



Alma Media Corporation

Q1 2015

30 April 2015

Alma Media's Interim Report January–March 2015:

REVENUE AND OPERATING PROFIT DECREASED AS EXPECTED, THE STRONG GROWTH OF INTERNATIONAL BUSINESS OPERATIONS CONTINUED

Financial performance January–March 2015:

- Revenue was MEUR 71.9 (72.7), down 1.1%.
- Online sales increased by 0.3% to MEUR 23.8 (23.7).
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items MEUR 5.3 (6.1), down 12.2%.
- EBITDA was MEUR 6.1 (6.8), down 10.6%.
- Operating profit excluding non-recurring items was MEUR 1.9 (2.5), or 2.7% (3.4%) of revenue, down 22.6%.
- Operating profit MEUR 2.7 (3.2) or 3.7% (4.4%) of revenue, down 16.9%.
- Profit for the period was MEUR 1.8 (2.2), down 14.7%.
- The operating profit for January–March includes non-recurring items of MEUR 0.8 (0.7).
- Earnings per share EUR 0.02 (0.02).

KEY FIGURES	2015	2014	Change		2014
MEUR	Q1	Q1		%	Q1–Q4
Revenue	71.9	72.7	-0.8	-1.1	295.4
Content revenue	26.0	27.4	-1.4	-5.1	110.1
Content revenue, print	24.5	26.1	-1.6	-6.0	104.6
Content revenue, online	1.4	1.3	0.2	14.7	5.6
Advertising revenue	35.2	35.1	0.1	0.2	146.4
Advertising revenue, print	16.7	16.9	-0.2	-1.3	73.7
Advertising revenue, online	18.4	18.1	0.4	2.1	72.7
Service revenue	10.8	10.2	0.5	5.2	38.8
Total expenses excluding non-recurring items	70.0	70.4	-0.3	-0.5	274.6
EBITDA excluding non-recurring items	5.3	6.1	-0.7	-12.2	35.1
EBITDA	6.1	6.8	-0.7	-10.6	36.4
Operating profit excluding non-recurring items	1.9	2.5	-0.6	-22.6	21.4
% of revenue	2.7	3.4			7.2
Operating profit (loss)	2.7	3.2	-0.5	-16.9	20.7
% of revenue	3.7	4.4			7.0
Profit for the period	1.8	2.2	-0.3	-14.7	15.7
Earnings per share, EUR (basic)	0.02	0.02	0.00	-20.0	0.19
Earnings per share, EUR (diluted)	0.02	0.02	0.00	-20.0	0.19
Online sales	23.8	23.7	0.1	0.3	94.5
Online sales, % of revenue	33.1	32.6			32.0

Outlook for 2015:

Low interest rates, a weaker euro and lower oil price improve the chances for growth in the long run. However, in 2015, economic growth is still expected to remain weak in Europe and, in particular, in Finland. The weak overall economic growth has an impact on advertising volume, which is not expected to increase in Finland in 2015.

In the first half of 2015, Alma Media expects its revenue and operating profit excluding non-recurring items to decrease from the 2014 level. The revenue for the first half of 2014 was MEUR 148.4, and operating profit excluding non-recurring items MEUR 8.8.

Kai Telanne, President and CEO:

The first quarter of 2015 was another subdued period for the media industry. The weak economic situation and the poor development of the Finnish advertising market had a negative impact on the business operations of media companies. According to TNS Media Intelligence, advertising volume decreased in Finland in the first quarter by 2.8% year-on-year.

Alma Media's first quarter revenue remained almost at the previous year's level. The recruitment service business continued to see strong growth in Eastern Central Europe. In the first quarter of 2015, recruitment business outside Finland grew by more than 18%.

Alma Media's revenue from domestic business operations declined due to the general economic situation in Finland. The difficult market situation weighed down the result of businesses such as IL-Media and domestic digital services. However, the Financial Media and Business Services segment's performance showed positive development. Digital content revenue increased in that segment by 14.5% and partly covered the decline in content revenue for print media. Kauppalehti saw its visitor numbers increase after a content renewal implemented in January 2015. The segment's print and online advertising sales also grew, with sales performance being particularly positive in March.

At the beginning of 2015, Alma Media acquired the entire share capital of JM Tieto Oy, which builds marketing and sales concepts for B2B companies. The acquisition strengthens Alma Media's information service business and supports the company's strategy of expanding its media business towards a greater emphasis on services.

In the first quarter, Alma Media implemented structural reforms in order to improve the profitability of the publishing business. The company sold its newspaper business in Kainuu to SLP Kustannus Oy in March. Alma Media is also planning to implement significant changes in the production of its two daily newspapers published in Lapland, namely Lapin Kansa and Pohjolan Sanomat.

In response to changes in the media sector, Alma Media has implemented a significant structural transformation in recent years that has led to the digital business growing to account for a third of its revenue. At the same time, the company has become more international through acquisitions. Faced with ongoing uncertainty in its business environment, Alma Media will continue to focus on renewal and invest in new digital business operations. Alma Media wants to be a digital trailblazer in its industry and to continue the implementation of its long-term growth strategy to increase its digital business.

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ALMA MEDIA GROUP INTERIM REPORT 1 JANUARY – 31 MARCH 2015

The descriptive part of this review focuses on the result for January–March 2015. The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2014, unless otherwise stated. The figures in the tables are independently rounded.

KEY FIGURES MEUR	2015 Q1	2014 Q1	Change %	2014 Q1–Q4
Revenue	71.9	72.7	-1.1	295.4
Total expenses excluding non-recurring items	70.0	70.4	-0.5	274.6
EBITDA excluding non-recurring items	5.3	6.1	-12.2	35.1
EBITDA	6.1	6.8	-10.6	36.4
Operating profit excluding non-recurring items	1.9	2.5	-22.6	21.4
% of revenue	2.7	3.4		7.2
Operating profit (loss)	2.7	3.2	-16.9	20.7
% of revenue	3.7	4.4		7.0
Profit before tax	2.1	2.7	-19.7	19.7
Profit for the period	1.8	2.2	-14.7	15.7
Return on Equity/ROE (Annual)*	7.5	9.9	-24.2	16.4
Return on Investment/ROI (Annual)*	5.5	5.9	-7.0	9.7
Net financial expenses	0.6	0.7	15.8	2.7
Net financial expenses, % of revenue	0.8	0.9		0.9
Balance sheet total	267.4	272.6	-1.9	256.1
Capital expenditure	7.2	9.4	-23.7	14.4
Capital expenditure, % of revenue	10.0	13.0		4.9
Equity ratio, %	39.4	36.8	7.0	42.6
Gearing, %	70.0	89.9	-22.1	68.5
Interest-bearing net debt	67.8	82.1	-17.4	71.1
Interest-bearing liabilities	84.5	95.9	-11.9	83.0
Non-interest-bearing liabilities	86.1	85.4	0.8	69.4
Average no. of employees, calculated as full-time employees, excl. delivery staff	1,739	1,853	-6.2	1,828
Average no. of delivery staff	954	968	-1.5	985
Share indicators				
Earnings per share, EUR (basic)	0.02	0.02	-20.0	0.19
Earnings per share, EUR (diluted)	0.02	0.02	-20.0	0.19
Cash flow from operating activities/share, EUR	0.20	0.22	-11.1	0.35
Shareholders' equity per share, EUR	1.08	1.02	5.5	1.17
Dividend per share, EUR				0.12
Effective dividend yield, %				4.4
P/E Ratio				14.6
Market capitalisation	216.6	209.9	3.2	207.6
Average no. of shares (1,000 shares)				
– basic	75,487	75,487		75,487
– diluted	75,487	75,487		75,487
No. of shares at the end of the period (1,000 shares)	75,487	75,487		75,487

* See Accounting Principles of the Interim Report.

Strategy and related activities during the review period

The cornerstones of the strategy are multi-channel content, marketing and advertising solutions, digital services and improving resources and competencies.

