

The background of the cover is a photograph of a modern building with large glass windows, viewed from a low angle looking up. A semi-transparent purple rectangular overlay is positioned in the center of the image, containing the title and date. The sky is blue with scattered white clouds.

Alma Media Corporation: Corporate Governance Statement

24 February 2015

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Alma Media Corporation's Corporate Governance Statement

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Corporate Governance Statement of Alma Media Corporation

Alma Media Corporation applies the Finnish Corporate Governance Code 2010 for listed companies, issued by the Securities Market Association on 15 June 2010, in its unaltered form. A Corporate Governance Statement required by Recommendation 54 of the Corporate Governance Code is presented as a separate report in connection with the Annual Report. In addition, it is publicly available on Alma Media's website at www.almamedia.com/investors/corporate-governance/corporate-governance-statement/.

The Audit Committee of Alma Media Corporation's Board of Directors has reviewed the Corporate Governance Statement. The statement will not be updated during the financial period, but up-to-date information on its sections is available on Alma Media's website at www.almamedia.com.

The Finnish Corporate Governance Code is downloadable from the website of the Securities Market Association at www.cgfinland.fi.

Alma Media Group

Responsibility for Alma Media Group's business operations belongs to the constitutional bodies required by the Limited Liability Companies Act: the General Meeting of shareholders, which elects the members of the Board of Directors; and the President and CEO, who is appointed by the Board of Directors.

The Group's supreme decision-making body is the General Meeting of Shareholders, where shareholders exercise their decision-making power. The Board of Directors is responsible for the company's management and its appropriate organisation. In its capacity as the Group's parent company, Alma Media Corporation is responsible for the Group's management, legal affairs, corporate restructuring, strategic planning, financial administration, human resources and facilities management, financing and internal and external communications.

Alma Media Group has four reporting segments. The Digital Consumer Services segment comprises the classified advertising services unit Marketplaces and the digital services and development unit Alma Diverso. The Financial Media and Business Services segment specialises in the production of financial information as well as providing information and marketing solutions for businesses. The National Consumer Media segment reports the various publishing services of IL-Media. The Regional Media segment is responsible for the publishing of regional newspapers and Alma Media's printing operations.



Board of Directors of Alma Media Corporation

Composition of the Board and shareholdings of members

The ordinary Annual General Meeting 2014 elected the following members to the Board of Directors:

Harri Suutari, Petri Niemisvirta, Niklas Herlin, Esa Lager, Perttu Rinta, Erkki Solja and Catharina Stackelberg-Hammarén.

The Chairman of the Board of Directors is Harri Suutari and the Deputy Chairman is Petri Niemisvirta.

Read more about the members of the Board of Alma Media Corporation in the tables shown below.

<p>Harri Suutari</p> <ul style="list-style-type: none">• <i>Chairman of the Board</i>• <i>Member of the Board since 2005</i>• <i>Born: 1959</i>• <i>Civil Engineer</i> <p>Principal working experience</p> <ul style="list-style-type: none">• PKC Group, President and CEO, 2002–2005 and 2008–2012• Ponsse Oyj, President and CEO, 1994–2000• Kajaani Automatiikka Oy, President 1984–1996	<p>Principal positions of trust</p> <ul style="list-style-type: none">• The Federation of Finnish Technology Industries, Member of the Board 2014–• Tulikivi Oyj, Chairman of the Board 2013–• Kainuu Forest Management Association, Chairman of the Board 2013–• Componenta Oyj, Chairman of the Board 2012–• PKC Group, Chairman of the Board, 2005–2008, Member of the Board since 2012• Oy M-Filter Ab, Member of the Board since 2010• Ponsse Oyj, Member of the Board 1994–2001• Sunit Oy, Member of the Board 2008–2011, <ul style="list-style-type: none">• Finnish citizen• Independent of the company and its significant shareholders <p>Shareholding on 31 December 2014 56,140 Alma Media Corporation shares</p>
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Petri Niemisvirta

- *Managing Director, Mandatum Life Insurance Company Limited; Member of the Group Executive Committee, Sampo plc*
- *Deputy Chairman of the Board since 2011*
- *Born: 1970*
- *LL.M.*

