Alma Media Corporation

FINANCIAL STATEMENTS 2014

Table of Contents

Report by the Board of Directors

Financial performance full year 2014:

- Revenue was MEUR 295.4 (300.2), down 1.6%.
- Online sales were MEUR 94.5 (84.5), up 11.9%.
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items was MEUR 35.1 (37.5), down 6.4%.
- EBITDA was MEUR 36.4 (45.3), down 19.7%.
- Operating profit excluding non-recurring items was MEUR 21.4 (24.2), or 7.2% (8.0%) of revenue, down 11.5%.
- Operating profit was MEUR 20.7 (27.0), or 7.0% (9.0%) of revenue, down 23.5%.
- The operating profit for January–December includes non-recurring items of MEUR -0.7 (2.8).
- Profit for the period was MEUR 15.7 (16.0), down 1.7%.
- Earnings per share were EUR 0.19 (0.20).

KEY FIGURES	2014	2013		Change
MEUR	Q1-Q4	Q1-Q4		%
Revenue	295.4	300.2	-4.8	-1.6
Content revenue	110.1	115.3	-5.1	-4.5
Content revenue, print	104.6	111.2	-6.7	-6.0
Content revenue, online	5.6	3.8	1.7	45.8
Revenue from advertising sales	146.4	147.3	-0.9	-0.6
Advertising revenue, print	73.7	80.0	-6.3	-7.8
Advertising revenuem online	72.7	66.5	6.2	9.4
Service revenue	38.8	37.6	1.2	3.2
Total expenses excluding non-recurring items	274.6	276.7	-2.1	-0.8
EBITDA excluding non-recurring items	35.1	37.5	-2.4	-6.4
EBITDA	36.4	45.3	-8.9	-19.7
Operating profit excluding non-recurring items	21.4	24.2	-2.8	-11.5
% of revenue	7.2	8.0		
Operating profit	20.7	27.0	-6.3	-23.5
% of revenue	7.0	9.0		
Profit for the period	15.7	16.0	-0.3	-1.7
Earnings per share, EUR (basic)	0.19	0.20	-0.01	-5.6
Earnings per share, EUR (diluted)	0.19	0.20	-0.01	-5.6
Online sales	94.50	84.50	10.00	11.9
Online sales, % of revenue	32.00	28.10		

Dividend proposal to the Annual General Meeting:

On 31 December 2014, the Group's parent company had distributable funds totalling EUR 179,932,379 (23,905,611). No essential changes in the company's financial standing have taken place after the end of the financial year. Alma Media's

Board of Directors proposes to the Annual General Meeting that a capital repayment of EUR 0.12 (0.10) per share be paid from the reserve for invested non-restricted equity for the financial year 2014. Based on the number of shares on the closing date, 31 December 2014, the capital repayment totals EUR 9,058,422 (EUR 7,548,685).

Outlook for 2015:

Low interest rates, weaker euro and decreased oil price improve our chances for growth in the long run. However, in 2015, economic growth is still expected to remain weak in Europe and in particular in Finland. The weak overall economic growth has an impact on advertising volume, which is not expected to increase in Finland in 2015.

In the first half of 2015, Alma Media expects its revenue and operating profit excluding non-recurring items to decrease from the 2014 level. The revenue for the first half of 2014 was MEUR 148.4 and operating profit excluding non-recurring items was MEUR 8.8.

Kai Telanne, President & CEO:

In 2014, media companies had another challenging year. Print media continued to decline, as media users increasingly switched to digital channels, mobile services in particular. With increasing unemployment rates and the declining trade between Finland and Russia, the long-awaited upswing in the Finnish national economy did not take place. According to TNS Media Intelligence, media advertising volume, which is linked to GDP growth, decreased in Finland in 2014 by 3.5% year-on-year. According to a recent advertising barometer, this trend will continue in the beginning of 2015.

Alma Media's revenue remained almost on last year's level. Operating profit excluding non-recurring items decreased to MEUR 21.4. As the economy in Finland continued to be weak, the development of the company's business in Finland in 2014 was also weak in print media. However, Alma Media's digital recruitment service business in Eastern Central Europe grew vigorously throughout the year, and its profitability remained excellent. In the final quarter of 2014, recruitment business outside Finland grew by over 25%.

Alma Media's investment in digital development paid off in 2014. The Group's revenue from digital products and services increased by 12%. Digital advertising sales nearly reached the level of print media advertising sales. Digital products and services accounted for 32.0% (28.4%) of Group revenue.

Towards the end of 2014, Alma Media decided to divest City24, a housing portal in the Baltic countries. Outside Finland, Alma Media will now focus on strengthening its digital recruitment services.

Regardless of economic cycles, Alma Media has a solid position in the diversifying media field, due to its digital expertise and strong brands. The company is making significant investments in developing multichannel content, creating new mobile solutions, increasing digital services, using data in multiple ways and developing successful advertising solutions.

Alma Media's financing standing strenghtened significantly during last year and the gearing ratio increased to over 42%. The company continues to invest in growth and internationalisation, whenever opportunities that are in line with the company strategy arise.

Strategy and related activities during the review period

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

Multi-channel content was developed in the fourth quarter by Alma Regional Media that publishes Alma Media's regional, local and city newspapers. Alma Regional Media appointed a new director of digital business. In addition, Alma Regional Media launched the Etukeno project, in which employees participate in the planning of digital business. The project will last for approximately 18 months.

Kauppalehti finalised the reformation of its online service in the fourth quarter. The new online service with renewed content, visual design and technologies was launched in January 2015. New arrivals on the site include the continuously updated news flow KL Nyt ("KL Now"), which allows the reader to keep up with financial and stock market news using a mobile device. In addition, the site includes the articles of the day's Kauppalehti and Kauppalehti Optio. The editors are also monitoring new thematic areas, such as digital economy, more extensively.

IL-Media, strongly focusing on digital media, reinforced its lifestyle expertise by appointing a new publications manager for content related to health, living, cars and travel. IL-Media reshaped its visual design production organisation. The company completed statutory personnel negotiations on 6 October 2014, as a result of which the photo and layout departments of IL-Media will be combined into a single visual design department.

In the fourth quarter, Alma Media streamlined its digital service offering outside Finland by divesting City24, a housing portal in the Baltic countries. The service was sold to Oü 24m2, owned by the Estonian investment company Koha Capital Oü. After the divestment of City24, Alma Media's focus outside Finland is on strengthening its digital recruitment services.

The Lännen Media newsroom officially started operations at the beginning of October. The joint project of 12 newspapers employs an editorial team of 40 people. As a result of the collaboration, regional papers benefit from a significant amount of new content to be utilised in both the print newspaper and paid online services.

In the fourth quarter, major Finnish newspaper publishers decided to investigate the possibility of establishing a joint venture to develop the co-operation between early morning delivery service providers and their logistics and to manage the nationwide sales of delivery services. The aim is to create a system for the early morning delivery network of newspaper publishers, so that it could take on more material to deliver and the high standard and cost-efficiency of delivery could be ensured.

Domestic market conditions

According to TNS Media Intelligence, total advertising volume decreased by 3.5% (decreased by 8.5%) in 2014. Advertising in city papers and newspapers declined by 8.3% (declined by 15.7%) but increased in online media by 12.3% (increased by 5.8%) from the comparison period.

Changes in Group structure in 2014

On 28 November 2014, Alma Media sold City24, a housing portal in the Baltic countries. The service was sold to Oü 24m2, owned by the Estonian investment company Koha Capital Oü.

The parties agreed not to disclose the selling price. Alma Media records sales proceeds in the amount of MEUR 1.7 in its fourth-quarter 2014 result from the transaction.

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 is treated in Alma Media's consolidated financial statements as a business combination achieved in stages. The arrangement did not have a significant effect on Alma Media's profit or loss at the time of its implementation. The company will be consolidated with Alma Media Group in accordance with the Group's holding of 65%.

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

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

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

Group revenue and result full year 2014

Revenue declined by 1.6% to MEUR 295.4 (300.2) in 2014.

Content revenue decreased by 4.5% to MEUR 110.1 (115.3). The year-on-year decline was due to the decrease in print media circulations.

Revenue from advertising sales decreased by 0.6% to MEUR 146.4 (147.3). Advertising sales for print media decreased by 7.8% year-on-year to MEUR 73.7 (80.0). Online advertising sales increased by 9.4% to MEUR 72.7 (66.5).

Service revenue totalled MEUR 38.8 (37.6). Service revenue includes items such as Kauppalehti Information Services, the operations of the custom publishing house Alma 360 and E-kontakti and the printing and distribution services sold to customers outside the Group by Alma Manu. The increased revenues of Kauppalehti Information Services and Alma Manu were major contributors to the increase in service revenue.

Total expenses decreased in 2014 by MEUR 4.5, or 1.6%, to MEUR 277.9 (282.4). Depreciation and impairment included in the total expenses amounted to MEUR 15.7 (18.3).

Operating profit excluding non-recurring items was MEUR 21.4 (24.2), or 7.2% (8.0%) of revenue. Operating profit was MEUR 20.7 (27.0), or 7.0% (9.0%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR -0.7 (2.8).

The financial result for 2014 was MEUR 15.7 (16.0), and the result for the period excluding non-recurring items was MEUR 16.5 (18.1).

Digital Consumer Services

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

In 2014, the Digital Consumer Services segment's revenue was MEUR 55.8 (52.6), up 6.1%. Recruitment-related business accounted for 67.5% (62.0%) of the segment's revenue in 2014. The revenue for the comparison period includes MEUR 2.2 in revenue from the Mascus business sold in April 2013. The devaluation of the Czech koruna in November 2013 decreased the segment's euro revenue by a total of MEUR 1.1 year-on-year. Revenue was increased by MEUR 1.8 by new recruitment service companies in Hungary, the Czech Republic and Poland.

Total expenses during the review period amounted to MEUR 46.8 (43.4)

The Digital Consumer Services segment's operating profit excluding non-recurring items was MEUR 9.2 (9.4). The segment's operating profit was MEUR 10.7 (17.7). Investments were made in the new recruitment services acquired in January 2014, causing a negative effect of MEUR 1.2 on the result. The operating profit for 2014 includes non-recurring items of MEUR 1.5 (8.5). The non-recurring items for 2014 were related to sales gains from the divestment of the City24 housing portal and impairment of assets. The operating profit for the comparison period includes non-recurring proceeds from the divestment of the Mascus 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. Its best-known product is Finland's leading business paper, Kauppalehti. The segment also includes Kauppalehti Information Services, the business premises service provider Objektvision.se and the custom media house Alma 360.

Revenue for the Financial Media and Business Services segment declined by 6.7% to MEUR 53.0 (56.8). The divestment of the BNS business operations in February had an effect of MEUR 2.1 on the decline in revenue. Online business accounted for 43.0% (33.4%) of the segment's revenue.

Content revenue for the Financial Media and Business Services segment declined by 3.5% to MEUR 16.2 (16.8). The increase in digital content revenue partly covered the decline in content revenue for print media.

In 2014, advertising sales declined by 4.1% to MEUR 15.6 (16.2). Online advertising sales increased by 14.4% from the comparison period.

The segment's total expenses excluding non-recurring items were MEUR 46.4 (49.1). The decrease in total expenses is due to the divestment of the BNS business operations.

Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 6.7 (7.8) and operating profit MEUR 6.5 (7.8). Operating profit excluding non-recurring items accounted for 12.6% (13.8%) of revenue.

The operating profit includes non-recurring income in the amount of MEUR 0.7 (0.0) and non-recurring expenses in the amount of MEUR 0.5 (0.0). Operating profit was weighed down by the weakened profitability of custom media business operations. The non-recurring items affecting operating profit were related to sales gains from the divestment of the BNS business, the restructuring of Alma 360's operations and impairment loss.

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 4.2% to MEUR 46.9 (49.0) in 2014. Online business accounted for 27.0% (21.5%) of the segment's revenue.

The segment's content revenue declined by 7.8% to MEUR 28.5 (30.9) in January–December. Iltalehti's market share was 39.4% (39.8%) in 2014.

The segment's advertising sales increased by 4.8% to MEUR 18.4 (17.5). Advertising sales for print media decreased by 17.4% Online advertising sales increased by 20.8% to MEUR 12.5 (10.4).

The segment's operating profit excluding non-recurring items was MEUR 3.7 (4.7) and operating profit MEUR 3.1 (4.7). Operating profit excluding non-recurring items accounted for 7.8% (9.6%) of revenue. The non-recurring expenses of MEUR 0.6 recorded in 2014 were related to the restructuring of operations. No non-recurring expenses were reported for the comparison period.

Regional Media

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

The Regional Media segment's revenue declined by 1.3% to MEUR 145.2 (147.1) in January–December. Online business operations accounted for 2.6% (1.8%) of the segment's revenue.

The segment's content revenue decreased by 3.1% to MEUR 65.5 (67.6) in January–December, mainly due to the decrease in print media circulation.

