



Alma Media Corporation: Corporate Governance Statement

February 15, 2012

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Alma Media Corporation's Corporate Governance Statement

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Alma Media Corporation's Corporate Governance Statement

The company applies the Finnish Corporate Governance Code 2010 for listed companies, published by the Securities Market Association on June 15, 2010, in its unaltered form. The Corporate Governance Statement, required by the Finnish Corporate Governance Code, Recommendation 54, is published as separate statement in connection with the Report by the Board of Directors. The statement can also be viewed on the website of Alma Media Corporation, at www.almamedia.fi/corporate_governance.

The Audit Committee of the Board of Directors of Alma Media Corporation has reviewed the statement. The statement will not be updated during the financial year, but up-to-date information on its various topics is available on Alma Media's website at www.almamedia.fi.

The Finnish Corporate Governance Code 2010 for listed companies is available at the website of the Securities Market Association, www.cgfinland.fi.

ALMA MEDIA GROUP

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

The Group's supreme decision-making body is the General Meeting of Shareholders where shareholders exercise their decision-making power. The Board of Directors is responsible for the company's management and its appropriate organisation. As the Group's parent company, Alma Media Corporation is responsible for the Group's management, accounting and financing, legal affairs, mergers & acquisitions, strategic planning, human resources as well as internal and external communications.

Alma Media Corporation has four reporting segments: Newspapers (newspaper publishing and printing); Kauppalehti Group (production and distribution of business information), Marketplaces (classified advertising services) and Other operations (printing and distribution unit and parent company).



THE BOARD OF DIRECTORS OF ALMA MEDIA CORPORATION

Composition of the Board

The Chairman of the Board of Directors is Seppo Paatelainen and the Deputy Chairman is Petri Niemisvirta. The other members of the Board of Directors are Timo Aukia, Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari.

Seppo Paatelainen, born 1944, MSc (Agr & For)
Petri Niemisvirta, born 1970, LL.M, Managing Director, Mandatum Life Insurance Company Limited
Timo Aukia, born 1973, M Sc, Managing Director, Timo Aukia Oy
Erkki Solja, born 1954, MSc (Econ), CEO of Kilito Family Oy
Kai Seikku, born 1965, MSc (Econ & BusAdmin), President of Okmetic Oyj
Catharina Stackelberg-Hammarén, born 1970, MSc (Econ & BusAdmin), CEO of Marketing Clinic Oy
Harri Suutari, born 1959, Engineer, President & CEO of PKC Group

Kari Stadigh (born 1955, MSc (Eng), BBA (Econ), Group CEO of Sampo Plc) acted as the Chairman of the Board of Directors and Lauri Helve (born 1943, Diploma of Journalism, University of Tampere) acted as a member of the Board of Directors until the end of the Annual General Meeting of 2011, held on March 17, 2011.

It is the duty of the members of the Board of Directors to provide the Board of Directors with sufficient information for the assessment of their competence and independence. The Board of Directors has assessed that with the exception of Timo Aukia, Petri Niemisvirta and Seppo Paatelainen, the members of the Board are independent of the company and its significant shareholders. The members mentioned above are assessed to be independent of the company but not independent of a significant shareholder.

Alma Media Corporation's Board of Directors is elected by a General Meeting of Shareholders. The Board comprises three to nine members. The President and CEO of the company may not act as the Chairman of the Board. There is no specific order of appointment of directors.

Tasks and responsibilities of the Board of Directors

The Board of Directors is responsible for the company's administration and the due organisation of its operations. The tasks and responsibilities of the Board of Directors are determined by the Finnish Limited Liability Companies Act and the Articles of Association. The detailed working of the Board of Directors is set out in the Board's Charter. Principal tasks of the Board of Directors include confirming the Group's strategy and objectives as well as deciding on significant investments and acquisitions. The Board



of Directors monitors the Group's performance through monthly reports and other information provided by the Group's management.

The duties of the Board of Directors include:

- confirming the Group's strategy and objectives, monitoring their implementation, and, if required, initiating corrective action
- considering and approving the interim reports and the annual accounts
- approving strategically significant corporate and real estate acquisitions and disposals as well as investments according to separate investment instructions
- deciding on the Group's capital financing programmes and operations according to a separate treasury policy
- approving the dividend policy and submitting a dividend proposal to the Annual General Meeting
- annually reviewing the main risks associated with the company's operations and the management of these risks; if necessary, giving the President and CEO instructions on how to deal with them, and, if required, initiating corrective action
- appointing and, if required, dismissing the President and CEO
- deciding on the Nomination and Compensation Committee's proposal for the terms of employment of the President and CEO and the other members of the Group Executive Team
- confirming the company's organisation based on the CEO's proposal
- confirming the terms of employment of the CEO's direct subordinates based on the CEO's proposal
- confirming, based on the CEO's proposal, the appointment and dismissal of the editors-in-chief of Aamulehti, Iltalehti and Kauppalehti, as well as of Kainuun Sanomat, Lapin Kansa, Pohjolan Sanomat and Satakunnan Kansa
- holding a meeting with the company's auditors at least once a year
- deciding on matters that are exceptional and have wide-ranging consequences
- considering other matters that the Chairman of the Board and President and CEO have agreed to be included in the agenda for the Board's meeting. Other Board members are also entitled to put a matter before the Board by notifying the chairman of such a matter
- representing the company and entitling individuals to represent the company, as well as deciding on procurations
- approving the principles underlying the donation of sums to good causes.

