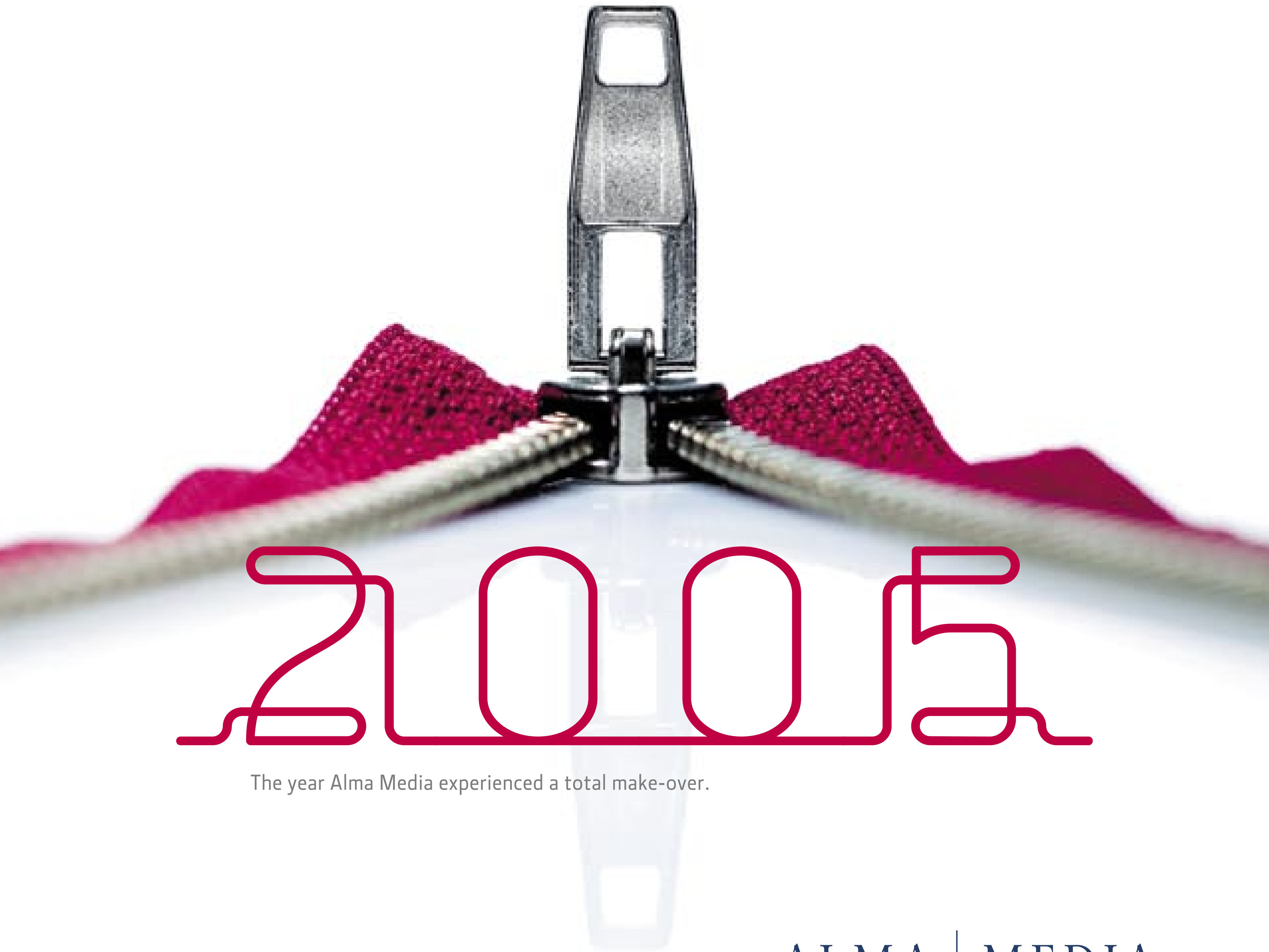

2005

The year Alma Media experienced a total make-over.

ALMA | MEDIA


TEQUILA\
It's not just the material. It's what you get out of it.
We constantly create innovative metal based solutions for our customers' success – smoothly and responsibly, all the way. Would you like to see how we combine our expertise in materials, product development and design for customised cabins and frames for mobile machines? Find that and other examples of how we have turned metals into life at www.ruukki.com.
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Contents

2005

Shareholder value first and foremost

2005 was an eventful year for Alma Media's shareholders. The chain of events that unfolded at the end of 2004 increased the company's market capitalization in 2004 by more than one-half and in 2005 shareholders were rewarded with a roughly one-third increase in the share price. At the beginning of 2005 Alma Media was a newspaper publishing company with an extremely strong position in the Nordic television sector. The public tender offer made by Schibsted led to restructuring of the company when the shareholders decided to sell the television business for an enterprise value of M€ 460. Between the end of April and the beginning of November both the Alma Media Series I and II shares as well as the shares of Almanova Corporation were listed on the OMX Helsinki stock exchange. On 7 November Alma Media was merged with Almanova and the new company was called Alma Media Corporation. The arrangement seemed not a little convoluted and, quite honestly, it was. The result, though, was a company with newspaper publishing as its core business, a broad shareholder base and a strong market share in its chosen segments. The complex restructuring brought forth a company that is more interesting also for investors; in November 2005 the company's market capitalization was higher without the television business than it was with this business earlier in the year.

Our intention in this annual report is to explain the complex restructuring process and its train of events from the investors' perspective, and to shed light on the new Alma Media's strategy and prospects. We concentrate on the company's continuing operations and the figures are as comparable as possible. For this reason television broadcasting is not included in this annual report even though it wasn't sold until April 2005.

The old Alma Media and the new Alma Media are legally two different entities but they do have one thing in common: the company is committed to driving its shareholders' interests and therefore this annual report has been prepared for precisely their needs. Responsibility for the report's production lies with Alma Media's contract publishing subsidiary Lehdentekijät. It has been printed at one of the Group's own printing plants. The other costs are covered by advertisement sales.

AHTI MARTIKAINEN

VISION
- Frontrunner

MISSION
- For Individual Freedom and Well-Being

VALUES
- Freedom and Pluralism of Journalism
- Team Play

Second best won't do

Alma Media was reformed in 2005 into a media corporation focusing on publishing, business information and electronic marketplaces. Its structure was simplified and streamlined for greater efficiency, and the company's top management was renewed.

Having faced being taken over, Alma Media came out of the fight a debt-free media group eager to grow and with an aggressive new vision: Frontrunner. A frontrunner cannot be satisfied with second-best performance in any area – newspaper quality, customer satisfaction or the company's investment appeal, for example.

Alma Media has two core values: Freedom and Pluralism of Journalism, and Team Play. The first states that no-one and nothing gives the Group a ready opinion or agenda to follow. We are open to all views and no individual interests guide what we do.

Team Play means more than just co-operation; it means precisely planned, goal-centred collaboration, internally chained operations and seamless teamwork. Team Play is not just a motto, it's the cornerstone of our strategy.

Our mission is to work for individual freedom and well-being. That means fighting for freedom of speech and working against unnecessary interference and pressurizing. It also marks a carefully considered path towards greater intellectual, material and social well-being.

In Alma Media we want people to have the right to pluralistic dialogue and to have their voice heard if they wish. We believe it is right to increase the material well-being of our owners, customers, employees and our other stakeholders.

In the social context we wish to act on behalf of justice and equal rights. These are big issues – but so indeed they should be for a company that is not satisfied with being second best.

Key figures for Alma Media Group's continuing operations

M€	2005	2004
Net sales	285.9	283.6
Operating profit	42.3	37.0
Operating margin, %	14.8	13.0
Net profit for the year	39.0	21.5
Gross capital expenditure	19.7	8.9
Capital expenditure/net sales, %	6.9	3.1
Interest-bearing debt	56.4	101.6
Capital employed, average	213.8	244.5
Return on investment, %	26.1	15.7
Cash flow from operating activities	33.7	46.1

A year on the starting blocks

Operating conditions in 2005 were particularly favourable for Finland's newspaper publishers even though GNP growth remained at around only 2% in the year. Growth was about one percentage point lower than forecast at the beginning of the year owing to a labour dispute in the paper industry in May and June. This dispute, however, had almost no effect on newspaper publishers or on media advertising in Finland. Media advertising volume was 3.3% higher than in 2004. Advertising volumes grew most strongly in town and free papers. Most of this growth was due to the large number of new papers launched.

Growth in 2005 was technically lower than one year earlier due to the paper industry dispute but correspondingly another consequence of the dispute could be to raise growth in 2006 back to around 3%. In global economic terms, 2005 will also be remembered for the record-high price of oil and the strengthening of the dollar. The market price of crude rose during the summer to over $80 a barrel and remained high for the rest of the year. The dollar strengthened appreciably during 2005; at the start of the year €1 fetched $1.36 but at the end only $1.20.

LOW MARKET INTEREST RATES in Finland and high consumer confidence boosted media advertising growth. The 12-month Euribor rate was at its lowest, 2.1%, in July. A clear rise in interest rates was evident in October as the market awaited an increase by the European Central Bank. The 12-month Euribor rate at the year end was approximately 2.8%. Finland's unemployment rate has declined steadily for several years and in 2005 it fell to below 8%. Two factors have been working in tandem in the Finnish economy: exceptionally strong growth by eurozone standards and extremely low inflation. Growth has been driven both

Sensitivity analysis

Factor	Change %	Impact on net sales, M€
Paper prices	+1	−0.2
Wages and salaries, average	+1	−1.0
Newspaper advertising	+1	+1.2
Average interest rate	+1	−0–0.1

by growth in domestic demand and by strong exports. Investment expenditure increased clearly during the year, particularly in the construction sector.

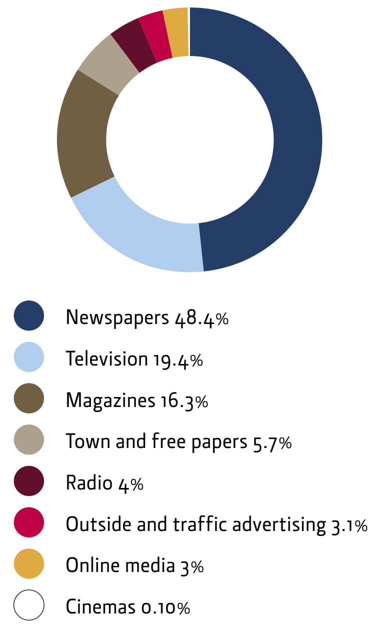
The factors underlying the Finnish economy largely favoured the newspaper sector. Low interest rates, a continuing good level of consumer confidence and declining unemployment all served to increase property, vehicle and recruitment advertising. On the other hand retail advertising, which is vital for this sector, stayed at the previous year's level and the volume of food industry advertising showed a clear decline. At the end of the year telecommunications advertising began to fall as well, following several years of strong growth.

2005 demonstrated clearly the rule of thumb that growth in media advertising exceeds growth in GNP by 2–3 percentage points. Monthly differences in business-to-business advertising were very large, rising by more than 10% in the first quarter, remaining well below the previous year's level in the second quarter, and recovering month by month towards the end of the year to reach double figures.

A MAJOR FEATURE of 2005 for Alma Media was the restructuring of the company. The process started at the end of 2004 when the Norwegian media group Schibsted announced a public tender offer for the whole company. The offer was declined, however, when Almanova, a company set up by several Alma Media shareholders, launched an alternative offer. This led to the old Alma Media divesting its Broadcasting business and correspondingly Alma Media's principal shareholders, Bonnier AB and Proventus Industrier AB, selling their holdings. The old Alma Media was merged on 7 November with Almanova and the new company took back the name Alma Media. The result was a debt-free media group with newspaper publishing and electronic marketplaces as its core businesses. The company has one share series and its shares are listed on the main list of the OMX Helsinki stock exchange.

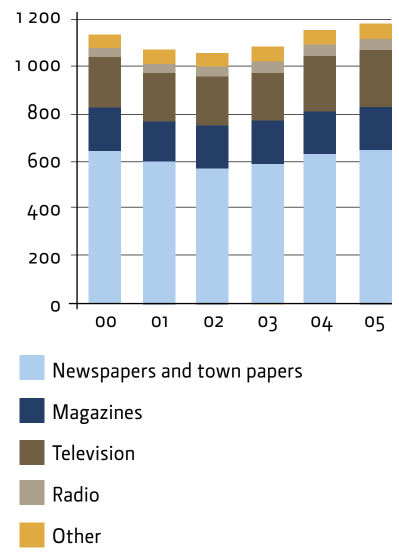
Apart from the sale of Alma Media's Broadcasting division, no other major restructuring took place in the industry during the year. Competition for free papers, however, intensified further, especially in the Helsinki metropolitan area where both SanomaWSOY and Suomen Lehtiyhtymä Oy launched new titles. Their entry into the market increased the market share of free papers in media advertising. ∘

Breakdown of media advertising 2005 (M€ 1,189)



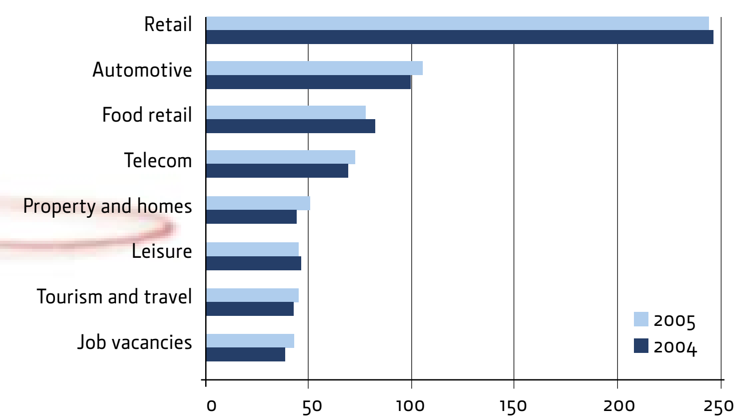
Source: TNS Gallup Oy

Media advertising expenditure and trends 2000–2005, M€

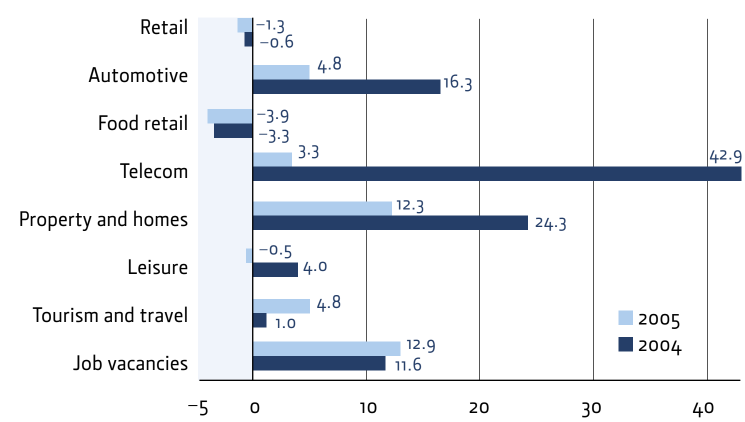


Source: TNS Gallup Oy

Biggest advertising sectors 2004–2005, M€



Biggest advertising sectors 2004–2005, % change



Profitability and growth

Kai Telanne is satisfied with his fast-paced year at the helm of Alma Media. "Team play is making its mark. Our task now is to hear it sound loud and clear throughout the company."

2005 was a truly exceptional year for Alma Media, even by the standards of listed companies. The complex restructuring process only found its final form in January 2006. The result was that the Broadcasting business was divested in 2005 and Alma Media emerged as a strong, essentially domestic newspaper publishing company whose vision and mission is to be the forerunner in its field. The company has a solid, debt-free balance sheet and a suitably broad spread of shareholders.

Kai Telanne, who has headed the company since the spring, is satisfied with what he has seen and experienced. "The pace of change has been fast, not just for me but for the whole company. We slimmed down our administration and rapidly introduced a new organization. There was simply no time to get lost along the way," he recalls.

Telanne has long experience of the media business so he needed little time to learn what he didn't already know. He also quickly found his feet in his role as CEO, including the ins and outs of road shows and the complexities of investor relations. All the business units performed well during 2005. The Newspapers reported the best result in its history, while the online marketplaces "showed a staggering improvement" as he put it. The Kauppalehti group, which produces business information, also moved onto a steeper growth path. "We reached our targets well and no fatal mistakes were made," Telanne considers modestly.

Alma Media is generating a steady cash flow and its ability to pay a dividend is good. "We are in an outstanding position to reward our shareholders in the years to come – assuming, of course, that we perform as we have planned."

THE CURRENT YEAR has introduced a lot of new challenges. "We intend to ensure that our current business remains viable and the company an interesting investment prospect and a good employer far into the future." An essential aspect of this work is to improve the quality of journalism in the company. "Our most important goal is to increase reader numbers, followed by profitability and growth," the CEO emphasizes.

Those two words are constantly repeated in what he says. Tighter intracompany collaboration is the main means of reaching the company's goals. Telanne summarizes his vision of the future in one word – chaining. "The name of the game is that together we can achieve more than Alma Media's business units on their own."

The media group has so far found synergies in circulation marketing, the exchange of editorial content between the newspapers, distribution and newspaper printing. "We have good experience of all these areas. Team play has made its mark. Our task is now to make it sound loud and clear throughout the Group."

Alma Media will continue to focus on its three strong areas: newspapers, the production of business information, and marketplaces with their online and free paper services. "Our products are highly competitive and we have a great deal to offer our partners," Telanne promises.

In his estimation organic growth is imperative and has even higher priority than growth through acquisitions. "In this position the company has no business promising acquisitions in advance. Our task is to make the company attractive in all respects so that it is a sought-after partner, regardless of whether we are talking about co-operation based on operations or ownership. The latter has its place when it serves the interests of all the shareholders. Too high a price should never be paid."

So far the company hasn't gone on a spending spree even though it has been well prepared to do so. "We are examining various options and we will advance as opportunities present themselves. Time will tell how successful we are on this front."

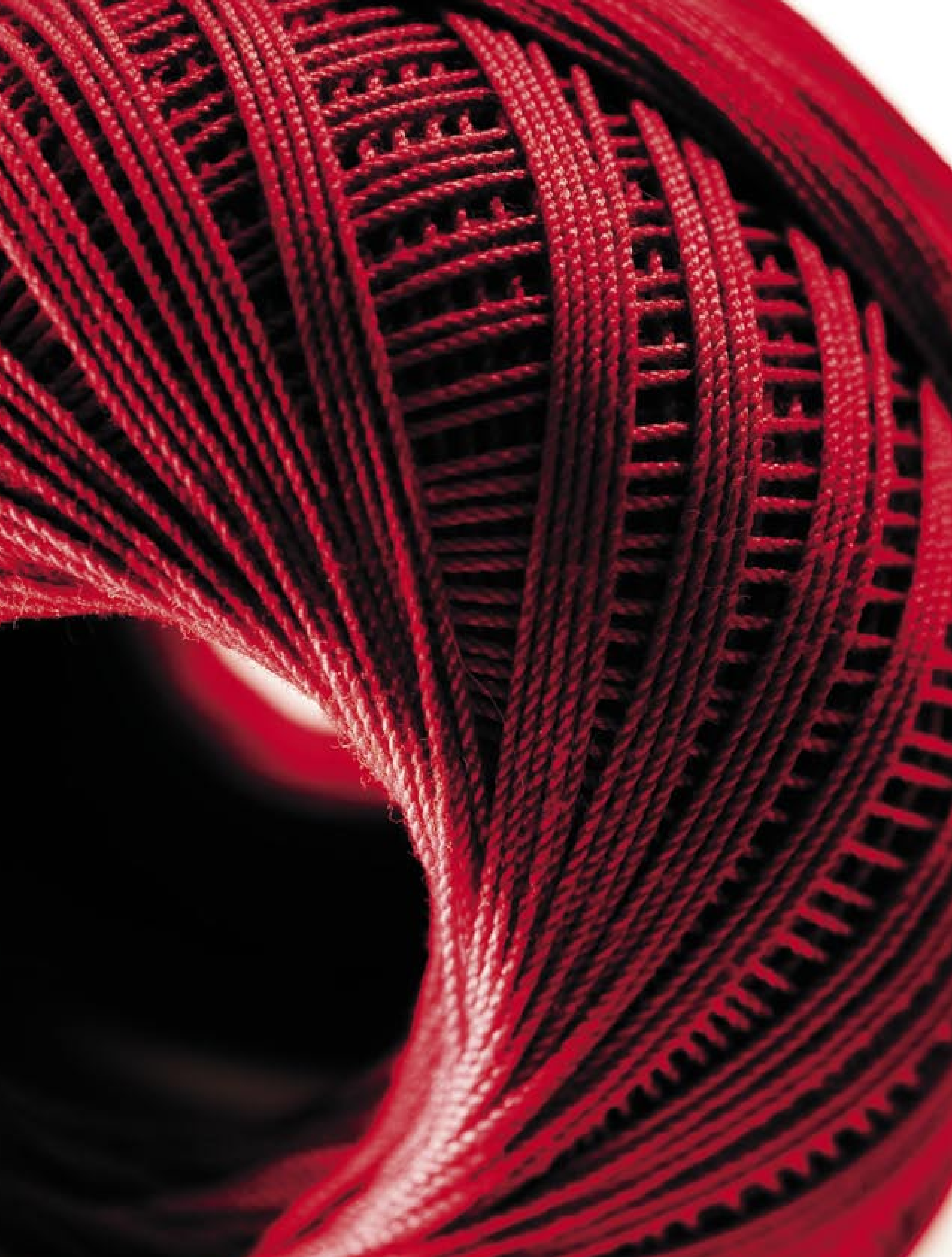
Telanne points out, though, that expansion is a matter of the next few years rather than something a decade away. "Our strategy and actions are aimed at ensuring that Alma Media will look entirely different in the future compared to what it looks like today."

THE QUESTION IS OFTEN ASKED, what Alma Media plans to do with its one-third holding in the Talentum media group. "We carry significant responsibility for development of the company. As things stand today, our aim is for Talentum to concentrate on the media business and raise its profitability. If it doesn't perform as we would wish, we can change our ownership strategy."

Telanne thinks that the volatile media market easily gives rise to the wrong impression that major acquisitions or mergers should be happening all the time. "Of course we see the need for structural changes in the longer term and it would be surprising indeed if Alma Media were not involved in them in one way or another. Alma Media is the second largest print media group in Finland. That gives us plenty of scope – and our aim is only to take action that suits the interests of our shareholders and customers."

THE CEO WAS INTERVIEWED BY ARNO AHONIEMI, A REPORTER FOR KAUPPALEHTI PRESSO.

President and CEO Kai Telanne: "Increasing readership is our most important task."



Target: productive collaboration

Chaining is Alma Media's recipe for producing higher-quality newspapers more profitably.

Chaining – Alma Media swears by it. The chaining of its operations started early in the 1990s when the Group's printing plants began working together. Since then chaining has spread and deepened into all areas of newspaper publishing and into all of Alma Media's business units.

"The idea of this approach is to reach a higher level of quality more profitably. The chains are networks in which the specific expertise of the different units is exploited throughout the Group," describes **Minna Nissinen**, Senior Vice President, Corporate Development and head of Alma Media's chaining operations.

The chains work along the lines of a matrix model. Each unit has a representative for each chain. They are responsible for ensuring both that collaboration gets turned into practical results in the units, and that best practices in the units get shared throughout the chains to the rest of the Group.

WHEN CHAINING WAS LAUNCHED the first aim was not to cut costs but to raise newspaper quality. "Doing certain things in one place for everyone releases resources in the units for other work. Obviously better quality will raise income but the profitability of the whole operation is the sum of many factors," Nissinen underlines.

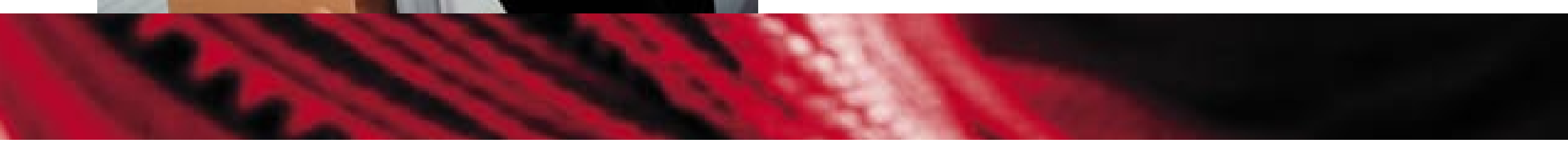
"Before this can happen, though, we need a strong vision. Collaboration on this scale doesn't happen by itself. Each of our units has its own long history. Satakunnan Kansa, for instance, has a 133-year heritage. The point of chaining is not to destroy individual brands but to release their resources. The chains are a tool for getting things done together but responsibility for local content will always remain in local hands."

The biggest challenge is to change thinking patterns. "Chaining must become part of our everyday work. To appreciate the full picture, people need to put a corporate thinking cap on. They need to understand that no-one is losing anything; each of us is actually on the receiving end. We're furthest along this road in the Local Newspapers group, which have 20 newspapers. None of them has lost its independence."

Minna Nissinen emphasizes the importance of success, as this increases the appetite for more. There are already concrete examples of overall benefits. "Our 'ChainScope' online dialogue at the beginning of this year revealed that expectations are extremely high following positive experience."

Nor do results always need to be earth-shaking. Small streams, as they say, can turn into a mighty river.

"Chaining helps us to respond to the growing needs of our customers – both our readers and our advertisers. We want them to continue regarding our newspapers as indispensable media in the future," Minna Nissinen emphasizes.



MORE THAN 900 CUSTOMIZED TRAINING DAYS FOR JOURNALISTS.

Editorial:
Better skills, and more of them

Europe, Russia, Legislation, Desk Editor, General Editor, other training – all are issues that Alma Media's Editorial chain has decided to get to grips with. "We mapped the journalistic training needs of our papers from the perspective of our readers. We established what areas of journalism we were weak in and where we needed better skills," says **Jouko Jokinen**, Executive Editor-in-Chief of Satakunnan Kansa and head of the chain.

"In our Europe training scheme, for example, we analysed what EU journalism should be like in order

The Editorial chain focuses on training for journalists.

to ensure that our weekly 'Europe in Pieces' column and our other joint journalism on Europe really meets the needs of the readers of the Group's newspapers. Right now we are planning how to handle Finland's upcoming presidency of the EU, to make sure that what we offer as journalists is as good as it can be for our readers.

"We also want to give a solid grounding in Russian affairs to a few Russian-speaking journalists. Similarly,

Jouko Jokinen thinks readers are smart and want quality. "The era of trivial, lightweight journalism is over."

we need to keep a close eye on the progress of new legislation and its interpretation, which is the purpose of our Law & Justice training scheme."

THE EMPHASIS ON CUSTOMIZED TRAINING is enormous but also profitable, in Jokinen's view. "I firmly believe that the more we do together, the better the newspapers we will produce.

"Collaboration allows us to use each other's pieces in any of our media. The news is available to all our newspapers on the same day, which makes sense for readers – and is also their right. In principle we can use the work of the Group's 500 editors immediately."

The results of this work are visible for all to see. "Kauppalehti is on board as well, and using its online business news the Group's regional papers are able to provide up-to-the-minute information around the country. Presso, on the other hand, is an entirely new concept in the provinces so our media can use its material at the weekends."

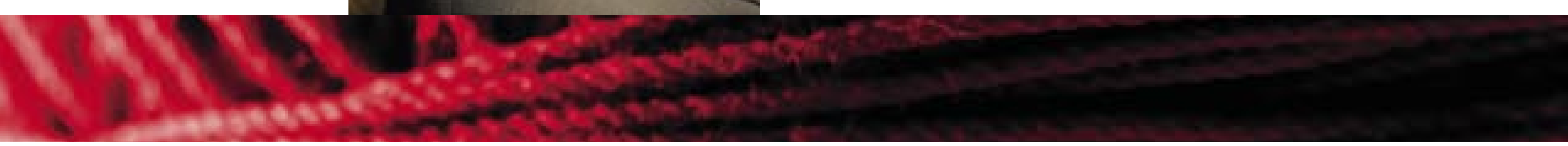
The regional papers, likewise, have a lot to offer their bigger brothers Iltalehti and Kauppalehti. "We are currently putting together a joint series called Local Government & Enterprises around Finland. These articles are published simultaneously in Kauppalehti and the regional and local papers. We also work with Iltalehti providing news from the provinces," Jouko Jokinen continues.

As head of this chain, he has a clear vision for the future. "We must generate synergies. In 2005 our jointly produced material, in Satakunnan Kansa for example, represented roughly 16%, and this year it will rise to 20%. Our aim is to raise this figure to 30% in 2008. That will allow each local editorial department to concentrate on a higher standard of reporting in its own area. It will also allow us to give more attention to local online news services, for example, and to other new products."

BETTER CIRCULATION GROWTH THAN THE COMPETITION.

Circulation and Consumer Marketing:
Comprehensive service packages

Aamulehti's Circulation Director **Maija-Liisa Pennanen** only needs to be asked once what benefit chaining offers. As head of the Circulation and Consumer Marketing chain, she says co-operation between units should go without saying.



"We must anticipate what our customers want," Maija-Liisa Pennanen emphasizes.

KNOWLEDGE SHARED OPENLY.

"We started collaboration between different papers in circulation marketing nine years ago already. Our initial focus was on joint printing, raising value and sharing circulations. Now we are so well organized that we don't even remember any more what it was like to do everything oneself," Pennanen describes.

"Readers are becoming more sophisticated all the time and traditional services are no longer good enough for them. So we need to build new concepts. And the best way of doing that is through chained operations."

In Circulation and Consumer Marketing, it is the chain that finds the external partners and makes all the contracts. "We negotiate the benefits of co-operation

Added value for customers.

with our suppliers. That way we are able to spread the costs more broadly," Maija-Liisa Pennanen says, but hastens to add that chaining is not only about saving costs.

"Cost savings take us only a short way down the road. More important still is to sharpen competitiveness. We must anticipate what our customers want and ensure that our service improves appropriately. Together, we are able to offer a far wider and more complete range of services than the individual newspaper can possibly hope to.

"The common denominator in this chain is customer-centricity. Selling subscriptions is not enough for us. We must genuinely appreciate our customers and produce added value for them."

Brand and Research:
It's worth asking questions

The chain headed by Brand Director **Jaana Kaartinen** has two teams: Brand and Research. Each has its own targets but they both support each other as well as the other chains.

"The ambitious aim of the Brand team is to create common models for defining and measuring the brand features of different products. The features are not of

Brand and Research provides knowledge.

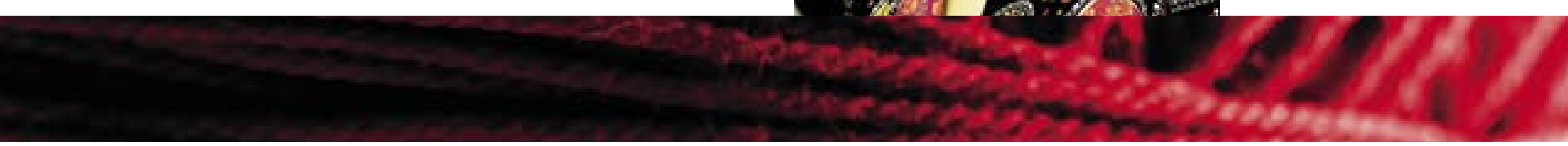
course the same for all products but they could be built up from the same process," says Kaartinen, who works in Aamulehti.

"Conversely, in the Research team we have mapped and budgeted what surveys we can do together during 2006. We've made a fast start and the surveys are well thought out because everyone has openly pooled their knowledge."

