ANNUAL REPORT 2014

talentum

We help professionals succeed.

TALENTUM OYJ is a media company that focuses on professionals with main products of magazines, books, digital services, events and trainings. Talentum produces contents from various fields of economy, law, management, HR, sales and marketing, ICT, technology and health care with mission to help professionals succeed. Talentum also carries out telemarketing as a sales channel supporting publishing operations. Talentum's net sales in 2014 were EUR 72.3 million. Talentum employes altogether 721 persons in Finland, Sweden, Denmark, Estonia and Latvia. Talentum Oyj is listed on Nasdaq Helsinki.

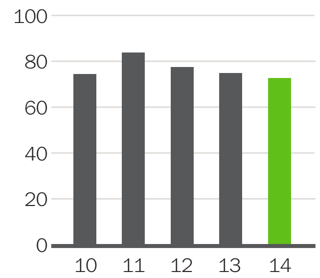
NET SALES
72.3
EUR million

OPERATING INCOME
3.4
EUR million

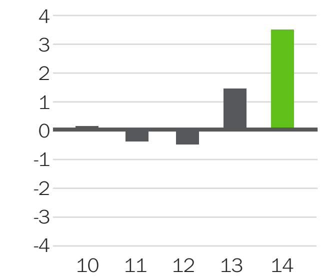
PERSONNEL
721
on average

Contents

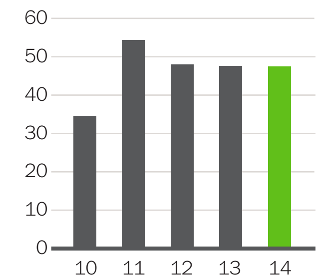
NET SALES
CONTINUING OPERATIONS, EUR million



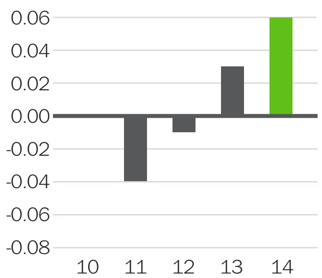
OPERATING INCOME
CONTINUING OPERATIONS, EUR million



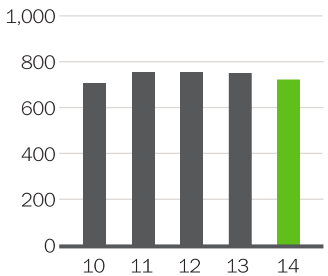
EQUITY RATIO
EUR million



EARNINGS PER SHARE
CONTINUING OPERATIONS, EUR



PERSONNEL
CONTINUING OPERATIONS, ON AVERAGE

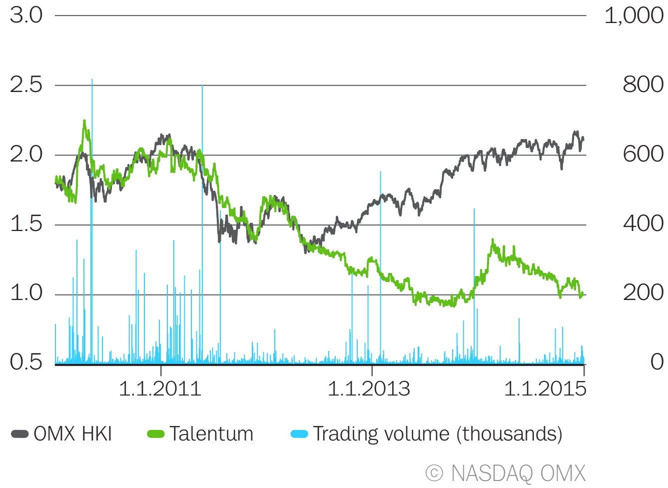


KEY FIGURES
EUR million

CONTINUING OPERATIONS	2014	2013
Net sales	**72.3**	74.5
Operating income	**3.4**	1.4
Operating income without non-recurring items	**4.1**	3.1
Return on investment (ROI), % *	**17.5**	10.2
Investments	**4.2**	1.5
Equity ratio, %	**47.2**	47.4
Earnings/share, €	**0.06**	0.03
Dividend/share, €	**0.05****	0.04
Personnel on average	**721**	750
Net sales per person, 1,000 €	**100**	99

* The Group has adjusted accounting practice of Return on invested capital %. The figures for comparative year have been restated accordingly.
** Board proposal, 0.05 €/share

SHARE PERFORMANCE AND TRADING
EUR



NET SALES
in Finland*
46,1
(46.0) EUR million

NET SALES
in Sweden*
20,3
(22.4) EUR million

NET SALES
in other countries*
5,9
(6.0) EUR million

* continuing operations

Operating income for 2014 increased clearly

2014 was a good operative year for Talentum. The Group's operating income increased clearly compared to the previous year with slightly decreased net sales. We focused on digital sales and considering the circumstances we can be satisfied with its development.

All in all, 2014 was a good year for the Books and Legal Training segment. On 30 April 2014, we acquired the B2B business from Sanoma Pro, which was integrated into the Books and Legal Training segment. The integration has proceeded as expected. The transaction brought us new digital services, which are highly compatible with our product offering as they are intended for professionals.

Last year, we set ourselves the objective of enhancing the Magazine Business Sweden and Event Business segments, and we succeeded partially in this. Measures to enhance the

businesses will be continued further in the ongoing year. Operating income from both of the segments increased, becoming positive without non-recurring items in 2014.

In 2014, advertising markets in general increased slightly in Sweden and decreased in Finland. We increased the share of circulation sales of net sales in Finland and circulation revenue increased in 2014 from the previous year. Advertising sales has suffered from the difficult market conditions and advertising revenue decreased in Finland. We have not yet been able to take advantage of the increase of the advertising market in Sweden because our product offering is still strongly dependent on printed products. Content and advertising revenue decreased in Sweden in 2014.

Year 2015

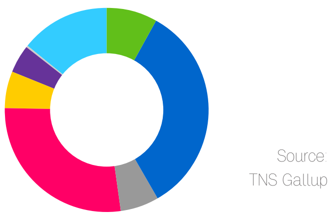
In 2015, we will further focus on improving profitability and enhancing the Magazine Business Sweden and Event Business segments. We will also continue to focus on digital sales, developing services and converting content into digital format.

I would like to thank all of the personnel for their great effort, teamwork and innovation. I would also like to thank our customers and shareholders for their confidence and partners for the entire year.

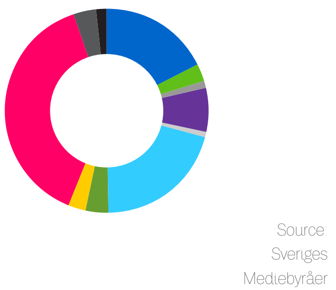
Aarne Aktan
CHIEF EXECUTIVE OFFICER

> **”We focused on digital sales** and considering the circumstances we can be satisfied with its development.”

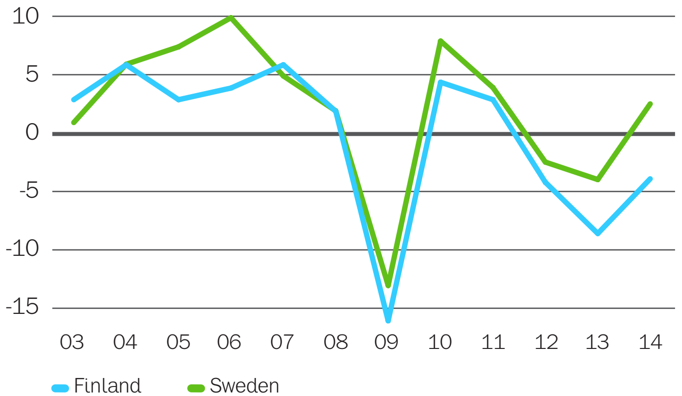
THE SPLIT OF MEDIA ADVERTISING IN FINLAND 2014



THE SPLIT OF MEDIA ADVERTISING IN SWEDEN 2014



CHANGE OF MEDIA ADVERTISING IN FINLAND AND SWEDEN, %



Business environment and strategy

Talentum specialises in publications for professionals. Its key products are magazines, books, digital services, training and events. The company aims to help professionals succeed.

Turbulence in the media sector and macroeconomic changes affect the operations of media companies. In financially unstable situations, money spent on advertising decreases, particularly that spent on recruitment advertising. Social web communities compete with traditional recruitment advertising.

According to TNS Media Intelligence, in 2014 about EUR 1.2 billion was used on media advertising in Finland, which is 2.6 per cent less than in the previous year. In Sweden about 13 billion Swedish krona was used on media advertising, which is 2.6 per cent more than in the previous year (Sveriges Mediebyråer). In 2014, the share of electronic medias of media advertising was greater than the share of printed medias both in Finland and in Sweden.

The digitalisation of the media sector has continued. On the other hand, the use of media has diversified and the reading habits of consumers are changing. Content production, technology and holdings have become more uniform. As social media's significance increases also the traditional media intertwines with social web communities.

Finland and Sweden are Talentum's main market areas. In 2014, the general advertising market decreased by 3.8 per cent in Finland (TNS Media Intelligence) and increased by 2.6 per cent in Sweden (Sveriges Mediebyråer). In Finland, advertising in periodicals decreased by 15.6 per cent during the year. Advertising in professional journals in Sweden decreased by 0.4 per cent in 2014. In 2014, online media advertising increased by 12.2 per cent in Finland and by 25.7 per cent in Sweden. For Talentum's Magazine Business Finland, circulation revenue increased and advertising revenue decreased in 2014 from the previous year. Magazine Business Sweden's circulation revenue and advertising revenue decreased from the previous year.

In 2015, Talentum will further focus on improving profitability and on enhancing the Magazine Business Sweden and Event Business segments.

Business functions

Talentum's business is divided into six business segments: Magazine Business Finland, Magazine Business Sweden, Events, Books and Legal Training, Direct Marketing and Other activities.

CONTINUING OPERATIONS EUR million	2014	2013
Magazines Business Finland		
Net sales	**24.3**	25.5
Operating income without non-recurring items	**2.5**	3.0
Personnel on average	**113**	106
Magazines Business Sweden		
Net sales	**18.1**	19.9
Operating income without non-recurring items	**0.2**	-0.2
Personnel on average	**82**	92
Talentum Events		
Net sales	**11.5**	12.6
Operating income without non-recurring items	**0.2**	-0.4
Personnel on average	**63**	95
Books and Legal Training		
Net sales	**10.5**	8.1
Operating income without non-recurring items	**1.3**	0.7
Personnel on average	**49**	36
Direct Marketing		
Net sales	**10.8**	11.6
Operating income without non-recurring items	**1.0**	1.2
Personnel on average	**382**	399
Other activities		
Net sales	**-3.0**	-3.1
Operating income without non-recurring items	**-1.1**	-1.2
Personnel on average	**32**	22

Magazine Business Finland

produces and publishes magazines for professionals in print and digital. Talentum's magazines in Finland are Talouselämä, Arvopaperi, Fakta, Tekniikka&Talous, MPC, Tivi, Markkinointi&Mainonta, Metallitekniikka, Mediuutiset, Tekniikan Historia, Arvoasunto, CIO, T&T Päivä and Uratie.

Magazine Business Sweden

produces and publishes magazines for professionals in print and digital. Talentum's magazines in Sweden are Ny Teknik, Affärsvärlden, Dagens Media, Lag&Avtal, Arbetarskydd, Digital Teknik, Teknikhistoria, Konsultguiden and Ingenjörskarriär.

Event Business

produces events and training to executives, management and other professionals in Finland, Sweden and Denmark.

Books and Legal Training

produces versatile legal and professional literature and online services and offers training on law, financial administration and taxation and supervisory work.

Direct Marketing

consists of Talentum's subsidiary Suoramarkkinointi Mega Oy's operations in Finland, Estonia and Latvia. The company operates in the telemarketing business.

The Other Activities

The Other Activities segment comprises Group operations as well as the Russian associated company, Conseco Press.

Talentum's values

Respect for our customers

We earn the respect of our customers every day.

Collaboration is strength

We collaborate both internally and with partners and customers.

Competi-tiveness

We are competitive in everything we do.

Responsibility

Talentum's corporate responsibility comprises financial responsibility, environmental responsibility and social responsibility. In the communications sector, responsibility highlights responsible communication, promotion of freedom of speech and impartiality. The provision of Talentum's business products and services is based on customer respect, surrounding legislation, absolute ethicality and self-regulation.

Financial responsibility

As a listed company, Talentum's financial responsibility is to operate profitably and to generate added value for the company's shareholders. The most important short-term goal of Talentum's business operations continues to be to improve profitability. In addition to other publishing operations, the company's main focus areas of growth are digital business and events. Profitable financial operations also enable the company to fulfil its environmental and social responsibility.

Environmental responsibility

Talentum's main impact on the environment is due to paper consumption, distribution, recycling, energy consumption and waste management. Talentum's magazines and books are printed by subcontractors. In its publications, Talentum strives for the best possible energy and material efficiency. Talentum's magazines are printed on PEFC-certified paper and the newspaper material has also been granted the EU Ecolabel. As electronic distribution channels, Talentum's online services save paper and reduce the amount of energy needed for deliveries, thereby reducing emissions.

Social responsibility

Social responsibility focuses above all on our responsibility towards our own personnel, as well as collaboration with other companies and various stakeholders. Talentum's success is largely due to the commitment and wellbeing of its professional personnel.

In 2014, Talentum ran its Talentum Tahto project for the second time. Talentum Tahto is a wide-ranging project that aims to improve the working capacity and wellbeing of the personnel. It includes several training events for the entire personnel, managers and smaller target groups, as well as a six-month fitness programme, Tarmo. Talentum Tahto achieved good results especially in developing leadership work and improving wellbeing of those attended Tarmo programme. The project will be run for a third time at the beginning of 2015. In 2015, the focus will be improving managers' individual development needs in addition to improving physical fitness.

Employees are supported in broadening their knowledge and skills, as well as in participating in job rotation. In addition, managers are supported in their leadership duties through training.

Personnel in 2014

In 2014, Talentum Group employed an average of 721 people in Finland, Sweden, Denmark, Estonia and Latvia. Geographically, personnel were divided as follows: Finland 385 people, Sweden 101, Denmark 13, Estonia 97 and Latvia 127.

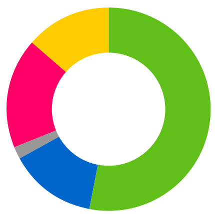
Vision

The professional's first choice for insight and information.

Mission

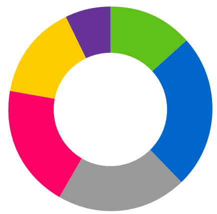
We help professionals succeed.

GEOGRAPHICAL DIVISION OF PERSONNEL



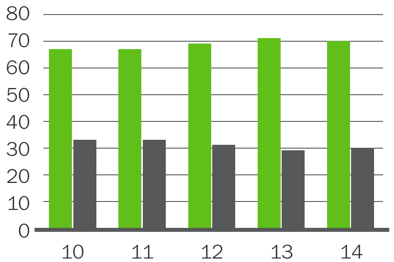
Finland 53.4%
Sweden 14.0%
Denmark 1.8%
Latvia 17.6%
Estonia 13.5%

AGE PROFILE IN 2014



< 20 yrs. 13.6%
20–29 yrs 24.2%
30–39 yrs. 20.6%
40–49 yrs. 19.6%
50–59 yrs. 14.9%
Over 60 yrs. 7.1%

GENDER PROFILE, %



Women
Men

Corporate governance statement

Talentum Oyj (hereinafter also referred to as "Talentum") observes the Corporate Governance Code of Finnish listed companies, which was published by the Finnish Securities Market Association and came into effect on 1 October 2010, in accordance with the Comply or Explain principle. Furthermore, the company is administered in compliance with Finnish legislation, the company's Articles of Association and NASDAQ OMX Helsinki Ltd's rules and guidelines. This corporate governance statement has been drawn up in accordance with recommendation 54 of the Corporate Governance Code of Finnish listed companies. Talentum's Corporate Governance Code is published separately from the annual report. The recommendation of the Corporate Governance Code is available on the Finnish Securities Market Association's website at www.cgfinland.fi.

Governing bodies

Talentum's governing bodies are the General Meeting, the Board of Directors and the CEO.

Key people in Talentum's management are the members of the Board, the CEO and the members of the Executive Management.

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:

- Approving the financial statements
- Distributing dividends
- Granting exemption from liability to the CEO and members of the Board of Directors
- Electing the members of the Board of Directors
- Electing the auditor
- Fees to be paid to the auditor and the members of the Board of Directors

The Annual General Meeting shall be held once a year by the end of June. The Board of Directors convenes the General Meeting of shareholders. Notice to a General Meeting shall be published in a national newspaper or on the website of the company. Notice to the General Meeting shall be delivered at the earliest three months and at the latest three weeks before the meeting, but in any case at least nine days before the record date of the General Meeting.

The total number of shares and votes on the date of the invitation, the documents to be presented at the General Meeting, any proposal of the Board of Directors or other bodies with power of decision and any matter included in the agenda of the General Meeting that does not require a decision shall also be available on the website. The minutes of the General Meeting and the related notes shall be available on the company's website within two weeks of the General Meeting.

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

Charter

The operations of the Board of Directors are regulated by the Finnish Companies' Act, Talentum Oyj's Articles of Association, the decisions of the General Meetings, legislation concerning bookkeeping and securities markets, and NASDAQ OMX Helsinki Ltd's rules.
The Board of Directors has a Charter that can be updated and amended as needed. The following are the main points of the Charter. The company's Board of Directors, which consists of 4 to 8 ordinary members, is responsible for the company's administration and the appropriate organisation of its operations. According to the Articles of Association, the members, Chairman and Deputy Chairman of the Board of Directors are elected at the General Meeting for a term of one year.

The general duty of the Board of Directors is to steer the Group's operations so that it can generate maximum added value for the shareholders in terms of future cash flows. The key duties of the Board of Directors include:

- Appointing and removing the CEO and deciding upon his/her service terms and conditions
- Approving the key operating policies and values
- Approving the strategy and the annual budget and supervising their implementation
- Approving all of the company's major acquisitions and investments and making other decisions of particular significance
- 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 Chairman of the Board or handling matters that belong to the area of responsibility of the Board in accordance with the Finnish Companies' Act, other provisions or the Articles of Associations
- 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

In accordance with the Charter of the Board of Directors, the Chairman of the Board organises the meetings of the Board together with the CEO, is responsible for planning and assessing the operations of the Board and liaises with the CEO and other stakeholders as needed.

