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Alma Media Corporation

Financial Statements Bulletin for January-December 2015
12.2.2016



Alma Media's Financial Statements Release 2015:
**OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS INCREASED, EPS DOWN DUE TO
NON-RECURRING ITEMS**

Financial performance October–December 2015:

- Revenue was MEUR 78.6 (76.6), up 2.6%.
- Online sales increased by 17.7% to MEUR 29.1 (24.7).
- EBITDA (Earnings before interest, taxes, depreciation and amortisation) excluding non-recurring items was MEUR 10.8 (8.9), up 21.5%.
- EBITDA was MEUR 6.1 (10.1), down 40.1%.
- Operating profit excluding non-recurring items was MEUR 7.1 (5.6) or 9.0% (7.3%) of revenue, up 26.3%.
- Operating profit MEUR 0.9 (4.8) or 1.1% (6.3%) of revenue, down 81.5%.
- The operating profit includes non-recurring items of MEUR -6.2 (-0.8).
- Profit for the period was MEUR 0.3 (4.0), down 93.7%.
- Earnings per share were EUR 0.00 (0.05).

Financial performance full year 2015:

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

KEY FIGURES	2015	2014	Change		2015	2014	Change	
MEUR	Q4	Q4	%		Q1– Q4	Q1– Q4	%	
Revenue	78.6	76.6	2.0	2.6	291.5	295.4	-3.9	-1.3
Content revenue	29.2	27.7	1.5	5.5	104.7	110.1	-5.5	-4.9
Content revenue, print	26.3	26.2	0.1	0.4	97.0	104.6	-7.6	-7.2
Content revenue, online	2.4	1.5	0.8	53.4	7.1	5.6	1.5	27.3
Advertising revenue	40.6	38.6	2.0	5.2	146.9	146.4	0.5	0.3
Advertising revenue, print	17.6	19.8	-2.2	-10.9	66.2	73.7	-7.5	-10.2
Advertising revenue, online	23.0	19.0	3.9	20.7	80.7	72.7	8.0	11.0
Service revenue	8.7	10.2	-1.5	-14.9	39.9	38.8	1.1	2.8
Total expenses excluding non-recurring items	71.7	71.2	0.5	0.7	268.7	274.6	-5.9	-2.1
EBITDA excluding non-recurring items	10.8	8.9	1.9	21.5	37.4	35.1	2.3	6.5
EBITDA	6.1	10.1	-4.1	-40.1	34.5	36.4	-1.9	-5.1
Operating profit excluding non-recurring items	7.1	5.6	1.5	26.3	23.4	21.4	2.0	9.3
% of revenue	9.0	7.3			8.0	7.2		
Operating profit (loss)	0.9	4.8	-3.9	-81.5	17.7	20.7	-3.0	-14.5
% of revenue	1.1	6.3			6.1	7.0		
Profit for the period	0.3	4.0	-3.8	-93.7	12.1	15.7	-3.7	-23.3
Earnings per share, EUR (basic)	0.00	0.05	-0.05	-103.3	0.13	0.19	-0.06	-30.9
Earnings per share, EUR (diluted)	0.00	0.05	-0.05	-103.3	0.13	0.19	-0.06	-30.9
Online sales	29.1	24.7	4.4	17.7	102.8	94.5	8.3	8.7
Online sales, % of revenue	37.1	32.3			35.3	32.0		

Dividend proposal to the Annual General Meeting:

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

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

Outlook for 2016:

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

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

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

Kai Telanne, President and CEO:

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

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

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

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

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

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

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

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

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

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

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

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The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2014, unless otherwise stated. The figures in the tables are independently rounded.

KEY FIGURES MEUR	2015 Q4	2014 Q4	Change %	2015 Q1–Q4	2014 Q1–Q4	Change %
Revenue	78.6	76.6	2.6	291.5	295.4	-1.3
Total expenses excluding non-recurring items	71.7	71.2	0.7	268.7	274.6	-2.1
EBITDA excluding non-recurring items	10.8	8.9	21.5	37.4	35.1	6.5
EBITDA	6.1	10.1	-40.1	34.5	36.4	-5.1
Operating profit excluding non-recurring items	7.1	5.6	26.3	23.4	21.4	9.3
% of revenue	9.0	7.3		8.0	7.2	
Operating profit (loss)	0.9	4.8	-81.5	17.7	20.7	-14.5
% of revenue	1.1	6.3		6.1	7.0	
Profit before tax	1.4	5.4	-74.9	16.8	19.7	-14.9
Profit for the period	0.3	4.0	-93.7	12.1	15.7	-23.3
Return on Equity/ROE (Annual)*	0.9	16.9	-94.8	10.4	16.4	-36.6
Return on Investment/ROI (Annual)*	1.0	10.2	-90.6	6.9	9.8	-29.3
Net financial expenses	0.3	0.6	41.9	2.5	2.7	7.1
Net financial expenses, % of revenue	0.4	0.8		0.9	0.9	
Balance sheet total				328.2	256.1	28.1
Capital expenditure	49.6	0.5	9,411.6	60.2	14.4	317.8
Capital expenditure, % of revenue	63.1	0.7		20.6	4.9	
Equity ratio, %				42.5	42.6	-0.3
Gearing, %				59.2	68.5	-13.7
Interest-bearing net debt				76.2	71.1	7.2
Interest-bearing liabilities				90.6	83.0	9.1
Non-interest-bearing liabilities				108.9	69.4	56.8
Average no. of employees, calculated as full-time employees, excl. delivery staff	1,877	1,723	8.9	1,793	1,828	-1.9
Average no. of delivery staff	827	918	-9.9	929	985	-5.7
Share indicators						
Earnings per share, EUR (basic)	0.00	0.05	-103.3	0.13	0.19	-30.9
Earnings per share, EUR (diluted)	0.00	0.05	-103.3	0.13	0.19	-30.9
Cash flow from operating activities/share, EUR	0.10	0.08	25.6	0.43	0.35	23.8
Shareholders' equity per share, EUR				1.35	1.17	15.5
Dividend per share, EUR **)				0.12	0.12	
Effective dividend yield, %				4.0	4.4	
P/E Ratio				23.1	14.6	
Market capitalisation				247.1	207.6	19.1
Average no. of shares (1,000 shares)						
– basic	79,954	75,487		76,636	75,487	
– diluted	79,954	75,487		76,636	75,487	
No. of shares at the end of the period (1,000 shares)				82,383	75,487	

*) See Accounting Principles of the Financial Statement Release.

**) Proposal of the Board, capital repayment EUR 0.12 per share

Strategy and related activities during the review period

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

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

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

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

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

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

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

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

Domestic market conditions

According to TNS Media Intelligence, total advertising volume decreased by 1.8% (decreased by 4.9%) in the final quarter of the year. Advertising in city papers and newspapers declined by 7.1% (declined by 7.0%) but increased in online media by 9.0% (increased by 1.7%) from the comparison period. In terms of volume, the total market for afternoon papers declined by 17.0% (declined by 8.2%) in the fourth quarter of 2015.

