

Alma Media Corporation

Financial Statements Bulletin for January-December 2017

14 February 2018



Alma Media's Financial Statements Release 2017:

ALMA MARKETS' STRONG GROWTH CONTINUED IN THE FOURTH QUARTER

Financial performance October–December 2017:

- Revenue MEUR 97.1 (93.6), up 3.7%.
- Adjusted operating profit MEUR 11.3 (10.6), or 11.6% (11.3%) of revenue, up 6.3%.
- Operating profit was MEUR 5.8 (6.2), or 6.0% (6.7%) of revenue, down 6.4%.
- Earnings per share EUR 0.04 (0.06).
- Alma Markets: Profitable business growth continued.
- Alma Talent: Revenue was on a par with the previous year, profitability was weighed down by costs allocated to the fourth quarter of the year
- Alma News & Life: Digital advertising at an exceptionally good level
- Alma Regions: Profitability was weighed down by the decline of print media advertising sales

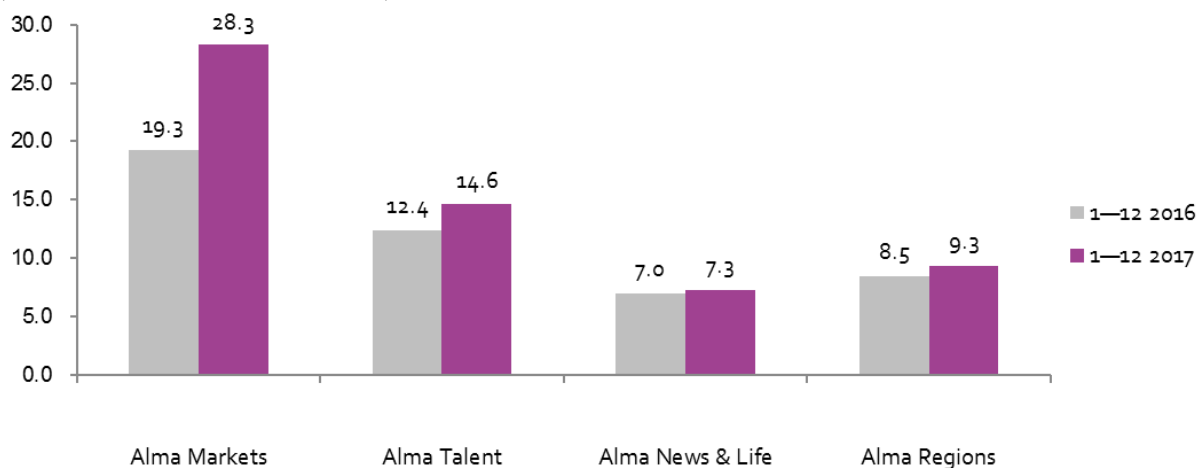
Business segments' adjusted operating profit, October–December, MEUR (excludes non-allocated functions)



Financial performance January–December 2017:

- Revenue MEUR 367.3 (353.2), up 4.0%.
- Adjusted operating profit MEUR 51.1 (35.2), or 13.9% (10.0%) of revenue, up 45.2%.
- Operating profit MEUR 46.6 (26.8), or 12.7% (7.6%) of revenue, up 74.0%.
- Earnings per share were EUR 0.39 (0.20).
- The Board's dividend proposal is EUR 0.24 (0.16) per share

Business segments' adjusted operating profit, January–December, MEUR (excludes non-allocated functions)



KEY FIGURES MEUR	2017 Q4	2016 Q4	Change %	2017 Q1-Q4	2016 Q1-Q4	Change %
Revenue	97.1	93.6	3.7	367.3	353.2	4.0
Content revenue	32.4	33.3	-2.4	125.8	128.3	-1.9
Content revenue, print	28.2	29.2	-3.4	109.3	113.5	-3.7
Content, digital	4.2	4.1	4.7	16.5	14.8	11.4
Advertising revenue*)	50.2	45.8	9.5	185.8	171.6	8.3
Advertising revenue, print	16.5	17.9	-7.9	62.8	68.5	-8.5
Sales of advertising, digital	32.9	27.7	18.9	120.5	101.3	19.0
Service revenue*)	14.5	14.5	-0.4	55.7	53.3	4.4
Adjusted total expenses	90.1	86.3	4.4	320.8	318.9	0.6
Adjusted EBITDA	15.7	15.3	2.8	67.4	53.3	26.5
EBITDA	14.3	13.9	2.6	66.9	47.9	39.6
Adjusted operating profit	11.3	10.6	6.3	51.1	35.2	45.2
% of revenue	11.6	11.3		13.9	10.0	
Operating profit/loss	5.8	6.2	-6.4	46.6	26.8	74.0
% of revenue	6.0	6.7		12.7	7.6	
Profit for the period	4.4	4.9	-9.7	36.7	19.9	85.0
Earnings per share, EUR (undiluted and basic)	0.04	0.06	-28.3	0.39	0.20	90.8
Digital business revenue	42.1	36.4	15.6	156.6	133.5	17.3
Digital business, % of revenue	43.3	38.9		42.6	37.8	

*) Comparison data has been adjusted between advertising revenue and service revenue

Dividend proposal to the Annual General Meeting:

On 31 December 2017, the Group's parent company had distributable funds totalling EUR 134,532,841 (124,646,114). Alma Media's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.24 per share (2016: EUR 0.16 per share) be paid for the financial year 2017. Based on the number of outstanding shares on the closing date 31 December 2017, the dividend payment totals EUR 19,733,564 (13,181,309).

No essential changes have taken place after the end of the financial year with respect to the company's financial standing. The proposed distribution of profit does not, in the view of the Board of Directors, compromise the company's liquidity.

Operating environment in 2018

The Finnish economy is expected to experience strong growth in 2018. Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see economic growth of 3-4%. The structural transformation of the media will continue in 2018; online content sales will grow, while the demand for print media will decline.

Outlook for 2018

In 2018, Alma Media expects its full-year revenue to remain at the previous year's level and its adjusted operating profit to increase from the 2017 level. The full-year revenue for 2017 was MEUR 367.3, and the adjusted operating profit was MEUR 51.1.

Kai Telanne, President and CEO

In 2017, Alma Media's operative performance was good, and we achieved all three of our long-term financial targets. Full-year revenue grew by 4 per cent to MEUR 367 and adjusted operating profit increased by 45 per cent to MEUR 51. Earnings per share increased by 90 per cent to EUR 0.39. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.24 per share be paid.

Organic revenue growth continued in the last quarter of 2017 as planned. Revenue grew by 4 per cent in October–December and amounted to MEUR 97.1. Adjusted operating profit grew by 6 per cent to MEUR 11.3 year-on-year. In order to secure our leading position as a provider of digital multimedia services in the future, we continued our investments in product development and marketing at the end of the year.

In the Alma Markets segment, the basic business was supported by the continued strong economic development in Eastern Central Europe and the Finnish economy returning to growth. The business segment also implemented highly active sales efforts and expanded its product portfolio. Costs were increased by investments in sales and marketing as well as the development of online services, such as the renewed Etuovi online service.

The Alma Talent segment's revenue in October–December was on a par with the previous year, but the business unit's profitability was weighed down by costs allocated to the fourth quarter. Alma Talent' aims to increase digital content sales and seek synergies between the unit's different business operations. The Talouselämä online service was renewed during the review period, and the positive content synergy between the book and training business increased the sales of training.

In the Alma News & Life segment, digital advertising saw strong growth and was at a record level in October–December. Growth was especially strong in mobile and content marketing. The development can be attributable to major advertisers shifting from print media to national digital media. Digital business now constitutes more than half of the segment's revenue. Content revenue declined in October–December due to a decrease in Iltalehti's print circulation.

In Alma Regions, measures to ensure the profitability of publishing operations continued in the last quarter of the year. The structural transformation of advertising was clearly demonstrated in the decline of regional newspaper advertising. Content revenue decreased slightly as a result of the sale of newspapers in Pohjois-Pohjanmaa, but the investment in the growth of digital subscriptions progressed according to plan.

The Finnish economy experienced a strong growth spurt in 2017, but this was not reflected in the long-awaited revival of the advertising market. According to TNS Kantar, investments in media advertising declined in 2017 by 2.8 per cent to 0.9 billion euros. Increasing investments in advertising would strengthen Finland's competitiveness in the long term. International platform operators account for around half of the Finnish digital advertising market. A positive aspect of this development is that, unlike in many other countries, the growth of these operators has not accelerated towards the end of the year in the Finnish advertising market.

An increasingly crucial factor in our growth is our rapidly growing and extremely profitable international business. The Czech Republic, Slovakia and Croatia were among the fastest growing countries in 2017. Our operations outside of Finland accounted for 23 per cent of our revenue and 39 per cent of our operating profit.

More information:

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The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2016, unless otherwise stated. The figures in the tables are independently rounded.

Alma Media Corporation additionally uses and presents Alternative Performance Measures to better illustrate the operative development of its business and to improve comparability between reporting periods. The Alternative Performance Measures are reported in addition to IFRS key figures.