The segment's advertising sales declined by 6.1% to MEUR 62.5 (66.5). Advertising sales for print media decreased by 6.7% The segment's online advertising sales increased by 10.8% to MEUR 2.1 (1.9).

The segment's service revenue increased by 32.7% to MEUR 17.2 (13.0). The increase in service revenue is attributable to the growth in printing revenue from external customers.

The segment's total expenses excluding non-recurring items were MEUR 135.8 (137.4) and total expenses MEUR 137.2 (142.9). Total expenses were reduced by the efficiency improvement measures for newspapers and printing operations. Non-recurring items totalled MEUR -1.3 (-5.5). The non-recurring items for 2014 were related to impairment loss on goodwill. The non-recurring items in the comparison period were mainly related to the restructuring of printing operations.

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

The segment's operating profit excluding non-recurring items was MEUR 9.6 (9.8) and operating profit MEUR 8.3 (4.3). Operating profit excluding non-recurring items accounted for 6.6% (6.6%) of revenue.

Associated companies

Alma Media Group holds a 32.14% stake in Talentum Oyj, which is reported under the Financial Media and Business Services segment. The company's own shares in the possession of Talentum are included in the total number of shares. In consolidated financial statement of Alma Media, the own shares held by Talentum itself are not included in the total number of shares. Alma Media's shareholding in Talentum is stated as 32.38% in Alma Mideia's consolidated financial statements of 31 December 2014.

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

The Group’s parent company

The reported revenue of the Group’s parent company Alma Media Plc in 2014 was MEUR 26.6 (27.1) and the loss for the period was MEUR 36.4 (76.6). The parent company recorded a write-down of MEUR 45.1 (93.4) on investments in subsidiaries and associated companies in 2014. At the end of December 2014, the parent company’s balance sheet stood at MEUR 413.9 (471.1).

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	2014	2013
MEUR	Q1–Q4	Q1–Q4
Digital Consumer Services		
Impairment losses	-0.2	-0.2
Restructuring	0.0	0.0
Gains on sale of assets	1.7	8.5
Financial Media and Business Services		
Impairment losses	-0.5	0.0
Restructuring	-0.5	0.0
Gains on sale of assets	0.7	0.0
National Consumer Media		
Restructuring	-0.6	0.0
Gains on sale of assets	0.0	0.0
Regional Media		
Impairment losses	-1.3	-4.7
Restructuring	-0.1	-0.8
Gains on sale of assets	0.1	0.0
Non-allocated		
Restructuring	-0.2	0.0
Gains on sale of assets	0.0	0.0
NON-RECURRING ITEMS IN OPERATING PROFIT	-0.7	2.8
Impairment losses of associated companies	0.0	-5.0
NON-RECURRING ITEMS IN PROFIT BEFORE TAX	-0.7	-2.1

Balance sheet and financial position

At the end of December 2014, the consolidated balance sheet stood at MEUR 256.1 (270.7). The Group’s equity ratio at the end of December was 42.6% (34.4%) and equity per share was EUR 1.17 (1.14).

The consolidated cash flow from operations in January–December was MEUR 26.5 (24.4). Cash flow before financing was MEUR 34.9 (26.7).

At the end of December, the Group's interest-bearing debt amounted to MEUR 83.0 (109.9). The total interest-bearing debt comprised MEUR 69.5 in finance leasing debt, MEUR 8.5 in loans from financial institutions and MEUR 5.0 in commercial papers.

The Group's interest-bearing net debt at the end of December stood at MEUR 71.1 (97.6). The decrease in net debt was due to cash flows from business reorganisation, significantly lower investment level and cash flow from operations.

Alma Media has two MEUR 20.0 committed financing limits at its disposal, which were entirely unused on 31 December 2014. In addition, the company has a commercial paper programme of MEUR 100.0 in Finland. Of the commercial paper programme, MEUR 5.0 was in use on 31 December 2014.

Alma Media did not have financial assets or liabilities created in conjunction with business combinations measured at fair value and recognised through profit or loss on 31 December 2014.

Capital expenditure

Alma Media Group's capital expenditure in January–December 2014 totalled MEUR 14.4 (62.8). The capital expenditure comprised the acquisitions of new recruitment service companies in Hungary, Poland and the Czech Republic, increasing the shareholding in Alma Career Oy in Finland, buying shares in the associated company Alkali Oy to make it a subsidiary, as well as normal operating and maintenance investments.

Research and development costs

The Group's research and development costs in 2014 totalled MEUR 5.5 (MEUR 5.3 in 2013). Of this total, MEUR 4.0 (MEUR 4.2 in 2013) was recognised in the income statement and MEUR 1.5 (MEUR 1.1 in 2013) were capitalised to the balance sheet in 2014. On 31 December 2014, capitalised research and development costs on the balance sheet totalled MEUR 1.3.

Employees

During 2014, Alma Media had on average 1,828 (1,969) employees, calculated as full-time employees (excluding delivery staff). The number of newspaper delivery staff was 985 (998) on average.

Administration

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

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

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

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

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

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on 15 June 2010 and in effect since 1 October 2010, in its unaltered form. The Corporate Governance Statement as well as the details of salaries and bonuses for 2014 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 2013. The company has no retained earnings.

Use of the invested non-restricted equity fund

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

Capital repayment

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

Authorisation to the Board of Directors to resolve capital repayment

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

Other decisions by the Annual General Meeting

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

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

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

The Alma Media share

In January–December, altogether 5,977,028 Alma Media shares were traded at the NASDAQ OMX Helsinki Stock Exchange, representing 7.9% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, 31 December 2014, was EUR 2.75. The lowest quotation in 2014 was EUR 2.55

and the highest EUR 3.16. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 207.6.

Option programme and share-based incentive plan

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

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

Other authorisations of the Board of Directors

The Board of Directors has no other current authorisations.

Market liquidity guarantee

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

Flagging notices

In 2014, Alma Media received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

On 18 September 2014, Mariantorp Oy announced that it had purchased 200,000 Alma Media Corporation shares. After the transaction, Mariantorp Oy holds approximately 15.2% of Alma Media's share capital and votes.

Risks and risk management

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

The risk management process identifies and controls the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance. 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 the East and Central European countries, include country-specific risks relating to market development and economic growth. The expansion of business outside Finland has reduced the risks inherent in operating in one market area.

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

Sustainable development

With its Code of Ethics, Alma Media is committed to supporting the universally accepted principles in the areas of human rights, labour, environment and anti-corruption laid out in the United Nations Global Compact initiative. Alma Media participates in the annual Carbon Disclosure Project (CDP) climate reporting directed at investors, and was ranked as the top Nordic media company in October 2014. In addition, the Alma Media share is included in the OMX GES Sustainability Finland index. Alma Media is a member of the corporate responsibility networks Nordic Media CR Forum and Finnish Business & Society.

The most significant environmental impacts of Alma Media's business operations are related to purchases, printing and delivery operations and real estate. In 2014, the company's printing facilities used approximately 23,956 (23,489) tonnes of newsprint. Alma Media used 13,298 (16,333) MWh of electric power in 2014. Electricity consumption decreased by 18.6% year-on-year. Additional information on the company's Sustainable Media programme is available on the Alma Media website.

Events after the review period

Alma Media acquired the entire stock of JM Tieto Oy, implemented as a business combination achieved in states. Prior to this, Alma Media already held a 20 per cent stake in the company. JM Tieto Oy is a company specialising in efficient B2B sales. It focuses on marketing information and its use. In spring 2015, JM Tieto will be reorganized to constitute part of the Kauppalehti Information Services business operations.

Alma Media Kustannus Oy, a subsidiary of Alma Media Group, has initiated negotiations with Suomalainen Lehtipaino Oy concerning the divestment of Alma Media's newspaper business in Kainuu. If the divestment is realised, the regional newspaper Kainuun Sanomat, the town paper Koti-Kajaani and three subscribable local papers will be transferred to the buyer approximately by the middle of March. In Kainuu, Alma Media Kustannus Oy is currently publishing the daily newspaper Kainuun Sanomat and the twice-weekly newspapers Koti-Kajaani, Ylä-Kainuu, Kuhmolainen and Sotkamo, with a total turnover of approximately EUR 11.5 million in 2014.

Proposal by the Board of Directors for distribution of profit

Alma Media's Board of Directors proposes to the Annual General Meeting that a refund of capital of EUR 0.12 (0.10) per share be paid from the reserve for invested non-restricted equity for the financial year 2014. Based on the number of shares on the closing date, 31 December 2014, the capital repayment totals EUR 9,058,422 (7,548,685).

On 31 December 2014, the Group's parent company had distributable funds totalling EUR 179,932,379 (23,905,611). The parent company's profit for the period amounted to EUR -36,424,547 (-76,559,758). No essential changes in the company's financial standing have taken place after the end of the financial year. The refund of capital will be paid to shareholders who are registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy on the record date, 19 March 2015. The payment date of the refund of capital is 26 March 2015.

Key figures

Key figures are calculated applying IFRS recognition and measurement principles.

		IFRS	Change	IFRS	Change	IFRS	Change	IFRS	Change	IFRS
MEUR		2014	%	2013	%	2012	%	2011	%	2010
Key figures describing economic development										
Revenue	M€	295.4	-1.6	300.2	-6.2	320.1	1.2	316.2	1.6	311.4
Operating profit	M€	20.7	-23.5	27.0	1.9	26.5	-36.9	42.0	-3.3	43.4
% of revenue	M€	7.0		9.0		8.3		13.3		13.9
Operating profit excluding non-recurring items	%	21.1	-12.5	24.2	-27.8	33.5	-22.0	42.9	-2.2	43.9
% of revenue		7.2		8.0		10.5		13.6		14.1
Profit before tax		19.7	-12.1	22.4	-5.4	23.7	-43.6	42.0	-6.6	45.0
Profit excluding non-recurring items	M€	20.2	-17.8	24.5	-31.0	35.6	-17.1	42.9	-6.0	45.7
Profit for the period	M€	15.7	-1.7	16.0	-8.2	17.4	-43.5	30.8	-7.1	33.2
Return on equity (ROE) **)	M€	16.4	-11.7	18.6	-3.7	19.3	-33.9	29.1	-7.9	31.6
Return on investment (ROI) **)	M€	9.8	-2.2	10.0	-27.6	13.8	-46.3	25.7	-16.4	30.7
Net financial expenses	M€	2.7	485.4	0.5	-131.3	-1.5	-158.5	2.5	-375.1	-0.9
Net financial expenses, % of revenue	M€	0.9		0.2		-0.5		0.8		-0.3
Share of profit of associated companies	%	1.7	142.2	-4.1	-3.4	-4.3	-268.1	2.5	271.3	0.7
Balance sheet total **)	%	256.1	-5.4	270.7	10.4	245.1	23.8	198.0	7.3	184.5
Capital expenditure	%	14.4	-77.1	62.8	-43.6	111.3	1666.7	6.3	-51.2	12.9
Capital expenditure, % of revenue	%	4.9		20.9		34.8		2.0		4.1
Research and development costs	M€	5.5	3.8	5.3	29.0	4.1	-10.0	4.6	33.0	4.0
Research and development costs, % of revenue	%	1.9		1.8		1.3		1.4		1.3
Equity ratio **)	M€	42.6		34.4		36.5		57.0		67.1
Gearing **)	M€	68.5		110.5		74.1		-33.4		-28.2
Interest-bearing net debt	M€	71.1		97.6		62.3		-32.3		-32.4
Interest-bearing liabilities	%	83.0	-24.5	109.9	38.5	79.4	210.9	25.5	539.0	4.0
Non-interest-bearing liabilities	M€	69.4	-4.1	72.4	-11.4	81.8	8.0	75.7	15.2	65.7
Average no. of employees, calculated as full-time employees, excl. delivery staff	%	1,828	-7.1	1,969	3.0	1,911	5.3	1,816	0.6	1,806
Delivery staff total (no. of employees)	%	985	-1.4	998	-0.8	1,006	4.7	961	-0.1	962

Per share data						
Earnings per share	€	0.19	0.20	0.22	0.39	0.44
Cash flow from operating activities / share	€	0.35	0.32	0.33	0.67	0.62
Shareholders' equity per share **)	€	1.17	1.14	1.08	1.24	1.50
Dividend per share	€		*) 0.10	0.10	0.40	0.70
Payout ratio	%		50.2	45.4	102.8	160.0
Effective dividend yield	%		3.3	2.2	6.5	8.5
P/E Ratio		14.6	15.0	20.6	15.8	18.9
Share prices						
Highest	€	3.16	5.00	6.80	9.44	8.46
Lowest	€	2.55	2.49	4.35	5.40	6.00
On 31 Dec	€	2.75	2.99	4.55	6.14	8.28
Market capitalisation	M€	207.6	225.7	343.5	463.5	621.4
Turnover of shares, total	kpcs	5,977	8,130	5,066	10,034	14,839
Relative turnover of shares, total	%	7.9	10.8	6.7	13.3	19.8
Average no. of shares (1,000 shares), basic	kpcs	75,487	75,487	75,487	75,339	74,894
Average no. of shares (1,000 shares), diluted	kpcs	75,487	75,487	75,661	75,772	75,086
No. of shares on 31 December	kpcs	75,487	75,487	75,487	75,487	75,053

