

TALENTUM'S FINANCIAL STATEMENT RELEASE 2012**October-December 2012 in brief, continuing operations:**

- Talentum Group's net sales came to EUR 22.5 million (EUR 24.6 million), a decrease of 8.7 %
- Talentum Group's comparable net sales without Talentum HR AB came to EUR 22.5 million (EUR 23.4 million), a decrease of 3.9 %
- Operating income without non-recurring items was EUR 2.4 million (EUR 1.9 million)
- Operating income (EBIT) was EUR 2.6 million (EUR -1.1 million)
- The amount of media advertising in Talentum's media decreased by 14.5 % but circulation revenue remained at the same level

Net sales of business functions:

- Magazine Business Finland: EUR 7.2 million (EUR 7.9 million)
- Magazine Business Sweden: EUR 6.6 million (EUR 6.9 million)
- Events: EUR 3.1 million (EUR 2.7 million)
- Books and Legal Training: EUR 3.5 million (EUR 4.2 million)
- Direct marketing: EUR 3.0 million (EUR 2.5 million)

January-December 2012 in brief, continuing operations:

- Talentum Group's net sales came to EUR 77.2 million (EUR 83.5 million), a decrease of 7.5 %
- Talentum Group's comparable net sales without Talentum HR AB came to EUR 77,2 million (EUR 79.0 million), a decrease of 2.2 %
- Operating income without non-recurring items was EUR 2.4 million (EUR 2.6 million)
- Operating income (EBIT) was EUR -0.5 million (EUR -0.4 million)
- The amount of media advertising in Talentum's media decreased by 16.0 % but circulation revenue remained at the same level
- Net liabilities were EUR 1.1 million (31.12.2011 EUR -1.5 million).

Net sales of business functions:

- Magazine Business Finland: EUR 27.3 million (EUR 30.2 million)
- Magazine Business Sweden: EUR 23.1 million (EUR 25.0 million)
- Events: EUR 11.0 million (EUR 8.9 million)
- Books and Legal Training: EUR 8.4 million (EUR 9.1 million)
- Direct Marketing: EUR 11.2 million (EUR 9.1 million)

The Board of Directors proposes that no dividend should be distributed for 2012, and that funds should be distributed from the invested non-restricted equity reserve of EUR 0.03 per share (EUR 0.06 per share).

KEY FINANCIAL FIGURES, CONTINUING OPERATIONS *)

EUR million	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Net sales	22.5	24.6	77.2	83.5
Operating income without non-recurring items	2.4	1.9	2.4	2.6
Operating income	2.6	-1.1	-0.5	-0.4
as % of net sales	11.4	-4.6	-0.7	-0.5
Net cash from operating activities			1.0	4.6
Total assets			55.0	57.3
Investments	0.3	0.7	1.6	1.4

as % of net sales	1.2	2.8	2.1	1.7
Equity ratio %			48.2	54.1
Gearing ratio % (net debt to equity)			5.5	-6.7
Interest bearing liabilities			4.6	1.2
Net interest-bearing liabilities			1.1	-1.5
Personnel on average			754	754
Earnings per share, EUR	0.06	-0.05	-0.01	-0.04
Cash flow from operating activities per share, EUR			0.02	0.11
Equity per share, EUR			0.46	0.50

*) The figures for the comparative year do not include the construction information business sold in August 2011, which is presented as a discontinued business. The figures for the comparative year include Talentum HR AB, which was sold in December 2011.

- In the comparative year, Talentum HR AB's net sales for October-December were EUR 1.2 million, operating income was EUR -2.8 million and operating income without non-recurring items was EUR 0.1 million. In the comparative year, Talentum HR AB's net sales for January-December amounted to EUR 4.5 million, operating income was EUR -3.6 million and operating income without non-recurring items was EUR -0.5 million.

Reporting

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.

A separate stock exchange release on the change in reporting segments was issued on 17 April 2012.

AARNE AKTAN, CEO:

"Overall, the last quarter of the year went relatively well in challenging market situation.

The strong, negative development in the general advertising market in Sweden, which began in September, continued throughout the last quarter, and the advertising market for professional journals decreased by 11.9 per cent in last quarter. General advertising markets decreased by 9.4 per cent. Also Finnish periodicals's advertising market decreased in last quarter by 14.3 per cent and general advertising market decreased by 5.3 per cent compared to previous year. The market situation had a negative impact on Talentum's advertising sales revenue.

Our circulation revenue in both Finland and Sweden remained at the previous year's level in the last quarter, which was a good achievement.

