Financial Review 2018

ALMA MEDIA CORPORATION

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Report by the Board of Directors

Alma Media in brief

Alma Media is a media company focusing on service business and journalistic content, with the purpose of accelerating the sustainable growth of individuals, companies and society. In addition to journalistic content, the Group provides services related to lifestyle, career, competence and business development. Alma Media's products are leading media and service brands in their respective fields, such as Kauppalehti, Talouselämä, Affärsvärlden, Iltalehti, Aamulehti, Etuovi.com and Monster.fi.

Alma Media has employees in 10 European countries. In Finland, the Group's business includes national, regional and local media, digital consumer and business services, training, events, financial media and trade literature publishing as well as the printing and distribution business. Alma Media's international business in Sweden, the Baltic countries and Eastern Central Europe consists of recruitment services, financial and trade publications, an online marketplace for commercial properties and direct marketing services.

KEY FIGURES

MEUR	2018 1–12	2017 1–12	Change %
Revenue	354.6	367.3	-3.5
Content revenue	114.8	125.8	-8.8
Content revenue, print	97.9	109.3	-10.5
Content revenue, digital	16.9	16.5	2.7
Advertising revenue	183.9	185.8	-1.0
Advertising revenue, print	50.6	62.8	-19.4
Advertising revenue, digital	131.0	120.5	8.6
Service revenue	55.9	55.7	0.4
Adjusted total expenses	297.9	320.8	-7.1
Adjusted EBITDA	72.9	67.4	8.2
EBITDA	76.6	66.9	14.5
Adjusted operating profit	57.3	51.1	12.2
% of revenue	16.2	13.9	
Operating profit (loss)	61.0	46.6	31.0
% of revenue	17.2	12.7	
Profit for the period	47.9	36.7	30.6
Earnings per share, EUR (undiluted)	0.51	0.39	29.5
Digital business revenue	170.3	156.6	8.7
Digital business, % of revenue	48.0	42.6	

Revenue MEUR
354.6, down 3.5%

Digital business revenue MEUR
170.3, up 8.7%

Adjusted operating profit MEUR
57.3 or 16.2% of revenue, up 12.2%

Equity ratio
57.5% (50.9%)

Earnings per share EUR (basic)
0.51 (0.39)

The Board's dividend proposal is EUR
0.35 (0.24) per share

Average number of employees
1,943 (excluding delivery staff and telemarketers)

Kai Telanne, President and CEO:

Alma Media's profitability rose to a record level in 2018. Adjusted operating profit grew by 12.2% MEUR 57.3, while the operating profit margin was 16.2%. Revenue declined, as expected due to divestments, by 3.5% to MEUR 354.6.

According to Kantar TNS, media advertising volume in Finland declined by 1.8% in spite of strong economic growth throughout the year. The divergence between GDP growth and the development of the advertising market continued. The underlying reasons are the ongoing shift from print media advertising to digital advertising, advertisers investing in their own media and intensifying competition between domestic media companies and international platforms.

The profitability of the Alma Markets segment's business remained excellent throughout the year, with an operating profit margin of 35.7%. Towards the end of the year, the revenue growth of the recruitment business slowed compared to the early part of the year, but the demand for recruitment services in Eastern Central Europe remains at a good level due to strong economic growth. The most significant market investments were directed to a new mobile recruitment service in Poland. In Finland, favourable economic development boosted the demand for, and revenue of, online services related to housing and cars.

The focus of Alma Talent's operations was sharpened through divestments and restructuring measures aimed at improving profitability. The core of Alma Talent's transformation strategy is increasing digital content revenue in particular. The segment performed in line with targets in this regard during the financial year. The growth of Kauppalehti's digital content revenue compensated for the decline in print media content revenue in 2018.

Alma Consumer's revenue was reduced by the divestment of newspapers in Lapland in January 2018. The segment's profit performance was affected by the decline of Iltalehti's single-copy sales as well as the lower advertising revenue of regional and local media. The segment's rate of decline in print advertising revenue was slower than in the market in general. The segment's mobile and video advertising and content marketing showed substantial growth.

Buoyed by good results and strong cash flow, Alma Media became a nearly net debt-free company at the end of the review period. Our strong balance sheet gives us operating space to build our future growth, make acquisitions to support the growth of our digital business and invest in technologies that enhance our competitiveness.

Global economic growth is levelling off, but our goal is to achieve continued growth, and particularly to exceed market growth in the digital business. Digital business now constitutes nearly half of the Group's revenue and three fourths of its adjusted operating profit. International operations contributed 20% to total revenue and 45% to the Group's adjusted operating profit.

Our fourth consecutive year of improving annual profits is proof of our successful digital transformation, changes to our business portfolio and cost optimisation. In line with our strategy, we have improved the efficiency of the print media business and invested particularly in expanding our international digital business. At the same time, we have divested unprofitable businesses.

Consumer trust in our content and services is absolutely essential for the sustainability of our business. One of our key priorities is to ensure transparency and appropriateness in the way we process customer information. We were well prepared for the General Data Protection Regulation (GDPR), which entered into effect in spring 2018. These preparations included, among other things, allocating resources to and revising our data management and handling processes as well as arranging training for our employees and advertisers.

The reduction of value added tax on digital publications from 24% to 10%, which will take effect in July 2019, is a welcome decision. We believe it will lead to increased demand and consumption of digital services and content in Finland. This, in turn, will help maintain the vitality of Finnish media companies and improve their ability to perform their duty of maintaining the education and awareness of the public, which is an important role played by high-quality media.

Drivers of change in the operating environment

MEDIA CONSUMPTION

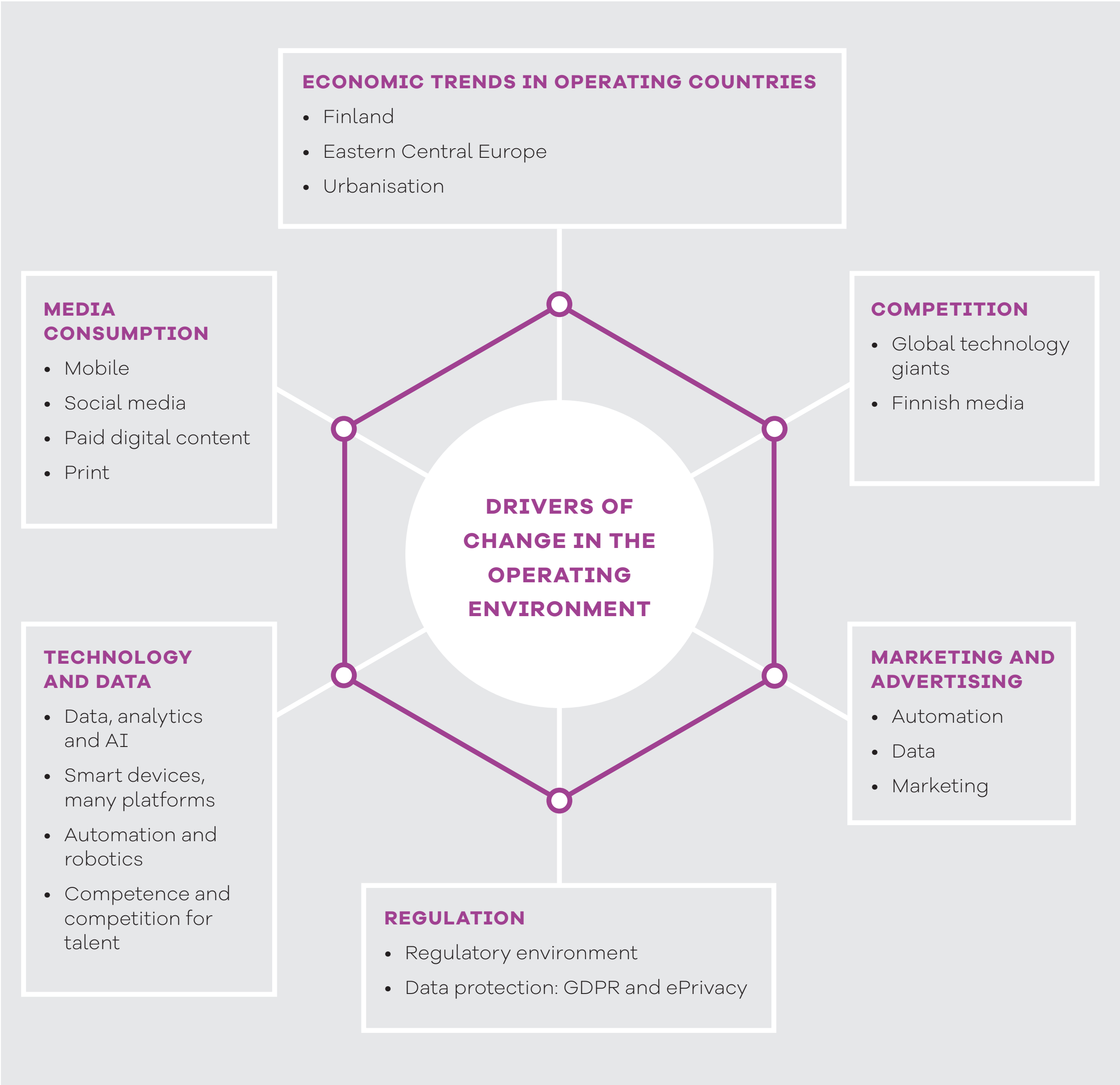
- Mobile devices are the primary means of media consumption for most users.
- Social media has changed media consumption to a significant degree.
- The level of preparedness to pay for digital content has grown and will strengthen further as supply increases.
- The demand for print media decreases as the older generations accustomed to consume print media diminish.

TECHNOLOGY AND DATA

- Leveraging data, analytics, and machine learning plays a key role in improving offering for advertisers and enriching end user services.
- The variety of mobile, smart and wearable devices is growing. Content and services are consumed on multiple different platforms, with voice use increasing.
- The usage of data and process automation offer possibilities to increase efficiency, for example such as content discovery and generation.
- Rapid changes in the technological operating environment require investments in competence. The competition for skilled employees is intense.

REGULATION

- The regulation presents an increasing number of obligations and/or challenges in areas such as data protection and copyright.
- Regulatory reforms concerning data protection and the processing of personal information will give consumers increased rights over their information and impose greater obligations on companies.



ECONOMIC TRENDS IN OPERATING COUNTRIES

- The Finnish economy expected to see slower growth in 2019 and 2020. The domestic advertising market and Finnish GDP growth have differentiated.
- Market growth is expected to level off but continue at a good rate in Alma Media's operating countries in Eastern Central Europe.
- The population is concentrated in growth centres.

COMPETITION

- Global technology giants are expanding their business through the convergence of industries.
- The Finnish media market is becoming polarised due to the investments required by the digital transformation.

MARKETING AND ADVERTISING

- Marketing automation, including programmatic buying increases. At the same time, investments in marketing technology reduce media purchases.
- The importance of data, its ownership and the ability to utilise it have of major importance.
- Social media, search engine, mobile and video advertising as well as content marketing are the fastest growing forms of digital advertising.

MARKET SITUATION IN THE MAIN MARKETS

According to Kantar TNS, the total advertising volume in Finland decreased by 1.8% (2.8%) in 2018, while advertising in online media increased in Finland by 3.3% (7.3%). Advertising in newspapers declined by 11.1% (11.0%) in Finland. Advertising in magazines in Finland decreased in 2018 by 5.2% (5.9%). In terms of volume, the total market for afternoon papers in Finland declined by 11.6% (12.3%) in 2018.

According to Sveriges Mediebyråer, the total advertising volume in Sweden increased by 6.2% (3.7%) in 2018. During the same period, online media advertising increased by 6.2% (10.2%) in Sweden, while advertising in trade magazines decreased by 16.0% (9.6%).

Alma Media's main markets in Eastern Central Europe are the Czech Republic and Slovakia. According to the European Commission's forecast, the Czech Republic's GDP will grow by 2.9% in 2019. The Czech National Bank estimates that the GDP will grow by 3.3% in 2019 and 3.3% in 2020. In Slovakia, GDP growth in 2019 will be 4.1% according to the European Commission's forecast. The National Bank of Slovakia estimates that the GDP will grow by 4.2% in 2019 and 4.3% in 2020.

DESCRIPTION OF THE BUSINESS MODEL

Alma Media's business consists of the media and service business. The media business includes, for example, the trade publications, financial media and books published by Alma Talent as well as the national, regional and local newspapers published by Alma Consumer. The media business is based on a relationship with readers built through content. As media develops, the reader relationship is shaped into a multidimensional customer relationship with a media brand. The strength of this relationship can vary from occasional visitors or buyers of single copies to regular paid users of online services and long-term subscribers of print publications.

As the digital transformation has progressed, digital marketplaces have become an increasingly significant area of Alma Media's business. They include services related to recruitment, housing and mobility, among other things. The customers of Alma Media's digital services include both companies and consumers. The digital services business model is based on fees charged for classified advertising, display advertising, service sales as well as revenue streams from service content and/or advertising targeted at the users of the service, subscription fees and licence fees for the use of information systems. Our other services include information services, the event, training and direct marketing business and the printing and distribution services provided to customers outside the Group by Alma Manu.

Brand appeal and the marketing efforts aimed at maintaining it are crucial in the digital environment. Alma Media's services are the best-known brands in their segments in Finland and the Group's operating countries in Eastern Central Europe.

The popularity of these services among users is based on a high level of usability, unique content and, in many cases, the importance of the social or communal dimension. It is also essential to have the ability to respond to local customer needs by delivering localised products and services.

In both the service business and the media business, readers and online visitors constitute target groups that are characteristic to each medium. These target groups are the basis for advertising sales. These target group contacts are sold to advertisers on a media-specific basis and as audience segments from the digital Alma network. For advertisers, this opens up valuable opportunities to specifically target the businesses, experts, decision-makers, entrepreneurs or consumers in a particular category. The use of data, analytics and machine learning is plays an increasingly important role in improving the product and service offering for advertisers and enriching end user services. Data and marketing automation enable the provision of increasingly high-quality, effective and impactful solutions to advertisers.

Value creation

In Alma Media's value creation for customers, shareholders and society, the key roles are played by the strong journalism, marketing and technology expertise of the Group's employees, strong product and service brands, customer data, the best partners, an efficient production and delivery network and a stable financial position. These are described in more detail in the value creation model.

Alma Media's three business segments—Alma Markets, Alma Talent and Alma Consumer—support each other's growth and together create stability for the Alma Media Group's business development. The Alma Media Group also uses shared functions to pursue synergies between businesses.

Value creation model

RESOURCES AND INPUTS

Employees and expertise
- 3 090 Alma employees – strong expertise in journalism, marketing and technology.

Intellectual property
- The Alma brand and over 60 media and service brands.
- Customer data.

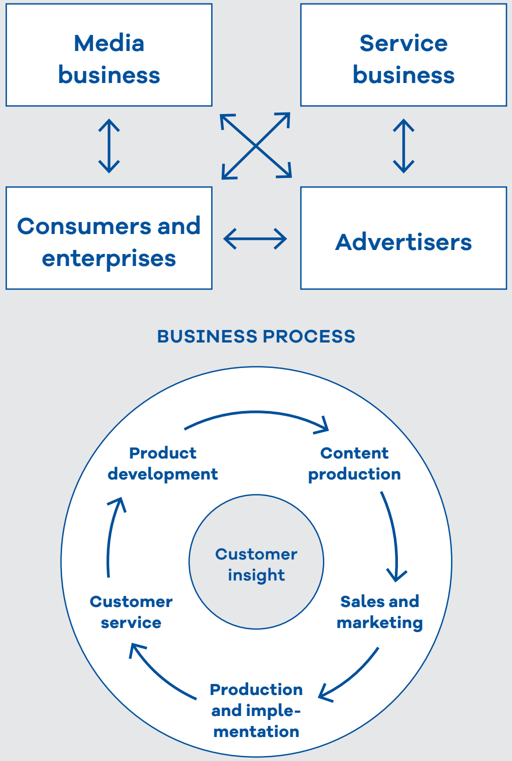
Financial
- Invested capital MEUR 238.
- Investments MEUR 129 in 2011–2018.

Partner network
- Partnerships in content and service development, production, marketing and sales.
- Corporate relations.

Production inputs, Raw materials
- Operations in 10 countries.
- Multi-channel digital service channels.
- Printing facility and regional distribution network.
- Electricity consumption 58,665 GJ / 16, 296 MWh.
- Paper consumption 25,436 tonnes.

* Including delivery staff and telemarketers

BUSINESS MODEL



MARKETS	TALENT	CONSUMER

Shared operations
- Centralised media sales and media sales development
- IT and production technology
- Finance, HR management and HRD
- Legal affairs, M&A, Corporate Development
- Communications, IR, Brand, Corporate Responsibility
- Facilities management

OUTPUTS

Products and services
- Alma's print and digital publications reach approximately 75% of Finns (the 15-74 age group, Kantar TNS, 1-6/2018).
- Digital services for businesses.
- Events and training: 535.
- Printed books and e-books: 140.
- Printing and distribution services 9 457 398 412 (tabloid-size pages).

RESULTS AND IMPACTS

Customers
- Consumers: individual growth through the production of information, service and experiences.
- Advertisers: promoting business growth.

Employees
- Increasing employee well-being and competence.
- Income, total annual wages MEUR 112.

Shareholders
- Operating result MEUR 61.
- Profit distribution MEUR 28.8, increasing shareholder value.

Society
- Supporting social development and dialogue through journalism and by promoting digitisation.
- Developing the vitality of communities and regions.
- Taxes and employment, taxes in Finland MEUR 87.4.

Partner network
- Purchases from partners.

Environment

Greenhouse gas emissions in 2018:
Scope 1 emissions 604 tCO_2-eq, Scope 2 emissions 2,116 tCO_2, and Scope 3 emissions 46,131 tCO_2-eq.

Strategy and related activities during the financial period

Alma Media creates sustainable growth by taking advantage of the opportunities presented by the digital transformation. The objective is to increase shareholder value through revenue growth and improved profitability. Alma Media is developing and expanding its current business operations and seeking growth opportunities in new businesses and markets. The company will remain on the path of internationalisation. In addition to organic growth, the improvement of profitability will be accelerated by acquisitions.

Alma Media will respond to consumers' changing media consumption and build its publishing brands into multi-channel media solutions. In the media business, the shift from print to digital media will continue with the development of digital content and marketing solutions in line with customer needs, ensuring that the Group's media are valued as the leading brands in their respective regions and communities. In order to increase service revenue, Alma Media will increase its digital offering by launching new products and services, also outside publishing operations.

Group-level strategic initiatives

For the 2018–2020 strategy period, Alma Media has selected five strategic Group-level initiatives that are particularly aimed at the growth and development of digital business. Cooperation and synergies between the Group's various businesses will be leveraged in the execution of the initiatives. The strategic initiatives are as follows: 1) centralised national media sales through Alma Media Solutions; 2) aiming for growth in digital content revenue through eCom; 3) utilising data in business while taking regulatory requirements into consideration; 4) Alma themes and services focused on special content areas and services; and 5) growth and management of visitor traffic.

After being established as a pilot project in 2015, the national media sales unit Alma Media Solutions has grown into a matrix organisation with 170 members over the course of just a few years. The goals of the initiative include increasing market share in advertising sales, promoting the programmatic buying of advertising and introducing new products and service solutions as part of the media offering. The advertising sales and related support functions of Alma Media Solutions and Alma Consumer were combined during the financial year to further strengthen Alma Consumer's regional sales and marketing efforts. As growth in the desktop display advertising market levels off, Alma Media Solutions is focusing on mobile marketing, content marketing and programmatic buying. In addition, the more effective use of audience data makes it possible to provide advertisers with increasingly targeted and relevant audiences as well as more accurate analytical tools for measuring the effectiveness of advertising.

Alma Media's eCom team, which focuses on developing and enhancing content e-commerce, is made up of experts in digital content and digital content sales representing various business units. Strengthening the digital subscription-driven business model requires media companies to not only achieve a change in culture, but also engage in close cooperation between editorial offices, digital development teams and sales and marketing. The goal of eCom is to achieve even faster growth in digital content revenue, increase the number of users of digital content products and make digital content products a regular part of the customer's daily life. The measures taken under the eCom initiative during the year included developing the quality and value of digital content products; for example, by increasingly offering Tähtijuttu star stories that are only accessible to paid customers and thereby increase subscriber loyalty. In content sales, the development areas included analytics that can be used to predict reader loyalty and subscriber potential as well as plan measures aimed at reducing subscriber churn, such as the personalisation of the website and the customer path.

During the financial year, the investments in the increased production of digital content were seen in Alma Media's editorial offices in the form of the gradual deployment of tools for producing digital content more efficiently than before. The tools also promote cooperation between editorial offices and increase the transparency of content streams. Several online service renewal initiatives were also carried out during the period. The Kauppalehti, Aamulehti and Satakunnan Kansa websites were redesigned and their mobile use, in particular, was improved.

The Group-level strategic data initiative will build and enhance data-related competencies to support media sales, content sales and the personalisation of services as well as to respond to regulatory requirements. The use of customer data and behavioural data will developed further by consolidating customer data repositories and by increasing the use of analysis and activation technology.

One important step related to the data initiative in 2018 was the consolidation of data in a shared repository. The data repository combines the statistics produced by Alma Media's various websites and applications with data from subscription systems. Subject to consent, user location data and log data from advertising systems will also be entered in the data repository. This enables customer profiling, a more personalised user experience, content targeting to serve the needs of media sales, content sales and marketing, as well as comprehensive reporting. The data repository will also serve as the foundation for Alma Media's machine learning projects. One central aspect of the data initiative is the deployment of a Data Management Platform (DMP). The DMP will strengthen the development of the data-driven customer experience of Alma Media's content and services as well as marketing automation and the targeting of digital advertising.

Alma Media's business segment strategies and their implementation during the year

ALMA MARKETS

The Alma Markets segment's business strategy includes the expansion of recruitment services geographically, organically and through acquisitions, broadening the product and service offering in the customer's value chain to extend from job advertising to areas such as HR consulting, recruitment systems and services aimed at building a strong employer image. The aim of the marketplace business is to expand from the buying and selling of homes to provide a comprehensive range of housing-related services, and to expand from automotive services to mobility services in a broader sense.

During the financial year, the Alma Markets segment's Czech subsidiary LMC expanded its operations to Poland with the launch of Praca za Rogiem, a mobile service that provides information on vacancies based on geographic proximity. Praca za Rogiem was favourably received by consumers during the year: by the end of the financial year, more than 750,000 users had downloaded the application and nearly 500,000 job applications had been submitted.

A positive and strong employer image plays an increasingly important role in the Czech job market to reach the most skilled and hard-to-reach candidates. In response to this need, LMC launched the employer recommendation service Atmoskop in 2017. The service has been well received and, by the end of the review period, the application included over 60,000 reviews of more than 16,000 employers.

The Monsterpolska.pl and Monster.hu recruitment service sites were closed by the end of 2018 and the operations of Monster Worldwide Polska SP. Z.o.o. in Poland and Monster Magyarorszag Kft in Hungary were discontinued. Alma Media will focus on the development and sales growth of the mobile application Praca za Rogiem in Poland and the online service Workania.hu in Hungary. Monster will continue to operate in Finland as before.

In January 2018, Alma Mediapartners strengthened its software business related to construction and housing by acquiring Käyttösofta Oy. The service business has also been expanded by acquiring various tendering platforms, such as AutoJerry Oy, a provider of a competitive tendering platform for car servicing whose entire share capital was transferred to Alma Mediapartners, and Katsastushinnat.fi, a marketplace for comparing vehicle inspection services, which was acquired in early 2018.

ALMA TALENT

Alma Talent's key objective is to rapidly move towards digital media and service business models. Increasing content revenue is a particular goal and the business segment's aim is that all Alma Talent media in Finland and Sweden will be paid media in the digital format in 2020. The service business is developed both organically and through acquisitions. Synergies between the Alma Talent segment's various businesses are increased through cross-selling and shared products.

Among the Alma Talent media portfolio, the online service of Mikrobitti magazine was redesigned during the financial year, for example. The redesign saw some of the articles on the website moved behind a paywall. A special aspect of the redesign was that Mikrobitti.fi now recognises users of ad blockers and allows subscribers to use ad blocking software. Extensive upgrades to online services were also implemented in Kauppalehti and the digital services of Mediuutiset. Among Alma Talent media in Sweden, the digital content of Affärsvärlden and Nyteknik was moved behind a paywall. Restructuring measures were carried out in the Swedish businesses, with Alma Talent discontinuing Alma Talent Events AB and divesting the media brands Dagens Media and Medievärlden by selling Dagens Media Sverige AB to BBM (Bonnier Business Media). Alma Talent also sold its CRM system reselling and maintenance business to CRM-service Oy during the year.

The efficiency of digital content production was improved in several of Alma Talent's media during the financial year. Kauppalehti implemented a significant content renewal. The fourth quarter also saw a redesign of the online bookstore for professional literature and the launch of the Alma Talent Kirjat application, which combines business e-books, audiobooks and podcasts under a mobile interface.

ALMA CONSUMER

Alma News & Life, which produces news and lifestyle services, and Alma Regions, which focuses on the regional and local media business, were combined in spring 2018 to create Alma Consumer, a new segment focused on the consumer business. The new business segment's integration process was completed in June 2018. Combining the businesses, centralising their competencies and increasing cooperation are aimed at achieving digital business growth in content, services and advertising, ensuring the revenue development of print media, providing the best services and solutions to marketing customers and strengthening the Group's local, regional and national operations. The integration process included establishing a management model for Alma Consumer and forming a management team for the business segment. In addition, content sales and digital development functions were organised for the Alma Consumer unit. In relation to reorganisation and the structural transformation of the industry, two statutory personnel negotiation processes were carried out by Alma Consumer during the year, resulting in reductions of 19 person-years.

Ensuring profitability and achieving a flexible cost structure are key aspects of Alma Consumer's business strategy. The segment also aims to strengthen media synergies between its services both organically and through acquisitions. The segment also aims to boost digital content revenue, move the majority of regional and local media content behind paywalls and convert the segment's delivery and printing operations from a support function into a service business.

Aiming to focus on its core regions of Pirkanmaa and Satakunta, Alma Media sold its newspaper and delivery business in Lapland to Kaleva. The transaction saw a change of owners of the regional newspaper Lapin Kansa, the town papers Uusi Rovaniemi and Lounais-Lappi as well as Alma Manu Oy's distribution business in Lapland. Alma Consumer's divestments also included the travel media Rantapallo selling the Matkapörssi and Lentokeskus businesses to Lakeuden Matkat Oy in July. In March 2018, Alma Media acquired a 20% stake of the loan comparison service Etua Oy.

Group revenue and result in 2018

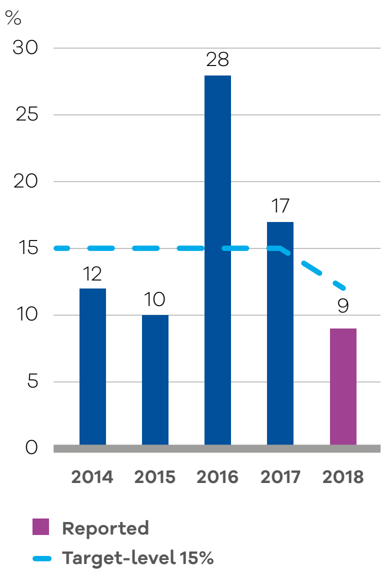
Revenue declined by 3.5% to MEUR 354.6 (367.3) in 2018. Divested and acquired businesses had a net effect of MEUR -16.4 on the change in service revenue.

Content revenue declined by 8.8% to MEUR 114.8 (125.8). The year-on-year decline in content revenue was attributable to lower print media circulations. Divested and acquired businesses had a net effect of MEUR 9.5 on the decrease in content revenue.

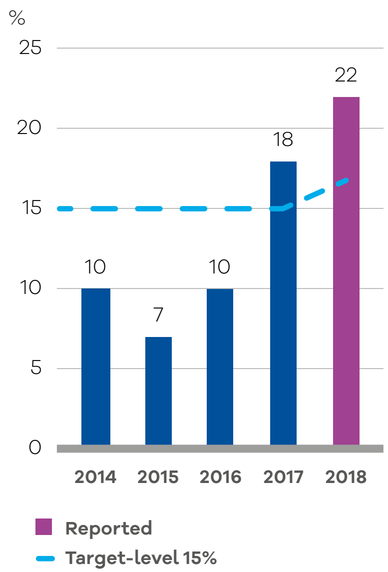
Revenue from advertising sales declined by 1.0% to MEUR 183.9 (185.8). Advertising revenue for print media declined by 19.4% from the comparison period to MEUR 50.6 (62.8). Digital advertising revenue increased by 8.6% to MEUR 131.0 (120.5). Divested and acquired businesses had a net effect of MEUR 9.5 on the decrease in advertising sales revenue.

ALMA MEDIA'S LONG-TERM FINANCIAL TARGETS:

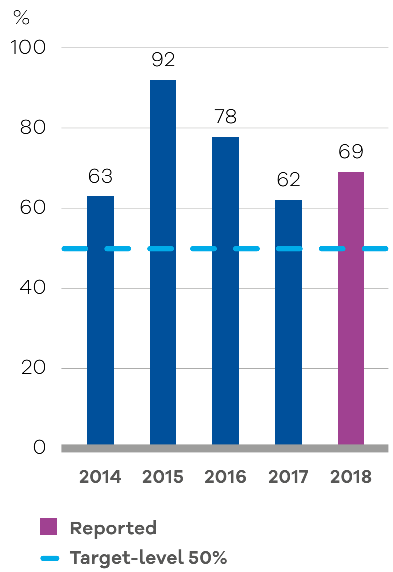
Digital business growth



Return on investment

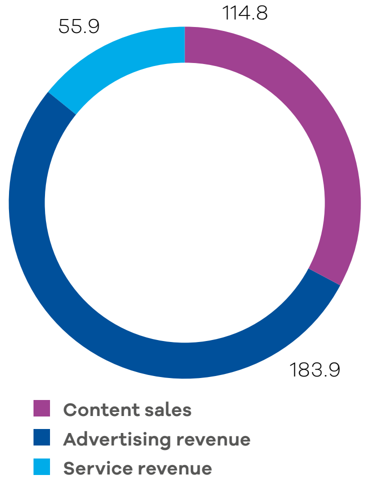


Dividend payout ratio



Revenue split

MEUR



Service revenue totalled MEUR 55.9 (55.7). Divested and acquired businesses had a net effect of MEUR 1.0 on the change in revenue. Service revenue includes items such as the sale of information services, the event, training and direct marketing business and the printing and distribution services sold to customers outside the Group by Alma Manu.

Adjusted operating profit was MEUR 57.3 (51.1), or 16.2% (13.9%) of revenue. Operating profit was MEUR 61.0 (46.6), or 17.2% (12.7%) of revenue. The operating profit includes net adjusted items in the amount of MEUR 3.7 (-4.5) related to restructuring and the sale of assets. The non-recurring items in the comparison period were related to restructuring expenses and gains on the sale of assets.

Total expenses decreased in 2018 by MEUR 23.8, or 7.3%, to MEUR 300.3 (324.1). Depreciation and impairment included in the total expenses amounted to MEUR 15.6 (20.3). In 2017 depreciation and impairment included an impairment loss of MEUR 4.0 directed at investment properties.

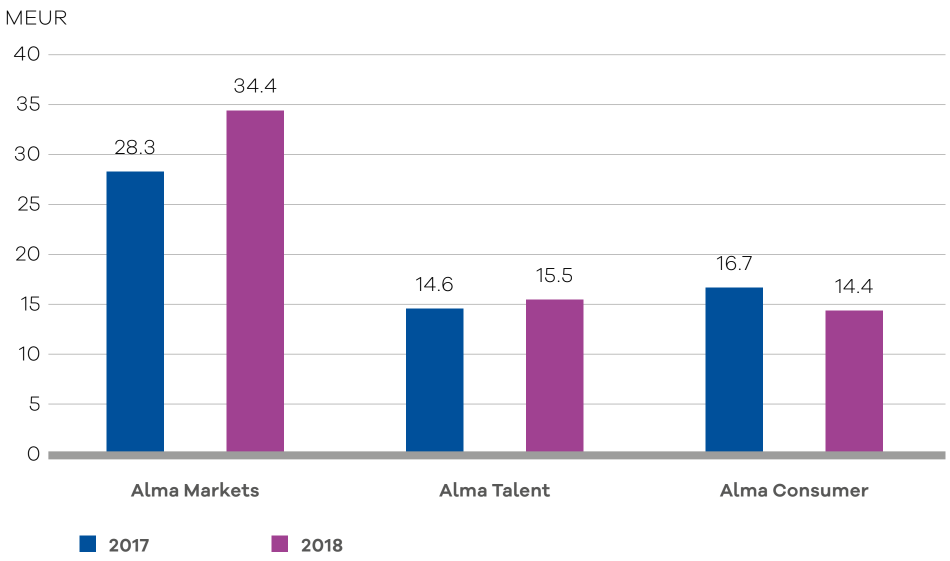
The full-year result for 2018 was MEUR 47.9 (36.7) and the adjusted result was MEUR 44.3 (41.2).

Business segments

Alma Media has three business segments: Alma Markets, focusing on digital marketplaces and the recruitment business, Alma Talent, a provider of financial media and services aimed at professionals and businesses, and Alma Consumer, which focuses on the consumer media business. 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.

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



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, Autojerry.fi, Websales and Webrent. Also reported in this segment are Nettikoti and Talosofta, which specialise 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.

The Alma Markets segment's revenue for the full year increased by 15.8% to MEUR 96.4 (83.2). Revenue from the recruitment business increased by 13.1% during the review period and accounted for 76.3% (77.6) of the segment's revenue. The effect of exchange rate changes was MEUR 0.9 on revenue growth and MEUR 0.4 on operating profit growth in the Czech Republic. The acquisitions made by Alma Mediapartners increased the segment's revenue by MEUR 2.7 and operating profit by MEUR 0.9. The domestic marketplaces business, excluding the recruitment business, achieved organic growth of 10%.

Total expenses during the review period amounted to MEUR 62.1 (55.0). The factors contributing to the higher expenses included investments in sales and marketing, online service development as well as rising wages due to strong economic growth, particularly in the Eastern Central European countries. In addition, an investment of MEUR 1.6 was made in the launch of a new business in Poland during the period.

The Alma Markets segment's adjusted operating profit for the full year amounted to MEUR 34.4 (28.3). The adjusted operating profit was 35.7% (34.1) of revenue. The segment's operating profit was MEUR 35.1 (28.9). The adjusted items recognised during the review period were related to a sales gain on an acquisition achieved in stages.

Alma Talent

The Alma Talent business segment publishes 19 trade and financial magazines and newspapers, as well as a variety of 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 Mediuutiset. In Sweden, Alma Talent's publications include Affärsvärlden and Ny Teknik.

The Alma Talent segment's revenue decreased by 3.8% to MEUR 108.9 (113.2). The effect of acquired, divested and discontinued operations on the decrease in revenue was MEUR 2.2. The SEK exchange rate had an effect of MEUR 1.3 on the decrease in revenue. Digital business accounted for 35.6% (33.8) of the segment's revenue.

The Alma Talent segment's content revenue decreased by 1.2% to MEUR 47.7 (48.2). Digital content revenue grew by 10.3%. Advertising revenue declined by 6.0% to MEUR 33.4 (35.5) in 2018. Online advertising revenue decreased by 1.9% year-on-year, particularly due to the poor development of sales early in the year.

Service revenue totalled MEUR 27.8 (29.5). The decrease in service revenue was due to the effect of divested operations, which was MEUR 0.6.

The segment's adjusted total expenses amounted to MEUR 93.6 (98.7). The effect of acquired, divested and discontinued operations on the decrease in expenses was MEUR 1.9. The decline in total expenses was also attributable to restructuring measures implemented in both Finland and Sweden with the aim of improving cost efficiency.

The Alma Talent segment's adjusted operating profit was MEUR 15.5 (14.6) and operating profit MEUR 15.1 (15.2). The adjusted operating profit was 14.2% (12.9) of revenue. The adjusted items in 2018 were related to the restructuring of operations and gains on the sale of assets. The adjusted items in 2017 were also related to the restructuring of operations and to a sales gain on acquisition achieved in stages.

Alma Consumer

Alma Consumer publishes the print and online editions of the national news media Iltalehti, the regional newspapers Aamulehti and Satakunnan Kansa, and local and town papers published in Pirkanmaa, western Finland and central Finland. The online services Telkku.com, Kotikokki.net, E-kontakti.fi and Rantapallo.fi are also reported in this segment. The printing and distribution unit Alma Manu is also part of the business segment.

