ALMA MEDIA

AAMULEHTI GROUP

MTV GROUP

CONTENTS

INFORMATION FOR SHAREHOLDERS

Aamulehti Corporation and MTV Corporation will merge by establishing a new company called Alma Media Corporation on 1 April 1998 to which the assets, liabilities, commitments and rights of the two companies will be transferred in return for the shares of the new company. Hence Aamulehti Corporation and MTV Corporation shareholders will become shareholders in Alma Media Corporation. From 1 April 1998 the Alma Media Corporation shares will be quoted on the HEX Ltd, Helsinki Stock and Derivatives Exchange, Clearing House (the Helsinki Stock Exchange). The final day of trading of the Aamulehti Corporation shares on the Helsinki Stock Exchange will be 31 March 1998.

The annual reports of the two merging companies on fiscal 1997 are herewith printed as a single publication to ensure that Alma Media Corporation shareholders have the latest and most comprehensive possible information on the formation, structure, financial performance, organization and future prospects of Alma Media Corporation.

Exchange of share certificates

Aamulehti Corporation and MTV Corporation shareholders will become shareholders in Alma Media Corporation in the following manner.

One (1) Alma Media Corporation Series I share of nominal value FIM 10 will be given in exchange for one (1) Aamulehti Corporation Series I share of nominal value FIM 10. One (1) Alma Media Corporation Series II share of nominal value FIM 10 will be given in exchange for one (1) Aamulehti Corporation Series II share of nominal value FIM 10. The Aamulehti Corporation shares will be exchanged for Alma Media Corporation shares automatically in the Finnish book-entry securities system on 31 March 1998 after the establishment of Alma Media Corporation is recorded in the Trade Register of the National Board of Patents and Registration. The shares of those Aamulehti Corporation shareholders who have not delivered their share certificates to the book-entry register by 30 March 1998 for the purpose of registering ownership will be exchanged after their shareholdings are registered in the book-entry register.

Fifty-nine (59) Alma Media Corporation Series I shares and 78½ Alma Media Corporation Series II shares of nominal value FIM 10 will be given in exchange for one (1) MTV Corporation share of nominal value FIM 500. In cases where the number of Alma Media Corporation Series II shares to be given as consideration forms an odd number because of the number of shares to be converted, a whole number of Alma Media Corporation Series II shares will be given and consideration of FIM 80 will be paid in cash for the remaining fraction.

MTV Corporation shareholders are required to hand over their share certificates and/or interim certificates in exchange for shares, i.e. the merger consideration, at an assets management branch of Merita Bank between 3 March and 24 March 1998. To enable payment of the merger consideration shareholders are further required to provide information on their book-entry account and bank account number. The merger consideration will be paid into shareholders' accounts on 31 March 1998 in the manner required by the conversion ratio after the establishment of Alma Media Corporation is recorded in the Trade Register. The part of the consideration, if any, to be paid in cash will be paid into the bank account indicated by the shareholder or, if no bank account number is indicated, it will be left as a post office order to be paid no later than on the fifth banking day following the registration day of approval of the merger. Those MTV Corporation shareholders who have not relinquished their share certificates and/or interim certificates by 24 March 1998 in order to receive merger consideration will be able to receive the merger consideration after they relinquish their share certificates and/or interim certificates, however no earlier than on 31 March 1998. Shareholders whose shares are not registered in the shareholder's name are required to furnish proof of their shareholder's rights.

Shareholders' meetings

Aamulehti Corporation

The Annual General Meeting of Aamulehti Corporation shareholders will be held on Wednesday 18 March 1998, commencing at 6.00 p.m., at the Hotel Ilves, Hatanpäänvaltatie 1, Tampere. The Meeting will consider the matters stipulated in Article 13 of the Articles of Association.

Documents relating to the annual accounts and the proposals of the Board of Directors will be on display at the Company's head office (Patamäenkatu 7, Tampere) one week before the Meeting.

Shareholders who have registered themselves in the Company's shareholder register maintained by the Finnish Central Securities Depository Ltd no later than on 13

March 1998 may attend the Annual General Meeting.

Shareholders whose shares have not been transferred to book-entry accounts 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 are required to 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 10.00 a.m. (Finnish time) on 17 March 1998 either in writing to Aamulehti Corporation, Ms Aija Paasu, P.O. Box 140, FIN-00101 Helsinki; or by phone to +358-9-507 8731 or +358-3-266 6831, or by telefax to +358-9-507 8774. Letters of authorization should arrive at the above address before the period of notification expires.

MTV Corporation

The Annual General Meeting of MTV Corporation shareholders will be held on Wednesday 18 March 1998, commencing at 4.00 p.m. in the auditorium of the Company's head office, Ilmalantori 2, Helsinki. The AGM will consider the matters stipulated in Article 12 of the Articles of Association.

Documents relating to the annual accounts and the proposals of the Board of Directors will be on display at the Company's head office one week before the Meeting.

Shareholders are requested to notify the Company of their intention to attend the AGM by 14 March 1998 by telephone to Ms Eeva Hasila, +358-9-150 0424.

Payment of dividends

The Board of Directors of Aamulehti Corporation proposes that a dividend of FIM 3.30 per share be paid on the financial year 1997. Shareholders who are registered in the Aamulehti Corporation Share Register maintained by the Finnish Central Securities Depository Ltd no later than on 23 March 1998 are entitled to a dividend. Dividend payments will be made starting on 26 March 1998.

The Board of Directors of MTV Corporation proposes that a dividend of FIM 453.75 per share be paid on the financial year 1997. The dividend will be paid from 20 March 1998 onwards at Merita Bank branches and at the Company's head office, Ilmalantori 2. The dividend will be paid against dividend coupon number 8. If share certificates are relinquished for the purpose of receiving payment of merger consideration before the date on which dividend payment commences and such certificates bear the dividend coupon number 8, Merita Bank will pay the dividend on 20 March 1998 into the bank account indicated by the shareholder.

Financial information during 1998

Aamulehti Corporation and MTV Corporation will publish separate interim reports for the period 1 January to 31 March 1998 on 7 May 1998. Alma Media Corporation will publish interim reports at three-month intervals. Alma Media Corporation's interim report for the period ended 30 June 1998 will be published on 10 August 1998 and for the period ended 30 September 1998 on 6 November 1998. The interim reports are published in Finnish and in English.

These publications may be ordered from the following address:

Alma Media Corporation
Corporation Communications
P.O. Box 140
FIN - 00101 Helsinki
corporate.comms@almamedia.fi

THE BIRTH OF ALMA MEDIA

Background to the merger

The Aamulehti Group's strategy for years has been to concentrate solely on mass communications. As the company has divested its non-core operations, it has at the same time expanded in the field of mass communications through acquisitions. Similarly Alprint in the graphic services sector focuses almost exclusively on serving publishers.

During the past three years the Group has acquired a majority holding in Lapin Kansa Oy, as well as Valkeakosken Sanomat Oy, Satakunnan Kirjateollisuus Oy and certain local radio operations. It has also made major investments in the development of new digital media (e.g. the Internet). Both the new and traditional electronic media (e.g. radio and television) are expected to grow in importance in the overall media market.

When it became possible to apply for operating licences for new national electronic media in 1996, the Aamulehti Group decided to apply for operating licences for a nationwide commercial television channel and nationwide commercial radio channel together with MTV Oy, rather than go it alone. The companies did not receive an operating licence for the fourth television channel. However, Oy Suomen Uutisradio Ab (News Radio Finland), 48 % of which is held by Aamulehti Corporation and MTV Oy, was awarded a licence to start a nationwide commercial radio channel, Radio Nova, which went on the air for the first time in May 1997. The Aamulehti Group and MTV Oy have also applied for licences to operate a television channel in the Helsinki metropolitan area. Like the Aamulehti Group, MTV Oy has also invested very substantially in the Internet and new electronic media. The two companies have identical strategies and visions on the future development of this sector.

The MTV Group also faced a new situation. MTV Oy is Europe's third oldest commercial television company and it has a very strong market position. Since 1993 it has broadcast on its own channel and during the same period its net sales, profits and also audience figures have grown extremely well. MTV Oy's ownership base has been very small, there being only about 200 shareholders. Besides investors, these included large advertisers, advertising agencies and suppliers. Until 1997 MTV3 was the only commercial nationwide television channel in Finland.

When the shares of MTV Oy came up for sale in 1996 the Aamulehti Group increased its holding in the company from 5 % to 20 %. Although the Aamulehti Group and MTV Group are both purely mass communications companies, there is little overlap in their operations or directly competitive interests. Since, in addition, they had a large number of owners in common, discussions then developed very rapidly from increasing cooperation to a combination merger forming one company.

Merger agreement signed on 22 April 1997

On 22 April 1997 the Boards of Directors of Aamulehti Corporation and MTV Oy approved the agreement to unite the two companies in a combination merger forming a new communications company to be called Alma Media Oyj (Alma Media Corporation in English).

Supervisory Board meetings held on 29 April and 5 May 1997

On 29 April 1997 the Supervisory Board of Aamulehti Corporation approved the merger agreement signed by the boards of directors of the two companies. MTV Oy's Supervisory Board approved the agreement on 5 May 1997. MTV Oy's Supervisory Board and Aamulehti Corporation's Board of Directors then decided to convene extraordinary shareholders' meetings on 18 June 1997 to approve or reject the merger agreement.

Shareholders' meetings approve merger on 18 June 1997

The extraordinary shareholders' meetings of the merging companies approved the merger agreement on 18 June 1997. The main terms and conditions of this agreement are described as follows.

Merger

Aamulehti Corporation and MTV Corporation will be merged to form a new company, Alma Media Corporation, to which all the assets, liabilities, obligations and rights will be transferred in return for shares in the new company (a "combination merger").

Implementation date of merger

The merger will come into effect when permission from the Helsinki District Court for implementation of the merger agreement and the establishment of the new limited liability company are registered in the Trade Register, and when all the necessary official permits have been received. It is intended that registration should take place on 31 March 1998.

Share capital of the new company

The share capital of the new company will be FIM 157 million, assuming that all the shares of the merging companies are exchanged for shares of Alma Media Corporation. The 10,765 shares in MTV Corporation owned by Aamulehti Corporation will be rendered null and void in conjunction with the merger.

Merger consideration

Alma Media Corporation will have two share series: Series I and Series II. The shares in both series will have a nominal value of FIM 10 per share. The Series I share will carry one vote per share, and the Series II share one vote per ten shares, at shareholders' meetings. Aamulehti Corporation shareholders will become shareholders in Alma Media Corporation by receiving one Alma Media Corporation Series I share in exchange for one Aamulehti Corporation Series I share, and one Alma Media Corporation Series II share in exchange for one Aamulehti Corporation Series II share. MTV Corporation shareholders will become shareholders in Alma Media Corporation by receiving 59 Alma Media Corporation Series I shares and 78½ Alma Media Corporation Series II shares in exchange for each MTV Corporation share.

Payment of merger consideration

The shares of Aamulehti Corporation shareholders will be exchanged for shares in Alma Media Corporation automatically through the book-entry securities system on the registration date, 31 March 1998. MTV Corporation shareholders are required to hand over their share certificates to an asset management branch of Merita Bank between 3 March and 24 March 1998, after which they will be automatically exchanged for Alma Media Corporation shares in the book-entry system on the registration date.

Aamulehti Corporation's convertible bonds

The merger agreement stipulated that the conversion period of the Aamulehti Corporation convertible bond floated on 18 November 1993 be changed. Contrary to the original terms and conditions, it was decided that the conversion period would expire on 31 August 1997. In February 1998 Aamulehti Corporation's Board of Directors decided to extend the conversion period until 13 March 1998, after which all conversion rights will cease to exist.

Dividend rights

The merger agreement stipulated that the maximum amount of dividend to be paid on the 1997 financial year by both companies should be that proportion of the combined amount of the dividends of the companies for 1997 which corresponds to the proportion which all the shares of that company represents of all the shares in the new company after the merger. The shares of Alma Media Corporation carry the right to receive a dividend for the financial period commencing at the registration date of the merger.

Listing of Alma Media Corporation shares

The merging companies applied for permission to merge in July 1997. The Helsinki District Court granted this permission in December 1997. It is intended that Alma Media Corporation and the court's permit to implement the merger will be recorded in the Trade Register on 31 March 1998. Alma Media Corporation will apply to the HEX Ltd, Helsinki Stock and Derivatives Exchange, Clearing House (the Helsinki Stock Exchange) for listing of both its share series. It is intended that trading in Alma Media Corporation shares on the Helsinki Stock Exchange should commence on 1 April 1998.

From MTV Oy to MTV Corporation

The merger agreement stipulated that the implementation of the merger would be conditional upon the approval of the shareholders of both merging companies and on the granting of the relevant official permits. The most important of these official permits was the licence granted to MTV Oy on 2

September 1993 by the Council of State (the Finnish government) to engage in nationwide commercial television broadcasting. The original licence was due to expire on 14 December 1999.

MTV Oy was renamed MTV-Yhtymä Oy (MTV Corporation in English) in June. MTV Corporation subsequently re-established MTV Oy as a subsidiary, to which MTV Corporation then transferred all its operations and also its licence to engage in nationwide commercial television broadcasting. The Council of State approved this transfer of operating licence in August on the original terms.

The reason for this arrangement was the merger. Consequently, the other party with Aamulehti Corporation in the merger to be registered on 31 March 1998 will be MTV Corporation and not MTV Oy, as stipulated in the merger agreement. After the merger MTV Oy will be responsible for Alma Media's television broadcasting activities on the MTV3 channel.

Congruent boards of directors appointed on 28 August 1997

In connection with the merger process all members of the Boards of Directors of Aamulehti Corporation and MTV Corporation relinquished their positions. On 28 August 1997 the Supervisory Boards of Aamulehti Corporation and MTV Corporation elected the following to be the new members of the Boards of Directors of both companies: Pekka Ala-Pietilä, Pirkko Alitalo, Bengt Braun, Matti Häkkinen, Pentti Kivinen, Björn Mattsson and Olli Reenpää. This also constitutes the first Board of Directors of Alma Media Corporation as set out in the merger agreement. The new Boards of Directors elected as their chairman Björn Mattsson and as their deputy chairman Bengt Braun.

The merger agreement also stipulated that the Supervisory Board of Alma Media Corporation should have fifteen members: seven were elected by an extraordinary meeting of Aamulehti Corporation shareholders on 18 June 1997 and five by an extraordinary meeting of MTV Corporation shareholders on 18 June 1997. The remaining three were elected by the personnel of Alma Media Corporation and its subsidiaries.

Management of Alma Media Corporation

Alma Media Corporation's President and CEO is Matti Packalén and his deputy is Eero Pilkama, Executive Vice President and President of MTV Oy. Alma Media Corporation's other executive vice presidents are Heikki Saraste and Risto Takala. Alma Media Corporation's Board of Management also includes Jaakko Nieminen, Senior Vice President - Corporate Development, and Ritva Sallinen, Senior Vice President - Finance.

Auditors

Two auditing firms were appointed as Alma Media Corporation's auditors, both of which were required to be auditing firms approved by the Central Chamber of Commerce. KPMG Wideri Oy Ab and SVH Coopers & Lybrand Oy will act as Alma Media Corporation's auditors until the Annual General Meeting in 1999.

Aamulehti Corporation and MTV Oy acquired 23.4 % of TV4 AB

The Aamulehti Group and MTV Oy implemented Alma Media's first major acquisition even before the new company had officially begun operating. In October 1997 the companies acquired altogether 23.4 % of Sweden's leading commercial television channel, TV4 AB. The Aamulehti Group acquired 16.5 % of the TV4 AB shares from Investor AB and 1.9 % from the Föreningsbanken trust funds. At the same time MTV Oy acquired 5.0 % of the TV4 AB shares from Investor AB. Alma Media will be TV4 AB's largest shareholder. Aamulehti Corporation and MTV Oy paid FIM 534 million for the TV4 AB shares.

TV4 AB, Sweden's leading commercial television channel, has an audience share of about 28 % and its share of Swedish television advertising is about 60 %. Commercial television in Sweden is substantially younger than in Finland. Television advertising has been allowed only since 1990 and for this reason television advertising accounts for less than 20 % of the Swedish media advertising market, although it is growing strongly.

In January 1998 an extraordinary meeting of TV4 AB shareholders elected a new Board of Directors for the company representing its new ownership. The future Alma Media's CEO Matti Packalén was elected to be its chairman and its eight members include MTV Oy's president and CEO Eero Pilkama and MTV Oy's programme director Tauno Äijälä.

MANAGEMENT DISCUSSION

President and CEO Matti Packalén and Executive Vice President and Deputy to the CEO Eero Pilkama

Aamulehti Corporation and MTV Corporation will be merged to become Alma Media Corporation on 1 April 1998. What, briefly, were the factors leading to the birth of this new media company?

MP: The Aamulehti and MTV Groups are both mass media companies. Their activities mesh together extremely well: the Aamulehti Group is a well established newspaper publisher and the MTV Group is one of Europe's oldest commercial television companies. Furthermore, both companies have targeted digital communication as a crucial focus for future development. Alma Media will embody two companies in excellent condition. Indeed, both posted their best performance ever in 1997. Alma Media starts with strong and well established brand products covering a diverse range of mass media specialities. They have sufficient editorial and technical strength to develop their digital communication interests, and they also have the financial strength to undertake very substantial projects, as the acquisition of the TV4 AB shares demonstrates.

One central reason for the merger presented itself when Finland's second nationwide and commercially financed television channel and its first nationwide and commercially financed radio channel were set up. After this it was only natural for Aamulehti Group and MTV Group to seek closer cooperation. Since the companies also had a large number of shareholders in common, talks on closer collaboration swiftly turned into a shareholders' decision to merge the two corporations.

What sort of business environment will the new company start operating in?

MP: Last year was the first time since the recent recession that media advertising in Finland exceeded five billion Finnish marks. Almost 60 % of this came from newspapers. An economic upswing is reflected in rising advertising revenues and indeed many of the Aamulehti Group's newspapers recorded sharp improvements in profits last year. It was also gratifying to note that the decline in circulations of many newspapers also halted or at least slowed down. There is still plenty of overcapacity in the printing industry in Finland, so in this regard we have every reason to be very satisfied with Alprint's excellent performance in exports.

EP: The economic upswing is also clearly evident in trends in electronic communications. MTV3 and the new commercial TV channel both expect higher TV advertising volumes. Since it came on the air in 1993, MTV3 has without doubt been the most popular television channel in Finland, and also extremely popular even by European standards. It has competed successfully against Finland's national and regional TV channels and against the dozens of satellite and cable TV channels now available. We have systematically developed our range of programmes to ensure that we maintain our audience levels in the future and we also believe these measures will keep the channel a commercial success as well. Oy Suomen Uutisradio Ab's Radio Nova has rapidly become the second most popular radio channel in Finland. The new MTV3 Internet business unit, which started up at the beginning of 1998, has already become the most popular website in Finland and a highly regarded commercial service.

What role will the parent company Alma Media Corporation play in the new communications group?

MP: Alma Media is a publicly quoted holding company with some three thousand shareholders. We have defined Alma Media's role as "knowhow in ownership and ownership of knowhow". Alma Media will remain in the background, concentrating on corporate management and treasury functions, and on ensuring that the divisions can operate effectively. Alma Media has confidence in the strong and well known brands through which it operates. Alma Media's task is to create added value for its shareholders and to ensure that its business units have the resources to offer their customers better products and services.

How did the merging companies perform last year in your opinion?

MP: The profitability of Aamulehti Group's operations improved further and the company returned its best result for the fourth year in a row. Advertising revenues from newspapers rose particularly well. I am especially gratified to observe that as the name Aamulehti Group becomes history, the Aamulehti newspaper is making rapid and solid progress towards reaching its profitability targets. The net sales of our newspapers exceeded one billion Finnish marks for the first time last year and the operating profit from publishing almost doubled.

EP: MTV joined the "billion club" as well when MTV Group's net sales also topped one billion Finnish marks for the first time. Our profit before provisions and taxes was more than 100 million Finnish marks. Revenues from advertising time accrued more strongly than we expected. We were also successful in our marketing and sales, which boosted TV advertising. The new commercial TV channel which began in summer 1997 had a smaller effect than expected.

MP: Paper prices were on average ten per cent lower than during the previous year, which meant that Alprint's net sales rose more slowly than its volume. Buoyant economic conditions fuelled demand for printing and graphic services in Finland, although this was not sufficient to ensure work for all printers since plenty of capacity still lies idle. For this reason exports are assuming central importance when talking about growth prospects in the printing sector. In this respect, how the Russian market develops will be decisive for Finnish exports.

What other matters would you like to emphasize apart from the merger in 1997?

MP: We have defined our strategy to be growth as a mass media company. Our acquisitions in recent years have been very successful. Both Lapin Kansa and Satakunnan Kansa are playing an important role in improving Alma Media's profitability. Last year we took a 44 % holding in Pohjolan Sanomat Oy. We intend to do all we can to keep Finland's network of 26 regional newspapers since they form the backbone of communication in the country's provinces. If even one regional newspaper disappears, no other form of media can replace the service it provided to the inhabitants of that region.

EP: The larger population centres would have enough viewers and advertisers to support local television channels as well, assuming that all households were able to receive regional television broadcasts.

Unfortunately, local television has no roots in Finland; local television stations would be a fine way of supplementing the very thin choice of media available. The country is so large and its problems so diverse that matters of national importance easily bypass the problems and needs of people living even in the larger towns and suburbs. Our difficulty is that the coverage of the regional cable networks is not wide enough, nor are the authorities willing to hand over analogue frequencies to local television channels. Although we have made no progress with our own local television project, Helsinki residents and advertisers have further strengthened our conviction that there is a clear need for local television.

MP: Alma Media certainly has experience of local radio broadcasting, though. Unfortunately, we have to admit that the profitability of local radio stations has not been satisfactory in recent years. Last year local radios accounted for only three per cent of media advertising in Finland. In fact the only reason radio advertising increased at all during the year was because the nationwide Radio Nova came on the air. We can only hope that Radio Nova will also meet its goal of raising the popularity of radio advertising through local radio stations. Nevertheless, Radio Nova is proof that pooling resources and introducing a properly researched and developed product can achieve wide popularity very quickly.

Last year was also significant in that we now concentrate solely on mass communications. Alma Media begins as a purely mass media company since last year we divested our last non-core business - Aldata, a group of information technology companies.

EP: Most mass media companies had a successful year in 1997 as the media markets grew vigorously. Success was not automatic for MTV, though, but the result of resolute action on our part. Through the MTV 2000 development project we sought to identify ways of ensuring that the group will continue to be a leading and innovative electronic communications company in the future. Growth will depend upon high quality, efficiency and flexibility. The maxim of the project "Reaching Hearts and Minds" points the way to the future.

MP: Alma Media's investment in Swedish television, perhaps the most significant event for the company in 1997, also "reached hearts and minds" in various quarters! Alma Media is TV4 AB's largest single shareholder. In a strategic sense Alma Media moved from being a purely domestic company to an international media corporation. Without the coming merger such cross-border expansion would not have been feasible.

1997 was a remarkable year considering the appearance in Finland of a new commercial television channel, the first nationwide commercial radio channel, a new nationwide business daily newspaper, and a number of free-distribution newspapers. Is there room for all of them?

MP: Yes, I think so. When Iltalehti was launched 16 years ago, afternoon newspapers had a circulation of around 100,000. Now Iltalehti's circulation alone exceeds 115,000 and it has grown faster than any other newspaper. Competition has resulted in a tripling of the afternoon newspaper market. We must also bear in mind that the present economic upswing is also boosting the media markets, which provides more space for new products. But the final choice rests with the readers. They also benefit from the extra competition since competition forces everyone to improve and develop their products and services.

EP: A significant proportion of the time, 60 % in fact, spent by Finns on the various media goes in listening to the radio or watching television. New operators further strengthen the entire communications sector. The media which produce the most interesting content will be the successful ones of the future.

MP: And supply also seems to be creating demand. Last year MTV increased its broadcasting time by almost one-fifth. A second nationwide television channel came on the air, as did Radio Nova. And the number of people using the Internet skyrocketed. Yet despite this extra competition, MTV's net sales and profit hit record levels. Radio Nova built up a base of regular listeners very quickly. When the different media compete for people's time, the most important competitive factor is quality of content.

Kauppalehti has contributed a very substantial share of the Aamulehti Group's profit. How do things stand now?

MP: Kauppalehti's advertising and circulation revenues continued increasing during the year. Preparations for the new competition and further investments to enhance quality, however, increased the newspaper's costs and in this sense the competition affected its profitability. Five years ago Kauppalehti was almost the sole source of our profits from publishing. Last year it contributed about one-fifth of the operating profit before depreciation and this year's contribution will be about 15 %. It is in shareholders' interests that profit should accrue evenly throughout the Group.

What is Alma Media's strategy as a newspaper publisher, television broadcaster and printer?

MP: Alma Media comprises three companies, each with net sales in the region of one billion Finnish marks. Alma Media's core businesses are newspaper publishing, television and radio broadcasting, and printing. Alma Media's strategy is to grow by expanding its existing businesses. We also remain interested in raising our net sales through acquisitions.

EP: And in the very short term one of our top priorities is to take full advantage of the synergies provided by the two companies in all our brand products. During the past six months several internal teams have been analysing the areas and opportunities for cooperation. We have already made significant progress in many areas such as marketing, financial control, internal and external communication, digital communication, and even future methods of generating news.

Will there be further concentration of the media?

MP: The media sector is no different from any other. Development appears to favour fewer but larger corporations. Where the electronic media are concerned competition is already largely trans-national. This means that to be successful, media companies must have sufficient journalistic and technical resources. In these markets we are up against truly enormous international media giants. Similarly, in the area of printed communications, larger size offers greater competitive efficiency and reduces sensitivity to seasonal fluctuations. A new newspaper printing press, for example, can easily cost more than one newspaper's entire annual sales. Of course, one alternative to more concentrated ownership is broader networking between companies. Electronic media started using subcontractors to produce programmes several years ago and this trend will also be inevitable in the printed media sector.

EP: Remember, too, that closer cross-border collaboration gives small nations greater strength to afford the newest, best and - sad to say - also the enormously expensive international productions.

Exports of printed products to Russia have increased dramatically in recent years. Do you view Russia as a risk or an opportunity?

MP: An opportunity - there's no doubt about it. Alprint has not needed to invest at all in new capacity because of exports to Russia. Five years ago our Russian exports amounted to a mere five million Finnish marks, last year 195 million. Without that export volume price levels would be much poorer in Finland and in the western markets. Our research shows that demand for printing services in the Moscow region alone amounts to some two billion Finnish marks. We are the best known western printer in that market, so if we take care to ensure quality and professional skill we can be sure of a bright future in the growing eastern markets.

Last year MTV3 gained a competitor in the commercial television market. How is MTV meeting the challenge?

EP: MTV3 has welcomed the new competitor since it can only strengthen this sector. MTV3 aims to keep its significant share of viewers' time in the future by offering an interesting range of programmes. The cost of advertising on MTV3 is very competitive, even by European standards. Unfortunately, the newcomer's inability to pay the public service charge distorts competition and puts MTV3 at a clear disadvantage. We are taking action to rectify this situation.

You mentioned cooperation in digital media as one reason for the merger. What exactly will that mean in practice?

MP: At its best, digital communications consists of motion pictures, still pictures, voice, text and databases. All those elements are already present in Alma Media's product portfolio. Alma Media employs over 600 journalists and it has solid knowhow in production and distribution systems for digital media. Although this field is extremely young Iltalehti Online and MTV3 Internet, for example, are the oldest pioneers in this business. Above all, they are also the two most popular networked media in Finland, judging by numbers of visitors to their homepages. We aim to ensure the closest possible cooperation among the Group's personnel working with digital media, to ensure that the whole Group benefits from the unique skills and experience which the two companies possess. We have already set up a working group with news production professionals and experts in digital communication technology and systems from both companies. Their task is to evaluate the scope for digital communication in news production.

When will digital television see the light of day in Finland?

EP: MTV Oy has already adopted digital technology in programme production since all the studios and external transmission units employ digital technology. A working group set up by the Ministry of Transport and Communications is currently drawing up a strategy for digital operations in Finland. The cost of building a digital network covering the entire country is estimated to be FIM 250 million. It would have two frequencies, or multiplexes, transmitting eight channeled television programmes. The Finnish Broadcasting Company (YLE), which owns the existing transmission network, plans to incorporate the transmission network during 1998. Should this plan go ahead, MTV would be interested in becoming a shareholder. However, neither incorporation of the transmission network, digitization nor new legislation planned for radio and television will have any effect on this business during 1998.

MP: Digital television is one step closer to reality in Sweden than here in Finland. Alma Media has a strong foothold in the television industries of both countries. This will be of big benefit to us when Finland adopts the new technology since we can exchange information and experiences and therefore avoid many pitfalls. Not to mention the fact that we plan to make full use of the new channels provided in both countries with digital technology.

Will viewers in Helsinki be able to see City-TV this year?

EP: Roughly 1.2 million Finns live in the Helsinki metropolitan area and there is considerable interest for a local television station to serve this large region. Such ventures have met with great success in other countries. Aamulehti Corporation and MTV Corporation applied to the Ministry of Transport and Communications back in 1996 for an operating licence for City-TV. The new TV station could be up and running very fast if a positive decision were forthcoming.

Alma Media took its first major strategic step when it bought over 23 % of Sweden's nationwide commercial television channel TV4 AB. Alma Media has three representatives on TV4 AB's Board of Directors. What does Alma Media expect to get from its investment?

MP: This share acquisition will weaken our result this year due to higher interest expenses. However, our share of TV4 AB's profits will cover the annual goodwill writeoff in the first year. The Swedish economy and media markets are growing, as in Finland. They are also alike in that television accounts for a smaller proportion of overall media spending than on average in Europe. In other words, TV4 AB has good prospects for growth and profitability. The first year together will probably not generate any major synergy benefits but in 1999 we can expect the joint cooperation to yield big dividends for both television companies.

