Alma Media Corporation
Q2 2014

18 July 2014

Photo: Lotta Ala-Kulju

Alma Media Corporation Interim Report 18 July 2014 at 9:00am (EEST)

Alma Media's Interim Report January–June 2014:
SIGNIFICANT IMPROVEMENT IN OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS IN THE SECOND QUARTER

Financial performance April–June 2014:

- Revenue MEUR 75.7 (76.3), down 0.9%.
- Online sales increased by 13.4% to MEUR 23.8 (21.0).
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items MEUR 9.7 (8.0), up 21.4%.
- EBITDA MEUR 9.5 (16.0), down 40.2%.
- Operating profit excluding non-recurring items MEUR 6.3 (4.6) or 8.3% (6.0%) of revenue, up 37.3%.
- Operating profit MEUR 6.1 (9.5) or 8.1% (12.4%) of revenue, down 35.5%.
- Profit for the period MEUR 4.8 (7.9), down 40.1%.
- The operating profit for April–June includes non-recurring items of MEUR -0.2 (4.9).
- Earnings per share EUR 0.06 (0.10).

Financial performance January–June 2014:

- Revenue MEUR 148.4 (151.2), down 1.9%.
- Online sales increased by 12.2% to MEUR 47.5 (42.4).
- EBITDA excluding non-recurring items MEUR 15.8 (16.0), down 1.4%.
- EBITDA MEUR 16.4 (23.9), down 31.7%.
- Operating profit excluding non-recurring items MEUR 8.8 (10.1), or 5.9% (6.6%) of revenue, down 12.6%.
- Operating profit MEUR 9.3 (14.9) or 6.3% (9.9%) of revenue, down 37.4%.
- Profit for the period MEUR 6.9 (12.0), down 42.5%.
- The operating profit for January–June includes non-recurring items of MEUR -0.6 (4.9).
- Earnings per share EUR 0.08 (0.15).

KEY FIGURES MEUR	2014 Q2	2013 Q2	Change	%	2014 Q1–Q2	2013 Q1–Q2	Change	%	2013 Q1–Q4
Revenue	75.7	76.3	-0.7	-0.9	148.4	151.2	-2.9	-1.9	300.2
Content revenue	27.0	28.2	-1.2	-4.1	54.4	57.4	-3.0	-5.2	115.3
Content revenue, print	25.7	27.4	-1.7	-6.2	51.8	55.6	-3.8	-6.9	111.2
Content revenue, online	1.4	0.8	0.6	71.1	2.6	1.6	1.0	60.3	3.8
Advertising revenue	39.2	38.5	0.8	2.1	74.4	74.9	-0.5	-0.7	147.3
Advertising revenue, print	20.6	21.6	-0.9	-4.3	37.6	40.6	-3.0	-7.5	80.0
Advertising revenue, online	18.5	16.6	1.9	11.4	36.7	33.7	3.0	8.8	66.5
Service revenue	9.4	9.7	-0.3	-3.1	19.6	19.0	0.7	3.4	37.6
Total expenses excluding non-recurring items	69.5	71.9	-2.4	-3.3	139.9	141.5	-1.6	-1.1	276.7
EBITDA excluding non-recurring items	9.7	8.0	1.7	21.4	15.8	16.0	-0.2	-1.4	37.5
EBITDA	9.5	16.0	-6.4	-40.2	16.4	23.9	-7.6	-31.7	45.3
Operating profit excluding non-recurring items	6.3	4.6	1.7	37.3	8.8	10.1	-1.3	-12.6	24.2
% of revenue	8.3	6.0			5.9	6.6			8.0
Operating profit	6.1	9.5	-3.4	-35.5	9.3	14.9	-5.6	-37.4	27.0
% of revenue	8.1	12.4			6.3	9.9			9.0
Profit for the period	4.8	7.9	-3.2	-40.1	6.9	12.0	-5.1	-42.5	16.0
Earnings per share, EUR (basic)	0.06	0.10	-0.05	-44.6	0.08	0.15	-0.07	-47.8	0.20
Earnings per share, EUR (diluted)	0.06	0.10	-0.05	-44.6	0.08	0.15	-0.07	-47.8	0.20
Online sales	23.8	21.0	2.8	13.4	47.5	42.4	5.2	12.2	84.5
Online sales, % of net sales	31.4	27.5			32.0	28.0			28.1

Outlook for 2014:

Economic growth in Europe, and in particular Finland, is expected to remain weak also in the second half of 2014. In this market situation, Alma Media's strong growth in digital service revenue does not yet fully offset the decline in the sales of print media.

Alma Media expects its full-year revenue 2014 to remain at the 2013 level. The operating profit excluding non-recurring items for 2014 is expected to be lower than in 2013. The full-year revenue 2013 was MEUR 300.2 and operating profit excluding non-recurring items was MEUR 24.2.

Kai Telanne, President & CEO:

The prolonged slowdown of the Finnish economy saw the media market remain weak in the second quarter. Total advertising volume declined by 2.3% in January–June 2014.

In spite of the difficult operating environment, Alma Media's long-term focus on digital business operations, combined with reducing the cost structure of the newspaper business, produced positive results. The Group's revenue in the second quarter remained at the same level as in the comparison period, while digital revenue increased by more than 13% year-on-year. Operating profit excluding non-recurring items increased by 37% as the growth in online advertising revenue substantially exceeded the decrease in print media sales.

In the second quarter, Alma Media continued to develop content solutions for mobile media and video. New mobile applications and tablet publications played a key role in mobile development, with new such products launched by Iltalehti and Kauppalehti, among others.

In the advertising market, interest in Alma Media's new advertising tools and solutions grew. Sales of customised native and content marketing solutions developed favourably, particularly at Iltalehti and Kauppalehti. Digital sales already accounted for approximately two thirds of Iltalehti's advertising revenue.

To ensure the profitability of regional publishing operations and the quality of content, Alma Media and five other Finnish newspaper publishers signed an agreement in the second quarter on journalistic collaboration and establishing Lännen Media Oy. The collaboration will start in autumn 2014 and will result in the regional papers benefiting from a significant amount of new content to be utilised in both the print newspaper and paid online services.

Due to the economic recession and weakened macroeconomic forecasts, Alma Media is seeking cost savings by streamlining its operations, processes and organisation. In the second quarter, Alma Regional Media reached an agreement on savings in annual personnel costs of approximately MEUR 1.5 for 2014. The savings will be achieved by exchanging bonus holiday pay for days off, or alternatively by temporary layoffs. The efficiency of Alma Media's financial administration will also be improved by consolidating operations in Tampere.

In a time of transformational changes in the media industry, Alma Media is supported by a strong strategy and a clear direction towards a digital future. Rapid market changes make it essential that the implementation of strategy moves ahead quickly. All of Alma Media's business units will continue to focus their resources on digital business and invest strongly in developing their digital expertise.

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The descriptive part of this review focuses on the result for April–June 2014. The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2013, unless otherwise stated. The figures in the tables are independently rounded.

KEY FIGURES MEUR	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Revenue	75.7	76.3	-0.9	148.4	151.2	-1.9	300.2
Total expenses excluding non-recurring items	69.5	71.9	-3.3	139.9	141.5	-1.1	276.7
EBITDA excluding non-recurring items	9.7	8.0	21.4	15.8	16.0	-1.4	37.5
EBITDA	9.5	16.0	-40.2	16.4	23.9	-31.7	45.3
Operating profit excluding non-recurring items	6.3	4.6	37.3	8.8	10.1	-12.6	24.2
% of revenue	8.3	6.0		5.9	6.6		8.0
Operating profit	6.1	9.5	-35.5	9.3	14.9	-37.4	27.0
% of revenue	8.1	12.4		6.3	9.9		9.0
Profit before tax	5.8	9.5	-39.4	8.4	15.0	-43.6	22.4
Profit for the period	4.8	7.9	-40.1	6.9	12.0	-42.5	16.0
Return on Equity/ROE (Annual)*	21.5	43.9	-51.0	15.3	30.1	-49.3	18.3
Return on Investment/ROI (Annual)*	12.0	17.9	-33.0	8.6	14.7	-41.6	10.0
Net financial expenses	0.7	0.2	-304.5	1.3	0.4	-269.3	0.5
Net financial expenses, % of revenue	0.9	0.2		0.9	0.2		0.2
Balance sheet total				271.3	286.2	-5.2	272.8
Capital expenditure	2.5	10.4	-75.5	12.0	57.3	-79.1	62.8
Capital expenditure, % of revenue	3.4	13.6		8.1	37.9		20.9
Equity ratio, %				38.9	32.9	18.0	34.9
Gearing, %				82.1	119.3	-31.2	108.0
Interest-bearing net debt				79.7	103.5	-23.0	97.6
Interest-bearing liabilities				93.3	116.0	-19.5	109.9
Non-interest-bearing liabilities				80.9	83.5	-3.1	72.4
Average no. of personnel, calculated as full-time employees, excl. delivery staff	1,808	1,979	-8.7	1,829	1,991	-8.1	1,965
Average no. of delivery staff	981	962	1.9	974	974	0.1	998
Share indicators							
Earnings per share, EUR (basic)	0.06	0.10	-44.6	0.08	0.15	-47.8	0.20
Earnings per share, EUR (diluted)	0.06	0.10	-44.6	0.08	0.15	-47.8	0.20
Cash flow from operating activities/share, EUR	0.04	-0.06	171.3	0.26	0.17	58.4	0.32
Shareholders' equity per share, EUR				1.09	1.12	-2.8	1.17
Dividend per share, EUR							0.10
Effective dividend yield, %							3.3
P/E Ratio							15.0
Market capitalisation				204.6	195.5	4.6	225.7
Average no. of shares (1,000 shares)							
- basic	75,487	75,487		75,487	75,487		75,487
- diluted	75,487	75,487		75,487	75,518		75,487
No. of shares at end of period (1,000 shares)				75,487	75,487		75,487

** See Main Accounting Principles of the Interim Report.*

Strategy and related activities during the review period

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

During the second quarter, Alma Media developed content on mobile and online TV channels, among others. IL-Media introduced new free of charge tablet content to consumers, such as the Autot 2014 and Kesäkeittiö tablet publications. IL-TV launched a new programme format, IL-Doc, which is focused on covering surprising and touching topics based on feature articles.

Kauppalehti's digital renewal project progressed to the beta stage in the second quarter. The website, which will be launched in the autumn, has been entirely rebuilt to respond to the audience's changing user habits. Kauppalehti will also expand its video production with the renewal of the website.

The first tabloid-format Aamulehti was published on 1 April 2014 after a comprehensive renewal of the content, structure and design. The renewed newspaper was well received. A paid regional service produced jointly by Kainuun Sanomat and three local papers in Kainuu (Kuhmolainen, Sotkamo and Ylä-Kainuu) was published in April. The response to digital services has been positive.

In the second quarter, Alma Media focused particularly on developing its content marketing solutions offering. IL-Media and Kauppalehti launched new turn key concepts for content and native marketing to help advertisers utilise earned media.

