ALMA | MEDIA

2006

The year Alma Media got down to business.

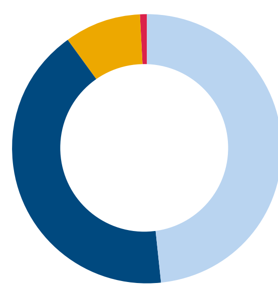
ALMA | MEDIA

CONTENTS 2006

Key figures for Alma Media Group's continuing operations

M€	2006	2005
Net sales	301.9	285.9
Operating profit	49.1	42.3
Operating margin, %	16.3	14.8
Net profit for the year	37.3	39.0
Cash flow from operating activities	46.7	33.7
Gross capital expenditure	19.6	19.7
Capital expenditure/net sales, %	6.5	6.9
Interest-bearing debt	21.7	56.4
Capital employed, average	160.1	213.8
Return on investment (ROI), %	32.8	26.1
Earnings per share (EPS), €	0.50	0.52

Breakdown of net sales 2006 (M€ 301.9)



Media sales 48.5%
Circulation sales 41.6%
Other sales 9.1%
Contract printing sales 0.8%

"Dear Reader,

Year 2006 was successful for Alma Media. Almost all our business units made progress in the right direction and our chaining concept moved up a gear. Our net sales and operating profit exceeded the previous year's already good level. We further consolidated our market position. The circulations of our newspapers and number of visitors to our internet services were on the rise. All of which demonstrates that we developed our journalism and services in the right direction.

The strong position of our newspapers is based on readerships built up over many years, an asset to be carefully maintained. One of the main strengths of our newspapers is the sense of community they create. They are the banner-holders in their own areas, leading from the front, working for the community's well-being. They must improve journalistically to ensure they are equipped to meet tomorrow's needs.

One aspect is making more diverse use of the internet and mobile technology. Mass culture is a thing of the past; readers are now looking for dialogue and interaction. They also want to make the news themselves, continue discussion, take issue, produce content. The internet services of our newspapers are opening up new opportunities, enabling people to participate directly in dialogue and to enliven it.

I believe that you too are looking for perspectives, understanding and interpretation when you open the morning paper. We are firmly of the opinion that the need for high-quality, thoughtful journalism will not diminish. The facts are nowadays on the internet at everyone's fingertips but it's understanding and interpretation that decide the game. Our newspapers must learn to provide greater value, to arouse emotions, and advance opinions. It's not enough that we provide only news when our readers are expecting views.

The supply of business and financial journalism outstrips demand and only the strongest brands will survive into the future. Kauppalehti, ranking number one in its field, has a head start when it comes to multimedia development, and internet services already account for a significant share of Kauppalehti's income. Accelerating growth through acquisitions has likewise proved a good step. The fast-growing contract publishing and direct marketing businesses give the Kauppalehti group new drive and added synergies that the whole Alma Media can benefit from. The growth in Kauppalehti's and Kauppalehti Presso's circulations in recent years encourage us to continue developing content with an open mind also in the print media.

We need growth and we are seeking it. But Finland's saturated market offers only limited scope for this and in consequence we are setting our sights on Finland's neighbouring regions. Expansion of our Marketplaces unit eastwards via the Baltic region is already making good speed and accelerating all the time. We will support the large number of new online vehicle and home-buying marketplaces now emerging by further acquisitions as opportunities arise. The proportion of net sales derived from our foreign operations will increase sharply in the years ahead.

We are keeping a close eye on our competitors, on changes in consumer behaviour and especially on how young people are using the media and advertising. Our strategy will evolve to reflect these trends and we will also identify what skills and knowhow we will need in the future as the world changes.

We simply have to see far enough ahead and have the courage to take the right steps. And indeed we will." ●

Kai Telanne
President and CEO

"The strong position of our newspapers is based on readerships built up over many years, an asset to be carefully maintained."

Highlights of 2006

26 Jan Almanova's acquisition of the Alma Media shares is interpreted as a reverse acquisition. The Finnish Financial Supervision ruled that the transaction should be treated as a reverse acquisition, which means that the post-merger carrying values in the consolidated accounts are those of the previous Alma Media. Hence the balance sheet of the new Alma Media, which began operations on 7 November 2005, totalled 247 million euros.

10 Feb Establishment of new marketplaces in Tallinn (Estonia) and Kiev (Ukraine) announced. Later in the spring an online marketplace, Motors24, for trade-in cars will be opened in Tallinn and a home-buying marketplace, City24, in Kiev.

1 Mar Iltalehti announces March launch of a new tabloid, Iltalehti Ilona, for female readers. The aim is to increase the tabloid's circulation sales and the paper was highly successful in this task.

8 Mar The annual general meeting approves the Board's dividend and capital repayment proposal. In March the company paid a dividend of 0.12 euros per share and an additional capital repayment of 0.53 euros per share. The meeting also approved a three-stage incentive programme for key personnel. A new member, **Kai Seikku**, was elected to the Board of Directors.

12 Mar Aamulehti redesigns its Sunday edition with the addition of two new sections, Asiat (What Matters) and Ihmiset (Who Matters). The change was warmly approved by readers but at the same time it slightly increased production costs.

27 Apr The Marketplaces unit announces its acquisition of a majority holding in a Polish home-buying portal, which became part of the City24 chain in the autumn. Mascus signs licence agreements in Poland and Slovenia.

1 Jun **Jouko Jokinen** starts as publisher of Satakunnan Kansa on the retirement of **Tuomo Saarinen**. Jokinen was previously executive editor-in-chief of the newspaper.

14 Jun Aamulehti terminates its book publishing unit. Four new books will be published in the autumn. Book publishing will continue but on a smaller scale.

1 Jul Kauppalehti exercises its option to buy the outstanding 51% of the shares of TietoEnator's direct marketing company 121, having acquired 49% the year before. The acquisition increased Kauppalehti group's annual net sales by roughly 9 million euros.

1 Jul Finnish Business Communications becomes part of Alma Media's contract publishing group Lehdentekijät, giving Lehdentekijät added expertise in professional advertisement marketing for corporate magazines.

1 Jul Marketplaces buys online services for home-buying and business premises in Sweden.

31 Aug Kauppalehti group's president announces he will become president of Talentum Oyj on 1 November 2006.

1 Sep Kokkolan Sanomat becomes part of the Local Newspapers group. This free sheet published in the town of Kokkola has a print-run of over 30,000.

29 Sep **Juha-Petri Loimovuori** is appointed to Kauppalehti group's board of management from 1 November 2006. He previously headed media sales and marketing in Kauppalehti.

29 Sep Alma Media announces it will set up a joint political desk in Helsinki serving the Kauppalehti, Aamulehti, Satakunnan Kansa, Lapin Kansa, Kainuun Sanomat and Pohjolan Sanomat newspapers. The new function will start operating by autumn 2007.

24 Oct Alma Media announces its divestment of properties in Tampere and Kemi for a total of almost 10 million euros.

6 Nov Iltalehti raises the copy price of its weekday edition to 1.20 euros. The cost of the weekend edition remains unchanged at 2 euros.

30 Nov Personnel negotiations are started at the Kainuun Sanomat printing works and apply to all staff on the rotation and sheet-printing presses. The press machinery was previously updated in the 1970s and is now nearing the end of its lifetime.

22 Dec Alma Media announces that the board of directors of Keskisuomalainen is not willing to continue discussions on the merger of the two companies. Information on the year-long negotiations leaked to the press the day before and the companies admit to holding discussions.

27 Dec Kauppalehti Oy announces the need for operational streamlining. The company starts personnel negotiations that apply to all employees. ●

Group strategy

MISSION

For individual freedom and well-being

VALUES

Freedom and pluralism of journalism

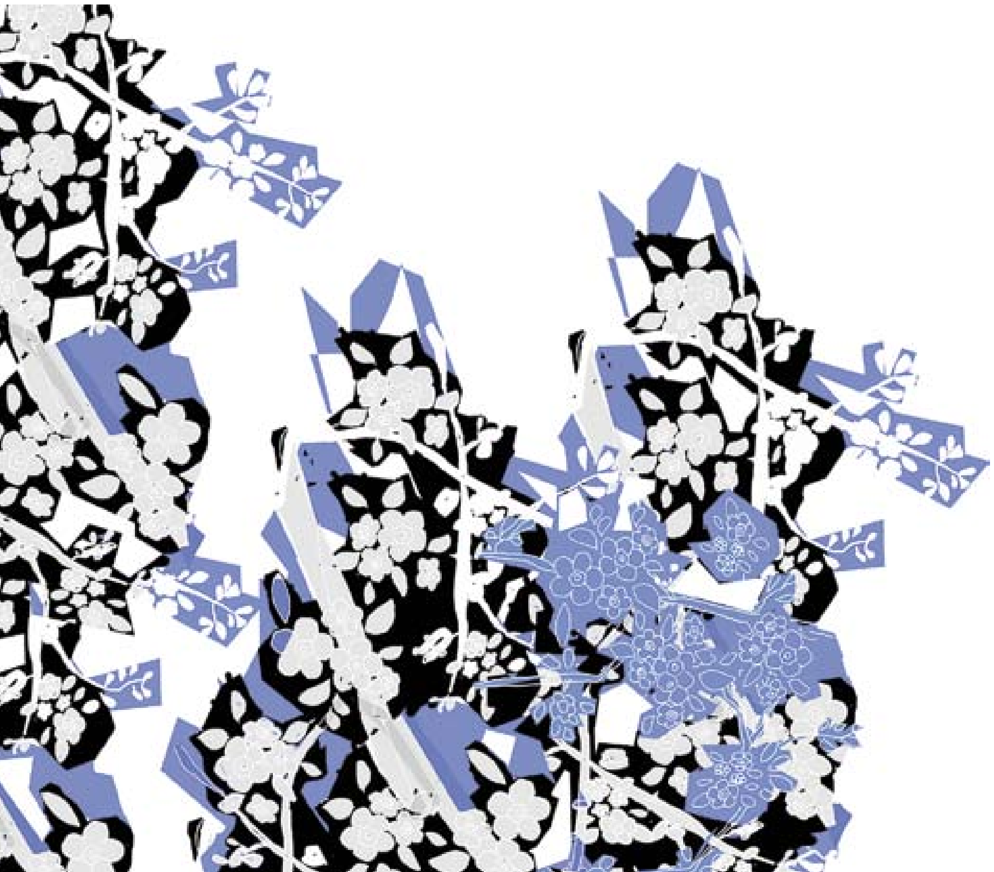
Team play

VISION

The winning team in newspaper and online media

STRATEGIC CHOICES

CHAINING OF OPERATIONS — RENEWAL — INTERNATIONAL GROWTH — MERGERS AND ACQUISITIONS



Alma Media Group's newspapers are supported by strong product and development (content renewal, development of online media, new supplements and newspaper sections); its ability to evolve; chaining, which enhances quality and profitability; and growth in the Newspaper chain.

The online media business will see further growth. Online media include classified marketplaces, online business intelligence services, and the online services of the newspapers. A further driver of growth is international expansion. ●

Profits seven-fold

Alma Media Group generates its profits from seven profit centres: Aamulehti, Iltalehti, Satakunnan Kansa, Northern Newspapers, Local Newspapers group, Kauppalehti group and Marketplaces. Their profits are reported in three segments: Newspapers, Kauppalehti group and Marketplaces.

Key figures by segment

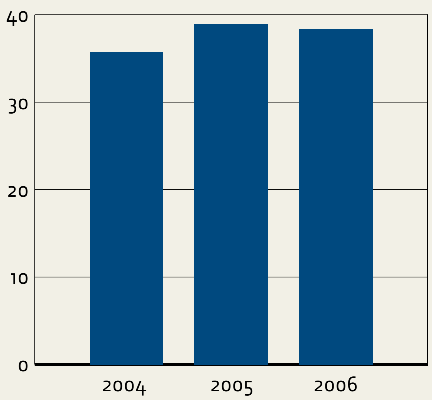
	Newspapers		Kauppalehti group		Marketplaces	
M€	2006	2005	2006	2005	2006	2005
Net sales	217.9	211.6	62.6	53.8	23.1	22.7
Share of Group net sales, %	70.5	72.5	20.7	18.8	7.5	6.7
Operating profit	38.4	38.9	4.8	7.1	2.8	1.1
Share of associated companies' results	–	–	0.9	5.5	–	–
Gross capital expenditure	4.1	7.3	6.4	8.1	7.3	3.5
Depreciation	5.4	5.6	1.1	1.1	1.2	1.8
Capital employed	36.8	36.9	43.8	43.8	10.4	5.6
Average number of employees *	1,220	1,203	496	418	111	108

* Excluding newspaper distribution staff.

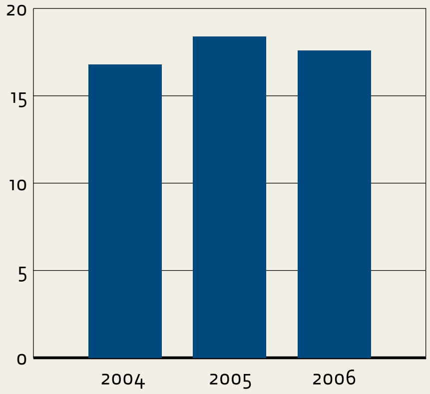
Newspapers

The Newspapers segment reports the publishing activities of 35 newspapers. The largest are the regional newspaper Aamulehti and the daily tabloid Iltalehti. The full list is given on page 24.

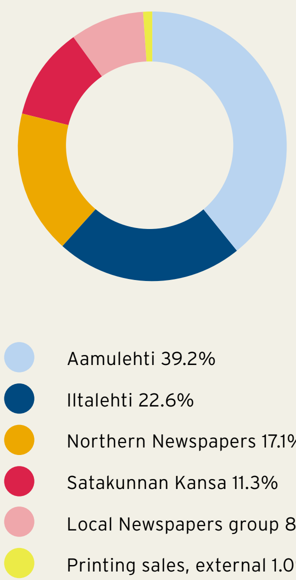
Operating profit (M€)



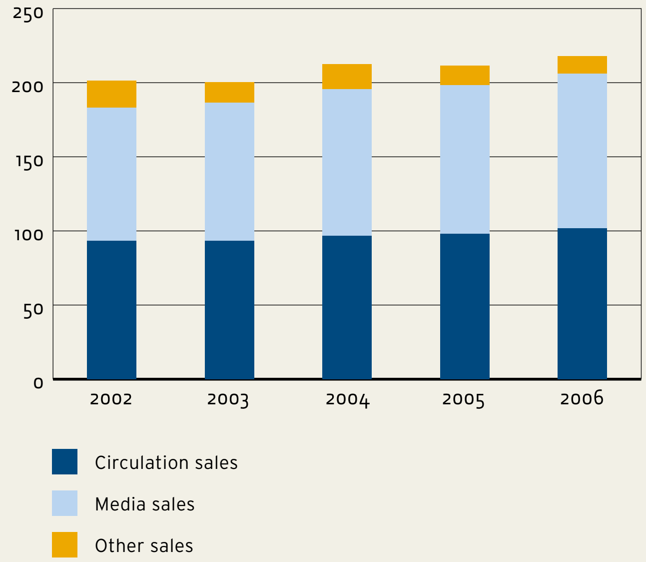
Operating margin (%)



Net sales by unit 2006 (M€ 217.9)



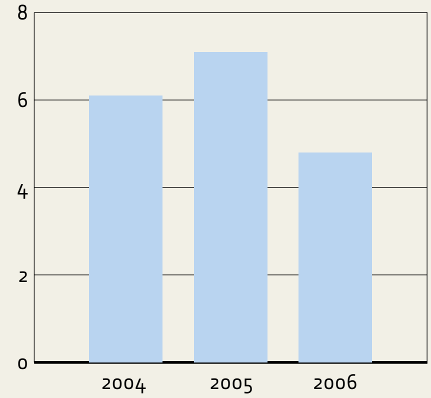
Net sales (M€)



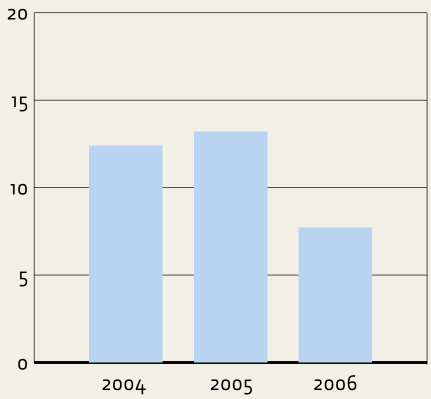
Kauppalehti group

The Kauppalehti group specializes in producing business and financial information. Its best known product is Finland's leading business daily, Kauppalehti. The group also includes the Alma Media Lehdentekijät contract publishing unit, the direct marketing company Kauppalehti 121, and Baltic News Services, the leading news agency in the Baltic countries.

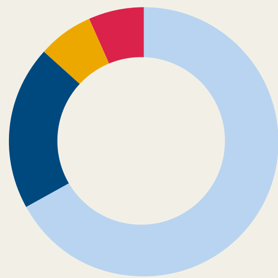
Operating profit (M€)



Operating margin (%)

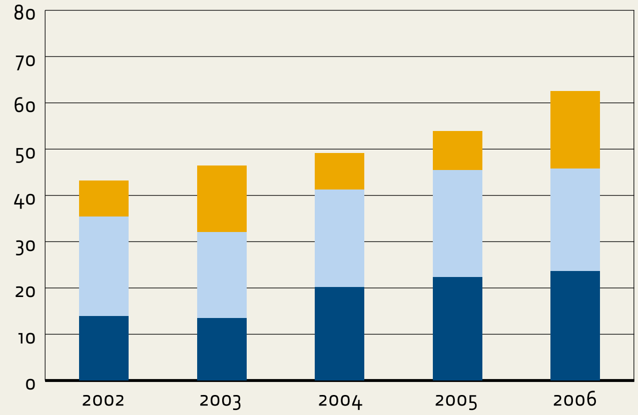


Net sales by units 2006 (M€ 62.6)



- Kauppalehti 67.0%
- Lehdentekijät 19.7%
- Kauppalehti 121 6.9%
- Baltic News Service 6.4%

Net sales (M€)

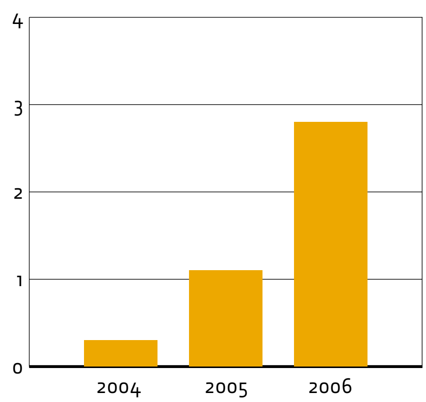


- Circulation sales
- Media sales
- Other sales

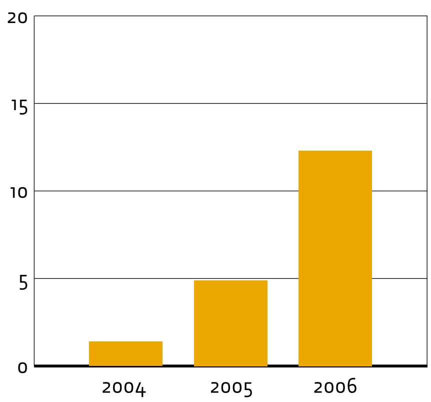
Marketplaces

The Marketplaces segment reports Alma Media's classified services, which are produced for the internet and most often supplemented by print publications. The services are Etuovi.com (home-buying), Autotalli.com (cars) and Monster.fi (jobs) in Finland; Mascus.com (second-hand machinery), which operates in a number of European countries; City24 (home-buying) in the Baltic countries, Ukraine and Poland; Motors24 (cars) in Estonia and Latvia; and Bovision (homes) and Objektvision (business premises) in Sweden.

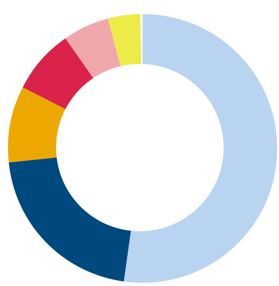
Operating profit (M€)



Operating margin (%)

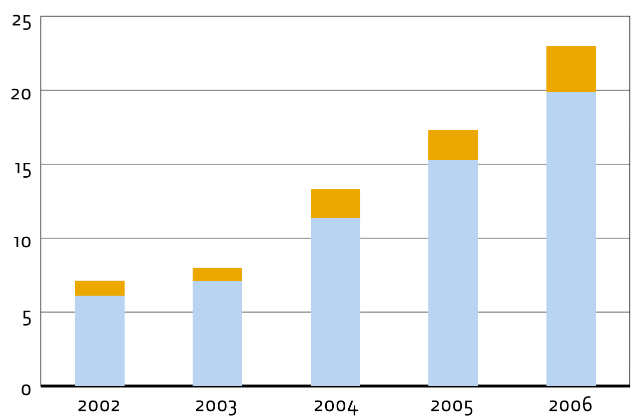


Net sales by units 2006 (M€ 23.1)



- Etuovi 53.6%
- Monster 21.4%
- Autotalli 9.4%
- Mascus 8.0%
- Bovision and Objektvision 4.0%
- City24 3.6%

Net sales (M€)



- Media sales
- Other sales

Cash flow and growth

Outwardly, 2006 was a relatively stable year for Alma Media but internally it was an intensive twelve months as the company drew up a roadmap for the years ahead.

Alma Media spent last year mapping its markets and growth potential. "We spent most of the time doing our homework, a period of hard slog that will yield results in the future," says CFO **Teemu Kangas-Kärki**.

Alma Media is seeking growth not only in Finland, but further afield in the east, for example. "The region is an interesting one and in my opinion good business concepts have a good chance of success there. When entering new markets, though, one needs to keep a cool head. The risks and potential rewards must be carefully weighed up before making any decisions."

Alma Media's strategy is to seek markets abroad through its Marketplaces – online services and products that focus on a single product group. Product groups include vehicles and housing. The way forward is to take already existing business concepts to new markets or to make acquisitions as opportunities arise.

SHAREHOLDER VALUE IS Alma Media's goal. Although the company has not released precise financial targets such as the operating margin, equity ratio or gearing, one of its basic tasks is to raise its business efficiency and capital turnover. "We believe in continuous improvement of business processes and we use our common sense. Our long-term aim is to raise shareholder value," Kangas-Kärki states.

"If the company doesn't grow, the danger is that business development will come to a standstill. In a static company shareholder value is already discounted to the share's present value. If the company concentrates only on minimizing risks and fine-tuning existing business operations, there is no way that shareholder value will grow significantly."

Alma Media's strategy is to generate the strong cash flow necessary for paying a dividend, and to grow in a controlled manner. Shareholder value consists of two factors: a free cash flow and its use, and an increase in share value. Strong cash flow makes both these possible.

Free cash flow is used in Alma Media mainly for paying dividends. Share buy-backs by the company are not a relevant option at the moment because the company only recently changed to one share series and the share's liquidity improved. "We want to be among the best dividend payers in our peer group."

An increase in shareholder value is based on both the company's current and future performance. The current performance is evident from the company's operating margin, for example. The performance expected of the company is indicated, among other things, by the operating margin coefficient (EV/EBITDA), which is obtained by dividing the company's shareholder value (equity value) by the operating margin (earnings before income, taxes, depreciation and amortization). The target performance depends on management's ability to implement the chosen strategy.

Kangas-Kärki emphasizes that the company will have to achieve the expected performance figures given to investors and shareholders. "Business development is by nature long-term. We must draw a path and show that we are proceeding as planned."

IN ALMA MEDIA'S BUSINESS media marketing has traditionally been closely linked to growth in GDP. "Since growth prospects for the current year are good, there is no reason to believe there will be any collapse." The strong economic growth in Finland in recent years is mainly the result of private spending. "That has kept the wheels of the economy turning and has been reflected in Alma Media's daily newspapers and tabloids."

On the other hand b-to-b media marketing has contracted, which has led to difficulties for the business press in both Finland and Sweden. Kangas-Kärki analyses that companies today are more cost-conscious and cautious in all their investments, marketing included. "Before things started going well, all companies turned on the investment taps at the same time and moved into top gear. But when boom turned to decline, they slammed on the brakes."

Focusing on cost savings can do a lot of good, too. "Business swings can be less pronounced because different companies are applying the brakes and the accelerator at different times. Development is more balanced." ●

Cash flow will make Alma Media a top dividend payer.

Sensitivity analysis

Factor	Change %	Impact on operating profit M€
Media advertising	+1	1.5
Paper prices	+1	–0.2
Distribution costs	+1	–0.5
Wages and salaries, average	+1	–1.1
Average interest rate	+1	–0.1

Driving development from the front

Alma Media intends to be the leader in its field. Changes in the way young people are using the media today are pointing the way to the future.

Alma Media keeps a close eye on young people and their values, which are a good indication of how the media will be used in the future. Results gathered from studies of young people's media behaviour are an important source of information when developing media content and the editorial process.

"Young people are our clearest single focus of interest. As the adults of the future, they will largely determine what the media of tomorrow will look like," says research manager **Riitta Kerttula**, commenting on Alma Media's brand and research chain.

Alma Media wants to be actively involved from the outset, at the stage when a trend has barely emerged. She notes: "We're not hiding our heads in the sand. We're creating the future."

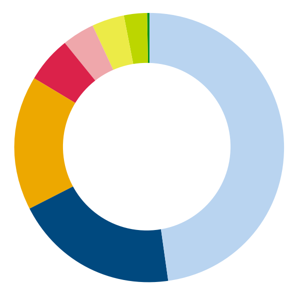
ONE GOOD INDICATOR IS 15/30 Research Oy's annual national youth survey. "We review various youth groups with our editorial teams and identify how young people regard and use the various media," Kerttula continues.

The national survey, which charts the trends and values typical of youth culture today, is an essential tool in her experience. "I don't know how we could live without it. It provides hints as to what we should take into account and research in more detail ourselves."

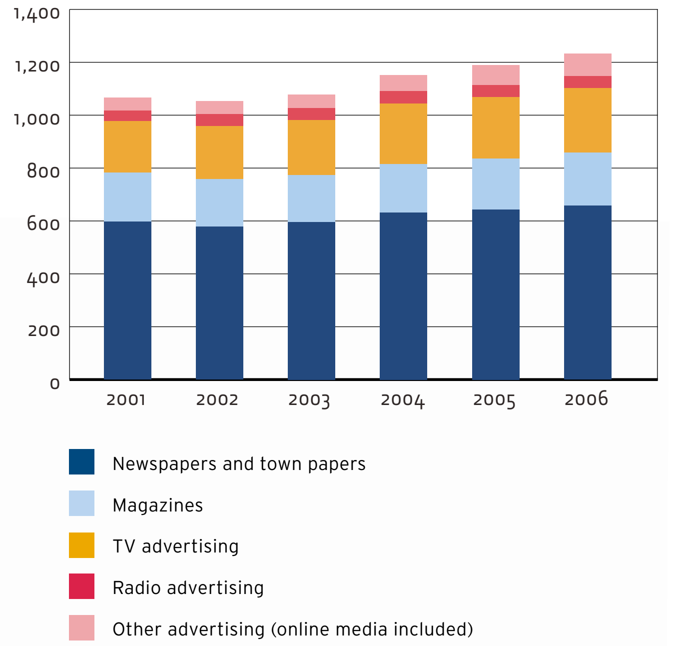
Things often take on a different light when studying smaller groups than when looking at larger samples. "If, for example, something is done by only nine percent of the whole population, the same thing might be done by as much as fifty percent of young men. That's a very significant indicator."