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

Calculation of key figures

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

Gearing, %	Interest-bearing debt - cash and bank receivables / Shareholders' equity + non-controlling interest	x 100
Net financial expenses, %	Financial income and expenses / Revenue	x 100
Dividend per share, €	Dividend 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	

Consolidated comprehensive income statement

MEUR	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Revenue	1, 3	295.4	300.2
Other operating income	4	3.2	9.2
Change in inventories of finished and unfinished products		0.1	
Materials and services	5	77.6	79.6
Expenses arising from employee benefits	7	120.8	119.4
Depreciation, amortisation and impairment charges	13, 14	15.7	18.3
Other operating expenses	8, 9	64.0	65.1
Operating profit	1	20.7	27.0
Finance income	10	0.4	1.9
Finance expenses	10	3.1	2.4
Share of profit of associated companies	16	1.7	-4.1
Profit before tax		19.7	22.4
Income tax	11	-4.0	-6.4
Profit for the period		15.7	16.0
Other comprehensive income			
Items that are not later transferred to be recognised through profit or loss			
Items arising due to the redefinition of the net defined benefit liability (or asset item)		-0.3	0.0
Tax on items that are not later transferred to be recognised through profit or loss		0.0	0.0
Items that may later be transferred to be recognised through profit or loss			
Exchange differences on translation of foreign operations		0.2	-2.9
Share of other comprehensive income of associated companies		-0.4	-0.4
Other comprehensive income for the year, net of tax		-0.6	-3.2
Total comprehensive income for the year, net of tax		15.1	12.8
Profit for the period attributable to			
Owners of the parent company		14.2	15.0
Non-controlling interest		1.5	0.9
Total comprehensive income for the period attributable to			
Owners of the parent company		13.6	11.8
Non-controlling interest		1.5	0.9
Earnings per share calculated from the profit for the period attributable to the parent company shareholders (€)			
Earnings per share (basic)	12	0.19	0.20
Earnings per share (diluted)	12	0.19	0.20

Consolidated balance sheet

MEUR	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Goodwill	13	69.7	69.5
Other intangible assets	13	38.2	41.3
Property, plant and equipment	14	76.2	86.3
Investments in associated companies	16	25.7	25.5
Other non-current financial assets	17	3.9	3.8
Deferred tax assets	23	1.3	1.5
		215.0	227.9
Current assets			
Inventories	18	1.3	1.4
Tax receivables		1.2	0.0
Trade and other receivables	19	26.4	27.0
Other current financial assets	17	0.2	2.0
Cash and cash equivalents	20	12.0	12.3
		41.2	42.7
Assets total		256.1	270.7

MEUR		31 Dec 2014	31 Dec 2013
EQUITY AND LIABILITIES			
Share capital		45.3	45.3
Share premium reserve		7.7	7.7
Foreign currency translation reserve		-2.5	-2.7
Retained earnings		38.0	35.6
Equity attributable to owners of the parent	21	88.5	86.0
Non-controlling interest		15.2	2.3
Total equity		103.7	88.3
Non-current liabilities			
Deferred tax liabilities	23	6.9	7.0
Pension liabilities	24	2.7	2.6
Provisions	25		
Non-current financial liabilities	26	71.2	70.1
		80.9	79.7
Current liabilities			
Advances received		12.9	13.7
Income tax liability		0.0	1.5
Provisions	25	0.4	4.2
Current financial liabilities	26	12.8	40.8
Trade and other payables	28	45.5	42.4
		71.6	102.6
Liabilities, total		152.5	182.3
Equity and liabilities, total		256.1	270.7

Consolidated cash flow statement

MEUR	Note	31 Dec 2014	31 Dec 2013
Operating activities			
Profit for the period		15.7	16.0
Adjustments		15.8	25.4
Change in working capital		2.7	-11.8
Dividend received		1.2	1.3
Interest received		0.2	0.1
Interest paid		-2.5	-1.8
Taxes paid		-6.6	-4.7
Net cash flow from operating activities		26.5	24.4
Investing activities			
Acquisitions of tangible and intangible assets		-3.5	-6.2
Proceeds from sale of tangible and intangible assets		1.0	0.0
Other investments		-0.1	-0.0
Proceeds from sale of other investments			0.1
Acquisitions of subsidiaries less cash and cash equivalents at the time of sale	2	-0.2	-2.6
Proceeds from sale of subsidiaries less cash and cash equivalents at the time of sale		12.0	10.5
Acquisition and sale of associated companies	16	-0.7	0.4
Net cash flows from/(used in) investing activities		8.4	2.3
Cash flow before financing activities		34.9	26.7
Financing activities			
Current loans taken		6.5	0.0
Current loans taken		152.5	143.5
Repayment of current loans		-180.4	-160.5
Payments of finance lease liabilities		-5.5	-5.5
Change in interest-bearing receivables	19	0.0	
Dividends paid and capital repayment	21	-8.3	-8.7
Net cash flows from/(used in) financing activities		-35.2	-31.2
Change in cash and cash equivalent funds increase (+) decrease (-)		-0.3	-4.5
Cash and cash equivalents at beginning of period	20	12.3	17.1
Effect of change in foreign exchange rates		0.0	-0.3
Cash and cash equivalents at end of period	20	12.0	12.3

Further details for statement of cash flow

MEUR		1 Jan–31 Dec 2014	1 Jan–31 Jan 2013
Operating activities			
Adjustments:			
Depreciation, amortisation and impairment charges	13, 14	15.7	18.3
Share of results in associated companies	16	-1.7	4.1
Capital gains (losses) on the sale of fixed assets and other investments		-0.9	-8.5
Finance income and expenses	10	2.7	0.5
Taxes	11	4.0	6.4
Change in provisions	25	-3.8	3.7
Other adjustments		-0.2	0.9
Adjustments, total		15.8	25.4
Change in working capital:			
Change in trade receivable		0.9	2.1
Change in inventories		0.1	-0.7
Change in trade payable		1.7	-13.2
Change in working capital, total		2.7	-11.8
Investing activities			
Investments financed through finance leases		2.2	55.3
Gross capital expenditure, payment-based *)		3.6	6.2
Sold and purchased business operations, non-payment-based		8.6	1.4
Investments, total		14.4	62.8

Consolidated statement of changes in equity

Attributable to equity holders of the parent

MEUR	Note	Share capital	Share premium reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to the owners of parent	Minority interest	Total equity
Total equity on 1 Jan 2013	23	45.3	7.7	0.2	28.0	81.3	2.7	84.0
Profit for the period					15.0	15.0	0.9	16.0
Other comprehensive income *)				-2.9	-0.3	-3.2		-3.2
Business transactions with the owners								
Dividends paid by parent					-7.5	-7.5		-7.5
Dividends paid by subsidiaries							-1.2	-1.2
Share-based payment transactions					0.5	0.5		0.5
Exercised options								
Change in ownership in subsidiaries							-0.1	-0.1
Total equity on 31 Dec 2013	23	45.3	7.7	-2.7	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								
Capital repayment 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
Exercised options								
Change in ownership in subsidiaries					-3.7	-3.7	12.1	8.3
Total equity on 31 Dec 2014	23	45.3	7.7	-2.5	38.0	88.5	15.2	103.7

Accounting principles

General

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

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

The Board of Directors approved the financial statements for disclosure on 12 February 2015. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS. The IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2014 have been applied. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in EU regulation (EU) no 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

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

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

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

Impact of standards adopted during 2014

The Group has adopted the following new standards and interpretations from 1 January 2014 onwards:

Amendments to IFRS standards:

IFRS 10 Consolidated Financial Statements (effective for financial periods beginning on or after 1 January 2014).

> The standard establishes, in keeping with existing principles, control as the key factor determining whether an entity should be consolidated in the consolidated financial statements. The standard also provides additional guidance for determining control in situations where it is difficult to determine. The standard had no material effect on the consolidated financial statements.

IFRS 11 Joint Arrangements (effective for financial periods beginning on or after 1 January 2014).

The standard stresses the subsequent rights and responsibilities rather than the legal form in accounting for joint arrangements. There are two types of joint arrangements: joint operations and joint ventures. In addition, the standard requires that a single method, i.e. the equity method, be applied to the reporting in relation to interests in joint ventures, and the previously used proportional consolidation is no longer allowed. The standard had no material effect on the consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities (effective for financial periods beginning on or after 1 January 2014).

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

Investment entities – amendments to IFRS 10, IFRS 12 and IAS 28 (effective for financial periods beginning on or after 1 January 2014).

If the entity is determined to be an investment entity under the standard and measures all its subsidiaries at fair value, it will no longer have to issue consolidated financial statements. The standard had no effect on the consolidated financial statements.

IAS 28 (revised in 2011) Investments in Associates and Joint Ventures (effective for financial periods beginning on or after 1 January 2014)

The revised standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

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

The amendment specifies the rules regarding the presentation of offsetting of financial assets and liabilities and provides additional guidance for application. The amendment of the standard had no material effect on the consolidated financial statements.

IAS 36 Impairment of Assets. Amendment regarding Recoverable amount disclosures for non-financial assets (effective for financial periods beginning on or after 1 January 2014).

The amendment clarifsies the disclosure requirements regarding cash-flow generating units which have been subject to recognised impairment of assets. The amendment of the standard had no material effect on the consolidated financial statements.

IAS 39 Financial Instruments: Recognition and Measurement. Amendment regarding Novation of Derivatives and Continuation of Hedge Accounting (effective for financial periods beginning on or after 1 January 2014).

The amendment affects the application conditions of hedge accounting in circumstances in which the hedging instrument is novated to a central counterparty (CCP). Following the amendment to the standard, hedge accounting can be extended to the relevant novation circumstances if certain conditions are met. The amendment of the standard had no material effect on the consolidated financial statements.

IFRIC 21 Levies (effective for financial periods beginning on or after 17 June 2014).

The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretation had no effect on the consolidated financial statements.

Comparability of consolidated financial statements

The years 2014 and 2013 are comparable. The company has no discontinued operations to report in the financial periods 2014 and 2013.

Restatement of information due to an error concerning previous periods

An error concerning previous periods was identified in preparing the financial statements for 2014. The Group has subsidiaries whose acquisition is based on items measured in foreign currency. The most significant asset items measured in foreign currency and related to acquisitions concern the Group's business operations in the Czech Republic. The Czech koruna was devalued in the fourth quarter of 2013, resulting in a significant change in exchange rates for assets linked to business acquisitions. The change in the exchange rate was not taken into account in the consolidated financial statements for 2013. The Group has recorded an adjustment on goodwill and tangible assets under translation difference in shareholders' equity. The change had a negative effect of MEUR 2.0 on equity. The adjustment had no effect on the Group's profit or the parent company's distributable funds. The adjustment was reported in the Q3 2014 interim report.

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.

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. The Group has no joint arrangements. Associated companies are consolidated using the equity method. Investments in associated companies include any goodwill arising from their acquisition. If the Group's share of the associated company's losses exceeds the book value of the investment, this investment is entered at zero value in the balance sheet and any losses in excess of this value are not recognised unless the Group has obligations with respect to the associated companies. The Group's share of the results of its associated companies is shown as a separate item after operating profit. The Group's share of its associated companies' other changes in comprehensive income is recognised in the consolidated comprehensive income statement under other comprehensive income.

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 2014 or 2013.

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

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

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

Leasing agreements

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

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

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

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

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

Deferred tax assets and liabilities are recognised on all temporary differences between their book and actual tax values. Deferred 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

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. The segment structure was revised from the beginning of 2014.

Changes in segment reporting:

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

As the structure and composition of the reportable segments have changed, Alma Media has, in accordance with the IFRS 8 Operating Segments standard, adjusted the corresponding items in segment information for the 2013 comparison period.

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

IFRS 14 Regulatory Deferral Accounts (effective for financial periods beginning on or after 1 January 2016)

The new standard contains specific guidance on accounting for the effects of rate regulation for first-time adopters of IFRS.The standard 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 2017)

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

Alma Media Group's reporting structure was changed at the beginning of 2014. 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. One change was implemented in segment reporting during the financial period. The Objectvision.se service, which was previously reported under Digital Consumer Services, was transferred to the Financial Media and Business Services segment as of 1 January 2013. The changes in segment structures have been dealt with retroactively in the financial statement reporting by Alma Media Group.

