Alma Media Corporation

Report by the Board of Directors and Financial Statements 2015

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Report by the Board of Directors

Financial performance full year 2015

- Revenue was MEUR 291.5 (295.4), down 1.3%.
- Online sales increased by 8.7% to MEUR 102.8 (94.5).
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items was MEUR 37.4 (35.1), up 6.5%.
- EBITDA was MEUR 34.5 (36.4), down 5.1%.
- Operating profit excluding non-recurring items was MEUR 23.4 (21.4) or 8.0% (7.2%) of revenue, up 9.3%.
- Operating profit was MEUR 17.7 (20.7), or 6.1% (7.0%) of revenue, down 14.5%.
- The operating profit includes non-recurring items of MEUR -5.7 (-0.7).
- Profit for the period was MEUR 12.1 (15.7), down 23.3%.
- Earnings per share were EUR 0.13 (0.19).
- The Board of Directors' proposal of capital repayment is EUR 0.12 per share

KEY FIGURES	2015	2014	Change	
MEUR	1-12	1-12		%
Revenue	291.5	295.4	-3.9	-1.3
Content revenue	104.7	110.1	-5.5	-4.9
Content revenue, print	97.0	104.6	-7.6	-7.2
Content revenue, online	7.1	5.6	1.5	27.3
Advertising revenue	146.9	146.4	0.5	0.3
Advertising revenue, print	66.2	73.7	-7.5	-10.2
Advertising revenue, online	80.7	72.7	8.0	11.0
Service revenue	39.9	38.8	1.1	2.8
Total expenses excluding non-recurring items	268.7	274.6	-5.9	-2.1
EBITDA excluding non-recurring items	37.4	35.1	2.3	6.5
EBITDA	34.5	36.4	-1.9	-5.1
Operating profit excluding non-recurring items	23.4	21.4	2.0	9.3
% of revenue	8.0	7.2		
Operating profit	17.7	20.7	-3.0	-14.5
% of revenue	6.1	7.0		
Profit for the period	12.1	15.7	-3.7	-23.3
Earnings per share, EUR (basic)	0.13	0.19	-0.06	-30.9
Earnings per share, EUR (diluted)	0.13	0.19	-0.06	-30.9
Online sales	102.8	94.5	8.3	8.7
Online sales, % of revenue	35.3	32.0		

Dividend proposal to the Annual General Meeting

On 31 December 2015, the Group's parent company had distributable funds totalling EUR 120,642,934 (179,932,379). Alma Media's Board of Directors proposes to the Annual General Meeting that a capital repayment of EUR 0.12 (2014: EUR 0.12) per share be paid from the reserve for invested non-restricted equity for the financial year 2015. Based on the number of shares on the closing date 31 December 2015, the capital repayment totals EUR 9,885,982 (2014: EUR 9,058,422).

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

Outlook for 2016

The Finnish economy is expected to show zero growth or only slight growth in 2016. Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see continued economic growth, but at a lower rate than in 2015.

Macroeconomic development affects both consumer demand and advertising volume. The structural transformation of advertising will continue in 2016; online advertising will grow, while print media advertising will decline. Total advertising volume is not expected to increase in Finland in 2016.

The Talentum acquisition completed in late 2015 will increase Alma Media's revenue and operating profit in 2016. In 2016, Alma Media expects its full-year revenue and operating profit excluding non-recurring items to increase from the 2015 level. The full-year revenue for 2015 was MEUR 291.5, and operating profit excluding non-recurring items was MEUR 23.4.

Kai Telanne, President and CEO

For Alma Media, 2015 was a good year, taking the operating environment into consideration. The development of foreign operations was excellent due to strong economic growth in Eastern Central Europe, but the Finnish market did not see the hoped-for recovery that would have supported a significant improvement in Alma Media's result. In 2015, macroeconomic development in Finland was among the weakest in the EU, and consumer purchasing power declined. The weak economic climate in Finland had a negative impact on expectations among consumers and the business sector, as well as advertising investment.

Alma Media's operating profit excluding non-recurring items improved in 2015 in spite of the difficult economic climate. Revenue for the full year declined to MEUR 291.5 due to divestments. Operating profit excluding non-recurring items increased by 9.3 per cent to MEUR 23.4. Alma Media's business in its primary international markets in Eastern Europe, in particular, showed continued positive profit performance. In the final quarter of 2015, the recruitment business outside Finland grew by nearly 21 per cent.

The focus of media consumption is shifting rapidly to digital channels, mobile in particular. In response to the changes in media consumption, advertising investments in print media are declining and the shift to digital channels is continuing. Alma Media has made a concerted effort to move its business operations and employees from the world of print media towards digital multimedia services. The Group's revenue from digital products and services exceeded the MEUR 100 milestone with year-on-year growth of 8.7 per cent.

In the Digital Consumer Services segment, revenue growth was highly profitable as operating profit excluding non-recurring items grew by 47 per cent from the previous year. The most significant factor in the improved result was the strong development of the recruitment business outside of Finland. In Finland, Alma Media's digital services maintained their profit level.

The improved profitability of the Financial Media and Business Services segment was supported by good advertising sales and the increase in revenue attributable to JM Tieto. Kauppalehti's content sales managed to compensate for the decline in print media by achieving growth in digital content revenue.

For IL-Media, 2015 was a difficult year. Print media content revenue and advertising sales showed a significant decline. Nevertheless, there was a positive turn in digital advertising towards the end of the year. The increase in online advertising sales in the latter part of the year was particularly supported by mobile sales as well as new programmatic buying and targeted advertising solutions.

The Regional Media segment made several divestments and implemented operational restructuring and efficiency improvement measures to secure the profitability of the publishing business. The segment also began a gradual shift towards paid digital content.

One of the biggest news in the Finnish media sector in 2015 was Alma Media's acquisition of Talentum. With the two companies' business operations complementing each other very well, the combination creates a significant player in professional media and business services.

The Talentum acquisition was funded by both equity financing and debt. In spite of this significant investment, Alma Media's financial position remained strong in 2015, with our equity ratio remaining at 42.5%. Our strong balance sheet enables us to continue investing in growth and internationalisation whenever opportunities that are in line with our strategy arise.

We carried out organisational restructuring in our national media sales in 2015. We strengthened our competitiveness and increased our market share in advertising by focusing on areas such as the development of effective digital multimedia solutions and the versatile utilisation of data.

According to TNS Media Intelligence, the media advertising volume in Finland decreased by approximately two per cent in 2015 compared to the previous year, totalling EUR 1.2 billion. It is estimated that media advertising's share of GDP was at a historical low in 2015, at a level that is similar to many developing markets. Well-executed marketing communications play an important role in maintaining economic activity in Finland. Instead of streamlining and cost restructuring, Finland needs an atmosphere that encourages investment, hard work and entrepreneurship in order to increase confidence in the future. If you want to sell and be successful, you must also create consumer demand and be active in marketing.

Strategy and related activities during the review period

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

The review period saw the approval of the combination of Alma Media and Talentum, two major Finnish media companies, which was initially announced in September 2015. The combination supports the continued implementation of Alma Media's strategy in the coming years and creates significant value for the shareholders of both Alma Media and Talentum based on, inter alia, the advantages of having a larger business entity on the digitising media market, on the concrete cost synergies, and on utilising the subscriber potential of the combined company. Alma Media published the final result of the Talentum exchange offer in November 2015. The exchange offer was approved by shareholders representing approximately 95 per cent of Talentum's shares. The combination also received the approval of the Finnish Competition and Consumer Authority. With the other conditions for the exchange offer also fulfilled, Alma Media decided to proceed with the exchange offer to Talentum's shareholders and option rights holders.Trading in the new shares in Alma Media offered in the exchange offer commenced on 20 November 2015. Alma Media initiated arbitral proceedings pursuant to the Finnish Limited Liability Companies Act in November to complete the compulsory redemption of the Talentum shares held by minority shareholders.

The companies initiated integration planning during the review period. In accordance with the combination plan, Talentum's business operations will be combined with Alma Media's Financial Media and Business Services unit. Talentum's management will be combined with Alma Media's Group management. Alma Media estimates that the annual cost synergies expected from the combination may amount to EUR 4–5 million, and the integration costs resulting from the combination will be approximately EUR 1–2 million in the first year of operation following the combination. The integration will proceed to the implementation phase in the first half of 2016.

Alma Media decided to refocus the operations of the Financial Media and Business Services unit and sold the customer media and content marketing service provider Alma 360 to Otavamedia in October 2015.

In accordance with its strategy, Alma Media builds sustainable growth in its business operations by making use of digitisation opportunities. Alma Media focuses on the development and sales of digital content, as well as business growth in services and agile marketing solutions. In its operations, Alma Media has created sustainable growth in digital services while also ensuring the vitality of its traditional, print-based business operations through efficiency measures.

To develop the service business, the Digital Consumer Services segment, for example, provides clients with system and expert services to support their business management while also offering media advertising opportunities. A brokering system and information services have been developed and offered to real estate agents, while recruitment business operations have invested in HR consulting and recruitment systems, for example. Through acquisitions, the service offering has also been expanded to cover ERP systems for the automotive trade. During the review period, Alma Media's subsidiary Alma Mediapartners Oy acquired the software company Autosofta to complement its digital business in the automotive retail industry.

Alma Media continued to implement structural reforms in the fourth quarter in order to improve the profitability of the publishing business. Alma Regional Media, the regional and local newspaper unit of Alma Media, completed statutory personnel negotiations pursuant to the Finnish Act on Co-operation within Undertakings. The negotiations began in September and concerned a total of 500 employees. A total of 19 employees were laid off, while a further reduction of approximately 50 man-years was accomplished through retirement or other arrangements. The negotiations concerned all of the publication employees of Regional Media, with the exception of papers published in Lapland. Alma Manu Oy, the printing and distribution company under Regional Media, was not included in the negotiations.

In December 2015, Alma Media's Board of Directors approved the company's updated strategy for 2016–2018. The update of the strategy did not involve any changes to Alma Media's long-term financial targets. The cornerstones of the strategy are content, multimedia solutions, the service business, as well as resources and ways of working.

Domestic market conditions

According to TNS Media Intelligence, total advertising volume decreased by 2.9% (decreased by 3.5%) in 2015. Advertising in city papers and newspapers declined by 6.2% (declined by 8.3%) but increased in online media by 6.7% (increased by 12.3%) from the comparison period. In terms of volume, the total market of afternoon papers declined by 15.3% (declined by 7.1%) in 2015.

Changes in Group structure in 2015

In January 2015, Alma Media acquired the entire share capital of JM Tieto Oy as a business combination achieved in stages. Prior to the acquisition, Alma Media held a 20% stake in the company. JM Tieto Oy specialises in improving the effectiveness of B2B sales, with a focus on marketing information and its utilisation. JM Tieto was reorganised to form part of Kauppalehti Business Information Services' operations.

In March 2015, Alma Media's newspaper business in Kainuu was transferred to a new owner, SLP Kustannus Oy. The divestment saw the regional newspaper Kainuun Sanomat, the town paper Koti-Kajaani and three subscription-based local papers transferred to the subsidiary of Suomalainen Lehtipaino Oy. The transaction does not affect Alma Media's result for 2015.

Alma Media's subsidiary Alma Media Kustannus Oy divested Koti-Lappi, a town paper published in Kemijärvi, in April 2015.

Alma Media's subsidiary Alma Media Kustannus Oy divested Kuriiri, a town paper delivered to all households in Ranua and Posio. Starting from 1 July 2015, the new publisher of the town paper has been Kuriirilainen Oy, a company owned by the paper's current employees.

On 1 October 2015, Alma Media sold Alma 360, the customer media and content marketing service provider, to Otavamedia.

Alma Mediapartners Oy, a subsidiary of Alma Media, acquired the software company Autosofta from its founders in October in order to complement Alma Media's digital business in the automotive retail industry. The annual revenue of Autosofta, which has its head office in Kempele, is approximately EUR 0.5 million.

Alma Media acquired a controlling interest in Talentum Corporation on 17 November 2015. Talentum was previously reported by the Group as an associated company and consolidated using the equity method. The Group's previous holding was 14,236,295 Talentum shares, which corresponded to 32.4 per cent of the outstanding shares. The conditions of the exchange offer were fulfilled on 17 November 2015, from which time Talentum has been part of Alma Media Group and it is consolidated in the consolidated financial statements dated 31 December 2015 as a subsidiary.

More detailed information on acquired subsidiaries is provided in Note 2 to the financial statements.

Group revenue and result full year 2015

Revenue declined by 1.3% to MEUR 291.5 (295.4) in 2015. Talentum Corporation, acquired in November, represented an increase in revenue of MEUR 5.8 of which MEUR 0.8 was revenue from online business. The effect of JM Tieto, acquired in January, on the increase in revenue was MEUR 3.4. The effect of the Alma 360 business, divested in September, on revenue was MEUR -3.6, while the effect of the Regional Media segment's newspapers divested in 2015 on the Group's revenue was MEUR -9.8.

Content revenue decreased by 4.9% to MEUR 104.7 (110.1). Content revenue declined due to the decline of print subscriptions and single-copy sales. Talentum's effect on the increase in content revenue was MEUR 4.1.

Revenue from advertising sales increased by 0.3% to MEUR 146.9 (146.4). Advertising sales for print media decreased by 10.2% from the comparison period, to MEUR 66.2 (73.7). Online advertising sales increased by 11.0% to MEUR 80.7 (72.7).

Service revenue totalled MEUR 39.9 (38.8). Service revenue includes items such as Kauppalehti Business Information Services, the operations of the custom publishing house Alma 360 divested in October, as well as the operations of E-kontakti and the printing and distribution services sold to customers outside the Group by Alma Manu. The increased revenues of Kauppalehti Business Information Services and Alma Manu were major contributors to the increase in service revenue.

Total expenses decreased during the year by MEUR 0.5, or 0.2%, to MEUR 277.4 (277.9). Total expenses excluding non-recurring items were MEUR 268.7 (274.6). Depreciation and impairment included in the total expenses amounted to MEUR 16.8 (15.7). The non-recurring expenses of MEUR 8.7 (3.3) recognised in 2015 were related to impairment losses, restructuring costs and costs associated with acquisitions and divestments.

Operating profit excluding non-recurring items was MEUR 23.4 (21.4), or 8.0% (7.2%) of revenue. Operating profit was MEUR 17.7 (20.7), or 6.1% (7.0%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR -5.7 (-0.7).

Alma Media Group in 2015, taking the effects of acquisitions and divestments into account (Pro forma)

Alma Media Group's revenue and operating profit excluding non-recurring items in 2015, taking the effects of acquired and divested businesses into account, is presented in the following table:

PRO FORMA	2015	2014
MEUR	1-12	1-12
Revenue		
Alma Media Group, reported (IFRS)	291.5	295.4
Divested business operations *	-9.7	-24.9
Acquired business operations **	+67,3	+76,0
Revenue – pro forma	349.2	346.5
Operating profit excluding non-recurring items		
Alma Media Group, reported (IFRS)	23.4	21.4
Divested business operations *	0.0	1.3
Acquired business operations **	3.2	2.2
Operating profit excluding non-recurring items – pro forma	26.6	24.9

* Divested business operations include the effects of the following divestments: Regional Media's newspaper business in Kainuu, the City24 business, BNS business and Alma 360 Oy.

** Acquired business operations include the effects of the acquisitions of Talentum Corporation, JM Tieto and Autosofta. The operating profit attributed to acquired business operations takes into account acquisition-related increases in IFRS 3 depreciation.

Digital Consumer Services

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

In 2015, the Digital Consumer Services segment's revenue was MEUR 61.7 (55.8), up 10.5%. Revenue from the recruitment business increased by 20.5% and accounted for 73.6% (67.5%) of the segment's revenue in 2015. The growth in the international recruitment business was particularly supported by strong GDP growth in Eastern Central European countries.

Total expenses during the review period excluding non-recurring items were MEUR 48.4 (46.8).

The Digital Consumer Services segment's operating profit excluding non-recurring items was MEUR 13.4 (9.2) in 2015. The segment's operating profit was MEUR 12.4 (10.7). Non-recurring items for the period totalled MEUR -1.1 (1.5). The non-recurring items recognised in 2015 were related to impairment losses recognised on goodwill allocated to online services in Finland. The non-recurring items in the comparison period were related to impairment losses and sales gains from the City24 business.

Financial Media and Business Services

The Financial Media and Business Services segment specialises in the production of financial information as well as providing information and marketing solutions for businesses. The custom media house Alma 360, which was previously reported in this segment, was divested in October 2015. The business operations of Talentum, acquired in November, are reported under this segment.

Revenue for the Financial Media and Business Services segment increased by 10.3% to MEUR 58.5 (53.0). Online business accounted for 41.7% (43.0%) of the segment's revenue. Talentum Corporation, acquired in November, represented an increase in revenue of MEUR 5.8, while JM Tieto, acquired in January, represented an increase in revenue of MEUR 3.4. The divestment of Alma 360 in September had an effect of MEUR -3.6 on revenue.

Content revenue for the Financial Media and Business Services segment increased by 24.8% to MEUR 20.3 (16.2). Kauppalehti's content revenue was on a par with the previous year.

