ANNUAL REPORT 2016
#BOLDMOVES

Dear reader,
Alma Media's purpose is to accelerate the sustainable growth of individuals, companies, and society. In 2016, we boldly developed our existing operations and created new ones. Our business grew and developing through company acquisitions, continued progress on our present business operations, and by investing resources in new and innovative products and services.

We have also renewed our annual reporting. Our new annual report is based on integrated report model. With this change, our intention is to demonstrate how Alma Media generates value for its various stakeholder groups. We are also making implementation of our corporate responsibilities more transparent. In addition, our financial statements have been made more multi-faceted.

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Alma Media – a European media and service company

Alma Media is a media company focusing on service business and journalistic content, with the mission of boosting the sustainable growth of individuals, companies and society. In addition to journalistic content, we provide services related to lifestyle, career, competence and business development. Our products are leading media and service brands in their respective fields, such as Kauppalehti, Talouselämä, Affärsvärlden, Iltalehti, Aamulehti, Etuovi.com and Monster.fi.

Alma Media has employees in 10 European countries, from the Finnish Lapland to the Balkan Peninsula. In Finland, our business includes national, regional and local media, digital consumer and business services, training, events, trade literature publishing as well as the printing and distribution businesses. Finns encounter Alma Media's nearly 100 media and services outlets some 20 million times every day. Alma Media's international business in Sweden, the Baltic countries and Eastern Central Europe consists of recruitment services, financial and trade publications, an online marketplace for commercial properties and telemarketing services.

Our ongoing transformation into a provider of digital services began in the mid-1990s. In 2016, digital business accounted for 40 per cent of our revenue. We have been particularly successful in the digitalisation of our national media products and our expansion in Eastern Central Europe. Digitalisation presents many opportunities to us – our services are available to our customers in exactly the manner they want to use them, regardless of time and place.

We are building sustainable media and responsibility is an integral aspect of our operations. By providing high-quality independent media content, we act as a responsible member of society. At the core of our operations is earning our customers' trust every day, by providing sustainable media and service business solutions that create added value. We also operate responsibly with respect to our employees by supporting the development of Alma Media's corporate culture and the competence of Alma's employees.

Alma Media's business segments

BUSINESS SEGMENT	OFFERING AND MAIN BRANDS		MARKET POSITION
MARKETS	Recruitment services as well as digital automotive and housing marketplaces and related services in Finland. Operates in Finland and nine European countries.	ETUOVI.com, AUTOTALLI.com, MONSTER, jobs.cz, prace.cz, profesia, MojPosao, cv online	Alma Markets produces leading recruitment services in several Eastern Central European countries. Alma Markets also includes Finland's largest marketplaces for selling and renting properties with adjoined value-added services , and second-largest car sales portal in Finland with adjoined value-added services for car dealers and drivers.
TALENT	20 trade and financial media, as well as books. Skills development and growth services for professionals and businesses in different fields, from events and training to information services. Operates in Finland, Sweden and the Baltics.	Kauppalehti, Talouselämä, NyTeknik, affärs världen, tekniikka &talous, ARVOPAPERI, tivi, M&M	Alma Talent's media are read by more than a million Finnish and Swedish-speaking experts, decision-makers and investors. Alma Talent produces influential content for professionals in the fields of business and finance, law, management, HR, sales and marketing, technology and health care.
NEWS & LIFE	Iltalehti and its various digital and print news and lifestyle publications. Several digital consumer services related to travel, cooking and dating. Operates in Finland.	ILTALEHTI, ilona, PIPPURI.FI, TERVEYS, Rantapallo, kotikokki.net, E-kontakti.fi, telkku.com	The online service of Alma News & Life's most significant product, Iltalehti, is one of the largest news services in Finland. Its combination of digital and print channels reaches approximately two million Finns weekly nationwide.
REGIONS	Regional and local media publishing, both print and online. In addition to regional newspapers, includes 14 subscription-based local papers and five town papers. Printing and distribution unit Alma Manu. Operates in Finland.	AAMULEHTI, SATAKUNNAN KANSA, Lapin Kansa, manu	The combined weekly readership of Regions' regional, local and town papers is approximately 700,000. Taking websites into account, the combined print and online readership amounts to nearly 950,000. Through print and online versions, the regional papers reach some 78–82 per cent of the consumers in their regions. The Alma Manu printing press in Tampere' is one of Europe's most modern printing facilities. The printing press prints the majority of Alma's own papers and increasingly sells printing services to other publishers as well. Alma Manu has its own early morning delivery operations and through Jakeluyhtiö Suomi, Alma Manu also delivers addressed letters and magazines in its operating regions.

CEO's Review

2016 was a good year of growth for Alma Media. Our profit performance proves that our decisions to reach beyond Finland's borders and make bold decisions in digital business have been correct.

In 2016, Alma Media increased its revenue by 21 per cent to 353 million euros. Revenue turned to an increase due to acquisitions and the positive organic growth of Alma Markets and Alma News & Life. The adjusted operating profit for 2016 grew by 51 per cent to 36 million euros.

It was a successful year for the digital business of Alma Markets and Alma News & Life. Alma Talent successfully completed the Talentum integration process during the year. The integration saw the unit become a leading publisher of business and professional media, one that reaches more than one million decision-makers, entrepreneurs and professionals in Finland and Sweden. Alma Regions accelerated the development of digital services and continued to implement efficiency improvement measures to ensure the profitability of publishing operations.

Alma Media's international business is characterised by rapid growth and strong profitability. It already accounts for 20 per cent of the Group's revenue and 30 per cent of the adjusted operating profit. We currently operate in Finland and nine other countries, with a particular focus on Eastern Central Europe. Our brands are widely recognised leading brands in their respective regions and we are either market leaders or strong challengers in almost all of our international markets.

Digital business is also a source of growth and profitability for Alma Media. It now accounts for 40 per cent of the Group's revenue and 60 per cent of the adjusted operating profit. This strong development has been supported by an early start in digital business and sufficient investments in development. We began Alma Media's digital transformation back in the 1990s, and our multimedia-enabling operating culture is deeply ingrained in our day-to-day work.

Staying at the forefront of development requires agility and the courage to invest in new moves. In 2016, we carried out several strategic acquisitions, particularly to strengthen our digital business. The Alma network was complemented by Uusi Suomi, a news and blog service that specialises in social dialogue, as well as several digital services related to recruitment, travel, cars and construction.

Changes in consumer behaviour, the fragmentation of the advertising market, intensifying international competition and technological development have changed media consumption and marketing at a very rapid rate. We took significant steps in developing and delivering new marketing and advertising solutions in 2016: among other things, we began the roll-out of a comprehensive distribution system for digital advertising in our network of news and lifestyle media, and we invested in programmatic buying technology. Alma Media also played a key role in building the Automated Guaranteed marketplace shared by Finland's largest media companies. As media consumption shifts increasingly to mobile, we responded to the growing demand by launching several new mobile services.

The Finnish economy saw a turn for the better last year, with advertising investments turning to slight growth (+0.9 per cent) for the first time in years. The total spending on media advertising in Finland amounted to 1.2 billion euros in 2016 according to Kantar TNS. The advertising market continues to undergo a major structural transformation: online advertising is growing and it now accounts for approximately one third of total advertising investment. Print media advertising, on the other hand, continues to decline.

While the economy has turned to growth, the weakness of Finnish businesses is their low level of marketing investment compared to rival countries. This must change if we, as a nation, are to achieve growth and competitiveness in the international markets. In 2016, Alma Media implemented several measures to accelerate marketing investment and cooperated with various industry players with the aim of having Finland and Finnish businesses engage in increasingly high-quality and productive marketing. Our work on that front will continue.

In a time characterised by "alternative truths" and opinions replacing facts, the significance of reliable and independent domestic media is emphasised. In an increasingly complex world, readers value the interpretative capacity of high-quality media, its ability to put things into perspective and explain their meaning and significance.

As a media company, Alma Media's best way of supporting freedom of speech and democratic social development is ensuring that its own media operate responsibly and transparently while engaging in constructive journalism in addition to criticism. Professional media can only maintain its credibility in the eyes of the mainstream audience by operating in an open, accurate, neutral and honest manner. To ensure that our work as a media company is as transparent as possible, we will become even more open in communicating the operating methods of our editorial offices as well as our day-to-day journalistic processes.

In addition to responsible media work, we have continued our long-term development efforts in many other areas of corporate responsibility. Our practical work is guided by the corporate responsibility priorities derived from our updated materiality analysis. We are also guided by various commitments, such as the UN Global Compact initiative on universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Alma Media's task is to build sustainable growth for individuals, businesses and society. We do this every day — today and tomorrow.

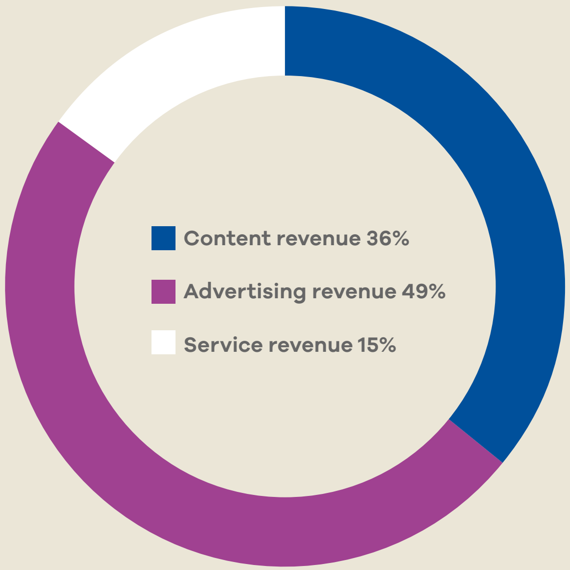
I want to thank our customers, stakeholders and employees for the successful year we had in 2016!

Kai Telanne

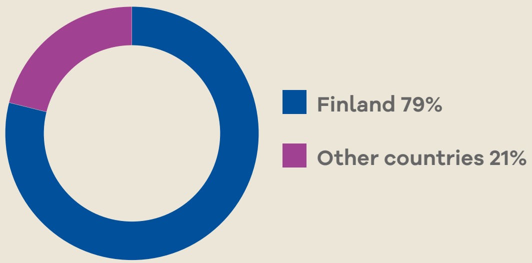
President and CEO

Key figures 2016

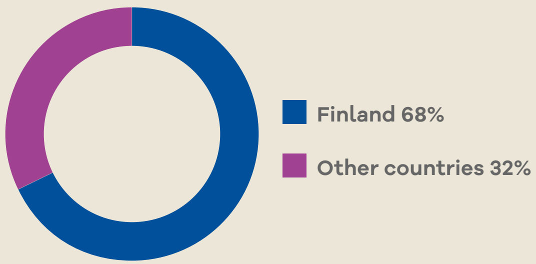
DISTRIBUTION OF REVENUE



REVENUE IN FINLAND AND INTERNATIONALLY



OPERATING PROFIT IN FINLAND AND INTERNATIONALLY



DIGITAL BUSINESS:

2/5 of Group's revenue
3/5 of Group's adjusted operating profit

REVENUE:
MEUR **353**, GROWTH 21%

ADJUSTED OPERATING PROFIT :
MEUR **35**, GROWTH 50%

EARNINGS PER SHARE :
EUR **0.20** (0.13)

AVERAGE NUMBER OF EMPLOYEES
2,287 (EXCL. DELIVERY STAFF)

ONLINE SALES
MEUR **134**, GROWTH 28%

GEARING RATIO 31 DECEMBER 2016:
41.4%

EQUITY RATIO
45.7%

THE BOARD OF DIRECTORS' PROPOSAL OF DIVIDEND:
EUR **0.16** PER SHARE

Key events in 2016

Renewed and diversely expanded products:

Alma Regions carries out an extensive website renewal across all of its regional and local papers in spring 2016. Aamulehti and Satakunnan Kansa are the first to roll out new websites. The customer service and media sales functions of Alma Regions are also renewed. Alma Media's video services grow in popularity. In the final week of the US presidential elections, IL-TV reaches an all-time high of 6.3 million views per week, while Aamulehti's online video service, AL Klippi, reaches the milestone of 500,000 views per month. Alma Manu launches a pilot of delivering groceries to customers' homes in Rovaniemi. Ikuisuus.fi, a shared online death notice and obituary service of Alma Media's newspapers, opens. Kauppalehti launches an improved stock exchange service for mobile services with broader functionality and better usability. Kauppalehti Business Premises receives a makeover. Kauppalehti Business Information Services and Kauppalehti.fi will jointly implement a shared e-commerce background system that will also be responsible for user identification Alma Talent's new recruitment channel Työ&Ura is launched, with Monster responsible for advertising sales.

One of the biggest recent restructuring moves in the Finnish media sector is implemented and Talentum is integrated into Alma Media:

In line with the plans outlined in the public bid carried out by Alma Media, the Alma Media's Financial Media and Business Services unit and Talentum's business operations are combined, and the new entity is named Alma Talent. Alma Media redeems Talentum shares from minority shareholders and the Talentum share is delisted from NASDAQ Helsinki. The extensive integration proceeds to the implementation phase in 2016: operations are restructured in Finland, Sweden and Denmark. The strategy drafted for the segment's digital media products and services progresses to the project implementation phase and the first Alma Talent products are launched on the market.

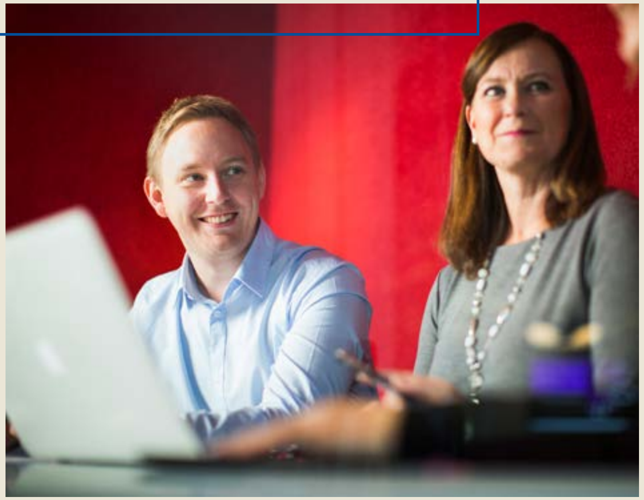
Key events in 2016

Other strategic acquisitions:

Alma Media acquires majority stakes in NettiKoti, which specialises in software for ERP systems in new construction and renovation, Urakkamaailma, a marketplace for renovation and construction work, and Rantapallo, a comprehensive online travel service, as well as a minority interest in AutoJerry, a marketplace for car maintenance services. The companies acquired in 2016 also include Jobote, a Czech start-up that develops recruitment services for recommending colleagues and conveniently sharing job advertisements on social media. Uusi Suomi, a digital news and blog service that specialises in social dialogue, is also acquired and included in the Alma Talent unit.

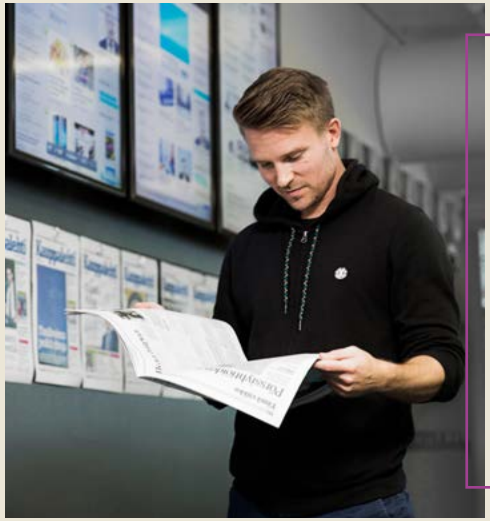
Organisational renewal:

Alma Media renames its business segments: Alma Talent, Alma Markets, Alma News & Life and Alma Regions. The new names reflect the process of building a new Alma Media for the digital era and they are part of Alma Media's comprehensive brand renewal.



Renewal of tools:

Finland's largest media companies launch a shared marketplace for buying Automated Guaranteed digital advertising. Alma Media also strengthens its digital advertising development in cooperation with AppNexus and begins the renewal of its digital advertising distribution system. Newsmaking tools are also renewed with Iltalehti becoming the first to deploy Newspilot, a new production system for Alma Media's editorial offices. Alma Media launches a native advertising tool that allow advertisers to target their own commercial contents at audiences even more effectively than before.



Key events in 2016

Responsible member of society:

As part of Alma Media's efforts in the area of social responsibility, Alma Media and the Finnish Children and Youth Foundation sign a multi-year cooperation agreement. The goal of the cooperation is to make young people's voices heard and increase youth participation.

Agency of the Year 2016

Marketing and commercial media play a central role in increasing economic activity in society. Alma Media participates in "Marketing – that's why", a project aimed at significantly increasing the marketing investments of Finnish businesses. Alma Media also launches Agency of the Year, a survey on the marketing industry, with the aim of strengthening the competitiveness of Finnish businesses, increasing the appreciation of the marketing industry and improving the quality of Finnish marketing.

Building the future:

Alma Regions launches Reviiri, a digitalisation project to develop local content services and promote customers' shift to digital. The digital service provides interesting content, targeted at its customers, through a single service interface. Alma Regions also initiates research funded by the communication research foundation Viestinnän tutkimussäätiö on the use of robotics in editorial work. Alma Media and Streamr receive funding for their financial journalism development project from Google's Digital News Initiative Innovation Fund. The project pilots technology that enables news topics to be identified and news containing financial data to be updated automatically. Two VR model apartments on Etuovi.com are presented at Slush 2016 as part of the Helsinki2020 project featuring Helsinki's virtual city centre, implemented by Zoan.


Kauppalehti

Luotettavan median puolesta

Defending reliable media:

Reliable high-quality media must operate transparently and defend freedom of speech and pluralistic democratic society. In an act in defense of journalistic ethics, Alma Media's editors-in-chief join the chief editors of Finland's largest media in publishing a statement to defend responsible journalism against the new wave of fake media.

Forces of change in the operating environment

FINNISH ECONOMY AND SOCIETY

Slow economic growth in Finland

EASTERN EUROPE AND RECRUITMENT

Central and Eastern European economies continue to grow

COMPETITION IN THE MEDIA SECTOR

The boundaries of the industry are becoming blurred, while competition is intensifying and becoming global

MEDIA CONSUMPTION

Media consumption continues to become more digital and mobile

TECHNOLOGY AND DATA

The role of technology and data in business is increasing

MARKETING AND ADVERTISING

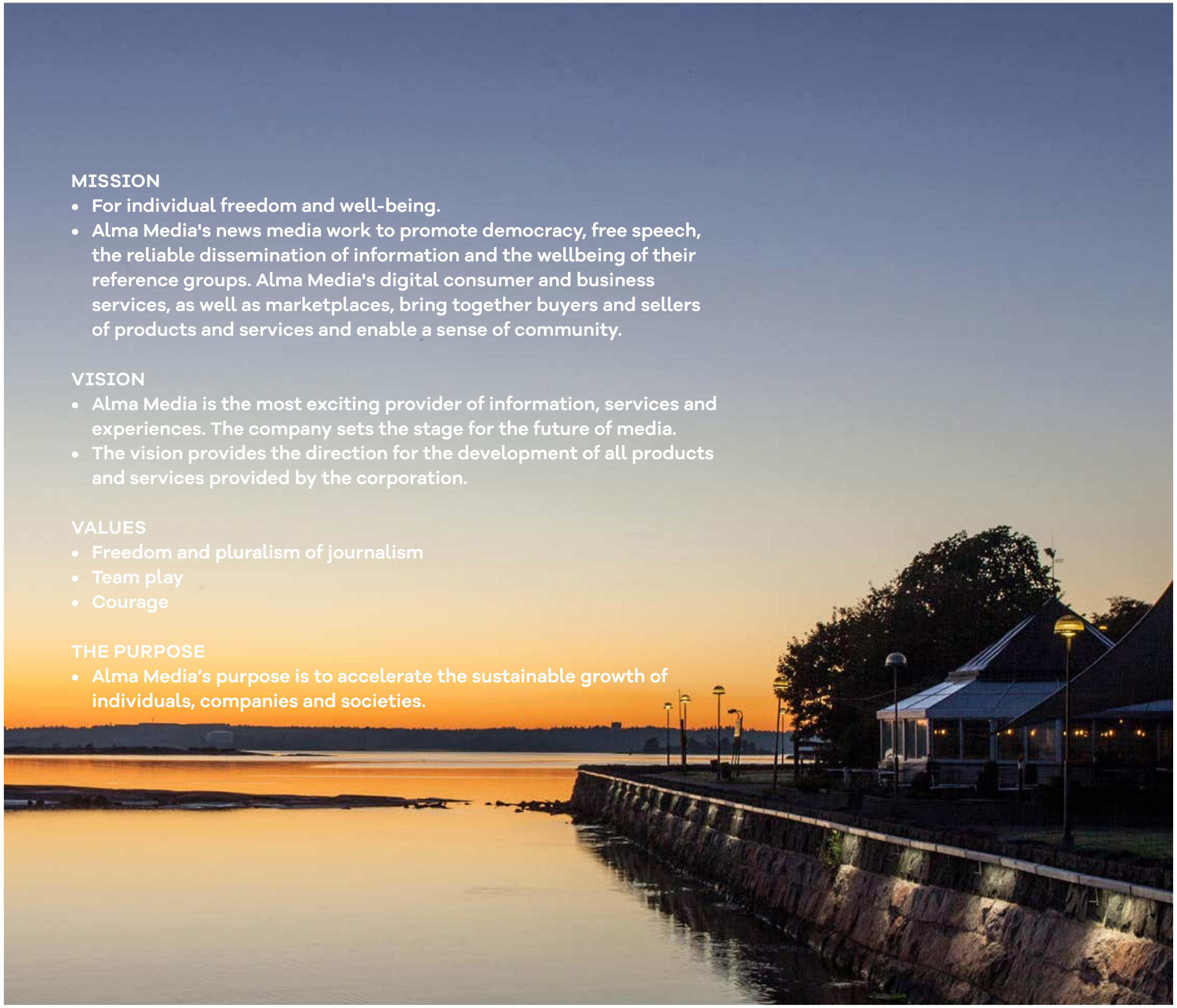
The demand for effective advertising is increasing along with the digitisation of advertising and ad buying

Strategy

Alma Media creates sustainable growth by making use of digitilisation opportunities. The objective is to increase shareholder value through revenue growth and improved profitability. Alma Media is developing and expanding its current business operations and seeking growth opportunities in new businesses and markets. The company will remain on the path of internationalisation. In addition to organic growth, the improvement of profitability will be accelerated by acquisitions.

Alma Media will respond to consumers' changing media consumption and build its publishing brands into multi-channel media solutions. In the media business, the shift from print to digital media will continue with the development of digital content and marketing solutions in line with customer needs, ensuring that the Group's media are valued as the leading brands in their respective regions and communities.

The share of revenue represented by digital consumer and business services will be increased. In order to achieve its objective, Alma Media will increase its digital offering by launching new products and services, also outside publishing operations.



MISSION

- For individual freedom and well-being.
- Alma Media's news media work to promote democracy, free speech, the reliable dissemination of information and the wellbeing of their reference groups. Alma Media's digital consumer and business services, as well as marketplaces, bring together buyers and sellers of products and services and enable a sense of community.

VISION

- Alma Media is the most exciting provider of information, services and experiences. The company sets the stage for the future of media.
- The vision provides the direction for the development of all products and services provided by the corporation.

VALUES

- Freedom and pluralism of journalism
- Team play
- Courage

THE PURPOSE

- Alma Media's purpose is to accelerate the sustainable growth of individuals, companies and societies.

Alma Media's strategic development areas

The cornerstones of the development of the Group's current business operations are multi-channel content, marketing and advertising solutions, services and improving resources and competencies.

CONTENT

Retaining our current level of content revenue through high-quality print and digital content. Alma Media seeks growth in the digital content sales of its media products to compensate for the declining subscription revenue from print-based media. The aim is to achieve user growth in digital content products as well as increase the consumption of content.

ACHIEVEMENTS IN 2016

- The websites of Alma Media's media brands were redesigned and developed, including the renewal of the websites of all of Alma Regions' regional and local papers.
- Alma Media acquired the business of Uusi Suomi, a digital news and blog service that specialises in social dialogue.
- Mobile services were increased and developed, for example, in Iltalehti and Kauppalehti.
- Newspilot, the new common production system for Alma Media's editorial offices, will be deployed in phases.

MARKETING SOLUTIONS

Best partner for advertisers in marketing solutions. Alma Media will introduce new products in advertising and marketing solutions by making use of behavioural data and analysis. Alma Media pursues growth in advertising revenue and market share as well as significant growth in the various areas of digital advertising. Investments will be made in the programmatic buying of advertising.

ACHIEVEMENTS IN 2016

- Finland's largest media companies launched a shared marketplace for buying Automated Guaranteed digital advertising.
- Alma Media will begin the renewal of its digital advertising distribution system.
- Programmatic buying was one of the key development areas of the year in response to the growth of the digital advertising market.
- New digital advertising solutions were productised for online and mobile advertising.

SERVICES

Strong growth from services. Alma Media pursues service revenue growth organically and by acquisitions. Alma Media invests in the growth of digital services through active development. Printing and distribution services will be actively developed.

ACHIEVEMENTS IN 2016

- New services were launched: Ikuisuus.fi and Alekoodit.fi
- Existing digital services were actively renewed and developed.
- New digital services were acquired and invested in: Rantapallo.fi, Jobote, majority stakes in Nettikoti (51 per cent), Urakkamaailma (51 per cent) and Autojerry (24 per cent).

RESOURCES AND EXPERTISE

Together we are more agile. Internal cooperation will be increased within the Group. Alma Media has efficient back-end systems and processes, strategic partnerships and the ability to make use of improving employee competencies in various business operations as needed. In addition, content cooperation and directing visitor traffic create a significant advantage for Alma Media's businesses. Alma Media will improve the recognisability of its brand and key products among consumers and advertisers.

ACHIEVEMENTS IN 2016

- Digital business growth was expedited through reorganisation measures and employee training.
- Cooperation was continued both internally and with outside partners, namely Lännen Media and Jakeluyhtiö Suomi.
- The use of data and analytics in advertising sales, content production and business development was strengthened.
- Talentum's businesses were integrated into Alma Talent.
- The strengthening of the Alma Media brand continued, including the definition and launch of Alma Media's Purpose.

Alma Media's long-term financial targets

Long-term financial targets	2016	2015	Target level
Digital business growth	27.9%	10.4%	> 15%
Return on Investment (ROI), %	10.1%	6.9%	> 15%
Dividend payout ratio*	78%	92%	> 50%

* Includes capital repayment to shareholders.

INVESTMENTS, DEBT MANAGEMENT AND PROFIT DISTRIBUTION IN BALANCE

- The long-term targets are achieved by developing the digital media and service business and improving the quality and cost efficiency of publishing operations.
- To support growth, Alma Media aims to allocate investments, repayment of debt and distribution of profit optimally from the company's and investors' point of view.

Value creation model

RESOURCES AND INPUTS

Employees and expertise
- 3,130* Alma employees – strong expertise in journalism, marketing and technology.

Intellectual property
- The Alma brand and 50 product brands.
- Customer data.

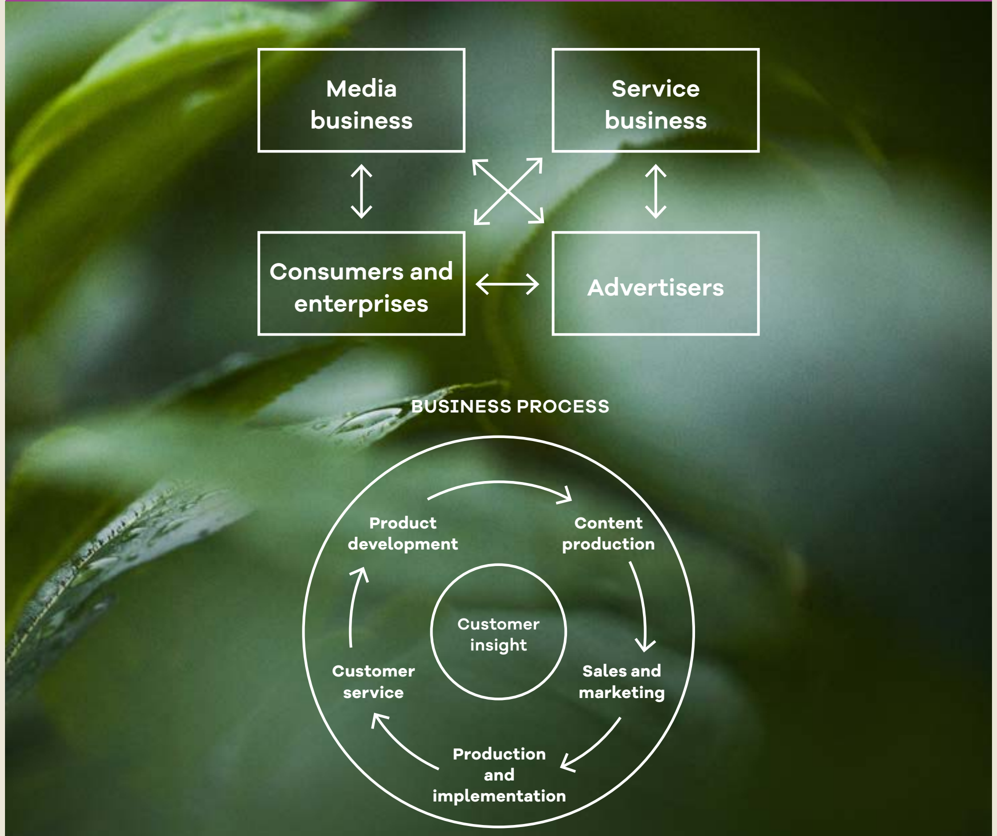
Financial
- Invested capital MEUR 219.
- Investments MEUR 265 in 2011–2016.

Partner network
- Partnerships in content and service development, production, marketing and sales.
- Corporate relations.

Production inputs, Raw materials.
- Operations in 10 countries.
- Multi-channel digital service channels.
- Printing facility and regional distribution network.
- Electricity consumption 47,034 GJ/ 13,065 MWh, paper consumption 26 tonnes.

* Including delivery staff

BUSINESS MODEL



MARKETS	TALENT	NEWS & LIFE	REGIONS

Shared operations
- Centralised media sales and media sales development
- IT and production technology
- Finance, HR management and HRD
- Legal affairs, M&A, Corporate Development
- Communications, IR, Brand, Corporate Responsibility
- Facilities management

OUTPUTS

Products and services
- Alma's print and digital publications reach approximately 80% of Finns (the 15-74 age group, Kantar TNS).
- Digital services for businesses.
- Events and training: 384.
- Printed books and e-books: 101.
- Printing and distribution services 9,463,280,124 (tabloid-size pages).

RESULTS AND IMPACTS

Customers
- Consumers: individual growth through the production of information, service and experiences.
- Advertisers: promoting business growth.

Employees
- Increasing employee well-being and competence.
- Income, total annual wages MEUR 118.

Shareholders
- Operating result MEUR 27.
- Profit distribution MEUR 13.2, increasing shareholder value.

Society
- Supporting social development and dialogue through journalism and by promoting digitisation.
- Developing the vitality of communities and regions.
- Taxes and employment, taxes in Finland MEUR 57.4.

Partner network
- Purchases from partners.

Environment
- Carbon dioxide emissions: electricity consumption 2,820 tCO_2, business travel 241 tCO_2.

ALMA MEDIA'S PURPOSE IS TO CREATE GROWTH

In addition to its mission and vision Alma Media defined company purpose in 2016. Alma's purpose is closely linked to two themes: growth and boldness.

ALMA MEDIA'S PURPOSE IS TO ACCELERATE THE SUSTAINABLE GROWTH OF INDIVIDUALS, COMPANIES AND SOCIETY.

What does this mean in practice?

The growth of individuals: We increase people's competencies, awareness and understanding of what is happening in the world. Alma Media has a presence in the daily lives of millions of people, enriching them and making their lives easier. Alma Media also provides employees the opportunity to grow through their work. Alma Media's employees are encouraged to develop themselves and the things they work on, to experiment, to dare to try, to fail and to build something new.

The growth of businesses: Alma creates contacts between companies and their customers. Often generating a new solution or idea calls for unusual encounters and cooperation models. We encourage our customers to increase their marketing investments, but not just because we at Alma benefit from it. The biggest benefits are reaped by our customers and the whole society.

Growth of society: We need economic growth. Companies must have the courage to market their products and services and to grow. This creates well-being throughout society. Through our news content, we participate in building our society, solving problems and creating a foundation for sustainable economic growth and the freedom for individuals to choose.

LET'S MARKET MARKETING!

#boldmoves and sustainable growth for businesses: "The marketing – that's why" project and Alma Media

Many international studies indicate that marketing is an important driver of economic growth. It can help increase the demand for - and trading and exchange in - products and services. This increased economic activity leads to the creation of jobs, growth, prosperity and wealth in society. The average marketing budget among Finnish companies is two per cent of total revenue, a figure that is substantially lower than in Sweden or the United States, for example.

"Marketing – that's why" is a project launched in 2016 with the aim of doubling the marketing investments of Finnish businesses. Marketing can help the competencies, technology and products of Finnish businesses achieve the success they deserve in the international markets, which supports the growth and development of the Finnish economy and increases well-being among Finns. The project markets marketing by communicating the untapped opportunities presented by

marketing. The project participants include various parties involved in the field of marketing and advertising: the Association of Finnish Advertisers, the Finnish Marketing Association (MARK), the Finnish Association of Marketing, Technology and Creativity (MTL), representatives of the University of Vaasa and Hanken School of Economics, as well as experienced individual industry members such as Board professional Anne Korkiakoski. The project has also been joined by several large media companies, media agencies, research institutions and advertising agencies, with more joining all the time.

Alma Media has participated in the project by using journalistic means to explore the social and economic significance of marketing in its various media, by highlighting the topic in many different events and customer meetings, by offering media space for the project's advertising campaign in Alma Media's media channels, and by launching a telephone and e-mail helpline for marketers in partnership with other project participants.

In addition, Alma Media introduced the Agency of the Year survey in autumn 2016 to increase the appreciation of the marketing industry and improve the quality of Finnish marketing. Based on a highly respected concept developed by the Swedish company Regi, the survey explores customer satisfaction among the buyers of marketing, advertising and communication services, as well as the most significant criteria influencing the choice of agency and trends in the marketing industry.

TO PROMOTE COMMON DECENCY AND HUMANITY

#boldmoves and sustainable growth in society: Aamulehti takes action against bullying

Aamulehti's #puutunpeliin campaign began from the observation that there has been a change in the attitudes and behaviour of Finns.

–There have been several highly publicised instances of people teaming up to attack strangers in one way or another, while others stand idly by. The question is, has something changed? Why are we not behaving ourselves anymore? The issue is not only about how immigrants are treated. It is about common decency. The phenomenon was best summarised by Aamulehti News Editor Riikka Lehtovaara in her column "Girl on bus gets no help in Tampere – What's happened to us?" The column was very popular for a long time, says Jussi Tuulensuu, Editor-in-Chief of Aamulehti.

Following the incident, Aamulehti decided to take action by starting a campaign to promote common decency and humanity. #puutunpeliin is a promise to take action and intervene when you see bullying,

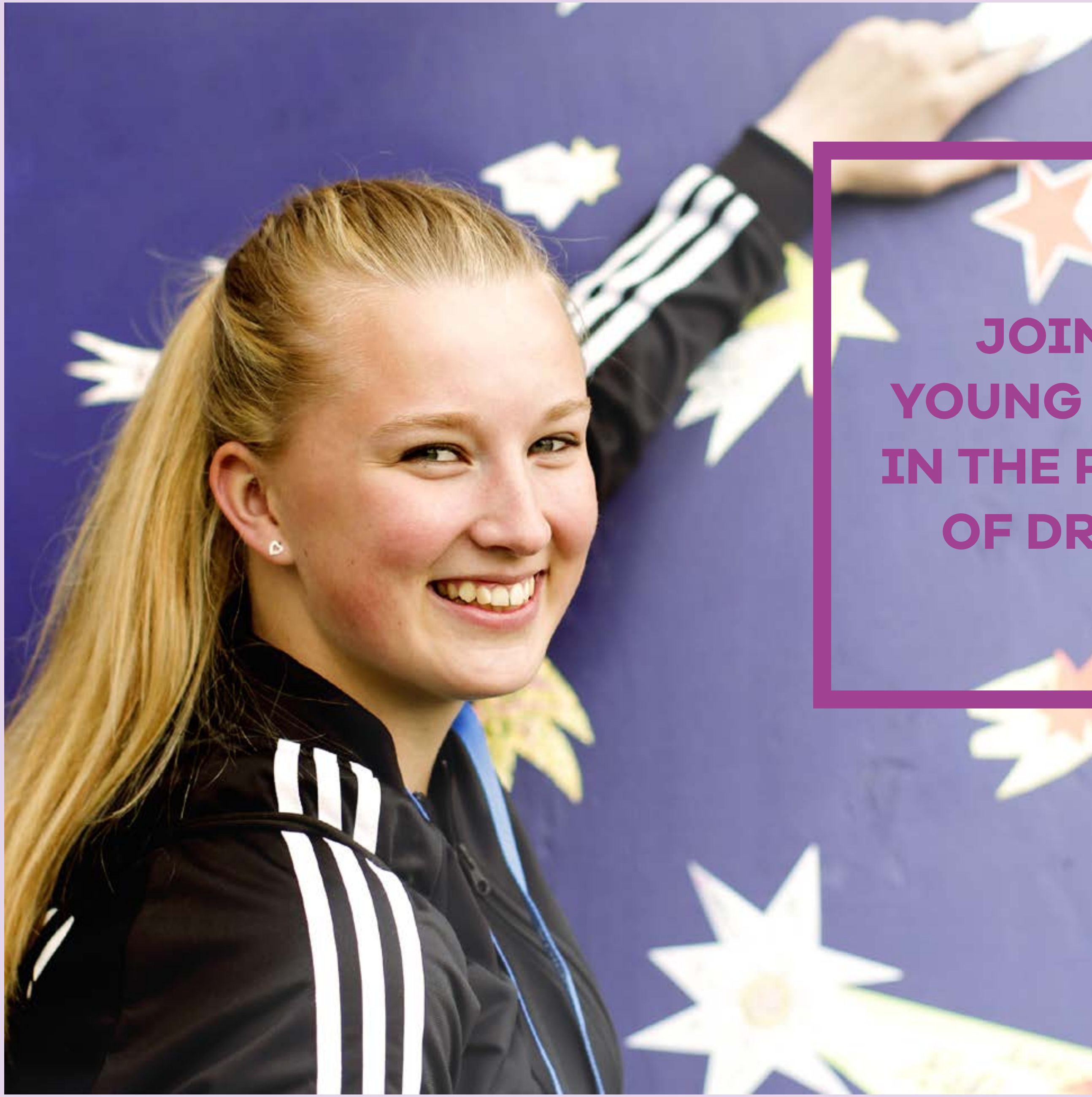
#puutunpeliin campaign opposes bullying of all types and promotes human decency in daily life. It has already inspired hundreds of people to take action against bullying.

regardless of who the victim is. The campaign says we are fed up with bullying and unruly behaviour whether it takes place online, on a bus, out on the town or at home.

After the campaign was prominently launched across Aamulehti's print edition, website and social media channels, the message began to spread on social media and in day-to-day conversations. The campaign was joined by several companies, organisations and well-known locals in Tampere. The campaign also communicated its message directly to media and influencers.

Aamulehti's editorial staff used the newspaper's online and print platforms to challenge organisations, companies and schools in Pirkanmaa to join the campaign. Participants took a selfie holding a sign with the campaign hashtag #puutunpeliin. The selfies and hashtags were posted by a variety of local celebrities such as figure skater Kiira Korpi and musician Pate Mustajärvi, as well as actors, politicians and entrepreneurs.

- While the participation of public figures helps, the genuine message of the campaign spreads best when ordinary people take a stand and challenge someone to get involved. When this group of courageous individuals grows, their followers dare to join the campaign as well, says Kirsikka Otsamo, a journalist at Aamulehti.



JOINING YOUNG PEOPLE IN THE PURSUIT OF DREAMS

#boldmoves and sustainable growth in society: Alma Media's partnership with the Finnish Children and Youth Foundation

Alma Media has worked with the Finnish Children and Youth Foundation for a long time, but the cooperation was expanded when Alma Media became the foundation's main partner for the period 2016–2018. The goal of the cooperation is to make young people's voices heard and increase youth participation. Both Alma and the Finnish Children and Youth Foundation want to help young people find their place and purpose in society and to encourage them to pursue their dreams. The first step towards broader cooperation was taken at the foundation's Dreams Forum event in May 2016.

The Dreams Forum is part of the foundation's Dreams programme aimed at enhancing young people's life skills, inspiring them to pursue their dreams and identifying their strengths. At the heart of the programme are visits to upper comprehensive schools by Dreamsters, Finnish celebrities who are popular among young people. On their school visits, the

Dreamsters talk about their life experiences and the importance of dreams, as well as the perseverance it takes to pursue them. The programme's highlight of the year was the Dreams Forum event with the theme Re-Imagine Your Future, attended by more than 700 students from upper comprehensive schools across Finland. Businesses and other programme partners organised workshops at the event with themes including work, school, friendship, well-being and creativity. The 26 workshops covered topics such as the nature of work in the future, building the future of your dreams in a virtual world, branding and even recording rap songs.

At Alma Media's workshop, young people had the opportunity to experience what working as a journalist is like. In the Dreaming of the Biggest News Story of Your Life workshop, participants got a practical look at the work of a journalist, led by editorial staff from Iltalehti. Their assignments included interviewing celebrities, conducting a poll and putting together a live broadcast.

The cooperation continued in 2016 when customers and partners were challenged to get involved under Alma's #WeAreMadeOf-Dreams story.

CHANGES IN CONSUMER BEHAVIOUR AND TECHNOLOGICAL DEVELOPMENT ARE TRANSFORMING MARKETING AT AN ACCELERATING RATE

#boldmoves and sustainable growth for businesses: Dynamic new tools for developing digital advertising

Ten Finnish media companies (Sanoma, Alma Media, Otavamedia, Aller media, A-lehdet, MTV, KSF Media, Kaleva365, Improve Media and Keskisuomalainen) joined forces in autumn 2016 to launch a shared online marketplace for digital advertising. Supplied by Adfrom, the marketplace makes it easier and faster for media agencies to plan and buy digital advertising. The marketplace covers desktop, mobile and video advertising products.

The shared marketplace simplifies advertising buying processes by making it possible to buy digital advertising products from Finland's largest media companies through a single tool. The service allows buyers to select their media and products, check the availability of advertising displays, negotiate prices, reserve advertising spots and submit campaign materials directly to the publishers' advertising distribution

systems. Buyers can also monitor the progress of their advertising campaigns through the service.

In autumn 2016, Alma Media strengthened its capacity to serve advertisers by launching a cooperation with the advertising technology service provider AppNexus. The cooperation, which involves a distribution system for digital advertising, strengthens Alma's strategy as a pioneer in digital advertising. This significant investment in Alma's basic digital advertising infrastructure modernises and enhances the efficiency of Alma's digital advertising functions with regard to management, optimisation, forecasting, yield analysis and programmatic buying.

The comprehensive advertising distribution system makes Alma's extensive, versatile and nationwide product offering available to advertisers even better than before. It also improves Alma's advertising inventory management and offers new mechanisms to support the development of the programmatic buying and selling of advertising. The cooperation further improves Alma's capacity to develop its digital advertising business.

Alma Markets

The year 2016 was a period of strong growth for Alma Markets: revenue and operating profit increased in every quarter year-on-year. The factors behind the record result included favourable economic development in Eastern Central Europe and a positive turn in business in Finland, but also active and determined work in the customer interface.

Recruitment business operations constitute a major part of Alma Media's international operations. Most of the Group's companies focusing on recruitment business operations are market leaders in online recruitment in their respective areas. Economic growth continued in Eastern Central Europe in 2016 and the thriving labour markets in the region supported the development of Alma Media's digital recruitment business operations. In its international operations, Alma Media invested in the future by hiring new employees, particularly in sales, and by strengthening the brand awareness of recruitment services through investments marketing.

Of the countries in which Alma Media operates, the Czech Republic and Slovakia have seen the highest economic growth rates within the EU in recent years, with correspondingly active labour markets. Strong economic growth and a vibrant labour market also reduce jobseeker activity and the number of job applications. Various services have been introduced to activate jobseekers, including Pracezarohem.cz, a mobile service in the Czech Republic that provides information on vacancies based on geographic proximity, as well as Easytask.cz, an online service that helps businesses find temporary staff. The Group also acquired Jobote, a Czech start-up that develops software technology for recommending colleagues and conveniently sharing job advertisements on social media.

The revenue and result of Alma Markets' Finnish operations also increased across all of the Marketplaces' business areas: housing-related services, automotive services and recruitment services. The growth was partly supported by a more favourable operating environment, but also operational efficiency improvements and product development.

MEDIA IS BECOMING A SERVICE

Alma Markets has a long history of providing clients with not only media advertising opportunities, but also business management tools and services. Real-estate agents have access to a brokering system and information services. Recruitment business operations have invested in HR consulting and recruitment systems, for example. Through acquisitions, the selection has been expanded to cover ERP systems for the automotive trade. We intend to further expand our offering.

In 2016, Alma Media's subsidiary Alma Mediapartners strengthened its automotive software offering by acquiring a minority interest in AutoJerry, a software company that offers competitive tender services for car servicing. Business operations related to housing and living were expanded to cover information services in addition to a residential housing marketplace. At the beginning of 2016, Alma Mediapartners acquired a controlling interest in Raksa ja KotiKauppa (NettiKoti). The company provides ERP systems for construction and renovation. Alma Mediapartners also acquired a majority interest in Urakkamaailma, a marketplace for renovation and construction work.

Read more about the Alma Markets business segment's financial performance in the Report by the Board of Directors and Financial Statements. READ MORE

Revenue
69.4 MEUR

Adjusted operating profit
19.3 MEUR

Employees
543

CORNERSTONES OF OPERATIONS

- Active product development geared towards a better user experience or entirely new services with new revenue sources and revenue generation models.
- Continuous development of employees and operating methods, particularly by utilising best practices developed in different countries.

COMPETITIVE LANDSCAPE

- Other recruitment services.
- Social media.
- Other online marketplaces.
- Newspapers.

Alma Talent

Alma Talent's most important objective in 2016 was to successfully carry out the integration of Talentum without compromising on the profitability of business operations.

One of the largest restructuring moves in the Finnish media sector in recent years reached the practical implementation phase in 2016 when, upon completion of the acquisition, the business operations of Talentum were integrated into Alma Media's Financial Media and Business Services unit. The business unit's new name was announced in February. The new name, Alma Talent, refers to the unit's customers — professionals who seek to further develop themselves.

In early 2016, the focus of integration was on combining Talentum's Finnish publishing business with Kauppalehti's media business and establishing the new management system. As part of the integration, the editorial organisations were combined, the efficiency of processes was enhanced and overlapping activities were reduced. In addition to the editorial teams, media sales, content sales and related customer service functions were also combined. This included the creation of a new joint marketing function that is responsible for brand management. Statutory personnel negotiations were held with employees in relation to the changes. Talentum's group management team was discontinued and a new management team was put together for Alma Talent.

The editorial organisation of the Alma Talent media family is the leading editorial organisation in financial and professional journalism in Finland. At its heart is a newsdesk shared by all of Alma Talent's brands, surrounded by the workstations of journalists, graphic artists, visual professionals, layout specialists and information service employees. The main focus of their work is on digital news, stock exchange, technology and lifestyle content. Alma Talent's editorial teams believe in the significance and competitiveness of high-quality journalism, even in a changing media environment.

During the year, Alma Talent developed its strategy with regard to digital products and services and evaluated its brand portfolio. The aim is to shift the focus to digitalising

CORNERSTONES OF OPERATIONS

- We help our customers succeed.
- Our work is geared towards the leading professional target groups in Finland and Sweden.
- We enrich through information. We provide high-quality content and services that help our customers and readers achieve success in work and life. The customer comes first. The customer decides when and how to use the services. Our job is to ensure a smooth user experience.

COMPETITIVE LANDSCAPE

- Finnish media publishers.
- Information service companies.
- Publishers of trade literature.
- Event organisers.
- Training companies.
- Global publishers of financial and technology media.
- Media owned by operators in the financial industry.
- Google, LinkedIn and Facebook.

