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Interim Report  
1 Jan-30 June 2009  
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Entry

Alma Media Corporation Interim Report July 23, 2009 at 9:00AM (EET)

ALMA MEDIA CORPORATION'S INTERIM REPORT FOR JANUARY–JUNE 2009:  
[Operating profit weakened as expected, profitability good in view of market conditions](#)

**April–June 2009 in brief:**

- Net sales MEUR 79.3 (89.3), down 11.2%.
- Operating profit MEUR 11.9 (15.0), 15.1% (16.8%) of net sales.
- Operating profit without one-time capital gains MEUR 12.2 (14.4), down 15.3%
- Profit before taxes MEUR 11.5 (15.7), profit before taxes without one-time capital gains MEUR 11.8 (15.1).
- Financial result for the period MEUR 8.3 (11.8), down 29.9%.
- Earnings per share EUR 0.11 (0.16).

**Outlook for 2009:**

- Alma Media expects that the comparable net sales and operating profit will be lower than in 2008 due to the decline in media advertising. In the third quarter, net sales and operating profit will fall behind the comparison period in 2008.

**Kai Telanne, President and CEO:**

The weakness in the advertising market continued in the second quarter. The steep drop from the comparison period in 2008 in the first quarter levelled during the second quarter. The advertising sales market in newspapers steadied at a level approximately one-fifth lower than in the previous year, which naturally decreased Alma Media's net sales and operating profit compared with the second quarter in the previous year. A significant part of the drop is attributable to nationwide advertising. Many of our newspapers, however, showed remarkable performance in local advertising sales, which on average stayed at the same level as in 2008. Advertising sales for the newspapers' online services continued to grow well.

No significant changes took place in the circulation of our newspapers. The readership has remained at a good level. Our online services have managed to further increase their market share. We will continue the development of the combination of printed newspapers and online services according to strategy.

The savings measures initiated at business units in the beginning of the year progressed according to plan during the second quarter. Considering the market conditions, the results were good.

Alma Media's financial position is excellent. We will continue product development, business development and the charting of possible acquisitions according to strategy.

**More information:**

Kai Telanne, President and CEO, telephone +358 10 665 3500  
Tuomas Itkonen, CFO, telephone +358 10 665 2244

Rauno Heinonen  
Vice President Corporation Communications and IR  
Alma Media Corporation

DISTRIBUTION  
NASDAQ OMX Helsinki  
Principal media

## Alma Media Corporation's Interim Report January 1–June 30, 2009

The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2008, unless otherwise stated. The figures are unaudited. The figures in the tables are independently rounded.

### KEY FIGURES

MEUR	2009 4-6	2008 4-6	Change %	2009 1-6	2008 1-6	Change %	2008 1-12	2007 1-12
Net sales	79.3	89.3	-11.2	155.8	173.2	-10.1	341.2	328.9
Operating profit	11.9	15.0	-20.3	18.5	26.6	-30.6	48.3	64.4
% of net sales	15.1	16.8		11.8	15.4		14.2	19.6
Operating profit without one-time items	12.2	14.4	-15.3	19.7	26.0	-24.2	47.7	52.9
% of net sales	15.3	16.1		12.6	15.0		14.0	16.1
Return on Equity/ROE (Annually)*	52.6	92.3		33.4	50.2		37.7	43.8
Return on Invest/ROI (Annually)*	38.3	57.7		28.7	42.9		34.8	39.9
Net financial expenses	0.0	0.1	-100.0	0.1	-0.2	150.0	0.4	-0.1
Net financial expenses, % of net sales	0.0	0.1		0.1	-0.1		0.1	0.0
Share of associated companies' results	-0.4	0.8	-150.2	-0.3	1.8	-115.6	4.5	3.5
Balance sheet total				156.0	170.3	-7.8	166.9	181.3
Gross capital expenditure	1.4	3.9	-64.1	3.0	10.1	-70.3	14.5	12.1
Gross capital expenditure, % of net sales	1.8	4.3		1.9	5.8		4.2	3.7
Equity ratio				58.4	48.5		57.2	69.8
Gearing, %				0.4	33.2		6.5	-15.2
Interest-bearing net debt				0.3	23.9	-98.7	5.8	-17.9
Interest-bearing liabilities				14.7	32.4	-54.6	19.1	6.8
Non-interest-bearing liabilities				63.3	66.0	-4.1	59.3	56.2
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,930	1,993	-3.2	1,932	1,962	-1.5	1,981	1,971
Average no. of delivery staff	998	980	1.8	968	959	0.9	968	962
Earnings/share, EUR (basic)	0.11	0.16	-25.0	0.17	0.28	-35.7	0.51	0.68
Earnings/share, EUR (diluted)	0.11	0.16	-25.0	0.17	0.28	-35.7	0.51	0.68
Cash flow from operating activities, EUR	0.05	0.08	-37.5	0.40	0.44	-9.1	0.63	0.70
Shareholders' equity/share, EUR				1.05	0.96	9.4	1.18	1.58
Market capitalization				362.6	643.2	-43.7	369.3	870.7
Average no. of shares (1.000 shares)								
- basic	74,613	74,613		74,613	74,613		74,613	74,613

- diluted	74,613	74,770	74,613	74,796	74,764	74,773
No. of shares at end of period						
(1.000 shares)	74,613	74,613	74,613	74,613	74,613	74,613
*ref. Main accounting principles of Interim Report						

### **Group net sales and result April–June 2009**

During the review period, Alma Media's net sales declined 11.2% from the corresponding period in the previous year, being MEUR 79.3 (89.3).