The development of multi-channel content during the first quarter included Aamulehti's launch of *Hetki* ("Moment"), the company's first digital afternoon edition. In concise form, it provides subscribers with the day's most significant news, interesting topics of discussion and tips for the evening. IL-Media continued to focus on lifestyle content and launched a new food service, Pippuri.fi, in January. Moreover, Kauppalehti renewed the content, visual appearance and technology of its online service.

In the area of marketing and advertising solutions, Alma Media launched new programmatic buying channels for advertisers. The new channels enhance digital advertising buying processes and efficiency. Alma Media's media also adopted TNS Metrix's new measurement method for monitoring visitor numbers in online media. The change gives media more reliable data on their visitor numbers. The development of the new measurement method was a joint effort between Alma Media and Finland's other major media companies: Sanoma Media Finland, Yleisradio and MTV.

Digital service development in the first quarter included the launch of a new salary tool, Palkkadata, for employers and jobseekers by the jobseeking service Monster. The tool gives people in the Finnish job market the opportunity to compare their pay, or expected pay, with other people who have similar jobs. In March, Alma Media also made changes to its Meedio.fi marketing service targeted at small and medium-sized enterprises as well as consumers. Going forward, the focus of Meedio.fi will be on bringing special offers, such as those typically seen in print media, together in a single online service.

Alma Media acquired the entire share capital of JM Tieto Oy in the first quarter. Prior to the acquisition, Alma Media held a 20% stake in the company. JM Tieto specialises in building marketing and sales concepts for B2B companies. Its offering combines register and analytics services and new business acquisition services in addition to CRM and marketing technologies. JM Tieto's expertise will also provide added value for other functions in the Financial Media and Business Services segment, such as Alma 360's custom media solutions and Kauppalehti's media sales. JM Tieto will be reorganised to form part of Kauppalehti Information Services' operations in spring 2015.

Alma Media strengthened its digital growth prospects by joining the first round of the acceleration programme Star-Tap focused on digital service innovations. The goal of the programme is to intensify the industry's collaboration with innovative growth companies. The Star-Tap programme has been developed to meet the demands of both major companies and growth companies. Collaboration with growth companies offers Alma Media new opportunities for fast and agile progress in digital growth.

Alma Media also implemented structural reforms in order to improve the profitability of the publishing business. The company sold its newspaper business in Kainuu to SLP Kustannus Oy in March. The divestment saw the regional newspaper Kainuun Sanomat, the town paper Koti-Kajaani and three subscription-based local papers transferred to the subsidiary of Suomalainen Lehtipaino Oy. Alma Media is also planning to implement significant changes in the production of its two daily newspapers published in Lapland, namely Lapin Kansa and Pohjolan Sanomat. According to the plan, the two newspapers' editorial staffs, media sales and production would be consolidated so that, beginning from June 2015, Alma Media would be publishing one 6-day newspaper, Lapin Kansa, in Lapland. It would have another edition, with partly different contents, called Pohjolan Sanomat, distributed in the Kemi–Tornio region. At the same time, the online and mobile services of these newspapers would be revamped.

In the first quarter, major Finnish newspaper publishers established Jakeluyhtiö Suomi, a new delivery enterprise that will be in charge of national sales and customer service for their delivery operations. It will also develop the cooperation and logistics of the companies' delivery operations. The founding partners of the new company are Alma Media's printing and distribution company Alma Manu Ltd, Sanoma Media Finland, Keskisuomalainen Oyj, Kaleva Oy, TS Group, Kaakon Viestintä Oy and Esan Kirjapaino Oy.

Domestic market conditions

According to TNS Media Intelligence, total advertising volume decreased by 2.8% (decreased by 4.8%) in the first quarter. Advertising in city papers and newspapers declined by 6.2% (declined by 10.8%) but increased in online media by 6.1% (increased by 12.5%) from the comparison period. In terms of volume, the total market for afternoon papers declined by 12.1% (declined by 9.7%) in the first quarter of 2015.

Changes in Group structure in 2015

Alma Media acquired the entire share capital of JM Tieto Oy, implemented as a business combination achieved in stages. Prior to the acquisition, Alma Media held a 20% stake in the company. JM Tieto Oy specialises in improving the effectiveness of B2B sales, with a focus on marketing information and its utilisation. JM Tieto will be reorganised to form part of Kauppalehti Information Services' operations in spring 2015.

Alma Media's newspaper business in Kainuu was transferred to a new owner, SLP Kustannus Oy. The divestment saw the regional newspaper Kainuun Sanomat, the town paper Koti-Kajaani and three subscription-based local papers transferred to the subsidiary of Suomalainen Lehtipaino Oy. The transaction does not affect Alma Media's result for the first quarter of 2015. The parties have agreed not to publish the price of the acquisition.

Group revenue and result for January–March 2015

Revenue declined by 1.1% to MEUR 71.9 (72.7) in the first quarter.

Content revenue declined by 5.1% to MEUR 26.0 (27.4). The year-on-year decline was due to the decrease in print media circulations. The increase in content revenue from digital distribution channels was not sufficient to cover the decline in print media content revenue.

Revenue from advertising sales increased by 0.2% to MEUR 35.2 (35.1). Advertising sales for print media decreased by 1.3% from the comparison period to MEUR 16.7 (16.9). Online advertising sales increased by 2.1% to MEUR 18.4 (18.1).

Service revenue totalled MEUR 10.8 (10.2). Service revenue includes items such as Kauppalehti Information Services, the operations of the custom publishing house Alma 360 and E-kontakti and the printing and distribution services sold to customers outside the Group by Alma Manu.

Total expenses decreased in the first quarter by MEUR 0.3, or 0.4%, to MEUR 70.1 (70.4). Depreciation and impairment included in the total expenses amounted to MEUR 3.4 (3.6).

Operating profit excluding non-recurring items was MEUR 1.9 (2.5), or 2.7% (3.4%) of revenue. Operating profit was MEUR 2.7 (3.2), or 3.7% (4.4%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR 0.8 (0.7).

The result for January–March 2015 was MEUR 1.8 (2.2), and the result excluding non-recurring items was MEUR 1.1 (1.4).

Business segments

The reporting segments of Alma Media are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media. Centralised services produced by the Group's parent company and centralised digital support services for the entire Group are reported outside segment reporting.

The Group has five operating segments as shown in the table below. The operating segments that produce similar products and services are combined into reportable segments due to their uniform profitability and other characteristics.

REPORTABLE SEGMENT:	OPERATING SEGMENT:
Digital Consumer Services	Marketplaces Alma Diverso
Financial Media and Business Services	Financial Media and Business Services
National Consumer Media	National Consumer Media
Regional Media	Regional Media

REVENUE AND OPERATING PROFIT/LOSS BY SEGMENT

REVENUE MEUR	2015 Q1	2014 Q1	Change %	2014 Q1-Q4
Digital Consumer Services				
External	14.2	13.3		54.4
Inter-segments	0.3	0.3		1.4
Digital Consumer Services total	14.5	13.6	6.7	55.8
Financial Media and Business Services				
External	13.4	13.6		52.0
Inter-segments	0.4	0.2		1.1
Financial Media and Business Services total	13.8	13.7	0.3	53.0
National Consumer Media				
External	8.6	11.2		44.4
Inter-segments	1.3	0.3		2.5
National Consumer Media total	9.9	11.5	-13.9	46.9
Regional Media				
External	33.2	33.4		137.7
Inter-segments	1.7	1.7		7.5
Regional Media total	34.9	35.1	-0.7	145.2
Eliminations and non-allocated	-1.2	-1.3		-5.6
Total	71.9	72.7	-1.1	295.4
OPERATING PROFIT/LOSS MEUR *	2015 Q1	2014 Q1	Change %	2014 Q1-Q4
Digital Consumer Services	2.7	2.2	26.1	10.7
Financial Media and Business Services	2.5	2.1	18.7	6.5
National Consumer Media	-0.3	1.1	-127.6	3.1
Regional Media	0.4	0.2	83.8	8.3
Segments total	5.3	5.6	-5.5	28.6
Non-allocated	-2.6	-2.4	-9.8	-7.9
Total	2.7	3.2	-16.9	20.7

*Including non-recurring items.