In accordance with the Charter of the Board of Directors, the Board convenes an average of eight (8) times a year. The Board of Directors has a quorum only if more than half of the Board members are present.

Members of the Board of Directors

The members of the Board of Directors are elected at the Annual General Meeting for a term of one year at a time.

The majority of the Board members must be independent of Talentum Oyj. Furthermore, at least two members belonging to the aforementioned majority must be independent of the company's major shareholders. All Board members must be qualified for the task and able to devote a sufficient amount of time to Board work.

Committees

The Board of Directors has no separate committees. The Board of Directors has determined that, in view of the size and control systems of the Group and the extent of its operations, there is no need for separate committees. The Board as a whole is responsible for the duties of the committees.

Assesswerations

The Board of Directors assesses its operations and those of the CEO once a year. The Board of Directors assesses the impartiality of its members at least once a year or whenever necessary and ensures that legal competences are always assessed in the appropriate manner.

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 dismissed 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.

Group Executive Management

The CEO appoints the members of the Group Executive Management and acts as its chairman. The Group Executive Management meets at least 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 them 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.

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

The company's risks are classified into seven categories: capital management, operating, product and personnel risks as well as legal, financial and accident risks. The Board of Directors is regularly informed about the risks.

Organisation of the 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. External auditors are involved in reviewing the Group's control system as part of the audit plan drawn up each year. Furthermore, the company's external auditors, selected by the Board of Directors, carry out a more comprehensive annual audit of separately selected items. In this respect, the external auditors report directly to the Board of Directors. The Group also makes use of other external resources as needed.

Main features of internal control and risk management related 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 profitable 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 has been a focus area for development in four previous years, and the implementation of development measures will continue in 2015. 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. The Group's financing 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 manual. 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 budgeted, estimated and comparison figures. In addition, the Group's finance function, in collaboration with the finance departments, determines other controls that ensure the accuracy and effectiveness of the financial reporting process. These include, amongst other things, various approval rights, reports, analyses, records and usage rights of financial management systems.

Insider administration

In insider issues, Talentum follows the standards of the Financial Supervisory Authority, the insider guidelines of NASDAQ OMX Helsinki and other applicable legislation.

By law, the company's public insiders include:

- The members and deputy members of the Board of Directors

- The Chief Executive Officer
- The auditors and the audit firm's auditor with principal responsibility
- The Executive Management members responsible for the key business areas.

The company also has a company-specific insider register listing people who regularly obtain inside information in their work. In addition, Talentum may keep project-specific insider registers.

The insider guidelines forbid the company's insiders, their related parties, people under their guardianship and companies where they have control or considerable influence from trading in securities of the company for a period of three weeks (silent period) prior to the publication of interim reports and financial statements. People belonging to separately designated, project-specific insider registers must not trade in securities of the company before completion of the project in question.

The company's lawyer is in charge of guiding and supervising the company's insider issues and, if necessary, maintains project-specific insider registers. Talentum Oyj's insider register is maintained by Euroclear Finland Ltd (formerly known as Finnish Central Securities Depository Ltd). The insiders' up-to-date shareholdings are available at Euroclear Finland Ltd's customer service point in Helsinki (address: Urho Kekkosen katu 5 C).

Communications

The principal information concerning the company's administration and investor relations appears on Talentum's website. After their publication, the company's information bulletins and the main presentation material provided by the Executive Management are available on the company's website at **www.talentum.com.**

Corporate Governance in 2014

General Meeting

The Annual General Meeting was held on 27 March 2014.

Board of Directors

On 27 March 2014, the Annual General Meeting elected 5 members to the Board of Directors, one of whom was elected Chairman of the Board and one Deputy Chairman.

The Chairman of the Board is Kai Telanne, the Deputy Chairman is Henri Österlund, and the other members of the Board are Joachim Berner, Atte Palomäki and Mitti Storckovius.

The majority of the aforementioned members of the Board, namely, Mitti Storckovius, Joachim Berner and Atte Palomäki, are independent of both the company and its major shareholders. Kai Telanne, Chairman of the Board, and Henri Österlund, Deputy Chairman of the Board, are not independent. As the CEO of Alma Media Oyj, Talentum Oyj's largest shareholding company, Kai Telanne is not independent of major shareholders. As the CEO of Accendo Capital Partners Oy, Talentum Oyj's second-largest shareholder, Henri Österlund is not independent of major shareholders.

In 2014, the Board of Directors convened 9 times with an average attendance rate of 93%.

Chief Executive Officer

The company's CEO in 2014 was Aarne Aktan.

Group Executive Management

The Executive Management consisted of Aarne Aktan (Chairman), CEO, Director responsible for Magazine Business Sweden; Lasse Rosengren, Deputy CEO, General Counsel and Director responsible for the Book and Legal Training Business; Niclas Köhler, CFO; Tuomas Hämäläinen, Director responsible for Magazine Business Finland and Tapio Teppo, Director responsible for the Event Business.

Auditing

On 27 March 2014, the Annual General Meeting elected Authorised Public Accountants PricewaterhouseCoopers Oy as auditor, with APA Samuli Perälä (born 1974) acting as the accountable auditor.

Shareholding of management and governing bodies

On 31 December 2014, 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 316,156, representing 0.7% of the company's total shares and votes.

A total of 275,400 Talentum Oyj shares were held by the Executive Management on 31 December 2014.

Talentum's Corporate Governance Code is available in its entirety at **www.talentum.com.**

Remuneration statement

Talentum Oyj observes the Corporate Governance Code of Finnish listed companies, which was published by the Finnish Securities Market Association and came into effect on 1 October 2010, in accordance with the Comply or Explain principle. Furthermore, the company is administered in compliance with Finnish legislation, the company's Articles of Association and NASDAQ OMX Helsinki Ltd's rules and guidelines. This remuneration statement has been drawn up in accordance with the recommendations of the Corporate Governance Code of Finnish listed companies.

Board of Directors

The Board of Directors has no separate committees. The Board of Directors has determined that, in view of the size and control systems of the Group and the extent of its operations, there is no need for separate committees. The Board as a whole is responsible for the duties of the committees.

The Annual General Meeting approves the fees paid to the Board of Directors. The Board's annual fees decided at the Annual General Meeting on 27 March 2014 are as follows:

- Chairman EUR 48,000
- Deputy Chairman EUR 30,000
- Member EUR 24,000.

Approximately 40% of the annual fee will be used for the acquisition of Talentum Oyj shares on behalf of the Board members. The proportion of the fee payable in shares may also be paid by transferring shares held by the company.

FEES OF THE BOARD OF DIRECTORS IN 2014 AND 2013

€ 1,000	2014	2013
Berner Joachim	24	24
Palomäki Atte	24	24
Storckovius Mitti (since 27 March 2014)	18	0
Strengell Merja (until 27 March 2014)	8	30
Telanne Kai	48	48
Österlund Henri	29	24
TOTAL	**150**	150

Chief Executive Officer

The Board of Directors approves the terms and conditions of the employment contract and the bonus plan of the CEO. The CEO's salary consists of a fixed monthly salary, long-term share-based incentive schemes and employee benefits.

The CEO's employment relationship can be terminated by Talentum or the CEO with nine months' notice. As per the employment contract, the CEO is not entitled to severance pay. After resignation or dismissal, the CEO is forbidden from working for or establishing a competing company for six (6) or twelve (12) months, respectively. The pension of Talentum Oyj's CEO is determined according to the Employee Pensions Act in force. The CEO has no additional pension plan.

In 2014, Talentum Oyj's CEO received a total of EUR 320 thousand in salary payments, bonuses and benefits, including other financial benefits in the amount of EUR 90 thousand.

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 Executive Management's fees consist of a fixed monthly salary, long-term share-based incentive schemes and employee benefits.

In 2014, the members of the Group Executive Management (excluding the CEO) received a total of EUR 775 thousand in salary payments, bonuses and benefits, including other financial benefits in the amount of EUR 229 thousand.

The pensions of the Group Executive Management are determined according to the Employee Pensions Act in force. Two members of the Executive Management have additional pension insurance.

By virtue of the authorisation obtained at the General Meeting on 22 March 2013, Talentum Oy's Board of Directors has decided on an investment-based option programme for Talentum's management and the related conveyance of Talentum's own shares as of 1 January 2014.

The maximum of 517,400 treasury shares was offered for subscription to the key managers for the subscription price of EUR 1.26 per share. In March 2014, Talentum sold 364,267 treasury shares held by the company to the participants in the programme. Information about the conveyance of Talentum's treasury shares through a directed share issue and about the results of the directed share issue was provided in separate stock exchange releases on 6 March 2014 and 27 March 2014, respectively.

SALARIES AND BONUSES PAID TO CEO AND THE OTHER MEMBERS OF THE GROUP MANAGEMENT TEAM IN 2014

€ 1,000	*Fixed salary*	*Bonus salary*	*Other financial benefits*	*Total salary* **2014**
Chief Executive Officer	**230**	**–**	**90**	**320**
Other Executive Management	**546**	**–**	**229**	**775**
TOTAL	**775**	**–**	**319**	**1,095**

Auditor's fees

AUDITOR'S FEES AND SERVICES

€ 1,000	**2014**	2013
Auditing	**93**	93
Other fees and services	**21**	14
TOTAL	**113**	107

Board of Directors

Kai Telanne

Chairperson of the Board, member since 2010. Vice Chairperson in 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

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

Main positions of trust held simultaneously

2009– Varma Mutual Pension Insurance Company Board member
2008– Teleste Oyj Board member

Non-independent of major shareholders.

Joachim Berner

Board member since 2010

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

Essential work experience

2002–2003 Lowe Brindfors; 2001 Expressen; 1996–2000 Dagens Nyheter; 1993–1996 Göteborgs-Posten;
In addition Berner is an owner of Christian Berner Invest AB family company in third generation.

Main simultaneous positions of trust

2009– NHST Mediagroup (publ), Board member; 2010– The Swedish State Pension Authority, Board member; 2010– Forma Publishing Group, Chairman of the Board; 2011– Riksteatern, Board member; 2010– Swereco , Board member; 1990– Christian Berner Invest , Board member; 2004– CapMan Buyout, Industrial advisor; 2014– Mitt i AB, Chairman of the Board; 2014– Yrkesakademin AB, Board member; 2012–2014 Sensia, Board member; 2013–2014 Arbetsförmedlingen, Board member

Independent of major shareholders.

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 of Wärtsilä Corporation.

Essential work experience

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

Palomäki has no other major simultaneous positions of trust.

Independent of major shareholders.

Mitti Storckovius

Board member since 27 March 2014

Mitti Storckovius was born in 1971 and has a Master's degree in Social Science and a degree of MBA. As her main occupation, Storckovius works as Director, Head of Global Business Management for Phones at Microsoft.

Essential work experience

2014– Microsoft, Director, Head of Global Business Management for Phones; 2012–2014 Nokia, Director, Head of Global Business Operations for Mobile Phones; 2011–2012 Nokia, Director, Head of Extended Product Mgmt. for Windows Phones (Lumia range); 2008–2010 Nokia, Director, Sustainability (head of all environmental & ethical initiatives for Devices); 2004–2006 Nokia, Marketing Director, Strategy Messages (corporate and technology strategy); 2001–2004 McKinsey&Company, Engagement Manager; 1997–2000 McKinsey& Company, Engagement Manager; 1995–1997 Trainers' House, producer of training programs and speaker seminars

Storckovius has no other major simultaneous positions of trust.

Independent of major shareholders.

Henri Österlund

Vice Chairperson of the Board since 27 March 2014. Board member since 2011

Henri Österlund was born in 1971 and is M.Sc. (Econ). As his main occupation, he is the CEO of Accendo Capital Partners Oy.

Keskeinen työkokemus

2003–2004 Conventum Corporate Finance, partner; 2002–2003 Conventum Corporate Finance, Director
2000–2002 InterQuest, Chairman of the Board; 1999–2000 Triton, partner
1995–1999 Doughty Hanson & Co, associate

Main simultaneous positions of trust

2009– Okmetic Oyj, Chairman of the Board;
2008– Okmetic Oyj, Member of the Board of Directors

Non-independent of major shareholders.

Merja Strengell
Vice Chairperson of the Board,
Board member until 27 March 2014

Group Management Team

Aarne Aktan

Group Chief Executive Officer, Member of Talentum Management Team since 2011

Aarne Aktan was born in 1973 and is Bachelor of Science (Econ.).

Essential work experience
2011– Talentum Oyj, CEO;
1998–2011 Quartal Oy, CEO;
1997–1998 Kauppamainos Bozell, Account Manager, Head of web design team

Main simultaneous positions of trust
2007– Trainers' House Plc, Board Chairman;
2012– Quartal Oy, Board member;
2014– Pihlajalinna Oy, Board member;
2014– Kuiri Mobile Oy, Board member

Shareholding in Talentum: 200,000 shares

Tapio Teppo

Director, Talentum Events – Nordic Countries Member of Talentum Management Team since 2014

Tapio Teppo was born in 1978 and has a M.Sc.degree in Technology and Economics.

Essential work experience
2014– Talentum Oyj;
2011–2014 OneMed Oy, Business unit director;
2009–2011 OneMed Oy, Director, Supply chain;
2007–2009 OneMed Group Oy, Group business development manager;
2006–2007 TeliaSonera Finland, Business controller;
2003–2006 Alma Media, Business controller

Shareholding in Talentum: 10,000 shares

Niclas Köhler

Chief Financial Officer, Member of Talentum Management Team since 2011

Niclas Köhler was born in 1966 and is a Master of Economic Sciences.

Essential work experience
2011– Talentum Oyj, CFO;
2007–2011 OneMed Group Oy, Director Finance and HR;
2004–2007 Alma Media / Kauppalehti Group, Financial Director

Shareholding in Talentum: 10,000 shares

Lasse Rosengren

General Counsel, Vice Executive President, Member of Talentum Management Team since 2002

Lasse Rosengren was born in 1963 and has a Master of Laws degree.

Essential work experience
2000– Talentum Oyj, General Counsel;
1993–2000 Attorney at law;
1991–1993 OKO, Credit Manager;
1989–1991 SKOP, lawyer

Shareholding in Talentum: 15,000 shares

Tuomas Hämäläinen

Director, Magazine Business Finland; Member of Talentum Management Team since 2013

Tuomas Hämäläinen was born in 1977 and has a Master of Science degree.

Essential work experience
2013– Talentum Oyj, Director, Magazine Business Finland;
2011–2013 Talentum Media, Circulation Director;
2010–2011 Talentum Media, Marketing Manager;
2009–2010 Talentum Media, Producer;
2004–2009 Talentum Media, Editor;
1999–2004 Freelance Journalist

Shareholding in Talentum: 40,400 shares.

FINANCIAL STATEMENTS

2014

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 income for 2014

Consolidated net sales for January–December decreased by 3.0%, totalling EUR 72.3 million (EUR 74.5 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 1.1 million on net sales. The exchange rate of the Swedish krona against the euro did not have a significant impact on operating income.

Consolidated operating income without non-recurring items was EUR 4.1 million (EUR 3.1 million). Non-recurring items for January–December, which amounted to EUR -0.7 million (EUR -1.7 million), consisted mostly of items relating to reorganisation of Magazine Business Sweden and the Event Business as well as integration of the B2B business acquired from Sanoma Pro.

Wages and salaries on accrual basis for the financial year were EUR 27.0 million (EUR 29.1 million).

Consolidated operating income for January–December was EUR 3.4 million (EUR 1.4 million) and 4.8% (1.8%) of net sales. Financial items were EUR 0.4 million (EUR 0.3 million).

Income before taxes was EUR 3.8 million (EUR 1.6 million). The Group's taxes for the financial year were EUR -1.1 million (EUR -0.5 million). Consolidated income for January–December was EUR 2.8 million (EUR 1.2 million).

Key figures concerning the financial statements

Key figures concerning the financial statements are presented in the consolidated financial statements in page 67.

Order backlog is not presented in the key figures since it is not a material key indicator due to nature of Talentum's business.

Talentum's prospects for 2015

Talentum estimates that its net sales for 2015 will remain approximately at the same level as in 2014. Operating income without non-recurring items will be higher than in 2014. Operating income without non-recurring items was EUR 4.1 million in 2014.

Consolidated cash flow and financial position

Cash flow from business operations in January–December was higher than in the previous year following the change in operating income. Consolidated cash flow from operating activities was EUR 4.4 million (EUR 3.3 million). The change in consolidated working capital was EUR 1.6 million (EUR 1.4 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 11.9 million (EUR 10.2 million).

The consolidated balance sheet total at the end of the financial year stood at EUR 51.8 million (EUR 49.8 million). The Group's interest-bearing loans and borrowings amounted to EUR 5.4 million (EUR 5.1 million). The Group's liquid assets were EUR 4.7 million (EUR 4.3 million). Interest-bearing net liabilities were EUR 0.7 million (EUR 0.8 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12 million. EUR 4.0 million of the limit was in use at the end of the financial year (EUR 4.5 million was in use on 31 December 2013).

The equity ratio at the end of the financial year was 47.2% (47.4%). The Group's equity per share was EUR 0.43 (EUR 0.43). 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 2014, the translation difference in the Group's equity was EUR -1.0 million. The change in January–December was EUR 1.6 million (negative).

Business Areas

Talentum's business operations are divided into six segments: Magazine Business Finland, Magazine Business Sweden, Event Business, Books and Legal Training, Direct Marketing and Other Activities.

Group's operating income increased clearly in 2014 compared to previous year. The Group focused on digital sales and considering the circumstances can be satisfied with its development. On annual level digital sales increased 24.5% compared to previous year. Digital sales for the entire year amounted to EUR 9.2 million, of which EUR 5.8 million accumulated from Finland and EUR 3.3 million from Sweden.

In April, Talentum acquired B2B -business from Sanoma Pro, and included it into Books and Legal Training Segment. The business has been integrated as planned into the Books and Legal Training segment's other operations.