Revenue
114.0 MEUR

Adjusted operating profit
12.4 MEUR

Employees
875

media use in editorial and media sales operations, and to produce increasingly high-quality digital content and services for readers and advertisers. As the digital senior of the portfolio, Kauppalehti celebrated its 20-year online journey by introducing many new innovations to the market, including an experimental tablet application that makes the digital version of the newspaper available to VIP and digital subscribers in the evening preceding the date of publication.

Digital developments in 2016 also included Kauppalehti launching a broader and improved stock exchange service for mobile services with better usability. The Kauppalehti Commercial Properties service also underwent a renewal in 2016. The aim of the changes is to support the growth of mobile traffic and make it easier for users to search for commercial properties. Alma Talent expects that a significant proportion of the digital traffic in its services will come from mobile devices, which is taken into account in development work.

The online services of the magazine media acquired in the Talentum acquisition were also developed in line with the new digital media strategy. Several measures were successfully implemented to increase the websites' visitor numbers and audience commitment.

In addition to digital developments, Kauppalehti also implemented a renewal of content and visual design for its print version.

In addition to the Talentum transaction, acquisitions made during the year included Uusi Suomi, a digital news and blog service that specialises in social dialogue. Measured by the number of visitors, Uusi Suomi is one of the largest online services in Finland. The Uusi Suomi editorial team was integrated into the Alma Talent editorial organisation and assigned the role of focusing particularly on politics.

Overall, the combination of media businesses in Finland was a success. The sought synergies were achieved and the organisation remains sharp even after all the changes.

The building of the new business entity was also broadly reflected in Alma Talent's service businesses in the second half of the year. The business focus of Alma Talent Pro was shifted towards digital. The Alma Talent Events business was restructured. The partner-led (sponsored) event business was integrated into the media sales function and events and training based on fees paid by participants were integrated into the legal training unit of Alma Talent Pro. The event business in Denmark was discontinued due to weak profitability.

Kauppalehti Business Information Services carried out an extensive system deployment project and also revised its operating model in accordance with the new strategic priorities. JM Tieto, which was acquired in 2015, was integrated into the other business functions and renamed as Alma Talent CRM.

Alma Talent's service business organised 384 trainings and events during the year, and published 101 books for professional target groups.

Significant restructuring measures were implemented in the Swedish media business during the year. Editorial teams were reorganised and the efficiency of their operations was enhanced. A new CEO was appointed for the Swedish subsidiary and new Editors-in-Chief were appointed for all of its publications. Alma Talent Events Sweden was functionally combined with the media company to achieve cooperation synergies between events and media brands. The company's profitability has been reduced by a steep decline in recruitment advertising in the Ny Teknik magazine. The implemented measures helped bring about an upturn in the company's result. The next step is to seek new revenue through digital product development.

For the direct marketing unit Suoramarkkinointi Mega, the year was stable. The company continues to operate as an independent unit and it has not been functionally integrated with Alma Talent.

Read more about the Alma Talent business segment's financial performance in the Report by the Board of Directors and Financial Statements. READ MORE

Alma News & Life

For Alma News & Life, the year 2016 was characterised by the strong development of programmatic ad buying.

Digital advertising grew and showed strong development in Iltalehti. The factors contributing to the growth included programmatic ad buying, content marketing and mobile advertising. Growth was also boosted by the leading mobile advertising and targeted advertising solutions introduced by Iltalehti.

The audience numbers for both news and lifestyle media remained at a strong level in 2016. The popularity of IL-TV's video content grew substantially. Investments in short and quick video content have become a trademark of Iltalehti. Video advertising saw strong growth in the latter part of the year, while traditional TV advertising declined.

Among publishers, the year was dominated by a dialogue on the position of social media in media consumption and advertising. News & Life invested in serving the audience in social media channels while also investing in improving the user experience of its own platform as well as added value solutions for advertisers. Many of the content marketing solutions were well received, which supported strong growth in the area.

The travel services Rantapallo.fi and Matkapörssi.fi were added to the Alma News & Life segment as new businesses. In the service business, a successful marketing renewal effort was carried out for the dating service E-Kontakti, which saw strong growth among the older age groups. Alekoodit.fi, a discount code service for digital commerce, was announced as a new service late in the year.

Alma News & Life also launched redesigned mobile applications in the latter part of the year. The Iltalehti news application provides users with new ways of finding interesting content. At the same time, it is aimed at attracting new user groups to the application. Mobile media continued to grow and it is the most important source of news for a growing number of Finns.

Finland's internationalisation is reflected in the consumption and popularity of content. The US presidential election, Baltic Sea security issues and the Syrian crisis were seen as interesting and topical themes among the Finnish audience. Iltalehti strengthened its foreign desk. Olli Ainola, who has written several top news stories related to Finnish defence and security matters, was also named Journalist of the Year.

CORNERSTONES OF OPERATIONS

- Multi-channel news and lifestyle media whose large audience enables it to have a strong position as a digital advertising medium.
- Active development of digital services that fit the publication profile.

COMPETITORS

- Rival tabloid.
- Commercial TV broadcasters.
- Magazine publishers.
- Global social media.
- Newsfeeds.
- Global entertainment news services.

Read more about the Alma News & Life business segment's financial performance in the Report by the Board of Directors and Financial Statements. READ MORE

Revenue
46.1 MEUR

Adjusted operating profit
7.0 MEUR

Employees
149

Alma Regions

Faced with a challenging operating environment, Alma Regions continued to ensure the profitability of publishing operations in 2016 by restructuring and improving the efficiency of its operations. Significant investments were made in developing new digital content and services.

Several measures were implemented during the year to increase the competitiveness of Alma Regions' publishing operations. This included a restructuring of customer service and advertising production, among other things. In customer service, the use of electronic channels and self-service tools has seen rapid growth, and new digital media products are also changing customer needs. Telephone, chat and e-mail services were outsourced to increase the versatility and quality of customer service.

In the Alma Regions newspaper family, local papers followed regional newspapers in introducing package pricing: the monthly fee paid by every subscriber includes all digital content. The printed newspaper can no longer be subscribed to separately.

All of Regions' online services were redesigned and migrated to a shared online publishing platform by spring 2016. The new responsive websites, which adapt their layouts to all viewing environments, ensure that even smaller newspapers can offer modern mobile services. The growth of mobile is strongly reflected in product development. In the productisation of regional newspapers, the focus is on applications optimised for mobile and tablet use.

Applications are also used to expand the publication of content produced elsewhere in the Group. The regional newspapers' application already includes a constantly updated news feed produced by Iltalehti.

In advertising sales, digital media sales have grown faster than the overall market by a substantial margin, but the growth is not yet sufficient to compensate for the decline in print media advertising sales. Regions has made significant investments in Alma's network sales. Regional sales managers have been recruited outside the segment's own regions—in Southwest Finland, Southern Ostrobothnia, Central Finland and Northern

CORNERSTONES OF OPERATIONS

- Strong cooperation in the newspaper family across all functions: content production, content sales, advertising sales and support functions, product development and maintenance.
- Partnerships and publisher cooperation, such as Lännen Media, Jakeluyhtiö Suomi and Kärkimedia.
- The high competence of motivated employees, and developing it further. Continuously improving the quality of management and leadership.

COMPETITIVE LANDSCAPE

- Freely distributed newspapers.
- Direct advertising companies.
- Commercial TV broadcasters.
- National newspapers.
- News feeds.
- Global social media.
- Google.

Revenue
127.7 MEUR

Adjusted revenue
8.5 MEUR

Employees
561

Ostrobothnia—to sell the network and regionally targeted advertising.

In content marketing, production resources have been established in Tampere, Pori and Rovaniemi, and these efforts have generated new revenue in both print and digital media.

The printing press has been successful in acquiring new external customers and its prime-time capacity utilisation rate is very high. The printing press also aims to use product development to reach out to an entirely new customer base.

In the distribution business, profitability has been restored thanks to efficiency improvement measures. As a partner in Jakeluyhtiö Suomi, Alma Manu delivers not only newspapers, but also addressed letters and magazines. Alma Manu is also actively involved in developing and testing new delivery products; for example, by delivering grocery bags in several cities.

The Etukeno project, which expedited the development of digital competencies and changing attitudes towards the digital transformation among employees, was completed in the spring. The Tekes-supported Reviiri project, aimed at creating a framework for superior local media, became the spearhead project in product development in the autumn. In HR development, the focus is on improving the quality of management and leadership.

Alma Regions' newspapers received several awards in 2016. Aamulehti won nine prizes at the European Newspaper Awards, a competition focused on the visual design of newspapers. Aamulehti won third place in the regional newspaper category. Uusi Rovaniemi was selected as Finland's best town paper for the sixth time in a competition organised by the Finnish Newspapers Association. Jämsän Seutu and Tyrvään Sanomat were ranked among the best in the local newspaper competition. Alma Regions' journalists Juha Vainio and Risto Pyykkö also won prizes in the Story of the Year competition as well as a communication prize for Tuomas Rimpiläinen from the Finnish Police. Aamulehti's Sports Editor Elina Paasonen was chosen as the Sports Journalist of the Year in early 2017.

The Group's printing and distribution company Alma Manu was awarded an extension of its membership in the Wan-Ifra Color Quality Club for the period 2016–2018. The Tampere printing press was awarded the membership based on its printing of the Kauppalehti business paper. Membership of the WAN-IFRA Quality Club is the internationally most prestigious acknowledgment of a newspaper printer's production quality.

Read more about the Alma Regions business segment's financial performance in the Report by the Board of Directors and Financial Statements READ MORE

Responsible Alma Media

ALMA'S RESPONSIBILITY PROGRAMME

Alma Media's responsibility is documented in its responsibility programme. At Alma, corporate responsibility implies both the responsibility of our own operations and responsibility as an integral part of Alma's business operations. Responsibility and profitability are not conflicting goals; economically sustainable media also needs to be socially and ecologically sustainable, and vice versa.

Changes in media consumption and consumer behaviour create the need for continuous renewal in the media sector. Part of Alma Media's response to these challenges is responsible media that cultivates traditional journalistic values while developing continuously and integrating broader corporate responsibility in all operations.

RESPONSIBILITY THEMES

A RESPONSIBLE MEMBER OF SOCIETY

- Responsible journalism
- Social influence

CUSTOMER VALUE AND TRUST

- Creating customer value, customer experience
- Information security and customer data
- Sustainable, quality products and services and a responsible brand

SUSTAINABLE MEDIA AND SERVICE BUSINESS

- Environmental impacts of operations
- Responsibility throughout the supply chain
- Economic responsibility and ethical business

DEVELOPMENT AND CORPORATE CULTURE

- Evolving, open corporate culture
- Developing know-how and new competencies
- Well-being at work, equality and diversity

A responsible member of society

The main purpose of Alma Media's operations is to boost the sustainable growth of individuals, companies and society. This purpose reflects the view that companies, including Alma Media itself, must ensure their economic sustainability and growth because well-being cannot be maintained or increased without growth-oriented activity. At the same time, it encompasses the idea that, as a media company, Alma Media has the special task of providing Finns with fuel for their mental growth by ensuring that its media operate responsibly and transparently, while defending freedom of speech and a pluralistic democratic society. In this era of fake media and increased hate speech, this task is even more important than before from the perspective of social sustainability. The purpose served by high-quality media is to deliver the news in a neutral and impartial manner, but also to provide interpretation, put things in perspective, keep rumours in check and, above all, provide views and analysis on the significance of things.

Alma Media's various media are committed to working towards these objectives on a daily basis. They recognise that journalists must perform their work in an impartial, responsible and transparent manner. They understand that, instead of instigating social antagonism, professional media must strive to impartially highlight different perspectives and feed solution-oriented dialogue regarding social issues that are perceived to be difficult. By doing this, the media can support social stability and improve society's capacity for sustainable growth. An atmosphere of safety lays a foundation for trust, investment and the individual's freedom of choice.

In addition to serving the purpose of disseminating information, which is traditionally seen as part of the role of high-quality media, Alma Media's various media and services also continuously engage in other efforts to support sustainable social growth. A modern media company must listen to its readers' needs and participate in their lives. Recognising this, Alma Media's various media and services organise a wide range of projects, campaigns and events each year to enhance the vitality of readers, companies and the users of Alma's services, and to improve the readers' media skills. In addition, Alma Media's media provide their readers with many opportunities for dialogue with their editorial staff. For example, readers can send feedback, story tips and photos to editorial teams via many different channels, or participate in the development of products and services as test users.

As a media company Alma Media has its own special role as a responsible actor in the society. Read more on pages 46-51.

READ MORE

Customer value and trust

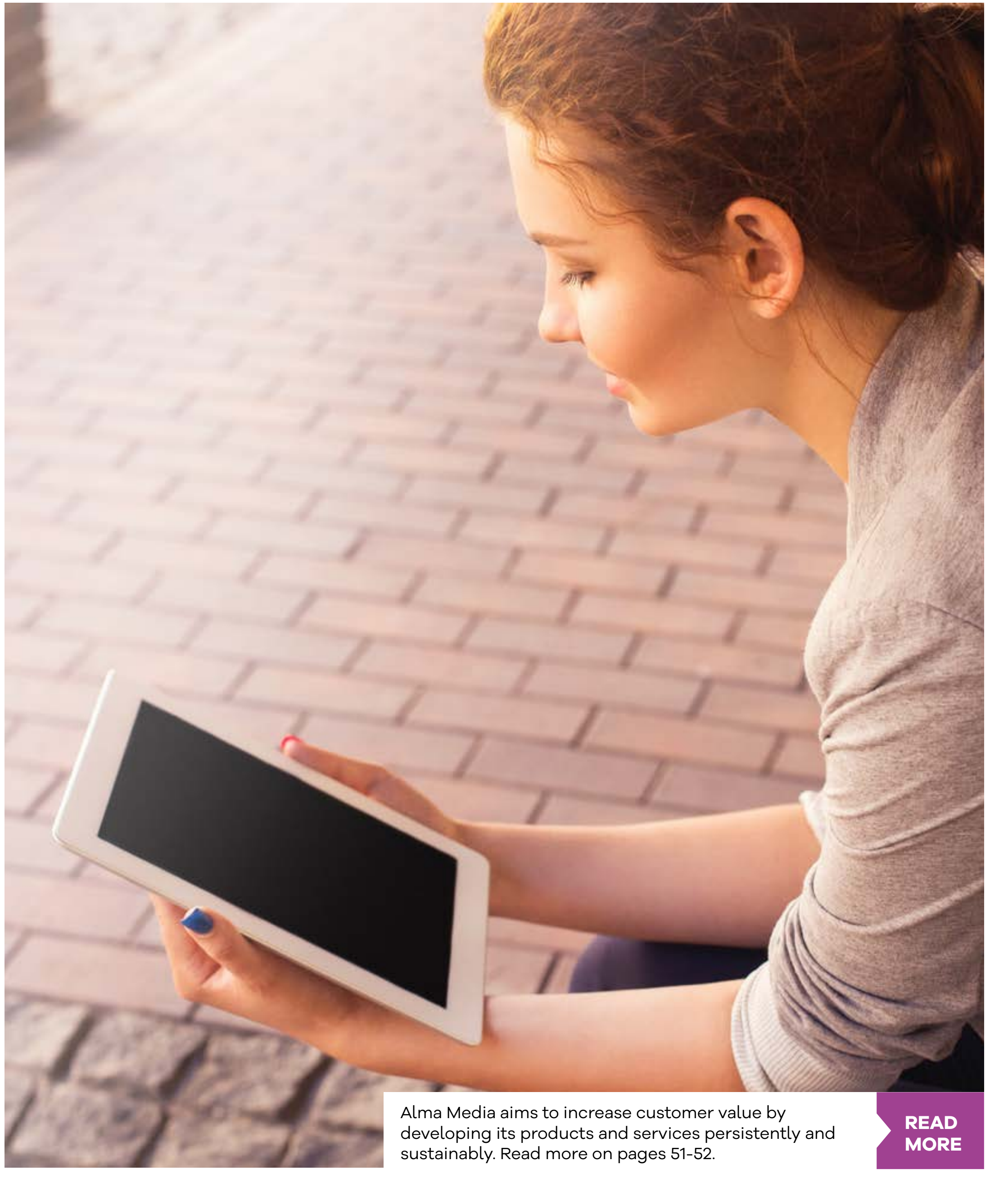
The strongest stakeholder expectations towards Alma Media are related to the Group's role as a responsible source of information and member of society, on the one hand, and to its product and service development, on the other hand. Stakeholders expect Alma Media to develop its products and services responsibly and to collect customer data in an ethical and legal manner, without forgetting environmental considerations.

Responsibility guides all of the stages of Alma Media's product and service development. As a Group, Alma Media is committed to protecting the privacy of the users of its services, and it does not disclose the customer data it collects to third parties. Alma Media also does not allow its advertising customers to collect or utilise customer data collected during advertising campaigns.

In addition to product safety and reliability, another key factor from the perspective of increasing the customer value of product brands is developing the products in response to changing consumer needs. Alma Media's units regularly conduct various customer satisfaction surveys and measurements as part of the development of their products and services.

One key focus area in Alma Media's product and service development in 2016 was investments made by the Group to enhance Alma Media's competitiveness in the field of marketing communications, which is currently undergoing a rapid process of digital transformation. The goal was to ensure that Alma Media's services will remain attractive, reliable and ethically sustainable media environments for all advertising customers. In parallel with these development efforts, Alma Media was actively involved in work aimed at developing the competence of Finnish actors in the field of marketing communications in order to support the general economic development in Finland.

Alma Media aims to further develop the customer value of its offering in the coming years. In addition to customer surveys and measurements, the development efforts will be based on the responsibility themes highlighted in the materiality assessment conducted in 2016 (see page 41–42). Going forward, one focus area in the development of new products and services will be to better integrate corporate responsibility with product development. Alma Media's strategy, with its strong emphasis on digitality, creates good conditions for achieving this goal.



Alma Media aims to increase customer value by developing its products and services persistently and sustainably. Read more on pages 51-52.

READ MORE

Sustainable media and service business

Alma Media has set a goal of continuously reducing the environmental impacts caused by its operations. The most significant environmental impacts of the operations of Alma Media and its business units are related to printing, distribution, buildings and travel. The designs of Alma Media's office building in Helsinki, completed in 2012, and the new printing facility that began operations in Tampere in spring 2013 took into account the environmental impacts of their construction and use right from the start. Both of the buildings have been granted LEED environmental certification.

In addition, Alma Media's printing facility engages in ongoing long-term efforts to improve the material efficiency of its operations. These efforts have been successful. Also the waste that is produced as a result of printing operations is utilised entirely at the printing facility either by recycling it or burning it to generate energy.

Going forward, Alma Media aims to take environmental perspectives into account in an even more goal-oriented manner in its procurement policy and supply chain management. All of the paper used at Alma Media's own printing facility and its subcontractors' printing facilities is already environmentally certified.

In addition to taking environmental considerations into account, Alma Media works continuously to ensure that its products and services are also financially and ethically sustainable. From the perspective of sustainable business development and journalistic independence, financial success is a significant element of Alma Media's responsibility. With a stable financial position and a level of profitability that saw an improvement in 2016, Alma Media has a strong foundation for engaging in responsible business activity and providing opportunities for sustainable growth for other companies as well. A clear set of ethical rules ensures that all of Alma Media's units operate in an ethically sustainable manner in all circumstances and in interaction with a highly diverse range of communities and audiences.

Alma Media has worked for years to continuously diminish the environmental impacts of its newspapers. Read more on pages 54-57.

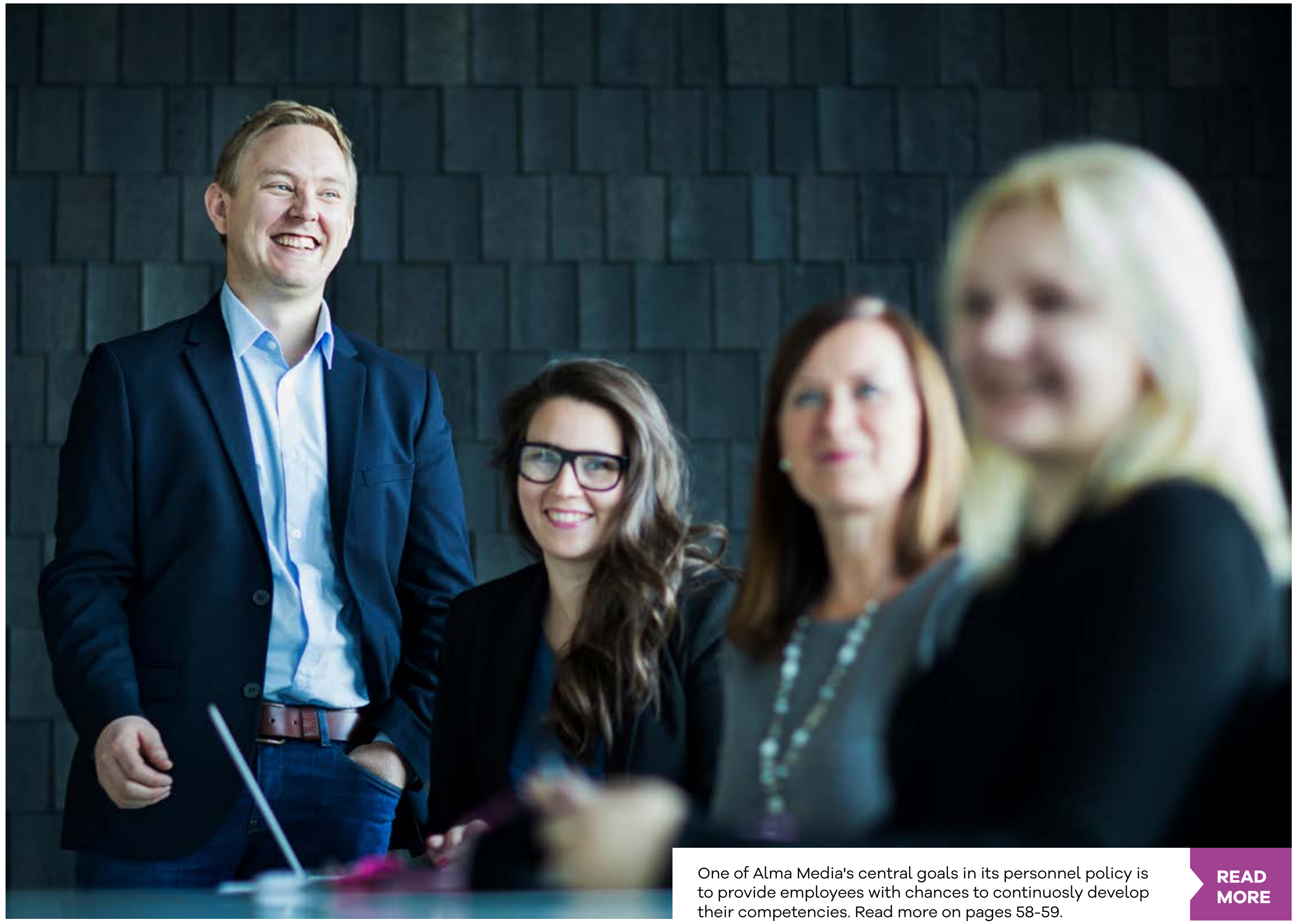
READ MORE

Development and corporate culture

Corporate culture goes hand in hand with the well-being, competence development and diversity of employees. Corporate culture defines how management and leadership support employee well-being and development at work, while also helping the company build a diverse and equal work community. Healthy, competent and diverse employees are, in many ways, a precondition for the development of an innovative corporate culture.

One of the key principles of Alma Media's responsible human resource policy is to maintain the labour market value of employees in an industry that is undergoing a rapid digital transformation. To this end, each year Alma Media provides its employees with diverse opportunities for competence development and renewal through either learning on the job or various internal or external training and coaching initiatives.

The Group also has a long-term employee development project that was launched in 2016 by appointing the Director of Human Resources Development as the project lead. The project and the newly established role reflect Alma Media's desire to increase its investments in developing employee competencies. One of the key themes of the new employee development project is likely to be the goal of harmonising operating methods across Alma Media's various units. The need to harmonise procedures and practices was highlighted in the extensive employee survey Alma Media carried out in 2016, for example.



One of Alma Media's central goals in its personnel policy is to provide employees with chances to continuosly develop their competencies. Read more on pages 58-59.

READ MORE

Alma Media's stakeholder interaction

Key stakeholders	Stakeholder expectations	Stakeholder engagement, responding to expectations and channels of interaction
Readers and online users	High-quality and secure services.	Alma Media's various services and media feed social dialogue, encourage sustainable choices and help analyse what is going on in the surrounding society and understand the challenges of sustainable development. Interactive media-reader/user relationship through Alma Media's various media and services, regular customer contact, various customer feedback channels, and surveys of customer/reader satisfaction.
Advertisers, corporate customers	High-quality and secure services that lead to profitable results.	Alma Media's media and services are effective, advanced and responsibly produced high-quality advertising media. Regular customer contacts, customer events, fairs and seminars, Alma Talk events.
Investors, shareholders and analysts	Profitable business, long-term return on investment, increasing shareholder value, responsible business.	Alma Media's objective is to increase shareholder value. Active management of investor relations: the General Meeting, investor meetings, press conferences, Capital Markets Day events, financial reporting, regular and ongoing communication.
Employees	Income, training, competence development, career opportunities.	Alma Media offers its employees challenges through which they can achieve genuine self-actualisation and act in a socially responsible manner. Developing their professional competence helps Alma Media employees maintain their value in the labour market in a time of transformative changes in the media industry. Training, employee surveys, performance discussions, internal communication, statutory employer-employee cooperation committees and remuneration.
Service producers	Business opportunities, product and service development.	Alma Media purchases materials, products and services from local, domestic and international suppliers. Active and open interaction between the procurement organisation and suppliers.
Associations	Active influence, networking.	Alma Media is a member of several associations and collaborates with them on a regular basis.
Society	Local well-being, compliance with the law.	Alma Media's various media are proponents of their communities, maintainers of public dialogue and promoters of social vitality and well-being. Media work, cooperation with and reporting to the authorities, meetings with decision-makers, communication at the local level.
Media	Open and active media relations.	Media relations, financial and news publications, professional trade publications, interviews and press releases, key annual publications, meetings, visits and social media channels.

GRI REPORT

CONTENTS

Management and organisation of corporate responsibility at Alma Media

Alma Media has reported on its corporate responsibility since 2009 and published information annually on its responsibility. Alma Media's reporting principles include compliance with the GRI G4 framework where applicable, the UN Global Compact and developing reporting towards the IIRC framework. Alma Media also takes into account the sector-specific guidelines of the GRI Media Sector Supplement in its responsibility reporting.

The key guidelines and principles governing Alma Media's social responsibility are Alma Media's corporate governance policy, social responsibility guidelines, the UN Global Compact principles, Alma Media's Code of Conduct, Alma Media's social strategy and the FIBS diversity network undertaking. Alma Media is also committed to the Paris Pledge for Action to reach the COP21 targets. Alma Media's responsible journalism is based on the Guidelines for Journalists published by the Council for Mass Media as well as applicable legislation. In providing high-quality advertising channels to advertisers, Alma Media complies with the rules and principles related to marketing. Alma Media takes regulatory compliance and security into account in all of the services it provides.

Memberships in various associations and bodies are one of the ways in which Alma Media develops its corporate responsibility and advocacy work. The most imporant of these are the Confederation of Finnish Industries (EK), Central Chamber of Commerce, Finnish Business and Society (FIBS), the FIBS diversity network, the City of Helsinki climate network, and Responsible Media Forum. In addition to these, members of Alma Media's Management Team, managers and experts hold board memberships in the Media Industry Research Foundation of Finland, the Federation of the Finnish Media Industry, and IAB Finland, an association that promotes the growth and development of digital marketing and advertising. Furthermore, in 2016–2018 Alma Media works with the Finnish Children and Youth Foundation, which works with children and young people who are at risk of exclusion.

THE ORGANISATION OF RESPONSIBILITY

Responsibility is an integral part of Alma Media's day-to-day business and it is developed continuously as a key focus area in business development. The guidelines of the responsibility strategy are determined by the Group Executive Team and, if necessary, the Board of Directors as part of the Group's strategic planning. The Group Executive Team defines and supervises the social responsibility programme and its objectives as well as the policies related to the programme. The progress of Alma Media's social responsibility programme is monitored annually by the Group Executive Team. Alma Media's Senior Vice President, Corporate Communications and IR, is in charge of the responsibility programme and reports to the President and CEO.

The Corporate Communications unit is in charge of Alma Media's corporate responsibility programme. Corporate Communications coordinates and develops social responsibility and related processes at Alma Media and manages the programme and its initiatives on a Group-wide basis. It also coordinates reporting, manages stakeholder relations and communicates on social responsibility with internal and external stakeholders. The concrete progress of the responsibility programme and the achievement of social responsibility objectives is based on the day-to-day actions of the businesses and all Alma employees as well as the development of various units and functions. The management of responsibility in line with GRI indicators and the themes derived from the materiality assessment is described in more detail on page 41–42.

Materiality

The purpose of the materiality assessment is to recognise the most significant aspects of Alma Media's responsibility. Alma Media conducted a materiality analysis in 2016. The responsibility priorities and their material aspects were updated based on the results of the analysis. The previous assessment was conducted in 2009. Alma Media's 2016 materiality assessment survey was completed by 6,052 representatives of employees, private and corporate customers, investors and other stakeholders. Consumer customers accounted for the majority of the respondents at nearly 5,700. The materiality analysis utilised the Responsible Media Forum framework used in the media sector. The materiality of the aspects was assessed in relation to two dimensions: the analysis evaluated whether a given aspect is material, strategic or operative, and is the aspect unique to the media industry, does the aspect have particular implications for the media industry or is the aspect common to all industries.

The materiality of aspects was assessed from Alma Media's perspective as well as the stakeholders' perspective. The outcome of the analysis was four themes and six focus areas that will be reported on. The updated priorities were determined on the basis of Alma Media's strategy, an industry analysis, stakeholder survey, interviews, work meetings and the identification of business impacts.

The material aspects were discussed by Alma Media's Group Executive Team and the Board of Directors.

Based on the stakeholders' responses, the most significant aspects of Alma Media's social responsibility are being a responsible member of society, product brands that increase customer value, sustainable media and service business, employee development and corporate culture.

IN THE MATERIALITY FRAMEWORK:

- An aspect is considered material if it has significant financial impacts in the short or medium-term, i.e. the aspect could potentially affect a key financial indicator of Alma Media, such as operating profit, by at least five per cent over a period of two years.
- An aspect is strategic if it has the potential to significantly affect the company's ability to implement its strategy in the medium or long term.
- An aspect is operative if it has significance for other reasons, internal reasons, reputation-related reasons or the efficiency perspective, but it is not material or strategic. In normal circumstances, it does not pose a significant threat to the company.

Materiality matrix

	Material: financially significant in the short/medium-term	Strategic: significantly affects the capacity to implement the strategy in the medium/long-term	Operational: significant for other reasons, but not material or strategic
Aspects that are unique to the media sector	Responsible journalism; Social influence		
Aspects that have particular consequences for the media sector	Product brands that increase customer value; Information security and the management of customer data	A product and service offering that is linked to responsibility; A responsible brand	
Aspects that are common to all industries	Economic responsibility and ethical business; Developing employee competence	Employee well-being, equality and diversity; Responsibility throughout the supply chain; Responsible corporate culture	Environmental impacts of operations

- Development and corporate culture
- Sustainable media and service business
- A responsible member of society
- Customer value and trust

The following table describes the links between Alma Media's material themes and aspects and the aspects defined in the GRI G4 reporting guidelines. The GRI content reported by Alma Media based on the materiality analysis will be increasingly focused on the most significant impacts.

Alma Media's theme and material aspect	GRI G4 aspects (G4-19)
A responsible member of society	
Responsible journalism	Content Production • Content Sharing • Audience Interaction
Social influence	Public Policy • Local Communities* • Media Literacy
Customer value and trust	
Customer satisfaction	Product and Service Labeling
Information security and customer data	Customer privacy • Compliance
A product and service offering that is linked to responsibility	Responsible Marketing and Advertising*
A responsible brand	Responsible Marketing and Advertising*
Sustainable media and service business	
Economic responsibility	Financial results
Environmental impacts of operations	Materials • Energy • Emissions • Waste
Responsibility throughout the supply chain	Subcontracting chain management*
Development and corporate culture	
Employee competence and development	Training and Education
Employee well-being, equality and diversity	Employment • Occupational Health and Safety • Diversity and Equal Opportunity • Non-discrimination
Responsible corporate culture	Anti-Corruption and bribery

* Alma Media's own aspect.

Management methods for the material aspects

GRI G4 aspects	
A responsible member of society	
Reported aspect and indicator	Content production: M2, M3 Content sharing: M4, M5 Audience Interaction: M6 Local communities: Alma Media's own indicator Media Literacy: M7 Public Policy: SO6
Policies and commitments	Code of Conduct Guidelines for Journalists Editorial teams' style books and guidelines
Goal-oriented management method	Alma Media's editorial teams continuously develop their operations to promote responsible journalism, transparency, freedom of speech and the diversity of content. Alma Media's media strive to empower their readers as citizens by improving their media skills. Alma Media's units bear responsibility for the well-being of their local communities by participating in various projects each year to increase activity and vitality in the area and among the individuals who live there. Alma Media does not support political parties or individual operators and its media are politically independent.
Responsibilities	The responsibility for the journalistic content of Alma Media's media lies with their Editors-in-Chief. Alma Media's local responsibility projects are coordinated by business units in accordance with Alma Media's Code of Conduct. Alma Media's Corporate Communications unit serves an assisting role in the projects, if necessary. Alma Media's various media and other business units are politically independent. The responsibility for this at the Group level lies with the Group's executive management and the Board of Directors. At the practical level, the realisation of this principle is supervised by the managers in charge of the units.

GRI G4 aspects	
Customer value and trust	
Reported aspect and indicator	Product and Service Labeling: PR5 Customer Privacy and compliance: PR8, PR9 Responsible marketing and advertising: Alma Media's own indicators concerning responsible marketing and advertising
Policies and commitments	Processes to ensure compliance with the General Data Protection Regulation Alma Media's own data protection and privacy practices IAB commitments The marketing rules of the International Chamber of Commerce Principles concerning good marketing practices by the Council of Ethics in Advertising Europe-wide self-regulation of targeted online advertising (OBA self regulation) Contractual terms and terms of sale concerning the advertising customers of Alma Media's media sales
Goal-oriented management method	All of Alma Media's units are committed to processing the customer data they collect ethically and in compliance with the regulations. In all of its functions, Alma Media regularly monitors changes in customer satisfaction and uses this information as a tool for product and service development. Alma Media continuously develops its operating methods in order to operate responsibly and ethically in the rapidly digitising field of marketing communication and it engages in active dialogue to spread responsible marketing communication practices among industry operators.
Responsibilities	At Alma Media, the Group's ICT organisation is responsible for data protection and data security. Each Alma Media unit coordinates the monitoring of its customer satisfaction and the development efforts carried out based on the results of customer satisfaction measurements. Alma Media's media sales and marketing organisation is in charge of the development of responsible marketing communication practices.

GRI G4 aspects	
Sustainable media and service business	
Reported aspect and indicator	Financial results: EC1, M1, EC4 Materials: EN1, EN2 Energy: EN3, EN4, EN6, Emissions: EN15, EN16, EN17, EN21 Waste: EN23 Subcontracting chain management: Alma Media's own indicator
Policies and commitments	Alma Media's Code of Conduct Commitment to the UN Global Compact (UNGC) The objectives of Alma Media's responsibility programme Alma Media applies the IFRS accounting standards approved for use in the EU
Goal-oriented management method	All of Alma Media's units are committed to processing customer data ethically and in compliance with the regulations. Alma Media aims to ensure uniform and responsible operations throughout all of its operating countries and build sustainable growth for all of its stakeholders. The Group's responsibility programme includes a goal of reducing the carbon footprint of the Group's own operations each year.
Responsibilities	Alma Media's actions to ensure its own sustainable growth are led by the President and CEO assisted by the management in charge of each unit. Unit-level management is also responsible for ensuring that operations are ecological. The development of a responsible procurement policy at Alma Media is the responsibility of the Group's Chief Procurement Officer.

GRI G4 aspects	
Development and corporate culture	
Reported aspect and indicator	Employment: G4-10, G4-11, LA1 Occupational Health and Safety: LA6 Training and Education: LA9, LA10, LA11 Diversity and Equal Opportunity: LA12 Non-discrimination: HR3 Anti-corruption and bribery: SO5
Policies and commitments	Alma Media's Code of Conduct Alma Media's equality and non-discrimination principles Alma Media's training policy Alma Media's remuneration policy FIBS Diversity Charter Commitment to the UN Global Compact (UNGC) Cooperation between the employer and employees is based on the local legislation. The responsibility for occupational safety lies with the employer and is based on a proactive approach as well as systematic working methods.
Goal-oriented management method	Alma Media promotes the sustainable growth of its employees and business operations by, among other things, developing the long-term labour market value of its employees. Alma Media aims to promote employee diversity by recruiting employees based on their abilities and aptitude, irrespective of their gender, age, religious beliefs, nationality, sexual orientation or disabilities. Alma Media does not condone corruption of any kind, neither in the private nor the public sector.
Responsibilities	The HR management defines and steers processes and functions related to competence management, learning and development, wages and benefits as well as HR reporting. Ensuring that HR policies are non-discriminatory is the responsibility of the units' managers in charge of recruitment as well as Alma Media's HR management. All of the Group's units are committed to operating ethically and bribery and corruption are not accepted in any form.

Alma Media as a responsible member of society

In addition to the economic, social and ecological effects typical of all entrepreneurial activity, the activities of media companies have direct and indirect social and cultural effects that are difficult to measure but still important.

The media sector differs significantly from other industries in that its impact on the surrounding community is primarily intellectual and social rather than being related to production operations.

Media companies have a significant impact on what people think and the choices they make. The social impacts of the media sector involve unique characteristics that the traditional definitions of responsibility cannot sufficiently describe.

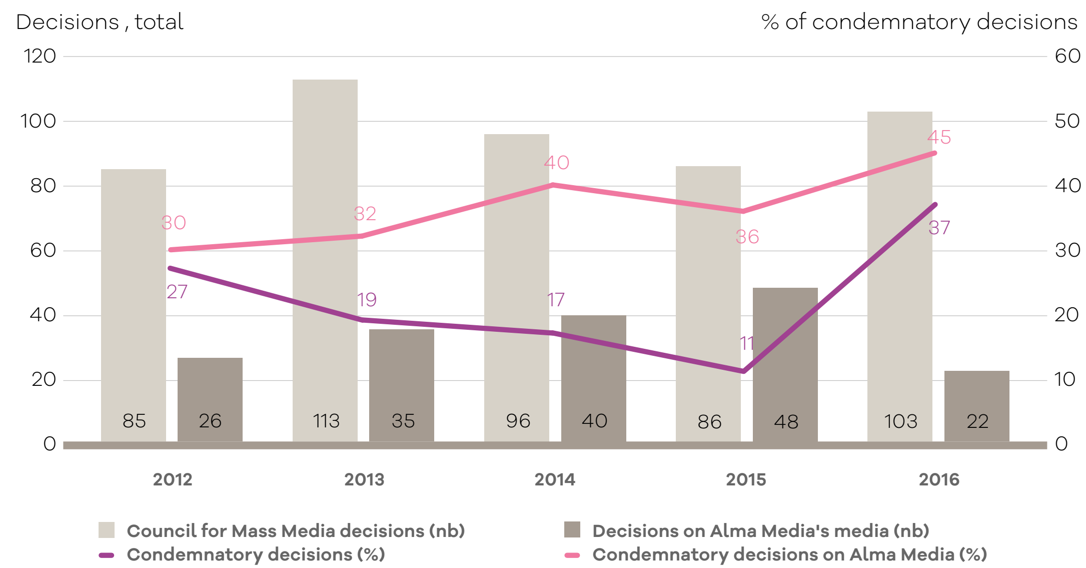
RESPONSIBLE JOURNALISM

Content production

From the perspective of responsibility, the work of Alma Media's editorial offices is based on the legislation that governs freedom of speech and expression as well as the operations of the media. In addition to legislation, the foundation for a sustainable journalistic culture at Alma Media's editorial offices is built on the Guidelines for Journalists drafted by the Council for Mass Media, which is the media sector's self-regulatory organisation. In many respects, the Guidelines for Journalists impose stricter standards on editorial offices than what is required by the law, as responsible media companies believe this is the only way they can maintain their legitimacy in the eyes of their audiences. Alma Media's editorial teams are committed to full compliance with the Guidelines for Journalists in their day-to-day work.

To ensure the transparency and ethicality of their operations, responsible Finnish media companies have also granted the Council for Mass Media the authority to monitor their operations in practice. The system is very effective, as reporting complaints concerning the content published by media outlets has been made easy and convenient for private individuals, public authorities, businesses and other communities alike. In 2016, the Council for Mass Media exercised its authority by issuing a total of 103 decisions on matters such as factual communication, privacy protection and surreptitious advertising. Of these decisions, 22 pertained to Alma Media's various media. Of the decisions pertaining to Alma Media, 45 per cent were condemnatory. The overall rate for condemnatory decisions by the Council last year was 37 per cent. The largest category for which Alma Media's media received condemnatory decisions (four decisions) was surreptitious advertising. Alma Media's newspapers discuss CMM decisions at the newspaper level, led by the Editor-in-Chief, and develop their operations accordingly.

Council for mass media decisions in Finland 2012–2016



Within the limits set by legislation and the guidelines issued by the Council for Mass Media, the best way Alma Media's various media can develop their journalistic practices and make them even more responsible is the work they do themselves to improve their editorial processes. In Alma Media's editorial offices—as in other Finnish editorial offices that operate responsibly—the legal and practical liability for ensuring that content published by editorial teams complies with the principles of responsible, high-quality and pluralistic journalism always lies with the Editor-in-Chief. The Editor-in-Chief and his or her subordinate editors are responsible for creating a strong and ethically sustainable editorial culture and ensuring that all members of the editorial team understand their professional responsibilities and act accordingly.

In the day-to-day work of editorial offices, the Editors-in-Chief are assisted in the creation of a responsible editorial culture by, among other things, the editorial offices' style books. Aamulehti, for example, uses a style book that documents practical instructions and guidelines on topics such as preventing errors, the use of names in news stories, photography rules, distinguishing between advertisements and journalistic content, and a transparent editorial process. In addition to style books, many editorial offices have separate instructions on topics such as journalists' communication on social media. All Alma Media editorial offices also have a clear process for publishing corrections to inaccurate information. The process is in line with the methods documented in the Guidelines for Journalists published by the Council for Mass Media. In addition, some publications, such as Kauppalehti, document their practices for making corrections on their websites along with the editorial office's contact details for submitting correction requests.

Another very important tool in the supervision of the work performed by Alma Media's editorial offices is the feedback received by journalists, whether it comes from external sources, editorial managers or colleagues. The content meetings of editorial teams, which Alma Media's editorial offices hold as part of planning their day-to-day work, always include a review of feedback. In many editorial offices, the internal feedback practices also include managers regularly sending written feedback to their subordinates regarding the day-to-day work of the editorial office. In addition, at Aamulehti, for example, the editorial team is convened on a weekly basis in meetings to discuss the changes in journalism, including journalistic quality and ethics and the digital transformation. The editorial team also discusses themes related to responsible journalism at regular workshops.

Feedback practices and the supervision of the work performed by employees is continuously developed in Alma Media's editorial teams as the digitisation of content has presented many new professional challenges to editorial employees, also from the perspective of responsibility. The digitisation of content has, for example, made it even more important for responsible media companies to thoroughly check their sources, but this is often made more complicated by the fact that the reliability of online sources may be difficult to verify. Alma Media's various media recognise their responsibility in this regard. Iltalehti, for example, updated its internal guidelines in 2016 with regard to checking sources. Iltalehti also developed its operating procedures related to the publication of online content by implementing stricter internal guidelines on when the name of a criminal suspect or sentenced person can be published in news articles, and Iltalehti also continued the project it launched in 2015 to eliminate clickbait news headings from its website.

Similar guidelines related to responsible operating procedures have also been implemented by other Alma Media media and they are updated in response to changes in the social, journalistic or regulatory operating environment.

There are also publication-specific differences in how Alma Media's various media aim to ensure the diversity of content. For example, in northern Finland, where the Sami people are a significant minority, Lapin Kansa hired a Sami-speaking journalist in 2016 to ensure the diversity of content.

The editorial office of Iltalehti adopted a new feedback practice in 2016 to have journalists themselves compile weekly internal reports on their stories. The reports discuss the stories' reception and the process of writing them, and they are distributed by e-mail to everyone in the Iltalehti editorial office.

Content sharing

An important part of the responsibility efforts of media outlets in today's mediatised society is to ensure that their contents are easily accessible, including for members of various special groups. For example, media outlets produce stories in simple language for children or people with reading disorders, or implement technological solutions on their websites to make content more accessible for people with vision or hearing disabilities.

Alma Media's newspapers have made substantial investments in mobile development in recent years. Many of the solutions implemented by Alma Media's various media in their mobile services have improved the accessibility of content for certain special groups. One example of this are mobile leads that Iltalehti adopted in 2016. With the exception of the shortest articles, all of Iltalehti's online articles now start with a brief summary. This allows the reader to quickly read the key points of the article from the first view displayed on his or her smartphone. In addition, the navigation tools in Iltalehti's redesigned mobile application give users new options such as displaying only the story's photos and captions. In addition to serving mobile users, both of the changes implemented by Iltalehti also serve people with reading disorders, for example.

Iltalehti and many of Alma Media's regional media have also begun to increasingly produce native videos that they publish on their own Facebook or Twitter accounts. The videos are aimed at mobile users who often watch videos on their phones with the sound off. The key information in the videos is also displayed in captions, which makes them more accessible for groups such as people with hearing disorders.

In addition to making their content more accessible, responsible media must also ensure that certain audience groups do not gain access to inappropriate content. Under Finnish law, media outlets are required to caution their audiences if the content of a story may scare or confuse children or other sensitive groups of people. In line with this requirement, Alma Media's newspapers always indicate which stories may contain material that could be perceived as disturbing by sensitive readers.

Finnish legislation and the International Chamber of Commerce Code of Advertising and Marketing Communication Practice prohibit advertisers from targeting audiences under the age of 18 years. Alma Media's services and media do not offer targeted advertising campaigns based on age segments where the target segment would consist of audiences under the age of 18 years. The websites of all of Alma Media's media also clearly distinguish between news, sponsored content and advertising content in the manner documented in the Guidelines for Journalists.

In 2016, Iltalehti implemented service improvements that not only serve mobile users, but also improve accessibility for people with reading disorders.

Monitoring consumers' media behaviour

To support the development of its content and services, Alma Media continuously monitors its readers' responses to the content it produces. Alma Media's newspapers use tools that allow them to monitor readership statistics in real time. Updated in real time, the information also helps the online producers of the editorial offices make decisions on the placement of articles on websites. Alma Media's various editorial offices can also easily cross-publish articles that interest readers following Alma Media's gradual implementation of a common editorial system. The project will continue in 2017, but Iltalehti and Kauppalehti already began using the new editorial system during the review period. The new editorial system makes the articles produced by Alma Media's various editorial teams accessible to all users of the system and facilitates their quick publication across the websites of different newspapers.

In addition to monitoring reader behaviour on a daily basis, Alma's editorial offices also conduct regular reader surveys. One of the most important of these is the annual Finnish National Readership Survey (NRS) conducted by TNS Kantar, which newspapers and magazines use to monitor the development of their reach and readership. The most recent NRS information is from the period between autumn 2015 and spring 2016. According to the survey, Alma Media's four regional media—Aamulehti, Satakunnan Kansa, Pohjolan Sanomat and Lapin Kansa—currently reach 78–82 per cent of the residents above the age of 12 in their circulation areas. In addition to Alma Media's regional media, Kauppalehti and Iltalehti also participate in the National Readership Survey.

The increased use of native videos by Alma Media's various editorial offices make videos more accessible to people with impaired hearing.

