



Alma Media Corporation: Corporate Governance Statement

February 21, 2013

AL
MA



Alma Media Corporation's Corporate Governance Statement

Contents

Alma Media Group	2
The Board of Directors of Alma Media Corporation	3
Composition of the Board and shareholdings of members	3
Tasks and responsibilities of the Board of Directors	7
Permanent committees	8
Audit Committee	8
Nomination and Compensation Committee.....	9
President & CEO and Group Executive Team	10
Insider management	10
Internal control and risk management systems related to financial reporting	11
Internal control	12
Financial reporting	12
Risk management	12
Internal audit	13
Auditing	14



Corporate Governance Statement of Alma Media Corporation

Alma Media Corporation applies the Finnish Corporate Governance Code 2010 for listed companies, issued by the Securities Market Association on June 15, 2010, in its unaltered form. A Corporate Governance Statement required by Recommendation 54 of 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.com/investors/corporate-governance/corporate-governance-statement/.

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 at www.almamedia.com.

The Finnish Corporate Governance Code is downloadable from the website of the Securities Market Association at 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, accounting and financing, legal affairs, strategic planning, corporate restructuring, human resources, as well as internal and external communications.

Alma Media Corporation has four reporting segments. Newspapers is responsible for newspaper publishing and printing. Kauppalehti Group focuses on the production and distribution of business information, and Digital Consumer Services comprises the classified advertising services unit Marketplaces and the digital services and development unit Alma Diverso. The Other operations segment reports the operation of the Group's printing and distribution unit and the parent company.



BOARD OF DIRECTORS OF ALMA MEDIA CORPORATION

Composition of the Board and shareholdings of members

The ordinary Annual General Meeting 2012 elected the following members to the Board of Directors:

Seppo Paatelainen, Petri Niemisvirta, Timo Aukia, Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari.

The Chairman of the Board of Directors is Seppo Paatelainen and the Deputy Chairman, Petri Niemisvirta.

Read more on the members of the Board of Alma Media Corporation below.

<p>Seppo Paatelainen</p> <ul style="list-style-type: none">• <i>Chairman of the Board</i>• <i>Deputy chairman of the Board 2009 - 2011, Chairman of the Board since 2011</i>• <i>Born: 1944</i>• <i>M.Sc. (Agr&For).</i> <p>Principal working experience</p> <ul style="list-style-type: none">• Atria Yhtymä Oyj, CEO 1991-2006• Itikka osuuskunta and Itikka Lihabotnia Oy, CEO 1988-1991• Luja-Yhtiöt, Director 1973-87• Itikka osuuskunta, Production Director 1970-73	<p>Principal positions of trust</p> <ul style="list-style-type: none">• Ilkka-Yhtymä Oyj: Chairman of the Board 2007-, member of the Board 1994-2007• Kesko Corporation, Deputy Chairman of the Board 2009-, member of the Board 2006-• Newspaper Ilkka Oy, member of the Board 1999-• Finavia Corporation, Chairman of the Board 2010-2011• Seinäjoki Region Business Service Center: Chairman of the Board, 2009-2012• Savon Mediat Oy, deputy member of the Board 2004-2007• OKO Bank Group Central Cooperative, member of the supervisory board 1997-2006• Tapiola General Mutual Insurance Company, member of the supervisory board 1989-2004• Valga Viro, Chairman of the Board 2005-2006• Pit Product (Russia): Chairman of the Board 2005-2006• Liha ja Säilyke Oy, Chairman of the Board 1998-2006• Atria Group, member of the Board 1994-2006• Lithells AB (Sweden), Chairman of the Board 1997-2006• Itikka Lihabotnia Oy and Itikka-Lihapolar Oy, member of the board 1988-1994• Evijärven Peruna Oy: Chairman of the Board 1988-2006• Central organisation for Finnish concrete industry, Chairman of the Board 1985-1987• Lujabetoni Oy, member of the Board 1982-1991 <p>• Finnish citizen • Independent of the company, but not independent of its significant shareholder</p> <p>Shareholding on December 31, 2012 7,004 Alma Media Corporation shares</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



