Alma Media Corporation

Business ID: 1944757-4

Financial Statements 2012

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Report by the board of Directors

Financial performance full year 2012:

- Revenue was MEUR 320.1 (316.2), up 1.2%.
- Circulation revenue was MEUR 119.3 (124.8), down 4.4% ; advertising revenue was MEUR 160.8 (155.3), up 3.5%; contents and service revenue was MEUR 40.0 (36.1), up 10.8%.
- Operating margin excluding non-recurring items was MEUR 45.1 (51.9), down 13.1%.
- Operating margin was MEUR 39.5 (51.2), down 22.7%.
- Operating profit excluding non-recurring items was MEUR 33.5 (42.9), 10.5% (13.6%) of revenue, down 22.0%.
- Operating profit was MEUR 26.5 (42.0) or 8.3% (13.3%) of revenue, down 36.9%.
- Revenue from acquired businesses was MEUR 20.8 and operating profit MEUR 2.9.
- Profit for the period was MEUR 17,4 (30.8), down 43.5%.
- The result for the review period includes a non-recurring item, the writedown of associated company Talentum Oyj shares by MEUR 4.8.
- Earnings per share were EUR 0.22 (0.39)
- Dividend paid for the financial year 2011 was 0.40 (0.70) EUR per share.

Key figures MEUR	2012 Q1-Q4	2011 Q1-Q4	Change	%
Revenue	320,1	316,2	3,9	1,2
Circulation revenue	119,3	124,8	-5,5	-4,4
Advertising revenue	160,8	155,3	5,4	3,5
Contents and service revenue	40,0	36,1	3,9	10,8
Total expenses excluding non-recurring items	287,0	273,6	13,4	4,9
Ebitda excluding non-recurring items	45,1	51,9	-6,8	-13,1
Ebitda	39,5	51,2	-11,6	-22,7
Operating profit excluding non-recurring items	33,5	42,9	-9,4	-22,0
% of revenue	10,5	13,6		
Operating profit	26,5	42,0	-15,5	-36,9
% of revenue	8,3	13,3		
Profit for the period	17,4	30,8	-13,4	-43,5
Earnings per share, EUR (basic)	0,22	0,39	-0,17	-43,4
Earnings per share, EUR (diluted)	0,22	0,39	-0,17	-43,1
Acquired businesses				
Revenue	20,8	0,0	20,8	
Ebitda	5,7	0,0	5,7	
Operating profit	2,9	0,0	2,9	

Dividend proposal for the Annual General Meeting:

On December 31, 2012, the Group’s parent company had distributable funds totalling EUR 8,014,054 (51,941,032). No essential changes in the company’s financial standing have taken place after the end of the financial year. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.10 (0.40) per share be paid for the 2012 financial year. Based on the number of shares on the closing date, December 31, 2012, the total dividend distribution would amount to EUR 7,548,685 (30,194,741).

Outlook for 2013:

The general uncertainty prevailing in the Group’s principal markets, as well as the shift in media consumption from print media to electronic channels, make it difficult to forecast the development of the advertising and circulation revenues. The share of digital services in the media market will continue.

Economic growth is estimated to remain weak in Europe in the early part of 2013. The increase in the sales of digital services is not enough to cover the drop in the sales of print media. Alma Media estimates that the company’s revenue and operating profit, excluding non-recurring items, will decrease in the first half of 2013 from the level of the corresponding period in 2012. The revenue for the first half of 2012 was MEUR 162.2 and operating profit, excluding non-recurring items, was MEUR 16.1.

Market conditions

According to TNS Media Intelligence, total advertising volume declined by 5.3% (grew by 0.2%) in the last quarter of the year. Advertising in newspapers and city papers decreased by 8.6% (decreased by 2.8%), while advertising in online media continued to increase, by 13.9% (19.4%) from the comparison period.

Further according to TNS Media Intelligence, total advertising volume declined by 4.1% (grew by 7.1%) in the full year 2012. Advertising in newspapers and city papers decreased by 7.6% (grew by 3.7%), while advertising in online media increased by 10.0% (25.3%) from the comparison period.

Changes in group structure 2012

On January 2, 2012, Alma Media Corporation acquired the entire stock of the company LMC s.r.o. From January 2, 2012, this company is reported as part of the Digital Consumer Services segment.

Northern Media, part of Alma Media's Newspapers segment, on January 1, 2012 acquired the publishing rights of the free issue paper Kotikymppi that appears in Kemijärvi, Finland.

On February 2, 2012, Alma Media Corporation acquired the entire stock of CV Online, the leading online recruitment service company in the Baltic countries. From February 2, 2012, this company is reported as part of the Digital Consumer Services segment.

Alma Mediapartners Oy, part of the Alma Media Group, acquired the entire stock of PlanMyRoom Finland Oy. From May 2, 2012, this company is reported as part of the Digital Consumer Services segment.

Alma Media Corporation acquired the entire stock of Suomen Hankintakeskus Oy. Suomen Hankintakeskus will merge into Mascus, Alma Media's international marketplace for used heavy machinery and transport vehicles. From June 1, 2012, Suomen Hankintakeskus Oy is reported as part of the Digital Consumer Services segment.

Alma Media acquired a 51% shareholding in Adalia Media, based in the United States. The company has acted as licence partner of Mascus, Alma Media's international marketplace for used heavy machinery and transport vehicles, since 2009. From June 1, 2012, Adalia Media, Inc. is reported as part of the Digital Consumer Services segment.

On August 1, 2012, Alma Media Corporation acquired the entire stock of Finland's leading online dating service company, E-Kontakti Oy. From August 1, 2012, the company is reported as part of the Digital Consumer Services segment.

On August 1, 2012, Alma Media Corporation sold the entire stock of Bovision AB. The company was reported as part of the Digital Consumer Services segment.

On October 1, 2012, Alma Media Corporation purchased 20% of the stock of JM-Tieto Oy, a company providing business information services. The company is reported as part of the Kauppalehti Group segment.

On November 1, 2012, Alma Media Corporation purchased 20% of the stock of Locatia Oy. The company is reported as part of the Kauppalehti Group segment.

On November 15, 2012, Alma Media Corporation purchased the leading recruitment services companies in Slovakia (Profesia s.r.o. and Autovia) and Croatia (Tau on-line d.o.o.), as well as minority holdings in the leading job portals in the Serbian and Bosnian markets (Infostud 3 d.o.o. and Development Studio d.o.o., respectively). From November 1, 2012, the purchased companies are reported as parts of the Digital Consumer Services segment.

On November 30, 2012, Alma Media Corporation sold the Vuodatus.net business to Rohea Oy.

Group revenue and result full year 2012

The Group's revenue for the full year 2012 grew by 1.2% to MEUR 320.1 (316.2). Revenue from business operations acquired in 2012 was MEUR 20.8 (0.0). Revenue from print media was MEUR 217.2 (236.1), with a share of 67.9% (74.7%) in the Group's revenue. Revenue from digital products and services was MEUR 77.8 (56.8), an increase of 37.0% mainly due to acquisitions. Digital products and services accounted for 24.3% (18.0%) of Group revenue. Other revenue totalled MEUR 24.7 (23.1), accounting for 7.7% (7.3%) of Group revenue.

Revenue from advertising sales grew by 3.5% and was MEUR 160.8 (155.3). Advertising sales made up 50.2% (49.1%) of the Group's total revenue. Advertising sales for printed papers declined by 12.2% from the comparison period, totalling MEUR 97.7 (111.3). Online advertising sales grew by 43.4% to MEUR 61.8 (43.1).

Circulation revenue declined by 4.4% to MEUR 119.3 (124.8). The circulation revenue of the Newspapers segment decreased by 4.6% to MEUR 104.8 (109.9). Kauppalehti's circulation revenue declined by 2.7% to MEUR 14.6 (15.0).

Contents and service revenue was MEUR 40.0 (36.1).
Total expenses excluding non-recurring items went up by MEUR 13.4 or 4.9%, totalling MEUR 287.0 (273.6). Total expenses increased by 7.0% to MEUR 294.5 (275.1). Businesses acquired during the review period accounted for MEUR 18.0 of total expenses. The increase in total expenses was mainly due to reorganisation provisions.

EBITDA, excluding non-recurring items, declined by 13.1% to MEUR 45.1 (51.9). EBITDA amounted to MEUR 39.5 (51.2).

Depreciations in the review period amounted to MEUR 13.0 (9.2). Depreciations in the financial period include an impairment loss of MEUR 1.6 reported as a non-recurring item. Acquisition-related depreciations totalled MEUR 3.0 (0.0).

Operating profit excluding non-recurring items was down 22.0% (down 2.2%) to MEUR 33.5 (42.9). The operating margin excluding non-recurring items was 10.5% (13.6%). The operating profit was MEUR 26.5 (42.0), and the operating margin 8.3% (13.3%). Operating profit from acquired businesses amounted to MEUR 2.9 (0.0).

The operating profit includes MEUR -7.0 (-1.0) in net non-recurring items. The non-recurring items during the review period were related to organisational restructuring, as well as impairment losses for capitalised R&D costs for the Marketplaces business.

The full-year 2012 financial result was MEUR 17.4 (30.8), and excluding non-recurring items, MEUR 29.3(31.7). The period's financial result includes a non-recurring item, a write-down of MEUR 4.8 in the shareholding in Talentum Oyj. It also includes changes in the fair value of contingent considerations and debt incurred by the reorganisation of the Marketplaces business in the amount of MEUR 3.6.

NEWSPAPERS

The Newspapers segment reports the Alma Regional Media and Iltalehti business units, that is, the publishing activities of a total of 35 newspapers. The best-known titles in this segment are Aamulehti and Iltalehti.

The Newspapers segment's revenue decreased to MEUR 206.6 (218.3). Advertising sales in the segment were MEUR 98.0 (104.4), down 6.1% (up 1.7%). Advertising sales in print media decreased by 8.3% (increased by 0.3%). The segment's online advertising sales increased by 14.9%, totalling MEUR 11.3 (9.8). The segment's circulation revenue in January–December was down 4.6%, totalling MEUR 104.8 (109.9). Online business accounted for 5.6% (4.6%) of the segment's revenue.

The segment's total expenses excluding non-recurring items were MEUR 181.1 (187.7) and total expenses amounted to MEUR 184.6 (188.7). The non-recurring expenses in the amount of MEUR 3.5 were related to operational restructuring and loss from the sale of real estate.

The segment's operating profit excluding non-recurring items was MEUR 25.6 (30.7) and operating profit MEUR 22.1 (29.7). The segment's operating profit excluding non-recurring items declined due to the decreases in circulation revenue and print media advertising sales.

Pohjois-Suomen Media Oy (Alma Media Northern Media), part of the Newspapers segment, concluded its statutory personnel negotiations in January 2012. As a result of the negotiations, the number of employees of Pohjois-Suomen Media is reduced by 9 full-time work years.

Alma Media combined its 34 regional and local papers into a new business unit, Alma Regional Media, at the beginning of 2012 and started a large-scale renewal project to strengthen the collaboration between the papers. In the statutory personnel negotiations in connection with the project, the number of employees in Alma Regional Media decreases by

100 full-time work years. As part of the renewal of Alma Regional Media's operational model, Alma Regional Media and the newspapers Ilkka and Pohjalainen, members of Ilkka-Yhtymä, in August agreed on wide-ranging operational collaboration covering content and development. A letter of intent for the collaboration was signed on August 30, 2012, and the jointly developed new collaboration model is meant to be in full operation from the beginning of 2014.
Iltalehti, part of the Newspapers segment, initiated statutory personnel negotiations in November. The negotiations, held for production-related reasons, aim at renewing the production process and shift arrangements.

KAUPPALEHTI GROUP

The Kauppalehti Group specialises in the production of business and financial information as well as in the provision of business utility and marketing solutions. Its best known title is Finland's leading business paper, Kauppalehti. The Group also includes the custom media house Alma 360 Custom Media and the news agency and media monitoring unit BNS Group that operates in all the Baltic countries.

The revenue for the full year 2012 of the Kauppalehti Group was MEUR 56.9 (56.7). The revenue for the review period increased by 0.4% (decreased by 2.1%). Online business accounted for 26.3% (24.9%) of the segment's total revenue.

Advertising sales in the segment were down 10.9% (down 3.2%) and were MEUR 15.2 (17.1). Online advertising sales increased by 0.9% (decreased by 2.3%) from the comparison period.

The segment's circulation revenue declined by 2.7% to MEUR 14.6 (15.0). Content and service revenue grew by 10.2% to MEUR 27.1 (24.6).

The total expenses of the segment excluding non-recurring items amounted to MEUR 51.3 (49.3) and total expenses MEUR 52.4 (49.3).

The operating profit of the Kauppalehti Group excluding non-recurring items was MEUR 5.7 (7.4) and operating profit MEUR 4.7 (7.4). The operating profit excluding non-recurring items was 10.1% (13.0%) of revenue.

In May, Kauppalehti renewed its printed paper and online contents, as well as the subscription models of its services.

The statutory personnel negotiations that concerned the staff of Kauppalehti's media business were concluded in December. The workforce was reduced by six persons through voluntary agreements.

DIGITAL COMSUMER SERVICES

The Digital Consumer Services segment, reported since the beginning of 2012, comprises the former Marketplaces segment and the digital consumer service operations previously reported in the Newspapers and Other Operations segments.

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

In the full year 2012, the revenue of the Digital Consumer Services segment was MEUR 56.5 (42.1), up 34.2% (15.8%). Revenue from businesses acquired in 2012 was MEUR 20.8. The segment's advertising sales totalled MEUR 49.2 (36.4).

The total expenses for the review period excluding non-recurring items were MEUR 49.3 (35.9) and total expenses MEUR 51.8 (35.9). The expenses of the acquired businesses amounted to MEUR 18.0.

The operating profit for the Digital Consumer Services segment excluding non-recurring items increased by 17.5% to MEUR 7.4 (6.3). The operating profit was MEUR 4.9 (6.4). The operating profit from businesses acquired in 2012 was MEUR 2.9. The non-recurring expenses in the amount of MEUR 2.5 were due to reorganisation measures and impairment losses for capitalised R&D costs. The non-recurring income during the comparison period, MEUR 0.2, was due to corporate restructuring. The segment's operating profit excluding non-recurring items grew, thanks to the businesses acquired.

OTHER OPERATIONS

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

Alma Media Corporation entered an agreement with Pohjola Bank Plc for the financing of the machinery and movable property of Alma Media’s new printing facility. The total amount of the agreements is MEUR 44.7 at the end of December 2012, out of which MEUR 35.0 have been paid to suppliers by the end of December. The total amount of the investment is approximately MEUR 47.0. The fourth quarter result of Other Operations was burdened by costs related to preparations for the commissioning of the new printing facility.

The rent agreement for the new printing facility property became effective on January 1, 2012, and it is treated as a finance leasing agreement in the consolidated balance sheet.

Alma Manu expanded its distribution operations in the province of Lapland. The distribution of Lapin Kansa and Koillis-Lappi, both Alma Media’s newspapers, was transferred from Itella to Alma Manu in January 2012.

Alma Manu initiated statutory personnel negotiations in relation to its planned operational rationalisation and reorganisation measures for its printing operations in Rovaniemi in March. As a result of the negotiations, completed in April, the number of employees at the Rovaniemi printing facility was reduced by four full-time work years.

Alma Manu started statutory personnel negotiations with its newspaper deliverers in the Pirkanmaa region in June. As a result of the negotiations, concluded in August, the work load in delivery operations decreases by 13 full-time work years.

Alma Manu agreed on the sale of its Pori printing press to Daily Print i Umeå AB in August.

Associated companies

Alma Media Group holds a 32.14-% stake in Talentum Oyj, which is reported under the Kauppalehti Group. The company’s own shares in the possession of Talentum are here included in the total number of shares. In the consolidated financial statements of Alma Media the own shares held by Talentum itself are not included in the total number of shares. Alma Media’s shareholding in Talentum is stated as 32.64% in Alma Media’s consolidated financial statements of December 31, 2012.

The period’s financial result includes a non-recurring item, a writedown of MEUR 4.8 in the shareholding in Talentum Oyj.

Non-recurring items

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

NON-RECURRING ITEMS MEUR	2012 Q1-Q4	2011 Q1-Q4
Newspapers		
Restructuring	-3.3	-0.8
Gains on sales of assets	-0.1	
Impairment losses of intangible and tangible assets		-0.2
Kauppalehti Group		
Restructuring	-0.9	
Gains on sales of assets	-0.1	
Digital consumer services		
Restructuring	-0.3	
Gains on sales of assets	-0.6	0.2

Impairment losses of intangible and tangible assets	-1.6	0.0
Other operations		
Restructuring	-0.5	-0.5
Gains on sales of assets	0.4	0.4
NON-RECURRING ITEMS IN OPERATING PROFIT	-7.0	-1.0
Translation differences	-0.1	0.1
Impairment losses of associated companies	-4.8	
NON-RECURRING ITEMS IN PROFIT BEFORE TAX	-11.9	-0.9

The non-recurring items during the financial year 2012 comprised restructuring expenses, sales losses and writedowns of plant and equipment. In financial items, the writedown of associated company shares was reported as a non-recurring item.

Parent company

The reported revenue of the parent company Alma Media Corporation in 2012 was MEUR 25,8 (21,7) and the loss for the period MEUR 14,2 (profit 47,5). The period's financial result includes a write-down of MEUR 27,0 in the shareholding in subsidiary and associated companies. The balance sheet of the parent company stood at MEUR 573,2 (586,0) in the end of December 2012.

Balance sheet and financial position

At the end of December 2012, the consolidated balance sheet stood at MEUR 245.1 (198.0). Alma Media's equity ratio at the end of December was 36.7% (57.0%) and equity per share declined to EUR 1.08 (1.24).

At the end of December, the Group's interest-bearing net debt was MEUR 62.3 (-32.3). The increase in net debt was due to the entering into force of the rental agreement of the printing facility, treated as finance leasing, as well as loans taken for company acquisitions and dividend payment. Financial assets recognised at fair value through profit or loss created through corporate transactions amounted to MEUR 0.9 (4.9) on December 31, 2012, and the fair value of debts on the same date MEUR 2.7 (2.0).

The consolidated cash flow from operations in 2012 was MEUR 24.9 (50.7). Cash flow before financing was MEUR -38.0 (50.7). Because of the change in value-added tax treatment of newspaper subscriptions, part of 2012 subscription revenue was exceptionally created in 2011, whic h significantly reduced the cash flow from operations during the review period. Cash flow from investing activities was affected primarily by the acquisitions of business operations during the financial period.

The Group currently has a MEUR 100.0 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of MEUR 0–100. The unused part of the programme was MEUR 78.0 on December 31, 2012. In addition, the Group has a credit limit in the amount of MEUR 30.0 until October 9, 2013, of which MEUR 13.0 were unused on December 31, 2012, and a credit limit in the amount of MEUR 50.0 until October 15, 2014, of which MEUR 37.0 were unused on December 31, 2012.

To further strengthen and diversify its financing structure, Alma Media Corporation in October signed two new credit facilities, both valued at MEUR 25 with Nordea Pankki Suomi Oyj and Skandinaviska Enskilda Banken Ab. At the same time, Alma Media terminated its valid credit facility of MEUR 35, previously agreed with Skandinaviska Enskilda Banken Ab. The new credit facilities are valid for two years.

Research and development costs

The Group's research and development costs in 2012 amounted to MEUR 4.1 (4.6). Of this total, MEUR 3.1 (3.0) were expensed and MEUR 1.0 (1.6) capitalised. The most significant projects pertained to the development of digital business.

