

2014

**FINANCIAL STATEMENT
RELEASE**

Q4 | **JANUARY-DECEMBER**
12 FEBRUARY 2015

TALENTUM OYJ FINANCIAL STATEMENT RELEASE 12 February 2015 at 8.30 a.m.

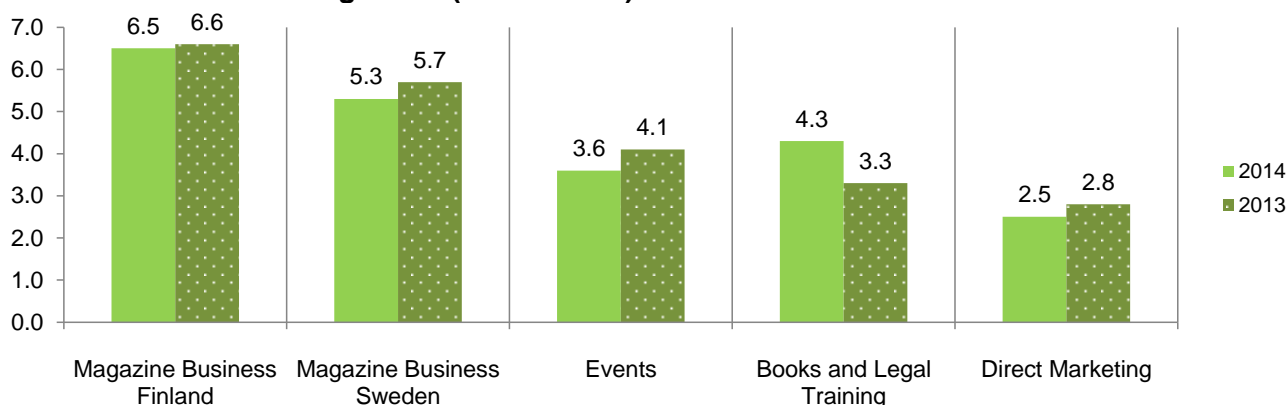
Talentum Oyj's Financial Statement Release for January-December 2014:

FINAL QUARTER TURNED OUT AS WE EXPECTED AND OPERATING INCOME FOR THE ENTIRE YEAR INCREASED CLEARLY

October-December 2014 in brief

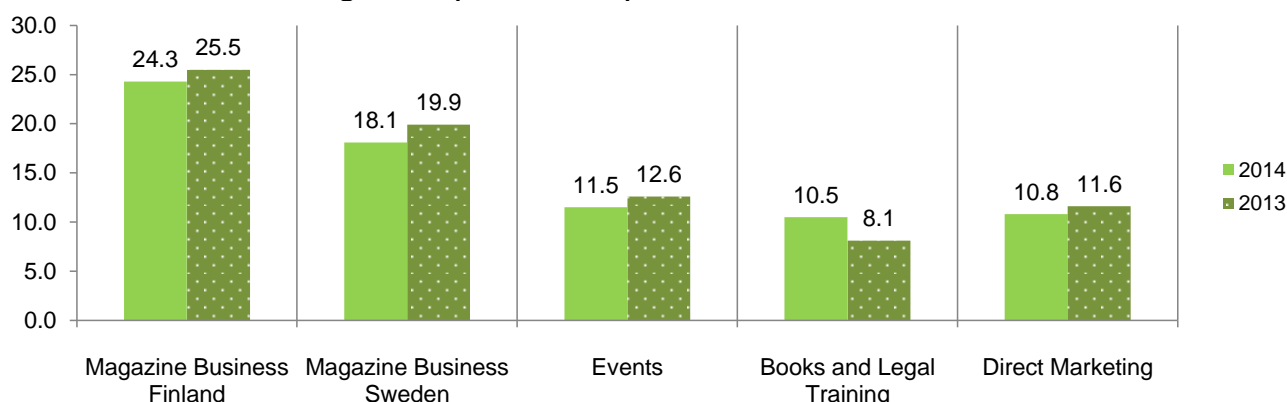
- Talentum Group's net sales totalled EUR 21.7 million (EUR 21.7 million)
- Operating income without non-recurring items was EUR 3.2 million (EUR 3.1 million) and operating income (EBIT) was EUR 3.3 million (EUR 1.6 million)
- Final, important quarter for Books and Legal Training segment turned out as expected and operating income increased
- Operating income without non-recurring items from Magazine Business Sweden and the Event Business was at the previous year's level despite the decrease in net sales
- Circulation revenue from Magazine Business Finland increased, as well as Swedish krona-denominated circulation revenue in Sweden

