.1**	-1.6
Depreciation and writedowns	4	**-0.3**	-0.4
Other operating expenses		**-12.3**	-10.3
Operating income		**17.2**	-0.7
Financial income and expenses	6	**4.1**	39.6
Income before extraordinary items		**21.3**	38.9
Extraordinary items	7	**46.6**	39.2
Income before appropriations and tax		**68.0**	78.1
Appropriations	8	**0.0**	0.0
Income tax	9	**-11.9**	-9.7
Net income for the year		**56.0**	68.5

Parent company balance sheet (FAS)

M€	Note	31.12.2007	31.12.2006
Assets			
Fixed assets			
Intangible assets	10	**0.9**	0.3
Tangible assets	11	**3.4**	3.5
Investments			
Holdings in Group companies	12	**474.8**	423.5
Other investments	12	**8.5**	2.6
Fixed assets, total		**487.6**	430.0
Current assets			
Short-term receivables	13	**54.0**	102.0
Cash and bank		**21.6**	25.7
Current assets, total		**75.6**	127.7
Assets, total		**563.2**	557.7

M€	Note	31.12.2007	31.12.2006
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)		**21.0**	1.0
Net income for the period (loss)		**56.0**	68.5
Shareholders' equity, total	14	**541.5**	534.0
Accumulated appropriations	15	**0.1**	0.0
Provisions	16	**0.1**	0.8
Liabilities			
Long-term liabilities	17	**2.5**	2.1
Short-term liabilities	18	**19.0**	20.8
Liabilities, total		**21.5**	22.9
Shareholders' equity and liabilities, total		**563.2**	557.7

Parent company cash flow statement (FAS)

M€	1.1.–31.12.2007	1.1.–31.12.2006
Operating cash flow		
Net income for the year	**56.0**	68.5
Adjustments		
Depreciation and writedowns	**0.3**	0.4
Capital gains (losses) on sale of fixed assets and other investments	**0.0**	-1.3
Financial income and expenses	**-4.1**	-39.6
Taxes	**11.9**	9.7
Other adjustments	**-68.0**	-39.1
Change in working capital:		
Total increase (-) / decrease (+) in current non-interest-bearing receivables	**-0.4**	0.9
Increase (+) / decrease (-) in current non-interest-bearing liabilities	**0.9**	-2.0
Dividend income received	**0.7**	34.2
Interest income received	**4.7**	5.9
Interest expenses paid	**-1.3**	-3.0
Taxes paid	**-11.2**	-10.3
Net cash from operating activities	**-10.6**	24.2
Investments:		
Investments in tangible and intangible assets	**-1.7**	-0.7
Proceeds from disposal of tangible and intangible assets	**1.0**	3.5
Investments in other securities	**-0.1**	0.0
Proceeds from disposal of other investments	**0.2**	1.5
Associated company shares acquired		0.0
Net cash from investing activities	**-0.6**	4.2
Cash flow before financing activities	**-11.2**	28.4
Financing:		
Long-term loans, repayments		-33.6
Short-term loans raised	**2.0**	
Short-term loans, repayments	**-2.2**	-39.1
Group contributions received	**46.6**	39.2
Increase (-) or decrease (+) in interest-bearing receivables	**9.2**	11.4
Dividends paid and capital repayment	**-48.5**	-48.5
Net cash used in financing activities	**7.1**	-70.6
Change (increase + / decrease -) in cash reserves	**-4.1**	-42.2
Cash reserves at start of period	**25.7**	67.8
Cash reserves at end of period	**21.6**	25.7

Accounting principles used in the parent company's FAS 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, 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 subsidiaries Suomalainen Lehtipaino Oy, Alpress Oy and Marcenter Oy were merged with Alma Media Corporation on 31 December 2007.

Comparability

The location in fixed assets in the balance sheet for presenting connection fees and renovation costs for leased apartments has been changed from other long-term expenses under intangible rights to property, plant and equipment. The presentation has been corrected retroactively for the 2006 figures. The change in presentation has no effect on the result or shareholders' equity.

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 year
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 (FAS)

1. Net sales by market area

M€	1.1.–31.12.2007	1.1.–31.12.2006
Finland	**11.7**	10.3
Total	**11.7**	10.3

2. Other operating income

M€	1.1.–31.12.2007	1.1.–31.12.2006
Gains on sale of fixed assets	**0.0**	1.3
Other income	**21.1**	0.1
	21.2	1.4

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 were registered in the Trade Register on 31 December 2007

3. Personnel expenses

M€	1.1.–31.12.2007	1.1.–31.12.2006
Wages, salaries and fees	**2.4**	1.1
Pension expenses	**0.4**	0.6
Other social expenses	**0.3**	-0.1
Total	**3.1**	1.6
Average number of employees	**25**	24
Salaries and fees to management		
President	**0.4**	0.4
Board of Directors	**0.2**	0.2
Total	**0.6**	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€	1.1.–31.12.2007	1.1.–31.12.2006
Depreciation on tangible and intangible assets	**0.3**	0.4
Writedowns on fixed assets and other long-term investments		
Total	**0.3**	0.4

5. Research and development expenses

The company's research and development expenses in 20067 totalled M€ 0.8 (M€ 0.3 in 2006). M€ 0.7 of R&D expenses were capitalized to the balance sheet (M€ 0.2 in 2006).