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

Changes in Group structure in 2015

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

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

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

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

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

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

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

More detailed information on acquired subsidiaries is provided in the tables section of the Financial Statement Release, on page 26.

Group revenue and result for October–December 2015

The Group's fourth-quarter revenue increased by 2.6% to MEUR 78.6 (76.6). Acquired businesses, namely Talentum Corporation and JM Tieto, increased revenue by MEUR 6.7. Divested businesses, namely the operations of Alma 360 and newspapers divested by the Regional Media segment, represented a reduction in revenue of MEUR 6.0.

Content revenue increased by 5.5% to MEUR 29.2 (27.7). Talentum's effect on the increase in content revenue was MEUR 4.1.

Revenue from advertising sales increased by 5.2% to MEUR 40.6 (38.6). Advertising sales for print media decreased by MEUR 2.2 from the comparison period, to MEUR 17.6 (19.8). Online advertising sales increased by 20.7% to MEUR 23.0 (19.0). Talentum's effect on the increase in advertising sales revenue was MEUR 1.0.

Service revenue totalled MEUR 8.7 (10.2). Service revenue includes items such as Kauppalehti Business Information Services and E-kontakti, and the printing and distribution services sold to customers outside the Group by Alma Manu. The divestment of the Alma 360 business in October had an effect of MEUR 3.1 on the decrease in service revenue.

Total expenses increased in the fourth quarter by MEUR 4.3, or 5.8%, to MEUR 78.1 (73.8). Total expenses excluding non-recurring items were MEUR 71.7 (71.2). Talentum's effect on the increase in expenses in the review period was MEUR 6.0. Depreciation and impairment included in the total expenses amounted to MEUR 5.2 (5.3). The non-recurring expenses of MEUR 6.4 (2.6) recognised during the period were related to impairment losses, restructuring costs and costs associated with acquisitions and divestments.

Operating profit excluding non-recurring items was MEUR 7.1 (5.6), or 9.0% (7.3%) of revenue. Operating profit was MEUR 0.9 (4.8), or 1.1% (6.3%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR -6.2 (-0.8).

Group revenue and result full year 2015

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

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

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

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

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

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

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

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

PRO FORMA MEUR	2015 Q1-Q4	2014 Q1-Q4
Revenue		
Alma Media Group, reported (IFRS)	291.5	295.4
Divested business operations *	-9.7	-24.9
Acquired business operations **	+67.3	+76.0
Revenue – pro forma	349,2	346,5
Operating profit excluding non-recurring items		
Alma Media Group, reported (IFRS)	23.4	21.4
Divested business operations *	0.0	1.3
Acquired business operations **	3.2	2.2
Operating profit excluding non-recurring items – pro forma	26.6	24,9

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

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

Business segments

The reporting segments of Alma Media are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media. Centralised services produced by the Group's parent company and centralised digital support services for the entire Group are reported outside segment reporting.

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

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

The business operations of Talentum Corporation, acquired in November, are reported under the Financial Media and Business Services segment. The Group functions of Talentum Corporation are recognised in non-allocated items.

REVENUE AND OPERATING PROFIT/LOSS BY
SEGMENT

REVENUE MEUR	2015 Q4	2014 Q4	Change %	2015 Q1-Q4	2014 Q1-Q4	Change %
Digital Consumer Services						
External	16.1	14.2		60.4	54.4	
Inter-segments	0.5	0.4		1.3	1.4	
Digital Consumer Services total	16.6	14.7	12.9	61.7	55.8	10.5
Financial Media and Business Services						
External	17.1	13.5		56.3	52.0	
Inter-segments	1.1	0.5		2.2	1.1	
Financial Media and Business Services total	18.2	14.0	30.0	58.5	53.0	10.3
National Consumer Media						
External	8.5	10.0		35.1	44.4	
Inter-segments	2.6	1.2		6.6	2.5	
National Consumer Media total	11.1	11.2	-0.9	41.6	46.9	-11.3
Regional Media						
External	32.3	36.2		128.0	137.7	
Inter-segments	1.6	2.1		6.4	7.5	
Regional Media total	33.9	38.3	-11.5	134.4	145.2	-7.5
Eliminations and non-allocated	-1.1	-1.6		-4.6	-5.6	
Total	78.6	76.6	2.6	291.5	295.4	-1.3
OPERATING PROFIT/LOSS MEUR*	2015 Q4	2014 Q4	Change %	2015 Q1-Q4	2014 Q1-Q4	Change %
Digital Consumer Services	1.7	3.5	-50.4	12.4	10.7	15.5
Financial Media and Business Services	1.8	1.4	34.0	6.9	6.5	7.5
National Consumer Media	1.0	-0.4	319.1	2.2	3.1	-29.3
Regional Media	0.8	2.5	-67.4	5.9	8.3	-29.1
Segments total	5.3	6.9	-22.2	27.4	28.6	-4.1
Non-allocated	-4.4	-2.0	-119.5	-9.7	-7.9	-22.8
Total	0.9	4.8	-80.6	17.7	20.7	-14.3

* Including non-recurring items.

Digital Consumer Services

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

DIGITAL CONSUMER SERVICES

KEY FIGURES MEUR	2015 Q4	2014 Q4	Change %	2015 Q1-Q4	2014 Q1-Q4	Change %
Revenue	16.6	14.7	12.9	61.7	55.8	10.5
Operations in Finland	5.6	5.6	0.1	21.8	22.0	-0.9
Operations outside Finland	11.0	9.1	20.8	39.9	33.8	18.0
Total expenses excluding non-recurring items	13.8	12.9	7.5	48.4	46.8	3.3
EBITDA excluding non-recurring items	4.1	3.3	22.4	18.7	14.8	26.7
EBITDA	4.1	5.1	-19.3	18.7	16.5	13.5
Operating profit excluding non-recurring items	2.8	1.9	46.0	13.4	9.2	46.6
% of revenue	16.7	12.9		21.8	16.4	
Operating profit	1.7	3.5	-50.4	12.4	10.7	15.5
% of revenue	10.4	23.5		20.1	19.2	
Average no. of employees, calculated as full-time employees	512	491	4.4	509	491	3.7
Online sales	16.6	14.7	12.9	61.7	55.8	10.5
Online sales, % of revenue	100.0	100.0		100.0	100.0	
OPERATIONAL KEY FIGURES	2015 Q4	2014 Q4	Change %	2015 Q1-Q4	2014 Q1-Q4	Change %
Online services, unique browsers, weekly, on average (thousands)*						
Etuovi.com	651.8	518.6	25.7	665.7	533.8	24.7
Autotalli.com	114.3	111.3	2.7	121.1	111.8	8.3
Telkku.com	648.7	741.3	-12.5	723.9	735.5	-1.6
Kotikokki.net	472.0	476.0	-0.9	454.8	408.7	11.3

**) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.*

The average weekly browser figures for Etuovi.com, Autotalli.com in 2015 are based on the company's internal monitoring.