The national youth survey falls into three categories. The first part looks at young people's values, attitudes and lifestyles in general. The second focuses on youth

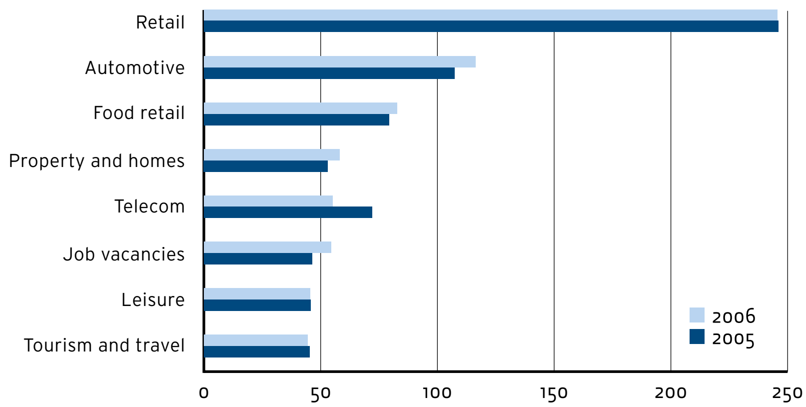
Breakdown of media advertising 2006 (M€ 1,233)



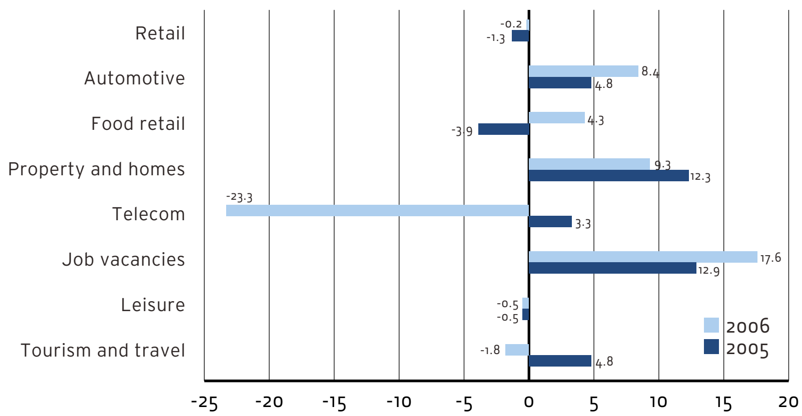
Media advertising expenditure and trends 2001–2006 (M€)



Biggest advertising sectors 2005–2006 (M€)



Biggest advertising sectors 2005–2006, change %



marketing and brands, while the third examines how young people use the media.

"Generally speaking, the survey answers the question: what are young Finnish people like and how do they behave. It also considers how they feel about the media and how they use them," says director **Markus Keränen** of 15/30 Research.

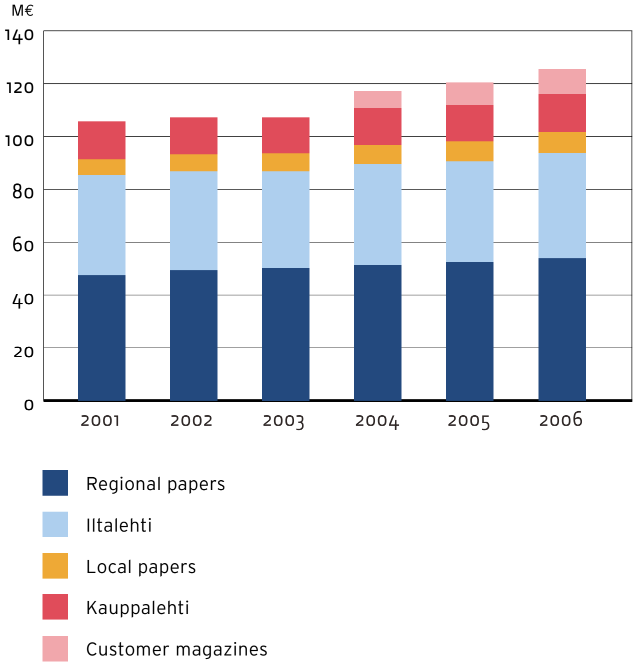
Now completed for the third year running, the survey has thrown up the surprising finding that young people's attitudes and values are in fact more conservative than generally thought. "We often imagine that they are looking for extreme or far-out experiences. But when we ask young people about their dreams and aspirations, these turn out to be quite mundane, relating to such things as setting up a family and getting settled down," Keränen elaborates.

THE RELATIVELY CONSERVATIVE values and attitudes of the young are also reflected in what they expect of the media. Television programmes, for example, they expect to have more factual content and to be 'smarter'. Only a fraction are looking for dumb entertainment.

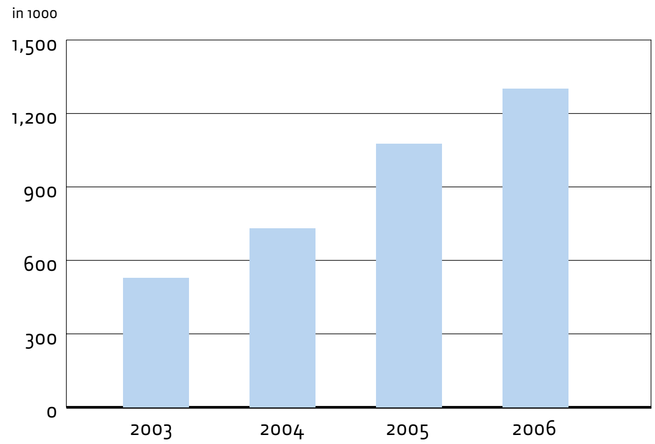
"Young people nowadays value relevant and objective information that helps them in their own personal development and to form their own world view. And even when they do want entertainment, this should be sensible," Markus Keränen says.

He does not subscribe to the view that newspapers are a thing of the past. "At one

Alma Media's circulation sales 2001–2006 (M€)



Number of visitors to Alma Media's online services 2003–2006



Figures include all visitors and show the number of visitors in an average week. Visits by the same visitor to different services are not eliminated.

time there was a lot of talk about the death of the newspaper but that's not happened. Sure, there have been challenges, but the industry has also done its best to respond."

By challenges Keränen means that the role of newspapers has changed since the widespread adoption of the internet. Being first to print a piece of news is no longer a competitive tool for the newspaper.

Riitta Kerttula agrees. "Newspapers need to give up their news role as this has been lost to the internet, radio and TV. Young people want newspapers to provide background information and analysis – what something means from their own viewpoint," Kerttula ponders and adds that 85 percent of Aamulehti's content, for instance, is something other than traditional news reporting.

"Newspapers are actually doing a lot better than is publicly assumed. It's easy to say that young people don't read the papers but in fact more than half of them do."

TYPICAL OF HOW YOUNG PEOPLE use the media is a rejection of media channel thinking – more important than the channel is the content it offers. Their use of the media is variable and overlapping. "Young people decide where to get the information they want as each situation arises," Riitta Kerttula explains.

Keränen points out that television is approaching the same situation as the newspapers were in at the beginning of the current decade: the internet has begun to intrude on the way TV has traditionally been used.

"Young people no longer wait until nine o'clock on a Thursday evening to see Lost; they download the whole series from the internet and watch it when they like. This is a big challenge for broadcasters."

Watching television is also becoming segmentized: viewer groups have gradually started finding channels targeted to their own needs. "The fragmentation of media marketing has been talked about for a long time. Now we are seeing the first signs of fragmentation in consumer behaviour," Kerttula considers.

"Television still reaches the majority of people and overall viewing time has more or less remained unchanged. But the smaller channels continue to gain viewers."

THE INTERNET IS BECOMING increasingly important. In Finland, the web made its final breakthrough in 2006 when broadband penetration exceeded 50 percent of the population. In other words, most of the active population now have broadband at home. "At roughly the same time users also began to produce their own content. Many large services are rather new; YouTube, for example, was launched in 2005," Kerttula points out.

She believes that the internet will create extensive new opportunities for the traditional print media. "It's because of the web that newspapers are a closer part of the lives of people of different ages. The internet is also helping papers to develop their content; small items of news can be put online while the print concentrates on providing in-depth coverage."

For Markus Keränen, new technology should be seen as an opportunity. The important point is to consider how technology can be used more effectively. A successful example of this is the online TV guide launched by Iltalehti in 2006.

"Companies could take an even more innovative approach to technology. Forums could be created for young people through which they could be directly involved in creating and producing information."

Riitta Kerttula believes strongly in the development of the online media. "Newspapers will certainly be adding new and more diverse services to their websites. It's a really good thing that the motion picture and sound are no longer the exclusive right of television and radio but at the disposal of newspapers as well." ●

Growth close to Finland

Homes, cars, business premises... Alma Media Marketplaces has noticed that well-designed internet portals work in just about any country.

Online marketplaces are commonplace today and it's getting more difficult by the year for operators like Alma Media Marketplaces to achieve further growth in Finland. No surprise, then, that the unit is seeking new avenues abroad.

The key to success is to replicate a good concept. A small amount of local fine-tuning is always necessary in different countries of course, but the basic business idea is the same: to provide relevant, reliable and up-to-date information to both buyers and sellers.

CITY24'S PROGRESS in the Baltic countries started in Estonia, where the portal rapidly gained market leadership. After Latvia and Lithuania, the road led further in 2006 to Ukraine and Poland. "This new player has increased competition, improved the service levels of the portals and made them keep their databases up-to-date," says **Ismo Repka**.

In Estonia, almost all estate agents already operate on the internet but in Ukraine, for example, no more than half have an internet service. "Finding a new channel and realizing the potential it offers is a new market opportunity in countries that have not had a strong and trustworthy press. We are continuously scanning for worthwhile new opportunities that will hopefully give us a niche."

THE MOTORS24 SERVICE for trade-in cars is following in the footsteps of its home-buying colleague. "This portal, launched in Estonia in January 2006, is still the challenger to the market leader," says **Mauri Köykkä**. Motors24 reached Latvia last October.

"The potential for online vehicle trading in the Baltic countries is enormous. Since distances are small, and these countries don't have onerous customs or car tax systems, it's easy for their people to buy a car from any nearby country and bring it back home."

BOVISION AND OBJEKTVISION in Sweden focus on home-buying and business premises respectively and are the Marketplaces unit's first step westwards. By all accounts the step is a good one as these services are already firmly established in their highly competitive markets: Bovision in the number two slot, and Objektvision the number one.

Juha Mäkivaara believes that, compared with Finland, Sweden offers double the potential. "Since we are already the leading portal for business premises, we'll concentrate on the home-buying market." ●

Journalism again in demand.

"Editing today is electrifying

Iltalehti and Kauppalehti are already at home producing TV on the internet. Aamulehti and Satakunnan Kansa, likewise, have taken their first steps towards motion pictures. Who would have thought ten years ago that newspapers, notorious for their rigid ways, would unbend so much?

Along the way newspapers have got used to reporting in real time on international and domestic events as well as entertainment and sporting phenomena. News is updated on the internet and on mobile phones. Just a minute – are we still talking about editorial departments here?

Yes, we are. Over the years we've seen all sorts of entrepreneurs producing internet content and mobile services, but they've all missed the vital factor: the professional journalistic touch, the bread and butter of the newspaper editorial team.

NEWSPAPER EDITORS have a long heritage of professional editorial production. And that's not going to change one iota even if paper is turned into bytes. Different media have their own characteristics, of course, but most important of all is interesting and reliable journalism.

Back in 1993 in a meeting at Aamulehti Corporation, as we were known then, someone threw up the question to which we now see the answers in the form of Alma Media's online services. The internet was just emerging, although even then it was clear as daylight that someone would start creating genuine web content.

We wondered whether we journalists should start editing for the internet because we might have something to contribute. Otherwise someone else would take control. I was one of those excited individuals who answered yes, although at the time we knew nothing about the internet.

NOW, SOME 14 YEARS LATER we know a great deal more about the internet but the answer to the basic question still remains the same. We believe we can produce more interesting content for a variety of distribution channels than anyone else can.

We have also realized how important it is to include readers in this process. Grassroots journalism and free expression have never had as good channels of communication as today. Nor are we newspaper editors in the least worried about the increase in dialogue because it is only now that editorial teams have really come close to their readers. Together we are surely creating the most interesting content possible." ●

Juha Jaakkonen
Managing Editor
Iltalehti

Newspapers help people belong

Fears of the demise of the traditional newspaper in place of the digital media have proved wildly exaggerated. The newspaper is still the most important daily medium after TV. Finland has, per capita, the third largest number of newspapers in the world.

Newspapers in Finland depend more and more on their local presence. This is a factor of key importance to both local and regional players. The only competitors in this market are local radio stations.

"With today's emphasis on bigness in the world, people are increasingly appreciating small size and proximity. They want to know more about what's happening immediately around them," says **Jukka Ignatius**, editor-in-chief of the Suur-Keuruu and KMV papers.

In his opinion the circulations of many local papers are growing both within and beyond their own circulation areas. "When people move away, they still want to keep in touch with their old community. The local paper gives them a feeling of security and contact with their old and new homes."

Iltalehti's executive editor-in-chief **Kari Kivelä** agrees: "In this world of globalization, people forge their identities from the small things in life. Not even the national newspaper can displace the importance of the local paper."

FINNS READ on average three newspapers every day. Often, the same locality has both a strong regional paper and a lively local paper, in many cases perhaps several, not to mention the two national daily tabloids.

Alma Media increases independence

Alma Media's Local Newspapers group contains 21 local and town papers. **Jukka Ignatius** has been an editor-in-chief in a number of local papers for 20 years – and currently for the KMV paper in Mänttä, the Suur-Keuruu paper for the Keuruu area and the Vekkari paper for Ylä-Pirkanmaa. "I have total faith in the local papers."

"Belonging to Alma Media is a strong resource for the local papers," Ignatius thinks. "The media group gives small papers financial and intellectual resources; they can't be pushed around so easily. Free, pluralistic and independent journalism is best guaranteed in local papers that belong to a large group. The group also finances well-justified development projects that the papers on their own could not perhaps afford."

The financial success of the local paper depends more and more on its regular subscribers. In areas of net population loss, subscription growth cannot be taken for granted. "The general trend is positive and subscriptions are rising but we need to be aware of the economic realities and some papers may even need to consider raising their subscription prices substantially."

But there is only so much that the consumer is willing to spend on the local paper. At that point the papers need to take stronger action like reducing publication frequency. "The editors of each paper think from the financial perspective but at times market conditions can change very rapidly."

Belonging to a media group could even keep a local paper afloat, at the same time ensuring a sufficient diversity of local papers. "A paper that does not belong to a media group today is in a much weaker position when the going gets rough. In a large unit, some papers will always be doing well, so others can temporarily afford not to. But the lone local paper probably can't afford to take a dive even once." ●

The Group's broad shoulders.

"Many people imagine that one medium fits all. But local and national newspapers have their own roles, which is an asset to their subscribers," Kivelä comments.

Since local papers come out less frequently than others, news does not need to be right up to the minute. The news threshold of the local paper is not particularly high and readers expect these papers to take a clear-cut line on local affairs. The regional papers, on the other hand, take a broader and perhaps less aggressive angle.

The geographical borders of the regional papers can be vague, a good example of which is Lapin Kansa. This paper, published in Lapland, appears in 17 municipalities and its circulation coverage extends right into Sweden and Norway. "This puts us in quite a challenging position because we must provide something for everyone," says **Matti Ilmivalta**, managing director of Alma Media's Northern Newspapers.

"The regional paper provides both the region's news and the national and global news in a single package. But the justification for its existence is still its own region and the emphasis it gives to this."

Olli-Pekka Behm, editor-in-chief of Satakunnan Kansa in southwest Finland, adds that the regional paper will also take a strongly regional slant on how it treats national issues, having the interests of its own readers in mind. "For example, we are following in as practical a way as possible how the installation of television set-top boxes is proceeding in our neck of the woods."

NEWSPAPERS PLAY an important role in their localities in both providing information and actively maintaining a spirit of community. In Satakunnan Kansa's case, says Behm, the latter in practice means providing a forum for discussion. "Readers are also increasingly using our website to comment on what we write. In this way citizens are becoming more involved and influential in their local affairs."

Debate is especially vigorous in the printed Lapin Kansa newspaper. "At our end the topics are the long-standing difficult questions that trouble the north – from catch-and-release

Regional papers go digital

Far from resting on its laurels, the Satakunnan Kansa paper, established in 1873, has kept up with the times. "It intends to be the number one medium in its area also in the digital future," says **Olli-Pekka Behm**, who was recently appointed news editor-in-chief.

The paper, which serves the whole Satakunta area of southwest Finland, is giving high priority to developing its online services. "Our entire editorial team does a long day's work producing news flashes that are simultaneously published on the internet, which being fast and interactive, is now an essential part of our overall service."

Behm says internet links are now added to articles printed in the paper. These are noticed because they quickly lead to lively further discussion on the internet. "We want to generate genuine dialogue where content created by our readers – video clips, photos, observations – have their own place on the internet."

Alma Media's regional papers are developing their online services and content in collaboration. "The group gives us broader scope. It is also in the process of setting up a joint editorial desk in Helsinki for the regional papers and Kauppalehti which will put together high-quality, tailored news items on political issues of national importance," Behm says.

A good example of collaboration is Satakunnan Kansa's weekly supplement Virta, the material for which is also generated by Aamulehti. "This saves resources. There's no point, for instance, in every paper producing its own radio and TV programme pages because the information is the same for all of us."

"Joint editorial teams and jointly produced content help the regional papers to concentrate more effectively on providing news on their own areas," Olli-Pekka Behm thinks. "Intragroup collaboration, in my view is almost without exception positive. It improves the quality of the papers and their ability to meet local expectations." ●

Women are important for Iltalehti

Sales of the daily tabloids, which are largely non-subscribed, are in decline in Finland. In Iltalehti editor-in-chief **Kari Kivelä's** view, it's not always wise to see what the competitors are doing. The surest way to long-term growth is keeping focused on one's own strengths.

"We are moving ahead based on our own sustainable values. We are trying continuously to distance ourselves from 'liturgical journalism' and to give deeper insight into social issues. We've also made enormous progress in improving the paper's layout and language."

Men read Iltalehti slightly more often than women, whereas women are bigger consumers in the fields of literature and culture. Now newspapers see them as a significant target group. "Big news interests people regardless of gender. The challenge is to be trustworthy and uncompromising, to tell the story well and handle the emotional aspects right. If these elements are missing from the paper, its female readers could go elsewhere."

Iltalehti has developed the daily paper and its renewed website to ensure that women regard the forum more and more as their own. The weekly supplement Ilona is an entirely new concept launched in March 2006 for the needs of Iltalehti's growing number of women readers. Women have been fulsome in their praise, among other things singling out the supplement's grassroots style of writing.

"As a medium for women, Ilona is an outstanding success. It's a different but inexpensive magazine that approaches issues from the same bold angle as the tabloids." ●

fishing to reindeer herding and forest management," Ilmivalta says.

Alma Media's local papers have not yet opened up their websites for dialogue but a number of projects are in progress. "The letters page is one of the most avidly read parts of these papers and the section that provokes the most response," Ignatius thinks. "The smaller the community, the more direct the dialogue. Readers even stop the editor in the street to have their say if they feel strongly about something. For me, the letters page also gives ideas for news and articles."

Iltalehti has taken readers' dialogue a stage further. "We are sometimes accused of blowing things out of proportion at the cost of objectivity. But we feel it's better to ask pertinent questions in a loud voice than wait for the authorities to publish their official version," Kivelä thinks.

A THRIVING REGION needs not only active citizens but active and growing local business. Ilmivalta emphasizes that to justify its existence the regional paper also needs to print news about local businesses. "We want to create a positive atmosphere and we have confidence in our local enterprises. But at the same time of course we in no way compromise our independence and objectivity."

Ignatius notes that the local papers were originally established as channels of information using the physical and intellectual resources of local companies. "Though we are independent, we are on the same side as business people and others who are actively developing the region when it comes to promoting local well-being. Well-written contributed articles are also important sources of news as long as their focus is local and objective."

Olli-Pekka Behm adds that Satakunnan Kansa is keen to give space to local business success stories. "These tell readers how well the region is doing. From the outset the paper has been an

Asking questions loud and clear.

important tool for creating a positive atmosphere in its area."

SUBSCRIBING TO A REGIONAL PAPER is no longer an automatic choice for young families. In today's modern digital society, loyalty to the local paper is not necessarily transmitted from one generation to the next. The increase in information has changed reader behaviour. Newspapers are responding to this challenge with more interesting content and a broader range of subjects covered.

Behm says that papers now need to give more emphasis to local phenomena and people, although articles of local relevance will interest all readers. "We can no longer produce articles as we used to, from the top down. Now, we need to be very aware of how readers are actually living and working. We, for example, have a reader panel of 300 people who comment on our content and give us feedback for improving the paper," Behm says.

Local newspapers are perhaps regarded as relics of a time long past, but in fact they are extremely modern. They are strong brands in their local communities. Research shows that readers regard them as their own – close, safe and trustworthy.

Jukka Ignatius is truly proud of the local papers. "They are part of our modern age and cannot afford to be amateurish. Many local papers have taken advertisements off the front page and replaced them with news. Pictures are larger and considerable emphasis is given to visual appearance. They may have the same number of pages as before, but they are still read from cover to cover."

Local papers may also have to compete with each other intensely, especially when several papers are published to serve the same small area. "Then, it's a matter of competing for attention – the top priorities are appearance and provocative journalism," says Ilmivalta.

By contrast, competition between the regional papers is rare. "The territorial boundaries have long been established and each paper is strong in its own area. The toughest competition is for people's time." ●

ALMA MEDIA PAPERS IN 2006

	Editor-in-chief (executive)	Issues per week	Audited circulation 2006
Iltalehti	Petri Hakala	6	133,007
Kauppalehti	Hannu Leinonen	5	81,006 *
Regional papers			
Aamulehti	Matti Apunen	7	138,258
Kainuun Sanomat	Matti Piirainen	7	22,322
Lapin Kansa	Heikki Tuomi-Nikula	7	34,658
Pohjolan Sanomat	Heikki Lääkkölä	7	22,161
Satakunnan Kansa	Jouko Jokinen	7	55,217
Local papers			
Kankaanpään Seutu	Antero Karppinen	2	10,678
KMV-lehti	Jukka Ignatius	2	7,303
Koillis-Häme	Pekka Hyytinen	4	7,663
Koillis-Lappi	Anita Seppänen	2	3,884
Kuhmolainen	Martti Huusko	2	6,385
Kurun Sanomat	Risto Koivuniemi	1	2,570
Merikarvialehti	Antero Karppinen	1	3,526
Nokian Uutiset	Martti Jaatinen	3	9,110
Pyhäjokiseutu	Jari Niemi	3	7,598
Raahen Seutu	Martti Nousiainen	4	8,533
Sotkamo	Kari Kinnunen	2	6,055
Suur-Keuruu	Jukka Ignatius	3	6,595
Sydän-Satakunta	Timo Simula	2	7,967
Uutismarkku	Antero Karppinen	1	3,265
Valkeakosken Sanomat	Pekka Walden	5	8,038
Ylä-Kainuu	Anna-Leena Rauhala	2	8,483

Town papers and free sheets	Editor-in-chief (executive)	Issues per week	Print-run 2006
Hervannan Sanomat	Vesa Kangas	2	22,500
Jokilaakso	Timo Simula	1	13,670
Kokkolan Sanomat	Jorma Uusitalo	1	30,200
Koti-Kajaani	Simo Hyttinen	2	30,200
Kuriiri	Tauno Impiö	1	6,300
Meri-Lapin Helmi	Leo Kärsämä	1	36,700
Porin Sanomat	Markku Kontto	1	48,040
Raahelainen	Terttu Rusila	2	17,100
Tori	Mikko Honkala	1	145,000
Uusi Rovaniemi	Taru Salo	2	31,500
Vekkari, Jämsä region	Pekka Hyytinen	1	17,700
Vekkari, Ylä-Pirkanmaa region	Jukka Ignatius	2 issues/month	13,400
Vieskalainen	Erkki Heikkilä	2	9,500

Contract publishing	Managing director	Publications	Print-run, total 2006
Alma Media Lehdentekijät & Finnish Business Communications	Kimmo Kallonen	75	14,000,000

*Audited circulation 2005

Business press seeks new role

"The need for business information hasn't disappeared. On the contrary, with globalization it's becoming all the more important."

The role of the printed newspaper as a provider of business news is the subject of hot debate in this age of changing media priorities. As **Juha-Petri Loimovuori**, president of the Kauppalehti group, sees it, the main change is in the amount of information now available and the speed at which it is produced.

"Everyone is now offering business information, from the country's regional papers to the electronic media. People are getting their news faster than ever before via the internet. So there's no avoiding the fact that the role of the business newspaper must change."

Kauppalehti has now started to modify its editorial structure in line with its new role. "We are putting emphasis on getting news out fast through Kauppalehti Online, while articles in the printed paper will give more in-depth coverage than before, offering a wider range of opinion and, above all, being interesting. The role of the paper is no longer just to provide news, but rather to flesh out the news flashes already published on the internet."

ADVERTISING IN BUSINESS PAPERS took a distinct turn for the worse as the present decade got under way. Loimovuori explains:

"The advertising market was overheated at the turn of the millennium and has now returned to its normal level. I don't believe we'll be seeing any explosive growth in print advertising any more but there is unused capacity in online advertising. For some reason Finland has not reached the same pace as its neighbours in this segment."

Kauppalehti group has prepared itself for upheaval in its operating environment. Over the years the group has acquired companies offering a diverse range of services to support and supplement its print media. The group is also developing new products with Kauppalehti 121, Kauppalehti ePortti and Alma Media Lehdentekijät.

"We are also looking at international expansion. Many of Lehdentekijät's clients, for example, operate globally. The Baltic countries, Poland and the Nordic countries offer a lot of potential for expansion in the customer magazine business."

Kauppalehti also has its eye on acquisitions. "But first, of course, we need to put Kauppalehti Oy's main business, journalism and media sales, in order. Only then can we set about buying new companies," Loimovuori says. ●

Newspapers reveal the story behind the news.

Agile producer of business information

Kauppalehti took the policy decision years ago to grow as a producer of business information. This concept is broader than simply publishing a newspaper.

The policy evolved as described by **Jorma Raike**, Kauppalehti's director of corporate services: "Once we'd established what sort of business we wanted Kauppalehti to pursue, we contacted TietoEnator, whose Information Services unit comprised direct marketing, now called Kauppalehti 121, and the ePortti online service. Direct services and ePortti make a compact entity that's ideal for Kauppalehti's needs.

"121's customers operate in the consumer market, so that gives us added growth potential," says Raike.