The operating profit declined to MEUR 11.9 (15.0), 15.1% (16.8%) of net sales. The second-quarter operating profit includes one-time capital gains of MEUR –0.2 (0.6).

### **Group net sales and result January–June 2009**

The Group's net sales from January to June 2009 totalled MEUR 155.8 (173.2). The share of the online business was 13.3% (13.2%) of consolidated net sales, MEUR 20.6 (23.0). The operating profit amounted to MEUR 6.5 (11.6). The comparable operating profit for the first half-year was MEUR 19.7 (26.0), down 24.2% from the comparison period in the previous year.

The operating profit includes one-time items in the amount of MEUR –1.2 (0.6). The one-time items in the current year are reorganisation costs due to savings measures. As the result of statutory personnel negotiations and other turnover, Alma Media's number of personnel declined by 49 employees in the first half-year. The one-time profit from sales in the comparison period is from the sale of real estate.

Net sales of the Newspapers segment were MEUR 111.0 (118.5). Net sales of the segment's advertising sales declined 13.8% from the comparison period. Circulation net sales for Newspapers increased slightly, supported by price increases. The comparable operating profit for Newspapers was MEUR 18.8 (21.1).

Net sales of the Kauppalehti group were MEUR 32.3 (38.0). The segment's advertising sales declined 28.3% from the comparison period. Circulation sales declined 7.5%. The comparable operating profit for the Kauppalehti group was MEUR 2.5 (5.1).

Net sales of the Marketplaces segment were MEUR 14.2 (18.4). The comparable operating loss of Marketplaces was MEUR 0.4 (operating profit of MEUR 2.0).

### **Changes in Group structure in 2009**

Alma Media's ownership in Kotikokki.net Oy has risen to 40% in June, and this company will be reported as an associated company under the Newspapers segment in the consolidated financial statements.

### **Outlook for 2009**

Uncertainty about the development of advertising sales will continue in the third quarter and towards the end of the year 2009.

Alma Media expects the single-copy sales of afternoon papers to continue their decline. The chargeable circulations of regional and local papers, as well as Kauppalehti, are expected to stay neutral or decline moderately. Advertising in newspapers and the online media is expected to stay at a lower level than in the previous year also in the second half-year.

Alma Media expects the full-year comparable net sales and operating profit to decrease from the 2008 level as a result of the decline in advertising sales. In the third quarter, net sales and operating profit will fall behind the levels of Q3/2008.

### **Market conditions**

The Finnish national economy declined rapidly in early 2009. In the first quarter, the GNP weakened 7.5% from Q1/2008 according to the Economic Bulletin of the Finnish Ministry of Finance. The GNP of Finland is forecast to weaken 5–6% in 2009. According to preliminary information by Statistics Finland, the output of the Finnish national economy decreased 9.2% in April, compared with April 2008.

The decline in advertising sales that began towards the end of 2008 accelerated in the early part of 2009. According to TNS Media Intelligence, advertising spending declined 19.4% in January–June 2009 and 19.8% in June in comparison with 2008. Advertising in newspapers during the same periods declined 23.8% and 23.9%, respectively. During the second quarter, advertising spending was reduced by 19.6 % in all media groups together and 22.8 % in newspapers.

During the second quarter, advertising in online media declined according to TNS by 9.6 %. From the beginning of the year the decline is 8.8 % compared to the previous years' first half.

Single-copy sales of afternoon papers declined 8.0% in January–June.

## Net sales and operating profit by segment

### NET SALES AND OPERATING PROFIT AND LOSS BY SEGMENT

NET SALES BY SEGMENT, MEUR	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Jan-Dec
Newspapers					
External	56.0	60.1	108.8	116.2	232.2
Inter-segments	1.1	1.1	2.2	2.3	4.5
Newspapers total	57.1	61.2	111.0	118.5	236.7
Kauppalehti group					
External	16.0	19.6	32.2	38.0	73.4
Inter-segments	0.1	0.0	0.1	0.0	0.1
Kauppalehti group total	16.0	19.5	32.3	38.0	73.5
Marketplaces					
External	7.1	9.2	14.2	18.2	34.0
Inter-segments	0.0	0.1	0.0	0.2	0.3
Marketplace total	7.0	9.4	14.2	18.4	34.3
Others					
External	0.3	0.4	0.7	0.8	1.6
Inter-segments	3.9	3.2	7.5	6.2	13.5
Others total	4.2	3.6	8.2	7.0	15.1
Elimination	-5.0	-4.4	-9.9	-8.7	-18.4
<b>Total</b>	<b>79.3</b>	<b>89.3</b>	<b>155.8</b>	<b>173.2</b>	<b>341.2</b>
OPERATING PROFIT/LOSS BY SEGMENT, MEUR *	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Jan-Dec
Newspapers	11.1	11.8	18.0	21.1	41.5
Kauppalehti group	1.4	3.1	2.1	5.1	9.7
Marketplaces	-0.2	0.9	-0.4	2.0	2.0
Other operations	-0.3	-0.8	-1.2	-1.6	-4.9
<b>Total</b>	<b>11.9</b>	<b>15.0</b>	<b>18.5</b>	<b>26.6</b>	<b>48.3</b>

