Alma Media Corporation

FINANCIAL STATEMENTS 2013

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Report by the board of directors

Financial performance full year 2013:

- Revenue MEUR 300.2 (320.1), down 6.2%.
- Content revenue MEUR 115.3 (122.3), down 5.7%; advertising revenue MEUR 147.3 (160.8), down 8.3%; service revenue MEUR 37.6 (37.1), up 1.5%.
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items MEUR 37.5 (45.1), down 16.7%.
- EBITDA MEUR 45.3 (39.5), up 14.5%.
- Operating profit excluding non-recurring items MEUR 24.2 (33.5) or 8.0% (10.5%) of revenue, down 27.8%.
- Operating profit MEUR 27.0 (26.5) or 9.0% (8.3%) of revenue, up 1.9%.
- Profit for the period MEUR 16.0 (17.4), down 8.2%.
- The result for the review period includes a non-recurring item, proceeds of MEUR 8.3 from the sale of the Mascus business, as well as write-downs of Group's assets and restructuring expenses, MEUR 10,3.
- Earnings per share EUR 0.20 (0.22).
- Proposed refund of capital EUR 0.10 (dividend 2012: EUR 0.10) per share. In addition, the Board proposes to the Annual General Meeting that it be given an authorisation to decide on an additional refund of capital of no more than EUR 0.10 per share.

KEY FIGURES	2013	2012	Change	
MEUR	Q1-Q4	Q1-Q4		%
Revenue	300.2	320.1	-19.9	-6.2
Content revenue	115.3	122.3	-7.0	-5.7
Advertising revenue	147.3	160.8	-13.4	-8.3
Service revenue	37.6	37.1	0.6	1.5
Total expenses excluding non-recurring items	276.7	287.0	-10.3	-3.6
EBITDA excluding non-recurring items	37.5	45.1	-7.6	-16.7
EBITDA	45.3	39.5	5.7	14.5
Operating profit excluding non-recurring items	24.2	33.5	-9.3	-27.8
% of revenue	8.0	10.5		
Operating profit	27.0	26.5	0.5	1.9
% of revenue	9.0	8.3		
Profit for the period	16.0	17.4	-1.4	-8.2
Earnings per share, EUR (basic)	0.20	0.22	-0.02	-9.6
Earnings per share, EUR (diluted)	0.20	0.22	-0.02	-9.5

Dividend proposal for the Annual General Meeting:

On 31 December 2013, the Group's parent company had distributable funds totalling EUR 23,905,611 (8,014,054). No essential changes in the company's financial standing have taken place after the end of the financial year. Alma Media's Board of Directors proposes to the Annual General Meeting that a refund of capital of EUR 0.10 (0.10) per share be paid from the reserve for invested non-restricted equity for the financial year 2013. Based on the number of shares on the closing date, 31 December 2013, the total refund of capital would amount to EUR 7,548,685 (dividend for 2012: EUR 7,548,685).

In addition, the Board proposes to the Annual General Meeting that it be given an authorisation to decide on an additional refund of capital of no more than EUR 0.10 per share.

Outlook for 2014:

Economic growth is estimated to pick up gradually in Europe but remain weak during the first half of 2014 in Finland. The decline in media advertising is expected to slow down during the first half of the year.

Alma Media expects the revenue of the first half of 2014 to be on a par with the level of 2013 or slightly lower. The operating profit excluding non-recurring items is estimated to amount to MEUR 9,0–10,5. Revenue for the first half of 2013 was MEUR 151.2 and operating profit excluding non-recurring items MEUR 10.1.

Kai Telanne, President and CEO:

For media companies, 2013 was a year of strong renewal and efficiency improvements. Accelerated by the weak economic situation, print media sales dropped as media consumption increasingly shifted to digital channels.

Alma Media continued its investments in future business. The Group's revenue from digital products and services increased by 8.4% in 2013. Digital products and services accounted for 28.1% (24.3%) of the Group's revenue. Kauppalehti's digital content sales increased by 22.1% in 2013.

The popularity of mobile services grew at a strong rate throughout the Group. For example, Iltalehti's mobile advertising sales grew fivefold during the year. Performance-based network advertising turned to significant growth, and related products were developed.

Towards the end of 2013, Alma Media decided to expand its international recruitment business: the services of Monster in Poland, Hungary and the Czech Republic were added to Alma Media's recruitment service offering at the beginning of 2014. The share of the digital recruitment business of total Group revenue was 10.7%. The profitability of Alma Media's international business operations continued to develop favourably, and the decline in the Finnish recruitment business, which had continued all year long, slowed down towards the end of the year.

The development of Alma Regional Media's regional newspapers' online services proceeded. In order to improve profitability, it was decided to publish the print edition of Pohjolan Sanomat five days per week. The change will took effect as of the beginning of 2014. The announced terminations of early morning delivery agreements of papers and increases in the agreement prices will increase uncertainty in the business environment with regard to print media.

In accordance with its strategy, Alma Media will continue to make its publishing operations more multi-channel and increase its digital business. The aim is to increase the share of digital revenue to 50% by 2020. This will be achieved by developing the digital capacity and moving paid content to online and mobile environments. Through these measures Alma Media is well set for the future, regardless of economic cycles, and starts the year on a solid foundation.

Strategy and related activities during the review period

The cornerstones of the strategy are the development of multi-channel publishing, growing digital services and increasing the operational efficiency of the company.

During the fourth quarter of the year, Alma Media continued to implement measures to increase the competitiveness of publishing operations. Iltalehti launched the fiidi.fi service, distributing content in digital media. The successful launch has resulted in an average of 400,000 unique visitors a week. The renewal of Aamulehti was continued by publishing a new mobile site in December 2013 and opening a fee-based online service in January 2014. Pohjolan Sanomat, a newspaper published in Kemi, opened its fee-based online site at the beginning of 2014. At the same time, the print edition began to be published on 5 days a week. Kauppalehti continued its development project to redesign digital media content, subscription products and media sales.

In November 2013, Alma Media signed an agreement on closer cooperation in the digital recruitment business with Monster Worldwide. In the restructuring that materialised at the beginning of 2014, the services of Monster in Poland, Hungary and the Czech Republic were added to the company's recruitment service offering.

Performance-based network advertising has turned to significant growth, and related products have been actively developed. In October, Alma Media launched the Almascope online advertising service, making it possible to better target advertising to users of digital services. The company is also preparing a new marketing service for self-service purchasing, Alma Meedio, to allow companies to manage their digital marketing via a digital desktop. The service was rolled out on January 2014.

The development of Alma Media's mobile applications has been accelerated as a result of strong growth in mobile services. Kauppalehti launched a new application for Windows 8 tablets and the online service Telkku.com launched applications for Android, iOS and Windows. Etuovi.com launched a new mobile site. The Group also adopted a new mobile advertising delivery system.

Video content plays an important role in Alma Media's strategy. For example, IL-TV launched two new programme formats: the Rikos & oikeus (Crime & justice) format on court cases and the Sohvalla (On the sofa) format featuring entertaining interviews. Alma360, a provider of customer media services, has also increased its video offering as a result of increased demand.

Alma Media published its long-term financial targets in November 2013. Alma Media aims to grow its digital revenue by more than 15% a year, achieve an annual return on investment of a minimum of 15% and distribute a minimum of one-half of the profit for the period as dividend.

Market conditions

According to TNS Media Intelligence, total advertising volume decreased by 8.5% (decreased by 4.1%) in 2013. Advertising in newspapers and city papers decreased by 15.7% (decreased by 7.6%), while advertising in online media grew by 5.8% (increased by 10.0%) from the comparison period. The total market of afternoon papers in terms of volume declined by 12.0% (8.9%) in 2013.

Changes in Group structure in 2013

On 14 June 2013, Alma Media acquired the entire share capital of Julkaisupalvelu Lounais-Lappi Oy. The company publishes the local newspaper Lounais-Lappi in the Kemi-Tornio economic region. Lounais-Lappi will be reported under the Newspapers segment.

Alma Media is focusing on recruitment and home sales portals in its international marketplace business, and sold Mascus, the marketplace for heavy machinery and vehicles, to Alma Media's licence partner in the Benelux countries, Mascus International B.V., on 30 April 2013.

On 3 April 2013, Alma Media sold its marketplace for used cars in Slovakia, Autovia.sk, to Azet.sk. The principal owner of Azet.sk is Ringier Axel Springer Slovakia.

Group revenue and result full year 2013

Revenue declined by 6.2% to MEUR 300.2 (320.1) in 2013.

Revenue from print media was MEUR 191.9 (217.2), with a share of 63.9% (67.9%) in the Group's revenue. Revenue from digital products and services was MEUR 84.8 (77.8), an increase of 8.4%. Digital products and services accounted for 28.1% (24.3%) of Group revenue. The growth of digital products and services revenue was accelerated by the recruitment service companies acquired in Slovakia and Croatia in November 2012, as well as the February 2012 acquisition of CV Online, a recruitment service company operating in the Baltic region. Other revenue totalled MEUR 23.1 (25.1), constituting 8.0% (7.8%) of Group revenue.

Content revenue* declined by 5.7% to MEUR 115.3 (122.3). Content revenue decreased from the comparison period due to the declining circulations of print media.

Revenue from advertising sales decreased by 8.3% to MEUR 147.3 (160.8). Advertising sales accounted for 49.1% (50.2%) of Group revenue. Advertising sales for print media decreased by 18.1% from the comparison period, totalling MEUR 80.0 (97.7). Online advertising sales increased by 7.6% to MEUR 66.5 (61.8). Sales of Alma Media's digital network products grew significantly during the financial period.

Service revenue totalled MEUR 37.6 (37.1). Service revenue includes items such as the business operations of Kauppalehti Information Services, the custom publishing house Alma 360 Group and the online dating service E-kontakti.

Total expenses excluding non-recurring items decreased by MEUR 10.3, equalling 3.6%, and totalled MEUR 276.7 (287.0). Total expenses decreased by 4.1% and amounted to MEUR 282.4 (294.5). The reorganisation of the various business operations during 2012, as well as the savings realised in 2013, contributed to the decrease in expenses.

Depreciation amounted to MEUR 18.3 (13.0) during the fiscal year 2013. The depreciation for the financial period includes impairment losses related to assets in the total amount of MEUR 4.9. The depreciation for the comparison period included impairment losses in the amount of MEUR 1.6. Depreciation of the businesses acquired in late 2012 and new system investments also contributed to depreciation being higher than in the comparison period.

Operating profit excluding non-recurring items was down 27.8% to MEUR 24.2 (33.5), constituting 8.0% (10.5%) of revenue. Operating profit was MEUR 27.0 (26.5), rising to 9.0% (8.3%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR 2.8 (-7.0). The period's non-recurring items were related to the sales gains from the heavy machinery business Mascus, impairment losses related to assets as well as restructuring costs. The non-recurring items in the comparison period were mainly related to operational restructuring as well as capitalised impairment losses relating to the research and development costs of the Marketplaces business.

The financial result for 2013 was MEUR 16.0 (17.4), and the period's result excluding non-recurring items MEUR 18.1 (29.3). A non-recurring write-down of MEUR 5.0 was recognised in the value of associated companies during 2013. 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 1.1 (3.6).

**Alma Media has earlier reported content revenue under the term "circulation revenue", but the term was changed to "content revenue" from the beginning of 2013. The new term better describes the content income of the publishing operation from consumers through both print and digital distribution channels.*

Newspapers

The Newspapers segment reports the Alma Regional Media and IL-Media business units, that is, the publishing activities of over 30 newspapers. The best-known media in this segment are Aamulehti, Iltalehti and Iltalehti.fi.

The segment's content revenue declined by 6.5% in 2013 to MEUR 98.5 (105.3). The decline was due to the decreasing single-copy sales of Iltalehti and declining circulations of other newspapers. Online business only has a minor contribution to the segment's content revenue. Iltalehti's market share was 39.8% (40.9%) in 2013.

The segment's advertising sales totalled MEUR 83.9 (98.0), down 14.4%. Advertising sales for print media decreased by 17.3%. With regard to advertising sales, the volume of the advertising of daily consumer goods as well as recruitment and housing notices decreased in particular. The segment's online advertising sales grew by 7.6%, amounting to MEUR 12.1 (11.3). Online business accounted for 6.9% (5.6%) of the segment's revenue. Online advertising sales represented 59.1% (53.4%) of IL-Media's total advertising sales.

Savings from the restructuring measures in 2012 have been realised as expected. Additional savings measures have been implemented in 2013.

The segment's operating profit excluding non-recurring items was MEUR 13.5 (25.6) and operating profit MEUR 11.5 (22.1). Operating profit excluding non-recurring items accounted for 7.2% (12.4%) of total revenue. An impairment loss of MEUR 1.6 million related to the goodwill of Pohjois-Suomen Media was recognised as a non-recurring expense in the fourth quarter. In addition, restructuring expenses of MEUR 0.3 were allocated to the business unit, resulting from making the Kemi-based regional newspaper Pohjolan Sanomat a five-day publication from the beginning of 2014.

Kauppalehti Group

The Kauppalehti Group 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 Group also includes the custom media house Alma 360 Group, and the news agency and media monitoring unit BNS Group that operates in all of the Baltic countries. Starting from the beginning of 2013, the digital service Objektvision.se has been reported under the Kauppalehti Group.

The segment's content revenue declined from the previous year to MEUR 16.8 (17.0). Online content sales increased by 22.1%, which offset the decline in content revenue for print media. Content revenue for print media decreased by 5.1%.

Advertising sales for 2013 declined to MEUR 16.2 (17.3), down 6.2%. Advertising sales declined as the result of decreasing advertising sales for print media. Online advertising sales increased by 10.9% from the comparison period.

Service revenue decreased to MEUR 23.8 (24.7). The decline was due to the Alma 360 custom publication business where some of the printing procurement of non-profit organisations has been transferred directly to the organisations due to changes in value added tax regulations. This has resulted in a decrease in revenue, but the change has not had an effect on profitability.

Online business accounted for 33.4% (29.0%) of the segment's revenue.

The segment's total expenses excluding non-recurring items were MEUR 49.1 (52.5) and total expenses MEUR 49.1 (53.6). The decrease in total expenses is the result of last year's reorganisation measures, as well as savings measures implemented in early 2013.

The Kauppalehti Group's operating profit excluding non-recurring items was MEUR 7.8 (6.6), and operating profit MEUR 7.8 (5.5). Operating profit excluding non-recurring items accounted for 13.8% (11.1%) of total revenue. The segment did not report non-recurring items during the review period.

Digital Consumer Services

The services of the Digital Consumer Services segment in Finland are Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, MyyJaOsta.com, Telkku.com, Kotikokki.net, E-kontakti.fi, Nytmatkaan.fi and Suomenyritykset.fi. The services operating outside Finland are Jobs.cz, Prace.cz, topjobs.sk, CV Online, Profesia.sk, MojPosao.net and City24. In addition, the segment includes the development of the technology platform for the online services of regional and local papers.

In January–December, the Digital Consumer Services segment's revenue was MEUR 55.9 (54.4), up 2.6%.

The full-year revenue of the segment's recruitment-related business grew with the support of international acquisitions made in 2012. Recruitment-related business accounted for 58.3% (49.8%) of the segment's revenue in 2013. The acquired businesses create synergy benefits through a variety of recruitment-related added-value services and through competence sharing.

The Etuovi.com service succeeded in improving its profitability compared to the previous year despite the slow cycle in the home sales market in Finland.

The total expenses during the review period, excluding non-recurring items, were MEUR 48.2 (48.3) and total expenses MEUR 48.4 (50.8).

In April, the Marketplaces business unit sold the business operations of the heavy machinery and vehicles marketplace Mascus, recording a non-recurring sales gain of MEUR 8.3.

The Digital Consumer Services segment's operating profit excluding non-recurring items rose to MEUR 7.9 (6.3). The operating profit was MEUR 16.2 (3.8). The operating profit includes net non-recurring items in the amount of MEUR 8.3 (2.5). The non-recurring items during the period were related to the sales gains of MEUR 8.3 from the heavy machinery business Mascus, non-recurring contractual income of MEUR 0.2 and impairment losses of assets in the amount of MEUR 0.3. The non-recurring items in the comparison period were mainly related to operational restructuring as well as capitalised impairment losses relating to research and development costs.

Other Operations

The Other operations segment reports the operations of the Group's printing and distribution company Alma Manu as well as those of the parent company. The financial characteristics of both are similar, as they primarily provide services for the other business segments.

The full-year external revenue of the Other operations segment was MEUR 7.1 (6.3), up 12.3%, mainly due to sales of printing services outside the Group. The segment's total expenses excluding non-recurring items increased by 1.1 % during 2013 and totalled MEUR 90.6 (89.6). The operating loss of the Other operations segment excluding non-recurring items was MEUR 5.0 (5.0). The operating loss was MEUR 8.5 (5.0). The full-year expenses excluding non-recurring items increased by 1.1%. Early in the year, expenses increased due to project expenses related to the commissioning of a printing press, while savings measures in support functions in particular decreased expenses towards the end of the year.

The company's new newspaper printing facility was taken into use in Tampere during the first months of 2013. The investment cost for the printing press was MEUR 49.5, with a further investment of MEUR 24.0 in the property reported in 2012.

In the second quarter, the procurement cost of the new printing press was increased by MEUR 3.4 in value-added tax related to a partial delivery. The leasing company that financed the new printing press has filed a tax appeal related to the case in the Finnish Supreme Administrative Court, a decision on which is expected no later than in spring 2014. During the second quarter, the leasing company received a preliminary decision from the Finnish Central Tax Board stating that the value-added tax related to the printing press delivery was undeductible insofar as the value-added tax concerned advance payments to the now bankrupt supplier manroland AG. After the bankruptcy of the printing press supplier, the delivery was continued on the basis of a new order to the new owner.

An agreement signed in September confirmed that the printing of Hämeen Sanomat and Hämeenlinnan Kaupunkiuutiset will be moved to the printing facility in Tampere from 1 January 2014 onwards.

In April, the company decided to close down printing operations in Rovaniemi by the end of March 2014. As a result of the shutdown decision, Alma Media recorded a non-recurring expense of MEUR 3.5 for the second quarter consisting of impairment loss on fixed assets and other reorganisation costs.

Associated companies

Alma Media recognised an impairment loss of a total of MEUR 5.0 on the goodwill included in the book values of associated companies. Of the impairment loss, MEUR 3.5 concerned the associated company holding in Talentum Oy, reported under the Kauppalehti Group, and MEUR 1.4 concerned the associated company holding in Tampereen Ykkösjakelu Oy, reported under the Newspapers segment.

Alma Media Group holds a 32.14% stake in Talentum Oyj, which is reported under the Kauppalehti Group. The company's own shares in the possession of Talentum are included in the total number of shares. In the consolidated financial statements of Alma Media, the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding in Talentum is stated as 32.64% in Alma Media's consolidated financial statements of 31 December 2013.

The Group's parent company

The reported revenue of the Group's parent company Alma Media Plc in 2013 was MEUR 27.1 (25.8) and the loss for the period was MEUR 76.6 (14.2). The parent company recorded a write-down of MEUR 93.4 (27.0) on investments in subsidiaries and associated companies in 2013. At the end of December 2013, the parent company's balance sheet stood at MEUR 471.1 (573.2).