KAUPPALEHTI 121 HELPS enterprises raise the value of their existing and future key customers by enabling companies to identify, understand, reach and activate customers. Over the past year 121 has developed more than 20 new products and services.

"We'd long been talking about becoming a multimedia house able to offer a diverse portfolio of media channels. With 121, we've now put together an impressive-sized service portfolio," Raike says. "A media corporation is the right environment for us," confirms Kauppalehti 121's managing director **Timo Lehtinen**.

He sees that within a few years Kauppalehti could have two strong businesses: media and information services, in both of which direct marketing could play an important role. "I think the balance is right when both businesses are roughly the same size.

"Kauppalehti is a combination of print media, the internet, mobile communications, direct channels and customer magazines. In the future we will be able to develop interesting new solutions for customer relationship management. Alongside business handled through specific channels, we will be considering new packaged solutions that we can build for our customers."

RAIKE SEES 121 developing in a number of different directions. "New, strong business sectors are one clear growth path. A little further along the road is the international marketplace. If we start exporting this concept, or acquire a similar business to add to it, we could create a 121 group to serve other countries close by.

"A third direction is to change the structure of Kauppalehti's business. We are constantly growing from print to online activities, where services must be developed and expanded with an eye on the export market," Raike emphasizes.

"121 serves strong direct marketing enterprises. There are still certain business segments out there that we haven't yet touched," says Timo Lehtinen and continues: "If companies that benefit from targeted marketing were to allocate, say, ten percent of their annual marketing budget to things that we could produce for them, they would gain an entirely different return on their investment."

Lehtinen concedes that broadening the service portfolio is a tough challenge. "We'd need to turn our one-product sales people into producers of solutions and new entities. Our aim is to make our customers' core processes more effective, whether these concern customer service, marketing, sales or decision-making."

TELEVISION IS BECOMING fragmented as digitalization and pay-TV channels increase in use. This could create a natural demand for the sort of services produced by 121. The multimedia environment, with the ability to mix and match channels, offers enormous potential.

"Whereas in the 1980s and 1990s the emphasis was on reaching the right person with the right message at the right time, we now need to do all this with the right channel as well," Timo Lehtinen emphasizes.

"Our range of tools holds great promise as long as we work in co-operation," Jorma Raike says. "I like to use the example of a flock of birds that can change direction in an instant without bumping into each other, closing ranks when there's a hawk in the air, yet still moving forward." ●

ePortti – WHAT'S THAT?

Kauppalehti ePortti gathers information and documents produced by more than 20 public authorities and companies for use by the public and private sectors. For example, a landsite encumbrance certificate printed from the service is official and legally valid as such. The service offers users reliable, up-to-date information on companies, people, real estate, statistics and legislation.

Kauppalehti 121 – WHAT'S THAT?

Kauppalehti 121's offering covers the entire chain of direct marketing: company and consumer addresses, target group services, register services, marketing support services, printing and mailing, feedback services and telemarketing.

Media mix in place – ready for growth.

Responsible citizenship central to operations

Alma Media plays a responsible role in society on behalf of individual freedom and well-being. It is ready to man the barricades to defend freedom of speech and pluralistic discussion.

Alma Media takes responsibility for making society more equitable by treating all members of society equally. The company aims to increase the economic and social well-being of its customers, employees, owners and other important stakeholder groups, while also bearing in mind the well-being of the environment.

PROFITABILITY is essential both for the independence of the company and its newspapers and for its ability to carry out its social responsibilities. Alma Media's continuous goal is to improve its profitability and the soundness of its investments, to ensure that the company's finances remain on a healthy footing.

The chaining of operations within the entire Group is of great importance to its success as chaining enables the Group to derive benefit from the varying expertise of its different units. The principal aim of chaining is to produce higher-quality newspapers and to create new product and service concepts.

Alma Media seeks to generate economic added value for its stakeholders and to act in the interests of its shareholders. The Group is also an important tax-payer and employer – both at the local and national levels in Finland.

ALMA MEDIA PERFORMS its social responsibilities towards its employees, customers and other key stakeholders. Newspapers increase dialogue between citizens. The Group's newspapers and other publications not only comply with the law and other legal provisions; they also apply ethical self-regulation, journalistic guidelines and their own ethical guidelines which

A responsible corporate citizen

Alma Media is committed to acting as a responsible corporate citizen and to improving relations with the communities in which it operates. In 2006 the Group participated in several important social events, some of which it organized itself.

In January Iltalehti launched a campaign called 'I don't bully' aimed at secondary school children to combat bullying in schools. Covering the whole of Finland, the campaign was kicked off by education minister **Antti Kalliomäki**. The aim of the campaign, which has attracted widespread publicity, was to get young people to take responsibility for their actions. The 'I don't bully' theme reached more than 100,000 schoolchildren.

Iltalehti also gave broad coverage on its website to the problem of school bullying from the perspective of experts and readers, and the printed Iltalehti tabloid published stories from bullies and those who have been bullied. Contributions were also made by many public figures including sports people and entertainers. Iltalehti distributed bracelets to schools which became a symbol of resistance to bullying. They were also worn by **Tarja Halonen** and **Sauli Niinistö**, the candidates in Finland's presidential elections.

"We gained good experience from this campaign. We were left with the strong impression that the theme had a positive impact because the issue was brought to people's attention with sufficient gravity. A survey performed later showed that the campaign has reduced the incidence of bullying in schools," says Iltalehti's editor-in-chief and publisher **Kari Kivelä**.

THE K16 PROJECT was used by Aamulehti to recruit some 50 secondary school leavers to work in the newspaper for a month. Last year's project was the second in succession. Its aim was to offer young people their first work opportunity and to find out what going to work is like.

The schoolchildren worked in various departments within Aamulehti and also with some of the newspaper's partners, such as old people's homes and community centres.

Both the partners and the young people themselves thought the K16 project was a positive experience. The partners were pleased because they needed personnel and found the young people to be good workers. And for the young people themselves, the project offered an outstanding chance to see working life at first hand and to earn money of their own.

ALMA MEDIA'S REGIONAL PAPERS organized a joint road safety week in mid-September for the fourth time. The theme was 'Don't Run Me Over', a campaign that Aamulehti has run for almost 20 years in partnership with Liikenneturva (the central organization for traffic safety in Finland). The campaign was aimed mainly at first- and second-year schoolchildren and for adults who use the roads.

During the campaign week, the Group's regional papers published dozens of articles on road safety and also a poster illustrating the road signs. A game was placed on the websites of the papers that readers were able to use to test their road safety skills.

The Alma Media papers were distributed to the schools participating in the theme week and roughly 40,000 extra copies of Aamulehti alone were distributed for teaching purposes on three days throughout the Tampere region. The newspapers also donated safety vests and reflectors to the first-year schoolchildren in their areas. Last year's campaign was also the first time that the vehicle marketplace Autotalli.com was included. Alma Media's local papers were active participants in the campaign as well with 16 local and town papers included around the country. ●

'I don't bully' theme reached more than 100,000 schoolchildren.

supplement the official regulations in greater detail, the overriding objective being to ensure that published articles are trustworthy and to guarantee equal treatment for all the parties involved.

Alma Media is a significant and well-recognized company also at the grassroots level. Its local papers promote the vitality and competitiveness of their small local communities and increase the confidence of the local inhabitants in the future by seeking solutions to problems of local importance. Alma Media's role as an opinion-former in society is particularly noteworthy in Lapland and Kainuu, northern regions which are affected by net population loss. The Group's papers also have an important role to play in creating and maintaining regional identity.

WELL-BEING AT WORK is essential to the company's performance. Key factors in Alma Media's success include the experience and knowhow of its workforce and their ability to understand their customers' needs. In keeping with its core values, the company encourages team play as well as freedom and pluralism of journalism. Equal rights, openness and the opportunity to have an effect are likewise central to the way Alma Media operates.

The Group carries responsibility as an employer. The rapid pace of change in the media sector requires continuous development and a willingness to accept change. The company encourages its employees to develop their own work by mapping their skills and using the results to devise individual development plans. Training is available for those who are interested and Alma Media people are also urged to learn from other units through job rotation.

A PERSONNEL SURVEY is performed in Alma Media at regular intervals to chart the areas that require development. Its aim is to promote both satisfaction and performance.

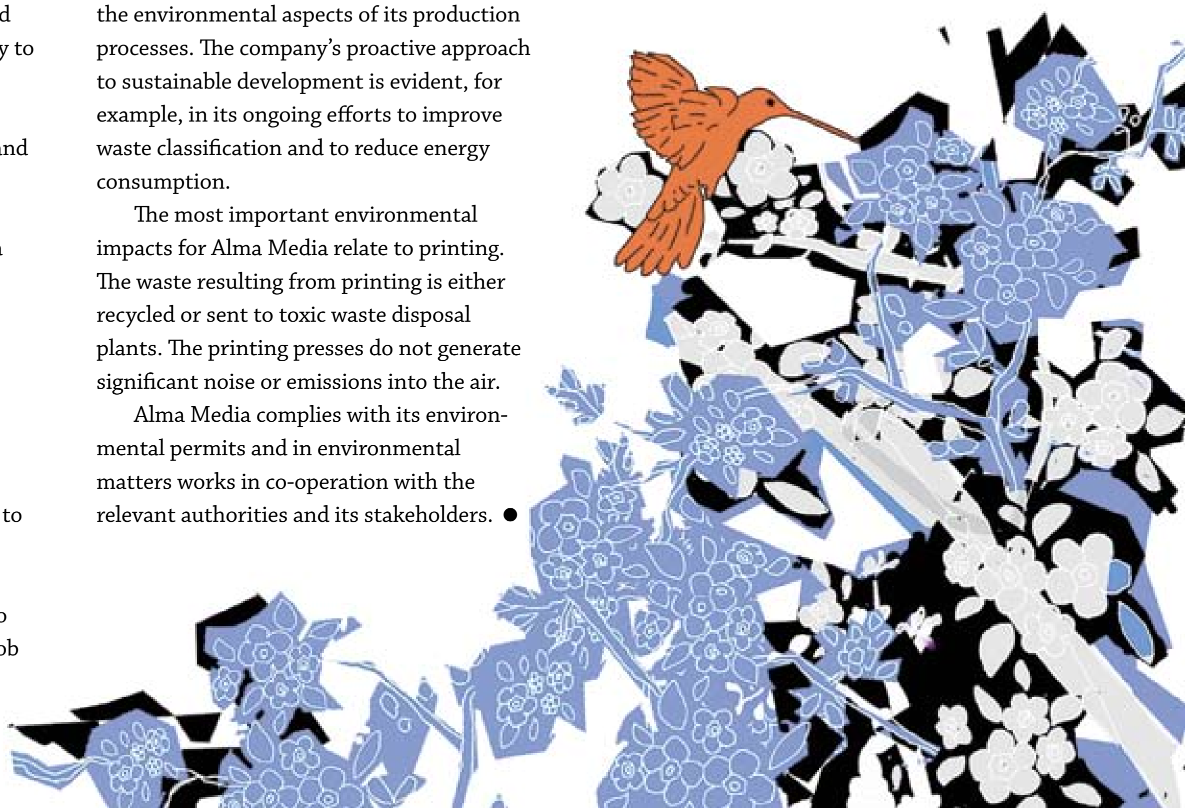
Alma Media carried out an internal corporate image survey in February 2006 that covered the entire Group except Aamulehti. Employees felt that the personnel survey is an important channel for getting their voice heard, as demonstrated by the high response rate of over 81 percent.

The responses showed that almost 90 percent of the respondents found their work meaningful or very meaningful. About 75 percent thought that the employer treated them equally and the same number of employees were of the opinion that the employer takes a flexible approach to people's need to balance work and family.

ALMA MEDIA SEEKS continuously to improve the environmental aspects of its production processes. The company's proactive approach to sustainable development is evident, for example, in its ongoing efforts to improve waste classification and to reduce energy consumption.

The most important environmental impacts for Alma Media relate to printing. The waste resulting from printing is either recycled or sent to toxic waste disposal plants. The printing presses do not generate significant noise or emissions into the air.

Alma Media complies with its environmental permits and in environmental matters works in co-operation with the relevant authorities and its stakeholders. ●



Channel for common objectives

Personnel management in Alma Media seeks to give each employee whatever they need to enhance their own personal skills and develop their work with others.

Mari Vuorre began as Alma Media's personnel manager at the beginning of 2006. By the end of the year the Group had a new chain, Human Resources, and direct contacts had been forged between the personnel management function and the company's supervisors and managers. "Our purpose is to support growth and renewal. That calls for bold targets and careful planning of development at all levels," Vuorre says.

Communicating common messages and the support of the personnel management function need a channel. So Vuorre set about building a chain of people designated to develop and manage human resources throughout the company. The chain members meet face to face twice a year and more often in telephone conferences.

The Human Resources chain collected information on the managers of all the units and opened up channels of communication. Since October 2006 each supervisor has received a newsletter every month by e-mail giving information and allocating tasks of topical relevance. "Our most important targets for the year were launching this chain and achieving systematic, scheduled communication with the company's supervisors and managers. We feel well satisfied."

RESPONSIBILITY FOR DEVELOPING the working community lies not only with managers but with each employee individually. This philosophy is evident in all the Group's personnel management work and repeated in what Vuorre has to say. "When employees are able to guide themselves and their environment, we're doing well. Each of us must take responsibility for helping the team and promoting good communication."

Vuorre adds that the entire company should have a common understanding of what good work performance means. The company's incentive scheme rewards when performance is better than one year earlier. "We often think to ourselves what an employee is doing and how. But we should also be considering what he or she could be doing."

In 2006 Alma Media launched a new personnel management system called HeTi, which had been in the making for years. HeTi gives supervisors and managers concrete tools for handling their responsibilities, and employees the means of keeping their own details correct and up-to-date, for example on personal development.

A training planner, **Anne Kakkonen**, was appointed in October 2006 to steer the Group's common training schemes. Her job is to harmonize training practice throughout the company and to emphasize greater focus.

"At the end of the year we gave priority to trimming the training schedule and in particular to making Team Play a concrete value in the development discussions. These discussions with each employee are a manager's most important personnel management task during the year. In 2007 we will build common practices for these discussions throughout the Group," Vuorre says.

MARI VUORRE JOINED the company from Nokia. She considers that Alma Media has excellent possibilities for true team play even though the business units tend to emphasize their differences. "There is still room for improving commitment to common goals and success even though in 2006 chaining deepened, developed and earned its place as the way Alma Media works."

In 2007 team play will be guided, for example, by the new company-wide online Helmi (Pearl) suggestions scheme, which also suits very well the year's corporate theme of 'renewal and innovation'. Helmi helps employees take increasing responsibility for developing their work and environment across departmental and unit lines.

A common recruitment system will be launched during the year as well, in which jobseekers can apply for a job in an Alma Media unit in a specific locality. "This will enhance our image as an employer. We are portraying an image of a dynamic and forward-looking company to work for, one in which people with a desire for personal growth and development will thrive."

The All-Stars Day, a common event that brings all Alma Media employees together, will be held in the spring of 2007. This is the second such day, the first having being held in autumn 2005. "I really want us to be both an investor and a personnel brand," Mari Vuorre says.

"Our aim is not to be the best in Finland as such in personnel management, but the one that is improving the fastest. Being the best only lasts a moment, but being the fastest to improve is a continuous process. It will take us a long way forward in the future." ●

Incentives to performance

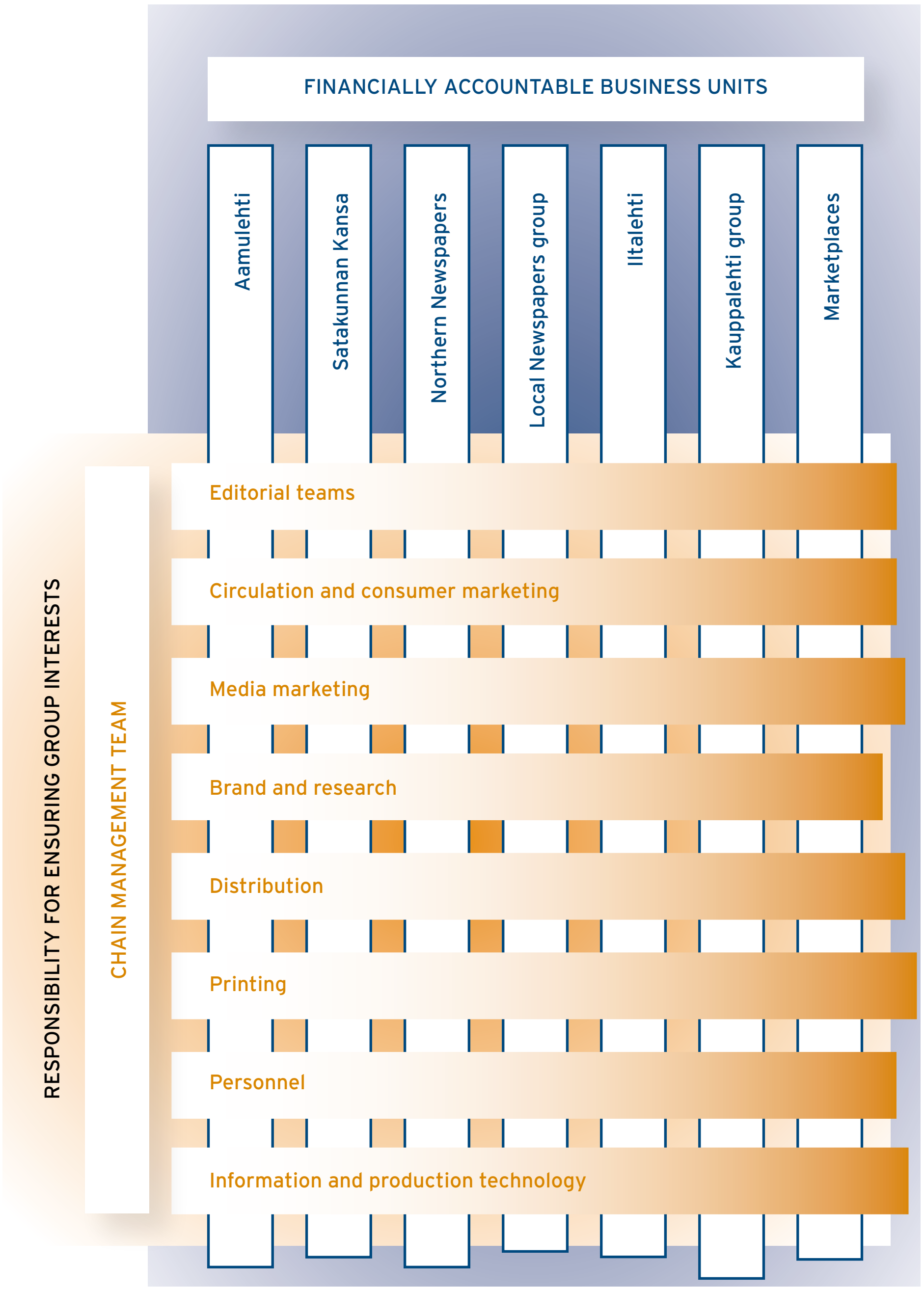
Almost all Alma Media employees are covered by a bonus incentive scheme. This has two parts: one is indexed to the company's financial performance, and the other to departmental or personal targets. The maximum bonus is five percent of the employee's annual salary, and two-fifths of this is the part indexed to the company's performance. Bonuses are awarded only for exceeding normal performance levels.

The members of the Group Executive Team, the heads of the business units and several other key employees are also covered by a separate stock option scheme designed to encourage their long-term commitment to the company. This scheme has three stages (options 2006A, 2006B and 2006C). The Board is authorized to grant altogether 1,920,000 options in three instalments of 640,000 options each, and if fully exercised would result in the subscription of 1,920,000 new shares. Altogether 515,000 new 2006A options have so far been granted.

The share subscription periods and prices are as follows:
- 2006A 1.4.2008–30.4.2010, trade weighted average price 1.4.–31.5.2006
- 2006B 1.4.2009–30.4.2011, trade weighted average price 1.4.–31.5.2007
- 2006C 1.4.2010–30.4.2012, trade weighted average price 1.4.–31.5.2008.

The share subscription price under the options will be reduced by the amount of dividends and capital repayments decided after the beginning of the period for determining the subscription price but before their subscription, as per the record date for each dividend and capital repayment. The current subscription price of the 2006A options following the dividend and capital repayments is 7.13 euros per share.

Strong project leadership and project management.



The chain management team decides on the targets and action plans of the chains, and is responsible for their supervision and development. The team comprises the business unit heads. They are responsible not only for the strength of their brand and its financial performance, but also for understanding and meeting the chain's needs in their own unit.

Seeing the big picture

Alma Media swears by the concept of chaining. Started within the Newspapers segment, chaining is now a way of life throughout the company.

It has taken several small steps to reach the situation today. “We began with operations where co-operation was quite natural. We called for sharing of success stories and for a change in attitudes that would give drive to this concept,” says **Minna Nissinen**, head of corporate development.

“We have two spearhead themes: renewal and cost-efficiency. Our future readers, users and advertisers, will expect us to evolve, but our individual newspapers and services don’t have the resources for this on their own. Working together, though, makes it profitable for all to adopt new information technology tools, for example. So we are looking at the big picture. We’ve also given ourselves two new targets: added value and appeal.”

Nissinen emphasizes the need to work together daily. “Co-operation can help us improve everything we do. Good examples are joint circulation development and journalism. Our editorial teams no longer object to our different newspapers and online services using the same content and pages. And best of all, uniform processes and tools make co-operation easy.”

ALMA MEDIA’S CHAINS are managed through a matrix organization. A new chaining management team was set up during 2006 to make decision-making easier. “The team consists of the managing directors, editors-in-chief and publishers representing all the company’s units. The team decides what the chains will co-operate on. The leaders of the various chains, with their own organizations, are responsible for planning, supervision and implementation,” Nissinen continues.

“The core of the concept is the grassroots level. Whatever the management model, everything must support the strengths of our papers and services. We must ensure that we make sufficiently clear decisions on what we work on together.”

Attitudes need to change as well. “Obviously, as we take things further, the units have to give up their old ways of doing things. But in this context it’s important for everyone to see the whole picture.”

Nissinen believes in this management and operating model. “When the heads of the units decide on things together they are making decisions that affect all the units. The plans we have already put into action show that we are talking about the right things. This also ensures that where knots exist in the matrix organization, people are pulled in the same direction.”

RENEWAL IS CHALLENGING. “It requires greater efficiency in all we do. We cannot raise quality unless we all clear something off our desks. And we can only do this if we work in a more streamlined way.

“We need strong project leadership and project management because our different processes must find each other. We no longer talk about things from the viewpoint of single chains. We’re more likely to be considering newspaper editing, circulation, media sales as well as information and production technology, for example, all at the same time. The last mentioned is most often part of all projects today.

“In 2006 we concentrated on what we wanted to use chains for and how far we were prepared to push co-operation. At the same time we created a strong management model for this work. In 2007 we are focusing on creating a platform for renewal,” Minna Nissinen says. ●

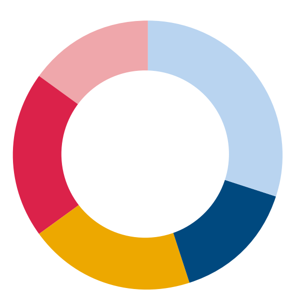
Human dialogue

The company is already enjoying the fruit of the new management model. “The units are making much more use of the chains than earlier. People are also asking for help and advice at the personal level, and the decisions taken by the chains are respected,” says **Helvi Liukkaala**, head of the Distribution chain.

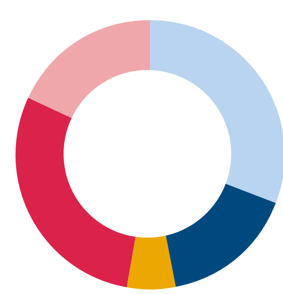
“One of the many benefits of chaining is evident in our co-operation with Finland Post. We jointly consider distribution development needs and carry out improvement projects. Also important is the priority we give to our staff: we aim to ensure they want to work for us.”

“The chain management team has made work interactive. Distribution is often seen as a rather mechanical job but in reality we are supervising people whom we want to work as well as possible. Motivated employees produce results.” ●

Costs by function



Personnel by function



Corporate Governance

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,
- 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 6 or 7 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 1 or 2 Strategy Meetings at which it considers the Group's future scenarios and confirms the company's strategy. In 2006 the Board met 15 times. The average attendance of the Board members at these meetings was 97.7%.

Alma Media Corporation's Board of Directors is elected by a General Meeting. The Board comprises from 3 to 9 members. The Annual General Meeting on 8 March 2006 confirmed the number of Board members to be 6. 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**, **Kai Seikku** 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, Kai Seikku 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 of Directors. The Compensation Committee convened 3 times in 2006.

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 2 Board members separately elected for this task and who are independent of the company. The Audit Committee meets at least 4 times a year. During 2006 the members were Harri Suutari, Matti Häkkinen and Kai Seikku. 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 Audit Committee convened 4 times in 2006.

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 Election Committee convened once during 2006.

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

As decided by the Annual General Meeting, part of the annual fees paid to the Board members are paid in the form of Alma Media shares. The chairman of the Board is paid 1,000 euros per meeting for attending Board meetings, the deputy chairman 700 euros per meeting, and the other members 500 euros per meeting.

Fees paid to the Board of Directors in 2006 (€)

	Annual fee	Meeting fee	Total
Stadigh, Kari (chairman)	30,000	17,000	47,000
Kavetvuo, Matti (deputy chairman)	24,000	12,600	36,600
Helve, Lauri	20,000	7,500	27,500
Häkkinen, Matti	20,000	9,000	29,000
Seikku, Kai	20,000	5,500	25,500
Suutari, Harri	20,000	10,500	30,500

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** (executive editor-in-chief, Aamulehti), **Kari Kivelä** (publisher of Iltalehti), **Juha-Petri Loimovuori** (president, Kauppalehti group), **Raimo Mäkilä** (president, Marketplaces), **Teemu Kangas-Kärki** (CFO), and **Minna Nissinen** (SVP Corporate Development). The secretary of the Group Executive Team is **Terhi Lambert-Karjalainen** (Communications Manager).

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 11 times in 2006.

Compensation of the President and CEO and the Group Executive Team

Alma Media's President and CEO was paid 276,724 euros in salaries and benefits in kind and 169,290 euros in bonuses. Bonuses included 86,250 euros paid in shares as part of the company's share bonus scheme that ended in 2006.

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 1,721,629 euros in salaries, bonuses and fringe benefits during 2006. The figure for bonuses included 345,000 euros paid in shares as part of the company's share bonus scheme that ended in 2006.

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 take 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 4 times a year.

Alma Media's constitutive general meeting elected the firm of authorized public accountants KPMG Oy Ab as the company's auditors for 2006. The fees for auditing the financial statements of Alma Media totalled 113,000 euros. The auditing company charged 47,400 euros 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

Alma Media Corporation applies the insider rules issued by the Helsinki Stock Exchange. The company's public (statutory) insiders are the members of the Board of Directors, the President and CEO and the auditor nominated as the principal auditor by the company's external auditors. The company has also decided that the members of the Group Executive Team are subject to the same disclosure obligations as its public insiders. The company's internal, non-public and company-specific insiders include the heads of its largest business units and certain other individuals who by virtue of their position or responsibilities regularly receive insider information. The company also maintains a non-public list of temporary insiders for major projects.