Capital expenditure

Alma Media Group's capital expenditure in January–December 2012 totalled MEUR 111.3 (6.3), consisting mainly of corporate acquisitions, development projects, normal operational and replacement investments and the investment in the new printing facility.

Employees

During 2012, the average number of Alma Media employees, calculated as full-time employees (excluding newspaper deliverers), was 1,910 (1,816). The average number of delivery staff totalled 941 (961).

Environmental Impacts

The most significant environmental impacts from Alma Media's business operations are related to the printing and distribution operations as well as real estates. The printing operations use mainly newsprint, 27,900 (31,400)tons in 2012. Electricity consumption by Alma Media in 2012 was 16,696 (17,572) MWh. Further details about the environmental issues are given in the Alma Media Annual Review.

Administration

Alma Media Corporation's Annual General Meeting (AGM) held on March 14, 2012 elected Timo Aukia, Petri Niemisvirta, Seppo Paatelainen, Kai Seikku, Erkki Solja, Catharina Stackelberg-Hammarén and Harri Suutari members of the company's Board of Directors. In its constitutive meeting held after the AGM, the Board of Directors elected Seppo Paatelainen its Chairman.

The Board also elected the members of its committees. Timo Aukia, Kai Seikku, Catharina Stackelberg-Hammarén and Harri Suutari as chairman were elected members of the Audit Committee. Petri Niemisvirta and Erkki Solja, as well as Seppo Paatelainen as Chairman, were elected members of the Nomination and Compensation Committee.

The Board of Directors of Alma Media Corporation has evaluated that the persons elected members of the Board are independent of the company and its significant shareholders, with the exception of Timo Aukia, Petri Niemisvirta and Seppo Paatelainen. These members are evaluated as independent of the company but dependent on its significant shareholders.

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

The AGM appointed Ernst & Young Oy as the company's auditors.

In December, Hämeenlinna Administrative Court overruled the decision by the Regional State Administrative agency for Southern Finland to approve a special audit on Alma Media, thus dismissing the application placed by Oy Herttaässä Ab. The application by Oy Herttaässä Ab, an Alma Media Corporation shareholder, approved by the Regional State Administrative agency for Southern Finland in August 2011, concerned a special audit regarding the operations of the Nomination and Compensation Committee and its predecessor, the Election Committee, of the Board of Directors of Alma Media Corporation.

Mr Juha Nuutinen was appointed CFO of Alma Media Corporation and a member of its Group Executive Team as of November 1, 2012.

Ms Virpi Juvonen has served as the acting Head of HR since December 10, 2012, as the holder of the post, Mr Pekka Heinänen, left the post.

Alma Media Corporation applies the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on June 15, 2010, in its unaltered form. The Corporate Governance Statement and the Salary and Remuneration Report for 2012 are available separately on the company's website at http://www.almamedia.com/investors/.

Dividends

The Annual General Meeting resolved to distribute a dividend of EUR 0.40 per share for the financial year 2011, in total MEUR 30.2 (52.5), in accordance with the proposal of the Board of Directors. The dividend was paid on March 26, 2012 to shareholders who were registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy on the record date, March 19, 2012.

The Alma Media share

In January–December, altogether 5,066,413 Alma Media shares were traded at NASDAQ OMX Helsinki Stock Exchange, representing 6.7% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the year, December 28, 2012, was EUR 4.55. The lowest quotation during the year was EUR 4.35 and the highest EUR 6.80. Alma Media Corporation's market capitalisation was MEUR 343.5 at the end of the year.

The Annual General Meeting of Alma Media Corporation on March 14, 2012 authorised the Board of Directors to repurchase a maximum of 1,000,000 of the company's shares, corresponding to approximately 1.4 % of the company's total number of shares. The shares will be repurchased at the market price in public trade on NASDAQ OMX Helsinki using the company's non-restricted equity, which will decrease the disposable funds of the company for the distribution of profit. The price paid for the shares shall be based on the price of the company's shares in public trade with the minimum price of the shares to be purchased being the lowest quoted market price in public trade during the validity of the authorisation and the maximum price the highest quoted market price during the validity of the authorisation. The shares can be repurchased for the purpose of developing the capital structure of the company, or financing or implementing of corporate acquisitions or other arrangements, or implementing of incentive programmes for the management or key personnel of the company, or to be otherwise disposed of or cancelled. The authorisation is valid until the following ordinary Annual General Meeting, however no longer than until June 30, 2013.

The Annual General Meeting of Alma Media Corporation on March 14, 2012 authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company. The authorisation entitles the Board to issue a maximum of 1,000,000 shares, corresponding to approximately 1.4 % of the total number of shares of the company. The authorisation entitles the Board to decide on a directed share issue, which would entail deviating from the pre-emption rights of shareholders. The Board may use the authorisation in one or more parts. The authorisation may be used to implement incentive programmes for the management or key personnel of the company. The authorisation is valid until the following ordinary Annual General Meeting, however no longer than until June 30, 2013. This authorisation does not override the authorisation for a share issue resolved in the Annual General Meeting held on March 17, 2011.

The Annual General Meeting of Alma Media Corporation on March 17, 2011 authorised the Board of Directors to decide on a share issue. The authorisation entitles the Board to issue a maximum of 7,500,000 shares, corresponding to approximately 10% of the total number of shares of the company. The share issue can be implemented by issuing new shares or transferring shares in possession of the company. The authorisation entitles the Board to decide on a directed share issue, which would entail deviating from the pre-emption rights of shareholders. The Board may 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 similar arrangements, or for other purposes decided upon by the Board. The authorisation may not, however, be used for incentive programmes for the management or key personnel of the company. The authorisation is in effect until March 17, 2013.

Option programme and share-based incentive plan

Alma Media has the option programme 2009 in effect. The programme is an incentive and commitment system for Group management. If all the subscription rights are exercised, the programme 2009 will dilute the holdings of the earlier shareholders by a maximum of 2.22%. Further details about the programmes are given in the notes to this Financial Statement Release.

The Board of Directors of Alma Media Corporation has resolved on a new share-based incentive plan for the Group key employees. The new Performance Share Plan consists of three performance periods, the calendar years 2012, 2013 and 2014. The Board of Directors will decide on the plan's performance criteria and their targets at the beginning of each performance period. The potential reward from the plan for the performance period 2012 will be based on Alma Media Group's profitability, and it will be paid partly in the company's shares and partly in cash in 2013. For the members of the Group Executive Team, the plan additionally includes one three-year performance period, the calendar years 2012–2014, based on the profitable growth of the Group. The potential reward from the performance period 2012–2014 will be paid partly in the company's shares and partly in cash one year and two years from the end of the performance period. The Performance Share Plan includes approximately 20 persons.

Other authorisations of the Board of Directors

The Board of Directors has no other current authorisations to raise convertible loans.

Market liquidity guarantee

Alma Media Oyj:n osakkeelle ei ole voimassaolevaa markkinatakausta.

Flagging notices

In the fourth quarter 2012, Alma Media did not receive notices of changes in shareholdings pursuant to Chapter 2, Section 9 of the Securities Markets Act.

In the second quarter of 2012, Alma Media received the following notices of changes in shareholdings pursuant to Chapter 2, Section 9 of the Securities Markets Act:

On June 21, 2012 Mandatum Life Insurance Company Limited informed Alma Media that its holding in Alma Media shares and voting rights has decreased to 3.69%. Kaleva Mutual Insurance Company informed Alma Media that its holding has decreased to 3.01%. Additionally, Mariatorp Oy announced on the same day that it had acquired 7,600,000 Alma Media shares, representing approximately 10.07% of all Alma Media shares and votes.

Risks and risk management

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

The risk management process identifies the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance. Limits and processing methods are set for quantitative and qualitative risk methods by the corporate risk management system in writing.

The most critical strategic risks for Alma Media are a significant drop in its newspaper subscriptions, a decline in advertising sales and a significant increase in distribution and delivery costs. Fluctuating economic cycles are reflected on the development of advertising sales, which accounts for approximately half of the Group's revenue. Developing businesses outside Finland such as in the Baltic countries and other East European countries include country-specific risks relating to market development and economic growth.

In the long term, the media business will undergo changes along with the transformation in media consumption and technological developments. The Group's strategic objective is to meet this challenge through renewal and the development of new business operations in online media. The most important operational risks are disturbances in information technology systems and telecommunication, and an interruption of printing operations.

Events after the period

Alma Media's printing and distribution company, Alma Manu Oy, is planning the future of its newspaper printing facility in Rovaniemi, Finland, and therefore started statutory personnel negotiations in January 2013. The negotiations concern the entire staff of the Rovaniemi printing facility and mailing department, a total of 23 employees. The topic of the negotiations is the planning of the future for the Rovaniemi printing facility and the various options involved, as well as the possible measures affecting staff and the reasons, effects and alternatives of these measures.

Proposal by the Board of Directors for distribution of profit

The Board of Directors proposes to the ordinary Annual General Meeting that a dividend of EUR 0.10 (0.40) per share be paid for the financial year 2012. Based on the number of shares on the closing date, December 31, 2012, the dividend distribution would total EUR 7,543,685 (30,194,741).

On December 31, 2012, the Group's parent company had distributable funds totalling EUR 8,014,054 (51,941,032) of which profit for the period amounted to EUR -14.169.546 (+47,486,273). No essential changes in the company's financial standing have taken place after the end of the financial year. Dividends are paid to shareholders who are entered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Oy no later than the record date, March 19, 2013. The dividend payment date is March 26, 2013.

KEY FIGURES

Key figures are calculated applying IFRS recognition and measurement

		IFRS 2012	Change %	IFRS 2011	Change %	IFRS 2010	Change %	IFRS 2009	Change %	IFRS 2008	Change %
Key figures											
Revenue	M€	320,1	1,2	316,2	1,6	311,4	1,1	307,8	-9,8	341,2	3,7
Operating profit	M€	26,5	-36,9	42,0	-3,3	43,4	7,4	40,4	-16,4	48,3	-25
% of revenue	%	8,3		13,3		13,9		13,1		14,2	
Operating profit without non-recurring items		33,5	-22,0	42,9	-2,2	43,9	3,2	42,6	-10,6	47,7	-9,9
% of revenue		10,5		13,6		14,1		13,9		14,0	
Profit before tax	M€	23,7	-43,6	42,0	-6,6	45,0	13,2	39,7	-24,2	52,4	-22,9
Profit without non-recurring items	M€	35,6	-17,1	42,9	-6,0	45,7	8,5	42,0	-15,8	49,9	-11,7
Profit for the period	M€	17,4	-43,5	30,8	-7,1	33,2	17,3	28,3	-27,5	39,0	-23,8
Return on Equity/ROE	%	19,2	-34,1	29,1	-7,9	31,6	2,6	30,8	-18,2	37,7	-13,9
Return on Invets/ROI	%	13,8	-47,1	26,1	-15,9	31,1	9,8	28,3	-18,7	34,8	-12,8
Net financial expenses	M€	-1,5	-158,5	2,5	-375,1	-0,9	-369,4	0,3	-10,6	0,4	-480,9
Net financial expenses, % of revenue	%	-0,5		0,8		-0,3		0,1		0,1	
Share of profit of associated companies	M€	-4,3	-268,1	2,5	271,3	0,7	-315,3	-0,3	-107,1	4,5	27,5
Balance sheet total	M€	245,1	23,8	198,0	7,3	184,5	19,5	154,4	-7,5	166,9	-8,0
Capital expenditure	M€	111,3	1671,6	6,3	-51,4	12,9	57,0	8,2	-43,3	14,5	20,3
Capital expenditure, % of revenue	%	34,8		2,0		4,1		2,7		4,2	
Research and development costs	M€	4,1	-10,0	4,6	13,6	4,0	346,8	0,9	-66,7	2,7	-27,0
Research and development costs, % of revenue	%	1,3		1,4		1,3		0,3		0,8	
Equity ratio	%	36,7		57,0		67,1		66,9		57,2	
Gearing, %	%	73,7		-33,4		-28,2		-17,3		6,5	
Interest-bearing net debt	M€	62,3		-32,3		-32,4		-16,5		5,8	
Interest-bearing liabilities	M€	79,4	210,9	25,5	539,0	4,0	-13,2	4,6	-75,9	19,1	179,8
Non-interest-bearing liabilities	M€	81,2	7,2	75,7	15,2	65,7	19,7	54,9	-7,4	59,3	5,5
Average no. of personnel, calculated as full-time employees, e		1 910	5,2	1 816	0,6	1 806	-4,4	1 888	-4,7	1 981	0,5
Delivery staff total (no of emplyees)		941	-2,1	961	-0,1	962	-0,7	969	0,1	968	0,6
Per share data											
Earnings per share, EUR	€	0,22		0,39		0,44		0,38		0,51	
Cash flow from operating activities/share, EUR	€	0,33		0,67		0,61		0,58		0,63	
Tulos / osake, jatkuvat toiminnot	€	1,08		1,24		1,50		1,27		1,18	
Dividend per share	€	0,10 *)		0,40		0,70		0,40		0,30	
Payout ratio	%	45,4		102,8		160,0		106,0		58,3	
Effective dividend yield	%	2,2		6,5		8,5		5,3		6,1	
P/E Ratio		20,6		15,8		18,9		19,8		9,6	
Share prices											
Highest	€	6,80		9,44		8,46		8,94		11,70	
Lowest	€	4,35		5,40		6,00		4,5		4,38	
On Dec 31	€	4,55		6,14		8,28		7,48		4,95	
Market capitalization	M€	343,5		463,5		621,4		558,1		369,3	
Turnover of shares, total	tkpl	5 066		10 034		14 839		38 290		65 800	
Relative turnover of shares, total	%	6,7		13,3		19,8		51,3		88,2	
Average no. of shares (1,000 shares), basic	tkpl	75 487		75 339		74 894		74 613		74 613	
Average no. of shares (1,000 shares), diluted	tkpl	75 661		75 772		75 086		74 859		74 764	
No. Of shares on December 31	tkpl	75 487		75 487		75 053		74 613		74 613	

*) Proposal of the Board of Directors to the Annual General Meeting, dividend per share 0,10 eu

Consolidated comprehensive income statement

M€	Note	1.1. - 31.12.2012	1.1. - 31.12.2011
Revenue	1,3	**320,1**	316,2
Other operating income	4	**0,9**	0,8
Materials and services	5	**-82,1**	-88,9
Expenses arising from employee benefits	7	**-132,1**	-119,8
Depreciation, amortization and impairment charges	13,14	**-13,0**	-9,2
Other operating expenses	8,9	**-67,2**	-57,1
Operating profit	1	**26,5**	42,0
Finance income	10	**5,1**	1,1
Finance expenses	10	**-3,6**	-3,6
Share of profit of associated companies	16	**-4,3**	2,5
Profite before tax		**23,7**	42,0
Income tax	11	**-6,3**	-11,2
Profit for the period		**17,4**	30,8
Other comprehensive income			
Exchange differences on translation of foreign operations		**0,0**	-0,1
Share of other comprehensive income of associated companies		**0,4**	-0,1
Other comprehensive income for the year, net of tax		**0,3**	-0,2
Total comprehensive income for the year, net of tax		**17,8**	30,6
Profit for the period attributable to			
Owners of the parent		**16,6**	29,4
Non-controlling interest		**0,8**	1,4
Total comprehensive income for the period attributable to			
Owners of the parent		**17,0**	29,2
Non-controlling interest		**0,8**	1,4
Earning per share calculated from the profit for the period attributable to the parent company shareholders			
Earnings per share (basic), EUR	12	**0,22**	0,39
Earnings per share (diluted), EUR	12	**0,22**	0,39

Consolidated balance sheet

M€	Note	31.12.2012	31.12.2011
ASSETS			
Non-current assets			
Goodwill	13	**74,3**	30,6
Intangible assets	13	**43,9**	9,9
Property, plant and equipment	14	**41,3**	23,0
Investments in associated companies	16	**31,3**	35,0
Other non-current financial assets	17	**4,9**	5,3
Deferred tax assets	24	**0,9**	0,5
		196,6	104,4
Current assets			
Inventories	18	**0,7**	1,0
Tax receivables		**1,3**	4,1
Trade and other receivables	19	**29,3**	26,9
Other short-term financial assets	20	**0,0**	3,8
Cash and cash equivalents	21	**17,1**	57,8
		48,5	93,6
Assets, total		**245,1**	198,0

M€	Liite	31.12.2012	31.12.2011
EQUITY AND LIABILITIES			
Share capital		**45,3**	45,3
Share premium reserve		**7,7**	7,7
Foreign currency translation reserve		**0,2**	0,2
Retained earnings		**28,6**	40,6
Equity attributable to owners of the parent	22	**81,8**	93,8
Non-controlling interest		**2,7**	2,9
Total equity		**84,5**	96,7
Non-current liabilities			
Non-current interest-bearing liabilities	27	**25,8**	2,0
Deferred tax liabilities	24	**7,9**	2,2
Pension liabilities	25	**2,4**	2,6
Provisions	26	**0,1**	0,1
Other financial liabilities	29	**0,4**	0,9
Other non-current liabilities		**0,3**	0,3
		36,9	8,1
Current liabilities			
Current interest-bearing liabilities	27	**53,5**	23,5
Advances received		**14,8**	28,2
Income tax liability		**0,0**	1,5
Provisions	26	**0,4**	1,0
Financial liabilities at fair value through profit or loss		**2,0**	1,2
Trade and other payables	30	**53,0**	37,7
		123,7	93,1
Liabilities, total		**160,5**	101,2
Equity and liabilities, total		**245,1**	198,0

Consolidated cash flow statement

M€	Note	1.1. - 31.12.2012	1.1. - 31.12.2011
Operating activities			
Profit for the period		**17,4**	30,8
Adjustments		**19,2**	20,2
Change in working capital		**-4,8**	14,2
Dividend received		**0,9**	1,1
Interest received		**0,2**	0,4
Interest paid		**-2,4**	-1,3
Taxes paid		**-5,7**	-14,6
Net cash flow from operating activities		**24,9**	**50,7**
Investing activities			
Acquisitions of tangible and intangible assets		**-4,1**	-2,8
Proceeds from sale of tangible and intangible assets		**3,0**	0,0
Other investments		**-0,1**	-0,1
Proceeds from sale of other investments		**0,2**	0,1
Acquisition of subsidiaries and business operations	2	**-64,3**	-0,1
Proceeds from sale of subsidiaries		**3,8**	2,5
Acquisition and sale of associated companies	16	**-1,4**	0,4
Net cash flows from / (used in) investing activities		**-62,8**	**0,0**
Cash flow before financing activities		**-38,0**	**50,7**
Financing activities			
Proceeds from exercise of share options		**0,0**	3,3
Current loans taken		**52,0**	37,0
Repayment of current loans		**-22,0**	-15,0
Financial lease payments		**-1,4**	-1,4
Change in interest-bearing receivables	20	**0,0**	0,3
Dividends paid	22	**-31,5**	-53,2
Net cash flows from / (used in) financing activities		**-2,8**	**-29,0**
Change in cash and cash equivalent funds (increase + / decrease -)		**-40,8**	**21,7**
Cash and cash equivalents at beginning of period	21	**57,8**	36,3
Effect of change in foreign exchange rates		**0,1**	-0,2
Cash and cash equivalents at end of period	21	**17,1**	57,8

Further details for statement of cash flow

M€	Liite	1.1. - 31.12.2012	1.1. - 31.12.2011
Operating activities			
Adjustments:			
Depreciation, amortization and impairment charges	13,14	**13,0**	9,2
Share of results in associated companies	16	**4,3**	-2,5
Capital gains (losses) on sale of fixed assets and other investments		**1,7**	-0,4
Finance income and expenses	10	**-1,5**	2,5
Taxes	11	**6,3**	11,2
Change in provisions	26	**-0,8**	0,5
Other adjustments		**-3,8**	-0,2
Adjustments, total		**19,2**	20,2
Change in working capital:			
Change in trade receivable		**1,8**	-0,4
Change in inventories		**0,3**	0,0
Change in trade payable		**-6,8**	14,5
Change in working capital, total		**-4,8**	14,2
Investing activities			
Investments financed through finance leases		**-26,8**	-3,1
Gross capital expenditure, payment-based *)		**-70,8**	-3,3
Sold and purchased business operations, non-payment-based		**-13,7**	0,2
Investments, total		**-111,3**	-6,3

*) Investments in tangible and intangible assets, investments in securities, subsidiary shares purchased, associated company shares purchased.