Petri Niemisvirta

- *Managing Director, Mandatum Life Insurance Company Limited; Member of the Group Executive Committee, Sampo plc*
- *Deputy Chairman of the Board since 2011*
- *Born: 1970*
- *LL.M*

Principal working 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

- Confederation of Finnish Industries EK, Chairman of Finance and Tax Commission 2011-
- Federation of Finnish Financial Services, Life Insurance Executive Committee, Chairman 2007-2010, member 2011-
- Silta Oy, member of the Board of Directors 2008-2012
- BenCo Insurance Holding B.V. (Netherlands), member of the Board 2009-
- Finnish citizen
- Independent of the company, but not independent of its significant shareholder

Shareholding on December 31, 2012

3,146 Alma Media Corporation shares

Timo Aukia

- *Managing Director, Timo Aukia Oy*
- *Member of the Board since 2011*
- *Born: 1973*
- *M.Sc. (Econ.)*

Principal working experience

- Managing Director, TFG Retail Oy 2005-2008

Principal positions of trust

- Ilkka Yhtymä Oyj, Vice Chairman of the Board 2007-
- Vaasa Oy, Chairman of the Board 2007-2009
- Leo Longlife Oyj, member of the Board 2000-2003
- Ilkka Yhtymä Oyj, member of the Supervisory Board 1999-2007
- Finnish citizen
- Independent of the company, but not independent of its significant shareholder

Shareholding on December 31, 2012

2,564 Alma Media Corporation shares



<p>Kai Seikku</p> <ul style="list-style-type: none"> • <i>President, Okmetic Oyj since 2010</i> • <i>Member of the Board since 2006</i> • <i>Born: 1965</i> • <i>M. Sc. (Econ. & Bus. Admin)</i> <p>Principal working experience</p> <ul style="list-style-type: none"> • HKScan Oyj, CEO 2006-2009 • HK Ruokatalo Oy, Managing Director 2005-2007 • LSO Osuuskunta, Managing Director 2006-2007 • McCann-Erickson, Country Chairman 2002-2005 • Hasan & Partners, CEO 1999-2005 • The Boston Consulting Group (Stockholm and Helsinki), Project Leader 1993-1999 • SIAR-Bossard, Consultant 1991-1993 	<p>Principal positions of trust</p> <ul style="list-style-type: none"> • Confederation of Finnish Industries EK, member of the Board 2008-2009 • Trainers' House Plc, member of the Board 1998- • Finland Promotion Board, member of the Board 2008-2010 • Aldata Solution Plc, member of the Board 2000-2002 • The Finnish Food and Drink Industries' Federation, member of the Board 2006, Deputy Chairman of the Board 2007, Chairman of the Board 2008-2009 • The Federation of Finnish Technology Industries, deputy member of the Board 2011-2012, member of the Board 2013- • Steering group for external economic relations (Team Finland), member 2012- <ul style="list-style-type: none"> • Finnish citizen • Independent of the company and its significant shareholders <p>Shareholding on December 31, 2012 7,719 Alma Media Corporation shares</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Erkki Solja</p> <ul style="list-style-type: none"> • <i>CEO, Kiilto Family Oy</i> • <i>Member of the Board since 2008</i> • <i>Born: 1954</i> • <i>M.Sc. (Econ.)</i> <p>Principal working experience</p> <ul style="list-style-type: none"> • Kiilto Family Oy, CEO since 2008 • Kiilto Oy, CEO since 1994 • joined Kiilto Oy in 1983 	<p>Principal positions of trust</p> <ul style="list-style-type: none"> • C.V. Åkerlund Foundation, Chairman of the Board 1997- • Chemical Industry Federation of Finland, member of the Board 2001- • Honorary consul, Republic of Austria 1997- <ul style="list-style-type: none"> • Finnish citizen • Independent of the company and its significant shareholders <p>Shareholding on December 31, 2012 37,057 Alma Media Corporation shares</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