Our event business continued to grow well. However, we cannot be satisfied with its profitability. Direct Marketing continued its good, steady growth and improved its profitability during the last quarter.

The net sales of the Books and Legal Training segment decreased compared to the period of comparison, but its profitability remained at the same level.

All in all, 2012 was a diverse year for Talentum. The advertising sales market was weak throughout the year in both Finland and Sweden. However, at the same time, we performed surprisingly well in circulation sales. Our net sales grew in Events and Direct Marketing but decreased clearly in the other segments.

As a result of the turbulence of the media sector, we have developed our offering and we are going to launch an online service by next summer to make it possible to order or purchase the magazines and books of our company in digital format. Easy-to-use and versatile products and services allow us to serve our customers even better."

Operating environment and seasonal variation

Year 2012 was a restructuring year for Talentum and in the beginning of the year Talentum's business was divided into six segments. The segments are Magazine Business Finland, Magazine Business Sweden, Events, Books and Legal Training, Direct Marketing and Other Activities. At the same time a new Management Team was formed consisting mainly of segment leaders. In 2012 the company carried out negotiations with personnel representatives to reduce personnel in Finland and Sweden. Therefore the income for year 2012 was weakened by non-recurring items. The objective of the negotiations is an annual cost reduction of approximately EUR 4.5 million as of 2013. In 2012 savings of approximately EUR 2 million was reached.

According to TNS Media Intelligence, the Finnish advertising market decreased by 4.1% and in Sweden by 2.4 per cent (Sveriges Mediebyråer). Advertising decreased by 7.8% in Finnish periodicals during the year and in Swedish professional journals decreased by 9.5%. Changes in macro economy weakened in general especially recruitment advertising. Due to unstable situation in advertising market the advertising income in Magazine Businesses in Finland and Sweden decreased but Talentum's circulation revenue remained at the same level as in 2011.

The media and advertising markets are subject to seasonal variations. Talentum's magazines and books do not generally come out during the summer holiday season, which is why the third quarter is the weakest in terms of sales. Income for the third period is almost always negative. Operations are generally at their busiest in the final quarter.

Talentum's prospects for 2013

Talentum estimates that its comparable net sales for 2013 will remain approximately at the same level as in 2012 and that its operating income without non-recurring items will be higher than in 2012.

Consolidated net sales and income for October-December 2012, continuing operations

Consolidated net sales for October-December decreased by 8.7%, totalling EUR 22.5 million (EUR 24.6 million). Without Talentum HR AB, which was sold in December 2011, net sales decreased by 3.9%. The exchange rate of the Swedish krona against the euro had a positive impact of EUR 0.4 million on net sales.

Consolidated operating income without non-recurring items was EUR 2.4 million (EUR 1.9 million). Non-recurring items for October-December amounted to EUR -0.1 million (EUR 3.0 million) and included expenses related to the personnel reductions. In the year of comparison, non-recurring costs included also the loss resulting from the sale of Talentum HR AB.

Consolidated operating income for October-December was EUR 2.6 million (EUR -1.1 million) and 11.4% (-4.6%) of net sales. Net financial expenses amounted to EUR -0.1 million (EUR 0.4 million).

The exchange rate of the Swedish krona against the euro did not have a significant impact on operating income.

Income before taxes was EUR 2.7 million (EUR -1.5 million). The Group's taxes for the period under review were EUR -0.2 million (EUR -0.5 million). Consolidated income for October-December was EUR 2.5 million (EUR -2.2 million).

Consolidated net sales and income for January–December 2012, continuing operations

Consolidated net sales for January–December decreased by 7.5%, totalling EUR 77.2 million (EUR 83.5 million). Without Talentum HR AB, which was sold in December 2011, net sales decreased by 2.2%. The exchange rate of the Swedish krona against the euro had a positive impact of EUR 0.9 million on net sales.

Consolidated operating income without non-recurring items was EUR 2.4 million (EUR 2.6 million). Non-recurring items for January–December amounted to EUR 2.9 million (EUR 3.1 million) and included expenses related to the personnel reductions and reorganisation. In the year of comparison, non-recurring costs included the loss of EUR 2.6 million resulting from the sale of Talentum HR AB as well as personnel reduction costs of EUR 0.5 million. Measures related to reorganization have now been completed. The objective of the negotiations is an annual cost reduction of approximately EUR 4.5 million as of 2013. It was estimated that in the current year savings of approximately EUR 2 million will be realized and the estimate will be reached.

Consolidated operating income for January–December was EUR -0.5 million (EUR -0.4 million) and -0.7% (-0.5%) of net sales. Net financial expenses amounted to EUR 0.6 million (EUR 0.8 million).