For Kaartinen the most important point of the exercise is to increase usability. "That's what is most expected of us, along with close collaboration with the other chains. The Research team, for example, is not just a purchasing organization; it also gives attention to planning the surveys, setting the right questions and further processing.

"Underlining all this is learning from each other. I personally believe that the strong professionals in our teams have a great deal to give to each other – and I really mean it. We are not competing with each other," Jaana Kaartinen states.

Jaana Kaartinen insists that surveys should be usable.



In Helvi Liukkaala's view, feedback from people not getting their paper reflects their attachment to the paper.

ONE ERROR EVERY SIX YEARS.

Distribution:
Slip-ups are noticed

"Our aim is to ensure efficient distribution," summarizes **Helvi Liukkaala,** Managing Director of the newspaper distribution company Aamujakelu Oy and head of the Distribution chain.

She is only too aware that distribution is the last stage in the newspaper's process – and the one that customers notice best when it slips up. "For that reason our aim is to be as invisible as possible," Liukkaala says.

Some of the newspapers in the chain handle distribution on their own, while others outsource this service. "It's a good thing we have experience of both as we know the pros and cons of each way of doing things. We also know what distribution is worth paying for."

Liukkaala points out that newspaper distribution is always work done by people. Each paper is brought to

Errors are one in a thousand.

its subscriber by hand. "This means we must care for the people who do this work. We have made a great effort in this chain to raise appreciation for the distribution process."

In distribution, errors are measured not in per cent but in per mille. The common target is an error level of 0.5‰. "In other words one error per subscriber every six years. In several localities we've actually reached this target as well."

"Some subscribers take it as a personal insult when they don't get their paper," continues Helvi Liukkaala. "Occasionally subscribers calling in for this reason are pretty worked up. My view is that this reflects rather well how attached subscribers are to their newspaper, which should give us a feeling of security. If people want their papers so desperately, they'll continue to order them in the future."

BEST MEDIA MARKETING EXPERTISE IN THE NEWSPAPER BUSINESS.

Media Marketing:
Frontrunners in expertise

Various units have worked together in media marketing for three years. Aamulehti's Media Marketing Director **Juha-Petri Loimovuori** has headed this chain since August 2004.

"In media marketing, chaining means raising competence levels in all the units. You have to remember that media sales and marketing are fields of expertise and need continuous development. We aim to ensure that by 2007 we have the best media marketing know-how in the newspaper business."

One example of enhancing expertise is the 18-month training course for sales executives started in September 2005. "Effective job rotation would also be important –

"Knowledge in this business is worth its weight in gold," thinks Juha-Petri Loimovuori.

”We have given top priority to improving the professional skills of our people,” Timo Jokinen says.

getting employees to change locality once in a while,” thinks Loimovuori, who himself joined Aamulehti from Kauppalehti. “Job rotation helps people understand each unit’s motives.”

Pressure on prices is currently high in media marketing as customers are very price-conscious. “We need all the efficiency and cost-savings we can get. We also need

Job rotation helps people understand each unit’s motives.

all the knowledge we can get, because in this business it’s worth its weight in gold.

“In Alma Media we have excellent products. If we also put together a professional sales organization that can do this job with enthusiasm, we’ll certainly stand out from our competitors,” Juha-Petri Loimovuori says.

COLLABORATION IN SALES AND MARKETING GETS UNDER WAY.

Printing:
Printers are prime movers

Co-operation between printing plants has a long heritage in Alma Media. This work started with a joint effort to look for new technical solutions and to organize material purchases.

“Joint material purchases have been a central element of co-operation between the printing plants from the outset – originally the only form of systematic collaboration. We’re talking about investments in the order of M€ 20 a year, so every percentage discount is significant,” says **Timo Jokinen**, head of the Aamulehti newsprint plant and also head of the Printing chain.

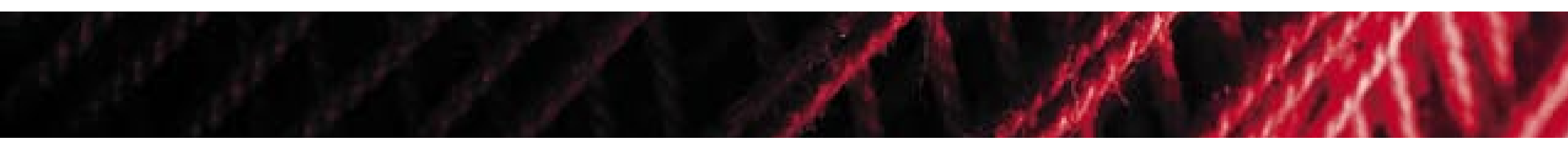
Under the loupe at the moment, for example, are maintenance control software and a joint printing service centre. “We’re considering joint page printing and testing how centralization would work. If it does, we would only need to update three or four software programs instead of the twenty or so at present. In monetary terms updating costs several thousand euros for each program. It would also free resources in various localities for other work.”

Jokinen emphasizes the importance of sharing know-how. “When a new press tower was purchased for the plant in Rovaniemi, an Aamulehti expert spent several weeks there sharing his know-how with us. Similarly, the Lapin Kansa people have done outstanding work in reducing the amount of mackle paper – expertise we have used to advantage in our other units.

Mackle meter monitors efficiency.

“This has given our employees the opportunity to develop and expand their own skills. Of course this is a matter of resource optimization but the most important point is setting priorities: deciding together, what is most important at any one time.”

The highlight of the year, says Timo Jokinen, was starting sales and marketing co-operation within Alma Media Print. “Just today, for example, we examined where a certain job could best be done. Sitting round the same table were people representing three of the Group’s newspapers.”



MOST BASIC IT SERVICES ARE OUTSOURCED.

For Juha Punnonen every idea is valuable.

Information and Production: Plug and play publishing

The Information and Production chain is seeking common systems and working procedures for Alma Media's various units. "This chain more or less came into being by itself, through users and situations. We work right across all the other chains. Our vision is to develop our operations to the point where we can start concentrating on generating added value – and where the tools for this are readily available for everyone to use," says IT Director **Juha Punnonen** describing the Group's 'plug-and-play' IT development process.

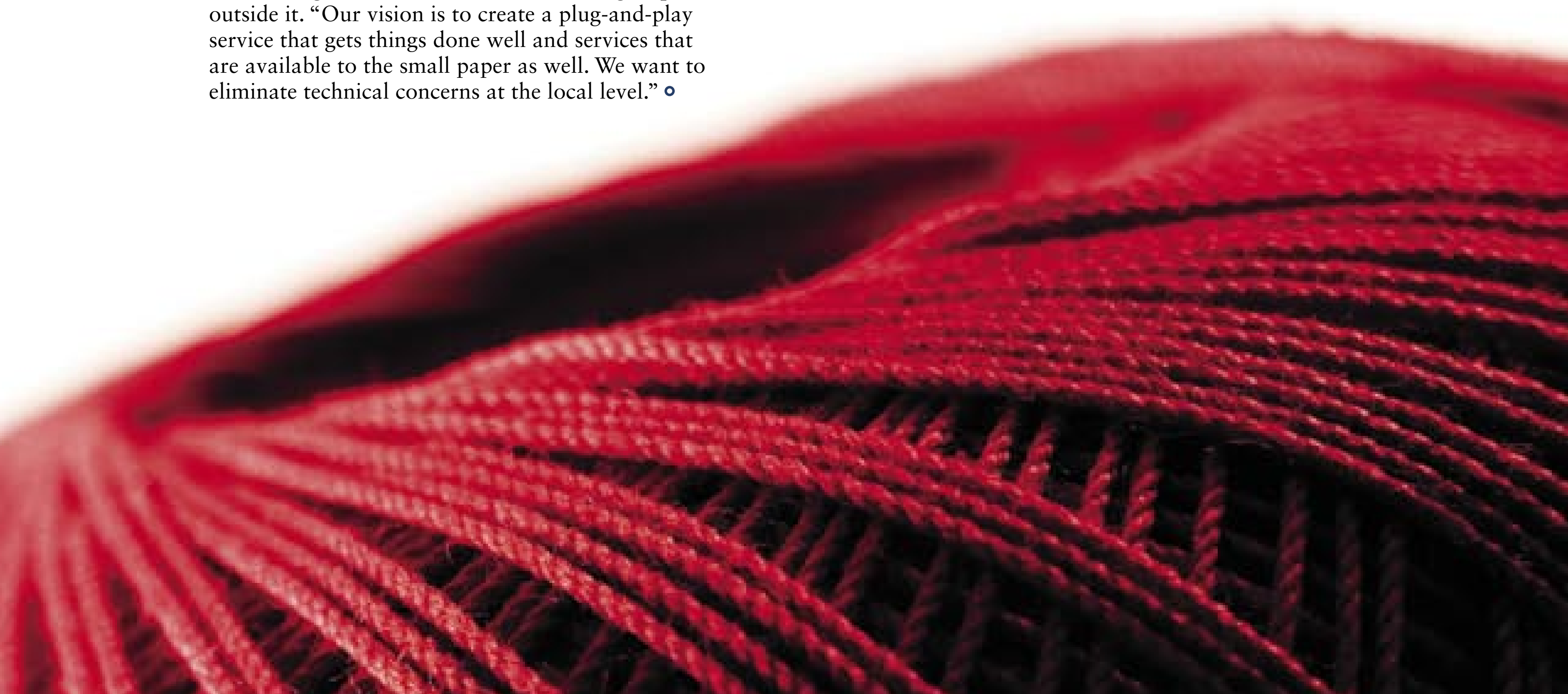
"Our work is divided into three: traditional information, newspaper production technologies, and online publishing."

Information technology is often felt to be a large and complex entity but it can often offer benefits in very small matters. "A good example is the sudoku puzzles that almost every unit used to purchase at different prices and on different principles. We set out to find

Switch the light on.

a common solution and now we have only one person speaking to all the papers and handling all the purchases. In other words the problem doesn't always have to be enormous. The main thing is to get the light switched on."

Juha Punnonen calls for ideas and the enthusiasm to work together – both within the media group and outside it. "Our vision is to create a plug-and-play service that gets things done well and services that are available to the small paper as well. We want to eliminate technical concerns at the local level."



Kati Särkelä (on the left) and Johanna Salonen.

A road map for each day

The newspaper tumbles through the front door, full of useful information and advice for the day ahead, and for life in general.

"At least it should be," says **Jouko Jokinen**, Editor-in-Chief of Satakunnan Kansa and head of the Alma Media's Editorial chain. He views the newspaper as a map for its readers that helps them make the right choices in a world teeming with fragmented information.

"But newspapers seem to concentrate all too much on describing problems instead of solutions. We need suggestions as to how to improve society – how we can move from burning oil to burning wood, for example."

"The challenge is a big one but so it should be," says Jokinen, because good journalism is a tough job.

"The newspaper of the future will have to provide more than the sort of mediocre writing that just piles one quote on top of another. The newspaper must provide a real service to its readers."

Better service is the purpose of the project called Tomorrow's Newspaper. "Indeed something needs to be done," Jokinen continues, because it's becoming ever more difficult to maintain circulations.

The team is currently pondering what Alma Media's various newspapers could do together and what content they will have to produce on their own. Well researched articles of concrete value to readers is the way to better journalism – together.

"We also need good quality in our writing, layout work and thinking. We need to remember that many readers know a great deal more about matters than we who produce the newspaper."

One mantra more than any other seems on everyone's lips today: women, women, and once again women. The newspaper will keep its place in the future if it is able to be of value to its female readers. And what interests women, men likewise would do well to read.

In Jokinen's vision newspapers will be increasingly interactive in the future. The newspaper will be part of the local community as well as being a channel for people to communicate with each other.

Tomorrow's newspaper will be so essential for its readers that they will not be able to do without it.

"What interests women, men likewise would do well to read."

PROFESSIONALS LEARN FROM EACH OTHER.

All-Stars line up

Alma Media rallied its forces in September 2005 to hear about the company's new direction and gain inspiration for the future.

The two-day event, given the name All-Stars, was used by top management to describe to the company's employees the new Alma Media's strategy and the importance of chained operations as its foundation. The occasion was also used to launch the company's revised vision, mission and values.

The event was organized along the lines of a 'trade show', with seminars and media marketing; in the latter case the company's various business units and chains introduced themselves with their own stands. Alma Media people eagerly went from stand to stand, learning about the Group's services and meeting new people. The atmosphere was highly enthusiastic and the presentations encouraged lively discussion.

THE MOST IMPORTANT aspect of the event turned out to be Alma Media's new vision to be the frontrunner in its business. When utilizing such a large corporation's resources, the aim is to ensure the same things are not done several times over by different units. Effective ways of doing things will be replicated for use by everybody, and targets must be set as high as possible. Mediocrity will not be tolerated anywhere.

The event was also used to explain the new vision and its importance. Frontrunner in Alma Media means that everyone is a top performer in whatever they do. To make this happen, Alma Media relies on its values: Team Play, and Freedom and Pluralism of Journalism. Reaching this goal requires the input of each Alma Media employee, because without it the media group will not succeed.

TEAM PLAY AND CHAINING are words that Alma Media believes in. The company encourages job rotation, training and skills improvement. Alma Media stands for strong brands and top-quality content. Its employees share their

FRONTRUNNERS IN FOCUS

- Roughly 1,500 full-time employees.
- Roughly 1,100 part-time employees, most of whom are newspaper delivery staff.
- Almost 40% of employees have a university or college education.
- Another roughly 20% of employees have a vocational diploma.

competences in joint training sessions and through collaboration every day.

Alma Media's management supports job rotation. All employees must first be notified about all open positions except those filled within a business unit. An 'applicant bank' has been set up for this purpose in which the applicant's data is confidential and given to managers looking for a new employee only with the applicant's permission.

Job rotation promotes learning and knowledge, and the migration of best practices from one unit to another.

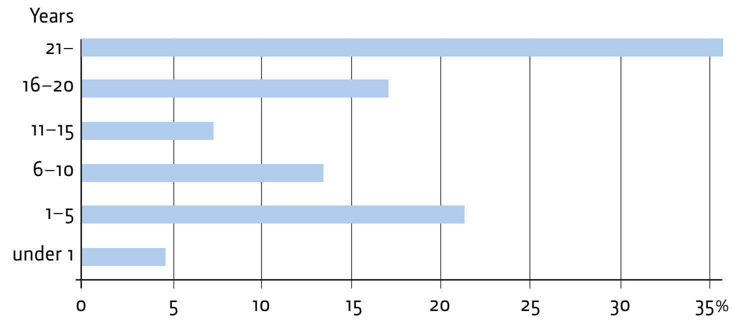
A comprehensive personnel survey is conducted every other year. This ensures that there is time to analyse the results, and to plan and implement corrective action based on them. The aim is to ensure the highest possible response and good comparability with the previous survey.

THE PERSONNEL FORUM CONSISTS of personnel administration professionals from around the Group. The forum meets once a month to discuss personnel matters of current importance.

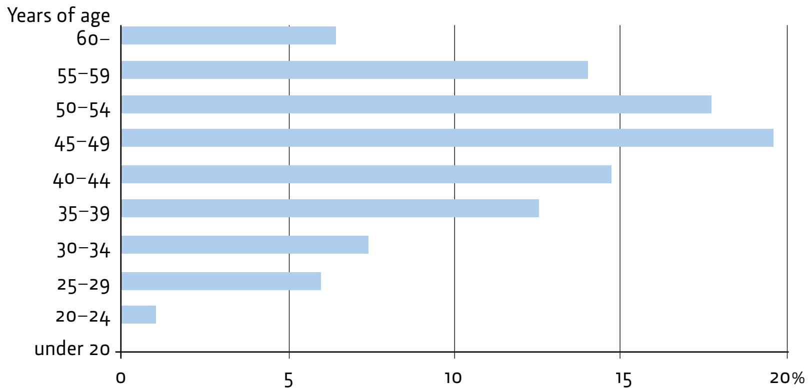
The personnel strategy defines the development priorities for the Group in the next few years. These include management skills and competence management.

Several competence management tools have been developed under the guidance of the forum's members. The results of the personnel survey have shown that developing management skills is extremely important. The personnel forum is also responsible for planning training for supervisors and new operating models.

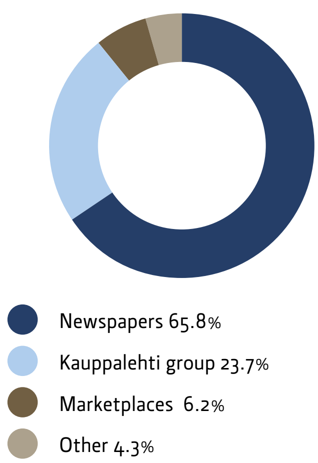
Duration of employment



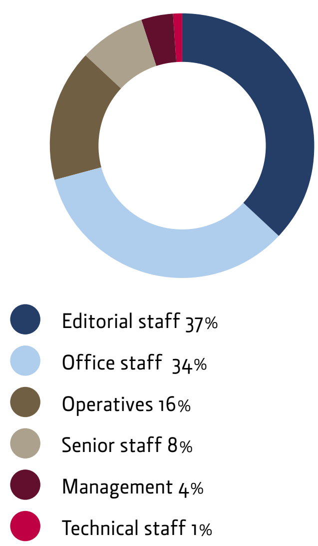
Age structure



Workforce,
full-time 2005, average
(excl. Broadcasting)



Personnel groups
(permanent employees, excl. distribution staff)

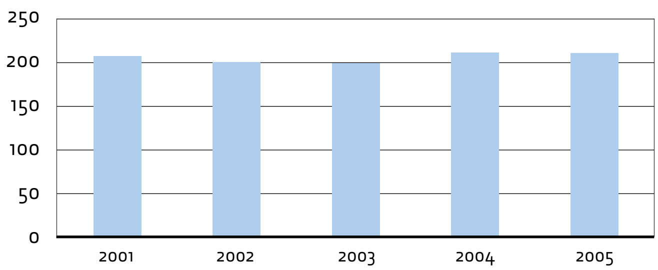


Three holes-in-one

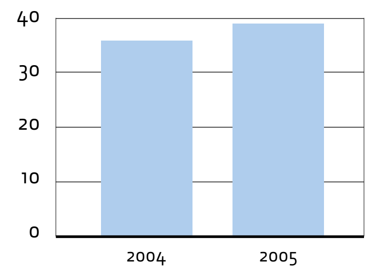
Alma Media Group, whose core business is newspaper publishing, derives its profits from seven business units. The media and services produced by these units cover the whole of Finland and, increasingly, Finland's close neighbours. The Group reports its business operations in three groups: Newspapers, Kauppalehti group and Marketplaces. Comparative data for previous years is given only for 2004 and 2005 owing to the adoption of IFRS.

Newspapers

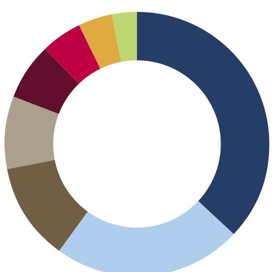
Net sales, M€



Operating profit, M€

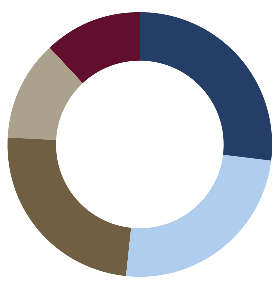


Net sales by unit
(M€ 211.6)



- Aamulehti 37.0%
- Iltalehti 23.0%
- Satakunnan Kansa 12.0%
- Local Newspapers group 9.0%
- Lapin Kansa 7.0%
- Kainuun Sanomat 5.0%
- Pohjolan Sanomat 4.0%
- Printing contracts, external 3.0%

Expenses by function
(M€ 173.3)



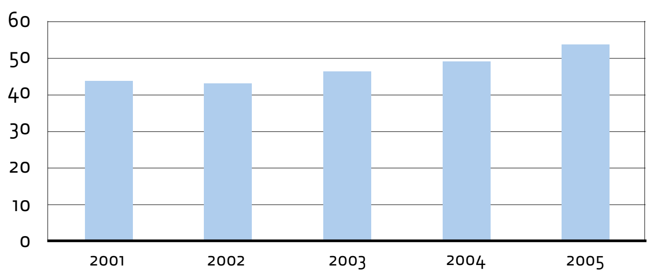
- Editorial 27.0%
- Distribution 24.4%
- Printing 24.7%
- Sales and marketing 12.0%
- Support functions 11.9%

Key figures by business area

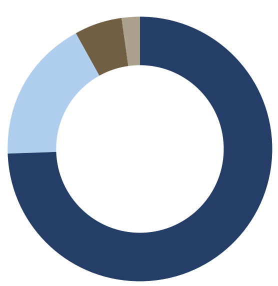
M€	Newspapers 2005	Newspapers 2004	Kauppalehti group 2005	Kauppalehti group 2004	Marketplaces 2005	Marketplaces 2004
Net sales	211.6	212.4	53.8	49.1	22.7	21.3
% of Group net sales	70.2	71.3	17.9	16.5	7.5	7.2
Operating profit	38.9	35.7	7.1	6.1	1.1	0.3
Share of results in associated companies	–	–	5.5	1.9	–	–
Gross capital expenditure	7.3	3.8	8.1	1.9	3.5	2.3
Depreciation	5.6	6.9	1.1	1.0	1.8	1.9
Capital employed, average	36.9	35.5	43.8	29.8	5.6	4.3
Full-time employees, average	1,547	1,603	418	402	109	115

Kauppalehti group

Net sales, M€

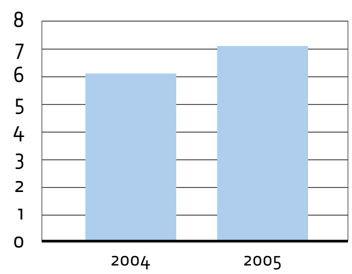


Net sales by unit (M€ 53.8)

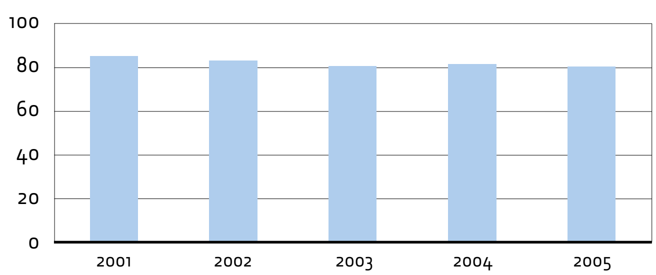


- Kauppalehti 75%
- Lehdentekijät 17%
- Baltic News Service 6%
- Balance Consulting 2%

Operating profit, M€

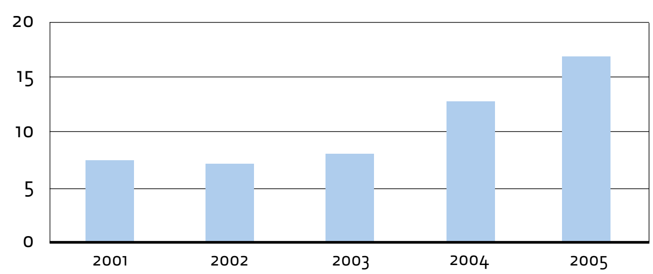


Kauppalehti circulation trends (in 1,000)

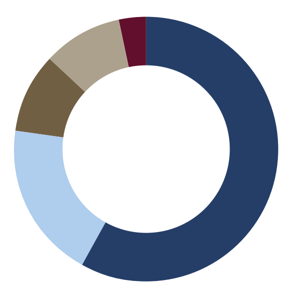


Marketplaces

Net sales, M€



Classified services, distribution of net sales



- Etuovi 58%
- Monster 19%
- Autotalli 10%
- Mascus 10%
- City24 3%

‘Domestic policy’– the key to success

In Aamulehti they know that competence itself is not enough. Success also calls for enthusiasm.

Aamulehti’s Managing Director **Juha Rantalainen** says with a glint in his eye that a soft approach yields hard results. Ruotsalainen, who has steered Aamulehti since last June, is a laid-back sort of person. He drinks tee and munches on a cake as he describes his background.

Ruotsalainen has enjoyed quite a dynamic career. A graduate engineer, he joined Alma Media in 2000 at the Kainuun Sanomat newspaper, from where he moved two years later to head the Group’s Northern Newspapers. When **Kai Telanne** took the helm at Alma Media, Ruotsalainen was given the opportunity to take charge of the Group’s flagship, the Aamulehti newspaper.

“I knew that there was plenty of pioneering work to do in Aamulehti so the job felt especially attractive. I also knew a little about Tampere from my student days.”

THE NEW MD was immediately given a baptism of fire with the company’s personnel strategy when he had to analyse the effects of the paper industry dispute in late spring 2005. After that tricky time in the summer the rest of the year was a lot easier – getting to know the personnel and other stakeholders and planning the year ahead. Systematic personnel development, given high priority the previous year, was in full swing and the first results were available for scrutiny.

“The central role of personnel in Aamulehti’s operations has been correctly appreciated. The recruitment of Personnel Development Manager **Hippu Pintilä** in 2004 showed that in personnel matters as well, we are in deadly earnest. This is also one of the ways we can meet future challenges,” Ruotsalainen says.

Ensuring its core competences and managing its future direction are a central challenge for Aamulehti as a large number of its employees will reach retirement age in the next five years. Pintilä has wasted no time: new personnel and age strategies have been formulated for Aamulehti, strategy training has been organized for supervisors and middle managers, a new Management Style Guide has been written, and an atmosphere at work survey has been performed.

“Personnel strategy is always based on business strategy as that ensures a clear direction and systematic action. It also means we can monitor how our targets are met,” Pintilä underlines.

RUOTSALAINEN EMPHASIZES ‘domestic policy issues’ as the foundation for competitive superiority. Without continuous development of competences, products and service Aamulehti will not be able to fulfil its tasks. He is particularly pleased that the profitability target guides operations, starting with the company’s values.

“A newspaper can only be successful if the region around it is successful. Profitability makes it possible to

THE MANAGEMENT STYLE GUIDE IS NOT A SECRET DOCUMENT.

act as we would ideally like to. I and everyone else in this Group understand that the journalistic and business perspectives are not at opposite poles of the spectrum but operate in parallel towards the same end.”

The encouraging results of the atmosphere at work survey have been a subject of pride for Ruotsalainen and Pintilä over the past few weeks. The overall satisfaction index was an improvement.

CHANGE MANAGEMENT, a weakness highlighted by the previous study, has since been given priority in Aamulehti, while this winter training is dealing with certain difficult managerial issues and providing feedback. Besides focused training, Pintilä also emphasizes common rules.

“Many supervisers and managers feel they are rather alone. The guidelines in the Management Style Guide provide support for all management situations as well as harmonizing management practice among our various units.”

Aamulehti’s vision is to be the Number One newspaper of the future. This means, in Pintilä’s view, that Aamulehti will be the best workplace for its employees. They have a common understanding of the company’s vision and values, and the company gives high priority to well-being at work.

“We have a lot of projects under way. Aamulehti celebrates its 125th anniversary in 2006. We are moving amongst our readers, developing the newspaper’s structure and content, and launching a new town paper. I’m really enthusiastic about the year ahead and I believe everyone in Aamulehti is ready to roll up their sleeves,” Juha Ruotsalainen summarizes.

For Juha Ruotsalainen and Hippu Pintilä, expertise
on its own is no guarantee of success.
Drive – enthusiasm – is needed as well.

Co-operation flows smoothly

The Satakunnan Kansa newspaper was entirely revamped in March 2005. The top priority now is to create confidence in the future.

Managing Director **Tuomo Saarinen** and Editor-in-Chief **Jouko Jokinen** emphasize that the task of the regional paper is to promote the well-being of the local community.

"We breathe at the same rate as our region. If the area is suffering, our newspaper won't flourish," Saarinen says, adding with satisfaction: "For seven years in a row our advertising sales have grown faster than the average in the newspaper business. That reflects the positive development in our whole region."

THE FRIDAY VIRTA SUPPLEMENT ("Flow" in English) focuses on what's happening and when. The first issue came out at the same time as the redesigned Satakunnan Kansa paper itself.

This tour de force, the first result of collaboration through chaining, is a genuinely different reading package for local needs. Although it is produced jointly with Aamulehti, the main front page story and four other pages are the paper's own work.

Saarinen believes that collaboration through chaining will gain pace and broaden further. "The most important thing is to use all the Group's resources to build a common future."

SATAKUNNAN KANSA'S WEBSITE is a magnet for local readers. The use of the Internet is more diverse than before but do the online and print media work together?

"When we get rapid feedback for articles in the newspaper, that's when the internet is being used to its best. It is another matter entirely how and when we can turn that into good business," Saarinen ponders.

Jokinen, a journalist, believes in the power of regional news and communication. "Lively regional online news attracts visitors to our pages, as do online discussion and blogs."

Despite the popularity of the internet, Saarinen predicts that the most action in the future will be in the town papers. "Unlike many other localities, we have had three town papers for well over ten years and learnt to live in this competitive situation. The scene will change, though, when the town paper chains start selling advertising on a national scale."

VIBRANT TIMES FOR THE INTERNET AND TOWN PAPERS.

Tuomo Saarinen and Jouko Jokinen have faith in their concept. Satakunnan Kansa's Virta supplement focuses on what's on at the weekend. The paper buys the supplement's layout, television programme information, and the dvd, music and games pages from Aamulehti.

More colour and power

Covering an enormous geographical area, this unit has three regional titles and publishes town, local and free papers.

Last September the Lapin Kansa printing works took Alma Media's largest investment in 2005 into use, a new tower for the press costing almost M€ 4.

The editorial staff had prepared for the new press well in advance and a new-look Lapin Kansa newspaper rolled fresh off the press at the beginning of 2006. "The main news page was moved to page three, so the paper was given a proper front page," describes Managing Director **Matti Ilmivalta**.

"Earlier we were rather colour-handicapped because we could only print every other page in four colours. Now we can print up to 32 pages in full colour, or a four-colour tabloid paper with 64 pages."

THE POHJOLAN SANOMAT PAPER is also printed at the Lapin Kansa works, which is further improving synergies between the two papers.

"We can print supplements in four colours as well. We want to give our readers added value and offer a different viewpoint but we also plan to enter the commercial newspaper market," Ilmivalta adds. "Despite the intense competition our aim is to attract more work to the printing plant."

KAINUUN SANOMAT, the third runner in the Northern Newspapers stable, moved to the centre of Kajaani in August. The large ballroom in the former hotel building gives the editorial staff outstanding office space, while people can walk straight into the downstairs customer service department at street level.

"You can't get nearer to the centre of Kajaani than this," says Editorial Department Manager **Pekka Vasala**. For the first time in his 35-year career he is sitting in an open-plan office, and quite satisfied with the change.

"Communication between editorial staff and the entire newspaper works well. And every day we get news and story ideas walking in right off the street."

Vasala feels the newspaper has an important role to play in creating the regional identity. "We keep the atmosphere lively in all sorts of ways. And in that sense, too, our central location is a plus."

THE NEW TOWER FOR THE PRESS COST M€4.

Lapin Kansa is headed by Matti Ilmivalta (right), who has set his sights on commercial supplements. Kainuun Sanomat's Editorial Department Manager Pekka Vasala enjoys his new office in the centre of Kajaani.

NEW TEAM PLAY BETWEEN SUBSCRIBED LOCAL, TOWN AND FREE PAPERS .

Winning and tackling

Local Newspapers group consists of 15 local and six free papers. Every publication is the leading paper and the most important voice in its area.

The papers have a significant role to play in local development and speak out for the areas they represent. They come out two to five times a week and share a common editorial staff that produces eleven thematic monthly inserts.

The success of these publications has paved the way for selling advertisements. "Last year two of our local papers were highly successful in Finland's local paper stakes. One of them took gold and the other bronze, while the third was given special recognition in the photo competition," Valkama says and continues: "Now advertisers will have no problem finding the right channel for their needs."