The service renewals of Etuovi.com and Vuokraovi.com, implemented in the second quarter, were well received by both advertisers and users.

The Business Premises service, one of Kauppalehti's digital business services, also underwent a renewal process. The service's design and visual style were renewed along with the technological platform, making it easily accessible across all devices. Alma Media's subsidiary Alma Mediapartners Oy purchased all of the shares in Alma Media's associated company Alkali Oy. Through Alkali, Alma Media can offer an extensive range of applications for the automotive retail industry.

In the second quarter, Alma Media and five other Finnish newspaper publishers finalised an agreement on journalistic collaboration. Lännen Media Oy, which will be established as a result of the agreement, will produce content for 12 regional newspapers in western and northern Finland. The Lännen Media newsroom will start operations at the beginning of October, with full-scale operations launched by the beginning of 2015.

Domestic market conditions

According to TNS Media Intelligence, the total advertising volume declined by 2.3% (declined by 7.8%) in April–June 2014. Advertising in city papers and newspapers declined by 5.7 % (declined by 16.4%) but increased in online media by 15.8% (increased by 6.0%) from the comparison period. The total market of afternoon papers in terms of volume declined by 7.3% (declined by 14.3%) in the second quarter of 2014.

According to TNS Media Intelligence, the total advertising volume declined by 3.6 % (declined by 10.5%) in January–June 2014. Advertising in city papers and newspapers declined by 8.3 % (declined by 17.2%) but increased in online media by 13.8% (increased by 4.3%) from the comparison period.

Changes in Group structure in 2014

On 2 June 2014, Alma Media Partners Oy, a subsidiary of Alma Media Group, acquired the entire share capital of Alkali Oy. Alma Media Group previously held a 24.3% stake in the company. The acquisition will be treated in Alma Media's consolidated financial statements as a business combination achieved in stages. The arrangement did not have a significant effect on Alma Media's profit or loss at the time of its implementation. The company will be consolidated with Alma Media Group in accordance with the Group's holding of 65%.

Alma Media Corporation and Monster Worldwide Inc. agreed to strengthen their cooperation to cover Eastern Central Europe and the Baltic countries. The expansion of the cooperation saw Monster's services being added to Alma Media's recruitment service offering, which is available in Finland, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary and Croatia. The business is run by Alma Career Oy (previously Monster Oy), and it is reported under Alma Media's Digital Consumer Services segment.

Monster Worldwide Inc. became Alma Career Oy's minority shareholder with a 15% holding. Against its holding, Monster Worldwide Inc. transferred its recruitment service business in Poland, Hungary and Czech Republic to the company and purchased shares in the company for MEUR 4.7. Alma Media owns 85% of the company's shares. Monster has an option to increase its holding to 20% by 2017. The arrangement was implemented on 3 January 2014. The arrangement did not have any effects on Alma Media's profit or loss at the time of its implementation. The arrangement had a positive cash flow impact of MEUR 4.7 million in the first quarter of 2014. More information on the arrangement is provided in the tables section of the interim report.

Baltic News Service, reported in Alma Media's Financial Media and Business Services segment, was sold in February 2014. The buyer is OÜ Uudisvoog, a company owned by the Estonian investment company Koha Capital OÜ. Alma Media recorded sales proceeds in the amount of MEUR 0.7 in its first-quarter 2014 result from the transaction.

Group revenue and result April–June 2014

Revenue declined by 0.9% to MEUR 75.7 (76.3) in the second quarter.

Content revenue declined by 4.1% to MEUR 27.0 (28.2). The decline in content revenue from the comparison period was due to the decrease of print media circulations. The increase in content revenue from digital distribution channels was not sufficient to cover the decline in print media content revenue.

Revenue from advertising sales increased by 2.1% to MEUR 39.2 (38.5). Advertising sales in printed papers declined by 4.3% from the comparison period to MEUR 20.6 (21.6). Online advertising sales increased by 11.4% to MEUR 18.5 (16.6).

Service revenue totalled MEUR 9.4 (9.7). Service revenue includes items such as Kauppalehti Information Services, the operations of the custom publishing house Alma 360 and E-kontakti, as well as the printing and distribution services sold to customers outside the Group by Alma Manu. A factor that particularly contributed to the decline in service revenue was the revenue of the BNS business unit, which was sold in the first quarter.

Total expenses decreased in the second quarter by MEUR 5.7, or 7.5%, to MEUR 69.7 (75.4). Depreciation and impairment included in the total expenses amounted to MEUR 3.4 (6.5). Depreciation in the comparison period included impairment losses in the amount of MEUR 3.0 for the Rovaniemi printing press.

Operating profit excluding non-recurring items was MEUR 6.3 (4.6), or 8.3% (6.0%) of revenue. Operating profit was MEUR 6.1 (9.5), or 8.1% (12.4%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR -0.2 (4.9). The non-recurring items in the review period were related to operational restructuring in the Group's parent company. The non-recurring items in the comparison period were related to the sales proceeds from the Mascus business as well as the impairment loss of the printing press in Rovaniemi.

The profit for the period April–June was MEUR 4.8 (7.9), and the profit excluding non-recurring items was MEUR 4.9 (3.0). The review period's result did not include changes in the fair value of contingent considerations and debt. The changes in the fair value of contingent considerations and debt were MEUR 0.3 during the comparison period.

Group revenue and result January–June 2014

In the first half of the year, revenue declined by 1.9% to MEUR 148.4 (151.2).

Content revenue declined by 5.2% to MEUR 54.4 (57.4). The decline in content revenue from the comparison period was due to the decrease of print media circulations.

Advertising revenue declined by 0.7% to MEUR 74.4 (74.9). Advertising sales in printed papers declined by 7.5% from the comparison period to MEUR 37.6 (40.6). Online advertising sales increased by 8.8% to MEUR 36.7 (33.7). The online advertising sales in the comparison period included MEUR 2.1 in revenue from the Mascus business sold in April 2013.

Service revenue totalled MEUR 19.6 (19.0). Service revenue includes items such as Kauppalehti Information Services, the operations of the custom publishing house Alma 360 and E-kontakti, as well as the printing and distribution services sold to customers outside the Group by Alma Manu. The increased revenues of Kauppalehti Information Services and Alma Manu were major contributors to the increase in service revenue.

Total expenses declined in the first half of the year by MEUR 4.9, or 3.4%, to MEUR 140.1 (145.0). Depreciation and impairment included in the total expenses amounted to MEUR 7.0 (9.0). Depreciation in the comparison period included impairment losses in the amount of MEUR 3.0 for the Rovaniemi printing press.

Operating profit excluding non-recurring items was MEUR 8.8 (10.1), or 5.9% (6.6%) of revenue. Operating profit was MEUR 9.3 (14.9), or 6.3% (9.9%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR 0.6 (4.9). The non-recurring items affecting operating profit during the review period were related to sales proceeds from Baltic News Service and the restructuring of operations. The non-recurring items in the comparison period were related to the sales proceeds from the Mascus business as well as the impairment loss of the printing press in Rovaniemi.

The profit for the period January–June 2014 was MEUR 6.9 (12.0), and the profit excluding non-recurring items was MEUR 6.3 (7.1). The review period's result included changes in the fair value of contingent considerations and debt incurred by the reorganisation of the Marketplaces business in the amount of MEUR 0.1 (0.4).

Business segments

Alma Media Group's reporting structure was changed at the beginning of 2014. From the beginning of 2014, Alma Media's reportable segments are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media. Centralised services produced by the Group's parent company and centralised digital support services for the entire Group are reported outside segment reporting.

The Group has five operating segments as shown in the table below. The operating segments that produce similar products and services are combined into reportable segments due to their uniform profitability and other characteristics. The change in the segment structure is due to the transformation of the business environment in the media industry, with media consumption increasingly shifting to digital channels.

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

Changes in segment reporting:

- In the Digital Consumer Services segment, the centralised digital support services for the entire Group have been moved to non-allocated items outside segment reporting.
- The name of Kauppalehti Group was changed to Financial Media and Business Services.
- The new National Consumer Media segment consists of the IL-Media operating segment, previously reported under the Newspapers segment.
- The new Regional Media segment includes the Alma Regional Media operating segment, previously reported under the Newspapers segment, as well as the Group's printing and distribution company Alma Manu, previously reported under the Other Operations segment.
- Other Operations no longer constitutes a separate segment. Instead, the operations of the Group's parent company are reported as non-allocated items.

As the structure and composition of the reportable segments have changed, Alma Media has, in accordance with the IFRS 8 Operating Segments standard, adjusted the corresponding items in segment information for the 2013 comparison period. The effect of the change, as well as segment revenue and operating profit under the previous and newly adopted segment structures, are summarised in the tables presented in the notes section of this interim report.

REVENUE AND OPERATING PROFIT/LOSS BY SEGMENT

REVENUE MEUR	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Digital Consumer Services							
External	13.6	13.3		26.9	27.3		52.0
Inter-segments	0.4	0.1		0.7	0.2		0.6
Digital Consumer Services total	14.0	13.4	4.9	27.6	27.4	0.6	52.6
Financial Media and Business Services							
External	12.9	14.2		26.5	28.1		56.3
Inter-segments	0.2	0.1		0.3	0.3		0.6
Financial Media and Business Services total	13.1	14.4	-9.1	26.8	28.4	-5.4	56.8
National Consumer Media							
External	12.5	12.2		23.7	24.1		48.0
Inter-segments	0.2	0.2		0.5	0.3		0.9
National Consumer Media total	12.7	12.4	3.2	24.3	24.4	-0.6	49.0
Regional Media							
External	35.4	35.7		68.8	70.2		139.9
Inter-segments	1.8	1.5		3.5	3.6		7.2
Regional Media total	37.2	37.2	0.0	72.4	73.8	-1.9	147.1
Non-allocated and eliminations	-1.4	-1.0		-2.7	-2.7		-5.3
Total	75.7	76.3	-0.9	148.4	151.2	-1.9	300.2

OPERATING PROFIT/LOSS MEUR*	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Digital Consumer Services	2.5	11.3	-77.5	4.7	14.1	-66.3	17.7
Financial Media and Business Services	1.3	1.7	-23.1	3.4	3.1	12.2	7.8
National Consumer Media	1.7	0.9	82.0	2.8	1.8	56.7	4.7
Regional Media	3.0	-2.2	236.1	3.2	-0.1	2,543.4	4.3
Segments total	8.5	11.7	-27.5	14.1	18.8	-24.8	34.5
Non-allocated	-2.4	-2.2	-6.6	-4.8	-3.8	-24.2	-7.5
Total	6.1	9.5	-35.5	9.3	14.9	-37.4	27.0

* *Including non-recurring items.*

Digital Consumer Services

The services of the Digital Consumer Services segment operating in Finland are Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, MyyJaOsta.com, Telkku.com, Kotikokki.net, E-kontakti.fi and Meedio.fi. The services outside Finland are Jobs.cz, Prace.cz, Topjobs.sk, CV Online, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl, Monster.cz and City24.