Digital Consumer Services

The services of the Digital Consumer Services segment operating in Finland are Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, Telkku.com, Kotikokki.net, E-kontakti.fi and Meedio.fi. The services outside Finland are Jobs.cz, Prace.cz, Topjobs.sk, CV Online, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl and Monster.cz.

KEY FIGURES	2015	2014	Change	2014
MEUR	Q1	Q1	%	Q1–Q4
Revenue	14.5	13.6	6.7	55.8
Operations in Finland	5.4	5.5	-2.2	22.0
Operations outside Finland	9.1	8.1	12.8	33.8
Total expenses excluding non-recurring items	11.8	11.5	2.4	46.8
EBITDA excluding non-recurring items	4.1	3.5	16.0	14.8
EBITDA	4.1	3.5	16.0	16.5
Operating profit excluding non-recurring items	2.7	2.2	26.1	9.2
% of revenue	18.8	15.9		16.4
Operating profit	2.7	2.2	26.1	10.7
% of revenue	18.8	15.9		19.2
Average no. of employees, calculated as full-time employees	505	478	5.6	491
Online sales	14.5	13.6	6.7	55.8
Online sales, % of revenue	100.0	100.0		100.0

OPERATIONAL KEY FIGURES	2015	2014	2014
	Q1	Q1	Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *)			
Etuovi.com	615.9	532.4	533.8
Autotalli.com	128.7	126.4	111.8
Monster.fi	182.0	131.5	127.2
Telkku.com	816.7	790.2	735.5
Kotikokki.net	472.3	391.3	408.7
Meedio.fi	46.2	67.2	58.6

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

January–March 2015

The City24 business reported previously under this segment was divested in November 2014. The effect of the divested business was MEUR 0.4 on the segment's revenue and MEUR -0.1 on the segment's operating profit in the comparison period.

In the first quarter of 2015, revenue for the Digital Consumer Services segment increased by 6.7% to MEUR 14.5 (13.6). In total, revenue from the recruitment business increased by 14.6% during the review period and accounted for 73.3% (68.2%) of the segment's revenue in the first quarter of 2015. Domestic revenue declined by 2.2% primarily due to the weak market situation in Finland.

Total expenses during the review period excluding non-recurring items were MEUR 11.8 (11.5).

The Digital Consumer Services segment's operating profit was MEUR 2.7 (2.2). Operating profit was 18.8% (15.9%) of revenue. Profitability improved particularly in the recruitment business in the Czech Republic and Slovakia. The segment did not report non-recurring items during the review period.

Financial Media and Business Services

The Financial Media and Business Services segment specialises in the production of financial information as well as providing information and marketing solutions for businesses. Its best-known product is Finland's leading business paper, Kauppalehti. The segment also includes Kauppalehti Information Services, the business premises service provider Objektvision.se and the custom media house Alma 360.

KEY FIGURES MEUR	2015 Q1	2014 Q1	Change %	2014 Q1–Q4
Revenue	13.8	13.7	0.3	53.0
Content revenue	4.0	4.0	-1.2	16.2
Advertising revenue	4.0	3.9	4.4	15.6
Service revenue	5.8	5.9	-1.5	21.2
Total expenses excluding non-recurring items	11.9	12.4	-4.4	46.4
EBITDA excluding non-recurring items	2.1	1.5	41.1	7.1
EBITDA	2.7	2.3	20.0	7.3
Operating profit excluding non-recurring items	1.9	1.4	41.3	6.7
% of revenue	14.0	10.0		12.6
Operating profit	2.5	2.1	18.7	6.5
% of revenue	18.2	15.4		12.2
Average no. of employees, calculated as full-time employees	238	339	-29.8	259
Online sales	5.8	6.0	-3.2	22.8
Online sales, % of revenue	42.2	43.8		43.0

OPERATIONAL KEY FIGURES	2015 Q1	2014 Q1	2014 Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *			
Kauppalehti.fi	1,011.8	799.9	772.9
Audited circulation (thousands)			Q1–Q4
Kauppalehti			50.7

**) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.*

January–March 2015

JM Tieto, specialising in building marketing and sales concepts for B2B companies, was acquired in January 2015 and is reported under Kauppalehti Information Services. The effect of the acquisition was MEUR 0.8 on the segment's service revenue and MEUR 0.2 on the segment's profitability. The effect of the BNS business divested in February 2014 was MEUR 0.7 on the segment's service revenue and MEUR 0.1 on the segment's profitability in the comparison period.

Revenue for the Financial Media and Business Services segment increased by 0.3% to MEUR 13.8 (13.7). Online business accounted for 42.2% (43.8%) of the segment's revenue.

Content revenue for Financial Media and Business Services was MEUR 4.0 (4.0). Digital content revenue grew by 14.5% and the increase partly covered the decline in content revenue for print media. Kauppalehti saw growth in visitor numbers after a content renewal implemented in January.

Advertising sales in the first quarter amounted to MEUR 4.0 (3.9). Advertising sales in print media and online grew year-on-year, particularly due to favourable development in March.

The segment's service revenue amounted to MEUR 5.8 (5.9). Service revenue was weighed down by weaker revenue in the customer magazine and information service businesses.

The segment's total expenses excluding non-recurring items were MEUR 11.9 (12.4). Total expenses were reduced by cost savings measures implemented in the customer magazine business, which improved its profitability.

Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 1.9 (1.4) and operating profit MEUR 2.5 (2.1). Operating profit excluding non-recurring items was 14.0 (10.0) % of revenue. A sales gain of MEUR 0.6 related to the acquisition of JM Tieto, implemented in stages, was reported as a non-recurring item for the period.

National Consumer Media

The National Consumer Media segment reports the various publishing services of IL-Media.

KEY FIGURES MEUR	2015 Q1	2014 Q1	Change %	2014 Q1–Q4
Revenue	9.9	11.5	-13.9	46.9
Content revenue	6.4	6.9	-6.9	28.5
Advertising revenue	3.5	4.6	-24.6	18.4
Total expenses excluding non-recurring items	10.2	10.4	-1.5	43.2
EBITDA excluding non-recurring items	-0.3	1.2	-126.9	3.8
EBITDA	-0.3	1.2	-126.9	3.2
Operating profit excluding non-recurring items	-0.3	1.1	-127.6	3.7
% of revenue	-3.1	9.8		7.8
Operating profit	-0.3	1.1	-127.6	3.1
% of revenue	-3.1	9.8		6.6
Average no. of employees, calculated as full-time employees	148	150	-1.4	160
Online sales	2.5	3.4	-24.8	12.7
Online sales, % of revenue	25.5	29.2		27.0

OPERATIONAL KEY FIGURES	2015 Q1	2014 Q1	2014 Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *)			
Iltalehti.fi	5,193.3	4,233.6	4,225.3
Audited circulation (thousands)			
Iltalehti			71.2

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

January–March 2015

Revenue for the National Consumer Media segment declined by 13.9% to MEUR 9.9 (11.5) in January–March. Online business accounted for 25.5% (29.2%) of the segment's revenue.

The segment's content revenue declined by 6.9% to MEUR 6.4 (6.9) in January–March, mainly due to the decrease of Iltalehti's circulation.

The segment's advertising sales declined by 24.6% to MEUR 3.5 (4.6). Advertising sales for print media decreased by 23.0%. The segment's online advertising sales declined by 25.2% to MEUR 2.5 (3.3). Social media channels put downward pressure on digital advertising prices in Finland and reduced Iltalehti's market share.

The segment's total expenses excluding non-recurring items were MEUR 10.2 (10.4). The decrease in total expenses was particularly attributable to the decrease in printing and distribution costs due to lower print media sales. At the same time, investments in online business increased expenses.

The segment's operating profit was MEUR -0.3 (1.1), or -3.1% (9.8%) of revenue. The segment did not report non-recurring items during the review period.

Regional Media

The Regional Media segment reports the publishing activities of more than 30 newspapers of Alma Regional Media and the Group's printing and distribution company Alma Manu. The segment's best-known title is Aamulehti.

