

AAMULEHTI GROUP

ANNUAL REPORT  
1995



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## ANNUAL GENERAL MEETING

The Annual General Meeting of Aamulehti Corporation shareholders will be held at the Aamulehti Group's head office, Patamäenkatu 7, Tampere, Finland, on Thursday 28 March 1996, commencing at 6.00 pm. Shareholders may attend the AGM who have registered themselves in the Company's shareholder register maintained by the General Share Register of Finland no later than 18 March 1996.

Shareholders whose shares have not been transferred to the book-entry securities system may also attend the AGM on condition that such shareholders were registered in the Company's shareholder register before 28 October 1994. In such a case, shareholders must present their share certificates, or other evidence that their shareholding rights have not been transferred to the book-entry securities system at the AGM.

Shareholders wishing to attend must notify the Company no later than by 10 a.m. Finnish time on Tuesday 26 March 1996. Written notification and letters of authorization must reach the address below before the period of notification expires:

Aamulehti Corporation  
Share Register  
P.O. Box 327  
FIN-33101 Tampere, Finland.

Registration of attendance may also be made by telephone: +358-31-266 6831 (or 266 6832). Nominee-registered shareholders have no voting power at the AGM.

## PAYMENT OF DIVIDEND

The Board of Directors will propose to the Annual General Meeting that a dividend of FIM 2.50 per share be paid on the 1995 financial period. Should the proposal be adopted, the dividend will be paid to shareholders who are registered in the Share Register maintained by the General Share Register of Finland on the record date for dividend payment, which is 2 April 1996. The dividend payment date is 9 April 1996.

Shareholders cannot be paid a dividend until they have transferred their shares to the book-entry securities system.

## FINANCIAL REPORTS

The Aamulehti Group will publish two Interim Reports during 1996: on the first four month period on 11 June, and on the first eight months of the year in the week commencing 7 October. Financial information on the company is published in Finnish and English.

These publications may be ordered from:  
Aamulehti Corporation  
Corporate Communications  
P.O. Box 139  
FIN-00101 Helsinki, Finland.

During 1995 the Group divested its non-core businesses.

The Group acquired majority holdings in Lapin Kansa Oy and Valkeakosken Sanomat Oy.

Operations developed favourably.

Advertising revenue of the Group's titles increased 6 %.

Kauppa-lehti's and Iltalehti's circulations were up on the previous year. Aamulehti's circulation started to rise.

Demand for graphic products revived in Finland. Exports to Russia increased further.

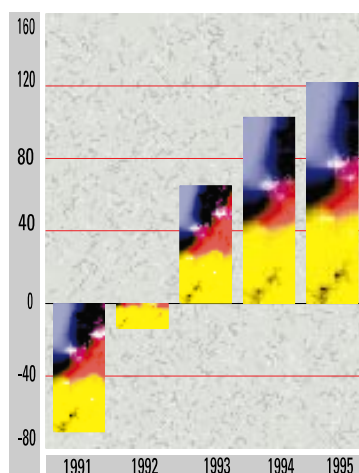
The operating profit, MFIM 122 (103), was 18 % higher than in 1994.

The profit before extraordinary items was MFIM 87 (62).

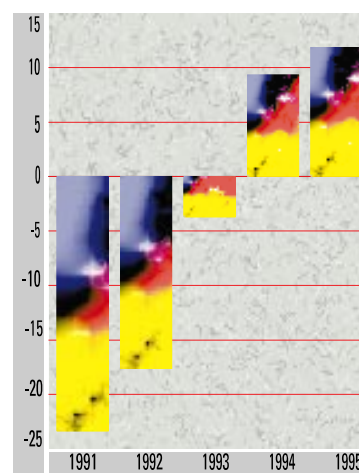
EPS (diluted) was FIM 9.14 (7.03).

The Group's balance sheet was considerably strengthened. The solvency ratio rose from 30 % to 41 %.

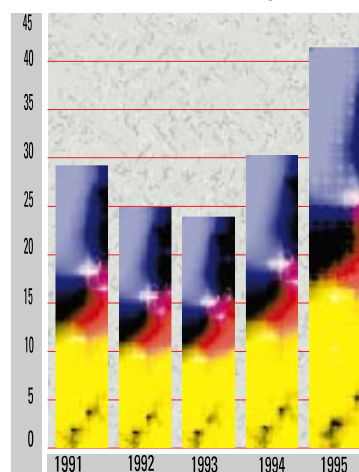
**OPERATING LOSS/PROFIT, MFIM**



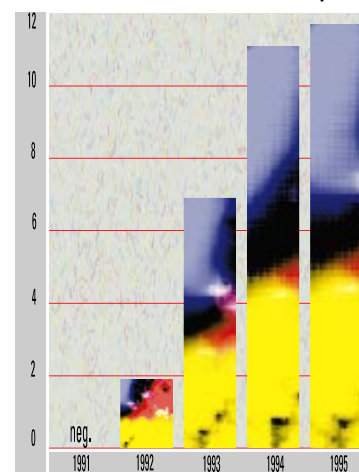
**EARNINGS PER SHARE, FIM**



**SOLVENCY RATIO, %**



**RETURN ON INVESTMENT, %**



## KEY FIGURES

		1995	1994	1993	1992	1991
Net sales	MFIM	1,433	1,412	1,363	1,430	1,584
Operating profit/loss	MFIM	122	103	65	-14	-71
As % of net sales		8.5	7.3	4.8	-1.0	-4.5
Profit/loss before extraordinary items	MFIM	87	62	-21	-104	-144
EPS (undiluted)	FIM	11.91	9.35	-3.73	-17.67	-23.39
Dividend/share	FIM	2.50 *)	0.50	0	0	0
ROI	%	11.7	11.1	6.9	1.9	neg.
Capital expenditure	MFIM	109	276	73	74	218
Average personnel		2,562	2,827	3,185	3,659	4,540

\*) Proposal of the Board.

## SHARE CAPITAL

According to the articles of association the share capital is minimum FIM 48 million and maximum FIM 192 million. Within these limits the share capital may be raised or lowered without amending the articles of association. The Company's issued and registered share capital on the balance sheet date was FIM 69,362,480.

## SHARE SERIES

The Aamulehti Corporation's shares are marked Series I or Series II. The number of Series I shares is at least 3,412,800 and at most 13,651,200. The number of Series II shares is at least 1,387,200 and at most 10,000,000. However, the aggregate number of Series I and Series II shares may not exceed at most 19,200,000. Each share has a nominal value of FIM 10. The Series I share carries one vote per share, and the Series II share one vote per ten shares, at shareholders' meetings.

On the balance sheet date the share capital of Aamulehti Corporation was divided between the two share series as follows:

Series I	4,155,585 shares	60 %
Series II	2,780,663 shares	40 %
Total	6,936,248 shares	100 %

Aamulehti Corporation's Series I share is listed on the Brokers' List of the Helsinki Stock Exchange and the Series II share on the Helsinki Stock Exchange. All shares entitle holders to the same dividend.

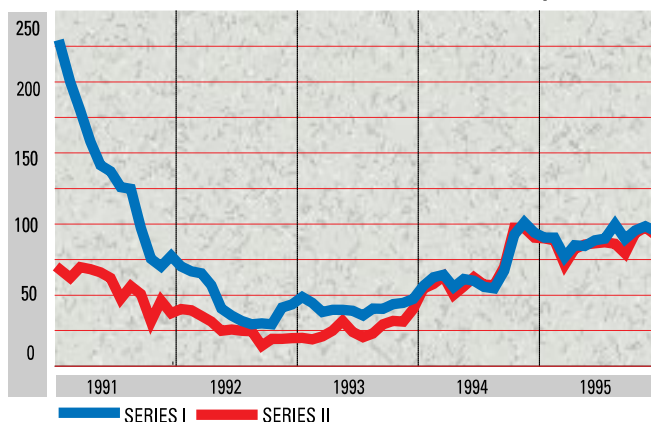
## REDEMPTION OBLIGATION

According to Aamulehti Corporation's Articles of Association, a shareholder who holds shares or votes equal to or exceeding 33 1/3 % or 50 % respectively shall be obliged, should the other shareholders so require, to redeem their shares and attached rights.

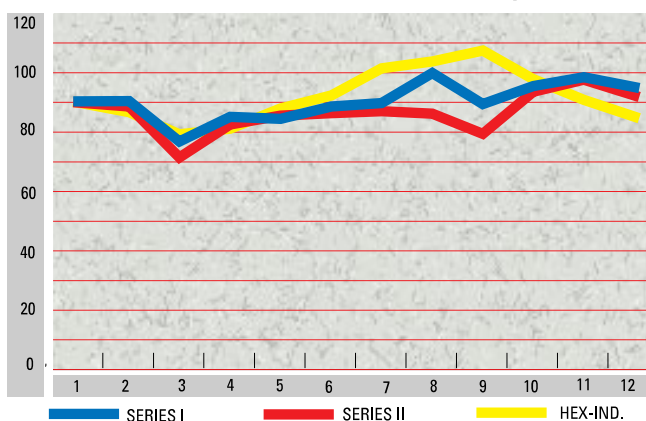
## AUTHORIZATIONS AND OUTSTANDING BONDS

The Company's Board of Directors had no authorizations to raise the share capital during the year. In 1993 the Company floated convertible bonds with a nominal value of MFIM 128.9 and a maturity of five years, paying fixed annual interest of 6 %. Bond holders are entitled to convert each bond of nominal value FIM 1000 into 25 Aamulehti Corporation Series II shares. The computed conversion

### AVERAGE SHARE PRICE 1991 - 1995, FIM



### AVERAGE SHARE PRICE 1995, FIM



## SHARES IN FIGURES

	1995	1994	1993	1992	1991
Earnings/share, FIM	9,14 *)	9,35	-3,73	-17,67	-23,39
Shareholders' equity/share, FIM	79,20	63,39	52,66	58,26	79,61
Dividend/share, FIM	2,50 **)	0,50	0	0	0
Dividend/earnings, %	21,3	6,0	0	0	0
P/E ratio, Series I	10,8	9,4	-	-	-
P/E ratio, Series II	10,0	9,0	-	-	-
Adjusted number of shares, 31 Dec. (1,000)	6.936	6.895	5.975	5.975	5.975
Adjusted number of shares, average (1,000)	6.930	6.139	5.975	5.975	5.975

\*) Diluted

\*\*\*) Proposal of the Board.

price of the share is FIM 40. If entirely converted, this bond issue would increase the number of shares by 3.2 million, which would raise the share capital by at most MFIM 32.2. According to the original terms of the issue, the conversion period is 3 January 1994 - 18 November 1998.

#### INCREASES IN SHARE CAPITAL

An increase in Aamulehti Corporation's share capital of FIM 410,550 was entered in the Trade Register on 15 February 1995. This increase was in respect of the conversion into 15,075 Series II shares of the 19 Nov. 1993 - 19 Nov. 1998 bond, converted between 15 November and 31 December 1994, as well as 25,980 Series II shares subscribed in exchange for warrants attaching to bonds issued to personnel of the Company between 23 October and 3 November 1989 and whose subscription period expired on 31 January 1995.

During 1995 a number of bond certificates were converted to shares (84,500 Series II shares) raising the Company's share capital by FIM 845,000. This increase was entered in the Trade Register on 31 January 1996. According to the terms of the convertible bond, shares received in exchange for bond certificates entitle their holders to a full dividend for the financial period during which the conversion took place. On 31 December 1995 altogether FIM 104 million of the bond remained unconverted into Company shares.

Since the most recent share capital registration (31 January 1996) the Company's share capital has stood at FIM 70,207,480 comprising 4,155,585 Series I shares and 2,865,163 Series II shares.

#### SHARE TURNOVER

A total of 581,802 Series I shares and 1,560,780 Series II shares were traded during the year. Altogether 30.9 % of the share stock was traded during the year. The Series I share had a highest quotation of FIM 110.00 and lowest quotation of FIM 75.00. The highest quotation of the Series II share was FIM 102.00 and the lowest was FIM 65.50. The year-end quotation of the Series I share was FIM 99.00 and of the Series II share FIM 91.00. Market capitalization on 31 December 1995 was MFIM 664 (596).

#### OWNERSHIP STRUCTURE

The Company's shares were transferred to the book-entry securities system in October 1994. On the balance sheet date the Company had 2,998

shareholders in the book-entry system and 0.9 % of the shares remained untransferred. Altogether 1,448,700 shares were nominee-registered on the balance sheet date. Nominee-registered shares and shares held outside Finland represented 39.0 % of the Company's shares and 22.6 % of the voting power.

The Swedish company Tidnings AB Marieberg became the Company's largest single shareholder during the year with a holding of 17.7 % of the Company's shares and 19.3 % of the voting power on the balance sheet date. Marieberg also holds a number of convertible bonds which if fully converted would entitle them to hold 1,182,775 Series II shares.

#### MANAGEMENT HOLDINGS

The members of the Supervisory Board, the Board of Directors, the President and CEO, and the Executive Vice Presidents held altogether 50,817 Series I shares and altogether 3,748 Series II shares, entitling them to 1.2 % of the voting rights.

#### SHARE TAXATION VALUE

The Finnish taxation values of the Aamulehti Corporation shares confirmed in 1995 were FIM 67.00 for each Series I share and FIM 64.00 for each Series II share.

#### SHAREHOLDER AGREEMENTS

The Aamulehti Corporation is not aware of any shareholder agreements or other arrangements which relate to ownership of shares in the Company of the use of voting rights which would have a material impact on the value of the shares.

#### SHARE CAPITAL 31 DECEMBER 1995

	No. of shares	Share capital FIM	% of share capital	% of voting rights
Series I	4,155,585	41,555,850	59.9	93.7
Series II	2,780,663	27,806,630	40.1	6.3
Total	6,936,248	69,362,480	100.0	100.0

#### THE AAMULEHTI CORPORATION SHARE

	1995	1994	1993	1992	1991
Trading, MFIM					
Series I	53.5	61.7	9.0	3.0	2.0
Series II	138.4	174.0	5.7	0.2	0.6
Number traded, x 1,000					
Series I	582	870	205	69	17
Series II	1,561	2,385	187	8	10
Stock turnover, %					
Series I	14.0	20.9	4.9	1.7	0.4
Series II	56.2	120.2	10.3	0.5	0.6
Average quotation, FIM					
Series I	91.93	68.81	41.80	45.09	134.44
Series II	88.67	67.86	26.19	26.33	55.09
Lowest quotation, FIM					
Series I	75.00	50.00	35.00	24.00	65.00
Series II	65.50	46.00	16.74	13.87	18.17
Highest quotation, FIM					
Series I	110.00	110.00	51.00	73.00	250.00
Series II	102.00	110.00	44.00	43.04	77.00
Quotation on 31 Dec, FIM					
Series I	99.00	88.00	49.00	51.00	83.00
Series II	91.00	84.00	44.00	18.17	38.26
Market capitalization on 31 Dec., MFIM	664.4	595.8	283.7	245.0	414.5

## PRINCIPAL SHAREHOLDERS 31 DECEMBER 1995

	Series I	Series II	Total	% of votes	% of shares
1. Tidnings AB Marieberg	816,193	413,614	1,229,807	19.3	17.7
2. The Pohjola Group	496,602	82,284	578,886	11.4	8.3
<i>Pohjola Insurance Company Ltd.</i>	<i>300,909</i>		<i>300,909</i>	<i>6.8</i>	<i>4.3</i>
<i>Pension Insurance Company Ilmarinen Ltd</i>	<i>187,487</i>	<i>82,269</i>	<i>269,756</i>	<i>4.4</i>	<i>2.8</i>
<i>Suomi Mutual Life Assurance Company</i>	<i>8,206</i>	<i>15</i>	<i>8,221</i>	<i>0.2</i>	<i>0.1</i>
3. Merita Bank	400,000	51,000	451,000	9.1	6.5
4. Repola Group Corporation	337,324	60,726	398,050	7.7	5.7
<i>Unicarta Oy</i>	<i>310,462</i>	<i>60,722</i>	<i>371,184</i>	<i>7.1</i>	<i>5.4</i>
<i>Repola Corporation</i>	<i>26,862</i>	<i>4</i>	<i>26,866</i>	<i>0.6</i>	<i>0.4</i>
5. C V Åkerlund fund	267,356	2,912	270,268	6.0	3.9
6. Association of Textile Employers	128,600	44,951	173,551	3.0	2.5
7. Tapiola Insurance Group	94,130	18,200	112,330	2.2	1.6
<i>Tapiola Mutual Pension Insurance Company</i>	<i>68,330</i>	<i>18,200</i>	<i>86,530</i>	<i>1.6</i>	<i>1.2</i>
<i>Tapiola General Mutual Insurance Company</i>	<i>25,800</i>		<i>25,800</i>	<i>0.6</i>	<i>0.4</i>
8. Werner Söderström Osakeyhtiö	77,680		77,680	1.8	1.1
9. Alfred Kordelin fund	76,767		76,767	1.7	1.1
10. Confederation of Finnish Industry and Employers	72,817		72,817	1.6	1.0
Nominee-registered	3,900	1,444,800	1,448,700	3.3	20.9
Others	1,384,216	662,176	2,046,392	32.7	29.5
Total	4,155,585	2,780,663	6,936,248	100.0	100.0

## DISTRIBUTION OF OWNERSHIP

Number of shares	Number of shareholders	Proportion %	No. of shares	% of share stock
1 - 100	1,651	55.1	47,167	0.7
101 - 1,000	1,047	34.9	370,624	5.3
1,001 - 10,000	255	8.5	675,770	9.7
10,001 - 100,000	36	1.2	1,270,874	18.3
100,001 - 1,000,000	8	0.3	3,280,868	47.3
1,000,001 -	1	0.0	1,229,807	17.7
In general account			61,138	0.9
Total	2,998	100.0	6,936,248	100.0

## OWNERSHIP STRUCTURE

	No. of owners	Proportion %	No. of shares	Proportion %
Companies	152	5.1	949,215	13.7
Monetary institutions *)	41	1.3	2,838,658	40.9
Public associations	4	0.1	4,237	0.1
Non-profit organizations	61	2.0	686,897	9.9
Private individuals	2,732	91.2	1,137,233	16.4
Outside Finland	8	0.3	1,258,870	18.1
In general account			61,138	0.9
Total	2,998	100.0	6,936,248	100.0

\*) includes nominee-registered shares.