Advertising sales in 2015 amounted to MEUR 17.2 (15.6). Online advertising sales increased by 16.3% year-on-year.

The segment's total expenses excluding non-recurring items were MEUR 50.7 (46.4). The segment's total expenses were MEUR 52.3 (47.4).

Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 8.0 (6.7) and operating profit MEUR 6.9 (6.5). Operating profit excluding non-recurring items was 13.6% (12.6%) of revenue. The non-recurring items for the review period were related to a loss of MEUR 0.4 recognised through profit or loss associated with the Talentum acquisition achieved in stages, a gain of MEUR 0.6 recognised through profit or loss associated with the JM Tieto acquisition achieved in stages, as well as an adjustment of MEUR 1.2 on impairment losses related to the Alma 360 business. The Talentum acquisition had a minor effect on the result for the full year.

National Consumer Media

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

Revenue for the National Consumer Media segment declined by 11.3% to MEUR 41.6 (46.9) in January–December. Online business accounted for 29.8% (27.0%) of the segment's revenue.

The segment's content revenue declined by 13.2% to MEUR 24.7 (28.5) in January–December, mainly due to the decrease in Iltalehti's circulation.

The segment's advertising sales declined by 8.6% to MEUR 16.8 (18.4). Advertising sales for print media decreased by 22.6%. The segment's online advertising sales for the full year declined by 2.1% to MEUR 12.3 (12.5). The growth in online advertising in the fourth quarter was not sufficient to compensate for the decline in online advertising in the early part of the year.

The segment's total expenses excluding non-recurring items were MEUR 39.1 (43.2). The decrease in total expenses was particularly attributable to the decrease in printing and distribution costs due to lower print media sales, as well as efficiency improvement measures in content production. The segment's expenses in the review period include non-recurring expenses of MEUR 0.3 (0.6) related to restructuring. The segment's total expenses were MEUR 39.4 (43.8).

The segment's operating profit excluding non-recurring items was MEUR 2.5 (3.7). Operating profit excluding non-recurring items was 6.1% (7.8%) of revenue. The segment's operating profit was MEUR 2.2 (3.1).

Regional Media

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

The Regional Media segment's revenue declined by 7.5% to MEUR 134.4 (145.2) in January–December. Online business accounted for 3.5% (2.6%) of the segment's revenue. The effect of the Regional Media segment's newspapers divested in 2015 on revenue was MEUR -9.8.

The segment's content revenue declined by 8.7% to MEUR 59.8 (65.5) in January–December. The effect of divested newspapers on the decrease in the segment's content revenue was MEUR 4.7.

The segment's advertising sales declined by 9.9% to MEUR 56.3 (62.5). Advertising sales for print media decreased by 11.1%. The segment's online advertising sales increased by 23.2% to MEUR 2.5 (2.1). The decline in national advertising has been the fastest in print media advertising sales. The effect of divested newspapers on the decrease in the segment's advertising sales was MEUR 4.8.

The segment's service revenue increased by 6.1% to MEUR 18.3 (17.2).

The segment's total expenses excluding non-recurring items were MEUR 125.7 (135.8) and total expenses MEUR 129.1 (137.2).

The segment's operating profit excluding non-recurring items was MEUR 8.9 (9.6) and operating profit MEUR 5.9 (8.3). Operating profit excluding non-recurring items was 6.6% (6.6%) of revenue. Non-recurring items for 2015 amounted to MEUR -3.0 (-1.3). The non-recurring items were related to restructuring costs, impairment losses and a sales gain on real estate.

Associated companies

Talentum was previously consolidated in Alma Media's consolidated financial statements as an associated company, as the Group held 14,236,295 Talentum shares, which corresponded to 32.4 per cent of the outstanding shares. Alma Media's exchange offer was completed on 17 November 2015, from which time Talentum has been part of Alma Media Group and it is consolidated in the consolidated financial statements dated 31 December 2015 as a subsidiary.

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	2015	2014
MEUR	1-12	1-12
Digital Consumer Services		
Impairment losses	-1.1	-0.2
Gains on the sale of assets		1.7
Financial Media and Business Services		
Impairment losses	-1.2	-0.5
Restructuring		-0.5
Gains (losses) on the sale of assets	0.2	0.7
National Consumer Media		
Restructuring	-0.3	-0.6
Regional Media		
Impairment losses	-0.5	-1.3
Restructuring	-2.8	-0.1
Gains (losses) on the sale of assets	0.3	0.1
Non-allocated		
Restructuring	-0.5	-0.2
Costs related to the Talentum acquisition	-1.8	
Gains (losses) on the sale of assets	2.0	0.0
Non-recurring items in operating profit	-5.7	-0.7
Non-recurring items in profit before tax	-5.7	-0.7

Balance sheet and financial position

At the end of December 2015, the consolidated balance sheet stood at MEUR 328.2 (256.1). The Group's equity ratio at the end of December was 42.5% (42.6%) and equity per share was EUR 1.35 (1.17).

The consolidated cash flow from operations in January–December was MEUR 33.2 (26.5). The increase in cash flow from operations was particularly attributable to a lower level of working capital as well as lower interest and taxes paid. Cash flow before financing activities in 2015 declined to MEUR 11.1 (34.9), which was attributable to significant acquisitions carried out in 2015.

At the end of December, the Group's interest-bearing debt amounted to MEUR 90.6 (83.0). The total interest-bearing debt at the end of December comprised MEUR 65.0 in finance leasing debt and MEUR 25.6 in loans from financial institutions. The Group's interest-bearing net debt at the end of December stood at MEUR 76.2 (71.1).

Alma Media has two MEUR 20.0 committed financing limits at its disposal, of which MEUR 15 was in use on 31 December 2015. In addition, the company has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused on 31 December 2015.

Alma Media did not have financial assets or liabilities created in conjunction with business combinations measured at fair value and recognised through profit or loss on 31 December 2015. Financial liabilities measured at fair value and recognised through profit or loss amounted to MEUR 0.3 (0.0).

Capital expenditure

Alma Media Group's capital expenditure in 2015 totalled MEUR 60.2 (14.4). The capital expenditure comprised mainly the acquisition of the entire share capital in the former associated companies JM Tieto Oy and Talentum Oyj, as well as normal operating and maintenance investments.

Research and development costs

The Group's research and development costs in 2015 totalled MEUR 5.5 (MEUR 5.5 in 2014). Of this total, MEUR 4.0 (MEUR 4.0) was recognised in the income statement and MEUR 1.5 (MEUR 1.5) was capitalised to the balance sheet in 2015. On 31 December 2015, capitalised research and development costs on the balance sheet totalled MEUR 1.5 (MEUR 1.3).

Employees

During 2015, Alma Media had on average 1,793 (1,828) employees, calculated as full-time employees (excluding delivery staff). The number of newspaper delivery staff was 929 (985) on average.

Governance

Alma Media Corporation's Annual General Meeting (AGM) held on 17 March 2015 elected Niklas Herlin, Esa Lager, Petri Niemisvirta, Perttu Rinta, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari as members of the company's Board of Directors. In its constitutive meeting held after the AGM, the Board of Directors elected Harri Suutari as its Chairman.

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

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

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

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

Alma Media Corporation applied in 2015 the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on 15 June 2010 and in effect since 1 October 2010, in its unamended form. The Remuneration Statement for 2014 was published on 13 February 2015 on the company's website at www.almamedia.com/investors.

The Corporate Governance Statement is available on the company's website at www.almamedia.com/investors.

Dividends

In accordance with the proposal of the Board of Directors, the AGM resolved that no dividend be paid for the financial year 2014. The company has no retained earnings.

Use of the invested non-restricted equity fund

In accordance with the proposal of the Board of Directors, the AGM resolved that EUR 36,420,000 be used from the invested non-restricted equity fund, complying with the company's balance sheet of 31 December 2014, to cover losses. The covering of losses improves the preconditions for the distribution of profit in future financial periods.

Capital repayment

In accordance with the proposal of the Board of Directors, the AGM resolved to distribute EUR 0.12 per share as capital repayments from the invested non-restricted equity. At the time of the AGM, the company had 75,486,853 shares, translating into a repayment amount of EUR 9,058,422.36. Capital repayments were paid to shareholders registered in Alma Media Corporation's shareholder register, maintained by Euroclear Finland Ltd, on the record date, 19 March 2015. The capital repayments were paid on 26 March 2015 as proposed by the Board of Directors.

Other decisions by the Annual General Meeting

The AGM authorised the Board of Directors to decide on the repurchase of a maximum of 754,000 shares in one or more lots. The proposed maximum authorised quantity represents approximately one (1) per cent of the company's entire share capital. The shares shall be acquired using the company's non-restricted shareholders' equity through trading in a regulated market arranged by NASDAQ OMX Helsinki Oy and in accordance with its rules and instructions, which is why the acquisition is directed, that is, the shares are purchased otherwise than in proportion to shareholders' current holdings. The price paid for the shares shall be based on the price of the company share in the regulated market, so that the minimum price of purchased shares is the lowest market price of the share quoted in the regulated market during the term of validity of the authorisation and the maximum price, correspondingly, the highest market price quoted in the regulated market during the term of validity of the authorisation. Shares may be purchased for the purpose of improving the company's capital structure, financing or carrying out corporate acquisitions or other arrangements, implementing incentive schemes for the management or key employees, or to be otherwise transferred or cancelled. The authorisation is valid until the following ordinary AGM, however no longer than until 30 June 2016.

The AGM authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company. A maximum of 754,000 shares may be issued on the basis of this authorisation. The proposed maximum authorised quantity represents approximately one (1) per cent of the company's entire share capital. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more parts. The Board of Directors may use the authorisation to implement incentive programmes for the management or key employees of the company. The authorisation is valid until the following ordinary AGM, but no longer than until 30 June 2016.

The AGM authorised the Board of Directors to decide on a share issue. A maximum of 15,000,000 shares may be issued on the basis of this authorisation. The proposed maximum authorised amount represents approximately 20% of the company's entire share capital. 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 on 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, but no longer than until 30 June 2016. This authorisation overrides the share issue authorisation granted at the Annual General Meeting of 20 March 2014.

In accordance with the proposal of the Board of Directors, the AGM resolved to establish a Shareholders' Nomination Committee. The Nomination Committee's duties include preparing proposals related to the election and remuneration of the member of the Board of Directors to the Annual General Meeting. In conjunction with this decision, the AGM approved the Charter for the Shareholders' Nomination Committee as proposed by the Board of Directors. The Shareholders' Nomination Committee consists of four members appointed by shareholders, and the members elect a chairman from among their number. In addition, the Chairman of the Board acts as an expert member in the Nomination Committee.In the year preceding the AGM, on the basis of shareholding on 30 September in the preceding calendar year, the Chairman of the Board will request each one of the four largest shareholders to appoint one member to the Shareholders' Nomination Committee. The four shareholders who are registered in the shareholder register maintained by Euroclear Finland Ltd on 30 September in the year preceding the AGM and whose share of the votes produced by all shares in the company is the greatest according to this shareholder register have the right to nominate members to represent shareholders. Should a shareholder choose not to exercise the right to appoint a member, the right is transferred to the next largest shareholder in the shareholder register, who would not otherwise have the right to appoint a member. The Nomination Committee Charter is available on the Alma Media Corporation website at www.almamedia.fi/sijoittajille/hallinto/yhtiokokous/yhtiokokous-2015.

The Alma Media share

In January–December, altogether 9,668,430 Alma Media shares were traded on the NASDAQ Helsinki Stock Exchange, representing 12.7% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, 30 December 2015, was EUR 3.00. The lowest quotation in 2015 was EUR 2.51 and the highest EUR 3.25.

Alma Media Corporation's market capitalisation at the end of the review period was MEUR 247.1.

Option programme and share-based incentive plan

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

The Board of Directors of Alma Media Corporation has approved the establishment of a new long-term share-based incentive programme for the key management of Alma Media. The LTI 2015 arrangement consists of annually commencing individual plans, each subject to separate Board approval. Each of the individual plans consists of three main elements: an investment in Alma Media shares as a precondition for the key management member's participation in LTI 2015, matching shares based on the above share investment and the possibility of earning performance-based matching shares. At most 35 people are eligible to participate in the first plan under the LTI 2015 arrangement, commencing in 2015.

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 2015, Alma Media received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

On 20 November 2015, Mariatorp Oy announced that the agreement for which it issued a flagging notice on 12 November was carried through, and that due to the increase in Alma Media's number of shares as a result of the completion of the Talentum exchange offer, Mariatorp's holding of the shares and votes in Alma Media has fallen below the threshold of 20 per cent. Follow this event, Mariatorp Oy holded approximately 18.8% of Alma Media's share capital and votes.

On 12 November 2015, Mariatorp Oy announced that it has signed an agreement that, if realised, would result in the acquisition of shares and voting rights and Mariatorp's holding of the shares and votes in Alma Media would exceed the threshold of 20%.

On 30 April 2015, Mariatorp Oy (Business ID 1948056-9, also referred to below as the Demerging Company) issued a flagging notice according to which had Mariatorp Oy signed a demerger plan on 30 April 2015 regarding a total demerger pursuant to Chapter 17, Section 2, Subsection 1 of the Finnish Securities Markets Act (624/2006). In connection with the registration of the execution of the demerger, the assets, liabilities and rights of the Demerging Company would be transferred without liquidation proceedings to the two new limited companies to be founded as stated in the demerger plan. As the demerger was executed, the shares of Alma Media Corporation owned by the Demerging Company in which Niklas Herlin exercises controlling power would be transferred in connection with the registration of the execution of the demerger to Mariatorp Oy that was to be founded. No shares of Alma Media Corporation would be transferred to the other company.

The registration of the execution of the demerger was completed on 31 August 2015 according to the notification received by Alma Media. After the execution of the demerger, the new Mariatorp Oy held 16.03% of Alma Media Corporation's shares and votes carried by the shares (12,100,000 shares).

Risks and risk management

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

The risk management process identifies and controls the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation and to the Board of Directors. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance. Alma Media specifies limits to and procedures for quantitative and qualitative risks in writing in its risk management system.

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 Eastern and Central European countries, include country-specific risks relating to market development and economic growth. The expansion of business outside Finland has reduced the risks inherent in operating in one market area.

The most important operational risks are disturbances in information technology and data transfer, as well as 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 ranked first among Nordic media companies in November 2015. In December 2015, Alma Media committed to the Paris Pledge for Action to reach the COP21 targets. In addition, the Alma Media share is included in the OMX GES Sustainability Finland index. Alma Media is a member of the pan-European Media CSR Forum and the Finnish Business & Society corporate responsibility network.

The most significant environmental impacts of Alma Media's business operations are related to purchases, printing and delivery operations and real estate. In 2015, the company's printing facilities used approximately 23,966 (23,956) tonnes of newsprint. Alma Media used 12,943 (13,298) MWh of electric power in 2015. Electricity consumption decreased by 2.6 % year-on-year. Additional information on the Group's corporate responsibility approach is available on the Alma Media website.

Events after the review period

In January 2016, LMC s.r.o, part of Alma Career Oy and the leading provider of digital recruitment services in the Czech Republic, acquired Jobote s.r.o, a Czech start-up developing and providing new technology in recruitment. Its online service jobote.com is targeted at reaching the most skilled and hard-to-find candidates.

In January 2016, Alma Media's subsidiary Alma Mediapartners Oy acquired 51 per cent of the share capital of Raksa ja KotiKauppa Oy from the company's founders. The company provides ERP systems for construction and renovation. The revenue of Raksa ja KotiKauppa Oy for 2015 is expected to amount to approximately EUR 0.5 million.

In February 2016, Alma Regional Media announced plans to reorganise its customer service operations. The goal is to create a model that would better support digitised media consumption and customer service. At this juncture, possibilities will be explored to achieve closer cooperation between customer services and the circulation service. Alma Regional Media will commence statutory personnel negotiations to prepare for potential impact on employees. According to the provisional plan of the employer, the required reduction in workforce is 34 person-years at most.

Key figures 2011-2015

Key figures

Key figures are calculated applying IFRS recognition and measurement principles.