The Alma Consumer segment's revenue declined by 11.7% to MEUR 151.7 (171.8) in 2018. Digital business accounted for 23.5% (20.6) of the segment's revenue. The effect of divested operations on the decrease in revenue was MEUR 16.9.

The segment's content revenue declined by 13.5% to MEUR 67.1 (77.6) in 2018. Divested businesses had a net effect of MEUR 7.9 on the decrease in content revenue. Content revenue was also reduced by the lower single-copy sales of Iltalehti.

The segment's advertising sales declined by 12.7% to MEUR 63.9 (73.2). The effect of divested business operations on the decrease in advertising revenue was MEUR 7.9. Advertising revenue for print media decreased by 21.9% The segment's digital advertising revenue increased by 4.8% to MEUR 26.4 (25.2). The advertising revenue for the comparison period included MEUR 1.0 in advertising related to the municipal elections.

The segment's service revenue declined by 1.6% to MEUR 20.6 (20.9). The effect of divested business operations on the decrease in service revenue was MEUR 1.1.

The segment's adjusted total expenses amounted to MEUR 137.6 (155.4). The effect of divested operations on the decrease in expenses was MEUR 16.4. The factors increasing the adjusted total expenses included higher paper prices from February onwards as well as higher costs resulting from an increase in external sales of delivery services. Expenses were reduced by a decrease in content production purchasing as well as savings in employee costs.

The segment's adjusted operating profit was MEUR 14.4 (16.7), or 9.5% (9.7) of revenue. The adjusted items reported in 2018 were related to the restructuring of operations and sales of assets. The segment's operating profit was MEUR 18.0 (14.5). The adjusted items in 2017 were related to operational restructuring in the publishing business in Lapland as well as gains on the sale of assets.

Associated companies

In March 2018, Alma Media acquired 20% of the share capital of Etua.fi, a provider of competitive tender services for loans and insurance, through a directed share issue. Etua Oy will be reported as an associated company.

Alma Media sold its shares in Oy Suomen Tietotoimisto in June 2018. Alma Media owned 24.10% of the company. The transaction had no impact on the result of Alma Media Group.

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	2018 1–12	2017 1–12
Alma Markets		
Gains (losses) on the sale of assets	0,7	0,5
Alma Talent		
Restructuring	-0,6	-0,1
Gains (losses) on the sale of assets	0,2	0,7
Alma Consumer		
Restructuring	-1,0	-2,4
Gains (losses) on the sale of assets	4,5	0,2
Non-allocated		
Impairment losses	0,0	-4,0
Restructuring	0,0	-0,4
Gains (losses) on the sale of assets	-0,1	0,9
ADJUSTED ITEMS IN OPERATING PROFIT	3,7	-4,5
ADJUSTED ITEMS IN PROFIT BEFORE TAX	3,7	-4,5

Balance sheet and financial position

At the end of December 2018, the consolidated balance sheet stood at MEUR 345.6 (333.8). The Group's equity ratio at the end of December was 57.5% (50.9%) and equity per share was EUR 1.94 (1.66).

Consolidated cash flow from operations in 2018 amounted to MEUR 56.2 (51.7). Cash flow before financing was MEUR 61.6 (34.6).

At the end of December 2018, the Group's interest-bearing debt amounted to MEUR 51.5 (61.3), consisting entirely of finance lease liabilities. The Group's interest-bearing net debt stood at MEUR 2.0 (40.2).

Alma Media has two MEUR 12.5 committed financing limits at its disposal, which were entirely unused as at 31 December 2018. In April, the company extended its financing limit agreements with its existing financing partners by three years. The company also has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused as at 31 December 2018.

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 at the end of the reporting period. Financial liabilities measured at fair value and recognised through profit or loss amounted to MEUR 8.4.

Capital expenditure

Alma Media Group's capital expenditure in 2018 totalled MEUR 22.1 (22.2). The capital expenditure mainly consisted of the acquisitions of Käyttösofta Oy, Autojerry Oy and Ahorouta Oy as well as the acquisition of shares in Etua Oy. The capital expenditure also includes normal operating and maintenance investments.

Research and development costs

The Group's research and development costs in 2018 totalled MEUR 4.3 (MEUR 5.0 in 2017). MEUR 4.3 (MEUR 4.9) was recognised in the income statement and no development costs were capitalised on the balance sheet in 2018 (MEUR 0.1 in 2017). There were capitalised research and development costs totalling MEUR 1.1 on the balance sheet on 31 December 2018 (MEUR 2.2 in 2017).

Statement of non-financial information

Alma Media's purpose is to accelerate the sustainable growth of individuals, companies and society. As a media company, Alma Media strives to create not only economic added value for its stakeholders, but added value for society by supporting the development of democratic society and promoting pluralistic public dialogue. The company's value creation model is described on page 8.

The development of responsibility at Alma Media is guided by the principles and objectives outlined in the company's responsibility programme. Alma Media is committed to the UN Global Compact initiative as well as international human rights conventions and recommendations, chief among which is the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The company has also signed the Diversity Charter of the Finnish corporate responsibility network FIBS and set science-based climate targets for its operations in accordance with the SBT framework. Alma Media's Code of Conduct outlines rules that all employees are required to follow and that guide the Group's decisions concerning responsibility in business.

Alma Media's Board of Directors oversees the development of non-financial issues with the help of information provided by the management. The Group Executive Team analyses and evaluates the development of non-financial issues twice per year. In addition, the Group Executive Team or unit-level management teams and certain key individuals in the business units work with non-financial information and make related decisions as part of the day-to-day development and management of operations. They are assisted by the Corporate Responsibility Manager.

Alma Media applies the materiality principle in its reporting of non-financial information. Accordingly, the company also reports on the development of responsible journalism and marketing. The other reporting areas are environmental issues, employees and social issues as well as ethics in business. More information on the development of non-financial issues at Alma Media and the related targets is available in the 2018 Corporate Responsibility Report. The report will be published in March 2019.

SUSTAINABLE MEDIA

The development of responsible journalism and marketing at Alma Media is guided by legislation as well as the ethical guidelines of the media and marketing communications industry. The most important of these are the Guidelines for Journalists issued by the Council for Mass Media, Council for Mass Media decisions, the International Chamber of Commerce Code of Advertising and Marketing Communication Practice, the principles concerning good marketing practices published by the Council of Ethics in Advertising, IAB guidelines and Europe-wide self-regulation of targeted online advertising (OBA self-regulation).

The self-regulation of the media and marketing communications industry is extensive in Finland and it also includes the monitoring of published content. The Council for Mass Media regularly considers complaints, issues public reprimands to media that have violated the Guidelines for Journalists and, where necessary, amends its ethical guidelines in response to changes in the media and marketing communications industry. A similar operating model is employed by the Council of Ethics in Advertising, which is the self-regulatory body of the marketing communications industry.

In addition to legislation and ethical guidelines, the development of responsible journalism and marketing at Alma Media is guided by the company's own responsibility targets. The most significant among these targets are linked to the media and marketing communications industry's ethical guidelines and the operations of the self-regulatory bodies.

The most important target set for responsible marketing is that Alma Media's websites should not publish any advertisements that are contrary to good advertising practices. There were no such cases among advertisements purchased directly from Alma Media in 2018, but the company did remove a few advertisements from its online services due to infringements against ethical advertising guidelines that had found their way to Alma Media's online services through international programmatic buying systems.

The key target set for responsible journalism is that Alma Media's media brands' combined share should not exceed 20% of the total condemnatory decisions issued by the Council for Mass Media in any given year. This target was achieved in 2018. The Council for Mass Media considered 63 complaints during the year and issued a condemnatory decision in 23 cases. Of the decisions concerning Alma Media's media brands, four were condemnatory, which meant that their share of the total condemnatory decisions issued in 2018 was 17%.

The development of responsible journalism in the Group's media is the responsibility of their Senior Editors-in-Chief, assisted by editorial supervisors and Alma Media's Working Group on Responsible Journalism. Alma Media's media sales and marketing organisation is in charge of the development of responsible marketing.

ENVIRONMENTAL ISSUES

In 2018, Alma Media became the third media company in the world to set greenhouse gas emissions reduction targets approved by the Science Based Targets initiative. One target is to reduce the emissions arising from the electricity, district heating and district cooling consumption of properties owned or leased by Alma Media and the fuel consumption of company cars and cars owned by the Group by 2% by 2025, using 2016 as the baseline. Another target is to reduce the emissions arising from Alma Media's supply chain by 10% by 2023, using 2016 as the baseline.

To achieve reductions in emissions, Alma Media has set long-term targets related to the improvement of energy efficiency at the Group's properties in Finland and the material efficiency of the printing facility, among other things. These targets were achieved in 2018.

The key focus areas of Alma Media's environmental efforts are maintaining regular environmental dialogue with subcontractors and pursuing the systematic reduction of emissions caused by printing and transport operations by developing work processes and materials testing as well as by optimising routes and deliveries. At the same time, Alma Media has accelerated its digital transformation. In 2018, the digital business grew to account nearly for 50% of the Group's revenue. The progress of the digital transformation will continue to reduce Alma Media's direct greenhouse gas emissions arising from transport and printing operations going forward.

The management of Alma Media's business units is in charge of unit-level actions aimed at achieving the long-term environmental targets and responsible for developing more environmentally friendly processes, products and services. Alma Media's printing facility is not subject to an environmental permit, but its operations are supervised in accordance with the standard practices of the public authorities.

EMPLOYEES AND SOCIAL ISSUES

In accordance with the Code of Conduct, Alma Media is committed to promoting employee diversity by recruiting employees based on their abilities and aptitude, irrespective of their gender, age, religious beliefs, nationality, sexual orientation or disabilities. The Group's units in Finland update their non-discrimination, equality and diversity plans at two-year intervals. In drafting the plans, they utilise employee wage analyses and the results of Alma Media's employee survey. The plans were updated during the reporting period.

Alma Media assesses the accomplishment of equality and diversity in its HR policy by annually reporting whether any incidents of discrimination or other inappropriate treatment have been revealed, either by the authorities or via the protected whistleblowing channel available to the employees. The Group's whistleblowing team receives and processes the notifications and reports them regularly to the Audit Committee of the company's Board of Directors. There were no incidents in the reporting year.

In July 2018 the police commenced a preliminary investigation about the suspected case of employment discrimination in the recruitment process of Aamulehti's Editor-in-Chief. At the time of reporting, the prosecutor is determining whether to bring charges or not.

The aim of Alma Media's HR strategy is to support the digital transformation of the company by enhancing the employees' expertise, commitment and well-being as well as by ensuring the availability of suitable employees. The successful implementation of the HR strategy is supported by targets related to, among other things, the commitment of new employees, enhancing job satisfaction and the equal and ethical treatment of employees. These targets were achieved in 2018. In the Quality of Work Life (QWL) survey, Alma Media's index score was 76.8% (target: at least 75%). In an internal employer image survey conducted in the Group's Finnish businesses, the employees gave their employer a score of 8.1 (target: at least 7.5/10).

As an employer, Alma Media also strives to promote the occupational safety, health and well-being of employees by focusing occupational health efforts on preventive measures and by supporting the employees' ability to manage various life circumstances through the use of flexible working hours, amongst other things. Work-related stress is mitigated by systematically developing managerial work and by improving employee competencies in response to the changing needs of working life. In Alma Media's delivery operations, particular attention has been paid to the prevention of occupational accidents due to falling and stumbling. The target is to reduce occupational accidents among delivery staff by 50% by 2022, using 2017 as the baseline.

During 2018, Alma Media had on average 1,943 (1,975) employees, calculated as full-time employees (excluding delivery staff and telemarketers). The number of delivery staff and telemarketers was, on average, 1,149 (1,175).Women represented 47% of the employees as a whole and men 53%, while in supervisory and managerial positions, women accounted for 44% and men for 56%. Women represented three of the eight members of the Board of Directors and three of the 10 members of the Group Executive Team. Approximately 34% of Alma Media's employees worked outside Finland during the year. The Group's most multicultural work community was the delivery function, with 36 nationalities represented at the end of 2018.

The HR function is responsible for the development of employee-related matters at Alma Media. Non-discrimination in HR policy is the responsibility of the HR function as well as recruiting managers.

ETHICS IN BUSINESS

Alma Media adheres to responsible business practices and does not condone corruption, bribery or unethical practices. The company respects universal and equal human rights and does not condone inhumane or illegal working conditions. These principles are documented in Alma Media's Code of Conduct.

Alma Media employees are required to adhere to the Code of Conduct and report any deficiencies they observe to the authorities or by using the whistleblowing channel. No whistleblowing reports were made during the year, nor was the Group informed of any such cases by the authorities.

Alma Media increases its employees' awareness of the Code of Conduct and the whistleblowing channel through Code of Conduct training materials introduced in 2018 and incorporated into the induction training of new employees.

Alma Media also requires its subcontractors to operate responsibly. When entering into significant new subcontracting agreements, the company visits the production facilities to ensure the prospective supplier's responsibility before making the final choice of supplier. Where necessary, Alma Media requires suppliers and service providers to provide documentation regarding the responsibility of the products and services produced and reserves the opportunity to carry out inspections pertaining to production processes.

In 2018, the company's Finnish procurement department drafted provisions to be included in subcontracting agreements for printing operations to have subcontractors confirm that they have familiarised themselves with Alma Media's corporate responsibility programme and Code of Conduct and agree to comply with their relevant principles and the applicable legislation. The provisions will be incorporated into subcontracting agreements more extensively this year.

The Group's executive management is responsible for the ethicality of Alma Media's business operations. In due diligence and compliance matters related to acquisitions and other responsibility issues, the executive management is assisted by the Group's legal department. The development of Alma Media's responsible procurement policy is the responsibility of the Chief Procurement Officer.

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. An increasingly important source of competitive advantage, but also a strategic risk, in Alma Media's business is the ability to use customer data to improve the product and service offering for advertisers and enrich end user services. Alma Media will manage customer data and behavioural data by centralising customer data repositories and deploying analysis and activation technology, taking regulatory requirements into consideration. As the focus of media consumption shifts to digital channels, Alma Media is responding to the transformation of the operating environment by developing digital products and services 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.

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

Risk	Risk definition	Risk mitigating actions
Strategic risks		
Change in media consumption	Industry transformation following trends in media consumption and technological development. The capacity of product and service development to assess changes in consumer behaviour or invest in the appropriate technological service solutions.	Business development driven by customer needs. Measures to promote digital business competitiveness. Ensuring that content is interesting. Developing the user interfaces of media as well as purchasing paths and payment systems, for example. Sufficient investments and resources in research and development.
Change in the competitive landscape	Expansion of international platforms, industry convergence, reduced price competitiveness. Technological solutions and implementations by platform providers that restrict the operations of other companies.	Service business development, active development of the existing business, diversification of revenue sources, geographic diversification of business.
Printed and digital media audiences	A significant drop in print subscribers and readers, a drop in online service subscribers and users, a permanent decline in advertising sales and a significant increase in distribution and delivery costs and pressure concerning the pricing of services.	Maintaining and developing an interactive media-reader relationship, customer satisfaction surveys, Alma Media's internal cooperation in content production, content sales, advertising sales, support functions and product development. Own distribution network, distribution partnerships and cooperation with publishers.
Customer data	The ability to utilise the growing amount of customer data in delivering better and more targeted service solutions. The capacity of product and service development to anticipate changes in customer needs. Violations of the GDPR or other regulations governing data protection. Data protection violations arising from the management of complex technological systems or inadequate employee competence.	Business development driven by customer needs. Measures to promote digital business competitiveness and data management. Sufficient investments and resources in data management and systems as well as the development of data protection procedures and employee competence.

Risk	Risk definition	Risk mitigating actions
Strategic risks		
Fluctuating economic cycles	Advertising represents a significant share of revenue and is sensitive to general economic cycles.	Continuous analysis and monitoring of the operating environment, preparedness to implement structural changes as necessary.
Changes in legislation	Interpretations by the authorities regarding the practical application of the GDPR, the upcoming ePrivacy Regulation and potential legislative changes concerning taxation.	Internal training, monitoring legislation and the regulatory interpretations of the authorities, building processes for legally required changes in the organisation.
Country-specific risks	Business operations involve country-specific risks relating to market development and economic growth. Geographic diversification and internationalisation help reduce the country-specific risk of the domestic market.	Ongoing market development analysis, monitoring and analysing Group- and country-specific risks.
Group subscriptions of magazines	Changes in the group subscriptions of the major financial and technology-related magazines.	Customer satisfaction surveys and continuous service development based on the results, in cooperation with group subscribers.
Operational risks		
Disturbances of information technology and communications	Reliability of information networks.	Contingency plans, decentralised server solutions, cloud computing, ensuring sufficient competencies.
Cyber risks	The risk of being targeted by information security attacks and data theft.	Contingency plans and risk management actions, ensuring sufficient competencies, insurance.
Disruption of printing operations	Disruption of printing operations due to an accident, mechanical fault or information system error.	Contingency and restoration plans, back-up arrangements and customer communication.
Competence	Technological development and the demands of new technology increase the risk of obtaining and maintaining sufficient competencies and achieving employee commitment.	HR strategy, creating commitment in key individuals, additional resource allocation and trainee programmes, employee well-being.
Financial risks		
Interest and foreign exchange risks	A change in an interest rate or currency exchange rate causes a significant impact on the company's profit or balance sheet position.	Treasury policy and the hedging principles defined therein.
Refinancing risk	The company is unable to renew maturing financing agreements.	Treasury policy, financing plan and agreements, sufficiently long maturity of loans, sufficient equity ratio.
Liquidity risk	The company is unable to cover its maturing obligations in the short term.	Treasury policy, financing limit agreements of sufficient size.

ALMA MEDIA'S BUSINESS RISKS ARE ALSO CLOSELY RELATED TO RESPONSIBLE JOURNALISM AND RESPONSIBLE MARKETING

Risks related to the reporting of non-financial information	Risk definition	Risk mitigating actions
Risks related to journalism	The erosion of the appreciation and reliability of media content. Monitoring and managing editorial content is challenging in the digital environment.	Developing editorial teams' practices and employee competence. Reader satisfaction surveys, customer contacts and feedback. Participation in journalism industry events and organisations.
Risks related to marketing	Diminishing reliability as an advertising environment. Publishing advertising that is contrary to good marketing practices or disrupts the reading experience. Ethical risks related to digital marketing, such as programmatic buying, including partner risks, providing a safe brand environment as a publisher. Technological risks.	Customer satisfaction surveys, customer contacts and feedback. Developing marketing practices and employee competence. Technology acquisition.

RISKS RELATED TO TOPICS UNDER NON-FINANCIAL REPORTING AND THEIR MANAGEMENT

Alma Media's risk analysis and risk management covers risks related to topics under non-financial reporting. The aim is to ensure materiality and focus risk management resources on the risks that are assessed to be the most significant. The Board of Directors oversees risk management. The analysis of risks related to topics under non-financial reporting includes an assessment of financial impacts as well as how the potential impact of the risk on Alma Media's reputation, amongst other things.

Alma Media reports on the measures taken to manage risks related to topics under non-financial reporting in the manner stipulated by the Accounting Act. In addition to the measures described below, the Group aims to manage risks related to topics under non-financial reporting through proactive and transparent communications as well as by reporting and communicating with stakeholders comprehensively on the Group's corporate responsibility and non-financial information.

RISKS RELATED TO THE RESPONSIBILITY OF MEDIA

To support the democratic development of society and to maintain their position as respected national media brands and safe and high-quality advertising environments, Alma Media's media brands must systematically develop their employee competence, content offering and technological capabilities related to marketing automation, for example. In order to manage the risks related to editorial and marketing practices, the supervisors of Alma Media's editorial teams and media sales units focus on active management, feedback and communication. The development of operations is also supported by monitoring the decisions of the self-regulatory bodies of the media and marketing communications industry, the feedback received on content published by Alma Media as well as the results of reader and customer satisfaction surveys.

ENVIRONMENTAL RISKS

Alma Media's business does not involve environmental risks that have been assessed to be of material significance. The company's printing and delivery operations involve the most significant direct and indirect environmental impacts, but these are managed by systematically developing the company's operations, employee competencies and processes towards a more eco-friendly direction in accordance with Alma Media's science-based climate targets. The environmental risks of printing operations are also mitigated by the printing facility commissioned in 2013 and its efficient, state-of-the-art equipment.

The environmental risks associated with purchasing are reduced by the geographical scope of Alma Media's operations. Alma Media's country units make most of their purchases domestically or from nearby regions where businesses are subject to comprehensive supervision.

SOCIAL AND HR-RELATED RISKS

According to Alma Media's assessment, the most significant HR-related risk is the potential failure of ensuring employee competence, securing employee commitment and maintaining the necessary competencies. To manage this risk, Alma Media follows its HR strategy by developing managerial work and leadership, recruitment and career management, employer image and by building a corporate culture that promotes continuous learning. Targets have been set for these areas and their progress is reported annually.

In Alma Media's delivery operations, special attention is paid to the prevention of occupational accidents caused by slipping and falling. The key methods in this prevention effort include equipment to improve the safety and ergonomics of delivery staff, emphasising occupational safety in internal communications and in the induction training of delivery staff as well as systematically analysing and monitoring accidents and near misses.

RISKS RELATED TO UNETHICAL BUSINESS PRACTICES AND HUMAN RIGHTS VIOLATIONS

Alma Media's Code of Conduct states that the company respects human rights and rejects bribery, corruption and discrimination – and expects the same from its employees and business partners. The company aims to prevent the risks associated with unethical business practices by systematically developing its organisational culture, operating methods and communications aimed at minimising risks.

During the reporting period, the company introduced digital learning materials related to its Code of Conduct, which new employees must complete as part of their induction training. Employees also have access to an anonymous whistleblowing channel for reporting any observations of unethical conduct. Alma Media's ethical guidelines are communicated to subcontractors by an appendix included in purchasing agreements that outlines the company's corporate responsibility principles. The appendix was first introduced in 2018 and its use will be expanded in 2019.

Changes in Group structure in 2018

Changes in Group structure are described in the strategy section of the Report by the Board of Directors as well as in the notes to the consolidated financial statements, in Note 4.2 Subsidiaries and Note 4.3 Business combinations.

Annual General Meeting

Alma Media Corporation's Annual General Meeting, held on 14 March 2018, re-elected the current Board members Esa Lager, Petri Niemisvirta, Matti Korkiatupa and Catharina Stackelberg-Hammarén, and elected Peter Immonen, Alexander Lindholm, Heike Tyler and Päivi Rekonen as new Board members, for the term ending at the close of the next Annual General Meeting. In its constitutive meeting held after the AGM, the Board of Directors elected Petri Niemisvirta as its Chairman and Catharina Stackelberg-Hammarén as its Vice Chairman.

The Board of Directors also appointed the members to its permanent committees in its constitutive meeting. Alexander Lindholm, Heike Tyler and Päivi Rekonen were elected as members of the Audit Committee and Esa Lager as Chairman of the Committee. Petri Niemisvirta, Matti Korkiatupa and Catharina Stackelberg-Hammarén were elected as members of the Nomination and Compensation Committee and Peter Immonen as Chairman of the Committee.

The Board of Directors has assessed that, with the exception of Peter Immonen, Matti Korkiatupa, Esa Lager and Alexander Lindholm, the members of the Board are independent of the company and its significant shareholders. The members mentioned hereinabove are assessed to be independent of the company, but they are not independent of its significant shareholders. Peter Immonen is a member of the Board of Mariatorp Oy, 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 is a member of the Board of Ilkka-Yhtymä Oyj and Alexander Lindholm is the CEO of Otava Group.

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

REMUNERATION OF BOARD MEMBERS

In accordance with the proposal of the Shareholders' Nomination Committee, the AGM of 14 March 2018 decided that the remuneration be kept unchanged, and that the following annual remuneration be paid to the members of the Board of Directors for the term of office ending at the close of the Annual General Meeting 2019: to the Chairman of the Board of Directors, EUR 40,000 per year; to the Vice Chairman, EUR 32,000 per year, and to members EUR 27,000 per year.

In addition, and in accordance with the resolution of the 2016 Annual General Meeting, the Chairmen of the Board and its Committees will be paid a fee of EUR 1,000, Vice Chairmen a fee of EUR 700 and members a fee of EUR 500 for each Board and Committee meeting they attend. The Board members' travel expenses will be compensated in accordance with the company's travel policy.

It is proposed that the above-mentioned attendance fee for each meeting be
- doubled for (i) members living outside Finland in Europe or (ii) meetings held outside Finland in Europe; and
- tripled for (i) members resident outside Europe or (ii) meetings held outside Europe.

The members of the Board shall, as decided by the Annual General Meeting, acquire a number of Alma Media Corporation shares corresponding to approximately 40% of the full amount of the annual remuneration for Board members, taking into account tax deduction at source, at the trading price on the regulated market arranged by the Helsinki Stock Exchange. Members of the Board are required to arrange the acquisition of the shares within two weeks of the release of the first quarter 2018 interim report or, if this is not possible due to insider trading regulations, as soon as possible thereafter. If it was not possible to acquire the shares by the end of 2018 for a reason such as pending insider transactions, the remuneration shall be paid in cash. Shares acquired in this way cannot be transferred until the recipient's membership in the Board has expired. The company is liable to pay any asset transfer taxes that may arise from the acquisition of shares.

AUTHORISATION TO THE BOARD OF DIRECTORS TO REPURCHASE OWN SHARES

The AGM of 14 March 2018 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)% 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. The authorisation is valid until the following AGM, but not later than 30 June 2019.

AUTHORISATION TO THE BOARD OF DIRECTORS TO DECIDE ON THE TRANSFER OF OWN SHARES

The AGM of 14 March 2018 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)% 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. The authorisation is valid until the following AGM, but not later than 30 June 2019.

AUTHORISATION TO THE BOARD OF DIRECTORS TO DECIDE ON A SHARE ISSUE

The AGM of 14 March 2018 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. The authorisation is valid until the following AGM, but not later than 30 June 2019.

RESOLUTION ON FORFEITURE

When Alma Media Corporation's shares were incorporated into the book-entry system on 3 February 2005, the shareholders were to request that their shares be registered in their book-entry accounts no later than on the registration date referred to in Chapter 3 a, Section 2 of the previous Finnish Limited Liability Companies Act (734/1978), i.e. 3 February 2005. In accordance with Chapter 3 a, Section 3 of the previous Limited Liability Companies Act (734/1978), the Central Securities Depository opened a joint book-entry account in the name of the company for any shareholders who failed to request that their shares be registered by the aforementioned last date of registration at the latest.

Pursuant to Section 8, Subsection 2 of the Act on the implementation of the current Limited Liability Companies Act (625/2006), the AGM may, in accordance with Chapter 3, Section 14 a, Subsection 3 of the current Limited Liability Companies Act (624/2006), decide that, with regard to shares entered in the joint book-entry account, the right to shares incorporated in the book-entry system and the rights attached to such shares are forfeited after ten years has elapsed since the expiry of the registration period and the entry into force of the current Limited Liability Companies Act. The current Limited Liability Companies Act entered into force on 1 September 2006.

Alma Media Corporation's Annual General Meeting decided that the rights to the company's shares entered in the joint book-entry account and the rights attached to them shall be forfeited. The decision concerned the 198,658 shares of Alma Media Corporation that were entered in the joint account on the date of the Notice to the Annual General Meeting, 14 February 2018, and which were held as paper certificates by the shareholder. The shares that the shareholder would have validly requested to be registered to the book-entry account designated by the shareholder no later than at 12 noon EET on 14 March 2018 and regarding which the request for conversion after the conversion period would have been finalised by 30 September 2018, would have been deducted from the aforementioned number of shares. Alma Media received no requests for share registration by the specified deadline.

The AGM authorised the Board to take any and all measures required by the resolution. The provisions on treasury shares were applied to the forfeited shares in accordance with Chapter 3, Section 14 a, Subsection 3 of the Limited Liability Companies Act. The forfeited shares may be used to implement incentive programmes for the management or key employees, or the shares may be annulled.

Alma Media Corporation owns a total of 236,314 of its own shares, representing 0.29% of the total number of the company's shares and related votes. The total registered number of Alma Media's shares is 82,383,182, which entitle to 82,383,182 votes.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

The AGM of 14 March 2018 resolved to amend the Articles of Association so that Article 7 of the Articles of Association would take into account the changes resulting from the entry into force of the new Auditing Act (1141/2015) and that Article 8 would be amended to correspond to market practice. Under the new Auditing Act, the Auditor Oversight Unit of the Finnish Patent and Registration Office (PRH) has been responsible for the oversight of auditors as of 1 January 2016. The first paragraph of Article 7 of the Articles of Association was amended as follows:

The company shall have at least one (1) auditor, who shall have one (1) deputy, for the purpose of auditing the company's accounts and administration. An auditing firm can also be appointed as the auditor. If an auditing firm that is entered in the register of auditors of the Finnish Patent and Registration Office (PRH) and whose key audit partner is an Authorised Public Accountant is appointed the auditor, no deputy is required.

It was resolved that Article 8 of the Articles of Association be amended so that, in accordance with market practice, the company may announce the Annual General Meeting only on its website in addition to the methods allowed by the valid Articles of Association. The first paragraph of Article 8 of the Articles of Association will be amended as follows:

General meetings shall be announced in at least three newspapers published by the company or its subsidiary, or on the company website, or else in writing to shareholders by registered letter no earlier than three (3) months and no later than three (3) weeks prior to the meeting date. The invitation to the General Meeting shall, however, be delivered no later than nine (9) days before the record date for the meeting.

DONATIONS

The AGM of 14 March 2018 authorised the Board of Directors to decide on donations amounting to no more than EUR 50,000 to universities in 2018–2019, with the more detailed conditions of the donations to be decided by the Board of Directors.

DIVIDENDS

In accordance with the proposal of the Board of Directors, the AGM resolved on 14 March 2018 that a dividend of EUR 0.24 per share be paid for the financial year 2017. The dividends 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 2018. The payment was made on 31 March 2018.

The Alma Media share

In 2018, altogether 19,644,400 Alma Media shares were traded on the Nasdaq Helsinki stock exchange, representing 23.9% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of 2018, 28 December 2018, was EUR 5.54. The lowest quotation during the review period was EUR 5.10 and the highest EUR 6.52. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 456.4.

Shareholdings

20 PRINCIPAL SHAREHOLDERS ON 31 DECEMBER 2018

	Pcs	% of shares and votes
1. Otava Oy	23,922,845	29.04
2. Mariatorp Oy	15,675,473	19.03
3. Ilkka-Yhtymä Oyj	8,993,473	10.92
4. Keskinäinen työeläkevakuutusyhtiö Varma	5,327,994	6.47
5. Ilmarinen Keskinäinen Eläkevakuutusyhtiö	2,177,095	2.64
6. Nordea Nordic Small Cap	1,866,756	2.27
7. Elo Keskinäinen Työeläkevakuutusyhtiö	1,700,000	2.06
8. C.V Åkerlundin Mediasäätiö Sr	1,182,871	1.44
9. Veljesten Viestintä Oy	851,500	1.03
10. Keskisuomalainen Oyj	782,497	0.95
11. Häkkinen Matti	745,751	0.91
12. Suomen Kulttuurirahasto	677,170	0.82
13. Sr Evli Suomi Select	635,000	0.77
14. Sr Alfred Berg Suomi Focus	422,091	0.51
15. Koskinen Riitta Inkeri	409,004	0.50
16. Sinkkonen Raija Irmeli	333,431	0.40
17. Danilostock Oy	330,000	0.40
18. Tampereen Tuberkuloosisäätiö	250,000	0.30
19. Sr Taaleritehdas Mikro Markka	240,000	0.29
20. Tallberg Carl	237,250	0.29
Total	**66,760,201**	**81.04**
Nominee-registered	4,573,022	5.55
Other *	11,049,959	13.41
Total	**82,383,182**	**100**

* Alma Media Corporation owns a total of 236,314 of its own shares, representing 0.29 per cent of the total number of the company's shares and related votes.

OWNERSHIP STRUCTURE ON 31 DECEMBER 2018

	Number of owners (pcs)	% of total (%)	Number of shares (pcs)	% of shares (%)
Private companies	277	3.50	51,780,660	62.85
Financial and insurance institutions	16	0.20	3,787,446	4.60
Public entities	8	0.10	9,223,227	11.20
Households	7,476	94.35	9,990,914	12.13
Non-profit associations	102	1.29	2,911,798	3.53
Foreign owners	36	0.45	116,115	0.14
Nominee-registered shares	9	0.1	4,573,022	5.55
Total	**7,924**	**100.0**	**82,383,182**	**100.0**
Distribution of ownership Number of shares				
1–100	2,304	29.1	119,473	0.1
101–1,000	4,023	50.8	1,740,033	2.1
1,001–10,000	1,398	17.6	4,009,740	4.9
10,001–100,000	168	2.1	4,113,054	5.0
100,001–500,000	16	0.2	3,491,519	4.2
500,000–	15	0.2	68,909,363	83.64
Total	**7,924**	**100.0**	**82,383,182**	**100.0**

Management ownership

The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team together held 444,074 shares in the company on 31 December 2018, representing 0.5% of the total number of shares and votes.

THE INDIVIDUAL HOLDINGS OF ALMA MEDIA SHARES AND OPTION RIGHTS ON 31 DECEMBER 2018 WERE AS FOLLOWS *

			Performance matching	
	Shares	Fixed matching share plan 2017 and 2018	share plan 2016, 2017 and 2018	share plan TSR 2015, 2016, 2017 and 2018
Petri Niemisvirta, Chairman	21,949			
Catharina Von Stackelberg-Hammarén, Deputy Chairman	23,164			
Peter Immonen, member	1,473			
Matti Korkiatupa, member	7,344			
Esa Lager, member	15,298			
Alexander Lindholm, member	1,473			
Päivi Rekonen	1,473			
Heike Tyler	1,473			
Kai Telanne, President and CEO	145,120	72,000	106,000	136,000
Santtu Elsinen, Group Executive Team	24,934	18,000	24,000	15,000
Virpi Juvonen, Group Executive Team	16,152	10,000	14,000	18,000
Tiina Järvilehto, Group Executive Team	16,600	15,000	19,000	14,000
Kari Kivelä, Group Executive Team	35,107	25,000	35,000	43,000
Mikko Korttila, Group Executive Team	24,568	18,000	26,000	29,000
Elina Kukkonen, Group Executive Team	2,500	5,000	5,000	
Juha-Petri Loimovuori, Group Executive Team	38,319	25,000	38,000	46,000
Raimo Mäkilä, Group Executive Team	44,417	13,000	26,000	46,000
Juha Nuutinen, Group Executive Team	22,710	15,000	23,000	29,000
Total	**444,074**	**216,000**	**316,000**	**376,000**

* The figures include holdings of entities under their control as well as holdings of related parties.

Share-based incentive scheme (LTI 2015)
The share-based incentive scheme is described in Note 1.4.2 to the consolidated financial statements.

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

Flagging notices
On 16 November 2018, Alma Media Corporation received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, that Otava Oy's holding of the shares and votes in Alma Media Corporation had exceeded the threshold of 25 per cent and amounted to 29.04% (10.003).

On 16 November 2018, Alma Media Corporation received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, that Ilkka-Yhtymä Oyj's holding of the shares and votes in Alma Media Corporation had decreased under the threshold of 15 per cent and amounted to 10.92% (29,96).

Corporate Governance Statement for 2018
In 2018, Alma Media Corporation applied the Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association in 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 2018 will be issued concurrently with the CG Statement on 22 February 2019 and it will be published on the company's website at www.almamedia.fi/en/investors/governance/remuneration.

Outlook and operating environment in 2019
Finland and Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see economic growth, but the rate of growth is predicted to slow in 2019.

The structural transformation of the media will continue; online content sales will grow, while the demand for print media will decline. The profitability of print media will be reduced by higher distribution and delivery costs as well as volume-linked costs. Making use of data, analytics, machine learning and automation will become increasingly important, which calls for increasing technology investments. The areas of digital advertising that are expected to see the fastest growth are search engine, social media, mobile and video advertising as well as content marketing.

In 2019, Alma Media expects its full-year revenue to remain at the previous year's level and its adjusted operating profit to increase compared to 2018. The full-year revenue for 2018 was MEUR 354.6 and the adjusted operating profit was MEUR 57.3.

Dividend proposal to the Annual General Meeting:
On 31 December 2018, the Group's parent company had distributable funds totalling EUR 152,709,980 (134,532,841). Alma Media's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.35 per share (EUR 0.24 per share) be paid for the financial year 2018. Based on the number of outstanding shares on the closing date 31 December 2018, the dividend payment totals EUR 28,751,404 (19,733,564).