The exchange rate of the Swedish krona against the euro did not have a significant impact on operating income.

Income before taxes was EUR -1.2 million (EUR -1.2 million). The Group's taxes for the period under review were EUR 0.7 million (EUR -0.6 million). The Group's taxes were reduced, among other things, by the deferred tax assets recognised for the tax losses carried forwards as well as by the decrease in deferred tax liabilities as a consequence of the change in tax rates in Sweden. Consolidated income for January–December was EUR -0.5 million (EUR -1.8 million).

Short-term risks for the business

The changes in general economic development will affect Talentum's revenue and revenue structure. Traditionally, about 40% of consolidated net sales are dependent on advertising, particularly in the B2B sector, which is sensitive to economic conditions. Under the present economic conditions, the share of advertising is about 33% (36%) of net sales. The most economically sensitive component of advertising revenue is job advertising.

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

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

Book readers will probably start using digital materials. If income from these materials does not cover income from traditional printed products to an adequate extent, this may result in weaker profitability for the Books and Legal Training segment.

The expansion of the operations of the event business to other Nordic countries involves a certain amount of risk. If, contrary to expectations, the growth plans were to remain unrealised, this could result in a temporary decrease in profitability.

With the growth of the Group's international operations, the consolidated profit and loss account and balance sheet are increasingly exposed to the effects of exchange rate fluctuations. The companies' operations are local and language-area-bound by nature, and there are very few currency-denominated transactions. The profit and loss account and balance sheet have not been hedged against exchange rate fluctuations.

Cash flow, financial position and balance sheet for the Group

The cash flow from business operations in January–December was lower than in the previous year mainly due to the non-recurring expenses included in the income for the period under review. The consolidated cash flow from continuing operations was EUR 1.0 million (EUR 4.6 million). The change in consolidated working capital from continuing operations was EUR 0.1 million (EUR 1.9 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 13.6 million (EUR 16.8 million). The received advance fees on the balance sheet's receivables at the end of December include subscription fee advances of EUR 4.8 million for Talentum's magazines, of which EUR 1.1 million is included in non-current receivables and EUR 3.7 million in current receivables.

The consolidated balance sheet total at the end of the period under review stood at EUR 55.0 million (EUR 57.3 million). The Group's interest-bearing loans and borrowings amounted to EUR 4.6 million (EUR 1.2 million). The Group's liquid assets were EUR 3.5 million (EUR 2.6 million). Interest-bearing net liabilities were EUR 1.1 million (EUR -1.5 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12 million. EUR 4.4 million of the limit was in use at the end of the period under review (EUR 0.8 million was in use on 31 December 2011).

During the spring 2012, the Group reassessed its financing needs. As a consequence of the assessment, the previous financing limits (EUR 22.0 million in total) were deemed unnecessary and discontinued.

The equity ratio at the end of the period under review was 48.2% (54.1%). The Group's equity per share was EUR 0.46 (EUR 0.50). 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 2012, the translation difference in the Group's equity was EUR 1.4 million. The change for January–December was EUR 1.1 million (positive).

Investments

The gross investments of continuing operations in tangible and intangible assets for January–December totalled EUR 1.6 million (EUR 1.4 million), which is 2.1% (1.7%) of net sales.

Changes in Group structure

The construction information business sold in August 2011 is presented as discontinued operations for the comparative year.

The figures for Talentum HR AB, which was sold in December 2011, are included in continuing operations for the comparative year.

Personnel

In January–December, Talentum Group's continuing operations employed an average of 754(754) people. Geographically, personnel were divided as follows: Finland 412(415), Sweden 129(162), Denmark 14(11), Latvia 103(72), Estonia 88(86) and Russia 8(8).

On 30 January 2012, the company started negotiations with personnel representatives to reduce personnel. The negotiations were concluded on 21 March 2012, and they covered the personnel of Talentum Oyj and Talentum Media Oy in Finland and the magazine business personnel in Sweden, a total of about 330 people. In order to adapt operations and costs, personnel reductions corresponding to a total of about 40 man-years were made for Finland's publishing operations, the parent company and the Magazine Business Sweden segment. The negotiations were concluded on 21 March 2012.

Separate stock exchange releases on the personnel reductions were issued on 30 January 2012 and 21 March 2012.

