talentum

Professional literatu

alentum provides media, professional literature and online and information services for professionals whose interests range from technology, finance, management, health care and adve

um focuses on publishing for professional target groups.

r professionals whose interests range from technology, finance, management, health care and advertising to law. Talentum

Profitable growth. Online and information services, training and

Annual Report 2010

The first choice for professionals

Talentum is a publisher and information provider focusing on professionals. The company has operations in Finland, Sweden, Norway, Denmark, Russia and the Baltic countries. Talentum serves professionals from various industries needing information and insight through a selection of channels: a customer can select from Talentum's media the channel best suited for their individual schedule and information requirement.

As a publisher, Talentum specialises in media targeted at experts in technology, business, HR and law, as well as online and information services. In addition, Talentum publishes business and law books, organises topical seminars and events, and provides training that enhances individuals' professional skills. Talentum's operations also include direct marketing as a sales channel supporting the publishing business.

The company employs about 800 people. Talentum Oyj's shares are listed on the NASDAQ OMX Helsinki stock exchange. For further information on Talentum's products and services, please visit **www.talentum.com**.

Contents

Sweden's new magazine was in demand in digital format

The newcomer in Sweden's periodicals market, Ny Teknik Historia, utilised a new approach in its marketing. Customers were able to order a link from Talentum's website through which the magazine's first issue could be read in digital format. This innovation enabled the magazine to reach its target group well: within a couple of weeks, the magazine had nearly 10,000 registered readers. In 2011, the magazine will also be published in printed format.

Events at Affärsvärlden

In 2010, Affärsvärlden started to publish an iPad-compatible stock exchange service, which became Sweden's most popular free downloadable application at the turn of the year. Sweden's stock exchange professionals voted Affärsvärlden the best business magazine in 2010.

Success for Talentum's books in the Kultasulka (Golden Feather) competition

The *Hallitus ja markkinointi* book published by Talentum won the Kultasulka (Golden Feather) writing competition organised by the Finnish Association of Marketing Communication Agencies (MTL). This handbook for business management and board people was written by a board professional, **Leena Paananen**, M.Sc. (Econ.).

The panel of judges recommended the book to company shareholders, members of boards of directors and managing directors, and judged that the book draws a clear overall picture of marketing.

In addition to the Kultasulka (Golden Feather) award, the jury gave out two Hopeasulka (Silver Feather) awards. They went to *Tutkimusmatka lojaliteettimarkkinointiin – Kuinka edelläkävijät uudistavat markkinointikäytäntöjä* by **Hannu Mattinen** and **Sinikka Sierla** and *Sponsorointi – Yhteistyökumppanuus strategisena voimana* by **Eero Valanko**. The books awarded with the Hopeasulka (Silver Feather) award were also published by Talentum.

Dagensmedia.se – electronic media of the year

Dagensmedia.se, the electronic service of the Dagens Media magazine, won the Årets Tidskrift 2010 award in the digital media series in Sweden. The award is given out by Sveriges Tidskrifter, a Swedish media industry organisation.

The prize from the Finnish Association of Business School Graduates went to a straight-talking investment book

In the Finnish Association of Business School Graduates' literary competition, **Marko Erola's** book *Paras sijoitus – Itsepuolustusopas sijoittajille* (Talentum 2009) received an award. According to the jury, Erola is a bold, straight-talking, critical and analytical writer. The narrative is easy to read and credible.

News

Talentum Events expands its reach

In September, Talentum acquired IIR Finland Oy, a leading company providing topical seminars and training for business management in Finland. Talentum's event business is now operating under the name Talentum Events.

IIR Finland's strong processes and proven operating models have strengthened Talentum's previous event expertise. Organisation of targeted events and forums with professionals in various fields have expanded and improved.

Talentum Events, which employs just over 40 people, arranges about 300 events annually with a total of about 10,000 participants.

Talouselämä Platinum was launched

The first issue of Talouselämä's lifestyle supplement, Talouselämä Platinum, was published in December 2010.

"The supplement concentrates on the same field as Talouselämä ("Business Life"), but its emphasis is on 'life' rather than 'the business'. Instead of figures and organisations, we talk about the life and values of people operating within the economy," explains the editor-in-chief, **Reijo Ruokanen**, of the new supplement's mission in December.

The core of Talouselämä Platinum's target group are the educated and affluent readers of the parent magazines, Talouselämä and Arvopaperi, women as well as men.

SuomenLaki.com was revamped

Suomenlaki.com, the online tool for lawyers, was revamped in March 2010. From the customisable service, it is easy to find the most essential real-time information relating to the law.

"The feedback we received for the revamp was just as good as we dared to hope. Lawyers have particulary praised the search service that makes their work faster," says **Katja Hollmén**, Director responsible for book and training operations at Talentum.

A Media Design Group made up of Talentum's graphic designers

The graphic designers responsible for Talentum's magazines published in Finland were officially merged into a Media Design Group in March 2010. New layouts are designed in groups for which many kinds of expertise and views are sought.

The aim of the change was to promote better products, more flexible organisation and more attractive presentation of the magazines' expert content. Thus, the visual challenges of Talentum's magazine business can be responded to more effectively than before.

Talentum's editorial offices were merged in Finland

The editorial offices of magazines published by Talentum were merged during the autumn. The aim of the change was to improve services and modernise operational models. The editorial offices of Talouselämä and Markkinointi & Mainonta merged in September. Both magazines will be under the editorship of **Reijo Ruokanen**. Also, the editorial offices of Tekniikka & Talous, Metallitekniikka and Energia merged. **Terho Puustinen** will start as the editor-in-chief of the merged editorial office in March 2011.

Chief Executive Officer's

REVIEW

March 2011

According to Juha Blomster, Talentum's CEO, the most important goal for 2011 is to improve profitability.

How was the general economic situation reflected in Talentum's operations in 2010?

The general economic situation affected our customers' opportunities to recruit personnel, use our media and invest in training and advertising. When our customers do well, so does Talentum.

Talentum's media offered interesting stories and maintained readers' interest. As a consequence, our order backlog remained at a good level. Stories about economy and technology are interesting in all economic conditions.

The general economic situation has an ever-increasing impact on advertising. Our advertising sales increased in both Finland and Sweden. Growth improved towards the end of the year.

Were there significant changes in the operating environment during the year?

Talentum focuses on publishing operations directed towards professional target groups. There are no media companies equivalent to Talentum in Finland or Sweden. Our products do have competitors, and this keeps us alert.

Structural change in the media sector has been underway for a long time. Fragmentation of the media field and development of electronic devices create interesting opportunities.

How did Talentum fare financially in 2010, and what factors affected development?

Talentum allocated resources to revamping its structures and organisations to enable it to maintain competitiveness in the changing industry. The financial result was not satisfactory. Expenses arising from organisational arrangements and acquisitions weakened the result. However, these measures were investments for the future.

How well did Talentum achieve its goals during the year?

Talentum's most important short-term goal is to improve profitability. In order to achieve the goal, we have developed products and services that increase net sales, we have updated our organisations and made an acquisition, and we have also continued integrating the previous aquisition. A lot has been done, and I think we have been relatively successful in our work.

I would like to thank all Talentum's personnel in Finland and Sweden for their enthusiasm, flexibility and commitment.

> "In the future, a media company will have to be able to meet customers on many different fronts."

How did you develop your business during the year?

In order to develop our business operations, we encouraged all Talentum employees to innovate and develop new products and services that increase net sales. Attention has been paid to enhancing processes throughout all functions of the Group. In addition to these changes, we moved from a matrix organisation to a profit centre organisation. We reshaped both top and middle management, particularly in Sweden.

How did you implement your growth strategy?

According to the strategy, we aim to reduce dependence on economically sensitive sources of income. We purchased Sverige Bygger AB and Norge Bygges AS at the end of 2009 and IIR Finland Oy, now Talentum Events, in 2010. Their business operations are based on professionals' need for information, which we expect to remain unchanged despite fluctuations in economic conditions.

What challenges and opportunities do you see in the business in the future?

In the future, a media company will have to be able to meet customers on many different fronts. Media alone is no longer sufficient. Events and training are a good channel to reach customers, and so is the information business.

E-business is both a challenge and an opportunity. The number of media channels is growing: print, online, mobile – we must be involved in everything in order for profitability to remain good.

We must be able to listen to the needs of our customers with sensitive ears as their preferences can change very quickly. Even if technical requirements differ, we must be able to produce content compatible with various manufacturers' devices within a short time. An example of this are the 28 e-books we just published.

What will the key focus areas be in 2011?

Our most important goal for 2011 is to improve profitability. At the same time, we will develop existing products, and we will innovate to create new opportunities to increase net sales and revenue. Talentum's valuable media brands must be safeguarded. They enable us to create active and diverse operations that also strengthen other brands

2010 was a rewarding and challenging year. Our customers, shareholders and readers continued to trust us, and I would like to thank them for that. I would also like to thank all Talentum employees for their effort in the past year and their good companionship at work.

Talentum entered the year 2011 from good starting point.

Talentum's

At Talentum, the focus was on improving profitability in 2010. The economic situation was still challenging at the beginning of the year but improved toward the end of the year.

The media sector perked up during the year. The amount of media advertising increased in both Finland and Sweden. At Talentum, advertising revenue grew by 13.1 per cent from the previous year in Finland and by 56.1 per cent in Sweden. The success of media sales surpassed the performance of the markets in both countries.

The integration of Sverige Bygger and Norge Bygges, producers of business information for the construction industry acquired on the last working day of the previous year, continued during the year. The companies operate in Sweden and Norway.

During the year, the event business was strengthened with the IIR Finland acquisition. The company now operates under the name Talentum Events Oy and organises events under the trade mark FYI, as well as in cooperation with Talentum's other brands. The acquisition plays its part in supporting the strategic goal of reducing dependence on the economically sensitive advertising business.

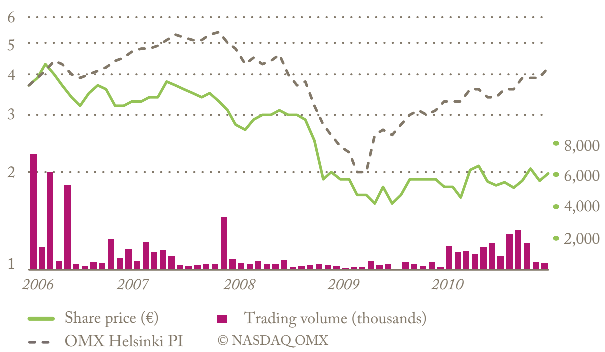
The most important goal for the year was to improve profitability.

Key figures

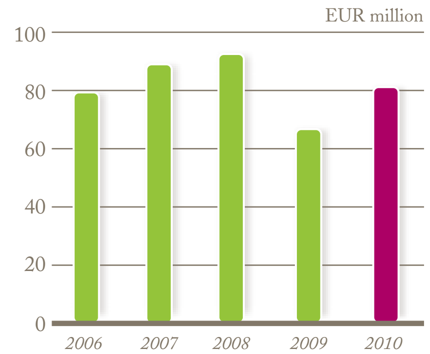
	2010	*2009*
Net sales, M€	81.0	66.8
Operating income, M€	0.3	-5.2
Operating income before non-recurring items, M€	2.0	-0.9
Return on capital invested, %	5.2	-19.4
Investments, M€	3.9	8.8
Equity ratio, %	34.4	31.4
Earnings/share, €	0.0	-0.10
Dividend/share, €	0.02*	-
Average number of employees	787	755
Net sales per person, 1,000€	103	89

** Board proposal, 0.02 €/share, distribution of assets from invested non-restricted equity reserve*

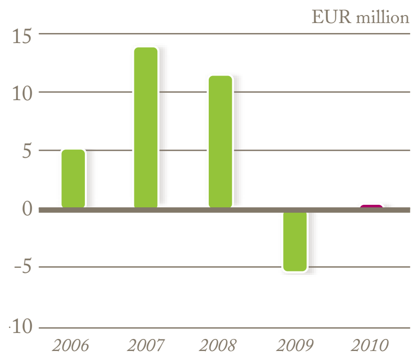
Share price and trading



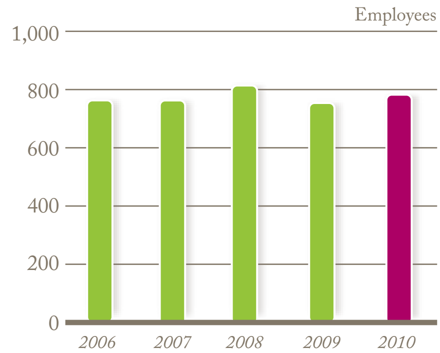
Net sales



Operating income



Personnel on average



year 2010

Most popular business books

- **Henrikki Tikkanen & Antti Vassinen**: StratMark: Strateginen markkinointiosaaminen
- **Lisa Sounio**: Brändikäs
- **Emilia Kullas & Ninni Myllyoja**: Mitä jokaisen kotiäidin (ja muidenkin naisten) tulee tietää sijoittamisesta
- **Jyrki Jauhiainen, Timo A. Järvinen, Tapio Nevala**: Asunto-osakeyhtiölaki
- **Alf Rehn**: Vaaralliset ideat
- **Marko Erola**: Paras sijoitus

Most popular legal trainings

- Agile-toimitussopimukset
- Osakeyhtiölaki – käytännön kokemuksia
- Vahingonkorvaus ja julkisyhteisöjen vastuu
- Jäämistösuunnittelu 2010
- Insolvenssipäivä

Most popular books

- Työpaikalla nähtävänä oltava lainsäädäntö
- Verolait
- Suomen Laki I-III -teossarja

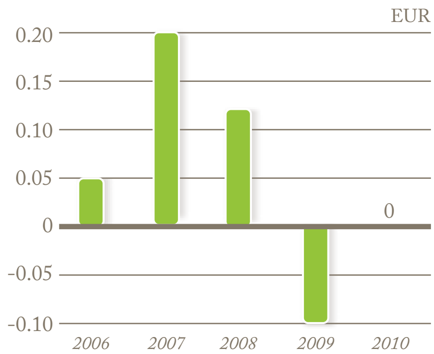
Most popular events

- Sijoitusristeily (Investment cruise)
- Bank & Finans Outlook
- Nordic Back Office
- Real Estate Investements
- Cash & Treasury
- Päättäjänaiset (Decision making women)
- Bank 2.0
- Risk & Insurance

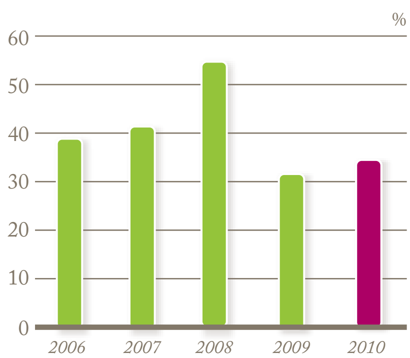
Talentum's best known media brands include

- Affärsvärlden
- Arvopaperi
- Mediuutiset
- MikroPC
- Ny Teknik
- Talouselämä
- Tekniikka & Talous

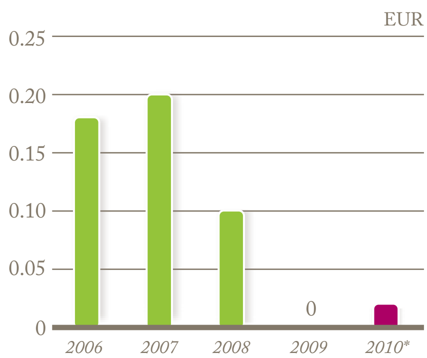
Earnings per share



Equity ratio

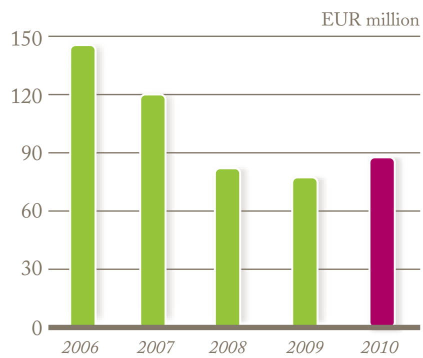


Dividend per share



* Board proposal distribution of assets from the invested non-restricted equity reserve in the amount of 0.02 EUR per share

Market capitalisation



Strategy

Talentum's aim is to grow profitably. In the near future, its aim is to focus on improving profitability. Growth is sought in all areas of publishing through corporate acquisitions and organic growth. In particular, investments will be made in e-business and information services. There is a lot of potential for growth in the Nordic countries. Talentum is also exploring potential for expansion in other nearby market areas. The goal is for over half of net sales to come from outside Finland in the future.

The goals will be achieved by producing, processing and packaging essential data and information, as well as by disseminating the data and information through various channels. Talentum is developing its business operations, which are less dependent on economic fluctuations than advertising, in a goal-oriented way. Talentum's strengths are good knowledge of the expert target group and customer orientation, as well as strong, well known brands.

Cornerstones for 2010

In 2010, Talentum focused on improving profitability. This led to internal structural reorganisations. In Finland, Talentum combined the editorial offices of Talouselämä and Markkinointi & Mainonta, as well as those of Tekniikka & Talous, Energia and Metallitekniikka. The company moved from the previous matrix organisation to a business unit organisation in both Finland and Sweden. The changes aim at more flexible operations, more developed procedures and better profitability.

The development of product innovations continued throughout the year. In addition, many new magazines were published. Good examples of these include the first issue of Talouselämä Platinum in Finland, which is Talouselämä's high-quality lifestyle supplement, and the new Ny Teknik Historia digital magazine in Sweden, which is also published in print as a consequence of feedback provided by readers. In addition, online services were developed for the needs of our readers, including the Talouselämän Yrityskaupat (corporate acquisitions) service, which is based on a unique database.

Talentum strengthened its training and event business and purchased IIR Finland Oy, a leading event provider in Finland. The company now operates under the name Talentum Events Oy. The acquisition supports Talentum's strategic goal of reducing its dependence on the economically sensitive advertising business.

According to the strategy, profitability will remain a primary target in 2011. Active mapping of acquisition targets that are consistent with the business strategy will continue. However, in 2011, the focus will be on organic growth and integration of newly acquired enterprises.

Talentum provides services to meet the increasing need for information of professionals. The company is specialised in publishing operations, whose key products are magazines, books, online and information services, training and events. Talentum's aim is to be the first choice for professionals looking for information.

Operating environ

The media sector has been in a process of structural change for years. The change mainly pertains to content production and revenue structure. In 2010, the sector was stirred by the recovery of media advertising, as well as new distribution channels, such as tablet computers and electronic reading devices.

Talentum is a media company specialised in publishing operations designed for professionals. The company offers a unique range of products and services targeted at professionals, such as online and printed media, information services and professional literature, as well as events and training. The company's main market areas are Finland and Sweden. From the point of view of media and services, Talentum's competitive environment consists of those companies that provide equivalent products to professionals.

The structural change of the media sector has already been underway for a few years. Digitalisation, as well as fragmentation of the media and the readership, have set new challenges for companies in the sector.

Professionals need analysed information

Media companies compete for people's time. Daily competition for news has already shifted to electronic tools. It is estimated that the role of printed media will be confined to the production of background information.

In Finland, the sales of electronic reading devices and tablet computers gained momentum only towards the end of 2010, which is somewhat later than in Sweden. The real breakthrough of reading devices is being delayed by the fact that they are still relatively expensive, but there is active debate on the utilisation of formats and distribution channels. However, it is clear that, for example, the electronic publication of professional literature is becoming more common.

The information flow targeted at professionals is massive and continues to grow. Professionals need reliable filters that gather, process, analyse and distribute information from the point of view they select and through a channel suitable for them. The trend is to target products and services precisely at the selected target groups as large audiences can no longer be reached through just one distribution channel. In addition, new kinds of information services that generate additional value can be developed for media companies through digitalisation.

Strong reading culture in the Nordic countries

There is a strong reading culture in the Nordic countries. Despite the growth of the internet and other electronic content production, the circulations and numbers of readers of periodicals and, in particular, professional journals have remained the same. So far, the reduction in readership has mainly affected daily newspapers. Conversely, the circulations and numbers of readers of economic magazines have shown a slight increase.

ment

Advertising is changing

The role and shape of media advertising is changing. The financial value of advertising in printed media is still higher than that of online media. However, the share of online advertising is growing every year, and the public is believed to be shifting to the internet. Companies in the media sector must make sure that the quality of printed products will be high enough to maintain the interest of advertisers. Furthermore, they should be on the crest of the wave of development online in order to be able to offer the best possible service and the right target groups to advertisers.

Media advertising gathered new strength in 2010

Advertising represents a significant proportion of profits in the media sector. The advertising market usually reacts strongly to the prevailing economic situation. During 2010, the media market picked up slightly compared to the previous year. The total amount of media advertising increased in almost all media groups in 2010. Media advertising grew by 6.9 per cent in Finland and 18.4 per cent in Sweden.

In 2010, the media advertising markets were worth approximately EUR 1,346.9 million in Finland and around SEK 12.1 billion in Sweden.

The importance of online media as a means of advertising has grown. However, the financial value of advertising in printed media is still significantly higher than it is in electronic media. In 2010, online advertising began to grow again. Online advertising grew by 33 per cent in Finland and 28 per cent in Sweden.

Other publishing

The book sales market developed steadily. Electronic publishing has been developed in the last few years, which has resulted in a continuous increase in the number of electronic publications.

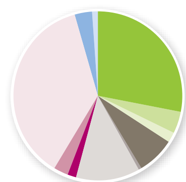
The number of players in the training sector has increased in the last few years. Training related to working life is among the most popular types of training and events.

Direct marketing is a growing sector. Its development has been influenced, for example, by the increased use of customer loyalty systems.

Sources: TNS Media Intelligence, Sveriges Mediebyråer, IRM institutet för Reklam- och Mediestatistik, Finnish Advertising Council.

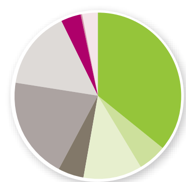
"The information flow targeted at professionals is massive and continues to grow."

The split of media advertising in Sweden 2010



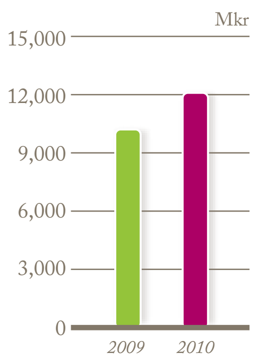
- Daily newspapers 28.1%
- General magazines 4.2%
- Professional magazines 2.0%
- Outdoor 7.1%
- Film 0.7%
- Internet 12.3%
- Search engine 1.6%
- Radio 2.8%
- Television 37.1%
- Direct marketing 3.2%
- Other 1.0%

The split of media advertising in Finland 2010

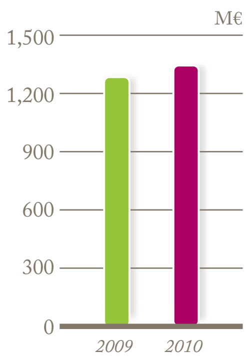


- Newspapers 36.1%
- Freesheets 5.4%
- Magazines 11.4%
- Directories 5.1%
- Television 19.7%
- Online media 15.3%
- Radio 3.9%
- Film 0.2%
- Outdoor 2.9%

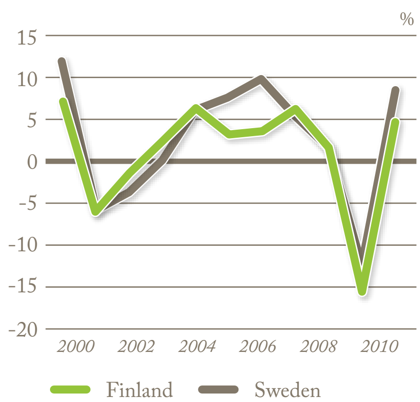
The size of advertising markets in Sweden



The size of advertising markets in Finland



Change of media advertising in Finland and Sweden



Presentation of business operations

Publishing

The core of Talentum's business operations is publishing directed towards professional target groups. In 2010, there were operations in Finland and other Nordic countries, as well as some small-scale operations in Russia.

The business objective of publishing is to add products and services that increase net sales as well as to improve profitability. The most important target groups for publishing are professionals interested in the economy, technology, law, advertising, marketing, health care, construction and management.

Talentum's strengths are its understanding of the needs of target groups consisting of professionals in various fields and the attention paid to the needs of the target groups, as well as its multichannel approach.

In 2010, net sales from publishing operations amounted to EUR 74.8 million, and operating income without non-recurring items was EUR 3.3 million. Net sales were up 23 per cent on the previous year. Exchange rates increased net sales by EUR 3.1 million. Of net sales from publishing operations, 52 per cent originates in Finland and the remaining 48 per cent abroad, mainly Sweden.

Key figures – Publishing

EUR million	2010 Finland	2010 Other Nordic Countries	2009 Finland	2009 Other Nordic Countries
Net sales	39.2	35.5	37.3	23.5
Operating income without non-recurring items	1.4	1.9	1.9	-1.4
Average number of personnel	210	232	201	176

Sverige Bygger AB, a Swedish company acquired at the end of 2009 that focuses on business information for the construction industry, and its Norwegian subsidiary Norge Bygges AS added momentum to the growth in publishing operations. The acquisition strengthened Talentum's expertise in the area of information services in accordance with the company's strategy.

In 2010, Talentum strengthened its event and training business by purchasing IIR Finland Oy. The company's name was changed to Talentum Events Oy. In the autumn of 2010, the company started up operations in Sweden and Denmark.

Various services and publications are also offered online in almost all areas of Talentum's publishing. The e-business share of total net sales from publishing operations grew from 13 per cent to 20 per cent.

Publishing Finland

In Finland, Talentum publishes magazines, online services and books for professionals, and provides training and events. Readers and customers are served through channels that best suit their schedule and need for information.

Talentum believes that the need for high-quality, reliable and well analysed economic information will grow. The circulation and readership numbers of

Talentum focuses on publishing operations designed for professionals in various fields. Its publishing channels are magazines, books, online services, information services, events and training. Direct marketing serves as the sales channel for products and services.

Talentum's printed magazines have remained good, while the online offering and number of visits to online services have expanded.

With a circulation of about 80,000 copies, Talouselämä is the largest weekly business magazine in the Nordic countries. In December 2010, Talouselämä published the first issue of the Talouselämä Platinum lifestyle supplement. Talouselämä Platinum, which is published four times a year, met all expectations and gained the interest of advertisers.

In 2010, many changes were implemented in editorial offices in order to improve editorial efficiency and create more reader-oriented magazines, as well as to diversify work and make it more inspiring for employees. The experts responsible for the design and pagination of magazines now work together in a Media Design Group. The editorial offices of magazines were merged, too. The first ones to be merged were the editorial offices of the Talouselämä and M&M magazines. The Energia magazine was merged with the Tekniikka & Talous magazine, and as of the beginning of 2011, it is published as a special supplement in Tekniikka & Talous. The Metallitekniikka and Tekniikka & Talous magazines were also combined, forming a joint editorial office.