"I sent Kai Telanne a message that this is where you'll find your frontrunners," smiles Jorma Valkama, Managing Director of Local Newspapers group.

LOCAL NEWSPAPERS ARE RETREATING towards their own localities, so they are assuming ever greater responsibility for communication in their circulation areas. "What these papers publish must be the talk of the day. Readers need to form a global view of the world of course, but local issues are still what counts most: everyone wants to know what happened to their neighbour during a local or world-wide catastrophe," Jorma Valkama adds.

Chaining in local news is a concept that he swears by. "If we can arrange collaboration between editorial departments in the right way, Alma Media will soon have a sizeable network of journalists and branch offices. Local papers derive almost half of their net sales from subscriptions. Ours is a competitive world so we must exploit our strength."

LOCAL PAPERS AND COMMUNITIES – two words that evolve hand in hand. "Ultimately, each of us is most interested in what's going on around the corner. A well-produced paper with plenty of variety is the best defence against newcomers," says **Martti Jaatinen**, Editor-in-Chief of one of Alma Media's local newspapers.

"Outside the urban centres, the fight for readers is intense. For example, the huge shopping malls being built all over the place pose a new threat to newspaper content and advertisement sales. That is why we must be better than the others and always one step ahead."

Jorma Valkama (above) and Martti Jaatinen believe that publishing local papers is a profitable and growing business.

“Women read news about crime just as eagerly as men,” says Miina Lange.

The right direction

Iltalehti, the daily tabloid, wants to take centre stage.

Kari Kivelä, Executive Editor-in-Chief and Publisher of Iltalehti since February 2005, is delighted at how close Iltalehti’s readers feel the paper is to them. He is not prepared to predict what the paper will be like in, say, five years’ time but the direction it has taken is right, he thinks.

Nonetheless, the paper must focus even more on people’s daily lives in the future. “Proximity to people is an important value. We try to make difficult subjects easier to approach,” Kivelä describes. In the same breath he continues that reader surveys have never indicated that readers have considered Iltalehti remote. It gives a strong base to continue from.

ILTALEHTI’S GROWING READERSHIP speaks volumes about the paper’s close relationship with its readers. Kivelä underlines that without it advertisers would not be interested. He also wants to make the paper even stronger financially.

On any day the daily tabloid publisher can see sales fluctuate by several dozen per cent owing not only to the paper’s content but to the day of the week and even the time of year. Last year Iltalehti gave priority to reducing this see-saw effect by allocating resources better. “We have concentrated on getting our own news. So even on a bad news day we are doing better than before,” Kivelä says.

Higher priority has also been given to Iltalehti’s online service during Kivelä’s time. Iltalehti’s website is already among the most popular in Finland and the publisher believes it will become even more so.

THE GROWING READERSHIP SPEAKS VOLUMES.

THE DAILY TABLOIDS IN FINLAND compete for the same news and issues as the other daily papers and periodicals so they must serve the entire population. “Now at last we can say Iltalehti has reached the female readers. The distribution of readers by gender is now roughly on a par with the population in general. Our female editorial staff have done an outstanding job in this regard,” Kivelä says.

News Manager **Miina Lange**, who has worked for Iltalehti for several years, agrees but emphasizes that news has no gender. Women read news about crime just as eagerly as men.

“The fact that we tell the news increasingly through people has perhaps made it more interesting for women. We have also added the number of consumer subjects we deal with because consumer journalism is an area that women are at least as interested in as men.

“All the same, we don’t feel any need to speak of a male or female perspective in our everyday work,” Lange adds.

“Iltalehti is rapidly reaching its goal of serving every Finn,” says Kari Kivelä.

Frontline renewal

Kauppalehti's renewal is the best Juha Blomster, the group's President, has ever seen in his career.

Blomster and his group have had a work-filled year. After an iffy early winter, the indicators are once again pointing in the right direction and now the income statement figures are to the President's liking as well.

"The change is the sum of many factors," he says. "We've improved working efficiency and kept tight control over costs."

Sales and circulation have both started to grow, which is a positive trend. The Presso Saturday paper launched in September 2004 increased its circulation and advertising sales as targeted. The interview is interrupted by a phone call telling Blomster that Presso has once again received an award: this time it has been voted Best Weekly Paper in Europe for its layout in the European Newspaper Award competition.

The group's online products such as mobile services and Kauppalehti Online, have improved their performance as well. "The latter has become a leading business portal," the President adds by way of reminder.

And there, in a nutshell, was the group's recipe for success.

KAUPPALEHTI WAS REDESIGNED to be easy to read and provide fast access to information. "All the editorial changes we made over the year had one aim in mind – to ensure that the time spent reading the paper is as pleasant and effortless as possible," says Editor-in-Chief **Hannu Leinonen.**

Renewal of the core paper has been a success judging by the comments of readers that they now spend more time than before reading Kauppalehti. "This is interesting because when planning the changes, our aim was to make the paper easier and faster to read. We wanted to put the most important news and issues right up front. It seems to have worked," Leinonen says.

"We had the same readership target in mind when we turned the Extra supplements into VIPs and revamped the biweekly supplement Optio's appearance. And when renewing the Online webpages we were aiming to make the pages easier to use," Leinonen summarizes the editorial changes made during the year.

The project to bring Kauppalehti products up to date began in November 2004 when Presso came onto the stage. That acted as a sort of prelude to renewal of all Kauppalehti's printed products, which took over a year. "Presso has been an effective catalyst for the entire editorial department," Leinonen comments.

Juha Blomster (left) and Hannu Leinonen turned Kauppalehti and its hybrids into a fast and easy-to-use user interface.

QED: STRONG BRANDS HOLD THEIR OWN.

GROWTH TARGETS WERE REACHED in other areas as well. Lehdentekijät, which specializes in contract publishing, has seen staggering growth, albeit as targeted.

"Marketing has produced results. And co-operation in production of the Kauppalehti Extra supplements, now called VIPs, has been of benefit to both sides. We've also seen clear advantages from moving people around our business units; it has definitely proved useful sharing experience and best practices," Blomster thinks.

Baltic News Service, the leading news agency in the Baltic countries, has developed well and added information services to its portfolio. Its financial performance has improved hugely as well.

For Blomster, a basketball player, team play goes without saying. In the Kauppalehti group, for instance, it is visible in content exchange with Alma Media's regional papers, and the plan is to extend this further. There is also room for further co-operation with the circulation sales and other units.

MULTIMEDIA EXPERTISE is a Kauppalehti strength although outside the group Kauppalehti is often still seen as simply the newspaper publisher of its flagship product. "That's not the whole truth, though, because we are very strongly a multimedia house," Blomster points out.

Competition, however, is intensifying all the time, and more than ever from abroad. Rapid business communication is clearly moving increasingly to online networks, which is also where the greatest potential for growth lies.

Nonetheless Blomster still puts his faith in the print media. "No way is the printed newspaper going to disappear, as Kauppalehti's stable circulation proves. The strong brands will become even stronger and Kauppalehti as a multimedia brand has everything it needs to serve its customers."

Alma Media papers in 2005	Editor-in-chief (executive)	Issues per week	Audited circulation (LT 2005)
Iltalehti	Kari Kivelä	6	130,290
Kauppalehti	Hannu Leinonen	5	81,737*
Regional papers:			
Aamulehti	Matti Apunen	7	136,726*
Kainuun Sanomat	Matti Piirainen	7	22,490
Lapin Kansa	Heikki Tuomi-Nikula	7	34,402
Pohjolan Sanomat	Heikki Lääkkölä	7	22,114
Satakunnan Kansa	Jouko Jokinen	7	55,106
Local papers:			
Kankaanpään Seutu	Antero Karppinen	2	10,545
KMV-lehti	Jukka Ignatius	2	7,079
Koillis-Häme	Pekka Hyytinen	4	7,149
Koillis-Lappi	Anita Seppänen	2	3,929
Kuhmolainen	Martti Huusko	2	6,276
Kurun Sanomat	Martti Jaatinen	1	2,528
Merikarvialehti	Antero Karppinen	1	3,478
Nokian Uutiset	Martti Jaatinen	3	8,776
Pyhäjokiseutu	Jari Niemi	3	7,737
Raahen Seutu	Martti Nousiainen	4	8,005
Sotkamo	Kari Kinnunen	2	5,707
Suur-Keuruu	Jukka Ignatius	3	6,520
Sydän-Satakunta	Timo Simula	2	7,920
Uutismarkku	Antero Karppinen	1	3,376
Valkeakosken Sanomat	Pekka Walden	5	7,928
Ylä-Kainuu	Anna-Leena Rauhala	2	8,349
Town papers:	**Editor-in-chief (executive)**	**Issues per week**	**Print run**
Hervannan Sanomat	Vesa Kangas	2	22,300
Jokilaakso	Timo Simula	1	10,500
Koti-Kajaani	Simo Hyttinen	2	28,880
Kuriiri	Tauno Impiö	1	6,300
Länsi-Sanomat	Veli-Matti Heinisuo	twice/mo	28,500
Meri-Lapin Helmi	Leo Kärsämä	1	36,300
Oulun Eteläinen	Erkki Heikkilä	twice/mo	40,000
Porin Sanomat	Markku Kontto	1	50,200
Raahelainen	Terttu Rusila	2	17,000
Uusi Rovaniemi	Taru Salo	1	30,790
Vekkari, Jämsä region	Pekka Hyytinen	1	17,000
Vekkari, Ylä-Pirkanmaa region	Jukka Ignatius	twice/mo	13,000
Vieskalainen	Erkki Heikkilä	2	9,500
Contract publishing:	**Managing director**	**Publications**	**Pages**
Lehdentekijät	Kimmo Kallonen	53	9,800

*LT 2004

Growth surges

Marketplaces is Alma Media's fastest growing and internationally expanding business unit.

NET SALES GREW BY A THIRD.

Heikki Huttunen (above) is looking for volume growth.

Mascus, acquired in 2004, is Europe's leading marketplace for heavy machinery. "It also has potential in the west if, like the Norwegians have done, it forges alliances with local operators," Raimo Mäkilä says.

Marketplaces' net sales rose more than 30% for the second year running. Profitability improved as expected also. "We've now earned our first million euros in operating profit as a business unit," says its Managing Director **Raimo Mäkilä**.

Selling the IT business (NWS) off to Plenware, a long-standing partner, was a significant structural change for the unit.

"We are now in the strategic position where we want to be: we plan to concentrate on marketplaces."

IN FINLAND the unit has three market leaders: Etuovi for home-buyers, Monster for jobs, and Autotalli for cars. "We absolutely have to maintain our Number One position," Mäkilä says.

Heikki Huttunen, head of Autotalli, agrees: "Players lower down the league table have less chance of operating profitably. Our main task in the years ahead will be to ensure volume growth."

In Marketplaces it is advertisements that form the product's content. "The best content is the content that sells best," Mäkilä explains.

INTERNET ADVERTISING IS GROWING, one example of which is Autotalli's 84% growth in net sales. "This has been the second good year in a row in the vehicle sales business. Consumer behaviour has changed as well because now they go to the internet for information before visiting the car dealer. With today's search engines, it is also easy to compare both price levels and cars throughout the country," Huttunen says.

The growth in online advertising for homes and vehicles has not yet affected newspaper advertising but in recruitment advertising a good 10% of sales is already derived from the internet.

"Even the big corporations use only the internet when they feel they don't need image advertising at the same time," Mäkilä notes.

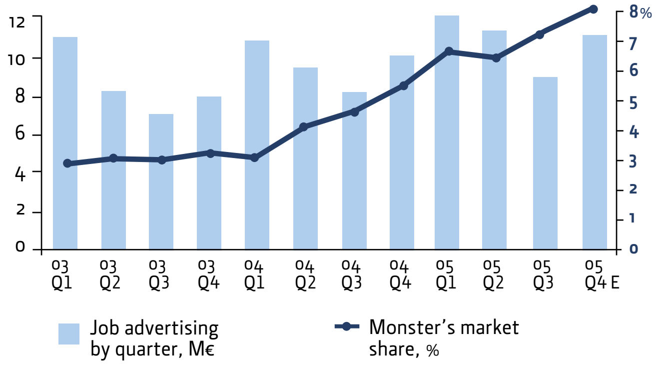
MARKETPLACES WENT INTERNATIONAL during 2005 when the unit acquired City24, the leading home-buying marketplace in Estonia. The site has since been extended to Latvia and Lithuania.

"The Estonian operation was profitable when we made the deal. In the other Baltic countries, the start-up has been as expected," Mäkilä comments.

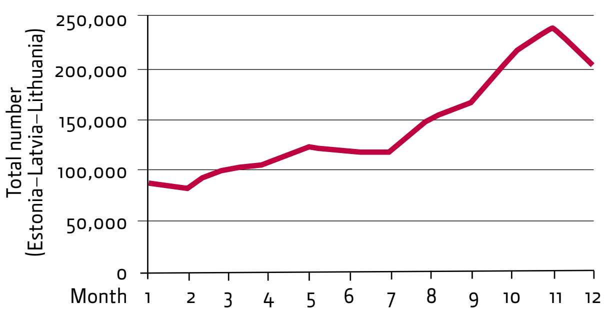
Mäkilä believes that property and home-buying will be the international spearhead in the future. The unit is seeking new markets in eastern Europe.

"We are now in the strategic position where we want to be."

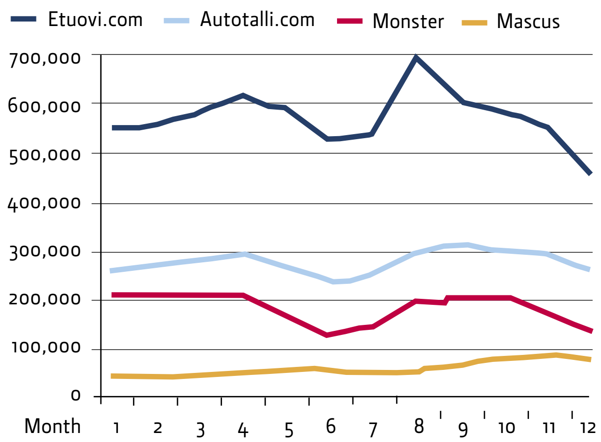
Job advertising and Monster's market share



City24: number of monthly visitors (estimate)

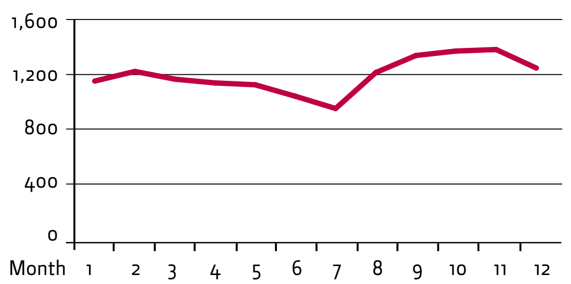


Marketplaces: number of visitors



Number of visitors per month to various website services of Alma Media Marketplaces. The number was low in December. Services are used most intensively at the start of the year.

Alma Media online services: number of visitors



Source: WTM/IMR/Alma Media

Number of visitors per week to all Alma Media online sites. The figure is the average of weekly totals for each month.

The world's the limit

City24, acquired by Alma Media in January 2005, is an Estonian marketplace specializing in property and homes. A subsidiary of the Marketplaces group, it was an outright success story during its first year within Alma Media.

"We launched a media concept based around two channels: the internet and print. It took only half a year for City24 to gain the number one slot in the Estonian home advertising market and to expand into neighbouring Latvia, followed by Lithuania in October," recalls **Ismo Repka**, Area Director of Alma Media Interactive.

The figures speak for themselves. "Our database covers 70% of all the property sites for sale in Estonia. We get around 400,000 hits on our pages every day, and around 100,000 new visits a month."

The Baltics are eager to try something new.

Repka's vision calls for more of the same. "We will continue to draw new countries into our circle of service. Our next targets in online marketplaces are vehicles and jobs."

THE SAME BOOM is continuing in Baltic News Service, the leading news bureau in the Baltic countries. "We need to develop new support functions alongside our core news service. Customers are increasingly demanding services related to Gallup polls, company registers and the production of other business information," says **Kari Väisänen**, Managing Director of BNS.

The Baltic countries also offer Alma Media opportunities on the print side. "A drop in readerships indicates that newspapers in this region are not felt to be of sufficiently high quality. Readers are looking for a fresh approach – a quality paper combining the best sides of the Finnish daily and tabloid papers. The key words are content and organized newspaper production. There's any amount of drive and eagerness to try something new here." ○

Teemu Kangas-Kärki:

A time of reckoning for Alma Media

IFRS interpretation has no impact on Alma Media's business operations. The balance sheet is hard as rock.

The Finnish Financial Supervision Authority (FFSA) decided that the acquisition by Almanova of the old Alma Media's shares should be interpreted as a 'reverse acquisition'. This meant that on 31 December 2005 the balance sheet totalled M€ 243.6, which included M€ 126.7 in shareholders' equity.

CFO Teemu Kangas-Kärki says that Alma Media's balance sheet looks quite normal. "It provides a clear continuum with the old Alma Media. The balance sheet is solid and rock-hard. It doesn't include the value of the business operations. The assets are all held at their book values."

The FFSA's decision did have one big effect, however, as the direct and reverse acquisition alternatives led to a difference of M€ 387 in shareholders' equity. Alma Media's minimum equity ratio target has been 35–40%, which is what it is today. The equity ratio was 54.5% and gearing was –10.5%

The FFSA's decision hardly affected Alma Media's business operations because their value is measured as a function of cash flow. The decision affects the balance sheet, which only describes one moment in time.

"Ultimately it is cash flow that is the deciding factor," Kangas-Kärki emphasizes. "The company could have lived with either alternative perfectly well. We could have taken the same operational decisions, only slightly differently and to a different timetable."

AT THE BEGINNING OF 2005 there was some concern in Alma Media that divesting the television business would reduce investors' interest in the company. Kangas-Kärki reports that there has been absolutely no sign of this in meetings with investors.

"This indicates that in the current market conditions we are generating good cash flow, we hold a strong position in our domestic market, and our goal is to grow beyond Finland's borders. It's a time of reckoning for us. Let's see if we can do what we believe we can do."

Alma Media must seek to become both a growth company and a dividend payer, Kangas-Kärki thinks. "A large number of our shareholders are long-term investors who want us to continuously increase our cash flow and pay a good dividend."

From the investor's point of view Alma Media is a lot more interesting because now it has only one share series, there is a sufficient number of shares, and there is no longer just one major shareholder holding the company in stalemate.

"In practice our free float is 100%, which means that all of the company's more than 74 million shares are available for trading. The share trading volume, its liquidity, has improved clearly, which is excellent news for the shareholders."

Alma Media has a liquidity providing contract for its shares. Is this needed any more? "We need to give that some consideration but it does no harm either, nor is it a significant cost item for the company."

One-third of Alma Media is in the hands of foreign investors. "A large and active foreign ownership base by definition guarantees that the company's value is good."

THE RISK FOR INVESTORS DECREASED when the Broadcasting division was uncoupled from Alma Media. The division's net sales had come almost entirely from the cyclic media market.

"We are now much more of a newspaper group. Roughly half of our net sales come from media marketing and half from circulation income. Alma Media is less volatile and its business operations are on a more even keel than earlier."

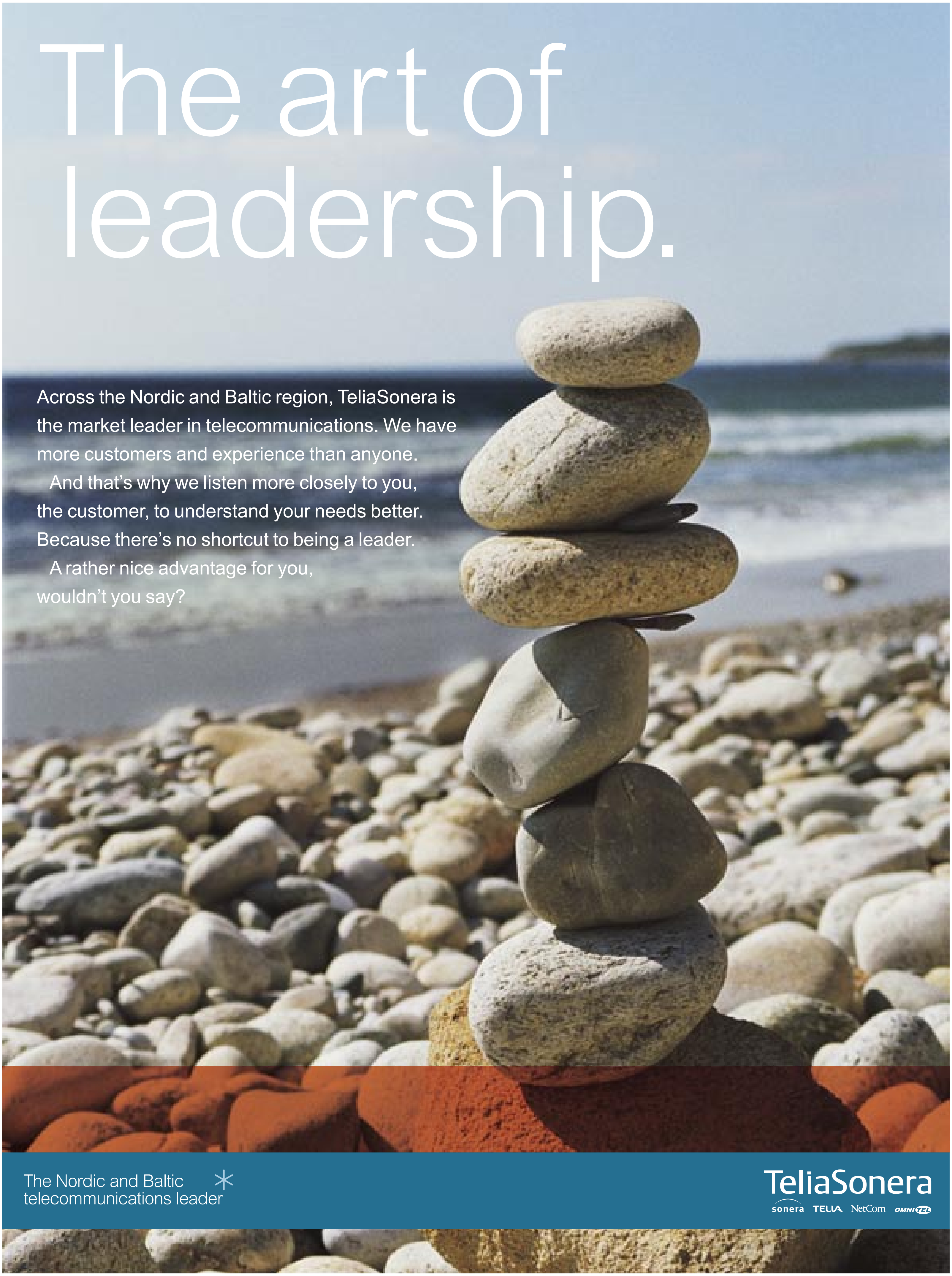
There are signs in the USA that the position of the newspaper is weakening but in Finland the situation is different, says Kangas-Kärki. "Here, newspapers have a much stronger position than in the USA because the Finns are avid readers. Also, our papers are largely regional and they have a close link with their readers. They are not everything-for-everybody papers, but describe with a personal interest what's happening down the road.

"The trend is the same in Finland and in the USA but it will take years before the position of the newspaper in Finland starts to weaken, so we'll have plenty of time to react to change. We are continuously developing our papers while at the same time launching new online services alongside them. We also want to expand internationally with our products, principally in areas where economic growth is faster than in Finland."

CYCLIC SENSITIVITY DECREASED during the year with the divestment of the Broadcasting division. "The peaks and troughs of MTV3's media sales are a thing of the past. But cyclic sensitivity has not entirely disappeared because readers tend to react more sensitively than earlier also on the print side. Our business has become more difficult to forecast because monthly fluctuations in the media market can be quite considerable," Teemu Kangas-Kärki considers.

Alma Media will have a strong first quarter in terms of cash flow from operations because subscriptions are normally paid at the start of the year. The third quarter, in which cash flow used to be negative, will now be better.

For Teemu Kangas-Kärki, significant organic growth in Finland's newspaper business is a challenging target. "It is natural to keep collaboration in mind with other players in this field."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And that's why we listen more closely to you, the customer, to understand your needs better. Because there's no shortcut to being a leader.
A rather nice advantage for you, wouldn't you say?
The Nordic and Baltic telecommunications leader
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sonera TELIA NetCom OMNITEL

Corporate governance

This Corporate governance text describes corporate governance practice in the new Alma Media (corporate ID code 1944757-4) for the period 7 November–31 December 2005, unless otherwise stated. The company was established under the name of Almanova Corporation on 27 January 2005. The old Alma Media (corporate ID code 1449580-9) was merged with Almanova on 7 November 2005.

The company applies the recommendations (entry into force on 1 July 2004) prepared by HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industries EK concerning the corporate governance of listed companies, subject to the following derogations:

1. Nomination committee (Recommendation 31)
Within the Alma Media Group, this committee is known as the Election Committee. The Board of Directors does not appoint members to the committee; the committee's members are appointed from the company's principal shareholders.

2. Compensation committee (Recommendations 25 and 34)
The Board of Directors does not appoint members to the Compensation Committee; under the Board of Directors' rules of procedure, the members of the committee are the chairman and deputy chairman of the Board of Directors.

Structure of the Alma Media Group

Responsibility for Alma Media Group's management and operations belongs to the constitutional bodies required by the Finnish Companies Act: namely, the General Meeting of Shareholders, which elects the members of the Board of Directors; and the President and CEO, who is appointed by the Board of Directors.

The activities of these bodies are also set out in Alma Media Corporation's Articles of Association.

The Group's supreme decision-making body is the General Meeting of Shareholders, where shareholders exercise their decision-making power. The Board of Directors is responsible for the company's management and its appropriate organization. The Group's parent company is Alma Media Corporation, which is responsible for the Group's management, accounting and financing, strategic planning, personnel management, communications, and compliance with the disclosure obligations of a public listed company.

Alma Media Corporation has three reporting units: Newspapers (newspaper publishing and printing), Kauppalehti group (production and distribution of business information) and Marketplaces (classified services).

General meetings

A General Meeting of Alma Media Corporation shareholders is held at least once a year. The Meeting is convened by the Board of Directors, which also sets its agenda.

The Annual General Meeting is held on the date set by the Board of Directors, however no later than the end of April.

General Meetings resolve on matters required by the Finnish Companies Act and the company's Articles of Association.

The Annual General Meeting decides the following matters:

- Confirmation of the income statement and balance sheet,
- Distribution of profit,
- Discharge of the Board of Directors and the President and CEO from liability for the financial year, and
- Election of the members of the Board of Directors and appointment of the company's auditors.

The tasks of General Meetings also include:
- Amendments to the Articles of Association, and
- Decisions concerning changes to the company's share capital.

The company's aim is that all members of the Board of Directors attend General Meetings. Notice of a General Meeting is published in Kauppalehti, Aamulehti and Iltalehti at least 17 days before the meeting. In addition to this, the notice is published as a Stock Exchange Announcement and on Alma Media's website. Registration of attendance at the meeting according to the notice.

The Board of Directors

The tasks and responsibilities of the Board of Directors are determined by the Finnish Companies Act. The Board exercises authority in all matters that legislation or the company's Articles of Association do not otherwise require other bodies to resolve on. The detailed working of the Board is set out in the Board's Charter.

According to the Charter, the duties of the Board of Directors include:
- Confirming the Group's strategy and long-term objectives, reviewing the annual budget, monitoring implementation of the objectives and strategies, and, if required, initiating corrective action,
- Considering and approving the interim reports and the annual accounts,
- Approving strategically significant corporate and real estate acquisitions and disposals,
- Approving investments according to separate investment instructions,
- Deciding on the company's capital financing programmes and operations,
- Approving the dividend policy,
- Submitting a dividend proposal to the Annual General Meeting,
- Reviewing annually the main risks associated with the company's operations and their management; if necessary, giving the President and CEO instructions on how to deal with them, and, if required, initiating corrective action,
- Appointing and dismissing the President and CEO,
- Deciding on the Compensation Committee's proposal for the terms of employment of the President and CEO,
- Confirming the company's organization based on the CEO's proposal,
- Confirming the terms of employment of the CEO's direct subordinates based on the CEO's proposal,
- Confirming, based on the CEO's proposal, the appointment and dismissal of the editors-in-chief of Aamulehti, Iltalehti and Kauppalehti, as well as of Kainuun Sanomat, Lapin Kansa, Pohjolan Sanomat and Satakunnan Kansa,
- Holding a meeting with the company's auditors at least once a year,
- Considering other matters that the chairman of the Board and President and CEO have agreed should be included in the agenda for the Board's meeting. Other Board members are also entitled to put a matter before the Board by notifying the chairman of such a matter,
- Approving the principles underlying the donation of sums to good causes,
- Carrying responsibility for other tasks assigned to the Board of Directors by the Finnish Companies Act or other regulations.

The Board convenes according to a preconfirmed timetable six or seven times a year, and in addition whenever necessary. Most meetings are held on publication of the company's financial statements or interim reports. In addition to these meetings, the Board also holds one or two Strategy Meetings at which it considers the Group's future scenarios and confirms the company's strategy. The Board met once between 7 November and 31 December 2005.

Alma Media Corporation's Board of Directors is elected by a General Meeting. The Board comprises from three to nine members. The Extraordinary General Meeting on 23 March 2005 confirmed the number of Board members to be five.
The Board of Directors elects from amongst its members a chairman and a deputy chairman. The chairman is **Kari Stadigh** and the deputy chairman is **Matti Kavetvuo**, and the other members of the Board of Directors are **Lauri Helve**, **Matti Häkkinen** and **Harri Suutari**. Their terms of office expire at the close of the Annual General Meeting following their election.

In the assessment of the Board, the following members are independent of the company: Lauri Helve, Matti Häkkinen, Matti Kavetvuo and Harri Suutari.

The President and CEO of the company may not be the chairman of the Board of Directors.

In addition to the members of the Board of Directors, the Board's meetings are also attended by the President and CEO, the Group's Chief Financial Officer, a person appointed to keep the minutes of the meeting, and other individuals asked to attend as required.

The principal task of the *Compensation Committee* is to prepare and monitor the company's compensation system, and to prepare matters concerning compensations that the Board is required to resolve on, such as the terms of employment of the President and CEO and his direct subordinates, and the proposal of candidates for appointment as editors-in-chief of the Group's main media. The Compensation Committee comprises the chairman and deputy chairman of the Board. The Compensation Committee did not convene between 7 November and 31 December 2005.

The task of the *Audit Committee* is to monitor the correctness of the company's financial accounts, interim and annual reports and financial reporting, as well as the independence and professional competence of the auditors. The Audit Committee is also responsible for following significant financial risks and measures taken to control these risks. The Audit Committee consists of at least two Board members separately elected for this task and who are independent of the company. The Audit Committee meets at least four times a year. During 2005 the members were Harri Suutari, Matti Häkkinen and Matti Kavetvuo. The Audit Committee was chaired by Harri Suutari. The committee's meetings are also attended by the company's external auditor and the matters on the agenda are presented by the Group's Chief Financial Officer. The Compensation Committee did not convene between 7 November and 31 December 2005.

An *Election Committee* is appointed from among the company's principal shareholders before the Annual General Meeting to prepare the election of the Board of Directors by the AGM. The Election Committee members are appointed by the chairman of the Board of Directors, who also convenes the Committee. Proposals concerning new Board members are published in the notice of meeting or a newspaper announcement about one week before the AGM.

The Board of Directors evaluates its operations and working procedures annually through self-assessment.