KEY FIGURES MEUR	2015 Q1	2014 Q1	Change %	2014 Q1–Q4
Revenue	34.9	35.1	-0.7	145.2
Content revenue	15.7	16.5	-5.1	65.5
Advertising revenue	14.4	14.5	-0.3	62.5
Service revenue	4.8	4.1	15.8	17.2
Total expenses excluding non-recurring items	34.8	35.0	-0.6	135.8
EBITDA excluding non-recurring items	1.0	1.8	-41.2	14.7
EBITDA	1.2	1.8	-30.6	14.7
Operating profit excluding non-recurring items	0.2	0.2	-10.0	9.6
% of revenue	0.5	0.6		6.6
Operating profit	0.4	0.2	83.8	8.3
% of revenue	1.0	0.6		5.7
Average no. of employees, calculated as full-time employees, excl. delivery staff	683	730	-6.4	758
Average no. of delivery staff	954	968	-1.5	985
Online sales	0.9	0.8	15.0	3.7
Online sales, % of revenue	2.7	2.3		2.6
OPERATIONAL KEY FIGURES	2015 Q1	2014 Q1		2014 Q1–Q4
Online services, unique browsers, weekly, on average (thousands) *)				
Aamulehti.fi	451.4	421.0		433.8
Audited circulation (thousands)				
Aamulehti				106.8
Printing volume (in thousands)	64,758	62,661		256,034
Paper usage (tonnes)	5,729	6,669		23,956

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

January–March 2015

In March 2015, the daily newspaper Kainuun Sanomat and the twice-weekly newspapers Koti-Kajaani, Ylä-Kainuu, Kuhmolainen and Sotkamo, previously reported in the Regional Media segment, were divested. The divested papers' combined revenue in 2014 was approximately MEUR 11.5. The effect of the divestment on the comparison data in the interim report is MEUR 0.9 on revenue and MEUR -0.1 on operating profit.

The Regional Media segment's revenue amounted to MEUR 34.9 (35.1) in January–March. Online business accounted for 2.7% (2.3%) of the segment's revenue.

The segment's content revenue declined by 5.1% to MEUR 15.7 (16.5) in January–March.

The segment's advertising sales declined by 0.3% to MEUR 14.4 (14.5). Advertising sales for print media decreased by 0.7%. The segment's online advertising sales increased by 11.2% to MEUR 0.6 (0.5). Excluding the effect of the divested Kainuu business, advertising sales for print media also increased.

The segment's service revenue increased by 15.8% to MEUR 4.8 (4.1).

The segment's total expenses excluding non-recurring items were MEUR 34.8 (35.0) and total expenses MEUR 34.8 (35.0). The factors contributing to the decline in total expenses included efficiency improvement measures for newspapers as well as printing operations.

Alma Media is planning to consolidate the editorial operations, media sales and production for its two daily newspapers published in Lapland, namely Lapin Kansa and Pohjolan Sanomat, from the beginning of June 2015. At the same time, the online and mobile services of these newspapers will be renewed. According to the employer's estimate, if the plan is implemented, potential repercussions may lead to staff reductions of no more than 30 man-years for the Lapland newspapers.

The segment's operating profit excluding non-recurring items was MEUR 0.2 (0.2) and operating profit MEUR 0.4 (0.2). Operating profit excluding non-recurring items was 0.5% (0.6%) of revenue. The segment reported non-recurring items of MEUR 0.2 related to sales gains on real estate and restructuring expenses.

Associated companies

Alma Media Group holds a 32.14% stake in Talentum Oyj, which is reported under the Financial Media and Business Services segment. The company's own shares in the possession of Talentum are included in the total number of shares. In Alma Media's interim report, the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding in Talentum is stated as 32.45% in this interim report.

SHARE OF PROFIT OF ASSOCIATED COMPANIES MEUR	2015 Q1	2014 Q1	2014 Q1-Q4
Digital Consumer Services	0.0	-0.1	0.0
Financial Media and Business Services			
Talentum Oyj	0.2	0.1	1.0
National Consumer Media	0.0	0.0	0.0
Regional Media	0.0	0.0	0.0
Other associated companies	0.1	0.1	0.7
Total	0.3	0.1	1.7

Non-recurring items

A non-recurring item is a comprehensive income or expense arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations as well as impairment losses of goodwill and other assets are recognised as non-recurring items. Non-recurring items are recognised in the profit and loss statement within the corresponding income or expense group.

NON-RECURRING ITEMS MEUR	2015 Q1	2014 Q1	2014 Q1-Q4
Digital Consumer Services			
Impairment losses			-0.2
Gains on the sale of assets			1.7
Financial Media and Business Services			
Impairment losses			-0.5
Restructuring			-0.5
Gains (losses) on the sale of assets	0.6	0.7	0.7
National Consumer Media			
Restructuring			-0.6
Regional Media			
Impairment losses			-1.3
Restructuring	-0.1		-0.1
Gains (losses) on the sale of assets	0.3		0.1
Non-allocated			
Restructuring			-0.2
NON-RECURRING ITEMS IN OPERATING PROFIT	0.8	0.7	-0.7
NON-RECURRING ITEMS IN PROFIT BEFORE TAX	0.8	0.7	-0.7

Balance sheet and financial position

At the end of March 2015, the consolidated balance sheet stood at MEUR 267.4 (272.6). The Group's equity ratio at the end of March was 39.4% (36.8%) and equity per share was EUR 1.08 (1.02).

Consolidated cash flow from operations in January–March was MEUR 14.9 (16.7). Cash flow before financing was MEUR 12.3 (24.3).

At the end of March, the Group's interest-bearing debt amounted to MEUR 84.5 (95.9). The total interest-bearing debt at the end of March comprised MEUR 68.5 in finance leasing debt, MEUR 8.0 in loans from financial institutions and MEUR 8.0 in commercial papers.

The Group's interest-bearing net debt at the end of March stood at MEUR 67.8 (82.1).

Alma Media has two MEUR 20.0 committed financing limits at its disposal, which were entirely unused on 31 March 2015. In addition, the company has a commercial paper programme of MEUR 100 in Finland. Of the commercial paper programme, MEUR 8.0 was in use on 31 March 2015.

Alma Media did not have financial assets or liabilities created in conjunction with business combinations measured at fair value and recognised through profit or loss on 31 March 2015. Financial liabilities measured at fair value and recognised through profit or loss amounted to MEUR 2.9 (0.3).

Capital expenditure

Alma Media Group's capital expenditure in January–March 2015 totalled MEUR 7.2 (9.4). The capital expenditure during the review period comprised the acquisition of the entire share capital in the former associated company JM Tieto Oy, as well as normal operating and maintenance investments.

CAPITAL EXPENDITURE BY SEGMENT MEUR	2015 Q1	2014 Q1	2014 Q1–Q4
Digital Consumer Services	0.3	8.4	10.5
Financial Media and Business Services	6.2	0.3	1.2
National Consumer Media	0.1	0.1	0.3
Regional Media	0.3	0.3	1.1
Segments total	6.8	9.1	13.0
Non-allocated	0.4	0.3	1.4
Total	7.2	9.4	14.4

Administration

Alma Media Corporation's Annual General Meeting (AGM) held on 17 March 2015 elected Niklas Herlin, Esa Lager, Petri Niemisvirta, Perttu Rinta, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari as members of the company's Board of Directors. In its constitutive meeting held after the AGM, the Board of Directors elected Harri Suutari as its Chairman.

The Board of Directors appointed the members of its permanent committees. Perttu Rinta and Catharina Stackelberg-Hammarén were elected as members of the Audit Committee and Esa Lager as Chairman of the Committee. Esa Lager, Niklas Herlin and Erkki Solja were elected as members of the Nomination and Compensation Committee and Petri Niemisvirta as Chairman of the Committee.

The Board of Directors of Alma Media Corporation has evaluated that with the exception of Perttu Rinta, Esa Lager and Niklas Herlin, the elected members of the Board of Directors are independent of the company and its significant shareholders. The members named above are evaluated to be independent of the company but dependent on its significant shareholders.

Mikko Korttila, General Counsel of Alma Media Corporation, was appointed secretary to the Board of Directors.

The AGM appointed PricewaterhouseCoopers Oy as the company's auditors, with Markku Launis, APA, as the principal auditor.