\*) including one-time items

## Newspapers

Key figures, MEUR	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	57.1	61.2	111.0	118.5	236.7
Circulation sales	27.2	26.9	54.2	53.3	108.6
Media advertising sales	27.3	31.5	51.7	60.0	117.7
Other sales	2.6	2.8	5.1	5.3	10.4
Operating profit	11.1	11.8	18.0	21.1	41.5
Operating margin, %	19.4	19.2	16.2	17.8	17.5
Operating profit without one-time items	11.2	11.8	18.8	21.1	41.5
Operating margin without one-time items, %	19.6	19.2	16.9	17.8	17.5
Average no. of personnel, calculated as full-time employees excl. delivery staff	1 176	1210	1 164	1188	1 197
Average no. of delivery staff	998	980	968	959	968
Operational key figures	2009	2008	2009	2008	2008
	4-6	4-6	1-6	1-6	1-12
Audited circulation					
Italehti					122,548
Aamulehti					139,130
Online services, unique visitors,					
Weekly					
Italehti.fi	1,695,372	1,357,835	1,702,838	1,327,961	1,412,534
Telkku.com	569,955	499,422	582,994	516,422	515,939
Aamulehti.fi	183,412	149,159	188,915	140,219	147,048

The Newspapers segment reports the publishing activities of 35 newspapers. The largest of the papers are Aamulehti and Italehti.

The second-quarter net sales for the Newspapers segment declined 6.7% from the previous year, totalling MEUR 57.1. Advertising sales in this segment declined MEUR 4.2 (-13.5%) during the second quarter of 2009. Aamulehti particularly suffered from this development. The decline in sales did not worsen from the situation in the early part of the year in the second quarter. Advertising sales for the online services developed well throughout the segment.

Circulation net sales for Newspapers grew in the second quarter, assisted by price increases. Circulation development for regional and local papers remained neutral or in a slight decline. Italehti's circulation decreased 3.2% while the entire afternoon paper market declined 4.1%.

Cost savings have been realised according to business unit specific plans. In the second quarter, savings have primarily encompassed printing and distribution costs as well as personnel and marketing costs. The production efficiency of printing houses has been good.

The Newspapers segment's second-quarter operating profit declined to MEUR 11.1 (11.8). The segment's comparable operating profit was MEUR 11.2 (11.8).

Satakunnan Kirjateollisuus Oy sold its distribution business to Aamujakelu Oy as a group internal transaction on June 1, 2009. The deal will become effective on January 1, 2010. The distribution operations of Satakunnan Kirjateollisuus Oy are responsible for the early-morning distribution of Satakunnan Kansa and several other newspapers.

## Kauppalehti Group

Keu figures, MEUR	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	16.0	19.5	32.3	38.0	73.5
Circulation sales	5.6	6.3	11.6	12.5	24.8
Media advertising sales	4.0	5.8	8.3	11.6	22.2
Other sales	6.4	7.5	12.4	14.0	26.4
Operating profit	1.4	3.1	2.1	5.1	9.7
Operating margin, %	9.0	16.1	6.5	13.4	13.2
Operating profit without one-time items	1.6	3.1	2.5	5.1	9.7
Operating margin without one-time items, %	9.7	16.1	7.6	13.4	13.2
Average no. of personnel, calculated as full-time employees	490	501	489	499	499
	2009	2008	2009	2008	2008
Operational key figures	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Audited circulation					
Kauppalehti					86,654
Online services, unique visitors, weekly Kauppalehti.fi	537,302	366,292	540,683	357,585	391,453

The Kauppalehti Group specialises in the production of business and financial information. Its best known title is Finland's leading business paper, Kauppalehti. The group also includes the contract publishing company Lehdentekijät, direct marketing company Kauppalehti 121 and the news agency BNS that operates in the Baltic countries.

The net sales of the Kauppalehti group declined 17.9% in the second quarter of 2009, mainly due to the decline of Kauppalehti's advertising sales by 33%, and was MEUR 16.0. Kauppalehti's advertising sales is mainly affected by the reduced advertising by financial and car sectors and overall decline of recruitment advertising. The segment's circulation sales did not reach the previous year's second-quarter level mainly due to the sales development in contract publishing.