**AAMULEHTI GROUP**

The Aamulehti Group is a mass communications company listed on the Helsinki Stock Exchange. Its core businesses are newspaper publishing, printing and the distribution of information by electronic means. In addition to mainstream communications, the Aamulehti Group is investing intensively in research and development in electronic media. The Group also has a division comprising information technology companies.

The Group's consolidated net sales in 1995 were FIM 1,433 million, approx-

imately 20 % of which came from exports. The Group has about 2,600 employees. In Finland it has almost 40 operating units in 25 localities.

The Company's share capital is MFIM 70. The Series I share is listed on the Brokers' List of the Helsinki Stock Exchange and the Series II share on the Helsinki Stock Exchange. The Company has approximately 3,000 shareholders.



**ALPRESS**

Alpress is the Aamulehti Group's division responsible for newspaper publishing. Alpress publishes Aamulehti, Iltalehti and Kauppalehti, together with eight local newspapers and one town newspaper. In addition Aamulehti Group holds a majority shareholding in Lapin Kansa Oy, whose newspaper Lapin Kansa falls under the operative control of Alpress. The Group's newspapers serve altogether about 1.5 million readers daily with an aggregate circulation of over 400,000 copies. Alpress had net sales in 1995 of MFIM 754.

**PRODUCTS AND SERVICES**

Aamulehti, printed in Tampere is the number one newspaper in the Pirkanmaa region of Finland. With a

circulation of 129,806 it is the country's second largest daily. Moro, the Aamulehti town newspaper, operates closely with the Group's local Tampere radio station, Radio Moro. Aamulehti is also distributed in electronic format on the Internet.

Kauppalehti, which serves the business community in Finland, appears five times a week. Its readers also receive a special magazine, Kauppalehti Optio, twice a month. With a circulation of 78,211 Kauppalehti is the second largest business daily in the Nordic countries and the undisputed leader in its field in Finland.

Iltalehti, with a circulation of 103,327, is Finland's fifth largest newspaper, but the third most widely read since it attracts about 570,000 readers. Iltalehti is also distributed on the Internet.

Lapin Kansa, which appears in Rovaniemi, has a circulation of 38,752 and is the largest daily in its region.

The Aamulehti Group's eight regional newspapers and one town newspaper are organized within Suomen Paikallissanomat Oy. The regional newspapers are Koillis-Häme, Koillis-

Lappi, Kurun Sanomat, Nokian Uutiset, Pyhäjokiseutu, Raahen Seutu, Suur-Keuruu and Valkeakosken Sanomat. The town newspaper Raahelainen is published in Raahe. Suomen Paikallissanomat newspapers have an aggregate circulation of about 54,000.

**MAIN DEVELOPMENT PROJECTS**

The Group's major newspapers all employ the latest electronic editorial and page makeup technology. During 1996 the major newspapers and seven regional newspapers were also given access to a common electronic picture and text archiving system.

The Aamulehti Group is heavily committed to investments in digital communications. Iltalehti and Aamulehti are both distributed in electronic format on the Internet, and Kauppalehti will be added in spring 1996. Kauppalehti already has an electronic marketplace called Dime for advertising of commercial and residential premises.



**ALPRINT**

Alprint is the Aamulehti Group's graphic services division specializing in printing services for the publishing industry. It comprises Algraphics Oy, Suomalainen Lehtipaino Oy and Tampereen Kirjapaino Oy. It also has operative control of the Lapin Kansan Lehtipaino printing works in Rovaniemi. Alprint, with 11 printing plants around Finland, is the largest printing company in Scandinavia and one of the biggest in Europe. Its net sales in 1995 totalled MFIM 772.

**PRODUCTS AND SERVICES**

Algraphics Oy specializes in periodicals and comics, as well as promotional and sheet-printed products. Algraphics prints more than two hundred newspapers appearing at least four times a year at its five printing plants. More than half its production volume is exported.

Suomalainen Lehtipaino Oy specializes in the printing of euro-tabloid newspapers. The speciality of its



Vantaa and Jämsä printing plants is to combine magazine and newsprint grades in the same publication. The Oulainen and Rovaniemi plants print broadsheet and tabloid newspapers. Tampereen Kirjapaino Oy prints broadsheet and tabloid newspapers requiring large printruns. Its new printing presses and entirely modernized

postpress unit were taken into use in 1994.

#### MAIN DEVELOPMENT PROJECTS

Alprint is focusing development on maintaining the competitive efficiency of its printing machinery and sharpening the competitive edge of its cus-

tomers services. A new magazine rotation press will be started up at Tampereen Arpatehdas in summer 1996. Alprint is devoting particular attention to enhancing its prepress services.



The Aldata Division comprises the Aamulehti Group's companies specializing in information technology. These are Data Check Oy, which supplies information and security systems to the retail industry; and Tietovoima Oy, a specialist in barcode readers, printers and peripherals, and hardware-independent network and data management systems. Aldata's net sales in 1995 totalled MFIM 120.

#### PRODUCTS AND

#### SERVICES

Data Check's products are point-of-sale, video control and complete management systems for retailers. Data Check is responsible in Finland for the sales and service of IBM cash terminals as well as the sales, distribution and service of the Sensomatic Electronic Corporation's products. Data Check specializes in full-service deliveries, which includes equipment, software and the requisite installation and training services. Tietovoima Oy's operations are divided into three units: Barcode, Top-Memo and Financial Services. Barcode is Finland's leading supplier of barcode systems, software and equipment. Top-Memo provides various printing and information technology solutions and environmentally friendly printers. Financial Services is the only supplier of payment, customer discount and

credit card management services in Finland in addition to the financial institutions themselves.

#### MAIN DEVELOPMENT PROJECTS

In 1995 Data Check Oy obtained a MFIM 100 contract to supply the chain of K stores with complete retail management systems over the next few years. Data Check already commands about 80 % of the market for new retail system installations in Finland and its net sales are growing strongly. Barcode technology is developing extremely rapidly, offering Tietovoima Oy's Barcode unit a particularly favourable business environment.



Alexpress is the Aamulehti Group's division responsible for digital information distribution, research into new media and development of new products based on this. It also manages and develops the Aamulehti Group's radio broadcasting activities, short-message services and multimedia products.

#### PRODUCTS AND SERVICES

Alexpress runs its own news bureau. This generates news material which is distributed to subscribers by fax, as voice messages and direct to networks

and GSM mobile phones. Alexpress is also responsible for the Group's Internet and CD-Rom products, and for managing the technical distribution of the Group's electronic newspapers. Radio Moro in Tampere is a local radio station focusing on 30-50 year olds. It broadcasts music based on domestic Golden Hits and news and current affairs of local interest.

#### MAIN DEVELOPMENT PROJECTS

Alexpress cooperates closely with universities researching digital communications. The most important such projects in Finland are the OtaOnline and National Multimedia Programme. OtaOnline is a network media experiment with the Helsinki University of Technology. In the National Multimedia Programme research project, Alexpress is working with other

Finnish communications and communications technology companies to study how multimedia technology can be utilized in communications via local networks. The most important international project is the News in the Future project of the Massachusetts Institute of Technology's (MIT) Media Lab. The Aamulehti Group has participated in this project from its beginning and is its only member from Finland. Alexpress is responsible for managing and developing the Group's radio broadcasting business. This is an area of key significance now that commercial radio in Finland is in the throes of fundamental change.



## ENCOURAGING GROWTH



*Matti Packalén  
President and CEO*

In many respects the Aamulehti Group enjoyed a positive year in 1995, despite the slower than expected growth in the Finnish economy.

Acquisitions and divestments featured large during the year as we continued to focus resources on our core competences in line with the strategy we defined during our restructuring phase. Out went Optimi-Ohjelmistot Oy, Nordic Team Hotel and Travel Systems Oy and Paragon Oy with its business stationery, label and direct mail operations, and in came Valkeakosken Sanomat Oy and a majority holding in Lapin Kansa Oy.

Growth in our core businesses offset the reduction in net sales caused by the divestments. This restructuring had a beneficial effect on the Group's balance sheet and reinforced our performance capabilities. In fact the Aamulehti Group posted its best result ever in 1995.

### SOLVENCY RATIO UP 10 PERCENTAGE POINTS

Our top financial priority during the past three years has been to raise the

solvency ratio to where it stood before the recent recession. With the solvency ratio up from 30 % to 41 % during the year, we came very close to our target in 1995. Another indicator of our financial stability is the fact that Group funds now exceeded net interest-bearing liabilities. Our core businesses all operate in mature sectors; success depends particularly on the favourable development of our cost structure and balance sheet, in addition to the high quality of our products and processes. Although restructuring proper is now behind us, these performance-related factors will continue to hold centre stage in the Group's operations.

From the Aamulehti Group's perspective business conditions during the current year are following an essentially similar path to 1995, which suggests we can expect our positive development to continue. Greater uncertainty awaits us in 1997, however.

### WORKING CLOSER

The Aamulehti Group's advertising income and volumes grew on the previous year. Kauppalehti and Iltalehti both increased circulations, while Aamulehti's circulation started to rise in the latter half of the year. Whether this was due to economic trends or sector-wide restructuring, the increase indicates that the printed word maintained its importance during the recession.

Advertising revenues increased most in television, which of course is at its most powerful as a national medium for brand advertising. Where regional and business-to-business advertising are concerned, however, the newspapers have so far stood their ground. The Aamulehti newspaper, for example, raised its share of the total advertising market in its area. The first results of Kärkimedia Oy, a new company set up to sell advertising space for its member newspapers, were encour-

aging.

The newspaper is needed, and will be needed in the future, but competition is growing fiercer. Development is leading inevitably towards greater co-operation among newspapers. Several examples of this already exist in Finland with large newspaper publishers taking minority shareholdings in regional newspapers and forming other alliances. We will certainly see more of this in the future.

#### HEALTHIER UTILIZATION OF PRINTING CAPACITY

The modest wave of new investment in the graphic industry in recent years, coupled with growth in domestic advertising volumes and increased exports of graphic products, has had a healthy impact on printing plant capacity in Finland. The Alprint group, which has expanded and intensified its operations, was a big profit earner for the Aamulehti Group during 1995 - as indeed it will be this year.

Market prices of paper grades rose sharply during the year, which dampened demand for graphic industry products. The price hikes also encouraged customers to go for lower-grammage and less expensive grades. However, prices are expected to rise much more moderately during 1996.

#### NEW OPPORTUNITIES FOR ALDATA

Divestments reduced the volume of Aldata's operations during 1995 but its profitability showed promising growth. Tietovoima Oy has returned steadily improving profits. Data Check Oy gained substantial orders during 1995 which will span several years. Aldata will expand noticeably this year and its profits will be up on the previous year.

#### THE NEW MEDIA IS HERE

The spectacular growth of the global Internet has created an entirely new media for communications, whose limits have yet to be defined. Although the commercial use of this new media is still technically unresolved, the Aamulehti Group has for several years devoted significant resources to developing its own capabilities in this area. At its best, the newspaper is a recognized and well managed brand name. It is well capable of holding its own among the many media clamouring for the attention of the network user 'surfing' through the flood of information now available. Multimedia - the simultaneous combination of written word, speech, picture and video - will blur the line dividing printed and electronic communications.

In October 1995 Iltalehti OnLine was

launched in digital format on the Internet, closely followed by Aamulehti in January 1996. At the time of writing, the former had over 60,000 and the latter almost 20,000 registered readers. Digital newspapers are also attracting the interest of advertisers.

#### AN ATTRACTIVE INVESTMENT

Trading in Aamulehti shares has been lively, especially given the size of the company; since its listing on the Helsinki Stock Exchange, the Series II share has appreciated in value above the average.

In 1994 the Group distributed a dividend for the first time in three years. The Board of Directors will propose a dividend payment of FIM 2.50 per share on 1995. We will continue to pursue an active dividend policy.

#### PROSPECTS FOR 1996

Circulations of the Aamulehti Group's major titles began to rise during last year. Growth will continue, albeit slowly. Advertising volumes go hand in hand with general economic trends, implying that advertising revenues will continue rising during the current year, although more slowly than in 1995.

The outlook in the graphic industry is fairly bright, both in Finland and in the export markets. Alprint's divestment of its loss-making Paragon Oy operations during 1995 will improve its profitability in 1996.

Increases in wage levels and paper prices, forecast to be moderate, together with favourable interest rate trends give us reason to believe that the Aamulehti Group, in line with its goals, will be in a financially stronger position to face the next economic downturn, which may begin already next year.

#### A YEAR OF DECISIONS

The mass communications sector is undergoing fundamental change in Finland. Wildly fluctuating economic trends, coupled with growing and unevenly distributed unemployment, have blunted the traditional competitive edge of regional newspapers. Added to this is increasingly stiff competition between the electronic and printed media, leading to alliances and gradually to concentration of ownership among the major media companies.

In this environment the Aamulehti Group is striving as best it can towards healthy operational growth in both sectors, electronic and printed communications.

The Group is supported in its efforts

by a solid financial position and a wealth of expertise in communications. What direction competition in the communications sector will take depends right now, in spring 1996, on what action the government takes.

A key issue under discussion in recent months has been the granting of broadcasting concessions for one commercial radio channel and one TV channel. These projects are of great interest to all media companies — Aamulehti Group included — which have the capability to launch such channels since at stake is a significant proportion of future advertising revenue.

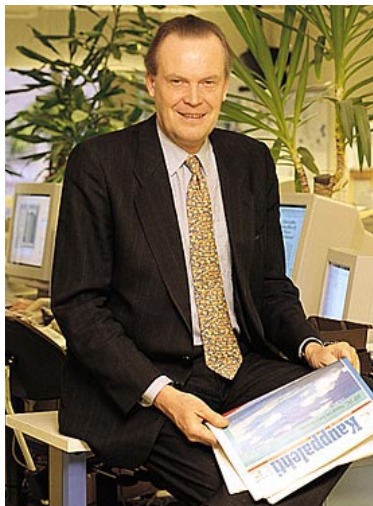
It is possible, indeed probable, that if the new channels do emerge, they will considerably enrich the communications landscape in Finland. Those responsible for granting these concessions, however, must remember the responsibility they bear for ensuring the widest possible scope of communications in the longer term as well. This responsibility is particularly heavy with the imminent breakthrough of digital technology, which will lower the threshold of competition. Granting concessions for analogue-based activities will certainly slow this development. For this reason more important than granting concessions is to ensure now that all players in this sector will in the future have at their disposal an independently managed and fairly priced network infrastructure.

#### THANKS

Through their skills and hard work during the past few years of recession, Aamulehti Group employees have succeeded in raising their company to its present strong level of profitability. At the same time they have laid the foundation for full participation in the changes taking place in the communications sector.

They deserve my sincere thanks, as do all Aamulehti Group customers, owners, suppliers and other business partners and stakeholders for their confidence and cooperation which made our success possible in 1995.

MATTI PACKALÉN



*Lauri Helve  
Editor-in-Chief,  
Publisher  
Kauppalehti*

Democracy means freedom of speech. Freedom of speech means, among other things, the press. And the press implies freedom of the press.



# FREEDOM OF SPEECH AND VALUES

Without freedom of speech and freedom of the press there can be no democracy. The press tells its readers what the decision-makers have decided. The press is at its best when it tells what decision-makers intend to do. Public debate can then start in good time and democracy can have its way.

Journalists take a free press and freedom of speech for granted. This 'right' has been inherited from earlier generations of journalists. We don't need to fight for it any more.

When the press was still called the 'fourth estate', there was no argument. Now that two more unofficial 'estates' have emerged — the labour movement and market forces — the situation is altogether more complex.

Finland is among those western countries which have made rapid strides towards an open society. Openness affects market forces and vice versa. Business leaders, civil servants and politicians are also forced to relate to openness in a new way. Openness is clearly occupying an increasingly prominent role in almost all decisions taken throughout society. Could this be the reason, or changes in journalism itself, why openness - the press - is receiving increasing criticism. The country's former and current president have questioned the ethics of the press. Prime ministers, ministers, business leaders and civil servants have all blamed the press. Artists, musicians, singers, beauty queens and others have since joined the chorus. Apparently they have not been



pleased with the press, either.

The press of course is quite satisfied with how things stand if the elite is not satisfied with the press. That's how it has always been and how it will continue. The press should be a thorn in the elite's flesh, as the saying goes.

I have started to wonder if the concept of freedom of speech and a free press can be taken for granted only by members of the press. It would also be important to know what the people think about these values - the people whom the elite hold sway over.

I have noticed to my surprise that when talking to 'the man in the street' our work as journalists is not accorded the respect which I think it is due. The media is considered bad for a whole variety of reasons. It apparently has too much power and it uses its power wrongly. Freedom of speech and the freedom of the press are taken for granted by the press - journalists. But whether they are just as self-evident to today's citizens, the 'ordinary' folk we have so thoroughly spoilt, would be a subject worth studying.

