Financial statements 2009

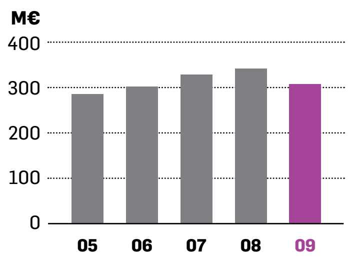
Sensitivity analysis

	Change	Impact on operating profit
Media advertising	+1%	M€ 1.4
Paper prices	+1%	M€ -0.1
Delivery costs	+1%	M€ -0.6
Wages and salaries, average	+1%	M€ -1.1
Average interest rate	+1%	M€ -0.2

The impacts in euros of the changes referred in the table above are provided as gross values. The calculations are estimates and based on historical annual figures. For instance, a significant decline in the value of advertising leads to cost savings (as the production costs of newspapers decrease, among other things) and thus the impact in euros in the operating profit is not linear. These cost savings are not included in the estimates.

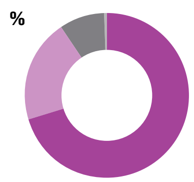
Net sales

The significant decline in media advertising decreased Alma Media's net sales.



Net sales by segment

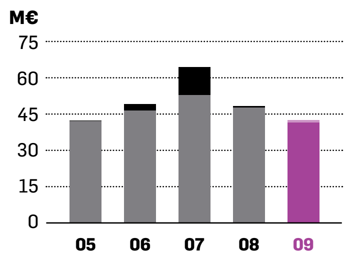
Approximately 70% of net sales were generated by the Newspapers segment.



Newspapers 70.4%
Kauppalehti Group 20.3%
Marketplaces 8.8%
Other operations 0.5%

Operating profit

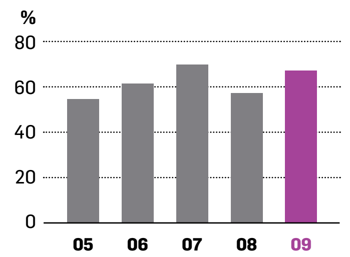
Cost saving measures kept profitability at a relatively good level.



Operating profit excluding one-time items
One-time items

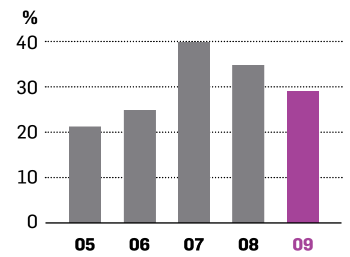
Equity ratio

Equity ratio increased from 2008 and was 67.2%.



Return on investment

The weakening financial result also affected the return on investment.



Report by the Board of Directors

Highlights of the financial year 2009

- Net sales M€ 307.8 (341.2), down 9.8%.
- Operating profit M€ 41.4 (48.3), 13.5% (14.2%) of net sales, operating profit without one-time items M€ 42.6 (47.7).
- Profit before tax M€ 40.8 (52.4), profit before tax excluding one-time items M€ 42.0 (49.9).
- Result of the financial period M€ 29.3 (39.0).
- Earnings per share € 0.39 (0.51).
- Dividend for the financial year 2008 was € 0.30 (0.90) per share. The Board of Directors did not use the authorisation by the Annual General Meeting to distribute additional dividends.

Dividend proposal for the Annual General Meeting

- Alma Media Corporation's Board of Directors will propose to the Annual General Meeting on March 11, 2010 that a dividend of € 0.40 (0.30) per share be paid for the 2009 financial year.

Outlook for 2010

- Alma Media expects its comparable net sales and operating profit to increase moderately from the 2009 level as a result of gradual growth in advertising sales.
- First-quarter net sales and operating profit are expected to remain close to the previous year's level.

Consolidated net sales and result 2009

Alma Media Group's net sales in 2009 totalled M€ 307.8 (341.2). Net sales decreased from the comparison period, in particular due to the declining net sales from advertising sales. Circulation sales remained at the previous year's level. Consolidated advertising net sales amounted to M€ 140.6 (168.8). Circulation net sales were M€ 133.3 (133.0). Online net sales amounted to M€ 40.4 (44.7). Online net sales accounted for 13.1% (13.1%) of consolidated net sales.

The consolidated operating profit declined from the previous year to M€ 41.4 (48.3). The operating margin was 13.5% (14.2%). The operating profit for the financial period, excluding one-time items, was M€ 42.6 (47.7). The operating margin without one-time items was 13.9% (14.0%). The operating profit for 2009 includes one-time items in the amount of M€ -1.2 (0.6). One-time items in the reported figures of 2009 are comprised of restructuring costs due to cost savings measures and sales of business operations. The operating profit for the comparison period included M€ 0.6 capital gains from the sale of property.

Profit before taxes for the financial period was M€ 40.8 (52.4). The result before taxes includes one-time items totalling M€ -1.2 (2.5). The 2009 one-time items are comprised of restructuring costs due to cost savings measures and sales of business operations. The one-time items of the comparison period include capital gains from sale of property and the shares of AP-Paino Oy.

The result for the financial period 2009 was M€ 29.3 (39.0), representing a 9.5% (11.4%) margin.

The development of consolidated net sales was in line with the management's forecasts earlier in the year. Comparable net sales and operating profit fell short of the comparison period as expected. In December, the company issued a profit warning as the company's advertising sales developed better than anticipated during the last two months of the year. The significant slowdown in advertising sales brought the full-year operating profit below the previous year's level as expected. Due to cost savings from savings measures and the decrease in business operations, consolidated operating profit without one-time items only declined by M€ 5.0 to M€ 42.6 (47.7).

Changes in Group structure in 2009

A more detailed list of the Group's subsidiaries is given in Note 16 and of associated companies in Note 17 to the financial statements. The Group has branch offices related to the Mascus business in Sweden and the UK.

The ownership of Alma Media Group in Kotikokki.net Oy increased to 40% in June 2009, and the company is reported as an associate company in the Newspapers segment as part of Iltalehti in the consolidated financial statements. On November 4, 2009, Alma Media sold 100% of shares of Kauppalehti 121 Oy. Balti Uudistetalituse AS, part of the BNS group in the Kauppalehti Group segment, acquired 100% ownership of UAB “Cision Lietuva” operating in Lithuania on October 1, 2009. In May 2009, Alma Media Group sold the business operations of Motors24 vehicle sales portals, which belonged to the Marketplaces segment and operated in Estonia, Latvia and Lithuania.

Suomen Paikallissanomat Oy discontinued the city paper Kokkolan Sanomat published in Kokkola on December 3, 2009, and on the same date sold the city paper Vieskalainen published in Ylivieska to Jokilaaksojen Kustannus Oy.

The Group's legal structure changed through two mergers. Harjavallan Kustannus Oy merged with Satakunnan Kirjateollisuus Oy on November 30, 2009 and Alma Media Corporation's subsidiary Jadecon Oy merged with Kustannusosakeyhtiö Iltalehti Oy on December 31, 2009.

Outlook for 2010

The Finnish media market is forecast to remain weak in the early part of 2010. A gradual upturn in advertising sales is expected if the GDP follows growth predictions during 2010.

Alma Media expects the single-copy sales of afternoon papers to decline further in line with the development in 2009. Kauppalehti's circulation is expected to decline slightly from the 2009 level because of its structural changes. The development of the employment situation is expected to affect the circulations of Alma Media's regional and local papers. Alma Media estimates the Finnish newspaper advertising market to grow moderately in 2010. Growth in online advertising is expected to strengthen during 2010 from the previous year.

Alma Media estimates that its comparable net sales and operating profit will grow moderately from the 2009 level as a result of the gradual growth in media advertising. The first-quarter net sales and operating profit are expected to remain close to the previous year's level.

Market conditions

The Finnish national economy declined steeply in 2009. According to Statistics Finland, the Finnish GDP declined 7.6% in the first quarter of 2009, 9.4% in the second quarter and 9.1% in the third quarter. During the full year 2009, the Finnish GDP is forecast to have declined 4.5–7.5%. In 2010, the GDP is forecast to grow moderately, from 0 to 2%.

According to research subscribed by The Advisory Board of Advertising and conducted by TNS Gallup Oy, the total media advertising spend in Finland in 2009 was M€ 1,263 (1,500), down 15.8%. Of the total spending, newspapers and city papers accounted for 42.9 (45.8%), down 21.2% from the previous year, and television for 18.8% (17.8%). The share of online advertising grew to 12.5% (10.1%).

According to TNS Media Intelligence, the total advertising volume declined by 11.6% in the last quarter of the year. In December 2009, media advertising decreased 4.3% compared to the year before. Newspaper advertising declined 15.6% in the last quarter, 7.2% in December. Online advertising grew by 6.4% in the last quarter, 10.3% in December.

Newspapers segment

The Newspapers segment reports the publishing activities of 35 newspapers. The largest titles are Aamulehti and Iltalehti.

The Newspapers segment's net sales in 2009 decreased 6.5% from the previous year to M€ 221.3 (236.7). During the year, the quarterly growth rates of the newspapers' net sales experienced significant fluctuation due to the market conditions. The advertising sales of Alma Media newspapers decreased significantly in 2009, the full-year total being M€ 101.3 (117.7). In November–December, online advertising sales grew slightly from the comparison period. Aamulehti and Iltalehti suffered most from the marked advertising market decline in the beginning of the year. For the smaller regional and local papers, the market decline had a delayed effect, becoming evident during the second half-year. Online advertising sales grew for Iltalehti, whose online service Iltalehti.fi was the largest Finnish online medium with its approximately two million average unique visitors per week at the end of the year.

Circulation net sales for the newspapers grew during the year thanks to price increases. For regional and local newspapers, circulation development declined slightly, partly due to cutbacks in free circulation. The single-copy sales of Iltalehti decreased approximately 6.1%, circulation by approximately 7.8%, while the entire afternoon paper market dropped by approximately 6.1%. Iltalehti retained its market share at the previous year's level, at 42.9% (42.9%).

The full-year operating profit for the Newspapers segment declined to M€ 37.3 (41.5). The operating profit for the segment without one-time items declined to M€ 38.4 (41.5).

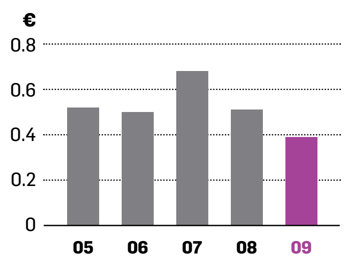
Kauppalehti Group

The Kauppalehti Group specialises in producing business and financial information. Its best known title is Finland's leading business paper Kauppalehti. The group also includes the contract publishing company Alma Media Lehdentekijät and the news agency BNS operating in the Baltic countries. On October 1, 2009, Alma Media sold the entire stock of the direct marketing company Kauppalehti 121 Oy. In the 2009 financial statements, the net sales reported for the sold Kauppalehti 121 Oy is M€ 6.6 and operating profit M€ 0.4.

The net sales of the Kauppalehti Group declined by 14.5% in 2009, being M€ 62.8 (73.5). The most important reason

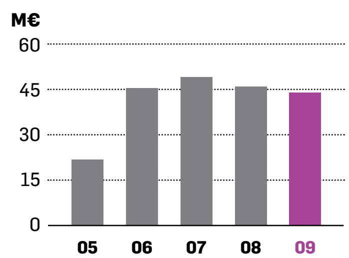
Earnings per share

Earnings per share fell short of the comparison period, being EUR 0.39.



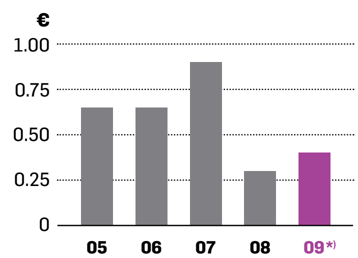
Cash flow after investment

Although the result weakened, cash flow from operations remained good.



Dividend per share

The Board of Directors proposes a dividend of € 0.40 per share for the 2009 financial period.



*) Proposal by the Board of Directors to the Annual General Meeting.

for the decline was the group's advertising sales development during the year, down 26.3%. Online advertising sales remained at the previous year's level, and online content sales increased from the comparison period. Circulation net sales declined by 5.4% to M€ 23.5 (24.8) due to the declining sales of the Lehdentekijät business division. In a fiercely competitive situation, Lehdentekijät, however, managed to increase its profitability.

Kauppalehti's circulation reached a record level in 2009, 86,654 copies. Its free distribution to associations has been cut down as part of Kauppalehti Oy's cost saving measures. This will decrease the audited circulation of Kauppalehti in the 2010 audit, while paid circulation will further increase from the 2009 level.

Kauppalehti continued to increase its readership in the early part of 2009. According to the 2009 National Readership Survey, Kauppalehti's readers numbered 230,000 (+7%) and Kauppalehti Optio's 229,000 (+3%). Kauppalehti's readership has enjoyed continuous growth since 2007. The changes in the circulation structure due to cost saving measures are not expected to have a significant effect on Kauppalehti's readership.

The number of visitors to the online service Kauppalehti.fi grew remarkably during the year, the average being 544,533 (391,453) unique visitors per week.

The full-year operating profit of the segment declined by M€ 3.0 to M€ 6.7 (9.7). The operating profit without one-time items declined to M€ 6.7 (9.7). The operating profit of the segment for the fourth quarter includes a one-time gain of M€ 0.4, generated by the sale of business operations.

Marketplaces segment

The Marketplaces segment reports Alma Media's classified services produced on the Internet and supported by printed products. The services in Finland are Etuovi.com, Monster.fi, Autotalli.com, Mascus.fi and Mikko.fi. The services outside Finland are City24, Mascus and Bovision.

Net sales for Marketplaces declined by 21.3% in 2009 to M€ 27.0 (34.3). The slowdown in home advertising in Finland and the Baltic countries, as well as the sharp drop in recruitment advertising in Finland kept net sales development negative during the entire year 2009. Marketplaces' Finnish services, however, increased their market shares in 2009.

The full-year operating profit of Marketplaces declined from M€ 2.0 to a loss of M€ 0.7. The operating loss without one-time items was M€ 0.5 (operating profit of M€ 2.0).

Based on impairment testing, Alma Media booked a depreciation of M€ 1.0 in financial year 2009. The depreciation is related to the City24 business unit in the home sales business of the Marketplaces segment.

With its decision of October 16, 2008, the District Court of Helsinki dismissed all claims against Alma Media's use of the Etuovi.com trademark. Among other things, the district court decision confirmed Alma Media's right to use the trademark "ETUOVI.COM" for online home and real estate business and a special newspaper focusing on real estate sales. The case will continue in the Court of Appeal of Helsinki.

Associated companies

Alma Media Corporation purchased 375,000 Talentum Oyj shares in a deal on August 10, 2009. After the purchase, Alma Media Group held a 30.65% stake in Talentum Oyj, which is reported under the Kauppalehti Group. The company's own shares in the possession of Talentum are here included in the total number of shares. As the holding of Alma Media Group in Talentum Oyj exceeded three-tenths (3/10), Alma Media was obliged to make a mandatory tender offer for all of Talentum Oyj's shares as stipulated in the Securities Markets Act.

Alma Media Corporation announced on August 10, 2009 that it will make a mandatory tender offer for all of the issued and outstanding shares in Talentum Oyj. The offer period commenced on August 19, 2009 and ended on November 16, 2009, in accordance with its terms and conditions. The cash consideration offered was € 1.85 per share. According to the final result of the tender offer, a total of 661,295 Talentum shares representing approximately 1.49% of all votes in Talentum were tendered to Alma Media. Taking the tendered shares into account, Alma Media Group's holding in Talentum rose to 14,236,295 shares, representing approximately 32.14% of all votes in Talentum and 32.64% of votes when taking into account 681,000 shares held by Talentum which do not carry a voting right.

On the date of the financial statements, Alma Media Group's holding in Talentum Oyj, reported under the Kauppalehti Group, totals 32.14%. The own shares held by Talentum itself are here included in the total number of shares. In the consolidated financial statements of Alma Media, the ownership in Talentum is combined in a way that does not take Talentum's own shares into account in the total number of shares. Alma Media's shareholding in Talentum was stated as 32.64% in its consolidated financial statements of December 31, 2009.

The Group sold its ownership in AP-Paino Oy in December 2008.

Balance sheet and financial position

The consolidated balance sheet at the end of December 2009 stood at M€ 155.5 (166.9). The Group's equity ratio at the end of December was 67.2% (57.2%) and equity per share was € 1.28 (1.18).

The consolidated cash flow before financing was M€ 43.8 (45.8). At the end of December the Group's net debt totalled M€ -16.5 (5.8).

The Group has a current M€ 100.0 commercial paper programme in Finland. During 2009, the Group used the commercial paper programme to finance the payment of dividends. The unused part of the programme was M€ 100.0 (87.0) on December 31, 2009. In addition, Alma Media made a two-year credit limit agreement for M€ 50.0 with Nordea Bank Finland in the third quarter. On the date of the financial statements, M€ 50.0 of the limit are unused.