According to the TNS Päättäjä Atlas (Decision-maker Atlas) study, Kauppalehti has risen to third position in the printed newspaper category in the decision-maker target group. In the participant target group, both Kauppalehti and in particular Kauppalehti.fi succeeded in increasing their reach. In the entrepreneur target group, Kauppalehti rose to the position of the newspaper with the widest reach.

Market Information Services, part of the Kauppalehti group and including ePortti, Kauppalehti.fi and the business operations of Balance Consulting, continued to develop its content and increased its net sales.

Programmes to implement the planned cost savings have advanced in all business units of the Kauppalehti group. The most significant savings have been achieved in printing and distribution costs, as well as sales and marketing operations.

The second-quarter operating profit of the Kauppalehti group declined MEUR 1.7 and was MEUR 1.4. The comparable operating profit for the group was MEUR 1.6 (3.1).

## Marketplaces

Key figures, MEUR	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	7.0	9.4	14.2	18.4	34.3
Operations in Finland	5.9	7.6	12.0	15.1	28.0
Operations outside Finland	1.1	1.8	2.2	3.3	6.3
Operating profit	-0.2	0.9	-0.4	2.0	2.0
Operating margin, %	-3.2	9.4	-3.0	10.9	5.9
Operating profit without one-time items	-0.2	0.9	-0.4	2.0	2.0
Operating margin without one-time items, %	-3.2	9.4	-2.9	10.9	5.9
Average no. of personnel, calculated as full-time employees	202	211	216	205	216
	2009	2008	2009	2008	2008
Operational key figures	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Online services, unique visitors, weekly					
Etuovi.com	348,487	319,636	350,077	323,029	321,176
Autotalli.com	92,106	91,336	96,705	95,641	91,744
Monster.fi	70,158	59,801	77,037	71,866	65,585
Mikko.fi	70,973	44,362	74,676	22,181	47,915
Mascus.com	118,392	66,888	122,972	63,961	80,679
City24	220,867	256,534	258,350	260,442	265,516

The Marketplaces segment reports 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 City 24, Mascus and Bovision.

In the second quarter of 2009, the net sales of Marketplaces declined 25.0%. No significant changes in comparison with the first quarter took place in the operating environment of Marketplaces. The recruitment market in Finland continued to decline. The slight cyclical upturn in the home sales and used vehicle markets did not reflect markedly on the sales of the Etuovi.com and Autotalli.com services.

Mascus, the marketplace for heavy machinery, has continued to expand its operations into new countries. At the end of the second quarter, Mascus operates in 29 countries on four continents.

The result of Marketplaces declined from an operating profit of MEUR 0.9 to an operating loss of MEUR 0.2 in the second quarter. The figures for the segment do not include any significant one-time capital items in the second quarter.

Alma Media has sold the auto sales portal Motors24 operating in Estonia, Latvia and Lithuania. The sale did not have any significant effect on the result of the segment.

## Associated companies

### ASSOCIATED COMPANIES

Share of associated companies' results, MEUR	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Newspapers	0.0	0.1	0.0	0.1	0.1

Kauppalehti group					
Talentum Oyj	-0.6	0.6	-0.7	1.3	1.6
Marketplaces	0.0	0.0	0.0	0.0	0.0
Other operations					
AP-Paino Oy	0.0	0.0	0.0	0.0	1.8
Other associated companies	0.2	0.2	0.4	0.4	0.9
<b>Total</b>	<b>-0.4</b>	<b>0.8</b>	<b>-0.3</b>	<b>1.8</b>	<b>4.5</b>

The Group holds a 29.9 per cent 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. In the consolidated financial statements of Alma Media the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding was stated as 30.3% in its consolidated financial statements of June 30, 2009.

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

### **Balance sheet and financial position**

The consolidated balance sheet at the end of June 2009 stood at MEUR 156.0 (166.9 on December 31, 2008). The corporation's equity ratio at the end of June was 58.4% (57.2% on December 31, 2008) and equity per share was EUR 1.05 (1.18 on December 31, 2008).

The Group currently has a MEUR 100 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of MEUR 0–100. The unused part of the programme was MEUR 90.7 on June 30, 2009.

The corporation'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.

The consolidated cash flow fell MEUR 1.7 behind the comparison period, being MEUR 4.0. Cash flow before financing was MEUR 2.9 (2.5).

### **Capital expenditure**

The Alma Media Group's capital expenditure in April–June totalled MEUR 1.4 (3.9). The expenditure comprised, besides normal operational and replacement investments, the purchase of the shares in Kotikokki.net Oy.

### **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 and a decline in advertising sales. Fluctuating economic cycles are reflected on the development of advertising sales, which accounts for approximately half of the corporation's net sales. Developing businesses outside Finland, such as the Baltic countries and other East

European countries, include country-specific risks relating to market development and economic growth.

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

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

## **Administration**

Alma Media Corporation's ordinary annual general meeting held on March 11, 2009 elected Lauri Helve, Matti Kavetvuo, Kai Seikku, Erkki Solja, Kari Stadigh, Harri Suutari, Catharina Stackelberg-Hammarén and Seppo Paatelainen members of the company's Board of Directors.

In its constitutive meeting held after the annual general meeting, the Board of Directors 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 Remuneration Committee.