Net sales of business segments (EUR million):



January-December 2014 in brief

- Talentum Group's net sales totalled EUR 72.3 million (EUR 74.5 million)
- Operating income without non-recurring items was EUR 4.1 million (EUR 3.1 million) and operating income (EBIT) was EUR 3.4 million (EUR 1.4 million)
- All in all, the year was good for Books and Legal Training segment and the B2B business acquired from Sanoma Pro has been integrated successfully into the segment's other operations
- Operating income from Magazine Business Sweden and the Event Business increased
- Operating income from Magazine Business Finland decreased due to the decrease in media sales. However, circulation revenue increased.
- Net interest-bearing liabilities remained at low level EUR 0.7 million (EUR 0.8 million)
- Earnings per share was 0.06 (0.03)

Net sales of business segments (EUR million):

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).

FINANCIAL FIGURES

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Net sales	21.7	21.7	72.3	74.5
Operating income without non-recurring items	3.2	3.1	4.1	3.1
<i>as % of net sales</i>	14.6	14.3	5.7	4.1
Operating income	3.3	1.6	3.4	1.4
<i>as % of net sales</i>	15.0	7.6	4.8	1.8
Income before taxes	3.5	2.0	3.8	1.6
Net cash from operating activities			4.4	3.3
Total assets			51.8	49.8
Investments	0.3	0.2	4.2	1.5
<i>as % of net sales</i>	1.4	1.1	5.8	2.0

Chief Executive Officer Aarne Aktan:

"Group's operating income increased clearly in 2014 compared to previous year. We focused on digital sales and considering the circumstances we can be satisfied with its development. On annual level digital sales increased 24.5% compared to previous year. In the fourth quarter, digital sales amounted to EUR 2.8 million, of which EUR 1.8 million accumulated from Finland and EUR 0.9 million from Sweden. 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.

Performance of the Books and Legal Training segment was good. The B2B business acquired from Sanoma Pro last April has been integrated as planned into the Books and Legal Training segment's other operations. Thanks to improved profitability, the segment's product development and operating conditions have improved and we will launch more new products and solutions in the ongoing year than previously.

Enhancing Magazine Business Sweden has begun but measures to enhance the business will be continued further. In the final quarter, operating income from Magazine Business Sweden was at the reference period's level despite a decrease in net sales. 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. In the ongoing year, we will especially focus on developing digital services and solutions in Sweden. Our main objective is to further improve profitability.

In the final quarter, operating income from Magazine Business Finland decreased slightly compared to the reference period. Circulation sales was good in the final quarter, as well as during the year as a whole. Advertising sales has suffered from the difficult market conditions, which is reflected in the segment's net sales and profit development. We expect the strong increase in the sales of digital services to continue in the ongoing year.

In the final quarter, operating income from the Event Business remained at the reference period's level. The primary objective for the segment in 2014, improving profitability, was achieved partially and operating income increased compared to the previous year. The changes made during the financial year to the segment's product offering will also improve operating conditions in the ongoing year. We focused event offering and reorganized sales functions to better provide the customer with a continuance regarding the event.

Operating income from Direct Marketing decreased slightly in the final quarter and in the year as a whole.

Group's solid financial position enables making strategic investments in the future."