		IFRS	Change	IFRS	Change	IFRS	Change	IFRS	Change	IFRS
MEUR		2015	%	2014	%	2013	%	2012	%	2011
Key figures describing economic development										
Revenue	M€	291.5	-1.3	295.4	-1.6	300.2	-6.2	320.1	1.2	316.2
Operating profit	M€	17.7	-14.5	20.7	-23.5	27.0	1.9	26.5	-36.9	42.0
% of revenue	%	6.1		7.0		9.0		8.3		13.3
Operating profit excluding non-recurring items	M€	23.4	9.3	21.4	-11.5	24.2	-27.8	33.5	-22.0	42.9
% of revenue	%	8.0		7.2		8.0		10.5		13.6
Profit before tax	M€	16.8	-14.9	19.7	-12.1	22.4	-5.4	23.7	-43.6	42.0
Profit excluding non-recurring items	M€	22.5	11.4	20.2	-17.8	24.5	-31.0	35.6	-17.1	42.9
Profit for the period	M€	12.1	-23.3	15.7	-1.7	16.0	-8.2	17.4	-43.5	30.8
Return on equity (ROE) **)	%	10.4	-36.6	16.4	-11.7	18.6	-3.7	19.3	-33.9	29.1
Return on investment (ROI) **)	%	6.9	-29.3	9.8	-2.2	10.0	-27.6	13.8	-46.3	25.7
Net financial expenses	M€	2.5	-7.1	2.7	485.4	0.5	-131.3	-1.5	-158.5	2.5
Net financial expenses, % of revenue	%	0.9		0.9		0.2		-0.5		0.8
Share of profit of associated companies	M€	1.6	7.8	1.7	142.2	-4.1	3.4	-4.3	-268.1	2.5
Balance sheet total **)	M€	328.2	28.1	256.1	-5.4	270.7	10.4	245.1	23.8	198.0
Capital expenditure	M€	60.2	317.8	14.4	-77.1	62.8	-43.6	111.3	1,666.7	6.3
Capital expenditure, % of revenue	%	20.6		4.9		20.9		34.8		2.0
Research and development costs	M€	5.5	-0.3	5.5	3.8	5.3	29.0	4.1	-10.0	4.6
Research and development costs, % of revenue	%	1.9		1.9		1.8		1.3		1.4
Equity ratio **)	%	42.5		42.6		34.4		36.5		57.0
Gearing **)	%	59.2		68.5		110.5		74.1		-33.4
Interest-bearing net debt	M€	76.2		71.1		97.6		62.3		-32.3
Interest-bearing liabilities	M€	90.6	9.1	83.0	-24.5	109.9	38.5	79.4	210.9	25.5
Non-interest-bearing liabilities	M€	108.9	56.8	69.4	-4.1	72.4	-11.4	81.8	8.0	75.7
Average no. of employees, calculated as full-time employees, excl. delivery staff		1,793	-1.9	1,828	-7.1	1,969	3.0	1,911	5.3	1,816
Delivery staff total (no. of employees)		929	-5.7	985	-1.4	998	-0.8	1,006	4.7	961

Per share data							
Earnings per share	€	0.13		0.19	0.20	0.22	0.39
Cash flow from operating activities per share	€	0.43		0.35	0.32	0.33	0.67
Shareholders' equity per share **)	€	1.35		1.17	1.14	1.08	1.24
Dividend per share	€	0.12	*)	0.12	0.10	0.10	0.40
Payout ratio	%	92.3		63.7	50.2	45.4	102.8
Effective dividend yield	%	4.0		4.4	3.3	2.2	6.5
P/E Ratio		23.1		14.6	15.0	20.6	15.8
Share prices							
Highest	€	3.25		3.16	5.00	6.80	9.44
Lowest	€	2.51		2.55	2.49	4.35	5.40
On 31 Dec	€	3.00		2.75	2.99	4.55	6.14
Market capitalisation	M€	247.1		207.6	225.7	343.5	463.5
Turnover of shares, total	kpcs	9,668		5,977	8,130	5,066	10,034
Relative turnover of shares, total	%	12.7		7.9	10.8	6.7	13.3
Average no. of shares (1,000 shares), basic	kpcs	76,394		75,487	75,487	75,487	75,339
Average no. of shares (1,000 shares), diluted	kpcs	76,394		75,487	75,487	75,661	75,772
No. of shares on 31 December	kpcs	82,383		75,487	75,487	75,487	75,487

*) Proposal of the Board of Directors to the Annual General Meeting, capital repayment EUR 0.12

**) Exchange rate differences for intangible assets have been adjusted in the 2013 financial statements data.

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	
Online sales, % of revenue	Online sales / Revenue	x 100
Basic earnings per share, €	Share of net profit belonging to parent company owners / Average number of shares adjusted for share issues	

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

Consolidated comprehensive income statement

MEUR	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Revenue	1,3	291.5	295.4
Other operating income	4	3.6	3.2
Change in inventories of finished and unfinished products		-0.1	0.1
Materials and services	5	69.4	77.6
Expenses arising from employee benefits	7	124.1	120.8
Depreciation, amortisation and impairment charges	13,14	16.8	15.7
Other operating expenses	8,9	66.9	64.0
Operating profit	1	17.7	20.7
Finance income	10	0.3	0.4
Finance expenses	10	2.8	3.1
Share of profit of associated companies	16	1.6	1.7
Profit before tax		16.8	19.7
Income tax	11	-4.7	-4.0
Profit for the period		12.1	15.7

Other comprehensive income			
Items that are not later transferred to be recognised through profit or loss			
Items arising due to the redefinition of the net defined benefit liability (or asset item)		1.2	-0.3
Tax on items that are not later transferred to be recognised through profit or loss		-0.2	-0.0
Items that may later be transferred to be recognised through profit or loss			
Exchange differences on translation of foreign operations		1.0	0.2
Share of other comprehensive income of associated companies		0.1	-0.4
Other comprehensive income for the year, net of tax		2.1	-0.6
Total comprehensive income for the year, net of tax		14.2	15.1
Profit for the period attributable to			
Owners of the parent company		9.9	14.2
Non-controlling interest		2.1	1.5
Total comprehensive income for the period attributable to			
Owners of the parent company		11.9	13.6
Non-controlling interest		2.3	1.5
Earnings per share calculated from the profit for the period attributable to the parent company shareholders (€)			
Earnings per share (basic)	12	0.13	0.19
Earnings per share (diluted)	12	0.13	0.19

Consolidated balance sheet

MEUR	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Goodwill	13	118.6	69.7
Other intangible assets	13	72.3	38.2
Property, plant and equipment	14	70.5	76.2
Investments in associated companies	16	6.8	25.7
Other non-current financial assets	17	4.6	3.9
Deferred tax assets	23	1.6	1.3
		274.5	215.0
Current assets			
Inventories	18	2.2	1.3
Tax receivables		1.8	1.2
Trade and other receivables	19	35.3	26.4
Other current financial assets	17	0.0	0.2
Cash and cash equivalents	20	14.4	12.0
		53.8	41.2
Assets total		328.2	256.1

MEUR		31 Dec 2015	31 Dec 2014
EQUITY AND LIABILITIES			
Share capital		45.3	45.3
Share premium reserve		7.7	7.7
Foreign currency translation reserve		-1.6	-2.5
Invested non-restricted equity fund		19.1	0.0
Retained earnings		41.0	38.0
Equity attributable to owners of the parent	21	111.5	88.5
Non-controlling interest		17.2	15.2
Total equity		128.7	103.7
Non-current liabilities			
Deferred tax liabilities	23	14.2	6.9
Pension liabilities	24	1.5	2.7
Provisions	25	0.2	
Non-current financial liabilities	26	63.4	71.2
		79.4	80.9
Current liabilities			
Advances received		25.3	12.9
Income tax liability		2.2	0.0
Provisions	25	0.6	0.4
Current financial liabilities	26	28.5	12.8
Trade and other payables	28	63.5	45.5
		120.1	71.6
Liabilities, total		199.5	152.5
Equity and liabilities, total		328.2	256.1

Consolidated cash flow statement

MEUR	Note	31 Dec 2015	31 Dec 2014
Operating activities			
Profit for the period		12.1	15.7
Adjustments		19.0	15.8
Change in working capital		5.9	2.7
Dividend received		1.7	1.2
Interest received		0.1	0.2
Interest paid		-1.9	-2.5
Taxes paid		-3.7	-6.6
Net cash flow from operating activities		33.2	26.5
Investing activities			
Acquisitions of tangible and intangible assets		-3.3	-3.5
Proceeds from sale of tangible and intangible assets		2.2	1.0
Other investments		-0.1	-0.1
Proceeds from sale of other investments		1.0	0.0
Acquisitions of subsidiaries less cash and cash equivalents at the time of sale	2	-26.8	-0.2
Proceeds from sale of subsidiaries less cash and cash equivalents at the time of sale		5.3	12.0
Acquisition and sale of associated companies	16	-0.5	-0.7
Net cash flows from/(used in) investing activities		-22.1	8.4
Cash flow before financing activities		11.1	34.9
Financing activities			
Current loans taken		0.0	6.5
Current loans taken		45.0	152.5
Repayment of current loans		-38.7	-180.4
Payments of finance lease liabilities		-4.5	-5.5
Change in interest-bearing receivables	19	0.0	0.0
Dividends paid and capital repayment	21	-10.5	-8.3
Net cash flows from/(used in) financing activities		-8.7	-35.2
Change in cash and cash equivalent funds increase (+) decrease (-)		2.4	-0.3
Cash and cash equivalents at beginning of period	20	12.0	12.3
Effect of change in foreign exchange rates		0.1	-0.0
Cash and cash equivalents at end of period	20	14.4	12.0

Further details for statement of cash flow

MEUR		1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Operating activities			
Adjustments:			
Depreciation, amortisation and impairment charges	13,14	16.8	15.7
Share of results in associated companies	16	-1.6	-1.7
Capital gains (losses) on the sale of fixed assets and other investments		-2.0	-0.9
Finance income and expenses	10	2.5	2.7
Taxes	11	4.7	4.0
Change in provisions	25	0.4	-3.8
Other adjustments		-1.9	-0.2
Adjustments, total		19.0	15.8

Change in working capital:		
Change in trade receivable	0.5	0.9
Change in inventories	-0.8	0.1
Change in trade payable	6.2	1.7
Change in working capital, total	5.9	2.7

Investing activities		
Investments financed through finance leases	-2.0	-2.2
Gross capital expenditure, payment-based *)	-3.3	-3.6
Sold and purchased business operations, non-payment-based	-54.9	-8.6
Investments, total	-60.2	-14.4

Consolidated statement of changes in equity

		Attributable to equity holders of the parent							
MEUR	Note	Share capital	Share premium reserve	Foreign currency translation reserve	Invested non-restricted equity fund	Retained earnings	Equity attributable to the owners of parent	Minority interest	Total equity
Total equity on 1 Jan 2014	21	**45.3**	**7.7**	**-2.7**	**0.0**	**35.6**	**86.0**	**2.3**	**88.3**
Profit for the period						14.2	14.2	1.5	15.7
Other comprehensive income *)				0.2		-0.7	-0.6		-0.6
Business transactions with the owners									
Dividends paid by parent						-7.5	-7.5		-7.5
Dividends paid by subsidiaries								-0.8	-0.8
Share-based payment transactions						0.1	0.1		0.1
Share of items recognised in the equit of associated companies						0.1	0.1		0.1
Change in ownership in subsidiaries						-3.7	-3.7	12.1	8.3
Total equity on 31 Dec 2014	21	**45.3**	**7.7**	**-2.5**	**0.0**	**38.0**	**88.5**	**15.2**	**103.7**
Total equity on 1 Jan 2015		**45.3**	**7.7**	**-2.5**	**0.0**	**38.0**	**88.5**	**15.2**	**103.7**
Profit for the period						9.9	9.9	2.1	12.1
Other comprehensive income				0.9		1.1	2.0	0.2	2.1
Business transactions with the owners									
Capital repayment by parent						-9.1	-9.1		-9.1
Dividends paid by subsidiaries								-1.4	-1.4
Share subscription					19.1		19.1		19.1
Share-based payment transactions						0.1	0.1		0.1
Change in ownership in subsidiaries						1.0	1.0	1.2	2.1
Equity on 31 Dec 2015	21	**45.3**	**7.7**	**-1.6**	**19.1**	**41.0**	**111.5**	**17.2**	**128.7**

Accounting principles

Basic information on the Group

Alma Media is a media company focusing on digital services and publishing. In addition to news content, the Group's products provide useful information related to lifestyle, career and business development. 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 11 February 2016. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

Accounting principles

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS. The IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2015 have been applied. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in EU regulation (EU) no 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

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

The consolidated financial statements are based on the purchase method of accounting unless otherwise specified in the accounting principles below. Figures in the tables in the financial statements are presented in 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 2015

The Group has adopted the following new standards and interpretations from 1 January 2015 onwards:

Amendments to IFRS standards:

IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (effective for financial periods beginning on or after 1 July 2014).

> The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments had no effect on the consolidated financial statements.

Annual Improvements to IFRSs 2010–2012 and 2011–2013 (mainly effective for financial periods beginning on or after 1 July 2014).

> Through the Annual Improvements procedure, small and less urgent amendments to the standards are collected and implemented together once a year. The effects of the amendments vary by standard, but they had no material effect on the consolidated financial statements.

Comparability of consolidated financial statements

The financial years 2015 and 2014 are comparable. The company has no discontinued operations to report in the financial periods 2015 and 2014.

Subsidiary companies

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

Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. All intra-Group transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements. The distribution of the profit for the year between the parent company owners and non-controlling interest shareholders is shown in the statement of comprehensive income. The eventual non-controlling interest in the acquired companies is measured at fair value or to the amount corresponding to the share of the non-controlling interest based on the proportionate share of the specified net assets. The measurement method is defined for each acquisition separately. The comprehensive income is attributed to parent company shareholders and non-controlling shareholders, even if this were to lead to a negative portion being attributed to non-controlling shareholders. The amount of shareholders' equity attributable to non-controlling shareholders is shown as a separate item in the balance sheet under shareholders' equity. Changes in the parent company's holding in a subsidiary that do not lead to a loss of control are treated as equity transactions.

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

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

Associated companies and joint arrangements

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

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 2015 or 2014.

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. The recognition of income from products under content revenue is based on the timing of product delivery to customers. Income from advertising sales for both print and online media is recognised in the period the service is produced for the customer. Income under Other service revenue is recognised when the service has been performed. Rental income is recognised in equal instalments over the rental period. 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.

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

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

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

Share-based payments

On the balance sheet date 31 December 2015, Alma Media had a current stock option scheme for senior management launched in spring 2009 as well as a share-based incentive plan, LTI 2015, which launched in 2015. 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.

In February 2015, the Board of Directors of Alma Media Corporation approved a new share-based incentive programme for the key management of Alma Media (LTI 2015).

Three plans were started in spring 2015 under the programme: a fixed matching share plan and two performance matching plans. Investment in Alma Media shares is a precondition for participation. A total of 33 people are participating in the plans with 76,550 shares. In each plan, the participant can earn a maximum of two matching shares for each invested share, which means that the maximum number of Alma Media shares that can be earned under the plans is 459,300 shares (gross amount from which taxes are withheld).

In the fixed matching share plan, the participant receives two matching shares for each invested share free of charge after a two-year vesting period, provided that the participant holds on to the shares invested in the plan and remains employed by Alma Media Group for the duration of the vesting period, or until spring 2017. The maximum number of matching shares that can be earned is currently 153,100 shares (gross amount from which taxes are withheld).

In the performance matching plans, the participant may earn at most two matching shares based on the profitable growth of the digital business and at most two matching shares based on the total shareholder return of the Alma Media share. Any performance matching shares earned will be paid based on digital business growth in spring 2018 and based on the total shareholder return of the company's share in spring 2020. The maximum number of matching shares that can be earned under both of the performance matching plans is currently 153,100 shares (gross amount from which taxes are withheld).

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

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

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 taxes are calculated using the tax rates enacted by the balance sheet date. However, the deferred tax liability is not recognised on the initial recognition of goodwill or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. A deferred tax liability is recognised on non-distributed retained earnings of subsidiaries when it is likely that the tax will be paid in the foreseeable future.

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

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.

Equity

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

Operating profit and EBITDA

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

Segment reporting and its accounting principles

The business segments in Alma Media's financial statements are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media.There were no changes to segment reporting in the financial year 2015.

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.

Accounting principles requiring management's judgement

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

Key sources of estimation uncertainty

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

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

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

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

Useful lives: Estimating useful lives used to calculate depreciation and amortisation also requires management to estimate the useful lives of these assets. The useful lives used for each type of asset are 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:

IAS 19 Employee Benefits amendment Defined Benefit Plans: Employee Contributions (effective for financial periods beginning on or after 1 July 2014)

The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The standard is not estimated to have an effect on the consolidated financial statements.

Annual Improvements to IFRSs 2012–2014 (effective for financial periods beginning on or after 1 January 2016).

Through the Annual Improvements procedure, small and less urgent amendments to the standards are collected and implemented together once a year. Their impacts vary standard by standard but are not significant.

IAS 27 Separate Financial Statements amendment Equity Method in Separate Financial Statements (effective for financial periods beginning on or after 1 January 2016)

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements, which has been a local requirement in certain countries. This allows more entities than before to prepare their separate financial statements under IFRS. The amendment to the standard has no effect on the consolidated financial statements.

IAS 16 Property, Plant and Equipment and IAS 41 Agriculture amendment Bearer Plants (effective for financial periods beginning on or after 1 January 2016).

These amendments allow biological assets that meet the definition of a bearer plant to be alternatively recognised at acquisition cost, when previously the standard required that they be recognised at fair value. The amendment to the standard has no effect on the consolidated financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets amendment, Clarification of Acceptable Methods of Depreciation and Amortisation (effective for financial periods beginning on or after 1 January 2016).

The amendment specifies that the revenue-based method cannot be used to amortise intangible assets. As an exception, amortisation of intangible assets can only be based on revenue if there is a very high degree of correlation between the revenue and the decrease in the economic value of the intangible asset. Nor can the revenue-based method be used to amortise property, plant and equipment. The amendment has no effect on the consolidated financial statements.

IFRS 11 Joint Arrangements amendment Accounting for Acquisitions of Interests in Joint Operations (effective for financial periods beginning on or after 1 January 2016)

The amendment requires the use of business combination accounting for the acquisition of an interest in a joint operation that constitutes a business.The amendment has no effect on the consolidated financial statements.

IAS 1 Presentation of Financial Statements, Disclosure Initiative (effective for financial periods beginning on or after 1 January 2016)

The amendments clarify the IAS 1 guidelines related to materiality, combining income statement and balance sheet items, the presentation of sub-headings, and the structure and accounting policies of financial statements. The Group is assessing the potential effects of the amendments.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures amendment Investment Entities: Clarifications to the application of the consolidation exception (effective for financial periods beginning on or after 1 January 2016).

The amendments clarify concessions on the requirement to prepare consolidated financial statements in situations in which the group includes investment entities. The amendments also provide relief to investors that are not investment entities in the accounting treatment of associates and joint ventures that themselves are investment entities. The amendment has no effect on the consolidated financial statements.

IFRS 10 Consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures amendment Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments provide more specific guidance for dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendment will have no effect on the consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers (effective for financial periods beginning on or after 1 January 2018)

The new standard establishes a five-stage framework for recognising revenue from contracts with customers and replaces existing revenue guidance, including IAS 18, IAS 11 and the related interpretations. Revenue can be recognised over time or at a specific time, with the central criterion being the transfer of control. The standard will also expand the notes presented with financial statements. The Group is assessing the potential effects of the standard.

IFRS 9 Financial Instruments and amendments thereto (effective for financial periods beginning on or after 1 January 2018)

The new standard replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 will change the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets. The classification and measurement of financial liabilities largely correspond to the current guidance in IAS 39. With regard to hedging, three hedging calculation types will remain in effect. More risk positions than before can be included in hedge accounting, and the principles regarding hedge accounting have been made more consistent with risk management.The Group is assessing the potential effects of the standard.

Notes to the consolidated financial statements

1. INFORMATION BY SEGMENT

The reporting segments of Alma Media are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media. Segment information is based on internal management reporting, which has been prepared in accordance with IFRS. There were no changes to the Group's segment reporting in 2015.

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

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

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 and Gofinland.com in Finland, as well as Jobs.cz, Prace.cz, Topjobs.sk, CV Online, Profesia.sk and MojPosao.net abroad. The segment also contains digital consumer services such as Telkku.com, Kotikokki.net, E-kontakti.fi, and Meedio.fi included in the operating segment of Alma Diverso.

The Financial Media and Business Services segment specialises in the production of financial information as well as providing information and marketing solutions for businesses. Its best-known product is Finland's leading business paper, Kauppalehti, and the business operations of Talentum Corporation, acquired in November. Also reported in the segment is Objektvision.se, which operates in Sweden. In September 2015, Alma Media Group sold the customer and and media communications solutions provider Alma 360.

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

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

The operations of the Group's parent company, Talentum Corporation and the Group's centralised sales unit Alma Media Solutions are reported as unallocated items.

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. Digital Consumer Services operates in Finland and seven other European countries, principally the Czech Republic and Slovakia. The Financial Media and Business Services segment's business operations are located in Finland, the Baltic countries and Sweden. The National Consumer Media and Regional Media segments operate mainly in Finland.

The revenue and assets for different geographical regions are based on where the services are located. The following table shows a geographical breakdown of the Group's revenue and assets in 2015 and 2014:

REVENUE

MEUR	2015	Share of total, %	2014	Share of total, %
Segments, Finland	235.3	80.7	251.7	85.2
Segments, other countries	44.6	15.3	37.3	12.6
Segments total	279.9	96.0	288.9	97.8
Non-allocated and eliminations	11.6	4.0	6.5	2.2
Total	291.5	100.0	295.4	100.0

OPERATING PROFIT

MEUR	2015	Share of total, %	2014	Share of total, %
Segments, Finland	16.8	95.3	23.3	112.9
Segments, other countries	10.6	59.8	5.2	25.4
Segments total	27.4	155.1	28.6	138.3
Non-allocated	-9.7	-55.1	-7.9	-38.3
Total	17.7	100.0	20.7	100.0

ASSETS

MEUR	2015	Share of total, %	2014	Share of total, %
Finland	215.2	65.6	162.6	63.5
Other countries	113.0	34.4	93.5	36.5
Total	328.2	100.0	256.1	100.0

REVENUE

MEUR	Digital Consumer Services	Financial Media and Business Services	National Consumer Media	Regional Media	Segments, total	Non-allocated items and eliminations	Group
Financial year 2015							
Revenue							
External revenue	60.3	56.3	35.1	128.0	279.6	11.9	291.5
Inter-segment revenue	1.4	2.2	6.6	6.4	16.6	-16.6	
Total	61.7	58.5	41.6	134.4	296.2	-4.6	291.5
Financial year 2014							
Revenue							
External revenue	54.4	52.0	44.4	137.7	288.5	6.9	295.4
Inter-segment revenue	1.4	1.1	2.5	7.5	12.5	-12.5	
Total	55.8	53.0	46.9	145.2	301.0	-5.6	295.4

PROFIT FOR THE PERIOD

MEUR	Digital Consumer Services	Financial Media and Business Services	National Consumer Media	Regional Media	Segments, total	Non-allocated items and eliminations	Group
Financial year 2015							
EBITDA excluding non-recurring items	18.7	9.0	2.5	12.3	42.5	-5.1	37.4
Depreciation, amortisation and impairment excluding non-recurring items	5.3	1.0	0.0	3.4	9.7	4.4	14.0
Operating profit excluding non-recurring items	13.4	8.0	2.5	8.9	32.9	-9.5	23.4
Non-recurring items	-1.1	-1.0	-0.3	-3.0	-5.5	-0.3	-5.7
Operating profit/loss	12.4	6.9	2.2	5.9	27.4	-9.7	17.7
Share of results in associated companies	0.3	1.0		-0.0	1.3	0.3	1.6
Net finance expenses	-6.8	-1.2	0.0	-0.2	-8.2	5.7	-2.5
Income before tax	5.9	6.7	2.2	5.7	20.5	-3.7	16.8
Income tax						-4.7	-4.7
Profit for the period	5.9	6.7	2.2	5.7	20.5	-8.4	12.1
Impairments	1.1	1.2		0.5	2.8		2.8
Financial year 2014							
EBITDA excluding non-recurring items	14.8	7.1	3.8	14.7	40.3	-5.1	35.1
Depreciation, amortisation and impairment charges	5.6	0.4	0.1	5.1	11.1	2.6	13.7
Operating profit excluding non-recurring items	9.2	6.7	3.7	9.6	29.1	-7.7	21.4
Non-recurring items	1.6	-0.2	-0.6	-1.3	-0.6	-0.2	-0.7
Operating profit/loss	10.7	6.5	3.1	8.3	28.6	-7.9	20.7
Share of results in associated companies	0.0	1.0		0.0	1.1	0.7	1.7
Net finance expenses	-2.0	-0.8	0.0	-0.1	-2.9	0.1	-2.7

Income before tax	8.8	6.7	3.1	8.2	26.8	-7.1	19.7
Income tax						-4.0	-4.0
Profit for the period	8.8	6.7	3.1	8.2	26.8	-11.1	15.7
Impairments	0.2	0.5		1.3	2.0		2.0

ASSETS AND LIABILITIES

MEUR	Digital Consumer Services	Financial Media and Business Services	National Consumer Media	Regional Media	Segments, total	Non-allocated items and eliminations	Group
Financial year 2015							
Assets	86.0	113.2	2.8	63.2	265.2	56.2	321.4
Investments in associated companies and joint ventures	0.1	1.0		0.1	1.2	5.6	6.8
Assets total	86.2	114.2	2.8	63.2	266.5	61.8	328.2
Liabilities, total	17.2	33.5	2.5	64.6	117.8	81.7	199.5
Capital expenditure	3.3	53.7	0.2	1.4	58.6	1.6	60.2
Financial year 2014							
Assets	89.7	17.1	3.6	67.8	178.2	52.3	230.5
Investments in associated companies and joint ventures	-0.1	17.9		0.1	17.8	7.8	25.7
Assets total	89.5	35.0	3.6	67.8	196.0	60.2	256.1
Liabilities, total	16.6	9.6	5.1	67.3	98.7	53.8	152.5
Capital expenditure	10.5	1.2	0.3	1.1	13.0	1.4	14.4

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

Liabilities not allocated to segments are financial and tax liabilities.

2. BUSINESS COMBINATIONS

Acquisitions in 2015

The Group carried out the following acquisitions in 2015:

	Business line	Acquired on	Ownership %
Digital Consumer Services segment			
Autosofta Oy	Online service	10/19/15	65
Financial Media and Business Services segment:			
JM Tieto Oy	Online service	01/01/15	80
Talentum Corporation	Media business	11/17/15	100

JM Tieto Oy

The acquisition of JM Tieto Oy was implemented as a business combination achieved in stages. The Group's prior holding in the company was 20%.

Consideration

MEUR	Fair value
Consideration, settled in cash	5.8
Fair value measurement of previous holding at the time of the acquisition	1.1
Total consideration	7.0

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

MEUR	Fair value
Property, plant and equipment	0.0
Intangible assets	1.7
Trade and other receivables	0.8
Cash and cash equivalents	0.5
Total assets acquired	3.1
Deferred tax liabilities	0.3
Trade and other payables	0.7
Total liabilities acquired	1.0
Acquired identifiable net assets at fair value, total	2.1
Goodwill	4.9

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

Autosofta Oy	
Consideration	
MEUR	Fair value
Consideration, settled in cash	1.6
Contingent consideration	0.3
Total consideration	1.9
The assets and liabilities recorded as a result of the acquisition were as follows:	
MEUR	
Intangible assets	1.1
Trade and other receivables	0.1
Cash and cash equivalents	0.1
Total assets acquired	1.3
Deferred tax liabilities	0.2
Trade and other payables	0.1
Total liabilities acquired	0.3
Acquired identifiable net assets at fair value, total	1.0
Goodwill	1.0

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

Talentum Corporation

Alma Media Corporation and Talentum Corporation agreed to combine their businesses pursuant to a combination agreement signed on 28 September 2015. In the exchange offer, Alma Media Group offered as share consideration 0.25 new Alma Media shares and as cash consideration EUR 0.70 for each Talentum share. The Group offered as option consideration EUR 0.11 for each Talentum series 2013A option right and EUR 0.06 for each Talentum series 2013B option right. The completion of the exchange offer was conditional on the offer being approved by Talentum shareholders representing over 90 per cent of Talentum's issued and outstanding shares and votes. The business combination was also subject to approval by the competition authorities.

Talentum's business operations include the publication of professional literature and media for professionals in various fields as well as organising training events and other events on current topics.
The combination is expected to create significant value for the shareholders of both Alma Media and Talentum based on, inter alia, the advantages of having a larger business entity on the digitalising media market, concrete cost synergies and utilising the subscriber potential of the combined company.

The [preliminary] goodwill generated by the acquisition, MEUR 47.8, is related to synergies from the business combination, future technology, future customer relationships and current employees. The goodwill is not tax-deductible.

Talentum was previously consolidated in Alma Media's consolidated financial statements as an associated company, as the Group held 14,236,295 Talentum shares, which corresponded to 32.4 per cent of the outstanding shares.

The exchange offer was completed on 17 November 2015, from which time Talentum has been part of Alma Media Group. The shares tendered in the exchange offer represented approximately 94.4 per cent of all the shares and votes in Talentum and approximately 95.2 per cent of the issued and outstanding shares in Talentum. The Group issued a demand for redemption to Talentum's remaining shareholders. In accordance with the demand for redemption, the shares that were not tendered in the exchange offer [or otherwise acquired before the start of the redemption proceedings] will be redeemed via redemption proceedings pursuant to the Finnish Limited Liability Companies Act. The holders of Talentum's option rights 2013A and 2013B accepted the exchange offer pursuant to its terms and conditions.

Consideration

MEUR	Fair value
Share consideration	19.9
Cash consideration	19.3
Option consideration	0.1
Fair value measurement of previous holding at the time of the acquisition	19.5
Consideration liability related to the redemption proceedings pursuant to the Finnish Limited Liability Companies Act	3.0
Total consideration	61.8

On 17 November 2015, the Board of Directors of Alma Media decided, based on the authorisation granted by the Annual General Meeting of 17 March 2015, to issue a total of 6,896,329 new Alma Media Corporation shares as the share consideration for the exchange offer to Talentum shareholders, and to pay a cash consideration totalling MEUR 19.3. The fair value of the issued shares, MEUR 19.9, was based on the share's published price on 16 November 2015. The expenses arising from the share issue, MEUR 0.8, have been deducted from the amount recognised in equity. Alma Media paid a total of MEUR 0.1 as option consideration to holders of option rights.

The estimated redemption price of the shares to be redeemed pursuant to the Finnish Limited Liability Companies Act, MEUR 3.0, is presented as part of the consideration to be paid for the business combination and as a liability arising from acquisition in the current financial liabilities of the consolidated balance sheet dated 31 December 2015. The estimated redemption price is based on the number of Talentum shares outstanding, 2,103,903 shares, and the estimated redemption price of EUR 1.42 per share, which corresponds to the actual price of the purchase bid. The final redemption price will be determined by arbitration.

The expenses related to the acquisition, MEUR 1.8, are included in Other operating expenses in the consolidated income statement 2015 and in cash flow from operating activities in the consolidated cash flow statement.

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

MEUR	Fair value
Non-current assets	
Property, plant and equipment	0.6
Intangible assets	35.5
Investments in associated companies and joint ventures	1.1
Financial assets	0.7
Deferred tax assets	0.3
Current assets	
Inventories	0.9
Trade and other receivables	10.3
Cash and cash equivalents	2.7
Total assets acquired	52.1
Non-current liabilities	
Non-current interest-bearing liabilities	0.8
Other non-current liabilities	0.1
Non-current provisions	0.2
Deferred tax liabilities	7.2
Current liabilities	
Current interest-bearing liabilities	3.8
Trade and other payables	25.7
Income tax liability	0.2
Total liabilities acquired	38.0
Acquired identifiable net assets at fair value, total	14.1
Non-controlling interest	0.1
Goodwill	47.8

The fair value of trade and other receivables is MEUR 10.6, and the fair value of the trade receivables included in that figure is MEUR 8.2.

The non-controlling interest in Talentum, MEUR 0.1, is measured at a value that corresponds to the relative share of the identifiable net assets of the acquired entity.

The Group recognised a loss of MEUR 0.4 on the fair value measurement of the Talentum shares it owned before the business combination. The Group owned 14,236,295 shares in Talentum before acquiring a controlling interest based on the purchase bid. The loss arising from the fair value measurement of the shares is included in Other operating expenses in the 2015 income statement.

Talentum's revenue included in the consolidated comprehensive income statement for the period 1 December–31 December 2015 amounted to MEUR 5.8. Talentum had a minor effect on the result for the financial year.

Taking into account the acquisitions and divestments carried out by Alma Media Group in financial year 2015, the pro forma revenue according to the consolidated income statement would have been MEUR 349.2, and operating profit excluding non-recurring items would have been MEUR 26.6, if the acquisitions and divestments had been completed on 1 January 2015.

Consideration paid for acquisitions - cash flow

MEUR	2015	2014
Paid cash less acquired cash		
Cash consideration	26.9	0.8
Asset transfer tax and transaction costs	2.7	0,0
Contingent considerations, effect on profit/loss	0.6	
Less acquired amounts		
Cash	3.3	0.6
Net cash flow - capital expenditure	26.8	0.2

Acquisitions in 2014

The Group carried out the following acquisitions in the Digital Consumer Services segment in 2014:

	Business line	Acquired on	Ownership
Monster HU	Online service	01/03/14	85
Monster PL	Online service	01/03/14	85
Monster CZ	Online service	01/03/14	85
Alma Career Oy (formerly Monster Oy)	Online service	01/03/14	10
Alkali Oy	Online service	06/02/14	65

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

In its 2013 financial statements, Alma Media presented a preliminary acquisition cost calculation for the arrangement, according to which the value of the minority shares transferred was based on Alma Media Group's book values. In the final recognition of the arrangement, the value of the minority share was determined based on fair values. The tables below show how the arrangement affected the balance sheet of Alma Media Group.

Monster HU, Monster PL, Monster CZ, Alma Career Oy

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

Monster HU, Monster PL, Monster CZ

MEUR	Fair values entered in integration
Property, plant and equipment	0.3
Intangible assets	0.8
Trade and other receivables	0.5
Cash and cash equivalents	0.3
Assets, total	1.9
Deferred tax liabilities	0.2
Trade and other payables	0.7
Total	0.8
Total identifiable net assets at fair value 100%	1.1
Total identifiable net assets at fair value 85%	1.0
Cash and cash equivalents of acquired subsidiaries or businesses	0.3
Goodwill arising on acquisition	3.2
Goodwill*) arising on acquisition of Alma Career Oy (10%) is recorded as adjustment of retained earnings	3.2

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

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

Alkali Oy	
MEUR	
Consideration, settled in cash	0.8
Fair value measurement of previous holding at the time of the acquisition	0.7
Total consideration	1.5

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

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

3. REVENUE

MEUR	2015	2014
Distribution of revenue between goods and services		
Sales of content	104.7	110.1
Sales of advertising	146.9	146.4
Sales of services	39.9	38.8
Total	291.5	295.4

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

4. OTHER OPERATING INCOME

MEUR	2015	2014
Gains on sale of non-current assets	1.9	2.8
Proceeds on sale related to incremental acquisition	0.6	
Other income items	1.1	0.4
Other operating income, total	3.6	3.2

5. MATERIALS AND SERVICES

MEUR	2015	2014
Purchases during period	13.1	13.8
Change in inventories	0.0	-0.1
Use of materials and supplies	13.1	13.7
External services	56.3	63.9
Total	69.4	77.6

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2015 totalled MEUR 5.5 (MEUR 5.5 in 2014). Of this total, MEUR 4.0 (MEUR 4.0) was recognised in the income statement and MEUR 1.5 (MEUR 1.5 in 2014) was capitalised to the balance sheet in 2015. There were capitalised research and development costs totalling MEUR 1.5 on the balance sheet on 31 December 2015 (MEUR 1.3 in 2014).

7. EMPLOYEE BENEFITS EXPENSE

MEUR	2015	2014
Salaries and fees	99	97
Pension costs – defined contribution plans	16	15
Pension costs – defined benefit plans	0	0
Share-based payment transaction expense	0	0
Other employee expenses	9	8
Total	124	121
Average total workforce, calculated as full-time employees, excl. distribution staff		
Digital Consumer Services	509	491
Financial Media and Business Services	287	259
National Consumer Media	157	160
Regional Media	671	758
Group functions	168	161
Total	1,793	1,828
Additionally, the Group's own distribution staff (number of employees)	929	985

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.

Parent company President and CEO (Kai Telanne)

MEUR	2015	2014
Salaries and other short-term employee benefits	0.6	0.5
Post-employment benefits	0.3	0.2
Approved stock options to be settled in shares	0.1	0.0
Total	0.9	0.7

The figures in the table are presented on an accrual basis. In 2015, the salary and benefits paid to the President and CEO of the Group totalled EUR 552,885 (in 2014 EUR 497,783).

Pension benefits of the President and CEO:

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

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 compensation corresponding to the 12-month salary is not paid if the President and CEO resigns on his own initiative. Alma Media's Board of Directors decides on the appointment and, as necessary, dismissal of the President and CEO.

Other members of the Group Executive Team

MEUR	2015	2014
Salaries and other short-term employee benefits	1.6	1.4
Benefits paid in connection with dismissal	0.1	
Post-employment benefits	0.6	0.5
Approved stock options to be settled in shares	0.1	0.0
Total	2.5	1.9

The figures in the table are presented on an accrual basis. In 2015, the salary and benefits paid to the other members of the Group Executive Team totalled EUR 1,515,867 (in 2014 EUR 1,388,543).

Board of Directors of Alma Media Corporation and benefits paid to its members

MEUR	2015	2014
Harri Suutari, Chairman	0.1	0.0
Petri Niemisvirta, Deputy Chairman	0.0	0.0
Niklas Herlin, member	0.0	0.0
Esa Lager, member (as of 20 March 2014)	0.0	0.0
Perttu Rinta, member	0.0	0.0
Erkki Solja, member	0.0	0.0
Catharina Stackelberg-Hammarén, member	0.0	0.0
Timo Aukia, member (until 20 March 2014)		0.0
Kai Seikku, member (until 20 March 2014)		0.0
Total	0.3	0.3

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

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

Salaries and benefits to the Board of Directors, the President and CEO, and other members of the Group Executive Team, total

MEUR	2015	2014
Salaries and other short-term employee benefits	2.5	2.1
Termination benefits	0.0	
Post-employment benefits	1.0	0.7
Approved stock options to be settled in shares	0.2	0.1
Total	3.7	2.9

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 16,035,810 shares in the company on 31 December 2015, representing 20.1% 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 325,000 options under the 2009C plan on 31 December 2015. The option rights entitle their holders to subscribe to a maximum of 325,000 new shares in the company. The executive management also hold 258,000 options under matching share plans.

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 15.6% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights on 31 December 2015 are as follows *

	Shares	Options	Matching share plan	Matching share plan	Matching TSR
Shares		2009C			
Harri Suutari, Chairman	62,076				
Petri Niemisvirta, Deputy Chairman	13,995				
Niklas Herlin, member	15,708,839				
Esa Lager, member	8,327				
Perttu Rinta, member	8,839				
Erkki Solja, member	53,295				
Catharina Stackelberg-Hammarén, member	14,033				
Kai Telanne, President and CEO	105,826	100,000	30,000	30,000	30,000
Kari Juutilainen, Group Executive Team	5,000	30,000	10,000	10,000	10,000
Virpi Juvonen, Group Executive Team	2,000		4,000	4,000	4,000
Kari Kivelä, Group Executive Team	5,000	45,000	10,000	10,000	10,000
Mikko Korttila, Group Executive Team	3,000	30,000	6,000	6,000	6,000
Juha-Petri Loimovuori, Group Executive Team	12,580	45,000	10,000	10,000	10,000
Raimo Mäkilä, Group Executive Team	30,000	45,000	10,000	10,000	10,000
Juha Nuutinen, Group Executive Team	3,000		6,000	6,000	6,000
Total	16,035,810	295,000	86,000	86,000	86,000

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

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	2015	2014
Information technology and telecommunication	19.0	18.2
Business premises	12.6	12.3
Sales and marketing	15.3	14.4
Administration and experts	7.5	6.3
Other employee costs	9.5	11.0
Other costs	3.0	1.9
Total	66.9	64.0

9. AUDIT EXPENSES

MEUR	2015	2014
PricewaterhouseCoopers Oy		
Audit	0.2	0.2
Tax consultation		0,0
Other services *)	0.3	0,0
Total	0.5	0.2

*) Other services include MEUR 0.2 in fees related to the exchange offer to Talentum Corporation shareholders

10. FINANCE INCOME AND EXPENSES

Finance income presented by categories as required by IAS 39

MEUR	2015	2014
Interest income on held to maturity investments	0.1	0.2
Fair value gain on items recognised at fair value through profit or loss		
Change in the fair value of contingent consideration liabilities		0.0
Change in the fair value of contingent considerations		0.1
Dividend income from available-for-sale financial assets	0.2	0.1
Total	0.3	0.4

Finance expenses presented by categories as required by IAS 39

MEUR	2015	2014
Interest expenses from interest-bearing debts measured at amortised cost	0.2	0.5
Interest expenses from finance leases measured at amortised cost	1.7	1.9
Foreign exchange losses (loans and receivables)	0.2	0.0
Value changes in items recognised at fair value through profit or loss		
Change in the fair value of contingent consideration liabilities	0.6	
Change in the fair value of interest rate and foreign currency derivatives	0.1	0.5
Other finance expenses	0.1	0.2
Total	2.8	3.1

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. The Group had MEUR 0.3 in contingent liabilities arising from acquisitions on its balance sheet on 31 December 2015.

11. INCOME TAX

MEUR	2015	2014
Current income tax charge	5.0	4.0
Adjustments in respect of current income tax of previous years	0.1	0.0
Deferred taxes	-0.5	-0.0
Total	4.7	4.0

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

The Finnish corporate tax rate in 2015 was 20% and in 2014 20%. In the calculation of deferred taxes, 20% has been used as the Finnish corporate tax rate in 2015.

MEUR	2015	2014
Profit before tax	16.8	19.7
Share of profit of associated companies	-1.6	-1.7
Total	15.2	17.9
Tax calculated on the parent company's tax rate	3.0	3.6
Impact of varying tax rates of foreign subsidiaries	0.0	0.2
Tax-free income	-0.0	-0.6
Non-tax-deductible expenses	1.2	0.6
Items from previous periods	0.2	0.0
Use of previously non-entered deferred tax assets	-0.0	-0.0
Unrecognised deferred tax asset from the confirmed tax losses	0.3	0.2
Recognition of previously unrecognised deferred tax assets on the balance sheet	0.1	0.0
Tax recognised in the income statement	4.7	4.0

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	2015	2014
Profit attributable to ordinary shareholders of parent	9.9	14.2
Number of shares (x 1,000)		
Weighted average number of shares for basic earnings per share	76,394	75,487
Impact of dilution, stock options		
Diluted weighted average number of outstanding shares	76,394	75,487
EPS, basic, €	0.13	0.19
Earnings per share (diluted)	0.13	0.19

13. INTANGIBLE ASSETS AND GOODWILL

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2015					
Acquisition cost 1 Jan	66.7	4.2	3.3	73.4	147.5
Increases	1.0	0.0	1.6		2.6
Acquisitions of business operations	38.2	0.1	0.6	53.7	92.7
Decreases	-0.5		-0.2	-5.2	-5.8
Exchange differences	0.1			0.6	0.7
Transfers between items	3.5		-3.5		
Acquisition cost 31 Dec	109.0	4.3	1.9	122.5	237.7
Accumulated depreciation, amortisation and impairments 1 Jan	33.3	2.6		3.7	39.6
Accumulated depreciation in decreases and transfers	-0.4			-2.5	-2.9
Depreciation for the financial year	6.7	0.6			7.2
Write-downs				2.7	2.8
Accumulated depreciation, amortisation and impairments 31 Dec	39.7	3.2		3.9	46.8
Book value 1 Jan	33.3	1.6	3.3	69.7	107.9
Book value 31 Dec	69.3	1.1	1.9	118.6	191.0

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2014					
Acquisition cost 1 Jan	65.2	3.1	2.8	72.4	143.4
Increases	0.2	0.5	2.1		2.8
Business combinations	0.7			3.8	4.5
Decreases	-0.3		0.0	-2.7	-3.0
Exchange differences	-0.1			-0.1	-0.2
Transfers between items	1.0	0.6	-1.6	0.0	0,0
Acquisition cost 31 Dec	66.7	4.2	3.3	73.4	147.5
Accumulated depreciation and write-downs 1 Jan	27.6	2.1		2.8	32.6
Accumulated depreciation in decreases	-0.2			-1.1	-1.3
Depreciation for the financial year	5.9	0.5		0.0	6.4
Write-downs	0.1			1.9	2.0
Accumulated depreciation, amortisation and impairments 31 Dec	33.3	2.6		3.7	39.6
Book value 1 Jan	37.6	0.9	2.8	69.5	110.9
Book value 31 Dec	33.3	1.6	3.3	69.7	107.9

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

Allocation of intangibles with indefinite lives to cash-generating units

The book value of intangible assets includes intangible rights totalling EUR 33.5 million which are not depreciated; instead, these rights are tested annually for impairment. In Alma Media, intangible assets with an indefinite useful life are trademarks measured at fair value at the time of acquisition. These non-depreciated intangible rights are allocated to the cash-generating units as follows:

MEUR	2015	2014
Digital Consumer Services		
Marketplaces		
Housing, cars	0.4	0.1
Recruitment	14.4	14.2
Diverso	1.0	1.1
Digital Consumer Services total	15.9	15.3
Financial Media and Business Services		
Financial publication business	11.8	
Information service, book and event business	3.5	
Direct marketing	1.2	
Objektvision	0.3	0.3
Alma 360		0.1
Financial Media and Business Services, total	16.8	0.4
Regional Media	0.7	0.7
Assets with indefinite lives, total	33.5	16.5

Allocation of goodwill to business operations

MEUR	2015	2014
A significant amount of goodwill has been allocated to the following cash-generating units		
Digital Consumer Services		
Marketplaces	44.3	42.8
Housing, cars	2.8	1.8
Recruitment	41.5	41.0
Diverso	6.3	7.4
Digital Consumer Services total	50.6	50.2
Financial Media and Business Services		
Financial publication business	39.6	
Information service, book and event business	12.7	3.3
Direct marketing	3.7	
Objektvision	3.6	3.5
Alma 360		2.6
Financial Media and Business Services, total	59.7	9.5
Regional Media		
Aamulehti		0.0
Alma Lapland	1.6	2.4
Satakunnan Kansa	4.0	4.0
Paikallissanomat	2.6	3.5
Regional Media total	8.1	9.9
Non-allocated goodwill	0.1	0.1
Total goodwill	118.6	69.7

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 2010–2015, 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 37% 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

		Revenue growth assumption, %	Cost growth assumption, %	WACC before taxes, %	Business line
Digital Consumer Services					
Marketplaces					
Housing, cars	Finland	1.6	1.7	10.5	Online
Recruitment	Finland	3.5	3.0	10.4	Online
	Baltic countries	4.6	4.0	13.0	
	Czech Republic	1.7	1.5	12.0	
	Slovakia	3.1	1.3	12.5	
	Croatia	2.0	1.2	16.5	
Alma Diverso	Finland	1.8	-1.3	10.5	Online
Financial Media and Business Services					
Financial publication business	Finland, Sweden	0.4	0.1	9.2	Publishing, Online
Information service, book and event business	Finland, Baltic countries	0.8	1.0	9.1	Publishing, Service, Online
Direct marketing	Finland, Baltic countries	0.1	0.6	9.2	Service
Objektvision	Sweden	1.7	2.0	11.5	Online
National Consumer Media	Finland	-0.5	-0.6	9.0	Publishing, Online
Regional Media					
Aamulehti	Finland	-0.1	-0.2	7.8	Publishing
Alma Lapland	Finland	0.4	0.2	7.8	Publishing
Satakunnan Kansa	Finland	0.0	0.1	7.7	Publishing
Local papers	Finland	0.1	0.2	7.9	Publishing
Alma Manu	Finland	0.9	0.9	8.9	Publishing

Impairment losses and their allocation

During the past financial year, the Group recognised MEUR 1.6 in impairment losses on goodwill. Of this impairment loss, MEUR 0.5 is allocated to the goodwill of Alma Lapland, and MEUR 1.1 is allocated to the Alma Diverso business. Alma Lapland is reported under the Regional Media segment. After the recognition of the impairment loss, asset items of MEUR 2.0 are allocated to Alma Lapland. Diverso is reported under the Digital Consumer Services segment. After the recognition of the impairment loss, asset items of MEUR 7.8 are allocated to the Diverso business.

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

In the previous financial year, the Group recognised MEUR 1.9 in impairment losses on goodwill. The impairment loss was recognised for the goodwill of Alma Lapland at MEUR 1.3, the goodwill of the Alma 360 customer magazine business at MEUR 0.5, and the goodwill of the Meedio.fi business at MEUR 0.1. Alma Lapland is reported under the Regional Media segment. After the recognition of the impairment loss, asset items of MEUR 3.2 are allocated to Alma Lapland. The customer magazine business of Alma 360 is reported under the Financial Media and Business Services segment. After the recognition of the impairment loss, asset items of MEUR 2.8 are allocated to the Alma 360 business. The key cause of the impairment loss is the poor outlook for northern regional newspapers and the customer magazine business.

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 Digital Consumer Services segment were approximately 41% 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 42%. On the basis of the sensitivity analysis, the Diverso business is more sensitive to impairment losses caused by potential changes in assumptions. Following the recognition of impairment, the book value of the unit's assets is MEUR 7.8. Based on impairment testing carried out by the management, the assets of the segment's recruitment businesses do not involve a material measurement risk. The book value of the assets of the entire Recruitment business area at the time of reporting is MEUR 66.1. 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.

The aggregate book values of the Financial Media and Business Services segment were approximately 45% 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 38–47% in the calculations. The segment's impairment testing (book values and present values of recoverable amounts) includes the business operations of Talentum acquired in November. The business services of Kauppalehti and Talentum complement each other and constitute a comprehensive offering for the B2B market. Talentum's Finnish publication business and Kauppalehti Media constitute one CGU level for testing. On the basis of the sensitivity analysis, the measurement of the assets and goodwill of the segment do not contain risk of impairment.

The aggregate book values of the National Consumer Media segment amounted to approximately 0% 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 50% 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 Regional Media segment were approximately 56% 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 50% and 56%. Based on sensitivity analysis, the Alma Lapland and Satakunnan Kansa businesses contain a risk of the potential recognition of impairment. At the time of reporting, the book value of the assets of Alma Lapland and Satakunnan Kansa was MEUR 6.7.

As part of the segment's impairment testing, the recoverable amount of the Group's printing facility has been estimated. The unit's value in use is based on the printing facility's remaining useful life. The values of Alma Manu's assets have been estimated both as part of the value formation of Aamulehti's and Satakunnan Kansa's products, and as part as Alma Manu's value in use as a separate unit. Based on the testing, the value of the printing facility does not contain a risk of impairment.

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

	Permanent decrease in content sales					
MEUR	1%	2%	3%			
Regional Media						
Alma Lapland	1.8	2.0	2.0			
Satakunnan Kansa			1.0			
	Permanent decrease in advertising sales			Increase in WACC		
MEUR	2%	4%	6%	1%	2%	3%
Digital Consumer Services						
Diverso	0.1	0.1	0.1	0.1	0.1	0.4
Regional Media						
Satakunnan Kansa		1.6	4.0			
Alma Lapland	2.0	2.0	2.0	0.8	1.0	1.1

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 2015						
Acquisition cost 1 Jan	1.2	40.3	60.9	2.6	0.0	104.9
Increases			0.9	0.0	0.3	1.3
Business combinations			0.6	0.1		0.7
Decreases	-0.4	-5.2	-1.0		-0.0	-6.7
Exchange differences			0.0			0.0
Transfers between items			0.2		-0.2	
Acquisition cost 31 Dec	0.8	35.1	61.6	2.6	0.0	100.2
Accumulated depreciation and write-downs 1 Jan		13.0	14.7	1.0		28.6
Accumulated depreciation in decreases		-4.8	-1.1	-0.0		-5.9
Depreciation for the financial year		2.9	3.7	0.2		6.9
Write-downs						
Accumulated depreciation, amortisation and impairment losses 31 Dec		11.2	17.3	1.2		29.6
Book value 1 Jan	1.2	27.2	46.2	1.6		76.2
Book value 31 Dec	0.8	23.9	44.3	1.4	0.0	70.5
Balance sheet value of machinery and equipment 31 Dec			44.1			

MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2014						
Acquisition cost 1 Jan	1.4	42.5	107.1	2.6	0.0	153.5
Increases		0.0	1.4	0.0	0.3	1.8
Decreases	-0.2	-2.2	-48.0	0.0	-0.0	-50.4
Exchange differences			0.0			-0.0
Transfers between items		0.0	0.3		-0.3	
Acquisition cost 31 Dec	1.2	40.3	60.9	2.6	0.0	104.9
Accumulated depreciation and write-downs 1 Jan		13.2	53.3	0.7		67.2
Accumulated depreciation in decreases		-1.6	-44.3	0.0		-45.9
Depreciation for the financial year		1.4	5.7	0.3		7.4
Write-downs						
Accumulated depreciation, amortisation and impairment losses 31 Dec		13.0	14.7	1.0		28.6
Book value 1 Jan	1.4	29.3	53.8	1.9	0.0	86.3
Book value 31 Dec	1.2	27.2	46.2	1.6	0.0	76.2
Book value of machinery and equipment 31 Dec			45.8			

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

MEUR	Buildings	Machinery and equipment	Total
Financial year 2015			
Acquisition cost 1 Jan	24.1	54.2	78.3
Increases		0.8	0.8
Decreases		-0.8	-0.8
Acquisition cost 31 Dec	24.1	54.2	78.3
Accumulated depreciation 1 Jan	2.4	8.8	11.2
Accumulated depreciation in decreases		-0.8	-0.8
Depreciation for the financial year	2.8	3.2	6.0
Accumulated depreciation 31 Dec	5.2	11.2	16.4
Book value 31 Dec	18.9	43.0	61.9

MEUR	Buildings	Machinery and equipment	Total
Financial year 2014			
Acquisition cost 1 Jan	24.1	57.4	81.5
Increases		0.9	0.9
Decreases		-4.1	-4.1
Acquisition cost 31 Dec	24.1	54.2	78.3
Accumulated depreciation 1 Jan	1.2	7.9	9.1
Accumulated depreciation in decreases		-4.0	-4.0
Depreciation for the financial year	1.2	4.9	6.1
Accumulated depreciation 31 Dec	2.4	8.8	11.2
Book value 31 Dec	21.7	45.5	67.1

15. SUBSIDIARY COMPANIES

The Group's parent and subsidiary relationships are as follows:		Holding, %		Share of votes, %	
Company	Finland	2015	2014	2015	2014
Parent company Alma Media Corporation	Finland				
Alma Career Oy	Finland	83.34	85.00	83.34	85.00
Alma Manu Oy	Finland	100.00	100.00	100.00	100.00
Alma Media Kustannus Oy	Finland	100.00	100.00	100.00	100.00
Alma Media Suomi Oy	Finland	100.00	100.00	100.00	100.00
Alma Mediapartners Oy	Finland	65.00	65.00	65.00	65.00
Autosofta Oy, Helsinki	Finland	65.00		65.00	
CV-Online Estonia OÜ	Estonia	83.34	85.00	83.34	85.00
Dagens Media Sverige AB	Sweden	100.00		100.00	
Edlegio AB	Sweden	70.00		70.00	
Expose Oy	Finland	100.00		100.00	
FYI Business Events Oy	Finland	100.00		100.00	
FYI Events Denmark ApS	Denmark	100.00		100.00	
Karenstock Oy	Finland	100.00	100.00	100.00	100.00
Kauppalehti Oy	Finland	100.00	100.00	100.00	100.00
Kotikokki.net Oy	Finland	65.00	65.00	65.00	65.00
LMC s.r.o	Czech Republic	83.34	85.00	83.34	85.00
Michelsson Sales Consulting Oy	Finland	100.00		100.00	
Monster Worldwide CZ s.r.o.	Czech Republic	83.34	85.00	83.34	85.00
Monster Magyarorszag Kft	Hungary	83.34	85.00	83.34	85.00
Monster Worldwide Polska SP. Z.o.o.	Poland	83.34	85.00	83.34	85.00
Müügimeistrite A/S	Estonia	92.00		92.00	
Ny Teknik Holding AB	Sweden	100.00		100.00	
Objektvision AB	Sweden	100.00	100.00	100.00	100.00
Profesia s.r.o	Slovakia	83.34	85.00	83.34	85.00
Profesia s.r.o	Czech Republic	83.34	85.00	83.34	85.00
SIA CV-Online Latvia	Latvia	83.34	85.00	83.34	85.00
Suoramarkkinointi Mega Oy	Finland	100.00		100.00	
Talentum Business Information Group AB	Sweden	100.00		100.00	
Talentum Events AB	Sweden	100.00		100.00	
Talentum Events Oy	Finland	100.00		100.00	

Talentum Media AB	Sweden	100.00		100.00	
Talentum Media Oy	Finland	100.00		100.00	
Talentum Oyj	Finland	100.00	32.14	100.00	32.14
Talentum Sales AB	Sweden	100.00		100.00	
Talentum Sweden AB	Sweden	100.00		100.00	
TAU On-line d.o.o	Croatia	83.34	85.00	83.34	85.00
Telemarket SIA	Latvia	96.00		96.00	
UAB CV-Online LT	Lithuania	83.34	85.00	83.34	85.00

The business combination agreement between Alma Media Corporation and Talentum Corporation was realised on 17 November 2015, from which time Talentum has been part of Alma Media Group. In addition, the Group sold a 1.66% share in the Alma Career sub-group's companies: CV Online Estonia OÜ, LMC s.r.o, Monster Worldwide CZ s.r.o., Monster Magyarrorszag Kft, Monster Worldwide Polska SP. Z.o.o., Profesia s.r.o, SIA CV-Online Latvia, TAU On-line d.o.o, UAB CV-Online LT.

Subsidiaries sold during the period:		2015	2014
Alma 360 Oy	Finland	100.00	100.00
Subsidiaries merged with other Group companies during the period:		**2015**	**2014**
Alkali Oy	Finland		
JM Tieto Oy	Finland		
CV Online Holding OÜ	Estonia		

Itemisation of significant non-controlling interests in the Group:

		Holding, % *)	
Subsidiary	Finland	2015	2014
Alma Career Oy sub-group	Finland	16.66	15.00
Alma Mediapartners Oy sub-group	Finland	35.00	35.00

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

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

	Alma Career sub-group		Alma Mediapartners sub-group	
MEUR	2015	2014	2015	2014
Current assets	31.8	22.9	2.9	3.2
Non-current assets	55.0	58.6	4.4	3.0
Current liabilities	15.6	13.4	2.1	1.6
Non-current liabilities	0.3	0.2	0.4	0.1
Revenue	45.4	37.7	13.7	13.5
Expenses	35.3	32.0	11.0	11.1
Operating profit	10.2	5.8	2.7	2.4
Share of profit allocated to parent company owners	5.8	2.9	1.4	1.2
Share of profit allocated to non-controlling interest	1.2	0.5	0.7	0.7
Dividends paid to non-controlling interest	0.8	0.2	0.6	0.5
Net cash flow from operating activities	14.2	15.1	3.5	3.2
Net cash flows from/(used in) investing activities	-0.6	3.1	-1.9	-1.5
Financing activities	-13.6	-12.5	-1.3	-1.7

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

16. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

MEUR	2015	2014
Investments in associated companies and joint ventures		
At beginning of period	25.7	25.5
Increases	0.5	0.6
Acquisitions of business operations	1.1	
Decreases	-20.6	-0.7
Share of results	1.6	1.7
Share of items recognised directly in associated company's equity	0.1	-0.4
Dividends received	-1.5	-1.0
Impairment		-0.0
At end of period	6.8	25.7

Further information on associated companies

Alma Media Corporation and Talentum Corporation agreed on the combination of their businesses on 28 September 2015. The agreement was realised on 17 November 2015, from which time Talentum has been part of Alma Media Group. Talentum Corporation was consolidated into Alma Media's consolidated financial statements of 31 December 2014 using the equity method, with the Group's holding being 32.4%.

Goodwill arising from associated companies on the balance sheet on 31 December 2015 totalled MEUR 2.5 (MEUR 15.8).

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

MEUR	Digital Consumer Services	Financial Media and Business Services, total	Regional Media	Other associated companies
Year 2015				
Current assets	4.5	2.1	0.0	9.4
Non-current assets	4.1	0.0	0.3	5.7
Current liabilities	1.7	1.2	0.0	8.3
Non-current liabilities	3.1			0.2
Revenue	37.3	0.1		33.3
Profit/loss for the period	1.8	0.0	0.0	0.7
Other comprehensive income				
Reconciliation between associated companies' and joint ventures' financial information and the balance sheet value recognised by the Group:				
Associated company's net assets	4.7	0.8	0.3	6.8
Group's share of net assets	1.4	0.4	0.1	1.8
Goodwill	1.9	0.6		
Other adjustments	0.6			
Associated companies' balance sheet value on the consolidated balance sheet	3.9	1.0	0.1	1.8
Receivables from associated companies	0.0	0.0		0.0
Owed to associated companies	0.0	0.0		0.0
Dividends received from associated company during the period	0.3	0.7	0.0	0.5

MEUR	Digital Consumer Services	Financial Media and Business Services, total	Talentum Oyj *)	Regional Media	Other associated companies
Year 2014					
Current assets	3.5	16.1	14.5	0.5	8.6
Non-current assets	3.9	37.8	37.2	0.3	6.8
Current liabilities	1.3	29.5	28.6	0.5	7.9
Non-current liabilities	3.0	4.6	4.4		0.1
Revenue	7.8	75.6	72.3	3.3	33.6
Profit/loss for the period	1.2	3.2	2.8	0.0	2.1
Other comprehensive income		-1.3	-1.3		
Reconciliation between the associated company's financial information and the balance sheet value recognised by the Group:					
Associated company's net assets	4.4	19.8	18.7	0.3	7.6
Group holding %			32.4		
Group's share of net assets	1.3	6.3	6.1	0.1	2.0
Goodwill	1.9	13.8	13.4		
Other adjustments	0.1	0.1		-0.0	
Associated companies' balance sheet value on the consolidated balance sheet	3.4	20.2	19.5	0.1	2.0
Receivables from associated companies					
Liabilities to associated companies	0.0	0.0	0.0		0.0
Dividends and capital repayments received from associated company during the period	0.1	0.7	0.6	0.0	0.3

* Talentum Corporation is included in Financial Media and Business Services –segment.

Associated companies	Segment	Holding, %	Share of votes, %
Arena Interactive Oy	Digital Consumer Services	35.00	35.00
AutoJerry Oy	Digital Consumer Services	24.10	24.10
Conseco Press	Financial Media and Business Services	40.00	40.00
Infostud 3 d.o.o.	Digital Consumer Services	25.00	25.00
Holding Oy Visio	Regional Media	24.74	24.74
Kolektiv d.o.o.	Digital Consumer Services	30.00	30.00
Kytöpirtti Oy	Non-allocated	43.20	43.20
Media Metrics Finland Oy	Digital Consumer Services	25.00	25.00
Oy Suomen Tietotoimisto-Finska Notisbyrån Ab	Non-allocated	24.07	24.07
Professio Oy	Financial Media and Business Services	49.90	49.90
Rantapallo Oy	Digital Consumer Services	35.00	35.00
Remonttibulevardi Oy	Digital Consumer Services	30.00	30.00
Tampereen Tietoverkko Oy	Non-allocated	35.14	35.14

Joint ventures	Segment	Holding, %	Share of votes, %
Oy Mediuutiset Ab	Financial Media and Business Services	50.00	50.00

The joint venture Oy Mediuutiset Ab is consolidated using the equity method.

17. OTHER FINANCIAL ASSETS

MEUR	Balance sheet values 2015	Balance sheet values 2014
Non-current financial assets		
Available-for-sale financial assets		
Unquoted share investments	3.8	3.8
Loan receivables	0.8	0.1
Total	4.6	3.9
Current financial assets		
Investments held to maturity	0.0	0.2
Total	0.0	0.2
Financial assets, total	4.6	4.1

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

MEUR	2015	2014
At beginning of period	3.8	3.7
Other increases	0.2	0.1
Decreases	-0.3	-0.0
At end of period	3.8	3.8

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

MEUR	2015	2014
At beginning of period	0.0	2.0
Decreases		-2.0
Net profits/losses transferred to be recognised through profit or loss		0.1
At end of period	0.0	0.0

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	2015	2014
Materials and supplies	1.3	1.3
Finished goods	0.9	0.1
Total	2.2	1.3

19. TRADE AND OTHER RECEIVABLES

MEUR	2015	2014
Trade receivables	29.9	23.3
Receivables from associated companies	0.3	0.0
Total	30.2	23.3

Receivables from others		
Prepaid expenses and accrued income	3.5	2.1
Other receivables	1.7	1.0
Total	5.1	3.1
Receivables, total	35.3	26.4

MEUR	2015	2014
The ageing analysis of trade receivables is as follows:		
Receivables not yet due and receivables overdue by 1-4 days	24.7	21.0
Overdue by 5-30 days	3.4	1.6
Overdue by 31-120 days	1.5	0.4
Overdue by more than 120 days	0.6	0.4
Total	30.2	23.3

A provision for bad debts of approximately MEUR 0.5 is included in receivables in 2015. In the 2015 financial year, credit losses of MEUR 0.4 were recognised in the Group (in 2014 MEUR 1.0). The credit losses totalled 0.2% of revenue in 2015 (0.3% in 2014).

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	2015	2014
Cash and bank accounts	14.4	12.0
Investment certificates (1–3 months)	0.0	0.0
Total	14.4	12.0

21. INFORMATION ON SHAREHOLDERS' EQUITY AND ITS ADMINISTRATION

The following describes information on Alma Media shares and changes in 2015.

	Total number of shares	Share capital, MEUR	Share premium fund, MEUR	Invested non-restricted equity fund, MEUR
1 January 2015	75,486,853	45.3	7.7	0.0
Share subscription	6,896,329	0.0	0.0	19.1
31 December 2015	82,383,182	45.3	7.7	19.1

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

Book-entry securities system

The company's shares 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 2015 or 2014.

Foreign currency translation reserve

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

Share premium reserve

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

Distributable funds

The distributable funds of the Group's parent company totalled EUR 120,642,934 on 31 December 2015.

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 could 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. The subscription period for the 2009A stock options ended on 31 March 2014, and the subscription period for the 2009B stock options ended on 31 March 2015.

If all remaining subscription rights are exercised, the option programmes 2009 will dilute the holdings of the earlier shareholders by a maximum of 1%.

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 0.0 was recognised in 2015 (in 2014 MEUR 0.1). 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)	
2009C	710,000	130,000	45,000	04/01/14	03/31/16	04/01/11-	04/30/11

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.

	Scheme 2009
Principal terms and conditions of the option scheme:	
AGM date/Date of issuing	03/11/09
Initial number, pcs	710,000
Grant date(s)	05/05/11
	07/21/11
Number of granted options, pcs	640,000
The subscription ratio for underlying shares, pcs	1.00
Initial exercise price, €	7.95
Share price at time of grant, €	7.52
Expected volatility	31%
Expected period of validity of the option on grant date, years	2.9
Risk-free interest	3%
Dividend adjustment	Yes
Exercise price on 31 December 2015, €	7.23
Initial allocation date	05/05/11
Vesting date	04/01/14
Maturity date	03/31/16
Maximum contractual life, years	4.9
Remaining contractual life, years	0.2
Number of persons at the end of the reporting year	18
Payment method	Share
Expiry	03/31/16
Value of the option right determined on the grant date	€2.30/share
	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

Number of options	2015	2014	2015	2014	2015	2014
At beginning of financial year		509,750	505,000	505,000	535,000	535,000
Number of new options granted						
Number of options forfeited		-509,750	-505,000			
Number of options exercised						
At end of period				505,000	535,000	535,000

Shared-based incentive programme 2015

In February 2015, the Board of Directors of Alma Media Corporation approved a new share-based incentive programme for the key management of Alma Media (LTI 2015).

Three plans were started in spring 2015 under the programme: a fixed matching share plan and two performance matching plans. Investment in Alma Media shares is a precondition for participation. A total of 33 people are participating in the plans with 76,550 shares. In each plan, the participant can earn a maximum of two matching shares for each invested share, which means that the maximum number of Alma Media shares that can be earned under the plans is 459,300 shares (gross amount from which taxes are withheld).

In the fixed matching share plan, the participant receives two matching shares for each invested share free of charge after a two-year vesting period, provided that the participant holds on to the shares invested in the plan and remains employed by Alma Media Group for the duration of the vesting period, or until spring 2017. The maximum number of matching shares that can be earned is currently 153,100 shares (gross amount from which taxes are withheld).

In the performance matching plans, the participant may earn at most two matching shares based on the profitable growth of the digital business and at most two matching shares based on the total shareholder return of the Alma Media share. Any performance matching shares earned will be paid based on digital business growth in spring 2018 and based on the total shareholder return of the company's share in spring 2020. The maximum number of matching shares that can be earned under both of the performance matching plans is currently 153,100 shares (gross amount from which taxes are withheld).

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

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

Principal terms and conditions of the Performance Share Plan:

Instrument	Fixed matching share plan	Performance matching share plan	Performance matching share plan TSR
AGM date/Date of issuing	02/12/15	02/12/15	02/12/15
Maximum number of shares	153,100	153,100	153,100
Dividend adjustment	No	No	No
Initial allocation date	06/17/15	06/17/15	06/17/15
Performance period begins	01/01/15	01/01/15	01/01/15
Performance period ends	03/31/17	03/31/18	03/31/20
Vesting date	03/31/17	03/31/18	03/31/20
Maximum contractual life, years	1.8	2.8	4.8
Remaining contractual life, years	1.2	2.2	4.3
Number of persons at the end of the reporting year	32	32	32
Payment method	Cash & share	Cash & share	Cash & share
Measurement inputs for the incentives granted during the reporting period			
Share price at time of granting, €	3.10	3.10	3.10
Share price at end of period, €	3.00	3.00	3.00
Dividend yield assumption, €	0.14	0.26	0.48
Fair value on 31 December 2015, €	0.4	0.2	0.1
Changes during share plan period			
1 January 2015			
Outstanding at the beginning of the reporting period, pcs			
Reserve at the beginning of the reporting period, pcs			
Changes during the period			
Granted during the period	153,100	153,100	153,100
Lost during the period	6,000	6,000	6,000
31 December 2015			
Exercised by the end of the period			
Outstanding at the end of the period	147,100	147,100	147,100
Reserve at the end of the period			

Effect of the share-based incentive programme on the financial year’s result and financial position

MEUR	2015
Costs for the financial year, share-based payments	0.2
Costs for the financial year, share-based payments, in shares	0.1
Liability arising from share-based payments, 31 December 2015	0.1

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 2015

MEUR	31 Dec 2014	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31 December 2015
Deferred tax assets					
Provisions	0.1	0.1		-0.0	0.1
Pension benefits	0.0	-0.0	-0.0	0.3	0.3
Deferred depreciation	0.6	-0.3		0.1	0.4
Other items	1.0	0.2		-0.2	1.0
Total	1.8	-0.0	-0.0	0.1	1.8
Taxes, net	-0.4				-0.3
Deferred tax assets on balance sheet	1.3				1.6
Deferred tax liabilities					
Accumulated depreciation differences	0.1	0.0		0.2	0.3
Business combinations	5.6	-0.4		7.0	12.2
Retained earnings of subsidiary companies	0.2	0.1		0.1	0.4
Other items	1.5	-0.2		0.2	1.6
Total	7.4	-0.5		7.6	14.4
Taxes, net	-0.4				-0.3
Deferred tax liabilities on balance sheet	6.9				14.2

No deferred tax asset has been calculated on the confirmed losses of Group companies in Finland, amounting to MEUR 0.1, and abroad, amounting to MEUR 4.1. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire in 2024 at the latest for losses other than those of Group companies in Sweden.

Changes in deferred taxes during 2014

MEUR	31 Dec 2013	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31 Dec 2014
Deferred tax assets					
Provisions	0.4	-0.4			0.1
Pension benefits	0.1	0.0	-0.0		0.0
Deferred depreciation	0.5	0.1		0.0	0.6
Other items	1.0	0.0			1.0
Total	2.0	-0.2	-0.0	0.0	1.8
Taxes, net	-0.6				-0.4
Deferred tax assets on balance sheet	1.5				1.3
Deferred tax liabilities					
Accumulated depreciation differences	0.0	0.0			0.1
Business combinations	5.8	-0.5		0.3	5.6
Retained earnings of subsidiary companies	0.2	0.2		-0.2	0.2
Other items	1.5	0.1			1.5
Total	7.6	-0.2		0.1	7.4
Taxes, net	0.6				-0.4
Deferred tax liabilities on balance sheet	7.0				6.9

24. PENSION OBLIGATIONS

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

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

The new supplementary pension benefits granted by the Group are defined contribution based pension plans. Talentum's Swedish subsidiary has an ITP-type pension plan (Pressens Pensionkassa), which is treated as a defined contribution pension plan.

Present value of obligations and fair value of assets

MEUR	2015	2014
Present value of unfunded obligations	1.4	2.5
Present value of funded obligations	5.9	7.4
Fair value of assets	-5.7	-7.2
Pension liability	1.5	2.7

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

MEUR	31 Dec 2015	31 Dec 2014
Present value of obligations at start of period	9.9	9.1
Business combinations	0.1	
Service cost during period	0.0	0.1
Interest cost	0.2	0.3
Actuarial gains and losses	-1.8	1.0
Payments of defined benefit obligations	-1.2	-0.9
Adjustments		0.3
Present value of funded obligations at end of period	7.2	9.9
Fair value of plan assets at start of period	7.2	6.5
Business combinations		
Expected return on plan assets	0.1	0.2
Actuarial gains and losses	-0.6	0.7
Incentive payments	0.2	0.3
Payments of defined benefit obligations	-1.2	-0.9
Adjustments		0.3
Fair value of plan assets at end of period	5.7	7.2
Defined benefit pension liabilities	1.5	2.7

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

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

MEUR	2015	2014
Service cost during period	0.0	0.1
Interest cost	0.2	0.3
Expected return on plan assets	-0.1	-0.2
Actuarial gains and losses and adjustments	-1.2	0.3
Adjustments		0.0
Total	-1.1	0.4

Changes in liabilities shown on balance sheet

MEUR	2015	2014
At beginning of period	2.7	2.6
Business combinations	0.1	
Incentive payments paid	-0.2	-0.3
Pension expense in income statement	0.1	0.2
Comprehensive income for the period	-1.2	0.3
Defined benefit pension obligation on balance sheet	1.5	2.7

Specification of future pension premiums (not discounted)

MEUR	Funded pension plan	Unfunded pension plan
Under 1 year	0.5	0.2
1-5 years	1.8	0.5
5-10 years	1.7	0.4
10-15 years	1.2	0.2
15-20 years	0.8	0.1
20-25 years	0.4	0.1
25-30 years	0.2	0.1
Over 30 years	0.1	0.2
Total	6.8	1.7

A similar investment is expected to be made in the plan in 2015 as in 2014.

Sensitivity analysis of the funded pension plan

MEUR	Present value of pension obligation, MEUR	Change in present value of pension obligation, %
Change of +0.5%-p in the discount rate	5.6	-4.4
Change of +0.5%-p in the salary increase assumption	5.9	-0.1
Change of +0.5%-p in the pension increase rate	6.0	1.9

Sensitivity analysis of the unfunded pension plan

MEUR	Present value of pension obligation, MEUR	Change in present value of pension obligation, %
Change of +0.5%-p in the discount rate	1.3	-4.6
Change of +0.5%-p in the salary increase assumption	1.4	0.5
Change of +0.5%-p in the pension increase rate	1.5	4.5

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

Actuarial assumptions used:

%	2015	2014
Discount rate	1.8	1.8
Future salary increase assumption	1.8	2.5
Inflation assumption	1.3	2.0
Future increase in pension benefit	1.5	2.1

Defined benefit plans expose the Group to several different risks, the most significant of which are the following:

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

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

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

25. PROVISIONS

MEUR	Restructuring provision	Other provisions	Total
1 January 2015	0.4		0.4
Increase in provisions	0.4		0.4
Acquisitions of business operations		0.2	0.2
Provisions employed	-0.2		-0.2
31 December 2015	0.6	0.2	0.8
Current	0.6		0.6
Non-current		0.2	0.2

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 2016.

26. FINANCIAL LIABILITIES

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

MEUR	2015	2014
FINANCIAL LIABILITIES		
Non-current financial liabilities		
Financial liabilities measured at amortised cost		
Non-current finance lease liabilities	59.8	64.4
Non-current loans from credit institutions	3.2	6.5
Liabilities recognised at fair value through profit or loss		
Contingent consideration liabilities arising from the acquisition of business operations	0.2	
Other liabilities	0.2	0.3
Total	63.4	71.2
Current financial liabilities		
Based on amortised cost		
Finance lease liabilities	5.2	5.1
Other interest-bearing liabilities	22.4	7.0
Liabilities recognised at fair value through profit or loss		
Foreign currency derivatives	0.0	
Commodity derivatives	0.1	0.1
Interest rate derivatives	0.7	0.7
Contingent consideration liabilities arising from the acquisition of business operations	0.2	
Total	28.5	12.8
Financial liabilities total:	91.9	84.0

The Group's financial liabilities are denominated in euro and carry a variable interest rate. The company's main financial instruments in 2015 were non-current finance leases, 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 2015 was 2.3% (2.4% in 2014).

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

Level 1	2015	2014
Foreign currency derivative	0.0	
Commodity derivatives	0.1	0.1
Level 2		
Interest rate derivatives	0.7	0.7
Level 3		
Contingent consideration liabilities arising from the acquisition of business operations	0.3	

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

The fair values of Level 2 instruments are, to a significant degree, based on inputs other than quoted prices included in Level 1, but nevertheless on data that can be either directly or indirectly verified for the asset or liability in question.

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

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

Contingent consideration liabilities arising from the acquisition of business operations on the balance sheet on 31 December 2015 are based on the companies' revenue in 2015 and 2016.

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	2015	2014
Commodity derivatives (electricity forwards)		
Fair value	-0.1	-0.1
Value of underlying instruments	0.3	0.4
Interest rate derivatives		
Fair value	-0.7	-0.7
Value of underlying instruments	19.5	19.7
Foreign currency derivatives		
Fair value	-0.0	0.0
Value of underlying instruments	2.4	1.5

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

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

Maturities of finance lease liabilities

The effective interest rate of finance lease liabilities is 2,5.

MEUR	2015	2014
Finance lease liabilities – total minimum lease payments		
2015		6.8
2016	6.7	5.8
2017	5.5	5.9
2018	5.5	5.9
2019	5.5	5.9
2020	5.6	55.6
Later	50.6	
Total	79.4	85.9
Finance lease liabilities – present value of minimum lease payments		
2015		5.1
2016	5.2	4.3
2017	4.1	4.4
2018	4.1	4.4
2019	4.2	4.5
2020	4.3	46.8
Later	43.2	
Total	65.0	69.5
Financial expenses accruing in the future	14.4	16.4

27. FINANCIAL RISKS

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

Alma Media categorises its financial risks as follows:

Interest rate risk

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

The Group's interest-bearing debt totalled MEUR 90.6 on 31 December 2015. Interest-bearing debt comprises loans from financial institutions and finance lease liabilities. 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 2015 was 1.0 years and the hedging rate 22%. An increase of one percentage point in the interest rate would increase the Group's finance expenses by MEUR 0.7.

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 Alma Media's most significant currencies in addition to the euro are the Czech koruna and the Swedish krona. The impact of changes in exchange rates on net result in the most important currencies of the Group can be reduced by the following measures:

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

* known, continuous and significant foreign currency cash flow is hedged. Cumulative foreign currency cash flow with a minimum value of MEUR 1 over the following 18-month period is considered significant.

Translation risk:

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

The Group's open foreign currency derivatives on the balance sheet date are described in Note 26.

Commodity risk:

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

The Group has hedged its electricity purchases as follows: the price level of electricity purchases for the following 12 months are hedged at 70–100%, and the price level of electricity purchases for the following 12–24 months is hedged at 35–85%. Electricity prices for the following 25–36 months are hedged at 0–40%. The Group had open electricity forwards on the balance sheet date. The values of these open electricity forwards are described in more detail in Note 26 to the consolidated financial statements.

Capital management risks

Liquidity management:

Alma Media has two MEUR 20 financing limits at its disposal, of which MEUR 15 was in use on 31 December 2015. 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. The commercial paper programme was entirely unused on 31 December 2015. 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							
Loans from financial institutions	25.6	25.6	18.9	3.5	3.2		
Finance lease liabilities	65.0	79.4	3.4	3.4	11.0	11.1	50.6
Total	90.6	105.0	22.2	6.9	14.2	11.1	50.6

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 2014 and 2013:

MEUR	2015	2014
Interest-bearing liabilities	90.6	83.0
Cash and cash equivalents	14.4	12.0
Interest-bearing net debt	76.2	71.1
Shareholders' equity	128.7	103.7
Gearing, %	59.2	68.5
Equity ratio, %	42.5	42.6

28. TRADE PAYABLES AND OTHER LIABILITIES

MEUR	2015	2014
Trade payables	6.7	6.4
Owed to associated companies		
Trade payables	1.1	0.0
Accrued expenses and prepaid income	46.3	32.1
Other liabilities	9.4	7.0
	63.5	45.5

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	2015	2014
Within one year	11.4	9.2
Within 1-5 years	37.1	26.7
After 5 years	28.5	32.5
Total	76.9	68.3

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	2015	2014
Minimum payments payable based on these purchase agreements	0.2	0.2

The Group as lessor

Minimum rental payments receivable based on other non-cancellable leases

MEUR	2015	2014
Within one year	1.0	1.6
Within 1-5 years	0.4	0.7
After 5 years		
Total	1.5	2.3

30. COMMITMENTS AND CONTINGENCIES

MEUR	2015	2014
Collateral provided on behalf of associated companies	1.2	1.3
Other commitments	2.5	1.9
Total	3.8	3.2

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	2015	2014
Sales of goods and services	0.2	0.5
Purchases of goods and services	2.7	3.0
Trade, loan and other receivables	0.3	0.0
Trade payables	1.1	0.0

Related party transactions – principal shareholders

MEUR	2015	2014
Sales of goods and services	0.1	0.3
Purchases of goods and services	0.1	0.1
Trade, loan and other receivables	0.0	0.0
Trade payables		0.0

Related party transactions – corporations where management exercises influence

MEUR	2015	2014
Sales of goods and services	0.0	0.1
Purchases of goods and services	0.0	0.0
Trade, loan and other receivables	0.0	0.0
Trade payables	0.0	

32. SHAREHOLDINGS

20 principal shareholders on 31 December 2015

	Number of shares	% of total shares	Share of total votes (%)
1. Ilkka-Yhtymä Oyj	22,493,473	27.3	27.3
2. Mariatorp Oy	15,700,000	19.1	19.1
3. Kaleva Kustannus Oy	5,980,538	7.3	7.3
4. Keskinäinen työeläkevakuutusyhtiö Varma	5,327,994	6.5	6.5
5. Kunnallisneuvos C. V. Åkerlundin säätiö	3,422,871	4.2	4.2
6. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	2,177,095	2.6	2.6
7. Keskinäinen Eläkevakuutusyhtiö Elo	1,852,800	2.3	2.3
8. Keskinäinen Vakuutusyhtiö Kaleva	1,573,002	1.9	1.9
9. Sijoitusrahasto Nordea Nordic Small Cap	1,427,617	1.7	1.7
10. Veljesten Viestintä Oy	851,500	1.0	1.0
11. Keskisuomalainen Oyj	782,497	1.0	1.0
12. Suomen Kulttuurirahasto	577,170	0.7	0.7
13. Häkkinen Heikki kuolinpesä	532,332	0.7	0.7
14. Häkkinen Veera kuolinpesä	490,011	0.6	0.6
15. OP-Suomi Pienyhtiöt - sijoitusrahasto	488,985	0.6	0.6
16. Tekniikan Akateemiset ry	371,845	0.5	0.5
17. Sinkkonen Raija	333,431	0.4	0.4
18. Danilostock Oy	330,000	0.4	0.4
19. Tampereen tuberkuloosi säätiö	327,062	0.4	0.4
20. Häkkinen Matti	300,142	0.4	0.4
Total	65,340,365	79.3	79.3
Nominee-registered	2,600,781	3.2	3.2
Other	14,442,036	17.6	17.6
Grand total	82,383,182	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 2015

	Number of owners	% of total	Number of shares	% of shares
	pcs	%	pcs	%
Private companies	375	4.1	32,533,800	39.5
Financial and insurance institutions	24	0.3	19,978,944	24.3
Public entities	6	0.1	9,375,452	11.4
Households	8,637	94.1	12,148,270	14.7
Non-profit associations	108	1.2	5,510,990	6.7
Foreign owners	23	0.3	35,606	0.0
Nominee-registered shares			2,600,781	3.2
In general account			199,339	0.2
Total	9,177	100.0	82,383,182	100.0

Distribution of ownership

	Number of owners	% of total	Number of shares	% of shares
Number of shares				
1–100	2,232	24.3	125,321	0.2
101–1,000	4,903	53.4	2,174,041	2.6
1,001–10,000	1,821	19.8	5,196,621	6.3
10,001–100,000	183	2.0	4,462,903	5.4
100,001–500,000	24	0.3	5,530,371	6.7
500,000–	14	0.2	64,694,586	78.5
In general account			199,339	0.2
Total	9,177	100.0	82,383,182	100.0

33. EVENTS AFTER THE END DATE OF THE REPORTING PERIOD

In January 2016, Alma Media's subsidiary Alma Mediapartners Oy acquired 51 per cent of the share capital of Raksa ja KotiKauppa Oy from the company's founders. The company provides ERP systems for construction and renovation. The revenue of Raksa ja KotiKauppa Oy for 2015 is expected to amount to approximately EUR 0.5 million.