The annual general meeting elected the auditing firm Ernst & Young Oy the company's auditor.

## **Dividends**

In accordance with the proposal by the Board of Directors, the annual general meeting decided to pay a dividend of EUR 0.30 per share for the financial period 2008. Dividend payment date was March 25, 2009. The dividends paid to the shareholders of the company in March totalled MEUR 22.4.

In addition, the annual general meeting authorised the Board of Directors to decide on distributing a maximum of EUR 0.20 per share in additional dividends. The additional dividend may be distributed in one lot or in several proportions. The total dividend for the 2008 financial year based on the authorisation may be no more than EUR 0.50 per share. The authorisation includes a right to the Board of Directors to decide upon all other conditions pertaining to the distribution of the dividend.

## **The Alma Media share**

In April–June, altogether 2,679,832 Alma Media shares were traded at NASDAQ OMX Helsinki Stock Exchange, representing 3.6% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the review period, June 30, 2009, was EUR 4.86. The lowest quotation during the review period was EUR 4.60 and the highest was EUR 5.90. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 362.6.

The company does not own any of its own shares. The annual general meeting decided to authorise the Board of Directors to repurchase a maximum of 3,730,600 of the company's shares, representing 5% of all shares. The authorisation is valid until the closing of the next ordinary general meeting.

## Option rights

### Option programme 2006

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

A total of 515,000 2006A options have been issued to Group management. Altogether 75,000 of the 2006A options have been returned to the company due to the termination of employment contracts. After the returned options, Group management possesses a total of 440,000 2006A option rights. In 2007 and 2008, Alma Media's Board of Directors decided to annul a total of 200,000 2006A option rights in possession of the company. The option rights of the 2006A programme are traded at NASDAQ OMX Helsinki Exchange since April 10, 2008.

In 2007, the Board of Directors of Alma Media decided to issue 515,000 options under the 2006B programme to Group management. Altogether 50,000 of the 2006B options have been returned to the company. Group management possesses a total of 465,000 2006B option rights. All 175,000 2006B option rights in the possession of the company have been annulled. The option rights of the 2006B programme are traded at NASDAQ OMX Helsinki Exchange since April 1, 2009.

In 2008, the Board of Directors of Alma Media 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, and Group management now possesses a total of 470,000 2006C option rights. 170,000 2006C option rights have been annulled.

If all the subscription rights are exercised, the programme will dilute the holdings of the earlier shareholders by 1.8%.

The share subscription periods and prices are:

2006A: April 1, 2008–April 30, 2010, average trade-weighted price April 1–May 31, 2006

2006B: April 1, 2009–April 30, 2011, average trade-weighted price April 1–May 31, 2007

2006C: April 1, 2010–April 30, 2012, average trade-weighted price April 1–May 31, 2008

The subscription price of shares that may be subscribed under these stock option rights will be reduced by the amount of dividends and capital repayments decided after the start of the period determining the subscription price and before the subscription of shares on the settlement date for each dividend payment or capital repayment. The share subscription price under the 2006A option is EUR 5.28 per share, the subscription price under the 2006B option is EUR 8.65 and the subscription price under the 2006C option is EUR 8.76, correspondingly.

### 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 the key people 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.

The Board of Directors of Alma Media Corporation in May 2009 decided 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 EUR 5.21 per share.

The granting of option rights is decided upon by the Board of Directors. The shares subscribed on the basis of the option rights now issued will constitute no more than 2.8% of all of the company's shares and votes after a share subscription, in case new shares are issued.

The share subscription periods and prices are:

2009A: April 1, 2012–March 31, 2014, average trade-weighted price April 1–30, 2009

2009B: April 1, 2013–March 31, 2015, average trade-weighted price April 1–30, 2010

2009C: April 1, 2014–March 31, 2016, average trade-weighted price April 1–30, 2011

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

### **Market liquidity guarantee**

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

### **Events after the review period**

On July 2, 2009 Alma Media received information from Skandinaviska Enskilda Banken, Ilkka-Yhtymä Oyj and Kaleva Kustannus Oy that Skandinaviska Enskilda Banken, Ilkka-Yhtymä Oyj and Kaleva Kustannus Oy have entered a conditional agreement on the sale of 11,958,000 Alma Media shares to Ilkka-Yhtymä Oyj and Kaleva Kustannus Oy. In case the agreement is fulfilled, the holding of Skandinaviska Enskilda Banken will become under 1/20 (5%), the holding of Ilkka-Yhtymä Oyj will rise to 20.4% (15,218,991 shares) and the holding of Kaleva Kustannus Oy will rise to 5.97% (4,458,000 shares).