KEY FINANCIAL FIGURES, CONTINUING OPERATIONS

EUR million	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Net sales				
Magazines Finland	7.2	7.9	27.3	30.2
Magazines Sweden	6.6	6.9	23.1	25.0
Events	3.1	2.7	11.0	8.9
Books and Legal Training	3.5	4.2	8.4	9.1
Direct Marketing	3.0	2.5	11.2	9.1
Other activities	-0.9	0.4	-3.8	1.2
Total	22.5	24.6	77.2	83.5
Operating income without non-recurring items				
Magazines Finland	0.7	0.4	1.6	2.4
Magazines Sweden	0.7	0.5	1.7	2.4
Events	-0.1	-0.1	-0.7	-0.6
Books and Legal Training	1.3	1.4	1.0	0.8
Direct Marketing	0.4	0.4	1.4	1.2
Other activities	-0.6	-0.8	-2.6	-3.5
Total	2.4	1.9	2.4	2.6
Non-recurring items				
Magazines Finland	0.0	-	1.0	-
Magazines Sweden	-0.2	-0.1	1.0	-0.1
Events	-	-	0.0	-
Books and Legal Training	-	-	0.4	-
Direct Marketing	-	-	-	-
Other activities	-	2.8	0.6	3.1
Total	-0.1	3.0	2.9	3.1
Operating income				
Magazines Finland	0.7	0.3	0.6	2.3
Magazines Sweden	0.9	0.4	0.8	2.5
Events	-0.1	-0.1	-0.7	-0.6
Books and Legal Training	1.3	1.4	0.5	0.8
Direct Marketing	0.4	0.4	1.4	1.2
Other activities	-0.6	-3.6	-3.2	-6.7
Total	2.6	-1.1	-0.5	-0.4

Magazine Business Finland

Financial development for periodicals is reported in the Magazine Business Finland segment. The magazines with the highest circulation are Talouselämä and Tekniikka & Talous.

October-December

Net sales from Magazine Business Finland for October-December amounted to EUR 7.2 million (EUR 7.9 million), a decrease of 8.7% from the previous year.

Operating income from Magazine Business Finland was EUR 0.7 million (EUR 0.3 million). Operating income from Magazine Business Finland without non-recurring items was EUR 0.7 million (EUR 0.4 million).

In October-December, advertising revenue decreased by 19.6% from the previous year. The share of advertising revenue in net sales from Magazine Business

Finland totalled 42.2% (47.9%).

January-December

Net sales from Magazine Business Finland for January-December amounted to EUR 27.3 million (EUR 30.2 million), a decrease of 9.7% from the previous year.

Operating income from Magazine Business Finland was EUR 0.6 million (EUR 2.3 million). Operating income from Magazine Business Finland without non-recurring items was EUR 1.6 million (EUR 2.4 million).

In January-December, advertising revenue decreased by 19.9% from the previous year. The share of advertising revenue in net sales from Magazine Business Finland totalled 42.6% (48.0%).

MAGAZINE BUSINESS FINLAND REVENUE, CONTINUING OPERATIONS

EUR million	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Net sales				
Advertisement revenue	3.0	3.8	11.6	14.5
Circulation revenue	4.0	4.0	15.3	15.4
Other revenue	0.1	0.1	0.4	0.3
Total	7.2	7.9	27.3	30.2

Magazine Business Sweden

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

October-December

Net sales from Magazine Business Sweden for October-December amounted to EUR 6.6 million (EUR 6.9 million), a decrease of 5.3% from the previous year.

Operating income from Magazine Business Sweden was EUR 0.9 million (EUR 0.4 million). Operating income from Magazine Business Sweden without non-recurring items was EUR 0.7 million (EUR 0.5 million).

In October-December, advertising revenue decreased by 10.1% from the previous year. The share of advertising revenue in net sales from Magazine Business Sweden totalled 60.5% (63.6%).

January-December

Net sales from Magazine Business Sweden for January-December amounted to EUR 23.1 million (EUR 25.0 million), a change of -7.4% from the previous year.

Operating income from Magazine Business Sweden was EUR 0.8 million (EUR 2.5 million). Operating income from Magazine Business Sweden without non-recurring items was EUR 1.7 million (EUR 2.4 million.)

In January-December, advertising revenue decreased by 12.3% from the previous year. The share of advertising revenue in net sales from Magazine Business Sweden totalled 58.9% (62.2%).

MAGAZINE BUSINESS SWEDEN REVENUE, CONTINUING OPERATIONS

EUR MILLION	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Net sales				
Advertisement revenue	4.0	4.4	13.6	15.5
Circulation revenue	2.5	2.5	9.0	9.1
Other revenue	0.1	0.1	0.5	0.3
Total	6.6	6.9	23.1	25.0

Events

Financial development for the event business in Finland, Sweden and Denmark is reported in the Events segment.

October-December

Net sales from Events for October-December amounted to EUR 3.1 million (EUR 2.7 million), an increase of 12.9% from the previous year.