Consolidated statement of changes in equity

M€	Note	Attributable to equity holders of the parent: Share capital	Share premium reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to the owners of parent	Non-controlling interest	Total equity
Total equity at Jan 1, 2011	23	**45,0**	**4,7**	**0,4**	**62,7**	**112,8**	**2,0**	**114,8**
Profit for the period					29,4	29,4	1,4	30,8
Other comprehensive income				-0,1	-0,1	-0,2		-0,2
Business transactions with the owners								
Dividends paid by parent					-52,4	-52,4		-52,4
Dividends paid by subsidiaries							-0,7	-0,7
Share-based payment transactions					1,0	1,0		1,0
Excercised options		0,3	3,0			3,3		3,3
Change in ownership in subsidiaries					0,0	0,0	0,2	0,2
Total equity at Dec 31, 2011	23	**45,3**	**7,7**	**0,2**	**40,6**	**93,8**	**2,9**	**96,7**
Profit for the period					16,6	16,6	0,8	17,4
Other comprehensive income				0,0	0,4	0,3		0,3
Business transactions with the owners								
Dividends paid by parent					-29,7	-29,7		-29,7
Dividends paid by subsidiaries							-1,3	-1,3
Share-based payment transactions					0,8	0,8		0,8
Excercised options						0,0		0,0
Change in ownership in subsidiaries							0,3	0,3
Total equity at Dec 31, 2012	23	**45,3**	**7,7**	**0,2**	**28,6**	**81,8**	**2,7**	**84,5**

Accounting principles used in the consolidated financial statements

General
Alma Media Group publishes newspapers, distributes business information and maintains online (internet) market places. The parent company, Alma Media Corporation, is a Finnish public limited company incorporated under Finnish law. Its registered office is in Helsinki, address: Alvar Aallonkatu 3 C, PO Box 140, FI-00101 Helsinki, Finland.

A copy of the financial statements is available on the company's website at www.almamedia.fi or from the head office of the parent company.

On February 14 2013, the Board of Directors approved the consolidated financial statements for publication.
According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

The figures in the financial statements are independently rounded.

Consolidated financial statements
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS, applying the IAS and IFRS standards and the SIC and IFRIC interpretations in effect on December 31, 2012. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedure stipulated in the EU's regulation (EC) 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 standards and the provisions of the Limited Liability Companies Act.

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

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

Impacts of standards adopted during 2012

The Group has adopted the following new standards and interpretations from 1 January 2012 onwards:

IFRS 7 Financial Instruments: Disclosures (amendment, effective for financial periods beginning on or after 1 July 2011)

> The amendment will increase the transparency of disclosures of transfers of financial assets and enables users of the financial statements to evaluate the risks associated with transfers of financial assets and the effects of the risks on the entity's financial position, particularly with regard to the securitisation of financial assets. The amendment has no material effect on the consolidated financial statements of the Group.

IAS 12 Income Taxes (amendment, effective for financial periods beginning on or after 1 January 2012)

> Previously, IAS 12 required an entity to evaluate what proportion of the carrying amount of an asset recognised at fair value on the balance sheet will be recovered through use (e.g. rental revenue) and what proportion through sale. The amendment introduces a presumption that recovery of the carrying amount will normally happen through sale. The presumption applies to deferred taxes arising from investment properties, property, plant and equipment and intangible assets that are measured using the fair value or revaluation model. The amendment has no material effect on the consolidated financial statements of the Group.

Comparability of consolidated financial statements
The 2012 and 2011 financial years are comparable. The company has no discontinued operations to report in the 2011–2012 financial periods.

Subsidiary companies
All subsidiaries are consolidated in the Group's financial statements. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest arises when the Group holds more than half of the voting power or over which the Group otherwise exercises the right of control. The existence of potential voting rights are also taken into consideration in evaluating whether the Group has a controlling interest when the instruments involving potential voting rights can be exercised at the time of evaluation. The right of control means the right to control the company's business and financial principles in order to extract benefit from its operations. The accounting principles applied in the subsidiaries have been brought into line with the IFRS principles applied in the consolidated financial statements. Mutual holdings are eliminated using the purchase method. Purchase consideration and the individualised assets and liabilities of the acquired entity are recognised at their fair value on the acquisition date. The costs related to the acquisition, with the exception of costs arising from the issue of equity or debt securities, are recorded as expenses. The purchase consideration does not include business operations that are treated separately from the acquisition. Their effect in conjunction with the acquisition is recognised through profit or loss. Additional purchase cost, if applicable, is recognised at fair value on the acquisition date and classified as a liability through profit or loss. Additional purchase cost classified as a liability is recognised through profit or loss at fair value on the last day of each reporting period.

Subsidiaries acquired are consolidated from the time when the Group gains the right of control, and divested subsidiaries until the Group ceases to exercise the right of control. All intra-group transactions, receivables, liabilities and profits are eliminated in the consolidated financial statements. The distribution of the profit for the year between the parent company owners and non-controlling interest shareholders is shown in the statement of comprehensive income. The eventual non-controlling interest in the acquired companies are 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 amount of shareholders' equity attributable to non-controlling interests is shown as a separate item in the balance sheet under shareholders' equity. The comprehensive profit is allocated to the shareholders of the parent company and the non-controlling interest in its total amount, also the accumulated losses.

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

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

Joint venture entities
Joint venture entities are companies in which the Group exercises joint control with one or more other parties. The Group's jointly controlled assets include shares in the joint venture Mascus A/S established in 2007 (until February 2011) and shares in mutually owned property companies and housing companies. The Group acquired a controlling interest in Mascus A/S in February 2011. Joint venture entities are consolidated in accordance with the proportionate consolidation method permitted under IAS 31.

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

The income statements of foreign Group subsidiaries are translated into euro using the weighted average rates during the period, and their balance sheets at the rates prevailing on the balance sheet date. Goodwill arising from the acquisition of foreign companies is treated as assets and liabilities of the foreign units in question and translated into euro at the rates prevailing on the balance sheet date. Translation differences arising from the consolidation of foreign subsidiaries and associated companies are entered under shareholders' equity. Exchange differences arising on a monetary item that forms part of the reporting entity’s net investment in the foreign operation shall be recognized 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 the 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 2012 or 2011.

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

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

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

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

Payments made under defined contribution plans are entered in the profit or loss in the period that the payment applies to. The disability pension component of the Finnish Employees' Pension System (Tyel) handled by insurance companies was reclassified under IFRS as a defined contribution plan from the beginning of 2006. Accordingly, this 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 Alma Media Group, supplementary pension obligations arising from voluntary plans are treated as defined benefit plans. In a defined benefit pension plan, the company is left with additional obligations also after the payment for the period is made. Actuarial calculations are acquired annually for plans classified as defined benefit plans as a basis for entering the expense, debt or asset item. Debt recognized in the balance sheet is the difference between the present value of the pension obligation and the fair value of the plan assets, on the one hand, and the unrecognized actuarial profits and losses on the other.

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

Alma Media applies the corridor method in the treatment of actuarial gains and losses, under which actuarial gains and losses are entered in the balance sheet. The accumulated unrecognized actuarial gains and losses, net, are entered in the profit or loss if at the end of the previous period they exceed the greater of the following: 10% of the present value of the defined benefit obligation on the day in question (before deduction of plan assets), or 10% of the fair value of the plan assets on the day in question. These limits are calculated for, and applied to, each defined benefit plan separately. The portion of the actuarial gains and losses entered in the profit or loss for each defined benefit plan is the excess divided by the expected average remaining service lives of the participating employees, i.e. the portion for only one year.

On January 2013 becomes effective amended IAS 19 Employee Benefits. Alma Media adopts amended IAS 19 principles from the beginning of 2013. The amendment requires immediate recognition of actuarial gains and losses in other comprehensive income items, discontinuing the use of the corridor method and measuring finance cost based on net interest. Amended standard will be adopted retrospectively according to IAS 8 standard Accounting Policies, Changes in Accounting Estimates and Errors, i.e. comparable period 2012 will be accounted according to amended IAS 19. The amendment has effect of increasing Group liability resulting from defined pension benefit plans.

Share-based payments

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

Leasing agreements

Leases applying to tangible assets in which the Group holds a significant share of the risks and rewards incremental to their ownership are classified as finance leases. These are recognized 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 incremental 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. The lease payments during the future periods are presented as contingent liabilities. When the Group is the lessor, lease income is entered in the profit or loss on a straight-line basis over the lease term.

The Group has made purchasing agreements that include a lease component. Any such arrangements in effect are treated according to the IFRIC 4 interpretation and the arrangements are accounted for based on their actual content.

The Group's current purchasing agreements that include a lease component are treated as other leases in accordance with IAS 17.

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

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

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

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

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation, amortization 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 capitalized. The same procedure is applied in the case of major inspection or service operations. Other costs arising later are capitalized 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 gain or loss on sale is defined as the difference between the selling price and the remaining acquisition cost.

Intangible assets

Goodwill created through mergers and acquisitions is recorded at the amount by which the sum of the purchase price, the share of the non-controlling interest in the acquired entity and the purchaser's previously held share in the entity exceed the fair value of the net assets acquired. Acquisitions carried out between 1 January 2004 and 31 December 2009 were recognised according to the previous version of IFRS 3 (2004). Goodwill created through mergers that were carried out prior to 2004 corresponds with the book value under earlier accounting standards, which was used as the acquisition cost. Goodwill represents the excess of the acquisition cost over the Group's share of the net fair values of the acquired company's assets at the time of acquisition. 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.

Impairments

On each balance sheet date, Alma Media 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 of the following assets are assessed annually whether or not indications of impairment exist: goodwill and intangible assets with an indefinite useful life, and capitalized development costs for projects in progress. 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. Impairment losses are recognized when the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognized in the profit or loss. An impairment loss may be reversed if circumstances regarding the intangible or tangible assets in question change. Impairment losses recognized on goodwill are never reversed.

Inventories

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

Financial assets, derivative contracts and hedge accounting

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

Financial assets at fair value through profit or loss are contingent considerations from the sales of the business operations and derivatives. Contingent considerations arise in sales of business operations. The company employs derivative instruments to hedge against changes in paper and electricity prices. Contingent considerations and derivatives are measured at their fair value on the balance sheet date. Changes in fair value of the considerations are recognized in the profit or loss. Changes in the fair value of paper derivatives are recognized under Material Purchases and of electricity derivatives under Other Operating Costs in the profit or loss. Matured derivatives are recognized in the profit or loss in the period during which they mature. The company does not apply hedge accounting.

Loans and Other Receivables are valued at their amortized cost. In Alma Media, this group consists of trade receivable 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 having payment delayed by more than 180 days are 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 amortized 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 equity. Accrued changes in fair value are transferred from 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 valued 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 recognizing financial assets. Financial assets are derecognized from the balance sheet when the Group has lost the contractual right to the cash flows or when the Group has transferred a substantial portion of the risks and income to an external party.

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

Financial liabilities and borrowing costs

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

Other financial liabilities are initially recognized in the balance sheet at fair value. Later all the other financial liabilities are measured at amortized 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 capitalized its borrowing costs because the Group does not incur borrowing costs on the purchase, building or manufacturing of an asset in the manner specified in IAS 23.

Provisions and contingent liabilities

Provisions are recognized 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 fulfill 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 fulfill the obligation exceed the benefits available from the agreement. A restructuring provision is entered when the Group has prepared and started to put into effect a detailed restructuring plan or has informed employees about this.

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

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

Operating profit
IAS 1 *Presentation of Financial Statements* does not include a definition of operating profit. The 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, amortization 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 financial assets and liabilities at fair value through profit or loss are included in operating profit if they arise on items related to the company's normal business operations; otherwise they are recognized in financial items.

Segment reporting and its accounting principles
In its financial statements, Alma Media Group reports the Newspapers, Kauppalehti Group and Digital Consumer Services segments. The printing and distribution operations and parent company's operations are reported in Other Operations.

The segment structure was changed from the beginning of 2012. The new Digital Consumer Services segment consists of the former Marketplaces segment as well as the Alma Diverso operating segment. Alma Diverso comprises the digital consumer services previously reported in the Newspapers segment, namely Telkku.com, Kotikokki.net, Neffit.fi, Nytmatkaan.fi, Suomenyritykset.fi and E-kontakti.fi as well as the development of the technical platform of the online services of the regional and local newspapers, previously reported in Other Operations.

With the change in the structure and composition of the reportable segments, Alma Media has, in accordance with the IFRS 8 Operating Segments standard, adjusted the corresponding items in segment information for the comparison period 2011.

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 internal reporting in which the valuation of assets and liabilities is based on IFRS standards.

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

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

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

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

Impairment tests: The Group tests goodwill and intangible assets with an indefinite useful life for impairment annually and reviews any indications of impairment in the manner described above. The amounts recoverable from cash-generating units are recognized 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 amortization 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 capitalized R&D costs, to tax risks, to determining pension obligations, to the utilization 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 make 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 been reduced on the balance sheet date.

Application of new but not yet adopted standards

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

IFRS 7 Financial Instruments: Disclosures (amendment, effective for financial periods beginning on or after 1 January 2013)

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

IASB issued in December 2011 amendment to IFRS 7 regarding common disclosure requirements that are intended to help investors and other financial statement users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. Offsetting, otherwise known as netting, is the presentation of assets and liabilities as a single net amount in the statement of financial position (balance sheet). Amended IAS 32 clarifies the aspects of presentation by requiring an entity to offset a financial asset and financial liability when , an only when, an entity currently has a legally enforceable right of set-off and intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously.

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

The amendments to IAS 19 Employee Benefits, will provide investors and other users of financial statements with a much clearer picture of a company's current and future obligations resulting from the provision of defined benefit plans, and how these obligations will effect a company's financial position, financial performance and cash flows. The amendment requires immediate recognition of actuarial gains and losses in other comprehensive income items, discontinuing the use of the corridor method and measuring finance cost based on net interest. Disclosure requirements increase about matters such as risk arising from defined benefit plans.

IAS 1 Presentation of Financial Statements – Presentation of other comprehensive income (amendment, effective for financial periods beginning on or after 1 July 2012)

The most significant change concerns the grouping of other comprehensive income items based on whether they are potentially reclassifiable to profit or loss at a later date, subject to certain conditions being met

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

IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value (with limited exceptions).

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

IFRS 9 is the first phase of a broader project to replace IAS 39 with a new standard. The new standard retains the existing valuation methods but simplifies them. Based on the valuation method used, financial assets are divided into two main classes: those measured at amortised cost and those measured at fair value. The classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The IAS 39 provisions on impairment and hedge accounting will remain effective. The new standard does not change the recognition and measurement of financial liabilities, with the exception of financial liabilities to which the fair value option is applied. The standard has not yet been approved for application within the EU.

IFRS 10 Consolidated Financial Statements (new standard, effective for financial periods beginning on or after 1 January 2013)

IAs 27 Consolidated and Separate Financial Statements (amendment, effective for financial periods beginning on or after 1 January 2013)

IFRS 10 Consolidated Financial Statements replaces the consolidation requirements in SIC-12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard has not yet been approved for application within the EU.

IFRS 11 Joint Arrangements (new standard, effective for financial periods beginning on or after 1 January 2013)

IAS 28 Investments in Associates and Joint Ventures (revised, effective for financial periods beginning on or after 1 January 2013)

The IFRS supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities —Non-Monetary Contributions by Ventures. IFRS 11 is concerned principally in addressing two aspects of IAS 31: first, that the structure of the arrangement was the only determinant of the accounting and, second, that an entity had a choice of accounting treatment for interests in jointly controlled entities. IFRS 11 improves on IAS 31 by requiring a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. There are two types of joint arrangements: joint operations and joint ventures. The standard also requires the equity method to be used in reporting on joint ventures in place of the previously allowed proportionate consolidation method.

The revised standard IAS 28 sets out requirements for using the equity method of accounting for associates and joint ventures as a result of the publication of IFRS 11.

IFRS 12 Disclosure of Interests in Other Entities (new standard, effective for financial periods beginning on or after 1 January 2013)

The standard covers the disclosure of information regarding interests in other entities, including subsidiaries, joint arrangements, special purpose entities and unconsolidated structured entities. Before new standard IFRS 12 , part of disclosure requirements was included in IAS 27-, IAS 28- and IAS 31 standards.

IFRS 10, IFRS12, IAS27, IAS 28 Investment Entities – Consolidation requirements (amendments, effective for financial periods beginning on or after 1 January 2014)

IASB issued October 2012 Investment Entities, Amendments to IFRS 10, IFRS 12 and IAS 27. The amendments apply to a particular class of business that qualify as investment entities. Investment entity refers to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis.

Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

CALCULATION OF KEY FIGURES

Return on shareholders' equity, % (ROE)	Profit for the period / Shareholders' equity + non-controlling interest (average	x 100
Return on investment, % (ROI)	Profit for the period + interest and other financial expen / Balance sheet total - non-interest-bearing debt (averag	x 100
Equity ratio, %	Shareholders' equity + non-controlling interest / Balance sheet total - advances received	x 100
Operating profit	Profit before tax and financial items	
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	
Net gearing, %	Interest-bearing debt - cash and bank receivables / Shareholders' equity + non-controlling interest	x 100
Dividend per share, €	Dividend per share approved by annual general meeting. With respect to the most recent year, Board's proposal to the AGM	
Payout ratio, %	Dividend / share / Share of EPS belonging to parent company shareholde	x 100
Effective dividend yield, %	Dividend / share adjusted for share issues / Final quotation at close of period adjusted for share issu	x 100
Price/earnings (P/E) ratio	Closing price at end of period adjusted for share issues / Share of EPS belonging to parent company owners	
Shareholders' equity per share, €	Equity attributable to equity holders of the parent / Number of shares at end of period adjusted for share issues	
Market capitalization of share stock, M€	Number of shares (1,000) x closing price at end of period	

Notes to the consolidated financial statements

M€

1. SEGMENT INFORMATION

Alma Media's business segments are organized according to the new organisational structure. The segment structure was changed from the beginning of 2012. The reportable segments of Alma Media are Newspapers, Kauppalehti Group, Digital Consumer Services and Other Operations. Segment information is based on internal management reporting, which has been prepared in accordance with IFRS.

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

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

The Newspapers segment reports the publishing activities of 35 newspapers. In Alma Regional Media -operating segment are included Aamulehti, Pohjois-Suomen Media, Satakunnan Kansa and Suomen Paikallissanomat. Kauppalehti Group specialises in providing business and financial information. It's best known title is Finland's leading business media Kauppalehti. The group also includes customer and media communications solutions providers Alma 360 Customer Media -group and a news agency operating in the Baltic countries BNS. The new Digital Consumer Services segment consists of the former Marketplaces segment as well as the Alma Diverso operating segment. Digital Consumer Services segment includes digital classified services at home and abroad as well as their support of the printing industry. Alma Diverso comprises the digital consumer services previously reported in the Newspapers segment, namely Telkku.com, Kotikokki.net, Neffit.fi, Nytmatkaan.fi, Suomenyritykset.fi and E-kontakti.fi as well as the development functions of the technical platform of the online services of the regional and local newspapers, previously reported in Other Operations. Transfer príces between segments are based on market prices. Other operations segment includes printing and distribution unit and the parent company's operations.