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on 15 June 2010 and in effect since 1 October 2010, in its unamended

form. The Remuneration Statement for 2014 was published on 13 February 2015 on the company's website at www.almamedia.com/investors.

The Corporate Governance Statement is available on the company's website at www.almamedia.com/investors.

Dividends

In accordance with the proposal of the Board of Directors, the AGM resolved that no dividend be paid for the financial year 2014. The company has no retained earnings.

Use of the invested non-restricted equity fund

In accordance with the proposal of the Board of Directors, the AGM resolved that EUR 36,420,000 be used from the invested non-restricted equity fund, complying with the company's balance sheet of 31 December 2014, to cover losses. The covering of losses improves the preconditions for the distribution of profit in future financial periods.

Capital repayment

In accordance with the proposal of the Board of Directors, the AGM resolved to distribute EUR 0.12 per share as capital repayments from the invested non-restricted equity. At the time of the AGM, the company had 75,486,853 shares, translating into a repayment amount of EUR 9,058,422.36. Capital repayments were paid to shareholders registered in Alma Media Corporation's shareholder register, maintained by Euroclear Finland Ltd, on the record date, 19 March 2015. The capital repayments were paid on 26 March 2015 as proposed by the Board of Directors.

Other decisions by the Annual General Meeting

The Board of Directors proposes that the AGM authorises the Board of Directors to decide on the repurchase of a maximum of 754,000 shares in one or more lots. The proposed maximum authorised quantity represents approximately one per cent of the company's entire share capital. The shares shall be acquired using the company's non-restricted shareholders' equity through trading in a regulated market arranged by NASDAQ OMX Helsinki Oy and in accordance with its rules and instructions, which is why the acquisition is directed, that is, the shares are purchased otherwise than in proportion to shareholders' current holdings. The price paid for the shares shall be based on the price of the company share in the regulated market, so that the minimum price of purchased shares is the lowest market price of the share quoted in the regulated market during the term of validity of the authorisation and the maximum price, correspondingly, the highest market price quoted in the regulated market during the term of validity of the authorisation. Shares may be purchased for the purpose of improving the company's capital structure, financing or carrying out corporate acquisitions or other arrangements, implementing incentive schemes for the management or key employees, or to be otherwise transferred or cancelled. The authorisation is valid until the following ordinary AGM, however no longer than until 30 June 2016.

The AGM authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company. A maximum of 754,000 shares may be issued on the basis of this authorisation. The proposed maximum authorised quantity represents approximately one per cent of the company's entire share capital. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more parts. The Board of Directors may use the authorisation to implement incentive programmes for the management or key employees of the company. The authorisation is valid until the following ordinary AGM, however no longer than until 30 June 2016.

The AGM authorised the Board of Directors to decide on a share issue. A maximum of 15,000,000 shares may be issued on the basis of this authorisation. The proposed maximum authorised amount represents approximately 20% of the company's entire share capital. The share issue may be implemented by issuing new shares or transferring shares now in possession of the company. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more parts. The Board may use the authorisation for developing the capital structure of the company, widening the ownership base, financing or realising acquisitions or other arrangements, or for other purposes decided on by the Board. The authorisation may not, however, be used to implement incentive programmes for the management or key employees of the company. The authorisation is valid until the following ordinary AGM, but no longer than until 30 June 2016. This authorisation overrides the share issue authorisation granted at the Annual General Meeting of 20 March 2014.

In accordance with the proposal of the Board of Directors, the AGM resolved to establish a Shareholders' Nomination Committee. The Nomination Committee's duties include preparing proposals related to the election and remuneration of Board members to the AGM. In conjunction with this decision, the AGM approved the Charter for the Shareholders' Nomination Committee as proposed by the Board of Directors. The Shareholders' Nomination Committee consists of four members appointed by shareholders, and the members elect a chairman from among their number. In addition, the Chairman of the Board acts as an expert member in the Nomination Committee. In the year preceding the AGM, on the basis of shareholding on 30 September in the preceding calendar year, the Chairman of the Board will request each one of the four largest shareholders to appoint one member to the Shareholders' Nomination Committee. The four shareholders who are registered in the shareholder register maintained by Euroclear Finland Ltd on 30 September in the year preceding the AGM and whose share of the votes produced by all shares in the company is the greatest according to this shareholder register have the right to nominate members to represent shareholders. Should a shareholder choose not to exercise the right to appoint a member, the right is transferred to the next largest shareholder in the shareholder register, who would not otherwise have the right to appoint a member. The Nomination Committee Charter is available on the Alma Media Corporation website at www.almamedia.com/investors/corporate-governance/general-meeting/2015.

The Alma Media share

In January–March, altogether 978,632 Alma Media shares were traded at the NASDAQ OMX Helsinki Stock Exchange, representing 1.3% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, 31 March 2015, was EUR 2.87. The lowest quotation during the review period was EUR 2.75 and the highest EUR 3.24.

Option programme and share-based incentive plan

Alma Media has the option programme 2009 in effect. The programme is an incentive and commitment system for Group management. If all the subscription rights are exercised, the programme 2009 will dilute the holdings of the earlier shareholders by a maximum of 2.0%. Further details about the programme are given in the notes to this Interim Report.

The Board of Directors of Alma Media Corporation has approved the establishment of a new long-term share-based incentive programme for the key management of Alma Media. The LTI 2015 arrangement consists of annually commencing individual plans, each subject to separate Board approval. Each of the individual plans consists of three main elements: an investment in Alma Media shares as a precondition for the key management member's participation in LTI 2015, matching shares based on the above share investment and the possibility of earning performance-based matching shares. At most 35 people are eligible to participate in the first plan under the LTI 2015 arrangement, commencing in 2015.

Other authorisations of the Board of Directors

The Board of Directors has no other current authorisations.

Market liquidity guarantee

The Alma Media share has no market liquidity guarantee in effect.

Flagging notices

In the first quarter of 2015, Alma Media did not receive notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act.

Risks and risk management

The purpose of Alma Media Group'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 and controls 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 control function and thereby part of good corporate governance. Alma Media specifies limits to and procedures for quantitative and qualitative risks in writing in its risk management system.

The most critical strategic risks for Alma Media are a significant drop in its print newspaper readership, a permanent decline in advertising sales and a significant increase in distribution and delivery costs. The media industry is undergoing changes following the transformation in media consumption and technological development. Alma Media's strategic objective is to meet this challenge through renewal and the development of new business in digital consumer and business services.

Fluctuating economic cycles are reflected in the development of advertising sales. Advertising sales account for approximately half of the Group's revenue. Business operations outside Finland, such as in the Eastern and Central European countries, include country-specific risks relating to market development and economic growth. The expansion of business outside Finland has reduced the risks inherent in operating in one market area.

The most important operational risks are disturbances in information technology and data transfer, as well as an interruption of the printing operations.

Sustainable development

With its Code of Ethics, Alma Media is committed to supporting the universally accepted principles in the areas of human rights, labour, environment and anti-corruption laid out in the United Nations Global Compact initiative. Alma Media participates in the annual Carbon Disclosure Project (CDP) climate reporting directed at investors, and was ranked as the top Nordic media company in October 2014. In addition, the Alma Media share is included in the OMX GES Sustainability Finland index. Alma Media is a member of the corporate responsibility networks Nordic Media CR Forum and Finnish Business & Society. In January 2015, Alma Media became a member of the Finnish Business & Society's diversity network and signed the Diversity Undertaking.

The most significant environmental impacts of Alma Media's business operations are related to purchases, printing and delivery operations and real estate. In 2014, the company's printing facilities used approximately 23,956 (23,489) tonnes of newsprint. Alma Media used 13,298 (16,333) MWh of electric power in 2014. Electricity consumption decreased by 18.6% year-on-year. Additional information on the company's Sustainable Media programme is available on the Alma Media website.

Events after the review period

Alma Media's subsidiary Alma Media Kustannus Oy divested Koti-Lappi, a town paper published in Kemijärvi, effective on 1 May 2015.