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

REPORTABLE SEGMENT:	OPERATING SEGMENT:
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

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

- The Digital Consumer Services segment reports on the online classified services of the Marketplaces operating segment, which includes Etuovi.com, Vuokraovi.com, Monster.fi, Autotalli.com, MyyJaOsta.com in Finland, as well as Jobs.cz, Prace.cz, topjobs.sk, CV Online, Profesia.sk and MojPosao.net abroad. In November 2014, Alma Media sold City24, which was previously reported in this segment. 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 title is Finland's leading business media Kauppalehti. The group also includes customer and media communications solutions providers Alma 360 group and Objektvision.se, which operates in Sweden. In February 2014, Alma Media sold BNS, a news agency and media monitoring unit that operates in all of the Baltic countries.

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 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 and Sweden. The National Consumer Media and Regional Media segments operate mainly in Finland.

The revenue of the geographical areas is presented according to the location of customers and their assets are presented according to the location of the assets. The following table shows a geographical breakdown of the Group's revenue and assets in 2014 and 2013:

Revenue

MEUR	2014	Share of total, %	2013	Share of total, %
Finland	254.4	86.1	259.2	86.3
Other EU countries	40.1	13.6	39.7	13.2
Other countries	0.9	0.3	1.3	0.4
Total	295.4	100.0	300.2	100.0

Assets

EUR 1,000	2014	Share of total, %	2013	Share of total, %
Finland	227.8	88.9	240.3	88.8
Other EU countries	28.3	11.1	30.4	11.2
Other countries				
Total	256.1	100.0	270.7	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 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
Financial year 2013							
Revenue							
External revenue	52.0	56.3	48.0	139.9	296.2	4.0	300.2
Inter-segment revenue	0.6	0.6	0.9	7.2	9.3	-9.3	
Total	52.6	56.8	49.0	147.1	305.5	-5.3	300.2

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 2014							
EBITDA	16.5	7.3	3.2	14.7	41.7	-5.3	36.4
Depreciation, amortisation and impairment losses	5.8	0.9	0.1	6.4	13.1	2.6	15.7
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
Other expenses not requiring payment transaction, other than depreciation	0.1	-0.1	-0.2	4.0	3.8	-0.4	3.4
Impairments	0.2	0.5		1.3	2.0		2.0
Financial year 2013							
EBITDA	23.0	8.5	4.8	14.5	50.9	-5.6	45.3
Depreciation, amortisation and impairment losses	5.3	0.7	0.1	10.3	16.3	1.9	18.3
Operating profit/loss	17.7	7.8	4.7	4.3	34.5	-7.5	27.0
Share of results in associated companies	0.1	-3.1		-1.4	-4.5	0.3	-4.1
Net finance expenses	0.5	-1.0	0.0	-1.2	-1.7	1.2	-0.5
Income before tax	18.2	3.8	4.7	1.7	28.4	-6.0	22.4
Income tax						-6.4	-6.4
Profit for the period	18.2	3.8	4.7	1.7	28.4	-12.4	16.0
Other expenses not requiring payment transaction, other than depreciation	1.5	0.0	0.0	-3.7	-2.2	1.6	-0.5
Impairments	0.3			4.7	4.9		4.9

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 2014							
Assets	89.7	17.1	3.6	67.8	178.2	52.3	230.5
Investments in associated companies	-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
Investments	10.5	1.2	0.3	1.1	13.0	1.4	14.4
Financial year 2013							
Assets *)	88.7	18.8	5.1	79.4	192.1	53.2	245.2
Investments in associated companies	-0.2	17.9		0.1	17.8	7.7	25.5
Assets total	88.5	36.7	5.1	79.5	209.8	60.9	270.7
Liabilities, total	15.1	9.9	5.2	77.0	107.1	75.2	182.3
Investments	2.0	0.8	0.2	52.0	55.0	7.9	62.8

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

Liabilities not allocated to segments are financial and tax liabilities.

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

2. BUSINESS COMBINATIONS

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	01/03/2014	85%
Monster PL	Online service	01/03/2014	85%
Monster CZ	Online service	01/03/2014	85%
Alma Career Oy (formerly Monster Oy)	Online service	01/03/2014	10%
Alkali Oy	Online service	06/02/2014	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	
Acquisition cost 100%	1.5
Acquisition cost for 65% share	1.2
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.

Consideration total

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

3. REVENUE

MEUR	2014	2013
Distribution of revenue between goods and services		
Sales of content	110.1	115.3
Sales of advertising	146.4	147.3
Sales of services	38.8	37.6
Revenue, total	295.4	300.2

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

4. OTHER OPERATING INCOME

MEUR	2014	2013
Gains on sale of non-current assets	2.8	8.5
Other income items	0.4	0.7
Other operating income, total	3.2	9.2

5. MATERIALS AND SERVICES

MEUR	2014	2013
Purchases during period	13.8	13.0
Change in inventories	-0.1	0.2
Use of materials and supplies	13.7	13.2
External services	63.9	66.4
Total	77.6	79.6

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2014 totalled MEUR 5.5 (MEUR 5.3 in 2013). Of this total, MEUR 4.0 (MEUR 4.2) was recognised in the income statement and MEUR 1.5 (MEUR 1.1 in 2013) was capitalised to the balance sheet in 2014. There were capitalised research and developments costs to a total of MEUR 1.3 on the balance sheet on 31 December 2014.

7. EMPLOYEE BENEFITS EXPENSE

MEUR	2014	2013
Salaries and fees	96.7	95.6
Pension costs – defined contribution plans	15.5	16.4
Pension costs – defined benefit plans	0.2	0.0
Share-based payment transaction expense	0.1	0.5
Other employee expenses	8.3	6.9
Total	120.8	119.4
Average total workforce, calculated as full-time employees, excl. distribution staff		
Digital Consumer Services	490.5	468.7
Financial Media and Business Services	258.9	402.3
National Consumer Media	160.0	159.5
Regional Media	757.5	786.1
Group functions	161.3	152.5
Total	1828.3	1969.0
Additionally, the Group's own distribution staff (number of employees)	985	998

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	2014	2013
Salaries and other short-term employee benefits	0.5	0.5
Post-employment benefits	0.2	0.2
Approved stock options to be settled in shares	0.0	0.1
Total	0.7	0.8

The figures in the table are presented on an accrual basis. In 2014, the salary and benefits paid to the President and CEO of the Group totalled EUR 497,783 (in 2013 EUR 576,230).

Pension benefits of the President and CEO:

In addition to statutory employment pension security, the President and CEO has a defined contribution group pension benefit. His pension accumulates by 20% of the annual earnings. He has the right to retire upon reaching 60 years of age, at which time the payment of insurance premiums terminates. The pension is determined on the basis of the insurance savings 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	2014	2013
Salaries and other short-term employee benefits	1.4	1.4
Benefits paid in connection with dismissal		
Post-employment benefits	0.5	0.5
Approved stock options to be settled in shares	0.0	0.2
Total	1.9	2.1

The figures in the table are presented on an accrual basis. In 2014 the salary and benefits paid to the other members of the Group Executive Team totalled EUR 1,388,543 (in 2013 EUR 1,442,262).

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

MEUR	2014	2013
Harri Suutari, Chairman	0.0	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	
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	0.0
Kai Seikku, member (until 20 March 2014)	0.0	0.0
Seppo Paatelainen, Chairman (until 14 March 2013)		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	2014	2013
Salaries and other short-term employee benefits	2.1	2.2
Post-employment benefits	0.7	0.7
Approved stock options to be settled in shares	0.1	0.3
Total	2.9	3.2

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 12,382,222 shares in the company on 31 December 2014, representing 16.4% 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 2009B plan and 325,000 options under the 2009C plan on 31 December 2014. These option rights entitle their holders to subscribe to a maximum of 650,000 new shares in the company.

The option rights and shares owned by the company's Board of Directors, the President and CEO of the parent company and the Group Executive Team represent 17.1% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights on 31 December 2014 are as follows *

	Shares	Options	Options
pcs		2009B	2009C
Harri Suutari, Chairman	56,140		
Petri Niemisvirta, Deputy Chairman	10,463		
Niklas Herlin, member	12,105,961		
Esa Lager, member	4,421		
Perttu Rinta, member	5,961		
Erkki Solja, member	50,417		
Catharina Stackelberg-Hammarén, member	11,155		
Kai Telanne, President and CEO	89,753	100,000	100,000
Kari Juutilainen, Group Executive Team		30,000	30,000
Virpi Juvonen, Group Executive Team			
Kari Kivelä, Group Executive Team	1,410	45,000	45,000
Mikko Korttila, Group Executive Team	1,997	30,000	30,000
Juha-Petri Loimovuori, Group Executive Team	3,755	45,000	45,000
Raimo Mäkilä, Group Executive Team	30,000	45,000	45,000
Minna Nissinen, Group Executive Team	10,789	30,000	30,000
Juha Nuutinen, Group Executive Team			
Total	12,382,222	325,000	325,000

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

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

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

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

8. OTHER OPERATING EXPENSES

Specification of other operating expenses by category.

MEUR	2014	2013
Information technology and telecommunication	18.2	17.1
Business premises	12.3	12.3
Sales and marketing	14.4	13.9
Administration and experts	6.3	6.8
Other employee costs	11.0	11.3
Other costs	1.9	3.8
Total	64.0	65.1

9. AUDIT EXPENSES

MEUR	2014	2013
PricewaterhouseCoopers Oy		
Audit	0.1	
Reporting and opinions		
Tax consultation		
Other	0.0	
Total	0.1	
Ernst & Young Oy		
Audit		0.2
Reporting and opinions		0.0
Tax consultation		0.1
Other		0.1
Total		0.3

10. FINANCE INCOME AND EXPENSES

Finance income presented by categories as required by IAS 39

MEUR	2014	2013
Interest income on held to maturity investments	0.2	0.1
Foreign exchange gains (loans and receivables)		0.1
Fair value gain on items recognised at fair value through profit or loss		
Change in the fair value of contingent consideration liabilities	0.0	0.1
Change in the fair value of contingent considerations	0.1	1.1
Change in the fair value of interest rate derivatives		0.2
Dividend income from available-for-sale financial assets	0.1	0.4
Total	0.4	1.9

Finance expenses presented by categories as required by IAS 39

MEUR	2014	2013
Interest expenses from interest-bearing debts measured at amortised cost	0.5	0.9
Interest expenses from finance leases measured at amortised cost	1.9	1.1
Foreign exchange losses (loans and receivables)	0.0	
Value changes in items recognised at fair value through profit or loss		
Change in the fair value of interest rate and foreign currency derivatives	0.5	
Other finance expenses	0.2	0.3
Total	3.1	2.4

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 did not have contingent liabilities or assets arising from acquisitions on its balance sheet on 31 December 2014.

11. INCOME TAX

MEUR	2014	2013
Current income tax charge	4.0	7.9
Adjustments in respect of current income tax of previous years	0.0	-0.3
Deferred taxes	0.0	-1.2
Total	4.0	6.4

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

The Finnish corporate tax rate in 2014 was 20% and in 2013 24.5%. In the calculation of deferred taxes, 20% has been used as the Finnish corporate tax rate in 2015.