Circulation sales in Finland was good during the year as a whole and circulation revenue of Magazine Business Finland increased slightly compared to previous year. Advertising sales both in Magazine Business Finland and Sweden decreased in 2014. Advertising sales suffered from the difficult market conditions in Finland, which was reflected in the segment's net sales and profit development.

In 2014, circulation revenue decreased in Sweden. Enhancing Magazine Business Sweden began and measures to enhance the business will be continued further. Talentum's digital service package – Talentum Summa – was published also in Sweden in 2014. Talentum will especially focus on developing digital services and solutions in Sweden.

The primary objective for the Event business segment in 2014, improving profitability, was achieved partially and operating income increased compared to the previous year. Changes made during the financial year to the segment's product offering.

The income for year 2014 was weakened by non-recurring items EUR 0.7 million, that consisted mostly of items relating to reorganisation of Magazine Business Sweden and the Event Business as well as integration of the B2B business acquired from Sanoma Pro.

The most important objective in near future for Talentum's business is to improve profitability.

According to TNS Media Intelligence, the advertising market decreased by 3.8% in Finland during January–December and increased by 2.6% in Sweden (Sveriges Mediebyråer). Advertising decreased by 15.6% in Finnish periodicals during January–December and by 0.4% in Swedish professional journals. In Finland online advertising revenues increased by 12.2% during January–December and by 25.7% in Sweden.

Magazine Business Finland

Financial development for Finnish periodicals is reported in the Magazine Business Finland segment. The magazines with the highest circulation are Talouselämä and Tekniikka & Talous. Magazine Business Finland segment includes also the Group's share of the income of the joint venture Oy Mediuutiset Ab.

Net sales for the Magazine Business Finland for January–December amounted to EUR 24.3 million (EUR 25.5 million), a decrease of 4.5% from the previous year.

In January–December, operating income (EBIT) from the Magazine Business Finland was EUR 2.4 million (EUR 3.0 million). In January–December, operating income without non-recurring items from the Magazine Business Finland was EUR 2.5 million (EUR 3.0 million).

In January–December, advertising revenue decreased by 12.6% from the previous year. Advertising revenue accounted for 34.3% (37.5%) of net sales in the Magazine Business Finland.

In January–December, circulation revenue increased by 0.6% from the previous year. Circulation revenue accounted for 64.5% (61.2%) of net sales in the Magazine Business Finland.

The Group's share of the joint venture Oy Mediuutiset Ab's income in January–December was EUR 0.1 million (EUR 0.1 million).

MAGAZINE BUSINESS FINLAND REVENUE

EUR million	2014	2013
Net sales		
Advertising revenue	8.4	9.6
Product advertising	7.0	7.9
Recruitment advertising	1.4	1.7
Circulation revenue	15.7	15.6
Other revenue	0.3	0.3
TOTAL	24.3	25.5

Magazine Business Sweden

Financial development for Swedish periodicals is reported in the Magazine Business Sweden segment. The magazines with the highest circulation are Ny Teknik and Affärsvärlden.

Net sales for the Magazine Business Sweden for January–December amounted to EUR 18.1 million (EUR 19.9 million), a decrease of 8.9% from the previous year.

In January–December, operating income (EBIT) from the Magazine Business Sweden was EUR -0.2 million (EUR -1.8 million). In January–December, operating income without non-recurring items from the Magazine Business Sweden was EUR 0.2 million (EUR -0.2 million).

In January–December, advertising revenue decreased by 11.9% from the previous year. Advertising revenue accounted for 50.9% (52.7%) of net sales in the Magazine Business Sweden.

In January–December, circulation revenue decreased by 4.2% from the previous year. Circulation revenue accounted for 46.8% (44.5%) of net sales in the Magazine Business Sweden.

MAGAZINE BUSINESS SWEDEN REVENUE

EUR million	2014	2013
Net sales		
Advertising revenue	9.2	10.5
Product advertising	5.2	6.1
Recruitment advertising	4.0	4.4
Circulation revenue	8.5	8.9
Other revenue	0.4	0.6
TOTAL	18.1	19.9

Event Business

The financial development for the Event Business segment in Finland, Sweden and Denmark is reported under the Event Business segment. The Event Business segment includes also the Group's share of the income of the associated company Professio Oy.

Net sales for the Event Business for January–December amounted to EUR 11.5 million (EUR 12.6 million), a decrease of 8.9% from the previous year.

In January–December, operating income (EBIT) for the Event Business was EUR 0.0 million (EUR -0.5 million). In January–December, operating income without non-recurring items from the Event Business was EUR 0.2 million (EUR -0.4 million).

The Group's share of the associated company Professio Oy's income in January–December was EUR 0.1 million (EUR 0.1 million).

Books and Legal Training

Financial development for book publishing and legal training is reported in the Books and Legal Training segment. The best-known book in the book publishing business is the green Finnish Law book. The B2B business acquired from Sanoma Pro is reported under this segment since the acquisition date on 30 April 2014. The acquired business provides training, books and online services for management and experts with the most important areas of law, taxation and financial administration.

Net sales for the Books and Legal Training segment for January–December amounted to EUR 10.5 million (EUR 8.1 million), an increase of 29.1% from the previous year.

In January–December, operating income (EBIT) was EUR 1.2 million (EUR 0.7 million). Operating income without non-recurring items from the Books and Legal Training segment was EUR 1.3 million (EUR 0.7 million) in January–December. The non-recurring items consisted mainly of items of integration of the B2B business acquired from Sanoma Pro.

Direct Marketing

In the Direct Marketing segment, financial development is reported for the direct marketing business. The operations of Talentum's subsidiary, Suoramarkkinointi Mega Oy, in Finland, Estonia and Latvia belong to this segment. The companies operate in the telemarketing business.

Net sales for the Direct Marketing business for January–December amounted to EUR 10.8 million (EUR 11.6 million), a decrease of 6.3% from the previous year.

In January–December, operating income (EBIT) was EUR 1.0 million (EUR 1.2 million).

Other Activities

The Other Activities segment comprises Group operations as well as the Russian associated company, Conseco Press.

The Group's share of the associated company Conseco Press' income in January–December was EUR 0.0 million (EUR 0.0 million).

Investments

Investments in tangible and intangible assets for January–December totalled EUR 4.2 million (EUR 1.5 million), which was 5.8% (2.0%) of net sales. Investments include the B2B business acquired from Sanoma Pro.

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 0.5 million (0.5 million) of the investments was capitalized costs on developing e-business.

Changes in Group Structure

Talentum strengthened its Books and Legal Training segment by acquiring the B2B business from Sanoma Pro on 30 April 2014. The acquired business provides training, books and online services for management and experts with the most important areas of law, taxation and financial administration. The transaction is described in the notes.

Personnel

In January–December, Talentum Group's operations employed an average of 721 (750) people. The personnel were divided by segments as follows: Magazine Business Finland 113 (106), Magazine Business Sweden 82 (92), Event Business 63 (95), Books and Legal Training 49 (36), Direct Marketing 382 (399) and Other Activities 32 (22).

Risks and Risk Management

The aim of Talentum Group's risk management is to identify, analyse and manage any operational threats and risks in order to guarantee the Group's operational continuity and maximise share value.

Talentum's most significant strategic risks are a sudden drop in the number of magazine readers, a decrease in advertising sales and a rapid increase in the use of digital materials. Group subscriptions 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, advertising sales.

The aim of the Group is to minimise the market risk relating to advertising by increasing revenue from circulation and content sales.

The growth of online services on the markets may change Talentum's earnings logic and have an impact on revenue structure.

The users of products with printed content will probably switch to using digital materials. However, there are risks that not all of the current users of printed materials are ready to switch to digital products and that the income from selling digital materials will not cover the income that was generated by the equivalent printed materials, which could impact profitability.

The companies' operations are local and language-area-bound by nature, and there are very few currency-denominated transactions. The Group has net investments mainly in Swedish units, which are exposed to foreign-currency risks associated with translation differences. This currency risk is not hedged.

Operational risks are IT and data communication failures as well as interruptions in distribution and printing operations. Profit units are responsible for day-to-day risk management and pre-emptive measures.

The risks associated with Talentum's digital services are related to data communication disruptions and computer equipment failures. Talentum prepares for these eventualities by continuously monitoring the operations and performance of its digital services. Talentum has prepared itself for the risk of hardware failure by hosting services on cloud platforms and by duplicating critical components. The development and maintenance of digital services is mainly carried out by external service providers. Special attention is paid to testing services and transferring them into production. The architectures of the most popular services are designed to be scalable. Talentum has prepared itself for data communication and IT problems at its offices by employing back-up connections and enabling most applications to be used remotely.

Financial risks are described in the notes to the consolidated financial statements.

Environment

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

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 maximum possible extent.

Management, Fees of the members of the Board of Directors and Auditing

The AGM on 27 March 2014 decided that there should be five members of the Board of Directors. Joachim Berner, MBA, BBA; Atte Palomäki, Group Vice President Corporate Communications; Kai Telanne, CEO and Henri Österlund, CEO were re-elected as members of the Board. Mitti Storckovius, Head of Global Business Operations, was elected as a new member.

Kai Telanne was re-elected as the Chairman of the Board and Henri Österlund was elected as the Deputy Chairman.

The AGM decided to pay the following annual fees: EUR 24,000 to the members of the Board, EUR 30,000 to the Deputy Chairman and EUR 48,000 to the Chairman. The AGM also decided to use approximately 40% of the annual fee to acquire Talentum Oyj shares on behalf of the Board members. The proportion of the fee payable in shares may also be paid by transferring treasury shares held by the company. In the event, that the purchase of shares cannot be implemented due to a cause by the company or a board member or any other reason, the annual remuneration will be paid in money.

In May, treasury shares held by the company were transferred to the members of the Board of Directors in an amount corresponding to 40% of the annual fee. The number of treasury shares held by the company that were conveyed to the members of the Board of Directors was

47,619. The impact of the conveyance on the value of the Group's treasury shares in the Group's equity was EUR 0.2 million. The conveyance of shares resulted in a loss of equity of EUR 0.1 million, which was recognised under retained earnings.

Authorised Public Accountants PricewaterhouseCoopers Oy were re-elected auditors, with APA Samuli Perälä as the accountable auditor.

Corporate Governance

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 Ltd's rules and regulations. Talentum observes the Corporate Governance Code of Finnish listed companies. Talentum's Corporate Governance Statement is presented in the Annual Report as a separate section.

Shares and Share Capital

On 31 December 2014, 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 stock exchange.

A total of 2,023,518 Talentum shares were traded in January–December, which corresponded to 4.6% of the total number of shares. The highest price paid for shares in January–December was EUR 1.40 and the lowest was EUR 0.95. The closing price for the shares on 31 December 2014 was EUR 1.00. Market capitalisation at the closing price for the period was EUR 44.3 million (EUR 46.5 million).

On 31 December 2014, the company held 332,597 treasury shares, which is about 0.8% of Talentum's total shares and votes.

Shareholding of Management and Governing Bodies

On 31 December 2014, 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 316,156 representing 0.7% of the company's total shares and votes.

A total of 275,400 Talentum Oyj shares were held by the management group on 31 December 2014 representing 0.6% of the company's total shares and votes. In addition the CEO and rest of the management group have a stock option plan, the conditions of which have been provided in stock exchange release on 6 March 2014.

Authorisations of the Board of Directors

Authorisation for the Acquisition of the Company's treasury shares

The Annual General Meeting decided to authorise the Board of Directors to acquire a maximum of 3,500,000 of Talentum Oyj shares, which corresponds to approximately eight (8) per cent of all Talentum Oyj shares. The authorisation will remain in force until 30 June 2015.

On 20 August 2014, Talentum announced through a stock exchange release that it will start acquiring its treasury shares. A maximum of 350,000 shares will be acquired which corresponds to approximately 0.8% of all Talentum Oyj shares. During August–December, Talentum acquired 171,004 Talentum Oyj shares. The impact of the acquisition on the Group's equity was EUR -0.2 million. On 31 December 2014, Talentum held a total of 332,597 own shares.

Talentum continues acquiring its treasury shares in the first quarter of year 2015.

Authorisation to Decide on a Share Issue

The Annual General Meeting authorised the Board of Directors to decide on a share issue including the conveyance of treasury shares and the issue of special rights. Based on the authorisations, a maximum number of 3,500,000 new shares may be issued and/or shares held by the company may be disposed of, which corresponds to approximately eight (8) per cent of the company's shares. The authorisations will remain in force until 30 June 2015.

Authorisation to decide on the distribution of additional dividend or distribution of assets from the reserve of invested unrestricted equity

The Annual General Meeting decided to authorise the Board of Directors to decide on the distribution of additional dividend from the retained earnings and/or distribution of assets from the reserve of invested unrestricted equity or both so that the distribution of dividend and/or other distribution of assets based on the authorisation is in total a maximum of EUR 0.10 per share. The distribution of additional dividend and/or other distribution of assets can be made in one or more instalments. The authorisations remain in force until the beginning of the next Annual General Meeting. The

Annual General Meeting decided to authorise the Board of Directors to decide otherwise on all the conditions regarding the distribution of additional dividend and/or other distribution of assets.

Stock option plan to Talentum Management

On December, 13, 2013 the Board of Directors of Talentum Oyj decided to grant stock option plan based on own investment to Talentum key management. The plan includes options with the symbols 2013 A and 2013 B. The share subscription price for the options 2013 A shall be EUR 1.50 and for the options 2013 B EUR 1.75.

Based on the share issue authorisation resolved by the Annual General Meeting of Shareholders held on March 22, 2013, the Board of Directors of Talentum Oyj has, for the fulfilment of the investment requirement related to the stock option plan for the management, decided to transfer treasury shares held by the Company to certain persons belonging to the key management of Talentum by a directed share issue. The maximum of 517,400 treasury shares was offered for subscription to the key managers for the subscription price of EUR 1.26 per share.

In March 2014, Talentum sold 364,267 treasury shares held by the company to the participants in the programme. The impact of the disposal on the value of the Group's treasury shares in the Group's equity was EUR 1.5 million. The disposal of shares resulted in a loss of equity of EUR 1.1 million, which was recognised under retained earnings.

Information about the conveyance of Talentum's treasury shares through a directed share issue and about the results of the directed share issue was provided in separate stock exchange releases on 6 March 2014 and 27 March 2014, respectively.

The fair value of options is determined with the Black-Scholes option pricing model. The fair value determined for options at the grant date is recognised as costs for the commitment period. During January–December 2014 the effect of options on the Group's result amounted to EUR -0.0 million.

Flagging notifications

There are no flagging notifications for the financial year.

Significant events after the end of the financial year

No significant events have occured after the financial year.

The Board of Directors' motion concerning distribution of profits

The parent company's distributable profits as of 31 December 2014 comprise invested non-restricted equity of EUR 52,942,876.08, treasury shares of EUR -874,133.50 and EUR 2,432,794.12 of retained earnings, of which the profit for the financial year is EUR 2,445,865.27, totalling EUR 54,501,536.70.

The Board of Directors proposes that a dividend in the amount of EUR 0.05 to be distributed for 2014 (for 2013 a dividend in the amount of EUR 0.04 per share was distributed).

Annual General Meeting

Talentum Oyj's Annual General Meeting will be held on 27 March 2015 at 2.00 p.m. 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, 11 February 2015

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 to the financial statements.

Consolidated statement of comprehensive income

EUR million	Note	2014	2013*
Continuing operations			
Net sales	2	**72.3**	74.5
Other operating income	5	**0.7**	1.1
Materials and services		**-10.0**	-10.6
Employee benefit expenses	6, 21	**-34.5**	-37.5
Depreciation, amortisation and impairment	7	**-1.3**	-1.3
Other operating expenses	8	**-24.0**	-25.1
Share of income of associates and joint ventures	14	**0.2**	0.3
Operating income	2	**3.4**	1.4
Financial income	9	**0.8**	1.1
Financial expenses	9	**-0.4**	-0.8
Income before taxes		**3.8**	1.6
Taxes	10	**-1.1**	-0.5
Income for the period		**2.8**	1.2
Other comprehensive income			
Items that may be later transferred into profit or loss			
Translation differences		**-1.6**	-0.9
Available-for-sale investments transferred to profit and loss		**–**	-0.0
Items that will not be later transferred into profit or loss			
Actuarial gain or loss on defined benefit pension obligation		**0.3**	0.0
Income tax on actuarial gain or loss		**-0.1**	-0.0
Other comprehensive income for the year, net of tax		**-1.3**	-0.9
Total comprehensive income for the period		**1.5**	0.3

EUR million	Note	2014	2013*
Income attributable to:			
Owners of the parent company		**2.8**	1.1
Non-controlling interest		**0.0**	0.0
Total comprehensive income for the year attributable to:			
Owners of the parent company		**1.5**	0.2
Non-controlling interest		**0.0**	0.0
Basic and diluted earnings per share, EUR, calculated on the net income attributable to equity holders of the parent company			
Continuing operations	11	**0.06**	0.03

*) The Group has adopted on beginning of the finacial year 1 January 2014 the IFRS 10 and 11 -standards, which have been applied retrospectively in accordance with IAS 8. The figures for comparative year have been restated.

