

INTERIM REPORT

2015

**Q1** JANUARY–MARCH

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TALENTUM OYJ INTERIM REPORT 29 April 2015 at 8.30 a.m.

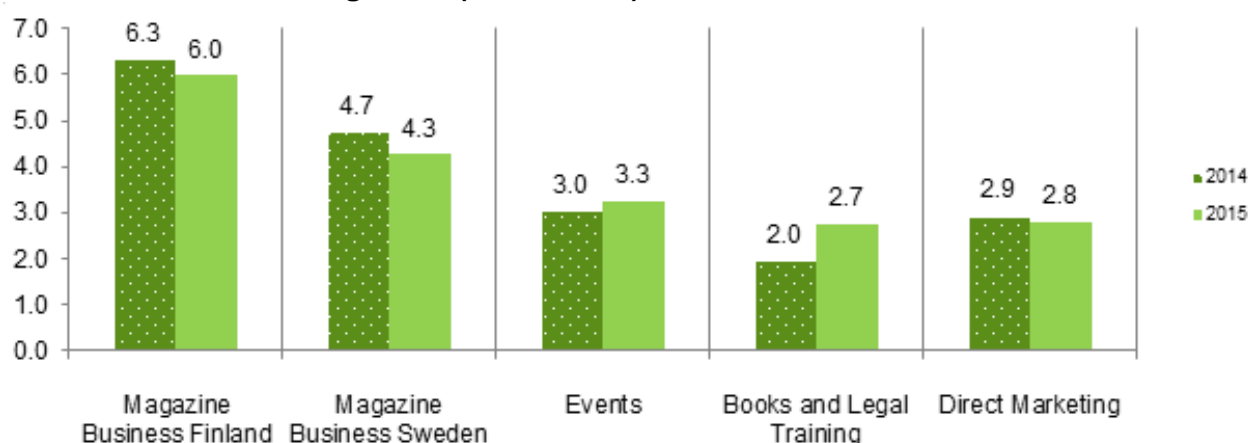
Talentum Oyj's Interim Report for January-March 2015:

**THE GROUP'S OPERATING INCOME IMPROVED, THE EVENTS BUSINESS AS WELL AS THE BOOKS AND LEGAL TRAINING INCREASED NET SALES**

**JANUARY-MARCH 2015 IN BRIEF**

- Talentum Group's net sales totalled EUR 18.4 million (EUR 18.1 million)
- Operating income without non-recurring items was EUR 0.9 million (EUR 0.7 million) and operating income (EBIT) was EUR 0.7 million (EUR 0.4 million)
- The operating income of the Events Business and Magazine Business Finland improved clearly in comparison with the previous year
- Due to poorer-than-expected media sales the operating income without non-recurring items for Magazine Business Sweden weakened
- Circulation sales decreased as expected slightly in Finland and Sweden

**Net sales of business segments (EUR million):**



**FINANCIAL FIGURES**

EUR million	1-3 2015	1-3 2014	1-12 2014
Net sales	18.4	18.1	72.3
Operating income without non-recurring items	0.9	0.7	4.1
<i>as % of net sales</i>	5.0	3.7	5.7
Operating income	0.7	0.4	3.4
<i>as % of net sales</i>	3.6	2.1	4.8
Income before taxes	0.6	0.4	3.8
Net cash from operating activities	1.1	2.0	4.4
Total assets	53.4	54.3	51.8
Investments	0.3	0.5	4.2
<i>as % of net sales</i>	1.5	2.5	5.8

**Chief Executive Officer Aarne Aktan:**

"Operating income in the period under view improved in comparison with the previous year. Net sales were slightly higher than in the previous year. Net sales of digital products and services amounted to EUR 2.4 million, representing a growth of 30.3 per cent in comparison with the previous year.

In the Events Business, the changes that were made to the product range last year led to improved net sales and operating income in the segment. The product range now better corresponds to the demand of the customer market and the net sales of sponsored events developed particularly positively.

Net sales developed positively in the Books and Legal Training segment. The profitability of the segment remained similar to that of the previous year due to investments in developing products and operations but we expect the investments to improve profitability later on in this year.

The financial development of Magazine Business Sweden was weak. Decrease of recruitment advertisements weakened net sales and operating income in the segment. The development of circulation sales was reasonable, remaining almost at the same level as in the comparison period. Circulation sales accounted for 52.2 per cent of net sales in the segment, while sales of advertisements accounted for 45.6 per cent. We continue to take goal-oriented adaptive measures in Sweden to ensure that the positive trends in operating income, which began during the last financial period, will continue this year. At the same time, we will invest in the development of new digital products and services.