October–December 2015

In the fourth quarter of 2015, revenue for the Digital Consumer Services segment increased by 12.9% to MEUR 16.6 (14.7). Revenue from the recruitment business as a whole increased by 20.4% during the review period and accounted for 74.2% (69.5%) of the segment's revenue in the last quarter of 2015. The growth in the international recruitment business was particularly supported by strong GDP growth in Eastern Central European countries.

Total expenses during the review period excluding non-recurring items were MEUR 13.8 (12.9). Total expenses during the review period amounted to MEUR 14.9 (13.0).

The Digital Consumer Services segment's operating profit excluding non-recurring items was MEUR 2.8 (1.9) in the fourth quarter. Operating profit excluding non-recurring items was 16.7% (12.9%) of revenue. The segment's operating profit was MEUR 1.7 (3.5). Non-recurring items for the period totalled MEUR -1.1 (1.5). The non-recurring

items recognised in the fourth quarter were related to impairment losses recognised on goodwill allocated to online services in Finland. The non-recurring items in the comparison period were related to impairment losses and sales gains from the City24 business.

Full year 2015

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

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

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

Financial Media and Business Services

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

FINANCIAL MEDIA AND BUSINESS SERVICES

KEY FIGURES MEUR	2015 Q4	2014 Q4	Change %	2015 Q1-Q4	2014 Q1-Q4	Change %
Revenue	18.2	14.0	30.0	58.5	53.0	10.3
Content revenue	8.5	4.4	92.6	20.3	16.2	24.8
Advertising revenue	5.8	4.1	42.2	17.2	15.6	10.6
Service revenue	4.0	5.6	-28.4	21.0	21.2	-1.0
Total expenses excluding non-recurring items	16.3	12.2	33.4	50.7	46.4	9.3
EBITDA excluding non-recurring items	2.5	1.9	28.9	9.0	7.1	26.3
EBITDA	2.1	1.9	7.7	9.1	7.3	24.8
Operating profit excluding non-recurring items	2.1	1.8	11.5	8.0	6.7	19.1
% of revenue	11.3	13.2		13.6	12.6	
Operating profit	1.8	1.4	34.0	6.9	6.5	7.5
% of revenue	10.1	9.8		11.9	12.2	
Average no. of employees, calculated as full-time employees	420	215	95.7	287	259	11.0
Online sales	7.1	6.0	19.8	24.4	22.8	7.0
Online sales, % of revenue	39.2	42.5		41.7	43.0	

OPERATIONAL KEY FIGURES	2015 Q4	2014 Q4	Change %	2015 Q1–Q4	2014 Q1–Q4	Change %
Online services, unique browsers, weekly, on average (thousands)* Kauppalehti.fi	1,094.6	791.0	38.4	1,026.7	772.9	32.8
Audited circulation (thousands)						
Kauppalehti, print				47,7	50,7	
Kauppalehti, digital				53,3		

**) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.*

October–December 2015

Revenue for the Financial Media and Business Services segment increased by 30.0% to MEUR 18.2 (14.0). Online business accounted for 39.2% (42.5%) of the segment's revenue. Talentum Corporation, acquired in November, represented an increase in revenue of MEUR 5.8, of which MEUR 0.8 was revenue from online business. JM Tieto, acquired in January, represented an increase in revenue of MEUR 0.9. The effect of the Alma 360 business, divested in September, on revenue was MEUR -2.9.

Content revenue for the Financial Media and Business Services segment increased by 92.6% to MEUR 8.5 (4.4). Kauppalehti's digital content revenue continued to grow and covered the decline in content revenue for print media.

Advertising sales in the fourth quarter amounted to MEUR 5.8 (4.1). Kauppalehti's advertising sales increased by 12.4%.

Service revenue declined by 28.4% to MEUR 4.0 (5.6). The decrease in revenue was particularly attributable to the divestment of the Alma 360 business in September.

The segment's total expenses excluding non-recurring items were MEUR 16.3 (12.2). The segment's total expenses were MEUR 16.5 (12.7).

Operating profit excluding non-recurring items for the Financial Media and Business Services segment was MEUR 2.1 (1.8) and operating profit MEUR 1.8 (1.4). Operating profit excluding non-recurring items was 11.3% (13.2%) of revenue. The non-recurring items for the review period were related to a loss of MEUR 0.4 recognised through profit or loss associated with the Talentum acquisition achieved in stages, as well as an adjustment of impairment losses. The Talentum acquisition had a minor effect on the result for the fourth quarter.

Full year 2015

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

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

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

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

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

National Consumer Media

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

NATIONAL CONSUMER MEDIA

KEY FIGURES MEUR	2015 Q4	2014 Q4	Change %	2015 Q1–Q4	2014 Q1–Q4	Change %
Revenue	11.1	11.2	-0.9	41.6	46.9	-11.3
Content revenue	5.9	7.0	-15.1	24.7	28.5	-13.2
Advertising revenue	5.1	4.2	21.9	16.8	18.4	-8.6
Total expenses excluding non-recurring items	9.8	11.1	-11.6	39.1	43.2	-9.5
EBITDA excluding non-recurring items	1.3	0.1	967.7	2.5	3.8	-32.8
EBITDA	1.0	-0.4	319.2	2.2	3.2	-31.0
Operating profit excluding non-recurring items	1.3	0.1	968.9	2.5	3.7	-31.4
% of revenue	11.8	1.1		6.1	7.8	
Operating profit	1.0	-0.4	319.1	2.2	3.1	-29.3
% of revenue	8.8	-4.0		5.3	6.6	
Average no. of employees, calculated as full-time employees	153	146	4.9	157	160	-1.7
Online sales	4.1	3.0	38.1	12.4	12.7	-2.1
Online sales, % of revenue	37.1	26.6		29.8	27.0	
OPERATIONAL KEY FIGURES	2015 Q4	2014 Q4		2015 Q1–Q4	2014 Q1–Q4	
Online services, unique browsers, weekly, on average (thousands)* Iltalehti.fi	5,630.3	4,383.5	28.4	5,523.5	4,225.3	30.7

*) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.

October–December 2015

Revenue for the National Consumer Media segment declined by 0.9% to MEUR 11.1 (11.2) in October–December. Online business accounted for 37.1% (26.6%) of the segment's revenue.

The segment's content revenue declined by 15.1% to MEUR 5.9 (7.0) in October–December, mainly due to the decrease in Iltalehti's circulation.