Fees paid to the Board of Directors

The members of the Board of Directors were paid the following fees between 27 January and 31 December 2005:

Stadigh, Kari, chairman	€ 4,200
Kavetvuo, Matti, deputy chairman	€ 3,400
Helve, Lauri	€ 2,800
Häkkinen, Matti	€ 3,200
Suutari, Harri	€ 3,200

The President and CEO and the Group Executive Team

The President and CEO is responsible for the day-to-day management of the company in accordance with the guidelines and instructions of the Board of Directors. The President and CEO **Kai Telanne** is assisted by a Group Executive Team comprising **Matti Apunen**, **Juha Blomster**, **Kari Kivelä**, **Raimo Mäkilä** and **Tuomo Saarinen**, as well as CFO **Teemu Kangas-Kärki**, SVP Corporate Communications and IR **Ahti Martikainen**, and SVP Corporate Development **Minna Nissinen**.

The Group Executive Team prepares the monthly reports, investments, Group guidelines and policies, the long-range plans, the action plans covering the following 12 months, and the financial statements for confirmation by the Board of Directors. The Group Executive Team met twice between 7 November and 31 December 2005.

Compensation of the President and CEO and the Group Executive Team

The salary, bonuses and fringe benefits paid to Alma Media's President and CEO between 7 November and 31 December 2005 totalled € 40,751.37. Under his terms of employment, President and CEO Kai Telanne is entitled to retire at 60 years of age. His pension is 60% of his salary. In the event of his resignation, he is also entitled to receive a salary for 6 months during the period of notice as well as his basic salary for 12 months if he is dismissed by the employer without being in breach of contract. The 12-month extra salary does not apply if he himself resigns.

The other members of the Group Executive Team were paid altogether € 189,201.68 in salaries, bonuses and fringe benefits between 7 November and 31 December 2005.

The compensation paid to the President and CEO and his immediate subordinates, and their incentive scheme, are decided by Alma Media Corporation's Board of Directors.

Personnel representation

Personnel representation in the administration of the company is organized so that the representatives of the company's various personnel groups meet the chairman of Alma Media Corporation's Board of Directors and the President and CEO at least every three months and in each case before the respective Board meeting.

Reporting

Reporting to the Board of Directors

Alma Media Corporation's President and CEO prepares the Group's monthly report, the annual and interim financial statements, and the other matters stipulated in the Board's Rules of Procedure, for consideration by the Board. In conjunction with the interim accounts, the Board of Directors also receives an investment monitoring report.

The auditors inform the Board's Audit Committee about their auditing plan once a year and provide written reports to the Board twice a year. They are also present at Board meetings dealing with the annual accounts.

Reporting to the President and CEO

The President and CEO monitors the operations of the reporting units by means of a monthly report. In addition the members of the Group Executive Team report to the President and CEO at its meetings or as separately agreed. Alma Media Corporation's finance and administration department prepares monthly and quarterly reports based on the reporting units' financial reports for the President and CEO and the Group Executive Team.

Internal control

Control and supervision of Alma Media's business operations takes place in accordance with the administrative and management system described above. The Board of Directors is responsible for ensuring that monitoring of the company's accounts and capital management is properly organized. The President and CEO ensures that the accounting procedures comply with Finnish legislation and that the company's capital management is organized in a reliable way.

The President and CEO, the Group Executive Team and the heads of the business units are responsible for ensuring that the accounting and administration of the areas within their spheres of responsibility comply with Finnish legislation, the Group's operating principles, and the guidelines and instructions issued by Alma Media Corporation's Board of Directors.

Each reporting unit supervises the accounting and administration of its profit centres. Alma Media Corporation's external auditors examine the accounts and the administration of the profit centres once a year. The audit plan prepared by the auditors also takes into account the requirements set by the internal audit function.

The company's business operations and capital management are monitored using the reporting systems described above. Alma Media Corporation operates a financial reporting system based on profit centres. This system also monitors implementation of the profit centre budgets.

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

The auditors meet the business unit management twice a year and the chief financial officer at least four times a year.

Alma Media Corporation's constitutive general meeting elected the firm of authorized public accountants KPMG Oy Ab as the company's auditors for 2005. Since the establishment of the parent company on 27 January 2005, the fees for auditing the financial statements of the new Alma Media totalled € 86,000. The auditing company charged € 288,000 for other services during the financial year.

Risk management

Alma Media Corporation's risk management policy requires the risk management strategy and plan, the control limits imposed and the course of action to be reviewed annually. Risk management takes place through the risk management organization and process based on the company's risk management policy. The risk management process identifies the risks threatening the company's business, assesses and updates them, develops the necessary risk management methods, and regularly reports on the risks to the risk management organization. Risk management employs an online reporting system.

Internal audit

Given the nature and scope of its business, Alma Media Corporation does not consider it expedient to have a separate internal audit organization. Internal audit functions have been incorporated into the responsibilities of Alma Media Corporation's business organization and are also taken into account in the external auditors' audit plans.

Insider management

A list of Alma Media Corporation's public insiders and their holdings is given on the company's website at www.almamedia.fi/insiders_holdings.

Alma Media Corporation ensures that its public, internal and project-specific insiders are aware of their status and its implications by providing these individuals with appropriate information and instruction. Alma Media Corporation's insiders may not trade in Alma Media shares 21 days before the publication of the company's interim or annual results (the so-called "silent period").

The need for insider registers for specific projects is assessed case by case. The officer responsible for insider matters in Alma Media is the General Counsel.

Insider holdings at 30 December 2005 (figures in brackets describe the difference compared to the situation at 11 November 2005)

Board of Directors		
Stadigh, Kari (chairman)	10,260	
Kavetvuo, Matti (deputy chairman)	8,480	
Helve, Lauri	60,240	(–16,500)
Häkkinen, Matti	1,260,420	(+3,175)
Suutari, Harri	81,188	(+40,000)
President and CEO		
Telanne, Kai	16,000	
Group Executive Team		
Apunen, Matti	0	
Blomster, Juha	96,000	
Kangas-Kärki, Teemu	20,000	
Kivelä, Kari	0	
Martikainen, Ahti	32,400	
Mäkilä, Raimo	25,000	
Nissinen, Minna	0	
Saarinen, Tuomo	82,162	(+18,000)
Auditor		
Palvi, Mauri	0	

Insider shareholdings also include the holdings of related parties.


WE LEAD.
WE LEARN.
UPM
Your content. Pure attraction.
Make the right connection with your readers. With our complete range of papers and focused expertise, we can help you find the most suitable paper for the job. Whatever your publishing challenges, paper is part of the solution. Please contact us to bring pure attraction to your content.
www.upm-kymmene.com

Frontrunners make headlines

Bodyguard
AHTI MARTIKAINEN
(born 1959)
MSc (Phil.), SVP, Corporate Communications and IR, Executive Committee secretary

Photographer
RAIMO MÄKILÄ
(born 1958)
MSc (Eng.), SVP, MD, Marketplaces

Journalist
KARI KIVELÄ
(born 1959)
MSc (Pol.Sc.), MBA, Publisher, Iltalehti

Journalist
TUOMO SAARINEN
(born 1946)
MSc, Managing Director, Satakunnan Kirjateollisuus Oy

Royalty visits Tampere

Maria Mäki

The enthoned king and queen of the Åland Islands chose for their first official visit the city of Tampere, Finland. The high point of their tour was a visit to the Aamulehti newspaper's editorial offices on 16 December 2005 – the delegation that accompanied them had brought an attractive proposal to move Aamulehti and its printing works to the Åland Islands.

Land has already been reserved for the printing works just outside Jomala, the second largest town in the Islands.

In return the Aamulehti team have promised to print a new Finnish–Ålands–Finnish dictionary at a very reasonable cost. The deal is being carefully investigated by the competition authorities and the faculty of linguistics at the University of Tampere.

Section A 5

Host
MATTI APUNEN
(born 1960)
MSc (Pol.Sc.) SVP, Executive Editor-in-Chief, Aamulehti

Adjutant
JUHA BLOMSTER
(born 1957)
MSc (Econ.), SVP, MD, Kauppalehti group

Queen
MINNA NISSINEN
(born 1968)
MSc (Econ.), SVP, Corporate Development

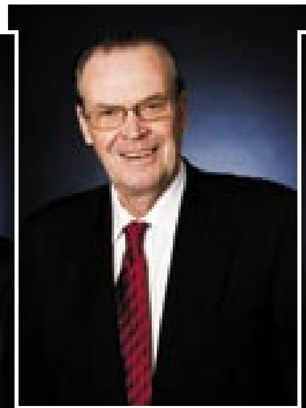
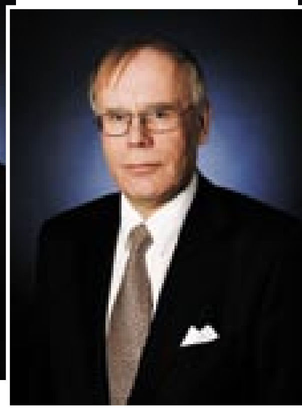
King
TEEMU KANGAS-KÄRKI
(born 1966)
MSc (Econ.), CFO

Interpreter
KAI TELANNE
(born 1964)
MSc (Econ.), President and CEO, Chairman of the Group Executive Team

The related party holdings of the members of the Executive Committee are given on page 40.

Board of Directors




KARI STADIGH
(born 1955)
Chairman since 2005
Board member since 2005
Deputy CEO of Sampo plc
Board memberships:
Aspo Oyj (C)
If Skadeförsäkring
Holding (C)
Kaleva Mutual Insurance
Company (C)
Federation of Finnish
Insurance Companies SVK (C)

MATTI KAVETVUO
(born 1944)
Deputy chairman since 2005
Board member since 2005
Board memberships:
KCI Konecranes
International Plc
Kesko Corporation (DC)
Marimekko Corporation
Metso Corporation (C)
Orion Corporation (C)
Perlos Plc
Suominen Corporation (C)

LAURI HELVE
(born 1943)
Board member since 2005
Bonnier AB's Grand
Journalist Award
Board memberships:
Medialehdet Oy Vantaa
Sako Oy
Uusimaa Oy

MATTI HÄKKINEN
(born 1946)
Board member since 2005
LLB
Board memberships:
Eva Lovisa and C.G.
Dunderberg Foundation (C)
Tampere Tuberculosis
Foundation
C.V. Åkerlund Fund

HARRI SUUTARI
(born 1959)
Board member since 2005
PKC Group, Chairman of
the Board

C = Chairman
DC = Deputy Chairman

Under Alma Media's Articles of Association all the Board members are elected for one year at a time. The holdings of the related parties of the Board members are shown on page 40.

Alma Media Group 1 January 2006

ALMA MEDIA CORPORATION

PRESIDENT AND CEO
Kai Telanne

FINANCE AND ADMINISTRATION
Teemu Kangas-Kärki

CORPORATE COMMUNICATIONS AND INVESTOR RELATIONS
Ahti Martikainen

CORPORATE DEVELOPMENT
Minna Nissinen

- **AAMULEHTI** Juha Ruotsalainen
- **SATAKUNNAN KANSA** Tuomo Saarinen
- **NORTHERN NEWSPAPERS** Matti Ilmivalta
  - **LAPIN KANSA** Matti Ilmivalta
  - **POHJOLAN SANOMAT** Heikki Lääkkölä
  - **KAINUUN SANOMAT** Matti Piirainen
- **LOCAL NEWSPAPERS GROUP** Jorma Valkama
- **ILTALEHTI** Kari Kivelä
- **KAUPPALEHTI GROUP** Juha Blomster
  - **BALANCE CONSULTING** Ari Rajala
  - **BALTIC NEWS SERVICE** Kari Väisänen
  - **LEHDENTEKIJÄT** Kimmo Kallonen
- **MARKETPLACES** Raimo Mäkilä

2005

Contents

Report by the Board of Directors

Alma Media Group's operating profit rose to M€ 42.3 (37.0), an increase of 14.3%. Net sales showed moderate growth to M€ 285.9 (283.6) owing to the decision not to take on unprofitable printing contracts. All the reporting units performed well. In 2006 consolidated net sales is expected to grow and the operating profit to reach at least the previous year's level.

The Group's operating profit includes one-time items totalling M€ 3.0 arising from restructuring of the parent company and Alpress and from the costs of divesting the Broadcasting division. One-time income amounted to M€ 3.2 and comprised compensation of M€ 1.2 paid by Edita Oyj agreed in arbitration proceedings and a capital gain of M€ 1.2 on the divestment of the NWS business. The Kauppalehti Group result also includes M€ 0.8 arising from dilution of Alma Media's holding in Talentum following a priviledged share issue by Talentum and a consequent increase in its share capital. Under IFRS this item is treated as a capital gain.

- The operating profit of the Newspapers unit reached the record level of M€ 38.9 (35.7). Aamulehti's result was the best in its history.
- The operating profit of the Kauppalehti group was M€ 7.1 and better than in the previous year (M€ 6.1) despite the investments in Kauppalehti Presso.
- The operating profit of the Marketplaces unit increased to M€ 1.1 (0.3), boosted by the improved performance of Monster and Autotalli. Net sales from internet services grew 56%.
- Restructuring of the company was largely completed by 7 November 2005 with the merger of Alma Media into Almanova. The new company took the name Alma Media Corporation in the merger. The new Alma Media was admitted to the Main List of the Helsinki Exchanges on 7 November 2005. On 26 January 2006 the Finnish Financial Supervision Authority (FSA) announced its opinion on how the purchase of the old Alma Media's shares should be treated in the new Alma Media's IFRS consolidated financial statements. According to the FSA opinion the purchase is treated as a reverse acquisition in which the old Alma Media acquired Almanova, which is now the parent company of the new Group. This position is contrary to the comment expressed by the IFRS section of the Finnish Accounting Board.

Changes in Group structure compared to 2004

The company's reporting units are Newspapers (formerly Alpress), Kauppalehti group (formerly Business Information Group), and Marketplaces (formerly Media Services). These form the continuing operations as defined by IFRS accounting practice.

Almanova Corporation was established on 27 January 2005. It was a party to the acquisition of the old Alma Media Group. Almanova made an exchange and purchase offer to shareholders of the old Alma Media which lasted from 30 March to 19 April 2005. Almanova and the old Alma Media were merged on 7 November 2005, a process described in more detail under 'Administration' below.

On 31 January 2005 a general meeting of the old Alma Media approved the plan proposed by the company's Board of Directors to sell the Broadcasting division for an enterprise value of at least M€ 460. This divestment took place on 26 April 2005. The Broadcasting division is included in Alma Media's consolidated financial statements for the period 1 January to 30 April 2006, its figures being shown under Discontinued Operations.

The ePortti business was added to the Kauppalehti group on 1 July 2005. This business has annual net sales in the region of M€ 2.

The NWS unit was divested from Marketplaces with effect from 1 October 2005. This business had net sales of approximately M€ 4.5.

Consolidated net sales and result 2005

The Group's net sales remained virtually unchanged at M€ 285.9 (283.6). Net sales of Newspapers declined slightly to M€ 211.6 (212,4) owing to the termination of the unprofitable external printing contracts. Kauppalehti group raised its net sales to M€ 53.8 (49.1) deriving this growth from higher net sales reported by the Lehdentekijät group and from the acquisition of the ePortti business on 1 July 2005. Net sales of Marketplaces grew, despite the NWS disposal, to M€ 22.7 (21.3) due to its classified marketplaces.

The Group's operating profit rose to M€ 42.3 (37.0), representing growth of 14.3%. Buoyant business operations were supported by cost savings achieved through streamlining of the divisional and corporate structure. A significant part of the growth in operating profit came from the increase in the Newspapers unit's operating profit to M€ 38.9 (35.7). Factors underlying this trend were Aamulehti's best result in its history, Satakunnan Kansa's improved profitability owing largely to the reduction of unprofitable printing activities, and the savings gained by dismantling the divisional structure.Kauppalehti group likewise reported an improved operating profit despite the costs of launching the new Kauppalehti Presso. Furthermore, Marketplaces showed an increase in operating profit to M€ 1.1 (0.3), the main factor being improved profitability in the Monster and Autotalli services.

Net income for the period totalled M€ 365.0, which included the capital gain, M€ 324.5, on the disposal of the Broadcasting division.

Prospects for 2006

Market conditions are expected to remain broadly similar to 2005. Hence net sales is expected to grow modestly in 2006 and the full-year operating profit is forecast to at least reach the level in 2005.

Market conditions

The factors underlying the Finnish economy largely favoured the newspaper sector. Low interest rates, a continuing good level of consumer confidence and declining unemployment all served to increase property, vehicle and recruitment advertising. On the other hand retail advertising, which is vital for this sector, stayed at the previous year's level and the volume of food industry advertising showed a marked decline. All in all, media advertising grew 3.3%. Several new town and free papers were launched and this media group increased its sales by only 1.6%. Online advertising grew by a further 42.1%.

Growth in GDP was only 2% instead of the forecast 3% owing to a paper industry dispute lasting from May to June. This dispute had no impact on newspaper publishers or the media market, however.

Monthly differences in business-to-business advertising were very large, rising by more than 10% in the first quarter, remaining well below the previous year's level in the second quarter, and recovering again month by month towards the end of the year to almost the same level as at the start of the year.

NEWSPAPERS

The publishing activities of 35 newspapers are reported in the Newspapers group. The largest titles are Aamulehti and the tabloid Iltalehti.

Alma Media is seeking to strengthen its competitive edge further by chaining the activities of all its newspapers. Seven chains started operations during the review year. The aim is to reach a higher level of operating profit by adopting best practices in all the newspapers. The chaining concept also applies to the Kauppalehti group and Marketplaces.

Aamulehti's media sales grew by a modest 2% but were nonetheless the best in the paper's history, as was its circulation sales. Costs were kept under control.

The afternoon tabloid circulation market was down by 1.9% on the previous year but Iltalehti succeeded in raising its market share from 39.3% to 39.7%. An increase in the number of readers drove media advertising up by 7%. Iltalehti and Iltalehti Online were redesigned. Iltalehti Online's media net sales showed an increase of 75%.

Satakunnan Kansa improved its profitability and also managed a slight increase in its circulation. The printing plant's net sales fell sharply but profitability rose once production was stripped of unprofitable work. Net sales from all the printing plants fell by almost half.

The number of free papers published by the group grew by two during the period. Furthermore, the decision was announced in October to launch a new town paper in Tampere. Publication of this paper will start in February 2006.

KAUPPALEHTI GROUP

The Kauppalehti group specializes in producing business information. Its best known product is Kauppalehti.

Net sales of the Kauppalehti group rose 9.7%. The growth was derived from media sales, which increased 9.4%. Growth was strongest in media sales of Kauppalehti Online, up 35%.

The group's comparable operating profit managed modest growth despite the negative impact of Kauppalehti Presso, which depressed the result by M€ 1.5. The group also recorded M€ 0.8 arising from dilution of Kauppalehti's holding in Talentum following a priviledged share issue by Talentum and consequent increase in share capital. Under IFRS this item is treated as a capital gain. Changes in the Kauppalehti publications were planned and partly put into effect during the review year. Circulation sales of Kauppalehti Presso continued to go well but it took until October-November for media sales to show a good result.

Since 1 July 2005 the group has also included the ePortti business, which specializes in sales of online databases for use by public authorities and enterprises. From the same date Kauppalehti has also owned a 49% stake in the direct marketing company TietoEnator 121 Oy.

The associated company Talentum Oyj (holding 29.9%) contributed M€ 5.5 (1.9) to Alma Media's result between January and December.

MARKETPLACES

The units reported within Marketplaces are its classified services (both online and printed). These services are Etuovi.com (home-buying), Autotalli.com (used cars), Monster.fi (recruitment), Mascus.com (heavy machinery), and City24 (home-buying) in the Baltic countries. Reporting in the first nine months of the year also included the NWS business, which provided technology services for interactive media. This business was sold to Plenware Oy on 30 September 2005.

Operating profit of Marketplaces rose vigorously from M€ 0.3 to M€ 1.1. Net sales of the online (internet) marketplaces grew 56% during the year. Monster.fi increased 93% and Autotalli.com 81%. Etuovi.com showed growth of 27%.

Marketplaces has a central role to play in Alma Media's internationalization strategy. In January 2005 Alma Media acquired City24, the property portal in Estonia. This service was extended to Latvia in the summer and to Lithuania in October. City24's net sales rose 74% on the previous year.

The associated company Acta Print Oy (holding 36%) contributed M€ –1.7 (–6.1) to Alma Media Group's pretax profit between January and December.

Balance sheet and financial position

The Group's balance sheet totalled M€ 243.6 at the end of December. Cash flow before financing activities, M€ 21.7 (44.9), was considerably lower than one year earlier. The comparison year included several one-time items that affected cash flow including tax rebates and proceeds from the disposal of investments. Cash flow after financing operations was M€ –438.1 (–42.7) and included loan repayments and the purchases of the shares redeemed in Almanova's exchange and purchase offer and the shares redeemed from Bonnier & Bonnier AB and Proventus Industrier AB. With respect to discontinued operations, the main factor was cash flow of M€ 460 arising from the Broadcasting divestment.

Capital expenditure

Gross capital expenditure amounted to M€ 19.7 (8.9). Roughly 42% of the total went on shares in Group companies. In other respects capital expenditure related to normal maintenance and replacement items.

ADMINISTRATION

Almanova Corporation was established on 27 January 2005 and recorded in the Trade Register on 3 February 2005. The company was party to the acquisition of the old Alma Media Group. The members of the Board of Directors between 27 January and 28 April 2005 were **Matti Rantanen** (chairman), **Axel Cedercreutz** and **Jorma Leinonen**. The company's president was **Eero Mörä** and the auditors were KPMG Oy Ab, under the supervision of principal auditor **Mauri Palvi**.

An extraordinary general meeting of Almanova shareholders on 23 March 2005 approved a merger plan calling for the merger of the old Alma Media with Almanova. This would be executed by dissolving the old Alma Nedia and transferring its assets and liabilities to Almanova.

Almanova's public exchange and purchase offer for the shares of the old Alma Media started on 30 March and ended on 19 April 2005. The terms of this offer are described under 'The Alma Media share' below.

Almanova was listed on the Pre List of the Helsinki Exchanges on 28 April 2005. Since its listing the members of the Board of Directors, elected by an extraordinary general meeting on 23 March 2005, have been **Kari Stadigh** (chairman), **Matti Kavetvuo** (deputy chairman), **Lauri Helve**, **Matti Häkkinen** and **Harri Suutari**. Since listing on the Pre-List, the company's president and chief executive officer has been **Kai Telanne**.

Almanova signed a M€ 100 commercial paper programme on 8 September 2005 allowing the company to issue papers with a maturity of less than one year. The new programme replaces the M€ 75 commercial paper programme of the old Alma Media.

The old Alma Media and Almanova were scheduled to merge on 3 October 2005. The merger was postponed, however, when Almanova was made aware in September 2005 that the Finnish Financial Supervision Authority (FSA) had decided to reconsider how Almanova's purchase of the Alma Media shares should be treated in Almanova's forthcoming consolidated financial statements in compliance with International Financial Reporting Standards (IFRS).

At the same time Almanova announced it would postpone the previously agreed purchase of the Alma Media shares from Bonnier & Bonnier AB and Proventus Industrier AB as well as the listing of the Almanova share on the Main List of the Helsinki Exchanges.

Although the FSA had not yet given its final ruling, the merger of Almanova and Alma Media was executed on 7 November 2005.

The shares held by Bonnier & Bonnier and Proventus Industrier AB were transferred to Almanova in a block transaction on 2 November 2005, after which the old Alma Media became a subsidiary of Almanova with a holding of 52.7%. The shares and options of the old Alma Media held by Almanova, and the shares of the old Alma Media acquired from Bonnier & Bonnier and Proventus AB, were cancelled in the merger. The new company took the name Alma Media Corporation.

The company applies the recommendations (entry into force on July 1, 2004) prepared by HEX Plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Industries EK concerning the corporate governance of listed companies, subject to the following derogations:

- Nomination committee (Recommendation 31) Within the Alma Media Group, this committee is known as the Election Committee. The Board of Directors does not appoint members to the committee; the committee's members are appointed from the company's principal shareholders.
- Compensation committee (Recommendations 25 and 34) The Board of Directors does not appoint members to the Compensation Committee; under the Board of Directors' rules of procedure, the members of the committee are the chairman and deputy chairman of the Board of Directors.

The company's corporate governance is given in full, and regularly updated, on the company's website at www.almamedia.fi/corporate-governancesta.

The company applies the Insider Guidelines of the Helsinki Exchanges that came into force on 1 January 2006.

The Alma Media share

The main points of Almanova's exchange and purchase offer were as follows:

- The old Alma Media will sell the Broadcasting division to a company owned by Bonnier & Bonnier AB and Proventus Industrier AB for an enterprise value of M€ 460.
- Bonnier & Bonnier AB and Proventus Industrier AB will sell their holdings in the old Alma Media to Almanova.
- Almanova will make a public exchange and purchase offer to all shareholders except the above mentioned.
- In this offer € 14.00 will be paid for each Series I share (€ 6.50 in cash and the remainder in Almanova shares), and € 12.00 for each Series II share (€ 5.60 in cash and the remainder in Almanova shares), as well as € 29.00 for each 1999A warrant and € 25.70 for each 1999B warrant.
- After this, the old Alma Media will be merged with Almanova. The new company will continue under the name Alma Media Corporation to engage in newspaper publishing, business information and classified marketplaces.

All in all 13.03% of Alma Media's share capital and 4.69% of the total number of votes was transferred to Almanova as a result of this exchange and purchase offer including the new shares subscribable under the option rights transferred to Almanova. The option rights were cancelled and were not exercised to subscribe for new shares.

The new Almanova shares were entered on 29 April 2005 in the book-entry accounts of the Alma Media shareholders who had accepted the exchange and purchase offer, and on the same date those who had accepted the exchange and purchase offer were paid their cash consideration.

Merger consideration on 7 November 2005

Under the merger plan, the consideration for the shareholders of the old Alma Media would be paid in new shares issued by Almanova. The shareholders of Alma Media would receive seven (7) shares of Almanova for three (3) Series I shares of Alma Media and two (2) shares of Almanova for each (1) Series II share of Alma Media. Where the holding of Series I shares of a shareholder in Alma Media was not divisible by three, the shareholder would receive monetary consideration of € 14.00 per each Series I share in Alma Media exceeding the highest number of shares divisible by three.

Listings

Almanova was admitted to the Pre-list of the Helsinki Stock Exchange on 28 April 2005. The company had one shares series and 8,950,816 shares.

Following the merger the company was listed under the name of Alma Media Corporation on the Main List of the Helsinki Stock Exchange on 7 November 2005. The company has one share series and 74,612,523 shares. The company's fully paid up and registered share capital totalled €44,767,513.80 on the balance sheet date.

Share performance and trading

Trading in the new Alma Media's share has been lively and the share price has been rising strongly. Altogether 10.1 million shares, or 13.5% of the total, were traded between 7 November and 31 December 2005. The lowest price in the period was € 6.55 (10 November 2005) and the highest was € 7.75 (29 December 2005). The closing price was € 7.68.

The market capitalization of the company on 30 December 2005 was M€ 573.0.

The company had 3,620 shareholders in book-entry accounts on the balance sheet date. Nominee-registered shares totalled 21,007,475, or 28.2% of the total number of shares.

Liquidity providing agreement

Alma Media Corporation and eQ Pankki Oy have made a liquidity providing contract under which eQ Pankki Oy guarantees bid and ask prices for the shares with a maximum spread of 3% during 85% of the exchange's trading hours. The contract applies to a minimum of 2,000 shares, which corresponds to 40 share lots.

Environmental impact

Alma Media's operations have a small direct impact on the environment given the nature of the company's business. The company is committed to promoting the principles of sustainable development and encourages its business units and personnel to apply them actively. Its printing plants, for example, endeavour to keep the mackle paper to the minimum and in 2005 mackle paper was reduced by about 10%. Dyes remaining after press cleaning are sent to hazardous waste treatment plants for disposal. In 2004 the waste paper collection system in Finland collected 73% of all waste paper, an outstanding result by European standards.

Dividend and capital repayment proposal

The Board of Directors of Alma Media Corporation proposes to the Annual General Meeting on 8 March 2006 that a dividend of € 0.12 per share be distributed on the financial year 2005, the dividend payment date being 20 March 2006. The Board also proposes that the AGM distribute funds to the shareholders of € 0.53 per share by reducing the share premium fund. Taken together, these proposals make € 0.65 per share. Should the AGM approve the capital repayment proposal, these funds are expected to be repaid to shareholders by the end of September 2006.

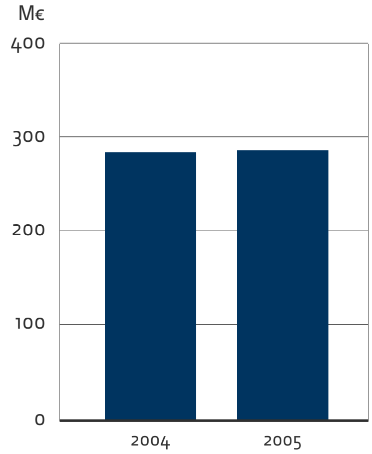
Subsequent events

On 26 January 2006 the Finnish Financial Supervision Authority announced its opinion concerning the treatment of the purchase of the old Alma Media's shares in the IFRS consolidated financial statements of the new Alma Media. The FSA has decided to treat this purchase as a reverse acquisition in which the acquiring company was the old Alma Media Corporation and the company being acquired was Almanova Corporation, the latter being the new Group's parent company, Alma Media Corporation.

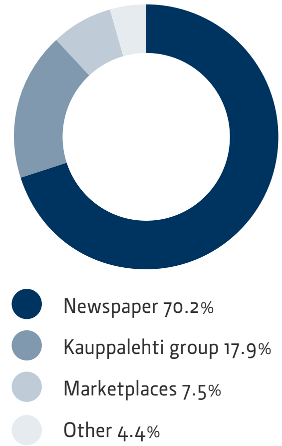
Use of estimates

This bulletin contains certain statements that are estimates based on management's best knowledge at the time they were made. For this reason they contain risks and uncertainty. The estimates could change in the event of significant changes in business conditions.