Part of the reason for the apparent deterioration in the press's reputation may be the fact that the press is associated with the official 'estates'. We are considered at least partly to blame for unemployment, budget cuts and the recession. Many a small reason - such as revealing the drunken buffoonery of a sympathetic sports person - have brought our reputation into public disrepute. Perhaps we journalists shouldn't bother about this

state of affairs. The main thing is that we are happy with ourselves, right?

But there is another way of looking at it. How often do we write "things are as they seem"? It certainly seems to me that our reputation is not good enough, which suggests that the reputation of the media has deteriorated. We should do something about this. I have not found a better remedy — if I refer to my own work — than to improve the editorial standard of the newspaper. I want to read the newspaper from my readers' perspective. What does the reader expect from my newspaper?

Today's key values are reliability, professionalism and accuracy. If these values are in place we can exercise the freedom granted to us with a clear conscience. We can then be bold and critical - a sharp thorn in the sides of decision-makers. This is the only way to regain the respect that this profession certainly desires.

LAURI HELVE



## ALPRESS

Alpress is the division of Aamulehti Group responsible for newspaper publishing. Alpress publishes Aamulehti, Iltalehti and Kauppalehti, together with eight regional newspapers and one town newspaper.

Aamulehti Group also holds a majority shareholding in Lapin Kansa Oy.



**Advertising revenues of Alpress newspapers rose 6 % and circulation income 2 %.**

**Alpress posted an operating profit of MFIM 71.**

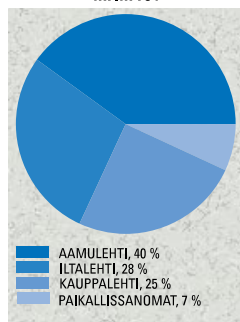
**Iltalehti available on the Internet from 5 October 1995.**

**Valkeakosken Sanomat and Lapin Kansa added to the newspaper portfolio.**

## NET SALES, OPERATING PROFIT AND PERSONNEL

	1995	1994	CHANGE %
NET SALES, MFIM	754	731	3.1
OPERATING PROFIT, MFIM	71	61	16.4
PERSONNEL ON 31 DEC.	1,266	1,401	-9.6

**DISTRIBUTION OF NET SALES 1995 MFIM 754**



*Iltalehti OnLine was the first electronic newspaper produced by Alpress for the Internet. Shown here are Juha Jaakkonen, Tommi Parkkonen and Mauri Mattsson.*

Alpress publishes Aamulehti, Iltalehti and Kaupalehti, together with eight regional newspapers and one town newspaper. The regional and town newspapers are organized into a single company called Suomen Paikallissanomat Oy. Aamulehti Group also holds a majority shareholding in Lapin Kansa Oy, which publishes the Lapin Kansa newspaper in Rovaniemi. The division's newspapers serve altogether about 1.5 million readers daily with an aggregate circulation of about 400,000 copies.

The division's former name, Newspaper Division, was changed during the review year to Alpress and its parent company ALY-Lehdet Oy was renamed Alpress Oy. In August 1995 Alpress Oy acquired a majority holding in Valkeakosken Sanomat Oy and in October Aamulehti Group acquired a majority holding in Lapin Kansa Oy. Valkeakosken Sanomat Oy was consolidated in the financial statements of Alpress from 1 September 1995. Lapin Kansa Oy was consolidated in the Aamulehti Group accounts for the last two months of the year.

## MARKET CONDITIONS

Newspaper circulations continued to

fall in Finland, although the decline slowed in pace. Circulations of newspapers appearing at least four times a week fell by an average of 2 % on the previous year. Afternoon paper volumes remained at their 1994 levels.

Newspaper advertising volumes, by contrast, showed a distinct improvement. Advertising volumes increased 6 % and advertising revenues 7 % on the previous year. Nevertheless, the newspaper sector lost market share in the advertising sector. TV advertising showed a particular surge in demand.

A new company, Kärkimedia Oy, was set up at the beginning of 1995 to bolster the competitive efficiency of newspapers in the advertising markets. Kärkimedia Oy (Top Media) is a marketing company founded by 26 newspapers to enable advertisers to buy space flexibly in several newspapers at the same time.

Kärkimedia Oy represents the Aamulehti Group's Aamulehti and Lapin Kansa newspapers.

Circulations of the Alpress newspapers developed more favourably than the industry average. Aamulehti's circulation fell by under 2 %, Iltalehti's six-day circulation rose by about 1 %, and Kaupalehti's circulation was up by 3 %. The circulations of the Suomen Paikallissanomat Oy newspapers fell by 2 %. Circulation revenues of the Alpress newspapers increased by 2 % on the previous year; advertising volumes were up by 4 % and advertising revenue by 6 %. All the major Alpress titles as well as Suomen Paikallissanomat Oy posted a profit. Profitability was adversely affected by a sharp increase in newsprint prices.

## KUSTANNUS OY AAMULEHTI

Aamulehti, published in Tampere, is the number one newspaper in the Pirkanmaa region. It has a weekday circulation of 129,806 and is read daily by about 340,000 people, according to the national media survey. Aamulehti derives some 77 % of its total advertising revenue from its own





circulation base. Its circulation was down by slightly less than 2 % on the previous year but the number of subscriptions started to rise during the autumn following several years of continuous decline. Aamulehti has the second largest circulation of Finland's daily newspapers.

Aamulehti's advertising volume rose by 5 % on 1994. Advertising revenues increased 4 %, since advertisements tended to be placed in cheaper sections as volume increased. Two major changes were made to the Aamulehti newspaper during the year, targeting certain sections to specific reader groups. These were a Sunday supplement and an Allakka (calendar) insert in the Saturday edition.

Mr Hannu Olkinuora was appointed Executive Editor-in-Chief of Aamulehti on 15 March 1995 on the retirement of his predecessor Mr Raimo Seppälä.

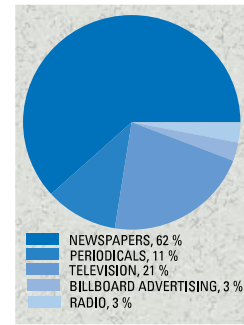
Plans to produce Aamulehti in electronic format were completed during 1995 and the first edition of Aamulehti was distributed via the Internet at the turn of the year. The editorial content of Aamulehti's electronic edition is the responsibility of Aamulehti's editorial department, but the Alexpress division handles its distribution. Aamulehti's town newspaper Moro started cooperation with the Aamulehti Group's local Tampere radio station during the year. Aamulehti performed as expected.

#### KUSTANNUSOSAKEYHTIÖ ILTALEHTI

Although Finland's afternoon newspaper markets did not grow during the year, Iltaalehti was nonetheless able to increase its circulation. This newspaper has a six-day circulation of 103,327 and a weekend circulation of 138,117. Compared to 1994's circulation audit, Iltaalehti's six-day circulation rose by half a percent and the weekend circulation by over 3 %. According to the national media survey Iltaalehti is the third most-read newspaper in Finland, with more than 570,000 readers. In the autumn Iltaalehti reduced the cost of its Wednesday edition with the TV insert from ten Finnmarks to five Finnmarks. This change in price slightly reduced Iltaalehti's circulation revenues at the end of the year.

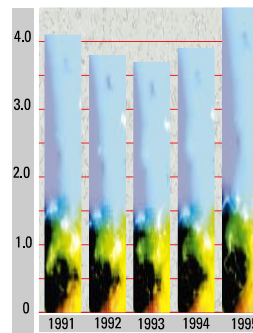
Iltaalehti's advertising volumes remained at their 1994 levels but advertising revenues rose by 4 %. From October Iltaalehti was also available in digital format on the Internet. This 'Iltaalehti OnLine' edition was surprisingly popular and by the end of the year had attracted almost 50,000 registered readers. Iltaalehti OnLine's ad-

#### DISTRIBUTION OF ADVERTISING BY MEDIA, 4,453 MFIM



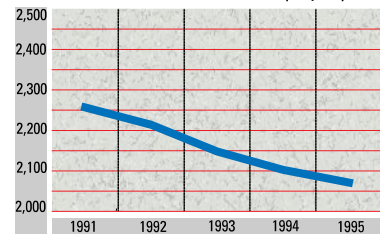
Source: Gallup-Mainostieto

#### TOTAL ADVERTISING VOLUME FIM BILLION



Source: Gallup-Mainostieto

#### NEWSPAPER CIRCULATIONS (x 1,000)



Source: Levikintarkastus Oy.  
Includes newspapers published 4 - 7 times per week and audited annually.

#### AUDITED CIRCULATIONS

	1995	1994	CHANGE %
AAMULEHTI	129,806	131,895	- 1.6
ILTALEHTI	103,327	102,829	0.5
KAUPPALEHTI	78,211	76,047	2.8
PAIKALLISSANOMAT	53,887	55,252	- 2.5
LAPIN KANSA	38,752	39,523	- 2.0

Source: Levikintarkastus Oy

vertising revenue was sufficient to cover its production costs in only a few months.

Iltalehti's result for 1995 was a profit and equivalent to the previous year's level.

#### KUSTANNUSOSAKEYHTIÖ KAUPPALEHTI

Kauppaletti is a weekday business newspaper with a bimonthly business periodical called Kauppaletti Optio. According to the national media sur-



*A common electronic photo and text archiving system was introduced for Alpress's main newspapers and seven regional newspapers. Shown here are Merja Santanen (left) and Kaija Toivanen.*

vey, Kauppaletti reaches more than 345,000 readers daily, which makes it in terms of population the largest business newspaper in the Nordic countries.

Unlike the general situation in the newspaper sector, Kauppaletti's circulation began to increase at the end of 1994, a trend which is still continuing. Its circulation rose by 3 % on the previous year and now stands at 78,211. Kauppaletti's circulation revenues were up 5 % on the previous year.

As Finland's only business newspaper, Kauppaletti has an extremely strong position in business-to-business advertising. Kauppaletti's advertising volume rose by 6 % on 1994, compared to growth of 10 % on the previous year during 1994. This might indicate a decline in the economy. Advertising revenues increased by 10 % on 1994, which was well above the average.

Kauppaletti has also invested heavily in digital products. 'Dime' is an electronic marketplace for commercial premises and apartments. Kauppaletti has already been produced in digital format and distributed as a trial project in a closed network for two years. Kauppaletti will also be available on the Internet early in 1996. Kauppaletti's performance was good, as forecast.

#### SUOMEN

#### PAIKALLISSANOMAT OY

The Aamulehti Group's eight regional newspapers and one town newspaper are organized into a company called Paikallissanomat Oy (Regional News). These newspapers are: Koillis-Häme in Jämsä, Koillis-Lappi in Kemi-järvi, Kurun Sanomat, Nokian Uutiset, Raahen Seutu, Suur-Keuruu, and Pyhäjokiseutu in Oulainen, Valkeakosken Sanomat and the town newspaper Raahen-lainen. The regional newspapers have an aggregate circulation of almost 54,000.

All circulations except for Suur-Keuruu continued to decline. Circulations fell 2 % on average. Advertising volumes increased by 6 % and advertising revenues by 8 %. The Valkeakosken Sanomat newspaper became an operative part of Suomen Paikallissanomat on 1 September 1995. Suomen Paikallissanomat Oy's performance was positive and an improvement on the previous year.

#### LAPIN KANSA OY

Lapin Kansa Oy publishes the regional newspaper Lapin Kansa (Lappish Folk) in Rovaniemi, circulation 38,752. The company also publishes the Uusi Rovaniemi (New Rovaniemi) town newspaper and runs a printing works. Lapin Kansa's circulation fell 2 % during the review year. Economic recovery was still not visible in Lapland since Lapin Kansa Oy's aggregate advertising volume decreased 8 % and advertising revenue 2 % on the previous year.

#### OPERATING PROFIT IMPROVED

Alpress recorded net sales of FIM 754 (731) million, half of this from advertising sales and half from circulation sales. Alpress's total capital expenditure during 1995 was FIM 25 (26) million, most of which was directed to renewing the editorial systems of the newspapers, a common electronic picture and text archiving system for the newspapers, and investments mainly in shares of subsidiaries.

Alpress's operating profit was FIM 71 (61) million, which was 9 % of net sales. This improvement was due to the increase in net sales and to a gain of over FIM 6 million, charged to Alpress Oy, arising from the sale of Aamulehti's old printing press.

Alpress had 1,266 (1,401) employees at the year end, 448 (559) of whom were part-time newspaper deliverers. Personnel averaged 1,376 and 536 during the year.

#### PROSPECTS FOR 1996

Alpress is continuing to invest in the development of its digital newspapers. Iltalehti and Aamulehti are already available on the Internet and Kauppaletti will be added to their number in early 1996. The outstanding experience gained from Iltalehti demonstrates that there is widespread demand for digital newspaper editions. Alpress plans to capitalize further on these new electronic media.

The Finnish economy is expected to grow favourably during the current year. This, it is believed, will further increase total advertising volumes and consequently the advertising revenues of newspapers. The modest rise in newspaper circulations is also forecast to continue. Alpress's profitability is expected to improve further, although costs will also rise due to increases in newsprint prices and labour costs as well as the company's further investments in electronic publishing.



Alprint is the  
Aamulehti  
Group's graphic  
services division.  
It comprises  
Algraphics Oy,  
Suomalainen  
Lehtipaino Oy,  
Tampereen  
Kirjapaino Oy and  
PG-Yhtiöt Oy.





**Alprint's operating profit was MFIM 62.**

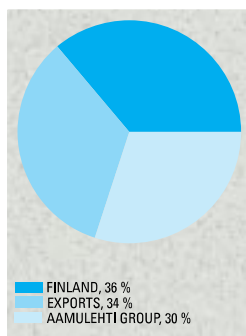
**Exports were up 38 %.**

**Paragon operations were divested.**

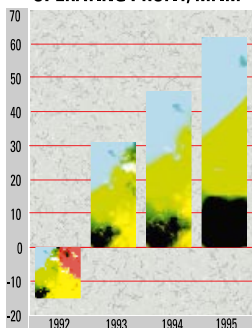
### NET SALES, OPERATING PROFIT AND PERSONNEL

	1995	1994	CHANGE %
NET SALES, MFIM	772	735	6
OPERATING PROFIT, MFIM	62	46	35
PERSONNEL ON 31 DEC.	823	1,058	-22

#### DISTRIBUTION OF NET SALES BY MARKET, MFIM 772



#### OPERATING PROFIT, MFIM



*Tampereen Kirjapaino Oy's Postpress Unit can add up to four separate inserts in the main product.*

Alprint offers a full range of products and services cover the printing of newspapers, periodicals, comics, promotional publications and sheet-printed products. Alprint forms a subgroup within Aamulehti Group: with Alprint Oy as its parent company, it comprises Algraphics Oy, Suomalainen Lehtipaino Oy, Tampereen Kirjapaino Oy and PG-Yhtiöt Oy.

Alprint has 11 printing plants around Finland which print altogether more than three hundred regularly produced publications. In terms of net sales, Alprint is the largest printing company in Scandinavia and one of the biggest in Europe. Exports account for roughly one-third of its net sales.

During the year Alpress Oy acquired a majority interest in Valkeakosken Sanomat Oy, as did the Aamulehti Group in Lapin Kansa Oy. On 1 September Suomalainen Lehtipaino Oy took operative control of Valkeakosken Sanomat Oy's printing operation, and on 1 January 1996 of Lapin Kansa Oy's printing operation. Neither company was consolidated in Alprint's accounts for 1995.

Valkeakosken Sanomat Oy was consolidated in the Alpress accounts from 1 September 1995; Lapin Kansa Oy was consolidated in the Aamulehti Group accounts from 1 November 1995.

#### MARKET CONDITIONS

Demand for graphic industry products closely reflects consumer spending behaviour in general. Increasing consumer demand has a positive impact on newspaper circulations and the number of pages, as well as raising advertising volumes and demand for promotional products. Demand for graphic industry products fell steadily in Finland from the beginning of the decade until the end of 1994. Since then demand has strengthened, mainly as a result of an increase in advertising expenditure in Finland, coupled with the start-up of exports to Russia. This latter trend was particularly strong in 1994. Exports to Russia continued to grow during 1995 but clearly began to level off towards the end of the year as competition stiffened. Exports to western countries were hampered by a strengthening of the Finnish markka. Demand for periodicals, business-to-business publications and special magazines was still rising during early 1995 but has since stabilized. Printing volumes of comics are still in decline.

A sharp rise in paper prices hampered the financial performance of the graphic industry. Newsprint grades increased in price by about 20 % during 1995, while prices for coated papers increased by more than 20 % on average. Alprint consumed about 65,000 tonnes of paper during the year, roughly one third of which was used for printing the Group's own publications. Alprint's paper costs, calculated in Finnish markka, were 8 % higher than one year before.

#### ALGRAPHICS OY

Algraphics Oy specializes in periodicals and comics, as well as promotional and sheet-printed products. Algraphics Oy comprises Tampereen Arpatehdas, Tamprint, Tenprint, Hyvinkään Kirjapaino and Reptalo. Algraphics Oy's net sales in 1995 totalled FIM 357 (310) million, of which exports accounted for FIM 194

**Algraphics Oy**  
Periodicals and comics  
Promotional and sheet-printed products

**Suomalainen Lehtipaino Oy**  
Eurotabloid newspapers

**Tampereen Kirjapaino Oy**  
Newspapers



(173) million. The 15 % increase in net sales was mostly due to a boost in Algraphics' exports.