EP: The acquisition opens up entirely new opportunities for the two companies, each of which is a leader in its own country. There is room for improvement in our present operations, of course. But this will become even more pronounced in the age of digital television when it will be necessary to rapidly increase the number of programmes and when success will depend on their quality.

What will Alma Media offer investors?

MP: Alma Media puts Finnish television for the first time within reach of the ordinary investor. Through the merger the MTV Corporation share will become the Alma Media share, which will be publicly listed. As the number of shares increases, we also hope that the share's liquidity will improve. Since Alma Media's operations cover the whole range of mass communications, it will be better protected than either of the merging companies from sudden changes in the media markets. Our aim is to make the Alma Media share an attractive and secure investment. The merger announcement was clearly to the liking of investors since the Aamulehti Corporation share rose immediately by about 30 %. Similarly the market capitalization of the MTV Oy shares more than doubled.

Does Alma Media have a dividend policy?

MP: Alma Media's dividend policy is to pay an average dividend of between 25 % and 30 % of earnings per share over the business cycle.

What do the current year's numbers tell us?

EP: Advertising sales have developed as expected during the first months of the year. We predict that advertising will grow slightly faster than the economy in general and MTV3's aim is to maintain its market share. The MTV Group's sales and profits have also developed as planned.

MP: In the newspaper markets we forecast that the regional and local newspapers will be more successful than last year. Changing conditions are making it more difficult than normal to predict Kauppalehti's and Iltalehti's results with any accuracy. During the first three months of the year Alpress should perform at least as well as during the same period last year. Alprint, on the other hand, is expected to show slightly lower profits than last year, the reasons being a roughly five per cent increase in paper prices and fiercer competition in the export markets.

We expect Alma Media's net sales for the full year to exceed the combined net sales of the two merging companies in 1997 but profitability will be roughly the same as last year. Alma Media will publish interim reports at three-month intervals, so we will be able to offer a more precise assessment of the full year's result in May.

THE JOURNALIST'S COLUMN

WHEN IS NEWS NEWS?

The old criteria for judging what does, or does not, constitute news in Finland are disintegrating. The reasons are competition between the news media and changes in the way people think today.

Juhani Pekkala
Senior Vice President
MTV Oy
News and Current Affairs

In the future it will be increasingly difficult to decide exactly what qualifies as news. Will news be what decision-makers and editors think it should be? Will it be what readers, viewers and listeners themselves regard as news? Or will news degenerate into a form of entertainment because consumers eventually will not want anything else?

In the early 1980s the Finnish people and especially those in power shared a common and encompassing world view. Consensus and solidarity were the watchwords. The national television company had a monopoly of TV news, which it broadcast on both its channels at the same time every evening.

Things are very different today. From a world with only one version of the truth we have moved to one with many competing versions. Without dramatizing we can state that freedom of speech has grown in Finland but different sections of the population have their own and very different information needs. The collective way of thinking which emphasized unity has made way for a new ideology where the consumer is king.

All this of course has an impact on the news and indeed on what actually qualifies as news. News editors have traditionally defined news in terms of importance, personal relevance and newsworthiness. The same criteria apply today but editors increasingly have to examine these criteria from the viewer's, listener's or reader's perspective.

In the early 1980s, for example, journalists following trade with Russia and the east were the elite of their profession. They travelled with the official delegations to the Soviet Union, hobnobbed with top officials on both sides, and broke the news on big bilateral deals to us lesser mortals. They were the self-appointed messengers of good news.

Nowadays Finland's trade with Russia is still as large in monetary terms but the only news to hit the headlines are the mile-long queues of trucks waiting at the border, disputes about customs dues and the problems which companies are experiencing with organized crime.

Even up to the present decade business journalism was all about reporting heroic deals, corporate acquisitions and power mongering. Since the recession, however, the private sector has risen in importance and survival stories are a lot more interesting. Power mongering is just as prevalent as before but it has disappeared behind a wall of stock exchange regulations and other legislation. In this sense Finland has adopted a new form of censorship.

The major news items traditionally revolved around home news, foreign news, business and politics. Reporting about these subjects will be more difficult than ever in the future because the terms on which they can be reported are the exclusive province of the decision-makers themselves. Information is dispensed from above, but it does not necessarily interest those of us receiving it.

The problem is not the choice of subject so much as how the news is made - do we describe the news from the decision-maker's point of view or do we look for other viewpoints? Since media users are no longer interested in how institutions see things, they want to know what the decisions will mean to them personally. That sort of journalism is tough.

Foreign news is becoming international news. Finland's EU membership, corporate acquisitions, foreign owners of Finnish companies, and virtually instant information are breaking down the traditional barriers dividing domestic and foreign news. Good examples are the eating disorders of Sweden's princess Victoria and the recent court action against the British au pair girl in the USA. That sort of news has a face and finds a ready sounding board in any western country.

The news markets are being invaded by an increasing variety of media. This gives consumers - the media's customers - carte blanche to choose what they find most relevant. The variety of media networks makes this easy. The mass media will certainly not lose out, but it has now been joined by focused news media targeted for specific groups.

It wasn't until 1991 that MTV, Finland's first commercial television company, was permitted to produce and broadcast political discussion programmes. Nowadays no-one even bothers to ask who is permitted to produce news or discussion programmes. Competition is open to all. This may even lead to sensationalism, as in Great Britain. But it may also result in a better news service. That, of course, will depend on the editors but they now need to know what their audience wants.

BUSINESS CONDITIONS

Both Aamulehti Corporation and MTV Corporation operate principally in Finland, which makes the development of the Finnish economy of central importance to Alma Media. The only division in Alma Media with an appreciable volume of exports is Alprint, its graphic services business. Alprint's exports contributed approximately 13 % to the aggregate net sales of the new group. Its main export markets are Russia and Scandinavia.

The Finnish economy grew extremely briskly during 1997. According to preliminary information released by Merita Bank in January 1998, GDP increased 5.4 %, compared to 3.6 % in 1996. The main reason was stronger than expected growth in exports. Merita Bank forecasts that GDP will rise a further 4.2 % during the current year; overall demand in Finland is expected to remain strong, while consumer demand could even increase faster. Nevertheless, inflation will remain low and interest rates are not expected to rise significantly, despite the robust growth of the economy. Merita estimates that inflation during 1997 was 1.2 %. The two-year collective labour agreement struck in December 1997 considerably reduced the risk of inflation and it is expected to raise costs by just under 3 % per annum. The most serious problem afflicting the Finnish economy is high unemployment. Although unemployment fell during the year by 1.3 percentage points, according to Statistics Finland, it still remained 14.5 % at the year end. Unemployment is expected to fall by at least one more percentage point during the current year, which may increase the circulations of subscribed newspapers.

Alma Media's performance is also affected by the Swedish economy since the company owns 23 % of the large associated company TV 4 AB. According to a forecast published by Nordbanken AB in January 1998 the Swedish economy is expected to grow at a rate of about 3 % per annum until the end of the century. It also forecasts that over the next few years employment levels in Sweden will increase, inflation will remain low and the current account surplus will remain high.

The media markets

Media advertising develops hand in hand with GDP. As the economy grows, media advertising increases faster than GDP but also declines more rapidly than GDP as the economy cools. Changes in consumer demand are reflected directly in brand marketing, which forms a crucial part of both television and newspaper advertising revenues.

In Finland newspapers and magazines have played a central role in media advertising, accounting together for more than 72 %, compared to television's share of about 21 %.

The media markets in Finland grew vigorously during 1997. The first commercial nationwide radio channel started up in May, the second nationwide commercial television channel went on the air in June, and the second nationwide business daily newspaper hit the streets in December. Several small free-distribution papers were also launched during the year. Direct marketing continues to expand as well.

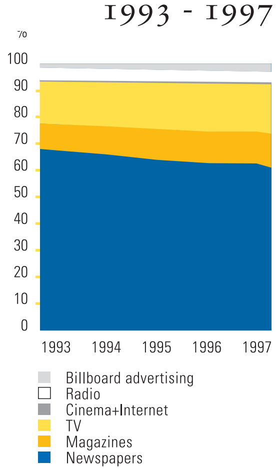
Buoyant economic growth was directly reflected in media advertising during 1997. According to Addfacts Ltd., media advertising increased 9.1 % on the previous year to FIM 5.1 billion, excluding direct marketing. Of this total 56.2 % was contributed by newspapers, 21.2 % by television, 15.7 % by magazines, and 3.5 % by radio. However, the strongest growth in advertising was evident in magazines, 22 %, and in television, 11 %. For the first time in its history MTV3's net sales exceeded FIM 1 billion despite the entry of a new competitive nationwide commercial channel. MTV3's share of television advertising in Finland is 95 %. Radio advertising showed an increase for the first time in years, which was due in particular to the start-up of the nationwide radio channel Radio Nova in May. The Internet and other networked media are increasing their share of media advertising, but in monetary terms this volume is still very modest.

Graphic services industry

The competitiveness of the graphic services industry is heavily affected by paper prices. Alprint consumes about 90,000 tonnes of paper every year. Since almost one-third of this is used to print the Group's own publications, changes in paper price levels have a direct impact on the profitability of the entire Group. Roughly half of the paper purchased by Alprint is newsprint and half consists of magazine grades. In 1997 paper prices were roughly 10 % lower than in the previous year. Alprint buys its paper direct from domestic and Nordic paper manufacturers, mainly on 12-month contracts. Paper prices are rising and average prices this year are expected to be about 5 % higher than in 1997.

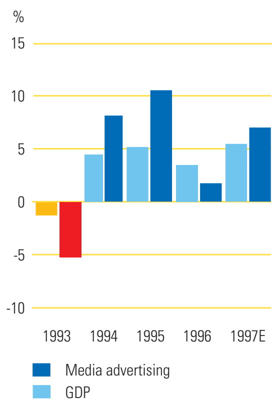
Investments in this sector during 1997 mainly involved maintenance and upgrades, which indicates that almost no new capacity was built in Finland. Many newspaper printers have announced their intention to

Media advertising 1993 - 1997



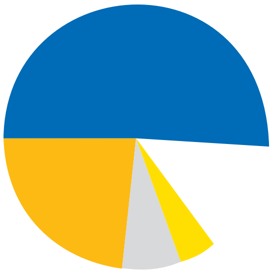
Source: MDC Media Research Ltd.

Media advertising and change in GNP 1993 - 1997



Sources: ETLA, NTC, Statistics Finland

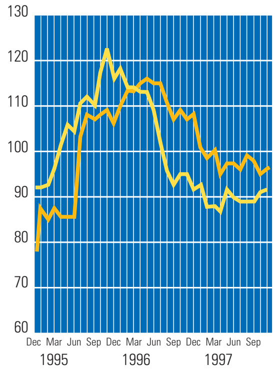
EU graphic industry exports to Russia



- Finland, 51%
- Germany, 23%
- Italy, 7%
- Great Britain, 4%
- Others, 15%

Source: Eurostat
(1 Jan–30 June, 1997)

Export prices of printing papers

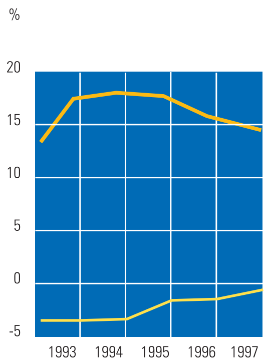


Newsprint
LWC
(January 1991=100)

Source: Finnish Forest Industries Federation

raise capacity for colour printing. Apart from domestic demand, capacity loads in printing plants are also affected by exports of both magazine and newspaper products. Alprint exports magazine products east and west. Exports of printed products to Russia have increased vigorously in recent years. Finland accounts for more than half of all EU graphic industry exports to Russia and Alprint is one of the largest Finnish exporters. The rising volume of exports will play a central role in capacity utilization and pricing, both in Finland and in the western markets.

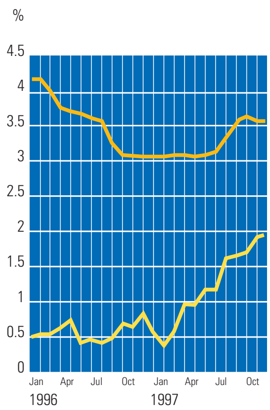
Unemployment and newspaper circulation development trends



Unemployment rate
Newspaper circulations

Sources: Statistics Finland, Finnish Newspapers Associatio
(Includes newspapers published 4-7 times per week)

Inflation and interest rates



Helibor (3 mo)
Consumer prices

Source: Bank of Finland

REVIEW OF OPERATIONS

ALPRESS

The newspaper publishing activities of the Aamulehti Group and the new Alma Media Group are handled by its Alpress division, which is also responsible for the newspaper publishing activities of Lapin Kansa Oy. The Aamulehti Group publishes Aamulehti, Iltalehti, Kauppalehti, Lapin Kansa, Satakunnan Kansa, twelve local newspapers and three free-distribution papers. The newspapers have an aggregate circulation of more than 500,000 and the print-run of the free-distribution newspapers is about 100,000. These publications have altogether 1.8 million readers. In terms of circulation the Alpress group's market share in Finland of newspapers published 4-7 times a week is approximately 19 %. During the year the Aamulehti Group also acquired 44 % of Pohjolan Sanomat Oy in Kemi, which publishes the Pohjolan Sanomat newspaper seven days a week.

Market conditions

The average circulation of newspapers published at least four times a week continued to decline. Circulations showed an overall average decrease of 0.3 % (-1.8 %) in Finland compared to the previous year, but a large number of papers distributed in the southern and central regions of the country actually increased their circulations. The circulations of the newspapers published by the Aamulehti Group rose better than the average. Iltalehti registered the sharpest circulation increase of all newspapers in Finland. Several free-distribution newspapers came onto the market during the year and a new business daily was introduced at the end of the year.

Advertising revenues make up more than half of total income from newspaper publishing. This dominant position normally increases during an economic upswing since media advertising tends to move in step with the national economy. Besides a more positive trend in circulations, advertising volumes and the average price of advertisements are rising as well. According to the Finnish Newspapers Association the volume of advertising placed in its member publications, calculated by column metres, rose 4.7 % (1.6 %).

According to preliminary statistics released by Addfacts Ltd in January 1998 media advertising in Finland grew 9.1 % on the previous year. The increase was most pronounced in brand advertising and recruitment advertising. Nevertheless newspapers lost market share since the biggest increase in advertising was evident in magazines and television.

To reduce their costs, newspapers have taken concerted action through cooperation in various fields of publishing. In media advertising, for example, the jointly owned Kärkimedia Oy handles marketing of advertisement space on behalf of 27 newspapers. Editorial collaboration is also continuously on the increase. Aamulehti has been producing a weekly TV supplement for a number of regional newspapers for more than a year now. The supplement is transmitted electronically to the editorial departments of these newspapers around the country. At the end of the year Aamulehti produced this supplement for 17 such newspapers. The supplement had an aggregate circulation of more than 900,000 copies at the year end. Aamulehti and Turun Sanomat have also worked together to produce joint supplements on subjects including information technology, food and sport. At the end of the year Aamulehti, Savon Sanomat and Turun Sanomat established a shared eight-person editorial department, generating cost savings for all three newspapers while also improving the service they offer to their readers. An example of internal cooperation in the Aamulehti Group is the joint editorial department set up in Tampere to serve local newspapers managed by Paikallissanomat.

Electronic editions of newspapers continued to grow in popularity during the year. A significant change was to make some of Kauppalehti Online's material subject to charge, and to give Online's profile a more distinct profile. At the year end seven of the Aamulehti Group's newspapers were also published in electronic editions.

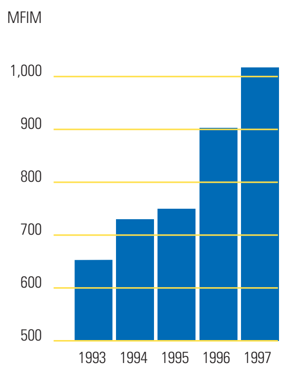
The year was a favourable one for newspaper publishers as revenues increased while costs were kept under tight control. Employee costs rose about 3 % but a fall in paper prices lowered printing costs correspondingly.

Profitability reaches new levels

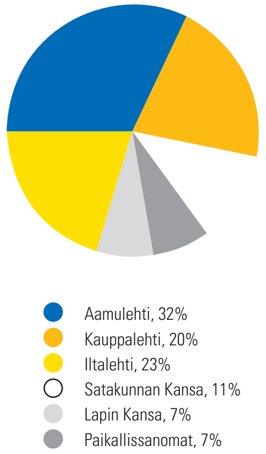
Alpress had net sales of FIM 1,014 (902) million. The increase was due to the addition of the Satakunnan Kirjateollisuus Oy newspapers for the full year and to strong growth by Aamulehti and Iltalehti. Advertising revenue contributed 50 % and circulation revenue 47 % to net sales.

Alpress spent a total of FIM 27 (178) million on investments. The largest item was the holding in Pohjolan Sanomat Oy acquired during the year and costing FIM 13 million. The remainder went in normal maintenance and repair. The marketing departments of both Kauppalehti and Iltalehti were transferred to new rented premises in the centre of Helsinki during the year. At the end of the year Kauppalehti received a competitor in the business newspaper market, in which it has operated alone for almost one hundred

Net sales, MFIM



Distribution of net sales MFIM 1,014



years. Preparations for the new situation and measures to secure the continued commitment of key personnel increased expenses.

Alpress showed an operating profit of FIM 130 (78) million, which was 13 % (9 %) of net sales. The main reasons for this improvement were an extremely sharp rise in Aamulehti's profitability, Iltalehti's increased circulation and the presence of Satakunnan Kansa for the full year. All in all the year was a good one for publishing since almost all the Aamulehti Group's publications raised sales and profits on the year before.

Alpress had 2,004 (2,092) employees at the year end, including 941 (999) newspaper deliverers. Personnel averaged 2,038 and 947 respectively during the year.

Aamulehti

Aamulehti, published in Tampere, is Finland's second largest daily newspaper with a weekday circulation of 131,444 and Sunday circulation of 138,897, as audited in June 1997. Aamulehti's weekday circulation increased for the first time in years and an audit conducted in the autumn also showed an increase of 1.5 % on the previous year. The most pronounced growth was in Tampere itself.

Aamulehti had net sales of FIM 325 (303) million, an increase of 7 %. Circulation revenue rose 3 % and advertising revenue 10 %. In addition to the buoyant market conditions, this was also due to joint R&D projects by the editorial and media advertising departments, and to new products which resulted in increased media sales to brand advertisers. Both the volume and average price of advertisements rose. Aamulehti posted a clearly better profit than one year earlier, which was made possible both by higher revenues and by lower printing and personnel costs.

Special attention was given to developing the VerkkoAamulehti electronic version of the newspaper as an overall service. Besides providing a medium for editorial material, the Internet is now used to receive advertisements for Aamulehti, for circulation marketing, and as an electronic marketplace for real estate, office premises and summer cottages. Called DIME, this marketplace is a joint project by Kauppalehti Online and VerkkoAamulehti.

In spring Aamulehti announced a new journalist training scheme emphasizing on-the-job training and due to start in autumn 1997. With more than one thousand applications, the one-year course proved immensely popular.

Iltalehti

Competition between Finland's two afternoon newspapers remained extremely fierce. Both newspapers cost five Finnish marks during weekdays but at weekends Iltalehti costs 10 Finnish marks and its competitor seven Finnish marks. Despite the large difference in price, however, Iltalehti registered the highest increase in circulation of all newspapers in Finland. Compared to 1996 Iltalehti's six-day circulation increased 7 % and its weekend circulation 8 %. According to the most recent audit (12 February 1998) Iltalehti has a six-day circulation of 115,521 and a weekend circulation of 146,565.

According to the national media survey roughly 540,000 people read Iltalehti daily, making it the third most read newspaper in Finland. The electronic Internet edition, Iltalehti Online, reaches a further 25,000 registered readers every day. Iltalehti Online has altogether roughly 270,000 registered readers and it is the most read electronic newspaper in Finland. It is also available on the Internet without charge since its advertising revenue covers its production costs.

Iltalehti's net sales were FIM 225 (208) million, of which 75 % came from circulation revenue and 24 % from advertising revenue. Circulation sales increased 8 % and advertising sales 9 %. Iltalehti's profit was a clear improvement on the previous year.

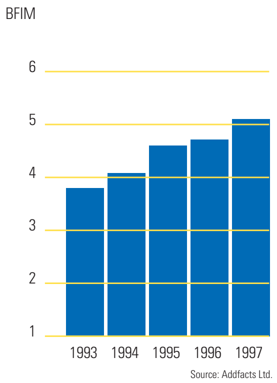
Iltalehti's eurotabloid format will be replaced by a normal tabloid this spring and the newspaper will also be printed throughout in four colours. Two-thirds of the daily tabloid edition will remain printed in Alprint printing plants and one-third in the Keskisuomalainen Oy printing plant in Jyväskylä. The weekend Iltalehti will remain a hybrid edition and will be printed entirely by the Group's own printing facilities. This new arrangement will ensure that Iltalehti reaches its sales points more quickly in the growing markets outside the Helsinki metropolitan area.

Kauppalehti

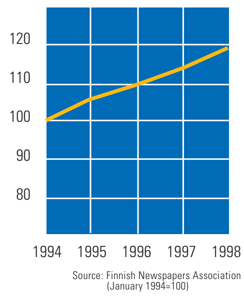
Kauppalehti, which appears daily from Monday to Friday, is a business newspaper targeted at the business community and decision-makers. Kauppalehti subscribers also receive a bimonthly magazine called Kauppalehti Optio.

In November Kauppalehti received a competitor in its market. The new situation did not affect Kauppalehti's operation or result in the review year. Kauppalehti's circulation increased slightly and was 78,948 (78,723) according to the most recent audit.

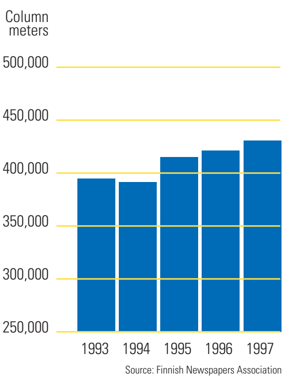
Media advertising



Subscription prices of daily papers



Newspaper advertising in column metres



Kauppalehti had net sales of FIM 202 (193) million. Its circulation revenue rose 3 % and advertising revenue 5 %. Despite this modest increase, preparations for the new competitive situation increased expenses. As a result Kauppalehti's result for the year did not reach 1996 levels but was good nonetheless.

Kauppalehti's full-service Internet edition, Kauppalehti Online, was extensively developed during the year. Several new service packages were introduced according to demand, from distribution of the printed edition in electronic format, to real-time information on shares and focused news for professional users. Its special services were made subject to charge during the year. Kauppalehti Online has roughly 65,000 registered readers, and about 5,000 of these read the electronic edition daily.

Satakunnan Kansa

The Aamulehti Group owns 99.5 % of Satakunnan Kirjateollisuus Oy, which publishes the 7-day Satakunnan Kansa newspaper in Pori. Satakunnan Kansa owns the free-distribution Porin Sanomat newspaper which appears in Pori. Satakunnan Kansa's circulation dropped slightly from the previous year to 56,565. Subscriptions began to rise during the second half of the year, following a steady fall for several years. Satakunnan Kansa had net sales of FIM 109 million, which included Pori Sanomat's contribution of over FIM 4 million. Satakunnan Kansa's circulation revenue rose 3 % and its advertising revenue 9 %. Its profit developed well during the year and was good.

During the year Satakunnan Kirjateollisuus Oy sold its 29 % holding in a local radio station in Pori. In August 1997 Satakunnan Kansa acquired 50 % of the free-distribution paper Porin Viikkolehti, which began appearing in the spring. In December it was decided to terminate publication of this newspaper indefinitely.

Lapin Kansa

The Aamulehti Group owns 62 % of Lapin Kansa Oy, which publishes the Lapin Kansa newspaper and free-distribution Uusi Rovaniemi newspaper in Rovaniemi. The Koillis-Lappi newspaper, which appears in Kemi, was added to Lapin Kansa Oy during the year. Lapin Kansa's circulation declined further but more slowly than earlier. Lapin Kansa's circulation is 36,623, which is about 2.5 % lower than in the year before.

The net sales of Lapin Kansa Oy's publishing activity was FIM 73 (71) million, which included FIM 3 million from Uusi Rovaniemi and FIM 3 million from Koillis-Lappi. The circulation revenue of the Lapin Kansa Oy newspapers rose 5 % and their advertising revenue 10 %. The result of operations was a clear improvement on the previous year.

Suomen Paikallissanomat

The publication of local newspapers by the Group is concentrated in Suomen Paikallissanomat Oy, which has altogether eleven regional titles: Harjavallan Seutu, Kankaanpään Seutu, Koillis-Häme, Kurun Sanomat, Merikarvialehti, Nokian Uutiset, Pyhäjokiseutu, Suur-Keuruu, Uutismarkku, Raahen Seutu and Valkeakosken Sanomat. The group also has one free-distribution newspaper, Raahelainen. The circulations of these newspapers vary between about 2,000 and 10,000 and they appear between once and five times a week. The local newspapers started publication of joint special editions at the end of the year.

The net sales of the local newspapers were

Audited circulations

	Frequency/week	Circulation 1996	Circulation 1997	Change %
Aamulehti	7	129,658	131,444	1.4
Lapin Kansa	7	37,578	36,623	-2.5
Satakunnan Kansa	7	56,749	56,565	-0.3
Iltalehti	6	108,109	115,521	6.9
Kauppalehti	5	78,723	78,948	0.3
Valkeakosken Sanomat	5	7,532	7,481	-0.7
Koillis-Häme	4	7,157	7,027	-1.8
Raahen Seutu	4	7,500	7,531	0.4
Koillis-Lappi	3	6,615	6,615	*)
Nokian Uutiset	3	7,370	7,459	1.2
Pyhäjokiseutu	3	8,200	8,759	6.8
Suur-Keuruu	3	6,486	6,537	0.8
Harjavallan Seutu	2	6,246	5,995	-4.0
Kankaanpään Seutu	2	10,086	9,645	-4.4
Kurun Sanomat	1	2,236	2,243	0.3
Merikarvia-lehti	1	3,040	3,040	**)
Uutismarkku	1	3,384	3,384	*)
		Print-run		
Porin Sanomat	1	47,500		
Raahelainen	2	16,600		
Uusi Rovaniemi	1	31,000		

**) Circulation in 1995

*) Circulation in 1996

Source: Circulation Audit 1/97

Number of readers and average number of pages in 1997

	Number of readers Source: MDC Media Research Ltd	Average number of pages in main edition
Aamulehti	342,000	38.1
Lapin Kansa	102,000	22.8
Satakunnan Kansa	144,000	24.6
Iltalehti	542,000	55.2
Kauppalehti	331,000	31.3

Development of circulations

	Daily papers No.	Aamulehti Group newspapers No.
1993	2,483,866	374,644
1994	2,399,931	357,849
1995	2,367,742	403,983 *)
1996	2,331,640	486,669 **)
1997	2,320,432	489,893

*) includes Lapin Kansa

**) includes Satakunnan Kansa

Source: Finnish Newspapers Association, Aamulehti Corporation

FIM 71 (60) million, the large difference being partly caused by the transfer of four local newspapers in the Satakunta area to Suomen Paikallissanomat Oy at the beginning of 1997. The year was a good one for the local newspapers, almost all of which raised both circulation and advertising revenues. The comparative operating profit of the group tripled from the previous year.

Prospects for 1998

The market situation should remain favourable for newspaper publishers during the current year and newspaper circulations in general are expected to increase. Advertising revenues are also forecast to rise, assuming the economic upswing in Finland continues, although the printed media are losing market share to the electronic media. A collective labour agreement for the industry reached in the autumn will raise labour costs by about 3 %. Agreement was still not reached on increasing the publication frequency of 7-day newspapers. According to the current agreement newspapers do not appear on 11 days in the year, which weakens the competitiveness of newspapers compared to the electronic media.

Modest increases in paper prices expected during the year will raise printing costs. The mailing costs paid by newspapers rose 7 % at the end of 1997. It is very likely that newspapers will begin cooperation in distribution in the near future, in addition to their existing cooperation in media marketing and production of editorial material.

The net sales and profitability of Alpress Oy's regional and local newspapers is expected to follow general trends in the Finnish economy. The main uncertainty relates to Kauppalehti's new competitive situation. Preparation for the change is already straining its profitability and the impact on its full-year's result will depend above all on the competitor's pricing policy. Another significant change will be Iltalehti's new format. The aggregate net sales of Alma Media's newspapers are forecast to increase modestly but according to current predictions the result is not expected to reach the previous

MTV GROUP

Media advertising in 1997

In June 1997 the shareholders' meetings of MTV Oy and Aamulehti Corporation approved the merger agreement under which the two companies will merge as from 1 April 1998 to form Alma Media Corporation. During the year MTV Oy changed its name to MTV Corporation, which re-established MTV Oy as a subsidiary and transferred to MTV Oy all its business operations. The Council of State approved the transfer to MTV Oy of the licence to engage in television broadcasting. The new MTV Oy and its subsidiaries are responsible for Alma Media's nationwide television and radio broadcasting operations.

There are four nationwide television channels in Finland. The MTV Group is responsible for the operations of the commercial MTV3 Channel, and the Finnish Broadcasting Company for two channels funded by licence fees. Another commercial TV channel started operating in June 1997, and at year's end attained a coverage of almost 70 % of Finnish households. By the end of the year, Finland had five nationwide radio channels. Four of these are owned by the Finnish Broadcasting Company. The fifth, the commercial channel Radio Nova which started operating in May 1997, is received by 85 % of the Finnish population. There are also 50 local radio stations operating in Finland. Cable and satellite TV channels capture a low proportion of overall viewing time, approximately 8%. Finns spend an average of 7 hours and 41 minutes per day following the various media on offer, of which 60% is spent following electronic media (Intermedia Research: MDC Media Research Ltd 1996).