Talentum's IT magazines have had a cooperation arrangement with the world's largest IT publisher, International Data Group (IDG), for nearly 30 years. There is daily cooperation among editorial offices as well as in advertising sales.

Together with Medicine Today International (MTI), which is part of the Swedish Bonnier Group, Talentum owns Oy Mediuutiset Ab, which publishes the Mediuutiset magazine in Finland. MTI publishes a similar magazine in Sweden, Norway, Denmark, Estonia, Poland and Slovenia.

Online Talentum media focused on developing premium services that require registration. The aim of the new content areas is to strengthen relationships with readers. The number of unique visitors to Talentum's network

has increased steadily, and some single week visitor figures were up to 35 per cent higher compared to the same period of the previous year. Tietoviikko continued to publish the Microsoft Areena partnership website together with Microsoft Finland. The partnership website gathers journalistic material and customers' expert contents in the same online service. Talouselämä implemented the partnership website by combining its unique database, built from corporate acquisition monitoring over the years, with OP-Pohjola Group's expert material.

Training, events and books

In September 2010, Talentum strengthened its training and event business by purchasing IIR Finland Oy, which was renamed to Talentum Events Oy. With Talentum Events, the company's training and event offering increased significantly, and the areas were diversified. The company has operated for over 20 years, and about 100,000 decision-makers and opinion leaders have participated in its training and events over the years.

Talentum Lakikoulutus (Legal Training) continued as an independent unit. Of its offering, participants were particularly interested in training events related to topical legal matters and directed towards lawyers. Also, the events organised under Talentum's media brands have become important meeting places for companies in the sector.

At the end of the year, Talentum was the first Finnish publisher to publish business books as downloadable e-books when it released 28 titles in this format. In the future, almost all books will be published as e-books in addition to the printed version. Suomenlaki.com has already offered a catalogue of Finnish laws as an online information service subject to a charge for many years. The service also includes topical editorial material.

As regards books, a book by Marko Erola published in 2009 won the 2010 prize of the Finnish Association of Business School Graduates. Talentum's writers also did extremely well in the Kultasulka (Golden Feather) contest organised by the Finnish Association of Marketing Communication Agencies (MTL). The Hallitus ja markkinointi book by Leena Paananen won the Kultasulka (Golden Feather) award. The Hopeasulka (Silver Feather) awards

went to Tutkimusmatka lojaliteetti-markkinointiin – Kuinka edelläkävijät uudistavat markkinointikäytäntöjä by Hannu Mattinen and Sinikka Sierla and Sponsorointi – Yhteistyökump-panuus strategisena voimana by Eero Valanko.

In addition to the Suomen Laki and Verolait books, constant popularity is enjoyed by Työpaikalla nähtävänä oltava lainsäädäntö -book.

Publishing Other Nordic Countries

In Sweden, Talentum publishes magazines for professionals and offers events and online services. Talentum HR provides information services and consulting to Swedish professionals in the HR sector. Sverige Bygger AB, which was acquired at the end of 2009, produces business information for the construction industry. Its subsidiary provides equivalent services in Norway. Talentum Events, which was acquired in September 2010, produces events in Sweden and Denmark.

The circulations and readership numbers of Talentum's magazines are on a good level in Sweden. The circulation of Ny Teknik, the largest magazine, is over 155,000 copies, which makes it the largest professional magazine in the Nordic countries.

The Teknik Historia magazine was first published by Ny Teknik as an online digital version, and now the magazine is published in printed format four times a year. The magazine had over 8,000 subscribers following the publication of its first issue, and the number nearly doubled within a short time.

Ny Teknik magazine's recruitment service www.nyteknik.se/jobb increased its advertising sales and was financially successful.

Dagensmedia.se, the online service of the Dagens Media magazine, won

Talentum brands

affärs världen
ARVOPAPERI
Byggvärlden
DAGENS MEDIA
Fakta
FYI
Lag&Avtal
NORGE BYGGES
NyTeknik
M&M
MikroPC
Mediuutiset
METALLITEKNIIKKA
SVERIGE BYGGER
talentum HR
Talentum Lakikoulutus
Talouselämä
tekniikka &talous
tivi

"The e-business share of total net sales from publishing operations grew from 13 per cent to 20 per cent."

the award for best digital service of the year in the Årets Tidskrift competition. The award is granted by the Sveriges Tidskrifter organisation.

The iPad stock exchange service application of the Affärsvärlden magazine was the most downloaded free service in Sweden.

In Sweden, Talentum's magazines have developed online and mobile services successfully. The events organised under their brands have also reached their audience well.

Sverige Bygger and Norge Bygges provide diverse business information for the construction industry and distribute it digitally. Their continuously updated database contains almost all ongoing construction projects and the contact information of the professionals working on them.

Publishing Russia

In Russia, Talentum owns 50 per cent of Conseco Press, which is a publishing and consulting business focusing on the legal profession.

Foreign subsidiaries

- Talentum Sweden AB, Sweden
- Talentum Business Information Group (TBIG) AB, Sweden
- Talentum Events AB, Sweden
- FYI Events Denmark ApS, Denmark
- Sverige Bygger AB, Sweden
- Norge Byggės AS, Norway
- Conseco Press OOO, Russia

Key figures – Direct Marketing

EUR million	2010	*2009*
Net sales	8.8	8.8
Operating income without non-recurring items	0.9	0.7
Average number of personnel	327	357

Direct Marketing

Talentum owns Suoramarkkinointi Mega Oy, which is the leading specialist telemarketing company in Finland and the Baltic countries as regards outbound services, i.e., services related to contacting current and potential customers. Mega's expertise provides support to Talentum's publishing operations, and it is part of Talentum's sales channel strategy.

Mega's sales services can be targeted at both companies and consumers. Mega has 16 offices in Finland and 11 in the Baltic countries.

Despite the sale of the Lithuanian office at the end of 2009, net sales from direct marketing were the same as in 2009, standing at EUR 8.8 million. Operating income without non-recurring items improved slightly, standing at EUR 0.9 million.

As Talentum made cuts to its telemarketing operations, it has been possible to increase the Group's external sales correspondingly. Over half of Mega's net sales come from outside the Group.

Mega works constantly to improve its operations and increase the wellbeing of its personnel. Mega constantly faces the challenge of finding professionally skilled and motivated personnel. To increase the prestige and visibility of the telemarketing profession, Mega works in cooperation with employment offices.

Suoramarkkinointi Mega Oy's foreign subsidiaries

- Müügimeistrite AS, Estonia
- Telemarket SIA, Latvia

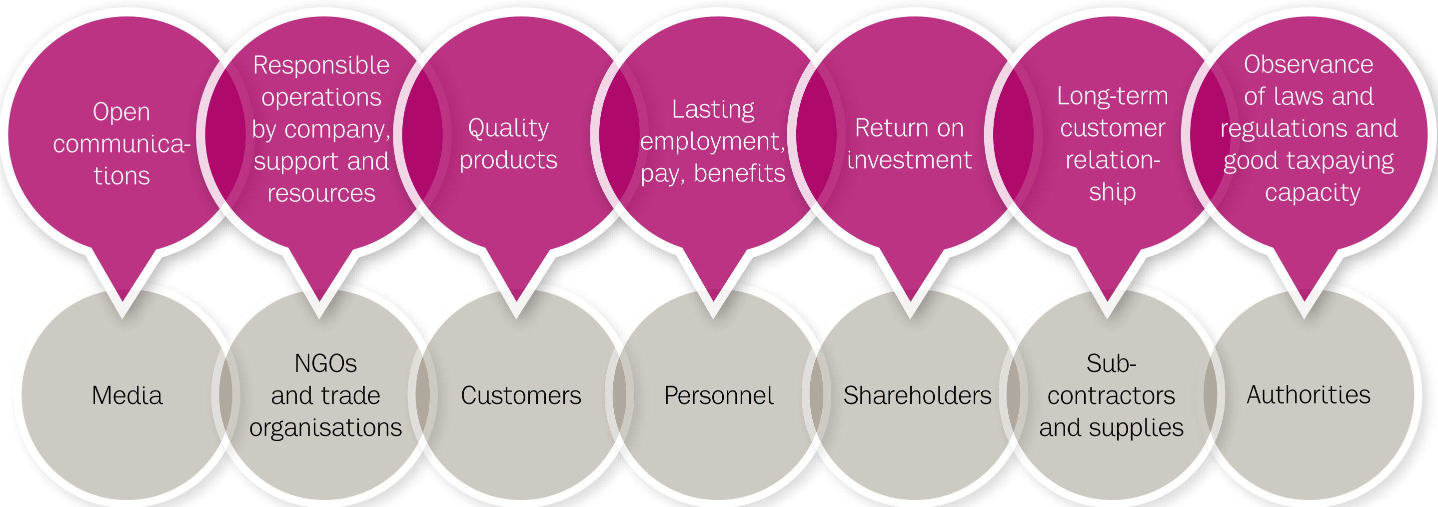
Corporate responsibility

At Talentum, a company which focuses on publishing, the respect of customers and employees, reliability of information and enhancement of professional skills are priorities. Transparent and responsible operations with respect to all stakeholder groups and the environment are of paramount importance to Talentum.

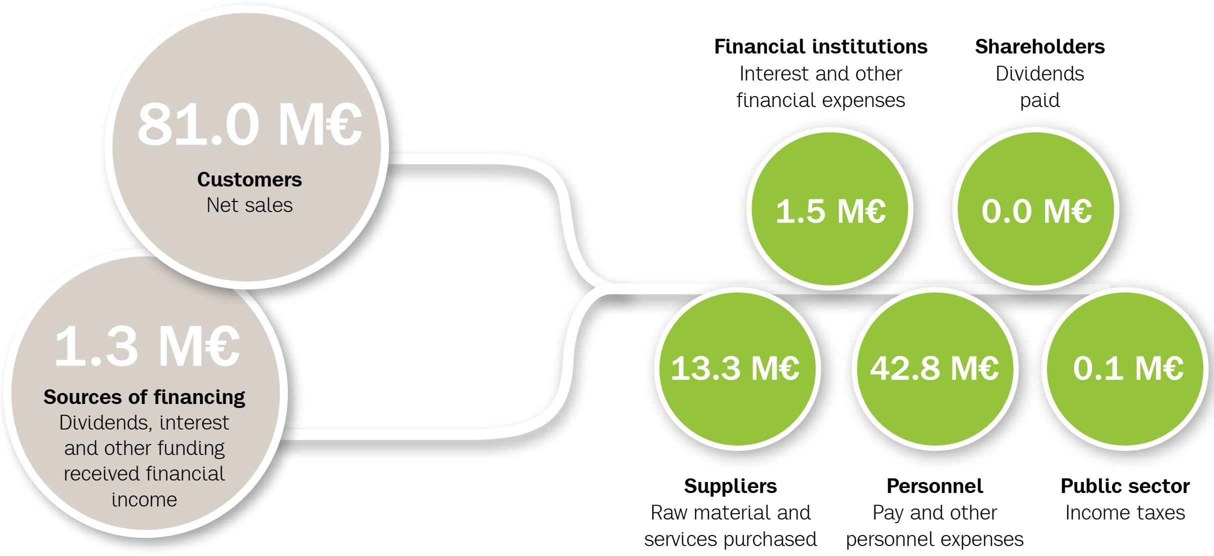
As a responsible company, Talentum takes into account the social, economic and environmental effects of its operations. At Talentum, the respect of customers, concern for personnel, reliability of information and enhancement of professional skills are priorities. Operations are based on familiarity and compliance with best practice and legislation.

Being a publisher focusing on professionals, Talentum has a responsible role as a producer of reliable information, a describer of economic phenomena and thereby also a promoter of freedom of speech. Via its media, Talentum contributes to social debate and thus the development of society. Dissemination of knowledge and promotion of responsible operations in its profession are important issues for Talentum.

Stakeholder groups and their expectations



Talentum's direct financial impacts in 2010



Financial responsibility

At Talentum, financial responsibility is led by business strategy. Profitable growth, improvement of profitability in the near future and diversification of the income structure have been specified as the aims of the company in the strategy.

Profitable operations and a steady increase in the company's value have a favourable effect on customers and ensure financial well-being for owners, employees and suppliers of goods and services.

Talentum's financial results have wider social effects as a result of taxes. A strong financial position is also a prerequisite for supporting environmental and social responsibilities.

Read more about Talentum's corporate governance in the relevant section of the annual report on page 22.

Social responsibility

At Talentum, the cornerstones of social responsibility are personnel well-being and know-how, collaboration with enterprises and educational institutions, and other activities for the public good.

Talentum's high-quality products and services are created in accordance with the industry's ethical principles. The work of editors is guided by the Ethical Rules for Journalists, which aim to support the responsible use of freedom of speech in the media. At Talentum, interactions with customers, competitors, subcontractors, partners and fellow workers are open and responsible. Direct marketing is governed by the Rules of Fair Play of the Finnish Direct Marketing Association.

Talentum's media, books and training also have an important role in developing experts' know-how. Talentum's strategy and values include the respect of customers and the integration of their needs into the core of its operations. Product development is based on continuous sounding of customer needs.

Talentum participates in sponsorship and support advertising when the causes are consistent with Talentum's values and strategy, and bring additional value to Talentum's products and services.

Talentum collaborates with educational institutions by arranging visits to editorial offices.

The company also supports the creation, compilation and publication of research and data that serve the interests of Finnish business via the KAUTE Foundation (financial assistance for commercial and technical sciences).

Environmental responsibility

Talentum's main environmental effects are associated with paper consumption, transport, recycling, energy consumption and waste management.

At Talentum, magazines and books are printed by subcontractors. Talentum requires its subcontractors to operate responsibly, taking environment and climate protection into account. In 2010, Talentum used a total of about 3,405 tonnes of paper to print its magazines and books in Finland and Sweden.

Talentum tries to reduce emissions generated by travel. Tele- and videoconferencing are recommended for international meetings, and the CO_2 emission limits for company cars have been set at 160 g/km. In both Helsinki and Stockholm, the Group's premises are situated in the city centre, close to good communication links, which makes it easier for people to use public transport on their way to work and when travelling elsewhere.

Talentum sorts and recycles waste in accordance with the law. Material that is taken out of use, such as machines, equipment and waste paper, is recycled to the maximum possible extent.

Personnel

As an expert organisation, Talentum's most important success factor is its competent personnel who are committed to their work. In personnel management, enhancement of expertise, cooperation and working atmosphere are areas that are invested in. The objective of Talentum's personnel management is to support the company's business operations. The personnel strategy is in line with Talentum's other strategic targets.

In 2010, personnel management's most important single project was connected with the development of management. During the project, a new organisational model was planned and implemented and the performance management model, as well as Talentum's key management qualities and skills, were defined.

Personnel in 2010

In 2010, Talentum employed an average of 787 people in Finland, Sweden, Norway, Denmark, the Baltic countries and Russia. Of the personnel, 49.9 per cent work in Finland and 28.1 per cent in Sweden. Publishing operations employed 442 people and direct marketing 327 people, while 18 people worked in the parent company's administration in Finland.

The organisational structure of Talentum Group was simplified in August 2010, when it became an income unit organisation. The aim of the change is to achieve clearer profit responsibility and faster decision-making ability. In both Finland and Sweden, editorial offices were merged into larger entities. The sales organisation was also modified and operational models developed.

The aim of the performance management model to be adopted at the start of 2011 is to ensure that Talentum's employees are more familiar than before with their personal targets derived from the unit's targets. These are agreed jointly with the supervisor at the appraisal meetings. The realisation of the targets will in future be assessed twice a year.

Talentum's supervisors were coached in the implementation of the model during the latter part of 2010. Talentum's management skills and qualities will in future guide the development of supervisory work.

Promoting well-being at work

An early caring model was defined at Talentum in 2010. The model gives supervisors tools for addressing problem situations arising in the workplace early. The model will help to enhance well-being and coping at work. The supervisors will be coached in the utilisation of the model during spring 2011.

During the latter part of 2010, a human resource survey was conducted in cooperation with occupational health, in which the challenges of coping at work were examined. According to the survey, the personnel see their work ability as fairly good and overall, the results were better than the Finnish average. Coping at work will be facilitated

Gender profile

Gender profile in publishing

Gender profile in management

Development of management, modification of the organisational structure and definition of the performance management model, as well as taking care of personnel's well-being at work, were focus areas for Talentum's personnel management in 2010.

"Personnel's expertise is developed particularly in the area of electronic media."

by establishing a weight management group, as well as a group aimed at activating those who currently get little exercise. In addition, briefings will be organised, e.g., regarding the significance of sleep for well-being at work. The problems with coping that came up during the survey will be addressed during personal visits at the occupational health.

Strengthening competence

Talentum trains its personnel on the basis of its business needs and encourages self-learning Career rotation and exchange of jobs are also areas that Talentum invests in. In 2010, about 20 people exchanged jobs or participated in job rotation.

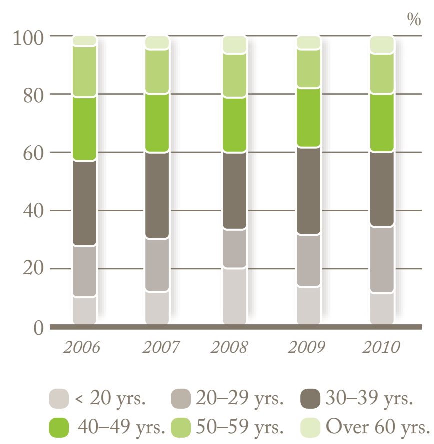
In future, personnel's skills and training needs will be reviewed at the biannual appraisal meetings. Customised training and sharing of expertise are used to ensure that the company has sufficient and the right kind of professional skills also for its future needs. Personnel's expertise is developed particularly in the area of electronic media, which is strategically important for Talentum's business operations.

In 2010, the first personnel Journalist Day was organised in Finland, during which topical magazine industry matters were discussed. Occupational training was also organised for the journalists. Competence profiles were defined for media sales people, which will help in the more systematic development of their skills in future. The coaching process was started with some supervisors.

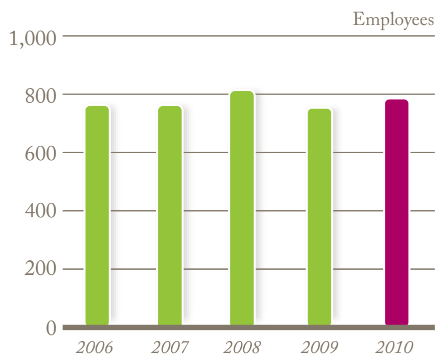
Year 2011

Talentum's key targets for 2011 include the stabilisation of the performance management model and the development of the company's critical competence areas. Continued investments will be made in well-being at work and working atmosphere through, for example, supervisory and subordinate skills training. In addition, the effectiveness of personnel management processes will be enhanced with the use of electronic tools. A further aim is to create common personnel management models for the Nordic countries.

Age profile



Personnel on average



Net sales/employee

Talentum's Corporate Governance Statement

In its decision-making and corporate governance, Talentum Oyj observes its Articles of Association, the Finnish Companies' Act, provisions on publicly listed companies and NASDAQ OMX Helsinki's rules and regulations. Talentum observes the Code of Governance of Finnish listed companies. The Code of Governance is available at www.cgfinland.fi.

General Meeting

The General Meeting, in which the shareholders take part in the steering and supervision of a company, is the highest decision-making body of a limited liability company. It decides on the matters that, under the company's Articles of Association and the Finnish Companies' Act, fall within its competence, such as approval of financial statements, distribution of dividends, granting of exemption from liability to the CEO and members of the Board of Directors, election of the members of the Board and auditor, as well as their fees and remuneration.

The Board of Directors convenes the General Meeting by publishing a notice in at least two newspapers chosen by the General Meeting no more than three months and no less than three weeks before the date of the Meeting. At the latest, however, the notice is published nine days before the record date of the Annual Meeting.

The Annual General Meeting shall be held once a year by the end of June each year. An Extraordinary General Meeting can be held whenever the Board of Directors deems it necessary or when otherwise required by law.

Under the Articles of Association of Talentum Oyj, a shareholder may exercise total votes representing a maximum of 1/6 of the company's total shares at the General Meeting. If subsidiaries or companies in the same group and/or the pension foundation or pension fund of such companies jointly own shares representing more than 1/6 of the total votes, the number of votes that can be exercised at a General Meeting by virtue of these shares is limited to a maximum of 1/6 of the total votes.

Board of Directors

The members of the Board of Directors are elected at the Annual General Meeting for a term of one year. The General Meeting elects the Chairman and Deputy Chairman of the Board.

Charter of the Board of Directors

The Board of Directors operates according to the Charter it has approved. The Charter guides the work of the Board of Directors and supplements the other laws and provisions that the Board must observe, especially the Finnish Companies' Act, the Securities Markets Act and the Articles of Association. The company also observes the rules and regulations of the Helsinki Stock Exchange (NASDAQ OMX Helsinki Ltd) and the Code of Governance of listed companies, which was approved by the Finnish Securities Market Association and came into effect on 1 October 2010.

Under the Articles of Association, the most important tasks of the Board of Directors are:

- The most important task of the Board of Directors is to steer the Group's operations so that it generates maximum added value for the shareholders in terms of future cash flows. Also the interests of the other stakeholder groups of the company must be taken into consideration in the proper manner, and the operations must at least observe the generally acceptable principles of social responsibility.

The tasks of the Board of Directors also include:

- appointing and removing the CEO and deciding the service terms and conditions
- approving the central operating policies and values
- approving the strategy and the annual budget, and supervising their implementation
- approving all important acquisitions and investments and making other significant decisions
- drafting and approving the interim reports and financial statements
- approving the dividend policy and presenting dividend payment proposals to the General Meeting
- monitoring the implementation of internal audits, internal control and risk management
- handling the matters brought to the attention of the Board of Directors by the CEO and the Chairperson of the Board or those that, according to the Finnish Companies' Act, other provisions or the Articles of Associations, belong to the area of responsibility of the Board
- monitoring the statutory audit of the financial statements and consolidated financial statements
- assessing the impartiality of the statutory auditor and especially the provision of ancillary services to the company
- proposing the name of an auditor.

Assessment of the impartiality and activities of the Board of Directors

The Board of Directors assesses its activities and those of the CEO once a year.

The Board of Directors assesses the impartiality of its members at least once a year or as necessary, and it ensures that legal competence is always assessed in the appropriate manner.

Committees of the Board of Directors

The Board of Directors has determined that, in view of the size of the Group and the extent of its operations, the Board shall have no separate committees. The Board, as a whole, is responsible for the tasks of the committees referred to in the Code of Governance of Finnish listed companies.

Chief Executive Officer

The CEO is in charge of the company's day-to-day management in accordance with the instructions issued by the Board of Directors. The CEO is appointed and removed by the Board of Directors. The Board of Directors appoints a Deputy CEO as needed.

The Board of Directors approves the executive contract of the CEO at its meeting.

Other members of the Group Executive Management

The members of the Group Executive Management are appointed by the CEO. In addition to the CEO, they include the General Counsel and Vice Executive President, Chief Financial Officer, Vice Presidet Corporate Development, Vice President Customer Relations and Product Development Director and Vice President Human Resources.

The Group Executive Management meets about twice a month under the chairmanship of the CEO to discuss such matters as Group strategy, risk management and internal control, business plans, result monitoring, corporate restructuring and other important operational matters.

Internal control

The general principles governing internal control in the Group have been approved by the Board of Directors. The aim of internal control is to ensure that the Group can operate efficiently and profitably and that the information supplied is reliable. The control system helps to ensure that the operating principles and guidelines are adhered to.

The Group's management and other supervisory staff must, through their actions, ensure that internal control functions well. The Group's financial organisation provides these functions with the necessary support by issuing guidelines and by ensuring that they are observed.

The financial development of the Group is monitored on a monthly basis using a steering system that covers the entire Group, listing the monthly figures, business reports and forecasts for the current year.

Organising internal audit function

The company does not have a separate organisation for internal audits, as it has not been considered necessary in view of the size of the Group and the extent of its business operations. Internal control and guidelines help to ensure that there is no need for a separate internal audit organisation.

The company's audit firm is involved in the review of the Group's control system as part of the audit plan drawn up each year.

Furthermore, the company's audit firm, assigned by the Board of Directors, will carry out a comprehensive audit of special items each year. The auditor reports directly to the Board of Directors.

When necessary, the Group also uses external experts for assessment tasks requiring special expertise.

Risk management principles

The aim of risk management is to identify, analyse and manage potential business-related risks so that the continuity of the Group's operations can be secured and the value of its shares maximised.

Risk management is carried out each year in connection with the Group's strategy process by determining the most important risks to the Group. The Board of Directors discusses the strategy and risk summary annually, typically in its August meeting. Risk management assesses capital management as well as operating, legal, financial and accident risks.

The principles governing capital and risk management are presented in the annual report each year.

Main features of internal control and risk management relating to financial reporting

The aim of internal control in financial reporting is to ensure that the operations of the Group's finance functions are efficient and productive and that regulations are followed in every country the Group operates in. An additional aim is that financial reporting is high-quality, timely, accurate and intelligible. Internal control in financial reporting includes, amongst other things, operations consistent with the Group's values, as well as processes, operating policies, practices, schedules and organisational structures. Risks relating to financial reporting are continuously analysed, and the Group's financial management have principal responsibility for risk management. Internal control in financial reporting was a focus area for development in the two previous years, and the implementation of development measures continued in 2010.

The most important finance functions in the Group are based in Finland and Sweden. The Group's finance functions strive for centralised operations and consistent procedures. Financing of the Group and related risk management are taken care of centrally in Finland. The finance functions operate in close collaboration with the rest of the organisation.

The IFRS accounting principles are followed throughout the Group, and they are described in the Group's accounting handbook. The results of Group companies are monitored via monthly reporting. Monthly reporting is based on consistent reporting models and the use of common systems throughout the Group. Members of the companies' financial management verify the results reported and regularly comment on deviations of the results from budget and comparison figures. In addition, the Group's finance function, in collaboration with finance departments, determines other controls that ensure the accuracy and effectiveness of the financial reporting process. These include various approval rights, reports, analyses, records and usage rights of financial management systems.

Insider administration

Talentum Group applies the Guidelines for Insiders issued by the Helsinki Stock Exchange. In Talentum Group, the so-called "closed window", i.e., the period during which permanent insiders may not trade in company shares before the publication of financial disclosures, is 21 days, which differs from the 14 days laid down in the Helsinki Stock Exchange guidelines.