In March Tampereen Arpatehdas decided to invest FIM 30 million in buying a new magazine rotation press and expanding its premises. FIM 10 million of this sum was entered in the 1995 accounts and the roughly FIM 20 million remainder will fall due in 1996. The investment will not significantly increase printing capacity since the new press will replace an existing unit still in operation. The new press is scheduled to be started up in mid-1996.

Algraphics Oy exceeded both its sales and profit targets.

### SUOMALAINEN LEHTIPAINO OY

Suomalainen Lehtipaino Oy specializes in the printing of euro-tabloid newspapers. During 1995 it printed over 150 regularly produced newspapers in its Vantaa, Jämsä, Oulainen and Valkeakoski printing plants.

Suomalainen Lehtipaino Oy took operative control of the Valkeakoski plant in the town of Valkeakoski on 1 September 1995 and the company became a subsidiary of Suomalainen Lehtipaino Oy from the beginning of 1996.

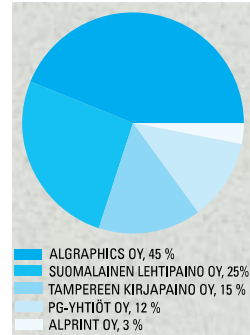
The Lapin Kansan Lehtipaino printing plant in Rovaniemi is responsible for the printing operations of Lapin Kansa Oy. Its main product is the Lapin Kansa newspaper circulated in Rovaniemi. Lapin Kansan Lehtipaino has 32 employees and since the beginning of 1996 has been under Alprint's operative control.

Demand for Suomalainen Lehtipaino Oy's products was very high all year and consequently its net sales increased 26 % on the previous year to FIM 204 (162) million. Most of the increase was due to a boost in exports to Russia. Exports accounted for FIM 50 (11) million of Suomalainen Lehtipaino Oy's net sales. Suomalainen Lehtipaino Oy's performance was good and better than expected. Its net sales also rose considerably more than forecast.

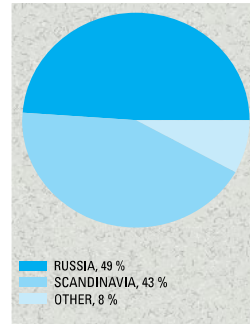
### TAMPEREEN KIRJAPAINO OY

Tampereen Kirjapaino Oy's speciality is large print-runs of broad-sheet and tabloid newspapers. Its net sales in 1995 totalled FIM 119 (97) million. Roughly half of this almost 22 % increase was the result of increased exports. The start-up of Tampereen Kirjapaino Oy's completely modernized printing works, the Lehtitehdas '94 project, in August 1994 makes comparison of the 1994 and 1995 fig-

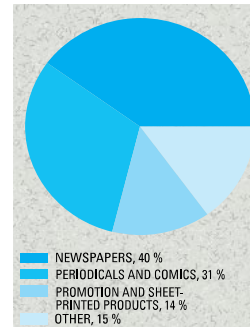
**DISTRIBUTION OF NET SALES  
MFIM 772**



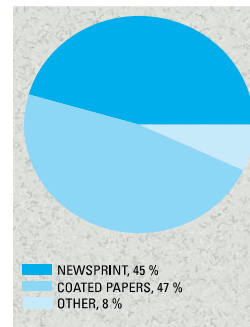
**EXPORTS BY COUNTRY  
MFIM 267**



**INVOICING BY PRODUCT GROUPS**



**PAPER PURCHASES BY GRADE  
65,000 T**





ures difficult.

Increased exports enabled Tampereen Kirjapaino Oy to exceed its sales targets and the company also performed slightly better than forecast.

#### PG-YHTIÖT OY

PG-Yhtiöt Oy, which was known until June 1995 as Paragon Oy, focused on business stationery, labels and various direct mail products. Demand for business stationery in Finland has declined sharply throughout the 1990s, except for a slight recovery during 1994, and the market volume has fallen by over one-third. This has led to stiffer competition and lower prof-



*The Prepress is a focus of intensive investment at Alprint. Tuula Vilen checks on her computer terminal that everything is in perfect order before film production can begin at the Kaivoksela Lehtipaino printing works.*

itability. Demand for labels has also been down on previous years. Since PG-Yhtiöt Oy did not fulfill its performance criteria it was decided to divest this company. This decision was given further impetus by Alprint's strategic plan to concentrate more clearly on printing for the publishing industry. In June 1995 the business stationery operation was sold to Painatuskeskus Oy and the labels operation to Auraprint Oy; at the same time Paragon Oy was renamed PG-Yhtiöt Oy. In August the remaining direct mail operation was sold to Sisäsuomi Oy.

PG-Yhtiöt Oy is now essentially a non-operating company in Alprint. Its operations are consolidated in the Alprint accounts for the months during which they were still part of the company. PG-Yhtiöt Oy's net sales were FIM 96 (158) million. It posted a loss before depreciation of about FIM 5 million for the full year, due to divestment and termination costs. Nevertheless, about FIM 31 million arising from the divestments was entered under extraordinary income in

the Alprint accounts.

#### PERFORMANCE GOOD AND BETTER THAN PREDICTED

Alprint's net sales in 1995 were FIM 772 (735) million. This marked an increase of 5 %, even though the company lost about FIM 80 million in budgeted sales revenue from the divestment of the PG-Yhtiöt Oy operations. The increase in net sales was principally due to growth in exports, which contributed FIM 267 (194) million to Alprint's net sales. Intragroup sales accounted for FIM 234 (224) million, and other sales in Finland FIM 271 (317) million, of Alprint's net sales.

Alprint recorded an operating profit of FIM 62 (46) million. The main reasons for this positive development were the increase in exports and a further recovery in the domestic markets, although it was hampered at the same time by the strengthening of

the Finnish markka and a very sharp rise in paper prices. The appreciation of the markka, especially against the Swedish krona, hampered western exports considerably, bringing exports of promotional products to Sweden to a virtual halt. FIM 31 million of PG-Yhtiöt Oy's sales revenues was recorded under extraordinary income. The graphic industry has long suffered from overcapacity in Finland. Despite the rapid growth of the Russian markets, Alprint has not wanted to increase its production capacity, preferring instead to concentrate on raising profitability by intensifying the efficiency of its operations. Alprint's investments in 1995 mainly involved expenditure on rationalization and maintenance. Investment expenditure totalled FIM 51 (209) million. The largest item was a FIM 10 million advance payment on the magazine rotation press. The high level of investment in 1994 was due to Tampereen Kirjapaino's Lehtitehdas '94 printing press project.

Alprint had 823 employees at the year end, which was 235 less than at the be-

ginning of the year. Altogether 295 employees left the Alprint division as a result of the PG-Yhtiöt Oy divestment. Alprint's year-end personnel total includes the 47 employees of Valkeakosken Kirjapaino although this company's operations are not consolidated in Alprint's accounts. Personnel averaged 935 (1,075) during the year.

#### PROSPECTS FOR 1996

Demand for graphic industry products is expected to continue rising in Finland, although growth will be tempered by the slower than forecast improvement in the Finnish economy and rising paper prices. Nevertheless, the main impetus driving paper price levels upwards is now over, in Alprint's opinion, and only marginal increases can be expected this year. If the value of the Finnish markka in relation to the main export currencies remains unchanged, no major changes are expected in western exports. Growth in Russia trade has now peaked but a further modest increase can still be expected. Alprint's result of operations will be improved by the divestment of the loss-making PG-Yhtiöt Oy operations.





A L D A T A

The Aldata  
Division  
comprises the  
Aamulehti  
Group's compa-  
nies specializing  
in information  
technology.  
These are Data  
Check Oy and  
Tietovoima Oy.



**Aldata sold its shares in Optimi-Ohjelmistot Oy and Nordic Team Hotel and Travel Systems Oy.**

**Data Check will supply MFIM 100 worth of retailing management systems for Kesko outlets.**

**Tietovoima Oy's profitability was good, with Barcode especially successful.**

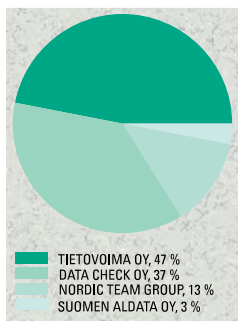


*During 1995 Data Check Oy supplied more than 100 retailing management systems. Data Check is also responsible for operator training.*

**NET SALES, OPERATING PROFIT AND PERSONNEL**

	1995	1994	CHANGE
			%
NET SALES, MFIM	120	159	-25
OPERATING PROFIT, MFIM	12	11	9
PERSONNEL ON 31 DEC.	134	237	-43

**DISTRIBUTION OF NET SALES MFIM 120**



The Aldata Division comprises the Aamulehti Group's companies specializing in information technology. These are Data Check Oy, which supplies point-of-sale, chain management and security systems to the retail industry; and Tietovoima Oy, a specialist in barcode readers, printers and peripherals, and network and data management systems.

At the very beginning of 1995 Aldata sold Optimi-Ohjelmistot Oy, which produces software for small and medium-sized businesses, to KT-Tietokeskus. This resulted in a gain of FIM 6 million for Aldata.

In April 1995 Aldata sold the shares of Nordic Team Hotel and Travel Systems Oy, which produces information systems for hotel and restaurant management, to Fidelio Nordic Oy. Only the first four months of the Nordic Team group's operations in 1995 are consolidated in Aldata's accounts. The Nordic Team group's net sales for this period were FIM16 million, compared to FIM 47 million for the previous year. The gain on the dis-

posal of the Nordic Team shares corresponded to this group's budgeted result for 1995. The transaction also had a positive impact on the balance sheets of Aldata and the Aamulehti Group. Aldata's net sales fell to FIM 120 (159) million due to these divestments. Aldata posted an operating profit of FIM 12 (11) million. The good performance of Data Check Oy and Tietovoima Oy raised Aldata's performance above target despite the loss of net sales due to the divestments.

The Aldata Division had 134 (237) employees at the year end. The disposal of the Nordic Team group reduced personnel by 67.

**DATA CHECK OY**

Data Check Oy's operations expanded substantially during 1995. In April Data Check Oy signed a wide-ranging cooperation agreement with the American Sensormatic Electronic Corporation covering the sales, distribution and service of Sensormatic's products in Finland. Sensormatic is



2  
2

the world's largest supplier of waste prevention and security systems. The agreement will enable Data Check Oy to offer retailers a comprehensive range of equipment and systems. These comprise payment terminals; chain management, information, security and waste management systems; and the requisite software, training and maintenance services. The Sensomatic agreement contributed to an increase in net sales of approximately FIM 10 million during the first year alone. Data Check Oy's net sales were FIM 45 (27) million, of which exports accounted for 3 %. The most important export deal was the delivery of information systems to the Kaubamaja store in Tallinn, Estonia. In June Data Check Oy and Kesko Oy signed an agreement whereby Data Check Oy will supply complete retailing systems worth FIM 100 million to Kesko's K-markets and K-local stores. The first deliveries took place in October. Some FIM 10 million of this order was delivered during 1995. The rest will be delivered over the following three years. Having received the large Kesko order, Data Check Oy strengthened and trained its organization to implement a large number of simultaneous system deliveries. The faster than anticipated growth in this business did not cause problems. Data Check Oy performed better than expected.

#### TIETOVOIMA OY

Tietovoima Oy comprises the Barcode, Top-Memo and Financial Services business units as well as a Customer Service unit responsible for technical maintenance and service. Tietovoima Oy is based in Vantaa, north Helsinki. It also has technical service centres in Helsinki, Oulu, Seinäjoki and Tampere. Barcode is Finland's leading supplier of data recognition systems; its core business comprises barcode-based systems, software and equipment. The most important customers of barcode systems are exporters in the forest, metal and electronics industries. During the year Barcode introduced the new JOTBAR software package based on a graphic interface, complementing its existing Realplan data collection system. Demand for data collection systems was high and Barcode delivered several large systems to industry. Barcode's main principals are Intermec, Microscan, Printronix and Opticon. The net sales of the Barcode business rose more than forecast during the year. The Top-Memo business focuses primarily on supplying various printing and telecommunications solutions. Its

main products are environmentally friendly Kyocera page printers, Printronix printers for demanding professional use, and Dynatech and Memorex-Telex telecommunications products. The Financial Services unit holds a strong position in Finland since it is the only supplier of payment, customer discount and credit card management services in addition to the financial institutions themselves. The unit's services are based on its own family of CARDBASE products. This system's competitive edge derives from its ability to handle product information as well as payment transactions. Tietovoima Oy's net sales were FIM 58 (59) million. Its performance improved on the previous year and was strong.

#### PROSPECTS FOR 1996

Data Check Oy succeeded in strengthening its position as a supplier of complete retailing systems. Based on orders already received, Data Check Oy's net sales are expected to rise substantially during the current year. Sales of security systems are also expected to increase. A recovery in the Finnish economy was reflected in a steady growth in demand for Tietovoima Oy's products during the year. This trend is forecast to continue during 1996. Continuing rapid advances in barcode technology provide a solid foundation for the Barcode business. New radio terminal technology, in particular, is expected to create new demand for the unit's products.





## ALEXPRESS

Alexpress is the Aamulehti Group's research and development division. Its responsibilities include managing the Group's radio broadcasting activities and digital information distribution.



**Alexpress makes its first CD-Rom disc.**

**Radio Moro begins operations in Tampere and on the Internet.**

**News service launched for GSM phones.**

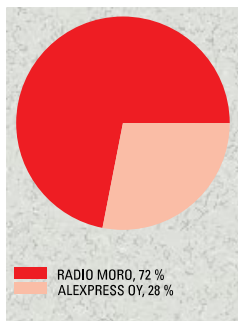


*Research Director Timo Saari presents the first CD-Rom disc produced by Alexpress.*

**NET SALES, OPERATING PROFIT AND PERSONNEL**

	1995	1994	CHANGE %
NET SALES, MFIM	6	8	-25
OPERATING PROFIT, MFIM	-12	-4	-200
PERSONNEL ON 31 DEC.	41	24	71

**DISTRIBUTION OF NET SALES MFIM 6**



Alexpress is the Aamulehti Group's division responsible for digital information distribution, research into new media and development of new products based on this. The division is organized into three business units. Radio Businesses is responsible for Alexpress's local radio broadcasting activities in Tampere. Alexpress also has a radio broadcasting licence for the Oulu region and it is currently preparing to start broadcasting operations in the Helsinki metropolitan area. Multimedia Services studies and produces multimedia network services and, among other things, is responsible for the Aamulehti Group's CD-Rom products. This unit works closely with universities. The Network Services unit's responsibilities include distribution of the Group's digital media products and its short-message services. During the year Network Services was the first in the world to introduce a news service distributed direct to GSM mobile phones.

The Aamulehti Group is a mass communications corporation whose core businesses are publishing and print-

ing. Years ago, however, the Group anticipated that digital communication would be a future growth business. The Group increased its R&D investments and also sought active participation in research programmes with various universities and institutes. With the rapid development of this technology, Aamulehti Group decided in 1994 to merge its various trial projects, R&D activities and ready products in this field into a single division. Although Alexpress's operations are heavily focused on R&D, its performance is still judged by the same financial criteria applied to the Group's other divisions. Alexpress aims to cover half of its costs with income from its own operations. Its net sales were FIM 6 (8) million during the review year. It posted a loss of FIM 12 (-4) million, which mainly comprised budgeted R&D expenses.

**RADIO BROADCASTING**

Management and development of the Aamulehti Group's radio broadcasting activities are the responsibility of the Alexpress division. During the year Radio Sataplus, which operates in Tampere, was merged with Radio Pirkka in Ruovesi, creating a single catchment area of some 400,000 inhabitants. At the same time the radio station's programme and operating format was substantially restructured. Two main groups were targeted — people in the 30-50 age bracket and families in the Pirkanmaa region — and the station was renamed Radio Moro. Radio Moro works closely with Aamulehti and especially with the Moro town newspaper when planning its news and current affairs programmes. In autumn Alexpress was granted a licence by the Council of State to begin radio broadcasting activities in the Oulu area in northern Finland. The Radio Broadcasting unit has evaluated and developed alternative local radio models for different areas based on the same format. The final decision to start local broadcasting will be made after official decisions on Finland's national radio broadcasting activities are announced.

**MULTIMEDIA SERVICES**

The Multimedia Services unit concentrates almost exclusively on develop-

ment of this new media. Its most important assignment has been research into technology and consumer behaviour concerning multimedia based on rapid ATM connections. The results of this project will be used to formulate new service concepts; this year it will be demonstrated at the Ylöjärvi Housing Show and will subsequently continue as a test in the so-called Broadband Village. The unit's other accomplishments include producing Internet pages for the Aamulehti Group; helping in the development of the WWW distribution of the Aamulehti newspapers; producing, together with Telecom Finland and Radio Moro, Europe's first live radio programme with music in digital format for the Internet; and a new Internet Manual on CD-Rom.

### NETWORK SERVICES

The Network Services unit is responsible for producing Alexpress's short-messages and for distributing news using all available digital distribution channels. During the year the unit developed and began commercial operation of the world's first news service for GSM phones. The news can be read on GSM phone displays or listened to in expanded form as voice messages. The Short-Message Unit also distributes news headlines via hard-wire phones, as voice messages to local radios, via telefax to other users, and directly to local networks. This year the unit will start producing news in digital format for the cable TV network. Network Services also participates as a technical adviser and producer in the Aamulehti Group's digital newspaper development projects, producing all the WWW services needed for distributing the newspapers electronically.