With the change in the structure and composition of the reportable segments, Alma Media has, in accordance with the IFRS 8 Operating Segments standard, adjusted the corresponding items in segment information for the comparison period 2011.

The segments' assets and liabilities are items used by the respective segments in their business operations. Non-allocated items mainly include tax and financial items.

Geographical segments cannot be distinguished within the Group (Alma Media chiefly operates in one geographical segment), which is why segment reporting comprises only the business segments listed above. The following table shows the geographical breakdown of the Group's revenue in 2012 and 2011.

M€	2012	Share of total	2011	Share of total
Finland	284,0	88,7	301,8	95,4
Other EU countries	34,1	10,7	13,3	4,2
Other countries	1,9	0,6	1,1	0,4
Total	320,1	100,0	316,2	100,0

REVENUE

M€	Newspapares	Kauppalehti Group	Digital Consumer Services	Other Operations	Segments total	allocated items and eliminations	Group
Financial year 2012							
Revenue							
External revenue	203,4	56,1	54,3	6,3	320,1		320,1
Inter-segment revenue	3,2	0,8	2,2	78,5	84,7	-84,7	0,0
Revenue, total	206,6	56,9	56,5	84,8	404,9	-84,7	320,1
Financial year 2011							
Revenue							
External revenue *)	214,1	55,9	40,7	5,6	316,2		316,2
Inter-segment revenue *)	4,3	0,8	1,4	73,9	80,4	-80,4	0,0
Revenue, total *)	218,3	56,7	42,1	79,5	396,6	-80,4	316,2

*) Year 2011 information adjusted.

PROFIT FOR THE PERIOD

M€	Newspapares	Kauppalehti Group	Digital Consumer Services	Other Operations	Segments total	Non- allocated items and eliminations	Group
Financial year 2012							
Operating income	22,1	4,6	4,5	-4,7	26,5		26,5
Share of results in assoc. companies	0,1	-4,9	-0,1	0,6	-4,3		-4,3
Net finance expenses	0,2	-1,2	-0,1	2,6	1,5		1,5
Income before tax	22,4	-1,4	4,3	-1,5	23,7	0,0	23,7
Income tax						-6,3	-6,3
Profit for the period	22,4	-1,4	4,3	-1,5	23,7	-6,3	17,4
Financial year 2011							
Operating income *)	29,7	7,4	6,4	-1,6	42,0		42,0
Share of results in assoc. companies *)	0,0	1,8	-0,1	0,9	2,5		2,5
Net finance expenses *)	0,4	-1,1	0,4	-2,2	-2,5		-2,5
Income before tax *)	30,0	8,1	6,8	-2,9	42,0	0,0	42,0
Income tax						-11,2	-11,2
Profit for the period *)	30,0	8,1	6,8	-2,9	42,0	-11,2	30,8

*) Year 2011 information adjusted.

ASSETS AND LIABILITIES

M€	Newspapares	Kauppalehti Group	Digital Consumer Services	Other Operations	Segments total	allocated items and eliminations	Group
Financial year 2012							
Segment assets	38,6	14,6	89,4	42,2	184,8		184,8
Investments in assoc. companies	1,5	21,8	-0,3	8,3	31,3		31,3
Non-allocated assets						28,9	28,9
	40,1	36,4	89,1	50,5	216,1	28,9	245,1
Segment liabilities	29,0	11,1	15,3	17,8	73,3		73,3
Non-allocated liabilities						87,3	87,3
	29,0	11,1	15,3	17,8	73,3	87,3	160,5
Total	11,1	25,3	73,8	32,7	142,8	-58,3	84,5
Financial year 2011							
Segment assets *)	38,1	14,2	26,8	15,3	94,5		94,5
Investments in assoc. companies *)	1,5	26,6	-0,2	7,0	35,0		35,0
Non-allocated assets						68,5	68,5
	39,6	40,8	26,6	22,4	129,4	68,5	198,0
Segment liabilities *)	29,0	11,1	15,3	17,8	73,3		73,3
Non-allocated liabilities						27,9	27,9
	29,0	11,1	15,3	17,8	73,3	27,9	101,2
Total	10,6	29,7	11,3	4,6	56,2	40,6	96,7

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

*) Year 2011 information adjusted.

OTHER DISCLOSURES

M€	Newspapares	Kauppalehti Group	Digital Consumer Services	Other Operations	Segments total	Non- allocated items and	Group
Financial year 2012							
Investments	1,8	0,6	76,0	32,8	111,3		111,3
Depreciation and amortisation	1,3	0,9	4,8	4,7	11,6		11,6
Other expenses not requiring payment transaction, other than depreciation	0,2	0,0	2,9	0,7	3,9		3,9
Impairments	-0,2	0,0	1,6	0,0	1,4		1,4
Financial year 2011							
Investments *)	2,5	0,6	2,0	1,2	6,3		6,3
Depreciation and amortisation *)	1,4	0,9	1,7	5,0	9,0		9,0
Other expenses not requiring payment transaction, other than depreciation *)	0,1	0,0	-1,6	-0,4	-1,8		-1,8
Impairments	0,2		0,0		0,2		0,2

*) Year 2011 information adjusted.

2. BUSINESS COMBINATIONS

Acquisitions in 2012
The Group acquired 11 business operations during 2012.

	Business line	Acquired on	Ownership %
Newspapers segmentti			
Koti-Kymppi	Local newspaper	2.1.2012	100 %
Digital Consumer Services			
LMC s.r.o	Online advertising	2.1.2012	100 %
CV Online	Online advertising	1.2.2012	100 %
PlanMyRoom Finland Oy	Online advertising	2.5.2012	100 %
Suomen Hankintakeskus Oy	Online advertising	1.6.2012	100 %
Adalia Media Inc	Online advertising	1.6.2012	51 %
E-kontakti Oy	Online advertising	1.8.2012	100 %
Profesia s.r.o (Slovakia)	Online advertising	15.11.2012	100 %
TAU Online d.o.o.	Online advertising	15.11.2012	100 %
Autovia S.r.o	Online advertising	15.11.2012	100 %
Profesia s.r.o (Tsekki)	Online advertising	15.11.2012	100 %

The acquisition in the Newspapers segment has no material effect on the consolidated financial statements of the Group, additional disclosure is not presented.

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

LMC s.r.o.

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0,2	0,2
Intangible assets	7,5	22,1
Trade and other receivables	3,3	3,3
Cash and cash equivalents	5,9	5,9
Assets, total	16,8	31,4
Deferred tax liabilities	0,0	2,9
Trade and other payables	7,5	7,5
Liabilities, total	7,5	10,4
Total identifiable net assets at fair value	9,4	21,0
Cash and cash equivalents of acquired subsidiaries or businesses		5,9

CV Online

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0,0	0,0
Intangible assets	1,3	2,2
Trade and other receivables	0,2	0,2
Cash and cash equivalents	0,4	0,4
Assets, total	2,0	2,9
Deferred tax liabilities	0,1	0,4
Trade and other payables	0,5	0,5
Liabilities, total	0,6	0,8
Total identifiable net assets at fair value	1,4	2,1
Cash and cash equivalents of acquired subsidiaries or businesses		0,4

E-kontakti

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0,0	0,0
Intangible assets	0,0	0,8
Trade and other receivables	0,0	0,0
Cash and cash equivalents	0,5	0,5
Assets, total	0,5	1,4
Deferred tax liabilities	0,0	0,2
Trade and other payables	0,2	0,2
Liabilities, total	0,2	0,4
Total identifiable net assets at fair value	0,3	1,0
Cash and cash equivalents of acquired subsidiaries or businesses		0,5

Profesia

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0,6	0,6
Intangible assets	0,0	10,5
Trade and other receivables	0,7	0,7
Cash and cash equivalents	1,2	1,2
Assets, total	2,4	12,9
Deferred tax liabilities	0,0	2,4
Trade and other payables	1,8	1,8
Liabilities, total	1,8	4,2
Total identifiable net assets at fair value	0,7	8,7
Cash and cash equivalents of acquired subsidiaries or businesses		1,2

TAU Online

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0,0	0,0
Intangible assets	0,0	1,8
Inventories	0,0	0,0
Trade and other receivables	0,3	0,3
Cash and cash equivalents	0,2	0,2
Assets, total	0,5	2,3
Deferred tax liabilities	0,0	0,3
Trade and other payables	0,3	0,3
Liabilities, total	0,3	0,7
Total identifiable net assets at fair value	0,2	1,6
Cash and cash equivalents of acquired subsidiaries or businesses		0,2

Autovia

M€	Book values before integration	Fair values entered in integration
Property, plant and equipment	0,0	0,0
Intangible assets	0,0	0,4
Trade and other receivables	0,0	0,0
Cash and cash equivalents	0,1	0,1
Assets, total	0,2	0,6
Deferred tax liabilities	0,0	0,1
Trade and other payables	0,1	0,1
Liabilities, total	0,1	0,2
Total identifiable net assets at fair value	0,1	0,4
Cash and cash equivalents of acquired subsidiaries or businesses		0,1

Purchase consideration for the business operations acquired.

	Consideration, settled in cash	**Contingent consideration liability**	**Total consideration**
LMC s.r.o	39,2	3,9	43,1
CV Online	4,0	1,2	5,2
E-kontakti	4,2	0,0	4,2
Profesia	20,8	0,0	20,8
TAU Oline	2,5	0,0	2,5
Autovia	0,8	0,0	0,8

The amount of the contingent considerations is based on the net sales and operating profits of the acquired business during 2012-2013. Contingent considerations are classified as financial assets recognized at fais value through profit and loss. The change in fair value is recognized in the financial items.

Goodwill arising on acquisitions

	Contingent consideration	Identifiable net assets of the acquired business operations	Goodwill
LMC s.r.o	43,1	-21,0	22,0
CV Online	5,2	-2,1	3,1
E-kontakti	4,3	-1,0	3,3
Profesia	20,8	-8,7	12,1
TAU Oline	2,5	-1,6	0,9
Autovia	0,8	-0,4	0,4

Additionally, in Digital Consumer Services was acquired business operations PlanMyRoomFinland Oy, Suomen Hankintakeskus Oy and Adalia Media INC. The acquisitions of the beforementiond three business operations have no material effect on the consolidated financial statements of the Group. Total purchase consideration for the beforementioned three business operations was M€ 0.7 , gooodwill arising on acquisition M€ 0.8 .

Group revenue would have been an estimated M€ 329,5 (reported M€ 320,1) and the operating profit M€ 28,0 (reported M€ 26,5), assuming the aquisitions had taken place at the beginning of 2012.

The fair values entered on intangible assets in the integration relate primarily to trade marks, ICT-technology and customer agreements. Contributory factors were the synergies related to these businesses expected to be realised.

Acquisitions in 2011

Alma Media acquired the majority (51%) of Mascus A/S in Denmark, which was previously reported as joint venture company. The acquisition had no material effect on the consolidated financial statements of the Group.

3. REVENUE

M€	2012	2011
Distribution of revenue between goods and services		
Sales of goods	**119,3**	124,8
Sales of services	**200,8**	191,4
Revenue, total	**320,1**	316,2

In this specification, sales of goods comprises newspaper circulation sales. Sales of services comprises advertisement sales, printing contract sales, book sales and distribution services as well as sales of Digital Consumer Services in its entirety.

4. OTHER OPERATING INCOME

M€	2012	2011
Gains on sale of non-current assets	**0,5**	0,6
Other	**0,3**	0,2
Other operating income, total	**0,9**	**0,8**

5. MATERIALS AND SERVICES

M€	2012	2011
Purchases during period	15,1	16,9
Change in inventories	-0,3	0,0
Materials, goods and supplies	14,8	16,9
External services	67,3	72,1
Total	82,1	88,9

6. RESEARCH AND DEVELOPMENT COSTS

The Group's research and development costs in 2012 totalled M€ 4.1 (M€ 4.6 in 2011). Of this total, M€ 3.1 (M€ 3.0) was recognized in the income statement and M€ 1.0 (M€ 1.6 in 2011) was capitalized to the balance sheet in 2012. There were capitalized research and developments costs M€ 4.0 in the balance sheet at December 31, 2012.

7. EMPLOYEE BENEFITS EXPENSE

M€	2012	2011
Salaries and fees	106,0	96,2
Pension costs - defined contribution plans	18,3	16,5
Pension costs - defined benefit plans	0,0	-0,1
Share-based payment transaction expense	0,8	1,0
Other personnel expenses	7,1	6,3
Total	132,1	119,8

Average total workforce, calculated as full-time employees, excl. distribution staff

Newspapers *)	**838**	940
Kauppalehti group *)	**410**	429
Digital Consumer Services *)	**396**	205
Other *)	**266**	241
Total	**1 910**	1 816

*) Year 2011 information adjusted

Additionally, Group's own distribution staff (number of employees)	941	961

Salaries and bonuses paid to management

Parent company president (Kai Telanne):		
Salaries and other short-term employee benefits	**0,5**	0,4
Post-employment benefits	**0,2**	0,2
Approved stock options to be settled in shares	**0,2**	0,2
Total	**0,9**	0,8

The figures in the table are presented as accrual basis. In 2012 the salary and benefits paid to the President and CEO totalled M€ 0.4 (in 2011 M€ 0.5) , including M€ 0.0 share-based payments.

Other members of the Group Executive Team:		
Salaries and other short-term employee benefits	**1,4**	1,3
Termination benefits		0,0
Post-employment benefits	**0,3**	0,5
Approved stock options to be settled in shares	**0,4**	0,4
Total	**2,1**	2,2

The figures in the table are presented as accrual basis. In 2012 the salary and benefits paid to the other members of the Group Executive Team totalled M€ 1.5 (in 2011 M€ 1.6), including M€ 0.1 share-based payments.

1 000 €

Board of Directors of Alma Media Corporation and benefits paid to its members, figures presented in thousand euros

Kari Stadigh, Chairman (until March 17, 2011)	**0**	5
Seppo Paatelainen, Chairman (starting March 17, 2011)	**51**	56
Petri Niemisvirta, Deputy chairman (starting March 17, 2011)	**40**	40
Timo Aukia, Member (starting March 17, 2011)	**31**	30
Lauri Helve, member (until March 17, 2011)	**0**	3
Kai Seikku, member	**30**	31
Erkki Solja, member	**31**	33
Catharina Stackelberg-Hammarén, member	**31**	32
Harri Suutari, member	**34**	33
Total	**246**	261

The figures in the table are presented on accrual basis.

Corporation.

M€		
Salaries and bonuses to management, total	**3,3**	3,2

The president of the parent company has the right to retire upon reaching 60 years of age. His pension is 60% of his salary. The period of notice salary is 6 months, and additional 12 months' basic salary if the employer terminates his contract without the President and CEO being in breach of contract. The latter is not paid if the President himself resigns.

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 253,904 of the company's shares on December 31, 2012, representing 0.34% of the total number of shares and votes. The members of the Board of Directors, the President and CEO of the parent company and the other members of the Group Executive Team held altogether 284,750 options under the 2009A plan, 325,000 options under the 2009B plan and 325,000 options under the 2009C plan on December 31, 2012. These option rights entitle their holders to subscribe to a maximum of 934,750 new shares in the company.

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

The individual holdings of Alma Media shares and option rights on Dec 31, 2012, are as follows *)

kpl	Shares	Options 2009A	Options 2009B	Options 2009C
Seppo Paatelainen, Chairman	7 004			
Petri Niemisvirta, Deputyu chairman	3 146			
Timo Aukia, Member	2 564			
Kai Seikku, Member	7 719			
Erkki Solja, Member	44 456			
Catharina Stackelberg-Hammarén, Member	5 194			
Harri Suutari, Member	45 907			
Kai Telanne, President	89 753	100 000	100 000	100 000
Kari Juutilainen, Group Executive Team		30 000	30 000	30 000
Kari Kivelä, Group Executive Team	2 320	34 750	45 000	45 000
Mikko Korttila, Group Executive Team	1 997		30 000	30 000
Juha-Petri Loimovuori, Group Executive Team	3 055	45 000	45 000	45 000
Raimo Mäkilä, Group Executive Team	30 000	45 000	45 000	45 000
Minna Nissinen, Group Executive Team	10 789	30 000	30 000	30 000
Total	253 904	284 750	325 000	325 000

* 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 is appointed by the Annual General Meeting. The number of members in the Board of Directors is no less than three and no more than nine ordinary members. 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 shall be 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 shall be responsible for managing the administration of the company in accordance with the instructions and requirements of the Board of Directors.

8. OTHER OPERATING EXPENSES

Specification of other operating expenses by category:

M€	2012	2011
Information technology and telecommunication	**15,7**	12,9
Business premises	**11,6**	11,2
Sales and marketing	**14,4**	12,1
Other costs	**25,5**	20,9
Total	**67,2**	57,1

9. AUDIT EXPENSES

M€	2012	2011
Ernst & Young Oy		
Audit	**0,2**	0,1
Reporting and opinions	**0,0**	0,0
Tax consultation	**0,0**	0,0
Other	**0,2**	0,0
Total	**0,4**	0,1

10. FINANCE INCOME AND EXPENSES

M€	2012	2011
Finance income		
Interest income		
Other interest income	**0,2**	0,4
Foreign exchange gains	**0,0**	0,0
Dividend income on other non-current investments	**0,2**	0,2
Fair value gain on financial assets at fair value through profit or loss	**3,5**	0,0
Fair value gain on financial liabilities at fair value through profit or loss	**1,1**	0,5
Total	**5,1**	1,1
Finance expenses		
Interest expenses		
Interest expenses from other interest-bearing debt	**-1,2**	-0,2
Interest expenses from finance leases	**-1,2**	-0,1
Foreign exchange losses	**0,0**	-0,7
Change in fair value of financial assets through profit or loss	**-1,1**	-2,2
Other financial expences	**-0,1**	-0,4
Total	**-3,6**	-3,6
Finance income and expenses, total	**1,5**	-2,5

Finance income presented by categories as required by IAS 39

Interest income on held to maturity investments	**0,2**	0,4
Foreign exchange gains (loans and receivables)	**0,0**	0,0
Fair value gain on financial assets at fair value through profit or loss	**3,5**	0,0
Fair value gain on financial liabilities at fair value through profit or loss	**1,1**	0,5
Dividend income from available-for-sale financial assets	**0,2**	0,2
Total	**5,1**	1,1

Finance expenses presented by categories as required by IAS 39

Interest expenses from interest-bearing debts measured at amortized cost	**-1,2**	-0,2
Interest expenses on financial assets and liabilities at fair value through profit of loss	**-1,2**	-0,1
Foreign exchange losses	**0,0**	-0,7
Fair value gain on financial liabilities at fair value through profit or loss	**-1,1**	-2,2
Other finance expenses	**-0,1**	-0,4
Total	**-3,6**	-3,6

Contigent considerations are classified as derivatives. Following IAS 39, they are financial assets recognized at fair value through profit or loss. The change in fair value is recognized in the finance income and expenses.

11. INCOME TAX

M€	2012	2011
Current income tax charge	**6,9**	11,6
Adjustments in respect of current income tax of previous years	**0,1**	0,2
Deferred taxes	**-0,6**	-0,6
Total	**6,3**	11,2

Reconciliation of tax expense in income statement and tax calculated on Finnish tax rate:
The Finnish corporate tax rate in 2012 was 24,5 % and in 2011 was 26,0 %.