The Group's interest-bearing debt is denominated in euros and therefore does not require hedging against exchange rate differences. The most significant purchasing contracts denominated in foreign currency are hedged.

Research and development costs

Research and development costs in 2009 amounted to M€ 0.9 (M€ 2.7 in 2008 and M€ 3.7 in 2007). Of this total, M€ 0.5 (M€ 2.3 in 2008 and M€ 2.8 in 2007) were capitalised and M€ 0.5 (M€ 0.3 in 2008 and M€ 0.8 in 2007) expensed. Most of the R&D development projects pertained to the development of online business.

Capital expenditure

Gross capital expenditure in 2009 totalled M€ 8.2 (14.5), consisting mainly of acquisitions of business operations and development projects for online media. The rest of the capital expenditure related to normal operation and maintenance investments. In December, the Group announced that it will start preparing for an investment in printing facilities. This investment project is expected to take place in 2010–2012 and be valued at M€ 30–50.

Group's parent company

The reported net sales of the Group's parent company, Alma Media Corporation, in 2009 were M€ 15.9 (12.3 in 2008, 11.7 in 2007) and the result for the financial period M€ 26.0 (40.3 in 2008, 56.0 in 2007). The balance sheet of the parent company at the end of December 2009 stood at M€ 537.7 (551.2 in 2008, 563.2 in 2007). The parent company's distributable funds on December 31, 2009 totalled M€ 53.7 (50.1 in 2008, 77.0 in 2007).

Events after the financial period

On January 8, 2010, Alma Media published a press release about its plan to establish a joint venture with Grey-Hen Oy and Kateetti Oy for developing and maintaining auto industry application solutions. According to the press release, the joint venture will commence operations during spring 2010.

Administration

Alma Media Corporation's Annual General Meeting on March 11, 2009 elected Lauri Helve, Matti Kavetvuo, Kai Seikku, Erkki Solja, Kari Stadigh, Harri Suutari, Catharina Stackelberg-Hammarén and Seppo Paatelainen to the Board of Directors.

At the constitutive meeting of the Board held after the Annual General Meeting, the Board elected Kari Stadigh its Chairman and Seppo Paatelainen its Deputy Chairman. The Board also elected the members of its committees. Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari were elected members of the Audit Committee. Kari Stadigh, Seppo Paatelainen and Lauri Helve were elected members of the Nomination and Compensation Committee.

The Annual General Meeting appointed Ernst & Young Oy as the company's auditors.

The regulations of the Articles of Association regarding the election of the company's Board of Directors and President and CEO, the term of office of the Board of Directors and the selection of the President and CEO are detailed in Note 7 to the financial statements. The note also describes the most important terms of employment for the CEO.

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on October 20, 2008, in its unaltered form. The statement on the company's administration and control system, as required by Recommendation 51 of the Code, is published separately.

Oy Herttaässä Ab, which holds more than 10% of Alma Media shares, proposed to the Annual General Meeting that a special audit be conducted on the administration and accounting of Alma Media for the financial periods 2006, 2007 and 2008, as well as the ending financial period 2009. The Annual General Meeting considered the proposal and it was included in the minutes of the meeting. The application for a special audit must be made within one month of the Annual General Meeting. The State Provincial Office of Helsinki has confirmed to Alma Media that it did not receive an application for special audit on Alma Media Corporation within the stipulated period.

Risks and risk management

The purpose of Alma Media's risk management activities is to continuously evaluate and manage all opportunities, threats and risks in conjunction with the company's operations to enable the company to reach its set objectives and to secure business continuity.

The risk management process identifies the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation. Risk management is part of Alma Media's internal audit function and thereby part of good corporate governance. Written limits and processing methods are set for quantitative and qualitative risks by the corporate risk management system.

The most important strategic risks for Alma Media are a significant drop in the readership of its newspapers, a decline in advertising sales and a significant increase in distribution costs. Fluctuating economic cycles are reflected in the development of advertising sales, which account for approximately half of the Group's net sales. Developing businesses outside Finland, such as the Baltic countries and other East European countries, include country-specific risks relating to the development of the market and economic growth.

In the long term, the media business will undergo changes along with the changes in media consumption and technological developments. The Group's strategic objective is to meet this challenge through renewal and the development of new business operations in online media.

The most important operational risks are disturbances in information technology systems and telecommunication, and an interruption of printing operations.

Environmental impacts

The most significant environmental impacts from Alma Media's business operations consist of paper and energy consumption and traffic emissions. The company mainly uses newsprint in its newspaper products; the consumption of this in 2009 was approximately 30,000 (36,000) tonnes. In 2009, the company used 17,502 (18,632) MWh of electricity. The carbon dioxide emissions from printing and distribution arise mainly from transportation.

Personnel

During 2009, the average number of Alma Media employees, calculated as full-time employees (excluding deliverers), was 1,888 (2008: 1,981, 2007: 1,971). The average number of delivery staff totalled 969 (2008: 968, 2007: 962).

The Alma Media share

During January–December 2009, a total of 38.3 million Alma Media shares were traded on the NASDAQ OMX Helsinki Stock Exchange, representing 51.3% of the total number of shares. The closing price for the share on December 31, 2009 was € 7.48. During the year, the lowest price paid for the share was € 4.50 and the highest € 8.94. The company's market capitalisation at the end of December was M€ 558.1.

In March 2009, Alma Media paid a dividend of € 0.30 per share, in total M€ 22.4.

On the date of the financial statements, the company does not own any of its own shares. The ordinary Annual General Meeting on March 11, 2009 decided to authorise the Board of Directors to repurchase 3,730,600 (approximately 5%) of the company's own shares. The authorisation is valid until the closing of the following ordinary Annual General Meeting.

The company has one share series, which means the shares have no difference in voting rights. The redemption procedure according to the Articles of Association is detailed in Note 23.

Information on the company's ownership structure and the main shareholders on December 31, 2009 is provided in Note 36.

Option rights

Option programme 2006

The Annual General Meeting held on March 8, 2006 decided on a new stock option programme under which a maximum of 1,920,000 options may be granted and these may be exercised to subscribe to a maximum of 1,920,000 Alma Media shares with a book countervalue of € 0.60 per share. The programme is part of the company's management incentive and commitment system. Of the total number of options, 640,000 were marked 2006A, 640,000 were marked 2006B and 640,000 were marked 2006C.

Share subscription periods and subscription prices were

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

As authorised by the Annual General Meeting, the Board of Directors has granted 515,000 of the 2006A options. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 440,000 2006A options. In 2007 and 2008, Alma Media's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. 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 April 1 and May 31, 2006. The subscription price of the 2006A options was reduced by the amount of capital repayment in 2006 (€ 0.53 per share), by dividend payment in March 2007 (€ 0.65 per share), by dividend payment in March 2008 (€ 0.90 per share) and by dividend payment in March 2009 (€ 0.30 per share) to € 5.28 per share. The vesting period for the 2006A options has ended and the share subscription period began on April 1, 2008. No shares have been subscribed to by December 31, 2009.

In 2007, the Board of Directors decided to issue a total of 515,000 options under the 2006B scheme to Group management. Altogether 50,000 of the 2006B options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 465,000 2006B options. The share subscription price under the 2006B option, € 9.85 per share, was determined by the trade weighted average share price in public trading between April 1 and May 31, 2007. The subscription price of the 2006B options was reduced by the amount of dividend payment in March 2008 (€ 0.90 per share) and by dividend payment in March 2009 (€ 0.30 per share) to € 8.65 per share. All of the 175,000

2006B option rights in the company's possession have been annulled. The options in the 2006B programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2009. No shares have been subscribed to by December 31, 2009.

In 2008, the Board of Directors decided to issue 520,000 options under the 2006C programme to Group management. Altogether 50,000 of the 2006C options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 470,000 2006C options. The share subscription price under the 2006C option, € 9.06 per share, was determined by the trade weighted average share price in public trading between April 1 and May 31, 2008. The subscription price of the 2006C options was reduced by the amount of dividend payment in March 2009 (€ 0.30 per share) to € 8.76 per share. All of the 170,000 2006C option rights in the company's possession have been annulled.

If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 1.8%.

The stock option plan is entered in the accounts in accordance with the standard IFRS 2 Share-based Payment. The option rights granted are measured at their fair value on 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€ 0.5 was entered in the 2009 accounts (M€ 0.8 in 2008). The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Option programme 2009

The Annual General Meeting of Alma Media on March 11, 2009 decided, in accordance with the proposal by the Board of Directors, to continue the incentive and commitment system for Alma Media management through an option programme according to earlier principles and decided to grant stock options to key personnel of Alma Media Corporation and its subsidiaries in the period 2009–2011. Altogether 2,130,000 stock options may be granted, and these may be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of Alma Media. Of the total number of options, 710,000 were marked 2009A, 710,000 were marked 2009B and 710,000 were marked 2009C.
Share subscription periods and subscription prices are

- 2009A April 1, 2012–March 31, 2014, trade-weighted average share price April 1–30, 2009,
- 2009B April 1, 2013–March 31, 2015, trade-weighted average share price April 1–30, 2010 and
- 2009C April 1, 2014–March 31, 2016, trade-weighted average share price April 1–30, 2011.

The Board of Directors of Alma Media Corporation decided in May 2009 to grant 640,000 option rights to corporate management under the 2009A programme. The company is in possession of 70,000 2009A options. The subscription price of a 2009A option is € 5.21 per share. The subscription price of a 2009A option, € 5.21 per share, was determined by the trade weighted average share price in public trading between April 1 and April 30, 2009. If all the subscription rights are exercised, the programme will dilute the holdings of the earlier shareholders by 2.8%.

The stock option plan is entered in the accounts in accordance with the standard IFRS 2 Share-based Payment. The option rights granted are measured at their fair value on 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€ 0.2 was entered in the 2009 accounts. The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

The Board of Directors has no other current authorisations to raise convertible loans and/or to raise the share capital through a new issue.

More details about the shareholdings and option rights held by the company's President and CEO, Group Executive Team and Board of Directors and by their related parties are given in Note 7.

Liquidity providing

Alma Media Corporation and eQ Pankki Oy had a liquidity providing contract for the Alma Media share until October 22, 2009. After this date, the Alma Media share has not had a liquidity providing in effect.

Dividend proposal

Alma Media's Board of Directors will propose to the Annual General Meeting convening on March 11, 2010 that a dividend of € 0.40 (0.30) per share be paid for the 2009 financial year. Dividends are paid to shareholders who are entered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Ltd no later than the record date, March 16, 2010. The payment date is March 25, 2010. On December 31, 2009, the Group's parent company had distributable funds totalling € 53,724,934 (50,107,510).

ALMA MEDIA CORPORATION
Board of Directors and President and CEO

Key figures

Key figures are calculated applying IFRS recognition and measurement principles.

		2009	%	2008	%	2007	%	2006	%	2005	%
Key figures											
Net sales	M€	**307.8**		341.2		328.9		301.9		348.5	
Net sales, continuing operations	M€	**307.8**		341.2		328.9		301.9		285.9	
Operating profit	M€	**41.4**	**13.5**	48.3	14.2	64.4	19.6	49.1	16.3	370.6	106.3
Operating profit, continuing operations	M€	**41.4**	**13.5**	48.3	14.2	64.4	19.6	49.1	16.3	42.3	14.8
Operating profit before extraordinary items	M€	**40.8**	**13.2**	52.4	15.4	68.0	20.7	49.9	16.5	376.3	108.0
Profit before tax	M€	**40.8**	**13.2**	52.4	15.4	68.0	20.7	49.9	16.5	376.3	108.0
Net profit for the period	M€	**29.3**	**9.5**	39.0	11.4	51.2	15.6	37.3	12.4	364.9	104.7
Net profit, continuing operations	M€	**29.3**	**9.5**	39.0	11.4	51.2	15.6	37.3	12.4	39.0	13.6
Return on shareholders' equity (ROE)	%	**31.8**		37.7		43.8		30.9		265.8	
ROE, continuing operations	%	**31.8**		37.7		43.8		30.9		28.4	
Return on investment (ROI)	%	**29.1**		34.8		39.9		24.9		172.3	
ROI, continuing operations	%	**29.1**		34.8		39.9		24.9		21.2	*)
Equity ratio	%	**67.2**		57.2		69.8		61.3		54.5	
Gross capital expenditure	M€	**8.2**	**2.7**	14.5	4.2	12.1	3.7	19.6	6.5	22.4	6.4
Research and development costs	M€	**0.9**	**0.3**	2.7	0.8	3.7	1.1	1.7	0.6	3.1	0.9
Average personnel, excl. delivery staff		**1,888**		1,981		1,971		1,901		2,239	
Average personnel, excl. delivery staff, continuing operations		**1,888**		1,981		1,971		1,901		1,807	
Delivery staff, total number		**969**		968		962		857		900	
Per share data											
Earnings per share	€	**0.39**		0.51		0.68		0.50		4.89	
Earnings per share, continuing operations	€	**0.39**		0.51		0.68		0.50		0.52	
Shareholders' equity per share	€	**1.28**		1.18		1.58		1.54		1.69	
Dividend per share	€	**0.40**		0.30		0.90		0.65		0.65	**)
Payout ratio	%	**102.3**		58.3		132.9		131.1		13.3	**)
Effective dividend yield	%	**5.3**		6.1		7.7		7.0		8.5	**)
P/E ratio		**19.1**		9.6		17.2		18.8		1.6	
P/E ratio, continuing operations		**19.1**		9.6		17.2		18.8		14.8	
Share prices											
Highest ***)	€	**8.94**		11.70		12.43		9.95		7.75	
Lowest ***)	€	**4.50**		4.38		8.93		6.90		6.55	
On Dec 31	€	**7.48**		4.95		11.67		9.25		7.68	
Market capitalisation	M€	**558.1**		369.3		870.7		690.2		573.0	
Turnover of shares, total ***)	1,000	**38,290**		65,800		62,102		47,600		10,100	
Relative turnover of shares, total ***)	%	**51.3**		88.2		83.2		63.8		13.5	
Adjusted average no. of shares, total	1,000	**74,613**		74,613		74,613		74,613		74,474	
Adjusted number of shares Dec 31, total.	1,000	**74,613**		74,613		74,613		74,613		74,613	

*) 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.

**) 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.

Consolidated income statement

M€	Note	Jan 1–Dec 31, 2009	Jan 1–Dec 31, 2008
Net sales	1, 3	**307.8**	341.2
Other operating profit	4	**0.9**	1.7
Materials and services	5	**-93.1**	-102.0
Expenses arising from employee benefits	7	**-112.3**	-119.0
Depreciation, amortisation and impairment charges	14, 15	**-8.9**	-8.8
Other operating expenses	8, 9	**-53.0**	-64.9
Operating profit	1	**41.4**	48.3
Financial income	10	**0.6**	1.2
Financial expenses	10	**-1.0**	-1.6
Share of results in associated companies	17	**-0.3**	4.5
Profit before tax		**40.8**	52.4
Income tax	11	**-11.4**	-13.4
Net profit for the period		**29.3**	39.0
Other comprehensive income			
Exchange differences on translation of foreign operations		**0.5**	-0.8
Share of changes recognised in other comprehensive income by the associate companies		**-0.4**	-0.9
Other comprehensive income for the year, net of tax		**0.2**	-1.8
Total comprehensive income for the year, net of tax		**29.5**	37.2
Net income attributable to			
Equity holders of the parent		**29.2**	38.4
Minority interest		**0.1**	0.6
Total comprehensive income attributable to			
Equity holders of the parent		**29.3**	36.7
Minority interest		**0.1**	0.6
EPS (€) calculated from net profit belonging to the parent company shareholders			
Earning per share, basic	13	**0.39**	0.51
Earning per share, diluted	13	**0.39**	0.51

Consolidated balance sheet

M€	Note	Dec 31, 2009	Dec 31, 2008
ASSETS			
Non-current assets			
Goodwill	14	**28.2**	33.0
Intangible assets	14	**10.4**	12.3
Property, plant and equipment	15	**32.0**	35.2
Investments in associated companies	17	**30.5**	31.6
Other financial assets	18	**4.5**	4.2
Deferred tax assets	25	**0.7**	1.3
		106.4	117.6
Current assets			
Inventories	19	**1.5**	1.5
Tax receivables		**0.0**	4.0
Accounts receivable and other receivables	20	**25.3**	27.5
Other short-term financial assets	21	**1.2**	2.9
Cash and cash equivalents	22	**21.1**	13.3
		49.1	49.3
Assets, total		**155.5**	166.9

M€	Note	Dec 31, 2009	Dec 31, 2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		**44.8**	44.8
Share premium fund		**2.8**	2.8
Cumulative translation adjustment		**-0.3**	-0.8
Retained earnings		**48.5**	41.1
Equity attributable to equity holders of the parent	23	**95.8**	87.9
Minority interest		**0.2**	0.6
Shareholders' equity, total		**96.0**	88.5
Long-term liabilities			
Interest-bearing liabilities	28	**2.8**	3.9
Deferred tax liabilities	25	**2.5**	2.5
Pension liabilities	26	**3.1**	3.7
Provisions	27	**0.1**	0.1
Other long-term liabilities		**0.4**	0.5
		8.8	10.8
Current liabilities			
Interest-bearing liabilities	28	**1.8**	15.2
Advances received		**12.6**	12.3
Tax liabilities		**1.6**	1.3
Provisions	27	**1.0**	1.0
Accounts payable and other liabilities	31	**33.7**	37.9
		50.7	67.6
Liabilities, total		**59.5**	78.4
Shareholders' equity and liabilities, total		**155.5**	166.9