<p>Catharina Stackelberg-Hammarén</p> <ul style="list-style-type: none"> • <i>Founder and CEO, Marketing Clinic Oy since 2004</i> • <i>Member of the Board since 2009</i> • <i>Born: 1970</i> • <i>M. Sc. (Econ.)</i> <p>Principal working experience</p> <ul style="list-style-type: none"> • Managing Director, Coca-Cola Finland 2003-2004 and 2000-2002 • Managing Director, Coca-Cola Sweden 2002-2003 • Marketing Director, Coca-Cola Nordic & Baltic Division 2000 • Consumer Marketing Manager, Coca-Cola Finland, 1996-2000 • Marketing Manager, Sentra plc, 1994-1996 	<p>Principal positions of trust</p> <ul style="list-style-type: none"> • Aktia Abp, member of the Board 2012- • Stiftelsen Svenska Handelshögskolan, member of the Board 2011- • Marketing Clinic group, member of the Board 2004- • Mint of Finland Ltd, member of the Board 2004-2011 • Tradedoubler Ltd, member of the Board 2006-2007 • EQ Oyj, member of the Board 2011-2012 <ul style="list-style-type: none"> • Finnish citizen • Independent of the company and its significant shareholders <p>Shareholding on December 31, 2012 5,194 Alma Media Corporation shares</p>
<p>Harri Suutari</p> <ul style="list-style-type: none"> • <i>Member of the Board since 2005</i> • <i>Born: 1959</i> • <i>Civil Engineer</i> <p>Principal working experience</p> <ul style="list-style-type: none"> • PKC Group, President and CEO, 2002-2005 and 2008-2012 • Ponsse Oyj, President and CEO, 1994-2000 • Kajaani Automatiikka Oy, President 1984-1996 	<p>Principal positions of trust</p> <ul style="list-style-type: none"> • Componenta Oyj, Chairman of the Board • PKC Group, Chairman of the Board, 2005-2008, member of the Board since 2012 • Sunit Oy, Member of the Board 2008-2011 and since 2011 • Oy M-Filter Ab, Member of the Board since 2010 • Ponsse Oyj, Member of the Board 1994-2001 <ul style="list-style-type: none"> • Finnish citizen • Independent of the company and its significant shareholders <p>Shareholding on December 31, 2012 45,907 Alma Media Corporation shares</p>

It is the duty of the members of the Board of Directors to provide the Board of Directors with sufficient information for the assessment of their competence and independence. The Board of Directors has assessed that with the exception of Timo Aukia, Petri Niemisvirta and Seppo Paatelainen, the members of the Board are independent of the company and its significant shareholders. The members mentioned above are assessed to be independent of the company but not independent of a significant shareholder. Seppo Paatelainen is the Chairman of the Board of Ilkka-Yhtymä Oyj, and Timo Aukia is the Deputy Chairman of the Board of Ilkka-Yhtymä Oyj. Petri Niemisvirta is the Managing Director of Mandatum Life, part of the Sampo Group.



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

Tasks and responsibilities of the Board of Directors

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

The duties of the Board of Directors include:

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



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

In 2012, the Board met 11 times. The average attendance of the Board members at these meetings was 98.8%. The attendance of each member is shown in the table below.

Board of Directors of Alma Media Corporation

Name	Role	Attendance in the Board meetings
Seppo Paatelainen	Chairman	11/11
Petri Niemisvirta	Deputy Chairman	11/11
Timo Aukia	Member	11/11
Kai Seikku	Member	10/11
Catharina Stackelberg-Hammarén	Member	11/11
Erkki Solja	Member	11/11
Harri Suutari	Member	11/11

Assessing the Board's performance

In 2012, the Board of Directors has assessed 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

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

The Audit Committee consists of at least three Board members. The Audit Committee meets at least four times a year. As of March 14, 2012, the members of the Audit Committee are Timo Aukia, Kai Seikku, Catharina Stackelberg-Hammarén and Harri Suutari as Chairman. The 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 Audit Committee convened six times in 2012. The average attendance of the members at these meetings was 95.8%. The attendance of each member is shown in the table below.