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.

Key figures describing financial performance

The key figures are calculated according to IFRS recognition and measurement principles.

INCOME STATEMENT

		IFRS 2018	Change %	IFRS 2017	Change %	IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014
Revenue	MEUR	354.6	-3.5	367.3	4.0	353.2	21.2	291.5	-1.3	295.4
Digital revenue	MEUR	170.3	8.7	156.6	17.3	133.5	27.9	104.3	10.4	94.5
% of revenue	%	48.0		42.6		37.8		35.8		32.0
Operating profit/loss	MEUR	61.0	31.0	46.6	74.0	26.8	51.5	17.7	-14.7	20.7
% of revenue	%	17.2		12.7		7.6		6.1		7.0
Adjusted operating profit	MEUR	57.3	12.2	51.1	45.2	35.2	50.4	23.4	9.2	21.4
% of revenue	%	16.2		13.9		10.0		8.0		7.2
Adjusted items*	MEUR	-3.7	-181.9	4.5	-46.4	8.4	46.9	5.7	716.1	0.7
Profit before tax	MEUR	60.4	31.5	45.9	81.2	25.4	51.3	16.8	-14.9	19.7
Adjusted profit before tax	MEUR	56.7	12.4	50.4	49.5	33.7	50.2	22.5	11.3	20.2
Profit for the period	MEUR	47.9	30.6	36.7	85.0	19.9	64.6	12.1	-23.2	15.7
Share of profit of associated companies	MEUR	-0.3	147.5	0.7	30.5	0.9	41.4	1.6	-7.7	1.7
Net financial expenses	MEUR	0.3	-78.2	1.3	-45.8	2.4	-6.4	2.5	-6.9	2.7
Net financial expenses %	MEUR	0.1		0.3		0.7		0.9		0.9

* Adjusted items are described in more detail in the Report by the Board of Directors.

BALANCE SHEET

		IFRS 2018	Change %	IFRS 2017	Change %	IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014
Balance sheet total	MEUR	345.6	3.5	333.8	2.1	327.0	-0.4	328.3	28.2	256.1
Interest-bearing net debt	MEUR	2.0		40.2		57.1		76.2		71.1
Interest-bearing liabilities	MEUR	51.5	-16.0	61.3	-23.8	80.4	-11.3	90.6	9.1	83.0
Non-interest-bearing liabilities	MEUR	107.2	-6.1	114.2	5.1	108.6	-0.7	109.4	57.5	69.4

OTHER INFORMATION

		IFRS 2018	Change %	IFRS 2017	Change %	IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014
Average no. of employees, excl. delivery staff and telemarketers *		1,943	-1.6	1,975	0.1	1,972	33.6	1,476	-19.3	1,828
Delivery staff and telemarketers on average *		1,149	-2.3	1,175	1.2	1,162	-6.8	1,246	26.5	985
Capital expenditure	MEUR	22.1	-0.5	22.2	121.8	10.0	-83.4	60.2	318.0	14.4
Capital expenditure, % of revenue	%	6.2		6.0		2.8		20.6		4.9
Research and development costs	MEUR	4.3	-14.6	5.0	0.1	5.0	-9.4	5.5		5.5
Research and development costs, % of revenue	%	1.2		1.4		1.4		1.9		1.9

KEY FIGURES

		IFRS 2018	Change %	IFRS 2017	Change %	IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014
Return on equity (ROE)	%	27.8	12.1	24.8	66.3	14.9	43.4	10.4	-36.6	16.4
Return on investment (ROI)	%	21.7	23.6	17.5	73.5	10.1	46.7	6.9	-29.8	9.8
Equity ratio, %	%	57.5		50.9		45.7		42.5		42.6
Gearing	%	1.1		25.4		41.4		59.4		68.5

* The calculation of the number of employees was revised in 2018. The comparison figures have been adjusted accordingly.

PER SHARE DATA

		IFRS 2018	Change %	IFRS 2017	Change %	IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014
Earnings per share basic	EUR	0.51		0.39		0.20		0.13		0.19
Earnings per share diluted	EUR	0.50		0.39		0.20		0.13		0.19
Cash flow from operating activities per share	EUR	0.68		0.63		0.51		0.43		0.35
Shareholders' equity per share	EUR	1.94		1.66		1.44		1.35		1.17
Dividend per share	EUR	0.35*		0.24		0.16		0.12		0.12
Payout ratio	%	69.2		61.5		78.2		92.3		63.2
Effective dividend yield	%	6.3		3.3		3.2		4.0		4.4
P/E Ratio		10.9		18.4		24.6		23.1		14.6
Highest share price	EUR	8.14		7.50		5.45		3.25		3.2
Lowest share price	EUR	5.10		4.88		2.95		2.51		2.55
Share price on 31 December	EUR	5.54		7.19		5.0		3.00		2.75
Market capitalisation	MEUR	456,4		592,3		414,4		247,1		207,6
Turnover of shares, total	kpcs	19,644		5,795		14,088		9,668		5,977
Relative turnover of shares, total	%	23.9		7.0		17.1		12.7		7.9
Average no. of shares (1,000 shares), basic	kpcs	82,147		82,223		82,383		76,394		75,487
Average no. of shares (1,000 shares), diluted	kpcs	83,219		83,147		82,383		76,394		75,487
Adjusted no. of shares on 31 December	kpcs	82,383		82,383		82,383		82,383		75,487

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

Calculation of key figures

Return on shareholders' equity, % (ROE)	Profit for the period / Shareholders' equity + non-controlling interest (average during the year)	x 100
Return on investment, % (ROI)	Profit for the period + interest and other financial expenses / Balance sheet total - non-interest-bearing debt (average during the year)	x 100
Equity ratio, %	Shareholders' equity + non-controlling interest / Balance sheet total - advances received	x 100
Operating profit	Profit before tax and financial items	
EBITDA	Operating profit excluding depreciation, amortisation and impairment losses	
Digital sales, % of revenue	Digital sales / Revenue	x 100
Basic earnings per share, €	Share of net profit belonging to parent company owners / Average number of shares adjusted for share issues	
Diluted adjusted earnings per share, €	Share of net profit belonging to parent company owners / Diluted average number of shares adjusted for share issues	
Gearing, %	Interest-bearing debt - cash and bank receivables / Shareholders' equity + non-controlling interest	x 100
Net financial expenses, %	Financial income and expenses / Revenue	x 100
Dividend per share, €	Dividend per share approved by the Annual General Meeting With respect to the most recent year, the Board's proposal to the AGM	
Payout ratio, %	Dividend/share / Share of EPS belonging to parent company owners	x 100
Effective dividend yield, %	Dividend/share adjusted for share issues / Final quotation at close of period adjusted for share issues	x 100
Price/earnings (P/E) ratio	Final quotation at close of period adjusted for share issues / Share of EPS belonging to parent company owners	
Shareholders' equity per share, €	Equity attributable to owners of the parent / Basic number of shares at the end of period adjusted for share issues	
Market capitalisation of share stock, €	Number of shares x closing price at end of period	

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:

Operating profit excluding adjusted items (MEUR and % of revenue)	Profit before tax and financial items excluding adjusted items
EBITDA excluding adjusted items	Operating profit excluding depreciation, amortisation, impairment losses and adjusted items

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

Consolidated comprehensive income statement

MEUR	Note	1.1.– 31.12.2018	1.1. –31.12.2017
Revenue	1.1, 1.2	**354.6**	**367.3**
Other operating income	1.2	6.7	3.3
Change in inventories of finished products		0.0	0.0
Materials and services	1.3	64.8	74.3
Expenses arising from employee benefits	1.3, 1.4	141.9	148.8
Depreciation, amortisation and impairment	2.1, 2.2, 2.3	15.6	20.3
Other operating expenses	1.3	78.1	80.6
Operating profit	1.1	**61.0**	**46.6**
Finance income	3.1	2.1	0.6
Finance expenses	3.1	2.4	1.8
Share of profit of associated companies	4.4	-0.3	0.7
Profit before tax		**60.4**	**45.9**
Income tax	5.1, 5.2	-12.5	-9.2
Profit for the period		**47.9**	**36.7**
Other comprehensive income			
Items that are not later transferred to be recognised through profit or loss			
Items arising due to the redefinition of the net defined benefit liability (or asset item)		-0.1	-0.2
Changes in the fair value of equity instruments measured at fair value through other comprehensive income		-0.2	
Tax on items that are not later transferred to be recognised through profit or loss		0.0	0.0
Items that may later be transferred to be recognised through profit or loss			
Translation differences		0.6	0.5
Other comprehensive income for the year, net of tax		0.3	0.3
Total comprehensive income for the year, net of tax		**48.3**	**37.0**

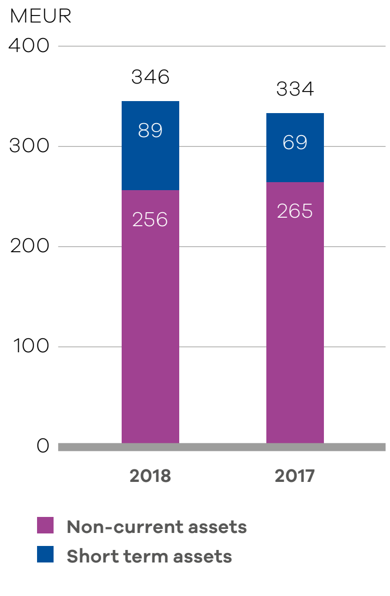
MEUR	Note	1.1.– 31.12.2018	1.1. –31.12.2017
Profit for the period attributable to			
Owners of the parent company		41.7	32.2
Non-controlling interest		6.3	4.6
Total comprehensive income for the period attributable to			
Owners of the parent company		42.0	32.5
Non-controlling interest		6.3	4.6
Earnings per share calculated from the profit for the period attributable to the parent company shareholders (€)			
Earnings per share (basic)	3.9	0.51	0.39
Earnings per share (diluted)	3.9	0.50	0.39

Consolidated balance sheet

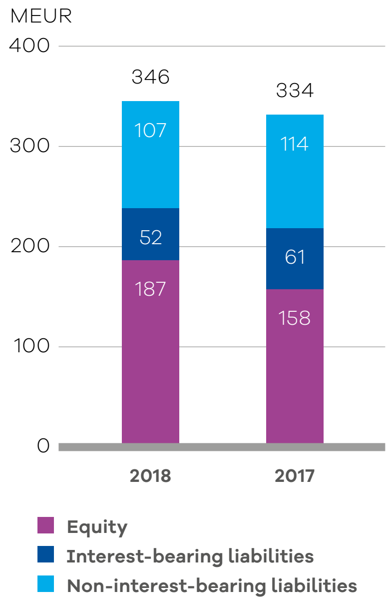
MEUR	Note	31.12.2018	31.12.2017
ASSETS			
Non-current assets			
Goodwill	2.1	133.5	121.7
Other intangible assets	2.1	59.4	62.4
Tangible assets	2.2	53.7	59.8
Investment properties	2.3	0.0	10.2
Shares in associated companies	4.4	4.1	4.5
Pension receivables, defined benefit plans	3.6	0.0	0.0
Other non-current financial assets	3.2	3.9	4.0
Deferred tax assets	5.2	1.5	2.3
		256.1	**265.1**
Current assets			
Inventories	3.7	3.2	2.4
Tax receivables		0.4	0.6
Trade and other receivables	3.7	36.3	44.9
Other current financial assets	3.2	0.1	0.0
Cash and cash equivalents	3.2	49.5	20.7
		89.5	**68.7**
Assets, total		**345.6**	**333.8**
EQUITY AND LIABILITIES			
Share capital		45.3	45.3
Share premium reserve		7.7	7.7
Translation differences		-0.6	-1.2
Invested non-restricted equity fund		19.1	19.1
Retained earnings		88.7	65.8
Equity attributable to owners of the parent	3.9	**160.2**	**136.8**
Non-controlling interest		26.6	21.6
Total equity		**186.8**	**158.3**
Non-current liabilities			
Deferred tax liabilities	5.2	12.2	13.0
Pension liabilities	3.6	1.1	1.1
Provisions	1.3	0.4	0.4
Non-current financial liabilities	3.3	47.4	56.2
		61.2	**70.7**

MEUR	Note	31.12.2018	31.12.2017
Current liabilities			
Advances received		20.5	23.0
Income tax liability		3.7	5.1
Provisions	1.3	0.7	0.9
Current financial liabilities	3.3	13.1	5.7
Trade and other payables	3.7	59.5	70.1
		97.6	**104.7**
Liabilities, total		**158.8**	**175.5**
Equity and liabilities, total		**345.9**	**333.8**

Balance sheet, Assets



Balance sheet , Equity & liabilities

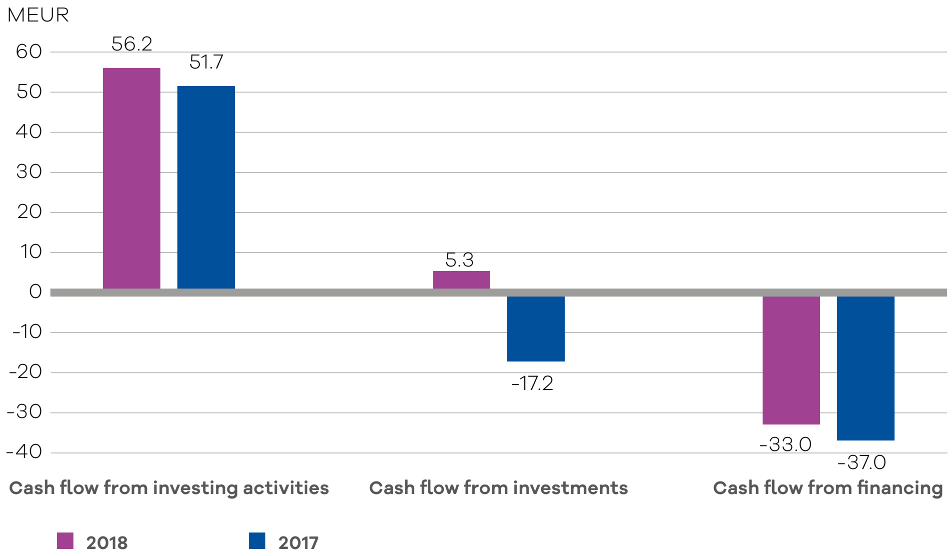


Consolidated cash flow statement

MEUR	Note	1.1.–31.12.2018	1.1.–31.12.2017
Operating activities			
Profit for the period		47.9	36.7
Adjustments		26.1	28.7
Change in working capital		-2.7	-6.0
Dividend received		0.4	1.0
Interest received		0.1	0.1
Interest paid		-1.7	-1.8
Taxes paid		-13.9	-7.1
Net cash flow from operating activities		**56.2**	**51.7**
Investing activities			
Acquisitions of tangible assets		-1.6	-1.6
Acquisitions of intangible assets		-2.1	-2.1
Proceeds from sale of tangible and intangible assets		1.4	0.5
Other investments		-0.1	-14.8
Proceeds from sale of available-for-sale financial assets		0.0	0.0
Change in loan receivables		0.0	0.0
Repayment of loan receivables		0.0	0.0
Business acquisitions less cash and cash equivalents at the time of acquisition		-5.2	-2.0
Proceeds from sale of businesses less cash and cash equivalents at the time of sale		12.9	1.1
Acquisition of associated companies	4.4	-1.2	-0.3
Proceeds from sale of associated companies	4.4	1.2	1.5
Investing activities		**5.3**	**-17.2**
Cash flow before financing activities		**61.6**	**34.5**

MEUR	Note	1.1.–31.12.2018	1.1.–31.12.2017
Financing activities			
Non-current loans taken		0.0	0.0
Repayment of non-current loans		-5.0	-5.0
Current loans taken		14.0	3.0
Repayment of current loans		-14.0	-13.2
Payments of finance lease liabilities		-5.1	-5.0
Acquisition of own shares		0.0	0.0
Dividends paid and capital repayment	3.9	-22.9	-15.5
Financing activities		**-33.0**	**-37.0**
Change in cash and cash equivalent funds (increase + / decrease -)		**28.6**	**-2.4**
Cash and cash equivalents at beginning of period	3.2	20.7	23.3
Effect of change in foreign exchange rates		-0.2	-0.1
Cash and cash equivalents at end of period	3.2	**49.5**	**20.7**

Cash flow from investing activities



FURTHER DETAILS FOR THE STATEMENT OF CASH FLOW

MEUR	Note	1.1.–31.12.2018	1.1.–31.12.2017
Operating activities			
Adjustments:			
Depreciation, amortisation and impairment	2	15.6	20.3
Share of profit of associated companies	4.4	0.3	-0.7
Capital gains (losses) on the sale of fixed assets and other investments		-5.3	-2.3
Financial income and expenses	3.1	0.3	1.3
Income tax	5.1	12.5	9.2
Change in provisions	1.3	-0.2	0.1
Other adjustments		3.0	0.8
Adjustments, total		**26.1**	**28.7**
Change in working capital:			
Change in trade receivable		7.9	-8.8
Change in inventories		-0.8	-0.1
Change in trade payable		-9.8	2.9
Change in working capital, total		**-2.7**	**-6.0**
Investing activities:			
Investments financed through finance leases		0.7	-0.8
Gross capital expenditure, payment-based *		3.8	-18.4
Sold and purchased business operations, non-payment-based		-17.7	2.2
Investments, total		**-22.1**	**-21.5**

* Excluding investments of acquired businesses

Consolidated statement of change in equity

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

MEUR	Note	Share Capital	Share premium reserve	Foreign currency translation reserve	Invested non-restricted equity fund	Retained earnings	Equity attributable to the owner of parent	Minority interest	Total equity
Total equity 1.1.2017		**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
Business transactions with the owners									
Capital repayment by parent						-13.2	-13.2		-13.2
Dividends paid by subsidiaries								-2.3	-2.3
Share-based payment transactions						-1.2	-1.2		-1.2
Exercised options						0.5	0.5		0.5
Change in ownership in subsidiaries						-0.5	-0.5	-0.1	-0.6
Total equity 31.12.2017	3.9	**45.3**	**7.7**	**-1.2**	**19.1**	**65.8**	**136.8**	**21.6**	**158.3**
Total equity 1.1.2018		**45.3**	**7.7**	**-1.2**	**19.1**	**65.8**	**136.8**	**21.6**	**158.3**
Adoption of IFRS 9						-0.2	-0.2		-0.2
Adoption of amendment to IFRS 2						1.6	1.6		1.6
Total equity 1.1.2018		**45.3**	**7.7**	**-1.2**	**19.1**	**67.3**	**138.2**	**21.6**	**159.8**
Profit for the period						41.7	41.7	6.3	47.9
Other comprehensive income						-0.1	-0.1		-0.1
Changes in the fair value of equity instruments measured at fair value through other comprehensive income						-0.2	-0.2		-0.2
Translation differences				0.6		-0.9	-0.3	0.2	0.0
Transactions with equity holders									
Dividends paid by parent						-19.7	-19.7		-19.7
Dividends paid by subsidiaries								-3.1	-3.1
Acquisition of own shares							0.0		0.0
Refund of unredeemed dividends						0.1	0.1		0.1
Share-based payment transactions						0.5	0.5	0.1	0.6
Change in ownership in subsidiaries									
Acquisitions of shares by non-controlling interests that did not lead to changes in control						0.0	0.0	1.5	1.6
Total equity 31.12.2018	3.9	**45.3**	**7.7**	**-0.6**	**19.1**	**88.7**	**160.2**	**26.6**	**186.8**

Accounting principles used in the consolidated financial statements

Basic information on the group

Alma Media is a media company focusing on digital services and publishing. In addition to news content, the Group's products provide useful information related to lifestyle, career and business development. Alma Media builds sustainable growth for its customers by utilising the opportunities of digitalisation, including information services, system and expert services and advertising solutions. The services of Alma Media have expanded from Finland to the Nordic countries, the Baltics and Central Europe. The Group's parent company Alma Media Corporation is a Finnish public company established under Finnish law, domiciled in Helsinki at Alvar Aallon katu 3 C, PL 140, FI-00101 Helsinki.

A copy of the consolidated financial statements is available online at www.almamedia.fi or from the parent company head office.

The Board of Directors approved the financial statements for disclosure on 13 February 2019. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

Accounting principles

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS. The IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2018 have been applied. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in EU regulation (EU) no 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

The Group adopted IFRS accounting principles during 2005 and in this connection applied IFRS 1 (First-time adoption), the transition date being 1 January 2004.

The consolidated financial statements are based on the purchase method of accounting unless otherwise specified in the accounting principles below. Figures in the tables in the financial statements are presented in thousands of euros.

The Group's parent company, Alma Media Corporation (corporate ID code FI19447574, called Almanova Corporation until 7 November 2005) was established on 27 January 2005. The company acquired the shares of the previous Alma Media Corporation (corporate ID code FI14495809) during 2005. The acquisition has been treated in the consolidated accounts as a reverse acquisition based on IFRS 3. This means that the acquiring company was the old Alma Media Corporation and the company being acquired was the Group's current legal parent company, Almanova Corporation. The net fair value of the assets, liabilities and contingent liabilities on the acquisition date did not differ from their carrying values in the company's accounts. The acquisition cost was equivalent to the net fair value of the assets, liabilities and contingent liabilities and, therefore, no goodwill was created by the acquisition. The accounting principles adopted for the reverse acquisition apply only to the consolidated financial statements.

Impact of standards adopted during 2018

The Group has adopted the following new standards and interpretations from 1 January 2018 onwards:

IFRS 2 The amendment to IFRS 2 Share-based Payment concerns incentive schemes with a net settlement feature to cover withholding tax obligations and where the employer has an obligation to withhold tax from the received benefit on the share-based payment. Under the previous standard, the payment was divided into an equity-settled component and a cash-settled component. According to the amended standard, the entire scheme is treated as an equity-settled payment, and the compensation cost is recognised based on the number of gross shares awarded in spite of the employee ultimately only receiving the net shares and the Group paying the portion required for meeting the withholding obligations in cash to the tax authorities. The withholding tax paid by the Group to the tax authorities is recognised directly in equity.

The Group's financial statements for 2017 included MEUR 1.6 in short-term liabilities related to the cash-settled component.

Due to the amendment to the standard, this component has been adjusted in the opening balance sheet of 1 January 2018 by moving it from liabilities to retained earnings.

IFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and liabilities. It also introduces changes to the rules governing hedge accounting as well as a new impairment model for financial assets. The new standard replaced IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 has been applied by the Group retrospectively starting from 1 January 2018 in such a way as to take advantage of the practical expedients provided by the standard. The comparison figures for 2017 are not adjusted. The most significant impacts of IFRS 9 adoption in the Group are related to the impairment of trade receivables and the classification of financial assets and liabilities.

The classification is made on initial acquisition and it is based on the objective of the business model and the contractual cash flow characteristics of the financial assets. The classification according to IFRS 9 had no effect on balance sheet.

In recognising expected credit losses, the Group applies the simplified approach defined in IFRS 9, according to which lifetime expected credit losses can be recognised for all trade receivables. For the purposes of determining expected credit losses, trade receivables have been grouped on the basis of shared credit risk characteristics and delinquency in payment. The MEUR 0.2 increase in the loss allowance related to trade receivables reduces the opening balance of retained earnings on 1 January 2018.

IFRS 15 Revenue from Contracts with Customers is a new standard governing the recognition of revenue. The new standard establishes a five-stage framework for recognising revenue from contracts with customers and replaces existing revenue guidance, including IAS 18, IAS 11 and the related interpretations. Revenue can be recognised over time or at a point in time, with the criterion being the transfer of control.

Alma Media adopted IFRS 15 Revenue from Contracts with Customers on 1 January 2018, leading to a change in the accounting principles used in the consolidated financial statements. Due to the new standard, the Group has carried out assessments in the financial years 2016, 2017 and 2018 to evaluate the impact of the standard on the revenue recognition practices used by the Group. The assessments reviewed the revenue recognition processes and accrual principles used in the different invoicing systems and accounting of the Group's businesses, comparing the present situation to the requirements of the new standard. At the same time, manual practices in the revenue accrual process were automated.

Alma Media has defined its various revenue streams and their recognition based on the standard. Alma Media's most significant revenue streams are derived from content sales, advertising sales and the service business. Key contracts have been reviewed and documented for all the relevant revenue streams and transaction price. The allocation of transaction prices has been determined based on the revenue contracts.

The new rules were adopted non-retrospectively in accordance with the IFRS 15 transition provisions, using the practical expedient permitted by the standard. Due to the use of the practical expedient, the comparison figures for 2017 have not been adjusted. The adoption of the standard has not resulted in adjustments to items reported in the financial statements or any entries to retained earnings.

Revenue in accordance with IFRS 15 is itemised in Note 1.2 Operating Income.

Annual Improvements to IFRSs 2015–2017. Through the Annual Improvements procedure, small and less urgent amendments to the standards are collected and implemented together once a year. Their impacts vary standard by standard, but they have not had a material effect on the consolidated financial statements.

New and amended standards and interpretations to be applied in future periods

IASB has published the following new or amended standards and interpretations that the Group has not yet applied. The Group will begin applying them starting from the effective date of each standard and interpretation or, if the date of entry into effect is not the first day of the financial year, the Group will apply the standard or interpretation starting from the beginning of the next financial year:

IFRS 16 Leases (effective for financial periods beginning on or after 1 January 2019). Under the new standard, all leases except short-term leases with a term of less than 12 months and leases of low-value assets will be recognised on the balance sheet as right-of-use assets. Operating leases and finance leases will no longer be differentiated between. The change will move off-balance sheet obligations to the balance sheet and thus increase the amount of property, plant and equipment as well as liabilities. Lessor accounting will not be subject to significant changes. Some new notes will be required from next year.

The concepts of agreements processed as off-balance sheet liabilities and the concepts used in IFRS 16 are somewhat different from each other, which is why the number of agreements recognised on the balance sheet may differ from the number of off-balance sheet liabilities. The lease contracts recognised on the balance sheet are mainly for business premises and cars. Leases for IT equipment, on the other hand, are treated as off-balance sheet obligations, unlike under the current IAS 17 standard.

Alma Media has begun preparing for the adoption of the standard and assessed the impact of its adoption by the Group. The change will have a material impact on the consolidated financial statements. The change will also affect balance sheet indicators, such as gearing.

The effect of the change is also described in Note 3.3 Financial liabilities.

PRELIMINARY ASSESSMENT OF THE EFFECT OF IFRS 16 ON ALMA MEDIA CORPORATION'S CONSOLIDATED FINANCIAL STATEMENTS (THE FIGURES MAY DEVIATE FROM THE FINAL AMOUNTS SHOWN ON THE OPENING BALANCE SHEET OF 1 JANUARY 2019)

Balance sheet (MEUR)	31.12.2018 Assets	31.12.2018 Liabilities
Leases for business premises, cars and operating leases	54.4	54.4
Leases for IT equipment	-1.2	-1.4
Total	**53.2**	**53.0**

Estimated effect on annual income statement (MEUR)	
Other expenses – decrease	7.4
EBITDA	7.4
Depreciation – increase	-7.3
EBIT	0.1
Interest expenses – increase	-0.7
Profit for the period	-0.6

Balance sheet and key figures MEUR	Reported 31 Dec 2018	Adjusted 31 Dec 2018
Assets total	345.6	398.8
Interest-bearing liabilities	51.5	104.5
Net debt	2.0	55.0
Equity ratio, %	57.5	46.6
Net debt/EBITDA	0.03	0.66

IAS 1 Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and consequent amendments to other standards:

- Adopting a consistent definition of materiality throughout the IFRS standards and the Conceptual Framework for Financial Reporting;
- clarifies the definition of materiality; and
- includes some guidelines for IAS 1 regarding immaterial information.

The amendments have not yet been approved for application in the EU.

IAS 19 Employee Benefits (effective for financial periods beginning on or after 1 January 2019). The amendments to IAS 19 clarify the accounting of the amendment or curtailment of a defined benefit plan as well as the settlement of obligations. According to the amendments, companies are required to:

- Determine the current service cost and net interest for the remaining financial period following the amendment or curtailment of a defined benefit plan or the settlement of an obligation, using updated assumptions effective from the date of amendment
- The potential reduction of the surplus must be immediately recognised in profit or loss, either as part of any past service cost or as a gain or loss on settlement. In other words, the reduction of the surplus must be recognised in profit or loss even if the surplus in question was not previously recognised due to the asset ceiling
- Recognise changes in the asset ceiling separately in other comprehensive income.

The amendments have not yet been approved for application in the EU.

IAS 28 Investments in Associates and Joint Ventures (amendments to IAS 28, effective for financial periods beginning on or after 1 January 2019) clarifies that investments in associates and joint ventures to which the equity method is not applied are treated according to IFRS 9 before recognising losses or impairment pursuant to IAS 28. The amendments have not yet been approved for application in the EU.

IFRIC 23 Uncertainty over Income Tax Treatments (effective for financial periods beginning on or after 1 January 2019). The interpretation clarifies the recognition and measurement of current and deferred tax assets and liabilities when there is uncertainty over their tax treatment. In particular, the interpretation concerns:

- Determining the appropriate unit of calculation and the principle that each instance of uncertain tax treatment must be examined either separately or together as a group depending on which approach better predicts the uncertain outcome
- The principle that the tax authorities are assumed to investigate all instances of uncertain tax treatment and obtain all necessary information, and the risk of detection is not taken into consideration.
- The principle that the effect of uncertainty must be taken into consideration in the accounting treatment of taxes if it is not probable that the tax authorities will accept an uncertain treatment
- The principle that the effect of the uncertainty is determined either by the most likely amount or the expected value, whichever method is expected to better predict the resolution of the uncertainty, and
- The principle that judgement-based decisions
- and estimates must be reassessed if the facts and circumstances change or new information affecting the judgement or estimate is obtained.

The Group is assessing the effects of the standard's implementation.

Comparability of consolidated financial statements

The financial years 2018 and 2017 are comparable. The company has no discontinued operations to report in the financial periods 2018 and 2017.

Translation of items denominated in foreign currencies

Figures in the consolidated financial statements are shown in euros, the euro being the functional and presentation currency of the parent company. Foreign currency items are entered in EUR at the rates prevailing at the transaction date. Monetary foreign currency items are translated into EUR using the rates prevailing at the balance sheet date. Non-monetary foreign currency items are measured at their fair value and translated into EUR using the rates prevailing at the balance sheet date. In other respects non-monetary items are measured at the rates prevailing at the transaction date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions respectively in the statement of comprehensive income. Exchange rate differences related to loans and loan receivables are taken to other finance income and expenses in the profit or loss for the period.

The income statements of foreign Group subsidiaries are translated into EUR using the weighted average rates during the period, and their balance sheets at the rates prevailing on the balance sheet date. Goodwill arising from the acquisition of foreign companies is treated as assets and liabilities of the foreign units in question and translated into EUR at the rates prevailing on the balance sheet date. Translation differences arising from the consolidation of foreign subsidiaries and associated companies are entered under shareholders' equity. Exchange differences arising on a monetary item that forms part of the reporting entity's net investment in the foreign operation shall be recognised in the balance sheet and reclassified from equity to profit or loss on disposal of the net investment.

Operating profit and EBITDA

IAS 1 Presentation of Financial Statements does not include a definition of operating profit or gross margin. Gross margin is the net amount formed when other operating profit is added to net sales, and material and service procurement costs adjusted for the change in inventories of finished and unfinished products, the costs arising from employee benefits and other operating expenses are subtracted from the total. Operating profit is the net amount formed when other operating profit is added to net sales, and the following items are then subtracted from the total: material and service procurement costs adjusted for the change in inventories of finished and unfinished products; the costs arising from employee benefits; depreciation, amortisation and impairment costs; and other operating expenses. All other items in the profit or loss not mentioned above are shown under operating profit. Exchange rate differences and changes in the fair value of derivative contracts are included in operating profit if they arise on items related to the company's normal business operations; otherwise they are recognised in financial items.

Adjusted items

Adjusted items 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 adjusted items. Adjusted items are recognised in the profit and loss statement within the corresponding income or expense group. Adjusted items are described in the Report by the Board of Directors.

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

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which may differ from actual results in the future. Management is also required to use its discretion as to the application of the accounting principles used to prepare the statements.

Accounting principles requiring management's judgement

The management of the Group makes judgement-based decisions pertaining to the selection and application of the accounting principles used in the financial statements. This particularly applies in cases where the existing IFRS regulations allow for alternative methods of recognition, measurement and presentation. A significant area in which the management has exercised this type of judgement is related to the Group's lease agreements. The Group has significant lease agreements for its business premises. Based on assessment of the terms of the agreements, the Group has determined that it does not bear any significant rewards and risks incidental to the ownership of the premises and therefore the agreements are by nature operating lease agreements.

Alma Media has identified subscription products and customer loyalty products in accordance with the provisions of IFRS 15. As the item prices of these products are not material, they are not treated as separate performance obligations based on the management's assessment of materiality. The revenue derived from such products is recognised as part of the main products.

According to IFRS 15 Revenue from Contracts with Customers, an entity shall recognise revenue when it satisfies a performance obligation by transferring a promised good or service to a customer. Alma Media's exception to the revenue recognition practices required by IFRS 15 is the recognition of revenue from credit packages associated with the recruitment business. In credit package transactions, the customer buys credits against which Alma Media provides advertising sales services during the validity of the credits, subject to an agreed-upon price list. According to the management's assessment, recognising revenue evenly over the contract period instead of a revenue recognition model based on actual use leads to essentially the same outcome as recognising revenue based on the use of the credits.

Key sources of estimation uncertainty

The estimates made in conjunction with preparing the financial statements are based on the management's best assessments on the reporting period end date. The estimates are based on prior experience, as well as future assumptions that are considered to be the most likely on the balance sheet date with regard to issues such as the expected development of the Group's economic operating environment in terms of sales and cost levels. The Group monitors the realisation of estimates and assumptions, as well as changes in the underlying factors, on a regular basis in cooperation with the business units, using both internal and external sources of information. Any changes to these estimates and assumptions are entered in the accounts for the period in which the estimate or assumption is adjusted and for all periods thereafter.

Future assumptions and key sources of uncertainty related to estimates made on the balance sheet date that involve a significant risk of changes to the book values of the Group's assets and liabilities during the following financial year are presented below. The Group's management has considered these components of the financial statements to be the most relevant in this regard, as they involve the most complicated accounting policies from the Group's perspective and their application requires the most extensive application of significant estimates and assumptions—for example, in the valuation of assets. In addition, the effects of potential changes to the assumptions and estimates used in these components of the financial statements are estimated to be the largest.

The determination of the fair value of intangible assets in conjunction with business combinations is based on the management's estimate of the cash flows related to the assets in question. The determination of the fair value of liabilities related to contingent considerations arising from business combinations are based on the management's estimate. The key variables in the change in fair value of contingent considerations are estimates of future operating profit.

Impairment tests: The Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and reviews any indications of impairment in the manner described above. The amounts recoverable from cash-generating units are recognised based on calculations of their fair value. The preparation of these calculations requires the use of estimates. The estimates and assumptions used to test major goodwill items for impairment, and the sensitivity of changes in these factors with respect to goodwill testing is described in more detail in the note which specifies goodwill.

Useful lives: Estimating useful lives used to calculate depreciation and amortisation also requires management to estimate the useful lives of these assets. The useful lives used for each type of asset are described in the notes Property, Plant and Equipment 2.2 and Intangible Assets 2.1.

Other estimates: Other management estimates relate mainly to other assets, such as the current nature of receivables and capitalised R&D costs, to tax risks, to determining pension obligations and to the utilisation of tax assets against future taxable income.

Notes to the consolidated financial statements

1 Segments and operating profit

1.1 Information by segment

On 21 March 2018, Alma Media announced it will combine the Alma News & Life business segment, which produces news and lifestyle services, and the Alma Regions business segment, which focuses on regional and local media business, effective from 1 April 2018.

Following the business combination, Alma Media has three business segments: Alma Markets, focusing on digital marketplaces and the recruitment business, Alma Talent, a provider of financial media and services aimed at professionals and businesses, and Alma Consumer, a unit that focuses on the consumer media business. 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.

Segment information is based on internal management reporting, which has been prepared in accordance with IFRS.

The recruitment services Monster.fi, 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, Autojerry.fi, Websales and Webrent. Also reported in this segment are Nettikoti and Talosofta, which specialise 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.

The Alma Talent business segment publishes 19 trade and financial magazines and newspapers as well as a variety of 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 Mediuutiset. In Sweden, Alma Talent's publications include Affärsvärlden and Ny Teknik.