M€	2012	2011
Income before tax	**23,7**	42,0
-Share of associated companies' result	**4,3**	-2,5
	28,0	39,5
Tax calculated on the parent company's tax rate	**6,9**	10,3
Impact of varying tax rates of foreign subsidiaries	**-1,4**	-0,1
Tax-free income	**-1,1**	-0,5
Non-tax-deductable expenses	**2,1**	1,4
Items from previous periods	**0,1**	0,2
Use of previously non-entered deferred tax assets	**-0,4**	-0,1
Unrecognized deferred tax asset of the confirmed tax losses	**0,2**	0,1
Other items	**0,0**	0,0
Tax recognized in the income statement	**6,3**	11,2

No taxes are recognized for the other comprehensive income items.

12. EARNINGS PER SHARE

Basic earnings per share is 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 belonging to the parent company's owners by the weighted average number of diluted shares

M€	2012	2011
Profit attributable to ordinary share holders of parent	**16,6**	29,4
Number of shares (x 1,000)		
Weighted average number of shares for basic earnings per share	**75 487**	75 339
Effect of dilution, share options	**174**	433
Diluted weighted average number of outstanding shares	**75 661**	75 772
EPS, basic, €	**0,22**	0,39
EPS, diluted, €	**0,22**	0,39

13. INTANGIBLE ASSETS AND GOODWILL

M€	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2012					
Acquisition cost Jan 1	20,9	5,7	1,8	31,7	60,1
Increases	48,1	0,0	2,8	44,0	94,9
Decreases	-6,7	-3,0	0,0	-0,4	-10,2
Exchange differences	0,0	0,0	0,0	0,1	0,1
Transfers between items	0,3	0,0	-0,4	0,0	-0,1
Acquisition cost Dec 31	62,5	2,7	4,2	75,4	144,8
Acc. depreciation, amortization and impairments Ja	14,3	4,2	0,0	1,1	19,5
Acc. depreciation in decreases and transfers	3,2	-3,0	0,0	0,0	0,2
Depreciation for the financial year	4,8	0,5	0,0	0,0	5,3
Writedowns	0,0	0,0	1,6	0,0	1,6
Exchange differences	0,0	0,0	0,0	0,0	0,0
Accumulated depreciation Dec 31	22,2	1,7	1,6	1,1	26,5
Book value Jan 1	6,6	1,5	1,8	30,6	40,5
Book value Dec 31	40,3	1,0	2,6	74,3	118,2

M€	Intangible rights	Other intangible assets	Advance payments	Goodwill	Total
Financial year 2011					
Acquisition cost Jan 1	20,8	4,8	1,6	31,4	58,6
Increases	0,3	0,0	1,8	0,2	2,3
Decreases	-1,0	0,0	0,0	0,0	-1,0
Exchange differences	0,0	0,0		0,1	0,1
Transfers between items	0,7	0,9	-1,6	0,0	0,0
Acquisition cost Dec 31	20,9	5,7	1,8	31,7	60,1
Acc. depreciation, amortization and impairments Ja	13,1	3,7	0,0	1,1	17,8
Acc. depreciation in decreases and transfers	-0,7	0,0			-0,7
Depreciation for the financial year	1,9	0,5			2,4
Writedowns	0,0	0,0			0,0
Exchange differences	0,0	0,0			0,0
Accumulated depreciation Dec 31	14,3	4,2	0,0	1,1	19,5
Book value Jan 1	7,8	1,1	1,6	30,4	40,9
Book value Dec 31	6,6	1,5	1,8	30,6	40,5

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

Intangible assets include assets purchased through finance leases as follows:

M€	Intangible rights
Financial year 2012	
Acquisition cost Jan 1	**0,8**
Decreases	**-0,8**
Acquisition cost Dec 31	**0,0**
Acc. depreciation Jan 1	**0,8**
Acc. depreciation in decreases	**-0,8**
Accumulated depreciation Dec 31	**0,0**
Book value Dec 31	**0,0**

M€	Intangible rghts
Financial year 2011	
Acquisition cost Jan 1	0,8
Decreases	0,0
Acquisition cost Dec 31	0,8
Acc. depreciation Jan 1	0,8
Acc. depreciation in decreases	0,0
Accumulated depreciation Dec 31	0,8
Book value Dec 31	0,0

Allocation of intangibles with indefinite lives to cash-generating units

The book value of intangible assets includes intangible rights totalling M€ 9.8 which are not depreciated; instead these rights are tested annually for impairment. These assets, which have an indefinite economic impact, are trademarks recognized at fair value by the Group at the time of acquisition. These non-depreciated intangible rights are allocated to the cash-generating units as follows:

M€	**2012**	**2011**
Suomen Paikallissanomat	0,4	0,4
Newspapers, total	**0,4**	0,4 *)
Alma Media Lehdentekijät	0,1	0,1
Kauppalehti group, total	**0,1**	0,1
Marketplaces	8,0	0,8
Alma Diverso	1,3	1,0
Digital Consumer Services, total	**9,3**	1,8 *)
Group, total	**9,8**	2,3

*) Year 2011 information adjusted

Allocation of goodwill to cash-generating units

M€	**2012**	**2011**
A significant amount of goodwill has been allocated to the following cash-generating units:		
Aamulehti	**0,0**	0,0
Pohjois-Suomen Media Oy	**5,9**	5,8
Satakunnan Kansa	**4,0**	4,0
Suomen Paikallissanomat	**2,6**	2,6
Newspapers, total	**12,5**	12,4 *)
Baltic News Service	**1,1**	1,1
Kauppalehti	**3,3**	3,3
Alma Media Lehdentekijät	**3,1**	3,1
Kauppalehti group, total	**7,5**	7,5
Marketplaces	**46,7**	6,3
Alma Diverso	**7,5**	4,2
Digital Consumer Services, total	**54,1**	10,6 *)
Units allocated an insignificant amount of goodwill	**0,1**	0,1
Total	**74,3**	30,6

*) year 2011 information adjusted

Impairment testing of goodwill and intangible with indefinite lives

Testing for goodwill and intangible rights with indefinite useful lives is conducted 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 extrapolation, taking into account the business cycle and management's views. 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 circulation sales. The growth rate assumptions for advertising sales vary in different market segments and in different product categories. When evaluating growth, past events are taken into account.

The discount rate used in impairment testing has been determined using geographical (by 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 persentation 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 impaiment testing by an independent third party analyst.

Discount rates used in impairment testing

	Publishing Business	Online Business
Newspapers	10,0 %	
Kauppalehti Group		
Domestic	9,5 %	
Foreign	14,6 %	
Digital Consumer Services		
Marketplaces		
Domestic		11,7 %
Sweden		11,6 %
Czech Republic		12,6 %
Foreign, other		14,5-15,7%
Alma Diverso		11,5 %

Goodwill allocated to new business areas, as well as goodwill arising from recent acquisitions, are more sensitive to impairment testing and therefore more likely to be subject to impairment loss when the above main assumptions change. Based on a sensitivity analysis, the tested goodwill and intangible rights have not been critical.

In connection with the sensitivity analysis, the effects of an increase in the discount rate (at the most 3%) a decrease in advertising sales (at the most 6%) and a decrease in the circulation sales (at the most 3%) to estimated cash flows have been estimated. The sensitivity analysis of the advertising and circulations sales are based on the management view of the future development at the

With regard to the recoverable amounts from Alma Media Group's Newspapers and Kauppalehti Group, as well as the Digital Consumer Services segment's business operations in Finland, the management does not believe that a change in any of the central variables would lead to a situation in which the recoverable amounts of the business units would be lower than than their book values. For the Newspapers, Kauppalehti Group segments and the Digital Consumer Services segment's operations in Finland, the combined book values of the assets of business units under the segments at the time of testing were approximately 15 % of the current value of the estimated recoverable amount of the segments.

For the Digital Consumer Services segment's operations outside Finland, the combined book value of the assets is some 67 per cent of the current value of the estimated recoverrable amout. Should advertising sales decrease 6% from the management view at the balance sheet date, the Marketplaces segment's LMC -business has an exposure for an impairment loss of some M€ 8.3.

In the financial period 2012 and 2011 impairment of Goodwill is not recorded. Based on impairment testing assets and goodwill do not contain the risk of impairment.

15. PROPERTY, PLANT AND EQUIPMENT

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in	Total
Financial year 2012						
Acquisition cost Jan 1	1,7	24,5	57,4	4,4	0,0	88,0
Increases	0,0	0,1	29,3	0,0	0,7	30,1
Decreases	-0,3	-6,5	-10,3	-2,6	0,0	-19,7
Exchange differences			0,0	0,0	0,0	0,0
Transfers between items		0,0	0,1	0,0	0,0	0,0
Acquisition cost Dec 31	1,4	18,1	76,5	1,8	0,6	98,5
Acc. depreciation, amortization and impairmen	0,0	15,5	46,7	2,7	0,0	64,9
Accumulated depreciation in decreases and transfers		-4,3	-7,4	-2,5	0,0	-14,1
Depreciation for the financial year		0,4	5,7	0,2	0,0	6,4
Writedowns		0,0		0,0	0,0	0,0
Exchange differences			0,0	0,0	0,0	0,0
Acc. depreciation, amortization and impairmen	0,0	11,6	45,1	0,5	0,0	57,2
Book value Jan 1	1,7	9,0	10,7	1,7	0,0	23,0
Book value Dec 31	1,4	6,5	31,5	1,3	0,6	41,3
Balance sheet value of machinery and equipment			30,9			

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and purchases in	Total
Financial year 2011						
Acquisition cost Jan 1	1,7	24,5	61,0	4,5	0,0	91,6
Increases		0,0	2,2	0,1	0,3	2,6
Decreases	0,0	-0,1	-5,8	-0,4	0,0	-6,3
Exchange differences			0,1	0,0	0,0	0,1
Transfers between items		0,1	0,0	0,3	-0,3	0,0
Acquisition cost Dec 31	1,7	24,5	57,4	4,4	0,0	88,0
Acc. depreciation, amortization and impairmen	0,0	14,7	46,2	2,9		63,8
Accumulated depreciation in decreases and transfers		0,0	-5,3	-0,4		-5,7
Depreciation for the financial year		0,5	5,8	0,2		6,6
Writedowns		0,2	0,0	0,0		0,2
Exchange differences			0,0	0,0		0,0
Acc. depreciation, amortization and impairmen	0,0	15,5	46,7	2,7	0,0	64,9
Book value Jan 1	1,7	9,8	14,8	1,6	0,0	27,8
Book value Dec 31	1,7	9,0	10,7	1,7	0,0	23,0
Balance sheet value of machinery and equipment			10			

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

M€	Machinery and
Financial year 2012	
Acquisition cost Jan 1	7,7
Increases	27,1
Decreases	-4,3
Acquisition cost Dec 31	30,5
Acc. Depreciation Jan 1	3,4
Acc. depreciation in decreases	-2,8
Depreciation for the financial year	1,4
Acc. Depreciation Dec 31	2,0
Book value Dec 31	28,5

M€	Machinery and
Financial year 2011	
Acquisition cost Jan 1	9,0
Increases	1,9
Decreases	-3,2
Acquisition cost Dec 31	7,7
Acc. Depreciation Jan 1	4,5
Acc. depreciation in decreases	-2,5
Depreciation for the financial year	1,4
Acc. Depreciation Dec 31	3,4
Book value Dec 31	4,3

15. SUBSIDIARY COMPANIES

Company	Registered office	Holding %	Share of votes %
Adalia Media Inc.	Tampa, Florida	51,00	51,00
Alma Manu Oy	Tampere, Suomi	100,00	100,00
Alma Media Interactive Russia Oy	Helsinki, Suomi	100,00	100,00
Alma Media Kustannus Oy	Helsinki, Suomi	100,00	100,00
Alma Media Lehdentekijät Oy	Helsinki, Suomi	100,00	100,00
Alma Media Suomi Oy	Helsinki, Suomi	100,00	100,00
Alma Media Ventures Oy	Helsinki, Suomi	100,00	100,00
Alma Mediapartners Oy	Helsinki, Suomi	65,00	65,00
AS Kinnisvaraportaal	Tallinna, Viro	100,00	100,00
Autovia s.r.o	Bratislava, Slovakia	100,00	100,00
Balti Uudistetalituse AS	Tallinna, Viro	100,00	100,00
BNS Eesti OÜ	Tallinna, Viro	100,00	100,00
BNS Latvija SIA	Riika, Latvia	99,99	99,99
BNS UAB	Vilna, Liettua	99,95	99,95
CV-Online Estonia OÜ	Tallinna, Viro	100,00	100,00
CV Online Holding OÜ	Tallinna, Viro	100,00	100,00
E-kontakti Oy	Helsinki, Suomi	100,00	100,00
ETA Uudistetalituse OÜ	Tallinna, Viro	100,00	100,00
Etuovi Oy	Helsinki, Suomi	100,00	100,00
Karenstock Oy	Helsinki, Suomi	100,00	100,00
Kauppalehti Oy	Helsinki, Suomi	100,00	100,00
Kotikokki.net Oy	Helsinki, Suomi	65,00	65,00
LMC s.r.o	Praha, Tsekki	100,00	100,00
Marknadspriser i Sverige AB	Lidköping, Ruotsi	80,00	80,00
Mascus A/S	Hojbjerg, Tanska	51,00	51,00
Mediaskopas UAB	Vilna, Liettua	100,00	100,00
Mediju Monitorings SIA	Riika, Latvia	100,00	100,00
Monster Oy	Helsinki, Suomi	75,00	75,00
Objektvision AB	Tukholma, Ruotsi	100,00	100,00
Profesia s.r.o	Bratislava, Slovakia	100,00	100,00
Profesia s.r.o	Praha, Tsekki	100,00	100,00
SIA City24	Riika, Latvia	100,00	100,00
SIA CV-Online Latvia	Riika, Latvia	100,00	100,00
Suomen Business Viestintä SBV Oy	Helsinki, Suomi	100,00	100,00
Suomen Hankintakeskus Oy	Tampere, Suomi	100,00	100,00
Suunnittelutoimisto TTNK Helsinki Oy	Helsinki, Suomi	100,00	100,00
TAU On-line d.o.o	Zagreb, Kroatia	100,00	100,00
UAB City24	Vilna, Liettua	100,00	100,00
UAB CV-Online LT	Vilna, Liettua	100,00	100,00

16. HOLDINGS IN ASSOCIATED AND JOINT VENTURE COMPANIES

M€	2012	2011
Holdings in associated companies		
At beginning of period	**35,0**	33,6
Increases	**2,0**	0,0
Decreases	**0,0**	0,0
Share of results	**0,4**	2,5
Share of items recognized directly in associated company's equity	**0,4**	-0,1
Capital repayments received	**-0,9**	-0,3
Dividends received	**-0,7**	-0,9
Impairment	**-4,8**	
At end of period	**31,3**	35,0

Further information on associated companies

Talentum Oyj, included in the book value of associated companies on December 31, 2012, is a public listed company. The carrying value of the Talentum Oyj shares in Alma Media's consolidated financial statements on December 31, 2012 is M€ 23.4 and its market capitalisation was M€ 16.8. The investment is considered as long-term and strategic for Alma Media. For the purpose of impairment testing of Talentum shareholding has been used value in use method based on present value of Talentum's future discounted cash flows. Due to macroeconomic environment and it's effect on Talentum's business outlook , Group has made an impairment to value of Talentum shares.

Goodwill arising from associated companies totalled M€ 20.2 (24.1) on December 31, 2012. Due to the arrangements related to the associated companies, Alma Media has recognized M€ 0.2 of financial liabilities at fair value through profit of loss. Change in fair value of the contingent considerations M€ 0.9 was recognized during the financial year.

M€	2012	2011
Book value of shares, total	**31,3**	**35,0**
Liabilities to associated companies	**0,1**	0,1
Summary (100%) of associated company totals		
Aggregate assets of associated companies	**80,7**	82,8
Aggregate liabilities of associated companies	**49,8**	51,7
Aggregate revenue of associated companies	**124,8**	126,1
Aggregate profit/loss of associated companies	**3,5**	8,2

Associated companies	Holding %	Share of votes %
Alkali Oy	**24,32**	24,32
Arena Interactive Oy	**35,00**	35,00
Holding Oy Visio	**24,74**	24,74
JM-Tieto Oy	**20,00**	20,00
Kytöpirtti Oy	**43,20**	43,20
Locatia Oy	**20,00**	20,00
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	**24,07**	24,07
Talentum Oyj	**32,14**	32,14
Tampereen Tietoverkko Oy	**34,14**	34,14
Tampereen Ykkösjakelu Oy	**40,00**	40,00

Joint Venture Companies

In year 2011 Alma Media acquired the majority (51%) of Mascus A/S in Denmark. The Group owned 50 % of joint venture company in year 2010 and it reported in the marketplaces segment. In addition, the Group treats as joint venture companies its mutual property and housing companies. The joint venture companies are consolidated using the proportionate consolidation method in accordance with IAS 31.

M€	2012	2011
Group's share of balance sheets and results of joint venture companies:		
Non-current assets	**3,7**	3,7
Current assets	**0,2**	0,2
Non-current liabilities	**0,0**	0,0
Current liabilities	**0,1**	0,0

M€	2012	2011
Revenue	**0,4**	0,2
Operating profit	**0,0**	0,0
Profit for the period	**0,0**	0,0
Average total workforce in joint venture companies	**0**	1

17. OTHER FINANCIAL ASSETS

M€	Book value 2012	Fair value 2012	Book value 2011	Fair value 2011
Available-for-sale financial assets	**3,7**	**3,7**	4,1	4,1
Financial assets recognized at fair value through pr	**0,9**	**0,9**	1,2	1,2
Loan receivables	**0,3**	**0,3**	0,1	0,1
Total	**4,9**	**4,9**	5,3	5,3

Financial assets recognized at fair value through profit or loss are contingent considerations. Contigent considerations are classified as derivatives. Following IAS 39, they are financial assets recognized at fair value through profit or loss. The change in fair value is recognized in the finance income and expenses.

Available-for-sale investments are mainly unquoted shares.

18. INVENTORIES

M€	2012	2011
Materials and supplies	**0,7**	1,0
Total	**0,7**	1,0

19. TRADE AND OTHER RECEIVABLES

M€	2012	2011
Trade receivable	**26,3**	23,3
Receivables from others		
Prepaid expenses and accrued income	**2,2**	2,9
Other receivables	**0,8**	0,6
Total	**3,0**	3,5
Receivables, total	**29,3**	26,9

M€	2012	2011
The ageing analysis of trade receivables is as follows:		
Receivables not yet due and receivables past due for 1-4 days	**22,2**	21,6
Past due date for 5-30 days	**2,5**	1,4
Past due date for 31-120 days	**0,3**	0,1
Past due date for more than 120 days	**1,3**	0,2
Trade receivable, total	**26,3**	23,3

M€ 1.1 provision for bad debts was made in 2012. In financial year 2012 approximately M€ 0.5 (M€ 0.2 in 2011) impairment loss was recognised in Group. The credit losses totalled 0.5 per cent of revenue in 2012 (0.1 per cent in 2011).

20. OTHER CURRENT FINANCIAL ASSETS

M€	2012	2011
Held to maturity investments	**0,0**	0,0
Financial assets recognized at fair value through profit or loss	**0,0**	3,7
Total	**0,0**	**3,8**

Contigent considerations are classified as derivatives. Following IAS 39, they are financial assets recognized at fair value through profit or loss. The change in fair value is recognized in the finance income and expenses.