MEUR	2014	2013
Profit before tax	19.7	22.4
Share of results in associated companies	-1.7	4.1
Total	17.9	26.5
Tax calculated on the parent company's tax rate	3.6	6.5
Impact of varying tax rates of foreign subsidiaries	0.2	-0.3
Tax-free income	-0.6	-0.6
Non-tax-deductible expenses	0.6	0.8
Items from previous periods	0.0	-0.3
Use of previously non-entered deferred tax assets	0.0	-0.1
Unrecognised deferred tax asset from the confirmed tax losses	0.2	0.1
Recognition of previously unrecognised deferred tax assets on the balance sheet		0.4
Other items, including adjustments due to the change in tax rate	0.0	-0.1
Tax recognised in the income statement	4.0	6.4

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	2014	2013
Profit attributable to ordinary shareholders of parent	14.2	15.0
Number of shares (x 1,000)		
Weighted average number of shares for basic earnings per share	75,487	75,487
Impact of dilution, stock options		
Diluted weighted average number of outstanding shares	75,487	75,487
Earnings per share (basic)	0.19	0.20
Earnings per share (diluted)	0.19	0.20

13. INTANGIBLE ASSETS AND GOODWILL

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
Acquisitions of business operations	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, amortisation and impairments 1 Jan	27.6	2.1		2.8	32.6
Accumulated depreciation in decreases and transfers	-0.2			-1.1	-1.3
Depreciation for the financial year	5.9	0.5		0.0	6.4
Impairments	0.1			1.9	2.0
Exchange differences					
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

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2013					
Acquisition cost 1 Jan	62.5	2.7	4.2	75.4	144.8
Increases	3.2	0.1	2.2	0.0	5.6
Business combinations	0.5			0.9	1.4
Decreases	-0.3	0.0	-1.9	-2.3	-4.5
Exchange differences *)	-2.2			-1.6	-3.8
Transfers between items	1.4	0.3	-1.7		0.0
Acquisition cost 31 Dec *)	65.2	3.1	2.8	72.4	143.4
Accumulated depreciation, amortisation and impairments 1 Jan	22.2	1.7	1.6	1.1	26.5
Accumulated depreciation in decreases	-0.2	0.0	-1.6		-1.8
Depreciation for the financial year	5.7	0.5			6.2
Impairments	0.1	0.0		1.8	1.9
Exchange differences	-0.3				-0.3
Accumulated depreciation, amortisation and impairments 31 Dec	27.6	2.1		2.8	32.6
Book value 1 Jan	40.3	1.0	2.6	74.3	118.2
Book value 31 Dec *)	37.6	0.9	2.8	69.5	110.9

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

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 16,475 thousand 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	2014	2013
Marketplaces		
Housing, cars	0.1	0.1
Recruitment	14.2	14.6
Diverso	1.1	1.1
Digital Consumer Services, total	15.3	15.8
Objektvision	0.3	0.3
Alma 360	0.1	0.1
Financial Media and Business Services, total	0.4	0.4
National Consumer Media		
Regional Media	0.7	0.7
Total	16.5	17.0

Allocation of goodwill to cash-generating units

MEUR	2014	2013
A significant amount of goodwill has been allocated to the following cash-generating units		
Marketplaces	42.8	39.2
Housing, cars	1.8	1.2
Recruitment *)	41.0	38.0
Diverso	7.4	7.5
Digital Consumer Services, total *)	50.2	46.6
Kauppalehti	3.3	3.3
Baltic News Service		1.1
Objektvision	3.5	3.5
Alma 360	2.6	3.1
Financial Media and Business Services, total	9.5	11.0
Aamulehti	0.0	0.0
Pohjois-Suomen Media	2.4	4.3
Satakunnan Kansa	4.0	4.0
Paikallissanomat	3.5	3.5
Regional Media, total	9.9	11.8
Non-allocated goodwill	0.1	0.1
Total *)	69.7	69.5

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

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 2010–2014, 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 33% 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	Finland	2.90	3.90	10.40	Online
Recruitment	Finland	7.40	4.90	10.20	Online
	Baltic countries	6.40	6.80	14.40	
	Czech Republic	3.80	3.90	12.60	
	Slovakia	2.90	2.50	12.90	
	Croatia	3.70	3.80	17.50	
Alma Diverso	Finland	21.60	7.40	10.30	Online
Financial Media and Business Services					
Kauppalehti	Finland	3.80	2.40	9.30	Publishing, Online
Objektvision	Sweden	3.30	4.40	10.70	Online
Alma 360	Finland	1.90	1.00	8.40	Publishing
National Consumer Media	Finland	1.60	0.40	9.40	Publishing, Online
Regional Media					
Aamulehti	Finland	0.60	0.01	8.40	Publishing
Pohjois-Suomen Media	Finland	1.40	-0.60	8.10	Publishing
Satakunnan Kansa	Finland	1.50	0.90	8.30	Publishing
Local and town papers	Finland	1.30	2.40	8.50	Publishing

Impairment losses and their allocation

During the past financial year, the Group recognised MEUR 1.9 in impairment losses on goodwill. The impairment loss is recognised for the goodwill of Pohjois-Suomen Media 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. Pohjois-Suomen Media is reported under the Regional Media segment. After the recognition of the impairment loss, asset items of MEUR 3.2 are allocated to Pohjois-Suomen Media. 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 business. The key cause of the impairment loss is the poor outlook for northern regional newspapers and the customer magazine business.

In addition, the Group has recognised an impairment loss of MEUR 0.1 on a trademark related to the Suomenyritykset.fi service. The basis for the impairment loss is the discontinuation of the use of the trademark.

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

In the 2013 financial year, the Group recognised MEUR 1.6 in impairment losses on goodwill. The impairment loss was recognised on the goodwill of Pohjois-Suomen Media. Pohjois-Suomen Media is part of the Regional Media business unit, which is reported in the Newspapers segment. After the recognition of the impairment loss, asset items of MEUR 5.4 are allocated to Pohjois-Suomen Media. The key cause of the impairment loss was the poor outlook for northern regional newspapers. In addition, the Group recognised an impairment loss of MEUR 0.09 related to the long-term assets of the MyyJaOsta.com service. The basis for the impairment loss was a deteriorated outlook.

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 53% 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 24% and 43%. On the basis of the sensitivity analysis, the Czech, Slovak and Croatian operations of the Recruitment business are more sensitive to impairment losses caused by potential changes in assumptions. The book value of the assets of the entire Recruitment business area at the time of reporting is MEUR 68.9. 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 11% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use was 40–51% 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 with respect to business operations other than Alma 360.

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 46% 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 14% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use varied between 47% and 53%. Excluding the goodwill allocated to Pohjois-Suomen Media, a change in the key variables would not lead to a recognition of impairment loss on asset items according to the sensitivity analysis. At the time of reporting, the book value of the assets of Pohjois-Suomen Media is MEUR 5.4.

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

						Permanent decrease in content sales
MEUR	1%	2%	3%			
Regional Media						
Pohjois-Suomen Media	1.8	3.2	3.2			
		Permanent decrease in advertising sales		Increase in WACC		
MEUR	2%	4%	6%	1%	2%	3%
Digital Consumer Services						
Recruitment Slovakia						0.5
Recruitment Croatia		0.0	0.3			
Recruitment Czech Republic	0.2	0.4	0.7	0.3	0.6	0.9
Diverso	0.4	0.6	1.1	0.2	0.9	1.6
Financial Media and Business Services						
Alma 360	0.2	0.4	0.6	0.3	0.6	0.8
Regional Media						
Local papers			0.2			
Pohjois-Suomen Media	2.8	3.2	3.2	0.5	0.9	1.2

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 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, amortisation and impairments 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
Impairments						
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
Balance sheet value of machinery and equipment 31 Dec			45.8			

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

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

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

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

15. SUBSIDIARY COMPANIES

The Group's parent and subsidiary relationships are as follows:		Holding, %		Share of votes, %	
Company	Country	2014	2013	2014	2013
Parent company Alma Media Corporation	Finland				
Alkali Oy	Finland	65.00	24.00	65.00	24.00
Alma 360 Oy	Finland	100.00	100.00	100.00	100.00
Alma Career Oy	Finland	85.00	75.00	85.00	75.00
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
CV-Online Estonia OÜ	Estonia	85.00	100.00	85.00	100.00
CV Online Holding OÜ	Estonia	85.00	100.00	85.00	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	85.00	100.00	85.00	100.00
Monster Worldwide CZ s.r.o.	Czech Republic	85.00		85.00	
Monster Magyarorszag Kft	Hungary	85.00		85.00	
Monster Worldwide Polska SP. Zo.o.	Poland	85.00		85.00	
Objektvision AB	Sweden	100.00	100.00	100.00	100.00
Profesia s.r.o	Slovakia	85.00	100.00	85.00	100.00
Profesia s.r.o	Czech Republic	85.00	100.00	85.00	100.00
SIA CV-Online Latvia	Latvia	85.00	100.00	85.00	100.00
TAU On-line d.o.o	Croatia	85.00	100.00	85.00	100.00
UAB CV-Online LT	Lithuania	85.00	100.00	85.00	100.00

In February 2014, the Group sold BNS, a news agency and media monitoring unit that operates in all of the Baltic countries, and in November 2014, the Group sold the City24 business. In addition, the Group sold a 15% share in the following companies in conjunction with establishing the Alma Career sub-group. CV Online Estonia OÜ, CV Online Holding OÜ, LMC s.r.o, Profesia s.r.o, SIA CV-Online Latvia, TAU On-line d.o.o, UAB CV-Online LT.

Several mergers between Group companies were carried out during the financial year, significantly reducing the number of subsidiaries in Finland.

Subsidiaries sold during the period:		2014	2013
AS Kinnisvaraportaal	Estonia		100.00
Balti Uudistetalituse AS	Estonia		100.00
BNS Eesti OÜ	Estonia		100.00
BNS Latvija SIA	Latvia		100.00
BNS UAB	Lithuania		100.00
ETA Uudistetalituse OÜ	Estonia		100.00
Mediaskopas UAB	Lithuania		100.00
Mediju Monitorings SIA	Latvia		100.00
SIA City24	Latvia		100.00
UAB City24	Lithuania		100.00
Subsidiaries merged with other Group companies during the period:			
Alma Media Interactive Russia Oy	Finland	100.00	100.00
Alma Media Ventures Oy	Finland	100.00	100.00
E-kontakti Oy	Finland	100.00	100.00
Etuovi Oy	Finland	100.00	100.00
Julkaisupalvelu Lounais-Lappi Oy	Finland	100.00	100.00
Suomen Business Viestintä SBV Oy	Finland	100.00	100.00
Suomen Hankintakeskus Oy	Finland	100.00	100.00
Suunnittelutoimisto TTNK Helsinki Oy	Finland	100.00	100.00

Itemisation of significant non-controlling interests in the Group:

		Holding, % *)	
Subsidiary	Country	2014	2013
Alma Career Oy sub-group		15.00	25/0 **)
Alma Mediapartners Oy sub-group		35.00	35.00
Kotikokki.net Oy		35.00	35.00

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

**) In 2013, the share of non-controlling interest was 25% in Alma Career Oy, the parent company of the Alma Career sub-group, and 0% in other subsidiaries.

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

	Alma Career sub-group		Alma Mediapartners sub-group		Kotikokki.net Oy	
MEUR	2014	2013	2014	2013	2014	2013
Current assets	22.9	2.4	3.2	3.6	0.2	0.4
Non-current assets	58.6		3.0	2.1		
Current liabilities	13.4	1.0	1.6	1.6	0.0	0.0
Non-current liabilities	0.2	0.0	0.1	0.0		
Revenue	37.7	5.2	13.5	12.6	0.6	0.8
Expenses	32.0	3.6	11.1	10.6	0.5	0.4
Operating profit	5.8	1.6	2.4	2.1	0.1	0.4
Share of profit allocated to parent company owners	2.9	0.9	1.2	1.0	0.1	0.2
Share of profit allocated to non-controlling interest	0.5	0.3	0.7	0.5	0.0	0.1
Dividends paid to non-controlling interest	0.2	0.5	0.5	0.6	0.1	0.1
Net cash flow from operating activities	15.1	0.5	3.2	1.8	0.1	0.3
Net cash flows from/(used in) investing activities	3.1		-1.5	-0.6		
Financing activities	-12.5	-0.5	-1.7	-1.2	-0.1	-0.3

16. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

MEUR	2014	2013
Holdings in associated companies		
At beginning of period	25.5	31.3
Increases	0.6	0.0
Decreases	-0.7	
Share of results	1.7	0.8
Share of items recognised directly in associated company's equity	-0.4	-0.4
Capital repayments received		-0.4
Dividends received	-1.0	-0.9
Write-downs	0.0	-5.0
At end of period	25.7	25.5

Further information on associated companies

Talentum Oyj, included in the book value of associated companies on 31 December 2014, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements on 31 December 2014 was MEUR 19.5 and the market capitalisation of the holding was MEUR 14.2. The investment is considered long-term and strategic for Alma Media.

Goodwill arising from associated companies on the balance sheet on 31 December 2014 totalled MEUR 15.8 (MEUR 15.3).

Summary (100%) of associated company totals

MEUR	Digital Consumer Services	Financial Media and Business Services, total	Talentum Oyj *)	National Consumer Media	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						
Owed to associated companies	0.0	0.0	0.0			0.0
Dividends received from associated company during the period	0.1	0.7	0.6		0.0	0.3

MEUR	Digital Consumer Services	Financial Media and Business Services, total	Talentum Oyj *)	National Consumer Media	Regional Media	Other associated companies
2013						
Current assets	4.3	14.7	13.8		0.6	7.6
Non-current assets	3.4	36.7	35.9		0.0	8.4
Current liabilities	2.1	27.9	27.3		0.3	8.9
Non-current liabilities	7.6	3.9	3.6			0.1
Revenue	7.6	77.4	75.6		2.8	35.3
Profit/loss for the period	1.1	1.5	1.4		0.0	1.2
Other comprehensive income		-0.9	-0.9			

Reconciliation between the associated company's financial information and the balance sheet value recognised by the Group:

Associated company's net assets	3.7	19.5	18.6		0.3	6.4
Group holding %			32.6			
Group's share of net assets	1.1	6.2	6.1		0.1	1.7
Goodwill	1.5	13.7	13.4			
Other adjustments	0.9	0.1			0.0	
Associated companies' balance sheet value on the consolidated balance sheet	3.6	20.2	19.5		0.1	1.7
Receivables from associated companies		0.0	0.0			0.0
Liabilities to associated companies	0.0	0.0	0.0		0.0	0.0
Dividends and capital repayments received from associated company during the period	0.0	0.5	0.4		0.0	0.9

Associated companies	Segment	Holding, %	Share of votes, %
Arena Interactive Oy	Digital Consumer Services	35.00	35.00
Development studio d.o.o.	Digital Consumer Services	30.00	30.00
Infostud 3 d.o.o.	Digital Consumer Services	25.00	25.00
Holding Oy Visio	Regional Media	24.74	24.74
JM-Tieto Oy	Financial Media and Business Services	20.00	20.00
Kytöpirtti Oy	Non-allocated	43.20	43.20
Oppex Oy	Financial Media and Business Services	20.00	20.00
Oy Suomen Tietotoimisto-Finska Notisbyrån Ab	Non-allocated	24.07	24.07
Rantapallo Oy	Digital Consumer Services	35.00	35.00
Talentum Oyj	Financial Media and Business Services	32.14	32.14
Tampereen Tietoverkko Oy	Non-allocated	35.14	35.14
Tampereen Ykkösjakelu Oy	Regional Media	40.00	40.00

Joint venture companies

The Group treats as joint venture companies its mutual property and housing companies. Jointly controlled entities are consolidated in the consolidated financial statements through proportionate consolidation under IAS 31.