ALMA MEDIA CORPORATION
Board of Directors

Alma Media's financial calendar 2015

- Interim report for January–June 2015 on Tuesday, 21 July 2015 at approximately 9:00 EEST
- Interim Report for January–September 2015 on Friday, 23 October 2015 at approximately 9:00 EEST

SUMMARY OF INTERIM REPORT AND NOTES

COMPREHENSIVE INCOME STATEMENT MEUR	2015 Q1	2014 Q1	Change %	2014 Q1-Q4
REVENUE	71.9	72.7	-1.1	295.4
Other operating income	0.9	0.9	-0.9	3.2
Materials and services	19.2	19.1	0.8	77.5
Employee benefits expense	31.2	31.5	-0.9	120.8
Depreciation, amortisation and impairment	3.4	3.6	-5.1	15.7
Other operating expenses	16.3	16.2	0.5	64.0
OPERATING PROFIT	2.7	3.2	-16.9	20.7
Finance income	0.1	0.1	-41.9	0.4
Finance expenses	0.6	0.8	-19.5	3.1
Share of profit of associated companies	0.3	0.1	115.6	1.7
PROFIT BEFORE TAX	2.4	2.7	-10.3	19.7
Income tax	0.6	0.5	7.6	4.0
PROFIT FOR THE PERIOD	1.8	2.2	-14.7	15.7
OTHER COMPREHENSIVE INCOME:				
Items that are not later transferred to be recognised through profit or loss				
Items arising due to the redefinition of net defined benefit liability (or asset item)	0.0	0.0		-0.4
Tax on items that are not later transferred to be recognised through profit or loss	0.0	0.0		0.0
Items that may later be transferred to be recognised through profit or loss				
Translation differences	0.3	0.4		0.2
Share of other comprehensive income of associated companies	0.1	-0.1		-0.4
Actuarial gains and losses	0.0	0.0		0.0
Income tax relating to components of other comprehensive income	0.0	0.0		0.0
Other comprehensive income for the year, net of tax	0.3	0.3		-0.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.2	2.5		15.1
Profit for the period attributable to:				
– Owners of the parent	1.4	1.7		14.2
– Non-controlling interest	0.4	0.4		1.5
Total comprehensive income for the period attributable to:				
– Owners of the parent	1.7	2.0		13.6
– Non-controlling interest	0.4	0.4		1.5
Earnings per share calculated from the profit for the period attributable to the parent company shareholders:				
– Earnings per share (basic), EUR	0.02	0.02		0.19
– Earnings per share (diluted), EUR	0.02	0.02		0.19

BALANCE SHEET			
MEUR	31 Mar 2015	31 Mar 2014	31 Dec 2014
ASSETS			
NON-CURRENT ASSETS			
Goodwill *)	73.7	71.6	69.7
Other intangible assets	38.8	41.2	38.2
Tangible assets	74.8	84.8	76.2
Investments in associated companies	24.7	25.5	25.7
Other non-current financial assets	3.9	3.8	3.9
Deferred tax assets	1.4	1.5	1.3
CURRENT ASSETS			
Inventories	1.0	1.2	1.3
Current tax assets	1.9	0.0	1.2
Trade receivables and other receivables	30.5	29.1	26.6
Cash and cash equivalents	16.7	13.9	12.0
TOTAL ASSETS *)	267.4	272.6	256.1
LIABILITIES AND EQUITY			
EQUITY AND LIABILITIES			
Share capital	45.3	45.3	45.3
Share premium reserve	7.7	7.7	7.7
Translation differences *)	-2.3	-2.3	-2.5
Retained earnings	30.4	26.2	38.0
Equity attributable to owners of the parent	81.2	76.9	88.5
Non-controlling interest	15.6	14.4	15.2
TOTAL EQUITY *)	96.8	91.3	103.7
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	69.8	77.2	70.9
Deferred tax liabilities	7.2	6.8	6.9
Pension liabilities	2.7	2.6	2.7
Other non-current liabilities	0.3	0.4	0.3
CURRENT LIABILITIES			
Current financial liabilities	18.3	19.5	12.8
Advances received	21.4	24.6	12.9
Income tax liability	0.0	0.8	0.0
Provisions	0.3	4.1	0.4
Trade payables and other payables	50.5	45.4	45.5
TOTAL LIABILITIES	170.5	181.3	152.5
TOTAL EQUITY AND LIABILITIES	267.4	272.6	256.1

* Comparison figures for 2014 have been adjusted due to the effect of exchange rate changes on goodwill. As a result of the adjustment, goodwill and intangible assets decreased by MEUR 2.1.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Column headings:

A = Share capital

B = Share premium reserve

C = Translation differences

D = Retained earnings

E = Total

F = Non-controlling interest

G = Equity total

MEUR	Equity attributable to owners of the parent						
	A	B	C	D	E	F	G
Equity on 1 Jan 2015	45.3	7.7	-2.5	38.0	88.5	15.2	103.7
Profit for the period				1.4	1.4	0.4	1.8
Other comprehensive income			0.3	0.1	0.3	0.0	0.3
Transactions with equity holders							
Dividends paid by parent				-9.1	-9.1		-9.1
Dividends paid by subsidiaries						0.0	0.0
Share-based payment transactions and exercised share options							
Business combinations							
Share of items recognised in the equity of associated companies				0.0	0.0	0.0	0.0
Equity on 31 Mar 2015	45.3	7.7	-2.3	30.4	81.2	15.6	96.8
MEUR							
Equity on 1 Jan 2014 *)	45.3	7.7	-2.7	35.5	85.8	2.5	88.3
Profit for the period				1.7	1.7	0.4	2.2
Other comprehensive income *)			0.4	-0.1	0.3		0.3
Transactions with equity holders							
Dividends paid by parent				-7.5	-7.5		-7.5
Dividends paid by subsidiaries						-0.5	-0.5
Share-based payment transactions and exercised share options				0.1	0.1		0.1
Business combinations				-3.5	-3.5	12.1	8.6
Share of items recognised in the equity of associated companies				0.0	0.0	0.0	0.0
Equity on 31 Mar 2014 *)	45.3	7.7	-2.3	26.2	76.9	14.4	91.3

*) Comparison figures for 2014 have been adjusted due to the effect of exchange rate changes on goodwill. As a result of the adjustment, goodwill and intangible assets decreased by MEUR 2.1.

CASH FLOW STATEMENT MEUR	2015 Q1	2014 Q1	2014 Q1-Q4
OPERATING ACTIVITIES			
Profit for the period	1.8	2.2	15.7
Adjustments	3.9	3.7	15.7
Change in working capital	11.1	12.9	2.8
Dividends received	0.1	0.0	1.2
Interest received	0.0	0.0	0.2
Interest paid and other finance expenses	-0.6	-0.6	-2.5
Taxes paid	-1.5	-1.5	-6.6
Net cash flow from operating activities	14.9	16.7	26.5
INVESTING ACTIVITIES			
Acquisitions of tangible and intangible assets	-0.5	-1.1	-3.5
Proceeds from sale of tangible and intangible assets	0.3	0.0	1.0
Other investments	-0.1	0.0	-0.1
Acquisition of subsidiaries	-2.3	0.4	-0.2
Acquisition of associated companies	0.0	-0.5	-0.7
Proceeds from sale of subsidiaries and recovered acquisition cost	0.0	8.8	12.0
Proceeds from sale and repayment of capital of associated companies	0.0	0.0	0.0
Net cash flows from/(used in) investing activities	-2.6	7.6	8.4
Cash flow before financing activities	12.3	24.3	34.9
FINANCING ACTIVITIES			
Non-current loans taken	0.0	0.0	6.5
Current loans taken	20.0	69.0	152.5
Repayment of current loans	-18.5	-83.7	-185.9
Change in interest-bearing receivables	0.0	0.0	0.0
Dividends paid	-9.1	-8.1	-8.3
Net cash flows from/(used in) financing activities	-7.6	-22.7	-35.2
Change in cash and cash equivalent funds (increase +/decrease -)	4.7	1.6	-0.3
Cash and cash equivalents at beginning of period	12.0	12.3	12.3
Effect of change in foreign exchange rates	0.0	0.0	0.0
Cash and cash equivalents at end of period	16.7	13.9	12.0

Acquired businesses in 2015

Alma Media has acquired the following business operations during 2015:

	Business	Acquisition date	Group share
<u>Financial Media and Business Services segment</u>			
JM Tieto Oy	Online service	1 Jan 2015	80%

The acquisition of JM-Tieto Oy was implemented as a business combination achieved in stages. The Group's prior holding in the company was 20%.

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

MEUR	Fair values at consolidation
Property, plant and equipment	0.0
Intangible assets	1.7
Trade receivables and other receivables	0.7
Cash and cash equivalents	0.6
Total	3.1
Deferred tax liabilities	0.3
Trade payables and other payables	0.7
Total	1.0
Total identifiable net assets at fair value	2.1
IFRS acquisition cost	7.0
Goodwill	4.9
Proceeds on sale recognised through profit or loss from the incremental acquisition	0.6

MEUR	Acquisition cost
Acquisition of associated company	0.6
Consideration, settled in cash	2.9
Contingent consideration	2.9
Incremental acquisition	0.6
Total	7.0

Group revenue for 2014 would have been an estimated MEUR 298.5 (reported MEUR 295.4), assuming the acquisitions had taken place at the beginning of 2014.

The fair values entered on intangible assets in consolidation relate primarily to acquired ICT applications and customer agreements. Factors contributory to goodwill were the expected synergies related to these businesses.

Contingent considerations

Contingent considerations arising from business acquisitions are classified as financial liabilities recognised at fair value through profit or loss. The amount of the contingent considerations due to acquisitions and business arrangements is based on the revenue and operating profits of the acquired businesses in 2015.

CONTINGENT CONSIDERATION LIABILITY MEUR	
Initial recognition of the liability	2.9
Change in fair value during previous financial periods	0.0
Considerations, settled in cash	0.0
Change in fair value during the financial period	0.0
Fair value of the contingent consideration liability at the end of the period	2.9

REVENUE BY GEOGRAPHICAL AREA MEUR	2015 Q1	2014 Q1	2014 Q1-Q4
Finland *)	62.2	63.3	258.5
Other EU countries *)	9.8	9.4	36.9
Other countries *)	0.0	0.0	0.0
Total	71.9	72.7	295.4

*) Revenue by geographical area is presented in accordance with the countries in which the Group's units are located.

Information by segment

The business segments of Alma Media are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media. The descriptive section of the interim report presents the revenue and operating profits of the segments and the allocation of the associated companies' results to the reporting segments.

The following table presents the assets and liabilities by segment, as well as the non-allocated asset and liability items.

ASSETS BY SEGMENT MEUR	31 Mar 2015	31 Mar 2014	31 Dec 2014
Digital Consumer Services	89.2	93.0	89.5
Financial Media and Business Services	43.1	37.0	35.0
National Consumer Media	3.3	4.9	3.6
Regional Media	66.3	76.5	67.8
Segments total	201.9	211.4	196.0
Non-allocated assets and eliminations	65.4	61.2	60.2
Total	267.4	272.6	256.1

LIABILITIES BY SEGMENT MEUR	31 Mar 2015	31 Mar 2014	31 Dec 2014
Digital Consumer Services	18.6	17.2	16.6
Financial Media and Business Services	11.4	11.0	9.6
National Consumer Media	4.7	4.7	5.1
Regional Media	75.5	87.1	67.3
Segments total	110.2	120.0	98.7
Non-allocated liabilities and eliminations	60.4	61.4	53.8
Total	170.5	181.3	152.5

Provisions

The company's provisions totalled MEUR 0.3 (4.1) on 31 March 2015. It has not been necessary to change the estimates made when the provisions were entered.

Commitments and contingencies

COMMITMENTS AND CONTINGENCIES

MEUR	31 Mar 2015	31 Mar 2014	31 Dec 2014
Collateral for others			
Guarantees	1.4	1.4	1.4
Other commitments and contingencies	1.7		1.9
Minimum lease payments on other lease agreements:			
Within one year	8.6	8.6	9.2
Within 1–5 years	24.9	26.9	26.7
After 5 years	30.3	36.1	32.5
Total	63.8	71.7	68.3

In addition, the Group has purchase agreements that, based on IFRIC 4, include a lease component as per IAS 17. Minimum payments based on these agreements:

	0.2	0.4	0.2
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DERIVATIVE CONTRACTS

MEUR	31 Mar 2015	31 Mar 2014	31 Dec 2014
Commodity derivative contracts, electricity derivatives			
Fair value*	0.0	-0.1	-0.1
Nominal value	1.9	0.6	0.4
Interest rate derivatives			
Fair value*	-0.7	-0.3	-0.7
Nominal value	19.6	15.8	19.7
Foreign currency derivatives			
Fair value*	0.0	0.0	0.0
Nominal value	1.5	0.0	1.5

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

Related party transactions

Alma Media Group's related parties are the major shareholders of the parent company, associated companies and companies owned by them. Related parties also include the Group's senior management and their related parties (members of the Board of Directors, President and CEO and Managing Directors, and the Group Executive Team). The following table summarises the business operations undertaken between Alma Media and its related parties as well as the status of their receivables and liabilities:

RELATED PARTY TRANSACTIONS	2015	2014	2014
MEUR	Q1	Q1	Q1–Q4
Sales of goods and services	0.0	0.2	0.8
Associated companies	0.0	0.1	0.7
Principal shareholders	0.0	0.0	0.0
Corporations where management exercises influence	0.0	0.0	0.0
Purchases of goods and services	0.7	0.7	3.1
Associated companies	0.6	0.6	3.1
Principal shareholders	0.0	0.0	0.0
Corporations where management exercises influence	0.0	0.0	0.0
Trade receivables, loan and other receivables at the end of the reporting period	0.0	0.1	0.1
Associated companies	0.0	0.1	0.1
Trade payables at the reporting date	0.0	0.1	0.0
Associated companies	0.0	0.1	0.0

Option programme

Alma Media has the option programme 2009 in effect. The programme is an incentive and commitment system for Group management.

Under the option programme 2009, a maximum total of 2,130,000 stock options could be granted during 2009–2011, and these could be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of the company. Of the total number of options, 710,000 were marked 2009A, 710,000 were marked 2009B and 710,000 were marked 2009C.

The option programmes 2009A and 2009B have ended.

A total of 640,000 options were issued under the 2009C programme. The share subscription period for 2009C is 1 April 2014–31 March 2016. The management has 535,000 options 2009C in its possession. The share subscription price was EUR 7.23 in March 2015.

If all the subscription rights are exercised, the option programme 2009 will dilute the holdings of the earlier shareholders by a maximum of 2.0%.

Share-based incentive plan

The Performance Share Plan for the key employees of Alma Media Group, approved by the Board of Directors of Alma Media Corporation in February 2012, has ended. The performance target was not achieved in the specified performance periods and the arrangement was not realised.

New share-based incentive plan

The Board of Directors of Alma Media Corporation has approved the establishment of a new long-term share-based incentive programme for the key management of Alma Media.

The objective of LTI 2015 is to align the interests of the participants with those of Alma Media's shareholders by creating a long-term equity interest for the participants and, thus, to increase the company value in the long term as well as to drive performance culture, to retain participants and to offer them with competitive compensation for excellent performance in the company.

The LTI 2015 arrangement consists of annually commencing individual plans, each subject to separate Board approval. Each of the individual plans consists of three main elements: an investment in Alma Media shares as a precondition for the key management member's participation in LTI 2015, matching shares based on the above share investment and the possibility of earning performance-based matching shares.

The matching share plan

In the matching share plan the participant receives a fixed amount of matching shares against an investment in Alma Media shares.

In the first matching share plan commencing in the year 2015 the participant will receive two matching shares for each invested share free of charge after a two-year vesting period. If all the eligible key management members participate in the matching share plan by investing the maximum amount of shares, the maximum aggregate amount of the first matching shares is 159,000 shares (gross amount from which taxes are withheld).

The performance matching plan

The performance matching plan comprises a five-year performance period in total. The potential share rewards will be delivered in tranches after three and five years if the performance targets set by the Board of Directors are attained.