TV advertising

Growth in media advertising in Finland in 1997 was higher than forecast. According to Addfacts Ltd's preliminary advertising expenditure data, FIM 5.1 billion was spent on media advertising, representing a 9.1 % increase on the previous year. Magazines and television saw the largest increase in their share of advertising revenues. TV advertising's market share of all media advertising was 21.2 %, while newspapers accounted for 56.2 % and magazines 15.7 %. The MTV3 Channel advanced its position as Finland's largest single advertising medium. MTV3 Channel's share of media advertising in Finland was 20.2 %.

MTV3 Channel's strengths as an advertising medium are its nationwide coverage and the capability of its network to simultaneously transmit advertising to 11 different advertising regions. An advertiser on the channel reaches 90 % of Finns weekly and over 60 % daily, in fact all the commercially important target groups. MTV3 Channel's share of viewing time is also high in European terms. MTV3 is Finland's leading TV channel. MTV3's share of all television viewing time was 43.6 % (TV People Meter Survey 1997, Finnpanel Oy, excluding video viewing).

There is a growing trend in the television advertising business to move away from selling just advertising time towards selling full-service packages. During the year a new pricing structure was adopted in collaboration with customers, as well as a new model for customer segmentation based on the needs of key customers. A service system was established based on this new customer segmentation. MTV3 Channel's marketing procedures received ISO 9002 certification. The MTV3 Channel offers its customers a range of customized research services to make advertising more effective by identifying awareness and the market position of brands and by determining the influence of advertising.

Research is also a key factor in building up MTV's own brand name. MTV3 is Finland's most popular brand in communications, and of all Finnish brands ranks fourth. The next most popular communications brand ranked 23rd (Gallup-Market Research 1996). Advertisers, media agencies and advertising agencies ranked MTV3 first in terms of how up-to-date, marketing oriented, willing to undertake research and pioneering in spirit media outlets were.

There were 302,566 showings of advertisements on the MTV3 Channel, clocking up a total airing time of 891 hours. The average duration of an advertisement was 21.44 seconds. Recall value of TV advertising remained high, as reflected in the nationwide average recall value of 69 % for advertisements, and the regional recall value of 65 % (Gallup-Market Research 1997, TV Advertising Efficiency Test).

Programming

MTV3 Channel's air-time rose by 20 % compared to the previous year and the programming was diversified. MTV3 offered 20 hours of continuous programming a day, becoming the first Finnish TV channel to do so. Average broadcasting time for the year was 18 hours a day. MTV3 Channel's gross broadcasting time was 6,657 hours, of which programmes accounted for 5,372 and advertisements 891 hours. Announcements, programme information and over-runs took up 394 hours of air-time. The domestic content of programming was 54 %. Daily viewing time of the MTV3 Channel was 1 hour and 5 minutes, much the same as the previous year.The news headline service established by MTV3 Internet was transferred to become a part of MTV's news service. It introduced a 24-hour news service to meet the needs of both MTV3 Internet and MTV3 Teletext, as well as of MTV3

Audience shares for different channels

Total viewing excludes video viewing

	1997 %	min. average/ day	1996 %	min. average/ day
MTV3	43.6	65	44.6	67
Finnish Broadcasting Company TV1	25.4	38	26.7	40
Finnish Broadcasting Company TV2	23.0	34	21.5	32
Nelonen and Finnish cable	3.5	5	2.7	4
Others, total	4.5	7	4.5	7
Total	100.0	150	100.0	151

Source: Finnpanel Oy TV Meter Survey 1997.

Programming on the MTV3 Channel by type of production (minutes)

	1997	%	1996	%
Own production	108 822´	33.8	95 796´	35.6
Finnish production	64 554´	20.0	60 013´	22.3
Joint international production	0´	0.0	132´	0.0
Foreign production	148 932´	46.2	113 257´	42.1
Total	322 308´	100.0	269 198´	100.0
Total hours	5 372 h		4 487 h	

Source: MTV Oy's Programme Planning 1997

Programming on the MTV3 Channel by programme types (minutes)

	1997	%	1996	%
Drama and films	124 298´	38.6	88 384´	32.8
Documentaries and current affairs	73 883´	22.9	63 693´	23.7
Entertainment	61 488´	19.1	54 652´	20.3
Sports	23 795´	7.4	26 885´	10.0
News	16 310´	5.1	14 901´	5.5
Music programmes	5 143´	1.6	4 672´	1.7
Children's programmes	12 890´	4.0	12 337´	4.6
Religious programmes	564´	0.2	170´	0.1
Education and training	3 886´	1.2	3 475´	1.3
Supplementary programmes	51´	0.0	29´	0.0
Total minutes	322 308´	100.0	269 198	100.0
Total hours	5 372 h		4 487 h	

Source: MTV Oy's Programme Planning 1997

MTV3 Channel's programming

	1997 %		1996 %	
European content	57.6		57.4	
From independent producers	25.5		20.5	
Repeats	17.8	48 329´	10.0	20 413´

Source: MTV Oy's Programme Planning 1997

Channel's own news broadcasts. The most important outside customer is Radio Nova, which purchases the major part of its news output from MTV Oy. During the year MTV3 Channel started broadcasting Lunchtime News (Lounasuutiset) during the middle of the day. The broadcast met its target of 100,000 viewers. The Good Morning Finland programme continued to do well despite the introduction of the Finnish Broadcasting Company's competing morning broadcast. MTV3 Channel's morning broadcast was watched by 60 % of viewers. Overall, MTV3 Channel transmits 19 news broadcasts a day.

The Top of Mind survey showed that 52 % of Finns would tune into MTV3 when they turned on the television if they did not know what programmes were being shown on the various channels. In the case of young people, this was true for 72 % of 15- to 24-year-olds. Correspondingly, 28 % of all Finns would tune into TV1 and 5 % to TV2 in the same circumstances.

MTV3 started wide-screen transmissions in August and subsequently broadcast the Jyrki show for young people and Electric Circus regularly in 16:9 format. The EU granted MTV Oy and Funny-Films Oy a subsidy for this. Subsidies were also granted for helping to support the introduction of the 16:9 standard from programme funds.

MTV Oy and MTV Corporation

MTV Group's net sales were FIM 1,079 million (FIM 975 million in 1996) and the operating profit was FIM 96 (64) million. Net sales were 10.6 % higher and operating profit 50.5 % higher than in the preceding year. The Group's financial income amounted to FIM 13 (16) million and the result before extraordinary items, provisions and taxes was FIM 102 (80) million. The Group's largest single items of expenditure were the network rent and the public service charge paid to the Finnish Broadcasting Company. Together these items totalled FIM 395 (397) million. For the first time in the company's history, MTV's net sales exceeded a billion Finnish marks. The company's profit was also the best in its history.

The Group's investments amounted to FIM 155 (49) million. FIM 114 million of this investment was channelled into the acquisition of shares in TV4 AB. During the year, MTV Oy purchased the Finnish Broadcasting Company's 20 % holding in Oy Kolmostelevisio Ab for FIM 10 million. Other investments went primarily towards the maintenance of fixed assets.

MTV Oy's name was changed to MTV Corporation in June. At the same time MTV

Corporation re-established MTV Oy as a wholly-owned subsidiary. MTV's operating licence was transferred from MTV Corporation to the new MTV Oy with effect from 1 September 1997. MTV Corporation's business operations, with the assets and liabilities they incorporated, were also transferred to the new MTV Oy as a capital contribution with effect from the same date. The share capital of the new MTV Oy was increased by FIM 200 million and MTV Corporation subscribed for all the shares. The Council of State approved the transfer of the operating licence to the new MTV Oy on the same conditions as before. The licence is valid until 14 December 1999. The transfer of business operations and the founding of MTV Oy were effected because of the combination merger between Aamulehti Corporation and MTV Corporation scheduled to take place on 1 April 1998.

The supervisory boards of Aamulehti Corporation and MTV Corporation elected new Boards of Directors for the companies at their meetings on 28 August 1997. Although the two companies still operate separately, the same individuals were elected to both Boards.

MTV3 Internet has remained the most popular Internet website in Finland. At the end of the year it received between 40,000 and 50,000 visitors a day. Changes were introduced to MTV3 Internet throughout the year. One of the cooperation agreements it concluded was with the Swedish company Bonnier Online. MTV3 Internet collaborated with Finland Post to introduce the first electronic trading application. A Webcasting distribution channel provided by Microsoft and Netscape was introduced in the autumn and a 3D-service provided together with Nokia was opened to the public. MTV3 Internet was opened to the public as an experimental project in 1995. As from 1 January 1998 it became one of MTV's profit centres.

MTV Oy is the third oldest commercial TV company in Europe. MTV celebrated its 40th anniversary on 29 April by offering its viewers and advertisers fuller and more diversified programming. The high points of the anniversary year were the party for personnel held at the Finnish National Opera on 27 April, and the celebration evening for customers arranged on the following day and broadcast live. The anniversary programme included Good Morning Finland broadcasts from five different localities in Finland, and the 'Image Alive!' exhibition arranged jointly with Heureka - The Finnish Science Center. The 'Image Alive!' exhibition was open for eight months and allowed visitors the opportunity of getting to know the world of cinema and TV. The exhibition attracted more than 186,000 visitors.

MTV Group had 661 employees at the end of the year, a slightly higher figure than a year earlier.

Oy Kolmostelevisio Ab

Oy Kolmostelevisio Ab was in charge of selling regional TV advertising in 11 different sales areas, for purchasing programmes both in Finland and from abroad, and for sports programming. The company's net sales were FIM 268 (253) million and its operating profit was FIM 21 (10) million. In September MTV Oy purchased a 20 % holding in Oy Kolmostelevisio Ab from the Finnish Broadcasting Company. Oy Kolmostelevisio Ab was wholly-owned by MTV Oy after this acquisition.

The focus of programmes from Finnish subcontractors shifted to drama productions. The numbers of foreign films and of serials broadcast during the day increased. Important new agreements included the contract for showing Spielberg films, and the contracts concluded with Warner Bros and the Disney Group.

The increasing cost of sports productions calls for new methods of financing. A media and service package was built around the reorganized NHL programming, offering customers a new mode of sponsorship. Kolmostelevisio signed a new two-year contract with NHL on television rights for 1997 to 1999.

Oy Kolmostelevisio Ab's was renamed MTV Media Oy on 1 January 1998. MTV Media Oy is in charge of the sale and marketing of all MTV's media products. Oy Kolmostelevisio Ab's programming services were transferred to MTV Oy's organization as of the same date. All MTV Oy's sales and marketing personnel were transferred to MTV Media Oy's employment without loss of seniority.

MTV-Palvelukiinteistöt Oy

MTV-Palvelukiinteistöt Oy is in charge of television technology, data administration and real estate. The company's net sales totalled FIM 57 (55) million and its operating profit was FIM 5 (6) million. Palvelukiinteistöt handed over its downtown studio to MTV Tuotanto on 7 January 1997. The last two fibre optics cables for transferring regional advertisements were accepted from Telia Finland Oy. There is now a direct two-way link to all the sales areas for regional advertising. The fibre optics network will be used for programme distribution when the video server is commissioned in the spring of 1998. The computerized marketing system in the marketing and regional sales units was replaced, and its campaign planning and research features were made available to media agencies. The cafeteria functions were transferred to Amica Ravintolat Oy on 1 September 1997.

For Oy

For Oy produces TV advertisements and corporate videos. The company's net sales were FIM 14 (10) million. The strong growth in net sales was due to increased demand for the new equipment and advertising films introduced in the previous year.

Programme production companies: Funny-Films Oy, MTV-Viihde Oy and MTV-Tuotanto Oy

Funny-Films Oy's net sales amounted to FIM 14 (12) million. The company has produced the Jyrki show and participated in the production of Amor's Curves (Amorin kaaret), Salon and Red Planet for the MTV3 Channel.

MTV-Viihde Oy started operating on 1 May. The company's net sales totalled FIM 44 million for the May-December period. MTV-Viihde Oy focuses on developing the content of entertainment. Prominent amongst the prizes and recognition awarded to the company during the year were the bronze rose at the Montreux Golden Rose festival for its Joyboys Story programme, the Venla award for its BumtsiBum programme and a KOURA commendation for the series 'Seppo Hovi - Songs of Finland' (Seppo Hovin seurassa: Laulu Suomen soi).

MTV-Tuotanto Oy also went into operation on 1 May. It provides programme production services for TV and film producers, and rents out costumes and sets. The company's net sales were FIM 7 million.

Associated companies

MTV Oy's major associated companies were Oy Suomen Uutisradio Ab, Finn-Lab Oy and Suomen Uutisvirta Oy.

Oy Suomen Uutisradio Ab started transmitting broadcasts on the first nationwide commercial radio channel in Finland, Radio Nova, on 12 May 1997. The channel's broadcasting operations were extended to cover the entire country in the autumn of 1997. The MTV Group owns 28 % of Oy Suomen Uutisradio Ab. Various surveys show that Radio Nova's audience and profile have developed well. Radio Nova is the second most popular radio channel in Finland. The company's net sales slightly exceeded FIM 13 million. The company is still not showing a profit owing to the start-up costs incurred.

Finn-Lab Oy's business area is the sale of technical services and materials for film productions. The company's net sales amounted to FIM 15 (11) million. MTV Oy owns 38 % of Finn-Lab Oy.

Suomen Uutisvirta Oy's net sales totalled FIM 16 million. The company produces Business News, the Saturday and summertime broadcasts of Good Morning Finland, and Entertainment News for the MTV3 Channel, and also participates in the production of current affairs programmes for Saturday broadcasts. MTV Oy owns 20 % of Suomen Uutisvirta Oy.

Prospects for 1998

Advertising is forecast to grow slightly faster than the upswing in the national economy. MTV's target is to retain its market share in a market that has become more competitive. Growth is anticipated in electronic media's share of the market as operations of the fourth TV channel and nationwide commercial radio level off after their first year of operation.

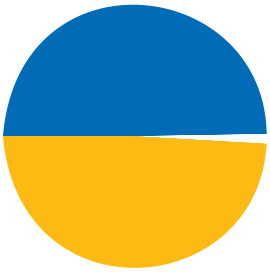
Sales of TV advertising time and of new services will receive a boost in the new organization as a result of the new methods of operating established in 1997. Determined efforts will be made to develop long-term partnerships and customized services. The MTV3 Channel's experience, its large audience and its capability of also offering advertisers supplementary services based on its wide-ranging research and development give it a competitive edge in achieving this aim. The objective for programming is to preserve MTV3's share of viewers. The steps being taken to enhance the choice of weekend programmes in order to achieve this aim will be completed during the current year. A number of new serials were started in the autumn of 1997 and their audiences are expected to grow during the current year. Twenty hours of continuous programming a day allows sufficient room for refreshing the programme mix.

The quality of programming is a critical aspect. It is reflected in the large drama serials and the higher number of current affairs programmes aired. Quality is also the guideline in working with production companies. A considerable portion of the programming budget is devoted to research and development. The trend in news broadcasting is towards a continuous news service, and one step to be taken is establishing a clearer profile for the different broadcasts.

A slight rise is anticipated in MTV Group's net sales and operating profit. MTV Oy has signed agreements with the Finnish Broadcasting Company on the network rent and public service charge for the current year. These now represent a slightly lower percentage of net sales.

ALPRINT

Distribution of net sales
MFIM 888



Alprint Newspaper Printing Group, 50%
Alprint Magazine Printing Group, 49%
Alprint Oy, 1%

Alprint is the graphic services division of the Aamulehti Group, and of the Alma Media Group which supercedes it. The Alprint Group comprises the parent company Alprint Oy and two subsidiaries: Alprint Magazine Printing Group Ltd, whose main customers are magazine publishers, and Alprint Newspaper Printing Group Ltd, which chiefly serves newspaper publishers. Both companies also provide promotional printing services. Alprint Newspaper Printing Group Ltd is also operationally responsible for the printing operations of Lapin Kansa Oy, which uses the name Alprint Rovaniemi for marketing purposes.

Alprint provides a full range of products and services covering newspapers, magazines, comics and various promotional products. Alprint has altogether 12 printing plants around Finland. In 1997 Alprint Magazine Printing Group Ltd acquired the magazine and promotional printing operations of Satakunnan Kirjateollisuus Oy and Alprint Newspaper Printing Group Ltd acquired its newspaper printing operations. At the beginning of 1997 Alprint Newspaper Printing Group Ltd acquired the operations of Tampereen Kirjapaino Oy which, together with Hälytarra Oy, was merged with Alprint Oy in December. Neither company was operational during the year. In December Alprint Newspaper Printing Group Ltd sold the Alprint Oulainen operation to this unit's management.

In terms of net sales, Alprint is the largest printing concern in Finland and the second largest in Scandinavia. Exports account for 40 % of its revenue, 30 % is derived from printing of the Aamulehti Group's own newspapers, and 30 % from sales to other publishers in Finland. The most important export markets are Russia and Scandinavia.

Market conditions

Demand for graphic industry products in Finland fluctuates in pace with the national economy. The capacity load of Finnish printing companies is generally rather low because each newspaper has traditionally had its own rotation press. Newspapers also cover large geographical areas, which limits co-operation in printing among newspaper publishers. Demand for Alprint's products in Finland rose slightly during the year. June, however, was exceptionally quiet, even though the graphic industry expects considerable fluctuation in demand during the year. Demand picked up again in the autumn.

Exports have had a more pronounced impact on capacity load in the magazine printing sector than in the newspaper sector, and it is only in the last three years that exports of newspaper products have reached significant proportions. The main market is Russia, which because of its proximity to Finland and increasing demand has enabled substantial exports of newspaper products. These mainly comprise newspapers published once a week or more seldom. At the same time Russia has also increased in importance as an export market for the magazine printing sector.

Alprint's principal western markets are Scandinavia and Great Britain and its main export products are magazines, promotional products printed on magazine rotation presses, comics and crossword magazines. Western exports of newspapers are very modest. Exports of magazines and promotional products to Scandinavia fell somewhat during the year, but increased to Great Britain.

Exports to the east are rising. Alprint's exports to Russia last year increased in volume on the previous year, particularly in magazine products, while Alprint Newspaper Printing Group Ltd gained several large orders at the end of the year as well. Demand continues to increase for high-quality printed products in Russia. At the year end Alprint's Russian customers included about 50 publishers, most of them magazine publishers. A significant number of new customers were publishers who moved their printing orders from central European printers to Finland, closer to their markets. Competition on price for these printing contracts became fiercer. In the newspaper sector demand for hybrid products, ie. newspapers printed using both newsprint and magazine paper grades, was particularly strong and higher than forecast.

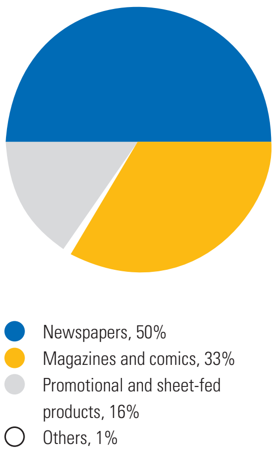
No significant new magazine printing capacity was built in Finland during 1997 but many printing plants took on new shifts. Many newspaper printers, by contrast, implemented or announced their plans to implement new investments, which will increase the four-colour printing capacity of existing plants.

A drop in paper prices strengthened the graphic industry's ability to compete on price. Paper prices fell by about ten per cent on the previous year's levels. Alprint consumed approximately 90,000 tons of paper during the year, half of which was standard newsprint and just under half magazine grades. Alprint also purchased small amounts of special grades. Most of its paper comes from three Finnish producers, the rest being procured from suppliers in Sweden and Norway.

Net sales up

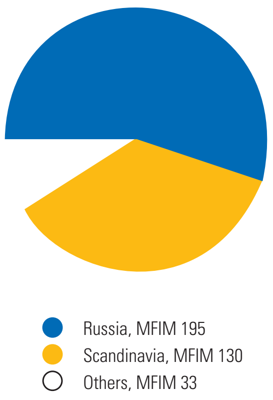
Alprint's net sales for 1997 totalled FIM 888 (848) million, the increase being mainly attributable to the fact that the units in Pori

Net sales by type of product MFIM 888

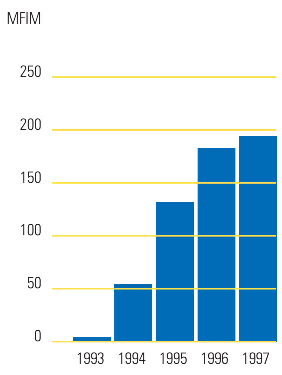


Net sales by region MFIM 888

Alprint's exports by region



Alprint's exports to Russia 1993 - 1997



were now consolidated for the full year. Net sales increased noticeably more slowly than production volume due to the discounts in paper prices. FIM 270 (267) million of Alprint's revenues came from printing of the Aamulehti Group's own newspapers, FIM 260 (238) million from printing of newspapers for other Finnish publishers, and FIM 358 (343) million from exports. The Russian market accounted for more than half of the export volume. This was significant since in the previous year exports to Russia totalling about FIM 30 million comprised one-time printing contracts. Exports to Scandinavian countries declined somewhat, but exports to Great Britain increased.

Alprint's investments were lower than normal. Capital expenditure came to FIM 26 (48) million and principally comprised small maintenance items.

Alprint's operating profit was FIM 88 (94) million, which was 10 % (11 %) of its net sales.

Alprint had 971 (943) employees at the end of the year. Personnel averaged 963 (919).

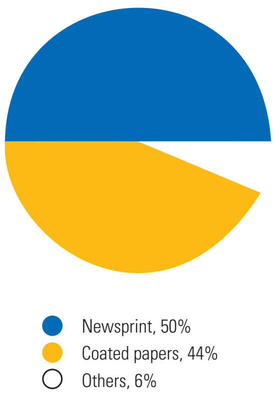
Alprint Magazine Printing Group

Alprint Magazine Printing Group Ltd has six production plants. Alprint Tammisto in Vantaa handles the Group's largest printing contracts. Alprint Rahola in Tampere has the most versatile production, insert and postpress capacity, and this is used for the most technically demanding magazine printing contracts. The Alprint Pori magazine printing plant produces various promotional products. Alprint Hyvinkää specializes in comics. Alprint Sarankulma in Tampere and Alprint Lauttasaari in Helsinki are sheet printers.

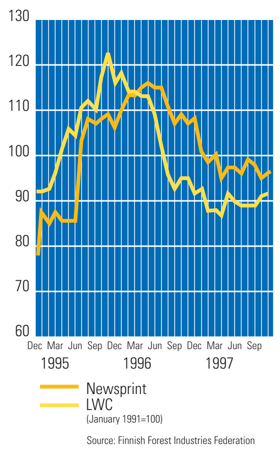
Alprint Magazine Printing Group Ltd's net sales in 1997 totalled FIM 442 (387) million. This included FIM 244 (205) million in exports, mainly to Russia, Sweden and Norway. Demand for promotional printing and magazines rose in Finland and, compared to the previous year, both sales and targets were exceeded. Only comics fell below the level of the year before. Alprint Magazine Printing Group Ltd's exports rose by one fifth, mainly thanks to Russia and Great Britain. Magazines contribute more than half of the total revenues of the magazine printing plants. The share of promotional products increased slightly, while production of comics was lower than one year before. Competition for magazines with large print-runs changed during the year when several gravure printers in Scandinavia formed a new alliance.

Alprint Magazine Printing Group Ltd's operating profit remained at the previous year's level.

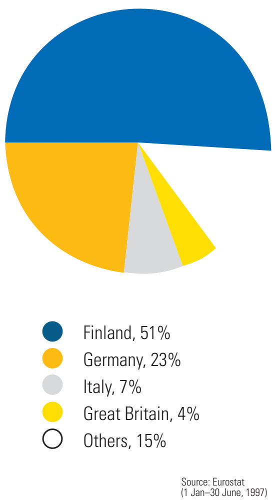
Paper purchases by grade 90,000 tonnes



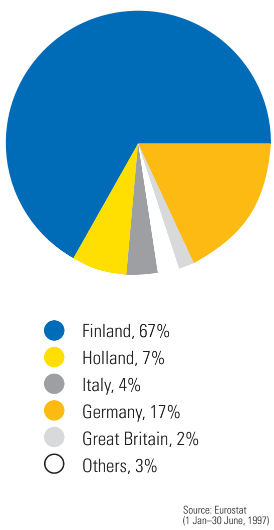
Paper export prices to western markets



EU graphic industry exports to Russia 1997



EU newspaper exports to Russia 1997



Alprint Newspaper Printing Group

Alprint Newspaper Printing Group Ltd has printing plants in Kaivoksela (Vantaa), Tampere, Pori, Rovaniemi, Jämsä and Valkeakoski. Alprint Tampere, Alprint Pori, Alprint Rovaniemi and Alprint Valkeakoski print broadsheet and tabloid newspapers. The Pori press is also equipped to handle hybrid products, which combine both newsprint and magazine paper grades. Alprint Kaivoksela and Alprint Jämsä specialize in eurotabloid-sized hybrid newspapers.

Alprint Newspaper Printing Group Ltd's net sales in 1997 totalled FIM 449 (437) million. The increase was mainly attributable to a higher volume of printing contracts received from the Aamulehti Group and other publishers in Finland. The Aamulehti Group contributed FIM 258 (249) million of the company's net sales, other domestic publishers FIM 70 (60) million, and exports FIM 114 (127) million. In the last months of the year the Aamulehti Newspaper Printing Group's plants won several large new contracts from publishers in Russia. Export revenues in the previous year included one-time contracts totalling FIM 30 million.

Alprint Newspaper Printing Group Ltd's operating profit was slightly below the previous year's exceptionally high figure but better than forecast.

Prospects in 1998

Prices of paper grades used by Alprint are rising. An average increase of five per cent is expected compared to prices in 1997. Alma Media's Iltalehti afternoon newspaper has decided to change its present eurotabloid format to a normal tabloid size and to use only high-quality special newsprint in its weekday editions. For this reason some of the weekday printing will be subcontracted outside Alprint Newspaper Printing Group Ltd, which will reduce its net sales by a good FIM 20 million. Other domestic operations are expected to show a slight increase in volume. On the other hand a predicted increase in exports of magazine and newspaper products is expected to keep Alprint's net sales for the year at the same level as in 1997. Eastern exports will rise substantially. The result for the year is forecast to be lower than in 1997 as a result of fiercer competition in the export markets, increases in paper prices, and intragroup changes affecting production and pricing.

AAMULEHTI CORPORATION, ALEXPRESS OY AND ASSOCIATED COMPANIES

The Aamulehti Group's parent company is Aamulehti Corporation. Aamulehti Corporation owns the shares of the operative subsidiaries and most of the Group's real estate. The parent company is centrally responsible for treasury management on behalf of the Group as well as securities trading and other investment activities. The corporate management of Aamulehti Corporation comprises the Group's top management together with its financial control, business development and communication functions. The parent company also provides personnel administration, real estate management, legal, procurement and information technology services on behalf of the Group.

The parent company's net sales in 1997 were FIM 62 (66) million and it recorded an operating loss of FIM 29 million (1996: operating profit of FIM 29 million).

Alexpress

Alexpress Oy is responsible for the Aamulehti Group's local radio broadcasting activities, R&D in new media, and its networking business. R&D in new media and product development make up a considerable proportion of Alexpress's operations. The Aamulehti Group invests more than FIM 16 million in media development projects every year. The media development side of Alexpress's operation was reorganized at the beginning of 1998. The DIME unit is responsible for development of an electronic marketplace and for sales and marketing of classified advertising on the Internet. The Network Production unit produces short-message services and consumer products such as network services for golf and downhill skiing enthusiasts. The Network Services unit is responsible for development of new media technology and for operating and maintenance service packages. Distribution of the Aamulehti Group's electronic newspapers is based on systems developed and maintained by Network Services. This unit has also developed news and Internet services for users of the Nokia 9000 Communicator.

Local radio broadcasting

Aamulehti Group owns Radio Alex in Helsinki, Radio Moro in Tampere and Radio Alex in Oulu, all of which share the same operating format. These radio stations are targeted at the adult section of the population, broadcasting local news and favouring Finnish artists and international evergreens in their selection of music. They also use material produced by the Network Production unit of Alexpress Oy. The local radio broadcasting sector has developed unfavourably in recent years and its overall market share of media advertising has fallen, resulting in even fiercer competition. Advertising expenditure through local radios in Finland totalled FIM 166 (163) million in 1997. However, the national Radio Nova channel is expected to raise interest in radio as an advertising medium. The fall in radio advertising halted during the final months of the year and has since begun to rise. The Aamulehti Group's local radio stations had aggregate net sales of FIM 11 (8) million. The result of operations was a loss and weaker than expected.

Radio Nova

Aamulehti Group owns 20 % of Oy Suomen Uutisradio Ab (Finnish News Radio Ltd), which began as a national commercial radio channel in May 1997 operating under the name Radio Nova. By the end of the year Radio Nova could be heard by 85 % of the Finnish population. Radio Nova has made a good start and net sales from the first year of operation exceeded FIM 13 million.

Aldata

In February 1997 Aamulehti Corporation sold a majority of its Aldata division, which comprised the parent company Suomen Aldata Oy and its two subsidiaries, Data Check Oy and Tietovoima Oy. In the transaction Suomen Aldata Oy first acquired the share capital of Modern Soft Oy, which specialized in computerized retail and special management systems. After this Aamulehti Corporation sold the entire stock of Suomen Aldata Oy to a new company, Alcap Oy, in which it has a 28 % holding. Aamulehti Corporation recorded a profit of FIM 59 million on this transaction. The profit was FIM 37 million in the Group accounts. The Alcap group showed net sales of FIM 152 million and a loss of FIM 5 million.

ALMA MEDIA

HIGHLIGHTS OF 1997

On 22 April 1997 the Boards of Directors of Aamulehti Corporation and MTV Oy approved the agreement calling for the merger of the two companies to form Alma Media Corporation on 1 April 1998. Extraordinary shareholders' meetings approved the merger on 18 June 1997.