Alma Consumer publishes the print and online editions of the national news media Iltalehti, the regional newspapers Aamulehti and Satakunnan Kansa, and local and town papers published in Pirkanmaa, western Finland and central Finland. The online services Telkku.com, Kotikokki.net, E-kontakti.fi and Rantapallo.fi are also reported in this segment. The printing and distribution unit Alma Manu is also part of the business segment.

The segments' assets and liabilities are items used by the respective segments in their business operations.

The Group's business is mainly divided between two geographical areas: Finland and the rest of Europe. Alma Markets operates in Finland and nine other European countries, principally the Czech Republic and Slovakia. The Alma Talent segment's business operations are located in Finland, the Baltic countries and Sweden. The Alma Consumer segment operates primarily in Finland.

The revenue and assets for different geographical regions are based on where the services are located. The following table shows a geographical breakdown of the Group's revenue and assets in 2018 and 2017:

REVENUE

MEUR	2018	Share of total, %	2017	Share of total, %
Segments, Finland	264.9	74.7	282.2	76.8
Segments, other countries	88.9	25.1	82.9	22.6
Segments total	**353.8**	**99.8**	**365.1**	**99.4**
Non-allocated and eliminations	0.8	0.2	2.2	0.6
Total	**354.6**	**100.0**	**367.3**	**100.0**

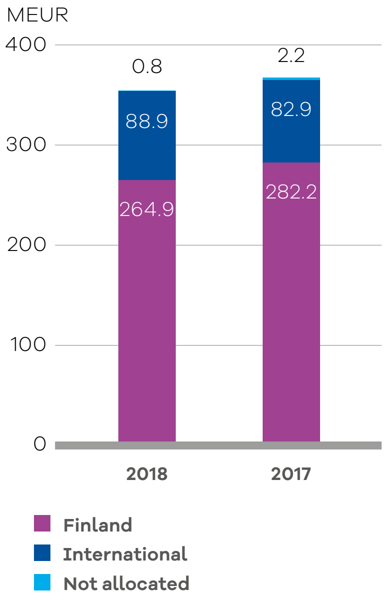
OPERATING PROFIT

MEUR	2018	Share of total, %	2017	Share of total, %
Segments, Finland	42.2	69.2	35.5	76.2
Segments, other countries	25.9	42.5	23.0	49.5
Segments total	68.1	111.6	58.5	125.7
Non-allocated	-7.1	-11.6	-12.0	-25.7
Total	**61.0**	**100.0**	**46.6**	**100.0**

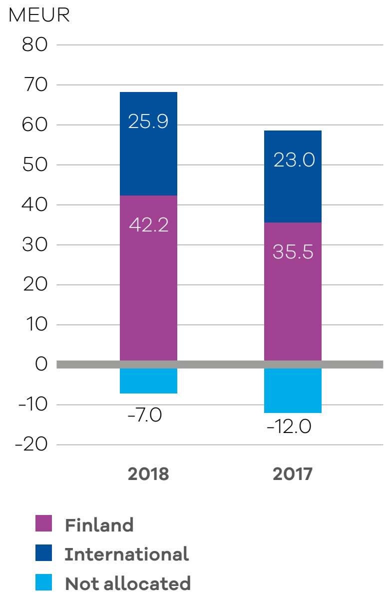
ASSETS

MEUR	2018	Share of total, %	2017	Share of total, %
Finland	249.8	72.3	233.5	70.0
Other countries	129.3	37.4	134.3	40.2
Eliminations	-33.5	-9.7	-34.1	-10.2
Total	**345.6**	**100.0**	**333.8**	**100.0**

Revenue



Operating profit

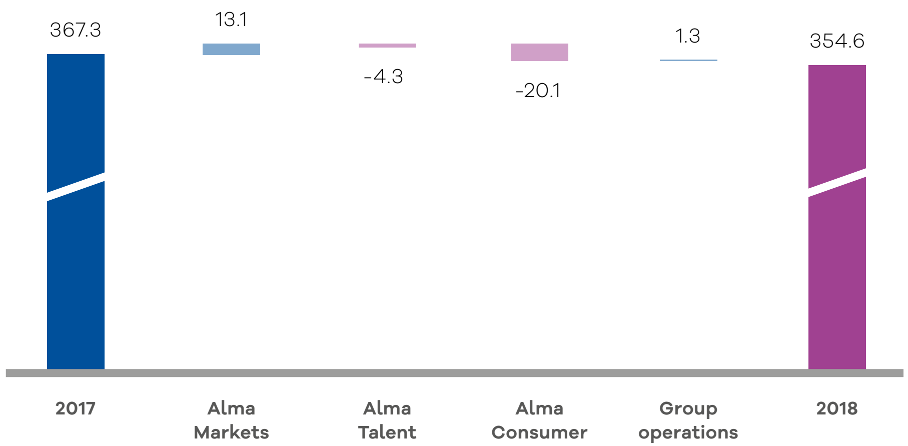


REVENUE

MEUR	Alma Markets	Alma Talent	Alma Consumer	Segments, total	Non-allocated items and eliminations	Group
Financial year 2018						
Revenue						
External revenue	97.0	100.8	126.7	324.4	30.2	354.6
Inter-segment revenue	-0.6	8.1	25.0	32.5	-32.5	
Total	**96.4**	**108.9**	**151.7**	**356.9**	**-2.3**	**354.6**
Financial year 2017						
Revenue						
External revenue	83.7	106.4	150.0	340.0	27.3	367.3
Inter-segment revenue	-0.4	6.8	21.8	28.2	-28.2	
Total	**83.2**	**113.2**	**171.8**	**368.2**	**-0.9**	**367.3**

Change in revenue 2017–2018

MEUR



PROFIT FOR THE PERIOD

MEUR	Alma Markets	Alma Talent	Alma Consumer	Segments, total	Non-allocated items and eliminations	Group
Financial year 2018						
EBITDA excluding adjusted items	38.1	19.5	18.3	75.8	-2.9	72.9
Depreciation, amortisation and impairment	-3.6	-4.0	-3.9	-11.5	-4.1	-15.6
Operating profit excluding adjusted items	34.4	15.5	14.4	64.3	-7.0	57.3
Adjusted items	0.7	-0.4	3.5	3.8	-0.1	3.7
Operating profit/loss	35.1	15.1	17.9	68.1	-7.1	61.0
Share of profit of associated companies	-0.4	0.0	0.1	-0.3	-0.1	-0.3
Net financial expenses	1.4	0.1	-0.2	1.3	-1.6	-0.3
Profit before tax and appropriations	**36.2**	**15.2**	**17.8**	**69.1**	**-8.7**	**60.4**
Income tax					-12.5	-12.5
Profit for the period	**36.2**	**15.2**	**17.8**	**69.1**	**-21.2**	**47.9**
Financial year 2017						
EBITDA excluding adjusted items	31.3	18.8	20.8	70.9	-3.6	67.4
Depreciation, amortisation and impairment	-2.9	-4.2	-4.2	-11.3	-5.0	-16.3
Operating profit excluding adjusted items	28.3	14.6	16.7	59.6	-8.5	51.1
Adjusted items	0.5	0.6	-2.2	-1.1	-3.4	-4.5
Operating profit/loss	28.9	15.2	14.5	58.5	-12.0	46.6
Share of profit of associated companies	0.5	0.1	0.0	0.6	0.1	0.7
Net financial expenses	-0.2	0.1	-0.1	-0.2	-1.1	-1.3
Profit before tax and appropriations	**29.2**	**15.3**	**14.4**	**58.9**	**-13.0**	**45.9**
Income tax					-9.2	-9.2
Profit for the period	**29.2**	**15.3**	**14.4**	**58.9**	**-22.2**	**36.7**

ASSETS AND LIABILITIES

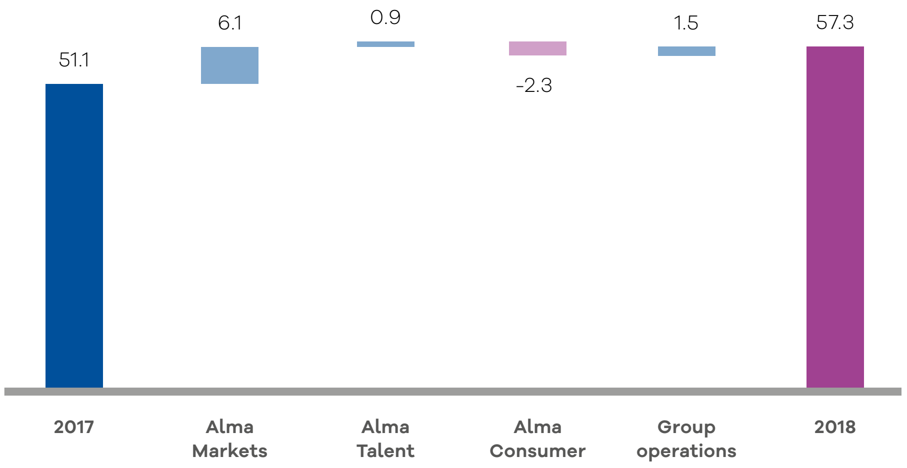
MEUR	Alma Markets	Alma Talent	Alma Consumer	Segments, total	Non-allocated items and eliminations	Group
Financial year 2018						
Assets	95.6	100.5	60.9	257.0	84.5	341.5
Investments in associated companies and joint ventures	2.8	0.0	1.2	4.0	0.1	4.1
Assets total	**98.7**	**100.5**	**62.2**	**261.0**	**84.6**	**345.6**
Liabilities, total	**35.7**	**26.1**	**40.6**	**102.4**	**56.3**	**158.8**
Capital expenditure	**16.5**	**0.9**	**1.9**	**19.4**	**2.7**	**22.1**
Financial year 2017						
Assets	78.5	110.8	68.0	257.3	72.0	329.3
Investments in associated companies and joint ventures	3.4	0.0	0.0	3.4	1.1	4.5
Assets total	**81.9**	**110.8**	**68.0**	**260.7**	**73.1**	**333.8**
Liabilities, total	**25.7**	**31.1**	**65.3**	**122.1**	**53.4**	**175.5**
Capital expenditure	**2.3**	**2.1**	**0.9**	**5.3**	**16.9**	**22.2**

Assets not allocated to segments are financial assets and tax receivables.

Liabilities not allocated to segments are financial and tax liabilities.

Change in adjusted operating profit, 2017–2018

MEUR



1.2 Operating income

1.2.1 Revenue

IFRS 15 includes a five-stage framework for the recognition of revenue from contracts with customers. It replaces the previous standards governing revenue, such as IAS 18 Revenue and IAS 11 Construction Contracts. According to IFRS 15, an entity shall recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue can be recognised over time or at a point in time, with the criterion being the transfer of control.

Alma Media adopted IFRS 15 Revenue from Contracts with Customers on 1 January 2018, leading to a change in the accounting principles used in the consolidated financial statements. The Group has applied IFRS 15 non-retrospectively, using the practical expedient permitted by the standard. Accordingly, the comparison figures for 2017 have not been adjusted. The adoption of the standard has not resulted in adjustments to items reported in the financial statements or any entries to retained earnings in the financial year 2018.

Alma Media Group's material revenue streams consist of content revenue, advertising sales and service sales.

Content revenue covers fees for content sold by the Group's media. Income from content revenue arises from content sold for both print and online (digital) publications. Under content revenue, digital services and print products are separate performance obligations, with print revenue recognised at a point in time, on the publication dates, and digital revenue recognised over time, during the term of the agreement, relative to calendar days.

Advertising sales revenue consists of the sales of print and online advertising space in the Group's media. The performance obligations in advertising sales are online advertising sales and advertising sales for print publications, such as display advertising, classified advertising, content marketing and partner sales. Revenue from online advertising sales is recognised over time, primarily based on the timing of the advertisement's publication, while revenue from print advertising sales is recognised at a point in time, based on publication dates. Revenue from classified digital advertising sales is recognised over time during the term of the advertisement. Revenue from the sales of advertisements with a long contract period (1–12 months) is recognised over the contract period.

The Group's service sales include, among other things, the sale of printing and delivery services to customers outside the Group, the Alma Talent segment's event and training business and the sale of information services. The Group also has online services aimed at consumers. Service revenue is recognised over time during the period in which the service is delivered.

Alma Media also engages in business operations where Alma Media acts as an agent for services provided by external partners. In these cases, Alma Media does not have primary responsibility for the fulfilment of the contract. The net amount of consideration is recognised as revenue when the sales transaction occurs. Agency sales represent a small proportion of total revenue.

Transaction prices are list prices or contractual customer-specific prices, less other items that reduce the amount of expected consideration, such as discounts granted. Alma Media's contracts typically do not include variable amounts of consideration where the related uncertainty would only be resolved after the performance obligation has been fulfilled. Due to the nature of Alma Media's products and services, returning them is not possible as a rule. Accordingly, no refund liabilities arise from their sale. When the period between the transfer of the product or service to the customer and the customer paying for it is one year or less, Alma Media applies the practical expedient by which it does not need to recognise a significant financing component nor adjust the transaction price for the effects of the time value of money.

As a rule, the subscriptions associated with content revenue are paid at the start of the subscription period. The sales of advertising and services are paid at the start of the contract period as a rule. Payments received from customers are treated as prepayments on the balance sheet, from where the prepayments are recognised as revenue as the performance obligations are transferred to customers; for example, based on the publication dates of the print products included in subscriptions.

Alma Media has incremental costs of obtaining contracts, such as commissions on the sale of publications. Alma Media applies the practical expedient and does not recognise an asset from the costs incurred to obtain a contract because the costs would be recognised as expenses in one year or less.

2018 MEUR	Alma Markets	Alma Talent	Alma Consumer	Segments, total	Non-allocated items and eliminations	Group
Content revenue		**47.7**	**67.1**	**114.8**	**0**	**114.8**
Content revenue, print		36.6	61.3	97.9	0	97.9
Content revenue, digital		11.1	5.8	17.0	0	16.9
Advertising revenue	**86.8**	**33.4**	**64.0**	**184.2**	**-0.2**	**183.9**
Advertising revenue, print		13.9	37.5	51.5	-0.9	50.6
Advertising revenue, digital	86.8	17.0	26.4	130.2	0.7	131.0
Advertising revenue, other		2.5		2.5	-0.1	2.4
Service revenue*	**9.5**	**27.8**	**20.6**	**58.0**	**-2.1**	**55.9**
Total	**96.4**	**108.9**	**151.7**	**357.0**	**-2.4**	**354.6**

* Service revenue includes rental income which are not handled according to IFRS15. The amount of rental income is immaterial to the consolidated financial statement.

2017 MEUR	Alma Markets	Alma Talent	Alma Consumer	Segments, total	Non-allocated items and eliminations	Group
Content revenue		**48.2**	**77.6**	**125.8**	**0**	**125.8**
Content revenue, print		38.2	71.2	109.3	0	109.3
Content revenue, digital		10.1	6.4	16.5	0	16.5
Advertising revenue	**77.3**	**35.5**	**73.3**	**186.1**	**-0.3**	**185.8**
Advertising revenue, print		15.5	48.1	63.6	-0.9	62.8
Advertising revenue, digital	77.3	17.3	25.2	119.8	0.7	120.5
Advertising revenue, other						
Service revenue	**5.9**	**29.5**	**20.9**	**56.4**	**-0.7**	**55.7**
Total	**83.2**	**113.2**	**171.8**	**368.3**	**-1.0**	**367.3**

IFRS 15 contract liabilities, i.e. prepayments received, are presented by Alma Media under current liabilities on the balance sheet. The balances included in prepayments received at the start of the financial year have been primarily recognised as revenue during the financial year. The financial statements do not include IFRS 15 contract assets.

2018 MEUR	Alma Markets	Alma Talent	Alma Consumer	Segments, total	Non-allocated items and eliminations	Group
IFRS 15 contract liabilities 1 Jan 2018	**15.6**	**12.8**	**9.2**	**37.6**	**0**	**37.6**
Change	2.8	-1.1	1.1	2.8	0	2.8
Effect of acquisitions and divestments			-2.5	-2.5		-2.5
IFRS 15 contract liabilities 31 Dec 2018	**18.4**	**11.7**	**7.9**	**38.0**	**0**	**38.0**
Advances received	0.9	11.7	7.9	20.5	0	20.5
Accrued expences and prepaid income	17.4					17.4

1.2.2 Other operating income

MEUR	2018	2017
Gains on sale of non-current assets	5.4	2.2
Proceeds on sale related to incremental acquisition	0.7	0.7
Other operating income	0.6	0.5
Total	**6.7**	**3.3**

1.3 Operating expenses

1.3.1 Materials and services

MEUR	2018	2017
Purchases during period	14.9	14.3
Change in inventories	-0.8	-0.1
Use of materials and supplies	**14.1**	**14.1**
External services	50.7	60.2
Total	**64.8**	**74.3**

1.3.2 Research and development costs

The Group's research and development costs in 2018 totalled MEUR 4.3 (MEUR 5.0 in 2017). MEUR 4.3 (MEUR 4.9) was recognised in the income statement and no development costs were capitalised on the balance sheet in 2018 (MEUR 0.1 in 2017). There were capitalised research and development costs totalling MEUR 1.1 on the balance sheet on 31 December 2018 (MEUR 2.2 in 2017).

1.3.3 Employee benefits expense

ⓘ Employee benefits cover short-term employee benefits, other long-term benefits, benefits paid in connection with dismissal and post-employment benefits.

Short-term employee benefits include salaries and benefits in kind, annual holidays and bonuses. Other long-term benefits include, for example, a celebration, holiday or remuneration based on a long period of service. Benefits paid in connection with dismissal are benefits that are paid due to the termination of an employee's contract and not for service in the company.

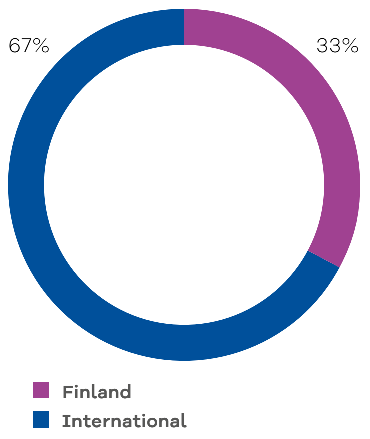
Post-employment benefits comprise pension and benefits to be paid after termination of the employee's contract, such as life insurance and healthcare. These benefits are classified as either defined contribution or defined benefit plans. The Group has both forms of benefit plans. The accounting principles related to pensions are presented in more detail in Note 3.6 Pension obligations.

Past service costs are recognised as expenses through profit or loss at the earlier of the following: when the plan is rearranged or downsized, or a when the entity recognises the related rearrangement expenses or benefits related to the termination of employment.

MEUR	2018	2017
Wages, salaries and fees	111.8	116.8
Pension costs – defined contribution plans	17.4	18.5
Pension costs – defined benefit plans	0.0	0.0
Share-based payment transaction expense	1.8	1.7
Other employee expenses	10.9	11.8
Total	**141.9**	**148.8**

Average number of employees, calculated as full-time employees (excl. delivery staff and telemarketers)	2018	2017
Alma Markets	668	588
Alma Talent	515	537
Alma Consumer	590	690
Group functions	170	159
Total	**1,943**	**1,975**
Additionally, the Group's own delivery staff and telemarketers (on average):	1,149	1,175

Personnel



1.3.4 Other operating expenses

Specification of other operating expenses by category.

MEUR	2018	2017
Information technology and telecommunication	25.6	24.6
Business premises	12.3	13.1
Sales and marketing	21.1	22.6
Administration and experts	7.3	7.5
Other employee costs	9.3	9.4
Other costs	2.5	3.4
Total	**78.1**	**80.6**

1.3.5 Audit expenses

1 000 EUR	2018	2017
Companies belonging to the PricewaterhouseCoopers chain		
Audit	246.5	281.3
Reporting and opinions	1.6	4.5
Tax consultation		6.9
Other	44.8	53.5
Total	**292.9**	**346.2**

The non-audit services provided by PricewaterhouseCoopers Oy for Alma Media Group companies in the financial period 2018 totalled EUR 46,000 (a total of EUR 65,000 in the financial period 2017).

1.3.6 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the costs required to fulfil the obligation. The provision is discounted if the time-value of the money is significant with respect to the size of the provision. Examples of provisions entered by Alma Media are rental expenses on vacant office premises (loss-making agreements), provisions to cover restructuring costs, and pension obligation provisions on unemployment pension insurance.

A restructuring provision is entered when the Group has prepared and started to put into effect a detailed restructuring plan or has informed those affected by the restructuring of the key aspects of the plan. No provisions are entered for expenses related to the Group's regular operations.

A provision is entered on loss-making agreements when the immediate costs required to fulfil the obligation exceed the benefits available from the agreement.

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

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not within the Group's control. A contingent liability can also be a present obligation that is not recognised because it is not probable that the payment obligation will be realised, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are presented in the notes to the financial statements.

MEUR	Restructuring provision	Other provisions	Total
1.1.2018	0.9	0.4	1.3
Increase in provisions	0.0		0.0
Provisions employed	-0.2	0.0	-0.2
31.12.2018	**0.7**	**0.4**	**1.1**
Current	0.7		0.7
Non-current		0.4	0.4

Restructuring provision: this provision has been made to cover implemented or possible employee reductions in different companies. The provision is expected to be realised in 2019.

MEUR	Restructuring provision	Other provisions	Total
1.1.2017	0.7	0.5	1.2
Increase in provisions	0.3	0.1	0.4
Provisions employed	-0.1	-0.2	-0.3
31.12.2017	**0.9**	**0.4**	**1.3**
Current	0.9		0.9
Non-current		0.4	0.4

1.4 Salaries, bonuses and share-based payments paid to management

The reward scheme of the President and CEO of Alma Media Corporation and other senior management consists of a fixed monetary salary (monthly salary), fringe benefits (company car and mobile telephone benefit, and housing benefit for the President & CEO), an incentive bonus related to the achievement of financial and operational targets (short-term reward scheme) and a share-based incentive scheme for key employees of the Group (long-term reward scheme) as well as a pension benefit for management.

1.4.1 Salaries and bonuses paid to management

PARENT COMPANY PRESIDENT AND CEO (KAI TELANNE)

1 000 EUR	2018	2017
Salaries and other short-term employee benefits	723.5	895.3
Post-employment benefits	367.6	397.8
Share-based payment transaction expense	468.1	355.6
Total	**1,559.1**	**1,648.7**

The figures in the table are presented on an accrual basis. In 2018, the salary and benefits paid to the President and CEO of the Group totalled EUR 1,128,356 (in 2017 EUR 944,682).

PENSION BENEFITS OF THE PRESIDENT AND CEO:
In addition to statutory employment pension security, the President and CEO has a defined contribution group pension benefit. His pension accumulates by 37% of the annual earnings. He has the right to retire upon reaching 60 years of age, at which time the payment of insurance premiums terminates. The pension is determined on the basis of the insurance savings accrued by the time of retirement. Retirement can be postponed up to 70 years of age. At this time, the pension is determined on the basis of insurance savings adjusted according to the value development of the investment objects.

NOTICE PERIOD OF THE PRESIDENT AND CEO:
The notice period of the President and CEO is six months. An additional contractual compensation equal to 12 months' salary is paid if the employer terminates his contract without the President and CEO being in breach of contract. This compensation corresponding to the 12-month salary is not paid if the President and CEO resigns on his own initiative. Alma Media's Board of Directors decides on the appointment and, as necessary, dismissal of the President and CEO.

OTHER MEMBERS OF THE GROUP EXECUTIVE TEAM

1 000 EUR	2018	2017
Salaries and other short-term employee benefits	2,226.9	2,175.3
Benefits paid in connection with dismissal		
Post-employment benefits	773.7	818.1
Share-based payment transaction expense	928.3	708.2
Total	**3,928.8**	**3,701.6**

The figures in the table are presented on an accrual basis. In 2018, the salary and benefits paid to the other members of the Group Executive Team totalled EUR 3,047,501 (in 2017 EUR 2,431,774).

BOARD OF DIRECTORS OF ALMA MEDIA CORPORATION AND BENEFITS PAID TO ITS MEMBERS

1 000 EUR	2018	2017
Harri Suutari, Chairman (until 14 March 2018)	3.0	55.0
Petri Niemisvirta, Chairman (from 14 March 2018)	56.4	45.8
Catharina Stackelberg-Hammarén, Deputy Chairman (from 14 March 2018)	43.5	36.5
Peter Immonen, member (from 14 March 2018)	38.0	
Matti Korkiatupa, member	36.5	36.5
Esa Lager, member	38.0	38.5
Alexander Lindholm, member (from 14 March 2018)	34.0	
Päivi Rekonen, member (from 14 March 2018)	40.0	
Mitti Storckovius, member (until 14 March 2018)	2.0	36.0
Heike Tyler, member (from 14 March 2018)	37.0	
Niklas Herlin, member (until October 2017)		34.0
Total	**328.4**	**282.3**

The figures in the table are presented on an accrual basis.

According to the resolution of the General Meeting, the benefits to the Board members are paid as shares of Alma Media Corporation.

SALARIES AND BENEFITS TO THE BOARD OF DIRECTORS, THE PRESIDENT AND CEO, AND OTHER MEMBERS OF THE GROUP EXECUTIVE TEAM, TOTAL

1 000 EUR	2018	2017
Salaries and other short-term employee benefits	3,174	3,352.9
Post-employment benefits	1,122.2	1,215.9
Share-based payment transaction expense	1,396.4	1,063.8
Total	**5,692.6**	**5,632.7**

1.4.2 Share-based payments

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, retain participants and offer them 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 said 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 by the terms of the plan for the receipt of the share-based incentive 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, 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 by the terms of the plan for the receipt of the share-based incentive are still satisfied at the time.

SHARE-BASED INCENTIVE SCHEMES LTI 2015 II (2016), LTI 2015 III (2017) AND LTI 2015 IV (2018)

The Board of Directors of Alma Media Corporation has decided on the following share-based incentive schemes for the next three years based on the LTI 2015 scheme: LTI 2015 II (2016), LTI 2015 III (2017) and LTI 2015 IV (2018). The main terms of the incentive schemes correspond to those of the share-based incentive scheme that was launched in 2015.

The Board of Directors has estimated that no new shares will be issued in connection with LTI 2015. Therefore, the plan will have no dilutive effect on the number of the company's registered shares.

The Annual General Meeting of Alma Media Corporation held on 14 March 2018 authorised the Board of Directors to decide on the repurchase of a maximum of 824,000 shares in one or more lots, and further authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company to implement incentive programmes.

The allocation and maximum reward potential of the share-based incentive scheme for the President and CEO and the Group Executive Team: The information covers the LTI I, LTI II, and LTI III, LTI IV programmes:

New share-based long-term incentive scheme LTI 2019: Matching share plan and Performance share plan

In December 2018, the Board of Directors of Alma Media Corporation decided on changes to the share-based, long-term incentive scheme of the company's top management. At the same time, the Board of Directors decided to establish a new share-based long-term incentive scheme for the other key employees of Alma Media Corporation. The new incentive scheme, LTI 2019, entered into effect from the beginning of 2019.

PRINCIPAL TERMS AND CONDITIONS OF THE PERFORMANCE SHARE PLAN:

Instrument	Performance matching share plan LTI 2015 I	Performance matching share plan TSR LTI 2015 I
AGM date/Date of issuing	12/02/2015	12/02/2015
Maximum number of shares	153 100	153 100
Dividend adjustment	No	No
Initial allocation date	17/06/2015	17/06/2015
Performance period begins	01/01/2015	01/01/2015
Performance period ends	31/03/2018	31/03/2020
Vesting date	31/03/2018	31/03/2020
Maximum contractual life, years	2.8	4.8
Remaining contractual life, years		1.3
Maximum number of people entitled to participate		22
Payment method	Cash & share	Cash & share

Instrument	Fixed matching share plan LTI 2015 III	Performance matching share plan LTI 2015 III	Performance matching share plan TSR LTI 2015 III
AGM date/Date of issuing	12/02/2015	12/02/2015	12/02/2015
Maximum number of shares	182 510	182 510	182 510
Dividend adjustment	No	No	No
Initial allocation date	28/03/2017	30/06/2017	30/06/2017
Performance period begins	01/01/2017	01/01/2017	01/01/2017
Performance period ends	31/03/2019	31/03/2020	31/03/2022
Vesting date	31/03/2019	31/03/2020	31/03/2022
Maximum contractual life, years	2.0	2.8	4.8
Remaining contractual life, years	0.3	1.3	3.3
Maximum number of people entitled to participate	30	30	30
Payment method	Cash & share	Cash & share	Cash & share

Instrument	Fixed matching share plan LTI 2015 II	Performance matching share plan LTI 2015 II	Performance matching share plan TSR LTI 2015 II
AGM date/Date of issuing	12/02/2015	12/02/2015	12/02/2015
Maximum number of shares	166 000	166 000	166 000
Dividend adjustment	No	No	No
Initial allocation date	17/03/2016	17/03/2016	17/03/2016
Performance period begins	01/01/2016	01/01/2016	01/01/2016
Performance period ends	31/03/2018	31/03/2019	31/03/2021
Vesting date	31/03/2018	31/03/2019	31/03/2021
Maximum contractual life, years	2.0	3.0	5.0
Remaining contractual life, years		0.3	2.3
Maximum number of people entitled to participate		27	27
Payment method	Cash & share	Cash & share	Cash & share

Instrument	Fixed matching share plan LTI 2015 IV	Performance matching share plan LTI 2015 IV	Performance matching share plan TSR LTI 2015 IV
AGM date/Date of issuing	12/02/2015	12/02/2015	12/02/2015
Maximum number of shares	203 000	203 000	203 000
Dividend adjustment	No	No	No
Initial allocation date	07/05/2018	07/05/2018	07/05/2018
Performance period begins	01/01/2018	01/01/2018	01/01/2018
Performance period ends	31/03/2020	31/03/2021	31/03/2023
Vesting date	31/03/2020	31/03/2021	31/03/2023
Maximum contractual life, years	2.0	2.8	4.8
Remaining contractual life, years	1.3	2.3	4.3
Maximum number of people entitled to participate	42	42	42
Payment method	Cash & share	Cash & share	Cash & share

Measurement inputs for the incentives granted during the reporting period			
Share price at time of granting, eur	7.0	7.0	7.0
Share price at end of period, eur	5.5	5.5	5.5
Dividend yield assumption, eur	0.1	0.3	0.5
Fair value on 31 Dec 2018, 1,000 eur	1077.4	634,0	345,3

Changes during share plan period

1.1.2018	Performance matching share plan LTI 2015 I	Performance matching share plan TSR LTI 2015 I	Fixed matching share plan LTI 2015 II	Performance matching share plan LTI 2015 II	Performance matching share plan TSR LTI 2015 II	Fixed matching share plan LTI 2015 III
Outstanding at the beginning of the reporting period, pcs	143,500	143,500	162,500	162,500	162,500	178,010
Changes during the period						
Lost during the period	45,850	28,000	4,000	20,000	20,000	17,000
Earned during the period	97,650	-	158,500	-	-	-
31.12.2018						
Outstanding at the end of the period		115,500	-	142,500	142,500	161,010

Changes during share plan period

1.1.2017	Performance matching share plan LTI 2015 II"	Performance matching share plan TSR LTI 2015 III	Fixed matching share plan LTI 2015 IV	Suorite-perusteinen lisäosake-ohjelma LTI 2015 IV	Suorite-perusteinen lisäosake-ohjelma_TSR LTI 2015 IV	Total
Outstanding at the beginning of the reporting period, pcs	178,010	178,010				1,308,530
Changes during the period						
Granted during the period	-	-	175,298	175 298	175 298	525,894
Lost during the period	17,000	17,000	6,000	6 000	6 000	186,850
Earned during the period						256,150
31.12.2017						
Outstanding at the end of the period	161,010	161,010	169,298	169,298	169,298	1,391,424

EFFECT OF THE SHARE-BASED INCENTIVE PROGRAMME ON THE FINANCIAL YEAR'S RESULT AND FINANCIAL POSITION

MEUR	2018	2016
Costs for the financial year, share-based payments	1.8	1.7
Liability arising from share-based payments, 31 December 2018		0.3
Estimate of cash component	3.0	2.1

2 Tangible and intangible assets, investment properties and leasing arrangements

2.1 Intangible assets and goodwill

Goodwill created through mergers and acquisitions is recorded at the amount by which the sum of the purchase price, the share of the non-controlling interest in the acquired entity and the purchaser's previously held share in the entity exceed the fair value of the net assets acquired. Goodwill is applied to cash-generating units and tested on the transition date and thereafter annually for impairment. Goodwill is measured at the original acquisition cost less impairment losses.

Research costs are entered as an expense in the period in which they arise. Development costs arising from the development of new or significantly improved products are capitalised as intangible assets when the costs of the development stage can be reliably determined, the product is technically feasible and economically viable, the product is expected to produce an economic benefit and the Group has the intention and the required resources to complete the development effort. Capitalised development costs include the costs of material, labour and testing as well as capitalised borrowing costs, if any, that directly arise from the process of making the product complete for its intended purpose. Development costs that have previously been recognised as expenses will not be capitalised at a later date.

Patents, copyright and software licenses with a finite useful life are shown in the balance sheet and expensed on a straight-line basis in the profit or loss during their useful lives. No depreciation is entered on intangible assets with an indefinite useful life; instead, these are tested annually for impairment. In Alma Media, intangible assets with an indefinite useful life are trademarks measured at fair value at the time of acquisition.

The useful lives of intangible assets are 3–10 years.

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2018					
Acquisition cost 1 Jan	120.5	5.6	0.3	128.6	255.0
Increases	0.6		1.4	0.0	2.0
Acquisitions of business operations	5.2			13.4	18.5
Decreases	-7.1	-2.8	0.0	-1.0	-10.9
Exchange differences	-0.5	0.0	0.0	-0.5	-1.0
Transfers between items	0.3		-0.3		0.0
Acquisition cost 31 Dec	**118.9**	**2.8**	**1.4**	**140.4**	**263.5**
Accumulated depreciation, amortisation and impairments 1 Jan	59.6	4.4		6.9	70.9
Accumulated depreciation in decreases and transfers	-6.4	-2.6		0.0	-9.2
Depreciation for the financial year	8.5	0.6		0.0	9.1
Impairment, input	0.0			0.0	0.0
Exchange differences	-0.2	0.0		0.0	-0.3
Accumulated depreciation, amortisation and impairments 31 Dec	**61.5**	**2.3**		**6.9**	**70.6**
Book value 1 Jan	60.9	1.1	0.3	121.7	184.1
Book value 31 Dec	**57.5**	**0.5**	**1.4**	**133.5**	**192.9**

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2017					
Acquisition cost 1 Jan	115.2	5.4	1.0	127.2	248.8
Increases	1.3	0.0	0.7	0.0	2.1
Business combinations	1.3			1.0	2.3
Decreases	-0.2			-0.8	-1.0
Exchange differences	1.7	0.0	0.0	1.2	2.9
Transfers between items	1.2	0.2	-1.4		0.0
Acquisition cost 31 Dec	**120.5**	**5.6**	**0.3**	**128.5**	**255.0**
Accumulated depreciation, amortisation and impairments 1 Jan	50.0	3.7		6.9	60.7
Accumulated depreciation in decreases	-0.2			0.0	-0.2
Depreciation for the financial year	8.5	0.7		0.0	9.2
Impairment, input	0.0				0.0
Exchange differences	1.2	0.0		0.0	1.2
Accumulated depreciation, amortisation and impairments 31 Dec	**59.6**	**4.4**		**6.9**	**70.9**
Book value 1 Jan	65.1	1.7	1.0	120.3	188.1
Book value 31 Dec	**60.9**	**1.1**	**0.3**	**121.7**	**184.1**

Allocation of intangibles with indefinite lives to cash-generating units

The book value of intangible assets includes intangible rights totalling MEUR 35.9 which are not depreciated; instead, these rights are tested annually for impairment. In Alma Media, intangible assets with an indefinite useful life are trademarks measured at fair value at the time of acquisition. These non-depreciated intangible rights are allocated to the cash-generating units as follows:

MEUR	2018	2017
Alma Markets		
Mediapartners	2.1	0.4
Rekrytointi	14.8	14.9
Alma Markets total	**16.9**	**15.3**
Alma Talent		
Alma Talent Finland	13.8	13.8
Alma Talent Sweden	3.0	3.5
Alma Talent total	**16.9**	**17.3**
Alma Consumer	**2.1**	**2.5**
Assets with indefinite lives, total	**35.9**	**35.1**

ALLOCATION OF GOODWILL TO BUSINESS OPERATIONS

MEUR	2018	2017
A significant amount of goodwill has been allocated to the following cash-generating units		
Alma Markets		
Mediapartners	16.9	3.6
Recruitment	42.9	43.1
Alma Markets total	**59.9**	**46.7**
Alma Talent		
Alma Talent Finland	52.4	52.4
Alma Talent Sweden	7.2	7.7
Alma Talent total	**59.6**	**60.1**
Alma Consumer	**14.0**	**14.8**
Non-allocated goodwill	**0.1**	**0.1**
Total goodwill	**133.5**	**121.7**

IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES

ⓘ On each balance sheet date, the Group assesses the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. In addition, the recoverable amounts are assessed annually of goodwill, capitalised development costs for projects in progress and intangible assets with an indefinite useful life. These are assessed regardless of whether or not indications of impairment exist. The recoverable amounts of intangible and tangible assets are determined as the higher of the fair value of the asset less cost to sell, or the value in use. The value in use refers to the estimated future net cash flows obtainable from the asset or cash-generating unit, discounted to their current value. Impairment losses are recognised when the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in the profit or loss. An impairment loss may be reversed if circumstances regarding the intangible or tangible assets in question change. Impairment losses recognised on goodwill are never reversed.