The segment's advertising sales increased by 21.9% to MEUR 5.1 (4.2). Advertising sales for print media decreased by 16.5%. The segment's online advertising sales turned to an increase in the fourth quarter. Online advertising sales increased by 38.4% to MEUR 4.1 (2.9). The increase in online advertising sales was particularly attributable to mobile sales as well as new programmatic buying and targeted advertising solutions offered to customers.

The segment's total expenses excluding non-recurring items were MEUR 9.8 (11.1). The decrease in total expenses was particularly attributable to the decrease in printing and distribution costs due to lower print media sales, as well as efficiency improvement measures in content production. The segment's expenses in the review period include non-recurring expenses of MEUR 0.3 related to restructuring. The segment's total expenses were MEUR 10.1 (11.6).

The segment's operating profit excluding non-recurring items was MEUR 1.3 (0.1), or 11.8% (1.1%) of revenue.

Full year 2015

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

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

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

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

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

Regional Media

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

REGIONAL MEDIA

KEY FIGURES MEUR	2015 Q4	2014 Q4	Change %	2015 Q1–Q4	2014 Q1–Q4	Change %
Revenue	33.9	38.3	-11.5	134.4	145.2	-7.5
Content revenue	14.9	16.4	-9.3	59.8	65.5	-8.7
Advertising revenue	14.5	17.1	-15.0	56.3	62.5	-9.9
Service revenue	4.5	4.8	-6.8	18.3	17.2	6.1
Total expenses excluding non-recurring items	30.5	34.6	-11.9	125.7	135.8	-7.4
EBITDA excluding non-recurring items	4.3	4.6	-6.0	12.3	14.7	-15.9
EBITDA	2.2	4.6	-51.9	9.8	14.7	-33.1
Operating profit excluding non-recurring items	3.4	3.8	-9.4	8.9	9.6	-7.0
% of revenue	10.1	9.9		6.6	6.6	
Operating profit	0.8	2.5	-67.4	5.9	8.3	-29.1
% of revenue	2.4	6.5		4.4	5.7	
Average no. of employees, calculated as full-time employees, excl. delivery staff	629	708	-11.2	671	758	-11.4
Average no. of delivery staff	827	918	-9.9	929	985	-5.7
Online sales	1.4	1.1	30.5	4.7	3.7	26.3

Online sales, % of revenue	4.1	2.8		3.5	2.6	
OPERATIONAL	2015	2014		2015	2014	
KEY FIGURES	Q4	Q4		Q1–Q4	Q1–Q4	
Online services, unique browsers, weekly, on average (thousands)						
Aamulehti.fi	655.9	470.4	39.4	544.4	433.8	25.5
Audited circulation (thousands)						
Aamulehti					106,8	
Printing volume (in thousands)	68,460	68,460		277,578	256,034	
Paper usage (tonnes)	6,118	5,974		23,966	23,956	

**) TNS Gallup changed the calculation method for browser metrics at the beginning of 2015. The figure was previously adjusted by an adjustment algorithm used to estimate factors such as the number of users who have removed the cookie used to count site visits. The use of the adjustment algorithm has now been discontinued and a raw figure is reported for browsers instead. Due to the change, these figures are not comparable with previously published data on browsers.*

October–December 2015

The Regional Media segment's revenue amounted to MEUR 33.9 (38.3) in October–December. Online business accounted for 4.1% (2.8%) of the segment's revenue. The effect of the Regional Media segment's newspapers divested in 2015 on revenue was MEUR -3.1.

The segment's content revenue declined by 9.3% to MEUR 14.9 (16.4) in October–December.

The segment's advertising sales declined by 15.0% to MEUR 14.5 (17.1). Advertising sales for print media decreased by 16.4%. The segment's online advertising sales increased by 24.0% to MEUR 0.7 (0.6). The effect of divested newspapers on the decrease in the segment's advertising sales was MEUR 1.6.

The segment's service revenue decreased by 6.8% to MEUR 4.5 (4.8), primarily due to a decline in circulation revenue.

The segment's total expenses excluding non-recurring items were MEUR 30.5 (34.6) and total expenses MEUR 33.1 (36.0). The factors contributing to the decline in total expenses included efficiency improvement measures for newspapers as well as printing operations.

In November, Alma Regional Media completed statutory personnel negotiations pursuant to the Finnish Act on Co-operation within Undertakings. The negotiations began in September and concerned a total of 500 employees. A total of 19 employees were laid off, while a further reduction of approximately 50 man-years was accomplished through retirement or other arrangements. As a result of these arrangements, non-recurring expenses of MEUR 2.1 were recognised in the result for the fourth quarter of 2015.

The segment's operating profit excluding non-recurring items was MEUR 3.4 (3.8) and operating profit MEUR 0.8 (2.5). Operating profit excluding non-recurring items was 10.1% (9.9%) of revenue. A total of MEUR 2.6 (1.3) was recognised in non-recurring expenses for the review period, related to restructuring as well as an impairment of goodwill recognised for the Alma Lapland business unit.

Full year 2015

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

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

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

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

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

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

Associated companies

SHARE OF PROFIT OF ASSOCIATED COMPANIES				
MEUR	2015 Q4	2014 Q4	2015 Q1-Q4	2014 Q1-Q4
Digital Consumer Services	0.2	0.1	0.3	0.0
Financial Media and Business Services				
Talentum Oyj	0.5	0.8	1.0	1.0
National Consumer Media	0.0	0.0	0.0	0.0
Regional Media	0.0	0.0	0.0	0.0
Other associated companies	0.0	0.2	0.3	0.7
Total	0.8	1.1	1.6	1.7

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

Non-recurring items

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

NON-RECURRING ITEMS	2015 Q4	2014 Q4	2015 Q1-Q4	2014 Q1-Q4
Digital Consumer Services				
Impairment losses	-1.1	-0.2	-1.1	-0.2
Gains on the sale of assets	0.0	1.7	0.0	1.7
Financial Media and Business Services				
Impairment losses	0.2	-0.5	-1.2	-0.5
Restructuring	0.0	0.0	0.0	-0.5
Gains (losses) on the sale of assets	-0.4	0.0	0.2	0.7
National Consumer Media				
Restructuring	-0.3	-0.6	-0.3	-0.6
Regional Media				
Impairment losses	-0.5	-1.3	-0.5	-1.3
Restructuring	-2.1	-0.1	-2.8	-0.1
Gains (losses) on the sale of assets	0.0	0.1	0.3	0.1

Non-allocated				
Restructuring	-0.3	0.0	-0.5	-0.2
Costs related to the Talentum acquisition	-1.8		-1.8	
Gains (losses) on the sale of assets	0.2	0.0	2.0	0.0
NON-RECURRING ITEMS IN OPERATING PROFIT	-6.2	-0.8	-5.7	-0.7
Impairment losses of associated companies	0.0	0.0	0.0	0.0
NON-RECURRING ITEMS IN PROFIT BEFORE TAX	-6.2	-0.8	-5.7	-0.7