Radio Nova, Finland's first nationwide commercial radio, began broadcasting on 12 May 1997.

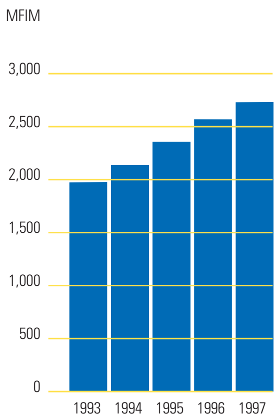
Joint Boards of Directors were elected for the Aamulehti Corporation and MTV Corporation on 28 August 1997. The same individuals also constitute the first Board of Directors of Alma Media Corporation, as set out in the merger agreement.

Aamulehti Corporation and MTV Oy acquired altogether 23.4 % of the shares of TV4 AB in Sweden on 21 October 1997. Alma Media is TV4 AB's largest single shareholder.

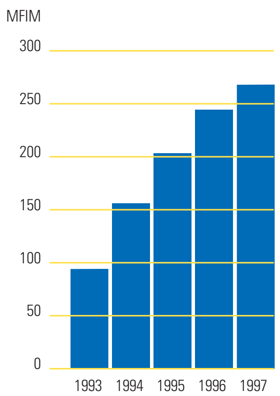
In 1997 MTV Group's net sales exceeded FIM 1 billion for the first time. The Group's profit before taxes and minority interests was FIM 102 million, which was the best result in its 40-year history.

Aamulehti Group's profit before taxes and minority interests was FIM 202 million, the best in its history. Alpress, the publishing division, developed especially well.

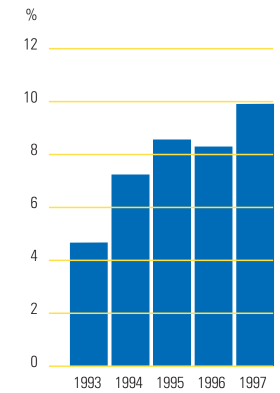
Net sales, MFIM



Operating profit, MFIM



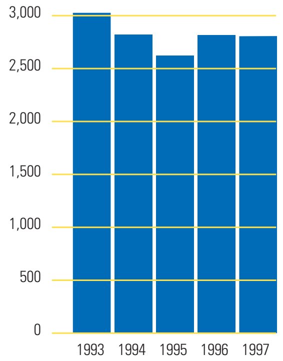
Operating profit as % of net sales



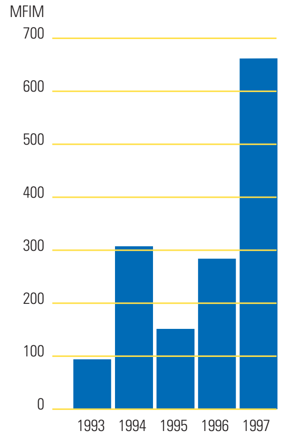
Alma Media 1993 -1997 (pro forma)

	1997	1996	1995	1994	1993
Net sales, FIM million	2,727	2,599	2,383	2,139	1,997
Operating profit, FIM million	270	245	202	156	94
As % of net sales	9.9	8.3	8.5	7.3	4.7
Return on investment, %	17.8	19.2	16.4	14.0	8.8
Solvency ratio, %	47	46	46	35	30
Capital expenditure, FIM million	661	283	152	306	98
Full-time employees on average	2,816	2,825	2,627	2,826	3,010

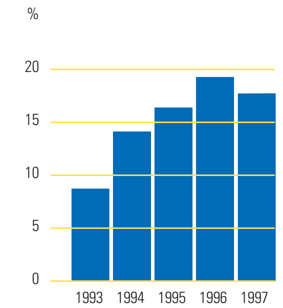
Full-time personnel on average



Investments, MFIM



Return on investment, %



CONSOLIDATED INCOME STATEMENT (pro forma)

(FIM million)	1997	%	1996	%
Net sales	**2,727**		2,599	
Share of associated companies' results	**5**		3	
Other operating income	**25**		67	
Operating profit before depreciation	**442**	16.2	403	15.5
Depreciation	**-171**		-158	
Operating profit	**270**	9.9	245	9.4
Financial income and exprenses	**-2**		-10	
Profit before extraordinary items, taxes and minority interest	**269**	9.9	235	9.0
Extraordinary income	**53**		7	
Extraordinary expenses	**-21**		-3	
Profit before taxes and minority interests	**300**	11.0	238	9.2
Direct taxes	**-66**		-69	
Minority interests in profit for the year	**-3**		-3	
Profit for the year	**231**	8.5	167	6.4

CONSOLIDATED BALANCE SHEET (pro forma)

(FIM million)	31 Dec. 1997	31 Dec. 1996
ASSETS		
Fixed assets and other long-term investments	**1,834**	1,350
Valuation items	**5**	9
Inventories	**158**	123
Receivables	**241**	230
Financial assets	**212**	311
	2,450	2,023
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**1,109**	882
Minority interests	**20**	31
Obligatory provisions	**6**	5
Long-term liabilities	**304**	491
Current liabilities	**1,011**	614
	2,450	2,023

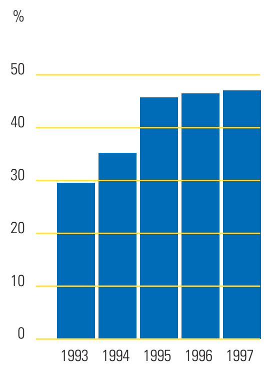
CAPITAL EXPENDITURE

(FIM million)	1997	1996
Gross investments	**661**	283

PER SHARE DATA

(FIM)	1997	1996
Earnings per share	**12.71**	10.36
Shareholders' equity per share	**70.50**	56.07

Solvency ratio, %



Alma Media's organization

Alma Media focuses solely on mass media. Its parent company is Alma Media Corporation and it is based in Helsinki, Finland. The company has applied to the Helsinki Stock Exchange for listing of its shares. Trading in the company's shares is scheduled to begin on 1 April 1998, the same day on which Alma Media officially starts operating. Alma Media Corporation's share capital is FIM 157 million and it has about 3,000 shareholders.

Supervisory board

Extraordinary meetings of Aamulehti Corporation and MTV Corporation shareholders on 18 June 1997 appointed a Supervisory Board for Alma Media Corporation which will meet for the first time on 1 April 1998. According to the merger agreement Alma Media Corporation's Supervisory Board will have 15 members, seven of whom were elected by an Aamulehti Corporation shareholder's meeting, five by an MTV Oy shareholders' meeting, two by Aamulehti Corporation's personnel and one by MTV Oy's personnel.

The Aamulehti Corporation shareholders' meeting elected Asmo Kalpala, Jonas Nyrén, Jukka Rantala, Jarmo Raveala, Arjo Anttila, Antero Siljola and Jukka Koivisto.

The MTV Oy shareholders' meeting elected Matti Kavetvuo, Ari Heiniö, Paavo Pitkänen, Matti Ahde and Arto Liinpää.

The personnel of Aamulehti Corporation elected Asko Haapaniemi and Kari Asikainen as its representatives. The personnel of MTV Oy elected Vesa Kallionpää as its representative.

Board of Directors

In connection with the merger process all the members of the Boards of Directors of Aamulehti Corporation and MTV Corporation relinquished their positions. On 28 August 1997 the Supervisory Boards of Aamulehti Corporation and MTV Corporation elected the following to the new Boards of Directors of the two companies: Pekka Ala-Pietilä, Pirkko Alitalo, Bengt Braun, Matti Häkkinen, Pentti Kivinen, Björn Mattsson and Olli Reenpää. This also constitutes the first Board of Directors of Alma Media Corporation, as set out in the merger agreement. The chairman of Alma Media Corporation's Board of Directors is Björn Mattsson and the Deputy Chairman is Bengt Braun.

President and Board of Management

The new Group's parent company, Alma Media Corporation, owns the shares of the subsidiaries responsible for the Group's business operations. It is centrally responsible for financial control, strategic planning, treasury management and corporate communications on behalf of the Group, and it also supplies administrative and technical services to the Group's various business units.

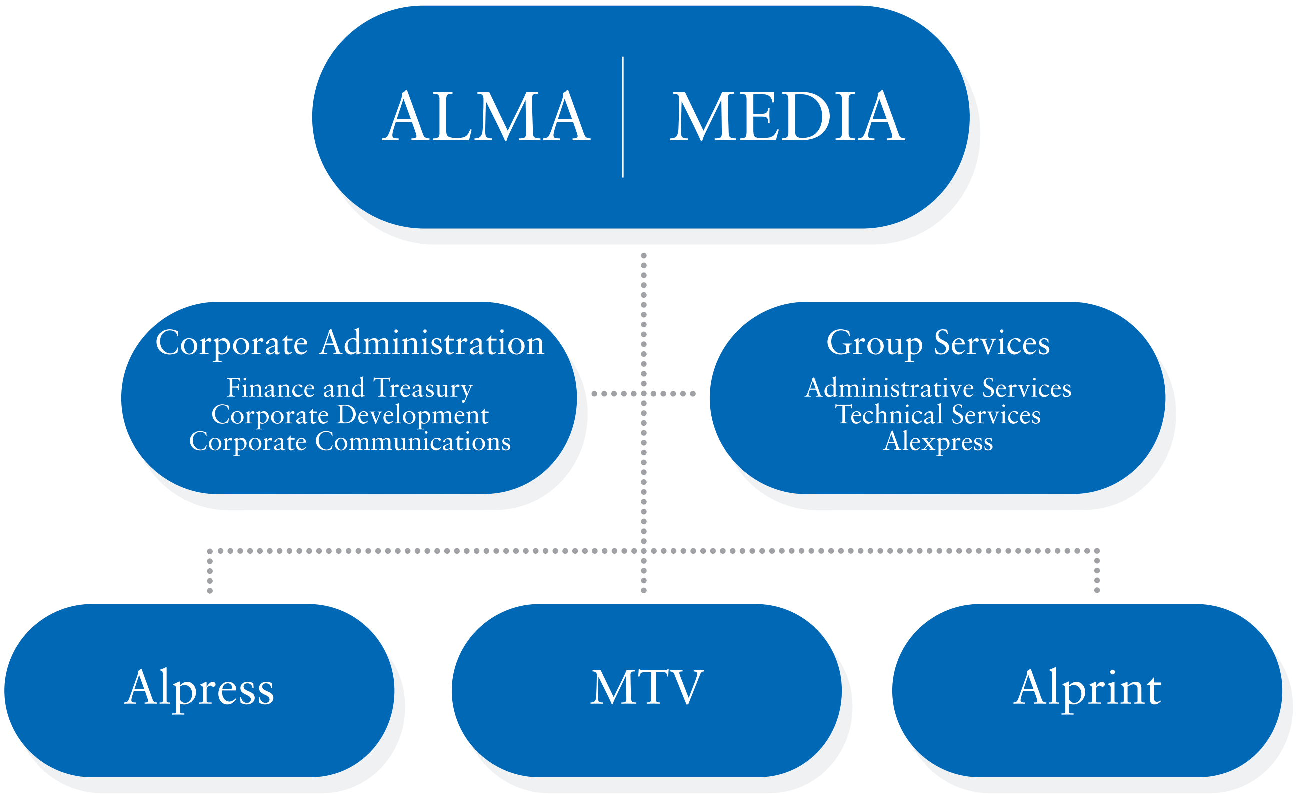
The merger agreement stipulated that the President and CEO of Alma Media Corporation would be Matti Packalén. Eero Pilkama has been appointed Executive Vice President. Alma Media Corporation's other executive vice presidents are Heikki Saraste and Risto Takala.

Alma Media Corporation's Board of Management has been appointed with effect from 1 April 1998. It will comprise Eero Pilkama, President of MTV Oy, with responsibility for Alma Media Corporation's television and national radio broadcasting activities; Heikki Saraste, President of Alpress Oy, head of Alma Media Corporation's newspaper publishing business; Risto Takala, President of Alprint Oy, head of Alma Media Corporation's graphic services business; Jaakko Nieminen, Senior Vice President, Corporate Development; and Ritva Sallinen, Senior Vice President, Finance. The secretary of the Board of Management will be Jaakko Paavela, Senior Vice President, Corporate Administration.

Auditors

KPMG Wideri Oy Ab and SVH Coopers & Lybrand Oy have been appointed as the auditors for Alma Media Corporation until the 1999 Annual General Meeting. Both are authorized public accounting firms approved by the Central Chamber of Commerce.

ALMA MEDIA STRUCTURE



Bengt Braun

Pirkko Alitalo

Olli Reenpää

Pekka Ala-Pietilä

Björn Mattsson

Pentti Kivinen

Board of Directors
1 April 1998

Björn Mattsson, 57, President and CEO of Cultor Corporation, Chairman of the Board

Bengt Braun, 51, President and CEO of Tidnings AB Marieberg, Deputy Chairman of the Board

Pekka Ala-Pietilä, 41, President of Nokia Mobile Phones

Pirkko Alitalo, 48, Senior Executive Vice President of Pohjola Insurance Company Ltd.

Matti Häkkinen, 51, LL.B.

Pentti Kivinen, 54, Managing Director of The Finnish Fair Corporation

Olli Reenpää, 64, Managing Director of Otava Publishing Company Ltd.

Matti Häkkinen

Supervisory Board 1 April 1998

Matti Ahde, 52, Managing Director of Oy Veikkaus Ab, one-year term
Arjo Anttila, 65, DSc HC, two-year term
Ari Heiniö, 52, Managing Director of Oy Stockmann Ab, two-year term
Asmo Kalpala, 47, Chief Executive Officer of Tapiola Insurance Group, three-year term
Matti Kavetvuo, 53, Managing Director of Valio Oy, three-year term
Jukka Koivisto, 38, Executive Director of Economic Information Bureau, one-year term
Arto Liinpää, 54, Managing Director of Markkinointi Viherjuuri, one-year term
Jonas Nyrén, 46, Executive Vice President of Tidnings AB Marieberg, three-year term
Paavo Pitkänen, Managing Director of Pension-Varma Mutual Insurance Company, two-year term
Jukka Rantala, 46, Senior Vice President, Research and IR of Pohjola Insurance Company Ltd, three-year term
Jarmo Raveala, 38, Architect, two-year term
Antero Siljola, 55, President and CEO of Werner Söderström Osakeyhtiö - WSOY, one-year term

Personnel representatives on the Supervisory Board

Kari Asikainen, 40, Journalist, one-year term
Asko Haapaniemi, 55, Offset Printer, three-year term
Vesa Kallionpää, 37, Political correspondent, two-year term

Group Executive Board 1 April 1998

Matti Packalén, 51, MSc (Eng.), MSc (Econ.), President and CEO, Chairman
Eero Pilkama, 55, MSc, Executive Vice President and deputy to the CEO, President of MTV Oy, with responsibility for Alma Media Corporation's television and national radio broadcasting activities
Heikki Saraste, 46, MSc (Eng.), Executive Vice President, President of Alpress Oy, head of Alma Media Corporation's newspaper publishing business
Risto Takala, 54, MSc (Econ.), Executive Vice President, President of Alprint Oy, head of Alma Media Corporation's graphic services business
Jaakko Nieminen, 56, BSc (Eng.), Senior Vice President, Corporate Development
Ritva Sallinen, 49, MSc (Econ.), Senior Vice President, Finance

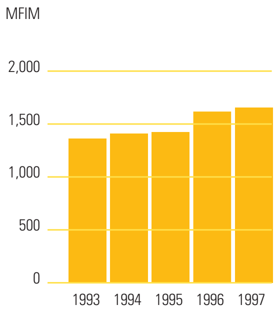
Auditors 1 April 1998

KPMG Wideri Oy Ab
SVH Coopers & Lybrand Oy

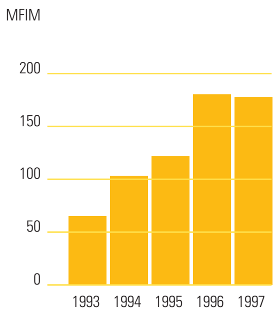
AAMULEHTI CORPORATION FINANCIAL STATEMENTS

REPORT BY THE BOARD OF DIRECTORS

Net sales, MFIM



Operating profit, MFIM



The profit before taxes and minority interests rose 27 % to FIM 202 (159) million. Net sales increased 2 % to FIM 1,652 (1,623) million. The solvency ratio was 45 % (45 %). Alma Media's net sales are expected to exceed the net sales of the mergering companies last year. Further growth is forecast in the media markets but competition is also expected to put pressure on costs.

For the Finnish media 1997 marked a historical year. The annual shareholders' meetings of Aamulehti Corporation and MTV Oy decided to merge the two companies to form a new mass communications group called Alma Media Corporation. In October Aamulehti Corporation acquired 18.4 % and MTV Oy 5.0 % of Sweden's only national commercial television channel, TV4 AB. Alma Media will be TV4 AB's largest owner.

Other highlights in Finland during the year included the start-up of Finland's first national commercial radio channel and a second national commercial television channel, and the launches of a second national business daily and several free-distribution newspapers.

In February 1997 Aamulehti Corporation sold the shares of Suomen Aldata Oy to a new company, Alcap Oy, in which it holds 28 %. This left the Aamulehti Group to concentrate solely on mass communications.

Business environment

The Finnish economy recovered better than expected. According to a forecast by Merita Bank the economy grew 4.2 % (2.5 %). Despite this, however, interest rates and inflation remained low. The average rate of unemployment in Finland fell to 14.5 % (15.8 %), according to Statistics Finland.

The buoyant economy also fuelled media advertising, which increased rapidly. According to preliminary information released by Addfacts Ltd, the volume of media advertising rose 9.1 % to FIM 5.1 billion compared to the previous year. Magazine and television advertising showed particularly strong growth. Newspaper advertising revenues rose 5.4 %. The circulations of Finland's daily newspapers declined by 0.3 % (-1.8 %) on average but many newspapers in the southern and central regions of the country actually raised their circulations. Growth was vigorous in the afternoon newspaper markets. A fall in paper prices reduced printing costs.

Demand for graphic products in Finland rose slightly but seasonal variations were large, as in the year before. Paper prices were 10 % lower on average than in 1996, which meant that sales rose more slowly than volume in the industry. Exports of printed products to Russia increased once again. Profitability in the industry was slightly weaker than one year earlier.

The figures for the divisions presented in this report are based on the Group's operative organization.

Net sales and result

The Group's net sales totalled FIM 1,652 (1,623) million. Net sales in 1996 included the net sales of the Aldata division (FIM 114 million) sold in February 1997. Net sales in 1997 does not include the Aldata sales. The business operations of Satakunnan Kirjateollisuus Oy were consolidated in the Group's full-year accounts for the first time. In addition the net sales of Aamulehti and Iltalehti showed particularly strong growth.

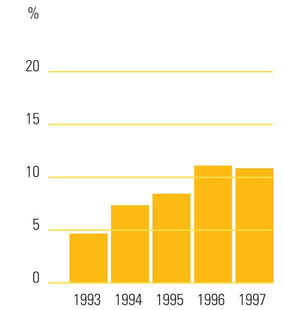
Exports accounted for FIM 360 (347) million of consolidated net sales and consisted mainly of exports of Alprint's printed products. Altogether 55 % (54 %) went to Russia, 36 % (40 %) to Scandinavia, and 9 % (6 %) to other countries, mainly Great Britain.

The annual shareholders' meeting in 1990 decided that an appropriation should be made from the Group's profits to a personnel fund if the Group's result of operations exceeds 7.0 % of its net sales. The results of both the subsidiaries and the Group affect the amount to be transferred to the personnel fund. An appropriation was made to this fund for the first time in 1997. The FIM 10 million transferred was entered in the accounts under personnel expenses.

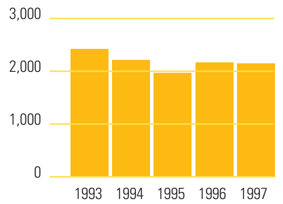
The operating profit before depreciation was FIM 320 (313) million, which included FIM 12 (2) million contributed by associated companies. In 1996 the operating profit included a one-time profit of FIM 45 million on the sale of real estate. Other operating income came to FIM 6 (53) million. The improvement in operating profit before depreciation in 1997 was due to higher profits posted by the Aamulehti, Satakunnan Kansa and Iltalehti newspapers.

Depreciation totalled FIM 142 (133) million, including goodwill depreciations of FIM 13 (11) million. The operating profit (after depreciation) was FIM 178 (180) million. Net financial expenses came to FIM 15 (25) million. This decrease was due to lower interest rates, conversion of the convertible bond into shares, and the fact that before the payment of the TV4 shares in December 1997 interest-bearing debt was lower than during the previous year. Financial expenses were 0.9 % (1.6 %) of net sales. The Group's profit before extraordinary items, taxes and minority interests was FIM 163 (155) million.

Operating profit as % of net sales, MFIM

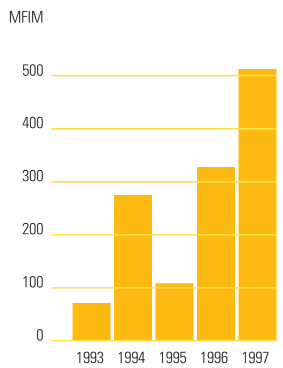


Full-time employees on average



*) Full-time personnel without newspaper carriers

Capital expenditure, MFIM



Extraordinary income totalled FIM 53 (7) million and extraordinary expenses FIM 14 (3) million. Extraordinary income included a profit of FIM 37 million from the sale of the Suomen Aldata Oy shares. Extraordinary expenses included FIM 13 million in costs incurred by the merger of the Aamulehti and MTV groups. The profit before taxes and minority interests was FIM 202 (159) million. Direct taxes came to FIM 36 (47) million. After the closing of the 1997 annual accounts the Group had unused confirmed losses from previous financial years totalling slightly less than FIM 10 million. Earnings per share were FIM 13.92 (12.74).

Capital expenditure

Capital expenditure totalled FIM 510 (338) million. FIM 420 million of this went in acquiring the TV4 AB shares, FIM 13 million in the Pohjolan Sanomat shares, and the remaining FIM 77 million in normal maintenance investments. The Aamulehti Group owns 18.4 % of the shares of TV4 AB and 44 % of the shares of Pohjolan Sanomat Oy.

Financing

The Group had FIM 96 (104) million in cash reserves and bank balances at the year end. Interest-bearing debt came to FIM 736 (453) million at the end of the period. The counter-value of debt denominated in foreign currency was FIM 227 million. Foreign currency loans are mainly hedged against foreign exchange risks. The increase in interest-bearing debt arose from financing of the acquisition of the TV4 AB shares. The interest-bearing loans carried average interest of 4.0 % (4.8 %). Net gearing was 76 % (52 %).

Shareholders’ equity and solvency ratio

The balance sheet totalled FIM 1,940 (1,603) million. Shareholders’ equity in the balance sheet amounted to FIM 840 (674) million. The accumulated depreciation difference and voluntary provisions came to FIM 129 (103) million. This included FIM 93 (74) million entered under shareholders’ equity and FIM 36 (29) million as the computed deferred tax liability. Minority interests totalled FIM 20 (21) million. The solvency ratio at the year end was 45 % (45 %). Shareholders’ equity per share was FIM 87.41 (89.91).

Shares and ownership structure

An aggregate increase of FIM 21 million in the share capital was recorded in the Trade Register during the year, consisting of shares converted in exchange for bonds floated in 1993. Contrary to the bond’s original conditions, the conversion period of the bond expired on 31 August 1997 as stipulated in the merger agreement approved by a shareholders’ meeting on 18 June 1997. Of the original FIM 129 million loan principal, bonds totalling a nominal FIM 855,000 remained unconverted on the conversion expiry date. In February 1998 the expiry period was extended until 13 March 1998.

The Board of Directors of Aamulehti Corporation had no authorizations to raise the share capital during the year. The registered share capital of Aamulehti Corporation at the year end was FIM 96 (75) million, consisting of FIM 42 million in Series I shares and FIM 54 million in Series II shares.

Nominee-registered and Non-Finnish shareholders held 52 % (42 %) of the Group’s shares at the year end.

Personnel

The Group had 2,152 (2,268) full-time employees at the year end, and an additional 941 (999) part-time newspaper deliverers. Personnel averaged 3,107 (3,029) during the year.

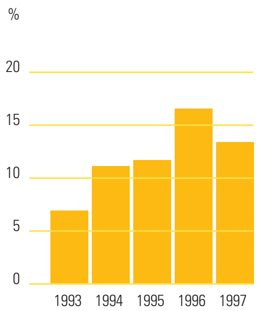
Administration

The following were due for retirement from the Supervisory Board at the Annual General Meeting in 1997: Tapio Aaltio, Pauli Komi, Pentti Kivinen, Matti Peltonen and Jukka Rantala, as well as employee representative Asko Haapaniemi. Tapio Aaltio, Pentti Kivinen, Jukka Rantala and employee representative Asko Haapaniemi were re-elected. The following were elected as new members: Antti Tanskanen, Jukka Koivisto and Reino Taubert. Toivo Nordberg and Hannu Jaakkola were elected to the Supervisory Board in place of Tauno Matomäki and Matti Järventie, who resigned from the Supervisory Board after being invited to join the Board of Directors.

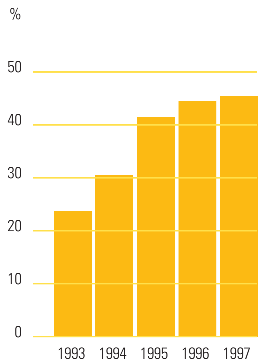
The AGM elected authorized public accountants KPMG Wideri Oy Ab and Mauri Palvi APA as the Company’s auditors. Matti Sulander APA, Eija Kauppi-Hakkarainen APA and Seppo Suuripää APA were appointed deputy auditors.

The Supervisory Board elected Arjo Anttila as its Chairman and Asmo Kalpala as its

Return on investment, %



Solvency ratio, %



Deputy Chairman.

As part of the merger process the entire Board of Directors of Aamulehti Corporation - that is Pirkko Alitalo, deputy chairman Bengt Braun, Matti Häkkinen, Matti Järventie, chairman Tauno Matomäki, Yrjö Niskanen and Erkki Solja - resigned their positions. The Supervisory Board elected the following as members of the Board of Directors of Aamulehti Corporation with effect from 28 August 1997: Pekka Ala-Pietilä, Pirkko Alitalo, Bengt Braun, Matti Häkkinen, Pentti Kivinen, Björn Mattsson and Olli Reenpää.

This also constitutes the first Board of Directors of Alma Media Corporation, due to start operation on 1 April 1998, as set out in the merger agreement. The new Board of Directors elected Björn Mattsson as its chairman and Bengt Braun as its deputy chairman.

Pentti Kivinen submitted his resignation to the Supervisory Board with effect from 28 August 1997 having been elected to the Board of Directors of Aamulehti Corporation. President and Chief Executive Officer of Aamulehti Corporation throughout the year was Matti Packalén.

Alpress

Alpress publishes Aamulehti, Iltalehti, Kauppalehti, Lapin Kansa, Satakunnan Kansa, 12 local newspapers and three free-distribution papers. During the year Alpress Oy acquired a 44 % holding in Pohjolan Sanomat Oy.

Alpress had net sales of FIM 1,014 (902) million. Roughly half of the increase was due to the addition of the Satakunnan Kirjateollisuus Oy newspapers for the full year. Circulation revenue contributed 48 % (47 %) and advertising revenue 50 % (50 %) to net sales.

Circulations of newspapers published 4-7 times a week in Finland fell by 0.3 % on average. Iltalehti's 7 % rise, by contrast, represented the highest growth of any Finnish newspaper. Aamulehti's circulation increased 1.4 % and Kauppalehti's circulation 0.3 %. Satakunnan Kansa's circulation fell 0.3 % and Lapin Kansa's 2.5 %. Alpress's circulation revenues were 10 % higher than one year earlier.

Alpress's advertising revenue rose 14 % on the previous year. According to preliminary information supplied by Addfacts Ltd, newspaper advertising revenues increased by altogether 5.4 % in Finland. Eliminating the effect of the Satakunnan Kirjateollisuus Oy newspapers from the circulation and advertising sales, the comparable increase in circulation sales was 5.3 % and in advertising sales was 8.7 %.

Alpress posted an operating profit of FIM 130 (78) million. Aamulehti, Iltalehti and Satakunnan Kansa showed a particularly sharp rise in profitability compared to the previous year. Alpress's operating profit was 13 % (9 %) of its net sales.

Alprint

Alprint is the graphic services division of the Aamulehti Group. Alprint's operations are divided into two companies: Alprint Magazine Printing Group Ltd and Alprint Newspaper Printing Group Ltd. At the end of the year Alprint had 12 printing plants around the country. Alprint Newspaper Printing Group Ltd sold the Oulainen newspaper printing works to its operative management at the end of the year.

Alprint's net sales totalled FIM 888 (848) million. The Pori units are included in the Alprint figures for the first time for the full year. Paper prices were 10 % lower on average than during the previous year. Likewise, the average price level of products in this sector was also lower than during the previous year.

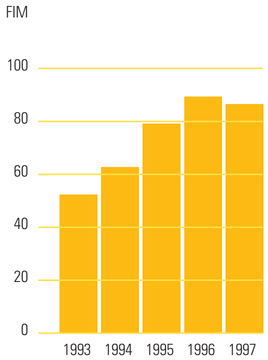
Newspaper products contributed FIM 443 (437) million and magazine products FIM 440 (387) million to net sales. Exports amounted to FIM 358 (343) million, the Aamulehti Group newspapers accounted for FIM 270 (267) million and other domestic customers for FIM 260 (238) million.

Price levels in Finland remained stable in both magazine and newspaper sectors. Demand continued to be strong in Russia in both sectors but prices were marginally lower than during the previous year. Competition in Sweden became fiercer but the strengthening of the pound favoured Finnish printers in both the British and Norwegian markets. Alprint posted an operating profit of FIM 88 (94) million, which was 10 % (11 %) of its net sales.