Principal working experience

- *Managing Director, Evli Life Ltd 2000–2001*
- *Product Manager (unit linked insurance), Sampo Life Insurance Company Limited 1999–2000*
- *Life Insurance Sales Manager, Kaleva Mutual Insurance Company/Sampo Life Insurance Company Limited 1995–1999*

Principal positions of trust

- *Kaleva Mutual Insurance Company, Member of the Board 2013–, Chairman of the Board 2014–*
- *Varma Mutual Pension Insurance Company, Member of the Board 2014–*
- *Confederation of Finnish Industries EK, Chairman of Finance and Tax Commission 2011–*
- *BenCo Insurance Holding B.V. (Netherlands), Member of the Board 2009–*
- *Finnish citizen*
- *Independent of the company and its significant shareholders*

Shareholding on 31 December 2014

10,463 Alma Media Corporation shares

Niklas Herlin

- *Publisher*
- *Member of the Board since 2013*
- *Born: 1963*
- *B. Sc., Bentley College, USA*

Principal working experience

- *Freelance journalist, columnist, non-fiction writer 2001–*
- *Editor, News Editor, Kauppalehti 1987–1996, Suomen Kuvalehti 1996–1997, Ilta-Sanomat 1997–2001*
- *Corporate Analyst, Finnish Fund for Industrial Cooperation 1987–88*

Principal positions of trust

- *Kehitysvammaisten työllisyyden tukisäätiö (Support Foundation for the Employment of People with Developmental Disabilities), Chairman of the Board 2013–*
- *Riikka Herlin Foundation, Chairman of the Board 2012–*
- *Mariatorp Oy, Chairman of the Board 2005–*
- *Uusi Suomi, Chairman of the Board 2007–*
- *Publishing company Teos, Chairman of the Board 2003–*
- *Finnish citizen*
- *Independent of the company, but not independent of its significant shareholder*

Shareholding on 31 December 2014

5,961 Alma Media Corporation shares and 12,100,000 shares via Mariatorp Oy

Esa Lager

- *Member of the Board since 2014*
- *Born: 1959*
- *LL.M., M.Sc. (Econ.)*

Principal working experience

- Deputy CEO, Outokumpu Group, 2011–2013
- Chief Financial Officer (CFO), Outokumpu Group, 2005–2013
- Director, Financing and Administration, Outokumpu Group, 2001–2004
- Director, Financing, Outokumpu Group, 1995–2000
- Vice President, Outokumpu Group, 1991–1994
- Various expert and managerial positions (Head Office foreign operations and the London branch), Kansallis-Osake-Pankki, 1984–1990

Principal positions of trust

- Member of the Board, Fennovoima Oy, 2014–
- Deputy Chairman of the Board, member of the Board, Olvi Oy, 2002–
- Deputy Chairman of the Board, member of the Board, Ilkka-Yhtymä Oyj, 2011–
- Deputy Chairman of the Board, member of the Board, SATO Oyj, 2014–
- Member of the Board, Suomen Teollisuusjoiutus Oy, 2014–
- Member of the Board 1996–2000, 2003–2008, Deputy Chairman 2010–2011, Okmetic Oyj
- Finnish citizen
- Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2014

4,421 Alma Media Corporation shares

Perttu Rinta

- *Managing Director, Suur-Savon Sähkö Oy*
- *Commercial Counsellor*
- *Member of the Board since 2013*
- *Born: 1954*
- *M.Sc. (Econ.), Umeå University*

Principal working experience

- Managing Director, Kymppivoima Oy, 2002–2007
- Director, Rautakesko Oy, Baltic operations, K-Rautaketju and Corporate Services, 2000–2002
- Managing Director, Kauppiasliitto ry 1998–2000
- Director, Kesko Corporation, Local stores, 1996–1997
- Department and support manager, Vaasa Province Aluekesko, 1989–1996
- Several managerial positions, Hankkija, 1979–1989