The company has given the following staff members the status of permanent company-specific insiders: public insiders (those covered by a disclosure obligation), the Group Executive Management, the Corporate Communications Manager and the people responsible for Group accounting and reporting.

In addition to regular restrictions, the company can, when necessary, also impose project-specific trading restrictions under which the people involved in the planning, preparation and implementation of important projects that may have an impact on the share value, such as corporate acquisitions, are given the status of project-specific insiders. Adherence to the insider guidelines is regularly monitored. The Group's General Counsel is responsible for insider affairs in the company.

Permanent insiders are regularly instructed and trained in insider matters.

The insider register of Talentum Oyj is held on the NetSire system of Euroclear Finland Oy.

Auditing

The General Meeting elects an auditor each year at the proposal of the Board of Directors. The name of the auditor proposed by the Board of Directors also appears on the invitation to the General Meeting. Under Talentum's Articles of Association, the auditing must be carried out by authorised public accountants.

The fees paid to the auditor for auditing and services not connected with auditing for each financial period are given in the annual reports.

Provision of information

The principal information concerning the company's administration and investor relations appears on Talentum's website. The company's company disclosures and the main presentation material provided by the Executive Management are available on the company's website after their publication.

Corporate Governance in 2010

General Meeting

The Annual General Meeting was held in Helsinki on 31 March 2010.

The Extraordinary General Meeting was held in Helsinki on 15 June 2010.

Board of Directors

The Annual General Meeting on 31 March 2010 elected 6 members to the Board of Directors, one of whom was elected Chairman of the Board and one Deputy Chairman.

The Chairperson of the Board is Merja Strengell, the Deputy Chairperson is Kai Telanne, and the other members of the Board are Joachim Berner, Harri Kainulainen, Eero Lehti and Atte Palomäki.

Meetings of the Board of Directors

In 2010, the Board of Directors convened 11 times with an average attendance rate of 92 per cent.

Fees of the Board of Directors

The Annual General Meeting confirms the remuneration paid to the Board of

Directors. The Board's monthly fees decided at the Annual General Meeting on 31 March 2010 are as follows: EUR 4,000 for the Chairperson, EUR 2,500 for the Deputy Chairperson and EUR 2,000 for members.

Chief Executive Officer

Talentum Oyj's Chief Executive Officer is Juha Blomster.

Terms and conditions of the CEO's employment relationship

The CEO has a written executive contract, the terms and conditions of which have been approved by the Board.

Under his contract, CEO Juha Blomster has the right to retire at the age of 60. His pension will be 60 per cent of his salary.

CEO Juha Blomster's period of notice to terminate his employment contract is six months. If the employment relationship is terminated through no fault of the CEO, he will receive severance pay equal to nine months' salary in addition to the pay due to cover the normal period of notice.

Group Executive Management

The Chairperson of the Group Executive Management is the CEO. In 2010, in addition to Juha Blomster, the Group Executive Management consisted of Hanna Kivelä (from 1 November, 2010), Kaisa Kokkonen, Mika Malin, Ulla Martola and Lasse Rosengren.

The duties of the Group Executive Management include ensuring implementation of the strategy, monitoring financial performance, annual planning, corporate restructuring and other significant matters. In addition, the Group Executive Management deals with financing and investments, as well as communications. The Group Executive Management generally meets twice a month.

Salary and bonuses paid to the CEO and other members of the Group Executive Management

The Board of Directors approves the CEO's salary and that of those reporting directly to him, including annual bonuses and the management bonus scheme. The Group Executive Management decides the salary level and bonuses of line management.

The salary levels in the Group are monitored through a system in which each manager's superior approves the principles related to the terms and conditions of the employment relationships of their own subordinates.

Auditing

The Annual General Meeting elects an APA (Authorised Public Accountant) as auditor annually.

The auditor is Authorised Public Accountants PricewaterhouseCoopers Oy, with APA Juha Wahlroos (born 1956) acting as the accountable auditor.

Auditor's fees

In 2010, the auditor was paid EUR 92 thousand for the audit plus the sum of EUR 52 thousand for additional services not relating to the audit.

Insiders

Details of the share ownership of those regarded as insiders at Talentum Oyj and obliged to give notification can be found on the company's website at www.talentum.fi, where the information is updated from the NetSire system maintained by Euroclear Finland Oy.

Details of the share ownership of those regarded as insiders at Talentum Oyj and obliged to give notification 1 Jan–31 Dec 2010.

Others regarded as insiders and obliged to give notification held no Talentum shares on 31 December 2010.

Details of the share ownership of those regarded as being insiders at Talentum Oyj and obligated to give notification 1 Jan–31 Dec 2010

	Total numer of shares 31 Dec 2010	*Change: 1 Jan–31 Dec 2010*
Blomster Juha	17,850	–
Kokkonen Kaisa	3,000	+ 3,000
Malin Mika	8,925	–
Rosengren Lasse	10,710	–
Lehti Eero, and Suomen Lehtiyhtymä Oy, which is 95 per cent owned by him and his family	32,062	–

Others regarded as insiders and obliged to give notification held no Talentum shares on 31 December 2010.

Remuneration Statement

Talentum observes the Code of Governance of Finnish listed companies, which was approved by the Finnish Securities Market Association on 15 June 2010 and came into effect on 1 October 2010. This remuneration statement has been drafted in compliance with recommendation 47 of section 7 of the Code of Governance.

Fees of the members of the Board of Directors

The General Meeting decides the fees of the Board of Directors each year.

The Board's monthly fees decided at the Annual General Meeting on 31 March 2010 are as follows: EUR 4,000 for the Chairman, EUR 2,500 for the Deputy Chairman and EUR 2,000 for members.

The Board of Directors has no other financial benefits or share-based rights.

Terms and conditions of the CEO's employment relationship and bonuses paid to the CEO

The Board of Directors approves the terms and conditions of the executive contract and the bonus plan of the CEO.

The bonus plan of the CEO is made up of performance-based bonuses and share-based bonuses. The maximum performance-based bonus for the CEO is equivalent to five months' salary. The Board of Directors decides on the terms and conditions and the payment of the bonuses each year.

As a rule, performance-based bonuses are determined on the basis of the growth in consolidated net sales, consolidated operating profit and the targets set for the individual areas of responsibility each year.

CEO Juha Blomster's period of notice to terminate his employment contract is six months. If the employment relationship is terminated through no fault of the CEO, he will receive severance pay equal to nine months' salary in addition to the pay due to cover the normal period of notice.

CEO Juha Blomster has a benefit-based group pension scheme. He has the right to retire at the age of 60, which is when the payment of the last pension insurance premium will take place. His pension will be 60 per cent of his salary. Under the terms and conditions of group pension insurance, the insured is entitled to a paid-up policy, i.e., premium-free insurance in an amount equivalent to the insurance savings accrued by the end of the employment relationship. The paid-up policy includes old-age pension at retirement age, invalidity insurance, survivors' pension and funeral grant.

The CEO received a total of EUR 348 thousand (EUR 306 thousand) in salary payments, bonuses and benefits.

Bonuses paid to the other members of the Group Executive Management

The Board of Directors approves the terms and conditions of the employment contracts and the bonus plan for the people reporting directly to the CEO.

The bonus plan for the Group Executive Management is made up of performance-based bonuses and share-based bonuses.

The maximum performance-based bonus for the members of the Group

The following remunerations were paid to the members of the Board:

	2010	*2009*
Airaksinen Manne (until 31 March 2010)	**7,500**	30,000
Berner Joachim (from 31 March 2010)	**18,000**	-
Kainulainen Harri	**24,000**	24,000
Lehti Eero	**24,000**	24,000
Mäkelä Kai (until 27 March 2009)	-	6,000
Palomäki Atte	**24,000**	24,000
Saarinen Tuomo (until 31 March 2010)	**12,000**	48,000
Strengell Merja (from 27 March 2009)	**42,000**	18,000
Telanne Kai (from 31 March 2010)	**22,500**	-
Total	**174,000**	174,000

In 2010, the following salaries and bonuses were paid to Talentum's CEO and the other members of the Executive Management:

€ 1,000	*Fixed salary*	*Bonus salary*	*Other financial benefits*	*Total salary 2010*
Chief Executive Officer	258	–	90	348
Executive Management	628	–	59	688
Total	886	–	150	1,036

Executive Management is equivalent to four months' salary. The Board of Directors decides on the terms and conditions and the payment of the bonuses each year.

As a rule, performance-based bonuses are determined on the basis of the growth in consolidated net sales, consolidated operating profit and the targets set for the individual areas of responsibility each year.

A number of members of the Group Executive Management have a retirement age of 60.

Management's share-based incentive scheme

Talentum Oyj's Board of Directors decided on 18 March 2010 to establish a new share-based incentive scheme for corporate management. The scheme consists of three earnings periods, each comprising at least one and no more than three earnings periods, the first of which began on 1 January 2010 and ended on 31 December 2010. The bonuses will be paid partly in the company's shares and partly in cash after the end of each earnings period. The share paid in cash will cover any taxes and other such costs arising from the bonus. It is prohibited to transfer shares earned as a bonus within two years of the end of the earnings period. The total length of the scheme is five years. After this, the company's CEO must retain one half of the shares earned by him under the scheme for the entire duration of his employment relationship and for one year after its termination. The Board of Directors will decide at a later stage on the next earnings periods and the restrictions related to the disposal of the shares earned during these periods. The possible scheme revenue for the 2010 earnings period is based on Talentum Group's net sales and operating profit and Talentum's share revenue. Eight people were covered by the scheme for the 2010 earnings period. If the scheme targets are fully achieved in the 2010 earnings period, a maximum of 151,000 shares and the amount of cash required for taxes and similar charges arising from the distributed shares being issued will be given under the scheme. If the scheme targets are fully achieved, a maximum of 484,500 shares in Talentum Oyj and the amount of cash required for taxes and similar charges arising from the distributed shares at issue will be given within the scheme over a period of 3 years.

This scheme replaces the scheme of the same content taken into use on 1 January 2007 and terminated on 31 December 2009.

In 2010 the bonus based on operating income totalled in 1,268 shares, which equals a total expence of some EUR 6,000 to the company. Talentum's Board of Directors determined on February 14, 2011 that the bonus will be paid in cash instead of shares.

Board members

Joachim Berner

Board member since 2010.

Joachim Berner was born in 1962 and has a degree of MBA and BBA.

Essential work experience

Lowe Brindfors, CEO, 2002–2003
Expressen, Editor-in-chief, 2001
Dagens Nyheter, CEO and Editor-in-chief, 1996–2000
Göteborgs-Posten, Managing Editor and Deputy CEO, 1993–1996

In addition Berner is an owner of Christian Berner Invest AB – family company in third generation.

Main simultaneous positions of trust

MQ Retail, Board Member; Done (publ), Board Member; Family Business Network, Board Member; NHST Mediagroup (publ), Board Member; The Swedish State Pension Authority, Board Member; Forma Publishing Group, Board Chairman; Proffice Mediakompetens, Board Member; Christian Berner Invest, Board Member; CapMan Buyout, Industrial Advisor

Independent.

Harri Kainulainen

Board member since 2006.

Harri Kainulainen was born in 1947 and has a Master's degree in Social Sciences. Kainulainen retired from his main occupation as Managing Director of Lähivakuutus Group on 31 May 2007.

Essential work experience

Lähivakuutus Group, Managing Director, 2005–2007
Lähivakuutus Keskinäinen Yhtiö, Managing Director, 1997–2005
Pori Jazz Oy, Managing Director, 1990–1997
Savonlinnan Oopperajuhlat Oy, Managing Director, 1987–1990
Managerial position in the OP Group, 1977–1987

Main simultaneous positions of trust

National Defence Training Association (MPK), Chairman; Finnish Red Cross, Board Member; Maanpuolustuksen Tuki, Board Member; Sotavahinkosäätiö, Board Member; Finnish Golf Union, Member of the Central Council

Independent.

Eero Lehti

Board member since 2006.

Eero Lehti was born in 1944 and has a Master's degree in Social Sciences. As his main occupation, Lehti is Board Chairman of companies owned by him, and a Member of Parliament of Finland.

Essential work experience

Taloustutkimus Oy, founder, owner, Managing Director, 1971–1997
Taloustutkimus Oy, owner, Board Chairman, 1997–
Principal owner and Board Chairman of Suomen Lehtiyhtymä, 1978–

Main simultaneous positions of trust

Kerava City Council, Chairman; Fennia Mutual Insurance Company, Board Chairman; Mutual Insurance Company Pension Fennia, Board Member; Fennia Life Insurance Company Ltd, Board Chairman; Eila Kaisla Oy, Board Chairman; National Technology Agency of Finland TEKES, Board Member; Itella, Chairman of the Supervisory Board

Independent.

The members of the Board of Directors are elected at the Annual General Meeting for a term of one year. The General Meeting elects the Chairman and Deputy Chairman of the Board. On 31 March 2010, the Annual General Meeting elected 6 members to the Board of Directors, one of whom was elected Chairperson of the Board and one Deputy Chairperson.

Atte Palomäki

Board member since 2007.

Atte Palomäki was born in 1965 and has a Master's degree in Social Sciences. As his main occupation, Palomäki works as Group Vice President, Corporate Communications & Branding of Wärtsilä Corporation.

Essential work experience

Nordea Bank AB (publ.), Group chief communication officer, 2007–2008
Nordea Bank AB (publ.), Chief communication officer, Finland, 2005–2006
Kauppalehti, journalist, 2002–2005
MTV3 Financial news, editor, 2000–2002
MTV3 Huomenta Suomi, news producer/presenter, 1995–2000
MTV3 Huomenta Suomi, reporter (foreign), 1993–1995

Palomäki has no other major simultaneous positions of trust.

Independent.

Merja Strengell

Chairperson of the Board since 2010, member since 2009.

Merja Strengell was born in 1959 and has a Master of Science degree in engineering.

Essential work experience

Pöyry Forest Industry Oy, Head of Department, 2007–2009
Jaakko Pöyry Oy, Leading Specialist, 2005–2007
Metso Paper Oy, Vice President, Quality and Environment, 2005; General Manager, Environmental Technology, 2003–2004
Metso Paper Oy (previously Valmet), Project Manager, 2001–2003
ABB Oy, Unit leader, 2000–2001
Valmet Oy, Human Resources Development Manager, 1998–2000; Head of Application team, 1997–1998; Customer Training Manager, 1995–1997

Main simultaneous positions of trust

Technology Academy, Member of Executive Committee, 2008–
Ilmarinen Mutual Pension Insurance Company, Deputy Chairperson of the Supervisory Board, 2008–
VTT (Technical Research Centre of Finland), Board member, 2006–
Finnish Association of Graduate Engineers TEK, Board Chairperson, 2005– ; Board Member, 1993–

Non-independent of the company.

Kai Telanne

Vice Chairperson, Board Member since 2010.

Kai Telanne was born in 1964 and is M.Sc. (Econ.). As his main occupation, he is the CEO of Alma Media Corporation.

Essential work experience

Kustannus Oy Aamulehti, Managing Director, 2001–2005
Kustannus Oy Otsikko, Managing Director, 2000–2005
Kustannus Oy Aamulehti, Deputy Managing Director, 2000–2001
Kustannus Oy Aamulehti, Marketing Director, 1999–2000
Suomen Paikallissanomat Oy, Marketing Director, 1996–1999

Main positions of trust held simultaneously

The Finnish News Agency (STT), Deputy Chairman; Federation of the Finnish Media Industry, Chairman; Varma Mutual Pension Insurance Company, Board Member; The Central Chamber of Commerce of Finland, Board Member; Teleste Oyj, Board Member; Tampereen Lääkärikeskus Oy (Tampere Private Clinic), Board Member; Confederation of Finnish Industries EK, Board Member

Non-independent of a major shareholder.

Group Executive Management

Juha Blomster

Group Chief Executive Officer

Juha Blomster was born in 1957 and is a Master of Economic Sciences. He joined Talentum as CEO in October 2006.

Essential work experience

Kauppalehti Oy, Managing Director, 2000–2006
Kustannus Oy Aamulehti, Managing Director, Marketing Manager, 1996–2000
Kustannus Oy Kauppalehti, Assistant Manager, 1991–1995

Shareholding in Talentum: 17,850 shares

Hanna Kivelä

Vice President, customer relations and R&D

Hanna Kivelä was born in 1974, has a Master of Science degree in engineering, MBA. Kivelä has worked with Talentum Oyj since 2007 as a director, first responsible for online business and IT, as of late 2010 customer relations and R&D.

Essential work experience

Plenware Oy, Sales Director, 2005–2007
Alma Media Oyj, Development Manager, Project Manager, 2001–2005
Sonera Oyj, Project Manager, 1998–2001

Kaisa Kokkonen

Chief Financial Officer

Kaisa Kokkonen was born in 1962 and has a Master's degree in Economic Sciences. Kokkonen has worked for Talentum Oyj in the role of CFO since 2007.

Essential work experience

Capto Financial Consulting, Service Line Manager, 2006–2007
VTI Technologies Oy, Financial Director, 2004–2006
Hackman Oyj, several positions, most recently Financial Director, 1997–2004
Vakuutusosakeyhtiö Pohjola Oyj, Controller, 1991–1997

Shareholding in Talentum: 3,000 shares

The duties of the Group Executive Management include ensuring implementation of the strategy, monitoring financial performance, annual planning, corporate restructuring and other significant matters.

Mika Malin

Vice President, business development

Mika Malin was born in 1969 and is a MSc. in Economics and Master of Business Administration. During his career in Talentum Media Oy, he first worked as business unit director, then as director responsible for book publishing, training and online business as well as marketing. Joined Talentum in 2006.

Essential work experience

Boston Consulting Group, Consultant, 2003–2006
Stepstone Ltd, International Site Manager, 2000–2001
Fazer/ United Biscuits Holdings Plc, International Brand Manager, UK, 1996–2000
Unilever, Brand Manager, 1993–1996

Shareholding in Talentum: 8,925 shares

Ulla Martola

Vice President, HR

Ulla Martola was born in 1962 and has a Master's degree in Economic Sciences. She joined Talentum as an HR Director in 2009.

Essential work experience

Basware Oyj, Senior Vice President, HR & Development, 2003–2009
Talent Partners, Senior Executive Consultant, 2002–2003
KPMG Oy Ab, Chief Knowledge Officer, 1999–2001
KPMG Consulting Oy Ab, several consulting positions, such as Senior Manager, 1988–1999

Lasse Rosengren

General Counsel, Vice Executive President, book and legal training business, Finland (acting)

Lasse Rosengren was born in 1963 and has a Master of Laws degree. Rosengren has been employed by Talentum as a General Counsel since 2000.

Essential work experience

Attorney at law, 1993–2000
OKO, Credit Manager, 1991–1993
SKOP, Lawyer, 1989–1991

Shareholding in Talentum: 10,710 shares

Financial Statements 2010

The annual report is published in Finnish and English.
In case of doubt, the Finnish version is authoritative.

Annual report by the Board of Directors

Consolidated net sales and financial performance for 2010

The consolidated net sales for January–December was EUR 81.0 million (EUR 66.8 million). Without corporate acquisitions (IIR Finland Oy and Sverige Bygger AB) and with comparable exchange rates, net sales increased by 3.8%. The strengthening of the Swedish krona against the Euro improved net sales by EUR 3.1 million. The net sales of publishing operations grew by 23.0% and came to EUR 74.8 million (EUR 60.8 million). Advertising sales grew by 32.4%.

Consolidated operating income without non-recurring items for January–December was EUR 2.0 million (EUR -0.9 million). Consolidated operating income was EUR 0.3 million (EUR -5.2 million), 0.3% (-7.8%) of net sales. Of non-recurring expenses, EUR 1.5 million arose from personnel reductions in Sweden and EUR 0.3 million from the acquisition expenses of IIR Finland Oy.

Operating income from publishing operations without non-recurring items was EUR 3.3 million (EUR 0.5 million). The operating income from publishing operations was EUR 1.8 million (EUR -3.3 million). The operating income from publishing operations is weakened by the costs of about EUR 0.4 million incurred in the start-up of event business in Sweden and Denmark, as well as the amortisation of intangible assets of about EUR 0.6 million caused by corporate acquisitions.

The consolidated expenses without non-recurring items grew in January–December by EUR 11.2 million, that is 17.0%, from the previous year.

Net financial expenses amounted to EUR 0.2 million (EUR 0.2 million) The Group's share of the income of associated companies was EUR 0.0 million (EUR -0.2 million).

The income before taxes was EUR 0.1 million (EUR -5.6 million). The taxes for the Group were EUR 0.0 million (revenue EUR 1.5 million) for the financial period. The effective tax rate for the financial period was 25.8% (25.9%). The consolidated income for the period under review was EUR 0.2 million (EUR -4.2 million).

Sector and Talentum prospects for 2011

The activity of customers increased during 2010, first in Sweden and increasingly clearly also in Finland. Talentum estimates that moderate economic growth will support moderate growth in advertising in both of the main market areas.

Talentum estimates that in 2011, its net sales will grow and operating income will improve.

Operating environment and seasonal variation

In Finland, forecasts for the development of Gross Domestic Product for 2011 are between three and four per cent. In Sweden, the development of the general economic state has continued to be more positive than in Finland, and estimates regarding the development of the Gross Domestic Product are mainly between four and five per cent.

According to TNS Media Intelligence, media advertising for January–December grew by 6.9% in Finland, and separately in periodicals it fell by 2.6%. Online media advertising increased by 33.4%. In Sweden, total media advertising revenues rose by 18.4% for January–December, while in professional journals the increase was 8.5% (Sweden's Media Agencies – Sveriges Mediebyråer). For Swedish professional journals, the growth in advertising has been slower than for general-interest magazines. In Finland, separate statistics are not compiled for professional journals.

Company's assessment is that the information needs of Talentum's professional target groups will remain high, irrespective of the economic situation. The professionals' choice of channels when searching for information, i.e., books, training, seminars, magazines and online services, may change. Talentum produces quality content for those channels where it can best serve its customers.

The media and media service markets are subject to seasonal variations. Whether the Easter holiday falls in the first or second quarter of the year in spring affects the results in that quarter. Easter fell in first quarter in the year of comparison and in the second quarter in the period under review. Magazines and books are not generally published during the summer holiday season, which is why the third quarter is the weakest in terms of sales. Operations are generally at their busiest in the final quarter.

Cash flow, financial position and balance sheet for the Group

The cash flow from business operations for January–December was EUR 2.7 million (EUR -5.8 million). The change in working capital was EUR 0.4 million (EUR -4.0 million). Working capital is negative, as is usual for the sector, because liabilities include EUR 13.7 million (EUR 11.2 million) of subscription fee advances received from customers.

The consolidated balance sheet total at the end of December stood at EUR 64.7 million (EUR 58.8 million). The Group's interest-bearing loans and borrowing amounted to EUR 13.9 million (EUR 15.9 million). The Group's liquid assets were EUR 1.5 million (EUR 3.7 million). Interest-bearing net liabilities were EUR 12.4 million (EUR 12.2 million).

Talentum Oyj's financing arrangements were renewed with agreements signed at the beginning of October 2010, so that the available bank overdraft limit is EUR 14.0 million and the available financing credit limit is EUR 22.0 million, EUR 36.0 million in total. According to the rules agreed, loans within the financial credit limits can be drawn down and repaid in various currencies throughout the maturity of the agreement. About half of the limits are available for three years and the other half for four years. EUR 22.1 million of the limits was unused at the financial year end.

In addition, the Group has a commercial paper programme in the amount of EUR 30 million, of which EUR 0.0 million was issued at the financial year end.

The equity ratio at the end of December was 34.4% (31.4%). The Group's equity per share was EUR 0.40 (EUR 0.34). The Group does not hedge against currency fluctuations with regard to the acquisition of subsidiaries. The weakening or strengthening of the Swedish krona against the Euro affects the Group's equity through the translation difference arising from the acquisition of the Swedish subsidiaries. On 31 December 2010, the translation difference in the Group's equity was EUR 0.5 million. The change for January–December was EUR 2.7 million (positive).

Investments

The gross investments in tangible and intangible assets for January–December totalled

EUR 3.9 million (EUR 8.8 million), which is 4.8% (13.2%) of net sales. This includes the increase of EUR 2.7 million (EUR 7.6 million) in goodwill and other intangible assets that arose from the corporate acquisition.

Survey of the scope of research and development activities

The Group constantly develops new products and operational models, especially in e-business. Development costs are mainly recognised as expenses over their useful life. EUR 0.3 million of the investments was capitalized costs on developing e-business.

Changes in Group structure

Talentum strengthened its training and event business with an acquisition. On 15 September 2010, Talentum acquired the entire share capital of IIR Finland Oy. The company's name was changed to Talentum Events Oy, and it produces training and events under the trademark FYI. At the time of the acquisition, the company had 46 employees. The sellers in the transaction comprised six individuals who belonged to the company's active management and who continued to work for company.

Talentum Events Oy established subsidiaries engaging in event and training business, Talentum Events AB and FYI Events Denmark ApS, in Sweden and Denmark in autumn 2010.

The shares of the associated company Mentor Online AB were disposed of in August 2010.

Talentum established Talentum Business Information Group AB (TBIG) in Sweden on 30 December 2009. TBIG acquired companies operating in the construction information business in Sweden and Norway. On 31 December 2009, Talentum pledged to sell a 9.9% minority interest of TBIG to outside of the Group. Therefore, the Group's holding of the company on 31 December 2009 was calculated as 90.1%. The agreement was cancelled and the Group's holding of the company is computed as 100% as of 1 January 2010. The change only had a minor impact on the Group's financial position.

The acquisitions are described in the notes.

Personnel

Talentum is an expert organisation. Therefore, the high skills of its personnel are the best assurance of competitiveness. The most important focus areas of the personnel strategy are strengthening business expertise, committing personnel and increasing cooperation and flexibility.

The most significant event of 2010 was Talentum's management development project, as a result of which the organisational structure was changed to an income unit organisation as of August 2010.

In 2010, the performance management model was defined and, at the same time, guidelines for good Talentum leadership were drawn up. The performance management model will be adopted from the beginning of 2011. The aim is to create a common personnel management model for all countries where Talentum operates.

In January–December, Talentum Group employed an average of 787 (755) people. Geographically, the personnel were divided as follows: Finland 393 people (399), Sweden 221 (176), Norway 9 (0), Denmark 1 (0), Latvia 75 (63), Lithuania 0 (33), Estonia 83 (78) and Russia 5 (5). The construction information business acquired at the end of 2009 increased the number of employees in Sweden and Norway by 88 at the time of acquisition. The event business acquired in September 2010 increased the number of employees by 46 at the time of acquisition.