Information on the company's public insiders, together with up-to-date information on their holdings and transactions, are available on Alma Media's website, www.almamedia.fi/insiders_holdings. The information contained in Alma Media's insider register is also available for inspection at the service desk of the Finnish Central Securities Depository Ltd, Urho Kekkosen katu 5 C, 8th floor, FI-00100 Helsinki.

By providing instruction and information, Alma Media ensures that its public and non-public insiders are fully aware of their position and its importance. Alma Media insiders are not permitted to trade in the company's securities for 21 days prior to publication of the interim report or annual financial statements bulletin.

The company's legal counsel is responsible for insider affairs in Alma Media Corporation. ●

Holdings of public insiders on 31 Dec 2006

	Shares	Options A
Board of Directors		
Stadigh, Kari (chairman)	10,260	
Kavetvuo, Matti (deputy chairman)	8,480	
Helve, Lauri	60,240	
Häkkinen, Matti	278,002	
– related party holdings	982,418	
Seikku, Kai		
Suutari, Harri	81,188	
Board of Directors, total	1,420,588	
Group Executive Team		
Telanne, Kai (President and CEO)	20,339	80,000
Apunen, Matti	4,339	25,000
Kangas-Kärki, Teemu	20,000	40,000
Kivelä, Kari		40,000
Loimovuori, Juha-Petri	150	10,000
Mäkilä, Raimo	25,000	40,000
Nissinen, Minna	4,339	25,000
Group Executive Team, total	74,167	260,000
Auditor		
Palvi, Mauri		
Public insiders, total	1,494,755	260,000

Alma Media Group 1 Jan 2007

ALMA MEDIA CORPORATION

PRESIDENT AND CEO
Kai Telanne

FINANCE AND ADMINISTRATION
Teemu Kangas-Kärki

COMMUNICATIONS AND INVESTOR RELATIONS
Terhi Lambert-Karjalainen

CORPORATE DEVELOPMENT
Minna Nissinen

HUMAN RESOURCES
Mari Vuorre

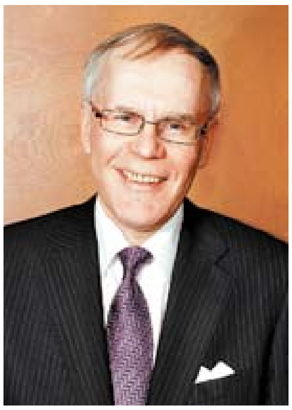
- **ALMA MEDIA SERVICES LTD** – Tapio Korpela
- **AAMULEHTI** – Juha Ruotsalainen
- **SATAKUNNAN KANSA** – Jouko Jokinen
- **NORTHERN NEWSPAPERS** – Matti Ilmivalta
  - LAPIN KANSA – Matti Ilmivalta
  - NORTHERN NEWSPAPERS – Heikki Lääkkölä
  - KAINUUN SANOMAT – Matti Piirainen
- **LOCAL NEWSPAPERS GROUP** – Jorma Valkama
- **ILTALEHTI** – Kari Kivelä
- **KAUPPALEHTI GROUP** – Juha-Petri Loimovuori
  - KAUPPALEHTI GROUP – Juha-Petri Loimovuori
  - LEHDENTEKIJÄT – Kimmo Kallonen
  - KAUPPALEHTI 121 – Timo Lehtinen
  - BALTIC NEWS SERVICE – Anvar Samost
- **MARKETPLACES** – Raimo Mäkilä

The editors-in-chief of the newspapers are listed on page 24.

KARI STADIGH
(born 1955)
Chairman since 2005
Deputy CEO of Sampo Plc
Board memberships:
Kaleva Mutual Insurance Company (Ch),
Aspo Plc (Ch),
Previous positions:
Sampo Life Insurance, MD 1999–2000,
Nova Life Insurance Company, MD 1996–1998

MATTI KAVETVUO
(born 1944)
Deputy chairman since 2005
Board memberships:
KCO Konecranes Plc,
Marimekko Plc,
Metso Plc (Ch),
Orion Plc (Ch),
Previous positions:
Pohjola-Yhtymä Vakuutus Oyj, MD 2000–2001,
Valio Ltd, MD 1992–1999

LAURI HELVE
(born 1943)
Member since 2005
Board memberships:
Medialehdet Oy Vantaa
Previous positions:
Kauppalehti: Executive Editor-in-Chief
and Publisher 1989–2003,
Ilta-Sanomat: Editor-in-Chief 1985–1989



MATTI HÄKKINEN
(born 1946)
Member since 2005
LLB
Board memberships:
Eva Lovisa and C.G. Dunderberg
Foundation (Ch),
Tampere Tuberculosis Foundation (Ch),
C.V. Åkerlund Fund
Previous positions:
Tampere City Court Judge 1979–1993,
Various legal and administrative positions
for the government, private sector and city
of Tampere 1970–1979

KAI SEIKKU
(born 1965)
Member since 2006
HK Ruokatalo Oy, MD
Board memberships:
Trainers' House Oy,
Scan AB,
Finnish Federation of Food and
Drink Industries
Previous positions:
McCann-Erickson,
Country Director 2002–2005,
Hasan & Partners, MD 1999–2005

HARRI SUUTARI
(born 1959)
Member since 2005
PKC Group, Chairman of the Board
Board memberships:
Tiivituote Oy
Previous positions:
PKC Group, MD 2002–2005,
Ponsse Plc, MD 1994–2000

Under Alma Media's articles of association all the Board members are elected for one year at a time.
The holdings of the Board members are shown on page 39.

Nurturing the media landscape.

MATTI APUNEN
(born 1960)
MSc (Pol. Sc.), Executive Editor-in-Chief – Aamulehti
Previous positions:
Aamulehti, Editor-in-Chief 1998–2000
Image, Editor-in-Chief 1997–1998

MINNA NISSINEN
(born 1968)
MSc (Econ.), SVP – Corporate Development
Previous positions:
Alpress Oy, Business Controller 2002–2005
Huurre Group, Business Controller 2001–2002

KAI TELANNE
(born 1964)
MSc (Econ.), President and CEO
Previous positions:
Kustannus Oy Aamulehti, MD 2001–2005
Kustannus Oy Otsikko, MD 2000–2005

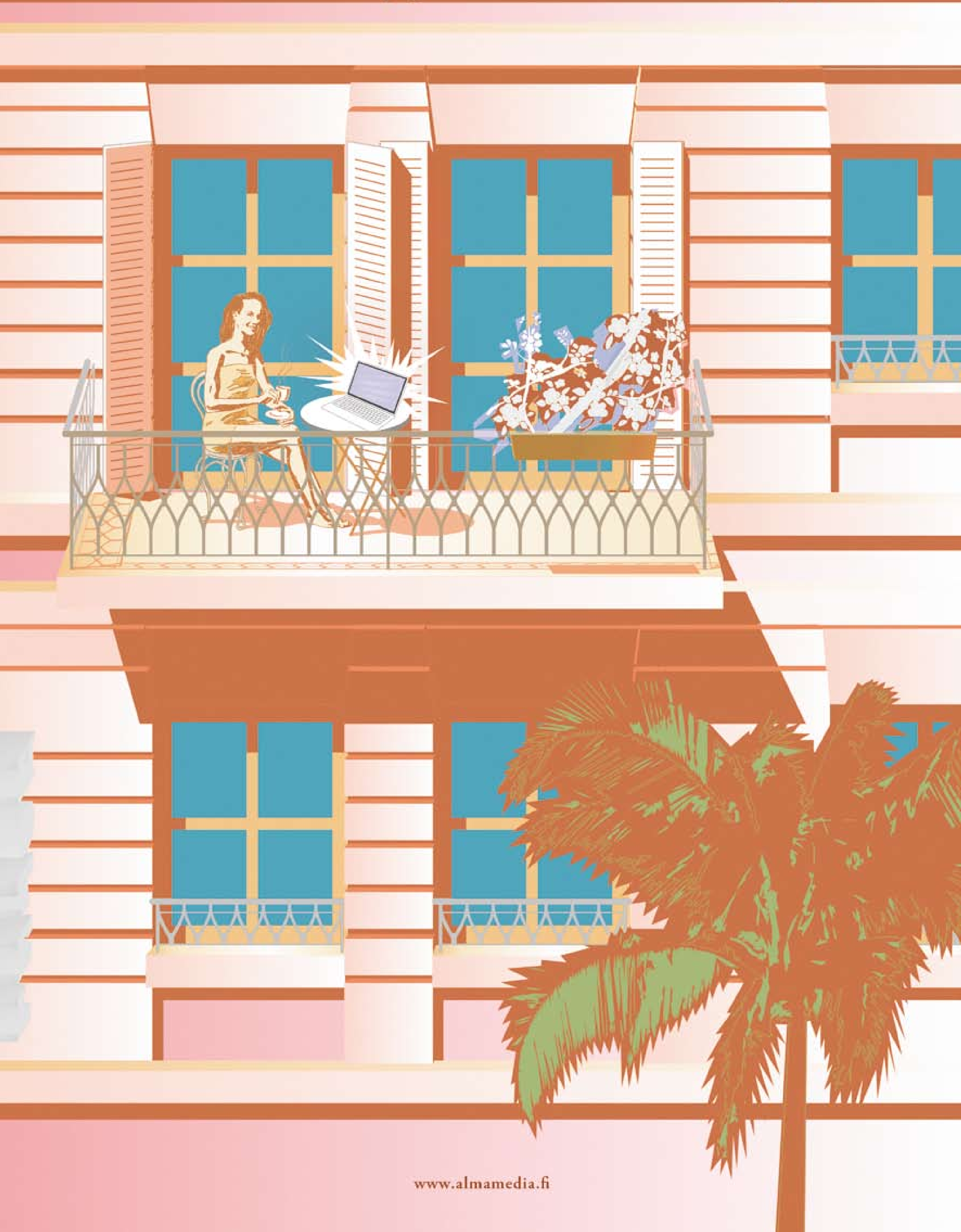
TEEMU KANGAS-KÄRKI
(born 1966)
MSc (Econ.), CFO
Previous positions:
Kesko Corporation,
CFO 2002–2003
Kesko Corporation,
Corporate Business Controller 2000–2001

JUHA-PETRI LOIMOVUORI
(born 1964)
MSc (Econ.), President – Kauppalehti group
Previous positions:
Kustannus Oy Aamulehti,
Director – Media Marketing 2002–2006
Kustannus Oy Kauppalehti,
Sales Team Manager 1999–2002

RAIMO MÄKILÄ
(born 1958)
MSc (Eng.), President – Marketplaces
Previous positions:
Alma Media Net Ventures Oy,
MD 1999–2000
Alexpress Oy, MD 1998

KARI KIVELÄ
(born 1959)
MSc (Pol.Sc.), MBA, Publisher – Iltalehti
Previous positions:
Startel Oy, MD 2002–2004
Saunalahti Group Oyj, Deputy MD 2000–2002

Visit Alma Media's investor pages for a front-seat view of the company.



ALMA | MEDIA

FINANCIAL STATEMENTS 2006

Report by the Board of Directors 2006

Alma Media Group's full-year net sales totalled M€ 301.9 (M€ 285.9), representing growth of 5.6%. The operating profit rose to M€ 49.1 (M€ 42.3), up 16%. The Newspapers and Marketplaces businesses were very successful. Media sales for the Kauppalehti group's Kauppalehti business daily were weak. Market conditions are expected to remain similar to 2006. In 2007 net sales are expected to continue growing and operating profit excluding one-time items to reach at least the same level as in 2007.

The Group's operating profit includes two one-time items entered in the fourth quarter: a capital gain, totalling M€ 4.2, on the sale of properties in Kemi and Tampere, and cost provisions totalling M€ 1.5 to cover the restructuring of the Kainuun Sanomat printing works and structural reorganization within Kauppalehti. One-time income in 2005 totalled M€ 3.2 and one-time costs M€ 2.9.

- The Group's full-year profit before taxes amounted to M€ 49.9 (M€ 49.5). The same figure in the comparison year, 2005, includes two one-time items reported below the operating profit: a capital gain of M€ 3.3 recognized by Alma Media on the associated company Talentum Oyj's sale of Satama Interactive Oyj, which increased Alma Media's share of this associated company's result, and a net total of M€ 4.3 in financial income related to the Group's restructuring in 2005.
- Newspaper media sales picked up towards the end of the year. Aamulehti registered record media sales in euro terms in December. Iltalehti reached a circulation market share of 43.1% between October and December. The full-year operating profit of the Newspapers unit was M€ 38.4 (M€ 38.9). The operating profit was depressed by the city paper Tori. A one-time provision of M€ 0.4 was entered in the Newspapers segment's accounts on the restructuring of the Kainuun Sanomat printing works.
- The full-year operating profit of the Kauppalehti group decreased to M€ 4.8 (M€ 7.1) owing to weak media sales in the Kauppalehti newspaper. Personnel negotiations have been started in Kauppalehti Oy concerning the restructuring of operations and restoring the cost structure to a level corresponding to income. The Kauppalehti group recorded a one-time cost provision of M€ 1.1 on the Kauppalehti restructuring. The previous year's operating profit included a M€ 0.8 capital gain resulting from the dilution of the company's shareholding in Talentum Oyj following an acquisition by Talentum paid for partly in shares.
- The full-year operating profit recorded by Marketplaces more than doubled to M€ 2.8 (M€ 1.1). Net sales from continuing operations in Finland rose 23% and from operations outside Finland 121%.

Changes in Group structure compared to 2005

On 1 July 2006 Kauppalehti raised its holding in TietoEnator 121 Oy from 49% to 100%. The company was renamed Kauppalehti 121 Oy and has annual net sales of around M€ 9.

Alma Media Lehdentekijät, part of the Kauppalehti group, acquired Finnish Business Communications Ltd on 1 July 2006. The company has annual net sales of about M€ 2.5.

Bovision AB and Objektvision AB were acquired for the Marketplaces segment on 1 July 2006. The aggregate net sales of the two companies is approximately M€ 1.7.

Consolidated net sales and result 2006

The Group's net sales for the full year 2006 amounted to M€ 301.9 (M€ 285.9) and the operating profit was M€ 49.1 (M€ 42.3).

The Group's circulation sales rose 4.2% to M€ 125.5 (M€ 120.4) and media sales grew 5.4% to M€ 146.3 (M€ 138.8). The volume of printing contracts declined once again. Other sales increased 22.5% to M€ 27.6 (M€ 22.6).

The full-year operating profit was increased by the capital gain of M€ 4.2 on the sale of the Kemi and Tampere properties. The operating profit was reduced by restructuring costs, M€ 1.5 in all, arising from restructuring of the Kainuun Sanomat printing works and within Kauppalehti Oy.

In 2005 the operating profit was increased by one-time income comprising a M€ 0.8 capital gain on the dilution of the Talentum Oyj holding, a capital gain of M€ 1.2 on the sale of the NWS unit, and compensation totalling M€ 1.2 awarded to Alma Media and paid by Edita Oyj in arbitration proceedings related to Acta Print Oy.

Restructuring costs in the Group reduced the comparison year's operating profit by M€ 2.9.

In 2005, Alma Media's result from associated companies was boosted by a capital gain of M€ 3.3 recorded by Talentum Oyj on the sale of Satama Interactive Oyj, and its financial income was increased by M€ 5.9 in receivables from the Broadcasting divestment.

A signing fee of M€ 1.6 increased financial expenses in 2005.

Prospects in 2007

Market conditions are expected to remain similar to 2006. Hence net sales are expected to show further growth and the operating profit excluding one-time items to reach at least the same level as in 2006.

Market conditions

Overall, conditions in the Finnish economy continued to be good. The consumer confidence index was clearly higher in December than on average. Media advertising rose 3.7% according to TNS Gallup. Compared to the previous year, newspaper advertising grew 2.5%, whereas advertising in business papers declined by 2%. Online media advertising rose 25.7%.

Of the major advertising businesses, advertising expenditure was increased by the classified advertising sectors recruiting (+ 17.6%), vehicles (+ 8.4%) and homes (+ 9.3%). Within the homes and living segment, furniture advertising was given priority, showing growth of 41.3%. The major businesses that reduced advertising expenditure were travel (– 1.8%) and teleservices. Advertising of teleservices fell 23.3% for the whole year but increased by 6.8% in newspapers between October and December.

Within the circulation areas of Alma Media's newspapers, media sales were boosted by the opening of new shopping complexes:

Ideapark in Pirkanmaa, and a shopping mall in Haaparanta where the major advertiser is Ikea.

The daily tabloid circulation market declined in 2006 by almost 3%, principally in the Helsinki metropolitan area.

NEWSPAPERS

The publishing activities of 35 newspapers are reported in the Newspapers segment. The largest are the regional paper Aamulehti and the daily tabloid Iltalehti.

The segment's net sales were M€ 217.9 (M€ 211.6) and the operating profit was M€ 38.4 (M€ 38.9).

Media sales in the Newspapers segment were more buoyant than in the Finnish newspaper sector on average, up 4.1% compared to the industry average of 2.5%. Aamulehti reached an all-time high in media sales in December, this growth being largely attributable to the opening of the Ideapark shopping centre on 1 December 2006 and to its spin-off effects. Iltalehti's media sales were boosted by the success of the online website Iltalehti.fi. The Northern Papers increased their media sales at the end of the year, helped in part by the opening of a new shopping mall and Ikea in the town of Haaparanta.

The segment's operating profit was depressed by the town paper Tori, Aamulehti's Sunday supplements, and the costs of Aamulehti's 125th anniversary celebrations. Aamulehti discontinued its book publishing unit during the autumn.

Personnel negotiations concerning the entire workforce of the Kainuun Sanomat printing works (about 40 employees) were started on 7 December 2006. A M€ 0.4 one-time cost provision was entered in December.

Iltalehti increased the price of its weekday issue on 6 November 2006 from € 1.0 to € 1.20. Iltalehti's market share in December was record-high. The paper's good circulation development was supported by the Iltalehti Ilona supplement launched in March. The market share for the full year was 41.4%, (40.0%).

Kokkolan Sanomat was added to the Local Newspapers chain on 1 September 2006.

Jouko Jokinen began as publisher of Satakunnan Kansa on 1 June 2006.

KAUPPALEHTI GROUP

The Kauppalehti group specializes in producing business and financial information. Its best known title is Finland's leading business daily Kauppalehti. The group also includes Alma Media Lehdentekijät (contract publishing) and the direct marketing company Kauppalehti 121.

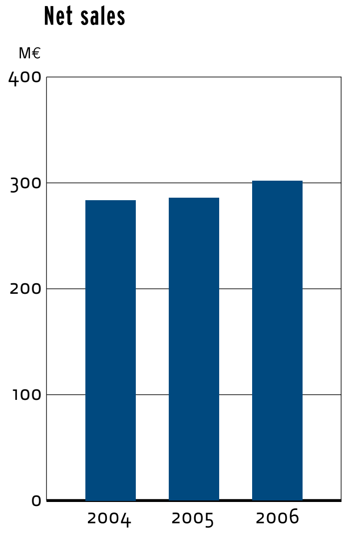
Net sales of the Kauppalehti group totalled M€ 62.6 (M€ 53.8) and its operating profit was M€ 4.8 (M€ 7.1).

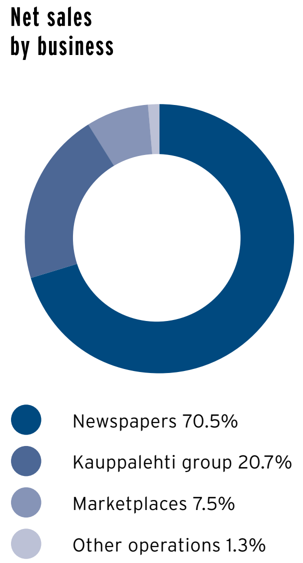
Kauppalehti group's net sales were increased compared to the previous year by the new units Kauppalehti 121 and Finnish Business Communications Ltd from 1 July 2006, and also by increased sales in the ePortti, Lehdentekijät and BNS units.

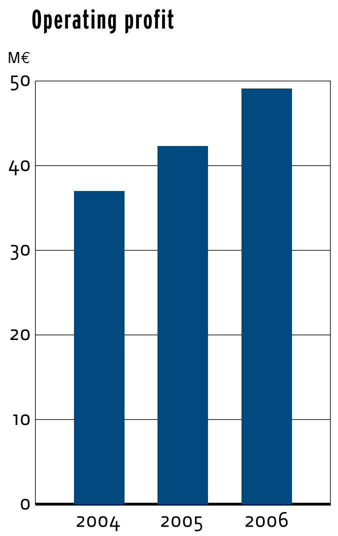
The decrease in Kauppalehti group's operating profit was attributable to weak media sales in the Kauppalehti paper, down 7.3% on the previous year. The Presso paper's media sales improved towards the end of the year. Kauppalehti's circulation volume and income developed positively.

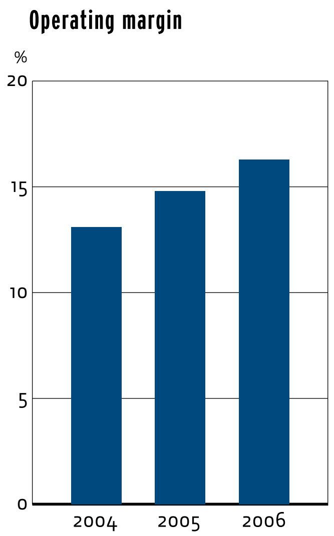
Kauppalehti Oy announced the start of personnel negotiations concerning all its employees on 27 December 2006. These are expected to lead to a reduction of 35–40 employees. Restructuring costs of M€ 1.1 were recorded in the fourthquarter accounts.

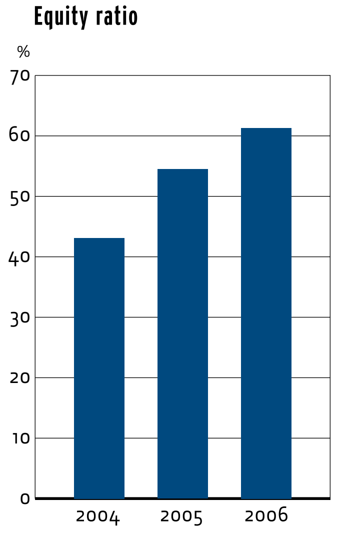
The previous year's operating profit included a M€ 0.8 capital gain related to the dilution of the Talentum Oyj holding.

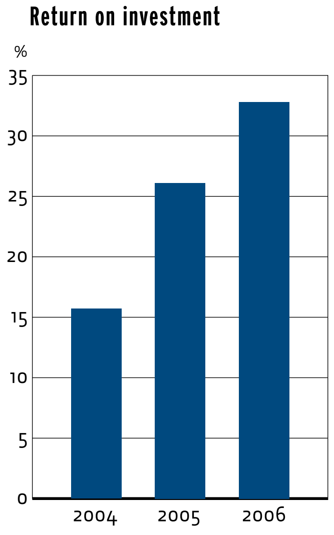












Juha-Petri Loimovuori has headed Kauppalehti group since 1 November 2006.

MARKETPLACES

The Marketplaces unit reports Alma Media's classified services, which are produced on the internet and supported by printed products.

Net sales from Marketplaces amounted to M€ 23.1 (M€ 22.7) and the operating profit was M€ 2.8 (M€ 1.1).

Net sales from continuing operations in Finland rose 23% and from foreign operations 121%. In the latter case, sales were boosted by the inclusion of the Bovision companies from 1 July 2006, as well as growth in the City24 units in Estonia and Lithuania. In Finland, the highest growth was shown by Monster.fi, which raised its market share, and by the online service Etuovi.com.

In monetary terms the operating profit was boosted most of all by the Etuovi.com printed papers, and the Mascus and Monster services.

ASSOCIATED COMPANIES

The Group's holding in Talentum Oyj, reported under the Kauppalehti group, is 29.9% and in Acta Print Oy, reported under Other operations, 36.0%.

Balance sheet and financial position

Almanova's purchase of Alma Media shares was treated as a reverse acquisition by the Financial Supervision Authority in its decision released on 26 January 2006. This means that the carrying values in the consolidated financial statements are the same as those for the old Alma Media and carried through to the new company after the merger. Hence the balance sheet total for the new Alma Media on 7 November 2005 is M€ 247.

The balance sheet on 31 December 2006 totalled M€ 199.7 (31 December 2005: M€ 243.6). The total was reduced by the maturity and repayment on 4 October 2006 of the company's M€ 30 medium-term notes, a dividend payment of € 0.12 per share on 20 March 2006, and a capital repayment to shareholders on 23 August 2006 amounting to € 0.53 per share. The company's equity ratio rose to 61.3% (31 December 2005: 54.5%).

Operating capital increased during the fourth quarter by M€ 5.1 owing to later than usual invoicing of December media sales which fell due in January this year.

The Group's interest-bearing is denominated in euros and therefore does not require hedging against exchange rate differences.

Capital expenditure

Gross capital expenditure for the full year totalled M€ 19.6 (M€ 19.7). Acquisitions accounted for over half of this total, the largest being a 51% holding in TietoEnator 121 Oy for an acquisition price of M€ 3.4 (49% of the company acquired in 2005), and the acquisition of the Bovision companies in Sweden.

Research and development costs

Research and development costs in 2006 amounted to M€ 1.7 (M€ 3.1). Of this total, M€ 1.2 was capitalized and M€ 0.5 expensed.

Risks and risk management

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

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

Administration

Alma Media's annual general meeting, held on 8 March 2006 elected the following to the Board of Directors: **Lauri Helve**, **Matti Häkkinen**, **Matti Kavetvuo**, **Kai Seikku**, **Kari Stadigh** and **Harri Suutari**. The Board elected **Kari Stadigh** as its chairman and **Matti Kavetvuo** as its deputy chairman.

The meeting appointed KPMG Oy Ab as the company's auditors.

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:

- 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.

Information on the company's corporate governance are given in full and regularly updated on the company's website http://www.almamedia.fi/corporategovernancesta.

The company also applies the Helsinki Exchange's insider guidelines which came into force on 1 January 2006.

Personnel

The average number of employees, excluding newspaper distribution staff and calculated as full-time employees, increased to 1,901 (1,808). The average number of distribution staff totalled 857 (900). Salaries and bonuses paid amounted to altogether M€ 86.2 (M€ 85.7).

The Alma Media share

Trading in Alma Media's shares has been lively. Altogether 47.6 million shares were traded on the Helsinki Stock Exchange during the year, representing 63.8% of the total number of shares. The lowest quotation in the year was € 6.90, the highest was € 9.95 and the closing price was € 9.25. The highest quotation was reached on 21 December 2006 after the company announced that it was engaged in merger talks with Keskisuomalainen Oyj. The company subsequently issued a release on 22 December 2006 that these talks had been terminated after no conclusion was reached.