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		2013	2012
MEUR		Q1-Q4	Q1-Q4
Newspapers			
	Restructuring	-0.3	-3.3
	Impairment losses	-1.6	
	Gains on sales of assets	0.0	-0.1
		-1.9	-3.4
Kauppalehti Group			
	Restructuring	0.0	-0.9
	Gains on sales of assets	0.0	-0.1
		0.0	-1.0
Digital consumer services			
	Restructuring	0.0	-0.3
	Gains on sales of assets	8.5	-0.6
	Impairment losses	-0.2	-1.6
		8.3	-2.7
Other operations			
	Restructuring	-3.5	-0.5
	Gains on sales of assets	0.0	0.4
		-3.5	-0.1
NON-RECURRING ITEMS IN OPERATING PROFIT		2.8	-7.0
Translation differences		0.0	-0.1
Impairment losses of associated companies		-5.0	-4.8
NON-RECURRING ITEMS IN PROFIT BEFORE TAX		-2.1	-11.9

The non-recurring items in the 2013 financial period comprised restructuring costs, gains on sales of assets and impairment losses related to fixed assets.

Balance sheet and financial position

At the end of December 2013, the consolidated balance sheet stood at MEUR 272.8 (245.1). The Group's equity ratio at the end of December was 34.9% (36.5%) and equity per share rose to EUR 1.17 (1.08).

The consolidated cash flow from operations in January–December was MEUR 24.4 (24.9). Cash flow before financing was MEUR 26.7 (-38.0). The cash flow for the comparison period included the recruitment business-related business acquisition in the Digital Consumer Services segment.

The Group's interest-bearing debt at the end of December amounted to MEUR 109.9 (79.4). The total interest-bearing debt at the end of December comprised MEUR 74.9 in finance leasing debt and MEUR 35.0 in commercial papers.

The Group's interest-bearing net debt at the end of December stood at MEUR 97.6 (62.3). The increase in net debt was due to including the finance leasing debt for the new printing press in the balance sheet.

Alma Media has a EUR 25 million and two EUR 20 million financing limits at its disposal, of which all, a total of EUR 65 million, were unused on 31 December 2013. In addition, on the balance sheet date, the company had a commercial paper programme of EUR 100 million in Finland. Of the commercial paper programme, MEUR 65 was unused on 31 December 2013.

The fair value of the financial assets recognised at fair value through profit or loss resulting from business reorganisation was MEUR 2.0 (0.9) on 31 December 2013, and the fair value of debt MEUR 0.3 (2.7). The contingent considerations resulting from mergers and acquisitions are tied to the companies' operating profit for 2013.

Research and Development Costs

The Group's research and development costs in 2013 totalled MEUR 5.3 (MEUR 4.1 in 2012). Of this total, MEUR 4.2 (MEUR 3.1) was recognised in the income statement and MEUR 1.1 (MEUR 1.0 in 2012) was capitalised to the balance sheet in 2013. There were capitalised research and developments costs to a total of MEUR 2.0 on the balance sheet on 31 December 2013.

Capital expenditure

Alma Media Group's capital expenditure in January–December 2013 totalled MEUR 62.8 (111.3). The capital expenditure during the review period comprised normal operational and replacement investments and the newspaper printing press investment in Tampere, MEUR 49.5.

Employees

During 2013, Alma Media had on average 1,965 (1,910) employees, calculated as full-time employees. The number of newspaper delivery staff was 998 (1,006) on average.

Administration

Alma Media Corporation's Annual General Meeting (AGM) held on March 14, 2013 elected Timo Aukia, Niklas Herlin, Petri Niemisvirta, Perttu Rinta, Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari 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 also elected the members of its committees. Catharina Stackelberg-Hammarén, Perttu Rinta and Kai Seikku as Chairman were elected members of the Audit Committee. Petri Niemisvirta and Erkki Solja, as well as Timo Aukia as Chairman, were elected members of the Nomination and Compensation Committee.

The Board of Directors of Alma Media Corporation has evaluated that with the exception of Timo Aukia, Perttu Rinta and Niklas Herlin, the elected members of the Board of Directors are independent of the company and its significant shareholders. The three 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 Ernst & Young Oy as the company's auditors.

Virpi Juvonen was appointed Vice President, Human Resources of Alma Media Corporation starting April 26, 2013.

Olli-Pekka Behm was appointed Executive Editor-in-Chief of Satakunnan Kansa starting December 1, 2013.

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on June 15, 2010 and in effect since October 1, 2010, in its unaltered form. The Corporate Governance Statement as well as the details of salaries and bonuses for 2012 has been published on the company's website at www.almamedia.fi/investors.

Dividends

The AGM resolved to distribute a dividend of EUR 0.10 per share, a total of MEUR 7.6 (30.2) for the financial year 2012 in accordance with the proposal of the Board of Directors. The dividend was paid on March 26, 2013 to shareholders who were registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy on the record date, March 19, 2013.

Other decisions by the Annual General Meeting

The AGM on March 14, 2013 resolved to reduce the share premium fund shown on the balance sheet December 31, 2012, EUR 419,295,759, by a total of EUR 100,000,000, which will be transferred to the company's invested non-restricted equity fund. The equity of the company consists only 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 prior to the registration of the reduction of the share premium fund. According to a notification received from the National Board of Patents and Registration of Finland on July 19, 2013, none of the company’s creditors indicated opposition to the reduction of the share premium fund. The company has recorded the reduction of the share premium fund in the parent company’s accounts. The transfer from the share premium fund to the invested non-restricted equity fund has been eliminated in the consolidated financial statements.

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 June 30, 2014.

The Alma Media share

In January–December, altogether 8,130,118 Alma Media shares were traded on the NASDAQ OMX Helsinki Stock Exchange, representing 10.8% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, 31 December 2013, was EUR 2.99. The lowest quotation during the review period was EUR 2.49 and the highest EUR 5.00. Alma Media Corporation’s market capitalisation at the end of the review period was MEUR 225.7.

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 programmes are given in the notes to the financial statements.

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 year 2013, 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 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 Ethics, Alma Media is committed to supporting the universally accepted principles in the areas of human rights, labour, environment and anti-corruption laid out in the United Nations Global Compact initiative. Alma Media participates in the annual Carbon Disclosure Project (CDP) climate reporting directed at investors, and was 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.

Events after the review period

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

Monster Worldwide Inc. becomes Alma Career Oy's minority shareholder with a 15% holding. Against its holding, Monster transfers its recruitment service business in Poland, Hungary and the Czech Republic to the company and purchases the shares in the joint venture for MEUR 4.7. Alma Media owns 85% of the joint venture's shares. Monster has an option to increase its holding to 20% by 2017. The arrangement was implemented on 1 January 2014.

The arrangement will not have any effects on Alma Media's profit or loss at the time of its implementation. The arrangement will have a positive cash flow impact of MEUR 4.7 million for the first quarter of 2014.

Alma Media and five other Finnish newspaper publishers signed a letter of intent in February 2014 as part of a plan to significantly expand their journalistic cooperation. Aamulehti, Satakunnan Kansa, Lapin Kansa, Kainuun Sanomat, Pohjolan Sanomat, Turun Sanomat, Kaleva, Ilkka, Pohjalainen, Hämeen Sanomat, Forssan Lehti and Keskipohjanmaa are planning to establish a new company, named Lännen Media, in 2014 to produce common content for all of the newspapers involved.

Proposal by the Board of Directors for distribution of profit

Alma Media's Board of Directors proposes to the Annual General Meeting that a refund of capital of EUR 0.10 (0.10) per share be paid from the reserve for invested non-restricted equity for the financial year 2013. Based on the number of shares on the closing date, 31 December 2013, the total refund of capital would amount to EUR 7,548,685 (EUR 7,548,685).

On 31 December 2013, the Group's parent company had distributable funds totalling EUR 23,905,611 (8,014,054). The parent company's profit for the period amounted to EUR -76,559,758.04 (-14,169,546). No essential changes in the company's financial standing have taken place after the end of the financial year. The refund of capital will be paid to shareholders who are registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy on the record date, 25 March 2014. The payment date of the refund of capital is 1 April 2014.

In addition, the Board proposes to the Annual General Meeting that it be given an authorisation to decide on an additional refund of capital of no more than EUR 0.10 per share.

Key figures

Key figures are calculated applying IFRS recognition and measurement principles.

		IFRS	Change	IFRS	Change	IFRS	Change	IFRS	Change	IFRS
		2013	%	2012	%	2011	%	2010	%	2009
Key figures describing economic development										
Revenue	M€	300.2	-6.2	320.1	1.2	316.2	1.6	311.4	1.1	307.8
Operating profit	M€	27.0	1.9	26.5	-36.9	42.0	-3.3	43.4	7.4	40.4
% of revenue	%	9.0		8.3		13.3		13.9		13.1
Operating profit excluding non-recurring items	M€	24.2	-27.8	33.5	-22.0	42.9	-2.2	43.9	2.6	42.8
% of revenue	%	8.0		10.5		13.6		14.1		13.9
Profit before tax	M€	22.4	-5.4	23.7	-43.6	42.0	-6.6	45.0	13.2	39.7
Profit excluding non-recurring items	M€	24.5	-31.0	35.6	-17.1	42.9	-6.0	45.7	8.4	42.1
Profit for the period	M€	16.0	-8.2	17.4	-43.5	30.8	-7.1	33.2	17.3	28.3
Return on equity (ROE)	%	18.3	-4.9	19.3	-33.9	29.1	-7.9	31.6	2.6	30.8
Return on investment (ROI)	%	10.1	-26.6	13.8	-46.4	25.7	-16.4	30.7	9.4	28.1
Net financial expenses	M€	0.5	-131.3	-1.5	-158.5	2.5	-375.1	-0.9	-369.4	0.3
Net financial expenses, % of revenue	%	0.2		-0.5		0.8		-0.3		0.1
Share of profit of associated companies	M€	-4.1	-3.4	-4.3	-268.1	2.5	271.3	0.7	-315.3	-0.3
Balance sheet total	M€	272.8	11.3	245.1	23.8	198.0	7.3	184.5	19.5	154.4
Capital expenditure	M€	62.8	-43.5	111.3	1,671.6	6.3	-51.4	12.9	57.0	8.2
Capital expenditure, % of revenue	%	20.9		34.8		2.0		4.1		2.7
Research and development costs	M€	5.3	29.0	4.1	-10.0	4.6	13.6	4.0	346.8	0.9
Research and development costs, % of revenue	%	1.8		1.3		1.4		1.3		0.3
Equity ratio	%	34.9		36.5		57.0		67.1		66.9
Gearing	%	108.0		74.1		-33.4		-28.2		-17.3
Interest-bearing net debt	M€	97.6		62.3		-32.3		-32.4		-16.5
Interest-bearing liabilities	M€	109.9	38.5	79.4	210.9	25.5	539.0	4.0	-13.2	4.6
Non-interest-bearing liabilities	M€	72.4	-11.4	81.8	8.0	75.7	15.2	65.7	19.7	54.9
Average no. of employees, calculated as full-time employees, excl. delivery staff		1,965	2.8	1,911	5.3	1,816	0.6	1,806	-4.4	1,888
Delivery staff total (no. of employees)		998	-0.8	1,006	4.7	961	-0.1	962	-0.7	969

Per share data						
Earnings per share	€	0.20	0.22	0.39	0.44	0.38
Cash flow from operating activities / share	€	0.32	0.33	0.67	0.62	0.58
Shareholders' equity per share	€	1.17	1.08	1.24	1.50	1.27
Dividend per share	€	0,10 *)	0.10	0.40	0.70	0.40
Payout ratio	%	50.2	45.4	102.8	160.0	106.0
Effective dividend yield	%	3.3	2.2	6.5	8.5	5.3
P/E Ratio		15.0	20.6	15.8	18.9	19.8
Share prices						
Highest	€	5.00	6.80	9.44	8.46	8.94
Lowest	€	2.49	4.35	5.40	6.00	4.50
On 31 Dec	€	2.99	4.55	6.14	8.28	7.48
Market capitalisation	M€	225.7	343.5	463.5	621.4	558.1
Turnover of shares, total	kpcs	8,130	5,066	10,034	14,839	38,290
Relative turnover of shares, total	%	10.8	6.7	13.3	19.8	51.3
Average no. of shares (1,000 shares), basic	kpcs	75,487	75,487	75,339	74,894	74,613
Average no. of shares (1,000 shares), diluted	kpcs	75,487	75,661	75,772	75,086	74,859
No. of shares on 31 December	kpcs	75,487	75,487	75,487	75,053	74,613

*) Proposal of the Board of Directors to the Annual General Meeting, capital repayment EUR 0.10

In addition, the Board proposes to the Annual General Meeting that it be given an authorisation to make an additional capital repayment of no more than EUR 0.10 per share.

Calculation of key figures

Return on shareholders' equity, % (ROE)	Profit for the period / Shareholders' equity + non-controlling interest (average during the year) x 100
Return on investment, % (ROI)	Profit for the period + interest and other financial expenses / Balance sheet total - non-interest-bearing debt (average during the year) x 100
Equity ratio, %	Shareholders' equity + non-controlling interest / Balance sheet total - advances received x 100
Operating profit	Profit before tax and financial items
Operating profit excluding non-recurring items	Profit before tax and financial items, excluding non-recurring items
EBITDA	Operating profit excluding depreciation, amortisation and impairment losses
EBITDA excluding non-recurring items	Operating profit excluding depreciation, amortisation, impairment losses and non-recurring items
Basic earnings per share, €	Share of net profit belonging to parent company owners / Average number of shares adjusted for share issues

Diluted adjusted earnings per share, €	Share of net profit belonging to parent company owners / Diluted average number of shares adjusted for share issues	
Gearing, %	Interest-bearing debt - cash and bank receivables / Shareholders’ equity + non-controlling interest	x 100
Net financial expenses, %	Financial income and expenses / Revenue	x 100
Dividend per share, €	Dividend / refund of capital per share approved by the Annual General Meeting With respect to the most recent year, the Board’s proposal to the AGM	
Payout ratio, %	Dividend/share / Share of EPS belonging to parent company shareholders	x 100
Effective dividend yield, %	Dividend/share adjusted for share issues / Final quotation at close of period adjusted for share issues	x 100
Price/earnings (P/E) ratio	Final quotation at close of period adjusted for share issues / Share of EPS belonging to parent company owners	
Shareholders’ equity per share, €	Equity attributable to equity holders of the parent / Basic number of shares at the end of period adjusted for share issues	
Market capitalisation of share stock, €	Number of shares x closing price at end of period	

Consolidated comprehensive income statement

MEUR		Note	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Revenue		1, 3	300.2	320.1
Other operating income		4	9.2	0.9
Materials and services		5	79.6	84.9
Expenses arising from employee benefits		7	119.4	129.3
Depreciation, amortisation and impairment charges		13, 14	18.3	13.0
Other operating expenses		8, 9	65.1	67.2
Operating profit		1	27.0	26.5
Finance income		10	1.9	4.2
Finance expenses		10	2.4	2.7
Share of profit of associated companies		16	-4.1	-4.3
Profit before tax			22.4	23.7
Income tax		11	-6.4	-6.3
Profit for the period			16.0	17.4
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)		0.0	-0.2
	Tax on items that are not later transferred to be recognised through profit or loss		0.0	0.0
Items that may later be transferred to be recognised through profit or loss				
	Exchange differences on translation of foreign operations		-0.8	-0.0
	Share of other comprehensive income of associated companies		-0.4	0.4
Other comprehensive income for the year, net of tax			-1.1	0.2
Total comprehensive income for the year, net of tax			14.8	17.6
Profit for the period attributable to				
Owners of the parent company			15.0	16.6
Non-controlling interest			0.9	0.8

Total comprehensive income for the period attributable to			
Owners of the parent company		13.9	16.9
Non-controlling interest		0.9	0.8
Earnings per share calculated from the profit for the period attributable to the parent company shareholders (€)			
Earnings per share (basic)	12	0.20	0.22
Earnings per share (diluted)	12	0.20	0.22

Consolidated balance sheet

MEUR	Note	31 Dec 2013	31 Dec 2012
ASSETS			
Non-current assets			
Goodwill	13	70.7	74.3
Other intangible assets	13	42.2	43.9
Property, plant and equipment	14	86.3	41.3
Investments in associated companies	16	25.5	31.3
Other non-current financial assets	17	3.8	4.7
Deferred tax assets	23	1.5	1.0
		230.0	196.6
Current assets			
Inventories	18	1.4	0.7
Tax receivables		0.0	1.3
Trade and other receivables	19	27.0	29.3
Other short-term financial assets	17	2.0	0.0
Cash and cash equivalents	20	12.3	17.1
		42.7	48.5
Assets total		272.8	245.1

MEUR		31 Dec 2013	31 Dec 2012
EQUITY AND LIABILITIES			
Share capital		45.3	45.3
Share premium reserve		7.7	7.7
Foreign currency translation reserve		-0.6	0.2
Retained earnings		35.6	28.0
Equity attributable to owners of the parent	21	88.1	81.3
Non-controlling interest		2.3	2.7
Total equity		90.4	84.0
Non-current liabilities			
Deferred tax liabilities	23	7.0	7.9
Pension liabilities	24	2.6	3.0
Provisions	25		0.1
Non-current financial liabilities	26	70.1	26.5
		79.7	37.4
Current liabilities			
Advances received		13.7	14.8
Income tax liability		1.5	0.0
Provisions	25	4.2	0.4
Current financial liabilities	26	40.8	55.5
Trade and other payables	28	42.4	53.0
		102.6	123.7
Liabilities, total		182.3	161.1
Equity and liabilities, total		272.8	245.1

Consolidated cash flow statement

MEUR	Note	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Operating activities			
Profit for the period		16.0	17.4
Adjustments		25.4	19.2
Change in working capital		-11.8	-4.8
Dividend received		1.3	0.9
Interest received		0.1	0.2
Interest paid		-1.8	-2.4
Taxes paid		-4.7	-5.7
Net cash flow from operating activities		24.4	24.9
Investing activities			
Acquisitions of tangible and intangible assets		-6.2	-4.1
Proceeds from sale of tangible and intangible assets		0.0	3.0
Other investments		0.0	-0.1
Proceeds from sale of other investments		0.1	0.2
Acquisitions of subsidiaries less cash and cash equivalents at the time of sale	2	-2.6	-64.3
Proceeds from sale of subsidiaries less cash and cash equivalents at the time of sale		10.5	3.8
Acquisition and sale of associated companies	16	0.4	-1.4
Net cash flows from/(used in) investing activities		2.3	-62.8
Cash flow before financing activities		26.7	-38.0
Financing activities			
Current loans taken		143.5	52.0
Repayment of current loans		-160.5	-22.0
Payments of finance lease liabilities		-5.5	-1.4
Dividends paid and capital repayment	21	-8.7	-31.5
Net cash flows from/(used in) financing activities		-31.2	-2.8
Change in cash and cash equivalent funds increase (+) decrease (-)		-4.5	-40.8
Cash and cash equivalents at beginning of period	20	17.1	57.8
Effect of change in foreign exchange rates		-0.3	0.1
Cash and cash equivalents at end of period	20	12.3	17.1

Further details for statement of cash flow

MEUR			1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Operating activities				
Adjustments:				
	Depreciation, amortisation and impairment charges	13, 14	18.3	13.0
Share of results in associated companies		16	4.1	4.3
	Capital gains (losses) on the sale of fixed assets and other investments		-8.5	1.7
	Finance income and expenses	10	0.5	-1.5
	Taxes	11	6.4	6.3
	Change in provisions	25	3.7	-0.8
	Other adjustments		0.9	-3.8
Adjustments, total			25.4	19.2
Change in working capital:				
	Change in trade receivable		2.1	1.8
	Change in inventories		-0.7	0.3
	Change in trade payable		-13.2	-6.8
Change in working capital, total			-11.8	-4.8
Investing activities				
Investments financed through finance leases			55.3	26.8
Gross capital expenditure, payment-based *)			6.2	6.5
Sold and purchased business operations, non-payment-based			1.4	78.0
Investments, total			62.8	111.3

Consolidated statement of changes in equity

				Attributable to equity holders of the parent				
MEUR	Note	Share capital	Share premium reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to the owners of parent	Minority interest	Total equity
Total equity on 1 Jan 2012	23	45.3	7.7	0.2	40.6	93.8	2.9	96.7
Retroactive application of the revised IAS 19					-0.4	-0.4		-0.4
Adjusted equity on 1 Jan 2012		45.3	7.7	0.2	40.1	93.4	2.9	96.3
Profit for the period					16.6	16.6	0.8	17.4
Other comprehensive income				0.0	0.2	0.2		0.2
Business transactions with the owners								
Dividends paid by parent					-29.7	-29.7		-29.7
Dividends paid by subsidiaries							-1.3	-1.3
Share-based payment transactions					0.8	0.8		0.8
Exercised options								
Change in ownership in subsidiaries							0.3	0.3
Total equity on 31 Dec 2012	23	45.3	7.7	0.2	28.0	81.3	2.7	84.0
Profit for the period					15.0	15.0	0.9	16.0
Other comprehensive income				-0.8	-0.3	-1.1		-1.1
Business transactions with the owners								
Dividends paid by parent					-7.5	-7.5		-7.5
Dividends paid by subsidiaries							-1.2	-1.2
Share-based payment transactions					0.5	0.5		0.5
Exercised options								
Change in ownership in subsidiaries							-0.1	-0.1
Total equity on 31 Dec 2013	23	45.3	7.7	-0.6	35.6	88.1	2.3	90.4

Accounting principles

General

Alma Media is a media company focusing on digital services and publishing. In addition to news content, the Group's products provide useful information related to lifestyle, career and business development. The services of Alma Media have expanded from Finland to the Nordic countries, the Baltic States and Central Europe. The Group's parent company Alma Media Plc is a Finnish public company established under Finnish law, domiciled in Helsinki at Alvar Aallon katu 3 C, PL 140, FI-00101 Helsinki.