Consolidated cash flow statement

M€	Note	Jan 1–Dec 31, 2009	Jan 1–Dec 31, 2008
Cash flow from operating activities			
Net profit for the period		**29.3**	39.0
Adjustments		**19.5**	17.5
Change in working capital		**-0.8**	4.0
Dividend received		**1.8**	4.5
Interest received		**0.4**	0.9
Interest paid		**-1.0**	-1.6
Taxes paid		**-6.2**	-17.5
Net cash provided by operating activities		**43.1**	46.9
Cash flow from investing activities			
Investments in tangible and intangible assets		**-4.2**	-4.2
Proceeds from disposal of tangible and intangible assets		**0.0**	1.0
Other investments		**0.0**	-1.2
Proceeds from disposal of other investments		**2.0**	0.8
Loans granted		**-0.1**	0.0
Subsidiary shares purchased	2	**-0.8**	-4.0
Proceeds from disposal of subsidiary shares		**6.2**	0.0
Acquisition and sales of associated company	17	**-2.5**	6.5
Net cash used in investing activities		**0.7**	-1.0
Cash flow before financing activities		**43.9**	45.8
Cash flow from financing activities			
Short-term loans raised		**17.8**	35.0
Short-term loans, repayments		**-32.7**	-24.3
Increase (-) or decrease (+) in interest-bearing receivables	21	**1.7**	0.0
Dividends paid and capital repayment	23	**-23.0**	-67.8
Net cash used in financing activities		**-36.1**	-57.1
Change (increase + / decrease -) in cash funds		**7.8**	-11.2
Cash and cash equivalents at start of period	22	**13.3**	24.8
Impact of changes in foreign exchange rates		**0.1**	-0.2
Cash and cash equivalents at close of period	22	**21.1**	13.3

Further details for statement of cash flow

M€	Note	Jan 1–Dec 31, 2009	Jan 1–Dec 31, 2008
Cash flow from operating activities			
Adjustments			
Depreciation, amortisation and impairment charges	14, 15	**8.9**	8.8
Share of results in associated companies	17	**0.3**	-4.5
Capital gains/(losses) on sale of fixed assets and other investments		**-1.0**	-1.4
Financial income and expenses	10	**0.3**	0.4
Taxes	11	**11.4**	13.4
Change in provisions	27	**0.0**	0.7
Other adjustments		**-0.6**	0.1
Adjustments, total		**19.5**	17.5
Change in working capital			
Change in accounts receivable		**1.0**	2.4
Change in inventories		**0.0**	-0.1
Change in accounts payable		**-1.9**	1.8
Change in working capital, total		**-0.8**	4.0
Cash flow from investing activities			
Investments financed through finance leases		**-1.4**	-4.2
Gross capital expenditure, payment-based *)		**-7.4**	-9.3
Investments, total		**-8.8**	-13.5

*) 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€	Note	Share of equity belonging to parent company owners: Share capital	Share premium fund	Translation differences	Retained earnings	Total	Minority interest	Equity total
Shareholders' equity Dec 31, 2007 (IFRS)	24	44.8	2.8	0.0	70.0	117.7	0.6	118.3
Dividend payment by parent company					-67.2	-67.2	0.0	-67.2
Dividend payment by Group company					0.0	0.0	-0.6	-0.6
Share of items recognised directly in associated company's equity						0.0		0.0
Share-based payments					0.8	0.8		0.8
Other comprehensive income				-0.8	37.4	36.6	0.6	37.2
Shareholders' equity Dec 31, 2008 (IFRS)	24	44.8	2.8	-0.8	41.1	87.9	0.6	88.5
Dividend payment by parent company					-22.4	-22.4		-22.4
Dividend payment by Group company							-0.6	-0.6
Share of items recognised directly in associated company's equity					0.2	0.2		0.2
Share-based payments					0.7	0.7		0.7
Other comprehensive income				0.5	28.9	29.4	0.1	29.5
Shareholders' equity Dec 31, 2009 (IFRS)	24	44.8	2.8	-0.3	48.5	95.8	0.2	96.0

Accounting principles used in the 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, PO Box 140, FI-00101 Helsinki, Finland. A copy of the financial statements is available on the company's website at www.almamedia.fi or from the head office of the parent company.

On February 11, 2010, the Board of Directors approved the consolidated financial statements for publication. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

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 effect on December 31, 2009. 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 Limited Liability 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 January 1, 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 FI19447574, and called Almanova Corporation until November 7, 2005), was established on January 27, 2005. The company acquired the shares of the previous Alma Media Corporation (corporate ID code FI14495809) 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 April 28, 2005. Almanova Corporation then acquired a 40.2% holding from Bonnier & Bonnier AB and Proventus Industrier AB on November 2, 2005. Almanova acquired the remaining 47.3% of the shares of the old Alma Media in a privileged share issue on November 7, 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 January 26, 2006. In the consolidated financial statements, the acquisition date is the situation before the exchange and purchase offer that started on April 28, 2005, in which Almanova offered new shares in exchange for shares in the old Alma Media. Before the start of the exchange and purchase offer Almanova had no other significant assets than the funds, one million euros, received when it was established. The net fair value of the assets, liabilities and contingent liabilities on 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 2009

The Group has applied the following standards and interpretations from January 1, 2009:

- IAS 1 Presentation of Financial Statements (revised)

The changes primarily affected the presentation of calculations of the statement of comprehensive income and the statement of changes in equity. In addition, the revised standard has introduced many changes in the terminology used in other standards and in the names of some financial statement calculations. The calculation principle of Earnings per Share has remained unchanged.

- IFRS 7 Financial Instruments: Disclosures – Enhancement of financial instruments disclosures (amendment)

The amendments were published in March 2009 because of the international credit crisis. They introduce a three-level hierarchy for measurement disclosures of fair values of financial instruments. According to the amended standard, additional disclosures are provided about the relative reliability of fair value measurements. In addition, the amendments clarify and enhance the existing requirements for the disclosure of liquidity risk. These changes have increased the number of notes to the consolidated financial statements concerning the above items.

- IAS 23 Borrowing Costs (revised)

The revised standard requires that the borrowing costs incurred by the acquisition, construction or production of eligible assets, such as a production plant, are included in the acquisition cost of said asset. In accordance with the method accepted earlier, the Group has recognised borrowing costs as expenses in the financial period during which they have been incurred. The interpretation has not had any effect on the consolidated financial statements.

- IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (amendment)

The amendments to the standard require that all non-vesting conditions are considered in the determination of the fair value of issued equity instruments. In addition, the amendments clarify the instructions concerning the accounting treatment of cancellations. The amendments have not had any effect on the consolidated financial statements.

Improvements to IFRSs, May 2008

Through the Annual Improvements process, minor, non-urgent amendments to standards are collected in a single document and adopted once a year. Amendments included in this project concern a total of 34 standards. The effects of the amendments differ by standard, but the amendments have been insignificant to the consolidated financial statements.

- IFRIC 12 Service Concession Arrangements

The Group has no agreements meant in this interpretation with the public sector in the closing or previous financial periods.

- IFRIC 13 Customer Loyalty Programmes

The Group has no customer loyalty programmes meant in this interpretation, therefore the amendment has not had any effect on the consolidated financial statements.

- IFRIC 15 Agreements for the Construction of Real Estate

The interpretation provides instructions about which standard should be applied to recognising income from the construction of real estate and the times for recognising the income from real estate construction projects. The interpretation has not had any effect on the consolidated financial statements as the Group does not operate in the construction industry.

- IAS 1 Presentation of Financial Statements (amendment)
- IAS 32 Financial Instruments: Presentation – Puttable Instruments and Obligations Arising on Liquidation (amendment)

The amendments to the standards require that puttable equity instruments fulfilling certain criteria are treated as equity instead of the earlier practice of considering them financial liabilities. The adoption of the amended standards has not had any effect on the consolidated financial statements.

- IFRIC 9 Reassessment of Embedded Derivatives (amendment)
- IAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives Assessment (amendment)

These amendments clarify that when a financial asset item is removed from financial assets measured at fair value through profit or loss, all embedded derivatives have to be reassessed and, if necessary, treated separately in the financial statements. These amendments have not had any effect on the consolidated financial statements.

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The interpretation clarifies the accounting for hedging a net investment in a foreign operation in the consolidated financial statements. The interpretation has not had any significant effect on the consolidated financial statements.

- IFRS 8 Operating Segments

Segment information presented in accordance with IFRS 8 must be based on the entity's internal reports to the management and the principles observed in these reports. The adoption of IFRS 8 did not significantly change the information on segments as the Group's published segment information was already based on the Group's internal reporting structure.

- IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (amendment, effective for financial periods commencing on February 1, 2010 or thereafter)

The amendment concerns the accounting method (classification) of shares, options or subscription rights issued in a currency other than the issuer's operational currency. The amendments do not have a significant effect on the future consolidated financial statements. The amendment to IAS 32 has been approved for application within the EU in December 2009.

Comparability of consolidated financial statements

The 2009 and 2008 financial years are comparable. The company has no discontinued operations to report in the 2008–2009 financial periods.

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 eliminated 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 statement of comprehensive income. 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 recognised 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 recognised 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 the joint venture Mascus A/S established in 2007 and 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 euros, the euro being 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 statement of comprehensive income. Exchange rate differences related to loans and loan receivables are taken to other financial income and expenses in the profit or loss for the period.

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. Exchange differences arising on a monetary item that forms part of the reporting entity's net investment in the foreign operation shall be recognised in the balance sheet and reclassified from equity to profit or loss on disposal of the net investment.

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.

In the 2008 accounts, the Group's long-term receivable from the associated company AP-Paino Oy is shown in the balance sheet under assets available for sale. Alma Media has sold its shares in the company in December 2008. The Group does not have assets classified under assets available for sale in the financial statements for 2009.

Recognition principles
Reported net sales include the income from the sale of goods and services at fair value and adjusted by indirect taxes, discounts and foreign currency exchange rate differences. Income from the sale of goods is recognised when the material risks and rewards incidental to ownership of the goods have been transferred to the buyer. Rental income is recognised in equal instalments over the rental period. Income from services is recognised in accordance with their percentage of completion at the balance sheet date. Licence and royalty income is recognised 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, among others, salaries and benefits in kind, annual holidays and bonuses. Other long-term benefits include, for example, a celebration, holiday or remuneration (eg bonuses for years of service) based on a long period of service. Termination benefits are benefits that are paid due to the termination of an employee's 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 plans.

Payments made under defined contribution plans are entered in the profit or loss 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 financial statements.

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 unrecognised 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 unrecognised actuarial gains and losses, net, are entered in the profit or loss 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 profit or loss for each defined benefit plan is the excess divided by the expected average remaining service lives of the participating employees, ie the portion for only one year.

Share-based payments

Stock option schemes under which options have been granted after November 7, 2002 but which did not give their holders rights before January 1, 2005 (the vesting period) are measured at their fair value at the time of issue and entered as an expense in the profit or loss during the vesting period. Option schemes predating this date are not entered as an expense. On the balance sheet date, December 31, 2009, Alma Media has current stock option schemes for senior management launched in spring 2006 and spring 2009, respectively. The 2006 and 2009 stock options are measured at fair value on 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. The Group updates the estimate of the final amount of options on each balance sheet date. 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 and 2009 stock option schemes and their impacts on the profit or loss and balance sheet are described in the notes to the financial statements.

Leasing agreements

Leases applying to tangible assets in which the Group holds a significant share of the risks and rewards incremental to their ownership are classified as finance leases. These are recognised 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 profit or loss on a straight-line basis over the lease term.

The Group has made purchasing agreements that include a lease component. Any such arrangements in effect 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 profit or loss 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. The tax is adjusted for any tax related to previous periods.

Deferred tax assets and liabilities are recognised 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 recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. A deferred tax liability is recognised 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 the 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, amortisation 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 capitalised. The same procedure is applied in the case of major inspection or service operations. Other costs arising later are capitalised 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 profit or loss 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 on the transition date and thereafter annually for impairment. Goodwill is measured at the original acquisition cost less impairment losses.

Research costs are entered as an expense in the period in which they arise. Development costs are capitalised when it is expected that the intangible asset will generate future 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 profit or loss 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	3–10 years.

Inventories

Inventories are materials and supplies, work in progress and finished goods. Fixed overhead costs are capitalised to inventories in manufacturing. Inventories are measured at the lower of their acquisition cost or net realisable value. The net realisable 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. 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 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 are being entered in the profit or loss 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 and electricity prices. For this purpose the company has entered into commodity derivative contracts. These are measured at their fair value on the balance sheet date and changes in the fair value of paper derivatives are entered under Material Purchases and of electricity derivatives under Other Operating Costs in the profit or loss.

Financial assets belonging under Loans and Other Receivables are valued at their amortised cost. In Alma Media, this group consists of accounts receivable and other receivables. The amount of uncertain receivables is estimated based on the risks associated with individual items. Credit losses are entered as an expense in the profit or loss.

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 amortised 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. The Group also classifies investments in unquoted shares in this category, but these investments are measured at acquisition cost in the financial statements because they cannot be reliably valued at fair value.

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

The transaction date is generally used when recognising 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.

Financial liabilities and borrowing costs

Financial liabilities are initially entered in the accounts at fair value. Later all financial liabilities are measured at amortised cost. Financial liabilities are included in current and long-term liabilities and can be interest-bearing or non-interest bearing.

Costs arising from interest-bearing liabilities are expensed in the period in which they arise. The Group has not capitalised 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 recognised 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 or has informed employees about this.

The Group prepares monthly and quarterly estimates on the adequacy of the provisions, and the amounts are adjusted based on actual expenses and changes in estimates.

Impairments

On 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 capitalised 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 recognised when the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in the profit or loss. An impairment loss may be reversed if circumstances regarding the intangible or tangible assets in question change. Impairment losses recognised on goodwill are never reversed.

Operating profit

The operating profit is the net amount formed when other operating profit is added to net sales, and the following items are then subtracted 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, amortisation and impairment costs; and other operating expenses. All other items in the profit or loss 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 recognised in financial items.

Segment reporting and its accounting principles

In its financial statements, Alma Media Group reports the Newspapers, Kauppalehti Group and Marketplaces segments. The parent company's operations are reported in Other Operations.

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

The segment information is based on Group management internal reporting in which the valuation of assets and liabilities is based on IFRS standards. The implementation of IFRS 8 on January 1, 2009 has not affected the reporting segments.

Accounting principles requiring management's judgement and key sources of estimation uncertainty

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 on 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.

Accounting principles requiring management's judgement:
Operating leases: The Group has significant lease agreements for its business premises. Based on assessment of the terms of the agreements, the Group has determined that it does not bear any significant rewards and risks incidental to the ownership of the premises and therefore the agreements are by nature operating lease agreements.

Key sources of estimation uncertainty:
Impairment tests: 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 recognised 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 the note which specifies goodwill.

Useful lives: Estimating useful lives used to calculate depreciation and amortisation also requires management to estimate the useful lives of these assets. The useful lives used for each type of asset are listed above under Property, Plant and Equipment and Intangible Assets.

Other estimates: Other management estimates relate mainly to other assets, such as the current nature of receivables and capitalised R&D costs, to tax risks, to determining pension obligations, to the utilisation 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 Financial Statements Bulletin will be published. 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 on 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 3 Business Combinations (revised, originally published in 2008, effective for financial periods starting July 1, 2009 or thereafter).

The scope of application of the revised standard is wider than before, and it includes several changes relevant to the Group. The changes affect goodwill recognised for acquisitions and the gains from the sale of business operations. The changes also have an impact on financial assets at fair value through profit or loss in both the financial period during which they are acquired and the financial periods during which additional purchase cost is paid or additional acquisitions carried out. In accordance with the standard's transition rules, business combinations with the acquisition date preceding the compulsory adoption date of the standard are not adjusted.

- IAS 27 Consolidated and Separate Financial Statements (revised, originally published in 2008, effective for financial periods starting July 1, 2009 or thereafter).

The revised standard requires the effects of all changes in the ownership of a subsidiary company to be recorded in Group equity when the parent company retains control. In case control is lost, any remaining interest in the subsidiary is remeasured to fair value through profit or loss. Corresponding accounting treatment will also be applied to investments in associated companies (IAS 28) and joint venture companies (IAS 31). Based on the revised standard, losses incurred by the subsidiary can be allocated to non-controlling interest even if the losses exceed the non-controlling equity investment.

- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (amended, effective for financial periods starting July 1, 2009 or thereafter).