The Helsinki Exchanges ended trading in trading lots in October 2006. The Alma Media share is now traded on the Nordic Mid Cap List of the OMX Helsinki stock exchange, introduced in October 2006.

The company's market capitalization on 29 December 2006 was M€ 690.2 (M€ 573.0).

The company had 4,404 registered shareholders on the balance sheet date. There were 11,154,585 nominee-registered shares, or 15.0% of the total number of shares.

The company does not own its own shares and it has no authorization to purchase its own shares in public trading.

Option rights

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

So far 515,000 of the 2006A options have been issued to Group management. A further 65,000 options have been issued to the Group's subsidiaries for granting to new personnel by the Board of Directors. If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 2.5%.
The share subscription periods and prices under the scheme are:

- 2006A: 1 April 2008–30 April 2010, average trade-weighted price 1 April–31 May 2006
- 2006B: 1 April 2009–30 April 2011, average trade-weighted price 1 April–31 May 2007
- 2006C: 1 April 2010–30 April 2012, average trade-weighted price 1 April–31 May 2008

The subscription price of shares that may be subscribed under these stock option rights will be reduced by the amount of dividends and capital repayments decided after the start of the period determining the subscription price and before the subscription of shares, on the settlement date for each dividend payment or capital repayment. The current subscription price of the 2006A option after the capital repayment in 2006 is € 7.13 per share.

The Board of Directors is authorized until 8 March 2007 to decide on raising one or more convertible bond loans, and/or on raising the share capital with one or more rights issues provided that, when converting the convertible bonds, and/or when issuing new shares, at most 14,922,000 shares may be issued and the share capital may be raised by at most € 8,953,200.

This authorization includes the right to disapply the pre-emptive right of the shareholders provided that the company has weighty financial grounds for so doing, such as the need to finance or execute acquisitions or other corporate arrangements or to motivate the personnel.

Market liquidity

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.

Environmental impacts

Alma Media's operations have a small direct impact on the environment. However, the company is committed to continuously making its production and transport processes more environmentally sound and energy-efficient. Paper waste in the printing plants is minimized.

The company's main environmental impacts relate to its newspaper printing operations. These generate waste, which is recycled or taken to hazardous waste treatment plants. The company's operations comply with the permits granted by the relevant environmental centres.

Dividend proposal

Alma Media Corporation's Board of Directors will propose to the annual general meeting on 8 March 2007 that a dividend of € 0.65 per share be distributed on the financial year 2006. The payment date is 20 March 2007.

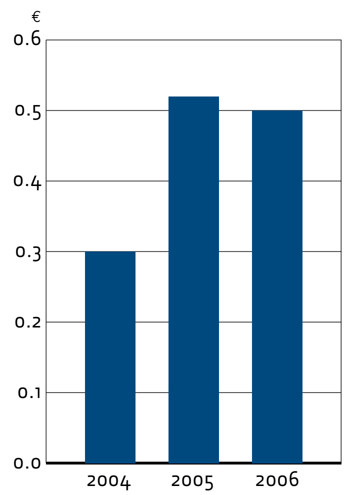
Subsequent events

The company sold the property in Rovaniemi used by the Lapin Kansa newspaper on 1 February 2007, recording a capital gain of M€ 1.9 on the sale.

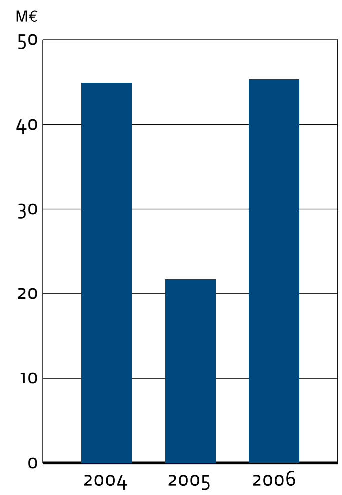
Use of estimates

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. ●

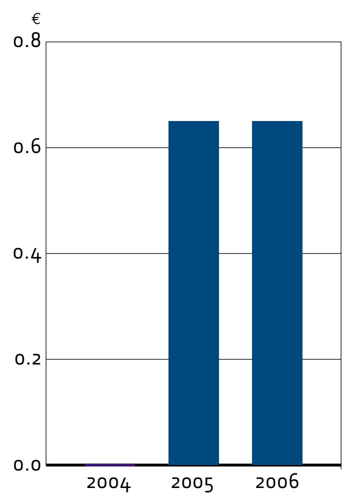
Earnings per share



Cash flow after investing activities



Dividend per share



CONSOLIDATED INCOME STATEMENT (IFRS)

M€	NOTE	1.1.-31.12.2006	1.1.-31.12.2005
CONTINUING OPERATIONS			
Net sales	1,3	**301.9**	285.9
Other operating income	4	**5.5**	5.2
Materials and services	5	**–92.0**	–88.2
Expenses arising from employee benefits	7	**–105.7**	–104.7
Depreciation, amortization and impairment charges	14,15,16	**–10.1**	–10.5
Other operating expenses	8	**–50.4**	–45.3
Operating income	1	**49.1**	42.3
Financial income	9	**2.1**	9.1
Financial expenses	9	**–2.6**	–6.3
Share of results in associated companies	16	**1.2**	4.5
Income before tax		**49.9**	49.6
Income tax	10	**–12.5**	–10.5
Net income from continuing operations		**37.3**	39.0
Income from discontinued operations	11		1.4
Capital gain on discontinued operations	11		324.5
Net income for the period		**37.3**	365.0
DISTRIBUTION			
To the parent company shareholders		**37.0**	364.6
Minority interest		**0.3**	0.4
EPS (€) CALCULATED FROM NET INCOME BELONGING TO THE PARENT COMPANY SHAREHOLDERS			
EPS, continuing operations, basic	13	**0.50**	0.52
EPS, continuing operations, diluted	13	**0.50**	0.52
EPS, discontinued operations, basic	13		4.37
EPS, discontinued operations, diluted	13		4.37

CONSOLIDATED BALANCE SHEET (IFRS)

M€	NOTE	31.12.2006	31.12.2005
ASSETS			
Non-current assets			
Goodwill	14	**30.2**	18.9
Intangible assets	14	**9.7**	7.4
Property, plant and equipment	15	**51.7**	60.6
Investment properties	16		2.6
Investments in associated companies	18	**32.1**	40.4
Other long-term investments	19	**3.9**	4.0
Deferred tax assets	27	**4.1**	4.8
Other receivables	20	**4.8**	5.3
		136.5	143.8
Current assets			
Inventories	21	**1.8**	1.6
Tax receivables		**0.7**	1.3
Accounts receivable and other receivables	22	**28.8**	25.4
Other short-term investments	23	**2.4**	1.8
Cash and cash equivalents	24	**28.2**	69.6
		61.9	99.8
Non-current assets available for sale	12	**1.2**	
ASSETS, TOTAL		**199.7**	243.6
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		**44.8**	44.8
Share premium fund		**2.8**	42.4
Cumulative translation adjustment		**0.1**	
Retained earnings		**67.2**	39.0
Parent company shareholders' equity	25	**114.9**	126.2
Minority interest		**0.4**	0.6
Shareholders' equity, total		**115.3**	126.7
Long-term liabilities			
Interest-bearing liabilities	31	**19.1**	20.2
Deferred tax liabilities	27	**1.8**	1.5
Pension liabilities	28	**3.6**	3.8
Provisions	29	**0.1**	0.2
Other long-term liabilities		**7.2**	7.2
		31.8	32.9
Current liabilities			
Interest-bearing liabilities	31	**2.6**	36.2
Advances received		**11.6**	11.1
Tax liabilities		**2.2**	1.0
Provisions	29	**2.3**	0.9
Accounts payable and other liabilities	32	**33.9**	34.8
		52.6	84.0
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		**199.7**	243.6

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

M€	1.1.-31.12.2006	1.1.-31.12.2005
CONTINUING OPERATIONS		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	37.3	39.0
Adjustments:		
Depreciation, amortization and impairment charges	10.1	10.5
Share of results in associated companies	–1.2	–4.5
Capital gains (losses) on sale of fixed assets and other investments	–4.9	–3.7
Financial income and expenses	0.5	2.7
Taxes	12.5	10.5
Change in provisions	1.3	–0.5
Other adjustments	–0.1	–6.3
Change in working capital:		
Change in accounts receivable	–3.3	–6.4
Change in inventories	–0.2	0.1
Change in accounts payable	–0.3	7.6
Dividend income received	6.4	2.4
Interest income received	1.9	2.9
Interest expenses paid	–3.1	–5.5
Taxes paid	–10.3	–15.2
Net cash provided by operating activities	46.7	33.7
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	–5.4	–4.9
Proceeds from disposal of tangible and intangible assets	3.8	1.4
Other investments		–3.7
Proceeds from disposal of other investments	9.1	0.4
Subsidiary shares purchased	–9.0	–1.9
Associated company shares purchased and sold		–3.4
Net cash used in investing activities	–1.5	–12.0
Cash flow before financing activities	45.2	21.7
CASH FLOW FROM FINANCING ACTIVITIES		
Paid share issue		9.7
Long-term loan repayments	–33.6	–35.3
Short-term loans raised		51.2
Short-term loans, repayments	–3.5	–69.2
Increase (–) or decrease (+) in interest-bearing receivables	–0.6	0.1
Group contributions received and paid		0.8
Acquisition of Alma Media shares (ID 1449580-9)		–395.4
Dividends paid and capital repayment	–48.8	
Net cash used in financing activities	–86.5	–438.1
	–41.4	–416.4
DISCONTINUED OPERATIONS		
Cash flow from operating activities		–1.3
Cash flow used in investing activities		383.2
Cash flow used in financing activities		81.6
Change (increase + / decrease –) in cash funds	–41.4	47.1
Cash and cash equivalents at start of period	69.6	22.5
Impact of changes in foreign exchange rates		
Cash and cash equivalents at close of period	28.2	69.6
Further details:		
Investments financed through finance leases	–3.8	–6.0
Gross capital expenditure, payment-based *)	–14.4	–13.8
Investments, total	–18.2	–19.8

*) 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-lation differences	Retained earnings	Total	Minority interest	Equity total
Shareholders' equity 31.12.2004 (IFRS)	26.5	50.8	1.8	0.0	0.0	66.8	145.8	2.1	147.9
Registration of shares subscribed with warrants	0.9	9.7	–1.8				8.8		8.8
Registration of establishment of Almanova Corp.	0.1	0.9					1.0		1.0
Almanova Corp. rights issue 28.4.	5.3	47.4					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	–8.4	–1.8	0.0	0.0	–393.2	–385.1	0.0	–385.1
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	0.0	0.0	0.8	0.8	0.0	0.8
Net income for the period						364.6	364.6	0.4	365.0
Income and expenses for the period, total	0.0	0.0	0.0	0.0	0.0	365.4	365.4	0.4	365.8
Minority interest in sold companies								–1.8	–1.8
Dividend paid by Group company								–0.1	–0.1
Other change						0.1	0.1		0.1
Other changes affecting equity	0.0	0.0	0.0	0.0	0.0	0.1	0.1	–1.9	–1.8
Shareholders' equity 31.12.2005 (IFRS)	44.8	42.4	0.0	0.0	0.0	39.0	126.2	0.6	126.7
Change in translation differences					0.1		0.1		0.1
Share of items recognized directly in associated company's equity						–0.1	–0.1		–0.1
Income/expenses recognized directly in equity					0.1	–0.1	0.0		0.0
Net income for the period						37.0	37.0	0.3	37.3
Income and expenses for the period, total					0.1	36.9	37.0	0.3	37.3
Share-based payments						0.3	0.3		0.3
Dividend payment by parent company						–9.0	–9.0		–9.0
Capital repayment by parent company		–39.5					–39.5		–39.5
Dividend payment by Group company								–0.3	–0.3
Dissolution of subsidiary								–0.3	–0.3
Other changes affecting equity		–39.5				–8.7	–48.2	–0.6	–48.8
Shareholders' equity 31.12.2006 (IFRS)	44.8	2.8	0.0	0.0	0.1	67.2	114.9	0.3	115.3

Accounting principles used in the IFRS consolidated financial statements

General
Alma Media Group publishes newspapers, distributes business information and maintains online (internet) marketplaces. The parent company, Alma Media Corporation, is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki, address: Eteläesplanadi 20, P.O. Box 140, FI-00101 Helsinki, Finland. The Board of Directors has approved the consolidated financial statements for publication on 9 February 2007. A copy of the financial statements is available on the company's website www.almamedia.fi or from the head office of the parent company.

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 2006. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedure stipulated in the EU's regulation (EC) No. 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting standards and the provisions of the Companies Act.

The Group adopted IFRS accounting principles during 2005 and in this connection has applied IFRS 1 (First-Time Adoption), the transition date being 1 January 2004.

The consolidated financial statements are based on the purchase method of accounting unless otherwise specified in the accounting principles described below.

The Group's parent company, Alma Media Corporation (corporate ID code 1944757-4, and called Almanova Corporation until 7 November 2005), was established on 27 January 2005. The company acquired the shares of the previous Alma Media Corporation (corporate ID code 1449580-9) during 2005. The acquisition proceeded in stages with Almanova Corporation first acquiring a 12.5% holding as a result of an exchange and purchase offer. The privileged share issue to shareholders of the old Alma Media, pursuant to this offer, was recorded in the Trade Register on 28 April 2005. Almanova Corporation then acquired a 40.2% holding on 2 November 2005 from Bonnier & Bonnier AB and Proventus Industrier AB. Almanova acquired the remaining 47.3% of the shares of the old Alma Media in a privileged share issue on 7 November 2005.

The acquisition has been treated in the consolidated accounts as a reverse acquisition based on IFRS 3. This means that the acquiring company is the old Alma Media Corporation and the company being acquired is the Group's current legal parent company Almanova Corporation. The Finnish Financial Supervision Authority published its position on this matter on 26 January 2006. In the consolidated financial statements the acquisition date is the situation before the exchange and purchase offer that started on 28 April 2005, in which Almanova offered new shares in exchange for shares in the old Alma Media. Before the start of the exchange and purchase offer Almanova had no other significant assets than the funds, M€ 1, received when it was established. The net fair value of the assets, liabilities and contingent liabilities at the acquisition date do not differ from their carrying values in the company's accounts. The acquisition cost is equivalent to the net fair value of the assets, liabilities and contingent liabilities and therefore no goodwill has arisen.

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

Impacts of standards adopted during 2006
The Group has applied the following standards and interpretations from 1 January 2006:

- IAS 19 Employee Benefits – amendment to the standard
- IAS 21 Effects of Changes in Foreign Exchange Rates – amendment to the standard
- IAS 39 Financial Instruments, Recognition and Measurement (amendments made in 2005)
- IFRIC 4 Determining Whether an Agreement Contains a Lease

The new standards and interpretation have resulted in changes mainly in the notes 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 statement and cash flow statement.

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

The distribution of the net profit for the year between the parent company owners and minority interest shareholders is shown in the income statement. The amount of shareholders' equity attributable to minority interests is shown as a separate item in the balance sheet under shareholders' equity. The amount of accumulated losses attributable to minority interests is recognized in the consolidated accounts only up to the amount of their investment.

Associated companies
Associated companies are those in which the Group has a significant controlling interest. A significant controlling interest arises when the Group holds 20% or more of the company's voting power or over which the Group otherwise is able to exercise significant control. Associated companies are consolidated using the equity method. Investments in associated companies include any goodwill arising from their acquisition. If the Group's share of the associated company's losses exceeds the book value of the investment, this investment is entered at zero value in the balance sheet and any losses in excess of this value are not recognized unless the Group has obligations with respect to the associated company. The Group's share of the results of its associated companies is shown as a separate item under operating profit.

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

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

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

Assets available for sale and discontinued operations
Assets available for sale, and the assets related to the discontinued operation that are classified as available for sale, are measured at the lower of their book value or their fair value less the costs arising from their sale. The 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. The property used by Lapin Kansa in Rovaniemi and sold by the Group at the beginning of 2007 is treated as an asset available for sale in the 2006 accounts.

Recognition principles
Income from the sale of goods is recognized when the material risks and rewards incidental to ownership of the goods have been transferred to the buyer. Rental income is recognized in equal instalments over the rental period. Income from services is recognized in accordance with their percentage of completion at the balance sheet date. Licence and royalty income is recognized in accordance with the actual content of the agreement.

Employee benefits
Employee benefits cover short-term employee benefits, other long-term benefits, termination benefits and post-employment benefits.

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

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

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

Share-based payments

Stock option schemes under which options have been granted after 7 November 2002 but which did not give their holders rights before 1 January 2005 (the vesting period) are measured at their fair value at the time of issue and entered as an expense in the income statement during the vesting period. Option schemes predating this date are not entered as an expense. The company's previous share bonus scheme for key employees, launched in 1999, ended during the 2005 financial year. No expenses have been entered for this scheme. At the balance sheet date, 31 December 2006, Alma Media had a current stock option scheme for senior management launched in spring 2006. The 2006 stock options are measured at fair value at the date of issue and expensed during the vesting period. The expense determined at the time of issue is based on the Group's estimate of the number of stock options that are expected to generate rights at the end of the vesting period. Their fair value is determined using the Forward Start Option Rubinstein (1990) model based on the Black & Scholes option pricing model. When the stock options are exercised, the cash payments received from the subscription of shares, adjusted for transaction costs, are entered in shareholders' equity. The 2006 stock option scheme and its impacts on the income statement and balance sheet are described in the notes to the financial statements.

In the comparison period, 2005, the Group operated a share bonus scheme for key employees. This was a share-based scheme under which the employees in question were paid a bonus in cash. The debt arising from the employee's service was entered in the balance sheet and measured on the balance sheet date 31 December 2005 and on the day of payment at its fair value. Changes in fair value were entered under personnel expenses in the income statement in the period to which they relate. The company also made hedges with respect to this share bonus scheme. The option instrument in question was measured at its fair value on the balance sheet date 31 December 2005 and changes in the fair value were charged to the 2005 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.

The Group has made purchasing agreements that include a lease component. Any such arrangements in force are treated according to the IFRIC 4 interpretation and the arrangements are accounted for based on their actual content. The Group's current purchasing agreements that include a lease component are treated as other leases in accordance with IAS 17.

Income taxes

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

Deferred tax assets and liabilities are recognized on all temporary differences between their book and actual tax values. Deferred tax is not calculated if the difference is not expected to be reversed in the foreseeable future. Deferred taxes are calculated using the tax rates enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. A deferred tax liability is recognized on non-distributed retail earnings of subsidiaries when it is likely that the tax will be paid in the foreseeable future.

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

Property, plant and equipment

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

Buildings	30–40 years
Structures	5 years
Machinery and equipment	3–10 years
Large rotation printing presses	20 years

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

Intangible assets

Goodwill represents the excess of the acquisition cost over the Group's share of the net fair values of the acquired company's assets at the time of acquisition. Goodwill is applied to cash-generating units and tested at the transition date and thereafter annually for impairment. Goodwill is measured at original acquisition cost less impairment losses.

Research and development (R&D) costs are entered as an expense in the period in which they arise. R&D costs are capitalized when it is expected that the intangible asset will generate corresponding economic added value and the costs arising from this can be reliably determined.

Patents, copyright and software licences with a finite useful life are shown in the balance sheet and expensed on a straight-line basis in the income statement during their useful lives. No depreciation is entered on intangible assets with an indefinite useful life; instead, these are tested annually for impairment. In Alma Media, intangible assets with an indefinite useful life are trademarks measured at fair value at the time of acquisition. The useful lives of intangible assets are 5–10 years.

Investment properties

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

Inventories

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

Financial assets, derivative contracts and hedge accounting

The Group's financial assets have been classified into the following categories 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 company does not apply hedge accounting.

The company 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 in 2005, the company acquired option derivatives that were measured at their fair value at the balance sheet date. Changes in fair value were 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, interest-bearing liabilities and unlisted share investments. 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. There were no items in this category in 2005 or 2006.

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

The transaction date is generally used when recognizing financial instruments. Cash and cash equivalents are removed from the balance sheet when the Group has lost the contractual right to the cash flows or when the Group has transferred a substantial portion of the risks and income to an external party.

Interest-bearing debt and liabilities and borrowing costs

Interest-bearing debt comprises the loans issued by the company and other debt, and is measured at amortized cost. Costs arising from interest-bearing liabilities are expensed in the period in which they arise. The Group has not capitalized its borrowing costs because the Group does not incur borrowing costs on the purchase, building or manufacturing of an asset in the manner specified in IAS 23.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the costs required to fulfil the obligation. The provision is discounted if the time-value of the money is significant with respect to the size of the provision. Examples of provisions entered by Alma Media are rental expenses on vacant office premises (loss-making agreements), provisions to cover restructuring costs, and pension obligation provisions on unemployment pension insurance.

A provision is entered on loss-making agreements when the immediate costs required to fulfil the obligation exceed the benefits available from the agreement. A restructuring provision is entered when the Group has prepared and started to put into effect a detailed restructuring plan and has informed employees about this.

Impairments

At each balance sheet date Alma Media assesses the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. In addition, the recoverable amount of the following assets is assessed annually whether or not indications of impairment exist: goodwill and intangible assets with an indefinite useful life, and capitalized development costs for projects in progress. The recoverable amounts of intangible and tangible assets are determined as the higher of the fair value of the asset less cost to sell, or the value in use. Impairment losses are recognized when the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognized in the income statement. An impairment loss may be reversed if circumstances regarding the intangible or tangible assets in question change. Impairment losses recognized on goodwill are never reversed.

Operating profit
The operating profit is the net amount formed when other operating income is added to net sales, and the following items are then substracted from the total: material and service procurement costs adjusted for the change in inventories of finished and unfinished products; the costs arising from employee benefits; depreciation, amortization and impairment costs; and other operating expenses. All other items in the income statement not mentioned above are shown under operating profit. Exchange rate differences and changes in the fair value of derivative instruments are included in operating profit if they arise on items related to the company's normal business operations; otherwise they are recognized in financial items.

Segment reporting and its accounting principles
As its primary business segments Alma Media Group reports the Newspapers group, Kauppalehti group, Marketplaces, and Other Operations. 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's judgement and key sources of estimation uncertainly
The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which may differ from actual results in the future. Management is also required to use its discretion as to the application of the accounting principles used to prepare the statements. The estimates are based on management's best understanding at the balance sheet date. Any changes to these estimates and assumptions are entered in the accounts for the period in which the estimates or assumptions are adjusted and for all periods thereafter.

The Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and reviews any indications of impairment in the manner described above. The amounts recoverable from cash-generating units are recognized based on calculations of their fair value. The preparation of these calculations requires the use of estimates. The estimates and assumptions used to test major goodwill items for impairment, and the sensitivity of changes in these factors with respect to goodwill testing is described in more detail in Note 14, which specifies goodwill.

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, to the utilization of tax assets against future taxable income, and to the fair value adjustment of assets received in conjunction with acquisitions.

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

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

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

IFRS 7	Financial Instruments: Disclosures (published 2005, effective from 1 January 2007)
IFRS 8	Operating Segments (published 2006, effective from 1 January 2009)
IAS 1	Presentation of Financial Statements: Amendment – Capital Disclosures (effective from 1 January 2007)
IFRIC 8	Scope of IFRS 2 (effective from 1 January 2007)
IFRIC 9	Re-assessment of Embedded Derivatives (effective from 1 January 2007)
IFRIC 10	Interim Financial Reporting and Impairment (effective from 1 January 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
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1. SEGMENT INFORMATION

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

The publishing activities of 35 newspapers are reported in the Newspapers group. The largest are the regional paper Aamulehti and the daily tabloid Iltalehti. The Kauppalehti group is specialized in producing business information. Its best known product is Finland's leading business daily, the Kauppalehti paper. The Kauppalehti group also includes a contract publishing company, Alma Media Lehdentekijät, and a direct marketing company called Kauppalehti 121. The Marketplaces segment reports the company's online and printed classified services. This segment's best known products are Etuovi.com, Monster.fi and Autotalli.com. Other Operations are Group administration and the financial administration service centre, which serves the entire Group. Inter-segment transfer prices are based on market prices.

Alma Media Group's geographical segments cannot be distinguished (Alma Media operates mainly in one geographical segment), and therefore segment reporting is restricted to the primary business segments listed above. The following table shows net sales for 2006 ja 2005 by geographical area:

	2006	2005
Finland	294.5	281.2
Baltic countries	5.4	3.8
Sweden	1.7	0.7
Rest of Europe	0.3	0.2
	301.9	285.9

NET SALES

	News-papers	Kauppalehti group	Market-places	Other	Elimin-ations	Continuing operations	Discont'd operations	Elimin-ations	Group
Financial year 2006									
Net sales:									
External net sales	212.8	62.5	22.5	4.1		301.9	0.0	0.0	301.9
Inter-segment net sales	5.1	0.1	0.5	10.5	–16.2	0.0	0.0	0.0	0.0
Net sales, total	217.9	62.6	23.1	14.6	–16.2	301.9	0.0	0.0	301.9
Financial year 2005									
Net sales:									
External net sales	207.2	53.6	19.3	5.8		285.9	67.2	–4.6	348.5
Inter-segment net sales	4.4	0.2	3.4	7.4	–15.3	0.0	0.0	0.0	0.0
Net sales, total	211.6	53.8	22.7	13.2	–15.3	285.9	67.2	–4.6	348.5

NET INCOME IN PERIOD

	News-papers	Kauppalehti group	Market-places	Other	Elimin-ations	Continuing operations	Discont'd operations	Broadcasting capital gain	Group
Financial year 2006									
Operating income	38.4	4.8	2.8	3.1	0.0	49.1	0.0	0.0	49.1
Share of results in assoc. companies		0.9		0.3		1.2			1.2
Non-allocated items:									
Net financial expenses						–0.5			–0.5
Income tax						–12.5			–12.5
Net income for the period	38.4	5.7	2.8	3.4	0.0	37.3	0.0	0.0	37.3
Financial year 2005									
Operating income	38.9	7.1	1.1	–4.8	0.0	42.3	3.7	324.5	370.5
Share of results in assoc. companies		5.5		–1.0		4.5	0.1		4.6
Non-allocated items:									
Net financial expenses						2.7	–1.3		1.4
Income tax						–10.5	–1.1		–11.7
Net income for the period	38.9	12.6	1.1	–5.8	0.0	39.0	1.4	324.5	365.0

ASSETS AND LIABILITIES

	News-papers	Kauppalehti group	Market-places	Other	Elimin-ations	Group
Financial year 2006						
Segment assets	66.6	27.5	13.9	26.5	–0.6	133.9
Investments in assoc. companies	0.1	28.6	0.0	3.4		32.1
Non-allocated assets				33.8		33.8
	66.7	56.1	13.9	63.7	–0.6	199.7
Segment liabilities	29.9	12.2	3.5	9.9	–0.5	55.0
Non-allocated liabilities				29.4		29.4
	29.9	12.2	3.5	39.3	–0.5	84.4
Total	36.8	43.9	10.4	24.4	–0.1	115.3
Financial year 2005						
Segment assets	72.5	18.1	8.0	34.2	–0.5	132.4
Investments in assoc. companies	0.1	35.4	0.0	4.8		40.2
Non-allocated assets				70.8		70.8
	72.6	53.5	8.0	109.8	–0.5	243.6
Segment liabilities	35.7	9.7	2.4	10.5	–0.4	57.9
Non-allocated liabilities				58.9		58.9
	35.7	9.7	2.4	69.4	–0.4	116.8
Total	36.9	43.8	5.6	40.4	–0.1	126.7

OTHER INFORMATION

	News-papers	Kauppalehti group	Market-places	Other	Elimin-ations	Continuing operations	Discontinued operations	Group
Financial year 2006								
Investments	4.1	6.4	7.3	1.8		19.6		19.6
Depreciation	5.2	1.1	1.2	2.4	0.0	9.9	0.0	10.0
Other expenses not requiring transaction, e.g. depreciation	0.2	1.1		0.4		1.7		1.8
Writedowns	0.3					0.3		0.3
Financial year 2005								
Investments	7.3	8.1	3.5	0.8	0.0	19.7	2.7	22.4
Depreciation	5.6	1.1	1.6	2.1	0.0	10.3	21.5	30.8
Other expenses not requiring transaction, e.g. depreciation	0.1			1.9	0.0	2.1	0.0	2.1
Writedowns			0.2			0.2		0.2

2. ACQUIRED BUSINESSES

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

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

The following table presents the opening balance sheets of the acquired operations in the Group, the total acquisition price and impact on cash flow:

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

The fair values entered on intangible assets in the integration relate primarily to trademarks and customer agreements. The goodwill arising from these acquisitions totalled M€ 3.1. Contributory factors were the synergies related to these businesses expected to be realized especially with Alma Media Lehdentekijät Oy, which already belongs to the Group, and the possibility to broaden the service offering in corporate services. The year's operating profit of the operations acquired for the segment was M€ 0.4 from the acquisition date.

Newspapers and Marketplaces	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.0	0.0
Intangible assets, IT software	0.0	0.1
Intangible assets, trademarks		0.8
Accounts receivable and other receivables	0.4	0.4
Cash and cash equivalents	0.3	0.3
Assets, total	0.7	1.6
Deferred tax liabilities		0.2
Interest-bearing liabilities	0.0	0.0
Accounts payable and other payables	0.4	0.4
Liabilities, total	0.4	0.6
Net assets	0.3	1.0
Group's share of net assets of acquired companies		1.0
Goodwill arising from acquisition		5.0
Acquisition price (paid in cash)		5.9
Cash and cash equivalents of acquired subsidiaries or businesses		0.3
Impact on cash flow		5.6

The fair values entered on intangible assets in the integration relate primarily to trademarks and customer agreements. The goodwill arising from these acquisitions totalled M€ 5.0. Contributory factors were the synergies related to these businesses expected to be realized, and the possibility to expand business operations into new markets. The year's operating profit of the operations acquired for the segment was M€ 0.3 from the acquisition date.

In the case of the customer agreements, the fair values are based on the estimated duration of the customer relationships and the discounted net cash flows generated by existing customers. The fair value of the trademarks is based on the estimated discounted royalty payments avoided by virtue of owning these trademarks. In determining the fair value, an estimated reasonable royalty percent has been used based on market factors and which an external party would be willing to pay for a licence agreement. The year's operating profit of all the acquired businesses from the date of acquisition was M€ 0.7. Net sales of continuing operations would have been an estimated M€ 308.3 and the operating profit M€ 49.8, assuming the acquisitions had taken place at the beginning of 2006.

3. NET SALES

	2006	2005
Distribution of net sales between goods and services:		
Sales of goods	**127.5**	121.1
Sales of services	**174.4**	164.8
Net sales (continuing operations), total	**301.9**	285.9

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

4. OTHER OPERATING INCOME

	2006	2005
Gains on sale of property, plant and equipment	**4.6**	0.7
Gains on sale of intangible assets	**0.2**	1.1
Other	**0.6**	3.4
Other operating income, total	**5.4**	5.2
Specification of other major operating income items:		
Gain on disposal of properties in Tampere and Kemi	**4.2**	
Compensation paid by Edita Oyj on Acta Print dispute		
as ordered by court of arbitration		1.2
Gain recognized on sale of NWS business		1.2
Impact on privileged share issue in associated company Talentum		0.8

5. MATERIALS AND SERVICES

	2006	2005
Purchases during period	**21.0**	19.8
Change in inventories	**–0.2**	0.1
Materials, goods and supplies	**20.8**	19.9
External services	**71.1**	68.3
Total	**92.0**	88.2

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2006 totalled M€ 1.7 (M€ 3.1 in 2005).
Of this total, M€ 0.5 (M€ 3.1) was charged to the income statement and M€ 1.2 was capitalized to the balance sheet in 2006. There were no capitalized research and development costs in the balance sheet of the comparison year 2005.

7. EXPENSES ARISING FROM EMPLOYEE BENEFITS

	2006	2005
Salaries and fees	**85.9**	85.2
Pension costs – defined contribution plans	**13.9**	13.3
Pension costs – defined benefit plans	**0.2**	0.2
Approved stock options to be settled in shares	**0.3**	
Approved share schemes to be settled in cash		0.5
Other personnel expenses	**5.4**	5.6
Total	**105.7**	104.7
Average total workforce, calculated as full-time employees, excluding distribution staff:		
Newspapers	**1,220**	1,203
Kauppalehti group	**496**	418
Marketplaces	**111**	108
Other	**74**	78
Continuing operations, total	**1,901**	1,807
Additionally, Group's own distribution staff (number of employees)	**857**	900
Discontinued operations, average number of employees		432

SALARIES AND FEES TO MANAGEMENT

Parent company presidents

(in 2006 Kai Telanne, in 2005 Kai Telanne and Juho Lipsanen)

Salaries and other short-term employee benefits	**0.4**	0.8
Termination benefits		0.6
Post-employment benefits	**0.0**	0.0
Benefit generated by exercise of options (options to personnel)		1.1
Approved stock options to be settled in shares	**0.0**	
Approved share schemes to be settled in cash		0.0
	0.5	2.6

The figures in the table are actual payments. In 2006 the salary and benefits paid to the President and CEO totalled € 446,014.

Other members of the Group Executive Team

Salaries and other short-term employee benefits	**1.6**	1.5
Termination benefits		
Post-employment benefits	**0.1**	0.1
Benefit generated by exercise of options (options to personnel)		1.3
Approved stock options to be settled in shares	**0.1**	
Approved share schemes to be settled in cash		0.1
	1.8	3.0

The figures in the table are actual payments. In 2006 the salary and benefits paid to the other members of the Group Executive Team totalled € 1,721,629.

Other Group presidents (not in Group Executive Team)

Salaries and other short-term employee benefits	**1.5**	1.9
Termination benefits		0.4
Post-employment benefits	**0.0**	0.0
Benefit generated by exercise of options (options to personnel)		0.3
Approved stock options to be settled in shares	**0.1**	
Approved share schemes to be settled in cash		0.1
	1.6	2.8

The figures in the table are actual payments. In 2006 the salary and benefits paid to other Group presidents totalled € 1,556,044.

		2006	2005
Board of Directors of Alma Media Corporation and fees paid to its members			
(2005 figures also include fees paid during existence of Almanova Corporation), figures in thousands of euros			
Kari Stadigh	Chairman (Alma Media and Almanova)	**47**	34
Matti Kavetvuo	Deputy chairman (Alma Media and Almanova)	**37**	27
Lauri Helve	Member (Alma Media and Almanova)	**28**	23
Matti Häkkinen	Member (Alma Media and Almanova)	**29**	23
Kari Seikku	Member (Alma Media)	**26**	
Harri Suutari	Member (Alma Media and Almanova)	**31**	23
Bengt Braun	Chairman (former Alma Media)		20
Daniel Sachs	Member (former Alma Media)		20
		196	170

The figures in the table are actual payments.

	2006	2005
Salaries and fees to management, total, M€	**4.1**	8.5

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 1,494,755 of the company's shares on 31 December 2006, representing 2.0% of the total number of shares and votes.
The members of the Board of Directors, the president of the parent company and the other members of the Group Executive Team held altogether 260,000 options under the 2006 option A plan on 31 December 2006. These option rights entitle their holders to subscribe for at most 260,000 new shares in the company. The option rights and shares owned by the members of the Board of Directors, the president of the parent company and the members of the Group Executive Team represent 2.3% of the total number of shares and votes.

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

		Shares	Options
Kari Stadigh	Chairman	10,260	0
Lauri Helve	Member	60,240	0
Matti Häkkinen	Member	1,260,420	0
Matti Kavetvuo	Member	8,480	0
Kari Seikku	Member	0	0
Harri Suutari	Member	81,188	0
Kai Telanne	President	20,339	80,000
Matti Apunen	Group Executive Team	4,339	25,000
Teemu Kangas-Kärki	Group Executive Team	20,000	40,000
Kari Kivelä	Group Executive Team	0	40,000
Juha-Petri Loimovuori	Group Executive Team	150	10,000
Raimo Mäkilä	Group Executive Team	25,000	40,000
Minna Nissinen	Group Executive Team	4,339	25,000
		1,494,755	260,000

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

8. OTHER OPERATING EXPENSES

Specification of other operating expenses by business	2006	2005
Information technology and telecommunication	**10.2**	8.1
Business premises	**9.3**	10.4
Other costs	**30.8**	26.7
Total	**50.4**	45.3

9. FINANCIAL INCOME AND EXPENSES

	2006	2005
Financial income		
Interest income on investments held to maturity	**1.9**	8.8
Dividend income on other non-current investments	**0.2**	0.2
Total	**2.1**	9.1
Financial expenses		
Interest costs:		
Interest costs from finance leases	**–1.1**	–1.1
Interest costs from other interest-bearing debt	**–1.4**	–3.2
Foreign exchange gains and losses		
Other financial costs	**0.0**	–1.9
Total	**–2.6**	–6.3
Financial income and expenses, total	**–0.5**	2.7

10. INCOME TAX

	2006	2005
Tax based on taxable income for the period	**12.2**	12.4
Tax from previous periods	**0.1**	–0.1
Deferred taxes	**0.3**	–1.8
Total	**12.5**	10.5

Reconciliation of tax expense in income statement and tax calculated on Finnish tax rate

The Finnish corporate tax rate in 2006 and 2005 was 26%.

Income before tax	**49.9**	49.6
– Share of associated companies' result	**–1.2**	–4.5
	48.6	45.1
Tax calculated on the parent company's tax rate	**12.6**	11.7
Impact of varying tax rates of foreign subsidiaries	**–0.1**	–0.1
Tax-free income		–0.3
Non-tax-deductable expenses	**0.2**	0.2
Items from previous periods	**0.1**	–0.1
Use of previously non-entered deferred tax assets	**–0.5**	–0.2
Recognition in balance sheet of previously non-entered deferred tax assets *	**0.2**	–0.7
Other items		0.1
Tax shown in the income statement	**12.5**	10.5

* 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 2005 income statement is treated as tax-free income for taxation purposes.

11. 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
Net sales	67.2
Operating expenses	–63.5
Operating income	3.7
Net financial items	–1.3
Share of result in associated company	0.1
Income before tax	2.5
Tax	–1.1
Income after tax	1.4

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

Cash flow from operating activities	–1.3
Cash flow from investing activities *	383.2
Cash flow from financing activities *	81.6
Cash flow, total	463.5

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

12. NON-CURRENT ASSETS AVAILABLE FOR SALE

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

13. EARNINGS PER SHARE

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

When calculating the number of shares in the comparison period, 2005, and when applying the reverse acquisition method to Almanova and Alma Media Group, the number of shares outstanding has been 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. Furthermore, these share amounts are adjusted to take account of the changes in the number of shares of the old Alma Media during 2005.

	1.1.–31.12.2006	1.1.–31.12.2005
Parent company owners' income in the period, continuing operations	37.0	38.9
Parent company owners' income in the period, discontinued operations	0.0	325.7

Number of shares (x 1,000)

Weighted average number of outstanding shares	74,613	74,474
Impact of issued share options calculated as number of shares	0	0
Diluted weighted average number of outstanding shares	74,613	74,474
EPS, continuing operations, basic	0.50	0.52
EPS, continuing operations, diluted	0.50	0.52
EPS, discontinued operations, basic	0.00	4.37
EPS, discontinued operations, diluted	0.00	4.37

14. INTANGIBLE ASSETS AND GOODWILL

Financial year 2005	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Acquisition cost 1.1.	110.3	2.7	0.9	18.7	132.7
Increases	16.6	1.1	0.2	3.8	21.7
Decreases	–113.3	–0.4	–0.1	–3.5	–117.2
Transfers between items	0.8		–0.8		0.0
Acquisition cost 31.12.	14.4	3.4	0.2	19.0	37.2
Acc. depreciation, amortization and impairments 1.1.	52.1	0.7			52.8
Acc. depreciation in decreases and transfers	–64.3	–0.4			–64.7
Depreciation in period	21.8	0.8			22.6
Writedowns				0.2	0.2
Accumulated depreciation 31.12.	9.6	1.1	0.0	0.2	10.9
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

Financial year 2006	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Acquisition cost 1.1.	14.5	3.4	0.2	19.0	37.2
New companies	0.1				0.1
Increases	3.8	0.7	0.3	11.2	16.0
Decreases	–1.2	–0.2	–0.1		–1.4
Exchange rate differences				0.1	0.1
Transfers between items	0.1				0.1
Acquisition cost 31.12.	17.3	3.9	0.5	30.4	52.1
Acc. depreciation, amortization and impairments 1.1.	9.6	1.1		0.2	10.9
Acc. depreciation in decreases and transfers	–0.9	–0.2			–1.1
Depreciation in period	2.0	0.4			2.4
Writedowns					0.0
Accumulated depreciation 31.12.	10.8	1.3	0.0	0.2	12.2
Book value 1.1.	4.9	2.3	0.2	18.9	26.3
Book value 31.12.	6.5	2.7	0.5	30.2	39.9

Intangible assets include assets purchased through finance leases as follows:

Financial year 2005	Intangible rights	Advance payments	Total
Acquisition cost 1.1.	1.5	0.8	2.3
Acc. depreciation 1.1.	–0.5		–0.5
Increases/Decreases	0.1	–0.8	–0.7
Depreciation in period	–0.4		–0.4
Book value 31.12.	0.7	0.0	0.7

Financial year 2006	Intangible rights	Advance payments	Total
Acquisition cost 1.1.	1.6		1.6
Acc. depreciation 1.1.	–0.9		–0.9
Increases/Decreases	0.0		0.0
Depreciation in period	–0.2		–0.2
Book value 31.12.	0.5	0.0	0.5

The book value of intangible assets includes intangible rights totalling M€ 1.3 which are not depreciated; instead these rights are tested annually for impairment. These assets, which have an indefinite economic impact, are trademarks recognized at fair value by the Group at the time of acquisition. These non-depreciated intangible rights are allocated to the cash-generating units as follows:

	31.12.2006	31.12.2005
Kauppalehti 121	**0.4**	
Alma Media Lehdentekijät	**0.1**	
Kauppalehti group, total	**0.5**	0.0
Homes and business premises	**0.8**	
Marketplaces, total	**0.8**	0.0
Group, total	**1.3**	0.0

Allocation of goodwill to cash-generating units

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

	31.12.2006	31.12.2005
Aamulehti	**0.0**	0.0
Kainuun Sanomat	**2.3**	2.3
Lapin Kansa	**2.5**	2.5
Northern Newspapers	**1.0**	1.0
Satakunnan Kansa	**4.1**	4.1
Local Newspapers	**1.3**	1.1
Newspapers group, total	**11.2**	11.0
Baltic News Service	**0.8**	0.8
Kauppalehti	**3.3**	3.3
Kauppalehti 121	**5.2**	
Alma Media Lehdentekijät	**3.1**	2.0
Kauppalehti group, total	**12.4**	6.1
Homes and business premises	**6.2**	1.3
Vehicles and heavy machinery	**0.3**	0.3
Marketplaces, total	**6.5**	1.6
Units allocated an insignificant amount of goodwill	**0.1**	0.1
Goodwill, total	**30.2**	18.9

No impairment losses were recorded in the financial year 2006. In 2005 a goodwill impairment loss of M€ 0.2 was entered in the Marketplaces segment.

In testing for impairment of goodwill and intangible rights, the recoverable amount is the value in use. Estimated cash flows determined in the test are based on the Group's strategic forecasts for the following three years confirmed by the company's management and Board of Directors. The years following this period are estimated by extrapolation, taking into account the business cycle. In addition to general economic factors, the main assumptions and variables used when determining cash flows are the forecast growth of media sales in different market segments and estimated growth of newspaper circulations. Goodwill allocated to new business areas, and goodwill arising from recent acquisitions, are more sensitive to impairment testing and therefore more likely to be subject to an impairment loss when the aforementioned main assumptions change. Based on a sensitivity analysis, the tested goodwill and intangible rights were not critical. A discount rate of 8.5% (interest rate before taxes) has been used. The interest rate is based on the weighted average yield set for shareholders' equity and liabilities.

15. PROPERTY, PLANT AND EQUIPMENT

Financial year 2005

	Land and water areas	Buildings and structures	Machinery and equipment	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	6.9
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	–10.0		–69.2
Acc. depreciation, amortization and impairments 31.12.	0.0	22.4	46.8	1.8	0.0	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
Book value of machinery and equipment			24.2			

Financial year 2006

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost 1.1.	3.2	51.6	71.8	4.0	1.0	131.6
New companies			0.3			0.3
Increases		0.1	3.3	0.9	0.3	4.6
Decreases	–0.8	–6.3	–8.8	–0.3	–0.1	–16.3
Transfers between items	0.0	–1.2	1.0		–1.0	–1.2
Acquisition cost 31.12.	2.4	44.2	67.6	4.6	0.2	119.0
Acc. depreciation, amortization and impairments 1.1.		22.4	46.8	1.8		71.0
New companies		0.0	0.1	0.1		0.2
Acc. depreciation in decreases and transfers		–3.0	–8.5			–11.5
Depreciation in period		1.7	5.3	0.4		7.4
Writedowns		0.0	0.1			0.1
Acc. depreciation, amortization and impairments 31.12.	0.0	21.2	43.8	2.3	0.0	67.2
Book value 1.1.	3.2	29.2	25.0	2.2	1.0	60.6
Book value 31.12.	2.4	23.0	23.7	2.4	0.2	51.7
Book value of machinery and equipment			23.0			

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

Financial year 2005

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	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			–5.0
Increases/Decreases			0.9		–0.1	0.8
Depreciation in period		–1.0	–1.2			–2.1
Book value	0.0	13.0	6.2	0.0	0.0	19.2

Financial year 2006

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Acquisition cost		17.4	8.9			26.3
Accumulated depreciation 1.1.		–4.3	–2.7			–7.0
Increases/Decreases		0.0	1.4			1.4
Depreciation in period		–1.0	–1.6			–2.6
Book value	0.0	12.1	6.0	0.0	0.0	18.0

16. INVESTMENT PROPERTIES

	31.12.2006	31.12.2005
Acquisition cost 1.1.	**6.2**	6.2
Increases	**0.0**	0.0
Decreases	**–6.2**	0.0
Acquisition cost 31.12.	**0.0**	6.2
Accumulated depreciation, amortization and impairments 1.1.	**3.7**	3.5
Accumulated depreciation in decreases and transfers	**–3.8**	0.0
Depreciation in period	**0.1**	0.1
Accumulated depreciation, amortization and impairments 31.12.	**0.0**	3.7
Book value 1.1.	**2.6**	2.7
Book value 31.12.	**0.0**	2.6

	2006	2005
Rental income from investment properties	**0.4**	0.5
Maintenance expenses of investment properties	**0.1**	0.3
Fair values of investment properties	**0.0**	6.3

17. SUBSIDIARY COMPANIES

Company	Registered office	Holding, %	Share of votes, %
Aamujakelu Oy	Tampere, Finland	100.00	100.00
Agentura BNS SIA	Riga, Latvia	100.00	100.00
Alma Media Interactive Oy	Helsinki, Finland	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki, Finland	77.00	77.00
Alma Media Lehdentekijät Oy	Helsinki, Finland	100.00	100.00
Alma Media Palvelut Oy	Helsinki, Finland	100.00	100.00
Alpress Oy	Tampere, Finland	100.00	100.00
Arctic Press Oy	Rovaniemi, Finland	100.00	100.00
@Apartament SP.z.o.o	Warsaw, Poland	70.00	70.00
AS Autoinfo.ee	Tallinn, Estonia	90.00	90.00
AS Kinnisvaraportaal	Tallinn, Estonia	100.00	100.00
Balti Uudistetalituse AS	Tallinn, Estonia	100.00	100.00
BNS Eesti OÜ	Tallinn, Estonia	100.00	100.00
BNS Latvija SIA	Riga, Latvia	99.97	99.97
BNS UAB	Vilnius, Lithuania	99.93	99.93
Bovision AB	Stockholm, Sweden	100.00	100.00
ETA Uudistetalituse OÜ	Tallinn, Estonia	100.00	100.00
Etuovi Oy	Helsinki, Finland	100.00	100.00
Kainuun Sanomat Oy	Kajaani, Finland	100.00	100.00
Karenstock Oy	Helsinki, Finland	100.00	100.00
Kauppalehti Oy	Helsinki, Finland	100.00	100.00
Kauppalehti 121 Oy	Espoo, Finland	100.00	100.00
Kiint. Oy Liike- ja Autokulma	Rovaniemi, Finland	79.20	79.20
Kiinteistöalan Tietopalvelut R.E.I Oy	Espoo, Finland	90.00	90.00
Kustannus Oy Aamulehti	Tampere, Finland	100.00	100.00
Kustannus Oy Otsikko	Tampere, Finland	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki, Finland	100.00	100.00
Kustannusosakeyhtiö Uusi Suomi	Vantaa, Finland	100.00	100.00
Lapin Kansa Oy	Rovaniemi, Finland	100.00	100.00
Marcenter Oy	Tampere, Finland	100.00	100.00
Mediaskopas	Tallinn, Estonia	100.00	100.00
Monster Oy	Helsinki, Finland	75.00	75.00
Motors24.lv SIA	Riga, Latvia	90.00	90.00
Objektvision AB	Stockholm, Sweden	100.00	100.00
Osakeyhtiö Harjavallan Kustannus	Harjavalta, Finland	100.00	100.00
Pohjolan Sanomat Oy	Kemi, Finland	100.00	100.00
Porin Sanomat Oy	Pori, Finland	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori, Finland	100.00	100.00
SIA City24	Riga, Latvia	95.08	95.08
Suomalainen Lehtipaino Oy	Helsinki, Finland	100.00	100.00
Suomen Business Viestintä SBV Oy	Helsinki, Finland	100.00	100.00
Suomen Paikallissanomat Oy	Tampere, Finland	100.00	100.00
TOB Citi 24	Kiev, Ukraine	70.00	70.00
UAB City24	Vilnius, Lithuania	99.88	99.88

18. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

Holdings in associated companies	31.12.2006	31.12.2005
At start of period	40.4	102.3
Increases		3.4
Decreases		–71.0
Share of results	1.2	4.6
Share of items recognized directly in associated company's equity	–0.1	0.8
Impact of privileged share issue by associated company Talentum		0.9
Dividends received	–6.1	–2.2
Transfers between items	–3.3	1.7
At end of period	32.1	40.4

Further information on associated companies

The Group entered a writedown on the associated company Acta Print totalling M€ 0.4 (M€ 1.6) in the 2006 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.

Talentum Oyj, included in the book value of associated companies at 31 December 2006, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements at 31 December 2006 is M€ 28.5 and its market capitalization was M€ 19.7 (M€ 22.8).

During 2006 the Group acquired the outstanding 51% of Kauppalehti 121 Oy, which thus became a wholly owned subsidiary. Goodwill arising from associated companies totalled M€ 19.7 (M€ 22.8) at 31 December 2006.

	31.12.2006	31.12.2005
Book value of shares, total	32.1	40.4
Receivables from associated companies	4.6	5.1
Liabilities to associated companies	0.1	
Summary (100%) of associated company totals:		
Aggregate assets of associated companies *	136.0	136.9
Aggregate liabilities of associated companies *	79.5	74.2
Aggregate net sales of associated companies *	209.5	300.1
Aggregate profit/loss of associated companies *	4.2	15.5

* 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

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

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:

Non-current assets	4.3	5.1

19. OTHER LONG-TERM INVESTMENTS

	31.12.2006	31.12.2005
Non-listed shares	**3.9**	4.0

Other long-term investments are recognized at acquisition cost.

20. OTHER RECEIVABLES – NON-CURRENT ASSETS

	Book values 31.12.2006	Fair values 31.12.2006	Book values 31.12.2005	Fair values 31.12.2005
Receivables from associated companies:				
Loan receivables	**4.6**	**4.6**	5.0	5.0
Other receivables			–	–
	4.6	**4.6**	5.0	5.0
Receivables from others:				
Loan receivables	**0.1**	**0.1**	0.2	0.2
Other long-term receivables	**0.1**	**0.1**	–	–
	0.2	**0.2**	0.2	0.2
Other receivables, total	**4.8**	**4.8**	5.3	5.3

21. INVENTORIES

	31.12.2006	31.12.2005
Materials and supplies	**1.6**	1.4
Finished goods	**0.1**	0.2
Total	**1.8**	1.6

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

22. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	31.12.2006	31.12.2005
Accounts receivable	**26.0**	20.1
Receivables from associated companies:		
Accounts receivable	**0.0**	0.0
Loan receivables		
Prepaid expenses and accrued income		
Other income	0.0	
Total	**0.0**	0.0
Receivables from others:		
Loan receivables	**0.1**	0.2
Prepaid expenses and accrued income	**2.5**	3.5
Other receivables	**0.2**	1.6
	2.8	5.3
Receivables, total	**28.8**	25.4

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

23. OTHER SHORT-TERM INVESTMENTS

	31.12.2006	31.12.2005
Investments held to maturity	**2.4**	1.8
Total	**2.4**	1.8

24. CASH AND CASH EQUIVALENTS

	31.12.2006	31.12.2005
Cash and bank accounts	**6.4**	26.6
Investment certificates (1–3 months)	**21.8**	43.0
Total	**28.2**	69.6

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

25. INFORMATION ON SHAREHOLDERS' EQUITY

The following describes information on Alma Media shares and changes in 2006:

	Total number of shares	Share capital M€	Share premium fund M€
31.12.2005	74,612,523	44.8	42.4
Capital repayment 23.8.2006			–39.5
31.12.2006	74,612,523	44.8	2.8

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

The company's share capital is minimum € 80,000 and maximum € 700,000,000, 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 2006 or 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.

Retained earnings

The retained earnings of the Group's parent company on 31 December 2006 totalled € 69,461,629.

26. SHARE-BASED PAYMENTS

The bond with warrants scheme launched at the Annual General Meeting in 1999 for company employees ended in summer 2005.

The Annual General Meeting held on 8 March 2006 decided on a new stock option scheme under which at most 1,920,000 options would be granted and these may be exercised to subscribe for at most 1,920,000 Alma Media shares with a book counter-value of € 0.60 per share. This scheme forms part of the company's plan for motivating its senior management and ensuring their long-term commitment to the company.