KEY FIGURES

INCOME STATEMENT	2017	2016	Change	2017	2016	Change
MEUR	Q4	Q4	%	Q1–Q4	Q1–Q4	%
Revenue	97.1	93.6	3.7	367.3	353.2	4.0
Operations in Finland	74.7	74.4	0.4	284.4	280.2	1.5
Operations outside Finland	22.4	19.2	16.6	82.9	73.0	13.6
Adjusted total expenses	90.1	86.3	4.4	320.8	318.9	0.6
Adjusted EBITDA	15.7	15.3	2.8	67.4	53.3	26.5
EBITDA	14.3	13.9	2.6	66.9	47.9	39.6
Adjusted operating profit	11.3	10.6	6.3	51.1	35.2	45.2
% of revenue	11.6	11.3		13.9	10.0	
Operating profit (loss)	5.8	6.2	-6.4	46.6	26.8	74.0
% of revenue	6.0	6.7		12.7	7.6	
Profit before tax	5.8	6.1	-5.1	45.9	25.4	81.2
Profit for the period	4.4	4.9	-9.7	36.7	19.9	85.0
BALANCE SHEET	2017	2016	Change	2017	2016	Change
MEUR	Q4	Q4	%	Q1–Q4	Q1–Q4	%
Balance sheet total				333.8	327.0	2.1
Interest-bearing net debt				40.2	57.1	-29.4
Interest-bearing liabilities				61.3	80.7	-24.0
Non-interest-bearing liabilities				114.2	108.2	5.5
Capital expenditure	16.9	1.3	1237.7	22.2	10.0	121.1
Equity ratio, %				50.9	45.7	11.6
Gearing, %				25.4	41.4	-38.4
EMPLOYEES	2017	2016	Change	2017	2016	Change
MEUR	Q4	Q4	%	Q1–Q4	Q1–Q4	%
Average no. of employees, calculated as full-time employees, excl. delivery staff	2,255	2,277	-1.0	2,280	2,289	-0.4
Average no. of delivery staff	828	824	0.5	870	845	2.9
KEY FIGURES	2017	2016	Change	2017	2016	Change
MEUR	Q4	Q4	%	Q1–Q4	Q1–Q4	%
Return on Equity/ROE (Annual)*	11.8	15.2	-22.3	24.8	14.9	66.3
Return on Investment/ROI (Annual)*	9.0	10.0	-9.8	17.5	10.1	73.5
Earnings per share, EUR **)	0.04	0.06	-28.3	0.39	0.20	90.8
Cash flow from operating activities/share, EUR	0.10	0.13	-17.5	0.63	0.51	22.3
Shareholders' equity per share, EUR				1.66	1.44	15.2
Dividend per share, EUR ****)				0.24	0.16	
Effective dividend yield, %				3.3	3.2	
P/E Ratio				18.4	24.6	
Market capitalisation				592.3	414.4	42.9
Average no. of shares **)						
(1,000 shares ***)	82,383	82,383		82,383	82,383	
No. of shares at the end of the period (1,000 shares ***)					82,383	

) See Accounting Principles of the Interim Report. **) undiluted and basic *) having repurchased 227,272 of its own shares and disposed of 67,272 shares during 2017, the company's net amount of repurchased shares at the end of the review period stood at 160,000 shares. *****) Proposal of the Board of Directors to the Annual General Meeting*

Strategy and related activities during the review period

The main directions of Alma Media's strategic development include developing and expanding existing business operations as well as growth in new business areas and markets through both organic growth and acquisitions. During the review period, the implementation of strategy was focused on developing the existing business operations.

The cornerstones of the development of the Group's business operations during the review period were multi-channel content, marketing and advertising solutions, digital services and improving resources and competencies.

During the review period, Alma Media established a joint eCom team between the business units to develop digital subscription sales as well as increase and share knowledge related to content e-commerce. With the support of the eCom team, the digital customer path is actively managed in order to increase reader loyalty and subscription propensity. The eCom team also enables Alma-level campaigns and measures to be implemented more easily.

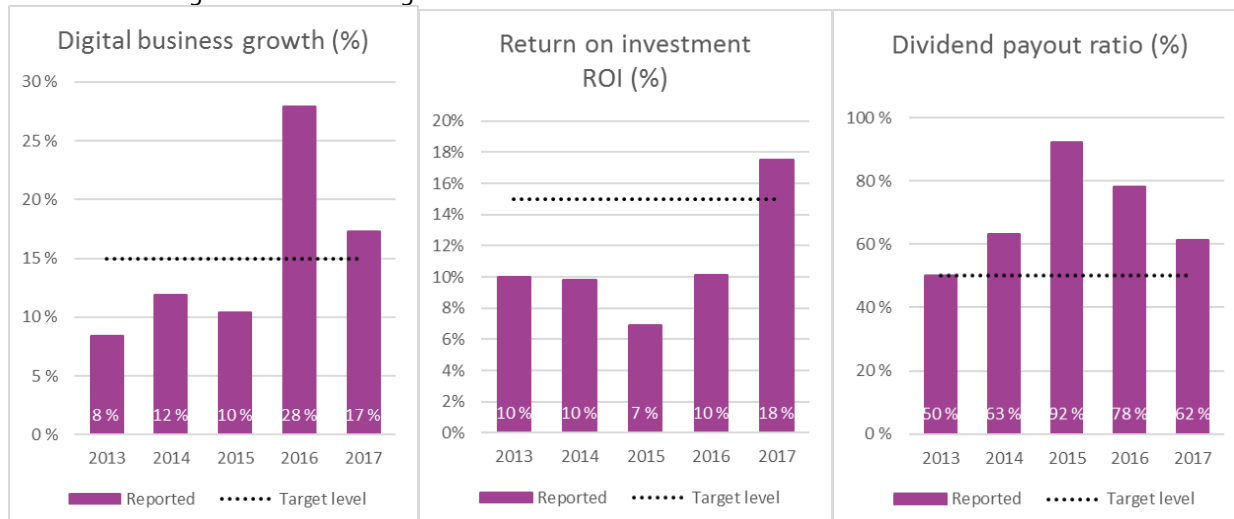
Content marketing is currently one of the fastest growing areas in marketing and one of Alma Media Solutions' focus areas in addition to mobile advertising and programmatic buying. Alma Media has considerably diversified its content marketing services to its advertising customers. Marketing integrated into Alma's media, such as content entities originating from the customer, individual articles supplied by advertisers and native solutions that direct the audience to the customer's own media are now complemented by videos and supported by social media channels.

As part of the development of digital services, Alma News & Life launched a new online store for its Matkapörssi service during the review period. The reservation system of the online travel agency makes it easy to buy package tours, flights and hotel accommodation from any device. Additional services, such as transport services, seat reservations and travel insurance, can also be bought as part of the booking process.

The cooperation negotiations conducted to secure the profitability of Alma Regions' publishing business and streamline its operations were concluded in November. As a result of the negotiations, the number of employees was reduced by 35 person-years. Most of the reductions were implemented through severance packages or retirement solutions. The total reductions will be realised no later than by autumn 2018. The negotiations concerned all employee groups in the publishing business, excluding the newspaper business of Alma Lappi, Alma Manu and the employees of Lännen Media.

The strategy of Alma Media's Czech subsidiary LMC is to offer the best possible tools for the users of its recruitment services, whether they are jobseekers or employers. In addition to its basic recruitment business, LMC has expanded its product portfolio to include mobile services that take advantage of social media, such as a service focusing on recommendations from colleagues and conveniently sharing of job advertisements on social media. During the review period, LMC launched a similar employer rating service, Atmoskop. In this service, employees can share their reviews on employers and companies' corporate cultures. A positive and strong employer image plays an increasingly important role in the Czech job market to reach the most skilled and hard-to-find candidates.

Alma Media's long-term financial targets and their achievement:



Market situation in the main markets

According to Kantar TNS, the total advertising volume in Finland decreased by 1.1% (increased by 0.2%) in October–December 2017, while advertising in online media increased in Finland by 11.9% (14.6%) in October–December. Advertising in city papers and newspapers declined by 9.7% (4.0%) in Finland. Advertising in magazines in Finland decreased in October–December by 0.7% (decreased by 12.4%). In terms of volume, the total market for afternoon papers in Finland declined by 13.4% (14.4%) in the fourth quarter of 2017.

According to Sveriges Mediebyråer, the total advertising volume in Sweden increased by 3.7% (5.1%) in 2017. Advertising in online media grew by 10.2% in Sweden. Advertising in trade magazines in Sweden decreased by 9.6% (11.5%).

Alma Media's main markets in Eastern Central Europe are the Czech Republic and Slovakia. According to the European Commission's forecast, the Czech GDP will grow by 3% in 2018. The Czech National Bank estimates that the GDP will grow by 3.4% in 2018. In Slovakia, GDP growth in 2018 will be 3.8% according to the European Commission. The National Bank of Slovakia estimates GDP growth in 2018 to be 4.3%.

Changes in Group structure in 2017

Alma Mediapartners, a subsidiary of Alma Media, acquired the remaining share capital to become the full owner of Urakkamaailma.fi in February 2017. Urakkamaailma.fi was previously consolidated into the Group's financial statements. Alma Media Group owns 65 per cent of the Alma Mediapartners group.

Alma Talent Oy, a part of Alma Media, acquired full ownership of Oy Mediutiset Ab in June 2017. Prior to the acquisition, Alma Talent held a 50% stake in Mediutiset. The seller was Bonnier Business Press Ab, which is part of the Bonnier Group.

In July 2017, Alma Mediapartners Oy acquired 25 per cent of the share capital of Muuttomaailma Oy, which offers competitive tender services for moving houses.

In August 2017, Alma Career Oy's subsidiary LMC sold the VysokeSkoly.cz online service, which offers information and services focused on tertiary education, to EDURoute. In the arrangement, Alma Media recognised a sales gain of MEUR 0.6.

In September 2017, Alma Media's subsidiary Tau on-line acquired a 30% minority interest in Vrabotuvanje Online, the leading online recruitment service in Macedonia.

In October 2017, the local papers published by Alma Regions in Pohjois-Pohjanmaa were sold to Kaleva's subsidiary Kaleva365 Oy. The transaction has no impact on the result of Alma Media Group.

Group revenue and result for October–December 2017

The Group's fourth-quarter revenue increased by 3.7% to MEUR 97.1 (93.6).

Content revenue declined by 2.4% to MEUR 32.4 (33.3). The year-on-year decline in content revenue was attributable to lower print media circulations and book sales. 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 9.5% to MEUR 50.2 (45.8). Advertising sales for print media decreased by 7.9% from the comparison period, to MEUR 16.5 (17.9). Digital advertising sales increased by 18.9% to MEUR 32.9 (27.7).

Service revenue totalled MEUR 14.5 (14.5). Service revenue includes items such as the sale of information services, the event and direct marketing business and the printing and distribution services sold to customers outside the Group by Alma Manu.

Adjusted total expenses increased in the fourth quarter by MEUR 3.8. The increase in expenses was attributable to investments in the development and marketing of online services. Depreciation and impairment included in the total expenses amounted to MEUR 8.4 (7.7).

Adjusted operating profit was MEUR 11.3 (10.6), or 11.6% (11.3%) of revenue. Operating profit was MEUR 5.8 (6.2), or 6% (6.7%) of revenue. The operating profit includes net adjusted items in the amount of MEUR -5.4 (-4.4) related to restructuring and gains on the sale of assets. The non-recurring items in the comparison period were also related to gains on the sale of assets and restructuring costs.

The result for October–December 2017 was MEUR 4.4 (4.9), and the adjusted result was MEUR 9.8 (9.3).

Group revenue and result full year 2017

Revenue increased by 4.0% to MEUR 367.3 (353.2) in 2017.