KEY FIGURES MEUR	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Revenue	14.0	13.4	4.9	27.6	27.4	0.6	52.6
Operations in Finland	5.7	5.7	0.4	11.2	11.5	-2.4	21.9
Operations outside Finland	8.3	7.7	8.3	16.4	15.9	2.8	30.6
Total expenses excluding non-recurring items	11.5	10.5	9.8	23.0	21.8	5.5	43.4
EBITDA excluding non-recurring items	3.9	4.2	-7.4	7.4	8.3	-11.2	14.4
EBITDA	3.9	12.5	-69.2	7.4	16.6	-55.8	23.0
Operating profit excluding non-recurring items	2.5	2.9	-12.4	4.7	5.7	-16.9	9.4
Operating profit excluding non-recurring items, %	18.1	21.6		17.1	20.8		17.8
Operating profit	2.5	11.3	-77.5	4.7	14.1	-66.3	17.7
Operating profit, %	18.1	84.2		17.1	51.2		33.6
Average no. of personnel, calculated as full-time employees	483	461	4.7	480	472	1.9	465
Online sales	14.0	13.4	4.9	27.6	27.4	0.6	52.6
Online sales, % of net sales	100.0	100.0		100.0	100.0		100.0

OPERATIONAL KEY FIGURES	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Online services, unique browsers, weekly, on average (thousands)							
Etuovi.com	550.0	434.6	26.5	539.4	446.4	20.8	459.6
Autotalli.com	104.7	117.2	-10.6	115.1	121.9	-5.6	125.0
Monster.fi	112.1	93.5	19.9	121.4	105.0	15.6	102.6
MyyjaOsta.com	13.5	23.8	-43.4	16.7	24.1	-30.8	22.6
Telkku.com	737.1	692.1	6.5	762.6	698.1	9.2	692.3
Kotikokki.net	368.7	293.2	25.8	379.5	302.9	25.3	328.2
Meedio.fi	66.6	59.3	12.3	66.9	62.2	7.6	62.7

April–June 2014

In the second quarter of 2014, revenue for the Digital Consumer Services segment increased by 4.9% to MEUR 14.0 (13.4). The revenue in the comparison period included MEUR 0.7 in revenue from the Mascus business sold in April 2013. Revenue was increased by MEUR 0.4 by new recruitment service companies in Hungary, Czech Republic and Poland. In total, the revenue from the recruitment business increased by 14.9% during the review period and accounted for 66.2% (60.4%) of the segment’s revenue in the second quarter of 2014. Sales also developed favourably in housing-related services.

Total expenses during the review period amounted to MEUR 11.5 (10.5). The factors contributing to the increase in total expenses included the development of domestic online services as well as MEUR 0.7 in expenses from the recruitment service companies acquired at the beginning of the year.

The Digital Consumer Services segment’s operating profit excluding non-recurring items was MEUR 2.5 (2.9) in the second quarter. Operating profit excluding non-recurring items was 18.1% (21.6%) of revenue. The sold Mascus business had an effect of MEUR -0.2 on the decline in operating profit. The segment’s operating profit was MEUR 2.5 (11.3). The operating profit for the comparison period includes proceeds from the sale of the Mascus business as a non-recurring item in the amount of MEUR 8.4. No non-recurring income or expenses were reported in the review period.

January–June 2014

In the first half of the year, the Digital Consumer Services segment’s revenue increased by 0.6% to MEUR 27.6 (27.4). The revenue in the comparison period included MEUR 2.1 in revenue from the Mascus business sold in April 2013. The devaluation of the Czech koruna in November 2013 decreased the euro revenue by a total of MEUR 0.6 year-on-year. Revenue was increased by MEUR 0.9 by new recruitment service companies in Hungary, Czech Republic and Poland. The share of recruitment business in the segment’s revenue was 67.2% (60.0%) in the first half of 2014.

Total expenses during the review period amounted to MEUR 23.0 (21.8).

The Digital Consumer Services segment's operating profit excluding non-recurring items was MEUR 4.7 (5.7) in the first half of the year. The sold Mascus business had an effect of MEUR 0.4 on the decline in operating profit. In the first half of the year, investments were made in the new business operations acquired in January 2014, causing a negative effect of MEUR 0.6 on the operating profit. The segment’s operating profit was MEUR 4.7 (14.1). The operating profit for the comparison period includes proceeds from the sale of the Mascus business as a non-recurring item in the amount of MEUR 8.4. No non-recurring income or expenses were reported in January–June.

Financial Media and Business Services

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

KEY FIGURES MEUR	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Revenue	13.1	14.4	-9.1	26.8	28.4	-5.4	56.8
Content revenue	3.8	4.1	-6.0	7.8	8.2	-5.1	16.8
Advertising revenue	4.1	4.1	-1.5	7.9	8.0	-0.7	16.2
Service revenue	5.2	6.2	-16.1	11.1	12.1	-8.8	23.8
Total expenses excluding non-recurring items	11.7	12.7	-7.4	24.1	25.3	-4.7	49.1
EBITDA excluding non-recurring items	1.4	1.9	-24.8	2.9	3.4	-14.0	8.5
EBITDA	1.4	1.9	-24.8	3.7	3.4	7.9	8.5
Operating profit excluding non-recurring items	1.3	1.7	-23.1	2.7	3.1	-12.3	7.8
Operating profit excluding non-recurring items, %	10.1	12.0		10.0	10.8		13.8
Operating profit	1.3	1.7	-23.1	3.4	3.1	12.2	7.8
Operating profit, %	10.1	12.0		12.8	10.8		13.8
Average no. of personnel, calculated as full-time employees	230	406	-43.4	283	404	-30.1	402
Online sales	5.6	4.6	20.6	11.6	9.1	26.9	19.0
Online sales, % of net sales	42.6	32.1		43.2	32.2		33.4

OPERATIONAL KEY FIGURES	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Online services, unique browsers, weekly, on average (thousands)							
Kauppalehti.fi	750.3	493.5	52.0	774.1	549.3	40.9	649.8
Audited circulation (thousands)							
Kauppalehti							57.4

April–June 2014

Revenue for the Financial Media and Business Services segment declined by 9.1% to MEUR 13.1 (14.4). The divestment of the BNS business operations in February had an effect of MEUR 1.1 on the decline in revenue. Online business accounted for 42.6% (32.1%) of the segment's revenue.

Content revenue for the Financial Media and Business Services segment declined by 6.0% to MEUR 3.8 (4.1). Digital content revenue increased by 30.2% and the increase partly covered the decline in content revenue for print media. The decline in content revenue from print media was partly due to the termination of unprofitable subscriptions.

Advertising sales in the second quarter remained at the level of the previous year, at MEUR 4.1 (4.1). Online advertising sales increased by 18.2% from the comparison period.

The segment's total expenses were MEUR 11.7 (12.7). The decrease in total expenses is due to the divestment of the BNS business operations. No non-recurring expenses were reported during the review period.

Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 1.3 (1.7) and operating profit MEUR 1.3 (1.7). Operating profit was weighed down by the weakened profitability of custom media business operations. Operating profit excluding non-recurring items was 10.1% (12.0%) of revenue.

January–June 2014

Revenue for the Financial Media and Business Services segment declined by 5.4% to MEUR 26.8 (28.4). The divestment of the BNS business operations in February had an effect of MEUR 2.1 on the decline in revenue. Online business accounted for 43.2% (32.2%) of the segment's revenue.

Content revenue for the Financial Media and Business Services segment declined by 5.1% to MEUR 7.8 (8.2). The increase in digital content revenue partly covered the decline in content revenue for print media.

Advertising sales in January–June remained at the level of the previous year, at MEUR 7.9 (8.0). Online advertising sales increased by 16.2% from the comparison period.

The segment's total expenses were MEUR 24.1 (25.3). The decrease in total expenses is due to the divestment of the BNS business operations. No non-recurring expenses were reported during the review period.

Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 2.7 (3.1) and operating profit MEUR 3.4 (3.1). Operating profit excluding non-recurring items was 10.0% (10.8%) of revenue. The operating profit includes non-recurring items in the amount of MEUR 0.7 (0.0). The non-recurring items affecting operating profit during the review period were related to sales gains from the divestment of the BNS business.

National Consumer Media

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

KEY FIGURES MEUR	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Revenue	12.7	12.4	3.2	24.3	24.4	-0.6	49.0
Content revenue	7.1	7.6	-6.0	14.0	15.6	-10.7	30.9
Advertising revenue	5.6	4.6	21.2	10.3	8.6	19.3	17.5
Service revenue	0.0	0.2	-90.7	0.0	0.2	-82.2	0.5
Total expenses excluding non-recurring items	11.1	11.4	-3.0	21.4	22.6	-5.1	44.3
EBITDA excluding non-recurring items	1.7	0.9	79.2	2.8	1.8	54.0	4.8
EBITDA	1.7	0.9	79.2	2.8	1.8	54.0	4.8
Operating profit excluding non-recurring items	1.7	0.9	82.0	2.8	1.8	56.7	4.7
Operating profit excluding non-recurring items, %	13.1	7.4		11.5	7.3		9.6
Operating profit	1.7	0.9	82.0	2.8	1.8	56.7	4.7
Operating profit, %	13.1	7.4		11.5	7.3		9.6
Average no. of personnel, calculated as full-time employees	166	166	-0.3	158	160	-0.9	160
Online sales	3.7	2.5	46.4	7.0	4.9	44.5	10.5
Online sales, % of net sales	28.8	20.3		29.0	19.9		21.5

OPERATIONAL KEY FIGURES	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Online services, unique browsers, weekly, on average (thousands)							
Iltalehti.fi	4,110.6	3,197.6	28.6	4,169.6	3,173.5	31.4	3,530.1
Audited circulation (thousands)							
Iltalehti							77.3

April–June 2014

Revenue for the National Consumer Media segment increased by 3.2% to MEUR 12.7 (12.4) in April–June. The increase in digital business offset the decline in content and advertising revenue from print media. Online business accounted for 28.8% (20.3%) of the segment's revenue.

The segment's content revenue declined by 6.0% to MEUR 7.1 (7.6) in April–June, mainly due to the decrease of Iltalehti's circulation. Iltalehti's market share during the review period was 39.3% (39.9%).

The segment's advertising sales increased by 21.2% to MEUR 5.6 (4.6). Advertising sales for print media decreased by 6.2% The segment's online sales increased by 46.6% to MEUR 3.6 (2.5). Mobile and IL-TV media sales also developed favourably.

The segment's total expenses were MEUR 11.1 (11.4). The decrease in total expenses was particularly affected by the decrease in printing and distribution costs due to lower print media sales.

The segment's operating profit was MEUR 1.7 (0.9), or 13.1% (7.4%) of revenue. No non-recurring income or expenses were reported in the review period.