Audit Committee

Name	Role	Attendance in the Committee meetings
Harri Suutari	Chairman	6/6
Timo Aukia	Member	6/6
Kai Seikku	Member	5/6
Catharina Stackelberg-Hammarén	Member	6/6

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises the Chairman and Deputy Chairman of the Board of Directors and one Board member separately elected for this task. On March 14, 2012, Petri Niemisvirta, Erkki Solja and Seppo Paatelainen as Chairman were elected members of the Nomination and Compensation Committee.

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

The Nomination and Compensation Committee convened seven times in 2012 to consider matters according to its charter. The average attendance of the members at these meetings was 100%. The attendance of each member is shown in the table below.

Nomination and Compensation Committee

Name	Role	Attendance in the Committee meetings
Seppo Paatelainen	Chairman	7/7
Petri Niemisvirta	Deputy Chairman	7/7
Erkki Solja	Member	7/7



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 information necessary for the appropriate working of the Board of Directors to the Board or any of its members.

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

The President and CEO, Mr Kai Telanne, is supported by a Group Executive Team, in 2012 comprising Jouko Jokinen (Executive Editor-in-Chief, Aamulehti) until March 31, 2012, Kari Kivelä (Publisher of Italehti), Juha-Petri Loimovuori (Senior Vice President, Kauppalehti Group), Raimo Mäkilä (Senior Vice President, Marketplaces), Tuomas Itkonen (CFO) until October 30, 2012, Juha Nuutinen (CFO) from November 1, 2012, Mikko Korttila (General Counsel), Minna Nissinen (Director, Alma Diverso), Pekka Heinänen (Vice President, Human Resources) until December 10, 2012 and Virpi Juvonen (acting Vice President, Human Resources) from December 10, 2012. The secretary of the Group Executive Team is Rauno Heinonen (Vice President, Corporate Communications and Investor Relations).

The Group Executive Team prepares the monthly reports, investments, Group guidelines and policies, long-term plans, action plans covering the following 12 months, and the financial statements for confirmation by the Board of Directors. The Group Executive Team normally meets once a month. The Group Executive Team met 22 times in 2012.

INSIDER MANAGEMENT

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

The company's public (statutory) insiders are the members of the Board of Directors, the President and CEO and the auditor nominated as the principal auditor. In addition, the company has decided that the members of the Group Executive Team are considered insiders. The company's internal, non-public and company-specific



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

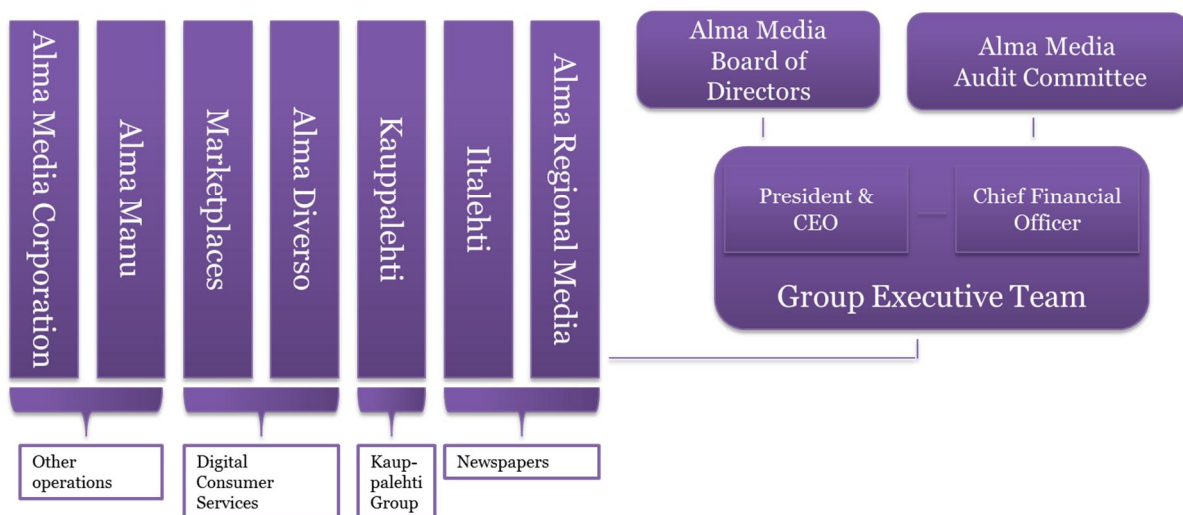
By providing instructions and information, Alma Media ensures that its public and non-public insiders are fully aware of their position and its importance. Alma Media insiders are not permitted to trade in the company's securities for 21 days prior to the publication of the interim report or annual financial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