Content revenue declined by 1.9% to MEUR 125.8 (128.3). Content revenue declined due to the decline of print subscriptions and single-copy sales. 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 8.3% to MEUR 185.8 (171.6). Advertising sales for print media decreased by 8.5% from the comparison period, to MEUR 62.8 (68.5). Digital advertising sales increased by 19.0% to MEUR 120.5 (101.3).

Service revenue totalled MEUR 55.7 (53.3). Service revenue was increased by growth in the external sales of printing and distribution services.

Adjusted total expenses increased by MEUR 1.9, or 0.6%, to MEUR 320.8 (318.9). Depreciation and impairment included in the total expenses amounted to MEUR 20.3 (21.1).

Adjusted operating profit was MEUR 51.1 (35.2), or 13.9% (10.0%) of revenue. Operating profit was MEUR 46.6 (26.8), or 12.7% (7.6%) of revenue. The operating profit includes net adjusted items of MEUR -4.5 (-8.4).

The result for January–December 2017 was MEUR 36.7 (19.9), and the adjusted result was MEUR 41.2 (28.2).

Business segments

Alma Media's reportable segments are Alma Markets, Alma Talent, Alma News & Life and Alma Regions. Centralised services produced by the Group's parent company as well as centralised support services for advertising and digital sales for the entire Group are reported outside segment reporting.

The Group's reportable segments correspond to the Group's operating segments.

Comparison data for the financial year 2016 has been adjusted with respect to revenue classification: The revenue of the E-kontakti business was transferred from advertising sales to service revenue, and the partner sales reported in the Alma Talent segment was transferred from service revenue to advertising sales.

REVENUE MEUR	2017 Q4	2016 Q4	Change %	2017 Q1-Q4	2016 Q1-Q4	Change %
Alma Markets	22.1	18.0	22.9	83.2	69.4	19.9
Alma Talent	31.0	31.2	-0.5	113.2	114.0	-0.6
Alma News & Life	13.1	12.0	8.9	48.8	46.1	6.0
Alma Regions	31.9	33.5	-4.6	126.3	127.7	-1.2
Segments total	98.2	94.7	3.7	371.6	357.1	4.0
Non-allocated	-1.0	-1.0	0.6	-4.2	-3.9	7.5
Total	97.1	93.6	3.7	367.3	353.2	4.0

ADJUSTED OPERATING PROFIT/LOSS MEUR	2017 Q4	2016 Q4	Change %	2017 Q1-Q4	2016 Q1-Q4	Change %
Alma Markets	5.8	4.0	46.2	28.3	19.3	47.2
Alma Talent	3.9	4.7	-17.7	14.6	12.4	17.7
Alma News & Life	2.2	1.8	24.4	7.3	7.0	5.0
Alma Regions	2.3	3.3	-28.6	9.3	8.5	10.6
Segments total	14.2	13.7	3.7	59.6	47.1	26.6
Non-allocated	-3.0	-3.1	-5.0	-8.5	-11.9	-28.4
Total	11.3	10.6	6.3	51.1	35.2	45.2

ADJUSTED ITEMS MEUR	2017 Q4	2016 Q4	Change %	2017 Q1-Q4	2016 Q1-Q4	Change %
Alma Markets	0.0	0.0		0.5	0.0	1,552.8
Alma Talent	0.0	-0.4	-100.0	0.6	-3.6	-115.7
Alma News & Life	0.0	0.0		0.0	0.9	-100.0
Alma Regions	-1.4	-1.7	-13.3	-2.2	-3.0	-25.9
Segments total	-1.4	-2.1	-31.9	-1.1	-5.7	-80.8
Non-allocated	-4.0	-2.3	77.1	-3.4	-2.7	25.4
Total	-5.4	-4.4	24.3	-4.5	-8.4	-46.4

OPERATING PROFIT/LOSS MEUR	2017 Q4	2016 Q4	Change %	2017 Q1-Q4	2016 Q1-Q4	Change %
Alma Markets	5.8	4.0	46.3	28.9	19.3	49.7
Alma Talent	3.9	4.3	-9.0	15.2	8.8	73.1
Alma News & Life	2.2	1.8	24.4	7.3	7.9	-7.1
Alma Regions	0.9	1.6	-44.5	7.2	5.5	30.4
Segments total	12.8	11.6	10.2	58.5	41.4	41.3
Non-allocated	-7.0	-5.4	29.4	-12.0	-14.6	-18.4
Total	5.8	6.2	-6.4	46.6	26.8	74.0

Alma Markets

The recruitment services Monster.fi, Jobs.cz, Prace.cz, CV Online, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl and Monster.cz are reported in the Alma Markets segment.

The segment includes several online services: the housing-related services Etuovi.com and Vuokraovi.com, the travel portal Gofinland.fi and the automotive services Autotalli.com, Autosofta, Websales and Webrent. Also reported in this segment are Nettikoti, which specialises in software for ERP systems in new construction and renovation, Kivi, a real estate agency system, and Urakkamaailma, a marketplace for renovation and construction work.

KEY FIGURES MEUR	2017 Q4	2016 Q4	Change %	2017 Q1–Q4	2016 Q1–Q4	Change %
Revenue	22.1	18.0	22.9	83.2	69.4	19.9
Advertising revenue	20.6	16.7	23.1	77.3	64.3	20.2
Service revenue	1.5	1.3	19.9	5.9	5.1	16.5
Adjusted total expenses	16.4	14.1	16.2	55.0	50.2	9.5
Adjusted EBITDA	6.5	5.4	22.1	31.3	24.5	27.7
EBITDA	6.5	5.4	22.2	31.8	24.5	29.7
Adjusted operating profit	5.8	4.0	46.2	28.3	19.3	47.2
% of revenue	26.2	22.0		34.1	27.8	
Operating profit	5.8	4.0	46.3	28.9	19.3	49.7
% of revenue	26.2	22.0		34.1	27.8	
Average no. of employees, calculated as full-time employees	613	570	7.6	587	543	8.2
Digital business revenue	22.0	18.0	19.6	83.0	69.4	19.6
Digital business, % of revenue	99.6	99.8		99.7	100.0	
OPERATIONAL KEY FIGURES	2017 Q4	2016 Q4	Change %	2017 Q1–Q4	2016 Q1–Q4	Change %
Online services, unique browsers, weekly, on average (thousands) *)						
Etuovi.com	790.9	836.4	-5.3	873.7	809.4	7.9
Autotalli.com	158.3	151.9	4.2	161.9	133.8	21.0

*) The average weekly browser figures for Etuovi.com and Autotalli.com are based on visitor volume monitoring produced by Google Analytics.

October–December 2017

The Alma Markets segment's revenue increased by 22.9% to MEUR 22.1 (18.0). Revenue growth continued to be supported by the market development in the Eastern Central European countries. Growth continued to be particularly strong in the Czech Republic. The effect of exchange rate changes was MEUR 0.4 on revenue growth and MEUR 0.1 on operating profit growth in the Czech Republic. In Finland, revenue growth was boosted by the stronger housing market and good sales. Revenue from the recruitment business as a whole increased by 26.2% during the review period and accounted for 79.5% (77.4%) of the segment's revenue in the last quarter of 2017.

The adjusted total expenses in the review period amounted to MEUR 16.4 (14.1). The increase in expenses was attributable to investments in sales and marketing as well as the development of online services. The change in expenses includes MEUR 0.5 associated with discontinued IFRS 3 fair value depreciation allocated to the LMC business.

The Alma Markets segment's adjusted operating profit was MEUR 5.8 (4.0) in the fourth quarter. The adjusted operating profit was 26.2% (22.0%) of revenue. The segment's operating profit was MEUR 5.8 (4.0). No adjusted items were reported during the review period.

January–December 2017

In January–December 2017, the Alma Markets segment's revenue increased in both domestic and international operations and amounted to MEUR 83.2 (69.4). Revenue from the recruitment business increased by 22.6% during the review period and accounted for 78.1% (76.4%) of the segment's revenue in January–December 2017. The effect

of exchange rate changes was MEUR 0.8 on revenue growth and MEUR 0.2 on operating profit growth in the Czech Republic.

The segment's adjusted total expenses for 2017 amounted to MEUR 55.0 (50.2). The increase in expenses was attributable to investments in the development of online services and marketing. The change in expenses includes MEUR 2.0 associated with discontinued IFRS 3 fair value depreciation allocated to the LMC business.

The Alma Markets segment's adjusted operating profit was MEUR 28.3 (19.3) in January–December 2017. The adjusted operating profit was 34.1% (27.8%) of revenue. The segment's operating profit was MEUR 28.9 (19.3). The financial year's adjusted items, MEUR 0.5, were related to a sales gain. The adjusted item in the comparison year was related to proceeds on sale connected to an incremental acquisition.

Alma Talent

The Alma Talent business segment publishes 20 trade and financial publications, as well as books. The business unit also offers skills development and growth services to professionals and businesses in different fields, from events and training to information services. Alma Talent has operations in Finland, Sweden and the Baltics. Alma Talent media include Kauppalehti, Talouselämä, Tekniikka & Talous, Markkinointi&Mainonta, Arvopaperi, Tivi and Mediutiset. In Sweden, Alma Talent's publications include Affärsvärlden, Ny Teknik and Dagens Media.

KEY FIGURES MEUR	2017 Q4	2016 Q4	Change %	2017 Q1–Q4	2016 Q1–Q4	Change %
Revenue	31.0	31.2	-0.5	113.2	114.0	-0.6
Content revenue	13.3	13.6	-2.2	48.2	49.6	-2.7
Advertising revenue	10.1	9.0	11.9	35.5	32.7	8.5
Service revenue	7.6	8.6	-10.8	29.5	31.7	-6.8
Adjusted total expenses	27.3	26.4	3.2	98.7	102.9	-4.0
Adjusted EBITDA	4.9	5.7	-14.3	18.8	16.4	14.9
EBITDA	4.9	6.3	-22.0	19.4	13.8	41.0
Adjusted operating profit	3.9	4.7	-17.7	14.6	12.4	17.7
% of revenue	12.5	15.1		12.9	10.9	
Operating profit	3.9	4.3	-9.0	15.2	8.8	73.1
% of revenue	12.5	13.6		13.4	7.7	
Average no. of employees, calculated as full-time employees	851	876	-2.8	843	876	-3.8
Digital business revenue	10.2	10.1	0.7	38.2	35.7	7.1
Digital business, % of revenue	32.9	34.3		33.8	31.3	
OPERATIONAL KEY FIGURES	2017 Q4	2016 Q4	Change %	2017 Q1–Q4	2016 Q1–Q4	Change %
Online services, unique browsers, weekly, on average (thousands)*						
Kauppalehti.fi	1,200.4	959.2	25.1	1,148.3	1,025.1	12.0
Talouselama.fi	208.6	247.6	-15.8	254.7	272.8	-6.6

*) The online services' average weekly browser figures are based on Kantar TNS's monitoring data.