Environment

Talentum's main environmental effects are associated with paper consumption, transport, recycling, energy consumption and waste management.

Talentum sorts and recycles waste in accordance with the law. Material that is taken out of use, such as machines, equipment and waste paper, is recycled to the maximum possible extent.

Business areas

Publishing

Net sales from publishing operations for January–December amounted to EUR 74.8 million (EUR 60.8 million), a change of 23.0% from the previous year. Of net sales from publishing operations, 52% (61%) originates from Finland and the remaining 48% (39%) mainly from Sweden.

In January–December, advertising revenue increased by 32.4% from the previous year. The share of advertising revenue in net sales from publishing operations totalled 36% (34%).

Total net sales from e-business for January–December increased by 88.7%. Net sales from e-business were EUR 14.9 million (EUR 7.9 million), which corresponds to 20% (13%) of the total figure for publishing.

Publishing Finland

In the Publishing Finland segment, financial development is reported for periodicals, book publishing, training and event business. The best known book in the book publishing business is the green Finnish Law (Suomen Laki) book. The magazines with the highest circulation are Talouselämä and Tekniikka & Talous.

The Finnish operations of IIR Finland Oy (now Talentum Events Oy), which was acquired in September 2010, has belonged to this segment since the acquisition (15 September 2010).

Net sales from Publishing Finland for January–December amounted to EUR 39.2 million (EUR 37.3 million), a change of 5.1% from the previous year. Advertising revenue was up 13.1% on the previous year.

Operating income Publishing Finland without non-recurring items was EUR 1.4

Net sales from publishing operations

EUR million	2010	*2009*
Net sales		
Advertisement revenue	27.0	20.4
Circulation revenue	23.8	23.4
Other content revenue *	23.9	17.0
Total	74.8	60.8

* 'Other content revenue' includes books, training, events and business information services.

million (EUR 1.9 million). The operating income (EBIT) from Publishing Finland was EUR 1.4 million (EUR -0.1 million). Amortisation of intangible assets relating to the IIR Finland Oy acquisition EUR 0.1 million as well as the expenses of integration of Talentum Events and personnel reductions weakened the result.

Online Talentum media focused on building premium services that require registration. The aim of the new content areas is to strengthen relationships with readers. In Finland, the number of different browsers in online media increased by a total of 6% compared to the corresponding period in the previous year.

The circulations of Talentum's major business magazines remained at the previous good levels.

The editorial offices of Talouselämä and Markkinointi & Mainonta merged in September. Also the editorial offices of Tekniikka & Talous, Metallitekniikka and Energia merged.

The first issue of Talouselämä's lifestyle supplement, Talouselämä Platinum, was published in December 2010. In future, the supplement will be published four times a year.

As a result of IIR Finland (Talentum Events) acquisition Talentum's training and event offering increased and expanded to new themes.

At the end of the year, Talentum book publishing published 28 professional books as e-books to be downloaded into electronic reading devices. In future, the majority of new business books will be published as e-books in addition to the traditional printed book.

Publishing Other Nordic Countries

In the Publishing Other Nordic Countries segment, financial development is reported for periodicals, the event business and the business information operations. The magazines with the highest circulation are Ny Teknik and Affärsvärlden. The largest providers of business information are Sverige Bygger and Talentum HR.

Net sales from Publishing Other Nordic Countries for January-December amounted to EUR 35.5 million (23.5 million), a change of 51.5% from the previous year. Exchange rates increased net sales by EUR 3.1 million. Without the impact of exchange rates, net sales increased by 38.3%. Advertising revenue was up 56.1% on the previous year.

Operating income from the Publishing Other Nordic Countries segment without non-recurring items was EUR 1.9 million (EUR -1.4 million). Expenses of EUR 1.5 million arising from personnel reduction are presented as non-recurring items. The operating income (EBIT) was EUR 0.4 million (EUR -3.2 million). The operating income was weakened by the costs of about EUR 0.4 million incurred in the start-up of event business in Sweden and Denmark, as well as the amortisation of intangible assets of about EUR 0.5 million caused by corporate acquisitions.

Sverige Bygger and Norge Bygges, producers of construction industry information acquired at the end of 2009, performed according to expectations.

The Ny Teknik Historia magazine was first published as an online digital version to gauge interest, and now the magazine is published also in printed format.

Ny Teknik magazine's job service Nyteknik.se/jobb succeeded particularly well in sales terms.

Direct Marketing

In the Direct Marketing segment, financial development is reported for the business of Talentum's subsidiary Suoramarkkinointi Mega Oy in Finland and the Baltic countries. The company operates in the telemarketing business.

Net sales from Direct Marketing for January–December amounted to EUR 8.8 million (EUR 8.8 million), and the operating income without non-recurring items was EUR 0.9 million (EUR 0.7 million). The operating income (EBIT) from Direct Marketing was EUR 0.9 million (EUR 0.5 million).

As Talentum Group decreased its direct marketing, its internal net sales fell by around EUR 0.2 million. The Group's external net sales, on the other hand, continued their growth.

Management

Talentum Oyj's AGM on 31 March 2010 decided that the number of members of the Board of Directors is six. Harri Kainulainen, Eero Lehti, Atte Palomäki, and Merja Strengell were re-elected as members of the Board of Directors. Joachim Berner and Kai Telanne were elected as new members. Merja Strengell was elected the Chairman of the Board and Kai Telanne the Deputy Chairman.

The General Meeting re-elected Authorised Public Accountants PricewaterhouseCoopers Oy as auditors, with APA Juha Wahlroos as the auditor responsible.

Extraordinary General Meeting

Talentum's Extraordinary General Meeting was held on 15 June 2010. The Board of Directors had called the EGM upon Oy Herttaässä Ab's request to elect one new member to the Board of Directors and to elect Kai Mäkelä as the seventh member of the Board. At the time of the request, Oy Herttaässä Ab owned 10.27% of Talentum Oyj shares. After voting, the EGM decided that the number of the members of Talentum's Board of Directors would remain the same, i.e., six and that no new members would be elected.

Shares and share capital

On 31 December 2010, Talentum Oyj's share capital totalled EUR 18,593,518.79 and the company had 44,295,787 fully paid shares. The shares are listed on the NASDAQ OMX Helsinki.

A total of 6,572,178 shares were traded in 2010, which corresponds to 14.8% of the number of shares. The highest price paid for shares in January-December was EUR 2.26, and the lowest was EUR 1.64. The closing price for the shares on 30 December 2010 was EUR 1.98.

On 31 December 2010, the company held 681,000 of its own shares, which is about 1.5% of Talentum's total shares and votes. No new own shares were bought in 2010.

Shareholdings of the Board of Directors and CEO

On 31 December 2010, the number of Talentum Oyj shares and options owned by members of the Board of Directors and the CEO, personally or through companies in which they have a controlling interest, was 49,912, representing 0.11% of the company's total shares and votes.

Flagging notifications

No flagging notifications were made in 2010.

Voting at the General Meeting

No shareholder may, at a General Meeting, exercise more than 1/6 of the total number of votes represented by the issued and outstanding shares of the company. If the companies or enterprises belonging to the same group, or if a foreign company, which, if it were Finnish, would belong to the same group and/or if the pension foundation or pension fund of such companies or enterprises together own company shares in excess of 1/6 of the total number of votes said companies can only vote at a General Meeting with shares representing a maximum of 1/6 of the total number of votes.

Shareholder agreements

The company is not aware of any mutual shareholder agreements between its shareholders relating to the operations or ownership of the company.

Market guarantee

An agreement with Nordea Securities Oyj on a market guarantee for Talentum Oyj shares became effective on 21 June 2004. Under the agreement, Nordea Securities will submit a purchase and sale offer, so that the maximum permitted differential between them is 3% of the purchase offer. The offers will include a minimum of 2,500 shares.

Authorisations of the Board of Directors

Authorisation of the Board of Directors to decide on the acquisition of treasury shares

The Annual General Meeting on 31 March 2010 authorised, cancelling all previous authorisations, the Board of Directors to decide on the acquisition of treasury shares. By virtue of the authorisation, the Board of Directors has the right to decide on the acquisition of treasury shares. The shares can be acquired for the value determined by the Board of Directors and based on the fair value of the shares in public trading at the time of their acquisition. Treasury shares may be only acquired using unrestricted equity. Based on this authorisation, treasury shares may be acquired in one or several lots, but limited to a total of 3,500,000 shares, which corresponds to approximately eight (8) per cent of the issued shares of the company. The authorisation will remain in force until 30 June 2011. The Board of Directors is otherwise authorised to decide on all terms and conditions regarding the acquisition, including the manner of acquisition of the shares. The authorisation does not exclude the right of the Board of Directors to also decide on a directed acquisition of treasury shares, providing that there are strong financial grounds for the company to do so.

The authorisations were unused as of 31 December 2010.

Authorisation of the Board of Directors to decide on a share issue including the conveyance of treasury shares and the issue of special rights

The Annual General Meeting on 31 March 2010 authorised, cancelling all previous authorisations, the Board of Directors to decide on the issue of shares and special rights. By virtue of the authorisation, the Board of Directors has the right to decide on a share issue that may be either chargeable or free of charge, including the issue of new shares and the conveyance of treasury shares possibly in the company's possession. The Annual General Meeting has also authorised the Board of Directors to decide on an issue of option rights and other special rights which grant entitlement, in return for payment, to receive new shares or any shares possibly in the company's possession. Based on the authorisations pertaining to share issue and/or special rights, new shares may be issued and/or own shares held by the company may be conveyed in one or several lots, but limited to a total of 3,500,000 shares, which corresponds to approximately eight (8) per cent of the issued shares of the company. The authorisations will remain in force until 30 June 2011. The Board of Directors is otherwise authorised to decide on all terms and conditions regarding share issue and granting of special rights, including the Board's right to decide on a directed share issue and the granting of special rights. Shareholders' pre-emptive subscription rights can be deviated from, provided that there are strong financial grounds for the company to do so.

The authorisations were unused as of 31 December 2010.

Management's share-based incentive plan

Talentum Oyj's Board of Directors decided on 18 March 2010 to establish a new share-based incentive plan for corporate management. The plan consists of three vesting periods, each comprising at least one and no more than three financial periods, the first of which began on 1 January 2010 and ended on 31 December 2010. The bonuses will be paid partly in the company's shares and partly in cash after the end of each vesting period. The share paid in cash will cover any taxes and other such costs arising from the bonus. Transferring shares earned within two years of the end of the vesting period is prohibited. The total length of the plan is 5 years. After this, the company's CEO must retain one half of the shares earned by him under the scheme for the entire duration of his employment relationship and for one year after its termination. The Board of Directors will decide at a later stage on the next vesting periods and the restrictions related to the disposal of the shares earned during these periods. The possible plan revenue for the 2010 vesting period is based on Talentum Group's net sales and operating profit and Talentum's share revenue. Eight people were covered by the plan for the 2010 vesting period. If the plan targets are fully achieved in the 2010 vesting period, a maximum of 151,000 shares and the amount of cash required for the tax-like charges arising from the distributed shares at issue will be given within the plan. If the plan targets are fully achieved, a maximum of 484,500 shares of Talentum Oyj and the amount of cash required for the tax-like charges arising from the distributed shares at issue will be given within the plan over a period of 3 years.

This plan replaces the plan of the same content taken into use on 1 January 2007 and terminated on 31 December 2009.

In 2010, a total of 1,268 shares were given on the basis of the result, which corresponds to a cost of about six thousand euros for the company. Talentum Oyj's Board of Directors decided in its meeting held on 14 February 2011 that the bonus will be paid in cash instead of in shares.

Corporate Government

In its decision-making and corporate governance, Talentum Oyj observes its Articles of Association, the Finnish Companies' Act, provisions on publicly listed companies and NASDAQ OMX Helsinki's rules and regulations. Talentum observes the Code of Governance of Finnish listed companies. Talentum's Corporate Government Statement is presented in the annual report as a separate report.

Principles of capital and risk management

Risk management in the Group

Within the Group, the most significant risks are examined annually as part of the strategy process. The aim of risk management is to identify, analyse and endeavour to manage possible operational threats and risks in order to ensure the continuity of the Group's operations and maximise share value. Operational units are responsible for day-to-day risk management and pre-emptive measures. The most significant risks are presented to the Board of Directors, and the Board approves the strategy at its August meeting.

Capital management

The aim in managing the Group's capital is to maintain a strong financial position and ensure that the financing needs of the business operations can be met cost-effectively as needed.

The main source of financing in the Group is the positive cash flow from business operations. The acquisition of financing from outside the Group is centralised through the parent company's financial administration in accordance with the financing policy approved by the Board. The development of the Group's capital structure is monitored and forecast at regular intervals. Key indicators are used to monitor ratios such as equity and gearing. Calculations of the key indicators have been presented in the notes.

Capital committed to business operations is made up of net working capital and fixed assets which are funded by shareholders' equity and net debts as shown in the table in the notes to the financial statements.

The Group's long-term target for equity ratio is 30%. The Group's equity ratio at the end of 2010 was 34.4%. The capital structure may temporarily be exceptional as a consequence of acquisitions.

Talentum Oyj employs an active dividend policy. The final amount of the annual dividend is decided annually on the basis of factors such as short-term business opportunities and the capital structure at a given time.

Operating risks

The slowdown in economic growth may affect Talentum's revenue and revenue structure. Traditionally, about 40% of consolidated net sales are dependent on advertising and particularly in the b-to-b sector, which is sensitive to economic conditions. Under the present economic conditions, the share of advertising is 36% of net sales. The most economically sensitive part of advertising revenue is job advertising.

The aim is to minimise the market risk relating to advertising by increasing revenue from circulation and content sales services. The goal is for all Talentum products and services to be market leaders in their fields, so that success is possible even in recession.

With the growth of the Group's international operations, the consolidated income statement and balance sheet are increasingly exposed to the effects of exchange rate fluctuations. Subsidiaries are managed and monitored in their local currencies. The Group's functional currency is the Euro and translation of subsidiaries' income statements and balance sheets into this currency may affect the consolidated income statement and balance sheet. The share of the total net sales of publishing operations attributable to publishing operations in the other Nordic countries for the period under review was 48% (39%). The share of the balance sheet total attributable to publishing operations in the other Nordic countries was 46% (45%). The companies' operations are local and language area-bound by nature, and there are very few currency-denominated transactions. Income statement and balance sheet have not been hedged against exchange rate fluctuations, except for the fact that a currency-denominated liability corresponding approx. to the currency-denominated debts recognised in the balance sheet has been taken.

Group orders for major magazines are significant as far as coverage is concerned, and contracts have been in place for several decades. Changes in these contracts could have major impacts on magazine circulations and, indirectly, media sales.

Online services are a factor that could change the earnings logic of magazines and books temporarily, or even in the long term. This channel selection could be significant for the Group's revenue structure. The move from printed products to online products may be accelerated particularly under poor economic conditions. If Talentum is unable to develop its operations to respond to changes in media usage habits, it could undermine its competitiveness.

Our main subcontractors are printing houses, magazine distribution companies and network operators. This chain is exposed to operational risks and cost risks. This risk is minimised through long-term contracts.

Goodwill is not amortised. Instead, it is tested for possible impairment at least annually. The recoverable amounts of cash generating units have been defined through calculations based on value in use. Preparation of these calculations requires use of estimates. In the financial statements for 2010, the units' recoverable amounts in impairment testing exceeded their book values. Of the tested goodwills, Talentum HR would, however, be below the book value if net sales fall by more than four percentage points, the operating profit decreases by 0.8 percentage points, or discount rate increases by over 0.8 percentage points.

Most of the revenue from direct marketing comes from telephone sales of various publishers' magazines and books. Any possible changes in the practices of the publishing sector will also be reflected in net sales from direct marketing.

There is a risk in the direct marketing sector that legislation or consumer attitudes will change, thus making telephone sales more difficult.

The economic uncertainty increases the uncertainty regarding, in particular, advertising sales receivables. Credit-loss risks are managed by following customers' credit standing and by focusing on the follow-up of debts.

Personnel risk

Talentum's business is based on the skills of leading professionals, the creativity of a wide variety of talented and competent personnel and a sufficient number of skilled employees.

In order to commit its personnel, Talentum uses a performance-based pay system, develops skills through active job rotation and pays attention to training and the operating environment.

Developed production processes and readiness to adopt new technology and apply it rapidly reduce personnel-related risks. Systemisation of working methods is also important in order for project completion not to be too dependent on individual employees.

Production process

Talentum's production processes are based on the skills and abilities of leading professionals. Personnel costs are a significant proportion of the Group's total costs. Managing these costs is critical to the positive development of the Group's profitability.

Changes in the costs of raw materials affect the development of the Group's profitability. Printing and distribution costs are among those that are critical in publishing. Talentum tries to manage these pricing risks through competitive tendering and long-term contracts.

Basic data security precautions are taken in each company. Data network services are procured centrally from external suppliers at the highest possible service level, and there are production back-up connections at the critical points in production. If, in spite of these back-up measures, data security is compromised, it could cause damage to production as well as to commercial relationships and thus to operating income.

Talentum's business operations depend on complicated information technology systems and data networks. Production materials move across networks from one phase to the next both within Talentum's own production operations and between subcontractors. There are deadlines in the production processes within which material must be ready for publication or printing. If there are long breaks in connectivity to the data networks at critical points in production and these breaks cannot be overcome using transferable media, publication may be delayed beyond the agreed timings, which may have an effect on customer relations and thus on business.

Legal risks

In their agreements and under the law, the Group's companies bear responsibility for ensuring that the services they produce do not infringe the rights of third parties or are otherwise illegal. It is possible that, in spite of the precautions taken, a third party will claim that services produced by the Group's companies infringe a third party's copyrights or other intellectual property rights or are otherwise illegal, for example, on the basis of freedom of speech or defamation legislation. If such an infringement of rights or illegality were to be detected, it may result in claims for compensation.

Protection of copyright is of the utmost priority in almost all of the Group's companies. In order to benefit commercially from works, the Group must have the necessary copyrights to works and services that are provided to customers. If it were to be found that the Group did not have all the copyrights associated with a given product or service, the Group would no longer be able to benefit from the commercial rights associated with that product or service, which could result in financial losses.

Developments in copyright and such things as Internet-related legislation, practices and technology could result in risks which we are unable to prepare for, and as a result of the multifarious forms issues can take, the company may have to adapt to surprising, and thus unpredictable, changes which may weaken business profitability.

Efforts are made to manage legal risks through many different measures: Talentum Group tries to ensure that all copyright and other immaterial rights resulting from all employment relationships are transferred to the appropriate companies within Talentum Group. In the contracts the Group enters into with its subcontractors, efforts are made to ensure that the Group acquires sufficient rights to the acquired service or product in each case. Similarly, with regard to the services and products produced by the Group, efforts are made, in contracts with customers, to reserve sufficient rights to use the materials and know-how they contain in other contexts, too. In uncertain or dubious cases, the legality of the content produced by the Group shall always be checked with the Group's legal director. The employees responsible for content are regularly guided and trained in the development and interpretation of legislation and practices.

Financial risks

Talentum Group tries to protect itself against business-related financial risks by creating financially sound conditions for business development. The Group's general financial risk management principles are approved by the Board of Directors. The Group's financing is centralised in Talentum Oyj's finance department. An accurate description of financial risks and their management is presented in the accounting principles of the financial statements.

Accident risks

The personnel, property and operations of all companies in the Talentum Group are covered by insurance policies. The coverage of the policies, the values insured as well as the excess values are revised annually with a broker and insurance companies.

Proposal of the Board of Directors for distribution of profits

The parent company's distributable earnings as of 31 December 2010 comprises of invested non-restricted equity reserve of EUR 86,976,714.06, treasury shares of EUR -2,834,420.30 and EUR -12,555,189.51. of retained earnings, of which the profit for the financial period is EUR 922,539.23, totalling EUR 71,587,104.25.

The Board of Directors proposes that assets in no dividend should be distributed for 2010.

The Board of Directors proposes that assets in the amount of EUR 0.02 per share be distributed for 2010 from the invested non-restricted equity reserve.

The Board of Directors proposes that the retained loss EUR 13,477,728.74 will be covered by the invested non-restricted equity reserve.

Annual General Meeting

Talentum Oyj's Annual General Meeting will be held on 1 April 2011 at 2 pm in Helsinki.

General statement

The forecasts and estimates presented here are based on the management's current view of economic development, and the actual results may differ substantially from what is now expected of the company.

Helsinki, February 14, 2011

Talentum Oyj
Board of Directors

Information required by the Companies Act and the Decree of the Ministry of Finance on the Regular Duty of Disclosure of an Issuer of a Security, such as classes of shares, shareholders, related parties, terms of stock options and financial key figures, have been presented in the notes of the financial statements.

Consolidated statement of comprehensive income

EUR million	*Note*	**2010**	*2009*
Net sales	2	**81.0**	66.8
Other operating income	5	**0.7**	0.7
Materials and services		**–13.3**	–12.2
Employee benefit expenses	6, 21	**–42.8**	–39.2
Depreciation, amortisation and impairment	7	**–2.5**	–1.8
Other operating expenses	8	**–22.8**	–19.6
Operating income	2	**0.3**	–5.2
Financial income	9	**1.3**	0.1
Financial expenses	9	**–1.5**	–0.2
Share of income of associated companies	14	**0.0**	–0.2
Income before taxes		**0.1**	–5.6
Taxes	10	**0.0**	1.5
Income for the period		**0.2**	–4.2
OTHER COMPREHENSIVE INCOME			
Translation differences		**2.7**	1.0
Available-for-sale investments		**-0.0**	0.1
Income tax on available-for-sale investments		**0.0**	–0.0
Total comprehensive income for the period		**2.9**	–3.1
Income for the period, attributable to			
Owners of the parent company		**0.2**	–4.2
Non-controlling interest		**0.0**	0.0
Total comprehensive income for the period attributable to			
Owners of the parent company		**2.9**	–3.1
Non-controlling interest		**0.0**	0.0
Basic and diluted earnings per share, calculated on the net income attributable to equity holders of the parent company, EUR	11	**0.00**	–0.10

The notes are an integral part of these consolidated Financial Statements.

Consolidated statement of financial position

EUR million	*Note*	**2010**	*2009*
ASSETS			
Non-current assets			
Property, plant and equipment	12	**1.2**	1.3
Goodwill	12, 13	**31.7**	28.1
Other intangible assets	13	**14.5**	11.6
Investments in associates	14	**0.1**	0.1
Available-for-sale investments	15	**0.1**	0.1
Deferred tax assets	18	**1.8**	1.8
Other non-current assets	17, 21	**1.8**	0.3
Total non-current assets		51.2	43.3
Current assets			
Inventories	16	**1.1**	1.3
Trade and other receivables	17	**10.9**	10.5
Cash and cash equivalents	19	**1.5**	3.7
Total current assets		13.5	15.5
TOTAL ASSETS		64.7	58.8
EQUITY AND LIABILITIES			
Equity attributable to equity owners of the parent	20		
Share capital		**18.6**	18.6
Treasury shares		**–2.8**	–2.8
Other reserves		**0.5**	–2.2
Invested non-restricted equity reserve		**3.3**	3.3
Retained earnings		**–2.2**	–2.2
Total		17.4	14.6
Non-controlling interest		0.1	0.3
Total equity		17.5	14.9
Non-current liabilities			
Deferred tax liabilities	18	**3.8**	2.9
Financial liabilities	23	**0.1**	0.1
Pension obligation	21	**0.1**	0.1
Other non-current liabilities	23	**1.7**	0.4
Provisions	24	**0.3**	0.3
Total non-current liabilities		6.0	3.7
Current liabilities			
Financial liabilities	23	**13.8**	15.8
Advances received	25	**13.7**	11.2
Trade and other payables	25	**13.6**	13.1
Provisions	24	**0.1**	0.1
Total current liabilities		41.1	40.2
TOTAL EQUITY AND LIABILITIES		64.7	58.8

Consolidated statement of cash flows

EUR million	*Note*	**2010**	*2009*
Cash flow from operating activities, continuing operations			
Operating income		0.3	–5.2
Adjustments to operating income:			
Depreciation, amortisation and impairment		2.5	1.8
Employee benefits		–	2.4
Other adjustments		–0.8	–0.1
Total		1.7	4.1
Change in working capital:			
Increase (–)/decrease (+) in trade and other receivables		0.9	–1.0
Increase (–)/decrease (+) in inventories		0.1	0.1
Increase (+)/decrease (–) in current liabilities		–0.6	–2.3
Change in provisions		0.0	–0.7
Total		0.4	–4.0
Interest paid		–0.4	–0.2
Interest received		0.1	0.1
Income taxes paid		0.7	–0.5
Net cash from operating activities		2.7	–5.8
Cash flows from investing activities, continuing operations			
Acquisitions of subsidiaries, net of cash	4	–2.5	–4.3
Disposal of subsidiaries, net of cash		–	–0.1
Acquisition of property, plant and equipment and intangible assets		–1.1	–1.2
Disposal of associates		0.3	–
Net cash from investing activities		–3.3	–5.6
Cash flow from financing activities, continuing operations			
Change in current loans		–1.8	15.0
Repayment of non-current loans		–0.2	–1.4
Dividends paid		–	–4.4
Net cash used in financing activities		–2.0	9.2
Change in cash and cash equivalents		–2.5	–2.1
Cash and cash equivalents at 1 January		3.7	5.7
Foreign exchange adjustment		0.3	0.1
Net change in cash and cash equivalents		–2.5	–2.1
Cash and cash equivalents at 31 December	19	1.5	3.7

Consolidated statement of changes in equity

	Equity attributable to owners of the parent company							Non-controlling interest	Total equity
Note 20 *EUR million*	*Share capital*	*Invested non-restricted equity reserve*	*Translation reserve*	*Fair value reserve*	*Treasury shares*	*Retained earnings*	*Total*		
Equity at 1 Jan 2009	**18.6**	**5.9**	**–3.2**	**–**	**–2.8**	**3.7**	**22.1**	**0.1**	**22.3**
Return of equity	–	–2.6	–	–	–	–	–2.6	–	–2.6
Other items	–	–	–	–	–	0.0	0.0	0.0	0.0
Dividends paid	–	–	–	–	0.0	–1.7	–1.7	–	–1.7
Business combinations	–	–	–	–	–	–	–	0.2	0.2
Comprehensive income									
Translation differences	–	–	1.0	–	–	–	1.0	–	1.0
Available-for-sale investments	–	–	–	0.0	–	–	0.0	–	0.0
Income for the period	–	–	–	–	–	–4.2	–4.2	0.0	–4.2
Total comprehensive income for the year	–	–	1.0	0.0	–	–4.2	–3.1	0.0	–3.1
Equity at 31 Dec 2009	**18.6**	**3.3**	**–2.2**	**0.0**	**–2.8**	**–2.2**	**14.6**	**0.3**	**14.9**
Equity at 1 Jan 2010	**18.6**	**3.3**	**–2.2**	**0.0**	**–2.8**	**–2.2**	**14.6**	**0.3**	**14.9**
Business combinations	–	–	–	–	–	–	–	–0.2	–0.2
Other items	–	–	–	–	–	–0.1	–0.1	–	–0.1
Comprehensive income									
Translation differences	–	–	2.7	–	–	–	2.7	–	2.7
Available-for-sale investments	–	–	–	–0.0	–	–	–0.0	–	–0.0
Income for the period	–	–	–	–	–	0.2	–	–0.0	0.2
Total comprehensive income for the year	–	–	2.7	–0.0	–	0.2	2.9	–0.0	2.9
Equity at 31 Dec 2010	**18.6**	**3.3**	**0.5**	**0.0**	**–2.8**	**–2.2**	**17.4**	**0.1**	**17.5**

Notes to the consolidated financial statements

1.Accounting principles

1. Basic information

Talentum Group operates in publishing and direct marketing in support of this. The Group has operations in Finland, Sweden, Norway, Denmark, the Baltic States and Russia.