Alma Media's media use the information collected on readers in various ways to develop their content and better respond to readers' needs. Aamulehti, for example, has used information on readers as the basis of developing six archetypal readers in the Pirkanmaa region. The six archetypes together represent the entire population of Pirkanmaa. The newspaper has defined the values, consumption habits and socio-economic backgrounds of each archetypal reader, along with a description of their media use. In planning its daily content, Aamulehti uses the archetypal readers as a tool to ensure that it provides diverse content to serve its readership in Pirkanmaa.

Interaction with audiences

The basic values of journalism and their impact on society have become an increasingly prominent subject of public debate in recent times. This has served to strengthen the commitment of Alma Media's newspapers and websites to open and transparent journalism. The "product description" of journalism, i.e. the journalistic process and the related choices and ethical principles are communicated to readers more openly than before, and dialogue between editorial teams and readers, through online channels, for example, has been increased.

The digital transformation and breakthrough of social media have made the reader a partner for media. Alma Media's newspapers take this into account in many ways: readers can follow and develop newspapers in cooperation with their editorial teams, for example, by posting comments, participating in online reader panels or by sending in their story tips or photos related to current news. In addition, all of Alma Media's newspapers have social media channels that readers can use to conveniently contact editorial teams directly or send feedback. Messages sent through all feedback channels are replied to.

In addition, many employees of Alma Media's editorial offices engage in active dialogue with their readers and other stakeholders via their own personal social media accounts.

At the same time, interaction with readers in the digital environment also presents new challenges to media companies. According to the Guidelines for Journalists, media are required to, for example, prevent the publication of messages that stir up hatred or violate privacy in comments to news articles and posts made in discussion forums on their websites. All of Alma Media's newspapers moderate the comments posted in response to news articles. The moderation is not aimed at preventing dialogue between citizens, but rather to ensure that the discussion remains appropriate in tone.

Through their websites and printed newspapers, Alma Media's four regional media reach 78–82 per cent of the people above the age of 12 in their circulation areas.

SOCIAL INFLUENCE

Political influence

The foundation for responsible media operations is a reputation as a credible, reliable and impartial source of information in the eyes of audience members as well as the authorities and citizens in general. Alma Media does not support political parties or individuals in any way. Alma Media's newspapers are politically independent and they do not receive press subsidies from the state. Alma Media does not support election campaign financing through direct donations or by participating in paid political fundraising events (seminars, dinners and the like).

Alma Media's media do, however, apply discounts to election campaign advertising. The discount practices vary slightly between different media, but they ensure that all candidates or parties in elections can buy discounted advertising space under the same terms for election campaigning on the websites or printed newspapers of Alma Media's publications. Some of Alma Media's media also apply discounts to advertising sales when the buyer is a non-profit organisation.

Neither Alma Media's media nor any other Alma Media units in Finland and overseas made any direct or indirect financial contributions to political parties or individuals in 2016.

Supporting the vitality and uniqueness of local communities

Part of the responsibility of today's companies is to think about the local impacts of their operations and come up with ways to support local vitality. For Alma Media's regional and local media, this task is closely linked to their role as a local mouthpiece. The readership satisfaction surveys commissioned by Alma Media's regional media have repeatedly indicated that the readers consider the dissemination of information on local issues to be a newspaper's most important task. Highlighting local news is relevant both from the perspective of supporting local culture and social vitality and the perspective of maintaining the competitiveness of Alma Media's local and regional media. The ability to provide readers with local news that larger media are unable to deliver represents a genuine competitive advantage for Alma Media's regional and local media. The only way to maintain this competitive advantage is for the local media to be an active participant in the life of its community.

Alma Regions' newspapers launched a new smartphone application in 2016 to make it convenient for readers to submit story tips and send in photos using mobile devices.

To strengthen their position as a significant local operator, Alma Media's local media organise various events and initiatives for their readers each year, including sponsoring local sport clubs or giving local schoolchildren the opportunity to produce content for the paper. The most innovative example of Alma Media's local papers' opportunities for influence in 2016, however, comes from the Pyhäjokiseutu paper published in the Pyhäjokilaakso area of Northern Ostrobothnia. Late last year, the paper launched a joint project with the town of Oulainen to provide a few local youths who are interested in the computer and video game industry with guidance and workspace

Alma Media's Czech recruitment service LMC provides training in computer programming to unemployed miners.

for six months with the aim of having the participants establish a game company during the course of the project and subsequently finding employment opportunities in larger companies in the industry. The Pyhäjokiseutu paper's role in the project was to generate ideas, provide encouragement, create networks and, of course, to publish news on the project's progress.

In addition to Alma Media's local and regional media, many other Alma Media units also continuously engage in responsibility projects aimed at increasing local vitality. The recruitment services of the Alma Markets business unit, in Finland as well as Central and Eastern Europe, are particularly active in the area of social responsibility. In Finland, the Monster.fi recruitment service organised nine free events for jobseekers in 2016. The aim of the events was to provide jobseekers with current information on finding a job as well as facilitate encounters between jobseekers and employers. Similar projects were also carried out by the Croatian Mojposao.net recruitment service and the Monster.hu service in Hungary. In the Czech Republic, the recruitment company LMC, a subsidiary of Alma Media, launched a project in 2016 in the eastern and southeastern parts of the country aimed at providing training in computer programming for people formerly employed by the mining industry, which no longer provides the certain jobs it used to. LMC also allows Czech non-profits to use its recruitment services practically free of charge. In 2016, this opportunity was taken by a total of 438 organisations, which recruited more than 3,200 permanent employees and over 12,000 volunteers and trainees via the service. A similar but less extensive programme is also being implemented by the Profesia.sk recruitment service in Slovakia. In addition to the programme, Profesia.sk realises its social responsibility by, among other things, donating used computers to low-income families with children to give children in such families the opportunity to learn the digital skills required in modern society.

The Pyhäjokiseutu paper participates in a local project aimed at making it easier for local youths interested in the computer and video game industry to pursue careers in the industry.

As the main partner of the Finnish Children and Youth Foundation from 2016 to 2018, Alma Media will carry out joint projects with the Foundation to support young people at risk of exclusion.

In addition to these local and regional responsibility projects, the Alma Media Group has worked with the Finnish Children and Youth Foundation, which works with children and young people who are at risk of exclusion, since 2010. From 2016 to 2018, Alma Media is the Foundation's main partner and will collaborate on a number of projects aimed at increasing participation and engagement among young people.

Improving citizens' media skills

Media literacy, or the ability to filter and assess information, is one of the preconditions for social dialogue. With the rise of social media in recent years facilitating the increased production of own content, Alma Media is starting to use the term media skills instead of media literacy. Media skills include not only filtering and assessing information, but also the skills related to producing information and discussing information on various media.

Alma Media's newspapers strive to promote Finnish media skills and culture not only through their journalism, but also through playing an active role in schools. During the annual Newspaper Week, Alma Media's regional media and some local papers distribute some 100,000 newspapers free of charge to schools, make their paid digital content available to schoolchildren free of charge and produce content and material packages related to the theme.

Developing citizens' media skills is also included as one component of Alma Media's corporate responsibility programme. The development of media skills is an integral part of the operations of responsible media, as it increases the transparency of media and dialogue with readers, while also improving citizens' understanding of media ethics. Developing media skills can also provide tools for analytical social dialogue, which is a central aspect of an effective democracy. Today, citizens' ability to participate in social dialogue equally may be compromised simply by the fact that consuming digital content requires certain technical skills. In areas such as Lapland, access to the content produced by media can also be jeopardised by printed newspapers only being delivered to mailboxes twice a week. There is also a large amount of incorrect or deliberately false content available on the Internet today, and identifying content as such requires a good level of media understanding.

In the DigimpiLappi ("A More Digital Lapland") project carried out in 2016 by Lapin Kansa and its partners, 50 volunteers travelled around Lapland to teach essential digital skills to people.

Many of Alma Media's regional media have been working for several years in their respective regions to improve their readers' media skills. The most high-profile projects in 2016 took place in the Pirkanmaa and Satakunta regions, as well as in Lapland, where Alma Media and partners carried out the year-long DigimpiLappi ("A More Digital Lapland") project. The project involved 50 volunteers travelling around Lapland during the year to teach digital skills to people to help them use online services and consume online content. Lapin Kansa's role in the project was to recruit the volunteers and coordinate their work. In Satakunta and Pirkanmaa, Aamulehti and Satakunnan Kansa organised digital events in several municipalities in 2016 to teach senior citizens how to use and manage digital devices. Aamulehti has also been involved with the Pirkanmaa Me & MyCity initiative for several years. Me & MyCity is a miniature city and a learning environment that gives sixth-graders in the Pirkanmaa region the opportunity to learn about various occupations while acting as consumers and citizens in the city. Aamulehti has its own office in the miniature city to allow children to try different jobs at Aamulehti and gain an understanding of content production processes in the media industry.

In another example of defending journalistic ethics, Alma Media's Editors-in-Chief joined the Editors-in-Chief of Finland's largest media in 2016 in publishing a statement to defend responsible and pluralistic journalism against the new wave of fake media.

CUSTOMER VALUE AND TRUST

Data protection as part of responsible business

As business moves increasingly towards digital channels, ensuring the reliability and security of services is very important. Alma Media strives to provide a safe and secure user experience for the users of its digital services. The significance of privacy protection, in particular, has increased in recent years, and this trend is expected to continue in the future. The new EU Data Protection Regulation, approved in late 2015, will further strengthen the position of consumers. Businesses are required to apply data protection practices in line with the provisions of the Regulation when processing their customers' personal data starting no later than May 2018.

Editors-in-Chief published a statement to defend responsible and pluralistic journalism against fake media.

Alma Media strives to understand the needs of the users of its services and to create content that interests them. To this end, information on the users of its services will be collected from a growing number of sources in the manner permitted by privacy protection regulations. The collection and processing of data enables the creation of added value to the users of the services as well as advertisers. Alma Media's terms and conditions for media sales nevertheless prohibit advertisers from collecting or utilising the data accumulated during an advertising campaign. Alma Media also does not disclose information collected on customers to third parties.

As a Group, Alma Media has also committed to protect the privacy of the users of its services. For instance, privacy protection legislation and Alma Media's own information security policy, which was updated in 2014, guide the use of all newspaper and service-specific registers. Alma Media's privacy protection process is described in more detail on the company's web page on Privacy Protection.

The authorities that supervise the management of customer data did not request any clarification from Alma Media in 2016 regarding the processing of customer data, nor were any fines imposed on the Group's units for non-compliance with laws and regulations related to their products and services.

Monitoring customer satisfaction provides the foundation for development

Alma Media continuously monitors changes in customer satisfaction as part of the development of its various products and services, and regularly carries out brand surveys to measure the brand awareness of the Alma brand and its sub-brands as well as consumers' mental associations with the brands.

For Alma Media's regional media, the important indicators of customer satisfaction include not only the readership surveys that measure their overall reach, but also regular reader satisfaction surveys. Satakunnan Kansa, Aamulehti, Lapin Kansa and Pohjolan Sanomat carried out their most recent reader satisfaction surveys in summer 2016 among readers above 15 years of age. The surveys covered areas such as the readers' satisfaction with the content of the newspaper's print and online editions as well as the readers' views regarding the visual design and usability of the printed paper and its website. The results confirmed that the vast majority of the readers of Alma Media's regional media remain satisfied with the printed newspapers and their websites. Among the readers of Lapin Kansa and Pohjolan Sanomat, in particular, reader satisfaction with the newspapers' websites showed a substantial increase from the previous year. The results also highlighted the significance of local news: a strong focus on local news is an important competitive advantage for regional media.

In addition to readers, advertisers are an important customer group for commercial media. Accordingly, the media sales organisations of the Alma News & Life unit, the Alma Talent unit and Alma Media Solutions participate in an annual survey that evaluates the perceptions of media agencies and advertisers' media decision-makers regarding the professional competence of the salespeople and sales organisations of various media. The survey provides Alma Media's media sales organisations with a useful tool for developing their operations in the rapidly digitising field of marketing communication. The media agencies that responded to the 2016 survey were particularly satisfied with the participating Alma Media media sales organisations' capacity to produce versatile multimedia solutions.

In addition to Alma Media's media, customer satisfaction is also regularly monitored by the online services owned by Alma Media. Many of them have shifted their focus from large customer satisfaction surveys conducted in regular intervals to the continuous monitoring of customer satisfaction, which reflects a change in thinking related to the development of online services. The development of today's online services is a continuous process, so changes in customer satisfaction should therefore also be monitored on an ongoing basis.

Recognising this, many of Alma Media's services measure changes in customer satisfaction and customer loyalty continuously using tools such as the NPS method. Large-scale customer satisfaction surveys are also used but, in addition to them, the services often measure their customer satisfaction continuously, in conjunction with customer service encounters, for example, or collect feedback from recent users of the service regarding their experience of using the service.

Responsible marketing and advertising

The field of advertising has changed rapidly over the past couple of years, with programmatic buying, in particular, growing in popularity in Finland. Programmatic buying refers to online advertising based on automated trading. It involves advertisers buying advertising inventory through purpose-built advertising systems. From the perspective of advertisers, this change has made the buying and management of advertising more technical and often more difficult to understand. To increase its customers' know-how related to new digital advertising environments, Alma Media organised regular AlmaTalk seminars in Helsinki in 2016 and arranged Alma clinics to familiarise media agencies with programmatic buying.

At the same time, Alma Media's media sales implemented several internal system changes in 2016 to improve Alma Media's capacity to manage and monitor the advertising on its websites. The new tools allow Alma Media to check advertising materials in more detail, also from a technical standpoint, as well as conduct real-time monitoring of the advertising displayed on its websites at any given time. Alma Media also aims to prevent the problems that are occasionally associated with programmatic buying by only working with partners that are very reliable operators and by selling the majority of its advertising inventory in closed auctions that can be entered only by buyers approved by Alma Media. Furthermore, the Group has imposed restrictions on certain industries, such as adult entertainment and foreign gambling companies, to exclude them from the customer base that has access to the Group's inventory.

The day-to-day work of Alma Media's media sales and marketing functions also includes continuously monitoring legislative changes pertaining to marketing communications as well as related recommendations issued by the authorities. Alma Media works with advocacy organisations in the marketing communications industry and other media companies to develop industry guidelines and quality standards. Key guidelines drafted by industry participants include the International Chamber of Commerce Code of Advertising and Marketing Communication Practice and the principles concerning good marketing practices published by the Council of Ethics in Advertising, which is the organisation responsible for self-regulation in the Finnish marketing communication industry. Alma Media also participates as a publisher in the self-regulation programme of IAB Finland, an organisation promoting digital advertising. The programme develops the industry's internal rules regarding the targeting of online advertising based on consumers' browser behaviour.

Alma Media launched the Agency of the Year competition in Finland in 2016 to measure the ratings of marketing agencies among marketing decision-makers.

In 2016, Alma Media and a group of leading players in the marketing communications industry also launched a joint project, #siksimarkkinointia ("Marketing – that's why") aimed at increasing the appreciation of marketing communications in Finland as well as public recognition of the macroeconomic significance of advertising. The project participants wanted to point out that without effective and professionally produced advertising, Finnish products and services cannot be successful against intensifying international competition. As its own #siksimarkkinointia initiative, Alma Media launched a new Agency of the Year competition open to Finnish marketing agencies. The competition measures the perceptions of the customer experience produced by the agencies among Finnish marketing decision-makers. The participating agencies receive a summary of what their key strengths and weaknesses are according to Finnish marketing decision-makers.

Sustainable media and service business

ECONOMIC IMPACTS

As a commercial media company, Alma Media aims to create sustainable economic added value by producing content profitably and competitively as well as in harmony with the needs of the environment and society.

Alma Media's Board of Directors has set financial targets for the company, which are communicated in materials aimed at investors. A strong financial result provides the foundation for the other areas of sustainable development: social responsibility and environmental responsibility.

Direct economic value generated and distributed

Alma Media's operations generate economic value for various stakeholders. The key stakeholders include shareholders, consumer customers (readers and visitors), advertisers, employees, suppliers, service providers and society. The following tables illustrate cash flows between Alma Media and various stakeholders as well as the distribution of economic value between stakeholders. The most important cash flows consist of income from customers, purchases from suppliers and service providers, dividends paid to shareholders, wages paid to employees as well as taxes and investments.

Dividend policy

Alma Media published its long-term financial targets in 2013. According to the targets, the company aims to pay on average more than 50 per cent of the profit for the period in dividends or capital repayments over the long term. More information on the key figures of the financial statements as well as Alma Media's shares and shareholders is available in the financial statements section.

Significant financial assistance received from the government or other sources

In 2016, Alma Media received assistance amounting to 0.6 million euros from the public sector in Finland. This sum consists mostly of a Tekes grant received by Alma Regions. In addition, the internet company Google granted 50,000 euros from the Digital News Initiative Innovation fund to Alma Media and Streamr Oy in February 2016 for the two companies' joint financial journalism development project.

Alma Media's units outside Finland did not receive any significant assistance or funding from governments or non-governmental sources in 2016. However, the Croatian government provided small-scale support to Alma Media's recruitment service MojPosao.net to support its employment efforts by, for example, granting concessions to employer contributions for certain employees under the age of 30 years.

MEUR	2016	2015	2014
Customers			
Revenue	353.2	291.5	295.4
Partners (suppliers and service providers)			
Purchases of products, materials and services	74.0	69.4	77.6
Employees			
Wages and salaries	150.0	124.1	120.8
Public sector			
Taxes and social security contributions (Finland)	55.2	49.4	54.3
Payments to the state (income taxes, real estate taxes)	5.7	4.8	4.2
Creditors			
Net financial expenses	2.4	2.5	2.7
Shareholders			
Dividends	13.2	9.9	9.06
Communities			
Donations	0.07	0.04	0.07
Business development	5.0	5.5	5.5

The consolidated income statement, balance sheet and cash flow statement are available in their entirety in the Financial Statements section.

ENVIRONMENTAL RESPONSIBILITY

The most significant environmental impacts of the operations of Alma Media and its business units are related to printing and distribution, buildings, purchasing and travel. Alma Media develops its environmental responsibility by improving its material and energy efficiency. In addition, one of Alma Media's future development areas is integrating corporate responsibility with the development of new products and services. The Group's strategy, which focuses on digitality, creates good conditions for achieving this goal. A third focus area is procurement, where a particular goal is to evaluate and develop the responsibility of the ICT procurement chain. ICT equipment and infrastructure have significant environmental impacts. Careful analysis and mitigation of these impacts is important as digital media consumption increases.

Materials used

Alma Media develops its environmental responsibility by improving its material efficiency and by focusing on the ecological quality of the materials used. In printing operations in particular, ecological choices of materials can significantly reduce the negative environmental impacts of operations. In 2016, 81 per cent of the newsprint used by Alma Media contained recycled fibre (2015: 86 per cent). The share of recycled fibre decreased from the previous year due to its reduced availability in Finland. The share of recycled fibre in all newsprint pulp used by Alma Media's printing facilities in 2016 was 35 per cent (2015: 43 per cent).

Materials used for printing, consumption

Material	Unit	2012	2013	2014	2015	2016	Comments
Paper	tonnes	26,400	24,900	23,665	25,321	26,305	
Paper, certified	tonnes	n/a	24,900	23,665	25,321	26,305	Added to the report in 2015
Paper, made from virgin fibre	tonnes	n/a	n/a	n/a	14,389	17,214	Added to the report in 2015
Paper, made from recycled fibre	tonnes	n/a	n/a	n/a	10,932	9,091	Added to the report in 2015
Paper, share of recycled paper	per cent	n/a	n/a	38	43	35	Added to the report in 2015
CO_2 intensity of the paper used	kg CO_2/paper tonne	n/a	n/a	n/a	140	167	Added to the report in 2015
Inks	tonnes	480	420	445	442	551	
Printing technology	Coldset Offset	n/a	n/a	n/a	442	551	Added to the report in 2015
Printing plates	m^2	120,000	97,600	135,000	n/a	n/a	Not reported in this unit after 2015
Printing plates	tonnes	n/a	n/a	101	114	135	Reporting unit changed in 2015

In its choices of materials, Alma Media's printing facility prioritises alternatives that have low concentrations of VOCs (volatile organic compounds). The harmful VOC emissions from printing operations remained very low in 2016 and the level of emissions even decreased slightly from the previous year to 4,422 kg (2015: 4,471 kg).

VOC emissions

		2012	2013	2014	2015	2016
VOC emissions	kg	5,500	4,200	4,488	4,471	4,442

The material efficiency of the operations of Alma Media's printing facility is expressed by the amount of maculature*. In 2016, the amount of maculature at Alma Media's printing facility declined by six per cent from the previous year. Material waste was reduced by developing maintenance operations, competencies and working methods as well as by improving the functionality of materials by means of material testing.

From the perspective of waste processing, material efficiency also includes the recovery of waste. All waste generated at Alma Media's current printing facility is recovered either for recycling or other reuse, and no waste ends up at landfill sites..

* The amount of maculature indicates how much wasted material is generated in printing operations.

Energy consumption and energy saving measures

Alma Media's printing facility in Tampere and the office building completed in Helsinki's Töölönlahti district in 2012 significantly improve the energy efficiency of Alma Media's properties. Alma Media's office building in Helsinki has been awarded LEED Gold environmental certification. Among other things, the office building in Helsinki is connected to the district cooling network. As far as is known, the Tampere printing facility is the world's first LEED-certified printing facility. For instance, the printing facility in Tampere has a heat recovery system that captures over 80 per cent of exhaust air. In addition, the lighting of business premises uses LED technology and motion sensors.

Alma Media used 13,065 (2015: 12,943) MWh of electric power in 2016. Electricity consumption increased by 0.9 per cent from the previous year*. The increase in electricity consumption was mainly due to the Talentum acquisition made by Alma Media in 2016. As a result of the acquisition, Alma Media became the recipient of a rental commitment for a large property located in Helsinki's Ruoholahti district. The use of the property was discontinued in 2016.

The combined fuel consumption of the leased cars used by Alma Media's employees and the vehicles used by delivery staff employed by the printing company decreased during the period from 2015 to 2016. The precise figure for this reduction is not, however, available due to a change in reporting practices (please refer to the tables on the right and on the next page on Alma Media's energy consumption and indirect greenhouse gas emissions).

* The electricity consumption figures for 2015 and 2016 are not fully comparable. However, the calculations include information available in both years on all Alma Media properties, including those located abroad. The calculations in the report for 2016 exclude certain small properties where electricity consumption is included in the rent. In the electricity consumption calculation for 2015, the data reported for these units was based on an estimate of the normal electricity consumption of a property of corresponding size.

Emissions caused by Alma Media's operations

Alma Media's responsibility programme includes a goal of reducing the carbon footprint of the Group's own operations each year. The direct greenhouse gas emissions (Scope 1+2) of Alma Media's operations in 2016 totalled 3,179 CO_2-eq. tonnes (2015: 3,313), or 1.4 tonnes per person. Alma Media has reduced its emis-

Waste

			2012	2013	2014	2015	2016	
Hazardous waste								
	Waste incineration	tonnes	n/a	n/a	n/a	134	150	Added to the report in 2015. Only includes the figures for the printing facility in Tampere.
Non-hazardous waste								
	Recycled	tonnes	n/a	n/a	n/a	2,991	3,063	Added to the report in 2015. Only includes the figures for the printing facility in Tampere.

Energy consumption

Direct	Unit	2012	2013	2014	2015	2016
Petrol	GJ	4,370	4,143	3,850	3,130	2 202*
Diesel	GJ	3,430	2,792	2,501	2,405	2 672*
Fuels total	GJ	7,800	6,935	6,351	5,535	4 874*
Indirect						
Electricity	GJ	60,100	58,800	47,870	46,590	47,034
	kWh	16,696	16,333	13,298	12,943	13,065

* The fuel consumption figures for 2015 and 2016 are not comparable. The consumption figure reported for 2016 only includes the fuel consumption of leased vehicles because, according to the new GR4 reporting practices, the fuel consumed by the vehicles used by Alma Media's delivery staff, for example, is reported separately (see direct greenhouse gas emissions, Scope 1).

sions (Scope 1+2) by approximately 18 per cent since 2011 (2011: 3,880 CO_2-eq. tonnes).

Alma Media reports the direct and indirect (Scope 1, 2 and 3) greenhouse gas emissions caused by its operations by applying the GHG Protocol.

The table on the right presents the greenhouse gas emissions caused by the consumption of fuel used for the heating and electricity production of properties controlled by Alma Media as well as transports controlled by Alma Media (Scope 1).

Subcontracting chain management

All of the paper pulp used at Alma Media's printing facility in 2016 was either PEFC or FSC certified. These international forest management certificates guarantee that the raw materials used to produce the paper pulp were sourced from forests that are managed in a socially, economically and ecologically sustainable manner.

Furthermore, 93 per cent of the paper pulp used at the printing facility in 2016 was purchased from either Finnish or Swedish suppliers whose wood sourcing chain is fully documented. The origin of the wood-based materials can also be verified in detail by customers.

In addition to using its own printing facility, Alma Media uses other printing facilities to print its newspapers, magazines and books. All eight of the printing facilities used by the Group in 2016 operate in an ecologically sustainable manner. Six of them have received at least one international environmental

Emissions

			2012	2013	2014	2015	2016
Direct	Fuels	tCO_2-eq.*	540	610	440	365	359

* For fuels, the carbon dioxide equivalent for leased cars is reported, i.e. the total greenhouse gas emissions converted to carbon dioxide.

The indirect greenhouse gas emissions reported by Alma Media are caused by the production of the energy (electricity and district heating) purchased by properties controlled by the Group.

			2012	2013	2014	2015	2016	
Indirect	Electricity consumption	tCO_2	2,150	2,700	1,850	2,948	2,820*	Includes all of Alma's operating countries starting from 2015.

* According to the GHG Protocol, companies are required to also report the emissions arising from indirect electricity consumption as market-based figures. In 2016, that figure for Alma Media was 3,640 tCO_2. The figures reported in the table have been calculated using the location-based calculation method.

Alma Media also monitors the average CO_2 emissions of its leased cars. In 2016, the Group's new vehicle-specific emissions target was set at 145 g of CO_2 equivalent per kilometre. This emissions target was achieved during the year, as the average CO_2 emissions figure of the Group's leased cars in 2016 was 130 g of CO_2 equivalent per kilometre (2015: 136 g).

Alma Media's CO_2 emissions caused by air travel in 2016 amounted to 241 tonnes of CO2 equivalent (2015: 217 tCO_2-eq.)*. Alma Media uses video and online conferencing technology to reduce business travel. According to the Group's travel policy, trains and buses are primarily used for domestic travel.

* Alma Media has discontinued reporting on the CO_2 emissions arising from hotel accommodation services used by employees. The emissions only represented a very small proportion of Alma Media's indirect CO_2 emissions.

			2012	2013	2014	2015	2016
Other indirect sources	Air travel	tCO_2-ekv.	415	290	234	217	241

certificate or the Nordic Swan Label, and most of them have received several. In addition, the two printing facilities that do not have environmental certificates of their own acquire all of the paper they use from environmentally certified suppliers.

Alma Media also continuously develops the responsibility of its supply chain in areas other than printing. The Group aims to ensure the safety of working conditions throughout its supply chain, as well as the fair treatment of employees and due consideration for environmental responsibility at every stage of production.

DEVELOPMENT AND CORPORATE CULTURE

At Alma Media, responsibility for employees is based on a number of guidelines and principles, such as the equality and non-discrimination principle, the training policy and the remuneration policy. The key principles of responsibility for employees are also documented in Alma Media's Code of Conduct. One of the main principles is to maintain the employees' labour market value. At Alma Media this means, for example, that the Group aims to continuously develop the competence of its employees and ensure their well-being at work.

HR management at Alma Media is centralised at the Group level. In 2016, the Group's HR management started a long-term employee development project and appointed a Director of Human Resources Development as the project lead.

Alma Media's employees in figures

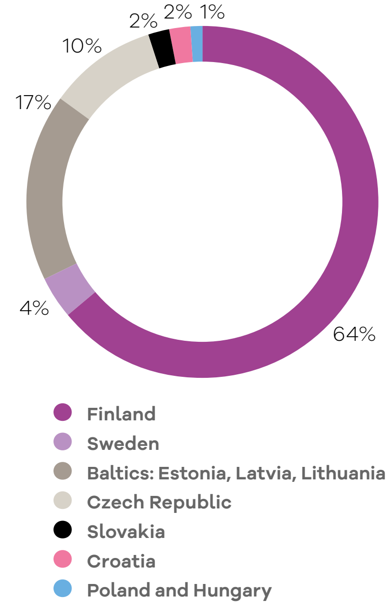
A total of 275 new permanent employees were hired by Alma Media's various units in 2016. Of this total, 151 were delivery staff hired for Alma Media's delivery operations and the other 124 were permanent employees hired by other units. The number of new employee hires does not, however, include the employees transferred to Alma Media as a result of the Talentum acquisition, as they were transferred to the employer as existing employees.

New recruitment was particularly active in Alma Media's digital services. The recruitment company LMC in the Czech Republic, for example, hired 24 new employees during the year, and Alma Media's digital consumer services in Finland also increased their employee numbers slightly during the year.

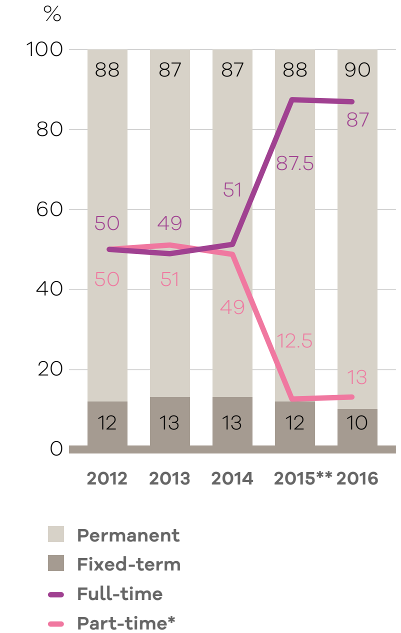
Alma Media terminated a total of 46 employment relationships for financial or production-related reasons during the year, of which 29 were full-time and 17 part-time.

Thus, including the employees acquired in the Talentum transaction, the average number of employees in Alma Media in 2016 was 2,287 (2015: 1,793), converted into full-time equivalents and excluding delivery staff. The number of newspaper delivery staff was 845 (985) on average. Alma Media's employees worked at more than 20 municipalities in Finland and nine other European countries. The gender breakdown of employees in Finland was 41 per cent women in permanent employment relationships and 48 per cent men in permanent employment relationships. The remaining 11 per cent of the employees in Alma Media's Finnish units were fixed-term employees, of whom five per cent were women and six per cent were men.

The proportion of employees in different regions (12/2016)



Employees by contract type



* Large proportion of employees represented by newspaper deliverers explains the high share of part-timers.
** Year 2015 onwards the figures without delivery personnel.

Measures taken to promote occupational health and safety

In 2016, Alma Media's various units recorded a total of 22,056 days of sick leave. More than half of the total days of sick leave (12,036) were taken by newspaper delivery staff. The number of occupational accidents and commuting accidents was also significantly higher for delivery staff than other Alma Media employees in 2016 due to their working conditions being dependent on the weather conditions. Of the 171 (2015: 127) occupational accidents and commuting accidents recorded by Alma Media in 2016, 148 occurred in delivery operations.

As the majority of Alma Media's occupational accidents and commuting accidents occur for delivery staff, occupational safety has been highlighted as a key focus area in Alma Media's delivery operations. The unit engages in long-term efforts to continuously improve the occupational safety of delivery staff. Ensuring that delivery staff have appropriate and safe equipment is one part of these efforts. In 2016, all of Alma Media's permanent delivery staff received new work uniforms that feature reflecting materials to make the delivery staff visible to motorists in the dark. Delivery staff were also provided with new tools that make their work faster and more ergonomic. Alma Media has also acquired bicycle helmets for delivery staff who use a bicycle to do their rounds, and delivery staff also have optional traction cleats available for their shoes.

In addition to the measures related to the equipment used by delivery staff, Alma Media's delivery operations also continued to develop its induction training to reduce occupational accidents among delivery staff. The aim was to create a model that is specifically suited for the induction training of delivery staff, as employee turnover is fairly high among delivery staff and some delivery employees only work seasonally. With this in mind, the delivery function implemented new digital induction training materials in May 2016, with occupational safety being one of the themes covered. Under the new practice, all Alma Media delivery staff must familiarise themselves with the materials and personally complete the training. In December 2016, Alma Media's delivery function also launched a new internal digital channel that can be accessed by the PDA devices used by delivery staff in their work. Delivery staff can use the channel to report any occupational safety risks they observe as well as near misses.

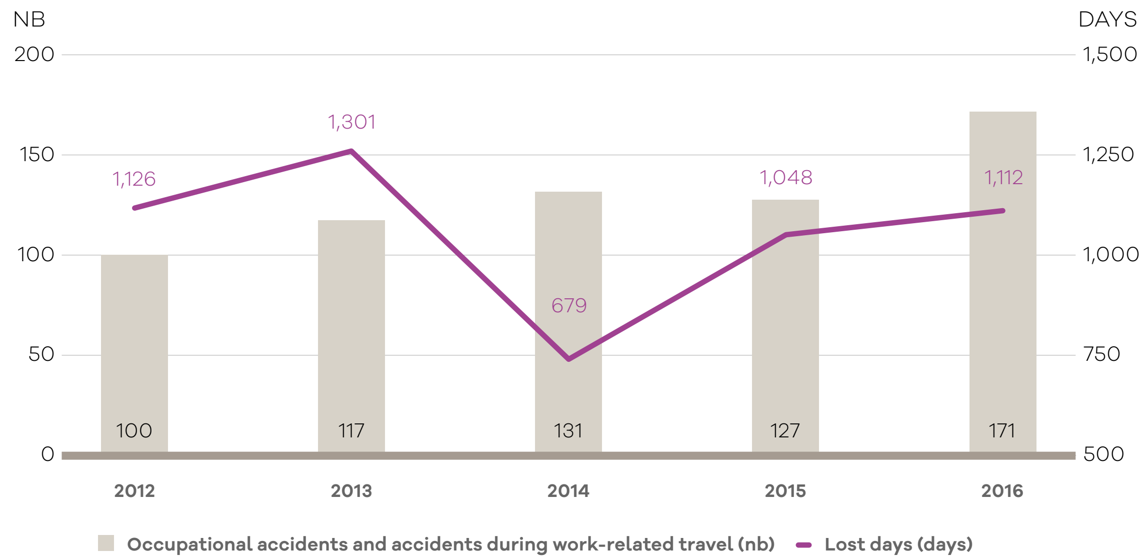
In addition to the delivery function, Alma Media's printing facility also focused on improving the prevention of occupational

Alma Media's printing facility established a new practice of safety walks carried out jointly by the occupational health and safety representative and the occupational health and safety manager with the aim of preventing occupational accidents.

accidents in 2016. The printing facility established a new practice of safety walks carried out jointly by the occupational safety and health representative and the occupational health and safety manager. The practice involves the occupational health and safety representative and the occupational health and safety manager making a walk around the printing facility's production departments twice a year and recording all safety observations made during the walks. The observations are then discussed by the printing facility's occupational safety and health group and, if necessary, changes to improve safety will be made to the printing facility's production premises or practices. During the year, the printing facility also began to improve the flow of information within the organisation and the response speed related to near misses. These efforts will continue at Alma Media's printing facility in 2017.

Outside of printing and delivery operations, Alma Media's untis did not implement major changes in 2016 aimed at reducing occupational accidents or sickness-related

Occupational accidents, accidents during work-related travel and resulting lost days*



* The data from 2012 has been corrected.

absenteeism. Alma Media provides equal occupational healthcare services to all employees, however. In Finland, Alma Media's occupational healthcare services are centralised with two major providers, which ensures that Alma Media's employees have access through occupational healthcare to specialists' services as well as diverse services aimed at maintaining the ability to work. Additionally, Alma Media proactively supports the well-being of employees by providing them with recreational vouchers that they can use to cover the costs of exercise and hobbies, as well as by supporting the activities of clubs established by employees. Alma Media's employees also have access at their workplaces to guidance and tools for developing their well-being at work, for example through improved ergonomics.

In 2016, Alma Media's delivery function adopted new digital induction training materials designed to suit the needs of delivery staff. Occupational safety issues play an important role in the materials.

The digitisation of the media sector calls for new competencies

To remain competitive, a media company must ensure that the digital competencies of its employees correspond to the demands of customers and readers. Accordingly, Alma Media's training and coaching activities in 2016 were focused on developing the digital competencies of employees. One of the largest training programmes of this type was a training programme customised for Alma Media's media sales employees with the aim of improving their competencies related to digital advertising.

In addition to media sales employees, the improvement of digital competencies at Alma Media in 2016 also extended to journalists, who received guidance on the use of the new editorial system that is being rolled out across Alma Media's editorial offices. The editorial system will change many of the established working practices of journalists, strengthening multimedia thinking and giving Alma Media's editorial offices a better capacity for content cooperation. The new editorial system was first deployed at Iltalehti (autumn 2016) and Kauppalehti (December 2016). By the end of May 2017, the system will be rolled out across all of Alma Media's regional and local papers.

In addition to Alma Media's internal coaching, the company's employees regularly supplement their skills in seminars and short-term training events organised by external parties. In Alma Media's Finnish units, employees spent an average of 4.2 hours of their total working time in internal or external training in 2016. In addition, some Alma Media employees voluntarily pursued longer-term training. The opportunity to take study leave was utilised by 78 employees across Alma Media's various units in 2016. As in previous years, Alma Media again supported its employees financially in these cases. The extent and form of the support was determined on a case-by-case basis. The evaluation was based on whether the training was considered to improve the employee's competencies and abilities in his or her work at Alma Media.

In addition to actual training, Alma Media encourages its employees to pursue renewal and the development of their professional competencies in their day-to-day work. The Group applies the 70-20-10 model for competence development, under which 70 per cent of all learning takes place on the job, for example through new projects and job rotation.

Being a responsible employer at the end of the employment relationship

The transformation caused by digitisation and the impact of Finland's weak economic situation on the advertising market have put cost pressures on Finnish media companies in recent years, and many of them have been forced to make employee reductions. When negotiations on employee reductions must be held, Alma Media always evaluates various support measures during the negotiation process to mitigate the problems caused to employees by the situation. These support measures may include, for example, financial support for retraining. Part of the negotiation process also involves determining whether the employee can be assigned a new role within the organisation.

In order to support the re-employment of employees who are dismissed as a result of the statutory employee negotiation procedure, Alma Media also offers voluntary re-employment training to departing employees. The training is implemented by an external provider and usually includes both group and personal coaching related to topics such as searching and applying for jobs.

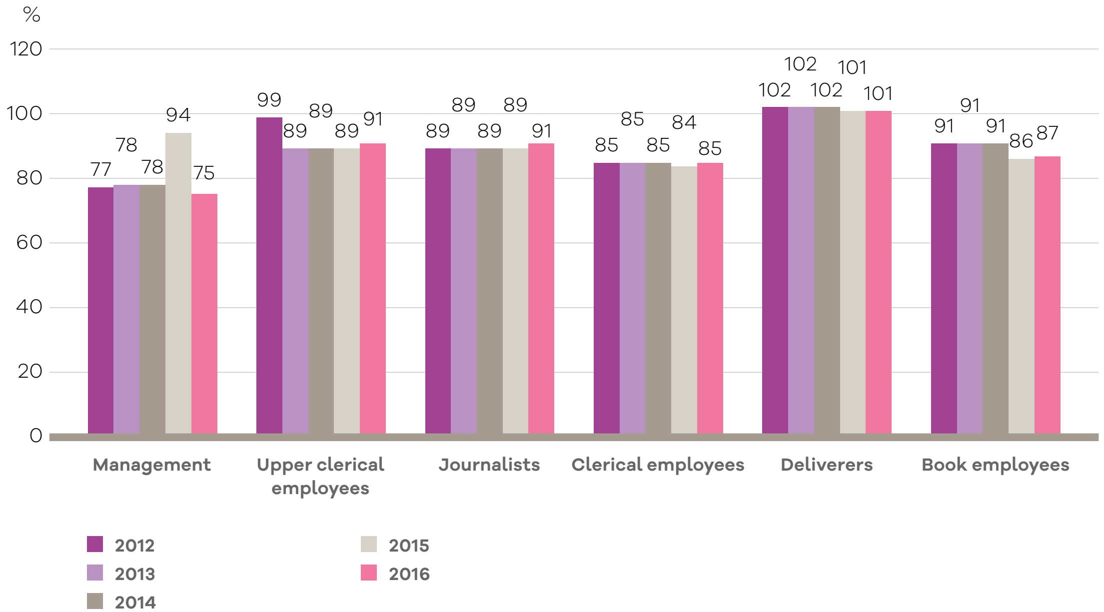
In situations where an employee's employment relationship is terminated due to retirement, Alma Media does not offer special training for retiring employees. The unit-level HR plans do, however, specify that regular discussions regarding retirement plans must be held with employees starting approximately five years before they reach the statutory retirement age. This practice is aimed at ensuring that retirement takes place in a controlled manner from the perspectives of both parties concerned.

Performance and career development reviews as a managerial tool

Alma Media conducted its biennial employee survey in early 2016, with responses received from nearly 1,500 Alma Media employees (78 per cent of all employees). The respondents perceived that managerial work, in particular, was strong, and the results of the survey also indicated a strong level of commitment to work. Areas requiring more development related to managerial work included active listening and feedback, change management and taking the customer perspective into consideration even better.

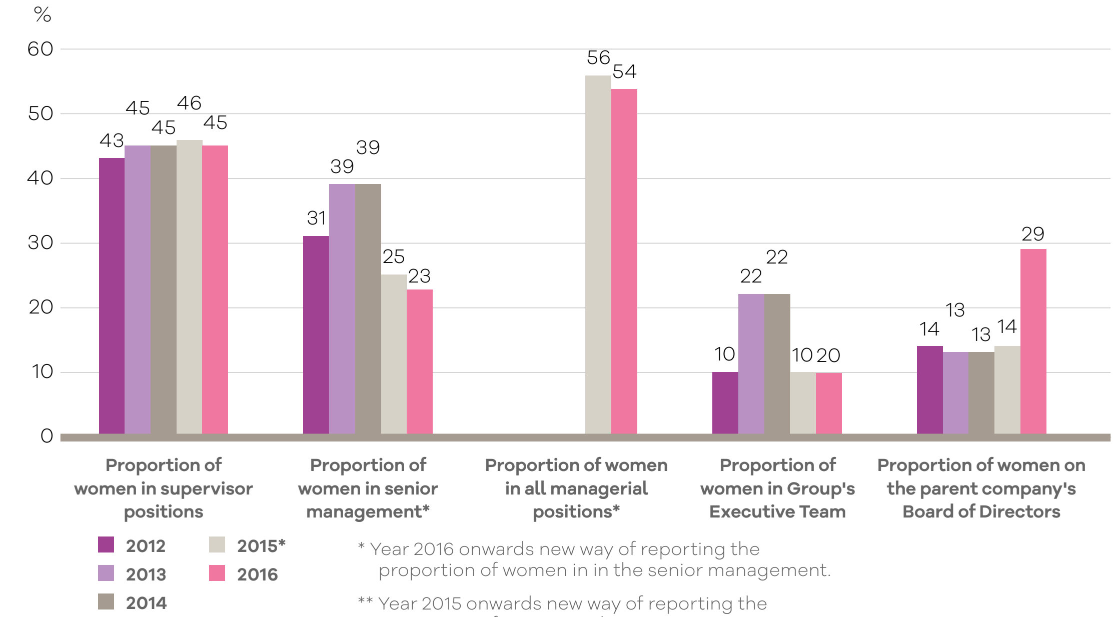
As one response to the managerial development areas highlighted by the

Pay structure by gender (% of basic salary of women to men)



* The ratio of basic salary cannot be calculated as there are no women amongst technical officers.

Proportion of women among supervisors and senior management



* Year 2016 onwards new way of reporting the proportion of women in in the senior management.

** Year 2015 onwards new way of reporting the proportion of women in the management.

survey, Alma Media organised several unit-specific managerial training programmes in 2016. Developing communication between managers and their subordinates was a particular focus area in these training programmes.

For the same reason, Alma Media discontinued its previous performance review practice in 2016. Under the old practice, managers held performance reviews with their subordinates once a year. Under the new practice, managers and their subordinates have One-to-one Discussions. The objective of the change is to encourage more active communication between employees and managers as well as ensure that employees receive feedback on their work on an ongoing basis. The company has also implemented joint goal workshops for the members of work teams to ensure consistency between the teams' goals and Alma Media's strategy. These changes are also aimed at improving the transparency and openness of goal setting at Alma Media.

Approximately 90 per cent of Alma Media's employees had a performance review with their manager in 2016*.

Measures taken to ensure employee diversity and equality

To build the media of the future, Alma Media needs its employees to be as diverse as possible. The significance of employee diversity has increased in the ageing and increasingly international society. Having international employees will present new management challenges in the coming years, it will also provide significant opportunities in the form of diverse expertise, new working practices and fresh perspectives. As a result of acquisitions, some 32 per cent of Alma Media's employees already work for the Group's units in nine European countries. Internationality and multiculturalism are also a natural aspect of work in Alma Media's delivery operations, where immigrants account for 26 per cent of all employees.

In addition to multiculturalism, diversity at Alma Media also means having different age

In 2016, Alma Media introduced new One-to-one Discussions between managers and their subordinates as well as joint goal workshops for the members of work teams.

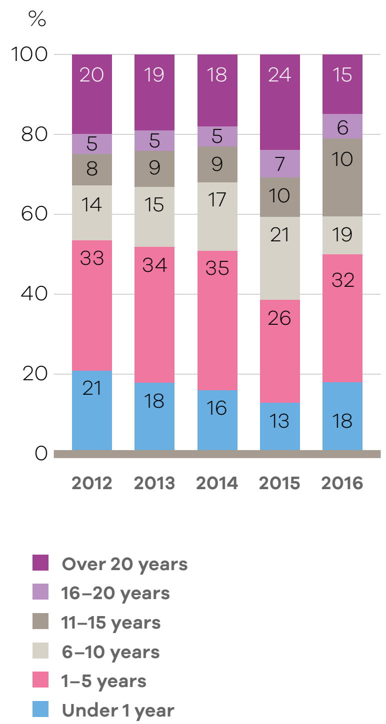
* The exact number of performance reviews cannot be reported as Alma Media does not maintain statistics on them. The estimate for 2016 is based on employees surveyed on the issue.

groups and genders adequately represented among employees.

As an employer, Alma Media aims to ensure that all employees have equal opportunities for advancing in their careers regardless of their background. Part of this day-to-day work to promote diversity is ensuring that all employees, irrespective of their life situation, have convenient access to the work community. Alma Media has accomplished this by, for example, providing flexible work arrangements for employees, such as working remotely or part-time, acquiring special assistive equipment for employees with reduced work ability and by designing the Group's newest business premises to be accessible. At the unit level, Alma Media's efforts to promote diversity will also be guided by the new equality plans that all Finnish companies that employ more than 30 people are required to draft starting from the beginning of 2017. At Alma Media, the plans will be drafted at two-year intervals at the unit level. Work on drafting the new plans began last year. The new equality plans are a natural continuation of Alma Media becoming a signatory in 2015 to the FIBS Diversity Undertaking, which obligates Alma Media to provide equal opportunities for employees, identify and utilise individual competencies and manage its employees in a fair manner.

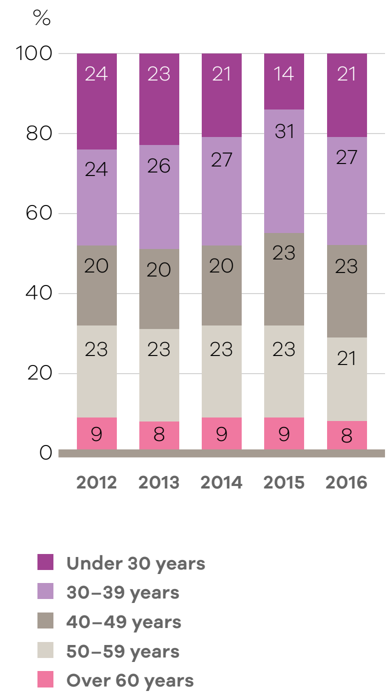
In addition to equality plans, all Alma Media units also draft a gender equality plan in two-year intervals as part of the Group's HR and training planning. The resources used by the units in drafting the gender equality plans include, for example, unit-specific wage analyses and the results of Alma Media's

Duration of employment, at year-end*



* Total percentage may not be equal to 100 due to the figures being rounded separately.