January–June 2014

Revenue for the National Consumer Media segment declined by 0.6% to MEUR 24.3 (24.4) in January–June. Online business accounted for 29.0% (19.9%) of the segment's revenue.

The segment's content revenue declined by 10.7% to MEUR 14.0 (15.6) in January–June, mainly due to the decrease of Iltalehti's circulation.

The segment's advertising sales increased by 19.3% to MEUR 10.3 (8.6). Advertising sales for print media decreased by 11.3% The segment's online advertising sales increased by 44.7% to MEUR 6.9 (4.8).

The segment's operating profit was MEUR 2.8 (1.8). Operating profit was 11.5% (7.3%) of revenue. No non-recurring income or expenses were reported in the first half of the year.

Regional Media

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

KEY FIGURES MEUR	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Revenue	37.2	37.2	0.0	72.4	73.8	-1.9	147.1
Content revenue	16.1	16.6	-2.9	32.7	33.6	-2.8	67.6
Advertising revenue	17.0	17.7	-3.8	31.5	33.7	-6.5	66.5
Service revenue	4.1	2.9	40.1	8.2	6.5	26.7	13.0
Total expenses excluding non-recurring items	34.3	35.9	-4.6	69.3	70.4	-1.7	137.4
EBITDA excluding non-recurring items	4.4	2.7	59.7	6.1	5.5	10.8	15.3
EBITDA	4.4	2.3	88.6	6.1	5.1	20.5	14.5
Operating profit excluding non-recurring items	3.0	1.3	130.5	3.2	3.4	-5.9	9.8
Operating profit excluding non-recurring items, %	8.0	3.5		4.4	4.6		6.6
Operating profit	3.0	-2.2	236.1	3.2	-0.1	2543.4	4.3
Operating profit, %	8.0	-5.9		4.4	-0.2		2.9
Average no. of personnel, calculated as full-time employees, excl. delivery staff	769	794	-3.1	749	804	-6.7	786
Average no. of delivery staff	981	962	1.9	974	974	0.1	998
Online sales	0.9	0.5	76.1	1.7	1.1	60.7	2.6
Online sales, % of net sales	2.5	1.4		2.4	1.5		1.8

OPERATIONAL KEY FIGURES	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
Online services, unique browsers, weekly, on average (thousands)							
Aamulehti.fi	414.8	388.9	6.7	417.8	389.8	7.2	396.3
Audited circulation (thousands)							
Aamulehti							113.1
Printing volume (in thousands)	62,962	46,682		125,623	94,542		194,978
Paper usage (tons)	5,847	5,501		12,516	11,872		23,489

April–June 2014

Revenue for the Regional Media segment in April–June was at the previous year's level, amounting to MEUR 37.2 (37.2). Online business accounted for 2.5% (1.4%) of the segment's revenue.

The segment's content revenue declined by 2.9% to MEUR 16.1 (16.6) in April–June, which was due to circulation decreases for printed newspapers.

The segment's advertising sales declined by 3.8% to MEUR 17.0 (17.7). Advertising sales for print media declined by 4.4%. The decline in advertising sales slowed down compared to the first few months of the year, primarily due to the positive development of sales in May. The segment's online advertising sales increased by 16.3% to MEUR 0.5 (0.5).

The segment's service revenue increased by 40.1% to MEUR 4.1 (2.9). The revenue increase is attributable to the increase in Alma Manu's printing revenue from external customers.

The segment's total expenses excluding non-recurring items were MEUR 34.3 (35.9) and total expenses MEUR 34.3 (39.4). The factors contributing to the decline in total expenses included efficiency improvement measures for newspapers as well as printing operations. The non-recurring items in the comparison period were related to write-downs resulting from the closure of the Rovaniemi printing press.

Due to the performance being weaker than expected, Alma Media launched streamlining measures in Alma Regional Media in April. As a result of the negotiations, Alma Regional Media reached an agreement on savings in annual personnel costs of approximately MEUR 1.5 for 2014. The savings will be achieved by exchanging bonus holiday pay for days off, or alternatively by temporary layoffs.

The segment's operating profit excluding non-recurring items was MEUR 3.0 (1.3) and operating profit MEUR 3.0 (-2.2). Operating profit excluding non-recurring items was 8.0% (3.5%) of revenue.

January–June 2014

Revenue for the Regional Media segment declined by 1.9% to MEUR 72.4 (73.8) in January–June. Online business accounted for 2.4% (1.5%) of the segment's revenue.

The segment's content revenue declined by 2.8% to MEUR 32.7 (33.6) in January–June, mainly due to the decrease in print media circulation.

The segment's advertising sales declined by 6.5% to MEUR 31.5 (33.7). Advertising sales for print media declined by 7.4%. Nationwide advertising sales, in particular, decreased from the comparison period. The segment's online advertising sales increased by 17.7% to MEUR 1.0 (0.9).

The segment's service revenue increased by 26.7% to MEUR 8.2 (6.5). The revenue increase is attributable to the increase in Alma Manu's printing revenue from external customers.

The segment's total expenses excluding non-recurring items were MEUR 69.3 (70.4) and total expenses MEUR 69.3 (73.9). The non-recurring items in the comparison period were related to write-downs resulting from the closure of the Rovaniemi printing press.

Operational reliability at the new printing facility in Tampere continued to improve, and paper losses in connection with production changes have been successfully reduced. Printing operations in Rovaniemi were discontinued on 31 March 2014, and the printing of Pohjolan Sanomat and Lapin Kansa was transferred to a printing house outside the Group.

The segment's operating profit excluding non-recurring items was MEUR 3.2 (3.4) and operating profit MEUR 3.2 (-0.1). Operating profit excluding non-recurring items was 4.4% (4.6%) of revenue.

Associated companies

SHARE OF PROFIT OF ASSOCIATED COMPANIES MEUR	2014 Q2	2013 Q2	2014 Q1–Q2	2013 Q1–Q2	2013 Q1–Q4
Digital Consumer Services	0.0	0.0	-0.1	0.0	0.1
Financial Media and Business Services					
Talentum Oyj	0.1	0.2	0.3	0.3	-3.1
National Consumer Media	0.0	0.0	0.0	0.0	0.0
Regional Media	0.0	0.0	0.0	0.0	-1.4
Other associated companies	0.2	0.1	0.3	0.2	0.3
Total	0.3	0.2	0.4	0.4	-4.1

Alma Media Group holds a 32.14% stake in Talentum Oyj, which is reported under the Financial Media and Business Services segment.

Alma Media acquired 35% of the share capital of the leading online travel service Rantapallo Oy in February. Starting from the first quarter of 2014, Rantapallo is reported as an associated company of Alma Media under the Digital Consumer Services segment.

Non-recurring items

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

NON-RECURRING ITEMS MEUR	2014 Q2	2013 Q2	2014 Q1–Q2	2013 Q1–Q2	2013 Q1–Q4
Digital Consumer Services					
Restructuring					-0.2
Gains on sales of assets		8.4		8.4	8.5
Financial Media and Business Services					
Gains on sales of assets			0.7		
Regional Media					
Restructuring		-3.5		-3.5	-5.5
Non-allocated					
Restructuring	-0.2		-0.2		
NON-RECURRING ITEMS IN OPERATING PROFIT	-0.2	4.9	0.6	4.9	2.8
Impairment losses of associated companies					-5.0
NON-RECURRING ITEMS IN PROFIT BEFORE TAX	-0.2	4.9	0.6	4.9	-2.1

The non-recurring items in January–June 2014 comprised the sales gains from the divestment of Baltic News Service and items related to the restructuring of operations.

Balance sheet and financial position

At the end of June 2014, the consolidated balance sheet stood at MEUR 271.3 (286.2). The Group's equity ratio at the end of June was 38.9% (32.9%) and equity per share was EUR 1.09 (1.12).

The consolidated cash flow from operations in April–June was MEUR 3.0 (-4.2). Cash flow before financing was MEUR 2.1 (2.1). The consolidated cash flow from operations in January–June was MEUR 19.7 (12.5). Cash flow before financing was MEUR 26.4 (17.0).

The Group's interest-bearing debt at the end of June amounted to MEUR 93.3 (116.0). The total interest-bearing debt at the end of June comprised MEUR 71.8 in finance leasing debt, MEUR 9.5 in loans from financial institutions and MEUR 12.0 in commercial papers.

The Group's interest-bearing net debt at the end of June stood at MEUR 79.7 (103.5). The decrease in net debt was due to cash flows from business reorganisation and cash flow from operations, seasonally strongest early in the year.

Alma Media has one MEUR 25 and two MEUR 20 committed financing limits at its disposal, of which MEUR 65 were unused on 30 June 2014. In addition, the company has a commercial paper programme of MEUR 100 in Finland. Of the commercial paper programme, MEUR 88 were unused on 30 June 2014.

Alma Media did not have financial assets or liabilities created in conjunction with business combinations measured at fair value and recognised through profit or loss on 30 June 2014.

Capital expenditure

Alma Media Group's capital expenditure in January–June 2014 totalled MEUR 12.0 (57.3). The capital expenditure during the review period comprised the acquisitions of new recruitment service companies in Hungary, Poland and Czech Republic, increasing the shareholding in Alma Career Oy in Finland, buying shares in the associated company Alkali Oy to make it a subsidiary, as well as normal operating and maintenance investments.

Administration

Alma Media Corporation's Annual General Meeting (AGM) held on 20 March 2014 elected Niklas Herlin, Esa Lager, Petri Niemisvirta, Perttu Rinta, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari as members of the company's Board of Directors. In its constitutive meeting held after the AGM, the Board of Directors elected Harri Suutari as its Chairman.

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

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

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

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

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on 15 June 2010 and in effect since 1 October 2010, in its unaltered form. The Corporate Governance Statement as well as the details of salaries and bonuses for 2013 is available on the company's website at www.almamedia.com/investors.

Dividends

In accordance with the proposal by the Board of Directors, the AGM resolved that no dividend be paid for the financial year 2013. The company has no retained earnings.

Use of the invested non-restricted equity fund

In accordance with the proposal of the Board of Directors, the AGM resolved that EUR 76,100,000 be used from the invested non-restricted equity fund, complying with the company's balance sheet of 31 December 2013, to cover losses. The covering of losses improves the preconditions for the distribution of profit in future financial periods.

Capital repayment

In accordance with the proposal of the Board of Directors, the AGM resolved to distribute EUR 0.10 per share as capital repayments from the invested non-restricted equity. At the time of the AGM, the company had 75,486,853 shares, translating into a repayment amount of EUR 7,548,685. Capital repayments were paid to shareholders registered in Alma Media Corporation's shareholder register, maintained by Euroclear Finland Ltd, on the record date, 25 March 2014. The capital repayments were paid on 1 April 2014 as proposed by the Board of Directors.