### DEVELOPMENT PROJECTS

Since 1993 the Aamulehti Group and Alexpress have taken part in the News in the Future project of the Massachusetts Institute of Technology's (MIT) Media Lab. This project focuses on research into electronic communications and new media. Using results from this project Aamulehti Group and the Helsinki University of Technology at Otaniemi started a networked media experiment called OtaOnline in a closed network in 1994. In the Aamulehti Group, responsibility for the content and development of electronic newspapers lies with the newspapers themselves, while Alexpress handles the technical distribution of the products. Alexpress News, Aamulehti, Iltalehti and Kauppalehti are some of the publica-

tions which have appeared daily on the OtaOnline. Based on this experience a digital edition of Iltalehti was introduced to the public Internet in October 1995 and the Aamulehti newspaper in January 1996.

Alexpress has also been responsible for implementing the Nääsnetti network multimedia project, which was a subproject of the National Multimedia Programme (NMP) financed by the Industrial Development Fund of Finland (TEKES). The NMP is a joint research project involving Finnish universities, communications and media companies, and network operators. Its aim is to study how multimedia technology can be utilized in communications via local networks. The public Infovil information kiosk project, run by Alexpress itself, will continue in the form of projects tailored to specific company needs.

### PROSPECTS FOR 1996

1996 will be year of vigorous development in digital communications in Alexpress and the entire Aamulehti Group. Considerable resources will be directed to developing the content and technology of electronic communications, both within the company and in various joint projects. Major areas of development will be the commercialization of digital products, starting up various digital radio trials, and continuous development of telecommunications and server technology.

Developing local radios into an attractive and economically competitive concept in the face of pressure from national radio and TV channels will be a challenging task, both for the local radios and the newspapers which work with them. Alexpress's Radio Moro, which operates in Tampere, has already been testing a new model for several months. If this model should prove viable in the future, Alexpress is prepared to expand its radio broadcasting activities. Anticipating this, Alexpress signed a letter of intent in January 1996 to acquire a majority holding in Radio Kolme (Radio Three), which operates in the Helsinki metropolitan area.

### DISTRIBUTION OF NET





The Group's performance was strong during 1995. The profit before provisions and taxes for the 1995 financial year was FIM 116 (71) million. Interest-bearing debt was reduced by FIM 180 (21) million. At the end of the period Group funds exceeded net interest-bearing debt and the solvency ratio was close to the target.

The Finnish economy recovered slower than expected during 1995. Newspaper circulations in Finland continued to decline but advertising volumes rose by an average of 6 % on the previous year. The Aamulehti Group's Kauppalehti and Iltalehti newspapers increased circulations, compared to one year earlier. Aamulehti's circulation started to rise at the end of the period. A surge in advertising expenditure, coupled especially with a strong increase in exports, raised demand for graphic industry products and put capacity utilization on a healthier footing in Finland.

The good performance of Finnish exporters and Data Check Oy's favourable development were reflected in the performance of the Group's information technology companies. Alexpress launched new commercial products including a news headlines service direct to GSM phones, as well as its first CD-Rom disc.

During the year the Aamulehti Group continued to concentrate its operations on selected core businesses. It divested the operations of Optimi-Ohjelmistot Oy, the shares of Nordic Team Hotel and Travel Systems Oy, and Paragon Oy's business stationery, labels and direct mail operations. The core businesses were strengthened with the acquisition of majority shareholdings in Valkeakosken Sanomat Oy and Lapin Kansa Oy.

The operations of Valkeakosken Sanomat Oy were consolidated in the

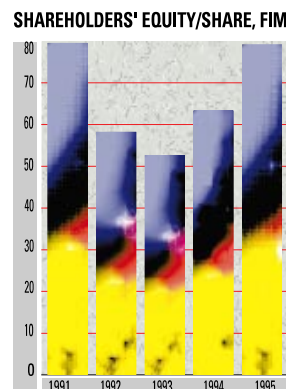
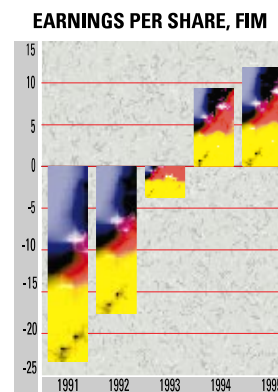
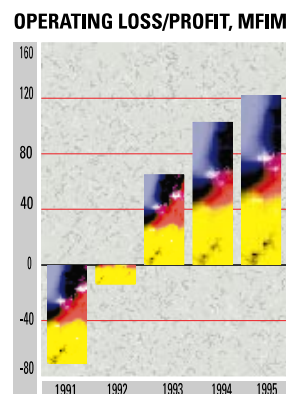
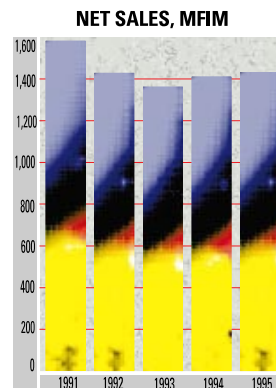
Alpress Group's accounts from 1 September 1995 and the operations of Lapin Kansa Oy in the Aamulehti Group's consolidated accounts from 1 November 1995. The operations of Optimi-Ohjelmistot Oy were sold on 2 January 1995, the shares of Nordic Team Hotel and Travel Systems Oy on 11 April 1995, the Paragon Oy business stationery operations on 15 June 1995 and its labels operations on 30 June 1995 and its direct mail operations on 31 August 1995. These divested businesses were consolidated in the Group accounts up to their respective divestment dates.

In the 1995 financial statements net sales is calculated according to the new guidelines issued by the National Accounting Board. Similarly, all comparable figures for 1994 have been adjusted in line with current accounting principles and the comparable figures of the divisions have been regrouped to correspond with the current corporate structure.

## GROUP RESULT

Consolidated net sales amounted to FIM 1,433 (1,412) in 1995. The divestments during the year reduced net sales by approximately FIM 100 million. Sharp growth was evident in Alprint's core business. Exports, which accounted for FIM 286 (233) million of consolidated net sales, mainly comprised Alprint's export revenues and the international operations of the Nordic Team group divested in April. Exports were distributed as follows: 46 % to Russia, 45 % to Scandinavia, 6 % to Central Europe, and 3 % to other countries.

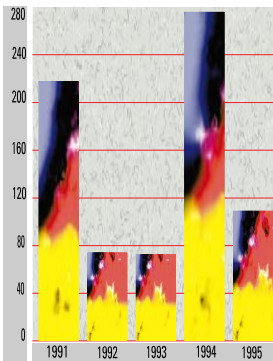
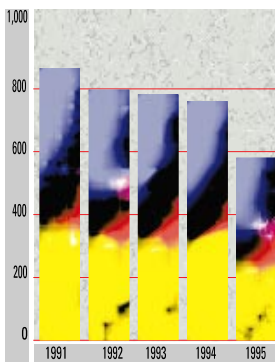
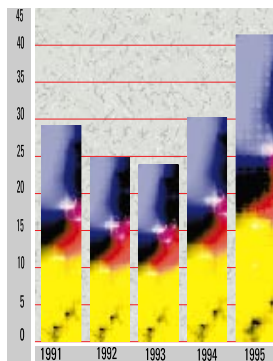
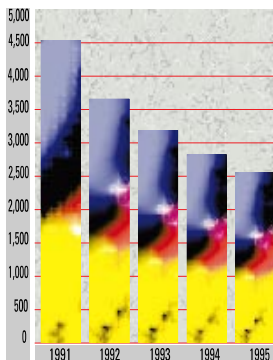
The consolidated operating margin (operating profit before depreciation) was up 10 % on the previous year to FIM 231 million, corresponding to 16 % of consolidated net sales (1994: MFIM 210 and 15 %). The principal



## NET SALES, OPERATING PROFIT AND PERSONNEL BY DIVISION

	Net sales (MFIM)		Operating profit (MFIM)		Personnel 31 Dec.	
	1995	1994	1995	1994	1995	1994
Alpress	754	731	71	61	1,266	1,401
Alprint	772	735	62	46	823	1,058
Aldata	120	159	12	11	134	237
Alexpress	6	8	-12	-4	41	24
Lapin Kansa Oy *)	11	-	0	-	324	-
Parent company	58	52	-15	-11	26	24
Intragroup	-288	-273	4	-	-	-
<b>Total</b>	<b>1,433</b>	<b>1,412</b>	<b>122</b>	<b>103</b>	<b>2,614</b>	<b>2,744</b>

\*) Net sales for 2 months.

**CAPITAL EXPENDITURE, MFIM****INTEREST-BEARING DEBT, MFIM****SOLVENCY RATIO, %****AVERAGE PERSONNEL**

reasons for this improvement were the increase in advertising revenues, greater internal efficiency, and a lighter cost structure. Market price of papers rose during the year by about one-fifth. Alprint's paper costs were 8 % higher than during the previous financial year. The operating margin developed as planned. Other income from operations, totalling FIM 25 (21) million, mainly comprised gains on the divestment of the Optimi-Ohjelmistot Oy operations, the disposal of the Nordic Team Hotel and Travel Systems shareholding, and the sale of outdated production machinery.

Planned depreciation came to FIM 109 (107) million. The consolidated operating profit was FIM 122 (103) million. Consolidated net financing expenses decreased to FIM 36 (41) million due the repayment of loan principal and lower interest rates. Net financing expenses represented 2.5 % (2.9 %) of consolidated net sales. The associated companies contributed FIM 1.4 (4) million to consolidated net sales. The consolidated profit before extraordinary items, provisions and taxes was FIM 87 (62) million.

Extraordinary items raised the consolidated profit before provisions and taxes by FIM 29 (9) million. Extraordinary income comprised the net gain on the disposal of the Paragon Oy operations; extraordinary expenses included, among other items, an increase in pension liabilities incurred from previously divested operations. The consolidated profit before provisions and taxes was 63 % higher than one year before and totalled FIM 116 (71) million. Earnings per share were FIM 9.14 (7.03), including the diluting effect of the convertible bond issue.

#### ALPRESS

During the year the Newspaper Division was renamed Alpress and its parent company ALY-Lehdet Oy was renamed Alpress Oy. The circulations of the Alpress newspapers developed better than newspaper circulations on average. Kauppalehti and Iltalehti increased their circulations. Circulation income from Alpress's newspapers rose 2 % on the previous year. Alpress's advertising volume increased 4 % and advertising revenues 6 %. Alpress's net sales rose 3 % to FIM 754 (731) million, and its operating profit totalled FIM 71 (61) million. The increase in operating profit was mainly due to the growth in advertising revenue and a gain of over FIM 6 million on the sale of Aamulehti's old printing press. In October Alpress

launched a digital edition of Iltalehti on the Internet. By the end of the year this Iltalehti edition had 50,000 registered readers. A digital edition of Aamulehti appeared on the Internet for the first time on 8 January 1996.

#### ALPRINT

Alprint sold the business stationery, label and direct mail operations of Paragon Oy in three separate transactions during the year. Since then Alprint has focused more clearly on printing services for the publishing industry. Despite the Paragon Oy divestment, Alprint's net sales rose 5 % on the previous year and totalled FIM 772 (735) million. Alprint's profitability has improved substantially as a result of the streamlining measures taken in recent years. Its result of operations was weakened by Paragon Oy's operational losses. Alprint posted an operating profit of FIM 62 (46) million.

#### ALDATA

The Aldata division, which consists of information technology companies, sold its Optimi-Ohjelmistot Oy operation and its shareholding in Nordic Team Hotel and Travel Systems Oy. Several large orders led to a considerable expansion of the operations of Data Check Oy. Aldata's net sales fell to FIM 120 (159) million as a result of these divestments. Its operating profit was FIM 12 (11) million. The result includes other income from operations totalling FIM 9 (9) million.

#### ALEXPRESS

Net sales of the Alexpress division came to FIM 6 (8) million and its operating loss was FIM 12 (-4) million. This loss consists mainly of the Aamulehti Group's investments in new media development and radio broadcasting activities. The Aamulehti Group spent altogether about FIM 11 million on research and development during the year.

#### PARENT COMPANY

Aamulehti Corporation is the parent company of the Group. In addition to managing the business operations of its subsidiaries, Aamulehti Corporation also owns and administers real estate, trades in securities and engages in other financial investment activities. The parent company is also responsible for control and financing for the Group. The parent company's net sales were FIM 58 (52) million and the operating margin was FIM 16 (18) million. Planned depreciation totalled FIM 31 (29) million and its operating loss was FIM 15 (-11) million. Net financing costs came to FIM 9 (4) mil-

lion, resulting in a loss before extraordinary items of FIM 24 (-15) million. The parent company received Group contributions amounting to FIM 88 (38) million, giving it a profit before provisions and taxes of FIM 62 (31) million. The parent company's performance was burdened by running costs of unoccupied or intermittently used properties and depreciation on long-term expenses.

#### CAPITAL EXPENDITURE

Group capital expenditure totalled FIM 109 (276) million. FIM 63 million of this related to production and equipment, FIM 16 million to systems, and FIM 30 million to the acquisition of shares mainly in subsidiaries. The largest single investments were acquiring the shares of Lapin Kansa Oy, which raised the Group's holding in this company during the year to 56 % of the shares and 60 % of the voting rights, and to an advance payment on a magazine rotation press due to be started up at the Tampereen Arpatohdas printing works in 1996.

#### FINANCING

The Group's year-end cash and bank balances totalled FIM 65 (27) million. FIM 180 (21) million in net interest-bearing debt was paid off during the year. Interest-bearing debt was FIM 581 (761) million at year end. Of Group loans, FIM 356 (345) million were pension loans and FIM 104 (108) million were convertible bonds. The value of foreign currency loans was FIM 55 (137) million. The loans had an average interest rate at the end of the year of 6.2 % (6.5 %) and 20 % of the loans carried floating interest rates.

#### SHAREHOLDERS' EQUITY AND SOLVENCY RATIO

Total assets amounted to FIM 1,417 (1,480) million at the end of the year. The Group's shareholders' equity was FIM 549 (437) million at the year end. The accumulated depreciation difference and voluntary provisions amounted to FIM 48 (31) million; FIM 35 million of this was recorded as shareholders' equity and FIM 13 million as computed deferred tax. Minority interest was FIM 23 million. The solvency ratio at the year end was FIM 41 % (30 %). A share capital of FIM 69 million was recorded in the Trade Register at the end of the year. Shareholders' equity per share was FIM 79.20 (63.39).

#### SHARES AND OWNERSHIP STRUCTURE

An increase of FIM 0.4 million to the share capital was registered in the Trade Register during the year. This consisted of Series II shares converted in exchange for convertible bonds at the end of 1994 and Series II shares subscribed in exchange for bond warrants in January 1995. A number of convertible bonds was exchanged for shares during the year which raised the share capital of Aamulehti Corporation by a total of FIM 0.8 million. This increase was entered in the Trade Register on 31 January 1996. During the year the Board of Directors of Aamulehti Corporation had no authorizations to raise the share capital. The Swedish publishing house Tidnings AB Marieberg became the company's largest single shareholder during the year. At year end Marieberg held 17.7 % of the sharestock, representing 19.3 % of the voting rights. Marieberg also owns a number of convertible bonds which, if fully converted, would entitle Marieberg to 1,182,775 Series II shares. If all the convertible bonds were exchanged for Aamulehti shares, Marieberg's holding would be 25.0 % of the share capital and 20.8 % of the votes. Nominee-registered and non-Finnish shareholders held 39 % of the company's shares at the end of the year.

#### PERSONNEL

The Group had 2,614 (2,744) employees at the year end, including 639 (559) part-time newspaper deliverers. Personnel averaged 2,562 (2,827) during the year. Altogether 362 people left the company after the disposal of the Nordic Team Hotel and Travel Systems Oy shares and the divestments of the Paragon Oy operations. The acquisitions of Valkeakosken Sanomat Oy and Lapin Kansa Oy added 387 employees to the Group. Lapin Kansa Oy personnel includes 191 part-time newspaper deliverers.

#### ADMINISTRATION

The Supervisory Board was chaired by Professor Matti Peltonen (1 Jan. - 8 March 1995) and Rector Timo Lepistö (8 March 1995 -). The composition of Aamulehti Corporation's Board of Directors remained unchanged during the year. The Board of Directors consisted of the following members during 1995: Axel Cedercreutz, chairman, Yrjö Niskanen, deputy chairman, and Matti Häkkinen, Olli Parola and Erkki Solja, members. President and Chief Executive Officer of Aamulehti Corporation throughout the year was Matti Paakkalén.

#### PROSPECTS

The Finnish economy is expected to grow during 1996 but at a slower pace than during 1995. Since newspaper advertising volumes normally follow national economic trends, advertising of consumer and daily goods can be expected to increase in newspapers. Advertising of investment goods and business-to-business advertising is expected to remain at 1995 levels. Circulations are forecast to rise moderately. Alpress's profitability should develop in line with domestic market trends.

Demand for Alprint's products in Finland is not expected to change noticeably. Exports will be most affected by the value of the Finnish markka and developments in the Russian market. Paper prices should not increase above the levels prevailing at the beginning of 1996. Alprint has divested its unprofitable operations and is now concentrating on graphic services for the publishing industry. A slight rise is expected in Alprint's net sales and its profitability should improve on the previous year.

Data Check Oy will grow significantly during 1996. Tietovoima Oy's prospects are as good as during 1995. Aldata's operations are expected to increase in profitability during the current year.