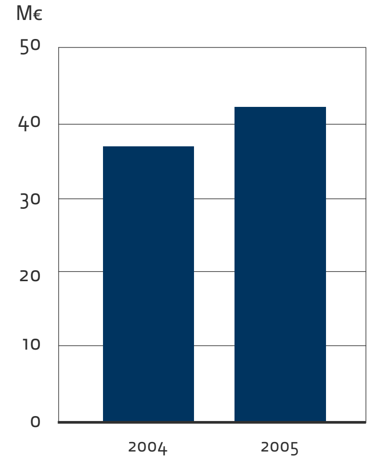
Net sales



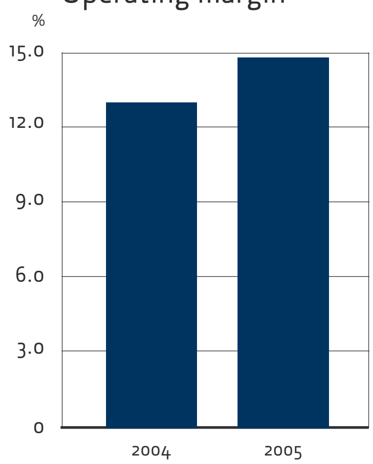
Net sales by division



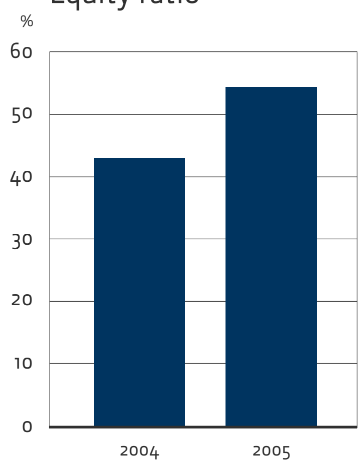
Operating profit



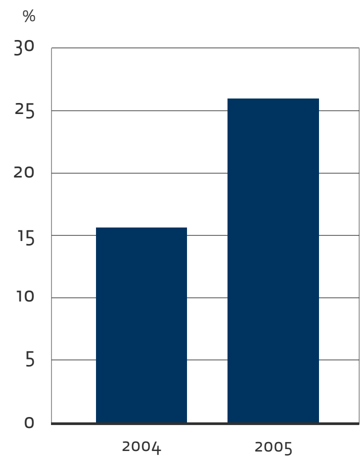
Operating margin



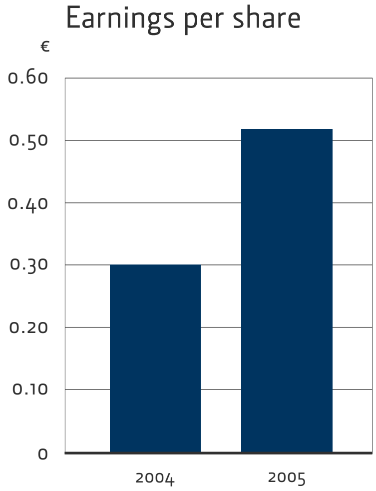
Equity ratio



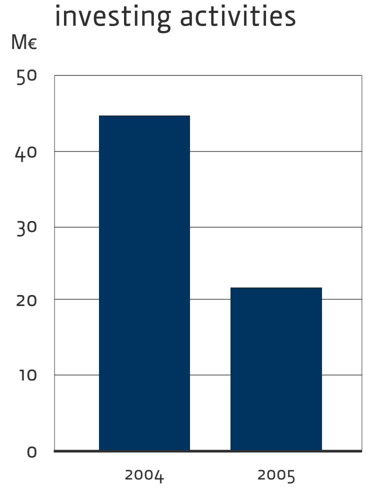
Return on investment



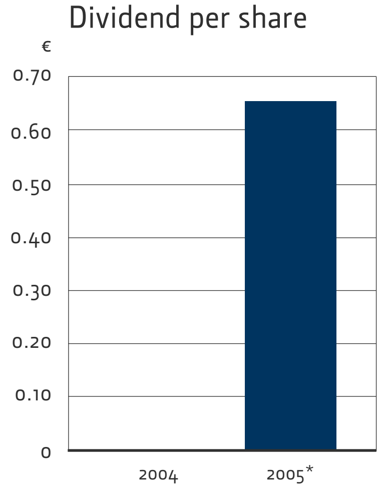
Earnings per share



Cash flow after investing activities



Dividend per share



* Board's proposal to the AGM, also includes capital repayment from the share premium fund.

Consolidated income statement (IFRS)

M€	Note	1.1.–31.12.2005	1.1.–31.12.2004
CONTINUING OPERATIONS			
Net sales	1, 2	285.9	283.6
Other operating income	3	5.2	2.9
Materials and services	5	–88.2	–85.6
Expenses arising from employee benefits	6	–104.7	–102.6
Depreciation, amortization and impairment charges	11, 12	–10.5	–11.6
Other operating expenses		–45.4	–49.7
Operating profit	1	42.3	37.0
Financial income and expenses			
Interest income		8.8	4.8
Dividend income		0.2	0.2
Interest expenses:			
To others		–3.2	–3.9
On finance leases		–1.1	–1.2
Other financial items		–1.9	0.0
Share of results in associated companies	15	4.5	–3.6
Profit before tax		49.6	33.3
Income tax	8	–10.6	–11.8
Profit from continuing operations		39.0	21.5
Income from discontinued operations	9	1.5	8.6
Capital gain on discontinued operations	9	324.5	0
Profit for the period		365.0	30.1
DISTRIBUTION			
To the parent company shareholders		364.6	29.2
Minority interest		0.4	0.9
EPS (EUR) CALCULATED FROM NET INCOME BELONGING TO THE PARENT COMPANY SHAREHOLDERS (€)			
EPS, continuing operations, basic	10	0.52	0.30
EPS, continuing operations, diluted	10	0.52	0.29
EPS, discontinued operations, basic	10	4.37	0.11
EPS, discontinued operations, diluted	10	4.37	0.11

Consolidated balance sheet (IFRS)

M€	Note	31.12.2005	31.12.2004
ASSETS			
Non-current assets			
Goodwill	11	18.9	18.7
Intangible assets	11	7.4	61.2
Property, plant and equipment	12	60.6	87.1
Investment properties	13	2.6	2.7
Investments in associated companies	15	40.4	102.3
Other long-term investments	16	4.0	4.6
Deferred tax assets	23	4.7	5.0
Other receivables	17	5.2	7.2
		143.8	288.8
Current assets			
Inventories	18	1.6	2.0
Tax receivables		1.4	2.7
Accounts receivable and other receivables	19	25.4	37.3
Other short-term investments	20	1.8	1.5
Cash and cash equivalents	21	69.6	22.5
		99.8	66.0
ASSETS, TOTAL		243.6	354.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		44.8	26.5
Share issue		0.0	1.8
Share premium fund		42.4	50.7
Retained earnings		39.0	66.8
Parent company shareholders's equity	22	126.2	145.8
Minority interest		0.5	2.1
Shareholders' equity, total		126.7	147.9
Long-term liabilities			
Interest-bearing liabilities	27	20.2	69.9
Deferred tax liabilities	23	1.5	3.5
Pension liabilities	24	3.8	4.4
Provisions	25	0.2	0.4
Other long-term liabilities		7.2	7.9
		32.9	86.1
Current liabilities			
Interest-bearing liabilities	27	36.2	31.7
Advances received		11.1	11.6
Tax liabilities		1.1	6.7
Provisions	25	0.8	2.3
Accounts payable and other liabilities	28	34.8	68.5
		84.0	120.8
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		243.6	354.8

Consolidated cash flow statement (IFRS)

M€	1.1.–31.12.2005	1.1.–31.12.2004
CONTINUING OPERATIONS		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	39.0	21.5
Adjustments:		
Depreciation, amortization and impairment charges	10.5	11.6
Share of results in associated companies	–4.5	3.6
Capital gains (losses) on sale of fixed assets and other investments	–3.7	–0.5
Financial income and expenses	2.7	0.1
Taxes	10.6	11.8
Change in provisions	–0.5	–0.4
Other adjustments	–6.3	1.1
Change in working capital:		
Total increase (–) / decrease (+) in non-interest-bearing accounts receivable	–6.4	–0.4
Increase (–) / decrease (+) in inventories	0.1	–0.3
Increase (+) / decrease (–) in non-interest-bearing accounts payable	7.6	–0.8
Dividend income received	2.4	3.9
Interest income received	2.9	4.5
Interest expenses paid	–5.5	–5.2
Taxes paid	–15.2	–4.4
Net cash provided by operating activities	33.7	46.1
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	–4.9	–3.7
Proceeds from disposal of tangible and intangible assets	1.4	2.3
Other investments	–3.6	–0.2
Proceeds from disposal of other investments	0.4	1.4
Subsidiary shares purchased	–1.9	–1.2
Subsidiary shares sold	0.0	0.2
Associated company shares purchased	–3.4	0.0
Net cash used in investing activities	–12.0	–1.2
Cash flow before financing activities	21.7	44.9
CASH FLOW FROM FINANCING ACTIVITIES		
Paid share issue	9.7	2.0
Long-term loans raised	0.0	10.0
Long-term loans, repayments	–35.3	–51.1
Short-term loans raised	51.2	8.1
Short-term loans, repayments	–69.2	0.0
Increase (–) or decrease (+) in interest-bearing receivables	0.1	21.5
Group contributions received and paid	0.8	6.1
Acquisition of shares of Alma Media shares (ID 1449580-9)	–395.4	0.0
Dividends paid	0.0	–39.3
Net cash used in financing activities	–438.1	–42.7
	–416.4	2.2
DISCONTINUED OPERATIONS		
Cash flow from operating activities	–1.3	21.5
Cash flow used in investing activities	383.2	0.2
Cash flow used in financing activities	81.6	–25.5

Consolidated cash flow statement (IFRS) (continued)
M€

	1.1.–31.12.2005	1.1.–31.12.2004
Change (increase + / decrease –) in cash funds	47.1	–1.6
Cash funds at start of period	22.5	24.1
Cash funds at close of period	69.6	22.5
Further details:		
Investments financed through finance leases	–6.0	–4.5
Gross capital expenditure, payment-based *)	–13.8	–5.1
Investments, total	–19.8	–9.6

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

Statement of changes in Group's shareholders' equity
M€

	SHARE OF EQUITY BELONGING TO PARENT COMPANY OWNERS									
	Share capital	Share premium fund	Share issue	Other funds	Trans'n diff's	Reval-uation fund	Retained earnings	Total	Minority interest	Equity total
Shareholders' equity 31.12.2003 (FAS)	26.5	50.6	0	0	–0.3	0	90.2	167.0	1.4	168.4
IAS 12 Income tax							3.4	3.4		3.4
IAS 16 Property, plant and equipment							–0.6	–0.6		–0.6
IAS 17 Leases							–10.0	–10.0		–10.0
IAS 19 Employee benefits							–1.0	–1.0		–1.0
IAS 28 Investments in associates							–4.8	–4.8		–4.8
IAS 36 Impairment of assets							–0.3	–0.3		–0.3
IAS 39 Financial instruments						0.6		0.6		0.6
Adjusted shareholders' equity 1.1.2004 (IFRS)	26.5	50.6	0	0	–0.3	0.6	76.9	154.3	1.4	155.7
Subscribed with warrants			1.8					1.8		1.8
Registration of shares subscribed with warrants		0.2						0.2		0.2
	0	0.2	1.8	0	0	0	0	2.0	0	2.0
Change in translation difference					0.3			0.3	–0.2	0.1
Change in revaluation fund						–0.6		–0.6		–0.6
Income/expenses recognized directly in equity	0	0	0	0	0.3	–0.6	0	–0.3	–0.2	–0.5
Profit for the period							29.2	29.2	0.9	30.1
Income and expenses for the period, total	0	0	0	0	0.3	–0.6	29.2	28.9	0.7	29.6
Dividends							–39.3	–39.3		–39.3
Shareholders' equity 31.12.2004 (IFRS)	26.5	50.7	1.8	0	0	0	66.8	145.8	2.1	147.9

Statement of changes in Group's shareholders' equity (continued)
M€

	SHARE OF EQUITY BELONGING TO PARENT COMPANY OWNERS									
	Share capital	Share premium fund	Share issue	Other funds	Trans'n diff's	Reval-uation fund	Retained earnings	Total	Minority interest	Equity total
(**Shareholders' equity 31.12.2004 (IFRS)**	26.5	50.7	1.8	0	0	0	66.8	145.8	2.1	147.9)
Reg'n of shares subscribed with warrants	0.9	9.7	–1.8					8.8		8.8
Reg'n of establishment of Almanova Corp.	0.1	0.9						1.0		1.0
Almanova Corp. rights issue 28.4.	5.2	47.5						52.7		52.7
Measurement at fair value of Alma Media shares acquired by Almanova Corp.				5.7				5.7		5.7
Almanova Corp. rights issue 7.11.	39.4	405.6						445.0		445.0
Merger of Alma Media and Almanova on 7.11. and impact of reverse acquisition	–27.3	–470.4		–5.7			–393.2	–896.6		–896.6
Share exchange and listing expenses		–1.6						–1.6		–1.6
	18.3	–8.3	–1.8	0	0	0	–393.2	–385.0	0	–385.0
Share of items recognized directly in associated company's equity							0.8	0.8		0.8
Income/expenses recognized directly in equity	0	0	0	0	0	0	0.8	0.8	0	0.8
Profit for the period							364.6	364.6	0.4	365.0
Income and expenses for the period, total	0	0	0	0	0	0	365.4	365.4	0.4	365.8
Minority interest in sold companies									–1.9	–1.9
Dividend paid by Group company									–0.1	–0.1
Other changes affecting equity	0	0	0	0	0	0	0.0	0.0	–2.0	–2.0
Shareholders' equity 31.12.2005 (IFRS)	44.8	42.4	0	0	0	0	39.0	126.2	0.5	126.7

COMPANY'S DISTRIBUTABLE FUNDS	31.12.2005
Retained earnings	39.0
Share of accumulated depreciation difference in equity	–2.5
Distributable funds, total	36.5

Accounting principles used in the IFRS consolidated financial statements

General

Alma Media Group publishes newspapers, distributes business information and maintains online (internet) marketplaces. The company divested its Broadcasting operation during 2005. The parent company, Alma Media Corporation, is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki, address: Eteläesplanadi 20, P.O. Box 140, 00101 Helsinki, Finland.

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS, applying the IAS and IFRS standards and the SIC and IFRIC interpretations in force at 31 December 2005. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedure stipulated in the EU's regulation (EC) No. 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting standards and the provisions of the Companies Act.

The Group adopted IFRS accounting principles during 2005 and in this connection has applied IFRS 1 (First-Time Adoption), the transition date being 1 January 2004. The section Adoption of IFRS Reporting below describes the differences between IFRS and FAS (Finnish Accounting Standards) in more detail and provides the statements of reconciliation required by IFRS 1.

The consolidated financial statements are based on the purchase method of accounting unless otherwise specified in the accounting principles described below. The Board of Directors has approved the consolidated financial statements for publication on 10 February 2006.

The Group's parent company, Alma Media Corporation (corporate ID code1944757-4, and called Almanova Corporation until 7 November 2005), was established on 27 January 2005. The company acquired the shares of the previous Alma Media Corporation (corporate ID code 1449580-9) during 2005. The acquisition proceeded in stages with Almanova Corporation first acquiring a 12.5% holding as a result of an exchange and purchase offer. The privileged share issue to shareholders of the old Alma Media, pursuant to this offer, was recorded in the Trade Register on 28 April 2005. Almanova Corporation then acquired a 40.2% holding on 2 November 2005 from Bonnier & Bonnier AB and Proventus Industrier AB. Almanova acquired the remaining 47.3% of the shares of the old Alma Media in a privileged share issue on 7 November 2005.

The acquisition has been treated in the consolidated accounts as a reverse acquisition based on IFRS 3. This means that the acquiring company is the old Alma Media Corporation and the company being acquired is the Group's current legal parent company Almanova Corporation. The Finnish Financial Supervision Authority published its position on this matter on 26 January 2006.

The consolidated financial statements have been prepared in the name of the current legal parent company, Almanova Corporation, but continuity in the Group accounts applies to the consolidated financial statements of the old Alma Media. Hence the carrying values of the old Alma Media continue unchanged in the new company after the merger. The financial year is the calendar year and the comparative figures are the comparative figures for the old Alma Media Group.

Almanova Corporation was established in January 2005. In the consolidated financial statements the acquisition date is the situation before the exchange and purchase offer that started on 28 April 2005, in which Almanova offered new shares in exchange for shares in the old Alma Media. Before the start of the exchange and purchase offer Almanova had no other significant assets than the funds, one million euros, received when it was established. The net fair value of the assets, liabilities and contingent liabilities at the acquisition date do not differ from their carrying values in the company's accounts. The acquisition cost is equivalent to the net fair value of the assets, liabilities and contingent liabilities and therefore no goodwill has arisen.

The accounting principles adopted for the reverse acquisition apply only to the consolidated financial statements.

Comparability of consolidated financial statements

The Group divested its Broadcasting business during 2005. The capital gain recorded on this divestment, and the business transactions of the divested business, are shown as a discontinued operation in the income statements and cash flow statements of both the reporting period and the comparative period. However, the comparative balance sheet at 31 December 2004 does not distinguish between continuing and discontinued operations since the criteria for regarding the Broadcasting business as a discontinued operation had not yet been met at the end of 2004. For this reason the balance sheet at 31 December 2004 is not entirely comparable with the balance sheet at 31 December 2005.

Subsidiary companies

All subsidiaries are consolidated in the Group's financial statements. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest arises when the Group holds more than half of the voting power or over which the Group otherwise exercises the right of control. The right of control means the right to control the company's business and financial principles in order to extract benefit from its operations. The accounting principles applied in the subsidiaries have been brought into line with the IFRS principles applied in the consolidated financial statements. Mutual holdings are eliminating using the purchase method. Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. As permitted by IFRS 1, acquisitions taking place prior to the transition date are not IFRS-adjusted but are left at their previous FAS values. All intragroup transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements.

Associated companies

Associated companies are those in which the Group has a significant controlling interest. A significant controlling interest arises when the Group holds 20% or more of the company's voting power or over which the Group otherwise is able to exercise significant control. Associated companies are consolidated using the equity method. Investments in associated companies include any goodwill arising from their acquisition.

If the Group's share of the associated company's losses exceeds the book value of the investment, this investment is entered at zero value in the balance sheet and any losses in excess of this value are not recognized unless the Group has obligations with respect to the associated company.

Joint venture entities
Joint venture entities are companies in which the Group exercises joint control with one or more other parties. In Alma Media, jointly controlled assets are shares in mutually owned property companies and housing companies. Joint venture entities are consolidated in accordance with the proportionate consolidation method permitted under IAS 31 (Interests in Joint Ventures).

Translation of items denominated in foreign currencies
Figures in the consolidated financial statements are shown in thousands of euros, which is the functional and presentation currency of the parent company. Foreign currency items are entered in euros at the rates prevailing at the transaction date. Monetary foreign currency items are translated into euros using the rates prevailing at the balance sheet date. Non-monetary foreign currency items are measured at their fair value and translated into euros using the rates prevailing at the measurement date. In other respects non-monetary items are measured at the rates prevailing at the transaction date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions respectively in the income statement. Exchange rate differences related to loans and loan receivables are taken to other financial income and expenses in the income statement.

The income statements of foreign Group subsidiaries are translated into euros using the weighted average rates during the period, and their balance sheets at the rates prevailing on the balance sheet date. Translation differences arising from the consolidation of foreign subsidiaries and associated companies are entered under shareholders' equity.

Assets available for sale and discontinued operations
Assets available for sale, and the assets related to the discontinued operation that are classified as available for sale, are measured at the lower of their book value or their fair value less the costs arising from their sale.

The Broadcasting operation was treated as a discontinued operation in the 2005 financial period and further details are provided in the notes as required by IFRS 5. In the 2004 comparison figures Broadcasting is also treated as a discontinued operation in the income and cash flow statements.

Recognition principles
Income from the sale of goods is recognized when the material risks and rewards incidental to ownership of the goods have been transferred to the buyer. Income from services is recognized in accordance with their percentage of completion at the balance sheet date.

Employee benefits
Employee benefits cover short-term employee benefits, other long-term benefits, termination benefits, and post-employment benefits. Short-term employee benefits include salaries and benefits in kind, annual holidays and bonuses. Other long-term benefits include, for example, a celebration, holiday or remuneration (e.g. bonuses for years of service) based on a long period of service. Termination benefits are benefits that are paid due to termination of an employees' contract and not from service in the company.

Post-employment benefits comprise pension and benefits to be paid after termination of the employee's contract, such as life insurance and healthcare. These benefits are classified as either defined contribution or defined benefit plans. The Group has both forms of benefit plan.

Payments made under defined contribution plans are entered in the income statement in the period which the payment applies to. The disability pension component of the Finnish Employees' Pension System (TEL) handled by insurance companies was reclassified under IFRS as a defined contribution plan from the beginning of 2006. Accordingly, this is treated as a defined contribution plan in the Group's opening balance sheet, the comparison figures and the figures for 2005.

Defined benefit plans are all those that do not meet the criteria for a defined contribution plan. In Alma Media Group, supplementary pension obligations arising from voluntary plans are treated as defined benefit plans. In a defined benefit pension plan, the company is left with additional obligations also after the payment for the period is made. Actuarial calculations are acquired annually for plans classified as defined benefit plans as a basis for entering the expense, debt or asset item. Debt entered in the balance sheet is the difference between the present value of the pension obligation and the fair value of the plan assets, on the one hand, and the unrecognized actuarial profits and losses on the other.

Obligations arising from defined benefit plans are calculated using actuarial assumptions. These are divided into demographic and economic assumptions. Demographic assumptions are mortality rates, termination rates and the commencement of disability. Economic assumptions are the discount rate, future salary levels, the expected yield from the plan's assets, and estimated rate of inflation.

Alma Media applies the corridor method in the treatment of actuarial gains and losses, under which actuarial gains and losses are entered in the balance sheet. The accumulated unrecognized actuarial gains and losses, net, are entered in the income statement if at the end of the previous period they exceed the greater of the following: 10% of the present value of the defined benefit obligation on the day in question (before deduction of plan assets), or 10% of the fair value of the plan assets on the day in question. These limits are calculated for, and applied to, each defined benefit plan separately. The portion of the actuarial gains and losses entered in the income statement for each defined benefit plan is the excess divided by the expected average remaining service lives of the participating employees, i.e. the portion for only one year.

Stock option schemes under which options have been granted after 7 November 2002 but which did not give their holders rights before 1 January 2005 (the vesting period) are measured at their fair value at the time of issue and entered as an expense in the income statement during the vesting period. Option schemes predating this date are not entered as an expense. Alma Media Group issued bonds with warrants to personnel in 1999. No expenses have been entered on this scheme. Options valid during the 2005 financial period were required to be converted into shares or redeemed by 30 June 2006 owing to the restructuring. At the close of the 2005 period Alma Media Corporation had no outstanding option schemes.

The Group operates a share bonus scheme for key employees. This is a share-based scheme under which the employees in question are paid a bonus in cash. The debt arising from the employee's service is entered in the balance sheet and measured in the financial statements and on the day of payment at its fair value. Changes in fair value are entered under personnel expenses in the income statement in the period to which they relate. The company has also made hedges with respect to this share bonus scheme. The option instrument in question is measured at its fair value in the financial statements and changes in the fair value are charged to the income statement.

Leasing agreements

Leases applying to tangible assets and in which the Group holds a significant share of the risks and rewards incremental to their ownership are classified as finance leases. These are recognized in the balance sheet as assets and liabilities at the lower of their fair value or the present value of the required minimum lease payments at inception of the lease. Assets acquired through finance leases are depreciated over their useful life, or over the lease term if shorter. Lease obligations are included under interest-bearing liabilities.

Other leases are those in which the risks and rewards incremental to ownership remain with the lessor. When the Group is the lessee, lease payments related to other leases are allocated as expenses on a straight-line basis over the lease term. When the Group is the lessor, lease income is entered in the income statement on a straight-line basis over the lease term.

Income taxes

The tax expense in the income statement comprises the tax based on the company's taxable income for the period together with deferred taxes. The tax based on taxable income for the period is the taxable income calculated on the applicable tax rate in each country of operation. Tax is adjusted for any tax related to previous periods.

Deferred tax assets and liabilities are recognized on all temporary differences between their book and actual tax values. Deferred tax is not calculated if the difference is not expected to be reversed in the foreseeable future. Deferred taxes are calculated using the tax rates enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are netted by company when they relate to income tax levied by the same tax authority and when the tax authority permits the company to pay or receive a single net tax payment.

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation, amortization and impairment losses. Straight-line depreciation is entered on the assets over their estimated useful lives. Depreciation is not entered on land. The estimated useful lives are:

- Buildings and structures 30–40 years
- Machinery and equipment 3–10 years
- Large rotation printing presses 20 years

When an item of property, plant and equipment is replaced, the costs related to this new item are capitalized. The same procedure is applied in the case of major inspection or service operations. Other costs arising later are capitalized only when they give the company added economic benefit from the asset. All other expenses, such as normal service and repair procedures, are entered as an expense in the income statement as they arise.

Intangible assets

Goodwill represents the excess of the acquisition cost over the Group's share of the net fair values of the acquired company's assets at the time of acquisition; see section Adoption of IFRS Reporting below, which describes the IFRS treatment at the transition date of acquisitions made when previous accounting standards were in force. Goodwill is applied to cash-generating units and tested at the transition date and thereafter annually for impairment. Goodwill is measured at original acquisition cost less impairment losses.

Research and development (R&D) costs are entered as an expense in the period in which they arise. R&D costs are capitalized when it is expected that the intangible asset will generate corresponding economic added value and the costs arising from this can be reliably determined. There were no capitalized R&D costs in the Group's balance sheet at the close of the period.

Patents, trademarks, copyright and software licences with a finite useful life are shown in the balance sheet and expensed on a straight-line basis in the income statement during their useful lives. No depreciation is entered on intangible assets with an indefinite useful life; instead, these are tested annually for impairment.

The useful lives of intangible assets are 5–10 years.

Investment properties

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

Inventories

Inventories are materials and supplies, work in progress and finished goods. Fixed overhead costs are capitalized to inventories in manufacturing. Inventories are measured at the lower of their acquisition cost or net realizable value. The net realizable value is the sales price expected to be received on them in the normal course of business less the estimated costs necessary to bring the product to completion and the costs of selling them. The acquisition cost is defined by the FIFO (first-in-first-out) method. Within Alma Media, inventories mainly comprise the production materials used for newspaper printing, MTV Oy's iTV card purchases, and sublet newspaper editing equipment.

Financial assets

The Group's financial assets have been classified into the following categories from 1 January 2004 as required by IAS 39: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Financial assets are classified according to their purpose when acquired and at the time of acquisition.

Financial assets at fair value through profit or loss are entered in the income statement in the period during which they arise. The derivative financial instruments used by the Group also fall into this category.

The Group applies hedge accounting to hedge the fair value arising from exchange rate changes in binding foreign currency purchase contracts concerning broadcasting rights. The item hedged is the fixed contract payments for the broadcasting rights and the instruments used are foreign exchange forward contracts. Changes in the fair value of the forward contract are charged directly to the result for the period and the counter-entry is made under transferred items. Correspondingly, the hedged risk (i.e. the binding purchase contract) is measured and the change in value is charged directly to the result for the period. When a hedged binding purchase contract is realized and leads to an account entry, the original acquisition price of the broadcasting right is adjusted for the corresponding change in fair value of the hedge.

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

With respect to the company's share-based bonus scheme for key employees, the company has acquired option derivatives that are measured at their fair value at the balance sheet date. Changes in fair value are entered under personnel expenses in the income statement.

Financial assets belonging under Loans and Other Receivables are valued at their amortized cost. In Alma Media, this group consists of accounts receivable, other receivables, accounts payable and interest-bearing liabilities. The amount of uncertain receivables is estimated based on the risks associated with individual items. Credit losses are entered as an expense in the income statement.

Investments held to maturity are financial assets that mature on a given date and which the Group intends and is able to keep until this date. These are measured at amortized cost.

Financial assets available for sale are measured at their fair value and the change in fair value is entered in the revaluation fund under shareholders' equity. This category comprises financial assets that are not classified in any of the other categories. In Alma Media, this category includes investments in listed shares shown under long- and short-term investments. Listed shares are measured at their fair value, which is their market value at the balance sheet date. Changes in fair value are moved from shareholders' equity to the income statement when the investment is sold or when its value is reduced to the point where a writedown on this investment is required.

Cash funds consist of cash, demand and time deposits, and other short-term highly liquid investments.

The transaction date is generally used when recognizing financial instruments.

Interest-bearing debt
Interest-bearing debt comprises the loans issued by the company and other debt, and is measured at amortized cost.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The provision is discounted if the time-value of the money is significant with respect to the size of the provision. Provisions shown in the balance sheet are not discounted at the balance sheet date. Examples of provisions entered by Alma Media are rental expenses on vacant office premises (loss-making agreements), and pension obligation provisions on unemployment pension insurance.

Impairments
Alma Media reviews the carrying amounts at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Furthermore, the recoverable amount is estimated annually for the following assets, whether there are indications of impairment or not: goodwill, and intangible assets with an indefinite useful life. The recoverable amounts of intangible and tangible assets are determined as the greater of the net selling price (fair value less costs to sell) or value in use. An impairment loss is entered if the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are entered in the income statement. An impairment loss may be reversed if circumstances regarding the intangible or tangible assets in question change. Impairment losses recognized on goodwill cannot be reversed under any circumstances.

Segment reporting and its accounting principles
As its primary business segments Alma Media Group reports the Newspapers group, Kauppalehti group, Marketplaces, Broadcasting and Other Operations. The Broadcasting segment was sold at the end of April 2005.

Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the primary business segments listed above.

Accounting principles requiring management discretion and main uncertainty factors underlying assessments
The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which may differ from actual results in the future. Management is also required to use its discretion as to the application of the accounting principles used to prepare the statements.

The Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and reviews any indications of impairment in the manner described above.

Estimating useful lives used to calculate depreciation and amortization also requires management to estimate the useful lives of these assets.

Other management estimates relate mainly to other assets, such as the current nature of receivables, to tax risks, to determining pension obligations, and to the utilization of tax assets against future taxable income.

Events subsequent to the closing of the accounts
The period during which matters affecting the financial statements are taken into account is the period from the closing of the accounts to the release of the statements. The release date is the day on which the Board of Directors reviews and signs the statements. Events occurring during the period referred to above are examined to determine whether they do or do not make it necessary to correct the information in the financial statements.

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

Impacts of new but not yet adopted standards
The following new standards and interpretations will be applied in the Group in future periods:

- IFRIC 4 Determining Whether an Agreement Contains a Lease (published 2004, applied from 1 Jan. 2006)
- IAS 19 Employee Benefits – change in the standard (published 2004, applied from 1 Jan. 2006) concerning the entry of actuarial gains and losses directly under shareholders' equity.
- IAS 39 Financial Instruments: Recognition and Measurement (changes during 2005, applied from 1 Jan. 2006).
- IFRS 7 Financial Instruments: Disclosures (published 2005, to be applied from 1 Jan. 2007).

The impact of the aforementioned new interpretation on the Group is initially estimated to be minor. The effect of the application of the new standards is initially estimated to apply mainly to the notes to the financial statements.

Notes to the consolidated financial statements
M€

1. SEGMENT INFORMATION

Alma Media Group reports as its primary segments the Newspapers group, the Kauppalehti group, Marketplaces, Broadcasting and Other Operations. The Broadcasting segment was sold at the end of April 2005 and is no longer included in continuing operations.

Alma Media Group's geographical segments cannot be distinguished (Alma Media operates mainly in one geographical segment), and therefore segment reporting is restricted to the primary business segments listed above.