KEY FIGURES

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Return on invested capital % *			17.5	10.2
Return on equity %			14.7	6.0
Equity ratio, %			47.2	47.4
Gearing ratio, % (net debt to equity)			3.8	4.4
Interest-bearing liabilities			5.4	5.1
Net interest-bearing liabilities			0.7	0.8
Personnel on average			721	750
Earnings per share, EUR	0.06	0.03	0.06	0.03
Cash flow from operating activities per share, EUR			0.10	0.08
Equity per share, EUR			0.43	0.43

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

Talentum 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 net sales and income for October-December 2014

Consolidated net sales for October-December decreased by 0.2%, totalling EUR 21.7 million (EUR 21.7 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 0.3 million on net sales.

Consolidated operating income without non-recurring items was EUR 3.2 million (EUR 3.1 million). Non-recurring items for October-December, which amounted to EUR 0.1 million (EUR -1.5 million), consisted mostly of items relating to reorganisation of Magazine Business Sweden and the Event Business.

Consolidated operating income for October-December was EUR 3.3 million (EUR 1.6 million) and

15.0% (7.6%) of net sales. Financial items were EUR 0.3 million (EUR 0.3 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 3.5 million (EUR 2.0 million). The Group's taxes for the period under review were EUR -1.0 million (EUR -0.5 million). Consolidated income for October-December was EUR 2.5 million (EUR 1.5 million).

Consolidated net sales and income for January-December 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.

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.

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).

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

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).

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.

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.

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Net sales				
Magazines Finland	6.5	6.6	24.3	25.5
Magazines Sweden	5.3	5.7	18.1	19.9
Events	3.6	4.1	11.5	12.6
Books and Legal Training	4.3	3.3	10.5	8.1
Direct Marketing	2.5	2.8	10.8	11.6
Other Activities	-0.6	-0.7	-3.0	-3.1
Total	21.7	21.7	72.3	74.5
Operating income without non-recurring items				
Magazines Finland	0.8	1.0	2.5	3.0
Magazines Sweden	0.5	0.5	0.2	-0.2
Events	0.5	0.5	0.2	-0.4
Books and Legal Training	1.2	1.0	1.3	0.7
Direct Marketing	0.2	0.3	1.0	1.2
Other Activities	-0.1	-0.1	-1.1	-1.2
Total	3.2	3.1	4.1	3.1
Non-recurring items				
Magazines Finland	-0.2	-	-0.2	-0.0
Magazines Sweden	0.1	-1.5	-0.3	-1.6
Events	-0.1	-	-0.1	-0.0
Books and Legal Training	0.2	-0.0	-0.1	-0.0
Direct Marketing	-	-	-	0.1
Other Activities	0.0	0.0	0.0	-0.1
Total	0.1	-1.5	-0.7	-1.7
Operating income				
Magazines Finland	0.6	1.0	2.4	3.0
Magazines Sweden	0.6	-1.0	-0.2	-1.8
Events	0.4	0.5	0.0	-0.5
Books and Legal Training	1.4	1.0	1.2	0.7
Direct Marketing	0.2	0.3	1.0	1.2
Other Activities	-0.0	-0.1	-1.0	-1.2
Total	3.3	1.6	3.4	1.4

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 Mediutiset Ab.

October-December

Net sales for the Magazine Business Finland for October-December amounted to EUR 6.5 million (EUR 6.6 million), a decrease of 1.7% from the previous year.

In October-December, operating income (EBIT) from the Magazine Business Finland was EUR 0.6 million (EUR 1.0 million). In October-December, operating income without non-recurring items from the Magazine Business Finland was EUR 0.8 million (EUR 1.0 million).

In October-December, advertising revenue decreased by 15.1% from the previous year. Advertising revenue accounted for 32.7% (37.9%) of net sales in the Magazine Business Finland.

In October-December, circulation revenue increased by 7.1% from the previous year. Circulation revenue accounted for 66.3% (60.9%) of net sales in the Magazine Business Finland.

The Group's share of the joint venture Oy Mediutiset Ab's income in October-December was EUR 0.1 million (EUR 0.1 million).