The amendment pertains to hedging accounting. It clarifies the IAS 39 guidelines on the hedging of unilateral risk of a hedged item and hedging for inflation risk in the case of items belonging to financial assets or liabilities. The Group does not expect the amendment to have a significant effect on the future consolidated financial statements.

- IFRIC 17 Distributions of Non-cash Assets to Owners (effective for financial periods starting July 1, 2009 or thereafter).

The interpretation gives accounting guidelines for cases when non-cash assets are distributed to owners or when the owner is given a choice of taking cash in lieu of the non-cash assets. The interpretation is not expected to have an effect on the future consolidated financial statements. IFRIC 17 has not yet been endorsed by the EU.

- IFRIC 18 Transfers of Assets from Customers (effective for financial periods starting July 1, 2009 or thereafter).

The interpretation clarifies the requirements of IFRS standards for agreements in which an entity receives from a customer an item of property, plant, and equipment, or cash to be invested in such items, that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services or both. The interpretation will not have any effect on the future consolidated financial statements. The interpretation has not yet been endorsed by the EU.

- Improvements to IFRSs (April 2009, effective mainly for financial periods starting January 1, 2010 or thereafter).

Through the Annual Improvements process, minor, non-urgent amendments to standards are collected in a single document and adopted once a year. Amendments included in this project concern a total of 12 standards. The effects of the amendments differ by standard, but the amendments will not be significant to the future consolidated financial statements. The amendments to these standards have not yet been approved for application within the EU.

- IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions (amendment, effective for financial periods starting January 1, 2010 or thereafter).

The amendments clarify that entities receiving goods or services from suppliers or service providers must apply IFRS 2 whether or not they are obliged to make required share-based cash payments. The interpretation will have no effect on the future consolidated financial statements. The amended standard has not yet been approved for application within the EU.

The impact of the aforementioned new standards (apart from the amendments to IFRS 3) and IFRIC interpretations on the Group is initially estimated to be minor. The amendments to IFRS 3 will affect the accounting of future corporate acquisitions, such as the treatment of minority interest, goodwill and costs related to the acquisition. The amendment to IFRS 3 will not affect earlier acquisitions.

Calculation of key figures

Return on shareholders' equity, % (ROE)	$\frac{\text{Net profit for the period}}{\text{Shareholders' equity + minority interest (average during the year)}} \times 100$
Return on investment, % (ROI)	$\frac{\text{Net profit for the period + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing debt (average during the year)}} \times 100$
Equity ratio, %	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total – advances received}} \times 100$
Operating profit, M€	Profit before tax and financial items
Basic earnings per share, €	$\frac{\text{Share of net profit belonging to parent company owners}}{\text{Average number of shares adjusted for share issues}}$
Diluted adjusted earnings per share, €	$\frac{\text{Share of net profit belonging to parent company owners}}{\text{Diluted average number of shares adjusted for share issues}}$
Net gearing, %	$\frac{\text{Interest-bearing debt – cash and bank receivables}}{\text{Shareholders' equity + minority interest}} \times 100$
Dividend per share, €	Dividend per share approved by Annual General Meeting. With respect to the most recent year, the Board's proposal to the AGM.
Payout ratio, %	$\frac{\text{Dividend/share}}{\text{Share of EPS belonging to parent company shareholders}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend/share adjusted for share issues}}{\text{Final quotation at close of period adjusted for share issues}} \times 100$
Price/earnings (P/E) ratio	$\frac{\text{Closing price at end of period adjusted for share issues}}{\text{Share of EPS belonging to parent company owners}}$
Shareholders' equity per share, €	$\frac{\text{Shareholders' equity belonging to parent company owners}}{\text{Number of shares at end of period adjusted for share issues}}$
Market capitalisation of share stock, M€	Number of shares (1,000) x closing price at end of period

Notes to the consolidated financial statements

1. SEGMENT INFORMATION

Alma Media Group has three reporting segments, which are the Group's strategic business units. The strategic business units produce a variety of products and services, and they are managed as separate entities. The segment information provided by the Group is based on internal management reporting. The primary business segments to be reported within the Group are Newspapers, the Kauppalehti Group and Marketplaces. The parent company's operations are reported under Other Operations. The adoption of IFRS 8 has not brought about changes in the reported operating segments, because the segment information provided by the Group was already based on the Group's internal reporting structure.

The Newspapers segment reports the publishing activities of 35 newspapers. The largest of them are the regional paper Aamulehti and the daily afternoon paper Iltalehti. Kauppalehti Group specialises in providing business and financial information. Its best known title is Finland's leading business medium Kauppalehti. The group also includes Alma Media Lehdentekijät, a contract publishing company, and BNS, a news agency operating in the Baltic countries. Marketplaces reports classified services produced online and supported by printed media. Services operating in Finland are Etuovi.com, Monster.fi, Autotalli.com, Mascus.fi and Mikko.fi. Services outside Finland comprise City24, Mascus and Bovision. Inter-segment transfer prices are based on market prices.

The segments' assets and liabilities are items used by the respective segments in their business operations. Non-allocated items mainly include tax and financial items.

Geographical segments cannot be distinguished within the Group (Alma Media chiefly operates in one geographical segment), which is why segment reporting comprises only the business segments listed above. The following table shows the geographical breakdown of the Group's net sales in 2009 and 2008:

M€	2009	2008
Finland	**295.4**	324.0
Rest of EU countries	**11.9**	16.7
Other countries	**0.5**	0.6
Total	**307.8**	341.2

NET SALES M€	News-papers	Kauppalehti Group	Marketplaces	Primary segments total	Other operations	Eliminations	Group
Financial year 2009							
Net sales							
External net sales	216.9	62.5	27.0	306.4	1.4		307.8
Inter-segment net sales	4.4	0.3	0.0	4.7	14.5	-19.2	0.0
Net sales, total	221.3	62.8	27.0	311.1	15.9	-19.2	307.8
Financial year 2008							
Net sales							
External net sales	232.2	73.4	34.0	339.6	1.6		341.2
Inter-segment net sales	4.5	0.1	0.3	4.9	13.5	-18.4	0.0
Net sales, total	236.7	73.5	34.3	344.5	15.1	-18.4	341.2

NET PROFIT IN PERIOD M€	News-papers	Kauppalehti Group	Marketplaces	Primary segments total	Other operations	Eliminations	Group
Financial year 2009							
Operating profit	37.3	6.7	-0.7	43.3	-1.9		41.4
Share of results in assoc. companies	0.1	-1.4	0.0	-1.2	0.9		-0.3
Non-allocated items							
Net financial expenses					-0.3		-0.3
Profit before tax	37.4	5.3	-0.7	42.1	-1.3	0.0	40.8
Income tax					-11.4		-11.4
Net profit for the period	37.4	5.3	-0.7	42.1	-12.7	0.0	29.3
Financial year 2008							
Operating profit	41.5	9.7	2.0	53.2	-4.9		48.3
Share of results in assoc. companies	0.1	1.6		1.7	2.8		4.5
Non-allocated items							
Net financial expenses				0.0	-0.4		-0.4
Profit before tax	41.7	11.3	2.0	54.9	-2.5	0.0	52.4
Income tax					-13.4		-13.4
Net profit for the period	41.7	11.3	2.0	54.9	-16.0	0.0	39.0

ASSETS AND LIABILITIES

M€	Newspapers	Kauppalehti Group	Marketplaces	Primary segments total	Other operations	Eliminations	Group
Financial year 2009							
Segment assets	63.6	17.1	13.0	93.6	5.4		99.1
Investments in assoc. companies	1.7	24.2	0.0	25.9	4.6		30.5
Non-allocated assets				0.0	25.9		25.9
	65.3	41.3	13.0	119.5	35.9	0.0	155.5
Segment liabilities	31.7	9.8	3.5	45.0	5.8		50.8
Non-allocated liabilities				0.0	8.7		8.7
	31.7	9.8	3.5	45.0	14.5	0.0	59.5
Total	33.6	31.5	9.4	74.5	21.4	0.0	96.0
Financial year 2008							
Segment assets	65.9	25.2	15.2	106.3	7.7		113.9
Investments in assoc. companies	1.7	27.0		28.7	2.9		31.6
Non-allocated assets				0.0	21.3		21.3
	67.5	52.3	15.2	135.0	31.9	0.0	166.9
Segment liabilities	32.7	11.8	4.2	48.7	6.8		55.5
Non-allocated liabilities				0.0	22.9		22.9
	32.7	11.8	4.2	48.7	29.7	0.0	78.4
Total	34.9	40.5	11.0	86.3	2.2	0.0	88.5

Assets not allocated to the segments are financial instruments and tax receivables.
Liabilities not allocated to the segments are financial and tax liabilities.

OTHER INFORMATION

M€	Newspapers	Kauppalehti Group	Marketplaces	Primary segments total	Other operations	Eliminations	Group
Financial year 2009							
Investments	3.2	3.5	0.7	7.5	0.7		8.2
Depreciation	5.0	0.9	1.5	7.4	1.4		8.8
Other expenses not requiring transaction, e.g. depreciation	0.1	0.2		0.2			0.2
Writedowns	0.0		0.1	0.2			0.2
Financial year 2008							
Investments	9.4	1.4	2.1	12.8	1.6		14.5
Depreciation	4.7	1.0	1.7	7.4	1.5		8.8
Other expenses not requiring transaction, e.g. depreciation		0.6		0.6	0.3		0.9
Writedowns			0.2	0.2			0.2

2. ACQUIRED BUSINESSES

Acquired businesses in 2009

The Group acquired one company during 2009. It is listed under Kauppalehti Group segment as follows:

	Business	Acquisition date	% acquired
Kauppalehti Group			
UAB BNS Newsventure	Media monitoring	October 1, 2009	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:

M€	Book values before integration	Fair values entered in integration
Kauppalehti Group		
Property, plant and equipment	0.0	0.0
Intangible assets	0.0	0.0
Intangible assets, trademarks		
Intangible assets, customer agreements		0.5
Accounts receivable and other receivables	0.2	0.2
Cash and cash equivalents	0.2	0.2
Assets, total	0.5	0.9
Deferred tax liabilities		0.1
Accounts payable and other payables	0.2	0.2
Liabilities, total	0.2	0.3
Net assets	0.2	0.6
Goodwill arising from acquisition		0.3
Acquisition price (paid in cash)		0.9
Cash and cash equivalents of acquired subsidiaries or businesses		0.2
Impact on cash flow		0.7

The fair values entered on intangible assets in the integration relate primarily to customer agreements. The goodwill arising from these acquisitions totalled M€ 0.3. Contributory factors were the synergies related to these businesses expected to be realised. The year's operating profit of the operations acquired for the segment was M€ -0.1 from the acquisition date. Group net sales would have been an estimated M€ 309.0 and the operating profit M€ 41.4, assuming the acquisitions had taken place at the beginning of 2009.

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.

Acquired businesses in 2008

The Group acquired four companies during 2008. These are listed by segment as follows:

	Business	Acquisition date	% acquired
Newspapers			
Jadecon Oy	TV programme information service	February 20, 2008	100%
Rannikkoseutu	Publishing rights for town paper Rannikkoseutu	September 1, 2008	100%
Vuodatus.net Oy	Blog service	October 1, 2008	100%
Janakkalan Sanomat	Publishing rights for town paper Janakkalan Sanomat	December 31, 2009	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:

M€	Book values before integration	Fair values entered in integration
Newspapers		
Property, plant and equipment		
Intangible assets	0.0	0.2
Intangible assets, trademarks		1.0
Intangible assets, customer agreements		0.9
Accounts receivable and other receivables	0.2	0.2
Cash and cash equivalents	0.1	0.1
Assets, total	0.3	2.4
Deferred tax liabilities		0.6
Accounts payable and other payables	0.1	0.1
Liabilities, total	0.1	0.6
Net assets	0.2	1.8
Goodwill arising from acquisition		4.0
Acquisition price (paid in cash)		5.8
Cash and cash equivalents of acquired subsidiaries or businesses		0.1
Impact on cash flow		5.7

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€ 4.0. Contributory factors were the synergies related to these businesses expected to be realised. The year's operating profit of the operations acquired for the segment was M€ 0.6 from the acquisition date. Net sales would have been an estimated M€ 342.4 and the operating profit M€ 48.6, assuming the acquisitions had taken place at the beginning of 2008.

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.

3. NET SALES

M€	2009	2008
Distribution of net sales between goods and services		
Sales of goods	**134.4**	134.4
Sales of services	**173.4**	206.8
Net sales, total	**307.8**	341.2

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

4. OTHER OPERATING INCOME

M€	2009	2008
Gains on sale of property, plant and equipment	**0.0**	0.7
Gains on sale of intangible assets	**0.8**	0.8
Other	**0.1**	0.2
Other operating income, total	**0.9**	1.7
Specification of other major operating income items:		
Sales of assets	**0.7**	
Gain on disposal of the office building and land of Kainuun Sanomat		0.6

5. MATERIALS AND SERVICES

M€	2009	2008
Purchases during period	**17.1**	20.8
Change in inventories	**0.0**	-0.1
Materials, goods and supplies	**17.1**	20.7
External services	**76.0**	81.3
Total	**93.1**	102.0

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2009 totalled M€ 0.9 (M€ 2.7 in 2008). Of this total, M€ 0.5 (M€ 0.3) was charged to the income statement and M€ 0.5 (M€ 2.3 in 2008) was capitalised to the balance sheet in 2009. There were capitalised research and developments costs M€ 3.9 in the balance sheet on December 31, 2009.

7. EXPENSES ARISING FROM EMPLOYEE BENEFITS

M€	2009	2008
Salaries and fees	**92.5**	96.2
Pension costs – defined contribution plans	**14.5**	15.9
Pension costs – defined benefit plans	**-0.2**	0.1
Approved stock options to be settled in shares	**0.7**	0.8
Other personnel expenses	**4.9**	6.0
Total	**112.3**	119.0
Average total workforce, calculated as full-time employees, excl. delivery staff		
Newspapers	**1,149**	1,197
Kauppalehti Group	**477**	499
Marketplaces	**200**	216
Other	**63**	69
Total	**1,888**	1,981
Additionally, Group's own delivery staff (number of employees)	**969**	968
Salaries and fees to management		
Parent company president (Kai Telanne)		
Salaries and other short-term employee benefits	**0.4**	0.5
Termination benefits		
Post-employment benefits	**0.2**	0.2
Approved stock options to be settled in shares	**0.1**	0.1
Total	**0.7**	0.8

The figures in the table are presented on accrual basis. In 2009, the salary and benefits paid to the President and CEO totalled € 355,246 (€ 455,442)

M€	2009	2008
Other members of the Group Executive Team		
Salaries and other short-term employee benefits	**1.3**	1.4
Termination benefits		
Post-employment benefits	**0.3**	0.3
Approved stock options to be settled in shares	**0.3**	0.3
Total	**1.9**	2.0

The figures in the table are presented on accrual basis. In 2009, the salary and benefits paid to the other members of the Group Executive Team totalled € 1,233,342 (€ 1,418,184).

M€	2009	2008
Other Group presidents (not in Group Executive Team)		
Salaries and other short-term employee benefits	**1.0**	1.3
Termination benefits		
Post-employment benefits		
Approved stock options to be settled in shares	**0.2**	0.2
Total	**1.2**	1.5

The figures in the table are presented on accrual basis. In 2009, the salary and benefits paid to other Group presidents totalled € 1,046,416 (€ 1,325,642).

1,000 €		2009	2008
Board of Directors of Alma Media Corporation and fees paid to its members			
Kari Stadigh	Chairman	**52**	48
Seppo Paatelainen	Deputy Chairman (starting Mar 11, 2009)	**34**	0
Matti Kavetvuo	Member	**28**	37
Lauri Helve	Member	**32**	27
Erkki Solja	Member	**29**	27
Kai Seikku	Member	**30**	29
Harri Suutari	Member	**32**	30
Catharina Stackelberg-Hammarén	Member (starting Mar 11, 2009)	**27**	0
Ahti Vilppula	Member (until Jun 6, 2008)	**0**	21
Matti Häkkinen	Member (until Mar 12, 2008)	**0**	2
Total		**264**	221

The figures in the table are presented on accrual basis.

M€	2009	2008
Salaries and fees to management, total	**4.0**	4.5

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

The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team together held 229,214 of the company's shares on December 31, 2009, representing 0.3% of the total number of shares and votes.