NET SALES

	Newspapers		Kauppalehti group		Marketplaces		Other operations		Eliminations		Continuing operations total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Net sales:												
External net sales	207.2	208.4	53.6	48.9	19.3	17.4	5.8	8.9			285.9	283.6
Inter-segment net sales	4.4	4.0	0.2	0.1	3.4	3.9	7.4	5.7	–15.3	–13.8		
Net sales, total	211.6	212.4	53.8	49.1	22.7	21.3	13.2	14.6	–15.3	–13.8	285.9	283.6

	Continuing operations total		Discontinued operations Broadcasting		Eliminations		Group	
	2005	2004	4 kk/2005	2004	2005	2004	2005	2004
Net sales:								
External net sales	285.9	283.6	67.2	195.4	–4.6	–13.2	348.5	465.7
Inter-segment net sales								
Net sales, total	285.9	283.6	67.2	195.4	–4.6	–13.2	348.5	465.7

NET INCOME IN THE PERIOD

	Newspapers		Kauppalehti group		Marketplaces		Other operations		Eliminations		Continuing operations total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Operating income	38.9	35.7	7.1	6.1	1.1	0.3	–4.8	–5.1			42.3	37.0
Share of results in assoc. co's			5.5	1.9			–1.0	–5.5			4.5	–3.6
Non-allocated items:												
Net financial expenses											2.8	–0.1
Income tax											–10.6	–11.8
Net income for the period	38.9	35.7	12.6	8.0	1.1	0.3	–5.9	–10.6			39.0	21.5

	Continuing operations total		Broadcasting		Broadcasting capital gain		Group	
	2005	2004	4 mo/2005	2004	2005	2004	2005	2004
Operating income	42.3	37.0	3.7	15.1	324.5		370.6	52.1
Share of results in assoc. co's	4.5	–3.6	0.1	0.6			4.6	–3.0
Non-allocated items:								
Net financial expenses	2.8	–0.1	–1.3	–5.1			1.5	–5.2
Income tax	–10.6	–11.8	–1.1	–2.0			–11.7	–13.8
Net income for the period	39.0	21.5	1.4	8.6	324.5		365.0	30.1

ASSETS AND LIABILITIES

	Newspapers		Kauppalehti group		Marketplaces		Other operations		Eliminations		Continuing operations total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Segment assets	72.5	71.9	18.1	11.6	8.0	7.7	54.2	52.6	–20.4	–22.6	132.4	121.2
Investments in assoc. companies	0.1	0.1	35.4	26.9			4.8	4.4			40.4	31.4
Non-allocated assets											70.8	160.6
											243.6	313.2
Segment liabilities	35.7	36.5	9.7	8.7	2.4	3.4	15.8	17.3	–5.7	–6.4	57.9	59.5
Non-allocated liabilities											58.9	110.1
											116.8	169.6

	Continuing operations total		Broadcasting		Eliminations		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
Segment assets	132.4	121.2		119.7		–15.2	132.4	225.7
Investments in assoc. companies	40.4	31.4		70.9			40.4	102.3
Non-allocated assets	70.8	160.6				–133.7	70.8	26.8
	243.6	313.2		190.5		–148.9	243.6	354.8
Segment liabilities	57.9	59.5		35.9			57.9	95.4
Non-allocated liabilities	58.9	110.1				1.5	58.9	111.6
	116.8	169.6		35.9		1.5	116.8	207.0

OTHER INFORMATION

	Newspapers		Kauppalehti group		Marketplaces		Other operations		Continuing operations total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Investments	7.3	3.8	8.1	1.9	3.5	2.3	0.8	0.9	19.7	8.9
Depreciation	5.6	6.9	1.1	1.0	1.8	1.9	2.0	1.8	10.5	11.6
Other expenses not requiring transaction, e.g. depreciation	0.1						1.9	4.1	2.0	4.1

	Continuing operations total		Broadcasting		Eliminations		Group	
	2005	2004	4 kk/2005	2004	2005	2004	2005	2004
Investments	19.7	8.9	2.7	5.2			22.4	14.1
Depreciation	10.5	11.6	21.5	57.2		–0.4	32.0	68.4
Other expenses not requiring transaction, e.g. depreciation	2.0	4.1		2.0			2.1	6.1

2. NET SALES

Distribution of net sales between goods and services	1.1.–31.12.2005	1.1.–31.12.2004
Sales of goods	121.1	127.2
Sales of services	164.8	156.4
Net sales (continuing operations) total	285.9	283.6

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

3. OTHER OPERATING INCOME

	1.1.–31.12.2005	1.1.–31.12.2004
Gains on sale of property, plant and equipment	0.7	0.9
Gains on sale of intangible assets	1.1	0.1
Gains on sale of assets available for sale	0.0	0.9
Other	3.4	1.0
Other operating income, total	5.2	2.9
Specification of other major operating income items:		
Compensation paid by Edita Oyj on Acta Print dispute		
as required by court of arbitration	1.2	
Gain recognized on sale of NWS business	1.2	
Impact of privileged share issue in associated company Talentum	0.8	

4. ACQUIRED BUSINESSES

The Group's parent company Alma Media Corporation (corporate ID code 1944757-4 and called Almanova Corporation until 7 November 2005) was established on 27 January 2005. For the sake of clarity the description below uses the name Almanova Corporation for the new Alma Media Corporation. The company acquired the shares of the old Alma Media Corporation (corporate ID code 1449580-9) during 2005. The acquisition proceeded in stages:

- the company first acquired a 12.5% holding as a result of its exchange and purchase offer. The privileged share issue to shareholders of the old Alma Media, pursuant to this offer, was recorded in the Trade Register on 28 April 2005.
- the company then acquired a 40.2% holding on 2 November 2005 from Bonnier & Bonnier AB and Proventus Industrier AB.
- the company acquired the remaining 47.3% of the shares of the old Alma Media in a privileged share issue on 7 November 2005.

The acquisition has been treated in the consolidated accounts as a reverse acquisition based on IFRS 3. This means that the acquiring company is the old Alma Media Corporation and the company being acquired is the Group's current legal parent company Almanova Corporation. The Finnish Financial Supervision Authority published its position on this matter on 26 January 2006. The consolidated financial statements have been prepared in the name of the current legal parent company, Almanova Corporation, but continuity in the Group accounts applies to the consolidated financial statements of the old Alma Media. Hence the carrying values of the old Alma Media continue unchanged in the new company after the merger. The financial year is the calendar year and the comparative figures are the comparative figures for the old Alma Media Group. Almanova Corporation was established in January 2005. In the consolidated financial statements the acquisition date is the situation before the exchange and purchase offer that started on 28 April 2005, in which Almanova offered new shares in exchange for shares in the old Alma Media. Before the start of the exchange and purchase offer Almanova had no other significant assets than the funds, one million euros, received when it was established. The net fair value of the assets, liabilities and contingent liabilities at the acquisition date do not differ from their carrying values in the company's accounts. The acquisition cost is equivalent to the net fair value of the assets, liabilities and contingent liabilities and therefore no goodwill has arisen.

The Group made two other acquisitions during the 2005 period. In January the Group acquired the City24 subgroup, allocated to the Marketplaces segment, which specializes in chargeable internet property portal services in the Baltic countries. In July the Group acquired the ePorttti business for its Kauppalehti group. This business provides information and documents on the internet for public offices and companies. In July the Group also acquired an associated company holding (49%) in TietoEnator 121 Oy, further information on which is given in Note 15. The following table gives the opening balance sheets in the Group of the acquired businesses (City24 and ePortti) as well as their total acquisition price and impact on cash flow:

	Book values before integration	Fair values entered in integration
Intangible assets		0.9
Cash and cash equivalents	0.3	0.3
Assets, total	0.3	1.2
Accounts payable and other liabilities	0.1	0.1
Liabilities, total	0.1	0.1
Net assets	0.3	1.1
Goodwill arising in acquisition		3.4
Acquisition price		4.5
Cash reserves of acquired subsidiaries or businesses		0.3
Impact on cash flow		4.2

The goodwill arising from the acquisitions, totalling M€ 3.4, is due to expected synergy benefits related to the acquired businesses and to the opportunity to engage in business operations in new markets.

The operating profit of the acquired businesses (City24 and ePortti) has been M€ 0.02 since their acquisition date. If these acquisitions had taken place at the beginning of 2005, the net sales of the continuing businesses would have been an estimated M€ 287.0 and their operating profit M€ 42.4.

5. MATERIALS AND SERVICES

	1.1.–31.12.2005	1.1.–31.12.2004
Purchases during period	19.8	22.8
Change in inventories	0.1	–0.1
Materials, goods and supplies	19.9	22.7
External services	68.3	62.9
Total	88.2	85.6

6. EXPENSES ARISING FROM EMPLOYEE BENEFITS

	1.1.–31.12.2005	1.1.–31.12.2004
Salaries and fees	85.2	82.6
Pension costs – defined contribution plans	13.3	13.4
Pension costs – defined benefit plans	0.2	0.4
Approved share schemes to be settled in cash	0.5	0.8
Other personnel expenses	5.5	5.4
Total	104.7	102.6

The debt arising from the share-based payments paid as cash totalled M€ 2.6 at 31 December 2005. The Group has hedged this item with a share option derivative and the receivable on this derivative totalled M€ 0.8 at 31 December 2005.

Average total workforce, calculated as full-time employees:

Newspapers	1,203	1,240
Kauppalehti group	418	402
Marketplaces	109	115
Other	78	40
Continuing operations, total	1,808	1,797
Additionally, Group's own distribution staff (no. of employees)	900	947
Discontinued operations, average no. of employees	432	516

SALARIES AND FEES TO MANAGEMENT:

	1.1.–31.12.2005	1.1.–31.12.2004
Parent company presidents (Kai Telanne and Juho Lipsanen):		
Salaries and other short-term employee benefits	0.8	0.5
Termination benefits	0.6	
Post-employment benefits		0.1
Benefit generated by exercise of options (options to personnel)	1.1	
Share-based payments *		0.1
	2.6	0.6
Other members of the Group Executive Team		
Salaries and other short-term employee benefits	1.5	1.2
Post-employment benefits	0.1	0.1
Benefit generated by exercise of options (options to personnel)	1.3	
Share-based payments *	0.1	0.2
	3.0	1.5
Other Group presidents (not on the Group Executive Team)		
Salaries and other short-term employee benefits	1.9	2.0
Termination benefits	0.4	
Post-employment benefits		0.2
Benefit generated by exercise of options (options to personnel)	0.3	
Share-based payments *	0.1	0.2
	2.8	2.4

		1.1.–31.12.2005	1.1.–31.12.2004
Board of Directors, fees for BoDs of both Almanova Corp. and Alma Media Corp.			
Kari Stadigh	chairman (Alma Media and Almanova)	0.03	0.02
Lauri Helve	member (Alma Media and Almanova)	0.02	0.02
Matti Häkkinen	member (Alma Media and Almanova)	0.02	0.02
Matti Kavetvuo	member (Alma Media and Almanova)	0.03	0.02
Harri Suutari	member (Alma Media and Almanova)	0.02	
Bengt Braun	chairman (old Alma Media Corp.)	0.02	0.03
Daniel Sachs	member (old Alma Media Corp.)	0.02	
Jonas Nyrén	member (old Alma Media Corp.)		0.02
		0.2	0.1
Salaries and fees to management. total		8.5	4.6

* Share-based payments refers to the cost impact on the company of the benefit arising from approved share-based schemes to be settled in cash.

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

The members of the Board of Directors, the President of the parent company and the other members of the Group Executive Team together held 1,692,150 of the company's shares on 31 December 2005, representing 2.3% of the total number of shares and votes.

Their individual holdings are as follows *:

Kari Stadigh	chairman	10,260
Lauri Helve	member	60,240
Matti Häkkinen	member	1,260,420
Matti Kavetvuo	member	8,480
Harri Suutari	member	81,188
Kai Telanne	President (Alma Media Corporation)	16,000
Matti Apunen	Group Executive Team	
Juha Blomster	Group Executive Team	96,000
Teemu Kangas-Kärki	Group Executive Team	20,000
Kari Kivelä	Group Executive Team	
Ahti Martikainen	Group Executive Team	32,400
Raimo Mäkilä	Group Executive Team	25,000
Minna Nissinen	Group Executive Team	
Tuomo Saarinen	Group Executive Team	82,162
		1,692,150 shares

* Figures include holdings of entities under their control and holdings of related parties.

7. RESEARCH AND DEVELOPMENT COSTS

Research and development costs in the income statement totalled M€ 3.1 in 2005 (M€ 3.0 in 2004).

8. INCOME TAX

	1.1.–31.12.2005	1.1.–31.12.2004
Tax based on taxable income for the period	12.5	11.8
Tax from previous periods	–0.1	1.6
Deferred taxes	–1.8	–1.6
Total	10.6	11.8

Reconciliation of tax expense in income statement and tax calculated on Finnish tax rate:
The Finnish corporate tax rate in 2004 was 29% and in 2005 26%.

Income before tax	49.6	33.3
– Share of associated company's result	–4.5	3.6
	45.1	36.9
Tax calculated on the parent company's tax rate	11.7	10.7
Impact of varying tax rates of foreign subsidiaries	–0.1	–0.2
Tax-free income	–0.3	0.0
Non-tax-deductable expenses	0.2	0.8
Items from previous periods	–0.1	1.6
Use of previously non-entered deferred tax assets	–0.2	0.0
Recognition in balance sheet of previously non-entered deferred tax assets *	–0.7	0.0
Impact of change in tax legislation in 2004 and other items	0.1	–1.1
Tax shown in the income statement	10.6	11.8

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

The M€ 324.5 capital gain on the Broadcasting disposal included in "Income from discontinued operations" in the income statement is treated as tax-free income for taxation purposes.

9. DISCONTINUED OPERATIONS

The Group sold its Broadcasting business segment in spring 2005. The table below shows the divested segment's share of the Group's net sales, result and cash flows:

	1.1.–30.4.2005	1.1.–31.12.2004
Net sales	67.2	195.4
Operating expenses	–63.5	–180.3
Operating income	3.7	15.1
Net financial items	–1.3	–5.1
Share of result in associated company	0.1	0.6
Income before tax	2.5	10.6
Tax	–1.0	–2.0
Income after tax	1.5	8.6

The Group entered a capital gain of M€ 324.5 on the divestment of its Broadcasting business

Cash flow from operating activities	–1.3	21.5
Cash flow from investing activities *	383.2	0.2
Cash flow from financing activities *	81.6	25.5
Cash flow. total	463.5	47.2

* Also includes cash flow, M€ 460, received on divestment of the Broadcasting business.

10. EARNINGS PER SHARE

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

In applying the reverse acquisition method to Almanova and Alma Media Group, the number of shares outstanding is determined from the beginning of the period to the acquisition date using the number of shares that Almanova Corporation had offered to the shareholders of the old Alma Media. The number of shares after the acquisition is the true number of shares outstanding in Almanova. When calculating the number of shares in the comparison period, the number of shares used is the number of shares offered by Almanova to the shareholders of the old Alma Media.

Furthermore, these shares amounts are adjusted to take account of the changes in the number of shares of the old Alma Media in 2005 and the comparison year 2004.

	1.1.–31.12.2005	1.1.–31.12.2004
Parent company owners' income in the period, continuing operations	38.9	21.4
Parent company owners' income in the period, discontinued operations	325.7	7.8
Number of shares (x 1000)		
Weighted average number of outstanding shares	74,474	71,876
Impact of issued share options calculated as number of shares	–	1,860
Diluted weighted average number of outstanding shares	74,474	73,736
EPS, continuing operations, basic	0.52	0.30
EPS, continuing operations, diluted	0.52	0.29
EPS, discontinued operations, basic	4.37	0.11
EPS, discontinued operations, diluted	4.37	0.11

11. INTANGIBLE ASSETS AND GOODWILL

FINANCIAL YEAR 2004	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Acquisition cost 1.1.	109.0	2.5	0.6	45.5	157.6
Increases	54.7	2.1	0.9	1.6	59.3
Decreases	–53.5	–1.9	–0.3	–0.3	–56.0
Transfers between items	0.1		–0.3	0.2	0.0
Acquisition cost 31.12.	110.3	2.7	0.9	47.0	161.0
Acc. depreciation, amortization and impairments 1.1.	50.6	0.8		28.3	79.7
Accumulated depreciation in decreases and transfers	–51.6	–0.5			–52.1
Depreciation in period	53.1	0.4			53.5
Acc. depreciation, amortization and impairments 31.12.	52.1	0.7		28.3	81.1
Book value 1.1.	58.4	1.7	0.6	17.2	77.9
Book value 31.12.	58.2	2.0	0.9	18.7	79.9

FINANCIAL YEAR 2005	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Acquisition cost 1.1.	110.3	2.7	0.9	47.0	161.0
Increases	16.6	1.1	0.2	3.8	21.7
Decreases	–113.2	–0.4	–0.1	–4.9	–118.6
Transfers between items	0.8		–0.8		0.0
Acquisition cost 31.12.	14.5	3.4	0.2	45.9	64.1
Acc. depreciation, amortization and impairments 1.1.	52.1	0.7		28.3	81.1
Accumulated depreciation in decreases and transfers	–64.3	–0.4		–1.4	–66.1
Depreciation in period	21.8	0.8			22.6
Impairments				0.2	0.2
Acc. depreciation, amortization and impairments 31.12.	9.6	1.1		27.1	37.8
Book value 1.1.	58.2	2.0	0.9	18.7	79.9
Book value 31.12.	4.9	2.3	0.2	18.9	26.3

Intangible assets include assets purchased through finance leases as follows:

FINANCIAL YEAR 2004	Intangible rights	Advance payments	Total
Acquisition cost	0.0	0.8	0.8
Accumulated depreciation 1.1.			
Increases/Decreases	1.5		1.5
Depreciation in period	–0.5		–0.5
Book value	1.0	0.8	1.8

FINANCIAL YEAR 2005	Intangible rights	Advance payments	Total
Acquisition cost	1.5	0.8	2.3
Accumulated depreciation 1.1.	–0.5		–0.5
Increases/Decreases	0.1	–0.8	–0.7
Depreciation in period	–0.4		–0.4
Book value	0.7	0.0	0.7

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

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

	31.12.2005	31.12.2004
Kainuun Sanomat	2.3	2.3
Lapin Kansa	2.5	2.4
Pohjolan Sanomat	1.0	1.0
Satakunnan Kansa	4.1	4.1
Local Newspapers group	1.2	1.2
Newspapers, total	11.1	11.0
Balance Consulting	0.5	0.5
Baltic News Service	0.8	0.8
Kauppalehti	2.8	0.1
Alma Media Lehdentekijät	2.0	2.0
Kauppalehti group, total	6.1	3.4
Marketplaces	1.6	0.9
MTV3		0.7
Radio Nova		2.0
Subtv		0.6
Discontinued operations		3.3
Units allocated insignificant amount of goodwill	0.1	0.1
GOODWILL, TOTAL	18.9	18.7

A goodwill impairment loss of M€ 0.18 was entered in the income statement for the period 1.1–31.12.2005 on the Marketplaces segment due to the dissolution of the Medianoste unit and the termination of its operations.

In testing for goodwill impairment, the recoverable amount is the value in use. Estimated cash flows determined in the test are based on the Group's strategic forecasts for the following three years. The years following this period are estimated by extrapolation, taking into account the business cycle. A discount rate of 8.5% has been used.

12. PLANT, PROPERTY AND EQUIPMENT

FINANCIAL PERIOD 2004	Land and water areas	Buildings and structures	Machinery and equip.	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost 1.1.	3.4	69.2	141.4	18.4	0.9	233.3
Increases	0.0	0.4	9.1	0.3	0.2	10.0
Decreases	–0.1	–3.6	–18.1	–3.2		–25.0
Transfers between items	0.2	–0.1	0.4	–0.1	–0.4	0.0
Acquisition cost 31.12.	3.5	65.9	132.8	15.4	0.7	218.3
Acc. depreciation, amortization and impairments 1.1.		25.4	100.2	13.2		138.8
Depreciation in period		2.4	10.8	1.5		14.7
Decreases		–3.2	–15.7	–3.4		–22.3
Acc. depreciation, amortization and impairments 31.12.		24.6	95.3	11.3		131.2
Book value 1.1.	3.4	43.8	41.2	5.2	0.9	94.5
Book value 31.12.	3.5	41.4	37.5	4.1	0.7	87.1

FINANCIAL PERIOD 2005	Land and water areas	Buildings and structures	Machinery and equip.	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost 1.1.	3.5	65.9	132.8	15.4	0.7	218.3
Increases		0.2	5.4	0.3	1.0	6.8
Decreases	–0.3	–14.5	–66.5	–11.7	–0.6	–93.6
Transfers between items			0.1		–0.1	0.0
Acquisition cost 31.12.	3.2	51.6	71.8	4.0	1.0	131.6
Acc. depreciation, amortization and impairments 1.1.		24.6	95.3	11.3		131.2
Depreciation in period		2.0	6.6	0.4		9.0
Decreases		–4.2	–55.1	–9.9		–69.2
Acc. depreciation, amortization and impairments 31.12.		22.4	46.8	1.8		71.0
Book value 1.1.	3.5	41.4	37.5	4.1	0.7	87.1
Book value 31.12.	3.2	29.2	25.0	2.2	1.0	60.6

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

FINANCIAL PERIOD 2004	Buildings and structures	Machinery and equip.	Advance payments and purchases in progress	Total
Acquisition cost	17.4	1.4	0.1	18.9
Accumulated depreciation 1.1.	–2.4	–0.1		–2.5
Increases/Decreases		6.6		6.6
Depreciation in period	–1.0	–1.4		–2.4
Book value	14.0	6.5	0.1	20.6

FINANCIAL PERIOD 2005	Buildings and structures	Machinery and equip.	Advance payments and purchases in progress	Total
Acquisition cost	17.4	8.0	0.1	25.5
Accumulated depreciation 1.1.	–3.4	–1.6		–4.9
Increases/Decreases		0.9	–0.1	0.8
Depreciation in period	–1.0	–1.1		–2.1
Book value	13.0	6.2	0.0	19.2

13. INVESTMENT PROPERTIES

	31.12.2005	31.12.2004
Acquisition cost 1.1.	6.2	6.2
Acquisition cost 31.12.	6.2	6.2
Accumulated depreciation, amortization and impairments 1.1.	3.5	3.4
Depreciation in period	0.1	0.1
Accumulated depreciation, amortization and impairments 31.12.	3.6	3.5
Book value 1.1.	2.7	2.8
Book value 31.12.	2.6	2.7

	1.1.–31.12.2005	1.1.–31.12.2004
Rental income from investment properties	0.5	0.6
Maintenance expenses of investment properties	0.3	0.3
Fair values of investment properties	6.3	6.3

14. SUBSIDIARY COMPANIES

Company	Registered office	Holding %	Share of votes %
Aamujakelu Oy	Tampere	100.00	100.00
Agentura BNS SIA	Riika	100.00	100.00
Alma Media Interactive Oy	Helsinki	100.00	100.00
Alma Media Lehdentekijät Oy	Helsinki	100.00	100.00
Alma Media Palvelut Oy	Helsinki	100.00	100.00
Alpress Oy	Tampere	100.00	100.00
Arctic Press Oy	Rovaniemi	100.00	100.00
AS Kinnisvaraportaal	Tallinna	100.00	100.00
Balance Consulting Oy	Helsinki	100.00	100.00
Balti Uudistetalituse AS	Tallinna	100.00	100.00
BNS Eesti OÜ	Tallinna	100.00	100.00
BNS Latvija SIA	Riika	99.97	99.97
BNS UAB	Vilna	99.93	99.93
ETA Uudistetalituse OÜ	Tallinna	100.00	100.00
Etuovi Oy	Helsinki	100.00	100.00
Kainuun Sanomat Oy	Kajaani	100.00	100.00
Karenstock Oy	Helsinki	100.00	100.00
Kiint. Oy Liike- ja Autokulma	Rovaniemi	79.20	79.20
Kiint. Oy Veneentekijäntie 20	Helsinki	100.00	100.00
Kustannus Oy Aamulehti	Tampere	100.00	100.00
Kustannus Oy Otsikko	Tampere	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki	100.00	100.00
Kustannusosakeyhtiö Kauppalehti	Helsinki	100.00	100.00
Kustannusosakeyhtiö Uusi Suomi	Vantaa	100.00	100.00
Lapin Kansa Oy	Rovaniemi	99.35	99.35
Marcenter Oy	Tampere	100.00	100.00
Medianoste Oy	Helsinki	51.00	51.00
Monster Oy	Helsinki	75.00	75.00
Osakeyhtiö Harjavallan Kustannus	Harjavalta	99.72	99.72
Pohjois-Suomen Media Oy	Helsinki	100.00	100.00
Pohjolan Sanomat Oy	Kemi	100.00	100.00
Porin Sanomat Oy	Pori	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	100.00
SIA City24	Riika	91.96	91.96
Starfunds Finland Oy	Helsinki	100.00	100.00
Suomalainen Lehtipaino Oy	Helsinki	100.00	100.00
Suomen Lehtistudio Oy	Helsinki	100.00	100.00
Suomen Paikallissanomat Oy	Tampere	100.00	100.00
Suomen Uutislinkki Oy	Helsinki	100.00	100.00
SVY Viestintä Profiili Oy	Helsinki	100.00	100.00
UAB City24	Vilna	92.00	92.00

15. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

HOLDINGS IN ASSOCIATED COMPANIES	31.12.2005	31.12.2004
At start of period	102.3	109.9
Increases	3.4	0.0
Decreases	–71.0	0.0
Share of results	4.6	0.8
Share of items recognized directly in associated company's equity	0.8	0.0
Impact of privileged share issue by associated company Talentum	0.8	0.0
Dividends received	–2.2	–6.1
Change in translation differences	0.0	0.1
Impairment charges	0.0	–1.0
Transfers between items	1.7	–1.4
At end of period	40.4	102.3

FURTHER INFORMATION ON JOINT VENTURE COMPANIES:

The Group entered a writedown on the associated company Acta Print totalling M€ 2.6 in the 2004 accounts, of which M€ 1.6 is allocated to receivables from associated companies. A total writedown of M€ 1.7 was entered in the 2005 accounts which is allocated in its entirety to receivables from associated companies.

The Group's share of associated company results in 2005 includes the impact of discontinued operations on their results, M€ 3.5, which the companies themselves have determined. This figure comprises Satama Interactive Oyj, divested by Talentum Oyj, a public limited company included in the book value of associated companies at 31 December 2005. The carrying value of the Talentum Oyj share in the consolidated financial statements at 31 December 2005 is M€ 32.0 and its market capitalization is M€ 48.8. Goodwill arising from associated companies totalled M€ 22.8 (67.0) at 31 December 2005.

	31.12.2005	31.12.2004
Book value of shares, total	40.4	102.3
Receivables from associated companies	5.1	6.9
Liabilities to associated companies		0.3
Summary (100%) of associated company totals		
Aggregate assets of associated companies *	136.9	302.8
Aggregate liabilities of associated companies *	74.2	142.5
Aggregate net sales of associated companies *	300.1	479.6
Aggregate profit/loss of associated companies *	15.5	1.6

* The figures for the associated companies in 2005 apply to continuing operations in the period 1.1.–31.12.2005 and to discontinued operations in the period 1.1.–30.4.2005.

ASSOCIATED COMPANIES

Company	Holding (%)	Share of votes (%)
Acta Print Oy	36.00	36.00
Ahaa Sivunvalmistus Oy	20.00	20.00
Holding Oy Visio	25.70	25.70
Oy Suomen Tietotoimisto – Finska Notisbyrån Ab	28.20	28.20
Talentum Oyj	29.85	29.85
Tampereen Tietoverkko Oy	34.92	34.92
Jämsänjokilaakson Paikallisviestintä Oy	49.00	49.00
Kytöpirtti Oy	43.20	43.20
Nokian Uutistalo Oy	36.90	36.90
TietoEnator 121 Oy	49.00	49.00

JOINT VENTURE COMPANIES

The Group treats as joint venture companies its mutual property and housing companies. The joint venture companies are consolidated using the proportionate consolidation method in accordance with IAS 31.

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

Long-term assets	5.1

16. OTHER LONG-TERM INVESTMENTS

	31.12.2005	31.12.2004
Investments available for sale		0.2
Loans and other receivables	4.0	4.4
Total	4.0	4.6

Investments available for sale in the 2004 financial year consist of shares in publicly quoted companies. These shares are measured at their fair value. Capital gains from investments available for sale totalling M€ 0.9 were entered under other operating income in the 2004 income statement.

17. OTHER RECEIVABLES – LONG-TERM ASSETS

	Book values 31.12.2005	Fair values 31.12.2005	Book values 31.12.2004	Fair values 31.12.2004
Receivables from associated companies				
Loan receivables	5.0	5.0	6.9	6.9
Receivables from others				
Loan receivables	0.2	0.2	0.3	0.3
Other long-term receivables	0.0	0.0	0.1	0.1
	0.2	0.2	0.3	0.3
Other receivables, total	5.2	5.2	7.2	7.2

18. INVENTORIES

	31.12.2005	31.12.2004
Materials and supplies	1.4	1.6
Finished goods	0.2	0.1
Other inventories	0.0	0.3
Total	1.6	2.0

19. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	31.12.2005	31.12.2004
Accounts receivable	20.1	29.3
Receivables from others		
Loan receivables	0.2	0.5
Prepaid expenses and accrued income	3.5	5.4
Other receivables	1.6	2.1
	5.3	8.0
Receivables. total	25.4	37.3

The book values of accounts receivable, other receivables (both long-term and short-term) and other short-term investments (shown in next item) are estimated to correspond with their fair values.
The effect of discounting is not material.

20. OTHER SHORT-TERM INVESTMENTS

	31.12.2005	31.12.2004
Investments held to maturity	1.8	1.5

21. CASH RESERVES

	31.12.2005	31.12.2004
Cash and bank accounts	26.6	22.5
Financial securities	43.0	0.0
Total	69.6	22.5

The book values of cash reserves are estimated to correspond with their fair values.

22. INFORMATION ON SHAREHOLDERS' EQUITY AND SHARES

The following inforamation mainly applies to the per share data, and its changes, of the current Alma Media Corporation (earlier Almanova Corporation) during 2005.

	Total number of shares	Share capital M€	Share premium fund M€
Establishment of Almanova Corporation	166,666	0.1	0.9
Rights issue 28.4.	8,784,147	5.3	47.5
Rights issue 7.11.	65,661,708	39.4	405.6
Share exchange and listing costs			–1.6
Impact of reverse acquisition on share premium fund. cf. Note 5			–410.0
31.12.2005	74,612,523	44.8	42.4

The company has one share series and all shares confer the same voting rights, one vote per share. The shares have no par value.

The company's share capital is minimum M€ 0.08 and maximum M€ 700 within which limits the share capital may be raised or lowered without amending the articles of association.

BOOK-ENTRY SECURITIES SYSTEM

The company's shares belong to the book-entry system. Only such shareholders shall have the right to receive distributable funds from the company, and to subscribe for shares in conjunction with an increase in the share capital, 1) who are listed on the record date as shareholders in the shareholders' register; or 2) whose right to receive payment is recorded on the record date in the book-entry account of a shareholder listed in the shareholders' register, and this right is entered in the shareholders' register; or 3) whose shares, in the case of nominee-registered shares, are registered in their book-entry account on the record date and, as required by §28 of the Book-Entry Securities Act, the respective manager of the shares is listed on the record date in the shareholders' register as the manager of the said shares.

Shareholders whose ownership is registered in the waiting list on the record date shall have the right to receive distributable funds from the company, and the right to subscribe for shares in conjunction with an increase in the share capital, who are able to furnish evidence of ownership on the record date.

OWN SHARES

The Group did not hold any of the company's own shares in 2005.

TRANSLATION DIFFERENCES

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

REVALUATION FUND

The revaluation fund comprises the changes in fair values of the investments available for sale.

EQUITY-BASED BENEFITS

The company has no current share option scheme. The following describes the impacts of the bonds with warrants issued to personnel, which ended in June 2005.

As decided by the Annual General Meeting on 24 March 1999 the company offered bonds with warrants to its employees totalling 1,220,000 Finnish markka (€ 205,189.27). The 1:4 share split in 2004 (5 April 2004) changed the total number of Series II shares to 2,440,000. The subscription period for these shares ended on 30 June 2005 based on the decision taken by the Board of Directors of the old Alma Media on 8 March 2005 in accordance with the terms of the bond. This change to the bond's terms was caused by the restructuring in 2005. Trading in these warrants ended on 20 June 2005.

Altogether 2,044,096 new Series II shares were registered in 2005 as subscribed under these warrants, which raised the company's share capital by € 859.50. A total of 2,084,496 new shares were subscribed under this scheme and the total increase in share capital was € 876,468. The option rights (63,876) obtained by Almanova Corporation through its purchase and exchange offer were annulled and an additional 25,000 option rights remained unexercised. One option right entitled to subscribe for 4 shares.