Goodwill, intangible rights with indefinite useful lives and other long-term assets are tested at the level of cash generating units. In testing for impairment, the recoverable amount is the value in use.

Following the model used before, estimated cash flows determined in the test are based on the Group's strategic forecasts for the following three years confirmed by the Board of Directors and business units' management. The years following this period are estimated by the management, taking the business cycle into account. The calculations of value in use are based on a period of 10 years, as the customer relationships in the business are long-term and turnover is low. In addition, the management uses cash flow analyses of 10 years to support business decisions in connection with corporate acquisitions. The cash flow of the terminal year is normalised as an average of the forecast period. In addition to general economic factors, the main assumptions and variables used when determining cash flows are the forecast growth of advertising sales in different market segments, the unit-specific average cost of capital (discount rate) and estimated growth of newspaper content sales. The growth rate assumptions for advertising sales vary in different market segments and in different product categories. When evaluating growth, past events in the Group and the impact of business cycles are taken into account.

The Group's business, advertising sales in particular, is very dependent on business cycles. A significant portion of the Group's revenue is generated from advertising sales. Advertising sales correlate significantly with changes in GDP, and changes in advertising sales are largely intensified at cyclical turns. Investments in advertising have been particularly low in Finland in relation to the level of GDP in 2011–2018, even in international comparison. Alma Media estimates that the investments in advertising will start growing in the domestic market. The growth assumptions for revenue and costs used in the value in use calculations are presented in the table below.

According to its strategy, the Group has invested in the development of digital products and services. Digital services account for approximately 48% of the Group's revenue. In digital services, the realised changes are larger and the future growth assumptions higher than in average advertising investments. With regard to the printing business, moderate revenue growth assumptions have been used in impairment testing.

The discount rate used in impairment testing has been determined using geographical (country) and business-specific weighted average cost of capital (WACC) separately for both publishing & newspapers and online business segments. The discount rate is determined net of taxes. The WACC consists of the required return on equity and the required return on debt after corporate taxes (net of taxes as adjusted for final presentation purposes). Following capital market theory, the generally accepted method of estimating the cost of equity is the Capital Asset Pricing Model (CAPM). Following the CAPM, the rate of return on equity can be constructed from the risk free interest rate and a risk premium. Elements of WACC/CAPM have been determined for impairment testing by an independent third party analyst.

Changes from 2018:
No changes were made to the Alma Markets and Alma Talent segments' tested units. The new businesses acquired in the Alma Markets segment are included in the Mediapartners business.

The Alma News & Life segment and the Alma Regions segment were combined into the Alma Consumer segment on 1 April 2018. The business operations tested previously in the segments are combined so that the testing applies to the entire Alma Consumer business entity as one testing, cash generating unit.

In July 2018, Alma Media Corporation sold an investment property located at Patamäenkatu 7. The value of the property was tested in the 2017 financial statements as part of the regular impairment testing process (Note on investment properties 2.3).

DISCOUNT RATES USED IN IMPAIRMENT TESTING

Financial year 2018		Revenue growth assumption, %	Cost growth assumption, %	WACC before taxes, %	Business operations
Alma Markets					
Mediapartners	Finland	2.4	2.8	8.0	Online
Recruitment business	Finland, Czech Republic, Baltic countries, Slovakia	5.5	4.5	9.7	Online
Alma Talent					
Alma Talent Finland	Finland	0.7	0.7	8.1	Publishing, Online, Service
Alma Talent Sweden	Sweden	0.4	2.3	8.1	Publishing, Online, Service
Alma Consumer	Finland	0.5	0.7	8.1	Publishing, Online

Financial year 2017		Revenue growth assumption, %	Cost growth assumption, %	WACC before taxes, %	Business operations
Alma Markets					
Mediapartners	Finland	2.7	2.4	8.5	Online
Recruitment business	Finland, Czech Republic, Baltic countries, Slovakia	5.7	4.1	10.3	Online
Alma Talent					
Alma Talent Finland	Finland	1.3	1.1	8.6	Publishing, Online, Service
Alma Talent Sweden	Sweden	0.2	1.4	8.5	Publishing, Online, Service
Alma Consumer	Finland	-0.2	1.1	8.7	Publishing, Online

Impairment losses and their allocation
During the past financial year, the Group recognised MEUR 0.8 in impairment losses. The impairment loss was recognised on shares in an associated company and presented in the income statement under the share of profit of associated companies. In the management's view, there are no indications of impairment with regard to the units of Alma Media Group.

In the previous financial year, the Group recognised MEUR 4.0 in impairment losses. The impairment loss was recognised on investment properties. In the management's view, there were no indications of impairment with regard to the other units of Alma Media Group.

Sensitivity analyses of impairment testing
Goodwill allocated to new business areas, as well as goodwill arising from recent acquisitions, is more sensitive to impairment testing and, therefore, more likely to be subject to impairment loss when the above main assumptions change.

In connection with the sensitivity analysis, the impact of an increase in the discount rate (at most 3%), a decrease in advertising sales (at most 6%) and a decrease in content sales (at most 3%) on estimated cash flows has been estimated. The sensitivity analysis of advertising sales and content sales is based on the management view of the future development on the balance sheet date.

The aggregate book values of the Alma Markets segment were approximately 19% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use varied between 38% and 54%. Based on the analysis carried out by the management, the net present value (NPV) of future cash flows has risen by a total of MEUR 83.6 compared to 2017. This is based on the improved profitability of business operations in 2018 and the inclusion of acquired businesses (AutoJerry and Talosofta) in impairment testing. The development of profitability is expected to continue in the coming years. The book value of the assets of the Alma Markets segment on the reporting date was MEUR 84.7. Based on the sensitivity analysis performed, the Alma Markets business does not include a significant risk of future impairment.

The aggregate book values of the Alma Talent segment were approximately 52% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use was 49% in the calculations. Based on the analysis carried out by the management, the estimated net present value (NPV) of future cash flows has declined by a total of MEUR 26.5 compared to 2017. The decrease was based particularly on Alma Talent Finland's weaker advertising sales. For Alma Talent Sweden, the net present value (NPV) of cash flows has increased by MEUR 2. The increase is attributable to the improved profitability of the business as well as the restructuring measures implemented in autumn 2018. Based on the sensitivity analysis performed, the Alma Talent business does not include a significant risk of future impairment.

The aggregate book values of the Alma Consumer segment were approximately 36% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use varied between 47% and 55%. Based on the analysis carried out by the management, the estimated net present value (NPV) of future cash flows has declined by a total of MEUR 10.4 compared to 2017. Profitability remained on a par with 2017 mainly due to cost savings achieved through restructuring and efficiency improvement measures. The reduced net present value is due to lower expectations for profit development in the coming years. The development of revenue from print newspapers in the coming years remains uncertain. The internal rental cost for the Group's printing facility is included in Alma Regions' cash flow statement, which means that the Patamäentie 9 property was no longer tested separately. Based on the sensitivity analysis performed, the Alma Consumer business does not include a significant risk of future impairment.

The balance sheet value of associated companies is assessed in relation to the cash flow obtained from the companies (dividend income), in comparison to their net asset value, or through other assessment of the company's profit performance with respect to future cash flow estimates. Based on the analysis, impairment of MEUR 0.8 was allocated to shares in an associated company.

2.2 Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation, amortisation and impairment losses. The acquisition cost includes the costs arising directly from the acquisition of a tangible asset. In the event that a tangible asset comprises several components with different useful lives, each component will be recognised as a separate asset.

Straight line depreciation is entered on the assets over their estimated useful lives. Depreciation is not entered on land. The estimated useful lives are:

Buildings	30–40 years
Structures	5 years
Machinery and equipment	3–15 years
Large rotation printing presses	20 years

The residual value and useful life of an asset are reviewed, at a minimum, at the end of each financial period and adjusted, where necessary, to reflect the changes in their expected useful lives.

When an item of property, plant and equipment is replaced, the costs related to this new item are capitalised. The same procedure is applied in the case of major inspection or service operations. Other costs arising later are capitalised only when they give the company added economic benefit from the asset. All other expenses, such as normal service and repair procedures, are entered as an expense in the profit or loss as they arise.

Gains and losses arising from the decommissioning and sale of tangible assets are recognised through profit and loss under other operating income and expenses. The gains or losses on sale are defined as the difference between the selling price and the remaining acquisition cost.

MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2018						
Acquisition cost 1 Jan	0.7	33.9	61.1	2.1	0.1	97.9
Increases		0.0	1.3	0.6	0.4	2.3
Business combinations						
Decreases	-0.5	-3.5	-5.1	-1.1	-0.1	-10.1
Exchange differences		0.0	-0.1	0.0	0.0	-0.1
Transfers between items		0.0	0.3		-0.3	0.0
Acquisition cost 31 Dec	**0.2**	**30.4**	**57.6**	**1.6**	**0.1**	**90.0**
Accumulated depreciation, amortisation and impairments 1 Jan		13.3	23.7	1.0		38.0
Accumulated depreciation in decreases		-2.8	-4.6	-0.8		-8.1
Depreciation for the financial year		1.6	4.8	0.1		6.4
Impairment, total			0.0			0.0
Exchange differences		0.0	-0.1	0.0		-0.1
Accumulated depreciation, amortisation and impairments 31 Dec		**12.1**	**23.9**	**0.3**		**36.2**
Book value 1 Jan	0.7	20.5	37.4	1.2	0.1	59.8
Book value 31 Dec	**0.2**	**18.3**	**33.8**	**1.3**	**0.1**	**53.7**
Balance sheet value of machinery and equipment 31 Dec			33.6			

MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2017						
Acquisition cost 1 Jan	0.8	34.9	61.0	1.9	0.3	98.9
Increases		0.0	1.3	0.2	0.9	2.4
Decreases	-0.1	-1.2	-2.2	0.0	-0.1	-3.5
Exchange differences		0.0	0.1	0.0	0.0	0.1
Transfers between items		0.1	0.9	0.1	-1.1	0.0
Acquisition cost 31 Dec	**0.7**	**33.9**	**61.1**	**2.1**	**0.1**	**97.9**
Accumulated depreciation, amortisation and impairments 1 Jan		12.5	20.9	0.7		34.1
Accumulated depreciation in decreases		-0.6	-2.1	0.0		-2.7
Depreciation for the financial year		1.4	5.0	0.3		6.6
Impairment, total			0.0	0.0		
Accumulated depreciation, amortisation and impairments 31 Dec		**13.3**	**23.7**	**1.0**		**38.0**
Book value 1 Jan	0.8	22.4	40.1	1.2	0.3	64.8
Book value 31 Dec	**0.7**	**20.5**	**37.4**	**1.2**	**0.1**	**59.8**
Balance sheet value of machinery and equipment 31 Dec			37.1			

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

MEUR	Buildings	Machinery and equipment	Total
Financial year 2018			
Acquisition cost 1 Jan	24.1	54.3	78.4
Increases		0.7	0.7
Acquisition cost 31 Dec	**24.1**	**52.7**	**76.8**
Accumulated depreciation 1 Jan	5.9	20.5	26.4
Vähennysten kertyneet poistot			
Depreciation for the financial year	1.2	3.9	5.1
Accumulated depreciation 31 Dec	**7.2**	**22.6**	**29.7**
Book value 31 Dec	**16.9**	**30.1**	**47.1**
Financial year 2017			
Acquisition cost 1 Jan	24.1	53.5	77.6
Increases		0.8	0.8
Decreases			
Acquisition cost 31 Dec	**24.1**	**54.3**	**78.4**
Accumulated depreciation 1 Jan	4.7	16.3	21.0
Accumulated depreciation in decreases			
Depreciation for the financial year, total	1.2	4.2	5.4
Accumulated depreciation 31 Dec	**5.9**	**20.5**	**26.4**
Book value 31 Dec	**18.2**	**33.8**	**51.9**

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2.3. Investment properties

Investment properties are properties held by the Group in order to gain rental income or an increase in the value of assets or both. Investment properties are measured on the balance sheet at the original acquisition cost less depreciation, amortisation and impairment losses. Transaction costs, such as asset transfer tax and professional fees, are included in the original estimate.

The buildings of investment properties are amortised on a straight-line basis over their useful lives, 30–40 years. Land areas included in properties are not amortised.

An investment property is derecognised when it is transferred or permanently removed from use.

In July 2018, Alma Media sold its office and production facility at Patamäenkatu 7, Tampere, to Ab Sagax. The sold property previously housed Aamulehti's office premises and printing facilities, although in recent years Alma Media has been leasing the entire premises to external tenants. Before the sale, the property was classified as an investment property according to the IAS 40 standard on Investment Property.

The value of the property presented in the notes to the financial statements was tested in 2017 as part of Alma Media Group's regular impairment testing process (Note 2.1).

Changes in investment properties during the year are presented in the table below:

MEUR	Land and water areas	Office buildings	Production buildings	Total
Financial year 2018				
Acquisition cost 1 Jan	0.3	3.0	11.4	14.8
Decreases	-0.3	-3.1	-11.4	-14.8
Acquisition cost 31 Dec	**0.0**	**0.0**	**0.0**	**0.0**
Accumulated depreciation, amortisation and impairments 1 Jan		0.0	4.5	4.5
Accumulated depreciation in decreases		-0.1	-4.7	-4.8
Depreciation for the financial year		0.1	0.2	0.3
Accumulated depreciation, amortisation and impairments 31 Dec		**0.0**	**0.0**	**0.0**
Book value 1 Jan	0.3	3.0	6.9	10.2
Book value 31 Dec				
Fair value 31 Dec				

MEUR	Land and water areas	Office buildings	Production buildings	Total
Financial year 2017				
Acquisition cost 1 Jan				
Increases	0.3	3.0	11.4	14.8
Acquisition cost 31 Dec	**0.3**	**3.0**	**11.4**	**14.8**
Accumulated depreciation, amortisation and impairments 1 Jan				
Depreciation for the financial year		0.0	0.5	0.5
Impairment, total			4.0	4.0
Exchange differences		**0.0**	**4.5**	**4.5**
Accumulated depreciation, amortisation and impairments 31 Dec				
Book value 1 Jan				
Book value 31 Dec	**0.3**	**3.0**	**6.9**	**10.2**
Fair value 31 Dec				**10.2**

3. Capital structure and financial expenses

3.1 Financial income and expenses

FINANCIAL INCOME BY CATEGORY OF INSTRUMENT:

MEUR	2018	2017
Interest income on held to maturity investments	0.1	0.1
Foreign exchange gains (loans and receivables)		0.2
Fair value gain on items recognised at fair value through profit or loss		
Change in the fair value of contingent consideration	1.6	
Change in the fair value of interest rate and foreign currency derivatives	0.2	
Dividend income from available-for-sale financial assets	0.2	0.2
Total	**2.1**	**0.6**

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MEUR	2018	2017
Interest expenses from interest-bearing debts measured at amortised cost	0.3	0.3
Interest expenses from finance leases measured at amortised cost	1.3	1.4
Foreign exchange losses (loans and receivables)	0.7	
Value changes in items recognised at fair value through profit or loss		
Change in the fair value of interest rate and foreign currency derivatives		
Other financial expenses	0.1	0.2
Total	**2.4**	**1.8**

3.2 Financial assets

The Group's financial assets are measured and classified according to IFRS 9 as follows: measured at amortised cost, measured at fair value through comprehensive income, and measured at fair value through profit or loss. The classification is made on initial acquisition and it is based on the objective of the business model and the contractual cash flow characteristics of the financial assets.

Financial assets measured at fair value through profit or loss are contingent considerations from the sales of the business operations and derivatives. Contingent considerations arise in sales of business operations. The company employs derivative instruments to hedge against changes in paper and electricity prices and interest rate derivatives to hedge against changes in interest rates of financial liabilities. Contingent considerations and derivatives are measured at fair value as they arise and remeasured on the balance sheet date. Changes in fair value of the contingent considerations are recognised in the profit or loss. Changes in fair value of paper derivatives are recognised under Material Purchases and of electricity derivatives under Other Operating Costs in the profit or loss. Changes in fair value of interest rate derivatives are recognised in the profit or loss.

The measurement of contingent considerations and liabilities is based on the discounted values of estimated future cash flows. The measurement is conducted on each reporting date based on the terms of consideration agreements. The management estimates whether the terms are met on each reporting date.

Financial assets measured at amortised cost include trade receivables and other receivables. Previously, under IAS 39, these items were included under loans and other receivables. Impairment on trade receivables is recognised based on expected credit losses using the simplified approach described in Note 3.7.2. Trade receivables and contract assets are written off when the Group has no reasonable expectations of recovering the contractual cash flows. Indications that recovering the contractual cash flows cannot be reasonable expected to occur include a debtor experiencing considerable financial difficulties, the probability of bankruptcy, the failure to make payments or a payment being delayed by more than 180 days. Impairment losses recognised on trade receivables and contract assets are presented under other operating expenses in the income statement.

The Group classifies unlisted shares as financial assets measured at fair value through comprehensive income. Gains or losses arising from fair value changes are recognised in other comprehensive income, and they are not classified as measured through profit or loss when the shares are sold. Dividends received from shares are recognised in financial income when the right to the dividend is established. Previously, under IAS 39, shares were classified as investments held for sale, measured at fair value and changes in fair value were recognised through other comprehensive income. Accrued changes in fair value were transferred from shareholders' equity to profit or loss as adjustments arising from reclassification when the asset was sold or when its value had decreased.

Cash and cash equivalents consist of cash, demand and time deposits, and other short-term highly liquid investments. The Group has assessed that there are no material expected credit losses associated with cash and cash equivalents.

The transaction date is generally used when recognising financial assets. Financial assets are derecognised from the balance sheet when the Group has lost the contractual right to the cash flows or when the Group has transferred a substantial portion of the risks and income to an external party.

3.2.1 Other financial assets

MEUR	Balance sheet values 2018	Balance sheet values 2017
Non-current financial assets		
Available-for-sale financial assets		
Unquoted share investments	3.6	3.7
Assets measured at fair value through other comprehensive income		
Loan receivables	0.3	0.3
Financial assets, total	**3.9**	**4.0**
Current financial assets		
Assets measured at amortised cost		
Commodity derivative	0.1	
Total	**0.1**	**0.0**
Financial assets, total	**4.0**	**4.1**

Available-for-sale financial assets are presented in the following table:

MEUR	2018	2017
At beginning of period	3.7	3.7
Other increases		
Decreases	-0.1	0.0
At end of period	**3.6**	**3.7**

3.2.2 Cash and cash equivalents

MEUR	2018	2017
Cash and bank accounts	49.5	20.7
Total	**49.5**	**20.7**

3.3 Financial liabilities

The determination of the fair value of liabilities related to contingent considerations arising from business combinations are based on the management's estimate. The key variables in the change in fair value of contingent considerations are estimates of future operating profit. Contingent liabilities arising from acquisitions are classified as financial liabilities through profit or loss. They are recognised at fair value in the balance sheet and the change in fair value is recognised in the financial items through profit or loss.

Other financial liabilities are initially recognised in the balance sheet at fair value less transaction costs. Other financial liabilities are subsequently measured at amortised cost. Financial liabilities are included in current and long-term liabilities and can be interest-bearing or non-interest bearing.

Borrowing costs arising from interest-bearing liabilities are expensed in the period in which they arise.

The table describes the Group's non-current and current financial liabilities.

MEUR	2018	2017
FINANCIAL LIABILITIES		
Non-current financial liabilities		
Financial liabilities measured at amortised cost		
Non-current finance lease liabilities	47.3	51.0
Non-current loans from credit institutions		5.0
Other liabilities	0.1	0.2
Total	**47.4**	**56.2**
Current financial liabilities		
Based on amortised cost		
Finance lease liabilities	4.2	5.0
Other interest-bearing liabilities	0.0	0.0
Liabilities recognised at fair value through profit or loss		
Foreign currency derivatives	0.0	0.2
Commodity derivatives		
Interest rate derivatives	0.5	0.5
Contingent consideration liabilities arising from the acquisition of business operations	8.3	
Total	**13.1**	**5.7**
Financial liabilities total:	**60.5**	**61.9**

The Group's financial liabilities are denominated in euros and carry a variable interest rate. At the end of 2018, the Group's interest-bearing liabilities consisted entirely of finance leases. The hedging of the interest rate risk is described in more detail in Note 3.8 Financial risks.

The average interest rate of the Group's financial liabilities in 2018 was 2.9% (2.5% in 2017).

RECONCILIATION OF NET DEBT

MEUR	Cash and cash equivalents	Finance leases within one year	Finance leases after one year	Loans within one year	Loans after one year	Total
Net debt 1 Jan 2018	20.7	5.0	51.0	0.0	5.0	40.2
Cash flows	28.6	-5.1		0.0	-5.0	-38.7
Acquisitions – finance leases and incentives			0.6			0.6
Exchange rate adjustments	0.2					-0.2
Other non-cash changes		4.4	-4.4			0.0
Net debt 31 Dec 2018	**49.5**	**4.2**	**47.3**	**0.0**	**0.0**	**2.0**
Net debt 1 Jan 2017	23.3	4.9	55.3	10.2	10.0	57.1
Cash flows	-2.4	-5.0		-10.2	-5.0	-17.8
Acquisitions – finance leases and incentives			0.8			0.8
Exchange rate adjustments	-0.1					0.1
Other non-cash changes		5.1	-5.1			
Net debt 31 Dec 2017	**20.7**	**5.0**	**51.0**	**0.0**	**5.0**	**40.2**

The Group has categorised items recognised at fair value through profit or loss according to the following hierarchy of fair values:

MEUR	2018	2017
Level 1		
Commodity derivatives	0.1	0.0
Level 2		
Interest rate derivatives	0.0	-0.2
Valuuttajohdannainen	-0.5	-0.5
Level 3		
Contingent consideration liabilities arising from the acquisition of business operations	8.3	
Shares measured at fair value through comprehensive income	3.6	3.7

Level 1 includes the quoted (unadjusted) prices of identical liabilities in active markets
Level 2 instruments' fair values are, to a significant degree, based on inputs other than the quoted prices included in Level 1, but nevertheless on data that can be either directly or indirectly verified for the asset or liability in question.

Level 3 includes inputs concerning liabilities that are not based on observable market data (unobservable inputs)

No transfers between the fair value hierarchy levels have taken place during the ended financial period and the previous financial period.

There is a total of MEUR 8.3 in contingent liabilities arising from acquisitions on the balance sheet on 31 December 2018. The contingent consideration liabilities arose from acquisitions of business operations and were based on the companies' revenue in 2018. There were no contingent liabilities arising from acquisitions on the balance sheet on 31 December 2017.

The book values of financial liabilities correspond to their fair values. The table below separately describes the fair values of derivative contracts and the value of the underlying instruments.

DERIVATIVE CONTRACTS:

MEUR	2018	2017
Commodity derivatives (electricity forwards)		
Fair value	0.1	0.0
Value of underlying instruments	0.1	0.3
Interest rate derivatives		
Fair value	-0.5	-0.5
Value of underlying instruments	15.4	19.4
Foreign currency derivatives		
Fair value	0.0	-0.2
Value of underlying instruments	4.6	8.0

The fair values of forward exchange contracts are determined using the market prices for contracts of similar duration on the balance sheet date. The fair values of interest rate swaps have been determined using a method based on the present value of future cash flows, supported by market interest rates and other market information on the balance sheet date. The fair values of commodity derivatives are determined using publicly quoted market prices. The fair values correspond to the prices the Group would pay or receive in an orderly transaction for the derivative contract in the prevailing market conditions on the balance sheet date.

The maturity distribution of financial liabilities is described in more detail in Note 3.8. Financial risks

MATURITIES OF FINANCE LEASE LIABILITIES

MEUR	2018	2017
Finance lease liabilities – total minimum lease payments		
2018		6.3
2019	5.5	5.3
2020	5.2	5.0
2021	5.0	4.9
2022	4.9	4.9
2023	20.7	
Later	20.0	40.6
Total	**61.2**	**67.0**
Finance lease liabilities – present value of minimum lease payments		
2018		5.0
2019	4.2	4.1
2020	4.0	3.8
2021	3.8	3.8
2022	3.8	3.8
2023	19.9	
Later	15.7	35.5
Total	**51.5**	**56.0**
Financial expenses accruing in the future	**9.7**	**11.0**

PRELIMINARY ASSESSMENT OF THE EFFECT OF IFRS 16 ON ALMA MEDIA CORPORATION'S CONSOLIDATED FINANCIAL STATEMENTS (THE FIGURES MAY DEVIATE FROM THE FINAL AMOUNTS SHOWN ON THE OPENING BALANCE SHEET OF 1 JANUARY 2019)

1000 EUR	IFRS 16 increase	IFRS 16 decrease	Total effect of IFRS 16 adoption
Assets	54.4	-1.2	53.2
Finance lease liabilities total	54.4	-1.4	53.0
Non-current finance lease liabilities	45.7	-0.6	45.1
Current finance lease liabilities	8.7	-0.8	8.0
Finance lease liabilities – total minimum lease payments			
2019	8.6	-0.7	7.9
2020	8.6	-0.4	8.2
2021	8.3	-0.1	8.2
2022	5.8	0.0	5.8
2023	5.3		5.3
Later	20.8		20.8
Total	**57.4**	**-1.2**	**56.2**
Finance lease liabilities – present value of minimum lease payments			
2019	8.6	-0.7	7.9
2020	8.4	-0.4	8.0
2021	8.0	-0.1	7.9
2022	5.5	-0.0	5.5
2023	5.0		5.0
Later	18.8		18.8
Total	**54.4**	**-1.2**	**53.2**

3.4 Other leases

ⓘ Leases applying to tangible assets in which the Group holds a significant share of the risks and rewards incidental to their ownership are classified as finance leases. These are recognised in the balance sheet as assets and liabilities at the lower of their fair value or the present value of the required minimum lease payments at inception of the lease. Assets acquired through finance leases are depreciated over their useful life, or over the lease term, if shorter. Lease obligations are included under interest-bearing liabilities. Other leases are those in which the risks and rewards incidental to ownership remain with the lessor. When the Group is the lessee, lease payments related to other leases are allocated as expenses on a straight-line basis over the lease term. Lease payments of future periods are presented as contingent liabilities in the notes. When the Group is the lessor, lease income is entered in the profit or loss on a straight-line basis over the lease term. The Group has made purchasing agreements that include a lease component. Any such arrangements in effect are treated according to the IFRIC 4 interpretation and the arrangements are accounted for based on their actual content. The Group's current purchasing agreements that include a lease component are treated as other leases in accordance with IAS 17.

The Group as the lessee

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

MEUR	2018	2017
Within one year	8.7	9.2
Within 1-5 years	22.1	25.2
After 5 years	14.8	18.2
Total	**45.5**	**52.6**

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

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

MEUR	2018	2017
Minimum payments payable based on these purchase agreements	0.0	0.2

The Group as the lessor

Minimum rental payments receivable based on other non-cancellable leases

MEUR	2018	2017
Within one year	0.1	1.9
Within 1–5 years		1.3
After 5 years		
Total	**0.1**	**3.2**

3.5 commitments and contingencies

MEUR	2018	2017
Collateral provided on behalf of associated companies	0.9	0.9
Other commitments	0.3	1.0
Total	**1.2**	**2.0**

3.6 Pension obligations

The Group has both defined contribution pension plans and defined benefit pension plans.

The defined benefit pension plans comprise the Group's old supplementary pension plans for personnel, which have already been discontinued and closed. The benefits associated with them include both supplementary pension benefits and death benefits. The Group's defined benefit pension plans include both funded and unfunded pension plans. The unfunded pension plans are direct supplementary pension obligations, primarily for old employees who have already retired. The new supplementary pension benefits granted by the Group are defined contribution-based pension plans.

Obligations arising from defined benefit plans are calculated for each arrangement separately using the Projected Unit Credit Method. Pension costs are recognised as expenses over the beneficiaries' period of employment in the Group based on calculations made by authorised actuaries. The discount rate used in calculating the present value of the pension obligation is based on market yields on high quality corporate bonds issued by the company and, if this data is not available, on yields of government bonds. The maturity of corporate and government bonds and corresponds to a reasonable extent with the maturity of the pension obligation. The pension plan assets measured at fair value on the balance sheet date are deducted from the present value of the pension obligation to be recognised in the balance sheet. The net liabilities (or assets) associated with the defined benefit pension plan are recorded on the balance sheet.

Service costs for the period (pension costs) and the net interest on the net liabilities associated with the defined benefit plan are recognised through profit or loss and presented under employee benefit expenses. Items (such as actuarial gains and losses and return on funded defined benefit plan assets) arising from the redefinition of the net liabilities (or assets) associated with the defined benefit plan are recognised in other comprehensive income in the period in which they arise.

PRESENT VALUE OF OBLIGATIONS AND FAIR VALUE OF ASSETS

MEUR	2018	2017
Present value of unfunded obligations	1.0	1.1
Present value of funded obligations	4.6	4.9
Fair value of assets	-4.5	-4.8
Pension liability	**1.1**	**1.1**

THE DEFINED BENEFIT PENSION OBLIGATION ON THE BALANCE SHEET IS DETERMINED AS FOLLOWS:

MEUR	31.12.2018	31.12.2017
Present value of obligations at start of period	5.9	6.6
Service cost during period	0.0	0.0
Interest cost	0.1	0.1
Actuarial gains and losses	0.2	-0.1
Payments of defined benefit obligations	-0.6	-0.6
Present value of funded obligations at end of period	**5.6**	**5.9**
Fair value of plan assets at start of period	4.8	5.6
Interest income	0.1	0.1
Actuarial gains and losses	0.1	-0.3
Incentive payments paid	0.1	0.2
Payments of defined benefit obligations	-0.6	-0.6
Fair value of plan assets at end of period	**4.5**	**4.8**
Defined benefit pension liabilities	**1.1**	**1.1**
Net pension liability		
Pension liability	1.1	1.1
Pension asset	0.0	0.0
Net pension liability	**1.1**	**1.1**

The plan assets are invested primarily in fixed income or share-based instruments, and they have an aggregate expected annual return of 3.0%. A more detailed specification of the plan assets is not available. The plan assets are considered to be included in the payment made to the insurance company. The assets are the insurance company's responsibility and part of the insurance company's investment assets. Accordingly, no specification of the assets can be presented.

MEUR	2018	2017
Service cost during period	0.0	0.0
Interest cost	0.1	0.1
Interest income	-0.1	-0.1
Actuarial gains and losses and adjustments	0.1	0.2
Total	**0.2**	**0.2**

CHANGES IN LIABILITIES SHOWN ON BALANCE SHEET

MEUR	2018	2017
At beginning of period	1.1	1.0
Incentive payments paid	-0.1	-0.2
Pension expense in income statement	0.0	0.0
Comprehensive income for the period	0.1	0.2
Defined benefit pension liabilities on the balance sheet	**1.1**	**1.1**

A similar investment is expected to be made in the plan in 2018 as in 2017.

SENSITIVITY ANALYSIS OF THE PENSION PLAN

MEUR	Present value of pension obligation, EUR 1,000	Change in present value of pension obligation, %
Change of +0.5%-p in the discount rate	5.4	-4.9
Change of +0.5%-p in the salary increase assumption	4.6	0.3
Change of +0.5%-p in the pension increase rate	5.8	4.1

The sensitivity analysis uses the same methods as the calculation of the pension obligation. Sensitivity is calculated for changes in the discount rate, the salary increase assumption, pension increases and the insurance company's bonus index. Sensitivity has been calculated by changing one parameter at a time.

ACTUARIAL ASSUMPTIONS USED:

%	2018	2017
Discount rate	1.1	1.5
Future salary increase assumption	2.8	2.7
Inflation assumption	1.6	1.5
Future increase in pension benefit	1.9	1.8

THE DEFINED BENEFIT PENSION EXPENSE IN THE INCOME STATEMENT IS DETERMINED AS FOLLOWS

The duration of the pension plan is 7–9 years. The duration was calculated based on a discount rate of 1.1%. Defined benefit plans expose the Group to several different risks, the most significant of which are the following:

ASSET VOLATILITY

The calculation of the liabilities arising from the plans uses a discount rate based on the yield of bonds issued by the company. If the yield on the assets used for the plan is lower than this level, there will be a deficit.

INFLATION RISK

Some of the benefit obligations under the plans are tied to inflation, and higher inflation will lead to higher liabilities (although a ceiling for inflation adjustments has been set in most cases to protect the plan from unusually high inflation).

LIFE EXPECTANCY

As the majority of the obligations under the plans are related to providing lifelong benefits to the members, the expected increase in life expectancy will result in higher obligations under the plans.

3.7 Working capital

3.7.1 Inventories

ⓘ Inventories are materials and supplies, work in progress and finished goods.
Fixed overhead costs are capitalised to inventories in manufacturing. Inventories are measured at the lower of their acquisition cost or net realisable value. The net realisable value is the sales price expected to be received on them in the normal course of business less the estimated costs necessary to bring the product to completion and the costs of selling. The acquisition cost is defined by the FIFO (first-in-first-out) method. Within Alma Media, inventories mainly comprise the production materials used for newspaper printing and the products sold by the book business.

MEUR	2018	2017
Materials and supplies	2.5	1.7
Finished products	0.7	0.7
Total	**3.2**	**2.4**

3.7.2 Trade and other receivables

ⓘ In recognising expected credit losses, the Group applies the simplified approach defined in IFRS 9, according to which a loss allowance based on lifetime expected credit losses is recognised for all trade receivables and contract assets. For the purposes of determining expected credit losses, trade receivables have been grouped on the basis of shared credit risk characteristics and delinquency in payment.

The expected credit loss rates are based on payment profiles during the 12-month period ending on 31 December 2018 and the actual credit losses in that period. The actual credit loss rates are adjusted to reflect current and forward-looking information and macroeconomic factors that influence customers' ability to make payments on receivables.

The MEUR 0.2 increase in the loss allowance related to trade receivables reduces the opening balance of retained earnings on 1 January 2018.

31.12.2018 1 000 EUR	Current	More than 5-30 days due	More than 31-120 days past due	More than 121-180 days past due	More than 180 days past due	Total
Expected loss rate	0.14 %	0.92 %	3.43 %	32.99 %	100 %	
Gross carrying amount - trade receivables	26.5	2.4	1.1	0.4		30.3
Loss allowance	0.0	0.0	0.0	0.2	0.5	0.8

MEUR	2018	2017
Trade receivables	30.5	37.0
Receivables associated companies	0.0	0.0
Total	30.5	37.0
Receivables from others		
Prepaid expenses and accrued income	3.9	4.6
Other receivables	1.8	3.3
Total	**5.7**	**7.9**
Receivables, total	**36.3**	**44.9**

All trade receivables overdue by more than 180 days are written off. The other criteria for writing off credit losses are described in the accounting principles. A provision for bad debts of MEUR 0.8 (0.4) is included in receivables in 2018. In the 2018 financial year, the Group recognised write-offs of credit losses in the amount of MEUR 0.2 (2017: MEUR 0.5). Realised credit losses totalled 0.1% of revenue in 2018 (0.1% in 2017).

The book values of trade receivables, other current and non-current receivables and other current investments are estimated to correspond to fair values. The impact of discounting is not significant.

3.7.3 Trade payables and other liabilities

The book values of trade payables and other liabilities are estimated to correspond with their fair values. The impact of discounting is not significant taking the maturity of the liabilities into account.

The book values of trade receivables, other current and non-current receivables and other current investments are estimated to correspond to fair values. The impact of discounting is not significant.