Balance sheet and financial position

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

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

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

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

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

Capital expenditure

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

CAPITAL EXPENDITURE BY SEGMENT	2015	2014	2015	2014
MEUR	Q4	Q4	Q1–Q4	Q1–Q4
Digital Consumer Services	2.3	0.3	3.3	10.5
Financial Media and Business Services	46.7	0.2	53.9	1.2
National Consumer Media	0.0	0.0	0.2	0.3
Regional Media	0.4	0.1	1.4	1.1
Segments total	49.4	0.7	58.8	13.0
Non-allocated	0.3	-0.2	1.4	1.4
Total	49.6	0.5	60.2	14.4

Research and development costs

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

Governance

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

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

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

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

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

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

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

Dividends

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

Use of the invested non-restricted equity fund

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

Capital repayment

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

Other decisions by the Annual General Meeting

The AGM authorised the Board of Directors to decide on the repurchase of a maximum of 754,000 shares in one or more lots. The proposed maximum authorised quantity represents approximately one per cent of the company's entire share capital. The shares shall be acquired using the company's non-restricted shareholders' equity through trading in a regulated market arranged by NASDAQ Helsinki Oy and in accordance with its rules and instructions,

which is why the acquisition is directed, that is, the shares are purchased otherwise than in proportion to shareholders' current holdings. The price paid for the shares shall be based on the price of the company share in the regulated market, so that the minimum price of purchased shares is the lowest market price of the share quoted in the regulated market during the term of validity of the authorisation and the maximum price, correspondingly, the highest market price quoted in the regulated market during the term of validity of the authorisation. Shares may be purchased for the purpose of improving the company's capital structure, financing or carrying out corporate acquisitions or other arrangements, implementing incentive schemes for the management or key employees, or to be otherwise transferred or cancelled. The authorisation is valid until the following ordinary AGM, however no longer than until 30 June 2016.

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

The AGM authorised the Board of Directors to decide on a share issue. A maximum of 15,000,000 shares may be issued on the basis of this authorisation. The proposed maximum authorised amount represents approximately 20% of the company's entire share capital. The share issue may be implemented by issuing new shares or transferring shares now in possession of the company. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more parts. The Board may use the authorisation for developing the capital structure of the company, widening the ownership base, financing or realising acquisitions or other arrangements, or for other purposes decided on by the Board. The authorisation may not, however, be used to implement incentive programmes for the management or key employees of the company. The authorisation is valid until the following ordinary AGM, but no longer than until 30 June 2016. This authorisation overrides the share issue authorisation granted at the Annual General Meeting of 20 March 2014.

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

The Alma Media share

In October–December, altogether 5,624,527 Alma Media shares were traded on the NASDAQ Helsinki Stock Exchange, representing 6.8% of the total number of shares. The lowest quotation during the review period was EUR 2.55 and the highest EUR 3.25.

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

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

Option programme and share-based incentive plan

Alma Media has the option programme 2009 in effect. The programme is an incentive and commitment system for Group management. If all the subscription rights are exercised, the programme 2009 will dilute the holdings of the earlier shareholders by a maximum of 1.0%. Further details about the programme are given in the notes to this Interim Report.

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

Other authorisations of the Board of Directors

The Board of Directors has no other current authorisations.

Market liquidity guarantee

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

Flagging notices

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

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

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

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

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

Risks and risk management

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

The risk management process identifies and controls the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation and the Board of Directors. Risk management

is part of Alma Media's internal control function and thereby part of good corporate governance. Alma Media specifies limits to and procedures for quantitative and qualitative risks in writing in its risk management system.

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

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

Disturbances of information technology and communications as well as disruption of printing are the most important operational risks.

Events after the review period

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

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

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

ALMA MEDIA CORPORATION Board of Directors

SUMMARY OF FINANCIAL STATEMENT RELEASE AND NOTES

COMPREHENSIVE INCOME STATEMENT MEUR	2015 Q4	2014 Q4	Change %	2015 Q1-Q4	2014 Q1-Q4	Change %
REVENUE	78.6	76.6	2.6	291.5	295.4	-1.3
Other operating income	0.4	2.1	-80.7	3.6	3.2	11.5
Materials and services	16.7	20.2	-17.5	69.6	77.5	-10.2
Employee benefits expense	35.0	30.5	14.8	124.1	120.8	2.7
Depreciation, amortisation and impairment	5.2	5.3	-2.1	16.8	15.7	7.2
Other operating expenses	21.3	17.9	19.0	66.9	64.0	4.6
OPERATING PROFIT	0.9	4.8	-81.5	17.7	20.7	-14.5
Finance income	0.2	0.1	284.1	0.3	0.4	-11.3
Finance expenses	0.5	0.7	-5.5	2.9	3.1	-7.6
Share of profit of associated companies	0.8	1.1	-29.2	1.6	1.7	-7.8
PROFIT BEFORE TAX	1.4	5.4	-74.9	16.8	19.7	-14.9
Income tax	1.1	1.3	-17.4	4.7	4.0	18.4
PROFIT FOR THE PERIOD	0.3	4.0	-93.9	12.1	15.7	-23.3
OTHER COMPREHENSIVE INCOME:						
Items that are not later transferred to be recognised through profit or loss						
Items arising due to the redefinition of the net defined benefit liability (or asset item)	1.2	0.0		1.2	-0.3	
Tax on items that are not later transferred to be recognised through profit or loss	-0.2	0.0		-0.2	0.0	
Items that may later be transferred to be recognised through profit or loss						
Translation differences	0.4	-0.1		1.0	0.2	
Share of other comprehensive income of associated companies	0.1	-0.1		0.1	-0.4	
Income tax relating to components of other comprehensive income	0.0	0.0		0.0	0.0	
Other comprehensive income for the year, net of tax	1.4	-0.2		2.1	-0.6	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1.5	3.8		14.2	15.1	
Profit for the period attributable to:						
– Owners of the parent	-0.4	3.9		9.9	14.2	
– Non-controlling interest	0.4	0.1		2.1	1.5	
Total comprehensive income for the period attributable to:						
– Owners of the parent	1.2	3.7		11.9	13.6	
– Non-controlling interest	0.4	0.1		2.3	1.5	
Earnings per share calculated from the profit for the period attributable to the parent company shareholders:						
– Earnings per share (basic), EUR	-0.00	0.05		0.13	0.19	
– Earnings per share (diluted), EUR	-0.00	0.05		0.13	0.19	