Talentum Oyj is a Finnish public limited company, established in accordance with Finnish law, and its registered address is Annankatu 34–36 B, 00100 Helsinki, Finland. Copies of the consolidated financial statements are available on the Internet at the following address: www.talentum.fi or from the parent company headquarters.

The company's shares are quoted at the NASDAQ OMX Helsinki Stock Exchange classed under consumer goods and services.

At its meeting on 14 February 2011, the Board of Directors of Talentum Oyj approved these financial statements for publication. Under the Finnish Companies Act, the shareholders may approve or reject the financial statements at the General meeting held after publishing the financial statements. The General meeting also has a possibility to amend the financial statements.

2. Accounting principles for the consolidated financial statements

2.1 Basis for preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force at 31 December 2010. In the Finnish Accounting Act and the ordinances based on the provisions of the Act, IFRSs refer to the standards and their interpretations adopted in accordance with the procedures laid down in the EU regulation (EC) No 1606/2002, the notes to the consolidated financial statements are also in accordance with the Finnish accounting and company legislation.

The consolidated financial statements have been prepared on the historical cost basis, except for the items mentioned below, which are measured at fair value as required by the standards.

The financial statements are presented in millions of euros. For the purposes of presentation, individual figures and totals are rounded off to even millions of euros, which causes rounding-off differences in the totals.

As from 1 January 2010, the Group has applied the following, new or revised standards and interpretations:

- Revised IFRS 3 *Business Combinations*. The revisions of the standard affect, among other things, the amount of goodwill from acquisitions and income of sales of the business operations. Acquisition-related expenses, such as consultants' fees, will be recognised in profit or loss according to the revised IFRS 3 standard. The conditional purchase price is valued at fair value and subsequent changes in its value will be recognised in profit or loss. The non-controlling interest for each acquisition can be valued either at fair value or as a proportion of the net assets of the acquisition target.

- Amended IAS 27 *Consolidated and Separate Financial Statements*. The amendments to the standard affect how phased acquisitions and disposals are treated. If the parent company retains its control in the subsidiary, the effects of changes in share of ownership are recognised directly in equity, and no goodwill or revenue and expenses to be recognised in profit or loss arise. If the parent company loses its control in the subsidiary, any remaining investment is valued at fair value in profit or loss.

- Amended IFRS 2 *Share-based payments*. The amendment clarifies the scope of IFRS 2. In accordance with the amendment an entity that receives products or services has to apply IFRS 2 even if that entity would not be obliged to deliver cash-settled share-based payments.

- April 2009 Annual Improvements to IFRSs. The April 2009 Annual Improvements to IFRS have affected segment reporting in such a way segments' assets are no longer presented in the notes to the financial statements. In addition, the recognition procedure of an acquisition executed during the validity of the old IFRS 3 standard, in accordance with which the Group has recognised the change of additional purchase price against goodwill, has been further defined.

The other new or revised standards or interpretations were not relevant to the Group.

The preparation of financial statements in accordance with IFRS requires Group management to make certain estimates and information on how management have exercised judgment in applying the accounting principles. Information about the judgment exercised by management in applying the accounting principles followed by the Group and which has the most significant impact on the figures presented in the financial statements has been presented in the item "Accounting principles requiring management judgment and key sources of estimation uncertainty".

2.2 Principles of consolidation

Subsidiaries

Talentum's consolidated financial statements include the financial statements of the parent company Talentum Oyj and its subsidiaries. Companies in which Talentum Oyj has control are regarded as subsidiaries. Control exists when Talentum Oyj, either directly or indirectly, owns over 50% of the voting rights or has otherwise control.

Mutual shareholdings are eliminated using the purchase method. The acquisition cost includes the fair value of the funds paid or the shares issued as well as the acquired company's identifiable assets and liabilities measured at fair value on the date of acquisition. Direct costs arisen from the acquisition are recognised as an expense. The consideration transferred does not include separate transactions that are accounted as separately from the acquisition. Separate transactions are recognised in profit or loss at the date of transaction. Possible contingent additional purchase price is measured at fair value at the date of acquisition and is classified as liability or equity. An additional purchase price classified as liability is measured at fair value at the end of each reporting period and gain or loss arisen from it is recognised in profit or loss or in other comprehensive income. Additional purchase price classified as equity is not re-measured. Subsidiaries acquired during the year are consolidated from the date when the Group's control commences and consolidation is terminated on the date on which the Group's control ceases. The accounting principles of the subsidiaries' financial statements are changed if necessary to correspond to the accounting principles of the consolidated financial statements.

All Group internal transactions are eliminated as part of the consolidation process. Unrealised losses are not eliminated if the loss results from impairment.

Associates

Associated companies are companies where the Group has significant influence but not control. A significant influence is generally exerted through a 20–50% share of the votes.

Holdings in associated companies are consolidated using the equity method. The Group's share of an associated company's net income for the period is shown in the statement of comprehensive income, and the share of equity movements that are not recognised through profit or loss in the investment are shown in equity. The Group's share of an associated company's net assets together with goodwill identified on acquisition (less any accumulated impairment losses) are shown on the balance sheet reduced by impairments recognised in individual investments. Unrealised gains and losses between the Group and associated company are eliminated in proportion to the Group's shareholding, except when a loss results from impairment. Applying the equity method is terminated when the book value of the investment in the associated company has fallen to zero, unless the Group has a duty to fulfil obligations of the associated company which it has guaranteed or to which it is committed in some other way. If necessary the accounting principles of the associated company's financial statements are changed to correspond to the accounting principles of the consolidated financial statements.

Joint ventures

Joint ventures are companies in which the Group exercises joint control on the basis of an agreement with another party. The Group's shares in joint ventures are combined on a pro-rata basis line by line. The consolidated financial statements include the Group's share in the joint venture's assets, liabilities, income and expenses.

Non-controlling interests

Distribution of the profit for the financial period to parent company owners and non-controlling interests is presented in the statement of comprehensive income, and the non-controlling interest's share of equity is presented as a separate item under equity in the balance sheet. The non-controlling interest's share of accumulated losses will be recognised in the consolidated financial statements up to the value of the investment.

When acquiring non-controlling interests' shares in an acquisition, the difference between the acquisition cost and the equity acquired is recognised directly in equity. If the Group has a contractual obligation to dispose of a non-controlling interest in a Group company in exchange for cash, the item is treated in the consolidated financial statements as a non-controlling interest and as a receivable.

2.3 Items denominated in foreign currencies

Figures for the performance and financial position of the Group companies are measured in a currency of each operating financial environment in which the company in question mainly operates ("functional currency"). The consolidated financial statements are presented in euros, which is the Group parent company's functional and presentation currency.

Transactions denominated in foreign currencies are recognised into functional currency at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into functional currency using the exchange rate prevailing on the end date of the reporting period.

Non-monetary items denominated in foreign currencies, which are measured at fair value, are translated into functional currency using the exchange rate on the day of the measurement. Non-monetary items are otherwise measured at the exchange rate on the transaction date. Exchange rate gains and losses from business activity are included in corresponding items above operating profit and exchange rate differences on loans denominated in foreign currencies in financial items.

Statements of comprehensive income of foreign subsidiaries are translated to euro at the average exchange rate for the period under review and balance sheets at the exchange rate applying on the end day of the reporting period. Exchange rate differences arising from the translation are recognised in the translation reserve of the Group's equity.

Exchange rate differences in equity items arising from the elimination of the acquisition cost of foreign subsidiaries are recognised in equity. When a foreign subsidiary is disposed of, these exchange rate differences are reversed and are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill arising from the acquisition of foreign subsidiaries is treated as the foreign company's asset denominated in a foreign currency and is translated to euro at the exchange rate prevailing on the end date of the reporting period.

2.4 Property, plant and equipment

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and any impairment. Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives as follows:

Machinery and equipment	3–7 years
Other tangible assets	3–10 years

Probable useful lives and residual values are reviewed on the end date of each financial period, and the useful lives of assets are estimated.

Depreciation of property, plant and equipment is terminated when an item of property, plant and equipment is classed as for sale in accordance with the IFRS 5

Non-Current Assets Held for Sale and Discontinued Operations.

Ordinary maintenance and repair costs are recognised as expenses as they are incurred. Such substantial costs that go within the capitalisation criteria and that improve the asset's profitability are capitalized into the cost and depreciated on a straight line basis over their expected useful life.

Gains on the sale and disposal of property, plant and equipment are included as other operating income, and losses as other operating expenses.

The Group as lessee

Leases of property, plant and equipment where substantially all the risks and rewards incidental to the ownership are transferred to the Group, are classified as finance leases. The Group has not had any leases classified as finance leases during the reporting periods.

Leases where the lessor retains the risks and rewards incidental to the ownership, are treated as operating leases. Where the Group is the lessee, lease payments under the operating leases are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease. Benefits received under leases, such as reductions in rents and rent-free months, are deducted from the rents and allocated equally over the whole rental period.

2.5 Intangible assets

Goodwill

Goodwill arisen in business combination after 1 January 2010 represents the excess of the sum of consideration transferred, non-controlling interest in the acquired company and earlier owned share in the acquired company over the fair value of the Group's share of the net identifiable assets of the acquired company. Business combinations before 1 January 2010 are accounted in accordance with the former IFRSs (IFRS 3 (2004)). Goodwill is not amortised but it is tested annually for impairment.

Other intangible assets

Other intangible assets comprise of magazine publishing rights, trademarks, patents, licences, IT software and customer relationships as well as database and its monitoring system. They are measured in the balance sheet at the cost less accumulated amortisation and any impairment. Intangible assets with definite useful lives are amortised on a straight line basis over their estimated useful lives (2–5 years). Estimated useful lives are reviewed on the end date of the reporting period, and the amortisation period is updated if necessary. Intangible assets whose useful life can not be determined are not amortised, but their value is tested annually. The magazine publishing rights are considered to have an indefinite useful life, since on the basis of analyses performed there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the group.

Research and development costs

Research costs are recognised as expenses. Development costs are capitalized if plans for new or significantly improved products or processes can be produced on the basis of them, and if the products or processes are commercially and technically feasible, and the Group has sufficient funds to complete the development work and use and sell the asset. Capitalized development costs are shown as an item Development costs and depreciated over their useful lives, which may be no more than 2–3 years. The Group's capitalized development costs are associated with the development of e-business operations and intangible assets from information business.

2.6 Impairment of property, plant and equipment and intangible assets

The carrying amounts of intangible assets with define useful lives are reviewed when external events or changes in conditions indicate an impairment in the value of an asset.

The carrying amounts of goodwill and other assets with indefinite useful lives are reviewed annually or more often when there is a weakening of income, or if there are changes in external business conditions that may result in permanent impairment. The need for impairment is reviewed at the level of the cash generating unit, i.e. at the lowest level that is mainly independent of other units and whose cash flows are separately identifiable and largely independent of the cash flows of other similar units.

The recoverable amount is the higher of the asset's fair value less the cost to sell or its value in use. Value in use represents the discounted future net cash flows expected to be derived from the asset or from the cash generating unit. The discount rate used is the after-tax interest rate that reflects the market view of the time value of money and the particular risks associated with the asset. If the present value of expected future cash flows from a business activity is lower than the book value of the business including goodwill, the impairment loss is recognised as an expense in the statement of comprehensive income. Previously recognised impairment of goodwill is not reversed even if the conditions that led to the impairment have improved. However, impairment made previously to other assets with indefinite useful lives may be reversed if the cash flows generated are significantly improved compared to the forecasts that were the basis of the impairment. A reversal cannot however lead to a higher carrying amount than would have been recognised without the impairment.

2.7 Non-current assets held for sale

Non-current assets (or disposal group) and assets and liabilities that are part of discontinued operations are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for classification as held for sale is considered to be met when the sale is highly probable and the asset (or disposal group) is immediately for sale in its present condition on usual or customary terms, when management is committed to the sale and the sale is expected to be completed within a year of the classification.

Up to the point of being classified as being held for sale, the assets, or the assets and liabilities of disposal groups, are measured in accordance with the relevant IFRS standards. From the point of classification, the assets (or disposal group) held for sale are measured at the lower of carrying amount or fair value less the costs of disposal. Depreciation on these assets is terminated at the date of classification.

Assets in disposal groups that are not in the scope of the measurement rules of the IFRS 5 as well as liabilities are measured after classification according to the each IFRS standards applicable to these items.

A discontinued operation is a part of the Group that either has been disposed of or is classified as held for sale and which meets the following criteria:

1. It represents a separate major business unit or a unit that covers a geographical area.
2. It is part of a single co-ordinated plan to dispose of a separate major line of business or a geographical area of operations, or
3. It is a subsidiary acquired exclusively with a view to resale.

2.8 Financial assets and liabilities

Financial assets

The Group's financial assets have been classified in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* into the following categories: Loans and other receivables, and financial investments available for sale. Classification is made at the time of the acquisition of the assets on the basis of the purpose of the acquisition. Financial instruments and liabilities are entered into the bookkeeping initially at fair value on the basis of the consideration received or paid. All purchases and sales of financial assets are recognised on the transaction date. Transaction expenses have been included in the original book value of financial instruments. Financial assets and liabilities are included in current assets or liabilities on the balance sheet when they mature within 12 months of the end date of the financial period. In other cases they are included under non-current assets or liabilities on the balance sheet.

Loans and other receivables are financial assets whose related payments are fixed or quantifiable and that are not quoted on active market. Loans and other receivables are measured at the amortised cost.

Investments which have no maturity date and where the time of sale has not been decided are classified as financial investments available for sale. Financial investments available for sale are shown on the balance sheet as non-current financial assets. The fair values of quoted securities are based on public price quotations. Unquoted securities, whose fair value cannot be reliably measured, are entered on the balance sheet at cost. Unrealized changes in the fair value of investments available for sale are recognised as other comprehensive income items, and they are presented in the fair value reserve, taking into account the tax effect. The accumulated fair value changes are transferred from equity into profit or loss as a classification adjustment when an investment is sold or when the amount of the investment has fallen so that an impairment loss is recognised for it.

At the end date of the reporting period, the Group does not hold derivatives and does not apply hedge accounting.

Cash and cash equivalents

Cash and cash equivalents on the balance sheet include cash and bank balances as well as short-term liquid investments with a maturity of less than 30 days.

Impairment of financial assets

On the end date of each reporting period, the Group assesses whether there is objective evidence for impairment of individual financial assets or asset groups. Loans and other receivables group includes trade receivables which are impaired when there is objective evidence that the Group will not recover all its receivables in full on the original conditions. The amount of doubtful receivables is estimated by customer on the basis of individual receivables. Bad debts are recognised under other operating expenses.

If the fair value of the securities belonging to the available-for-sale investments group is significantly below their carrying amounts and over a period defined by the group, it is a sign of an impairment of an available for sale security and the retained loss in fiar value reserve is tranferred into profit or loss.

Financial liabilities

Financial liabilities are initially measured at fair value on the basis of the original consideration received. Transaction costs are included in the original book value of the financial liabilities. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method. Financial liabilities are included in non-current and current liabilities, and they can be interest-bearing or non-interest-bearing.

Borrowing costs are recognised as an expense in the period incurred.

2.9 Inventories

Group inventories mainly comprise books. Inventories are measured at the lower of cost or probable net realizable value. The cost is calculated on a FIFO (first-in, first-out) basis. The cost of inventories includes capitalized direct costs of acquisition and production and attributable proportion of their indirect costs. The net realizable value is the expected sales price in normal business reduced by the estimated costs needed to prepare the product for sale and the sales costs.

2.10 Equity

Ordinary shares in issue are presented as share capital. Costs associated with issuing equity instruments or acquiring them are presented as reductions in equity.

When the company or its subsidiary acquires their own shares, the equity is decreased by the amount that consists of the compensation paid, reduced by transaction expenses after taxes, until the treasury shares are cancelled. No gain or loss is recognised into the statement of comprehensive income as the result of sale, issue or cancellation of the company's treasury shares, but any consideration is presented as a change in equity.

Dividend distribution and return of equity

Dividends and return of equity proposed by the Board of Directors for the Annual General Meeting are not deducted from distributable equity until approval at the Annual General Meeting.

Earnings per share
Earnings per share is calculated by dividing the income for the period attributable to the owners of the parent company by the weighted average of shares outstanding during the financial period. Diluted earnings per share is calculated by dividing the diluted income for the period attributable to the owners of the parent company by the weighted average of the diluted number shares outstanding during the financial period. The company does not have any instruments which would have a dilution effect on earnings per share.

2.11 Taxes
Accruals-based tax on Group companies' income for the financial period, as well as adjustments to taxes for previous financial periods and changes in deferred taxes are entered under taxes in the consolidated income statement. The tax effect relating to other comprehensive income items or items recognised directly in equity is recognised in the items in question accordingly.

Deferred tax asset of liability is calculated for all temporary differences between the carrying amount of an item and its tax base using tax rates prescribed at the closing date of the reporting period. However, a deferred tax liability is not recognised in the case of an asset or liability which was originally an accounting entry and the transaction in question is not a business combination, and when such an asset or liability item does not have an impact on the income in bookkeeping or on the taxable income at the time of the transaction. Non-deductible goodwill is not included in the deferred tax liability. Deferred tax assets relating to tax losses carried forward are recognised to the extent that it is probable that a future taxable profit will be available against which the losses can be utilised. The most significant amortisation items arise from the depreciation of tangible assets and measurement to fair values from corporate acquisitions.

A deferred tax liability is recorded for undistributed earnings of subsidiaries only when a tax payment can be regarded as realizable in the foreseeable future.

Depreciation differences and untaxed reserves are divided between equity and deferred tax liabilities in the consolidated balance sheet.

2.12 Pension obligations
Pension plans are classified as defined-benefit and defined-contribution plans. In a defined contribution plan, fixed payments are made to a separate unit. The Group does not have a legal or an effective obligation to make further payments if the party that has received the payments is not able to make the retirement pension payments.

All plans that do not fulfil these conditions are defined-benefit pension plans. Group payments into defined-contribution plans are recorded as expenses in the financial period when the obligation occurs.

In defined-benefit pension plans the obligations are calculated using the Projected Unit Credit Method. Pension costs are recognised in the income statement over employees' periods of service in accordance with calculations made by authorised actuaries. The discount rate used for determining the present value of a retirement benefit obligation is based on the market yield of high quality corporate bonds issued or the interest on Finnish treasury bonds. The pension obligation recognised in the balance sheet is presented as the present value of future pension payments at the end date of the reporting period less the fair value of the plan-related assets at the end date of the reporting period and adjusted with the unrecorded actuarial profits or losses and retroactive labour costs. Actuarial gains and losses, in so far as they exceed the greater of 10% of the retirement benefit obligations or 10% of the fair value of plan assets, are recognised in the comprehensive income statement over the expected remaining working lives of the persons participating in the plan.

The Group's defined-benefit pension plans include at the year-end two additional defined-benefit plans. Entries arising from the defined-benefit pension plans are based on actuarial calculations.

2.13 Share-based payments
In the beginning of the reporting period in the Group started a new share-based management incentive plan in which part of the bonus is paid in shares and part in cash. The new incentive plan follows the terms of the old incentive plan. Additional information about share-based plans is presented in Note 22, Share-based payments.

Shares given are measured at their fair value at the time they are awarded and expensed in the statement of comprehensive income on a straight line basis over the time the rights to them accrued. The specific expense is based on the defined fair value of the shares and the management's evaluation of the number of shares to which rights will have accrued by the end of the period of the scheme. The fair value of the shares is defined by the market price of the company's shares.

The effects of non-market conditions (for example profitability and growth targets for certain results) are not included in the fair value, but are taken into account in the number of shares to which it is estimated rights will have accrued by the end of the period of the scheme. The Group reviews its assumptions about the final number of shares on the end date of each reporting period. Changes in estimations are recognised in the statement of comprehensive income.

In 2010, a total of 1,268 shares were given on the basis of the result, which corresponds to a cost of about six thousand euro for the company. Talentum Oyj's Board of Directors decided in its meeting held on 14 February 2011 that the bonus will be paid in cash instead of in shares.

2.14 Provisions and contingent liabilities
A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, when realization of the payment is probable and the amount of the obligation can be reliably estimated. The costs capitalized as a provision as well as the original cost of assets, are depreciated over the useful life of the asset. Provisions are measured at the present value of the expenses required to cover the obligations.

A restructuring provision is recognised when the Group has drawn up a detailed restructuring plan and has begun to implement the plan or announced it. Provisions are not recognised for expenses associated with the Group's ongoing operations.

Provisions are recognised for onerous contracts if the direct expenses required to meet the obligations under the agreement exceed the benefits arising from it.

A contingent liability is a possible obligation arising out of an earlier event, and the existence of this obligation will only be confirmed through the realization of an uncertain event outside the control of the Group. Obligations which will probably not require the fulfilment of a payment obligation or whose size cannot be reliably determined are also regarded as contingent liabilities. Contingent liabilities are presented as additional information.

2.15 Revenue recognition

As net sales is shown the fair value of revenue from sales of products and services. Revenues are adjusted by value added taxes, rebates and discounts.

Sales of goods and services

Revenues are recognised in the Group so that they match the number of magazine copies issued in the period. Revenue from sales of other goods is recognized at the point that the risks, benefits and control associated with ownership are transferred to the purchaser. This mainly happens at the transfer of the goods in accordance with the terms of the sales agreement. Revenue from the sale of services is recognised when the service is complete.

Licence and royalty income

For licence and royalty income, revenue recognition is in accordance with the actual contents of the agreement.

Interest income and dividends

Dividend income is recognised when the right to the dividend arises, and interest income is recognised using the effective interest method.

3. Accounting principles that require management judgment and key sources of estimation uncertainty

3.1. The key accounting estimates and assumptions

Preparing the consolidated financial statements in accordance with IFRS requires Group management to make estimates and assumptions about future scenarios, the outcome of which may differ from those estimates and assumptions. Furthermore, judgment must be exercised in the application of accounting principles. Estimates are based on management's best knowledge at the closing of the accounts. Any changes in these estimates and assumptions are stated in the accounts of the financial period in which the estimate or assumption is amended and in all financial periods thereafter.

Group management have considered the following sub-sections of the accounts to be the most important as the accounting principles applied are, from the Group's perspective, the most complicated and their application requires, more than for other areas, the use of significant estimates and assumptions for example in measurement of assets. Furthermore, the effects of changes in the assumptions and estimates used in these sub-sections are estimated to be the most significant.

Impairment tests

The Group tests goodwill and those intangible assets with indefinite useful lives for possible impairment annually and evaluates indications of impairment as previously indicated. The levels of recoverable amount from cash generating units have been determined in calculations based on value in use. These calculations require the use of estimates. The most significant assumptions and estimates in testing goodwill, and the sensitivity of these factors to changes in goodwill testing are described in more detail in Note 13 Impairment of tangible and intangible assets.

Taxes

The Group pays tax on its income in several different countries. Estimating the total tax payable at Group level requires judgments to be made. For many operations and calculations, the final amount of tax is uncertain. If the estimates differ from the final tax, the differences affect both the tax receivables and liabilities based on the period's taxable income as well as the deferred tax assets and liabilities in the period when they are paid or received.

The Group has recognised a deferred tax asset for temporary differences between the recognised amounts and taxable amounts as well as tax losses carried forward. The assumptions of management about the taxable profits for future financial periods have been taken into account when recognising deferred tax assets. A deferred tax asset recorded in a previous financial period is recognised in profit or loss for the financial period, if the unit in question is not regarded as accumulating enough taxable income, so that the losses that are the basis of the deferred tax asset can be utilised.

4. Management of financial risks

4.1 Elements of financial risk

As a consequence of its operations, the Group is exposed to several financial risks: Market risk (which includes currency risk, fair value interest-rate risk, cash-flow interest-rate risk and price risk), credit risk and liquidity risk. The objective of the Group's risk management is to minimize the detrimental effects of changes in the financial markets on the Group's results. The main financial risks are currency and interest-rate risks. The Group's central financing operation is responsible for the practical implementation of financial risk management together with the business units. The Group's financial unit identifies and evaluates risks and acquires the necessary instruments to hedge risks in co-operation with the operating units.

4.1.1 Market risks

Currency risk

The Talentum Group operates internationally and is thus exposed to risks related to its foreign currency positions. The Swedish Krona (SEK) is the most important foreign currency for the Group. Exchange-rate risks arise from commercial transactions, conversion of the balance sheet into the Group's operating currency and from net investments made in foreign subsidiaries. The Group's foreign currency risk is not generally hedged separately.

The Group has net investments mainly in Swedish units, which are exposed to foreign-currency risks associated with translation differences. The total net investment of these subsidiaries at the year-end was EUR 19.5 million. The exchange-rate changes resulting from translation differences are recognised in the consolidated comprehensive income. A 10 % weakening in the exchange rate of Swedish crown has an impact of EUR -1.9 million on the Group's comprehensive income statement and shareholders' equity. This currency risk is not principally hedged separately but a currency denominated amount has been borrowed equal to currency denominated receivables in the balance sheet.

Transaction risk arises when the company has receivables and liabilities in currencies other than the company's operating currency. Group companies mainly operate in their own markets and in their own operating currency, and therefore transaction risks are low. Individual significant and predictable receivables and liabilities in foreign currencies are hedged using forward contracts. There were no open forward contracts at the year end.

Interest-rate risk

The effects of interest-rate changes on the value of interest-bearing receivables and liabilities create an interest-rate risk. Interest-rate risk is part of market risk.