MEUR	2014	2013
Group's share of balance sheets and results of joint venture companies		
Non-current assets	3.8	3.7

17. OTHER FINANCIAL ASSETS

MEUR	Balance sheet values 2014	Balance sheet values 2013
Non-current financial assets		
Available-for-sale financial assets		
Unquoted share investments	3.8	3.7
Financial assets recognised at fair value through profit or loss		
Contingent considerations		
Loan receivables	0.1	0.1
Total	3.9	3.8
Current financial assets		
Investments held to maturity	0.2	0.0
Assets recognised at fair value through profit or loss		
Foreign currency derivative	0.0	
Contingent considerations		2.0
Total	0.2	2.0
Financial assets, total	4.1	5.8

Contingent considerations are classified as derivatives. Following IAS 39, they are recognised as financial assets measured at fair value through profit or loss on the balance sheet. Changes in fair value are recognised in finance income and expenses in the income statement. The company had no open receivables arising from business combinations on 31 December 2014.

Available-for-sale investments are mainly unquoted shares.

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

MEUR	2014	2013
At the beginning of the period	3.7	3.7
Other increases	0.1	0.0
Decreases	0.0	0.0
Net profits/losses transferred to be recognised through profit or loss		
At the end of the period	3.8	3.7

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

MEUR	2014	2013
At beginning of period	2.0	0.9
Decreases	-2.0	-0.1
Net profits/losses transferred to be recognised through profit or loss	0.1	1.2
At end of period	0.0	2.0

Level 1		
Foreign currency derivative	0.0	
Level 3		
Assets recognised at fair value through profit or loss		2.0

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

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

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

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

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

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

18. INVENTORIES

MEUR	2014	2013
Materials and supplies	1.3	1.4
Finished goods	0.1	
Total	1.3	1.4

19. TRADE AND OTHER RECEIVABLES

MEUR	2014	2013
Trade receivables	23.3	23.5
Receivables from associated companies	0.0	
Total	23.3	23.5
Receivables from others		
Prepaid expenses and accrued income	2.1	2.9
Other receivables	1.0	0.6
Total	3.1	3.5
Receivables, total	26.4	27.0

MEUR	2014	2013
The ageing analysis of trade receivables is as follows:		
Receivables not yet due and receivables overdue by 1-4 days	21.0	20.0
Overdue by 5-30 days	1.6	1.5
Overdue by 31-120 days	0.4	0.3
Overdue by more than 120 days	0.4	1.7
Total	23.3	23.5

A provision for bad debts of approximately MEUR 0.6 is included in receivables in 2014. In the 2014 financial year, credit losses of MEUR 1.0 were recognised in the Group (in 2013 MEUR 0.3). The credit losses totalled 0.3% of revenue in 2014 (0.2% in 2013).

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	2014	2013
Cash and bank accounts	12.0	12.3
Investment certificates (1–3 months)	0.0	
Total	12.0	12.3

21. INFORMATION ON SHAREHOLDERS' EQUITY AND ITS ADMINISTRATION

The following describes information on Alma Media shares and changes in 2014.

	Total number of shares	Share capital, MEUR	Share premium fund, MEUR
1 January 2014	75,486,853	45.3	7.7
Exercised options		0.0	0.0
31 December 2014	75,486,853	45.3	7.7

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

Book-entry securities system

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

Own shares

The Group did not hold any of the company's own shares in 2014 or 2013.

Translation differences

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

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 179,932,379 on 31 December 2014.

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.

If all remaining subscription rights are exercised, the option programmes 2009 will dilute the holdings of the earlier shareholders by a maximum of 2%.

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 0.1 was recognised in 2014 (in 2013 MEUR 0.5). The expected volatility has been determined by calculating the historical volatility of the company´s share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights

Scheme 2009

					Share subscription period		Period determining subscription price
Options	Number	Annulled		Free	begins	ends	(trade-weighted average share price)
2009A	710000	115000			04/01/2012	03/31/2014	04/01/2009 – 04/30/2009
2009B	710000	175000	30000		04/01/2013	03/31/2015	04/01/2010 – 04/30/2010
2009C	710000	130000	45000		04/01/2014	03/31/2016	04/01/2011 – 04/30/2011

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

	A option plan	B option plan	
Principal terms and conditions of the option scheme:			
AGM date/Date of issuing	03/11/2009	03/11/2009	03/11/2009
Initial number, pcs	710,000	710,000	710,000
Grant date(s)	05/01/2010	06/09/2010	05/05/2011
		06/22/2010	07/21/2011
Number of granted options, pcs	640,000	610,000	640,000
The subscription ratio for underlying shares, pcs	1.00	1.00	1.00
Initial exercise price, €	5.21	7.33	7.95
Share price at time of grant, €	5.08	6.80	7.52
Expected volatility	30%	28%	31%
Expected period of validity of the option on grant date, years	2.92	2.81	2.91
Risk-free interest	3.00%	1.40%	3.00%
Dividend adjustment	Yes	Yes	Yes
Exercise price on 31 December 2014, €		6.03	7.35
Initial allocation date	05/01/2009	06/09/2010	05/05/2011
Vesting date	04/01/2012	04/01/2013	04/01/2014
Maturity date	03/31/2014	03/31/2015	03/31/2016
Maximum contractual life, years	4.9	4.8	4.9
Remaining contractual life, years	0.2	1.2	2.2
Number of persons at the end of the reporting year	17	16	18
Payment method	Share	Share	Share
Expiry	03/31/2014	03/31/2015	03/31/2016
Value of the option right determined on the grant date	€1.570/share	€1.617/share	€2.30/share
	MEUR 1.1	MEUR 1.0	MEUR 1.5

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

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

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

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

Changes during option period

Scheme 2009

Number of options	2014	2013	2014	2013	2014	2013
At beginning of period	509,750	509,750	505,000	505,000	535,000	535,000
Number of new options granted						
Number of options forfeited	-509,750					
Number of options exercised						
At end of period		509,750	505,000	505,000	535,000	535,000

The expense of the stock option scheme 2009 during the period was MEUR 0.1.

Performance Share Plan 2012

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

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

The reward from the plan will shall be paid to the key employees in a combination of shares and cash after the end of each performance period by the end of April in 2013, 2014 and 2015.

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

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

No reward shall be paid to a key employee if a Group company or a key employee gives notice of termination or cancels the key employee's employment or service contract before the reward payment. A key employee shall be obligated to return the shares given as reward and subject to the transfer restriction back to the company or its designate, gratuitously, without delay, if a Group company or key employee gives notice of termination or cancels the key employee's employment or service contract before the end of the restriction period in question. Shares earned for the performance period 2012–2014 shall not be subject to a restriction period.

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

In the first performance period 2012, the Performance Share Plan included approximately 20 people, and in the next performance period 2013 an estimated 24 people. In 2014, the plan included 28 people. The value of the plan for the performance period 2012 corresponded to the value of 120,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the performance of the Group´s return is in line with the performance criteria set by the Board of Directors. The criteria were not met for the performance period 2012. The value of the plan for the performance period 2013 corresponded to the value of 117,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the performance of the Group's return is in line with the performance criteria set by the Board of Directors. The criteria were not met for the performance period 2013. The value of the plan for the performance period 2014 corresponded to the value of 383,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the performance of the Group's return is in line with the performance criteria set by the Board of Directors. The criteria were not met for the performance period 2014. In addition, for the members of the Group Executive Team, the plan includes one three-year performance period, the calendar years 2012–2014, based on the profitable growth of the Group. The potential reward from the performance period 2012–2014 will be paid partly in the company's shares and partly in cash one year (performance period 2012–2014) and two years (performance period 2012–2014 II) from the end of the performance period. The value of the plan for the performance period 2012–2014 and 2012–2014 II corresponds to the value of 212,000 shares and a cash payment needed for taxes and tax-related costs arising from the reward to the key employees in case the performance of the Group's return is in line with the performance criteria set by the Board of Directors.

The fair value of the reward is expenses until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price reduced by the estimated dividends. The fair value is determined on the date at which the target group has agreed to the conditions of the plan. The fair value of the cash proportion is remeasured at each reporting date based on the share price on the reporting date.

Performance Share Plan – Principal terms and conditions

Instrument	Performance period 2012–2014_II	Performance period 2012–2014	
AGM date/Date of issuing	03/14/2012	03/14/ 2012	03/14/ 2012
Initial number, pcs	106,000	106,000	383,000
The subscription ratio for underlying shares, pcs			
Initial exercise price, €			
Dividend adjustment	No	No	No
Exercise price on 31 December 2012, €			
Initial allocation date	04/30/2012	04/30/ 2012	03/14/ 2012
Vesting date	12/31/2016	12/31/ 2015	12/31/ 2014
Maturity date	12/31/2016	12/31/ 2015	12/31/ 2014
Maximum contractual life, years	4.7	3.7	2.8
Remaining contractual life, years	2	1	2
Number of persons at the end of the reporting year	7	7	28
Payment method	Cash & share	Cash & share	Cash & share

Changes during share plan period			
1 January 2014			
Outstanding at the beginning of the reporting period, pcs	88,000	88,000	
Reserve at the beginning of the reporting period, pcs	18,000	18,000	
Changes during the period			
Granted			383,000
31 December 2014			
Exercised by the end of the period			
Outstanding at the end of the period	88,000	88,000	383,000
Reserve at the end of the period	18,000	18,000	

Fair value determination

With regard to the performance period 2014 of the Performance Share Plan 2012 and the long-term performance period, no expense is recognised in the 2014 financial statements, as, according to the management's view, it is unlikely that the plan will be realised in accordance with the agreed terms and conditions.

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

23. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 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

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

Changes in deferred taxes during 2013

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

24. PENSION OBLIGATIONS

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

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

MEUR	2014	2013
Present value of unfunded obligations	2.5	2.2
Present value of funded obligations	7.4	7.0
Fair value of assets	-7.2	-6.5
Pension liability	2.7	2.6

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

MEUR	31 Dec 2014	31 Dec 2013
Present value of obligations at start of period	9.1	9.2
Service cost during period	0.1	0.0
Interest cost	0.3	0.2
Actuarial gains and losses	1.0	0.5
Payments of defined benefit obligations	-0.9	-0.8
Adjustments	0.3	
Present value of funded obligations at end of period	9.9	9.1
Fair value of plan assets at start of period	6.5	6.3
Interest income	0.2	0.2
Actuarial gains and losses	0.7	0.5
Incentive payments	0.3	0.1
Payments of defined benefit obligations	-0.9	-0.6
Adjustments	0.3	
Fair value of plan assets at end of period	7.2	6.5
Defined benefit pension liabilities	2.7	2.6

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

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

MEUR	2014	2013
Service cost during period	0.1	0.0
Interest cost	0.3	0.2
Expected return on plan assets	-0.2	-0.2
Actuarial gains and losses and adjustments	0.3	0.0
Total	0.4	0.0

Changes in liabilities shown on balance sheet

MEUR	2014	2013
At beginning of period	2.6	3.0
Incentive payments paid	-0.3	-0.3
Pension expense in income statement	0.2	0.0
Comprehensive income for the period	0.3	0.0
Defined benefit pension obligation on balance sheet	2.7	2.6

Specification of future pension premiums (not discounted)

MEUR	Funded pension plan	Unfunded pension plan
Under 1 year	0.5	0.2
1-5 years	2.0	0.8
5-10 years	2.1	0.8
10-15 years	1.6	0.4
15-20 years	1.1	0.2
20-25 years	0.7	0.1
25-30 years	0.4	0.1
Over 30 years	0.4	0.3
Total	9.0	3.0

