

**Talentum Oyj, Interim Report Q1/2013****January-March 2013 in brief**

- Talentum Group's net sales came to EUR 19.8 million (EUR 20.5 million), a decrease of 3.8%.
- Operating income without non-recurring items was EUR 0.8 million (EUR 0.3 million).
- Operating income (EBIT) was EUR 0.7 million (EUR -2.5 million).
- Magazine Business Finland's operating income was good compared to the previous year thanks to successful circulation revenue and cost control.
- Magazine Business Sweden's operating income was unprofitable due to weak advertisement revenue.
- The amount of advertising revenue in Talentum's net sales was 27.3% and the amount decreased by 20.2%.
- Talentum will launch a new portal called Talentum Summa during the second quarter in 2013 to utilize possibilities in the changing media sector.

## Net sales by business area:

- Magazine Business Finland: EUR 7.2 million (EUR 7.5 million)
- Magazine Business Sweden: EUR 5.2 million (EUR 6.2 million)
- Event Business: EUR 3.2 million (EUR 3.2 million)
- Books and Legal Training: EUR 2.0 million (EUR 2.0 million)
- Direct Marketing: EUR 3.0 million (EUR 2.7 million)

**KEY FINANCIAL FIGURES**

EUR million	1-3/2013	1-3/2012	1-12/2012
Net sales	19.8	20.5	77.2
Operating income without non-recurring items	0.8	0.3	2.2
as % of net sales	4.0	1.5	2.8
Operating income	0.7	-2.5	-0.7
as % of net sales	3.7	-12.3	-1.0
Net cash from operating activities	0.3	0.7	1.0
Total assets	56.7	61.9	55.0
Investments	0.4	0.2	1.6
as % of net sales	2.2	0.8	2.1
Return on invested capital %	0.3	-11.7	-7.8
Return on equity %	1.5	-11.2	-3.2
Equity ratio, %	405.9	39.0	47.6
Gearing ratio, % (net debt to equity)	5.7	-10.6	5.5
Interest-bearing liabilities	3.3	1.8	4.6
Net interest-bearing liabilities	1.1	-1.8	1.1
Personnel on average	770	771	754
Earnings per share, EUR	0.01	-0.05	-0.02
Cash flow from operating activities per share, EUR	0.01	0.02	0.02
Equity per share, EUR	0.44	0.39	0.45

## 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.

### **CHIEF EXECUTIVE OFFICER AARNE AKTAN:**

"Considering the circumstances our net sales developed favourably during the first quarter, especially in Finland. However, net sales and profitability in Sweden did not meet the expectations.

The general advertising market in Sweden started to decline in September 2012 and weakened further in the beginning of this year. The Swedish advertising market for professional journals decreased by 22.6 per cent in the first quarter.

The Finnish advertising market for periodicals also decreased by 16.2 per cent in the first quarter, and the general advertising market decreased by 13.3 per cent compared to the previous year. Despite the drop in net sales, our operating income from the magazine business in Finland was relatively good thanks to a 6.5% growth in circulation net sales and effective cost control. The growth of the net sales of circulation revenue is an exceptionally good achievement in today's market.

Net sales and profitability of Event Business segment remained at the previous year's level. Net sales of Books and Legal Training segment remained at the previous year's level, but the profitability improved.

Direct Marketing continued its steady growth, and profitability weakened slightly compared to the reference period.

Change in the media sector requires active product development. In the current quarter we are going to launch a new portal - Talentum Summa - to make it possible to order and purchase the online news, magazine contents and books of our company in digital format. Summa will give Talentum the opportunity to serve both its readers and advertisers in new ways."

### **Business environment and seasonal variation**

In the period from January to March, general economic uncertainty continued in both Finland and Sweden, which have a weakening effect on the business environment in the near future.