The cash flows linked to the Group's short-term money-market investments are exposed to interest-rate risk, but the effect is not material. The Group had no material interest-bearing receivables at year end. Operating cash flows are largely independent of fluctuations in market interest rates. The most significant interest-rate risk is mainly associated with the Group's loan portfolio. The loans are mainly tied in floating rates. The Group's interest-bearing net liability in the financial statements is EUR 12.4 million. A one per cent change in interest would affect the Group's financial expenses by EUR +/- 0.1 million.

Credit risk

Credit risk arises when a contractual party cannot fulfil its obligations. The creditworthiness of customers and counterparties in investment transactions and derivative contracts is constantly monitored. Credit monitoring of customers is performed on a country-specific basis in the finance departments, which work together with the business units. The Group's customer base is weighted towards large companies with a good financial standing, and for them credit risk is assessed as low. Advance payments typical to the industry reduce credit risk since a significant part of the products are paid in the beginning of the subscription period. Credit decisions regarding investment and derivative contracts are centralized in the Group's finance unit. The Group concludes derivative contracts and enters into investment transactions only with counterparties who have a credit rating of at least AA.

During the period under review, the amount of impairment losses recorded through the income statement and the aging of sales receivables is presented in Note 17, Receivables.

Liquidity risk

The Group continuously tries to evaluate and monitor the financing required for business operations, so that the Group will have sufficient liquid resources to finance operations and repay loans that are maturing. The Group's financing policy defines the size of the liquidity reserve as well as the maximum amount of annual repayments. The liquidity reserve is made up of cash reserves, realizable short-term investments, funding limits available for immediate drawdown and the commercial paper programme Adequate liquidity is maintained through efficient cash management and financing arrangements based on forecasts. The Group has available EUR 14 million bank overdraft limit and available EUR 22 million financing credit limit that were agreed during 2010. About half of the limits are available for three years and the other half for four years. The annual maturity split of current financing debt is presented in Note 27 Contractual maturities of financial liabilities. In addition, the Group has a EUR 30 million commercial paper programme.

4.2 Management of equity risk

One objective of equity management is to maintain a strong financial position and ensure that the financing needs of business operations can be resolved cost effectively when necessary. Another objective is to maintain the optimal capital structure to reduce the cost of equity.

To maintain or change the capital structure, the Group can alter the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell property to reduce debts.

Capital is monitored through the equity ratio and debt-equity ratio in the same manner as other companies operating in this sector. The debt-equity ratio is measured by dividing the net debts by the total capital. Net debts are calculated by subtracting cash assets from total debt (short- and long-term loans on the consolidated balance sheet). Total capital is calculated by adding net debts to the shareholders' equity shown on the consolidated balance sheet. The equity ratio is calculated by dividing shareholders' equity by the balance sheet total.

The Group's long-term objective for some years has been to have an equity ratio of 30%. The capital structure may be temporarily exceptional due to business acquisitions. The equity ratio and debt-equity ratio are presented in tabular form in note 28.

4.3 Estimating fair value

The fair value of financial instruments that are traded on the markets (such as securities which are available for sale) is based on the quoted market prices on the end date of the financial period. The quoted price of financial assets used is the buying price at that time.

The Group uses various methods and makes assumptions that are mainly based on the prevailing conditions on the markets at the end date of the reporting period.

The book value of sales receivables reduced through impairment and the book value of accounts payable are assumed to be close to their fair values. The book values of sales receivables and accounts payable are presented in the notes 17 Receivables and 25 Accounts payable and other debts.

5. Application of the new and revised IFRS standards

The IASB has published the following new or revised standards and interpretations, which the Group has not yet applied. The Group will adopt them as follows:

Financial period 2011

• Revised IAS 24 *Related Party Transactions* (effective on 1 January 2011). The revised standard reviews the definition of a related party and it may have an effect on the disclosures about related party transactions.

• Improvements to the IFRS standards – May 2010 (not yet approved for application in the EU)

Financial period 2013

• IFRS 9 *Financial Instruments* (part of IAS 39 *Financial Instruments: Recognition and Measurement* replacement project, not yet approved for application in the EU), which handles the measurement of financial assets for classification.

The other new and revised standards are not relevant to the Group.

2. Operating segments

Group's operating segments are Publishing Finland, Publishing Other Nordic Countries and Direct Marketing. Publishing Finland publishes magazines for professionals as well as literature for the legal and other professions. It also provides online services, information services and events. Publishing Sweden publishes magazines as well as provides online services, information services and seminars. Direct Marketing is focused on telemarketing of newspapers and books in Finland and the Baltic States. Included in "Other" are Conseco Press, Talentum Oyj – the parent company providing administrative services to the Group – and intra-Group item eliminations.

Segment operating income is used to measure performance and to allocate resources to the segments. Measure of operating income is reviewed and decisions about resources allocated to the segments are made by the chief operating decision maker, which in Talentum constitutes the Group Executive Management.

Segment assets and liabilities are items that segments utilise in their business operations and which can reasonably be allocated to the each segment in question. Segment operating income is reported to the chief operating decision maker without non-recurring items, which arose in the reporting period from the acquisition of IIR Finland Oy and from personnel reductions. In 2009 non-recurring items comprised of transferring the assets and liabilities of Talentum's pension fund to a pension insurance company and Group restructuring expenses. Other income and expenses not allocated to the segments include financial income and expenses, share of income of associated companies and income taxes. Inter-segment pricing is determined on an arm's length basis.

Operating segments are located in Finland, Sweden, Norway, Denmark and the Baltic countries. In presenting geographical information, net sales is based on the geographical location of customers and assets based on geographical location of the assets. Assets include property, plant and equipment, intangible assets and investments in associates.

2010

EUR million	*Publishing Finland*	*Publishing Other Nordic Countries*	*Direct Marketing*	*Other*	*Total*
External net sales	39.2	35.5	6.0	0.2	81.0
Inter-segment net sales	–	–	2.8	–2.8	–
Segment operating income	1.0	2.3	0.9	–2.1	2.0
Segment income before taxes	1.0	2.3	0.9	–2.1	2.0
Reconciliation:					
Segment income before taxes	–	–	–	–	2.0
Non-recurring items not allocated to segments	–	–	–	–	–1.8
Financial items, net	–	–	–	–	–0.2
Share of income of associated companies	–	–	–	–	0.0
Consolidated income before taxes					0.1

2009

EUR million	*Publishing Finland*	*Publishing Other Nordic Countries*	*Direct Marketing*	*Other*	*Total*
External net sales	37.3	23.5	5.8	0.2	66.8
Inter-segment net sales	–	–	3.0	–3.0	–
Segment operating income	1.9	–1.4	0.7	–2.1	–0.9
Segment income before taxes	1.9	–1.4	0.7	–2.1	–0.9
Reconciliation:					
Segment income before taxes	–	–	–	–	–0.9
Non-recurring items not allocated to segments	–	–	–	–	–4.4
Financial items, net	–	–	–	–	–0.2
Share of income of associated companies	–	–	–	–	–0.2
Consolidated income before taxes					–5.6

Geographical information

EUR million	*Net sales*	*Assets*
2010		
Finland	43.3	16.8
Sweden	35.5	47.0
Other countries	2.3	0.8
Total	81.0	64.7
2009		
Finland	41.0	6.4
Sweden	23.5	34.7
Other countries	2.4	0.0
Total	66.8	41.2

3. Disposals of subsidiaries and businesses

2010

There were no disposals of subsidiaries and businesses during 2010.

2009

In November, the Group disposed of Telemarketing UAB, which was the subsidiary of direct-marketing business situated in Lithuania. The annual net sales for the company disposed of were around EUR 0.5 million, and it had around 30 staff members. The loss of EUR 0.1 million that arose from the sale is included in the consolidated operating income.

4. Acquisitions of subsidiaries and businesses

2010

On 15 September 2010, Talentum Oyj acquired the complete share capital of IIR Finland Oy. At the time of the acquisition, the acquired company had 46 employees. IIR Finland Oy provides events, training and seminars for business management and experts that focus on industry and technology, sales and marketing, business management and HR, as well as financial administration and financing. IIR Finland Oy has a 49.9% holding of Professio Oy, a healthcare training company.

The purchase consideration was EUR 3.4 million and it was paid in cash on the date of the transaction. On defining the acquisition price an additional purchase price estimated at EUR 0.9 million and a penalty of EUR 1.2 million for 2011–2013 stated in the terms of the contract, were also included. The realisation of the additional purchase price depends on the company's profitability growth in 2011–2013. The price, which will be paid annually, last instalment in spring 2014, is included in consolidated non-current liabilities. The consultancy fees arising from the acquisition (EUR 0.3 million) were recognised as expenses at the time of the acquisition. The penalty is recognised as expense for its entire duration.

In the purchase price allocation of the goodwill that arose from the acquisition, one intangible asset, customer relationships, was recognised as its own balance sheet item. The goodwill that arose from the acquisition is presented as a EUR 2.0 million item at the end of the reporting period. The fair value of the net assets acquired is provisional and dependent on the final determination. The reviewed figure for goodwill is regarded as arising principally from event process expertise, specialist personnel and industry expertise.

The consolidated financial statements at the reporting date include the acquired company's net sales and income after the acquisition.

EUR million	*Recognised fair values/carrying amounts at 15 September 2010*
Assets and liabilities of acquired companies at the date of acquisition:	
Property, plant and equipment	0.0
Intangible assets	0.6
Shares of associates	0.1
Trade and other receivables	0.7
Cash and cash equivalents	0.9
Total assets	2.3
Deferred tax liabilities	0.2
Current liabilities	1.0
Total liabilities	1.2
Net assets	1.1
Acquisition cost	3.1
Goodwill	2.0
Consideration paid (in cash)	3.4
Cash and cash equivalents in acquires companies	–0.9
Cash flow on acquisition	2.5

2009

Talentum's Swedish subsidiary, Talentum Business Information Group AB (TBIG AB), acquired the complete share capital of Sverige Bygger AB and Norge Bygges AS in an agreement made on 30 December 2009. On 31 December 2009, Talentum pledged to sell a 9.9% minority interest of TBIG AB to an associate outside the Group. Therefore, the Group's holding of the company on 31 December 2009 was calculated as 90.1%. The agreement was cancelled and the Group's holding of the company was computed as 100% as of 1 January 2010. The change only had a minor impact on the Group's financial position. At the time of acquisition, the companies employed 85 people. The companies acquired provide information services concerning companies, projects, tenders and acquisitions in the construction industry, and they provide marketing services to the construction industry.

The purchase price was EUR 7.6 million, and it was paid in cash on the day of completion of the deal. In addition, expert fees of EUR 0.3 million were included in the acquisition cost along with an estimated EUR 0.4 million contingent consideration liability. Payment of this liability depends on how profitability of the companies develops during 2010 and 2011, and it will be payable no later than spring 2012. The liability is included in Group non-current liabilities. On the basis of the valuation of the additional purchase price as of 31 December 2010, the Group has reduced the liability recognised for it and correspondingly, the goodwill arising from the acquisition, by EUR 0.2 million.

The goodwill that arose from the acquisition was presented as a EUR 7.6 million item in the balance sheet of 31 December 2009, because the fair value of the net assets acquired was provisional and was dependent on the final determination. The amount of goodwill was reviewed during 2010, and two intangible assets, a database and its management system, as well as customer relationships, were recognised as their own balance sheet items. The reviewed figure for goodwill is regarded as arising principally from specialist personnel, market share and industry expertise. After the review, the amount of goodwill arising from the acquisition is EUR 6.8 million in the balance sheet of 31 December 2010. The fair value determinations of acquired net assets are final at 31 December 2010.

If the acquisition had happened at the beginning of the 2009 financial period, it would have increased consolidated net sales by EUR 6.2 million and the operating income by EUR 0.8 million.

EUR million	Recognised fair values/carrying amounts at 30 December 2009	Reviewed fair values/carrying amounts at 30 December 2009
Assets and liabilities of acquired companies at the date of acquisition:		
Property, plant and equipment	0.1	0.1
Intangible assets	–	2.1
Trade and other receivables	1.9	1.9
Cash and cash equivalents	3.4	3.4
Total assets	5.3	7.4
Deferred tax liabilities	–	0.6
Current liabilities	4.6	4.6
Total liabilities	4.6	5.2
Net assets	0.8	2.2
Acquisition cost	8.3	8.3
Goodwill	7.6	6.2
Consideration paid (in cash)	7.6	7.6
Cash and cash equivalents in acquires companies	–3.4	–3.4
Cash flow on acquisition	4.3	4.3

Reconciliation of goodwill arosen from acquisition of Sverige Bygger AB and Norge Bygges AS

Carrying amount at 1 January 2010	7.6
Purchase price allocation	–2.1
Deferred taxes	0.6
Change in additional purchase price	–0.2
Exchange rate differences	0.8
Carrying amount at 31 December 2010	6.8

5. Other operating income

EUR million	**2010**	2009
Rental income	**0.0**	0.0
Service income	**0.1**	0.3
Other operating income	**0.5**	0.4
Gain on sale of associates	**0.2**	–
Total	**0.7**	0.7

6. Employee benefits

EUR million	2010	*2009*
Wages and salaries	32.8	29.2
Pension expenses		
Defined benefit plans	0.2	2.1
Defined contribution plans	4.6	3.7
Share-based payments	0.0	–
Other social security expenses	5.2	4.2
Total	42.8	39.2

In the comparison year 2009 the defined benefit plan expenses include a settlement resulting from the termination of the plan. In addition, in 2009 the wages and salaries include EUR 3.1 million expenses arising from employment terminations.

Average amount of personnel in the reporting period

	2010	*2009*
Publishing	442	377
Direct Marketing	327	357
Group Administration	18	20
Total	787	755

The management employee benefit expenses are presented in note 26, Related party transactions and information about share-based payments is presented in note 22, Share-based payments.

7. Depreciation, amortisation and impairment losses

By asset item

EUR million	2010	*2009*
Property, plant and equipment		
Machinery and equipment	0.5	0.5
Other tangible assets	0.1	0.1
Total	0.6	0.6
Intangible assets		
Development expenditure	0.9	0.8
Other intangible assets	1.0	0.4
Total	1.9	1.2
Depreciation, amortisation and impairment losses total	2.5	1.8

Information about impairment is presented in note 13, Impairment of property, plant and equipment and intangible assets.

8. Other operating expenses

EUR million	2010	*2009*
Marketing expenses	5.0	4.2
IT expenses	2.9	2.5
Rental expenses	4.0	3.6
Office and premises expenses	2.3	2.0
Other operating expenses	8.6	7.3
Total	22.8	19.6

Fees to the auditors:

Audit fees	0.1	0.1
Other service fees	0.1	0.0
Total	0.1	0.1

9. Financial income and expenses

EUR million	2010	*2009*
Financial income		
Dividend income from available-for-sale-investments	0.0	0.0
Interest income	0.2	0.0
Exchange rate gains	1.1	0.1
Other financial income	0.0	0.0
Total	1.3	0.1

EUR million	2010	*2009*
Financial expenses		
Interest expenses from financial liabilities measured at amortised cost	0.4	0.1
Exchange rate losses	0.9	0.1
Other financial expenses	0.1	0.1
Total	1.5	0.3

The comparison year's items has been changed to be presented as gross basis.

10. Income taxes

Income taxes in the income statement

EUR million	2010	*2009*
Current taxes	0.1	0.1
Prior period's tax	0.0	0.1
Deferred taxes	–0.1	–1.6
Total	–0.0	–1.5

Taxes related in other comprehensive items, recognised in 2010

EUR million	2010	*2009*
Available-for-sale investments	0.0	–0.0

Reconciliation between income statement tax item and taxes calculated at the tax rate of the Group country of domicile 26%:

EUR million	2010	*2009*
Profit before taxes	0.1	–5.6
Income tax in accordance with the Finnish tax rate	0.0	–1.5
Difference between the Finnish and foreign tax rates	0.0	0.0
Income not subject to tax	–0.2	–0.1
Non-deductible expenses and tax exempt items	0.3	0.1
Net profit of associates	–0.0	0.1
Gain on sale of associates	–0.0	0.0
Prior periods' taxes	0.0	0.1
Other items	–0.1	–0.1
Taxes in income statement	–0.0	–1.5

11. Earnings per share

	2010	*2009*
Profit for the period attributable to equity owners of the parent, EUR million continuing operations	0.2	–4.2
Weighted average number of shares, 1,000 shares	43,615	43,615
Basic and diluted earnings per share, EUR continuing operations	0.00	–0.10

12. Property, plant and equipment and intangible assets

2010

Property, plant and equipment

EUR million	*Machinery and equipment*	*Other tangible assets*	*Total*
Acquisition cost at 1 January 2010	7.3	1.4	8.6
Additions	0.4	0.0	0.4
Business combinations	0.0	–	0.0
Decreases	–0.3	–	–0.3
Exchange differences	0.3	–	0.3
Acquisition cost at 31 December 2010	7.7	1.4	9.0
Accumulated depreciation at 1 January 2010	–6.3	–1.0	–7.3
Decreases	0.3	–	0.3
Depreciation for the period	–0.5	–0.1	–0.6
Exchange differences	–0.3	–0.0	–0.3
Accumulated depreciation at 31 December 2010	–6.8	–1.1	–7.9
Carrying amount at 1 January 2010	1.0	0.4	1.3
Carrying amount at 31 December 2010	**0.9**	**0.3**	**1.2**

2009

Property, plant and equipment

EUR million	*Machinery and equipment*	*Other tangible assets*	*Total*
Acquisition cost at 1 January 2009	7.6	1.3	9.0
Additions	0.3	0.0	0.3
Business combinations	0.1	0.0	0.1
Decreases	–0.8	–	–0.8
Disposals of subsidiaries	–0.0	–	–0.0
Exchange differences	0.1	0.0	0.1
Acquisition cost at 31 December 2009	7.3	1.4	8.6
Accumulated depreciation at 1 January 2009	–6.5	–0.9	–7.3
Decreases	0.7	–	0.7
Disposals of subsidiaries	0.0	–	0.0
Depreciation for the period	–0.5	–0.1	–0.6
Exchange differences	–0.1	–	–0.1
Accumulated depreciation at 31 December 2009	–6.3	–1.0	–7.3
Carrying amount at 1 January 2009	1.2	0.5	1.6
Carrying amount at 31 December 2009	1.0	0.4	1.3

2010
Intangible assets

EUR million	*Goodwill*	*Publishing rights*	*Development expenditure*	*Other intangible assets*	*Assets not yet in use*	*Total*
Acquisition cost at 1 January 2010	32.8	11.3	1.9	7.9	0.5	54.4
Additions	–	–	0.3	0.1	0.2	0.7
Business combinations	2.0	–	–	0.6	–	2.7
Transfers *)	–1.7	–	–	2.4	–0.3	0.3
Decreases**)	–0.2	–	–	–	–	–0.2
Exchange differences	3.5	1.3	0.1	0.2	0.1	5.2
Acquisition cost at 31 December 2010	36.4	12.5	2.4	11.2	0.5	63.1
Accumulated amortisation and impairment losses at 1 January 2010	–4.7	–1.4	–1.0	–7.6	–	–14.7
Decreases	–	–	–	–	–	–
Amortisation for the period	–	–	–0.9	–1.0	–	–1.9
Exchange differences	–	–	–0.1	–0.2	–	–0.3
Accumulated amortisation and impairment losses at 31 December 2010	–4.7	–1.4	–2.0	–8.8	–	–16.9
Carrying amount at 1 January 2010	28.1	9.9	0.9	0.3	0.5	39.7
Carrying amount at 31 December 2010	**31.7**	**11.2**	**0.4**	**2.4**	**0.5**	**46.2**

*) The fair value of customer relationships as well as database and its management system has been goodwill into other transferred from intangible assets due to purchase price allocation of the acquisition of Sverige Bygger AB and Norge Bygges AS (see note 4).
**) Goodwill has been adjusted by the change in additional purchase price (see note 4).

Customer relationships as well as database and its management system acquired in business combinations are included into other intangible assets. Development expenditure comprises of e-business development.

2009
Intangible assets

EUR million	*Goodwill*	*Publishing rights*	*Development expenditure*	*Other intangible assets*	*Assets not yet in use*	*Total*
Acquisition cost at 1 January 2009	24.7	10.8	0.9	7.8	0.6	44.9
Additions	7.6	–	–	0.1	0.8	8.5
Transfers	–	–	1.0	–	–1.0	–
Decreases	–0.5	–	–	–0.0	–	–0.5
Exchange differences	1.0	0.5	0.0	0.0	0.0	1.6
Acquisition cost at 31 December 2009	32.8	11.3	1.9	7.9	0.5	54.4
Accumulated amortisation and impairment losses at 1 January 2009	–4.7	–1.4	–0.2	–7.2	–	–13.5
Decreases	–	–	–	0.0	–	0.0
Amortisation for the period	–	–	–0.8	–0.4	–	–1.2
Exchange differences	–	–	–0.0	–0.0	–	–0.0
Accumulated amortisation and impairment losses at 31 December 2009	–4.7	–1.4	–1.0	–7.6	–	–14.7
Carrying amount at 1 January 2009	20.0	9.4	0.7	0.6	0.6	31.3
Carrying amount at 31 December 2009	28.1	9.9	0.9	0.3	0.5	39.7

The consolidated intangible assets comprise magazine publishing rights that are considered to have an indefinite useful life, since on the basis of analyses performed there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the group.

13. Impairment of property, plant and equipment and intangible assets

The management of Talentum reviews goodwill mainly at the segment level. In addition, Talentum Business Information Group acquired in 2009 and IIR Finland Oy acquired in 2010 have been tested separately, as well as Talentum HR which was acquired earlier. Goodwill is allocated as follows:

EUR million	**2010**	*2009*
Publishing Finland without Talentum Events	**3.4**	3.4
Talentum Events	**2.0**	–
Publishing Other Nordic Countries without Talentum Business Information Group and Talentum HR	**13.9**	12.2
Talentum Business Information Group	**6.8**	7.6
Talentum HR	**5.4**	4.7
Direct Marketing	**0.3**	0.3
Total	**31.7**	28.1

Impairment tests of goodwill are based on value in use. In the value-in-use calculations, five-year forecasts prepared by management have been taken into account. The net cash flows were based on the budget for the first year and the forecasts approved by management for the following four years. The most important parameters used in the calculations were as follows:

1. Net sales
In the forecast period, average growth rate based on past experience was used for sales growth. The subsequent growth factor for the forecast period was determined as 0–2%, which is estimated to correspond with annual customer price inflation and will not exceed average growth in the industry. Growth for the first two forecast years is stronger than for the other years due to cyclical media advertising has decreased by around 50% during 2009. The last such decrease in the advertising market was at the beginning of the 1990s. In the net sales figures used in the forecast, the advertising market does not reach the 2008 level in the review period. The net sales figures for 2011–15 reflect management's expectations of average annual growth for net sales.

2. Operating profit
Estimates for operating profit are based on growth realised during the last five years. The changes in the product portfolio for net sales are also reflected in profitability.

3. Discount rate
In the calculations, the weighted average cost of capital after tax (WACC) determined by external experts has been used as the discount rate. The use of the after-tax WACC in place of the pre-tax coefficient does not have a significant effect on the final value. The components of WACC are the risk-free rate of return, market risk premium, beta coefficient, cost of debt and the targeted capital structure. A debt-equity ratio of 30/70, as calculated according to market value, is used as the target capital structure. In 2010, the discount rate for Publishing Finland was 8.3% (8.5% in 2009), for Publishing Other Nordic Countries it was 8.3% (8.3%), and in Direct Marketing it was 8.3% (8.5%).

Sensitivity analyses of impairment tests

In impairment testing, sensitivity analysis was performed for all tested goodwill values.
The change in each year's estimate for key parameters used in testing – percentage units

Net sales	–15.0%
Operating profit	–5.0%
Discount rate	+3.5%

It is not propable that the key parameters would differ from management's estimates more than described above.

The changes specified in the sensitivity analysis described above did not mainly lead to a situation in impairment testing where the recoverable amounts by the units would fall below their book value. However, Talentum HR would fall below its book value, if net sales decreases more than 4 percentage units, operating income decreases by 0.8 percentage units or discount rate increases by 0.8 percentage units.

14. Investments in associates

A healthcare training company Professio Oy became an associated company of Talentum in September 2010 when the Group acquired IIR Finland Oy. IIR Finland Oy has a 49.9% holding of Professio Oy. In August the Group disposed of Swedish associated company Mentor Online AB. The gain on sale of Mentor Online AB was recognised as EUR 0.2 million and it is included in the other operating income.

EUR million	**2010**	*2009*
At the beginning of financial period	**0.1**	0.3
Acquisition of associates	**0.1**	–
Share of profit for the period	**0.0**	–0.2
Disposals of associates	**–0.1**	–
Exchange rate differences	**0.0**	0.0
At the end of financial period	0.1	0.1

Information about associates and their assets, liabilities, net sales and income:

2010

EUR million	*Domicile*	*Assets*	*Liabilities*	*Income*	*Group-holding %*
Professio Oy	Oulu	0.4	0.4	–0.0	49.9

2009

EUR million	*Domicile*	*Assets*	*Liabilities*	*Income*	*Group-holding %*
Mentor Online AB	Stockholm	2.7	6.2	–1.3	21.67

15. Available-for-sale investments

EUR million	**2010**	*2009*
Non-current		
Carrying amount at 1 January	**0.1**	0.1
Decreases	–	–
Fair value measurement	**–0.0**	0.1
Carrying amount at 31 December	0.1	0.1

Available for sale investments include both listed and unlisted securities. Available for sale investments are all denominated in Euros. Listed securities are valued at quoted reporting date bid price. Their fair value hierarchy level is I. The fair value of available-for-sale investments belonging into hierarchy level I is EUR 0.1 million. Unlisted securities are shown at their acquisition cost because their fair value cannot be reliably obtained. The maximum credit risk for available for sale investments corresponds to the book value at the end of the financial year.

16. Inventories

EUR million	**2010**	*2009*
Work in progress	**0.0**	0.0
Finished products and goods	**1.1**	1.2
Total	1.1	1.3

EUR 0.3 million was recognised as an expense in the reporting period to reduce the value of inventories to correspond to their net realisation value (EUR 0.1 million in 2009).

17. Receivables

EUR million	**2010**	*2009*
Non-current loan and other receivables		
Receivable from defined benefit pension plans	**0.1**	0.1
Receivable related to business combinations	**1.0**	-
Other receivables	**0.7**	0.2
Total	**1.8**	0.3

Receivable from defined benefit pension plan is reported in the note 21.