Of the total number of options, 640,000 were marked 2006A, 640,000 were marked 2006B and 640,000 were marked 2006C.

Should all the options be exercised, the scheme would dilute the holdings of the previous shareholders by 2.5%.

Share subscription periods
for stock options 2006A 1.4.2008–30.4.2010,
for stock options 2006B 1.4.2009–30.4.2011, and
for stock options 2006C 1.4.2010–30.4.2012.

As authorized by the AGM, the Board of Directors has so far granted 515,000 of the 2006A options to a total of 18 executives.

The share subscription price under the A options, € 7.66 per share, was determined by the trade weighted average share price in public trading between 1 April and 31 May 2006. The subscription price of the 2006A options was reduced by the amount of capital repayment in 2006, i.e. by € 0.53 per share, to € 7.13 per share. The vesting period for the options ends and the share subscription period begins on 1 May 2008. The remaining A options, as well as all the B and C options have been issued to the Group's subsidiary, Marcenter Oy, which can grant them later at the time and in the manner decided by the Board of Directors.

The stock option plan is entered in the accounts as required by IFRS 2 – Share-Based Payments.

The option rights granted are measured at their fair value at the grant date using the Forward Start Option Rubinstein (1990) model based on the Black & Scholes pricing model and expensed in the income statement under personnel expenses over the vesting period. An expense of M€ 0.3 was entered in the 2006 accounts. The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the shares of the previous Alma Media Corporation.

Specification of option rights

			Share subscription period		Period determining subscription price		
Options	**Number**	**Free**	**begins**	**ends**	**(trade volume weighted average share price)**		
2006A	640,000	190,000	1.4.2008	30.4.2010	1.4.2006	–	31.5.2006
2006B	640,000	640,000	1.4.2009	30.4.2011	1.4.2007	–	31.5.2007
2006C	640,000	640,000	1.4.2010	30.4.2012	1.4.2008	–	31.5.2008

The share subscription prices will be reduced by the amount of dividend per share and capital payment per share decided after the period.

Principal terms and conditions (A options):

Grant date	26 April 2006
Number of options granted	515,000 options
Subscription price	7.13 euros
(reduced by capital repayment of 0.53 €os per share after the grant date)	
subscription price at grant date	7.66 euros
Total duration of option scheme	1,496 days
Expected volatility	30%
Vesting period	736 days
Risk-free interest rate	3.50%
Payment method	as shares
Expected personnel reductions	0%
Expected dividend yield	0%
Value of option at grant date	1.526 euros/share, total M€ 1.0 (A scheme, 640,000 options)
Value pricing model	Black & Scholes (Forward Start Option, 1990 Rubinstein)

The option rights are granted on condition that the person receiving the options pledges to subscribe for shares corresponding to at least 25% of the gross value of the options granted to him/her when the options are sold and to refrain from selling the subscribed shares for at least one year from the end of the share subscription period for each option right in question.

Should the option holder's work or employment contract with Alma Media end for reasons other than the death or retirement, as determined by the company, or permanent work disability of the option holder, or for another reason determined by the Board of Directors and independent of the option holder, the option holder shall return to the company without consideration such option certificates for which the share subscription period has not begun on the date on which his/her work or employment contract ended. Altogether 65,000 options were returned to the company during 2006 as a result of the termination of employment contracts.

The option rights may be freely transferred when the share subscription period that applies to them has commenced. Before the share subscription period for the options in question has commenced, option rights may only be transferred with the consent of the Board of Directors.

Changes during option period

Number of options	**2006**	2005
At start of financial year	**0**	599,900
Number of new options granted	**515,000**	0
Number of options forfeited	**–65,000**	0
Number of options exercised	**0**	–511,024
Cancelled/nullified options	**0**	–88,876
At end of financial year	**450,000**	0

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

27. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 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	1.1
Pension benefits	0.2	0.0		0.0	0.1
Deferred depreciation	1.4	0.4		–0.8	1.0
Sale and lease-back agreement	2.6	0.0		0.0	2.6
Other items	0.4	0.0		0.0	0.4
Total	5.5	0.8	0.0	–1.0	5.2
Taxes, net	–0.5				–0.5
Deferred tax assets in balance sheet	5.0				4.8
Deferred tax liabilities:					
Accumulated depreciation differences	2.8	–0.5		–1.4	0.9
Fair value measurement of property, plant and equipment and intangible assets in business combinations	0.3	0.0			0.3
Other items	1.0	–0.2		0.0	0.8
Total	4.1	–0.7	0.0	–1.4	2.0
Taxes, net	–0.5				–0.5
Deferred tax liabilities in balance sheet	3.5				1.5
Deferred tax, net	1.4	1.5		0.4	3.3

Changes in deferred taxes during 2006

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

No deferred tax asset has been calculated on the confirmed tax losses (M€ 0.6) of Group companies in 2006. Utilization of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire beween the years 2011 and 2015.

28. PENSION OBLIGATIONS

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

The defined benefit pension obligation in the balance sheet is determined as follows:	**31.12.2006**	31.12.2005
Present value of unfunded obligations at start of period	**7.2**	9.0
Service cost during period	**0.2**	0.4
Interest cost	**0.3**	0.4
Actuarial gains and losses		–1.0
Payments of defined benefit obligations	**–0.5**	–0.5
Adjustments		–0.4
Curtailments, sales of subsidiaries		–0.8
Present value of funded obligations at end of period	**7.2**	7.2
Fair value of plan assets at start of period	**6.8**	8.3
Expected return on plan assets	**0.3**	0.4
Actuarial gains and losses		–1.0
Incentive payments	**0.2**	0.4
Payments of defined benefit obligations	**–0.5**	–0.5
Adjustments		–0.2
Curtailments, sales of subsidiaries		–0.7
Present value of plan assets at end of period	**6.8**	6.8
Deficit/surplus	**0.4**	0.4
Unrecognized actuarial gains (–) and losses (+)	**0.0**	0.0
Unrecognized costs based on retroactive service	**0.0**	0.0
Defined benefit pension liabilities in the balance sheet	**0.4**	0.4

Time series of present value of obligations and fair value of plan assets	**31.12.2006**	31.12.2005	31.12.2004
Present value of funded obligations	**7.2**	7.2	9.0
Fair value of assets	**–6.8**	–6.8	–8.3
Deficit/surplus	**0.4**	0.4	0.7

The time series is shown exceptionally for three years only because the company adopted IFRS practice from 1 January 2004.
The plan assets are invested primarily in interest- and share-based instruments and they have an aggregate expected annual return of 4.5%.
A more detailed specification of the plan assets is not available.

The defined benefit pension expense in the income statement is determined as follows:	**1.1.–31.12.2006**	1.1.–31.12.2005
Service cost during period	**0.2**	0.4
Interest cost	**0.3**	0.4
Expected return on plan assets	**–0.3**	–0.4
Actuarial gains and losses	**0.0**	0.0
Losses /gains from plan curtailments	**0.0**	–0.2
	0.2	0.3*

* Includes M€ 0.07 share from discontinued operations in 2005.

Changes in liabilities shown in balance sheet	**31.12.2006**	31.12.2005
Start of period	**0.4**	0.6
Incentive payments paid	**–0.2**	–0.4
Pension expense in income statement	**0.2**	0.3
Divestments of subsidiaries	**0.0**	0.0
Defined benefit pension obligation in balance sheet	**0.4**	0.4

A similar investment is expected to be made in the plan in 2007 as in 2006.

Actuarial assumptions used	1.1.–31.12.2006	1.1.–31.12.2005
Discount rate	4.5%	4.5%
Expected return on plan assets	4.5%	4.5%
Future salary increase assumption	3.5%	3.5%
Inflation assumption	2.0%	2.0%

Pension obligation in balance sheet	31.12.2006	31.12.2005
Defined benefit pension obligation in balance sheet	0.4	0.4
Other pension obligation in balance sheet	3.3	3.4
Pension obligation in balance sheet, total	3.6	3.8

29. PROVISIONS

	Restructuring provision	Loss-making contracts	Other provisions	Total
1.1.2006	0.7	0.2	0.2	1.0
Increase in provisions	1.4	0.1	0.3	1.8
Provisions employed	–0.2	–0.1	–0.2	–0.5
Reversals of unemployed provisions				
Impact of changes in discount rate				
31.12.2006	1.9	0.2	0.3	2.3
Current	1.8	0.1	0.3	2.2
Non-current	0.1	0.0	0.0	0.1

Restructuring provision: this provision has been made to cover implemented or possible personnel reductions in different companies and the costs arising from the divestment of the Broadcasting business. The provision is expected to be realized in 2007 and 2008.

Loss-making agreements: mainly consists of rental commitments for unoccupied business premises. The provision will be realized in 2007 and 2008.

Other provisions: mainly for tax costs that might arise as a result of a tax inspection on the Group.

30. CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

The Group has contingent liabliities totalling M€ 7.8. The tax authorities have issued a claim to correct the company's income tax for 2003. The tax authorities consider that the loss arising from Alma Media's disposal of the shares of its associated company Talentum to Kauppalehti Oy at the market price should not have been tax-deductable. At the end of 2006 (20 December 2006) the company was informed of a ruling by the Adjustments Board of the Corporate Taxation Centre to the effect that the Adjustments Board rejected the claim by the tax authorities.

The company did not know at the balance sheet date whether the tax authorities would appeal the ruling. The company continues to believe that it is improbable that the claim will lead to additional tax consequences since the transaction was carried out at market prices for commercial reasons.

31. INTEREST-BEARING LIABILITIES

	Book values 31.12.2006	**Fair values 31.12.2006**	Book values 31.12.2005	Fair values 31.12.2005
Non-current:				
Finance lease liabilities	**19.1**	**19.1**	20.2	20.2
	19.1	**19.1**	20.2	20.2
Current:				
Loans from financial institutions			3.6	3.6
Medium-term notes			30.0	30.6
Other current interest-bearing debt	**0.2**	**0.2**	0.2	0.2
Finance lease liabilities	**2.4**	**2.4**	2.3	2.3
	2.6	**2.6**	36.2	36.8

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

Non-current debt matures as follows:

	31.12.2006	31.12.2005
2007		2.1
2008	**2.1**	1.6
2009	**1.6**	1.3
2010	**1.3**	1.1
2011	**1.2**	1.2
Later	**12.9**	12.9
	19.1	20.2

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

	31.12.2006	31.12.2005
€	**19.1**	20.2

Weighted averages of the effective tax rates for the interest-bearing non-current debt at 31 Dec. 2006 and 31 Dec. 2005

	1.1.–31.12.2006	1.1.–31.12.2005
Finance lease liabilities	**5.5%**	4.5%

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

	31.12.2006	31.12.2005
€	**2.6**	36.2

Weighted averages of the effective tax rates for the interest-bearing current debt at 31 Dec. 2006 and 31 Dec. 2005

	1.1.–31.12.2006	1.1.–31.12.2005
Loans to financial institutions		2.8%
Medium-term notes		5.8%
Finance lease liabilities	**5.5%**	4.5%

Maturity of finance leases

	31.12.2006	31.12.2005
Finance lease liabilities – total minimum lease payments		
2006		4.1
2007	**3.4**	3.8
2008	**3.5**	2.9
2009	**3.5**	2.4
2010	**3.5**	2.1
2011	**1.9**	1.9
Later	**14.9**	16.7
	30.7	33.9
Finance lease liabilities – present value of minimum lease payments		
2006		2.3
2007	**2.4**	2.1
2008	**2.1**	1.6
2009	**1.6**	1.2
2010	**1.3**	1.1
2011	**1.2**	1.2
Later	**13.0**	12.9
	21.5	22.6
Financial expenses accruing in the future	**9.2**	11.2

Financial risk management

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

Interest rate risk

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

The Group's interest-bearing debt totalled M€ 21.7 at 31 December 2006, all of which carried a fixed coupon. A one percentage point increase in the interest rate would increase the Group's financial expenses by M€ 0.2.

Foreign exchange risks:

Transaction risk

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

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

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

Translation risk

A foreign exchange risk that arises when on the translation of foreign investments into the functional currency of the parent company.

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

Commodity risk

The commodity risk refers to the impact of changes in the prices of commodities, e.g. raw materials, on the Group's net profit.

The Group regularly assesses its commodity risk exposure and hedges this risk employing generally used commodity derivatives whenever this is possible and economically viable. A 1% change in the price of paper would reduce the Group's operating profit by an estimated M€ 0.2. The Group had no open paper derivatives on the balance sheet date. The values of these open derivatives are described in more detail in Note 34 to the consolidated financial statements.

Capital management risks:

Liquidity management

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

Financing of working capital

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

The company had a M€ 100 commercial paper programme in Finland on the balance sheet date that allows the company to issue papers between M€ 0 and M€ 100.

Long-term capital funding

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

Credit risk

The following table details the maturities of the company's accounts receivable at:	**31 Dec 2006**
Non-matured receivables and receivables maturing in 1–4 days	**22.7**
Maturing in 5–30 days	**2.4**
Maturing in 31–120 days	**0.6**
Maturing after 120 days	**0.3**
Accounts receivable, total	**26.0**

No writedowns have been entered on receivables. No significant credit losses were recognized in 2006 or 2005. The company regularly assesses the invoicing and credit risks of its main customers as part of its risk management policy. The company does not have any significant credit risk concentrations.

32. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	31.12.2006	31.12.2005
Accounts payable	**7.4**	6.6
Owed to associated companies:		
Accounts payable	**0.1**	0.0
Accrued expenses and prepaid income		
Accrued expenses and prepaid income	**20.3**	22.1
Other liabilities	**6.1**	6.1
Total	**33.9**	34.8

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

The main items in accrued expenses and prepaid income are allocated wages, salaries and other personnel expenses.

33. OTHER LEASES

The Group as lessee

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

	31.12.2006	31.12.2005
Within one year	**6.1**	4.7
Within 1–5 years	**14.6**	13.3
After 5 years	**13.0**	13.2
	33.8	31.3

The Group's companies largely operate in leased premises. Rental agreements vary in length from 6 months to 15 years.

	31.12.2006	31.12.2005
Purchase agreements under IFRIC 4 that contain another lease component, as described in IAS 17. Minimum payments payable based on these purchase agreements.	**7.7**	9.6

The Group as lessor

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

	31.12.2006	31.12.2005
Within one year	**1.6**	0.3
Within 1–5 years	**3.0**	
After 5 years		
	4.6	0.3

34. DERIVATIVE CONTRACTS

	31.12.2006	31.12.2005
Raw material derivatives (Paper Swap)		
Fair value *		0
Amount, tonnes		5,000
Value of underlying instrument		2.6
Share options		
Fair value *		0.8
Value of underlying instrument		2.2

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

The company had no open derivative positions on the balance sheet date 31 December 2006.

35. COMMITMENTS AND CONTINGENCIES

	31.12.2006	31.12.2005
Collateral for others:		
Guarantees	**0.0**	2.2
Other commitments:		
Commitments based on agreements	**0.1**	0.2
	0.1	2.4

Alma Media has agreed with its 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.

36. RELATED PARTIES

Alma Media Group's related parties are its associated companies (see Note 18) and the companies that own them.

Related parties also include the company's management (Board of Directors, the Presidents and Group Executive Team). The employee benefits of management and other related party transactions between management and the company are detailed in Note 7.

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

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.–31.12.2006	1.1.–31.12.2005
Related party transactions with shareholders		
a) Sales of goods and services		0.2
b) Purchases of goods and services		0.6
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.

Related party transactions with associated companies

a) Sales of goods and services	**0.4**	1.5
b) Purchases of goods and services	**4.4**	7.2
c) Accounts receivable	**4.6**	5.1
d) Accounts payable	**0.1**	0.0

37. EVENTS AFTER THE END OF THE FINANCIAL PERIOD

On 1 February 2007 the company sold the property in Rovaniemi occupied by the Lapin Kansa newspaper and recorded a capital gain on this divestment of M€ 1.9.

38. SHAREHOLDINGS

20 principal shareholders at 31 December 2006

	Number of shares	% of total shares	% of total votes
1. Varma Mutual Pension Insurance Company	7,202,994	9.7	9.7
2. Sampo Life Insurance Company Ltd	6,665,912	8.9	8.9
3. Oy Herttaässä Ab	4,352,145	5.8	5.8
4. Kaleva Mutual Insurance Company	4,189,281	5.6	5.6
5. Ilkka-Yhtymä Oyj	3,418,791	4.6	4.6
6. Ilmarinen Mutual Pension Insurance Company	3,009,562	4.0	4.0
7. C.V. Åkerlund Fund	2,984,501	4.0	4.0
8. Nordea Pankki Suomi Oyj	2,525,012	3.4	3.4
9. Evli Pankki Oyj	1,964,483	2.6	2.6
10. Tapiola Mutual Pension Insurance Company	1,852,800	2.5	2.5
11. FIM Pankkiiriliike Oy	1,388,100	1.9	1.9
12. Keskisuomalainen Oyj	1,086,000	1.5	1.5
13. Sampo Suomi Osake Investment Fund	916,750	1.2	1.2
14. Nordea Nordic Small Cap Investment Fund	831,400	1.1	1.1
15. Nordea Life Assurance Finland Ltd	825,450	1.1	1.1
16. Neste Oil Pension Fund	694,275	0.9	0.9
17. Federation of Finnish Textile and Clothing Industries	643,444	0.9	0.9
18. The Finnish Cultural Foundation	576,000	0.8	0.8
19. OP-Delta Investment Fund	553,562	0.7	0.7
20. Häkkinen Heikki estate	517,332	0.7	0.7
Total	46,197,794	61.9	61.9
Nominee-registered	11,154,585	15.0	15.0
Other	17,260,144	23.1	23.1
Grand total	74,612,523	100.0	100.0

The holdings of the Board of Directors, the President and the members of the Group Executive Team are shown in Note 7.

Ownership structure at 31 December 2006

	Number of owners	% of total	Number of shares	% of shares
Private corporations	286	6.5	11,974,580	16.0
Financial and insurance institutions	29	0.7	21,258,068	28.5
Public entities	24	0.5	13,957,409	18.7
Households	3,904	88.6	9,791,551	13.1
Non-profit associations	138	3.1	6,224,513	8.3
Foreign owners	16	0.4	47,768	0.1
Nominee-registered shares	7	0.2	11,154,585	15.0
In general account			204,049	0.3
Total	4,404	100%	74,612,523	100.0

Distribution of ownership

	Number of owners	% of total	Number of shares	% of shares
1–100	797	18.1	40,759	0.1
101–1 000	2,140	48.6	1,075,462	1.4
1 001–10 000	1,220	27.7	3,723,691	5.0
10 001–100 000	197	4.5	5,476,288	7.3
100 001–1 000 000	36	0.8	13,121,924	17.6
1 000 001–	14	0.3	50,970,350	68.3
In general account			204,049	0.3
Total	4,404	100	74,612,523	100

KEY FIGURES

Key figures for 2004–2006 calculated applying IFRS recognition and measurement principles.
Key figures for 2002–2003 calculated applying FAS recognition and measurement principles.

		IFRS 2006	%	IFRS 2005	%	IFRS 2004	%	FAS 2003	%	FAS 2002	%
KEY FIGURES											
Net sales	M€	**302**		349		466		460		486	
Net sales, continuing operations	M€	**302**		286		283					
Operating income	M€	**49**	**16.3**	371	106.3	52	11.2	18	3.8	16	3.3
Operating income, continuing operations	M€	**49**	**16.3**	42	14.8	37	13.1				
Operating income before extraordinary items	M€	**50**	**16.5**	376	108.0	44	9.4	14	3.0	9	1.8
Income before tax	M€	**50**	**16.5**	376	108.0	44	9.4	14	3.0	9	1.8
Net income for the period	M€	**37**	**12.4**	365	104.7	30	6.5	11	2.3	2	0.5
Net income, continuing operations	M€	**37**	**12.4**	39	13.6	21	7.6				
Return on shareholders' equity (ROE)	%	**30.9**		265.8		19.8		6.9		2.0	
ROE, continuing operations	%	**30.9**		28.4		14.1					
Return on investment (ROI)	%	**32.8**		177.7		20.4		6.3		4.9	
ROI, continuing operations *	%	**32.8**		26.1		15.7					
Equity ratio	%	**61.3**		54.5		43.1		49.0		41.3	
Gross capital expenditure	M€	**20**	**6.5**	22	6.4	14	3.0	21	4.6	15	3.1
Research and development costs	M€	**2**	**0.6**	3	0.9	3	0.6	3	0.7	4	0.7
Average personnel, excl. delivery staff		**1,901**		2,239		2,312		2,459		2,641	
Average personnel, excl. delivery staff, continuing operations		**1,901**		1,807		1,796					
Delivery staff, total number		**857**		900		947		1,045		1,151	
PER SHARE DATA											
Earnings per share	€	**0.50**		4.89		0.41		0.15		0.04	
Earnings per share, continuing operations	€	**0.50**		0.52		0.30					
Shareholders' equity per share	€	**1.54**		1.69		1.96		2.32		2.24	
Dividend per share	€	**0.65**		0.65 **		0		0.54		0.05	
Payout ratio	%	**131.1**		13.3 **		0		362.3		156.3	
Effective dividend yield	%	**7.0**		8.5 **							
P/E ratio		**18.8**		1.6							
P/E ratio, continuing operations		**18.8**		14.8							
Share prices											
Highest ***	€	**9.95**		7.75							
Lowest ***	€	**6.90**		6.55							
On 31.12.	€	**9.25**		7.68							
Market capitalization	M€	**690.2**		573.0		715.5		442.6		299.1	
Turnover of shares, total ***	1,000	**47,600**		10,100							
Relative turnover of shares, total ***	%	**63.8**		13.5		32.9		21.4		12.7	
Adjusted average no. of shares, total	1,000	**74,613**		74,474		71,876		71,876		71,876	
Adjusted number of shares on 31.12., total	1,000	**74,613**		74,613		74,446		74,446		74,446	

The consolidated financial statements and key figures are calculated in the name of the current legal parent company, the new Alma Media Corporation (Almanova Corporation) but continuity in the consolidated financial statements and key figures applies to the financial statements of the old Alma Media. The financial period is the 12-month calendar year and the comparative figures are the comparative figures for the old Alma Media.

The per share figures are adjusted to correspond with the amounts of shares of the new Alma Media Corporation (Almanova Corporation). The share numbers for 2002–2004 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 2002–2004 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 years 2004 and 2005.

* When calculating return on investment (ROI) for continuing operations, the capital employed in the opening balance sheet for 2005 includes the computed share of continuing operations in the whole company's capital employed.
** The proposal of the Board of Directors to the Annual General Meeting includes the capital repayment (€ 0.53 per share) from the share premium fund.
*** Applies to the period 7.11–31.12.2005, during which time the company's share was quoted on the Main List of the OMX Helsinki Stock Exchange.

CALCULATION OF KEY FIGURES

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

PARENT COMPANY INCOME STATEMENT (FAS) M€

M€	Note	1.1.-31.12.2006	27.1.-31.12.2005
Net sales	1	**10.3**	1.3
Other operating income	2	**1.4**	0.2
Personnel expenses	3	**–1.6**	–0.5
Depreciation and writedowns	4	**–0.4**	–0.6
Other operating expenses		**–10.3**	–1.9
Operating income		**–0.7**	–1.6
Financial income and expenses	6	**39.6**	11.5
Income before extraordinary items		**38.9**	9.9
Extraordinary items	7	**39.2**	0.0
Income before appropriations and tax		**78.1**	9.9
Appropriations	8	**0.0**	0.0
Income tax	9	**–9.7**	
Net income for the year		**68.5**	10.0

PARENT COMPANY BALANCE SHEET (FAS) M€

ASSETS

	Note	31.12.2006	31.12.2005
Fixed assets			
Intangible assets	10	**0.6**	0.2
Tangible assets	11	**3.2**	6.1
Investments			
Holdings in Group companies	12	**423.5**	423.5
Other investments	12	**2.6**	8.5
Fixed assets, total		**429.9**	438.3
Current assets			
Short-term receivables	13	**102.0**	106.8
Cash and bank		**25.7**	67.8
Current assets, total		**127.7**	174.6
Assets, total		**557.7**	613.0

SHAREHOLDERS' EQUITY AND LIABILITIES

	Note	31.12.2006	31.12.2005
Shareholders' equity			
Share capital		**44.8**	44.8
Share premium fund		**414.4**	454.0
Other funds		**5.4**	5.4
Retained earnings		**1.0**	0.0
Net income for the period		**68.5**	10.0
Shareholders' equity, total	14	**534.0**	514.2
Accumulated appropriations	15	**0.0**	0.0
Provisions	16	**0.8**	0.6
Liabilities			
Long-term liabilities	17	**2.1**	2.1
Short-term liabilities	18	**20.8**	96.2
Liabilities, total		**22.9**	98.3
Shareholders' equity and liabilities, total		**557.7**	613.0

PARENT COMPANY CASH FLOW STATEMENT (FAS) M€	1.1.-31.12.2006	27.1.-31.12.2005
OPERATING CASH FLOW		
Income before extraordinary items, appropriations and tax	**38.9**	9.9
Depreciation and writedowns	**0.4**	0.6
Financial income and expenses	**–39.6**	–11.5
Other adjustments	**–1.2**	1.1
Change in working capital:		
Total increase (-) / decrease (+) in current non-interest-bearing receivables	**0.9**	–0.6
Increase (+) / decrease (-) in current non-interest-bearing liabilities	**–2.0**	–0.7
Dividend income received	**34.2**	
Interest income received	**5.9**	1.0
Interest expenses paid	**–3.0**	–3.9
Taxes paid	**–10.3**	10.6
Net cash from operating activities	**24.2**	6.5
INVESTMENTS		
Investments in tangible and intangible assets	**–0.7**	–0.2
Proceeds from disposal of tangible and intangible assets	**3.5**	0.0
Investments in other securities	**0.0**	0.0
Proceeds from disposal of other investments	**1.5**	0.4
Associated company shares acquired	**0.0**	
Subsidiary shares acquired *		–281.2
Subsidiary shares sold		345.5
Net cash from investing activities	**4.2**	64.6
Cash flow before financing activities	**28.4**	71.2
FINANCING		
Paid share issue		1.0
Long-term loans, repayments	**–33.6**	
Short-term loans raised		51.2
Short-term loans, repayments	**–39.1**	–50.6
Group contributions received	**39.2**	
Increase (-) or decrease (+) in interest-bearing receivables	**11.4**	–4.9
Dividends paid and capital repayment	**–48.5**	
Net cash used in financing activities	**–70.6**	–3.3
Change (increase + / decrease -) in cash reserves	**–42.2**	67.8
Cash reserves at start of period	**67.8**	0.0
Cash reserves at end of period	**25.7**	67.8

* Includes the cash reserves, M€ 112.3, received on 7 November 2005 from Alma Media Corporation (ID 1449580-9) in the merger.

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

BASIC FACTS

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, FI-00101 Helsinki, Finland.