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



In 2011, the Board met 15 times. The average attendance of the Board members at these meetings was 98.6%. The attendance of each member is shown in the table below.

Seppo Paatelainen	Chairman*	15/15
Petri Niemisvirta	Deputy Chairman as of Mar 17, 2011	13/13
Timo Aukia	member as of Mar 17, 2011	13/13
Kai Seikku	member	14/15
Harri Suutari	member	14/15
Erkki Solja	member	15/15
Catharina Stackelberg-Hammarén	member	15/15
Kari Stadigh	Chairman until Mar 17, 2011	2/2
Lauri Helve	member until Mar 17, 2011	2/2

*Deputy Chairman until Mar 17, 2011 and Chairman as of Mar 17, 2011.

Permanent committees

The Board of Directors has established two permanent committees: the Audit Committee and the Nomination and Compensation Committee. At its constitutive meeting after the Annual General Meeting, the Board of Directors elects the members of these committees from among the Board members.

Audit Committee

The Board of Directors has appointed an Audit Committee to monitor the company's internal control systems. Among other things, the tasks of the Audit Committee include evaluating compliance with legislation and regulations, monitoring the auditing process as well as monitoring and supervising the preparation of the financial statements and other financial reports.

The Audit Committee consists of at least three Board members. The Audit Committee meets at least four times a year. As of March 17, 2011, the members of the Audit Committee are Timo Aukia, Kai Seikku, Catharina Stackelberg-Hammarén and Harri Suutari acting as Chairman. The Committee's meetings are also attended by the company's Auditor, the Group's Chief Financial Officer and General Counsel. Matters to the Committee are presented by the CFO.



The Audit Committee convened four times in 2011. The average attendance of the members at these meetings was 95%. The attendance of each member is shown in the table below.

Harri Suutari	Chairman	4/4
Timo Aukia	member as of Mar 17, 2011	3/3
Kai Seikku	member	3/4
Catharina Stackelberg-Hammarén	member	4/4
Erkki Solja	member until Mar 17, 2011	1/1

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises the Chairman and Deputy Chairman of the Board of Directors and one Board member separately elected for this task. On March 17, 2011, Petri Niemisvirta, Erkki Solja and Seppo Paatelainen were elected members of the Nomination and Compensation Committee. Seppo Paatelainen was elected Chairman of the Committee.

The principal task of the Nomination and Compensation Committee is to prepare the election of the Board of Directors for the Annual General Meeting, and, after hearing the principal shareholders of the company, to submit to the Annual General Meeting a proposal on the number of the members of the Board, the individuals to be elected members of the Board as well as on the compensation of the Chairman, Deputy Chairman and members of the Board. Additionally, the Nomination and Compensation Committee prepares, among other things, matters concerning compensations that the Board is required to resolve or confirm. In the Nomination and Compensation Committee, the matters concerning compensation are presented by the President and CEO.

The Nomination and Compensation Committee convened nine times in 2011 to consider matters according to its charter. The average attendance of the members at these meetings was 100%. The attendance of each member is shown in the table below.

Seppo Paatelainen	Chairman*	9/9
Petri Niemisvirta	Deputy Chairman as of Mar 17, 2011	6/6
Erkki Solja	member as of Mar 17, 2011	6/6
Kari Stadigh	Chairman until Mar 17, 2011	3/3
Lauri Helve	member until Mar 17, 2011	3/3

*Deputy Chairman until Mar 17, 2011 and Chairman as of Mar 17, 2011.



The Board of Directors confirms the written charters of the committees. The committees report to the Board of Directors.

PRESIDENT AND CEO AND THE GROUP EXECUTIVE TEAM

The President and CEO of Alma Media Corporation is Mr Kai Telanne, MSc (Econ), born 1964.

The President and CEO is responsible for the day-to-day management of the company in accordance with the guidelines and instructions of the Board of Directors. The President and CEO is responsible for the company's accounts conforming to legislation and its assets being reliably managed. The President and CEO must supply all information necessary for the appropriate working of the Board of Directors to the Board or any of its members.

The President and CEO may undertake matters that are exceptional or have wide-ranging consequences with regard to the scope and nature of the company's business only through authorisation by the Board of Directors or in the event that a Board decision cannot be waited for without causing essential damage to the company's operation. In the latter case, the Board must be notified of the action taken as soon as possible.

The President and CEO, Mr Kai Telanne, is supported by a Group Executive Team comprising in 2011 Jouko Jokinen (Executive Editor-in-Chief, Aamulehti), Kari Kivelä (Publisher of Iltalehti), Juha-Petri Loimovuori (Senior Vice President, Kauppalehti Group), Raimo Mäkilä (Senior Vice President, Marketplaces), Pekka Heinänen (Vice President, Human Resources), Tuomas Itkonen (CFO), Mikko Korttila (General Counsel) and Minna Nissinen (Senior Vice President, Corporate Development and Chaining Operations). The secretary of the Group Executive Team is Rauno Heinonen (Vice President, Corporate Communications and Investor Relations).

The Group Executive Team prepares the monthly reports, investments, Group guidelines and policies, long-range plans, action plans covering the following 12 months, and the financial statements for confirmation by the Board of Directors. The Group Executive Team normally meets once a month. The Group Executive Team met 12 times in 2011.

INSIDER MANAGEMENT

Alma Media's Board of Directors has approved Alma Media Group's Guidelines for Insiders. The Guidelines complement the current rules and regulations on management and handling of insider information as provided in Chapter 51 of the Finnish Penal Code, Chapter 5 of the Securities Markets Act, the Financial Supervisory Authority's standard 5.3 and the Insider Guidelines issued by NASDAQ OMX Helsinki Oy.

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The company's public (statutory) insiders are the members of the Board of Directors, the President and CEO, the members of the Group Executive Team and the auditor nominated as the principal auditor. The company's internal, non-public and company-specific permanent insiders include certain individuals who by virtue of their position or responsibilities regularly receive insider information. The company also maintains a non-public register of temporary insiders for specific projects as defined under the Finnish insider regulations. Information on the company's public insiders, together with up-to-date information on their holdings and changes in these holdings, are available on Alma Media's website. The information contained in Alma Media's insider register is also available for inspection at the service desk of Euroclear Finland Oy, Urho Kekkosen katu 5 C, 8th floor, FI-00100 Helsinki.

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

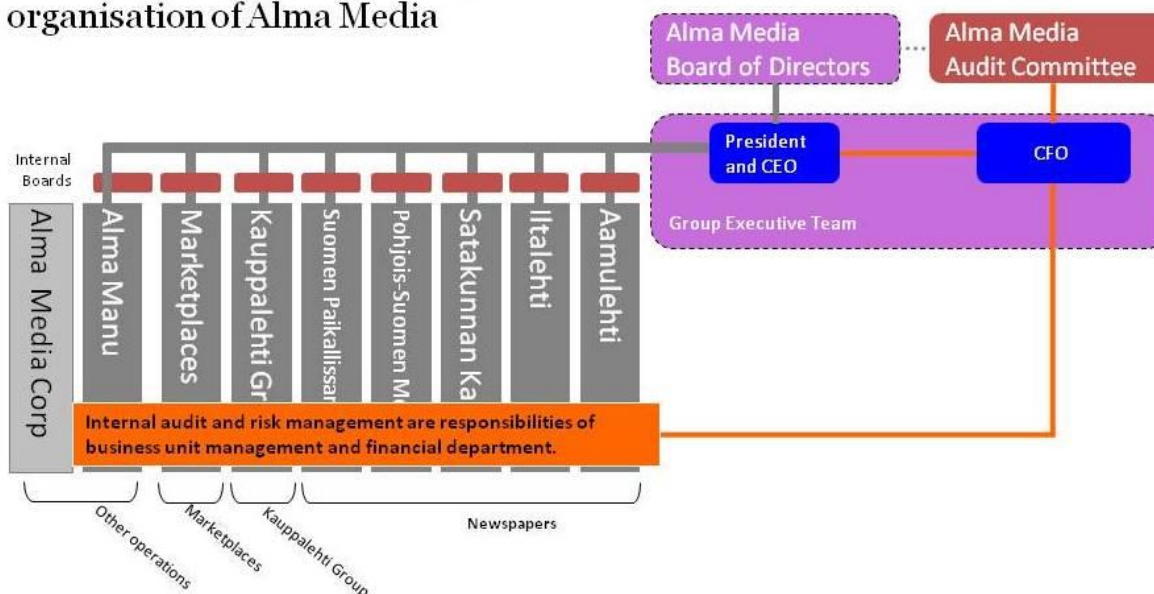
The company's General Counsel is responsible for insider management in Alma Media Group.



INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO FINANCIAL REPORTING

The internal control and risk management systems related to Alma Media's financial reporting aim to ensure a reasonable certainty of the reliability of the company's financial statements and financial reporting, as well as the company's compliance to legislation and generally approved accounting principles.

Internal audit and risk management organisation of Alma Media





Internal control

Internal control forms an essential part of the company's governance and management systems. It covers all of the Group's functions and organisational levels. The purpose of internal control is to ensure a sufficient certainty that the company will be able to carry out its strategy. Internal control is not a separate process but a procedural measure covering all Group-wide operating principles, guidelines and systems.

Financial reporting

The Board of Directors and the President and CEO have the overall responsibility for organising the internal control and risk management systems pertaining to financial reporting. The President and CEO, the members of the Group Executive Team and the heads of the business units are responsible for the accounting and administration of the areas within their spheres of responsibility complying with legislation, the Group's operating principles, and the guidelines and instructions issued by Alma Media Corporation's Board of Directors.

In Alma Media Group, the control over business unit administration and accounting is centralised in the Group financial department. The Group financial department, working under the Group CFO, is the centralised source of financial statement data required by external accounting, as well as the analyses and result reports to Group and business unit management teams for following the profitability of business operations. Group internal control practices aim at ensuring the correctness of financial reporting within the Group. Business operations and capital management are monitored with the help of the reporting measures outlined above. The reporting practices also assist in following the implementation of business unit action plans. The financial functions of Group companies and business areas follow internal control measures and practices and issue instructions for implementing them on the basis of Group operating principles and instructions.

Alma Media Group follows the International Financial Reporting Standards (IFRS) approved for application within the European Union. Instructions and accountancy principles for financial reporting are collected in an accounting manual that is updated as soon as standards change, as well as in the financial department's instructions that are followed in all Group companies. Group Accounting is responsible for following and keeping up to date with financial statement standards, upholding the principles concerning financial reporting and distributing information about these to the business units.

Risk management

Risk management is a part of Alma Media's financial reporting process and one of the most significant measures of internal control. At Alma Media Group, the task of risk



management is to continuously evaluate and monitor all business opportunities, threats and risks to ensure the achievement of objectives and business continuity.

The Board of Directors carries the primary responsibility for Alma Media's risk management. The Board of Directors considers the most significant identified risks and is in charge of defining the Group's risk appetite. The Audit committee approves the risk management principles of the Group and monitors the efficiency of the risk management systems. The Audit committee also discusses the management reports on significant risks and the company's exposure to them as well as considers the plans to minimise risks.

The CEO, the Group Executive Team and other managers in the Group at all organisational levels are responsible for carrying out daily risk management. In each business unit, a member of the unit's executive group, usually the person in charge of the finances of the unit, is appointed as responsible for risk management and reporting on risk management operations.

The risk management process is a means to identify risks, develop risk management measures and report the risks regularly to the risk management organisation. Risk management is part of Alma Media's internal control and, thus, part of good corporate governance. Alma Media sets limits to and procedures for quantitative as well as qualitative risks in writing in its risk management system.

Alma Media categorises the risks affecting its business into strategic, operational and financing risks. The financing risks are described in more detail in Appendix 28 to the Financial statements.

The most significant strategic risks for Alma Media are a significant drop in the readership of its newspapers, a decline in advertising sales and a steep increase in distribution costs. Fluctuating economic cycles are reflected on the development of advertising sales, which accounts 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 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 Group'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.

Internal audit

Given the nature and scope of its business, Alma Media Corporation does not consider it expedient to have a separate internal audit organisation. Internal audit functions have



been incorporated into the responsibilities of Alma Media Corporation's business organisation and, in particular, the finance departments of the businesses. Reviewing the functionality of internal controls is also taken into account in the external auditors' annual audit plans. Internal audits look at the functionality of the various processes using flow testing as well as control tests.

AUDITING

The General Meeting of Shareholders annually elects an auditor for the company. The auditor must be an authorised audit firm approved by the Central Chamber of Commerce in Finland. The term of office of the auditors expires at the close of the Annual General Meeting following their election. The auditor's task is to ensure that the financial statements are prepared in accordance with current regulation and that they provide correct and sufficient information on the company's result, financial position and other aspects of the business for the stakeholders. As part of their annual auditing assignment, the auditors of Alma Media audit the accounting and administration of the business units. The requirements set by the internal audit are taken into account in the audit plans.

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

The Annual General Meeting of 2011 of Alma Media Corporation elected the firm of Authorised Public Accountants Ernst & Young Oy as the company's auditors for the financial year 2011. Mr Harri Pärssinen, Authorised Public Accountant, continues as the principal auditor. It is mainly Ernst & Young Oy that acts as the auditor of all subsidiaries of Alma Media Group.