## Summary of financial statements and notes

### SUMMARY OF FINANCIAL STATEMENTS AND NOTES

	2009	2008	2009	2008	2008
INCOME STATEMENT, MEUR	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
NET SALES	79.3	89.3	155.8	173.2	341.2
Other operating income	0.1	0.7	0.2	0.7	1.7
Materials and services	-23.9	-26.4	-47.3	-51.5	-102.0
Costs arising from employment benefits	-28.5	-30.1	-58.1	-59.5	-119.0
Depreciation and writedowns	-2.2	-2.1	-4.4	-4.3	-8.8
Operating expenses	-12.9	-16.3	-27.7	-32.1	-64.9
OPERATING PROFIT	11.9	15.0	18.5	26.6	48.3
Financial income	0.1	0.2	0.5	0.8	1.2
Financial expenses	-0.1	-0.3	-0.6	-0.6	-1.6
Share of associated companies' results	-0.4	0.8	-0.3	1.8	4.5
PROFIT BEFORE TAX	11.5	15.7	18.1	28.6	52.4
Income tax	-3.3	-4.0	-5.1	-7.2	-13.4
PROFIT FOR THE PERIOD	8.3	11.8	12.9	21.5	39.0
OTHER COMPREHENSIVE INCOME					
Exchange difference on translation of foreign operations	-0.1	0.0	-0.1	0.0	-0.8
Share of associated companies' other comprehensive income	0.0	0.0	-0.7	-0.3	-0.9
Income tax relating to components of other comprehensive income	0.0	0.0	0.0	0.0	0.0
Other comprehensive income for the period.net of tax	-0.1	0.0	-0.8	-0.3	-1.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8.2	11.8	12.1	21.1	37.2
Distribution of the profit for the period:					
To the parent company shareholders	8.3	11.6	12.9	21.0	38.4
Minority interest	0.0	0.2	0.0	0.4	0.6
Distribution of the comprehensive income for the period:					
To the parent company shareholders	8.2	11.6	12.1	20.7	36.6
Minority interest	0.0	0.2	0.0	0.4	0.6
Earning/share calculated from the profit for the period to the parent company shareholders					
Earnings/share, EUR	0.11	0.16	0.17	0.28	0.51
Earnings/share (diluted), EUR	0.11	0.16	0.17	0.28	0.51
	30 Jun 2009	30 Jun 2008	31 Dec 2008		
BALANCE SHEET, MEUR					
ASSETS					
NON-CURRENT ASSETS					
Goodwill	32.9	32.6	33.0		
Intangible assets	11.9	11.8	12.3		
Tangible assets	33.3	36.9	35.2		
Investments in associated companies	28.7	31.9	31.6		

Other financial assets	4.4	5.2	4.2
Deferred tax assets	1.1	1.1	1.3
<b>CURRENT ASSETS</b>			
Inventories	1.4	1.2	1.5
Tax receivables	1.6	0.8	4.0
Accounts receivable and other receivables	24.4	32.8	27.5
Other short-term financial assets	1.8	2.7	2.9
Cash and cash equivalents	14.4	8.5	13.3
<b>ASSETS AVAILABLE FOR SALE</b>	<b>0.0</b>	<b>4.7</b>	<b>0.0</b>
<b>TOTAL ASSETS</b>	<b>156.0</b>	<b>170.3</b>	<b>166.9</b>

	30 Jun 2009	30 Jun 2008	31 Dec 2008
<b>BALANCE SHEET, MEUR</b>			
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital	44.8	44.8	44.8
Share premium fund	2.8	2.8	2.8
Cumulative translation adjustment	-0.9	0.0	-0.8
Retained earnings	31.3	23.9	41.1
Parent company shareholders' equity	78.0	71.5	87.9
Minority interest	0.0	0.4	0.6
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>78.0</b>	<b>71.9</b>	<b>88.5</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	3.3	4.2	3.9
Deferred tax liabilities	2.4	2.4	2.5
Pension obligations	3.5	3.6	3.7
Provisions	0.1	0.1	0.1
Other long-term liabilities	0.5	0.5	0.5
<b>Current liabilities</b>			
Interest-bearing liabilities	11.3	28.2	15.2
Advances received	22.4	22.0	12.3
Tax liabilities	0.0	0.0	1.3
Provisions	0.6	0.2	1.0
Accounts payable and other liabilities	33.8	37.2	37.9
<b>TOTAL LIABILITIES</b>	<b>77.9</b>	<b>98.4</b>	<b>78.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>156.0</b>	<b>170.3</b>	<b>166.9</b>

#### RECONCILIATION OF SHAREHOLDERS' EQUITY 1 January – 30 June 2009

MEUR	Share capital	Share premium fund	Translation difference	Retained earnings	Parent company total	Minority interest	Equity total
Equity, 1 January 2009	44.8	2.8	-0.8	41.1	87.9	0.6	88.5
Dividend paid by parent company				-22.4	-22.4		-22.4
Dividends paid by subsidiaries						-0.6	-0.6
Share-based payments				0.3	0.3		0.3
Total Comprehensive income for the period			-0.1	12.2	12.1	0.0	12.1
Equity, 30 June 2009	44.8	2.8	-0.9	31.3	78.0	0.0	78.0