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

Consolidated statement of financial position

EUR million	Note	31.12.2014	31.12.2013	1.1.2013*
ASSETS				
Non-current assets				
Property, plant and equipment	12	**0.9**	1.2	1.3
Goodwill	12, 13	**20.1**	19.8	20.2
Other intangible assets	13	**14.2**	12.8	12.9
Investments in associates and joint ventures	14	**0.5**	0.5	0.5
Available-for-sale investments	15	**0.0**	0.0	0.1
Deferred tax assets	18	**0.7**	1.2	1.4
Other non-current assets	17, 21	**0.8**	0.5	1.6
Total non-current assets		**37.2**	36.1	38.0
Current assets				
Inventories	16	**1.0**	0.6	0.6
Trade and other receivables	17	**8.9**	8.8	12.7
Current tax assets		**0.0**	0.0	0.4
Cash and cash equivalents	19	**4.7**	4.3	3.5
Total current assets		**14.5**	13.7	17.1
TOTAL ASSETS		**51.8**	49.8	55.1

EUR million	Note	31.12.2014	31.12.2013	1.1.2013*
EQUITY AND LIABILITIES				
Equity attributable to equity owners of the parent	20			
Share capital		**18.6**	18.6	18.6
Treasury shares		**-0.9**	-2.4	-2.6
Other reserves		**-1.0**	0.6	1.5
Invested non-restricted equity reserve		**-1.5**	-1.5	-0.2
Retained earnings		**3.5**	3.4	2.5
Total		**18.7**	18.6	19.7
Non-controlling interest		**0.1**	0.1	0.1
Total equity		**18.8**	18.7	19.7
Non-current liabilities				
Deferred tax liabilities	18	**3.2**	2.9	3.0
Interest-bearing financial liabilities	25	**0.8**	-	0.1
Pension obligations	21	**0.1**	0.4	0.3
Other non-current liabilities	25	**–**	0.1	0.8
Provisions	23	**0.2**	0.2	0.2
Total non-current liabilities		**4.4**	3.6	4.5
Current liabilities				
Current financial liabilities	25	**4.5**	5.1	4.6
Advances received	24	**11.9**	10.2	13.5
Current tax liabilities		**0.4**	0.3	0.1
Trade and other payables	24	**11.2**	11.3	11.7
Provisions	23	**0.5**	0.5	0.9
Total current liabilities		**28.6**	27.5	30.9
TOTAL EQUITY AND LIABILITIES		**51.8**	49.8	55.1

*) Consolidated statement of financial position on 1 January 2013 is presented due to the Group has adopted on 1 January 2014 the IFRS 10 and 11 -standards, which has been applied retrospectively in accordance with IAS 8.

Consolidated statement of cash flows

EUR million	Note	2014	2013
Cash flow from operating activities			
Operating income		3.4	1.4
Adjustments to operating income:			
Depreciation, amortisation and impairment		1.3	1.3
Other adjustments*		-1.5	-0.9
Total adjustments		-0.3	0.5
Change in working capital:			
Increase (-)/decrease (+) in trade and other receivables		-0.2	5.1
Increase (-)/decrease (+) in inventories		-0.1	0.0
Increase (+)/decrease (-) in current liabilities		1.9	-3.4
Change in provisions		-0.1	-0.4
Total change in working capital		1.6	1.4
Interest paid		-0.2	-0.3
Interest received		0.1	0.3
Dividend received		0.2	0.2
Income taxes paid		-0.5	-0.0
Net cash from/in operating activities		4.4	3.3

EUR million	Note	2014	2013
Cash flow from investing activities			
Acquisition of property, plant and equipment and intangible assets		-1.0	-1.5
Acquisition of businesses	4	-1.5	-0.2
Loan receivables granted and repaid	28	-0.2	–
Disposal of available for sale investments		–	0.1
Other items in cash flows from investing activities		0.0	0.0
Net cash from/in investing activities		-2.7	-1.7
Cash flow from financing activities			
Change in current loans		-1.1	0.5
Increase in non-current loans		1.5	–
Non-current loans repaid		-0.3	–
Dividends paid		-1.8	–
Return of equity		–	-1.3
Sales of treasury shares	28	0.5	–
Acquisition of treasury shares		-0.2	–
Net cash from/in financing activities		-1.3	-0.8
Change in cash and cash equivalents		0.4	0.8
Cash and cash equivalents on 1 January		4.3	3.5
Foreign exchange adjustment		-0.0	-0.0
Net change in cash and cash equivalents		0.4	0.8
Cash and cash equivalents on 31 December	19	4.7	4.3

*) Adjustments to operating income mainly consist of depreciation and exchange rate differences as well as the income adjustment of associates and joint ventures. In 2014 the adjustments include also the effect on operating income of non-monetary items recognised in the acquisition of Sanoma Pro B2B -business.

Consolidated statement of changes in equity

Note 20 EUR million	Equity attributable to owners of the parent company							Non-controlling interest	Total equity
	Share capital	Invested non-restricted equity fund	Translation reserve	Fair value reserve	Treasury shares	Retained earnings	Total		
Equity on 1 Jan 2014	**18.6**	**-1.5**	**0.6**	**–**	**-2.4**	**3.4**	**18.6**	**0.1**	**18.7**
Total comprehensive income for the year									
Income for the year	**–**	**–**	**–**	**–**	**–**	**2.8**	**2.8**	**0.0**	**2.8**
Other comprehensive income, net of tax									
Translation differences	**–**	**–**	**-1.6**	**–**	**–**	**–**	**-1.6**	**–**	**-1.6**
Remeasurement of defined benefit obligation	**–**	**–**	**–**	**–**	**–**	**0.3**	**0.3**	**–**	**0.3**
Total comprehensive income for the year	**–**	**–**	**-1.6**	**–**	**–**	**3.0**	**1.5**	**0.0**	**1.5**
Transactions with owners of the company									
Sales of treasury shares	**–**	**–**	**–**	**–**	**1.7**	**-1.2**	**0.5**	**–**	**0.5**
Acquisition of treasury shares	**–**	**–**	**–**	**–**	**-0.2**	**–**	**-0.2**	**–**	**-0.2**
Dividend distribution	**–**	**–**	**–**	**–**	**–**	**-1.8**	**-1.8**	**–**	**-1.8**
Management's incentive plan	**–**	**–**	**–**	**–**	**–**	**0.0**	**0.0**	**–**	**0.0**
Other items	**–**	**–**	**–**	**–**	**–**	**-0.0**	**-0.0**	**0.0**	**–**
Equity on 31 Dec 2014	**18.6**	**-1.5**	**-1.0**	**–**	**-0.9**	**3.5**	**18.7**	**0.1**	**18.8**
Equity on 1 Jan 2013	18.6	-0.2	1.4	0.0	-2.6	2.5	19.7	0.1	19.8
Retrospective application of IFRS 10 and IFRS 11	–	–	-0.0	–	–	–	-0.0	-0.1	-0.1
Adjusted equity on 1 Jan 2013	18.6	-0.2	1.4	0.0	-2.6	2.5	19.7	0.1	19.7
Total comprehensive income for the year									
Income for the year	–	–	–	–	–	1.1	1.1	0.0	1.2
Other comprehensive income, net of tax									
Translation differences	–	–	-0.9	–	–	–	-0.9	–	-0.9
Available-for-sale investments	–	–	–	-0.0	–	–	-0.0	–	-0.0
Remeasurement of defined benefit obligation	–	–	–	–	–	-0.0	-0.0	–	-0.0
Total comprehensive income for the year	–	–	-0.9	-0.0	–	1.1	0.2	0.0	0.3
Transactions with owners of the company									
Conveyance of treasury shares	–	–	–	–	0.2	-0.2	0.1	–	0.1
Return of equity	–	-1.3	–	–	–	–	-1.3	–	-1.3
Other items	–	–	–	–	–	-0.0	-0.0	0.0	-0.0
Equity on 31 Dec 2013	18.6	-1.5	0.6	–	-2.4	3.4	18.6	0.1	18.7

Notes to the consolidated financial statements

1. Accounting principles

1. Basic information

Talentum Group companies mainly publish magazines for professionals as well as literature for the legal and other professions. They also provide online services, information services, trainings and events. Direct Marketing is focused on telemarketing of newspapers and books. The Group has operations in Finland, Sweden, Denmark, Russia, Estonia and Latvia.

Talentum Oyj is a Finnish public limited company, established in accordance with Finnish law, and its registered address is Itämerenkatu 23, 00180 Helsinki, Finland. Copies of the consolidated financial statements are available on the Internet at the 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 11 February 2015, 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 2014. 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, that are measured at fair value as required by the standards.

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

1 January 2014 the Group adopted the new IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS AND IFRS 11 JOINT ARRANGEMENTS -standards as well as IAS 28 (REVISED 2011) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES that was revised following the issue of IFRS 11. In accordance with IFRS 10 determining whether an entity will be consolidated is based at every circumstance on existence of control. The standard provides guidance on the components of control and how to assist if the control exists in different circumstances. In accordance with IFRS 11 joint arrangements are classified as joint operations or joint ventures. Joint ventures are consolidated by equity method, and the former alternative proportional consolidation is no longer allowed. The requirements for joint ventures to be equity accounted have been added also into the revised IAS 28.

The Group has applied the new and revised standards retrospective in accordance with IAS 8 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS AS WELL AS THE TRANSITION PRINCIPLES. As a consequence of the adoption of IFRS 10 the Group decided to change the consolidation method of the Russian company Conseco Press in the way, that Conseco Press is consolidated as an associated company by equity method of consolidation. Previously Conseco Press was consolidated as a subsidiary. In accordance of of IFRS 11 Oy Mediuutiset Ab was classified as a joint venture, which is consolidated by equity method of consolidation. Previously Oy Mediuutiset Ab was consolidated by proportional method of consolidation. The Group's share of the net assets of the associated companies and joint ventures, that is deemed cost, has been recognised into the opening statement of the financial position of the comparative period on 1 January 2013. Figures for the comparative period have been adjusted to meet the requirements of the new and revised standards. As a consequence of adoption of the new and revised standards, the statement of financial position for the comparative year on 31 December 2013 increased by EUR 0.1 million and equity decreased by EUR 0.0 million.

For comparative year January–December 2013 the change decreased the net sales by EUR 1.1 million.

The Group has adopted also the new IFRS 12 DISCLOSURES OF INTERESTS IN OTHER ENTITIES on 1 January 2014. The standard includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles. The new standard increased the notes for the consolidated financial statements that the Group discloses about its investments in other entities.

Other new or revised standards or interpretations that were applied during the reporting period did not have a material effect on the Group's financial reporting.

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 is presented under 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 the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Internal shareholdings are eliminated using the purchase method. The acquisition cost includes the fair value of the funds paid or the shares issued. Direct costs arisen from the acquisition are recognised as expenses. The consideration transferred does not include transactions accounted separately from the acquisition. They are recognised mainly in profit or loss at the date of transaction. Possible contingent consideration is measured at fair value at the date of acquisition and is classified as liability or equity. Contingent consideration 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 other operating income or other operating expenses. The unwinding of the contingent consideration discount is recognised as finance cost. Contingent consideration 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 and Joint Arrangements

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

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint venture is an arrangement whereby the Group has rights to the net assets of the arrangement. A joint operation is an arrangement whereby the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement. Talentum Group has one joint arrangement which is classified as joint venture.

Holdings in associated companies and joint ventures are consolidated using equity method. The Group's share of an associated company's and joint venture's net income for the period is shown in the statement of comprehensive income generally before operating profit or loss, and the share of equity movements that are not recognised through profit or loss in the investment are shown in other comprehensive income. The Group's share of an associated company's and joint venture'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 or joint venture 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 or joint venture 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 and joint venture's financial statements are changed to correspond to the accounting principles of the consolidated financial statements.

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 Group recognises any non-controlling interest in the acquire on an acquisition – by – acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Total comprehensive income is allocated to the owners of the parent company and non-controlling interest even if this results in the non-controlling interest having a deficit balance. Changes of non-controlling interests in subsidiaries are accounted for as equity transactions if they do not result in loss of control.

2.3 Items denominated in foreign currencies

Items included in the financial statements 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 euro, which is the Group parent company's functional and presentation currency.

Transactions denominated in foreign currencies are translated 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 related to business operations are included in corresponding items above operating income and exchange rate differences on loans denominated in foreign currencies in financial items.

Statements of comprehensive income of foreign subsidiaries are translated into 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 other comprehensive income.

Exchange rate differences related to equity items arising from the elimination of the acquisition cost of foreign subsidiaries are recognised in other comprehensive income. When a foreign subsidiary is disposed of, the exchange rate differences related to the entity are recycled into profit and loss, and 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 into 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. They 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

Useful lives and residual values are reviewed at the end of each reporting period. Depreciation of tangible assets is terminated when an item of property, plant and equipment is classed as for sale. 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 capitalised 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 in other operating income, and losses in 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 had no 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 combinations after 1 January 2010 represents the excess of the sum of consideration transferred, non-controlling interest in the acquired company, and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, over the fair value 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

Intangible assets comprise magazine and book publishing rights, trademarks, patents, software licences, and customer relationships. They are measured 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 (book publishing rights 10 years and other intangibles 2–7 years). Estimated useful lives are reviewed at the end date of the reporting period, and the amortisation period is adjusted if necessary. Intangible assets whose useful life cannot 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 expensed as incurred. Development costs are capitalised if they fulfil the capitalisation criteria of IAS 38. Capitalised development costs are shown as an item Development costs and depreciated over their useful lives, which is 2–5 years. The Group's capitalised development costs relate to the development of e-business business operations.

2.6 Impairment of property, plant and equipment and intangible assets

The carrying amounts of intangible assets with definite 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 interest rate that reflects the market view of the time value of money and the particular risks associated with the asset. If the recoverable amount derived from an asset is lower than its book value, an impairment loss is recognised in profit and loss. 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 a discontinued operation 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.

The income of a discontinued operation is presented as a separate line item in the statement of comprehensive income and cash flows related to a discontinued operation are presented in the notes to the financial statements.

2.8 Financial assets and liabilities

Financial assets

The Group's financial assets have been classified into the following categories: Loans and other receivables, financial assets available for sale and financial assets at fair value through profit or loss. Classification is made at the time of the acquisition of the assets on the basis of the purpose of the acquisition. Financial instruments 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 items. Financial assets are included in current items 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 assets available for sale. Financial assets 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. Unrealised 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.

Financial assets at fair value through profit or loss include derivatives, for which the Group 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. Bank deposits with a maturity over 30 days are presented as other receivables.

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 category 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 an evidence of an impairment of an available-for-sale security and the accumulated loss is transferred from the fair value reserve 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 financial liabilities are measured at amortised cost using the effective interest rate method, except for the derivatives. The Group does not apply hedge accounting for the derivatives that are financial liabilities.

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 net realisable value. The cost is determined on a FIFO (first-in, first-out) basis. The cost of inventories includes capitalised direct costs of acquisition and production and proportion of their indirect costs. The net realisable 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 is presented as reductions in equity.

When the company or its subsidiary acquires their treasury 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 reporting 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 reporting period. The company does not have any instruments which would have a dilution effect on earnings per share.

2.11 Taxes

Tax on Group companies' income for the reporting period, as well as adjustments to taxes for previous 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 or 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 or asset is not recognised in the case of an asset or liability related to a business combination, and having no 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 temporary differences arise from the depreciation of tangible assets and measurement to fair values from business combinations.

A deferred tax liability is recorded for undistributed earnings of subsidiaries only when a tax payment can be regarded as realisable 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. Group payments into defined-contribution plans are recorded as expenses in the financial period when the obligation occurs.

All plans that do not fulfil these conditions are defined-benefit pension plans.

In defined-benefit pension plans the obligations are calculated using the Projected Unit Credit Method. Pension costs are expensed over the 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.

Current service cost and net interest of the net liability of the defined benefit plan are recognised into profit or loss and presented in the employee benefit expenses. Remeasurements of the net defined benefit liability or asset, as actuarial gains and losses and the return of plan assets, are recognised into other comprehensive income as incurred.

Past service costs are expensed into profit or loss at the earlier of the following dates: when the plan amendment or the curtailment occurs or when the entity recognises related restructuring costs or termination benefits.

At the reporting date the Group's defined benefit pension plans include additional pension plans for personnel.

Entries arising from the defined benefit pension plans are based on actuarial calculations.

2.13 Share-based payments

Granted instruments are measured at their fair value at the time they are granted and expensed through profit or loss and recognised into equity in employee benefits on a straight line basis over the time the rights to them accrued. The specific expense is based on the management's evaluation of the number of options to which rights will have accrued by the end of the vesting period. The Group reviews its assumptions about the final number of options on the end date of each reporting period. Changes in estimations are recognised in the statement of comprehensive income. The fair value of the options is determined by Black-Scholes option pricing model. Market conditions are taken into account when estimating the fair value of the options.

In the reporting period the Group had a valid share-based management incentive plan, in which the payments will be paid in shares. Additional information about share-based plans is presented in Note 22, Share-based payments.

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 realisation of the payment is probable and the amount of the obligation can be reliably estimated. The costs capitalised 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 realisation 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 in the notes to the financial statements.

2.15 Revenue recognition

The fair value of revenue from sales of products and services is presented as net sales. Revenues are adjusted by value added taxes, rebates and discounts.

Sales of goods and services

Revenues from magazine businesses are recognised in the Group so that they match to the number of magazine copies issued in the period. Revenues from events and training are recognised at the time when the events or training occurs. Revenue from sales of other goods and services is recognised at the point that the risks, benefits and control associated with ownership are transferred to the purchaser or 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.

3.2 Non-recurring items

Non-recurring items described in the Annual Report by the Board of Directors are not related to the ordinary businesses of the company but are significant in their quantity and nature. They are presented separately in the Annual Report by the Board of Directors, when the presentation helps to understand better the development of the consolidated financial income. The most material non-recurring items are the gains and losses on sale of group companies and the provisions relating to re-organisation of the functions. The Management of the Group exercises consistent judgement from financial period to another financial period in decision-making on classification of non-recurring items.

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 minimise 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 cooperation with the operating units. Separate transactions currency or interest risks are hedged on a case-specific basis.

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 business transactions denominated in foreign currencies, from assets and liabilities denominated in foreign currencies in the statement of financial position and from commercial transactions and from net investments made in foreign entities.

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 36.5 million. The exchange-rate changes resulting from translation differences are recorded in other comprehensive income in the Group's comprehensive income statement. A 10% decrease in the Krona's exchange rate against euro would have a negative impact of EUR 3.3 million on the Group's other comprehensive income and shareholders' equity. This currency risk is not hedged.

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 can be hedged by forward contracts.

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. Operating cash flows are largely independent of fluctuations in market interest rates. The loans and limits are mainly tied in floating rates. Individual loans can be hedged by interest forwards. The Group's interest-bearing net liability in the financial statements is EUR 0.7 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. The Group 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, realisable short-term investments and bank overdraft limits. Adequate liquidity is maintained through efficient cash management and financing arrangements based on forecasts. The Group has EUR 12 million bank overdraft limits, which are valid until further notice. The annual maturity split of current financing debt is presented in Note 26, Contractual maturities of financial liabilities.