Operating income from Magazine Business Finland developed as expected although net sales fell. Sales of advertisements continued to suffer from the difficult market climate, which we do not expect to improve during this year. Sales of advertisements accounted for 31.6 per cent of the segment's net sales. Circulation sales developed as expected, accounting for 67.4 per cent of net sales in the segment. The profitability of the segment developed very positively.

Operating income from Direct marketing improved slightly in comparison with the previous year."

**KEY FIGURES**

EUR million	1-3 2015	1-3 2014	1-12 2014
Return on invested capital % *	3.1	2.1	17.5
Return on equity %	2.5	2.0	14.7
Equity ratio, %	42.4	41.8	47.2
Gearing ratio, % (net debt to equity)	4.2	-5.1	3.8
Interest-bearing liabilities	5.0	4.7	5.4
Net interest-bearing liabilities	0.7	-0.9	0.7
Personnel on average	729	749	721
Earnings per share, EUR	0.01	0.01	0.06
Cash flow from operating activities per share, EUR	0.02	0.05	0.10
Equity per share, EUR	0.39	0.39	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 unchanged

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 January-March 2015

Consolidated net sales for January-March increased by 1.3%, totalling EUR 18.4 million (EUR 18.1 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 0.3 million (EUR 0.2 million) on net sales.

Consolidated operating income without non-recurring items was EUR 0.9 million (EUR 0.7 million). Non-recurring items for January-March, that amounted to EUR -0.3 million (EUR -0.3 million), consisted mostly of items relating to reorganisation of Magazine Business Sweden.

Consolidated operating income for January-March was EUR 0.7 million (EUR 0.4 million) and 3.6% (2.1%) of net sales. Financial items were EUR -0.1 million (EUR 0.0 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 0.6 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 0.5 million (EUR 0.4 million).

### Strategic measures during the period under review

The strategic focal points are improving profitability, investing in content and digital sales, and making better use of the brands in the Events business.

- Timetable changes were made in relation to distribution in Finland which led to profitability improvement of Magazine Business Finland
- Talentum Summa service was taken into full use in Sweden and the interactivity of the service was improved by for example increasing the opportunities available for commenting
- The Books and Legal Training segment saw investments in the development of online services, and an operational development programme was initiated
- Cooperation with the Association of Finnish Lawyers (Lakimiesliitto) became closer when the Lakimiesliiton koulutus and Lakimiesliiton kustannus trademarks were taken into use at the beginning of the year
- Reorganisation of the partner sales in the Events Business was taken into use and it increased the sales as expected

## BUSINESS AREAS

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

According to TNS Media Intelligence, the advertising market decreased by 2.8% in Finland during January-March and by 1.4% in Sweden (Sveriges Mediebyråer). Advertising decreased by 14.2% in Finnish periodicals during January-March and by 15.2 % in Swedish professional

journals. In Finland online advertising revenues increased by 6.1% during January-March and by 17,6 % in Sweden.

EUR million	1-3 2015	1-3 2014	1-12 2014
<b>Net sales</b>			
Magazines Finland	6.0	6.3	24.3
Magazines Sweden	4.3	4.7	18.1
Events	3.3	3.0	11.5
Books and Legal Training	2.7	2.0	10.5
Direct Marketing	2.8	2.9	10.8
Other Activities	-0.7	-0.8	-3.0
<b>Total</b>	<b>18.4</b>	<b>18.1</b>	<b>72.3</b>
<b>Operating income without non-recurring items</b>			
Magazines Finland	0.7	0.6	2.5
Magazines Sweden	-0.2	0.0	0.2
Events	0.2	-0,0	0.2
Books and Legal Training	0.2	0.2	1.3
Direct Marketing	0.3	0.3	1.0
Other Activities	-0.3	-0.3	-1.1
<b>Total</b>	<b>0.9</b>	<b>0.7</b>	<b>4.1</b>
<b>Non-recurring items</b>			
Magazines Finland	-0.0	-0.0	-0.2
Magazines Sweden	0.0	-0.2	-0.3
Events	-	-0.1	-0.1
Books and Legal Training	0.0	-0.0	-0.1
Direct Marketing	-	-	-
Other Activities	-0.3	0.0	0.0
<b>Total</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.7</b>
<b>Operating income</b>			
Magazines Finland	0.7	0.6	2.4
Magazines Sweden	-0.2	-0.2	-0.2
Events	0.2	-0.1	0.0
Books and Legal Training	0.2	0.2	1.2
Direct Marketing	0.3	0.3	1.0
Other Activities	-0.6	-0.3	-1.0
<b>Total</b>	<b>0.7</b>	<b>0.4</b>	<b>3.4</b>

### 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 Medi uutiset Ab.

### January-March

Net sales for the Magazine Business Finland for January-March amounted to EUR 6.0 million (EUR 6.3 million), a decrease of 5.5% from the previous year.

In January-March, operating income (EBIT) from the Magazine Business Finland was EUR 0.7 million (EUR 0.6 million).

In January-March, advertising revenue decreased by 13.0% from the previous year. Advertising revenue accounted for 31.6% (34.4%) of net sales in the Magazine Business Finland.

In January-March, circulation revenue decreased by 1.6% from the previous year. Circulation revenue accounted for 67.4% (64.7%) 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 2015	1-3 2014	1-12 2014
<b>Net sales</b>			
Advertising revenue	1.9	2.2	8.4
Product advertising	1.6	1.7	7.0
Recruitment advertising	0.3	0.4	1.4
Circulation revenue	4.0	4.1	15.7
Other revenue	0.1	0.1	0.3
<b>Total</b>	<b>6.0</b>	<b>6.3</b>	<b>24.3</b>

### 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 4.3 million (EUR 4.7 million), a decrease of 10.0% from the previous year.

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

In January-March, advertising revenue decreased by 19.3% from the previous year. Advertising revenue accounted for 45.6% (50.9%) of net sales in the Magazine Business Sweden.

In January-March, circulation revenue decreased by 1.8% from the previous year. Circulation revenue accounted for 52.2% (47.9%) of net sales in the Magazine Business Sweden.

**Magazine Business Sweden revenue**

EUR million	1-3 2015	1-3 2014	1-12 2014
<b>Net sales</b>			
Advertising revenue	1.9	2.4	9.2
Product advertising	1.1	1.2	5.2
Recruitment advertising	0.9	1.2	4.0
Circulation revenue	2.2	2.3	8.5
Other revenue	0.1	0.1	0.4
<b>Total</b>	<b>4.3</b>	<b>4.7</b>	<b>18.1</b>

**Events Business**

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

**January-March**

Net sales for the Events Business segment for January-March amounted to EUR 3.3 million (EUR 3.0 million), an increase of 7.8% from the previous year.

In January-March, operating income (EBIT) for the Events Business segment was EUR 0.2 million (EUR -0.1 million). In January-March, operating income without non-recurring items from the Events Business segment was EUR 0.2 million (EUR -0.0 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. 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 management.

**January-March**

Net sales for the Books and Legal Training segment for January-March amounted to EUR 2.7 million (EUR 2.0 million), an increase of 39.5% from the previous year.

In January-March, operating income (EBIT) was EUR 0.2 million (EUR 0.2 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, Estonia and Latvia belong to this segment. The companies operate in the telemarketing business.

**January-March**

Net sales for the Direct Marketing business for January-March amounted to EUR 2.8 million (EUR 2.9 million), a decrease of 3.9% from the previous year.

In January-March, operating income (EBIT) 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 lower than in the previous period. Consolidated cash flow from operating activities was EUR 1.1 million (EUR 2.0 million). The change in consolidated working capital was EUR 0.4 million (EUR 1.5 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 12.7 million (for balance sheet items, the comparison date is 31 December 2014: EUR 11.9 million).

The consolidated balance sheet total at the end of the period under review stood at EUR 53.4 million (EUR 51.8 million). The Group's interest-bearing loans and borrowing amounted to EUR 5.0 million (EUR 5.4 million). The Group's liquid assets were EUR 4.3 million (EUR 4.7 million). Interest-bearing net liabilities were EUR 0.7 million (EUR 0.7 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12 million. EUR 2.7 million of the limit was in use at the end of the period under review (EUR 4.0 million was in use on 31 December 2014).

The equity ratio at the end of the period under review was 42.4% (47.2%). 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 2015, the translation difference in the Group's equity was EUR -0.7 million. The change in January-March was EUR 0.3 million (positive).

### Investments

Investments in tangible and intangible assets for January-March totalled EUR 0.3 million (EUR 0.5 million), which was 1.5% (2.5%) 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 net 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 2014.



## TALENTUM GROUP

### Shares and share capital

On 31 March 2015, 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 874,637 Talentum shares were traded in January-March, which corresponded to 2.0% of the total number of shares. The highest price paid for shares in January-March was EUR 1.25 and the lowest was EUR 0.99. The closing price for the shares on 31 March 2015 was EUR 1.23. Market capitalisation at the closing price for the period was EUR 54.5 million (EUR 54.9 million).

On 31 March 2015, the company held 420,273 treasury shares, which is 0.9% of Talentum's total shares and votes.

### Shareholding of management and governing bodies

On 31 March 2015, 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 March 2015 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 2015 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, Henri Österlund, CEO and Mitti Storckovius, Head Of Global Business Operations, were re-elected as members of the Board.

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 AGM 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 2016.

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. From 1 January 2015 to 31 March 2015, Talentum acquired 87,676 Talentum Oyj shares. The impact of the acquisition on the Group's equity was EUR -0.1 million. On 31 March 2015, Talentum held a total of 420,273 own shares.

### Authorisation to decide on a share issue

The AGM 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 2016.

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

The AGM 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 0.20 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 AGM. The AGM 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 December 13, 2013 the Board of Directors of Talentum Oyj decided to grant stock option plan to Talentum's key management. The plan includes options with the symbols 2013A and 2013B. The share subscription period for 25% of the stock options 2013A and 2013B will commence on or about 1 February 2016 and for 75% of the stock options 2013A and 2013B on or about 1 February 2017. The share subscription period for all the stock options ends on 31 March 2018. The key terms and conditions of the plan were described in the Financial Statements 2014.

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 period under review the effect of options on the Group's result amounted to EUR -0.0 million.

#### **SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD**

No significant events have occurred after the reporting period.

## TABLES

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3 2015	1-3 2014	1-12 2014
<b>Net sales</b>	18.4	18.1	72.3
Other operating income	0.2	0.1	0.7
Materials and services	2.5	2.6	10.0
Employee benefit expenses	8.8	8.9	34.5
Depreciation, amortisation and impairment	0.3	0.3	1.3
Other operating expenses	6.4	6.3	24.0
Share of income of associated companies and joint ventures	0.1	0.1	0.2
<b>Operating income</b>	0.7	0.4	3.4
Financial income	0.0	0.1	0.8
Financial expenses	0.2	0.1	0.4
<b>Income before taxes</b>	0.6	0.4	3.8
Taxes	-0.1	-0.1	-1.1
<b>Income for the period</b>	0.5	0.4	2.8
<b>Other comprehensive income</b>			
<b>Items that may be later transferred into profit or loss</b>			
Translation differences	0.3	-0.3	-1.6
<b>Items that will not be later transferred into profit or loss</b>			
Actuarial gain or loss on defined benefit pension obligation	-0.0	-0.0	0.3
Income tax on actuarial gain or loss	0.0	0.0	-0.1
Other comprehensive income	0.3	-0.3	-1.3
Total comprehensive income for the period	0.7	0.1	1.5
<b>Income for the period attributable to</b>			
Owners of the parent company	0.5	0.4	2.8
Non-controlling interest	0.0	-0.0	0.0
<b>Total comprehensive income for the period attributable to</b>			
Owners of the parent company	0.7	0.1	1.5
Non-controlling interest	0.0	-0.0	0.0
Basic and diluted earnings per share, EUR *	0.01	0.01	0.06

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.3.2015	31.3.2014	31.12.2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	0.8	1.0	0.9
Goodwill	20.2	19.6	20.1
Other intangible assets	14.4	12.9	14.2
Investments in associates and joint ventures	0.5	0.6	0.5
Available-for-sale investments	0.0	0.0	0.0
Deferred tax assets	0.7	1.2	0.7
Other non-current receivables	0.8	0.8	0.8
<b>Total non-current assets</b>	<b>37.4</b>	<b>36.2</b>	<b>37.2</b>
<b>Current assets</b>			
Inventories	1.0	0.6	1.0
Trade and other receivables	10.8	11.9	8.9
Cash and cash equivalents	4.3	5.6	4.7
<b>Total current receivables</b>	<b>16.0</b>	<b>18.1</b>	<b>14.5</b>
<b>TOTAL ASSETS</b>	<b>53.4</b>	<b>54.3</b>	<b>51.8</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent company</b>			
Share capital	18.6	18.6	18.6
Treasury shares	-1.0	-0.9	-0.9
Other reserves	-0.7	0.3	-1.0
Invested non-restricted equity fund	-1.5	-1.5	-1.5
Retained earnings	1.8	0.9	3.5
<b>Total</b>	<b>17.2</b>	<b>17.4</b>	<b>18.7</b>
Non-controlling interest	0.1	0.1	0.1
<b>Total equity</b>	<b>17.3</b>	<b>17.5</b>	<b>18.8</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3.2	2.9	3.2
Non-current financial liabilities	0.8	0.1	0.8
Pension obligation	0.1	0.4	0.1
Non-current provisions	0.2	0.3	0.2
<b>Total non-current liabilities</b>	<b>4.4</b>	<b>3.6</b>	<b>4.4</b>
<b>Current liabilities</b>			
Current financial liabilities	4.2	4.6	4.5
Advances received	12.7	12.5	11.9
Trade and other payables	14.4	15.6	11.6
Current provisions	0.5	0.5	0.5
<b>Total current liabilities</b>	<b>31.8</b>	<b>33.2</b>	<b>28.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53.4</b>	<b>54.3</b>	<b>51.8</b>

**CONSOLIDATED STATEMENT OF CASH FLOW**

EUR million	1-3 2015	1-3 2014	1-12 2014
<b>Cash flows from operating activities</b>			
Operating income	0.7	0.4	3.4
Adjustments to operating income*	0.0	0.2	-0.3
Change in working capital	0.4	1.5	1.6
Dividends received from associates and joint ventures	0.1	-	0.2
Financial items and taxes	-0.2	-0.0	-0.6
<b>Net cash generated from operating activities</b>	<b>1.1</b>	<b>2.0</b>	<b>4.4</b>
<b>Cash flows from investment activities</b>			
Previous years' acquisition of subsidiaries and businesses	-0.1	-	-1.5
Acquisition of property, plant and equipment and intangible assets	-0.3	-0.5	-1.0
Loan receivables granted and repaid	-	-0.2	-0.2
<b>Net cash used in investment activities</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-2.7</b>
<b>Cash flows from financing activities</b>			
Change in current loans	-1.0	-0.5	-1.1
Change in non-current loans	-	-	1.3
Dividends paid	-0.0	-	-1.8
Conveyance of treasury shares	-	0.5	0.5
Acquisition of treasury shares	-0.1	-	-0.2
<b>Net cash used in financing activities</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-1.3</b>
Change in cash and cash equivalents	-0.4	1.3	0.4
Cash and cash equivalents in the beginning of the period	4.7	4.3	4.3
Foreign exchange adjustment	-0.0	-0.0	-0.0
Change in cash and cash equivalents	-0.4	1.3	0.4
<b>Cash and cash equivalents at the end of the period</b>	<b>4.3</b>	<b>5.6</b>	<b>4.7</b>

\* Adjustments to operating income consist of depreciation and exchange rate differences as well as the income adjustment of associated companies and joint ventures. 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 2015	18.6	-0.9	-	-1.0	-1.5	3.5	18.7	0.1	18.8
Dividend distribution						-2.2	-2.2	-0.0	-2.2
Acquisition of treasury shares		-0.1					-0.1		-0.1
Management's incentive plan						0.0	0.0		0.0
Total comprehensive income for the period				0.3		0.5	0.7	0.0	0.7
<b>Equity 31 March 2015</b>	<b>18.6</b>	<b>-1.0</b>	<b>-</b>	<b>-0.7</b>	<b>-1.5</b>	<b>1.8</b>	<b>17.2</b>	<b>0.1</b>	<b>17.3</b>
Adjusted 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		1.5				-1.1	0.5		0.5
Total comprehensive income for the period				-0.3		0.3	0.1	-0.0	0.1
<b>Equity 31 March 2014</b>	<b>18.6</b>	<b>-0.9</b>	<b>-</b>	<b>0.3</b>	<b>-1.5</b>	<b>0.9</b>	<b>17.4</b>	<b>0.1</b>	<b>17.5</b>

**NOTES**

In the preparation of this interim report, Talentum has applied the same principles as in the financial statements for 2014, and those new and revised IFRS-standards that have been described in the financial statements for 2014.