Operating income from Events was EUR -0.1 million (EUR -0.1 million). Operating income from Events was affected by the EUR 0.1 million (EUR 0.1 million) amortisation of intangible assets due to business acquisitions. In conjunction with the acquisition of the event business (former IIR Finland Oy), a receivable related to a non-compete undertaking was recorded, and the resulting cost entry, which weakens the result, is EUR 0.1 million (EUR 0.1 million).

January-December

Net sales from Events for January-December amounted to EUR 11.0 million (EUR 8.9 million), an increase of 23.4% from the previous year.

Operating income from Events was EUR -0.7 million (EUR -0.6 million). Operating income from Events was affected by the EUR 0.2 million (EUR 0.2 million) amortisation of intangible assets due to corporate acquisitions. In conjunction with the acquisition of the event business (former IIR Finland Oy), a receivable related to a non-compete undertaking was recorded, and the resulting cost entry, which weakens the result, is EUR 0.3 million (EUR 0.3 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.

October-December

Net sales from Books and Legal Training for October-December amounted to EUR 3.5 million (EUR 4.2 million), a decrease of 17.2% from the previous year.

Operating income was EUR 1.3 million (EUR 1.4 million). Operating income from Books and Legal Training without non-recurring items was EUR 1.3 million (EUR 1.4 million).

January-December

Net sales from Books and Legal Training for January-December amounted to EUR 8.4 million (EUR 9.1 million), a decrease of 7.6% from the previous year.

Operating income was EUR 0.5 million (EUR 0.8 million). Operating income from Books and Legal Training without non-recurring items was EUR 1.0 million (EUR 0.8 million).

Direct Marketing

Financial development for the direct marketing business is reported in the Direct Marketing segment. Talentum's subsidiary Suoramarkkinointi Mega Oy's operations in Finland and the Baltic countries belong to this segment. The company operates in the telemarketing business.

October-December

Net sales from Direct Marketing for October-December amounted to EUR 3.0 million (EUR 2.5 million), an increase of 22.3% from the previous year.

Operating income was EUR 0.4 million (EUR 0.4 million).

January-December

Net sales from Direct Marketing for January-December amounted to EUR 11.2 million (EUR 9.1 million), an increase of 22.6% from the previous year.

Operating income was EUR 1.4 million (EUR 1.2 million).

Other Activities

The Other Activities segment comprises Group operations as well as the Russian subsidiary Conseco Press. The Other Activities segment includes also the Group's share of the income of the associated company Professio Oy. In 2011, Other Activities also included Talentum HR AB, which was sold in December 2011.

October-December

The Group's share of the income of the associated company Professio Oy was EUR -0.0 million (EUR 0.2 million).

January-December

The Group's share of the income of the associated company Professio Oy was EUR 0.2 million (EUR 0.2 million).

TALENTUM GROUP

Shares and share capital

On 31 December 2012, 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 2,324,863 Talentum shares were traded in January-December, which corresponds to 5,2 % of all shares. The highest price paid for shares in January-December was EUR 1.71, and the lowest was EUR 1.11. The closing price for the shares on 31 December 2012 was EUR 1.18. Market capitalisation at the closing price for the period was EUR 52.3 million (EUR 65.1 million).

On 31 December 2012, the company held 634,849 of its own shares, which is about 1.4% of Talentum's total shares and votes.

Shareholdings of the Board of Directors and CEO

On 31 December 2012, the number of Talentum Oyj shares and options owned by members of the Board of Directors as well as by the Chief Executive Officer, personally or through companies in which they have a controlling interest, was 46,151, representing 0.1% of the company's total shares and votes.

The number of Talentum Oyj shares owned by Talentum Management Team on 31 December 2012 is 10,710 shares.

Authorisations of the Board of Directors

Corporate governance

The AGM on 30 March 2012 decided that the number of members of the Board of Directors is five. The following people were re-elected as members of the Board: Joachim Berner, MBA, BBA; Atte Palomäki, Group Vice President Corporate Communications; Merja Strengell, MSc (Eng.); Kai Telanne, CEO and Henri Österlund, CEO.

Kai Telanne was re-elected as Chairman of the Board and Merja Strengell was re-elected as Deputy Chairman.

Fees of the members of the Board of Directors

The AGM decided that the following annual fees will be paid to the Board members: member of the Board EUR 24,000, Deputy Chairman EUR 30,000 and Chairman

EUR 48,000, and that 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 own shares held by the company.