21. CASH AND CASH EQUIVALENTS

M€	2012	2011
Cash and bank accounts	**17,1**	50,4
Investment certificates (1-3 months)	**0,0**	7,4
Total	**17,1**	57,8

22. INFORMATION ON SHAREHOLDERS' EQUITY AND IT'S ADMINISTRATION

The following describes information of Alma Media shares and changes in 2012.

	Total number of shares	Share capital M€	Share premium reserve M€
January 1, 2012	75 486 853	45,3	7,7
Excercised options	-	0,0	0,0
31.12.2012	75 486 853	45,3	7,7

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

The subscribtions of the shares based on the excercised options are recognized in the share capital and share premium reserve as stated in the share option scheme 2006 and the prevailing Company Act.

Book-entry securities system

The company's shares belong to the book-entry system. Only such shareholders shall 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 nominee-registered shares, are registered in their book-entry account on the record date and, as required by §28 of the Book-Entry Securities Act, 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 shall have the right to receive distributable funds from the company, and the right to subscribe for shares in conjunction with an increase in the share capital, who 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 2012 or 2011.

Translation differences
The translation differences fund comprises the exchange rate differences arising from the translation into euros of the financial statements of th

Asset revaluation fund
The asset revaluation fund is used to record increases in the fair value of financial assets availabe-for-sale.The group has not recignised any revaluation of assets during the financial years 2012 and 2011. The financial assets available-for-sale consist of investments to non-listed shares and no reliable fair value is available.

Distributable funds
The distributable funds of the Group's parent company on December 31, 2012 totalled € 8 014 054.

Administration of shareholder's equity
The purpose of administration of shareholder's equity and optimal capital structure is to secure normal business preconditions. The development of capital structure is followed with gearing and equity ratio key figures. Those key figures are presented in the following in 2012 and 2011.

	2012	2011
Interest-bearing liabilities	**79,4**	25,5
Cash and cash equivalents	**17,1**	57,8
Interest-bearing net debt	**62,3**	-32,3
Shareholder's equity	**84,5**	96,7
Gearing, %	**73,7 %**	-33,4 %
Equity ratio, %	**36,7 %**	57,0 %

Dividend policy
The Group does not have a predefined dividend policy. The dividend policy will depend on the equity ratio and the group's needs, the final proposal being made to the AGM by the Board of Directors.

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 oither shareholder's, is or exceeds 33 1/3 per cent or 50 per cent as defined hereinafter is obliged on demand

23. SHARE-BASED PAYMENTS

Stock option scheme 2006

The annual general meeting held on March 8, 2006 decided on a stock option programme under which a maximum of 1,920,000 options may be granted and these may be exercised to subscribe to a maximum of 1,920,000 Alma Media Corporation's shares with a book counter-value of EUR 0.60 per share. The programme is an incentive and commitment system for the company's management. Of the total number of options, 640,000 were marked 2006A, 640,000 were marked 2006B and 640,000 were marked 2006C.

Share subscription periods :
2006A April 1, 2008–April 30, 2010,
2006B April 1, 2009–April 30, 2011 and
2006C April 1, 2010–April 30, 2012.

Stock option scheme 2006A 2006B and 2006C have expired.

In 2008, the Board of Directors decided to issue 520,000 options under the 2006C programme to Group management. Altogether 50,000 of the 2006C options have been returned to the company owing to the termination of employment contracts. The share subscription price under the 2006C option, EUR 9.06 per share, was determined by the trade-weighted average share price in public trading between April 1 and May 31, 2008. The subscription price of the 2006C options was reduced by the amount of dividend payment in March 2009 (EUR 0.30 per share) to EUR 8.76 per share, by dividend payment in March 2010 (EUR 0.40 per share) to EUR 8.36 per share, by dividend payment in March 2011 (EUR 0.70 per share) to EUR 7.66 and by dividend payment in March 2012 (EUR 0.40 per share) to EUR 7.26. All of the 170,000 2006C option rights in the company's possession have been annulled. No shares had been subscribed by April 30, 2012, when option scheme 2006C expired.

The stock option plan is recognized in the financial statements in accordance with the standard IFRS 2 Share-based payments. The option rights granted are measured at their fair value on the grant date using the Forward Start Option Rubinstein (1990) model based on the Black-Scholes pricing model and expensed in the income statement under personnel expenses over the vesting period. No expense were recognized in 2012 in profit and loss statement (M€ 0.0 in 2011). The expected volatility has been determined by calculating the historical volatility of the company´´ share price, which includes the colatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights
Scheme 2006

				Share subscription period		Period determining subscription price		
Options	**Number**	**Annulled**	**Free**	**begins**	**ends**	**(trade-weighted average share price)**		
2006A	640 000	200 000	-	1.4.2008	30.4.2010	1.4.2006	-	31.5.2006
2006B	640 000	175 000	-	1.4.2009	30.4.2011	1.4.2007	-	31.5.2007
2006C	640 000	170 000	-	1.4.2010	30.4.2012	1.4.2008	-	31.5.2008

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

Option scheme 2006	**A option plan**	**B option plan**	**C option plan**
Principal terms and conditions			
AGM date / Date of Issuing	8.3.2006	8.3.2006	8.3.2006
Initial amount, pcs	640 000	640 000	640 000
The subscription ratio for underlying shares, pcs	1	1	1
Initial excercise price, €	7,66	9,85	9,06
Dividend adjustment	Yes	Yes	Yes
Current excercise price, €	-	-	7,26
Initial allocation date	1.5.2006	1.5.2007	1.5.2008
Vesting date	1.4.2008	1.4.2009	1.4.2010
Maturity date	30.4.2010	30.4.2011	30.4.2012
Maximum contractual life, yrs	4,0	4,0	4,0
Remaining contractual life, yrs			0,0
Number of persons at the end of the reporting year	0	0	0
Payment method	Equity	Equity	Equity

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

Should the option holder's work or employment contract with Alma Media end for reasons other than death or retirement, as determined y the company, or permanent work disability, or for another reason determined by the Board of Directors and independent of the option holder, the option holder shall return to the company without consideration all option certificates for which the share subscription period has not begun on the date of the termination of the employment contract. Altogether 75,000 2006A options, 50,000 2006B options and 50,000 2006C options have been returned to the company as a result of the termination of employment contracts.

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

Changes during option period
Scheme 2006

	A option plan		B option plan		C option plan	
Number of options	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
At beginning of financial year	**0**	0	**0**	465 000	**470 000**	470 000
Number of new options granted	**0**	0	**0**	0	**0**	0
Number of options forfeited	**0**	0	**0**	-30 670	**-470 000**	0
Number of options exercised	**0**	0	**0**	-434 330	**0**	0
At end of financial year	**0**	0	**0**	0	**0**	470 000

Stock option scheme 2009

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

Share subscription periods :
2009A April 1, 2012–March 31,
2009B April 1, 2013–March 31 and
2009C April 1, 2014–March 31.

The Board of Directors of Alma Media Corporation decided in May 2009 to grant 640,000 option rights to corporate management under the 2009A programme. In October 2012 115,000 2009A options have been annulled. The Group management holds 509 750 2009A-options, Group management has sold 82 250 2009A-options. The subscription price of a 2009A option, EUR 5.21 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2009. The subscription price of the 2009A options was reduced by the amount of dividend payment in March 2010 (EUR 0.40 per share) to EUR 4.81 per share, in March 2011 (EUR 0,70 per share) to EUR 4.11 and in March 2012 (EUR 0.40) to EUR 3.71.

The Board of Directors of Alma Media Corporation decided in April 2010 to grant 610,000 option rights to corporate management under the 2009B programme. In October 2012 175,000 2009B options have been annulled. The company has in possession 30,000 2009B options. The Group management holds 505 00 2009B-options. The subscription price of a 2009B option, EUR 7.33 per share, was determined by the trade-weighted average share price in public trading between April 1 and April 30, 2010. The subscription price of the 2009B options was reduced by the amount of dividend payment In March 2011 (EUR 0.70 per share) to EUR 6.63 and in March 2012 (EUR0.40) to EUR 6.23.

The Board of Directors of Alma Media Corporation decided in May 2011 to grant 640,000 option rights to corporate management under the 2009C programme. In October 2012 130,000 2009C options have been annulled.The company has in possession 45,000 2009C options. The Group management holds 535 00 2009C options The subscription price of a 2009C option, EUR 7.95 per share, was determined by the trede-weighted average share price in public trading between April 1 and April 30, 2011. The subscription price of the 2009C options was reduced by the amount of dividend payment in March 2012 (EUR0.40) to EUR 7.55.

If all the subscription rights are exercised, the programmes 2006 and 2009 will dilute the holdings of the earlier shareholders at highest by

The stock option plan is recognized in the financial statements in accordance with the standard IFRS 2 Share-based payments. The option rights granted are measured at their fair value on the grant date using the Forward Start Option Rubinstein (1990) model based on the Black-Scholes pricing model and expensed in the income statement under personnel expenses over the vesting period. An expense of M€ 1.0 was recognized in 2011 (M€ 0.5 in 2010). The expected volatility has been determined by calculating the historical volatility of the company´ share price, which includes the volatility of the listed shares of the so-called previous Alma Media Corporation.

Specification of option rights
Scheme 2009

				Share subscription period		Period determining subscription price		
Options	**Number**	**Annulled**	**Free**	**begins**	**ends**	**(trade-weighted average share price)**		
2009A	710 000	115 000	-	1.4.2012	31.3.2014	1.4.2009	-	30.4.2009
2009B	710 000	175 000	30 000	1.4.2013	31.3.2015	1.4.2010	-	30.4.2010
2009C	710 000	130 000	45 000	1.4.2014	31.3.2016	1.4.2011	-	30.4.2011

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

Option scheme 2009	**A option plan**	**B option plan**	**C option plan**
Principal terms and conditions			
AGM date / Date of Issuing	11.3.2009	11.3.2009	11.3.2009
Initial amount, pcs	710 000	710 000	710 000
The subscription ratio for underlying shares, pcs	1	1	1
Initial excercise price, €	5,21	7,33	7,95
Dividend adjustment	Yes	Yes	Yes
Current excercise price, €	3,71	6,23	7,55
Initial allocation date	1.5.2009	9.6.2010	5.5.2011
Vesting date	1.4.2012	1.4.2013	1.4.2014
Maturity date	31.3.2014	31.3.2015	31.3.2016
Maximum contractual life, yrs	4,9	4,8	4,9
Remaining contractual life, yrs	1,2	2,2	3,2
Number of persons at the end of the reporting year	17	16	18
Payment method	Equity	Equity	Equity

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

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

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

Changes during option period
Scheme 2009

Number of options	**A option plan 2012**	**2011**	**B option plan 2012**	**2011**	**C option plan 2012**	**2011**
At beginning of financial year	**595 000**	610 000	**595 000**	610 000	**640 000**	0
Number of new options granted	**0**	0	**0**	0	**0**	640 000
Number of options forfeited	**0**	-15 000	**-90 000**	-15 000	**-105 000**	0
Number of options exercised	**0**	0	**0**	0	**0**	0
At end of financial year	**595 000**	595 000	**505 000**	595 000	**535 000**	640 000

Performance Share Plan 2012

The Board of Directors of Alma Media Corporation has at its meeting in February 2012 resolved to implement a performance share plan for key personnel of Alma Media Group.

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

The Reward from the Plan shall be paid to the key employees in a combination of Shares and cash, after the end of each Performance Period by the end of April in 2013, 2014 and 2015.

The Reward from the Performance Period 2012—2014 shall be confirmed by the end of April 2015, and it shall be paid in two equal lots in a combination of Shares and cash, one year and two years from the end of the Performance Period.

Shares paid as Reward on the basis of the Plan, from the one-year Performance Periods, may not be assigned, pledged or otherwise exercised (Transfer Restriction/s) during the restriction period established for the Shares (Restriction Period/s). The Restriction Period shall begin from the Reward payment and end on 31 December 2014 for the Shares earned from the Performance Period 2012, on 31 December 2015 for the Shares earned from the Performance Period 2013 and on 31 December 2016 for the Shares earned from the Performance Period

No Reward shall be paid to a key employee, if a Group Company or a key employee gives notice of termination, or terminates a key employee´s employment or service contract before the Reward payment. A key employee shall be obliged to return the Shares given as Reward and subject to the Transfer Restriction back to the Company or its designate, gratuitously, without delay, if a Group Company or key employee gives notice of termination, or terminates a key employee´s employment or service contract before the end of the Restriction Period in question. Shares earned from the Performance Period 2012—2014 shall not be subject to the Restriction Period.

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

On the first Performance Period 2012, the Performance Share Plan shall include approximately 20 persons. The value of the Plan for the Performance Period 2012 shall correspond to the value of 120 000 shares and a cash payment needed for taxes and tax-related costs arising from the Reward to the key employees in case the performance of the Group´s return is in line with the performance criteria set by the Board of Directors. On the Performance Period 2012-2014 the value of the Plan shall correspond to the value of 212 000 shares and a cash payment needed for taxes and tax-related costs arising from the Reward to the key employees in case the performance of the Group´s growth is in line with the performance criteria set by the Board of Directors.

The fair value of the reward is expensed until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price, on the date on which the target group has agreed to the Terms and Conditions of the Plan, reduced by the estimated dividends. The fair value of the cash proportion is remeasured on each reporting date based on the share price on the reporting date.

Performance Share Plan
Principal terms and conditions

	Earning Period 2012-2014_II	Earning Period 2012	Earning Period 2012-2014
AGM date / Date of Issuing	14.3.2012	14.3.2012	14.3.2012
Initial amount, pcs	106 000	120 000	106 000
The subscription ratio for underlying shares, pcs	0	0	0
Initial excercise price, €			
Dividend adjustment	Ei	Ei	Ei
Current excercise price, €			
Initial allocation date	14.3.2012	14.3.2012	14.3.2012
Vesting date	31.12.2016	31.12.2014	31.12.2015
Maturity date	31.12.2016	31.12.2014	31.12.2015
Maximum contractual life, yrs	4,8	2,8	3,8
Remaining contractual life, yrs	4,0	2,0	3,0
Number of persons at the end of the reporting year	7	22	7
Payment method	Cash & Equity	Cash & Equity	Cash & Equity

Changes during share plan period			
1.1.2012			
Outstanding at the beginning of the reporting period, pcs	0	0	0
Reserve at the beginning of the reporting period	0	0	0
Changes during the period			
Granted	106 000	120 000	106 000
Forfeited	18 000	15 000	18 000
Invalidated during the period	0	0	0
Excercised	0	0	0
Weighted average subscription price, €	0,00	0,00	0,00
Weighted average price of shares, € *)			
Expired	0	0	0
31.12.2012			
Excercised at the end of the period	0	0	0
Outstanding at the end of the period	88 000	105 000	88 000
Vested & outstanding at the end of the period	0	0	0
Reserve at the end of the period	18 000	15 000	18 000

Fair value determination

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

Valuation parameters for instruments granted during

	Earning Period 2012	Earning Period 2012-2014	Earning Period 2012-2014_II
Share price at grant, €	6,30	6,30	6,30
Share price at reporting period end, €	4,55	4,55	4,55
Expected dividends, €	0,80	1,60	2,00
Fair value 31 Dec 2012, €	0,00	407 000	389 401

Effect of Share-based Incentives on the result and financial position during the period

Expenses for the financial year, share-based payments	830 018
Expenses for the financial year, share-based payments,	764 396
Liabilities arising from share-based payments 31 December	65 621

The share and option holdings of the company's senior management are detailed in Note 7, Expenses Arising from Employee Benefits .

24. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 2012

M€	Dec 31, 2011	Recognized in income statement	Acquires/sold subsidiaries	Dec 31, 2012
Deferred tax assets				
Provisions	0,3	-0,2		0,1
Pension benefits	0,0	0,0		0,0
Deferred depreciation	0,9	0,2	0,0	1,2
Other items	0,4	0,0	0,0	0,5
Total	1,7	0,1	0,0	1,8
Taxes, net	-1,2			-0,9
Deferred tax assets in balance sheet	0,5			0,9
Deferred tax liabilities				
Accumulated depreciation differences	0,2	-0,2		0,1
Fair value measurement of property, plant and equipment and intangible assets in business combinations	0,9	5,5	0,0	6,4
Retained earnings of subsidiary companies	0,3	0,0		0,3
Other items	1,9	0,3	0,0	2,2
Total	3,3	5,6	0,1	9,0
Taxes, net	1,2			-1,1
Deferred tax liabilities in balance sheet	2,2			7,9
Deferred tax, net	-1,6	-5,6	0,0	-7,2

No deferred tax asset has been calculated on the confirmed tax losses (M€ 2.4) of Group companies in 2012. Utilisation of this tax asset requires that the normal operations of such companies would generate taxable income. The losses expire between the years 2016–2021.

The Group does not have any taxes recognized in the equity or other comprehensive income.

Changes in deferred taxes during 2011

M€	Dec 31, 2010	Recognized in income statement	Acquires/sold subsidiaries	Dec 31, 2011
Deferred tax assets				
Provisions	0,2	0,1		0,3
Pension benefits	0,0	0,0	0,0	0,0
Deferred depreciation	0,9	0,1	0,0	1,0
Other items	0,4	0,0	0,0	0,4
Total	1,5	0,2	0,0	1,7
Taxes, net	-1,3			-1,2
Deferred tax assets in balance sheet	0,2			0,5
Deferred tax liabilities				
Accumulated depreciation differences	0,3	-0,1		0,2
Fair value measurement of property, plant and equipment and intangible assets in business combinations	1,0	-0,2	0,0	0,9
Retained earnings of subsidiary companies	0,5	-0,1		0,3
Other items	1,9	0,0	0,0	1,9
Total	3,7	-0,4	0,0	3,3
Taxes, net	1,3			1,1
Deferred tax liabilities in balance sheet	2,4			2,2
Deferred tax, net	-2,2	0,5	0,0	-1,6

25. PENSION OBLIGATIONS

The Group has defined benefit pension plans which consist of supplementary pension insurance which are based on ormer pension funds c

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

M€	31.12.2012	31.12.2011
Present value of obligations at start of period	**9,2**	9,8
Service cost during period	**0,0**	0,0
Interest cost	**0,3**	0,3
Actuarial gains and losses	**0,9**	-0,3
Payments of defined benefit obligations	**-0,3**	-0,6
Losses /gains from plan settlements	**0,0**	0,0
Present value of funded obligations at end of period	**10,1**	9,2
Fair value of plan assets at start of period	**6,1**	6,9
Expected return on plan assets	**0,3**	0,4
Actuarial gains and losses	**0,7**	-0,8
Incentive payments	**0,1**	0,1
Payments of defined benefit obligations	**-0,5**	-0,5
Losses /gains from plan settlements	**0,0**	0,0
Present value of plan assets at end of period	**6,7**	6,1
Deficit / surplus	**3,4**	3,1
Unrecognized actuarial gains (-) and losses (+)	**-0,7**	-0,6
Losses /gains from plan settlements	**0,0**	0,0
Defined benefit pension liabilities in the balance sheet	**2,7**	2,5
Net pension liability		
Pension liability	**2,8**	2,6
Pension asset	**0,2**	0,1
Net pension liability	**2,7**	2,5

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

M€	2012	2011	2010	2009	2008
Present value of unfunded obligarions	**2,8**	2,6	2,7	2,9	3,2
Present value of funded obligations	**7,3**	6,6	7,2	6,4	6,0
Fair value of assets	**-6,7**	-6,1	-6,9	-6,2	-6,0
Deficit / surplus	**3,4**	3,1	2,9	3,1	3,1

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

The defined benefit pension expense in the income statement is deter

M€	2012	2011
Service cost during period	**0,0**	0,0
Interest cost	**0,3**	0,3
Expected return on plan assets	**-0,3**	-0,4
Actuarial gains and losses	**0,0**	0,0
Losses /gains from plan settlements	**0,0**	0,0
Total	**0,0**	-0,1

Changes in liabilities shown in balance sheet:

M€	2012	2011
At beginning of period	**2,5**	2,8
Incentive payments paid	**0,1**	-0,2
Pension expense in income statement	**0,0**	-0,1
Divestments of subsidiaries	**0,0**	0,0
Defined benefit pension obligation in balance sheet	**2,7**	2,5

A similar investment is expected to be made in the plan in 2012 as in 2011.