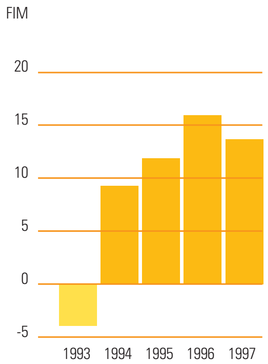
Alexpress Oy

Alexpress handles the Aamulehti Group's local radio broadcasting activities. It is also responsible for the technology and systems used to distribute the electronic editions of the Group's newspapers and most of the Group's R&D investments in new media are handled by Alexpress as well. The Aamulehti Group devotes annually some FIM 16 million to research and development. The local radio broadcasting business generated net sales of FIM 11 million. Alexpress recorded an operating loss of FIM 15 (-13) million due to the R&D emphasis of its operations. Alpress Oy's figures also include the share of Oy Suomen Uutisradio Ab's loss, FIM 4 million.

Shareholders' equity per share, FIM



Earnings per share, FIM



Principal associated companies

The most important associated company is MTV Corporation, in which the Aamulehti Group has a 20 % holding. The MTV Group's net sales rose 11 % on the previous year to FIM 1,079 (975) million, due principally to an increase in advertising revenues. MTV Group paid altogether FIM 395 (397) in public service and other charges to the Finnish Broadcasting Company. Its other annual operating expenses increased 15 % to FIM 577 million due to a 20 % increase in broadcasting time and higher investments in programmes. The operating profit was FIM 96 (64) million. MTV Group contributed FIM 9 million to the Aamulehti Group's result.

Aamulehti Group owns 20 % of Oy Suomen Uutisradio Ab (Finland News Radio), which started up the Radio Nova national commercial radio channel in May 1997. Radio Nova's net sales for its first operating year exceeded FIM 13 million. Aamulehti Group and MTV Oy have been responsible for Radio Nova's financing. Awareness of the new channel and its audience figures made excellent progress. According to the plan Radio Nova's operative result is expected to be positive on its third fiscal year.

Aamulehti Group owns 44 % of the shares of Pohjolan Sanomat Oy. In 1996 this company had net sales of FIM 68 million and an operating loss of FIM 2 million. The company had no material impact on the Aamulehti Group's result in 1997.

At the end of the period the Aamulehti Group owned 28 % of the shares of Suomen Alcap Oy. Alcap Oy, the parent company, owns Suomen Aldata Oy and its subsidiaries Data Check Oy, Modern Soft Oy and Tietovoima Oy. The Alcap group had net sales of FIM 152 million and an operating loss of FIM 5 million. The Aamulehti Group's share of the Alcap group's result is shown under financial items.

In addition to MTV Corporation, Oy Suomen Uutisradio Ab and Pohjolan Sanomat Oy, the other associated companies which had an impact on the Group's operating profit before depreciation were the Finnish News Agency (27 %) and Tampereen Tietoverkko Oy (35 %).

The parent company

Aamulehti Corporation is the parent company of the Group. In addition to managing the businesses of its subsidiaries it also owns real estate, trades in securities and engages in other investment activities. The parent company is centrally responsible for the Group's financial control and treasury functions. The parent company's net sales in 1997 were FIM 62 (66) million and it recorded an operating loss of FIM 29 million (1996: operating profit of FIM 29 million). Its net sales are derived mainly from rental income from properties and from charges for administrative services. The previous year's operating profit was due to the sale of a property at the year end.

Planned depreciation totalled FIM 31 (31) million. At the beginning of 1997 the parent company had approved losses from previous years amounting to approximately FIM 100 million. These approved losses were almost entirely used during the year to offset, among other things, the profit on the sale of the Suomen Aldata Oy shares and the dividends paid by the subsidiaries.

Merger of Aamulehti Corporation and MTV Corporation to form Alma Media Corporation

On 22 April 1997 the Boards of Directors of Aamulehti Corporation and MTV Oy reached agreement to join the two companies in a combination merger forming a new company called Alma Media Corporation. Extraordinary shareholders' meetings of both companies approved the merger on 18 June 1997. Alma Media Corporation is due to start operating on 1 April 1998.

The merger also required official approval and continuation of existing licences after the merger comes into effect. The most important of these licences was MTV Oy's licence to engage in national commercial television and radio broadcasting. To ensure a favourable resolution to the question of licences well in advance of the merger, MTV Oy changed its name to MTV-Yhtymä Oy (MTV Corporation in English). This then allowed it to re-establish MTV Oy as a wholly owned subsidiary. MTV Corporation transferred its entire business operations and its licence to engage in national commercial television and radio broadcasting to the new MTV Oy, based on its interim accounts as at 31 August 1997. The Council of State (the Finnish government) approved this licence transfer on its existing terms and conditions in September 1997.

The arrangement gave rise to the following technical amendment to the merger. MTV Corporation, which is owned by the shareholders of the old MTV Oy, will be merged with Aamulehti Corporation. After the merger the new MTV Oy will become a wholly owned subsidiary of Alma Media Corporation.

In the merger the shares of Aamulehti Corporation will be exchanged for shares in

Alma Media Corporation at a conversion ratio of 1:1 and the shares of MTV Corporation at a ratio of 1:137.5. An application will be submitted to the Helsinki Stock Exchange for listing of the Alma Media Corporation share. Trading in these shares is due to start on 1 April 1998.

In connection with the merger process the members of both Boards of Directors resigned their positions in August 1997. On 28 August 1997 the Supervisory Boards of Aamulehti Corporation and MTV Corporation elected a joint Board of Directors for both companies comprising the persons stipulated in the merger agreement to constitute the Board of Directors of Alma Media Corporation.

The Supervisory Board of Alma Media Corporation comprises 15 members, seven of whom were elected by a meeting of Aamulehti Corporation shareholders on 18 June 1997, five of whom were elected by a meeting of MTV Corporation shareholders on 18 June 1997, and three of whom were elected by the new group's personnel. The Aamulehti Corporation shareholders' meeting elected the following to the first Supervisory Board of Alma Media Corporation: Jukka Koivisto and Antero Siljola for a one-year period of office; Arjo Anttila and Jarmo Raveala for a two-year period of office; and Asmo Kalpala, Jonas Nyrén and Jukka Rantala for a three-year period of office. Kari Asikainen and Asko Haapaniemi were elected to Alma Media's Supervisory Board as employee representatives.

TV4 AB

In October 1997 Aamulehti Corporation and MTV Oy announced that they will acquire altogether 23.4 % of the shares in Sweden's leading commercial TV channel, TV4 AB, from Investor AB and the Föreningsbanken trust funds. These shares represent 23.4 % of the voting power in TV4 AB.

The transaction was arranged so that Aamulehti Corporation and MTV Corporation's wholly owned subsidiary MTV Oy acquired Investor AB's 21.5 % holding in TV4 AB, i.e. Aamulehti Corporation acquired 16.5 % and MTV Oy 5.0 % of the TV4 AB shares. Furthermore, in a separate transaction Aamulehti Corporation acquired 1.9 % of the TV4 AB shares from the Föreningsbanken trust funds. The aggregate price of all the acquired TV4 AB shares totalled approximately FIM 534 million, of which Aamulehti Corporation's share came to about FIM 420 million. The market capitalization of Alma Media's holding in TV4 AB on 31 December 1997 was FIM 478 million.

TV4 AB will be an associated company of Alma Media Corporation when it starts operation on 1 April 1998. Aamulehti Corporation and MTV Oy together are its largest shareholder. TV4's net sales in 1996 were approximately SEK 1.6 billion and its share of the television advertising market in Sweden is more than 60 %.

TV4, with an audience share of 28 %, is Sweden's leading television channel in terms of total viewing time. The next most popular channels are the national SVT 2 (26 %) and SVT 1 (21 %), both of which are financed by licence fees. TV4 is also the only national commercial channel using a terrestrial network. Its broadcasts can be received by 99 % of the Swedish population.

Suomen Aldata Oy

In February 1997 Aamulehti Corporation divested its Aldata division, which was not one of its core businesses. Suomen Aldata Oy first acquired Modern Soft Oy, after which the Aamulehti Group sold its entire holding in Suomen Aldata Oy to a newly established company called Alcap Oy, in which Aamulehti Corporation owns 28 % of the shares. The parent company's gain from the sale totalled FIM 59 million, of which FIM 37 million was entered in the consolidated accounts.

Subsequent events and prospects for 1998

The Board of Directors of Aamulehti Corporation decided to extend the expiry date for conversion of the 1993 bond into shares until 13 March 1998.

Forecasts indicate that the Finnish economy will continue growing at about the same rate as last year. The media markets are expected to remain buoyant as well. The downswing in South East Asia is causing some degree of uncertainty but this is not expected to have a significant impact on companies operating in Finland's domestic market.

Aamulehti Corporation and MTV Corporation will merge on 1 April 1998, forming Alma Media Corporation. Alma Media's core businesses will be newspaper publishing, television and radio broadcasting, and graphic services. A major focus of development will be the transformation of its R&D activities in new media into commercial businesses.

Media advertising is expected to increase further and circulation growth to remain positive. Alpress's regional and local newspapers are expected to be at least as successful as in 1997.

The competitive environments of Iltalehti and Kauppalehti will change. Iltalehti's eurotabloid format will be replaced by a standard tabloid format during the spring. At the same time the newspaper will be printed throughout in four colours and its printing will be distributed among several printing plants to bring the newspaper to consumers earlier in the day. Iltalehti's circulation revenue is expected to increase and the adoption of full four-colour printing will offer more scope for media sales. Kauppalehti's competitive situation changed at the end of last year when a new business daily came on the market in Finland. Kauppalehti has increased its editorial resources, boosted its marketing efforts and changed its printing schedule. These measures will lower Kauppalehti's profitability compared to last year. The net sales of Alma Media's newspapers are expected to increase although the changes in Iltalehti and Kauppalehti make it difficult to offer a precise forecast on the performance for the full year.

The electronic communications sector in which MTV Oy operates is growing. Despite the recently started new national commercial channel, MTV3 is expected to retain its position in the media market. MTV Oy's net sales and profitability are expected at least to reach last year's levels. Alma Media owns 48 % of the national Radio Nova. Nova's net sales are expected to triple and its profits to rise substantially.

Paper prices are forecast to rise by about 5 % on last year. Alprint's exports are expected to increase. The partial transfer of Iltalehti's printing outside the company will reduce Alpress's contribution to Alprint's net sales. Alprint's net sales are expected to remain at last year's level but its profitability will probably weaken.

The acquisition of the TV4 AB shares could slightly weaken Alma Media's result this year, due to an increase in interest expenses. On 1 April 1998 TV4 AB will become an associated company of Alma Media. Alma Media's share of TV4 AB's profits is expected to cover the goodwill depreciations arising from the share acquisition.

The year appears to be developing positively for the company's operations. However, taking into account the major investments made at the end of last year, Alma Media's result is expected to reach 1997 levels.

Net sales, operating profit and personnel on average

Net sales, FIM million

	1997	1996
Alpress	1,014	902
Alprint	888	848
Aldata	-	114
Alexpress	14	11
Parent company	62	66
Intragroup sales	-326	-318
Total	1,652	1,623

Operating profit, FIM million

	1997	1996
Alpress	130	78
Alprint	88	94
Aldata	-	3
Alexpress	-15	-13
Parent company	-29	29
Share of associated companies	12	2
Intragroup items	-8	-13
Total	178	180

Personnel on average *)

	1997	1996
Alpress	1,091	1,046
Alprint	963	919
Aldata	-	132
Alexpress	68	59
Parent company	38	25
Total	2,160	2,181
*)In addition part-time deliverers	947	848

CONSOLIDATED INCOME STATEMENT
(FIM million)

	1 Jan. - 31 Dec. 1997	1 Jan. - 31 Dec. 1996
Net sales	**1,652.0**	1,623.4
Increase (+), decrease (-) in stocks of finished goods	**1.3**	-0.4
Share of profits from associated companies	**12.3**	2.1
Other operating income	**6.1**	53.3
Expenses:		
Materials and supplies:		
Purchases during period	**370.6**	387.4
Increase (-), decrease (+) in stocks	**-2.1**	22.1
External services	**214.5**	208.2
Personnel expenses	**547.6**	538.8
Rentals	**19.3**	15.3
Other expenses	**202.0**	193.3
	-1,351.9	-1,365.1
Operating profit before depreciation	**319.8**	313.3
Depreciation:		
On fixed assets and other long-term costs	**128.8**	121.9
On goodwill on consolidation	**13.1**	11.0
	-141.9	-132.9
Operating profit	**177.9**	180.4
Financing income and expenses:		
Dividend income	**0.8**	1.3
Avoir fiscal tax credit	**0.2**	0.4
Interest income on long-term investments	**0.8**	0.1
Other interest income	**2.8**	4.4
Other financing income	**2.0**	3.4
Share of losses from associated companies	**-0.5**	-
Interest expenses	**-16.3**	-30.4
Other financing expenses	**-2.7**	-4.5
Depreciation on investments	**-1.5**	-
	-14.4	-25.3
Profit before extraordinary items, taxes and minority interests	**163.5**	155.1
Extraordinary income and expenses:		
Extraordinary income	**52.6**	6.9
Extraordinary expenses	**-14.4**	-3.1
	38.2	3.8
Profit before and taxes and minority interests	**201.7**	158.9
Direct taxes:		
Taxes for the year	**-29.1**	-32.6
Taxes from prior years	**0.6**	-7.6
Computed change in deferred tax liability	**-7.4**	-6.5
	-35.9	-46.7
Profit before minority interests	**165.8**	112.2
Minority interest from profit for the year	**-3.1**	-1.4
Net profit for the year	**162.7**	110.8

CONSOLIDATED FUNDS STATEMENT
(FIM million)

	1997	1996
OPERATIONS		
Income:		
Operating profit before depreciation *)	**307.6**	311.1
Financing income and expenses	**-9.7**	-23.1
Extraordinary items	**38.2**	3.8
Taxes	**-35.9**	-46.7
Minority interest from profit for the year	**-3.1**	-1.4
	297.1	243.7
CHANGE IN WORKING CAPITAL		
Inventories, increase (-), decrease (+)	**10.4**	16.3
Current receivables, increase (-), decrease (+)	**-8.4**	11.6
Interest-free short-term debt, increase (+), decrease (-)	**-39.5**	178.0
	-37.5	205.9
CASH FLOW FROM OPERATIONS	**259.6**	449.6
CAPITAL EXPENDITURE		
Investments in fixed assets	**-497.4**	-388.7
Disposals of fixed assets	**13.9**	39.3
	-483.5	-349.4
CASH FLOW BEFORE FINANCING	**-223.9**	100.2
FINANCING		
Increase (-), decrease (+) in long-term receivables	**-3.1**	-5.8
Increase (-), decrease (+) in current receivables	**1.4**	2.0
Increase (+) in long-term loans	**50.0**	191.0
Decrease (-) in long-term loans	**-228.4**	-294.5
Increase (+), decrease (-) in current loans	**392.3**	-5.3
Dividend distribution	**-28.3**	-19.5
Share issue	**31.7**	72.0
	215.6	-60.1
Calculated increase (+), decrease (-) in liquid funds	**-8.3**	40.1
Corrective items 1)	**0.2**	-1.2
Balance sheet increase (+), decrease (-) in liquid funds	**-8.1**	38.9

1) Change in obligatory provisions and minority interests.
*) This figure for operating profit before depreciation differs from the corresponding figure in the income statement due to entries for associated companies.

CONSOLIDATED BALANCE SHEET
(FIM million)

	31 Dec. 1997	31 Dec. 1996
ASSETS		
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		
Intangible assets:		
Intangible rights	**0.9**	1.3
Goodwill	**1.3**	1.0
Goodwill on consolidation	**100.3**	117.3
Other long-term expenses	**55.6**	68.1
Advances paid	**0.2**	3.0
	158.3	190.7
Tangible assets:		
Land and water areas	**50.6**	50.6
Buildings and structures	**368.3**	383.9
Machinery and equipment	**402.0**	457.4
Other tangible assets	**11.7**	8.9
Advances paid and uncompleted procurements	**7.4**	3.7
	840.0	904.5
Securities and other long-term investments:		
Shares and holdings in associated companies	**153.1**	19.5
Other shares and holdings	**473.1**	160.6
Loans receivable	**11.1**	13.2
Receivables from consolidated loans	**5.2**	-
	642.5	193.3
VALUATION ITEMS	**5.4**	9.3
CURRENT ASSETS		
Inventories:		
Materials and supplies	**25.7**	22.2
Work in progress	**4.8**	3.4
Finished goods/materials	**0.3**	14.2
Other inventories	**0.6**	2.0
	31.4	41.8
Receivables:		
On sales	**112.8**	120.9
On loans	**5.1**	6.5
Deferred assets	**48.4**	31.9
Other receivables	**0.3**	0.3
	166.6	159.6
Cash on hand and in banks	**95.7**	103.7
	1 939.9	1 602.9

CONSOLIDATED BALANCE SHEET
(FIM million)

	31 Dec. 1997	31 Dec. 1996
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Restricted equity		
Share capital	**96.1**	75.0
Share issue	**-**	53.0
Reserve fund	**294.8**	231.3
Revaluation fund	**78.2**	78.2
	469.1	437.5
Non-restricted equity		
Prior year profit	**208.3**	125.7
Profit for the year	**162.7**	110.8
	371.0	236.5
MINORITY INTEREST	**20.4**	20.7
OBLIGATORY PROVISIONS	**5.5**	5.0
LIABILITIES		
Long-term:		
Convertible bonds	**-**	32.6
Loans from financial institutions	**209.8**	237.5
Pension loans	**4.2**	129.8
Computed deferred tax liability	**36.3**	28.9
Other long-term debt	**30.2**	33.9
	280.5	462.7
Current:		
Loans from financial institutions	**442.5**	38.7
Pension loans	**0.1**	11.6
Advances received	**46.5**	44.2
Accounts payable	**50.6**	43.5
Deferred liabilities	**154.9**	155.7
Other current liabilities	**98.8**	146.8
	793.4	440.5
	1 939.9	1 602.9

PARENT COMPANY INCOME STATEMENT
(FIM million)

	1 Jan. - 31 Dec. 1997	1 Jan. - 31 Dec. 1996
Net sales	**62.2**	66.2
Other operating income	**0.7**	45.6
Expenses:		
Materials and supplies:		
Increase (-), decrease (+) in stocks	**-**	9.2
Personnel expenses	**24.7**	14.3
Rentals	**9.1**	3.1
Other expenses	**26.4**	24.5
	-60.2	-51.1
Operating profit before depreciation	**2.7**	60.7
Depreciation:		
On fixed assets and other long-term costs	**-31.4**	-31.1
Operating profit/loss	**-28.7**	29.6
Financing income and expenses:		
Dividend income	**59.7**	2.3
Avoir fiscal tax credit	**23.2**	0.8
Interest income on long-term investments	**0.7**	0.1
Other interest income	**25.5**	22.3
Other financing income	**1.9**	3.2
Interest expenses	**-17.7**	-22.1
Other financing expenses	**-2.5**	-4.0
Depreciation on investments	**-**	-5.0
	90.8	-2.4
Profit before extraordinary items, voluntary provisions and taxes	**62.1**	27.2
Extraordinary income and expenses:		
Extraordinary income	**216.0**	58.8
Extraordinary expenses	**-13.0**	-1.2
	203.0	57.6
Profit before voluntary provisions and taxes	**265.1**	84.8
Increase (-), decrease (+) in depreciation difference	**0.5**	-0.2
Direct taxes:		
Taxes for the year	**-43.3**	-0.8
Taxes from prior years	**0.7**	-8.8
	-42.6	-9.6
Net profit for the year	**223.0**	75.0

PARENT COMPANY BALANCE SHEET
(FIM million)

	31 Dec. 1997	31 Dec. 1996
ASSETS		
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		
Intangible assets:		
Other long-term expenses	**33.2**	48.2
Tangible assets:		
Land and water areas	**39.9**	39.9
Buildings and structures	**295.3**	306.4
Machinery and equipment	**7.2**	4.5
Other tangible assets	**3.9**	2.7
	346.3	353.5
Securities and other long-term investments:		
Shares in subsidiary companies	**67.4**	68.4
Shares and holdings in associated companies	**134.1**	8.9
Other shares and holdings	**451.5**	136.3
Loans receivable	**73.0**	67.0
Receivables from consolidated loans	**3.7**	3.7
	729.7	284.3
VALUATION ITEMS	**1.3**	2.7
CURRENT ASSETS		
Receivables:		
On sales	**1.9**	2.2
On loans	**519.8**	431.0
Deferred assets	**27.6**	5.7
	549.3	438.9
Cash on hand and in banks	**78.5**	88.5
	1,738.3	1,216.1

PARENT COMPANY BALANCE SHEET

(FIM million)

	31 Dec. 1997	31 Dec. 1996
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Restricted equity:		
Share capital	**96.1**	75.0
Share issue	**-**	53.0
Reserve fund	**294.8**	231.2
Revaluation fund	**78.2**	78.2
	469.1	437.4
Non-restricted equity.		
Prior year profits	**111.1**	62.6
Profit for the year	**223.0**	75.0
	334.1	137.6
VOLUNTARY PROVISIONS		
Accumulated depreciation difference	**18.6**	19.1
LIABILITIES		
Long-term:		
Convertible bonds	**-**	32.6
Loans from financial institutions	**206.5**	232.9
Pension loans	**0.2**	34.8
Other long-term debt	**19.4**	18.9
	226.1	319.2
Current:		
Loans from financial institutions	**441.3**	37.5
Pension loans	**-**	4.7
Accounts payable	**4.3**	2.6
Deferred liabilities	**51.7**	8.6
Other current liabilities	**193.1**	249.4
	690.4	302.8
	1,738,3	1,216,1

PARENT COMPANY FUNDS STATEMENT

(FIM million)

	1997	1996
OPERATIONS		
Income:		
Operating profit before depreciation	**2.7**	60.7
Financing income and expenses	**90.9**	-2.4
Extraordinary items	**202.9**	54.8
Taxes	**-42.6**	-9.6
	253.9	103.5
CHANGE IN WORKING CAPITAL		
Inventories, increase (-), decrease (+)	**-**	9.2
Current receivables, increase (-), decrease (+)	**-12.1**	-3.8
Interest-free short-term debt, increase (+), decrease (-)	**-49.8**	95.7
	-61.9	101.1
CASH FLOW FROM OPERATIONS	**192.0**	204.6
CAPITAL EXPENDITURE		
Investments in fixed assets	**-450.2**	-115.6
Disposals of fixed assets	**1.6**	12.4
	-448.6	-103.2
CASH FLOW BEFORE FINANCING	**-256.6**	101.4
FINANCING		
Increase (-), decrease (+) in long-term receivables	**-6.0**	32.0
Increase (-), decrease (+) in current receivables	**-98.2**	-170.3
Increase (+) in long-term loans	**50.0**	191.0
Decrease (-) in long-term loans	**-143.2**	-160.5
Increase (+), decrease (-) in current loans	**437.4**	10.1
Dividend distribution	**-26.5**	-17.6
Share issue	**31.7**	72.0
Changes in valuation items	**1.4**	-
	246.6	-43.3
Calculated increase (+), decrease (-) in liquid funds	**-10.0**	58.1
Balance sheet increase (+), decrease (-) in liquid funds	**-10.0**	58.1

NOTES TO THE FINANCIAL STATEMENTS

Accounting Principles

Scope of consolidation and accounting principles

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 amounts generated by the difference between the acquisition price of the shares and the equity of the subsidiaries are allocated mainly to the balance sheet items concerned. The remainder of goodwill on consolidation is depreciated over a period of 5-10 years.

Intragroup transactions, dividends, receivables, payables and the unrealized margins on intragroup deliveries are 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.

Valuation of inventories

The balance sheet value of inventories is the lower of direct acquisition cost or the probable market value. Inventories are periodized on a FIFO (first-in-first-out) basis. Securities included under inventories are valued 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 are capitalized at direct acquisition cost less planned depreciation. Revaluations are included under Fixed Assets in the balance sheet and their counter entries under Restricted Shareholders' Equity. Planned depreciation is 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	3-10 years
Large rotation presses	20 years
Other long-term expenses	5-10 years.

Foreign currency items

Foreign currency items are translated into Finnish markka at the Bank of Finland's rate on the balance sheet date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions respectively in the income statement. Realized and unrealized exchange rate differences related to long-term liabilities and arising during the accounting period are taken to Other Financial Income and Expenses in the income statement.

Pension commitments

Statutory and voluntary employee pension benefits are arranged mainly through pension insurance companies. Uncovered pension commitments shown in the balance sheet will be booked as expenses up to the year 2000.

Comparability with the previous year

The Company’s share of the profits of associated companies with mass communications activities are shown as a separate entry in the income statement before Operating Profit Before Depreciation. The income statement of the previous year has been adjusted correspondingly.

(FIM million)

1. NET SALES, OPERATING PROFIT/LOSS AND PERSONNEL

Net sales, operating profit/loss and personnel by division	Net sales		Operating profit/loss		Personnel on average *)	
	1997	1996	1997	1996	1997	1996
Alpress	1 013.7	902.1	129.6	78.2	1 091	1 046
Alprint	888.3	847.6	88.4	93.5	963	919
Aldata	-	113.9	-	2.5	-	132
Alexpress	13.9	10.6	-15.0	-13.6	68	59
Parent company	62.2	66.2	-28.7	29.6	38	25
Intragroup items	-326.1	-317.0	3.6	-9.8	-	-
Total	1,652.0	1,623.4	177.9	180.4	2,160	2,181
*) Does not include part-time newspaper deliverers					947	848

Net sales by market area

	Group		Parent company	
	1997	1996	1997	1996
Finland	1,291.5	1,276.3	62.2	66.2
Other Nordic countries	131.0	136.0	-	-
Russia	195.6	184.1	-	-
Other countries	33.9	27.0	-	-
Total	1,652.0	1,623.4	62.2	66.2

2. PERSONNEL EXPENSES

	Group		Parent company	
	1997	1996	1997	1996
Wages, salaries and benefits	415.7	417.7	13.0	8.7
Pension costs *)	77.2	78.7	6.1	4.7
Transfers to personnel fund	10.1	-	4.2	-
Other staff-related costs **)	44.6	42.5	1.4	0.9
Personnel costs in income statement	547.6	538.9	24.7	14.3
Benefits in kind (taxation value)	7.1	9.3	1.6	0.7
Salaries and fees to members of the Supervisory Board, Board of Directors and presidents	7.5	9.1	2.0	2.1

*) Includes pension insurance premiums and transfers to pension funds to cover pension liability.
**) Includes obligatory personnel costs

3. PLANNED DEPRECIATION

	Group		Parent company	
	1997	1996	1997	1996
Intangible assets	0.4	0.2	-	-
Goodwill	0.1	0.2	-	-
Other long-term expenses	23.0	21.6	15.9	15.9
Buildings and structures	17.6	17.0	13.0	13.3
Machinery and equipment	86.5	82.0	2.3	1.7
Other tangible assets	1.2	0.9	0.2	0.2
Total	128.8	121.9	31.4	31.1
Depreciation of goodwill on consolidation	13.1	11.0		
Total	141.9	132.9		

4. FINANCING INCOME AND EXPENSES

	Group 1997	Group 1996	Parent company 1997	Parent company 1996
Financing income received from Group companies:				
Dividend income			55.7	1.6
Other interest income			24.7	20.1
Financing expenses paid to Group companies:				
Interest expenses			-4.4	-4.3
Exchange rate differences:				
Gains	0.5	2.8	0.4	2.7
Losses	-1.1	-3.4	-0.9	-3.2

5. EXTRAORDINARY INCOME AND EXPENSES

	Group 1997	Group 1996	Parent company 1997	Parent company 1996
Extraordinary income:				
Returned expense items	-	-	-	54.0
Profit on sales	46.5	2.8	58.9	2.0
Group contributions received	-	-	154.8	2.8
Other extraordinary income	6.1	4.1	2.3	-
Total	52.6	6.9	216.0	58.8

Extraordinary expenses:				
Costs from merger of Aamulehti Corporation and MTV Corporation	-13.0	-	-13.0	-
Other extraordinary expenses	-1.4	-3.1	-	-1.2
Total	-14.4	-3.1	-13.0	-1.2

6. TAXES

	Group 1997	Group 1996	Parent company 1997	Parent company 1996
Taxes for the year	-29.1	-32.6	-43.3	-0.8
Taxes from prior years	0.6	-7.6	0.7	-8.8
Computed change in deferred tax liability	-7.4	-6.5	-	-
Total	-35.9	-46.7	-42.6	-9.6

At the beginning of 1997 the Parent Company had approximately FIM 100 million in confirmed losses from previous financial years.
During the year these confirmed losses were used almost in their entirety principally to offset the profit on the sale of the Suomen Aldata Oy shares and to dividends paid by subsidiaries. After the closing of the 1997 annual accounts the Group had unused confirmed losses from previous financial years totalling slightly less than FIM 10 million.

7. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs were FIM 15.6 (10.7) 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 FIM (1,000)	Book value FIM (1,000)
Alexpress Oy, Tampere	100.0	100.0	100.0	10	100	100
Alpress Oy, Tampere	100.0	100.0	90.1	10,000	10,000	11,200
Alprint Oy, Vantaa	100.0	100.0	100.0	20,000	20,000	20,000
Antinkadun Tietotekniikka Oy, Helsinki *)	100.0	100.0	100.0	2,000	2,000	-
As. Oy Kauppa-Aukio, Tampere	100.0	100.0	100.0	125,000	6,000	16,516
Doraprint Oy, Tampere	100.0	100.0	100.0	3,334	100	-
Kiint. Oy Veneentekijäntie 20, Helsinki	95.5	95.5	95.5	19,728	99	6
Lapin Kansa Oy. Rovaniemi	62.9	62.4	28.4	85,209	1,704	19,172
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

Company / domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company Ownership %	Number	Nominal value FIM (1,000)	Book value FIM (1,000)
Nanomet Oy, Tampere	100.0	100.0	100.0	1,500	15	15
Somy Oy, Tampere	100.0	100.0	100.0	100	1	203
Sovartek Oy, Tampere	100.0	100.0	100.0	1,500	15	15
Tampereen Viestintä Oy, Tampere	100.0	100.0	100.0	10	100	100

*) Company placed in receivership.