Principal positions of trust

- Finnish Energy Industries Association, Member of the Board 2012–, Chairman of Electricity Trade Committee 2004–2007
- Vapo Oy, Vice Chairman of the Board 2009–, Vice Chairman of Compensation Committee 2010, Chairman of Audit Committee 2009, 2011–2014, member of Audit Committee 2014–
- Kymppivoima Oy, Member of the Board 2007–, Chairman of the Board 2011–2013
- Kymppivoima Hankinta Oy, Member of the Board 2007–, Chairman of the Board 2011–2013
- Kymppivoima Hydro Oy, Deputy Chairman of the Board 2007–
- Blåfall AS, Member of the Board 2012–
- Savo Climate Programme, Delegation Member 2011–
- Ilkka-Yhtymä Oyj, Member of Supervisory Board 1999–, Deputy Chairman of Supervisory Board 2009–, Member of Nomination and Compensation Committee 2009–
- South Savo Chamber of Commerce, Member of the Board 2008–2012
- K-Plus Oy, Member of the Board 2000–2002
- K-Instituutti Oy, Member of the Board 1998–2002
- Finnish citizen
- Independent of the company, but not independent of its significant shareholder

Shareholding on 31 December 2014

5,961 Alma Media Corporation shares

Erkki Solja

- CEO, Kiilto Family Oy
- Member of the Board since 2008
- Born: 1954
- M.Sc. (Econ.)

Principal working experience

- Kiilto Family Oy, CEO since 2008
- Kiilto Oy, CEO 1994–2007
- Joined Kiilto Oy in 1983

Principal positions of trust

- C.V. Åkerlund Foundation, Chairman of the Board 1997–
- Chemical Industry Federation of Finland, Member of the Board 2001–
- Honorary Consul, Republic of Austria 1997–
- Finnish citizen
- Independent of the company and its significant shareholders

Shareholding on 31 December 2014

43,018 Alma Media Corporation shares

Catharina Stackelberg-Hammarén

- Founder and CEO, Marketing Clinic Oy since 2004
- Member of the Board since 2009
- Born: 1970
- M.Sc. (Econ.)

Principal working experience

- CEO, Marketing Clinic Oy, 2004–
- Managing Director, Coca-Cola Finland, 2003–2004 and 2000–2002
- Managing Director, Coca-Cola Sweden 2002–2003
- Marketing Director, Coca-Cola Nordic & Baltic Division, 2000
- Consumer Marketing Manager, Coca-Cola Finland, 1996–2000
- Marketing Manager, Sentra plc, 1994–1996

Principal positions of trust

- Marimekko Oyj, Member of the Board 2014–
- Cision Ab, Member of the Board 2013–2014
- Jokerit Hockey Club Oy, Member of the Board 2013–2014
- Aktia Bank Abp, Member of the Board 2012–
- Stiftelsen Svenska Handelshögskolan, Member of the Board 2011–
- Marketing Clinic group, Member of the Board 2004–
- Mint of Finland Ltd, Member of the Board 2004–2011
- Tradedoubler Ltd, Member of the Board 2006–2007
- EQ Oyj, Member of the Board 2011–2012
- Finnish citizen
- Independent of the company and its significant shareholders

Shareholding on 31 December 2014

11,155 Alma Media Corporation shares

It is the duty of the members of the Board of Directors to provide the Board of Directors with sufficient information for the assessment of their competence and independence. The Board of Directors has assessed that with the exception of Esa Lager, Perttu Rinta and Niklas Herlin, the members of the Board are independent of the company and its significant shareholders. The members mentioned hereinabove are assessed to be independent of the company but not independent of its significant shareholders. Esa Lager is a member of the Board of Ilkka-Yhtymä Oyj, Perttu Rinta is the Deputy Chairman of the Supervisory Board of Ilkka-Yhtymä Oyj, and Niklas Herlin is the Chairman of the Board of Mariatorp Oy.

Alma Media Corporation's Board of Directors is elected by a General Meeting of Shareholders. The Board comprises three to nine members. The President and CEO of the company may not act as the Chairman of the Board. There is no specific order of appointment of directors.



Tasks and responsibilities of the Board of Directors

The Board of Directors is responsible for the company's administration and the due organisation of its operations. The tasks and responsibilities of the Board of Directors are determined by the Finnish Limited Liability Companies Act and the Articles of Association. The detailed working of the Board of Directors is set out in the Board's Charter. Principal tasks of the Board of Directors include confirming the Group's strategy and objectives as well as deciding on significant investments and acquisitions. The Board of Directors monitors the Group's performance through monthly reports and other information provided by the Group's management.