BALANCE SHEET		
MEUR	31 Dec 2015	31 Dec 2014
ASSETS		
NON-CURRENT ASSETS		
Goodwill	118.6	69.7
Other intangible assets	72.3	38.2
Tangible assets	70.5	76.2
Investments in associated companies	6.8	25.7
Other non-current financial assets	4.6	3.9
Deferred tax assets	1.6	1.3
CURRENT ASSETS		
Inventories	2.2	1.3
Current tax assets	1.8	1.2
Trade receivables and other receivables	35.3	26.4
Other current financial assets	0.0	0.2
Cash and cash equivalents	14.4	12.0
TOTAL ASSETS	328.2	256.1
MEUR		
	31 Dec 2015	31 Dec 2014
EQUITY AND LIABILITIES		
Share capital	45.3	45.3
Share premium reserve	7.7	7.7
Translation differences	-1.6	-2.5
Invested non-restricted equity fund	19.1	0.0
Retained earnings	41.0	38.0
Equity attributable to owners of the parent	111.5	88.5
Non-controlling interest	17.2	15.2
TOTAL EQUITY	128.7	103.7
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current interest-bearing liabilities	63.1	70.9
Deferred tax liabilities	14.2	6.9
Pension liabilities	1.5	2.7
Provisions	0.2	0.0
Other financial liabilities	0.2	0.0
Other non-current liabilities	0.2	0.3
CURRENT LIABILITIES		
Current financial liabilities	28.5	12.8
Advances received	25.3	12.9
Income tax liability	2.2	0.0
Provisions	0.6	0.4
Trade payables and other payables	63.5	45.5
TOTAL LIABILITIES	120.1	152.5
TOTAL EQUITY AND LIABILITIES	328.2	256.1

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Column headings:

A = Share capital

B = Share premium reserve

C = Translation differences

D = Invested non-restricted equity fund

E = Retained earnings

F = Total

G = Non-controlling interest

H = Equity total

MEUR	Equity attributable to owners of the parent							
	A	B	C	D	E	F	G	H
Equity on 1 Jan 2015	45.3	7.7	-2.5	0.0	38.0	88.5	15.2	103.7
Profit for the period					9.9	9.9	2.1	12.1
Other comprehensive income			0.9		1.1	2.0	0.2	2.1
Transactions with equity holders								
Dividends paid by parent					-9.1	-9.1		-9.1
Dividends paid by subsidiaries							-1.4	-1.4
Share subscription				19.1		19.1		19.1
Share-based payment transactions and exercised share options					0.1	0.1		0.1
Business combinations					1.0	1.0	1.2	2.1
Share of items recognised in the equity of associated companies					0.0	0.0	0.0	0.0
Equity on 31 Dec 2015	45.3	7.7	-1.6	19.1	41.0	111.5	17.2	128.7
MEUR								
Equity on 1 Jan 2014	45.3	7.7	-2.7	0.0	35.6	86.0	2.3	88.3
Profit for the period					14.2	14.2	1.5	15.7
Other comprehensive income			0.2		-0.7	-0.6		-0.6
Transactions with equity holders								
Dividends paid by parent					-7.5	-7.5		-7.5
Dividends paid by subsidiaries							-0.8	-0.8
Share-based payment transactions and exercised share options					0.1	0.1		0.1
Business combinations					-3.7	-3.7	12.2	8.5
Share of items recognised in the equity of associated companies					0.0	0.0	0.0	0.0
Equity on 31 Dec 2014	45.3	7.7	-2.5	0.0	38.0	88.5	15.2	103.7

CASH FLOW STATEMENT MEUR	2015 Q4	2014 Q4	2015 Q1-Q4	2014 Q1-Q4
OPERATING ACTIVITIES				
Profit for the period	0.3	4.0	12.1	15.7
Adjustments	5.2	2.4	19.0	15.8
Change in working capital	2,0	0.1	5.9	2.7
Dividends received	0.1	0.1	1.7	1.2
Interest received	0.0	0.0	0.1	0.2
Interest paid and other finance expenses	-0,2	-0.6	-1,9	-2,5
Taxes paid	0.8	0.1	-3.7	-6.6
Net cash flow from operating activities	8.2	6.2	33.2	26.5
INVESTING ACTIVITIES				
Acquisitions of tangible and intangible assets	-1.0	-0.9	-3.3	-3.5
Proceeds from sale of tangible and intangible assets	0.0	0.8	2.2	1.0
Other investments	0.0	0.0	-0.1	-0.1
Proceeds from sale of other investments	0.4	0.0	1.0	0.0
Acquisition of subsidiaries	-21.0	0.0	-26.8	-0.2
Acquisition of associated companies	-0.1	0.0	-0.5	-0.7
Proceeds from sale of subsidiaries and recovered acquisition cost	5.3	2.6	5.3	12,0
Proceeds from sale and repayment of capital of associated companies	0.0	0.0	0.0	0.0
Net cash flows from/(used in) investing activities	-16.5	2.5	-22.1	8.4
Cash flow before financing activities	-8.3	8.7	11.1	34.9
FINANCING ACTIVITIES				
Non-current loans taken	0.0	6.5	0.0	6.5
Current loans taken	16.0	6.5	45.0	152.5
Repayment of current loans	-6.4	-20.1	-43.2	-185.9
Change in interest-bearing receivables	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	-10.5	-8.3
Net cash flows from/(used in) financing activities	9.4	-7.1	-8.7	-35.2
Change in cash and cash equivalent funds (increase +/decrease -)	1.3	1.5	2.4	-0.3
Cash and cash equivalents at beginning of period	13.1	10.5	12.0	12.3
Effect of change in foreign exchange rates	0.1	0.0	0.1	0.0
Cash and cash equivalents at end of period	14.4	12.0	14.4	12.0

Acquired businesses in 2015

Alma Media has acquired the following business operations during 2015:

	<u>Business</u>	<u>Acquisition date</u>	<u>Group share</u>
<u>Digital Consumer Services segment</u>			
Autosofta Oy	Online service	19 Oct 2015	65%
<u>Financial Media and Business Services segment</u>			
JM Tieto Oy	Online service	1 Jan 2015	80%
Talentum Corporation	Media business	17 Nov 2015	100%

JM Tieto Oy

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

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

<u>MEUR</u>	<u>Fair values at consolidation</u>
Property, plant and equipment	0.0
Intangible assets	1.7
Trade receivables and other receivables	0.7
Cash and cash equivalents	0.6
<u>Total</u>	<u>3.1</u>
Deferred tax liabilities	0.3
Trade payables and other payables	0.7
<u>Total</u>	<u>1.0</u>
Total identifiable net assets at fair value	2.1
IFRS acquisition cost	7.0
Goodwill	4.9
Proceeds on sale recognised through profit or loss from the incremental acquisition	0.6