October–December 2017

Revenue for the Alma Talent segment was MEUR 31.0 (31.2), unchanged year-on-year. Digital business accounted for 32.9% (34.3%) of the segment's revenue. The net effect of reorganisation and discontinued operations on the decrease in revenue was MEUR 0.3.

The content revenue of the Alma Talent segment decreased by 2.2% to MEUR 13.3 (13.6). The decline in content revenue was attributable to lower print media content sales.

Advertising sales increased by 11.9% to MEUR 10.1 (9.0) in the last quarter. The revenue of Mediutiset, acquired in July 2017, contributed MEUR 0.5 to the increase in advertising sales.

Service revenue totalled MEUR 7.6 (8.6), with the decrease being mainly attributable to the effect of discontinued businesses.

The segment's adjusted total expenses amounted to MEUR 27.3 (26.4). The increase in expenses in the last quarter of 2017 was mainly attributable to depreciation on the book inventory and growth in employee expenses due to agreement-related indemnifications and changes in the incentive provision.

The Alma Talent segment's adjusted operating profit was MEUR 3.9 (4.7) and operating profit MEUR 3.9 (4.3). The adjusted operating profit was 12.5% (15.1%) of revenue. No adjusted items were reported during the review period.

January–December 2017

The Alma Talent segment's revenue amounted to MEUR 113.2 (114.0). Digital business accounted for 33.8% (31.3%) of the segment's revenue. The net effect of reorganisation and discontinued operations on the decrease in revenue was MEUR 1.2. The effect of the changed exchange rate of the Swedish crown on revenue change was MEUR -0.3.

The content revenue of the Alma Talent segment decreased by 2.7% to MEUR 48.2 (49.6). The decline in content revenue was attributable to lower print media content sales and a decrease in the Pro unit's book sales.

Advertising sales in 2017 amounted to MEUR 35.5 (32.7). Online advertising revenue increased by 8.2% year-on-year, mainly boosted by content marketing and mobile sales. The revenue of Mediutiset, acquired in July 2017, contributed MEUR 1.1 to the increase in advertising sales.

Service revenue decreased by 6.8% to MEUR 29.5 (31.7), largely due to the effect of discontinued businesses.

The segment's adjusted total expenses were MEUR 98.7 (102.9) and total expenses MEUR 98.9 (105.9). The expenses were reduced by restructuring measures implemented last year, integration-related employee expense savings in Media Finland, Media Sweden and Information Services as well as discontinued businesses.

The Alma Talent segment's adjusted operating profit was MEUR 14.6 (12.4) and operating profit MEUR 15.2 (8.8). The adjusted operating profit was 12.9% (10.9%) of revenue. The adjusted items recognised during the financial period were related to a sales gain on acquisition achieved in stages and the restructuring of business operations. The adjusted expenses in the comparison period were related to operational restructuring.

Alma News & Life

The Alma News & Life segment includes the various digital and print news and lifestyle content of the national Iltalehti. The online services Telkku.com, Kotikokki.net, E-kontakti.fi and Rantapallo.fi are also reported in this segment.

KEY FIGURES MEUR	2017 Q4	2016 Q4	Change %	2017 Q1-Q4	2016 Q1-Q4	Change %
Revenue	13.1	12.0	8.9	48.8	46.1	6.0
Content revenue	4.7	5.1	-8.1	19.5	21.6	-9.4
Advertising revenue**	7.5	6.1	23.9	25.8	22.3	15.6
Service revenue**	0.9	0.8	3.6	3.5	2.2	59.8
Adjusted total expenses	10.8	10.2	6.4	41.5	39.1	6.2
Adjusted EBITDA	2.4	2.0	20.8	7.9	7.4	5.5
EBITDA	2.4	2.0	20.8	7.9	8.4	-5.9
Adjusted operating profit	2.2	1.8	24.4	7.3	7.0	5.0
% of revenue	17.2	15.1		15.0	15.1	-1.0
Operating profit	2.2	1.8	24.4	7.3	7.9	-7.1
% of revenue	17.2	15.1		15.0	17.1	-12.4
Average no. of employees, calculated as full-time employees	143	151	-5.0	153	149	2.1
Digital business revenue	7.2	5.8	23.4	24.8	19.6	26.5
Digital business, % of revenue	54.9	48.5		50.8	42.5	
OPERATIONAL KEY FIGURES	2017 Q4	2016 Q4		2017 Q1-Q4	2016 Q1-Q4	
Online services, unique browsers, weekly, on average (thousands) *)						
Iltalehti.fi	5,280.2	5,234.9	0.9	5,271.0	5,320.4	-0.9
Telkku.com	556.7	499.0	11.6	546.0	558.2	-2.2

*) The online services' average weekly browser figures are based on Kantar TNS's monitoring data.

***) Comparison data has been adjusted between advertising revenue and service revenue.

October–December 2017

The Alma News & Life segment's revenue increased by 8.9% to MEUR 13.1 (12.0) in January–December due to Iltalehti's digital advertising. Digital business operations accounted for 54.9% (48.5%) of the segment's revenue.

The segment's content revenue declined by 8.1% to MEUR 4.7 (5.1) in October–December, mainly due to a decrease in Iltalehti's circulation. The segment's advertising sales increased by 23.9% to MEUR 7.5 (6.1). The segment's digital advertising revenue increased by 26.7% to MEUR 6.3 (5.0) on the strength of mobile advertising and content marketing. Advertising revenue from print media grew by 10.3%. Service revenue totalled MEUR 0.9 (0.8).

The segment's adjusted total expenses amounted to MEUR 10.8 (10.2). The increase in expenses was attributable to online service development and investments in sales and marketing.

The segment's adjusted operating profit was MEUR 2.2 (1.8), or 17.2% (15.1%) of revenue. No adjusted items were reported during the review period. The segment's operating profit was MEUR 2.2 (1.8).

January–December 2017

The Alma News & Life segment's revenue increased by 6.0% to MEUR 48.8 (46.1) in January–December due to growth in digital advertising. Digital business accounted for 50.8% (42.5%) of the segment's revenue.

The segment's content revenue declined by 9.4% to MEUR 19.5 (21.6) in January–December, mainly due to the decrease in Iltalehti's circulation.

The segment's advertising sales increased by 15.6% to MEUR 25.8 (22.3). The segment's digital advertising revenue increased by 22.1% to MEUR 21.3 (17.5) on the strength of mobile advertising and programmatic buying.

Service revenue was MEUR 3.5 (2.2), with the increase being attributable to the revenue of the Rantapallo business acquired in spring 2016.

The segment's total expenses were MEUR 41.5 (39.1). The increase in expenses was attributable to the acquisition of Rantapallo as well as investments in systems to support the digital business and solutions for sales and marketing.

The segment's adjusted operating profit was MEUR 7.3 (7.0), or 15.0% (15.1%) of revenue.

No adjusted items were reported during the financial period. The comparison period's adjusted items, MEUR 0.9, were related to a sales gain on the Rantapallo acquisition achieved in stages.

Alma Regions

The print and online publishing business of Aamulehti, Satakunnan Kansa, Lapin Kansa and several local and town papers is reported in the Alma Regions segment. The printing and distribution unit Alma Manu is also included in this segment.

KEY FIGURES MEUR	2017 Q4	2016 Q4	Change %	2017 Q1–Q4	2016 Q1–Q4	Change %
Revenue	31.9	33.5	-4.6	126.3	127.7	-1.2
Content revenue	14.5	14.6	-0.7	58.1	57.2	1.5
Advertising revenue	12.0	14.0	-13.8	47.5	52.4	-9.3
Service revenue	5.4	4.9	10.0	20.7	18.2	14.1
Adjusted total expenses	29.6	30.4	-2.6	117.2	121.7	-3.7
Adjusted EBITDA	3.2	4.2	-22.4	13.0	12.0	8.0
EBITDA	1.8	4.5	-60.2	10.8	11.0	-2.4
Adjusted operating profit	2.3	3.3	-28.6	9.3	8.5	10.6
% of revenue	7.3	9.7		7.4	6.6	
Operating profit	0.9	1.6	-44.5	7.2	5.5	30.4
% of revenue	2.8	4.8		5.7	4.3	
Average no. of employees, calculated as full-time employees, excl. delivery staff	491	528	-7.1	538	561	-4.1
Average no. of delivery staff	827	824	0.4	869	845	2.9
Digital business revenue	2.9	2.5	17.7	10.5	8.9	18.1
Digital business, % of revenue	9.1	7.4		8.3	7.0	
OPERATIONAL KEY FIGURES	2017 Q4	2016 Q4		2017 Q1–Q4	2016 Q1–Q4	
Online services, unique browsers, weekly, on average (thousands) *)						
Aamulehti.fi	836.1	658.9	26.9	838.9	622.9	34.7
Printing volume (in thousands)	87,187	78,952	10.4	336,641	290,226	16.0
Paper usage (tonnes)	7,363	6,983	5.4	27,925	24,831	12.5

*) The online services' average weekly browser figures are based on Kantar TNS's monitoring data.

October–December 2017

The Alma Regions segment's revenue amounted to MEUR 31.9 (33.5) in October–December. Digital business accounted for 9.1% (7.4%) of the segment's revenue. The effect of business operations divested in October on the decrease in revenue was MEUR 0.7.

The segment's content revenue was MEUR 14.5 (14.6) in October–December. The effect of divested operations on the decrease in the content revenue was MEUR 0.3.

The segment's advertising sales declined by 13.8% to MEUR 12.0 (14.0). The decline is attributable to reduced advertising spending in the retail sector. Print media advertising sales declined by 15.1% to MEUR 11.0 (13.0). The segment's digital advertising sales increased by 4.1% to MEUR 1.0 (1.0).

The segment's service revenue increased by 10.0% to MEUR 5.4 (4.9) due to the external sales of printing and delivery services.

The segment's adjusted total expenses were MEUR 29.6 (30.4) and total expenses MEUR 31.0 (32.1). The factors contributing to the decline in expenses included efficiency improvement measures for publishing operations, especially in Lapland. The effect of divested operations on the decrease in expenses was MEUR 0.7.