PARENT COMPANY FINANCIAL STATEMENTS AND COMPARISON FIGURES

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

The parent company was established on 27 January 2005. On 7 November 2005 the old Alma Media Corporation was merged with Almanova Corporation, which adopted the new name of Alma Media Corporation. The merger difference arising in conjunction with the merger has been capitalized to the Group's shares.

FIXED ASSETS

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

Buildings	30–40 years
Structures	5 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 parent company launched a stock option scheme in spring 2006 under which options will be issued to the company's senior management. In compliance with Finnish Accounting Standards (FAS) the option benefit is not measured at fair value, nor is the calculated employee benefit expensed in the income statement. ●

1. NET SALES BY MARKET AREA

	1.1.–31.12.2006	27.1.–31.12.2005
Finland	**10.3**	1.3
Total	**10.3**	1.3

2. OTHER OPERATING INCOME

	1.1.–31.12.2006	27.1.–31.12.2005
Gains on sale of fixed assets	**1.6**	0.2
Other income	**0.1**	
Total	**1.7**	0.2

3. PERSONNEL EXPENSES

	1.1.–31.12.2006	27.1.–31.12.2005
Wages, salaries and fees	**1.1**	0.6
Pension expenses *	**0.6**	–0.1
Other social expenses	**–0.1**	0.0
Total	**1.6**	0.5

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

Average number of employees	**24**	26

Salaries and fees to management	1.1.–31.12.2006	27.1.–31.12.2005
President	**0.4**	0.0
Board of Directors	**0.2**	0.0
Total	**0.6**	0.0

The benefits to which the president of the parent company is entitled are described in more detail in Note 7 to the consolidated financial statements.

4. DEPRECIATION AND WRITEDOWNS

	1.1.–31.12.2006	27.1.–31.12.2005
Depreciation on tangible and intangible assets	**0.4**	0.1
Writedowns on fixed assets and other long-term investments		0.5
Total	**0.4**	0.6

5. RESEARCH AND DEVELOPMENT EXPENSES

The company's research and development expenses in 2006 totalled M€ 0.3 (M€ 0 in 2005).
M€ 0.2 of R&D expenses were capitalized to the balance sheet.

6. FINANCIAL INCOME AND EXPENSES

	1.1.–31.12.2006	27.1.–31.12.2005
Dividend income		
From Group companies *	**34.1**	13.9
From associated companies	**2.2**	
From others	**0.0**	
Total	**36.2**	13.9
Other interest and financial income		
From Group companies	**4.2**	0.7
From others	**1.7**	0.2
Total	**5.9**	1.0
Interest expenses and other financial expenses		
To Group companies	**–1.1**	–0.2
To others	**–1.4**	–3.2
Total	**–2.5**	–3.4
Financial income and expenses, total	**39.6**	11.5
Interest and other financial income includes translation differences (net)	**0.0**	0.0

* 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. On this basis dividend income totalling M€ 2 (M€ 13,9 in 2005) was recognized in the parent company in 2006.

7. EXTRAORDINARY ITEMS

	1.1.–31.12.2006	27.1.–31.12.2005
Group contribution received	**39.2**	0,0

8. APPROPRIATIONS

	1.1.–1.12.2006	27.1.–31.12.2005
Difference between planned depreciation and depreciation made for tax purposes	**0.0**	0.0

9. INCOME TAX

	1.1.–31.12.2006	27.1.–31.12.2005
Income tax payable on extraordinary items	**–10.2**	0
Income tax from regular business operations	**0.5**	0
	–9.7	0

The company did not generate income tax in 2005 because most of its result was derived from tax-exempt dividends paid by its subsidiaries.

On the balance sheet date the parent company had M€ 1.9 in confirmed but unused tax losses from 2005. The unrecognized tax asset calculated on this amount totals M€ 0.5.

10. INTANGIBLE ASSETS

Financial year 2005	Intangible rights	Other long-term expenditure	Advance payments	Total
Acquisition cost 27.1.2005				
Merger	0.5	0.4	0.0	0.9
Increases				
Decreases				
Transfers between items				
Acquisition cost 31.12.2005	0.5	0.4	0.0	0.9
Accumulated depreciation and writedowns 27.1.2005				
Merger	0.4	0.2	0.0	0.6
Accumulated depreciation in decreases				
Depreciation in period	0.0	0.0		0.0
Writedowns				
Accumulated depreciation and writedowns 31.12.2005	0.4	0.2	0.0	0.7
Book value 31.12.2005	0.1	0.2	0.0	0.2

Financial year 2006	Intangible rights	Other long-term expenditure	Advance payments	Total
Acquisition cost 1.1.2006	0.5	0.4	0.0	0.9
Increases	0.0	0.3	0.2	0.5
Decreases	0.0	–0.1		–0.1
Transfers between items		0.0		0.0
Acquisition cost 31.12.2006	0.5	0.6	0.2	1.3
Accumulated depreciation and writedowns 1.1.2006	0.5	0.2		0.7
Accumulated depreciation in decreases	0.0	–0.1		–0.1
Depreciation in period	0.0	0.1		0.1
Writedowns				
Accumulated depreciation and writedowns 31.12.2006	0.5	0.2	0.0	0.7
Book value 31.12.2006	0.0	0.4	0.2	0.6

11. TANGIBLE ASSETS

Financial year 2005

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Acquisition cost 27.1.2005						
Merger	1.0	8.7	1.7	0.5		11.9
Increases					0.0	0.0
Decreases			0.0	0.0		0.0
Acquisition cost 31.12.2005	1.0	8.7	1.7	0.5	0.0	11.9
Accumulated depreciation 27.1.2005						
Merger		4.1	1.6	0.1		5.8
Accumulated depreciation in decreases			0.0			0.0
Depreciation in period		0.0	0.0	0.0		0.0
Accumulated depreciation 31.12.2005	0.0	4.1	1.6	0.1	0.0	5.8
Book value 31.12.2005	1.0	4.6	0.1	0.4	0.0	6.1
Balance sheet value of machinery and equipment 31.12.2005			0.0			

Financial year 2006

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Acquisition cost 1.1.2006	1.0	8.7	1.7	0.5	0.0	11.9
Increases		0.0	0.1	0.0	0.1	0.2
Decreases	–0.5	–4.4	–0.5	–0.1	0.0	–5.5
Transfers between items			0.0		0.0	0.0
Acquisition cost 31.12.2006	0.5	4.3	1.3	0.4	0.1	6.6
Accumulated depreciation 1.1.2006	0.0	4.1	1.6	0.1	0.0	5.8
Accumulated depreciation in decreases		–2.0	–0.5	–0.1		–2.6
Depreciation in period		0.2	0.0	0.0		0.2
Accumulated depreciation 31.12.2006	0.0	2.3	1.1	0.0	0.0	3.4
Book value 31.12.2006	0.5	2.0	0.2	0.4	0.1	3.2
Balance sheet value of machinery and equipment 31.12.2006			0.1			

12. INVESTMENTS

Financial year 2005	Shares, Group companies	Shares, associated companies	Shares, other	Recievables, Group companies	Total
Acquisition cost 27.1.2005					
Merger	9.4	1.9	1.6	5.9	18.8
Increases	414.1		0.0		414.1
Decreases			–0.7		–0.7
Acquisition cost 31.12.2005	423.5	1.9	0.9	5.9	432.2
Accumulated depreciation and writedowns 27.1.2005					
Merger			0.2		0.2
Accumulated depreciation 31.12.2005	0.0	0.0	0.2	0.0	0.2
Book value 31.12.2005	423.5	1.9	0.7	5.9	432.1

The largest change in shares of Group companies in 2005 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.

Financial year 2006	Shares, Group companies	Shares, associated companies	Shares, other	Recievables, Group companies	Total
Acquisition cost 1.1.2006	423.5	1.9	0.9	5.9	432.3
Increases	0.0	0.0	0.0		0.0
Decreases			–0.4	–5.5	–5.9
Acquisition cost 31.12.2006	423.5	1.9	0.5	0.4	426.4
Accumulated depreciation and writedowns 1.1.2006	0.0	0.0	0.2	0.0	0.2
Accumulated depreciation and writedowns 31.12.2006	0.0	0.0	0.2	0.0	0.2
Book value 31.12.	423.5	1.9	0.3	0.4	426.2

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, Finland	100.00	100.00
Alma Media Palvelut Oy	Helsinki, Finland	100.00	100.00
Alpress Oy	Tampere, Finland	90.09	90.09
Lapin Kansa Oy	Rovaniemi, Finland	33.49	33.49
Marcenter Oy	Tampere, Finland	100.00	100.00
Suomalainen Lehtipaino Oy	Helsinki, Finland	100.00	100.00
Associated companies:			
Jämsänjokilaakson Paikallisviestintä Oy	Jämsä, Finland	49.00	49.00
Kytöpirtti Oy	Seinäjoki, Finland	43.20	43.20
Nokian Uutistalo Oy	Nokia, Finland	36.90	36.90
Oy Suomen Tietotoimisto – Finska Notisbyrån Ab	Helsinki, Finland	24.07	24.07
Tampereen Tietoverkko Oy	Tampere, Finland	34.92	34.92

13. RECEIVABLES

	31.12.2006	31.12.2005
Short-term		
Receivables from Group companies:		
Accounts receivable	**0.1**	0.1
Loan receivables *	**100.6**	90.6
Other receivables	**0.0**	13.9
Prepaid expenses and accrued income	**0.0**	0.0
Total	**100.7**	104.6
Other receivables:		
Accounts receivable	**0.1**	0.0
Other receivables	**0.1**	1.3
Prepaid expenses and accrued income	**0.5**	0.8
Short-term receivables, total	**101.4**	106.7

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

14. SHAREHOLDERS' EQUITY

	31.12.2006	31.12.2005
Share capital 1.1.	**44.8**	
Establishment 27.1		0.1
Rights issue 28.4.		5.3
Rights issue 7.11.		39.4
Share capital 31.12.	**44.8**	44.8
Share premium fund 1.1.	**453.9**	
Establishment 27.1		0.9
Rights issue 28.4.		47.4
Capital repayment 23.8.	**–39.5**	
Rights issue 7.11.		405.6
Share premium fund 31.12.	**414.4**	453.9
Other funds 1.1.	**5.4**	
Measurement of Alma Media shares at fair value 7.11.		5.4
Other funds 31.12.	**5.4**	5.4
Retained earnings 1.1.	**10.0**	
Dividend payment 8.3.	**–8.9**	
Retained earnings 31.12.	**1.1**	
Net income for the period	**68.5**	10.0
Shareholders' equity, total	**534.2**	514.1

The parent company's distributable funds on 31 December 2006 totalled € 69,461,629.

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

	31.12.2006	31.12.2005
Restricted shareholders' equity	**464.6**	504.1
Non-restricted shareholders' equity	**69.6**	10.0
Total	**534.2**	514.1

15. ACCUMULATED APPROPRIATIONS

Accumulated appropriations consist of the accumulated depreciation difference.

16. PROVISIONS

Provisions consist of a restructuring provision totalling M€ 0.3, a tax provision of M€ 0.3 related to a possible tax inspection, provisions of M€ 0.1 for loss-making agreements, and a provision of M€ 0.1 to cover rental payments on unoccupied business premises.

17. LONG-TERM LIABILITIES

	31.12.2006	31.12.2005
Other long-term debt	2.1	2.1
Long-term liabilities, total	2.1	2.1
Debt due after five years		
Other long-term debt	1.9	1.9

18. SHORT-TERM LIABILITIES

	31.12.2006	31.12.2005
Loans from financial institutions		33.6
Accounts payable	0.2	0.2
Debt to Group companies:		
Accounts payable	0.1	0.0
Other debt	19.1	58.2
Other short-term liabilities	0.5	0.4
Accrued expenses and prepaid income	0.9	3.7
Short-term liabilities, total	20.8	96.1

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

19. COMMITMENTS AND CONTINGENCIES

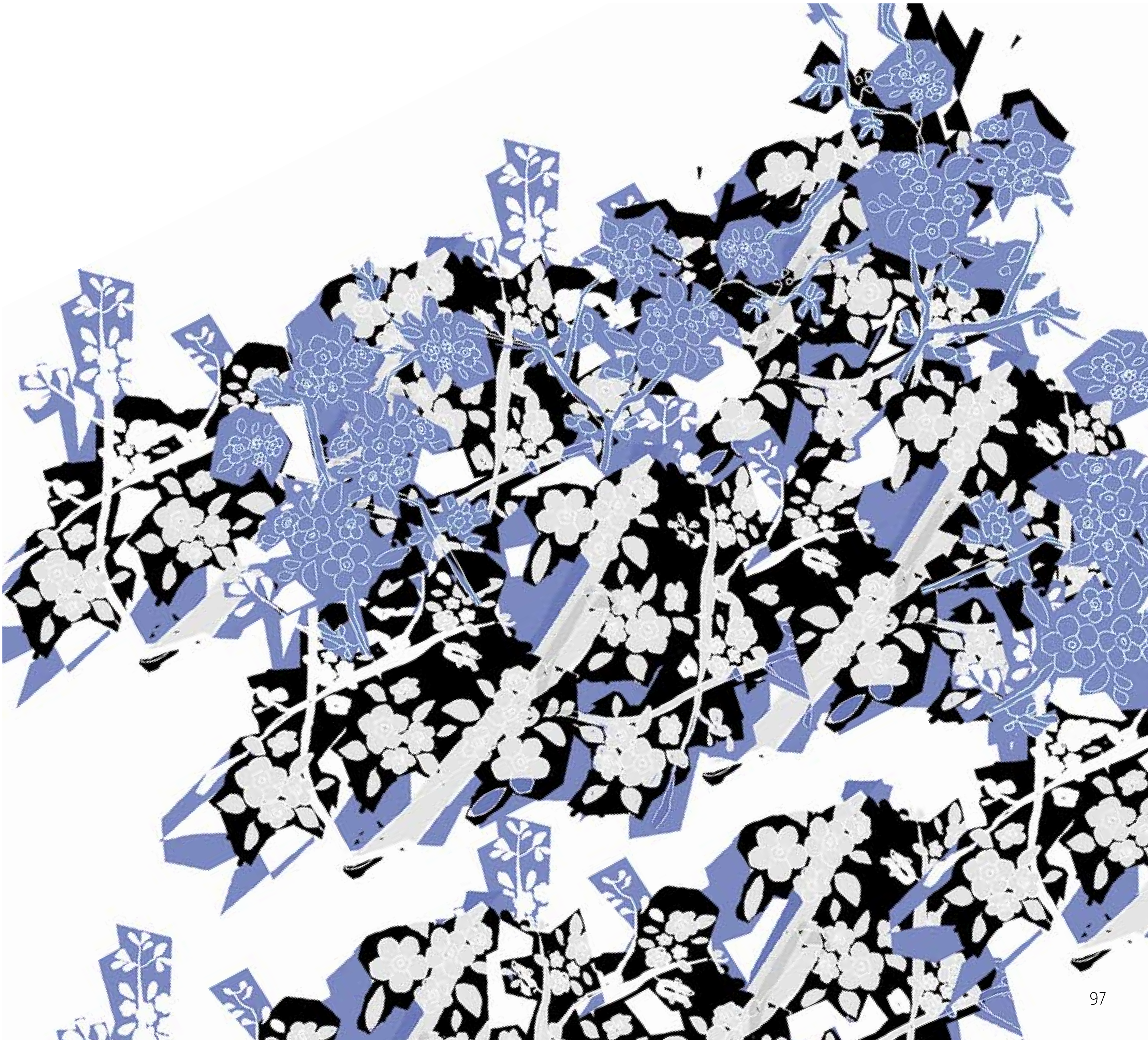
Collateral for own commitments:		
Guarantees	1.2	0.7
Collateral for others:		
Guarantees	0.0	2.2
Other own commitments:		
Leasing commitments	16.7	16.7
Other commitments	0.1	0.2
Maturity of leasing commitments:		
During following 12 months	1.2	0.9
Later	15.5	15.8

20. DERIVATIVE CONTRACTS

	31.12.2006	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.

The company had no open derivative positions on the balance sheet date 31 December 2006.



Board's proposal to the Annual General Meeting

The parent company's distributable funds on 31 December 2006 totalled € 69,461,629.
There were 74,612,523 shares carrying dividend rights.

The Board of Directors proposes that a dividend of € 48,498,139.95 (€ 0.65 per share) be distributed on the financial year 2006.

Helsinki, Finland, 8 February 2007

Kari Stadigh
Chairman of the Board

Matti Kavetvuo *Lauri Helve*

Matti Häkkinen *Kai Seikku*

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, the report of the Board of Directors and the administration of Alma Media Corporation for the period January 1, 2006–December 31, 2006. The Board of Directors and the President have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, containing the consolidated balance sheet, income statement, cash flow statement, statement on the changes in equity and notes to the financial statements, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the parent company's financial statements, the report of the Board of Directors and the administration of the parent company.

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

Consolidated financial statements

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

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

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

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

Opinion

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

Helsinki, Finland, 9 February 2007
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 (business ID code 1449580-9) was merged with Almanova Corporation (business ID code 1944757-4) on 7 November 2005. Almanova Corporation had been listed on the Pre-List of the Helsinki Stock Exchange since 28 April 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.

In the merger Almanova was renamed Alma Media. The new Alma Media (business ID code 1944757-4), with one share series and 74,612,523 shares, has been listed on the Helsinki Stock Exchange since 7 November 2005.

The 2005 merger, and the exchange and purchase offer that preceded it, are explained in full in the Shares and Shareholders section of Alma Media's 2005 annual report, pages 98–99.

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.

Since the Annual General Meeting on 8 March 2006 the Board of Directors has been authorized to raise the share capital by € 8,953,200, representing the issue of at most 14,922,000 new shares. This authorization was not exercised during 2006.

SHARE PERFORMANCE AND TRADING

Trading in Alma Media's shares has been lively. Altogether 47.6 million shares were traded on the Helsinki Stock Exchange during the year, representing 63.8% of the total number of shares. The lowest quotation in the year was € 6.90, the highest was € 9.95 and the closing price was € 9.25. The highest quotation was reached on 21 December 2006 after the company announced that it was engaged in merger talks with Keskisuomalainen Oyj. The company subsequently issued a release on 22 December 2006 that these talks had been terminated after no conclusion was reached.

The company does not hold its own shares, nor is it authorized to purchase its own shares in public trading.

The Helsinki Stock Exchange ended trading in trading lots in October 2006. The Alma Media share is now traded on the Nordic Mid Cap List of the OMX Helsinki stock exchange, introduced in October 2006.

MARKET LIQUIDITY

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.

OPTION RIGHTS

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

So far 515,000 of the 2006A options have been issued to Group management. A further 65,000 options have been issued to the Group's subsidiaries for granting to new personnel by the Board of Directors. If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 2.5%.

The share subscription periods and prices under the scheme are:
2006A: 1 April 2008–30 April 2010, average trade-weighted price 1 April–31 May 2006
2006B: 1 April 2009–30 April 2011, average trade-weighted price 1 April–31 May 2007
2006C: 1 April 2010–30 April 2012, average trade-weighted price 1 April–31 May 2008.

The subscription price of shares that may be subscribed under these stock option rights will be reduced by the amount of dividends and capital repayments decided after the start of the period determining the subscription price and before the subscription of shares, on the settlement date for each dividend payment or capital repayment. The subscription price of the 2006A option was € 7.13 per share.

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 4,404 shareholders in book-entry accounts on the balance sheet date. Altogether 11,154,585 shares were nominee-registered, representing 15.0% 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. The ownership structure is described in greater detail on page 84 of this annual report.

FLAGGING NOTICES

17 July 2006: Oy Herttaässä Ab announced that it had made forward contracts corresponding to a holding of 4.88% maturing on 19 December 2006. These would raise the company's total holding to over 10%.

19 July 2006: Capital Group's holding decreased to 3.7%.

21 August 2006: Skandinaviska Enskilda Banken's holding rose to 5%.

13 September 2006: Procomex S.A. and Helsingin Mekaanikontalo Oy announced that their combined holding would rise to 5% through forward contracts maturing on 19 December 2006.

10 November 2006: Evli group increased its holding to 5.6%.

18 December 2006: Evli group reduces its holding to 2.9%.

The Procomex and Helsingin Mekaanikontalo and the Herttaässä forward contracts matured on 19 December 2006; the former two announced that their holding would increase to 5% and the latter that its holding would exceed 10% on maturity. Both parties renewed their contracts and their registered holdings did not at the time exceed the flagging limits mentioned. The new maturity dates are 16 February 2007 (2.5%) and 16 March 2007 (2.5%) for Procomex and Helsingin Mekaanikontalo respectively, and 15 June 2007 (5.5%) for Herttaässä.

A full list of flagging notices is provided on the company's website at http://www.almamedia.fi/flagging_notices.

MANAGEMENT HOLDINGS

The members of the company's Board of Directors and the President owned altogether 1,440,927 of the company's shares on 31 December 2006. 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 39.

SHAREHOLDER AGREEMENTS

The company has no knowledge of any agreements relating to the ownership of its shares or exercising of its voting rights.

REDEMPTION OBLIGATION

Under the articles of association, a shareholder who owns 33⅓% 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.

The redemption limits stipulated in the Finnish Securities Markets Act are 30% and 50%.

INSIDER MANAGEMENT

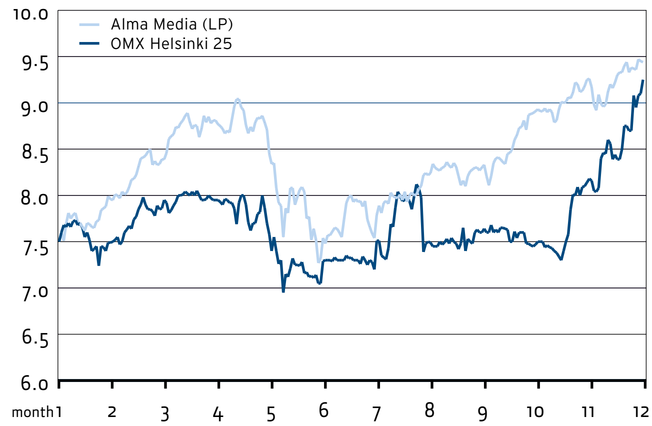
Alma Media Corporation applies the insider rules issued by the Helsinki Stock Exchange. The company's public (statutory) insiders are the members of the Board of Directors, the President and CEO and the auditor nominated as the principal auditor by the company's external auditors. The company has also decided that the members of the Group Executive Team are also subject to the same disclosure obligations as its public insiders. The company's internal, non-public and company-specific insiders include the heads of its largest business units and certain other individuals who by virtue of their position or responsibilities regularly receive insider information. The company also maintains a non-public list of temporary insiders for major projects.

Information on the company's public insiders, together with up-to-date information on their holdings and transactions, are available on Alma Media's website, www.almamedia.fi/insiders_holdings. The information contained in Alma Media's insider register is also available for inspection at the service desk of the Finnish Central Securities Depository Ltd, Urho Kekkosen katu 5 C, 8th floor, FI-00100 Helsinki.

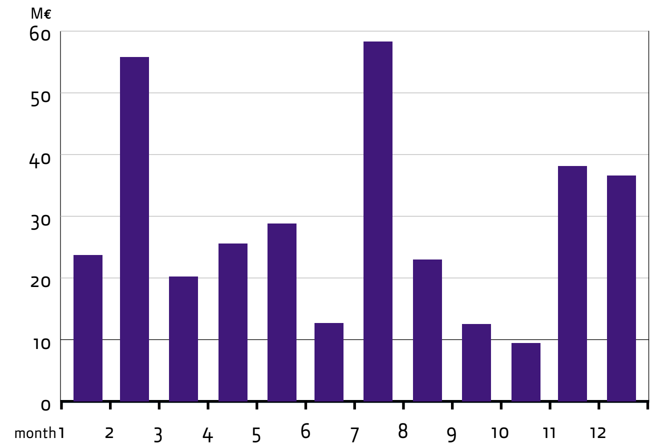
By providing instruction and information, Alma Media ensures that its public and non-public insiders are fully aware of their position and its importance. Alma Media insiders are not permitted to trade in the company's securities for 21 days prior to publication of the interim report or annual financial statements bulletin.

The company's legal counsel is responsible for insider affairs in Alma Media Corporation. ●

Share performance 1.1.-31.12.2006



Monthly trading volume 2006



Information for shareholders

ANNUAL GENERAL MEETING

The Annual General Meeting of Alma Media Corporation will be held on Thursday, 8 March 2007 commencing at 2.00 pm at the Pörssi Room of the Helsinki Stock Exchange, Fabianinkatu 14, Helsinki, Finland. 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 for inspection by the shareholders from 1 March 2007 at http://www.almamedia.fi/general_meeting and at the company's head office, Eteläesplanadi 20 (3rd floor), Helsinki.

Only those shareholders who are registered in the company's shareholder register maintained by the Finnish Central Securities Depository Ltd on 26 February 2007 may attend the Annual General Meeting.

Shareholders wishing to attend must notify the company no later than by 12.00 pm (Finnish time) on 6 March 2007 either:

- by phone +358 (0)10 665 2220,
- by e-mail to yhtiokokous@almamedia.fi,
- by fax +358 (0)10 665 2270, or
- in writing to Alma Media Corporation, Ms Sirpa Jyräsalo, P.O. Box 140, FI-00101 Helsinki, Finland.

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

RIGHT TO BRING A MATTER BEFORE THE AGM

Shareholders have the right to bring any matter they wish before the Annual General Meeting provided that they submit their request in writing to the Board of Directors early enough for the matter to be included in the Notice of Meeting. The Notice of Meeting is generally prepared about 4–6 weeks before the Annual General Meeting.

DIVIDEND PAYMENT

Alma Media Corporation's Board of Directors proposes to the Annual General Meeting that a dividend of € 0.65 be paid on the financial year 2006.

FINANCIAL INFORMATION

Alma Media will publish three interim reports in 2007:

3-month interim report on Thursday 3 May 2007
6-month interim report on Friday 20 July 2007
9-month interim report on Friday 26 October 2007.

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 http://www.almamedia.fi/releases. The releases can be received free of charge by completing the order form at http://www.almamedia.fi/orders. The interim reports are not printed.

To order the annual report in English, please fill out the form at http://www.almamedia.fi/ orders or call +358 (0)10 665 2253.

CHANGES OF ADDRESS

Shareholders are kindly asked to notify any changes of name or address to the custodian of their book-entry accounts.

SHARE DETAILS AT 31 DEC 2006

Stock Exchange	OMX Helsinki
List	Nordic Mid Cap
Business sector	Consumer goods and services
Admitted	Almanova to Pre-List on 28 April 2005
	Alma Media to Main List on 7 November 2005
	Alma Media to Nordic Mid Cap List on 2 October 2006
Trading code	ALN1V
Bloomberg	ALN1V FH
Reuters	ALN1V.HE
ISIN code	FI0009013114
Number of shares	74,612,523
Votes	1 vote per share

Analysts

To our knowledge at least the following brokers and financial analysts follow Alma Media. The list is not necessarily complete.
The company takes no responsibility for the opinions they express.

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Teemu Kangas-Kärki, Chief Financial Officer

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Further details on Alma Media's addresses
and operating locations at
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Alma Media's Annual Report 2006

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