Authorisation to the Board of Directors to resolve capital repayment

The AGM authorised, in accordance with the proposal by the Board of Directors, the Board, at its discretion, to resolve the distribution of funds to shareholders as capital repayments from the invested non-restricted equity fund. The maximum amount of capital repayment on the basis of the authorisation is EUR 0.10 per share. At the time of the AGM, the company had 75,486,853 shares, translating into a maximum repayment amount of EUR 7,548,685. The authorisation remains valid until the start of the subsequent AGM, yet not past 30 June 2015.

Other decisions by the Annual General Meeting

As proposed by the Board of Directors, the AGM resolved to reduce the share premium fund shown on the balance sheet on 31 December 2013, EUR 319,295,759, by a total of EUR 200,000,000, which will be transferred to the company's invested non-restricted equity fund. The equity of the company consists almost entirely of restricted equity, and it is expedient for the equity structure and distribution of profits to change the structure in a way that reduces the proportion of restricted equity in total equity. The share premium fund constitutes part of the company's restricted equity, which is why reducing the fund requires a public notice to creditors in accordance with the Limited Liability Companies Act. All practicalities of reducing the share premium fund are decided by the Board of Directors.

The AGM authorised the Board of Directors to decide on a share issue. The authorisation entitles the Board to issue a maximum of 15,000,000 shares. This maximum amount of shares corresponds to approximately 20% of the total number of shares of the company. The share issue may be implemented by issuing new shares or transferring shares now in possession of the company. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more parts.

The Board may use the authorisation for developing the capital structure of the company, widening the ownership base, financing or realising acquisitions or other arrangements, or for other purposes decided upon by the Board. The authorisation may not, however, be used to implement incentive programmes for the management or key employees of the company. The authorisation is valid until the following ordinary AGM, however no longer than until 30 June 2015.

The Alma Media share

In April–June, altogether 2,476,173 Alma Media shares were traded on the NASDAQ OMX Helsinki Stock Exchange, representing 3.3% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, 30 June 2014, was EUR 2.71. The lowest quotation during the review period was EUR 2.55 and the highest EUR 2.91. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 204.6.

Option programme and share-based incentive plan

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

The Board of Directors of Alma Media Corporation decided in 2012 on a new share-based incentive plan for the Group's key employees. The new Performance Share Plan consists of three performance periods, the calendar years 2012, 2013 and 2014. The Board of Directors will decide on the plan's performance criteria and the achievement targets at the beginning of each performance period. No rewards were paid for the performance periods 2012 and 2013. The potential reward from the plan for the performance period 2014 will be based on Alma Media Group's profitability, and it will be paid partly in the company's shares and partly in cash in 2015. For the members of the Group Executive Team, the plan additionally includes one three-year performance period, the calendar years 2012–2014, based on the profitable growth of the Group. No reward is expected to be paid for these performance periods. The Performance Share Plan includes approximately 20 persons.

Other authorisations of the Board of Directors

The Board of Directors has no other current authorisations.

Market liquidity guarantee

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

Flagging notices

In the second quarter of 2014, Alma Media did not receive notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act.

Risks and risk management

The purpose of Alma Media Group's risk management activities is to continuously evaluate and manage all opportunities, threats and risks in conjunction with the company's operations to enable the company to reach its set objectives and to secure business continuity.

The risk management process identifies and controls the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance. Limits and processing methods are set for quantitative and qualitative risks by the corporate risk management system in writing.

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

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

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

Sustainable development

With its Code of Conduct, Alma Media is committed to supporting the universally accepted principles in the areas of human rights, labour, environment and anti-corruption laid out in the United Nations Global Compact initiative. Alma Media participates in the annual Carbon Disclosure Project (CDP) climate reporting directed at investors, and was the only media company to make it to the Nordic Climate Disclosure Leadership index in October 2013. In addition, the Alma Media share is included in the OMX GES Sustainability Finland index. Alma Media is a member of the corporate responsibility networks Nordic Media CR Forum and Finnish Business & Society.

The most significant environmental impacts of Alma Media's business operations are related to purchases, printing and delivery operations and real estate. In 2013, the company's printing facilities used approximately 24,900 (26,400) tonnes of newsprint. Alma Media used 16,333 (16,696) MWh of electric power in 2013. Additional information on the company's Sustainable Media programme is available on the Alma Media website.

Next interim report

Alma Media will publish its financial results for the third quarter 2014 on Friday, 24 October 2014 at 9:00am (EEST).

ALMA MEDIA CORPORATION
Board of Directors

SUMMARY OF INTERIM REPORT AND NOTES

COMPREHENSIVE INCOME STATEMENT MEUR	2014 Q2	2013 Q2	Change %	2014 Q1–Q2	2013 Q1–Q2	Change %	2013 Q1–Q4
REVENUE	75.7	76.3	-0.9	148.4	151.2	-1.9	300.2
Other operating income	0.2	8.6	-97.6	1.1	8.7	-87.6	9.2
Materials and services	19.5	20.7	-5.8	38.2	40.8	-6.4	79.6
Employee benefits expense	31.2	31.3	-0.3	62.7	61.7	1.7	119.4
Depreciation, amortisation and impairment	3.4	6.5	-47.1	7.0	9.0	-22.2	18.3
Other operating expenses	15.6	16.9	-8.0	32.1	33.5	-4.0	65.1
OPERATING PROFIT	6.1	9.5	-35.5	9.3	14.9	-37.4	27.0
Finance income	0.2	0.5	-54.4	0.3	0.9	-66.1	1.9
Finance expenses	0.9	0.7	33.9	1.7	1.3	29.0	2.4
Share of profit of associated companies	0.3	0.2	61.0	0.4	0.4	11.1	-4.1
PROFIT BEFORE TAX	5.8	9.5	-39.4	8.4	15.0	-43.6	22.4
Income tax	1.0	1.6	-36.1	1.5	2.9	-47.8	6.4
PROFIT FOR THE PERIOD	4.8	7.9	-40.1	6.9	12.0	-42.5	16.0

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)	-0.4	0.0		-0.4	0.0		0.0
Tax on items that are not later transferred to be recognised through profit or loss	0.0	0.0		0.0	0.0		0.0
Items that may later be transferred to be recognised through profit or loss							
Translation differences	-0.1	-0.4		-0.1	-0.3		-0.8
Share of other comprehensive income of associated companies	-0.2	-0.5		-0.3	-0.2		-0.4
Income tax relating to components of other comprehensive income	0.0	0.0		0.0	0.0		0.0
Other comprehensive income for the year, net of tax	-0.7	-0.8		-0.7	-0.5		-1.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4.1	7.1		6.2	11.5		14.7
Profit for the period attributable to:							
- Owners of the parent	4.2	7.7		6.0	11.4		15.0
- Non-controlling interest	0.5	0.3		0.9	0.6		0.9
Total comprehensive income for the period attributable to:							
- Owners of the parent	3.6	6.8		5.3	10.9		13.7
- Non-controlling interest	0.5	0.3		0.9	0.6		0.9
Earnings per share calculated from the profit for the period attributable to the parent company shareholders:							
- Earnings per share (basic), EUR	0.06	0.10		0.08	0.15		0.20
- Earnings per share (diluted), EUR	0.06	0.10		0.08	0.15		0.20

BALANCE SHEET

MEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
ASSETS			
NON-CURRENT ASSETS			
Goodwill	72.8	72.7	70.7
Other intangible assets	42.0	43.7	42.2
Tangible assets	83.2	87.9	86.3
Investments in associated companies	24.9	31.0	25.5
Other non-current financial assets	3.8	3.9	3.8
Deferred tax assets	1.4	1.5	1.5
CURRENT ASSETS			
Inventories	1.1	0.7	1.4
Current tax assets	2.1	3.0	0.0
Trade receivables and other receivables	26.4	28.1	27.0
Other current financial assets	0.0	1.3	2.0
Cash and cash equivalents	13.6	12.4	12.3
TOTAL ASSETS	271.3	286.2	272.8

MEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
EQUITY AND LIABILITIES			
Share capital	45.3	45.3	45.3
Share premium reserve	7.7	7.7	7.7
Foreign currency translation reserve	-0.6	-0.1	-0.6
Retained earnings	30.1	31.9	35.6
Equity attributable to owners of the parent	82.4	84.8	88.1
Non-controlling interest	14.7	2.0	2.3
TOTAL EQUITY	97.1	86.8	90.4
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	75.9	72.9	69.7
Deferred tax liabilities	6.7	7.3	7.0
Pension obligations	2.9	2.8	2.6
Provisions	0.0	0.1	0.0
Other financial liabilities	0.0	0.1	0.0
Other non-current liabilities	0.4	0.4	0.4
CURRENT LIABILITIES			
Current financial liabilities	18.0	43.6	40.8
Advances received	21.4	22.7	13.7
Income tax liability	0.0	0.0	1.5
Provisions	3.9	3.8	4.2
Trade and other payables	45.0	45.8	42.4
TOTAL LIABILITIES	174.2	199.4	182.3
TOTAL EQUITY AND LIABILITIES	271.3	286.2	272.8

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Column headings:
A = Share capital
B = Share premium reserve
C = Translation differences
D = Retained earnings
E = Total
F = Non-controlling interest
G = Equity total

	Attributable to equity holders of the parent company						
MEUR	A	B	C	D	E	F	G
Equity on 1 Jan 2014	45.3	7.7	-0.6	35.6	88.1	2.3	90.4
Profit for the period				6.0	6.0	0.9	6.9
Other comprehensive income			-0.1	-0.7	-0.7	0.0	-0.7
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent				-7.5	-7.5	0.0	-7.5
Dividends paid by subsidiaries					0.0	-0.8	-0.8
Share-based payments				0.1	0.1	0.0	0.1
Business combinations				-3.5	-3.5	12.2	8.7
Share of items recognised in the equity of associated companies				0.0	0.0		0.0
Equity on 30 Jun 2014	45.3	7.7	-0.6	30.1	82.4	14.7	97.1
MEUR							
Equity on 1 Jan 2013	45.3	7.7	0.2	28.0	81.3	2.7	84.0
Profit for the period			0.0	11.4	11.4	0.6	12.0
Other comprehensive income			-0.3	-0.2	-0.5		-0.5
Transactions with equity holders of the parent and non-controlling interest							
Dividends paid by parent				-7.5	-7.5		-7.5
Dividends paid by subsidiaries						-1.2	-1.2
Share-based payments				0.3	0.3		0.3
Share of items recognised in the equity of associated companies				-0.1	-0.1		-0.1
Equity on 30 Jun 2013	45.3	7.7	-0.1	31.9	84.8	2.0	86.8