ASSOCIATED COMPANIES OWNED THROUGH SUBSIDIARIES

Company / domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company Ownership %	Number	Nominal value FIM (1,000)	Book Value FIM (1,000)
Aamujakelu Oy, Tampere	100.0	100.0	100.0	15	15	15
Alpress Oy, Tampere	100.0	100.0	9.9	1,100	1,100	2,000
Alprint Aikakauslehtipainot Oy, Tampere	100.0	100.0	100.0	25,000	25,000	17,049
Alprint Sanomalehtipainot Oy, Vantaa	100.0	100.0	100.0	20,000	20,000	20,000
Arctic Press Oy, Rovaniemi	62.9	62.4	100.0	830	83	67
Kankaanpään Seutu Oy, Pori	100.0	100.0	100.0	150	15	37
Kiint. Oy Liike- ja Autokulma, Rovaniemi	49.8	49.4	79.2	5,940	594	7,696
Kustannus Oy Aamulehti, Tampere	100.0	100.0	100.0	20,000	20,000	20,000
Kustannus Oy Uusi Suomi, Vantaa	100.0	100.0	100.0	15	15	15
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
Lapin Kansa Oy, Rovaniemi	62.9	62.4	34.0	101,904	2,038	39,811
Osakeyhtiö Harjavallan Kustannus, Harjavalta	99.2	99.2	99.2	5,953	59	633
Oy Alprint International Ltd, Vantaa	100.0	100.0	100.0	150	150	151
Plauttus Oy, Helsinki	100.0	100.0	100.0	150	15	2,912
Puossakka Oy Helsinki	100.0	100.0	100.0	1,520	228	63
Porin Sanomat Oy, Pori	100.0	100.0	100.0	100	15	15
Radio Kolme Oy	100.0	100.0	100.0	200	400	2,588
Satajulkaisut Oy, Pori	100.0	100.0	100.0	150	15	265
Satakunnan Kirjateollisuus Oy, Pori	100.0	100.0	100.0	76,400	7,640	153,314
Suomen Paikallissanomat Oy, Tampere	100.0	100.0	100.0	2,700	2,700	2,700
Tampereen Seudun Paikallisradio Oy, Tre	100.0	100.0	100.0	5,000	500	2 ,135

ASSOCIATED COMPANIES OWNED BY PARENT COMPANY

Company / domicile	Group voting rights %	Group owneship %	Shares owned by Parent Company Ownership %	Number	Nominal value FIM (1,000)	Book value FIM (1,000)
Alcap Oy, Helsinki	28.4	28.4	28.4	29,167	292	14,000
MTV Oy, Helsinki	19.5	19.5	19.5	10,765	5,382	111,243
Suomen Tietotoimisto Oy, Helsinki	27.4	27.4	24.1	36,662	440	105
Tampereen Tietoverkko Oy, Tampere	34.8	34.8	34.8	836	4,180	4,580
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	51	1,185
Kytöpirtti Oy, Seinäjoki *)	43.2	43.2	43.2	3,150	315	315
Nokian Uutistalo Oy, Nokia *)	36.9	36.9	36.9	36,921	37	1,481

OWNED TROUGH SUBSIDIARIES

Company / domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company Ownership %	Number	Nominal value FIM (1,000)	Book value FIM (1,000)
Finnprint Osuuskunta, Helsinki	33.3	33.3	33.3	6	24	-
Karhuvisio Oy, Pori	25.8	22.2	22.2	322	322	261
Kustannus Oy Otsikko, Valkeakoski	34.2	34.2	34.2	29,800	18	-
Oy Suomen Uutisradio Ab, Helsinki	20.0	20.0	20.0	600	1	600
Porin Kaupunkitieto-Media Oy, Pori	50.0	50.0	50.0	100	15	-
Pohjolan Sanomat Oy, Kemi	28.1	43.9	43.9	536,514	2,683	9,817

Company / domicile	Group voting rights %	Group ownership %	Shares owned by Parent Company Ownership %	Number	Nominal value FIM (1,000)	Book value FIM (1,000)
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

*) Not included in the consolidated financial statements
The financial period of associated companies consolidated in the Group accounts was 12 months and ended on 31 December 1997.

OTHER SHARES AND HOLDINGS OWNED BY THE PARENT COMPANY

	Group ownership %	Shares owned by Parent Company Ownership %	Number	Nominal value FIM (1,000)	Book value FIM (1,000)
As. Oy Hämeenpuisto 41, Tampere	4.3	4.3	5,647	56	1,209
As. Oy Kaskiniitty, Espoo	15.0	15.0	2,838	28	2,889
As. Oy Töölö-Hesperia, Helsinki	-	-	30	-	975
As. Oy Vaasan Koulukatu 36. Vaasa	3.0	3.0	1,605	16	412
As. Oy Verkavirta, Tampere	2.1	2.1	2,061	2	866
As. Oy Viiskulma, Helsinki	4.3	4.3	7	35	3,810
Datatie Oy, Helsinki	4.6	4.6	30	150	215
El Mirador De Calahonda, Spain	-	-	-	-	280
HEX Oy , Helsinki	-	-	24,400	150	150
Helsingin Puhelin Oyj, Helsinki	-	-	3,510	18	298
Kiint. Oy Jämsän Sarkala, Jämsä	9.3	9.3	810	2	233
Kiint. Oy Kurun Koivulehto, Kuru	13.7	13.7	1,235	124	134
La Siesta De Calahonda, Espanja	-	-	-	-	389
Lippupalvelu Oy, Helsinki	4.8	4.8	150	6	300
Maakuntien Viestintä Oy, Helsinki	1.5	1.5	10,000	1,000	1,017
Radiolinja Oy Ab, Helsinki	0.6	0.6	20	100	100
Suomen Kansallisviestintä Oy, Helsinki *)	75.0	32.5	6,500	650	650
Suomen Uusvisio Oy, Helsinki	5.4	5.4	2	100	100
TV4 AB, Ruotsi	18.4	18.4	3,684,315	12,689	420,232
WSOY, Helsinki	0.5	0.5	57,738	577	16,550
Other shares and holdings					664

OTHER SHARES OWNED THROUGH SUBSIDIARIES 21,616
Information on shares owned by the Group are abbreviated from the official financial statements.

*) Group has 13 % and Parent Company 5.6 % of the voting rights.

9. TANGIBLE AND INTANGIBLE ASSETS

INTANGIBLE ASSETS	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Intangible rights:				
Acquisition cost 1 Jan.	2.2	0.5	-	-
Increases 1 Jan. - 31 Dec.	0.4	2.4	-	-
Decreases 1 Jan. - 31 Dec.	-0.7	-0.7	-	-
Acquisition cost 31 Dec.	1.9	2.2	-	-
Acc. planned depreciation 31 Dec.	-1.0	-1.0	-	-
Book value 31 Dec.	0.9	1.2	-	-
Goodwill:				
Acquisition cost 1 Jan.	1.2	-	-	-
Increases 1 Jan. - 31 Dec.	0.4	1.2	-	-
Decreases 1 Jan. - 31 Dec.	-	-		
Acquisition cost 31 Dec.	1.6	1.2	-	-
Acc. planned depreciation 31 Dec.	-0.2	-0.2	-	-
Book value 31 Dec.	1.4	1.0	-	-

	Group		Parent Company	
	1997	1996	1997	1996
Goodwill on consolidation:				
Acquisition cost 1 Jan.	130.6	24.6		
Increases 1 Jan. - 31 Dec.	0.7	106.0		
Decreases 1 Jan. - 31 Dec.	-5.3	-		
Acquisition cost 31 Dec.	126.0	130.6		
Acc. planned depreciation 31 Dec.	-25.7	-13.3		
Book value 31 Dec.	100.3	117.3		
Other long-term expenses:				
Acquisition cost 1 Jan.	188.5	176.9	143.1	143.2
Increases 1 Jan. - 31 Dec.	13.1	13.5	1.0	-
Decreases 1 Jan. - 31 Dec.	-1.1	-1.9	-	-0.1
Acquisition cost 31 Dec.	200.5	188.5	144.1	143.1
Acc. planned depreciation 31 Dec.	-145.0	-120.5	-110.9	-94.9
Book value 31 Dec.	55.5	68.0	33.2	48.2
Advances paid:				
Acquisition cost 1 Jan.	3.0	0.4	-	-
Increases 1 Jan. - 31 Dec.	1.2	2.7	-	-
Decreases 1 Jan. - 31 Dec.	-4.0	-0.1	-	-
Acquisition cost 31 Dec.	0.2	3.0	-	-
Book value 31 Dec.	0.2	3.0	-	-

TANGIBLE ASSETS	Group		Parent company	
	1997	1996	1997	1996
Land and water areas:				
Acquisition cost 1 Jan.	50.6	48.7	39.9	39.9
Increases 1 Jan. - 31 Dec.	-	2.3	-	-
Decreases 1 Jan. - 31 Dec.	-	-0.4	-	-
Acquisition cost 31 Dec.	50.6	50.6	39.9	39.9
Book value 31 Dec.	50.6	50.6	39.9	39.9
Revaluations in acquisition cost:				
Revaluations 1 Jan.	6.7	6.7	5.4	5.4
Revaluations 31 Dec.	6.7	6.7	5.4	5.4
Buildings and structures:				
Acquisition cost 1 Jan.	488.6	501.9	375.5	419.5
Increases 1 Jan. - 31 Dec.	2.0	33.6	2.0	1.0
Decreases 1 Jan. - 31 Dec.	-	-46.9	-	-45.0
Acquisition cost 31 Dec.	490.6	488.6	377.5	375.5
Acc. planned depreciation 31 Dec.	-122.3	-104.7	-82.2	-69.1
Book value 31 Dec.	368.3	383.9	295.3	306.4
Revaluations in acquisition cost:				
Revaluations 1 Jan.	84.5	123.0	79.0	117.6
Revaluations 31 Dec.	84.0	84.5	79.0	79.0
Machinery and equipment:				
Acquisition cost 1 Jan.	906.8	761.6	11.5	10.2
Increases 1 Jan. - 31 Dec.	66.1	183.7	5.4	1.7
Decreases 1 Jan. - 31 Dec.	-119.0	-38.5	-0.8	-0.4
Acquisition cost 31 Dec.	853.9	906.8	16.1	11.5
Acc. planned depreciation 31 Dec.	-451.9	-449.4	-8.9	-7.0
Book value 31 Dec.	402.0	457.4	7.2	4.5
Share of machinery and equipment in book value 31 Dec.	377.5	431.4	-	-

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Other tangible assets:				
Acquisition cost 1 Jan.	12.8	9.9	3.9	3.5
Increases 1 Jan. - 31 Dec.	4.0	2.9	1.3	0.4
Decreases 1 Jan. - 31 Dec.	-	-	-	-
Acquisition cost 31 Dec.	16.8	12.8	5.2	3.9
Acc. planned depreciation 31 Dec.	-5.1	-3.9	-1.3	-1.1
Book value 31 Dec.	11.7	8.9	3.9	2.8
Advances paid and projects in progress:				
Acquisition cost 1 Jan.	3.7	15.7	-	-
Increases 1 Jan. - 31 Dec.	7.4	2.9	-	-
Decreases 1 Jan. - 31 Dec.	-3.7	-14.9	-	-
Acquisition cost 31 Dec.	7.4	3.7	-	-
Book value 31 Dec.	7.4	3.7	-	-

10. TAXATION VALUES OF FIXED ASSETS

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Land	26.1	24.7	20.2	20.4
Buildings and structures	182.5	190.6	131.2	137.1
Shares and holdings	707.7	235.3	582.2	131.4

Book value used if taxation value not available

11. LONG-TERM INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Group companies:				
Shares in subsidiary companies	-	-	67.4	68.4
Shares in associated companies	153.1	19.5	134.1	8.9
Loans receivable from Group companies	-	-	62.9	63.1
Consolidated loans receivable from Group companies	-	-	3.7	3.7
Loans receivable from associated companies	10.0	-	10.0	-
Consolidated loans receivable from associated companies	5.2	-	-	-

12. VALUATION ITEMS

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Share of pension commitment not booked as expense on 1 Jan.	9.3	15.6	2.6	6.1
Change 1 Jan.- 31 Dec.	-3.9	-6.3	-1.4	-3.5
Share of pension commitment not booked as expense on 31 Dec.	5.4	9.3	1.2	2.6

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

13. CURRENT LIABILITIES

Difference between acquisition cost of shares and holdings and their market value:	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Market value	0.6	2.0	-	-
Book value	0.6	2.0	-	-

Receivables from Group companies:		Parent Company
	1997	1996
Accounts receivable	1.0	1.6
Loans receivable	519.8	430.9
Deferred assets	-	0.1
Total	520.8	432.6

Receivables from associated companies:		Group		Parent Company
	1997	1996	1997	1996
Loans receivable	-	0.1	-	0.1
Deferred assets	0.3	-	0.3	-
	0.3	0.1	0.3	0.1

14. PENSION LIABILITIES AND LOANS GRANTED TO MANAGEMENT

According to agreements, the presidents of the parent company and five other Group companies are entitled to retire on reaching 60 years of age. The balance sheet contains no financial loans to Parent Company or Group management.

15. SHAREHOLDERS' EQUITY

		Group		Parent Company
	1997	1996	1997	1996
Restricted equity:				
Share capital on 1 Jan.	75.0	69.4	75.0	69.4
Bonds converted	21.1	5.6	21.1	5.6
Share capital on 31 Dec.	96.1	75.0	96.1	75.0
Share issue 1 Jan.	53.0	3.4	53.0	3.4
Bonds converted	31.7	72.0	31.7	72.0
Registered bonds converted	-84.7	-22.4	-84.7	-22.4
Share issue 31 Dec.	-	53.0	-	53.0
Reserve fund on 1 Jan.	231.3	214.5	231.3	214.5
Issue premium	63.5	16.8	63.5	16.8
Reserve fund on 31 Dec.	294.8	231.3	294.8	231.3
Revaluation fund on 1 Jan.	78.2	116.8	78.2	116.8
Reversal of revaluations *)	-	-38.6	-	-38.6
Revaluation fund on 31 Dec.	78.2	78.2	78.2	78.2
Restricted equity on 31 Dec.	469.1	437.5	469.1	437.5
Non-restricted equity:				
Non-restricted equity on 1 Jan.	236.6	145.3	137.6	80.2
Dividend distribution	-28.3	-19.5	-26.5	-17.6
Profit for the year	162.7	110.8	222.9	75.0
Non-restricted equity 31 Dec.	371.0	236.6	334.0	137.6

*) Revaluation of sold property.

Parent Company share capital	31 Dec. 1997 No.	31 Dec. 1997 FIM	31 Dec. 1996 No.	31 Dec. 1996 FIM
Series I (1 vote/share)	4,155,585	41,555,850	4,155 585	41,555,850
Series II (1 vote/10 shares)	5,457,313	54,573,130	3,340 738	33,407,380
Total	9,612,898	96,128,980	7,496 323	74,963,230

The Company held none of its own shares.

16. PARENT COMPANY ACCUMULATED DEPRECIATION DIFFERENCE

	Acc.dep. diff. 31 Dec. 1997	Change in acc. dep. diff. 1 Jan. - 31 Dec. 1997	Acc. dep. diff. 31 Dec. 1996	Change in acc. dep. diff. 1 Jan. - 31 Dec. 1996
Tangible assets:				
Buildings and structures	18.5	-1.0	19.5	0.2
Machinery and equipment	0.1	0.5	-0.4	-
Total	18.6	-0.5	19.1	0.2

17. ACCUMULATED DEPRECIATION DIFFERENCE OF GROUP COMPANIES AND VOLUNTARY PROVISIONS

	1997	1996
Accumulated depreciation difference	129.7	90.3
Voluntary provisions	-	13.0
Total	129.7	103.3
Included in Group balance sheet:		
In non-restricted shareholders' equity	93.4	74.4
In computed deferred tax liability	36.3	28.9
Tax rate used	28 %	28 %

18. OBLIGATORY PROVISIONS

		Group		Parent Company
	1997	1996	1997	1996
Pension liabilities	5.1	3.7	-	-
Other obligatory provisions	0.4	1.2	-	-
Total	5.5	4.9	-	-

19. LIABILITIES

Liabilities due for payment in five years or more		Group		Parent Company
	1997	1996	1997	1996
Loans from financial institutions	5.0	7.0	4.8	7.0
Pension loans	3.6	97.5	0.1	26.0
Other long-term loans	29.7	30.8	19.4	18.9
Total	38.3	135.3	24.3	51.9

Debts to Group companies		Parent Company
	1997	1996
Current accounts payable	0.4	0.7
Other current debt	111.6	149.2
Total	112.0	149.9

20. PLEDGES AND CONTINGENT LIABILITIES

		Group		Parent Company
	1997	1996	1997	1996
Against own debt:				
Assets pledged	400.2	19.2	393.7	12.8
Mortgages on land and buildings	254.1	275.3	247.9	180.9
Chattel mortgages	140.9	91.9	90.0	40.0
Guarantees	2.3	-	-	-
Against debt of Group company:				
Mortgages on land and buildings			5.0	89.8
Guarantees			2.3	83.6

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
On behalf of associated companies:				
Guarantees	7.5	3.5	3.5	3.5
On behalf of others:				
Guarantees	-	1.9	-	0.3
Other own commitments:				
Leasing commitments	5.6	8.1	5.1	6.3
Buy-back commitments	43.7	45.0	43.7	43.7
Other commitments	0.1	4.2	-	4.1
Total	854.4	449.1	791.2	465.0

Group leasing payments fall due:	Group	Parent Company
In 1998	1.6	1.3
After 1996	4.0	3.8

21. DERIVATIVE CONTRACTS

FIM 181.7 million of foreign currency loans were protected against exchange rate fluctuations using forward contracts and currency swaps. The exchange rate differences on loans and the derivative results compared to the balance sheet exchange rates are entered under Other Financial Income and Expenses.

22. FIVE YEARS IN FIGURES 1997 - 1993

		1997	%	1996	%	1995	%	1994	%	1993	%
Net sales	MFIM	1,652		1,623		1,433		1,412		1,363	
Operating profit	MFIM	178	10.8	180	11.1	122	8.5	103	7.3	65	4.8
Profit/loss before extraordinary items, taxes and minority interests	MFIM	163	9.9	155	9.6	87	6.1	62	4.4	-21	-1.5
Profit/loss before taxes and minority interests	MFIM	202	12.2	159	9.8	116	8.1	71	5.0	-48	-3.5
Net profit/loss for the year	MFIM	163	9.9	111	6.8	112	7.8	68	4.8	-20	-1.5
Return on shareholders' equity	%	16.4		18.3		16.4		15.3		-6.7	
Return on investment	%	13.3		16.5		11.7		11.1		6.9	
Solvency ratio	%	45.4		44.6		41.4		30.3		23.9	
Gross capital expenditure	MFIM	510	30.9	338	20.8	109	7.6	275	19.5	73	5.4
Research and development costs	MFIM	16	1.0	11	0.7	11	0.8	10	0.7	-	-
Full-time personnel, average		2,160		2,181		1,994		2,212		2,408	
Part-time newspaper deliverers, average		947		848		568		615		777	
Personnel total, average		3,107		3,029		2,562		2,827		3,185	

23. PER SHARE DATA 1997 - 1993

		1997	1996	1995	1994	1993
Earnings per share	FIM	13.92	16.04	11.91	9.35	-3.73
Shareholders' equity per share	FIM	87.41	89.91	79.20	63.39	52.66
Dividend per share	FIM	3.30 *)	3.00	2.50	0.50	-
Payout ratio	%	25.5	23.1	21.3	6.0	-
Effective dividend yield. Series I	%	1.7	2.1	2.5	0.6	-
Effective dividend yield, Series II	%	1.8	2.1	2.7	0.6	-
P/E ratio, Series I		13.6	9.0	8.3	9.4	-
P/E ratio, Series II		13.1	8.7	7.6	9.0	-
Adjusted share prices, Series I						
Highest	FIM	205.00	150.00	110.00	110.00	51.00
Lowest	FIM	143.00	99.00	75.00	50.00	35.00
Average	FIM	192.68	120.81	91.93	68.81	41.80
On 31 Dec.	FIM	190.00	145.00	99.00	88.00	49.00
Adjusted share prices, Series II						
Highest	FIM	204.00	152.00	102.00	110.00	44.00
Lowest	FIM	138.60	90.10	65.50	46.00	16.74
Average	FIM	180.31	122.46	88.67	67.86	26.19
On 31 Dec.	FIM	182.00	140.00	91.00	84.00	44.00
Market capitalization. Series I	MFIM	789.5	602.5	411.3	365.6	203.6
Market capitalization, Series II	MFIM	993.2	467.7	253.1	230.2	80.1
Market capitalization, total	MFIM	1,782.7	1,070.2	664.4	595.8	283.7
Turnover, Series I	1,000	840	318	582	870	205
Turnover. Series II	1,000	3,442	1,302	1,561	2,385	187
Turnover. total	1,000	4,282	1,620	2,143	3,255	392
Relative turnover, Series I	%	20.2	7.7	14.0	20.9	4.9
Relative turnover, Series II	%	71.9	43.6	56.3	120.2	10.3
Total relative turnover	%	47.9	22.7	30.9	53.0	6.6
Adjusted average number of shares, Series I	1,000	4,155	4,155	4,155	4,155	4,155
Adjusted average number of shares. Series II	1,000	4,789	2,988	2,775	1,984	1,820
Adjusted average number of shares, total	1,000	8,944	7,143	6,930	6,139	5,975
Adjusted number of shares on 31 Dec., Series I	1,000	4,155	4,155	4,155	4,155	4,155
Adjusted number of shares on 31 Dec., Series II	1,000	5,457	3,341	2,781	2,740	1,820
Adjusted number of shares on 31 Dec., total	1,000	9,612	7,496	6,936	6,895	5,975

*) Proposal of the Board

CALCULATION OF KEY INDICATORS

Return on shareholders' equity (ROE) (%)

$$= \frac{\text{Profit/loss before extraordinary items - taxes for period}}{\text{Shareholders' equity + minority interests + voluntary provisions (Average)}} \times 100$$

Return on investment (ROI) (%)

$$= \frac{\text{Profit/loss before extraordinary items + interest and other financing expenses}}{\text{Balance sheet total - interest-free liabilities (Average)}} \times 100$$

Solvency ratio (%)

$$= \frac{\text{Shareholders' equity + minority interests}}{\text{Balance sheet total - advances received}} \times 100$$

Earnings per share

$$= \frac{\text{Profit/loss before extraordinary items - minority interests on profit for the period + minority interests on loss for the period - taxes for period}}{\text{Average number of shares adjusted}}$$

Nominal dividend per share

= Dividend per share approved by AGM.
In 1997 this corresponded with the Board's proposal to the AGM.

Adjusted dividend per share

$$= \frac{\text{Total dividend paid on the financial year}}{\text{Adjusted number of shares on 31 Dec.}}$$

Payout ratio

$$= \frac{\text{Dividend per share for the financial year}}{\text{Profit/loss before extraordinary items +/- minority interests on profit for the period - taxes for period}} \times 100$$

Effective dividend per share

$$= \frac{\text{Adjusted dividend per share}}{\text{Adjusted share price on 31 Dec.}} \times 100$$

Price/earnings (P/E) ratio

$$= \frac{\text{Adjusted share price on 31 Dec.}}{\text{Earnings per share}}$$

Shareholders' equity per share

$$= \frac{\text{Shareholders' equity according to the balance sheet}}{\text{Adjusted number of shares on 31 Dec.}}$$

Market capitalization of share stock

= Number of shares x share price on 31 Dec.

24. 10 PRINCIPAL SHAREHOLDERS ON 31 DEC. 1997

	Series I	Series II	Total	% of shares	% voting rights
1. Tidnings AB Marieberg	1,178,517	1,596,386	2 774,903	28.9	28.5
2. The Pohjola Group	496,602	82,284	578,886	6.0	10.7
- Pohjola Insurance Company Ltd	*300,909*		*300,909*	*3.1*	*6.4*
- Ilmarinen Pension Insurance Company Ltd	*187,487*	*82,269*	*269,756*	*2.8*	*4.2*
- Suomi Mutual Life Assurance Company	*8,206*	*15*	*8,221*	*0.1*	*0.2*
3. C V Åkerlund Fund	274,103	15,419	289,522	3.0	5.9
4. Pension Varma Mutual Insurance Company	215,900	56,000	271,900	2.8	4.7
5. Industrial Insurance	152,900	83,565	236,465	2.5	3.4
6. Federation of Finnish Textile and Clothing Industries	128,600		128,600	1.3	2.7
7. The Local Government Pensions Institution	77,500	256,200	333,700	3.5	2.2
8. The Tapiola Group	92,830	14,900	107,730	1.1	2.0
- Tapiola Mutual Pension Insurance Company	*68,330*	*14,900*	*83,230*	*0.9*	*1.5*
- Tapiola General Mutual Insurance Company	*24,500*		*24,500*	*0.3*	*0.5*
9. Werner Söderström Osakeyhtiö - WSOY	77,680		77,680	0.8	1.7
10. United Magazines Ltd	76,777		76,777	0.8	1.6
Total	2,771,409	2,104,754	4,876,163	50.8	63.4
Nominee-registered	54,000	2,135,467	2,189,467	22.7	5.7
Others	1,330,176	1,217,092	2,547,268	26.5	30.9
Total	4,155,585	5,457,313	9,612,898	100.0	100.0
Members of the Supervisory Board and Board of Directors, the President and Executive Vice Presidents	59,453	1,439	60,892	0.6	1.3

25. OWNERSHIP STRUCTURE ON 31 DEC. 1997

	Number	Proportion (%)	No. of shares	% of shares
Corporations	165	5.5	738,151	7.7
Financial and insurance institutions *)	30	1.0	3,653,251	38.0
Public entities	19	0.6	663,961	6.9
Non-profit organizations	78	2.6	644,280	6.7
Households and individuals	2,668	89.7	1,086,642	11.3
Foreign ownership	13	0.4	2,798,959	29.1
In general account			27,654	0.3
Total	2,973	100.0	9,612,898	100.0

26. DISTRIBUTION OF OWNERSHIP ON 31 DEC. 1997

Number	Number	Proportion (%)	Shares	% of shares
1 - 100	1,610	54.2	51,176	0.5
101 - 1,000	1,067	35.9	385,050	4.0
1.001 - 10.000	244	8.2	685,395	7.1
10,001 - 100,000	42	1.4	1,491,626	15.5
100,001 - 1,000,000	8	0.3	2,016,427	21.0
1,000,001 -	2	0.1	4,955,570	51.6
In general account			27,654	0.3
Total	2,973	100.0	9,612,898	100.0

*) Includes nominee-registered shares

Proposal by the Board

On 31 December 1997 the Group's non-restricted shareholders' equity was FIM 371,008,032.04 of which distributable funds comprised FIM 277,624,800.54.

The Parent Company's non-restricted equity was FIM 334,053,996.26. There were 9,612,898 shares with entitlement to a dividend.

The Board of Directors proposes to the Annual General Meeting that a dividend of FIM 3.30 per share be paid, i.e. FIM 31,722,563.40 and that the remainder of the year's profit FIM 191,207,628.38 be retained.

Helsinki, 13 February 1998

Björn Mattsson

Pekka Ala-Pietilä   Pirkko Alitalo   Bengt Braun

Matti Häkkinen   Pentti Kivinen   Olli Reenpää

Matti Packalén
President and CEO

Auditors' Report

To the shareholders of Aamulehti Corporation

We have audited the accounting records, the financial statements and the administration of Aamulehti Corporation for the financial year 1997. 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.

We have reviewed the interim reports made public by the company during the year. It is our understanding that the interim reports statements have been prepared in accordance with the rules and regulations governing the preparation of such reports in Finland.

Helsinki, 23 February 1998

KPMG WIDERI OY AB

Mauri Palvi
Authorized Public Accountant

Kai Salli
Authorized Public Accountant

Statement by the Supervisory Board

After examining the 1997 financial statements of Aamulehti Group and Aamulehti Corporation and the Auditors' Report, the Supervisory Board recommends that the financial statements be approved and that the retained earnings for the year be dealt with in the manner proposed by the Board of Directors.

Helsinki, 23 February 1998

The Supervisory Board

THE AAMULEHTI SHARE

Shares and shareholders 31 December 1997

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 96,128,980. During the year the share capital rose FIM 21.2 million following conversion into shares of bonds issued during 1993. The Company's registered share capital on the balance sheet date comprised 4,155,585 Series I shares and 5,457,313 Series II shares.

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. In all other respects the two share series are identical.

Voting at shareholders' meetings

Each shareholder is entitled to vote at shareholders' meetings with the full number of shares that he or she represents with the restriction that the maximum number of votes may be at most 1/10th of the total number of votes represented at the meeting.

Share listing

Both the Aamulehti Corporation shares series are listed on the Helsinki Stock Exchange. The Series II shares have been listed on the official list of the Helsinki Stock Exchange since June 1994 and the Series I shares since December 1996. Before transfer to the official list, both series were listed on the Brokers' List of the Helsinki Stock Exchange.

Redemption obligation

According to the 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.

Increases in share capital

In 1993 the Company floated convertible bonds with a nominal value of FIM 129 million. According to the bond's original terms, bond holders were entitled to convert each bond of nominal value FIM 1,000 into 25 Aamulehti Corporation Series II shares. The terms also stipulated that the conversion period should expire on 18 November 1998. Owing to the merger of Aamulehti Corporation and MTV Oy (MTV Corporation since 1 September 1997) to form Alma Media Corporation, the conversion period was shortened in the merger agreement to expire on 31 August 1997. However, the Board of Directors decided in February 1998 to extend the expiry date until 13 March 1998, after which no rights to convert shares will exist from that date. Bonds totalling a nominal FIM 855,000 remained unconverted on the conversion expiry date, 31 August 1997, corresponding to 21,375 shares.

A FIM 13 million increase in the share capital was registered in the Trade Register on 31 January 1997. This increase applied to altogether 1.3 million shares converted at the end of the previous year. During 1997 bonds were converted into shares totalling a nominal value of FIM 32 million. This added 0.8 million shares to the total number of shares.

Authorizations to raise the share capital

The Company's Board of Directors had no authorizations to raise the share capital, nor to float bonds with warrants and/or convertible bonds during 1997.

Share turnover

Altogether 0.8 million (0.3 million) Series I shares were traded during the year for FIM 162 (38) million, and 3.4 (1.3 million) Series II shares for FIM 621 (179) million. This represented 20 % of the total number of Series I shares and 72 % of the Series II shares. The Series I share rose in value during the year by 31 % and the Series II share by 30 %, compared to an average increase of 32 % according to the HEX general index. Market capitalization on 31 December 1997 was MFIM 1,783 (1,070) million.

Ownership structure

On the balance sheet date the Company had 2,973 (2,841) shareholders in book-entry accounts. Altogether 2,189,467 (1,918,243) shares were nominee-registered. Nominee-registered shares and shares held outside Finland represented 51.9 % (42.5 %) of the Company's shares.

Management holdings

On 31 December 1997 the members of the Supervisory Board, the Board of Directors, the President and CEO, and the Executive Vice Presidents held altogether 59,453 Series I shares and altogether 1,439 Series II shares, entitling them to 1.3 % of the voting rights (1.2 % in 1996).

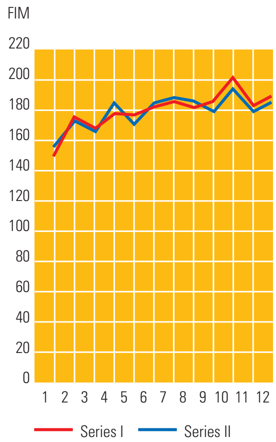
Share taxation value

The Finnish taxation values of the Aamulehti Corporation shares confirmed for 1997 were FIM 120.00 for each Series I share and FIM 125.00 for each Series II share.

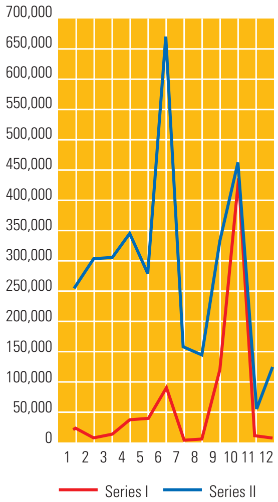
Shareholder agreements

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

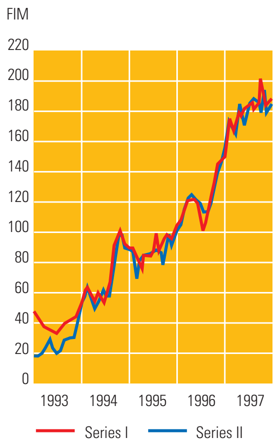
Share performance 1997, FIM



Share turnover 1997, Number



Share performance 1993 - 1997, FIM



GROUP ADMINISTRATION

Supervisory Board

Arjo Anttila, 64, DSc, HC, member since 1991, Chairman of the Supervisory Board
Asmo Kalpala, 47, Chief Executive Officer, Tapiola Insurance Group, member since 1990, Deputy Chairman of the Supervisory Board

Tapio Aaltio, 35, MSc (Eng.), member since 1995
Ilmari Dunder, 51, LLM, member since 1986
Sakari Haukka, 58, MSc, member since 1988
Gustav von Hertzen, 67, MSc (Eng.), member since 1990
Hannu Jaakkola, 52, Managing Director, Nanso Oy, member since 1997
Pentti Kivinen, 54, Managing Director, The Finnish Fair Corporation, member since 1990
Jukka Koivisto, 38, Executive Director, Economic Information Bureau, member since 1997
Esko Koivusalo, 61, MA, member since 1988
Matti Korhonen, 58, President, Finnish Forest Industries Federation, member since 1995
Toivo Nordberg, 64, MA, member since 1997
Jonas Nyrén, 46, Executive Vice President, Tidnings AB Marieberg, member since 1996
Timo Peltola, 52, Chief Executive Officer, Huhtamäki Oy, member since 1993
Heikki Pentti, 51, Chairman, Lemminkäinen Oy, member since 1993
Jukka Rantala, 46, CEO, Pohjola, Suomi-Salama, Eurooppalainen, member since 1994
Jarmo Raveala, 38, Architect, member since 1990
Antero Siljola, 55, President and CEO, Werner Söderström Osakeyhtiö - WSOY, member since 1993
Antti Tanskanen, 52, Chairman and CEO, OKOBANK Osuuspankkien Keskuspankki Oy, member since 1997
Reino Taubert, 60, Director, Pirkanmaa Hospital District, member since 1997
Seppo Toikkonen, 68, Veterinarian, member since 1990

Personnel representatives on the Supervisory Board

Kari Asikainen, 40, Journalist, member since 1994
Asko Haapaniemi, 54, Offset Printer, member since 1990
Kirsti Pohjonen, 52, Journalist, member since 1994

Board of Directors 1 Jan. - 28 Aug. 1997

Tauno Matomäki, 60, Chairman of the Board of Directors of UPM-Kymmene Corporation, member since 1997, Chairman of the Board
Bengt Braun, 51, President and CEO of Tidnings AB Marieberg, member since 1996, Deputy Chairman of the Board
Pirkko Alitalo, 48, Senior Executive Vice President of the Pohjola Group, member since 1997
Matti Häkkinen, 51, LLB, member since 1992
Matti Järventie, 48, Managing Director of Federation of Finnish Textile and Clothing Industries, member since 1997
Yrjö Niskanen, 64, Member of the Board of Directors, UPM-Kymmene Corporation, member since 1994
Erkki Solja, 43, Managing Director of Kiilto Oy, member since 1995

Board of Directors 28 Aug. - 31 Dec. 1997

Björn Mattsson, 57, President and CEO of Cultor Corporation, member since 1997, Chairman of the Board
Bengt Braun, 51, President and CEO of Tidnings AB Marieberg, member since 1996, Deputy Chairman of the Board
Pekka Ala-Pietilä, 41, President of Nokia Mobile Phones, member since 1997
Pirkko Alitalo, 48, Senior Executive Vice President of Pohjola Insurance Company Ltd., member since 1997
Matti Häkkinen, 51, LL.B., member since 1992
Pentti Kivinen, 54, Managing Director of The Finnish Fair Corporation, member since 1997
Olli Reenpää, 64, Managing Director of Otava Publishing Company Ltd., member since 1997

Group Executive Board

Matti Packalén, 50, MSc (Eng.) MSc (Econ.), President and CEO, Chairman since 1992
Pekka Junnila, 56, MSc (Pol.Sc.), Executive Vice President, Corporate Public Relations, member since 1992
Heikki Saraste, 46, MSc (Eng.), Executive Vice President, President - Alpress, member since 1996
Risto Takala, 53, MSc (Econ.), Executive Vice President, President - Alprint, member since 1992
Jaakko Nieminen, 56, BSc (Eng.), Senior Vice President, Corporate Development, member since 1992
Ritva Sallinen, 48, MSc (Econ.), Senior Vice President, Finance, member since 1992
Eero Mörä, 44, General Counsel, Secretary to the Group Executive Board since 1992

Auditors

Authorized Public Auditors KPMG Wideri Oy Ab
Mauri Palvi, MSc (Econ.) APA

Deputy Auditors

Eija Kauppi-Hakkarainen, MSc (Econ.) APA
Matti Sulander, MSc (Econ.) APA
Seppo Suuripää, MSc (Econ.) APA

MTV CORPORATION FINANCIAL STATEMENTS

REPORT BY THE BOARD OF DIRECTORS OF MTV CORPORATION

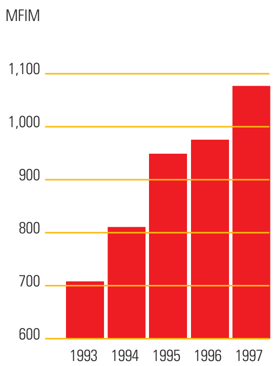
General

The Boards of Directors of MTV Oy and Aamulehti Corporation signed a merger agreement on 22 April 1997. The agreement provides for a combination merger, scheduled to come into force on 1 April 1998, that will merge the two companies into a new media company called Alma Media Corporation. Application will be made for the shares of the newly established company to be listed on the Helsinki Stock Exchange. The shareholders' meetings of the two companies approved the merger agreement on 18 June 1997.

In order to simplify implementation of the combination merger, MTV Oy's Board of Directors and its Supervisory Board decided in June 1997 to transfer the company's entire business to a newly established subsidiary. MTV Oy subscribed for all the shares of this subsidiary. The trading name of the new company became MTV Oy, and the former MTV Oy simultaneously changed its trading name to MTV Corporation. The business operations were transferred on 1 September 1997 when the transfer of MTV Corporation's operating licence to the new subsidiary had received the Council of State's approval.

The combination merger is scheduled to merge MTV Corporation and Aamulehti Corporation into the new Alma Media Corporation on 1 April 1998. The District Court's consent to implement the merger was received on 16 December 1997.

Net sales, MFIM

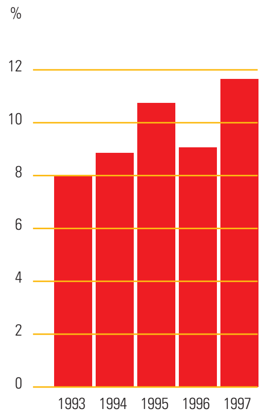


Net sales and result

MTV Group's net sales amounted to FIM 1078.9 million, up 10.6 % over the previous year. Net sales of advertising time grew by 10.3 % to FIM 1035.4 million. Net sales of television-related services totalled FIM 43.5 million and other income from business operations excluded from net sales was FIM 18.8 million.

The net sales of the parent company, MTV Corporation, were FIM 517.5 million, a comparative increase of 14.5 %. MTV Corporation engaged in business operations only up to the end of August 1997. The business activities were transferred to the newly established MTV Oy as from the beginning of September. The Group paid the Finnish Broadcasting Company FIM 394.6 million for network rent, the public service charge and other fees.

Operating profit before depreciation, %



The Group's other annual operating expenses increased by 14.7 % to FIM 577.0 million. The rise in expenses was due to an increase in programming time of almost one-fifth. The amount of domestic drama programmes was also increased.

The Group's planned depreciation was FIM 29.5 million, up 17 % compared to the previous year. FIM 6.9 million in non-recurring expenses relating to the combination merger were charged to extraordinary expenses.

The Group's profit before taxes and minority interest and including planned depreciation was FIM 102.1 million, compared to FIM 80.2 million for the preceding year. The return on investment was 31 %. The parent company's profit before taxes and minority interest and including planned depreciation was FIM 38.8 million.

Financing and investments

The Group's liquidity was good throughout the review period. Financial income amounted to FIM 12.8 million. At the end of the review period liquid assets totalled FIM 116 million.

The Group did not have any interest-bearing liabilities during the review period. The solvency ratio at the end of the review period was 62 %.

The Group's capital expenditure totalled FIM 155 million. The largest single item was the acquisition of shares in Sweden's TV4 AB in November. MTV Oy bought a 5 % holding of the company's stock at a price of FIM 114 million. On 31 December 1997 this holding had a market value of FIM 102 million.

In September MTV Oy acquired 20 % of Oy Kolmostelevisio Ab's stock for FIM 10 million. Oy Kolmostelevisio Ab is wholly-owned by MTV Oy after this transaction.

Other replacement and development investments in business operations amounted to FIM 31 million.

Organization of the Group and associated companies

The Group employed an average of 656 (644) people during the review period and 661 (648) at the end of the year. The parent company, MTV Corporation, employed an average of 460 people up to the end of August. The parent company became a holding company from the beginning of September and at the end of the review period only employed a CEO and a deputy to the CEO.

The Group's personnel increased in number mainly in news and current affairs, new media and data processing. In other areas the number of personnel declined. The move towards outsourcing services not related to core activities was continued. At the beginning of Septemer canteen and cafeteria services were handed over to Amica. At the beginning of October the stock of clothing and giftware bearing the MTV3 logo was sold to Oy Couloir Ab, a company established to continue selling the stock. MTV Oy subscribed for 18 % of the company's shares.

At the beginning of May MTV Oy established two wholly-owned subsidiaries: MTV-Viihde Oy and MTV-Tuotanto Oy. MTV-Viihde Oy produces entertainment programmes, and 33 employees were transferred to the newly established company from the parent company's MTV Entertainment. MTV-Tuotanto Oy sells production services, and 34 employees were transferred to it from the parent company.

MTV Oy changed its name to MTV Corporation in June and immediately re-established MTV Oy as a subsidiary of MTV Corporation in the same process. MTV Corporation has transferred all its business activities to the new MTV Oy based on the interim financial statements published on 31 August 1997, in accordance with the decisions made on the transfer. The share capital of the re-established MTV Oy was raised by FIM 200 million in conjunction with the transfer of business. MTV Oy now continues television broadcasting with the same resources as previously. MTV Corporation subscribed for all the shares and handed over its assets and liabilities to MTV Oy as a subscription in kind.

The Council of State approved the transfer of the operating licence to the new MTV Oy on the same conditions as before. The licence is valid until 14 December 1999.

The associated company Oy Suomen Uutisradio Oy started broadcasting on 12 May 1997 under the name Radio Nova. MTV Group's holding in this company is 28 %. The company's broadcasting operations were extended to cover the entire country in the autumn of 1997. The company's result for 1997 will not show a profit owing to the start-up costs incurred. The largest owners of the company, MTV Oy and Aamulehti Corporation, have granted the company an equity loan to arrange financing for the start-up stage. Studies show that Radio Nova's audience has grown well and at the end of the year the channel had become the second most popular radio channel in Finland.

Oy Kolmostelevisio Ab's name was changed with effect from 1 January 1998 to MTV Media Oy. The company is in charge of the sale and marketing of the Group's advertising time. The purchasing of programmes was transferred to MTV Oy from Oy Kolmostelevisio Ab as from the beginning of 1998.

The Supervisory Boards of Aamulehti Corporation and MTV Corporation elected the new members of the companies' Boards of Directors at their meeting on 28 August 1997. The members elected were: Pekka Ala-Pietilä, Pirkko Alitalo, Bengt Braun, Matti Häkkinen, Pentti Kivinen, Björn Mattson, and Olli Reenpää. The same people were elected who, under the terms of the merger agreement, will be elected members of Alma Media Corporation's first Board of Directors. Björn Mattsson was elected chairman of both Boards and Bengt Braun was elected deputy chairman of both Boards.

The merger agreement required fifteen members to be elected to the Supervisory Board of Alma Media Corporation. Of these, seven were elected by a meeting of Aamulehti Corporation shareholders and five by a meeting of MTV Corporation shareholders. Three members were elected to Alma Media Corporation's Supervisory Board by the personnel of Alma Media Corporation and its subsidiaries.

MTV Corporation's Annual General Meeting elected the following persons to the Supervisory Board: Matti Ahde, Arto Liinpää, Ari Heiniö, Paavo Pitkänen and Matti Kavetvuo. Vesa Kallionpää, was elected as the personnel representative.

Prospects for 1998

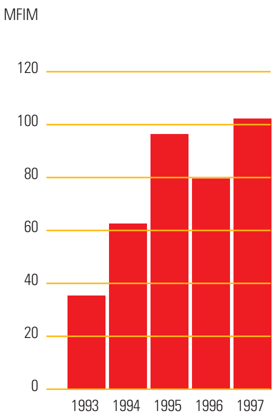
Sales of advertising developed as planned at the beginning of the year. Advertising is forecast to grow slightly faster than the national economy. Growth is anticipated in the electronic media's share of the market as operations of the fourth TV channel and nationwide commercial radio level off after their first year of operation.

The joint acquisition of a holding in Sweden's TV4 AB with Aamulehti Corporation will mean close cooperation and the need to find synergies during the year. This cooperation is expected to produce both operational and financial benefits for both MTV and TV4 over the next few years.

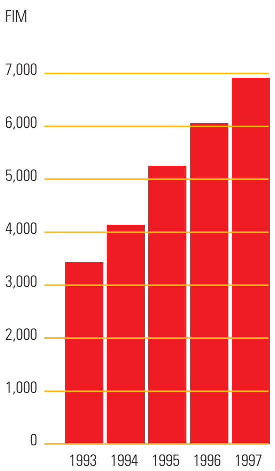
MTV still has an application pending for a television broadcasting licence in the Helsinki metropolitan area. The application was submitted by City-TV Oy Helsinki, which is jointly owned by MTV Group and Aamulehti Corporation.

MTV Group's net sales and profit are expected to grow slightly over the previous year's figures. MTV Oy has signed an agreement with the Finnish Broadcasting Company on the network rent and public service charge for 1998. These now represent a slightly lower percentage of net sales compared to the preceding year.

Profit before taxes and minority interests, Mmk



Shareholders' equity per share, FIM



CONSOLIDATED INCOME STATEMENT

(FIM million)

	1 Jan. - 31 Dec. 1997	1 Jan. - 31 Dec. 1996
Net sales	**1,078.9**	975.4
Other operating income	**18.8**	14.1
Expenses:		
Materials and supplies:		
Purchases during period	**4.2**	5.4
Increase (-), decrease (+) in stocks	**0.4**	-0.3
External services	**99.0**	61.5
Personnel expenses	**230.7**	204.0
Rentals	**410.1**	416.1
Share of losses from associated companies	**3.9**	-
Other expenses	**223.7**	213.7
	-972.0	-900.4
Operating profit before depreciation	**125.7**	89.1
Depreciation:		
On fixed assets and other long-term costs	**28.8**	25.2
On goodwill on consolidation	**0.7**	-
	-29.5	-25.2
Operating profit	**96.2**	63.9
Financing income and expenses:		
Other interest income	**11.6**	12.5
Other financing income	**1.7**	3.5
Share of profits from associated companies	**-**	0.6
Interest expenses	**-0.4**	-
Other financing expenses	**-0.1**	-0.3
	12.8	16.3
Profit before extraordinary items, taxes and minority interests	**109.0**	80.2
Extraordinary income and expenses:		
Extraordinary expenses	**-6.9**	-
	-6.9	-
Profit before taxes and minority interests	**102.1**	80.2
Direct taxes:		
Taxes for the year	**-31.2**	-20.9
Taxes from prior years	**0.1**	0.5
Computed change in deferred tax liability	**0.7**	-1.1
	-30.4	-21.5
Profit before minority interests	**71.7**	58.7
Minority interest from profit for the year	**-**	-1.7
Net profit for the year	**71.7**	57.0

CONSOLIDATED FUNDS STATEMENT

(FIM million)

	1997	1996
OPERATIONS		
Income:		
Operating profit before depreciation	**125.7**	89.1
Financing income and expenses	**12.8**	16.3
Extraordinary items	**-6.9**	-
Taxes	**-30.4**	-21.5
Minority interest from profit for the year	**-**	-1.7
	101.2	82.2
CHANGE IN WORKING CAPITAL		
Inventories and advance payments, increase (-), decrease (+)	**-44.9**	-11.6
Current receivables, increase (-), decrease (+)	**-4.8**	9.6
Interest-free short-term debt, increase (+), decrease (-)	**43.1**	-3.9
	-6.6	-5.9
CASH FLOW FROM OPERATIONS	**94.6**	76.3
CAPITAL EXPENDITURE		
Investments in fixed assets	**-154.5**	-48.5
	-154.5	-48.5
CASH FLOW BEFORE FINANCING	**-59.9**	27.8
FINANCING		
Increase (-), decrease (+) in long-term receivables	**-6.4**	0.7
Increase (-), decrease (+) in current receivables	**79.1**	-9.4
Increase (+) in long-term loans	**-**	1.1
Decrease (-) in long-term loans	**-0.7**	-
Dividend distribution	**-13.8**	-13.8
	58.2	-21.4
Calculated increase (+), decrease (-) in liquid funds	**-1.7**	6.4
Change in minority interests	**-10.0**	0.9
Balance sheet increase (+), decrease (-) in liquid funds	**-11.7**	7.3

CONSOLIDATED BALANCE SHEET
(FIM million)

	31 Dec. 1997	31 Dec.1996
ASSETS		
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		
Intangible assets:		
Intangible rights	**0.3**	0.3
Other long-term expenses	**34.0**	24.5
	34.3	24.8
Tangible assets:		
Land and water areas	**1.7**	1.7
Buildings and structures	**58.5**	61.3
Machinery and equipment	**77.4**	70.6
Other tangible assets	**0.7**	0.7
Advances paid and uncompleted procurements	**-**	4.2
	138.3	138.5
Securities and other long-term investments:		
Shares and holdings in associated companies	**3.0**	2.8
Other shares and holdings	**122.6**	7.1
Receivables from consolidated loans	**6.4**	-
	132.0	9.9
CURRENT ASSETS		
Inventories:		
Materials and supplies	**0.6**	1.0
Advance payments	**125.8**	80.5
	126.4	81.5
Receivables:		
On sales	**57.9**	53.7
Deferred assets	**9.8**	12.8
Other receivables	**7.1**	3.5
	74.8	70.0
Financial assets:		
Other securities	**111.0**	190.1
	111.0	190.1
Cash on hand and in banks	**5.6**	17.3
	622.4	532.1

SHAREHOLDERS' EQUITY AND LIABILITIES
(FIM million)

	31. Dec. 1997	31. Dec. 1996
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Restricted equity		
Share capital	**27.5**	27.5
Reserve fund	**38.8**	38.8
	66.3	66.3
Non-restricted equity:		
Prior year profit	**243.5**	200.3
Profit for the year	**71.7**	57.0
	315.2	257.3
MINORITY INTEREST	**-**	10.0
LIABILITIES		
Long-term:		
Computed deferred tax liability	**23.7**	24.4
	23.7	24.4
Current:		
Advances received	**2.4**	6.3
Accounts payable	**123.9**	98.1
Deferred liabilities	**57.5**	48.3
Other current liabilities	**33.4**	21.4
	217.2	174.1
	622.4	532.1

PARENT COMPANY INCOME STATEMENT

(FIM million)

	1 Jan. - 31 Dec. 1997	1 Jan. - 31 Dec. 1996
Net sales	**517.5**	738.5
Other operating income	**9.9**	11.4
Expenses:		
Materials and supplies:		
Purchases during the period	**1.3**	2.9
Increase (-),. decrease (+) in stocks	**0.9**	-0.3
External services	**93.9**	91.6
Personnel expenses	**109.9**	160.1
Rentals	**194.4**	319.5
Other expenses	**83.7**	116.4
	-484.1	-690.2
Operating profit before depreciation	**43.3**	59.7
Depreciation:		
On fixed assets and other long-term costs	**10.9**	15.8
	-10.9	-15.8
Operating profit	**32.4**	43.9
Financing income and expenses:		
Dividend income	**2.3**	3.8
Avoir fiscal tax credit	**0.9**	1.2
Interest income on long-term investments	**2.7**	4.0
Other interest income	**8.6**	12.6
Other financing income	**0.7**	3.5
Interest expenses	**-1.9**	-1.8
Other financing expenses	**-0.1**	-0.3
	13.2	23.0
Profit before extraordinary items, voluntary provisions and taxes	**45.6**	66.9
Extraordinary income and expenses:		
Extraordinary expenses	**-6.8**	-2.5
	-6.8	-2.5
Profit before voluntary provisions and taxes	**38.8**	64.4
Increase (-), decrease (+) in depreciation difference	**10.8**	-11.1
Increase (-), decrease (+) in voluntary provisions	-	12.0
Direct taxes:		
Taxes for the year	**-14.1**	-18.4
Taxes from prior years	**0.1**	0.6
	-14.0	-17.8
Net profit for the year	**35.6**	47.5

PARENT COMPANY BALANCE SHEET

(FIM million)

	31 Dec. 1997	31 Dec. 1996
ASSETS		
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		
Intangible assets:		
Intangible rights	-	0.2
Advance payments	-	18.1
	-	18.3
Tangible assets:		
Machinery and equipment	-	51.6
Other tangible assets	-	0.6
Advance payments and uncompleted procurements	-	3.1
	-	55.3
Securities and other long-term investments:		
Shares in subsidiary companies	**319.1**	45.2
Shares and holdings in associated companies	-	2.1
Other shares and holdings	-	2.4
Loans receivable	-	98.6
	319.1	148.3
CURRENT ASSETS		
Inventories		
Other products/ Goods	-	0.9
Advance payments	-	65.0
	-	65.9
Receivables:		
On sales	-	58.7
Deferred assets	-	13.3
Other receivables	**24.9**	5.2
	24.9	77.2
Financial assets:		
Other securities	-	190.1
	-	190.1
Cash on hand and in banks	-	17.2
	344.0	572.3

PARENT COMPANY BALANCE SHEET

(FIM million)

	31 Dec.1997	31 Dec.1996
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Restricted equity:		
Share capital	**27.5**	27.5
Reserve fund	**38.8**	38.8
	66.3	66.3
Non-restricted equity:		
Contingency fund	**121.4**	121.4
Prior year profits	**120.7**	87.0
Profit for the year	**35.6**	47.5
	277.7	255.9
VOLUNTARY PROVISIONS		
Accumulated depreciation difference	-	27.7
Voluntary provisions		
Other provisions	-	16.1
	-	16.1
LIABILITIES		
Current:		
Advances received	-	0.6
Accounts payable	-	103.7
Deferred liabilities	-	36.1
Other current liabilities	-	65.9
	-	206.3
	344.0	572.3

PARENT COMPANY FUNDS STATEMENT

(FIM million)

	1997	1996
OPERATIONS		
Income:		
Operating profit before depreciation	**43.3**	59.7
Financing income and expenses	**13.2**	23.0
Extraordinary items	**-6.8**	-2.5
Taxes	**-14.0**	-17.8
	35.7	62.4
CHANGE IN WORKING CAPITAL		
Inventories and advance payments, increase (-), decrease (+)	**65.9**	-7.3
Current receivables, increase (-), decrease (+)	**52.2**	14.9
Interest-free short-term debt, increase (+), decrease (-)	**-206.3**	-15.3
	-88.2	-7.7
CASH FLOW FROM OPERATIONS	**-52.5**	54.7
CAPITAL EXPENDITURE		
Investments in fixed assets	**-319.1**	-25.8
Disposals of fixed assets	**79.5**	2.3
	-239.6	-23.5
CASH FLOW BEFORE FINANCING	**-292.1**	31.2
FINANCING		
Increase (-), decrease (+) in long-term receivables	**98.6**	4.2
Increase (-), decrease (+) in current receivables	**190.1**	-12.4
Dividend distribution	**-13.8**	-13.8
	274.9	-22.0
Calculated increase (+), decrease (-) in liquid funds	**-17.2**	9.2
Balance sheet increase (+), decrease (-) in liquid funds	**-17.2**	9.2

NOTES TO THE FINANCIAL STATEMENTS
(FIM million)

Accounting principles

The consolidated financial statements have been prepared using the purchase method. The MTV Group comprises MTV Oy, MTV Media Oy (formerly Oy Kolmostelevisio Ab), MTV-Palvelukiinteistöt Oy, Tuotantoyhtiö FOR Oy, Funny Films Oy, MTV-Viihde Oy (from 1 May 1997) and MTV-Tuotanto Oy (from 1 May 1997). MTV Group's associated companies are Oy Suomen Uutisradio Ab, Finn-Lab Oy, Suomen Uutisvirta Oy and City TV Oy Helsinki. All Group and associated companies are consolidated in the Group accounts.

MTV Media Oy was consolidated as a wholly owned subsidiary from the beginning of the accounting period. The excess of shareholders' equity paid when acquiring the minority share (20 %) is treated as goodwill on consolidation and written off completely.

Intragroup transactions, receivables, payables and dividends are eliminated in the consolidated accounts.

Associated companies are consolidated using the equity method. Since all associated companies are considered to be a part of the Group's operations, they are shown before operating profit. Profits and losses are netted in Share of Profits from Associated Companies.

MTV Corporation's subsidiary MTV Oy has given a FIM 10.8 million loan in the form of subordinated capital notes (Companies Act, Chapter 5) to Oy Suomen Uutisradio Ab with a maturity not exceeding 10 years. In the consolidated accounts the value of this consolidated loan receivable includes the effect of the loss exceeding the book value of this associated company in financial year 1997.

Payments related to programme activities are included in Other Operating Income.