EUR million		
Non-current loan and other receivables		
Trade receivable	**8.7**	7.2
Receivables from associates	**0.1**	0.0
Prepaid expenses and accrued income	**1.1**	2.1
Other receivables	**1.0**	1.2
Total	**10.9**	10.5

Significant items included in prepaid expenses and accrued income:

Income tax receivable	**0.6**	0.9
Personnel expenses	**0.0**	0.0
Interest and other financial receivables	–	–
Other prepaid expenses and accrued income	**0.4**	1.2
Total	**1.1**	2.1

Aging of trade receivables:

EUR million	**2010**	*2009*
Not past due	7.0	6.1
Past due		
1–30 days	**0.9**	0.9
31–60 days	**0.3**	0.1
61–90 days	**0.3**	0.0
over 91 days	**0.2**	0.1
Total	**8.7**	7.2

The Group recognised an impairment loss of EUR 0.1 million (EUR 0.1 million in 2009) on trade receivables.

Group's current receivables are principally denominated in each Group company's functional currency, and thus there is no significant exposure to the transaction related currency risk.

There are no significant concentrations of credit risk associated with receivables. The balance sheet values best correspond to the amount of money which is the maximum amount of credit risk without taking into account the fair value of guarantees in the event that counter parties are unable to fulfil their obligations associated with the financial instruments. The Group's operating practice does not include taking insurance in respect of sales and other receivables.

18. Deferred taxes

Changes in deferred taxes during 2010:

EUR million	*31 December 2009*	*Recognised in profit and loss*	*Recognised in other comprehensive income*	*Exchange rate differences*	*Businesses acquired/ disposed of*	*31 December 2010*
Deferred tax assets						
Provisions	0.0	–0,0	–	–	–	0.0
Tax losses carried forward	1.3	–0,1	–	0.2	–	1.4
Employee benefits	0.0	–	–	–	–	0.0
Other temporary items	0.4	–0.1	–	–	–	0.4
Total	**1.8**	**–0,2**	**–**	**0.2**	**–**	**1.8**
Deferred tax liabilities						
Measurement of intangible and tangible assets at fair value in business combinations	2.6	–0.3	–	0.4	0.8	3.5
Accumulated appropriations	0.1	–0,0	–	–	–	0.1
Employee benefits	0.0	–0,0	–	–	–	0.0
Other temporary items	0.2	0.0	0.0	–	–	0.2
Total	**2.9**	**–0.3**	**0.0**	**0.4**	**0.8**	**3.8**

Changes in deferred taxes during 2009:

EUR million	*31 December 2008*	*Recognised in profit and loss*	*Recognised in other comprehensive income*	*Exchange rate differences*	*Businesses acquired/ disposed of*	*31 December 2009*
Deferred tax assets						
Provisions	0.1	–0.1	–	–	–	0.0
Tax losses carried forward	0.1	1.2	–	0.0	–	1.3
Employee benefits	–	0.0	–	–	–	0.0
Other temporary items	0.2	0.2	–	–	–	0.4
Total	0.5	1.3	–	0.0	–	1.8
Deferred tax liabilities						
Measurement of intangible and tangible assets at fair value in business combinations	2.4	0.0	–	0.1	–	2.6
Accumulated appropriations	0.1	0.0	–	–	–	0.1
Employee benefits	0.4	–0.4	–	–	–	0.0
Other temporary items	0.2	–0.0	0.0	–	0.0	0.2
Total	3.1	–0.3	0.0	0.1	0.0	2.9

Deferred tax assets have been recognised in respect of tax losses incurred in 2009–2010 as the management estimates that the Group can utilise the benefits therefrom in the future periods. The first part of tax losses expires in 2018.

19. Cash and cash equivalents

EUR million	**2010**	*2009*
Cash at hand and in bank accounts	**1.5**	3.7

The carrying amounts best correspond to the amount of money which is the maximum amount of credit risk without taking into account the fair value of guarantees in the event that counter parties are unable to fulfil their obligations associated with the financial instruments. There are no significant concentrations of credit risk associated with financial assets.

The fair value of financial assets does not differ significantly from the carrying amounts. The average maturity of short term investments is less than 30 days. The cash and cash equivalests corresponds with the cash and cash equivalents presented in the consolidated statemet of fash flows.

20. Equity

Number of shares reconciliation:

EUR million	*Number of shares, 1,000*	*Share capital*	*Invested non-restricted equity reserve*	*Treasury shares*	*Total*
31 December 2008	43,615	18.6	5.9	–2.8	21.7
Return of equity	–	–	–2.6	–	–2.6
31 December 2009	43,615	18.6	3.3	–2.8	19.0
No changes in 2010	–	–	–	–	–
31 December 2010	**43,615**	**18.6**	**3.3**	**–2.8**	**19.0**

Talentum Oyj has one class of shares. In accordance with the articles of association the maximum number of shares permitted is 100 million shares (100 million in 2009). The par value of the shares is EUR 0.42 per share, and Talentum Oyj's maximum share capital is EUR 28 million (EUR 28 million in 2009). All shares issued are fully paid.

Equity reserves:

Treasury shares:
The treasury shares comprise the acquisition cost of the company's own shares controlled by the Group.

Other reserves includes the Translation reserve and the Fair value reserve:
The translation reserve contains the translation differences arising from translation of the financial statements of foreign subsidiaries. Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial investments until the investments are derecognised or impaired.

Invested non-restricted equity reserve:
Invested non-restricted equity reserve includes the other proportion of share subscription prices and other similar items of equity nature not recognised in share capital in accordance with share issue decisions. The reserve was established in 2008 when the share premium reserve was decreased according to the decision by the AGM and the corresponding amount was transferred into invested non-restricted equity reserve.

21. Employee benefit obligations

The defined benefit pension plans in the Group comprise of management's pension plan and employees' voluntary pension plan. The employees' voluntary pension plan was closed in year 2000.

On 1 January 2010, Talentum transferred to an external insurance company its pension fund assets and liabilities based on statutory Finnish Employee's Pensions Act. After the transfer Talentum has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits relating to employee service. The pension plan in question has been treated as a defined contribution plan from 1 January 2010. The present value of pension obligations and the fair value of plan assets at 31 December 2009 amounted to the transfer, i.e. they were equal in size. The settlement loss due to the transfer was included in the defined benefit expense in 2009.

There is a collective pension plan in Sweden (Pressens Pensionskassa), in which several media company participate, and of which adequate information is not available. Thefore it has been accounted for as a defined contribution plan. The effect of this is not assumed to be significant.

Defined benefit plans

Liability for defined benefit obligations in the balance sheet

EUR million	**2010**	*2009*
Present value of unfunded obligations		
Present value of funded obligations	1.0	19.3
Fair value of plan assets	–0.7	–19.1
Deficit / Surplus	0.3	0.2
Unrecognised actuarial gains (+) and losses (–)	–0.2	–0.2
Net liability	0.0	0.0
Amounts in the balance sheet		
Liabilities	0.1	0.1
Assets	0.1	0.1

Employee benefit expense recognised in the profit and loss

EUR million	**2010**	*2009*
Current service cost	0.1	1.0
Interest expense	0.0	1.0
Expected return on plan assets	–0.0	–1.0
Actuarial gains (+) and losses (-)	0.0	0.2
Settlement	0.0	0.9
Total	0.2	2.1
Actual return on plan assets	0.0	1.7

Movements in the present value of the obligation

EUR million	**2010**	*2009*
Obligation at the beginning of financial period	**19.3**	19.9
Dissolvement of a pension fund	**–18.6**	–
Current service cost	**0.1**	1.0
Interest expense	**0.0**	1.0
Actuarial gains (+) and losses (–)	**0.1**	–0.5
Settlement	**0.0**	–1.8
Benefits paid	**0.0**	–0.3
Obligation at the end of financial period	**1.0**	19.3

Movements in the fair value of plan assets

EUR million	**2010**	*2009*
Fair value of plan assets at the beginning of financial period	**19.1**	16.8
Dissolvement of a pension fund	**–18.6**	–
Expected return on plan assets	**0.0**	1.0
Actuarial gains (+) and losses (–)	**0.0**	0.8
Contributions into the plan paid by the employer	**0.1**	0.8
Other employer items	**0.0**	–0,0
Benefits paid	**0.0**	–0.3
Fair value of plan assets at the end of financial period	**0.7**	19.1

The distribution of plan assets by assets is not possible to describe.

Principal actuarial assumptions at 31 December

%	**2010**	*2009*
Discount rate	**4.5**	5
Expected return on plan assets	**4.5**	4.50–5.6
Future salary increases	**2.5**	2.5

The expected long-term return on plan assets during the financial period 2010 was 4,5% (4,50–5,60% in financial period 2009).

The amounts for the current and the previous financial periods are the following:

EUR million	**2010**	*2009*	*2008*	*2007*	*2006*
Present value of the obligation	**1.0**	19.3	19.9	19.2	17.7
Fair value of plan assets	**–0.7**	–19.1	-16.8	–16.1	–15.0
Deficit	**0.3**	0.2	3.0	3.1	2.7
Experience adjustments on plan liabilities	**–0.0**	–0.5	-1.1	0.0	0.6
Experience adjustments on plan assets	**0.0**	0.8	-2.2	–0.1	–0.8

22. Share-based payments

Terms of the share-based incentive plan

Talentum Oyj's Board of Directors decided on 18 March 2010 to establish a new share-based incentive plan for corporate management. The plan consists of three vesting periods, each comprising at least one and no more than three vesting periods, the first of which began on 1 January 2010 and ended on 31 December 2010. The bonuses will be paid partly in the company's shares and partly in cash after the end of each vesting period. The share paid in cash will cover any taxes and other such costs arising from the bonus. Transferring shares earned within two years of the end of the vesting period is prohibited. The total length of the plan is 5 years. After this, the company's CEO must retain one half of the shares earned by him under the plan for the entire duration of his employment relationship and for one year after its termination. The Board of Directors will decide at a later stage on the next vesting periods and the restrictions related to the disposal of the shares earned during these periods. The possible plan revenue for the 2010 vesting period is based on Talentum Group's net sales and operating profit and Talentum's share revenue. Eight people were covered by the plan for the 2010 vesting period. If the plan targets are fully achieved in the 2010 vesting period, a maximum of 151,000 shares and the amount of cash required for the tax-like charges arising from the distributed shares at issue will be given within the plan. If the plan targets are fully achieved, a maximum of 484,500 shares of Talentum Oyj and the amount of cash required for the tax-like charges arising from the distributed shares at issue will be given within the plan over a period of 3 years.
This plan replaces the plan of the same content taken into use on 1 January 2007 and terminated on 31 December 2009.

Incentive plan	
Nature of incentive plan	Shares
Vesting period	From 1 Jan 2010 to 31 Dec 2010
Grant date	For year 2010 *)
Amount of granted instruments	151,000
Share price at the grant date (EUR)	1.96
Binding period (years)	2 years after the end of vesting period
Vesting conditions	Three years employment Net sales, operating profit and share price development during 2010
Settlement	In shares and cash

*) In 2010, a total of 1,268 shares were given on the basis of the result, which corresponds to a cost of about six thousand euros for the company. Talentum Oyj's Board of Directors decided in its meeting held on 14 February 2011 that the bonus will be paid in cash instead of in shares.

23. Financial liabilities

EUR million	**2010**	*2009*
Non-current financial liabilities measured at amortised cost		
Non-current non-interest bearing liabilities related to business combinations	**1.7**	0.4
Non-current interest bearing liabilities	**0.1**	0.1
Total	**1.8**	0.5
Current financial liabilities measured at amortised cost		
Loans from financial institutions	**13.3**	13.4
Loans from joint ventures	**0.5**	0.4
Other current liabilities	**0.0**	0.0
Commercial papers	–	2.0
Total	**13.8**	15.8

Interest-bearing liabilities are mainly tied to 3 month or shorter market interest rates and their carrying amounts are reasonably close to their fair values.

Interest-bearing non-current liabilities divided by currency:

EUR million	**2010**	*2009*
EUR	**0.0**	–
SEK	**0.1**	0.1

Interest-bearing current liabilities divided by currency:

EUR million	**2010**	*2009*
EUR	**7.1**	15.8
SEK	**6.7**	0.0

The covenant of the loans is the equity ratio specified by the investors, which differs in its method of calculation from the equity ratio used generally in that the advances received are not deducted from the balance sheet total.

24. Provisions

EUR million	*Other provisions*	*Total*
Carrying amount at 1 January 2010	0.3	0.3
Exchange differences	0.0	0.0
Provisions made	0.1	0.1
Provisions used	–0.0	–0.0
Carrying amount at 31 December 2010	**0.4**	**0.4**

EUR million	**2010**	*2009*
Non-current provisions	**0.3**	0.3
Current provisions	**0.1**	0.1

Other provisions

Other provisions include a tax related to an employee benefit. The provisions are expected to be realised by year 2018.

25. Advances received, trade and other payables

EUR million	**2010**	*2009*
Current		
Advances received	**13.7**	11.2
Trade payables	**2.4**	1.7
Accrued expenses and deferred income	**9.1**	9.6
Other payables	**2.1**	1.8
Total	**27.3**	24.3

Significant items included in accrued expenses and deferred income:

Personnel expenses	**5.8**	6.4
Income tax liability	**0.4**	0.0
Other	**2.9**	3.2
Total	**9.1**	9.6

Group's current liabilities are principally denominated in each Group company's functional currency, and thus there is no significant exposure to the transaction related currency risk.

26. Related party transactions

Related parties of the Group are the Board of directors of the parent company and the Group's Executive Management Team as well as the associated company Professio Oy, joint venture Oy Mediuutiset Ab and Alma Media Group which owns 32.14% of Talentum Oyj. Transactions with Alma Media Group are not material and are determined on an arm's length basis.

The group parent company and subsidiaries are as follows:

	Domicile	*Group holding, %*	*Parent company holding, %*
Parent company			
Talentum Oyj	Helsinki		
Group companies			
Talentum Media Oy	Helsinki	100	100
Talentum Sweden AB	Stockholm	100	100
Suoramarkkinointi Mega Oy	Helsinki	100	100
Talentum Business Information Group AB	Stockholm	100	100
Talentum Events Oy	Helsinki	100	100
Subgroup companies and joint ventures			
Talentum Media Oy:			
Oy Mediuutiset Ab	Helsinki	50	
Conseco Press	Moscow	40	(51% of votes)
Talentum Sweden AB:			
Talentum Media AB	Stockholm	100	
Talentum Sales AB	Stockholm	100	
Dagens Media Sverige AB	Stockholm	100	
Talentum HR AB	Stockholm	100	
Talentum Reportagebyrå AB	Stockholm	100	
Talentum Business Information Group AB:			
Sverige Bygger AB	Hudiksvall		
Norge Bygges AS	Sandvika	100	
Nordic Construction Media AB	Hudiksvall		
Suoramarkkinointi Mega Oy:			
Müügimeistrite AS	Tallinn	92	
Telemarket SIA	Riga	96	
Talentum Events Oy:			
FYI Business Events Oy	Helsinki	100	
Events Sweden AB	Stockholm	100	
FYI Events Denmark ApS	Copenhagen	100	

Related party transactions with the CEO and members of the Group management

Total management employee benefits

1,000 EUR	**2010**	*2009*
Salaries and other short-term employee benefits	**1,039**	1,374
Termination benefits	–	454
Total	**1,039**	1,828

Executive remuneration		
Juha Blomster, CEO	**349**	306
Other Group Executive Management	**690**	1,068
Members of the Board of Directors		
Strengell Merja, Chairman (since 27 March 2009)	**42**	18
Telanne Kai, Deputy chairman (since 31 March 2010)	**23**	–
Berner Joachim (since 31 March 2010)	**18**	–
Kainulainen Harri	**24**	24
Lehti Eero	**24**	24
Palomäki Atte	**24**	24
Saarinen Tuomo (until 31 March 2010)	**12**	48
Airaksinen Manne (until 31 March 2010)	**8**	30
Mäkelä Kai (until 27 March 2009)	–	6
	174	174

The figures are salaries, fees and bonuses for the financial period on accrual basis. The CEO and part of the Group Executive Management have the guaranteed right to retire at the age of 60. On 31 December, the number of Talentum Oyj shares and options owned by members of the Board of Directors and the CEO personally and through companies in which they have a controlling interest was 49,912, representing 0,1% of the company's total shares and votes. Other Group Executive management owned 19,635 shares.

Related party transactions with associates and joint ventures

EUR million	*Sales*	*Purchases*	*Assets*	*Liabilities*
2010				
Associates	–	–	–	0.1
Joint ventures	0.3	–	0.1	0.5
Total	**0.3**	–	**0.1**	**0.5**

EUR million	*Sales*	*Purchases*	*Assets*	*Liabilities*
2009				
Yhteisyritykset	0,3	–	0,1	0,5

In 2009, a guarantee of EUR 0.2 million has been given on behalf of associate company Mentor Online AB.

Related party transactions with Talentum's pension fund

EUR Million	**2010**	*2009*
Contributions to the pension fund	**–0.1**	3.7

The Talentum Group general pension fund's assets and liabilities were transferred to Ilmarinen Mutual Pension Insurance Company on 1 January 2010 and the pension fund was placed into receivership. The final pay-as-you-go pool for 2009 was received in December 2010.

27. Contractual maturities of financial liabilities

2010

EUR million	**2011**	*2012*	*2013*	*2014*	*2015*	*Later*
Trade payables	**2.4**	–	–	–	–	–
Commercial papers	–	–	–	–	–	–
Liabilities to associates	**0.5**	–	–	–	–	–
Loans from financial institutions	**13.3**	–	–	–	–	–
Other non-current liabilities	**0.0**	0.0	0.0	0.0	0.0	0.1

2009

EUR million	**2010**	*2011*	*2012*	*2013*	*2014*	*Later*
Trade payables	**1.7**	–	–	–	–	–
Liabilities to joint ventures	**2.0**	–	–	–	–	–
Other current liabilities	**0.4**	–	–	–	–	–
Loans from financial institutions	**13.4**	–	–	–	–	–
Other non-current liabilities	**0.0**	0.0	0.0	0.0	0.0	0.1

Talentum Oyj's financing arrangements have been renewed with agreements signed at the beginning of October 2010, so that the available bank overdraft limit is EUR 14.0 million and the available financing credit limit is EUR 22.0 million, EUR 36.0 million in total. According to the rules agreed, loans within the financial credit limits can be drawn down and repaid throughout the maturity of the agreement. About half of the limits are available for three years and the other half for four years. EUR 22.1 million of the limits was unused at the financial year end.

As a part of its overall financing, Talentum has had a domestic commercial paper program of EUR 30 million, within which Talentum issues commercial paper with a maturity of less than one year. The average maturity for this paper is less than three months. The commercial paper program was unused at the end of the financial year.

28. Capital management

EUR million	**2010**	*2009*
Interest bearing liabilities	**13.9**	15.9
Cash and cash equivalents	**1.5**	3.7
Net liabilities	**12.4**	12.2
Total capital	**17.5**	14.9
Gearing, %	**70.9**	81.7
Equity ratio, %	**34.4**	31.4

29. Operating leases, commitments and contingent liabilities

The Group as lessee

The Group has leased the office premises it uses and cars used by personnel. The most significant leasing agreements of premises will end in 2011 in Sweden and in 2013 in Finland. The minimum operatig lease payments of the new 5-year leasing agreement made in Sweden are included into the maximum operating lease payments reported below.

Non-cancellable minimum operating lease payments are payable as follows:

EUR million	**2010**	*2009*
Less than a year	**3.9**	4.5
Between one and five years	**9.0**	6.8
Total	**12.9**	11.3

30. Transactions after the end of the reporting period

There were no material transactions after the end of the reporting period.

Income statement of parent company (FAS)

1,000 EUR	*Note*	**2010**	*2009*
Net sales	2	**5,341**	5,483
Other operating income	3	**0**	2
Personnel expenses	4	**2,438**	2,554
Depreciation and amortisation	5	**373**	428
Other operating expenses		**4,639**	4,912
Operating loss		**–2,109**	–2,409
Financial income and expenses	6	**60**	–14,486
Loss before extraordinary items		**–2,049**	–16,895
Extraordinary items	7	**2,589**	520
Profit/loss before appropriations and taxes		**540**	–16,375
Increase (–) / decrease (+) in depreciation difference	8	**–**	–
Direct taxes	9	**383**	–69
Profit/loss for the financial year		**923**	–16,444

In 2009, the loss for the financial year included an impairment of subsidiary Talentum Media Oy's shares, EUR 15.6 million.

Balance sheet of parent company (FAS)

1,000 EUR	*Note*	**2010**	*2009*
ASSETS			
Non-current assets			
Intangible assets	10	**387**	587
Tangible assets	10	**145**	224
Investments	10	**109,178**	104,601
Total non-current assets		**109,710**	105,412
Current assets			
Non-current receivables	11	**916**	32
Non-current receivables	12	**10,167**	9,063
Short term deposits		**–**	–
Cash at hand and in bank accounts		**–**	3
Total current assets		**11,083**	9,098
TOTAL ASSETS		**120,793**	114,510
LIABILITIES AND EQUITY			
Equity	13		
Share capital		**18,594**	18,594
Other reserves			
Treasury shares		**–2,834**	–2,834
Invested non-restricted equity fund		**86,977**	86,977
Retained earnings		**–13,478**	2,965
Profit/loss for the year		**923**	–16,444
Total equity		**90,182**	89,258
Accumulated appropriations	14	**0**	0
Liabilities			
Non-current liabilities	15	**1,377**	–
Current liabilities	16	**29,234**	25,251
Total liabilities		**30,611**	25,251
TOTAL LIABILITIES AND EQUITY		**120,793**	114,510

Cash flow statement of parent company (FAS)

1,000 EUR	**2010**	*2009*
Cash flows from operating activities		
Loss before extraordinary items	–2,049	–1,326
Adjustments:		
Depreciation and amortisation	373	428
Financial income and expenses	–60	–1,083
Other adjustments	–11	–21
Cash flows before change in working capital	–1,747	–2,002
Change in net working capital	5,512	–17,635
Cash flows before financing items and taxes	3,765	–19,637
Interests paid and payments on other operating financing expenses	–360	–128
Interest received	257	914
Dividends received	–	548
Taxes paid	21	–984
Net cash from/in operating activities	3,683	–19,287
Cash flows from investing activities		
Investments in to intangible and tangible assets	–94	–214
Disposal of subsidiaries	–	–
Acquisitions of subsidiaries	–3,699	–1,904
Increase of outstanding loans	1,139	–
Disposal of intangible and tangible assets	–	5
Net cash from/in investing activities	–2,654	–2,113
Cash flow from financing activities		
Change in short-term loans	–1,379	15,203
Change in long-term loans	–174	–694
Dividends paid	–	–1,745
Equity returned	–	–2,617
Group contributions	520	8,658
Acquisition of treasury shares	–	–
Net cash from/in financing activities	–1,033	18,805
Net cash in financing activities	–4	–2,595
Cash at hand and in bank, 1 January	5	2,600
Cash at hand and in bank, 31 December	0	5

Notes to the parent company's financial statements

1. Accounting principles for the financial statements

Talentum Oyj's financial statements have been prepared in accordance with accounting principles based on Finnish accounting legislation.

Fixed assets

Tangible and intangible assets have been entered in the balance sheet at the original acquisition cost less depreciation according to plan. Depreciation according to plan has been calculated on a straight-line basis based on asset's useful life. The useful lives are:

Intangible rights	2–5 years
Other long-term expenditure	3–10 years
Machinery and equipment	3–7 years

The charges for assets rented through lease agreements are recognised as leasing expenses and the assets are not shown on the balance sheet.

Investments and receivables that have an estimated useful life of over a year are shown under investments.

Any impairment items in fixed assets are examined at the balance sheet date and an impairment is recognised as soon as there is indication for impairment.

Financial assets

Deposits held for more than three months and other securities with an estimated holding time of less than one year are presented under financial securities. Cash at bank and in hand includes cash, bank accounts, deposits with a maturity of less than three months and other items considered as cash equivalents.

Shares, holdings, and financial instruments included in financial securities are measured at the lower of acquisition cost or market price.

Items denominated in foreign currency

Items denominated in foreign currency are shown in euro at the rate quoted by the European Central Bank at the balance sheet date. Differences in exchange rates arising during the financial year have been included in financial income and expenses.

Pension arrangements

Statutory pension liabilities are covered by a pension insurance company.

Extraordinary items

Group contributions have been entered as extraordinary items.

Taxes for the financial period

Taxes for the financial period and adjustments to taxes from earlier financial periods have been recognised as income taxes in the income statement.

The probable tax effects arising from periodisation differences in bookkeeping and taxation have been shown as deferred tax assets and liabilities.

2. Net sales

1,000 EUR	**2010**	*2009*
Internal invoicing	5,341	5,483
Total	5,341	5,483

3. Other operating income

1,000 EUR	**2010**	*2009*
Profit of sales of non-current assets	–	2
Total	–	2

4. Personnel expenses

1,000 EUR	**2010**	*2009*
Salaries and fees:		
CEO	**348**	306
Board of Directors	**174**	174
Other	**1,417**	1,479
Pension expenses	**478**	518
Other social security expenses	**21**	77
Total	**2,438**	2,554

Salaries, fees and fringe benefits of CEO and member of the Board of directors are presented in note 26 of the consolidated financial statements.

Average amount of personnel in the reporting period	**24**	26

5. Depreciation and amortisation

1,000 EUR	**2010**	*2009*
Intangible assets	**253**	296
Tangible assets	**120**	132
Total	373	428

6. Financial income and expenses

1,000 EUR	**2010**	*2009*
Financial income:		
Dividend income from group companies	–	914
Interest and financial income from group companies	**159**	233
Exchange rate gains	**1,083**	43
Other interest and financial income	**13**	20
Total	**1,255**	1,210
Financial expenses:		
Interest and financial expenses to group companies	**26**	18
Impairment of investments in subsidiaries	–	15,569
Exchange rate losses	**911**	6
Other finance expenses	**83**	25
Other interest expenses	**175**	78
Total	**1,195**	15,696
Financial income and expenses total	60	–14,486

7. Extraordinary items

1,000 EUR	**2010**	*2009*
Group contributions received	**2,620**	520
Other	**–31**	–
Total	**2,589**	520

8. Appropriations

1,000 EUR	**2010**	*2009*
Change in depreciation difference:		
Intangible assets	**–5**	–8
Tangible assets	**5**	8
Total	**0**	0

9. Income tax

1,000 EUR	**2010**	*2009*
From extraordinary items	**–**	–135
From ordinary business activities	**–**	204
Change in deferred tax	**–383**	–
Total	**–383**	69

Deferred tax assets on losses carried forward have been recognised earlier at Group level and they are now recognised at company level.