CASH FLOW STATEMENT MEUR	2014 Q2	2013 Q2	2014 Q1–Q2	2013 Q1–Q2	2013 Q1–Q4
OPERATING ACTIVITIES					
Profit for the period	4.8	7.9	6.9	12.0	16.0
Adjustments	4.7	2.6	8.4	6.9	25.4
Change in working capital	-2.7	-11.1	10.2	-0.2	-11.8
Dividends received	0.7	0.1	0.7	0.3	1.3
Interest received	0.1	0.0	0.1	0.0	0.1
Interest paid and other finance expenses	-0.7	-0.5	-1.3	-1.0	-1.8
Income taxes paid	-3.8	-3.3	-5.3	-5.6	-4.7
Net cash flow from operating activities	3.0	-4.2	19.7	12.5	24.4
INVESTING ACTIVITIES					
Acquisitions of tangible and intangible assets	-0.9	-2.0	-2.0	-3.9	-6.2
Proceeds from sale of tangible and intangible assets	0.1	0.0	0.1	0.0	0.0
Proceeds from sale of other investments	0.0	0.0	0.0	0.1	0.1
Acquisition of subsidiaries	-0.6	-2.6	-0.2	-2.6	-2.6
Acquisition of associated companies	-0.2	0.0	-0.7	0.0	0.0
Proceeds from sale of subsidiaries and recovered acquisition cost	0.6	10.5	9.4	10.5	10.5
Proceeds from sale and repayment of capital of associated companies	0.0	0.4	0.0	0.4	0.4
Net cash flows from/(used in) investing activities	-1.0	6.4	6.6	4.6	2.3
Cash flow before financing activities	2.1	2.1	26.4	17.0	26.7
FINANCING ACTIVITIES					
Current loans taken	39.0	54.0	108.0	54.0	143.5
Repayment of current loans	-41.1	-59.2	-124.8	-66.8	-166.0
Dividends paid	-0.2	-0.1	-8.3	-8.7	-8.7
Net cash flows from/(used in) financing activities	-2.3	-5.3	-25.1	-21.6	-31.2
Change in cash and cash equivalent funds (increase + / decrease -)	-0.3	-3.2	1.3	-4.5	-4.5
Cash and cash equivalents at beginning of period	13.9	15.7	12.3	17.1	17.1
Effect of change in foreign exchange rates	0.0	-0.1	0.0	-0.1	-0.3
Cash and cash equivalents at end of period	13.6	12.4	13.6	12.4	12.3

Acquired businesses in 2014

Alma Media has acquired the following business operations during 2014:

	Business	Acquisition date	Group share
Digital Consumer Services segment			
Monster HU	Online service	3 Jan 2014	85%
Monster PL	Online service	3 Jan 2014	85%
Monster CZ	Online service	3 Jan 2014	85%
Alma Career Oy (formerly Monster Oy)	Online service	3 Jan 2014	10%
Alkali Oy	Online service	2 Jun 2014	65%

In connection with the Monster arrangement, the name of Monster Oy, an Alma Media associated company, changes to Alma Career Oy, with Monster Worldwide, Inc. becoming its minority shareholder with a 15% stake. For this share of the company, Monster Worldwide, Inc. transferred its recruitment service operations in Poland, Hungary and Czech Republic to the new company, as well as purchased shares in the company for MEUR 4.7. Alma Media transferred a 15% share of its recruitment operations, including LMC in Czech Republic, CVOnline in the Baltics, Profesia in Slovakia and Czech Republic, and TauOnline in Slovakia. After the transaction, Alma Media Group's ownership of the new companies is 85%. Monster Worldwide, Inc. has an option to increase its ownership to 20% by 2017. Monster Worldwide, Inc. previously owned 25% of the Monster business in Finland, with Alma Media owning the remaining 75%.

In its financial statements, Alma Media presented a preliminary acquisition cost calculation for the arrangement, according to which the value of the minority shares transferred was based on Alma Media Group's book values. In the final recognition of the arrangement, the value of the minority share was determined based on fair values. The tables below show how the arrangement affected the balance sheet of Alma Media Group.

MEUR	
Fair value share of disposed businesses (increase of non-controlling interest)	12.2
Consideration, settled in cash	-4.7
Consideration total	7.5

Monster HU, Monster PL and Monster CZ MEUR	Book values before consolidation	Fair values at consolidation
Property, plant and equipment	0.3	0.3
Intangible assets	0.0	1.0
Trade and other receivables	0.5	0.5
Cash and cash equivalents	0.3	0.3
Assets, total	1.1	2.1
Deferred tax liabilities	0.0	0.2
Trade and other payables	0.7	0.7
Liabilities, total	0.7	0.8
Total identifiable net assets at fair value 100%	0.5	1.3
Total identifiable net assets at fair value 85%	0.4	1.1
Cash and cash equivalents of acquired subsidiaries or businesses		0.3
Goodwill arising on acquisition		3.2
Goodwill*) arising on acquisition of Alma Career Oy (10%) is recorded as adjustment of retained earnings		3.1

**) the amount recognised directly in equity of controlling interest is the amount by which the adjustment to non-controlling interest differs from the fair value of the consideration received..*

On 2 June 2014, Alma Media Partners Oy, a subsidiary of Alma Media Group, acquired the entire share capital of Alkali Oy. Alma Media Group previously held a 24.3% stake in the company. The acquisition will be treated in Alma Media's consolidated financial statements as a business combination achieved in stages. The arrangement did not have a significant effect on Alma Media's profit or loss at the time of its implementation. The company will consolidated with Alma Media Group in accordance with the 65% share held by the owners of Alma Media Group's parent company in Alma Mediapartners Oy, which became the parent company of Alkali Oy as a result of the acquisition.

MEUR	
Acquisition cost 100%	1.5
Acquisition cost 65%	1.2

Alkali Oy MEUR	Book values before consolidation	Fair values at consolidation
Property, plant and equipment	0.0	0.0
Intangible assets	0.0	0.7
Trade and other receivables	0.1	0.1
Cash and cash equivalents	0.3	0.3
Liabilities, total	0.4	1.2
Deferred tax liabilities	0.0	0.1
Trade and other payables	0.2	0.2
Liabilities, total	0.2	0.3
Total identifiable net assets at fair value 100%	0.3	0.9
Total identifiable net assets at fair value 65%		0.6
Cash and cash equivalents of acquired subsidiaries or businesses		0.3
Goodwill arising on acquisition		0.7
Proceeds on sale recognised through profit or loss from the incremental acquisition		0.0

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

Contingent considerations

The Group did not have contingent consideration assets or liabilities on its balance sheet on 30 June 2014.

CONTINGENT CONSIDERATION ASSETS MEUR	
Initial recognition of the assets	8.4
Change in fair value during previous financial periods	-0.5
Considerations, settled in cash	-7.9
Change in fair value during the financial period	0.1
Fair value of the contingent consideration assets at the end of the period	0.0

CONTINGENT CONSIDERATION LIABILITY MEUR	
Initial recognition of the liability	6.7
Change in fair value during previous financial periods	-4.3
Considerations, settled in cash	-2.4
Change in fair value during the financial period	0.0
Fair value of the contingent consideration liability at the end of the period	0.0

REVENUE BY GEOGRAPHICAL AREA MEUR	2014 Q2	2013 Q2	2014 Q1–Q2	2013 Q1–Q2	2013 Q1–Q4
Finland	65.7	67.3	127.9	131.1	259.2
Other EU countries	9.7	8.9	20.0	19.3	39.7
Other countries	0.3	0.2	0.5	0.8	1.3
Total	75.7	76.3	148.4	151.2	300.2

Information by segment

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

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

ASSETS BY SEGMENT MEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
Digital Consumer Services	94.7	80.0	90.6
Financial Media and Business Services	34.4	37.0	36.7
National Consumer Media	4.6	5.1	5.1
Regional Media	97.0	110.9	102.4
Segments total	230.7	232.9	234.8
Non-allocated assets and eliminations	40.6	53.3	38.0
Total	271.3	286.2	272.8

LIABILITIES BY SEGMENT MEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
Digital Consumer Services	15.2	13.3	13.2
Financial Media and Business Services	10.2	12.3	9.9
National Consumer Media	4.7	5.0	5.2
Regional Media	105.2	110.4	100.6
Segments total	135.2	141.1	128.8
Non-allocated liabilities and eliminations	39.0	58.3	53.5
Total	174.2	199.4	182.3

CAPITAL EXPENDITURE BY SEGMENT MEUR	2014 Q2	2013 Q2	2014 Q1–Q2	2013 Q1–Q2	2013 Q1–Q4
Digital Consumer Services	1.6	0.3	10.0	0.4	2.0
Financial Media and Business Services	0.3	0.2	0.7	0.3	0.8
National Consumer Media	0.1	0.1	0.2	0.1	0.2
Regional Media	0.3	5.6	0.6	51.0	52.0
Segments total	2.4	6.2	11.5	51.8	55.0
Non-allocated liabilities and eliminations	0.2	4.2	0.5	5.6	7.9
Total	2.5	10.4	12.0	57.3	62.8

Provisions

The company's provisions totalled MEUR 3.9 (3.9) on 30 June 2014. It has not been necessary to change the estimates made when the provisions were entered.

Commitments and contingencies

COMMITMENTS AND CONTINGENCIES MEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
Collateral for others			
Guarantees	1.3	1.3	1.3
Minimum lease payments on other lease agreements:			
Within one year	8.8	7.8	8.8
Within 1-5 years	25.9	23.3	27.4
After 5 years	34.6	33.0	37.6
Total	69.3	64.1	73.7

The Group also has purchase agreements that, based on IFRIC 4, include a lease component as per IAS 17. Minimum payments based on these agreements:	0.3	1.0	0.8

DERIVATIVE CONTRACTS MEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
Commodity derivative contracts, electricity derivatives			
Fair value*	-0.1	-0.1	-0.1
Nominal value	0.5	0.7	0.6
Interest rate derivatives			
Fair value*	-0.5	-0.3	-0.2
Nominal value	15.8	23.7	15.9

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

Related party transactions

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

RELATED PARTY TRANSACTIONS MEUR	2014 Q2	2013 Q2	2014 Q1–Q2	2013 Q1–Q2	2013 Q1–Q4
Sales of goods and services	0.2	0.1	0.4	0.1	0.4
Associated companies	0.2	0.0	0.3	0.0	0.1
Principal shareholders	0.0	0.0	0.0	0.0	0.2
Corporations where management exercises influence	0.0	0.0	0.0	0.0	0.1
Purchases of goods and services	0.9	0.7	1.6	1.4	3.2
Associated companies	0.9	0.7	1.5	1.4	3.0
Principal shareholders	0.0	0.0	0.0	0.0	0.1
Corporations where management exercises influence	0.0	0.0	0.0	0.0	0.1
Trade receivables, loan and other receivables at the end of the reporting period	0.1	0.0	0.1	0.0	0.0
Associated companies	0.1	0.0	0.1	0.0	0.0
Trade payables at the reporting date	0.0	0.1	0.0	0.1	0.0
Associated companies	0.0	0.1	0.0	0.1	0.0

Option programme

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

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

The option programme 2009A has ended.

A total of 610,000 options have been issued under the 2009B programme. The share subscription period for 2009B is 1 April 2013–31 March 2015. The management has 505,000 options 2009B in its possession. The share subscription price has been reduced annually by the dividend per share, and was EUR 6.03 in July 2014. As of 30 June 2014, no share subscriptions were made through 2009B option rights.