Employees by age*



* Total percentage may not be equal to 100 due to the figures being rounded separately.

In 2016, the members of Alma Media's Board of Directors comprised two women and five men. Three of them were between the ages of 40 and 50, while four were aged over 50.

In 2016, Alma Media's Group Executive Team consisted of nine members in addition to the President and CEO. Of the ten members, nine were men and one was a women. Two of the members of the Group Executive Team were between the ages of 40 and 50, while eight were over 50 years of age.

employee survey. The content of the plans varies by unit, but their common features include investigating employee concerns highlighted in audits, such as the reasons for differences in wages and the use of fixed-term employment contracts, as well as assessing the gender breakdown of different roles.

The completed equality plans provide the practical guidelines for the business units' efforts to promote equality. They include targets, actions, schedules, responsible persons and key indicators for assessing the realisation of gender equality in the unit.

One method used by Alma Media to evaluate its success in implementing a diverse employee policy is monitoring the Group's average age of retirement, which stood at 64.2 years in 2016, excluding delivery staff (2015: 64.5). Another key indicator is the trend in the proportion of women, particularly at the managerial and executive levels. The proportion of women in Alma Media's Board of Directors increased in 2016 compared to the previous year. Women now represent 29 per cent (two persons) of the members of the Board of Directors. The proportion of women among employees in managerial positions remained on a par with the previous year. At the end of December 2016, 45 per cent of those in managerial positions were women.

In addition to these indicators, Alma Media also continuously monitors trends in wage equality, although the Group's wage differences between the genders have corresponded to the average wage structure in Finland. In practice, wage equality is promoted in the Group's various units by, among other things, allocating company-specific items in a manner that promotes wage equality between the genders. In 2016, the difference between the average monthly wages of men and women in the category of journalists working in Alma Media, for example, was approximately EUR 380 in favour of the men.

* This figure only includes Finnish units.

Respecting human rights

There were no incidents of discrimination at Alma Media in 2016.

Alma Media's Group-wide Code of Conduct includes the principle of non-discrimination based on gender, age, religious beliefs, nationality, sexual orientation or disabilities.

Zero tolerance for corruption and bribery

Alma Media's Code of Conduct unequivocally states that the Group does not condone corruption of any kind, neither in the private nor the public sector. To make it even easier for employees to report any suspected misconduct, Alma Media introduced a new whistleblowing channel in summer 2016. Provided by an external partner, the fully secure channel allows employees to file reports anonymously. The new communication channel was announced to the Group's employees when it was deployed.

Alma Media's legal department was not informed of any incidents of bribery or corruption in 2016, neither by the supervisory authorities nor through Alma Media's new whistleblowing channel

Calculation and data collection principles for CR reporting

As with the annual report and financial statements, this responsibility report covers the period from 1 January to 31 December 2016. The corporate responsibility data was collected from the Group's internal statistical systems, subcontractors and partners. The calculation principles are compliant with the GRI G4 Guidelines where appropriate with regards to the information available. Where significant deviations to the GRI guidelines have been made, this is mentioned in conjunction with the figure in question. Financial reporting complies with the International Financial Reporting Standards (IFRS) and the figures pertaining to economic responsibility are taken from the financial statements. Reporting related to corporate governance complies with the legislation governing listed companies and the Finnish Corporate Governance Code for listed companies. The numbers concerning environmental responsibility have primarily been collected from suppliers and the invoicing function. Location-based CO_2 emissions calculations are based on emission factors provided by Statistics Finland, Finnish Energy and the IEA. Market-based emissions calculations are based on supplier-specific emission factors and the EU member states' residual mix emission factors. Information pertaining to social responsibility is collected from HR information systems, the insurance company and, with regards to journalism, the website of the Council for Mass Media. Certain figures are not comparable to those published last year due to more accurate reporting methods and different emission factors in use this year. This is mentioned separately

Alma Media introduced a new whistleblowing channel in summer 2016.

where relevant. Reporting is developed continuously to make it even more accurate and comprehensive in the future. The 2016 report has not been verfied.

Alma Media joined the UN Global Compact initiative in 2011 and has renewed its commitment every year since then. Alma Media has also published Communication on Progress documents on the initiative's website with references to its corporate responsibility reports published each year. The table describes the location of reporting content related to the Global Compact principles.

GRI index

GRI Indicator		Reporting	Comments
Strategy and analysis			
G4-1	CEO's statement	p. 5	
G4-2	Risks and opportunities	pp. 169–170	
		Website: Investors/ Corporate Governance	
Organisational profile			
G4-3	Name of the organisation	p. 1	
G4-4	Primary products, services and brands	p. 4	
G4-5	Location of headquarters	Website: Contact information	
G4-6	Number of countries and location of operations	pp. 121–122	
G4-7	Nature of ownership and legal form	pp. 121–122	
G4-8	Markets served	p. 86	
G4-9	Scale of the reporting organisation	pp. 121–122	
G4-10	Number of employees by type of employment relationship and employment contract, broken down by region and gender	p. 57	
G4-11	Percentage of total employees covered by collective bargaining agreements		Information about the number of employees covered by collective bargaining agreements is available from our operations in Finland and Sweden. 89,2 % of our Alma Media's employees in Finland and 85% in Sweden are covered by local bargaining agreements. Also in the other countries where Alma Media operates the Group complies with local labour laws.
G4-12	The organisation's supply chain	pp. 56–57	

GRI Indicator		Reporting	Comments
G4-13	Significant changes regarding the organisation's size, structure or ownership during the reporting period	pp. 71–72	
Commitments to external initiatives			
G4-14	Addressing the precautionary principle	p. 86	
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	p. 40	
G4-16	Memberships of associations and advocacy organisations	p. 40	
Identified material aspects and boundaries			
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	pp. 121-122	
G4-18	Defining the report content	p. 40	
G4-19	Material aspects	pp. 41–42	
G4-20	Aspect boundaries for each material aspect within the organisation	n/a	Not reported.
G4-21	Aspect boundaries for each material aspect outside the organisation	n/a	Not reported.
G4-22	Effect of any restatements of information provided in previous reports	p. 40	Any changes are reported for each indicator.
G4-23	Significant changes in the scope and aspect boundaries	p. 40	Any changes are reported for each indicator.
Stakeholder engagement			
G4-24	List of stakeholder groups engaged by the organisation	p. 37	
G4-25	Basis for identification and selection of stakeholders with whom to engage	p. 37	
G4-26	Approach to stakeholder engagement	p. 37	
G4-27	Key topics and concerns raised through stakeholder engagement	pp. 41–42	Partially reported.

GRI Indicator		Reporting	Comments
Reporting principles			
G4-28	Reporting period	p. 40	
G4-29	Date of most recent previous report	p. 40	
G4-30	Reporting cycle	p. 40	
G4-31	Contact point for questions regarding the report or its contents	Website: Media relations	
GRI Index			
G4-32	GRI Content Index	p. 62	
External assurance			
G4-33	The organisation's current practice with regard to seeking external insurance	p. 62	
Governance			
G4-34	Governance structure	p. 155	
G4-38	Composition of the Board of Directors	Website: Investors/ Corporate Governance + p. 156	
G4-39	Independence of the Chairman of the Board	Website: Investors/ Corporate Governance + p. 156	
G4-40	Qualifications and expertise required from members of the Board	Website: Investors/ Corporate Governance + p. 156	
G4-41	Process in place for the Board to ensure conflicts of interest are avoided	Website: Investors/ Corporate Governance + p. 160	
Competencies and performance evaluation			
G4-44	Process for evaluating the Board's own performance	Website: Investors/ Corporate Governance + p. 161	The Board's self-assessment process does not comprise a separate evaluation of economic, social or environmental responsibility.
The Board's role in risk management			
G4-45	The Board's role in the identification and management of risks	Website: Investors/ Corporate Governance + p. 160	

GRI Indicator		Reporting	Comments
Remuneration and incentives			
G4-51	Remuneration of the Board and senior executives	p. 172	
Ethics and integrity			
G4-56	The organisation's mission, values and codes of ethics	p. 12 and Code of Conduct	
Disclosure on Management Approach			
G4-DMA	Disclosure on Management Approach (DMA)	pp. 44–45	
Economic responsibility			
Aspect: Financial performance			
G4-EC1	Direct economic value generated and distributed	p. 53	
G4-EC4	Financial assistance received from government	p. 53	
G4-M1	Significant funding and other support received from non-governmental sources	p. 53	
Environmental responsibility			
Aspect: Materials			
G4-EN1	Materials used	pp. 54–55	
G4-EN2	Percentage of materials used that are recycled input materials	pp. 54–55	
Aspect: Energy			
G4-EN3	Energy consumption within the organisation	p. 55	
G4-EN4	Energy consumption outside of the organisation	p. 55	
G4-EN6	Reduction of energy consumption	p. 55	
Aspect: Emissions			
G4-EN15	Direct greenhouse gas emissions (Scope 1)	pp. 55–56	
G4-EN16	Energy indirect greenhouse gas emissions (Scope 2)	pp. 55–56	
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	p. 56	CO_2 emissions from air travel reported for Finland
G4-EN21	VOC emissions	p. 54	
Aspect: Waste			
G4-EN23	Waste processing	p. 55	

GRI Indicator		Reporting	Comments
Aspect: Transport			
G4-EN30	Environmental impacts of transport	p. 56	Reported for leased vehicles in Finland
Alma Media's own aspect: Responsibility in the supply chain			
Alma Media's own indicator	Supply chain management	pp. 56–57	
Social responsibility			
Aspect: Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover	p. 57	
Aspect: Occupational health and safety			
G4-LA6	Rates of injury and lost days	pp. 57–58	
Aspect: Training			
G4-LA9	Average hours of training per employee	p. 59	
G4-LA10	Programmes for skills management and lifelong learning	p. 59	
G4-LA11	Performance and career development reviews	pp. 59–60	
Aspect: Diversity and equal opportunities			
G4-LA12	Diversity of governance bodies and employee groups	pp. 60–62	
Human rights			
Aspect: Non-discrimination			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	p. 62	No incidents
Society			
Aspect: Local communities			
Alma Media's own indicator	Supporting the vitality of local communities	pp. 49–50	
Aspect: Anti-corruption			
G4-SO5	Confirmed incidents of corruption and actions taken	p. 62	No incidents
Aspect: Public policy			
G4-SO6	Total value of political contributions by country and beneficiary	p. 49	

GRI Indicator		Reporting	Comments
Product responsibility			
Aspect: Product and service information			
G4-PR5	Practices related to customer satisfaction	pp. 51–52	
Aspect: Customers' privacy protection			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	p. 51	
Aspect: Compliance			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	p. 51	
Aspect: Content production			
G4-M2	Monitoring ethics in journalism	p. 46	
G4-M3	Developing ethical practices for journalism	pp. 46–47	
Aspect: Content sharing			
G4-M4	Content sharing that takes different audiences into consideration	p. 48	
G4-M5	Monitoring content sharing	p. 48	
Aspect: Audience engagement			
G4-M6	Audience engagement	p. 49	
Aspect: Media skills			
G4-M7	Actions taken to empower audiences through media literacy skills development	pp. 50–51	
Alma Media's own aspect: Responsible marketing and advertising			
Alma Media's own indicator	Alma Media's practices that support compliance with the laws governing marketing communications as well as voluntary regulations	p. 52	
Alma Media's own indicator	Participation in the development of responsible operations in the field of marketing communications	p. 52	

Global Compact content index

The Global Compact calls for businesses to adopt, support and implement in their sphere of influence the following basic values related to human rights, labour principles, the environment and anti-corruption.

Principle	Location
Human rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Code of Conduct
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	p. 32
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	p. 63
Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour.	pp. 26, 32
Principle 5: Businesses should support the effective abolition of child labour.	pp. 26, 32
Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.	pp. 25–26, 28, 30 and 32 Code of Conduct
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	pp. 21–24 Code of Conduct
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	pp. 6, 21–25
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	p. 23
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	pp. 15 and 32 Code of Conduct

Alma Media's main partnerships in corporate responsibility:

FINANCIAL STATEMENTS

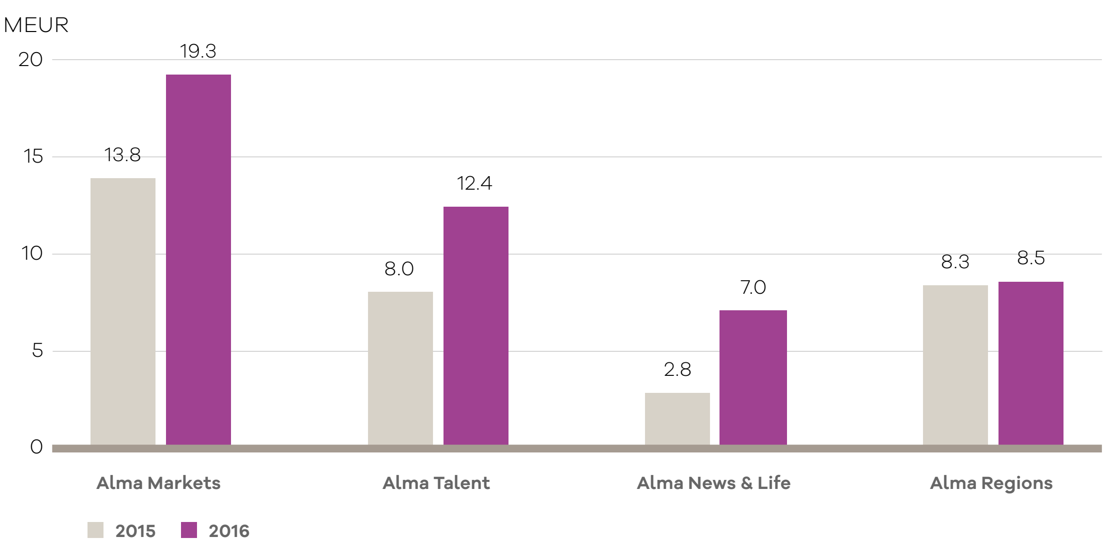
CONTENTS

Report by the Board of Directors

FINANCIAL PERFORMANCE FULL YEAR 2016:

- Revenue MEUR 353.2 (291.5), up 21.2%.
- Adjusted operating profit MEUR 35.2 (23.4), or 10.0% (8.0%) of revenue, up 50.4%.
- Operating profit MEUR 26.8 (17.7), or 7.6% (6.1%) of revenue, up 51.5%.
- Earnings per share EUR 0.20 (0.13).
- The Board's dividend proposal is EUR 0.16 per share.
- At the end of the period, the gearing ratio was 41.4% and the equity ratio 45.7%.

Business segments' adjusted operating profit, January–December (excludes non-allocated functions)



Key figures

MEUR	2016 1–12	2015 1–12	Change	%
Revenue	353.2	291.5	61.7	21.2
Content revenue	128.3	104.1	24.2	23.3
Content revenue, print	113.5	97.0	16.5	17.0
Content revenue, online	14.8	7.1	7.7	109.3
Advertising revenue	171.0	148.2	22.8	15.3
Advertising revenue, print	68.5	66.2	2.3	3.5
Advertising revenue, online	102.6	82.0	20.6	25.1
Service revenue	53.9	39.2	14.7	37.6
Adjusted total expenses	318.9	268.7	50.1	18.7
Adjusted EBITDA	53.3	37.4	15.9	42.4
EBITDA	47.9	34.5	13.4	38.8
Adjusted operating profit	35.2	23.4	11.8	50.4
% of revenue	10.0	8.0		
Operating profit (loss)	26.8	17.7	9.1	51.5
% of revenue	7.6	6.1		
Profit for the period	19.9	12.1	7.8	64.6
Earnings per share, EUR (undiluted and basic)	0.20	0.13	0.07	57.4
Online sales	133.5	104.3	29.1	27.9
Online sales, % of revenue	37.8	35.8		

DIVIDEND PROPOSAL TO THE ANNUAL GENERAL MEETING:

On 31 December 2016, the Group's parent company had distributable funds totalling EUR 124,646,114 (119,915,169). Alma Media's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.16 per share (2015: capital repayment of EUR 0.12 per share) be paid from the reserve for invested non-restricted equity for the financial year 2016. Based on the number of shares on the closing date 31 December 2016, the dividend payment totals EUR 13,181,309 (2015: capital repayment EUR 9,885,982).

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 2017

The Finnish economy is expected to grow by 1–2% in 2017. Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see economic growth of 2–4%. Macroeconomic development affects both consumer demand and advertising volume. The structural transformation of advertising will continue in 2017; online advertising will grow, while print media advertising will decline.

In 2017, Alma Media expects its full-year revenue to remain at the previous year's level and its adjusted operating profit to increase from the 2016 level. The full-year revenue for 2016 was MEUR 353.2, and the adjusted operating profit was MEUR 35.2.

KAI TELANNE, PRESIDENT AND CEO:

Alma Media's business developed well in 2016. Full-year revenue grew by 21 per cent to MEUR 353 and adjusted operating profit increased by 50 per cent to MEUR 35. Earnings per share rose to EUR 0.20 in spite of restructuring expenses, impairment and an increase in the number of shares. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.16 per share be paid.

The growth in revenue was attributable to the strong organic development of Alma Markets and Alma News & Life, as well as acquisitions. Growth was also supported by the media advertising market in Finland, which showed signs of recovery in the fourth quarter. The improved profitability is particularly attributable to the Alma Markets and Alma News & Life segments, which both achieved organic sales growth.

The Alma Markets segment's revenue and profitability improved in each quarter thanks to excellent development efforts and work with customers as well as the favourable operating environment in Eastern Central Europe. The revenue and operating profit of the marketplace businesses also increased substantially in Finland. The segment's full-year adjusted operating profit grew by nearly 40 per cent year-on-year, to MEUR 19.

In the Alma News & Life segment, Iltalehti's digital business saw strong development. The factors contributing to the growth included programmatic ad buying, content marketing and mobile advertising. The adjusted operating profit grew to MEUR 7 on the strength of good digital sales and cost savings in print media.

For Alma Talent, the year was a time of building a new entity. The integration of Talentum's businesses went according to plan and the estimated cost synergies will be achieved in full. Comparable revenue decreased by three per cent. The decline was particularly attributable to the service business. The integration process has made Alma Talent a unique media and service provider in Finland and Sweden, with the aim of introducing multimedia products and services to the market that offer superior usability and richer content.

In Alma Regions, the decline in revenue from publishing operations slowed in late 2016. The segment's adjusted operating profit remained on a par with the previous year thanks to cost savings. Digital media advertising sales grew faster than the overall market by a substantial margin, but the growth was not yet sufficient to compensate for the decline in print media advertising sales.

The Group's financial position improved further due to strong cash flow from operating activities. At the end of December, the equity ratio was 46 per cent and the gearing ratio was 41 per cent. Interest-bearing net debt declined by MEUR 19.1 during the year. The strong financial foundation provides operating space for future investments and the acceleration of growth by leveraging the opportunities presented by digitisation.

The Finnish national government's favourable view on the European Commission's proposal to reduce value added taxes on digital publications and books is a positive signal for our industry. The potential lowering of the Finnish digital VAT rate from the current level of 24 per cent to 10 per cent in 2018 would help Finnish media companies maintain their competitiveness while also increasing the demand and use of digital services and content.

STRATEGY AND RELATED ACTIVITIES DURING THE REVIEW PERIOD

The main directions of Alma Media's strategic development include developing and expanding existing business operations as well as growth in new business areas and markets through both organic growth and acquisitions. During the review period, the implementation of strategy was focused on developing the existing business operations.

The cornerstones of the development of the Group's current business operations are multi-channel content, marketing and advertising solutions, digital services and improving resources and competencies.

In November 2016, Alma Media's various editorial offices began the gradual deployment of a new comprehensive Alma-level content management system. The first editorial offices to start using the new editorial system were Iltalehti and Kauppalehti. The common editorial system improves the efficiency of the various stages of editorial work, enables smooth workflows between different products and content networks and offers Alma even better opportunities for developing and providing multi-channel content.

As part of the development of a multi-channel offering, Alma News & Life launched redesigned mobile applications in the latter part of the year. The Iltalehti news application provides users with new ways of finding interesting content. At the same time, it is aimed at attracting new user groups to the application.

Significant steps were taken in the provision of marketing and advertising solutions during the reporting period. The first advertisements were sold via the Automated Guaranteed marketplace for digital advertising established by Alma Media and nine other major Finnish media companies. In addition, Alma Media began the deployment of a new digital advertising distribution system in the media network formed by news media, lifestyle media and marketplaces. The renewal of the digital advertising infrastructure is one of Alma Media's largest digital business projects in recent years. Alma Media also launched a native advertising concept that makes it possible to target advertisers' own commercial content at audiences more effectively than before, without disrupting the media consumption experience. Investments were also made in programmatic buying.

In Alma Markets, the aim is to expand the service offering by complementing the existing solutions with new concepts; for example, by providing added visibility solutions for homes listed for sale at Etuovi.com, and using 360-degree panorama drone videos in the presentation of residential neighbourhoods.

Alma Regions is developing Reviiri, a new technological solution and media platform, to ensure its services' continued capacity to operate in the changing field of media. The digital service provides interesting content, targeted at its customers, through a single service interface. The Reviiri media platform is being developed in collaboration with readers. In late 2016, preparations began for piloting the Jamsanseutu.fi online service.

Alma Talent's integration process was completed for the most part by the end of 2016. In the fourth quarter, the Alma Talent brand was adopted across all of the segment's service businesses, with the new names being Alma Talent Pro, Alma Talent Events and Alma Talent CRM. The Alma Talent brand name was also adopted in Swedish operations. In October, the new shared newsdesk of Alma Talent's editorial offices became operational, and the Uusi Suomi editorial team was also combined with it. As part of the integration process, the Alma Talent Events business was restructured. Alma Talent's most significant product development project in the latter part of the year was the renewal of the Arvopaperi online service, which was launched in January 2017.

Alma Media's long-term financial targets

	2012	2013	2014	2015	2016	Target
Digital business growth	36.8%	8.4%	11.9%	10.4%	27.9%	> 15%
Return on Investment (ROI), %	13.8%	10.0%	9.8%	6.9%	10.1%	> 15%
Dividend payout ratio*	45%	50%	63%	92%	78%	> 50%

* Includes repayment of capital to shareholders.

In December 2016, Alma Media's Board of Directors approved the company's updated strategy for 2017–2019. The update of the strategy did not involve any changes to Alma Media's long-term financial targets.

MARKET SITUATION IN THE MAIN MARKETS

According to Kantar TNS, the total advertising volume in Finland increased by 0.2% (decreased by 1.8%) in the final quarter, while advertising in online media increased in Finland by 14.6% (increased by 9.1%) in October–December. Advertising in city papers and newspapers declined by 4.0% (declined by 7.1%) in Finland. Advertising in magazines in Finland decreased in October–December by 12.4% (12.3%). In terms of volume, the total market for afternoon papers declined by 14.4% (declined by 17.0%) in the fourth quarter of 2016.

According to Sveriges Mediebyråer, the total advertising volume in Sweden increased by 5.1% (increased by 0.1%) in January–December 2016. Advertising in online media grew by 15.3% in Sweden. Advertising in trade magazines in Sweden decreased by 11.5% (decreased by 23.8%).

Alma Media's main markets in Eastern Central Europe are the Czech Republic and Slovakia. According to a forecast by the European Commission, the Czech GDP will grow by 2.6% (2.6%) in 2017. The Czech National Bank estimates that GDP will grow by 2.9% in 2017. In Slovakia, the European Commission's forecast for GDP growth in 2017 is 3.2% (3.4%). The National Bank of Slovakia estimates GDP growth in 2017 to be 3.1%.

CHANGES IN GROUP STRUCTURE IN 2016

In January 2016, Alma Media's subsidiary Alma Mediapartners Oy acquired 51 per cent of the share capital of Raksa ja KotiKauppa Oy (NettiKoti). The acquired business will be consolidated in Alma Media Group in full. NettiKoti provides ERP systems for construction and renovation.

In January 2016, LMC s.r.o, a subsidiary of Alma Career Oy, acquired Jobote s.r.o, a Czech start-up developing and providing new technology in recruitment.

In April 2016, Alma Media Corporation increased its share in Rantapallo Oy from 35% to 79%. Rantapallo.fi is a comprehensive online travel service established in 2007 to provide information, inspiration and services to online readers interested in travel and tourism. A transaction whereby Rantapallo Oy acquired the businesses of Matkapörssi Oy and LT Lentokeskus Oy was made at the same time. Matkapörssi is an online travel service and its subsidiary LT Lentokeskus offers B2B services for travel agencies.

In June 2016, Alma Media's subsidiary Alma Mediapartners Oy increased its ownership in Remonttibulevardi Oy (Urakkamaailma.fi) from 30% to 51%. The acquired business will be consolidated in Alma Media Group in full. Launched in 2012, Urakkamaailma.fi is a service where consumers and housing companies can find verified contractors with reviews by users for all kinds of renovation and construction projects.

In September 2016, Alma Media acquired the business of Uusi Suomi, a digital news and blog service that specialises in social dialogue. The Uusi Suomi business will be reported as part of the Alma Talent segment.

Alma Media's subsidiary Alma Talent Events sold its 49.9% stake in the event organising company Professio Finland Oy in December. The buyer was the principal owner of Professio, Cor Group Oy. The parties have agreed not to disclose the purchase price. Alma Media recorded sales proceeds of MEUR 0.4 in its fourth-quarter 2016 result from the transaction.

GROUP REVENUE AND RESULT FULL YEAR 2016

Revenue increased by 21.2% to MEUR 353.2 (291.5) in 2016. Taking into consideration the effect of the Talentum Corporation, acquired in November 2015, and the businesses divested in 2015, revenue growth was 1.3%.

Content revenue grew by 23.3% to MEUR 128.3 (104.1). Comparable content revenue declined by 4.8% due to the lower circulations of print media.

Revenue from advertising sales increased by 15.3% to MEUR 171.0 (148.2). Advertising sales for print media increased by 3.5% from the comparison period, to MEUR 68.5 (66.2). Online advertising sales increased by 25.1% to MEUR 102.6 (82.0). Talentum's effect on the increase in advertising revenue was MEUR 13.2.

Service revenue totalled MEUR 53.9 (39.2). Service revenue includes items such as the sale of information services, the event and direct marketing business, and the printing and distribution services sold to customers outside the Group by Alma Manu. The increase in service revenue was attributable to the Talentum acquisition and the improved revenue of Alma Manu.

Total expenses increased by MEUR 51.3, or 18.5%, to MEUR 328.7 (277.4). Taking the acquisitions and divestments carried out in 2015 into account, the Group's total expenses decreased by 1.4%. Depreciation and impairment included in the total expenses amounted to MEUR 21.1 (16.8).

Adjusted operating profit was MEUR 35.2 (23.4), or 10.0% (8.0%) of revenue. The operating profit was MEUR 26.8 (17.7). Operating profit was 7.6% (6.1%) of revenue. The operating profit includes net adjusted items in the amount of MEUR -8.4 (-5.7) related to goodwill write-downs, restructuring and gains and losses on the sale of assets. The adjusted items in the comparison period were related to restructuring costs and gains on the sale of assets.

The result for 2016 was MEUR 19.9 (12.1), and the adjusted result was MEUR 28.2 (17.8).

ALMA MARKETS

The recruitment services Monster.fi, Jobs.cz, Prace.cz, CV Online, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl, Monster.cz and Jobote.com are reported in the Alma Markets segment. The segment includes several online services: the housing-related services Etuovi.com, Vuokraovi.com and Urakkamaailma.fi, the travel portal Gofinland.fi and the automotive services Autotalli.com, Autosofta and Alkali. Nettikoti, which specialises in software for ERP systems in new construction and renovation, and Kivi, a real estate agency system, are also reported in this segment.

In 2016, the Alma Markets segment's revenue increased by 17.5% to MEUR 69.4 (59.0). Recruitment-related business accounted for 76.4% (76.9%) of the segment's revenue in 2016. Acquisitions (Autosofta, NettiKoti, Urakkamaailma) increased revenue by MEUR 1.1.

The segment's adjusted total expenses for 2016 amounted to MEUR 50.2 (45.4). The increase in total expenses was attributable to investments in sales, marketing and ICT functions.

The Alma Markets segment's operating profit was MEUR 19.3 (13.8) in 2016. Acquisitions (Autosofta, NettiKoti, Urakkamaailma) increased the adjusted operating profit by MEUR 0.3.

ALMA TALENT

The Alma Talent business segment publishes 20 trade and financial media, as well as books. The business unit also offers skills development and growth services to professionals and businesses in different fields, from events and training to information services. Alma Talent has operations in Finland, Sweden and the Baltics. Alma Talent media include Kauppalehti, Uusi Suomi, Talouselämä, Tekniikka & Talous, Markkinointi&Mainonta, Arvopaperi and Tivi. In Sweden, Alma Talent's publications include Affärsvärlden, Ny Teknik and Dagens Media.

The Alma Talent segment's revenue increased by 94.9% to MEUR 114.0 (58.5). Online business accounted for 31.3% (44.1%) of the segment's revenue. Taking into consideration the effect of the Talentum businesses acquired in November 2015 and the Alma360 business divested in September 2015, the segment's revenue decreased by 3.1%.

The content revenue of the Alma Talent segment increased by 152.0% to MEUR 49.6 (19.7). The increase in digital content revenue covered the decline in content revenue from print media. The Talentum businesses contributed MEUR 30.5 to the increase in content revenue.

Advertising sales in 2016 amounted to MEUR 30.8 (17.2). Online advertising revenue increased by 76.2% year-on-year. Talentum's effect on the increase in advertising revenue was MEUR 13.2.

The segment's adjusted total expenses amounted to MEUR 101.8 (50.7). Taking into consideration the acquisitions and divestments carried out in 2015, the segment's adjusted total expenses decreased by 4.9%.

The Alma Talent segment's adjusted operating profit was MEUR 12.4 (8.0) and operating profit MEUR 8.8 (6.9). The adjusted operating profit was 10.9% (13.6%) of revenue. The adjusted items in 2016, EUR -3.6 million, were related to an impairment loss on goodwill in Sweden, restructuring and a gain on sale, while the adjusted items recognised in the comparison period, EUR 0.6 million, were related to a sales gain on an acquisition achieved in stages.

ALMA NEWS & LIFE

The Alma News & Life segment includes the various digital and print news and lifestyle content of the national Iltalehti. The online services Telkku.com, Kotikokki.net, E-kontakti.fi and Rantapallo.fi are also reported in this segment.

The Alma News & Life segment's revenue increased by 4.3% to MEUR 46.1 (44.1) in 2016. Rantapallo, which was acquired in April 2016, contributed MEUR 1.6 to the increase in revenue. Online business accounted for 42.5% (33.8%) of the segment's revenue.

The segment's content revenue declined by 12.9% to MEUR 21.6 (24.7) in 2016 due to a decrease in Iltalehti's circulation.

The segment's advertising sales increased by 22.2% to MEUR 23.6 (19.3). Advertising revenue from print media grew by 7.2%. The segment's online advertising revenue increased by 27.0% to MEUR 18.7 (14.8). Growth was achieved particularly in programmatic buying. The Rantapallo acquisition contributed MEUR 0.8 to the increase in advertising revenue.

The segment's adjusted total expenses amounted to MEUR 39.1 (41.4). 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 reduced service purchases in ICT and content production. Rantapallo accounted for MEUR 1.5 of the increase in expenses.

The segment's adjusted operating profit was MEUR 7.0 (2.8). The adjusted operating profit was 15.1% (6.2%) of revenue. The segment's operating profit was MEUR 7.9 (1.9). The adjusted items recognised in 2016 were related to a sales gain on the Rantapallo acquisition achieved in stages, and the adjusted items in the comparison period were related to an impairment loss on goodwill and restructuring costs.

ALMA REGIONS

The print and online publishing business of Aamulehti, Satakunnan Kansa, Lapin Kansa/Pohjolan Sanomat and several local and town papers is reported in the Alma Regions segment. The printing and distribution unit Alma Manu is also included in this segment.

The Alma Regions segment's revenue declined by 5.0% to MEUR 127.7 (134.5) in 2016. Online business accounted for 7.0% (3.6%) of the segment's revenue. The effect of the newspapers divested in 2015 on the decrease in revenue was MEUR 2.0.

The segment's content revenue declined by 4.2% to MEUR 57.2 (59.8) in 2016. The effect of the newspapers divested in 2015 on the decrease in content revenue was MEUR 0.9. The segment's advertising sales declined by 7.2% to MEUR 52.4 (56.4). Advertising sales for print media decreased by 9.1%. The segment's online advertising sales increased by 33.5% to MEUR 3.5 (2.6). The effect of the newspapers divested in 2015 on the decrease in advertising revenue was MEUR 1.1.

The segment's service revenue decreased by 0.8% to MEUR 18.2 (18.3).

The segment's adjusted total expenses were MEUR 119.6 (126.4) and total expenses MEUR 122.6 (130.3). The factors contributing to the decline in total expenses included efficiency improvement measures for newspapers as well as printing operations. The effect of divested newspapers on the decrease in the segment's expenses was MEUR 2.5.

The segment's adjusted operating profit was MEUR 8.5 (8.3) and operating profit MEUR 5.5 (4.8). The adjusted operating profit was 6.6% (6.2%) of revenue. The adjusted items in 2016, MEUR -3.0 (-3.6) were related to an impairment loss on the goodwill of the northern newspapers, restructuring provisions and a loss on sale. The adjusted items in the comparison period were related to a sales gain on real estate and operational restructuring.

ASSOCIATED COMPANIES

In January 2016, Alma Media's subsidiary Alma Mediapartners Oy acquired 24% of the share capital of AutoJerry Oy, which offers competitive tender services for car servicing.

ITEMS ADJUSTING OPERATING PROFIT

Items adjusting operating profit are income or expense arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations as well as impairment losses of goodwill and other assets are recognised by the Group as adjustments. Adjustments are recognised in the profit and loss statement within the corresponding income or expense group.

Adjusted items

MEUR	2016 1–12	2015 1–12
Alma Markets		
Gains on the sale of assets	0.0	
Alma Talent		
Impairment losses	-1.0	-1.2
Restructuring	-3.0	0.0
Gains (losses) on the sale of assets	0.4	0.2
Alma News & Life		
Impairment losses	0.0	-0.5
Restructuring	0.0	-0.3
Gains (losses) on the sale of assets	0.9	0.0
Alma Regions		
Impairment losses	-2.0	-1.1
Restructuring	-0.8	-2.8
Gains (losses) on the sale of assets	-0.2	0.3
Non-allocated		
Restructuring		-0.5
Costs related to the Talentum acquisition	-2.8	-1.8
Gains (losses) on the sale of assets	0.1	2.0
ADJUSTED ITEMS IN OPERATING PROFIT	-8.4	-5.7

BALANCE SHEET AND FINANCIAL POSITION

At the end of December 2016, the consolidated balance sheet stood at MEUR 327.0 (328.3). The Group's equity ratio at the end of December was 45.7% (42.5%) and equity per share was EUR 1.44 (1.35).

Consolidated cash flow from operations in 2016 amounted to MEUR 42.3 (33.2). Cash flow before financing was MEUR 31.4 (11.1).

At the end of December, the Group's interest-bearing debt amounted to MEUR 80.4 (90.6). The total interest-bearing debt comprised MEUR 60.2 in finance leasing debt, MEUR 10.2 in loans from financial institutions and MEUR 10.0 in commercial papers. The Group's interest-bearing net debt at the end of December stood at MEUR 57.1 (76.2).

Alma Media has two MEUR 15.0 committed financing limits at its disposal, which were entirely unused on 31 December 2016. In addition, the company has a commercial paper programme of MEUR 100 in Finland. Of the commercial paper programme, MEUR 10.0 was in use on 31 December 2016.

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 2016. Financial liabilities measured at fair value and recognised through profit or loss amounted to MEUR 1.0 (0.3).

CAPITAL EXPENDITURE

Alma Media Group's capital expenditure in 2016 totalled MEUR 10.0 (60.2). The capital expenditure mainly consisted of the acquisitions of Jobote s.r.o., Raksa ja Kotikauppa Oy, Rantapallo Oy, Remonttibulevardi Oy and the Uusi Suomi business, as well as normal operating and maintenance investments.

RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2016 totalled MEUR 5.0. Of this total, MEUR 4.2 was recognised in the income statement and MEUR 0.8 was capitalised to the balance sheet in 2016. On 31 December 2016, capitalised research and development costs on the balance sheet totalled MEUR 3.3.

EMPLOYEES

During 2016, Alma Media had on average 2,287 (1,793) employees, calculated as full-time employees (excluding delivery staff). The number of newspaper delivery staff was 845 (929) on average.

GOVERNANCE

In 2016, Alma Media implemented processes and operating methods related to compliance with the new Market Abuse Regulation (MAR), which entered into force on 3 July 2016.

Alma Media Corporation's Annual General Meeting (AGM) held on 17 March 2016 elected Niklas Herlin, Esa Lager, Petri Niemisvirta, Catharina Stackelberg-Hammarén, Matti Korkiatupa, Mitti Storckovius 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 also appointed the members to its permanent committees. Matti Korkiatupa and Catharina Stackelberg-Hammarén were elected as members of the Audit Committee and Esa Lager as Chairman of the Committee. Niklas Herlin, Harri Suutari and Mitti Storckovius were elected as members of the Nomination and Compensation Committee, and Petri Niemisvirta was elected Chairman of the Committee.

The Board of Directors of Alma Media Corporation has evaluated that with the exception of Matti Korkiatupa, Esa Lager and Niklas Herlin, the elected members of the Board of Directors are independent of the company and its significant shareholders. The members mentioned hereinabove are assessed to be independent of the company but not independent of its significant shareholders.

Mikko Korttila, General Counsel of Alma Media Corporation, serves as the secretary to the Board of Directors in accordance with the Board's Charter.

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

In 2016, Alma Media Corporation applied the Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association on 1 October 2015, in its unaltered form. A Corporate Governance Statement required by the Corporate Governance Code is presented as a separate report in connection with the Annual Report. In addition, it is publicly available on Alma Media's website at www.almamedia.fi/en/investors/governance/corporate-governance-statement/. The Remuneration Statement for 2016 will be issued concurrently with the CG Statement on 1 March 2017 and it will be published on the company's website at www.almamedia.com/investors.

DIVIDENDS

In accordance with the proposal of the Board of Directors, the AGM of 17 March 2016 resolved that no dividend be paid for the financial year 2015. The company had no retained earnings.

USE OF THE INVESTED NON-RESTRICTED EQUITY FUND

In accordance with the proposal of the Board of Directors, the AGM of 17 March 2016 resolved that EUR 70,092,000 be used from the invested non-restricted equity fund, complying with the company's balance sheet of 31 December 2015, 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 of 17 March 2016 resolved to distribute EUR 0.12 per share as capital repayments from the reserve for invested non-restricted equity. At the time of the AGM, the company had 82,383,182 shares, translating into a repayment amount of EUR 9,885,981.84. 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 2016. The capital repayments were paid on 30 March 2016 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 824,000 shares in one or more lots. The proposed maximum authorised quantity represents approximately one (1) per cent of the company's entire share capital. The shares shall be acquired using the company's non-restricted shareholders' equity through trading in a regulated market arranged by NASDAQ OMX Helsinki 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. It is proposed that the authorisation be valid until the following Annual General Meeting, but no longer than until 30 June 2017.

The AGM authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company. A maximum of 824,000 shares may be issued on the basis of the authorisation. The proposed maximum authorised quantity represents approximately one (1) per cent of the company's entire share capital. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more parts. The Board of Directors may use the authorisation to implement incentive programmes for the management or key employees of the company. It is proposed that the authorisation be valid until the following Annual General Meeting, but no longer than until 30 June 2017. This authorisation overrides the share issue authorisation granted at the Annual General Meeting of 17 March 2015.

The AGM authorised the Board of Directors to decide on a share issue. The authorisation would entitle the Board to issue a maximum of 16,500,000 shares. The proposed maximum amount of shares corresponds to approximately 20 per cent of the total number of shares in the company. The share issue may be implemented by issuing new shares or transferring shares now in possession of the company. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more parts.

The Board may use the authorisation for developing the capital structure of the company, widening the ownership base, financing or realising acquisitions or other arrangements, or for other purposes decided 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 Annual General Meeting, but no longer than until 30 June 2017. This authorisation overrides the share issue authorisation granted at the Annual General Meeting of 17 March 2015, but not the share issue authorisation mentioned above.

THE ALMA MEDIA SHARE

In 2016, altogether 14,088,043 Alma Media shares were traded on the NASDAQ Helsinki stock exchange, representing 17.1% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the review period, 30 December 2016, was EUR 5.03. The lowest quotation during the review period was EUR 2.95 and the highest EUR 5.45. Alma Media Corporation's market capitalisation at the end of the year was MEUR 414.4. (MEUR 247.1 on 31 December 2015).

OPTION PROGRAMME AND SHARE-BASED INCENTIVE PROGRAMME

Alma Media's option programme 2009 ended on 31 March 2016.

Share-based incentive scheme (LTI 2015):

In 2015, the Board of Directors of Alma Media Corporation approved the establishment of a long-term share-based incentive scheme for the key management of Alma Media (hereinafter referred to as "LTI 2015").

The objective of LTI 2015 is to align the interests of the participants with those of Alma Media's shareholders by creating a long-term equity interest for the participants and, thus, to increase the company value in the long term as well as to drive performance culture, to retain participants and to offer them with competitive compensation for excellent performance in the company.

LTI 2015 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 participation in the scheme, matching shares based on the above share investment and the possibility of earning performance-based matching shares.

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 2016, Alma Media received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

On 14 December 2016, Otava Oy announced that Otava's holding of the shares and votes in Alma Media Corporation has risen to over five (5) per cent.

On 14 December 2016, Kaleva Oy announced that Kaleva's holding of the shares and votes in Alma Media has decreased under the threshold of 5%.

RISKS AND RISK MANAGEMENT

At Alma Media Group, the task of risk management is to detect, evaluate and monitor business opportunities, threats and risks to ensure the achievement of objectives and 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.

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 group subscriptions of the major financial and technology-related magazines are significant in scale. Changes to the subscription agreements could have a substantial impact on the magazines' total subscription volumes. 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, cyber risks and the disruption of printing are the most significant operational risks.

SUSTAINABLE DEVELOPMENT

With its Code of Conduct, Alma Media is committed to supporting the universally accepted principles in the areas of human rights, labour, environment and anti-corruption laid out in the United Nations Global Compact initiative. Alma Media also participates annually in Carbon Disclosure Project (CDP) climate reporting directed at investors. In 2016, the company was listed in Class B under the new classification system implemented by CDP. Alma Media is also committed to the Paris Pledge for Action to reach the COP21 targets. Alma Media is actively involved in the pan-European Responsible Media Forum and the Finnish Business & Society corporate responsibility network. The Alma Media share is included in the OMX GES Sustainability Finland index.

The most significant environmental impacts of Alma Media's business operations are related to purchases, printing and delivery operations and real estate. In 2016, the company's printing facilities used approximately 26,305 (25,321) tonnes of paper. Alma Media used 13,065 (12,943) MWh of electric power in 2016*. The increase in electricity consumption is mainly due to the Talentum acquisition made by Alma Media in 2016. As a result of the acquisition, Alma Media became the recipient of a rental commitment for a large property located in Helsinki's Ruoholahti district. The use of the property was discontinued in 2016.

In 2016, Alma Media revised its Code of Conduct and updated its materiality analysis. Based on the results of this analysis, the company also updated the material aspects of its corporate responsibility. The most significant aspects of Alma Media's social responsibility are being a responsible member of society, product brands that increase customer value, sustainable media and service business, employee development and corporate culture. Alma Media has revised its GRI reporting for 2016 to correspond to the updated materiality analysis and the G4 calculation principles where applicable.

More information on the Group's corporate responsibility is available on the Alma Media website and the sustainability report integrated into Alma Media's Annual Review 2016.

* The electricity consumption figures for 2015 and 2016 are not fully comparable. The calculation for 2016 excludes, for example, certain small properties where electricity consumption is included in the rent. In the electricity consumption calculation for 2015, the data reported for these units was based on an estimate of the normal electricity consumption of a property of corresponding size. The calculations cover all of Alma Media's operating countries.

Key figures describing financial development

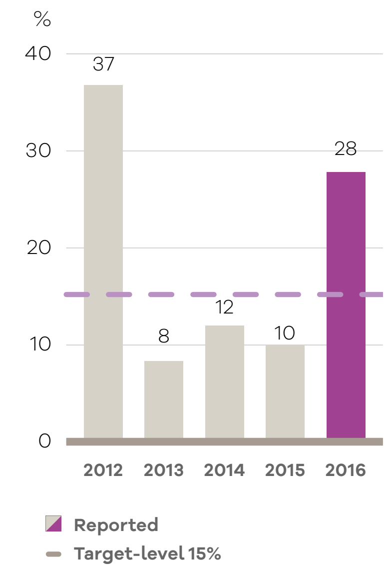
Key figures are calculated applying IFRS recognition and measurement principles.

In a stock exchange release published on 20 June 2016, Alma Media announced a change to its reporting terminology in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA) concerning Alternative Performance Measures. The change became effective starting from 22 July 2016. Alma Media replaced the previously used term "operating profit excluding non-recurring items" with the term "adjusted operating profit". The previously used term "EBITDA excluding non-recurring items" was replaced by the term "adjusted EBITDA". The definitions are unchanged.