The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team held altogether 220,000 options under the 2006A option plan, 265,000 options under the 2006B plan, 270,000 options under the 2006C plan and 370,000 options under the 2009A plan on December 31, 2009. These option rights entitle their holders to subscribe to a maximum of 1,125,000 new shares in the company. The option rights and shares owned by the members of the Board of Directors, the President and CEO of the parent company and the members of the Group Executive Team represent 1.8% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights on Dec 31, 2009, are as follows *)

		Shares	Options 2006A	Options 2006B	Options 2006C	Options 2009A
Kari Stadigh	Chairman	16,389				
Seppo Paatelainen	Deputy Chairman	1,872				
Matti Kavetvuo	Member	13,071				
Lauri Helve	Member	27,575				
Kai Seikku	Member	4,085				
Erkki Solja	Member	40,822				
Harri Suutari	Member	85,273				
Catharina Stackelberg-Hammarén	Member	1,560				
Kai Telanne	President and CEO	4,339	80,000	80,000	80,000	100,000
Matti Apunen	Group Executive Team	4,339	25,000	25,000	25,000	30,000
Rauno Heinonen	Group Executive Team			10,000	10,000	15,000
Tuomas Itkonen	Group Executive Team					30,000
Kari Kivelä	Group Executive Team		40,000	40,000	40,000	45,000
Mikko Korttila	Group Executive Team			5,000	10,000	30,000
Juha-Petri Loimovuori	Group Executive Team	150	10,000	40,000	40,000	45,000
Raimo Mäkilä	Group Executive Team	25,000	40,000	40,000	40,000	45,000
Minna Nissinen	Group Executive Team	4,739	25,000	25,000	25,000	30,000
Total		229,214	220,000	265,000	270,000	370,000

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

According to the Articles of Association, the Board of Directors is appointed by the Annual General Meeting. The number of members in the Board of Directors is no less than three and no more than nine ordinary members. The Board of Directors shall elect from among its members a Chairman and a Deputy Chairman. The term of office for a member of the Board of Directors shall be one year, ending at the close of the Annual General Meeting following his or her election. The company's President and CEO may not be the Chairman of the Board.

The company shall have a President and CEO appointed by the Board of Directors. The President and CEO shall be responsible for managing the administration of the company in accordance with the instructions and requirements of the Board of Directors.

8. OTHER OPERATING EXPENSES

Specification of other operating expenses by business:

M€	2009	2008
Information technology and telecommunications	**11.3**	12.8
Business premises	**11.2**	11.5
Other costs	**30.5**	40.7
Total	**53.0**	64.9

9. AUDIT EXPENSES

M€	2009	2008
Ernst & Young Oy		
Audit	**0.1**	0.1
Tax consultation	**0.1**	0.0
Other	**0.1**	0.1
Total	**0.2**	0.3

10. FINANCIAL INCOME AND EXPENSES

M€	2009	2008
Financial income		
Interest income on investments held to maturity	**0.4**	0.9
Dividend income on other non-current investments	**0.2**	0.3
Total	**0.6**	1.2
Financial expenses		
Interest costs		
Interest costs from other interest-bearing debt	**-0.5**	-0.9
Interest costs from finance leases	**-0.3**	-0.4
Foreign exchange losses	**0.0**	-0.2
Other financial expences	**-0.3**	-0.1
Total	**-1.0**	-1.6
Financial income and expenses, total	**-0.3**	-0.4
Financial income presented by categories as required by IAS 39		
Interest income on investments held to maturity	**0.4**	0.9
Dividend income from available-for-sale financial assets	**0.2**	0.3
Total	**0.6**	1.2
Financial expenses presented by categories as required by IAS 39		
Interest costs from interest-bearing debts measured at amortised cost	**-0.5**	-0.9
Interest costs from finance leases measured at amortised cost	**-0.3**	-0.4
Foreign exchange losses	**0.0**	-0.2
Other financial expense	**-0.3**	-0.1
Total	**-1.0**	-1.6

11. INCOME TAX

M€	2009	2008
Tax based on taxable income for the period	**10.8**	13.6
Tax from previous periods	**-0.1**	0.0
Deferred taxes	**0.7**	-0.1
Total	**11.4**	13.4

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

The Finnish corporate tax rate in 2009 and 2008 was 26%.

M€	2009	2008
Profit before tax	**40.8**	52.4
Share of associated companies' result	**0.3**	-4.5
	41.1	47.9
Tax calculated on the parent company's tax rate	**10.7**	12.5
Impact of varying tax rates of foreign subsidiaries	**0.1**	0.0
Tax-free income	**-0.2**	-0.4
Non-tax-deductable expenses	**0.4**	0.6
Items from previous periods	**-0.1**	0.0
Use of previously non-entered deferred tax assets	**0.0**	-0.1
Non-enterd deferred tax asset of the confirmed tax losses	**0.6**	0.7
Recognition in balance sheet of previously non-entered deferred tax assets *)	**0.0**	0.1
Other items	**-0.1**	0.1
Tax shown in the income statement	**11.4**	13.4

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

12. NON-CURRENT ASSETS AVAILABLE FOR SALE AND DISCONTINUED OPERATIONS

In the financial year 2008, the non-current loan receivable from the Group's association company AP-Paino Oy has been shown in non-current assets availabe for sale. The Group has sold the assets in December 2008 and recognised M€ 1.8 as profit. There are no non-current assets available for sale or discontinued operations in 2009.

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.

	2009	2008
Parent company owners' income in the period, M€	**29.2**	38.4
Number of shares (x 1,000)		
Weighted average number of outstanding shares	**74,613**	74,613
Impact of issued share options calculated as number of shares	**247**	152
Diluted weighted average number of outstanding shares	**74,859**	74,764
EPS, basic, €	**0.39**	0.51
EPS, diluted, €	**0.39**	0.51

14. INTANGIBLE ASSETS AND GOODWILL

M€	Intangible assets	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2008					
Acquisition cost Jan 1	18.3	3.6	1.0	29.9	52.8
Increases	3.0		2.2	4.1	9.2
Decreases	-3.5		0.0	-0.1	-3.6
Exchange differences	0.0			-0.7	-0.7
Transfers between items	1.5	0.4	-1.9		0.0
Acquisition cost Dec 31	19.2	4.0	1.3	33.2	57.7
Acc. depreciation, amortisation and impairments Jan 1	11.2	1.4	0.0	0.2	12.8
Acc. depreciation in decreases and transfers	-3.3				-3.3
Depreciation in period	2.0	0.7			2.7
Writedowns	0.1			0.1	0.2
Exchange differences	0.0				0.0
Accumulated depreciation Dec 31	10.1	2.1	0.0	0.2	12.4
Book value Jan 1	7.0	2.2	1.0	29.7	40.0
Book value Dec 31	9.1	1.9	1.3	33.0	45.3
Financial year 2009					
Acquisition cost Jan 1	19.2	4.0	1.3	33.2	57.7
Increases	1.4	0.1	1.0	0.8	3.2
Decreases	-2.0	0.0	-0.1	-5.6	-7.7
Exchange differences	0.0				0.0
Transfers between items	0.6	0.6	-1.2		0.0
Acquisition cost Dec 31	19.2	4.7	1.0	28.4	53.2
Acc. depreciation, amortisation and impairments Jan 1	10.1	2.1	0.0	0.2	12.4
Acc. depreciation in decreases and transfers	-0.8	-0.3		-0.2	-1.3
Depreciation in period	2.2	1.1			3.3
Writedowns	0.1	0.0		0.0	0.2
Accumulated depreciation Dec 31	11.6	2.9	0.0	0.1	14.6
Book value Jan 1	9.1	1.9	1.3	33.0	45.3
Book value Dec 31	7.6	1.8	1.0	28.2	38.6

Intangible assets include assets purchased through finance leases as follows:

M€	Intangible Rights
Financial year 2008	
Acquisition cost Jan 1	0.8
Acquisition cost Dec 31	0.8
Accumulated depreciation Jan 1	0.4
Depreciation in period	0.2
Accumulated depreciation Dec 31	0.6
Book value Dec 31	0.2

M€	Intangible Rights
Financial year 2009	
Acquisition cost Jan 1	0.8
Acquisition cost Dec 31	0.8
Accumulated depreciation Jan 1	0.6
Depreciation in period	0.2
Accumulated depreciation Dec 31	0.8
Book value Dec 31	0.0

Allocation of intangibles with indefinite lives to cash-generating units

The book value of intangible assets includes intangible rights totalling M€ 1.9 which are not depreciated; instead these rights are tested annually for impairment. These assets, which have an indefinite economic impact, are trademarks recognised 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:

M€	2009	2008
Iltalehti	**0.8**	0.8
Suomen Paikallissanomat	**0.2**	0.2
Newspapers, total	**1.0**	1.0
Kauppalehti 121	**0.0**	0.4
Alma Media Lehdentekijät	**0.1**	0.1
Kauppalehti Group, total	**0.1**	0.6
Homes and business premises	**0.8**	0.8
Marketplaces, total	**0.8**	0.8
Group, total	**1.9**	2.3

Allocation of goodwill to cash-generating units

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

M€	2009	2008
Aamulehti	**0.0**	0.0
Iltalehti	**3.1**	3.1
Kainuun Sanomat	**2.3**	2.3
Lapin Kansa	**2.5**	2.5
Pohjolan Sanomat	**1.0**	1.0
Satakunnan Kansa	**4.0**	4.1
Suomen Paikallissanomat	**2.0**	2.2
Newspapers, total	**15.0**	15.2
Baltic News Service	**1.1**	0.8
Kauppalehti	**3.3**	3.3
Kauppalehti 121	**0.0**	5.2
Alma Media Lehdentekijät	**2.9**	2.9
Kauppalehti Group, total	**7.3**	12.3
Homes and business premises	**5.6**	5.1
Vehicles and heavy machinery	**0.3**	0.3
Marketplaces, total	**5.8**	5.3
Units allocated an insignificant amount of goodwill	**0.1**	0.1
Goodwill total	**28.2**	33.0

Impairment testing of goodwill and intangible rights with indefinite lives

Testing for goodwill and intangible rights with indefinite useful lives is conducted at the level of units producing cash flow. In testing for impairment, the recoverable amount is the value in use.

Following the model used before, estimated cash flows determined in the test are based on the Group's strategic forecasts for the following three years confirmed by the Board of Directors and business units' management. The years following this period are estimated by extrapolation, taking into account the business cycle and management's views. In addition to general economic factors, the main assumptions and variables used when determining cash flows are the forecast growth of advertising sales in different market segments, the unit-specific average cost of capital (discount rate) and estimated growth of newspaper circulation sales. The growth rate assumptions for advertising sales vary in different market segments and in different product categories. When evaluating growth, past events are taken into account.

Goodwill allocated to new business areas, as well as goodwill arising from recent acquisitions, are more sensitive to impairment testing and therefore more likely to be subject to impairment loss when the above main assumptions change. Based on a sensitivity analysis, the tested goodwill and intangible rights have not been critical. The discount rates used in the calculations for the segments are: units operating in Finland, 9.6% (interest rate before taxes); units operating in Sweden, 9.1% (interest rate before taxes); and units operating in the Baltic countries, 17.3% (interest rate before taxes). The interest rate is based on the weighted average yield set for shareholders' equity and liabilities. During the review period, the interest rates have been updated to current market information from the different markets. The capital structure of the Group has remained unchanged from the comparison period.

An impairment of M€ 1.0 has been recorded in the financial year 2009, allocated to the City24 business division of the Marketplaces segment's Home Sales business. Of this impairment, M€ 1.0 affects goodwill.

In the financial period 2008, an impairment of M€ 0,2 was recorded. It was allocated to the Vehicles and Heavy Equipment business of the Marketplaces segment. Of this impairment, M€ 0,1 affected goodwill in the 2008 financial statements.

In connection with the sensitivity analysis, the effects of an increase in the discount rate and a decrease in advertising sales to estimated cash flows have been estimated. With regard to the recoverable amounts from Alma Media Group's Newspapers and Kauppalehti Group segments, as well as the Marketplaces segment's business operations in Finland, the management does not believe that a change in any of the central variables would lead to a situation in which the recoverable amounts of the business units would be lower than their book values. For the Newspapers and Kauppalehti Group segments, the combined book values of the assets of business units under the segments at the time of testing were 10–15% of the current value of the estimated recoverable amount of the segments. For the Marketplaces segment, the combined book value of the assets of its Finnish business operations at the time of testing was less than 15% of the current value of the estimated recoverable amount. For example, none of the following theoretical changes in the parameters would cause the book value to exceed the current value: a decrease of 5% in advertising sales, a decrease of 5% in circulation sales or an increase of 5 percentage units of the market-specific discount rate used in unit calculations.

The book value of the assets of the City24 business division of the Marketplaces segment at the time of testing was M€ 0.3 as contrasted with its estimated recoverable current amount of M€ 0.6. The discount rate used in testing for the City24 business division was 17.3% (interest rate before taxes).

15. PROPERTY, PLANT AND EQUIPMENT

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2008						
Acquisition cost Jan 1	1.9	25.6	63.2	4.8	0.5	96.0
Increases		0.2	2.2	0.1	0.5	2.9
Decreases	-0.2	-0.5	-1.7	-0.3		-2.7
Transfers between items			0.9	0.1	-1.0	0.0
Acquisition cost Dec 31	1.7	25.2	64.5	4.7	0.1	96.2
Acc. depreciation, amortisation and impairments Jan 1	0.0	14.5	40.3	2.7	0.0	57.5
Accumulated depreciation in decreases and transfers		-0.5	-1.7	-0.2		-2.5
Depreciation in period		0.6	5.0	0.3		5.9
Writedowns			0.0	0.0		0.0
Exchange differences				0.0		0.0
Acc. depreciation, amortisation and impairments Dec 31	0.0	14.6	43.6	2.8	0.0	61.1
Book value Jan 1	1.9	11.0	22.9	2.1	0.5	38.4
Book value Dec 31	1.7	10.6	20.9	1.8	0.1	35.2
Book value of machinery and equipment			14.0			
Financial year 2009						
Acquisition cost Jan 1	1.7	25.2	64.5	4.7	0.1	96.2
Increases		0.2	1.3	0.2	1.3	3.1
Decreases		-0.1	-3.5	-0.4		-4.0
Transfers between items		0.2	0.6	0.0	-0.8	0.0
Acquisition cost Dec 31	1.7	25.4	63.0	4.5	0.6	95.3
Acc. depreciation, amortisation and impairments Jan 1	0.0	14.6	43.6	2.8	0.0	61.1
Accumulated depreciation in decreases and transfers		0.0	-3.0	-0.3		-3.3
Depreciation in period		0.5	4.8	0.1		5.5
Acc. depreciation, amortisation and impairments Dec 31	0.0	15.1	45.5	2.6	0.0	63.2
Book value Jan 1	1.7	10.6	20.9	1.8	0.1	35.2
Book value Dec 31	1.7	10.3	17.5	1.9	0.6	32.0
Book value of machinery and equipment			16.6			

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

M€	Machinery and equipment
Financial year 2008	
Acquisition cost Jan 1	10.7
Increases	1.5
Decreases	-0.4
Acquisition cost Dec 31	11.9
Accumulated depreciation Jan 1	4.1
Accumulated depreciation in decreases	-0.4
Depreciation in period	2.0
Accumulated depreciation Dec 31	5.7
Book value Dec 31	6.1

M€	Machinery and equipment
Financial year 2009	
Acquisition cost Jan 1	11.9
Increases	0.6
Decreases	-2.8
Acquisition cost Dec 31	9.7
Accumulated depreciation Jan 1	5.7
Accumulated depreciation in decreases	-2.6
Depreciation in period	1.8
Accumulated depreciation Dec 31	4.9
Book value Dec 31	4.8

16. SUBSIDIARY COMPANIES

Company	Registered office	Holding %	Share of votes %
Aamujakelu Oy	Tampere	100.00	100.00
Alma Media doo	Belgrad	100.00	100.00
Alma Media Interactive Oy	Helsinki	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki	100.00	100.00
Alma Media Lehdentekijät Oy	Helsinki	100.00	100.00
Arctic Press Oy	Rovaniemi	100.00	100.00
AS Kinnisvaraportaal	Tallinn	100.00	100.00
Balti Uudistetalituse AS	Tallinn	100.00	100.00
BNS Eesti OÜ	Tallinn	100.00	100.00
BNS Latvija SIA	Riga	99.99	99.99
BNS UAB	Vilnius	99.95	99.95
Bovision AB	Stockholm	100.00	100.00
City24 Adriatic d.o.o	Zagreb	80.00	80.00
City24 EOOD	Sofia	100.00	100.00
City24 Polska Sp z.o.o.	Warsaw	70.00	70.00
ETA Uudistetalituse OÜ	Tallinn	100.00	100.00
Etuovi Oy	Helsinki	100.00	100.00
Karenstock Oy	Helsinki	100.00	100.00
Kauppalehti Oy	Helsinki	100.00	100.00
Kustannus Oy Aamulehti	Tampere	100.00	100.00
Kustannus Oy Otsikko	Tampere	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki	100.00	100.00
Mediaskopas UAB	Vilnius	100.00	100.00
Mediju Monitorings SIA	Riga	100.00	100.00
Monster Oy	Helsinki	75.00	75.00
Objektvision AB	Stockholm	100.00	100.00
OOO City24	Moscow	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi	100.00	100.00
Porin Sanomat Oy	Pori	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	100.00
SIA City24	Riga	100.00	100.00
Suomen Business Viestintä SBV Oy	Helsinki	100.00	100.00
Suomen Paikallissanomat Oy	Tampere	100.00	100.00
TOB Citi 24	Kiev	70.00	70.00
UAB BNS Newsventure	Vilnius	100.00	100.00
UAB City24	Vilnius	100.00	100.00
Vuodatus.net Oy	Helsinki	100.00	100.00

17. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

M€	2009	2008
Holdings in associated companies		
At start of period	**31.6**	34.1
Increases	**2.5**	0.0
Decreases	**-1.5**	0.0
Share of results	**-0.3**	4.5
Share of items recognised directly in associated company's equity	**-0.1**	-0.9
Dividends received	**-1.7**	-4.2
Transfers between items	**0.0**	-1.8
At end of period	**30.5**	31.6

Further information on associated companies

Talentum Oyj, included in the book value of associated companies on December 31, 2009, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements on December 31, 2009 is M€ 26.5 and its market capitalisation was M€ 24.7. The investment is considered as long-term and strategic for Alma Media. The investment's value in use equals the carrying amount.