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 interest-bearing net debts by the total capital. Interest-bearing net debts are calculated by subtracting cash assets from total interest-bearing debt (short- and long-term interest-bearing loans on the consolidated balance sheet). The equity ratio is calculated by dividing shareholders' equity by the balance sheet total less advance payments.

The Group's long-term objective is to have an equity ratio at least 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 27.

4.3 Estimating fair value

The fair value of financial instruments 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 24, Accounts payable and other debts.

5. Adoption of new and amended standards and interpretations

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:

In the financial year 2015

- AMENDMENT TO IAS 19 EMPLOYEE BENEFITS (effective for financial years beginning on or after 1 July 2014): The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. The Group assesses that the amendment will not have a material impact on the consolidated financial statements.
- ANNUAL IMPROVEMENTS 2012 (effective for financial years beginning on or after 1 July 2014): Annual improvements 2010–2012 reporting cycle include changes to: IFRS 2 SHARE-BASED PAYMENTS, IFRS 3 BUSINESS COMBINATIONS, IFRS 8 OPERATING SEGMENTS, IFRS 13 FAIR VALUE MEASUREMENT, IAS 16 PROPERTY, PLANT, AND EQUIPMENT, IAS 38 INTANGIBLE ASSETS and IAS 24 RELATED PARTY DISCLOSURES. The Group assesses that the changes will not have a material impact on the consolidated financial statements.
- ANNUAL IMPROVEMENTS 2013 (effective for financial years beginning on or after 1 July 2014): Annual improvements 2011–2013 reporting cycle include changes to: IFRS 3 BUSINESS COMBINATIONS, IFRS 13 FAIR VALUE MEASUREMENT and IAS 40 INVESTMENT PROPERTY. The Group assesses that the changes will not have a material impact on the consolidated financial statements.
- IFRIC 21 LEVIES (effective for financial years beginning on or after 17 June 2014): This is an interpretation of IAS 37 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS which sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation addresses what the obligating event is that gives rise to the payment of a levy and when a liability should be recognised. The Group assesses that the change will not have a material impact on the consolidated financial statements.

In the financial year 2016 or later

- IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (effective for financial years beginning on or after 1 January 2017 or later): IFRS 15 replaces IAS 11 CONSTRUCTION CONTRACTS, IAS 18 REVENUE and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. An entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the five steps model described in the standard. IFRS 15 will also change the notes to the consolidated financial statements about the contracts with customers. The standard is not yet endorsed by EU.
- IFRS 9 FINANCIAL INSTRUMENTS (effective for financial years beginning on or after 1 January 2018): The complete version of IFRS 9 replaces most of the guidance in IAS 39. In future, financial assets are divided into three main groups on a basis of measurement: financial assets at amortised cost, financial assets at fair value through other comprehensive items and financial assets at fair value through profit or loss. The classification depends on the business model of the company and the characteristics of contractual cash flows. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. IFRS 9 will change also the requirements relating to hedge accounting. The standard is not yet endorsed by EU.
- AMENDMENTS TO IFRS 10 and IAS 28 (effective for financial years beginning on or after 1 January 2016): These amendments address an inconsistency between IFRS 10 and IAS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. The standard is not yet endorsed by EU.
- ANNUAL IMPROVEMENTS 2014 (effective for financial years beginning on or after 1 July 2016): Annual improvements 2012-2014 reporting cycle include changes to: IFRS 5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS, IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES, IAS 19 EMPLOYEE BENEFITS and IAS 34 INTERIM FINANCIAL REPORTING. The changes are not yet endorsed by EU.

The other new or revised standards or interpretations published by the IASB are not relevant to the Talentum's consolidated financial statements.

2. Operating segments

Group's segment reporting corresponds with the profit center structure. Talentum's business has been divided into six segments that are Magazine Business Finland, Magazine Business Sweden, Event Business, Books and Legal Training, Direct Marketing and Other Activities.

In Magazine Business Finland segment is reported periodicals. The magazines with highest circulation in Finland are Talouselämä and Tekniikka & Talous. As of 1 January 2014 Magazine Business Finland's net sales does not any more include the Group's share of joint venture Oy Mediuutiset Ab's net sales due to Oy Mediuutiset Ab's consolidation method was changed to the equity method of consolidation in accordance with IFRS 11. Magazine Business Finland includes the Group's share of the income of the joint venture Oy Mediuutiset Ab. In Magazine Business Sweden segment is reported periodicals. The magazines with highest circulation in Sweden Ny Teknik and Affärsvärlden. Books and Legal Training comprises publishing of books for legal and other professionals and provides legal training in Finland. The B2B business acquired in 2014 from Sanoma Pro is also included under Books and Legal Training. The acquired business provides training, books and online services for management and experts with the most important areas of law, taxation and financial administration. Events Business comprises of events businesses in Finland, Sweden and Denmark. Events includes also the Group's share of the income of the associated company Professio Oy. In Direct Marketing segment is reported Suoramarkkinointi Mega Oy and its subsidiaries that are focused on telemarketing in Finland, Estonia and Latvia. Other Activities segment comprises Group operations as well as the Russian associated company Conseco Press. All the Group's operating segments are reported separately. The Group does not have revenues from transactions with single customers that would amount over 10% of the Group's total revenues.

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 operating income is reported to the chief operating decision maker without non-recurring items, which arose in the financial year mainly from restructurings in Magazine Business Sweden and Events Business as well as integration of the B2B business acquired from Sanoma Pro (in year 2013 mainly restructuring in Sweden). Other income and expenses not allocated to the segments include financial income and expenses and income taxes. Inter-segment transactions are determined on arm's length principle.

Operating segments are located in Finland, Sweden, Denmark, Estonia, Latvia and Russia. In presentation of 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 and joint ventures.

OPERATING SEGMENTS

EUR million	*Magazines Finland*	*Magazines Sweden*	*Events*	*Books and legal training*	*Direct Marketing*	*Other Activities*	*Total*
2014							
External net sales	**24.3**	**18.1**	**11.4**	**10.5**	**8.0**	**0.1**	**72.3**
Inter-segment net sales	**0.0**	**0.1**	**0.1**	**–**	**2.9**	**-3.1**	**0.0**
Segment operating income	**2.5**	**0.2**	**0.2**	**1.3**	**1.0**	**-1.1**	**4.1**
Reconciliation:							
Segment operating income	**–**	**–**	**–**	**–**	**–**	**–**	**4.1**
Non-recurring items not allocated to segments	**–**	**–**	**–**	**–**	**–**	**–**	**-0.7**
Financial items, net	**–**	**–**	**–**	**–**	**–**	**–**	**0.4**
Consolidated income before taxes							**3.8**
2013							
External net sales	25.4	19.8	12.4	8.1	8.6	0.1	74.5
Inter-segment net sales	0.0	0.1	0.1	–	3.0	-3.2	0.0
Segment operating income	3.0	-0.2	-0.4	0.7	1.2	-1.2	3.1
Reconciliation:							
Segment operating income	–	–	–	–	–	–	3.1
Non-recurring items not allocated to segments	–	–	–	–	–	–	-1.7
Financial items, net	–	–	–	–	–	–	0.3
Consolidated income before taxes							1.6

THE CONSOLIDATED NET SALES COMPRISES AS FOLLOWS

EUR million	2014	2013
Sale of goods	51.5	52.3
Sale of services	20.8	22.2
Total	72.3	74.5

GEOGRAPHICAL INFORMATION

EUR million	*Net sales*	*Assets*
2014		
Finland	46.1	12.4
Sweden	20.3	23.1
Other countries	5.9	0.2
Total	72.3	35.7
2013		
Finland	46.0	9.0
Sweden	22.4	24.8
Other countries	6.0	0.5
Total	74.5	34.3

3. Disposals of subsidiaries and businesses

2014

There were no disposals of subsidiaries and businesses in 2014.

2013

There were no disposals of subsidiaries and businesses in 2013.

4. Acquisitions of subsidiaries and businesses

2014

Talentum Oyj's Finnish subsidiary, Talentum Media Oy, acquired the B2B business from Sanoma Pro with an asset deal transaction concluded on 30 April 2014. The acquired business provides training, books and online services for management and experts with the most important areas of law, taxation and financial administration.

The purchase price was paid in cash on the day the transaction was concluded. The integration costs deriving from the acquisition, EUR 0.3 million, are presented as a non-recurring item.

In connection with the acquisition customer relationships and publishing rights were recognised as separate intangible assets. Furthermore, the fair value was adjusted to inventories. The goodwill arisen from the acquisition is presented as a EUR 1.1 million item in the balance sheet of the reporting date. Goodwill is regarded as arising principally from market position, specialist personnel, product and service process expertise, industry expertise and synergies. Acquisition calculation is final and no changes were made to the preliminary calculation.

The consolidated financial statements at the time of reporting include the acquired company's net sales and income after the acquisition. The effect of the transaction on consolidated cash flow is equivalent to the acquisition costs.

ASSETS AND LIABILITIES OF THE ACQUIRED BUSINESS AT THE DATE OF ACQUISITION

EUR million	*Recognised fair values/ book values on 30 April 2014*
Property, plant and equipment	0.0
Intangible assets	2.0
Inventories	0.4
Total assets	2.5
Deferred tax liabilities	0.4
Other current non-interest-bearing liabilities*	1.7
Total liabilities	2.1
Net assets	0.4
Acquisition cost	1.5
Goodwill	1.1

*) Other current non-interest bearing liabilities include advances received that transferred to Talentum in the business acquisition. An obligation to perform a service is related to the advances received, that are recognised as income during the period of performing the service.

2013

There were no acquisitions of subsidiaries and businesses in 2013.

5. Other operating income

EUR million	2014	2013
Service income	0.0	0.4
Other operating income	0.7	0.8
Total	**0.7**	1.1

6. Employee benefits

EUR million	2014	2013
Wages and salaries	27.0	29.1
Pension expenses		
Defined benefit plans	0.1	0.1
Defined contribution plans	4.5	4.7
Options that will be exercised and paid in shares	0.0	–
Other social security expenses	2.9	3.6
Total	**34.5**	37.5

In comparative year 2013 wages and salaries included EUR 0.3 million accrued expense resulting from the business combination in 2010.

AVERAGE AMOUNT OF PERSONNEL IN THE REPORTING PERIOD

	2014	2013
Magazine Business Finland	113	106
Magazine Business Sweden	82	92
Events	63	95
Books and legal training	49	36
Direct Marketing	382	399
Other Activities	32	22
Total	**721**	750

The management employee benefit expenses are presented in the Note 28, Related party transactions. Information about share-based payments is presented in the Note 22, Share-based payments.

7. Depreciation, amortisation and impairment losses

BY ASSET ITEM

EUR million	2014	2013
Property, plant and equipment		
Machinery and equipment	0.4	0.6
Other tangible assets	0.0	0.0
Total	**0.5**	0.6
Intangible assets		
Development expenditure	0.3	0.3
Other intangible assets	0.5	0.4
Total	**0.8**	0.7
Total depreciation, amortisation and impairment losses	**1.3**	1.3

8. Other operating expenses

EUR million	2014	2013
Marketing expenses	5.1	4.8
IT expenses	3.5	3.7
Rental expenses	2.7	3.2
Office and premises expenses	1.4	2.0
Other operating expenses	11.3	11.3
Total	**24.0**	25.1

Fees to the auditors

EUR million	2014	2013
Audit fees	0.1	0.1
Other service fees	0.0	0.0
Total	**0.1**	0.1

9. Financial income and expenses

EUR million	2014	2013
Financial income		
Dividend income from available-for-sale-investments	0.0	0.0
Interest income	0.1	0.2
Exchange rate gains	0.7	0.8
Other financial income	0.0	0.1
Total	**0.8**	1.1

EUR million	2014	2013
Financial expenses		
Interest expenses from financial liabilities measured at amortised cost	0.2	0.3
Exchange rate losses	0.2	0.6
Total	**0.4**	0.8

10. Income taxes

EUR million	2014	2013
Current tax on income for the year	0.7	0.3
Adjustments in respect of prior years	0.0	0.0
Deferred tax	0.4	0.2
Total	**1.1**	0.5

Income tax is also recognised into other comprehensive items from defined benefit pension plans EUR -0.1 million (in 2013 EUR -0.0 million).

RECONCILIATION BETWEEN INCOME STATEMENT TAX ITEM AND TAXES CALCULATED AT THE TAX RATE OF THE GROUP COUNTRY OF DOMICILE 20% (IN 2013 24.5%)

EUR million	2014	2013
Income before taxes	3.8	1.6
Tax calculated by the parent company's domestic tax rate	0.8	0.4
Difference between the Finnish and foreign subsidiaries' tax rates	-0.0	-0.0
Tax-free income	-0.1	-0.2
Non-deductible expenses	0.0	0.1
Utilisation of previously unrecognised tax losses	-0.0	-0.0
Unrecognised deferred tax assets	0.3	0.1
Prior periods' taxes	0.0	0.0
Reduction in tax rate	–	-0.0
Other items	0.0	0.1
Taxes in consolidated statement of comprehensive income	**1.1**	0.5

11. Earnings per share

	2014	2013
Profit for the period attributable to the equity owners of the parent, continuing operations, EUR million	2.8	1.1
Weighted average number of shares, 1,000 shares	44,008	43,705
Basic and diluted earnings per share, continuing operations, EUR	**0.06**	0.03

12. Tangible and intangible assets

TANGIBLE ASSETS

EUR million	*Machinery and equipment*	*Other tangible assets*	*Total*
2014			
Acquisition cost on 1 January 2014	**7.5**	**1.4**	**9.0**
Additions	**0.2**	**0.0**	**0.2**
Business combinations	**0.0**	**–**	**0.0**
Decreases	**-2.7**	**-0.0**	**-2.8**
Foreign exchange rate differences	**-0.1**	**–**	**-0.1**
Acquisition cost on 31 December 2014	**5.0**	**1.4**	**6.4**
Accumulated depreciation on 1 January 2014	**-6.5**	**-1.4**	**-7.8**
Decreases	**2.7**	**0.0**	**2.7**
Depreciation for the period	**-0.4**	**-0.0**	**-0.5**
Foreign exchange rate differences	**0.1**	**–**	**0.1**
Accumulated depreciation on 31 December 2014	**-4.2**	**-1.4**	**-5.5**
Carrying amount on 1 January 2014	**1.1**	**0.1**	**1.2**
Carrying amount on 31 December 2014	**0.8**	**0.1**	**0.9**
2013			
Acquisition cost on 1 January 2013	7.2	1.4	8.6
Additions	0.5	0.1	0.6
Decreases	-0.2	-0.0	-0.2
Foreign exchange rate differences	-0.0	–	-0.0
Acquisition cost on 31 December 2013	7.5	1.4	9.0
Accumulated depreciation on 1 January 2013	-6.0	-1.3	-7.3
Decreases	0.2	–	0.2
Depreciation for the period	-0.6	-0.0	-0.6
Foreign exchange rate differences	–	0.0	0.0
Accumulated depreciation on 31 December 2013	-6.5	-1.4	-7.8
Carrying amount on 1 January 2013	1.2	0.1	1.3
Carrying amount on 31 December 2013	1.1	0.1	1.2

INTANGIBLE ASSETS

EUR million	*Goodwill*	*Publishing rights*	*Development expenditure*	*Other intangible assets*	*Assets not yet in use*	*Total*
2014						
Acquisition cost on 1 January 2014	**24.5**	**12.7**	**2.9**	**8.7**	**0.3**	**49.1**
Additions	**–**	**0.3**	**0.1**	**0.1**	**0.4**	**0.8**
Business combinations	**1.1**	**0.5**	**–**	**1.6**	**–**	**3.1**
Transfers between items	**–**	**–**	**0.3**	**0.2**	**-0.5**	**0.0**
Decreases	**–**	**–**	**–**	**-3.8**	**-0.0**	**-3.8**
Foreign exchange rate differences	**-1.4**	**-0.6**	**-0.0**	**-0.0**	**–**	**-2.0**
Acquisition cost on 31 December 2014	**24.2**	**12.8**	**3.2**	**6.7**	**0.1**	**47.1**
Accumulated amortisation and impairment losses on 1 January 2014	**-4.7**	**-1.4**	**-2.2**	**-8.1**	**–**	**-16.5**
Decreases	**–**	**–**	**–**	**3.8**	**–**	**3.8**
Amortisation for the period	**–**	**-0.0**	**-0.3**	**-0.4**	**–**	**-0.8**
Foreign exchange rate differences	**0.6**	**–**	**0.0**	**0.0**	**–**	**0.7**
Accumulated amortisation and impairment losses on 31 December 2014	**-4.1**	**-1.4**	**-2.6**	**-4.8**	**–**	**-12.8**
Carrying amount on 1 January 2014	**19.8**	**11.3**	**0.7**	**0.6**	**0.3**	**32.6**
Carrying amount on 31 December 2014	**20.1**	**11.4**	**0.7**	**2.0**	**0.1**	**34.3**

INTANGIBLE ASSETS

EUR million	Goodwill	Publishing rights	Develop-ment expenditure	Other intangible assets	Assets not yet in use	Total
2013						
Acquisition cost on 1 January 2013	24.9	13.0	2.4	8.6	0.1	48.9
Additions	–	–	0.1	0.1	0.7	1.0
Transfers between items	–	–	0.5	0.1	-0.5	0.0
Decreases	–	–	–	-0.0	–	-0.0
Foreign exchange rate differences	-0.5	-0.3	-0.0	-0.0	–	-0.8
Acquisition cost on 31 December 2013	24.5	12.7	2.9	8.7	0.3	49.1
Accumulated amortisation and impairment losses on 1 January 2013	-4.7	-1.4	-1.9	-7.8	–	-15.8
Amortisation for the period	–	–	-0.3	-0.4	–	-0.7
Foreign exchange rate differences	–	–	0.0	0.0	–	0.0
Accumulated amortisation and impairment losses on 31 December 2013	-4.7	-1.4	-2.2	-8.1	–	-16.5
Carrying amount on 1 January 2013	20.2	11.6	0.4	0.8	0.1	33.1
Carrying amount on 31 December 2013	19.8	11.3	0.7	0.6	0.3	32.6

Customer relationships acquired in business combinations are included into other intangible assets. Development expenditure comprises mainly of e-business development.