Income statement

		IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014	Change %	IFRS 2013	Change %	IFRS 2012
Revenue	M€	353.2	21.2	291.5	-1.3	295.4	-1.6	300.2	-6.2	320.1
Digital revenue	M€	133.5	27.9	104.3	10.4	94.5	11.9	84.5	8.4	77.8
% of revenue	%	37.8		35.8		32.0		28.1		24.3
Operating profit/loss	M€	26.8	51.5	17.7	-14.7	20.7	-23.3	27.0	1.9	26.5
% of revenue	%	7.6		6.1		7.0		9.0		8.3
Adjusted operating profit	M€	35.2	50.4	23.4	9.2	21.4	-11.6	24.2	-27.8	33.5
% of revenue	%	10.0		8.0		7.2		8.0		10.5
Profit before tax	M€	25.4	51.3	16.8	-14.9	19.7	-12.1	22.4	-5.5	23.7
Adjusted profit before tax	M€	33.7	50.2	22.5	11.3	20.2	-17.6	24.5	-31.2	35.6
Profit for the period	M€	19.9	64.6	12.1	-23.2	15.7	-1.9	16.0	-8.0	17.4
Share of results in associated companies	M€	0.9	41.4	1.6	7.7	1.7	142.5	-4.1	-4.7	-4.3
Net financial expenses	M€	2.4	-6.4	2.5	-6.9	2.7	440.0	0.5	-133.3	-1.5
Net financial expenses %	%	0,7		0,9		0,9		0,2		-0,5

Digital business growth



Balance sheet

		IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014	Change %	IFRS 2013	Change %	IFRS 2012
Balance sheet total**	M€	327.0	-0.4	328.3	28.2	256.1	-5.4	270.7	10.4	245.1
Interest-bearing net debt	M€	57.1		76.2		71.1		97.6		62.3
Interest-bearing liabilities	M€	80.4	-11.3	90.6	9.1	83.0	-24.4	109.9	38.4	79.4
Non-interest-bearing liabilities	M€	108.6	-0.7	109.4	57.5	69.4	-4.1	72.4	-11.5	81.8

Other information

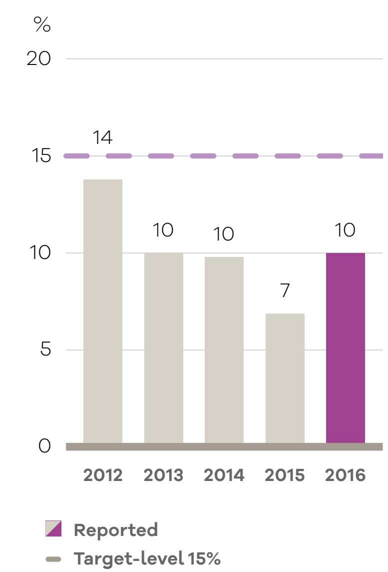
		IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014	Change %	IFRS 2013	Change %	IFRS 2012
Average no. of employees, calculated as full-time employees, excl. delivery staff		2,287	27.6	1,793	-1.9	1,828	-7.2	1,969	3.0	1,911
Delivery staff total (no. of employees)		845	-9.0	929	-5.7	985	-1.3	998	-0.8	1,006
Capital expenditure	M€	10.0	-83.3	60.2	318.0	14.4	-77.1	62.8	-43.6	111.3
Capital expenditure, % of revenue	%	2.8		20.6		4.9		20.9		34.8
Research and development costs	M€	5.0	-9.3	5.5	-0.1	5.5	3.8	5.3	29.3	4.1
Research and development costs, % of revenue	%	1.4		1.9		1.9		1.8		1.3

Key figures

		IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014	Change %	IFRS 2013	Change %	IFRS 2012
Return on equity (ROE)**	%	14.9	43.4	10.4	-36.6	16.4	-11.8	18.6	-3.6	19.3
Return on investment (ROI)**	%	10.1	46.8	6.9	-29.8	9.8	-2.0	10.0	-27.5	13.8
Equity ratio**	%	45.7		42.5		42.6		34.4		36.5
Gearing**	%	41.4		59.4		68.5		110.5		74.1

** Comparison figures for 2015 have been adjusted due to a change in accounting principles.

Return on investment



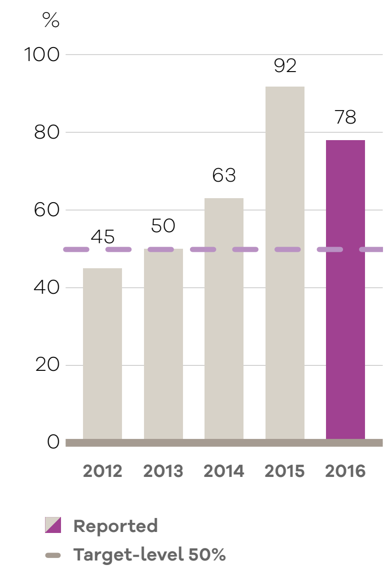
Per share data

		IFRS 2016	Change %	IFRS 2015	Change %	IFRS 2014	Change %	IFRS 2013	Change %	IFRS 2012
Earnings per share	€	0.20		0.13		0.19		0.20		0.22
Cash flow from operating activities per share	€	0.51		0.43		0.35		0.32		0.33
Shareholders' equity per share**	€	1.44		1.35		1.17		1.14		1.08
Dividend per share	€	0.16*		0.12		0.12		0.10		0.10
Payout ratio	%	78.2		92.3		63.2		50.2		45.4
Effective dividend yield	%	3.2		4.0		4.4		3.3		2.2
P/E Ratio		24.6		23.1		14.6		15.0		20.6
Highest share price	€	5.45		3.25		3.16		5.00		6.80
Lowest share price	€	2.95		2.51		2.55		2.49		4.35
Share price on 31.12.	€	5.03		3.00		2.75		2.99		4.55
Market capitalisation	M€	414.4		247.1		207.6		225.7		343.5
Turnover of shares, total	kpcs	14,088		9,668		5,977		8,130		5,066
Relative turnover of shares, total	%	17.1		12.7		7.9		10.8		6.7
Average no. of shares (1,000 shares), basic	kpcs	82,383		76,394		75,487		75,487		75,487
Average no. of shares (1,000 shares), diluted	kpcs	82,383		76,394		75,487		75,487		75,661
Adjusted no. of shares on 31.12.	kpcs	82,383		82,383		75,487		75,487		75,487

* Proposal of the Board of Directors to the Annual General Meeting.

** Comparison figures for 2015 have been adjusted due to a change in accounting principles.

Dividend payout ratio



Consolidated comprehensive income statement

MEUR	Note	1.1.–31.12. 2016	1.1.–31.12. 2015
Revenue	1.1, 1.2	**353.2**	**291.5**
Other operating income	1.2	2.2	3.6
Change in inventories of finished products	1.3	-0.2	-0.1
Materials and services	1.3	74.0	69.4
Expenses arising from employee benefits	1.3, 1.4	149.6	124.1
Depreciation, amortisation and impairment charges	2.1, 2.2	21.1	16.8
Other operating expenses	1.3	83.8	66.9
Operating profit	1.1	**26.8**	**17.7**
Finance income	3.1	0.4	0.3
Finance expenses	3.1	2.8	2.8
Share of results in associated companies	4.4	0.9	1.6
Profit before tax		**25.4**	**16.8**
Income tax	5.1, 5.2	-5.5	-4.7
Profit for the period		**19.9**	**12.1**
Other comprehensive income			
Items that are not later transferred to be recognised through profit or loss			
Items arising due to the redefinition of net defined benefit liability (or asset item)		0.1	1.2
Tax on items that are not later transferred to be recognised through profit or loss		0.0	-0.2
Items that may later be transferred to be recognised through profit or loss			
Exchange differences on translation of foreign operations		-0.1	1.0
Share of other comprehensive income of associated companies		0.0	0.1
Other comprehensive income for the year, net of tax		**0.0**	**2.1**
Total comprehensive income for the year, net of tax		**19.9**	**14.2**

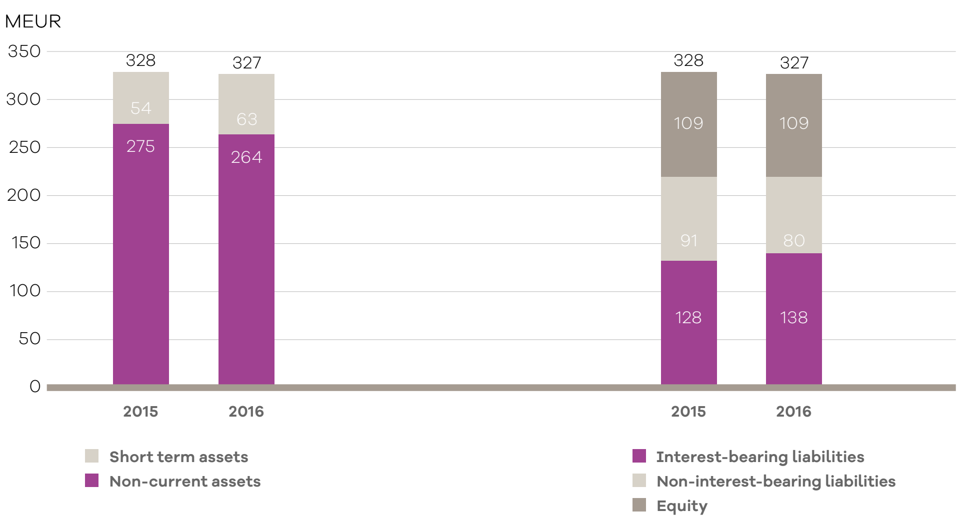
MEUR	Note	1.1.–31.12. 2016	1.1.–31.12. 2015
Profit for the period attributable to			
Owners of the parent company		16.9	9.9
Non-controlling interest		3.0	2.1
Total comprehensive income for the period attributable to			
Owners of the parent company		16.9	11.9
Non-controlling interest		3.0	2.3
Earnings per share calculated from the profit for the period attributable to the parent company shareholders (€)			
Earnings per share (basic)	3.9	0.20	0.13
Earnings per share (diluted)	3.9	0.20	0.13

Consolidated balance sheet

MEUR	Note	31.12.2016	31.12.2015
ASSETS			
Non-current assets			
Goodwill	2.1	120.3	118.6
Other intangible assets	2.1	67.8	72.3
Property, plant and equipment	14	64.8	70.5
Shares in associated companies	4.4	5.1	6.8
Pension receivables, defined benefit plans	3.6	0.2	0.0
Other non-current financial assets	3.2	4.4	4.6
Deferred tax assets	5.2	1.5	1.6
		264.0	**274.5**
Current assets			
Inventories	3.7	2.3	2.2
Tax receivables		0.2	1.9
Trade and other receivables	3.7	37.1	35.3
Other current financial assets	3.2	0.0	0.0
Cash and cash equivalents	3.2	23.3	14.4
		62.9	**53.9**
Assets total		**327.0**	**328.3**

MEUR	Note	31.12.2016	31.12.2015
EQUITY AND LIABILITIES			
Share capital		45.3	45.3
Share premium reserve		7.7	7.7
Exchange differences on translation of foreign operations		-1.7	-1.6
Invested non-restricted equity fund		19.1	19.1
Retained earnings		48.3	40.7
Equity attributable to owners of the parent	3.9	**118.7**	**111.2**
Non-controlling interest		19.3	17.1
Total equity		**138.0**	**128.3**
Non-current liabilities			
Deferred tax liabilities	5.2	13.3	14.2
Pension liabilities	3.6	1.2	1.5
Provisions	1.3	0.3	0.2
Non-current financial liabilities	3.3	65.5	63.4
		80.4	**79.4**
Current liabilities			
Advances received	0	24.7	26.0
Income tax liability	0	1.7	2.2
Provisions	1.3	0.9	0.6
Current financial liabilities	3.3	15.9	28.5
Trade and other payables	3.7	65.4	63.3
		108.6	**120.6**
Liabilities, total		**189.0**	**200.0**
Equity and liabilities, total		**327.0**	**328.3**

Balance sheet, Assets **Balance sheet , Equity & liabilities**

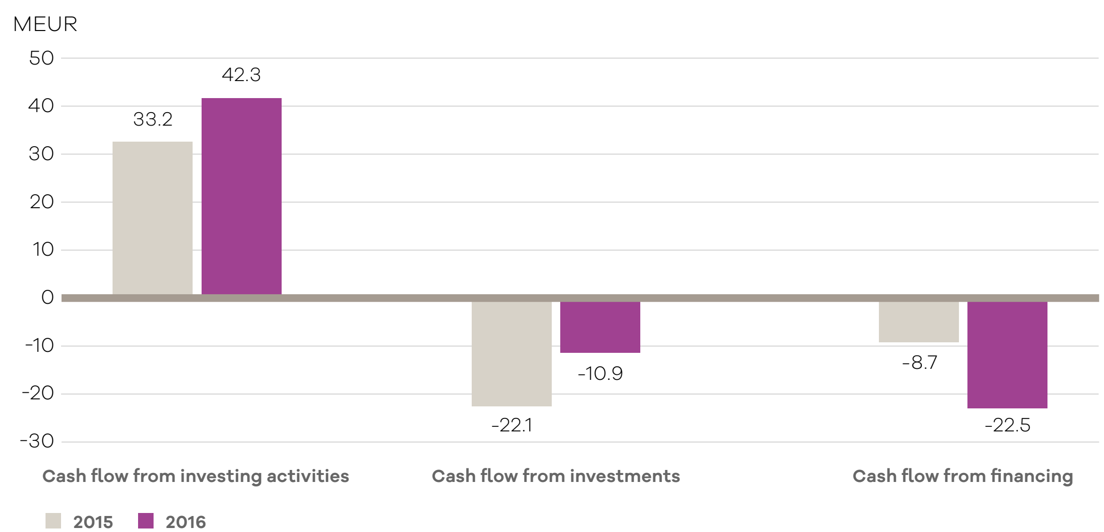


Consolidated cash flow statement

MEUR	Note	31.12.2016	31.12.2015
Operating activities			
Profit for the period		19.9	12.1
Adjustments		27.5	19.0
Change in working capital		1.3	5.9
Dividend received		1.4	1.7
Interest received		0.2	0.1
Interest paid		-2.5	-1.9
Taxes paid		-5.5	-3.7
Net cash flow from operating activities		**42.3**	**33.2**
Investing activities			
Acquisitions of tangible assets		-0.9	0.0
Acquisitions of intangible assets		-3.1	-3.3
Proceeds from sale of tangible and intangible assets		0.0	2.2
Other investments		0.0	-0.1
Proceeds from sale of available-for-sale financial assets		0.1	1.0
Change in loan receivables		0,0	0,0
Business acquisitions less cash and cash equivalents at the time of acquisition		-7.9	-26.8
Proceeds from sale of businesses less cash and cash equivalents at the time of sale		0,0	5.3
Acquisition of associated companies		0,0	-0.5
Proceeds from sale of associated companies	4.4	0.9	0.0
Cash flows from/(used in) investing activities		**-10.9**	**-22.1**
Cash flow before financing activities		**31.4**	**11.1**

MEUR	Note	31.12.2016	31.12.2015
Financing activities			
Non-current loans taken		10.0	0.0
Repayment of non-current loans		-3.3	0,0
Current loans taken		86.0	45.0
Repayment of current loans		-98.3	-38.7
Payments of finance lease liabilities		-5.3	-4.5
Change in interest-bearing receivables		0.0	0.0
Dividends paid and capital repayment	3.9	-11.7	-10.5
Cash flows from/(used in) financing activities		**-22.5**	**-8.7**
Change in cash and cash equivalent funds increase (+) decrease (-)		**8.8**	**2.4**
Cash and cash equivalents at beginning of period	3.2	14.4	12.0
Effect of change in foreign exchange rates		0.0	0.1
Cash and cash equivalents at end of period	3.2	23.3	14.4

Cash flow from investing activities



Further details for statement of cash flow

MEUR	Note	31.12.2016	31.12.2015
Operating activities			
Adjustments:			
Depreciation, amortisation and impairment charges	2	21.1	16.8
Share of results in associated companies	4.4	-0.9	-1.6
Capital gains (losses) on the sale of fixed assets and other investments		-1.3	-2.0
Finance income and expenses	3.1	2.4	2.5
Income tax	5.1	5.5	4.7
Change in provisions	1.3.6	0.4	0.4
Other adjustments		0.3	-1.9
Adjustments, total		**27.5**	**19.0**
Change in working capital:			
Change in trade receivables		-2.0	0.5
Change in inventories		-0.2	-0.8
Change in trade payables		3.4	6.2
Change in working capital, total		**1.3**	**5.9**
Investing activities			
Investments financed through finance leases		-1.0	-2.0
Gross capital expenditure, payment-based*		-4.0	-3.3
Sold and purchased business operations, non-payment-based		-5.0	-54.9
Investments, total		**-10.0**	**-60.2**

* Excluding investments of acquired businesses.

Consolidated statement of changes in equity

Attributable to equity holders of the parent company

MEUR	Note	Share capital	Share premium reserve	Foreign currency translation reserve	Invested non-restricted equity fund	Retained earnings	Equity attributable to the owners of parent	Minority interest	Total equity
Total equity on 1.1.2015	3.9	**45.3**	**7.7**	**-2.5**	**0.0**	**38.0**	**88.5**	**15.2**	**103.7**
Adjustment of comparison figures						**-0.3**	**-0.3**	**-0.1**	**-0.4**
Adjusted total equity on 1.1.2015		**45.3**	**7.7**	**-2.5**	**0.0**	**37.6**	**88.2**	**15.1**	**103.3**
Profit for the period						9.9	9.9	2.1	12.1
Other comprehensive income				0,9		1.1	2.0	0.2	2.1
Business transactions with the owners									
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						0.1	0.1		0.1
Change in ownership in subsidiaries						1.0	1.0	1.2	2.1
Total equity on 31.12.2015	3.9	**45.3**	**7.7**	**-1.6**	**19.1**	**40.7**	**111.2**	**17.1**	**128.3**
Total equity on 1.1.2016		**45.3**	**7.7**	**-1.6**	**19.1**	**40.7**	**111.2**	**17.1**	**128.3**
Profit for the period						16.9	16.9	3.0	19.9
Other comprehensive income				-0.1		0.1	0.0		0.0
Business transactions with the owners									
Capital repayment by parent						-9.7	-9.7		-9.7
Dividends paid by subsidiaries								-1.8	-1.8
Share-based payment transactions						0.4	0.4		0.4
Change in ownership in subsidiaries								1.0	1.0
Total equity on 31.12.2016	3.9	**45.3**	**7.7**	**-1.7**	**19.1**	**48.3**	**118.7**	**19.3**	**138.0**

Notes to the consolidated financial statements

BASIC INFORMATION ON THE GROUP

Alma Media is a media company focusing on digital services and publishing. In addition to news content, the Group's products provide useful information related to lifestyle, career and business development. Alma Media builds sustainable growth for its customers by utilising the opportunities of digitality, including information services, system and expert services and advertising solutions. The services of Alma Media have expanded from Finland to the Nordic countries, the Baltics and Central Europe. The Group's parent company Alma Media Corporation is a Finnish public company established under Finnish law, domiciled in Helsinki at Alvar Aallon katu 3 C, PL 140, FI-00101 Helsinki.

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

The Board of Directors approved the financial statements for disclosure on 9 February 2017. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS. The IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2016 have been applied. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in EU regulation (EU) no 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

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

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

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

IMPACT OF STANDARDS ADOPTED DURING 2016

The Group has adopted the following new standards and interpretations from 1 January 2016 onwards:

IAS 27 Separate Financial Statements amendment Equity Method in Separate Financial Statements. The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements, which has been a local requirement in certain countries. This allows more entities than before to prepare their separate financial statements under IFRS. The amendment to the standard had no effect on the consolidated financial statements.

IAS 16 Property, Plant and Equipment and IAS 41 Agriculture amendment Bearer Plants. These amendments allow biological assets that meet the definition of a bearer plant to be alternatively recognised at acquisition cost, when previously the standard required that they be recognised at fair value. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41. The amendments had no effect on the consolidated financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets amendment, Clarification of Acceptable Methods of Depreciation and Amortisation. The amendment specifies that the revenue-based method cannot be used to amortise intangible assets. As an exception, amortisation of intangible assets can only be based on revenue if there is a very high degree of correlation between the revenue and the decrease in the economic value of the intangible asset. Nor can the revenue-based method be used to amortise property, plant and equipment. The amendments had no effect on the consolidated financial statements.

IFRS 11 Joint Arrangements amendment Accounting for Acquisitions of Interests in Joint Operations. The amendment requires the use of business combination accounting for the acquisition of an interest in a joint operation that constitutes a business. The amendment to the standard had no effect on the consolidated financial statements.

IAS 1 Presentation of Financial Statements: Disclosure Initiative. The amendments clarify the IAS 1 guidelines related to materiality, combining income statement and balance sheet items, the presentation of sub-headings, and the structure and accounting policies of financial statements. The amendment to the standard had no material effect on the consolidated financial statements. en.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures amendment Investment Entities: Clarifications to the application of the consolidation exception. The amendments clarify concessions on the requirement to prepare consolidated financial statements in situations in which the group includes investment entities. The amendments also provide relief to investors that are not investment entities in the accounting treatment of associates and joint ventures that themselves are investment entities. The amendments had no effect on the consolidated financial statements.

Annual Improvements to IFRSs 2012–2014. Through the Annual Improvements procedure, small and less urgent amendments to the standards are collected and implemented together once a year. Their impacts vary standard by standard, but they have not had a material effect on the consolidated financial statements.

New and amended standards and interpretations to be applied in future periods

IASB has published the following new or amended standards and interpretations that the Group has not yet applied. The Group will begin applying them starting from the effective date of each standard and interpretation or, if the date of entry into effect is not the first day of the financial year, the Group will apply the standard or interpretation starting from the beginning of the next financial year:

IFRS 15 Revenue from Contracts with Customers (effective for financial periods beginning on or after 1 January 2018). The new standard establishes a five-stage framework for recognising revenue from contracts with customers and replaces existing revenue guidance, including IAS 18, IAS 11 and the related interpretations. Revenue can be recognised over time or at a specific time, with the central criterion being the transfer of control. The standard will also expand the notes presented with financial statements.

During the financial year 2016, the Group established a separate project to assess the effects of the standard. The project has reviewed the revenue recognition processes and accrual principles used in the different invoicing systems and accounting of the Group's businesses, comparing the present situation to the requirements of the new standard. At the same time, the revenue recognition process has been made more automated. As a result, a change was made in 2016 to the recognition of revenue in Alma Career Oy. The change and its effect is described in Note 1.2. The project and the assessment of the effects of the standard will continue in the financial year 2017.

IFRS 9 Financial Instruments and amendments thereto (effective for financial periods beginning on or after 1 January 2018). The new standard replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 will change the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets. The classification and measurement of financial liabilities largely correspond to the current guidance in IAS 39. With regard to hedging, three hedging calculation types will remain in effect. More risk positions than before can be included in hedge accounting, and the principles regarding hedge accounting have been made more consistent with risk management. The Group is assessing the potential effects of the standard. The standard has not yet been approved for application in the EU.

IFRS 16 Leases (effective for financial periods beginning on or after 1 January 2019). IFRS 16 was issued in January 2016. As a result of the new standard, nearly all leases will be recognised in the balance sheet, as operating leases and finance leases will no longer be differentiated between. Under the new standard, a right-of-use asset is recognised, along with a financial liability representing the obligation to make future lease payments. The only exceptions are short-term leases and leases of low-value assets. Lessor accounting will not be subject to significant changes. The Group is assessing the effects of the standard's implementation. The standard has not yet been approved for application in the EU.

IAS 12 Income Taxes amendment Recognition of Deferred Tax Assets for Unrealised Losses (effective for financial periods beginning on or after 1 January 2017). Amendments were made to IAS 12 in January 2016 to clarify the recognition of deferred taxes when an asset is measured at fair value and the fair value is lower than the taxable value of the asset in question. The amendment is not expected to have a material effect on the consolidated financial statements. The amendments have not yet been approved for application in the EU.

IAS 7 Statement of Cash Flows amendment Disclosure Initiative (effective for financial periods beginning on or after 1 January 2017). Under the amended standard, entities must disclose changes in liabilities arising from financing activities. This covers changes from financing cash flows (such as taking out and repaying loans) as well as non-cash flow changes, such as acquisitions, disposals, accrued interest and unrealised changes in foreign exchange rates. The Group is assessing the potential effects of the amendments. The amendments have not yet been approved for application in the EU.

IFRS 4 Insurance Contracts amendment (effective for financial periods beginning on or after 1 January 2018). Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. The amendment is not expected to have an effect on the consolidated financial statements. The amendments have not yet been approved for application in the EU.

IFRS 2 Share-based Payments (effective for financial periods beginning on or after 1 January 2018). Clarifications to the classification and measurement of share-based payment transactions. The amendment is not expected to have a material effect on the consolidated financial statements. The amendments have not yet been approved for application in the EU.

COMPARABILITY OF CONSOLIDATED FINANCIAL STATEMENTS

The financial years 2016 and 2015 are comparable. The company has no discontinued operations to report in the financial periods 2016 and 2015. The Talentum Group acquired in November 2015 has had an effect on the increase in the income and expenses in the consolidated income statement.

TRANSLATION OF ITEMS DENOMINATED IN FOREIGN CURRENCIES

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

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

ASSETS AVAILABLE FOR SALE AND DISCONTINUED OPERATIONS

Assets available for sale, and the assets related to a discontinued operation that are classified as available for sale, are measured at the lower of their book value or their fair value less the costs arising from their sale. The Group does not have assets classified under assets available for sale in the financial statements for 2016 or 2015.

OPERATING PROFIT AND EBITDA

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

ADJUSTED ITEMS

Adjusted items are income or expense arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations as well as impairment losses of goodwill and other assets are recognised by the Group as adjusted items. Adjusted items are recognised in the profit and loss statement within the corresponding income or expense group. Adjusted items are described in the Report by the Board of Directors.

ACCOUNTING PRINCIPLES REQUIRING MANAGEMENT'S JUDGEMENT AND KEY SOURCES OF ESTIMATION

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which may differ from actual results in the future. Management is also required to use its discretion as to the application of the accounting principles used to prepare the statements.

ACCOUNTING PRINCIPLES REQUIRING MANAGEMENT'S JUDGEMENT

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

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

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

EVENTS SUBSEQUENT TO THE CLOSING OF THE ACCOUNTS

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

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

Calculation of key figures

Key figure	Formula	
Return on shareholders' equity, % (ROE	Profit for the period / Shareholders' equity + non-controlling interest (average during the year)	x 100
Return on investment, % (ROI)	Profit for the period + interest and other financial expenses / Balance sheet total - non-interest-bearing debt (average during the year)	x 100
Equity ratio, %	Shareholders' equity + non-controlling interest / Balance sheet total - advances received	x 100
Operating profit	Profit before tax and financial items	
Operating profit excluding non-recurring items	Profit before tax and financial items, excluding non-recurring items	
EBITDA	Operating profit excluding depreciation, amortisation and impairment losses	
EBITDA excluding non-recurring items	Operating profit excluding depreciation, amortisation, impairment losses and non-recurring items	
Online sales, % of revenue	Online sales / Revenue	x 100
Basic earnings per share, EUR	Share of net profit belonging to parent company owners / Average number of shares adjusted for share issues	
Diluted adjusted earnings per share, EUR	Share of net profit belonging to parent company owners / Diluted average number of shares adjusted for share issues	
Gearing, %	Interest-bearing debt - cash and bank receivables / Shareholders' equity + non-controlling interest	x 100
Net financial expenses, %	Financial income and expenses / Revenue	x 100
Dividend per share, EUR	Dividend per share approved by the Annual General Meeting With respect to the most recent year, the Board's proposal to the AGM	
Payout ratio, %	Dividend/share / Share of EPS belonging to parent company owners	x 100
Effective dividend yield, %	Dividend/share adjusted for share issues / Final quotation at close of period adjusted for share issues	x 100
Price/earnings (P/E) ratio	Final quotation at close of period adjusted for share issues / Share of EPS belonging to parent company owners	
Shareholders' equity per share, EUR	Equity attributable to equity holders of the parent / Basic number of shares at the end of period adjusted for share issues	
Market capitalisation of share stock, EUR	Number of shares x closing price at end of period	

Notes to the consolidated financial statements

1 SEGMENTS AND OPERATING RESULTS

1.1 Information by segment

Alma Media Group's reporting structure was changed at the beginning of 2016. The names of the Group's business segments were also changed. Alma Media's reportable segments are Alma Markets (previously Digital Consumer Services), Alma News & Life (previously National Consumer Media), Alma Regions (previously Regional Media) and Alma Talent, which was created as a result of the combination of the Financial Media and Business Services unit and Talentum's business operations.

The Group's reportable segments correspond to the Group's operating segments. Operations that produce similar products and services are combined into operating segments due to their uniform profitability and other uniform characteristics.

The business operations of Alma Diverso, which was reported under the Alma Markets (Digital Consumer Services) segment in 2015, were transferred to the Alma News & Life and Alma Regions segments. The revenue of the E-kontakti business was transferred from Group service revenue to Group advertising revenue. In addition, a significant proportion of JM Tieto's revenue is categorised under online business after being previously categorised as non-online business.

Centralised services produced by the Group's parent company as well as centralised support services for advertising and digital sales for the entire Group are reported outside segment reporting.

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

ⓘ As the structure and composition of the reportable segments have changed, Alma Media has, in accordance with the IFRS 8 Operating Segments standard, adjusted the corresponding items in segment information for the 2015 comparison period. Segment information is based on internal management reporting, which has been prepared in accordance with IFRS.

Reportable segments 2016:	Reported segments 2015:	Operating segments 2015:
Alma Markets	Digital Consumer Services	Marketplaces
Alma Talent	Financial Media and Business Services	Financial Media and Business Services
Alma News & Life	National Consumer Media	National Consumer Media
Alma Regions	Regional Media	Regional Media

The recruitment services Monster.fi, Jobs.cz, Prace.cz, CV Online, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl, Monster.cz and Jobote.com are reported in the Alma Markets segment.

The segment includes several online services: the housing-related services Etuovi.com, Vuokraovi.com and Urakkamaailma.fi, the travel portal Gofinland.fi and the automotive services Autotalli.com, Autosofta and Alkali. Nettikoti, which specialises in software for ERP systems in new construction and renovation, and Kivi, a real estate agency system, are also reported in this segment.

The Alma Talent business segment publishes 20 trade and financial media, as well as books. The business unit also offers skills development and growth services to professionals and businesses in different fields, from events and training to information services. Alma Talent has operations in Finland, Sweden and the Baltics. Alma Talent media include Kauppalehti, Uusi Suomi, Talouselämä, Tekniikka & Talous, Markkinointi&Mainonta, Arvopaperi and Tivi. In Sweden, Alma Talent's publications include Affärsvärlden, Ny Teknik and Dagens Media.

The Alma News & Life segment includes the various digital and print news and lifestyle content of the national Iltalehti. The online services Telkku.com, Kotikokki.net, E-kontakti.fi and Rantapallo.fi are also reported in this segment.

The print and online publishing business of Aamulehti, Satakunnan Kansa, Lapin Kansa/Pohjolan Sanomat and several local and town papers is reported in the Alma Regions segment. The printing and distribution unit Alma Manu is also included in this segment.

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

The Group's business is mainly divided between two geographical areas: Finland and the rest of Europe. Alma Markets operates in Finland and eight other European countries, principally the Czech Republic and Slovakia. The Alma Talent segment's business operations are located in Finland, the Baltic countries and Sweden. The Alma News & Life segment and the Alma Regions segment operate mainly in Finland.

The revenue and assets for different geographical regions are based on where the services are located. The following table shows a geographical breakdown of the Group's revenue and assets in 2016 and 2015:

Revenue

MEUR	2016	Share of total, %	2015	Share of total, %
Segments, Finland	278.7	78.9	245.2	84.1
Segments, other countries	73.0	20.7	44.6	15.3
Segments total	351.7	99.6	289.8	99.4
Non-allocated and eliminations*	1.5	0.4	1.7	0.6
Total	**353.2**	**100.0**	**291.5**	**100.0**

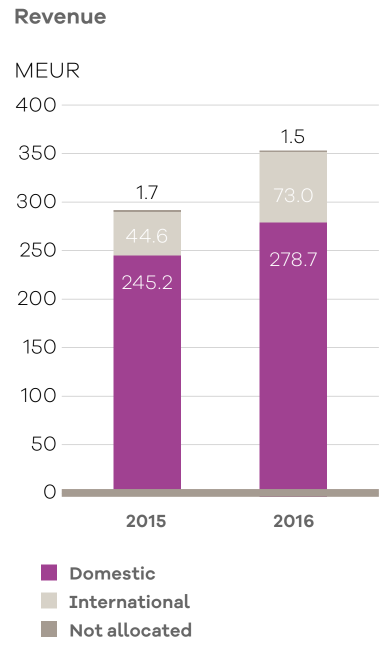
* The comparison data has been adjusted to include service revenue in non-allocated revenue.

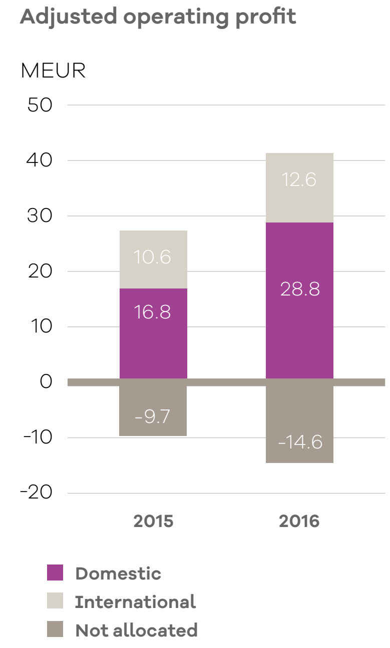
Operating profit

MEUR	2016	Share of total, %	2015	Share of total, %
Segments, Finland	28.8	107.7	16.8	95.3
Segments, other countries	12.6	47.0	10.6	59.8
Segments total	41.4	154.7	27.4	155.1
Non-allocated	-14.6	-54.7	-9.7	-55.1
Total	**26.8**	**100.0**	**17.7**	**100.0**

Assets

MEUR	2016	Share of total, %	2015	Share of total, %
Finland	231.0	70.7	234.3	71.4
Other countries	126.3	38.6	121.7	37.1
Eliminations	-30.3	-9.3	-27.7	-8.4
Total	**327.0**	**100.0**	**328.3**	**100.0**

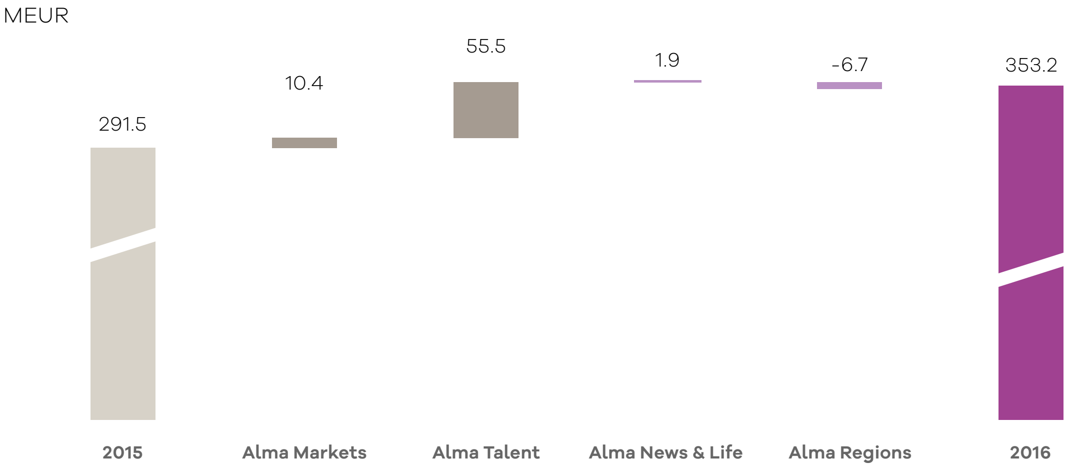




Revenue

MEUR	Alma Markets	Alma Talent	Alma News & Life	Alma Regions	Segments, total	Non-allocated items and eliminations	Group
Financial year 2016							
Revenue							
External revenue	69.7	109.0	32.2	120.1	331.1	22.1	353.2
Inter-segment revenue	-0.3	4.9	13.8	7.6	26.1	-26.1	
Total	**69.4**	**114.0**	**46.1**	**127.7**	**357.1**	**-3.9**	**353.2**
Financial year 2015							
Revenue							
External revenue	58.6	56.3	36.6	128.1	279.6	11.9	291.5
Inter-segment revenue	0.4	2.2	7.5	6.4	16.5	-16.5	
Total	**59.0**	**58.5**	**44.1**	**134.5**	**296.1**	**-4.6**	**291.5**

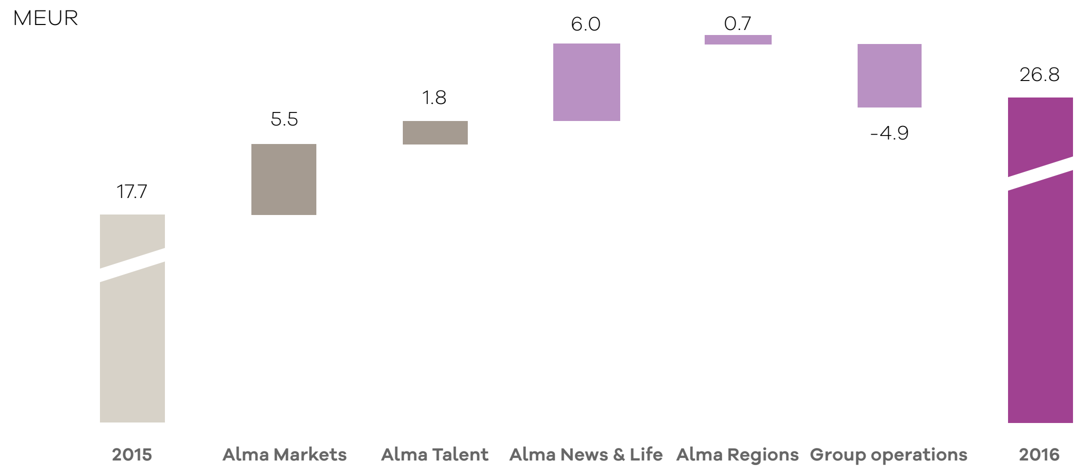
Change in revenue 2015–2016



Profit for the period

MEUR	Alma Markets	Alma Talent	Alma News & Life	Alma Regions	Segments, total	Non-allocated items and eliminations	Group
Financial year 2016							
EBITDA excluding adjusted items	24.5	16.4	7.4	12.0	60.3	-7.1	53.3
Depreciation, amortisation and impairment excluding adjusted items	-5.2	-4.0	-0.5	-3.5	-13.3	-4.9	-18.1
Operating profit excluding adjusted items	19.3	12.4	7.0	8.5	47.1	-11.9	35.2
Adjusted items	0.0	-3.6	0.9	-3.0	-5.7	-2.7	-8.4
Operating profit/loss	19.3	8.8	7.9	5.5	41.4	-14.6	26.8
Share of results in associated companies	0.0	0.5	0.0	0.0	0.5	0.4	0.9
Net finance expenses	-0.3	-0.2	-0.2	-0.2	-0.9	-1.5	-2.4
Income before tax	**19.1**	**9.0**	**7.7**	**5.3**	**41.1**	**-15.7**	**25.4**
Income tax						-5.5	-5.5
Profit for the period	**19.1**	**9.0**	**7.7**	**5.3**	**41.1**	**-21.2**	**19.9**
Impairments		1.0		2.0	3.0		3.0
Financial year 2015							
EBITDA excluding adjusted items	18.8	9.0	2.9	11.8	42.5	-5.1	37.4
Depreciation, amortisation and impairment excluding adjusted items	-5.1	-1.0	-0.2	-3.5	-9.7	-4.4	-14.0
Operating profit excluding adjusted items	13.8	8.0	2.8	8.3	32.8	-9.5	23.4
Adjusted items		-1.0	-0.8	-3.6	-5.5	-0.3	-5.7
Operating profit/loss	13.8	6.9	1.9	4.8	27.4	-9.7	17.7
Share of results in associated companies	0.1	1.0	0.2	0.0	1.3	0.3	1.6
Net finance expenses	-1.1	-0.2	-0.2	-0.3	-1.8	-0.7	-2.5
Income before tax	**12.7**	**7.7**	**2.0**	**4.5**	**26.9**	**-10.1**	**16.8**
Income tax						-4.7	-4.7
Profit for the period	**12.7**	**7.7**	**2.0**	**4.5**	**26.9**	**-14.8**	**12.1**
Impairments		1.2	0.5	1.1	2.8		2.8

Change in adjusted operating profit 2015–2016



Assets and liabilities

MEUR	Alma Markets	Alma Talent	Alma News & Life	Alma Regions	Segments, total	Non-allocated items and eliminations	Group
Financial year 2016							
Assets	76.3	109.4	16.1	56.9	258.8	63.1	321.8
Investments in associated companies and joint ventures	2.8	0.6		0.1	3.5	1.6	5.1
Assets, total	**79.2**	**110.0**	**16.1**	**57.0**	**262.3**	**64.7**	**327.0**
Liabilities, total	**21.0**	**31.1**	**0.2**	**60.7**	**113.0**	**75.9**	**189.0**
Capital expenditure	**1.7**	**1.6**	**3.2**	**1.3**	**7.9**	**2.2**	**10.0**
Financial year 2015							
Assets	78.6	112.2	10.6	60.8	262.2	59.4	321.5
Investments in associated companies and joint ventures	0.0	1.0	0.1	0.0	1.2	5.6	6.8
Assets, total	**78.6**	**113.2**	**10.7**	**60.8**	**263.4**	**65.0**	**328.3**
Liabilities, total	**17.2**	**33.5**	**3.0**	**64.6**	**118.3**	**81.7**	**200.0**
Capital expenditure	**3.3**	**53.7**	**0.2**	**1.4**	**58.6**	**1.6**	**60.2**

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

Liabilities not allocated to segments are financial and tax liabilities.

1.2 Operating income

Alma Media Group's revenue consists of content revenue, advertising sales and service fees. Content revenue covers fees for content sold by the Group's media. Income from content sales arises from content sold for both print and online publications. For digital sales, content revenue is recognised over the contract period. For print publications, content revenue is recognised according to the publication calendar.

Advertising revenue consists of the sales of print and online advertising space in the Group's media. Both display advertising and classified advertising in print and online publications is reported as advertising revenue. The timing of revenue recognition from advertising sales is determined by the timing of the advertisement's publication. Revenue from the sales of advertisements with a long contract period (1–12 months) is recognised over the contract period.

The Group's service revenue includes, among other things, the sale of printing and delivery services to customers outside the Group, the Alma Talent segment's event and training business and the sale of information services. The Group also has online services aimed at consumers. Service revenue is recognised on an accrual basis in the period in which the service is delivered.

The Group has assessed its revenue recognition principles as part of its preparations for the implementation of the upcoming IFRS 15 standard. The principle related to the timing of revenue recognition has been specified further in connection to a system project. The change in the accounting principle has been retrospectively applied to the comparison data for the financial year. The change reduced the Group's retained earnings for the year and the comparison year by MEUR 0.4.

1.2.1 REVENUE

MEUR	2016	2015
Distribution of revenue between goods and services		
Sales of content*	128.3	104.1
Sales of advertising*	171.0	148.2
Sales of services*	53.9	39.2
Total	**353.2**	**291.5**

* Comparison data has been adjusted due to changes in revenue classification.

1.2.2 OTHER OPERATING INCOME

MEUR	2016	2015
Gains on sale of non-current assets	0.5	2.5
Proceeds on sale related to incremental acquisition	0.9	0.6
Other operating income	0.8	0.5
Total	**2.2**	**3.6**

1.3 Operating expenses

1.3.1 MATERIALS AND SERVICES

MEUR	2016	2015
Purchases during period	13.8	13.1
Change in inventories	-0.3	0.0
Use of materials and supplies	**13.5**	**13.1**
External services	60.5	56.3
Total	**74.0**	**69.4**

1.3.2 RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2016 totalled MEUR 5.0 (MEUR 5.5 in 2015). Of this total, MEUR 4.2 (MEUR 4.0) was recognised in the income statement and MEUR 0.8 (MEUR 1.5 in 2015) was capitalised to the balance sheet in 2016. There were capitalised research and development costs totalling MEUR 3.3 on the balance sheet on 31 December 2016 (MEUR 1.5 in 2015).

1.3.3 EMPLOYEE BENEFITS EXPENSE

Employee benefits cover short-term employee benefits, other long-term benefits, benefits paid in connection with dismissal and post-employment benefits.

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

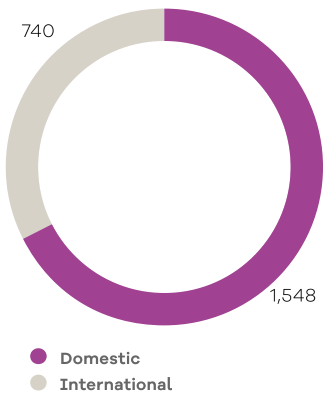
Post-employment benefits comprise pension and benefits to be paid after termination of the employee's contract, such as life insurance and healthcare. These benefits are classified as either defined contribution or defined benefit plans. The Group has both forms of benefit plans. The accounting principles related to pensions are presented in more detail in Note 3.6 Pension obligations.

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

MEUR	2016	2015
Salaries and fees	117.6	99.0
Pension costs – defined contribution plans	19.2	15.6
Pension costs – defined benefit plans	-0.1	0.1
Share-based payment transaction expense	0.9	0.2
Other payroll-related expenses	12.0	9.1
Total	**149.6**	**124.1**

Average number of employees, calculated as full-time employees (excl. delivery staff)	2016	2015
Alma Markets	543	502
Alma Talent	875	287
Alma News & Life	149	158
Alma Regions	561	677
Group functions	160	168
Total	**2,287**	**1,792**
Additionally, the Group's own delivery staff (number of employees):	845	929

Personnel



1.3.4 OTHER OPERATING EXPENSES

Specification of other operating expenses by category

MEUR	2016	2015
Information technology and telecommunication	23.2	19.0
Business premises	18.0	12.6
Sales and marketing	20.4	15.3
Administration and experts	7.3	7.5
Other employee costs	9.9	9.5
Other expenses	5.0	3.0
Total	**83.8**	**66.9**

The premises previously used by the Talentum Group were vacated during 2016 and the lease was terminated in December 2016. The remaining lease liability of MEUR 2.3 is recognised as an expense in the financial statements. The liability was paid off in full in January 2017.

1.3.5 AUDIT EXPENSES

1,000 EUR	2016	2015
PricewaterhouseCoopers Oy		
Audit	270.0	175.9
Reporting and opinions	5.6	
Tax consultation	9.3	
Other	177.3	342.8
Total	**462.2**	**518.7**

1.3.6 PROVISIONS

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

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

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

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

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

MEUR	Restructuring provision	Other provisions	Total
1.1.2016	0.6	0.2	0.8
Increase in provisions	0.1	0.1	0.2
Acquisitions of business operations			
Provisions employed	-0.1		-0.1
Reversal of unused provisions			
31.12.2016	**0.6**	**0.3**	**0.9**
Current	0.9		0.9
Non-current		0.3	0.3

Restructuring provision: this provision has been made to cover implemented or possible employee reductions in different companies. The provision is expected to be realised in 2017.

1. 4 Salaries, bonuses and share-based payments paid to management

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

1.4.1 SALARIES AND BONUSES PAID TO MANAGEMENT

Parent company President and CEO (Kai Telanne)

1,000 EUR	2016	2015
Salaries and other short-term employee benefits	733.4	580.4
Post-employment benefits	337.8	311.9
Approved stock options to be settled in shares	181.5	55.3
Total	**1,252.7**	**947.5**

The figures in the table are presented on an accrual basis. In 2016, the salary and benefits paid to the President and CEO of the Group totalled EUR 690,428 (in 2015 EUR 552,885).

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

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

Other members of the Group Executive Team

1,000 EUR	2016	2015
Salaries and other short-term employee benefits	1,842.9	1,634.1
Benefits paid in connection with dismissal		68.7
Post-employment benefits	702.6	648.6
Approved stock options to be settled in shares	339.9	100.1
Total	**2,885.5**	**2,451.4**

The figures in the table are presented on an accrual basis. In 2016, the salary and benefits paid to the other members of the Group Executive Team totalled EUR 1,643,150 (in 2015 EUR 1,515,867).

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

1,000 EUR	2016	2015
Harri Suutari, Chairman	54.5	53.0
Petri Niemisvirta, Deputy Chairman	43.1	45.0
Catharina Stackelberg-Hammarén, member	36.5	34.5
Matti Korkiatupa, member	34.5	
Niklas Herlin, member	35.0	34.0
Esa Lager, member	39.5	40.0
Mitti Storckovius, member	33.0	
Perttu Rinta, member (until 17 March 2016)	2.0	35.0
Erkki Solja, member (until 17 March 2016)	2.0	33.0
Total	**280.1**	**275.5**

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

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

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

1,000 EUR	2016	2015
Salaries and other short-term employee benefits	2,856.4	2,488.9
Benefits paid in connection with dismissal		68.7
Post-employment benefits	1,040.4	960.5
Approved stock options to be settled in shares	521.4	155.4
Total	**4,418.2**	**3,673.5**

The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team together held 16,048,756 shares in the company on 31 December 2016, representing 19.5% of the total number of shares and votes.

The individual holdings of Alma Media shares and option rights on 31 December 2016 were as follows:

			Performance matching	
	Shares	Fixed performance matching share plan LTI 2015 I and LTI 2015 II	matching share plan LTI 2015 I and LTI 2015 II	matching share plan LTI 2015 I and LTI 2015 II
Harri Suutari, Chairman	68,091			
Petri Niemisvirta, Deputy Chairman	17,494			
Niklas Herlin, member	15,711,792			
Matti Korkiatupa, member	3,953			
Esa Lager, member	11,907			
Mitti Storckovius, member	8,581			
Catharina Stackelberg-Hammarén, member	19,501			
Kai Telanne, President and CEO	105,826	64,000	64,000	64,000
Santtu Elsinen, Group Executive Team	13,100	6,000	6,000	6,000
Kari Juutilainen, Group Executive Team	8,011	10,000	10,000	10,000
Virpi Juvonen, Group Executive Team	5,000	10,000	10,000	10,000
Tiina Järvilehto, Group Executive Team	4,000			
Kari Kivelä, Group Executive Team	10,000	20,000	20,000	20,000
Mikko Korttila, Group Executive Team	7,000	14,000	14,000	14,000
Juha-Petri Loimovuori, Group Executive Team	17,500	23,000	23,000	23,000
Raimo Mäkilä, Group Executive Team	30,000	23,000	23,000	23,000
Juha Nuutinen, Group Executive Team	7,000	14,000	14,000	14,000
Total	**16,048,756**	**184,000**	**184,000**	**184,000**

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

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

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

1.4.2 SHARE-BASED PAYMENTS

Share-based incentive plan 2015
Alma Media's option programme 2009 ended on 31 March 2016.

Share-based incentive scheme (LTI 2015):

In 2015, the Board of Directors of Alma Media Corporation approved the establishment of a long-term share-based incentive scheme for the key management of Alma Media (hereinafter referred to as "LTI 2015").

The objective of LTI 2015 is to align the interests of the participants with those of Alma Media's shareholders by creating a long-term equity interest for the participants and, thus, to increase the company value in the long term as well as to drive performance culture, to retain participants and to offer them with competitive compensation for excellent performance in the company.

LTI 2015 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 participation in the scheme, matching shares based on the above share investment and the possibility of earning performance-based matching shares.

The matching share plan
In the matching share plan, the participant receives a fixed amount of matching shares against an investment in Alma Media shares.

In the first matching share plan, which commenced in 2015 (LTI 2015 I), the participant receives two matching shares for each invested share free of charge after a two-year vesting period, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

The performance matching plan
The performance matching plan comprises a five-year performance period in total. The potential share rewards will be delivered in tranches after three and five years if the performance targets set by the Board of Directors are attained.

The performance measures used in the first performance matching plan, which commenced in 2015 (2015 LTI I), are based on the company's profitable growth and share value. If the performance targets set by the Board of Directors are attained in full, the participant will receive in total four matching shares for each invested share free of charge, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

Share-based incentive scheme LTI 2015 II, launched in 2016
During the reporting year, 2016, the Board of Directors of Alma Media Corporation decided to launch the next share-based incentive programme (LTI 2015 II) based on the LTI 2015 arrangement. The main terms of the 2016 incentive scheme correspond to those of the share-based incentive scheme that began in 2015.

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, 2019, 2020 and 2021. 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.

Changes during option period

Option programme 2009	B option plan		C option plan	
Number	2016	2015	2016	2015
At beginning of financial year		505,000	535,000	535,000
Number of new options granted				
Number of options forfeited		-505,000	-535,000	
Number of options exercised				
At end of period				535,000

Principal terms and conditions of the Performance Share Plan:

Instrument	Fixed matching share plan LTI 2015 I	Performance matching share plan LTI 2015 I	Performance matching share plan LTI 2015 I
AGM date/Date of issuing	12.02.2015	12.02.2015	12.02.2015
Maximum number of shares	153,100	153,100	153,100
Dividend adjustment	No	No	No
Initial allocation date	17.06.2015	17.06.2015	17.06.2015
Performance period begins	01.01.2015	01.01.2015	01.01.2015
Performance period ends	31.03.2017	31.03.2018	31.03.2020
Vesting date	31.03.2017	31.03.2018	31.03.2020
Maximum contractual life, years	1.8	2.8	4.8
Remaining contractual life, years	0.2	2.2	3.2
Number of persons at the end of the reporting year	32	32	32
Payment method	Cash & share	Cash & share	Cash & share

Instrument	Fixed matching share plan LTI 2015 I I	Performance matching share plan LTI 2015 I I	Performance matching share plan LTI 2015 I I
AGM date/Date of issuing	12.02.2015	12.02.2015	12.02.2015
Maximum number of shares	166,000	166,000	166,000
Dividend adjustment	No	No	No
Initial allocation date	17.03.2016	17.03.2016	17.03.2016
Performance period begins	01.01.2016	01.01.2016	01.01.2016
Performance period ends	31.03.2018	31.03.2019	31.03.2021
Vesting date	31.03.2018	31.03.2019	31.03.2021
Maximum contractual life, years	2.0	3.0	5.0
Remaining contractual life, years	1.2	2.2	4.2
Number of persons at the end of the reporting year	36	36	36
Payment method	Cash & share	Cash & share	Cash & share

Measurement inputs for the incentives granted during the reporting period			
Share price at time of granting, EUR	3.3	3.3	3.3
Share price at end of period, EUR	5.03	5.03	5.03
Dividend yield assumption, EUR	0.18	0.39	0.75
Fair value on 31 Dec 2016, EUR 1,000	659.7	320.6	293.0

Changes during share plan period 1.1.2016	Fixed matching share plan 2015	Performance matching share plan 2015	Performance matching share plan_TSR 2015	Fixed matching share plan 2016	Performance matching share plan 2016	Performance matching share plan_ TSR 2016	Total
Outstanding at the beginning of the reporting period, pcs	147,100	147,100	147,100				441,300
Changes during the period							
Granted during the period				166,000	166,000	166,000	498,000
Lost during the period							
31.12.2016							
Outstanding at the end of the period	147,100	147,100	147,100	166,000	166,000	166,000	939,300

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

MEUR	2016	2015
Costs for the financial year, share-based payments	0.9	0.2
Costs for the financial year, share-based payments, in shares	0.3	0.1
Liability arising from share-based payments, 31.12.2016	0.7	0.1

2 TANGIBLE AND INTANGIBLE ASSETS AND LEASING ARRANGEMENTS

2.1 intangible assets and goodwill

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

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

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

The useful lives of intangible assets are 3–10 years.

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2016					
Acquisition cost 1.1.	109.0	4.3	1.9	122.5	237.7
Increases	1.8	0.1	1.2	0,0	3.2
Acquisitions of business operations	3.3	0.4		4.7	8.4
Decreases	-0.1		-0.2		-0.3
Exchange differences	-0.2	0.0	0.0	-0.1	-0.2
Transfers between items	1.3	0.6	-1.9		0.0
Acquisition cost 31.12.	**115.2**	**5.4**	**1.0**	**127.2**	**248.8**
Accumulated depreciation, amortisation and impairments 1.1.	39.7	3.2		3.9	46.8
Accumulated depreciation in decreases and transfers	-0.1			0.0	-0.1
Depreciation for the financial year	10.5	0.6		0.0	11.1
Write-downs	0.0			3.0	3.0
Exchange differences	0.0	0.0		0.0	0.0
Accumulated depreciation, amortisation and impairments 31.12.	**50.0**	**3.7**		**6.9**	**60.7**
Book value 1.1.	69.3	1.1	1.9	118.6	191.0
Book value 31.12.	**65.1**	**1.7**	**1.0**	**120.3**	**188.1**

MEUR	Intangible rights	Other intangible assets	Advances, intangible	Goodwill	Total
Financial year 2015					
Acquisition cost 1.1.	66.7	4.2	3.3	73.4	147.5
Increases	1.0	0.0	1.6	0.0	2.6
Business combinations	38.2	0.1	0.6	53.7	92.7
Decreases	-0.5		-0.2	-5.2	-5.8
Exchange differences	0.1		0.0	0.6	0.7
Transfers between items	3.5		-3.5		0.0
Acquisition cost 31.12.	**109.0**	**4.3**	**1.9**	**122.5**	**237.7**
Accumulated depreciation, amortisation and impairments 1.1.	33.3	2.6		3.7	39.6
Accumulated depreciation in decreases	-0.4			-2.5	-2.9
Depreciation for the financial year	6.7	0.6		0.0	7.2
Write-downs	0.0			2.7	2.8
Exchange differences	0.0			0.0	0.0
Accumulated depreciation, amortisation and impairments 31.12.	**39.7**	**3.2**		**3.9**	**46.8**
Book value 1.1.	33.3	1.6	3.3	69.7	107.9
Book value 31.12.	**69.3**	**1.1**	**1.9**	**118.6**	**191.0**

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

ALLOCATION OF INTANGIBLES WITH INDEFINITE LIVES TO CASH-GENERATING UNITS

The book value of intangible assets includes intangible rights totalling MEUR 34.2 which are not depreciated; instead, these rights are tested annually for impairment. In Alma Media, intangible assets with an indefinite useful life are trademarks measured at fair value at the time of acquisition. These non-depreciated intangible rights are allocated to the cash-generating units as follows:

MEUR	2016	2015
Alma Markets		
Mediapartners	0.4	0.4
Recruitment Czech Republic	10.9	11.1
Profesia	2.2	2.2
TAU Online d.o.o.	0.7	0.7
CV Online	0.5	0.5
Alma Markets total	**14.7**	**14.9**
Alma Talent		
Alma Talent Media Finland	11.7	11.8
Alma Talent Media Sweden	3.4	3.5
Pro + Events	0.4	
Suoramarkkinointi Mega	1.2	1.2
Kauppalehti Business Information Services		
Objektvision	0.3	0.3
Alma Talent total	**17.0**	**16.8**
Alma News & Life	**1.8**	**1.0**
Alma Regions	**0.7**	**0.7**
Assets with indefinite lives, total	**34.1**	**33.5**

Allocation of goodwill to business operations

MEUR	2016	2015
A significant amount of goodwill has been allocated to the following cash-generating units		
Alma Markets		
Mediapartners	3.6	2.8
Recruitment Czech Republic	24.4	24.2
Profesia	12.1	12.1
TAU Online d.o.o.	0.9	0.8
CV Online	4.4	4.4
Alma Markets total	**45.3**	**44.3**
Alma Talent		
Alma Talent Media Finland	28.9	28.2
Alma Talent Media Sweden	4.2	5.4
Pro + events	10.5	10.5
Suoramarkkinointi Mega	3.7	3.7
Kauppalehti Business Information Services	8.2	8.2
Objektvision	3.7	3.6
Alma Talent total	**59.3**	**59.7**
Alma News & Life	**9.5**	**6.3**
Alma Regions	**6.1**	**8.1**
Non-allocated goodwill	**0.1**	**0.1**
Total goodwill	**120.3**	**118.6**

IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES

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

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

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

The Group's business, advertising sales in particular, is very dependent on business cycles. A significant portion of the Group's revenue is generated from advertising sales. Advertising sales correlates significantly with changes in GDP, and changes in advertising sales are largely intensified at cyclical turns. Investments in advertising have been particularly low in Finland in relation to the level of GDP in 2010-2016, even in international comparison. Alma Media estimates that the GDP will start growing in the domestic market. The growth assumptions for revenue and costs used in the value in use calculations are presented in the table below.

According to its strategy, the Group has invested in the development of digital services. Digital services account for approximately 37% of the Group's revenue. In digital services, the realised changes are larger and the future growth assumptions higher than in average advertising investments. With regard to the printing business, moderate revenue growth assumptions have been used in impairment testing.

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

CHANGES FROM 2015

No changes were made to the Alma Markets segment's tested units. The newly acquired business Nettikoti is included in the Alma Mediapartners business.

In the Alma Talent segment, the tested asset items have been redefined due to the Talentum acquisition.

In the Alma News & Life segment, the businesses have been combined to create one unit for testing. E-kontakti, Telkku, Kotikokki and Rantapallo constitute a single entity with IL Media from an organisational and business standpoint. They have a shared advertising network. Each of the services also has close content links to the digital media of IL Media.

In the Alma Regions segment, the tested business operations were changed to have each region constitute its own business unit for testing. Each of the regions includes the regional newspaper as well as local papers. In Satakunta and Lapland, in particular, this corresponds to the new organisational model.

Discount rates used in impairment testing

		Revenue growth assumption, %	Cost growth assumption, %	WACC before taxes, %	Business line
Alma Markets					
Mediapartners	Finland	2.8	2.9	11.1	Online
Monster FI	Finland	4.4	4.1	11.1	Online
Recruitment Czech Republic	Czech Republic	4.3	3.8	11.2	Online
Profesia	Slovakia	3.9	3.9	11.6	Online
TAU Online d.o.o.	Croatia	3.6	3.5	15.5	Online
CV Online	Baltic countries	4.3	3.4	11.8	Online
Alma Talent					
Alma Talent Media Finland	Finland	1.0	0.9	9.7	Publishing, Online
Alma Talent Media Sweden	Sweden	0.8	0.2	8.1	Publishing, Online
Pro + events	Finland, Baltic countries	0.8	1.2	9.6	Publishing, Online
Suoramarkkinointi Mega	Finland	0.4	0.5	8.2	Service
Kauppalehti Business Information Services	Finland	0.2	0.3	9.6	Service
Objektvision	Sweden	1.2	1.5	10.5	Online
Alma News & Life	Finland	0.5	0.3	9.6	Publishing, Online
Alma Regions					
Alma Pirkanmaa	Finland	-0.1	0.1	8.3	Publishing
Alma Lapland	Finland	0.7	0.3	7.1	Publishing
Alma Satakunta	Finland	0.0	0.4	8.4	Publishing
Alma Manu	Finland	1.2	1.0	9.0	Publishing

IMPAIRMENT LOSSES AND THEIR ALLOCATION

During the past financial year, the Group recognised MEUR 3.0 in impairment losses on goodwill. Of this impairment loss, MEUR 2.0 is allocated to the goodwill of Alma Lapland, and MEUR 1.0 is allocated to the goodwill of Alma Talent Sweden. Alma Lapland is reported under the Alma Regions segment. After the recognition of the impairment loss, asset items of MEUR

0.3 are allocated to Alma Lapland. Alma Talent Sweden is reported as part of the Alma Talent segment. After the recognition of the impairment loss, asset items of MEUR 10 are allocated to Alma Talent Sweden.

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

In the previous financial year, the Group recognised MEUR 1.6 in impairment losses on goodwill. Of this impairment loss, MEUR 0.5 is allocated to the goodwill of Alma Lapland, and MEUR 1.1 is allocated to the Alma Diverso business. Alma Lapland is reported under the Alma Regions segment. After the recognition of the impairment loss, asset items of MEUR 2.0 are allocated to Alma Lapland. The business operations of Alma Diverso, which was reported under the Alma Markets (Digital Consumer Services) segment in 2015, were transferred to the Alma News & Life and Alma Regions segments. After the recognition of the impairment loss, asset items of MEUR 7.8 are allocated to the Diverso business. The Group also recognised impairment losses of MEUR 1.2 in conjunction with the divestment of Alma 360.

SENSITIVITY ANALYSES OF IMPAIRMENT TESTING

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

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

The aggregate book values of the Alma Markets segment were approximately 26% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use varied between 28% and 40%. Based on the analysis carried out by the management, the net present value (NPV) of future cash flows has risen by a total of MEUR 85.6 compared to 2015. This is based on the improved profitability of business operations in 2016 and the inclusion of Nettikoti in impairment testing. The development of profitability is expected to continue in the coming years. The book value of the assets of the Alma Markets segment on the reporting date was MEUR 69.9. Based on the sensitivity analysis performed, the Alma Markets business does not include a significant risk of future impairment.

The aggregate book values of the Alma Talent segment were approximately 52% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use was 41–52% in the calculations. Based on the analysis carried out by the management, the estimated net present value (NPV) of future cash flows has declined by a total of MEUR 26.8 compared to 2015. The decline is based particularly on the more moderate expectations of the growth in profit of Alma Talent Media Finland and Sweden in the near future and the lower profitability development of Kauppalehti Business Information Services. The Alma Talent Media Sweden business includes risks related to future profit development. The management estimates the net present value of the Swedish media business to be MEUR 10, which leads to an impairment of MEUR 1.0 in the 2016 financial statements. Restructuring measures were carried out in the Swedish business in 2016 and, as a result, the development of profit is expected to turn positive in 2017.

The aggregate book values of the Alma News & Life segment were approximately 23% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use was 45% in the calculations. Based on the analysis carried out by the management, the net present value (NPV) of future cash flows has risen by a total of MEUR 26.9 compared to 2015. This is based on the increased profitability of IL Media, particularly due to increased digital advertising. The growth in digital business and, correspondingly, the declining single-copy sales of the print edition have a significant impact on estimates of the business unit's future cash flows. Based on the sensitivity analysis performed, the Alma News & Life business does not include a significant risk of future impairment.

The aggregate book values of the Alma Regions segment were approximately 41% of the current value of the estimated recoverable amount at the time of testing. The impact of the terminal on the value in use varied between 45% and 117%. Based on the analysis carried out by the management, the estimated net present value (NPV) of future cash flows has declined by a total of MEUR 15.1 compared to 2015. Profitability remained on a par with 2015 mainly due to cost savings achieved through restructuring and efficiency improvement measures. The reduced net present value is due to lower expectations for profit development in the coming years. The development of revenue from print newspapers in the coming years remains uncertain. Based on the impairment testing, impairment of MEUR 2.0 was recognised for Alma Lapland. The impairment is mainly due to profitability remaining at a weak level. At the time of reporting, the book value of the assets of Alma Lapland was MEUR 0.3.

As part of the segment's impairment testing, the recoverable amount of the Group's printing facility has been estimated. The unit's value in use is based on the printing facility's remaining useful life. The values of Alma Manu's assets were estimated mainly as part of the value formation of Alma Pirkanmaa's and Alma Satakunta's products. This is due to the fact that the majority of Alma Manu's revenue consists of internal sales. A secondary assessment focused on Alma Manu's fair value as a separate unit and comparing it with the value of Alma Manu's assets. Neither assessment method indicated a need for impairment.

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

	Permanent decrease in content sales		
MEUR	1%	2%	3%
Alma Talent			
Alma Talent Media Sweden	1.0	2.1	3.1
Alma Regions			
Alma Lapland	0.3	0.3	0.3
Alma Satakunta		0.1	1.6

	Permanent decrease in advertising sales			Increase in WACC		
MEUR	2%	4%	6%	1%	2%	3%
Alma Talent						
Alma Talent Media Sweden	1.9	3.7	5.6	1.2	2.2	3.0
Kauppalehti Business Information Services					0.0	0.8
Alma Regions						
Alma Satakunta		2.1	4.6			
Alma Lapland	0.3	0.3	0.3	0.1	0.2	0.3

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

2.2 Property, plant and equipment

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

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

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

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

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

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

MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2016						
Acquisition cost 1.1.	0.8	35.1	61.7	2.6	0.0	100.2
Increases		0.0	0.7	0.1	0.5	1.3
Decreases		-0.2	-1.5	-0.8		-2.5
Exchange differences		0.0	0.0	0.0	0.0	0.0
Transfers between items		0.0	0.2	0.0	-0.2	0.0
Acquisition cost 31.12.	**0.8**	**34.9**	**61.0**	**1.9**	**0.3**	**98.9**
Accumulated depreciation, amortisation and impairments 1.1.		11.2	17.3	1.2		29.6
Accumulated depreciation in decreases		0.0	-1.8	-0.8		-2.6
Depreciation for the financial year		1.4	5.4	0.3		7.1
Impairment, total		0.0	0.0	0.0		0.0
Accumulated depreciation, amortisation and impairments 31.12.		**12.5**	**20.9**	**0.7**	**0.0**	**34.1**
Book value 1.1.	0.8	23.9	44.3	1.4	0.0	70.5
Book value 31.12.	**0.8**	**22.4**	**40.1**	**1.2**	**0.3**	**64.8**
Balance sheet value of machinery and equipment 31.12.			39.8			

MEUR	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2015						
Acquisition cost 1.1.	1.2	40.3	60.9	2.6		104.9
Increases			0.9	0.0	0.3	1.3
Business combinations			0.6	0.1		0.7
Decreases	-0.4	-5.2	-1.0	0.0	0.0	-6.7
Transfers between items			0.2		-0.2	
Acquisition cost 31.12.	**0.8**	**35.1**	**61.7**	**2.6**	**0.0**	**100.2**
Accumulated depreciation, amortisation and impairments 1.1.		13.0	14.7	1.0		28.6
Accumulated depreciation in decreases		-4.8	-1.1	0.0		-5.9
Depreciation for the financial year		2.9	3.7	0.2		6.9
Accumulated depreciation, amortisation and impairments 31.12.		**11.2**	**17.3**	**1.2**		**29.6**
Book value 1.1.	1.2	27.2	46.2	1.6		76.2
Book value 31.12.	**0.8**	**23.9**	**44.4**	**1.4**	**0.0**	**70.5**
Balance sheet value of machinery and equipment 31.12.			44.1			

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

MEUR	Buildings	Machinery and equipment	Total
Financial year 2016			
Acquisition cost 1.1.	24.1	54.2	78.3
Increases		0.5	0.5
Decreases		-1.2	-1.2
Acquisition cost 31.12.	**24.1**	**53.5**	**77.6**
Accumulated depreciation 1.1.	3.5	12.8	16.4
Accumulated depreciation in decreases		-1.2	-1.2
Depreciation for the financial year	1.2	4.6	5.8
Accumulated depreciation 31.12.	**4.7**	**16.3**	**21.0**
Book value 31.12.	**19.4**	**37.2**	**56.6**
Financial year 2015			
Acquisition cost 1.1.	24.1	54.2	78.3
Increases		0.8	0.8
Decreases		-0.8	-0.8
Acquisition cost 31.12.	**24.1**	**54.2**	**78.3**
Accumulated depreciation 1.1.	2.4	8.8	11.2
Accumulated depreciation in decreases		-0.8	-0.8
Depreciation for the financial year*	1.1	4.9	6.0
Accumulated depreciation 31.12.	**3.5**	**12.8**	**16.4**
Book value 31.12.	**20.6**	**41.3**	**61.9**

* Comparison figures for 2015 have been adjusted between transactions/items.

3 CAPITAL STRUCTURE AND FINANCIAL EXPENSES

3.1 Financial income and expenses

Financial income presented by categories as required by IAS 39

MEUR	2016	2015
Interest income on held to maturity investments	0.2	0.1
Value changes in items recognised at fair value through profit or loss		
Change in the fair value of contingent consideration liabilities	0.1	
Dividend income from available-for-sale financial assets	0.2	0.2
Total	**0.4**	**0.3**

Financial expenses presented by categories as required by IAS 39

MEUR	2016	2015
Interest expenses from interest-bearing debts measured at amortised cost	0.8	0.2
Interest expenses from finance leases measured at amortised cost	1.5	1.7
Foreign exchange losses (loans and receivables)	0.3	0.2
Value changes in items recognised at fair value through profit or loss		
Change in the fair value of contingent consideration liabilities		0.6
Change in the fair value of interest rate and foreign currency derivatives	0.0	0.1
Other financial expenses	0.3	0.1
Total	**2.8**	**2.8**

Contingent considerations arising in connection with mergers and acquisitions are classified as derivatives. Following IAS 39, they are recognised as financial items measured at fair value through profit or loss on the balance sheet. Changes in fair value are recognised in finance income and expenses in the income statement. The Group had MEUR 0.2 in contingent liabilities arising from acquisitions on its balance sheet as at 31 December 2016.

3.2 Financial assets

The Group's financial assets have been classified into the following categories as required by IAS 39: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Financial assets are classified according to their purpose when acquired and at the time of acquisition. Financial assets at fair value through profit or loss are contingent considerations from the sales of the business operations and derivatives. Contingent considerations arise in sales of business operations. The company employs derivative instruments to hedge against changes in electricity prices and interest rate derivatives to hedge against changes in interest rates of financial liabilities. Contingent considerations and derivatives are measured at fair value as they arise and remeasured on the balance sheet date. Changes in fair value of the contingent considerations are recognised in the profit or loss. Changes in fair value of paper derivatives are recognised under Material Purchases and of electricity derivatives under Other Operating Costs in the profit or loss. Changes in fair value of interest rate derivatives are recognised in the profit or loss. Matured derivatives are recognised in the profit or loss in the period during which they mature.

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

Loans and Other Receivables are measured at their amortised cost. In Alma Media, this group consists of trade receivables and other receivables. The amount of uncertain receivables is estimated based on the risks associated with individual items. A debtor experiencing considerable financial difficulties, the probability of bankruptcy, the failure to make payments or a payment being delayed by more than 180 days are considered evidence of the impairment of trade receivables. Credit losses are entered as an expense in the profit or loss. Held to maturity investments are financial assets that mature on a given date and which the Group intends and is able to keep until this date. These are measured at amortised cost. Available-for-sale financial assets are measured at their fair value and the change in fair value is entered in other comprehensive income and presented under shareholders' equity. Accrued changes in fair value are transferred from shareholders' equity to profit or loss as adjustments arising from reclassification when the asset is sold or when its value has decreased to the extent that impairment loss is recognised. This category comprises financial assets that are not classified in any of the other categories. The Group also classifies investments in unquoted shares in this category, but these investments are measured at acquisition cost in the financial statements because they cannot be reliably measured at fair value.

Cash and cash equivalents consist of cash, demand and time deposits, and other short-term highly liquid investments. The transaction date is generally used when recognising financial assets. Financial assets are derecognised from the balance sheet when the Group has lost the contractual right to the cash flows or when the Group has transferred a substantial portion of the risks and income to an external party.

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

3.2.1 OTHER FINANCIAL ASSETS

MEUR	Balance sheet values 2016	Balance sheet values 2015
Non-current financial assets		
Available-for-sale financial assets		
Unquoted share investments	3.7	3.8
Loan receivables	0.7	0.8
Total	**4.4**	**4.6**
Current financial assets		
Investments held to maturity		0.0
Total		**0.0**
Financial assets, total	**4.4**	**4.6**

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

MEUR	2016	2015
At beginning of period	3.8	3.8
Other increases		0.2
Decreases	0.0	-0.3
Net profits/losses transferred to be recognised through profit or loss		
At end of period	**3.7**	**3.8**

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

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

3.2.2 CASH AND CASH EQUIVALENTS

MEUR	2016	2015
Cash and bank accounts	23.3	14.4
Investment certificates (1–3 months)	0.0	0.0
Total	**23.3**	**14.4**

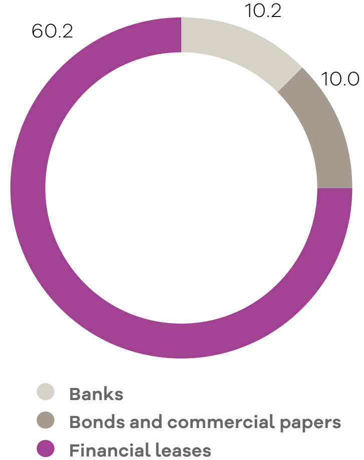
3.3 Financial liabilities

The determination of the fair value of liabilities related to contingent considerations arising from business combinations are based on the management's estimate. The key variables in the change in fair value of contingent considerations are estimates of future operating profit. Contingent liabilities arising from acquisitions are classified as financial liabilities through profit or loss. They are recognised at fair value in the balance sheet and the change in fair value is recognised in the financial items through profit or loss.

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

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

Funding portfolio – by type, MEUR



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

MEUR	2016	2015
FINANCIAL LIABILITIES		
Non-current financial liabilities		
Financial liabilities measured at amortised cost		
Non-current finance lease liabilities	55.3	59.8
Non-current loans from credit institutions	10.0	3.2
Liabilities recognised at fair value through profit or loss		
Contingent consideration liabilities arising from the acquisition of business operations		0.2
Other liabilities	0.2	0.2
Total	**65.5**	**63.4**
Current financial liabilities		
Based on amortised cost		
Finance lease liabilities	4.9	5.2
Other interest-bearing liabilities	10.2	22.4
Liabilities recognised at fair value through profit or loss		
Foreign currency derivatives	0.0	0.0
Commodity derivatives	0.0	0.1
Interest rate derivatives	0.7	0.7
Contingent consideration liabilities arising from the acquisition of business operations	0.1	0.2
Total	**15.9**	**28.5**
Financial liabilities total:	**81.4**	**91.9**

The Group's financial liabilities are denominated in euro and carry a variable interest rate. The company's main financial instruments in 2016 were non-current finance leases, current commercial papers and financial loans. The hedging of the interest rate risk is described in more detail in Note 3.8 Financial risks.

The average interest rate of the Group's financial liabilities in 2016 was 2.7% (2.3% in 2015).

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

MEUR	2016	2015
Level 1		
Foreign currency derivative	0.0	
Commodity derivatives	0.0	0.1
Level 2		
Interest rate derivatives	0.7	0.7
Level 3		
Contingent consideration liabilities arising from the acquisition of business operations	0.1	0.3

Level 1 includes the quoted (unadjusted) prices of identical liabilities in active markets.
Level 2 The fair values of Level 2 instruments are, to a significant degree, based on inputs other than the quoted prices included in Level 1, but nevertheless on data that can be either directly or indirectly verified for the asset or liability in question.
Level 3 includes inputs concerning liabilities that are not based on observable market data (unobservable inputs).

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

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

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

Derivative contracts:

MEUR	2016	2015
Commodity derivatives (electricity forwards)		
Fair value	0.0	-0.1
Value of underlying instruments	0.3	0.3
Interest rate derivatives		
Fair value	-0.7	-0.7
Value of underlying instruments	19.4	19.5
Foreign currency derivatives		
Fair value	0.0	0.0
Value of underlying instruments	3.1	2.4

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

The maturity distribution of financial liabilities is described in more detail in Note 3.8 Financial risks.

MATURITIES OF FINANCE LEASE LIABILITIES

MEUR	2016	2015
Finance lease liabilities – total minimum lease payments		
2016		6.7
2017	6.3	5.5
2018	5.7	5.5
2019	5.1	5.5
2020	4.9	5.6
2021	5.0	
Later	45.6	50.6
Total	**72.6**	**79.4**
Finance lease liabilities – present value of minimum lease payments		
2016		5.2
2017	4.9	4.1
2018	3.9	4.1
2019	3.9	4.2
2020	4.0	4.3
2021	4.1	
Later	39.4	43.2
Total	**60.2**	**65.0**
Financial expenses accruing in the future	**12.4**	**14.4**

3.4 Other leases

Leases applying to tangible assets in which the Group holds a significant share of the risks and rewards incidental to their ownership are classified as finance leases. These are recognised in the balance sheet as assets and liabilities at the lower of their fair value or the present value of the required minimum lease payments at inception of the lease. Assets acquired through finance leases are depreciated over their useful life, or over the lease term, if shorter. Lease obligations are included under interest-bearing liabilities. Other leases are those in which the risks and rewards incidental to ownership remain with the lessor. When the Group is the lessee, lease payments related to other leases are allocated as expenses on a straight-line basis over the lease term. Lease payments of future periods are presented as contingent liabilities in the notes. When the Group is the lessor, lease income is entered in the profit or loss on a straight-line basis over the lease term. The Group has made purchasing agreements that include a lease component. Any such arrangements in effect are treated according to the IFRIC 4 interpretation and the arrangements are accounted for based on their actual content. The Group's current purchasing agreements that include a lease component are treated as other leases in accordance with IAS 17.

THE GROUP AS LESSEE

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

MEUR	2016	2015
Within one year	9.3	11.4
Within 1-5 years	27.6	37.1
After 5 years	22.5	28.5
Total	**59.5**	**76.9**

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

PURCHASE AGREEMENTS UNDER IFRIC 4 THAT CONTAIN ANOTHER LEASE COMPONENT, AS DESCRIBED IN IAS 17

MEUR	2016	2015
Minimum payments payable based on these purchase agreements	0.2	0.2

THE GROUP AS LESSOR

Minimum rental payments receivable based on other non-cancellable leases

MEUR	2016	2015
Within one year	1.0	1.0
Within 1–5 years	0.2	0.4
After 5 years		
Total	**1.2**	**1.5**

3.5 Commitments and contingencies

MEUR	2016	2015
Collateral provided on behalf of associated companies	0.9	1.2
Other commitments	1.8	2.5
Total	**2.7**	**3.8**

PURCHASE OBLIGATION

The Group has a currently effective lease agreement with DNB Bank ASA on the office and production facility at Patamäenkatu 7 in Tampere. Alma Media will exercise the interruption option included in the agreement and redeem the property. The property transaction, its financing and recognition in Alma Media's balance sheet will take place in October 2017 and its value will be MEUR 14.5. The rental commitment related to the lease agreement is presented in 3.4 Other leases.

3.6 Pension obligations

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

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

The new supplementary pension benefits granted by the Group are defined contribution based pension plans.

Payments made under defined contribution plans are entered in the profit or loss in the period that the payment applies to. The disability pension component of the Finnish Employees' Pension System (Tyel) handled by insurance companies was reclassified under IFRS as a defined contribution plan from the beginning of 2006. Accordingly, it is treated as a defined contribution plan in the financial statements. Defined benefit plans are all those that do not meet the criteria for a defined contribution plan. In the Group, supplementary pension obligations arising from voluntary plans are treated as defined benefit plans. In a defined benefit pension plan, the company is left with additional obligations also after the payment for the period is made.

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

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

Present value of obligations and fair value of assets

MEUR	2016	2015
Present value of unfunded obligations	1.2	1.4
Present value of funded obligations	5.4	5.9
Fair value of assets	-5.6	-5.7
Pension liability	**1.0**	**1.5**

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

MEUR	31 Dec 2016	31 Dec 2015
Present value of obligations at start of period	7.2	9.9
Business combinations	0.0	0.1
Service cost during period	0.0	0.0
Interest cost	0.1	0.2
Actuarial gains and losses	0.2	-1.8
Payments of defined benefit obligations	-0.7	-1.2
Restructuring of contracts	-0.3	
Present value of funded obligations at end of period	**6.6**	**7.2**
Fair value of plan assets at start of period	5.7	7.2
Business combinations	0.1	
Expected return on plan assets	0.1	0.1
Actuarial gains and losses	0.3	-0.6
Restructuring of contracts	-0.2	
Incentive payments paid	0.2	0.2
Payments of defined benefit obligations	-0.7	-1.2
Fair value of plan assets at end of period	**5.6**	**5.7**
Defined benefit pension liabilities	**1.0**	**1.5**
Net pension liability		
Pension liability	1.2	1.5
Pension asset	0.2	
Net pension liability	**1.0**	**1.5**

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

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

MEUR	2016	2015
Service cost during period	0.0	0.0
Restructuring of contracts	-0.2	
Interest cost	0.1	0.2
Expected return on plan assets	-0.1	-0.1
Actuarial gains and losses and adjustments	-0.1	-1.2
Total	**-0.2**	**-1.1**

Changes in liabilities shown on balance sheet

MEUR	2016	2015
At beginning of period	1.5	2.7
Business combinations	-0.1	0.1
Incentive payments paid	-0.2	-0.2
Pension expense in income statement	-0.1	0.1
Comprehensive income for the period	-0.1	-1.2
Defined benefit pension liabilities on the balance sheet	**1.0**	**1.5**

Specification of future pension premiums (not discounted)

MEUR	Funded pension plan	Unfunded pension plan
Under 1 year	0.5	0.2
1–5 years	1.6	0.5
5–10 years	1.5	0.4
10–15 years	1.0	0.2
15–20 years	0.6	0.1
20–25 years	0.3	0.1
25–30 years	0.2	0.1
Over 30 years	0.1	0.2
Total	**5.9**	**1.7**

A similar investment is expected to be made in the plan in 2017 as in 2016.

Sensitivity analysis of the funded pension plan

MEUR	Present value of pension obligation, EUR 1,000	Change in present value of pension obligation, %
Change of +0.5%-p in the discount rate	5.2	-4.2
Change of +0.5%-p in the pension increase rate	5.6	3.7

Sensitivity analysis of the unfunded pension plan

MEUR	Present value of pension obligation, EUR 1,000	Change in present value of pension obligation, %
Change of +0.5%-p in the discount rate	1.1	-3.4
Change of +0.5%-p in the pension increase rate	1.2	3.1

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

Actuarial assumptions used

%	2016	2015
Discount rate	1.0	1.8
Inflation assumption	1.1	1.3
Future increase in pension benefit	1.4	1.5

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

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

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

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

3.7 Working capital

3.7.1 INVENTORIES

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

MEUR	2016	2015
Materials and supplies	1.6	1.3
Finished products	0.7	0.9
Total	**2.3**	**2.2**

3.7.2 TRADE AND OTHER RECEIVABLES

MEUR	2016	2015
Trade receivables	31.1	29.9
Receivables associated companies	0.0	0.3
Total	**31.2**	**30.2**
Receivables from others		
Prepaid expenses and accrued income	4.0	3.5
Other receivables	1.9	1.7
Total	**6.0**	**5.1**
Receivables, total	**37.1**	**35.3**

MEUR	2016	2015
The maturity analysis of trade receivables is as follows:		
Receivables not yet due and receivables overdue by 1–4 days	27.6	24.7
Overdue by 5–30 days	1.9	3.4
Overdue by 31–120 days	1.1	1.5
Overdue by more than 120 days	0.5	0.6
Total	**31.2**	**30.2**

All trade receivables overdue by more than 180 days are recognised as expenses via a provision for bad debts. A provision for bad debts of MEUR 0.5 is included in receivables in 2016. In the 2016 financial year, credit losses of MEUR 0.5 were recognised in the Group (in 2015 MEUR 0.4). The credit losses totalled 0.1% of revenue in 2016 (0.2% in 2015).

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

3.7.3 TRADE PAYABLES AND OTHER LIABILITIES

MEUR	2016	2015
Trade payables	8.1	6.7
Owed to associated companies		
Trade payables	0.9	1.1
Accrued expenses and prepaid income	48.0	46.1
Other liabilities	8.4	9.4
Total	**65.4**	**63.3**

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

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

3.8 Financial risks

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

Alma Media categorises its financial risks as follows:

INTEREST RATE RISK

The interest rate risk describes how changes in interest rates and maturities related to various interest-bearing business transactions and balance sheet items could affect the Group's financial position and net result. The impact of the interest rate risk on net result can be reduced using interest rate swaps, interest forwards and futures and interest or foreign exchange options. On the balance sheet date the Group had open interest rate swaps, which are described in more detail in Note 3.3.

The Group's interest-bearing debt totalled MEUR 80.4 on 31 December 2016. Interest-bearing debt comprises loans from financial institutions, commercial papers and finance lease liabilities. The interest-bearing liabilities are linked to variable interest rate debt instruments. Taking the interest rate swaps into account, the average period of interest linkage of the Group's financial portfolio at the end of 2016 was 1.5 years and the hedging rate 24%. An increase of one percent-age point in the interest rate would increase the Group's finance expenses by MEUR 0.8.

FOREIGN EXCHANGE RISKS

Transaction risk

The transaction risk describes the impact of changes in foreign exchange rates on sales, purchases and balance sheet items denominated in foreign currencies Alma Media's most significant currencies in addition to the euro are the Czech koruna and the Swedish krona. The impact of changes in exchange rates on net result in the most important currencies of the Group can be reduced by the following measures:

- Cash flows in the same currency are netted through a common foreign currency account whenever the cost/benefit ratio is significant.
- Known, continuous and significant foreign currency cash flow is hedged. Cumulative foreign currency cash flow with a minimum value of MEUR 1 over the following 18-month period is considered significant.

Translation risk

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

The Group's open foreign currency derivatives on the balance sheet date are described in Note 3.3.

Commodity risk

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

The Group has hedged its electricity purchases as follows: the price level of electricity purchases for the following 12 months are hedged at 70–100%, and the price level of electricity purchases for the following 12–24 months is hedged at 35–85%. Electricity prices for the following 25–36 months are hedged at 0–40%. The Group had open electricity forwards on the balance sheet date. The values of these open electricity forwards are described in more detail in Note 3.3.

CAPITAL MANAGEMENT RISKS

Liquidity management

Alma Media has two MEUR 15 financing limits at its disposal, both of which were unused on 31 December 2016. In addition, Alma Media ensures its liquidity by issuing its own commercial papers if required via brokers, and hedges over-liquidity according to its treasury policy. Liquidity is assessed daily and liquidity forecasts are made at weekly, monthly and 12-month rolling intervals.

On the balance sheet date, the company had a commercial paper programme of MEUR 100 in Finland. Within the programme, the company may issue commercial papers to a total value of MEUR 0–100. The company had MEUR 10 in issued commercial papers on 31 December 2016. In addition to the commercial paper programme, the company may use the existing financing limit agreements for financing the need for working capital.

Long-term capital funding

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

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

MEUR	Balance sheet value	Cash flow	0–6 months	6 months – 1 year	1–2 years	2–5 years	Over 5 years
Commercial papers	10.0	10.0	10.0				
Loans from financial institutions	10.2	10.2	0.2		10.0		
Finance lease liabilities	60.2	72.6	3.1	3.1	10.9	9.9	45.6
Total	**80.4**	**92.8**	**13.3**	**3.1**	**20.9**	**9.9**	**45.6**

CREDIT RISK

The Group's credit policy is described and documented in the Group credit management policy. The Group does not have significant risks of past due receivables, because it has a large customer base and no individual customer will comprise a significant amount. During the financial period, impairment losses of MEUR 0.5 were recognised through profit or loss. These impairment losses were caused by an unexpected change in customers' economic environment. The maturity structure of trade receivables is presented in Note 3.7.2 Trade and other receivables.

Maturity structure of outstanding debt

CAPITAL MANAGEMENT

The aim of the Group's capital management is to support business operations through an optimal capital structure and to secure normal business preconditions. The capital structure is influenced through dividend distribution, for example. The development of the Group's capital structure is continuously monitored with gearing and equity ratio key figures. The following describes the values of these key figures in 2016 and 2015:

MEUR	2016	2015
Interest-bearing liabilities	80.4	90.6
Cash and cash equivalents	23.3	14.4
Interest-bearing net debt	57.1	76.2
Total equity	138.0	128.3
Gearing, %	41.4%	59.4%
Equity ratio, %	45.7%	42.5%

3.9 Information on shareholders' equity and its management

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

The following describes information on Alma Media Corporation's shares and changes in 2016.

	Total number of shares	Share capital, MEUR	Share premium fund, MEUR	Invested non-restricted equity fund, MEUR
1 Jan 2016	82,383,182	45.3	7.7	19.1
31 Dec 2016	82,383,182	**45.3**	**7.7**	**19.1**

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

BOOK-ENTRY SECURITIES SYSTEM

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

OWN SHARES

The Group did not hold any of the company's own shares in 2016 or 2015.

EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS

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

SHARE PREMIUM RESERVE

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

DISTRIBUTABLE FUNDS

The distributable funds of the Group's parent company totalled EUR 124,646,114 on 31 December 2016.

DIVIDEND POLICY

On 25 November 2013, Alma Media published its long-term financial targets. According to the targets, the company aims to pay on average more than 50% of the profit for the period in dividends or capital repayments over the long term.

REDEMPTION OF SHARES

A shareholder whose proportional holding of all company shares, or whose proportional entitlement to votes conferred by the company shares, either individually or jointly with other shareholders, is or exceeds 33 1/3% or 50% is obligated on demand by other shareholders to redeem such shareholders' shares.

3.9.1 EARNINGS PER SHARE

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

MEUR	2016	2015
Profit attributable to ordinary shareholders of parent	16.9	9.9
Number of shares (x 1,000)		
Weighted average number of shares for basic earnings per share	82,383	76,394
Diluted weighted average number of outstanding shares	82,383	76,394
Earnings per share (basic)	0.2	0.1
Earnings per share (diluted)	0.2	0.1

4. CONSOLIDATION

4.1 General principles of consolidation

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

4.2 Subsidiaries

The Group's parent and subsidiary relationships are as follows:

		Holding, %		Share of votes, %	
Company		2016	2015	2016	2015
Parent company Alma Media Corporation	Finland				
Alma Career Oy	Finland	83	83	83	83
Alma Manu Oy	Finland	100	100	100	100
Alma Media Kustannus Oy	Finland	100	100	100	100
Alma Media Suomi Oy	Finland	100	100	100	100
Alma Mediapartners Oy	Finland	65	65	65	65
Alma Talent AB	Sweden	100	100	100	100
Alma Talent Desk AB	Sweden	100		100	
Alma Talent Ekonomi AB	Sweden	100		100	
Alma Talent Events Oy	Finland	100	100	100	100
Alma Talent Juridik AB	Sweden	100		100	
Alma Talent Media AB	Sweden	100	100	100	100
Alma Talent Oy	Finland	100	100	100	100
Alma Talent Teknik AB	Sweden	100		100	
CV-Online Estonia OÜ	Estonia	83	83	83	83

		Holding, %		Share of votes, %	
Company		2016	2015	2016	2015
Dagens Media Sverige AB	Sweden	100	100	100	100
Edlegio AB	Sweden	70	70	70	70
Events Sweden AB	Sweden	100	100	100	100
Expose Oy	Finland	100	100	100	100
FYI Business Events Oy	Finland	100	100	100	100
FYI Events Denmark ApS	Denmark	100	100	100	100
Karenstock Oy	Finland	100	100	100	100
Kotikokki.net Oy	Finland	65	65	65	65
Jobote s.r.o	Czech Republic	83		83	
LMC s.r.o	Czech Republic	83	83	83	83
Michelsson Sales Consulting Oy	Finland	100	100	100	100
Monster Worldwide CZ s.r.o.	Czech Republic	83	83	83	83
Monster Magyarorszag Kft	Hungary	83	83	83	83
Monster Worldwide Polska SP. Z.o.o.	Poland	83	83	83	83
Müügimeistrite A/S	Estonia	92	92	92	92
Objektvision AB	Sweden	100	100	100	100
Profesia s.r.o	Slovakia	83	83	83	83
Profesia s.r.o	Czech Republic	83	83	83	83
Raksa ja Kotikauppa Oy (Nettikoti)	Finland	33		33	
Rantapallo Oy	Finland	79	35	79	35
Remonttibulevardi Oy (Urakkamaailma.fi)	Finland	33	30	33	30
SIA CV-Online Latvia	Latvia	83	83	83	83
Suoramarkkinointi Mega Oy	Finland	100	100	100	100

		Holding, %		Share of votes, %	
Company		2016	2015	2016	2015
Talentum Business Information Group AB	Sweden	100	100	100	100
Talentum Media Oy	Finland	100	100	100	100
TAU On-line d.o.o	Croatia	83	83	83	83
Telemarket SIA	Latvia	96	96	96	96
UAB CV-Online LT	Lithuania	83	83	83	83
Subsidiaries merged with other Group companies during the financial year:					
Autosofta Oy	Finland	65	65	65	65
Ny Teknik Holding AB	Sweden	100	100	100	100
Talentum Oyj	Finland	100	100	100	100
Talentum Sales AB	Sweden	100	100	100	100

Itemisation of significant non-controlling interests in the Group:

Subsidiary Holding, %*		2016	2015
Alma Career Oy sub-group	Finland	16.66	16.66
Alma Mediapartners Oy sub-group	Finland	35	35

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

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

	Alma Career sub-group		Alma Mediapartners sub-group	
MEUR	2016	2015	2016	2015
Current assets	44.4	31.8	4.5	2.9
Non-current assets	50.2	55.0	4.6	4.4
Current liabilities	19.7	15.6	2.7	2.1
Non-current liabilities	0.2	0.3	0.2	0.4
Revenue	53.0	45.4	16.4	13.7
Expenses	33.2	35.3	11.7	11.0
Operating profit	15.8	10.2	4.0	2.7
Share of profit allocated to parent company owners	8.6	5.8	2.7	1.4
Share of profit allocated to non-controlling interest	2.3	1.2	1.1	0.7
Dividends paid to non-controlling interest	1.1	0.8	0.7	0.6
Net cash flow from operating activities	19.3	14.2	4.2	3.5
Net cash flows from/(used in) investing activities	-0.8	-0.6	-0.9	-1.9
Financing activities	-17.2	-13.6	-3.3	-1.3

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

4.3 Business combinations

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

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

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

ACQUISITIONS IN 2016

The Group carried out the following acquisitions in 2016:

	Business line	Acquisition date	Holding acquired	Group share
Alma Markets segment				
Raksa ja KotiKauppa Oy	Online service	01.01.16	51%	33.15%
Jobote s.r.o	Online service	01.01.16	100%	83%
Remonttibulevardi Oy	Online service	02.06.16	51%	33.15%
Alma Talent segment				
Uusi Suomi business	Online service	01.09.16		
Alma News & Life segment	Online service			
Rantapallo Oy	Online service	01.04.16	79%	79%

ALMA MARKETS

The segment's information on acquired businesses is presented in combined form.

Consideration:

MEUR	Fair value
Consideration, settled in cash	0.7
Contingent consideration	0.3
Fair value measurement of previous holding at the time of the acquisition	0.1
Total consideration	**1.2**

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

MEUR	Fair value
Intangible assets	0.7
Trade and other receivables	0.1
Cash and cash equivalents	0.2
Total assets acquired	**0.9**
Other non-current liabilities	0.0
Deferred tax liabilities	0.1
Trade and other payables	0.1
Total liabilities acquired	**0.2**
Acquired identifiable net assets at fair value, total	**0.7**
Group's share of net assets	**0.2**
Minority interest	**0.4**
Goodwill	**0.9**

The fair values entered on intangible assets in consolidation relate primarily to acquired customer agreements, the brand and information systems developed in-house. Factors contributing to goodwill were the expected synergies related to these businesses.

ALMA TALENT

As the acquisition of Uusi Suomi, which is reported in the Alma Talent segment, is immaterial to the Group, no tables are presented for that acquisition. The Uusi Suomi acquisition created MEUR 0.7 in goodwill. The acquisition is reported as a related party transaction by a significant shareholder.

ALMA NEWS & LIFE

Rantapallo Oy

Consideration:

MEUR	Fair value
Consideration, settled in cash	3.1
Fair value measurement of previous holding at the time of the acquisition	1.6
Total consideration	**4.8**

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

MEUR	Fair value
Property, plant and equipment	0.0
Intangible assets	2.8
Trade and other receivables	0.3
Cash and cash equivalents	0.3
Total assets acquired	**3.4**
Deferred tax liabilities	0.5
Trade and other payables	0.8
Total liabilities acquired	**1.3**
Acquired identifiable net assets at fair value, total	**2.1**
Group's share of net assets	**1.7**
Minority interest	**0.4**
Goodwill	**3.1**

The fair values entered on intangible assets in consolidation relate primarily to acquired customer agreements, the brand and information systems developed in-house. Factors contributing to goodwill were the expected synergies related to these businesses.

Consideration paid for acquisitions–cash flow

MEUR	2016	2015
Paid cash less acquired cash		
Cash consideration	8.2	26.9
Asset transfer tax and transaction costs	0.1	2.7
Contingent considerations, effect on profit/loss	-0.1	0.6
Less acquired amounts		
Cash	0.5	3.3
Net cash flow - capital expenditure	**7.8**	**26.8**

ACQUISITIONS IN 2015

The Group carried out the following acquisitions in 2015:

	Business line	Acquisition date	Group share
Digital Consumer Services segment:			
Autosofta Oy	Online service	19.10.15	65%
Financial Media and Business Services segment:			
JM-Tieto Oy	Online service	01.01.15	80%
Talentum Corporation	Media business	17.11.15	100%

JM TIETO OY

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

Consideration:

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

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

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

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

AUTOSOFTA OY

Consideration:

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

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

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

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

TALENTUM CORPORATION

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

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

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

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

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

Consideration:

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

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

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

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

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

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

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

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

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

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

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

Consideration paid for acquisitions - cash flow

MEUR	2016	2015
Paid cash less acquired cash		
Cash consideration	26.9	0.8
Asset transfer tax and transaction costs	2.7	0.0
Contingent considerations, effect on profit/loss	0.6	
Less acquired amounts		
Cash	3.3	0.6
Net cash flow - capital expenditure	**26.8**	**0.2**

4.4 Investments in associated companies and joint ventures

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

MEUR	2016	2015
Investments in associated companies and joint ventures		
At beginning of period	6.8	25.7
Increases		0.5
Acquisitions of business operations		1.1
Decreases	-1.4	-20.6
Share of results	0.9	1.6
Share of items recognised directly in associated company's equity		0.1
Dividends received	-1.3	-1.5
Transfers between items		
At end of period	**5.1**	**6.8**

FURTHER INFORMATION ON ASSOCIATED COMPANIES

Goodwill arising from associated companies on the balance sheet on 31 December 2016 totalled MEUR 2.3 (MEUR 2.5).

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

MEUR	Alma Markets	Alma Talent	Alma News & Life	Alma Regions	Other associated companies
Year 2016					
Current assets	3.2	1.0		0.0	11.1
Non-current assets	4.0	0.0		0.3	4.9
Current liabilities	1.0	0.3		0.0	10.0
Non-current liabilities	3.4	0.0			0.1
Revenue	9.6	13.0			33.1
Profit/loss for the period	1.6	0.4		0.0	1.2
Other comprehensive income					
Reconciliation between associated companies' and joint ventures' financial information and the balance sheet value recognised by the Group:					
Associated company's net assets	2.9	0.7		0.3	6.0
Group's share of net assets	1.1	0.6		0.1	1.6
Goodwill	1.7	0.6			
Other adjustments	0.0				
Associated companies' balance sheet value on the consolidated balance sheet	2.8	0.6		0.1	1.6
Receivables from associated companies	0.0	0.0			
Liabilities to associated companies			0.0	0.0	
Dividends and capital repayments received from associated company during the period	0.1	0.2		0.0	0.6

MEUR	Alma Markets	Alma Talent	Alma News & Life	Alma Regions	Other associated companies
Year 2015					
Current assets	4.5	2.1		0.0	9.4
Non-current assets	4.1	0.0		0.3	5.7
Current liabilities	1.7	1.2		0.0	8.3
Non-current liabilities	3.1				0.2
Revenue	37.3	0.1			33.3
Profit/loss for the period	1.8	0.0		0.0	0.7
Other comprehensive income					
Reconciliation between associated companies' and joint ventures' financial information and the balance sheet value recognised by the Group:					
Associated company's net assets	4.7	0.8		0.3	6.8
Group's share of net assets	1.4	0.4		0.1	1.8
Goodwill	1.9	0.6			
Other adjustments	0.6				
Associated companies' balance sheet value on the consolidated balance sheet	3.9	1.0		0.1	1.8
Receivables from associated companies	0.0	0.0			0.0
Liabilities to associated companies	0.0	0.0			0.0
Dividends and capital repayments received from associated company during the period	0.3	0.7		0.0	0.5

Associated companies	Segment	Holding, %	Share of votes, %
Arena Interactive Oy	Alma Markets	35.00	35.00
Autojerry Oy	Alma Markets	24.10	24.10
Conseco Press	Alma Talent	40.00	40.00
Infostud 3 d.o.o.	Alma Markets	25.00	25.00
Holding Oy Visio	Alma Regions	24.74	24.74
Kolektiv d.o.o.	Alma Markets	30.00	30.00
Kytöpirtti Oy	Non-allocated	43.20	43.20
Media Metrics Finland Oy	Alma Markets	25.00	25.00
Oy Suomen Tietotoimisto-Finska Notisbyrån Ab	Non-allocated	24.07	24.07
Tampereen Tietoverkko Oy	Non-allocated	35.14	35.14

Professio Oy was sold in December 2016 (shareholding on 31 December 2015: 49.9%). Rantapallo Oy (shareholding on 31 December 2015: 35%) and Remonttibulevardi Oy (shareholding on 31 December 2015: 30%) became subsidiaries during the financial year 2016.

Joint venture companies	Segment	Holding, %	Share of votes, %
Oy Mediuutiset Ab	Alma Talent	50.00	50.00

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

4.5 Related party transactions

Alma Media Group's related parties are its associated companies (see Note 4.5), the companies that they own and affiliated companies.

Related parties also include the company's management (the Board of Directors, the Presidents and the Group Executive Team). The employee benefits of management and other related party transactions between management and the company are detailed in Note 1.4.

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

Related party transactions – associated companies

MEUR	2016	2015
Sales of goods and services	0.5	0.2
Purchases of goods and services	5.4	2.7
Trade, loan and other receivables	0.2	0.3
Trade payables	0.4	1.1
Related party transactions – principal shareholders		
Sales of goods and services	0.2	0.1
Purchases of goods and services	0.0	0.1
Trade, loan and other receivables	0.0	0.0
Trade payables	0.0	
Acquired businesses*	1.0	
Related party transactions – corporations where management exercises influence		
Sales of goods and services	0.1	0.0
Purchases of goods and services	0.1	0.0
Trade, loan and other receivables	0.0	0.0
Trade payables		0.0

* See note 4.3 Business combinations.

4.6 Shareholdings

20 principal shareholders on 31.12.2016

	Number	% of total shares	Share of total votes (%)
1. Ilkka-Yhtymä Oyj	22,493,473	27.3	27.3
2. Mariatorp Oy	15,700,000	19.1	19.1
3. Otava Oy	7,826,509	9.5	9.5
4. Keskinäinen työeläkevakuutusyhtiö Varma	5,327,994	6.5	6.5
5. Kunnallisneuvos C. V. Åkerlundin säätiö	3,422,871	4.2	4.2
6. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	2,177,095	2.6	2.6
7. Keskinäinen Eläkevakuutusyhtiö Elo	1,852,800	2.3	2.3
8. Nordea Nordic Small Cap	1,757,617	2.1	2.1
9. Häkkinen Matti	868,813	1.1	1.1
10. Veljesten Viestintä Oy	851,500	1.0	1.0
11. Keskisuomalainen Oyj	782,497	1.0	1.0
12. Sr Evli Suomi Select	631,470	0.8	0.8
13. Suomen Kulttuurirahasto Sr	577,170	0.7	0.7
14. Koskinen Riitta Inkeri	458,668	0.6	0.6
15. Alfred Berg Suomi Fokus	457,383	0.6	0.6
16. OP-Suomi Pienyhtiöt	440,419	0.5	0.5
17. Taaleritehdas Mikro Markka	435,255	0.5	0.5
18. Danske Invest Suomi Yhteisöosake	379,604	0.5	0.5
19. Sinkkonen Raija Irmeli	333,431	0.4	0.4
20. Danilostock Oy	330,000	0.4	0.4
Total	**67,104,569**	**81.4**	**81.4**
Nominee-registered	1,415,639	1.7	1.7
Other	13,663,635	16.8	16.8
Total	**82,383,182**	**100**	**100**

The holdings of the Board of Directors, the President and CEO and the members of the Group Executive Team are shown in Note 1.4.

Ownership structure on 31.12.2016

	Number of owners	% of total	Number of shares	% of shares
Private companies	350	4.1	34,323,100	41.7
Financial and insurance institutions	25	0.3	20,428,906	24.8
Public entities	5	0.1	9,375,302	11.4
Households	8,110	93.9	11,328,048	13.8
Non-profit associations	114	1.3	5,270,282	6.4
Foreign owners	27	0.3	42,566	0.1
Nominee-registered shares	8	0.1	1,415,639	1.7
In general account			199,339	0.2
Total	**8,639**	**100**	**82,383,182**	**100**
Distribution of ownership				
1–100	2,211	25.6	122,223	0.1
101–1,000	4,536	52.6	1,992,362	2.4
1,001–10,000	1,667	19.3	4,835,635	5.9
10,001–100,000	181	2.1	4,638,894	5.6
100,001–500,000	22	0.3	5,478,238	6.6
500,000–	14	0.2	65,116,491	79.0
In general account			199,339	0.2
Total	**8,631**	**100**	**82,383,182**	**100**

5 OTHER NOTES

5.1 Income tax

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

MEUR	2016	2015
Current income tax charge	6.8	5.0
Adjustments in respect of current income tax of previous years	0.0	0.1
Deferred taxes	-1.3	-0.5
Total	**5.5**	**4.7**

Reconciliation of tax expenses in the income statement and tax calculated on Finnish tax rate:
The Finnish corporate tax rate in 2016 was 20% and in 2015 20%. In the calculation of deferred taxes, 20% has been used as the Finnish corporate tax rate in 2016.

MEUR	2016	2015
Profit before tax	25.4	16.8
Share of results in associated companies	-0.9	-1.6
Total	**24.4**	**15.2**
Tax calculated on the parent company's tax rate	4.9	3.0
Impact of varying tax rates of foreign subsidiaries	0.0	0.0
Tax-free income	-0.3	0.0
Non-tax-deductible expenses	1.0	1.2
Items from previous periods		0.2
Use of previously non-entered deferred tax assets	0.0	0.0
Unrecognised deferred tax asset from the confirmed tax losses	0.2	0.3
Recognition of previously unrecognised deferred tax assets on the balance sheet	0.0	0.0
Other items	-0.2	0.1
Tax recognised in the income statement	**5.5**	**4.7**

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

5.2 Deferred tax assets and liabilities

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

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

Changes in deferred taxes during 2016

MEUR	31.12.2015	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31.12.2016
Deferred tax assets					
Provisions	0.1	0.0			0.2
Pension benefits	0.3	0.0	0.0	0.0	0.2
Deferred depreciation	0.4	-0.1	0.0		0.3
Other items	1.0	0.0			1.0
Total	**1.8**	**-0.1**	**0.0**	**0.0**	**1.7**
Taxes, net	-0.3				-0.3
Deferred tax assets on balance sheet	1.6				1.5
Deferred tax liabilities					
Accumulated depreciation differences	0.3	0.1	0.0	0.0	0.3
Business combinations*	12.2	0.1	-0.1	0.6	12.8
Retained earnings of subsidiary companies	0.4	-0.1			0.3
Other items*	1.6	-1.4	0.0		0.2
Total	**14.5**	**-1.4**	**0.0**	**0.6**	**13.6**
Taxes, net	-0.3				-0.3
Deferred tax liabilities on balance sheet	14.2				13.3

* The classification of deferred taxes has been changed between the item business combinations and other items.

No deferred tax asset has been calculated on the confirmed losses of Group companies in Finland, amounting to MEUR 0.1, and abroad, amounting to MEUR 5.8. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire in 2024 at the latest for losses other than those of Group companies in Sweden.

Changes in deferred taxes during 2015

MEUR	31.12.2014	Recognised in income statement	Recognised in equity	Acquired/sold subsidiaries	31.12.2015
Deferred tax assets					
Provisions	0.1	0.1		0.0	0.1
Pension benefits	0.0	0.0	0.0	0.3	0.3
Deferred depreciation	0.6	-0.3		0.1	0.4
Other items	1.0	0.2		-0.2	1.0
Total	**1.8**	**0.0**	**0.0**	**0.1**	**1.8**
Taxes, net	-0.4				-0.3
Deferred tax assets on balance sheet	1.3				1.6
Deferred tax liabilities					
Accumulated depreciation differences	0.0	0.0		0.2	0.3
Business combinations	5.6	-0.4		7.0	12.2
Retained earnings of subsidiary companies	0.2	0.1		0.1	0.4
Other items	1.5	-0.2		0.2	1.6
Total	**7.4**	**-0.5**		**7.6**	**14.5**
Taxes, net	-0.4				-0.3
Deferred tax liabilities on balance sheet	6.9				14.2

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Parent company income statement (FAS)

MEUR	Note	1.1.–31.12.2016	1.1.–31.12.2015
Revenue	6.1	27.7	26.8
Other operating income	6.2	0.1	1.3
Materials and services	6.3	0.1	0.0
Expenses arising from employee benefits	6.4	12.0	9.2
Depreciation and write-downs	6.5	1.4	1.1
Other operating expenses	6.6, 6.7, 6.8	25.9	24.5
Operating profit (loss)		-11.5	-6.8
Financial income and expenses	6.9	**10.9**	**-75.0**
Loss before appropriations and taxes		-0.6	-81.8
Appropriations	6.10	16.1	12.6
Income tax	6.11	-0.9	-0.9
Profit for the period		**14.6**	**-70.1**

Parent company balance sheet (FAS)

MEUR	Note	31.12.2016	31.12.2015
ASSETS			
Non-current assets			
Intangible assets	6.12	4.0	3.7
Tangible assets	6.13	2.3	2.5
Investments			
Holdings in Group companies	6.14	334.5	332.4
Other investments	6.14	5.5	6.3
Non-current assets, total		**346.4**	**344.9**
Current assets			
Current receivables	6.15	33.0	23.0
Cash and cash equivalents		13.9	5.4
Current assets, total		**46.9**	**28.4**
Assets, total		**393.2**	**373.4**

MEUR	Note	31.12.2016	31.12.2015
EQUITY AND LIABILITIES			
Equity			
Share capital		45.3	45.3
Share premium reserve		119.3	119.3
Other reserves		5.4	5.4
Invested non-restricted equity fund		110.8	190.7
Retained earnings (loss)		-0.6	-0.7
Profit for the period (loss)		14.6	-70.1
Total equity	6.16	**294.7**	**289.9**
Accumulated appropriations	6.17	**0.2**	**0.1**
Provisions	6.18	**0.2**	**0.0**
Liabilities			
Non-current liabilities	6.19	**10.7**	**3.3**
Current liabilities	6.20	**87.3**	**80.2**
Liabilities, total		**98.1**	**83.4**
Shareholders' equity and liabilities, total		**393.2**	**373.4**

Parent company cash flow statement (FAS)

MEUR	1.1. – 31.12.2016	1.1.-31.12.2015
Operating activities		
Profit for the period	14.6	-70.1
Adjustments:		
Depreciation and write-downs	1.4	1.1
Gains on sale of non-current assets	-0.1	
Net financial expenses (income statement)	-10.9	75.0
Income tax	0.9	0.9
Change in provisions	0.2	0.0
Other adjustments	-13.7	-14.2
Change in working capital:		
Change in trade receivables and other receivables	-3.8	-0.6
Change in trade payables and other payables	12.8	8.6
Dividend received	11.4	9.4
Interest received	0.1	0.3
Interest paid	-0.6	-0.4
Taxes paid	0.0	0.1
Operating activities	**12.4**	**10.2**
Capital expenditure		
Business acquisitions less cash and cash equivalents at the time of acquisition	-5.9	-0.6
Proceeds from sale of businesses less cash and cash equivalents at the time of sale	1.7	
Acquisition of associated companies	0.0	0.0
Acquisitions of tangible assets	0.0	0.9
Acquisitions of intangible assets	-1.6	
Repayment of loan receivables		0.0
Change in loan receivables		-28.5
Proceeds from sale of available-for-sale financial assets		2.1
Acquisition and sale of associated companies	0.0	-0.3
Net cash flows from/(used in) investing activities	**-5.8**	**-26.5**

MEUR	1.1. – 31.12.2016	1.1.-31.12.2015
Cash flow before financing activities	**6.6**	**-16.3**
Financing activities		
Non-current loans taken	10.0	
Repayment of non-current loans	-2.5	
Current loans taken	86.0	45.0
Repayment of current loans	-95.0	-37.0
Change in interest-bearing receivables	0.6	6.3
Group contributions received and paid	12.7	10.5
Dividends paid	-9.9	-9.1
Net cash flows from/(used in) financing activities	**1.9**	**15.7**
Change in cash and cash equivalent funds (increase +/decrease -)	**8.4**	**-0.5**
Cash and cash equivalents at beginning of period	5.4	5.9
Cash and cash equivalents at end of period	13.9	5.4

Accounting principles used in the parent company's financial statements

GENERAL INFORMATION

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

PARENT COMPANY'S FINANCIAL STATEMENTS

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

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

NON-CURRENT ASSETS

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

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

RESEARCH AND DEVELOPMENT COSTS

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

INVENTORIES

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

TAXES

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

FOREIGN CURRENCY ITEMS

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

PENSION COMMITMENTS

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

OTHER EMPLOYEE BENEFITS

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

RETROSPECTIVE ADJUSTMENT OF FINANCIAL STATEMENT INFORMATION FOR THE COMPARISON YEAR DUE TO A CHANGE IN ACCOUNTING PRINCIPLES

Derivatives that were previously presented as off-balance sheet liabilities are now recognised in the balance sheet in accordance with the Finnish Accounting Board statement 1963/2016. Change in the fair value of interest rate derivatives is presented under financial items in the income statement. The change is presented retrospectively in the financial statements. The company's equity in the comparison period has been adjusted to correspond to the new applicable accounting principle. The effect of the change on the company's equity in the comparison period was MEUR 0.7.

Notes to the parent company's financial statements

6.1 REVENUE BY MARKET AREA

MEUR	2016	2015
Finland	27.7	26.8
Total	**27.7**	**26.8**

6.2 OTHER OPERATING INCOME

MEUR	2016	2015
Gains on sale of fixed assets	0.1	0.6
Other income	0.0	0.7
Total	**0.1**	**1.3**

6.3 MATERIALS AND SERVICES

MEUR	2016	2015
Materials and services	0.1	0.0
Total	**0.1**	**0.0**

6.4 EMPLOYEE EXPENSES

MEUR	2016	2015
Wages, salaries and fees	9.2	7.6
Pension expenses	1.8	0.7
Other payroll-related expenses	1.0	0.9
Total	**12.0**	**9.2**
Average number of employees	113	114
Salaries and bonuses paid to management		
President and CEO	0.7	0.6
Other members of the Group Executive Team	1.8	1.6
Members of the Board of Directors	0.3	0.3
Total	**2.9**	**2.5**

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

6.5 DEPRECIATION AND WRITE-DOWNS

MEUR	2016	2015
Depreciation on tangible and intangible assets	1.4	1.1
Total	**1.4**	**1.1**

6.6 OTHER OPERATING EXPENSES

MEUR	2016	2015
Information technology and telecommunication	9.3	9.1
Business premises	11.0	10.0
Other expenses	5.5	5.4
Total	**25.9**	**24.5**

6.7 AUDITORS' FEES

1,000 EUR	2016	2015
Audit	270.0	175.9
Reporting and opinions	5.6	
Tax consultation	9.3	
Other	177.3	342.8
Total	**462.2**	**518.7**

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

6.8 RESEARCH AND DEVELOPMENT COSTS

In financial year 2016, the company capitalised EUR 157,000 (2015: EUR 0) in research and development costs.

6.9 FINANCIAL INCOME AND EXPENSES

MEUR	2016	2015
Dividend income		
From Group companies	10.5	8.4
From associated companies	0.9	0.9
From others	0.0	0.0
Total	**11.4**	**9.4**
Other interest and financial income		
From Group companies	0.1	0.3
Fair value gain on financial assets at fair value through profit or loss	0.0	0.0
From others	0.0	0.0
Total	**0.1**	**0.3**
Impairment for non-current investments		
Impairment for shares in associated companies		
Impairment for shares in Group companies		-84.2
Total		**-84.2**
Interest expenses and other financial expenses		
To Group companies	0.0	0.0
To others	-0.6	-0.4
Total	**-0.6**	**-0.4**
Foreign exchange rate gains/losses		
Foreign exchange rate gains and losses	0.0	0.0
Financial income and expenses, total	**10.9**	**-75.0**

6.10 APPROPRIATIONS

MEUR	2016	2015
Difference between planned depreciation and depreciation made for tax purposes	-0.1	-0.1
Extraordinary income/Group contribution received	16.2	12.7
Total	**16.1**	**12.6**

6.11 INCOME TAX

MEUR	2016	2015
Income tax payable on extraordinary items		2.5
Income tax from regular business operations	-0.9	-1.6
Total	**-0.9**	**0.9**

6.12 INTANGIBLE ASSETS

MEUR	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2016					
Acquisition cost 1.1.	6.5		0.5	0.0	7.0
Increases	0.8			0.8	1.6
Decreases					
Transfers between items	0.0			0.0	
Acquisition cost 31.12.	**7.3**		**0.5**	**0.8**	**8.6**
Accumulated depreciation, amortisation and impairments 1.1.	2.9		0.5		3.4
Accumulated depreciation in decreases					
Depreciation for the financial year	1.2				1.2
Accumulated depreciation 31.12.	**4.1**		**0.5**		**4.6**
Book value 31.12.2016	**3.2**			**0.8**	**4.0**
Financial year 2015					
Acquisition cost 1.1.	4.2		0.5	1.8	6.4
Increases	0.5			0.0	0.6
Decreases	0.0				0.0
Transfers between items	1.8			-1.8	
Acquisition cost 31.12.	**6.5**		**0.5**	**0.0**	**7.0**
Accumulated depreciation, amortisation and impairments 1.1.	1.9		0.5		2.4
Accumulated depreciation in decreases	0.0				0.0
Depreciation for the financial year	0.9				0.9
Impairment					
Accumulated depreciation 31.12.	**2.9**		**0.5**		**3.4**
Book value 31.12.2015	**3.6**			**0.0**	**3.7**

6.13 TANGIBLE ASSETS

MEUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Advance payments and purchases in progress	Total
Financial year 2016						
Acquisition cost 1.1.	0.5	4.4	0.5	1.0		6.4
Increases						
Decreases						
Acquisition cost 31.12.	**0.5**	**4.4**	**0.5**	**1.0**		**6.4**
Accumulated depreciation 1.1.		3.2	0.5	0.3		4.0
Accumulated depreciation in decreases						
Depreciation for the financial year		0.1	0.0	0.1		0.2
Accumulated depreciation 31.12.		**3.3**	**0.5**	**0.4**		**4.2**
Book value 31.12.2016	**0.5**	**1.1**	**0.0**	**0.6**		**2.3**
Balance sheet value of machinery and equipment 31 Dec 2016			0.0			
Financial year 2015						
Acquisition cost 1.1.	0.5	4.4	0.5	1.0		6.4
Increases			0.0	0.0		0.1
Decreases			0.0			0.0
Acquisition cost 31.12.	**0.5**	**4.4**	**0.5**	**1.0**		**6.4**
Accumulated depreciation 1.1.		3.1	0.5	0.3		3.8
Accumulated depreciation in decreases			0.0			0.0
Depreciation for the financial year		0.1	0.0	0.1		0.2
Accumulated depreciation 31.12.		**3.2**	**0.5**	**0.3**		**4.0**
Book value 31.12.2015	**0.5**	**1.2**	**0.1**	**0.6**		**2.5**
Balance sheet value of machinery and equipment 31.12.2015			0.1			

6.14 INVESTMENTS

MEUR	Shares Group companies	Shares associated companies	Shares other	Receivables associated companies	Total
Financial year 2016					
Acquisition cost 1.1.	581.1	5.0	1.3		587.4
Increases	1.3				1.3
Decreases			0.0		0.0
Transfers between items	0.8	-0.8			
Acquisition cost 31.12.	**583.1**	**4.2**	**1.3**		**588.7**
Accumulated depreciation, amortisation and impairments 1.1.	248.6		0.0		248.6
Accumulated depreciation in decreases and transfers					
Impairment					
Accumulated depreciation, amortisation and impairments 31.12.	**248.6**		**0.0**		**248.6**
Book value 31.12.2016	**334.5**	**4.2**	**1.3**		**340.1**
Financial year 2015					
Acquisition cost 1.1.	528.9	7.6	1.5	0.0	538.0
Increases	50.8	0.3	0.0		51.1
Decreases	-1.3		-0.3	0.0	-1.7
Transfers between items	2.7	-2.9	0.2		
Acquisition cost 31.12.	**581.1**	**5.0**	**1.3**		**587.4**
Accumulated depreciation, amortisation and impairments 1.1.	163.6	0.8	0.0		164.4
Accumulated depreciation in decreases	0.8	-0.8			
Impairment	84.2				84.2
Accumulated depreciation, amortisation and impairments 31.12.	**248.6**		**0.0**		**248.6**
Book value 31.12.2015	**332.4**	**5.0**	**1.3**		**338.8**

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding %	Share of votes, %	Group holding %
Subsidiaries				
Alma Career Oy	Helsinki, Finland	83.34	83.34	83.34
Alma Manu Oy	Tampere, Finland	100.00	100.00	100.00
Alma Media Kustannus Oy	Helsinki, Finland	100.00	100.00	100.00
Alma Media Suomi Oy	Helsinki, Finland	100.00	100.00	100.00
Alma Mediapartners Oy	Helsinki, Finland	65.00	65.00	65.00
Karenstock Oy	Helsinki, Finland	100.00	100.00	100.00
Alma Talent Oy	Helsinki, Finland	100.00	100.00	100.00
Kotikokki.net Oy	Helsinki, Finland	65.00	65.00	65.00
Objektvision AB	Stockholm, Sweden	100.00	100.00	100.00
Rantapallo Oy	Helsinki, Finland	79.00	79.00	79.00
Arena Interactive Oy				
Arena Interactive Oy	Vaasa, Finland	35.00	35.00	35.00
As Oy Vammalan Reku	Vammala, Finland	21.00	21.00	21.00
As Oy Lindemaninpiha	Jämsä, Finland	22.56	22.56	22.56
Kolektiv d.o.o.	Bosnia	30.00	30.00	30.00
Infostud 3 d.o.o.	Serbia	25.00	25.00	25.00
Kiinteistö Oy Oulaisten Kulma	Oulainen, Finland	35.00	35.00	35.00
Kiinteistö Oy Keuruun Tervaportti	Keuruu, Finland	28.20	28.20	28.20
Kiinteistö Oy Kylmäsenkulma	Kemijärvi, Finland	20.26	20.26	20.26
Kytöpirtti Oy	Seinäjoki, Finland	43.20	43.20	43.20
Nokian Uutistalo Oy	Nokia, Finland	36.90	36.90	36.90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki, Finland	24.07	24.07	24.07
Tampereen Tietoverkko Oy	Tampere, Finland	35.14	35.14	35.14

6.15 RECEIVABLES

MEUR	2016	2015
Current receivables		
Receivables from Group companies		
Trade receivables	0.1	0.0
Loan receivables*	27.4	20.3
Loan receivables	3.6	
Prepaid expenses and accrued income	0.9	0.7
Total	**31.9**	**21.0**
Receivables from others		
Trade receivables	0.0	0.0
Other receivables	0.2	1.3
Prepaid expenses and accrued income	0.8	0.8
Total	**1.1**	**2.1**
Current receivables, total	**33.0**	**23.0**

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

6.16 SHAREHOLDERS' EQUITY

MEUR	2016	2015
Restricted shareholders' equity		
Share capital 1.1.	45.3	45.3
Share capital 31.12.	45.3	45.3
Share premium reserve 1.1.	119.3	119.3
Transfer to invested non-restricted equity fund		
Share premium reserve 31.12.	119.3	119.3
Other reserves 1.1.	5.4	5.4
Other reserves 31.12.	5.4	5.4
Restricted shareholders' equity total	**169.9**	**169.9**
Non-restricted shareholders' equity		
Invested non-restricted equity fund 1.1.	190.7	216.4
Share issue		19.9
Capital repayment	-9.9	-9.1
Transfer to retained earnings	-70.1	-36.4
Invested non-restricted equity fund 31.12.	110.8	190.7
Retained earnings 1 Jan	-70.8	-36.4
Transfer from invested non-restricted equity fund	70.1	36.4
Cancellation of unpaid dividends	0.1	
Effect of amended standard IAS 19*		-0.7
Retained earnings 31.12.	-0.6	-0.7
Profit for the period	14.6	-70.1
Non-restricted shareholders' equity total	**124.8**	**119.9**
Total equity	**294.7**	**289.9**

* The figure for the comparison period has been adjusted due to a change in the accounting principles concerning derivatives.

MEUR	2016	2015
Calculation of the parent company's distributable funds on 31 December		
Invested non-restricted equity fund	110.8	190.7
Capitalised research and development costs	-0.2	
Profit from the previous year	-0.6	-0.7
Profit for the period	14.6	-70.1
Total	**124.6**	**119.9**

6.17 APPROPRIATIONS

MEUR	2016	2015
Accumulated depreciation differences	0.2	0.1

6.18 PROVISIONS

Provisions in financial year 2016 amounted to EUR 208,089.72 (EUR 8,088.00 in financial year 2015).

6.19 NON-CURRENT LIABILITIES

MEUR	2016	2015
Loans from credit institutions	10.0	2.5
Other non-current liabilities	0.7	0.8
Total	**10.7**	**3.3**
Debt due after five years		
Other non-current liabilities	0.3	0.3

6.20 CURRENT LIABILITIES

MEUR	2016	2015
Loans from credit institutions	10.0	19.0
Trade payables	0.7	0.9
Total	**10.7**	**19.9**
Liabilities to Group companies		
Trade payables	0.0	0.0
Other liabilities	70.8	52.7
Accrued expenses and prepaid income	0.0	0.1
Total	**70.9**	**52.9**
Liabilities to associated companies		
Trade payables	0.2	
Other liabilities	0.7	0.0
Total	**0.9**	**0.0**
To others		
Provisions	0.2	0.0
Other current liabilities	1.4	1.5
Accrued expenses and prepaid income	3.4	5.9
Total	**5.0**	**7.4**
Current liabilities total	**87.6**	**80.2**

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

6.21 COMMITMENTS AND CONTINGENCIES

MEUR	2016	2015
Collateral for Group company's commitments		
Guarantees	1.0	0.1
Collateral for others		
Guarantees	0.9	1.2
Other own commitments		
Rental commitments – within one year	8.8	9.0
Rental commitments – after one year	68.2	76.4
Rental commitments total	77.0	85.4
Other commitments	1.6	1.2
Total		
Guarantees	1.9	1.3
Other commitments	78.6	86.6
Commitments total	**80.5**	**88.0**

On the balance sheet date, the company had a MEUR 100 commercial paper programme in Finland. Within the programme, the company may issue commercial papers to a total value of MEUR 0–100. The company had MEUR 10 in issued commercial papers on 31 December 2016. In addition to the commercial paper programme, the company may use the existing financing limit agreements for financing the need for working capital.

The Group has a currently effective lease agreement with DNB Bank ASA on the office and production facility at Patamäenkatu 7 in Tampere. Alma Media will exercise the interruption option included in the agreement and redeem the property. The property transaction, its financing and recognition in Alma Media's balance sheet will take place in October 2017 and its value will be MEUR 14.5. The rental commitment related to the lease agreement is presented in 3.4 Other leases.

6.22 DERIVATIVE CONTRACTS

MEUR	2016	2015
Commodity derivatives (electricity forwards)		
Fair value*	0.0	-0.1
Value of underlying instruments	0.3	0.3
Interest rate derivatives		
Fair value*	-0.7	-0.7
Value of underlying instruments	19.4	19.5

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

Signatures to the report by the Board of Directors and the financial statements

The distributable funds of the Group's parent company totalled EUR 124,646,114 (119,915,169) on 31 December 2016.

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

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.16 per share (2015: capital repayment of EUR 0.12 per share) be paid for the financial year 2016. Based on the number of shares on the closing date, 31 December 2016, the dividend payment totals EUR 13,181,309 (2015: capital repayment EUR 9,885,982).

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

In Helsinki on 9 February 2017.

Harri Suutari
Chairman of the Board

Petri Niemisvirta
Deputy Chairman of the Board

Niklas Herlin
Board member

Esa Lager
Board member

Matti Korkiatupa
Board member

Mitti Storckovius
Board member

Catharina Stackelberg-Hammarén
Board member

Kai Telanne
President and CEO

AUDITOR'S NOTE

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

In Helsinki on 9 February 2017.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant

Auditor's report

To the Annual General Meeting of Alma Media Oyj

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial performance and financial position in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

WHAT WE HAVE AUDITED

We have audited the financial statements of Alma Media Oyj (business identity code 1944757-4) for the year ended 31 December, 2016. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

INDEPENDENCE

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our Audit Approach

OVERVIEW

Materiality	• Overall group materiality: € 3.500.000
Group scoping	• Audit scope: We have audited parent company and its subsidiaries in Finland, Czech Republic, Slovakia and Sweden
Key audit matters	• Timing of revenue recognition • Valuation of goodwill and intangibles with indefinite lives • Valuation of holdings in group companies (Parent company)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

OVERALL GROUP MATERIALITY

€ 3.500.000

HOW WE DETERMINED IT
1 % of revenues

RATIONALE FOR THE MATERIALITY BENCHMARK APPLIED
The group's profitability has been volatile over the last few years. Therefore, we chose revenues as the benchmark as we considered that this provides us with a consistent year-on-year basis for determining materiality. We believe revenue is also the benchmark against which the performance of the Group is commonly measured by users, and is a generally accepted benchmark. We chose to apply 1 %.

HOW WE TAILORED OUR GROUP AUDIT SCOPE
We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

We have performed audit procedures in the most significant subsidiaries in Finland, Czech Republic, Slovakia and Sweden. We have considered that the remaining subsidiaries don't present a reasonable risk of material misstatement for consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER IN THE AUDIT OF THE GROUP

Timing of revenue recognition
Refer to accounting principles of the consolidated financial statements and note 1.2.1. Revenue.

A risk that the revenue is recognized in the wrong financial period (cut-off) is considered to be significant due to the size and nature of sales.

Alma Media Group's revenue consists of content sales, advertising sales and service fees. For digital sales, content revenue is recognized over the contract period. For print publications, content revenue is recognized according to the publication calendar. The timing of revenue recognition from advertising sales is determined by the timing of the advertisement's publication. Service revenue is recognized in the period in which the service is delivered.

How our audit addressed the key audit matter
- We assessed the design effectiveness of key controls and tested the operating effectiveness of controls relating to the cut-off of revenue recognition.
- We considered the appropriateness of the Group's revenue recognition accounting policies.
- We tested by sample, that individual subscriptions and other contracts were recognized as revenue according to the Group's revenue recognition accounting policies.
- In addition, we tested individual transactions, which occurred during the financial year.

VALUATION OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES
Refer to accounting principles of the consolidated financial statements and note 2.1. Intangible assets and goodwill

At 31 December 2016 the Group's goodwill balance is valued at € 120,3 million and intangible rights with indefinite lives € 34,2 million. Goodwill and intangible rights with indefinite lives are allocated to the cash-generating units.

During the financial year, the Group recognised € 3,0 million impairment loss on goodwill. Of this, € 2,0 million is allocated to the goodwill of Alma Lapland, and € 1,0 million to the goodwill of Alma Talent Sweden.

Goodwill and intangible rights with indefinite useful lives are not subject to amortisation and are tested annually for impairment by comparing the recoverable amount against the carrying value of the assets in the cash-generating units. The recoverable amounts are determined using value in use model.

Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. Future cash flows are based on the Group's strategic forecasts for the following three years confirmed by the Board of Directors. The seven years following this period are estimated by the management.

Value in use calculations are subject to significant management judgment in a form of estimates for future advertising sales, discount rates and newspaper content sales.

Due to the high degree of management judgment with respect to the assumptions used in the cash flow forecast, goodwill valuation is considered a key audit matter.

Our procedures included the following but was not limited to:

- We have discussed with the management key principles and assumptions used in the cash flow forecasts.
- We assessed the reasonableness of cash flow forecasts by comparing the accuracy of prior period revenue growth and operating profit forecasts to actual outcomes. We also assessed the reasonableness of advertising and content sales growth rates used in the impairment calculations to our understanding of the business.
- We used our valuations specialists to assess the appropriateness of discount rates for each cash-generating unit used in the impairment calculations.
- We tested the mathematical accuracy of the calculations used in the impairment testing.
- We considered whether the sensitivity analysis performed by management around key drivers of the cash flow forecast was appropriate by considering the likelihood of the movements of advertising sales, content sales and discount rates.

KEY AUDIT MATTER IN THE AUDIT OF THE PARENT COMPANY

Valuation of holdings in group companies
Refer to note 6.14 Investments.

At 31 December 2016 the holdings in group companies are valued at € 334,5 million. The holdings in group companies are tested annually for impairment by comparing the recoverable amount against the book value of individual holding. The recoverable amounts are determined using value in use model.

Based on the annual impairment test of holdings in group companies management concluded that no impairment was needed.

Due to the high degree of management judgment with respect to the assumptions used in the value in use calculations, valuation of holdings in group companies is considered a key audit matter.

How our audit addressed the key audit matter
Our procedures included the following but was not limited to:

- We have discussed with the management of key principles and assumptions used in the cash flow forecasts.
- We assessed the reasonableness of cash flow forecasts by comparing the accuracy of prior period revenue growth and operating profit forecasts to actual outcomes. We also assessed the reasonableness of advertising and content sales growth rates used in the impairment calculations to our understanding of the business.
- We used our valuations specialists to assess the appropriateness of discount rates used in the impairment calculations.
- We tested the mathematical accuracy of the calculations used in the impairment testing.
- We considered whether the sensitivity analysis performed by management around key drivers of the cash flow forecast was appropriate by considering the likelihood of the movements of advertising sales, content sales and discount rates.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our auditor's report thereon. We obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the information included in the report of the Board of Directors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 9 February 2017
PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant

GOVERNANCE

GOVERNANCE

Corporate Governance Statement of Alma Media Corporation

In 2016, Alma Media Corporation applied the Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association on 1 October 2015, in its unaltered form. A Corporate Governance Statement required by the Corporate Governance Code is presented as a separate report in connection with the Financial Statements. In addition, it is publicly available on Alma Media's website at www.almamedia.fi/en/investors/governance/corporate-governance-statement/.

The Audit Committee of Alma Media Corporation's Board of Directors has reviewed the Corporate Governance Statement. The statement will not be updated during the financial period, but up-to-date information on its sections is available on Alma Media's website at http://www.almamedia.fi/en/investors/governance/corporate-governance/.

The Finnish Corporate Governance Code is downloadable from the website of the Securities Market Association at www.cgfinland.fi.

Alma Media Group

Responsibility for Alma Media Group's management and operations belongs to the constitutional bodies required by the Limited Liability Companies Act: the General Meeting of shareholders, which elects the members of the Board of Directors; and the President and CEO, who is appointed by the Board of Directors.

The Group's supreme decision-making body is the General Meeting of Shareholders, where shareholders exercise their decision-making power. The Board of Directors is responsible for the company's management and its appropriate organisation. In its capacity as the Group's parent company, Alma Media Corporation is responsible for the Group's management, legal affairs, corporate restructuring, strategic planning, financial administration, human resources and facilities management, financing, ICT and internal and external communications.

Alma Media Group has four reporting segments. The Alma Markets segment consists of digital automotive and housing marketplaces and complementary services, as well as the recruitment business. The Alma Talent segment publishes 20 trade and financial media, as well as books. Alma Talent also offers skills development and growth services to professionals and businesses in different fields, from events and training to information services. The Alma News & Life segment includes the various digital and print news and lifestyle content of the national newspaper Iltalehti. The Alma Regions segment is responsible for the print and online publishing activities of regional, local and town papers, as well as Alma Media's printing operations. Alma Media adopted a new segment structure in early 2016.

Alma Media's shared sales function (Alma Media Solutions) is a sales and development organisation that serves the business segments' advertiser customers.

Alma Media completed an exchange offer for Talentum Corporation's shares in 2015 in accordance with the terms of the exchange offer, and Talentum Corporation became a subsidiary of Alma Media in late 2015.

Board of Directors of Alma Media Corporation

The Shareholders' Nomination Committee of Alma Media Corporation prepares a proposal for the General Meeting regarding the composition and remuneration of the Board of Directors. The Board of Directors shall comprise no less than three (3) and no more than nine (9) members elected by the Annual General Meeting. The term of office of a member of the Board shall be one (1) year, ending at the close of the Annual General Meeting following their election. The President and CEO of the company may not act as the Chairman of the Board. There is no specific order of appointment of directors. The Annual General Meeting decides on the remuneration and travel allowances of the members of the Board of Directors.

The Board Diversity Policy sets out the principles concerning the diversity of the Board of Directors. The principles are available in their entirety on the Alma Media website at www.almamedia.fi/en/investors/governance/board-of-directors.

Pursuant to the Board Diversity Policy, the Board of Directors and its members, as a group, shall have sufficient complementary expertise and experience on matters related particularly to the company's line of business and operations, the management of a listed company, financial statements and financial reporting, internal control and risk management, strategy, acquisitions and corporate governance.

The members of the Board of Directors shall represent diverse expertise and qualifications and the diversity of the members' age and gender distribution, academic and professional backgrounds and experience of international business shall support the company's business and its development. Members of the Board of Directors shall possess the necessary qualifications and the opportunity to dedicate sufficient time to their duties as members of the Board. The number of members and composition of the Board of Directors shall enable the effective fulfilment of the Board's responsibilities. Both genders shall be represented on the Board of Directors.

COMPOSITION OF THE BOARD AND SHAREHOLDINGS OF MEMBERS

The Annual General Meeting 2016 elected the following members to the Board of Directors: Harri Suutari, Petri Niemisvirta, Niklas Herlin, Esa Lager, Matti Korkiatupa, Catharina Stackelberg-Hammarén and Mitti Storckovius. The Chairman of the Board of Directors is Harri Suutari and the Deputy Chairman is Petri Niemisvirta.

Board members Perttu Rinta and Erkki Solja announced that they would no longer be available as Board members of Alma Media Corporation's Board of Directors during the 2016–2017 term of office.

Harri Suutari
President and CEO, Componenta Oyj
Chairman of the Board since 2013, expert member of Alma Media's Shareholders' Nomination Committee, member of the Nomination and Compensation Committee
Member of the Board since 2005
Born: 1959
Civil Engineer

Essential work experience

- PKC Group, President and CEO, 2002–2005 and 2008–2012
- Ponsse Oyj, President and CEO, 1994–2000
- Kajaani Automatiikka Oy, President, 1984–1996

Principal positions of trust

- The Federation of Finnish Technology Industries, Member of the Board 2014–
- Oy M-Filter Ab, Member of the Board 2010–
- Tulikivi Oyj, Chairman of the Board 2013–2015
- Kainuu Forest Management Association, Chairman of the Board 2012–2015
- Componenta Oyj, Chairman of the Board 2012–2015

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2016
68,091 Alma Media Corporation shares

Petri Niemisvirta
Managing Director, Mandatum Life Insurance Company Limited;
Member of the Group Executive Committee, Sampo plc
Member of the Board and Deputy Chairman of the Board since 2011, Chairman of the Nomination and Compensation Committee
Born: 1970
LL.M.

Essential work experience
- Managing Director, Evli Life Ltd, 2000–2001
- Product Manager (unit linked insurance), Sampo Life Insurance Company Limited, 1999–2000
- Life Insurance Sales Manager, Kaleva Mutual Insurance Company/Sampo Life Insurance Company Limited, 1995–1999

Principal positions of trust
- Kaleva Mutual Insurance Company, Member of the Board 2013–, Chairman of the Board 2014–
- Varma Mutual Pension Insurance Company, Member of the Board 2014–
- Confederation of Finnish Industries EK, Chairman of Finance and Tax Commission 2011–2016
- BenCo Insurance Holding B.V., Member of the Board 2009–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2016
17,494 Alma Media Corporation shares

Niklas Herlin
Publisher
Member of the Board since 2013, Member of the Nomination and Compensation Committee, Member of Alma Media's Shareholders' Nomination Committee
Born: 1963
B.Sc., Bentley College, USA

Essential work experience
- Freelance journalist, columnist, non-fiction writer, 2001–
- Editor, News Editor, Kauppalehti, 1987–1996, Suomen Kuvalehti, 1996–1997, Ilta-Sanomat, 1997–2001
- Corporate Analyst, Finnish Fund for Industrial Cooperation 1987–1988

Principal positions of trust
- Yellow Film & TV Oy, Member of the Board 2015–
- Yellow Film Management Oy, Member of the Board 2015–
- Kehitysvammaisten työllisyyden tukisäätiö (Support Foundation for the Employment of People with Developmental Disabilities), Chairman of the Board 2013–
- Riikka Herlin Foundation, Chairman of the Board 2012–
- Mariatorp Oy, Chairman of the Board 2005–
- Uusi Suomi, Chairman of the Board 2007–2016
- Publishing company Teos, Chairman of the Board 2003–

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2016
11,792 Alma Media Corporation shares and 15,700,000 shares via Mariatorp Oy.

Matti Korkiatupa
Chief Executive Officer, Ilkka-Yhtymä Oyj
Member of the Board since 2016, Member of the Audit Committee since 17 March 2016
Born: 1955
Master of Agriculture

Essential work experience
- Chief Executive Officer, I-Mediat Oy, 2010–
- Regional Director, Tapiola Group, 1992–1998

Principal positions of trust
- Arena Partners Oy, Chairman of the Board 2000–2004 and 2010–, Deputy Chairman 2006–2010, Member of the Board 2000–
- Alma Mediapartners Oy, Member of the Board 2010–
- I-Print Oy, Chairman of the Board 2007–
- Lännen Media Oy, Member of the Board 2014–
- The Finnish Newspapers Association, Member of the Board 2000–

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2016
3,953 Alma Media Corporation shares

Esa Lager
Member of the Board since 2014, Chairman of the Audit Committee, Member of the Nomination and Compensation Committee until 17 March 2016
Born: 1959
LL.M., M.Sc. (Econ.)