During 2009 the Group acquired an additional 25% share in Kotikokki.net Oy raising its ownership to 40%.

Goodwill arising from associated companies totalled M€ 23.4 (M€ 21.1) on December 31, 2009.

M€	2009	2008
Book value of shares, total	**30.5**	31.6
Receivables from associated companies	**0.0**	0.0
Liabilities to associated companies	**0.1**	0.1
Summary (100%) of associated company totals		
Aggregate assets of associated companies	**72.5**	66.6
Aggregate liabilities of associated companies	**49.8**	33.9
Aggregate net sales of associated companies	**101.6**	124.2
Aggregate profit/loss of associated companies	**-1.0**	8.4

Associated companies	Holding %	Share of votes %
Ahaa Sivunvalmistus Oy	**20.00**	20.00
Holding Oy Visio	**24.74**	24.74
Kotikokki.net Oy	**40.00**	40.00
Kytöpirtti Oy	**43.20**	43.20
Nokian Uutistalo Oy	**36.90**	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	**24.07**	24.07
Talentum Oyj	**32.14**	32.14
Tampereen Tietoverkko Oy	**34.92**	34.92
Tampereen Ykkösjakelu Oy	**40.00**	40.00

Joint venture companies

The Group established a joint venture company, Mascus A/S, together with Bil Markedet ApS in Denmark in 2007. The Group owns 50% of the joint venture and it is reported in the Marketplaces segment. In addition, 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.

M€	2009	2008
Group's share of balance sheets and results of joint venture companies		
Non-current assets	**3.7**	3.7
Current assets	**0.1**	0.1
Long-term liabilities	**0.1**	0.1
Current liabilities	**0.0**	0.0

M€	2009	2008
Net sales	**0.1**	0.1
Operating profit	**0.0**	0.0
Net income for the period	**0.0**	0.0
Average total workforce in joint venture companies	**1**	1

18. OTHER FINANCIAL ASSETS

M€	Book values 2009	Fair values 2009	Book values 2008	Fair values 2008
Available-for-sale financial assets	**4.0**	**4.0**	4.1	4.1
Loan receivables	**0.5**	**0.5**	0.1	0.1
Total	**4.5**	**4.5**	4.2	4.2

19. INVENTORIES

M€	2009	2008
Materials and supplies	**1.5**	1.5
Total	**1.5**	1.5

20. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

M€	2009	2008
Accounts receivable	**21.3**	24.5
Receivables from others		
Prepaid expenses and accrued income	**3.2**	2.2
Other receivables	**0.8**	0.8
Total	**4.0**	3.0
Receivables, total	**25.3**	27.5

M€	2009	2008
Ageing analysis of trade receivables		
Non-matured receivables and receivables maturing in 1–4 days	**14.6**	18.7
Maturing in 5–30 days	**5.8**	3.8
Maturing in 31–120 days	**0.7**	1.3
Maturing after 120 days	**0.2**	0.6
Accounts receivable, total	**21.3**	24.5

M€ 0.3 provision for bad debts has been made in 2009.

In the financial year 2009, approximately M€ 0.8 bad debt write-downs were recognised in the Group.

21. OTHER SHORT-TERM FINANCIAL ASSETS

M€	2009	2008
Investments held to maturity	**1.2**	2.9
Total	**1.2**	2.9

22. CASH AND CASH EQUIVALENTS

M€	2009	2008
Cash and bank accounts	**8.0**	7.8
Investment certificates (1–3 months)	**13.1**	5.5
Total	**21.1**	13.3

23. INFORMATION ON SHAREHOLDERS' EQUITY AND ITS ADMINISTRATION

The following describes information on Alma Media shares and changes in 2009.

M€	Total number of shares	Share capital, M€	Share premium fund, M€
January 1, 2009	74,612,523	44.8	2.8
December 31, 2009	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.

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 to shares in conjunction with an increase in the share capital, 1) who are listed as shareholders in the shareholders' register on the record date; or 2) whose right to receive payment is recorded in the book-entry account of a shareholder listed in the shareholders' register on the record date, 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 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 2009 or 2008.

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.

Asset revaluation fund

The asset revaluation fund is used to record increases in the fair value of financial assets availabe-for-sale.The Group has not recognised any revaluation of assets during the financial years 2009 and 2008. The financial assets available-for-sale consist of investments in non-listed shares and no reliable fair value is available.

Distributable funds

The distributable funds of the Group's parent company on December 31, 2009 totalled € 53,724,934.

Administration of shareholders' equity

The purpose of administration of shareholders' equity and optimal capital structure is to secure normal business preconditions. The development of the capital structure is followed with gearing and equity ratio key figures. Those key figures for 2009 and 2008 are presented in the following table:

M€	2009	2008
Interest-bearing liabilities	**4.6**	19.1
Cash and cash equivalents	**21.1**	13.3
Interest-bearing net debt	**-16.5**	5.8
Shareholders' equity	**96.0**	88.5
Gearing, %	**-17.1**	6.5
Equity ratio, %	**67.2**	57.2

Dividend policy

The Group does not have a predefined dividend policy. The dividend policy depends on the equity ratio and the Group's needs, the final proposal being made to the AGM by the Board of Directors.

Redemption of shares

A shareholder whose proportional holding of all company shares, or whose proportional entitlement to votes conferred by the company shares, either individually or jointly with other shareholders, is or exceeds 33⅓% or 50% as defined hereinafter is obliged on demand by other shareholders to redeem such shareholders' shares.

24. SHARE-BASED PAYMENTS

Stock option programme 2006

The Annual General Meeting held on March 8, 2006 decided on a new stock option programme under which a maximum of 1,920,000 options may be granted and these may be exercised to subscribe to a maximum of 1,920,000 Alma Media shares with a book countervalue of € 0.60 per share. The programme is part of the company's management incentive and commitment system. Of the total number of options, 640,000 were marked 2006A, 640,000 were marked 2006B and 640,000 were marked 2006C.

Share subscription periods:

- for stock options 2006A April 1, 2008–April 30, 2010,
- for stock options 2006B April 1, 2009–April 30, 2011 and
- for stock options 2006C April 1, 2010–April 30, 2012.

As authorised by the Annual General Meeting, the Board of Directors has granted 515,000 of the 2006A options. Altogether 75,000 of the 2006A options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 440,000 2006A options. In 2007 and 2008, Alma Media's Board of Directors decided to annul the 200,000 2006A option rights in the company's possession. 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 April 1 and May 31, 2006. The subscription price of the 2006A options was reduced by the amount of capital repayment in 2006 (€ 0.53 per share), by dividend payment in March 2007 (€ 0.65 per share), by dividend payment in March 2008 (€ 0.90 per share) and by dividend payment in March 2009 (€ 0.30 per share) to 5.28 per share. The vesting period for the 2006A options has ended and the share subscription period began on April 1, 2008. No shares have been subscribed to by December 31, 2009.

In 2007, the Board of Directors decided to issue a total of 515,000 options under the 2006B programme to Group management. Altogether 50,000 of the 2006B options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 465,000 2006B options. The share subscription price under the 2006B option, € 9.85 per share was determined by the trade weighted average share price in public trading between April 1 and May 31, 2007. The subscription price of the 2006B options was reduced by the amount of dividend payment in March 2008 (€ 0.90 per share) and by dividend payment in March 2009 (€ 0.30 per share) to € 8.65 per share. All of the 175,000 2006B option rights in the company's possession have been annulled. The options in the 2006B programme are traded in NASDAQ OMX Helsinki Stock Exchange since April 1, 2009. No shares have been subscribed to by December 31, 2009.

In 2008, the Board of Directors decided to issue 520,000 options under the 2006C programme to Group management. Altogether 50,000 of the 2006C options have been returned to the company owing to the termination of employment contracts. After the returned options, corporate management possesses a total of 470,000 2006C options. The share subscription price under the 2006C option, € 9.06 per share, was determined by the trade weighted average share price in public trading between April 1 and May 31, 2008. The subscription price of the 2006C options was reduced by the amount of dividend payment in March 2009 (€ 0.30 per share) to € 8.76 per share. All of the 170,000 2006C option rights in the company's possession have been annulled.

If all the subscription rights were exercised, this programme would dilute the holdings of the earlier shareholders by 1.8%.

The stock option plan is entered in the accounts in accordance with the standard IFRS 2 – Share-based Payment. The option rights granted are measured at their fair value on 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€ 0.5 was entered in the 2009 accounts (M€ 0.8 in 2008). The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

Options	Number	Annulled	Free	Share subscription period begins	Share subscription period ends	Period determining subscription price (trade-weighted average share price)		
2006A	640,000	200,000	–	Apr 1, 2008	Apr 30, 2010	Apr 1, 2006	–	May 31, 2006
2006B	640,000	175,000	–	Apr 1, 2009	Apr 30, 2011	Apr 1, 2007	–	May 31, 2007
2006C	640,000	170,000	–	Apr 1, 2010	Apr 30, 2012	Apr 1, 2008	–	May 31, 2008

The share subscription prices will be reduced by the amount of dividend per share and capital repayment per share decided after the period for determination of the share subscription price but before share subscription.

	A option plan	B option plan	C option plan
Principal terms and conditions			
Grant date	April 26, 2006	March 8, 2007	March 12, 2008
Number of options granted	515,000 options	515,000 options	520,000 options
Subscription price	€ 5.28	€ 8.65	€ 8.76
Share subscription price at grant date	€ 7.66	€ 9.85	€ 9.06
Total duration of option programme	1,496 days	1,521 days	1,491 days
Expected volatility	30%	23%	25%
Vesting period	736 days	761 days	730 days
Risk-free interest rate	3.5%	4.5%	5.0%
Payment method	as shares	as shares	as shares
Expected personnel reductions	0%	0%	0%
Expected dividend yield	0%	0%	0%
Value of option at grant date	€ 1.526/share	€ 1.731/share	€ 1.689/share
	M€ 1.0	M€ 1.1	M€ 1.1
Value pricing model	Black–Scholes (Forward Start Option Rubinstein [1990])		

The option rights are granted on condition that the receivers pledge to subscribe to shares corresponding to at least 25% of the gross value of the options granted to them 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 respective option right.

Should the option holder's work or employment contract with Alma Media end for reasons other than death or retirement, as determined by the company, or permanent work disability, 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 all option certificates for which the share subscription period has not begun on the date of the termination of the employment contract. Altogether 75,000 2006A options, 50,000 2006B options and 50,000 2006C options have been returned to the company 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 commencement of the share subscription period for the options in question, option rights may only be transferred with the consent of the Board of Directors.

Changes during option period

Number of options	A option plan 2009	2008	B option plan 2009	2008	C option plan 2009	2008
At start of financial year	**440,000**	440,000	**515,000**	510,000	**520,000**	0
Number of new options granted	**0**	0	**0**	5,000	**0**	520,000
Number of options forfeited	**0**	0	**-50,000**	0	**-50,000**	0
Number of options exercised	**0**	0	**0**	0	**0**	0
At end of financial year	**440,000**	440,000	**465,000**	515,000	**470,000**	520,000

Stock option programme 2009

The Annual General Meeting of Alma Media on March 11, 2009 decided, in accordance with the proposal by the Board of Directors, to continue the incentive and commitment system for Alma Media management through an option programme according to earlier principles and decided to grant stock options to key personnel of Alma Media Corporation and its subsidiaries in the period 2009–2011. Altogether 2,130,000 stock options may be granted, and these may be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of Alma Media. Of the total number of options, 710,000 were marked 2009A, 710,000 were marked 2009B and 710,000 were marked 2009C.

Share subscription periods:

- for stock options 2009A April 1, 2012–March 31, 2014,
- for stock options 2009B April 1, 2013–March 31, 2015 and
- for stock options 2009C April 1, 2014–March 31, 2016.

The Board of Directors of Alma Media Corporation decided in May 2009 to grant 640,000 option rights to corporate management under the 2009A programme. The company is in possession of 70,000 2009A options. The subscription price of a 2009A option, € 5.21 per share, was determined by the trade weighted average share price in public trading between April 1 and April 30, 2009. If all the subscription rights are exercised, the programme will dilute the holdings of the earlier shareholders by 2.8%.

The stock option plan is entered in the accounts in accordance with the standard IFRS 2 Share-based Payment. The option rights granted are measured at their fair value on 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€ 0.2 was entered in the 2009 accounts. The expected volatility has been determined by calculating the historical volatility of the company's share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

Options	Number	Annulled	Free	Share subscription period begins	Share subscription period ends	Period determining subscription price (trade-weighted average share price)		
2009A	710,000	-	70,000	Apr 1, 2012	Mar 31, 2014	Apr 1, 2009	–	Apr 30, 2009
2009B	710,000	-	710,000	Apr 1, 2013	Mar 31, 2015	Apr 1, 2010	–	Apr 30, 2010
2009C	710,000	-	710,000	Apr 1, 2014	Mar 31, 2016	Apr 1, 2011	–	Apr 30, 2011

The share subscription prices will be reduced by the amount of dividend per share and capital repayment per share decided after the period for determination of the share subscription price but before share subscription.

	A option plan
Principal terms and conditions	
Grant date	April 28, 2009
Number of options granted	640,000 options
Subscription price	€ 5.21
Share subscription price at grant date	€ 5.21
Total duration of option programme	1,795 days
Expected volatility	30%
Vesting period	1,066 days
Risk-free interest rate	3.0%
Payment method	as shares
Expected personnel reductions	0
Expected dividend yield	0
Value of option at grant date	€ 1.570/share M€ 1.1
Value pricing model	Black–Scholes (Forward Start Option Rubinstein [1990])

The option rights are granted on condition that the receivers pledge to subscribe to shares corresponding to at least 25% of the gross value of the options granted to them 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 respective option right.

Should the option holder's work or employment contract with Alma Media end for reasons other than death or retirement, as determined by the company, or permanent work disability, 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 all option certificates for which the share subscription period has not begun on the date of the termination of the employment contract.

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

Changes during option period

Number of options	A option plan 2009	2008
At start of financial year	**0**	0
Number of new options granted	**640,000**	0
Number of options forfeited	**0**	0
Number of options exercised	**0**	0
At end of financial year	**640,000**	0

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

25. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 2008

M€	Dec 31, 2007	Entered in income statement	Entered under equity	Acquired/sold subsidiaries	Dec 31, 2008
Deferred tax assets					
Provisions	0.1	0.2			0.3
Pension benefits	0.1	0.0			0.1
Deferred depreciation	1.3	0.4			1.7
Other items	0.5	0.0			0.5
Total	2.0	0.7	0.0	0.0	2.7
Taxes, net	-1.0				-1.4
Deferred tax assets in balance sheet	1.0				1.3
Deferred tax liabilities					
Accumulated depreciation differences	0.4	0.2			0.6
Fair value measurement of property, plant and equipment and intangible assets in business combinations	0.6	-0.1		0.6	1.1
Retained earnings of subsidiary companies	0.8	0.2			1.0
Other items	1.0	0.3			1.3
Total	2.8	0.6	0.0	0.6	3.9
Taxes, net	-1.0				-1.4
Deferred tax liabilities in balance sheet	1.8				2.5
Deferred tax, net	-0.8	0.1	0.0	-0.6	-1.2

Changes in deferred taxes during 2009

M€	Dec 31, 2008	Entered in income statement	Entered under equity	Acquired/sold subsidiaries	Dec 31, 2009
Deferred tax assets					
Provisions	0.3	0.0			0.3
Pension benefits	0.1	-0.1		0.0	0.1
Deferred depreciation	1.7	-0.5		0.0	1.3
Other items	0.5	0.0			0.5
Total	2.7	-0.6	0.0	0.0	2.1
Taxes, net	-1.4				-1.4
Deferred tax assets in balance sheet	1.3				0.7
Deferred tax liabilities					
Accumulated depreciation differences	0.6	0.1			0.7
Fair value measurement of property, plant and equipment and intangible assets in business combinations	1.1	-0.1		-0.2	0.8
Retained earnings of subsidiary companies	1.0	-0.2			0.8
Other items	1.3	0.3		0.0	1.6
Total	3.9	0.2	0.0	-0.2	3.9
Taxes, net	-1.4				-1.4
Deferred tax liabilities in balance sheet	2.5				2.5
Deferred tax, net	-1.2	-0.7	0.0	0.2	-1.8

No deferred tax asset has been calculated on the confirmed tax losses (M€ 4.1) of Group companies in 2009. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire beween the years 2010–2018.