According to TNS Media Intelligence, the advertising market decreased by 13.3% in Finland and by 11.5% in Sweden (Sveriges Mediebyråer) during the first quarter of 2013. Advertising decreased by 16.2% in Finnish periodicals and by 22.6% in Swedish professional journals. In Finland online advertising revenues increased by 2.6% and by 8.0% in Sweden. Changes in the macro-economy had a generally negative impact, especially on recruitment advertising. Due to the unstable situation in the advertising market, advertising income from the magazine business in Finland and Sweden decreased, but Talentum's circulation revenue grew slightly.

Talentum actively strives to respond to the challenges of the changing business environment. Talentum is working on two major development projects, namely Talentum Summa and a project focussing on customer information management.

Talentum Summa combines Talentum's magazines, websites and business literature into one content service. In the first phase content in Finnish will be available in the service and later also in Swedish. In addition to computers, the service is available in mobile applications as well. Summa enables to offer paid digital content and to aggregate it into a new content package. The content of Talentum's Swedish magazines and websites will also be included in the service at a later stage.

In the customer information development project, individual customer databases are combined into one package and the quality of customer information is improved. The aim of the project is to offer better-targeted contents to customers as well as to create more efficient sales and marketing tools to Talentum's sales and marketing forces.

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. Profit for the third period is almost always negative. Operations are generally at their busiest in the final quarter.

### **Sector and Talentum 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 profit for January-March 2013**

Consolidated net sales for January-March decreased by 3.8%, totalling EUR 19.8 million (EUR 20.5 million). The exchange rate of the Swedish krona against the euro had a positive impact of EUR 0.2 million on net sales.

Consolidated operating income without non-recurring items was EUR 0.8 million (EUR 0.3 million). Non-recurring items for January-March, which amounted to EUR 0.1 million (EUR 2.8 million), included expenses related to past restructuring. Non-recurring expenses for the comparative period included expenses related to the personnel reductions and reorganisation started in January 2012.

Consolidated operating income for January-March was EUR 0.7 million (EUR -2.5 million) and 3.7% (-12.3%) of net sales. Net financial expenses amounted to EUR 0.3 million (EUR 0.2 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 0.4 million (EUR -2.7 million). The Group's taxes for the period under review were EUR -0.1 million (EUR 0.5 million). Consolidated income for January-March was EUR 0.3 million (EUR -2.2 million).

### **Short-term risks for the business**

Changes in general economic growth 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. In present economic conditions, the share of advertising is about 27% (36%) of net sales. The most economically sensitive component of advertising revenue is job advertising.

The Group's aim is to minimise 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 a recession.

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

Cash flow from business operations in the first quarter was lower than in the previous year following the change in working capital and in operating income. Consolidated cash flow was EUR 0.3 million (EUR 0.7 million). The change in consolidated working capital was EUR -0.3 million (EUR 3.3 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 14.2 million (for balance sheet items, the comparison date is 31 December 2012: EUR 13.6 million). The advance fees on the balance sheet at the end of March 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 56.7 million (EUR 55.0 million). The Group's interest-bearing loans and borrowing amounted to EUR 3.3 million (EUR 4.6 million). The Group's liquid assets were EUR 2.2 million (EUR 3.5 million). Interest-bearing net liabilities were EUR 1.1 million (EUR 1.1 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12 million. EUR 3.2 million of the limit was in use at the end of the period under review (EUR 4.4 million was in use on 31 December 2012).

The equity ratio at the end of the period under review was 45.9% (47.6%). The Group's equity per share was EUR 0.44 (EUR 0.45). 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 March 2013, the translation difference in the Group's equity was EUR 2.2 million. The change in the first quarter was EUR 0.8 million (positive).

### **Investments**

Gross investments in tangible and intangible assets for January-March totalled EUR 0.4 million (EUR 0.2 million), which is 2.2% (0.8%) of net sales.

### **Changes in Group structure**

There were no changes in Group structure during the period.

### **Personnel**

In January-March, Talentum Group's operations employed an average of 770 (771) people. Geographically, the personnel were divided as follows: Finland 389 (433) people, Sweden 122 (140), Denmark 16 (13), Latvia 137 (85), Estonia 99 (91) and Russia 8 (8).