Actuarial assumptions used:

%	2012	2011
Discount rate	**3,0**	5,0
Expected return on plan assets	**3,0**	5,5
Future salary increase assumption	**2,5**	3,5
Inflation assumption	**2,0**	2,0

26. PROVISIONS

M€	Restructuring provision	Othe provisions	Total
January 1, 2012	1,1	0,1	1,2
Increase in provisions	0,2	0,0	0,2
Provisions employed	-0,9	0,0	-0,9
December 31, 2012	0,4	0,1	0,5
Current	0,4	0,0	0,4
Non-current	0,0	0,1	0,1

Restructuring provision: this provision has been made to cover implemented or possible personnel reductions in different companies. The provision is expected to be realized in 2013.

Other provisions: mainly consists of the environmental provision for sold property and other personel related provisions.

27. INTEREST-BEARING LIABILITIES

M€	Book value 2012	Fair value 2012	Book value 2011	Fair value 2011
Non-current				
Finance lease liabilities	**25,8**	**25,8**	2,0	2,0
Total	**25,8**	**25,8**	2,0	2,0
Current				
Other current interest-bearing debt	**52,1**	**52,1**	22,0	22,0
Finance lease liabilities	**1,5**	**1,5**	1,5	1,5
Total	**53,5**	**53,5**	23,5	23,5

The fair values in the table are based on discounted cash flows.

Non-current debt matures as follows:

M€	2012	2011
2013		1,8
2014	**1,8**	0,2
2015	**0,7**	0,0
2016	**0,7**	0,0
2017	**0,0**	0,0
Later	**22,6**	0,0
Total	**25,8**	2,0

Interest-bearing non-current debt is divided by currency as follows:

M€	2012	2011
EUR	**25,8**	2,0

Weighted averages of the effective tax rates for the interest-bearing non-current

%	2012	2011
Finance lease liabilities	**5,9**	3,8

Interest-bearing current debt is divided by currency as follows:

M€	2012	2011
EUR	**53,5**	23,5

Weighted averages of the effective tax rates for the interest-bearing current

%	2012	2011
Other current interest-bearing debt	**2,9**	1,9
Finance lease liabilities	**5,9**	3,8

Maturity of finance leases
In the balance sheet per Dec 31, 2012

M€	2012	2011
Finance lease liabilities - total minimum lease payments:		
2012		1,6
2013	**2,7**	1,2
2014	**3,1**	0,8
2015	**1,9**	0,0
2016	**1,9**	0,0
2017	**2,0**	0,0
Total	**43,8**	3,6

Finance lease liabilities - present value of minimum lease payme		
2012		1,5
2013	**1,3**	1,8
2014	**1,8**	0,2
2015	**0,7**	0,0
2016	**0,7**	0,0
2017	**0,1**	0,0
Total	**27,3**	3,5
Financial expenses accruing in the future	**16,5**	0,1

Maturity of finance leases liabilities based on signed Agreements which are not included on December 31, 2012 statement of financial position. Finance leases initial recognition to statement of financial position at the commencement of the lease term according to IAS 17.

Table below shows the euro value of signed Finance lease agreements.

Finance lease agreements signed before closing date but whose lease terms have not started until December 31, 2012 are related to group's printing facility investment (machinery and movables). Lease term for allocated share of the property commence during year 2013.

M€	**2 012,0**
Finance lease liabilities - total minimum lease payments:	
2013	**5,6**
2014	**5,6**
2015	**5,6**
2016	**5,6**
2017	**5,6**
2018	**5,6**
Later	**22,5**
Total	**56,3**
Finance lease liabilities - present value of minimum lease payme	
2013	**5,5**
2014	**5,2**
2015	**5,0**
2016	**4,7**
2017	**4,5**
2018	**4,3**
Later	**15,1**
Total	**44,2**
Financial expenses accruing in the future	**12,1**

28. FINANCIAL RISKS

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

Alma Media categorises its financial risks as follows:

Interest rate risk
The interest rate risk describes how changes in interest rates and maturities related to various interest-bearing business transactions and balance sheet items could affect the Group's financial position, investment portfolio and net result. The impact of the interest rate risk on net result can be reduced using interest rate swaps, interest forwards and futures, and interest and foreign exchange options. On the balance sheet date Group had open interest rate swaps, which are described in more detail in Note 32 to the consolidated financial statements.

The Group's interest-bearing debt totalled MEUR 79.4 on December 31, 2012. In addition group has signed finance lease agreements, carried at variable rate, related to printing facility investment by value of MEUR 44.2, that are not included in the statement of financial position at December 31, 2012. Signed finance lease agreements are recognised as part of groups statement of financial position at the commencement of the lease term. According to the plan finance lease agreements commence during first quartal of year 2013. All interest bearing debts are carried at variable rate. An increase of one percentage point in the interest rate would increase the Group's

Foreign exchange risks
Transaction risk
The transaction risk describes the impact of changes in foreign exchange rates on sales, purchases and balance sheet items denominated in foreign currencies. The impact of changes in exchange rates on net result in the most important currencies of the Group can be reduced by the following measures:
* Cash flows in the same currency are netted through a common foreign currency account whenever the cost/benefit ratio is
* Larger one-time payments (minimum book counter value of M€ 1), are always 100% hedged over the following rolling 18-month
* At least 50% of known continuous foreign currency cash flow (minimum book counter value of MEUR 1) are always hedged over the following rolling 18-month period.
The Group had no open foreign currency derivatives on the balance sheet date.

Translation risk
A foreign exchange risk that arises from the translation of foreign investments into the functional currency of the parent company. The risk associated with translating long-term net investments in foreign currencies is not hedged. However, should there be a clear risk of a currency devaluating, Group management may decide to hedge the company's foreign currency exposure. The foreign exchange risk arising from the translation of foreign investments is generally reduced by arranging financing in the same currency in which the investment was made, assuming that this is possible and economically viable.

Commodity risk
The commodity risk refers to the impact of changes in the prices of commodities, such as raw materials, on the Group's net result. The Group regularly assesses its commodity risk exposure and hedges this risk employing generally used commodity derivatives whenever this is possible and economically viable.
A one per cent change in the price of paper would affect the Group's operating profit by an estimated MEUR 0.1. The Group had no open paper derivatives on the balance sheet date. The Group had open electricity derivative contracts on the balance sheet date. The values of these open derivatives are described in more detail in Note 32 to the consolidated financial statements.

Capital management risks

Liquidity management

Alma Media has a M€ 30 and M€ 50 financing limits at its disposal, of which were unused total of M€ 50.0 at December 31, 2012. In addition to which 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.

Financing of working capital
To finance its working capital, Alma Media uses financial programmes (syndicated credit facilities, medium-term notes), as well as direct credit lines, bonds and various products offered by financial companies (leases etc).
The company had a MEUR 100 commercial paper programme in Finland on the balance sheet date. The programme allows the company to issue papers between MEUR 0–100. On December 31, 2012 the unused portion of the programme is MEUR 78.0. In addition of commercial paper programme, The Group may use existing financing limits to financing of working capital.

Long-term capital funding
To secure its long-term financing needs, Alma Media uses either capital market instruments or other long-term facilities.

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

29. FINANCIAL INSTRUMENTS

Comparison between book values and fair values of the financial instruments are presented as follows. In addition financial instruments are presented by categories as required by IAS 39.

	Book value		Fair value	
M€	**2012**	**2011**	**2012**	**2011**
Financial assets				
Recognized at fair value				
Other receivables	**0,9**	4,9	**0,9**	4,9
Held-to-maturity investments				
Other current financial assets	**0,0**	0,0	**0,0**	0,0
Available-for-sale financial assets				
Other lnon-current financial assets	**3,7**	4,1	**3,7**	4,1
Loans and receivables				
Loans receivable	**0,3**	0,1	**0,3**	0,1
Trade receivables and other receivables	**29,3**	26,9	**29,3**	26,9
Cash and cash equivalents	**17,1**	57,8	**17,1**	57,8
Total	**51,3**	93,8	**51,3**	93,8
Financial liabilities				
Measured at amortized costs				
Financial leases	**27,3**	3,5	**27,3**	3,5
Other interest-bearing liabilities	**52,1**	22,0	**52,1**	22,0
Financial liabilities at fair value through profit or loss				
Commodity derivate contracts	**0,1**	0,1	**0,1**	0,1
Interest rate derivatives	**0,4**	0,0	**0,4**	0,0
Other liabilities	**1,8**	2,0	**1,8**	2,0
Trade payable and other liabilities	**53,0**	37,7	**53,0**	37,7
Total	**134,6**	65,3	**134,6**	65,3

Financial assets recognized at fair value through profit or loss consist of electricity derivatives, interest rate derivatives and contingent considerations. More details are given in the Notes 2, 17, 20 and 32. K

Held-to-maturity investments consist of other short-term financial assets. Such financial assets are carried at amortised cost and they they are presented in current assets.

Financial assets availabe for sale consist mainly of unquoted shares and they are carried at amortised cost, because the amortised cost is equal to their fair value.

Trade receivable and other receivables (both non-current and current) and other short-term investments' book value is estimated to equal fair value. The effect of the discount interest method is immaterial.

The initial measurement of trade payable and other liabilities equals fair value, because the effect of the discount interest method is immaterial.

Fair value hierarchy

Financial assets and liabilities measured at fair value are categorised according to the following hierarchy of fair values. The hierarchy reflects the significance of the inputs used in making the measurements.

Level 1	quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3	techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

Fair values at end of period

M€	**Dec 31, 2012**	**Level 1**	**Level 2**	**Level 3**
Assets recognized at fair value				
Financial assets at fair value through profit or loss				
Other financial assets	0,9			0,9
Available-for-sale financial assets				
Equity shares	3,7			3,7
Total	4,6	0,0	0,0	4,6
Liabilities recognized at fair value				
Financial liabilities at fair value through profit or loss				
Kaupankäyntijohdannaiset				
Interest rate derivatives	0,1	0,1	0	0
Commodity derivatives	0,4	0,4	-	-
Other liabilities	1,8			1,8
Total	2,3	0,5	0	1,8

During the financial period, no transfers were made between the fair value hierarchy levels 1, 2 and 3. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety has been determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

30. TRADE PAYABLE AND OTHER LIABILITIES

M€	2012	2011
Trade payable	**8,4**	7,0
Owed to associated companies		
Trade payable	**0,1**	0,1
Accrued expenses and prepaid income	**36,6**	23,7
Other financial liabilities	**2,0**	1,2
Other liabilities	**7,8**	7,0
Total	**54,9**	38,9

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

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

31. OTHER LEASES

The Group as lessee:
Minimum lease payments payable based on other non-cancellable leases:

M€	2012	2011
Within one year	**8,6**	7,1
Within 1-5 years	**25,4**	27,1
After 5 years	**34,7**	43,7
Total	**68,7**	77,9

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

In addition of commitments and contingencies presented in table Group entered a financing agreement with Pohjola Bank Plc concerning the financing of the machinery and movable property for its new printing facility in the maximum amount of MEUR 50 in January 2011. A decision has been made to purchase the printing press from manroland AG and the finishing equipment from Ferag AG. The facility will be taken into production use in early 2013. Additionally, the company has signed a lease contract for the real estate of the printing facilities. According to the IAS 17 standard, the contract will be recognized as a finance lease contract when the printing facility will be operational. Additional information about the signed finance lease agreements are presented in note 27.

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

M€	2012	2011
Minimum payments payable based on these purchase agreements	**1,6**	1,5

The Group as lessor:
Minimum rental payments receivable based on other non-cancellable leases:

M€	2012	2011
Within one year	**1,4**	1,7
Within 1-5 years	**0,3**	0,3
After 5 years	**0,0**	0,0
Total	**1,6**	2,0

32. DERIVATIVE CONTRACTS

M€	2012	2011
Commodity derivative contracts, electricity deriva		
Fair value *	**-0,1**	-0,1
Interest rate derivatives		
Fair value *	**-0,4**	
Value of underlying instruments	**24,8**	1,1

*) The fair value represents the return that would have arisen if the derivative positions had been cleared on the balance sheet date. The fair values of foreign exchange forward contracts and raw material derivatives have been calculated using market values on the balance sheet date. Fair values of share options have been calculated using the option price

33. COMMITMENTS AND CONTINGENCIES

M€	2012	2011
Collateral for others:		
Guarantees	**1,3**	1,3
Total	**1,3**	1,3

34. RELATED PARTIES

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

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

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

Related party transactions

M€	2012	2011
Sales of goods and services	**0,8**	0,3
Purchases of goods and services	**3,4**	4,0
Trade receivable	**0,0**	0,0
Trade payable	**0,1**	0,1

The related party transactions are mainly with the associated companies.

35. SHAREHOLDINGS

20 principal shareholders on Dec 31, 2012

	Number fo share	% of total shares	% of total votes
1. Ilkka-Yhtymä Oyj	22 489 186	29,8	29,8
2. Mariatorp Oy	7 600 000	10,1	10,1
3. Kaleva Kustannus Oy	6 000 538	7,9	7,9
4. Keskinäinen työeläkevakuutusyhtiö Varma	5 327 994	7,1	7,1
5. Kunnallisneuvos C. V. Åkerlundin säätiö	3 422 871	4,5	4,5
6. Mandatum Henkivakuutusosakeyhtiö	2 618 793	3,5	3,5
7. Keskinäinen Vakuutusyhtiö Kaleva	2 175 000	2,9	2,9
8. Oy Herttaässä Ab	2 121 096	2,8	2,8
9. Keskinäinen Eläkevakuutusyhtiö Tapiola	1 852 800	2,5	2,5
10. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1 100 000	1,5	1,5
11. Veljesten Viestintä Oy	851 500	1,1	1,1
12. Keskisuomalainen Oyj	782 497	1	1
13. Sijoitusrahasto Nordea Nordic Small Cap	644 664	0,9	0,9
14. Suomen Kulttuurirahasto	576 100	0,8	0,8
15. Häkkinen Heikki kuolinpesä	532 332	0,7	0,7
16. Häkkinen Veera kuolinpesä	490 011	0,6	0,6
17. Sinkkonen Raija	333 431	0,4	0,4
18. Tampereen tuberkuloosisäätiö	327 062	0,4	0,4
19. Sijoitusrahasto Nordea Pro Suomi	316 203	0,4	0,4
20. Häkkinen Matti Juhani	300 142	0,4	0,4
Total	59 862 220	79,3 %	79,30 %
Nominee-registered	1 470 204	1,9 %	1,9 %
Other	14 154 429	18,8 %	#ARVO!
Grand total	75 486 853	100,0 %	100,0 %

The holdings of the Board of Directors, the President and CEO and the members of the Group Executive Team are sho

Ownership structure on December 31, 2012

	Number of owners	**% of total**	**Number of shares**	**% of shares**
Private corporations	417	4,4 %	41 881 977	55,5 %
Financial and insurance institutions	22	0,2 %	6 158 802	8,2 %
Public entities	6	0,1 %	8 332 207	11,0 %
Households	8 906	93,7 %	11 770 352	15,6 %
Non-profit assiciations	131	1,4 %	5 649 354	7,5 %
Foreign owners	25	0,3 %	22 630	0,0 %
Nominee-registered shares		0,0 %	1 470 204	1,9 %
In general account		0,0 %	201 327	0,3 %
Total	9 507	100,0 %	75 486 853	100,0 %

Distribution of ownership

Number of shares	**Number of owners**	**% of total**	**Number of shares**	**% of shares**
1 - 100	2 044	21,5 %	125 754	0,2 %
101 - 1 000	5 442	57,2 %	2 436 001	3,2 %
1 001 - 10 000	1 821	19,2 %	5 098 260	6,8 %
10 001 - 100 000	168	1,8 %	4 625 645	6,1 %
100 001 - 500 000	16	0,2 %	4 122 972	5,5 %
500 000 -	16	0,2 %	58 876 894	78,0 %
In general account			201 327	0,3 %
Total	9 507	100,0 %	75 486 853	100,0 %

Parent company income statement

M€	Note	Jan 1 - Dec 31, 2012	Jan 1 - Dec 31, 2011
Revenue	1	**25,8**	21,7
Other operating income	2	**0,2**	0,5
Materials and services	3	**-1,1**	-1,0
Personnel expenses	4	**-12,6**	-10,4
Depreciation and writedowns	5	**-2,6**	-1,1
Other operating expenses	6,7,8	**-23,6**	-18,8
Operating profit (loss)		**-13,9**	-9,0
Finance income and expenses	9	**-12,7**	25,2
Income before extraordinary items		**-26,6**	16,2
Extraordinary items	10	**13,9**	40,2
Income before appropriations and tax		**-12,7**	56,3
Appropriations	11	**0,0**	0,0
Income tax	12	**-1,5**	-8,9
Profit for the period		**-14,2**	47,5

Parent company balance sheet

M€	Note	Dec 31, 2012	Dec 31, 2011
ASSETS			
Non-current assets			
Intangible assets	13	**3,0**	3,6
Tangible assets	14	**2,8**	2,7
Investments			
Holdings in Group companies	15	**519,6**	472,3
Other investments	15	**11,2**	10,1
Non-current assets, total		**536,6**	488,8
Current assets			
Current receivables	16	**29,2**	42,1
Cash and bank		**7,4**	55,1
Current assets, total		**36,6**	97,2
Assets, total		**573,2**	586,0

M€		Dec 31, 2012	Dec 31, 2011
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**45,3**	45,3
Share premium reserve		**419,3**	419,3
Other reserves		**5,4**	5,4
Retained earnings (loss)		**22,2**	4,5
Profit for the period (loss)		**-14,2**	47,5
Shareholders' equity, total	17	**478,0**	521,9
Accumulated depreciation difference	18	**0,0**	0,0
Provisions	19	**0,2**	1,4
Liabilities			
Non-current liabilities	20	**1,8**	2,0
Current liabilities	21	**93,2**	60,7
Liabilities, total		**95,0**	62,7
Shareholders' equity and liabilities, total		**573,2**	586,0

Parent company cash flow statement

M€	Jan 1 - Dec 31, 2012	Jan 1 - Dec 31, 2011
Operating activities		
Profit for the period	**-14,2**	47,5
Adjustments		
Depreciation and writedowns	**2,6**	1,1
Capital gains (losses) on sale of fixed assets and other investments	**2,3**	-0,4
Finance income and expenses	**12,7**	-25,2
Taxes	**1,5**	8,9
Change in provisions	**0,0**	-0,4
Other adjustments	**-10,6**	-40,2
Change in working capital:		
Total increase (-) / decrease (+) in current non-interest-bearing receivables	**-0,2**	2,3
Increase (+) / decrease (-) in current non-interest-bearing liabilities	**-1,4**	0,6
Dividend received	**10,1**	24,7
Interest received	**1,5**	2,3
Interest paid	**-0,9**	-1,5
Taxes paid	**-0,2**	-9,9
Net cash flow from operating activities	**3,2**	9,7
Investing activities		
Acquisitions of tangible and intangible assets	**-2,3**	-1,5
Other investments	**0,0**	-0,1
Proceeds from sale of other investments	**0,0**	0,1
Change in loan receivables	**-1,2**	-0,4
Repayment of loan receivables	**0,3**	0,3
Acquisition of subsidiaries and business operations	**-72,3**	-0,3
Proceeds from sale of subsidiaries	**4,0**	4,4
Acquisition of associated companies	**-2,2**	0,1
Net cash flows from / (used in) investing activities	**-73,7**	2,6
Cash flow before financing activities	**-70,4**	12,3
Financing activities		
Proceeds from exercise of share options	**0,0**	3,3
Current loans taken	**52,0**	37,0
Repayment of current loans	**-22,0**	-15,0
Change in interest-bearing receivables	**-17,3**	6,5
Paid and received group contributions	**40,2**	29,8
Dividends paid	**-30,2**	-52,5
Net cash flows from / (used in) financing activities	**22,7**	9,1
Change in cash and cash equivalent funds (increase + / decrease -)	**-47,7**	21,3
Cash and cash equivalents at beginning of period	**55,1**	33,8
Cash and cash equivalents at end of period	**7,4**	55,1

Accounting principles used in the parent company's financial statements

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

Parent company financial statements
The financial statements of the parent company are prepared according to Finnish Accounting Standards (FAS).
The parent company was established on January 27, 2005. On November 7, 2005, the old Alma Media Corporation was merged with Almanova Corporation, which adopted the name of Alma Media Corporation after the merger. The merger difference arising in conjunction with the merger has been capitalized to the Group's shares.