RECONCILIATION OF SHAREHOLDERS' EQUITY 1 January – 30 June 2008

MEUR	Share capital	Share premium fund	Translation difference	Retained earnings	Parent company total	Minority interest	Equity total
Equity, 1 January 2008	44.8	2.8	0.0	70.0	117.7	0.6	118.3
Dividend paid by parent company				-67.2	-67.2		-67.2
Dividends paid by subsidiaries						-0.6	-0.6
Share of associated companies' equity items				-0.1	-0.1		-0.1
Share-based payments				0.4	0.4		0.4
Total Comprehensive income for the period				20.7	20.7	0.4	21.1
Equity, 30 June 2008	44.8	2.8	0.0	23.9	71.5	0.4	71.9

CASH FLOW STATEMENT. MEUR	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Jan-Dec
Cash flow from operating activities					
Profit for the period	8.3	11.8	12.9	21.5	39.0
Adjustments	5.3	4.7	9.3	8.6	17.5
Change in working capital	-6.9	-8.1	9.1	7.4	4.0
Dividend income received	1.5	3.8	2.3	4.0	4.5
Interest income received	0.1	0.2	0.5	0.6	0.9
Interest expenses paid	-0.1	-0.3	-0.6	-0.6	-1.6
Taxes paid	-4.1	-6.3	-3.9	-8.9	-17.5
Net cash provided by operating activities	4.0	5.7	29.5	32.5	46.9
Cash flow from investing activities					
Investments in tangible and intangible assets	-0.9	-1.5	-1.7	-2.4	-4.2
Proceeds from disposal of tangible and intangible assets	0.0	1.0	0.0	1.0	1.0
Other investments	-0.1	-0.8	-0.1	-0.8	-1.2
Proceeds from disposal of other investments	0.1	0.0	0.1	0.1	0.8
Subsidiary shares purchased	0.0	-1.9	0.0	-3.9	-4.0
Associated company shares purchased	-0.2	0.0	-0.2	0.0	0.0
Associated company shares purchased	0.0	0.0	0.0	0.0	6.5
Net cash used in investing activities	-1.0	-3.2	-1.9	-6.0	-1.0
Cash flow before financing activities	2.9	2.5	27.7	26.5	45.8
Cash flow from financing activities					
Long-term loan repayments	0.0	0.0	0.0	0.0	0.0
Short-term loans raised	0.0	0.0	17.8	35.0	35.0
Short-term loans repaid	-21.0	-9.5	-22.5	-10.2	-24.3
Change in interest-bearing receivables	1.1	0.4	1.1	0.2	0.0
Dividends paid and capital repayment	-0.6	-0.6	-23.0	-67.8	-67.8
	-20.4	-9.8	-26.6	-42.8	-57.1

Change in cash funds (increase + / decrease -)	-17.5	-7.3	1.1	-16.3	-11.2
Cash and cash equivalents at start of period	31.8	15.7	13.3	24.8	24.8
Impact of change in foreign exchange rates	0.0	0.0	0.0	0.0	-0.2
Cash and cash equivalents at end of period	14.4	8.5	14.4	8.5	13.3

	2009	2008	2009	2008	2008
Net sales by geographical area, MEUR	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Finland	76.1	84.6	149.2	163.9	324.0
Rest of EU countries	3.1	4.6	6.2	9.1	16.7
Rest of other countries	0.1	0.1	0.3	0.3	0.6
<b>Total</b>	<b>79.3</b>	<b>89.3</b>	<b>155.8</b>	<b>173.2</b>	<b>341.2</b>

### Information by segment

Alma Media's reporting segments in the financial statements are Newspapers, Kauppalehti group and Marketplaces. Other Operations comprise the Group's parent company and the operations of the Group's financial management service centre.

The descriptive section of the financial statements presents the net sales and operating profits of the segments and the allocation of the associated companies' results to the reporting segments. Financial items and income taxes are not allocated to the segments. The following table presents the assets and liabilities of the segments as well as the non-allocated asset and liability items.

	30 Jun 2009	30 Jun 2008	31 Dec 2008
<b>ASSETS BY SEGMENT, MEUR</b>			
Newspapers	64.1	69.4	67.5
Kauppalehti group	47.4	54.0	52.3
Marketplaces	13.3	16.7	15.2
Other operations and eliminations	12.6	19.7	10.5
Non-allocated assets	18.6	10.5	21.4
<b>Total</b>	<b>156.0</b>	<b>170.3</b>	<b>166.9</b>

	30 Jun 2009	30 Jun 2008	31 Dec 2008
<b>LIABILITIES BY SEGMENT, MEUR</b>			
Newspapers	38.6	40.2	32.7
Kauppalehti group	13.2	13.5	11.8
Marketplaces	3.5	4.3	4.2
Other operations and eliminations	5.6	5.6	6.8
Non-allocated liabilities	17.0	34.7	22.9
<b>Total</b>	<b>77.9</b>	<b>98.3</b>	<b>78.4</b>

	2009	2008	2009	2008	2008
GROUP INVESTMENTS, MEUR	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Newspapers	0.6	2.1	1.5	7.5	9.4
Kauppalehti group	0.3	0.4	0.6	0.8	1.4
Marketplaces	0.3	0.5	0.5	0.8	2.1
Others	0.3	0.9	0.4	1.0	1.6
<b>Total</b>	<b>1.4</b>	<b>3.9</b>	<b>3.0</b>	<b>10.1</b>	<b>14.5</b>

## Provisions

The company's provisions on June 30, 2009 totalled MEUR 0.7, representing a decrease of MEUR 0.4 from the situation on December 31, 2008. The major part of the provisions concern restructuring provisions. It has not been necessary to change the estimates made when the provisions were entered. The change in provisions is due to actual expenses.