In the light of current forecasts for economic growth and the outlook in the export markets, Aamulehti Group's net sales are expected to increase somewhat on 1995 and its profitability should continue to show favourable development.



# CONSOLIDATED INCOME STATEMENT



(FIM 1,000)	1 Jan. - 31 Dec. 1995	1 Jan. - 31 Dec. 1994
<b>Net sales (1)</b>	<b>1,433,323</b>	1,411,786
Increase (+), decrease (-) in stocks of finished goods	-4,712	-294
Other operating income	24,949	20,722
Expenses:		
Materials and supplies:		
Purchases during period	361,094	344,796
Increase (-), decrease (+) in stocks	9,437	-9,387
External services	185,384	184,668
Personnel expenses (2)	481,416	493,869
Rentals	12,300	20,293
Other expenses	172,393	188,024
Total expenses	-1,222,024	-1,222,263
<b>Operating margin</b>	<b>231,536</b>	209,951
Depreciation: (3)		
On fixed assets and other long-term costs	107,491	106,245
On consolidated goodwill	1,610	863
Total depreciation	-109,101	-107,108
<b>Operating profit</b>	<b>122,435</b>	102,843
Financing income and expenses:		
Dividend income	2,836	1,334
Avoir fiscal tax credit	869	445
Interest income on long-term investments	231	495
Other interest income	5,866	4,558
Other financing income	4,213	15,053
Share of profit in associated companies	1,426	3,694
Interest expenses	-44,830	-53,009
Other financing expenses	-6,239	-13,517
Total financing income and expenses	-35,628	-40,947
<b>Profit before extraordinary items, provisions and taxes</b>	<b>86,807</b>	61,896
Extraordinary income and expenses: (5)		
Extraordinary income	31,801	12,204
Extraordinary expenses	-2,391	-3,044
Total extraordinary income and expenses	29,410	9,160
<b>Profit before provisions and taxes</b>	<b>116,217</b>	71,056
Increase (-), decrease (+) in depreciation difference	-	1,519
Increase (-), decrease (+) in voluntary provisions	-	245
Direct taxes (6)	-4,212	-4,517
Profit before minority interest	112,005	68,303
Minority interest from year-end result	-42	0
<b>Profit for the year</b>	<b>111,963</b>	68,303





# CONSOLIDATED BALANCE SHEET

(FIM 1,000)

31 Dec. 1995

31 Dec. 1994

## SHAREHOLDERS' EQUITY AND LIABILITIES

### Shareholders' equity (15)

Restricted equity		
Share capital	69,362	68,952
Share issue	3,380	1,954
Reserve fund	214,486	212,540
Revaluation fund	116,816	116,816
Other restricted equity	-	45
	<b>404,044</b>	<b>400,307</b>

### Non-restricted equity

Prior year profit/losses	33,290	-31,546
Profit for the year	111,963	68,303
	<b>145,253</b>	<b>36,757</b>

### Minority interest

22,670 -

### Obligatory provisions (18)

4,227 1,735

### Liabilities

Long-term		
Convertible bonds	104,541	107,921
Loans from financial institutions	85,191	208,550
Pension loans	334,496	324,069
Deferred tax	13,480	7,796
Other long-term debt	34,841	23,616
	<b>572,549</b>	<b>671,952</b>

### Current

Loans from financial institutions	34,087	98,135
Pension loans	21,553	21,260
Advances received	34,328	36,084
Accounts payable	49,883	49,232
Deferred liabilities	113,992	120,565
Other current liabilities	14,102	43,554
	<b>267,945</b>	<b>368,830</b>

**1,416,688** **1,479,581**





# CONSOLIDATED FUNDS STATEMENT

(FIM 1,000)	1995	1994
<b>Operations</b>		
Income		
Operating margin	231,536	209,951
Financing income and expenses	-35,628	-40,947
Extraordinary items	29,410	9,160
Taxes	-4,212	-4,517
Minority interest from profit for the year	-42	-
	<b>221,064</b>	<b>173,647</b>
<b>Change in working capital</b>		
Inventories, increase (-), decrease (+)	10,136	-4,369
Current receivables, increase (-), decrease (+)	43,183	-34,470
Interest-free short-term debt, increase (+), decrease (-)	-39,144	28,406
	<b>14,175</b>	<b>-10,433</b>
<b>Cash flow from operations</b>	<b>235,239</b>	<b>163,214</b>
<b>Capital expenditure</b>		
Investments in fixed assets	-132,052	-275,332
Disposals of fixed assets	58,750	11,005
	<b>-73,302</b>	<b>-264,327</b>
<b>Cash flow before financing</b>	<b>161,937</b>	<b>-101,113</b>
<b>Financing</b>		
Increase (-), decrease (+) in long-term receivables	11,641	7,563
Increase (-), decrease (+) in current receivables	-3,811	-796
Decrease (-) in long-term loans	-95,354	-58,644
Increase (+), decrease (-) in current loans	-61,742	41,312
Dividend distribution	-3,468	-
Share issue	3,783	55,355
	<b>-148,951</b>	<b>44,790</b>
Calculated increase (+), decrease (-) in liquid funds	<b>12,986</b>	<b>-56,323</b>
Corrective item *)	<b>25,117</b>	<b>-18,821</b>
Balance sheet increase (+), decrease (-) in liquid funds	<b>38,103</b>	<b>-75,144</b>

\*) Change in obligatory provisions translation differences and minority interest.



# PARENT COMPANY INCOME STATEMENT



(FIM 1,000)	1 Jan. - 31 Dec. 1995	1 Jan. - 31 Dec. 1994
<b>Net sales</b>	<b>58,112</b>	52,116
Other operating income	<b>2,319</b>	6,472
Expenses:		
Materials and supplies:		
Purchases during period	-	5,536
Increase (-), decrease (+) in stocks	<b>6,089</b>	327
Personnel expenses (2)	<b>14,033</b>	11,477
Rentals	<b>2,966</b>	3,063
Other expenses	<b>21,775</b>	20,041
Total expenses	<b>-44,863</b>	-40,444
<b>Operating margin</b>	<b>15,568</b>	18,144
Depreciation: (3)		
On fixed assets and other long-term costs	<b>-31,023</b>	-29,096
<b>Operating loss</b>	<b>-15,455</b>	-10,952
Financing income and expenses:		
Dividend income	<b>1,731</b>	1,250
Avoir fiscal tax credit	<b>577</b>	417
Interest income on long-term investments	<b>221</b>	12,250
Other interest income	<b>19,111</b>	9,016
Other financing income	<b>4,163</b>	14,329
Interest expenses	<b>-30,913</b>	-32,104
Other financing expenses	<b>-3,419</b>	-9,645
Total financing income and expenses	<b>-8,529</b>	-4,487
<b>Loss before extraordinary items, provisions and taxes</b>	<b>-23,984</b>	-15,439
Extraordinary income and expenses: (5)		
Extraordinary income	<b>87,500</b>	49,070
Extraordinary expenses	<b>-1,723</b>	-3,022
Total extraordinary income and expenses	<b>85,777</b>	46,048
<b>Profit before reserves and taxes</b>	<b>61,793</b>	30,609
Decrease in accumulated depreciation difference	<b>159</b>	86
Direct taxes (6)	<b>-5,556</b>	-3,470
<b>Profit for the year</b>	<b>56,396</b>	27,225



# C O M P A N Y   B A L A N C E   S H E E T

(FIM 1,000)

31 Dec. 1995

31 Dec. 1994



## ASSETS

### Fixed assets and other long-terms investments

Intangible assets (9)		
Other long-term expensest	64,206	79,689
Advances paid	-	231
	64,206	79,920

Tangible assetst (9)		
Land and water areas	39,872	40,561
Buildings and structures	361,867	334,420
Machinery and equipment	4,561	3,916
Other tangible assets	2,584	2,746
	408,884	381,643

Securities and other long-term investments (8)		
Shares in subsidiary companies	66,727	32,778
Shares and holdings in associated companies	8,905	8,890
Other shares and holdings	33,097	69,891
Loans receivable	68,504	135,556
Consolidated loans	34,179	34,179
Other investments	-	167
	211,412	281,461

<b>Valuation items (12)</b>	<b>6,141</b>	<b>9,166</b>
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### Current assets (13)

Inventories		
Securities	9,233	15,322

Receivables		
On sales	2,567	2,356
On loans	260,738	178,260
Deferred assets	1,482	2,197
Share issue receivables	-	6
Other receivables	172	204
	264,959	183,023

Cash on hand and in banks	30,456	14,554
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	995,291	965,089
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# C O M P A N Y   B A L A N C E   S H E E T

(FIM 1,000)

31 Dec. 1995

31 Dec. 1994

## SHAREHOLDERS' EQUITY AND LIABILITIES

### Shareholders' Equity (15)

Restricted equity		
Share capital	69,362	68,952
Share issue	3,380	1,954
Reserve fund	214,486	212,540
Other restricted equity	116,816	116,816
	404,044	400,262

Non-restricted equity		
Prior year profits	23,757	-
Profit for the year	56,396	27,225
	80,153	27,225

### Reserves

Accumulated depreciation difference (16)	18,892	19,051
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### Liabilities

Long-term		
Convertible bonds	104,541	107,921
Loans from financial institutions	85,191	90,124
Pension loans	80,813	56,945
Other long-term debt	21,753	10,566
	292,298	265,556

### Current

Loans from financial institutions	33,942	84,675
Pension loans	6,048	4,239
Advances received	12	-
Accounts payable	2,795	2,370
Deferred liabilities	12,318	20,160
Other current liabilities	144,789	141,551
	199,904	252,995
	995,291	965,089



# PARENT COMPANY FUNDS STATEMENT

(FIM 1,000)	1995	1994
<b>Operations</b>		
Income		
Operating margin	15,568	18,144
Financing income and expenses	-8,529	-4,487
Extraordinary items	85,777	46,048
Taxes	-5,556	-3,470
	<b>87,260</b>	<b>56,235</b>
<b>Change in working capital</b>		
Inventories, increase (-), decrease (+)	6,089	327
Current receivables, increase (-), decrease (+)	541	4,743
Interest-free short-term debt, increase (+), decrease (-)	-7,761	-9,549
	<b>-1,131</b>	<b>-4,479</b>
<b>Cash flow from operations</b>	<b>86,129</b>	<b>51,756</b>
<b>Capital expenditure</b>		
Investments in fixed assets	-51,969	-21,327
Disposals of fixed assets	12,249	7,208
	<b>-39,720</b>	<b>-14,119</b>
<b>Cash flow before financing</b>	<b>46,409</b>	<b>37,637</b>
<b>Financing</b>		
Increase (-), decrease (+) in long-term receivables	67,219	-20,868
Increase (-), decrease (+) in current receivables	-82,479	-14,927
Increase (+), decrease (-) in long-term loans	29,768	-155,510
Increase (+), decrease (-) in current loans	-45,331	42,487
Dividend distribution	-3,468	-
Share issue	3,783	55,355
	<b>-30,508</b>	<b>-93,463</b>
Calculated increase (+), decrease (-) in liquid funds	<b>15,901</b>	<b>-55,826</b>
Change in obligatory provisions	-	-15,970
Balance sheet increase (+), decrease (-) in liquid funds	<b>15,901</b>	<b>-71,796</b>



# NOTES TO THE FINANCIAL STATEMENTS

## ACCOUNTING PRINCIPLES

### CONSOLIDATION

The consolidated accounts comprise the parent company Aamulehti Corporation and companies in which Aamulehti Corporation holds, directly or indirectly, more than 50 % of the share stock at the end of the financial period, or over which Aamulehti Corporation has the right of control.

Companies acquired during the accounting period are consolidated from the date of acquisition and companies divested during the period are consolidated up to the date of sale. Housing and real estate companies are not consolidated. Companies not consolidated in the annual accounts in no way prevent the Company from giving a true and

fair view of its performance and financial position.

The consolidated accounts have been prepared according to the purchase method whereby the acquisition costs of subsidiaries are eliminated against the shareholders' equity of the subsidiaries at the time of acquisition. The excess values generated by the difference between the acquisition price of the shares and the equity of the subsidiaries were allocated mainly to the balance sheet items concerned. The remainder of goodwill is depreciated over a period of 10 years.

Intragroup transactions, dividends, receivables, payables and the unrealized margins

on intragroup deliveries have been eliminated. Minority interest is shown as a separate item in the income statement and the balance sheet.

Associated companies are consolidated using the equity method. Goodwill (assets) is depreciated, and goodwill (liabilities) is charged to the income statement over 5 years. The income statements of foreign subsidiaries sold during the year have been translated into Finnish markka at the Bank of Finland's buying rate ruling on the date of sale. Due to divestments during the year the balance sheet contains no translation differences.

### COMPARABILITY WITH THE PREVIOUS YEAR

The net sales for the financial year have been adjusted to correspond with the guidelines issued by the National Accounting Board, in view of which a significant share of sales corrective items have been transferred to costs in the income statement. The same change has been made to the comparable years figures, accordingly.

In the consolidated balance sheet the

accumulated depreciation difference and voluntary provisions are for the first time presented under non-restricted shareholders' equity and calculated deferred liability. Correspondingly, the change in calculated tax liability is included under taxes in the consolidated income statement. The figures in the financial statements of the comparable year have been adjusted accordingly but

the result for the comparable year remains unadjusted. The comparable result for 1994 would have been FIM 67 million.

The presentation of certain items in the Notes has been clarified, and therefore comparable figures for 1994 differ in certain respects from the manner in which they were presented in the previous annual report.

### VALUATION OF INVENTORIES

The balance sheet value of inventories is the lower of direct acquisition cost or the probable market value. Inventories have

been periodized on a FIFO (first-in-first-out) basis. Securities included under inventories have been val-

ued at their purchasing price on the last day of trading, or at a lower price determined by the Company.

### FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS

Tangible and intangible assets have been capitalized at direct acquisition cost less planned depreciation. Revaluations are included in Fixed Assets in the balance sheet and their counter entries in Restricted Shareholders' Equity.

Planned depreciation has been calculated from the original acquisition cost based on the estimated economic life of

the asset as follows:

Buildings and structures  
30-40 years  
Machinery and equipment  
5-10 years  
Large rotation presses  
20 years  
Other long-term expenses  
5-10 years.



### FOREIGN CURRENCY ITEMS

Foreign currency items have been translated into Finnish markka and valued at the Bank of Finland's rate on the balance sheet date. Exchange rate differences arising from sales and purchases have

been treated as additions or subtractions respectively in the income statement. Realized and unrealized exchange rate differences related to long-term liabilities and arising during the accounting

period have been taken to Other Financial Income and Expenses in the income statement.

### PENSION COMMITMENTS

Statutory and voluntary employee pension benefits are arranged partly through the Company's own pension funds and partly

through pension insurance companies. Uncovered pension commitments shown in the balance sheet will be booked as ex-

penses up to the year 2000.

# NOTES TO THE FINANCIAL STATEMENTS

(FIM 1,000)

## 1. NET SALES

Net sales by division	Group	
	1995	1994
Alpress	753,928	730,955
Alprint	772,430	734,769
Aldata	120,303	159,420
Alexpress	6,388	7,758
Lapin Kansa *)	11,085	-
Parent company	58,112	52,116
Intragroup sales	-288,923	-273,233
<b>Total</b>	<b>1,433,323</b>	<b>1,411,785</b>

\*) Net sales for 2 months

Net sales by market area	Group		Parent Company	
	1995	1994	1995	1994
Finland	1,435,817	1,452,524	58,112	52,116
Other Nordic countries	127,102	152,945	-	-
Russia	132,741	54,135	-	-
Other countries	26,586	25,414	-	-
Intragroup sales	-288,923	-273,233	-	-
<b>Total</b>	<b>1,433,323</b>	<b>1,411,785</b>	<b>58,112</b>	<b>52,116</b>

## 2. PERSONNEL COSTS

	Group		Parent Company	
	1995	1994	1995	1994
Wages, salaries and benefits	366,989	381,940	8,315	7,433
Pension costs *)	70,509	67,753	4,783	2,748
Other staff-related costs **)	43,918	44,176	935	1,296
<b>Personnel costs in income statement</b>	<b>481,416</b>	<b>493,869</b>	<b>14,033</b>	<b>11,477</b>
Benefits in kind (taxation value)	8,295	9,629	651	489

\*) Includes pension insurance premiums and transfers to pension funds to cover pension commitment.

\*\*\*) Includes obligatory personnel costs.

Salaries and fees to members of the Supervisory Board, Board of Directors and presidents	8,602	8,650	1,875	1,746
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## 3. PLANNED DEPRECIATION

	Group		Parent Company	
	1995	1994	1995	1994
Establishment and restructuring expenses	-	185	-	-
Intangible assets	65	23	-	-
Other long-term expenses	20,890	20,836	15,900	15,889
Buildings and structures	15,108	14,618	13,323	11,560
Machinery and equipment	70,477	69,378	1,638	1,486
Other tangible assets	951	1,205	162	162
<b>Total</b>	<b>107,491</b>	<b>106,245</b>	<b>31,023</b>	<b>29,097</b>
Depreciation on goodwill	1,610	863	-	-
<b>Total</b>	<b>109,101</b>	<b>107,108</b>		



#### 4. FINANCING INCOME AND EXPENSES

	Group		Parent Company	
	1995	1994	1995	1994
Financing income received from Group companies				
Interest income on long-term investments			-	11,750
Other interest income			16,318	7,210
Financing expenses paid to Group companies				
Interest expenses			10,414	7,960
Exchange rate differences				
Gains	4,164	14,778	4,163	14,329
Losses	-1,569	-7,760	-1,561	-7,461

#### 5. EXTRAORDINARY INCOME AND EXPENSES

	Group		Parent Company	
	1995	1994	1995	1994
Extraordinary income				
Returned expense items	-	8,000	-	8,000
Gains on sale of fixed assets	30,068	4,000	-	3,170
Group contributions received	-	-	87,500	37,900
Other extraordinary income	1,733	203	-	-
	31,801	12,203	87,500	49,070
Extraordinary expenses	-2,391	-3,044	-1,723	-3,022

#### 6. TAXES

	Group		Parent Company	
	1995	1994	1995	1994
Taxes for the year	-7,355	-902	-5,574	-
Taxes from prior years	141	-3,615	18	-3,470
Computed change in deferred tax liability	3,002	-	-	-
	-4,212	-4,517	-5,556	-3,470

#### 7. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs were FIM 11.2 million. No research and development costs were capitalized..