Non-current assets
Tangible and intangible assets are capitalized 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:

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

Research and development costs
Research and development (R&D) costs are recognized as an expense in the financial period during which they are incurred. R&D costs are capitalized 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 less of the direct acquisition cost or the net realizable 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's companies during the financial year as well as adjustments to taxes in previous years. No deferred tax assets are recognized 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. Realized and unrealized exchange rate differences related to loans and loan receivables are recognized in the other finance income and expenses in the income statement. The parent company does not have any significant foreign currency loans.

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

Other employee benefits
The parent company has current stock option programs launched in spring 2009 for the company's senior management. In compliance with Finnish Accounting Standards (FAS) the option benefit is not measured at fair value, nor is the calculated employee benefit expensed in the income statement.

Notes to the parent company financial statements

1. NET SALES BY MARKET AREA

M€	2012	2011
Finland	**25,8**	21,7
Total	**25,8**	21,7

2. OTHER OPERATING INCOME

M€	2012	2011
Gains on sale of fixed assets	**0,1**	0,0
Other income	**0,1**	0,5
Total	**0,2**	0,5

3. MATERIALS AND SERVICES

M€	2012	2011
External services	**1,1**	1,0
Total	**1,1**	1,0

4. PERSONNEL EXPENSES

M€	2012	2011
Wages, salaries and fees	**9,7**	7,7
Pension expenses	**1,9**	1,8
Other payroll connected expenses	**1,1**	1,0
Total	**12,6**	10,4
Average number of employees	**135**	119

Salaries and bonuses paid to management

President	**0,5**	0,4
Board of Directors	**0,2**	0,3
Total	**0,8**	0,7

The benefits to which the president of the parent company is entitled are described in more detail in Note 7 to the cor

5. DEPRECIATION AND WRITEDOWNS

M€	2012	2011
Depreciation on tangible and intangible assets	**2,6**	1,1
Total	**2,6**	1,1

6. OTHER OPERATING EXPENSES

M€	2012	2011
Information technology and telecommunication	**7,7**	6,6
Business premises	**3,8**	3,3
Other expenses	**12,1**	8,9
Total	**23,6**	18,8

7. AUDIT EXPENSES

M€	2012	2011
Ernst Young Oy		
Audit	**0,2**	0,1
Reporting and opinions	**0,0**	0,0
Tax consultation	**0,0**	0,0
Other	**0,2**	0,0
Total	**0,4**	0,1

Parent company audit expenses includes audit fees for whole group.

8. RESEARCH AND DEVELOPMENT EXPENSES

The company's research and development expenses in 2012 totalled M€ 0.0 (M€ 1.9 in 2011). Of this total was capitalized to the balance sheet in 2012 M€ 0.0 (M€ 1.2 in 2011).

9. FINANCE INCOME AND EXPENSES

M€	2012	2011
Dividend income		
From Group companies	**9,5**	23,9
From associated companies	**0,7**	0,8
From others	**0,0**	0,1
Total	**10,1**	24,7
Other interest and finance income		
From Group companies	**1,5**	1,5
Fair value gain on financial assets at fair value through profit or loss	**3,5**	0,0
From others	**0,0**	0,9
Total	**5,1**	2,4
Impairment for non-current investments		
Impairment for shares in associated companies	**-0,5**	0,0
Impairment for shares in Group companies	**-26,5**	-0,3
Total	**-27,0**	-0,3
Interest expenses and other financial expenses		
To Group companies	**0,0**	-0,3
To others	**-0,9**	-0,5
Total	**-0,9**	-0,8
Foreign exchange losses		
Foreign exchange losses	**0,0**	-0,7
Finance income and expenses, total	**-12,7**	25,2

10. EXTRAORDINARY ITEMS

M€	2012	2011
Group contribution received	**13,9**	40,2

11. APPROPRIATIONS

M€	2012	2011
Difference between planned depreciation and depreciation made for tax purpos	**0,0**	0,0

12. INCOME TAX

M€	2012	2011
Income tax payable on extraordinary items	**3,6**	10,4
Income tax from regular business operations	**-2,1**	-1,5
Total	**1,5**	8,9

The parent company has unutilized confirmed tax losses M€ 1.8 from financial years 2006-2007 and M€ 0.0 from financial year 2012 . Deferred tax asset based on this (M€ 0.4) has not been recognised in balance sheet.

13. INTANGIBLE ASSETS

M€	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2012					
Acquisition cost Jan 1	3,1	1,1	0,5	1,7	6,4
Increases	0,1	0,0	0,0	1,9	2,0
Decreases	-2,0	0,0	0,0	0,0	-2,1
Transfers between items	0,0	0,0	0,0	0,0	0,0
Acquisition cost Dec 31	1,2	1,1	0,5	3,6	6,4
Accum depreciation and writedowns Jan 1	2,1	0,4	0,2	0,0	2,8
Accumulated depreciation in decreases	-1,8	0,0	0,0	0,0	-1,9
Depreciation for the financial year	0,5	0,2	0,2	0,0	0,8
Writedowns	0,0	0,0	0,0	1,6	1,6
Accum depreciation and writedowns Dec 31	0,8	0,6	0,4	1,6	3,3
Book value Dec 31	0,5	0,5	0,1	2,0	3,0

M€	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
Financial year 2011					
Acquisition cost Jan 1	3,0	0,0	0,5	0,6	4,1
Increases	0,1	0,8	0,0	1,4	2,3
Transfers between items	0,0	0,2	0,0	-0,3	0,0
Acquisition cost Dec 31	3,1	1,1	0,5	1,7	6,4
Accum depreciation and writedowns Jan 1	1,8	0,0	0,0	0,0	1,9
Accumulated depreciation in decreases	-0,2	0,2	0,0	0,0	0,0
Depreciation for the financial year	0,5	0,2	0,2	0,0	0,9
Accum depreciation and writedowns Dec 31	2,1	0,4	0,2	0,0	2,8
Book value Dec 31	1,0	0,7	0,3	1,7	3,6

14. TANGIBLE ASSETS

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Financial year 2012					
Acquisition cost Jan 1	0,5	4,4	0,8	1,1	6,8
Increases	0,0	0,0	0,0	0,0	0,3
Decreases	0,0	0,0	-0,2	-0,7	-1,0
Transfers between items	0,0	0,0	0,0	0,0	0,0
Acquisition cost Dec 31	0,5	4,4	0,5	0,4	6,1
Accum depreciation and writedowns Jan 1	0,0	2,8	0,7	0,6	4,0
Accumulated depreciation in decreases	0,0	0,0	-0,2	-0,7	-1,0
Depreciation for the financial year	0,0	0,1	0,0	0,0	0,2
Accum depreciation and writedowns Dec 31	0,0	2,9	0,5	-0,1	3,2
Book value Dec 31	0,5	1,5	0,1	0,5	2,8
Balance sheet value of machinery and equipment Dec 31			0,0		

M€	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Financial year 2011					
Acquisition cost Jan 1	0,5	4,4	0,8	1,1	6,7
Increases	0,0	0,0	0,0	0,0	0,0
Decreases	0,0	0,0	0,0	0,0	0,0
Acquisition cost Dec 31	0,5	4,4	0,8	1,1	6,8
Accum depreciation and writedowns Jan 1	0,0	2,7	0,6	0,5	3,9
Accumulated depreciation in decreases	0,0	0,0	0,0	0,0	0,0
Depreciation for the financial year	0,0	0,1	0,0	0,1	0,2
Accum depreciation and writedowns Dec 31	0,0	2,8	0,7	0,6	4,0
Book value Dec 31	0,5	1,6	0,1	0,5	2,7
Balance sheet value of machinery and equipment Dec 31			0,0		

15. INVESTMENTS

M€	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables participating interests	Receivables other companies	Total
Financial year 2012							
Acquisition cost Jan 1	472,3	6,8	2,7	0,7	0,0	0,0	482,4
Increases	76,5	1,1	0,0	1,6	0,1	0,0	79,2
Decreases	-2,8	0,0	-0,3	-0,8	0,0	0,0	-3,9
Acquisition cost Dec 31	546,1	7,8	2,4	1,5	0,1	0,0	557,8
Accumu depreciation and writedowns Jan 1	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Writedowns	-26,5	-0,5	0,0	0,0	0,0	0,0	-27,0
Accumu depreciation and writedowns Dec 31	-26,5	-0,5	0,0	0,0	0,0	0,0	-27,0
Book value Dec 31	519,6	7,3	2,4	1,5	0,1	0,0	530,8

M€	Shares Group companies	Shares associated companies	Shares other	Receivables Group companies	Receivables participating interests	Receivables other companies	Total
Financial year 2011							
Acquisition cost Jan 1	474,9	7,1	1,6	0,8	0,0	7,2	491,7
Increases	0,0	0,0	1,3	0,6	0,0	0,8	2,7
Decreases	-2,6	-0,3	-0,2	-0,8	0,0	-8,0	-11,9
Transfers between items	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Acquisition cost Dec 31	472,3	6,8	2,7	0,7	0,0	0,0	482,4
Accum depreciation and writedowns Jan 1	0,0	0,0	0,2	0,0	0,0	0,0	0,2
Accumulated depreciation in decreases	0,0	0,0	-0,2	0,0	0,0	0,0	0,0
Accumu depreciation and writedowns Dec 31	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Book value Dec 31	472,3	6,8	2,7	0,7	0,0	0,0	482,4

Parent company holdings in Group companies and associated companies

Company	Registered office	Holding %	Share fo votes %		Group holding %
Group companies					
Adalia Media Inc.	Tampa, Florida	51,00	51,00		51,00
Alma Manu Oy	Tampere	100,00	100,00		100,00
Alma Media Interactive Russia Oy	Helsinki	100,00	100,00		100,00
Alma Media Kustannus Oy	Helsinki	100,00	100,00		100,00
Alma Media Lehdentekijät Oy	Helsinki	25,00	25,00		100,00
Alma Media Suomi Oy	Helsinki	100,00	100,00		100,00
Alma Media Ventures Oy	Helsinki	100,00	100,00		100,00
Alma Mediapartners Oy	Helsinki	65,00	65,00		65,00
AS Kinnisvaraportaal	Tallinna, Viro	100,00	100,00		100,00
Autovia s.r.o	Bratislava, Slovakia	100,00	100,00		100,00
CV-Online Estonia OÜ	Tallinna, Viro	100,00	100,00		100,00
CV Online Holding OÜ	Tallinna, Viro	100,00	100,00		100,00
E-kontakti Oy	Helsinki	100,00	100,00		100,00
Karenstock Oy	Helsinki	100,00	100,00		100,00
Kauppalehti Oy	Helsinki	100,00	100,00		100,00
Kotikokki.net Oy	Helsinki	65,00	65,00		65,00
LMC s.r.o	Praha, Tsekki	100,00	100,00		100,00
Marknadspriser i Sverige AB	Lidköping, Ruotsi	80,00	80,00		80,00
Mascus A/S	Hojbjerg, Tanska	51,00	51,00		51,00
Monster Oy	Helsinki	75,00	75,00		75,00
Objektvision AB	Tukholma, Ruotsi	100,00	100,00		100,00
Profesia s.r.o	Bratislava, Slovakia	100,00	100,00		100,00
SIA City 24	Riika, Latvia	100,00	100,00		100,00
SIA CV-Online Latvia	Riika, Latvia	100,00	100,00		100,00
Suomen Hankintakeskus Oy	Tampere	100,00	100,00		100,00
TAU On-line d.o.o	Zagreb, Kroatia	100,00	100,00		100,00
UAB City 24	Vilna, Liettua	100,00	100,00		100,00
UAB CV-Online LT	Vilna, Liettua	100,00	100,00		100,00
Associated companies					
Alkali Oy	Tuusula	24,30	24,30		24,30
Arena Interactive Oy	Vaasa	35,00	35,00		35,00
As Oy Vammalan Reku	Vammala	21,00	21,00		21,00
Development studio d.o.o.	Bosnia	30,00	30,00		30,00
Infostud 3 d.o.o.	Serbia	25,00	25,00		25,00
JM Tieto Oy	Vantaa	20,00	20,00		20,00
Kiinteistö Oy Oulaisten Kulma	Oulainen	35,00	35,00		35,00
Kytöpirtti Oy	Seinäjoki	43,20	43,20		43,20
Locatia Oy	Helsinki	20,00	20,00		20,00
Nokian Uutistalo Oy	Nokia	36,90	36,90		36,90
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab	Helsinki	24,07	24,07		24,07
Talentum Oyj	Helsinki	2,34	2,34	*)	32,14
Tampereen Tietoverkko Oy	Tampere	35,14	35,14		35,14

16. RECEIVABLES

M€		2012	2011
Current receivables			
Receivables from Group companies			
Trade receivable		**0,2**	0,1
Loan receivables *)		**24,5**	33,0
Prepaid expenses and accrued income		**0,0**	0,0
Other non-interest-bearing receivables		**0,0**	0,1
Total	Total	**24,7**	33,1
Receivables from others			
Trade receivable		**1,2**	0,4
Other receivables		**2,9**	7,9
Prepaid expenses and accrued income **)		**0,4**	0,6
Total		**4,5**	9,0
Current receivables, total		**29,2**	42,1

*) Cash and cash equivalents in Group bank accounts are included in loan receivables.
**) Major balances in prepaid expenses and accrued income consist of rental accruals.

17.SHAREHOLDERS' EQUITY

M€	2 012,0	2 011,0
Restricted shareholders' equity		
Share capital Jan 1	**45,3**	45,0
Subsrciptions (options excercised)	**0,0**	0,3
Share capital Dec 31	**45,3**	45,3
Share premium reserve Jan 1	**419,3**	416,3
Subsrciptions (options excercised)	**0,0**	3,0
Share premium reserve Dec 31	**419,3**	419,3
Other reserves Jan 1	**5,4**	5,4
Other reserves Dec 31	**5,4**	5,4
Restricted shareholders' equity total	**469,9**	469,9
Non-restricted shareholders' equity		
Retained earnings Jan 1	**51,9**	56,9
Dividend payment	**-30,2**	-52,5
Dividends payment returned to Group	**0,4**	0,1
Retained earnings Dec 31	**22,2**	4,5
Profit for the period	**-14,2**	47,5
Non-restricted shareholders' equity total	**8,0**	51,9
Shareholders' equity total	**478,0**	521,9

Calculation of the parent company's distributable funds on December 31	2 012,0	2 011,0
Retained earnings	**22,2**	4,5
Profit for the period	**-14,2**	47,5
Total	**8,0**	51,9

18. APPROPRIATIONS

M€	2 012,0	2 011,0
Accumulated depreciation difference	0,0	0,0

19. PROVISIONS

Provisions on December 31, 2012 total M€ 0.2 and consist of contingent considerations due to acquisitions. Provisions on December 31, 2011 totaled M€ 1.3 and consisted of contingent considerations due to acquisitions.

20. NON-CURRENT LIABILITIES

M€	2012	2011
Other non-current liabilities	**1,8**	2,0
Total	**1,8**	2,0
Debt due after five years		
Other non-current liabilities	**0,9**	1,2

21. CURRENT LIABILITIES

M€	2 012,0	2 011,0
Trade payable	**1,8**	1,2
Totals	**53,8**	23,2
Liabilities to Group companies		
Trade payable	**0,1**	0,0
Other liabilities	**33,2**	32,8
Total	**33,3**	32,8
Others		
Other current liabilities	**2,2**	1,5
Accrued expenses and prepaid income	**3,9**	3,3
Total	**6,1**	4,7
Current liability total	**93,2**	60,7

Most of accrued expenses and prepaid income consists of allocated personnel expenses.

22. COMMITMENTS AND CONTINGENCIES

M€	2 012,0	2 011,0
Collateral for own commitments		
Guarantees	**1,4**	1,4
Collateral for others		
Guarantees	**1,3**	1,3
Other own commitments		
Rental commitments - within one year	**5,7**	2,6
Rental commitments - after one year	**73,2**	84,6
Rental commitments total	**78,8**	87,2
Other commitments	**0,2**	0,9
Total		
* Guarantees	**2,7**	2,6
* Other commitments	**79,0**	88,0
Commitments total	**81,7**	90,7

The Group currently has a MEUR 100.0 commercial paper programme in Finland under which it is permitted to issue papers to a total amount of MEUR 0–100. The unused part of the programme was MEUR 78.0 on December 31, 2012. In addition, the Group has a credit facility in the amount of MEUR 30.0 until October 9, 2013, of which on December 31, 2012, MEUR 13.0 were unused, as well as a credit facility in the amount of MEUR 50 until October 15, 2014, of which on December 31, 2012, MEUR 37.0 were unused.

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

23. DERIVATIVE CONTRACTS

M€	2012	2011
Commodity derivative contracts, electricity derivatives		
Fair value *	**-0,1**	-0,1
Value of underlying instruments	**0,8**	1,1
Interest rate derivatives		
Fair value *	**-0,5**	0,0
Value of underlying instruments	**24,0**	0,0

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

BOARD´S PROPOSAL TO THE ANNUAL GENERAL MEETING

The parent company's distributable funds on December 31, 2012 totalled € 8,014,054.25.
The number of shares entitled to dividend is 75,486,853.

The Board of Directors proposes that the total dividend distribution for the 2012 financial year would be amount of EUR 7,548,685 (a dividend of EUR 0.10 per share).

Helsinki, Finland, February 14, 2013

Seppo Paatelainen
Chairman of the Board

Petri Niemisvirta
Deputy Chairman of the Board

Erkki Solja
Board member

Timo Aukia
Board member

Harri Suutari
Board member

Kai Seikku
Board member

Catharina Stackelberg-Hammarén
Board member

Kai Telanne
President and CEO

Auditor's report

(Translation)

To the Annual General Meeting of Alma Media Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Alma Media Oyj for the year ended 31 December, 2012. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

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

Auditor's Responsibility

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

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

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

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

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

Helsinki, February 15, 2013

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Pärssinen
Authorized Public Accountant