MEUR	2018	2017
Trade payables	3.8	8.1
Owed to associated companies		
Trade payables	0.0	0.1
Accrued expenses and prepaid income	47.7	51.0
Other liabilities	8.0	10.8
Total	**59.5**	**70.1**

3.8 Financial risks

Financial risk management is part of the Group's risk management policy. The risk management strategy and plan, the control limits imposed and the course of action are reviewed annually. The Group has a risk management organisation tasked with identifying the risks threatening the company's business, assess and update them, develop the necessary risk management methods and regularly report on the risks.

Alma Media categorises its financial risks as follows:

INTEREST RATE RISK

The interest rate risk describes how changes in interest rates and maturities related to various interest-bearing business transactions and balance sheet items could affect the Group's financial position and net result. The impact of the interest rate risk on net result can be reduced using interest rate swaps, interest forwards and futures and interest or foreign exchange options. On the balance sheet date the Group had open interest rate swaps, which are described in more detail in Note 3.3.

The Group's interest-bearing debt totalled MEUR 51.5 (61.0) on 31 December 2018. Interest-bearing debt comprises finance lease liabilities. The interest-bearing liabilities are linked to variable interest rate debt instruments. Taking the interest rate swaps into account, the average period of interest linkage of the Group's financial portfolio at the end of 2018 was one year and the hedging rate was 31%. An increase of one percentage point in the interest rate would increase the Group's finance expenses by MEUR 0.4.

FOREIGN EXCHANGE RISK

Transaction risk:

The transaction risk describes the impact of changes in foreign exchange rates on sales, purchases and balance sheet items denominated in foreign currencies Alma Media's most significant currencies in addition to the euro are the Czech koruna and the Swedish krona. The impact of changes in exchange rates on net result in the most important currencies of the Group can be reduced by the following measures:

- Cash flows in the same currency are netted through a common foreign currency account whenever the cost/benefit ratio is significant

- known, continuous and significant foreign currency cash flow is hedged. The Czech koruna is hedged at approximately 40–50% of the cash flow accrued during the next two years.

Translation risk:

A foreign exchange risk that arises from the translation of foreign investments into the functional currency of the parent company, the euro. The risk associated with translating long-term net investments in foreign currencies is assessed on a regular basis. Should there be a clear and permanent risk of a currency devaluating, Group management may decide to hedge the company's foreign currency exposure. There was no hedged open currency exposure related to translation risk on the balance sheet date.

The Group's open foreign currency derivatives on the balance sheet date are described in Note 3.3.

Commodity risk:

The commodity risk refers to the impact of changes in the prices of commodities, such as raw materials, on the Group's net result. The Group regularly assesses its commodity risk exposure and hedges this risk employing generally used commodity derivatives whenever this is possible and economically viable.

The Group has hedged its electricity purchases as follows: the price level of electricity purchases for the following 12 months are hedged at 70–100%, and the price level of electricity purchases for the following 12–24 months is hedged at 35–85%. Electricity prices for the following 25–36 months are hedged at 0–40%. The Group had open electricity forwards on the balance sheet date. The values of these open electricity forwards are described in more detail in Note 3.3.

CAPITAL MANAGEMENT RISKS

Liquidity management:

Alma Media has two MEUR 12.5 committed financing limits at its disposal, which were entirely unused as at 31 December 2018. In addition, Alma Media ensures its liquidity by issuing its own commercial papers if required via brokers, and hedges over-liquidity according to its treasury policy. Liquidity is assessed daily and liquidity forecasts are made at weekly, monthly and 12-month rolling intervals.

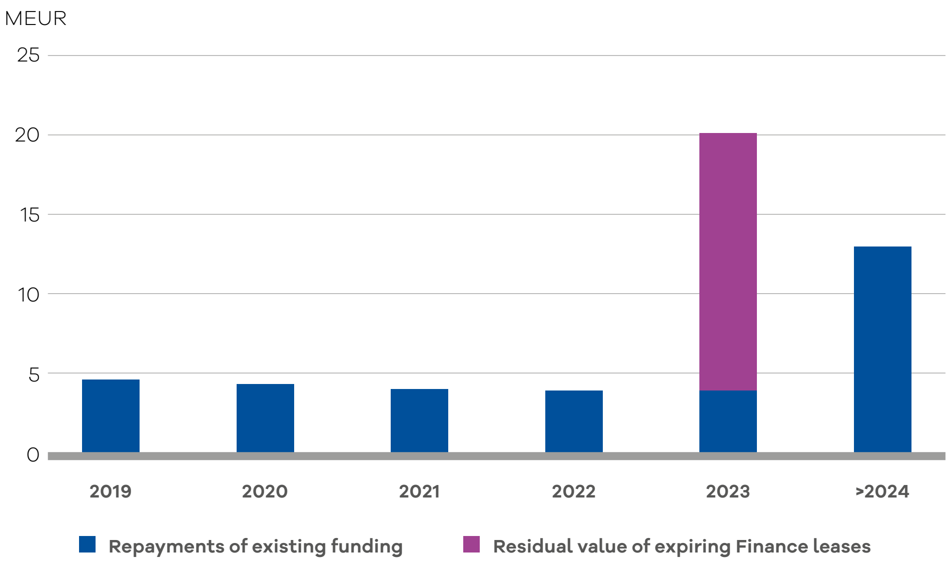
On the balance sheet date, the company had a commercial paper programme of MEUR 100 in Finland. Within the programme, the company may issue commercial papers to a total value of MEUR 0–100. No commercial papers were in circulation on the balance sheet date 31 December 2018. In addition to the commercial paper programme, the company may use the existing financing limit agreements for financing the need for working capital.

Long-term capital funding:
To secure its long-term financing needs, Alma Media uses capital market instruments, leasing or other financial arrangements.

The table describes the maturity distribution of the Group's interest-bearing debts:

MEUR	Balance sheet value	Cash flow statement	0–6 months	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	0,0	0,0			0.0		
Finance lease liabilities	51.5	61.2	2.7	2.7	10.2	25.6	20.0
Foreign currency derivates	0.0	0.0	0.0	0.0			
Interest rate derivates	0.5	0.5	0.0	0.0	0.2	0.1	
Total	**52.0**	**61.8**	**2.8**	**2.8**	**10.4**	**25.7**	**20.0**

Maturity structure of outstanding debt



CREDIT RISK

The Group's credit policy is described and documented in the Group credit management policy. The Group does not have significant risks of past due receivables because it has a large customer base and no individual customer will comprise a significant amount. During the financial period, impairment losses of MEUR 0.8 were recognised through profit or loss. These impairment losses were caused by an unexpected change in customers' economic environment. The maturity structure of trade receivables is presented in Note 3.7.2 Trade and other receivables.

CAPITAL MANAGEMENT

The aim of the Group's capital management is to support business operations through an optimal capital structure and to secure normal business preconditions. The capital structure is influenced through dividend distribution, for example. The development of the Group's capital structure is continuously monitored with gearing and equity ratio key figures. The company's financing agreements contain covenants concerning the company's equity ratio and the ratio of net debt to EBITDA. The following describes the values of these key figures in 2018 and 2017 as well as an itemisation of net debt and changes therein during the financial periods in question.

RECONCILIATION OF NET DEBT

MEUR	2018	2017
Interest-bearing long-term debt	47.3	60.0
Interest-bearing short-term debt	4.2	5.0
Interest-bearing net debt	49.5	20.7
Cash and cash equivalents	2.0	40.2
Total equity	186.8	158.3
Gearing, %	1.1%	25.4%
Equity ratio, %	57.5%	50.9%

3.9 Information on shareholders' equity and its management

The Group classifies the instruments it has issued in either equity or liabilities (financial liabilities) based on their nature. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Expenses related to the issuance or acquisition of equity instruments are presented as a deduction from equity. If the Group acquires equity instruments of its own, their acquisition cost is deducted from equity.

The following describes information on Alma Media Corporation's shares and changes in 2018.

	Total number of shares	Equity MEUR	Share premium reserve MEUR	Invested non-restricted equity fund MEUR
1.1.2018	82,383,182	45.3	7.7	19.1
31.12.2018	**82,383,182**	**45.3**	**7.7**	**19.1**

The company has one share series and all shares confer the same voting rights, one vote per share. The shares have no nominal value.

BOOK-ENTRY SECURITIES SYSTEM

The company's shares are registered in the book-entry system. Only such shareholders have the right to receive distributable funds from the company, and to subscribe to shares in conjunction with an increase in the share capital, 1) who are listed as shareholders in the shareholders' register on the record date; or 2) whose right to receive payment is recorded in the book-entry account of a shareholder listed in the shareholders' register on the record date, and this right is entered in the shareholders' register; or 3) whose shares, in the case of registered shares, are registered in their book-entry account on the record date, and as required by section 28 of the Act on the Book-Entry System, the respective manager of the shares is listed on the record date in the shareholders' register as the manager of said shares. Shareholders whose ownership is registered in the waiting list on the record date have the right to receive distributable funds from the company, and the right to subscribe to shares in conjunction with an increase in the share capital, provided they are able to furnish evidence of ownership on the record date.

OWN SHARES

Alma Media Corporation's Annual General Meeting decided on 14 March 2018 that the rights to the company's shares entered in the joint book-entry account and the rights attached to them shall be forfeited. The decision concerned the 198,658 shares of Alma Media Corporation that were entered in the joint account on the date of the Notice to the Annual General Meeting, 14 February 2018, and which were held as paper certificates by the shareholder. The shares that the shareholder would have validly requested to be registered to the book-entry account designated by the shareholder no later than at 12 noon EET on 14 March 2018 and regarding which the request for conversion after the conversion period would have been finalised by 30 September 2018, would have been deducted from the aforementioned number of shares. Alma Media received no requests for share registration by the specified deadline.

The AGM authorised the Board to take any and all measures required by the resolution. The provisions on treasury shares were applied to the forfeited shares in accordance with Chapter 3, Section 14 a, Subsection 3 of the Limited Liability Companies Act. The forfeited shares may be used to implement incentive programmes for the management or key employees, or the shares may be annulled.

Alma Media Corporation owns a total of 236,314 of its own shares, representing 0.29% of the total number of the company's shares and related votes. The total registered number of Alma Media's shares is 82,383,182, which entitle to 82,383,182 votes.

Translation differences

The translation differences fund comprises the exchange rate differences arising from the translation into EUR of the financial statements of the independent foreign units.

Share premium reserve

In cases in which stock options have been decided during the time the previous Finnish Limited Liability Companies Act (29.9.1978/734) was in force, payments received for share subscriptions based on stock options have been recognised in share capital and the share premium reserve in accordance with the terms of the respective option programmes, less the transaction costs.

Distributable funds

The distributable funds of the Group's parent company totalled EUR 152,788,579 on 31 December 2018.

Dividend policy

On 25 November 2013, Alma Media published its long-term financial objectives. According to the targets, the company aims to pay on average more than 50% of the profit for the period in dividends or capital repayments over the long term.

Redemption of shares

A shareholder whose proportional holding of all company shares, or whose proportional entitlement to votes conferred by the company shares, either individually or jointly with other shareholders, is or exceeds 33.3% or 50% is obligated on demand by other shareholders to redeem such shareholders' shares.

3.9.1 Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to the ordinary equity holders of the parent by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit for the period attributable to the equity holders of the parent by the weighted average number of diluted shares during the period.

MEUR	2018	2017
Profit attributable to ordinary shareholders of parent	41.7	32.2
Number of shares (x 1,000)		
Weighted average number of shares for basic earnings per share	82,147	82,223
Incentive scheme	1,072	924.0
Diluted weighted average number of outstanding shares	83,219	83,147
EPS, basic, euros	0.51	0.39
Earnings per share (diluted)	0.50	0.39

4. Consolidation

4.1 General principles of consolidation

All subsidiaries are consolidated in the consolidated financial statements. Subsidiaries are companies in which the Group has a controlling interest. The criteria for control are fulfilled when the Group is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The accounting principles applied in the subsidiaries have been brought into line with the IFRS principles applied in the consolidated financial statements. Mutual holdings are eliminated using the purchase method. Purchase consideration and the individualised assets and liabilities of the acquired entity are recognised at their fair value on the acquisition date. The costs related to the acquisition, with the exception of costs arising from the issue of equity or debt securities, are recorded as expenses. Additional purchase cost, if applicable, is recognised at fair value on the acquisition date and classified as a liability through profit or loss. Additional purchase cost classified as a liability is measured through profit or loss at fair value on the last day of each reporting period.

4.2 Subsidiaries

The Group's parent and subsidiary relationships are as follows:

		Holding, %		Share of votes, %	
Company	Kotimaa	2018	2017	2018	2017
Parent company Alma Media Oyj	Finland				
Alma Career Oy	Finland	83.3	83.30	83.30	83.30
Alma Manu Oy	Finland	100.0	100.0	100.0	100.00
Alma Media Kustannus Oy	Finland	100.0	100.0	100.0	100.00
Alma Media Suomi Oy	Finland	100.0	100.0	100.0	100.00
Alma Mediapartners Oy	Finland	65.0	65.0	65.0	65.00
Alma Talent AB	Finland	100.0	100.0	100.0	100.00
Alma Talent Desk AB	Sweden	100.0	100.0	100.0	100.00
Alma Talent Ekonomi AB	Sweden	100.0	100.0	100.0	100.00
Alma Talent Juridik AB	Sweden	100.0	100.0	100.0	100.00
Alma Talent Media AB	Sweden	100.0	100.0	100.0	100.00
Alma Talent Oy	Finland	100.0	100.0	100.0	100.00
Alma Talent Teknik AB	Sweden	100.0	100.0	100.0	100.00
CV-Online Estonia OÜ	Estonia	83.3	83.3	83.3	83.34
Edlegio AB	Sweden	70.0	70.0	70.0	70.00
Alma Talent Events AB	Sweden	100.0	100.0	100.0	100.00
Karenstock Oy	Finland	100.0	100.0	100.0	100.00
Kotikokki.net Oy	Finland	65.0	65.0	65.0	65.00
Käyttösofta Oy	Finland	65.0		65.0	
LMC s.r.o	Czech Republic	83.3	83.3	83.3	83.34
Monster Career CZ s.r.o.	Czech Republic	83.3	83.3	83.3	83.34
Monster Magyarorszag Kft	Hungary	83.3	83.3	83.3	83.34
Monster Polska SP. Z.o.o.	Poland	83.3	83.3	83.3	83.34
Müügimeistrite A/S	Estonia	92.0	92.0	92.0	92.00
Objektvision AB	Sweden	100.0	100.0	100.0	100.00
Oy Mediuutiset AB	Finland	100.0	100.0	100.0	100.00
Profesia s.r.o	Slovakia	83.3	83.3	83.3	83.34
Profesia s.r.o	Czech Republic	83.3	83.3	83.3	83.34
Raksa ja Kotikauppa Oy (Nettikoti)	Finland	65.0	33.0	65.0	33.00
Rantapallo Oy	Finland	79.0	79.0	79.0	79.00
SIA CV-Online Latvia	Latvia	83.3	83.3	83.3	83.34
Suoramarkkinointi Mega Oy	Finland	100.0	100.0	100.0	100.00
TAU On-line d.o.o	Croatia	83.3	83.3	83.3	83.34
Telemarket SIA	Latvia	96.0	96.0	96.0	96.00
UAB CV-Online LT	Lithuania	83.3	83.3	83.3	83.34
Workania Magyarország Kft.	Hungary	83.0		83.0	
Subsidiaries merged with other Group companies during the financial year:					
AutoJerry Oy (associated company)	Finland	65.00	24.10	65.00	24.10
Ahorouta Oy	Finland	65.00		65.00	

Itemisation of significant non-controlling interests in the Group:

		Holding, % *	
Subsidiary	Finland	2018	2017
Alma Career Oy sub-group	Finland	16.66	16.66
Alma Mediapartners Oy sub-group	Finland	35	35

* As the non-controlling interest's share of votes and equity are equal, the information is not presented separately.

Summary of financial information on subsidiaries involving a significant non-controlling interest:

	Alma Career sub-group		Alma Mediapartners sub-group	
MEUR	2018	2017	2018	2017
Current assets	69.1	60.5	6.6	5.4
Non-current assets	47.2	50.0	16.3	4.6
Current liabilities	26.2	25.2	11.6	2.8
Non-current liabilities	0.2	0.2	0.0	0.0
Revenue	73.9	65.0	22.9	18.3
Expenses	-43.6	-39.5	-14.1	-12.6
Operating profit	26.6	22.4	6.8	5.0
Share of profit allocated to Alma Media Corporation's owners (IFRS)	16.5	13.9	3.3	2.6
Share of profit allocated to non-controlling interest (IFRS)	3.9	3.4	1.8	1.3
Dividends paid to non-controlling interest	2.7	1.3	0.4	1.0
Net cash flow from operating activities	24.8	23.5	7.0	3.4
Net cash flows from/ (used in) investing activities	-0.5	-0.8	-5.2	-0.8
Financing activities	-23.1	-20.9	-1.8	-2.8

The information from the sub-group's financial statements is presented in the table below according to Finnish Accounting Standards (FAS), as the financial statements have not been prepared in accordance with IFRS.

4.3 Business combinations

ⓘ Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. All intra-Group transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements. The distribution of the profit for the year between the parent company owners and non-controlling interest shareholders is shown in the statement of comprehensive income. The eventual non-controlling interest in the acquired companies is measured at fair value or to the amount corresponding to the share of the non-controlling interest based on the proportionate share of the specified net assets. The measurement method is defined for each acquisition separately.

The comprehensive income is attributed to parent company shareholders and non-controlling shareholders, even if this were to lead to a negative portion being attributed to non-controlling shareholders. The amount of shareholders' equity attributable to non-controlling shareholders is shown as a separate item in the balance sheet under shareholders' equity. Changes in the parent company's holding in a subsidiary that do not lead to a loss of control are treated as equity transactions.

In conjunction with acquisitions achieved in stages, the previous holding is measured at fair value through profit or loss. When the Group loses control in a subsidiary, the remaining investment is measured at fair value through profit or loss on the date control in the subsidiary is lost, and the difference is recognised through profit or loss.

Acquisitions that took place before 1 January 2010 are recognised according to the provisions valid at the time.

THE GROUP CARRIED OUT THE FOLLOWING ACQUISITIONS IN 2018:

	Business	Acquisition date	Acquired share	Group share
Alma Markets segment				
Ahorouta Oy	Online service	03/01/2018	100%	65%
Autojerry Oy	Online service	10/01/2018	76%	65%
Käyttösofta Oy	Online service	10/01/2018	100%	65%

The acquisition of Raksa ja Kotikauppa Oy 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 0.1 was recognised in equity.

Alma Markets

The segment's information on acquired businesses is presented in combined form.

CONSIDERATION:

1 000 EUR	Fair value
Consideration, settled in cash	5.7
Contingent consideration	10.0
Fair value of acquisition achieved in stages	0.8
Total consideration	**16.5**

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

1 000 EUR	Fair value
Intangible assets	5.2
Trade receivables and other receivables	0.2
Cash and cash equivalents	0.8
Total assets acquired	**6.2**
Deferred tax liabilities	1.0
Trade payables and other payables	0.4
Total liabilities acquired	**1.4**
Acquired identifiable net assets at fair value, total	**4.7**
Group's share of net assets	**3.1**
Minority interest	**1.7**
Goodwill	**13.4**

The fair values entered on intangible assets in consolidation relate primarily to acquired customer agreements, the brand and information systems developed in-house. Factors contributing to goodwill were the expected synergies related to these businesses.

Acquisitions in 2017

The Group carried out the following acquisitions in 2017.

	Business	Acquisition date	Acquired share	Group share
Alma Talent segment				
Oy Mediuutiset Ab	Publishing	30/06/2017	50%	100%

The acquisition of Remonttibulevardi Oy 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. Remonttibulevardi Oy was merged into Alma Mediapartners Oy on 31 October 2017.

Alma Talent

CONSIDERATION:

MEUR	Fair value
Consideration, settled in cash	1.3
Fair value measurement of previous holding at the time of the acquisition	1.1
Total consideration	**2.4**

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

MEUR	Fair value
Tangible assets	0.0
Intangible assets	1.3
Trade receivables and other receivables	0.7
Cash and cash equivalents	0.0
Total assets acquired	**1.9**
Other non-current liabilities	0.0
Deferred tax liabilities	0.3
Trade payables and other payables	0.3
Total liabilities acquired	**0.5**
Acquired identifiable net assets at fair value, total	**1.4**
Group's share of net assets	**1.4**
Goodwill	**1.0**

The fair values entered on intangible assets in consolidation relate primarily to acquired customer agreements, the brand and information systems developed in-house. Factors contributing to goodwill were the expected synergies related to these businesses.

CONSIDERATION PAID FOR ACQUISITIONS - CASH FLOW

MEUR	2018	2017
Paid cash less acquired cash		
Cash consideration	5.8	1.9
Asset transfer tax and transaction costs	0.3	0.0
Less acquired amounts		
Cash	0.8	0.0
Net cash flow - capital expenditure	**5.2**	**2.0**

4.4 Investments in associated companies and joint ventures

Associated companies are those in which the Group has a significant controlling interest. A significant controlling interest arises when the Group holds 20% or more of the company's voting rights or over which the Group otherwise is able to exercise significant control. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement, whereas in a joint operation, the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement. Associated companies and joint ventures are consolidated using the equity method. Investments in associated companies include any goodwill arising from their acquisition. If the Group's share of the associated company's losses exceeds the book value of the investment, this investment is entered at zero value in the balance sheet and any losses in excess of this value are not recognised unless the Group has obligations with respect to the associated companies. The Group's share of the results of its associated companies is shown as a separate item after operating profit. The Group's share of its associated companies' other changes in comprehensive income is recognised in the consolidated comprehensive income statement under other comprehensive income.

MEUR	2018	2017
Investments in associated companies and joint ventures		
At beginning of period	4.5	5.1
Increases	1.6	
Acquisitions of business operations		0.3
Decreases	-1.1	-0.6
Share of results	0.5	0.7
Share of items recognised directly in associated company's equity		
Capital repayments received	-0.4	
Dividends received	-0.2	-0.8
Impairment, input	-0.8	
At end of period	**4.1**	**4.5**

Further information on associated companies:
Goodwill arising from associated companies on the balance sheet on 31 December 2018 totalled MEUR 2.2 (1.9).

Summary (100%) of associated company and joint venture totals.

MEUR	Alma Markets	Alma Talent	Alma Consumer	Other associated companies
Full year 2018				
Current assets	4.8	0.0	0.7	
Non-current assets	5.3	0.0	0.1	
Current liabilities	1,2		0.3	
Non-current liabilities	3,5			
Revenue	10.3	0.1	2,5	
Profit/loss for the period	2,3	0.0	0.6	
Other comprehensive income				
Reconciliation between associated companies' and joint ventures' financial information and the balance sheet value recognised by the Group:				
Associated company's net assets	5.4	0.0	0.5	4.3
Group's share of net assets	1.4	0.0	0.1	0.1
Goodwill	1.1		1.2	
Other adjustments	-0.1			-0.9
Associated companies' balance sheet value on the consolidated balance sheet	2.8	0.0	1.2	0.1
Receivables from associated companies				
Owed to associated companies				
Dividends and capital repayments received from associated company during the period	0.2		0.4	

MEUR	Alma Markets	Alma Talent	Alma Consumer	Other associated companies
Year 2017				
Current assets	4.2	0.1		4.4
Non-current assets	4.5	0.0		2.6
Current liabilities	1.1			2.3
Non-current liabilities	3.4			0.3
Revenue	10.9	0.1		0.0
Profit/loss for the period	1.0			-0.1
Other comprehensive income				
Reconciliation between associated companies' and joint ventures' financial information and the balance sheet value recognised by the Group:				
Associated company's net assets	4.2	0.1		4.8
Group's share of net assets	1.2	0.0		1.1
Goodwill	1.9			
Other adjustments	0.0			-0.1
Associated companies' balance sheet value on the consolidated balance sheet	3.4	0.0		1.1
Receivables from associated companies	0.0			
Owed to associated companies	0.0			
Dividends and capital repayments received from associated company during the period	0.2			0.1

Associated companies	Segment	Holding, %	Share of votes, %
Arena Interactive Oy	Alma Markets	35.0	35
Conseco Press	Alma Talent	40.0	40
Etua Oy	Alma Consumer	20.0	20
Infostud 3 d.o.o.	Alma Markets	25.0	25
Kolektiv d.o.o.	Alma Markets	30.0	30
Kytöpirtti Oy	Non-allocated	43.2	43.2
Media Metrics Finland Oy	Alma Markets	25.0	25
Muuttomaailma Oy	Alma Markets	16.3	16.3
Vrabotuvanje Online	Alma Markets	30.0	30

Changes in holdings in associated companies in 2018

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.

In March 2018, Alma Media Group acquired 20% of the share capital of Etua.fi, a provider of competitive tender services for loans and insurance, through a directed share issue.

Alma Media sold its shares in Oy Suomen Tietotoimisto in June 2018. Alma Media owned 24.10% of the company. The transaction had no impact on the result of Alma Media Group.

4.5 Related party transactions

Alma Media Group's related parties are its associated companies (see Note 4.4), the companies that they own and affiliated companies.

Related parties also include the company's management (the Board of Directors, the Presidents and the Group Executive Team). The employee benefits of management and other related party transactions between management and the company are detailed in Note 1.4.

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

RELATED PARTY TRANSACTIONS – ASSOCIATED COMPANIES

MEUR	2018	2017
Sales of goods and services	0.2	0.4
Purchases of goods and services	0.8	2.9
Trade, loan and other receivables	0.0	0.0
Trade payables	0.0	0.0

RELATED PARTY TRANSACTIONS – PRINCIPAL SHAREHOLDERS

MEUR	2018	2017
Sales of goods and services	0.1	0.2
Purchases of goods and services	0.0	0.0
Trade, loan and other receivables	0.0	0.0
Trade payables		0.0

RELATED PARTY TRANSACTIONS – CORPORATIONS WHERE MANAGEMENT EXERCISES INFLUENCE

MEUR	2018	2017
Sales of goods and services	0.0	0.0
Purchases of goods and services		0.0
Trade, loan and other receivables	0.0	0.0
Trade payables		

5 Other notes

5.1 Income tax

The tax expense in the profit or loss comprises the tax based on the company's taxable income for the period together with deferred taxes. The tax based on taxable income for the period is the taxable income calculated on the applicable tax rate in each country of operation. The tax is adjusted for any tax related to previous periods.

MEUR	2018	2017
Current income tax charge	12.9	10.5
Adjustments in respect of current income tax of previous years	0.3	0.3
Deferred taxes	-0.8	-1.6
Total	**12.5**	**9.2**

RECONCILIATION OF TAX EXPENSES IN THE INCOME STATEMENT AND TAX CALCULATED ON THE FINNISH TAX RATE:

The Finnish corporate tax rate in 2018 was 20% and in 2017 20%. In the calculation of deferred taxes, 20% has been used as the Finnish corporate tax rate in 2018.

MEUR	2018	2017
Profit before tax	60.4	45.9
Share of profit of associated companies	0.3	-0.7
Total	**60.7**	**45.3**
Tax calculated on the parent company's tax rate	12.1	9.1
Impact of varying tax rates of foreign subsidiaries	-0.1	-0.2
Tax-free income	-0.4	-0.5
Non-tax-deductible expenses	0.7	0.6
Edellisten tilikausien erät		
Use of previously non-entered deferred tax assets	0.0	
Unrecognised deferred tax asset from the confirmed tax losses	0.1	0.2
Aiemmin kirjaamattomien laskennallisten verojen kirjaaminen taseeseen		
Other items	0.1	0.1
Tax recognised in the income statement	**12.5**	**9.2**

Tax impacts of entries due to IAS 19 accounting principles are included in other comprehensive income.

5.2 Deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are recognised on all temporary differences between their book and actual tax values. Deferred taxes are calculated using the tax rates enacted by the balance sheet date. However, the deferred tax liability is not recognised on the initial recognition of goodwill or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. A deferred tax liability is recognised on non-distributed retained earnings of subsidiaries when it is likely that the tax will be paid in the foreseeable future. Deferred tax assets and liabilities are netted by the company when they relate to income tax levied by the same tax authority and when the tax authority permits the company to pay or receive a single net tax payment. Deferred taxes are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. For this purpose, the conditions for the recognition of deferred taxes are assessed on the final day of each reporting period.

CHANGES IN DEFERRED TAXES DURING 2018

MEUR	31.12.2017	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31.12.2018
Deferred tax assets					
Provisions	0.5	-0.1	0.0		0.4
Pension benefits	0.2	0.0	0.0		0.2
Deferred depreciation	1.1	-0.8	0.0		0.2
Other items	0.9	0.1	0.0		1.0
Total	**2.6**	**-0.9**	**0.0**		**1.8**
Taxes, net	-0.3				-0.3
Deferred tax assets on balance sheet	2.3				1.5
Deferred tax liabilities					
Accumulated depreciation differences	0.3	0.0	0.0		0.3
Business combinations	12.4	-1.5	-0.2	1.0	11.7
Retained earnings of subsidiary companies	0.5	-0.1			0.4
Other items	0.1	0.0	0.0		0.1
Total	**13.3**	**-1.6**	**-0.2**	**1.0**	**12.5**
Taxes, net	-0.3				-0.3
Deferred tax liabilities on balance sheet	13.3				12.2

No deferred tax asset has been calculated on the confirmed losses of Group companies in Finland, amounting to MEUR 0.1, and abroad, amounting to MEUR 2.6. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire in 2024 at the latest for losses other than those of Group companies in Sweden.

CHANGES IN DEFERRED TAXES DURING 2017

MEUR	31.12.2016	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31.12.2017
Deferred tax assets					
Provisions	0.2	0.3	0.0		0.5
Pension benefits	0.2	0.0	0.0		0.2
Deferred depreciation	0.3	0.7	0.0		1.1
Other items	1.0	-0.1	0.0		0.9
Total	**1.7**	**0.9**	**0.0**		**2.6**
Taxes, net	-0.3				-0.3
Deferred tax assets on balance sheet	1.5				2.3
Deferred tax liabilities					
Accumulated depreciation differences	0.3	0.0	0.0		0.3
Business combinations	12.8	-0.8	0.1	0.3	12.4
Retained earnings of subsidiary companies	0.3	0.2			0.5
Other items	0.2	-0.1	0.0		0.1
Total	**13.6**	**-0.7**	**0.1**	**0.3**	**13.3**
Taxes, net	-0.3				-0.3
Deferred tax liabilities on balance sheet	13.4				13.0

5.3 Events after the balance sheet date

The period during which matters affecting the financial statements are taken into account is the period from the closing of the accounts to the release of the statements. The release date is the day on which the Financial Statements Bulletin will be published. Events occurring during the period referred to above are examined to determine whether they do or do not render it necessary to correct the information in the financial statements.

Information in the financial statements is corrected in the case of events that provide additional insight into the situation prevailing on the balance sheet date. Events of this nature include, for example, information received after the closing of the accounts indicating that the value of an asset had already been reduced on the balance sheet date.

No significant events deviating from normal business operations have taken place after the end of the financial year.

Parent company income statement (FAS)

MEUR	Note	1.1.–31.12.2018	1.1.–31.12.2017
Revenue	6.1	31.5	31.1
Other operating income	6.2	1.4	1.4
Materials and services	6.3	0	0.1
Expenses arising from employee benefits	6.4	11.5	11.6
Depreciation and write-downs	6.5	1.4	1.8
Other operating expenses	6.6, 6.7, 6.8	25.4	25.5
Operating profit (loss)		-5.4	-6.5
Financial income and expenses	6.9	15.5	7.8
Profit before appropriations and taxes		**10.1**	**1.3**
Appropriations	6.10	31.9	26.3
Income tax	6.11	-5.1	-3.7
Profit for the period		**36.9**	**23.9**

Parent company balance sheet (FAS)

MEUR	Note	31.12.2018	31.12.2017
ASSETS			
Non-current assets			
Intangible assets	6.12	3.2	3.5
Tangible assets	6.13	1.3	2.1
Investments			
Holdings in Group companies	6.14	332.8	333.7
Other investments		5.5	15.5
Non-current assets, total		**342.8**	**354.7**
Current assets			
Current receivables	6.15	37.2	36.7
Cash and cash equivalents		37.4	10.0
Current assets, total		**74.7**	**46.7**
Assets, total		**417.5**	**401.4**

MEUR	Note	31.12.2018	31.12.2017
EQUITY AND LIABILITIES			
Equity			
Share capital		45.3	45.3
Share premium reserve		119.3	119.3
Other reserves		5.4	5.4
Invested non-restricted equity fund		110.8	110.8
Retained earnings (loss)		5.1	0.0
Profit for the period (loss)		36.9	23.9
Total equity	6.16	**322.7**	**304.6**
Accumulated appropriations	6.17	**0.5**	**0.4**
Provisions	6.18	**0.0**	**0.0**
Liabilities			
Non-current liabilities	6.19	**0.6**	**5.7**
Current liabilities	6.20	**93.7**	**90.7**
Liabilities, total		**94.3**	**96.4**
Shareholders' equity and liabilities, total		**417.5**	**401.4**

Parent company cash flow statement (FAS)

MEUR	1.1.–31.12.2018	1.1.–31.12.2017
Operating activities		
Profit for the period	36.9	23.9
Depreciation and write-downs	1.5	1.8
Gains on sale of non-current assets	-0.9	-1.0
Net financial expenses (income statement)	-16.1	-7.8
Income tax	5.1	3.7
Change in provisions	0.0	-0.2
Other adjustments	-30.2	-25.8
Change in working capital:		
Change in trade receivables and other receivables	0.5	3.1
Change in trade payables and other payables	5.7	14.8
Dividend received	15.8	12.4
Interest received	0.1	0.1
Interest expenses paid and other finance expenses	-0.7	-0.9
Taxes paid	-6.5	-1.0
Operating activities	**11.2**	**23.1**
Investing activities		
Business acquisitions less cash and cash equivalents at the time of acquisition		-0.3
Proceeds from sale of businesses less cash and cash equivalents at the time of sale	0.6	1.1
Acquisitions of tangible assets	-1.1	-0.1
Acquisitions of intangible assets	-1.1	-1.0
Repayment of loan receivable	8.2	
Other investments	0.0	0.0
Change in loan receivables	0.0	-14.5
Proceedsfrom sale of available-for-sale financial assets		
Proceeds from sale of tangible and intangible assets	3.2	
Acquisition and sale of associated companies	-0.2	1.6
Net cash flows from/(used in) investing activities	**9.5**	**-13.1**

MEUR	1.1.–31.12.2018	1.1.–31.12.2017
Cash flow before financing activities	**20.7**	**10.0**
Financing activities		
Non-current loans taken		0.0
Repayment of non-current loans	-5.0	-5.0
Current loans taken	14.0	3.0
Repayment of current loans	-14.0	-13.0
Acquisition of own shares		-1.2
Change in interest-bearing receivables	4.9	-0.6
Group contributions received and paid	26.6	16.2
Dividends paid	-19.7	-13.2
Net cash flows from/(used in) financing activities	**6.7**	**-13.8**
Change in cash and cash equivalent funds (increase +/decrease -)	**27.4**	**-3.8**
Cash and cash equivalents at beginning of period	10.0	13.9
Cash and cash equivalents at end of period	37.4	10.0

Accounting principles used in the parent company's financial statements

General information
Alma Media Corporation is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki at the address Alvar Aallon katu 3 C, P.O. Box 140, FI-00101 Helsinki, Finland.

Parent company's financial statements
The financial statements of the parent company are prepared in accordance with Finnish Accounting Standards (FAS).

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

Non-current assets
Tangible and intangible assets are capitalised at direct acquisition cost less planned depreciation and write-downs. Planned depreciation is calculated from the original acquisition cost based on the estimated economic life of the asset. The land areas are not depreciated. The economic lifetimes of the assets are as follows

Buildings	30–40 years
Structures	5 years
Machinery and equipment	3–10 years
Other non-current expenses	5–10 years
Intangible rights	5–10 years

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

Taxes
Taxes in the income statement are the taxes corresponding to the results of the Group companies during the financial year as well as adjustments to taxes in previous years. No deferred tax assets are recognised in the parent company's accounts.

Foreign currency items
Foreign currency items are entered at the rates prevailing on the transaction date. Receivables and payables on the balance sheet are valued at the average rate on the balance sheet date. Exchange rate differences arising from sales and purchases are treated as additions or subtractions, respectively, in the income statement. Realised and unrealised exchange rate differences related to loans and loan receivables are recognised in other financial income and expenses in the income statement. The parent company does not have any significant foreign currency loans.