A total of 640,000 options have been issued under the 2009C programme. The share subscription period for 2009C is 1 April 2014–31 March 2016. The management has 535,000 options 2009C in its possession. The share subscription price was EUR 7.35 in June 2014.

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

Share-based incentive plan

In February 2012, the Board of Directors of Alma Media Corporation approved a Performance Share Plan for the key personnel of Alma Media Group. The plan includes three one-year performance periods, the calendar years 2012, 2013 and 2014, based on the Group's return. In addition, the plan includes one three-year performance period based on the profitable growth of the Group, the calendar years 2012—2014, for the members of the Group Executive Team.

The reward from the plan will be paid to the key employees in a combination of shares and cash after the end of each performance period by the end of April in 2013, 2014 and 2015. The reward from the performance period 2012—2014 will be confirmed by the end of April 2015, and it will be paid in two equal lots in a combination of shares and cash, one year and two years from the end of the performance period.

Shares paid as reward on the basis of the plan from the one-year performance periods may not be assigned, pledged or otherwise exercised (transfer restriction/s) during the restriction period established for the shares (restriction period/s). The restriction period will begin from the reward payment and end on 31 December 2014 for the shares earned from the performance period 2012, on 31 December 2015 for the shares earned from the performance period 2013, and on 31 December 2016 for the shares earned from the performance period 2014.

No reward will be paid to a key employee if a Group company or the key employee give notice of termination or terminate an employment contract or a service contract of the key employee before the payment of the reward. The key employee must return the shares received as reward and under transfer restrictions immediately without consideration to the company or another party assigned by the company if a Group company or the key employee give notice of termination or terminate an employment contract or a service contract of the key employee before the end of the restriction period. Shares earned from the performance period 2012–2014 do not involve a restriction period.

A maximum total of 600,000 shares will be given as reward on the basis of the entire plan, and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees on the book-entry registration date of the shares.

A total of 20-25 persons were included in the Performance Share Plan during the 2012, 2013 and 2014 performance periods. The value of the plan for the performance period 2012 corresponded to the value of 120,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees if the performance objectives set by the Board of Directors are reached. The performance objectives were not reached for the performance period 2012.

The value of the plan during the performance period 2014 corresponds to the value of 383,000 shares and a cash amount needed for taxes and tax-related costs arising from the reward to the key employees if the performance objectives set by the Board of Directors are reached.

In addition, for the members of the Group Executive Team, the plan includes one three-year performance period, the calendar years 2012–2014, based on the profitable growth of the Group. The potential reward from the performance period 2012–2014 will be paid partly in the company's shares and partly in cash one year (performance period 2012–2014) and two years (performance period 2012–2014 II) from the end of the performance period. The value of the plan during the performance periods 2012–2014 and 2012–2014 II corresponds to the value of 212,000 shares and a cash amount needed for taxes and tax-related costs arising from the reward to the key employees if the performance objectives set by the Board of Directors are reached.

The fair value of the reward is expensed until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price reduced by the estimated dividends. The fair value is determined on the date at which the target group has agreed to the conditions of the plan. The fair value of the cash proportion is remeasured at each reporting date based on the share price on the reporting date. No expenses were recorded from the Performance Share Plan during the financial period 2014 as the arrangement is not expected to be realised.

QUARTERLY INFORMATION MEUR	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2
REVENUE	75.7	72.7	77.3	71.7	76.3	74.9	82.7	75.2	81.0
Digital Consumer Services	14.0	13.6	12.9	12.3	13.4	14.1	13.1	12.2	12.6
Financial Media and Business Services	13.1	13.7	15.4	13.1	14.4	14.0	16.1	13.2	14.9
National Consumer Media	12.7	11.5	12.4	12.2	12.4	12.0	13.4	13.3	14.5
Regional Media	37.2	35.1	38.2	35.1	37.2	36.6	42.4	38.7	41.9
Eliminations and non-allocated	-1.4	-1.3	-1.6	-1.0	-1.0	-1.8	-2.2	-2.2	-2.8
TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS	69.5	70.2	71.1	64.1	71.9	69.6	74.4	66.4	73.4
Digital Consumer Services	11.5	11.5	11.5	10.1	10.5	11.3	12.0	10.0	11.3
Financial Media and Business Services	11.7	12.4	12.8	10.9	12.7	12.7	13.8	11.5	13.8
National Consumer Media	11.1	10.4	11.3	10.4	11.4	11.2	11.7	11.4	11.8
Regional Media	34.3	35.0	34.6	32.4	35.9	34.5	35.5	34.5	37.1
Eliminations and non-allocated	0.9	1.0	0.9	0.3	1.4	-0.1	1.3	-1.0	-0.6
EBITDA EXCLUDING NON-RECURRING ITEMS	9.7	6.1	10.1	11.4	8.0	8.0	10.6	12.0	10.8
Digital Consumer Services	3.9	3.5	2.6	3.6	4.2	4.1	2.3	3.2	2.4
Financial Media and Business Services	1.4	1.5	2.7	2.4	1.9	1.5	2.5	1.9	1.3
National Consumer Media	1.7	1.2	1.1	1.9	0.9	0.9	1.7	1.9	2.7
Regional Media	4.4	1.8	5.5	4.3	2.7	2.8	7.4	5.8	6.4
Eliminations and non-allocated	-1.6	-1.9	-1.8	-0.7	-1.7	-1.3	-3.3	-0.8	-2.0
OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS	6.3	2.6	6.4	7.8	4.6	5.5	8.5	8.9	7.7
Digital Consumer Services	2.5	2.2	1.5	2.2	2.9	2.8	1.1	2.2	1.4
Financial Media and Business Services	1.3	1.4	2.6	2.2	1.7	1.3	2.3	1.7	1.1
National Consumer Media	1.7	1.1	1.1	1.8	0.9	0.9	1.7	1.9	2.7
Regional Media	3.0	0.2	3.6	2.7	1.3	2.1	6.9	4.3	4.8
Eliminations and non-allocated	-2.2	-2.3	-2.4	-1.3	-2.2	-1.6	-3.5	-1.2	-2.3
% OF REVENUE	8.3	3.5	8.2	10.8	6.0	7.3	10.3	11.8	9.5
Digital Consumer Services	18.1	16.2	11.3	18.2	21.6	19.9	8.6	17.8	11.0
Financial Media and Business Services	10.1	9.9	16.7	16.9	12.0	9.6	14.2	12.9	7.1
National Consumer Media	13.1	9.8	8.8	15.1	7.4	7.2	12.7	14.2	18.6
Regional Media	8.0	0.6	9.5	7.8	3.5	5.7	16.3	11.0	11.5
Non-allocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON-RECURRING ITEMS	-0.2	0.5	-2.0	0.0	4.9	0.0	-0.9	-0.7	-2.9
Digital Consumer Services	0.0	0.0	-0.1	0.0	8.4	0.0	-0.1	-0.5	-0.3
Financial Media and Business Services	0.0	0.7	0.0	0.0	0.0	0.0	-0.9	-0.1	0.0
National Consumer Media	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0
Regional Media	0.0	0.0	-2.0	0.3	-3.5	0.0	0.3	-0.1	-2.6
Non-allocated	-0.2	-0.2	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
OPERATING PROFIT	6.1	3.2	4.3	7.8	9.5	5.4	7.6	8.1	4.8
Digital Consumer Services	2.5	2.2	1.4	2.2	11.3	2.8	1.0	1.7	1.1
Financial Media and Business Services	1.3	2.1	2.6	2.2	1.7	1.3	1.4	1.6	1.1
National Consumer Media	1.7	1.1	1.1	1.8	0.9	0.9	1.7	1.9	2.7
Regional Media	3.0	0.2	1.7	2.7	-2.2	2.0	7.2	4.2	2.2
Non-allocated	-2.4	-2.4	-2.4	-1.3	-2.2	-1.6	-3.7	-1.2	-2.3
Finance income	0.2	0.1	0.5	0.9	0.5	0.4	1.0	3.1	0.7
Finance expenses	0.9	0.8	0.7	0.8	0.5	0.6	0.9	0.6	0.3
Share of profit of associated companies	0.3	0.1	-4.4	-0.2	0.2	0.2	-3.9	-0.2	0.3
PROFIT BEFORE TAX	5.8	2.7	-0.3	7.7	9.5	5.4	3.8	10.5	5.6
Income tax	-1.0	-0.5	-1.7	-1.8	-1.6	-1.4	-1.7	-2.4	-1.1
PROFIT FOR THE PERIOD	4.8	2.2	-2.0	5.9	7.9	4.1	2.1	8.1	4.5

Main accounting principles (IFRS)

This interim report has been prepared according to IFRS standards (IAS 34). The Interim Report applies the same accounting principles and calculation methods as the annual accounts dated 31 December 2013. The Interim Report does not, however, contain all the information or notes to the accounts included in the annual Financial Statements. This report should therefore be read in conjunction with the company's Financial Statements for 2013. The accounting principles of the financial years 2013 and 2014 are comparable. The company has no discontinued operations to report in the 2013–2014 financial periods.

The key indicators are calculated using the same formulae as applied in the previous annual financial statements. The quarterly percentages of Return on Investment (ROI) and Return on Equity (ROE) have been annualised using the formula $((1+\text{quarterly return})^4)-1)$. The percentage of online business of revenue is calculated as online business/revenue * 100. The figures in this Interim Report are independently rounded.

The Group has adopted the following new standards as of 1 January 2014:

IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IAS 28 (revised in 2011) Investments in Associates and Joint Ventures
IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets, amended
IAS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

The figures in this interim report are unaudited.

Seasonality

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

General statement

This report contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason, they contain a certain amount of risk and uncertainty. The estimates may change in the event of significant changes in the general economic conditions.