Changes in options (number):	1.1.–31.12.2005	1.1.–31.12.2004
At start of period	599,900	610,000
New options granted	–	–
Options exercised	–511,024	–10,100
Unexercised / annulled options	–88,876	–
At end of period	–	599,900

Management holdings are described in Note 6, Expenses Arising from Employee Benefits.

23. DEFERRED TAX ASSETS AND LIABILITIES

CHANGES IN DEFERRED TAXES DURING 2004:

	31.12.2003	Entered in income statement	Entered under equity	Acquired/ sold subsidiaries	31.12.2004
DEFERRED TAX ASSETS:					
Provisions	0.6	0.3			0.9
Confirmed losses	1.2	–1.2			0.0
Pension benefits	0.2				0.2
Deferred depreciation	0.9	0.5			1.4
Sale and lease-back agreement	2.9	–0.3			2.6
Other items	0.5	–0.1			0.4
Total	6.3	–0.8			5.5
Taxes, net	–1.9				–0.5
Deferred tax assets in balance sheet	4.4				5.0
DEFERRED TAX LIABILITIES:					
Accumulated depreciation differences	4.2	–1.4			2.8
Measurement of property, plant and equipment at fair value at acquisition	0.3				0.3
Measurement of other investments at fair value	0.2		–0.2		0.0
Other items	2.3	–1.2	–0.1		1.0
Total	7.1	–2.6	–0.3		4.1
Taxes, net	–1.9				–0.5
Deferred tax liabilities in balance sheet	5.2				3.5
Deferred tax items, net	–0.8	1.8	0.3		1.5

CHANGES IN DEFERRED TAXES DURING 2005:

	31.12.2004	Entered in income statement	Entered under equity	Acquired/ sold subsidiaries	31.12.2005
DEFERRED TAX ASSETS:					
Provisions	0.9	0.4		–0.2	1.2
Pension benefits	0.2				0.1
Deferred depreciation	1.4	0.4		–0.8	1.0
Sale and lease-back agreement	2.6				2.6
Other items	0.4				0.4
Total	5.5	0.8		–1.0	5.2
Taxes, net	–0.5				–0.5
Deferred tax assets in balance sheet	5.0				4.7
DEFERRED TAX LIABILITIES:					
Accumulated depreciation differences	2.8	–0.5		–1.4	0.9
Measurement of property, plant and equipment at fair value at acquisition	0.3				0.3
Other items	1.0	–0.2			0.8
Total	4.1	–0.7		–1.4	2.0
Taxes, net	–0.5				–0.5
Deferred tax liabilities in balance sheet	3.5				1.5
Deferred tax, net	1.5	1.5		0.4	3.3

No deferred tax asset has been calculated on the parent company's tax loss in 2005. Utilization of this deferred tax asset requires exceptional permission, which had not been received by the balance sheet date. Unrecognized deferred tax assets total M€ 0.8.

24. PENSION OBLIGATIONS

THE DEFINED BENEFIT PENSION OBLIGATION IN THE BALANCE SHEET IS DETERMINED AS FOLLOWS

	31.12.2005	31.12.2004
Present value of funded obligations	6.6	9.5
Fair value of plan assets	–6.2	–8.8
Deficit / surplus	0.4	0.7
Unrecognized actuarial gains (–) and losses (+)	0.0	–0.1
Pension obligation for defined benefit plans in balance sheet	0.4	0.6

THE DEFINED BENEFIT PENSION EXPENSE IN THE INCOME STATEMENT IS DETERMINED AS FOLLOWS:

	1.1.–31.12.2005	1.1.–31.12.2004
Costs based on employee service in period	0.5	0.5
Interest costs	0.4	0.6
Expected return on plan assets	–0.4	–0.5
Actuarial gains and losses		
Losses /gains from plan reductions	–0.2	0.0
	0.3	0.6 *

* Includes M€ 0.19 share from discontinued operation in 2004.
* Includes M€ 0.07 share from discontinued operation in 2005.

CHANGES IN LIABILITIES SHOWN IN BALANCE SHEET:	31.12.2005	31.12.2004
Start of period	0.6	0.6
Incentive payments paid	–0.5	–0.6
Pension expense in income statement	0.3	0.6
Defined benefit pension obligation in balance sheet	0.4	0.6

ACTUARIAL ASSUMPTIONS USED:	1.1.–31.12.2005	1.1.–31.12.2004
Discount rate	5.0%	5.0%
Expected return on plan assets	5.0%	5.0%
Future salary increase assumption	3.5%	3.5%

PENSION OBLIGATION IN BALANCE SHEET:	31.12.2005	31.12.2004
Defined benefit pension obligation in balance sheet	0.4	0.6
Other pension obligation in balance sheet	3.4	3.8
Pension obligation in balance sheet, total	3.8	4.4

25. PROVISIONS

	Restructuring provision	Loss-making conracts	Cost provisions related to divestments	Other provisions	Total
1.1.2005	0.3	0.2	2.0	0.2	2.7
Increase in provisions	0.5	0.2		0.1	0.8
Provisions employed	–0.1	–0.2	–2.0	–0.1	–2.4
Reversals of unemployed provisions					
Impact of changes in discount rate					
31.12.2005	0.7	0.2	0.0	0.2	1.1
Current	0.6	0.1	0.0	0.2	0.9
Non-current	0.1	0.1	0.0	0.0	0.2

The restructuring provision was made to cover personnel reductions in various companies and the costs arising from the divestment of the Broadcasting division. The provisions are expected to be realized in 2006 and 2007.

Loss-making agreements: this provision was made to cover the rental commitments related to unoccupied office premises. Most of the provision will be realized in 2006 and 2007.

Other provisions cover costs that will probably be realized on guarantees. These provisions are expected to be realized during 2006.

26. CONTINGENT ASSETS AND LIABILITIES

CONTINGENT LIABILITIES

The Group has contingent liabilities totalling M€ 7.8. The tax authorities have issued a claim to correct the company's income tax for 2003. The tax authorities consider that the loss arising from Alma Media's disposal of the shares of its associated company Talentum to Kustannusosakeyhtiö Kauppalehti should not have been tax deductible. The case is still in progress. The company considers that it is improbable that the claim will lead to additional tax consequences since the transaction was carried out in compliance with a preliminary ruling on the matter.

27. INTEREST-BEARING LIABILITIES

	Book values 31.12.2005	Fair values 31.12.2005	Book values 31.12.2004	Fair values 31.12.2004
Non-current:				
Loans to financial institutions			18.7	18.7
Medium-term notes			30.0	31.4
Finance lease liabilities	20.2	20.2	21.2	21.2
	20.2	20.2	69.9	71.3
Current:				
Loans from financial institutions	3.7	3.7	18.3	18.3
Medium-term notes	30.0	30.6		
Other current interest-bearing debt	0.2	0.2	10.2	10.2
Finance lease liabilities	2.3	2.3	3.2	3.2
	36.2	36.8	31.7	31.7

The first M€ 30.0 tranche was issued under a M€ 100.0 medium-term note programme established in 2001. The loan period is 4 Oct. 2001–4 Oct. 2006 and the loan carries a coupon of 5.75%.
The fair values in the table are based on discounted cash flows.

NON-CURRENT DEBT MATURES AS FOLLOWS:	31.12.2005	31.12.2004
2006		46.0
2007	2.1	4.8
2008	1.6	4.9
2009	1.3	1.0
2010	1.1	0.8
Later	14.1	12.4
	20.2	69.9

INTEREST-BEARING NON-CURRENT DEBT IS DIVIDED BY CURRENCY AS FOLLOWS:	31.12.2005	31.12.2004
€	20.2	69.9

WEIGHTED AVERAGES OF THE EFFECTIVE TAX RATES FOR THE INTEREST-BEARING NON-CURRENT DEBT AT 31 DEC. 2005 AND 31 DEC. 2004:	1.1.–31.12.2005	1.1.–31.12.2004
Loans to financial institutions	–	2.8%
Medium-term notes	–	5.8%
Finance lease liabilities	4.5%	4.4%

INTEREST-BEARING CURRENT DEBT IS DIVIDED BY CURRENCY AS FOLLOWS:	31.12.2005	31.12.2004
€	36.2	31.7

WEIGHTED AVERAGES OF THE EFFECTIVE TAX RATES FOR THE INTEREST-BEARING CURRENT DEBT AT 31 DEC. 2005 AND 31 DEC. 2004:	1.1.–31.12.2005	1.1.–31.12.2004
Loans to financial insitutions	2.8%	2.3%
Medium-term notes	5.8%	–
Finance lease liabilities	4.5%	4.4%

MATURITY OF FINANCE LEASES

FINANCE LEASE LIABILITIES – TOTAL MINIMUM LEASE PAYMENTS:	31.12.2005	31.12.2004
2006	4.1	4.5
2007	3.8	3.4
2008	2.9	3.4
2009	2.4	3.5
2010	2.0	1.9
Later	18.6	18.5
	33.8	35.2

FINANCE LEASE LIABILITIES – PRESENT VALUE OF MINIMUM LEASE PAYMENTS:	31.12.2005	31.12.2004
2006	2.3	3.2
2007	2.1	2.3
2008	1.6	2.3
2009	1.3	2.4
2010	1.2	1.0
Later	14.1	13.2
	22.6	24.4
Financial expenses accruing in the future	11.2	10.8

FINANCIAL RISK MANAGEMENT

Alma Media Corporation's risk management policy requires the risk management strategy and plan, the control limits imposed and the course of action to be reviewed annually. Risk management takes place through the risk management organization and process based on the company's risk management policy. The risk management process identifies the risks threatening the company's business, assesses and updates them, develops the necessary risk management methods, and regularly reports on the risks to the risk management organization. Risk management employs an online reporting system. Financial risk management is part of the Group's risk management policy. Alma Media categorizes its financial risks as follows:

INTEREST RATE RISK

The interest rate risk describes how changes in interest rates and maturities related to various interest-bearing business transactions and balance sheet items could affect the Group's financial position, investment portfolio and net profit. The impact of the interest rate risk on net profit can be reduced using interest rate swaps, interest forwards and futures, and interest and foreign exchange options. The Group had no open interest rate derivatives on the balance sheet date.

The Group's interest-bearing debt totalled M€ 56.4 at 31 December 2005, 86% of which carried a fixed coupon and 14% consisted of floating-rate loan instruments. A 1% increase in the interest rate would increase the Group's financial expenses by M€ 0.1.

FOREIGN EXCHANGE RISK

TRANSACTION RISK

The transaction risk describes the impact of changes in foreign exchange rates on sales, purchases and balance sheet items denominated in foreign currencies. The impact of changes in exchange rates on net profit in the currencies of most importance to the Group can be reduced by taking the following measures:

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

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

THE FOREIGN EXCHANGE RISK ARISING FROM THE TRANSLATION OF FOREIGN INVESTMENTS INTO THE PARENT COMPANY'S FUNCTION CURRENCY:

The risk associated with translating long-term net investments in foreign currencies is not hedged. However, should there be a clear risk of a currency falling in value, Group management can decide to hedge the company's foreign currency exposure. The foreign exchange risk arising from the translation of foreign investments is generally reduced by arranging financing in the same currency in which the investment was made, assuming that this is possible and economically viable.

COMMODITY RISK

The commodity risk refers to the impact of changes in the prices of commodities, e.g. raw materials, on the Group's net profit. The Group regularly assesses its commodity risk exposure and hedges this risk employing generally used commodity derivatives whenever this is possible and economically viable.

A 1% change in the price of paper would reduce the Group's operating profit by an estimated M€ 0.2. The Group had open paper derivatives on the balance sheet date. The values of these open derivatives are described in more detail in Note 33 to the consolidated financial statements.

CAPITAL MANAGEMENT RISKS

LIQUIDITY MANAGEMENT

To secure its liquidity, Alma Media issues its own commercial papers if required via brokers, and hedges over-liquidity according to the plan laid down in its treasury policy. Liquidity is assessed daily and liquidity forecasts are drawn up at weekly, monthly and 12-month rolling intervals.

FINANCING OF WORKING CAPITAL

To finance its working capital, Alma Media uses financial programmes (syndicated credit facilities, medium-term notes), as well as direct credit lines, bonds and various products offered by financial companies (leases etc.).

LONG-TERM CAPITAL FUNDING

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

28. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	31.12.2005	31.12.2004
Accounts payable	6.6	15.8
Owed to associated companies		
Accounts payable		0.2
Accrued expenses and prepaid income		0.2
Accrued expenses and prepaid income	22.1	41.9
Other liabilities	6.1	10.4
Total	34.8	68.5

The book values of accounts payable and other liabilities are estimated to correspond with their values. The effect of discounting is not material.

29. OTHER RENTAL AGREEMENTS

	31.12.2005	31.12.2004

THE GROUP AS LESSEE:

Minimum lease payments payable based on other non-cancellable rental agreements:

	31.12.2005	31.12.2004
Within one year	4.8	5.4
Within 1–5 years	13.3	14.7
After 5 years	13.2	17.7
	31.3	37.8

The Group's companies largely operate in leased premises. Rental agreements vary in length from 6 months to 17 years.

THE GROUP AS LESSOR:

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

	31.12.2005	31.12.2004
Within one year	0.3	0.0
Within 1–5 years		
After 5 years		
	0.3	0.0

30. DERIVATIVE CONTRACTS

	31.12.2005	31.12.2004
Foreign exchange forward contracts		
Fair value *		–1.7
Value of underlying instrument		15.3
Raw material derivatives (Paper Swap)		
Fair value *	0	0
Amount, tonnes	5,000	3,000
Value of underlying instrument	2.6	1.5
Share options		
Fair value *	0.8	0.1
Value of underlying instrument	2.2	1.9

* The fair value represents the return that would have arisen if the derivative positions had been cleared on the balance sheet date. The fair values of foreign exchange forward contracts and raw material derivatives have been calculated using market values on the balance sheet date. Fair values of share options have been calculated using the option pricing model.

31. COMMITMENTS AND CONTINGENCIES

	31.12.2005	31.12.2004
Collateral for own commitments:		
Chattel mortgages		0.1
Collateral for associated companies:		
Guarantees		0.1
Collateral for others:		
Guarantees	2.2	2.2
Other commitments:		
Commitments based on agreement	0.1	0.2
	2.3	2.6

Alma Media has agreed with financiers on covenants related to collateral for the Group's financial loans. The most important of these are an equity ratio pledge and a negative pledge.

32. RELATIONS WITH RELATED PARTIES

Alma Media Group's related parties are its associated companies (see Note 15) and the companies that own them.

The following major owners of Alma Media Corporation (Almanova Corporation before 7 November 2005) are also considered to be related parties: Sampo Group for the period 27 January – 28 April 2005, and the major owners of the old Alma Media Bonnier & Bonnier AB (until 2 November 2005), and Proventus Industrier AB (until 2 November 2005).

Related parties also include the company's management (Board of Directors, the Presidents and Executive Committee). The employee benefits of management and other related party transactions between management and the company are detailed in Note 6.

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

	1.1.–31.12.2005	1.1.–31.12.2004
Related party transactions with shareholders		
a) Sales of goods and services	0.2	0.2
b) Purchases of goods and services	0.6	0.1
c) Accounts receivable		
d) Accounts payable		

On 26 April 2005 the company sold its Broadcasting business for an enterprise value of M€ 460 to a company jointly owned by Bonnier & Bonnier AB and Proventus Industrier AB.

On 2 November 2005 Almanova Corporation acquired the Alma Media shares owned by Bonnier & Bonnier AB and Proventus Industrier AB for M€ 339.7.

	1.1.–31.12.2005	1.1.–31.12.2004
Related party transactions with associated companies:		
a) Sales of goods and services	1.5	7.8
b) Purchases of goods and services	7.2	9.0
c) Accounts receivable		
d) Accounts payable		0.3

33. EVENTS AFTER THE END OF THE FINANCIAL PERIOD

On 26 January 2006 the Finnish Financial Supervision Authority announced its decison on how the acquisition of the shares of the old Alma Media should be treated in the IFRS consolidated financial statements of the new Alma Media. The company has entered the acquisition in its accounts as required by the Financial Superivision Authority.

34. SHAREHOLDINGS

20 PRINCIPAL SHAREHOLDERS AT 31 DECEMBER 2005

	No.	% of total shares	% of total votes
1. Varma Mutual Pension Insurance Company	7,127,994	9.6%	9.6%
2. Sampo Life Insurance Company Ltd	6,665,912	8.9%	8.9%
3. Kaleva Mutual Insurance Company	4,189,281	5.6%	5.6%
4. Oy Herttaässä Ab	3,624,931	4.9%	4.9%
5. C.V. Åkerlund Fund	2,807,858	3.8%	3.8%
6. Ilmarinen Mutual Pension Insurance Company	2,404,562	3.2%	3.2%
7. Tapiola Mutual Pension Insurance Company	1,852,800	2.5%	2.5%
8. Confederation of Finnish Industries EK	1,434,463	1.9%	1.9%
9. OP-Delta Investment Fund	1,039,562	1.4%	1.4%
10. Neste Oil Pension Fund	935,600	1.3%	1.3%
11. Ilkka-Yhtymä Oyj	898,791	1.2%	1.2%
12. OP-Suomi Kasvu Investment Fund	712,500	1.0%	1.0%
13. Federation of Finnish Textile and Clothing Industries	640,044	0.9%	0.9%
14. Nordea Pankki Suomi Oyj	608,700	0.8%	0.8%
15. Sampo Suomi osake Investment Fund	580,200	0.8%	0.8%
16. The Finnish Cultural Foundation	576,000	0.8%	0.8%
17. The Heikki Häkkinen estate	517,332	0.7%	0.7%
18. Nordea Life Assurance Finland Ltd	494,300	0.7%	0.7%
19. Keskisuomalainen Oyj	486,000	0.7%	0.7%
20. 3 C Alpha Special Investment Fund	474,546	0.6%	0.6%
Total	38,071,376	51.0%	51.0%
Nominee-registered	21,007,475	28.2%	28.2%
Other	15,533,672	20.8%	20.8%
Grand total	74,612,523	100.0%	100.0%

The holdings of the Board of Directors, the President and the members of the Group Executive Team are shown in Note 6.

OWNERSHIP STRUCTURE AT 31 DECEMBER 2005

	Number of owners	% of total	Number of owners	% of total
Private corporations	250	6.9%	6,896,470	9.2%
Financial and insurance institutions	36	1.0%	17,179,250	23.0%
Public entities	30	0.8%	13,445,594	18.0%
Non-profit associations	104	2.9%	6,952,462	9.3%
Households	3,178	87.8%	8,887,584	11.9%
Foreign owners	16	0.4%	39,009	0.1%
Nominee-registered shares	6	0.2%	21,007,475	28.2%
In general account			204,679	0.3%
Total	3,620	100%	74,612,523	100.0%

DISTRIBUTION OF OWNERSHIP

Number of shares	Number of owners	% of total	Number of owners	% of total
1–100	680	18.8%	32,066	0.0%
101–1 000	1,656	45.7%	797,885	1.1%
1 001–10 000	1,043	28.8%	3,197,437	4.3%
10 001–100 000	188	5.2%	4,992,656	6.7%
100 001–1 000 000	42	1.2%	14,051,930	18.8%
1 000 001–	11	0.3%	51,335,870	68.8%
In general account			204,679	0.3%
Total	3,620	100%	74,612,523	100%

35. ADOPTION OF IFRS STANDARDS

Alma Media Group adopted the International Financial Reporting Standards (IFRS) in its interim and year-end reports for 2005. The transition date was 1 January 2004. The purpose of this section is to describe the main impacts of IFRS on the financial statements for 2004 compared with the previously applied accounting principles (Finnish Accounting Standards, FAS) applicable for Finnish companies quoted in Finland.

In preparing its opening balance sheet on 1 January 2004 Alma Media Group has applied IFRS 1 (First-Time Adoption). This standard in principle requires the retrospective application of the standards but it also permits certain exemptions, the most important of which is the use of FAS values for acquisitions in the IFRS balance sheet at the transition date. Alma Media Group has not applied the exemption permitted by IAS 39 (Financial Instruments), which allows non-adjustment of the comparative information, because the Group has applied this standard since 1 January 2004.

The impacts of the adoption of IFRS are also described in the stock exchange release issued by the company on 23 May 2005, which also provides information on a quarterly basis.

The following analysis of IFRS impacts should be read in conjunction with the more detailed description of the accounting principles applied in the preparation of the consolidated financial statements. For Alma Media, the principal changes in accounting principles when adopting IFRS compared to the previous FAS principles are in the following areas:

LEASES, AND SALE AND LEASEBACK TRANSACTIONS (IAS 17)

IFRS requires that assets leased under a finance lease are recognized in the balance sheet as assets and liabilities. Rental expenses recognized in the income statement under FAS are apportioned between financial expenses and the reductions in the related outstanding lease liabilities. Depreciation is recorded on the assets recognized in the balance sheet. Capital gains on sale and leaseback transactions already recorded under FAS are reversed and amortized over the lease term in the IFRS statements.

EMPLOYEE BENEFITS (IAS 19)

Treating voluntary supplementary pension plans and other employee benefits as defined benefit plans increases the company's pension liabilities and reduces equity in the opening balance sheet.

Under IFRS the statutory disability pension payments required by the statutory Finnish Employees' Pension System (TEL) are treated as a defined benefit plan. Alma Media Group has not included the reclassification of the disability pension in the IFRS opening balance sheet or in the IFRS comparative information for 2004 as this benefit will become a defined contribution plan. If it had, the impact on the opening balance sheet, interim reports and annual financial statements would have been as follows:

IMPACT ON BALANCE SHEET M€:

	Opening balance sheet	31.12.2004
Reduction in shareholders' equity	–5.1	–0.6
Equity ratio, %	–1.4	–0.2
Increase in pension obligations	7.2	0.8
Increase in deferred tax assets	2.1	0.2

	1.1–31.12.2004
Impact on income statement	5.0

BUSINESS COMBINATIONS AND GOODWILL (IFRS 3)

Goodwill is no longer amortized on a straight-line basis over the useful life of an asset. Instead goodwill is subject to annual tests for impairment. The impairment tests for goodwill did not show any indications of any significant impairment and therefore there was no need to record significant impairment losses. Nor did the annual test for 2004 require impairment losses to be recognized. Goodwill amortization previously included in Alma Media's share of results in its associated companies has been reversed as required by IFRS.

INVENTORIES (IAS 2) / INTANGIBLE ASSETS (IAS 38)

The method used by MTV Oy to recognize programme broadcasting rights in inventories has changed under IFRS. These rights are presented as intangible assets in the balance sheet and their impact on profit is presented in the income statement under depreciation and amortization. Programme broadcasting rights are amortized as the programmes are broadcast. Owing to the adoption of IFRS principles certain MTV broadcasting rights were recognized in the balance sheet earlier than before, which increased the amount of broadcasting rights and related liabilities in the balance sheet in the transition.

FINANCIAL INSTRUMENTS (IAS 32/39)

Financial assets available for sale are measured at their fair values and the change in value is recognized in equity. Derivatives are recognized at the date of transaction and measured at their fair values in the financial statements. Derivatives designated for hedging purposes are measured at their fair values and recognized in the balance sheet.

OTHER DIFFERENCES AND IMPACTS

Concerning the income statement, the main difference is that under IFRS goodwill on consolidation and goodwill included in the Group's share of its associated companies' results is no longer amortized on a straight-line basis. The most important changes in equity arise from the treatment of finance leases (sale and leaseback transactions) and the liability recognized on employee benefits. The most important item increasing the balance sheet total is caused by the recognition of finance leases as assets and liabilities.

In the income statement and balance sheet tables, the FAS method of presentation has been adjusted to correspond with the IFRS classification. The results of associated companies are also reported in a new way; under FAS the Group's share of these results was presented before the operating profit but under IFRS it is shown as a separate item below the operating profit.

The tangible and intangible asset groups have been reclassified for IFRS purposes. The reserve fund required by FAS is presented in the IFRS statements as part of the share premium fund. In the income statement the method of treating rental income has changed.

The cash flow statements are not included in this connection because the differences between FAS and IFRS in this respect in Alma Media Group are not significant.

As its primary business segments Alma Media Group reports the Newspapers group, the Kauppalehti group, Marketplaces and Other Operations. Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the primary business segments listed above.

The following tables show the statements of reconciliation when transferring from FAS to IFRS reporting. The reconciliation of shareholders' equity is shown together with the statement of the change in shareholders' equity.

RECONCILIATION OF OPENING BALANCE SHEET
M€

	Group FAS 31.12.2003	IFRS change	Group IFRS 1.1.2004
ASSETS			
NON-CURRENT ASSETS			
Goodwill	16.8		16.8
Intangible assets	19.1	42.0	61.1
Property, plant and equipment	68.6	24.7	93.3
Investment properties	0.0	2.8	2.8
Investments in associated companies	114.7	–4.8	109.9
Other non-current investments	10.9	–3.6	7.3
Deferred tax assets	0.0	4.4	4.4
Other receivables	9.6	1.0	10.6
	239.7	66.5	306.2
CURRENT ASSETS			
Inventories	48.6	–46.7	1.9
Accounts receivable and other receivables	42.8	0.3	43.1
Other current investments	24.1		24.1
Cash and cash equivalents	115.5	–46.4	69.1
Assets, total	355.2	20.1	375.3
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	26.5		26.5
Share premium fund	3.7	46.9	50.6
Reserve fund	46.9	–46.9	0.0
Cumulative translation adjustment	–0.3		–0.3
Revaluation fund	0.0	0.6	0.6
Retained earnings	90.2	–13.3	76.9
Equity belonging to the PC shareholders	167.0	–12.7	154.3
Minority interest	1.4		1.4
Shareholders' equity, total	168.4	–12.7	155.7
Provisions	1.3	–1.3	0.0
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	58.8	17.0	75.8
Deferred tax liabilities	3.8	1.4	5.2
pension obligations	4.0	0.6	4.6
Other non-current liabilities	0.1	9.5	9.6
	66.7	28.5	95.2
CURRENT LIABILITIES			
Interest-bearing liabilities	50.0	0.8	50.8
Advances received	11.3		11.3
Accounts payable and other liabilities	57.5	4.8	62.3
	118.8	5.6	124.4
Shareholders' equity and liabilities, total	355.2	20.1	375.3

RECONCILIATION OF INCOME STATEMENT 1.1. – 31.12.2004

M€

	Group FAS 1.1.–31.12.2004	IFRS change	Group IFRS 1.1.–31.12.2004
Net sales	464.6	1.1	465.7
Other operating income	3.6	–0.5	3.1
Operating expenses	–400.4	52.1	–348.3
Depreciation. amortization and impairment charges	–20.5	–47.9	–68.4
Share of associated companies' results	–8.7	8.7	0.0
Operating profit	38.6	13.5	52.1
Financial income and expenses	–2.9	–2.3	–5.2
Share of associated companies' results	0.0	–3.0	–3.0
Profit before tax	35.7	8.2	43.9
Income tax	–14.5	0.7	–13.8
Profit for the period	21.2	8.9	30.1
DISTRIBUTION:			
To the parent company shareholders	20.3	8.9	29.2
Minority interest	0.9		0.9
EPS CALCULATED ON SHARE OF NET INCOME BELONGING TO THE PARENT COMPANY SHAREHOLDERS. (€)			
EPS, basic	0.27		0.41
EPS, diluted	0.26		0.40

RECONCILIATION OF SEGMENT INFORMATION 1.1. – 31.12.2004

	Newspaper	Broadcasting	Kauppalehti	Market-places	Other & eliminations	Total
Net sales FAS	207.0	192.7	48.2	13.9	2.8	464.6
Net sales IFRS	207.8	192.7	48.2	14.2	2.8	465.7
Operating income FAS	32.4	11.0	5.4	–6.3	–3.9	38.6
Operating income IFRS	35.7	14.7	6.1	0.3	–4.7	52.1

RECONCILIATION OF BALANCE SHEET AT 31.12.2004
M€

	Group FAS 31.12.2004	IFRS change	Group IFRS 31.12.2004
ASSETS			
NON-CURRENT ASSETS			
Goodwill	12.9	4.5	17.4
Intangible assets	15.1	47.5	62.6
Property, plant and equipment	58.0	29.0	87.0
Investment properties	0.0	2.7	2.7
Investments in associated companies	103.9	–1.6	102.3
Other non-current investments	8.0	–3.4	4.6
Deferred tax assets	0.0	5.0	5.0
Other receivables	6.9	0.3	7.2
	204.8	84.0	288.8
CURRENT ASSETS			
Inventories	49.8	–47.8	2.0
Accounts receivable and other receivables	40.2	1.4	41.6
Other current investments	22.5		22.5
Cash and cash equivalents	112.5	–46.4	66.0
Assets, total	317.3	37.6	354.8
Shareholders' equity and liabilities			
Share capital	26.5		26.5
Share issue	1.8		1.8
Share premium fund	3.9	46.9	50.8
Reserve fund	46.9	–46.9	0.0
Cumulative translation adjustment	0.1	–0.1	0.0
Revaluation fund	0.0		0.0
Retained earnings	50.7	–13.1	37.6
Net income for the period	20.3	8.9	29.2
Equity belonging to the PC shareholders	150.2	–4.3	145.8
Minority interest	2.1		2.1
Shareholders' equity, total	152.3	–4.3	147.9
Provisions	2.7	–2.7	0.0
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	48.7	21.2	69.9
Deferred tax liabilities	1.6	1.9	3.5
Pension commitments	3.8	0.6	4.4
Other non-current liabilities	0.0	8.3	8.3
	54.1	32.0	86.1
CURRENT LIABILITIES			
Interest-bearing liabilities	28.5	3.2	31.7
Advances received	11.6		11.6
Accounts payable and other liabilities	68.1	9.4	77.5
	108.2	12.6	120.8
Shareholders' equity and liabilities, total	317.3	37.6	354.8

CALCULATION OF KEY FIGURES

RETURN ON SHAREHOLDERS' EQUITY, % (ROE)	$\frac{\text{Net income for the period}}{\text{Shareholders' equity + minority interest}} \times 100$ (Average during the year)
RETURN ON INVESTMENT, % (ROI)	$\frac{\text{Income before tax + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing debt}} \times 100$ (Average during the year)
EQUITY RATIO, %	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total – advances received}} \times 100$
OPERATING INCOME	Income before tax and financial items
BASIC EARNINGS PER SHARE, €	$\frac{\text{Share of net income belonging to parent company owners}}{\text{Average number of shares adjusted for share issues}}$
DILUTED ADJUSTED EARNINGS PER SHARE, €	$\frac{\text{Share of net income belonging to parent company owners}}{\text{Diluted average number of shares adjusted for share issues}}$
GEARING, %	$\frac{\text{Interest-bearing debt – cash and bank receivables}}{\text{Shareholders' equity + minority interest}} \times 100$
DIVIDEND PER SHARE	Dividend per share approved by annual general meeting. With respect to the most recent year, Board's proposal to the AGM.
PAYOUT RATIO, %	$\frac{\text{Dividend / share}}{\text{Share of EPS belonging to parent company shareholders}} \times 100$
EFFECTIVE DIVIDEND YIELD, %	$\frac{\text{Dividend / share adjusted for share issues}}{\text{Final quotation at close of period adjusted for share issues}} \times 100$
PRICE/EARNINGS (P/E) RATIO	$\frac{\text{Closing price at end of period adjusted for share issues}}{\text{Share of EPS belonging to parent company owners}}$
SHAREHOLDERS' EQUITY PER SHARE	$\frac{\text{Shareholders' equity belonging to parent company owners}}{\text{Number of shares at end of period adjusted for share issues}}$
MARKET CAPITALIZATION OF SHARE STOCK	Number of shares x closing price at end of period

KEY FIGURES

Key figures for 2004–2005 calculated applying IFRS recognition and measurement principles.
Key figures for 2001–2003 calculated applying FAS recognition and measurement principles.