The consolidated intangible assets comprise both magazine and book publishing rights. Of these 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. Publishing rights of books are depreciated over their useful lives.

13. Impairment of tangible and intangible assets

Goodwill and magazine publishing rights with an indefinite useful life are allocated to the cash generating units as described below. Goodwill has been allocated to the cash generating units in accordance with the segment structure.

GOODWILL

EUR million	2014	2013
Magazine Business Finland	**2.6**	2.6
Magazine Business Sweden	**13.3**	14.1
Events	**2.0**	2.0
Books and Legal Training	**1.9**	0.8
Direct Marketing	**0.3**	0.3
Total	**20.1**	19.8

MAGAZINE PUBLISHING RIGHTS

EUR million	2014	2013
Magazine Business Finland	**1.4**	1.2
Magazine Business Sweden	**9.6**	10.1
Total	**11.0**	11.3

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

1. Net sales

In the forecast period, the growth rate of net sales varies between the units. For Magazine Business Finland and Magazine Business Sweden the growth rates are determined based on management views on market development and general economic outlook. The growth rate for Events is estimated to develop favourably particularly during the first years of the forecast period due to synergies and development of foreign subsidiaries. The growth rate estimate for Books and Legal Training is based on management's view on the market development. The growth rate for Direct Marketing is based on unit's past development and management's view on the market development. In 2014, a long term growth into perpetuity for Magazine Businesses Finland was 0.5% (0.5% in 2013), for Magazine Businesses Sweden 0.5% (0.5%), for Events 0.5% (1.0%), for Books and Legal Training 1.0% (0.5%) and for Direct Marketing 1.0% (1.0%).

2. Operating profit

The operating profit estimates are based on actual development during previous years. The changes in the product portfolio for the 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 rate does not have a material 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 20 / 80 is used as the target capital structure. In 2014, the discount rate for Magazine Business Finland was 6.6% (8.0% in 2013), for Magazines Sweden 6.8% (8.3%), for Events 6.6% (8.0%), for Books and Legal training 6.6% (8.0%) and for Direct Marketing 6.6% (8.0%).

In 2014, the pre-tax discount rate for Magazine Business Finland was 8.2% (10.3% in 2013), for Magazines Sweden 8.5% (10.4%), for Events 8.2% (10.4%), for Books and Legal training 8.0% (10.3%) and for Direct Marketing 8.1% (9.8%).

SENSITIVITY ANALYSES OF IMPAIRMENT TESTING

In impairment testing, sensitivity analysis was performed for the most important parameters. The analysis is based on a separate change of each parameter.

	percentage units
Net sales	**-4.0%**
Operating profit	**-2.4%**
Discount rate	**1.0%**

It is not probable 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 lead to a situation in impairment testing where the recoverable amounts by the units would fall below their book value.

14. Investments in associates and joint ventures

EUR million	**2014**	2013
Investments in associates	**0.2**	0.3
Investments in joint ventures	**0.3**	0.2
Total carrying amount on 31 December	**0.5**	0.5

INFORMATION ABOUT THE ASSOCIATES AND JOINT VENTURES THAT ARE MATERIAL FOR THE GROUP

	Domicile	*Main business*	*Group holding% 2014*	*Group holding% 2013*
Professio Oy	Oulu	Healthcare training	**49.9**	49.9
Oy Mediuutiset Ab	Helsinki	Publishing of Mediuutiset magazine and production of online services and newsletters	**50.0**	50.0

Associated company Professio Oy is consolidated by equity method of consolidation. In consequence of adoption of IFRS 11 joint venture Oy Mediuutiset Ab is consolidated by equity method of consolidation as of 1 January 2014. The figures for comparative year have been restated retrospectively. Professio Oy is included in Event Business segment and Oy Mediuutiset Ab is included in Magazine Business Finland segment.

SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES AND JOINT VENTURES THAT ARE MATERIAL FOR THE GROUP

	Professio Oy		*Oy Mediuutiset Ab*	
EUR million	**2014**	2013	**2014**	2013
Current assets	**0.8**	1.0	**1.0**	0.8
Non-current assets	**–**	–	**0.0**	0.0
Current liabilities	**0.6**	0.7	**0.5**	0.4
Non-current liabilities	**–**	–	**–**	–
Net sales	**2.6**	2.4	**2.0**	1.8
Income for the period	**0.2**	0.3	**0.3**	0.2
Dividends received from the associate or joint venture	**0.1**	0.2	**0.1**	–
Reconciliation of the financial information for associates and joint ventures to the carrying amount in the Group:				
Net assets of the associates and joint ventures	**0.2**	0.3	**0.5**	0.5
Group holding in associates and joint ventures %	**49.9%**	49.9%	**50.0%**	50.0%
Group's share of the net assets	**0.1**	0.1	**0.3**	0.2
Adjustment into associate at the time of the acquisition	**0.1**	0.1	**–**	–
Carrying amount of the associates and joint ventures in the Group	**0.2**	0.3	**0.3**	0.2

ADDITIONAL FINANCIAL INFORMATION FOR JOINT VENTURE

	Oy Mediuutiset Ab	
EUR million	**2014**	2013
Cash and cash equivalents	**0.7**	–
Depreciation and amortisation	**0.0**	0.0
Interest income	**0.0**	0.0
Income tax expense (-) or income (+)	**0.0**	–

INFORMATION FOR OTHER ASSOCIATES AND JOINT VENTURES

EUR million	**2014**	2013
Income for the period	**0.0**	0.0
Carrying amount in the Group	**0.0**	0.0

15. Available-for-sale investments

EUR million	**2014**	2013
Non-current		
Carrying amount on 1 January	**0.0**	0.1
Decreases	**–**	-0.1
Carrying amount on 31 December	**0.0**	0.0

Available-for-sale investments include unlisted shares denominated in euros (in comparative period also listed shares). Unlisted shares are shown at their acquisition cost which is considered to approximate the fair value. The maximum credit risk for available-for-sale investments corresponds to the book value at the end of the financial period.

16. Inventories

EUR million	**2014**	2013
Finished products and goods	**1.0**	0.6

EUR 0.0 million was recognised as an expense in the reporting period to reduce the value of inventories to correspond to their net realisable value (EUR 0.1 million in 2013).

17. Receivables

EUR million	**2014**	2013
Non-current loan and other receivables		
Rental guarantee	**0.4**	0.4
Other receivables	**0.4**	0.2
Total	**0.8**	0.5

EUR million	**2014**	2013
Current loan and other receivables		
Trade and other receivables	**6.2**	5.4
Receivables from associates and joint ventures	**0.3**	0.5
Prepaid expenses and accrued income	**1.5**	1.4
Other receivables*	**0.8**	1.5
Total	**8.8**	8.8
Financial assets at fair value through profit or loss (forward exchanges)	**0.0**	–
Total current loan and other receivables	**8.9**	8.8

*) In comparative year 2013 other current receivables included EUR 1.2 million of advance payments made by customers into escrow accounts.

Fair value hierarchy is II for the derivatives included in the financial assets at fair value through profit or loss. The maximum credit risk for the financial assets at fair value through profit or loss corresponds to the book value at the end of the financial period.

MATERIAL ITEMS INCLUDED IN PREPAID EXPENSES AND ACCRUED INCOME

EUR million	**2014**	2013
Personnel expenses	**0.4**	0.2
Other prepaid expenses and accrued income	**1.1**	1.2
Total	**1.5**	1.4

AGING OF TRADE RECEIVABLES

EUR million	**2014**	2013
Not past due	**5.2**	4.0
Past due		
1–30 days	**0.8**	0.8
31–60 days	**0.2**	0.2
61–90 days	**0.0**	0.1
over 91 days	**-0.0**	0.3
Total	**6.2**	5.4

The Group recognised an impairment loss of EUR 0.3 million on trade receivables (EUR 0.4 million in 2013).

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 counterparties 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 2014

EUR million	31 Dec 2013	Change*	Foreign exchange rate differences	Business acquisitions	31 Dec 2014
Deferred tax assets					
Provisions	**0.1**	**-0.0**	**–**	**–**	**0.1**
Tax losses carried forward	**0.6**	**-0.4**	**-0.0**	**–**	**0.3**
Employee benefits	**0.4**	**-0.1**	**-0.0**	**–**	**0.3**
Other temporary items	**0.1**	**0.1**	**-0.0**	**–**	**0.1**
Total	**1.2**	**-0.4**	**-0.0**	**–**	**0.7**
Deferred tax liabilities					
Measurement of intangible and tangible assets at fair value in business combinations	**2.2**	**–**	**-0.1**	**0.4**	**2.5**
Accumulated appropriations	**0.4**	**0.0**	**–**	**–**	**0.4**
Other temporary items	**0.3**	**0.0**	**-0.0**	**–**	**0.3**
Total	**2.9**	**0.1**	**-0.1**	**0.4**	**3.2**

*) Of which EUR -0.1 million is recognised in other comprehensive income.

CHANGES IN DEFERRED TAXES DURING 2013

EUR million	31 Dec 2012	Change*	Foreign exchange rate differences	31 Dec 2013
Deferred tax assets				
Provisions	0.2	-0.1	–	0.1
Tax losses carried forward	0.8	-0.1	-0.0	0.6
Employee benefits	0.4	0.0	-0.0	0.4
Other temporary items	0.1	-0.0	-0.0	0.1
Total	1.4	-0.3	-0.0	1.2
Deferred tax liabilities				
Measurement of intangible and tangible assets at fair value in business combinations	2.4	-0.1	-0.1	2.2
Accumulated appropriations	0.4	-0.1	–	0.4
Other temporary items	0.2	0.1	-0.0	0.3
Total	3.0	-0.0	-0.1	2.9

*) Of which EUR -0.0 million is recognised in other comprehensive income.

19. Cash and cash equivalents

EUR million	**2014**	2013
Cash at hand and in bank accounts	**4.7**	4.3

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 counterparties are unable to fulfil their obligations associated with the financial instruments. There are no significant concentrations of credit risk associated with cash and cash equivalents.

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

20. Equity

Number of shares reconciliation

EUR million	Number of shares, 1 000 pcs	Share capital	Invested non-restricted equity reserve	Treasury shares	Total
31 Dec 2013	43,722	18.6	-1.5	-2.4	14.7
Sales of treasury shares	411	–	–	1.7	1.7
Acquisition of treasury shares	-170	–	–	-0.2	-0.2
31 Dec 2014	**43,963**	**18.6**	**-1.5**	**-0.9**	**16.2**

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 shares in 2013). 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 2013). All shares issued are fully paid.

Equity reserves

Treasury shares

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

Other reserves include the Translation reserve and Fair value reserve

The translation reserve comprises 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 assets 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 the 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 employees' voluntary pension plans. The employees' voluntary pension plans were closed in 2000. In 2014 some of the defined benefit plans were restructured to defined contribution plans. The plans are accepted insurance agreements and include both defined benefit and defined contribution parts. The old-age pension benefits and funeral grants are calculated as defined benefit pension parts.

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

DEFINED BENEFIT PLANS
Items recognised in total comperensive income

EUR million	2014	2013
Expenses recognised in operating income	**0.1**	0.1
Remeasurements recognised in other comprehensive income	**-0.3**	-0.0
Recognised in total comprehensive income	**-0.2**	0.0

Net liability for defined benefit pension obligations

EUR million	2014	2013
Present value of funded obligations	**0.3**	0.6
Fair value of plan assets	**-0.1**	-0.3
Deficit / Surplus	**0.1**	0.4
Net liability in the statement of financial position	**0.1**	0.4

THE MOVEMENTS IN THE DEFINED BENEFIT OBLIGATION

EUR million	*Present value of the pension obligation*	*Fair value of the plan assets*	*Total*
Net liability on 1 Jan 2013	0.6	-0.3	0.3
Current service cost	0.0	–	0.0
Interest expense (-) or income (+)	0.0	-0.0	0.0
Total	**0.6**	**-0.3**	**0.4**
Remeasurements			
Actuarial gain (-) / loss (+) from financial assumptions	–	0.0	0.0
Contributions into the plan			
Paid by the employer	–	-0.0	-0.0
Net liability on 31 Dec 2013	**0.6**	**-0.3**	**0.4**
Net liability on 1 Jan 2014	**0.6**	**-0.3**	**0.4**
Current service cost	**0.0**	**–**	**0.0**
Interest expense (-) or income (+)	**0.0**	**-0.0**	**-0.0**
Total	**0.7**	**-0.3**	**0.4**
Remeasurements			
Actuarial gain (-) / loss (+) from financial assumptions	**-0.4**	**0.1**	**-0.3**
Contributions into the plan			
Paid by the employer	**–**	**0.1**	**0.1**
Net liability on 31 Dec 2014	**0.3**	**-0.1**	**0.1**

The distribution of defined benefit plan assets by assets is not possible to specify since the plan assets are a part of insurance company's investment assets. The assets are unlisted.

PRINCIPAL ACTUARIAL ASSUMPTIONS ON 31 DECEMBER

%	**2014**	2013
Discount rate	**1.4**	2.7-2.8
Future salary increases	**3.3**	3.3
Inflation	**1.7**	2.0
Mortality	**TyEL K2008**	TyEL K2008
Benefit increase	**0.0**	0.0

Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are described below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

THE SENSITIVITY OF THE DEFINED BENEFIT OBLIGATION TO CHANGES IN THE WEIGHTED PRINCIPAL ASSUMPTIONS IS:

EUR million	*Present value of the pension obligation*	*Fair value of the plan assets*
Change in discount rate +0,5% units	**-0.0**	**-0.0**
Change in salary increase +0,5% units	**0.0**	**0.0**
Change in insurance company's bonus index +0,5% units	**0.0**	**0.0**

The methods used in preparing the sensitivity analysis did not change compared to those used in calculation of the pension obligation. The sensitivity is calculated for a changes in the discount rate, salary increase and insurance company's bonus index.

The Group expects EUR 0.0 million in contributions to be paid to its defined benefit plans in 2015. The weighted average duration of the defined benefit obligation is 9.6 years.

22. Share-based payments

Terms of the share-based incentive plan

On 13 December 2013 the Board of Directors of Talentum Oyj decided to grant stock option plan based on own investment to Talentum key management. The plan includes options with the symbols 2013A and 2013B. The share subscription period for 25% of the stock options 2013A and 2013B will commence on or about 1 February 2016 and for 75% of the stock options 2013A and 2013B on or about 1 February 2017. The share subscription period for all the stock options ends on 31 March 2018. The key terms and conditions of the plan are described in the table below.

Based on the share issue authorisation resolved by the Annual General Meeting held on 22 March 2013, the Board of Directors of Talentum Oyj decided, for the fulfilment of the investment requirement related to the stock option plan for the key management, to transfer treasury shares held by the company to certain persons belonging to the key management of Talentum by a directed share issue. The maximum of 517,400 treasury shares was offered for subscription to the key managers for the subscription price of EUR 1.26 per share. In March 2014, for the fulfilment of the investment requirement related to the stock option plan, the Group sold 364,267 treasury shares held by the company and and granted the key management loans by an amount totalling EUR 0.2 million. The transactions with related parties are described in the Note 28, Related party transactions.

2014

Incentive plan	*2013A1*	*2013A2*	*2013B1*	*2013B2*
Nature of the incentive plan	Share options	Share options	Share options	Share options
Grant date	20 March 2014	20 March 2014	20 March 2014	20 March 2014
Amount of granted intruments	56,250	168,750	392,625	1,177,875
Subscription price, EUR	1.50	1.50	1.75	1.75
Share price at the grant date	1.27	1.27	1.27	1.27
Commitment period, years	2	3	2	3
Vesting conditions	Fullfillment of the requirement for own investment Employment until 1 Feb 2016	Fullfillment of the requirement for own investment Employment until 1 Feb 2017	Fullfillment of the requirement for own investment Employment until 1 Feb 2016	Fullfillment of the requirement for own investment Employment until 1 Feb 2017
Settlement	Shares	Shares	Shares	Shares

In year 2013 the Group did not have any share-based payments.

Options will expire, if the options will not be used during 4 years from the grant date. The incentives will be lost if the person leaves the Group before the final vesting.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Weighted average exercise price, EUR/share	*Options, pcs*	*Weighted average exercise price, EUR/share*	*Options, pcs*
1 January	**–**	**–**	–	–
New options granted	**1.72**	**1,795,500**	–	–
31 December	**1.72**	**1,795,500**	–	–

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was 0.08 per option. The most significant inputs into the model were the fair value of the share price at the time of valuation EUR 1.27, exercise price shown above, volatility of 21.1%, dividend yield of 4.72%, an expected option life of 2–3 years and a risk-free interest rate of 0.22–0.29%. The volatility is based on parent company's share prices over the last three years.

The total expense recognised in the profit or loss for share options is presented in the Note 6, Employee benefits.

23. Provisions

EUR million	*Restructuring provisions*	*Other provisions*	*Total*
Carrying amount on 1 January 2014	**0.5**	**0.2**	**0.8**
Foreign exchange rate differences	**–**	**0.0**	**0.0**
Used provisions	**-0.1**	**-0.0**	**-0.1**
Increases	**0.1**	**0.0**	**0.1**
Reversals of unused provisions	**-0.1**	**–**	**-0.1**
Carrying amount on 31 December 2014	**0.5**	**0.2**	**0.7**

EUR million	**2014**	2013
Non-current provisions	**0.2**	0.2
Current provisions	**0.5**	0.5

OTHER PROVISIONS

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

24. Advances received, trade and other payables

EUR million	**2014**	2013
Current		
Advances received*	**11.9**	10.2
Trade payables	**2.3**	2.7
Accrued expenses and deferred income	**6.0**	6.7
Forward rate agreements	**0.0**	–
Loans from joint ventures	**0.7**	–
Other payables	**2.3**	2.0
Total	**23.1**	21.5

SIGNIFICANT ITEMS INCLUDED IN ACCRUED EXPENSES AND DEFERRED INCOME

Personnel expenses	**5.2**	5.6
Other	**0.8**	1.1
Total	**6.0**	6.7

*) In 2014 advances received include EUR 0.1 million (EUR 1.1 million in 2013) Talentum's magazines group subscription advances. Advance payments from subscriptions are recognised as revenue so that they match with the number of magazine copies issued in the period.