6. Financial income and expenses

M€	1.1.–31.12.2007	1.1.–31.12.2006
Dividend income:		
From Group companies	**0.0**	34.1
From associated companies	**0.6**	2.2
From others	**0.0**	0.0
	0.7	36.2
Other interest and financial income:		
From Group companies	**4.0**	4.2
From others	**0.8**	1.7
Total	**4.7**	5.9
Interest expenses and other financial expenses:		
To Group companies	**-1.2**	-1.1
To others	**-0.1**	-1.4
Total	**-1.3**	-2.5
Financial income and expenses, total	**4.1**	39.6
Interest and other financial income includes translation differences (net)	**0.0**	0.0

7. Extraordinary items

M€	1.1.–31.12.2007	1.1.–31.12.2006
Group contribution received	**46.6**	39.2

8. Appropriations

M€	1.1.–31.12.2007	1.1.–31.12.2006
Difference between planned depreciation and depreciation made for tax purposes	**0.0**	0.0

9. Income tax

M€	1.1.–31.12.2007	1.1.–31.12.2006
Income tax payable on extraordinary items	**-12.1**	-10.2
Income tax from regular business operations	**0.2**	0.5
	-11.9	-9.7

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.

10. Intangible assets

M€	Intangible rights	Advance payments	Total
Financial year 2006			
Acquisition cost 1.1.2006	0.5	0.0	0.5
Increases	0.0	0.2	0.2
Decreases	0.0		0.0
Transfers between items			0.0
Acquisition cost 31.12.2006	0.5	0.2	0.8
Accumulated depreciation and writedowns 1.1.2006	0.5		0.5
Accumulated depreciation in decreases	0.0		0.0
Depreciation in period	0.0		0.0
Writedowns			0.0
Accumulated depreciation and writedowns 31.12.2006	0.5	0.0	0.5
Book value 31.12.2006	0.1	0.2	0.3

M€	Intangible rights	Advance payments	Total
Financial year 2007			
Acquisition cost 1.1.2007	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 31.12.2007	0.7	0.7	1.4
Accumulated depreciation and writedowns 1.1.2007	0.5	0.0	0.5
Accumulated depreciation in decreases			0.0
Depreciation in period	0.0		0.0
Writedowns			
Accumulated depreciation and writedowns 31.12.2007	0.5	0.0	0.5
Book value 31.12.2007	0.2	0.7	0.9

11. Tangible assets

M€	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Financial year 2006						
Acquisition cost 1.1.2006	1.0	8.7	1.7	0.9	0.0	12.2
Increases		0.0	0.1	0.3	0.1	0.5
Decreases	-0.5	-4.4	-0.5	-0.2	0.0	-5.6
Transfers between items			0.0	0.0	0.0	0.0
Acquisition cost 31.12.2006	0.5	4.3	1.3	1.0	0.1	7.2
Accumulated depreciation 1.1.2006	0.0	4.1	1.6	0.3	0.0	6.0
Accumulated depreciation in decreases		-2.0	-0.5	-0.2		-2.7
Depreciation in period		0.2	0.0	0.1		0.3
Accumulated depreciation 31.12.2006	0.0	2.3	1.1	0.2	0.0	3.7
Book value 31.12.2006	0.5	2.0	0.1	0.8	0.1	3.5
Balance sheet value of machinery and equipment 31.12.2006			0.1			

M€	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Financial year 2007						
Acquisition cost 1.1.2007	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 31.12.2007	0.5	4.4	1.3	1.0	0.0	7.3
Accumulated depreciation 1.1.2007	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 31.12.2007	0.0	2.4	1.2	0.3	0.0	3.9
Book value 31.12.2007	0.5	2.0	0.1	0.7	0.0	3.4
Balance sheet value of machinery and equipment 31.12.2007			0.1			

12. Investments

	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Total
Financial year 2006						
Acquisition cost 1.1.2006	423.5	1.9	0.9	5.9		432.3
Increases	0.0	0.0	0.0			0.0
Decreases			-0.4	-5.5		-5.9
Acquisition cost 31.12.2006	423.5	1.9	0.5	0.4	0.0	426.4
Accumulated depreciation and writedowns 1.1.2006	0.0	0.0	0.2	0.0		0.2
Accumulated depreciation and writedowns 31.12.2006	0.0	0.0	0.2	0.0	0.0	0.2
Book value 31.12.2006	423.5	1.9	0.3	0.4	0.0	426.2

	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Total
Financial year 2007						
Acquisition cost 1.1.2007	423.5	1.9	0.5	0.4		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 31.12.2007	474.8	2.4	1.7	0.0	4.7	483.6
Accumulated depreciation and writedowns 1.1.2007	0.0	0.0	0.2	0.0		0.2
Accumulated depreciation and writedowns 31.12.2007	0.0	0.0	0.2	0.0	0.0	0.2
Book value 31.12.2007	474.8	2.4	1.5	0.0	4.7	483.4