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

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN FINANCIAL REPORTING

The internal control and risk management systems inherent in Alma Media's financial reporting process aim at ensuring a reasonable certainty of the reliability of the company's financial statements and financial reporting, as well as compliance with legislation and other regulations, and generally accepted accounting principles.

Alma Media's internal control and risk management organisation





Internal control

Internal control is an essential part of the company's administration and management systems, covering all of the Group's functions and organisational levels. The purpose of internal control is to provide sufficient certainty that the company will be able to execute its strategy. Internal control is not a separate process, instead, it is part of the company's operation, covering all Group-wide operational principles, guidelines and systems.

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 financial department. The Group financial department, working under the Group CFO, is the centralised source of financial statement data required by external accounting, as well as the analyses and result reports to Group and business unit management teams for following the profitability of business operations. Group internal control practices aim at ensuring the correctness of financial reporting within the Group. Business operations and capital management are monitored with the help of the reporting measures outlined above. The reporting practices also assist in following the implementation of business unit action plans. The accounting functions of Group companies and business areas follow and give guidance regarding internal control measures and practices based on the Group's operating principles and guidelines.

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 being updated as standards change, as well as the financial department guidelines that are applied in all Group companies. Group accounting is responsible for the following and observance of the financial reporting standards, maintaining financial reporting principles and communicating them to the business units.

Risk management

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



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

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

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

Alma Media classifies its business risks as strategic, operational and financing risks. The financing risks are described in more detail in the Financial Statements, Note 28.

The most important strategic risks for Alma Media are a significant drop in readership, a decrease in advertising sales and a significant rise in distribution costs. Changes in the overall economy are reflected in the development of advertising sales. Advertising sales generate approximately half of the Group revenue. There are also country-specific risks related to the development of the market and the economic growth with regard to developing businesses abroad, such as in the Baltic countries and other Eastern European countries.

In the long term, the media business is transforming due to changes in media usage and new technologies. Alma Media's strategic objective is to react to this challenge by renewing its business and developing new businesses in the field of online media. Disturbances of information technology and communications as well as disruption of printing are the most important operational risks.

Internal audit

Given the nature and scope of its business, Alma Media Corporation does not consider it expedient to have a separate internal audit organisation. Internal audit functions have been incorporated into the responsibilities of Alma Media Corporation's business organisation and, in particular, the business function financial departments. Reviewing the functionality of internal controls is also taken into account in the external auditors' audit plans. Internal audits look at the functionality and efficiency of the various processes using flow test and control tests.



AUDITING

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

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

The Annual General Meeting of 2012 of Alma Media Corporation elected the firm of Authorised Public Accountants Ernst & Young Oy as the company's auditors, with Mr Harri Pärssinen, Authorised Public Accountant, as the principal auditor. Ernst & Young is the auditor of the majority of the subsidiaries of Alma Media Group.