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.

25. Financial liabilities

EUR million	2014	2013
Non-current financial liabilities		
Interest bearing liabilities measured at amortised cost	0.8	–
Non-interest bearing liabilities measured at amortised cost	–	0.1
Total	0.8	0.1
Current financial liabilities		
Loans from financial institutions measeured at amortised cost	4.5	5.1
Non-interest bearing liabilities related to business combinations and measured at fair value	0.2	0.3
Total current financial liabilities	4.7	5.5

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	2014	2013
EUR	0.8	–
SEK	0.1	–

INTEREST BEARING CURRENT LIABILITIES DIVIDED BY CURRENCY

EUR million	2014	2013
EUR	4.7	5.5

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

26. Contractual maturities of financial liabilities

2014

EUR million	*2015*	*2016*	*2017*	*2018*	*2019*	*Later*
Trade payables	1.8	–	–	–	–	–
Trade payables from associates	0.5	–	–	–	–	–
Loans from financial institutions	4.5	0.5	0.3			
Forward rate agreements	0.0	–	–	–	–	–
Other current liabilities	0.2	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	0.1

2013

EUR million	*2014*	*2015*	*2016*	*2017*	*2018*	*Later*
Trade payables	2.4	–	–	–	–	–
Loans from financial institutions	5.1	–	–	–	–	–
Other current liabilities	0.3	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	0.1

The Group has available bank overdraft limits, that are valid until further notice, of EUR 12.0 million. EUR 4.0 million of the limits were in use at the end of the reporting period.

27. Capital management

EUR million	2014	2013
Interest bearing liabilities	5.4	4.8
Cash and cash equivalents	4.7	4.3
Net liabilities	0.7	0.5
Total equity	18.8	18.8
Gearing, %	3.8	4.4
Equity ratio,%	47.2	47.4

28. 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 companies Professio Oy and Conseco Press, 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		
Subsidiaries			
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
Expose Oy	Helsinki	100	100
Michelsson Sales Oy	Helsinki	100	100
Subgroup companies			
Talentum Sweden AB:			
Talentum Media AB	Stockholm	100	
Talentum Sales AB	Stockholm	100	
Dagens Media Sverige AB	Stockholm	100	
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	

Associated companies and joint ventures that are material for the Group are presented in the Note 14, Investments in associates and joint ventures.

RELATED PARTY TRANSACTIONS WITH THE KEY MANAGEMENT PERSONNEL

Total key management personnel employee benefits

EUR million	2014	2013
Salaries and other short-term employee benefits	1.0	1.1
Termination benefits	–	0.3
Post-employment benefits	0.2	0.2
Share based payments	0.0	–
Total	**1.2**	1.6

Executive remuneration

EUR 1,000	2014	2013
Aarne Aktan, CEO	320	307
Members of the Board of Directors		
Telanne Kai, Chairman	48	48
Österlund Henri, Deputy Chairman (Deputy Chairman from 27 March 2014)	29	24
Berner Joachim	24	24
Palomäki Atte	24	24
Storckovius Mitti (from 27 March 2014)	18	–
Strengell Merja (Deputy Chairman until 27 March 2014)	8	30
Board Members remuneration total	**150**	150

The amounts above include salaries and other remuneration recognised on accrual basis. Accrual based pension expense on CEO's statutory pension benefits amounted EUR 42 thousand (EUR 43 thousand in 2013). Some of the members of the Group Executive Management have a guaranteed right to retire at the age of 60.

In May 2014 the members of the Board were paid 40% of the annual fee by transferring treasury shares held by the company. The number of treasury shares held by the company transferred to the members of the Board amounted to 47,619 shares. On 31 December 2014, the number of Talentum Oyj shares owned by the members of the Board of Directors, CEO and Vice Executive President personally and through companies in which they have a controlling interest was 316,156 representing 0.7% of the company's total shares and votes. The number of Talentum Oyj shares owned by the other Group Executive management was 75,400 Talentum Oyj's shares.

CEO and Group management team, that are included in the related parties, were granted on 22 March 2014 a total amount of 959,000 share options. The terms and conditions of options as well as the determination of fair values of the options are presented in the Note 22, Share-based payments. For fulfilment the own investment requirement related to the option plan, Talentum Oyj sold in year 2014 for the CEO and the Group Executive Management 226,767 treasury shares held by the company, and granted loans for persons belonging to the related party an amount totalling EUR 143 thousand. The entire amount of related party loans will fall due for payment on 31 August 2018. The interest rate for the loans is euribor 12 months + 1,5% per annum. The interests are paid annually, first time on 30 April 2015. As a guarantee for the related party loans are the pledged shares.

RELATED PARTY TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES

EUR million	*Sales*	*Purchases*	*Receivables*	*Liabilities*
2014				
Associates	**1.6**	**2.3**	**0.3**	**0.5**
Joint ventures	**0.5**	**–**	**0.0**	**0.7**
Total	**2.0**	**2.3**	**0.3**	**1.2**

EUR million	*Sales*	*Purchases*	*Receivables*	*Liabilities*
2013				
Associates	1.2	2.2	0.4	0.1
Joint ventures	0.2	–	0.0	0.3
Total	1.4	2.2	0.5	0.4

29. Operating leases and contingent liabilities

The Group as lessee

The Group has leased the production and office premises it uses and cars used by company personnel. In 2012 the Group has entered a new five-year leasing agreement in Sweden and in 2013 a 10-year leasing agreement in Finland, which includes an option to terminate the agreement with penalty after five years. The minimum operating lease payments and the estimated termination penalty of the new leasing agreements are included in the minimum lease payments presented below.

NON-CANCELLABLE MINIMUM OPERATING LEASE PAYMENTS ARE PAYABLE AS FOLLOWS

EUR million	**2014**	2013
Less than a year	**2.8**	2.8
Between one and five years	**5.2**	8.0
More than five years	**–**	–
Total	**8.0**	10.9

In addition, the Group has given EUR 0.1 million guarantee on a loan in Sweden and EUR 0.1 million guarantee on a payment in Denmark.

30. Transactions after the end of the reporting period

No significant transactions occurred after the end of the reporting period.

Financial statements of the parent company, FAS

INCOME STATEMENT OF PARENT COMPANY (FAS)

EUR 1,000	Note	2014	2013
Net sales	2	5,371	5,237
Other operating income	3	–	6
Personnel expenses	4	3,116	2,553
Depreciation and amortisation	5	365	321
Other operating expenses		3,114	4,204
Operating income		-1,225	-1,835
Financial income and expenses	6	-250	-230
Income before extraordinary expenses		-1,475	-2,065
Extraordinary items	7	4,569	5,208
Profit/loss before appropriations and taxes		3,094	3,143
Increase (-) / decrease (+) in depreciation difference	8	-14	-4
Direct taxes	9	-635	-745
Profit/loss for the financial year		2,446	2,394

BALANCE SHEET OF PARENT COMPANY (FAS)

EUR 1,000	Note	2014	2013
ASSETS			
Non-current assets			
Intangible assets	10	979	1,027
Tangible assets	10	191	245
Investments	10	93,895	94,178
Total non-current assets		95,065	95,450
Current assets			
Non-current receivables	11	2,098	383
Current receivables	12	5,827	5,810
Cash at hand and in bank accounts		3,547	3,511
Total current assets		11,472	9,704
TOTAL ASSETS		106,537	105,154
LIABILITIES AND EQUITY			
Equity	13		
Share capital		18,594	18,594
Other reserves			
Treasury shares		-874	-2,405
Invested non-restricted equity reserve		52,943	52,943
Retained earnings		-13	801
Profit/loss for the year		2,446	2,394
Total equity		73,095	72,327
Accumulated appropriations	14	18	4
Liabilities			
Non-current liabilities	15	750	59
Current liabilities	16	32,674	32,764
Total liabilities		33,424	32,823
TOTAL LIABILITIES AND EQUITY		106,537	105,154

CASH FLOW STATEMENT OF PARENT COMPANY (FAS)

EUR 1,000	2014	2013
Cash flows from operating activities		
Profit/loss before extraordinary items	-1,475	-2,065
Adjustments:		
Depreciation and amortisation	365	321
Financial income and expenses	257	230
Other adjustments*	-12	-369
Cash flows before change in working capital	-864	-1,883
Change in net working capital	-548	2,316
Cash flows before financing items and taxes	-1,412	433
Interests paid and payments on other operating financing expenses	-358	-314
Interest received	76	61
Taxes paid	-476	–
Net cash from/in operating activities	-2,171	180
Cash flows from investing activities		
Investments into intangible and tangible assets	-264	-813
Acquisitions of subsidiaries	–	-223
Net cash from/in investing activities	-264	-1,036
Cash flow from financing activities		
Change in current loans	-472	151
Increase in non-current loans	1,500	–
Non-current loans repaid	-250	–
Increase in non-current receivables	-1,500	–
Dividends paid	-1,763	–
Equity returned	–	-1,309
Group contributions received	4,679	2,770
Acquisition of treasury shares	-182	–
Sales of treasury shares	459	–
Net cash from/in financing activities	2,470	1,611
Change in cash	35	755
Cash at hand and in bank, 1 January	3,511	2,757
Foreign exchange differences	1	-1
Cash at hand and held in bank, 31 December	3,547	3,511

*) In comparative year 2013 other adjustments comprise mainly from change in obligatory provisions, EUR -400 thousand.

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 recognised 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 presented in the balance sheet. Investments and receivables that have an estimated useful life of over a year are presented under investments. Any impairment items in fixed assets are examined at the balance sheet date and 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 presented 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 recognised 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 presented as deferred tax assets and liabilities.

2. Net sales

EUR 1,000	**2014**	2013
Internal invoicing	**5,371**	5,237
Total	**5,371**	5,237

3. Other operating income

EUR 1,000	**2014**	2013
Gain on sale of fixed assets	**–**	6
Total	**–**	6

4. Personnel expenses

EUR 1,000	2014	2013
Salaries and fees:		
CEO	320	307
Board of Directors	150	150
Other	2,091	1,618
Pension expenses	480	413
Other social security expenses	75	65
Total	**3,116**	2,553

Salaries, fees and fringe benefits of CEO and member of the Board of Directors are presented in the Note 28. for the consolidated financial statements.

Average amount of personnel in the reporting period	32	22

5. Depreciation and amortisation

EUR 1,000	2014	2013
Intangible assets	295	247
Tangible assets	70	74
Total	**365**	321

6. Financial income and expenses

EUR 1,000	2014	2013
Financial income:		
Interest and financial income from Group companies	44	21
Exchange rate gains	15	4
Other interest and financial income	17	36
Total	**76**	61

EUR 1,000	2014	2013
Financial expenses:		
Interest and financial expenses to Group companies	153	156
Exchange rate losses	30	12
Other financial expenses	48	0
Other interest expenses	95	123
Total	**326**	291
Total financial income and expenses	**-250**	-230

7. Extraordinary expenses

EUR 1,000	2014	2013
Group contributions received	4,569	4,679
Other	0	529
Total	**4,569**	5,208

8. Appropriations

EUR 1,000	2014	2013
Change in depreciation difference:		
Intangible assets	11	20
Tangible assets	3	-16
Total	**14**	4

9. Income tax

EUR 1,000	2014	2013
From ordinary business activities	623	226
Change in deferred tax	12	519
Total	**635**	745

10. Intangible and tangible assets and investments

INTANGIBLE ASSETS

EUR 1,000	*Intangible rights*	*Renovation of permises*	*Advance payments*	*Total*
Acquisition cost on 1 January	**4,540**	**858**	**113**	**5,511**
Transfers between items	**289**	**–**	**-289**	**0**
Increase	**67**	**–**	**181**	**248**
Decrease	**-1,847**	**-49**	**–**	**-1,896**
Acquisition cost on 31 December	**3,049**	**809**	**4**	**3,863**
Accumulated amortisation on 1 January	**-3,691**	**-793**	**–**	**-4,484**
Amortisation for decreases	**1,847**	**49**	**–**	**1,896**
Amortisation for the period	**-280**	**-15**	**–**	**-295**
Accumulated amortisation on 31 December	**-2,124**	**-759**	**–**	**-2,883**
Carrying amount on 31 December 2014	**925**	**50**	**4**	**979**
Carrying amount on 31 December 2013	849	65	113	1,027

TANGIBLE ASSETS

EUR 1,000	*Machinery and equipment*	*Other*	*Total*
Acquisition cost on 1 January	**1,370**	**19**	**1,389**
Increase	**17**	**–**	**17**
Decrease	**-667**	**-1**	**-668**
Acquisition cost on 31 December	**720**	**18**	**738**
Accumulated depreciation on 1 January	**-1,144**	**–**	**-1,144**
Depreciation for decreases	**667**	**–**	**667**
Depreciation for the period	**-70**	**–**	**-70**
Accumulated depreciation on 31 December	**-547**	**–**	**-547**
Carrying amount on 31 December 2014	**173**	**18**	**191**
Carrying amount on 31 December 2013	226	19	245

INVESTMENTS

EUR 1,000	*Investments in subsidiaries*	*Other*	*Total*
Acquisition cost on 1 January	**130,055**	**28**	**130,083**
Acquisition cost on 31 December	**130,055**	**28**	**130,083**
Accumulated impairments on 1 January	**-35,905**	**–**	**-35,905**
Impairments	**-283**	**–**	**-283**
Accumulated impairments on 31 December	**-36,188**	**–**	**-36,188**
Carrying amount on 31 December 2014	**93,867**	**28**	**93,895**
Carrying amount on 31 December 2013	94,150	28	94,178

Investments in subsidiaries are presented in the consolidated financial statements' Note 28, Related party transactions.

11. Non-current receivables

EUR 1,000	**2014**	2013
Loan receivables from subsidiaries	**1,500**	–
Other receivables*	**598**	371
Deferred tax asset	**–**	12
Total	**2,098**	383

*) Other receivables include receivables from related party EUR 143 thousand.

12. Current receivables

EUR 1,000	2014	2013
Trade receivables	**1**	72
Receivables from Group companies	**5,633**	5,356
Prepaid expenses and accrued income	**192**	381
Other receivables	**1**	1
Total	**5,827**	5,810

Receivables from Group companies:		
Trade receivables	**392**	39
Loan receivables	**–**	588
Prepaid expenses and accrued income	**5,241**	4,729
Total	**5,633**	5,356

Significant items included in prepaid expenses and accrued income:		
Group contribution receivables	**4,569**	4,729
Other receivables	**864**	381
Total	**5,433**	5,110

13. Equity

EUR 1,000	2014	2013
Share capital on 1 January	**18,594**	18,594
Share capital on 31 December	**18,594**	18,594
Other reserves		
Treasury shares on 1 January	**-2,405**	-2,642
Acquisition of treasury shares	**-182**	–
Sales of treasury shares	**1,713**	237
Treasury shares on 31 December	**-874**	-2,405
Invested non-restricted equity reserve on 1 January	**52,943**	70,010
Covering of the retained loss according to AGM decision	**–**	-15,757
Return of equity	**–**	-1,310
Invested non-restricted equity reserve 31 December	**52,943**	52,943
Total other reserves on 31 December	**52,069**	50,538
Retained earnings on 1 January	**3,195**	-14,778
Sales of treasury shares	**-1,194**	-178
Covering of the retained loss according to AGM decision	**–**	15,757
Other adjustments	**-250**	–
Dividend distribution	**-1,763**	–
Profit/loss for the financial year	**2,446**	2,394
Retained earnings on 31 December	**2,433**	3,195
Total equity on 31 December	**73,095**	72,327

Distributable earnings:		
Treasury shares	**-874**	-2,405
Invested non-restricted equity fund	**52,943**	52,943
Retained earnings	**2,433**	3,195
Total	**54,502**	53,733

Share capital by type of share at the end of the financial year:	**shares**	shares
Series: TTMV1	**44,295,787**	44,295,787
Treasury shares held by the company	**332,597**	573,479

14. Appropriations

EUR 1,000	2014	2013
Accumulated depreciation difference by asset category:		
Intangible assets	**163**	152
Tangible assets	**-145**	-148
Total	**18**	4

15. Non-current liabilities

EUR 1,000	2014	2013
Other non-current liabilities	**750**	59

16. Current liabilities

EUR 1,000	2014	2013
Loans from financial institutions	**4,530**	4,503
Trade payables	**175**	277
Liabilities to Group companies	**26,024**	27,120
Other current liabilities	**876**	260
Accrued expenses and deferred income	**1,068**	603
Total	**32,674**	32,764

Liabilities to Group companies:		
Loan liabilities	**25,438**	27,088
Trade payables	**–**	13
Accrued expenses and deferred income	**585**	19
Total	**26,024**	27,120

Significant items included in accrued expenses and deferred income:		
Holiday pay obligation liability	**434**	339
Pension and social security contribution debts	**164**	1
Other	**471**	263
Total	**1,068**	603

17. Future leasing payments

EUR 1,000	2014	2013
Leasing commitments		
To be paid within one year	**1,740**	1,691
To be paid after one year	**3,959**	6,232
Total	**5,698**	7,923

Proposal of the Board of Directors for distribution of profits and Signatures of the Financial Statements

The distributable earnings in the parent company's balance sheet amount to EUR 54,501,536.70, of which the profit for the financial year is EUR 2,445,865.27. 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 return of equity will not endanger the solvency of the company.

Invested non-restricted equity reserve (consists of capital investments only)	52,942,876.08
Treasury shares	-874,133.50
Retained earnings	-13,071.15
Profit for the period	2,445,865.27
Total distributable earnings	**54,501,536.70**

The Board of Directors proposes that a dividend in the amount of EUR 2,197,239.35 to be distributed for 2014 (calculated on the shares that are registered into the Trade Register on 11 February 2015).

Helsinki, 11 February 2015

Kai Telanne **Henri Österlund**

Joachim Berner **Atte Palomäki**

Mitti Storckovius **Aarne Aktan**
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, 2014. 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 or 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.