### **BUSINESS AREAS**

EUR million	1-3/ 2013	1-3/ 2012	1-12/ 2012
<b>Net sales</b>			
Magazines Finland	7.2	7.5	27.3
Magazines Sweden	5.2	6.2	23.1
Events	3.2	3.2	11.0
Books and Legal Training	2.0	2.0	8.4
Direct Marketing	3.0	2.7	11.2
Other Activities	-0.9	-1.1	-3.8

<b>Total</b>	19.8	20.5	77.2
<b>Operating income without non-recurring items</b>			
Magazines Finland	0.9	-0.1	1.5
Magazines Sweden	-0.2	0.7	1.7
Events	0.1	0.1	-0.5
Books and Legal Training	0.2	0.1	1.0
Direct Marketing	0.3	0.4	1.4
Other Activities	-0.4	-0.9	-2.9
<b>Total</b>	0.8	0.3	2.2
<b>Non-recurring items</b>			
Magazines Finland	-	0.8	1.0
Magazines Sweden	0.1	1.1	1.0
Events	-	-	0.0
Books and Legal Training	-	0.4	0.4
Direct Marketing	-	-	-
Other Activities	-0.0	0.6	0.6
<b>Total</b>	0.1	2.8	2.9
<b>Operating income</b>			
Magazines Finland	0.9	-0.8	0.5
Magazines Sweden	-0.3	-0.4	0.8
Events	0.1	0.1	-0.5
Books and Legal Training	0.2	-0.3	0.5
Direct Marketing	0.3	0.4	1.4
Other Activities	-0.4	-1.5	-3.5
<b>Total</b>	0.7	-2.5	-0.7

### 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.

Net sales for the Magazine Business Finland for January-March amounted to EUR 7.2 million (EUR 7.5 million), a decrease of 3.1% from the previous year.

Operating income (EBIT) from the Magazine Business Finland was EUR 0.9 million (EUR -0.8 million). Operating income without non-recurring items from the Magazine Business Finland was EUR 0.9 million (EUR -0.1 million).

In January-March, advertising revenue decreased by 16.6% from the previous year. Advertising revenue accounted for 36.4% (42.3%) of net sales in the Magazine Business Finland.

### MAGAZINE BUSINESS FINLAND REVENUE

EUR million	1-3/ 2013	1-3/ 2012	1-12/ 2012
<b>Net sales</b>			
Advertisement revenue	2.6	3.2	11.6
Circulation revenue	4.5	4.2	15.3
Other revenue	0.1	0.1	0.4
<b>Total</b>	7.2	7.5	27.3

### **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.

Net sales for the Magazine Business Sweden for January-March amounted to EUR 5.2 million (EUR 6.2 million), a decrease of 16.0% from the previous year.

Operating income (EBIT) from the Magazine Business Sweden was EUR -0.3 million (EUR -0.4 million). Operating income without non-recurring items from the Magazine Business Sweden was EUR -0.2 million (EUR 0.7 million).

In January-March, advertising revenue decreased by 23.4% from the previous year. Advertising revenue accounted for 53.1% (58.3%) of net sales in the Magazine Business Sweden.

### **MAGAZINE BUSINESS SWEDEN REVENUE**

EUR million	1-3/ 2013	1-3/ 2012	1-12/ 2012
<b>Net sales</b>			
Advertisement revenue	2.8	3.6	13.6
Circulation revenue	2.4	2.5	9.0
Other revenue	0.0	0.1	0.5
Total	5.2	6.2	23.1

### **Event Business**

The financial development of 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 segment for January-March amounted to EUR 3.2 million (EUR 3.2 million), a decrease of 0.3% from the previous year.

Operating income for the Event Business segment was EUR 0.1 million (EUR 0.1 million). Operating income for the Event Business segment was affected by the EUR 0.1 million (EUR 0.1) amortisation of intangible assets relating to business acquisitions. In connection with the acquisition of the event business (formerly IIR Finland Oy), a receivable relating to a non-compete undertaking was recognised, and the related cost entry, which weakens the result, is EUR 0.1 million (EUR 0.1 million).