#### 8. GROUP AND PARENT COMPANY SHARES AND HOLDINGS

##### Group companies owned by Parent Company

Company/domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company			
			Ownership %	Number	Nominal value	Book value
Alprint Oy, Vantaa	100.0	100.0	100.0	20,000	20,000	20,000
As. Oy Kauppa-Aukio, Tampere	100.0	100.0	100.0	125,000	6,000	16,516
Lapin Kansa Oy, Rovaniemi	60.0	56.3	25.2	75,621	1,512	17,432
Alpress Oy, Tampere	100.0	100.0	90.1	10,000	10,000	11,200
Suomen Aldata Oy, Helsinki	100.0	100.0	100.0	10,000	1,000	1,000
Somy Oy, Tampere	100.0	100.0	100.0	100	1	203
Tampereen Seudun Paikallisradio Oy, Tre	100.0	100.0	100.0	15,000	1,500	101
Alexpress Oy, Tampere	100.0	100.0	100.0	10	100	100
Tampereen Viestintä Oy, Tampere	100.0	100.0	100.0	10	100	100
Marcenter Oy, Tampere	100.0	100.0	100.0	1,500	15	15
Marsania Oy, Tampere	100.0	100.0	100.0	1,500	15	15
Minara-tek Oy, Tampere	100.0	100.0	100.0	1,500	15	15
Nanomet Oy, Tampere	100.0	100.0	100.0	1,500	15	15
Sovartek Oy, Tampere	100.0	100.0	100.0	1,500	15	15
Kiint. Oy Veneentekijäntie 20, Helsinki	91.0	91.0	91.0	18,788	93	0
Kiint. Oy Doraprint, Orimattila	100.0	100.0	100.0	1,836	55	0

66,727

## Group companies owned through subsidiaries

Company/domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company			Book value
			Ownership %	Number	Nominal value	
Lapin Kansa Oy, Rovaniemi	60.0	56.3	31.1	93,254	1,865	38,402
Tampereen Kirjapaino Oy, Tampere	100.0	100.0	100.0	3,000	30,000	30,002
Kustannus Oy Aamulehti, Tampere	100.0	100.0	100.0	20,000	20,000	20,000
Suomalainen Lehtipaino Oy, Vantaa	100.0	100.0	100.0	20,000	20,000	20,000
Algraphics Oy, Tampere	100.0	100.0	100.0	25,000	25,000	17,049
Kiint. Oy Liike- ja Autokulma, Rovaniemi	47.5	44.6	79.2	5,940	594	7,696
Valkeakosken Sanomat Oy	99.6	99.6	99.6	119,548	1,195	3,857
Kustannusosakeyhtiö Iltalehti, Vantaa	100.0	100.0	100.0	3,000	3,000	3,001
Kustannusosakeyhtiö Kauppalehti, Vantaa	100.0	100.0	100.0	3,000	3,000	3,001
Alpress Oy, Tampere	100.0	100.0	9.9	1,100	1,100	2,000
Data Check Oy, Helsinki	100.0	100.0	100.0	2,000	2,000	2,000
Suomen Paikallissanomat Oy, Tampere	100.0	100.0	100.0	1,200	1,200	1,200
PG-Yhtiöt Oy, Helsinki	100.0	100.0	100.0	10,000	1,000	1,016
Tietovoima Oy, Helsinki	100.0	100.0	100.0	10,000	1,000	1,000
Pyhäjokiseudun Kirjapaino Oy, Oulainen	100.0	100.0	100.0	2,000	200	200
Arctic Press Oy, Rovaniemi	60.0	56.3	100.0	830	83	67
Oy Yhteisjakelu Ab, Vantaa	100.0	100.0	100.0	50	50	51
Kustannus Oy Uusi Suomi, Vantaa	100.0	100.0	100.0	15	15	15
Paragon-Tarra Oy, Helsinki	100.0	100.0	100.0	1,000	100	0
						150,557

## Associated companies owned by Parent Company

Company/domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company			Book value
			Ownership %	Number	Nominal value	
Tampereen Tietoverkko Oy, Tampere	34.8	34.8	34.8	836	4,180	4,580
Suomen Tietotoimisto Oy, Helsinki	24.1	24.1	24.1	36,662	440	105
Nokian Uutistalo Oy, Nokia *)	36.9	36.9	36.9	36,921	37	1,481
Kiint. Oy Keuruun Tervaportti, Keuruu *)	28.2	28.2	28.2	299	30	1,239
Kiint. Oy Kylmäsenkulma, Kemijärvi *)	20.3	20.3	20.3	5,065	50	1,185
Kytöpiirtti Oy, Seinäjoki *)	43.2	43.2	43.2	3,150	315	315
						8,905

## Associated companies owned through subsidiaries

Company/domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company			Book value
			Ownership %	Number	Nominal value	
As. Oy Vammalan Reku *)	21.0	21.0	21.0	293	114	1,413
Kiint. Oy Roivatro, Rovaniemi *)	20.7	20.7	20.7	116	1	109
Kustannus Oy Otsikko, Tampere	34.2	34.2	34.2	29,800	18	0
						1,522

The financial period of associated companies consolidated in the Group accounts is 12 months. The balance sheet date was 31 December 1995 for all companies except Kustannus Oy Otsikko, whose accounts were closed on 28 February 1995.

\*) Not consolidated

## Other shares and holdings owned by the Parent Company

	Group ownership %	Shares owned by Parent Company			Book value
		Ownership %	Number	Nominal value	
WSOY, A 48,115 shares, B 9,623 shares, Helsinki	0.5	0.5	57,738	577	16,550 **)
As. Oy Viiskulma, Helsinki	4.3	4.3	7	35	3,810
As. Oy Kaskiniitty, Espoo	15.0	15.0	2,838	28	2,889
Talentum Oy, Helsinki	3.2	2.1	83,008	415	2,534
MTV Oy, Helsinki	4.0	3.3	1,833	917	2,490

\*\*) Stock exchange value 3,512

	Group ownership %	Shares owned by Parent Company			Book value
		Ownership %	Number	Nominal value	
As. Oy Hämeenpuisto 41, Tampere	4.3	4.3	5,647	56	1,209
As. Oy Verkavirta, Tampere	2.1	2.1	2,061	2	866
As. Oy Vaasan Koulukatu 36, Vaasa	3.0	3.0	1,605	16	411
La Siesta De Calahonda, Spain	-	-	-	-	389
Lippupalvelu Oy, Helsinki	4.8	4.8	150	6	300
Kiint. Oy Jämsän Sarkala, Jämsä	9.3	9.3	810	2	233
Datatie Oy, Helsinki	4.6	4.6	30	150	215
Helsingin Arvopaperipörssi Oy, Helsinki	-	-	1	150	150
Kiint. Oy Kurun Koivulehto, Kuru	13.7	13.7	1,235	124	134
Radiolinja Oy Ab, Helsinki	0.6	0.6	20	100	100
Suomen Uusvisio Oy, Helsinki	5.4	5.4	2	100	100
Other shares and holdings	-	-	-	-	717
					33,097
<b>Owned through subsidiaries</b>					<b>20,126</b>

Information on shares owned by the Group is abbreviated from the official financial statements.

## 9. TANGIBLE AND INTANGIBLE ASSETS

Intangible assets	Group		Parent Company	
	1995	1994	1995	1994
Intangible rights:				
Acquisition cost 1 Jan.	210	7	-	-
Increases 1 Jan. - 31 Dec.	342	203	-	-
Decreases 1 Jan. - 31 Dec.	-19	-	-	-
Acquisition cost 31 Dec.	533	210	-	-
Acc. planned depreciation 31 Dec.	-137	-24	-	-
Book value 31 Dec.	396	186	-	-
Goodwill:				
Acquisition cost 1 Jan.	1,801	1,801		
Increases 1 Jan. - 31 Dec.	22,765	-		
Decreases 1 Jan. - 31 Dec.	-	-		
Acquisition cost 31 Dec.	24,566	1,801		
Acc. planned depreciation 31 Dec.	-2,279	-670		
Book value 31 Dec.	22,287	1,131		
Other long-term expenses:				
Acquisition cost 1 Jan.	169,183	157,197	142,810	142,728
Increases 1 Jan. - 31 Dec.	11,791	16,294	417	82
Decreases 1 Jan. - 31 Dec.	-4,086	-4,308	-	-
Acquisition cost 31 Dec.	176,888	169,183	143,227	142,810
Acc. planned depreciation 31 Dec.	-97,406	-73,922	-79,021	-63,121
Book value 31 Dec.	79,482	95,261	64,206	79,689
Advances paid:				
Acquisition cost 1 Jan.	760	36,179	231	52
Increases 1 Jan. - 31 Dec.	420	708	-	179
Decreases 1 Jan. - 31 Dec.	-760	-36,127	-231	-
Acquisition cost 31 Dec.	420	760	-	231
Book value 31 Dec.	420	760	-	231

**Tangible assets**

	Group		Parent Company	
	1995	1994	1995	1994
<b>Land and water areas:</b>				
Acquisition cost 1 Jan.	43,177	43,199	40,561	40,561
Increases 1 Jan. - 31 Dec.	6,183	131	-	-
Decreases 1 Jan. - 31 Dec.	-689	-153	-689	-
Acquisition cost 31 Dec.	48,671	43,177	39,872	40,561
Book value 31 Dec.	48,671	43,177	39,872	40,561
<b>Revaluations in acquisition cost:</b>				
Revaluations 1 Jan.	5,400	5,400	5,400	5,400
Revaluations 31 Dec.	6,654	5,400	5,400	5,400
<b>Buildings and structures:</b>				
Acquisition cost 1 Jan.	450,959	411,815	378,690	378,520
Increases 1 Jan. - 31 Dec.	87,530	39,158	40,777	170
Decreases 1 Jan. - 31 Dec.	-36,606	-14	-10	-
Acquisition cost 31 Dec.	501,883	450,959	419,457	378,690
Acc. planned depreciation 31 Dec.	-78,734	-58,492	-57,590	-44,271
Book value 31 Dec.	423,149	392,467	361,867	334,419
<b>Revaluations in acquisition cost</b>				
Revaluations 1 Jan.	120,600	120,600	117,600	117,600
Revaluations 31 Dec.	122,984	120,600	117,600	117,600
<b>Machinery and equipment:</b>				
Acquisition cost 1 Jan.	685,630	352,355	8,190	7,418
Increases 1 Jan. - 31 Dec.	134,958	386,466	2,454	990
Decreases 1 Jan. - 31 Dec.	-59,020	-53,191	-467	-218
Acquisition cost 31 Dec.	761,568	685,630	10,177	8,190
Acc. planned depreciation 31 Dec.	-329,039	-223,419	-5,616	-4,274
Book value 31 Dec.	432,529	462,211	4,561	3,916
Share of machinery and equipment in book value 31 Dec.	359,822	440,119	-	-
<b>Other tangible assets:</b>				
Acquisition cost 1 Jan.	13,561	5,876	3,510	3,209
Increases 1 Jan. - 31 Dec.	781	8,792	-	301
Decreases 1 Jan. - 31 Dec.	-4,412	-1,107	-	-
Acquisition cost 31 Dec.	9,930	13,561	3,510	3,510
Acc. planned depreciation 31 Dec.	-3,078	-2,876	-926	-764
Book value 31 Dec.	6,852	10,685	2,584	2,746
<b>Advances paid and projects in progress:</b>				
Acquisition cost 1 Jan.	6,847	78,020	-	-
Increases 1 Jan. - 31 Dec.	13,722	7,350	-	-
Decreases 1 Jan. - 31 Dec.	-4,846	-78,523	-	-
Acquisition cost 31 Dec.	15,723	6,847	-	-
Book value 31 Dec.	15,723	6,847	-	-

**10. TAXATION VALUES OF FIXED**

	Group		Parent Company	
	1995	1994	1995	1994
Real estate	221,692	193,236	175,076	170,396
Shares and holdings	168,706	115,418	75,993	70,763
Book value used if taxation value not available				



## 11. LONG-TERM INVESTMENTS/GROUP AND ASSOCIATED COMPANIES

	Group		Parent Company	
	1995	1994	1995	1994
Group companies				
Shares in subsidiary companies			66,727	32,778
Loans receivable			64,497	122,217
Consolidated loans			34,178	34,178
Associated companies				
Book value	10,427	10,747	8,905	8,890
Group entries	4,275	2,529		
Group balance sheet value	14,702	13,276		
Consolidated loans	-	1,261	-	-
Other investments	-	167	-	167

## 12. VALUATION ITEMS

	Group		Parent Company	
	1995	1994	1995	1994
Share of pension commitment not booked as expense on 1 Jan.	19,695	-	9,166	-
Change 1 Jan. - 31 Dec.	-4,048	19,695	-3,025	9,166
Share of pension commitment not booked as expense on 31 Dec.	15,647	19,695	6,141	9,166

The pension liabilities will be recorded as expenses until the year 2000.

## 13. CURRENT ASSETS

Difference between acquisition cost of shares and holdings and their market value	Group		Parent Company	
	1995	1994	1995	1994
Market value	13,313	15,353	9,405	15,353
Corresponding book value	12,995	15,322	9,233	15,322
Difference	318	31	172	31
Receivables from Group companies			Parent Company	
			1995	1994
Accounts receivable			1,879	1,582
Loans receivable			260,662	178,182
Deferred assets			-	4
Total			262,541	179,768
Receivables from associated companies	Group		Parent Company	
	1995	1994	1995	1994
Accounts receivable	22	1	22	1
Loans receivable	76	279	76	76
Deferred assets	167	200	167	200
	265	480	265	277

Receivables from other than Group and associated companies include MFIM 6.64 (Parent Company owed MFIM 3.56 and PG-Yhtiöt Oy owed MFIM 3.08) receivable from Oy Suomalainen Rahoitus Scanleasing Ab, which went bankrupt. The amount receivable corresponds to the share which the bankruptcy estate announced it would pay from the estate.

## 14. PENSION LIABILITIES AND LOANS GRANTED TO MANAGEMENT

According to agreements, the presidents of the parent company and four other Group companies are entitled to retire on reaching 60 years of age.

The balance sheet contains no financial loans to the parent company or Group management.

## 15. SHAREHOLDERS' EQUITY

	Group		Parent Company	
	1995	1994	1995	1994
<b>Restricted equity</b>				
Share capital on 1 Jan.	68,952	58,962	68,952	58,962
Warrants exercised	259	4,889	259	4,889
Bonds converted	151	5,101	151	5,101
Share capital on 31 Dec.	69,362	68,952	69,362	68,952
Share issue 1 Jan.	1,954	-	1,954	-
Warrants exercised	-	1,351	-	1,351
Bonds converted	3,380	603	3,380	603
Registered warrants exercised	-1,351	-	-1,351	-
Registered bonds converted	-603	-	-603	-
Share issue 31 Dec	3,380	1,954	3,380	1,954
Reserve fund on 1 Jan	212,540	221,715	212,540	221,715
Used to cover loss	-	-52,587	-	52,587
Issue premium from exercised warrants	1,494	28,109	1,494	28,109
Issue premium from converted bonds	452	15,303	452	15,303
Share issue 31 Dec.	214,486	212,540	214,486	212,540
Revaluation fund on 1 Jan.	116,816	116,816	116,816	116,816
Revaluation fund on 31 Dec.	116,816	116,816	116,816	116,816
Other restricted equity on 1 Jan. *)	45	209	-	-
Change	-45	-164	-	-
Other restricted equity on 31 Dec.	-	45	-	-
<b>Restricted equity on 31 Dec.</b>	<b>404,045</b>	<b>400,307</b>	<b>404,045</b>	<b>400,262</b>
<b>Non-restricted equity</b>				
Non-restricted equity on 1 Jan	36,757	-107,765	27,225	-52,587
Used to cover loss	-	52,587	-	52,587
Accumulated depreciation difference + reserves **)	-	23,387	-	-
Other change in non-restricted equity	-	245	-	-
Dividend distribution	-3,468	-	-3,468	-
Profit for the year	111,963	68,303	56,395	27,225
<b>Non-restricted equity 31 Dec.</b>	<b>145,252</b>	<b>36,757</b>	<b>80,152</b>	<b>27,225</b>

\*) Translation differences

\*\*\*) Accumulated depreciation difference and voluntary provisions less computed deferred tax liability (25 %).

Parent Company share capital	31.12.1995	31.12.1995	31.12.1994	31.12.1994
	Number	FIM	Number	FIM
Series I (1 vote/share)	4,155,585	41,555,850	4,155,585	41,555,850
Series II (1 vote/10 shares)	2,780,663	27,806,630	2,739,608	27,396,080
<b>Total</b>	<b>6,936,248</b>	<b>69,362,480</b>	<b>6,895,193</b>	<b>68,951,930</b>

The Company held no own shares.