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
Alma Media Palvelut Oy	Helsinki, Finland	100.00	100.00
Kainuun Sanomat Oy	Kajaani, Finland	98.40	98.40
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
Lapin Kansa Oy	Rovaniemi, Finland	100.00	100.00
Pohjolan Sanomat Oy	Kemi, Finland	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori, Finland	100.00	100.00
Suomen Paikallissanomat Oy	Tampere, Finland	100.00	100.00
Associated companies			
Acta Print Kivenlahti Oy	Helsinki, Finland	36.00	36.00
Alma Media Lehdentekijät Oy	Helsinki, Finland	25.00	25.00
As Oy Vammalan Reku	Vammala, Finland	21.00	21.00
Kustannus Oy Otsikko	Tampere, Finland	34.20	34.20
Jämsänjokilaakson Paikallisviestintä Oy	Jämsä, Finland	49.00	49.00
Kytöpirtti Oy	Seinäjoki, Finland	43.20	43.20
Nokian Uutistalo Oy	Nokia, Finland	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki, Finland	24.07	24.07
Tampereen Tietoverkko Oy	Tampere, Finland	34.92	34.92

13. Receivables

M€	31.12.2007	31.12.2006
Short-term		
Receivables from Group companies		
Accounts receivable	**0.4**	0.1
Loan receivables *)	**52.8**	100.6
Prepaid expenses and accrued income		0.0
Total	**53.2**	100.7
Receivables from others		
Accounts receivable	**0.1**	0.1
Other receivables	**0.2**	0.8
Prepaid expenses and accrued income	**0.5**	0.5
Short-term receivables, total	**54.0**	102.1

*) 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.

14. Shareholders equity

M€	31.12.2007	31.12.2006
Share capital 1.1.	**44.8**	44.8
Share capital 31.12.	**44.8**	44.8
Share premium fund 1.1.	**414.4**	453.9
Capital repayment		-39.5
Share premium fund 31.12.	**414.4**	414.4
Other funds 1.1	**5.4**	5.4
Other funds 31.12	**5.4**	5.4
Retained earnings 1.1.	**69.5**	10.0
Dividend payment	**-48.5**	-9.0
Retained earnings 31.12.	**21.0**	1.0
Net income for the period	**56.0**	68.5
Shareholders' equity, total	**541.5**	534.0

The parent company's distributable funds on 31 December 2007 totalled € 76,998,277.

Parent company shareholders' equity divided between restricted and non-restricted equity:

M€	31.12.2007	31.12.2006
Restricted shareholders' equity	**464.5**	464.5
Non-restricted shareholders' equity	**77.0**	69.5
Total	**541.5**	534.0

15. Accumulated appropriations

Accumulated appropriations consist of the accumulated depreciation difference.

16. Provisions

Provisions consists of a restructuring provision totalling M€ 0.1, provisions of M€ 0.02 for loss-making agreements, and a provision of M€ 0.02 to cover rental payments on unoccupied business premises. Major change in 2007 was caused by realization of restructuring provisions and tax provisions, which are entered in other operating expenses.

17. Long-term liabilities

M€	31.12.2007	31.12.2006
Other long-term debt	**2.5**	2.1
Long-term liabilities, total	**2.5**	2.1
Debt due after five years		
Other long-term debt	**1.7**	1.9

18. Short-term liabilities

M€	31.12.2007	31.12.2006
Loans from financial institutions		
Accounts payable	**1.2**	0.2
Debt to Group companies		
Accounts payable	**0.1**	0.1
Other debt	**16.6**	19.1
Accrued expenses and prepaid income	**0.0**	0.0
Other short-term liabilities	**0.4**	0.5
Accrued expenses and prepaid income	**0.7**	0.9
Short-term liabilities, total	**19.1**	20.7

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

19. Commitments and contingencies

M€	31.12.2007	31.12.2006
Collateral for own commitments		
Guarantees	**1.2**	1.2
Collateral for others		
Guarantees	**0.0**	0.0
Other own commitments		
Leasing commitments	**25.2**	16.7
Other commitments	**0.1**	0.1
Maturity of leasing commitments:		
During following 12 months	**1.8**	1.2
Later	**23.4**	15.5

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.

20. Derivative contracts

M€	31.12.2007	31.12.2006
Commodity derivative contracts, electricity derivatives		
Fair value *)	**0.1**	
Value of underlying instrument	**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

The parent company's distributable funds on 31 December 2007 totalled € 76,998,277. There were 74,612,523 shares carrying dividend rights.

The Board of Directors proposes that a dividend of € 67,151,270.70 (€ 0.90 per share) be distributed on the financial year 2007.

Helsinki, Finland, 12 February 2007

Kari Stadigh
Chairman of the Board

Matti Kavetvuo	Lauri Helve
Matti Häkkinen	Kai Seikku
Harri Suutari	Ahti Vilppula

Kai Telanne
President and CEO

Auditor's report

To the shareholders of Alma Media Corporation

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Alma Media Corporation for the period January 1–December 31, 2007. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Directors of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.

Helsinki, Finland, 12 February 2008

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Pärssinen
Authorized Public Accountant