<u>MEUR</u>	<u>Fair value</u>
Acquisition of associated company	0.6
Consideration, settled in cash	2.9
Contingent consideration	2.9
Incremental acquisition	0.6
<u>Total</u>	<u>7.0</u>

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

Autosofta Oy

Consideration:

MEUR	Fair value
Consideration, settled in cash	1.6
Contingent consideration	0.3
Total consideration	1.9

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

MEUR	Fair value
Intangible assets	1.1
Trade receivables and other receivables	0.1
Cash and cash equivalents	0.1
Total assets acquired	1.3
Deferred tax liabilities	0.2
Trade payables and other payables	0.1
Total liabilities acquired	0.3
Acquired identifiable net assets at fair value, total	1.0
Goodwill	1.0

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

Talentum Corporation

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

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

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

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

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

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

MEUR	Fair value
Non-current assets	
Property, plant and equipment	0.6
Intangible assets	35.5
Investments in associated companies and joint ventures	1.1
Financial assets	0.7
Deferred tax assets	0.3
Current assets	
Inventories	0.9
Trade receivables and other receivables	10.3
Cash and cash equivalents	2.7
Total assets acquired	52.1
Non-current liabilities	
Non-current interest-bearing liabilities	0.8
Other non-current liabilities	0.1
Non-current provisions	0.2
Deferred tax liabilities	7.2
Current liabilities	
Current interest-bearing liabilities	3.8
Trade payables and other payables	25.7
Income tax liability	0.2
Total liabilities acquired	37,996
Acquired identifiable net assets at fair value, total	14.1
Non-controlling interest	0.1
Goodwill	47.8

Contingent considerations

Contingent considerations arising from business acquisitions are classified as financial liabilities recognised at fair value through profit or loss. The amount of the contingent considerations due to acquisitions and business arrangements is based on the revenue and operating profits of the acquired businesses in 2015 and 2016.

CONTINGENT CONSIDERATION LIABILITY MEUR	
Initial recognition of the liability	0.3
Change in fair value during previous financial periods	0.0
Considerations, settled in cash	0.0
Change in fair value during the financial period	0.0
Fair value of the contingent consideration liability at the end of the period	0.3

REVENUE BY GEOGRAPHICAL AREA MEUR	2015 Q4	2014 Q4	2015 Q1-Q4	2014 Q1-Q4
Segments, Finland	60.6	64.2	235.3	251.7
Segments, other countries	13.5	9.8	44.6	37.3
Segments total	74.1	74.0	279.9	288.9
Non-allocated	4.5	2.6	11.6	6.5
Group, total	78.6	76.6	291.5	295.4

OPERATING PROFIT BY GEOGRAPHICAL AREA MEUR	2015 Q4	2014 Q4	2015 Q1-Q4	2014 Q1-Q4
Segments, Finland	1.2	4.4	16.8	23.3
Segments, other countries	4.1	2.5	10.6	5.2
Segments total	5.3	6.9	27.4	28.6
Non-allocated	-4.4	-2.0	-9.7	-7.9
Group, total	0.9	4.8	17.7	20.7

*) Revenue and operating profit by geographical area is presented in accordance with the countries in which the Group's units are located.

Information by segment

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

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

ASSETS BY SEGMENT MEUR	31 Dec 2015	31 Dec 2014
Digital Consumer Services	86.2	89.5
Financial Media and Business Services	114.2	35.0
National Consumer Media	2.8	3.6
Regional Media	63.2	67.8
Segments total	266.5	196.0
Non-allocated assets and eliminations	61.8	60.2
Total	328.3	256.1

LIABILITIES BY SEGMENT

MEUR	31 Dec 2015	31 Dec 2014
Digital Consumer Services	17.1	16.6
Financial Media and Business Services	33.5	9.6
National Consumer Media	2.5	5.1
Regional Media	64.6	67.3
Segments total	117.7	98.7
Non-allocated liabilities and eliminations	81.7	53.8
Total	199.5	152.5

Provisions

The company's provisions totalled MEUR 0.8 (0.4) on 31 December 2015. It has not been necessary to change the estimates made when the provisions were entered.

Commitments and contingencies

COMMITMENTS AND CONTINGENCIES

MEUR	31 Dec 2015	31 Dec 2014
Collateral for others		
Guarantees	1.2	1.3
Other commitments and contingencies	2.5	1.9
Minimum lease payments on other lease agreements:		
Within one year	11.4	9.2
Within 1–5 years	37,1	26.7
After 5 years	28,5	32.5
Total	76,9	68.3

In addition, the Group has purchase agreements that, based on IFRIC 4, include a lease component as per IAS 17. Minimum payments based on these agreements:

	0.1	0.2
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DERIVATIVE CONTRACTS

MEUR	31 Dec 2015	31 Dec 2014
Commodity derivative contracts, electricity derivatives		
Fair value*	-0.1	-0.1
Nominal value	0.3	0.4
Interest rate derivatives		
Fair value*	-0.7	-0.7
Nominal value	19.5	19.7
Foreign currency derivatives		
Fair value*	0.0	0.0
Nominal value	2.4	1.5

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

Related party transactions

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

RELATED PARTY TRANSACTIONS MEUR	2015 Q4	2014 Q4	2015 Q1-Q4	2014 Q1-Q4
Sales of goods and services	0.2	0.2	0.2	0.8
Associated companies	0.2	0.1	0.2	0.5
Principal shareholders	0.0	0.0	0.1	0.3
Corporations where management exercises influence	0.0	0.0	0.0	0.1
Purchases of goods and services	0.8	0.7	2.9	3.0
Associated companies	0.8	0.7	2.7	2.9
Principal shareholders	0.0	0.0	0.1	0.1
Corporations where management exercises influence	0.0	0.0	0.0	0.0
Trade receivables, loan and other receivables at the end of the reporting period	0.3	0.1	0.3	0.1
Associated companies	0.3	0.1	0.3	0.0
Trade payables at the reporting date	1.1	0.0	1.1	0.0
Associated companies	1.1	0.0	1.1	0.0

Option programme

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

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

The option programmes 2009A and 2009B have ended.

A total of 640,000 options were issued under the 2009C programme. The share subscription period for 2009C is 1 April 2014–31 March 2016. The management has 535,000 options 2009C in its possession. The share subscription price was EUR 7.23 in December 2015.

If all the subscription rights are exercised, the option programme 2009 will dilute the holdings of the earlier shareholders by a maximum of 1.0%.