Sensitivity analysis of the funded pension plan

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Discount rate 1.8%	7.4	7.2	0.2	0.0	0.0
Discount rate +0.5%	7.1	6.9	0.2	0.0	0.0
Discount rate -0.5%	7.8	7.6	0.3	0.0	0.0
Change, %					
Discount rate 1.8%					
Discount rate +0.5%	-4.8	-4.6	-11.0	-6.4	11.5
Discount rate -0.5%	5.3	5.1	12.4	7.1	-17.5

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Salary increase assumption 2.5%	7.4	7.2	0.2	0.0	0.0
Salary increase assumption +0.5%	7.4	7.2	0.2	0.0	0.0
Salary increase assumption -0.5%	7.4	7.2	0.2	0.0	0.0
Service costs and interest costs	0.0	0.0	0.0	0.0	0.0
Change, %					
Salary increase assumption 2.5%					
Salary increase assumption +0.5%	0.1		2.1	0.5	2.3
Salary increase assumption -0.5%	-0.1		-2.0	-0.5	-2.3

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Pension increase rate 2.1%	7.4	7.2	0.2	0.0	0.0
Pension increase rate +0.5%	7.7	7.2	0.5	0.0	0.0
Pension increase rate -0.5%	7.1	7.2	0.0	0.0	0.0
Service costs and interest costs	0.0	0.0	0.0	0.0	0.0
Change, %					
Pension increase rate 2.1%					
Pension increase rate +0.5%	4.2	0.3	126.8	3.2	147.3
Pension increase rate -0.5%	-3.9	-0.3	-118.3	-2.9	-137.4

Sensitivity analysis of the unfunded pension plan

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Discount rate 1.8%	2.5		2.5	0.0	0.0
Discount rate +0.5%	2.4	0.0	2.4	0.0	0.1
Discount rate -0.5%	2.6	0.0	2.6	0.0	0.0
Change, %					
Discount rate 1.8%					
Discount rate +0.5%	-4.5		-4.5	-18.4	21.7
Discount rate -0.5%	5.0		5.0	-38.6	-24.0

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Salary increase assumption 2.5%	2.5		2.5	0.0	0.0
Salary increase assumption +0.5%	2.5		2.5	0.0	0.0
Salary increase assumption -0.5%	2.5		2.5	0.0	0.0
Change, %					
Salary increase assumption 2.5%					
Salary increase assumption +0.5%	0.4		0.4	0.0	0.0
Salary increase assumption -0.5%	-0.4		-0.4	0.0	0.0

MEUR	Pension obligation	Fair value of assets	Net liability	Service costs	Interest cost
Pension increase rate 2.1%	2.5		2.5	2.8	42.9
Pension increase rate +0.5%	2.6		2.6	3.2	45.0
Pension increase rate -0.5%	2.4		2.4	2.4	41.1

Change, %					
Pension increase rate 2.1%					
Pension increase rate +0.5%	4.5		4.5	15.3	4.7
Pension increase rate -0.5%	-4.2		-4.2	-13.4	-4.4

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

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

Actuarial assumptions used:

%	2014	2013
Discount rate, funded pension plan	1.8	3.0
Discount rate, unfunded pension plan	1.8	3.5
Future salary increase assumption	2.5	2.5
Inflation assumption	2.0	2.0

25. PROVISIONS

MEUR	Restructuring provision	Other provisions	Total
1 January 2014	0.7	3.5	4.2
Increase in provisions	0.1		0.1
Provisions employed	-0.4		-0.4
Reversal of unused provisions		-3.5	-3.5
31 Dec 2014	0.4		0.4
Current	0.4		0.4

Restructuring provision: this provision has been made to cover implemented or possible employee reductions in different companies. The provision is expected to be realised in 2015.

Other provisions include the value added tax related to the acquisition cost of a new printing press. The value added taxes are related to the advance payments made to manroland AG, which was declared bankrupt. The advance payments were established to be non-deductible in a leasing company in the preliminary ruling of the Finnish Central Tax Board. The mandatory provision related to the value added tax liability was reversed in accordance with a Supreme Administrative Court decision issued in December 2014.

26. FINANCIAL LIABILITIES

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

MEUR	2014	2013
Financial liabilities		
Non-current financial liabilities		
Financial liabilities measured at amortised cost		
Non-current finance lease liabilities	64.4	69.7
Non-current loans from credit institutions	6.5	
Contingent consideration liabilities arising from the acquisition of business operations		
Other liabilities	0.3	0.4
Total	71.2	70.1
Current financial liabilities		
Based on amortised cost		
Finance lease liabilities	5.1	5.2
Other interest-bearing liabilities	7.0	35.0
Liabilities recognised at fair value through profit or loss		
Commodity derivatives	0.1	0.1
Interest rate derivatives	0.7	0.2
Contingent consideration liabilities arising from the acquisition of business operations		0.3
Total	12.8	40.8
Financial liabilities total:	84.0	110.9

The Group's financial liabilities are denominated in euro and carry a variable interest rate. The company's main financial instruments in 2014 were non-current finance leases, as well as current commercial papers and financial loans. The hedging of the interest rate risk is described in more detail in Note 27, Financial risks.

The average interest rate of the Group's financial liabilities in 2014 was 2.4% (1.5% in 2013).

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

Level 1		
Commodity derivatives	0.1	0.1
Level 2		
Interest rate derivatives	0.7	0.2
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 2013 are based on the companies' operating profit for 2013.

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

Derivative contracts:

MEUR	2014	2013
Commodity derivatives (electricity forwards)		
Fair value	-0.1	-0.1
Value of underlying instruments	0.4	0.6
Interest rate derivatives		
Fair value	-0.7	-0.2
Value of underlying instruments	19.6	15.9
Foreign currency derivatives		
Fair value	0.0	
Value of underlying instruments	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 2.6%

MEUR	2014	2013
Finance lease liabilities – total minimum lease payments		
2014		7.1
2015	6.8	6.3
2016	5.8	6.3
2017	5.9	6.3
2018	5.9	6.4
2019	5.9	61.1
Later	55.6	
Total	85.9	93.5
Finance lease liabilities – present value of minimum lease payments		
2014		5.2
2015	5.1	5.2
2016	4.3	5.2
2017	4.4	4.8
2018	4.4	4.5
2019	4.5	50.1
Later	46.8	
Total	69.5	74.9
Financial expenses accruing in the future	16.4	18.6

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 83.0 on 31 December 2014. Interest-bearing debt comprises loans from financial institutions, commercial papers 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 2014 was 1.4 years and the hedging rate 24%. An increase of one percentage point in the interest rate would increase the Group's finance expenses by MEUR 0.6.

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.

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

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.

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 all, a total of MEUR 40, were unused on 31 December 2014. In addition, Alma Media ensures its liquidity by issuing its own commercial papers if required via brokers, and hedges over-liquidity according to its treasury policy. Liquidity is assessed daily and liquidity forecasts are made at weekly, monthly and 12-month rolling intervals.

On the balance sheet date, the company had a commercial paper programme of MEUR 100 in Finland. Within the programme, the company may issue commercial papers to a total value of MEUR 0–100. MEUR 95.0 of the commercial paper programme was unused on 31 December 2014. 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	5.0	5.0	5.0				
Loans from financial institutions	8.5	8.5	1.0	1.0	6.5		
Finance lease liabilities	69.5	85.9	3.4	3.4	11.7	11.8	55.6
Total	83.0	99.4	9.4	4.4	18.2	11.8	55.6

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	2014	2013
Interest-bearing liabilities	83.0	109.9
Cash and cash equivalents	12.0	12.3
Interest-bearing net debt	71.1	97.6
Total equity	103.7	88.3
Gearing, %	68.5 %	110.5 %
Equity ratio, %	42.6 %	34.4 %

28. TRADE PAYABLES AND OTHER LIABILITIES

MEUR	2014	2013
Trade payables	6.4	6.3
Liabilities to associated companies		
Trade payables	0.0	0.1
Accrued expenses and prepaid income	32.1	29.0
Other liabilities	7.0	7.1
	45.5	42.4

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	2014	2013
Within one year	9.2	8.8
Within 1-5 years	26.7	27.4
After 5 years	32.5	37.6
Total	68.3	73.7

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

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

MEUR	2014	2013
Minimum payments payable based on these purchase agreements	0.2	0.8

The Group as lessor

Minimum rental payments receivable based on other non-cancellable leases:

MEUR	2014	2013
Within one year	1.6	1.6
Within 1-5 years	0.7	1.8
After 5 years		
Total	2.3	3.4

30. COMMITMENTS AND CONTINGENCIES

MEUR	2014	2013
Collateral provided on behalf of associated companies		
Guarantees	1.3	1.3
Other commitments	1.9	
Total	3.2	1.3

31. RELATED PARTIES

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

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

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

Related party transactions – associated companies

MEUR	2014	2013
Sales of goods and services	0.5	0.2
Purchases of goods and services	3.0	3.1
Trade, loan and other receivables	0.0	0.0
Trade payables	0.0	0.0

Related party transactions – principal shareholders

MEUR	2014	2013
Sales of goods and services	0.3	0.2
Purchases of goods and services	0.1	0.1
Trade, loan and other receivables	0.0	0.0
Trade payables	0.0	0.0

Related party transactions – corporations where management exercises influence

MEUR	2014	2013
Sales of goods and services	0.1	0.1
Purchases of goods and services	0.0	0.0
Trade, loan and other receivables	0.0	
Trade payables		

32. SHAREHOLDINGS

20 principal shareholders on 31 December 2014

	Number of shares	% of total shares	Share of total votes (%)
1. Ilkka-Yhtymä Oyj	22,489,186	29.8	29.8
2. Mariatorp Oy	12,100,000	16.0	16.0
3. Kaleva Kustannus Oy	6,000,538	8.0	8.0
4. Keskinäinen työeläkevakuutusyhtiö Varma	5,327,994	7.1	7.1
5. Kunnallisneuvos C. V. Åkerlundin säätiö	3,422,871	4.5	4.5
6. Keskinäinen Eläkevakuutusyhtiö Elo	1,852,800	2.5	2.5
7. Oy Herttaässä Ab	1,633,146	2.2	2.2
8. Keskinäinen Vakuutusyhtiö Kaleva	1,573,002	2.1	2.1
9. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,100,000	1.5	1.5
10. Veljesten Viestintä Oy	851,500	1.1	1.1
11. Keskisuomalainen Oyj	782,497	1.0	1.0
12. Sijoitusrahasto Nordea Nordic Small Cap	734,664	1.0	1.0
13. Suomen Kulttuurirahasto	577,170	0.8	0.8
14. Häkkinen Heikki kuolinpesä	532,332	0.7	0.7
15. Häkkinen Veera kuolinpesä	490,011	0.6	0.6
16. Mäkelä Kai	392,790	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	61,151,136	81.0	81.0
Nominee-registered	1,415,964	1.9	1.9
Other	12,919,753	17.1	17.1
Grand total	75,486,853	100.0	100.0

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

Ownership structure on 31 December 2014

	Number of owners	% of total	Number of shares	% of shares
Private companies	362	4.3	45,840,555	60.7
Financial and insurance institutions	18	0.2	2,726,004	3.6
Public entities	6	0.1	8,302,207	11.0
Households	7,839	93.8	11,833,347	15.7
Non-profit associations	106	1.3	5,017,711	6.6
Foreign owners	23	0.3	151,726	0.2
Nominee-registered shares			1,415,964	1.9
In general account			199,339	0.3
Total	8,354	100.0	75,486,853	100.0

Distribution of ownership

	Number of owners	% of total	Number of shares	% of shares
Number of shares				
1–100	1,753	21.0	103,223	0.1
101–1,000	4,599	55.1	2,093,110	2.8
1,001–10,000	1,799	21.5	5,093,087	6.7
10,001–100,000	172	2.1	4,391,258	5.8
100,001–500,000	16	0.2	4,097,847	5.4
500,000–	15	0.2	59,508,989	78.8
In general account			199,339	0.3
Total	8,354	100.0	75,486,853	100.0

33. EVENTS AFTER THE END DATE OF THE REPORTING PERIOD

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

	Business line	Acquired on	Holding acquired
Financial Media and Business Services segment			
JM-Tieto Oy	Online service	01/03/2014	80

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%. The acquisition cost calculations of the arrangement have not been completed by the time the financial statements are published, and, for this reason, no preliminary acquisition cost calculation is presented in the notes to the financial statements.

MEUR	
Consideration paid	2.9
Contingent liability arising from acquisition	2.9
Proceeds on sale recognised through profit or loss from the incremental acquisition	0.6
Net assets of the companies acquired (preliminary)	0.8
Preliminary goodwill and allocations of intangible assets	**5.6**

The Group's revenue would have been an estimated MEUR 298.5 (reported MEUR 295.4), assuming the acquisitions had been realised at the beginning of 2014.