The performance measures used in the first performance matching plan commencing in the year 2015 are based on the company's profitable growth and share value. If the performance targets set by the Board of Directors are attained in full, the participant will receive in total four matching shares for each invested share free of charge. In that case, if all the eligible key management members participate in the performance matching plan by investing the maximum amount of shares, the maximum aggregate amount of the first performance matching shares is 318,000 shares (gross amount from which taxes are withheld).

Other information

At most 35 people are eligible to participate in the first plan under the LTI 2015 arrangement, commencing in 2015.

The Board of Directors anticipates that no new shares will be issued in connection with the new share-based incentive plan and, therefore, the plan will have no dilutive effect on the number of the company's registered shares. The Board of Directors has in the notice to the Annual General Meeting published on 13 February 2015 proposed to the Annual General Meeting held on 17 March 2015 that the Board of Directors be authorised to decide on the repurchase of a maximum of 754,000 shares in one or more lots and, further, that the Board of Directors be authorised to decide on a share issue by transferring shares in possession of the company to implement incentive programmes.

QUARTERLY INFORMATION MEUR	2015 Q1	2014 Q4	2014 7-9	2014 4-6	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
REVENUE	71.9	76.6	70.5	75.7	72.7	77.3	71.7	76.3	74.9
Digital Consumer Services	14.5	14.7	13.5	14.0	13.6	12.9	12.3	13.4	14.1
Financial Media and Business Services	13.8	14.0	12.2	13.1	13.7	15.4	13.1	14.4	14.0
National Consumer Media	9.9	11.2	11.5	12.7	11.5	12.4	12.2	12.4	12.0
Regional Media	34.9	38.3	34.6	37.2	35.1	38.2	35.1	37.2	36.6
Eliminations and non-allocated	-1.2	-1.6	-1.3	-1.4	-1.3	-1.6	-1.0	-1.0	-1.8
TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS	70.0	71.2	63.5	69.5	70.2	71.1	64.1	71.9	69.6
Digital Consumer Services	11.8	12.9	10.9	11.5	11.5	11.5	10.1	10.5	11.3
Financial Media and Business Services	11.9	12.2	10.0	11.7	12.4	12.8	10.9	12.7	12.7
National Consumer Media	10.2	11.1	10.7	11.1	10.4	11.3	10.4	11.4	11.2
Regional Media	34.8	34.6	32.0	34.3	35.0	34.6	32.4	35.9	34.5
Eliminations and non-allocated	1.4	0.5	-0.1	0.9	0.9	0.9	0.3	1.4	-0.1
EBITDA EXCLUDING NON- RECURRING ITEMS	5.3	8.9	10.4	9.7	6.1	10.1	11.4	8.0	8.0
Digital Consumer Services	4.1	3.3	4.1	3.9	3.5	2.6	3.6	4.2	4.1
Financial Media and Business Services	2.1	1.9	2.3	1.4	1.5	2.7	2.4	1.9	1.5
National Consumer Media	-0.3	0.1	0.8	1.7	1.2	1.1	1.9	0.9	0.9
Regional Media	1.0	4.6	4.0	4.4	1.8	5.5	4.3	2.7	2.8
Eliminations and non-allocated	-1.6	-1.0	-0.6	-1.6	-1.9	-1.8	-0.7	-1.7	-1.3
OPERATING PROFIT/LOSS EXCLUDING NON-RECURRING ITEMS	1.9	5.6	7.0	6.3	2.6	6.4	7.8	4.6	5.5
Digital Consumer Services	2.7	1.9	2.6	2.5	2.2	1.5	2.2	2.9	2.8
Financial Media and Business Services	1.9	1.8	2.2	1.3	1.4	2.6	2.2	1.7	1.3
National Consumer Media	-0.3	0.1	0.8	1.7	1.1	1.1	1.8	0.9	0.9
Regional Media	0.2	3.8	2.6	3.0	0.2	3.6	2.7	1.3	2.1
Eliminations and non-allocated	-2.6	-2.0	-1.2	-2.2	-2.3	-2.4	-1.3	-2.2	-1.6
% OF REVENUE	2.7	7.3	9.9	8.3	3.5	8.2	10.8	6.0	7.3
Digital Consumer Services	18.8	12.9	19.2	17.9	15.9	11.3	18.2	21.6	19.9
Financial Media and Business Services	14.0	13.2	17.7	10.2	10.0	16.7	16.9	12.0	9.6
National Consumer Media	-3.1	1.1	6.6	13.1	9.8	8.8	15.1	7.4	7.2
Regional Media	0.5	9.9	7.7	8.0	0.6	9.5	7.8	3.5	5.7
Non-allocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON-RECURRING ITEMS	0.8	-0.8	-0.5	-0.2	0.5	-2.0	0.0	4.9	0.0
Digital Consumer Services	0.0	1.6	0.0	0.0	0.0	-0.1	0.0	8.4	0.0
Financial Media and Business Services	0.6	-0.5	-0.5	0.0	0.7	0.0	0.0	0.0	0.0
National Consumer Media	0.0	-0.6	0.0	0.0	0.0	0.0	-0.3	0.0	0.0
Regional Media	0.2	-1.3	0.0	0.0	0.0	-2.0	0.3	-3.5	0.0
Non-allocated	0.0	0.0	0.0	-0.2	-0.2	0.0	0.0	0.0	0.0
OPERATING PROFIT/LOSS	2.7	4.8	6.5	6.1	3.2	4.3	7.8	9.5	5.4
Digital Consumer Services	2.7	3.5	2.6	2.5	2.2	1.4	2.2	11.3	2.8
Financial Media and Business Services	2.5	1.4	1.6	1.3	2.1	2.6	2.2	1.7	1.3
National Consumer Media	-0.3	-0.4	0.8	1.7	1.1	1.1	1.8	0.9	0.9
Regional Media	0.4	2.5	2.6	3.0	0.2	1.7	2.7	-2.2	2.0
Non-allocated	-2.6	-2.0	-1.2	-2.3	-2.4	-2.4	-1.3	-2.2	-1.6
Finance income	0.1	0.1	0	0.2	0.1	0.5	0.9	0.5	0.4
Finance expenses	0.6	0.7	0.8	0.9	0.8	0.7	0.8	0.5	0.6
Share of profit of associated companies	0.0	1.1	0.2	0.3	0.1	-4.4	-0.2	0.2	0.2
PROFIT BEFORE TAX	2.4	5.4	5.9	5.8	2.7	-0.3	7.7	9.5	5.4
Income tax	-0.6	-1.3	-1.1	-1.0	-0.5	-1.7	-1.8	-1.6	-1.4
PROFIT FOR THE PERIOD	1.8	4.0	4.8	4.8	2.2	-2.0	5.9	7.9	4.1

Main accounting principles (IFRS)

This interim report has been prepared according to IFRS standards (IAS 34). The interim report applies the same accounting principles and calculation methods as the annual accounts dated 31 December 2014. The interim report does not, however, contain all the information or notes to the accounts included in the annual financial statements. This report should therefore be read in conjunction with the company's financial statements for 2014. The accounting principles of the financial years 2014 and 2015 are comparable. The company has no discontinued operations to report in the 2014–2015 financial periods.

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 $((1 + \text{quarterly return})^4 - 1)$. The percentage of online business of revenue is calculated as $\text{online business/revenue} * 100$. The figures in this interim report are independently rounded.

No new accounting standards were adopted on 1 January 2015.

The figures in this interim report are unaudited.

Seasonality

The Group recognises its content revenue from publishing activities as paid. For this reason, content revenues accrue in the income statement fairly evenly during the four quarters of the year. The bulk of newspaper subscription invoicing takes place at the beginning of the year and, therefore, the cash flow from operating activities is the strongest early in the year. 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.

ALMA MEDIA CORPORATION
Board of Directors

Alma Media's financial calendar 2015

- Interim report for January–June 2015 on Tuesday, 21 July 2015 at approximately 9:00 EEST
- Interim Report for January–September 2015 on Friday, 23 October 2015 at approximately 9:00 EEST