The Group's share of an associated company Professio Oy's income in January-March 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.

Net sales for the Books and Legal Training segment for January-March amounted to EUR 2.0 million (EUR 2.0 million), a decrease of 0.9% from the previous year.

Operating income was EUR 0.2 million (EUR -0.3 million). Operating income from the Books and Legal Training segment, excluding non-recurring items, was EUR 0.2 million (EUR 0.1 million).

### **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 and the Baltic countries belong to this segment. The company operates in the telemarketing business.

Net sales for the Direct Marketing business for January-March amounted to EUR 3.0 million (EUR 2.7 million), an increase of 9.0% from the previous year.

Operating income was EUR 0.3 million (EUR 0.4 million).

#### **Other Activities**

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

#### **TALENTUM GROUP**

##### **Shares and share capital**

On 31 March 2013, 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 954,577 Talentum shares were traded in January-March, which corresponded to 2.2% of the total number of shares. The highest price paid for shares in the first quarter was EUR 1.29 and the lowest was EUR 1.06. The closing price for the shares on 31 March 2013 was EUR 1.09. Market capitalisation at the closing price for the period was EUR 48.3 million (EUR 70.9 million).

On 31 March 2013, the company held 634.849 of its own shares, which is about 1.4% of Talentum's total shares and votes.

##### **Shareholding of management and governing bodies**

On 31 March 2013, 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 46.151, representing 0.1% of the company's total shares and votes.

A total of 10,710 Talentum Oyj shares were held by the management group on 31 March 2013.

##### **Corporate governance**

The AGM on 22 March 2013 decided that there should be five members of the Board of Directors. Joachim Berner, MBA, BBA; Atte Palomäki, Group Vice President Corporate Communications; Merja Strengell, MSc (Eng.); Kai Telanne, CEO; and Henri Österlund, CEO were re-elected as members of the Board.

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

##### **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 shares held by the company.

##### **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 2014.

##### **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 shares owned by the company 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 2014.

### Executive management

The composition of the executive management team is as follows:

Chief Executive Officer: **Aarne Aktan** (Chairman)

Chief Financial Officer: **Niclas Köhler**

Managing Director responsible for the Magazine Business in Sweden: **Roger Thorén**

Director responsible for the Event Business: **Johan Ehrström**

Deputy CEO, General Counsel: **Lasse Rosengren**. Mr Rosengren is also responsible for the Books and Legal Training segment in Finland.

Chief Executive Officer Aarne Aktan is also responsible for the Magazine Business in Finland.

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

### Flagging notifications

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

According to the announcement, the number of shares held by Accendo Capital SICAV-SIF increased from 4,238,220 to 4,489,920, corresponding to 10.1 per cent of Talentum Oyj's shares and voting rights.

## TABLES

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/2013	1-3/2012	1-12/2012
Net sales	19.8	20.5	77.2
Other operating income	0.1	0.2	0.6
Materials and services	2.9	3.3	11.8
Employee benefit expenses	9.5	12.5	40.3
Depreciation, amortisation and impairment	0.4	0.3	1.3
Other operating expenses	6.5	7.4	25.4
Share of income of an associated company**	0.1	0.1	0.2
Operating income	0.7	-2.5	-0.7
Financial income	0.1	0.0	0.7
Financial expenses	0.4	0.3	1.3
Income before taxes	0.4	-2.7	-1.4
Taxes	-0.1	0.5	0.7
Income for the period	0.3	-2.2	-0.7
Other comprehensive income:			
Items that may be later transferred into profit or loss:			
Translation differences	0.8	0.2	1.1
Available-for-sale investments	-	-	0.0
Income tax on available-for-sale investments	-	-	-0.0
Total comprehensive income for the period	1.1	-2.0	0.4