Pension commitments
Statutory and voluntary employee pension benefits for the parent company's personnel are arranged mainly through pension insurance companies.

Other employee benefits
The parent company has a long-term share-based incentive scheme for key management in effect (LTI 2015). In accordance with Finnish Accounting Standards (FAS), the option benefit and the share reward are not measured at fair value, nor is the calculated employee benefit expensed in the income statement

Notes to the parent company's financial statements

6.1 Revenue by market area

MEUR	2018	2017
Finland	31.5	31.1
Total	**31.5**	**31.1**

6.2 Other operating income

MEUR	2018	2017
Gains on the sale of assets	1.3	1.4
Other income	0.1	
Total	**1.4**	**1.4**

6.3 Materials and services

MEUR	2018	2017
Materials and services	0.0	0.1
Total	**0.0**	**0.1**

6.4 Employee expenses

MEUR	2018	2017
Wages, salaries and fees	9.2	9.1
Pension expenses	1.5	1.6
Other payroll-related expenses	0.8	1.0
Total	**11.5**	**11.6**
Average number of employees	119	119
Salaries and bonuses paid to management		
President and CEO	0.7	0.9
Other members of the Group Executive Team	2.2	2.2
Members of the Board of Directors	0.3	0.3
Total	**0.3**	**0.3**

The benefits to which the President of the parent company is entitled are described in more detail in Note 1.4.1 to the consolidated financial statements.

6.5 Depreciation and write-downs

MEUR	2018	2017
Depreciation on tangible and intangible assets	1.4	1.8
Total	**1.4**	**1.8**

6.6 Other operating expenses

MEUR	2018	2017
Information technology and telecommunication	10.6	9.9
Business premises	9.5	10.1
Other expenses	5.3	5.5
Total	**25.4**	**25.5**

6.7 Auditors' fees

1000 EUR	2018	2017
Audit	246.5	281.3
Reporting and opinions	1.6	4.5
Tax consultation		6.9
Other	44.8	53.5
Total	**292.9**	**346.2**

Parent company audit expenses include audit fees for the whole group.

6.8 Research and development costs

In financial year 2018, the company has not capitalised research and development costs (EUR 0).

6.9 Financial income and expenses

MEUR	2018	2017
Dividend income		
From Group companies	16.4	11.8
From associated companies	0.2	0.6
From others	0.1	0.0
Total	**16.7**	**12.4**
Other interest and financial income		
From Group companies	0.1	0.1
Fair value gain on financial assets at fair value through profit or loss	0.0	0.2
From others	0.0	0.0
Total	**0.1**	**0.3**
Impairment for non-current investments		
Impairment of non-current investments	-0.6	-4.0
Total	**-0.6**	**-4.0**
Interest expenses and other financial expenses		
To Group companies	-0.4	-0.5
To others	-0.4	-0.4
Total	**-0.8**	**-0.9**
Foreign exchange rate gains/losses		
Foreign exchange rate gains and losses	0.1	0.0
Financial income and expenses, total	**15.5**	**7.8**

6.10 Appropriations

MEUR	2018	2017
Difference between planned depreciation and depreciation made for tax purposes	-0.1	-0.2
Extraordinary income/Group contribution received	32.0	26.6
Total	**31.9**	**26.3**

6.11 Income tax

MEUR	2018	2017
Income tax from regular business operations	-5.1	-3.7
Total	**-5.1**	-3.7

6.12 Intangible assets

MEUR	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2018					
Acquisition cost 1 Jan	8.9		0.5	0.2	9.6
Increases	0.8			0.3	1.1
Decreases	-0.5		-0.5		-1.0
Transfers between items	0.2			-0.2	
Acquisition cost 31 Dec	**9.4**			**0.3**	**9.8**
Accumulated depreciation, amortisation and impairments 1 Jan	5.7		0.5		6.2
Accumulated depreciation in decreases	-0.5		-0.5		-1.0
Depreciation for the financial year	1.3				1.3
Accumulated depreciation 31 Dec	**6.5**				**6.5**
Book value 31.12.2017	**2.9**			**0.3**	**3.2**
Financial year 2017					
Acquisition cost 1 Jan	7.3		0.5	0.8	8.6
Increases	0.8			0.2	1.0
Decreases					
Transfers between items	0.8			-0.8	
Acquisition cost 31 Dec	**8.9**		**0.5**	**0.2**	**9.6**
Accumulated depreciation, amortisation and impairments 1 Jan	4.1		0.5		4.6
Accumulated depreciation in decreases					
Depreciation for the financial year	1.6				1.6
Impairment					
Accumulated depreciation 31 Dec	**5.7**		**0.5**		**6.2**
Book value 31.12.2017	**3.2**			**0.2**	**3.5**

6.13 Tangible assets

MEUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2018						
Acquisition cost 1 Jan	0.4	3.9	0.6	1.0	0.1	5.9
Increases			0.0	0.6		0.6
Decreases	-0.4	-3.2	-0.4	0.0	-0.1	-4.2
Acquisition cost 31 Dec		**0.6**	**0.2**	**1.5**		**2.3**
Accumulated depreciation 1 Jan		2.8	0.5	0.5		3.8
Accumulated depreciation in decreases		-2.4	-0.4	0.0		-2.9
Depreciation for the financial year		0.0	0.0	0.0		0.0
Accumulated depreciation 31 Dec		**0.4**	**0.1**	**0.5**		**1.0**
Book value 31.12.2018		**0.3**	**0.0**	**1.0**		**1.3**
Balance sheet value of machinery and equipment 31.12.2018		0.3				
Financial year 2017						
Acquisition cost 1 Jan	0.5	4.4	0.5	1.0		6.4
Increases			0.0		0.1	0.1
Decreases	-0.1	-0.5				-0.6
Acquisition cost 31 Dec	**0.4**	**3.9**	**0.6**	**1.0**	**0.1**	**5.9**
Accumulated depreciation 1 Jan		3.3	0.5	0.4		4.2
Accumulated depreciation in decreases		-0.5				-0.5
Depreciation for the financial year		0.1	0.0	0.1		0.2
Accumulated depreciation 31 Dec		**2.8**	**0.5**	**0.5**		**3.8**
Book value 31.12.2017	**0.4**	**1.1**	**0.0**	**0.5**	**0.1**	**2.1**
Balance sheet value of machinery and equipment 31.12.2017			0.0			

6.14 Investments

MEUR	Shares Group companies	Shares associated companies	Shares other	Total
Financial year 2018				
Acquisition cost 1 Jan	582.3	3.7	1.3	587.3
Increases	0.9	1.2		2.1
Decreases	-1.8	0.0	-0.2	-2.0
Transfers between items				
Acquisition cost 31 Dec	**581.4**	**4.8**	**1.1**	**587.4**
Accumulated depreciation, amortisation and impairments 1 Jan	248.6		0.0	248.6
Accumulated depreciation in decreases and transfers				
Impairment		0.5		0.5
Accumulated depreciation, amortisation and impairments 31 Dec	**248.6**	**0.5**	**0.0**	**249.1**
Book value 31.12.2018	**332.8**	**4.4**	**1.1**	**338.3**
Financial year 2017				
Acquisition cost 1 Jan	583.1	4.2	1.3	588.7
Increases	0.3			0.3
Decreases	-1.2	-0.6	0.0	-1.7
Transfers between items				
Acquisition cost 31 Dec	**582.3**	**3.7**	**1.3**	**587.3**
Accumulated depreciation, amortisation and impairments 1 Jan	248.6		0.0	248.6
Accumulated depreciation in decreases				
Impairment				
Accumulated depreciation, amortisation and impairments 31 Dec	**248.6**		**0.0**	**248.6**
Book value 31.12.2017	**333.7**	**3.7**	**1.3**	**338.7**

PARENT COMPANY HOLDINGS IN GROUP COMPANIES AND ASSOCIATED COMPANIES

Company	Registered office	Holding %	Share of votes, %	Group holding %
Subsidiaries				
Alma Career Oy	Helsinki	83.34	83.34	83.34
Alma Manu Oy	Tampere	100.00	100.00	100.00
Alma Media Kustannus Oy	Helsinki	100.00	100.00	100.00
Alma Media Suomi Oy	Helsinki	100.00	100.00	100.00
Alma Mediapartners Oy	Helsinki	65.00	65.00	65.00
Karenstock Oy	Helsinki	100.00	100.00	100.00
Alma Talent Oy	Helsinki	100.00	100.00	100.00
Kotikokki.net Oy	Helsinki	65.00	65.00	65.00
Objektvision AB	Sweden	100.00	100.00	100.00
Rantapallo Oy	Helsinki	79.00	79.00	79.00
Associated companies				
Arena Interactive Oy	Vaasa	35.00	35.00	35.00
As Oy Lindemaninpiha	Jämsä	22.56	22.56	22.56
Kolektiv d.o.o.	Bosnia	30.00	30.00	30.00
Infostud 3 d.o.o.	Serbia	25.00	25.00	25.00
Kiinteistö Oy Keuruun Tervaportti	Keuruu	28.20	28.20	28.20
Kiinteistö Oy Kylmäsenkulma	Kemijärvi	20.26	20.26	20.26
Kytöpirtti Oy	Seinäjoki	43.20	43.20	43.20
Nokian Uutistalo Oy	Nokia	36.90	36.90	36.90

6.15 Receivables

MEUR	2018	2017
Current receivables		
Receivables from Group companies		
Trade receivables	0.0	0.1
Loan receivables *)	34.7	34.2
Loan receivables	1.0	1.1
Prepaid expenses and accrued income		
Total	**35.8**	**35.4**
Receivables from others		
Trade receivables	0.0	0.1
Other receivables	0.2	0.2
Prepaid expenses and accrued income **	1.3	1.0
Total	**1.4**	**1.3**
Current receivables, total	**37.2**	**36.7**

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

** Major balances in prepaid expenses and accrued income consist of ICT purchase invoice accruals.

6.16 Shareholders' equity

MEUR	2018	2017
Restricted shareholders' equity		
Share capital 1 Jan	45.3	45.3
Share capital 31 Dec	45.3	45.3
Share premium reserve 1 Jan	119.3	119.3
Share premium reserve 31 Dec	119.3	119.3
Other reserves 1 Jan	5.4	5.4
Other reserves 31 Dec	5.4	5.4
Restricted shareholders' equity total	**169.9**	**169.9**
Non-restricted shareholders' equity		
Invested non-restricted equity fund 1 Jan	110.8	110.8
Invested non-restricted equity fund 31 Dec	**110.8**	**110.8**
Retained earnings 1 Jan	23.9	14.0
Transfer from invested non-restricted equity fund		
Cancellation of unpaid dividends	0.1	
Dividend payment	-19.7	-13.2
Acquisition of own shares		-1.2
Disposal of own shares	0.9	0.4
Retained earnings 31 Dec	**5.1**	**0.0**

MEUR	2018	2017
Profit for the period	36.9	23.9
Non-restricted shareholders' equity total	**152.8**	**134.6**
Total equity	**322.7**	**304.6**
Calculation of the parent company's distributable funds on 31 December		
Invested non-restricted equity fund	110.8	110.8
Capitalised research and development costs	-0.1	-0.1
Profit from the previous year	5.1	0.0
Profit for the period	36.9	23.9
Total	**152.7**	**134.5**

6.17 Appropriations

MEUR	2018	2017
Difference between planned depreciation and depreciation made for tax purposes	0.5	-0.2

6.18 Provisions

Provisions in financial year 2018 amounted to EUR 4,808.17 (2017: 8,088.72).

6.19 Non-current liabilities

MEUR	2018	2017
Loans from credit institutions		5.0
Other non-current liabilities	0.6	0.7
Total	**0.6**	**5.7**
Debt due after five years		
Other non-current liabilities	0.2	0.2

6.20 Current liabilities

MEUR	2018	2017
Loans from credit institutions		
Trade payables	0.3	0.9
Total	**0.3**	**0.9**
Liabilities to Group companies		
Trade payables	0.0	0.6
Other liabilities	87.5	81.9
Accrued expenses and prepaid income	0.0	0.1
Total	**87.5**	**82.6**
Liabilities to associated companies		
Other liabilities	0.0	
Trade payables		
Total	**0.0**	
To others		
Provisions	0.0	0.0
Other current liabilities	1.1	1.3
Accrued expenses and prepaid income	4.7	6.0
Total	**5.8**	**7.3**
Current liabilities total	**93.7**	**90.7**

Most of accrued expenses and prepaid income consist of allocated employee expenses.

6.21 Commitments and contingencies

MEUR	2018	2017
Collateral for own commitments		
Guarantees	0.7	1.0
Collateral for others		
Guarantees	0.9	0.9
Other own commitments		
Rental commitments – within one year	7.7	8.2
Rental commitments – after one year	55.3	60.9
Rental commitments total	63.0	69.1
Other commitments	0.3	1.0
Total		
Guarantees	1.6	1.9
Other commitments	63.3	70.2
Commitments total	**64.9**	**72.0**

Alma Media has two MEUR 12.5 committed financing limits at its disposal, which were entirely unused as at 31 December 2018. In April, the company extended its financing limit agreements with its existing financing partners by three years. The company also has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was unused on 31 December 2018.

6.22 Derivative contracts

MEUR	2018	2017
Commodity derivatives (electricity forwards)		
Fair value*	0.1	0.0
Value of underlying instruments	0.1	0.3
Interest rate derivatives		
Fair value*	-0.5	-0.5
Value of underlying instruments	15.4	19.4

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

Signatures to the report by the board of directors and the financial statements

The distributable funds of the Group's parent company totalled EUR 152,709,980 on 31 December 2018.

There were 82,383,182 shares carrying dividend rights.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.35 per share (2017: EUR 0.24 per share) be paid for the financial year 2018. Based on the number of outstanding shares on the closing date 31 December 2018, the dividend payment totals EUR 28,751,404 (19,733,564).

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.

Helsinki, 13 February 2019

Petri Niemisvirta
Chairman of the Board

Catharina Stackelberg-Hammarén
Deputy Chairman of the Board

Esa Lager
Board member

Matti Korkiatupa
Board member

Peter Immonen
Board member

Päivi Rekonen
Board member

Gerlinde Heike Tyler
Board member

Alexander Lindholm
Board member

Kai Telanne
President and CEO

AUDITOR'S NOTE

A report on the audit carried out has been submitted today.

Helsinki, 15 February 2019

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Alma Media Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Alma Media Oyj (business identity code 1944757-4) for the year ended 31 December 2018. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 1.3.5 to the Financial Statements.

Our Audit Approach

Overview

Materiality	• We have applied an overall group materiality of EUR 3,5 million
Group scoping	• We have audited parent company and its subsidiaries in Finland, Czech Republic, Slovakia and Sweden.
Key audit matters	• Timing of revenue recognition • Valuation of goodwill and intangibles with indefinite lives • Valuation of holdings in group companies (Parent company)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality
EUR 3,5 million

How we determined it
Net sales

Rationale for the materiality benchmark applied
We chose net sales as the benchmark because, in our view, the performance of the Group is most commonly measured by using this criteria, and it is a generally accepted benchmark. We chose net sales as the benchmark as we considered that this provides us with a consistent year-on-year basis for determining materiality.

How we tailored our group audit scope
We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

We have performed audit procedures in the most significant subsidiaries in Finland, Czech Republic, Slovakia and Sweden. We have considered that the remaining subsidiaries don't present a reasonable risk of material misstatement for consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group

TIMING OF REVENUE RECOGNITION
Refer to accounting principles of the consolidated financial statements and note 1.2 Operating income

The net sales of Alma Media Group is EUR 354,6 million. Alma Media Group's revenue consists of content sales, advertising sales and service sales. The revenue recognition principles are determined separetely for each revenue stream.

Revenue recognition is a focus area in the audit due to the management judgement in choosing the appropriate revenue recognition principle and the materiality of net sales.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Our audit procedures have included following procedures among other things:
- We gained understanding over the Group's revenue recognition accounting policies and compared these to the relevant IFRS standards.
- We assessed the design effectiveness of key controls and tested the operating effectiveness of controls relating to the cut-off of revenue recognition.
- We tested by sample individual sales transactions and if sales were recognized as revenue according to the Group's revenue recognition accounting policies.

Valuation of goodwill and intangibles with indefinite lives

REFER TO ACCOUNTING PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS AND NOTE 2.1. INTANGIBLE ASSETS AND GOODWILL
At 31 December 2018 the Group's goodwill balance amounted to EUR 133,5 million and intangible rights with indefinite lives EUR 35,9 million. Goodwill and intangible rights with indefinite lives are allocated to the cash-generating units.

The Company tests goodwill for potential impairment annually and whenever there is an indication that the carrying value may be impaired.

The impairment testing is conducted by comparing the recoverable amount against the carrying value of goodwill. The recoverable amounts are determined using value in use model. Value in use calculations are subject to significant management judgement in form of estimates of future cash flows, such as estimates of future advertising and content sales, and discount rates.

Valuation of goodwill and intangible rights with indefinite lives are a focus area in the audit due to the size of balance and the high level of management judgement involved.

Our audit focused on assessing the appropriateness of management's judgement and estimates used in the impairment analysis through the following procedures:
- We tested the methodology applied in the value in use calculation by comparing it to the requirements of IAS 36, Impairment of Assets, and we tested the mathematical accuracy of calculations;
- We evaluated the process by which the future cash flow forecasts were drawn up, including comparing them to the budgets and strategic plans approved by the Board of Directors;
- We assessed the reasonableness of cash flow forecasts by comparing the accuracy of prior period revenue growth and operating profit forecasts to actual outcomes. We also assessed the reasonableness of advertising and content sales growth rates used in the impairment calculations by comparing them to third party forecasts;
- We considered whether the key assumptions in sensitivity analysis performed by the management were appropriate; and
- The discount rates applied within the model were assessed by PwC business valuation specialist.
- We also considered the appropriateness of the related disclosures provided in note 2.1 in the financial statements.

Key audit matter in the audit of the parent company

VALUATION OF HOLDINGS IN GROUP COMPANIES
Refer to note 6.14 Investments

At 31 December 2018 the holdings in group companies are valued at EUR 332,8 million. The holdings in group companies are tested annually for impairment by comparing the recoverable amount against the book value of individual holding. The recoverable amounts are determined using value in use model.

Based on the annual impairment test of holdings in group companies management concluded that no impairment was needed.

Valuation of holdings in group companies is a focus area in the audit due to the size of balance and the high level of management judgement involved.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Our audit focused on assessing the appropriateness of management's judgement and estimates used in the impairment analysis through the following procedures:
- We evaluated the process by which the future cash flow forecasts were drawn up, including comparing them to the budgets and strategic plans approved by the Board of Directors;
- We assessed the reasonableness of cash flow forecasts by comparing the accuracy of prior period revenue growth and operating profit forecasts to actual outcomes. We also assessed the reasonableness of advertising and content sales growth rates used in the impairment calculations by comparing them to third party forecasts;
- We considered whether the key assumptions in the sensitivity analysis performed by the management were appropriate; and
- The discount rates applied within the model were assessed by PwC business valuation specialist.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 20 March 2014. Our appointment represents a total period of uninterrupted engagement of 5 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion
- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 15 February 2018
PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant (KHT)

Corporate Governance Statement 2018

ALMA MEDIA CORPORATION

CONTENTS

Corporate Governance Statement of Alma Media Corporation

In 2018, Alma Media Corporation applied the Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association in 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 Financial Statements. In addition, it is publicly available on Alma Media's website: www.almamedia.fi/en/investors/governance/corporate-governance

The Audit Committee of Alma Media Corporation's Board of Directors has reviewed the Corporate Governance Statement. The statement will not be updated during the financial period, but up-to-date information on its sections is available on Alma Media's website: www.almamedia.fi/en/investors/governance/corporate-governance

The Finnish Corporate Governance Code is downloadable from the website of the Securities Market Association: www.cgfinland.fi

Alma Media Group

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

The Group's supreme decision-making body is the General Meeting of Shareholders, where shareholders exercise their decision-making power. The Board of Directors is responsible for the company's management and its appropriate organisation. In its capacity as the Group's parent company, Alma Media Corporation is responsible for the Group's management, legal affairs, corporate restructuring, strategic planning, financial administration, human resources and facilities management, financing, ICT, internal and external communications as well as the Alma brand.

Alma Media Group has three reporting segments. The Alma Markets segment consists of digital automotive and housing marketplaces and complementary services, as well as the recruitment business. The Alma Talent segment publishes 19 trade and financial media, as well as books. Alma Talent also offers skills development and growth services to professionals and businesses in different fields, from events and training to information services. In March 2018, Alma Media announced its plan to combine the Alma News & Life business segment and the Alma Regions business segment and establish Alma Consumer, a business segment focused on the consumer media business. The Alma Consumer segment includes the various digital and print news and lifestyle content of the national Iltalehti. The segment is also responsible for the print and online publishing activities of regional and local papers, as well as Alma Media's printing operations.

In addition, Alma Media's shared sales function (Alma Media Solutions) is a sales and development organisation that serves the business segments' advertiser customers.

Board of Directors of Alma Media Corporation

The Shareholders' Nomination Committee of Alma Media Corporation prepares a proposal for the General Meeting regarding the composition and remuneration of the Board of Directors. The Board of Directors shall comprise no fewer than three (3) and no more than nine (9) members elected by the Annual General Meeting. The term of office of a member of the Board shall be one (1) year, ending at the close of the Annual General Meeting following their election. The President and CEO of the company may not act as the Chairman of the Board. There is no specific order of appointment of directors. The Annual General Meeting decides on the remuneration and travel allowances of the members of the Board of Directors.

The Board Diversity Policy sets out the principles concerning the diversity of the Board of Directors. The principles are available in their entirety on the Alma Media website: www.almamedia.fi/en/investors/governance/board-of-directors

Pursuant to the Board Diversity Policy, the Board of Directors and its members, as a group, shall have sufficient complementary expertise and experience on matters related particularly to the company's line of business and operations, the management of a listed company, financial statements and financial reporting, internal control and risk management, strategy, acquisitions and corporate governance.

The members of the Board of Directors shall represent diverse expertise and qualifications and the diversity of the members' age and gender distribution, academic and professional backgrounds and experience of international business shall support the company's business and its development. Members of the Board of Directors shall possess the necessary qualifications and the opportunity to dedicate sufficient time to their duties as members of the Board. The number of members and composition of the Board of Directors shall enable the effective fulfilment of the Board's responsibilities. Both genders shall be represented on the Board of Directors.

Composition of the Board and Shareholdings of Members

The Annual General Meeting 2018 elected the following members to the Board of Directors: Peter Immonen, Matti Korkiatupa, Esa Lager, Alexander Lindholm, Petri Niemisvirta, Päivi Rekonen, Catharina Stackelberg-Hammarén and Heike Tyler. The Chairman of the Board of Directors was Petri Niemisvirta and the Deputy Chairman was Catharina Stackelberg-Hammarén.

Petri Niemisvirta
Managing Director, Mandatum Life Insurance Company Limited; Member of the Group Executive Committee, Sampo plc 2001–
Chairman of the Board 2018–, Deputy Chairman of the Board 2011–2018, member of the Nomination and Compensation Committee, expert member of Alma Media's Shareholders' Nomination Committee

Born: 1970
LL.M.

Essential work experience

- Managing Director, Evli Life Ltd 2000–2001
- Product Manager (unit-linked insurance), Sampo Life Insurance Company Limited 1999–2000
- Life Insurance Sales Manager, Kaleva Mutual Insurance Company/Sampo Life Insurance Company Limited 1995–1999

Principal positions of trust

- World Wide Fund For Nature, Finland, Member of the Council 2018–
- Topdanmark A/S, Member of the Board 2017–
- Kaleva Mutual Insurance Company, Member of the Board 2013–, Chairman of the Board 2014–
- Varma Mutual Pension Insurance Company, Member of the Board 2014–
- Confederation of Finnish Industries EK, Chairman of Finance and Tax Commission 2011–2016, Member 2017–
- BenCo Insurance Holding B.V. (Netherlands), Member of the Board 2009–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2018
21,949 Alma Media Corporation shares

Catharina Stackelberg-Hammarén
Founder and CEO, Marketing Clinic Oy, 2004–
Member of the Board 2009–,
Deputy Chairman of the Board 2018–,
Member of the Nomination and Compensation Committee

Born: 1970
M.Sc. (Econ.), Hanken School of Economics

Essential work experience
- CEO, Marketing Clinic Oy, 2004–
- Managing Director, Coca-Cola Finland, 2003–2004 and 2000–2002
- Managing Director, Coca-Cola AB 2002–2003
- Marketing Director, Coca-Cola Nordic & Baltic Division Copenhagen 2000
- Consumer Marketing Manager, Coca-Cola Finland, 1996–2000
- Marketing Manager, Sentra plc, 1994–1996

Principal positions of trust
- Marimekko Oyj, Member of the Board 2014–
- Aktia Bank Abp, Member of the Board 2012–
- Marketing Clinic Oy, Member of the Board 2004–
- Scan Securities Ab, Member of the Board 1996–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2018
23,164 Alma Media Corporation shares

Peter Immonen
WIP Asset Management Oy, Chairman of the Board 2005–
Member of the Board 2018–,
Chairman of the Nomination and Compensation Committee

Born: 1959
M.Sc. (Econ.)

Essential work experience
- WIP Asset Management Oy: Chairman of the Board 1995–2001 and 2005–, Managing Director 2002–2005

Principal positions of trust
- Mariatorp Oy, Member of the Board 2015–
- Wipunen varainhallinta Oy, Member of the Board 2005–
- Cargotec Corporation, Member of the Board 2005–
- Dasos Capital Oy, Member of the Board 2010–
- Finsilva Oyj, Member of the Board 2015–

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2018
1,473 Alma Media Corporation shares

Matti Korkiatupa
Member of the Board 2016–,
Member of the Nomination and Compensation Committee

Born: 1955
Master of Agriculture

Essential work experience
- Chief Executive Officer, Ilkka-Yhtymä Oyj 1999–2017
- Chief Executive Officer, I-Mediat Oy, 2010–2017
- Regional Director, Tapiola Group 1992–1998

Principal positions of trust
- Arena Partners Oy, Chairman of the Board 2000–2004 and 2010–2017, Deputy Chairman 2006–2010
- Alma Mediapartners Oy, Member of the Board 2010–2017
- I-Print Oy, Chairman of the Board 2007–2017
- Lännen Media Oy, Member of the Board 2014–2017
- The Finnish Newspapers Association, Member of the Board 2000–2017, Deputy Chairman of the Board 2009–2010, Chairman of the Board 2011–2013
- WAN-IFRA, Member of the Board 2009–2014
- Finnmedia: Member of the Board 2011–2013

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2018
7,344 Alma Media Corporation shares

Esa Lager

Member of the Board 2014–,
Chairman of the Audit Committee

Born: 1959
LL.M., M.Sc. (Econ.)

Essential work experience

- Deputy CEO, Outokumpu Group, 2011–2013
- Chief Financial Officer (CFO), Outokumpu Group, 2005–2013
- Director, Financing and Administration, Outokumpu Group, 2001–2004
- Director, Financing, Outokumpu Group, 1995–2000
- Vice President, Outokumpu Group, 1991–1994
- Various expert and managerial positions (Head Office foreign operations and the London branch), Kansallis-Osake-Pankki, 1984–1990

Principal positions of trust

- Stockmann Oyj, Member of the Board 2017–
- SATO Oyj, Member of the Board 2016–, Chairman of the Board 2015–2016, Deputy Chairman of the Board 2014–2015
- Suomen Teollisuussijoitus Oy, Chairman of the Board 2015–, Member of the Board 2014–2015
- Terrafame Oy, Member of the Board 2015–
- Ilkka-Yhtymä Oyj, Member of the Board 2011–, Deputy Chairman of the Board 2014–
- Olvi Plc, Deputy Chairman of the Board, Member of the Board 2002–2016, Chairman of the Board 2016–2017, Member of the Board 2017–2018

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2018
15,298 Alma Media Corporation shares

Alexander Lindholm

Otava Group, CEO 2010–
Member of the Board 2018–,
Member of the Audit Committee

Born: 1969
BBA

Essential work experience

- Yhtyneet Kuvalehdet /Otavamedia, CEO 2008–2012
- Yhtyneet Kuvalehdet: Publishing Director 2005–2007
- Yhtyneet Kuvalehdet: Sales Director 2001–2004

Principal positions of trust

- Otava Ltd: Member of the Board 2008–
- Yhtyneet Kuvalehdet Oy/Otavamedia Ltd, Member of the Board/Chairman 2008–
- Otava Publishing Company Ltd: Chairman of the Board 2010–
- Suomalainen Kirjakauppa Ltd: Chairman of the Board 2011–
- Nettix Oy: Chairman of the Board 2016–
- Kirjavälitys Oy: Chairman of the Board 2013–
- Mediapool, Chairman of the Executive Group 2018–

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2018
1,473 Alma Media Corporation shares

Päivi Rekonen

Independent strategy advisor 2018–
Member of the Board 2018–,
Member of the Audit Committee

Born: 1969
M.Sc. (Econ.), M.Sc. (Soc.Sci.)

Essential work experience

- Managing Director, Group Technology, UBS, 2014–2018
- Senior Vice President, Global Head of Digital Strategy, Adecco Group 2011–2012
- Head of IT, Credit Suisse 2007–2009
- Various leadership roles, Cisco Systems 1998–2007
- Various leadership roles, Nokia 1990–1998

Principal positions of trust

- F-Secure, Member of the Board 2017–
- Efecte, Member of the Board 2018–
- Konecranes, Member of the Board 2018–
- UNOPS, Member of Strategy Advisory Board 2018–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2018
1,473 Alma Media Corporation shares

Heike Tyler
Entrepreneur, advisor and investor in startups in the digital space 2016–
Member of the Board 2018–,
Member of the Audit Committee

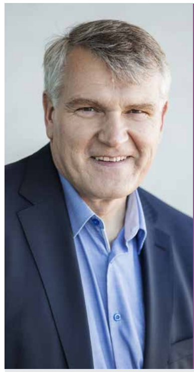
Born: 1969
Master's degree in German and Slavonic literature, MBA (HBS/IMD)

Essential work experience
- Entrepreneur, focusing on digital transformation and restructuring in different industries. Amongst other positions, has worked as Senior Advisor for The Boston Consulting Group and as an Independent Operational Partner for the private equity firm Advent International 2016–
- CEO of Sanoma Media Russia & CEE and member of Executive Management Group, Sanoma Corporation 2012–2015
- CEO, Bertelsmann Media Poland 2002–2011
- CEO, Swiat Ksiazki sp.z o.o (Random House) 2002–2011
- CEO and founder, i-Connex AG, digital content platform for lawyers and tax advisors 1998–
- Managing Director of Bertelsmann Professional Information Poland 1995–1998

Principal positions of trust: -

German citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2018
1,473 Alma Media Corporation shares



Harri Suutari (Member of the Board until 14 March 2018)
President and CEO, Componenta Oyj
Member of the Board 2005–2018, Chairman of the Board 2013–2018, Member of the Nomination and Compensation Committee, expert member of Alma Media's Shareholders' Nomination Committee

Born: 1959
Civil Engineer

Essential work experience
- PKC Group, President and CEO, 2002–2005 and 2008–2012
- Ponsse Oyj, President and CEO, 1994–2000
- Kajaani Automatiikka Oy, President 1984–1996

Principal positions of trust on 14 March 2018
- Talgraf Oy, Chairman of the Board 2017–
- JOT-Automation Oy, Member of the Board 2017–
- The Federation of Finnish Technology Industries, Member of the Board 2014–
- Oy M-Filter Ab, Member of the Board 2010–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 14 March 2018
70,932 Alma Media Corporation shares

Mitti Storckovius (Member of the Board until 14 March 2018)
Chief Strategy Officer, Helsinki Deaconess Institute
Member of the Board 2016–2018, Member of the Nomination and Compensation Committee

Born: 1971
Master of Social Sciences, MBA

Essential work experience
- Chief Strategy Officer, Helsinki Deaconess Institute 2016–
- Director, Head of Business Analytics in Devices Marketing, Microsoft 2014–2016
- Director, Head of Global Business Operations for Mobile Phones, Nokia 2012–2014
- Director, Head of Extended Product Management for Windows Phones, Nokia 2011–2012
- Director, Sustainability (Head of all environmental and ethical initiatives for Devices), Nokia 2008–2010
- Director, Strategic Marketing, technology strategy and corporate strategy, Nokia 2004–2007
- Consultant and Engagement Manager, McKinsey&Company 1997–2004

Principal positions of trust on 14 March 2018
- Rinnekoti Foundation, Member of the Board 2016–
- Diakonia College of Finland, Member of the Board 2017–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 14 March 2018
10,499 Alma Media Corporation shares

It is the duty of the members of the Board of Directors to provide the Board of Directors with sufficient information for the assessment of their competence and independence. The Board of Directors has assessed that, with the exception of Peter Immonen, Matti Korkiatupa, Esa Lager and Alexander Lindholm, the members of the Board are independent of the company and its significant shareholders. The members mentioned hereinabove are assessed to be independent of the company but not independent of its significant shareholders. Peter Immonen is a member of the Board of Mariatorp Oy, Matti Korkiatupa was previously the Chief Executive Officer of Ilkka-Yhtymä Oyj, Esa Lager is a member of the Board of Ilkka-Yhtymä Oyj and Alexander Lindholm is the CEO of Otava Group.

Tasks and Responsibilities of the Board of Directors

The Board of Directors is responsible for the company's governance and the due organisation of its operations. The tasks and responsibilities of the Board of Directors are determined by the Finnish Limited Liability Companies Act and the Articles of Association. The detailed working of the Board of Directors is set out in the Board's Charter. Principal tasks of the Board of Directors include confirming the Group's strategy and objectives as well as deciding on significant investments and acquisitions. The Board of Directors monitors the Group's performance through monthly reports and other information provided by the Group's management. The company ensures that all members of the Board of Directors receive adequate information on Alma Media's operations, operating environment and financial position. New members of the Board of Directors are familiarised with Alma Media's operations.

The duties of the Board of Directors include:

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

The Board's Charter is available in full on the Alma Media website: http://www.almamedia.fi/en/investors/governance/board-of-directors

The Board convenes approximately 12 times a year according to a previously confirmed timetable and, in addition, whenever necessary. Most meetings are connected with the publication of the company's financial statements and interim reports. Part of the meetings are focused on strategy, and at these meetings the Board discusses the Group's future scenarios and confirms the strategy for each strategy period.

In 2018, the Board met 12 times. The attendance of each member is shown in the table below.

NAME	ROLE	ATTENDANCE AT THE BOARD MEETINGS
Petri Niemisvirta	Chairman[1)]	12/12
Harri Suutari	Chairman[2)]	2/2
Catharina Stackelberg-Hammarén	Deputy Chairman [3)]	12/12
Peter Immonen	Member[4)]	10/10
Matti Korkiatupa	Member	12/12
Esa Lager	Member	12/12
Alexander Lindholm	Member[4)]	10/10
Päivi Rekonen	Member[4)]	9/10
Mitti Storckovius	Member[5)]	2/2
Heike Tyler	Member[4)]	8/10

[1)]Chairman since 14 March 2018, Deputy Chairman until 14 March 2018

[2)]Chairman until 14 March 2018

[3)]Deputy Chairman since 14 March 2018, member until 14 March 2018

[4)]Member since 14 March 2018

[5)]Member until 14 March 2018

Assessment of the Board's Performance

In 2018, the Board of Directors evaluated its performance and working methods through self-assessment.

Permanent Committees

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

The Board of Directors confirms a written Charter for the committees. The committees report to the Board of Directors.

Audit Committee

At its constitutive meeting after the Annual General Meeting, the Board of Directors elects a minimum of three members to the Audit Committee from among the Board members, who then elect a Chairman for the Committee. The Audit Committee meets at least four times a year.

As of 14 March 2018, the members of the Audit Committee were Esa Lager, Alexander Lindholm, Päivi Rekonen and Heike Tyler. Esa Lager was the Chairman of the Audit Committee. The Audit Committee's meetings are attended by the company's Auditor, the Group's Chief Financial Officer and General Counsel. Matters to the Committee are presented by the CFO.

The Board of Directors has appointed the Audit Committee to monitor the company's internal control systems. The work of the Audit Committee includes tasks such as evaluating compliance with legislation and regulations; monitoring the auditing process; monitoring and supervising the preparation of the financial statements and other financial reports; approving, in accordance with the principles confirmed by the company's Board of Directors, or giving advance authorisation to the Chairman of the Audit Committee to approve, all permitted non-audit services provided by the auditor, including their scope and the estimated fees payable for them; and monitoring significant financial, financing and tax risks; and monitoring the company's fiscal position.