The duties of the Board of Directors include:

- confirming the Group's strategy and objectives, monitoring their implementation, and, if required, initiating corrective action
- considering and approving the interim reports and the annual accounts
- approving strategically significant corporate and real estate acquisitions and disposals as well as investments according to separate investment instructions
- deciding on the Group's capital financing programmes and operations according to a separate treasury policy
- approving the dividend policy and submitting a dividend proposal to the Annual General Meeting
- annually reviewing the main risks associated with the company's operations and the management of these risks; if necessary, giving the President and CEO instructions on how to deal with them, and, if required, initiating corrective action
- appointing and, if required, dismissing the President and CEO
- deciding on the Nomination and Compensation Committee's proposal for the terms of employment of the President and CEO and the other members of the Group Executive Team
- confirming the company's organisation based on the CEO's proposal
- confirming the terms of employment of the CEO's direct subordinates based on the CEO's proposal
- confirming, based on the CEO's proposal, the appointment and dismissal of the editors-in-chief of Aamulehti, Iltalehti and Kauppalehti, as well as of Kainuun Sanomat, Lapin Kansa, Pohjolan Sanomat and Satakunnan Kansa
- holding a meeting with the company's auditors at least once a year
- deciding on matters that are exceptional and have wide-ranging consequences
- considering other matters that the Chairman of the Board and President and CEO have agreed to be included in the agenda for the Board's meeting. Other Board members are also entitled to put a matter before the Board by notifying the chairman of such a matter.
- representing the company and entitling individuals to represent the company, as well as deciding on procurations
- approving the principles underlying the donation of sums to good causes.

The Board convenes approximately 12 times a year according to a previously confirmed timetable and, in addition, whenever necessary. Most meetings are connected with the publication of the company's financial statements and interim reports. In addition to these meetings, the Board also holds one or two Strategy Meetings at which it considers the Group's future scenarios and confirms the company's strategy for each strategy period.



In 2014, the Board met 15 times. The average attendance of the Board members at these meetings was 98%. The attendance of each member is shown in the table below.

Board of Directors of Alma Media Corporation

Name	Role	Attendance in the Board meetings
Harri Suutari	Chairman	14/15
Petri Niemisvirta	Deputy Chairman	15/15
Timo Aukia	Member ¹⁾	3/3
Niklas Herlin	Member	15/15
Esa Lager	Member ²⁾	12/12
Perttu Rinta	Member	14/15
Kai Seikku	Member ¹⁾	3/3
Erkki Solja	Member	14/15
Catharina Stackelberg-Hammarén	Member	15/15

1) member of the Board until 20 March 2014

2) member of the Board since 20 March 2014

Assessment of the Board's performance

In 2014, the Board of Directors evaluated its performance and working methods through self-assessment.

Permanent committees

The Board of Directors has established two permanent committees: the Audit Committee and the Nomination and Compensation Committee. At its constitutive meeting after the Annual General Meeting, the Board of Directors elects the members of these committees from among the Board members.

The Board of Directors confirms a written Charter for the committees. The committees report to the Board of Directors.

Audit Committee

At its constitutive meeting after the Annual General Meeting, the Board of Directors elects a minimum of three members to the Audit Committee from among the Board members, who then elect a Chairman for the Committee. The Audit Committee meets at least four times a year. As of 20 March 2014, the members of the Audit Committee are Esa Lager, Perttu Rinta and Catharina Stackelberg-Hammarén. Esa Lager is Chairman of the Audit Committee. The Audit Committee's meetings are attended by the company's Auditor, the Group's Chief Financial Officer and General Counsel. Matters to the Committee are presented by the CFO.

The Board of Directors has appointed the Audit Committee to monitor the company's internal control systems. The work of the Audit Committee includes tasks such as evaluating compliance with legislation and regulations; monitoring the auditing process; monitoring and supervising the preparation of the financial statements and other financial reports; monitoring significant financial, financing and tax risks; and monitoring the company's fiscal position.

The Audit Committee convened five times in 2014. The average attendance of the Board members at these meetings was 96%. The attendance of each member is shown in the table below.