Share-based incentive programme 2015

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

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

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

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

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

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

QUARTERLY INFORMATION MEUR	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4
REVENUE	78.6	68.0	73.0	71.9	76.6	70.5	75.7	72.7	77.3
Digital Consumer Services	16.6	15.3	15.3	14.5	14.7	13.5	14.0	13.6	12.9
Financial Media and Business Services	18.2	12.5	14.0	13.8	14.0	12.2	13.1	13.7	15.4
National Consumer Media	11.1	9.9	10.7	9.9	11.2	11.5	12.7	11.5	12.4
Regional Media	33.9	31.6	34.0	34.9	38.3	34.6	37.2	35.1	38.2
Eliminations and non-allocated	-1.1	-1.2	-1.1	-1.2	-1.6	-1.3	-1.4	-1.3	-1.6
TOTAL EXPENSES EXCLUDING NON-RECURRING ITEMS	71.7	60.6	66.4	70.0	71.2	63.5	69.5	70.2	71.1
Digital Consumer Services	13.8	11.3	11.5	11.8	12.9	10.9	11.5	11.5	11.5
Financial Media and Business Services	16.3	10.4	12.2	11.9	12.2	10.0	11.7	12.4	12.8
National Consumer Media	9.8	9.2	9.9	10.2	11.1	10.7	11.1	10.4	11.3
Regional Media	30.5	28.9	31.5	34.8	34.6	32.0	34.3	35.0	34.6
Eliminations and non-allocated	1.3	0.7	1.4	1.4	0.5	-0.1	0.9	0.9	0.9
EBITDA EXCLUDING NON- RECURRING ITEMS	10.8	11.0	10.2	5.3	8.9	10.4	9.7	6.1	10.1
Digital Consumer Services	4.1	5.3	5.2	4.1	3.3	4.1	3.9	3.5	2.6
Financial Media and Business Services	2.5	2.3	2.1	2.1	1.9	2.3	1.4	1.5	2.7
National Consumer Media	1.3	0.7	0.9	-0.3	0.1	0.8	1.7	1.2	1.1
Regional Media	4.3	3.6	3.5	1.0	4.6	4.0	4.4	1.8	5.5
Eliminations and non-allocated	-1.3	-0.8	-1.4	-1.6	-1.0	-0.6	-1.6	-1.9	-1.8
OPERATING PROFIT/LOSS EXCLUDING NON-RECURRING ITEMS	7.1	7.6	6.8	1.9	5.6	7.0	6.3	2.6	6.4
Digital Consumer Services	2.8	4.0	3.9	2.7	1.9	2.6	2.5	2.2	1.5
Financial Media and Business Services	2.1	2.1	1.9	1.9	1.8	2.2	1.3	1.4	2.6
National Consumer Media	1.3	0.7	0.9	-0.3	0.1	0.8	1.7	1.1	1.1
Regional Media	3.4	2.7	2.6	0.2	3.8	2.6	3.0	0.2	3.6
Eliminations and non-allocated	-2.5	-1.9	-2.5	-2.6	-2.0	-1.2	-2.2	-2.3	-2.4
% OF REVENUE	9.0	11.1	9.3	2.7	7.3	9.9	8.3	3.5	8.2
Digital Consumer Services	16.7	26.2	25.6	18.8	12.9	19.2	17.9	15.9	11.3

Financial Media and Business Services	11.3	17.1	13.3	14.0	13.2	17.7	10.2	10.0	16.7
National Consumer Media	11.8	6.6	8.1	-3.1	1.1	6.6	13.1	9.8	8.8
Regional Media	10.1	8.6	7.7	0.5	9.9	7.7	8.0	0.6	9.5
Non-allocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON-RECURRING ITEMS	-6.2	-1.6	1.3	0.8	-0.8	-0.5	-0.2	0.5	-2.0
Digital Consumer Services	-1.1	0.0	0.0	0.0	1.6	0.0	0.0	0.0	-0.1
Financial Media and Business Services	-0.2	-1.4	0.0	0.6	-0.5	-0.5	0.0	0.7	0.0
National Consumer Media	-0.3	0.0	0.0	0.0	-0.6	0.0	0.0	0.0	0.0
Regional Media	-2.6	-0.2	-0.4	0.2	-1.3	0.0	0.0	0.0	-2.0
Non-allocated	-2.0	0.0	1.7	0.0	0.0	0.0	-0.2	-0.2	0.0
OPERATING PROFIT/LOSS	0.9	6.0	8.1	2.7	4.8	6.5	6.1	3.2	4.3
Digital Consumer Services	1.7	4.0	3.9	2.7	3.5	2.6	2.5	2.2	1.4
Financial Media and Business Services	1.8	0.7	1.9	2.5	1.4	1.6	1.3	2.1	2.6
National Consumer Media	1.0	0.7	0.9	-0.3	-0.4	0.8	1.7	1.1	1.1
Regional Media	0.8	2.5	2.2	0.4	2.5	2.6	3.0	0.2	1.7
Non-allocated	-4.4	-1.9	-0.7	-2.6	-2.0	-1.2	-2.3	-2.4	-2.4
Finance income	0.2	0.0	0.3	0.1	0.1	0.0	0.2	0.1	0.5
Finance expenses	0.5	1.2	0.7	0.6	0.7	0.8	0.9	0.8	0.7
Share of profit of associated companies	0.8	0.3	0.2	0.3	1.1	0.2	0.3	0.1	-4.4
PROFIT BEFORE TAX	1.4	5.1	8.0	2.4	5.4	5.9	5.8	2.7	-0.3
Income tax	-1.1	-1.4	-1.6	-0.6	-1.3	-1.1	-1.0	-0.5	-1.7
PROFIT FOR THE PERIOD	0.3	3.7	6.3	1.8	4.0	4.8	4.8	2.2	-2.0

Main accounting principles (IFRS)

This Financial Statement Release has been prepared according to IFRS standards (IAS 34). The financial statement release applies the same accounting principles and calculation methods as the annual accounts dated 31 December 2014. The financial statement release does not, however, contain all the information or notes to the accounts included in the annual financial statements. This financial statement release should, therefore, be read in conjunction with the company's financial statements for 2014. The accounting principles of the financial years 2014 and 2015 are comparable. The company has no discontinued operations to report in the 2014–2015 financial periods.

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

No new accounting standards were adopted on 1 January 2015.

The figures in this release are unaudited.

Seasonality

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

General statement

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

ALMA MEDIA CORPORATION Board of Directors

Alma Media's financial calendar 2016

Alma Media will publish financial reports in 2016 as follows:

- Interim report for January–March 2016 on Friday, 29 April at approximately 9:00 EET
- Interim report for January–June 2016 on Friday, 22 July at approximately 9:00 EET
- Interim report for January–September 2016 on Friday, 28 October at approximately 9:00 EET

Alma Media Corporation's Annual Review 2015 will be published in calendar week 11, 2016, at the latest.

The Annual General Meeting is planned to be held on Thursday, 17 March 2016. Financial Statements, Report by the Board of Directors, Auditor's Report and Corporate Governance Statement for the 2015 financial year will be published on Thursday, 25 February 2016.

The materials related to the Annual General Meeting will be available on the Alma Media website.