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INFORMATION FOR SHAREHOLDERS

Alma Media Corporation began operating on 1 April 1998 following the merger of Aamulehti Corporation and MTV Corporation to form a new mass media company. The shares of the merged companies were converted into Alma Media Corporation shares, which have been quoted on the HEX Helsinki Exchanges since 1 April 1998. The merger was implemented using the pooling method, which means that the companies have operated with a single set of accounts since the beginning of 1998.

The consolidated financial statements for 1999 and 1998 are comparable in every respect. The Group's parent company, Alma Media Corporation, started operating on 1 April 1998. This annual report presents the parent company's income statement for 1 January - 31 December 1999, the consolidated balance sheet at 31 December 1999 and the funds statement for 1 January - 31 December 1999. The figures in the previous year apply to Alma Media Corporation's income statement for 1 April - 31 December 1998, the balance sheet at 31 December 1998 and the funds statement for 1 April - 31 December 1998.

Adoption of the Euro

Alma Media Group has decided to adopt the euro with effect from 1 January 2002. The Group is continuously monitoring developments and is prepared to introduce the euro earlier if necessary. The Group's current operations are concentrated in Finland and it has no significant activities in those countries which are among the first to adopt the euro. Hence, the Group does not consider that earlier adoption of the euro would offer any added competitive advantages or cost savings.

The figures in this annual report are presented principally in Finnish markka. Figures denominated in euro have been translated from markka to euro at a conversion rate of EUR 1.00 = FIM 5.94573.

Annual General Meeting

The Annual General Meeting of Alma Media Corporation will be held on Thursday, 16 March 2000, commencing at 5.00 pm, at the Marina Congress Center, Katajanokanlaituri 6, 00160 Helsinki. The Meeting will consider the matters stipulated in Article 14 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,

Eteläesplanadi 14, Helsinki for one week before the Meeting.

In order to attend the Annual General Meeting, shareholders must be registered no later than on 10 March 2000 in the Company's shareholder register maintained by the Finnish Central Securities Depository Ltd.

Shareholders wishing to attend must notify the Company no later than by 10.00 am (Finnish time) on 15 March 2000 either in writing to Alma Media 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, or by e-mail: aija.paasu@almamedia.fi.

Letters of authorization should arrive at the above address before the period of notification expires.

Payment of dividends

Alma Media Corporation's Board of Directors proposes that a dividend of FIM 4.00 per share be paid on the financial year 1999. To be entitled to a dividend, shareholders must be registered in the Alma Media Share Register maintained by the Finnish Central Securities Depository Ltd no later than on 21 March 2000. The dividend payment date will be 28 March 2000.

Financial information

Alma Media will publish three interim reports in Finnish and English during 2000:

- Three-month interim report on Thursday, 11 May, 2000
- Six-month interim report on Tuesday, 8 August, 2000
- Nine-month interim report on Tuesday, 7 November 2000

The annual report and interim reports are sent automatically to all shareholders registered in the book-entry securities system to the address notified to the register holder.

To order these publications, please contact:
Alma Media Corporation
Corporation Communications
P.O. Box 140, FIN - 00101 Helsinki
corporate.comms@almamedia.fi

All stock exchange bulletins and press releases issued by Alma Media Corporation are also printed on its Web pages, www.almamedia.fi. Alma Media's stock exchange bulletins can also be received in electronic format free of charge by completing the order form on the company's home page. These are sent in Finnish or English to the e-mail address submitted by the subscriber.

Alma Media's Web pages also contain financial information on the company's interim and annual financial statements for investors and shareholders.

HIGHLIGHTS OF 1999

The growing application of new digital distribution channels is having an increasing impact on business conditions in the mass media sector. The boundaries separating manufactures of terminal devices, communications technology companies, teleoperators and content providers are becoming less distinct. The advent of the era of digital communication has led to mergers and consolidation across previously firm industrial boundaries, both in Finland and elsewhere. Finland is a world leader in the application on new communication technology. At the end of 1999 already 1.3 million Finns, over a quarter of the population, had used the Internet. Despite heavy investments, however, new media products accounted for only a fraction of total advertising expenditure.

Media advertising in Finland increased rose 5.6 % during 1999. Newspapers, television and magazines accounted for more than 90 % of the total. Contrary to forecasts, newspapers took a higher share of media advertising in 1999, whereas television slightly lost market share. The collapse of printing exports to Russia severely affected the graphic services industry.

Result weakened despite record year for newspapers

Alpress Oy, the Alma Media business area responsible for newspaper publishing, had an outstanding year in 1999. Both circulation and advertising revenues rose substantially. Kainuun Sanomain Kirjapaino Oy became an Alpress subsidiary. Alpress's net sales increased 18 % to FIM 1,301 million and the operating profit rose to FIM 172 million.

MTV Oy, part of the Broadcasting business area, maintained its high share of total television viewing time at above 40 %. Nevertheless its net sales declined 4 % to FIM 1,064 million owing to weaker than forecast demand for advertising time and its operating profit came to FIM 48 million. On the other hand, its major associated company, TV4 AB in Sweden, performed well.

Alma Media made further heavy investments in new media development. The Group's new media activities were grouped into a new business area, New Media, during the year. More than 400,000 Finns use Alma Media's Internet services every week (December 1999), which makes Alma Media the largest new media company in Finland in terms of Internet user volume and market share. The consolidated net sales of Alma Media's new media

operations totalled FIM 29 million and the operating loss was FIM 28 million.

Alprint Oy, the Group's printing business area, had a difficult year in 1999. Exports of printed products to Russia have been at considerably lower levels since autumn 1998 than in previous years. Alprint's Russian exports declined FIM 120 million on 1998. This has released capacity, which has intensified competition on prices both in Finland and in the export markets. Alprint's net sales totalled FIM 786 million in 1999 and the result of operations was only just positive.

Alma Media Group's operating profit fell to FIM 188 million and the profit before extraordinary items was FIM 173 million. Earnings per share came to FIM 7.15 and return on investment was 11 %. Interest-bearing net debt remained unchanged and the equity ratio improved to 52 %. The proposal of the Board of Directors to the AGM is a dividend of FIM 4.00 per share.

Business conditions in 2000

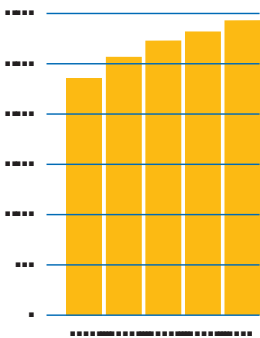
Alpress's business environment is expected to remain favourable during the current year. The printing operations of Kainuun Sanomain Kirjapaino Oy have been consolidated in Alprint from the beginning of 2000. Printing of the Pohjolan Sanomat newspaper was moved from Kemi to Rovaniemi on 1 March 2000 and the printing operation in Kemi was closed down.

MTV Oy is currently implementing an intensive action programme to raise operational efficiency and provide a higher level of service to its media customers. In February 2000 MTV Oy started a new cable television channel called TVTV!. Television advertising and MTV Oy's net sales are expected to increase. MTV Oy has digital broadcasting licences for the current MTV3 Channel, a regional CityTV channel and a sports channel. These channels are expected to start operating in August 2001.

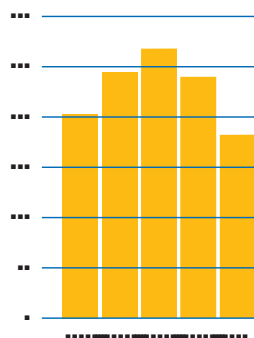
Alma Media has decided to raise its investments in new media. The aggregate net sales of the New Media operations and Alpress's new media activities are expected to double and the operating margin to improve.

Alprint reorganized in autumn 1999 by merging all its operations into Alprint Oy and adopting a new structure based on four product lines. This year all newspaper printing operations will be grouped into a single modern production unit. The market situation is not expected to change significantly.

Net sales, MFIM

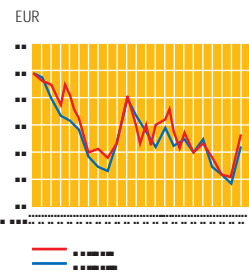


Operating profit, MFIM



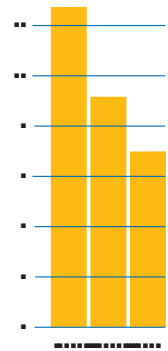
Share performance

1 Jan. 1998—31 Dec. 1999



Key figures

	1999	1998
Net sales, MFIM	2,911	2,868
Operating profit, MFIM	188	242
as percentage of net sales, %	6,5	8,4
Profit before extraordinary items, MFIM	173	225
Net profit for the year, MFIM	114	163
Capital expenditur, MFIM	253	219
as percentage of net sales, %	8,7	7,6
Interest-bearing net debt, MFIM	631	630
Capital invested at 31 Dec., MFIM	1,912	1,868
Return on investment, %	10,5	13,6
Cash flow from operating activities, MFIM	193	246
Equity ratio, %	52	51
Gearing, %	40	39
Earnings per share, FIM	7,15	9,21
Shareholders' equity per share, FIM	79,00	76,60
Dividend per share, FIM	4,00 *)	4,00
Series I at 31 Dec., EUR	31,00	28,42 **)
Series II at 31 Dec., EUR	32,00	27,75 **)
Market capitalization, MFIM	2,953	2,623
Personnel, at 31 Dec.	4,057	4,023

Earnings per share,
FIM

*) Board's proposal to the Annual General Meeting

**) Share prices converted to euro.

Net sales and operating profit/loss by
business area (MFIM)

	Net sales			Operating profit/loss		
	1999	1998	%	1999	1998	%
Alpress	1,301	1,107	18	172	150	15
Broadcasting	1,064	1,114	-4	48	111	-57
New Media*)	29	14	107	-28	-16	-75
Alprint	786	880	-11	0	29	-
Parent company and other operations	63	66	-5	-9	-32	72
Intragroup net sales/ Group entries	-332	-313	6	5	0	-
Total	2,911	2,868	2	188	242	-22

(* The New Media business area's figures do not follow the legal organization of these operations. Overlaps with Alpress are eliminated in Group entries.)

ALMA MEDIA GROUP AND ITS OPERATIONS

Alma Media is a mass media group. Its core business is to produce top-quality information, entertainment and media services with diversified content, and to distribute these services using as many existing and future channels as possible. In the company's view, new media and the use of the latest technology to distribute content and services represent a top development priority that supports its mainline mass media activities. By combining its expertise in traditional mass media and new media the company will ensure the satisfaction of large consumer groups and its major advertising customers with its products, while simultaneously making it possible to provide personalized media services for consumers that protect their anonymity.

Alma Media's mission is to maintain financially healthy performance in all conditions, in order to ensure that its shareholders remain satisfied with their investments and the return these yield.

Alma Media is a mass media corporation listed on the Helsinki Exchanges. The Group's main businesses are newspaper publishing, television and radio broadcasting, new media and printing.

Consolidated net sales were FIM 2.9 billion in 1999 and the Group had about 3,000 full-time employees, plus a further 1,000 part-time staff.

Newspapers

Alma Media's newspaper publishing activities are responsibility of its Alpress business area. Alpress publishes more than 30 newspapers. These have an aggregate circulation in excess of 575,000 copies and they reach over 2.1 million readers daily.

Television and radio

The Broadcasting business area manages Alma Media's radio and television activities. It includes MTV Oy, which owns the national MTV3 Channel and the cable channel TVTV!.

This business area is also responsible for managing Alma Media's interests in Oy Suomen Uutisradio Ab (Radio Nova) and TV4 AB in Sweden.

New media

The New Media business area comprises two companies. Alma Media Net Ventures Oy is responsible for the maintenance, product development and research activities of the Group's digital services. Alma Media Interactive Oy handles the business area's commercial activities and content projects. Alma Media is Finland's leading provider of Internet services, which are used by more than 400,000 users weekly.

Printing

The Alprint business area provides the Group's printing and graphic services. Its operations are divided into four product lines – Coldset, Heatset, Hybrid and Special Products – all served by a central Prepress Unit. About one-third of Alprint's net sales is derived from printing the Group's own publications, one-third comes from printing contracts for other Finnish publishers, and one-third from exports. Its main export markets are the Nordic countries and Russia.

Parent company

The Group's parent company is Alma Media Corporation, whose shares are listed on the Helsinki Exchanges. The company has approximately 3,800 shareholders. Alma Media Corporation owns the shares of its business areas as well as most of the Group's property holdings. The parent company is centrally responsible for management of the Group, financing, trading in securities, and other investment activities. Its corporate management comprises the Group's top management as well as finance and accounting, corporate business development and corporate communications. The parent company also provides services to Group companies in areas including personnel administration, real estate management, legal matters, purchasing and information technology. Much of Alma Media's new media R&D activities are also handled by the parent company.

HISTORY

1846

Suomalaisen Kirjallisuuden Seuran Kirjapainon Osakeyhtiö (Finnish Literature Society's Printing Company Ltd) is granted a permit by the Imperial Senate of Finland in 1846 to begin printing activities in Finland. The printing company starts operating in 1849 and prints the Suometar newspaper, founded in 1847. This newspaper was published as Uusi Suometar from 1869 to 1918, and as Uusi Suomi from 1918 until 1991.

1873

A Finnish language newspaper called Satakunta-lehti is founded in 1873 followed in 1907 by Satakunnan Sanomat, a newspaper established by the Young Finns party. These titles are merged into Satakunnan Kansa in 1917.

1881

The Tampere Kirjapaino Oy printing company publishes the first edition of the Aamulehti newspaper on 3rd December 1881. Aamulehti today is the second largest Finnish daily newspaper. Tampereen Kirjapaino Oy, which published Aamulehti, acquired a number of local newspapers in the 1970s and 1980s and also expanded into printing. The company also added a large number of information technology companies to its portfolio in the 1980s.

1898

Suomen Liikemiesyhdistys (The Finnish Businessmen's Association) establishes a weekly magazines called Kauppalehti to cater to the needs of the business community. In 1918 Kauppalehti becomes a newspaper. In 1958 the newspaper was bought by Uusi Suomi Oy. Today, Kauppalehti is Finland's leading business daily. It is published on weekdays and it also produces a bi-monthly business magazine called Kauppalehti Optio. Kauppalehti Online, established in 1996, is Finland's most popular online business service.

1915

The Pohjolan Sanomat newspaper is established in Kemi by the company that earlier started the Tornion Laakso newspaper in Tornio. Originally an independent newspaper, Pohjolan Sanomat became an organ for supporters of the Maalaisliitto (Centre Party).

1918

Maalaisliitto supports in Kainuu establish the Kainuun Sanomat newspaper in Kajaani in 1918.

1928

Lapin Kansa is established in Rovaniemi by supporters of the Maalaisliitto's Eastern Lapland district. In 1958 the newspaper became politically independent when the Party prohibited Lapin Kansa from appearing as its newspaper.

1957

Oy Mainos-TV-Reklam Ab is established and 108 shareholders were registered from among associations of Finnish advertisers and film producers. The new company transmitted its first television broadcast on 13th August 1957. Oy Mainos-TV-Reklam Ab is the third oldest commercial television company in Europe.

1980

Uusi Suomi Oy establishes the Iltalehti afternoon newspaper. Iltalehti has had the fastest circulation growth of all Finnish newspapers in recent years. Iltalehti has also been published on the Internet since 1995.

1982

Oy Mainos-TV-Reklam Ab is renamed MTV Oy.

1985

Oy Kolmostelevisio Ab is established on 25th November 1985. It is owned by Oy Yleisradio Ab (50 %), MTV Oy (35 %) and Nokia (15 %). This company's establishment was a major step towards Alma Media Group's own television channel.

1988

Tampereen Kirjapaino Oy and Uusi Suomi Oy are merged in 1988 to become one of Finland's largest newspaper publishers. The new company was later named Aamulehti Corporation.

1992

The Aamulehti group's printing units are merged to form what is now known as Alprint.



Suometar was printed by Suomalaisen Kirjallisuuden Seuran Kirjapaino between 1849-1866. It later appeared under the new name of Uusi Suometar and then Uusi Suomi.



Aamulehti first appeared in 1881. By the end of the century its circulation had risen to about 10,000.



Oy Mainos-TV-Reklam Ab was established on 29 April 1957 and it first went on the air on 13 August 1957. Kyllikki Stenroos's "At Home Today" programme was popular with families in the 1960s.



The shares of Uusi Suomi Oy were converted into Tampereen Kirjapainon Oy shares in 1988. The new company was called Aamulehti Corporation and its head office was in Sarankulma, Tampere.



A ceremonial press of the button in 1 January 1993 signalled MTV's move to its own channel. From left: Eero Pilkama, President and CEO of MTV Oy, Timo Karake, Chairman of the Supervisory Board, Kalle Isokallio, Chairman of the Board of Directors, and Jaakko Paavela, Executive Vice President of MTV Oy.

Photo: Finnish Press Agency



The Boards of Aamulehti Corporation and MTV Oy signed a merger agreement on 22 April 1997 leading to the formation of Alma Media Corporation. From left: Eero Pilkama, President and CEO of MTV Oy, Tauno Matomäki, Chairman of Aamulehti Corporation, Björn Mattsson, Chairman of MTV Oy, and Matti Packalén, President and CEO of Aamulehti Corporation.

1993

MTV Oy is granted its own operating licence and it obtains an entire channel. In its first year of operation MTV3 Channel's share of total viewing time reached 43 %. MTV Oy becomes a member of the European Broadcasting Union.

1994

The Aamulehti group begins publishing OtaOnline in the closed electronic network of the Helsinki University of Technology. OtaOnline, the first "network newspaper" in Finland, contains material from Aamulehti, Kaupalehti and Iltalehti.

1995

Lapin Kansa Oy is added to the Aamulehti group. Iltalehti Online and MTV3i are launched on the Internet.

1996

Satakunnan Kirjateollisuus Oy becomes an Aamulehti group subsidiary. Aamulehti Corporation and MTV Oy are parties to the establishment of Oy Suomen Uutisradio Ab (Radio Nova), which is granted the first operating licence for national commercial radio broadcasting in Finland.

1997

The Boards of Directors of Aamulehti Corporation and MTV Oy sign an agreement merging the two companies to form Alma Media Corporation. Radio Nova, owned 48 % by Alma Media, starts operating. Aamulehti Corporation and MTV Oy jointly acquire 23.4 % of TV4 AB in Sweden.

1998

Alma Media Corporation officially begins operating on 1 April 1998. Pohjolan Sanomat Oy becomes a subsidiary in October.

1999

Kainuun Sanomain Kirjapaino Oy becomes a subsidiary in February. The Finnish government grants three digital operating licences to MTV Oy. Alma Media merges its new media operations into a new business area, New Media. All Alprint's operations are merged with Alprint Oy and the company is restructured around four product lines based on specific customer groups. MTV Oy decides to start up a new cable television channel, TVTV!.

CHIEF EXECUTIVE'S REVIEW

Underlying the formation of Alma Media was a clear strategic vision that digitization would blur the sharp boundaries separating the various mass media. Readers, viewers and listeners are no longer passive recipients of information; in addition to mass communications, consumers are now asking for largely individualized services providing information, entertainment and experience services. We have left the information economy and entered the "experience economy" where the consumer, rather than the service provider, chooses the channel on which he wants to receive these services. The mass communications companies of the future will need to offer the widest possible choice of distribution channels.

Our vision of convergence in communications has strengthened further as we have seen over the past three years, both in Finland and worldwide, that the media sector will be among the first to utilize the opportunities created by new technology. A major milestone in the telecommunications sector was the development of wireless services. It is vitally important for the media industry that the rapid wide-band networks, and the terminals that use them to transmit high-quality motion pictures, are brought to market as speedily as possible. The emergence of digital networks in Finland does not simply mean the introduction of digital television; rather, it would be more accurate to say that digital television is itself a central element in the emerging e-media sector.

The application of new technology, however, does not change the basic nature of communications. Teleoperators are responsible for managing their telecom customers and media companies for looking after their own customers, the consumer. Strong brands, along with top-quality information and entertainment content, will become increasingly important competitive factors as demand grows. The new high-added-value services made possible by new technology can be profitably linked only to those services that are trusted and widely used by consumers.

The same trend also applies to advertising customers. In the past advertisers simply bought advertising space and time. Now they are looking for tailored total solutions for their individual marketing needs. With this in mind, Alma Media has started a large Group-wide project to improve the total service it provides to its advertising customers.

The "new media" will not displace the traditional media. On the contrary, it will supplement them by offering the services and new features that consumers want. It is also impossible

to draw a clear line between the new and traditional media. The Kauppalehti business daily, for example, might be considered a traditional medium, while Kauppalehti Online belongs to the new media. But Kauppalehti Online would not have become Finland's leading online business publication without the brand strength of the printed Kauppalehti. Today, in addition to being both a printed and an Internet publication, Kauppalehti is also an integral part of MTV3 Channel's business information service and a central component in the business news transmitted to GSM and WAP mobile phones in Finland.

Finnish media corporations are extremely well positioned in this situation; no other country in the world can offer the same depth or breadth of advanced technology or such a fertile business environment for the development of new products and services. One example of the central role of the new media in mass communications was Alma Media's decision in 1999 to group all its new media activities into a new business area, New Media, alongside its other three business areas Alpress, Broadcasting and Alprint.

The year was a good one for newspaper publishing. Newspapers captured market share from media advertising. Alpress's net sales and operating profit reached record levels. Especially gratifying was the success of the national newspapers. Kauppalehti's circulation rose 2 % despite intense competition. This was the result of quality and hard work because both advertising and circulation sales rose at the same time. Iltalehti's circulation has risen steadily since 1994 and in 1999 this newspaper once again recorded the highest annual circulation increase of all newspapers in Finland. Iltalehti has emerged as a top performer alongside Aamulehti and Kauppalehti. We expect the current year to offer continued potential for strong performance in newspaper publishing and Alpress's cash flow will strengthen further.

Alma Media's television and radio broadcasting activities are the responsibility of its Broadcasting business area. MTV's sales of advertising time declined even though the volume of overall media advertising rose substantially. Clearly, MTV's way of operating did not entirely satisfy the needs of its advertising customers. It did fulfill viewers' wishes, though, since MTV3 Channel's share of daily viewing time increased 8 % and its share of total viewing time remained above 40 %. Major changes have been made to MTV's customer service organization and its service concept is being thoroughly revised to match the prevailing multichannel needs in cooperation with advertisers.

Finland will enter the era of digital television in August 2001. To ensure that MTV has the best possible capabilities to serve this new market, we have started a new cable channel called TVTV!. Digital television holds a central position in Alma Media's

New Media strategy since digital television sets will be one of the main types of terminal used to receive digital services in the future. We have set MTV the objective of maintaining its share of viewing time and the same level of profits as it returned last year despite the extra costs created by cable television and digitization.

TV4 AB in Sweden returned all-time-high profits last year. When Alma Media committed some FIM 500 million to acquiring a 23.4 % holding in TV4 AB in autumn 1997, our three-year goal was to see TV4 AB's profits rise to 200 million Swedish krona. That target was reached one year earlier, while in just over two years its shareholder value has doubled. I believe that, in addition to these returns, Alma Media still stands to gain immensely from this cooperation, and particularly from TV4 AB's experience as we move into the era of digital television.

Alma Media became the largest digital services provider in Finland in 1999. User volumes doubled and at the end of the year more than 400,000 Finns were employing Alma Media's various Internet services weekly. We intend to sustain this leading position. User numbers are expected to rise further this year to a level that would make it possible to start a new business. Our net sales target is growth of at least 100 %. Alma Media has a portfolio of more than 30 newspapers and two television channels. We intend to take much greater advantage of the market power they offer both to strengthen our existing brands and to create new brands in the field of e-media.

The direct and indirect effects of the fall in exports to Russia have depressed Alprint's market situation. The road we have mapped out for Alprint is to raise cost efficiency in line with

current market price levels. We have already undertaken action to ensure that this happens and the full impact of these measures will be visible in Alprint's profitability after the year 2001.

Alma Media has carried out extensive R&D work with international universities and research institutes since 1993. The basic infrastructure of our online publications is based largely on the results of studies performed by MIT and the Helsinki University of Technology. Over the past two years Alma Media has also worked with Stanford University to study new media user behaviour and how to use this in the development of new Internet services.

This spring Alma Media and the Center for Knowledge and Innovation Research (CKIR) of the Helsinki School of Economics and Business Administration concluded a major cooperation agreement to study the consumption of media content and to develop new product concepts for news and e-commerce. The results will be used, for example, to develop user interfaces for digital services. The project brings together Alma Media's expertise in content production and leading international universities such as Stanford University and the MIT Media Lab in Boston, USA. This work has already yielded for Alma Media several patented or patent-pending IPRs (Intellectual Property Rights) related to the use of new media. Utilizing these rights internationally will be a major challenge for us in the coming years.

Alma Media's satisfactory performance and strong cash flow enable us to distribute a dividend of FIM 4.00 this year. Our objective at Alma Media is to maintain profitability in all conditions, in order to ensure that shareholders are satisfied with their investments and the returns they yield.

Matti Packalén
President and CEO



ONLY THE READER HAS A NEW ROLE

The Journalist's Column

Technology companies riding the crest of the new Internet wave seem to fondly imagine they can assume the role of the media company. They could hardly be more mistaken.

The journalistic principle of providing a true and fair view is just as valid on the Internet as anywhere else. Media companies are not about to vanish; it's only the reader who is assuming a new role.

Online publications do not necessarily rate news in anything like the same way as newspapers, television or radio. Responsibility for placing today's maelstrom of information into the right context lies increasingly with those receiving it.

Newspapers also present a visual picture of the world they are reporting. Important items are given large headlines; news of less significance is relegated to smaller font sizes. Television and radio select, present and broadcast news in the same way. Online publications issue a steady stream of information; only the reader decides what is relevant. It is not at all unusual that what makes front-page news in newspapers is largely ignored when published, minus the visuals, on the Internet.



Alma Media has worked closely with researchers at Stanford University to determine how Internet users assess the reliability of online services. Results so far show that independence from the Internet is the most important factor.

Online services provided by well-known and trusted news organizations are also felt to be reliable. This result has been demonstrated both in the USA and among Finnish Internet users. The study also indicates that media companies are unassailable because credibility is not a function of user interface or hardware.

The Internet is a different media but one nonetheless where good journalistic principles are just as essential. It makes users themselves more responsible but that responsibility is easier to bear if the information is founded on reliable sources.

The Internet also reinforces the print media. The fragmented nature of online information merely strengthens the supportive role of newspapers and magazines.

Putting a publication online doesn't make a good online publication. A real-time publication can be described in the broadest sense as a virtual object that cannot be archived. You can make screen captures of the constant flow of information but news, once captured, is by def-

inition out of date. Kauppalehti Online's Internet pages, for example, are updated every day in thousands of ways as new financial and stock information are constantly fed in.

The Internet is also praised for making it possible to follow share prices on one's home computer. What we don't remember so often is that online securities trading is only possible because it comes simultaneously with company news and press releases.

The journalist's task is to interpret the uninterrupted stream of information and extract what is relevant even at the risk of presenting only the best possible interpretation of a fleeting moment.



The Internet has also altered the way information is packaged. Especially active in this process have been the teleoperators, who have understood the potential offered by the information junctions, the "portals", they control.

The success of teleoperators in packaging and distributing information is not the result of any particular brilliance in producing content. The reason is simply that they provide a working infrastructure that brings together large numbers of users as well as enabling efficient distribution and billing.

Producing news, though, is not simply a matter of packaging. Gathering and processing information requires a large organization and for that reason online publications need the backing of sizeable editorial departments.

The unassuming collection of information and constant dialogue typical of the newsroom is a form of intellectual capital entirely missing from packaging centres. In Kauppalehti, for example, no less than 70 professionals are involved in screening the daily flow of information. That is why established news organizations will continue to produce content but news will be visible on an increasing number of channels as distribution becomes even further fragmented.



It takes expertise and money to make a successful online publication. Only a profitable publishing operation can guarantee continuity and top quality.

The online versions of Kauppalehti and Iltalehti were the exceptions in 1999, being the only digital publications to return a profit. Each did this in its own way - Iltalehti Online through advertising and Kauppalehti Online mainly by charging for its content.

Both demonstrate that we are well positioned to continue.

Eero Tuomisto
Editor-in-Chief, Kauppalehti Online



Kauppalehti



PE

Main headline area of the newspaper, containing several lines of text and a small image of a person's hands.

- Financial market indicators and news snippets, including mentions of 'LUXOR', 'KOPPE', and 'KOPPE'.

BUSINESS CONDITIONS IN 1999

Television advertising and sponsorship income make up a good one-third of Alma Media Group's net sales, over one-fifth is derived from newspaper advertising, about one-fifth from newspaper circulation revenue, and slightly less than one-fifth from printing contracts for outside customers. Alprint is the only Alma Media business area for which exports represents an appreciable source of income, one-third of Alprint's net sales. Alprint's exports account for roughly 9 % of Alma Media's consolidated net sales.

The factor exerting the most powerful impact on Alma Media Group's operations is trends in Finland's media markets. Alma Media holds roughly 30 % of Finland's total FIM 6 billion market for media advertising. Another factor affecting Alprint's profitability is changes in media and direct marketing volumes. Apart from demand for promotional printed products, growth in newspaper and magazine advertising automatically increases the number of pages in Alma Media's publications, and therefore also Alprint's net sales.

Finland has experienced uninterrupted economic growth since 1994. GNP has risen by more than 3 % every year. The most rapid growth during the current business cycle was evident in 1997, when GNP increased 6 %. Since then growth has been somewhat slower – precisely 5 % in 1998 and an estimated two percentage points less in 1999. Growth in GNP and media advertising generally correlate very closely with growth in media advertising, the latter normally rising a few percentage points higher than growth in GNP. Recovery from the recession in the previous decade also saw an upswing in media advertising in 1994. Expenditure on media advertising has increased 60 % over the past six years. Trends in media advertising are also naturally affected by consumer purchasing power, and the confidence felt by consumers and businesses in future economic growth. According to Statistics Finland, unemployment decreased by one percentage point in 1999 to 9 %. Lower unemployment and greater purchasing power also have a positive impact on newspaper and magazine circulations as well as media advertising.

Alma Media's television and radio broadcasting business area, Broadcasting, derives almost all its net sales from advertising and sponsorship. MTV Oy, which has operated within the framework of a commercial operating licence since 1993, is obliged by law to pay a 24.5 % licence fee on all advertising and sponsorship revenues. The company's other

major cost items are personnel expenses, programming costs and rental payments to Digita Oy for use of its transmission network. MTV Oy's profitability is highly dependent on development of revenues governed by the operating licence. Its profitability in 1999 deteriorated substantially owing to reduced advertising revenues. Other major factors were higher programming costs caused by more intense competition, and the company's strategic decision to keep its share of total viewing time at approximately 40 % despite weaker than expected growth in sales of advertising time.

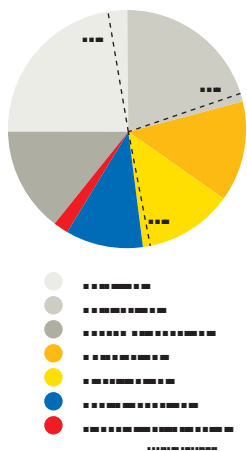
The Finnish government awarded the first digital operating licences in June. Digital television is scheduled to make its debut in Finland at the end of 2001, so for this reason digitization had little impact on the television sector in 1999. MTV Oy decided in autumn 1999 to start up a new cable television channel in Finland. This channel, which came on the air in February 2000, will be used by MTV Oy to gain experience in multichannel broadcasting as well as generating advertising revenue.

The priority given by Alma Media to new media in recent years has substantially increased the Group's R&D expenditure. New media investments totalled roughly FIM 30 million in 1999 while total net sales from new media operations amounted to some FIM 30 million, likewise. Alma Media regrouped its new media activities into a new business area called New Media during the year. Alma Media's Internet products and services have been successful in terms of both user volume and market share of Internet advertising. A study of Internet home pages by Taloustutkimus Oy indicated that almost 1.3 million Finns used Web services during the autumn and that some 90 % of these had used Alma Media's services. More than 800,000 had visited MTV3i's pages alone. According to Web Traffic Monitor more than 400,000 Finns use Alma Media's online services every week. Alma Media is the largest Internet based services provider in Finland.

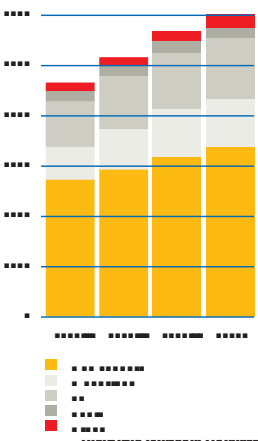
Research by Ad Facts Ltd suggests that in 1999 Alma Media commanded about one-third of the Finnish Internet advertising market. Alma Media believes in the strategy that a mass communications company should have access to all content distribution channels and for this reason it will further increase its investments in new media.

The printing sector in Finland is suffering from overcapacity and therefore changes in exports of printed products have an immediate effect on the Finnish market. The contraction of exports to Russia in August 1998 to levels far lower than in previous years had a major impact on the supply of printing services. Alprint's Russian exports fell to one-third of the previous year's level. The drop in Russian exports and a fall in prices caused by overcapacity have substantially affected the profitability of Alprint and the entire printing sector despite higher demand for

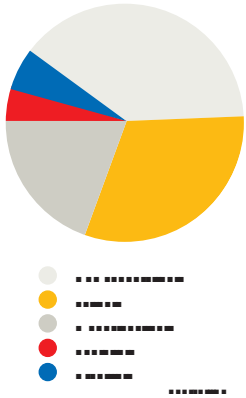
Media advertising by business sector



Media advertising, MFIM



EU media advertising

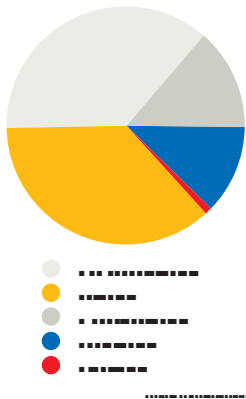


printed products in Finland and the Scandinavian markets. Alprint has begun an extensive programme of cost-cutting and production streamlining measures to match prevailing demand and price levels in the market. Paper prices rose only very modestly during the year. Alprint's annual expenditure on paper totals roughly FIM 300 million. Roughly one-quarter of the aggregate change in paper prices affects the profitability of the Alma Media Group since the remaining three-quarters is normally transferred to product prices.

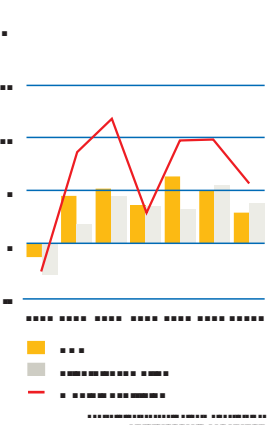
Media advertising

Finland's media markets are dominated by the print media. Newspapers, magazines and free-distribution papers account for almost three-quarters of total media advertising expenditure. Television advertising, correspondingly, is considerably lower than in many other EU countries and well below US levels. Radio advertising is also lower than in comparable markets. In recent years online advertising has shown the fastest increase in relative terms but volume-wise it is still a very small segment. The structure of the media advertising market has barely changed in the past five years. The print media have accounted for over 70 % of the market throughout the period, although within this segment newspapers have lost two percentage points to magazines. One reason for this shift is the establishment of new special-interest magazines during the current economic upswing, along with the increase in brand advertising typical during periods of economic growth. Television advertising represents roughly one-fifth of the market despite an increase in television channels.

USA media advertising 1998



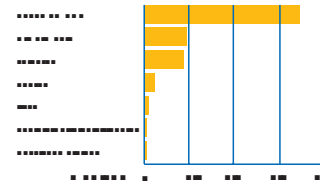
Advertising, GNB and private consumption



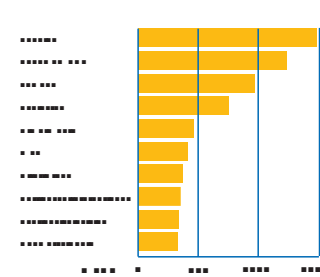
According to Ad Facts Ltd, media advertising in Finland exceeded six billion Finnmarks for the first time in 1999. Preliminary data released by Ad Facts Ltd in January 2000 suggest that FIM 6.0 billion was spent on media advertising in 1999, up 5.6 % on the previous year when media advertising rose 9.8 % according to confirmed figures. Direct advertising increased more slowly than media advertising. Expenditure on direct advertising totalled FIM 2.7 billion, an increase of slightly over 2 % on 1998, according to Suomen Suoramainonta Oy (the Finnish Association of Direct Advertisers). These figures do not include design and production costs in media advertising or event and retail store marketing.

The parliamentary elections held during 1999 increased advertising by almost FIM 50 million. Excluding this figure, growth would have remained at around 4 %. Retail advertis-

Market values of Finnish media companies



The biggest Nordic media groups



Media advertising in Finland 1999

	% change	% share
Newspapers	+7	52
Free-distribution papers	+10	5
Magazines	+5	16
Television	+1	20
Radio	+4	3
Billboard advertising	+9	3
Online advertising	+69	0.6
Cinema advertising	+10	0.2

Source: Ad Facts Ltd

ing increased FIM 42 million and automotive advertising FIM 32 million. On the other hand advertising of household products, fuels and lubrication materials and hygiene products declined.

The print media attracted 73 % of total media advertising. Newspapers gained market share during the year. Within this segment advertising carried by the Kärkimedia group's newspapers increased 6 %, by free-distribution publications 10 %, by afternoon papers 12 % and by business publications 8 %. Newspapers accounted for 42 % of brand advertising. Within this segment automotive advertising increase 8 % and advertising of office products 6 %. Classified advertising, which is especially important to newspapers, rose 11 %. Apartment advertising increased by about one-fifth but growth in recruitment advertising was only 2 %. A major reason behind the increase in free-distribution newspapers was the start-up of two large free-distribution papers in Greater Helsinki in the past two years. Advertising in magazines increased 5 %. Newspaper advertising totalled FIM 3,408 million and magazine advertising FIM 944 million.

Television has lost ground to media advertising despite an increase in television viewing time especially by the commercial channels. Television's market share declined slightly and in monetary terms grew by only just over one percent. Television advertising and programme sponsoring amounted to FIM 1,220 million. Of this figure MTV3 Channel represented 83 %, Nelonen (Channel Four Finland) 16 %, and TV-Tampere and domestic cable less than one percent.

Among the smaller media, radio advertising increased 4 % to FIM 211 million and billboard advertising 9 % to FIM 201 million. Growth in Internet advertising was 69 %, only half of the previous year's figure, and totalled FIM 37 million. Cinema advertising increased 10 % to FIM 11 million.

Economic forecasting institutions currently predict that the Finnish economy will expand during 2000 slightly faster than in 1999. The forecast 4 % growth in GNP, if it materializes, lays a good foundation for further favourable development in media advertising.

Alpress



ALPRESS



Heikki Saraste
President
Alpress Oy

The Alpress business area focuses on publishing, and in particular the publication of national special-interest newspapers, leading regional newspapers and local newspapers. Alpress bases its competitive edge on a genuine awareness of customers, strong brands and effective cooperation between its newspapers. These strengths generate a wide base of expertise and cost efficiency.

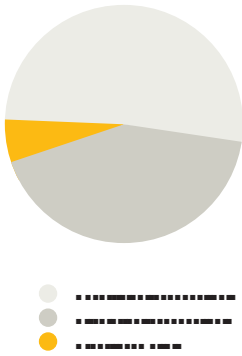
	1999	1998
Net sales, MFIM	1,301	1,107
Share of Group net sales, %	40	35
Operating profit, MFIM	172	150
Capital expenditure, MFIM	65	118
Depreciation, total, MFIM	49	40
Amortization of goodwill, MFIM	14	11
Capital invested, average, MFIM	540	379
Personnel, average	1,318	1,085
Part-time personnel	1,059	983

"1999 proved to be a good year for the newspapers published by Alpress. Success in the battle for circulation and growth in advertising revenue resulting from the general upswing in the Finnish economy considerably boosted the year's profit. The printed newspaper strengthened its position in the media market due to strong reader loyalty and well-known brands. The solid cash flow generated by the newspapers also provides scope to invest in new and developing modes of communication.

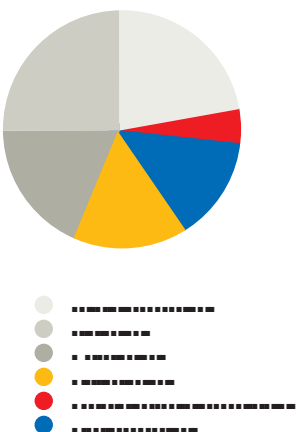
The prospects for the Finnish economy in 2000 are even slightly brighter than last year so fairly favourable development in media sales can be anticipated. Since the main cost elements of newspaper publishing are also reasonably well under control, 2000 looks set to be another solid year for newspaper publishing."

Heikki Saraste

Income structure 1999



Expenditure structure 1999



Alma Media's newspaper publishing is the province of its Alpress business area. Alpress publishes Iltalehti, a national afternoon newspaper, six days a week and Kauppalehti (a national business daily) on weekdays. A financial supplement to Kauppalehti, Kauppalehti Optio, is published twice a month. Alpress also publishes Aamulehti, Satakunnan Kansa, Lapin Kansa, Pohjolan Sanomat and Kainuun Sanomat, all of which are leading regional newspapers, seven days a week. In addition, Alpress publishes another 15 local newspapers as well as 8 town papers and free-distribution publications. The aggregate circulation of Alpress's newspapers is over 575,000 and the print-run for free-distribution publications is around 165,000. The newspapers have a total readership of some 2.1 million. Alpress's market share of the total circulation of Finnish daily newspapers is a good 20 %. Alpress also publishes 17 of its newspapers in electronic format on the Internet. Alpress's Iltalehti Online attracts over 150,000 visitors to its site weekly making it Finland's most popular online newspaper. Kauppalehti Online is Finland's most popular business portal with some 43,200 visitors a week. More information is given about Alpress online newspaper services on pages 29-36 in the New Media section of this report.

Kainuun Sanomat joins the Group

Alpress' ownership of Pohjolan Sanomat Oyj's stock exceeded 50 % in October 1998. Pohjolan Sanomat Oyj has been consolidated in the 1998 accounts used for comparison purposes as an associated company for the January-October period and as a subsidiary for the November-December period. The entire net sales of the Pohjolan Sanomat group for the whole year, including the group's printing operations, have been consolidated in Alpress's 1999 accounts. Printing operations accounted for FIM 17 million of the Pohjolan Sanomat group's net sales of FIM 73 mil-

lion. Alpress offered to buy the outstanding shares of Pohjolan Sanomat Oyj at the beginning of 1999, when the company was listed on the investor's list of the Helsinki Exchanges. Since Pohjolan Sanomat Oyj had become a subsidiary of Alma Media Corporation, which was listed on the HEX main list, and virtually no shares in the company were traded on the Exchange, Pohjolan Sanomat Oyj applied for de-listing from the Investors list. The company ceased to be listed on 23 December 1999. At the close of the period, Alpress owned 89 % of the shares and 82 % of the voting rights of Pohjolan Sanomat Oyj. Pohjolan Sanomat's printing operations will be transferred from Kemi to Alprint's Rovaniemi unit on 1 March 2000. The termination of newspaper printing and mailing operations combined with the streamlining of advertising sales to adapt to the new circumstances will reduce the number of personnel by some 40 people during 2000. PS-Print Oy, a subsidiary specialized in printing adhesive labels, was sold to a company outside the Group at the beginning of 2000.

Kainuun Sanomain Kirjapaino Oy, a printing house in Kajaani, became a subsidiary of Alpress Oy in February 1999. All Kainuun Sanomain Kirjapaino Oy's business operations for the entire year have been consolidated in the Alpress accounts. At the close of the period, Alpress owned 91 % of Kainuun Sanomat Oyj's stock. Printing operations generated FIM 21 million of the Kainuun Sanomat group's net sales of FIM 80 million. As from the beginning of 2000, the company's printing operations were merged with Alprint and the local newspapers printed by the company were merged with Suomen Paikallissanomat Oy.

Market conditions

The economic situation varies greatly between the different regions of Finland. The high-growth cities in southern Finland and their surrounding areas now suffer from a shortage of labour and housing in contrast to their formerly high unemployment. Meanwhile, northern regions are declining in population and their problems are quite the reverse. This imbalance in economic development is particularly evident in newspaper circulations. The circulation of daily papers - i.e. newspapers published 4-7 times a week - fell by an average 0.5 % in Finland. Of Alpress's newspapers, the Kauppalehti and Iltalehti national newspapers, published in Helsinki, increased their circulations as did the leading regional newspapers Aamulehti and Satakunnan Kansa. Conversely, the circulations of Lapin Kansa, Pohjolan

Sanomat and Kainuun Sanomat, which are published in northern and eastern Finland, declined. The 17,959 drop in circulation of Finland's largest newspaper, Helsingin Sanomat, figures prominently in the statistics. Circulations of smaller newspapers published 1-3 times a week declined by an average 2.3 %. All Suomen Paikallissanomat Oy's newspapers increased their circulations.

Circulations of Alpress's newspapers rose by an average of 1.0 %, and therefore the trend in circulations of the group's newspapers was more favourable than the industry average. The increase of 3.4 % in circulation revenue generated by Alpress's comparable newspapers clearly surpassed the average market trend. This was largely due to higher growth than anticipated in circulation revenues generated by the Iltalehti, Aamulehti and Kauppalehti newspapers.

The unbalanced development of the Finnish economy is even more clearly reflected in the trends for revenue derived from newspaper advertising. Newspapers gained market share on the media market, showing an average increase in advertising revenue of 7 % compared to the previous year. Of Alpress's newspapers, Aamulehti, Iltalehti and Kauppalehti showed most growth in advertising revenue in monetary terms. Iltalehti was the most successful in relative terms, boosting its advertising revenue by 16 %, followed by Satakunnan Kansa with 7 % growth in advertising revenue.

Advertising revenue from Alpress's other leading regional newspapers fell slightly, although Suomen Paikallissanomat's newspapers raised their advertising revenues by an average 9 %.

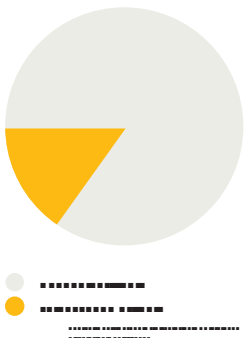
Record performance for Alpress

Alpress's net sales rose by 18 % on the previous year to FIM 1,301 million. Advertising revenue accounted for 52 % (52 %) of net sales, and circulation revenue for 43 % (45 %). Other net sales amounted to FIM 70 (32) million, and comprised mainly sales of content for online newspapers, online services, printing activities, revenue generated outside the group by Aamujakelu Oy, and the revenue derived from the Treffi supplement. Eliminating the impact of the new units, Alpress's comparable net sales rose by 5 % on the previous year.

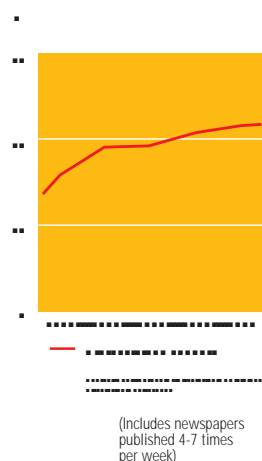
Alpress has aimed for market growth through corporate acquisitions. During the review period, Alpress invested a total of FIM 41 (97) million in shares in other companies active in the sector. Some FIM 32 (29) million of this went towards acquiring shares in Kainuun Sanomain Kirjapaino Oy and Pohjolan Sanomat Oy. Alpress's total capital expenditure during the year totalled FIM 65 (118) million. The most significant investments after share purchases included FIM 3 million in IT systems last year for ensuring a smooth rollover into the new millennium.

Alpress's operating profit amounted to FIM 172

Market shares of Business Newspapers



Newspaper circulation





(150) million. Profitability (operating profit margin) improved slightly compared to the previous year, remaining at around 13 %. Of Alpress's larger newspapers, Aamulehti, Iltalehti and Satakunnan Kansa boosted their operating profit in monetary terms. The Paikallissanomat group's operating profit also grew favourably. The largest contributions to Alpress's operating profit were made by the Aamulehti, Kauppalehti, Iltalehti and Satakunnan Kansa newspapers. In terms of operating profit margin, Kauppalehti ranked highest followed by Aamulehti, Satakunnan Kansa and then Iltalehti. Aamulehti and Iltalehti improved their operating profit most compared to the previous year.

National newspapers Iltalehti

The market for afternoon papers underwent strong growth in July, largely due to Iltalehti, but the rate of market growth slowed down towards the end of the year. Monthly circulation revenues fluctuated widely. The six-day circulation of Iltalehti rose by 4.1 % on the previous year. Iltalehti's share of the market for six-day circulation afternoon papers is 36 % (35 %) on weekdays and 39 % (36 %) at weekends.

Iltalehti has been a focus for development during the last two years. The steps taken have clearly been successful because today's Iltalehti has become a major profit-maker for Alpress. Iltalehti's format, appearance, newsprint and even size have been changed. Much effort has also been focused on Iltalehti's content, its reader image - i.e. brand strength - and marketing. The newspaper's circulation showed strong growth as a result. In the space of five years Iltalehti's six-day circulation has grown from 102,654 copies to 124,394, representing a total increase of 21 %. Advertisers have also been favourably impressed by such positive development. Iltalehti has a 36 % market share of the afternoon newspaper circulation and 46 % of the advertising market. Last year Iltalehti's advertising revenue rose 16 %. According to a survey by the Audit Bureau of Circulation ABC, Iltalehti has a daily readership of 562,000 people, making it the third most read newspaper in Finland.

Iltalehti's net sales rose by 7 % to FIM 249 (232) million, of which 73 % was generated by circulation sales. Iltalehti's circulation revenue rose by 4 % and advertising revenue by 16 %. The growth in advertising revenue was partly due to increased volumes and partly to a rise in average price. The newspaper's other income was also boosted by Iltalehti Online's advertis-

ing sales. The newspaper's costs remained in check although the number of editorial pages was increased by 7 % and advertising volume in terms of column millimetres grew by 9 %. There was a marked improvement in profitability in both relative and monetary terms compared to the previous year.

Kauppalehti

Kauppalehti is a business newspaper for business people and policymakers. It is published five times a week on Mondays to Fridays. Kauppalehti subscribers receive a bi-monthly magazine called Kauppalehti Optio. Kauppalehti also serves its readers and subscribers online. Kauppalehti's electronic Kauppalehti Online has very diversified content. The text content of the printed newspaper and time-delayed stock market information are also available online as a free service. Services subject to a charge include a continuously updated online news service, real-time stock market information, analytical tools for investors and professionals in the financial sector plus a range of archive databases and search services.

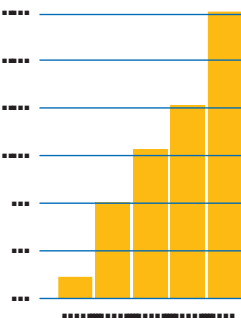
The Helsinki Exchanges developed favourably during last year and consequently Kauppalehti Online's services have been much in demand. This was particularly true towards the end of the year when a number of IPOs issued by technology firms caught the interest of small investors. The new image adopted by Kauppalehti Online in October and the new service packages it launched contributed to the increased use of Online's services. Kauppalehti Online now has 43,200 service users a week compared to 20,000 in December 1998. Kauppalehti signed an agreement for cooperation with the Swedish news agency Direkt during the review period that will provide Online users with corporate profit forecasts. Kauppalehti Online launched new services for mobile phones and introduced its first WAP services in the autumn. Kauppalehti Online's net sales grew by 65 %. Some two-thirds of net sales were generated by sales of content and services. More information about Kauppalehti Online's services is given on page (31).

Kauppalehti's competitor, which has been on the market for just over two years now, has not undermined Kauppalehti's market position as the leading business newspaper in Finland. Figures from the official circulation audit (1/99) gave the competitor's circulation as 18,331 copies. Kauppalehti's circulation for the same period was 81,764. Over the last two years Kauppalehti's circulation has increased by over 2,800 copies. According to a survey by MDC Advertising Research, the competitor's advertising revenue is FIM 17-18 million, slightly over 10 % of Kauppalehti's advertising revenue.

Kauppalehti has sought synergies with Alma Media's other group companies during the review period. Kauppalehti and MTV Oy established a joint



Net sales, MFIM



business newsroom, which produces MTV3 Channel's highly popular financial news. The program has a daily audience of almost one million viewers. Kauppalehti Online produces the graphs needed by the program, while the newspaper's reporters and brand are given prominence on television. Kauppalehti and MTV Oy share correspondents in Germany and the USA, while Kauppalehti and Aamulehti also share a correspondent in Moscow.

Kauppalehti's net sales rose by 5 % to FIM 232 (220) million. Kauppalehti's circulation revenue grew by over 3 % and advertising revenue by 5 %. The efforts put into enhancing the newspaper's content and launching new services slightly depressed Kauppalehti's operating profit margin, but in monetary terms profitability remained at much the same level as the previous year.

Leading regional newspapers Aamulehti

Aamulehti is published in Tampere and is Finland's second largest 7-day newspaper in terms of circulation. Aamulehti's circulation increased by just under one percentage point against the previous year to 134,047 copies. Aamulehti has focused heavily on the content of the newspaper and also on enhancing the paper's circulation marketing. Circulation marketing has been boosted partly by increased use of telephone marketing. Aamulehti's circulation area is undergoing population growth through migration, so high-powered marketing is targeted particularly at new residents. Cooperation with the group's other newspapers has also been enhanced by offering subscribers a package of several newspapers. The newspaper's circulation now seems to be steadily growing as circulation has risen for three consecutive years. The total number of pages published rose by 6 % during the year. The number of paid advertising pages increased by almost 10 %, due largely to the increased amount of advertising supplements.

Aamulehti's net sales amounted to FIM 373 (355) million, up 5 % on the previous year.

Circulation revenue grew by a good 4 % and advertising revenue by 5 %. Aamulehti's market share of media advertising in the Pirkanmaa area remained unchanged at 79 %. Aamulehti consolidated its position as one of Alpress's major profit-makers. Aamulehti's operating profit margin also increased.

After the start of the current year, Aamulehti's Editor-in-Chief, Mr Hannu Olkinuora, was appointed Editor-in-Chief of the Svenska Dagbladet newspaper. Mr Matti

Apunen, Editor and previously deputy to Mr Olkinuora, was appointed as the new Editor-in-Chief.

Satakunnan Kansa

Satakunnan Kansa, a newspaper published in Pori, saw its circulation increase for the second year running in 1999. Construction has been vigorous in the newspaper's circulation area and several new retail stores have been located in Pori. Conversely, the improvement in the rate of unemployment has levelled off. Satakunnan Kansa's net sales rose 4 % to FIM 127 million. Satakunnan Kansa's circulation sales grew by 2 % and advertising sales by 7 %. The number of editorial pages increased by one percentage point and the number of paid advertising pages by 6 % compared to the previous year. As there were some savings in costs, the higher net sales improved the profitability of the newspaper. The business operations of the city newspaper Porin Sanomat have also been included in Satakunnan Kansa's profit figures.

Lapin Kansa

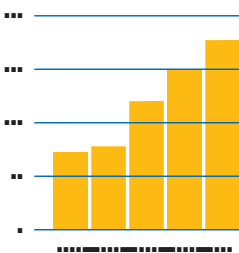
Alpress owns 62 % of Lapin Kansa Oy, which publishes the regional papers Lapin Kansa and Koillis-Lappi and the city newspaper Uusi Rovaniemi. The population of the circulation area dwindled by just over one percentage point. Lapin Kansa's circulation declined slightly again but levelled off in the second half of the year. Despite this, the newspaper's readership rose by over 2 % according to a survey conducted by MDC Media Research. The newspaper's circulation revenue grew by 2 %, although advertising revenue fell by one percentage point. The number of editorial pages increased by 2 % but the number of paid advertising pages decreased by as much as 9 %. The exceptionally good advertising revenue generated in 1998 was largely due to the national Housing Fair held in Rovaniemi that year.

Pohjolan Sanomat

At the close of the period Alpress owned 89 % of the shares and 82 % of the voting rights of Pohjolan Sanomat Oy. The net sales of the Pohjolan Sanomat group amounted to FIM 73 (74) million in 1999. The group publishes the Pohjolan Sanomat and the Meän Tornionlaakso newspapers as well as the free-distribution publication Kuriiri. Pohjolan Sanomat's circulation continued to decline and its circulation revenue fell by 6 %. The decline in circulation has abated according to the last newspaper circulation audit. Outokumpu Oy's decision to invest over FIM 3 billion in the heartland of the paper's circulation area offers the prospect of a more favourable trend in future circulation figures as it holds the promise of 500 new jobs. The number of editorial pages increased by 4 % but the number of paid advertising



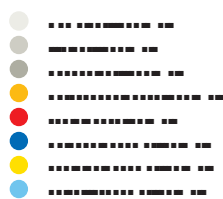
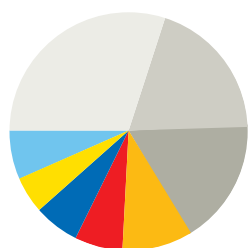
Operating profit,
MFIM



Audited circulations

	Frequency/ week	Circulation 1999	Change %
National newspapers			
Iltalehti	6	119,907	1.2
Kaupparehti	5	81,764	2.0
Leading regional newspapers			
Aamulehti	7	134,047	0.8
Satakunnan Kanssa	7	57,060	0.3
Lapin Kanssa	7	36,259	-0.7
Pohjolan Sanomat	7	24,024	-1.2
Kainuun Sanomat 1)	7	23,628	-1.9
Local newspapers			
Valkeakosken Sanomat	5	7,869	2.5
Koillis-Häme	4	7,193	1.8
Raahen Seutu	4	7,620	1.8
Koillis-Lappi	3	6,641	
Nokian Uutiset	3	8,031	5.3
Pyhäjokiseutu	3	8,641	0.0
Suur-Keuruu	3	6,603	1.6
Kankaanpään Seutu	2	9,950	2.1
Kuhmolainen	2	5,771	
Sotkamo	2	4,909	
Sydän-Satakunta	2	8,632	2)
Ylä-Kainuu	2	7,536	
Kurun Sanomat	1	2,247	3.0
Merikarvia-lehti	1	3,157	0.2
Uutismarkku	1	3,484	3.4
Free distribution newspapers			
Hervannan Sanomat	2	22,000	
Jokilaakso	2	11,000	
Raahelainen	2	16,600	
Kuriiri	1	6,000	
Länsi-Sanomat	1	23,500	
Meän Tornionlaakso	1	7,000	
Porin Sanomat	1	47,500	
Uusi Rovaniemi	1	31,000	

Distribution of net sales



Source: Media Research Ltd circulation audit 1/99

1) Became a subsidiary on 10 February 1999

2) Combined circulations of Harjavalan Seutu and Kokemäen Sanomat

Number of readers and average number of pages in 1999

	Number of readers in Finland	Average number of pages in main edition
Iltalehti	562,000	62.5
Kaupparehti	296,000	35.2
Kaupparehti Optio	413,000	129.0
Aamulehti	315,000	42.1
Satakunnan Kanssa	145,000	27.1
Lapin Kanssa	98,000	24.5
Pohjolan Sanomat	71,000	21.5
Kainuun Sanomat	65,000	20.4

*) Source: Ad Facts Ltd

pages fell by 11 % compared to the previous year. Advertising revenue decreased by 3 %. However, a drive to cut costs helped to keep the company's profit at much the same level as the previous year. A marked improvement in the paper's profit figures is anticipated once the cost savings gained from the new printing arrangements implemented in March are felt.

Kainuun Sanomat

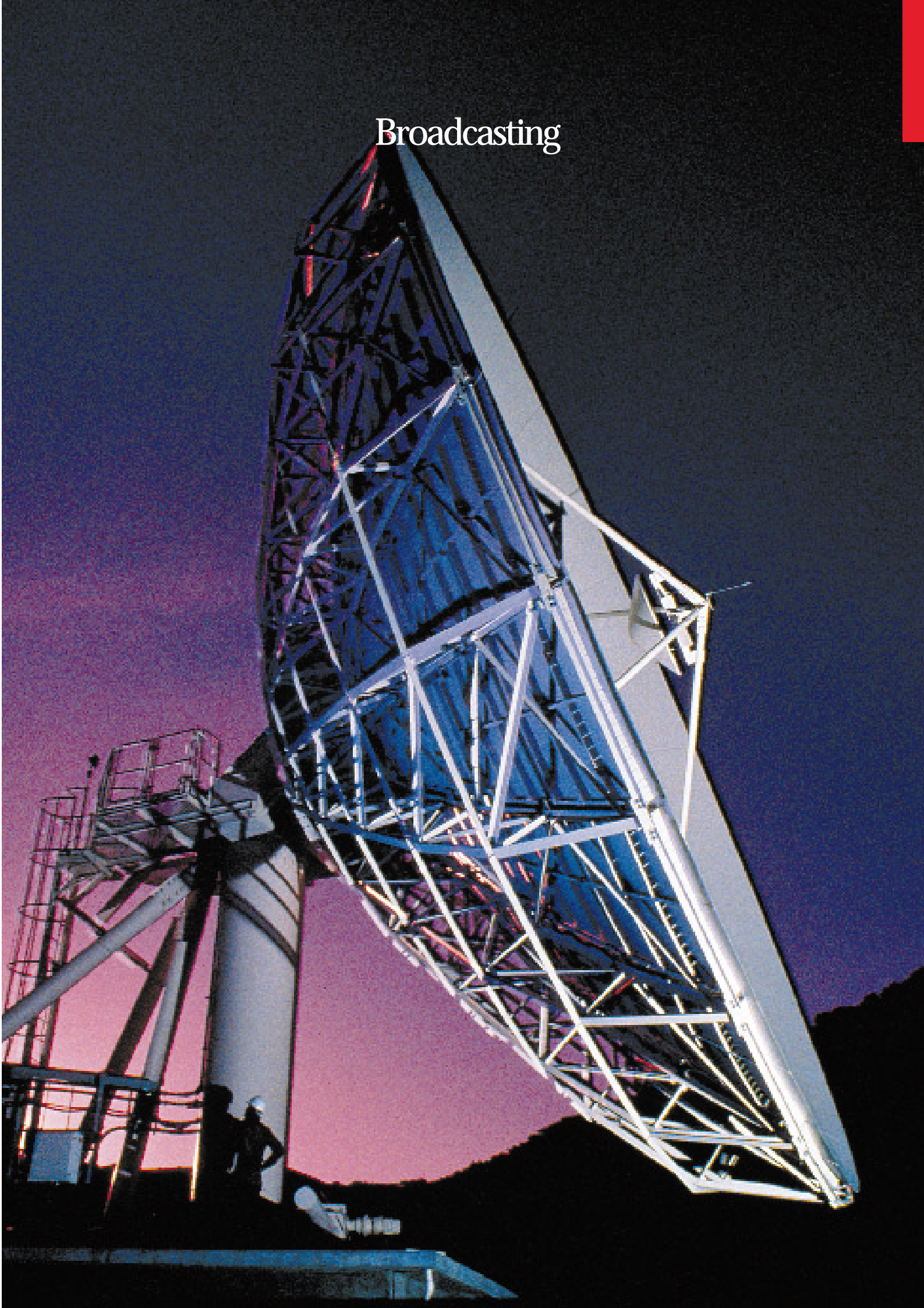
Kainuun Sanomain Kirjapaino Oy, a printing company in Kajaani, became an associated company of Alpress in February 1999. All the business operations of the Pohjolan Sanomat group for the entire year, including the group's printing operations, have been consolidated in Alpress's 1999 accounts. At the close of the period Alpress owned 91 % of the company's shares. Kainuun Sanomain Kirjapaino Oy publishes the 7-day Kainuun Sanomat newspaper in Kajaani. The company had its own newspaper rotation press and a substantial amount of other civil printing capacity. Other local papers belonging to the group were also published by Kuhmon Kirjapaino Oy, Sotkamon Lehti Oy and Yläkainuun Paikallislehti Oy. At the close of the period the newspaper and printing operations were merged with Alprint Oy and the local newspapers were absorbed by Suomen Paikallissanomat Oy. The net sales of the Kainuun Sanomain Kirjapaino group amounted to FIM 80 (84) million in 1999, of which FIM 48 million was generated by Kainuun Sanomat. The newspaper's circulation fell slightly, but circulation revenue grew slightly. The paper's advertising revenue declined by 5 %.

Suomen Paikallissanomat

Most of Alpress's local newspapers are centralized in Suomen Paikallissanomat Oy. At the close of the period the group had a total of 14 local newspapers and 2 town papers. Circulations of the subscribed newspapers ranged from 2,000 to 10,000 copies. The company acquired the publication rights of Kokemäen Sanomat during the year. Kokemäen Sanomat and Harjavalan Seutu, which was already owned by Paikallissanomat, were merged in September into a new newspaper called Sydän Satakunta. At the end of the year the company also bought the free-distribution newspaper Jokilaakso publication, which is published in the same circulation area, and the local newspaper operations formerly owned by Kainuun Sanomain Kirjapaino Oy. The publications transferred from Kainuun Sanomain Kirjapaino are the Kuhmolainen, Sotkamo and Ylä-Kainuu newspapers.

The Suomen Paikallissanomat group's net sales were FIM 79 (73) million. The group's circulation revenue grew by 5 % and advertising revenue by 9 %. The profitability of the Paikallissanomat group improved on the previous year and reached a level in accord with a leading regional newspaper.

Broadcasting



BROADCASTING



Eero Pilkama
President
Broadcasting

The mission of the Broadcasting business area is to provide electronic communications in Finland and its adjacent regions. Digitization allows a transition from single-channel distribution to multichannel broadcasting that serves television, radio and mobile devices. Consumers are given experiences for their information and entertainment needs. Advertisers and other customers are offered an effective and versatile advertising medium, high-quality customer service tailored to their needs, and new interactive solutions. Broadcasting's underlying objective is to operate efficiently and competitively.

	1999	1998
Net sales, MFIM	1,064	1,114
Share of Group net sales, %	33	35
Operating profit, MFIM	48	111
Capital expenditure, MFIM	38	465
Depreciation, total, MFIM	39	34
Amortization of goodwill, MFIM	-	-
Capital invested, average, MFIM	933	655
Personnel on average	702	726

"Overall television viewing increased in 1999 by 7 %, while MTV3 Channel's share of viewing time rose by 8 %. Finns watched MTV3 Channel for an average of 1 hour 7.5 minutes a day. MTV3 Channel retained its share of over 40 % of all viewing time, a high figure by European standards, despite intensified competition for viewers. There was a distinct decline in MTV Oy's profitability due to a reduction in sales of nationwide advertising and a rise in programming costs. Media sales were restructured during the year and the drive to trim costs by outsourcing non-core activities was continued. TV4 AB's profitability continued to develop favourably.

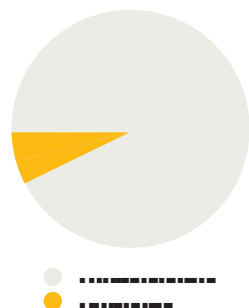
around the 40 per cent mark. The TVTV! cable television channel launched by MTV in February will increase costs by around FIM 30 million. The overall impact of the new channel on the Broadcasting business area will largely depend on the coverage of the cable TV network."

Eero Pilkama

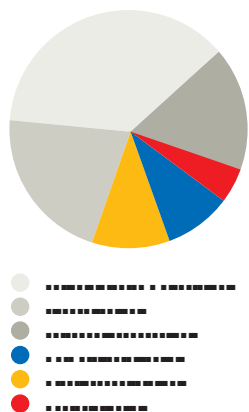
The Finnish government granted the first licences for digital TV broadcasting during the year. The new licences will consolidate the position and influence of commercial TV channels in Finland since eight of the 12 emerging digital terrestrial TV channels are private. MTV Oy is participating in three nationwide digital channels. Efforts will be needed to substantially improve the viability of commercial digital channels financed by advertising revenue. The aim is to ensure that there is large-scale adoption of digital TV receivers, that a fixed date is set for ceasing analogue broadcasts, that the operating licence fee is waived for digital channels and that copyright payments are linked to the actual numbers of viewers.

The focus of marketing investments is expected to shift during the current year to television, and it is forecast that television advertising will no longer lose market share. The forecast for overall growth in advertising is some five per cent. MTV3 Channel's target is to keep its share of prime-time viewing at

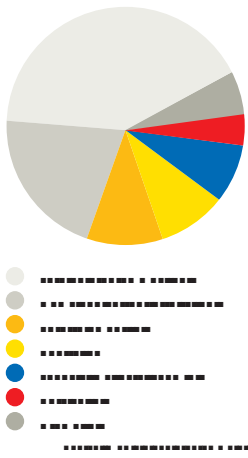
Income structure 1999



Expenditure structure 1999



Programming by type



Alma Media Corporation's television and radio business was consolidated into the Broadcasting business area on 1 December 1999. MTV Oy is responsible for the business operations of the terrestrial MTV3 Channel and the TVTV! cable channel starting in February 2000, as well as for developing new digital channels. The business area also includes the associated companies Suomen Utisradio Oy (Finland News Radio) and TV4 AB, which operates in Sweden. MTV Oy's Internet operations and MTV3 Teletext belong to Alma Media Corporation's New Media business area. More information about MTV3i is given on page 31.

Little change in level of television advertising

Some FIM 1.2 billion was spent on television advertising in Finland during 1999. Television advertising increased by only 1.4 % against overall growth in media advertising of 5.6 %. TV advertising's market share of all media advertising declined slightly, remaining at around 20 %. MTV3 Channel's share of television advertising in Finland was 83 % (88 %). MTV3 Channel was Finland's largest advertising medium with sales of advertising totalling FIM 1,013 (1,073) million.

Advertisement prices reviewed against pattern of demand

MTV3 Channel's prices for prime-time advertising were raised by an average 5 % in 1999. Price rises within prime-time focused on the programmes in highest demand. Prices for advertising outside prime-time were lowered since sales of daytime advertising were low. The average number of viewers rose by over 4 % in 1999, so consequently the price rises did not have a significant impact on the cost per thousand. In monetary terms, prime-time accounts for over three-quarters of the advertising time sold by the channel. Sales of nationwide advertising fell in monetary terms by 9 % against the previous year, but sales of regional advertising grew by 5 %. Most advertising is, however, nationwide.

During 1999 it was decided to merge MTV Media Oy, which has been responsible for sales of advertising time, with the parent company. Sales and marketing were also restructured in order to enhance service and improve the efficiency of business operations. The changes in MTV3 Channel's pricing and the reorganization were slower to affect sales trends than anticipated.

Competition raises programme costs

MTV3 Channel's broadcasting time averaged 19 hours a day. Domestic programming accounted for 52 % (49 %) of total programming, while the European content of programming accounted for 55 % (53 %). The increase in channels has intensified competition and raised programme costs. Variable programming costs rose by FIM 36 million, up 12 % on the previous year. The price of foreign programming increased by over 10 %.

MTV Oy has slimmed down its cost structure by outsourcing some operations. MTV Oy sold 51 % of its holding in MTV-Viihde Oy to Grundy Holdings, a company belonging to the Pearson Television Group. MTV Oy also disposed of the business operations of MTV-Musiikki (MTV Music) and MTV's Educational Unit. MTV-Viihde Oy, which employed 34 people, is the biggest company in Finland producing entertainment programmes with net sales in 1998 of slightly under FIM 70 million. The disposal was part of the business strategy for focusing the MTV3 Channel's own production on news and current affairs programmes while acquiring other programming from external producers. MTV Oy's personnel expenses fell by FIM 19 million compared to the previous year.

At the beginning of October, Kauppalehti and MTV Oy established Utislinkki Oy (Newslink), a company to produce MTV3 Channel's financial news. The company represents a crucial step in the collaboration between Alma Media Corporation's different media which is aimed at producing better content more cost-efficiently for its various distribution channels.

Net sales and result

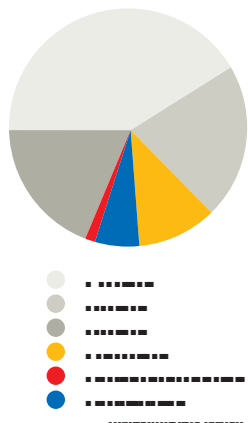
The business area's net sales consist of the net sales of the MTV group. The associated companies slightly raised MTV group's operating profit. The group's net sales fell by a good 4 % to FIM 1,064 (1,114) million. Sales of advertising generated FIM 1,013 million of net sales with FIM 52 million derived from other sources. The Group's operating expenses that are comparable to the previous year rose by 2 %, with programme costs increasing most. Operating licence fees and network rental fees also increased. MTV Oy's operating licence fee was 2 % higher than the previous year despite a 5 % drop in advertising sales. This was a consequence of the new law that entered into force at the beginning of 1999, which extended calculation of the operating licence fee to sponsoring and teletext income in addition to advertising. Other costs were lower than the previous year.

The Group's operating profit amounted to FIM 48 (111) million. The operating profit includes other operating income of FIM 13 million. The largest single non-recurring item was the disposal of MTV



MTV-Tuotanto transmitted many live broadcasts such events leading up to the parliamentary elections.

Shares of TV viewing time (excl. video viewing)





Secret Lives, watched by about one million Finns daily, now ranks among the most popular series.

Viihde Oy in the third quarter of the year, which yielded a profit of FIM 11 million. The last quarter of the year was the most profitable for MTV. Compared to the same period in the previous year, net sales declined by 5 % and operating expenses by one percentage point. MTV's operating profit in the last quarter of the year was FIM 35 (59) million.

The associated companies boosted MTV Oy's operating profit by FIM 1 (-7) million. The operating profit of the largest associated company, TV4 AB, increased to SEK 210 (116) million. MTV Oy owns 23.4 % of TV4 AB. After accounting for MTV Oy's share of TV4 AB's operating profit, FIM 21 million, plus amortization of goodwill amounting to FIM 22 million, TV4 AB had a negative impact on MTV Oy's and Alma Media Corporation's result of FIM 1 million, although this was distinctly better than the previous year (FIM -7 million). Radio Nova did not have a significant effect on profit.

Investments totalled FIM 38 (465) million and mainly comprised maintenance and development items. The acquisition of TV4 AB shares from Alma Media Corporation accounted for FIM 420 million of the previous year's investments.

TV4 AB

TV4 AB's television channel, TV4, had the highest viewer ratings in Sweden. The net sales of the TV4 AB group amounted to SEK 2,184 (2,057) million, up 6 % on the previous year. The group's operating profit was SEK 210 (116) million and profit before taxes totalled SEK 218 (121) million. TV4 AB's share of Sweden's TV advertising was 63 % (64 %).

TV4 Channel retained its position as the most popular TV channel in Sweden with a 27 % (27 %) share of total viewing time. The share was higher for young adults aged between 20 and 44, and for this audience it reached 29 % (30 %). The average time spent watching television in Sweden decreased by one minute per day compared to the previous year.

TV4 signed an agreement with Teracom, a company that distributes TV programmes, for broadcasting TV4's digital transmissions to viewers. Broadcasting of the channel's programmes on the digital terrestrial network started on 1 September. TV4 will not incur any costs for broadcasting digital TV programmes until the number of receiving households exceeds 100,000.

RADIO NOVA

Alma Media owns 48 % of Radio Nova (Oy Suomen Uutisradio Ab), which is Finland's only nationwide commercial radio. Radio Nova started broadcasting in 1997 and now has some 800,000 daily listeners, over half of whom are aged between 25 and 44. Listeners are evenly distributed by sex with around half living in towns and half in rural areas. The other large group in Radio Nova's audience consists of 15 to 24 year-olds. According to a survey conducted by Finnpanel Oy, Radio Nova's daily coverage was 15 % of the entire Finnish population, and weekly coverage 33 %. These figures include people aged over 9 years old who listened for more than 8 minutes.

Radio advertising in Finland grew by 4 % to FIM 211 million. Radio Nova's market share of Finnish radio advertising was 27 % (26 %). Radio Nova's net sales amounted to FIM 56 (55) million. There was distinct growth against the previous year in Radio Nova's advertising sales during the first part of 1999. However, advertising sales fell below expectations later in the year, particularly in August and September. Radio Nova launched an online service, Nova Net, at the end of the year to support media sales. Radio Nova's operating loss amounted to FIM -1 (+1) million.

MTV3 Channel's share of viewing time among highest in Europe

More television was watched in Finland during 1999 than ever before, an average of 2 hours 41 minutes a day. The time spent watching television rose by 11 minutes on the previous year, representing an increase of 7.3 %, having remained largely unchanged in the previous three years. Most of the increase in viewing time (10 min) was for commercial channels. MTV3 Channel was watched for an average 5 minutes more than the previous year. On of MTV's targets in the prevailing competitive environment is to maintain its high share of viewing time. MTV Oy has been very successful in the competition for viewers. MTV3 Channel's share of viewing time remained at 42 % even though programming time contracted by 2 %. Commercial channels saw most increase in television viewing time. MTV3 Channel's share of commercial viewing was 81 % (85 %). Ruutunelonen's (Channel Four Finland) share of overall viewing time rose by 3 percentage points to 10 %. Viewing time for the Finnish Broadcasting Company's two channels dropped by 3 percentage points to 43 %.

Young people and women of all ages watched MTV3 Channel most. Young people spent 15 % more time watching television, and mainly chose MTV3 Channel for its TV news broadcasts. Ally McBeal proved to be the favourite TV series for





Hockey Night, the Finnish Ice Hockey League, is a must among ice hockey fans.

women, and the series attracted a peak audience of 900,000. Men also followed the channel's programming in greater numbers. The Formula1 World Championships attracted most interest with five races ranking among the 15 most-watched programmes. The F1 race in Japan, in which Mika Häkkinen won his title of World Champion, was watched on MTV3 Channel by 88 % of Finns, and MTV3 had a 97 % share of channel time.

A RISC survey was conducted to ascertain viewers' values and attitudes. The results of the survey will also be used as a guideline for planning programming. A balanced approach with regard to the different groups of viewers is applied to programme scheduling.

Programs for a nationwide television audience

MTV3 is Finland's only nationwide commercial TV channel. When the programme schedule is planned, particular attention is given to ensuring that programming caters to all the target groups of value to advertisers. MTV3 started the spring season with *Salatut elämät* (Secret Lives), Finland's first drama series with a continuous and progressively unfolding plot. The series is based on a standard international format but produced in Finland by Finns. The first production contract provided for 180 episodes and viewer ratings have surpassed expectations. Viewers were offered a greater abundance of Finnish drama in the spring programming than ever before in the company's history. Mid-evening programming was re-organized due to this higher investment in drama and now focuses on domestic offerings for large target groups, followed later by programmes for young adults of both sexes.

The first morning broadcast in the Nordic countries, MTV3 Channel's *Huomenta Suomi* (Good Morning, Finland) celebrated its tenth anniversary in December. At the time, the launch of the program was a conscious attempt to boost the development and diversification of news broadcasting. Nowadays MTV3 Channel offers over 20 news broadcasts a day. The channel will continue to promote drama in the years to come. The company signed a three-year framework agreement with Twentieth Century Fox and extended its contract with the Finnish Hockey League by three years. MTV3 Channel also has rights to televise the Formula1 Championships, which attract peak audiences.

Into the era of digital television

On 23rd June, the Council of State (the Finnish government) granted the first licences for digital TV broadcasting. Eight operating licences for two multiplexes were granted for commercial operations. MTV will start broadcasting MTV3 digitally and will also participate in the City-TV companies (Helsinki, Turku, Tampere and the rest of Finland) as well as in Suomen Urheilutelevisio (Sports Television of Finland). These channels will use multiplex B, which has also been allocated to Wellnet Oy's TV channel. The operating licences for digital commercial TV operations are valid for ten years and will enter into effect on 1 September 2000. Regular broadcasting under the provisions of the legislation on TV and radio broadcasting will start within one year of the licence coming into effect - i.e. on 31 August 2001 at the latest. The commercial channels, which are financed by advertising revenue, will probably start operating in August 2001, slightly before expiry of the deadline.

MTV Oy owns 40-51 % of the regional City-TV companies and 50 % of Suomen Urheilutelevisio (Sports Television of Finland). Multiplex A was allocated to the Finnish Broadcasting Company (Yleisradio Oy). The operations of the Finnish Broadcasting Company are provided for under existing legislation so no operating licence is required. Companies that have been allocated the same multiplex made agreements on broadcasting capacity and the basis of cooperation that are a prerequisite for receiving an operating licence. The Telecommunications Administration Centre will allocate frequencies to the multiplex administrators.

Under the terms of the operating licence, preparations for digital television have focused on building a standardized technical framework, arranging the multiplex administration and developing business plans for the new TV channels.

The interactive services and superteletext television that are an essential feature in the preparations for digital TV broadcasting are being jointly planned with Alma Media Corporation's New Media business area. MTV is involved in ongoing research studies and projects for developing a number of new features for digital TV. MTV is also collaborating with the Finnish Broadcasting Company and other licensed companies, as well as participating in the activities of Suomen Digi-TV Forum (Digi-TV Forum of Finland).

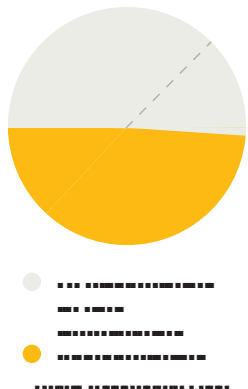
New cable channel - TVTV!

As an element in preparing for multichannel broadcasting, MTV Oy took steps towards launching a TV channel financed by advertising revenue that will only be seen on the cable network. The new Finnish cable channel started broadcasting on 1 February



TVTV!'s programme offering includes the TVWEB service and best of the Internet. It also brings many cult programmes to the TV screen like *The Simpsons*.

Programming by type of production 1999





MTV Oy and Kauppalehti set up Uutislinkki Oy to produce business news for MTV3 Channel. Shown here is news anchor Elsi Mustaniemi.

2000. The channel's programming content consists of serials, music and TVWEB. TVTV! aims to offer Finnish viewers entertaining programming that is unique and unusual in nature. When the channel was launched, MTV Oy had signed contracts for transmitting the channel to over 500,000 households of the total 900,000 households in Finland that can receive cable television.

Reorganization and appointments

Mr Tauno Äijälä, Senior Vice President of Programming at MTV Oy, was appointed Executive Vice President and deputy to the President of MTV Oy on 1 July 1999. Mr Ilkka Kylmä, MSc (Econ), was appointed Executive Vice President of MTV Oy on 2 August 1999, with responsibility for heading the company's sales and marketing activities.

Alma Media Corporation's fourth business area, Broadcasting, was established on 1 December 1999. Mr Eero Pilkama, MTV Oy's President, was appointed President of the new Broadcasting business area and Chairman of the Board of Directors of MTV Oy. Mr Pilkama will continue to hold the position of Executive Vice President of Alma Media Corporation and deputy to the CEO. Mr Ilkka Kylmä, Executive Vice President of MTV Oy, was appointed President of MTV Oy and also a member of the Group Executive Board of Alma Media Corporation on 1 December.

Dr Jorma Miettinen (PhD, Pol. Sc.) from MTV Oy was appointed Senior Vice President of the Broadcasting business area and a member of the boards of directors of both Broadcasting and New Media as from 1 February 2000.

MTV Media Oy, which is responsible for sales and advertising, restructured its organization in August and the company will be merged with MTV Oy early in 2000. Mr Juha Ahonen, MSc (Eng), MSc (Econ), was appointed Senior Vice President, Sales and Marketing of MTV Oy and also a member of the Group Executive Board of MTV Oy as from 14th February 2000. Ms Iris Karjula, BSc (Econ), was appointed Director of Personnel Development at MTV Oy and also a member of the Group Executive Board of MTV Oy as from March 2000.

The Finnish Association of Commercial Television Companies was established on 4 November. The founders were Alma Media Corporation, Helsinki Media Company Oy, MTV Oy and Oy Ruutunelonen Ab. The Association's aim is to safeguard and improve the operational framework for commercial TV

broadcasting. Mr Eero Pilkama, President of Broadcasting, was elected Chairman of the Association.

New Media



NEW MEDIA



Raimo Mäkilä
President
New Media

The New Media business area's mission is to develop and engage in business operations made possible by new electronic distribution channels. New Media concentrates on using Alma Media's existing strong brands to develop new businesses in new distribution channels. It also supports the Group's other business activities through new media and service applications. The business area's main sectors are online content services, e-classified advertisements and related service concepts, e-commerce and ISP connections. R&D and management of the technology used in new distribution channels will also continue to receive high priority.

	1999	1998
Net sales, MFIM	29	14
Share of Group net sales, %	1	0,5
Operating profit, MFIM	-28	-16
Capital expenditure, MFIM	26	5
Depreciation, total, MFIM	5	2
Capital invested, MFIM	51	5
Personnel on average	83	37

"1999 was an historical year for Alma Media's New Media business. At the start of the year we established two new Internet companies, Alma Media Interactive Oy and Alma Media Net Ventures Oy, while at the beginning of September the importance and focus of this business was strengthened with the establishment of the New Media business area to handle all the Group's new media activities.

1999 also showed us that we are on the right track. Our online services had more than 400,000 weekly visitors at the year end and we were the largest Finnish company in the online media sector in terms of both user numbers and advertising volume. Once again we made heavy investments in new products emphasizing the development of new content products for the Internet and diversifying the quality and variety of our existing products.

Despite our success, we expected the markets to grow even faster, especially in the area of e-commerce. We launched new e-business services: MTV3's ShopIt, Kauppalehti's ShopIt and eTori, an online auction. Though not profitable ventures during the year, we nonetheless have confidence in their future viability.

Where e-business is concerned, we believe that we will succeed in providing consumers with top-class electronic services at our existing online sites, while traders will succeed in selling their goods and services through the enormous customer potential we offer. Our AHAA customer management system will be a central focus of development in this respect.

Our top priority during 2000 is to maintain the number one position we have already gained among both users and advertisers. Our net sales target for 2000 is to exceed FIM 60 million."

Raimo Mäkilä

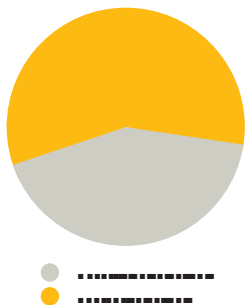
One of Alma Media's core focuses has been investments in new media. This will remain the Group's strategy in the future as demonstrated by the decision to regroup Alma Media's new media activities into a fourth business area alongside newspaper publishing, television and radio, and printing. The New Media business area officially began operating in September. It comprises Alma Media Interactive Oy, which is responsible for most of the commercial new media activities, and Alma Media Net Ventures Oy, for technical maintenance of the online services and R&D. The business area is headed by Mr Raimo Mäkilä, who was also appointed to the Group Executive Board on 1 September 1999.

Alma Media offers some 30 different online services. The most popular are MTV3i, Iltalehti Online, the Luukku.com e-mail service, Kauppalehti Online, the DIME property service and the Jobline recruitment service. Internet advertising developed more slowly than forecast in Finland during the year. According to Ad Facts Ltd FIM 37 (22) million was spent on Internet advertising in 1999. Alma Media's revenue from Internet advertising totalled FIM 12 (9) million, which represented almost exactly one-third of the market. Advertising and content sales of the Group's online newspapers are entered under net sales for Alpress. Seventeen of Alma Media's newspapers are also distributed in online editions. Net sales from Alma Media's new media operations totalled FIM 29 (14) and the operating result was a loss of FIM -28 (-16) million. Advertising revenue accounted for 64 % of net sales and revenue from content sales was 36 %. MTV3i, Kauppalehti Online, Iltalehti Online and Jobline were profitable.

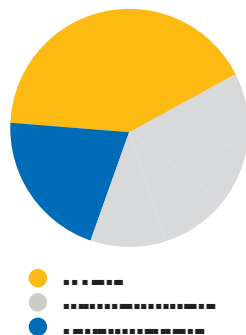
AHAA database safeguards privacy

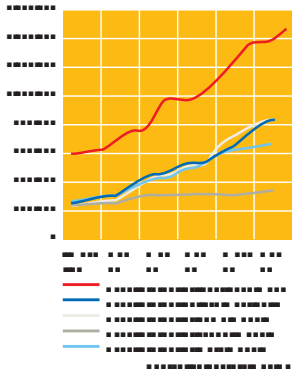
Alma Media's strategy is to be among the first to bring new products to market, ensuring that they

Income structure 1999

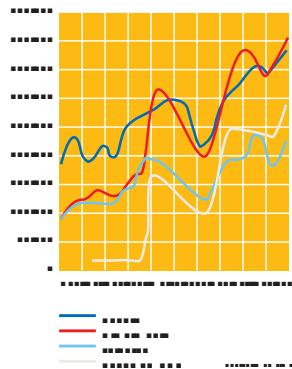


Expenditure structure 1999



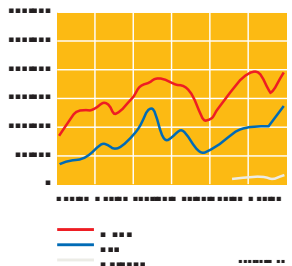
Internet users
in Finland

gain a strong market share as use of the Internet becomes more widespread. Alma Media has introduced a constant stream of new online products, while at the same time improving and diversifying its existing services at regular intervals. The aim is to gain the largest possible number of registered users. Alma Media's own AHAA customer management system combines all users of Alma Media's online services in the same database, which in January held information on more than 430,000 people. Besides being a tool to strengthen media advertising, the system also makes it possible to develop a wider range of attractive new online services. AHAA can be used to target advertising and also, for example, to combine various e-business sites with online services. Special emphasis was placed in AHAA's development on ensuring the confidentiality of information on individuals, working in close cooperation with the authorized data security office.

Visitors/week
8/1998—1/2000

User numbers double

The homepage study conducted by Taloustutkimus Oy showed that 1.3 million of the Finnish population had used the Internet by the end of the year, compared to roughly one million in the previous year. At the end of the year Alma Media's online services were used by more than 400,000 people every week, double the previous year's figure. Although the figures are not directly comparable, they do indicate that Alma Media has successfully attracted the largest possible number of users to its services, in line with its strategy. An estimated 90 % of all users have used Alma Media's services. The study also showed that more than 800,000 Finns visited MTV3i's site alone. Alma Media is the largest provider of Internet services in Finland in terms of total weekly users.

Visitors/week
8/1998—1/2000

MTV3i

Alma Media has introduced online services in all the most popular categories. MTV3i and Italehti Online, both started in 1995, were the first horizontal general portals in Finland. Today they are the two most popular horizontal portals. MTV3i in particular has been developed and diversified over the years. In 1999 the ShopIt e-business and eTori electronic auction services were added to the MTV3i pages. The ShopIt concept gives business enterprises access to the public at large on the MTV3i pages, receiving in return a monthly fee for visibility. eTori, launched in the autumn, is an online auctioning service that users can also access using GSM phones.

MTV3i also operates the country's most comprehensive, round-the-clock online news service. A free Finnish language e-mail service called Luukku.com was added to the pages in 1999. MTV3i's service is also used extensively by MTV3 Channel in its own channel and programme marketing.

MTV3i's pages registered almost 2 million visitors in January 2000, almost 50 % up on January 1999. The figure comprised 958,000 visits to the home page (619,000 in January 1999), 352,000 (230,000) visits to the front page of the news service, 224,000 (157,000) to AltaVista and 222,000 (-) to the Luukku.com e-mail service. MTV3i's net sales came to FIM 10 million, which included advertising revenue totalling FIM 7 million.

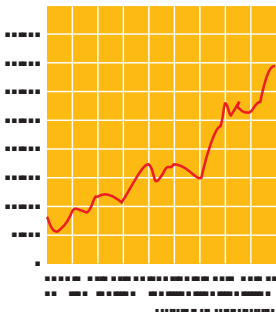
In autumn MTV3i began sales of its own ISP connections with Fujitsu and the Finnish retailing group Kesko. Even with only a few months of operation to its credit, Taloustutkimus Oy's figures indicate that MTV3-Internet-Access was the fourth best known Internet operator in Finland. Almost 50 % of respondents in the survey associated MTV3i with Internet operators. The best known operator had a figure of slightly over 80 %.

Finland is among the first European countries to introduce digital television. Alma Media began transmission of a new cable television channel called TVTV! to about half a million households in February 2000. The aim is to ensure that it is best prepared for Finland's new multichannel television environment that will emerge in under two years' time. The programme map includes TVWEB, a selection of MTV3i's webpages content that is shown on cable television simultaneously with news headlines and local weather forecasts, for example. TVWEB is also shown on MTV3 Channel.

Kauppaletti Online

Both the content and visual appearance of Kauppaletti Online were renewed during the year. Kauppaletti Online provides the printed newspaper's news updated daily, real-time business news, real-time monitoring of stock prices and transactions and a news archive stretching back to 1987. New services launched during the year were products for GSM and WAP mobile phones, news in English, a portfolio management service and a number of maintenance applications to make these services easier to use. Kauppaletti Online's internal news department now produces a large part of Kauppaletti's material. Kauppaletti Online signed an agreement with the Direkt news agency in Sweden to provide users with comprehensive forecasting of listed companies' results. Kauppaletti Online expanded cooperation with its associated company Baltic News Service on content production. At the end of the year Kauppaletti and MTV3 set up a joint editorial newsroom to produce the content of MTV3's business news. Kauppaletti

Kauppalehti Online
different visitors/week

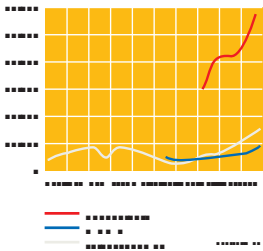


Online prepares the stock exchange updates and graphs broadcast on the nationwide network. Kauppalehti Online's net sales totalled FIM 7 (4) million. Two-thirds of this came from subscription charges, mobile services and content sales to the intranets and extranets of quoted companies.

Kauppalehti Online's user numbers have been monitored by Web Traffic Monitor since October 1999. The weekly number of users increased from 20,000 to over 45,000 in the last three months of the year, and to as high as 57,000 users in January 2000. Kauppalehti Online is easily the most popular online business service in Finland. The average number of users of the competing magazine Taloussanomats online service in January was 14,500 while 8,800 used Talentum's WOW! service.

Iltaalehti Online

Visitors/week
8/1998—1/2000



Iltaalehti Online has been structured as an online version of the printed edition since it was started and has so far been a free service. Iltaalehti Online had 151,000 weekly visitors to its website in January 2000. Several new services subject to charge were developed during the year. Its paid "plus" information, entertainment and communication services were launched in February 2000. News and chat services and games have also been made available to GMS and communicator users. These will become subject to charge during the year.

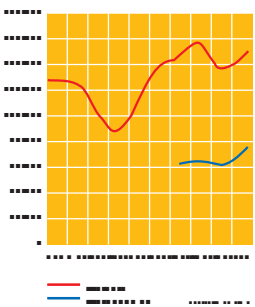
Electronic classified ads

Classified real estate advertisements are ideal for the Internet. During the year Alma Media extended the availability of its DIME Internet content to MTV3 Channel's text TV and in printed form to supplements produced by Kauppalehti and Iltaalehti. The DIME concept has also been sold to 13 regional newspapers.

In summer 1999 Alma Media Net Ventures acquired 80 % holdings in the Asuntopörssi property advertising papers distributed in Jyväskylä, Tampere and Pori, and added these to its DIME service. These newspapers have an aggregate print-run of 300,000 copies. The newspapers and the electronic service make a good match since in any case estate agents send information on their prospects to the newspapers in electronic format. Adding this material to the online service is a cost-efficient process. The DIME service contains search, map and notification services which add value to the printed newspapers.

In January 2000 the Asuntopörssi concept

Visitors/week
4/1999—1/2000



was introduced in the Helsinki Metropolitan Area, where it is distributed to all 500,000 households in the region every second weekend. The apartments listed in the newspaper are also available online on the Thursday before the newspaper is distributed. The combined newspaper and DIME service is expected to gain a significant share of the FIM 50 million apartment advertising market in Helsinki.

Alma Media also offers a similar service for motor-ing enthusiasts called Autotalli, which is linked to the MTV3i, Aamulehti and Lapin Kansa online services.

Alma Media owns 75 % of the Jobline employee recruitment service. This is part of the international Jobline chain which operates in some ten other European countries besides Finland. Jobline's business logic is based on the idea that private individuals can register with Jobline free of charge whereas prospective employers pay for information on candidates. Companies find it worthwhile to pay for selected and highly motivated applicants since most are highly educated and already employed in professional positions. The Jobline database currently contains information on about 15,000 active applicants. As an electronic service, Jobline makes it possible to define extremely precise selection criteria. Since its start-up, Jobline has been a profitable service.

R&D and its objectives

Alma Media and its predecessors have committed substantial resources to new media development since 1993. Development projects have focused on media production and use. In particular this has involved learning about and developing the technologies necessary to create new e-business products and to manage their content. Recently, R&D has focused heavily on content management in a project involving close collaboration with the Media Lab of the Massachusetts Institute of Technology (MIT) in Boston, USA. User experience has been a second subject under focus in this area. Alma Media has participated on a sponsorship basis in an R&D project with Stanford University's Center for the Study of Language and Information and also the Centre for Knowledge and Innovation Research of the Helsinki School of Economics and Business Administration.

In addition to working with leading international universities, Alma Media has also been widely involved in local Finnish research programmes for the excellent reason that as an information society Finland has played a pioneering role at a worldwide level. As a "laboratory" Finland enables researchers to carry out extremely sophisticated R&D work especially in the field of wireless Internet services. Alma Media's objective is to maintain its front-line position in understanding and managing the world of new media and for this reason will continue to commit at least FIM 15-20 million annually to research and development in this field.

The thrust of our R&D efforts is to generate expertise leading to superior new media products and services. Alma Media seeks a competitive edge and to stand out in the market for products which integrate the latest advances in user experience and content management technology. It is essential that our knowledge should be as penetrating and complete as possible. Alma Media's successful products such as Kauppalahetti Online and Iltalehti Online are the result of intense and protracted research work. The production of content for the new media requires also Finnish content producers to demonstrate internationally competitive conceptual competence in areas including personalized news and e-business concepts.

One of the most important competencies required by media companies is the ability to create and design communication packages which naturally appeal to human senses, for instance entertainment or hard news. Media companies of course have decades of experience to draw upon in order to produce newspapers and television and radio programmes that people like. Achieving the same standard of appeal in online services is one of Alma Media's top research priorities. At Stanford University Alma Media has been studying the psychology of personalized communications. The company has conducted several scientific research projects with Stanford University including studies on the significance of the credibility of online news and character-based social-emotional computer user interfaces. Cooperation has also been started recently with leading Silicon Valley companies.

Alma Media's international networking in interface-oriented scientific research is handled by the Center for Knowledge and Innovation Research (CKIR) at the Helsinki School of Economics and Business Administration. This represents a new form of cooperation between R&D by Alma Media and a scientific laboratory where the aim is to use scientific insights to generate practical applications. As a CKIR sponsor, Alma Media is also able to strengthen its international network in the field of high-level scientific research. CKIR's visiting dean and professor Ikujiro Nonaka is a world-renowned knowledge management researcher who is also professor at the University of California, Berkeley, and the University of Hitotsubashi in Japan.

CKIR's experimental media psychology lab, the Knowledge Media Laboratory, researches and develops a knowledge-based view of media and communication. The aim of the project is to research media consumption at an internationally competitive level from an applied point

of view. The results of the project can be used to design interfaces for online media products and services. The Knowledge Media Laboratory will initially consist of ten researchers supported by a number of subcontractors. MIT MediaLab will later join this research effort as a technology partner. Stanford University has a role as a laboratory base for the psychology of social-emotional interface research. Hitotsubashi University researches the innovation processes of media products. Cooperation also takes place with Netsage Corporation, based in Silicon Valley, which builds character-based virtual sales assistants for online services.

Alma Media has also researched media consumption with the Department of Communication at the University of Tampere, Finland. This project, named "Locality in the Global Net", studied the roles of locality and forms of journalistic and community activity in online communications. Two MIT Media Laboratory professors also took part in this project while visiting professors in Finland. The TAUCHI (Human Computer Interaction Research) Group at the University of Tampere has conducted user studies on Alma Media's main online products. Together with the KULTU Consumer Research Group of Tampere University of Technology Alma Media has also analyzed the reasons underlying the use of its main online products and their future prospects.

A second focus in Alma Media's R&D programme has been the management of digital content and customization of content. With content production processes undergoing rapid development high technical competence in content management is assuming increasing importance. Alma Media has studied content management with the Helsinki University of Technology in a project called SmartPush as well as participating in several projects funded by the Technology Development Centre of Finland (TEKES), such as IMU (integrated publishing in an online multimedia environment) and Future-TV. Alma Media has also signed a broad cooperation agreement with the Department of Information Science at the University of Tampere covering a number of projects related to content description and knowledge acquisition.

Alma Media has continued close collaboration with the MIT Media Laboratory and has sponsored the Lab's News in the Future programme since 1993. The MIT projects have related to customization of media products and network communications for business communities. Alma Media has also started cooperation with digital media companies that are offshoots of the work pioneered by MIT.

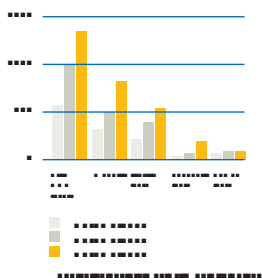
Alma Media has played an active role in planning the USIX (new user-intensive information technology) programme of the Technology Development Centre of Finland (TEKES) and in defining its research priorities. The three-year programme focuses on natural language applications, personal naviga-

Photo: Finnish Press Agency



Mobile services make information, entertainment and experience services available regardless of location.

"Sometimes visited the pages"



tion, active environments, e-services, and the acquisition, integration and processing of information. Alma Media participates in several of the programme's scientific projects aiming to develop speech recognition techniques, user-specific signal processing systems and personalized, adaptive user interfaces.

New Media 1987 - 1998

Kauppaletti's decision in 1987 to archive its published material in electronic format marks the start of Alma Media Group's new media operations. Kauppaletti, then part of the Uusi Suomi group, was one of the first newspapers in Finland to adopt electronic editing and page makeup technology. Besides making it possible to electronically archive media content for its own editorial purposes, this move also enabled Kauppaletti to use the same material in the form of commercial databases. These databases were also sold but in the 1980s, before the advent of the Internet, the number of users was very small. Today, the databases can be accessed in a number of ways including via Kauppaletti Online.

At around the same time Tampereen Kirjapaino Oy, the Aamulehti newspaper's publisher, was seeking growth through information technology in addition to publishing and printing. Several information technology companies were acquired by Tampereen Kirjapaino Oy and investigations were also made to identify new distribution channels for the newspaper's content. One such project was a news service for transmission to TV monitors. Called "Infostands", these news monitors were located in public areas like airports and broadcast Aamulehti's news headlines and weather forecasts in videotex format.

Tampereen Kirjapaino Oy and Uusi Suomi Oy were merged at the end of the 1980s, forming the Aamulehti group. The Finnish economy slid into a severe recession at the turn of the decade and the Aamulehti group shifted focus from research and investments in new media to restructuring its operations to restore profitability. One effect of this was the closure of the Uusi Suomi newspaper in 1991.

OtaOnline 1994

Back in 1993, however, the company realized that digitization of mass communications would fundamentally change the business environment, although how and with what tools it was impossible to say at the time. In 1993 Aamulehti group signed an agreement with the Massachusetts Institute of Technology (MIT) in Boston, USA. MIT's Media Laboratory had just started a research project called News in the Future, which was of great interest to Aamulehti. Aamulehti group was the only media company in the Nordic countries involved in the project, the aim of which was to develop an electronic newspaper which would also allow news to be personalized for different reader groups.

In the same year Kauppaletti, already a strong business-to-business advertising medium, launched an "electronic marketplace" for commercial properties and office premises. Since many of Kauppaletti's readers and the corporations they represented had a

need for such premises, Kauppalehti was a natural forum for this new e-business service. The service was called DIME, standing for Digital Media.

In 1994 Aamulehti group's new media R&D and business projects were concentrated in its Alexpress division, although the group's newspapers continued research into new media. An electronic newspaper called Fishwrap had been launched on MIT's student campus. In order to study this new type of media in real user conditions, a similar electronic newspaper was launched in Finland on Helsinki University of Technology's (HUT) closed network at Otaniemi. Called OtaOnline, this was the first digital newspaper in Finland and was based on a cooperation agreement signed with HUT the year before. OtaOnline gave some 3,000 readers access to Iltalehti and parts of Aamulehti, Kauppalehti and Kauppalehti Optio on their own computer terminals. OtaOnline also provided weather forecasts and news produced by its own editorial staff. The experience gained through OtaOnline have been invaluable to Alma Media in development of its digital media. The same year Aamulehti group produced and launched its own www pages.

A new editorial department was set up in Alexpress to generate real-time news for the new electronic media. This news was distributed via text TV, by telefax and as voice files to telephones and local radio stations.

Iltalehti Online and MTV3i 1995

Both Aamulehti group and MTV Oy have played active roles in Finland's National Multimedia Programme (KAMU). Funded by the Finnish government, KAMU's aim was to promote R&D in new media and strengthen Finland's position in the emerging era of digital communications. Aamulehti group was intensely involved in the Broad Band Village and Nääsnetti projects aimed at evaluating multimedia technology based on rapid ATM connections and consumer behaviour. The new residential units built for the Ylöjärvi Housing Fair, for instance, were all equipped with broad-band network connections, enabling residents to test the new communications technology in everyday life. This project also included participation by the University of Tampere, with which Alma Media has been collaborating since 1993.

Perhaps the most important news of the year, however, was the launch of Iltalehti Online on the Internet in October 1995. It may not have been the very first Internet newspaper in Finland but it was certainly the first interactive newspa-

per. The same year Iltalehti Online attracted 20,000 registered users. Shortly afterwards MTV Oy launched its own digital service, MTV3i, the result of the KAMU project. The same year again, Alexpress was the first company in the world to provide a news service for GSM mobile phone users both as text messages and voice mail. It also launched the first CD-Rom to guide users in Internet surfing. This www guide was sold in large quantities and thousands of copies were also distributed to schools around Finland. By the end of the year Aamulehti group and MTV's Internet services had about 10,000 regular users per week.

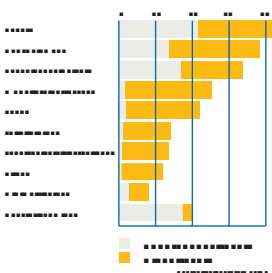
Kauppalehti Online 1996

In 1996 Aamulehti group placed first the Aamulehti newspaper and then in May the Kauppalehti business newspaper on the Internet. From the outset Kauppalehti has been more of a complete service package than simply an electronic newspaper. Besides editorial material, it provides real-time stock market quotations, stock exchange bulletins released by listed companies, its own online news, and a comprehensive article archive stretching back to 1987. Some of these services are, exceptionally, subject to charge.

In 1996 Alexpress also introduced the first live radio signal for music and MTV3i's television signal on the Internet as part of the KAMU/Nääsnetti project. Both were firsts in Europe. In the same year Alexpress and Kauppalehti began producing news for Nokia's new product, the Communicator 9000 under the Nääsnetti project. Nääsnetti also resulted in the building of Finland's first three-dimensional, multiuser text-chat service for 500 users, based on VRML technology developed by Black Sun Interactive in Israel. A further development was Solver, an advanced mathematical problem solving teaching programme based on video-on-demand, online tools and simulated artificial intelligence. Running on Finland's first media server, Solver was successfully tested for mathematics teaching in Tampere schools using ATM connections, in collaboration with the Media Institute of the Tampere University of Technology. Alexpress also launched a second CD-Rom, Pekka Poro's December, an interactive animated Christmas calendar. This was the most popular CD sold at Christmas 1996.

To prevent the Internet from being the province of the privileged, Alexpress developed easy-to-use www publication software within the Nääsnetti project enabling small groups to publish their own material on the Internet using the new media publication technology developed for newspapers. Some ten associations began regular publication of their own newspapers within Aamulehti's www pages. The DIME real estate service was expanded for the needs of the public in general. The new DIME included informa-

Awareness of Internet operators



tion on apartments and leisure homes as well as an advanced search engine and maps. Already then the service included an electronic watchdog service that notified the applicant's own e-mail when the database received information on a site matching the user's specifications. For the first time real estate advertising could include an almost unlimited amount of photos, drawings and maps. Aamulehti group's and MTV's Internet services had about 50,000 users per week at the end of the year.

Top priority on new media in formation of Alma Media 1997

Aamulehti group realized that the various digital media would converge once digitization made progress. The group was involved in printed communications, radio and new media, but television broadcasting was still missing and for this reason cooperation was sought with Finland's leading television company MTV Oy. The companies jointly applied for a national radio broadcasting licence, a national television licence and a regional television licence. The radio licence was granted. At the same time Aamulehti group acquired about one-fifth of MTV Oy's share capital. In spring 1997 the owners of both companies decided that merging the companies to form a new mass communications entity would serve their mutual interests and those of the companies' shareholders. A crucial reason underlying the merger was the potential synergic benefits it would create in new media.

The same year MTV3i introduced Funplanet games world to its pages with Bonnier Online. Iltalehti was made available through Sonera Inet-tv box, and an exclusive news service was started for Nokia. Aamulehti group's and MTV's Internet services had about 100,000 users per week at the end of the year.

Classified ads on the Net in 1998

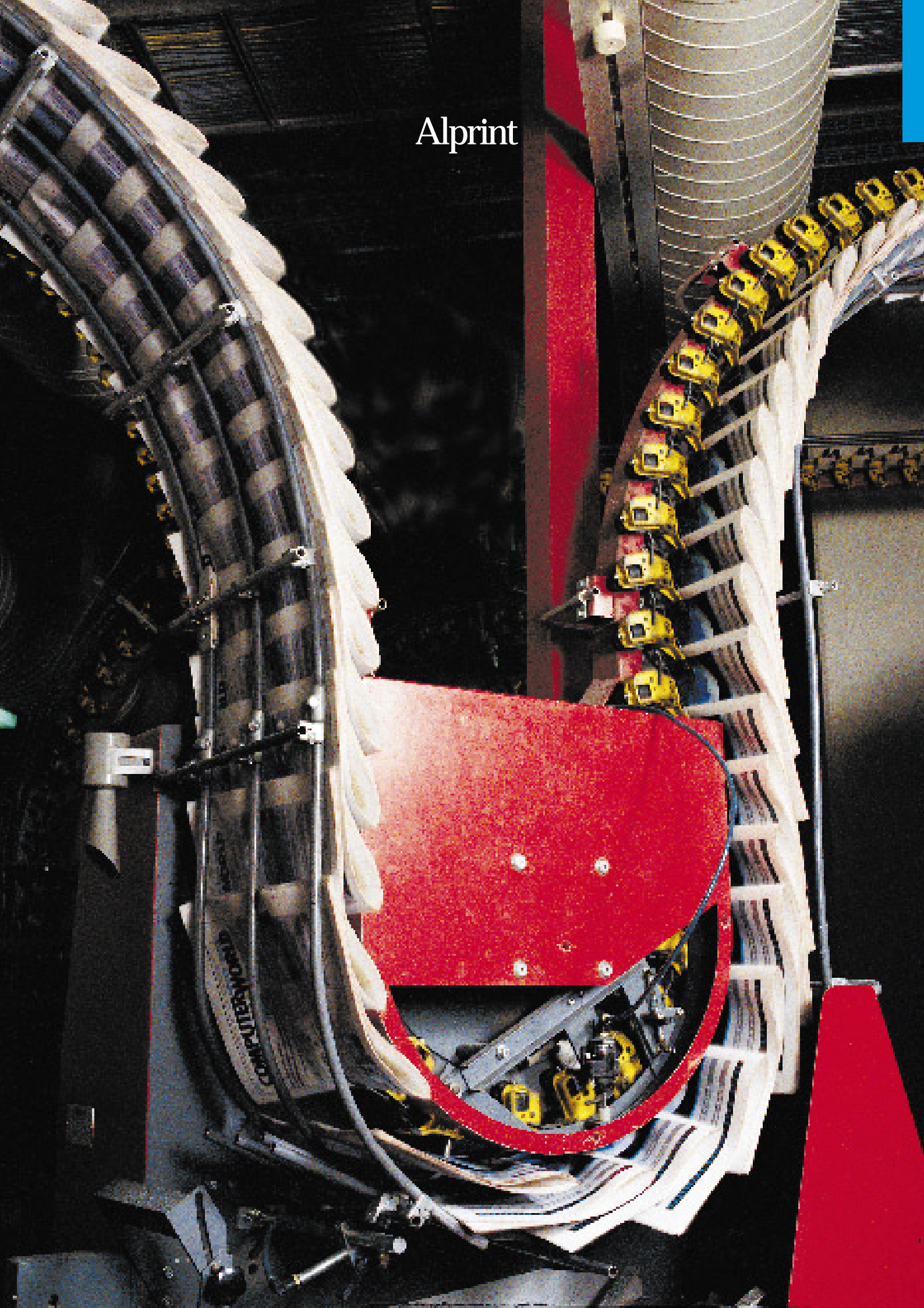
The Finns are extremely willing and open-minded about using new communications products. In 1998 Finland led the world in number of mobile phones and Internet connections per capita of population. New products and services along with sufficiently large target groups were now needed to make Internet advertising a significant source of revenue. New products were launched on Alma Media's pages including Jobplace and Jobline personnel recruitment services. Alma Media holds a 75 % stake in Jobline, which has been profitable almost since its launch.

The major new media users today are young people. To ensure it was making the right prod-

ucts, Alma Media gave summer editing jobs to about 20 young people and set up an entirely new type of virtual newsroom. These summer journalists, working in the Group's different media, published their own Aurinko.net (Sun.net) on the Internet. Its various search services proved immensely popular and accordingly MTV3i introduced a Finnish version of Alta Vista on its pages. Kauppalehti Online introduced a stock quotation service for GSM phone users and broadened its content sales to companies with intranets and extranets. Alexpress began a large project with 30 schools in the Tampere region focusing on the use of Internet publishing in teaching. An EU project was started in two localities to meet the IT needs of sparsely populated areas.

Newspapers and television as they are today are the result of years of evolution. New media products, on the other hand, were simply launched on the market and not enough time had elapsed to develop them in the same way. No in-depth research was available when designing their appearance and graphic layout or on how they would be used. For this reason Alma Media signed a cooperation agreement with Stanford University to obtain fundamental scientific information on the use of Internet products, what sort of products users actually want, and what they think about various products and services. In the autumn Alma Media concluded an agreement with Nokia to supply content for Nokia's third-generation mobile phones and other wireless terminal equipment. Alma Media's Internet services were used by roughly 200,000 people per week at the end of the year 1998.

Alprint



ALPRINT



Risto Takala
President
Alprint Oy

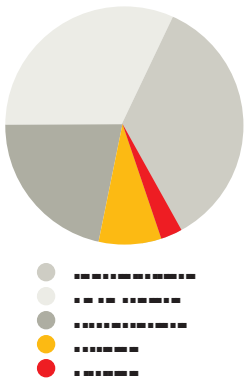
Alma Media's Alprint business area is the graphic industry. Alprint is the largest offset printing house in the Nordic countries. Its key customers are Nordic and Russian publishers, and large advertisers. Our customers perceive Alprint as a reliable printing house whose services are underpinned by wide-ranging technical competence and skilled personnel. Alprint also produces printing services to support Alma Media Corporation's publishing activities and collaborates with other Alma Media companies in developing innovative and integrated solutions for communications.

	1999	1998
Net sales, MFIM	786	880
Share of Group net sales, %	24	28
Operating profit, MFIM	0	29
Capital expenditure, MFIM	115	37
Depreciation, total, MFIM	56	61
Amortization of goodwill, MFIM	-	-
Capital invested, average, MFIM	460	449
Personnel, average	957	971

Alprint Oy

- Coldset product line
- Heatset product line
- Hybrid product line
- Special products line
- Alprint Prepress

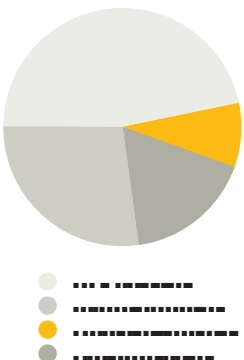
Income structure 1999



"Exports of printed products from Finland to Russia declined by FIM 400 million in 1999 compared to the previous year. The decrease in Alprint's exports alone was FIM 120 million. The reduced volume was compounded by lower prices. The lower demand in Russia was also reflected in prices on the domestic market. The overall impact of these factors depressed Alprint's profit for the year to almost zero despite favourable growth in exports to western countries and prompt streamlining action.

As there are no indications that the drop in demand for printed products in Russia is of a temporary nature, Alprint's capacity and cost structure will be restructured to match the prevailing market situation. The framework for this restructuring is provided by the replacement investment programme decided in 1998. This aims at merging business operations while reducing and modernizing the production machinery. In 1999, the operations based in Jämsä and Valkeakoski were transferred to Sarankulma in Tampere. In 2000, the operations in Kemi will be transferred to Rovaniemi and all heatset printing will be centralized in Tampere. The number of Alprint's units will be reduced by five, to a total of eight, during 1999-2000. The company's organization was also streamlined to correspond to the change in structure. The keywords in this process are centralization, business reengineering and customer proximity.

Expenditure structure 1999



Most of this restructuring will be implemented in 2000 and the results will be felt during the following year. With little prospect of change in the market situation, Alprint's profit for the current year is expected to be at much the same level as for 1999.

The structure of sheet fed printing opera-

tions, the integration of the Hyvinkää printing works with the company's other operations and the relocation of the hybrid operations are issues that must still be resolved in 2000. The measures to be taken with regard to these issues are scheduled for 2001, and their effect on our financial performance will be seen in early 2002."

Risto Takala

Alprint's business model



The new and fast magazine rotation press at the Rahola Heatset unit in Tampere will come on stream in spring 2000.

Alprint Oy is responsible for the printing operations of Alma Media Corporation and for those of its predecessor Aamulehti Corporation. When Alprint was incorporated in 1992, it consisted of a number of limited companies. During 1996, the companies and units that printed newspaper products were merged to form Alprint Newspaper Printing Group Ltd while those companies and units that printed magazines, comics and promotional products were merged to form Alprint Magazine Printing Group Ltd. Alprint's customers consist mainly of large newspaper publishers and large advertisers in Finland, Scandinavia and Russia. England and Germany are also important export markets. The printing of Alma Media's newspapers generates about one-third of Alprint's net sales.

In spring 1998 Alprint began extensive reengineering of its business processes that during the last year has changed Alprint into a more customer-oriented service organization. The new process organization aims to enhance service and streamline the company's cost structure. In autumn 1999, a process was started to merge all Alprint's operations into Alprint Oy, previously the parent company of the Alprint group.



The Special Products line at Sarankulma shares the same premises as the Coldset unit.

Under the current business model, a joint sales unit serves all Alprint's customers and Alprint's domestic market is defined as the whole of Scandinavia as well as Finland. Owing to the different needs for value-added services required by publishers and advertisers, these two customer groups are given a different service focus. Customers in the Russian market and sales agents for printing services are also designated as special and distinct target groups in the current service model. Alprint's production was organized into four product lines - Coldset, Heatset, Hybrid, and Special Products - according to the production technology deployed. A single Alprint Presspress unit serves all four production lines. All the business support functions - such as finance, administration, information technology and maintenance - are organized to serve all of Alprint's production lines and their units. The product line managers and the Alprint sales unit report to Mr Sampo Salonen, who was appointed Executive Vice President in August 1999.

The Coldset product line is responsible for products printed using coldest techniques. Typical coldset products are large newspapers and printed promotional products that are printed purely on newsprint. The line's produc-

tion units are situated in Tampere, Rovaniemi and Kajaani.

The Heatset product line mainly serves magazine publishers, and customers ordering large print runs of high-quality catalogues and printed promotional products. At present, the production units serving these customer groups are located in Tampere, Tammisto in Vantaa, and Pori. The heatset rotation presses of the production line will be centralized during the current year in the printing works that is nearing completion in Rahola, Tampere. The investments in new machinery for this printing works and transfers of existing machines will make it the most versatile heatset press in the Nordic countries in terms of printing capacity and binding capabilities. The operations of the Pori and Tammisto, Vantaa, heatset units will then be terminated. The production line also includes the Hyvinkää unit, which primarily serves publishers of comics and crossword books.

The units of the Hybrid product line are situated in Kaivoksela (Vantaa) and Pori. Hybrid products are printed products in which some of the pages are printed on newsprint and some on coated magazine paper. In the case of many products, coated magazine paper adds value that is important for the customer, especially in the sales of brand advertising.

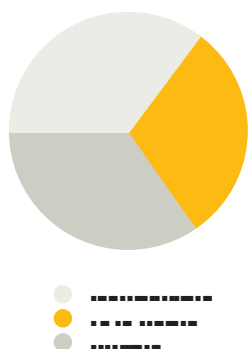
Alprint's small rotation press, sheet printing and digital printing operations are centralized in the Special Products line. This line produces newspapers and brochures with small print-runs, high-quality sheet-printed products and special products printed on special materials. The line's production is centralized in Sarankulma (Tampere) and Lauttasaari (Helsinki). The line's newspaper rotation press operations were formed from the Jämsä and Valkeakoski units that were closed down during the year. The new printing tower installed in the Jämsä unit to enhance the colour capabilities of the rotation press for newspapers was transferred to Tampere. The Tampere unit of the Special Products line was located in the same premises as the unit for the Coldset product line, enabling the two units to achieve synergies in their support functions.

The Special Product line's digital press is a joint project between Alprint and Tampere Vocational College. The actual press is owned by Tampere Vocational College, while Alprint is responsible for its commercial operations and the practical training of students studying graphic arts.

Market conditions

Demand for printed products grew in Finland and Scandinavia as well as in continental Europe compared to the previous year. However, the collapse in exports to Russia that occurred in August 1998 has drastically weakened the profitability of the sector. The volume of printed products exported to Russia declined on the previous year by some FIM 400 mil-

Net sales 1999





Alprint gained its first ISO 9002 quality certificate in November 1999.

lion. This has created overcapacity that has also depressed the prices of printed products on the Finnish market. The situation is further aggravated by investments made by many printing companies in new printing presses, now in operation, in anticipation of growth in export volumes to Russia. The prices of printed products on the Russian market have also dropped very substantially, in addition to the fall in volume. Alprint has mainly exported magazine products to Russia.

Customers for coldset and heatset products have switched almost exclusively to full four-colour printing. This has undermined the value of coated magazine paper and demand now focuses more on bright grades of special newsprint. The trend has diverted production towards the normal tabloid size, and away from the slightly larger euro-tabloid size. The reduction in exports to Russia had a particularly strong impact on the demand and prices for tabloid products, in Finland as well as in Russia. Exports of Alprint's tabloid promotional products to western countries rose by FIM 8 million to FIM 23 million, and this level could likely be exceeded in the future.

The most profound change in Alprint's market situation has occurred in the market for magazine products, since most exports to Russia were magazines. Consequently, the programme of action to raise the cost-efficiency of heatset production initiated before the collapse in exports to Russia is of crucial importance to Alprint. Alprint has intensified its marketing activities in western markets and succeeded in boosting exports of magazine products to Scandinavia and elsewhere in Europe by FIM 27 million to FIM 180 million. The price level currently prevailing in the Scandinavian market is the most favourable of all Alprint's key market areas.

The printing of comics and special products adds further strength to Alprint's range of products and services. The combined net sales of these products amounted to some FIM 95 (93) million. Alprint's customers for these product groups are located in Finland and other western countries. There were no significant changes in the market situation.

Paper prices stable

Alprint used some 87,000 (96,000) tonnes of paper in 1999. Of this, around 52 % (47 %) was various grades of newsprint, 37 % (43 %) coated paper and 11 % (10 %) other special grades. The reduced print volume of magazine products was also reflected in the consumption of the various paper grades. Paper prices rose

slightly, but less than anticipated. Alprint spent slightly over FIM 300 million on paper purchases, roughly one-third of which was used for printing Alma Media Corporation's newspapers.

Alprint purchases the paper it needs primarily under annual or six-monthly contracts with different domestic producers. No significant changes in the 1999 prices are expected at present.

Net sales and profit

Alprint's net sales amounted to FIM 786 (880) million. Some 32 % (28 %) of net sales were generated from within Alma Media Corporation, 35 % (32 %) came from other domestic customers and 33 % (40 %) from exports. The reduction in exports to Russia to below one-third of the previous year's level was a prominent factor contributing to the decline in net sales. Exports of Alprint's coldset and hybrid products to Russia fell by FIM 64 million to just over FIM 15 million. Exports of heatset products also dropped by FIM 64 million to FIM 43 million.

Alprint's sales to Alma Media Corporation grew slightly to FIM 252 (243) million as a result of improved circulations. The printing operations of Pohjolan Sanomat and Kainuun Sanomat, which Alma Media Corporation acquired at the end of 1998 and beginning of 1999, are not included in Alprint's 1999 accounts. Other domestic sales declined by FIM 11 million to FIM 273 million, mainly due to price trends. The growth in exports to western countries was a positive factor. Exports of magazines and tabloid-format products to Scandinavia and elsewhere in Europe rose by FIM 35 million to FIM 203 million.

Alprint reported an operating profit of some hundreds of thousands (FIM) against the previous year's operating profit of FIM 29 million.

Reduced exports to Russia cut Alprint's operating profit by FIM 20 million, while lower prices in the Russian market depressed profitability by FIM 5 million compared to the previous year.

Alprint's capital expenditure amounted to FIM 115 (37) million. This included FIM 62 million spent on the heatset unit in Tampere, FIM 21 million to cover modernization of the hybrid unit in Vantaa, and FIM 16 million to acquire a new press for the special products line in Tampere and the transfer of a small rotation press to the same line. The remainder comprised normal investments in fixed assets and maintenance.

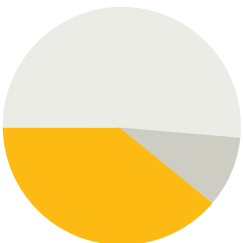
From printing to total solutions

Alma Media needs its own newspaper presses particularly for printing large provincial papers, so in this respect printing is one of Alma Media's core businesses. Solutions for enhancing cost-efficiency are being sought in this sector also. As from March this year, printing operations for the Pohjolan Sanomat

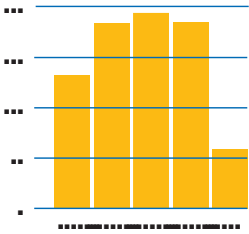


The expansion of the Heatset unit in Rahola, Tampere, held its "topping out" ceremony in November.

Paper purchases by grade



Alprint's exports, MFIM



newspaper published in Kemi will be transferred to Rovaniemi, the same company that prints the Lapin Kansa newspaper. This will considerably reduce the group's costs and substantially enhance the profitability of the Rovaniemi unit.

The underlying aim of Alprint's current streamlining programme is to raise Alprint's cost efficiency in order to compete effectively at today's market prices. Calculations indicate that the measures now initiated will reduce Alprint's annual costs by FIM 50 million from the beginning of 2002.

In addition to modernizing its production machinery, Alprint has launched several projects aimed at offering total service to key customer groups. ADAM (Alprint Digital Asset Management), a pilot project with major advertisers, is already under way. The objective of this project, which addresses the transfer and management of digital material, is to simplify and speed up communications between advertising customers, their advertising agencies, and the printing company at all stages of a print job. Since digital material can be utilized elsewhere, according to the customer's needs, and not just in print jobs, representatives of Alma Media's other business areas are also involved in this project.

In November, Alprint established the AlprintClub. Representatives from a range of customer groups were invited to become members. The club will help to strengthen Alprint's brand name and be a useful channel for receiving valuable feedback for developing Alprint's operations directly from customers. It will also create a new type of joint collaborative forum with purchasers of printed products, in which experts will be able to meet each other. Over 700 members joined the AlprintClub during its first three months.

HUMAN RESOURCES



Each unit analyzes the results of the internal work atmosphere survey.

Alma Media Group had 4,057 (4,023) employees at the close of the period, which included 1,223 (1,169) part-time staff, mainly for newspaper distribution. The increase in full-time employees was the result of Kainuun Sanomain Kirjapaino Oy's consolidation as a subsidiary in February 1999. This company's 100 employees were included in Alpress's workforce for the whole year. Alpress's personnel increased by altogether 127 employees. MTV Oy's personnel fell by 70 employees, roughly half of whom belonged to MTV-Viihde Oy which was divested in September. Alprint closed down the Jämsä and Valkeakoski printing plants and their operations were moved to the new Special Products line established in Tampere. Alprint's personnel decreased by 23 employees during the year. The terminated units had altogether 57 employees and about half of these obtained jobs in the new unit. The drop in exports to Russia reduced personnel, and especially the number of fixed-term employees. The number of employees in the New Media business area and the parent company remained virtually unchanged. Personnel turnover was 6 % and the average number of absentee days was 7.

Alma Media's operations are for the most part organized in subsidiary companies. This model makes it possible to keep corporate administration light while ensuring that decisions are made as close to personnel as possible.

Operational planning in the Alma Media Group covers several periods simultaneously. In addition to preparing annual action plans and budgets, the business areas also draw up a long-term three-year plan as well as even longer-term scenarios in anticipation of changes in the business environment.

The largest personnel groups are blue-collar workers (32 %), content producers, i.e. journalists and programme makers (25 %), and office staff (22 %). An equality survey was conducted during the year to establish the equality status of staff in different units. Male and female employees existed in almost equal numbers, 54 % male and 46 % female.

Job rotation encouraged

Alma Media's core competencies are in producing top-quality content for business, entertainment and information purposes, and distributing this material through a variety of different channels. Some 25 % of Alma Media's

full-time employees, 683 people, work as journalists in newspapers and new media or as programme makers in television. The Group's policy is to encourage job rotation among its employees to broaden their skills and expertise. Alma Media also offers wide potential for working in a highly diversified range of mass media jobs. The Group's operations encompass almost all forms of mass media, which is also one of the company's competitive strengths. It is already usual today for different forms of media content to be distributed through more than one channel.

To further activate job rotation Alma Media started a new training programme during the year enabling journalists to work in different parts of the company for fixed periods. Similarly, new or vacant posts are offered initially to the company's personnel.

Training is part of commitment

Some 35 % of Alma Media's personnel have college or university qualifications and 17 % have obtained a professional qualification. Alma Media places high priority on personnel training as well as job rotation. In 1999 the Group spent altogether FIM 7.6 (6.4) million on training. This meant that on average every employee had two days of training during the year. Alprint's personnel, in particular, are encouraged to work for professional qualifications and in 1999 twenty Alprint employees completed the graphic industry's diploma in graphic studies. The Group considers that regular training is an important means of ensuring continued commitment to the company and its goals.

Other personnel incentive schemes include bonus-related remuneration packages and also a bond with warrants offered to the company's entire personnel during the year. Each business area defines the terms of its own bonus-related schemes in order to pay close regard to the special conditions governing its business sector and personnel groups. Criteria include meeting budget targets, quality standards and customer satisfaction, for example.

At work on 31 Dec.

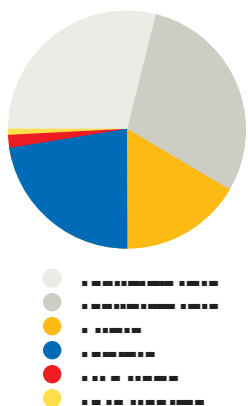
	1999	1998
Alpress *)	2,343	2,216
MTV Oy	660	730
New Media	84	84 **)
Alprint	923	946
Alma Media Oyj	47	47

Total 4,057 4,023

*) Includes personnel of newspaper delivery staff

***) Includes personnel of local radiostations

Personnel by business area



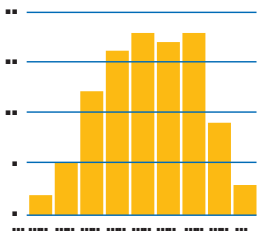
Listening to personnel

To ensure effective, two-way communication between the company's top management and its personnel, the Group arranges two forums a year for about 140 managers in its different units and some 70 personnel representatives. These one-day meetings are used to consider important issues raised by personnel. The agenda for the meeting is drawn up by a 12-member committee comprising the CEO, four senior managers and 7 personnel representatives. Personnel also have three representatives on the company's 15-member Supervisory Board.

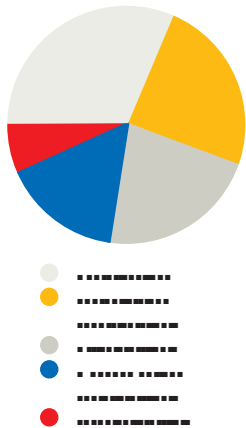
A company-wide survey to establish work morale was first conducted in the Aamulehti group in 1996. Performed by Corporate Image Oy, this survey was again conducted at the end of 1999 throughout Alma Media. Some 63 % of personnel responded to the questionnaire. A similar survey was carried out by Cap Gemini Oy in the MTV group in 1996 and 1997. The results of the 1999 survey were thoroughly analyzed at business unit and business area level to ensure they are incorporated most effectively into the company's planning processes. Employees are encouraged, and supervisors are required, to engage in personal development discussions annually. In 1999 such discussions were held by 45 % of personnel on average.

The company also runs a suggestions scheme to encourage initiatives for developing working methods and conditions.

Age structure, %



Personnel groups



REPORT BY THE BOARD OF DIRECTORS

Consolidated net sales in 1999 totalled FIM 2,911 million (January-December 1998: FIM 2,868 million) and the operating profit was FIM 188 (242) million. Net sales was increased by vigorous growth in newspaper advertising, higher circulation revenue in Iltalehti and the net sales of new Alpress units. Net sales of MTV and Alprint declined by altogether FIM 144 million.

Pohjolan Sanomat Oyj was consolidated in the Alpress business area from November 1998 and the Kainuun Sanomain Kirjapaino Oy from the beginning of 1999. Alpress recorded an operating profit of FIM 172 (FIM 150) million.

Television advertising lost market share in media advertising to newspapers and magazines. Net sales of the Broadcasting (MTV) business area fell 4 % owing to weaker than expected demand for advertising time. The reduction in sales of advertising time depressed the business area's operating profit by almost FIM 40 million.

This business area's performance is affected by MTV Oy's Swedish associated company TV4 AB. Net sales of TV4 AB totalled 2,184 (2,057) million Swedish krona and the estimated result on which Alma Media's consolidated financial statements are based was 190 (121) million krona. Alma Media's consolidated statements include the Group's 23.4 % share of TV4 AB's estimated result less amortization of goodwill.

TV4 AB's profit after financial items totalled 218 million Swedish krona according to the financial statements published on 15 February 2000. This was 28 million krona above the estimate used in Alma Media's financial statements and therefore Alma Media's profit for the year is in fact approximately FIM 2 million higher than reported. The difference will be adjusted in the first interim financial statements of 2000.

The impact of TV4 AB on the Broadcasting and Alma Media results in the 1999 financial statements was FIM -1 (-7) million. Broadcasting posted an operating profit of 48 (111) million.

In terms of site users, Alma Media is the largest provider of Internet services in Finland with more than 400,000 visitors every week. Net Media recorded net sales of FIM 29 (14) million and an operating loss of FIM -28 (-16) million. The business area's net sales rose 107 % on the previous year. This figure mainly comprised revenue from advertising and content sales of its online newspapers, MTV3i's

advertising revenue, and income from the DIME, Jobline and other online services.

Alprint's net sales fell FIM 94 million, i.e. 11 %, owing to the contraction of exports to Russia. Lower demand caused a strong reduction in prices of printed products in Finland as well as in Russia. Alprint's operating profit was only slightly positive (1998: FIM 29 million). The decline in Russian exports reduced Alprint's profit by FIM 20 million and the fall in prices by a further FIM 5 million.

Exports represented FIM 261 (359) million of consolidated net sales and consisted entirely of Alprint's products. Exports to the Nordic countries totalled 68 % (39 %), to Russia 22 % (52 %) and to other countries, principally Great Britain, 10 % (9 %).

Other operating income amounted to FIM 50 (25) million, comprising among other things profits on the sale of operations outsourced by MTV Oy and profits on the sale of securities and real estate by the parent company.

Associated companies contributed an aggregate FIM 2 (-3) million to Alma Media Group's result. Besides TV4 AB, the Group's other major associated companies were Oy Suomen Uutisradio Ab (Radio Nova), Suomen Tietotoimisto Oy and Tampereen Tietoverkko Oy.

The Group's expenses rose 5 % on the previous year to FIM 2,600 (2,477) million. Underlying this increase was an aggregate 10 % growth in MTV's programme costs, as well as content and marketing investments by Kauppalehti and Iltalehti, and increased investments in New Media operations.

Depreciation totalled 176 (171) million. Amortization of goodwill amounted to FIM 15 (13) million. The operating profit was 188 (242) million. Net financial costs were FIM 15 (18) million. The profit before extraordinary items was 173 (225) million.

The profit before tax was 175 (242) million. Income tax totalled FIM 57 million (76). The net profit for the financial year was FIM 114 (163) million. Earnings per share were FIM 7.15 (9.21).

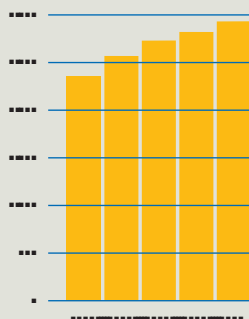
Capital expenditure

Capital expenditure amounted to FIM 253 (219) million. Repair and maintenance of Alprint's production machinery absorbed FIM 115 million and FIM 41 million covered acquisitions of shares in Alpress companies.

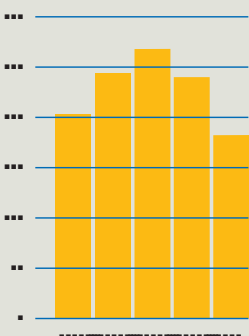
Financing

The Group had FIM 129 (158) million in cash reserves and bank balances at the close of the period. Interest-bearing debt amounted to FIM 631 (630) million. FIM 40 million (net) of principal on loans was repaid but the consolidation of Kainuun

Net sales, MFIM



Operating profit, MFIM



Sanomain Kirjapaino Oy added FIM 41 million of new debt to the balance sheet. Gearing was 40 % (39 %).

Shareholders' equity and equity ratio

Shareholders' equity totalled 1,243 (1,205) million. The accumulated depreciation difference was FIM 223 (226) million, which included 158 (163) million entered under shareholders' equity and FIM 65 (63) million in deferred tax liabilities. Minority interest was FIM 24 (28) million. The equity ratio at the close of the period was 52 % (51 %). Shareholders' equity per share was FIM 79.00 (76.60).

Personnel and administration

The Group had 3,108 (2,905) employees on average during the year, as well as 1,059 (983) part-time newspaper delivery staff. The same figures at the close of the period were 3,010 (3,002) and 1,047 (1,021). The consolidation of Kainuun Sanomain Kirjapaino Oy added 100 new employees. MTV's personnel fell by 70 and Alprint's by 23.

The Chairman of the Board of Directors was Mr Björn Mattsson and the Deputy Chairman was Mr Bengt Braun. The Board members throughout the period were Mr Pekka Ala-Pietilä, Ms Pirkko Alitalo, Mr Matti Häkkinen and Mr Olli Reenpää. Mr Pentti Kivinen served on the Board from 1 January to 24 March 1999 and Mr Kari Stadigh from 24 March 1999 onwards. Mr Matti Häkkinen, who was in turn for retirement from the Board, was re-elected.

The Chairman of Alma Media's Supervisory Board was Mr Arjo Anttila and the Deputy Chairman was Mr Paavo Pitkänen. In turn for retirement were Mr Matti Ahde, Mr Jukka Koivisto and Mr Arto Liinpää, all of whom were re-elected. New members were Mr Hannu Jaakkola and Mr Veli Kalle Tavakka, who was elected for the remainder of Mr Jukka Rantala's two-year term of office after the latter's resignation. The Annual General Meeting appointed KPMG Wideri Oy Ab and Mr Mauri Palvi APA as the company's auditors. Alma Media Corporation's President and CEO throughout the period was Mr Matti Packalén.

Three new members were appointed to Alma Media Corporation's Group Executive Board during the year. Kauppalehti's Editor-in-Chief Mr Lauri Helve was invited to join at the beginning of May to bring a journalistic perspective to the Group's decision-making. Alma

Media's new media operations were regrouped to form the New Media business unit at the beginning of September and at the same time its president, Mr Raimo Mäkilä, was appointed to the Group Executive Board. Mr Ilkka Kylmäla was appointed President of MTV Oy and a member of the Group Executive Board from the beginning of December.

Shares and ownership structure

The Board of Directors had no authorizations to raise the share capital during the period. Alma Media Corporation's share capital totalled FIM 157 million at the end of the year, comprising FIM 68 million in Series I shares and FIM 89 million in Series II shares. At the end of the year 32 % (37 %) of the shares were owned by foreigners or held in nominee accounts.

Altogether 15 % of Alma Media's Series I shares and 54 % of the Series II shares changed hands on the Helsinki Exchanges during the year. Trading totalled EUR 160 million. The market capitalization of the company's share capital at the end of the year was EUR 497 million.

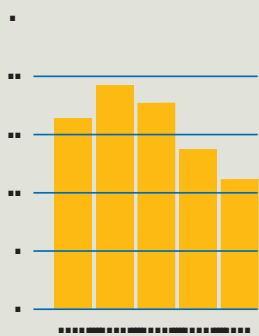
Share performance (euro)

	Price 4 Jan. 1999	Price 30 Dec. 1999	Highest price	Lowest price
Ser. I	28.43	31.00	40.50	19.00
Ser. II	28.00	32.00	40.00	18.80

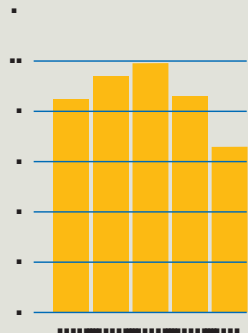
In December 1998 the Otava-Yhtyneet Group, Sampo Group and Varma-Sampo Mutual Pension Insurance reached a mutual purchase option agreement concerning Alma Media Corporation shares. The parties exercised their option rights under this agreement in August 1999 and announced that any outstanding unexercised rights were henceforth cancelled.

In May 1999 Alma Media Corporation offered bonds with warrants to its employees entitling subscription of altogether 610,000 Series II shares. Under the terms of the bond, half of the shares may be subscribed from 28 May 2001 at a price per share exceeding by 12 % the average price during October 1999, i.e. EUR 23.05 per share; and half of the shares from 28 May 2003 at a price per share exceeding by 28 % the same average price, i.e. EUR 26.34 per share. Any dividends payable will be deducted from the subscription price before subscription. The average price of the Series II share during October 1999 was EUR 20.58.

Return on investment



Profit before extraordinary items



Year 2000 readiness

Alma Media made substantial investments in testing its systems, equipment and databases for Y2K compatibility and upgrading them as necessary over a period of three years. This gave rise to costs totalling over FIM 18 million, most of which comprised essential renewals scheduled to take place before the change of year. No Y2K disturbances to Alma Media's systems were observed during the roll-over into the year 2000.

Subsequent events

Alma Media entered the residential advertising market in the Helsinki Metropolitan Area with the merger of its DIME Internet service and the new Asuntopörssi newspaper. This newspaper, with print-run of 500,000 copies, is distributed twice a month to all households in the region.

MTV entered the cable television business in February 2000 in anticipation of the forthcoming multi-channel environment. On its launch, TVTV! had distribution contracts with 520,000 households. There are approximately 900,000 households with cable television in Finland.

Iltalehti's circulation during the second half of 1999 was audited in February 2000. Iltalehti's six-day circulation increased 7.0 % and its weekend circulation 10.2 % on the same period in 1998. Iltalehti has gained market share in afternoon newspapers as its competitor's six-day circulation fell 0.1 % and weekend circulation 3.1 %.

Iltalehti also began television operations in February. On weekdays Iltalehti produces a discussion forum on subjects of topical interest for the TVTV! cable TV channel. This programme is also broadcast nationally via MTV3 on Fridays. This addition to Iltalehti's activities is a logical step in the integration of its online services and television. Since November MTV3 Channel's business news has been produced by Uutislinkki Oy, a company jointly owned by MTV Oy and Kauppalehti. This service combines the expertise of MTV Oy, Kauppalehti and Kauppalehti Online, while simultaneously strengthening their brand visibility.

In February Iltalehti Online launched new paid "plus" services including news, games and chat services. Customers can pay for these services either as a fixed charge or in conjunction with their telephone bills.

In February Alma Media announced a one million US dollar strategic investment in Netsage Corporation in Silicon Valley,

California. Netsage is a two-year-old software company based in San Francisco and Colorado specializing in animated and voice-based virtual sales assistants and computer-aided instruction products. The investment was accompanied by an agreement calling for the development of virtual e-commerce sales assistants for Alma Media's DIME e-classified ads service.

Alma Media and the Center for Knowledge and Innovation Research (CKIR) of the Helsinki School of Economics and Business Administration announced a major co-operation agreement in February covering the study of media content consumption and development of new product concepts for new services and e-commerce. The results will be used to develop user interfaces for digital online services. The project links Alma Media's content production knowhow with leading international universities in the field such as Stanford University and the MIT MediaLab in Boston, USA. Hitotsubashi University in Japan will provide access to Japanese media survey companies.

Prospects for 2000

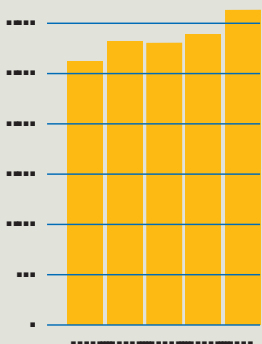
The Finnish economy is forecast to grow somewhat more than in 1999, which creates a good foundation for solid business growth. This prognosis is reinforced by forecast growth in media advertising, a further reduction in unemployment and increased consumer confidence in the future.

Alpress's business and competitive environments are expected to remain virtually unchanged, and consequently its net sales and operating profit should develop at least as fast as average growth in this sector.

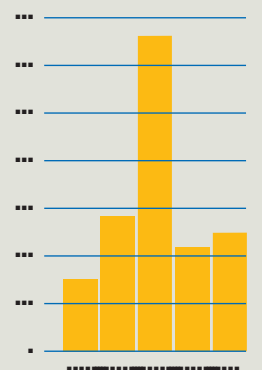
Television viewing increased substantially during 1999. Advertisers are forecast to begin increasing expenditure on television advertising. MTV Oy substantially restructured its customer service organization at the end of 1999. MTV3 Channel's sales of advertising time are expected to show a moderate rise. MTV Oy's profitability will be depressed this year by increasing programme costs and its roughly FIM 30 million investment in the new TVTV! cable television channel. Net sales of the new channel will depend crucially on how rapidly the distribution companies make the channel visible on their cable networks and also on how many of the cable TV companies so far not covered by distribution contracts can be attracted to distribute the channel. MTV group's result is expected to reach the level in 1999 despite its heavier investments.

The New Media business area's goal is to maintain its leading position as a provider of online services and in Internet advertising in Finland. This will call for higher than average market growth in user numbers and a doubling of net sales. Profitability is expected to rise but investments will keep the oper-

Employees on average



Capital expenditure, MFIM



ating loss at last year's level.

No major changes are expected to take place in Alprint's business environment. Its ongoing streamlining programme will not start to have a significant impact until after the year 2000, and therefore Alprint's operating performance is expected to remain at the level in 1999.

Alma Media Group's net sales are expected to increase and operational profitability will improve. Operating profit is forecast to roughly equal the 1999 figure despite of strongly growing investments to New Media.

Dividend proposal

The Board of Directors of Alma Media Corporation proposes to the Annual General Meeting on 16 March 2000 that a dividend of FIM 4.00 per share be paid.

Business conditions and division performance

Alma Media Group is a mass media company with four business groups. Alpress is responsible for newspaper publishing, Broadcasting for television and radio broadcasting, Alprint for printing services, and New Media for the Group's new media operations. The parent company, Alma Media Corporation, is listed on the Helsinki Exchanges. It is centrally responsible for the Group's business management and strategic development projects, financial control and treasury, real estate holdings, and its obligations as a listed company.

Some 60 % of Alma Media's net sales comes from sales of television advertising time, newspaper advertising and Internet advertising. Direct advertising revenue also includes income from promotional products printed by Alprint for customers outside the Group. Alma Media Group generates approximately 90 % of its net sales in Finland. Exports account for virtually one-third of Alprint's net sales and two-thirds of this figure are derived from the Nordic countries. Alma Media Group's most significant international commitment is its 23.4 % holding in Sweden's TV4 AB.

Preliminary information suggests that Finland's economic growth slowed down slightly, compared to the previous year. Growth was roughly three percent, having been 5.0 % in 1998 according to official estimates. Short-term interest rates rose roughly three percentage points during the year but interest rates are still very low. The 12-month euribor rate was 3.87 % at the year end. Unemployment fell by one percentage point

during the year to nine percent. Unemployment rates vary very considerably in different parts of the country.

Media advertising rose 5.6 % on the previous year. Growth during the first six months exceeded 7 % but virtually halted in August-September. Growth picked up again in the last months of year, and especially during December. According to Ad Facts Ltd total expenditure on media advertising totalled FIM 6.0 billion. Newspaper advertising rose 7 %, magazine advertising 5 %, television advertising 1 %, radio advertising 4 % and Internet advertising 69 %.

Newspaper circulations developed unevenly. The circulations of Finland's daily newspapers fell by roughly one percent on average, while the circulations of the smaller newspapers published 1-3 times a week declined by more than 2 %.

Television viewing time grew by a record 7 %. However, television advertising lost market share to other media.

The Internet surged in popularity with some 1.3 million Finns using online services by the year end. About 90 % of these had also used Alma Media's digital services. Alma Media is the largest Internet services provider in Finland in terms of number of users. Its online services are frequented by more than 400,000 Finns every week (December 1998: 200,000). Alma Media has captured about one-third of total Internet advertising.

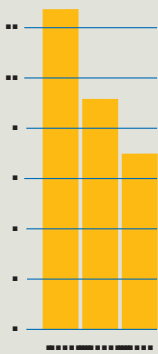
The downswing in demand for graphic products in the Russian market which began in August 1998 continued throughout the year. Exports of printed products from Finland to Russia fell by approximately FIM 400 million. The reduction in exports, coupled with an increase in domestic capacity, pushed price levels down both in Russia and in Finland. Paper prices did not change significantly.

Alpress

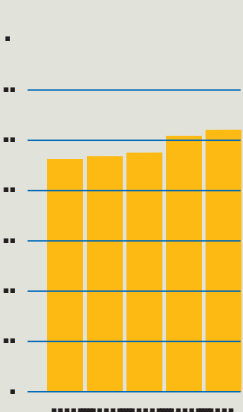
Alpress is the Alma Media business area for newspaper publishing. Alpress's national newspapers are Italehti, published six days a week; Kauppalehti, a daily business newspaper; and Kauppalehti Optio, a bimonthly supplement of Kauppalehti. Alpress's daily newspapers are Aamulehti, Satakunnan Kansa, Lapin Kansa, Pohjolan Sanomat and Kainuun Sanomat, all of which are the number one media in their regions. Alpress also publishes 15 local and 8 town and free-distribution newspapers. The Alpress newspapers have an aggregate circulation of more than 575,000 copies and the print-run of the free-distribution newspapers is about 165,000 copies. These publications have about 2.1 million readers. At the end of the year Alpress held over 20 % of the Finnish daily newspaper market. Seventeen of the Alpress publications are also published on the Internet.

The circulations and circulation revenues of

Earnings per share, FIM



Shareholders' equity



Alpress's publications grew faster than the market average, 1 % and over 3 % respectively.

Alpress's advertising revenue increased 16 % to FIM 94 million. Excluding new units, the increase totalled 6 %. Alpress's circulation sales rose 13 % and other net sales 117 %, the latter being attributable to the inclusion of the whole net sales of both Pohjolan Sanomat Oy and Kainuun Sanomat Oy in Alpress's accounts. Alpress recorded net sales of FIM 1,301 (1,107) million and an operating profit of FIM 172 (150) million. Iltalehti, Aamulehti and Kauppalehti showed particularly strong growth.

Broadcasting

Alma Media Corporation's television and radio broadcasting activities were formed into a new business area called Broadcasting on 1 December 1999. MTV Oy is responsible for the terrestrial MTV3 Channel, a new cable television channel TVTV! scheduled to come on the air in February 2000, and the development of new digital channels. The business area also includes the associated company Oy Suomen Utisradio Ab (48 %), marketed under the name Radio Nova, and TV4 AB (23.4 %) in Sweden.

Total television viewing increased 7 % during 1999, while MTV3 Channel's viewing time rose 8 %; Finnish viewers watched MTV3 Channel for an average of 1 hour and 7.5 minutes a day. In the face of intensifying competition MTV3 Channel retained its share of total viewing time at over 40 %, which is high by European standards.

FIM 1.2 billion was spent on television advertising in Finland, up only 1.4 % on the previous year. Television advertising's share of total media advertising fell slightly, remaining at approximately 20 %. MTV3 Channel pulled in 83 % (88 %) of total television advertising. It was also the largest single advertising media in Finland with advertising sales of FIM 1,013 (1,073) million.

MTV3 Channel's prime time advertising prices were increased by 5 % on average during 1999, while non-prime time advertising prices were cut substantially since sales during daytime hours were low. Average viewing figures increased by over four percent during 1999 and therefore the price increases did not significantly affect cost per thousand.

MTV Media Oy, which has been responsible for advertising sales since the end of the year, will be merged with the parent company. Sales and marketing were reorganized at the

same time to improve service and raise efficiency. MTV3's pricing and structural changes affected sales more slowly than expected.

The associated companies had a slightly positive impact on MTV group's operating profit. MTV's consolidated net sales contracted by over 4 % to FIM 1,064 (1,114) million. Of this figure, advertising sales amounted to FIM 1,013 million and other net sales FIM 52 million. Comparable operating expenses increased 2 % on the previous year, the largest items being programme costs and the operating licence fee.

MTV Oy's operating licence fee was 2 % higher than in 1998 despite the five percent drop in advertising sales. Underlying this development was a new law which came into force at the beginning of 1999 broadening the base forming the licence fee from solely advertising to include sponsoring and text TV products as well. Other costs declined on the previous year.

MTV group's operating profit was FIM 48 (111) million. This included FIM 13 million in other operating income, the largest item of which was the divestment of MTV Viihde Oy during the third quarter, generating a profit of FIM 11 million.

New Media

New Media has been a core development priority of Alma Media for several years and it will continue to remain so. This led to Alma Media's decision in August to regroup all its new media activities into a new business area, New Media, from the beginning of September.

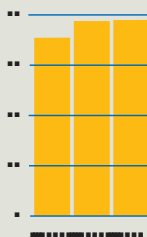
Alma Media Net Ventures Oy is responsible for most of the technical maintenance, R&D and development projects related to Internet services. The commercial and content projects are principally the responsibility of Alma Media Interactive Oy.

Net sales of the New Media business area includes advertising revenue from the online publications, income from content sales and other services, MTV3i's advertising revenue and text TV income, and advertising and other income from the DIME, Jobline, eTori and other Internet services.

Alma Media's New Media strategy is to be the first to reach the marketplace, so as to ensure that its products establish themselves as the number of Internet users rises. Iltalehti Online and MTV3i, started in 1995, were the Group's first Internet services. Today, MTV3i is the second most popular Internet service in Finland with over 197,000 weekly visitors and Iltalehti Online is the third most popular with 150,000 weekly visitors (Web Traffic Monitor: January 2000).

Kauppalehti Online, introduced in 1996, is the first multi-service online service for investors. With currently over 57,000 weekly visitors, it is by far the most popular Internet business service in Finland.

Shareholders' equity per share, FIM



Alma Media has continuously introduced new products and services, as well as developing, renewing and diversifying its existing services at regular intervals. Its first digital products were based on well-established brand products and have since been supplemented with new online services.

Alma Media currently offers some 30 different online services. In terms of number of users, Alma Media is the largest Internet services provider in Finland. Its services were used weekly by more than 430,000 people in January 2000. Roughly 400,000 of these users are registered in the New Media's AHAA customer management system, a database developed by Alma Media for containing all users of Alma Media's online services.

In addition to supporting media advertising, the AHAA system also enables New Media to develop new and more appealing online services. AHAA can be used for precise targeting of advertising and, for example, to integrate various e-commerce sites with digital services. The AHAA customer management system has been developed giving special attention to safeguarding the confidentiality of individual users in close collaboration with an authorized data security company.

New products added to the MTV3i portfolio include the Finnish language Luukku.com e-mail service, and the ShopIt and eTori e-retail sites. MTV3i further broadened its activities in the autumn when it started joint marketing of ISP connections with the Kesko retail chain and Fujitsu. Some two million hits were registered on MTV3i's pages in January 2000. MTV3i recorded net sales of FIM 10 million.

Kauppalehti Online's services were renewed and broadened in October. Launches during the year included new GSM services and the first WAP services. Kauppalehti Online's net sales totalled FIM 7 million, roughly one-third of which comprised advertising revenues and two-thirds licences fees and sales of content and services. Sales of mobile services grew particularly vigorous at the end of the period.

In the area of classified advertisements Alma Media Net Ventures launched a new combination of print and online services. Since the beginning of the year the DIME newspaper printed from the DIME database was also distributed with the Kauppalehti and Italehti newspapers and the same classified ads were also available on MTV's text TV pages. In summer Alma Media Net Ventures acquired 80 % of the Asuntopörssi apartment advertising papers in Jyväskylä, Tampere and Pori, and integrated them into the DIME service. A new e-classifieds service was the introduction of

Autotalli for motoring enthusiasts. The Autotalli service is offered by MTV3i and online Aamulehti. The Jobline recruitment service was highly successful, and by the end of the year its database had 15,000 active job seekers. New Media's classified advertising sales totalled FIM 8 million.

Alma Media maintained its market share in online services, which were used by twice as many people as one year before. Ad Facts Ltd estimates that Internet advertising in Finland totalled FIM 37 million in 1999. The New Media business area recorded net sales of FIM 29 (14) million. FIM 18 million of this figure came from banner advertising and classified ads. The operating result was a loss of FIM -28 (-16) million. MTV3i, Kauppalehti Online, Italehti Online, Jobline and DIME-Asuntopörssi all recorded positive results. The operating loss was caused by increased R&D investments.

Alprint

Market conditions were difficult for Alprint throughout the year. Exports of printed products to Russia have curtailed drastically since August 1998, falling to FIM 400 million below the previous record year even though export volumes had already decreased substantially in the final four months of 1998. The slump created approximately FIM 600 million in annual free capacity. The situation was further weakened by the building of new printing capacity in Finland and Russia. Overcapacity has sharply reduced price levels in both countries. Exports to the west, however, rose clearly while price levels and paper prices remained essentially unchanged. Alprint spent approximately FIM 300 million on paper stocks, roughly one-third of which was employed on printing of Alma Media's own publications.

Alprint introduced streamlining measures to cut costs and build up a customer-based operating model back in 1998. The merger of all Alprint's operations into a single company was started in 1999 and its activities were divided into four product lines. The new organization, introduced in the autumn, divides production into Cold Set, Heat Set, Hybrid and Special Products, all of which are served by a joint Prepress unit. Customers are segmented into advertisers and publishers, regardless of the products they buy. The Nordic countries were defined as Alprint's domestic market.

Alprint closed two newspaper printing works and decided on the closure of two magazine printing works during the year. The production of the closed newspaper printing works was transferred to the Special Products unit set up in Tampere. Modernization of the Heat Set unit in Tampere will be completed during 2000, after which the operations of the closed magazine printing works will be transferred to this unit. This will place all Alprint's

magazine printing activities within one Heat Set unit.

The decision was also taken last year to close the printing operation in Kemi. The Pohjolan Sanomat newspaper will be printed by Alprint's Cold Set unit in Rovaniemi from March 2000. Alprint's streamlining programme started in 1998 will not create new capacity in the market. The programme is estimated to have an aggregate positive impact of FIM 50 million on Alprint's performance from the year 2002.

Alprint's net sales fell 11 % to FIM 786 (880) million. This figure included 32 % (28 %) from Alma Media itself and 35 % (32 %) from other domestic customers. Exports accounted for FIM 261 (354) million of the total. Exports to Russia amounted to FIM 59 (185) million, to the Nordic countries FIM 176 (138) million, and to other countries FIM 27 (31) million. Alprint posted an operating profit of FIM 0 (29) million.

NET SALES AND OPERATING PROFIT BY BUSINESS AREA (MFIM)

	Net sales			Operating profit/loss		
	1999	1998	%	1999	1998	%
Alpress	1,301	1,107	18	172	150	15
Broadcasting	1,064	1,114	-4	48	111	-57
New Media*)	29	14	107	-28	-16	-75
Alprint	786	880	-11	0	29	-
Parent company and other businesses	63	66	-5	-9	-32	72
Intragroup net sales/ Groupentries	-332	-313	6	5	0	-
Total	2,911	2,868	2	188	242	-22

(* The net sales and operating profit of the New Media business area do not match the legal organization. Overlaps with Alpress are eliminated in the consolidated entries.)

CONSOLIDATED INCOME STATEMENT

FIM million	Note	1 Jan.-31 Dec.1999		1 Jan.-31 Dec.1998	
		1 Jan.-31 Dec.1999	1 Jan.-31 Dec.1998	1 Jan.-31 Dec.1999	1 Jan.-31 Dec.1998
Net sales	(1)	2,911.3	2,867.5	489.6	482.3
Increase (+) / decrease (-) in stocks of finished and unfinished goods		-0.1	0.3	0.0	0.1
Other operating income	(2)	50.0	25.3	8.4	4.3
Associated companies, share of profits		2.4	0.0	0.4	0.0
Materials and services	(3)	-1,015.7	-951.7	-170.8	-160.1
Personnel expenses	(4)	-891.2	-835.9	-149.9	-140.6
Depreciation and writedowns	(5)	-175.6	-171.1	-29.5	-28.8
Other operating expenses		-692.9	-688.6	-116.5	-115.8
Associated companies, share of losses		0.0	-3.4	0.0	-0.6
Operating profit	(1)	188.2	242.4	31.7	40.8
Associated companies, share of results		0.0	0.2	0.0	0.0
Financial income and expenses	(6)	-15.0	-17.9	-2.6	-3.0
Profit before extraordinary items		173.2	224.7	29.1	37.8
Extraordinary items	(7)	1.6	17.7	0.3	3.0
Profit before taxes		174.8	242.4	29.4	40.8
Income taxes	(9)	-57.0	-76.0	-9.6	-12.8
Minority interest		-3.8	-3.9	-0.6	-0.7
Net profit for the year		114.0	162.5	19.2	27.3

PARENT COMPANY INCOME STATEMENT

FIM million	Note	1 Jan.-31 Dec.1999		1 Apr.-31 Dec.1998	
		Jan.-31 Dec.1999	1 Apr.-31 Dec.1998	Jan.-31 Dec.1999	1 Apr.-31 Dec.1998
Net sales	(1)	62.9	50.5	10.6	8.5
Other operating income	(2)	18.1	1.0	3.0	0.2
Personnel expenses	(4)	-22.6	-19.7	-3.8	-3.3
Depreciation and writedowns	(5)	-27.8	-23.4	-4.7	-4.0
Other operating expenses		-39.3	-39.8	-6.6	-6.7
Operating profit (loss)	(1)	-8.7	-31.4	-1.5	-5.3
Financial income and expenses	(6)	36.6	24.9	6.2	4.2
Profit (Loss) before extraordinary items		27.9	-6.5	4.7	-1.1
Extraordinary items	(7)	119.0	190.1	20.0	32.0
Profit before appropriations and taxes		146.9	183.6	24.7	30.9
Appropriations	(8)	3.7	2.0	0.6	0.3
Income taxes	(9)	-42.0	-53.3	-7.0	-8.9
Net profit for the year		108.6	132.3	18.3	22.3

CONSOLIDATED BALANCE SHEET

FIM million	Note	31 Dec. 1999		31 Dec. 1998	
		31 Dec. 1999	31 Dec. 1998	31 Dec. 1999	31 Dec. 1998
ASSETS					
FIXED ASSETS					
Intangible assets	(11)	80.2	87.4	13.5	14.7
Goodwill on consolidation	(11)	103.9	94.9	17.5	15.9
Tangible assets	(12,13)	993.2	921.0	167.0	154.9
Holdings in associated companies	(14,15)	543.2	552.9	91.4	93.0
Other investments	(14,15)	157.5	157.3	26.5	26.5
Fixed assets, total		1,878.0	1,813.5	315.9	305.0
CURRENT ASSETS					
Inventories	(16)	235.2	206.7	39.5	34.8
Long-term receivables	(17)	2.7	2.6	0.5	0.4
Short-term receivables	(17)	275.9	275.6	46.4	46.4
Cash and bank		129.0	158.3	21.7	26.6
Current assets, total		642.8	643.2	108.1	108.2
Assets total		2,520.8	2,456.7	424.0	413.2

PARENT COMPANY BALANCE SHEET

FIM million	Note	31 Dec. 1999		31 Dec. 1998	
		31 Dec. 1999	31 Dec. 1998	31 Dec. 1999	31 Dec. 1998
ASSETS					
FIXED ASSETS					
Intangible assets	(11)	3.5	17.9	0.6	3.0
Tangible assets	(12,13)	248.3	294.1	41.8	49.5
Holdings in Group companies	(14,15)	370.1	370.1	62.2	62.2
Other investments	(14,15)	106.0	119.1	17.8	20.0
Fixed assets, total		727.9	801.2	122.4	134.7
CURRENT ASSETS					
Short-term receivables	(17)	1,148.2	1,081.2	193.1	181.9
Cash and bank		100.5	125.6	16.9	21.1
Current assets, total		1,248.7	1,206.8	210.0	203.0
Assets total		1,976.6	2,008.0	332.4	337.7

CONSOLIDATED BALANCE SHEET

FIM million	Note	31 Dec. 1999		31 Dec. 1998	
		31 Dec. 1999	31 Dec. 1998	31 Dec. 1999	31 Dec. 1998
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	(18,19,20)				
Share capital		157.3	157.3	26.5	26.5
Share premium fund		22.1	22.1	3.7	3.7
Revaluation fund		45.9	72.8	7.7	12.2
Reserve fund		278.7	278.7	46.9	46.9
Retained earnings		624.8	511.6	105.0	86.0
Net profit for the year		114.0	162.5	19.2	27.3
Shareholders' equity, total		1,242.8	1,205.0	209.0	202.6
MINORITY INTEREST		23.7	27.8	4.0	4.7
PROVISIONS	(21)	14.0	5.2	2.4	0.9
LIABILITIES					
Deferred tax liability	(22)	101.3	63.5	17.0	10.7
Long-term liabilities	(23, 24)	562.4	573.6	94.6	96.5
Short-term liabilities	(25)	576.6	581.6	97.0	97.8
Liabilities, total		1,240.3	1,218.7	208.6	205.0
Shareholders' equity and liabilities, total		2,520.8	2,456.7	424.0	413.2

PARENT COMPANY BALANCE SHEET

FIM million	Note	31 Dec. 1999		31 Dec. 1998	
		31 Dec. 1999	31 Dec. 1998	31 Dec. 1999	31 Dec. 1998
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	(18,19,20)				
Share capital		157.3	157.3	26.5	26.5
Share premium fund		22.1	22.1	3.7	3.7
Revaluation fund		72.8	72.8	12.2	12.2
Reserve fund		278.7	278.7	46.9	46.9
Contingency fund		121.4	121.4	20.4	20.4
Retained earnings		397.9	328.5	66.9	55.2
Net profit for the year		108.6	132.3	18.3	22.3
Shareholders' equity, total		1,158.8	1,113.1	194.9	187.2
ACCUMULATED APPROPRIATIONS		12.9	16.6	2.2	2.8
PROVISIONS	(21)	8.4	0.0	1.4	0.0
LIABILITIES					
Long-term liabilities	(23,24)	497.9	546.0	83.7	91.8
Short-term liabilities	(25)	298.6	332.3	50.2	55.9
Liabilities, total		796.5	878.3	133.9	147.7
Shareholders' equity and liabilities, total		1,976.6	2,008.0	332.4	337.7

CONSOLIDATED CASH FLOW STATEMENT

FIM million	1 Jan. - 31 Dec. 1999		1 Jan. - 31 Dec. 1998	
	1 Jan.-31 Dec.1999	1 Jan.-31 Dec. 1998	1 Jan.-31 Dec.1999	1 Jan.-31 Dec. 1998
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit	188.2	242.4	31.7	40.8
Adjustments to operating profit *)	146.3	160.3	24.6	27.0
Change in working capital	-66.1	-100.7	-11.1	-16.9
Interest received	4.6	10.3	0.8	1.7
Interest paid and payments on other financial expenses	-24.5	-25.4	-4.1	-4.3
Dividends received	22.3	18.4	3.7	3.1
Income taxes paid	-78.4	-60.7	-13.2	-10.2
Cash flow from extraordinary items	0.6	1.3	0.1	0.2
Net cash from operating activities	193.0	245.9	32.5	41.4
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in other securities	-57.9	-95.3	-9.7	-16.0
Investments in tangible and intangible assets	-184.7	-120.6	-31.1	-20.3
Proceeds from sale of other investments	64.5	47.6	10.8	8.0
Proceeds from sale of tangible and intangible assets	61.2	48.3	10.3	8.1
Loans granted	-7.9	-3.9	-1.3	-0.7
Repayments on loans	10.0	0.0	1.7	0.0
Net cash from investing activities	-114.8	-123.9	-19.3	-20.9
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term loans	50.7	401.1	8.5	67.5
Payments of loan-term loans	-103.9	-75.7	-17.5	-12.7
Increase (-) / decrease (+) in interest-bearing receivables	1.6	0.5	0.3	0.1
Proceeds from (+) / payments of (-) short-term loans	10.6	-447.0	1.8	-75.2
Dividend payments	-66.5	-55.7	-11.2	-9.4
Paid share issue	0.0	0.8	0.0	0.1
Net cash used in financing activities	-107.5	-176.0	-18.1	-29.6
Net increase (+) / decrease (-) in cash and cash equivalents	-29.3	-54.0	-4.9	-9.1
Cash reserves on 1 Jan.	158.3	212.3	26.6	35.7
Cash reserves on 31 Dec.	129.0	158.3	21.7	26.6

*) Includes adjustments to depreciation, results of associated companies, provisions and profits/losses on sale of fixed assets.

PARENT COMPANY CASH FLOW STATEMENT

FIM million	1 Jan. - 31 Dec. 1999		1 Apr. - 31 Dec. 1998	
	1 Jan. - 31 Dec. 1999	1 Apr. - 31 Dec. 1998	1 Jan. - 31 Dec. 1999	1 Apr. - 31 Dec. 1998
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit/loss	-8.7	-31.4	-1.5	-5.3
Adjustments to operating profit *)	9.5	26.5	1.6	4.5
Change in working capital	-8.9	23.2	-1.5	3.9
Interest received	57.7	30.0	9.7	5.0
Interest paid and payments on other financial expenses	-28.0	-22.7	-4.7	-3.8
Dividends received	4.4	20.4	0.7	3.4
Income taxes paid	-60.8	-27.0	-10.2	-4.5
Net cash from operating activities	-34.8	19.0	-5.9	3.2
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in other securities	-10.8	-8.3	-1.8	-1.4
Investments in tangible and intangible assets	-3.6	-5.3	-0.6	-0.9
Proceeds from sale of other investments	31.9	437.3	5.4	73.5
Proceeds from sale of tangible and intangible assets	45.4	34.1	7.6	5.7
Loans granted	-7.9	0.0	-1.3	0.0
Repayments on loans	10.0	4.2	1.7	0.7
Net cash from investing activities	65.0	462.0	11.0	77.6
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term loans	41.2	400.0	6.9	67.3
Payments of loan-term loans	-82.3	-71.5	-13.8	-12.0
Increase (-) / decrease (+) in interest-bearing receivables	-69.3	-587.3	-11.6	-98.8
Proceeds from (+) / payments of (-) short-term loans	-1.0	-347.9	-0.2	-58.5
Dividend payments	-62.9	0.0	-10.6	0.0
Proceeds from / payments of Group contributions	119.0	192.0	20.0	32.3
Net cash used in financing activities	-55.3	-414.7	-9.3	-69.7
Net increase (+) / decrease (-) in cash and cash equivalents	-25.1	66.3	-4.2	11.1
Cash reserves on 1 Jan.	125.6	59.3	21.1	10.0
Cash reserves on 31 Dec.	100.5	125.6	16.9	21.1
*) Includes adjustments to depreciation, provisions and profits/losses on sale of fixed assets.				

NOTES TO THE FINANCIAL STATEMENTS AT 31 DEC.

Accounting principles

Adoption of new Accounting Act

All companies in the Alma Media Group apply the accounting principles specified in the new Finnish Accounting Act (30 December 1997). The main difference between the new and previous accounting practice is in the treatment of deferred tax liabilities and assets, which are henceforth presented in the manner described in IAS 12 Income Taxes. Deferred tax liabilities arising from revaluations and from allocated goodwill on consolidation are recorded between balance sheet items. Deferred tax liabilities and assets calculated from other items and arising in prior years are entered under extraordinary items in the income statement and the changes during the review year are shown in the income statement as a change in deferred tax liabilities under income tax.

The 1998 figures have been adjusted in line with the new accounting practice.

Previous year's figures

Aamulehti Corporation and MTV Corporation were merged on 1 April 1998 to form Alma Media Corporation. The merger was carried out using the pooling method and accordingly the companies operated with a single set of accounts since the beginning of 1998. Hence the consolidated figures for 1998 are comparable with the consolidated 1999 figures.

The net sales of MTV were redefined from 1 January 1999 to include income from sponsoring activities, which were previously entered under other operating income or as a decrease in programming costs. The previous year's figures are adjusted accordingly.

The 1998 figures for the parent company, Alma Media Corporation, are presented for the period 1 April - 31 December 1998 since Alma Media Corporation started operating on 1 April 1998.

The 1999 financial statements are in Finnish markka. The main figures are also given in euro in the annual report.

Scope of consolidation

The consolidated accounts comprise the parent company Alma Media Corporation and those companies in which the parent company holds, directly or indirectly, more than 50 % of the voting rights at the end of the financial period, or over which it 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.

Associated housing and real estate companies are not consolidated. The impact of such companies on the consolidated profit and shareholders' equity is not significant.

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 at the time of acquisition are allocated mainly to the balance sheet items concerned. Goodwill on consolidation allocated to fixed assets is amortized

according to the planned depreciation of the item concerned. Non-allocated goodwill on consolidation is shown separately in the consolidated balance sheet and amortized over its period of influence. Goodwill (assets) is amortized, and goodwill (liabilities) is charged to the income statement over 10 years, or 20 years in the case of television operations.

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. The Group's share of the results of associated companies in the review year, less amortization goodwill on consolidation, is shown separately in the income statement.

The Group's holding in Kainuun Sanomain Kirjapaino Oy exceeded 50 % on 10 February 1999. This company's figures are consolidated in the Alpress and Alma Media Group accounts from 1 January 1999.

Fixed assets

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.

Research and development costs are expensed in the financial period during which they are incurred.

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 the lower of the share price on the last day of trading or at their acquisition price.

Foreign currency items

Foreign currency items are translated into Finnish markka at the average rate on the balance sheet date announced by the Bank of Finland.

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 loans and arising during the accounting period are taken to other financial income and expenses in the income statement.

In the consolidation of foreign companies, the average exchange rate during the year is used in the income statement, and elsewhere the average rate on the balance sheet date announced by the Bank of Finland. Translation differences are entered in retained earnings under shareholders' equity.

Pension commitments

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

The 1998 figures for the parent company, Alma Media Corporation, apply to the period 1 April - 31 December 1998.

FIM million

1. NET SALES, OPERATING PROFIT / LOSS AND PERSONNEL

Net sales, operating profit/loss and personnel by business area	Net sales		Operating profit/loss		Personnel average *)	
	1999	1998	1999	1998	1999	1998
Alpress	1,301.0	1,106.5	172.1	150.0	1,318	1,085
MTV	1,064.5	1,113.6	48.2	111.4	702	726
Alprint	786.5	880.5	0.0	28.8	957	971
Parent company and other operations	85.4	79.3	-36.5	-49.9	131	123
Group entries	-326.1	-312.4	4.4	2.1	-	-
Total	2,911.3	2,867.5	188.2	242.4	3,108	2,905
*) In addition part-time newspaper delivery staff					1,059	983

Net sales by marketing area	Group		Parent Company	
	1999	1998	1999	1998
Finland	2,650.8	2,508.6	62.9	50.5
Other Nordic countries	175.2	141.7	-	-
Russia	58.6	185.2	-	-
Other countries	26.7	32.0	-	-
Total	2,911.3	2,867.5	62.9	50.5

2. OTHER OPERATING INCOME

	Group		Parent Company	
	1999	1998	1999	1998
Profits on sale of fixed assets	28.8	20.0	17.9	0.8
Other	21.2	5.3	0.2	0.2
Total	50.0	25.3	18.1	1.0

3. MATERIALS AND SERVICES

	Group		Parent Company	
	1999	1998	1999	1998
Materials, supplies and goods:				
Purchased during the period	392.9	407.3	0.0	0.0
Change in inventories	-0.5	0.4	0.0	0.0
	392.4	407.7	0.0	0.0
External services	623.3	544.0	0.0	0.0
Total	1,015.7	951.7	0.0	0.0

4. PERSONNEL EXPENSES

	Group		Parent Company	
	1999	1998	1999	1998
Wages, salaries and fees	699.4	652.9	15.6	10.6
Pension expenses	125.2	120.2	5.7	8.4
Other social expenses	66.6	62.8	1.3	0.7
Total	891.2	835.9	22.6	19.7

	Group		Parent Company	
	1999	1998	1999	1998
Salaries and fees to management				
President and CEO	16.9	17.8	2.0	1.3
Members and the Board of Directors	0.6	0.5	0.4	0.3
Members of the Supervisory Board	0.1	0.1	0.1	0.1
Total	17.6	18.4	2.5	1.7

Based on contracts of employment the President and CEO of the parent company and three executive vice presidents are entitled to take retirement on reaching 60 years of age.

5. DEPRECIATION AND WRITEDOWNS

	Group		Parent Company	
	1999	1998	1999	1998
Planned depreciation	159.4	158.0	27.8	23.4
Amortization of goodwill on consolidation	15.0	13.1	0.0	0.0
Writedowns of fixed assets	1.2	0.0	0.0	0.0
Total	175.6	171.1	27.8	23.4

6. FINANCIAL INCOME AND EXPENSES

	Group		Parent Company	
	1999	1998	1999	1998
Dividend income:				
From Group companies	0.0	0.0	3.6	4.9
From associated companies	0.0	0.0	1.0	13.8
From others	5.6	1.2	1.5	0.7
Total	5.6	1.2	6.1	19.4
Interest income from long-term investments:				
From others	0.8	0.7	0.7	0.6
Share of associated companies' results	0.0	0.2	0.0	0.0
Income from long-term investments, total	6.4	2.1	6.8	20.0
Other interest and financial income:				
From Group companies	0.0	0.0	55.0	27.9
From others	3.9	9.3	1.8	1.6
Total	3.9	9.3	56.8	29.5
Interest income from long-term investments and other interest and financial income, total	4.7	10.0	57.5	30.1
Writedowns of investments:				
Writedowns of long-term investments	0.0	-0.1	0.0	-0.1
Interest expenses and other financial expenses:				
To Group companies	0.0	0.0	-4.9	-4.4
To others	-25.3	-29.0	-22.1	-20.1
Total	-25.3	-29.0	-27.0	-24.5
Financial income and expenses total	-15.0	-17.7	36.6	24.9
Exchange rate differences in financial income and expenses	0.0	0.8	0.0	0.0

7. EXTRAORDINARY ITEMS

	Group		Parent Company	
	1999	1998	1999	1998
Extraordinary income:				
Group contributions received	0.0	0.0	121.5	192.0
Profits on sales	0.0	16.6	0.0	0.0
Other extraordinary income	1.6	1.6	0.0	0.0
Total	1.6	18.2	121.5	192.0
Extraordinary expenses:				
Group contributions given	0.0	0.0	-2.5	-1.9
Other extraordinary expenses	0.0	-0.5	0.0	0.0
Total	0.0	-0.5	-2.5	-1.9
Extraordinary items, total	1.6	17.7	119.0	190.1

8. APPROPRIATIONS

	Parent Company	
	1999	1998
Depreciation difference	3.7	2.0

9. INCOME TAX

	Group		Parent Company	
	1999	1998	1999	1998
Income tax on extraordinary items	0.0	0.0	-33.3	-53.2
Current tax	-55.8	-74.5	-8.7	-0.1
Change in deferred tax liability:				
Timing differences	0.3	0.0	0.0	0.0
Appropriations	-1.4	-1.5	0.0	0.0
Other temporary differences	-0.1	0.0	0.0	0.0
Total	-57.0	-76.0	-42.0	-53.3

10. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs were FIM 34.1 million (1998: MFIM 23.6). No research and development costs were activated.

11. INTANGIBLE ASSETS

Group	Intangible rights	Goodwill		Other	Advances paid	Total
		Goodwill	on consolidation	long-term expenditure		
Acquisition cost 1 Jan.	11.1	1.8	166.1	255.3	2.3	436.6
New companies	2.2	0.0	0.0	1.5	0.0	3.7
Increases	8.8	0.0	24.8	23.3	2.2	59.1
Decreases	-6.8	0.0	-3.6	-13.5	-0.1	-24.0
Transfers between items	0.3	0.0	0.0	10.1	-2.1	8.3
Acquisition cost 31 Dec.	15.6	1.8	187.3	276.7	2.3	483.7
Accumulated depreciation and writedowns 1 Jan.	3.6	0.6	69.9	180.2	0.0	254.3
New companies	1.8	0.0	0.0	0.7	0.0	2.5
Accumulated depreciation on decreases and transfers	0.0	0.0	-1.6	-2.7	0.0	-4.3
Depreciation in the year	1.6	0.2	15.1	30.2	0.0	47.1
Acquisition cost 31 Dec.	-7.0	-0.8	-83.4	-208.4	0.0	-299.6
Net carrying amount 31 Dec.	8.6	1.0	103.9	68.3	2.3	184.1

Parent company	Intangible rights	Goodwill		Other	Advances paid	Total
		Goodwill	on consolidation	long-term expenditure		
Acquisition cost 1 Jan.	0.0	0.0	0.0	132.3	0.0	132.3
Increases	0.0	0.0	0.0	0.4	0.0	0.4
Decreases	0.0	0.0	0.0	-0.8	0.0	-0.8
Acquisition cost 31 Dec.	0.0	0.0	0.0	131.9	0.0	131.9
Accumulated depreciation and writedowns 1 Jan.	0.0	0.0	0.0	114.4	0.0	114.4
Accumulated depreciation on decreases and transfers	0.0	0.0	0.0	-0.8	0.0	-0.8
Depreciation in the year	0.0	0.0	0.0	14.8	0.0	14.8
Acquisition cost 31 Dec.	0.0	0.0	0.0	-128.4	0.0	-128.4
Net carrying amount 31 Dec.	0.0	0.0	0.0	3.5	0.0	3.5

12. TANGIBLE ASSETS

Group	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advances paid and uncompleted purchases	Total
Acquisition cost 1 Jan.	47.4	412.6	1,183.7	11.7	5.4	1,660.8
New companies	10.4	71.5	44.6	0.0	0.0	126.5
Increases	14.4	8.0	87.9	0.6	82.6	193.5
Decreases	-7.8	-43.8	-35.2	-0.9	-5.1	-92.8
Transfers between items	0.0	0.3	-0.3	0.0	-0.3	-0.3
Acquisition cost 31 Dec.	64.4	448.6	1,280.7	11.4	82.6	1,887.7
Accumulated depreciation and writedowns 1 Jan.	0.0	122.2	701.6	3.7	0.0	827.5
New companies	6.7	22.3	35.0	0.0	0.0	64.0
Accumulated depreciation on decreases and transfers	0.0	-10.3	-23.2	-0.4	0.0	-33.9
Depreciation in the year	0.0	19.8	106.9	0.8	0.0	127.5
Writedowns	0.0	0.0	1.1	0.0	0.0	1.1
Accumulated depreciation 31 Dec.	-6.7	-154.0	-821.4	-4.1	0.0	-986.2
Revaluations	2.0	89.7				91.7
Net carrying amount 31 Dec.	59.7	384.3	459.3	7.3	82.6	993.2

Machinery and equipment on 31 Dec. 423.3

Parent company	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advances paid and uncompleted purchases	Total
Acquisition cost 1 Jan.	33.1	241.7	19.2	5.3	0.0	299.3
Increases	0.0	0.1	3.2	0.0	0.0	3.3
Decreases	-5.6	-39.9	-1.7	-0.3	0.0	-47.5
Acquisition cost 31 Dec.	27.5	201.9	20.7	5.0	0.0	255.1
Accumulated depreciation and writedowns 1 Jan.	0.0	72.5	10.1	1.6	0.0	84.2
Accumulated depreciation on decreases and transfers	0.0	-9.7	-1.4	-0.3	0.0	-11.4
Depreciation in the year	0.0	9.1	3.6	0.3	0.0	13.0
Accumulated depreciation 31 Dec.	0.0	-71.9	-12.3	-1.6	0.0	-85.8
Revaluations	0.0	79.0				79.0
Net carrying amount 31 Dec.	27.5	209.0	8.4	3.4	0.0	248.3

Machinery and equipment on 31 Dec. 0

13. REVALUATIONS

Group:	Value 1 Jan.	Revaluations 1 Jan.-31 Dec.	Refersals of revaluations 1 Jan.-31 Dec.	Value 31 Dec.
Land and water	2.0	0.0	0.0	2.0
Buildings and structures	89.7	0.0	0.0	89.7
Parent company:				
Buildings and structures	79.0	0.0	0.0	79.0

14. INVESTMENTS

Shares

Receivables

Group	in associated companies	Shares in others	from associated companies	Receivables from others	Total
Acquisition cost 1 Jan.	580.1	130.9	15.5	11.0	737.5
New companies	0.0	4.3	0.0	0.0	4.3
Change in translation difference	11.1	0.0	0.0	0.0	11.1
Increases	11.3	26.9	0.0	8.1	46.3
Decreases	-0.5	-27.9	-0.2	-10.1	-38.7
Transfers between items	-9.3	-1.0	0.0	0.0	-10.3
Acquisition cost 31 Dec.	592.7	133.2	15.3	9.0	750.2
Accumulated depreciation and writedowns 1 Jan.	27.3	0.0	0.0	0.0	27.3
Amortization of goodwill on consolidation	22.1	0.0	0.0	0.0	22.1
Depreciation in the year	0.0	0.0	0.0	0.0	0.0
Writedowns	0.1	0.0	0.0	0.0	0.1
Accumulated depreciation 31 Dec.	-49.5	0.0	0.0	0.0	-49.5
Net carrying amount 31 Dec.	543.2	133.2	15.3	9.0	700.7

Goodwill on consolidation of associated companies totalled FIM 384.0 (405.7) million at 31 December 1999.

	Shares in Group companies	Shares in associated companies	Shares in others	Receivables from Group companies	Receivables from others	Total
Parent company						
Acquisition cost 1 Jan.	370.1	8.9	39.2	60.7	10.2	489.1
Increases	0.0	0.0	10.8	0.2	8.0	19.0
Decreases	0.0	0.0	-20.4	-1.5	-10.1	-32.0
Acquisition cost 31 Dec.	370.1	8.9	29.6	59.4	8.1	476.1
Net carrying amount 31 Dec.	370.1	8.9	29.6	59.4	8.1	476.1

15. SHARES AND HOLDINGS

	Domicile	Group holding %	Parent company holding %
Group companies			
Aamujakelu Oy	Tampere	100.00	0.00
Alexpress Oy	Tampere	100.00	100.00
Alma Media Interactive Oy	Helsinki	100.00	100.00
Alma Media Net Ventures Oy	Helsinki	100.00	100.00
Alpress Oy	Tampere	100.00	90.00
Alprint Ab	Tukholma	100.00	0.00
Alprint Aikakauslehtipainot Oy	Tampere	100.00	0.00
Alprint Oy	Vantaa	100.00	100.00
Alprint Sanomalehtipainot Oy	Vantaa	100.00	0.00
Arctic Press Oy	Rovaniemi	100.00	0.00
As. Oy Kajaanin Pohjolankatu 33	Kajaani	100.00	0.00
City-TV Oy Helsinki	Helsinki	59.00	0.00
Domiras Oy	Helsinki	60.00	60.00
Doraprint Oy	Tampere	100.00	100.00
Futuraprint Oy Ltd	Kajaani	100.00	0.00
Jobline Oy	Helsinki	75.00	0.00
Kainuun Sanomain Kirjapaino Oy	Kajaani	91.17	0.00
Kainuun Televisio Oy	Kajaani	100.00	0.00
Kainuun Viestintä Oy	Kajaani	100.00	0.00
Karenstock Oy	Helsinki	100.00	0.00
	Group holding	Parent company	Domicile % holding %
Group companies:			
Kiint. Oy Kajaanin Kauppakatu 34	Kajaani	100.00	0.00

Kiint. Oy Kajaanin Kauppakatu 36	Kajaani	100.00	0.00
Kiint. Oy Kajaanin Kauppakatu 38	Kajaani	100.00	0.00
Kiint. Oy Liike- ja Autokulma	Rovaniemi	79.20	0.00
Kiint. Oy Raholantalo	Tampere	100.00	0.00
Kiint. Oy Veneentekijäntie 20	Helsinki	100.00	100.00
Kuhmon Kirjapaino Oy	Kuhmo	100.00	0.00
Kustannus Oy Aamulehti	Tampere	100.00	0.00
Kustannus Oy Otsikko	Tampere	100.00	0.00
Kustannusosakeyhtiö Iltalehti	Vantaa	100.00	0.00
Kustannusosakeyhtiö Kauppalehti	Vantaa	100.00	0.00
Kustannusosakeyhtiö Uusi Suomi	Vantaa	100.00	0.00
Lapin Kansa Oy	Rovaniemi	62.44	28.43
Marcercenter Oy	Tampere	100.00	100.00
Marsania Oy	Tampere	100.00	100.00
Masbete Oy	Helsinki	100.00	0.00
Meri-Lapin Kustannus Oy	Kemi	100.00	0.00
Minara-tek Oy	Tampere	100.00	100.00
MTV-Palvelukiinteistöt Oy	Helsinki	100.00	0.00
MTV-Tuotanto Oy	Helsinki	100.00	0.00
MTV Media Oy	Helsinki	100.00	0.00
MTV Oy	Helsinki	100.00	100.00
Nanomet Oy	Tampere	100.00	100.00
Nelossivu Oy	Kajaani	100.00	0.00
Osakeyhtiö Harjavallan Kustannus	Harjavalta	99.20	0.00
Oy Alprint International Ltd	Vantaa	100.00	0.00
Oy Patakakkonen Ab	Helsinki	100.00	0.00
Oy Patakuutonen Ab	Helsinki	100.00	0.00
Oy Patanelonen Ab	Helsinki	100.00	0.00
Oy Pataviitonen Ab	Helsinki	100.00	0.00
Oy Pataykkönen Ab	Helsinki	100.00	0.00
Oy Ristikakkonen Ab	Helsinki	100.00	0.00
Oy Ristikolmonen Ab	Helsinki	100.00	0.00
Oy Ristinelonen Ab	Helsinki	100.00	0.00
Oy Ristiviitonen Ab	Helsinki	100.00	0.00
Oy Ristiykkönen Ab	Helsinki	100.00	0.00
Oy Ruutukakkonen Ab	Helsinki	100.00	0.00
Oy Ruutukolmonen Ab	Helsinki	100.00	0.00
Oy Ruutuviitonen Ab	Helsinki	100.00	0.00
Oy Ruutykkönen Ab	Helsinki	100.00	0.00
Plauttus Oy	Helsinki	100.00	0.00
Pohjoiskaira Oy	Kemi	100.00	0.00
Pohjolan Jakelutoimisto Oy	Kemi	100.00	0.00
Pohjolan Sanomat Oyj	Kemi	88.58	0.00
Porin Kaupunkitieto-Media Oy	Pori	100.00	0.00
Porin Sanomat Oy	Pori	100.00	0.00
PS-Print Oy	Kemi	100.00	0.00
Puossakka Oy	Helsinki	100.00	0.00
Satajulkaisut Oy	Pori	100.00	0.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	0.00
Somy Oy	Tampere	100.00	100.00
Sotkamon Lehti Oy	Sotkamo	100.00	0.00
Sovartec Oy	Tampere	100.00	100.00
Suomen Asuntoporssilehdet Oy	Jyväskylä	80.00	0.00
	Group holding		Parent company holding %
	Domicile	%	
Group companies:			
Suomen Erikoisporssilehdet Oy	Tampere	80.00	0.00

Suomen Paikallissanomat Oy	Tampere	100.00	0.00
Suomen Paikallistori Oy	Kajaani	100.00	0.00
Suomen Uutislinkki Oy	Helsinki	100.00	0.00
Tampereen Viestintä Oy	Tampere	100.00	100.00
Tuotantoyhtiö FOR Oy	Helsinki	100.00	0.00
Yläkainuun Paikallislehti Oy	Suomussalmi	100.00	0.00

Associated companies:

Baltic News Service Ltd.	Tallinna	26.48	0.00
City-TV Oy Pirkanmaa	Helsinki	40.00	0.00
City-TV Oy Suomi	Helsinki	40.00	0.00
City-TV Oy Turku	Helsinki	40.00	0.00
Finn-Lab Oy	Helsinki	38.00	0.00
Funny-Films Oy	Helsinki	48.00	0.00
Karhuvisio Oy	Pori	22.20	0.00
Kustannusosakeyhtiö Koti-Kajaani	Kajaani	40.00	0.00
MTV-Tele Oy	Helsinki	48.00	0.00
MTV-Viihde Oy	Helsinki	49.00	0.00
Oy Suomen Urheilutelevisio	Helsinki	50.00	0.00
Oy Suomen Uutisradio Ab	Helsinki	48.00	0.00
Radio Meri-Lappi Oy	Kemi	39.44	0.00
Suomen Lehdentekijät -ryhmä Oy	Helsinki	25.00	0.00
Suomen Tietotoimisto Oy	Helsinki	27.40	24.10
Tampereen Tietoverkko Oy	Tampere	34.90	34.90
Tornionlaakson Kustannus Oy	Pello	50.00	0.00
TV4 AB	Tukholma	23.40	0.0

Associated companies are consolidated using the equity method.

Also certain other companies, principally housing and real estate companies, are not consolidated in the Group's financial statements.

16. INVENTORIES

	Group		Parent company	
	1999	1998	1999	1998
Materials and supplies	29.3	27.3	0.0	0.0
Unfinished products	5.1	5.1	0.0	0.0
Finnished products / goods	0.4	0.1	0.0	0.0
Other inventory	0.4	0.7	0.0	0.0
Advances paid	200.0	173.5	0.0	0.0
Total	235.2	206.7	0.0	0.0

17. RECEIVABLES

	Group		Parent company	
	1999	1998	1999	1998
Long-term				
Loans receivable	1.4	2.6	0.0	0.0
Other receivables	1.3	0.0	0.0	0.0
Long-term receivables, total	2.7	2.6	0.0	0.0
Short-term				
Accounts receivable	205.0	180.6	0.7	1.8
Receivables from Group companies				
Accounts receivable	0.0	0.0	0.8	0.5
Loans receivable	0.0	0.0	1,139.1	1,069.8
Total	0.0	0.0	1,139.9	1,070.3
Receivables from associated companies				
Accounts receivable	5.2	1.2	0.0	0.0
Loans receivable	4.5	9.9	0.0	4.9
Other receivables	4.8	24.5	0.2	0.0
Prepaid expenses and accrued income	56.4	59.4	7.4	4.2
Short-term receivables, total	275.9	275.6	1,148.2	1,081.2

18. SHAREHOLDERS' EQUITY

	Group		Parent company	
	1999	1998	1999	1998
Shareholders' equity 1 Jan.	157.3	157.1	157.3	157.3
Bonds converted	0.0	0.2	0.0	0.0
Shareholders' equity 31 Dec.	157.3	157.3	157.3	157.3
Share premium fund 1 Jan.	22.1	21.5	22.1	22.1
Issue premium	0.0	0.6	0.0	0.0
Share premium fund 31 Dec.	22.1	22.1	22.1	22.1
Revaluation fund 1 Jan.	72.8	78.2	72.8	72.8
Decrease on sale of fixed assets	0.0	-5.4	0.0	0.0
Decrease of deferred tax liabilities	-26.9	0.0	0.0	0.0
Revaluation fund 31 Dec.	45.9	72.8	72.8	72.8
Reserve fund 1 Jan.	278.7	278.7	278.7	278.7
Reserve fund 31 Dec.	278.7	278.7	278.7	278.7
Contingency fund 1 Jan.	0.0	0.0	121.4	121.4
Contingency fund 31 Dec.	0.0	0.0	121.4	121.4
Retained earnings 1 Jan.	674.1	573.8	460.8	328.5
Dividend distribution	-62.9	-51.8	-62.9	0.0
Changes in translation differences	13.6	-10.4	0.0	0.0
Retained earnings 31 Dec.	624.8	511.6	397.9	328.5
Net profit for the year	114.0	162.5	108.6	132.3
Shareholders' equity, total	1,242.8	1,205.0	1,158.8	1,113.1

19. CALCULATION OF DISTRIBUTABLE FUNDS 31 DEC.

	Group		Parent company	
	1999	1998	1999	1998
Retained earnings	624.8	511.6	397.9	328.6
Net profit for the year	114.0	162.5	108.6	132.3
./. Less share of accumulated depreciation difference in shareholders' equity	-158.3	-162.9	0.0	0.0
Distributable funds, total	580.5	511.2	506.5	460.9

20. PARENT COMPANY SHARE SERIES

	31 Dec. 1999	31 Dec. 1999
	Number	FIM
Series I (1 vote/share)	6,771,586	67,715,860
Series II (1 vote/10 shares)	8,958,474	89,584,740
Total	15,730,060	157,300,600

21. PROVISIONS

	Group		Parent Company	
	1999	1998	1999	1998
Pension liabilities	5.6	4.8	0.0	0.0
Provisions for expenses related to sold property	8.4	0.0	8.4	0.0
Other provisions	0.0	0.4	0.0	0.0
Total	14.0	5.2	8.4	0.0

22. DEFERRED TAX ASSETS AND LIABILITIES

	Group	
	1999	1998
Deferred tax assets:		
Timing differences	9.5	0.0
Deferred tax liabilities:		
Appropriations	64.7	63.5
Other temporary differences	41.1	0.0
Timing differences	5.0	0.0
Total	110.8	63.5
Deferred tax liabilities (net)	101.3	63.5

The parent company's deferred tax assets and liabilities are not entered in the balance sheet. The parent company's deferred tax liabilities comprises the accumulated depreciation difference and revaluation. At 31 December 1999 the deferred tax liability in the accumulated depreciation difference was FIM 3.8 (4.6) million and the revaluation was FIM 22.9 million.

Deferred tax assets were FIM 5.3 million and arise from the temporary differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. The parent company's deferred tax assets and liabilities are included in the Group's deferred tax assets and liabilities.

23. LONG-TERM LIABILITIES

	Group		Parent company	
	1999	1998	1999	1998
Loans from financial institutions	527.0	533.7	479.0	527.0
Pension loans	3.2	10.2	0.0	0.0
Debt to Group companies				
Other debt	0.0	0.0	0.1	0.0
Deferred tax liabilities	101.2	63.5	0.0	0.0
Other long-term debt	32.3	29.7	18.8	19.0
Total	663.7	637.1	497.9	546.0

Other long-term debt includes a bond with warrants totalling MFIM 1.22 offered to the Company's personnel and to Alma Media Corporation's wholly owned subsidiary Marcenter Oy. The warrants attached to these bonds may be exercised to subscribe for altogether 610,000 Series II shares with a total nominal value of MFIM 6.1. According to the terms of the bond with warrants, half of the shares may be subscribed from 28 May 2001 for EUR 23.05 per share and half from 28 May 2003 for EUR 26.34 per share. The subscription period for all shares ends on 30 June 2006.

24. DEBT DUE AFTER FIVE YEARS

	Group		Parent company	
	1999	1998	1999	1998
Loans from financial institutions	2.9	2.5	2.8	2.4
Pension loans	0.0	8.4	0.0	0.0
Other long-term debt	51.5	59.7	17.7	19.0
Total	54.4	70.6	20.5	21.4

25. SHORT-TERM LIABILITIES

	Group		Parent company	
	1999	1998	1999	1998
Loans from financial institutions	93.1	81.9	85.2	79.5
Pension loans	0.0	0.5	0.0	0.0
Advances received	63.5	55.1	0.0	0.2
Accounts payable	127.4	144.6	2.4	4.2
Debt to Group companies				
Accounts payable	0.0	0.0	0.7	0.3
Other debt	0.0	0.0	159.3	185.0
Accrued expenses and prepaid income	0.0	0.0	0.1	0.0
Total	0.0	0.0	160.1	185.3
Debt to associated companies				
Accounts payable	12.5	1.0	0.0	0.0
Other short-term debt	73.0	44.5	13.5	2.9
Accrued expenses and prepaid income	207.1	254.0	37.4	60.2
Short-term liabilities, total	576.6	581.6	298.6	332.3

26. COMMITMENTS AND CONTINGENCIES

	Group		Parent company	
	1999	1998	1999	1998
Collateral for own commitments *)				
Pledges	9.0	15.6	0.0	8.1
Mortgages on land and buildings	231.9	184.7	128.9	183.9
Chattel mortgages	146.1	152.1	90.0	90.0
Guarantees	28.8	2.9	0.0	0.0
Collateral for Group companies				
Guarantees	0.0	0.0	28.8	2.1
Collateral for associated companies				
Guarantees	4.3	4.3	0.0	0.0
Collateral for others				
Guarantees	0.3	0.3	0.0	0.0
Other own commitments				
Leasing commitments	7.1	6.2	0.0	0.0
Other commitments	1.9	0.1	0.0	0.0
Total	429.4	366.2	247.7	284.1

Group leasing commitments fall due:

	Group	Parent company
During 2000	4.0	0.0
After 2000	3.1	0.0

*) The pledges and mortgages given by the Group and parent company apply to loans from financial institutions and pension loans raised by Group companies. Most pledges and mortgages have been given to the lending institutions.

27. DERIVATIVE FINANCIAL INSTRUMENTS

Foreign currency loans totalling FIM 12 million and denominated in DEM and FRF were hedged using forward foreign exchange contracts and currency swaps. The exchange rate differences on these loans and the derivative results are entered under other financial income and expenses.

28. FIVE YEARS IN FIGURES

		1999	%	1998	%	1997	%	1996	%	1995	%
Net sales	MFIM	2,911		2,868		2,727		2,599		2,383	
Operating profit	MFIM	188	6.5	242	8.4	270	9.9	245	9.4	202	8.5
Profit before extraordinary items	MFIM	173	5.9	225	7.8	269	9.9	235	9.0	183	7.7
Profit before taxes	MFIM	175	6.0	242	8.4	300	11.0	238	9.2	213	8.9
Net profit for the year	MFIM	114	3.9	163	5.7	231	8.5	167	6.4	181	7.6
Return on shareholders' equity (ROE)	%	9.3		12.6		19.8		18.8		20.4	
Return on investments (ROI)	%	10.5		13.6		17.8		19.2		16.4	
Equity ratio	%	51.5		51.3		47.1		46.3		45.8	
Gross capital expenditure	MFIM	253	8.7	219	7.6	661	24.2	283	10.9	152	6.4
Research and development costs	MFIM	34	1.2	24	0.8	16	0.6	11	0.4	11	0.5
Personnel on average		3,108		2,905		2,818		2,825		2,627	
Part-time delivery staff		1,059		983		970		848		568	
Personnel on average, total		4,167		3,888		3,788		3,673		3,195	

SHARES AND SHAREHOLDERS

Aamulehti Corporation, listed on the Helsinki Exchanges, and MTV Corporation, which is unlisted, were merged according to the pooling method into a new company called Alma Media Corporation on 1 April 1998. This meant that shareholders of both Aamulehti Corporation and MTV Corporation became shareholders of Alma Media Corporation. The shares of Alma Media Corporation have been quoted on the HEX Ltd, Helsinki Securities and Derivatives Exchange, Clearing House (Helsinki Exchanges) from 1 April 1998.

Alma Media Corporation has two share series. Shares in both series have a nominal value of FIM 10 per share. 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.

According to Alma Media Corporation's Articles of Association the share capital is minimum FIM 100 million and maximum FIM 400 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 157,300,600 and comprised 6,771,586 Series I shares and 8,958,474 Series II shares.

The company's shares are registered in the book-entry securities system.

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.

Ownership structure

On the balance sheet date the company had 3,798 shareholders in book-entry accounts. Altogether 1,446,380 shares were nominee-registered. Nominee-registered shares and shares held outside Finland represented 32.4 % of the company's shares. Foreigners holding nominee-registered shares are entitled only to financial rights such as the right to receive dividends and to subscribe for shares. Shareholders who do not register their shares in their own name are not permitted to participate, or exercise the votes carried by their shares, in general shareholder meetings.

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.

Insider regulations

Alma Media Group has adopted the Insider Guidelines issued by the Helsinki Exchanges on 28 October 1999. Accordingly, insiders are not permitted to trade in Alma Media Corporation shares during a "close period" of 21 days prior to publication of the company's interim reports or financial statements bulletin. The same period applies to discussions with analysts. Alma Media Corporation's register of insiders is maintained by the company's legal counsel.

Authorizations and decisions to raise the share capital

Alma Media Corporation's annual general meeting on 24 March 1999 carried the Board of Directors' proposal to offer bonds with warrants to the company's personnel and its wholly owned subsidiary Marcenter Oy. The bond has a total value of FIM 1,220,000 and its attached warrants may be exercised to subscribe for at most 610,000 Series II shares. The warrants are marked A and B. The share subscription price of the A warrants is the average weighted price quoted on the Helsinki Exchanges during 1999 plus 12 percent and the share subscription price of the B warrants is the average weighted price of the share on the Helsinki Exchanges during October 1999 plus 28 percent. The A warrants may be exercised to subscribe for shares from 28 May 2001 and the B warrants from 28 May 2003. The subscription period in both cases expires on 30 June 2006.

Apart from the bond with warrants the Board of Directors had no other authorization to raise the share capital nor to float bonds with warrants and/or convertible loans.

Bond with warrants to personnel

As decided by the annual general meeting on 24 March 1999, the company offered bonds with warrants to personnel and Alma Media Corporation's wholly owned subsidiary Marcenter Oy, disapplying shareholders' pre-emptive subscription rights. The bond totalled FIM 1,220,000 and the attached warrants may be exercised to subscribe for at most 610,000 Alma Media Corporation Series II shares. The bond subscription period was 12-24 April 1999. The bond, which was oversubscribed by a factor of

almost five, was subscribed by 759 employees. Alma Media Corporation's subsidiary Marcenter Oy subscribed for warrants carrying subscription rights for 75,750 shares.

The average quoted price of the Series II share in October 1999 used to calculate the share subscription price was EUR 20.58. The conditions of the bond stipulate that one half of the shares may be subscribed on or after 28 May 2001 at a subscription price 12 % above the average quoted price in October 2000, i.e. for EUR 23.05 per share, and that half of the shares may be subscribed on or after 28 May 2003 at a subscription price 28 % above the aforementioned price, i.e. for EUR 26.34 per share. Dividends payable will be deducted from the subscription prices before subscription.

Management holdings

On 31 December 1999 the members of the Supervisory Board, the Board of Directors, the President and CEO, and the Executive Vice Presidents held altogether 34,691 Series I shares and altogether 2,648 Series II shares, entitling them to 0.5 % of the voting rights. Furthermore, the President and CEO and the Executive Vice Presidents owned bonds with warrants issued to company personnel worth altogether FIM 200,000. The warrants attaching to these bonds carry rights to subscribe for a total of 100,000 Alma Media Corporation Series II shares. Should these warrants be exercised in full, the aggregate number of votes held by these persons would increase 0.6 %. Management holdings are shown in more detail on page 72.

Share taxation value

The Finnish taxation values of the Alma Media Corporation shares confirmed for 1999 were EUR 20.93 for each Series I share and EUR 20.65 for each Series II share.

Shareholder agreements

On 17 December 1998 Kustannusosakeyhtiö Otava, the parent company of United Magazines Ltd, announced that it had signed an option agreement with Varma-Sampo Mutual Pension Insurance Company, Industrial Insurance Ltd and Nova Life Insurance Company. According to this agreement, the aforementioned companies had the joint option between 22 December—30 December 2003 to acquire altogether 709,747 Series I shares and 865,056 Series II shares of

Alma Media Corporation from Kustannusosakeyhtiö Otava or a company indicated by it. The parties exercised their option agreement in a mutual share transaction in August 1999 and announced that any unexercised part of the purchase option agreement was cancelled.

The company is not aware of any currently valid agreements relating to the ownership of its shares or exercising of its voting rights.

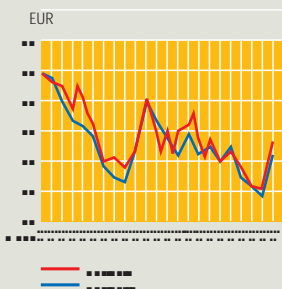
Trading code

Alma Media Corporation's share series are referred to as ALMV and ALM2V on the Helsinki Exchanges. Alma Media Corporation's stock exchange bulletins for the current and previous financial years are available on the company's Web pages, www.almamedia.fi.

Share performance and trading

The share price fluctuated strongly during the year. The quoted price on 31 December 1999 was roughly 10 % higher than at the start of the year. Trading was lively. Altogether 1,019,813 Series I shares, representing 15 % of the total, and 4,872,651 Series II shares, 54 % of the total, were traded on the Helsinki Exchanges. The share performance and trading volume and the per share data for the past two years are shown in the table on page 68.

Share performance
1 Apr. 1998-31 Dec. 1999



29. PER SHARE DATA 1999-1997

		1999	1998	1997
Earnings per share	FIM	7.15	9.21	12.71
Shareholders' equity per share	FIM	79.00	76.60	70.50
Dividend per share	FIM	4.00 *	4.00	
Payout ratio	%	55.9 *	43.4	
Effective dividend yield, Series I	%	2.2 *	2.4	
Effective dividend yield, Series II	%	2.1 *	2.4	
P/E ratio, Series I		25.8	18.3	
P/E ratio, Series II		26.6	17.9	
Adjusted share prices, Series I				
Highest	EUR	40.50	45.41	
Lowest	EUR	19.00	23.55	
Average	EUR	28.35	33.15	
On 31 Dec.	EUR	31.00	28.42	
Adjusted share prices, Series II				
Highest	EUR	40.00	39.52	
Lowest	EUR	18.80	21.86	
Average	EUR	26.95	30.57	
On 31 Dec.	EUR	32.00	27.75	
Market capitalization, Series I	MFIM	1,248.1	1,144.4	
Market capitalization, Series II	MFIM	1,704.5	1,478.1	
Market capitalization, total	MFIM	2,952.6	2,622.5	
Turnover, Series I	1,000	1,020	501	
Turnover, Series II	1,000	4,873	1,620	
Turnover, total	1,000	5,893	2,121	
Relative turnover, Series I	%	15.1	7.4	
Relative turnover, Series II	%	54.4	18.1	
Total relative turnover	%	37.5	13.5	
Adjusted average number of shares, Series I	1,000	6,772	6,772	
Adjusted average number of shares, Series II	1,000	8,958	8,954	
Adjusted average number of shares, total	1,000	15,730	15,726	
Adjusted number of shares on 31 Dec., Series I	1,000	6,772	6,772	
Adjusted number of shares on 31 Dec., Series II	1,000	8,958	8,958	
Adjusted number of shares on 31 Dec., total	1,000	15,730	15,730	

* Proposal of the Board

Quotation of Alma Media Corporation's shares on the Helsinki exchanges began on 1 April 1998. For this reason share trends and trading volume are presented for the period 1 April - 31 December 1998.

30. 10 PRINCIPAL SHAREHOLDERS 31 DEC. 1999

	Series I	Series II	Total	% of shares	% of voting rights
1. Tidsnings AB Marieberg	1,549,155	2,089,523	3,638,678	23.1	22.9
2. Otava-Yhtyneet Group	914,636	785	915,421	5.8	11.9
- United Magazines Ltd	914,636	778	915,414	5.8	11.9
- Otava Publishing Company Ltd		7	7	0.0	0.0
3. Pohjola Group	557,287	295,426	852,713	5.4	7.7
- Pohjola Non-Life Insurance Company Ltd	350,469	65,940	416,409	2.6	4.7
- Pohjola Life Assurance Company Ltd	131,089	190,000	321,089	2.0	2.0
- Suomi Mutual Life Assurance Company	75,729	39,486	115,215	0.7	1.0
4. Sampo Group	298,539	764,060	1,062,599	6.7	4.9
- Industrial Insurance Company Ltd	193,197	314,688	507,885	3.2	2.9
- Sampo Life Insurance Company Ltd	105,342	449,372	554,714	3.5	2.0
5. Mutual Pension Insurance Company Varma-Sampo	228,898	715,625	944,523	6.0	3.9
6. C V Åkerlund Fund	283,721	15,422	299,143	1.9	3.7
7. Ilmarinen Mutual Pension Insurance Company	243,087	283,449	526,536	3.3	3.5
8. Otavan Kirjasäätiö	214,298		214,298	1.4	2.8
9. Kaleva Mutual Insurance Company	200,000		200,000	1.3	2.6
10. Confederation of Finnish Industry and Employers	151,207	4,024	155,231	1.0	2.0
Total	4,640,828	4,168,314	8,809,142	56.0	66.0
Nominee-registered	188,731	1,257,649	1,446,380	9.2	4.1
Others	1,942,027	3,532,511	5,474,538	34.8	29.9
Total	6,771,586	8,958,474	15,730,060	100.0	100.0
Members of the Supervisory Board and Board of Directors, the President and Executive Vice Presidents	34,691	2,648	37,339	0.2	0.5

31. OWNERSHIP STRUCTURE 31 DEC. 1999

	Number of owners	Proportion	No. of shares	% of shares
Private corporations	286	7.6	2,482,326	15.8
Public corporations	5	0.1	121,350	0.7
Financial and insurance institutions	62	1.6	2,963,706	18.8
Public intitities	37	1.0	2,781,876	17.7
Non-profit organizations	120	3.2	985,864	6.3
Households	3,272	86.2	1,268,278	8.1
Foreign ownership	13	0.3	3,646,531	23.2
Nominee-registered shares	3	0.0	1,446,380	9.2
Not transferred			450	0.0
In general account			33,299	0.2
Total	3,798	100.0	15,730,060	100.0

32. DISTRIBUTION OF OWNERSHIP 31 DEC. 1999

Number of shares	Number of owners	Proportion	No. of shares	% of shares
1 - 100	1,924	50.7	75,648	0.5
101 - 1,000	1,457	38.4	520,173	3.3
1,001 - 10,000	328	8.6	944,106	6.0
10,001 - 100,000	68	1.8	2,323,228	14.8
100,001 - 1,000,000	19	0.5	6,777,398	43.1
1,000,001 -	2	0.0	5,055,758	32.1
Not transferred			450	0.0
In general account			33,299	0.2
Total	3,798	100.0	15,730,060	100.0

33. CALCULATION OF KEY INDICATORS

Return on shareholders' equity % (ROE)	$\frac{\text{Profit before extraordinary items - taxes for period}}{\text{Shareholders' equity + minority interests (average)}} \times 100$
Return on investment % (ROI)	$\frac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Balance sheet total - interest-free liabilities (average)}} \times 100$
Equity ratio %	$\frac{\text{Shareholders' equity + minority interests}}{\text{Balance sheet total - advances received}} \times 100$
Earnings per share	$\frac{\text{Profit before extraordinary items - minority interests on profit for the period + minority interests on loss for the period - taxes for period}}{\text{Average number of shares adjusted}}$
Nominal dividend per share	Dividend per share approved by AGM. In 1999 this corresponded with the Board's proposal to the AGM.
Payout ratio %	$\frac{\text{Nominal dividend per share}}{\text{Earnings per share}} \times 100$
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	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on 31 Dec.}}$
Market capitalization of share stock	Number of shares x share price on 31 Dec.

PROPOSAL OF THE BOARD OF DIRECTORS

On 31 December 1999 the Group's non-restricted shareholders' equity totalled FIM 738,836,466.75, which included distributable funds of FIM 580,468,640.94.

The Parent Company's non-restricted equity totalled FIM 506,502,237.68. There were 15,730,060 shares carrying dividend rights.

The Board of Directors proposes to the Annual General Meeting that a dividend of FIM 4.00 per share be paid, i.e. FIM 62,920,240.00 and that the remainder of the year's profit FIM 45,643,534.63 be retained.

Helsinki, 17 February 2000

Björn Mattsson

Pekka Ala-Pietilä

Pirkko Alitalo

Bengt Braun

Matti Häkkinen

Olli Reenpää

Kari Stadigh

Matti Packalén

President and CEO

AUDITORS' REPORT

To the shareholders of Alma Media Corporation

We have audited the accounting records, the financial statements and the administration of Alma Media Corporation for the year 1999. 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 misstatements. 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 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 net profit for the accounting period is in compliance with the Finnish Companies Act.

Helsinki, 23 February 2000

Mauri Palvi

Authorized Public Accountant

KPMG WIDERI OY AB

Kai Salli

Authorized Public Accountant

STATEMENT BY THE SUPERVISORY BOARD

We have examined the 1999 financial statements of Alma Media Corporation for the period 1 January - 31 December, the consolidated financial statements for the period 1 January - 31 December 1998, and the Auditors' Report. Based on our review, we recommend that Alma Media Corporation's income statement for the period 1 January - 31 December 1999 and its balance sheet at 31 December 1999, as well as the consolidated income statement for the period 1 January - 31 December 1999 and the consolidated balance sheet at 31 December 1999, be approved and that the retained earnings for the year be dealt with in the manner proposed by the Board of Directors.

Helsinki, 24 February 2000

The Supervisory Board

CORPORATE GOVERNANCE

Helsinki Exchanges recommends that the companies listed on the stock exchange comply with the corporate governance guidelines prepared jointly by the Finnish Central Chamber of Commerce and the Confederation of Finnish Industry and Employers. Alma Media Corporation complies with this recommendation. Moreover, the company is committed to further develop its corporate governance in the best interests of the company's shareholders.

Structure of the Alma Media Group

The operations of Alma Media Corporation are divided into four business areas: Alpress for publishing, Broadcasting for commercial television and radio, Alprint for printing, and New Media, which groups together all Alma Media Groups activities in the field of new media development. Each business area operates as a separate subgroup with independent responsibility for its operations.

The Group's parent company is Alma Media Corporation, which is responsible for the Group's corporate management, accounting and finance, strategic planning and corporate communications. It also provides administrative services to the Group companies covering personnel and real estate management, training and legal services.

The ultimate responsibility for Alma Media Group's management and operations belongs to the constitutional bodies required by the Finnish Companies Act. These are the Annual General Meeting, which elects the members of the Supervisory Board and the members of the Board of Directors in accordance with the Supervisory Board's proposal; and the President and CEO, who is appointed by the Board of Directors. The President and CEO is assisted by a Group Executive Board, presented on page 76.

Each business area has a board of directors of its own, which consists of members actively employed by the Group.

The Annual General Meeting

Shareholders exercise their decision-making power at Alma Media Corporation's general meetings of shareholders. This normally convenes once a year.

The Annual General Meeting decides, among other things, on:

- confirmation of the income statement and balance sheet
- distribution of the profit for the year,

- discharge of the members of the Supervisory Board, the Board of Directors and the President and CEO from liability for the financial year, and

- election of the Supervisory Board and the Board of Directors.

The Annual General Meeting is also responsible for:

- amendments to the Articles of Association, and
- decisions relating to the issue of bonds with warrants and convertible bonds.

The member of the Board of Directors are proposed to the Annual General Meeting by the Supervisory Board.

Supervisory Board

Alma Media Corporation's Supervisory Board is elected by the Annual General Meeting. The Supervisory Board comprises from 10 to 15 members. It currently has 15 members, three of whom are elected by the company's personnel representatives.

Supervisory Board members serve for a period of three years. Their terms of office are staggered so that one-third of the members are due for retirement every year. The Supervisory Board elects a Chairman and Deputy Chairman from amongst its members, whose term of office expires at the close of the first Annual General Meeting following their election.

A member of the Board of Directors, the President and CEO, and persons over the age of 67 may not be elected to the Supervisory Board.

The Supervisory Board is responsible for supervising the company's management by the Board of Directors and President and CEO. The Supervisory Board also has the following duties:

- to submit its opinion on the company's financial statements and auditor's report to the Annual General Meeting,

- to issue instructions to the Board of Directors on matters of wide-reaching or fundamental significance to the company,

- to submit to the Annual General Meeting, which decides on raising the share capital or authorizing the Board of Directors to raise the share capital or which decides on the issue of bonds with warrants or convertible bonds, its opinion on the Board of Directors' report on significant events subsequent to the publication of the company's financial statements, and

- to submit to the Annual General Meeting its proposal on the composition of the Board of Directors.

Alma Media Corporation's Supervisory Board generally convenes two to three times a year.

Board of Directors

Alma Media Corporation's Board of Directors is elected by the Annual General Meeting, based on a

proposal submitted by the Supervisory Board. The Board of Directors comprises from five to nine members. The Annual General Meeting in 1999 confirmed the composition of the Board of Directors as seven members.

Members of the Board of Directors serve for three years. Their terms of office are staggered so that one-third of members are due for retirement every year. The Board of Directors elects from amongst its members a Chairman and a Deputy Chairman, whose terms of office expire at the close of the first Annual General Meeting following their election. Persons over the age of 67 may not be elected to the Board of Directors. The President and CEO is not a member of the Board of Directors.

The Board of Directors is responsible for the management of Alma Media Group and its appropriate organization. The Board's duties, individual members' responsibilities and assignments, and matters related to the Board's meetings and minutes are detailed in the rules of procedure of the Board of Directors.

Meetings of the Board of Directors

Alma Media Corporation's Board of Directors holds 6-7 scheduled meetings a year and further meetings as necessary. Most meetings take place when the company's annual and interim financial statements are released. The Board also holds one or two strategy meetings, where it considers the Group's future scenarios and confirms Alma Media Corporation's strategy. The last meeting of the year also confirms the budget for the following year.

In addition to the elected members of the Board of Directors, Board meetings are also attended by the President and CEO, the company's Chief Financial Officer, the Company Secretary, and any other persons considered necessary.

Business area boards

Alpress Oy, the Broadcasting business area, New Media business area and Alprint Oy have boards of directors of their own, all chaired by the President and CEO of Alma Media Corporation. These business area boards, which meet according to a preconfirmed timetable, consider the financial performance of the business area in question and prepare its budget. They also decide on the matters required by law for boards of directors and, based on internal guidelines, matters including remuneration, organization and investments.

Reporting responsibilities

Alma Media Corporation's Board of Directors receives the following reports:

- a Monthly Report By Division on the Alma Media Group's performance, and
- interim report material together with an investment follow-up report.

Each time it convenes, Alma Media Corporation's Supervisory Board is given a Situation Report and any information necessary to the statements required of the Supervisory Board by the Articles of Association.

The company's auditors attend those meets of the Board of Directors and Supervisory Board dealing with the annual accounts. The auditors also submit an auditing plan once a year, and written reports twice a year, to the Board of Directors.

President and CEO and Group Executive Board

The President and CEO appointed by the Board of Directors is responsible for the day-to-day management and control of Alma Media Corporation in accordance with the requirements of the Finnish Companies Act and the guidelines and instructions of the Board of Directors.

The Group Executive Board assists the President and CEO in the management of the company with his authority. Among other things, the Group Executive Board prepares Alma Media Corporation's long-term plans and budget and its financial statements for approval by the Board of Directors. The Group Executive Board generally meets once a month.

Supervision

The Board of Directors of Alma Media Corporation (the parent company) is responsible for the appropriate organization of the company and its operations. The President and CEO is responsible for the legality of the company's accounts and accounting procedures and for the reliability of its fund management. Alma Media Corporation's financial reporting system covers the performance of its profit units and implementation of their budgets.

Alma Media Corporation's President and CEO, the Group Executive Board and the profit centre managers are responsible for ensuring that the accounting and administration of the areas within their sphere of responsibility conform to the Group's operating principles, the guidelines and requirements of Alma Media Corporation's Board of Directors and the law.

Each business area supervises the accounting and administration of its profit centres. Alma Media Corporation's external auditors examine the

accounts and administration of the company's profit centres once a year. The Annual General Meeting in 1999 appointed KPMG Wideri Oy Ab and Mauri Palvi, Authorized Public Accountant, as the company's auditors for the term of office expiring at the close of the Annual General Meeting in 2000.

The annual auditing plan prepared by the auditors and the Group's management also takes into account the requirements set by the company's internal audit function.

The auditors submit an annual report to Alma Media Corporation's Annual General Meeting. Additionally, the auditors submit an annual summary of their auditing plan to the Board of Directors, a written report on the entire Group in conjunction with publication of the interim financial statements in June, and regular business area reports to the Group's financial management and business area managements.

The auditors meet the Presidents of the business areas twice a year and Senior Vice President, Finance and Administration four times a year.

Risk management

The Board of Directors defines the main risks annually and monitors their development.

Remuneration

The salaries, fees and benefits in kind paid to the members of the Supervisory Board, the Board of Directors, the President and CEO and the Group Executive Board in 1999 were as follows:

FIM	Salaries, fees and benefits in kind
Supervisory Board	137,000
Board of Directors	390,000
President and CEO and his deputy	3,866,985
Other Group Executive Board members	5,871,535

Shareholdings and share options

The following table details the shares owned by the members of the Supervisory Board, the Board of Directors and the Group Executive Board, and the new shares which may be subscribed based on share options:

Number	Shares Series I	Series II	Shares Bond with warrants 1999
Supervisory Board	1,404	506	750
Board of Directors	32,007	438	-
President and CEO and his deputy	472	1,047	60,000
Other Group Executive Board members	1,067	957	140,000

BOARD OF DIRECTORS

Sitting from the left:
Bengt Braun,
Björn Mattsson ja
Pirkko Alitalo.
Standing from the left:
Pekka Ala-Pietilä,
Kari Stadigh,
Olli Reenpää ja
Matti Häkkinen.



Björn Mattsson, 1941, President of Danisco Finland Oy and Deputy CEO of Danisco A/S, Chairman of the Board, term of office until 2001
Bengt Braun, 1946, President and CEO of Bonnier AB, Deputy Chairman of the Board
Pekka Ala-Pietilä, 1957, President of Nokia Corporation, term of office until 2001
Pirkko Alitalo, 1949, Senior Executive Vice President of Pohjola Group Insurance Corporation until 1.2.2000, term of office until 2000

Matti Häkkinen, 1946, LL.B., term of office until 2001
Olli Reenpää, 1934, President and CEO of Otava Books and Magazines Group Ltd., term of office until 2002
Kari Stadigh, 1955, President of Sampo Life Insurance Company Limited, term of office until 2002

SUPERVISORY BOARD

Chairman **Arjo Anttila**, 1932, DSc HC, term of office until 2000
 Deputy Chairman **Paavo Pitkänen**, 1942, President and CEO of Varma-Sampo Mutual Pension Insurance Company, term of office until 2000

Matti Ahde, 1945, Managing Director of Oy Veikkaus Ab, term of office until 2002
Ari Heiniö, 1945, Managing Director of Stockmann plc., term of office until 2000
Hannu Jaakkola, 1945, Managing Director of Nanso Oy, term of office until 2002
Asmo Kalpala, 1950, Chairman and President of Tapiola Insurance Group, term of office until 2001
Matti Kavetvuori, 1944, Managing Director of Pohjola Group Insurance Corporation, term of office until 2001

Jukka Koivisto, 1959, Executive Director of Economic Information Office, term of office until 2002
Arto Liinpää, 1943, Managing Director of Markkinointi Viherjuuri Oyj, term of office until 2002
Jonas Nyren, 1951, Executive Vice President & CFO of Bonnier AB, term of office until 2001
Jarmo Raveala, Architect, term of office until 2000
Veli Kalle Tavakka, 1953, President of Pohjola Non-Life Insurance Company Ltd, term of office until 2001

Personnel representatives on the Supervisory Board

Kari Asikainen, 1957, Journalist,
Asko Haapaniemi, 1943, Offset Printer
Vesa Kallionpää, 1960, Political Correspondent, MTV

AUDITORS

KPMG Wideri Oy Ab
 and Mauri Palvi,
 Authorized Public
 Account

GROUP EXECUTIVE BOARD



Matti Packalén



Heikki Saraste



Eero Pilkama



Jaakko Nieminen



Risto Takala

Matti Packalén, 1947, MSc (Eng.), MSc (Econ.), President and CEO, Chairman

Eero Pilkama, 1943, MSc, Executive Vice President and deputy to the CEO, President of the Broadcasting Division

Heikki Saraste, 1952, MSc (Eng.), Executive Vice, President, President of Alpress Oy, head of Alma Media Corporation's newspaper publishing business

Risto Takala, 1944, MSc (Econ.), Executive Vice, President, President of Alprint Oy, head of Alma Media Corporation's, graphic services business

Lauri Helve, 1943, Editor-in-Chief, Publisher

Ilkka Kylmä, 1951, MSc (Econ.), President of MTV Oy

Raimo Mäkilä, 1958, MSc (Eng.), Senior Vice President, New Media

Jaakko Nieminen, 1941, BSc (Eng.), Senior Vice President, Corporate Development

Ritva Sallinen, 1949, MSc (Econ.), Senior Vice President, Finance and Administration

Eero Mörä, 1953, LL.M., General Counsel, Secretary to the Group Executive Board

Ahti Martikainen, 1959, MA, Vice President, Corporate Communications, participates in Group Executive Board meetings



Raimo Mäkilä



Ritva Sallinen



Ilkka Kylmä



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Ahti Martikainen



Eero Mörä

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