In August 2012 the members of the Board were paid approximately 40% of the annual fee by transferring own shares held by the company. The number of own shares held by the company transferred to the members of the Board amounts to 46,151 shares. As a consequence of the transfer, the value of the Group's own shares in the Group's equity decreased by EUR 0.2 million, amounting to EUR -2.6 million on 31 December 2012. The transfer of shares resulted in a loss of EUR 0.1 million in equity, which was recognised under retained earnings.

Auditing

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

Authorisation to acquire Talentum's own 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 8% of all Talentum Oyj shares. The authorisation will remain in force until 30 June 2013.

Authorisation to decide on share issues

The Annual General Meeting authorised the Board of Directors to decide on a share issue including the conveyance of Talentum's own 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 own shares held by the company may be disposed of, which corresponds to approximately 8% of the issued shares of the company. The authorisations will remain in force until 30 June 2013.

Management Team

The Management Team consisted of the following members from January 1 to January 17, 2012. Aarne Aktan, CEO; Hanna Kivelä, Director, Nordic online & IT; Niclas Köhler, CFO; Mika Malin, Director, corporate development; Ulla Martola, Vice President, HR and Lasse Rosengren, Deputy CEO, General Counsel.

The Management Team consists of the following members as of 18 January 2012:

CEO: **Aarne Aktan** (Chairman)

CFO: **Niclas Köhler**

CEO responsible for the magazine business in Sweden: **Roger Thorén**

Director responsible for the magazine business in Finland: **Elina Yrjölä until October 31, 2012**

Director responsible for the event business: **Johan Ehrström**

Deputy CEO, General Counsel: **Lasse Rosengren**, who is also responsible for the book and legal training business in Finland.

Ms. Elina Yrjölä, Director, Magazine Business Finland resigned and was employed at Talentum until October 31, 2012. CEO Aarne Aktan has been responsible for Magazine Business Finland as of November 1, 2012.

The members of the Executive Management report to the CEO.

Flagging notifications

No flagging notifications were made in year 2012.

Motion of the Board of Directors concerning distribution of profits

The parent company's distributable profits as of 31 December 2012 comprise invested non-restricted equity of EUR 70,009,802.36, treasury shares of EUR -2,642,432.30 and EUR -14,778,121.07 of retained earnings, of which the profit for the financial period is EUR -15,757,098.14, totalling EUR 52,589,248.99.

Income for the financial year of the parent company was reduced by the impairment of shares of Talentum Media Oy, amounting EUR 15.0 million.

The Board of Directors proposes that no dividend should be distributed for 2012, and that funds should be distributed from the invested non-restricted equity reserve of EUR 0.03 per share (EUR 0.06 per share).

Annual General Meeting

The Annual General Meeting will be held in Helsinki on March 22, 2013 at 14:00.

Events after the reporting period

Talentum sent out a stock exchange release on January 1, 2013 when Accendo Capital SICAV-SIF informed that the total number of shares held by Accendo Capital SICAV-SIF exceeded the threshold of 10 per cent of Talentum Oyj's share capital and voting rights on December 28, 2012 following Accendo Capital SICAV-SIF's share purchases.

TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
CONTINUING OPERATIONS:				
Net sales	22.5	24.6	77.2	83.5
Other operating income	0.2	0.4	0.6	0.7
Materials and services	3.4	4.3	11.8	13.7
Employee benefit expenses	9.6	11.4	40.1	40.3
Depreciation, amortisation and impairment	0.3	0.4	1.3	1.7
Other operating expenses	6.8	10.3	25.4	29.3
Share of income of an associated company**	-0.0	0.2	0.2	0.2
Operating income	2.6	-1.1	-0.5	-0.4
Financial income	0.3	0.1	0.7	1.0
Financial expenses	0.2	0.5	1.3	1.7
Income before taxes	2.7	-1.5	-1.2	-1.2
Taxes	-0.2	-0.5	0.7	-0.6
Income of the period from continuing operations	2.5	-2.0	-0.5	-1.8
DISCONTINUED OPERATIONS:				
Income for the period from discontinued operations	-	-0.2	-	7.3
Income for the period	2.5	-2.2	-0.5	5.5
Other comprehensive income:				
Translation differences	-0.4	1.6	1.1	0.2
Translation differences transferred into profit or loss	-	-0.5	-	-0.3
Available-for-sale investments	0.0	-0.0	0.0	-0.0

Income tax on available-for-sale investments	0.0	0.0	-0.0	0.0
Total comprehensive income for the period	2.0	-1.1	0.6	5.3
Income for the period attributable to:				
Owners of the parent company	2.5	-2.2	-0.5	5.5
Non-controlling interest	0.0	-0.0	0.0	-0.0
Total comprehensive income for the period attributable to:				
Owners of the parent company	2.0	-1.1	0.6	5.3
Non-controlling interest	0.0	-0.0	0.0	-0.0
Basic and diluted Earnings per share, EUR, continuing operations *	0.06	-0.05	-0.01	-0.04
Basic and diluted Earnings per share, EUR, discontinued operations *	-	-	-	0.17

* Earnings per share are calculated from the income attributable to the equity owners of the parent company.