10. Intangible and tangible assets and investments

Intangible assets

1,000 EUR	*Intangible rights*	*Renovation of premises*	*Total*
Acquisition cost 1 January	3,319	783	4,103
Increase	53	–	53
Decrease	–	–	–
Acquisition cost 31 December	3,372	783	4,156
Accumulated amortisation 1 January	–3,091	–424	–3,516
Accumulated Amortisation of decreases	–	–	–
Amortisation for the period	–148	–105	–253
Accumulated amortisation 31 December	–3,239	–529	–3,769
Carrying amount at 31 December 2010	**133**	**254**	**387**
Carrying amount at 31 December 2009	227	359	587

Tangible assets

1,000 EUR	*Machinery and equipment*	*Other*	*Total*
Acquisition cost 1 January	970	32	1,002
Increase	43	–	43
Decrease	–	–	–
Acquisition cost 31 December	1,013	32	1,045
Accumulated depreciation 1 January	–778	–	–779
Accumulated depreciation of decreases	–	–	–
Depreciation for the period	–122	–	–122
Accumulated depreciation 31 December	–900	–	–901
Carrying amount at 31 December 2010	**113**	**32**	**145**
Carrying amount at 31 December 2009	192	32	224

Investments

1,000 EUR	*Investments in subsidiaries*	*Other*	*Total*
Acquisition cost 1 January	125,478	28	125,506
Acquisitions of companies	4,577	–	4,577
Acquisition cost 31 December	130,055	28	130,083
Accumulated impairments 1 January	–20,905	–	–20,905
Impairment for the period	–	–	–
Accumulated impairments 31 December	–20,905	–	–20,905
Carrying amount at 31 December 2010	**109,150**	**28**	**109,178**
Carrying amount at 31 December 2009	104,573	28	104,601

Investments in subsidiaries are presented in Note 26, Related party transactions of the consolidated financial statements.

11. Non-current receivables

1,000 EUR	**2010**	*2009*
Other receivables	**500**	–
Deferred tax asset	**416**	32
Total	**916**	32

12. Current receivables

1,000 EUR	**2010**	*2009*
Trade receivables	**89**	–
Receivables from group companies	**9,810**	8,287
Prepaid expenses and accrued income	**132**	608
Other receivables	**136**	168
Total	**10,167**	9,063

Receivables from group companies:		
Trade receivables	**41**	79
Loan receivables	**7,095**	7,386
Prepaid expenses and accrued income	**2,674**	822
Total	**9,810**	8,287

Significant items included in prepaid expenses and accrued income:		
Group contribution receivables	**2,620**	520
Others	**186**	910
Total	**2,806**	1,430

13. Equity

1,000 EUR	**2010**	*2009*
Share capital 1 January	18,594	18,594
Share capital 31 December	18,594	18,594
Share premium reserve 1 January	–	–
Transfer to invested non-restricted equity reserve	–	–
Share premium reserve 31 December	–	–
Other reserves		
Treasury shares 1 January	–2,834	–2,834
Acquisition of shares	–	–
Treasury shares 31 December	–2,834	–2,834
Invested non-restricted equity reserve 1 January	86,977	89,594
Transfer from share premium reserve	–	–
Return of equity	–	–2,617
Invested non-restricted equity fund 31 December	86,977	86,977
Total other reserves 31 December	84,143	84,143
Retained earnings 1 January	–13,478	4,711
Dividend payment and return of equity	–	–1,745
Profit/loss for the period	923	–16,444
Retained earnings 31 December	–12,555	–13,478
Total equity 31 December	90,182	89,258
Calculation of distributable earnings		
Treasury shares 1 January	–2,834	–2,834
Invested non-restricted equity reserve	86,977	86,977
Retained earnings	–12,555	–13,478
Total	71,588	70,665

Share capital by type of share at end of financial year:	shares	*shares*
Series: TTMV1	44,295,787	44,295,787
Treasury shares held by company	681,000	681,000

14. Appropriations

1,000 EUR	**2010**	*2009*
Accumulated depreciation difference by asset category:		
Intangible assets	95	91
Tangible assets	–95	–91
	–	–

15. Non-current liabilities

1,000 EUR	2010	*2009*
Loans from financial institutions	1,377	–

16. Current liabilities

1,000 EUR	2010	*2009*
Loans from financial institutions	13,339	13,376
Commercial papers	–	2,000
Commercial papers	83	162
Liabilities to group companies	15,200	8,951
Other current liabilities	124	141
Accrued expenses and deferred income	488	621
Total	29,234	25,251
Liabilities to group companies		
Loan liabilities	15,065	8,923
Trade payables	8	7
Accrued expenses and deferred income	127	21
Total	15,200	8,951
Significant items included in accrued expenses and deferred income:		
Holiday pay obligation liability	286	276
Tax liability	91	70
Pension and social security contribution debts	18	6
Interest debt	26	3
Other	194	287
Total	615	642

17. Future leasing payments, commitments and contingent liabilities

1,000 EUR	2010	*2009*
Rents of term of notice	5,021	5,544
Leasing commitments		
To be paid next financial year	216	721
To be paid later	46	425

Proposal of the Board of Directors for distribution of profits

The distributable earnings in the balance sheet amount to EUR 71,587,104.25, of which the income for financial period is EUR 922,539.23. No essential changes have taken place in the financial position of the company since the balance sheet date and, as required under the Finnish Companies Act (13/2) the proposed dividend to be distributed will not endanger the solvency of the company.

Invested non-restricted equity reserve (consists of capital investments only)	86,976,714.06
Treasury shares	-2,834,420.30
Retained earnings	-13,477,728.74
Income for the period	922,539.23
Distributable earnings total	71,587,104.25

The Board of Directors proposes that no dividend should be distributed for 2010.

The Board of Directors proposes that assets in the amount of EUR 872,295.74 be distributed out from the invested non-restricted equity reserve for 2010.

The Board of Directors proposes that retained loss 13,477,728.74 will be covered by the invested non-restricted equity reserve.

Helsinki, 14 February 2011

Merja Strengell **Joachim Berner**

Harri Kainulainen **Eero Lehti**

Atte Palomäki **Kai Telanne**

Juha Blomster
CEO

Auditor's report (Translation from the Finnish Original)

To the Annual General Meeting of Talentum Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Talentum Oyj for the year ended 31 December, 2010. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the 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 and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

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

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

Opinion on the Consolidated Financial Statements

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

Opinion on the Company's Financial Statements and the Report of the Board of Directors

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

Other Opinions

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki 24 February 2011

PricewaterhouseCoopers Oy
Authorised Public Accountants

Juha Wahlroos
Authorised Public Accountant

Shares and shareholders

Talentum shares

Talentum's shares were listed on the OTC stock market (hereafter I-listing) in 1988. They moved to the main listing on 1 December 1998 and the OMX Nordic Exchange Helsinki listing on 2 October 2006, when the Helsinki and Stockholm Stock Exchanges merged.

Talentum Oyj is listed on the NASDAQ OMX Helsinki Ltd. The code for Talentum's shares is TTM1V. The company's shares are not traded on any other stock exchange.

Talentum Oyj's issued stock stands at 44,295,787 shares. All the shares are the same, and each share entitles the holder to one vote at company meetings and to identical dividend rights. However, Talentym Oyj's Articles of Association include a clause restricting voting rights.

Total turnover for Talentum shares in 2010 was 6,572,178, representing 14.8 per cent of all shares.

At 31 December 2010, Talentum Oyj held 681,000 of its own shares, and its share of the total shares and voting rights was 1.5 per cent. Treasury shares do not have voting rights and they do not entitle to dividend.

Dividend policy

Talentum Oyj employs an active dividend policy. No dividend was issued for 2009. The Board of Directors is proposing to the Annual General Meeting that no dividend be distributed for 2010. The Board of Directors is further proposing that for 2010, funds be distributed from the invested non-restricted equity reserve in the amount of EUR 0.02 per share.

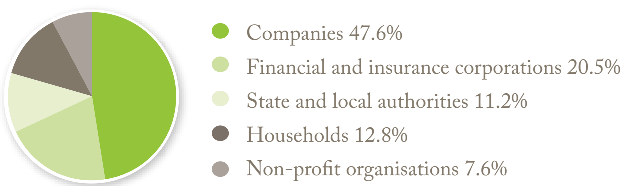
The factors affecting dividends are the amount of distributable unrestricted equity, the absolute and relative net profit for the year, the company's cash flow from business operations, the need for capital expenditure in the near future, and future prospects.

Investor relations

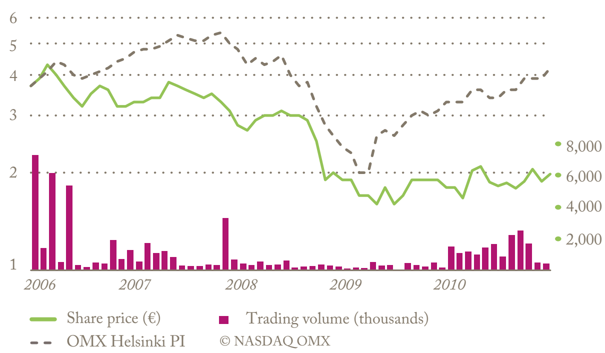
Talentum's investor relations programme aims to ensure that the market receives accurate information on Talentum Group's operations and its future prospects. Talentum serves the interests of investors and analysts by organising meetings with management and arranging briefings when its financial results are published, amongst other things. Bulletins issued to the markets can be viewed on the company's website www.talentum.fi.

Talentum aims for transparency in all the information it provides.

Ownership distribution 31 December 2010



Share price and trading



Ownership distribution 31 December 2010

	Shareholders		*% of share-holders*	*Shares*	*% of shares and votes*
Corporations (including nominee registrations)	211	(1)	5.89	2,107,170	47.61
Financial and insurance corporations (including nominee registrations)	24	(4)	0.67	6,219,365	20.50
State and local authorities	10		0.28	4,958,073	11.19
Households	3,268		91.18	5,683,236	12.83
Non-profit organisations	62		1.73	3,382,872	7.64
Foreign (including nominee registrations)	9	(2)	0.25	8,067	
Total	**3,584**		**100**	**44,228,083**	**99.85**
in which nominee registrations		7		2,906,300	6.56
In the issuer account				67,704	0.15
Issued shares				44,295,787	100

Major shareholders December 31, 2010

		Total shares	*% of shares and votes*
1.	Alma Media companies	14,236,295	32.14
	Kauppalehti Oy	13,200,000	29.80
	Alma Media Oyj	1,036,295	2.34
2.	Oy Herttaässä Ab	4,580,939	10.34
3.	Ilmarinen Mutual Pension Insurance Company	4,098,173	9.25
4.	Nordea funds	1,904,491	4.30
	Nordea Fennia funda	933,437	2.11
	Nordea Life Assurance Ltd	636,012	1.44
	Nordea Suomi 130/30 fund	266,132	0.60
	Nordea Suomi personnel fund	68,910	0.16
5.	The Finnish Association of Graduate Engineers TEK	1,598,138	3.61
6.	OP funds	1,256,096	2.84
	OP Finland small firm investment fund	1,192,496	2.69
	OP Bank Group Research Foundation	63,600	0.14
7.	Alfred Berg Small Cap Finland fund	1,169,571	2.64
8.	Evli Select	750,000	1.69
9.	Pension Fennia	570,000	1.29
10.	The New Association of of Finnish Engineers	514,100	1.16
	The New Association of of Finnish Engineers	513,300	1.16
	Insinööritieto Oy	800	0
11.	ABN AMRO Finland	434,455	0.98
12.	Säästöpankki Kotimaa investment fund	363,000	0.82
13.	The Association of Finnish Wholesalers and Importers	339,396	0.77
14.	Korkeamäki Vilho	300,000	0.68
15.	Sijoitusrahasto Danske Suomi kasvuosake	269,340	0.61
16.	SEB Gyllenberg Small Firm fund	249,400	0.56
17.	OMXBS/Skandinaviska Enskilda Banken AB	220,450	0.50
18.	Tekniska Föreningen i Finland Stiftelse	201,974	0.46
19.	Saarela Mikko Aarne Juhani	163,925	0.37
20.	Etelä-Pohjanmaan Turve Oy	155,000	0.35
	Issued shares	44,295,787	100
	30 largest owners total	37,511,039	84.68
	Nominee registered shares	2,906,300	6.56
	Talentum Oyj holds own shares	681,000	1.54

Ownership distribution 31 December 2010

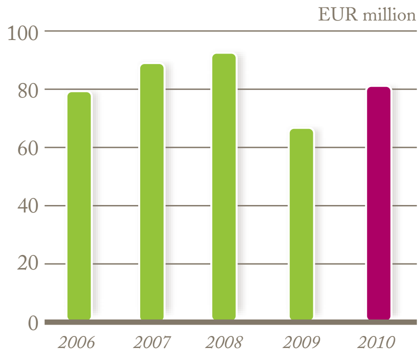
Shares	*Shareholders*	*% of shareholders*	*Shares*	*% of shares and votes*
1-100	436	12.17	29,258	0.07
101-1,000	1,854	51.73	955,645	2.16
1,001-10,000	1,154	32.20	3,407,352	7.69
10,001-100,000	112	3.13	2,870,899	6.48
100,001-10,000,000	27	0.75	23,764,929	53.65
10,000,001-999,999,999	1	0.03	13,200,000	29.80
Total	**3,584**	**100**	**44,228,083**	**99.85**
in which nominee registrations	7		2,906,300	6.56
In the issuer account			67,704	0.15
Issued shares			44,295,787	100

Key figures

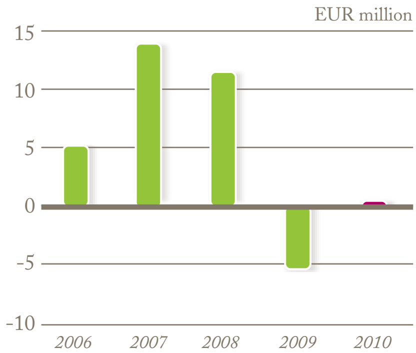
EUR Million and %	**2010**	*2009*	*2008*	*2007*	*2006*
Group					
Net sales	**81.0**	66.8	98.9	124.0	121.1
change-%	**21.2**	–32.4	–20.3	2.4	–1.4
Operating income	**0.3**	–5.2	8.8	13.9	4.3
as of % net sales	**0.3**	–7.8	8.9	11.2	3.5
Financial items *)	**–0.1**	–0.4	–0.7	–1.0	–0.1
Income for the period (for owners of the parent company)	**0.2**	–4.2	5.2	8.8	2.2
Investments	**3.9**	8.8	2.5	11.6	5.1
as % of net sales	**4.8**	13.2	2.5	9.3	4.2
Total equity	**17.5**	14.9	22.3	31.9	32.2
Balance sheet total	**64.7**	58.8	49.7	89.0	89.7
Personnel on average	**787**	755	864	991	1,064
Net sales per person, 1,000 EUR	**103**	89	114	125	114
Continuing operations					
Net sales	**81.0**	0.1	93.4	89.1	79.3
change-%	**21.2**	–28.4	4.8	12.4	28.8
Operating income	**0.3**	–0.0	11.5	13.9	5.0
as of % net sales	**0.3**	–7.8	12.3	15.6	6.3
Investments	**3.9**	0.0	2.4	10.0	3.3
as % of net sales	**4.8**	13.2	2.5	11.2	4.2
Personnel on average	**787**	755	818	763	767
Net sales per person	**103**	89	114	117	103

*) Including share of profit of associates

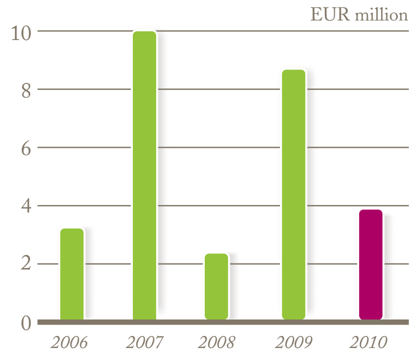
Net sales



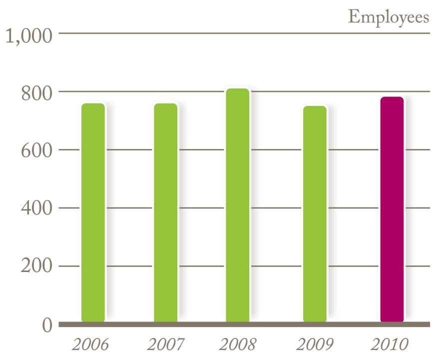
Operating income



Investments

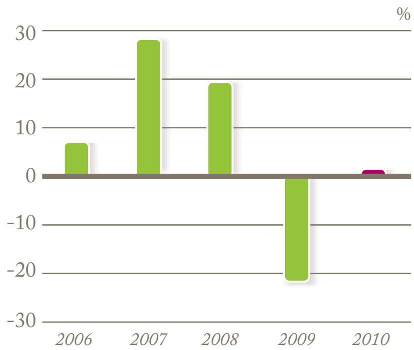


Personnel on average



Net sales per person

Return on equity (ROE)



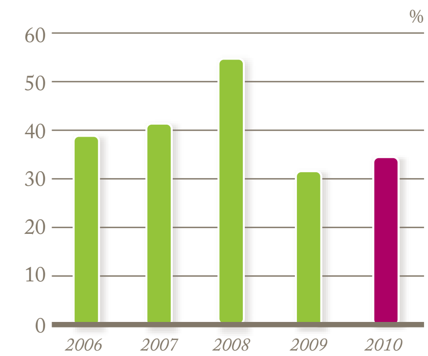
Key indicators

		2010	2009	2008	2007	2006
Return on equity (ROE)	%	**1.0**	–22.4	19.3	28.7	7.2
Return on investment (ROI)	%	**5.2**	–19.4	23.7	27.3	9.4
Equity ratio	%	**34.4**	31.4	54.8	41.6	38.8
Net gearing	%	**70.9**	81.7	–15.4	16.7	15.7
Net liabilities	EUR million	**12.4**	12.2	–3.4	5.3	5.1
Key indicators per share:						
Earnings per share	EUR	**0.00**	–0.10	0.12	0.20	0.05
Dividend per share	EUR	**0.02**	0.00	0.10	0.20	0.18
Equity per share	EUR	**0.40**	0.34	0.51	0.69	0.69
Dividend per earnings	%	–	–	83.5	99.6	360
Effective dividend yield	%	–	–	5.3	7.3	5.5
P/E-ratio		**548.8**	–18.5	15.6	13.7	66.5
Market capitalization	EUR million	**86.4**	77.6	81.6	121.1	144.9
Enterprise Value	EUR million	**98.8**	89.9	78.1	126.5	150
Traded price 31 December	EUR	**1.98**	1.78	1.87	2.75	3.29
Traded price high	EUR	**2.26**	2.39	3.16	3.83	4.44
Traded price low	EUR	**1.64**	1.44	1.63	2.55	3
Average price for year, share issue adjusted	EUR	**1.91**	1.78	2.65	3.39	3.77
Total share turnover	shares	**6,572,178**	7,389,719	11,572,194	14,141,995	26,957,486
Total share turnover as percentage of shares	%	**15.1**	16.7	26.1	32.1	61.2
Number of shares, share issue adjusted:						
weighted average during year	shares	**43,614,787**	43,614,787	43,775,710	44,039,817	44,039,817
at year end	shares	**43,614,787**	43,614,787	44,295,787	44,039,817	44,039,817
Treasury shares	shares	**681,000**	681,000	681,000	181,000	181,000

* Board proposal distribution of assets from the invested non-restricted equity reserve in the amount of 0.02 EUR per share

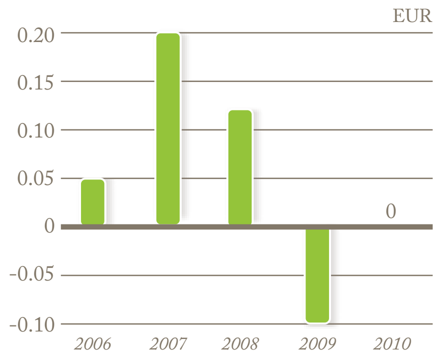
Return of investment (ROI)

Equity ratio

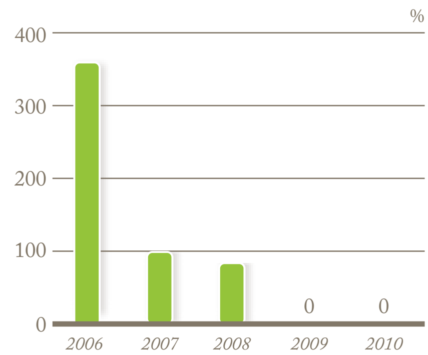


Net gearing

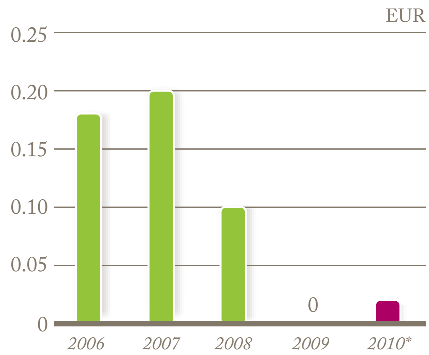
Earnings per share



Dividend per earnings



Dividend per share



* Board proposal distribution of assets from the invested non-restricted equity reserve in the amount of 0.02 EUR per share

Calculation of key indicators

Return on equity (ROE), %

$$\frac{\text{Income for the period}}{\text{Total equity (annual average)}} \text{ x 100}$$

Return on investment (ROI), %

$$\frac{\text{Income before taxes + interest and other financial expenses}}{\text{Total assets - non-interest bearing debts (annual average)}}$$

Equity ratio, %

$$\frac{\text{Total equity}}{\text{Total assets - advances received}} \text{ x 100}$$

Gearing, %

$$\frac{\text{Interest-bearing debts - cash and cash equivalents}}{\text{Total equity}} \text{ x 100}$$

Earnings per share (EPS)

$$\frac{\text{Income for the period +/- non-controlling interest}}{\text{Adjusted average number of shares}}$$

Dividend per share

$$\frac{\text{Dividend for the period}}{\text{Adjusted number of shares, 31 December}}$$

Equity per share

$$\frac{\text{Equity attributable to the owners of the parent}}{\text{Adjusted number of shares, 31 December}}$$

Dividend per earnings, %

$$\frac{\text{Dividend per share}}{\text{Earnings per share}} \text{ x 100}$$

Effective dividend yield, %

$$\frac{\text{Dividend per share}}{\text{Adjusted trading price at the end of the period}} \text{ x 100}$$

Price per earnings, P/E

$$\frac{\text{Adjusted trading price at the end of the period}}{\text{Earnings per share}}$$

Market capitalization

Number of shares at 31 December × trading price at the end of the period

Enterprise Value

Market capitalization + interest-bearing debts - cash and cash equivalents

Information for shareholders

Talentum Oyj is listed on the NASDAQ OMX Helsinki Ltd. The trading code for the shares is TTM1V, and the ISIN code is FI0009900898. The company and Nordea Securities Oyj have concluded a market-making agreement that meets the requirements of Liquidity Providing (LP) on the NASDAQ OMX Helsinki stock exchange.

The number of shares on 31 December 2010: 44,295,787
Sector: Consumables

The share register is maintained by Euroclear Finland Oy. All public information relating to the company's shares and insider register is available at Euroclear Finland Oy.

A list of Talentum Oyj's biggest shareholders is provided on page 87 of this Annual Report.

Proposal on the distribution of dividends

The Board of Directors proposes to the Annual General Meeting that no dividend should be distributed for 2010. The Board of Directors proposes that the amount of EUR 0.02 per share be distributed for 2010 from the invested non-restricted equity reserve. The record date for the proposed distribution is 6 April 2011, and the payment date is 13 April 2011. All shares in issue at the record date, with the exception of the company's own shares held by the parent company, will be entitled to receive the dividend for 2010.

Annual General Meeting

The Annual General Meeting of Talentum Oyj will be held on Friday, 1 April 2011 at 2 pm at the Radisson Blu Hotel, Runeberginkatu 2, Helsinki, Finland. The welcoming of shareholders who have notified of their participation at the meeting will begin at 1 pm.

Shareholder wishing to attend the AGM must notify the company of his/her participation no later than 4 pm on 29 March 2011 either in writing to Talentum Oyj, Share Register, P.O. Box 920, 00101 Helsinki, or by telephone +358 40 342 4233, or by email, info@talentum.fi. Written notification must reach the company before the expiry of the registration period. It is requested that any proxies are delivered in connection with the notification of attendance. Shareholders who are listed as shareholders in the register maintained by Euroclear Finland Oy on 22 March 2011, at the latest, and have announced their intention to participate in the AGM in the manner indicated above, will have the right to participate in the AGM.

Changes of address

Talentum Oyj's share and shareholder register is held by Euroclear Finland Oy. Notifications of changes to holdings, personal data and addresses, are sent to the organization that manages the shareholder's account.

Financial statements for 2011

Talentum Oyj will publish its financial statements for 2011 every quarter. Interim reports will be published on 29 April, 21 July and 27 October.

The interim reports are published at about 9 am Finnish time in the Finnish and English languages, and they are available on the company's website, www.talentum.fi.

Talentum observes a three-week silent period before the publication of Interim Reports and a five-week silent period before the publication of the annual result.

Annual Summary 2010

January
No stock exchange releases

February

11 Feb 2010
Talentum 2009 Year-End statement release

March

2 March 2010
Talentum Board of Directors proposals to the Annual General Meeting

5 March 2010
Notice of Annual General Meeting

9 March 2010
Talentum's Annual Report 2009

19 March 2010
Talentum Board of Directors approved management's share-based incentive plan

31 March 2010
Resolution's of Talentum's Annual General Meeting

April

15 April 2010
Talentum received a request to convene an Extraordinary General Meeting

28 April 2010
Talentum will convene an Extraordinary General Meeting as requested by Oy Herttaässä Ab

28 April 2010
Talentum Interim Report January–March 2010

May

7 May 2010
Talentum Oyj - notice of extraordinary general meeting

June

15 June 2010
Resolutions of Talentum Oyj's extraordinary general meeting

July

1 July 2010
Talentum Oyj's Board member Kai Telanne charged with discrimination at work

21 July 2010
Talentum Interim Report January–June 2010

August
No stock exchange releases

September

15 Sept 2010
Talentum acquires IIR Finland Oy – strengthens event business

October

26 Oct 2010
Talentum's financial reporting 2011

27 Oct 2010
Talentum's Interim Report January–September 2010

November
No stock exchange releases

December
No stock exchange releases

The content of the releases published in 2010 can be partially outdated.

The releases are available at www.talentum.com

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Talentum Annual Report 2010

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