Income for the period attributable to:			
Owners of the parent company	0.3	-2.2	-0.7
Non-controlling interest	-0.0	0.0	0.0
Total comprehensive income for the period attributable to:			
Owners of the parent company	1.1	-2.0	0.4
Non-controlling interest	-0.0	0.0	0.0
Basic and diluted earnings per share, EUR*	0.01	-0.05	-0.02

\* Earnings per share are calculated from the income attributed 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	31.3.2013	31.3.2012	31.12.2012
ASSETS			
Non-current assets			
Property, plant and equipment	1.2	0.9	1.3
Goodwill	20.6	19.8	20.2
Other intangible assets	13.3	12.5	12.9
Investments in associates	0.4	0.4	0.3
Available-for-sale investments	0.1	0.1	0.1
Deferred tax assets	1.4	1.3	1.4
Other non-current receivables	1.6	5.5	1.6
Total non-current assets	38.7	40.6	37.8
Current assets			
Inventories	0.6	0.8	0.6
Trade and other receivables	15.2	16.9	13.1
Cash and cash equivalents	2.2	3.6	3.5
Total current receivables	18.0	21.3	17.2
TOTAL ASSETS	56.7	61.9	55.0
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	18.6	18.6	18.6
Treasury shares	-2.6	-2.8	-2.6
Other reserves	2.2	0.6	1.5
Invested non-restricted equity fund	-1.5	-0.2	-0.2
Retained earnings	2.7	1.0	2.4
Total	19.4	17.2	19.6
Non-controlling interest	0.1	0.1	0.1
Total equity	19.5	17.3	19.7
Non-current liabilities			
Deferred tax liabilities	3.1	3.3	3.0
Non-current financial	0.0	0.1	0.1

liabilities			
Pension obligation	0.3	0.2	0.3
Other non-current liabilities	0.9	0.8	0.8
Non-current provisions	0.2	0.2	0.2
Total non-current liabilities	4.6	4.6	4.5
Current liabilities			
Current financial liabilities	3.3	1.6	4.5
Advances received	14.2	17.6	13.6
Trade and other payables	14.2	19.3	11.8
Current provisions	0.9	1.5	0.9
Total current liabilities	32.6	40.0	30.8
TOTAL EQUITY AND LIABILITIES	56.7	61.9	55.0

#### CONSOLIDATED STATEMENT OF CASH FLOW

EUR million	1-3/ 2013	1-3/ 2012	1-12/ 2012
<b>Cash flows from operating activities</b>			
Operating income	0.7	-2.5	-0.7
Adjustments to operating income*	-0.1	0.1	1.3
Change in working capital	-0.3	3.3	0.2
Dividends received from business operations	0.0	-	0.2
Financial items and taxes	0.0	-0.1	-0.0
Net cash generated from operating activities	0.3	0.7	1.0
<b>Cash flows from investment activities</b>			
Previous years' acquisition of subsidiaries and associates	-	-0.2	-0.2
Previous years' disposals of subsidiaries and associates	-	-	0.9
Acquisition of property, plant and equipment and intangible assets	-0.4	-0.2	-1.6
Net cash generated from investment activities	-0.5	-0.4	-0.9
<b>Cash flows from financing activities</b>			
Change in current loans	-1.2	0.6	3.4
Dividends paid and other return on equity	0.0	0.0	-2.6
Net cash used in financing activities	-1.2	0.6	0.8
Change in cash and cash equivalents	-1.3	1.0	0.9
Cash and cash equivalents in the beginning of the period	3.5	2.6	2.6
Foreign exchange adjustment	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	2.2	3.6	3.5

\* Adjustments to operating income mainly consist of depreciation and exchange rate differences as well as the income adjustment of associated companies.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a = Share capital	f = Retained earnings
b = Treasury shares	g = Equity attributable to equity owners of the parent (before non-controlling interest)
c = Fair value reserve	h = Non-controlling interest
d = Translation reserve	i = Total equity
e = Invested non-restricted equity fund	

EUR million	a	b	c	d	e	f	g	h	i
Equity 1 January 2013	18.6	-2.6	0.0	1.4	-0.2	2.4	19.6	0.1	19.7
Return on equity					-1.3		-1.3		-1.3
Total comprehensive income for the period				0.8		0.3	1.1	0.0	1.1
Equity 31 March 2013	18.6	-2.6	0.0	2.2	-1.5	2.7	19.4	0.1	19.5
Equity 1 January 2012	18.6	-2.8	0.0	0.3	2.4	3.3	21.9	0.1	21.9
Retrospective application of IAS 19R						-0.1	-0.1		-0.1
Adjusted equity 1 January 2012	18.6	-2.8	0.0	0.3	2.4	3.2	21.8	0.1	21.9
Other items					-2.6		-2.6		-2.6
Total comprehensive income for the period				0.2		-2.2	-2.0	0.0	-2.0
Equity 31 March 2012	18.6	-2.8	0.0	0.6	-0.2	1.0	17.2	0.1	17.3

## NOTES TO THE FINANCIAL STATEMENTS

In the preparation of this interim report, Talentum has applied the same principles as in the financial statements for 2012, and those new and revised IFRS-standards that have been described in the financial statements for 2012. Among the new and revised IFRS-standards only amended of IAS 19 Employee Benefits had significant effect on the preparation of the interim report.

### Amendment to IAS 19 - Employee Benefits

According to this amendment, all actuarial gains and losses are recognised under other comprehensive income. In other words, the use of the so-called "corridor approach" is eliminated. Expected return are no longer determined, and interest return on assets are calculated using the discount rate. In this interim report, the balance sheets for the comparative periods have been adjusted to meet the requirements of the amended standard.

As a consequence of this amendment, in the balance sheet for the reference period, equity on 31 December 2012 decreased by EUR 0.3 million and pension obligations increased by EUR 0.3 million, while equity on 31 March 2012

decreased by EUR 0.1 million and pension obligations increased by EUR 0.1 million. For comparative period January-March 2012 the amendment decreased the operating income by EUR -0.0 million, and for January-December 2012 the amendment decreased the operating income by EUR -0.2 million. All figures in this report have been rounded up or down, so the sums of individual figures may differ from the totals shown.

#### TALENTUM GROUP BY SEGMENT

1-3/2013	Magazines Finland	Magazines Sweden	Events	Books and Legal Training	Direct Marketing	Other Activit ies	Total
EUR million							
External sales	7.2	5.2	3.2	2.0	2.1	-0.0	19.8
Inter-segment net sales	-	0.0	0.0	-	0.9	-0.8	0.0
Operating income	0.9	-0.2	0.1	0.2	0.3	-0.4	0.8
Segment income before taxes	0.9	-0.2	0.1	0.2	0.3	-0.4	0.8
<b>Reconciliation:</b>							
Segment income before taxes							0.8
Non-recurring items unallocated to the segments							-0.1
Financing items, net							-0.3
Consolidated income before taxes							0.4

1-3/2012	Magazines Finland	Magazines Sweden	Events	Books and Legal Training	Direct Marketing	Other Activitie s	Total
EUR million							
External sales	7.5	6.2	3.2	2.0	1.6	0.0	20.5
Inter-segment net sales	-	-	-	-	1.1	-1.1	0.0
Operating income	-0.1	-0.7	0.1	0.1	0.4	-0.9	0.3
Segment income before taxes	-0.1	-0.7	0.1	0.1	0.4	-0.9	0.3
<b>Reconciliation:</b>							
Segment income before							0.3

taxes							
Non-recurring items unallocated to the segments							-2.8
Financing items, net							-0.2
Consolidated income before taxes							-2.7

<b>1-12/2012</b>	Magazines Finland	Magazines Sweden	Events	Books and Legal Training	Direct Marketing	Other Activities	Total
EUR million							
External sales	27.3	22.9	10.9	8.4	7.4	0.3	77.2
Inter-segment net sales	-	0.2	0.1	-	3.8	-4.1	0.0
Operating income	1.5	1.7	-0.5	1.0	1.4	-2.9	2.2
Segment income before taxes	1.5	1.7	-0.5	1.0	1.4	-2.9	2.2
<b>Reconciliation:</b>							
Segment income before taxes							2.2
Non-recurring items unallocated to the segments							-2,9
Financing items, net							-0,6
Consolidated income before taxes							-1.4

#### CHANGE IN SHARE QUANTITIES \*

1,000 shares	<b>1-3/2013</b>	<b>1-3/2012</b>	<b>1-12/2012</b>
Shares outstanding at the beginning of the period	43,661	43,615	43,615
<b>Number of shares outstanding at the end of the period</b>	<b>43,661</b>	<b>43,615</b>	<b>43,661</b>

\* 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 43,614,787 (43,614,787 shares 1-3/2012).

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

**PERSONNEL BY SEGMENT ON AVERAGE**

	1-3/2013	1-3/2012	1-12/2012
Magazines Finland	109	145	125
Magazines Sweden	95	110	105
Events	97	91	88
Books and Legal Training	35	43	38
Direct Marketing	405	343	365
Other Activities	30	39	33
Total	770	771	754

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

EUR million	31.3.2013	31.3.2012	31.12.2012
Carrying amount at the beginning of the period	1.3	1.0	1.0
Additions	0.2	0.1	0.9
Decreases	0.0	-0.6	-1.3
Accumulated depreciation of decreases	-	0.6	1.3
Depreciation for the period	-0.2	-0.1	-0.6
Translation differences	0.0	0.0	0.0
Carrying amount at the end of the period	1.3	0.9	1.3

**CHANGES IN INTANGIBLE ASSETS**

EUR million	31.3.2013	31.3.2012	31.12.2012
Carrying amount at the beginning of the period	33.1	32.1	32.1
Additions	0.3	0.1	0.8
Decreases	-	-0.2	-0.4
Accumulated amortisation of decreases	-	0.2	0.3
Amortisation for the period	-0.2	-0.1	-0.7
Translation differences	0.7	0.2	0.9
Carrying amount at the end of the period	33.9	32.3	33.1

**RELATED PARTY TRANSACTIONS**

EUR million	1-3/2013	1-3/2012	1-12/2012
Employee benefits for key management	0.3	0.4	1.3
Associates and joint ventures:			
Sales	0.3	0.3	1.8
Purchases	0.6	0.5	1.6
Receivables	0.3	0.3	0.4
Liabilities	0.5	0.9	0.5

**AVAILABLE-FOR-SALE FINANCIAL ASSETS**

EUR million	31.3.2013	31.3.2012	31.12.2012
Carrying amount at the beginning of period	0,1	0,1	0,1
Additions	-	-	0,0
Decreases	-	-	-0,0
Fair value measurement	0,0	0,0	0,0

Carrying amount at the end of period	0,1	0,1	0,1
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Available-for-sale investments include both listed and unlisted shares. Available-for-sale investments are all denominated in Euros. Listed shares are valued at quoted reporting date bid price. Their fair value hierarchy level is I. The fair value of available-for-sale investments belonging into hierarchy level I is EUR 0.1 million (EUR 0.1 million). 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.

#### **GUARANTEES**

EUR million	31.3.2013	31.3.2012	31.12.2012
<b>Guarantees posted for own commitments</b>			
Guarantees	1.1	0.1	0.9

#### **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 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 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.

#### **Next interim report**

Talentum Oyj will publish its interim report for the second quarter of 2013 on 17 July 2013 and for the third quarter of 2013 on 22 October 2013.

#### **BRIEFING**

A briefing in Finnish will be held for analysts and the media today, 25 April 2013 at 11:00 at the Talentum head office, Annankatu 34-36 B, Kamppi, Helsinki, Finland. The interim statements will be presented by CEO Aarne Aktan. Welcome!

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