The Charter of the Audit Committee is available in full on the Alma Media website: www.almamedia.fi/en/investors/governance/board-of-directors

The Audit Committee convened five times in 2018. The attendance of each member is shown in the table below.

NAME	ROLE	ATTENDANCE AT THE COMMITTEE MEETINGS
Esa Lager	Chairman	5/5
Matti Korkiatupa	Member[1)]	1/1
Alexander Lindholm	Member[2)]	4/4
Päivi Rekonen	Member[2)]	4/4
Catharina Stackelberg-Hammarén	Member[1)]	1/1
Heike Tyler	Member [2)]	2/4

[1)] Member until 14.3.2018

[2)]Member since 14.3.2018

Nomination and Compensation Committee

At its constitutive meeting after the Annual General Meeting, the Board of Directors elects the members to the Nomination and Compensation Committee from among the Board members. The Nomination and Compensation Committee comprises four members, who elect a Chairman for the Committee. On 14 March 2018, Matti Korkiatupa, Petri Niemisvirta and Catharina Stackelberg-Hammarén were elected as members of the Nomination and Compensation Committee and Peter Immonen as Chairman of the Committee.

The principal task of the Nomination and Compensation Committee is to prepare matters for the Board concerning appointments, compensation, incentive systems, the self-evaluation of the Board and the development of good governance.

In the Nomination and Compensation Committee, the matters concerning compensation are presented by the President and CEO.

The Charter of the Nomination and Compensation Committee is available in full on the Alma Media website: www.almamedia.fi/en/investors/governance/board-of-directors

The Nomination and Compensation Committee convened eight times in 2018 to consider matters according to its Charter. The attendance of each member is shown in the table below.

NAME	ROLE	ATTENDANCE AT THE COMMITTEE MEETINGS
Peter Immonen	Chairman[1)]	6/6
Petri Niemisvirta	Chairman[2)]	8/8
Matti Korkiatupa	Member[3)]	6/6
Catharina Stackelberg-Hammarén	Member[3)]	6/6
Mitti Storckovius	Member[4)]	2/2
Harri Suutari	Member[4)]	2/2

[1)] Chairman since 14 March 2018

[2)] Chairman until 14 March 2018, member since March 14 2018

[3)] Member until 14 March 2018

[4)] Member since 14 March 2018

The Shareholders' Nomination Committee

The Nomination Committee's duties include preparing proposals related to the election and remuneration of the members of the Board of Directors to the Annual General Meeting.

The Shareholders' Nomination Committee consists of four members appointed by Alma Media's four largest shareholders, and the members elect a chairman from among their number.

The shareholders with the right to appoint members representing shareholders to the Nomination Committee are the four largest shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Ltd on 30 September in the calendar year preceding the Annual General Meeting.

In 2018, 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, Henrik Ehrnrooth was elected Chairman of the Shareholders' Nomination Committee. In addition, the Chairman of the Board of Directors of Alma Media Corporation, Petri Niemisvirta, acts as an expert member in the Nomination Committee.

More information on the members of the Shareholders' Nomination Committee of Alma Media Corporation in 2018 is presented in the table below:

NAME	ROLE
Henrik Ehrnrooth Born in 1954, B.Sc. (Forest Econ.), M.Sc. (Econ.) Chairman of the Board of Directors, Pöyry Oyj, Otava Oy and CLC (Climate Leadership Coalition) Shareholding on 31 December 2018: 0 Alma Media Corporation shares	Chairman
Timo Aukia Born in 1973, M.Sc. (Econ.) Managing Director, Timo Aukia Oy & Jaakko Aukia Oy Shareholding on 31 December 2018: 5,246 Alma Media Corporation shares	Member
Peter Immonen Born in 1959, M.Sc. (Econ.) Chairman of the Board of Directors, WIP Asset Management, Member of the Board of Directors of Mariatorp Oy Shareholding on 31 December 2018: 1,473 Alma Media Corporation shares	Member
Timo Sallinen Born in 1970, M.Sc. (Econ.) Head of Listed Securities, Varma Mutual Pension Insurance Company Shareholding on 31 December 2018: 0 Alma Media Corporation shares	Member
Petri Niemisvirta Born: 1970, LL.M. Managing Director, Mandatum Life Insurance Company Limited; Member of the Group Executive Committee, Sampo plc 2001– Chairman of the Board 2018–, Deputy Chairman of the Board 2011–2018, member of the Nomination and Compensation Committee Shareholding on 31 December 2018: 21,949 Alma Media Corporation shares	Expert member during the 2018–2019 term
Harri Suutari Born: 1959, Civil Engineer President and CEO, Componenta Oyj Chairman of the Board of Directors of Alma Media, Member of the Board's Nomination and Compensation Committee until 14 March 2018 Shareholding on 14 March 2018: 70,932 Alma Media Corporation shares	Expert member during the 2017/2018 term

The members of the Shareholders' Nomination Committee are not entitled to remuneration for their membership in the Committee, but their travel expenses are compensated in accordance with the company's travel policy.

The Shareholders' Nomination Committee convened three times during its term of office in 2018–2019: November 2018, December 2018 and January 2019. All of the members Shareholders' Nomination Committee attended each of the meetings, excluding Timo Sallinen, who did not attend the meeting in November 2018.

The Shareholders' Nomination Committee issued a proposal on 30 January 2019 to the Annual General Meeting to be held on 15 March 2019.

President & CEO and Group Executive Team of Alma Media Corporation

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

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

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

The President and CEO, Mr Kai Telanne, is supported by a Group Executive Team, in 2018 comprising Kari Kivelä (Senior Vice President, Alma Consumer), Raimo Mäkilä (Senior Vice President, Alma Markets), Juha-Petri Loimovuori (Managing Director, Alma Talent), Tiina Järvilehto (Senior Vice President, Alma Media Solutions), Santtu Elsinen (CDO), Virpi Juvonen (Senior Vice President, Human Resources), Mikko Korttila (General Counsel), Elina Kukkonen (Senior Vice President, Communications and Brand) and Juha Nuutinen (CFO). The former Senior Vice President of Alma Regions, Kari Juutilainen, retired on 30 June 2018. The members of the executive team take turns acting as secretary to the Group Executive Team.

The Group Executive Team prepares the monthly reports, investments, Group guidelines and policies, the strategy and other long-term plans, action plans covering the following 12 months and the financial statements for confirmation by the Board of Directors. The Group Executive Team met 24 times in 2018.

Kai Telanne
President and CEO, Chairman of the Group Executive Team
In the current position 2005–
Born: 1964
Member of the Group Executive Team 2005–
M.Sc. (Econ.)

Essential work experience

- Kustannus Oy Aamulehti: Managing Director, 2001–2005
- Kustannus Oy Aamulehti: Deputy Managing Director, 2000–2001
- Kustannus Oy Aamulehti: Marketing Director, 1999–2000
- Suomen Paikallissanomat Oy: Marketing Director, 1996–1999
- Kustannus Oy Aamulehti: Marketing Manager, 1993–1996
- Kustannus Oy Aamulehti: Sales Manager, 1991–1993
- Kustannus Oy Aamulehti: Research Manager, 1990–1991
- Nokian Paperi Oy: Product Manager, 1989–1990

Principal positions of trust

- Varma Mutual Pension Insurance Company: Deputy Chairman of the Board 2009–
- Teleste Corporation: Member of the Board 2008–
- Altia Corporation: Deputy Chairman of the Board 2016–
- Tampere Chamber of Commerce & Industry: Member of the Board 2018–

Shareholding on 31 December 2018
145,120 Alma Media Corporation shares

Santtu Elsinen
Chief Digital Officer (CDO)
In the current position 2016–
Born: 1972
Member of the Group Executive Team 2016–
B.Sc.-level studies in Economics

Essential work experience

- Talentum Oyj: Business Development Director, member of extended Group Management Team, 2012–2016
- Trainers' House Oyj: Vice President, Business Development, member of the Management Team, 2011–2012
- Satama Interactive Oyj: Director, Business Development, 2005–2010
- Quartal Oy: CEO 2011–, Business Development Director 1998–2005, Creative Director 1997–1998
- Kauppamainos Bozell Oy: Director, Digital media, 1997
- Specialist positions at advertisement agencies and the media, 1994–1996

Principal positions of trust

- Media Industry Research Foundation of Finland: Board member 2016–
- Digia Oyj: Board member 2018–

Shareholding on 31 December 2018
14,834 Alma Media Corporation shares and 10,100 shares via Winterfell Capital Oy

Virpi Juvonen
Senior Vice President, Human Resources
In the current position 2013–
Born: 1963
Member of the Group Executive Team 2012–
M.Sc. (Soc.)

Essential work experience

- Alma Media Corporation: Acting Senior Vice President, Human Resources, December 2012–April 2013
- Alma Media Corporation: Director, Human Resources, Marketplaces unit, 2011–2012
- Kustannusosakeyhtiö Iltalehti: Human Resources Manager, 2007–2011
- Elisa Corporation: Human Resources Manager, 2004–2007
- Oy Radiolinja Ab: Human Resources Manager, 2002–2004

Principal positions of trust

- Finla Työterveys Oy: Member of the Board 2017–

Shareholding on 31 December 2018
16,152 Alma Media Corporation shares

Tiina Järvilehto
Senior Vice President, Alma Media Solutions
In the current position 2015–
Born: 1970
Member of the Group Executive Team 2017–
M.Sc. (Econ.)

Essential work experience

- Alma Media Corporation: Senior Vice President, Alma Media Solutions 2015–
- Kauppalehti Oy: Director, Sales and Marketing, 2013–2015
- Iltalehti Oy: Director, Sales and Marketing, 2008–2013
- Iltalehti Oy: Director, Customer Relations, 2006–2008
- Iltalehti Oy: Sales Manager, 2004–2006

Principal positions of trust -

Shareholding on 31 December 2018
16,600 Alma Media Corporation shares

Kari Kivelä
Senior Vice President, Alma Consumer
In the current position 2018–
Born: 1959
Member of the Group Executive Team 2005–
M.Sc. (Soc.), MBA

Essential work experience
- Iltalehti, Publisher and Senior Editor-in-Chief, 2004–2018
- Startel Oy: Managing Director, 2002–2004
- Saunalahti Group Corporation: Deputy Managing Director, 2000–2002
- Uutislehti 100 Oy, City-lehti: Managing Director, 1997–2000
- City-lehti: Editor-in-Chief, 1986–1997

Principal positions of trust
- Media Metrics Finland Oy: Board Member 2015–2018
- Lännen Media Oy: Board Member 2018–
- Etua Oy: Board Member 2018–

Shareholding on 31 December 2018
35,107 Alma Media Corporation shares

Mikko Korttila
General Counsel, Legal Affairs, M&A and Corporate Development; Secretary to the Board of Directors of Alma Media
In the current position 2007–
Born: 1962
Member of the Group Executive Team 2008–
Master of Laws, Master of Laws trained on the bench, eMBA

Essential work experience
- Raisio plc: Executive Vice President and General Counsel; member of the Executive Committee 2003–2007
- Raisio plc: Executive Vice President, HR and Legal; General Counsel, member of the Executive Committee 2001–2003
- Raisio plc: Legal Counsel, Chemicals and Benecol divisions 1997–2001
- Attorney-at-Law 1990–1997

Principal positions of trust
- Advisory Board of Finnish Listed Companies: Member 2008–
- International Chamber of Commerce, Finnish Committee: Member of certain working groups 2006–
- Finnish Media Federation (Finnmedia): Member of the Media Policy Group 2007–
- Oy Suomen Tietotoimisto (STT): Member of the Board 2018

Shareholding on 31 December 2018
24,568 Alma Media Corporation shares

Elina Kukkonen
Senior Vice President, Communications and Brand
In the current position 2017–
Born: 1970
Member of the Group Executive Team 2017–
Doctor of Business Administration DBA (KTT)

Essential work experience
- Alma Media Corporation: Marketing Director, Alma Media Solutions, 2015–2018
- Kauppalehti Oy: Marketing Manager 2006–2015
- Gant / Profashion Oy: Product Manager 2006
- C More Entertainment / Canal+, Sweden: Marketing Manager 2006
- Kustannus Oy Aamulehti: Marketing Manager 2003–2006
- Kustannus Oy Aamulehti: Specialist positions 1999–2003

Principal positions of trust: -

Shareholding on 31 December 2018
2,500 Alma Media Corporation shares

Juha-Petri Loimovuori
Managing Director, Alma Talent Oy
In the current position 2016–
Born: 1964
Member of the Group Executive Team 2006–
M.Sc. (Econ.)

Essential work experience
- Alma Media Corporation: Director, Kauppalehti Group, 2006–2015
- Alma Media: Director, Media Marketing 2004–2006
- Kustannus Oy Aamulehti: Director, Media Sales 2002–2006

Principal positions of trust
- Oy Suomen Tietotoimisto (STT): Member of the Board 2011–2018

Shareholding on 31 December 2018
38,319 Alma Media Corporation shares

Raimo Mäkilä
Senior Vice President, Head of Alma Markets
At Alma Media 1998– (at Aamulehti-yhtymä since 1997), in the current position 1999–.
Born: 1958
Member of the Group Executive Team 1999–
M.Sc. (Eng.)

Essential work experience

- Alma Media Net Ventures Oy: President 1999–2000
- Alexpress Oy: President 1998
- Helsingin Sanomat: Director, Services, 1994–97

Principal positions of trust: -

Shareholding on 31 December 2018
44,417 Alma Media Corporation shares

Juha Nuutinen
Chief Financial Officer
In the current position 2012–
Born: 1972
Member of the Group Executive Team 2012–
M.Sc. (Econ.)

Essential work experience

- University Properties of Finland Ltd: CFO, member of the Executive Team 2009–2012
- Alma Media Corporation: Group Financial Manager 2005–2009
- IF P&C Insurance Company: Financial Manager 2003–2005
- KPMG Oy: Auditor, APA (as of December 2000) 1996–2003

Principal positions of trust: -

Shareholding on 31 December 2018
22,710 Alma Media Corporation shares

Kari Juutilainen
(Member of the Group Executive Team until 30 June 2018)
Senior Vice President, Alma Regions 2012–2018
Born: 1956
Member of the Group Executive Team 2012–2018
Student of social science

Essential work experience

- Suomen Paikallissanomat Oy: Managing Director, 2008–2011
- Suomen Paikallissanomat Oy: Publisher, 2007–2008
- Suomen Paikallissanomat Oy: Head of Publications, 2005–2007
- Länsi-Savo newspaper: Editor-in-Chief, 2000–2005
- Koillis-Häme newspaper: Editor-in-Chief, 1991–2000
- Kuusaan Seutu Oy: Editor-in-Chief and Managing Director, 1989–1991
- Elimäen Sanomat newspaper: Editor-in-Chief, 1986–1989
- Editor, Regional Editor and Special Editor in various newspapers, 1979–1985

Principal positions of trust:

- Lännen Media Oy, Member of the Board 2014–2018

Alma Media shares held on 30 June 2018:
15,831 Alma Media Corporation shares

Insider Management

Alma Media Corporation's Board of Directors approved Alma Media Group's Guidelines for Insiders on 21 September 2017. The Guidelines for Insiders are based on the Market Abuse Regulation, Level 2 Commission Regulations and the rules and guidelines issued by the European Securities and Markets Authority (ESMA), and they supplement the valid provisions of NASDAQ Helsinki Ltd's Guidelines for Insiders, Chapter 51 of the Finnish Criminal Code, the Finnish Securities Markets Act and the regulations and guidelines issued by the Finnish Financial Supervisory Authority regarding the management and handling of insider information.

Insiders are divided into two categories at Alma Media Corporation: managers subject to the notification obligation and project insiders.

At Alma Media Corporation, the following shall be considered managers subject to the notification obligation: the Chairman of the Board and the Deputy Chairman, the members of the Board and any deputy members, the CEO and any deputies to the CEO, and the members of the Group Executive Team. Managers subject to the notification obligation shall not trade in the company's financial instruments before the publication of the company's interim reports and financial statement release within a time frame beginning 30 days before the publication of the interim reports and the financial statement release and ending on the day following the publication date ("closed window"). Project insiders shall not trade in Alma Media Corporation's financial instruments until the project in question has ended.

Alma Media Corporation has further decided that the persons involved in the preparation and drafting of Alma Media Corporation's interim reports and financial statement releases must not trade with financial instruments issued by the Company before the publication of the company's interim reports and financial statement releases within a time frame beginning 30 days before the publication of the interim reports and the financial statement release and ending on the day following the publication date ("extended closed window"). The extended closed window also applies to persons who, in the course of performing their duties, obtain information on Alma Media Group's sales figures or the sales figures of a business unit that has material significance to the result of the Alma Media Group as a whole.

In conjunction with the entry into force of the Market Abuse Regulation, the company introduced a whistleblowing channel "Almawhistleblow", which is an independent channel for the company's employees to report suspected non-compliance with regulations such as the Market Abuse Regulation and other regulations governing the financial markets.

Alma Media Corporation shall disclose transactions by managers and their closely associated persons involving the company's financial instruments by issuing a stock exchange release in accordance with the Market Abuse Regulation.

Information concerning the shareholdings of the company's management is updated every day on the Alma Media website:
www.almamedia.fi/en/investors/share-and-shareholders/insider-shareholdings

The Company's General Counsel is responsible for the insider management of the Alma Media Group.

Related party transactions

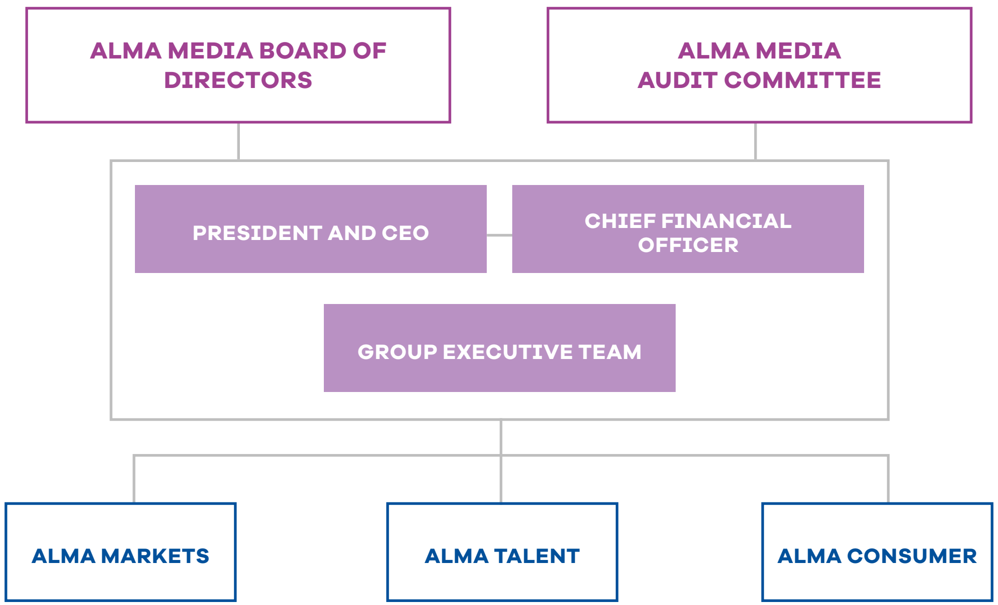
During the financial year, Alma Media did not have material related party transactions that deviated from the Group's normal business operations or were not made on market or market equivalent terms. The Group maintains a list of related parties and potential related party transactions are reported in connection with the consolidated financial statements.

Internal control and risk management systems in financial reporting

Internal Control

Alma Media Corporation's internal control aims at ensuring that the Group conducts its business in line with its strategy, that the financial reports published by the Group provide in all material respects true and accurate information about the Group's financial position and that the Group complies with legislation and other regulations and generally accepted accounting principles. Internal control is an essential part of the company's governance and management system. It comprises all Group-wide operating principles, guidelines, codes and monitoring reports as well as systems and their built-in controls.

Alma Media's Internal Control and Risk Management Organisation



Financial Reporting

The Board of Directors and the President and CEO carry the overall responsibility for organising the internal control and risk management systems for financial reporting. The President and CEO, members of the Group Executive Team and the heads of the business units are responsible for ensuring that the accounting and administration of the areas within their spheres of responsibility comply with legislation, the Group's operating principles and the guidelines and instructions issued by Alma Media Corporation's Board of Directors. In Alma Media Group, the control over business unit administration and accounting is centralised in the Group's financial administration. The financial administration monitors and gives guidance regarding internal control measures and practices, based on the Group's operating principles and guidelines. The financial administration, working under the Group CFO, is the centralised source of financial statement data required by external accounting, as well as the analyses and result reports to Group and business unit management teams for monitoring the profitability of business operations. The Group's internal control practices ensure the correctness of financial reporting within the Group. Risks related to financial reporting are managed with the help of the Group's accounting manual, finance and investment policy, acquisition guidelines and internal control.

Alma Media Group follows the International Financial Reporting Standards (IFRS) approved for use within the European Union. Guidelines for financial reporting and accounting principles are collected in an accounting manual that is updated as standards change, as well as the financial department guidelines that are applied in all Group companies. Group accounting is responsible for the monitoring and observance of the financial reporting standards as well as maintaining financial reporting principles and communicating them to the business units.

Risk Management

Risk management is part of Alma Media's financial reporting process and one of the company's significant measures of internal control. At Alma Media Group, the task of risk management is to continuously evaluate and monitor all business opportunities and threats, and manage risks to ensure the achievement of objectives and business continuity.

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

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

The risk management process identifies 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 and, thus, is part of good corporate governance. Alma Media sets limits and procedures for quantitative as well as qualitative risks in writing in its risk management system. Alma Media classifies its business risks as strategic, operational and financing risks. The financing risks are described in more detail in the notes to the consolidated financial statements.

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 digital products and services for consumers and businesses. An increasingly important source of competitive advantage, but also a strategic risk, in Alma Media's business is the ability to use customer data to improve the product and service offering for advertisers and enrich end user services. Alma Media will manage customer data and behavioural data by centralising customer data repositories and deploying analysis and activation technology, taking regulatory requirements into consideration. As technology advances and the focus of media consumption shifts to digital channels, Alma Media is responding to the transformation of the operating environment

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, cyber risks and the disruption of printing are the most important operational risks.

The strategic, operational and financial risks related to Alma Media's business and the actions taken to mitigate them are described in more detail in the Report by the Board of Directors.

Internal Audit

In Alma Media Group, internal audit functions have been incorporated into the responsibilities of Alma Media Corporation's financial administration. Reviewing the functionality of internal controls is also taken into account in the external auditors' audit plans. Internal audits test the effectiveness of processes and the controls included in them. Internal auditing is carried out by means of monitoring reports as well as separate reviews.

Auditing

The General Meeting of Shareholders annually elects an auditor for the company. The auditor must be an authorised audit firm entered in the register of auditors maintained by the Finnish Patent and Registration Office.

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

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

Alma Media Corporation's Annual General Meeting 2018 elected Authorised Public Accountants PricewaterhouseCoopers Oy as the company's auditors, with Markku Launis, Authorised Public Accountant, as the principal auditor. As a rule, PricewaterhouseCoopers is the auditor of the subsidiaries of Alma Media Group.

Alma Media Group's auditing fees for 2018 amounted to EUR 247 000. In addition, the auditing firm PwC charged the Group a total of EUR 46 000 in fees for other services in the 2018 financial year, including, among other things, advisory services related to reporting on corporate responsibility. PWC has served as the Group's auditor since 2014.

Remuneration Statement

Alma Media Corporation applies the currently valid Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association in 2015, in its unaltered form.

This Remuneration Statement has been prepared in accordance with the Corporate Governance Code recommendations concerning the reporting of remuneration. The Finnish Corporate Governance Code for listed companies can be reviewed on the website of the Securities Market Association at www.cgfinland.fi and on Alma Media's website.

Remuneration of the Members of the Board of Directors

The Annual General Meeting of Alma Media Corporation decides on the remuneration of the Board members. Alma Media's Nomination Committee's duties include preparing proposals related to the election and remuneration of the members of the Board of Directors to the Annual General Meeting.

In accordance with the proposal of the Board of Directors, the Annual General Meeting held on 14 March 2018 decided that the remuneration be kept unchanged, and that the following annual remuneration be paid to the members of the Board of Directors for the term of office ending at the close of the Annual General Meeting 2019: to the Chairman of the Board of Directors, EUR 40,000 per year; to the Vice Chairman, EUR 32,000 per year, and to members EUR 27,000 per year.

Additionally, and in accordance with the resolution of the 2018 Annual General Meeting, the Chairmen of the Board and its Committees are paid a fee of EUR 1,000, Vice Chairmen a fee of EUR 700 and members a fee of EUR 500 for each Board and Committee meeting that they attend. The Board members' travel expenses will be compensated in accordance with the company's travel policy.

The 2018 Annual General Meeting further resolved that the above-mentioned attendance fees for each meeting be

- doubled for (i) members living outside Finland in Europe or (ii) meetings held outside Finland in Europe; and
- tripled for (i) members resident outside Europe or (ii) meetings held outside Europe.

The members of the Board shall, as decided by the Annual General Meeting, acquire a number of Alma Media Corporation shares corresponding to approximately 40% of the full amount of the annual remuneration for Board members, taking into account tax deduction at source, at the trading price on the regulated market arranged by the Helsinki Stock Exchange. Members of the Board are required to arrange the acquisition of the shares within two weeks of the release of the first quarter 2018 interim report or, if this is not possible due to insider trading regulations, as soon as possible thereafter. If it was not possible to acquire the shares by the end of 2018 for a reason such as pending insider transactions, the remuneration shall be paid in cash. Shares acquired in this way cannot be transferred until the recipient's membership in the Board has expired. The company is liable to pay any asset transfer taxes that may arise from the acquisition of shares.

The members of the Board of Directors were paid the following fees (EUR) for their work on the Board and its committees in 2018, with comparison data from the previous financial period:

			Board meetings					
Year	Name	Position	Annual fee	Annual fee paid in shares, no. of shares*	Meeting fees	Audit Committee	Nomination and Compensation Committee	Fees total
2018	Petri Niemisvirta	Chairman[1]	40,000	2,182	11,400	-	5,000	56,400
2017	Petri Niemisvirta	Deputy Chairman	32,000	2,273	9,800	-	4,000	45,800
2018	Harri Suutari	Chairman[2]	-	-	2,000	-	1,000	3,000
2017	Harri Suutari	Chairman	40,000	2,841	13,000	-	2,000	55,000
2018	Catharina Stackelberg-Hammarén	Deputy Chairman[3]	32,000	1,745	8,000	500	3,000	43,500
2017	Catharina Stackelberg-Hammarén	Member	27,000	1,918	7,000	2,500	-	36,500
2018	Peter Immonen	Member[4]	27,000	1,473	5,000	-	6,000	38,000
2018	Matti Korkiatupa	Member	27,000	1,473	6,000	500	3,000	36,500
2017	Matti Korkiatupa	Member	27,000	1,918	7,000	2,500	-	36,500
2018	Esa Lager	Member	27,000	1,473	6,000	5,000	-	38,000
2017	Esa Lager	Member	27,000	1,918	6,500	5,000	-	38,500
2018	Alexander Lindholm	Member[4]	27,000	1,473	5,000	2,000	-	34,000
2018	Päivi Rekonen	Member[4]	27,000	1,473	9,000	4,000	-	40,000
2018	Mitti Storckovius	Member[5]	-	-	1,000	-	1,000	2,000
2017	Mitti Storckovius	Member	27,000	1,918	7,000	-	2,000	36,000
2018	Heike Tyler	Member[4]	27,000	1,473	8,000	2,000	-	37,000

*The number of shares corresponds to approximately 40% of the full amount of the annual fee after taxation

1) Chairman since 14 March 2018, Deputy Chairman until 14 March 2018

2) Chairman until 14 March 2018

3) Deputy Chairman since 14 March 2018, member until 14 March 2018

4) Member since 14 March 2018

5) Member until 14 March 2018

In the financial year 2018, the fees paid on an accrual basis to the Board members totalled EUR 328,400.

Members of the Board of Directors of Alma Media Corporation do not have an employment relationship with the company. They are not included in the share-based incentive plans or other incentive programmes of Alma Media and have not received any other financial benefits.

Remuneration of the President and CEO and the Top Management

The Board of Directors of Alma Media Corporation decides on the salary and reward scheme of the parent company's President and CEO and the CEO's direct subordinates, on the basis of the proposal of the Nomination and Compensation Committee.

The reward scheme of the President and CEO of Alma Media Corporation and other senior management consists of a fixed monetary salary (monthly salary), fringe benefits (company car and mobile telephone benefit, and housing benefit for the President & CEO), an incentive bonus related to the achievement of financial and operational targets (short-term reward scheme) and a share-based incentive scheme for key employees of the Group (long-term reward scheme), as well as a pension benefit for management. Eligibility for remuneration programmes is determined by the job.

The principles of Alma Media's management incentive programme follow the terms and conditions of Alma Media's incentive programme. The programme is based on the principle of improved profitability and digital business revenue growth. The incentive bonus for members of the Group Executive Team and heads of business units may be no more than 44% of their respective annual salaries. The incentive bonus of Alma Media Corporation's President and CEO may be up to 66% of his annual salary.

The incentive bonus is defined for each calendar year based on three criteria: Meeting Alma Media Group's financial targets (weight 40%), meeting the business unit's financial targets (weight 40%) and meeting personal performance targets (weight 20%).

In 2018, the President and CEO of Alma Media Corporation received a total of EUR 1,128,356 in salary, rewards and benefits, of which EUR 260,755 was based on the incentive bonus scheme and EUR 393,866 on the share-based incentive scheme. The total amount of salaries, rewards and benefits paid to other members of the Group Executive Team was EUR 3,047,501, of which EUR 503,173 was based on the incentive bonus scheme and EUR 787,732 on the share-based incentive scheme.

	Annual salary	Performance-based bonuses	Fringe benefits	Option benefits	Share-based payments
President & CEO					
2018	420,038	260,755	53,697		393,866
2017	442,689	281,898	52,830		167,265
2016	445,783	195,043	49,601		
2015	402,210	102,509	48,166		
2014	429,475	20,000	47,478	830	
Group Executive Team					
2018	1,676,001	503,172	80,595		787,732
2017	1,590,915	417,832			334,530
2016	1,349,769	206,914	86,467		
2015	1,297,042	136,732	82,093		
2014	1,264,934	41,000	82,026	583	

Incentive Schemes

Share-Based Incentive Scheme (LTI 2015)

Scheme launched in 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 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 said 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 by the terms of the plan for the receipt of the share-based incentive 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, 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 by the terms of the plan for the receipt of the share-based incentive are still satisfied at the time.

Share-based incentive schemes LTI 2015 II (2016), LTI 2015 III (2017) and LTI 2015 IV (2018)

The Board of Directors of Alma Media Corporation has decided on the following share-based incentive schemes for the next three years based on the LTI 2015 scheme: LTI 2015 II (2016), LTI 2015 III (2017) and LTI 2015 IV (2018). The main terms of the incentive schemes correspond to those of the share-based incentive scheme that was launched in 2015.

The Board of Directors has estimated that no new shares will be issued in connection with LTI 2015. Therefore, the plan will have no dilutive effect on the number of the company's registered shares.

The Annual General Meeting of Alma Media Corporation held on 14 March 2018 authorised the Board of Directors to decide on the repurchase of a maximum of 824,000 shares in one or more lots, and further authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company to implement incentive programmes.

The allocation and maximum reward potential of the share-based incentive scheme for the President and CEO and the Group Executive Team: The information covers the LTI I, LTI II, and LTI III, LTI IV programmes:

Share-based incentive scheme LTI 2015	Based on share investment täs (shares max.)	Performance matching (shares max.)	Maximum number of people entitled to participate
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
Launched in 2018 LTI 2015 IV	203,000	406,000	54

	Based on share investment (shares max.)		Performance matching (shares max.)			
	2017	2018	2015	2016	2017	2018
Kai Telanne, President and CEO	36,000	36,000	30,000	68,000	72,000	72,000
Santtu Elsinen	9,000	9,000	-	12,000	18,000	18,000
Kari Juutilainen	-			-	-	
Virpi Juvonen	4,000	6,000	4,000	12,000	8,000	12,000
Tiina Järvilehto	6,000	9,000	4,000	8,000	12,000	18,000
Kari Kivelä	13,000	12,000	10,000	20,000	26,000	24,000
Mikko Korttila	9,000	9,000	6,000	16,000	18,000	18,000
Elina Kukkonen		5,000	-			10,000
Juha-Petri Loimovuori	13,000	12,000	10,000	26,000	26,000	24,000
Raimo Mäkilä	13,000		10,000	26,000	26,000	
Juha Nuutinen	9,000	6,000	6,000	16,000	18,000	12,000

New share-based long-term incentive scheme LTI 2019: Matching share plan and Performance share plan

In December 2018, the Board of Directors of Alma Media Corporation decided on changes to the share-based, long-term incentive scheme of the company's top management. At the same time, the Board of Directors decided to establish a new share-based long-term incentive scheme for the other key employees of Alma Media Corporation. The new incentive scheme, LTI 2019, entered into effect from the beginning of 2019.

Transfer to the company of shares entered in the joint book-entry account

Alma Media Corporation's Annual General Meeting decided on 14 March 2018 that the rights to the company's shares entered in the joint book-entry account and the rights attached to them shall be forfeited. The decision concerned the 198,658 shares of Alma Media Corporation that were entered in the joint account on the date of the Notice to the Annual General Meeting, 14 February 2018, and which were held as paper certificates by the shareholder. The shares that the shareholder would have validly requested to be registered to the book-entry account designated by the shareholder no later than at 12 noon EET on 14 March 2018 and regarding which the request for conversion after the conversion period would have been finalised by 30 September 2018, would have been deducted from the aforementioned number of shares. Alma Media received no requests for share registration by the specified deadline.

The AGM authorised the Board to take any and all measures required by such a resolution. The provisions on treasury shares shall apply to the forfeited shares in accordance with Chapter 3, Section 14 a, Subsection 3 of the Limited Liability Companies Act. The forfeited shares may be used to implement incentive programmes for the management or key employees, or the shares may be annulled.

On 31 December 2018, Alma Media Corporation owned a total of 236,314 of its own shares, representing 0.29% of the total number of the company's shares and related votes. The total registered number of Alma Media's shares is 82,383,182, which entitle to 82,383,182 votes.

Severance pay

The period of notice of the President and CEO of Alma Media Corporation, Mr Telanne, is six months.

In addition, he has a director contract under which he is entitled to a compensation corresponding to his base salary for 12 months if he is dismissed by the employer without being in breach of contract. This compensation corresponding to the 12-month salary is not paid if the President and CEO resigns on his own initiative. Alma Media's Board of Directors decides on the appointment and, as necessary, dismissal of the President and CEO.

The period of notice for the other members of Alma Media's Group Executive Team is six months. In addition, members of the Executive Team will receive a compensation corresponding to their respective basic salaries for six months in the event that the dismissal is initiated by the employer without the members' own fault or negligence. The terms of employment of the other members of the Group Executive Team are decided on by the Board of Directors based on the proposal of the Nomination and Compensation Committee. The President and CEO appoints and, if necessary, dismisses the other members of the Executive Team.

Pension Agreements

The CEO of Alma Media Corporation and members of the Group Executive Team have a defined contribution group pension plan. Pension accumulates at a rate of 15–37% of annual earnings depending on when the person in question became a member of the Group Executive Team. Members of the Group Executive Team have the opportunity to retire upon reaching 60 years of age. The payment of insurance contributions ends at the termination of employment. The pension is determined on the basis of the insurance savings accrued by the time of retirement. Retirement can be postponed up to 70 years of age. At this time, the pension is determined on the basis of insurance savings adjusted according to the value development of the investment objects.

The terms and conditions of the group pension plan for Alma Media's President and CEO, and the other members of the Executive Team, give the insured persons, after three-year insurance coverage, the right to receive a premium-free policy corresponding to the savings accrued until the termination of employment (paid-up policy). The paid-up policy includes old-age pension after retirement age, coverage for incapacity for work and coverage in the event of death. In 2018, the expenses related to the group pension plan for Alma Media's President and CEO totalled EUR 235,737 and for the other members of the Group Executive Team EUR 367,960. In total, the group pension plan expenses amounted to EUR 603,697.

Kai Telanne has held the position of President and CEO at Alma Media Corporation since 2005.

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