The segment's adjusted operating profit was MEUR 2.3 (3.3) and operating profit MEUR 0.9 (1.6). The adjusted operating profit was 7.3% (9.7%) of revenue. Adjusted items in the review period, MEUR 1.4, were related to the restructuring of operations. The statutory personnel negotiations concerning the publishing operations (excluding Alma Lapland) were concluded in November and the number of employees was reduced by 35 person-years.

January–December 2017

The Alma Regions segment's revenue amounted to MEUR 126.3 (127.7) in January–December. Digital business accounted for 8.3% (7.0%) of the segment's revenue.

The segment's content revenue increased by 1.5% to MEUR 58.1 (57.2) in 2017 due to the growth in digital content revenue.

The segment's advertising sales declined by 9.3% to MEUR 47.5 (52.4). Advertising sales for print media decreased by 10.8% in spite of the boost provided by the municipal elections in the spring. The decline is attributable to reduced advertising spending in the retail sector. The segment's digital advertising sales increased by 10.4% to MEUR 3.9 (3.5).

The segment's service revenue increased by 14.1% to MEUR 20.7 (18.2) due to the external sales of printing and delivery services.

The segment's adjusted total expenses were MEUR 117.2 (121.7) and total expenses MEUR 119.6 (122.6).

The segment's adjusted operating profit was MEUR 9.3 (8.5) and operating profit MEUR 7.2 (5.5). The adjusted operating profit was 7.4% (6.6%) of revenue. Adjusted items in the review period, MEUR 2.2, were related to restructuring costs and a sales gain. Two statutory personnel negotiation rounds concerning the publishing business were concluded during the year. The adjusted items in the comparison period were related to corresponding restructuring costs.

Associated companies

Alma Media sold its share of ownership of Tampereen Tietoverkko (TTV) Oy to Elisa Corporation in June 2017. Alma Media owned 35.14% of the company.

Alma Talent Oy, which is part of Alma Media, acquired full ownership of Mediutiset Oy in June 2017. Alma Talent previously held a 50% stake in Mediutiset Oy.

In July 2017, Alma Mediapartners Oy acquired 25 per cent of the share capital of Muuttomaailma Oy, which offers competitive tender services for moving houses.

In September 2017, Alma Media's subsidiary Tau on-line acquired a 30% minority interest in Vrabotuvanje Online, the leading online recruitment service in Macedonia.

In September 2017, Alma Media's subsidiary Alma Media Kustannus Oy sold Holding Oy Vision. Alma Media owned 24.74% of the company.

SHARE OF PROFIT OF ASSOCIATED COMPANIES				
MEUR	2017 Q4	2016 Q4	2017 Q1-Q4	2016 Q1-Q4
Alma Markets	0.1	-0.2	0.5	0.0
Alma Talent	0.0	0.2	0.1	0.5
Alma News & Life	0.0	0.0	0.0	0.0
Alma Regions	0.0	0.0	0.0	0.0
Other associated companies	-0.1	0.1	0.1	0.4
Total	0.0	0.1	0.7	0.9

Items adjusting operating profit

Items adjusting operating profit are 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 by the Group as adjustments. Adjustments are recognised in the profit and loss statement within the corresponding income or expense group.

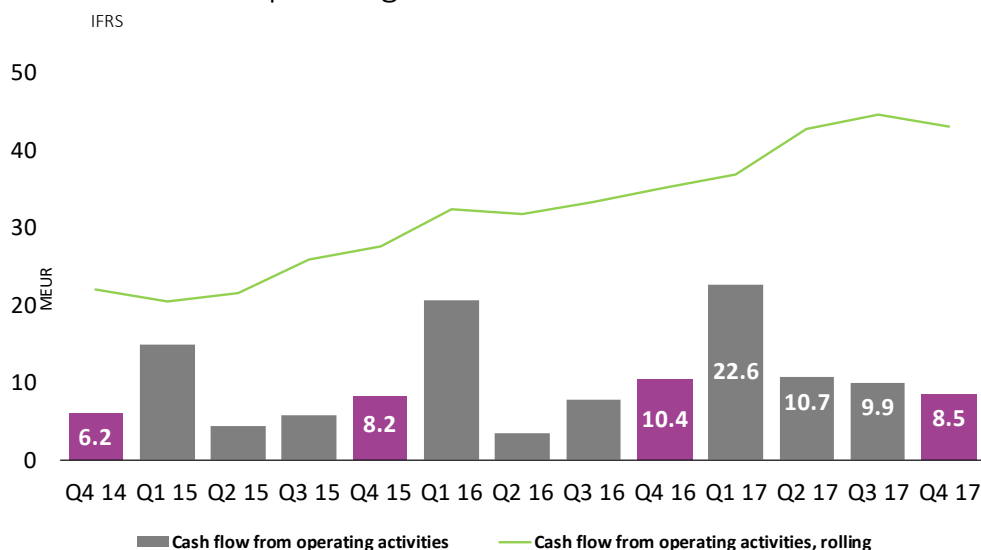
ADJUSTED ITEMS				
MEUR	2017 Q4	2016 Q4	2017 Q1-Q4	2016 Q1-Q4
Alma Markets				
Gains (losses) on the sale of assets	0.0		0.5	0.0
Alma Talent				
Impairment losses		-1.0		-1.0
Restructuring		0.2	-0.1	-3.0
Gains (losses) on the sale of assets		0.4	0.7	0.4
Alma News & Life				
Gains (losses) on the sale of assets				0.9
Alma Regions				
Impairment losses	0.0	-2.0	0.0	-2.0
Restructuring	-1.4	0.5	-2.4	-0.8
Gains (losses) on the sale of assets	0.0	-0.2	0.2	-0.2
Non-allocated				
Impairment losses	-4.0	0.0	-4.0	0.0
Restructuring	0.0	0.0	-0.4	
Costs related to the Talentum acquisition				-2,8
Gains (losses) on the sale of assets	0.0	0.1	0.9	0.1
ADJUSTED ITEMS IN OPERATING PROFIT	-5.4	-4.3	-4.5	-8.4
ADJUSTED ITEMS IN PROFIT BEFORE TAX	-5.4	-4.3	-4.5	-8.4

Balance sheet and financial position

At the end of December 2017, the consolidated balance sheet stood at MEUR 333.8 (327.0). The Group's equity ratio at the end of December was 50.9% (45.7%) and equity per share was EUR 1.66 (1.44).

The consolidated cash flow from operations in January–December was MEUR 51.7 (42.3). Cash flow before financing activities was MEUR 34.6 (31.4).

Cash flow from operating activities

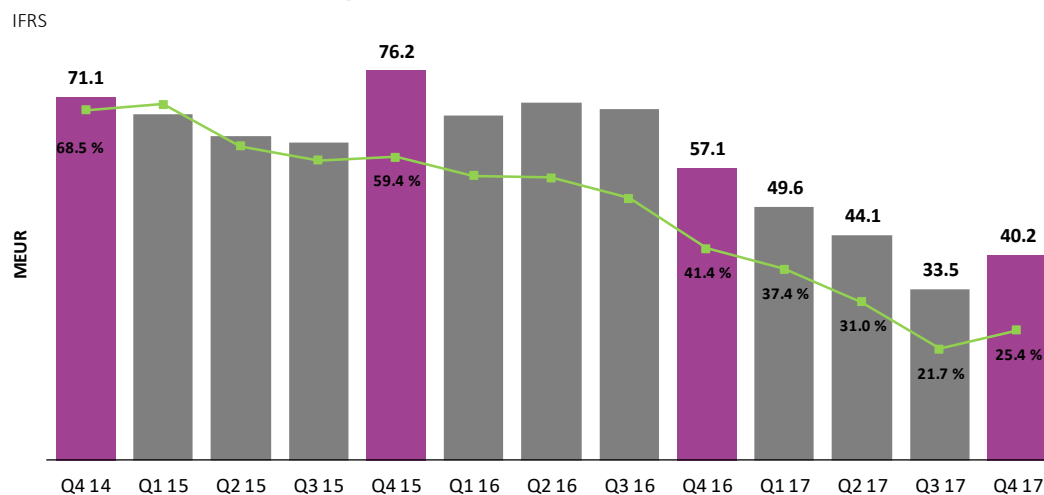


On 31 December 2017, the Group's interest-bearing debt amounted to MEUR 61.0 (80.4). The total interest-bearing debt comprised MEUR 56.0 in finance leasing debt and MEUR 5.0 in loans from financial institutions. The Group's interest-bearing net debt on 31 December 2017 stood at MEUR 40.2 (57.1). The interest-bearing debt increased in the fourth quarter of the year due to investments.

Alma Media has two MEUR 15.0 committed financing limits at its disposal, which were entirely unused as at 31 December 2017. In addition, the company has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused on 31 December 2017.

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 December 2017.

Net debt and Gearing, MEUR



Capital expenditure

Alma Media Group's capital expenditure in 2017 totalled MEUR 22.2 (10.0). The capital expenditure mainly consisted of the acquisitions of Urakkamaailma.fi and Ab Medi uutiset Oy as well as the redemption of the office and production facility at Patamäenkatu 7. The capital expenditure also includes normal operating and maintenance investments.

CAPITAL EXPENDITURE BY SEGMENT MEUR	2017 Q4	2016 Q4	2017 Q1-Q4	2016 Q1-Q4
Alma Markets	0.7	0.2	2.3	1.7
Alma Talent	0.5	0.1	2.1	1.6
Alma News & Life	0.0	-0.1	0.0	3.2
Alma Regions	0.1	0.5	0.9	1.3
Segments total	1.4	0.6	5.3	7.9
Non-allocated	15.5	0.6	16.9	2.2
Total	16.9	1.3	22.2	10.0

Research and development costs

The Group's research and development costs in 2017 totalled MEUR 5.0 (MEUR 5.0). Of this total, MEUR 4.9 (MEUR 4.2) was recognised in the income statement and MEUR 0.1 (MEUR 0.8) was capitalised to the balance sheet in 2017. On 31 December 2017, capitalised research and development costs on the balance sheet totalled MEUR 2.2 (MEUR 3.3).

Governance

Alma Media Corporation's Annual General Meeting, held on 22 March 2017, elected Niklas Herlin, Matti Korkiatupa, Esa Lager, Petri Niemisvirta, Catharina Stackelberg-Hammarén, Mitti Storckovius and Harri Suutari as member 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 and Petri Niemisvirta as its Vice Chairman.