January-December

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 Mediutiset Ab's income in January-December was EUR 0.1 million (EUR 0.1 million).

Magazine Business Finland revenue

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Net sales				
Advertising revenue	2.1	2.5	8.4	9.6
Product advertising	1.8	2.2	7.0	7.9
Recruitment advertising	0.3	0.3	1.4	1.7
Circulation revenue	4.3	4.0	15.7	15.6
Other revenue	0.1	0.1	0.3	0.3
Total	6.5	6.6	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.

October-December

Net sales for the Magazine Business Sweden for October-December amounted to EUR 5.3 million (EUR 5.7 million), a decrease of 6.0% from the previous year.

In October-December, operating income (EBIT) from the Magazine Business Sweden was EUR 0.6 million (EUR -1.0 million). In October-December, operating income without non-recurring items from the Magazine Business Sweden was EUR 0.5 million (EUR 0.5 million).

In October-December, advertising revenue decreased by 10.7% from the previous year. Advertising revenue accounted for 51.3% (54.0%) of net sales in the Magazine Business Sweden.

In October-December, circulation revenue increased by 1.9% from the previous year, the krona-denominated increase was stronger. Circulation revenue accounted for 45.2% (41.7%) of net sales in the Magazine Business Sweden.

January-December

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	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Net sales				
Advertising revenue	2.7	3.1	9.2	10.5
Product advertising	1.7	1.9	5.2	6.1
Recruitment advertising	1.1	1.2	4.0	4.4
Circulation revenue	2.4	2.4	8.5	8.9
Other revenue	0.2	0.2	0.4	0.6
Total	5.3	5.7	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.

October-December

Net sales for the Event Business segment for October-December amounted to EUR 3.6 million (EUR 4.1 million), a decrease of 12.4% from the previous year.

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

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

January-December

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.

October-December

Net sales for the Books and Legal Training segment for October-December amounted to EUR 4.3 million (EUR 3.3 million), an increase of 33.0% from the previous year.

In October-December, operating income (EBIT) was EUR 1.4 million (EUR 1.0 million). In October-December, operating income without non-recurring items from the Books and Legal Training segment was EUR 1.2 million (EUR 1.0 million).

January-December

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.

October-December

Net sales for the Direct Marketing business for October-December amounted to EUR 2.5 million (EUR 2.8 million), a decrease of 8.0% from the previous year.

In October-December, operating income (EBIT) was EUR 0.2 million (EUR 0.3 million).

January-December

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 October-December was EUR -0.0 million (EUR -0.0 million) and in January-December EUR 0.0 million (EUR 0.0 million).

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 period under review 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 period under review (EUR 4.5 million was in use on 31 December 2013).

The equity ratio at the end of the period under review 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).

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.

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.

Seasonal variation and short-term risks for the business

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 net sales. Historically, income for the third period is negative. Operations are generally at their busiest in the final quarter.

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.

TALENTUM GROUP

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.

Board of Directors

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.

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.

Fees of the members of the Board of Directors

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.

Auditing

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

Authorisation for the acquisition of the company'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 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 own 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 own 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.

Executive management

The composition of the executive management team is as follows:

- Chief Executive Officer: **Aarne Aktan** (Chairman). CEO is also responsible for the Magazine Business in Sweden.
- Chief Financial Officer: **Niclas Köhler**
- Deputy CEO, General Counsel: **Lasse Rosengren**. Mr Rosengren is also responsible for the Books and Legal Training segment.
- Director responsible for the Event Business: **Tapio Teppo**
- Director responsible for the Magazine Business in Finland: **Tuomas Hämäläinen**

The members of the executive management team report to the CEO.

Stock option plan to Talentum Management

On March 22, 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 euro 1.50 and for the options 2013 B euro 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.

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.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred after the financial year.

TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12 2014	10-12 2013*	1-12 2014	1-12 2013*
Net sales	21.7	21.7	72.3	74.5
Other operating income	0.4	0.5	0.7	1.1
Materials and services	2.9	3.0	10.0	10.6
Employee benefit expenses	8.8	10.7	34.5	37.5
Depreciation, amortisation and impairment	0.3	0.3	1.3	1.3
Other operating expenses	6.8	6.6	24.0	25.1
Share of income of associated companies and joint ventures	0.1	0.1	0.2	0.3
Operating income	3.3	1.6	3.4	1.4
Financial income	0.3	0.4	0.8	1.1
Financial expenses	0.0	0.1	0.4	0.8
Income before taxes	3.5	2.0	3.8	1.6
Taxes	-1.0	-0.5	-1.1	-0.5
Income for the period	2.5	1.5	2.8	1.2
Other comprehensive income				
Items that may be later transferred into profit or loss				
Translation differences	-0.7	-0.6	-1.6	-0.9
Available-for-sale investments transferred into profit or loss	-	-	-	-0.0
Items that will not be later transferred into profit or loss				
Actuarial gain or loss on defined benefit pension obligation	0.4	0.0	0.3	0.0
Income tax on actuarial gain or loss	-0.1	-0.0	-0.1	-0.0
Other comprehensive income	-0.4	-0.6	-1.3	-0.9
Total comprehensive income for the period	2.2	0.8	1.5	0.3
Income for the period attributable to				
Owners of the parent company	2.5	1.4	2.8	1.1
Non-controlling interest	0.0	0.0	0.0	0.0
Total comprehensive income for the period attributable to				
Owners of the parent company	2.1	0.8	1.5	0.2
Non-controlling interest	0.0	0.0	0.0	0.0
Basic and diluted earnings per share, EUR**	0.06	0.03	0.06	0.03

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.12.2014	31.12.2013	1.1.2013*
ASSETS			
Non-current assets			
Property, plant and equipment	0.9	1.2	1.3
Goodwill	20.1	19.8	20.2
Other intangible assets	14.2	12.8	12.9
Investments in associates and joint ventures	0.5	0.5	0.5
Available-for-sale investments	0.0	0.0	0.1
Deferred tax assets	0.7	1.2	1.4
Other non-current receivables	0.8	0.5	1.6
Total non-current assets	37.2	36.1	38.0
Current assets			
Inventories	1.0	0.6	0.6
Trade and other receivables	8.9	8.9	13.0
Cash and cash equivalents	4.7	4.3	3.5
Total current receivables	14.5	13.7	17.1
TOTAL ASSETS	51.8	49.8	55.1
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
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 fund	-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	3.2	2.9	3.0
Non-current financial liabilities	0.8	-	0.1
Pension obligation	0.1	0.3	0.3
Other non-current liabilities	0.0	0.1	0.8
Non-current provisions	0.2	0.2	0.2
Total non-current liabilities	4.4	3.6	4.5
Current liabilities			
Current financial liabilities	4.5	5.1	4.6
Advances received	11.9	10.2	13.5
Trade and other payables	11.6	11.6	11.8
Current provisions	0.5	0.5	1.0
Total current liabilities	28.6	27.5	31.0
TOTAL EQUITY AND LIABILITIES	51.8	49.8	55.1

* Consolidated statement of financial position on 1.1.2013 is presented due to the Group has adopted on 1 January 2014 the new IFRS 10 and 11 -standards, which have been applied retrospectively in accordance with IAS 8