		IFRS 2005	%	IFRS 2004	%	FAS 2003	%	FAS 2002	%	FAS 2001	%
KEY FIGURES											
Net sales	M€	349		466		460		486		478	
Net sales. continuing operations	M€	286		283							
Operating income	M€	371	106.3	52	11.2	18	3.8	16	3.3	–19	–4.1
Op. income, continuing operations	M€	42	14.8	37	13.1						
Op. income before extraordinary items	M€	376	108.0	44	9.4	14	3.0	9	1.8	–27	–5.6
Income before tax	M€	376	108.0	44	9.4	14	3.0	9	1.8	–29	–6.0
Net income for the period	M€	365	104.7	30	6.5	11	2.3	2	0.5	–24	–5.0
Net income, continuing operations	M€	39	13.6	21	7.6						
Return on shareholders' equity (ROE)	%	265.8		19.8		6.9		2.0		–12.0	
ROE, continuing operations	%	28.4		14.1							
Return on investment (ROI)	%	177.7		20.4		6.3		4.9		–5.1	
ROI, continuing operations *	%	26.1		15.7							
Equity ratio	%	54.5		43.1		49.0		41.3		37.0	
Gross capital expenditure	M€	22	6.4	14	3.0	21	4.6	15	3.1	94	19.7
Research and development costs	M€	3	0.9	3	0.6	3	0.7	4	0.7	11	2.4
Av. personnel, excl. delivery staff		2,299		2,312		2,459		2,641		2,828	
Av. personnel, excl. delivery staff, continuing operations		1 808		1 797							
Delivery staff, total number		900		947		1 045		1 151		1 088	
PER SHARE DATA											
Earnings per share	€	4.89		0.41		0.15		0.04		–0.32	
Earnings per share, continuing operations	€	0.52		0.30							
Shareholders' equity per share	€	1.69		1.96		2.32		2.24		2.25	
Dividend per share	€	0.65 **		0		0.54		0.05		0.04	
Payout ratio	%	13.3 **		0		362.3		156.3		–14.0	
Effective dividend yield	%	8.5 **									
P/E ratio		1.6									
P/E ratio, continuing operations		15.1									
Share prices											
Highest **	€	7.75									
Lowest **	€	6.55									
On 31.12.	€	7.68									
Market capitalization	M€	573.0		715.5		442.6		299.1		270.6	
Turnover of shares, total ***	1,000	10,100									
Relative turnover of shares, total ***	%	13.5		32.9		21.4		12.7		16.1	
Adjusted average no, of shares. total	1,000	74,474		71,876		71,876		71,876		71,876	
Adjusted no. of shares on 31.12., total.	1,000	74,613		74,446		74,446		74,446		74,446	

The consolidated financial statements and key figures are calculated in the name of the current legal parent company, Almanova Corporation, but continuity in the consolidated financial statements and key figures applies to the financial statements of the old Alma Media.

The financial period is the 12-month calendar year and the comparative figures are the comparative figures for the old Alma Media.

The per share figures are adjusted to correspond with the amounts of shares of the new Alma Media Corporation (Almanova Corporation). The share numbers for 2001–2004 have been changed to reflect the share numbers following the Group's restructuring in 2005 in order to achieve comparability. The share prices in the years 2001–2004 have not been changed and are not shown for the comparative periods since comparability cannot be achieved.

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

* For calculating Return on Investment for continuing operations, continuing operations's proportional share of total invested capital has also been taken into account at the beginning of 2005 and during 2004.

** The proposal of the Board of Directors to the Annual General Meeting includes the capital repayment from the share premium fund (€ 0.53/share).

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

Parent company income statement (FAS), M€	Note	27.1.–31.12.2005
Net sales	1	1.3
Other operating income	2	0.2
Personnel expenses	3	–0.5
Depreciation and writedowns	4	–0.6
Other operating expenses		–2.0
Operating loss		–1.6
Financial income and expenses	5	11.5
Profit before extraordinary items		9.9
Extraordinary items		
Profit before appropriations and tax		9.9
Appropriations	6	0.1
Income tax	7	
Profit for the period		10.0

Parent company balance sheet (FAS), M€	Note	31.12.2005
ASSETS		
Fixed assets		
Intangible assets	8	0.2
Tangible assets	9	6.1
Holdings in Group companies	10	423.6
Other investments	10	8.5
Fixed assets, total		438.4
Current assets		
Short-term receivables	11	106.8
Cash and bank		67.8
Current assets, total		174.6
Assets, total		613.0
ASSETS, TOTAL		
Shareholders' equity		
Share capital		44.8
Share premium fund		453.9
Other funds		5.3
Profit for the period		10.0
Shareholders' equity, total	12	514.0
Accumulated appropriations	13	0.1
Provisions	14	0.6
Liabilities		
Long-term liabilities	15	2.1
Short-term liabilities	16	96.2
Liabilities, total		98.3
Shareholders' equity and liabilities, total		613.0

Parent company cash flow statement (FAS)

M€	27.1.–31.12.2005
CASH FLOW FROM OPERATING ACTIVITIES	
Income before extraordinary items, appropriations and tax	9.9
Depreciation and writedowns	0.6
Financial income and expenses	–11.5
Other adjustments	1.1
Change in working capital:	
Total increase (–) / decrease (+) in current non-interest-bearing receivables	–0.6
Increase (+) / decrease (–) in current non-interest-bearing liabilities	–0.7
Interest income received	1.0
Interest expenses paid	–3.9
Taxes paid	10.6
Net cash from operating activities	6.5
CASH FLOW FROM INVESTING ACTIVITIES	
Investments in tangible and intangible assets	–0.1
Proceeds from disposal of other investments	0.4
Subsidiary shares acquired *	–281.2
Subsidiary shares sold	345.5
Net cash from investing activities	64.6
Cash flow before financing activities	71.1
CASH FLOW FROM FINANCING ACTIVITIES	
Paid share issue	1.0
Short-term loans raised	51.2
Short-term loans, repayments	–50.6
Increase (–) or decrease (+) in interest-bearing receivables	–4.9
Net cash used in financing activities	–3.3
Change (increase + / decrease –) in cash reserves	67.8
Cash reserves at start of period	0.0
Cash reserves at end of period	67.8

* includes the cash reserves, M€ 112.3 received from Alma Media Corporation (ID 1449580-9) in the merger.

Accounting principles used in the parent company's FAS financial statements

General
Alma Media Corporation is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki, address: Eteläesplanadi 20, P.O. Box 140, 00101 Helsinki, Finland.

Parent company financial statements
The financial statements of the parent company are prepared according to Finnish Accounting Standards (FAS).

Since the parent company was established on 27 January 2005, no comparative figures as yet exist. On 7 November 2005 the old Alma Media Corporation was merged with Almanova Corporation, which adopted the new name of Alma Media Corporation. The merger difference arising in conjunction with the merger has been capitalized to the Group's shares.

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

· Buildings and structures	30–40 years
· Machinery and equipment	3–10 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 amortized on a FIFO (first-in-first-out) basis.

Taxes
Taxes in the income statement are the taxes corresponding to the results of the Group's companies during the financial year as well as adjustments to taxes in previous years. No deferred tax assets are entered in the parent company's accounts.

Foreign exchange items
Foreign currency items are entered at the rates prevailing on the transaction date. Receivables and payables on the balance sheet date are valued at the average rate on the balance sheet date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions respectively in the income statement. Realized and unrealized exchange rate differences related to loans and loan receivables are taken to other financial income and expenses in the income statement. The parent company does not have significant foreign currency loans.

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

Other employee benefits
The Group operates a share bonus scheme for key employees. This is a share-based scheme under which the employees in question are paid a bonus in cash. The payments required by the scheme are amortized in the parent company's balance sheet and entered under personnel expenses in the income statement. The company has also made hedges with respect to this share-based bonus scheme. The unrealized gain on the option instrument in question is not recognized in the parent company but shown under derivative instruments in the notes to the financial statements.

Notes to the parent company financial statements
M€

1. NET SALES BY MARKET AREA

	27.1.–31.12.2005
Finland	1.3

2. OTHER OPERATING INCOME

	27.1.–31.12.2005
Gains on sale of fixed assets	0.2

3. PERSONNEL EXPENSES

	27.1.–31.12.2005
Wages, salaries and fees	0.6
Pension expenses	–0.1
Other social expenses	0.0
Total	0.5

* Pension expenses were affected by an employee pension (TEL) reimbursement for 2005 estimated at the end of the financial period.

Full-time personnel, average	26
Part-time staff	1

Salaries and fees to management	27.1.–31.12.2005
President	0.04
Members of the Board of Directors	0.02
Total	0.06

The benefits to which the president of the parent company is entitled are described in more detail in Note 6 to the consolidated financial statements.

4. DEPRECIATION AND WRITEDOWNS

	27.1.–31.12.2005
Depreciation on tangible and intangible assets	0.1
Writedowns on fixed assets and other long-term investments	0.5
Total	0.6

5. FINANCIAL INCOME AND EXPENSES

	27.1.–31.12.2005
Dividend income:	
From Group companies *	13.9
Other interest and financial income:	
From Group companies	0.7
From others	0.3
Total	1.0
Interest expenses and other financial expenses:	
To Group companies	–0.2
To others	–3.2
Total	–3.4
Financial income and expenses, total	11.5
Interest and other fin. income includes translation differences (net)	0

* An advance decision was taken in Alma Media Corporation at the end of the year concerning dividends in respect of certain subsidiaries, based on which Alma Media Corporation entered dividend income and dividend receivables from subsidiaries in the 2005 balance sheet. In doing so, the company has applied the procedure stipulated in Decision 1998/1542 of the Finnish Accounting Board.

6. APPROPRIATIONS

	27.1.–31.12.2005
Difference between planned depreciation and depreciation made for tax purposes	0.1

7. INCOME TAX

The company did not generate income tax in its first financial period because most of its result was derived from tax-exempt dividends paid by its subsidiaries.

8. INTANGIBLE ASSETS

	Intangible rights	Other long-term expenditure	Total
Acquisition cost 27.1.	0.0	0.0	0.0
Merger	0.5	0.4	0.9
Acquisition cost 31.12.	0.5	0.4	0.9
Accumulated depreciation and writedowns 27.1.	0.0	0.0	0.0
Merger	0.4	0.2	0.6
Accumulated depreciation and writedowns 31.12.	0.4	0.2	0.7
Book value 31.12.	0.1	0.2	0.2

9. TANGIBLE ASSETS

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost 27.1.	0.0	0.0	0.0	0.0	0.0
Merger	1.0	8.7	1.7	0.5	11.9
Acquisition cost 31.12.	1.0	8.7	1.7	0.5	11.9
Accumulated depreciation and writedowns 27.1.	0.0	0.0	0.0	0.0	0.0
Merger	0.0	4.1	1.6	0.0	5.7
Accumulated depreciation and writedowns 31.12.	0.0	4.1	1.6	0.0	5.8
Book value 31.12.	1.0	4.6	0.1	0.5	6.1

10. INVESTMENTS

	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Total
Acquisition cost 27.1.					
Merger	9.4	1.9	1.6	5.9	18.8
Increases	414.2				414.2
Decreases			–0.7		–0.7
Acquisition cost 31.12.	423.6	1.9	0.9	5.9	432.3
Accumulated depreciation and writedowns 27.1.	0.0	0.0	0.0	0.0	0.0
Merger	0.0	0.0	0.2	0.0	0.2
Accumulated depreciation and writedowns 31.12.	0.0	0.0	0.2	0.0	0.2
Book value 31.12.	423.6	1.9	0.7	5.9	432.1

The largest change in shares of Group companies is the merger difference, M€ 414.0 capitalized to shares of Group companies in conjunction with the merger of Almanova Corporation and the previous Alma Media Corporation.

Parent company holdings in Group companies and associated companies

Company	Registered office	PC holding of shares %	PC holding of votes %
Group companies			
Alma Media Interactive Oy	Helsinki	100.00	100.00
Alma Media Palvelut Oy	Helsinki	100.00	100.00
Alpress Oy	Tampere	90.09	90.09
Kiint. Oy Veneentekijäntie 20	Helsinki	100.00	100.00
Lapin Kansa Oy	Rovaniemi	32.84	32.72
Marcenter Oy	Tampere	100.00	100.00
Suomalainen Lehtipaino Oy	Helsinki	100.00	100.00
Associated companies			
Jämsänjokilaakson Paikallisviestintä Oy	Jämsä	49.00	49.00
Kytöpirtti Oy	Seinäjoki	43.20	43.20
Nokian Uutistalo Oy	Nokia	36.90	36.90
Oy Suomen Tietotoimisto – Finska Notisbyrån Ab	Helsinki	24.07	24.07
Tampereen Tietoverkko Oy	Tampere	34.92	34.92

11. RECEIVABLES

	31.12.2005
Short-term	
Receivables from Group companies	
Accounts receivable	0.1
Loan receivables *	90.6
Other receivables	13.9
Total	104.6
Other receivables	1.4
Prepaid expenses and accrued income	0.8
Short-term receivables, total	106.8

* Cash and cash equivalents in Group bank accounts are shown under loan receivables.

12. SHAREHOLDERS' EQUITY

	31.12.2005
Share capital:	
Establishment 27.1.	0.1
Rights issue 28.4.	5.3
Rights issue 7.11.	39.4
Share capital 31.12.	44.8
Share premium fund:	
Establishment 27.1.	0.9
Rights issue 28.4.	47.4
Rights issue 7.11.	405.6
Share premium fund 31.12.	453.9
Other funds 27.1.	
Measurement of Alma Media shares at fair value 7.11.	5.3
Other funds 31.12	5.3
Net income for the period	10.0
Shareholders' equity, total	514.0

The parent company's distributable funds total € 9,959,592.

13. ACCUMULATED APPROPRIATIONS

Accumulated appropriations consist of the accumulated depreciation difference.

14. PROVISIONS

Provisions consist of a M€ 0.2 provision covering rental costs of unoccupied business premises and a restructuring provision totalling M€ 0.4.

15. LONG-TERM LIABILITIES

	31.12.2005
Other long-term debt	2.1
Debt due after five years	
Other long-term debt	2.1

16. SHORT-TERM LIABILITIES

	31.12.2005
Loans from financial institutions	33.6
Accounts payable	0.2
Debt to Group companies	
Other debt	58.2
Other short-term liabilities	0.4
Accrued expenses and prepaid income	3.8
Short-term liabilities, total	96.2

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

17. COMMITMENTS AN CONTINGENCIES

Collateral for own commitments	
Guarantees	0.7
Collateral for others	
Guarantees	2.2
Other own commitments	
Leasing commitments	16.7
Other commitments	0.2
Maturity of leasing commitments:	
During following 12 months	0.9
Later	15.8

18. DERIVATIVE CONTRACTS

	31.12.2005
Share options	
Fair value *	0.8
Value of underlying instruments	2.2

* The fair value represents the return that would have arisen if the derivative positions had been closed on the balance sheet date.

Board's proposal to the AGM

The Group's distributable funds on 31 December 2005 totalled € 36,523,050. The Parent Company's distributable funds on 31 December 2005 totalled € 9,959,592. There were 74,612,523 shares carrying dividend rights.

The Board of Directors proposes that a dividend of € 8,953,502,76 (€ 0.12 per share) be paid on the financial year 2005. The Board also proposes that the Annual General Meeting distribute funds to sharesholders by reducing the share premium fund by € 39,544,637,19 (€ 0.53 per share)

The dividend and capital repayment together total € 0.65 per share.

Helsinki, Finland, 9 February 2006

Kari Stadigh
Chairman of the Board

Matti Kavetvuo

Lauri Helve

Matti Häkkinen

Harri Suutari

Kai Telanne
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 financial period 1 January–31 December 2005. The Board of Directors and the Managing Director have prepared the Report of the Board of Directors and the consolidated financial statements, which comprise a balance sheet, income statement, cash flow statement, statement of changes in shareholder's equity and notes to the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU and the parent company's financial statements, which comprise a balance sheet, income statement, cash flow statement and notes to the financial statements, prepared in accordance with prevailing regulations in Finland. Based on our audit, we express an opinion on the consolidated financial statements, on the Report of Board of Directors as well as on the parent company's financial statements and administration.

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

Consolidated financial statements
In our opinion the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and defined in the Finnish Accounting Act give a true and fair view of the Group's result of operations and of the financial position. The consolidated financial statements can be adopted.

Parent company's financial statements and administration
In our opinion the parent company's financial statements and the Report of Board of Directors 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 Finnish Accounting Act, of the parent company's result of operations and of the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of the retained earnings is in compliance with the Companies Act.

Helsinki, 10 February 2006

KPMG OY AB

Mauri Palvi
Authorized Public Accountant

Shares and shareholders

The Alma Media share

Aamulehti Corporation, listed on the Helsinki Exchanges, and MTV Corporation, which was unlisted, were merged by the pooling method into a new company called Alma Media Corporation on 1 April 1998. This company had two share series, both listed on the Main List of the Helsinki Stock Exchange between 1 April 1998 and 4 November 2005. The final listing day was 4 November 2005. Alma Media Corporation was merged with Almanova Corporation on 7 November 2005. The Series I shares of the merged Alma Media carried one vote per share and the Series II shares one vote per ten successive shares. In all other respects the share series were identical. The shares in both series had no par value. Almanova adopted the name Alma Media in conjunction with the merger. Since 7 November 2005 the new Alma Media has been listed on the OMX Helsinki Stock Exchange. This company has one share series and altogether 74.6 million shares. Despite having the same name, this is nonetheless a new company with a different corporate identity code and share trading code than the old Alma Media.

The Schibsted ASA public tender offer 4–31 January 2005

In January 2005 the Norwegian media group Schibsted ASA launched a conditional tender offer for all the Alma Media shares and warrants. Schibsted offered to pay € 11.40 per Series I share and € 10.70 per Series II share, as well as €2 3.80 per 1999 A warrant and € 20.48 per 1999 B warrant. The offer commenced on 4 January 2005 and ended at 4.00 pm on 31 January 2005. By the end of the offer period Schibsted had 2.1% of the Alma Media Corporation shares and 0.9% of the total number of votes.

EGM authorizes Board to make alternative offer

During the Schibsted offer period certain Alma Media Corporation shareholders established a new company called Almanova Corporation, which mae an alternative offer to Alma Media's shareholders. The Board called shareholders to an extraordinary general meeting on 31 January 2005 to hear about the alternative and to decide on the amendments necessary to the articles of association for the alternative offer to be launched.

The main points of the alternative offer put to the EGM were as follows:

- Under this alternative Alma Media Corporation would sell its Broadcasting division to a company owned by Bonnier & Bonnier AB and Proventus Industrier AB for an enterprise value of M€ 460.
- Bonnier & Bonnier AB and Proventus Industrier AB would sell their holdings of Alma Media Corporation shares to the newly established Almanova.
- Almanova would make a public purchase offer to all other shareholders except the two aforementioned companies.
- In this offer € 14.00 would be paid for each Series I share of which € 6.50 in cash and 1.25 Almanova shares, and € 12.00 for each Series II share of which € 5.60 in cash and 1.07 Almanova shares, as well as € 29.00 for each 1999A warrant and € 25.70 for each 1999B warrant.
- After this, Alma Media Corporation would be merged with Almanova. The new company would continue under the name Alma Media Corporation to engage in newspaper publishing, business information and classified marketplaces.

Shareholders holding approximately 98% of the shares represented at the EGM supported the proposal to authorize the Board to execute the alternative proposed to the meeting. In order to make the proposal feasible in practice, it was necessary to amend the article in Alma Media's articles of association describing the company's business to allow the divestment of the television business.

Almanova's exchange and purchase offer

The boards of directors of Alma Media and Almanova approved the merger plan on 8 March 2005 that proposed the merger of Alma Media into Almanova. An extraordinary general meeting of Almanova shareholders approved the merger plan on 23 March 2005 and an extraordinary general meeting of Alma Media shareholders on 20 April 2005. Technically, the merger was effected by dissolving Alma Media and transferring its assets and liabilities to Almanova.

This restructuring required Almanova Corporation to made a public exchange and purchase offer for the shares and option rights issued by Alma Media. This offer commenced at 9.00 am on 30 March 2005 and ended at 4.00 pm on 19 April 2005. Bonnier & Bonnier AB and Proventus Industrier AB did not participate in the offer.

Under the merger plan, the consideration for the shareholders of Alma Media would be paid in new shares issued by Almanova. The shareholders of Alma Media would receive seven (7) shares of Almanova for three (3) Series I shares of Alma Media and two (2) shares of Almanova for each (1) Series II share of Alma Media. Where the holding of Series I shares of a shareholder in Alma Media was not divisible by three, the shareholder would receive monetary consideration of € 14.00 per each Series I share in Alma Media exceeding the highest number of shares divisible by three.

All in all 13.03% of Alma Media's share capital and 4.69% of the total number of votes was transferred to Almanova as a result of this exchange and purchase offer including the new shares subscribable under the option rights transferred to Almanova. The figures do not include the increase in share capital arising from any share subscriptions based on the option rights.

Alma Media's Series I shares for which the offer was accepted represented about 0.98% of the total number of Alma Media shares and about 2.10%of the total number of votes carried by these shares. Correspondingly the Alma Media Series II shares for which the offer was accepted represented roughly 11.66% of the total number of Alma Media shares and about 2.50% of the total number of votes carried by these shares. The number of Alma Media option rights for which the offer was accepted totalled 63,876 and these option rights would have enabled the subscription of 255,504 new Alma Media Series II shares. These option rights were cancelled and were not exercised to subscribe for new shares.

The new Almanova shares were entered on 29 April 2005 in the book-entry accounts of the Alma Media shareholders who had accepted the exchange and purchase offer, and on the same date the shareholders and option right holders who had accepted the exchange and purchase offer were paid their cash consideration.

Almanova's listing started on 28 April 2005 on the Pre-list of the Helsinki Stock Exchange and the Broadcasting divestment was put into effect on 26 April 2005.

Alma Media and Almanova were scheduled to merge to form a single company on 3 October 2005. The merger was postponed, however, when Almanova was made aware in September 2005 that the Finnish Financial Supervision Authority (FSA) had decided to reconsider how Almanova's acquisition of the Alma Media shares should be treated in Almanova's forthcoming IFRS consolidated financial statements.

At the same time Almanova announced it would postpone the previously agreed purchase of the Alma Media shares from Bonnier & Bonnier AB and Proventus Industrier AB as well as the listing of the Almanova share on the Main List of the Helsinki Stock Exchange.

Merger executed on 7 November 2005

Although the FSA had not yet given its final ruling, the merger of Almanova and Alma Media was executed on 7 November 2005. The shareholders of Alma Media received seven (7) shares of Almanova for three (3) Series I shares of Alma Media and two (2) shares of Almanova for each (1) Series II share of Alma Media, as set forth in the merger plan. Where the holding of Series I shares of a shareholder in Alma Media was not divisible by three, the shareholder received monetary consideration of € 14.00 per each Series I share in Alma Media exceeding the highest number of shares divisible by three. In the merger the assets and liabilities of Alma Media were transferred to Almanova, after which Alma Media was dissolved.

The Alma Media shares and option rights held by Almanova were cancelled in conjunction with the merger, as were the Alma Media shares held by Bonnier & Bonnier AB and Proventus Industrier AB and transferred to Almanova on 2 November 2005 before the merger was put into effect.

As stipulated in the merger agreement, Alma Media was merged with Almanova but the company took back its name Alma Media Corporation. At the same time the shares of the old Alma Media (corporate ID code 1449580-9) were de-listed. The new Alma Media (corporate ID code 1944757-4) has only one share series. Its shares are quoted on the Main List of the Helsinki Stock Exchange.

Shares and share capital

The company's share capital is minimum eighty thousand (€ 80,000) and maximum seven hundred million (€ 700,000,000). Within these limits the share capital can be raised or lowered without amending the articles of association. On the balance sheet date, the company's fully paid up and registered share capital totalled €44,767,513.80 and the company had 74,612,523 shares.

Liquidity providing agreement

Alma Media Corporation and eQ Pankki Oy have made a liquidity providing contract under which eQ Pankki Oy guarantees bid and ask prices for the shares with a maximum spread of 3% during 85% of the exchange's trading hours. The contract applies to a minimum of 2,000 shares, which corresponds to 40 share lots.

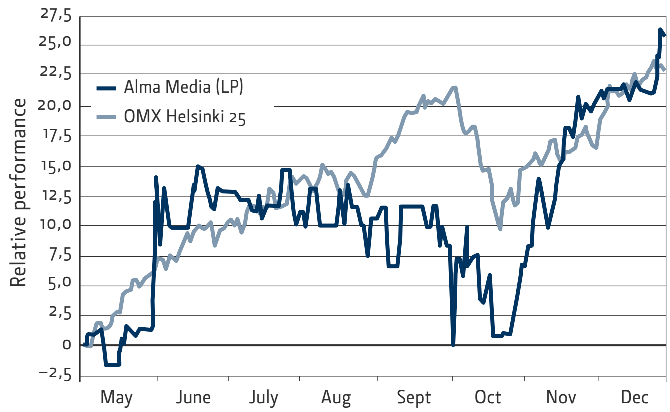
Dividend policy

Alma Media aims to be an attractive investment prospect, whose shareholders are satisfied both with growth in the value of their holdings and with regular dividend payments. The company has no predefined dividend policy.

Ownership structure

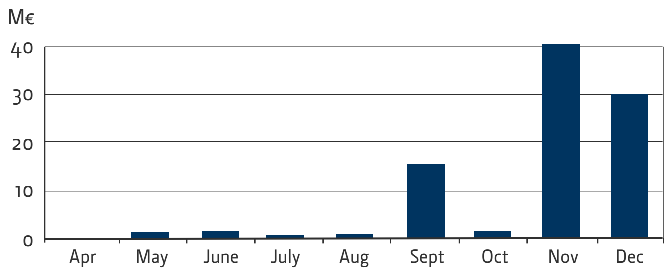
The company had 3,620 shareholders in book-entry accounts on the balance sheet date. Altogether 21,007,475 shares were nominee-registered, representing 28.2% of the total number of shares. Foreigners holding nominee-registered shares are entitled only to financial rights such as the right to receive dividends and to subscribe for shares. Shareholders who do not register their shares in their own name are not permitted to participate, or exercise the votes carried by their shares, in general meetings.

Share performance 29.4.–31.12.2005



Source: Kauppalehti Online

Monthly trading volume 2005



Share trading between 29.4. and 31.12.2005. Almanova's shares (8,950,815 in all) were listed on the Pre-list of the Helsinki Stock Exchange between 29.4. and 4.11.2005. Almanova and Alma Media were merged on 7.11.2005. The new company's shares (74,612,523 in all) have been listed on the Main List of the Helsinki Stock Exchange since the merger.

Redemption obligation

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

Insider regulations

A list of the company's public insiders and their shareholdings in the company is given in the insider register regularly updated on the company's website at www.almamedia.fi/insiders_holdings. Alma Media Corporation ensures, though communcation and training, that its public and internal insiders recognize their position and its obligations. Alma Media Corporation insiders are not permitted to trade in Alma Media Corporation shares or options during a 'silent period' of 21 days before publication of the company's interim reports or annual financial statements bulletin. The need for insider lists for specific projects is assessed separately in each case. The company's legal counsel is responsible for insider matters in Alma Media Corporation.

Board authorizations to raise the share capital
The Board of Directors of Alma Media Corporation (corporate ID code 1944757-4) had no authorizations to raise the share capital during 2005.

Management holdings
The members of the company's Board of Directors and the President owned altogether 1,393,413 of the company's shares on 31 December 2005. The total number of votes carried by these shares represented 1.9% of the votes carried by all the shares. Management holdings are described in more detail on page 40.

Share taxation value
The Finnish taxation value of the Alma Media share confirmed for 2005 was €5.20.

Shareholder agreements
The company has no knowledge of any agreements relating to the ownership of its shares or exercising of its voting rights. Hence all the company's shares are available for public trading.

Trading code
The Alma Media share is traded under the code ALN1V on the OMX Helsinki Stock Exchange. The shares are traded in lots of 50. The share performance can be followed on Bloomberg and Reuters with the following codes:

Bloomberg	ALN1V.FH
Reuters	ALN1V.HE

All the stock exchange releases published by Alma Media Corporation since 1996 are available on the company's website at www.almamedia.fi/releases.

Share performance and trading
The divestment of the Broadcasting business in 2005 and the restructuring it precipitated, the separate listing of Almanova Corporation, and the merger of Alma Media and Almanova meant that shareholders owned different amounts of different securities during the year, the prices and trading volume of which cannot reasonably be compared with each other or with the stock exchange indexes for the whole year.

Trading in the new Alma Media share has been brisk following its listing on 7 November 2005. Altogether 10.1 million Alma Media shares were traded between the listing date and the balance sheet date, representing 13.5% of all the shares. The lowest quotation during this period was € 6.55 on 10 November 2005 and the highest was € 7.75 on 29 December 2005. The closing price in 2005 was € 7.68.

Information for shareholders

Annual General Meeting
The Annual General Meeting of Alma Media Corporation will be held on Wednesday, 8 March 2006, commencing at 10.30 am, at Restaurant Pörssi, Fabianinkatu 14, Helsinki (at street level). The Meeting will consider the matters stipulated in Article 12 of the company's Articles of Association and in the invitation to the Meeting.

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 20, Helsinki, for one week before the Meeting.

In order to attend the Annual General Meeting, shareholders must be registered no later than on Friday 24 February 2006 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 12.00 noon (East European Time) on 6 March 2006 either in writing to Alma Media Corporation, Ms Tuula Sippola, P.O. Box 327, FIN-33101 Tampere, Finland; by phone to +358 (0) 10 665 3501 or +358 (0) 655 2255; by telefax to +358 (0) 10 665 3502; or by e-mail to yhtiokokous@almamedia.fi.

Powers-of-attorney should arrive at the above address before the notification period ends.

Payment of dividends
Alma Media Corporation's Board of Directors proposes that a dividend of € 0.12 euros per share be distributed on 2005.

Financial information
Alma Media will publish three interim reports in 2006:
· Three-month interim report on Thursday, 27 April 2006
· Six-month interim report on Friday, 11 August 2006
· Nine-month interim report on Friday, 27 October 2006

The interim reports are published in Finnish and English. All stock exchange and press releases issued by Alma Media Corporation are also available on its website at www.almamedia.fi/releases. The company's stock exchange releases can be received free of charge by completing the order form at www.almamedia.fi/orders. The releases are sent to the subscriber's e-mail address, and headlines to subscribers' mobile phones, in Finnish or English as requested. Alma Media's interim reports are not printed.

Alma Media's web pages also contain all the financial information in the company's interim and annual financial statements intended for investors and shareholders.

To order the annual report in English, please contact: corporate.comms@almamedia.fi, www.almamedia.fi/orders or Alma Media Corporation, Corporate Communications, P.O. Box 140, FIN-00101 Helsinki, Finland.

SHARES 31.12.2005

	Alma Media Corporation
Stock exchange	OMX Helsinki
List	Main List
Business sector	Consumer goods and services
Admitted	7 November 2005
Trading lot (no. of shares)	50
Trading code	ALN1V
ISIN code	FI0009013114
Number of shares	74,612,523
Votes	1 vote/share

Share register
Shareholders are kindly requested to forward any changes to their names, addresses or holdings direct to the register that is the custodian of their book-entry account.

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Further details on Alma Media's addresses and operating locations at www.almamedia.fi/contacts_alma_media.

Alma Media's Annual Report 2005

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G-print 130 g
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Alma Media Marketplaces reach everyone.