The Board of Directors also appointed the members to its permanent committees. Matti Korkiatupa and Catharina Stackelberg-Hammarén were elected as members of the Audit Committee and Esa Lager as Chairman of the Committee. Niklas Herlin, Harri Suutari and Mitti Storckovius were elected as members of the Nomination and Compensation Committee, and Petri Niemisvirta was elected Chairman of the Committee.

The Board of Directors has assessed that with the exception of Matti Korkiatupa, Esa Lager and Niklas Herlin, 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 its significant shareholders. Matti Korkiatupa has been in an employment relationship with Ilkka-Yhtymä Oyj during the past three years as the company's Managing Director, Esa Lager as a member of the Board of Ilkka-Yhtymä Oyj and Niklas Herlin as the Chairman of the Board of Mariatorp Oy.

Publisher Niklas Herlin, Member of the Board of Alma Media Corporation since 2013, deceased unexpectedly in October. Niklas Herlin also served as Chairman of the Board of Directors of Mariatorp Oy from 2005. Mariatorp's and Niklas Herlin's personal holdings in Alma Media's shares amount to 19.4 per cent.

Mikko Korttila, General Counsel of Alma Media Corporation, serves as the secretary to the Board of Directors in accordance with the Board's Charter.

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

The AGM authorised the Board of Directors to decide on donations amounting to no more than EUR 50,000 to universities in 2017–2018, with the more detailed conditions of the donations to be decided by the Board of Directors.

The duties of Alma Media Corporation's Shareholders' Nomination Committee include preparing proposals related to the election and remuneration of the members of the Board of Directors to be submitted to the Annual General Meeting. The Nomination Committee for the spring 2018 Annual General Meeting was appointed in October 2017. The following were appointed as members of Alma Media's Nomination Committee: Timo Aukia, Chairman

of the Board of Directors, Ilkka Group; Peter Immonen, Member of the Board of Mariatorp Oy; Henrik Ehrnrooth, Chairman of the Board of Otava Oy; and Timo Sallinen, Head of Listed Securities, Varma Mutual Pension Insurance Company. At the constitutive meeting, Timo Aukia was elected Chairman of the Shareholders' Nomination Committee. In addition, the Chairman of the Board of Directors of Alma Media Corporation, Harri Suutari, acts as an expert member in the Nomination Committee.

In 2017, Alma Media Corporation applied the Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association on 1 October 2015, in its unaltered form. A Corporate Governance Statement required by the Corporate Governance Code is presented as a separate report in connection with the Annual Report. In addition, it is publicly available on Alma Media's website at www.almamedia.fi/en/investors/governance/corporate-governance-statement/. The Remuneration Statement for 2017 will be issued concurrently with the CG Statement on 21 February 2018 and it will be published on the company's website at www.almamedia.com/investors.

Alma Media will also publish its Statement on non-financial information for 2017 together with the publication of the Report by the Board of Directors on 21 February 2018.

Dividends

In accordance with the proposal of the Board of Directors, the AGM resolved on 22 March 2017 that a dividend of EUR 0.16 per share be paid for the financial year 2016. The dividend were to be paid to shareholders who were registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Ltd on the record date, 24 March 2017. The payment was made on 31 March 2017.

Other decisions by the Annual General Meeting

Authorisation to the Board of Directors to repurchase own shares

The AGM authorised the Board of Directors to decide on the repurchase of a maximum of 824,000 shares in one or more lots. The proposed maximum authorised quantity represents approximately one (1) 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 Helsinki Ltd and in accordance with its rules and instructions, for which reason the acquisition is directed, in other words the shares will be 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 can 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. It is proposed that the authorisation be valid until the following AGM; however, until no later than 30 June 2018.

Authorisation to the Board of Directors to decide on the transfer of own shares

The AGM authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company. A maximum of 824,000 shares may be issued on the basis of this authorisation. The proposed maximum authorised quantity represents approximately one (1) 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 can use the authorisation to implement incentive programmes for the management or key employees of the company.

It is proposed that the authorisation be valid until the following AGM; however, until no later than 30 June 2018. This authorisation would override the corresponding share issue authorisation granted at the AGM of 17 March 2016.

Authorisation to the Board of Directors to decide on a share issue

The AGM authorised the Board of Directors to decide on a share issue. The authorisation entitles the Board to issue a maximum of 16,500,000 shares. The proposed maximum number of shares corresponds to approximately 20 per cent of the total number of shares in the company. The share issue can 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 can 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 cannot, however, be used to implement incentive programmes for the management or key employees of the company.

It is proposed that the authorisation be valid until the following AGM; however, until no later than 30 June 2018.

The Alma Media share

In October–December, altogether 945,634 Alma Media shares were traded on the Nasdaq Helsinki stock exchange, representing 1.1% 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, 29 December 2017, was EUR 7.19. The lowest quotation during the review period was EUR 6.42 and the highest EUR 7.50. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 592.3.

Purchase and disposal of own shares

The company began purchasing its own shares on 22 February 2017. By 30 September 2017, the company had acquired 227,272 shares, representing approximately 0.3% of all Alma Media shares. The shares were acquired for the purpose of implementing the company's share-based incentive programme.

The company's own shares were acquired using the company's non-restricted shareholders' equity at the market price valid at the time of purchase of the shares through trading in a regulated market arranged by Nasdaq Helsinki Ltd, and the shares were purchased otherwise than in proportion to shareholders' current holdings. The shares were acquired and paid for according to the rules and instructions of Nasdaq Helsinki Ltd and Euroclear Finland Ltd.

Alma Media Corporation conveyed a total of 67,272 treasury shares without consideration and according to the plan terms to the key management participating in the Fixed Matching Share Plan LTI 2015 I of the company's Long-Term Incentive Programme launched in 2015.

The directed share issue was based on an authorisation given by the Annual General Meeting held on 22 March 2017. Following the disposal of shares, the company holds 160,000 treasury shares.

Share-based incentive scheme (LTI 2015)

In 2015, the Board of Directors of Alma Media Corporation approved the establishment of a long-term share-based incentive scheme for the key management of Alma Media (hereinafter referred to as "LTI 2015").

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.

LTI 2015 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 participation in the scheme, 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, which commenced in 2015 (LTI 2015 I), the participant receives two matching shares for each invested share free of charge after a two-year vesting period, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

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, which commenced in 2015 (2015 LTI I), 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, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

Payment of the incentive is contingent on the participant holding on to the shares invested in the plan and remaining employed by the Group for the duration of the plans, until March 2017, 2018, 2019, 2020 and 2021. The incentives are paid partly in cash and partly in shares. The cash component is intended to cover taxes incurred by the participant from the incentive.

The fair value of the reward is expensed until the matching shares are paid. The fair value of the share component is determined on the date on which the target group has agreed to the conditions of the plan. The financing cost arising from the obligation to hold shares and dividends expected during the vesting period have been deducted from the value of the share. The fair value of the plan based on the total shareholder return of the share also takes the market-based earning criteria into consideration. The cash component of the incentive is remeasured on each reporting date during the vesting period based on the price of the share on the date in question.

Share-based incentive schemes started in 2016 and 2017

On 17 March 2016, the Board of Directors of Alma Media Corporation decided on a share-based incentive scheme to be launched in 2016 based on the LTI 2015 scheme (LTI 2015 II) and, on 22 March 2017, the Board made a corresponding decision on a share-based incentive scheme to be launched in 2017 (LTI 2015 III). The main terms of the incentive schemes correspond to those of the share-based incentive scheme that was launched in 2015.

Share-based incentive scheme	Based on share investment (shares max)	Performance matching (shares max)	Maximum number of people entitled to participate
LTI 2015			
Launched in 2015 LTI 2015 I	159,000	318,000	35
Launched in 2016 LTI 2015 II	195,000	390,000	43
Launched in 2017 LTI 2015 III	195,000	390,000	44

Other authorisations of the Board of Directors

The Board of Directors also has a share issue authorisation granted by the Annual General Meeting held on 22 March 2017. A maximum of 16,500,000 shares can be issued based on the authorisation. The maximum number of shares corresponds to approximately 20 per cent of the total number of shares in the company.

Market liquidity guarantee

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

Flagging notices

The company did not receive any flagging notices during the fourth quarter of 2017.

Risks and risk management

At Alma Media Group, the task of risk management is to detect, evaluate and monitor business opportunities, threats and risks to ensure the achievement of objectives and 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 and the Board of Directors. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance.

The most critical strategic risks for Alma Media are a significant drop in its print newspaper readership and a decrease in the online audience of digital media, a permanent decline in advertising sales and a significant increase in distribution and delivery costs. The group subscriptions of the major financial and technology-related magazines

are significant in scale. Changes to the subscription agreements could have a substantial impact on the magazines' total subscription volumes. 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 by developing its digital business for consumers and businesses.

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 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.

Disturbances of information technology and communications as well as disruption of printing are the most important operational risks.

Events after the review period

In January 2018, Alma Mediapartners, a subsidiary of Alma Media, acquired the remaining share capital to become the full owner of AutoJerry Oy, a previously consolidated company offering competitive tender services for car servicing. Alma Media Group owns 65 per cent of the Alma Mediapartners group.

In January 2018, Alma Media's subsidiary Alma Mediapartners Oy strengthened its software business related to construction and housing by acquiring the entire share capital of Käyttösofta Oy from its founders. Käyttösofta's revenue for 2017 was approximately EUR 1 million. The parties have agreed not to disclose the price of the transaction.

In January 2018, Alma Mediapartners Oy acquired Katsastushinnat.fi, a marketplace for comparing vehicle inspection services, by buying the share capital of Ahorouta Oy, the owner of the online service. The parties have agreed not to disclose the price of the transaction.