Planned depreciation is calculated using harmonized principles in the Group according to the economic life of the fixed assets in the form of straight-line depreciation on the original acquisition cost as follows:

Computer software	5 years
Other long-term expenditure	5-10 years
Buildings	25-40 years
Fittings	10-25 years
Vehicles	5 years
Production machinery and equipment	5-7 years

1. SPECIFICATION OF NET SALES

	Group		Parent Company	
	1997	1996	1997	1996
Net sales from advertising time	1,035.4	938.6	477.9	692.4
Net sales from services	41.3	34.8	39.6	46.1
Rental income	2.2	2.0	-	-
Total	1,078.9	975.4	517.5	738.5

2. PERSONNEL EXPENSES

	Group		Parent Company	
	1997	1996	1997	1996
Wages, salaries and benefits	179.0	160.3	84.6	124.9
Pension costs *)	31.3	27.7	14.7	21.6
Other staff-related costs **)	20.4	16.0	10.6	13.5
Personnel costs in income statement	230.7	204.0	109.9	160.0
Benefits in kind (taxation value)	2.8	2.6	0.8	1.2

*) Includes pension insurance premiums.
**) Includes all other personnel costs

	Group		Parent Company	
	1997	1996	1997	1996
Salaries and fees to members of the Supervisory Board, Board of Directors and presidents	4.5	4.0	1.7	2.3
Bonuses paid to presidents and executive vice presidents	1.1	0.2	-	0.2

3. RENTS

	Group		Parent Company	
	1997	1996	1997	1996
Payments to Finnish Broadcasting Company	394.6	397.4	179.6	293.9
Other rents	15.5	18.7	14.8	25.6
Total	410.1	416.1	194.4	319.5

4. PLANNED DEPRECIATION

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Other long-term expenses	5.0	3.4	1.9	2.0
Buildings and structures	3.5	3.4	-	-
Machinery and equipment	20.3	18.4	9.0	13.7
Writeoff of goodwill on consolidation	0.7	-	-	-
Total	29.5	25.2	10.9	15.7

5. FINANCING INCOME AND EXPENSES

	Parent Company 1997	Parent Company 1996
Financing income received from Group companies		
Interest income on long-term investments	2.7	4.0
Financing expenses paid to Group companies		
Interest expenses	1.8	1.7

6. EXTRAORDINARY INCOME AND EXPENSES

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Extraordinary expenses:				
Group contributions given	-	-	-	2.5
Other extraordinary expenses	6.9	-	6.8	-
Total	6.9	-	6.8	2.5

Extraordinary expenses arose from preparations for the combination merger.

7. TAXES

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Taxes for the year	-31.2	-20.9	-14.1	-18.4
Taxes from prior years	0.1	0.5	0.1	0.5
Computed change in deferred tax liability	0.7	-1.1	-	-
Total	-30.4	-21.5	-14.0	-17.9

8. GROUP AND PARENT COMPANY SHARES AND HOLDING

Group companies owned by Parent Company

Company	Group voting rights %	Group ownership %	Shares owned by Parent Company Ownership %	Number No.	Nominal value MFIM	Book value MFIM
MTV Oy	100.0	100.0	100.0	200 100	200.1	319.1
						319.1

Group companies owned through subsidiaries

Company	Group voting rights %	Group ownership %	Shares owned by Parent Company Ownership %	Number No.	Nominal value MFIM	Book value MFIM
Funny-Films Oy	95.0	95.0	95.0	940	0.3	0.5
MTV-Palvelukiinteistöt Oy	100.0	100.0	100.0	100,000	10.0	20.0
Tuotantoyhtiö FOR Oy	100.0	100.0	100.0	12,500	2.5	5.0
MTV Media Oy	100.0	100.0	100.0	15,000	15.0	29.9
MTV-Tuotanto Oy	100.0	100.0	100.0	240	0.2	0.2
MTV-Viihde Oy	100.0	100.0	100.0	240	0.2	0.2
						55.8

Associated companies owned through subsidiaries

Company	Group voting rights %	Group ownership %	Shares owned by Parent Company Ownership %	Number No.	Nominal value MFIM	Book value MFIM
Finn-Lab Oy	38.0	38.0	38.0	1,140	1.1	1.1
Oy Suomen Uutisradio Ab	28.0	28.0	28.0	840	0.8	1.0
Suomen Uutisvirta Oy	20.0	20.0	20.0	20	-	-
City-TV Oy Helsinki	45.0	45.0	45.0	45	-	-
						2.1

Other shares and holdings owned by the Parent Company

	No.	Book value MFIM
Finnish News Agency	1,000	0.4
Fantasiafilmi Oy	17	0.3
Regional TV (St. Petersburg)	10	0.6
TV3 Tallinn, Estonia		0.4
Helsinki Telephone Company	117	0.3
Joulumaa Oy		1.0
TV4 AB, Sweden	1,000,000	114.2
Kiinteistö Oy Saunaniemenrinne	250	2.6
Helsinki Halli Oy	22	2.2
Other shares and holdings		0.5
		122.5

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

9. TANGIBLE AND INTANGIBLE ASSETS

INTANGIBLE ASSETS	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Intangible rights:				
Acquisition cost 1 Jan.	0.3	0.2	0.2	0.2
Increases 1 Jan. - 31 Dec.	-	0.1	-	-
Decreases 1 Jan. - 31 Dec.	-	-	-0.2	-
Acquisition cost 31 Dec.	0.3	0.3	-	0.2
Book value 31 Dec.	0.3	0.3	-	0.2
Other long-term expenses:				
Acquisition cost 1 Jan.	39.2	24.7	27.7	17.9
Increases 1 Jan. - 31 Dec.	14.5	14.5	3.1	9.8
Decreases 1 Jan. - 31 Dec.	-	-	-30.8	-
Acquisition cost 31 Dec.	53.7	39.2	-	27.7
Acc. planned depreciation 31 Dec.	-19.7	-14.7	-	-9.6
Book value 31 Dec.	34.0	24.5	-	18.1

TANGIBLE ASSETS	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Land and water areas:				
Acquisition cost 1 Jan.	1.7	1.7	-	-
Acquisition cost 31 Dec.	1.7	1.7	-	-
Book value 31 Dec	1.7	1.7	-	-
Buildings and structures:				
Acquisition cost 1 Jan.	109.7	106.3	-	-
Increases 1 Jan. - 31 Dec.	0.7	3.4	-	-
Acquisition cost 31 Dec.	110.4	109.7	-	-
Acc. planned depreciation 31 Dec.	-51.9	-48.4	-	-
Book value 31 Dec.	58.5	61.3	-	-

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Machinery and equipment:				
Acquisition cost 1 Jan.	136.5	113.7	147.1	135.1
Increases 1 Jan. - 31 Dec.	27.1	22.8	6.8	12.0
Decreases 1 Jan. - 31 Dec.	-	-	-153.9	-
Acquisition cost 31 Dec..	163.6	136.5	-	147.1
Acc. planned depreciation 31 Dec.	-86.2	-65.9	-	-95.6
Book value 31 Dec.	77.4	70.6	-	51.5
Other tangible assets:				
Acquisition cost 1 Jan.	0.7	0.6	0.6	0.6
Increases 1 Jan. - 31 Dec..	-	0.1	-	-
Decreases 1 Jan. - 31 Dec.	-	-	-0.6	-
Acquisition cost 31 Dec.	0.7	0.7	-	0.6
Book value 31 Dec	0.7	0.7	-	0.6
Advances paid and projects in progress:				
Acquisition cost 1 Jan.	4.3	0.4	3.1	-
Increases 1 Jan. - 31 Dec.	-	4.3	-	3.1
Decreases 1 Jan. - 31 Dec.	-4.3	-0.4	-3.1	-
Acquisition cost 31 Dec	-	4.3	-	3.1
Book value 31 Dec.	-	4.3	-	3.1

10. TAXATION VALUES OF FIXED ASSETS

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Land	0.2	0.2	-	-
Buildings and structures	44.5	44.2	-	-
Shares and holdings	122.4	3.7	319.1	62.5

Book value used if taxation value not available

11. LONG-TERM INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Group companies:				
Shares in subsidiary companies			319.1	45.2
Loans receivable from Group companies			-	98.6
Associated companies:				
Book value	2.1	2.1	-	2.1
Group entries	0.9	0.7		
Group balance sheet value	3.0	2.8		
Consolidated loan receivables	6.4	-	-	-

12. CURRENT LIABILITIES

Difference between acquisition cost and market value of bonds and debentures	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Market value	111.0	195.5	-	195.5
Book value	111.0	190.1	-	190.1
Difference	0.0	5.4	-	5.4

Receivables from Group companies:	Parent Company 1997	Parent Company 1996
Accounts receivable	-	9.2
Loans receivable	-	98.6
Deferred assets	-	1.4
Other receivables	24.9	2.3
Total	24.9	111.5

Receivables from associated companies:		Group		Parent Company
	1997	1996	1997	1996
Accounts receivable	0.3	0.2	-	0.1
Other receivables	0.3	-	-	-
	0.6	0.2	-	0.1

13. PENSION LIABILITIES AND LOANS GRANTED TO MANAGEMENT

The presidents' retirement age is 60-65 years in the Group and 60 years in the parent company.

14. SHAREHOLDERS' EQUITY

		Group		Parent Company
	1997	1996	1997	1996
Restricted equity:				
Share capital on 1 Jan.	27.6	27.6	27.6	27.6
Share capital on 31 Dec.	27.6	27.6	27.6	27.6
Reserve fund on 1 Jan.	38.8	38.8	38.8	38.8
Reserve fund on 31 Dec.	38.8	38.8	38.8	38.8
Restricted equity on 31 Dec.	66.4	66.4	66.4	66.4
Non-restricted equity:				
Contingency fund on 1 Jan.			121.4	121.4
Contingency fund on 31 Dec.			121.4	121.4
Retained earnings on 1 Jan.	257.3	214.1	134.5	100.8
Dividend distribution	-13.8	-13.8	-13.8	-13.8
Profit for the year	71.7	57.0	35.6	47.5
Retained earnings on 31 Dec.	315.2	257.3	156.3	134.5
Non-restricted equity 31 Dec.	315.2	257.3	277.7	255.9
Distributable funds in non-restricted shareholders' equity	254.3	194,5		

The Parent Company held none of its own shares.

15. ACCUMULATED DEPRECIATION DIFFERENCE

	Acc. dep. diff. 31 Dec. 1997	Change in acc. dep. diff. 1 Jan.- 31 Dec. 1997	Acc. dep. diff. 31 Dec. 1996	Change in acc. dep. diff. 1 Jan.- 31 Dec. 1996
ACCUMULATED DEPRECIATION DIFFERENCE OF PARENT COMPANY				
Intangible assets:				
Other long-term expenses		1.9	2.3	1.2
Tangible assets:				
Machinery and equipment		8.9	25.4	9.8
Total		10.8	27.7	11.0
ACCUMULATED DEPRECIATION DIFFERENCE OF GROUP				
Intangible assets:				
Other long-term expenses	9.5	5.8	3.7	1.8
Tangible assets:				
Buildings and structures	36.1	1.7	34.4	2.5
Machinery and equipment	39.0	8.9	30.1	11.5
Total	84.6	16.4	68.2	15.8
Voluntary provisions	-		19.0	
Of depreciation difference and voluntary provisions included in Group balance sheet:				
In non-restricted shareholders' equity	60.9		62.8	
In computed deferred tax liability	23.7		24.4	

16. LIABILITIES

Liabilities due for payment in five years or more.

Debts to Group companies	Parent Company 1997	Parent Company 1996
Current accounts payable	-	14.7
Deferred liabilities	-	2.6
Other current debt	-	51.2
Total	-	68.5

Debts to associated companies	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
Other long-term debts	-	-	-	-
Accounts payable	0.8	-	-	-
Deferred liabilities	-	-	-	-
	0.8	-	-	-

17. PLEDGES AND CONTINGENT LIABILITIES

	Group 1997	Group 1996	Parent Company 1997	Parent Company 1996
On behalf of others:				
Guarantees	0.1	0.1	-	0.1
Other own commitments:				
Leasing commitments	4.8	4.1	-	1.1
Total				
Guarantees	0.1	0.1	-	0.1
Other commitments	4.8	4.1	-	1.1
Total	4.9	4.2	-	1.2

Group leasing payments fall due:	Group	Parent Company
In 1998	2.6	-
After 1998	2.2	-

Proposal by the Board

On 31 December 1997 the Group's non-restricted shareholders' equity was FIM 315,224,115.08 of which distributable funds comprised FIM 254,311,761.95. The Parent Company's non-restricted equity was FIM 277,735,827.17. There were 55,104 shares with entitlement to a dividend.

The Board of Directors proposes to the Annual General Meeting that a dividend of FIM 453.75 per share be paid, i.e. FIM 25,003,440.00 and that the remainder of the year's profit FIM 10,631,965.16 be retained.

Helsinki, 13 February 1998

Björn Mattsson	Pekka Ala-Pietilä
Pirkko Alitalo	Bengt Braun
Matti Häkkinen	Pentti Kivinen
Olli Reenpää	Eero Pilkama President

The above financial statements have been prepared in accordance with good accounting standards. We have today submitted our report on the audit performed by us.

Helsinki, 18 February 1998

Tauno Haataja Authorized Public Accountant	Ilkka Haarlaa Authorized Public Accountant

Auditors' report

To the shareholders of MTV-Yhtymä Oy

We have audited the accounting, the financial statements and the corporate governance of MTV-Yhtymä Oy (before MTV Oy) for the period 1.1. - 31.12.1997. The financial statements, which include the report of 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 corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit 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 statements presentation. The purpose of our audit of corporate governance is to examine that the members of the Supervisory Board and the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Supervisory Board and 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 by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies' Act.

Helsinki, 18 February 1998

Tauno Haataja Authorised Public Accountant	Ilkka Haarlaa Authorised Public Accountant

Statement by the Supervisory Board

The Supervisory Board, which has examined the report by the Board of Directors, including the parent company's income statement and balance sheet, the consolidated income statement and balance sheet, the auditors' statement and the controlling auditors' report, proposes that the Annual General Meeting approve the parent company's income statement and balance sheet and the consolidated income statement and balance sheet, and comply with the proposal of the Board of Directors concerning the disposal of the profit.

The following are in turn for retirement from the Supervisory Board: Matti Ahde, Vesa Kallionpää, Matti Kavetvuo, Jere Lahti, Jussi Länsiö, Markku Mikola, Eira Palin-Lehtinen and Erkki Poranen.

Helsinki, 23 February 1998

Timo Karake
Markku Talonen

Matti Ahde
Päivi Aitkoski-Catani

Kaj Forssell
Ari Heiniö

Jaakko Ihamuotila
Vesa Kallionpää

Heikki Kauppinen
Matti Kavetvuo

Jere Lahti
Arto Liinpää

Jussi Länsiö
Markku Mikkola

Matti Ovaskainen
Eira Palin-Lehtinen

Eino Petäjäniemi
Paavo Pitkänen

Erkki Poranen
Aatto Prihti

Antti Remes
Maunu Saarinen

Kyösti Varesvuo

MTV GROUP FIVE YEARS IN FIGURES

		1997	1996	1995	1994	1993
Scope of operations						
Net sales	MFIM	1,078.9	975.4	949.9	810.1	708.9
Change	%	10.6	2.7	17.3	14.3	0.4
Investments	MFIM	154.5	48.5	42.6	30.6	24.5
Balance sheet total	MFIM	622.4	532.1	491.0	434.5	374.0
Average personnel		656	644	633	614	602
Net sales/employee	FIM 1,000	1,645	1,515	1,501	1,319	1,178
Value added/employee	FIM 1,000	1,169	1,101	1,138	994	871
Profitability						
Operating profit before depreciation	MFIM	125.7	89.1	102.5	72.2	56.7
As % of net sales	%	11.7	9.1	10.8	8.9	8.0
Operating profit	MFIM	96.2	63.9	79.6	53.1	28.7
Profit before extraordinary items, provisions and taxes	MFIM	109.0	80.2	97.0	63.2	36.5
Profit before provisions and taxes	MFIM	102.1	80.2	96.9	62.6	36.1
Return on investment	%	31	26	37	27	17
Return on shareholders' equity	%	22	19	29	23	14
Financing and financial position						
Liquidity (current ratio)		1.5	2.1	1.9	1.7	2.0
Self-financing of investments	%	66	169	229	215	220
Interest margin		-9.8	-5.5	-5.9	-7.1	-7.2
Solvency ratio	%	62	63	59	53	51
Shareholders' equity		381.5	333.6	289.6	228.5	189.7
Interest-bearing debt	MFIM	0.0	0.0	0.0	14.9	36.7
Rate of capital turnover		1.7	1.8	1.9	1.9	1.9
Cycle length for accounts receivable	Days	16	16	20	16	17
Cycle length for accounts payable	Days	50	42	43	51	44
Per share data						
Earnings per share	FIM	1,425	1,024	1,223	822	440
Dividend per share	FIM	453.75	250.00	250.00	165.00	125.00
Payout ratio	%	31.8	24.5	20.5	20.1	28.4
Shareholders' equity per share	FIM	6,923	6,054	5,256	4,146	3,443
Total dividend paid	MFIM	25.0	13.8	13.8	9.1	6.9

When calculating key indicators, the computed deferred tax liability has been treated as a liability for the full financial year, in contrast to previous practice.
The dividend for 1997 is the proposal of the Board of Directors.

CALCULATION OF KEY INDICATORS

Key indicators are calculated in accordance with the recommendations of the Helsinki Stock Exchange

Return on shareholders' equity (%)	=	$\dfrac{\text{Profit/loss before extraordinary items - taxes for period}}{\text{Shareholders' equity + minority interests + accumulated voluntary provisions (Average)}} \times 100$
Return on investment (%)	=	$\dfrac{\text{Profit/loss before extraordinary items + interest and other financing expenses}}{\text{Balance sheet total - interest-free liabilities (Average)}} \times 100$
Self-financing of investments	=	$\dfrac{\text{Income from operations according to the funds statement}}{\text{Net investments}} \times 100$
Interest margin	=	$\dfrac{\text{Operating profit before depreciation}}{\text{Net interest expenses}}$
Current ratio	=	$\dfrac{\text{Inventories and financial assets}}{\text{Current liabilities}}$
Solvency ratio (%)	=	$\dfrac{\text{Shareholders' equity + minority interests}}{\text{Balance sheet total - advances received}} \times 100$
Earnings per share	=	$\dfrac{\text{Profit/loss before extraordinary items - minority interests in profit for the period + minority interests in loss for the period - taxes for period}}{\text{Average number of shares adjusted}}$
Dividend per share	=	Dividend per share approved by AGM.
Payout ratio	=	$\dfrac{\text{Dividend for the year}}{\text{Profit/loss before extraordinary items +/- minority interests in profit for the period - taxes for period}}$
Shareholders' equity per share	=	$\dfrac{\text{Shareholders' equity according to the balance sheet}}{\text{Adjusted number of shares on 31 Dec.}}$

GROUP ADMINISTRATION

Supervisory Board

Timo Karake, 56, Vice President of Kesko Oy, member since 1987, Chairman of the Supervisory Board
Markku Talonen, 51, Managing Director of Orion-yhtymä Oy, member since 1989, Vice Chairman of the Supervisory Board

Matti Ahde, 52, Managing Director of Oy Veikkaus Ab, member since 1992
Päivi Aitkoski-Catani, 52, Managing Director of Datum Optimum Media Direction Oy, member since 1997
Kaj Forssell, 54, Managing Director of Oy Sinebrychoff Ab, member since 1993
Ari Heiniö, 52, Managing Director of Oy Stockmann Ab, member since 1993
Jaakko Ihamuotila, 58, President of Neste Oy, member since 1993
Vesa Kallionpää, 37, political correspondent, MTV Oy, member since 1993
Heikki Kauppinen, 50, Managing Director of Suomen Unilever Oy, member since 1994
Matti Kavetvuo, 53, Managing Director of Valio Oy, member since 1989
Jere Lahti, 55, President of Finnish Cooperative Wholesale Society SOK, member since 1992
Arto Liinpää, 54, Managing Director of Markkinointi Viherjuuri Oy, member since 1996
Jussi Länsiö, 46, Managing Director of Oy Hartwall Ab, member since 1995
Markku Mikkola, 57, Director, Merita Pankki Oy, member since 1989
Matti Ovaskainen, 49, film stock manager, MTV Oy, member since 1991
Eira Palin-Lehtinen, 47, Director, Merita Pankki Oy, member since 1995
Eino Petäjäniemi, 54, Managing Director of Keskisuomalainen Oy, member since 1997
Paavo Pitkänen, 55, Managing Director of Pension Varma Mutual Insurance Company, member since 1997
Erkki Poranen, 52, Managing Director of Ilkka Oy, member since 1994
Aatto Prihti, 58, Chief Agent, Finnish National Fund for Research and Development, member since 1993
Antti Remes, 50, Managing Director of Osuuskunta Tradeka-yhtymä, member since 1994
Maunu Saarinen, 53, mixer, MTV Oy, member since 1997
Kyösti Varesvuo, 65, Chairman of the Board of Varesvuo Partners Oy, member since 1979

Board of Directors 1 Jan. - 31 Aug. 1997

Björn Mattsson, 57, Managing Director of Cultor Corporation, member since 1995, Chairman of the Board
Pentti Kivinen, 54, Managing Director of The Finnish Fair Corporation, member since 1992, Vice Chairman of the Board
Pekka Ala-Pietilä, 41, President of Nokia Mobile Phones, member since 1997
Matti Korhonen, 58, President of the Finnish Forest Industries Federation, member since 1995
Pauli Leimio, 57, Managing Director of Yhtyneet Kuvalehdet Oy, member since 1997
Matti Packalén, 50, President and CEO of Aamulehti Corporation, member since 1997
Heikki Pentti, 51, Chairman of the Board of Lemminkäinen Oy, member since 1991
Eero Pilkama, 55, President and CEO of MTV Oy, member since 1984
Erkki Yrjölä, 56, Managing Director of Publicis-Törmä Oy, member since 1992

Board of Directors 1 Sept. - 31 Dec. 1997

Björn Mattsson, 57, President and CEO of Cultor Corporation, member since 1995, Chairman of the Board
Bengt Braun, 51, President and CEO of Tidnings AB Marieberg, member since 1997, Vice Chairman of the Board
Pekka Ala-Pietilä, 41, President of Nokia Mobile Phones, member since 1997
Pirkko Alitalo, 48, Senior Executive Vice President of Pohjola Insurance Company Ltd., member since 1997
Matti Häkkinen, 51, LL.B, member since 1997
Pentti Kivinen, 54, Managing Director of The Finnish Fair Corporation, member since 1992
Olli Reenpää, 63, Managing Director of Otava Publishing Company Ltd., member since 1997

Auditors

Tauno Haataja, Authorized Public Accountant
Ilkka Haarlaa, Authorized Public Accountant

Deputy Auditors

Marianne Aapro, Authorized Public Accountant
Jouko Malinen, Authorized Public Accountant

Directors of MTV Oy 1 February 1998

Eero Pilkama, President
Jaakko Paavela, Executive Vice President, Finance, Administration and Communications
Jorma Miettinen, Vice President, Communications, Strategic Planning, New Media
Juhani Pekkala, Senior Vice President, News and Current Affairs
Tauno Äijälä, Vice President, programming

Directors of Subsidiaries 1 February 1998

Eero Aalto, President, MTV Media Oy
Tomi Halonen, President, MTV-Viihde Oy
Paul Keskinen, President, MTV-Tuotanto Oy
Marko Kulmala, President, Funny-Films Oy
Hannu Marsalo, President, MTV-Palvelukiinteistöt Oy
Heikki Vahala, President, For Oy

MTV Programme Consultative Board

Chairman Tuulikki Karjalainen
Pentti Airio
Eero Huovinen
Anja Snellman
Panu Rajala
Timo Relander
Antti Satuli
Juha Siltala
Vuokko Valkamo

Advisory Committee on Television Advertising

Chairman Sampsa Saralehto
Vice Chairman Pekka Pirinen
Jyrki Ahlroos
Matti Honni
Kari Hämäläinen
Timo Immonen
Anna-Maija Puonti-Ansio
Pekka Puputti
Pentti Teirikari
Marita Wilska

Consultative Board of Alcohol Advertising

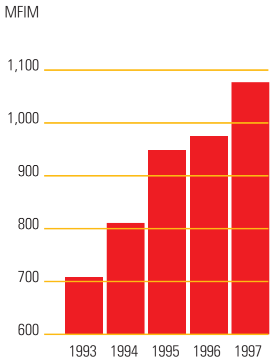
Roni Bensky
Päivi Hentunen
Annika Kutilainen
Pentti Lindegren
Irmeli Mustonen
Eero Mörä
Esa Rautalinko
Ritva Rekola
Pertti Salo
Antti Vatanen

Supervisory Committee on TV Advertising of Pharmaceuticals

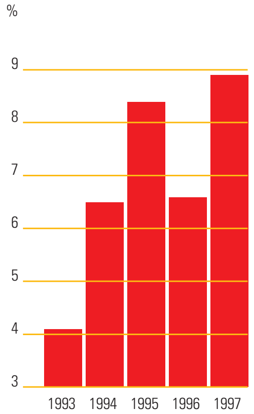
Chairman Timo Laukka
Vice Chairman Kari Poikolainen
Reijo Purasmaa
Asko Siukosaari

MTV GROUP 1993 - 1997

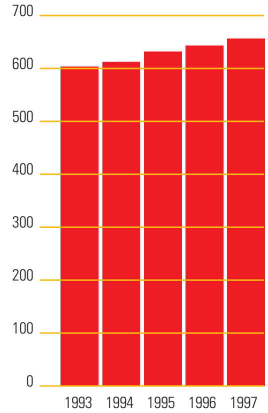
Net sales, MFIM



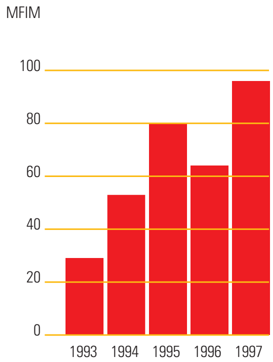
Operating profit as % of net sales



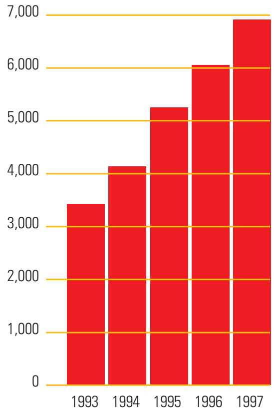
Full-time personnel on average



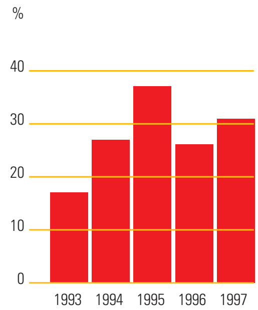
Operating profit, MFIM



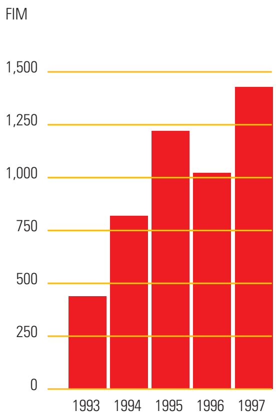
Shareholders' equity per share, FIM



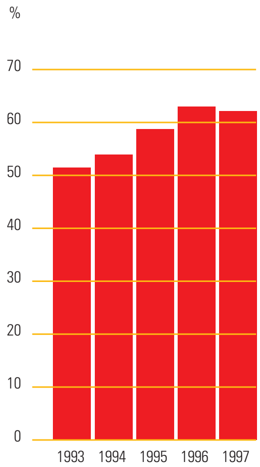
Return on investment, %



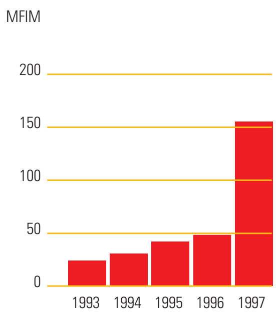
Earnings per share, FIM



Solvency ratio, %



Investments, MFIM



STATISTICS REGARDING THE MEDIA AND THE MTV GROUP

		1997	1996	1995	1994	1993
Sales of advertising						
Media advertising in Finland	MFIM	5,121	4,695	4,578	4,107	3,766
Newspapers' market share	%	56.2	58.3	58.7	60.4	62.5
Magazines' market share	%	15.7	14.1	13.5	13.0	11.8
Television's market share	%	21.2	20.9	21.0	19.8	18.8
Other media's market share	%	6.9	6.7	6.8	6.8	6.9
Television advertising in Finland	MFIM	1,087	983	960	813	707
MTV's share of television advertising	%	95.3	95.5	96.1	96.5	96.7
MTV's net sales from the sale of advertising	MFIM	1,035	939	923	785	683
Advertising research (Source: MDC Media Research Ltd)						
MTV's weekly reach	%	87	91	90	87	86
MTV's daily reach	%	59	62	60	61	60
Broadcasting advertising						
Number of new spots	No.	9,180	8,618	8,822	7,902	6,832
Number of campaigns	No.	6,414	6,208	6,630	6,078	5,705
Advertising time sold	h	891	791	710	639	509
Number of spots shown nationwide	No.	104,621	77,958	70,304	61,469	55,618
Number of spots shown regionally	No.	197,945	171,531	178,644	171,032	118,003
Total spots shown		302,566	249,489	248 948	232,501	173,621
Time spent on the media and TV viewing						
Time spent on the media in Finland			7h 41min		7h 20min	
TV viewing on the MTV3 Channel		2h 38min	2h 41min	2h 31min	2h 29min	2h 21min
MTV3 viewing		1h 05min	1h 07min	1h 05 min	1h 04min	1h 01min
Average audience for MTV3's top ten programmes (million)		1,337	1,437	1,366	1,531	1,445
Most reliable news source: (source: Gallup Market Research)						
Television news	%	56	62	58	56	48
Newspapers	%	28	21	23	21	22
Most important news source:						
Television news	%	62	67	58	59	51
Newspapers	%	28	24	29	25	33
Programme and production activities						
MTV's air-time	h	6,657	5,532	4,892	4,284	3,642
Advertising's share of air-time	%	13.3	14.3	14.5	14.9	14.0
Domestic content of programming	%	53.8	58.0	55.7	55.9	53.3
European content of programming	%	57.6	57.4	57.0	46.9	51.2
Purchased from independent producers	%	25.5	20.5	19.6	20.2	20.0
Repeats	%	17.8	10.0	9.6	8.2	5.3
Programming	h	5,372	4,487	3,928	3,478	2,953
Programming by type of production:						
Own production	h	1,814	1,669	1,465	1,263	1,034
Other domestic production	h	1,076	929	723	671	534
Foreign production	h	2,482	1,885	1,740	1,534	1,379
Own production	%	33.8	37.2	37.3	36.3	35.0
Other domestic production	%	20.0	20.7	18.4	19.3	18.1
Foreign production	%	46.2	42.0	44.3	44.1	46.7

ALMA | MEDIA

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Editor-in-Chief Heikki Tuomi-Nikula

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