ALMA MEDIA CORPORATION
Board of Directors

Alma Media's financial calendar 2014

- Interim Report January–September 2014 on Friday, 24 October 2014 at approximately 9:00am (EEST)

REVENUE AND OPERATING PROFIT BY SEGMENT IN THE NEW SEGMENT STRUCTURE

REVENUE BY SEGMENT 2013 MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Digital Consumer Services					
External	14.0	13.3	12.2	12.5	52.0
Inter-segments	0.1	0.1	0.1	0.3	0.6
Digital Consumer Services total	14.1	13.4	12.3	12.9	52.6
Financial Media and Business Services					
External	13.8	14.2	13.0	15.2	56.3
Inter-segments	0.2	0.1	0.1	0.2	0.6
Financial Media and Business Services total	14.0	14.4	13.1	15.4	56.8
National Consumer Media					
External	11.9	12.2	12.0	12.0	48.0
Inter-segments	0.1	0.2	0.2	0.4	0.9
National Consumer Media total	12.0	12.4	12.2	12.4	49.0
Regional Media					
External	34.4	35.7	33.7	36.1	139.9
Inter-segments	2.1	1.5	1.5	2.1	7.2
Regional Media total	36.6	37.2	35.1	38.2	147.1
Non-allocated and eliminations	-1.8	-1.0	-1.0	-1.6	-5.3
Total	74.9	76.3	71.7	77.3	300.2

OPERATING PROFIT/LOSS BY SEGMENT 2013* MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Digital Consumer Services	2.8	11.3	2.2	1.4	17.7
Financial Media and Business Services	1.3	1.7	2.2	2.6	7.8
National Consumer Media	0.9	0.9	1.8	1.1	4.7
Regional Media	2.0	-2.2	2.7	1.7	4.3
Segments total	7.1	11.7	9.0	6.7	34.5
Non-allocated	-1.6	-2.2	-1.3	-2.4	-7.5
Total	5.4	9.5	7.8	4.3	27.0

* *Including non-recurring items.*

REVENUE AND OPERATING PROFIT BY SEGMENT IN THE OLD SEGMENT STRUCTURE

REVENUE BY SEGMENT 2013 MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Newspapers					
External	45.1	46.7	44.5	46.9	183.1
Inter-segments	0.5	0.6	0.6	0.8	2.5
Newspapers total	45.6	47.3	45.1	47.7	185.6
Kauppalehti Group					
External	13.8	14.2	13.0	15.2	56.3
Inter-segments	0.2	0.1	0.1	0.2	0.6
Kauppalehti Group total	14.0	14.4	13.1	15.4	56.8
Digital Consumer Services					
External	14.3	13.6	12.6	13.3	53.8
Inter-segments	0.6	0.6	0.3	0.5	2.1
Digital Consumer Services total	14.9	14.2	13.0	13.8	55.9
Other Operations					
External	1.7	1.8	1.7	1.9	7.1
Inter-segments	20.0	19.4	19.2	19.7	78.4
Other Operations total	21.7	21.2	20.9	21.6	85.4
Eliminations	-21.3	-20.7	-20.3	-21.2	-83.5
Total	74.9	76.3	71.7	77.3	300.2

OPERATING PROFIT/LOSS BY SEGMENT 2013* MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Newspapers	2.0	3.1	4.3	2.1	11.5
Kauppalehti Group	1.3	1.7	2.2	2.6	7.8
Digital Consumer Services	2.7	10.9	1.9	0.7	16.2
Other operations	-0.5	-6.2	-0.6	-1.2	-8.5
Total	5.4	9.5	7.8	4.3	27.0

* *Including non-recurring items.*

KEY FIGURES BY SEGMENT IN THE NEW SEGMENT STRUCTURE 2013

Digital Consumer Services MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Revenue	14.1	13.4	12.3	12.9	52.6
Operations in Finland	5.9	5.8	5.2	5.6	22.5
Operations outside Finland	8.2	7.5	7.1	7.2	30.0
Operating profit excluding non-recurring items	2.8	2.9	2.2	1.5	9.4
Operating profit excluding non-recurring items, %	19.9	21.6	18.2	11.3	17.8
Operating profit	2.8	11.3	2.2	1.4	17.7
Operating profit, %	19.9	84.2	18.2	10.9	33.6
Average no. of personnel, calculated as full-time employees	482	526	504	492	492

Financial Media and Business Services MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Revenue	14.0	14.4	13.1	15.4	56.8
Content revenue	4.2	4.1	4.2	4.4	16.8
Advertising revenue	3.9	4.1	3.6	4.7	16.2
Other revenue	6.0	6.2	5.3	6.3	23.8
Operating profit excluding non-recurring items	1.3	1.7	2.2	2.6	7.8
Operating profit excluding non-recurring items, %	9.6	12.0	16.9	16.7	13.8
Operating profit	1.3	1.7	2.2	2.6	7.8
Operating profit, %	9.6	12.0	16.9	16.7	13.8
Average no. of personnel, calculated as full-time employees	403	406	400	398	402

National Consumer Media MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Revenue	12.0	12.4	12.2	12.4	49.0
Operating profit excluding non-recurring items	0.9	0.9	1.8	1.1	4.7
Operating profit excluding non-recurring items, %	7.2	7.4	15.1	8.8	9.6
Operating profit	0.9	0.9	1.8	1.1	4.7
Operating profit, %	7.2	7.4	15.1	8.8	9.6
Average no. of personnel, calculated as full-time employees	153	160	163	160	160

Regional Media MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Revenue	36.6	37.2	35.1	38.2	147.1
Content revenue	17.0	16.6	17.1	16.9	67.6
Advertising revenue	16.0	17.7	15.1	17.7	66.5
Other revenue	3.6	2.9	2.9	3.6	13.0
Operating profit excluding non-recurring items	2.1	1.3	2.7	3.6	9.8
Operating profit excluding non-recurring items, %	5.7	3.5	7.8	9.5	6.6
Operating profit	2.0	-2.2	2.7	1.7	4.3
Operating profit, %	5.6	-5.9	7.8	4.4	2.9
Average no. of personnel, calculated as full-time employees, excl. delivery staff	814	804	803	786	786
Average no. of delivery staff	985	974	1011	998	998

KEY FIGURES BY SEGMENT IN THE OLD SEGMENT STRUCTURE 2013

Newspapers MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Revenue	45.6	47.3	45.1	47.7	185.6
Content revenue	25.0	24.2	25.0	24.3	98.5
Advertising revenue	19.9	22.3	19.4	22.2	83.9
Other revenue	0.6	0.8	0.7	1.1	3.2
Operating profit excluding non-recurring items	2.0	3.1	4.3	4.0	13.5
Operating profit excluding non-recurring items, %	4.4	6.5	9.6	8.5	7.2
Operating profit	2.0	3.1	4.3	2.1	11.5
Operating profit, %	4.4	6.5	9.6	4.4	6.2
Average no. of personnel, calculated as full-time employees, excl. delivery staff	758	819	839	752	792
Average no. of delivery staff	99	96	92	80	84

Kauppalehti Group	2013	2013	2013	2013	2013

MEUR	Q1	Q2	Q3	Q4	Q1–Q4
Revenue	14.0	14.4	13.1	15.4	56.8
Content revenue	4.2	4.1	4.2	4.4	16.8
Advertising revenue	3.9	4.1	3.6	4.7	16.2
Other revenue	6.0	6.2	5.3	6.3	23.8
Operating profit excluding non-recurring items	1.3	1.7	2.2	2.6	7.8
Operating profit excluding non-recurring items, %	9.6	12.0	16.9	16.7	13.8
Operating profit	1.3	1.7	2.2	2.6	7.8
Operating profit, %	9.6	12.0	16.9	16.7	13.8
Average no. of personnel, calculated as full-time employees	403	406	400	398	402

Digital Consumer Services MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Revenue	14.9	14.2	13.0	13.8	55.9
Operations in Finland	6.8	6.7	5.9	6.5	25.9
Operations outside Finland	8.2	7.5	7.1	7.2	30.0
Operating profit excluding non-recurring items	2.7	2.6	1.9	0.8	7.9
Operating profit excluding non-recurring items, %	18.1	18.0	14.5	5.4	14.1
Operating profit	2.7	10.9	1.9	0.7	16.2
Operating profit, %	18.1	76.8	14.5	5.0	29.0
Average no. of personnel, calculated as full-time employees	328	490	491	495	497

Other operations MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Revenue	21.7	21.2	20.9	21.6	85.4
Operating profit excluding non-recurring items	-0.5	-2.7	-0.6	-1.2	-5.0
Operating profit excluding non-recurring items, %	-2.4	-12.7	-3.0	-5.5	-5.9
Operating profit	-0.5	-6.2	-0.6	-1.2	-8.5
Operating profit, %	-2.4	-29.0	-3.0	-5.7	-10.0
Average no. of personnel, calculated as full-time employees	331	264	255	249	275

ASSETS, LIABILITIES AND CAPITAL EXPENDITURE BY SEGMENT IN THE NEW SEGMENT STRUCTURE 2013

ASSETS BY SEGMENT MEUR	2013 31 Mar	2013 30 Jun	2013 30 Sep	2013 31 Dec
Digital Consumer Services	83.1	80.0	78.7	90.6
Financial Media and Business Services	37.8	37.0	37.1	36.7
National Consumer Media	5.7	5.1	4.4	5.1
Regional Media	110.0	110.9	110.1	102.4
Segments total	236.7	232.9	230.3	234.8
Non-allocated assets	52.4	53.3	51.4	38.0
Total	289.0	286.2	281.8	272.8

LIABILITIES BY SEGMENT MEUR	2013 31 Mar	2013 30 Jun	2013 30 Sep	2013 31 Dec
Digital Consumer Services	13.7	13.3	13.1	13.2
Financial Media and Business Services	13.0	12.3	11.3	9.9
National Consumer Media	6.0	5.0	4.2	5.2
Regional Media	113.4	110.4	104.8	100.6
Segments total	146.2	141.1	133.4	128.8
Non-allocated liabilities and eliminations	63.0	58.3	55.4	53.5
Total	209.3	199.4	188.8	182.3

CAPITAL EXPENDITURE BY SEGMENT MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Digital Consumer Services	0.0	0.3	0.3	1.3	2.0
Financial Media and Business Services	0.1	0.2	0.2	0.3	0.8
National Consumer Media	0.1	0.1	0.0	0.0	0.2
Regional Media	45.5	5.6	0.6	0.3	52.0
Segments total	45.6	6.2	1.2	2.0	55.0
Non-allocated	1.3	4.2	1.5	0.8	7.9
Total	46.9	10.4	2.6	2.8	62.8

ASSETS, LIABILITIES AND CAPITAL EXPENDITURE BY SEGMENT IN THE OLD SEGMENT STRUCTURE 2013

ASSETS BY SEGMENT MEUR	2013 31 Mar	2013 30 Jun	2013 30 Sep	2013 31 Dec
Newspapers	39.1	39.0	38.6	32.4
Kauppalehti Group	37.8	37.0	37.1	36.7
Digital Consumer Services	83.3	80.4	79.1	91.2
Other operations	96.1	100.6	100.7	98.8
Non-allocated assets	32.7	29.2	26.2	13.7
Total	289.0	286.2	281.8	272.8

LIABILITIES BY SEGMENT MEUR	2013 31 Mar	2013 30 Jun	2013 30 Sep	2013 31 Dec
Newspapers	39.6	32.7	26.9	24.8
Kauppalehti Group	12.8	12.1	11.1	9.7
Digital Consumer Services	15.6	15.3	15.0	14.9
Other operations	85.7	86.3	84.9	84.5
Non-allocated liabilities	55.5	53.0	50.9	48.4
Total	209.3	199.4	188.8	182.3

CAPITAL EXPENDITURE BY SEGMENT MEUR	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 Q1–Q4
Newspapers	0.2	1.8	0.2	0.3	2.6
Kauppalehti Group	0.1	0.2	0.2	0.3	0.8
Digital Consumer Services	0.0	0.3	0.3	1.3	2.0
Other operations	46.6	8.1	1.9	0.8	57.4
Total	46.9	10.4	2.6	2.8	62.8