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

The Board of Directors approved the financial statements for disclosure on 12 February 2014. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS. The IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2013 have been applied. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in EU regulation (EU) no 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

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

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

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

Impact of standards adopted during 2013

The Group has adopted the following new standards and interpretations from 1 January 2013 onwards:

Amendments to IFRS standards:

IFRS 7 Financial Instruments, amended: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for financial periods beginning on or after 1 January 2013)

> The amendment specifies the notes requirements with regard to financial instruments presented at net value in the balance sheet and general offsetting arrangements or similar agreements. The amendment has no material effect on the consolidated financial data.

IAS 19   Employee Benefits, amended (effective for financial periods beginning on or after 1 January 2013)

> The revised standard includes several amendments to harmonise the entry of defined benefit pensions and to improve comparability. The standard revision had, among other things, the effect that the corridor method which

the Group had applied became obsolete. Under the revised standard, actuarial gains and losses are entered in other comprehensive income immediately in the period in which they arise. Notes requirements are extended with regard to risks related to defined benefit arrangements, among other things.

The revised standard has been applied, in accordance with transition rules, retroactively in compliance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Unrecorded actuarial gains and losses have been entered in the opening balance sheet of the comparison period of 1 January 2012. Data for the 2012 comparison period have been adjusted to comply with the revised standard. The following table presents the adjustments made to the opening consolidated balance sheet and comparison period data.

Funded pension obligations

(MEUR)	Old standard	New standard	Change
Pension assets 1 Jan 2012	0.0		
Pension liabilities 1 Jan 2012		0.5	0.6
Pension assets 31 Dec 2012	0.1		
Pension liabilities 31 Dec 2012		0.6	0.7
Change in pension liability in 2012	0.1	-0.1	-0.2*

*Impact on financial period 2012 is presented in other comprehensive income

IAS 1 Presentation of Items of Other Comprehensive Income, amended (effective for financial periods beginning on or after 1 July 2012)

Items of other comprehensive income will in future be grouped in two: those included in profit or loss at a later time and those recognised outside of profit or loss. The revision has no impact on which items are entered in items of comprehensive income or when the items are included profit or loss and when not.

IFRS 13 Fair Value Measurement, new (effective for financial periods beginning on or after 1 January 2013)

The standard sets out a single definition for fair value applicable to all IFRS standards and a common fair value measurement approach. It does not change regulation in terms of when the reporting entity must measure an asset item or liability at fair value. The standard also significantly extended the notes to be provided on the application of fair values.

Comparability of consolidated financial statements

The years 2013 and 2012 are comparable. The company has no discontinued operations to report in the financial periods 2013 and 2012.

Subsidiary companies

All subsidiaries are consolidated in the consolidated financial statements. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest arises when the Group holds more than half of the voting rights or over which the Group otherwise exercises control. The existence of potential voting rights is also taken into consideration in evaluating whether the Group has a controlling interest when the instruments involving potential voting rights can be exercised at the time of evaluation. The right of control means the right to control the company’s business and financial principles in order to benefit from its operations.

The accounting principles applied in the subsidiaries have been brought into line with the IFRS principles applied in the consolidated financial statements. Mutual holdings are eliminated using the purchase method. Purchase consideration and the individualised assets and liabilities of the acquired entity are recognised at their fair value on the acquisition date. The costs related to the acquisition, with the exception of costs arising from the issue of equity or debt securities, are recorded as expenses. The purchase consideration does not include business operations that are treated separately from the acquisition. Their effect in conjunction with the acquisition is recognised through profit or loss. Additional purchase cost, if applicable, is recognised at fair value on the acquisition date and classified as a liability through profit or loss. Additional purchase cost classified as a liability is measured through profit or loss at fair value on the last day of each reporting period.

Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. All intra-Group transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements. The distribution of the profit for the year between the parent company owners and non-controlling interest shareholders is shown in the statement of comprehensive income. The eventual non-controlling interest in the acquired companies is measured at fair value or to the amount corresponding to the share of the non-controlling interest based on the proportionate share of the specified net assets. The measurement method is defined for each acquisition separately. The comprehensive income is attributed to parent company shareholders and non-controlling shareholders, even if this were to lead to a negative portion being attributed to non-controlling shareholders. The amount of shareholders' equity attributable to non-controlling shareholders is shown as a separate item in the balance sheet under shareholders' equity.

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

Associated companies

Associated companies are those in which the Group has a significant controlling interest. A significant controlling interest arises when the Group holds 20% or more of the company's voting rights or over which the Group otherwise is able to exercise significant control. Associated companies are consolidated using the equity method. Investments in associated companies include any goodwill arising from their acquisition. If the Group's share of the associated company's losses exceeds the book value of the investment, this investment is entered at zero value in the balance sheet and any losses in excess of this value are not recognised unless the Group has obligations with respect to the associated companies. The Group's share of the results of its associated companies is shown as a separate item after operating profit. The Group's share of its associated companies' other changes in comprehensive income is recognised in the consolidated comprehensive income statement under other comprehensive income.

Joint venture entities

Joint venture entities are companies in which the Group exercises joint control with one or more other parties. The Group's jointly controlled assets include mutual real estate companies and housing companies. Jointly controlled entities are consolidated in the consolidated financial statements through proportionate consolidation under IAS 31.

Translation of items denominated in foreign currencies

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

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

Assets available for sale and discontinued operations

Assets available for sale, and the assets related to a discontinued operation that are classified as available for sale, are measured at the lower of their book value or their fair value less the costs arising from their sale. The Group does not have assets classified under assets available for sale in the financial statements for 2013 or 2012.

Recognition principles

Reported revenue includes the income from the sale of goods and services at fair value and adjusted by indirect taxes, discounts and foreign currency exchange rate differences. Income from the sale of goods is recognised when the material risks and rewards incidental to ownership of the goods have been transferred to the buyer. Rental income is recognised in equal instalments over the rental period. Income from services is recognised in accordance with their percentage of completion at the balance sheet date. License and royalty income is recognised in accordance with the actual content of the agreement.

Employee benefits

Employee benefits cover short-term employee benefits, other long-term benefits, termination benefits, and post-employment benefits.

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

Post-employment benefits comprise pension and benefits to be paid after termination of the employee's contract, such as life insurance and healthcare. These benefits are classified as either defined contribution or defined benefit plans. The Group has both forms of benefit plans.

Payments made under defined contribution plans are entered in the profit or loss in the period that the payment applies to. The disability pension component of the Finnish Employees' Pension System (Tyel) handled by insurance companies was reclassified under IFRS as a defined contribution plan from the beginning of 2006. Accordingly, it is treated as a defined contribution plan in the financial statements.

Defined benefit plans are all those that do not meet the criteria for a defined contribution plan. In the Group, supplementary pension obligations arising from voluntary plans are treated as defined benefit plans. In a defined benefit pension plan, the company is left with additional obligations also after the payment for the period is made. Actuarial calculations are acquired annually for plans classified as defined benefit plans as a basis for entering the expense, debt or asset item. Debt recognised in the balance sheet is the difference between the present value of the pension obligation and the fair value of the plan assets, on the one hand, and the unrecognised actuarial gains and losses on the other.

Obligations arising from defined benefit plans are calculated for each arrangement separately. Pension costs are recognised as expenses over the beneficiaries' period of employment in the Group based on calculations made by authorised actuaries. Obligations arising from defined benefit plans are calculated using actuarial assumptions. These are divided into demographic and economic assumptions. Demographic assumptions are assumptions regarding mortality rates, termination rates and the commencement of disability. Economic assumptions are assumptions regarding the discount rate, future salary levels, the expected yield from the plan's assets, and estimated rate of inflation.

Impacts of implementation of the amended IAS 19 are presented under "*Impact of standards adopted during 2013"*.

Share-based payments

At balance sheet date 31 December 2013, Alma Media had a current stock option scheme for senior management launched in spring 2009 as well as a share-based incentive plan launched in 2012. The 2009 stock options are measured at fair value on the date of issue and expensed during the vesting period. The expense determined at the time of issue is based on the Group's estimate of the number of stock options that are expected to generate rights at the end of the vesting period. Their fair value is determined using the Forward Start Option Rubinstein (1990) model based on the Black–Scholes option pricing model. The Group updates the estimate of the final amount of options on each balance sheet date. When the stock options are exercised, the cash payments received from the subscription of shares, adjusted for transaction costs, are entered in shareholders' equity. Payments received for share subscriptions based on stock options issued prior to the entry into force on 1 September 2006 of the Finnish Limited Liability Companies Act (21.7.2006/624) have been recognised in share capital and the share premium reserve in accordance with the terms of the respective option programmes. Payments received for share subscriptions based on stock options issued after the entry into force of the Limited Liability Companies Act, adjusted for transaction costs, are recognised in the reserve for invested non-restricted equity in accordance with the terms of the respective option programmes. The 2009 stock option scheme and its impact on the profit or loss and balance sheet are described in the notes to the financial statements.

With regard to the share incentive plan of 2012, the fair value of the share incentive is entered as a cost in the course of the vesting period until the shares are at the disposal of the target group. The fair value of the share is its stock market price less dividend payable during the vesting period. The fair value is determined on the date when the target group has approved the terms of the plan. The fair value of a bonus paid in cash is determined at the time of reporting based on the stock market price of the share at the moment.

Leasing agreements

Leases applying to tangible assets in which the Group holds a significant share of the risks and rewards incidental to their ownership are classified as finance leases. These are recognised in the balance sheet as assets and liabilities at the lower of their fair value or the present value of the required minimum lease payments at inception of the lease. Assets acquired through finance leases are depreciated over their useful life, or over the lease term, if shorter. Lease obligations are included under interest-bearing liabilities.

Other leases are those in which the risks and rewards incidental to ownership remain with the lessor. When the Group is the lessee, lease payments related to other leases are allocated as expenses on a straight-line basis over the lease term. Lease payments of future periods are presented as contingent liabilities in the notes. When the Group is the lessor, lease income is entered in the profit or loss on a straight-line basis over the lease term.

The Group has made purchasing agreements that include a lease component. Any such arrangements in effect are treated according to the IFRIC 4 interpretation and the arrangements are accounted for based on their actual content. The Group's current purchasing agreements that include a lease component are treated as other leases in accordance with IAS 17.

Taxes and deferred taxes included in the taxable income for the period

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

Deferred tax assets and liabilities are recognised on all temporary differences between their book and actual tax values. Deferred tax is not calculated if the difference is not expected to be reversed in the foreseeable future. Deferred taxes are calculated using the tax rates enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. A deferred tax liability is recognised on non-distributed retained earnings of subsidiaries when it is likely that the tax will be paid in the foreseeable future.

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

Property, plant and equipment

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

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

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

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

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

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

Intangible assets

Goodwill created through mergers and acquisitions is recorded at the amount by which the sum of the purchase price, the share of the non-controlling interest in the acquired entity and the purchaser's previously held share in the entity exceed the fair value of the net assets acquired. Acquisitions carried out between 1 January 2004 and 31 December 2009 were recognised according to the previous version of IFRS 3 (2004). Goodwill created through mergers that were carried out prior to 2004 corresponds with the book value under earlier accounting standards, which was used as the acquisition cost. Goodwill is applied to cash-generating units and tested on the transition date and thereafter annually for impairment. Goodwill is measured at the original acquisition cost less impairment losses.

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

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

The useful lives of intangible assets are	3–10 years

Impairment of tangible and intangible assets

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

Inventories

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

Financial assets, derivative contracts and hedge accounting

The Group's financial assets have been classified into the following categories as required by IAS 39: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Financial assets are classified according to their purpose when acquired and at the time of acquisition.

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

The evaluation of contingent considerations and liabilities is based on the discounted values of future cash flows. The evaluation is conducted on each reporting date based on the terms of consideration agreements. Management estimates the realisation of terms on each reporting date and the fair value is recognised as discounted values of capitalised cash flows.

Loans and Other Receivables are measured at their amortised cost. In Alma Media, this group consists of trade receivables and other receivables. The amount of uncertain receivables is estimated based on the risks associated with individual items. A debtor experiencing considerable financial difficulties, the probability of bankruptcy, the failure to make payments or a payment being delayed by more than 180 days are considered evidence of the impairment of trade receivables. Credit losses are entered as an expense in the profit or loss.

Held to maturity investments are financial assets that mature on a given date and which the Group intends and is able to keep until this date. These are measured at amortised cost.

Available-for-sale financial assets are measured at their fair value and the change in fair value is entered in other comprehensive income and presented under shareholders' equity. Accrued changes in fair value are transferred from shareholders' equity to profit or loss as adjustments arising from reclassification when the asset is sold or when its value has decreased to the extent that impairment loss is recognised. This category comprises financial assets that are not classified in any of the other categories. The Group also classifies investments in unquoted shares in this category, but these investments are measured at acquisition cost in the financial statements because they cannot be reliably measured at fair value.

Cash and cash equivalents consist of cash, demand and time deposits, and other short-term highly liquid investments.

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

On the final day of each reporting period, the Group evaluates whether there is objective evidence of impairment with regard to an individual financial asset or a group of financial assets.

Financial liabilities and borrowing costs

Contingent liabilities arising from acquisitions are classified as financial liabilities through profit or loss. They are recognised at fair value in the balance sheet and the change in fair value is recognised in the financial items through profit or loss.

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

Costs arising from interest-bearing liabilities are expensed in the period in which they arise. The Group has not capitalised its borrowing costs because the Group does not incur borrowing costs on the purchase, building or manufacturing of an asset in the manner specified in IAS 23.

Provisions and contingent liabilities

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

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

A provision is entered on loss-making agreements when the immediate costs required to fulfil the obligation exceed the benefits available from the agreement. A restructuring provision is entered when the Group has prepared and started to put into effect a detailed restructuring plan or has informed employees about this.

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

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

Operating profit

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

Segment reporting and its accounting principles

In its financial statements, Alma Media Group reports on four segments: Newspapers, Kauppalehti Group, Digital Consumer Services and Other Operations. The Other Operations segment covers the Group's printing and distribution activities and parent company operations. The segment structure was revised from the beginning of 2013. Objektvision.se, previously reported under Digital Consumer Services, is now reported under the Kauppalehti Group.

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 2012 comparison period.

Alma Media Group's geographical segments cannot be distinguished and therefore segment reporting is restricted to the business segments listed above. The segment information is based on Group management's internal reporting, in which the valuation of assets and liabilities is based on IFRS standards.

Non-recurring items

Non-recurring items are income or expense arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations as well as impairment losses of goodwill and other assets are recognised 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 are described in the Report by the Board of Directors.

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

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which may differ from actual results in the future. Management is also required to use its discretion as to the application of the accounting principles used to prepare the statements. The estimates are based on management's best understanding on the balance sheet date. Any changes to these estimates and assumptions are entered in the accounts for the period in which the estimates or assumptions are adjusted and for all periods thereafter.

Accounting principles requiring management's judgement

> Operating leases: The Group has significant lease agreements for its business premises. Based on assessment of the terms of the agreements, the Group has determined that it does not bear any significant rewards and risks incidental to the ownership of the premises and therefore the agreements are by nature operating lease agreements.

Key sources of estimation uncertainty

> The determination of the fair value of intangible assets in conjunction with business combinations is based on the management's estimate of the cash flows related to the assets in question. The determination of the fair value of

liabilities related to contingent considerations arising from business combinations are based on the management's estimate. The key variables in the change in fair value of contingent considerations are estimates of future operating profit.

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

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

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

Events subsequent to the closing of the accounts

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

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

Application of new and amended IFRS standards

The following new and amended standards and interpretations will be applied in the Group in future periods:

IFRS 9 Financial Instruments, new (effective for financial periods beginning on or after 1 January 2015)

IFRS 9 is the first stage in a larger project aiming to replace IAS 39 with a new standard. Different measurement methods are retained, but they have been simplified. Financial assets are divided by measurement method into two main groups: those measured at amortised cost and those measured at fair value. The classification depends on the company's operating model and on the characteristics of contractual cash flows. The guidance regarding amortisation and hedge accounting contained in IAS 39 will remain in effect. The standard has not yet been approved for application in the EU.

IFRS 10 Consolidated Financial Statements (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The standard establishes, in keeping with existing principles, control as the key factor determining whether an entity should be consolidated in the consolidated financial statements. The standard also provides additional guidance for determining control in situations where it is difficult to determine. The standard is not expected to materially impact the Group's financial statements. The standard has been approved for application in the EU.

IFRS 11 Joint Arrangements (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The standard stresses the subsequent rights and responsibilities rather than the legal form in accounting for joint arrangements. The standard requires that a single method, i.e. the equity method, be applied in the reporting of joint venture interests. The standard is not expected to materially impact the Group's financial statements. The standard has been approved for application in the EU.

IFRS 12 Disclosure of Interests in Other Entities (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The standard provides notes requirements for an entity's interests in associates, joint arrangements, structured entities and other entities not included in the consolidated balance sheet. The new standard will expand the notes that the Group presents on its holdings in other entities. The standard has been approved for application in the EU.

IAS 27 (amended in 2011) Separate Financial Statements (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The amended standard contains the requirements on separate financial statements that remain when the sections on control have been transferred under the new IFRS 10. The amendment of the standard will have no material effect on the Group's financial statements.

The consolidation of investment entities into the consolidated financial statements, amendments to IFRS 10, IFRS 12 and IAS 28 (to be applied in the EU in financial periods beginning on or after 1 January 2014)

If the entity is determined to be an investment entity under the standard and measures all its subsidiaries at fair value, it will no longer have to issue consolidated financial statements. The amendments to these standards will have no effect on the Group's financial statements. The standard has not yet been approved for application in the EU.

IASB issued an amendment to IFRS 10 Consolidated Financial Statements in October 2012. An exception regarding consolidation was added with regard to entities engaged in investment operations. The amendment contains the criteria which an entity must meet to qualify as an investment entity that may apply the exceptional procedure. Entities which meet the criteria will not consolidate subsidiaries but will measure them at fair value through profit or loss under IFRS 9 Financial instruments or IAS 39 Financial Instruments: Recognition and Measurement.

IAS 28 (revised in 2011) Investments in Associates and Joint Ventures (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The revised standard sets out requirements for using the equity method of accounting for associates and joint ventures as a result of the publication of IFRS 11. The standard has been approved for application in the EU.

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective for financial periods beginning on or after 1 January 2014)

The amendment specifies the rules regarding the presentation of offsetting of financial assets and liabilities and provides additional guidance for application. The amendment of the standard will have no material effect on the Group's financial statements. The amendment has not yet been approved for application in the EU.

IAS 36 Impairment of Assets – Recoverable amount disclosures for non-financial assets (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The amendment clarifies the disclosure requirements regarding cash-flow generating units which have been subject to recognised impairment of assets. The amendment has not yet been approved for application in the EU.

IAS 39 Financial Instruments: Recognition and Measurement. Amendment regarding Novation of Derivatives and Continuation of Hedge Accounting (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The amendment affects the application conditions of hedge accounting in circumstances in which the hedging instrument is novated to a central counterparty (CCP). The amendment has not yet been approved for application in the EU.

IFRIC 21 Levies (to be applied in the EU in financial periods beginning on or after 1 January 2014)

The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretation will have no effect on the Group's financial statements. The interpretation has not yet been approved for application in the EU.

Notes to the consolidated financial statements

1. INFORMATION BY SEGMENT

The Group has four reportable segments: Newspapers, Kauppalehti Group, Digital Consumer Services and Other Operations. Segment information is based on internal management reporting, which has been prepared in accordance with IFRS. No significant changes have taken place in the segments reportable by the Group or the structure of the operating segments during the financial period. The Objectvision.se service, which was previously reported under Digital Consumer Services, was transferred to Kauppalehti Group as of 1 January 2013. The change has been dealt with retroactively in the financial statement reporting by Alma Media Group.

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

REPORTABLE SEGMENT:	OPERATING SEGMENT:
Newspapers	Alma Regional Media
	Iltalehti
Kauppalehti Group	Kauppalehti Group
Digital Consumer Services	Marketplaces
	Alma Diverso
Other Operations	Other Operations

The Newspapers segment reports on the publishing activities of 35 national, regional or local media. The Alma Regional Media operating segment includes Aamulehti, Pohjois-Suomen Media, Satakunnan Kansa and Suomen Paikallissanomat as the largest publications.

Kauppalehti Group specialises in the production of financial information as well as providing information and marketing solutions for businesses. Its best-known title is Finland’s leading business media Kauppalehti. The group also includes customer and media communications solutions providers Alma 360 group and BNS, a news agency operating in the Baltic countries. As of the beginning of 2013, the digital service Objektvision.se is reported in Kauppalehti Group.

The Digital Consumer Services segment reports on the online classified services of the Marketplaces operating segment, which includes Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, MyyJaOsta.com in Finland, as well as Jobs.cz, Prace.cz, topjobs.sk, CV Online, Profesia.sk, MojPosao.net and City24 abroad. The segment also contains digital consumer services such as Telkku.com, Kotikokki.net, E-kontakti.fi, Nytmatkaan.fi and Suomenyritykset.fi included in the operating segment of Alma Diverso. In addition, the segment includes the development of the technology platform for the online services of regional and local papers.

The Other Operations segment reports on the Group’s printing and distribution unit and the parent company’s support operations. Transfer prices between segments are based on market prices.

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

The Group's business is mainly divided between two geographical areas: Finland and the rest of Europe. The Newspapers and Other Operations segments mainly operate in Finland. The business operations of Kauppalehti Group are located in Finland, the Baltic countries and Sweden. Digital Consumer Services operates in Finland and seven other European countries, principally the Czech Republic and Slovakia.

The revenue of the geographical areas is presented according to the location of customers and their assets are presented according to the location of the assets. The following table shows a geographical breakdown of the Group's revenue and assets in 2013 and 2012:

Revenue

MEUR	2013	Share of total, %	2012	Share of total, %
Finland	259.2	86.3	284.0	88.7
Other EU countries	39.7	13.2	34.1	10.7
Other countries	1.3	0.4	1.9	0.6
Total	300.2	100.0	320.1	100.0

Assets

EUR 1,000	2013	Share of total, %	2012	Share of total, %
Finland	240.3	88.1	210.9	86.0
Other EU countries	32.5	11.9	34.2	14.0
Other countries				
Total	272.8	100.0	245.1	100.0

Revenue

MEUR	Newspapers	Kauppalehti Group	Digital Consumer Services	Other Operations	Segments, total	Non-allocated items and eliminations	Group
Financial year 2013							
Revenue							
External revenue	183.1	56.3	53.8	7.1	300.2		300.2
Inter-segment revenue	2.5	0.6	2.1	78.4	83.5	-83.5	
Total	185.6	56.8	55.9	85.4	383.8	-83.5	300.2
Financial year 2012							
Revenue							
External revenue	203.4	58.2	52.2	6.3	320.1		320.1
Inter-segment revenue	3.2	0.8	2.3	78.5	84.8	-84.8	
Total	206.6	59.0	54.5	84.8	404.9	-84.8	320.1

Profit for the period

MEUR	Newspapers	Kauppalehti Group	Digital Consumer Services	Other Operations	Segments, total	Non-allocated items and eliminations	Group
Financial year 2013							
EBITDA	14.3	8.5	21.6	0.9	45.3		45.3
Depreciation, amortisation and impairment losses	2.8	0.7	5.4	9.4	18.3		18.3
Operating profit/loss	11.5	7.8	16.2	-8.5	27.0		27.0
Share of results in associated companies	-1.4	-3.1	0.1	0.3	-4.1		-4.1
Net finance expenses	0.2	-1.0	0.5	-0.2	-0.5		-0.5
Income before tax	10.3	3.8	16.7	-8.4	22.4		22.4
Income tax						-6.4	-6.4
Profit for the period	10.3	3.8	16.7	-8.4	22.4	-6.4	16.0
Other expenses not requiring payment transaction, other than depreciation	0.3	0.0	1.5	-3.8	-2.0		-2.0
Impairments	1.6		0.3	3.0	4.9		4.9
Financial year 2012							
EBITDA	23.2	6.4	10.0	-0.1	39.5		39.5
Depreciation, amortisation and impairment losses	1.1	0.8	6.2	4.9	13.0		13.0
Operating profit/loss	22.1	5.5	3.8	-5.0	26.5		26.5
Share of results in associated companies	0.1	-4.9	-0.1	0.6	-4.3		-4.3
Net finance expenses	0.2	-1.2	-0.1	2.6	1.5		1.5

Income before tax	22.4	-0.5	3.6	-1.8	23.7		23.7
Income tax						-6.3	-6.3
Profit for the period	22.4	-0.5	3.6	-1.8	23.7	-6.3	17.4
Other expenses not requiring payment transaction, other than depreciation	0.2	0.0	2.9	0.7	3.9		3.9
Impairments	-0.2	0.0	1.6		1.4		1.4

Assets and liabilities

MEUR	Newspapers	Kauppalehti Group	Digital Consumer Services	Other Operations	Segments, total	Non-allocated items and eliminations	Group
Financial year 2013							
Segment assets	32.3	18.8	91.4	91.1	233.6		233.6
Investments in associated companies	0.1	17.9	-0.2	7.7	25.5		25.5
Non-allocated assets						13.7	13.7
	32.4	36.7	91.2	98.8	259.1	13.7	272.8
Segment liabilities	24.8	9.7	14.9	84.5	133.9		133.9
Non-allocated liabilities						48.5	48.5
	24.8	9.7	14.9	84.5	133.9	48.5	182.3
Total	7.6	27.1	76.3	14.2	125.2	-34.8	90.4
Investments	2.6	0.8	2.0	57.4	62.8		62.8
Financial year 2012							
Segment assets	38.5	15.1	84.5	42.2	180.3		180.3
Investments in associated companies	1.5	21.8	-0.3	8.3	31.3		31.3
Non-allocated assets						33.5	33.5
	40.0	36.9	84.2	50.5	211.6	33.5	245.1
Segment liabilities	29.6	11.9	14.6	38.8	94.9		94.9
Non-allocated liabilities						66.2	66.2
	29.6	11.9	14.6	38.8	94.9	66.2	161.1
Total	10.4	25.0	69.6	11.6	116.7	-32.7	84.0
Investments	1.8	0.6	76.0	32.8	111.3		111.3

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

Liabilities not allocated to segments are financial and tax liabilities.

*) Year 2012 comparison information adjusted

2. BUSINESSES COMBINATIONS

Acquisitions in 2013

In 2013, the Group acquired control (100%) in Julkaisupalvelu Lounais-Lappi Oy. The acquisition has no material impact on the Group's financial reporting.

Acquisitions in 2012

	Business line	Acquired on	Ownership
Newspapers segment			
Koti-Kymppi	Local newspaper	01/02/2012	100 %
Digital Consumer Services			
LMC s.r.o	Online advertising	01/02/2012	100 %
CV Online	Online advertising	02/01/2012	100 %
PlanMyRoom Finland Oy	Online advertising	05/02/2012	100 %
Suomen Hankintakeskus Oy	Online advertising	06/01/2012	100 %
Adalia Media Inc	Online advertising	06/01/2012	51 %
E-kontakti Oy	Online advertising	08/01/2012	100 %
Profesia s.r.o (Slovakia)	Online advertising	11/15/2012	100 %
TAU Online d.o.o.	Online advertising	11/15/2012	100 %
Autovia S.r.o	Online advertising	11/15/2012	100 %
Profesia s.r.o (Czech Republic)	Online advertising	11/15/2012	100 %

The acquisition of business operations in the Newspapers segment has no material impact on the figures of Alma Media Group; accordingly, no additional disclosure is presented.

For the Digital Consumer Services segment, the following table presents the opening balance sheets of the acquired operations, the total acquisition price and impact on cash flow.

LMC s.r.o

MEUR	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.2	0.2
Intangible assets	7.5	22.1
Trade and other receivables	3.3	3.3
Cash and cash equivalents	5.9	5.9
Assets, total	16.8	31.4
Deferred tax liabilities		2.9
Trade and other payables	7.5	7.5
Liabilities, total	7.5	10.4
Total identifiable net assets at fair value	9.4	21.0
Cash and cash equivalents of acquired subsidiaries or businesses		5.9

CV Online

MEUR	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.0	0.0
Intangible assets	1.3	2.2
Trade and other receivables	0.2	0.2
Cash and cash equivalents	0.4	0.4
Assets, total	2.0	2.9
Deferred tax liabilities	0.1	0.4
Trade and other payables	0.5	0.5
Liabilities, total	0.6	0.8
Total identifiable net assets at fair value	1.4	2.1
Cash and cash equivalents of acquired subsidiaries or businesses		0.4

E-kontakti Oy

MEUR	Book values before integration	Fair values entered in integration
Property, plant and equipment		
Intangible assets		0.8
Trade and other receivables	0.0	0.0
Cash and cash equivalents	0.5	0.5
Assets, total	0.5	1.4
Deferred tax liabilities	0.0	0.2
Trade and other payables	0.2	0.2
Liabilities, total	0.2	0.4
Total identifiable net assets at fair value	0.3	1.0
Cash and cash equivalents of acquired subsidiaries or businesses		0.5

Profesia, Slovakia and Czech Republic

MEUR	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.6	0.6
Intangible assets	0.0	10.5
Trade and other receivables	0.7	0.7
Cash and cash equivalents	1.2	1.2
Assets, total	2.4	12.9
Deferred tax liabilities		2.4
Trade and other payables	1.8	1.8
Liabilities, total	1.8	4.2
Total identifiable net assets at fair value	0.7	8.7
Cash and cash equivalents of acquired subsidiaries or businesses		1.2

TAU Online d.o.o.

MEUR	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.0	0.0
Intangible assets	0.0	1.8
Inventories	0.0	0.0
Trade and other receivables	0.3	0.3
Cash and cash equivalents	0.2	0.2
Assets, total	0.5	2.3
Deferred tax liabilities		0.3
Trade and other payables	0.3	0.3
Liabilities, total	0.3	0.7
Total identifiable net assets at fair value	0.2	1.6
Cash and cash equivalents of acquired subsidiaries or businesses		0.2

Autovia

MEUR	Book values before integration	Fair values entered in integration
Property, plant and equipment	0.0	0.0
Intangible assets		0.4
Trade and other receivables	0.0	0.0
Cash and cash equivalents	0.1	0.1
Assets, total	0.2	0.6
Deferred tax liabilities		0.1
Trade and other payables	0.1	0.1
Liabilities, total	0.1	0.2
Total identifiable net assets at fair value	0.1	0.4
Cash and cash equivalents of acquired subsidiaries or businesses		0.1

Purchase consideration for the acquired subsidiaries or businesses

MEUR	Consideration, settled in cash	Contingent consideration liability	Total consideration
LMC s.r.o	39.2	3.9	43.1
CV Online	4.0	1.2	5.2
E-kontakti	4.2	0.1	4.3
Profesia, Slovakia and Czech Republic	20.8		20.8
TAU Online	2.5		2.5
Autovia	0.8		0.8

The amount of contingent considerations is based on the estimated EBITDA and operating profit of the business operations acquired during 2012 and 2013. Contingent considerations are classified as derivatives. Following IAS 39, they are recognised as financial liabilities measured at fair value through profit or loss on the balance sheet. Changes in fair value are recognised in finance income and expenses in the income statement.

Goodwill arising on acquisitions

MEUR	Consideration	Identifiable net assets of the acquired business operations	Goodwill
LMC s.r.o	43.1	-21.0	22.0
CV Online	5.2	-2.1	3.1
E-kontakti	4.3	-1.0	3.3
Profesia, Slovakia and Czech Republic	20.8	-8.7	12.1
TAU Online	2.5	-1.6	0.9
Autovia	0.8	-0.4	0.4

The other acquisitions of the Digital Consumer Services segment, PlanMyRoom Finland Oy, Suomen Hankintakeskus Oy and Adalia Media INC, do not constitute significant items on the consolidated balance sheet. The purchase consideration for the business operations acquired for the segment totalled MEUR 0.7, and goodwill arising on acquisition totalled MEUR 0.8.

Group revenue for 2012 would have been an estimated MEUR 329.5 (reported MEUR 320.1) and operating profit MEUR 28.0 (reported MEUR 26.5), assuming the acquisitions had taken place at the beginning of 2012.

The fair values entered on intangible assets in the integration relate primarily to trademarks, ICT technology and customer agreements. Factors contributory to goodwill were the synergies related to these businesses expected to be realised.

3. REVENUE

MEUR	2013	2012
Distribution of revenue between goods and services		
Sales of content	115.3	122.3
Sales of advertising	147.3	160.8
Sales of services	37.6	37.1
Revenue, total	300.2	320.1

In this specification, the revenue of the newspapers published by the Group and online services is divided into sales of content and advertising. Sales of services comprise sales of printing and distribution services, sales of the customer magazine business and service sales of online services.

4. OTHER OPERATING INCOME

MEUR	2013	2012
Gains on sale of non-current assets	8.5	0.5
Other income items	0.7	0.3
Other operating income, total	9.2	0.9

5. MATERIALS AND SERVICES

MEUR	2013	2012
Purchases during period	13.0	15.1
Change in inventories	0.2	-0.3
Use of materials and supplies	13.2	14.8
External services	66.4	70.1
Total	79.6	84.9

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2013 totalled MEUR 5.3 (MEUR 4.1 in 2012). Of this total, MEUR 4.2 (MEUR 3.1) was recognised in the income statement and MEUR 1.1 (MEUR 1.0 in 2012) was capitalised to the balance sheet in 2013. There were capitalised research and developments costs to a total of MEUR 2.0 on the balance sheet on 31 December 2013.

7. EMPLOYEE BENEFITS EXPENSE

1,000 EUR	2013	2012
Salaries and fees	95,553	103,140
Pension costs – defined contribution plans	16,423	18,250
Pension costs – defined benefit plans	47	83
Share-based payment transaction expense	457	764
Other employee expenses	6,946	7,074
Total	119,426	129,311

Average total workforce, calculated as full-time employees, excl. distribution staff		
Newspapers	792	838
Kauppalehti Group	402	415
Digital Consumer Services	497	391
Other Operations	275	266
Total	1,965	1,910
Additionally, the Group's own distribution staff (number of employees)	998	1,006

Salaries and bonuses paid to management

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

1,000 EUR			
Parent company President and CEO (Kai Telanne)			
	Salaries and other short-term employee benefits	507	532
	Post-employment benefits	196	288
	Approved stock options to be settled in shares	93	192
Total		795	1,012

The figures in the table are presented on an accrual basis. In 2013, the salary and benefits paid to the President and CEO of the Group totalled EUR 576,230 (in 2012 EUR 449,504).

Pension benefits of the President and CEO:

In addition to statutory employment pension security, the President and CEO has a defined contribution group pension benefit. His pension accumulates by 20% of the annual earnings. He has the right to retire upon reaching 60 years of age, at which time the payment of insurance premiums terminates. The pension is determined on the basis of the insurance savings at the time when the pension payments begin. Retirement can be postponed up to 70 years of age. At this time, the pension is determined on the basis of insurance savings adjusted according to the value development of the investment objects.

It is included in the terms and conditions of Alma Media President and CEO's group pension insurance that when the insured has been within the scope of the agreement for three years, he has the right to a paid-up policy corresponding to the insurance savings accumulated by the termination of the employment relationship. The paid-up policy includes old-age pension at retirement age, disability cover and a death benefit.

Notice period of the President and CEO:

The notice period of the President and CEO is six months. An additional contractual compensation equal to 12 months' salary is paid if the employer terminates his contract without the President and CEO being in breach of contract. This contractual compensation is not paid if the President himself resigns Alma Media's Board of Directors decides on the appointment and, as necessary, dismissal of the President and CEO.

1,000 EUR			
Other members of the Group Executive Team			
	Salaries and other short-term employee benefits	1,422	1,403
	Benefits paid in connection with dismissal		
	Post-employment benefits	509	505
	Approved stock options to be settled in shares	209	449
Total		2,139	2,357

The figures in the table are presented on an accrual basis. In 2013 the salary and benefits paid to the other members of the Group Executive Team totalled EUR 1,442,262 (in 2012 EUR 1,497,640, including EUR 71,656 in share-based payments).

1,000 EUR		
Board of Directors of Alma Media Corporation and benefits paid to its members		
Harri Suutari, Chairman (as of 14 March 2013)	49	34
Petri Niemisvirta, Deputy Chairman	42	40
Timo Aukia, member	35	31
Niklas Herlin, member (as of 14 March 2013)	28	
Seppo Paatelainen, Chairman (until 14 March 2013)	5	51
Perttu Rinta, member (as of 14 March 2013)	30	
Kai Seikku, member	37	30
Erkki Solja, member	33	31
Catharina Stackelberg-Hammarén, member	34	31
Total	290	246

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

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

1,000 EUR		
Salaries and bonuses to management, total	3,224	3,615

The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team together held 10,669,959 shares in the company on 31 December 2013, representing 14.1% of the total number of shares and votes. The company's Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team held altogether 284,750 options under the 2009A plan, 325,000 options under the 2009B plan and 325,000 options under the 2009C plan on 31 December 2013. These option rights entitle their holders to subscribe to a maximum of 934,750 new shares in the company.

The option rights and shares owned by the company's Board of Directors, the President and CEO of the parent company and the Group Executive Team represent 1.56% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights on 31 December 2013 are as follows *

	Shares	Options	Options	Options
pcs		2009A	2009B	2009C
Harri Suutari, Chairman	50,492			
Petri Niemisvirta, Deputy Chairman	6,438			
Timo Aukia, member	5,246			
Niklas Herlin, member	10,402,682			
Perttu Rinta, member	2,682			
Kai Seikku, member	10,401			
Erkki Solja, member	47,138			
Catharina Stackelberg-Hammarén, member	7,876			
Kai Telanne, President and CEO	89,753	100,000	100,000	100,000
Kari Juutilainen, Group Executive Team		30,000	30,000	30,000
Virpi Juvonen, Group Executive Team				
Kari Kivelä, Group Executive Team	1,410	34,750	45,000	45,000
Mikko Korttila, Group Executive Team	1,997		30,000	30,000
Juha-Petri Loimovuori, Group Executive Team	3,055	45,000	45,000	45,000
Raimo Mäkilä, Group Executive Team	30,000	45,000	45,000	45,000
Minna Nissinen, Group Executive Team	10,789	30,000	30,000	30,000
Juha Nuutinen, Group Executive Team				
Total	10,669,959	284,750	325,000	325,000

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

The holdings granted to the Group Executive Team according to the Performance Share Plan 2012 are not presented in the table, as, in the management's assessment, the plan will not be realised in accordance with the agreed terms and conditions.

According to the Articles of Association, the Board of Directors of Alma Media Corporation is appointed by the General Meeting of Shareholders. The number of members on the Board of Directors is no less than three and no more than nine. The Board of Directors shall elect from among its members a Chairman and a Deputy Chairman. The term of office for a member of the Board of Directors is one year, ending at the close of the Annual General Meeting following his or her election. The company's President and CEO may not be the Chairman of the Board.

The company shall have a President and CEO appointed by the Board of Directors. The President and CEO is responsible for managing the administration of the company in accordance with the instructions and requirements of the Board of Directors.

8. OTHER OPERATING EXPENSES

Specification of other operating expenses by category.

MEUR	2013	2012
Information technology and telecommunication	17.1	15.7
Business premises	12.3	11.6
Sales and marketing	13.9	14.4
Administration and experts	6.8	8.4
Other employee costs	11.3	12.3
Other costs	3.8	4.8
Total	65.1	67.2

9. AUDIT EXPENSES

MEUR		2013	2012
Ernst & Young Oy			
	Audit	0.2	0.2
	Reporting and opinions	0.0	0.0
	Tax consultation	0.1	0.0
	Other	0.1	0.2
Total		0.3	0.4

10. FINANCE INCOME AND EXPENSES

Finance income presented by categories as required by IAS 39

MEUR		2013	2012
Interest income on held to maturity investments		0.1	0.2
Foreign exchange gains (loans and receivables)		0.1	0.0
Fair value gain on items recognised at fair value through profit or loss			
	Change in the fair value of contingent consideration liabilities	0.1	3.8
	Change in the fair value of contingent considerations	1.1	
	Change in the fair value of interest rate derivatives	0.2	
Dividend income from available-for-sale financial assets		0.4	0.2
Total		1.9	4.2

Finance expenses presented by categories as required by IAS 39

MEUR		2013	2012
Interest expenses from interest-bearing debts measured at amortised cost		0.9	0.8
Interest expenses from finance leases measured at amortised cost		1.1	1.2
Value changes in items recognised at fair value through profit or loss			
	Change in the fair value of contingent considerations		0.2
	Change in the fair value of interest rate derivatives		0.4
Other finance expenses		0.3	0.1
Total		2.4	2.7

Contingent considerations arising in connection with mergers and acquisitions are classified as derivatives. Following IAS 39, they are recognised as financial items measured at fair value through profit or loss on the balance sheet. Changes in fair value are recognised in finance income and expenses in the income statement.

11. INCOME TAX

MEUR	2013	2012
Current income tax charge	7.9	6.9
Adjustments in respect of current income tax of previous years	-0.3	0.1
Deferred taxes	-1.2	-0.6
Total	6.4	6.3

Reconciliation of tax expenses in the income statement and tax calculated on Finnish tax rate:

The Finnish corporate tax rate in 2013 was 24.5% and in 2012 26.0%. In the calculation of deferred taxes, 20% has been used as the Finnish corporate tax rate in 2014.

MEUR	2013	2012
Profit before tax	22.4	23.7
Share of results in associated companies	4.1	4.3
	26.5	28.0
Tax calculated on the parent company's tax rate	6.5	6.9
Impact of varying tax rates of foreign subsidiaries	-0.3	-1.4
Tax-free income	-0.6	-1.1
Non-tax-deductible expenses	0.8	2.1
Items from previous periods	-0.3	0.1
Use of previously non-entered deferred tax assets	-0.1	-0.4
Unrecognised deferred tax asset from the confirmed tax losses	0.1	0.2
Recognition in balance sheet of previously non-entered deferred tax assets	0.4	
Other items, including adjustments due to the change in tax rate	-0.1	0.0
Tax recognised in the income statement	6.0	6.3

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

12. EARNINGS PER SHARE

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

MEUR	2013	2012
Profit attributable to ordinary shareholders of parent	15.0	16.6
Number of shares (x 1,000)		
Weighted average number of shares for basic earnings per share	75,487	75,487
Impact of dilution, stock options		174
Diluted weighted average number of outstanding shares	75,487	75,661
EPS, basic, €	0.20	0.22
ESP, diluted, €	0.20	0.22

13. INTANGIBLE ASSETS AND GOODWILL

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2013					
Acquisition cost 1 Jan	62.5	2.7	4.2	75.4	144.8
Increases	3.2	0.1	2.2	0.0	5.6
Acquisitions of business operations	0.5			0.9	1.4
Decreases	-0.3	0.0	-1.9	-2.3	-4.5
Exchange differences	-1.3			-0.4	-1.8
Transfers between items	1.4	0.3	-1.7		0.0
Acquisition cost 31 Dec	66.1	3.1	2.8	73.5	145.5
Accumulated depreciation, amortisation and impairments 1 Jan	22.2	1.7	1.6	1.1	26.5
Accumulated depreciation in decreases and transfers	-0.2	0.0	-1.6		-1.8
Depreciation for the financial year	5.7	0.5			6.2
Write-downs	0.1	0.0		1.8	1.9
Exchange differences	-0.3				-0.3
Accumulated depreciation, amortisation and impairments 31 Dec	27.6	2.1	0.0	2.8	32.6
Book value 1 Jan	40.3	1.0	2.6	74.3	118.2
Book value 31 Dec	38.5	0.9	2.8	70.7	112.9

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2012					
Acquisition cost 1 Jan	20.9	5.7	1.8	31.7	60.1
Increases	29.6		2.8	42.7	75.1
Business combinations	18.5		0.0	1.3	19.8
Decreases	-6.7	-3.0	0.0	-0.4	-10.2
Exchange differences				0.1	0.1
Transfers between items	0.3		-0.4		-0.1
Acquisition cost 31 Dec	62.5	2.7	4.2	75.4	144.8
Accumulated depreciation, amortisation and impairments 1 Jan	14.3	4.2		1.1	19.5
Accumulated depreciation in decreases	3.2	-3.0			0.2
Depreciation for the financial year	4.8	0.5		0.0	5.3
Write-downs			1.6		1.6
Exchange differences			0.0		0.0
Accumulated depreciation, amortisation and impairments 31 Dec	22.2	1.7	1.6	1.1	26.5
Book value 1 Jan	6.6	1.5	1.8	30.6	40.5
Book value 31 Dec	40.3	1.0	2.6	74.3	118.2

Decreases in goodwill concern the acquisitions made before the implementation of the revised IFRS 3.

Intangible assets include assets purchased through finance leases as follows:

MEUR	Intangible rights
Financial year 2012	
Acquisition cost 1 Jan	0.8
Increases	
Decreases	-0.8
Acquisition cost 31 Dec	
Accumulated depreciation 1 Jan	0.8
Accumulated depreciation in decreases	-0.8
Depreciation for the financial year	
Accumulated depreciation at year-end	
Book value 31 Dec	

Allocation of intangibles with indefinite lives to cash-generating units

The book value of intangible assets includes intangible rights totalling EUR 16,969 thousand which are not depreciated; instead, these rights are tested annually for impairment. These assets, which have an indefinite economic impact, are trademarks recognised at fair value by the Group at the time of acquisition. These non-depreciated intangible rights are allocated to the cash-generating units as follows:

MEUR		2013	2012
Regional Media		0.4	0.4
Iltalehti		0.3	
Newspapers, total		0.7	0.4
Kauppalehti Group			
	Objektvision	0.3	0.3
	Alma 360	0.1	0.1
Kauppalehti Group, total		0.4	0.4
Marketplaces			
	Housing	0.1	
	Recruitment	14.6	15.1
	Other		0.1
	Diverso	1.1	1.3
Digital Consumer Services, total		15.8	16.5
Group, total		17.0	17.3

Allocation of goodwill to cash-generating units

MEUR		2013	2012
A significant amount of goodwill has been allocated to the following cash-generating units			
Regional Media			
	Aamulehti	0.0	0.0
	Pohjois-Suomen Media	4.3	5.9
	Satakunnan Kansa	4.0	4.0
	Paikallissanomat	3.5	2.6
	Iltalehti		
Newspapers, total		11.8	12.5
Kauppalehti Group			
	Kauppalehti	3.3	3.3
	Baltic News Service	1.1	1.1
	Objektvision	3.5	3.6
	Alma 360	3.1	3.1
Kauppalehti Group, total		11.0	11.2
Marketplaces			43.0
	Housing	1.2	1.2
	Recruitment	39.2	39.5
	Other		2.4
	Diverso	7.5	7.5
Digital Consumer Services, total		47.8	50.5
Non-allocated goodwill		0.1	0.1
Total		70.7	74.3

Impairment testing of goodwill and intangibles with indefinite lives

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

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

The Group's business, advertising sales in particular, is very dependent on business cycles. A significant portion of the Group's revenue is generated from advertising sales. Advertising sales correlates significantly with changes in the gross national product, and changes in advertising sales are largely intensified at cyclical turns. Investments in advertising have been particularly low in Finland in relation to the level of GNP in 2010–2013, even in international comparison. Alma Media estimates that the gross national product will start growing in the domestic market. The growth assumptions for revenue and costs used in the value in use calculations are presented in the table below.

According to its strategy, the Group has invested in the development of digital services. Digital services account for approximately 29% of the Group's revenue. In digital services, the realised changes are larger and the future growth assumptions higher than in average advertising investments. With regard to the printing business, moderate revenue growth assumptions have been used in impairment testing.

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

Discount rates used in impairment testing

		Country	Revenue growth assumption	Cost growth assumption	WACC before taxes	Business line
Newspapers						
	Regional Media					
	Aamulehti	Finland	0.8 %	0.8 %	7.7 %	Publishing
	Pohjois-Suomen Media	Finland	-0.1 %	-1.4 %	9.3 %	Publishing
	Satakunnan Kansa	Finland	0.9 %	1.2 %	9.7 %	Publishing
	Local and town papers	Finland	0.2 %	0.4 %	9.8 %	Publishing
	Iltalehti	Finland	1.2 %	0.5 %	9.7 %	Publishing, Online
Kauppalehti Group						
Kauppalehti		Finland	2.3 %	2.3 %	10.4 %	Publishing, Online
Baltic News Service		Baltic countries	1.7 %	0.6 %	14.0 %	Publishing
Objektvision		Sweden	3.1 %	3.5 %	10.7 %	Online
Alma 360		Finland	1.6 %	1.6 %	9.7 %	Publishing
Digital Consumer Services						
Marketplaces						
	Housing	Finland	2.8 %	2.8 %	11.2 %	Online
		Baltic countries	9.7 %	2.8 %	13.9 %	
	Recruitment	Finland	6.3 %	5.2 %	11.2 %	Online
		Baltic countries	5.3 %	5.3 %	14.1 %	
		Czech Republic	4.0 %	3.8 %	12.1 %	
		Slovakia	3.4 %	2.8 %	13.1 %	
		Croatia	2.5 %	2.1 %	16.9 %	
Alma Diverso		Finland	17.7 %	11.5 %	11.1 %	Online

Impairment losses and their allocation

During the past financial year, the Group recognised MEUR 1.6 in impairment losses on goodwill. The impairment loss is recognised for the goodwill of Pohjois-Suomen Media. Pohjois-Suomen Media is part of the Regional Media business unit, which is reported in the Newspapers segment. After the recognition of the impairment loss, asset items of MEUR 5.4 are allocated to Pohjois-Suomen Media. The key cause of the impairment loss is the poor outlook for northern regional newspapers.

In addition, the Group has recognised an impairment loss of MEUR 0.09 related to the long-term assets of the MyyJaOsta.com service. The basis for the impairment loss is a deteriorated outlook.

In the management's view, there are no signs of impairment with regard to the other units of Alma Media Group.

No impairment losses on goodwill were recognised in 2012.

Sensitivity analyses of impairment testing

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

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

The aggregate book values of the Newspapers segment amounted to approximately 9% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on value in use was approximately 54%. Excluding the goodwill allocated to Pohjois-Suomen Media, a change in the key variables would not lead to a recognition of impairment loss on asset items according to the sensitivity analysis. At the time of reporting, the book value of the assets of Pohjois-Suomen Media is MEUR 5.4.

The aggregate book values of Kauppalehti Group were approximately 12% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use was 40–54% in the calculations. When the recoverable amount of the segment is assessed, a change in the key variables would not lead to the recognition of impairment losses according to the sensitivity analysis.

The aggregate book values of the Digital Consumer Services segment were approximately 52% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use varied between 26% and 40%. On the basis of the sensitivity analysis, the Czech, Slovak and Croatian operations of the Recruitment business are more sensitive to impairment losses caused by potential changes in assumptions. The book value of the assets of the entire Recruitment business area at the time of reporting is MEUR 71.1. On the basis of the sensitivity analysis, the measurement of the assets and goodwill of the other business operations of the segment do not contain risk of impairment.

Risk of impairment according to the sensitivity analysis when the assumptions change:

		Permanent decrease in content sales		
MEUR		1 %	2 %	3 %
Newspapers				
	Pohjois-Suomen Media	1.6	3.1	4.6

		Permanent decrease in advertising sales			Increase in WACC		
MEUR		2 %	4 %	6 %	1 %	2 %	3 %
Newspapers							
	Regional Media						
	Pohjois-Suomen Media	3.0	5.4	5.4	0.7	1.3	1.8
Digital Consumer Services							
	Recruitment	0.8	2.0	6.9	1.4	3.0	6.7

Of the results of the sensitivity analysis, the table presents the risk of impairment if a permanent decrease in sales takes place in deviation from the management's assumptions.

14. PROPERTY, PLANT AND EQUIPMENT

MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2013						
Acquisition cost 1 Jan	1.4	42.2	52.4	1.8	0.6	98.5
Increases		0.2	54.9	0.5	0.0	55.7
Decreases			-0.2	0.0	-0.4	-0.6
Exchange differences			0.0			0.0
Transfers between items			0.0	0.3	-0.3	0.0
Acquisition cost 31 Dec	1.4	42.5	107.1	2.6		153.5
Accumulated depreciation, amortisation and impairments 1 Jan		11.6	45.1	0.5		57.2
Accumulated depreciation in decreases			-0.2	0.0		-0.2
Depreciation for the financial year		1.6	5.4	0.3		7.2
Write-downs			3.1			3.1
Accumulated depreciation, amortisation and impairments 31 Dec		13.2	53.3	0.7		67.2
Book value 1 Jan	1.4	30.6	7.4	1.3	0.6	41.3
Book value 31 Dec	1.4	29.3	53.8	1.9		86.3
Balance sheet value of machinery and equipment 31 Dec			53.4			

MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2012						
Acquisition cost 1 Jan	1.7	24.5	57.4	4.4		88.0
Increases		24.1	2.4	0.0	0.7	27.2
Business combinations		0.1	2.8	0.0	0.0	2.9
Decreases	-0.3	-6.5	-10.3	-2.6	0.0	-19.7
Transfers between items		0.0	0.1	0.0	0.0	0.0
Acquisition cost 31 Dec	1.4	42.2	52.4	1.8	0.6	98.5
Accumulated depreciation, amortisation and impairments 1 Jan		15.5	46.7	2.7		64.9
Accumulated depreciation in decreases		-4.0	-7.4	-2.5		-13.9
Depreciation for the financial year		0.4	5.7	0.2		6.4
Write-downs		-0.2				-0.2
Accumulated depreciation, amortisation and impairments 31 Dec		11.6	45.1	0.5		57.2
Book value 1 Jan	1.7	9.0	10.7	1.7		23.0
Book value 31 Dec	1.4	30.6	7.4	1.3	0.6	41.3
Balance sheet value of machinery and equipment 31 Dec			6.8			

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

MEUR	Buildings	Machinery and equipment	Total
Financial year 2013			
Acquisition cost 1 Jan	24.1	6.4	30.5
Increases		51.0	51.0
Decreases			
Acquisition cost 31 Dec	24.1	57.4	81.5
Accumulated depreciation 1 Jan		2.0	2.0
Accumulated depreciation in decreases			
Write-downs		1.5	1.5
Depreciation for the financial year	1.2	4.4	5.6
Accumulated depreciation 31 Dec	1.2	7.9	9.1
Book value 31 Dec	22.9	49.5	72.4

MEUR	Buildings	Machinery and equipment	Total
Financial year 2012			
Acquisition cost 1 Jan		7.7	7.7
Increases	24.1	3.0	27.1
Decreases		-4.3	-4.3
Acquisition cost 31 Dec	24.1	6.4	30.5
Accumulated depreciation 1 Jan		3.4	3.4
Accumulated depreciation in decreases		-2.9	-2.9
Depreciation for the financial year		1.5	1.5
Accumulated depreciation 31 Dec		2.0	2.0
Book value 31 Dec	24.1	4.4	28.5

15. SUBSIDIARY COMPANIES

Company	Registered office	Holding, %	Share of votes, %
Alma Manu Oy	Tampere, Finland	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki, Finland	100.00	100.00
Alma Media Kustannus Oy	Helsinki, Finland	100.00	100.00
Alma Media Lehdentekijät Oy	Helsinki, Finland	100.00	100.00
Alma Media Suomi Oy	Helsinki, Finland	100.00	100.00
Alma Media Ventures Oy	Helsinki, Finland	100.00	100.00
Alma Mediapartners Oy	Helsinki, Finland	65.00	65.00
AS Kinnisvaraportaal	Tallinn, Estonia	100.00	100.00
Balti Uudistetalituse AS	Tallinn, Estonia	100.00	100.00
BNS Eesti OÜ	Tallinn, Estonia	100.00	100.00
BNS Latvija SIA	Riga, Latvia	99.99	99.99
BNS UAB	Vilnius, Lithuania	99.95	99.95
CV-Online Estonia OÜ	Tallinn, Estonia	100.00	100.00
CV Online Holding OÜ	Tallinn, Estonia	100.00	100.00
E-kontakti Oy	Helsinki, Finland	100.00	100.00
ETA Uudistetalituse OÜ	Tallinn, Estonia	100.00	100.00
Etuovi Oy	Helsinki, Finland	100.00	100.00
Julkaisupalvelu Lounais-Lappi Oy	Kemi, Finland	100.00	100.00
Karenstock Oy	Helsinki, Finland	100.00	100.00
Kauppalehti Oy	Helsinki, Finland	100.00	100.00
Kotikokki.net Oy	Helsinki, Finland	65.00	65.00
LMC s.r.o	Prague, Czech Republic	100.00	100.00
Mediaskopas UAB	Vilnius, Lithuania	100.00	100.00
Mediju Monitorings SIA	Riga, Latvia	100.00	100.00
Monster Oy	Helsinki, Finland	75.00	75.00
Objektvision AB	Stockholm, Sweden	100.00	100.00
Profesia s.r.o	Bratislava, Slovakia	100.00	100.00
Profesia s.r.o	Prague, Czech Republic	100.00	100.00
SIA City24	Riga, Latvia	100.00	100.00
SIA CV-Online Latvia	Riga, Latvia	100.00	100.00
Suomen Business Viestintä SBV Oy	Helsinki, Finland	100.00	100.00
Suomen Hankintakeskus Oy	Tampere, Finland	100.00	100.00

Suunnittelutoimisto TTNK Helsinki Oy	Helsinki, Finland	100.00	100.00
TAU On-line d.o.o	Zagreb, Croatia	100.00	100.00
UAB City24	Vilnius, Lithuania	100.00	100.00
UAB CV-Online LT	Vilnius, Lithuania	100.00	100.00

During the financial period, the business operations of the heavy trade-in machinery and vehicle marketplace Mascus were sold, at which time the holdings in Marknadspriser i Sverige Ab, Adalia Media Inc and Mascus A/S were divested. The transaction resulted in capital gains of MEUR 8.4. In addition, Autovia s.r.o. was sold.

16. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

MEUR	2013	2012
Holdings in associated companies		
At beginning of period	31.3	35.0
Increases	0.0	2.0
Decreases		0.0
Share of results	0.8	0.4
Share of items recognised directly in associated company's equity	-0.4	0.4
Capital repayments received	-0.4	-0.9
Dividends received	-0.9	-0.7
Impairment	-5.0	-4.8
At end of period	25.5	31.3

Further information on associated companies

Talentum Oyj, included in the book value of associated companies on 31 December 2013, is a public listed company The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements on 31 December 2013 was MEUR 19.5 and the market capitalisation of the holding was MEUR 15.2. The investment is considered long-term and strategic for Alma Media. For the purpose of impairment testing of the Talentum shareholding, a value in use method based on the present value of Talentum's future discounted cash flows has been used. Due to the macroeconomic environment and its impact on Talentum's business outlook, the Group has made an impairment of MEUR 3.5 on the value of Talentum shares, corresponding to the result of the analysis.

In addition, an impairment of MEUR 1.4 has been made on the holding in Tampereen Ykkösjakelu Oy, the Group's associated company.

Alma Media Corporation granted the associated company Oppex Oy (formerly Locatia Oy), whose book value in the consolidated financial statements is EUR 105 thousand, a capital loan of EUR 45 thousand as referred to in Chapter 12 of the Finnish Limited Liability Companies Act (624/2006).

Goodwill arising from associated companies on the balance sheet on 31 December 2013 totalled MEUR 15.3 (MEUR 20.2).

MEUR	2013	2012
Book value of shares, total	25.5	31.3
Liabilities to associated companies	0.0	0.1
Summary (100%) of associated company totals		
Aggregate assets of associated companies	75.7	80.7
Aggregate liabilities of associated companies	46.4	49.8
Aggregate revenue of associated companies	123.0	124.8
Aggregate profit/loss of associated companies	3.8	3.5

Associated companies	Holding, %	Share of votes, %
Alkali Oy	24.32	24.32
Arena Interactive Oy	35.00	35.00
Development studio d.o.o.	30.00	30.00
Infostud 3 d.o.o.	25.00	25.00
Holding Oy Visio	24.74	24.74
JM-Tieto Oy	20.00	20.00
Kytöpirtti Oy	43.20	43.20
Oppex Oy	20.00	20.00
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	24.07	24.07
Talentum Oyj	32.14	32.14
Tampereen Tietoverkko Oy	35.14	35.14
Tampereen Ykkösjakelu Oy	40.00	40.00

Joint venture companies

The Group treats as joint venture companies its mutual property and housing companies. Joint venture companies are consolidated using the proportional consolidation method in accordance with IAS 31.

MEUR	2013	2012
Group's share of balance sheets and results of joint venture companies		
Non-current assets	3.8	3.7

17. OTHER FINANCIAL ASSETS

MEUR	Balance sheet values 2013	Balance sheet values 2012
Non-current financial assets		
Available-for-sale financial assets		
Unquoted share investments	3.7	3.7
Financial assets recognised at fair value through profit or loss		
Contingent considerations		0.9
Loan receivables	0.1	0.1
Total	3.8	4.7
Current financial assets		
Investments held to maturity	0.0	0.0
Assets recognised at fair value through profit or loss		
Contingent considerations	2.0	
Total	2.0	0.0
Financial assets, total	5.8	4.8

Contingent considerations are classified as derivatives. Following IAS 39, they are recognised as financial assets measured at fair value through profit or loss on the balance sheet. Changes in fair value are recognised in finance income and expenses in the income statement.

Available-for-sale investments are mainly unquoted shares.

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

MEUR	2013	2012
At beginning of period	3.7	4.1
Other increases	0.0	
Decreases	0.0	
Net profits/losses transferred to be recognised through profit or loss		-0.4
At end of period	3.7	3.7

Items recognised at fair value through profit or loss are presented in the following table:

MEUR	2013	2012
At the beginning of the period	0.9	4.9
Decreases	-0.1	-3.8
Net profits/losses transferred to be recognised through profit or loss	1.2	-0.2
At the end of the period	2.0	0.9

Level 3

Assets recognised at fair value through profit or loss	2.0	0.9

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

Contingent considerations arising from the acquisition of business operations on the balance sheet on 31 December 2013 are based on the companies' operating profit for 2013.

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

Investments held to maturity include other current investments. They are valued at amortised cost and are included in current assets.

Available-for-sale financial assets mainly comprise unquoted investments, and they are valued at acquisition cost as the acquisition cost corresponds to their fair value.

18. INVENTORIES

MEUR	2013	2012
Materials and supplies	1.4	0.7
Total	1.4	0.7

19. TRADE AND OTHER RECEIVABLES

MEUR		2013	2012
Trade receivables		23.5	26.3
Receivables from associated companies			
Total		23.5	26.3
Receivables from others			
	Prepaid expenses and accrued income	2.9	2.2
	Other receivables	0.6	0.8
Total		3.5	3.0
Receivables, total		27.0	29.3

MEUR	2013	2012
The ageing analysis of trade receivables is as follows:		
Receivables not yet due and receivables overdue by 1-4 days	20.0	22.2
Overdue by 5-30 days	1.5	2.5
Overdue by 31-120 days	0.3	0.3
Overdue by more than 120 days	1.7	0.1
Total	23.5	25.1

A provision for bad debts of approximately MEUR 1.3 was made in 2013. In financial year 2013 credit losses of MEUR 0.3 were recognised in the Group (in 2012 MEUR 0.5). The credit losses totalled 0.2% of revenue in 2013 (0.5% in 2012).

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

20. CASH AND CASH EQUIVALENTS

MEUR	2013	2012
Cash and bank accounts	12.3	17.1
Investment certificates (1–3 months)		
Total	12.3	17.1

21. INFORMATION ON SHAREHOLDERS' EQUITY AND ITS ADMINISTRATION

The following describes information on Alma Media shares and changes in 2013.

	Total number of shares	Share capital, MEUR	Share premium fund, MEUR
1 January 2013	75,486,853	45.3	7.7
Exercised options		0.0	0.0
31 December 2013	75,486,853	45.3	7.7

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

Book-entry securities system

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

Own shares

The Group did not hold any of the company's own shares in 2013 or 2012.

Translation differences

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

Asset revaluation fund

The asset revaluation fund is used to record increases in the fair value of financial assets available for sale. The Group has not recognised any revaluation of assets during the financial year. The financial assets available for sale consist of investments in non-listed shares, and no reliable fair value is available.

Distributable funds

The distributable funds of the Group's parent company totalled EUR 23,905,611 on 31 December 2013.

Dividend policy

On 25 November 2013, Alma Media published its long-term financial objectives. In accordance with them, it is the company's aim to pay on average more than 50% of the profit for the period in dividends or capital repayments over the long term.

Redemption of shares

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

22. SHARE-BASED PAYMENTS

Stock option scheme 2009

The Annual General Meeting of Alma Media on 11 March 2009 decided, in accordance with the proposal by the Board of Directors, to continue the incentive and commitment system for Alma Media management through an option programme according to earlier principles and decided to grant stock options to the key employees of Alma Media Corporation and its subsidiaries in the period 2009–2011. Altogether 2,130,000 stock options may be granted, and these may be exercised to subscribe to a maximum of 2,130,000 Alma Media shares, either new or in possession of Alma Media. Of the total number of options, 710,000 were marked 2009A, 710,000 were marked 2009B and 710,000 were marked 2009C.

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%.

The stock option plan is recognised in the financial statements in accordance with IFRS 2, Share-based payments. The option rights granted are measured at their fair value on the grant date using the Forward Start Option Rubinstein (1990) model based on the Black-Scholes pricing model and expensed in the income statement under employee expenses over the vesting period. An expense of MEUR 0.5 was recognised in 2013 (in 2012 MEUR 0.8). The expected volatility has been determined by calculating the historical volatility of the company´s share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

Scheme 2009

				Share subscription period		Period determining subscription price
Options	Number	Annulled	Free	begins	ends	(trade-weighted average share price)
2009A	710,000	115,000		04/01/2012	03/31/2014	1.4.2009–30.4.2009
2009B	710,000	175,000	30,000	04/01/2013	03/31/2015	1.4.2010–30.4.2010
2009C	710,000	130,000	45,000	04/01/2014	03/31/2016	1.4.2011-30.4.2011

The share subscription prices will be reduced by the amount of dividend per share and capital repayment per share decided after the period for determination of the share subscription price but before share subscription.

	A option plan	B option plan	C option plan
Principal terms and conditions of the option scheme:			
AGM date/Date of issuing	03/11/09	03/11/09	03/11/09
Initial number, pcs	710,000	710,000	710,000
Grant date(s)	05/01/10	06/09/10	05/05/11
		06/22/10	07/21/11
Number of granted options, pcs	640,000	610,000	640,000
The subscription ratio for underlying shares, pcs	1.00	1.00	1.00
Initial exercise price, €	5.21	7.33	7.95
Share price at time of grant, €	5.08	6.80	7.52
Expected volatility	30%	28%	31%
Expected period of validity of the option on grant date, years	2.9	2.8	2.9
Risk-free interest	3.00%	1.40%	3.00%
Expected employee reductions			
Expected dividend income, %			
Dividend adjustment	Yes	Yes	Yes
Exercise price on 31 December 2013, €	3.61	6.13	7.45
Initial allocation date	05/01/2009	06/09/2010	05/05/2011
Vesting date	04/01/2012	04/01/2013	04/01/2014
Maturity date	03/31/2014	03/31/2015	03/31/2016
Maximum contractual life, years	4.9	4.8	4.9
Remaining contractual life, years	0.2	1.2	2.2
Number of persons at the end of the reporting year	17	16	18
Payment method	Share	Share	Share
Expiry	03/31/2014	03/31/2015	03/31/2016
Value of the option right determined on the grant date	€1.570/share	€1.617/share	€2.30/share
	MEUR 1.1	MEUR 1.0	MEUR 1.5

Value determination model Black&Scholes (Forward Start Option, 1990 Rubinstein)

The option rights are granted on condition that the recipients pledge to subscribe to shares corresponding to at least 25% of the gross value of the options granted to them when the options are sold and to refrain from selling the subscribed shares for at least one year from the end of the share subscription period for each respective option right.

Should the option holder’s employment or service contract with Alma Media Group end for reasons other than death or retirement, as determined by the company, or permanent disability, or for another reason determined by the Board of Directors and independent of the option holder, the option holder shall return to the company without consideration all option certificates for which the share subscription period has not begun on the date of the termination of the employment or service contract.

The option rights may be freely transferred when the share subscription period that applies to them has commenced. Before the commencement of the share subscription period for the options in question, option rights may only be transferred with the consent of the Board of Directors.

Changes during option period

Scheme 2009

	A option plan		B option plan		C option plan	
Number of options	2013	2012	2013	2012	2013	2012
At beginning of financial year	509,750	509,750	505,000	595,000	535,000	640,000
Number of new options granted						
Number of options forfeited				-90,000		-105,000
Number of options exercised						
At end of financial year	509,750	509,750	505,000	505,000	535,000	535,000

The expense of the stock option scheme 2009 during the period was MEUR 0.5.

Performance Share Plan 2012

The Board of Directors of Alma Media Corporation has at its meeting in February 2012 resolved to implement a Performance Share Plan for the key employees of Alma Media Group.

The plan includes three (3) one (1) year performance periods, calendar years 2012, 2013 and 2014, based on the Group's return. Furthermore, for the members of the Group Executive Team, the plan includes one (1) three (3) year performance period the calendar years 2012—2014, based on the profitable growth of the Group.

The reward from the plan will shall 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 shall 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 shall 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 shall be paid to a key employee if a Group company or a key employee gives notice of termination or cancels the key employee's employment or service contract before the reward payment. A key employee shall be obligated to return the shares given as reward and subject to the transfer restriction back to the company or its designate, gratuitously, without delay, if a Group company or key employee gives notice of termination or cancels the key employee's employment or service contract before the end of the restriction period in question. Shares earned for the performance period 2012–2014 shall not be subject to a restriction period.

There shall be a maximum total of 600,000 shares 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 that shall be given as reward on the basis of the entire plan.

In the first performance period 2012, the Performance Share Plan shall include approximately 20 people, and in the next performance period 2013 an estimated 24 people. 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 in case the performance of the Group´s return is in line with the performance criteria set by the Board of Directors. The criteria were not met for the performance period 2012. The value of the plan for the performance period 2013 corresponds to the value of 117,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the performance of the Group´s return is in line with the performance criteria set by the Board of Directors. 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. The potential reward shall 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 for the performance period 2012–2014 and 2012–2014 II corresponds 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 in case the performance of the Group's return is in line with the performance criteria set by the Board of Directors.

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 on the date on which the target group has agreed to the terms and conditions of the plan, reduced by the estimated dividends during the performance period. The fair value of the cash proportion is remeasured on each reporting date based on the share price on the reporting date.

Performance Share Plan – Principal terms and conditions

Instrument	Performance period 2012–2014_II	Performance period 2012–2014	Performance period 2013
AGM date/Date of issuing	03/14/2012	03/14/2012	03/14/2012
Initial number, pcs	106,000	106,000	120,000
The subscription ratio for underlying shares, pcs			
Initial exercise price, €			
Dividend adjustment	No	No	No
Exercise price on 31 December 2012, €			
Initial allocation date	04/30/2012	04/30/2012	03/14/2012
Vesting date	12/31/2016	12/31/2015	12/31/2014
Maturity date	12/31/2016	12/31/2015	12/31/2014
Maximum contractual life, years	4.7	3.7	2.8
Remaining contractual life, years	3	2	2
Number of persons at the end of the reporting year	7	7	22
Payment method	Cash & share	Cash & share	Cash & share

Changes during share plan period			
1 January 2013			
Outstanding at the beginning of the reporting period, pcs	88,000	88,000	
Reserve at the beginning of the reporting period, pcs	18,000	18,000	
Changes during the period			
Granted			117,000
31 December 2013			
Exercised by the end of the period			
Outstanding at the end of the period	88,000	88,000	117,000
Reserve at the end of the period	18,000	18,000	

Fair value determination

The fair value of share-based incentives has been determined at grant date and the fair value is expensed until vesting. The pricing of the share based incentives granted during the period was determined by the following inputs and had the following impact:

Initial pricing inputs for the incentives granted during the reporting period

	Performance period 2013	Performance period 2012–2014	Performance period 2012–2014_II
Share price at grant, €	4.13	6.30	6.30
Share price at reporting period end, €	2.99	2.99	2.99
Expected dividends, €	0.30	1.60	2.00
Fair value on 31 Dec 2013, €	0.00	0.00	0.00

With regard to the performance period 2013 of the Performance Share Plan 2012 and the long-term performance period, no expense is recognised in the 2013 financial statements, as, according to the management's view, it is unlikely that the plan will be realised in accordance with the agreed terms and conditions.

The management's shareholdings and rights to options and share rewards are detailed in Note 7, Employee benefits expense.

23. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 2013

MEUR	31 Dec 2012	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31 Dec 2013
Deferred tax assets					
Provisions	0.1	0.4			0.4
Pension benefits	0.1	0.0	0.0		0.1
Deferred depreciation	1.2	-0.7			0.5
Other items	0.7	0.3			1.0
Total	2.1	0.0	0.0		2.0
Taxes, net	-1.1				-0.6
Deferred tax assets on balance sheet	1.0				1.5
Deferred tax liabilities					
Accumulated depreciation differences	0.1	0.0			0.0
Business combinations	6.4	-0.3	-0.2		5.8
Retained earnings of subsidiary companies	0.3	-0.1			0.2
Other items	2.2	-0.7			1.5
Total	9.0	-1.2	-0.2		7.6
Taxes, net	-1.1				-0.6
Deferred tax liabilities on balance sheet	7.9				7.0
Deferred tax, net	-6.9	1.2	0.2		-5.5

No deferred tax asset has been calculated on the confirmed losses of Group companies of MEUR 0.3. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire in 2022.

Changes in deferred taxes during 2012

MEUR	31 Dec 2011	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31 Dec 2012
Deferred tax assets					
Provisions	0.3	-0.2		0.0	0.1
Pension benefits	0.1	0.0	0.0	0.0	0.1
Deferred depreciation	0.9	0.2		0.0	1.2
Other items	0.4	0.2		0.0	0.7
Total	1.8	0.2	0.0	0.0	2.1
Taxes, net	-1.2				-1.1
Deferred tax assets on balance sheet	0.6				1.0
Deferred tax liabilities					
Accumulated depreciation differences	0.2	-0.2			0.1
Business combinations	0.9	-0.5	-0.2	6.2	6.4
Retained earnings of subsidiary companies	0.3	0.0		0.0	0.3
Other items	1.9	0.3		0.0	2.2
Total	3.3	-0.4	-0.2	6.2	9.0
Taxes, net	1.2				1.1
Deferred tax liabilities on balance sheet	2.2				7.9
Deferred tax, net	-1.5	0.7	0.2	-6.2	-6.9

24. PENSION OBLIGATIONS

The Group has defined benefit pension plans which consist of the Group's old, discontinued pension liabilities. Unfunded pension plans are unfunded, uninsured pension obligations for the employees. Funded pension plans cover the free-form group pension insurance policies directed at the Group's employees.

Time series of present value of obligations and fair value of plan assets

MEUR	2013	2012
Present value of unfunded obligations	2.2	2.4
Present value of funded obligations	7.0	6.9
Fair value of assets	-6.5	-6.3
Pension liability	2.6	3.0

The defined benefit pension obligation on the balance sheet is determined as follows:

MEUR	31 Dec 2013	31 Dec 2012
Present value of obligations at start of period	9.2	8.7
Service cost during period	0.0	0.1
Interest cost	0.2	0.3
Actuarial gains and losses	0.5	0.9
Payments of defined benefit obligations	-0.8	-0.7
Losses/gains from plan settlements		0.0
Present value of funded obligations at end of period	9.1	9.2
Fair value of plan assets at start of period	6.3	5.6
Expected return on plan assets	0.2	0.3
Actuarial gains and losses	0.5	0.8
Incentive payments	0.1	0.1
Payments of defined benefit obligations	-0.6	-0.5
Losses/gains from plan settlements		0.0
Fair value of plan assets at end of period	6.5	6.3
Pension liability	2.6	3.0
Unrecognised actuarial gains (+) and losses (-)		
Losses/gains from plan settlements		
Defined benefit pension liabilities on the balance sheet	2.6	3.0
Net pension liability		
Pension liability	2.6	3.0
Pension asset		
Net pension liability	2.6	3.0

The plan assets are invested primarily in fixed income or share-based instruments, and they have an aggregate expected annual return of 3.0%. A more detailed specification of the plan assets is not available.

The defined benefit pension expense in the income statement is determined as follows

MEUR	2013	2012
Service cost during period	0.0	0.1
Interest cost	0.2	0.3
Expected return on plan assets	-0.2	-0.3
Actuarial gains and losses and adjustments	0.0	0.1
Losses/gains from plan settlements		
Total	-0.0	0.2

Changes in liabilities shown on balance sheet

MEUR	2013	2012
At beginning of period	3.0	3.1
Incentive payments paid	-0.3	-0.3
Pension expense in income statement	0.0	0.1
Comprehensive income for the period	-0.0	0.1
Defined benefit pension obligation on balance sheet	2.6	3.0

Specification of future pension premiums (not discounted)

MEUR	Funded pension plan	Unfunded pension plan
Under 1 year	0.6	0.3
1-5 years	2.6	1.1
5-10 years	2.2	0.7
10-15 years	1.6	0.3
15-20 years	1.3	0.2
20-25 years	0.6	0.1
25-30 years	0.3	0.1
Over 30 years	0.2	0.1
Total	9.5	2.8

Sensitivity analysis of the funded pension plan

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Discount rate 3.0%	7.0	6.5	0.5	0.0	0.0
Discount rate +0.5%	6.7	6.2	0.4	0.0	0.0
Discount rate -0.5%	7.3	6.8	0.5	0.0	0.0
Change, %					
Discount rate 3.0%					
Discount rate +0.5%	-4.4%	-4.2%	-7.7%	-6.7%	-6.9%
Discount rate -0.5%	4.8%	4.5%	8.5%	7.5%	8.9%

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Salary increase assumption 2.5%	7.0	6.5	0.5	0.0	0.0
Salary increase assumption +0.5%	7.0	6.5	0.5	0.0	0.0
Salary increase assumption -0.5%	7.0	6.5	0.5	0.0	0.0
Change, %					
Salary increase assumption 2.5%					
Salary increase assumption +0.5%	0.1%		1.1%	1.5%	1.2%
Salary increase assumption -0.5%	-0.1%		-1.1%	-1.5%	-1.2%

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Pension increase rate 2.1%	7.0	6.5	0.5	0.0	0.0
Pension increase rate +0.5%	7.2	6.5	0.7	0.0	0.0
Pension increase rate -0.5%	6.7	6.5	0.2	0.0	0.0

Change, %					
Pension increase rate 2.1%					
Pension increase rate +0.5%	3.9%		59.5%		65.1%
Pension increase rate -0.5%	-3.6%		-55.6%	8.1%	-60.7%

Sensitivity analysis of the unfunded pension plan

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Discount rate 3.5%	2.2		2.2		
Discount rate +0.5%	2.1		2.1		
Discount rate -0.5%	2.2		2.2		

Change, %					
Discount rate +0.5%	3.0 %		3.0 %		
Discount rate -0.5%	-3.0 %		-3.0 %		

A similar investment is expected to be made in the plan in 2014 as in 2013.

The plan assets are considered to be included in the payment made to the insurance company. The assets are the insurance company's responsibility and part of the insurance company's investment assets. Accordingly, no specification of the assets can be presented.

Actuarial assumptions used:

%	2013	2012
Discount rate, funded pension plan	3.0	3.0
Discount rate, unfunded pension plan	3.5	3.5
Future salary increase assumption	2.5	2.5
Inflation assumption	2.0	2.0

25. PROVISIONS

MEUR	Restructuring provision	Other provisions	Total
1 January 2013	0.4	0.1	0.5
Increase in provisions	0.5	3.5	4.0
Provisions employed	-0.2	-0.1	-0.3
31 December 2013	0.7	3.5	4.2
Current	0.7	3.5	4.2

Restructuring provision: this provision has been made to cover implemented or possible employee reductions in different companies. The provision is expected to be realised in 2014.

Other provisions include the value added tax related to the acquisition cost of a new printing press. The value added taxes are related to the advance payments made to manroland AG, which was declared bankrupt. The advance payments were established to be non-deductible in a leasing company in the preliminary ruling of the Finnish Central Tax Board. The leasing company has a tax appeal pending in the Finnish Supreme Administrative Court in relation to this matter, and a ruling will probably be issued in the spring of 2014.

26. FINANCIAL LIABILITIES

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

MEUR	2013	2012
Financial liabilities		
Non-current financial liabilities		
Financial liabilities measured at amortised cost		
Non-current finance lease liabilities	69.7	25.8
Contingent consideration liabilities arising from the acquisition of business operations		0.4
Other liabilities	0.4	0.3
Total	70.1	26.5
Current financial liabilities		
Based on amortised cost		
Finance lease liabilities	5.2	1.5
Other interest-bearing liabilities	35.0	52.1
Liabilities recognised at fair value through profit or loss		
Commodity derivatives	0.1	0.1
Interest rate derivatives	0.2	0.4
Contingent consideration liabilities arising from the acquisition of business operations	0.3	1.4
Total	40.8	55.5
Financial liabilities total:	110.9	82.0

The Group's financial liabilities are denominated in euro and carry a variable interest rate. The company's main financial instruments in 2013 were non-current finance leases, as well as current commercial papers and financial loans. The hedging of the interest rate risk is described in more detail in Note 27, Financial risks.

The average interest rate of the Group's financial liabilities in 2013 was 1.5% (2.9% in 2012).

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

Level 1		
Commodity derivatives	0.1	0.1
Interest rate derivatives	0.2	0.4

Level 3

Contingent consideration liabilities arising from the acquisition of business operations	0.3	1.8

Level 1 includes the quoted (unadjusted) prices of identical liabilities in active markets

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

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

Contingent consideration liabilities arising from the acquisition of business operations on the balance sheet on 31 December 2013 are based on the companies' operating profit for 2013.

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

Derivative contracts:

MEUR	2013	2012
Commodity derivatives (electricity forwards)		
Fair value	-0.1	-0.1
Value of underlying instruments	0.6	0.8
Interest rate derivatives		
Fair value*	-0.2	-0.4
Value of underlying instruments	15.9	24.0

* The fair value represents the return that would have arisen if the derivative had been cleared on the balance sheet date. The fair values of forward exchange contracts and commodity derivatives are calculated using publicly quoted market prices on the balance sheet date. Fair values of stock options are calculated using the option price model.

The maturity distribution of financial liabilities is described in more detail in Note 27.

Maturities of finance lease liabilities

The effective interest rate of finance lease liabilities is

MEUR	2013	2012
Finance lease liabilities – total minimum lease payments		
2013		2.7
2014	7.1	3.1
2015	6.3	1.9
2016	6.3	1.9
2017	6.3	2.0
2018	6.4	32.2
Later	61.1	
Total	93.5	43.8
Finance lease liabilities – present value of minimum lease payments		
2013		1.3
2014	5.2	1.8
2015	5.2	0.7
2016	5.2	0.7
2017	4.8	0.1
2018	4.5	22.6
Later	50.1	
Total	74.9	27.3
Financial expenses accruing in the future	18.6	16.5

27. FINANCIAL RISKS

Alma Media Group's risk management policy requires that the risk management strategy and plan, the control limits imposed and the course of action are reviewed annually. Risk management takes place through the risk management organisation and process based on the company's risk management policy. The risk management process identifies the risks threatening the company's business, assesses and updates them, develops the necessary risk management methods and regularly reports on the risks to the risk management organisation Financial risk management is part of the Group's risk management policy.

Alma Media categorises its financial risks as follows:

Interest rate risk

The interest rate risk describes how changes in interest rates and maturities related to various interest-bearing business transactions and balance sheet items could affect the Group's financial position, investment portfolio and net result. The impact of the interest rate risk on net result can be reduced using interest rate swaps, interest forwards and futures and interest or foreign exchange options. On the balance sheet date the Group had open interest rate swaps, which are described in more detail in Note 26 to the consolidated financial statements.

The Group's interest-bearing debt totalled MEUR 109.9 on 31 December 2013. All interest-bearing debts are carried at variable rate. Taking the interest rate swaps into account, the average period of interest linkage of the Group's financial portfolio at the end of 2013 was 1.1 years and the hedging rate 15%. An increase of one percentage point in the interest rate would increase the Group's finance expenses by MEUR 0.9.

Foreign exchange risks

Transaction risk:

The transaction risk describes the impact of changes in foreign exchange rates on sales, purchases and balance sheet items denominated in foreign currencies The impact of changes in exchange rates on net result in the most important currencies of the Group can be reduced by the following measures:

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

* At least 50% of known continuous foreign currency cash flow (minimum book counter value of MEUR 1) is always hedged over the following rolling 18-month period

The Group had no open foreign currency derivatives on the balance sheet date.

Translation risk:

A foreign exchange risk that arises from the translation of foreign investments into the functional currency of the parent company. The risk associated with translating long-term net investments in foreign currencies is assessed on a regular basis. Should there be a clear and permanent risk of a currency devaluating, Group management may decide to hedge the company's foreign currency exposure.

Commodity risk:

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

A 1% change in the price of paper would affect the Group's operating profit by an estimated MEUR 0.1. The Group had no open paper derivatives on the balance sheet date. The Group had open electricity forwards on the balance sheet date. The values of these open electricity forwards are described in more detail in Note 26 to the consolidated financial statements.

Capital management risks

Liquidity management:

Alma Media has a MEUR 25 and two MEUR 20 financing limits at its disposal, of which all, a total of MEUR 65, were unused on 31 December 2013. In addition, Alma Media ensures its liquidity by issuing its own commercial papers if required via brokers, and hedges over-liquidity according to its treasury policy. Liquidity is assessed daily and liquidity forecasts are made at weekly, monthly and 12-month rolling intervals.

On the balance sheet date, the company had a commercial paper programme of MEUR 100 in Finland. Within the programme, the company may issue commercial papers to a total value of MEUR 0–100. MEUR 65.0 of the commercial paper programme was unused on 31 December 2013. In addition to the commercial paper programme, the company may use the existing financing limit agreements for financing the need for working capital.

Long-term capital funding:

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

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

MEUR	Balance sheet value	Cash flow	0–6 months	6 months – 1 year	1-2 years	2-5 years	Over 5 years
Commercial papers	35.0	35.0	35.0				
Finance lease liabilities	74.9	93.5	3.5	3.5	12.6	12.7	61.1
Total	109.9	128.5	38.5	3.5	12.6	12.7	61.1

Credit risk

The Group's credit policy is described and documented in the Group credit management policy. The Group does not have significant risks of past due receivables, because it has a large customer base and no individual customer will comprise a significant amount. During the financial period, impairment losses of MEUR 0.5 were recognised through profit or loss. These impairment losses were caused by an unexpected change in customers' economic environment. The ageing structure of trade receivables is presented in Note 19, Trade and other receivables.

Capital management

The aim of the Group's capital management is to support business operations through an optimal capital structure and to secure normal business preconditions. The capital structure is influenced through dividend distribution, for example. The development of the Group's capital structure is continuously monitored with gearing and equity ratio key figures. The following describes the values of these key figures in 2013 and 2012:

MEUR	2013	2012
Interest-bearing liabilities	109.9	79.4
Cash and cash equivalents	12.3	17.1
Interest-bearing net debt	97.6	62.3
Shareholders' equity	90.4	84.0
Gearing, %	108.0%	74.1%
Equity ratio, %	34.9%	36.5%

28. TRADE PAYABLES AND OTHER LIABILITIES

MEUR	2013	2012
Trade payables	6.3	8.4
Owed to associated companies		
Trade payables	0.1	0.1
Accrued expenses and prepaid income	29.0	36.6
Other liabilities	7.1	7.8
	42.4	53.0

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

The main items in accrued expenses and prepaid income are allocated wages, salaries and other employee expenses.

The initial book value of trade payables and other liabilities corresponds to their fair value as the impact of discounting is not significant taking the maturity of the liabilities into account.

29. OTHER LEASES

The Group as lessee

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

MEUR	2013	2012
Within one year	8.8	8.6
Within 1-5 years	27.4	25.4
After 5 years	37.6	34.7
Total	73.7	68.7

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

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

MEUR	2013	2012
Minimum payments payable based on these purchase agreements	0.8	1.6

The Group as lessor

Minimum rental payments receivable based on other non-cancellable leases

MEUR	2013	2012
Within one year	1.6	1.4
Within 1-5 years	1.8	0.3
After 5 years		
Total	3.4	1.6

30. COMMITMENTS AND CONTINGENCIES

MEUR	2013	2012
Collateral provided on behalf of associated companies		
Guarantees	1.3	1.3
Total	1.3	1.3

31. RELATED PARTIES

Alma Media Group's related parties are its associated companies (see Note 16), the companies that they own and affiliated companies.

Related parties also include the company's management (the Board of Directors, the Presidents and the Group Executive Team). The employee benefits of management and other related party transactions between management and the company are detailed in Note 7.

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

Related party transactions – associated companies

MEUR	2013	2012
Sales of goods and services	0.2	0.7
Purchases of goods and services	3.1	3.3
Trade, loan and other receivables	0.0	
Trade payables	0.0	0.1

Related party transactions – principal shareholders

MEUR	2013	2012
Sales of goods and services	0.2	0.1
Purchases of goods and services	0.1	0.1
Trade, loan and other receivables	0.0	
Trade payables	0.0	

Related party transactions – corporations where management exercises influence

MEUR	2013	2012
Sales of goods and services	0.1	0.1
Purchases of goods and services	0.0	
Trade, loan and other receivables		
Trade payables		

32. SHAREHOLDINGS

20 principal shareholders on 31 December 2013

	Number of shares	% of total shares	Share of total votes (%)
1. Ilkka-Yhtymä Oyj	22,489,186	29.8	29.8
2. Mariatorp Oy	10,400,000	13.8	13.8
3. Kaleva Kustannus Oy	6,000,538	7.9	7.9
4. Keskinäinen työeläkevakuutusyhtiö Varma	5,327,994	7.1	7.1
5. Kunnallisneuvos C. V. Åkerlundin säätiö	3,422,871	4.5	4.5
6. Keskinäinen Eläkevakuutusyhtiö Tapiola	1,852,800	2.5	2.5
7. Keskinäinen Vakuutusyhtiö Kaleva	1,675,000	2.2	2.2
8. Oy Herttaässä Ab	1,633,146	2.2	2.2
9. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,100,000	1.5	1.5
10. Veljesten Viestintä Oy	851,500	1.1	1.1
11. Keskisuomalainen Oyj	782,497	1.0	1.0
12. Sijoitusrahasto Nordea Nordic Small Cap	644,664	0.9	0.9
13. Suomen Kulttuurirahasto	576,100	0.8	0.8
14. Häkkinen Heikki kuolinpesä	532,332	0.7	0.7
15. Häkkinen Veera kuolinpesä	490,011	0.6	0.6
16. Sijoitusrahasto Nordea Pro Suomi	427,871	0.6	0.6
17. Mandatum Henkivakuutusosakeyhtiö	398,002	0.5	0.5
18. Mäkelä Kai	353,210	0.5	0.5
19. Sinkkonen Raija	333,431	0.4	0.4
20. Danilostock Oy	330,000	0.4	0.4
Total	59,621,153	79.0%	79.0%
Nominee-registered	1,577,382	12.1%	12.1%
Other	14,288,318	8.9%	8.9%
Grand total	75,486,853	100.0%	100.0%

The holdings of the Board of Directors, the President and CEO and the members of the Group Executive Team are shown in Note 7.

Ownership structure on 31 December 2013

	Number of owners	% of total	Number of shares	% of shares
Private companies	405	4.4%	43,850,088	58.1%
Financial and insurance institutions	24	0.3%	3,527,532	4.7%
Public entities	5	0.1%	8,298,207	11.0%
Households	8,661	93.7%	12,451,366	16.5%
Non-profit associations	122	1.3%	5,529,693	7.3%
Foreign owners	24	0.3%	51,258	0.1%
Nominee-registered shares		0.0%	1,577,382	2.1%
In general account		0.0%	201,327	0.3%
Total	9,241	100.0 %	75,486,853	100.0%

Distribution of ownership

	Number of owners	% of total	Number of shares	% of shares
Number of shares				
1–100	1,942	21.0%	118,623	0.2%
101–1,000	5,192	56.2%	2,355,941	3.1%
1,001–10,000	1,890	20.5%	5,396,177	7.1%
10,001–100,000	188	2.0%	5,045,171	6.7%
100,001–500,000	14	0.2%	4,241,931	5.6%
500,000–	15	0.2%	58,127,683	77.0%
In general account			201,327	0.3%
Total	9,241	100.0%	75,486,853	100.0%

33. EVENTS AFTER THE END DATE OF THE REPORTING PERIOD

The Group has implemented the following arrangements after the balance sheet date

	Business line	Acquired on	Holding acquired
Digital Consumer Services segment			
Monster HU	Online service	01/03/2014	85%
Monster PL	Online service	01/03/2014	85%
Monster CZ	Online service	01/03/2014	85%
Alma Career Oy (formerly Monster Oy)	Online service	01/03/2014	10 %

In connection with the arrangement, the name of Alma Media's subsidiary Monster Oy was changed to Alma Career Oy, and Monster Worldwide Inc. became its 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 the company's shares for MEUR 4.9. In addition, Alma Career Oy owns the previous recruitment business operations of Alma Media, LMC operating in Czech Republic, CVOnline operating in the Baltic countries, Profesias operating in Slovakia and Czech Republic and TauOnline operating in Slovakia. Alma Media owns 85% of the company's shares. Monster Worldwide Inc has an option to increase its holding to 20% by 2017. Previously Monster Worldwide Inc. owned 25% of the Monster business in Finland and Alma Media 75%.

The acquisition cost calculations of the arrangement have not been completed by the time the financial statements are published, and, for this reason, no preliminary acquisition cost calculation is presented in the notes to the financial statements. According to a preliminary estimate, goodwill of approximately MEUR 5.7 will arise in the transaction.

MEUR	
Monetary payment received	-4.7
Net assets of the companies acquired (preliminary)	0.5
Change in minority interest (preliminary)	11.1
Preliminary goodwill and allocations of intangible assets	5.9

The arrangement does not give rise to any contingent considerations.

The Group has recognised a total of MEUR 0.5 in fees for the acquisition of business operations under other operating expenses.

The Group's revenue would have been an estimated MEUR 301.9 (reported MEUR 300.2), assuming the acquisitions had been realised at the beginning of 2013.