ALMA MEDIA CORPORATION Board of Directors

SUMMARY OF FINANCIAL STATEMENT RELEASE AND NOTES

COMPREHENSIVE INCOME STATEMENT MEUR	2017 Q4	2016 Q4	Change %	2017 Q1-Q4	2016 Q1-Q4
REVENUE	97.1	93.6	3.7	367.3	353.2
Other operating income	0.5	0.7	-36.5	3.3	2.2
Materials and services	19.2	20.0	-3.9	74.4	74.1
Employee benefits expense	39.7	35.5	11.8	148.8	149.6
Depreciation, amortisation and impairment	8.4	7.7	9.9	20.3	21.1
Other operating expenses	24.4	25.0	-2.2	80.6	83.8
OPERATING PROFIT	5.8	6.2	-6.4	46.6	26.8
Finance income	0.5	0.4	26.2	0.6	0.4
Finance expenses	0.6	0.7	-6.3	1.8	2.8
Share of profit of associated companies	0.0	0.1	-51.9	0.7	0.9
PROFIT BEFORE TAX	5.8	6.1	-5.1	45.9	25.4
Income tax	1.4	1.2	13.6	9.2	5.5
PROFIT FOR THE PERIOD	4.4	4.9	-9.7	36.7	19.9
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)	-0.2	0.1		-0.2	0.1
Tax on items that are not later transferred to be recognised through profit or loss	0.0	0.0		0.0	0.0
Items that may later be transferred to be recognised through profit or loss					
Translation differences	0.4	0.4		0.5	-0.1
Share of other comprehensive income of associated companies	0.0	0.0		0.0	0.0
Income tax relating to components of other comprehensive income	0.0	0.0		0.0	0.0
Other comprehensive income for the year, net of tax	0.2	0.5		0.3	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4.6	5.4		37.0	19.9
Profit for the period attributable to:					
– Owners of the parent	3.5	4.9		32.2	16.9
– Non-controlling interest	0.9	0.0		4.6	3.0
Total comprehensive income for the period attributable to:					
– Owners of the parent	3.7	5.4		32.5	16.9
– Non-controlling interest	0.9	0.0		4.6	3.0
Earnings per share calculated from the profit for the period attributable to the parent company shareholders:					
- Earnings per share (basic and diluted), EUR	0.04	0.06		0.39	0.20

BALANCE SHEET		
MEUR	31 Dec 2017	31 Dec 2016
ASSETS		
NON-CURRENT ASSETS		
Goodwill	121.7	120.3
Other intangible assets	62.4	67.8
Tangible assets	59.8	64.8
Investment properties	10.2	
Investments in associated companies	4.5	5.1
Pension receivables, defined benefit plans	0.0	0.2
Other non-current financial assets	4.0	4.4
Deferred tax assets	2.3	1.5
CURRENT ASSETS		
Inventories	2.4	2.3
Current tax assets	0.6	0.2
Trade receivables and other receivables	44.9	37.1
Other current financial assets	0.0	0.0
Cash and cash equivalents	20.7	23.3
TOTAL ASSETS	333.8	327.0
EQUITY AND LIABILITIES		
Share capital	45.3	45.3
Share premium reserve	7.7	7.7
Translation differences	-1.2	-1.7
Invested non-restricted equity fund	19.1	19.1
Retained earnings	65.8	48.3
Equity attributable to owners of the parent	136.8	118.7
Non-controlling interest	21.6	19.3
TOTAL EQUITY	158.3	138.0
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current interest-bearing liabilities	56.0	65.3
Deferred tax liabilities	13.0	13.3
Pension liabilities	1.1	1.2
Provisions	0.4	0.3
Other financial liabilities	0.0	0.0
Other non-current liabilities	0.2	0.2
CURRENT LIABILITIES		
Current financial liabilities	5.7	15.9
Advances received	23.0	24.7
Income tax liability	5.1	1.7
Provisions	0.9	0.9
Trade payables and other payables	70.1	65.4
TOTAL LIABILITIES	175.5	189.0
TOTAL EQUITY AND LIABILITIES	333.8	327.0

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Column headings:

A = Share capital

B = Share premium reserve

C = Translation differences

D = Invested non-restricted equity fund

E = Retained earnings

F = Total

G = Non-controlling interest

H = Equity total

MEUR	Equity attributable to owners of the parent								
	A	B	C	D	E	F	G	H	
Equity on 1 Jan 2017	45.3	7.7	-1.7	19.1	48.3	118.7	19.3	138.0	
Profit for the period					32.2	32.2	4.6	36.7	
Other comprehensive income			0.5		-0.2	0.3	0.2	0.5	
Transactions with equity holders									
Dividends paid by parent					-13.2	-13.2		-13.2	
Dividends paid by subsidiaries							-2.3	-2.3	
Acquisition of own shares					-1.2	-1.2		-1.2	
Share-based payment transactions and exercised share options					0.5	0.5		0.5	
Change in ownership in subsidiaries									
Acquisitions of shares by non-controlling interests that did not lead to changes in control					-0.5	-0.5	-0.1	-0.6	
Total equity on 31 Dec 2017	45.3	7.7	-1.2	19.1	65.8	136.8	21.6	158.3	
Equity on 1 Jan 2016	45.3	7.7	-1.6	19.1	40.7	111.2	17.1	128.3	
Profit for the period					16.9	16.9	3.0	19.9	
Other comprehensive income			-0.1		0.1	0.0	0.0	0.0	
Transactions with equity holders									
Dividends paid by parent					-9.7	-9.7		-9.7	
Dividends paid by subsidiaries							-1.8	-1.8	
Share-based payment transactions and exercised share options					0.4	0.4		0.4	
Change in ownership in subsidiaries						0.0	1.0	1.0	
Total equity on 31 Dec 2016	45.3	7.7	-1.7	19.1	48.3	118.7	19.3	138.0	

CASH FLOW STATEMENT		2017	2016	2017	2016
MEUR		Q4	Q4	Q1-Q4	Q1-Q4
OPERATING ACTIVITIES					
Profit for the period		4.4	4.8	36.7	19.9
Adjustments		11.1	8.4	28.7	27.5
Change in working capital		-5.0	-2.7	-6.0	1.3
Dividends received		0.0	0.2	1.0	1.4
Interest received		0.0	0.1	0.1	0.2
Interest paid and other finance expenses		-0.5	-0.6	-1.8	-2.5
Taxes paid		-1.6	0.1	-7.0	-5.5
Net cash flow from operating activities		8.5	10.4	51.7	42.3
INVESTING ACTIVITIES					
Acquisitions of tangible assets		-0.9	0.0	-1.6	-0.1
Acquisitions of intangible assets		-0.5	-0.1	-2.1	-3.2
Proceeds from sale of tangible and intangible assets		0.3	0.0	0.5	0.0
Other investments		-14.8	0.0	-14.8	0.0
Proceeds from sale of available-for-sale financial assets		0.0	0.0	0.0	0.1
Business acquisitions less cash and cash equivalents at the time of acquisition		0.0	0.0	-2.0	-7.9
Proceeds from sale of businesses less cash and cash equivalents at the time of sale		1.1	0.0	1.1	0.0
Acquisition of associated companies		0.0	0.0	-0.3	0.0
Proceeds from sale of associated companies		0.0	0.9	1.5	0.9
Net cash flows from/(used in) investing activities		-14.7	0.9	-17.2	-10.9
Cash flow before financing activities		-6.2	11.3	34.5	31.4
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Acquisition of own shares		0.0	0.0	-1.2	0.0
Loans taken		0.0	17.6	3.0	96.0
Repayment of loans		-5.0	-26.4	-18.2	-101.5
Payments of finance lease liabilities		-1.4	-0.5	-5.0	-5.3
Change in interest-bearing receivables		0.0	0.0	0.0	0.0
Dividends paid		0.2	0.0	-15.5	-11.7
Net cash flows from/(used in) financing activities		-6.2	-9.3	-37.0	-22.5
Change in cash and cash equivalent funds (increase +/decrease -)		-13.0	2.1	-2.4	8.8
Cash and cash equivalents at beginning of period		33.8	21.2	23.3	14.4
Effect of change in foreign exchange rates		0.0	-0.2	0.1	-0.1
Cash and cash equivalents at end of period		20.7	23.3	20.7	23.3

Acquired businesses in 2017

Alma Media has acquired the following business operations during 2017:

	<u>Business</u>	<u>Acquisition date</u>	<u>Acquired share</u>	<u>Group share</u>
<u>Alma Talent segment</u>				
Mediutiset	Publishing	30 June 2017	50.0%	100%

The acquisition of Urakkamaailma.fi was treated as a change in ownership in a subsidiary, an acquisition of non-controlling interest, which did not lead to a change in control. As a result, a reduction of MEUR 0.6 was recognised in equity. The acquisition had no material impact on Alma Media Group's balance sheet. There were no allocable items or goodwill created in connection with the acquisition.

The assets and liabilities recorded as a result of the Mediutiset acquisition were as follows:

MEUR	Fair values entered in integration
Intangible assets	1.3
Trade receivables and other receivables	0.7
Cash and cash equivalents	0.0
Total	1.9
Deferred tax liabilities	0.3
Trade payables and other payables	0.3
Total	0.5
Total identifiable net assets at fair value 100%	1.4
Group's share of net assets	1.4
IFRS acquisition cost	2.4
Goodwill	1.0

The fair values entered on intangible assets in integration relate primarily to acquired customer relationships, IT applications and a trademark. 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 Group does not have contingent consideration assets or liabilities on its balance sheet as at 31 December 2017.

CONTINGENT CONSIDERATION LIABILITY

MEUR

Initial recognition of the liability	0.6
Change in fair value during previous financial periods	0.0
Considerations, settled in cash	-0.6
Change in fair value during the financial period	0.0
Fair value of the contingent consideration liability at the end of the period	0.0

REVENUE BY GEOGRAPHICAL AREA MEUR	2017 Q4	2016 Q4	2017 Q1-Q4	2016 Q1-Q4
Segments, Finland	74.1	73.9	282.2	278.7
Segments, other countries	22.4	19.2	82.9	73.0
Segments total	96.5	93.2	365.1	351.7
Non-allocated	0.6	0.5	2.2	1.5
Group, total	97.1	93.6	367.3	353.2

OPERATING PROFIT BY GEOGRAPHICAL AREA MEUR	2017 Q4	2016 Q4	2017 Q1-Q4	2016 Q1-Q4
Segments, Finland	8.0	8.6	35.5	28.8
Segments, other countries	4.8	3.0	23.0	12.6
Segments total	12.8	11.6	58.5	41.4
Non-allocated	-7.0	-5.4	-12.0	-14.6
Group, total	5.8	6.2	46.6	26.8

EMPLOYEES BY GEOGRAPHICAL AREA	2017 Q4	2016 Q4	2017 Q1-Q4	2016 Q1-Q4
Employees, Finland	1,455	1,533	1,519	1,548
Employees, other countries	800	744	761	741
Employees, total	2,255	2,277	2,280	2,289

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

Information by segment

Alma Media's segments are Alma Markets, Alma Talent, Alma News & Life and Alma Regions. 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 Dec 2017	31 Dec 2016
Alma Markets	81.9	79.1
Alma Talent	110.8	110.4
Alma News & Life	15.0	16.1
Alma Regions	53.1	57.4
Segments total	260.7	262.9
Non-allocated assets and eliminations	73.1	64.0
Total	333.8	327.0

LIABILITIES BY SEGMENT MEUR	31 Dec 2017	31 Dec 2016
Alma Markets	25.7	21.0
Alma Talent	31.1	31.1
Alma News & Life	7.1	0.2
Alma Regions	58.3	60.7
Segments total	122.1	113.0
Non-allocated liabilities and eliminations	53.4	75.9
Total	175.5	189.0

Provisions

The company's provisions totalled MEUR 1.3 (1.0) on 31 December 2017. It has not been necessary to change the estimates made when the provisions were entered.