Audit Committee

Name	Role	Attendance in the Committee meetings
Kai Seikku	Chairman ¹⁾	2/2
Esa Lager	Chairman ²⁾	5/5
Perttu Rinta	Member	7/7
Catharina Stackelberg-Hammarén	Member	6/7

1) Chairman until 20 March 2014

2) Chairman since 20 March 2014

Nomination and Compensation Committee

At its constitutive meeting after the Annual General Meeting, the Board of Directors elects the members to the Nomination and Compensation Committee from among the Board members. The Nomination and Compensation Committee comprises four members, who elect a Chairman for the Committee. On 20 March 2014, Niklas Herlin, Esa Lager, Petri Niemisvirta and Erkki Solja were elected members of the Nomination and Compensation Committee. Petri Niemisvirta was elected Chairman of the Committee.

The principal task of the Nomination and Compensation Committee is to prepare the election of the Board of Directors for the Annual General Meeting, and, after hearing the principal shareholders of the company, to submit to the Annual General Meeting proposals on the number of the members of the Board, the individuals to be elected as members of the Board and the compensation of the Chairman, Deputy Chairman and members of the Board. Furthermore, the Nomination and Compensation Committee prepares, among other things, matters concerning compensations and incentive systems that the Board is required to resolve or confirm; prepares the procedure for the assessment of the work of the Board of Directors; and monitors and prepares proposals for the development of Corporate Governance in Alma Media Group. In the Nomination and Compensation Committee, the matters concerning compensation are presented by the President and CEO.

The Nomination and Compensation Committee convened five times in 2014 to consider matters according to its charter. The average attendance of the Board members at these meetings was 96%. The attendance of each member is shown in the table below.

Nomination and Compensation Committee

Name	Role	Attendance in the Committee meetings
Timo Aukia	Chairman ¹⁾	1/1
Petri Niemisvirta	Chairman ²⁾	4/4
Petri Niemisvirta	Member ³⁾	1/1
Niklas Herlin	Member ⁴⁾	4/4
Esa Lager	Member ⁴⁾	3/4
Erkki Solja	Member	5/5

1) Chairman until 20 March 2014

2) Chairman since 20 March 2014

3) Member until 20 March 2014

4) Member since 20 March 2014



President & CEO and Group Executive Team of Alma Media Corporation

The President and CEO of Alma Media Corporation is Kai Telanne, M.Sc. (Econ.), born 1964.

The President and CEO is responsible for the day-to-day management of the company in accordance with the guidelines and instructions of the Board of Directors. The President and CEO is responsible for the company's accounts conforming to legislation and its assets being reliably managed. The President and CEO must supply all the information necessary for the appropriate working of the Board of Directors to the Board or any of its members.

The President and CEO may undertake matters that are exceptional or have wide-ranging consequences with regard to the scope and nature of the company's business only through authorisation by the Board of Directors or, in circumstances in which it is not possible to wait for the Board's decision without causing essential damage to the company's operation. In the latter case, the Board must be notified of the action taken as soon as possible.

The President and CEO, Mr Telanne, is supported by a Group Executive Team, in 2014 comprising Kari Kivelä (Senior Vice President, Publisher of IL-Media), Juha-Petri Loimovuori (Senior Vice President, Financial Media and Business Services), Raimo Mäkilä (Senior Vice President, Marketplaces), Kari Juutilainen (Senior Vice President, Regional Media), Juha Nuutinen (CFO), Mikko Korttila (General Counsel), Minna Nissinen (Senior Vice President, Alma Diverso) and Virpi Juvonen (Vice President, Human Resources). The secretary of the Group Executive Team is Rauno Heinonen (Senior Vice President, Corporate Communications and Investor Relations).

The Group Executive Team prepares the monthly reports, investments, Group guidelines and policies, strategy and other long-term plans, action plans covering the following 12 months and the financial statements for confirmation by the Board of Directors. The Group Executive Team met 20 times in 2014.

Insider Management

Alma Media's Board of Directors has approved Alma Media Group's Guidelines for Insiders. The Guidelines complement the current rules and regulations on the management and handling of insider information as provided in Chapter 51 of the Finnish Criminal Code, the regulations of Chapter 5 of the old Securities Markets Act (495/1989) with regard to the maintenance of the public insider register and the insiders' duty to declare and the regulations of Chapters 12–13 of the new Securities Markets Act (746/2012) with regard to other matters, the Financial Supervision Authority's standard 5.3 and the Insider Guidelines issued by NASDAQ OMX Helsinki Ltd ('Helsinki Stock Exchange').