** As of 1 August 2012, the Group presents above operating income in the consolidated profit and loss account the share of income of those associated companies that relate closely to business operations. Previously, it was presented below operating income. The information for the comparative years' periods has been adjusted accordingly.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.12.2012	31.12.2011
ASSETS		
Non-current assets		
Property, plant and equipment	1.3	1.0
Goodwill	20.2	19.7
Other intangible assets	12.9	12.4
Investments in associates	0.3	0.3
Available-for-sale investments	0.1	0.1
Deferred tax assets	1.4	1.0
Other non-current receivables	1.6	5.6
Total non-current assets	37.8	40.2
Current assets		
Inventories	0.6	0.7
Trade and other receivables	13.1	13.8
Cash and cash equivalents	3.5	2.6
Current receivables	17.2	17.2
TOTAL ASSETS	55.0	57.3
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	18.6	18.6
Treasury shares	-2.6	-2.8
Other reserves	1.5	0.4
Invested non-restricted equity	-0.2	2.4

fund		
Retained earnings	2.7	3.3
Total	19.9	21.9
Non-controlling interest	0.1	0.1
Total equity	20.0	21.9
Non-current liabilities		
Deferred tax liabilities	3.0	3.3
Non-current financial liabilities	0.1	0.1
Pension obligation	0.1	0.1
Other non-current liabilities	0.8	0.7
Non-current provisions	0.2	0.2
Total non-current liabilities	4.2	4.4
Current liabilities		
Current financial liabilities	4.5	1.1
Advances received	13.6	16.8
Trade and other payables	11.8	13.1
Current provisions	0.9	-
Total current liabilities	30.8	31.0
TOTAL EQUITY AND LIABILITIES	55.0	57.3

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-12/ 2012	1-12/ 2011
Cash flows from operating activities		
Operating income	-0.5	7.2
Adjustments to operating income*	1.1	-3.6
Change in working capital	0.2	1.9
Dividends received from business operations	0.2	0.0
Financial items and taxes	-0.0	-1.1
Net cash generated from operating activities	1.0	4.4
Cash flows from investing activities		
Previous years' acquisitions of subsidiaries and associates, net of cash acquired	-0.2	-
Previous years' disposals of subsidiaries and associates, net of cash disposed of	0.9	12.4
Acquisition of property, plant and equipment and intangible assets	-1.6	-1.4
Other cash flow from investing activities	0.0	0.1
Net cash generated from investing activities	-0.9	11.1
Cash flows from financing activities		
Change in current loans	3.4	-13.4
Dividends paid and other return of equity	-2.6	-0.9
Net cash used in financing activities	0.8	-14.3
Change in cash and cash equivalents	0.9	1.2
Cash and cash equivalents at the beginning of period	2.6	1.5

Foreign exchange adjustment	0.0	-0.1
Net change in cash and cash equivalents	0.9	1.2
Cash and cash equivalents at the end of period	3.5	2.6

* Adjustments to operating income mainly include depreciation and amortisation and non-monetary adjustments related to previous years' sale of Group companies, exchange rate differences and adjustment to associate's operating income (in comparative period also related to gain and loss on sale resulting from the sale of group companies and presented in the cash from investing activities).

Cash flows of discontinued operations

EUR million	1-12/ 2012	1-12/ 2011
Net cash generated from operating activities	-	-0.2
Net cash used in financing activities	-	11.4
Cash flows of discontinued operations	-	11.2

* Gain on the sale of discontinued operations is presented in the cash flow from investing activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a = Share capital

b = Treasury shares

c = Fair value reserve

d = Translation reserve

e = Invested non-restricted equity

fund

f = Retained earnings

g = Equity attributable to equity owners of the parent (before non-controlling interest)