Essential work experience
- Deputy CEO, Outokumpu Group, 2011–2013
- Chief Financial Officer (CFO), Outokumpu Group, 2005–2013
- Director, Financing and Administration, Outokumpu Group, 2001–2004
- Director, Financing, Outokumpu Group, 1995–2000
- Vice President, Outokumpu Group, 1991–1994
- Various expert and managerial positions (Head Office foreign operations and the London branch), Kansallis-Osake-Pankki, 1984–1990

Principal positions of trust
- SATO Oyj, Member of the Board 2016–, Chairman of the Board 2015–2016, Deputy Chairman of the Board 2014–2015
- Suomen Teollisuussijoitus Oy, Chairman of the Board 2015–, Member of the Board 2014–2015
- Terrafame Oy, Member of the Board 2014–
- Fennovoima Oy, Member of the Board 2014–2016, Deputy Member of the Board 2016–
- Olvi Plc, Chairman of the Board 2016–, Deputy Chairman and Member of the Board 2002–2016
- Ilkka-Yhtymä Oyj, Vice Chairman of the Board 2014–, Member of the Board 2011–

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2016
11,907 Alma Media Corporation shares

Catharina Stackelberg-Hammarén
Founder and CEO, Marketing Clinic Oy 2004–
Member of the Board 2009–, Member of the Audit Committee
Born: 1970
M.Sc. (Econ.), Hanken School of Economics

Essential work experience
- CEO, Marketing Clinic Oy, 2004–
- Managing Director, Coca-Cola Finland, 2003–2004 and 2000–2002
- Managing Director, Coca-Cola AB, 2002–2003
- Marketing Director, Coca-Cola Nordic & Baltic Division, Copenhagen 2000
- Consumer Marketing Manager, Coca-Cola Finland, 1996–2000
- Marketing Manager, Sentra plc, 1994–1996

Principal positions of trust
- Marimekko Oyj, Member of the Board 2014–
- Aktia Bank Abp, Member of the Board 2012–
- Stiftelsen Svenska Handelshögskolan, Member of the Board 2011–
- Marketing Clinic group, Member of the Board 2004–
- Scan Securities Ab, Member of the Board 1996–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2016
19,501 Alma Media Corporation shares

Mitti Storckovius
Chief Strategy Officer, Helsinki Deaconess Institute
Member of the Board 2016–, Member of the Nomination and Compensation Committee since 17 March 2016
Born: 1971
Master of Social Sciences, MBA

Essential work experience
- Chief Strategy Officer, Helsinki Deaconess Institute, 2016–
- Director, Head of Business Analytics in Devices Marketing (both Lumia and feature phones), Microsoft, 2014–2016
- Director, Head of Global Business Operations for Mobile Phones, Nokia, 2012–2014
- Director, Head of Extended Producdt Management for Windows Phones, Nokia, 2011–2012
- Director, Sustainability (Head of all environmental and ethical initiatives for Devices), Nokia, 2008–2010
- Marketing Director, Strategy Messages, Nokia, 2004–2007
- Consultant and Engagement Manager, McKinsey&Company, 1997–2004

Principal positions of trust
- Rinnekoti Foundation, Member of the Board 2016–
- Talentum, Member of the Board 2014–2015

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 31 December 2016
8,581 Alma Media Corporation shares

BOARD MEMBERS WHOSE TERM OF OFFICE ENDED ON 17 MARCH 2016

Perttu Rinta

Commercial Counsellor, Managing Director, Suur-Savon Sähkö Oy –2016
Member of the Board 2013–2016 (until 17 March 2016),
Member of the Audit Committee until 17 March 2016
Born: 1954
M.Sc. (Econ.), Umeå University

Essential work experience

- Managing Director, Kymppivoima Oy, 2002–2007
- Director, K-Rautaketju and Corporate Services, Rautakesko Oy, Baltic operations, 2000–2002
- Managing Director, Kauppiasliitto ry, 1998–2000
- Director, Kesko Corporation, Local stores, 1996–1997
- Department and support manager, Vaasa Province Aluekesko, 1989–1996
- Several managerial positions, Hankkija, 1979–1989

Principal positions of trust

- Järvi-Suomen Voima Oy, Chairman of the Board 2015–2016
- Vapo Oy, Vice Chairman of the Board 2009–2016, Member of Compensation Committee 2010, 2015–2016, Chairman of Audit Committee 2009, 2011–2014, Member of Audit Committee 2014–2015
- Kymppivoima Oy, Member of the Board 2007–2016, Chairman of the Board 2011–2013
- Kymppivoima Hankinta Oy, Member of the Board 2007–2016, Chairman of the Board 2011–2013
- Kymppivoima Hydro Oy, Deputy Chairman of the Board 2007–2016
- Blåfall AS, Member of the Board 2012–2016
- Ilkka-Yhtymä Oyj, Member of Supervisory Board 1999–2016, Deputy Chairman of Supervisory Board 2009–2016, Member of Nomination and Compensation Committee 2009–2016

Finnish citizen
Independent of the company, but not independent of its significant shareholder

Shareholding on 17 March 2016
8,839 Alma Media Corporation shares

Erkki Solja

CEO, Kiilto Family Oy
Member of the Board 2008–2016 (until 17 March 2016),
Member of the Nomination and Compensation Committee until 17 March 2016
Born: 1954
M.Sc. (Econ.)

Essential work experience

- Kiilto Family Oy, CEO, 2008–
- Kiilto Oy, CEO, 1994–2007
- Joined Kiilto Oy in 1983

Principal positions of trust

- Chemical Industry Federation of Finland, Member of the Board 2001–
- C.V. Åkerlund Foundation, Chairman of the Board 1997–
- Honorary Consul, Republic of Austria 1997–

Finnish citizen
Independent of the company and its significant shareholders

Shareholding on 17 March 2016
45,896 Alma Media Corporation shares

It is the duty of the members of the Board of Directors to provide the Board of Directors with sufficient information for the assessment of their competence and independence. The Board of Directors has assessed that with the exception of Niklas Herlin, Matti Korkiatupa and Esa Lager, the members of the Board are independent of the company and its significant shareholders. The members mentioned hereinabove are assessed to be independent of the company but not independent of its significant shareholders. Niklas Herlin is the Chairman of the Board of Mariatorp Oy, Matti Korkiatupa is the Managing Director of Ilkka-Yhtymä Oyj and Esa Lager is a member of the Board of Ilkka-Yhtymä Oyj.

TASKS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the company's governance and the due organisation of its operations. The tasks and responsibilities of the Board of Directors are determined by the Finnish Limited Liability Companies Act and the Articles of Association. The detailed working of the Board of Directors is set out in the Board's Charter. Principal tasks of the Board of Directors include confirming the Group's strategy and objectives as well as deciding on significant investments and acquisitions. The Board of Directors monitors the Group's performance through monthly reports and other information provided by the Group's management. The company ensures that all members of the Board of Directors receive adequate information on Alma Media's operations, operating environment and financial position. New members of the Board of Directors are familiarised with Alma Media's operations.

The duties of the Board of Directors include:

- confirming the Group's strategy and objectives, monitoring their implementation, and, if required, initiating corrective action
- considering and approving the interim reports and the annual accounts
- approving strategically significant corporate and real estate acquisitions and disposals as well as investments according to separate investment instructions
- deciding on the Group's capital financing programmes and operations according to a separate treasury policy
- approving the dividend policy and submitting a dividend proposal to the Annual General Meeting
- annually reviewing the main risks associated with the company's operations and the management of these risks; if necessary, giving the President and CEO instructions on how to deal with them, and, if required, initiating corrective action
- approving the principles for the advance approval of non-audit services provided by the auditor
- appointing and, if required, dismissing the President and CEO
- deciding on the Nomination and Compensation Committee's proposal for the terms of employment of the President and CEO and the other members of the Group Executive Team
- confirming the company's organisation based on the CEO's proposal
- confirming the terms of employment of the CEO's direct subordinates based on the CEO's proposal
- confirming, based on the CEO's proposal, the appointment and dismissal of the editors-in-chief of Aamulehti, Iltalehti and Kauppalehti, as well as of Lapin Kansa, Pohjolan Sanomat and Satakunnan Kansa
- holding a meeting with the company's auditors at least once a year
- deciding on matters that are exceptional and have wide-ranging consequences
- considering other matters that the Chairman of the Board and President and CEO have agreed to be included in the agenda for the Board's meeting. Other Board members are also entitled to put a matter before the Board by notifying the chairman of such a matter.
- representing the company and entitling individuals to represent the company, as well as deciding on procurations
- approving the principles underlying the donation of sums to good causes.

The Board's Charter is available in full on the Alma Media website at www.almamedia.fi/en/investors/governance/board-of-directors.

The Board convenes approximately 12 times a year according to a previously confirmed timetable and, in addition, whenever necessary. Most meetings are connected with the publication of the company's financial statements and interim reports. In addition to these meetings, the Board also holds one or two Strategy Meetings at which it considers the Group's future scenarios and confirms the company's strategy for each strategy period.

In 2016, the Board met 14 times. The attendance of each member is shown in the table below.

NAME	ROLE	ATTENDANCE AT THE BOARD MEETINGS
Harri Suutari	Chairman	14/14
Petri Niemisvirta	Deputy Chairman	13/14
Niklas Herlin	Member	14/14
Matti Korkiatupa	Member since 17 March 2016	11/11
Esa Lager	Member	14/14
Perttu Rinta	Member until 17 March 2016	3/3
Erkki Solja	Member until 17 March 2016	3/3
Catharina Stackelberg-Hammarén	Member	14/14
Mitti Storckovius	Member since 17 March 2016	11/11

ASSESSMENT OF THE BOARD'S PERFORMANCE

In 2016, the Board of Directors evaluated its performance and working methods through self-assessment.

PERMANENT COMMITTEES

The Board of Directors has established two permanent committees: the Audit Committee and the Nomination and Compensation Committee. At its constitutive meeting after the Annual General Meeting, the Board of Directors elects the members of these committees from among the Board members.

The Board of Directors confirms a written Charter for the committees. The committees report to the Board of Directors.

AUDIT COMMITTEE

At its constitutive meeting after the Annual General Meeting, the Board of Directors elects a minimum of three members to the Audit Committee from among the Board members, who then elect a Chairman for the Committee. The Audit Committee meets at least four times a year. As of 17 March 2016, the members of the Audit Committee are Esa Lager, Matti Korkiatupa and Catharina Stackelberg-Hammarén. Esa Lager is Chairman of the Audit Committee. The Audit Committee's meetings are attended by the company's Auditor, the Group's Chief Financial Officer and General Counsel. Matters to the Committee are presented by the CFO.

The Board of Directors has appointed the Audit Committee to monitor the company's internal control systems. The work of the Audit Committee includes tasks such as evaluating compliance with legislation and regulations; monitoring the auditing process; monitoring and supervising the preparation of the financial statements and other financial reports; approving, in accordance with the principles confirmed by the company's Board of Directors, or giving advance authorisation to the Chairman of the Audit Committee to approve, all permitted non-audit services provided by the auditor, including their scope and the estimated fees payable for them; and monitoring significant financial, financing and tax risks; and monitoring the company's fiscal position.

The Charter of the Audit Committee is available in full on the Alma Media website at www.almamedia.fi/en/investors/governance/board-of-directors.

The Audit Committee convened five times in 2016. The attendance of each member is shown in the table below.

NAME	ROLE	ATTENDANCE IN THE COMMITTEE MEETINGS
Esa Lager	Chairman	5/5
Matti Korkiatupa	Member since 17 March 2016	4/4
Perttu Rinta	Member until 17 March 2016	1/1
Catharina Stackelberg-Hammarén	Member	5/5

NOMINATION AND COMPENSATION COMMITTEE

At its constitutive meeting after the Annual General Meeting, the Board of Directors elects the members to the Nomination and Compensation Committee from among the Board members. The Nomination and Compensation Committee comprises four members, who elect a Chairman for the Committee. On 17 March 2016, Niklas Herlin, Harri Suutari, Petri Niemisvirta and Mitti Storckovius were elected as members of the Nomination and Compensation Committee. Petri Niemisvirta was elected Chairman of the Committee.

The principal task of the Nomination and Compensation Committee is to prepare matters for the Board concerning appointments, compensation, incentive systems, the self-evaluation of the Board and the development of good governance.

In the Nomination and Compensation Committee, the matters concerning compensation are presented by the President and CEO.

The Charter of the Nomination and Compensation Committee is available in full on the Alma Media website at www.almamedia.fi/en/investors/governance/board-of-directors.

The Nomination and Compensation Committee convened twice in 2016 to consider matters according to its Charter. The attendance of each member is shown in the table below.

NAME	ROLE	ATTENDANCE IN THE COMMITTEE MEETINGS
Petri Niemisvirta	Chairman	2/2
Niklas Herlin	Member	2/2
Esa Lager	Member until 17 March 2016	1/1
Erkki Solja	Member until 17 March 2016	1/1
Mitti Storckovius	Member since 17 March 2016	1/1
Harri Suutari	Member since 17 March 2016	1/1

The Shareholders' Nomination Committee

The Nomination Committee's duties include preparing proposals related to the election and remuneration of the members of the Board of Directors to the Annual General Meeting.

The Shareholders' Nomination Committee consists of four members appointed by Alma Media's four largest shareholders, and the members elect a chairman from among their number. 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 will have the right to nominate members to represent shareholders in the Shareholders' Nomination Committee.

The following were appointed as members in 2016: Timo Aukia, Chairman of the Board of Directors, Ilkka Group; Niklas Herlin, Chairman of the Board of Directors, Mariatorp Oy; Carita Antell, Member of the Board of Directors, Kaleva Oy; and Timo Sallinen, Head of Listed Securities, Varma Mutual Pension Insurance Company. Timo Aukia was elected Chairman of the Shareholders' Nomination Committee. In addition, the Chairman of the Board of Directors of Alma Media Corporation, Harri Suutari, acts as an expert member in the Nomination Committee. Of the members, Carita Antell announced on 15 December 2016 that she will resign from the Nomination Committee following Kaleva Oy's divestment of its stake in the company.

More information on the members of the Shareholders' Nomination Committee of Alma Media Corporation in 2016 is presented in the tables below:

NAME	ROLE
Timo Aukia Born in 1973, M.Sc. (Econ.) Managing Director, Timo Aukia Oy & Jaakko Aukia Oy, Shareholding on 31 December 2016: 5,246 Alma Media Corporation shares	Chairman
Carita Antell Born in 1963, M.Sc. (Econ.) Entrepreneur, Marcante Oy Shareholding on 31 December 2016: 0 Alma Media Corporation shares	Member until 15 December
Niklas Herlin Born: 1963, B.Sc., Bentley College, USA Publisher Member of Alma Media's Board of Directors, member of the Board's Nomination and Compensation Committee Shareholding on 31 December 2016: 11,792 Alma Media Corporation shares and 15,700,000 shares via Mariatorp Oy.	Member
Timo Sallinen Born in 1971, M.Sc. (Econ.) Head of Listed Securities, Varma Mutual Pension Insurance Company, Shareholding on 31 December 2016: 0 Alma Media Corporation shares	Member
Harri Suutari Born: 1959, Civil Engineer President and CEO, Componenta Oyj Chairman of Alma Media's Board of Directors, member of the Board's Nomination and Compensation Committee Shareholding on 31 December 2016: 68,091 Alma Media Corporation shares	Expert member

The members of the Shareholders' Nomination Committee are not entitled to remuneration for their membership in the Committee, but their travel expenses are compensated in accordance with the company's travel regulations.

The Shareholders' Nomination Committee convened twice during its term of office in 2016–2017: once in November 2016 and once in January 2017. All members were present at both meetings, excluding Carita Antell, who only participated in the first meeting held during the term of office.

The Shareholders' Nomination Committee issued a proposal on 31 January 2017 to the Annual General Meeting to be held on 22 March 2017.

President & CEO and Group Executive Team of Alma Media Corporation

The President and CEO of Alma Media Corporation is Mr Kai Telanne, M.Sc (Econ), born 1964.

The President and CEO is responsible for the day-to-day management of the company in accordance with the guidelines and instructions of the Board of Directors. The President and CEO is responsible for the company's accounts conforming to legislation and its assets being reliably managed. The President and CEO must supply all the information necessary for the appropriate working of the Board of Directors to the Board or any of its members.

The President and CEO may undertake matters that are exceptional or have wide-ranging consequences with regard to the scope and nature of the company's business only through authorisation by the Board of Directors or in circumstances in which it is not possible to wait for the Board's decision without causing essential damage to the company's operation. In the latter case, the Board must be notified of the action taken as soon as possible.

The President and CEO, Mr Kai Telanne, is supported by a Group Executive Team, in 2016 comprising Kari Kivelä (Publisher, Senior Vice President, Alma News & Life), Juha-Petri Loimovuori (Senior Vice President, Alma Talent), Raimo Mäkilä (Senior Vice President, Alma Markets), Kari Juutilainen (Senior Vice President, Alma Regions), Juha Nuutinen (CFO), Mikko Korttila (General Counsel), Virpi Juvonen (Senior Vice President, Human Resources) and Santtu Elsinen (CDO). The secretary of the Group Executive Team is Rauno Heinonen (Senior Vice President, Corporate Communications and Investor Relations).

The Group Executive Team prepares the monthly reports, investments, Group guidelines and policies, the strategy and other long-term plans, action plans covering the following 12 months, and the financial statements for confirmation by the Board of Directors. The Group Executive Team met 18 times in 2016.

Kai Telanne
President and CEO
Chairman of the Group Executive Team
In the current position since 2005
Born: 1964
Members of the Group Executive Team since 2005
M.Sc. (Econ.)

Essential work experience

- Kustannus Oy Aamulehti: Managing Director, 2001–2005
- Kustannus Oy Otsikko: Managing Director, 2000–2005
- Kustannus Oy Aamulehti: Deputy Managing Director, 2000–2001
- Kustannus Oy Aamulehti: Marketing Director, 1999–2000
- Suomen Paikallissanomat Oy: Marketing Director, 1996–1999
- Kustannus Oy Aamulehti: Marketing Manager, 1993–1996
- Kustannus Oy Aamulehti: Sales Manager, 1991–1993
- Kustannus Oy Aamulehti: Research Manager, 1990–1991
- Nokian Paperi Oy: Product Manager, 1989–1990

Principal positions of trust

- Varma Mutual Pension Insurance Company: Member of the Board 2009–
- Teleste Corporation: Member of the Board 2008–
- Altia Corporation: Member of the Board 2016–

Alma Media shares held on 31 December 2016:
105,826 Alma Media Corporation shares

Santtu Elsinen
Chief Digital Officer (CDO)
In the current position since 2016
Year of birth: 1972
Member of the Group Executive Team since 2016
B.Sc.-level studies in Economics

Essential work experience

- Talentum Oyj: Business Development Director, member of extended Group Management Team, 2012–2016
- Trainers' House Oyj: Vice President, Business Development, member of the Management Team, 2011–2012
- Satama Interactive Oyj: Director, Business Development, 2005–2010
- Quartal Oy: CEO, 2011–, Business Development Director, 1998–2005, Creative Director 1997–1998
- Kauppamainos Bozell Oy: Director, Digital media, 1997
- Specialist positions at advertisement agencies and the media, 1994–1996

Principal positions of trust

- Media Industry Research Foundation of Finland: Board member 2016–

Alma Media shares held on 31 December 2016:
3,000 Alma Media Corporation shares and 10,100 shares via Winterfell Capital Oy.

Kari Juutilainen
Senior Vice President, Alma Regions
In the current position since 2012
Born: 1956
Member of the Group Executive Team since 2012
Student of social science

Essential work experience

- Suomen Paikallisanomat Oy: Managing Director, 2008–2011
- Suomen Paikallissanomat Oy: Publisher, 2007–2008
- Suomen Paikallissanomat Oy: Head of Publications, 2005–2007
- Länsi-Savo newspaper: Editor-in-Chief, 2000–2005
- Koillis-Häme newspaper: Editor-in-Chief, 1991–2000
- Kuusaan Seutu Oy: Editor-in-Chief and Managing Director, 1989–1991
- Elimäen Sanomat newspaper: Editor-in-Chief, 1986–1989
- Editor, Regional Editor and Special Editor in various newspapers, 1979–1985

Principal positions of trust

- Finla työterveys Oy: Member of the Board 2015–2016
- Jakeluyhtiö Suomi Oy: Chairman of the Board 2015–
- Lännen Media Oy: Member of the Board 2014–
- Tampere Chamber of Commerce & Industry: Member of the Board 2014–
- Finnmedia: Member of the Board 2016–
- Finnmedia: Member of committee for labour market issues 2008–

Alma Media shares held on 31 December 2016:
8,011 Alma Media Corporation shares

Virpi Juvonen
Senior Vice President, Human Resources
In the current position since 2013
Born: 1963
Member of the Group Executive Team since 2012
M.Sc. (Soc.)

Essential work experience

- Alma Media Corporation: Acting Senior Vice President, Human Resources, 2012–2013
- Alma Media Corporation: Director, Human Resources, Marketplaces unit, 2011–2012
- Kustannusosakeyhtiö Iltalehti: Human Resources Manager, 2007–2011
- Elisa Corporation: Human Resources Manager, 2004–2007
- Oy Radiolinja Ab: Human Resources Manager, 2002–2004

Principal positions of trust: -

Alma Media shares held on 31 December 2016:
5,000 Alma Media Corporation shares

Kari Kivelä
Senior Vice President, Publisher, Alma News & Life
In the current position since 2005
Born: 1959
Member of the Group Executive Team since 2005
M.Sc. (Soc.), MBA

Essential work experience
- Startel Oy: Managing Director, 2002–2004
- Saunalahti Group Corporation: Deputy Managing Director, 2000–2002
- Uutislehti 100 Oy, City-lehti: Managing Director, 1997–2000
- City-lehti: Editor-in-Chief, 1986–1997

Principal positions of trust
- Media Metrics Finland Oy: Member of the Board 2015–

Alma Media shares held on 31 December 2016:
10,000 Alma Media Corporation shares

Mikko Korttila
General Counsel, Legal Affairs, M&A and Corporate Development;
Secretary to the Board of Directors of Alma Media
In the current position since 2007
Born: 1962
Member of the Group Executive Team since 2008
Master of Laws, Master of Laws trained on the bench, eMBA

Essential work experience
- Raisio plc: Executive Vice President and General Counsel, member of the Executive Committee, 2003–2007
- Raisio plc: Executive Vice President, HR and Legal; General Counsel, member of the Executive Committee, 2001–2003
- Raisio plc: Legal Counsel, Chemicals and Benecol divisions, 1997–2001
- Attorney-at-Law, 1990–1997

Principal positions of trust
- Tampereen Tietoverkko Oy: Member of the Board 2015–
- Central Chamber of Commerce: Chairman of the Law Committee 2011–2016
- Advisory Board of Finnish Listed Companies: Member 2008–
- International Chamber of Commerce, Finnish Committee: Member of certain working groups 2006–
- Finnmedia and the advisory board for copyright users: Member of certain working groups 2007–

Alma Media shares held on 31 December 2016:
7,000 Alma Media Corporation shares

Juha-Petri Loimovuori
Managing Director of Alma Talent Oy
In the current position since 2016
Born: 1964
Member of the Group Executive Team since 2006
M.Sc. (Econ.)

Essential work experience
- Alma Media Corporation: Director, Kauppalehti Group, 2006–2015
- Kustannus Oy Aamulehti: Director, Media Marketing, 2002–2006
- Alma Media Corporation: Head of the media marketing chain, 2004–2006

Principal positions of trust
- Oy Suomen Tietotoimisto - Finska Notisbyrå Ab (STT): Member of the Board 2011–
- Mediuutiset Oy: Member of the Board 2016–
- Professio Finland Oy: Member of the Board 2016

Alma Media shares held on 31 December 2016:
17,500 Alma Media Corporation shares

Raimo Mäkilä
Senior Vice President, Head of Alma Markets
At Alma Media since 1998 (in Aamulehti-yhtymä since 1997),
In the current position since 1999
Born: 1958
Member of the Group Executive Team since 1999
M.Sc. (Eng.)

Essential work experience
- Alma Media Net Ventures Oy: President, 1999–2000
- Alexpress Oy: President, 1998
- Helsingin Sanomat: Director, Services, 1994–1997

Principal positions of trust: -

Alma Media shares held on 31 December 2016:
30,000 Alma Media Corporation shares

Juha Nuutinen
Chief Financial Officer
In the current position since 2012
Born: 1972
Member of the Group Executive Team since 2012
M.Sc. (Econ.)

Essential work experience

- University Properties of Finland Ltd: CFO, member of the Executive Team, 2009–2012
- Alma Media Corporation: Group Financial Manager, 2005–2009
- IF P&C Insurance Company: Financial Manager, 2003–2005
- KPMG Oy: Auditor, 1996–2003, APA (from Dec 2000)

Principal positions of trust

Tampereen Tietoverkko Oy: Member of the Board 2015–

Alma Media shares held on 31 December 2016:
7,000 Alma Media Corporation shares

Rauno Heinonen
Senior Vice President, Corporate Communications and IR and secretary to the Group Executive Team
In the current position since 2007
Born: 1964
Secretary to the Group Executive Team since 2007
M.Sc. (Soc.)

Essential work experience

- Miltton Oy: Account Director, 2006–2007
- Satama Interactive Oyj: Communications Director, 2005–2006
- M-real Oyj: SVP, Corporate Communications, 2000–2003
- ICL Data Oy: Communications Director, 1995–2000

Principal positions of trust:

- Finnish Children and Youth Foundation, Member of the Advisory Board 2013–

Alma Media shares held on 31 December 2016:
1,000 Alma Media Corporation shares

Insider Management

Alma Media Corporation's Board of Directors has approved Alma Media Group's Guidelines for Insiders on 15 June 2016. The Guidelines for Insiders are based on the Market Abuse Regulation, Level 2 Commission Regulations and the rules and guidelines issued by the European Securities and Markets Authority (ESMA), and they supplement the valid provisions of NASDAQ Helsinki Ltd's Guidelines for Insiders, Chapter 51 of the Finnish Criminal Code, the Finnish Securities Markets Act and the regulations and guidelines issued by the Finnish Financial Supervisory Authority regarding the management and handling of insider information.

Insiders are divided into two categories at Alma Media Corporation: managers subject to the notification obligation and project insiders.

At Alma Media Corporation, the following shall be considered managers subject to the notification obligation: the Chairman of the Board and the Deputy Chairman, the members of the Board and any deputy members, the CEO and any deputies to the CEO, and the members of the Group Executive Team. Managers subject to the notification obligation shall not trade in the company's financial instruments before the publication of the company's interim reports and financial statement release within a time frame beginning 30 days before the publication of the interim reports and the financial statement release and ending on the day following the publication date ("closed window"). Project insiders shall not trade in Alma Media Corporation's financial instruments until the project in question has ended.

Alma Media Corporation has further decided that the persons involved in the preparation and drafting of Alma Media Corporation's interim reports and financial statement releases Permanent insiders must not trade with financial instruments issued by the Company before the publication of the company's interim reports and financial statement releases within a time frame beginning 30 days before the publication of the interim reports and the financial statement release and ending on the day following the publication date ("extended closed window"). The extended closed window also applies to persons who, in the course of performing their duties, obtain information on Alma Media Group's sales figures or the sales figures of a business unit that has material significance on the result of the Alma Media Group as a whole.

In conjunction with the entry into force of the Market Abuse Regulation on 3 July 2016, the company introduced a whistleblowing channel "Almawhistleblow", which is an independent channel for the company's employees to report suspected non-compliance with regulations such as the Market Abuse Regulation and other regulations governing the financial markets.

Alma Media Corporation shall disclose transactions by managers and their closely associated persons involving the company's financial instruments by issuing a stock exchange release in accordance with the Market Abuse Regulation.

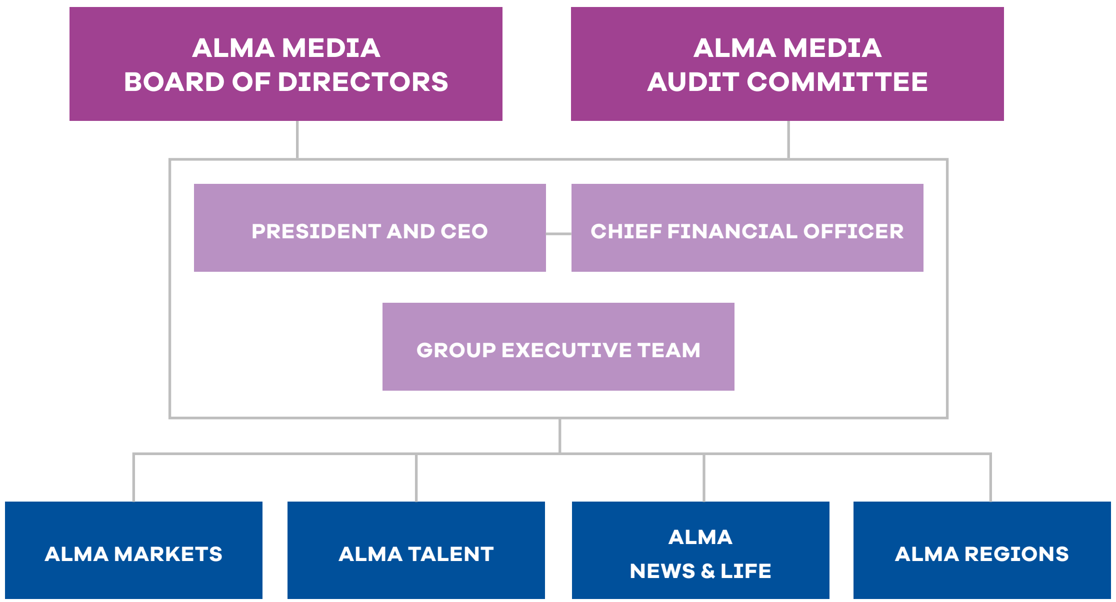
The public insider register was discontinued on 3 July 2016 and Euroclear Finland Oy's NetSire register has not been updated since 2 July 2016. Information concerning the shareholdings of the company's management is updated every day on the Alma Media website at www.almamedia.fi/en/investors/share-and-shareholders/insider-shareholdings.

The company's General Counsel is responsible for the insider management of the Alma Media Group.

Internal control and risk management systems in financial reporting

The internal control and risk management systems inherent in Alma Media's financial reporting process aim at ensuring a reasonable certainty of the reliability of the company's financial statements and financial reporting, as well as compliance with legislation and other regulations and generally accepted accounting principles.

ALMA MEDIA'S INTERNAL CONTROL AND RISK MANAGEMENT ORGANISATION



INTERNAL CONTROL

Internal control is an essential part of the company's governance and management systems, covering all of the Group's functions and organisational levels. The purpose of internal control is to provide sufficient certainty, for example, that the company will be able to execute its strategy. Internal control is not a separate process; instead, it is part of the company's operations, covering all Group-wide operational principles, guidelines and systems.

FINANCIAL REPORTING

The Board of Directors and the President and CEO carry the overall responsibility for organising the internal control and risk management systems for financial reporting. The President and CEO, members of the Group Executive Team and the heads of the business units are responsible for ensuring that the accounting and administration of the areas within their spheres of responsibility comply with legislation, the Group's operating principles and the guidelines and instructions issued by Alma Media Corporation's Board of Directors.

In Alma Media Group, the control over business unit administration and accounting is centralised in the Group's financial administration. The financial department, working under the Group CFO, is the centralised source of financial statement data required by external accounting, as well as the analyses and result reports to Group and business unit management teams for following the profitability of business operations. Group internal control practices aim to ensure the correctness of financial reporting within the Group. Business operations and capital management are monitored with the help of the reporting measures outlined hereinabove. The reporting practices also assist in following the implementation of business unit action plans. The financial administration monitors and gives guidance regarding internal control measures and practices based on the Group's operating principles and guidelines.

Alma Media Group follows the International Financial Reporting Standards (IFRS) approved for use within the European Union. Guidelines for financial reporting and accounting principles are collected in an accounting manual that is updated as standards change, as well as the financial department guidelines that are applied in all Group companies. Group accounting is responsible for the following and observance of the financial reporting standards, maintaining financial reporting principles and communicating them to the business units.

RISK MANAGEMENT

Risk management is part of Alma Media's financial reporting process and one of the company's significant measures of internal control. At Alma Media Group, the task of risk management is to continuously evaluate and monitor all business opportunities, threats and risks to ensure the achievement of objectives and business continuity.

The Board of Directors carries the primary responsibility for Alma Media's risk management. The Board of Directors considers the most significant identified risks and is in charge of defining the Group's risk appetite and risk tolerance. The Audit Committee prepares for the Board of Directors the risk management principles of the Group and monitors the efficiency of the risk management systems. The Audit Committee also discusses the management reports on significant risks and the company's exposure to them as well as considers the plans to minimise risks.

The CEO, the Group Executive Team and other managers in the Group at all organisational levels are responsible for daily risk management. In each business unit, a member of the unit's executive group, usually the person in charge of the finances, is responsible for risk management and reporting on risk management operations.

The risk management process identifies 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 and, thus, is part of good corporate governance. Alma Media sets limits to and procedures for quantitative as well as qualitative risks in writing in its risk management system.

Alma Media classifies its business risks as strategic, operational and financing risks. The financing risks are described in more detail in the notes to the consolidated financial statements.

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 group subscriptions of the major financial and technology-related magazines are significant in scale. Changes to the subscription agreements could have a substantial impact on the magazines' total subscription volumes. 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, cyber risks and the disruption of printing are the most important operational risks.

STRATEGIC, OPERATIONAL AND FINANCIAL RISKS IN ALMA MEDIA'S BUSINESS AND THE ACTIONS TAKEN TO MITIGATE THEM

RISK	RISK DEFINITION	RISK MITIGATING ACTIONS
Strategic risks		
Change in media consumption	Industry transformation following trends in media consumption and technological development. The capacity of product and service development to assess changes in consumer behaviour or invest in the appropriate technological service solutions.	Business development driven by customer needs. Measures to promote digital business competitiveness. Sufficient investments and resources in research and development.
The development of print media	A significant drop in subscribers and readers, a permanent decline in advertising sales and a significant increase in distribution and delivery costs.	Maintaining and developing an interactive media-reader relationship, customer satisfaction surveys, Alma Media's internal cooperation in content production, content sales, advertising sales, support functions and product development. Own distribution network, distribution partnerships and cooperation with publishers.
Group subscriptions of magazines	Changes in the group subscriptions of the major financial and technology-related magazines.	Customer satisfaction surveys and continuous service development based on the results, in cooperation with group subscribers.
Fluctuating economic cycles	Advertising represents a significant share of revenue and is sensitive to general economic cycles.	Service business development, continuous analysis and monitoring of the operating environment, preparedness to implement structural changes as necessary, active development of the existing business, diversification of revenue sources, geographic diversification of business.
Changes in legislation	Potential changes in legislation concerning information security, postal deliveries and taxation.	Internal training, monitoring legislation, building processes for legally required changes in the organisation.
Country-specific risks	Business operations involve country-specific risks relating to market development and economic growth. Geographic diversification and internationalisation help reduce the country-specific risk of the domestic market.	Ongoing market development analysis, monitoring and analysing Group- and country-specific risks.

RISK	RISK DEFINITION	RISK MITIGATING ACTIONS
Operational risks		
Disturbances of information technology and communications	Reliability of information networks.	Contingency plans, decentralised server solutions, cloud computing, ensuring sufficient competencies.
Cyber risks	The risk of being targeted by information security attacks and data theft.	Contingency plans and risk management actions, ensuring sufficient competencies, insurance.
Disruption of printing operations	Disruption of printing operations due to an accident, mechanical fault or information system error.	Contingency and restoration plans, back-up arrangements, customer communication, preparedness for crisis communication.
Competence	Technological development and the demands of new technology increase the risk of obtaining and maintaining sufficient competencies.	HR strategy, creating commitment in key individuals, additional resource allocation and trainee programmes, employee well-being.
Financial risks		
Refinancing risk	The company is unable to renew maturing financing agreements.	Treasury policy, financing plan and agreements, sufficiently long maturity of loans, sufficient equity ratio.
Liquidity risk	The company is unable to cover its maturing obligations in the short term.	Treasury policy, financing limit agreements of sufficient size.
Interest and foreign exchange risks	A change in an interest rate or currency exchange rate causes a significant impact on the company's profit or balance sheet position.	Treasury policy and the hedging principles defined therein.

INTERNAL AUDIT

Given the nature and scope of its business, Alma Media Corporation does not consider it expedient to have a separate internal audit organisation. Internal audit functions have been incorporated into the responsibilities of Alma Media Corporation's financial administration. Reviewing the functionality of internal controls is also taken into account in the external auditors' audit plans. Internal audits look at the functionality and efficiency of the various processes using flow tests and control tests.

Auditing

The General Meeting of Shareholders annually elects an auditor for the company. The auditor must be an authorised audit firm approved by the Central Chamber of Commerce in Finland. The term of office of the auditors expires at the close of the Annual General Meeting following their election. The auditor's task is to ensure that the financial statements are prepared in accordance with current regulations and that they provide correct and sufficient information on the company's result, financial position and other aspects of the business for the stakeholders. As part of their annual auditing assignment, the auditors of Alma Media audit the accounting and administration of the business units. The requirements set by the internal audit are taken into account in the audit plans.

The auditors submit their report to Alma Media Corporation's shareholders at the Annual General Meeting. Furthermore, the auditors submit an annual summary of their auditing plan and a written report on the entire Group to the Board of Directors in conjunction with the publication of each interim report and the annual financial statements. They also provide regular reports on the business units to the Group's financial management and reporting unit managements.

Alma Media Corporation's Annual General Meeting 2016 elected Authorised Public Accountants PricewaterhouseCoopers Oy as the company's auditors, with Markku Launis, Authorised Public Accountant, as the principal auditor. As a rule, PricewaterhouseCoopers is the auditor of the subsidiaries of Alma Media Group.

Alma Media Group's auditing fees for 2016 amounted to EUR 270,000. In addition, the auditing firm PwC charged the Group a total of EUR 192,046 in fees for other services in the 2016 financial year, including, among other things, EUR 100,000 for advisory services related to the Talentum integration process.

Remuneration Statement

Alma Media Corporation applies the currently valid Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association on 1 October 2015, in its unaltered form. This Remuneration Statement has been prepared in accordance with the Corporate Governance Code recommendations concerning the reporting of remuneration. The Finnish Corporate Governance Code for listed companies can be reviewed on the website of the Securities Market Association at www.cgfinland.fi and on Alma Media's website.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Annual General Meeting of Alma Media Corporation decides on the remuneration of the Board members. The General Meeting of Shareholders of Alma Media Corporation, held on 17 March 2015, decided, on proposal of the Board of Directors of Alma Media Corporation, to set up the Nomination Committee composed of Alma Media's Shareholders. The Nomination Committee's duties include preparing proposals related to the election and remuneration of the members of the Board of Directors to the Annual General Meeting.

In accordance with the proposal of the Shareholders' Nomination Committee, the 2016 Annual General Meeting decided to raise the Board's annual remuneration, since the remuneration had remained unchanged since 2011. The Chairman of the Board of Directors is paid EUR 40,000 (previously EUR 33,000) per year, the Vice Chairman EUR 32,000 (previously EUR 27,000) per year, and the other Board members EUR 27,000 (previously EUR 22,000) per year. In addition, the chairmen of the Board and the Committees are paid a fee of EUR 1,000, the deputy chairmen EUR 700 and ordinary members EUR 500 for each Board and Committee meeting they attend. The Board members' travel expenses are also compensated in accordance with the company's travel policy.

In accordance with a decision of the AGM, Board members must acquire a number of Alma Media Corporation shares corresponding to approximately 40 per cent of the full amount of the annual remuneration for Board members, taking into account tax deduction at source, at the public trading price. Members of the Board are obligated to arrange the acquisition of the shares within two weeks of the release of the first quarter 2016 interim report or, if this is not possible because of insider trading regulations, at the earliest possible time thereafter. If it was not possible to acquire the shares by the end of 2016 for a reason such as pending insider transactions, the remuneration shall be paid in cash. Shares acquired in this way may not be transferred until the recipient's membership on the Board has expired. The company is liable to pay any asset transfer taxes which may arise from the acquisition of shares.

The members of the Board of Directors were paid the following fees (EUR) for their work on the Board and its committees in 2016, with comparison data from the previous financial period:

Year	Name	Position	Board meetings			Audit Committee	Nomination and Compensation Committee	Fees total
			Annual fee	Annual fee paid in shares, no. of shares*	Meeting fees			
2016	Harri Suutari	Chairman	40,000	6,015	14,000	-	500	54,500
2015	Harri Suutari	Chairman	33,000	5,936	20,000	-	-	53,000
2016	Petri Niemisvirta	Deputy Chairman	32,000	3,499	9,100	-	2,000	43,100
2015	Petri Niemisvirta	Deputy Chairman	27,000	3,532	14,000	-	4,000	45,000
2016	Matti Korkiatupa	Member since 17 March 2016	27,000	2,953	5,500	2,000	-	34,500
2016	Niklas Herlin	Member	27,000	2,953	7,000	-	1,000	35,000
2015	Niklas Herlin	Member	22,000	2,878	10,000	-	2,000	34,000
2016	Esa Lager	Member	27,000	3,580	7,000	5,000	500	39,500
2015	Esa Lager	Member	22,000	3,906	10,000	6,000	2,000	40,000
2016	Perttu Rinta	Member until 17 March 2016	-	-	1,500	500	-	2,000
2015	Perttu Rinta	Member	22,000	2,878	10,000	3,000	-	35,000
2016	Erkki Solja	Member until 17 March 2016	-	-	1,500	-	500	2,000
2015	Erkki Solja	Member	22,000	2,878	9,500	-	1,500	33,000
2016	Catharina Stackelberg-Hammarén	Member	27,000	2,953	7,000	2,500	-	36,500
2015	Catharina Stackelberg-Hammarén	Member	22,000	2,878	9,500	3,000	-	34,500
2016	Mitti Storckovius	Member since 17 March 2016	27,000	4,232	5,500		500	33,000

* The number of shares corresponds to approximately 40% of the full amount of the annual fee after taxation.

In the financial year 2016, the fees paid on an accrual basis to the Board members totalled EUR 280,100.

Members of the Board of Directors of Alma Media Corporation do not have an employment relationship with the company. They are not included in the share-based incentive plans or other incentive programmes of Alma Media and have not received any other financial benefits.

REMUNERATION OF THE PRESIDENT AND CEO AND THE TOP MANAGEMENT

The Board of Directors of Alma Media Corporation decides on the salary and reward scheme of the parent company's President and CEO and the CEO's direct subordinates, on the basis of the proposal of the Nomination and Compensation Committee.

The reward scheme of the President and CEO of Alma Media Corporation and other senior management consists of a fixed monetary salary (monthly salary), fringe benefits (company car and mobile telephone benefit, and housing benefit for the President & CEO), an incentive bonus related to the achievement of financial and operational targets (short-term reward scheme), a stock option scheme and a share-based incentive scheme for key employees of the Group (long-term reward scheme), as well as a pension benefit for management. Eligibility for remuneration programmes is determined by the job.

The principles of Alma Media's management incentive programme follow the terms and conditions of Alma Media's incentive programme, based on the principle of continuous improvement of performance. The incentive bonus for members of the Group Executive Team and heads of business units may be no more than 40% of their respective annual salaries. The incentive bonus of Alma Media Corporation's President and CEO may be up to 60% of his annual salary.

The incentive bonus is defined for each calendar year based on three criteria: meeting Alma Media Group's financial targets (weight 40%), meeting the business unit's financial targets (weight 40%) and meeting personal performance targets (weight 20%).

In 2016, the President and CEO of Alma Media Corporation received a total of EUR 690,428 in salary, rewards and benefits, of which EUR 195,043 were based on the incentive bonus scheme. The total amount of salaries, rewards and benefits paid to other members of the Group Executive Team was EUR 1,643,150, of which EUR 206,914 were based on the incentive bonus scheme.

	Annual salary	Performance-based bonuses	Fringe benefits	Option benefits	Share-based payments
President & CEO					
2016	445,783	195,043	49,601		
2015	402,210	102,509	48,166		
2014	429,475	20,000	47,478	830	
Group Executive Team					
2016	1,349,769	206,914	86,467		
2015	1,297,042	136,732	82,093		
2014	1,264,934	41,000	82,026	583	

INCENTIVE SCHEMES

Share-based incentive scheme (LTI 2015)

In 2015, the Board of Directors of Alma Media Corporation approved the establishment of a long-term share-based incentive scheme for the key management of Alma Media (hereinafter referred to as "LTI 2015").

The objective of LTI 2015 is to align the interests of the participants with those of Alma Media's shareholders by creating a long-term equity interest for the participants and, thus, to increase the company value in the long term as well as to drive performance culture, to retain participants and to offer them competitive compensation for excellent performance in the company.

LTI 2015 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 participation in the scheme, matching shares based on the above share investment and the possibility of earning performance-based matching shares.

THE MATCHING SHARE PLAN

In the matching share plan, the participant receives a fixed amount of matching shares against an investment in Alma Media shares.

In the first matching share plan, which commenced in 2015 (LTI 2015 I), the participant receives two matching shares for each invested share free of charge after a two-year vesting period, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

THE PERFORMANCE MATCHING PLAN

The performance matching plan comprises a five-year performance period in total. The potential share rewards will be delivered in tranches after three and five years if the performance targets set by the Board of Directors are attained.

The performance measures used in the first performance matching plan, which commenced in 2015, are based on the company's profitable growth and share value. If the performance targets set by the Board of Directors are attained in full, the participant will receive in total four matching shares for each invested share free of charge, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

Share-based incentive scheme LTI 2015 II, launched in 2016

During the reporting year 2016, the Board of Directors of Alma Media Corporation decided to launch the next share-based incentive programme to begin in 2016 (LTI 2015 II) based on the LTI 2015 arrangement.

The main terms of the 2016 incentive scheme correspond to those of the share-based incentive scheme that began in 2015.

Share-based incentive scheme LTI 2015	Based on share investment (shares max)	Performance matching (shares max)	Maximum number of people entitled to participate
Launched in 2015 LTI 2015 I	159,000	318,000	35
Launched in 2016 LTI 2015 II	195,000	390,000	43

The Board of Directors has estimated that no new shares will be issued in connection with LTI 2015. Therefore, the plan will have no dilutive effect on the number of the company's registered shares.

The Annual General Meeting of Alma Media Corporation held on 17 March 2016 authorised the Board of Directors to decide on the repurchase of a maximum of 824,000 shares in one or more lots, and further authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company to implement incentive programmes.

The allocation and maximum reward potential of the share-based incentive scheme for the President and CEO and the Group Executive Team: The information covers LTI 2015 I and LTI 2015 II:

	Based on share investment (shares max)		Performance matching (shares max)	
	2015	2016	2015	2016
Kai Telanne, President and CEO	30,000	34,000	60,000	68,000
Santtu Elsinen*	-	6,000		12,000
Kari Juutilainen	10,000	-	20,000	-
Virpi Juvonen	4,000	6,000	8,000	12,000
Kari Kivelä	10,000	10,000	20,000	20,000
Mikko Korttila	6,000	8,000	12,000	16,000
Juha-Petri Loimovuori	10,000	13,000	20,000	26,000
Raimo Mäkilä	10,000	13,000	20,000	26,000
Juha Nuutinen	6,000	8,000	12,000	16,000

* Member of the Group Executive Team since 2016.

SEVERANCE PAY

The period of notice of the President and CEO of Alma Media Corporation, Mr Telanne, is six months. In addition, he has a director contract under which he is entitled to a compensation corresponding to his base salary for 12 months if he is dismissed by the employer without being in breach of contract. This compensation corresponding to the 12-month salary is not paid if the President and CEO resigns on his own initiative. Alma Media's Board of Directors decides on the appointment and, as necessary, dismissal of the President and CEO.

The period of notice for the other members of Alma Media Group's Executive Team is six months. In addition, members of the Executive Team will receive a compensation corresponding to their respective basic salaries for six months in the event that the dismissal is initiated by the employer without the members' own fault or negligence. The terms of employment of the other members of the Executive Team are decided on by the Board of Directors based on the proposal of the Nomination and Compensation Committee. The President and CEO appoints and, if necessary, dismisses the other members of the Executive Team. However, the members of the Group's Executive Team who act as Editors-in-Chief of Aamulehti, Iltalehti, Kauppalehti, Lapin Kansa, Pohjolan Sanomat or Satakunnan Kansa constitute an exception to this procedure. Their appointments and dismissals are confirmed by the Board of Directors of Alma Media Corporation, on the basis of the CEO's proposal.

PENSION AGREEMENTS

The CEO of Alma Media Corporation and members of the Group Executive Team have a defined contribution group pension plan. Pension accumulates at a rate of 15–37% of annual earnings depending on when the person in question became a member of the Group Executive Team. The retirement age is 60 years, at which time the payment of insurance premiums terminates.

The pension is determined on the basis of the insurance savings accrued by the time of retirement. Retirement can be postponed up to 70 years of age. In such cases, the pension is determined by the accrued savings adjusted with the value development of the investments.

The terms and conditions of the group pension plan for Alma Media's President and CEO and the other members of the Executive Team give the insured persons, after three-year insurance coverage, the right to receive a premium-free policy corresponding to the savings accrued until the termination of employment (paid-up policy). The paid-up policy includes old-age pension after retirement age, coverage for incapacity for work and coverage in the event of death. In 2016, the expenses related to the group pension plan for Alma Media's President and CEO totalled EUR 213,225 and for the other members of the Group Executive Team EUR 389,679. In total, the group pension plan expenses amounted to EUR 602,904.

Kai Telanne has held the position of President and CEO at Alma Media Corporation since 2005. The information presented on Alma Media's website on other Executive Team members includes information on when they started in their current positions.

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