The company's public (statutory) insiders are the members of the Board of Directors, the President and CEO and the auditor nominated as the principal auditor. In addition, the company has decided that the members of the Group Executive Team are considered insiders. The company's internal, non-public and company-specific permanent insiders include certain individuals who by virtue of their position or responsibilities have regular access to insider information. The company also maintains a non-public register of temporary insiders for specific projects as defined under the Finnish insider regulations. Information on the company's public insiders, together with up-to-date information on their holdings and changes in these holdings, are available on Alma Media's website. The information



contained in Alma Media's insider register is also available for inspection at the service desk of Euroclear Finland Oy, Urho Kekkosen katu 5 C, 8th floor, Helsinki, Finland.

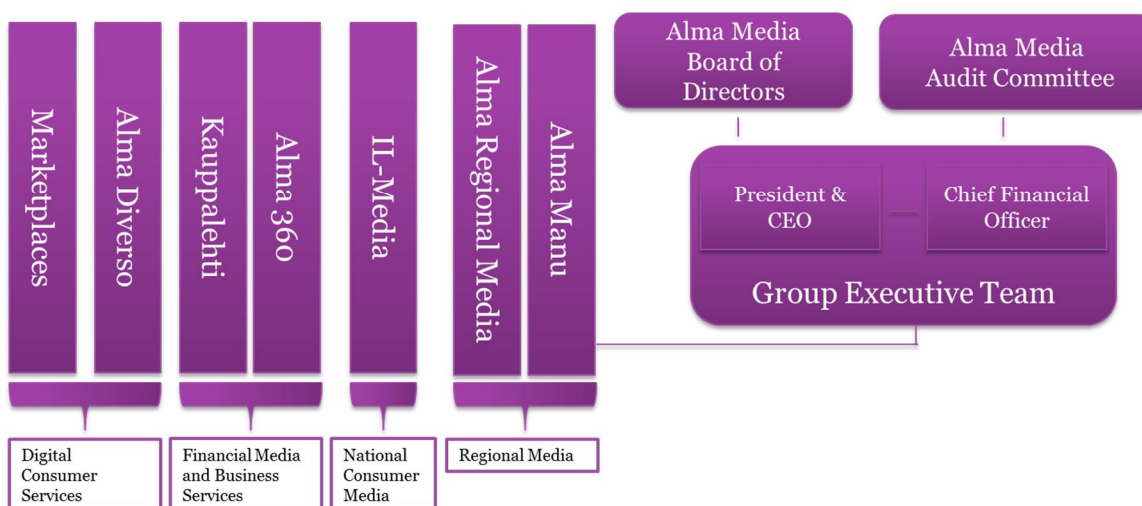
By providing instructions and information, Alma Media ensures that its public and non-public insiders are fully aware of their position and its importance. Alma Media insiders are not permitted to trade in the company's securities for 21 days prior to the publication of the interim report or annual financial statements release.

The company's General Counsel is responsible for insider management of the Alma Media Group.

Internal control and risk management systems in financial reporting

The internal control and risk management systems inherent in Alma Media's financial reporting process aim at ensuring a reasonable certainty of the reliability of the company's financial statements and financial reporting, as well as compliance with legislation and other regulations and generally accepted accounting principles.

Alma Media's internal control and risk management organisation



Internal control

Internal control is an essential part of the company's administration and management systems, covering all of the Group's functions and organisational levels. The purpose of internal control is to provide sufficient certainty that the company will be able to execute its strategy. Internal control is not a separate process, instead, it is part of the company's operations, covering all Group-wide operational principles, guidelines and systems.



Financial reporting

The Board of Directors and the President and CEO carry the overall responsibility for organising the internal control and risk management systems for financial reporting. The President and CEO, members of the Group Executive Team and the heads of the business units are responsible for ensuring that the accounting and administration of the areas within their spheres of responsibility comply with legislation, the Group's operating principles and the guidelines and instructions issued by Alma Media Corporation's Board of Directors.