26. PENSION OBLIGATIONS

The Group has defined benefit pension plans which consist of supplementary pension insurance plans which are based on former pension funds of the Group.

The defined benefit pension obligation in the balance sheet

M€	31 Dec 2009	31 Dec 2008
Present value of obligations at start of period	**9.1**	9.3
Service cost during period	**0.0**	0.3
Interest cost	**0.3**	0.3
Actuarial gains and losses	**0.7**	0.5
Payments of defined benefit obligations	**-0.8**	-0.5
Losses/gains from plan settlements	**-0.1**	-0.7
Present value of funded obligations at end of period	**9.3**	9.1
Fair value of plan assets at start of period	**6.0**	5.2
Expected return on plan assets	**0.4**	0.3
Actuarial gains and losses	**0.2**	1.6
Incentive payments	**0.5**	0.0
Payments of defined benefit obligations	**-0.8**	-0.5
Losses/gains from plan settlements	**0.0**	-0.5
Present value of plan assets at end of period	**6.2**	6.0
Deficit/surplus	**3.1**	3.1
Unrecognised actuarial gains (-) and losses (+)	**0.0**	0.5
Losses/gains from plan settlements	**0.0**	0.0
Defined benefit pension liabilities in the balance sheet	**3.1**	3.7

Time series of present value of obligations and fair value of plan assets

M€	2009	2008	2007	2006	2005
Present value of unfunded obligations	**2.9**	3.2	3.2	3.3	3.4
Present value of funded obligations	**6.4**	6.0	6.1	7.2	7.2
Fair value of assets	**-6.2**	-6.0	-5.2	-6.8	-6.8
Deficit/surplus	**3.1**	3.1	4.1	3.6	3.8

The plan assets are invested primarily in interest and share-based instruments and they have an aggregate expected annual return of 6.0%.
A more detailed specification of the plan assets is not available.

The defined benefit pension expense in the income statement

M€	2009	2008
Service cost during period	**0.0**	0.3
Interest cost	**0.3**	0.3
Expected return on plan assets	**-0.4**	-0.3
Actuarial gains and losses	**-0.1**	0.0
Losses/gains from plan settlements	**0.0**	-0.2
Total	**-0.2**	0.1

Changes in liabilities shown in the balance sheet

M€	2009	2008
Start of period	**3.7**	3.7
Incentive payments paid	**-0.5**	0.0
Pension expense in income statement	**-0.2**	0.1
Divestments of subsidiaries	**0.0**	0.0
Defined benefit pension obligation in balance sheet	**3.1**	3.7

A similar investment is expected to be made in the plan in 2010 as in 2009.

Actuarial assumptions used

%	2009	2008
Discount rate	**4.7**	5.8
Expected return on plan assets	**6.0**	5.8
Future salary increase assumption	**3.5**	3.5
Inflation assumption	**2.0**	2.0

27. PROVISIONS

M€	Restructuring provision	Other provisions	Total
January 1, 2009	0.7	0.4	1.1
Increase in provisions	0.2		0.2
Provisions employed		-0.2	-0.2
December 31, 2009	0.9	0.2	1.1
Current	0.9	0.1	1.0
Non-current	0.0	0.1	0.1

Restructuring provision: this provision has been made to cover implemented or possible personnel reductions in different companies. The provision is expected to be realised in 2010.

Other provisions mainly consist of the environmental provision for sold property and other personnel-related provisions.

28. INTEREST-BEARING LIABILITIES

M€	Book values 2009	Fair values 2009	Book values 2008	Fair values 2008
Non-current				
Finance lease liabilities	**2.8**	**2.8**	3.9	3.9
Total	**2.8**	**2.8**	3.9	3.9
Current				
Other current interest-bearing debt	**0.1**	**0.1**	13.0	13.0
Finance lease liabilities	**1.7**	**1.7**	2.2	2.2
Total	**1.8**	**1.8**	15.2	15.2

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

Non-current debt maturity times

M€	2009	2008
2010		1.6
2011	**1.1**	0.9
2012	**0.6**	0.4
2013	**1.1**	1.0
2014	**0.0**	0.0
Later	**0.0**	0.0
Total	**2.8**	3.9

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

M€	2009	2008
EUR	**2.8**	3.9

Weighted averages of the effective tax rates for the interest-bearing non-current debt

%	2009	2008
Finance lease liabilities	**4.0**	5.0

Interest-bearing current debt by currency is divided as follows

M€	2009	2008
EUR	**1.8**	15.2

Weighted averages of the effective tax rates for the interest-bearing current

%	2009	2008
Other current interest-bearing debt	**4.0**	4.5
Finance lease liabilities	**4.0**	5.0

Maturity of finance leases

M€	2009	2008
Finance lease liabilities – total minimum lease payments		
2009		2.3
2010	**1.8**	1.7
2011	**1.1**	1.0
2012	**0.6**	0.6
2013	**1.2**	1.2
2014	**0.0**	0.0
Later	**0.0**	0.0
Total	**4.7**	6.7
Finance lease liabilities – present value of minimum lease payments		
2009		2.2
2010	**1.7**	1.5
2011	**1.1**	0.9
2012	**0.6**	0.4
2013	**1.1**	1.0
2014	**0.0**	0.0
Later	**0.0**	0.0
Total	**4.5**	6.1
Financial expenses accruing in the future	**0.2**	0.7

29. FINANCIAL RISKS

Alma Media Group'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 organisation 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 organisation. Risk management employs an online reporting system. Financial risk management is part of the Group's risk management policy. Alma Media categorises 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€ 4.6 on December 31, 2009, all of which carried a variable rate. An increase of one percentage point in the interest rate would increase the Group's financial expenses by M€ 0.05.

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 most important currencies of the Group can be reduced by the following measures:

- Cash flows in the same currency are netted through a common foreign exchange account whenever the cost/benefit ratio is significant
- Larger one-time payments (minimum 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 (minimum book countervalue of M€ 1) are always hedged over the following rolling 18-month period.

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

Translation risk: A foreign exchange risk that arises from 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 may 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, such as 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 one-per-cent change in the price of paper would affect the Group's operating profit by an estimated M€ 0.1. The Group had no open paper derivatives on the balance sheet date. The Group had open electricity derivative contracts on the balance sheet date. The values of these open derivatives are described in more detail in Note 33 to the consolidated financial statements.

Capital management risks

Liquidity management: Alma Media has a M€ 50 financing limit at its disposal, in addition to which Alma Media ensures its liquidity by issuing its own commercial papers if required via brokers, and hedges overliquidity 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. The programme allows the company to issue papers between M€ 0–100. On December 31, 2009 the unused portion of the programme is M€ 100.0. In addition to the commercial paper programme, the company may use its existing financing limit of M€ 50.0 to finance its working capital.

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 Group's credit policy is described and documented in the Group credit management policy. The Group does not have significant risks of aged receivables, because it has a large customer base and no individual customer will comprise a significant amount. During the financial period, impairment losses of M€ 0.2 were recognised through profit or loss. These impairment losses were caused by an unexpected change in customers' economic environment. The ageing of accounts receivable is presented in Note 20, Accounts Receivable and Other Receivables.

30. FINANCIAL INSTRUMENTS

Comparison between book values and fair values of the financial instruments are presented in the following table. In addition, financial instruments are presented by categories as required by IAS 39.

	Book value		Fair value	
M€	2009	2008	2009	2008
Financial assets				
Financial assets at fair value through profit or loss				
Commodity derivate contracts	**0.0**	-0.1	**0.0**	-0.1
Held-to-maturity investments				
Other short-term financial assets	**1.2**	2.9	**1.2**	2.9
Available-for-sale financial assets				
Other long-term financial assets	**4.0**	4.1	**4.0**	4.1
Loans and receivables				
Loans receivable	**0.5**	0.1	**0.5**	0.1
Accounts receivables and other receivables	**25.3**	27.5	**25.3**	27.5
Cash and cash equivalents	**21.1**	13.3	**21.1**	13.3
Total	**52.1**	47.8	**52.1**	47.8
Financial liabilities				
Measured at amortised costs				
Financial leases	**4.5**	6.1	**4.5**	6.1
Other interest-bearing liabilities	**0.1**	13.0	**0.1**	13.0
Accounts payable and other liabilities	**33.7**	37.8	**33.7**	37.8
Total	**38.3**	56.8	**38.3**	56.8

Financial assets at fair value through profit or loss consist of electricity derivates. More details concerning derivative contracts are given in Note 33.

Held-to-maturity investments consist of other short-term financial assets. Such financial assets are carried at amortised cost and they are presented in current assets.

Financial assets availabe for sale consist mainly of non-listed shares and they are carried at amortised cost, because the amortised cost is equal to their fair value.

Accounts receivable and other receivables (both non-current and current) and other short-term investments' book value is estimated to equal fair value. The effect of the discount interest method is immaterial.

The initial measurement of accounts payable and other liabilities equals fair value, because the effect of the discount interest method is immaterial.

Fair value hierarchy

Financial assets and liabilities measured at fair value are categorised according to the following hierarchy of fair values. The hierarchy reflects the significance of the inputs used in making the measurements.

Level 1	quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2	other mother techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3	techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Fair value at end of period			
M€	Dec 31 2009	Level 1	Level 2	Level 3
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Embedded derivatives	0.0	0.0		
Available-for-sale financial assets	4.0			4.0
Equity shares	4.0			4.0
Total	4.0	0.0	0.0	4.0

During the financial period, no transfers were made between the fair value hierarchy levels 1, 2 and 3. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety has been determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

31. ACCOUNTS PAYABLE AND OTHER LIABILITIES

M€	2009	2008
Accounts payable	**5.4**	7.1
Owed to associated companies		
Accounts payable	**0.1**	0.1
Accrued expenses and prepaid income	**22.6**	24.0
Other liabilities	**5.6**	6.7
Total	**33.7**	37.9

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

32. OTHER LEASES

The Group as lessee

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

M€	2009	2008
Within one year	**6.3**	7.9
Within 1–5 years	**15.2**	19.1
After 5 years	**19.9**	27.9
Total	**41.4**	54.9

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

Purchase agreements under IFRIC 4 that contain another lease component, as described in IAS 17

M€	2009	2008
Minimum payments payable based on these purchase agreements	**0.4**	3.1

The Group as lessor

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

M€	2009	2008
Within one year	**1.2**	1.1
Within 1–5 years	**0.2**	0.7
After 5 years	**0.0**	0.0
Total	**1.4**	1.8

33. DERIVATIVE CONTRACTS

M€	2009	2008
Commodity derivative contracts (electricity derivatives)		
Fair value *)	**0.0**	-0.1
Value of underlying instrument	**0.8**	0.7

*) 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.

34. COMMITMENTS AND CONTINGENCIES

M€	2009	2008
Other commitments		
Commitments based on agreements	**0.1**	0.1
Total	**0.1**	0.1

Liabilities for value added tax corrections from real estate investments

The Group is obliged to correct the value added tax deductions made from real estate investments completed in 2005–2009 if the taxable use of the real estate diminishes during the correction period. The maximum amount of the liability is presented in the table below.

M€	
Year of completion of the investment	
2005	0.0
2006	0.0
2007	0.0
2008	0.0
2009	0.1

35. RELATED PARTIES

Alma Media Group's related parties are its associated companies (see Note 17) and the companies that they own.

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.

Sales of goods and services with insiders are based on the Group's prices in force at the time of transaction.

Related party transactions with associated companies

M€	2009	2008
Sales of goods and services	**0.2**	0.2
Purchases of goods and services	**3.7**	4.5
Accounts receivable	**0.0**	0.1
Accounts payable	**0.1**	0.1

36. SHAREHOLDINGS

20 principal shareholders on Dec 31, 2009

	Number of shares	% of total shares	% of total votes
1. Ilkka-Yhtymä Oyj	15,218,991	20.4%	20.4%
2. Oy Herttaässä Ab	9,725,030	13.0%	13.0%
3. Keskinäinen työeläkevakuutusyhtiö Varma	7,202,994	9.7%	9.7%
4. Mandatum Henkivakuutusosakeyhtiö	6,665,912	8.9%	8.9%
5. Kaleva Kustannus Oy	4,458,000	6.0%	6.0%
6. Keskinäinen Vakuutusyhtiö Kaleva	4,189,281	5.6%	5.6%
7. Kunnallisneuvos C. V. Åkerlundin säätiö	3,208,871	4.3%	4.3%
8. Keskinäinen Eläkevakuutusyhtiö Tapiola	1,852,800	2.5%	2.5%
9. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,270,000	1.7%	1.7%
10. Veljesten Viestintä Oy	851,500	1.1%	1.1%
11. Keskisuomalainen Oyj	823,997	1.1%	1.1%
12. Suomen Kulttuurirahasto	576,000	0.8%	0.8%
13. Häkkinen Heikki kuolinpesä	525,332	0.7%	0.7%
14. Sinkkonen Raija	500,000	0.7%	0.7%
15. Häkkinen Veera kuolinpesä	478,911	0.6%	0.6%
16. Sijoitusrahasto Nordea Nordic Small Cap	437,173	0.6%	0.6%
17. Mäkelä Kai	369,284	0.5%	0.5%
18. Nordea Henkivakuutus Suomi Oy	360,000	0.5%	0.5%
19. Tampereen tuberkuloosisäätiö	327,062	0.4%	0.4%
20. Häkkinen Matti Juhani	284,098	0.4%	0.4%
Total	59,325,236	79.5%	79.5%
Nominee-registered	3,172,036	4.3%	4.3%
Other	12,115,251	16.2%	16.2%
Grand total	74,612,523	100.0%	100.0%

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

Ownership structure on Dec 31, 2009

	Number of owners	% of total	Number of shares	% of shares
Private corporations	308	5.1%	32,299,932	43.3%
Financial and insurance institutions	21	0.3%	12,442,056	16.7%
Public entities	9	0.1%	10,989,107	14.7%
Households	5,551	91.9%	10,051,726	13.5%
Non-profit associations	121	2.0%	5,252,093	7.0%
Foreign owners	21	0.3%	203,895	0.3%
Nominee-registered shares	9	0.1%	3,172,036	4.3%
In general account			201,678	0.3%
Total	6,040	100.0%	74,612,523	100.0%

Distribution of ownership

Number of shares	Number of owners	% of total	Number of shares	% of shares
1–100	1,356	22.5%	78,292	0.1%
101–1,000	3,207	53.1%	1,440,988	1.9%
1,001–10,000	1,279	21.2%	3,798,276	5.1%
10,001–100,000	163	2.7%	4,430,350	5.9%
100,001–500,000	20	0.3%	5,174,661	6.9%
Over 500,000	15	0.2%	59,488,278	79.7%
In general account			201,678	0.3%
Total	6,040	100.0%	74,612,523	100.0%

Parent company income statement

M€	Note	Jan 1–Dec 31, 2009	Jan 1–Dec 31, 2008
Net sales	1	**15.9**	12.3
Other operating income	2	**0.1**	0.3
Materials and services	3	**-0.2**	0.0
Personnel expenses	4	**-4.8**	-4.2
Depreciation and writedowns	5	**-0.7**	-0.5
Other operating expenses	6, 7, 8	**-11.6**	-12.4
Operating profit/(loss)		**-1.2**	-4.4
Financial income and expenses	9	**-0.8**	8.9
Proftit/(loss) before extraordinary items		**-2.0**	4.4
Extraordinary items	10	**37.8**	46.9
Profit/(loss) before appropriations and tax		**35.8**	51.3
Appropriations	11	**0.0**	0.1
Income tax	12	**-9.8**	-11.2
Net profit/(loss) for the period		**26.0**	40.3

Parent company balance sheet

M€	Note	Dec 31, 2009	Dec 31, 2008
ASSETS			
Fixed assets			
Intangible assets	13	**1.5**	1.7
Tangible assets	14	**3.0**	3.2
Investments			
Holdings in Group companies	15	**474.4**	477.9
Other investments	15	**5.7**	3.9
Fixed assets, total		**484.5**	486.8
Current assets			
Short-term receivables	16	**35.6**	54.1
Cash and bank		**17.6**	10.4
Current assets, total		**53.2**	64.4
Assets, total		**537.7**	551.2

M€	Note	Dec 31, 2009	Dec 31, 2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**44.8**	44.8
Share premium fund		**414.4**	414.4
Other funds		**5.4**	5.4
Retained earnings		**27.7**	9.8
Net profit for the period		**26.0**	40.3
Shareholders' equity, total	17	**518.2**	514.6
Provisions	18	**0.1**	0.4
Liabilities			
Long-term liabilities	19	**2.2**	2.4
Short-term liabilities	20	**17.2**	33.8
Liabilities, total		**19.4**	36.2
Shareholders' equity and liabilities, total		**537.7**	551.2

Parent company cash flow statement

M€	Jan 1–Dec 31, 2009	Jan 1–Dec 31, 2008
Cash flow from operating activities		
Net profit for the period	**26.0**	40.3
Adjustments		
Depreciation and writedowns	**0.7**	0.5
Financial income and expenses	**0.8**	-8.9
Taxes	**9.8**	11.2
Change in provisions	**-0.3**	0.0
Other adjustments	**-38.0**	-47.1
Change in working capital		
Total increase (-) / decrease (+) in current non-interest-bearing receivables	**0.3**	0.4
Increase (+) / decrease (-) in current non-interest-bearing liabilities	**-0.4**	1.1
Dividend received	**2.1**	8.2
Interest received	**2.1**	2.7
Interest paid	**-0.8**	-2.4
Taxes paid	**-3.9**	-16.2
Net cash from operating activities	**-1.6**	-10.2
Cash flow from investing activities		
Investments in tangible and intangible assets	**-0.3**	-0.8
Investments in other securities	**0.0**	-0.1
Proceeds from disposal of other investments	**0.8**	0.1
Acquisition of Group companies	**-0.7**	-4.0
Acquisition and sales of associated company	**-2.5**	6.5
Net cash used in investing activities	**-2.6**	1.8
Cash flow before financing activities	**-4.2**	-8.5
Cash flow from financing activities		
Short-term loans raised	**17.8**	35.5
Short-term loans, repayments	**-30.8**	-22.0
Increase (-) or decrease (+) in interest-bearing receivables	**8.9**	3.8
Group contributions received	**37.8**	46.9
Dividends paid and capital repayment	**-22.4**	-67.0
Net cash used in financing activities	**11.4**	-2.7
Change (increase + / decrease -) in cash funds	**7.2**	-11.2
Cash and cash equivalents at start of period	**10.4**	21.6
Cash and cash equivalents at close of period	**17.6**	10.4

Accounting principles used in the parent company's financial statements

General information

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

Parent company financial statements

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

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

The Alma Media Corporation subsidiary Alma Media Palvelut Oy was merged with Alma Media Corporation on November 30, 2008.