h = Non-controlling interest

i = Total equity

EUR million	a	b	c	d	e	f	g	h	i
Equity on 1 January 2012	18.6	-2.8	0.0	0.3	2.4	3.3	21.9	0.1	21.9
Return of equity					-2.6		-2.6		-2.6
Conveyance of own shares		0.2				-0.1	0.1		0.1
Other items								0.0	0.0
Total other comprehensive income				1.1		-0.5	0.6	0.0	0.6
Equity on December 31 2012	18.6	-2.6	0.0	1.4	-0.2	2.7	19.9	0.1	20.0
Equity on 1 January 2011	18.6	-2.8	0.0	0.5	3.3	-2.2	17.4	0.1	17.5
Return of equity					-0.9		-0.9		-0.9
Dividends								-0.0	-0.0
Total other comprehensive			-0.0	-0.2		5.5	5.3	-0.0	5.3

items, net							
Consolidated income before taxes							-1.2

1-12/2011	Magazines Finland	Magazines Sweden	Events	Books and Legal Training	Direct Marketing	Other Activities	Total
EUR million							
External net sales	30.2	24.9	8.8	9.1	5.7	4.8	83.5
Inter-segment net sales	-	0.1	0.1	-	3.5	-3.7	0.0
Operating income	2.4	2.4	-0.6	0.8	1.2	-3.5	2.6
Segment income before taxes	2.4	2.4	-0.6	0.8	1.2	-3.5	2.6
Reconciliation:							
Segment income before taxes							2.6
Non-recurring items unallocated to the segments							-3.1
Financing items, net							-0.8
Consolidated income before taxes							-1.2

CHANGE IN SHARE QUANTITIES *

1,000 shares	1-12/2012	1-12/2011
Number of shares outstanding at period start	43,615	43,615
Number of shares outstanding at period end	43,661	43,615

* Excluding treasury shares held by the company.

For the period under review, the weighted average number of shares used in the calculation of earnings per share during the financial period is 43,631,936 (43,614,787 shares 1-12/2011).

The total number of shares issued is 44,295,787.

PERSONNEL BY SEGMENT ON AVERAGE, CONTINUING OPERATIONS

	1-12/2012	1-12/2011
Magazine Business Finland	125	144
Magazine Business Sweden	105	112
Events	88	78

Books and Legal training	38	44
Direct Marketing	365	314
Other activities	33	61
Total	754	754

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	31.12.2012	31.12.2011
Carrying amount at the beginning of period	1.0	1.2
Additions *	0.9	0.5
Disposals through divestments	-	-0.6
Accumulated depreciation of disposals through divestments	-	0.5
Other disposals	-1.3	-0.0
Accumulated depreciation of other disposals	1.3	0.0
Depreciation for the period	-0.6	-0.6
Translation differences	0.0	0.0
Carrying amount at the end of the period	1.3	1.0

CHANGES IN INTANGIBLE ASSETS

Eur million	31.12.2012	31.12.2011
Carrying amount at the beginning of period	32.1	46.2
Additions	0.8	0.9
Disposals through divestments	-	-16.3
Accumulated amortisation of disposals through divestments	-	2.6
Other disposals	-0.4	-0.4
Accumulated amortisation of other disposals	0.3	0.3
Amortisation for the period	-0.7	-1.4
Translation differences	0.9	0.2
Carrying amount at the end of the period	33.1	32.1

RELATED PARTY TRANSACTIONS

EUR million	1-12/2012	1-12/2011
Employee benefits for key management	1.3	1.5
Associates and joint ventures:		
Sales	1.8	1.1
Purchases	1.6	1.1
Receivables	0.4	0.2
Liabilities	0.5	0.8

GUARANTEES

EUR million	31.12.2012	31.12.2011
Guarantees posted for own commitments		
Guarantees	0.9	0.1

Calculation of key indicators

Earnings per share = Profit for the period attributable to parent company shareholders / Adjusted average number of shares at the end of the financial period

Equity per share = Equity attributable to parent company shareholders / Adjusted average number of shares at the end of the financial period

Return on invested capital, % = Income before taxes + interest and other financial expenses / Balance sheet total - non-interest-bearing liabilities (average of beginning and end of financial year) x 100

Return on equity, % = Result for the financial period / Total equity (average of beginning and end of financial year) x 100

Equity ratio, % = Total equity / Balance sheet total - advances received x 100

Gearing, % = Interest-bearing liabilities - cash and cash equivalents / Total equity x 100

Market capitalisation = Number of shares at the end of the financial period x trading price at the end of the financial period

This interim report is unaudited.

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.

Financial reporting in 2013

Financial reports will be published as follows:

January-March 2013 on April 25, 2013

January-June 2013 on July 17, 2013

January-September 2013 on October 22, 2013

Analyst and press briefing

A briefing for Q4 and financial statements for will be held for analysts and press on February 13 at 11:00 am at the Talentum head office, Annankatu 34-36 B, Kamppi, Helsinki, Finland.

TALENTUM OYJ
Board of Directors

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