COMMITMENTS AND CONTINGENCIES, MEUR	30 Jun 2009	30 Jun 2008	31 Dec 2008
Collateral on own behalf			
Chattel mortgages	0.0	0.0	0.0
Collateral for others			
Guarantees	0.0	0.0	0.0
Other commitments			
Commitments based on agreements	0.1	0.1	0.1
Minimum rents payable based on other lease agreements:			
Within one year	7.5	7.6	7.9
Within 1-5 years	18.8	17.4	19.1
After 5 years	26.5	25.1	27.9
Total	52.8	50.1	54.9

The Group also has purchase agreements based on IFRIC 4 which include a lease component per IAS 17, Minimum payments based on these agreements:

2.0	4.2	3.1
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GROUP DERIVATIVE CONTRACTS, MEUR	30 Jun 2009	30 Jun 2008	31 Dec 2008
Commodity derivative contracts. electricity derivatives			
Fair value *	-0.1	0.2	-0.1
Nominal value	0.9	0.4	0.7

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

## Related parties

Alma Media Group's related parties are its associated companies and the companies they own. The following table summarises the business operations undertaken between Alma Media and its associated companies and the status of their receivables and liabilities:

RELATED PARTY ACTIVITIES WITH ASSOCIATED COMPANIES, MEUR	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Jan-Dec
Sales of goods and services	0.0	0.1	0.1	0.2	0.2
Purchases of goods and services	1.0	1.2	1.9	2.3	4.5
Accounts receivable, loan and other receivables at the balance sheet date			0.0	4.7	0.0
Accounts payable at the balance sheet date					

Related parties also include the company's senior management (members of the Board of Directors, presidents and the Group Executive Team). The section The Alma Media Share – Option Rights of this report presents information on changes to the current option programme intended to motivate and secure the long-term commitment of the Group's senior management.

### **Main accounting principles (IFRS)**

This interim report has been prepared according to IFRS standards (IAS 34).

The report applies the same accounting principles and calculation methods as the previous annual accounts dated December 31, 2008. However, the interim report does not contain all the information or notes to the accounts included in the annual financial statements. This interim report should therefore be read in conjunction with the company's annual report.

The key indicators are calculated using the same formulae as applied in the previous annual financial statements. The quarterly percentages of Return on Investment (ROI) and Return on Equity (ROE) have been annualised using the formula  $((1 + \text{quarterly return})^4 - 1)$ .

In June, the Group performed an impairment test on goodwill and other assets. Based on the tests, no impairments have been recorded.

In the financial year 2009, the Group has adopted the following new accounting standards and interpretations:

IFRS 8 Operating Standards

IAS 23 Borrowing costs, amendment to standard

IAS 1 Presentation of financial statements, amendment to standard

IFRS 2 Share-based payments, amendment to standard

IAS 1 Presentation of financial statements and IAS 32 presentation of financing instruments, amendment to standard

IAS 39 Financial Instruments: recognition and measurement, amendment to standard

IFRIC 12 Service concession arrangements

IFRIC 13 Customer loyalty programmes

IFRIC 16 Hedges of net investments in a foreign operation

Improvements to IFRS amendments

The European Union has not yet approved the adoption of the amended standard IAS 39. An EU approval is necessary for the amended standards to be adopted within the Group.

The Group preliminarily expects that the above new standards and interpretations will have only a minor effect. The Group preliminarily expects that their application mainly affects the way of presenting the profit and loss statement, the balance sheet, the presentation of changes in equity and notes to the financial statements.

New accounting standards to be adopted from the beginning of 2010 are:

IFRS 3 Business combinations, amendment to standard

IAS 27 Consolidated and separate financial statements

These amendments will affect the treatment of future acquisitions as far as, for example, the minority share, goodwill and acquisition costs are concerned. The amendments will have no effect on acquisitions already made.

The figures in this interim report are unaudited.

## **Seasonality**

The Group recognises its circulation revenues as paid. For this reason circulation revenues accrue in the income statement fairly evenly during the four quarters of the year. The bulk of circulation invoicing takes place at the beginning of the year and therefore the cash flow from operating activities is strongest in the first and second quarters. This also affects the company's balance sheet position in different quarters.

## **General statement**

This report contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason they contain a certain amount of risk and uncertainty. The estimates may change in the event of significant changes in the general economic conditions.

## **Next interim report**

Alma Media will publish its financial statements for the first nine months of 2009 on October 29, 2009 at 9:00am (EET).

ALMA MEDIA CORPORATION  
Board of Directors