Fixed assets

Tangible and intangible assets are capitalised 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:

Buildings	30–40 years
Structures	5 years
Machinery and equipment	3–10 years
Other long-term expenses	5–10 years

Research and development costs

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

Inventories

The balance sheet value of inventories is the lower of direct acquisition cost or the probable market value. Inventories are amortised 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 currency items

Foreign currency items are entered at the rates prevailing on the transaction date. Receivables and payables on the balance sheet 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. Realised and unrealised exchange rate differences related to loans and loan receivables are entered under 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 for the parent company's personnel are arranged mainly through pension insurance companies.

Other employee benefits

The parent company has current stock option programmes launched in spring 2006 and spring 2009 for 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.

Notes to the parent company financial statements

1. NET SALES BY MARKET AREA

M€	2009	2008
Finland	**15.9**	12.3
Total	**15.9**	12.3

2. OTHER OPERATING INCOME

M€	2009	2008
Other income	**0.1**	0.3
Total	**0.1**	0.3

In the year 2008, major balance in other income consisted of the merger of M€ 0.2 of Alma Media Palvelut Oy and Alma Media Oyj on November 30, 2008.

3. MATERIALS AND SERVICES

M€	2009	2008
External services	**0.2**	0.0
Total	**0.2**	0.0

4. PERSONNEL EXPENSES

M€	2009	2008
Wages, salaries and fees	**3.6**	2.8
Pension expenses	**1.0**	1.2
Other social expenses	**0.2**	0.1
Total	**4.8**	4.2
Average number of employees	**63**	31
Salaries and fees to management		
President and CEO	**0.4**	0.5
Board of Directors	**0.3**	0.2
Total	**0.6**	0.7

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

5. DEPRECIATION AND WRITEDOWNS

M€	2009	2008
Depreciation on tangible and intangible assets	**0.7**	0.5
Total	**0.7**	0.5

6. OTHER OPERATING EXPENSES

M€	2009	2008
Information technology and telecommunications	**4.8**	3.8
Business premises	**3.0**	3.2
Other costs	**3.8**	5.3
Total	**11.6**	12.4

7. AUDIT EXPENSES

M€	2009	2008
Ernst & Young Oy		
Audit	**0.1**	0.1
Tax consultation	**0.1**	0.0
Other	**0.1**	0.1
Total	**0.2**	0.3

Parent company audit expenses includes audit fees for the whole Group.

8. RESEARCH AND DEVELOPMENT EXPENSES

The company's research and development expenses in 2009 totalled M€ 0.04 (M€ 0.7 in 2008). No research and development expenses are capitalised on the balance sheet on December 31, 2009 (M€ 0.7 in 2008).

9. FINANCIAL INCOME AND EXPENSES

M€	2009	2008
Dividend income		
From Group companies	**1.1**	6.8
From associated companies	**1.0**	1.4
Total	**2.1**	8.2
Other interest and financial income		
From Group companies	**1.9**	2.2
From others	**0.2**	0.5
Total	**2.1**	2.7
Impairment for non-current investments		
Return of impairment of investments in associated companies	**0.0**	1.8
Impairment of Group companies	**-4.2**	-1.4
Total	**-4.2**	0.4
Interest expenses and other financial expenses		
To Group companies	**-0.2**	-1.4
To others	**-0.6**	-0.9
Total	**-0.8**	-2.4
Financial income and expenses, total	**0.8**	-8.9

10. EXTRAORDINARY ITEMS

M€	2009	2008
Group contribution received	**37.8**	46.9
Total	**37.8**	46.9

11. APPROPRIATIONS

M€	2009	2008
Difference between planned depreciation and depreciation made for tax purposes	**0.0**	0.1
Total	**0.0**	0.1

12. INCOME TAX

M€	2009	2008
Income tax payable on extraordinary items	**-9.8**	-12.2
Income tax from regular business operations	**0.0**	1.0
Total	**-9.8**	-11.2

The parent company has unutilised confirmed tax losses of M€ 1.8 from the financial year 2005. The deferred tax asset based on this (M€ 0.5) has not been recognised in the balance sheet.

13. INTANGIBLE ASSETS

M€	Intangible rights	Advance payments	Total
Financial year 2008			
Acquisition cost Jan 1, 2008	0.7	0.7	1.4
Merger, Alma Media Palvelut Oy	0.8		0.9
Increases	0.1	0.7	0.7
Decreases	-0.4		-0.4
Transfers between items	1.4	-1.4	0.0
Acquisition cost Dec 31, 2008	2.6	0.0	2.6
Accumulated depreciation and writedowns Jan 1, 2008	0.5	0.0	0.5
Merger, Alma Media Palvelut Oy	0.5		0.6
Accumulated depreciation in decreases	-0.4		-0.4
Depreciation in period	0.2		0.2
Accumulated depreciation and writedowns Dec 31, 2008	0.9	0.0	0.9
Book value Dec 31, 2008	1.7	0.0	1.7

M€	Intangible rights	Advance payments	Total
Financial year 2009			
Acquisition cost Jan 1, 2009	2.6	0.0	2.6
Increases	0.1	0.2	0.3
Decreases			0.0
Transfers between items	0.1	-0.1	0.0
Acquisition cost Dec 31, 2009	2.8	0.1	2.9
Accumulated depreciation and writedowns Jan 1, 2009	0.9	0.0	0.9
Depreciation in period	0.5		0.5
Accumulated depreciation and writedowns Dec 31, 2009	1.3	0.0	1.4
Book value Dec 31, 2009	1.4	0.1	1.5

14. TANGIBLE ASSETS

M€	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Financial year 2008						
Acquisition cost Jan 1, 2008	0.5	4.4	1.3	1.1	0.0	7.3
Merger, Alma Media Palvelut Oy			0.1			0.1
Decreases				-0.1		-0.1
Acquisition cost Dec 31, 2008	0.5	4.4	1.3	1.0	0.0	7.3
Accumulated depreciation Jan 1, 2008	0.0	2.4	1.2	0.3	0.0	3.9
Merger, Alma Media Palvelut Oy			0.1			0.1
Accumulated depreciation in decreases			0.0	-0.1		-0.1
Depreciation in period		0.1	0.0	0.1		0.2
Accumulated depreciation Dec 31, 2008	0.0	2.5	1.2	0.4	0.0	4.1
Book value Dec 31, 2008	0.5	1.9	0.1	0.7	0.0	3.2
Balance sheet value of machinery and equipment Dec 31, 2008			0.1			

M€	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Financial year 2009						
Acquisition cost Jan 1, 2009	0.5	4.4	1.3	1.0	0.0	7.3
Acquisition cost Dec 31, 2009	0.5	4.4	1.3	1.1	0.0	7.3
Accumulated depreciation Jan 1, 2009	0.0	2.5	1.2	0.4	0.0	4.1
Depreciation in period		0.1	0.0	0.1		0.2
Accumulated depreciation Dec 31, 2009	0.0	2.6	1.3	0.4	0.0	4.3
Book value Dec 31, 2009	0.5	1.8	0.0	0.6	0.0	3.0
Balance sheet value of machinery and equipment Dec 31, 2009			0.0			

15. INVESTMENTS

M€	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Total
Financial year 2008						
Acquisition cost Jan 1, 2008	474.8	2.4	1.7	0.0	4.7	483.5
Merger, Alma Media Palvelut Oy	0.0					0.0
Increases	4.6		0.1	0.1		4.7
Decreases			0.0		-4.7	-4.7
Acquisition cost Dec 31, 2008	479.4	2.4	1.7	0.1	0.0	483.5
Accumulated depreciation and writedowns Jan 1, 2008	0.0	0.0	0.2	0.0	0.0	0.2
Writedowns	1.4					1.4
Accumulated depreciation and writedowns Dec 31, 2008	1.4	0.0	0.2	0.0	0.0	1.6
Book value Dec 31, 2008	477.9	2.4	1.5	0.1	0.0	481.9

M€	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Total
Financial year 2009						
Acquisition cost Jan 1, 2009	479.4	2.4	1.7	0.1	0.0	483.5
Increases	0.7	1.8				2.5
Decreases	-5.7					-5.7
Transfers between items		0.1	-0.1			0.0
Acquisition cost Dec 31, 2009	474.4	4.2	1.6	0.1	0.0	480.3
Accumulated depreciation and writedowns Jan 1, 2009	1.4	0.0	0.2	0.0	0.0	1.6
Accumulated depreciation in decreases and transfers	-1.4					-1.4
Accumulated depreciation and writedowns Dec 31, 2009	0.0	0.0	0.2	0.0	0.0	0.2
Book value Dec 31, 2009	474.4	4.2	1.4	0.1	0.0	480.1

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding of shares %	Holding of votes %
Group companies			
Aamujakelu Oy	Tampere	100.00	100.00
Alma Media Interactive Oy	Helsinki	100.00	100.00
Karenstock Oy	Helsinki	100.00	100.00
Kauppalehti Oy	Helsinki	100.00	100.00
Kustannus Oy Aamulehti	Tampere	100.00	100.00
Kustannusosakeyhtiö Iltalehti	Helsinki	100.00	100.00
Pohjois-Suomen Media Oy	Rovaniemi	100.00	100.00
Satakunnan Kirjateollisuus Oy	Pori	100.00	100.00
SIA City24	Riga	100.00	100.00
Suomen Paikallissanomat Oy	Tampere	100.00	100.00
UAB City24	Vilnius	100.00	100.00
Vuodatus.net Oy	Helsinki	100.00	100.00

Company	Registered office	Holding of shares %	Holding of votes %
Associated companies			
Alma Media Lehdentekijät Oy	Helsinki	25.00	25.00
As Oy Vammalan Reku	Vammala	21.00	21.00
Kiinteistö Oy Oulaisten Kulma	Oulainen	35.00	35.00
Kustannus Oy Otsikko	Tampere	34.20	34.20
Kotikokki.net Oy	Helsinki	40.00	40.00
Kytöpirtti Oy	Seinäjoki	43.20	43.20
Nokian Uutistalo Oy	Nokia	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki	24.07	24.07
Talentum Oyj	Helsinki	2.34	2.34 *)
Tampereen Tietoverkko Oy	Tampere	35.14	35.14

*) Total ownership in Group 32.14%.

16. RECEIVABLES

M€	2009	2008
Short-term		
Receivables from Group companies		
Accounts receivable	**0.0**	0.0
Loan receivables *)	**35.1**	49.3
Prepaid expenses and accrued income	**0.0**	0.0
Total	**35.2**	49.4
Receivables from others		
Other receivables	**0.0**	3.9
Prepaid expenses and accrued income **)	**0.4**	0.7
Total	**0.5**	4.7
Short-term receivables, total	**35.6**	54.1

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

**) Major balances in prepaid expenses and accrued income consist of rental accruals.

17. SHAREHOLDERS' EQUITY

M€	2009	2008
Restricted shareholders' equity		
Share Capital Jan 1	**44.8**	44.8
Share Capital Dec 31	**44.8**	44.8
Share premium fund Jan 1	**414.4**	414.4
Share premium fund Dec 31	**414.4**	414.4
Other funds Jan 1	**5.4**	5.4
Other funds Dec 31	**5.4**	5.4
Restricted shareholders' equity total	**464.5**	464.5
Non-restricted shareholders' equity		
Retained earnings Jan 1	**50.1**	77.0
Dividend payment	**-22.4**	-67.2
Retained earnings Dec 31	**27.7**	9.8
Net profit for the period	**26.0**	40.3
Non-restricted shareholders' equity total	**53.7**	50.1
Shareholders' equity total	**518.2**	514.6

Calculation of the parent company's distributable funds on December 31, 2009		
Retained earnings	**27.7**	9.8
Net profit for the period	**26.0**	40.3
Total	**53.7**	50.1

18. PROVISIONS

Provisions on December 31, 2009 total M€ 0.1 and consist of other personnel-related provisions. Provisions on December 31, 2008 totalled M€ 0.4 and consisted of restructuring provisions and other personnel-related provisions.

19. LONG-TERM LIABILITIES

M€	2009	2008
Other long-term debt	**2.2**	2.4
Long-term liabilities, total	**2.2**	2.4
Debt due after five years		
Other long-term debt	**1.4**	1.7

20. SHORT-TERM LIABILITIES

M€	2009	2008
Loans from financial institutions		
Accounts payable	**0.6**	0.4
Total	**0.6**	0.4
Debt to Group companies		
Accounts payable	**0.0**	0.0
Other debt	**11.6**	16.9
Total	**11.6**	16.9
Others		
Other short-term liabilities	**0.8**	13.8
Accrued expenses and prepaid income *)	**4.2**	2.7
Total	**5.0**	16.5
Short-term liability total	**17.2**	33.8

*) Most of the accrued expenses and prepaid income consist of allocated personnel expenses.

21. COMMITMENTS AND CONTINGENCIES

M€	2009	2008
Collateral for own commitments		
Guarantees	**1.3**	1.2
Other own commitments		
Real estate commitments – within one year	**0.3**	1.1
Real estate commitments – within 1–5 years	**1.7**	5.7
Real estate commitments – after 5 years	**9.2**	8.9
Other rental commitments – within one year	**0.6**	1.0
Other rental commitments – within 1–5 years	**0.5**	6.6
Other rental commitments – after 5 years	**0.0**	0.0
Rental commitments total	**12.4**	23.3
Other commitments	**0.1**	0.1
Total		
Guarantees	**1.4**	1.2
Other commitments	**12.5**	23.4
Commitments total	**13.9**	24.6

The company cancelled the finance leasing agreement for the office and printing works building in Patamäenkatu, Tampere and agreed on a new leasing contract for the property with a new landlord in 2007. The new operating leasing agreement is 15 years in length. Alma Media has agreed on termination events concerning equity and gearing commitments with the new landlord.

22. DERIVATIVE CONTRACTS

M€	2009	2008
Commodity derivative contracts (electricity derivatives)		
Fair value *)	**0.0**	-0.1
Value of underlying instrument	**0.8**	0.7

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

Board's proposal to the Annual General Meeting

The parent company's distributable funds on December 31, 2009 totalled € 53,724,933.66.

There were 74,612,523 shares carrying dividend rights.

The Board of Directors proposes that a dividend of € 29,845,009.20 (€ 0.40 per share) be distributed on the financial year 2009.

Helsinki, Finland, February 11, 2010

Kari Stadigh
Chairman of the Board

Seppo Paatelainen
Deputy Chairman of the Board

Matti Kavetvuo
Board member

Lauri Helve
Board member

Erkki Solja
Board member

Kai Seikku
Board member

Harri Suutari
Board member

Catharina Stackelberg-Hammarén
Board member

Kai Telanne
President and CEO

Auditor's report

To the Annual General Meeting 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 year ended on December 31, 2009. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility
Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors
In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, February 11, 2010

Ernst & Young Oy
Authorised Public Accountant Firm

Harri Pärssinen
Authorised Public Accountant