CONSOLIDATED STATEMENT OF CASH FLOW

EUR million	1-12 2014	1-12 2013
Cash flows from operating activities		
Operating income	3.4	1.4
Adjustments to operating income*	-0.3	0.5
Change in working capital	1.6	1.4
Dividends received from business operations	0.2	0.2
Financial items and taxes	-0.6	-0.1
Net cash generated from operating	4.4	3.3
Cash flows from investment activities		
Acquisition of businesses	-1.5	-0.2
Acquisition of property, plant and equipment and intangible assets	-1.0	-1.5
Loan receivables granted and repaid	-0.2	-
Disposal of available for sale investments	-	0.1
Net cash generated from investment	-2.7	-1.7
Cash flows from financing activities		
Change in current loans	-1.1	0.5
Change in non-current loans	1.3	-
Dividends paid and other return on equity	-1.8	-1.3
Sales of treasury shares	0.5	-
Acquisition of treasury shares	-0.2	-
Net cash used in financing activities	-1.3	-0.8
Change in cash and cash equivalents	0.4	0.8
Cash and cash equivalents in the beginning of the period	4.3	3.5
Foreign exchange adjustment	-0.0	-0.0
Change in cash and cash equivalents	0.4	0.8
Cash and cash equivalents at the end of the period	4.7	4.3

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

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

h = Non-controlling interest

i = Total equity

EUR million	a	b	c	d	e	f	g	h	i
Equity 1 January 2014	18.6	-2.4	-	0.6	-1.5	3.4	18.6	0.1	18.7
Dividend distribution						-1.8	-1.8		-1.8
Sales of treasury shares		1.7				-1.2	0.5		0.5
Acquisition of treasury shares		-0.2					-0.2		-0.2
Management's incentive plan						0.0	0.0		0.0
Other items						-0.0	-0.0	0.0	-
Total comprehensive income for the period				-1.6		3.0	1.5	0.0	1.5
Equity 31 December 2014	18.6	-0.9	-	-1.0	-1.5	3.5	18.7	0.1	18.8
Equity 31 December 2012	18.6	-2.6	0.0	1.4	-0.2	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 1 January 2013	18.6	-2.6	0.0	1.4	-0.2	2.5	19.7	0.1	19.7
Return on equity					-1.3		-1.3		-1.3
Conveyance of treasury shares		0.2				-0.2	0.1		0.1
Other items						-0.0	-0.0	0.0	-0.0
Total comprehensive income for the period			-0.0	-0.9		1.1	0.2	0.0	0.3
Equity 31 December 2013	18.6	-2.4	-	0.6	-1.5	3.4	18.6	0.1	18.7

NOTES

In the preparation of this financial statement release, Talentum has applied the same principles as in the financial statements for 2013, and those new and revised IFRS-standards that have been described in the financial statements for 2013. Among the new IFRS-standards *IFRS 11 Joint Arrangements* and *IFRS 10 Consolidated Financial Statements* had effect on the financial statement release.

Adoption of IFRS 11 Joint Arrangements

As a consequence of adoption of IFRS 11 the joint venture Oy Mediutiset Ab is consolidated by equity method of consolidation. Previously Oy Mediutiset Ab was consolidated by proportional method of consolidation. In this financial statement release, all figures for the comparative periods have been adjusted to meet the requirements of the new standard.

Adoption of IFRS 10 Consolidated Financial Statements

Talentum has assessed the effects of IFRS 10, adopted on 1 January 2014, on the preparation of the consolidated financial statements. As a consequence of the adoption of the standard Talentum decided to change the consolidation method of Consecro Press in the way, that Consecro Press is consolidated as an associated company by equity method of consolidation. Previously Consecro Press was consolidated as a subsidiary. In this financial statement release, all figures for the comparative periods have been adjusted to meet the requirements of the new standard.

As a consequence of these changes, the statement of financial position for the comparative period on 31 December 2013 increased by EUR 0.1 million and equity decreased by EUR 0.0 million. For comparative period January-December 2013 the change decreased the net sales by EUR 1.1 million.

All figures in this financial statement release have been rounded up or down, so the sums of individual figures may differ from the totals shown.

Business acquisitions

Acquisitions of subsidiaries and businesses

Talentum'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 in January-December 2014, 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 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
Cost of an acquisition	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.

TALENTUM GROUP BY SEGMENT

1-12 2014 EUR million	Books and Legal and Direct						Total
	Mag Fi	Mag Swe	Events	Training	Marketing	Other	
External sales	24.3	18.1	11.4	10.5	8.0	0.1	72.3
Inter-segment net sales	0.1	0.1	0.1	-	2.9	-3.1	0.0
Operating income	2.5	0.2	0.2	1.3	1.0	-1.1	4.1
Segment income before taxes	2.5	0.2	0.2	1.3	1.0	-1.1	4.1
Reconciliation							
Segment income before taxes	2.5	0.2	0.2	1.3	1.0	-1.1	4.1
Non-recurring items							-0.7
Financing items, net							0.4
Consolidated income before taxes							3.8

1-12 2013 EUR million	Books and Legal and Direct						Total
	Mag Fi	Mag Swe	Events	Training	Marketing	Other	
External 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
Operating income	3.0	-0.2	-0.4	0.7	1.2	-1.2	3.1
Segment income before taxes	3.0	-0.2	-0.4	0.7	1.2	-1.2	3.1
Reconciliation							
Segment income before taxes	3.0	-0.2	-0.4	0.7	1.2	-1.2	3.1
Non-recurring items							-1.7
Financing items, net							0.3
Consolidated income before taxes							1.6

CHANGE IN SHARE QUANTITIES *

1,000 shares	1-12 2014	1-12 2013
Shares outstanding at the beginning of the period	43 722	43 661
Number of shares outstanding at the end of the period	43 963	43 722

* Excluding treasury shares held by the company

For the financial year, the weighted average number of shares used in the calculation of earnings per share is 44,007,525 (43,704,518 shares 1-12/2013).

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

PERSONNEL BY SEGMENT ON AVERAGE

	1-12 2014	1-12 2013
Magazines Finland	113	106
Magazines Sweden	82	92
Events	63	95
Books and Legal Training	49	36
Direct Marketing	382	399
Other Activities	32	22
Total	721	750

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	1-12 2014	1-12 2013
Carrying amount at the beginning of the period	1.2	1.3
Additions	0.2	0.6
Business acquisitions	0.0	-
Decreases	-2.8	-0.2
Accumulated depreciation of decreases	2.7	0.2
Depreciation for the period	-0.5	-0.6
Translation differences	-0,0	0.0
Carrying amount at the end of the period	0.9	1.2

CHANGES IN INTANGIBLE ASSETS

EUR million	1-12 2014	1-12 2013
Carrying amount at the beginning of the period	32.6	33.1
Additions	0.8	1.0
Business acquisitions	3.1	-
Decreases	-3.8	0.0
Accumulated depreciation of decreases	3.8	-
Depreciation for the period	-0.8	-0.7
Translation differences	-1.4	-0.8
Carrying amount at the end of the period	34.3	32.6

RELATED PARTY TRANSACTIONS

EUR million	1-12 2014	1-12 2013
Employee benefits for key management	1.2	1.6
Associates and joint ventures		
Sales	2.0	1.4
Purchases	2.3	2.2
Receivables	0.3	0.5
Liabilities	1.2	0.4

AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR million	1-12 2014	1-12 2013
Carrying amount at the beginning of the period	0.0	0.1
Decreases	-	-0,0
Fair value measurement	-	0.0
Carrying amount at the end of the period	0.0	0.0

Available-for-sale investments include unlisted shares. Available-for-sale investments are all denominated in euros. 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 year.

GUARANTEES

EUR million	31.12.2014	31.12.2013
Guarantees posted for own commitments		
Guarantees	1.1	1.2

Calculations 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 year

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

Return on investment, % = 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 year / 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 year x trading price at the end of the financial year

This financial statement release 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 information 2015

Talentum is planning to publish the results in 2015 as follows:

January-March result	29 April 2015
January-June result	17 July 2015
January-December result	22 October 2015

Briefing

A briefing will be held for analysts and the media on 12 February 2015 at 11.00 a.m. at Sokos Hotel Vaakuna, Asema-aukio 2, 00100, Helsinki.

TALENTUM OYJ
Board of Directors

ADDITIONAL INFORMATION

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