The acquisition has no material impact on Alma Media's key figures related to the income statement and balance sheet.

In January, LMC s.r.o, part of Alma Media Group, acquired Jobote s.r.o, a Czech start-up developing and providing new technology in recruitment. Its online service jobote.com is targeted at reaching the most skilled and hard-to-find candidates.

The acquisition has no material impact on Alma Media Group's key figures related to the income statement and balance sheet.

Parent company income statement (FAS)

MEUR	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Revenue	1	26.8	26.6
Other operating income	2	1.3	0.3
Materials and services	3	0.0	0.0
Expenses arising from employee benefits	4	9.2	9.6
Depreciation and write-downs	5	1.1	0.9
Other operating expenses	6,7,8	24.5	23.1
Operating profit (loss)		-6.8	-6.7
Financial income and expenses	9	-75.0	-39.3
Loss before extraordinary items		-81.8	-46.0
Extraordinary items	10	12.7	10.5
Loss before appropriations and taxes		-69.1	-35.6
Appropriations	11	-0.1	
Income tax	12	-0.9	-0.9
Loss for the period		-70.1	-36.4

Parent company balance sheet (FAS)

MEUR		31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets	13	3.7	4.0
Tangible assets	14	2.5	2.6
Investments			
Holdings in Group companies	15	332.4	365.3
Other investments	15	6.3	8.4
Non-current assets, total		344.9	380.3
Current assets			
Current receivables	16	23.0	27.6
Cash and cash equivalents		5.4	5.9
Current assets, total		28.4	33.6
Assets, total		373.4	413.9

MEUR		31 Dec 2015	31 Dec 2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		45.3	45.3
Share premium reserve		119.3	119.3
Other reserves		5.4	5.4
Invested non-restricted equity fund		190.7	216.4
Retained earnings (loss)		0.0	0.0
Profit for the period (loss)		-70.1	-36.4
Shareholders' equity, total	17	290.6	349.9
Accumulated appropriations	18	0.1	
Provisions	19	0.0	
Liabilities			
Non-current liabilities	20	3.3	8.2
Current liabilities	21	79.4	55.8
Liabilities, total		82.7	64.0
Shareholders' equity and liabilities, total		373.4	413.9

Parent company cash flow statement (FAS)

MEUR	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Operating activities		
Profit for the period	-70.1	-36.4
Adjustments:		
Depreciation and write-downs	1.1	0.9
Capital gains (losses) on the sale of fixed assets and other investments		-0.0
Financial income and expenses	75.0	39.3
Taxes	0.9	0.9
Change in provisions	0.0	-0.2
Other adjustments	-14.2	-9.6
Change in working capital:		
Increase (-)/decrease (+) in current non-interest-bearing receivables	-0.6	1.7
Increase (+)/decrease (-) in current non-interest-bearing liabilities	8.6	8.7
Dividend received	9.4	5.6
Interest received	0.3	0.9
Interest paid	-0.4	-0.7
Taxes paid	0.1	-2.6
Cash flow from operating activities	10.2	8.4
Investments		
Acquisitions of tangible and intangible assets	-0.6	-0.7
Other investments	-0.0	-0.0
Proceeds from sale of other investments	0.9	0.0
Change in loan receivables		-0.5
Repayment of loan receivables	0.0	0.7
Acquisition of subsidiaries and business operations	-28.5	-0.0
Proceeds from sale of subsidiaries	2.1	12.2
Acquisition and sale of associated companies	-0.3	-0.4
Net cash flows from/(used in) investing activities	-26.5	11.2
Cash flow before financing activities	-16.3	19.6

Financing activities		
Non-current loans taken		6.5
Current loans taken	45.0	152.5
Repayment of current loans	-37.0	-180.5
Change in interest-bearing receivables	6.3	8.6
Paid and received group contributions	10.5	
Dividends paid and repayment of capital	-9.1	-7.5
Net cash flows from/(used in) financing activities	15.7	-20.5
Change in cash and cash equivalent funds (increase +/decrease -)	-0.5	-0.9
Cash and cash equivalents at beginning of period	5.9	6.8
Cash and cash equivalents at end of period	5.4	5.9

Accounting principles used in the parent company's financial statements

General information

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

Parent company's financial statements

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

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

Non-current assets

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

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

Research and development costs

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

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

Notes to the parent company financial statements

1. REVENUE BY MARKET AREA

MEUR	2015	2014
Finland	26.8	26.6
Total	26.8	26.6

2. OTHER OPERATING INCOME

MEUR	2015	2014
Gains on sale of fixed assets	0.6	0.0
Other income	0.7	0.2
Total	1.3	0.3

3. MATERIALS AND SERVICES

MEUR	2015	2014
External services	0.0	0.0
Total	0.0	0.0

4. EMPLOYEE EXPENSES

MEUR	2015	2014
Wages, salaries and fees	7.6	7.3
Pension expenses	0.7	1.5
Other payroll-related expenses	0.9	0.8
Total	9.2	9.6
Average number of employees	114	116

Salaries and bonuses paid to management		
President	0.6	0.5
Other members of the Group Executive Team	1.6	1.4
Members of the Board of Directors	0.3	0.3
Total	2.5	2.1

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	2015	2014
Depreciation on tangible and intangible assets	1.1	0.9
Total	1.1	0.9

6. OTHER OPERATING EXPENSES

MEUR	2015	2014
Information technology and telecommunication	9.1	7.8
Business premises	10.0	9.4
Other expenses	5.4	5.8
Total	24.5	23.1

7. AUDIT EXPENSES

MEUR	2015	2014
Audit	0.2	0.2
Tax consultation		0.0
Other	0.3	0.0
Total	0.5	0.2

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

8. RESEARCH AND DEVELOPMENT COSTS

The company had no research and development expenses in the financial period 2015 and 2014.

9. FINANCIAL INCOME AND EXPENSES

MEUR	2015	2014
Dividend income		
From Group companies	8.4	5.0
From associated companies	0.9	0.5
From others	0.0	0.0
Total	9.4	5.6
Other interest and financial income		
From Group companies	0.3	0.9
From others	0.0	0.0
Total	0.3	0.9
Impairment for non-current investments		
Impairment for shares in Group companies	-84.2	-45.1
Total	-84.2	-45.1
Interest expenses and other financial expenses		
To Group companies	-0.0	-0.0
To others	-0.4	-0.7
Total	-0.4	-0.8
Foreign exchange rate gains/losses		
Foreign exchange rate gains and losses	-0.0	0.1
Financial income and expenses, total	-75.0	-39.3

10. EXTRAORDINARY ITEMS

MEUR	2015	2014
Extraordinary income/Group contribution received	12.7	10.5

11. APPROPRIATIONS

MEUR	2015	2014
Difference between planned depreciation and depreciation made for tax purposes	-0.1	0.0

12. INCOME TAX

MEUR	2015	2014
Income tax payable on extraordinary items	2.5	2.1
Income tax from regular business operations	-1.6	-1.2
Total	0.9	0.9

13. INTANGIBLE ASSETS

MEUR	Intangible rights	Other intangible assets	Advance payments	Total
Financial year 2015				
Acquisition cost 1 Jan	4.2	0.5	1.8	6.4
Increases	0.5		0.0	0.6
Decreases	-0.0			-0.0
Transfers between items	1.8		-1.8	
Acquisition cost 31 Dec	6.5	0.5	0.0	7.0
Accumulated depreciation and write-downs 1 Jan	1.9	0.5		2.4
Accumulated depreciation in decreases	-0.0			-0.0
Depreciation for the financial year	0.9			0.9
Accumulated depreciation 31 Dec	2.9	0.5		3.4
Book value 31 Dec 2015	3.6	0.0	0.0	3.7

MEUR	Intangible rights	Other intangible assets	Advance payments	Total
Financial year 2014				
Acquisition cost 1 Jan	4.2	0.5	1.1	5.7
Increases	0.0		0.7	0.7
Decreases				
Transfers between items				
Acquisition cost 31 Dec	4.2	0.5	1.8	6.4
Accumulated depreciation and write-downs 1 Jan	1.2	0.5		1.7
Accumulated depreciation in decreases				
Depreciation for the financial year	0.7	0.0		0.7
Write-downs				
Accumulated depreciation 31 Dec	1.9	0.5		2.4
Book value 31 Dec 2014	2.2		1.8	4.0

14. TANGIBLE ASSETS

MEUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Total
Financial year 2015					
Acquisition cost 1 Jan	0.5	4.4	0.5	1.0	6.4
Increases			0.0	0.0	0.1
Decreases			-0.0		-0.0
Acquisition cost 31 Dec	0.5	4.4	0.5	1.0	6.4
Accumulated depreciation 1 Jan		3.1	0.5	0.3	3.8
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		3.2	0.5	0.3	4.0
Book value 31 Dec 2015	0.5	1.2	0.1	0.6	2.5
Balance sheet value of machinery and equipment 31 Dec 2015			0.1		

MEUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Total
Financial year 2014					
Acquisition cost 1 Jan	0.5	4.4	0.5	1.0	6.4
Increases			0.0		0.0
Decreases			-0.0		-0.0
Acquisition cost 31 Dec	0.5	4.4	0.5	1.0	6.4
Accumulated depreciation 1 Jan		3.0	0.5	0.2	3.6
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		3.1	0.5	0.3	3.8
Book value 31 Dec 2014	0.5	1.3	0.0	0.7	2.6
Balance sheet value of machinery and equipment 31 Dec 2014			0.0		

15. INVESTMENTS

MEUR	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Total
Financial year 2015						
Acquisition cost 1 Jan	528.9	7.6	1.5		0.0	538.0
Increases	50.8	0.3	0.0			51.1
Decreases	-1.3		-0.3		-0.0	-1.7
Transfers between items	2.7	-2.9	0.2			
Acquisition cost 31 Dec	581.1	5.0	1.3			587.4
Accumulated depreciation, amortisation and impairments 1 Jan	163.6	0.8	0.0			164.4
Accumulated depreciation in decreases and transfers	0.8	-0.8				-0.0
Amortisation and impairments	84.2					84.2
Accumulated depreciation, amortisation and impairments 31 Dec	248.6	-0.0	0.0			248.6
Book value 31 Dec 2015	332.4	5.0	1.3			338.8

MEUR	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Total
Financial year 2014						
Acquisition cost 1 Jan	539.2	7.5	1.5	1.9	0.1	550.1
Increases		0.5	0.0			0.5
Decreases	-10.3	-0.4	-0.0	-1.9	-0.1	-12.6
Transfers between items	-0.0		0.0			
Acquisition cost 31 Dec	528.9	7.6	1.5		0.0	538.0
Accumulated depreciation and write-downs 1 Jan	119.7	0.8	0.0			120.5
Amortisation and impairments	44.7					44.7
Accumulated depreciation, amortisation and impairments 31 Dec	163.6	0.8	0.0			164.4
Book value 31 Dec 2014	365.3	6.8	1.5		0.0	373.7

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding %	Share of votes, %	Group holding %
Group companies				
Alma Career Oy	Helsinki, Finland	83.34	83.34	83.34
Alma Manu Oy	Tampere, 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 Mediapartners Oy	Helsinki, Finland	65.00	65.00	65.00
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
Objektvision AB	Stockholm, Sweden	100.00	100.00	100.00
Talentum Oyj	Helsinki, Finland	100.00	100.00	100.00

Associated companies

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
Kolektiv d.o.o.	Bosnia	30.00	30.00	30.00
Infostud 3 d.o.o.	Serbia	25.00	25.00	25.00
Kiinteistö Oy 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
Nokian Uutistalo Oy	Nokia, Finland	36.90	36.90	36.90
Rantapallo Oy	Helsinki, Finland	35.00	35.00	35.00
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki, Finland	24.07	24.07	24.07
Tampereen Tietoverkko Oy	Tampere, Finland	35.14	35.14	35.14

16. RECEIVABLES

MEUR	2015	2014
Current receivables		
Receivables from Group companies		
Trade receivables	0.0	0.0
Loan receivables *)	20.3	24.4
Prepaid expenses and accrued income	0.7	0.4
Other receivables		0.0
Total	21.0	24.8
Receivables from others	0.0	0.0
Trade receivables	0.0	0.0
Other receivables	1.3	2.3
Prepaid expenses and accrued income **)	0.8	0.5
Total	2.1	2.8
Current receivables, total	23.0	27.6

*) 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	2015	2014
Restricted shareholders' equity		
Share capital 1 Jan	45.3	45.3
Share capital 31 Dec	45.3	45.3
Share premium reserve 1 Jan	119.3	319.3
Transfer to invested non-restricted equity fund	-0.0	-200.0
Share premium reserve 31 Dec	119.3	119.3
Other reserves 1 Jan	5.4	5.4
Other reserves 31 Dec	5.4	5.4
Restricted shareholders' equity total	169.9	169.9
Non-restricted shareholders' equity		
Invested non-restricted equity fund 1 Jan	216.4	100.0
Share issue	19.9	200.0
Capital repayment	-9.1	-7.5
Transfer to retained earnings	-36.4	-76.1
Invested non-restricted equity fund 31 Dec	190.7	216.4
Retained earnings 1 Jan	-36.4	-76.1
Transfer from invested non-restricted equity fund	36.4	76.1
Retained earnings 31 Dec	0.0	0.0
Profit for the period	-70.1	-36.4
Non-restricted shareholders' equity total	120.6	179.9
Shareholders' equity, total	290.6	349.9
Calculation of the parent company's distributable funds on 31 December	2015	2014
Invested non-restricted equity fund	190.7	216.4
Profit from the previous year	0.0	0.0
Profit for the period	-70.1	-36.4
Total	120.6	179.9

18. ACCUMULATED APPROPRIATIONS

MEUR	2015	2014
Difference between planned depreciation and depreciation made for tax purposes	0.1	0.0

19. PROVISIONS

Provisions in financial year 2015 amounted to EUR 8,088.00 (EUR 0 in financial year 2014)

20. NON-CURRENT LIABILITIES

MEUR	2015	2014
Loans from credit institutions	2.5	6.5
Other non-current liabilities	0.8	1.7
Total	3.3	8.2
Debt due after five years		
Other non-current liabilities	0.3	0.8

21. CURRENT LIABILITIES

MEUR	2015	2014
Loans from credit institutions	19.0	7.0
Trade payables	0.9	0.8
Total	19.9	7.8
Liabilities to Group companies		
Trade payables	0.0	0.0
Other liabilities	52.7	44.6
Other current liabilities	0.1	0.0
Total	52.9	44.7
Liabilities to associated companies		
Trade payables	0.0	0.0
Total	0.0	0.0
To others		
Other current liabilities	0.8	0.9
Accrued expenses and prepaid income	5.9	2.5
Total	6.7	3.4
Current liabilities total	79.4	55.8

Most of the accrued expenses and prepaid income consist of allocated employee expenses and unredeemed Talentum shares.

22. COMMITMENTS AND CONTINGENCIES

MEUR	2015	2014
Collateral for own commitments		
Guarantees	0.1	0.1
Collateral for others		
Guarantees	1.2	1.3
Other own commitments		
Rental commitments – within one year	9.0	9.6
Rental commitments – after one year	76.4	87.1
Rental commitments total	85.4	96.7
Other commitments	1.2	
Total		
Guarantees	1.3	1.4
Other commitments	86.6	96.7
Commitments total	88.0	98.1

Alma Media has two MEUR 20.0 committed financing limits at its disposal, of which MEUR 15 was in use on 31 December 2015. In addition, the company has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused on 31 December 2015.

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.

23. DERIVATIVE CONTRACTS

MEUR	2015	2014
Commodity derivatives (electricity forwards)		
Fair value*	-0.1	-0.1
Value of underlying instruments	0.3	0.4
Interest rate derivatives		
Fair value*	-0.7	-0.7
Value of underlying instruments	19.5	19.7

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

SIGNATURES TO THE REPORT BY THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

The distributable funds of the Group's parent company totalled EUR 120,642,934 on 31 December 2015.

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

The Board of Directors proposes that a capital repayment of EUR 9,885,981.84 (EUR 0.12 per share) be paid for the financial year 2015.

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

In Helsinki on 11 February 2016

Harri Suutari

Chairman of the Board

Petri Niemisvirta

Deputy Chairman of the Board

Niklas Herlin

Board member

Esa Lager

Board member

Perttu Rinta

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 11 February 2016

PricewaterhouseCoopers Oy

Authorised Public Accountants

Markku Launis

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 of Alma Media Oyj for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, 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 President and CEO

The Board of Directors and the President and CEO 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 President and CEO 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 President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or whether they 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 11 February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant