

2014

INTERIM REPORT

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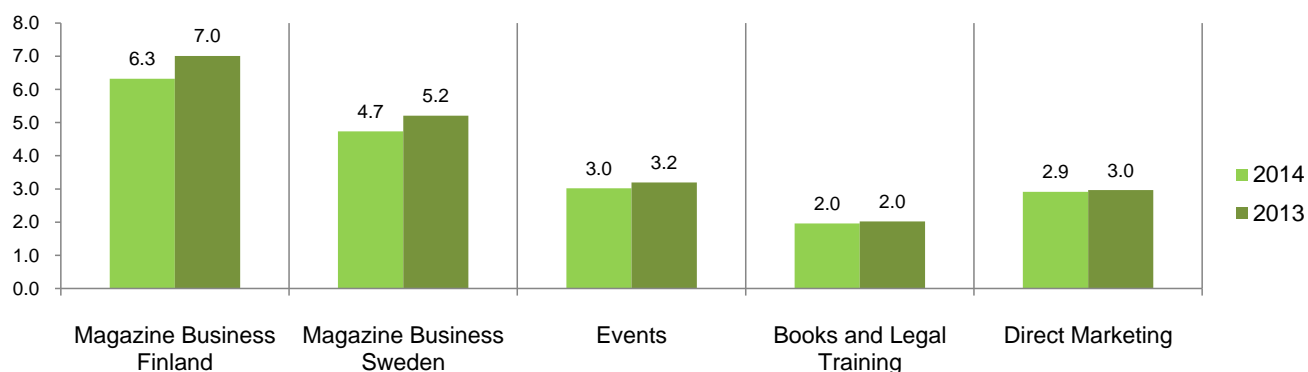
Talentum Oyj's Interim Report for January-March 2014:

GROUP'S OPERATING INCOME WITHOUT NON-RECURRING ITEMS WAS NEARLY AT PREVIOUS YEAR'S LEVEL – POSITIVE DEVELOPMENT IN MAGAZINE BUSINESS SWEDEN

January-March 2014 in brief

- Talentum Group's net sales totalled EUR 18.1 million (EUR 19.5 million)
- Operating income without non-recurring items was EUR 0.7 million (EUR 0.8 million) and operating income (EBIT) was EUR 0.4 million (EUR 0.7 million)
- Operating income without non-recurring items from Magazine Business Sweden was positive despite the decrease in net sales
- Operating income from Magazine Business Finland decreased slightly
- Operating income from the Event Business decreased, actions are ongoing to increase the profit level
- The amount of advertising revenue in Talentum's media decreased by 13.2%. The share of advertising revenue in Talentum's net sales was 25.3%.
- Talentum informed on 21 March 2014 that it will acquire Sanoma Pro's B2B business to be a part of the Books and Legal Training segment. The acquisition date will be 30 April 2014.

Net sales of business functions (EUR million):



FINANCIAL FIGURES

EUR million	1-3 2014	1-3 2013	1-12 2013
Net sales	18.1	19.5	74.5
Operating income without non-recurring items	0.7	0.8	3.1
as % of net sales	3.7	4.0	4.1
Operating income	0.4	0.7	1.4
as % of net sales	2.1	3.7	1.8
Income before taxes	0.4	0.4	1.6
Net cash from operating activities	2.0	0.3	3.3
Total assets	54.3	56.6	49.8
Investments	0.5	0.4	1.5
as % of net sales	2.5	2.2	2.0

Chief Executive Officer Aarne Aktan:

"Group's operating income without non-recurring items was nearly at previous year's level.

Enhancing performance of Magazine Business Sweden appeared in segment's operating income which improved compared to previous year despite the decrease in net sales. Product advertisement sales decreased further in Sweden compared to the reference period but recruitment advertisement remained nearly at reference period's level.

In the first quarter, profitability from Magazine Business Finland decreased slightly compared to the reference period. Circulation revenue decreased compared to previous year due to fewer publications of the major magazines during the comparative period. Product advertisement sales and recruitment advertisement decreased further in Finland compared to the reference period due to the development of the advertising market and also partially due to fewer publications.

In the first quarter, net sales and profitability from the Event Business decreased compared to the reference period. We will focus the product range and at the same time adjust the cost level with target to increase the profit level in the long run.

In the first quarter, net sales and profitability from the Books and Legal Training segment decreased slightly compared to the reference period. Net sales and profitability from Direct Marketing decreased compared to the reference period.

In March, we informed that we acquire Sanoma Pro's B2B business to be a part of the Books and Legal Training segment. The product portfolio to be transferred, whose most important products are the digital Fokus service and Verkkokirjahuily ("Online Bookshelf"), will increase the diversity of Talentum's offering and our customer base will expand at the same time. The acquisition date will be 30 April 2014.

In addition, we informed at the beginning of April, that trademarks Lakimiesliiton Kustannus and Lakimiesliiton Koulutus will transfer to Talentum's usage as of 1 January 2015. I am very pleased about the credit Lakimiesliitto has given to Talentum when at the same Talentum's position as market leader in Finland for legal service and products further strengthens.

Talentum Summa – Talentum's digital service package – will be published in Sweden later during the year 2014, and also the contents from the Swedish magazines will be included in the service.

Digital sales' share of Group's net sales amounted to EUR 1.9 million of which EUR 1.0 million accumulated from Finland and EUR 0.8 million from Sweden."

KEY FIGURES

EUR million	1-3 2014	1-3 2013	1-12 2013
Return on invested capital %	1.6	0.3	3.2
Return on equity %	2.0	1.5	6.0
Equity ratio, %	41.8	45.8	47.4
Gearing ratio, % (net debt to equity)	-5.1	6.6	4.4
Interest-bearing liabilities	4.7	3.4	5.1
Net interest-bearing liabilities	-0.9	1.3	0.8
Personnel on average	749	760	750
Earnings per share, EUR	0.03	0.01	0.03
Cash flow from operating activities per share, EUR	0.05	0.01	0.08
Equity per share, EUR	0.39	0.44	0.43

Talentum prospects for 2014

Talentum estimates that its comparable net sales for 2014 will remain approximately at the same level as in 2013 and that its comparable operating income without non-recurring items will be higher than in 2013.

Consolidated net sales and income for January-March 2014

Consolidated net sales for January-March decreased by 7.0%, totalling EUR 18.1 million (EUR 19.5 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 0.2 million on net sales.

Consolidated operating income without non-recurring items was EUR 0.7 million (EUR 0.8 million). Non-recurring items for January-March, which amounted to EUR 0.3 million (EUR 0.1 million), included items relating to reorganisation.

Consolidated operating income for January-March was EUR 0.4 million (EUR 0.7 million) and 2.1% (3.7%) of net sales. Financial items were EUR 0.0 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 0.4 million (EUR 0.4 million). The Group's taxes for the period under review were EUR -0.1 million (EUR -0.1 million). Consolidated income for January-March was EUR 0.4 million (EUR 0.3 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 4.8% in Finland and increased by 6.6% in Sweden during January-March (Sveriges Mediebyråer). Advertising decreased by 18.0% in Finnish periodicals and by 12.0% in Swedish professional journals during January-March. In Finland online advertising revenues increased by 13.1% and by 19.4% in Sweden during January-March.

EUR million	1-3 2014	1-3 2013	1-12 2013
Net sales			
Magazines Finland	6.3	7.0	25.5
Magazines Sweden	4.7	5.2	19.9
Events	3.0	3.2	12.6
Books and Legal Training	2.0	2.0	8.1
Direct Marketing	2.9	3.0	11.6
Other Activities	-0.8	-0.9	-3.1
Total	18.1	19.5	74.5
Operating income without non-recurring items			
Magazines Finland	0.6	0.8	3.0
Magazines Sweden	0.0	-0.2	-0.2
Events	-0.0	0.1	-0.4
Books and Legal Training	0.2	0.2	0.7
Direct Marketing	0.3	0.3	1.2
Other Activities	-0.3	-0.4	-1.2
Total	0.7	0.8	3.1
Non-recurring items			
Magazines Finland	-0.0	-0.0	-0.0
Magazines Sweden	-0.2	-0.1	-1.6
Events	-0.1	-	-0.0
Books and Legal Training	-0.0	-0.0	-0.0
Direct Marketing	-	-	0.1
Other Activities	0.0	0.0	-0.1
Total	-0.3	-0.1	-1.7
Operating income			
Magazines Finland	0.6	0.8	3.0
Magazines Sweden	-0.2	-0.3	-1.8
Events	-0.1	0.1	-0.5
Books and Legal Training	0.2	0.2	0.7
Direct Marketing	0.3	0.3	1.2
Other Activities	-0.3	-0.3	-1.2
Total	0.4	0.7	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.

January-March

Net sales for the Magazine Business Finland for January-March amounted to EUR 6.3 million (EUR 7.0 million), a decrease of 9.8% from the previous year.

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

In January-March, advertising revenue decreased by 13.6% from the previous year. Advertising revenue accounted for 34.4% (35.9%) of net sales in the Magazine Business Finland.

In January-March, circulation revenue decreased by 7.9% from the previous year. Circulation revenue accounted for 64.7% (63.3%) of net sales in the Magazine Business Finland.

The Group's share of the joint venture Oy Mediutiset Ab's income in January-March was EUR 0.0 million (EUR 0.0 million).

Magazine Business Finland revenue

EUR million	1-3 2014	1-3 2013	1-12 2013
Net sales			
Advertisement revenue	2.2	2.5	9.6
Product advertisements	1.7	1.9	7.9
Recruitment advertisements	0.4	0.6	1.7
Circulation revenue	4.1	4.4	15.6
Other revenue	0.1	0.1	0.3
Total	6.3	7.0	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.

January-March

Net sales for the Magazine Business Sweden for January-March amounted to EUR 4.7 million (EUR 5.2 million), a decrease of 9.1% from the previous year.

In January-March, operating income (EBIT) from the Magazine Business Sweden was EUR -0.2 million (EUR -0.3 million). In January-March, operating income without non-recurring items from the Magazine Business Sweden was EUR 0.0 million (EUR -0.2 million).

In January-March, advertising revenue decreased by 12.9% from the previous year. Advertising revenue accounted for 50.9% (53.1%) of net sales in the Magazine Business Sweden.

In January-March, circulation revenue decreased by 5.5% from the previous year. Circulation revenue accounted for 47.9% (46.1%) of net sales in the Magazine Business Sweden.

Magazine Business Sweden revenue

EUR million	1-3 2014	1-3 2013	1-12 2013
Net sales			
Advertisement revenue	2.4	2.8	10.5
Product advertisements	1.2	1.5	6.1
Recruitment advertisements	1.2	1.2	4.4
Circulation revenue	2.3	2.4	8.9
Other revenue	0.1	0.0	0.6
Total	4.7	5.2	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.

January-March

Net sales for the Event Business segment for January-March amounted to EUR 3.0 million (EUR 3.2 million), a decrease of 5.3% from the previous year.

In January-March, operating income (EBIT) from the Event Business segment was EUR -0.1 million (EUR 0.1 million).

The Group's share of the 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.

January-March

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 3.1% from the previous year.

In January-March, operating income (EBIT) was EUR 0.2 million (EUR 0.2 million). Operating income without non-recurring items from the Books and Legal Training segment was EUR 0.2 million (EUR 0.2 million) in January-March.

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.

January-March

Net sales for the Direct Marketing business for January-March amounted to EUR 2.9 million (EUR 3.0 million), a decrease of 1.8% from the previous year.

In January-March, operating income (EBIT) was EUR 0.3 million (EUR 0.3 million). Operating income without non-recurring items from the Direct Marketing was EUR 0.3 million (EUR 0.3 million).

Other activities

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

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

Consolidated cash flow and financial position

Cash flow from business operations in January-March was higher than in the previous year following the change in working capital. Consolidated cash flow from operating activities was EUR 2.0 million (EUR 0.3 million). The change in consolidated working capital was EUR 1.5 million (EUR -0.3 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 12.5 million (for balance sheet items, the comparison date is 31 December 2013: EUR 14.2 million).

The consolidated balance sheet total at the end of the period under review stood at EUR 54.3 million (EUR 49.8 million). The Group's interest-bearing loans and borrowing amounted to EUR 4.7 million (EUR 5.1 million). The Group's liquid assets were EUR 5.6 million (EUR 4.3 million). Interest-bearing net liabilities were EUR -0.9 million (EUR 0.8 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12 million. EUR 4.6 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 41.8% (47.4%). The Group's equity per share was EUR 0.39 (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 March 2014, the translation difference in the Group's equity was EUR 0.3 million. The change in January-March was EUR 0.3 million (negative).

Investments

Investments in tangible and intangible assets for January-March totalled EUR 0.5 million (EUR 0.4 million), which was 2.5% (2.2%) of net sales.

Changes in Group structure

There were no changes in Group structure during the period.

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

No significant changes have occurred in Talentum Group's short-term business risks compared to the risks described in the financial statements for 2013.

TALENTUM GROUP

Shares and share capital

On 31 March 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 615,826 Talentum shares were traded in January-March, which corresponded to 1.4% of the total number of shares. The highest price paid for shares in January-March was EUR 1.40 and the lowest was EUR 1.05. The closing price for the shares on 31 March 2014 was EUR 1.24. Market capitalisation at the closing price for the period was EUR 54.9 million (EUR 48.2 million).

On 31 March 2014, the company held 209,212 treasury shares, which is about 0.5% of Talentum's total shares and votes.

Shareholding of management and governing bodies

On 31 March 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 282,632 representing 0.6% of the company's total shares and votes.

A total of 275,400 Talentum Oyj shares were held by the management group on 31 March 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.

Corporate governance

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, Director, Head of Global Business Operations for Mobile Phones at Nokia 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.

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.

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.

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 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 authorize 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 authorizations remain in force until the beginning of the next Annual General Meeting. The Annual General Meeting decided to authorize 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**
- Director responsible for the Event Business: **Tapio Teppo**
- Deputy CEO, General Counsel: **Lasse Rosengren**. Mr Rosengren is also responsible for the Books and Legal Training segment.
- 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

Based on the share issue authorization 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 resolved by the Board of Directors on December 13, 2013, 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, Talentum sold 364,267 shares held by the company to the participants in the programme. As a consequence of the transfer, the value of the Group's treasury shares in the Group's equity decreased by EUR 1.5 million, amounting to EUR -0.9 million on 31 March 2014. 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.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Lakimiesliiton Kustannus and Lakimiesliiton Koulutus trademarks will transfer to Talentum's usage as of 1 January 2015. Information on the subject was provided with a press release on 1 April 2014.

Talentum will merge the Tivi and Tietokone magazines into one leading periodical in the ICT field. The first issue of the new magazine will be published in mid-June. Information on the subject was provided with a press release on 9 April 2014.

TABLES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3 2014	1-3 2013*	1-12 2013*
Net sales	18.1	19.5	74.5
Other operating income	0.1	0.1	1.1
Materials and services	2.6	2.9	10.6
Employee benefit expenses	8.9	9.4	37.5
Depreciation, amortisation and impairment	0.3	0.4	1.3
Other operating expenses	6.3	6.4	25.1
Share of income of an associated company	0.1	0.1	0.3
Operating income	0.4	0.7	1.4
Financial income	0.1	0.1	1.1
Financial expenses	0.1	0.4	0.8
Income before taxes	0.4	0.4	1.6
Taxes	-0.1	-0.1	-0.5
Income for the period	0.4	0.3	1.2
Other comprehensive income			
Items that may be later transferred into profit or loss:			
Translation differences	-0.3	0.8	-0.9
Available-for-sale investments	-	-	-
Income tax on available-for-sale investments	-	-	-
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	-0.0	-	0.0
Income tax on actuarial gain or loss	0.0	-	-0.0
Other comprehensive income	-0.3	0.8	-0.9
Total comprehensive income for the period	0.1	1.1	0.3
Income for the period attributable to:			
Owners of the parent company	0.4	0.3	1.1
Non-controlling interest	-0.0	0.0	0.0
Total comprehensive income for the period attributable to			
Owners of the parent company	0.1	1.1	0.2
Non-controlling interest	-0.0	0.0	0.0
Basic and diluted earnings per share, EUR**	0.03	0.01	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 and the transition principles of IAS 19. The figures for comparative periods 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	31.3.2014	31.3.2013	31.12.2013
ASSETS			
Non-current assets			
Property, plant and equipment	1.0	1.2	1.2
Goodwill	19.6	20.6	19.8
Other intangible assets	12.9	13.3	12.8
Investments in associates	0.6	0.6	0.5
Available-for-sale investments	0.0	0.1	0.0
Deferred tax assets	1.2	1.4	1.2
Other non-current receivables	0.8	1.6	0.5
Total non-current assets	36.2	38.9	36.1
Current assets			
Inventories	0.6	0.5	0.6
Trade and other receivables	11.9	15.1	8.9
Cash and cash equivalents	5.6	2.1	4.3
Total current receivables	18.1	17.7	13.7
TOTAL ASSETS	54.3	56.6	49.8
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	18.6	18.6	18.6
Treasury shares	-0.9	-2.6	-2.4
Other reserves	0.3	2.2	0.6
Invested non-restricted equity fund	-1.5	-1.5	-1.5
Retained earnings	0.9	2.7	3.4
Total	17.4	19.4	18.6
Non-controlling interest	0.1	0.1	0.1
Total equity	17.5	19.4	18.7
Non-current liabilities			
Deferred tax liabilities	2.9	3.1	2.9
Non-current financial liabilities	0.1	0.0	-
Pension obligation	0.4	0.3	0.4
Other non-current liabilities	-	0.9	0.1
Non-current provisions	0.3	0.2	0.2
Total non-current liabilities	3.6	4.6	3.6
Current liabilities			
Current financial liabilities	4.6	3.4	5.1
Advances received	12.5	14.2	10.2
Trade and other payables	15.6	14.1	11.6
Current provisions	0.5	0.9	0.5
Total current liabilities	33.2	32.6	27.5
TOTAL EQUITY AND LIABILITIES	54.3	56.6	49.8

CONSOLIDATED STATEMENT OF CASH FLOW

EUR million	1-3 2014	1-3 2013	1-12 2013
Cash flows from operating activities			
Operating income	0.4	0.7	1.4
Adjustments to operating income*	0.2	-0.1	0.5
Change in working capital	1.5	-0.3	1.4
Dividends received from business operations	-	0.0	0.2
Financial items and taxes	-0.0	-0.0	-0.1
Net cash generated from operating activities	2.0	0.3	3.3
Cash flows from investment activities			
Previous years' acquisition of subsidiaries and associates	-	-0.0	-0.2
Acquisition of property, plant and equipment and intangible assets	-0.5	-0.4	-1.5
Loan receivables granted and repaid	-0.2	-	-
Disposal of available for sale investments	-	-	0.1
Other items of cash generated from investment activities	0.0	0.0	0.0
Net cash generated from investment activities	-0.6	-0.5	-1.7
Cash flows from financing activities			
Change in current loans	-0.5	-1.2	0.5
Dividends paid and other return on equity	-	0.0	-1.3
Conveyance of treasury shares	0.5	-	-
Net cash used in financing activities	-0.1	-1.2	-0.8
Change in cash and cash equivalents	1.3	-1.3	0.8
Cash and cash equivalents in the beginning of the period	4.3	3.5	3.5
Foreign exchange adjustment	-0.0	0.0	-0.0
Change in cash and cash equivalents	1.3	-1.3	0.8
Cash and cash equivalents at the end of the period	5.6	2.1	4.3

* 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
 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
Conveyance of treasury shares		1.5				-1.1	0.5		0.5
Total comprehensive income for the period				-0.3		0.3	0.1	-0.0	0.1
Equity 31 March 2014	18.6	-0.9	-	0.3	-1.5	0.9	17.4	0.1	17.5
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 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				-0.1	-0.1		-0.1
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	19.4

NOTES TO THE FINANCIAL STATEMENTS

In the preparation of this interim report, 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 significant effect on the preparation of the interim report.

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 interim report, 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 adopted 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 interim report, 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 March 2013 decreased by EUR 0.1 million and equity decreased by EUR 0.1 million, and the statement of financial position for the comparative year on 31 December 2013 increased by EUR 0.1 million and equity decreased by EUR 0.0 million. For comparative period January-March 2013 the change decreased the net sales by EUR 0.2 million, and for comparative year January-December 2013 the change decreased the net sales by EUR 1.1 million.

All figures in this interim 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 2014 EUR million	Books and Legal Direct						Total
	Mag Fi	Mag Swe	Events	Training	Marketing	Other	
External sales	6.3	4.7	3.0	2.0	2.1	0.0	18.1
Inter-segment net sales	0.0	0.0	0.0	0.0	0.8	-0.8	0.0
Operating income	0.6	0.0	-0.0	0.2	0.3	-0.3	0.7
Segment income before taxes	0.6	0.0	-0.0	0.2	0.3	-0.3	0.7
Reconciliation							
Segment income before taxes	0.6	0.0	-0.0	0.2	0.3	-0.3	0.7
Non-recurring items							-0.3
Financing items, net							0.0
Consolidated income before taxes							0.4

1-3 2013 EUR million	Books and Legal Direct						Total
	Mag Fi	Mag Swe	Events	Training	Marketing	Other	
External sales	7.0	5.2	3.2	2.0	2.1	0.0	19.5
Inter-segment net sales	-	0.0	0.0	-	0.9	-0.9	0.0
Operating income	0.8	-0.3	0.1	0.2	0.3	-0.3	0.8
Segment income before taxes	0.8	-0.3	0.1	0.2	0.3	-0.3	0.8
Reconciliation							
Segment income before taxes	0.8	-0.3	0.1	0.2	0.3	-0.3	0.8
Non-recurring items							-0.1
Financing items, net							-0.3
Consolidated income before taxes							0.4

1-12 2013 EUR million	Books and Legal 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	1-3 2014	1-3 2013	1-12 2013
Shares outstanding at the beginning of the period	43 722	43 661	43 661
Number of shares outstanding at the end of the period	44 087	43 661	43 722

* 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 43,907,529 (43,660,938 shares 1-3/2013).

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

PERSONNEL BY SEGMENT ON AVERAGE

	1-3 2014	1-3 2013	1-12 2013
Magazines Finland	108	107	106
Magazines Sweden	90	95	92
Events	79	97	95
Books and Legal Training	35	35	36
Direct Marketing	408	405	399
Other Activities	29	22	22
Total	749	760	750

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	1-3 2014	1-3 2013	1-12 2013
Carrying amount at the beginning of the period	1.1	1.3	1.3
Additions	0.1	0.2	0.6
Decreases	-0.1	0.0	-0.2
Accumulated depreciation of decreases	0.1	-	0.2
Depreciation for the period	-0.1	-0.2	-0.6
Translation differences	0.0	0.0	0.0
Carrying amount at the end of the period	1.0	1.3	1.1

CHANGES IN INTANGIBLE ASSETS

EUR million	1-3 2014	1-3 2013	1-12 2013
Carrying amount at the beginning of the period	32.6	33.1	33.1
Additions	0.4	0.3	1.0
Decreases	0.0	-	0.0
Accumulated depreciation of decreases	0.0	-	-
Depreciation for the period	-0.2	-0.2	-0.7
Translation differences	-0.2	0.7	-0.8
Carrying amount at the end of the period	32.6	39.9	32.6

RELATED PARTY TRANSACTIONS

EUR million	1-3 2014	1-3 2013	1-12 2013
Employee benefits for key management Associates and joint ventures	0.3	0.3	1.4
Sales	0.4	0.3	1.8
Purchases	0.3	0.6	1.6
Receivables	0.3	0.3	0.4
Liabilities	1.1	0.5	0.5

AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR million	1-3 2014	1-3 2013	1-12 2013
Carrying amount at the beginning of the period	0.0	0.1	0.1
Additions	-	-	-
Decreases	-	-	-0.0
Fair value measurement	-	0.0	0.0
Carrying amount at the end of the period	0.0	0.1	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 period.

GUARANTEES

EUR million	31.3.2014	31.3.2013	31.12.2013
Guarantees posted for own commitments			
Guarantees	1.2	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 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.

Financial information 2014

Talentum is planning to publish the results in 2014 as follows:

January-June result 17 July 2014
January-September result 23 October 2014

Briefing

A briefing in Finnish will be held for analysts and the media on 24 April 2014 at 11.00 a.m. in Sokos Hotel Vaakuna, Asema-aukio 2, 00100, Helsinki, Finland.

TALENTUM OYJ
Board of Directors

ADDITIONAL INFORMATION
CEO Aarne Aktan, tel. +358 40 342 4440 and CFO Niclas Köhler, tel. +358 40 342 4420

DISTRIBUTION
NASDAQ OMX Helsinki
Principal media
www.talentum.com