Parent company income statement (FAS)

MEUR	Note	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
REVENUE	1	27.1	25.8
Other operating income	2	9.3	0.2
Materials and services	3	0.4	1.1
Expenses arising from employee benefits	4	9.7	12.6
Depreciation and write-downs	5	0.9	2.6
Other operating expenses	6, 7, 8	26.2	23.6
OPERATING PROFIT (LOSS)		-0.8	-13.9
Financial income and expenses	9	-81.9	-12.7
LOSS BEFORE EXTRAORDINARY ITEMS		-82.7	-26.6
Extraordinary items	10	8.7	13.9
Loss before appropriations and taxes		-74.0	-12.7
Appropriations	11		0.0
Income tax	12	-2.5	-1.5
LOSS FOR THE PERIOD		-76.6	-14.2

Parent company balance sheet (FAS)

MEUR	Note	31 Dec 2013	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	13	4.0	3.0
Tangible assets	14	2.8	2.8
Investments			
Holdings in Group companies	15	419.5	519.6
Other investments	15	10.2	11.2
Non-current assets, total		436.5	536.6
Current assets			
Current receivables	16	27.8	29.2
Cash and cash equivalents		6.8	7.4
Current assets, total		34.6	36.6
ASSETS TOTAL		471.1	573.2

MEUR		31 Dec 2013	31 Dec 2012
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		45.3	45.3
Share premium reserve		319.3	419.3
Other reserves		5.4	5.4
Invested non-restricted equity fund		100.0	
Retained earnings (loss)		0.5	22.2
Profit for the period (loss)		-76.6	-14.2
Shareholders' equity, total	17	393.9	478.0
Provisions	18	0.2	0.2
Liabilities			
Non-current liabilities	19	1.6	1.8
Current liabilities	20	75.4	93.2
Liabilities, total		77.0	95.0
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		471.1	573.2

Parent company cash flow statement (FAS)

MEUR	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Operating activities		
Profit for the period	-76.6	-14.2
Adjustments:		
Depreciation and write-downs	0.9	2.6
Capital gains (losses) on the sale of fixed assets and other investments	-8.8	2.3
Financial income and expenses	81.9	12.7
Taxes	2.5	1.5
Other adjustments	-2.5	-10.6
Change in working capital:		
Increase (-)/decrease (+) in current non-interest-bearing receivables	-3.1	-0.2
Increase (+)/decrease (-) in current non-interest-bearing liabilities	-10.1	-1.4
Dividend received	11.2	10.1
Interest received	1.1	1.5
Interest paid	-0.9	-0.9
Taxes paid	-0.0	-0.2
Cash flow from operating activities	-4.2	3.2
Investing activities		
Acquisitions of tangible and intangible assets	-2.8	-2.3
Proceeds from sale of tangible and intangible assets		0.2
Other investments	0.0	
Proceeds from sale of other investments	0.1	0.0
Change in loan receivables	-0.8	-1.2
Repayment of loan receivables	0.4	0.3
Acquisition of subsidiaries and business operations	-2.7	-72.3
Proceeds from sale of subsidiaries	12.4	4.0
Acquisition and sale of associated companies	0.0	-2.2
Net cash flows from/(used in) investing activities	6.6	-73.7
Cash flow before financing activities	2.4	-70.4

Financing activities		
Current loans taken	143.5	52.0
Repayment of current loans	-160.5	-22.0
Change in interest-bearing receivables	12.9	-17.3
Paid and received group contributions	8.7	40.2
Dividends paid and repayment of capital	-7.6	-30.2
Net cash flows from/(used in) financing activities	-3.0	22.7
Change in cash and cash equivalent funds (increase +/decrease -)	-0.6	-47.7
Cash and cash equivalents at beginning of period	7.4	55.1
Cash and cash equivalents at end of period	6.8	7.4

Accounting principles used in the parent company’s financial statements

General information

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

Parent company’s financial statements

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

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

Non-current assets

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

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

Research and development costs

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

Inventories

The balance sheet value of inventories is the lesser of the direct acquisition cost or the net realisable value. The acquisition cost is defined by the FIFO (first-in-first-out) method.

Taxes

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

Foreign currency items

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

Pension commitments

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

Other employee benefits

The parent company has current stock option programmes launched in spring 2009 for the company's senior management and a performance share plan approved in 2012. In accordance with Finnish Accounting Standards (FAS), the option benefit and the share reward are not measured at fair value, nor is the calculated employee benefit expensed in the income statement.

Notes to the parent company financial statements

1. REVENUE BY MARKET AREA

MEUR	2013	2012
Finland	27.1	25.8
Total	27.1	25.8

2. OTHER OPERATING INCOME

MEUR	2013	2012
Gains on sale of fixed assets	0.1	0.1
Other income	9.2	0.1
Total	9.3	0.2

3. MATERIALS AND SERVICES

MEUR	2013	2012
External services	0.4	1.1
Total	0.4	1.1

4. EMPLOYEE EXPENSES

MEUR	2013	2012
Wages, salaries and fees	7.4	9.7
Pension expenses	1.4	1.9
Other payroll-related expenses	0.8	1.1
Total	9.7	12.6

Average number of employees	120	135

Salaries and bonuses paid to management		
President	0.5	0.5
Board of Directors	0.3	0.2
Total	0.8	0.8

The benefits to which the President of the parent company is entitled are described in more detail in Note 7 to the consolidated financial statements.

5. DEPRECIATION AND WRITE-DOWNS

MEUR	2013	2012
Depreciation on tangible and intangible assets	0.9	2.6
Total	0.9	2.6

6. OTHER OPERATING EXPENSES

MEUR	2013	2012
Information technology and telecommunication	7.2	7.7
Business premises	7.8	3.8
Other expenses	11.3	12.1
Total	26.2	23.6

7. AUDIT EXPENSES

MEUR	2013	2012
Ernst Young Oy		
Audit	0.2	0.2
Reporting and opinions	0.0	0.0
Tax consultation	0.1	0.0
Other	0.1	0.2
Total	0.3	0.4

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

8. RESEARCH AND DEVELOPMENT EXPENSES

The company had no research and development expenses in the financial period 2013 and 2012.

9. FINANCIAL INCOME AND EXPENSES

MEUR	2013	2012
Dividend income		
From Group companies	10.2	9.5
From associated companies	0.9	0.7
From others	0.1	0.0
Total	11.2	10.1
Other interest and financial income		
From Group companies	1.2	1.5
Fair value gain on financial assets at fair value through profit or loss		3.5
From others	0.0	0.0
Total	1.2	5.1
Impairment for non-current investments		
Impairment for shares in associated companies	-0.2	-0.5
Impairment for shares in Group companies	-93.2	-26.5
Total	-93.4	-27.0
Interest expenses and other financial expenses		
To Group companies	-0.1	-0.0
To others	-0.9	-0.9
Total	-1.0	-0.9
Foreign exchange rate gains/losses		
Foreign exchange rate gains and losses	0.1	0.0
Financial income and expenses, total	-81.9	-12.7

10. EXTRAORDINARY ITEMS

MEUR	2013	2012
Extraordinary income/Group contribution received	8.7	13.9

11. APPROPRIATIONS

MEUR	2013	2012
Difference between planned depreciation and depreciation made for tax purposes		0.0

12. INCOME TAX

MEUR	2013	2012
Income tax payable on extraordinary items	2.1	3.4
Income tax from regular business operations	0.4	-1.9
Total	2.5	1.5

13. INTANGIBLE ASSETS

MEUR	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2013					
Acquisition cost 1 Jan	1.2	1.1	0.5	3.6	6.4
Increases	1.8			0.8	2.6
Decreases	-0.3	-1.1		-1.9	-3.2
Transfers between items	1.4			-1.4	
Acquisition cost 31 Dec	4.2		0.5	1.1	5.7
Accumulated depreciation and write-downs 1 Jan	0.8	0.6	0.4	1.6	3.3
Accumulated depreciation in decreases	-0.1	-0.6		-1.6	-2.3
Depreciation for the financial year	0.6	0.0	0.1		0.7
Accumulated depreciation 31 Dec	1.2	0.0	0.5		1.7
Book value 31 Dec 2013	2.9	0.0	0.0	1.1	4.0

MEUR	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2012					
Acquisition cost 1 Jan	3.1	1.1	0.5	1.7	6.4
Increases	0.1			1.9	2.0
Decreases	-2.0		0.0		-2.1
Transfers between items	0.0			0.0	
Acquisition cost 31 Dec	1.2	1.1	0.5	3.6	6.4
Accumulated depreciation and write-downs 1 Jan	2.1	0.4	0.2		2.8
Accumulated depreciation in decreases	-1.8		0.0		-1.9
Depreciation for the financial year	0.5	0.2	0.2		0.8
Write-downs				1.6	1.6
Accumulated depreciation 31 Dec	0.8	0.6	0.4	1.6	3.3
Book value 31 Dec 2013	0.5	0.5	0.1	2.0	3.0

14. TANGIBLE ASSETS

MEUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2013						
Acquisition cost 1 Jan	0.5	4.4	0.5	0.6	0.3	6.3
Increases			0.0	0.2		0.2
Decreases			0.0			0.0
Transfers between items				0.3	-0.3	
Acquisition cost 31 Dec	0.5	4.4	0.5	1.0		6.4
Accumulated depreciation 1 Jan		2.9	0.5	0.1		3.4
Accumulated depreciation in decreases			0.0			0.0
Depreciation for the financial year		0.1	0.0	0.1		0.2
Accumulated depreciation 31 Dec		3.0	0.5	0.2		3.6
Book value 31 Dec 2013	0.5	1.4	0.0	0.8		2.8

Balance sheet value of machinery and equipment 31 Dec 2013

MEUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2012						
Acquisition cost 1 Jan	0.5	4.4	0.8	1.1		6.8
Increases		0.0	0.0	0.2	0.3	0.5
Decreases		-0.0	-0.2	-0.7		-1.0
Acquisition cost 31 Dec	0.5	4.4	0.5	0.6	0.3	6.3
Accumulated depreciation 1 Jan		2.8	0.7	0.6		4.0
Accumulated depreciation in decreases		0.0	-0.2	-0.5		-0.7
Depreciation for the financial year		0.1	0.0	0.0		0.2

Accumulated depreciation 31 Dec		2.9	0.5	0.1		3.4
Book value 31 Dec 2013	0.5	1.5	0.1	0.5	0.3	2.8
Balance sheet value of machinery and equipment 31 Dec 2012			0.0			

15. INVESTMENTS

MEUR	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Receivables other companies	Total
Financial year 2013							
Acquisition cost 1 Jan	546.1	7.8	1.5	1.5	0.1	0.9	557.8
Increases	1.5		0.0	0.4	0.0		1.9
Decreases	-8.4	-0.3	0.0				-8.7
Acquisition cost 31 Dec	539.2	7.5	1.5	1.9	0.1		550.1
Accumulated depreciation and write-downs 1 Jan	26.5	0.5	0.0				27.1
Write-downs	93.2	0.2					93.4
Accumulated depreciation and write-downs 31 Dec	119.7	0.8	0.0				120.5
Book value 31 Dec 2013	419.5	6.7	1.5	1.9	0.1		429.7

Contingent considerations have been transferred from non-current to current. Value of contingent considerations on 31 Dec 2013 EUR 1,979,306.00

MEUR	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Receivables other companies	Total
Financial year 2012							
Acquisition cost 1 Jan	472.3	6.8	1.5	0.7		1.2	482.4
Increases	76.5	1.1		1.6	0.1		79.2
Decreases	-2.8	0.0	-0.3	-0.8		-0.3	-4.2
Transfers between items			0.3				0.3
Acquisition cost 31 Dec	546.1	7.8	1.5	1.5	0.1	0.9	557.8
Accumulated depreciation and write-downs 1 Jan	26.5	0.5	0.0				27.1
Accumulated depreciation and write-downs 31 Dec	26.5	0.5	0.0				27.1
Book value 31 Dec 2013	519.6	7.3	1.5	1.5	0.1	0.9	530.8

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding %	Share of votes %	Group holding %
Group companies				
Alma Manu Oy	Tampere, Finland	100.00	100.00	100.00
Alma Media Interactive Russia Oy	Helsinki, Finland	100.00	100.00	100.00
Alma Media Kustannus Oy	Helsinki, Finland	100.00	100.00	100.00
Alma Media Suomi Oy	Helsinki, Finland	100.00	100.00	100.00
Alma Media Ventures Oy	Helsinki, Finland	100.00	100.00	100.00
Alma Mediapartners Oy	Helsinki, Finland	65.00	65.00	65.00
AS Kinnisvaraportaal	Tallinn, Estonia	100.00	100.00	100.00
CV-Online Estonia OÜ	Tallinn, Estonia	100.00	100.00	100.00
CV Online Holding OÜ	Tallinn, Estonia	100.00	100.00	100.00
E-kontakti Oy	Helsinki, Finland	100.00	100.00	100.00
Karenstock Oy	Helsinki, Finland	100.00	100.00	100.00
Kauppalehti Oy	Helsinki, Finland	100.00	100.00	100.00
Kotikokki.net Oy	Helsinki, Finland	65.00	65.00	65.00
LMC s.r.o	Prague, Czech Republic	100.00	100.00	100.00
Monster Oy	Helsinki, Finland	75.00	75.00	75.00
Objektvision AB	Stockholm, Sweden	100.00	100.00	100.00
Profesia s.r.o	Bratislava, Slovakia	100.00	100.00	100.00

Profesia s.r.o	Prague, Czech Republic	100.00	100.00	100.00
SIA City 24	Riga, Latvia	100.00	100.00	100.00
SIA CV-Online Latvia	Riga, Latvia	100.00	100.00	100.00
Suomen Hankintakeskus Oy	Tampere, Finland	100.00	100.00	100.00
TAU On-line d.o.o	Zagreb, Croatia	100.00	100.00	100.00
UAB City 24	Vilnius, Lithuania	100.00	100.00	100.00
UAB CV-Online LT	Vilnius, Lithuania	100.00	100.00	100.00

Associated companies				
Alkali Oy	Tuusula, Finland	24.32	24.32	24.32
Arena Interactive Oy	Vaasa, Finland	35.00	35.00	35.00
As Oy Vammalan Reku	Vammala, Finland	21.00	21.00	21.00
As Oy Lindemaninpiha	Jämsä, Finland	22.56	22.56	22.56
Development studio d.o.o.	Bosnia	30.00	30.00	30.00
Infostud 3 d.o.o.	Serbia	25.00	25.00	25.00
JM Tieto Oy	Vantaa, Finland	20.00	20.00	20.00
Kiinteistö Oy Oulaisten Kulma	Oulainen, Finland	35.00	35.00	35.00
Kiinteistö Oy Keuruun Tervaportti	Keuruu, Finland	28.20	28.20	28.20
Kiinteistö Oy Kylmäsenkulma	Kemijärvi, Finland	20.26	20.26	20.26
Kytöpirtti Oy	Seinäjoki, Finland	43.20	43.20	43.20
Oppex Oy	Helsinki, Finland	20.00	20.00	20.00
Nokian Uutistalo Oy	Nokia, Finland	36.90	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki, Finland	24.07	24.07	24.07
Talentum Oyj	Helsinki, Finland	2.34	2.34	32.64

Tampereen Tietoverkko Oy	Tampere, Finland	35.14	35.14	35.14

16. RECEIVABLES

MEUR		2013	2012
Current receivables			
Receivables from Group companies			
	Trade receivables	0.3	0.2
	Loan receivables *)	22.5	24.5
	Prepaid expenses and accrued income	2.2	
Total		25.0	24.7
Receivables from others			
	Trade receivables	0.1	1.2
	Other receivables	2.4	2.9
	Prepaid expenses and accrued income **)	0.4	0.4
Total		2.8	4.5
Current receivables, total		27.8	29.2

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

**) Major balances in prepaid expenses and accrued income consist of rental accruals.

17. SHAREHOLDERS' EQUITY

MEUR	2013	2012
Restricted shareholders' equity		
Share capital 1 Jan	45.3	45.3
Share capital 31 Dec	45.3	45.3
Share premium reserve 1 Jan	419.3	419.3
Transfer to invested non-restricted equity fund	-100.0	
Share premium reserve 31 Dec	319.3	419.3
Other reserves 1 Jan	5.4	5.4
Other reserves 31 Dec	5.4	5.4
Restricted shareholders' equity total	369.9	469.9
Non-restricted shareholders' equity		
Invested non-restricted equity fund 1 Jan		
Transfer from share premium reserve	100.0	
Invested non-restricted equity fund 31 Dec	100.0	
Retained earnings 1 Jan	8.0	51.9
Dividend payment	-7.5	-30.2
Dividend payment returned to Group		0.4
Retained earnings 31 Dec	0.5	22.2
Profit for the period	-76.6	-14.2
Non-restricted shareholders' equity total	23.9	8.0
Shareholders' equity total	393.9	478.0

Calculation of the parent company's distributable funds on December 31	2013	2012
Invested non-restricted equity fund	100.0	
Profit from the previous year	0.5	22.2
Profit for the period	-76.6	-14.2
Total	23.9	8.0

18. PROVISIONS

Provisions in 2013 and 2012 totalled EUR 242,000 and consisted of contingent considerations due to acquisitions.

19. NON-CURRENT LIABILITIES

MEUR	2013	2012
Other non-current liabilities	1.6	1.8
Total	1.6	1.8
Debt due after five years		
Other non-current liabilities	0.7	0.9

20. CURRENT LIABILITIES

MEUR	2013	2012
Loans from credit institutions	35.0	52.0
Trade payables	0.9	1.8
Total	35.9	53.8
Liabilities to Group companies		
Trade payables	0.0	0.1
Other liabilities	36.5	33.2
Accrued expenses and prepaid income	0.2	
Total	36.7	33.3
Liabilities to associated companies		
Trade payables	0.0	
Total	0.0	
To others		
Other current liabilities	0.2	2.2
Accrued expenses and prepaid income	2.5	3.9
Total	2.7	6.1
Current liability total	75.4	93.2

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

21. COMMITMENTS AND CONTINGENCIES

MEUR		2013	2012
Collateral for own commitments			
	Guarantees	0.1	1.4
Collateral for others			
	Guarantees	1.3	1.3
Other own commitments			
	Rental commitments – within one year	8.6	5.7
	Rental commitments – after one year	92.1	73.2
Rental commitments total		100.6	78.8
	Other commitments		0.2
Total			
	Guarantees	1.4	2.7
	Other commitments	100.6	79.0
Commitments total		102.0	81.7

On the balance sheet date, the company had a MEUR 100 commercial paper programme in Finland, under which it is permitted to issue papers to a total amount of MEUR 0–100. The unused part of the programme was MEUR 65.0 on 31 December 2013. In addition, the company may use the existing financing limit agreements for financing the need for working capital.

An operational leasing agreement has been made for the office and printing work building in Patamäenkatu, Tampere that is effective until 1 December 2027. Alma Media has agreed on termination conditions concerning equity and gearing commitments with the landlord.

22. DERIVATIVE CONTRACTS

MEUR	2013	2012
Commodity derivatives (electricity forwards)		
Fair value*	-0.1	-0.1
Value of underlying instruments	0.6	0.8
Interest rate derivatives		
Fair value*	-0.2	-0.4
Value of underlying instruments	15.9	24.0

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

Board's proposal to the annual general meeting

On 31 December 2013, the Group's parent company had distributable funds totalling EUR 23,905,611 (8,014,054). The number of shares entitled to dividend is 75 486 853.

Alma Media's Board of Directors proposes that a total capital repayment for the 2013 financial year would be amount of EUR 7,548,685 (capital repayment of EUR 0.10 per share). In addition, the Board proposes to the Annual General Meeting that it be given an authorisation to decide on an additional capital repayment of no more than EUR 7,548,685 (capital repayment of EUR 0.10 per share).

Helsinki, Finland, 12 February 2014

Harri Suutari

Chairman of the Board

Petri Niemisvirta Deputy Chairman of the Board	Timo Aukia Board member
Niklas Herlin Board member	Perttu Rinta Board member
Kai Seikku Board member	Erkki Solja Board member
Catharina Stackelberg-Hammarén Board member	Kai Telanne President and CEO

Auditor's note

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

In Helsinki on 12 February 2014

Ernst & Young Oy

Authorised Public Accountants

Harri Pärssinen

Authorised Public Accountant

Auditor's report

To the Annual General Meeting of Alma Media Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration ofAlma Media Oyj for the year ended 31 December, 2013. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, February 12, 2014

Ernst & Young Oy

Authorized Public Accountant Firm

Harri Pärssinen

Authorized Public Accountant