**TALENTUM GROUP BY SEGMENT**

1-3 2015 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketing	Other	Total
External sales	6.0	4.3	3.2	2.7	2.2	0.0	18.4
Inter-segment net sales	0.0	0.0	0.0	-	0.6	-0.7	0.0
Operating income	0.7	-0.2	0.2	0.2	0.3	-0.3	0.9
<b>Segment income before taxes</b>	<b>0.7</b>	<b>-0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>-0.3</b>	<b>0.9</b>
Reconciliation							
Segment income before taxes	0.7	-0.2	0.2	0.2	0.3	-0.3	0.9
Non-recurring items							-0.3
Financing items, net							-0.1
Consolidated income before taxes							0.6

1-3 2014 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketing	Other	Total
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	-	0.8	-0.8	0.0
Operating income	0.6	0.0	-0.0	0.2	0.3	-0.3	0.7
<b>Segment income before taxes</b>	<b>0.6</b>	<b>0.0</b>	<b>-0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>-0.3</b>	<b>0.7</b>
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

1-12 2014 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketing	Other	Total
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
<b>Segment income before taxes</b>	<b>2.5</b>	<b>0.2</b>	<b>0.2</b>	<b>1.3</b>	<b>1.0</b>	<b>-1.1</b>	<b>4.1</b>
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



**CHANGE IN SHARE QUANTITIES \***

1,000 shares	1-3 2015	1-3 2014	1-12 2014
Shares outstanding at the beginning of the period	43 963	43 722	43 722
Number of shares outstanding at the end of the period	43 876	44 087	43 963

\* 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 43,929,348 (43,907,529 shares 1-3/2014).

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

**PERSONNEL BY SEGMENT ON AVERAGE**

	1-3 2015	1-3 2014	1-12 2014
Magazines Finland	113	108	113
Magazines Sweden	78	90	82
Events	59	79	63
Books and legal training	51	35	49
Direct marketing	389	408	382
Other activities	40	29	32
<b>Total</b>	<b>729</b>	<b>749</b>	<b>721</b>
<b>Total without Direct marketing</b>	<b>340</b>	<b>341</b>	<b>339</b>

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

EUR million	1-3 2015	1-3 2014	1-12 2014
Carrying amount at the beginning of the period	0.9	1.2	1.2
Additions	0.0	0.1	0.2
Business acquisitions	-	-	0.0
Decreases	-	-0.1	-2.8
Accumulated depreciation of decreases	-	0.1	2.7
Depreciation for the period	-0.1	-0.1	-0.5
Translation differences	0.0	0.0	-0.0
<b>Carrying amount at the end of the period</b>	<b>0.8</b>	<b>1.0</b>	<b>0.9</b>

## CHANGES IN INTANGIBLE ASSETS

EUR million	1-3 2015	1-3 2014	1-12 2014
Carrying amount at the beginning of the period	34.3	32.6	32.6
Additions	0.2	0.4	0.8
Business acquisitions	-	-	3.1
Decreases	-	0.0	-3.8
Accumulated depreciation of decreases	-	0.0	3.8
Depreciation for the period	-0.2	-0.2	-0.8
Translation differences	0.3	-0.2	-1.4
<b>Carrying amount at the end of the period</b>	<b>34.6</b>	<b>32.6</b>	<b>34.3</b>

## RELATED PARTY TRANSACTIONS

EUR million	1-3 2015	1-3 2014	1-12 2014
Employee benefits for key management	0.3	0.3	1.2
Associates and joint ventures			
Sales	0.5	0.4	2.0
Purchases	0.7	0.3	2.3
Receivables	0.4	0.3	0.3
Liabilities	1.3	1.1	1.2

## AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR million	1-3 2015	1-3 2014	1-12 2014
Carrying amount at the beginning of the period	0.0	0.0	0.0
<b>Carrying amount at the end of the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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	31.3.2015	31.3.2014	31.12.2014
Guarantees posted for own commitments			
Guarantees	1.1	1.2	1.1

### 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 2015

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

January-June result	17 July 2015
January-September result	22 October 2015

### Briefing

A briefing will be held for analysts and the media on 29 April 2015 at 11.00 a.m. at Sokos Hotel Vaakuna, Asema-aukio 2, 00100, Helsinki.

TALENTUM OYJ  
Board of Directors

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