In Alma Media Group, the control over business unit administration and accounting is centralised in the Group financial department. The Group financial department, working under the Group CFO, is the centralised source of financial statement data required by external accounting, as well as the analyses and result reports to Group and business unit management teams for following the profitability of business operations. Group internal control practices aim to ensure the correctness of financial reporting within the Group. Business operations and capital management are monitored with the help of the reporting measures outlined hereinabove. The reporting practices also assist in following the implementation of business unit action plans. The accounting functions of Group companies and business areas follow and give guidance regarding internal control measures and practices based on the Group's operating principles and guidelines.

Alma Media Group follows the International Financial Reporting Standards (IFRS) approved for use within the European Union. Guidelines for financial reporting and accounting principles are collected in an accounting manual being updated as standards change, as well as the financial department guidelines that are applied in all Group companies. Group accounting is responsible for the following and observance of the financial reporting standards, maintaining financial reporting principles and communicating them to the business units.

Risk management

Risk management is a part of Alma Media's financial reporting process and one of the most significant measures of internal control. At Alma Media Group, the task of risk management is to continuously evaluate and monitor all business opportunities, threats and risks to ensure the achievement of objectives and business continuity.

The Board of Directors carries the primary responsibility for Alma Media's risk management. The Board of Directors considers the most significant identified risks and is in charge of defining the Group's risk appetite and risk tolerance. The Audit Committee approves the risk management principles of the Group and monitors the efficiency of the risk management systems. The Audit Committee also discusses the management reports on significant risks and the company's exposure to them as well as considers the plans to minimise risks.

The CEO, the Group Executive Team and other managers in the Group at all organisational levels are responsible for daily risk management. In each business unit, a member of the unit's executive group, usually the person in charge of the finances of the unit, is responsible for risk management and reporting on risk management operations.

The risk management process is a means of identifying risks, developing risk management measures and reporting the risks regularly to the risk management organisation. Risk management is part of Alma Media's internal control and, thus, part of good corporate governance. Alma Media specifies limits to and procedures for quantitative and qualitative risks in writing in its risk management system.



Alma Media classifies its business risks as strategic, operational and financing risks. The financing risks are described in more detail in the notes to the consolidated financial statements.

The most important strategic risks for Alma Media are a significant drop in the number of readers of printed papers, a decrease in advertising sales and a significant rise in distribution costs. Changes in the overall economy are reflected in the development of advertising sales. Advertising sales generate approximately half of the Group revenue. There are also country-specific risks related to the development of the market and the economic growth with regard to businesses abroad, such as in the Baltic countries and other Eastern European countries.

In the long term, the media business is transforming due to changes in media usage and new technologies. Alma Media's strategic objective is to react to this challenge by renewing its business and developing new businesses in the field of online media. Disturbances of information technology and communications as well as disruption of printing are the most important operational risks.

Internal audit

Given the nature and scope of its business, Alma Media Corporation does not consider it expedient to have a separate internal audit organisation. Internal audit functions have been incorporated into the responsibilities of Alma Media Corporation's business organisation and, in particular, the business functions' financial departments. Reviewing the functionality of internal controls is also taken into account in the external auditors' audit plans. Internal audits look at the functionality and efficiency of the various processes using flow tests and control tests.

Auditing

The General Meeting of Shareholders annually elects an auditor for the company. The auditor must be an authorised audit firm approved by the Central Chamber of Commerce in Finland. The term of office of the auditors expires at the close of the Annual General Meeting following their election. The auditor's task is to ensure that the financial statements are prepared in accordance with current regulations and that they provide correct and sufficient information on the company's result, financial position and other aspects of the business for the stakeholders. As part of their annual auditing assignment, the auditors of Alma Media audit the accounting and administration of the business units. The requirements set by the internal audit are taken into account in the audit plans.

The auditors submit their report to Alma Media Corporation's shareholders at the Annual General Meeting. Furthermore, the auditors submit an annual summary of their auditing plan and a written report on the entire Group to the Board of Directors in conjunction with the publication of each interim financial statements and the annual financial statements. They also provide regular reports on the business units to the Group's financial management and reporting unit managements.

The Annual General Meeting of 2014 of Alma Media Corporation elected Authorised Public Accountants PricewaterhouseCoopers Oy as the company's auditors, with Markku Launis, Authorised Public Accountant, as the principal auditor. As a rule, PricewaterhouseCoopers is also the auditor of the subsidiaries of Alma Media Group.