## 16. PARENT COMPANY ACCUMULATED DEPRECIATION DIFFERENCE

	Acc. dep. diff.	Change in diff. 1.Jan.-	Acc. dep. diff.	Change in diff. 1 Jan. -
	31 Dec. 1995	31.Dec.1995	31 Dec. 1994	31 Dec. 1994
<b>Intangible assets</b>				
Other long-term expenses	7	-	7	7
<b>Tangible assets</b>				
Buildings and structures	19,232	90	19,142	-175
Machinery and equipment	-347	-249	-98	82
<b>Total</b>	<b>18,892</b>	<b>-159</b>	<b>19,051</b>	<b>-86</b>

**17. ACCUMULATED DEPRECIATION DIFFERENCE OF GROUP COMPANIES AND VOLUNTARY PROVISIONS**

	1995	1994
Accumulated depreciation difference	37,119	27,517
Voluntary provisions	11,025	3,666
<b>Total</b>	<b>48,144</b>	<b>31,183</b>
Included in Group balance sheet		
In non-restricted shareholders' equity	34,664	23,387
In computed deferred tax liability	13,480	7,796
Tax rate used	28 %	25 %

**18. OBLIGATORY PROVISIONS**

	Group		Parent Company	
	1995	1994	1995	1994
Reserve to cover rents on unoccupied properties	2,311	-	-	-
Other obligatory provisions	1,916	1,735	-	-
<b>Total</b>	<b>4,227</b>	<b>1,735</b>	<b>-</b>	<b>-</b>

**19. LIABILITIES**

Liabilities due for payment in five years or more	Group		Parent Company	
	1995	1994	1995	1994
Loans from financial institutions	9,461	62,657	9,461	12,032
Pension loans	273,946	280,641	60,640	42,715
Other long-term loans	2,982	28,175	21,753	9,166
<b>Total</b>	<b>286,389</b>	<b>371,473</b>	<b>91,854</b>	<b>63,913</b>
Debts to Group companies			Parent Company	
			1995	1994
Advances received			6	-
Current accounts payable			741	874
Deferred liabilities			44	61
Other current debt			142,676	138,378
<b>Total</b>			<b>143,467</b>	<b>139,313</b>
Debts to associated companies			Parent Company	
			1995	1994
Other long-term debt	-	285	-	-
Deferred liabilities	6	2	6	2
	6	287	6	2
Bond with warrants 1994 - 1998, FIM 128,928, interest 6 %			Parent Company	
			1995	1994
Principal on 31 Dec.	104,541	107,921	104,541	107,921

Each bond (nominal value FIM 1000) entitles its holder to subscribe for twenty-five (25) Aamulehti Corporation Series II shares. Conversion of all the bonds would increase the number of Series II shares by 3,223,200 shares and the share capital by FIM 32,232,000. The conversion period is 3 January 1994 - 18 November 1998. By 31 December 1995 24,387 bonds had been converted into shares, raising the number of Series II shares by 609,675 shares. By 31 December 1995 altogether 525,175 converted shares had been registered and 84,500 remained unregistered.

## 20. PLEDGES AND CONTINGENT LIABILITIES

	Group		Parent Company	
	1995	1994	1995	1994
Against own debt				
Assets pledged	22,498	29,091	15,669	21,232
Mortgages	303,410	409,260	166,900	178,900
Against debt of Group company				
Mortgages	-	-	102,800	109,400
Guarantees	-	-	223,547	272,106
On behalf of others				
Mortgages	14,700	64,800	14,700	64,800
Guarantees	12,883	7,817	12,883	7,817
Other own commitments				
Leasing commitments	3,519	7,361	28	-
Buyback commitments	811	481	-	25
Other commitments	4,235	4,436	4,100	4,100
Total				
Pledges	22,498	29,091	15,669	21,232
Mortgages	318,110	474,060	284,400	353,100
Guarantees	12,883	7,817	236,430	279,923
Other commitments	8,565	12,278	4,128	4,125
Total	362,056	523,246	540,627	658,380
Group leasing payments fall due:	Group	Parent Company		
In 1996	2,107	23		
After 1996	1,412	5		



## PROPOSAL BY THE BOARD

On 31 December 1995 the Group's non-restricted equity was FIM 145,252,507.31, of which distributable funds comprised FIM 110,588,688.71. The Parent Company's non-restricted equity was FIM 80,152,330.26. There were 7,020,748 shares with entitlement to dividend.

The Board of Directors proposes to the annual shareholders' meeting that a dividend of FIM 2.50 per share be paid, ie FIM 17,551,870.00 and that the remainder of the year's profit FIM 38,843,809.62 be retained.

Tampere, 27 February 1996

	Axel Cedercreutz	
Matti Häkkinen		Yrjö Niskanen
Olli Parola		Erkki Solja
	Matti Packalén	
	President and CEO	

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## AUDITORS' REPORT

To the shareholders of Aamulehti Corporation Ltd

We have audited the accounting records, the financial statements and the administration of Aamulehti Corporation for the financial year 1995. The financial statements, which include the report by the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on the company's administration.

We have conducted the audit in accordance with the Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures 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 administration is to examine that the Supervisory Board, the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies Act.

In our opinion the financial statements have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position. The financial statements can be adopted and the members of the Supervisory Board, the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal made by the Board of Directors on how to deal with the retained earnings is in compliance with the Finnish Companies Act.

Tampere February 28, 1996

KPMG WIDERI OY AB

Mauri Palvi  
Authorized Public  
Accountant

Veijo Kantee  
Bachelor of Science  
(Econ.)

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## STATEMENT BY THE SUPERVISORY BOARD

After examining the 1995 financial statements of Aamulehti Group and Aamulehti Corporation and the Auditors' Report, the Supervisory Board recommends that the financial state-

ments be approved and that the retained earnings for the year be dealt with in the manner proposed by the Board of Directors.

Tampere, 5 March 1996

On behalf of the Supervisory Board

Timo Lepistö  
Chairman

Kirsti Pohjonen

# AAMULEHTI GROUP 1991 - 1995

		1995	1994	1993	1992	1991
Net sales	MFIM	1,433	1,412	1,363	1,430	1,584
Exports and foreign operations	MFIM	286	232	210	176	124
Operating margin	MFIM	231	210	168	114	57
% of net sales	%	16.1	14.9	12.3	8.0	3.6
Operating profit/loss	MFIM	122	103	65	-14	-71
% of net sales	%	8.5	7.3	4.8	-1.0	-4.5
Profit/loss before extraordinary items	MFIM	87	62	-21	-104	-144
% of net sales	%	6.1	4.4	-1.5	-7.3	-9.1
Overall result	MFIM	112	67	-49	-218	-192
% of net sales	%	7.8	4.7	-3.6	-15.2	-12.1
Return on equity (ROE)	%	16.4	15.3	neg.	neg.	neg.
Return on capital employed (ROI)	%	11.7	11.1	6.9	1.9	neg.
Capital expenditure	MFIM	109	276	73	74	218
% of net sales	%	7.6	19.5	5.4	5.2	13.8
Self-financed investments %	%	301.6	65.7	242.9	0.0	0.0
Net financing expenses	MFIM	36	41	86	89	73
% of net sales	%	2.5	2.9	6.3	6.2	4.6
Interest margin		6.0	4.4	2.4	1.6	1.1
Current ratio		1.1	0.8	1.1	1.0	1.0
Solvency ratio	%	41.4	30.3	23.9	24.9	29.2
Interest-bearing liabilities MFIM	Mmk	581	761	782	797	866
Total assets MFIM	Mmk	1,417	1,480	1,346	1,430	1,643
Full-time personnel, average		1,994	2,212	2,408	2,769	3,640
+ newspaper deliverers (part-time)		568	615	777	890	900
Total personnel, average		2,562	2,827	3,185	3,659	4,540

## CALCULATION OF KEY INDICATORS:

Overall result	=	Profit/loss for the year +/- provisions	
Return on shareholders' equity (ROE) (%)	=	Profit/loss before extraordinary items - taxes for period	x 100
		Shareholders' equity + minority interests + accumulated provisions (Average for the accounting period)	
Return on investment (ROI) (%)	=	Profit/loss before extraordinary items + interest and other financing expenses	x 100
		Balance sheet total - interest-free liabilities (Average for the accounting period)	
Self-financed investments %	=	Income from funds statement	x 100
		Net capital expenditure	
Interest margin	=	Operating margin	
		Net interest expenses	
Current ratio	=	Current assets	
		Current liabilities	
Solvency ratio (%)	=	Shareholders' equity + minority interests	x 100
		Balance sheet total - advances received	

# S H A R E I N D I C A T O R S

		1995	1994	1993	1992	1991
Earnings per share *)	FIM	9.14	9.35	-3.73	-17.67	-23.39
Overall result per share *)	FIM	12.23	10.84	-8.19	-36.49	-32.06
Dividend distribution **)	FIM	17,552	3,468	-	-	-
Nominal dividend per share **)	FIM	2.50	0.50	-	-	-
Adjusted dividend per share **)	FIM	2.50	0.50	-	-	-
Effective dividend yield, Series I, %	%	2.5	0.6	-	-	-
Effective dividend yield, Series II, %	%	2.7	0.6	-	-	-
P/E ratio, Series I		10.8	9.4	-	-	-
P/E ratio, Series II		10.0	9.0	-	-	-
Shareholders' equity per share	FIM	79.20	63.39	52.66	58.26	79.61
Market capitalization, Series I	MFIM	411	366	204	212	345
Market capitalization, Series II	MFIM	253	230	80	33	70
Market capitalization, total	MFIM	664	596	284	245	415
Adjusted number of Series I shares at 31 Dec. (x 1,000)		4,155	4,155	4,155	4,155	4,155
Adjusted number of Series II shares at 31 Dec. (x 1,000)		2,781	2,740	1,820	1,820	1,820
Adjusted number of shares at 31 Dec., total (x 1,000)		6,936	6,895	5,975	5,975	5,975
Adjusted number of Series I shares, average (x 1,000)		4,155	4,155	4,155	4,155	4,155
Adjusted number of Series II shares, average (x 1,000)		2,775	1,984	1,820	1,820	1,820
Adjusted number of shares, average, total (x 1,000)		6,930	6,139	5,975	5,975	5,975
Relative turnover, Series I %	%	14.0	20.9	4.9	1.7	0.4
Relative turnover, Series II %	%	56.2	120.2	10.3	0.5	0.6
Average prices/adjusted, Series I						
Highest	FIM	110.00	110.00	51.00	73.00	250.00
Lowest	FIM	75.00	50.00	35.00	24.00	65.00
Average	FIM	91.93	68.81	41.80	45.09	134.44
Price on 31 Dec.	FIM	99.00	88.00	49.00	51.00	83.00
Average prices/adjusted, Series II						
Highest	FIM	102.00	110.00	44.00	43.04	77.00
Lowest	FIM	65.50	46.00	16.74	13.87	18.17
Average	FIM	88.67	67.86	26.19	26.33	55.09
Price on 31 Dec.	FIM	91.00	84.00	44.00	18.17	38.26

\*) Figures for 1995 are adjusted for the diluting effect of the convertible bond loan.

\*\*\*) Proposal of the Board of Directors for 1995.

## CALCULATION OF SHARE INDICATORS

Earnings per share	=	$\frac{\text{Profit/loss before extraordinary items - minority interest on profit for the period} + \text{minority interest on loss for period} - \text{taxes}}{\text{Average number of shares adjusted}}$
Overall result per share	=	$\frac{\text{Profit/loss before extraordinary items} - \text{taxes}}{\text{Average number of shares adjusted}}$
Nominal dividend per share	=	Dividend per share approved by AGM. For last year, this was the Board's proposal to the AGM
Adjusted dividend per share	=	$\frac{\text{Total dividend for accounting period}}{\text{Adjusted number of share on 31 Dec.}}$
Dividend/Overall result	=	$\frac{\text{Dividend per share for accounting period}}{\text{Profit/loss before extraordinary items} + \text{minority interest on profit for the period} - \text{taxes}} \times 100$
Effective dividend yield (%)	=	$\frac{\text{Adjusted dividend per share}}{\text{Adjusted share price}} \times 100$
Price/earnings (P/E) ratio	=	$\frac{\text{Adjusted share price on 31 Dec.}}{\text{Earnings per share}}$
Shareholders' equity per share	=	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on 31 Dec.}}$
Market capitalization of share stock	=	Number of shares x share price on 31 Dec

*Aamulehti Corporation Board of Directors. Seated from left, Yrjö Niskanen and Axel Cedercreutz; standing from left, Erkki Solja, Matti Häkkinen and Olli Parola.*



*Aamulehti Group Executive Board. Seated from left, Pekka Junnila, Ritva Sallinen, Matti Packalén, Risto Takala; standing from left, Ahti Martikainen, Esa Norhomaa, Eero Mörä and Jaakko Nieminen.*



**GROUP EXECUTIVE BOARD**

**Matti Packalén**, b. 1947  
President and CEO  
Chairman since 1992

**Pekka Junnila**, b. 1941  
Executive Vice President  
President, Alpress  
Member since 1992

**Risto Takala**, b. 1944  
Executive Vice President  
President, Alprint  
Member since 1992

**Jaakko Nieminen**, b. 1941  
Senior Vice President,  
Corporate Development  
Member since 1992

**Esa Norhomaa**, b. 1945  
Senior Vice President,  
President Aldata and Alexpress  
Member since 1992

**Ritva Sallinen**, b. 1949  
Senior Vice President, Finance  
Member since 1992

**Eero Mörä**, b. 1953  
General Counsel  
Secretary to the Group Executive Board  
since 1992

**Ahti Martikainen**, b. 1959  
Vice President, Corporate Communications



## BOARD OF DIRECTORS

	Director since	Term of office expires
<b>Axel Cedercreutz</b> , b. 1939 Industrial Councillor, Baron Chairman since 1992	1992	1996
<b>Yrjö Niskanen</b> , b. 1932 MSc (Econ.) President, Chairman of the Boards until 29 Feb. 1996 The Pohjola Group Deputy Chairman since 1995	1994	1996
<b>Matti Häkkinen</b> , b. 1946 LLB	1992	1997
<b>Olli Parola</b> , b. 1934 President and CEO, United Paper Mills	1995	1997
<b>Erkki Solja</b> , b. 1954 Managing Director, Kiilto Oy	1995	1998

Erkki Solja, who was in turn for retirement at the end of 1995 was re-elected to the Board of Directors for the term 1996-98. The terms of office of the members of the Board of Directors expire at the end of the third financial year after election.

## SUPERVISORY BOARD

	Director since	Term of office expires
<b>Timo Lepistö</b> , b. 1937 Rector Tampere University of Technology Chairman since 8 March 1995	1990	1997
<b>Matti Peltonen</b> , b. 1929 Professor Chairman until 8 March 1995	1981	1997
<b>Tapio Aaltio</b> , b. 1962 MSc (Eng.)	1995	1997
<b>Arjo Anttila</b> , b. 1932 DSc H.C.	1991	1996
<b>Kari Asikainen</b> , b. 1957 Journalist Employee representative	1994	1996
<b>Bengt Braun</b> , b. 1946 Group President and CEO Tidnings AB Marieberg	1995	1998
<b>Ilmari Dunder</b> , bs. 1947 LLM	1986	1996
<b>Asko Haapaniemi</b> , b. 1943 Offset printer Employee representative	1990	1996
<b>Sakari Haukka</b> , b. 1939 MA	1988	1998
<b>Gustav von Herten</b> , b. 1930 MSc (Eng.)	1990	1998

	Director since	Term of office expires
<b>Matti Järventie</b> , b.1950 Managing Director Federation of the Finnish Textile Industries	1995	1996
<b>Asmo Kalpala</b> , b.1950 Chief Executive Officer Tapiola Insurance Group	1990	1998
<b>Pentti Kivinen</b> , b. 1943 Managing Director The Finnish Fair Corporation	1990	1997
<b>Esko Koivusalo</b> , b. 1936 MA	1988	1998
<b>Pauli Komi</b> , b. 1936 Chairman and Chief Executive Officer OKOBANK Oy	1990	1997
<b>Matti Korhonen</b> , s. 1939 Senior Vice President, Merita Bank Ltd	1995	1996
<b>Alpo Korkeela</b> , s. 1940 MA (Soc.Sc)	1991	1996
<b>Timo Peltola</b> , b. 1946 Chief Executive Officer, Huhtamäki Oy	1993	1998
<b>Heikki Pentti</b> , b. 1946 Chairman, Lemminkäinen Oy	1993	1998
<b>Kirsti Pohjonen</b> , b. 1946 Journalist Employee representative	1994	1996
<b>Jukka Rantala</b> , b. 1951 Chief Executive Officer, Ph.D. member of the Board Pohjola Group	1994	1997
<b>Jarmo Raveala</b> , b. 1959 Architect	1990	1998
<b>Antero Siljola</b> , b. 1942 Werner Söderström Osakeyhtiö - WSOY President and CEO	1993	1998
<b>Seppo Toikkonen</b> , b. 1929 Veterinarian	1990	1996

Teppo Taberman MSc (Econ.) retired from the Supervisory Board on 20 April 1995. His place was taken by Matti Korhonen for the remainder of his term of office.

The Supervisory Board members serve for three years at a time, their term of office expiring at the end of the third Annual General Meeting following their election.

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