Commitments and contingencies

COMMITMENTS AND CONTINGENCIES		
MEUR	31 Dec 2017	31 Dec 2016
Collateral for others		
Guarantees	0.9	0.9
Other commitments and contingencies	1.0	1.8
Minimum lease payments on other lease agreements:		
Within one year	9.2	9.3
Within 1–5 years	25.2	27.6
After 5 years	18.2	22.5
Total	52.6	59.5
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:	0.1	0.1

Purchase obligation

On 24 October 2016 Alma Media gave notice of the interruption option included in the rental agreement for the office and production facility in its use and its intention to redeem the property from DNB Bank ASA on Patamäenkatu 7 in Tampere. The property transaction, which is estimated at EUR 14.8 million, was carried out according to the earlier announcement on 30 October 2017.

The property is Aamulehti's old office and printing facility, and it is currently fully rented out. The lease ratio of the property is currently 90 per cent. The gross leasable area of the property is 18,500 sqm. The property is classified as an investment property according to the IAS 40 standard on Investment Property, and Alma Media will apply to the investment property the acquisition cost model in which the property is valued according to the acquisition cost less depreciation, which is based on the property's financial useful life. The excluded rental expenses from this deal and the new depreciations arising from it are approximately of the same size. The value of the property will be checked as part of Alma Media Group's regular impairment testing process.

DERIVATIVE CONTRACTS		
MEUR	31 Dec 2017	31 Dec 2016
Commodity derivative contracts, electricity derivatives		
Fair value*	0.0	-0.0
Nominal value	0.3	0.3
Interest rate derivatives		
Fair value*	-0.5	-0.7
Nominal value	19.4	19.4
Foreign currency derivatives		
Fair value*	-0.2	-0.0
Nominal value	8.0	3.1

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 MEUR	2017 Q4	2016 Q4	2017 Q1-Q4	2016 Q1-Q4
Sales of goods and services	0.0	0.4	0.6	0.8
Associated companies	0.0	0.3	0.4	0.5
Principal shareholders	0.0	0.1	0.2	0.2
Corporations where management exercises influence	0.0	0.1	0.0	0.1
Purchases of goods and services	0.4	2.8	2.9	5.5
Associated companies	0.4	2.7	2.9	5.4
Principal shareholders	0.0	0.0	0.0	0.0
Corporations where management exercises influence	0.0	0.0	0.0	0.1
Trade receivables, loan and other receivables at the end of the reporting period	0.0	0.2	0.0	0.2
Associated companies	0.0	0.2	0.0	0.2
Principal shareholders	0.0		0.0	
Corporations where management exercises influence			0.0	
Trade payables at the reporting date	0.0	0.4	0.0	0.4
Associated companies	0.0	0.4	0.0	0.4
Principal shareholders	0.0	0.0	0.0	0.0
Acquired businesses	0.0	1.0	0.0	1.0
Principal shareholders		1.0		1.0

QUARTERLY INFORMATION MEUR	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4
REVENUE	97.1	86.0	93.7	90.5	93.5	80.9	92.0	86.7	78.6
Alma Markets	22.1	20.9	20.6	19.6	18.0	17.2	17.6	16.7	15.9
Alma Talent	31.0	24.0	28.7	29.5	31.2	23.0	30.5	29.3	18.2
Alma News & Life	13.1	11.7	13.0	11.1	12.0	11.1	12.1	10.9	11.8
Alma Regions	31.9	30.4	32.6	31.3	33.5	30.5	33.0	30.8	33.9
Eliminations and non-allocated	-1.0	-1.1	-1.1	-1.0	-1.1	-0.9	-1.2	-0.9	-1.1
ADJUSTED TOTAL EXPENSES	90.1	72.2	80.5	78.0	82.8	72.0	82.2	81.5	71.7
Alma Markets	16.4	13.0	13.3	12.4	14.1	11.8	12.5	11.9	13.3
Alma Talent	27.3	21.2	25.3	25.0	26.4	21.0	27.2	27.2	16.3
Alma News & Life	10.8	10.0	10.5	10.2	10.2	9.3	10.3	9.4	10.2
Alma Regions	29.6	27.6	30.7	29.3	30.4	28.6	30.8	29.8	30.6
Eliminations and non-allocated	5.9	0.4	0.7	1.2	1.7	1.3	1.4	3.1	1.3
ADJUSTED EBITDA	15.7	17.9	17.2	16.6	15.6	13.6	14.4	9.9	10.8
Alma Markets	6.5	8.6	8.1	8.0	5.4	6.6	6.4	6.1	3.9
Alma Talent	4.9	3.9	4.4	5.7	5.8	3.1	4.4	3.2	2.5
Alma News & Life	2.4	1.8	2.6	1.1	2.0	1.9	2.0	1.6	1.6
Alma Regions	3.2	3.9	2.9	2.9	4.1	2.9	3.1	1.8	4.2
Eliminations and non-allocated	-1.4	-0.4	-0.7	-1.1	-1.7	-0.9	-1.4	-2.8	-1.3
ADJUSTED OPERATING PROFIT/LOSS	11.3	14.0	13.2	12.6	10.9	9.1	9.9	5.5	7.1
Alma Markets	5.8	7.9	7.3	7.3	4.0	5.3	5.1	4.8	2.6
Alma Talent	3.9	2.8	3.3	4.6	4.7	2.1	3.4	2.2	2.1
Alma News & Life	2.2	1.7	2.4	0.9	1.8	1.8	1.9	1.5	1.6
Alma Regions	2.3	3.0	2.0	2.0	3.3	2.0	2.2	1.0	3.3
Eliminations and non-allocated	-3.0	-1.5	-1.8	-2.3	-2.9	-2.2	-2.6	-4.0	-2.5
% OF REVENUE	11.6	16.2	14.1	13.9	11.7	11.2	10.8	6.4	9.0
Alma Markets	26.2	37.8	35.7	37.2	22.0	31.2	29.0	28.9	16.5
Alma Talent	12.5	11.7	11.6	15.5	15.3	9.0	11.2	7.6	11.3
Alma News & Life	17.2	14.3	18.8	8.5	15.1	16.2	15.3	13.9	13.6
Alma Regions	7.3	10.0	6.0	6.5	9.8	6.7	6.6	3.1	9.7
Non-allocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ADJUSTED ITEMS	-5.4	0.3	1.8	-1.2	-4.3	-0.2	-0.8	-3.0	-6.2
Alma Markets	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alma Talent	0.0	-0.1	0.7	0.0	-0.4	-0.2	-1.5	-1.4	-0.2
Alma News & Life	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	-0.8
Alma Regions	-1.4	0.1	0.0	-0.8	-1.6	0.0	-0.2	-1.1	-3.1
Non-allocated	-4.0	-0.2	1.1	-0.4	-2.3	0.0	0.0	-0.5	-2.0
OPERATING PROFIT/LOSS	5.8	14.3	15.0	11.4	6.7	8.9	9.1	2.5	0.9
Alma Markets	5.8	8.4	7.3	7.3	4.0	5.3	5.1	4.8	2.6
Alma Talent	3.9	2.7	4.0	4.6	4.3	1.8	1.9	0.8	1.8
Alma News & Life	2.2	1.7	2.4	0.9	1.8	1.8	2.8	1.5	0.7
Alma Regions	0.9	3.1	2.0	1.2	1.7	2.0	2.0	-0.2	0.1
Non-allocated	-7.0	-1.6	-0.7	-2.6	-5.1	-2.2	-2.6	-4.5	-4.4
Finance income	0.5	0.0	0.2	0.0	0.4	0.0	0.3	0.1	0.0
Finance expenses	0.6	0.6	0.5	0.4	0.7	1.0	0.7	0.8	1.2
Share of profit of associated companies	0.0	0.3	0.2	0.2	0.1	0.3	0.2	0.3	0.8
PROFIT BEFORE TAX	5.8	14.0	14.9	11.3	6.5	8.2	9.0	2.1	1.4
Income tax	-1.4	-2.8	-2.7	-2.3	-1.4	-1.7	-2.1	-0.5	-1.1
PROFIT FOR THE PERIOD	4.4	11.2	12.2	8.9	5.1	6.5	6.9	1.6	0.3

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 2016 and the new and revised IFRS standards described in the 2016 financial statements. 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 2016. The accounting principles of the financial years 2016 and 2017 are comparable. The company has no discontinued operations to report in the 2016–2017 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 digital business of revenue is calculated as $\text{digital business} / \text{revenue} * 100$. The figures in this interim report are independently rounded.

Alternative Performance Measures

Alma Media Corporation additionally uses and presents Alternative Performance Measures to better illustrate the operative development of its business and to improve comparability between reporting periods. The Alternative Performance Measures are reported in addition to IFRS key figures.

The Alternative Performance Measures used by Alma Media Corporation are the following:

Adjusted operating profit (MEUR and % of revenue)	Profit before tax and financial items excluding adjusted items
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Adjusted EBITDA	Operating profit excluding depreciation, amortisation, impairment losses and adjusted items
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Items adjusting operating profit are 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 by the Group as adjustments. Adjustments are recognised in the profit and loss statement within the corresponding income or expense group.

Interest-bearing net debt (MEUR)	Interest-bearing debt — cash and cash equivalents
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The figures in this release 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 will publish financial reports in 2018 as follows:

- Interim report for January–March 2018 on Wednesday, 25 April 2018 at approximately 8:00 EEST
- Interim report for January–June 2018 on Wednesday, 18 July 2018 at approximately 8:00 EEST
- Interim report for January–September 2018 on Thursday, 25 October 2018 at approximately 8:00 EEST.

Alma Media's Annual Review 2017, including corporate responsibility reporting, is scheduled to be published in calendar week 11, 2018 at the latest.

The Annual General Meeting is planned to be held on Wednesday, 14 March 2018. Financial Statements, Report by the Board of Directors, Auditor's Report and Corporate Governance Statement for the 2017 financial year will be published on Wednesday, 21 February 2018.