Helsinki, 5 March 2015

PricewaterhouseCoopers Oy
AUTHORISED PUBLIC ACCOUNTANTS

Samuli Perälä
Authorised Public Accountant

Share and shareholders

Talentum shares

Share price and trading

Share price and trading Talentum shares have been listed on the OTC stock market (hereinafter I-listing) since 1988, and 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 shares is TTM1V. The company's shares are not listed on any other stock exchange. Talentum Oyj's issued stock amounts to 44,295,787 shares. All shares are of the same series, and each share entitles the holder to one vote at GMs and the same dividend rights. Talentum Oyj's Articles of Association, however, contain a clause restricting voting rights. In 2014, the turnover for Talentum shares totalled 2,023,518 which represents 4.6% of all shares. On 31 December 2014, Talentum Oyj held 332,597 treasury shares, accounting for 0.8% of all shares and votes. The company's treasury shares have no voting right, and they do not entitle to dividend.

Voting at the General Meeting

Under the Articles of Association of Talentum Oyj, a shareholder may exercise total votes representing a maximum of 1/6 of the total number of votes at the GM. If subsidiaries or companies belonging to the same Group and/or the pension foundation or pension fund of such companies jointly own company shares in excess of 1/6 of the total number of votes, the number of votes that can be exercised at an GM based on these shares may not exceed 1/6 of the total number of votes.

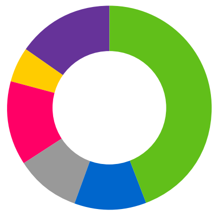
Dividend policy

Talentum Oyj follows an active dividend policy. In 2013 a dividend in the amount of EUR 0.04 per share was distributed. The Board of Directors proposes to the Annual General Meeting that a dividend in the amount of EUR 0.05 to be distributed for 2014. The factors affecting dividends are the amount of distributable unrestricted equity, the annual absolute and relative net income, the company's operating cash flow, short-term investment needs, as well as future prospects.

Investor relations

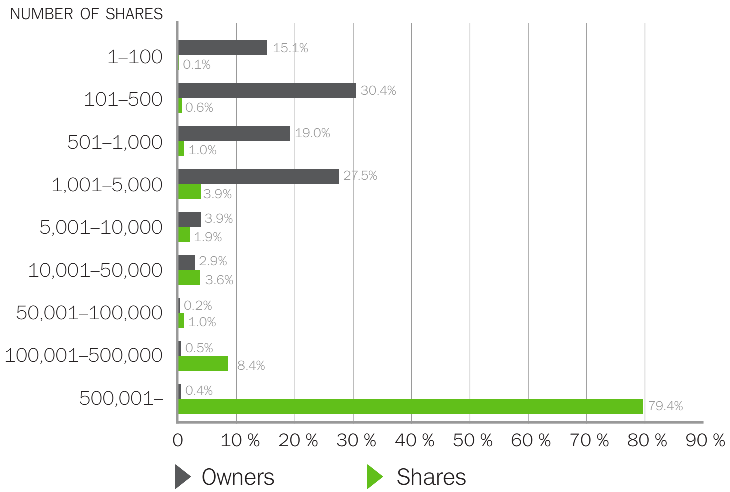
The goal of Talentum's investor relations is to ensure that the market has the right information regarding Talentum Group's business and future prospects. Talentum serves investors and analysts, for example, by holding meetings with management, briefings in connection with publishing results and by organizing Capital Markets Days. Bulletins issued to the markets can be viewed on the company's website at www.talentum.com. Talentum aims for transparency in all its communication.

OWNERSHIP STRUCTURE ON DECEMBER 31, 2014



- Non-financial corporations and housing corporations 44.4%
- Financial and insurance corporations 11.3%
- General Government 10.4%
- Households 13.3%
- Non-profit institutions serving households 5.4%
- Foreign and nominee registered 15.2%

DISTRIBUTION BY NUMBER OF SHARES DECEMBER 31, 2014



BIGGEST SHAREHOLDERS, DECEMBER 31, 2014

		Shares	%
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.	Nordea Bank Finland Plc (nom. reg)	5,002,903	11.29
3.	Ilmarinen Mutual Pension Insurance Company	4,308,383	9.73
4.	Oy Herttaässä Ab	2,680,317	6.05
5.	OP-Finland Small Firms Fund	2,560,230	5.78
6.	Tekniikan Akateemiset ry	1,598,138	3.61
7.	Svenska Handelsbanken AB (publ), Branch Operation in Finland	1,515,950	3.42
8.	Sijoitusrahasto Alfred Berg Finland	1,113,073	2.51
9.	Mäkelä Kai	825,431	1.86
10.	Sijoitusrahasto Taaleritehdas Mikro Markka	700,000	1.58
11.	Evli-rahastot	625,225	1.41
	Mutual Fund Evli Select	625,225	1.41
12.	Paloniemi Jari Rikhard	484,000	1.09
13.	Savings Bank Finland Fund	363,000	0.82
14.	Sijoitusrahasto Alfred Berg Optimal	361,869	0.82
15.	Suomen tukkukauppiaiden liitto	339,396	0.77
16.	Talentum Oyj	332,597	0.75
17.	Sijoitusrahasto Alfred Berg Small Cap Finland	324,684	0.73
18.	Etelä-Pohjanmaan Turve Oy	249,000	0.56
19.	Korkeamäki Vilho	213,615	0.48
20.	Great Expectations Capital Oy	200,000	0.45
21.	Irish Life International Ltd	171,826	0.39
22.	Smartum Oy	150,000	0.34
23.	Saarela Mikko Aarne Juhani	144,325	0.33
24.	Landskapet Ålands Pensionsfond	143,343	0.32
25.	Kangasalan kunta	138,023	0.31
26.	Tekniska Föreningen I Finland Stiftelse	101,974	0.23
27.	Tallberg Carl Johan	99,000	0.22
28.	Mattinen Hannu Juhani	77,041	0.17
29.	Jenny and Antti Wihuri's Foundation	76,800	0.17
30.	Investment Fund Säästöpankki Small Cap	74,300	0.17
	30 largest owners total	**39,210,738**	**88.52**
	Nominee registrations	6,733,575	15.20
	NUMBER OF SHARES, TOTAL	**44,295,787**	**100.00**

OWNERSHIP STRUCTURE ON DECEMBER 31, 2014

	Shares	%
Non-financial corporations and housing corporations	19,615,528	44.4
Financial and insurance corporations	5,004,081	11.3
General Government	4,590,349	10.4
Households	5,901,369	13.3
Non-profit institutions serving households	2,380,514	5.4
Foreign and nominee registered	6,736,242	15.2
On common accounts	67,704	0.2
TOTAL	**44,295,787**	**100.0**

DISTRIBUTION BY NUMBER OF SHARES ON DECEMBER 31, 2014

Number of shares	*Owners*	*% of owners*	*Shares*	*%*
1–100	419	15.1	25,500	0.1
101–500	843	30.4	252,754	0.6
501–1,000	526	19.0	428,561	1.0
1,001–5,000	761	27.5	1,741,246	3.9
5,001–10,000	109	3.9	831,292	1.9
10,001–50,000	80	2.9	1,605,721	3.6
50,001–100,000	6	0.2	459,412	1.0
100,001–500,000	15	0.5	3,717,652	8.4
500,001–	12	0.4	35,165,945	79.4
On common accounts	0	0.0	67,704	0.2
TOTAL	**2,771**	**100.0**	**44,295,787**	**100.0**

Financial key figures

		2014	2013*	2012	2011	2010
Group, continuing and discontinued operations						
Net sales	EUR million	**72.3**	74.5	77.2	88.3	81.0
Operating income	EUR million	**3.4**	1.4	-0.5	7.2	0.3
as % of net sales	%	**4.8**	1.8	-0.7	8.2	0.3
Income for the period (for owners of the parent company)	EUR million	**2.8**	1.1	-0.5	5.5	0.2
Return on equity (ROE)	%	**14.7**	6.0	-3.0	27.7	1.0
Return on investment (ROI) **	%	**17.5**	10.2	0.6	29.9	5.2
Financial items	EUR million	**0.4**	0.3	-0.6	-0.8	-0.1
Statement of financial position total	EUR million	**51.8**	49.8	55.1	57.3	64.7
Total equity	EUR million	**18.8**	18.7	19.8	21.9	17.5
Investments	EUR million	**4.2**	1.5	1.6	1.4	3.9
as % of net sales	%	**5.8**	2.0	2.1	1.6	4.8
Equity ratio	%	**47.2**	47.4	47.7	54.1	34.4
Gearing	%	**3.8**	4.4	5.6	-6.7	70.9
Net interest-bearing liabilities	EUR million	**0.7**	0.8	1.1	-1.5	12.4
Personnel on average		**721**	750	754	804	787
Net sales per person	EUR 1,000	**100**	99	102	110	103
Continuing operations						
Net sales	EUR million	**72.3**	74.5	77.2	83.5	74.1
Operating income	EUR million	**3.4**	1.4	-0.5	-0.4	0.1
as % of net sales	%	**4.8**	1.8	-0.7	-0.5	0.2
Investments	EUR million	**4.2**	1.5	1.6	1.4	3.9
as % of net sales	%	**5.8**	2	2.1	1.6	4.8
Personnel on average		**721**	750	754	754	707
Net sales per person	EUR 1,000	**100**	99	102	111	105

*) Year 2013 figures have been restated by the effect of retrospective application of IFRS 10 and 11. Prior years' figures have not been restated.

**) The Group has adjusted the accounting practice of Return on invested capital %. The figures for comparative years have been restated accordingly.

Share key figures

		2014	2013	2012	2011	2010
Earnings per share, continuing operations	EUR	**0.06**	0.03	-0.01	-0.04	0.00
Dividend per share	EUR	**0.05***	0.04	0.03	0.06	0.02
Operating cash flows per share	EUR	**0.10**	0.08	0.02	0.11	0.05
Equity per share	EUR	**0.43**	0.43	0.45	0.50	0.40
Dividend per earnings	%	**83.3**	133.3	–	–	–
Effective dividend yield	%	**5.0**	3.8	–	–	–
P/E ratio		**16.0**	40.5	-100.8	-36.2	548.8
Market capitalisation	EUR million	**44.3**	46.5	52.3	65.1	87.7
Enterprise Value	EUR million	**44.7**	46.7	52.6	63.6	98.8
Traded price 31 December	EUR	**1.0**	1.05	1.18	1.47	1.98
Traded price high	EUR	**1.4**	1.29	1.71	2.16	2.26
Traded price low	EUR	**0.95**	0.90	1.11	1.36	1.64
Average price per year, share issue adjusted	EUR	**1.12**	1.04	1.33	1.89	1.91
Total share turnover	pcs	**2,023,518**	3,214,012	2,324,863	5,940,303	6,572,178
Total share turnover as percentage of shares	%	**4.6**	7.3	5.2	13.4	15.1
Number of shares, share issue adjusted:						
weighted average during the year	pcs	**44,007,525**	43,704,518	43,631,936	43,614,787	43,614,787
at year end	pcs	**43,963,190**	43,722,308	43,660,938	43,614,787	43,614,787
Treasury shares	pcs	**332,597**	573,479	634,849	681,000	681,000

*) Board proposal dividend in the amount of EUR 0,05 per share.

Calculation of key figures

RETURN ON EQUITY (ROE), %

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

RETURN ON INVESTMENT (ROI), %

$$= \frac{\text{Income before taxes + interest and other financial expenses}}{\text{Total assets - non-interest bearing debts (annual average)}} \times 100$$

EQUITY RATIO, %

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

GEARING, %

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

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, %

$$= \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

EFFECTIVE DIVIDEND YIELD, %

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

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

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.

Number of shares on 31 December 2014: 44,295,787
Sector: Nordic Consumer Services Industry

The share register is maintained by Euroclear Finland Oy. All public information about the company's shares and insider register is available at Euroclear Finland Oy. A list of Talentum Oyj's biggest shareholders can be found on page xx of this Annual Report.

Proposal on the payment of dividends

The Board of Directors proposes to the Annual General Meeting that a dividend in the amount of EUR 0.05 to be distributed for 2014 (for 2013 a dividend in the amount of EUR 0.04 per share was distributed).

Annual General Meeting

Talentum Oyj's AGM will be held on Friday 27 March 2015 at 2.00 p.m. at the Talentum head office, Itämerenkatu 23, Helsinki. The reception of participants will commence at 1.00 p.m.

Instructions for participants

Attendance and registration

The right to participate in the General Meeting can be exercised by a shareholder who, as of March 17, 2015 (record date of the AGM) is registered as a shareholder in the shareholder register maintained by Euroclear Finland Oy. A shareholder whose shares are registered on his/her personal Finnish book-entry account is registered in the company's shareholder register. Shareholders who wish to attend the AGM must notify the company of their attendance no later than on March 24, 2015 at 4.00 p.m. Notice of attendance can be given as follows:

a) In internet at www.talentum.com
b) By email at yhtiokokous@talentum.fi
c) By phone at +358 40 342 4227; or
d) By letter to Talentum Oyj, Share Register, P.O. Box 920, FI-00101 Helsinki, Finland.

The notification must be received before the registration deadline.

The notification shall include the shareholder's name, social security number, address and telephone number, as well as the names of any assistants or proxy representatives and the proxy representative's social security number. Any personal information provided to Talentum Oyj by its shareholders will only be used in connection with the AGM and for the processing of the related registrations.

Pursuant to Chapter 5, Section 25 of the Companies act, all shareholders present at the AGM have the right to request information on matters to be discussed in the meeting.

Proxy representative and power of attorney

Shareholders may participate in the AGM and exercise their voting right by way of proxy representation. A proxy representative of a shareholder must produce a dated proxy document or demonstrate his/her right to represent the shareholder in another credible way. If a shareholder participates in the AGM through several proxy representatives, representing the shareholder with shares in different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with registration. Any proxy documents should be delivered in their original form to Talentum Oyj, Share Register, P.O. Box 920, FI-00101 Helsinki, Finland before the registration deadline.

Nominee-registered shareholders

Nominee-registered shareholders may temporarily be entered in the shareholder register for participation in the AGM if the shareholder is entitled to be entered in the shareholder register based on the shares on the record date of the AGM. Temporary registration in the shareholder register is also considered registration for the AGM. Nominee-registered shareholders are advised to request in advance from the custodian bank the necessary instructions regarding temporary registration in the shareholder register, issuing of proxy documents and registration for the AGM. The account manager of the custodian bank must register a nominee-registered shareholder who wishes to participate in the AGM in the company's shareholder register as described above and no later than on March 24, 2015 at 10.00 a.m.

Change of address

Talentum Oyj's share and shareholder register is managed by Euroclear Finland Oy. Notifications of changes to holdings, personal details and address information are to be reported to the shareholder's account manager.

Financial statements for 2015

Financial Statement Release 2014 on February 12, 2015
Interim report for Q1/2015 on April 29, 2015
Interim report for Q2/2015 on July 17, 2015
Interim report for Q3/2015 on October 22, 2015

The interim reports will be published in Finnish and English, and they will be available on the company's website at **www.talentum.com**.

Talentum observes a three-week silent period before publishing interim reports and the annual results.

Contact information

Finland

Customer service
Telephone:+358 020 442 4100
Book orders:
kirjatilaus@talentum.fi

Talentum Oyj
Visiting address: Itämerenkatu 23
00180 Helsinki, Finland
P.O. Box: PL 920, 00101 Helsinki
Telephone: +358 020 442 40
firstname.lastname@talentum.fi
www.talentum.com

Talentum Media Oy
Visiting address: Itämerenkatu 23
00180 Helsinki, Finland
P.O. Box: PL 920, 00101 Helsinki
Telephone: +358 020 442 40
firstname.lastname@talentum.fi
www.talentum.com

Talentum Events Oy
Visiting address: Itämerenkatu 23
00180 Helsinki, Finland
P.O. Box: PL 920, 00101 Helsinki
Telephone: +358 20 442 4110,
firstname.lastname@talentumevents.fi
www.talentumevents.fi

Talentum Shop
www.talentumshop.fi

Oy Mediuutiset Ab
Visiting address: Itämerenkatu 23
00180 Helsinki, Finland
P.O. Box: PL 920, 00101 Helsinki
Telephone: +358 20 442 4680
Fax +358 20 442 4699
firstname.lastname@mediuutiset.fi
www.mediuutiset.fi

Suoramarkkinointi Mega Oy
Urho Kekkosen katu 2 C
00100 Helsinki, Finland
Telephone: +358 9 8567 7700
firstname.lastname@sm-mega.fi
www.sm-mega.fi

Sweden

Talentum Sweden AB
Jakobsbergsgatan 22
106 12 Stockholm, Sweden
Telephone: +46 (0)8 796 66 50
firstname.lastname@talentum.se
www.talentum.se

Talentum Events AB
Jakobsbergsgatan 22
106 12 Stockholm, Sweden
Telephone: +46 (0)8 796 64 00
firstname.lastname@talentumevents.se
www.talentumevents.se

Denmark

FYI Events Denmark ApS
Christiansborggade 50
1558 Copenhagen V, Denmark
Telephone: +45 7027 1737
Email: firstname.lastname@fyi.dk
www.fyi.dk

Estonia

Müügimeistrite AS
Mustamäe tee 16
Tallinn, 10616 Estonia
Telephone:+372 6 108 530

Latvia

Telemarket SIA
Meza ielā 4
Riga, 1048 Latvia
Telephone: +371 761 16 65

Russia

Conseco Press
"Regus" business centre
3, Smolenskaya sq.
Moscow, 121099 Russia
Telephone: +7 95 510 50 71
firstname.lastname@conseco.ru
www.conseco.ru

talentum

Editors Talentum Corporate Communications **Design and layout** Zeeland **Photos** Antti Mannermaa, Karoliina Paavilainen, Talentum

Talentum brands

talentum

talentum fokus talentum events talentum training talentum lakikoulutus

Talouselämä tekniikka &talous ARVOPAPERI tivi CIO fakta SUOMEN LAKI Lakimiesliiton Koulutus Lakimiesliiton Kustannus

M&M MARKKINOINTI&MAINONTA metalli-tekniikka ARVOASUNTO MPC Mediuutiset URATIE TEKNIIKAN HISTORIA SUMMA

NyTeknik Lag&Avtal DIGITAL TEKNIK KONSULTGUIDEN arbetar SKYDD

affärs världen DAGENS MEDIA NEXT MAGASIN TEKNIK HISTORIA Ingenjörskarriär SUMMA

We help professionals succeed.