Parent company income statement (FAS)

MEUR	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Revenue	1	26.6	27.1
Other operating income	2	0.3	9.3
Materials and services	3	0.0	0.4
Expenses arising from employee benefits	4	9.6	9.7
Depreciation and write-downs	5	0.9	0.9
Other operating expenses	6, 7, 8	23.1	26.2
Operating profit		-6.7	-0.8
Financial income and expenses	9	-39.3	-81.9
Loss before extraordinary items		-46.0	-82.7
Extraordinary items	10	10.5	8.7
Loss before appropriations and taxes		-35.6	-74.0
Income tax	11	-0.9	-2.5
Loss for the period		-36.4	-76.6

Parent company balance sheet (FAS)

MEUR		31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	12	4.0	4.0
Tangible assets	13	2.6	2.8
Investments			
Holdings in Group companies	14	365.3	419.5
Other investments	14	8.4	10.2
Non-current assets, total		380.3	436.5
Current assets			
Current receivables	15	27.6	27.8
Cash and cash equivalents		5.9	6.8
Current assets, total		33.6	34.6
Assets, total		413.9	471.1

MEUR		31 Dec 2014	31 Dec 2013
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		45.3	45.3
Share premium reserve		119.3	319.3
Other reserves		5.4	5.4
Invested non-restricted equity fund		216.4	100.0
Retained earnings (loss)		0.0	0.5
Profit for the period (loss)		-36.4	-76.6
Shareholders' equity, total	16	349.9	393.9
Provisions	17		0.2
Liabilities			
Non-current liabilities	18	8.2	1.6
Current liabilities	19	55.8	75.4
Liabilities, total		64.0	77.0
Shareholders' equity and liabilities, total		413.9	471.1

Parent company cash flow statement (FAS)

MEUR	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Operating activities		
Profit for the period	-36.4	-76.6
Adjustments:		
Depreciation and write-downs	0.9	0.9
Capital gains (losses) on the sale of fixed assets and other investments	0.0	-8.8
Financial income and expenses	39.3	81.9
Taxes	0.9	2.5
Change in provisions	-0.2	
Other adjustments	-9.6	-2.5
Change in working capital:		
Increase (-)/decrease (+) in current non-interest-bearing receivables	1.7	-3.1
Increase (+)/decrease (-) in current non-interest-bearing liabilities	8.7	-10.1
Dividend received	5.6	11.2
Interest received	0.9	1.1
Interest paid	-0.7	-0.9
Taxes paid	-2.6	-0.0
Cash flow from operating activities	8.4	-4.2
Investments		
Acquisitions of tangible and intangible assets	-0.7	-2.7
Proceeds from sale of tangible and intangible assets		
Other investments	0.0	0.0
Proceeds from sale of other investments	0.0	0.1
Change in loan receivables	-0.5	-0.8
Repayment of loan receivables	0.7	0.4
Acquisition of subsidiaries and business operations	0.0	-2.7
Proceeds from sale of subsidiaries	12.2	12.4
Acquisition and sale of associated companies	-0.4	0.0
Net cash flows from/(used in) investing activities	11.2	6.6
Cash flow before financing activities	19.6	2.4

Financing activities		
Current loans taken	6.5	
Current loans taken	152.5	143.5
Repayment of current loans	-180.5	-160.5
Change in interest-bearing receivables	8.6	12.9
Paid and received group contributions		8.7
Dividends paid and repayment of capital	-7.5	-7.5
Net cash flows from/(used in) financing activities	-20.5	-3.0
Change in cash and cash equivalent funds (increase +/decrease -)	-0.9	-0.6
Cash and cash equivalents at beginning of period	6.8	7.4
Cash and cash equivalents at end of period	5.9	6.8

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 Aallonkatu 3 C, P.O. Box 140, FI-00101 Helsinki, Finland.

Parent company's financial statements

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

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

Non-current assets

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

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

Research and development costs

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

Taxes

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

Foreign currency items

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

Pension commitments

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

Other employee benefits

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

Notes to the parent company financial statements

1. REVENUE BY MARKET AREA

MEUR	2014	2013
Finland	26.6	27.1
Total	26.6	27.1

2. OTHER OPERATING INCOME

MEUR	2014	2013
Gains on sale of fixed assets	0.0	0.1
Other income	0.2	9.2
Total	0.3	9.3

3. MATERIALS AND SERVICES

MEUR	2014	2013
External services	0.0	0.4
Total	0.0	0.4

4. EMPLOYEE EXPENSES

MEUR	2014	2013
Wages, salaries and fees	7.3	7.4
Pension expenses	1.5	1.4
Other payroll-related expenses	0.8	0.8
Total	9.6	9.7
Average number of employees	116	120
Salaries and bonuses paid to management		
President	0.5	0.5
Other members of the Group Executive Team	1.4	1.4
Board of Directors	0.3	0.3
Total	2.1	2.2

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	2014	2013
Depreciation on tangible and intangible assets	0.9	0.9
Total	0.9	0.9

6. OTHER OPERATING EXPENSES

MEUR	2014	2013
Information technology and telecommunication	7.8	7.2
Business premises	9.4	7.8
Other expenses	5.8	11.3
Total	23.1	26.2

7. AUDIT EXPENSES

MEUR	2014	2013
PricewaterhouseCoopers Oy		
Audit	0.1	
Reporting and opinions		
Tax consultation	0.0	
Other	0.0	
Total	0.1	
Ernst & Young Oy		
Audit		0.2
Reporting and opinions		0.0
Tax consultation		0.1
Other		0.1
Total		0.3

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 2014 and 2013.

9. FINANCIAL INCOME AND EXPENSES

MEUR	2014	2013
Dividend income		
From Group companies	5.0	10.2
From associated companies	0.5	0.9
From others	0.0	0.1
Total	5.6	11.2
Other interest and financial income		
From Group companies	0.9	1.2
Fair value gain on financial assets at fair value through profit or loss		
From others	0.0	0.0
Total	0.9	1.2
Impairment for non-current investments		
Impairment for shares in associated companies		-0.2
Impairment for shares in Group companies	-45.1	-93.2
Total	-45.1	-93.4

Interest expenses and other financial expenses		
To Group companies	0.0	-0.1
To others	-0.7	-0.9
Total	-0.8	-1.0

Foreign exchange rate gains/losses		
Foreign exchange rate gains and losses	0.1	0.1
Financial income and expenses, total	-39.3	-81.9

10. EXTRAORDINARY ITEMS

MEUR	2014	2013
Extraordinary income/Group contribution received	10.5	8.7

11. INCOME TAX

MEUR	2014	2013
Income tax payable on extraordinary items	2.1	2.1
Income tax from regular business operations	-1.2	0.4
Total	0.9	2.5

12. INTANGIBLE ASSETS

MEUR	Intangible rights	Goodwill	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
Accumulated depreciation 31 Dec	1.9		0.5		2.4
Book value 31 Dec 2014	2.2			1.8	4.0

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

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13. TANGIBLE ASSETS

MEUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	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
Transfers between items						
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			

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

14. INVESTMENTS

MEUR	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables associated companies	Receivables other 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
Transfer between items	0.0		0.0				
Acquisition cost 31 Dec	528.9	7.6	1.5		0.0		538.0
Accumulated depreciation, amortisation and impairments 1 Jan	119.7	0.8	0.0				120.5
Write-downs	44.7						44.7
Accumulated depreciation and write-downs 31 Dec	163.6	0.8	0.0				164.4
Book value 31 Dec 2014	365.3	6.8	1.5				373.7

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

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	85.00	85.00	85.00
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
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
Development studio d.o.o.	Bosnia	30.00	30.00	30.00
Infostud 3 d.o.o.	Serbia	25.00	25.00	25.00
JM Tieto Oy	Vantaa, Finland	20.00	20.00	20.00
Kiinteistö Oy Oulaisten Kulma	Oulainen, Finland	35.00	35.00	35.00
Kiinteistö Oy Keuruun Tervaportti	Keuruu, Finland	28.20	28.20	28.20
Kiinteistö Oy Kylmäsenkulma	Kemijärvi, Finland	20.26	20.26	20.26
Kytöpirtti Oy	Seinäjoki, Finland	43.20	43.20	43.20
Oppex Oy	Helsinki, Finland	20.00	20.00	20.00
Nokian Uutistalo Oy	Nokia, Finland	36.90	36.90	36.90
Rantapallo Oy	Helsinki, Finland	35.00	35.00	35.00
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki, Finland	24.07	24.07	24.07
Talentum Oyj	Helsinki, Finland	2.34	2.34	32.64
Tampereen Tietoverkko Oy	Tampere, Finland	35.14	35.14	35.14

15. RECEIVABLES

MEUR	2014	2013
Current receivables		
Receivables from Group companies		
Trade receivables	0.0	0.3
Loan receivables *)	24.4	22.5
Prepaid expenses and accrued income	0.4	2.2
Other receivables	0.0	
Total	24.8	25.0
Receivables from others		
Trade receivables	0.0	0.1
Other receivables	2.3	2.4
Prepaid expenses and accrued income **)	0.5	0.4
Total	2.8	2.8
Current receivables, total	27.6	27.8

*) 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.

16. SHAREHOLDERS' EQUITY

MEUR	2014	2013
Restricted shareholders' equity		
Share capital 1 Jan	45.3	45.3
Share capital 31 Dec	45.3	45.3
Share premium reserve 1 Jan	319.3	419.3
Transfer to invested non-restricted equity fund	-200.0	-100.0
Share premium reserve 31 Dec	119.3	319.3
Other reserves 1 Jan	5.4	5.4
Other reserves 31 Dec	5.4	5.4
Restricted shareholders' equity total	169.9	369.9
Non-restricted shareholders' equity		
Invested non-restricted equity fund 1 Jan	100.0	
Transfer from share premium reserve	200.0	100.0
Capital repayment	-7.5	
Transfer to retained earnings	-76.1	
Invested non-restricted equity fund 31 Dec	216.4	100.0
Retained earnings 1 Jan	-76.1	8.0
Transfer from invested non-restricted equity fund	76.1	
Dividend payment		-7.5
Dividend payment returned to Group		
Retained earnings 31 Dec	0.0	0.5
Profit for the period	-36.4	-76.6
Non-restricted shareholders' equity total	179.9	23.9
Shareholders' equity, total	349.9	393.9

Calculation of the parent company's distributable funds on 31 December	2014	2013
Invested non-restricted equity fund	216.4	100.0
Profit from the previous year	0.0	0.5
Profit for the period	-36.4	-76.6
Total	179.9	23.9

17. PROVISIONS

There were no provisions in the 2014 financial year (provisions in 2013 totalled EUR 242,000 and consisted of contingent considerations due to acquisitions).

18. NON-CURRENT LIABILITIES

MEUR	2014	2013
Loans from credit institutions	6.5	
Other non-current liabilities	1.7	1.6
Total	8.2	1.6
Debt due after five years		
Other non-current liabilities	0.8	0.7

19. CURRENT LIABILITIES

MEUR	2014	2013
Loans from credit institutions	7.0	35.0
Trade payables	0.8	0.9
Total	7.8	35.9

Liabilities to Group companies		
Trade payables	0.0	0.0
Other liabilities	44.6	36.5
	0.0	0.2
Total	44.7	36.7

Liabilities to associated companies		
Trade payables	0.0	0.0
Total	0.0	0.0

To others		
Other current liabilities	0.9	0.2
	2.5	2.5
Total	3.4	2.7

Current liabilities total	55.8	75.4

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

20. COMMITMENTS AND CONTINGENCIES

MEUR	2014	2013
Collateral for own commitments		
Guarantees	0.1	0.1
Collateral for others		
Guarantees	1.3	1.3
Other own commitments		
Rental commitments – within one year	9.6	8.6
Rental commitments – after one year	87.1	92.1
Rental commitments total	96.7	100.6
Other commitments		
Total		
Guarantees	1.4	1.4
Other commitments	96.7	100.6
Commitments total	98.1	102.0

Alma Media has two MEUR 20.0 committed financing limits at its disposal, which were entirely unused on 31 December 2014. In addition, the company has a commercial paper programme of MEUR 100.0 in Finland. Of the commercial paper programme, MEUR 5.0 was in use 31 December 2014.

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.

21. DERIVATIVE CONTRACTS

MEUR	2014	2013
Commodity derivatives (electricity forwards)		
Fair value*	-0.1	-0.1
Value of underlying instruments	0.4	0.6
Interest rate derivatives		
Fair value*	-0.7	-0.2
Value of underlying instruments	19.7	15.9

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

Board's proposal to the Annual General Meeting

The distributable funds of the Group's parent company totalled EUR 179,932,379 on 31 December 2014.

There were 75,486,853 shares carrying dividend rights.

The Board of Directors proposes that a refund of capital of EUR 9,058,422.36 (EUR 0.12 per share) be paid for the financial year 2014.

In Helsinki on 12 February 2015

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 12 February 2015

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, 2014. 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 12 February 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant