

TALENTUM INTERIM REPORT JANUARY-JUNE 2011
April-June 2011 in brief

- Talentum Group's net sales increased by 13.3%, totalling EUR 23.9 million (EUR 21.1 million).
- Net sales from publishing increased by 16.3%, totalling EUR 22.5 million (EUR 19.4 million).
- The amount of media advertising in Talentum's media increased in both Finland and Sweden by a total of 26.0%.
- Operating income (EBIT) EUR 0.6 million (EUR 0.5 million)
- Operating income without non-recurring items EUR 0.8 million (EUR 0.5 million)

January-June 2011 in brief

- Talentum Group's net sales increased by 17.4%, totalling EUR 47.5 million (EUR 40.5 million).
- Net sales from publishing increased by 20.6%, totalling EUR 44.9 million (EUR 37.2 million).
- Operating income (EBIT) EUR 1.8 million (EUR 0.5 million)
- Operating income without non-recurring items EUR 2.0 million (EUR 0.5 million)
- Earnings per share EUR 0.03 (EUR 0.01)
- Net liabilities EUR 10.0 million (31 Dec 2010: EUR 12.4 million)

KEY FINANCIAL FIGURES

EUR million	4-6/ 2011	4-6/ 2010	Change %	1-6/ 2011	1-6/ 2010	1-12/ 2010
Net sales	23.9	21.1	13.3	47.5	40.5	81.0
Operating income without non-recurring items	0.8	0.5		2.0	0.5	2.0
Operating income as % of net sales	0.6	0.5	19.7	1.8	0.5	0.3
Net cash from operating activities	2.5	2.3		3.8	1.2	0.3
Total assets				3.8	4.8	2.7
Investments as % of net sales	0.3	0.2	16.7	63.7	57.1	64.7
Equity ratio %	1.1	1.0		0.5	0.6	3.9
Gearing ratio % (net debt to equity)				34.9	38.3	34.4
Interest-bearing liabilities				58.0	46.7	70.9
Net interest-bearing liabilities				13.0	9.9	13.9
Personnel on average				10.0	7.9	12.4
Earnings per share, EUR	0.01	0.01	-13.4	829	779	787
Cash flow from operating activities per share, EUR	0.04	0.05	-6.7	0.09	0.11	0.06
Equity per share, EUR				0.39	0.38	0.40
Market capitalization on closing rate at period end				81.6	79.4	86.4

Sector and Talentum prospects for 2011

Activity among Talentum's customers increased in 2010 and the increase continued during the first half of 2011. This was evident in Talentum's improved sales figures in both Finland and Sweden.

Talentum keeps the prospects for the whole year unchanged and estimates that, in 2011, its net sales will grow and operating income will improve.

CHIEF EXECUTIVE OFFICER - JUHA BLOMSTER:

"The general economic situation in Europe has created uncertainty and jitters in the media sector as well. This uncertainty has been further fuelled by the Finnish government's decision to raise VAT on subscription magazines.

Talentum Group's net sales for the second quarter increased by 13 per cent and net sales from publishing operations increased by 16 per cent. Without the event business acquired in September 2010 and at comparable exchange rates, consolidated net sales increased by 1 per cent. The consolidated operating income was EUR 0.6 million, an increase of 20 per cent with respect to the same period last year.

Talentum's magazine business continued to develop favourably in both Finland and Sweden, and so did the construction information business. In April-June, Talentum's advertising revenue grew by 26 per cent from the same period in the previous year. Growth was brought about especially by job advertising. Circulation revenue increased by 4 per cent. Other content revenue increased by 18 per cent, which all came from the event business acquired last year. Other content revenue includes books, training, events and business information.

Long-term cooperation between Tekniikka & Talous (T&T) and a major subscriber will end at the beginning of 2012. The circulation of the magazine will decrease. However, work has begun on building new, profitable circulation. Development work at T&T, which began at the start of the year, will be continued with the aim of providing readers and customers with good journalism and interesting services.

Sectoral surveys indicate that the position of Talentum's biggest media - both printed and online - is strong. The smaller magazines, too, have a strong position within their respective target groups. Talentum will continue to invest in developing its brands in order to improve their market position and profitability."

Operating environment and seasonal variation

The Finnish economy experienced a strong recovery in 2010. Forecasts for GDP development this year are approximately 3%. Estimates of the general economic climate in Sweden continue to be more positive than in Finland, and most estimates put GDP growth in 2011 at around 4-5%.

According to TNS Media Intelligence, spending on media advertising for January-May grew by 14% in Finland, with advertising in periodicals seeing growth of 6.4%. Online advertising revenues increased by 34.3%. In Sweden, total media advertising revenues rose by 14.9% for January-May; the increase was 18% in professional journals and 8.8% online (Sweden's Media Agencies - Sveriges Mediebyråer). Market figures for media advertising in June are not available.

Talentum's assessment is that the information needs of its professional target groups will remain high, irrespective of the economic situation. Professionals have a wide range of channels to choose from when searching

for information, including books, training, seminars, magazines and online services. Their preferences as to which channel they use may change. Talentum produces quality content for those channels where it can best serve its customers.

The media and media service markets are subject to seasonal variations. Whether the Easter holiday falls in the first or second quarter of the year affects the results in that quarter. In the year of comparison, Easter fell at the beginning of the second quarter. 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.

Consolidated net sales and profit for April-June 2011

Consolidated net sales for April-June increased by 13.3%, totalling EUR 23.9 million (EUR 21.1 million). Excluding corporate acquisitions and at comparable exchange rates, net sales increased by 0.5%. The strengthening of the Swedish krona against the euro improved net sales by EUR 0.7 million. Net sales from publishing operations increased by 16.3%, totalling EUR 22.5 million (EUR 19.4 million). Advertising sales rose by 26.0%.

The consolidated operating income for April-June was EUR 0.6 million (EUR 0.5 million), 2.5% (2.3%) of net sales. The strengthening of the Swedish krona against the euro improved operating income by EUR 0.0 million. Amortisation of intangible assets relating to corporate acquisitions amounted to EUR 0.2 million (EUR 0.3 million). The operating income from publishing operations was EUR 1.4 million (EUR 0.9 million).

The Group's expenses decreased by approximately 1.6%, which equals EUR 0.3 million, with respect to the same period in the previous year (with comparable exchange rates). This comparison does not include the event business acquired in September 2010.

Net financial expenses amounted to EUR 0.1 million (EUR 0.0 million). The Group's share of the income of associated companies was EUR 0.1 million (EUR 0.1 million).

Income before taxes was EUR 0.6 million (EUR 0.6 million). The Group's taxes for the period under review were EUR -0.3 million (EUR -0.2 million). The consolidated income for April-June was EUR 0.4 million (EUR 0.4 million).

Consolidated net sales and profit for January-June 2011

Consolidated net sales for January-June increased by 17.4%, totalling EUR 47.5 million (EUR 40.5 million). Without corporate acquisitions and at comparable exchange rates, net sales increased by 2.0%. The strengthening of the Swedish krona against the euro improved net sales by EUR 1.8 million. Net sales from publishing operations increased by 20.6%, totalling EUR 44.9 million (EUR 37.2 million). Advertising sales rose by 26.2%. The consolidated operating income for January-June was EUR 1.8 million (EUR 0.5 million) and 3.8% of net sales (1.2%). The strengthening of the Swedish krona against the euro improved operating income by EUR 0.1 million. Amortisation of intangible assets relating to corporate acquisitions amounted to EUR 0.4 million (EUR 0.3 million). The operating income from publishing operations was EUR 3.0 million (EUR 1.1 million).

The Group's expenses decreased by approximately 2.0%, which equals EUR 0.8 million, with respect to the same period in the previous year (with comparable exchange rates). This comparison does not include the event business acquired in September 2010.

Net financial expenses amounted to EUR 0.2 million (EUR -0.3 million). The Group's share of the income of associated companies was EUR 0.1 million (EUR 0.0 million).

Income before taxes was EUR 1.7 million (EUR 0.8 million). The Group's taxes for the period under review were EUR -0.5 million (EUR -0.1 million). The effective tax rate for the period under review was 31.7% (18.0%). The consolidated income for the period under review was EUR 1.1 million (EUR 0.6 million).

Short-term risks for the business

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. Net sales from Publishing Other Nordic countries for the period under review amounted to 47% (49%) of the total net sales of publishing operations. The share of the balance sheet total attributable to Publishing Other Nordic countries was 46% (49%). 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.

The 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 36% (33%) of net sales. The most economically sensitive component of advertising revenue is job advertising.

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

Online services are a factor that could change the earnings logic of magazines and books temporarily, or even in the long term. This channel selection could be significant for the Group's revenue structure. The move from printed products to online products may be particularly rapid under poor economic conditions. If the company is unable to develop its operations to respond to changes in media usage habits, its competitiveness could be undermined.

The Finnish government's decision to raise VAT on subscription magazines to 9 per cent will have, if implemented, a significant impact on Talentum. However, Talentum will be affected to a lesser extent than many other Finnish publishers. About half of Talentum's net sales from publishing operations originate in Sweden, and the proportion of total revenue attributable to subscription fees is about 30 per cent of total revenue from publishing business. The taxation of magazine subscriptions, however, requires that the Value-Added Tax Act be amended. No timetable has been set for this change as of yet.

Long-term cooperation between Tekniikka & Talous and a major group subscriber will end at the beginning of 2012. The circulation of the magazine will decrease. However, work has begun on building new, profitable circulation. The termination of the agreement will reduce the magazine's circulation revenue from the start of 2012, and it may temporarily affect advertising sales if the circulation does not improve as planned.

At year-end 2010 it was noticed that there is a risk of impairment in Talentum HR. Its performance is monitored closely and an impairment test will be performed if necessary.

The Group's risk management principles are set out in the 2010 Annual Report, which was published on 10 March 2011.

Cash flow, financial position and balance sheet for the Group

The cash flow from business operations in January-June was lower than in the previous year following the change in working capital. Net cash flow from business operations was EUR 3.8 million (EUR 4.8 million). The change in working capital was EUR 1.8 million (EUR 3.2 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 2010: EUR 13.7 million).

The consolidated balance sheet total at the end of the period under review stood at EUR 63.7 million (EUR 64.7 million). The Group's interest-bearing loans and borrowing amounted to EUR 13.0 million (EUR 13.9 million). The Group's liquid assets were EUR 2.9 million (EUR 1.5 million). Interest-bearing net liabilities were EUR 10.0 million (EUR 12.4 million).

The available bank overdraft limit is EUR 14 million, and the available financing credit limit is EUR 22 million. About half of the limits are valid for three years and the other half for four years.

EUR 9.5 million of the limits was used at the end of the period under review.

In addition, the Group has a commercial paper programme of EUR 30 million, of which EUR 0.0 million was used at the end of the period under review.

The equity ratio at the end of the period under review was 34.9% (34.4%). The Group's equity per share was EUR 0.39 (EUR 0.40). 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 30 June 2011, the translation difference in the Group's equity was EUR 0.0 million. The change for January-June was EUR 0.5 million (negative).

Investments

No significant investments took place at Talentum Group in the period under review.

Changes in Group structure

No changes in Group structure occurred in the period under review.

Personnel

In January-June, Talentum Group employed an average of 829 (779) people: 314 (334) in direct marketing and 515 (445) in publishing and in the parent company. Geographically, the personnel were divided as follows: Finland 414 people (391), Sweden 235 (220), Norway 8 (9), Denmark 9 (0), Latvia 72 (70), Estonia 82 (85) and Russia 8 (5). The event business acquired in September 2010 increased the number of employees by 46 at the time of acquisition. The event business also increased the number of employees in Denmark and Sweden.

BUSINESS AREAS

EUR million	4-6/ 2011	4-6/ 2010	1-6/ 2011	1-6/ 2010	1-12/ 2010
Net sales					
Publishing Finland	11.9	10.0	23.6	19.1	39.2
Publishing other Nordic Countries	10.7	9.4	21.3	18.1	35.5
Direct marketing	2.3	2.4	4.4	4.7	8.8
Other	-0.9	-0.7	-1.8	-1.4	-2.6
Total	23.9	21.1	47.5	40.5	81.0
Operating income without non-recurring items					
Publishing Finland	0.9	0.5	1.8	0.5	1.4
Publishing other Nordic Countries	0.5	0.4	1.3	0.6	1.9
Direct marketing	0.2	0.2	0.5	0.5	0.9
Other	-0.9	-0.6	-1.6	-1.1	-2.1
Total	0.8	0.5	2.0	0.5	2.0
Non-recurring items					
Publishing Finland	-	-	-	-	0.0
Publishing other Nordic Countries	-0.1	-	-0.1	-	-1.5
Direct marketing	-	-	-	-	0.0
Other	-0.1	-	-0.1	-	-0.3
Total	-0.2	-	-0.2	-	-1.8
Operating income	0.6	-	1.8	-	0.3

Non-recurring items include expenses of EUR 0.2 million related to personnel reduction.

Publishing
April-June

Net sales from publishing operations for April-June amounted to EUR 22.5 million (EUR 19.4 million), a change of 16.3% from the previous year. Of net sales from publishing operations, 53% (52%) originated in Finland and the remaining 47% (48%) originated in the other Nordic countries.

In April-June, advertising revenue increased by 26.0% from the previous year. The proportion of total advertising revenue in net sales from publishing operations was 39% (36%).

Net sales from e-business for April-June increased by 6.9%. Net sales from e-business were EUR 4.1 million (EUR 3.9 million), which corresponds to 18% (20%) of the total figure for publishing.

January-June

Net sales from publishing operations for January-June amounted to EUR 44.9 million (EUR 37.2 million), a change of 20.6% from the previous year. Of net sales from publishing operations, 53% (51%) originated in Finland and the remaining 47% (49%) originated in the other Nordic countries.

In January-June, advertising revenue increased by 26.2% from the previous year. The proportion of total advertising revenue in net sales from publishing operations was 38% (36%).

Net sales from e-business for January-June increased by 12.6%. Net sales from e-business were EUR 8.3 million (EUR 7.4 million), which corresponds to 18% (20%) of the total figure for publishing.

PUBLISHING REVENUE

EUR million	4-6/ 2011	4-6/ 2010	1-6/ 2011	1-6/ 2010	1-12/ 2010
Net sales					
Advertisement revenue	8.8	7.0	16.9	13.4	27.0
Circulation revenue	7.0	6.7	13.6	12.8	23.8
Other content revenue *	6.7	5.7	14.4	11.0	23.9
Total	22.5	19.4	44.9	37.2	74.8

* 'Other content revenue' includes books, events, training and information services.

Publishing Finland

In the Publishing Finland segment, financial development is reported for periodicals, book publishing, training and the event business. The best known book in the book publishing business is the green Suomen Laki (Finnish Law) book. The magazines with the highest circulation are Talouselämä and Tekniikka & Talous.

The event business of IIR Finland Oy (now Talentum Events Oy), which was acquired in September 2010, has belonged to this segment since the acquisition (15 September 2010).

April-June

Net sales from publishing operations in Finland for April-June amounted to EUR 11.9 million (EUR 10.0 million), an increase of 18.5% from the previous year. Excluding the event business acquired in September 2010, net sales increased by 3.7%. Advertising revenue was up 31.4% on the previous year.

Talentum's operating income from publishing operations in Finland was EUR 0.9 million (EUR 0.5 million). The operating income was affected by the EUR 0.1 million (-) amortisation of intangible assets relating to corporate acquisitions.

The Union of Professional Engineers in Finland (UIL), a major long-term subscriber to Tekniikka & Talous, terminated its agreement and will no longer subscribe to the magazine on behalf of its members in 2012. The termination of the agreement will not affect Talentum's performance in 2011. It is estimated that the impact of the discontinuation of the order, which amounted to some 40,000 magazines, will be worth approximately EUR 0.3 million in 2012. Talentum will continue to develop Tekniikka & Talous in order to provide good service to its readers and to increase the free circulation of the magazine.

In the second quarter, Talentum's Finnish online media business grew faster than the market. Taking 'unique visitors per week' as the indicator, the magazines with the highest increase in average audience compared to the same period of last year were Talouselämä (+119%), Tekniikka & Talous (+51%) and Tietoviikko (+45%). The positive development is based on more active content production and new editorial guidelines. In particular, Talouselämä made significant investments in its own online news production at the beginning of the year.

Talentum built new interlinking elements for its online services. This resulted in a significant increase in the number of internal visits to the network. In May-June, the number of web page hits is traditionally

increased by the annual Talouselämä 500 and Tivi 250 surveys of Finland's largest companies.

Talentum's magazines and online services fared well in the TNS Decision-Makers' Atlas 2011 survey. Talouselämä is the best business magazine in terms of its ability to reach decision-makers. A total of 166,000 decision-makers read it, which is 11 per cent more than in the previous survey. The number of decision-makers who read Tekniikka & Talous increased by 19,000, reaching a total of 93,000. The number of decision-makers who read Arvopaperi increased by 22%; the increase was 13% for Fakta and 10% for MikroPC. The number of decision-makers currently stands at 33,000 for Arvopaperi, 36,000 for Fakta and 44,000 for MikroPC.

Digitaalinen jalanjälki (Digital Footprint), a book by Isokangas and Vassinen published by Talentum, won the Kultasulka (Golden Feather) 2011 award. This award is the highest available at the Kultasulka writing contest, organised by the Finnish Association of Marketing Communication Agencies.

January-June

Net sales from publishing operations in Finland for January-June amounted to EUR 23.6 million (EUR 19.1 million), a change of 23.3% from the previous year. Excluding the event business acquired in September 2010, net sales increased by 5.2%. Advertising revenue was up 23.5% on the previous year.

Talentum's operating income from publishing operations in Finland was EUR 1.8 million (EUR 0.5 million). The operating income was affected by the EUR 0.1 million (-) depreciation of intangible assets relating to corporate acquisitions.

Publishing Other Nordic Countries

In the Publishing Other Nordic Countries segment, financial development is reported for periodicals, the event business and the business information business. The magazines with the highest circulation are Ny Teknik and Affärsvärlden. The largest providers of business information are Sverige Bygger and Talentum HR.

Talentum Events Oy's operations in Sweden and Denmark have been reported under this segment since 15 September 2010.

April-June

Net sales from Publishing Other Nordic Countries for April-June amounted to EUR 10.7 million (EUR 9.4 million), a change of 13.9% from the previous year. Without the event business acquired in September 2010 and at comparable exchange rates, net sales increased by 0.9%. Changes in exchange rates increased net sales by EUR 0.7 million. Advertising revenue was up 21.4% on the previous year.

Talentum's operating income from Publishing Other Nordic countries was EUR 0.5 million (EUR 0.4 million). The operating income was affected by the EUR 0.1 million (0.3) depreciation of intangible assets relating to corporate acquisitions.

The Swedish magazine business invested especially in product development for the Ny Teknik and Affärsvärlden magazines as well as in strengthening the brand. Affärsvärlden published the Platinum supplement, which reprises the Talouselämä Platinum concept. The chances of success of the supplement will be assessed on the grounds the first issue.

The Teknikhistoria magazine by Ny Teknik has obtained over 12,400 subscribers. In addition to this, its newsstand sales amount to about 2,000 copies.

Based on the Orvesto Näringsliv 2011 study, the number of decision-makers who read the Affärsvärlden magazine increased by 15.5% compared to the same period of the previous year. According to the same study, the Ny Teknik magazine fared better than its competitors, and it is read by 168,000 decision-makers.

January-June

Net sales from Publishing Other Nordic countries for January-June amounted to EUR 21.3 million (EUR 18.1 million), a change of 17.8% from the previous year. Excluding the event business acquired in September 2010 and at comparable exchange rates, net sales increased by 2.5%. Changes in exchange rates increased net sales by EUR 1.8 million. Advertising revenue was up 28.6% on the previous year.

Talentum's operating income from Publishing Other Nordic countries was EUR 1.2 million (EUR 0.6 million). The operating income was affected by the EUR 0.3 million (0.3) amortisation of intangible assets relating to corporate acquisitions, and weak performance by Talentum HR concentrating on HR business information.

Direct Marketing

In the Direct Marketing segment, financial development is reported for the business of Talentum's subsidiary Suoramarkkinointi Mega Oy in Finland and the Baltic countries. The company operates in the telemarketing business.

April-June

Net sales from direct marketing for April-June amounted to EUR 2.3 million (EUR 2.4 million), and the operating income was EUR 0.2 million (EUR 0.2 million).

January-June

Net sales from direct marketing for January-June amounted to EUR 4.4 million (EUR 4.7 million), and the operating income was EUR 0.5 million (EUR 0.5 million).

TALENTUM GROUP

Shares and share capital

On 30 June 2011, 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 4,438,867 Talentum shares were traded in January-June, which corresponds to 10.0% of all shares. The highest price paid for shares in January-June was EUR 2.16, and the lowest was EUR 1.80. The closing price for the shares on 30 June 2011 was EUR 1.87.

On 30 June 2011, the company held 681,000 of its own shares, which is about 1.5% of Talentum's total shares and votes.

Shareholdings of the Board of Directors and CEO

On 30 June 2011, 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 17,850, representing 0.04% of the company's total shares and votes.

Flagging notifications

On 9 June 2011, OP-Pohjola Group Central Cooperative notified Talentum Oyj that the combined proportion in the company of the shares held by the investments funds managed by OP-Pohjola and its affiliates and subsidiaries had exceeded five per cent of all shares and votes on 8 June 2011. According to the notification, the holding amounted to 2,693,416 shares, which corresponds to 6.081% of all shares and votes.

On 13 June 2011, OP Fund Management Company Ltd notified Talentum Oyj that as of 13 June 2011, OP-Pohjola Group Central Cooperative, the parent company of OP Fund Management Company Ltd, applies the exemption referred to in Article 2(4) of Ministry of Finance Decree 154/2007 with respect to OP Fund Management Company Ltd. As of 13 June 2011, OP-Pohjola Group Central Cooperative does not combine its own holdings and those of its subsidiaries and affiliates with the holdings of the investment funds or UCITS managed by OP Fund Management Company Ltd. OP Fund Management Company Ltd uses the voting rights related to the holdings of its investment funds or UCITS independently from the parent company. According to the notification, the holding of the OP Fund Management Company Ltd, OP-Finland Small Firms Fund amounted to 2,629,816 shares, which corresponds to 5.937% of all shares and votes.

On 13 June 2011, OP-Pohjola Group Central Cooperative notified Talentum Oyj that as of 13 June 2011, it applies the exemption referred to in Article 2(4) of Ministry of Finance Decree 154/2007 with respect to OP Fund Management Company Ltd. As of 13 June 2011, OP-Pohjola Group Central Cooperative does not combine its own holdings and those of its subsidiaries and affiliates with the holdings of the investment funds or UCITS managed by OP Fund Management Company Ltd as OP Fund Management Company Ltd uses the voting rights related to the holdings of its investment funds or UCITS independently from the parent company. Due to this, the combined share of the holdings and voting rights of OP-Pohjola and its affiliates and subsidiaries went below the 5% limit. The holding of the OP Pohjola, OP-Pohjola Group Research Foundation amounted to 63,000 shares, which corresponds to 0.144% of all shares and votes.

Changes in Group management

Talentum Oyj's Chief Executive Officer Juha Blomster resigned on 16 June 2011 to start working for another employer in the autumn of 2011. The Board of Directors has started the recruitment process in order to find a new CEO.

Niclas Köhler, M.Sc. (Econ.) was appointed Talentum's Chief Financial Officer and member of the executive team. He started in his new role on 9 May 2011.

TABLES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/ 2011	4-6/ 2010	1-6/ 2011	1-6/ 2010	1-12/ 2010
Net sales	23.9	21.1	47.5	40.5	81.0
Other operating income	0.1	0.1	0.1	0.3	0.7
Materials and services	3.7	3.4	7.1	6.8	13.3
Employee benefit expenses	11.6	10.8	23.2	21.4	42.8
Depreciation, amortisation and impairment	0.6	0.8	1.1	1.3	2.5
Other operating expenses	7.5	5.6	14.4	10.8	22.8
Operating income	0.6	0.5	1.8	0.5	0.3
Financial income	0.0	0.1	0.0	0.5	1.3
Financial expenses	0.1	0.2	0.2	0.3	1.5
Share of income of associated companies	0.1	0.1	0.1	0.0	0.0
Income before taxes	0.6	0.6	1.7	0.8	0.1
Taxes	-0.3	-0.2	-0.5	-0.1	0.0
Income for the period	0.4	0.4	1.1	0.6	0.2
Other comprehensive income:					
Translation differences	-0.5	0.4	-0.5	1.4	2.7
Available-for-sale investments	-	-	-	-	-0.0
Income tax on available-for- sale investments	-	-	-	-	0.0
Total comprehensive income for the period	-0.1	0.8	0.7	2.1	2.9
Income for the period attributable to:					
Owners of the parent company	0.3	0.4	1.1	0.6	0.2
Non-controlling interest	0.0	0.0	0.0	0.0	-0.0
Total comprehensive income for the period attributable to:					
Owners of the parent company	-0.1	0.8	0.7	2.1	2.9
Non-controlling interest	0.0	0.0	0.0	0.0	-0.0
Basic and diluted Earnings per share, EUR*	0.01	0.01	0.03	0.01	0.00

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	30.6.2011	30.6.2010	31.12.2010
ASSETS			
Non-current assets			
Property, plant and equipment	1.2	1.2	1.2
Goodwill	31.1	28.0	31.7
Other intangible assets	13.5	14.2	14.5
Investments in associates	0.2	0.2	0.1
Available-for-sale investments	0.1	0.1	0.1
Deferred tax assets	1.8	1.8	1.8
Other non-current receivables	1.6	0.2	1.8
Total non-current assets	49.4	45.8	51.2
Current assets			
Inventories	1.1	1.3	1.1
Trade and other receivables	10.2	8.0	10.9
Cash and cash equivalents	2.9	2.1	1.5
Total current assets	14.3	11.3	13.5
TOTAL ASSETS	63.7	57.1	64.7
EQUITY AND LIABILITIES			
Equity attributable to equity owners of the parent			
Share capital	18.6	18.6	18.6
Treasury shares	-2.8	-2.8	-2.8
Other reserves	0.1	-0.8	0.5
Invested non-restricted equity fund	2.4	3.3	3.3
Retained earnings	-1.1	-1.6	-2.2
Total	17.2	16.7	17.4
Non-controlling interest	0.1	0.1	0.1
Total equity	17.3	16.8	17.5
Non-current liabilities			
Deferred tax liabilities	3.7	3.7	3.8
Non-current financial liabilities	0.1	0.1	0.1
Pension obligation	0.1	0.1	0.1
Other non-current liabilities	1.7	0.5	1.7
Non-current provisions	0.2	0.2	0.3
Total non-current liabilities	5.8	4.6	6.0
Current liabilities			
Current financial liabilities	12.8	9.8	13.8
Advances received	14.2	13.1	13.7
Trade and other payables	13.5	12.7	13.6
Currents provisions	-	0.1	0.1
Total current liabilities	40.6	35.6	41.1
TOTAL EQUITY AND LIABILITIES	63.7	57.1	64.7

CONSOLIDATED STATEMENT OF CASH FLOW

EUR million	1-6/ 2011	1-6/ 2010	1-12/ 2010
Cash flow from operating activities			
Operating income	1.8	0.5	0.3
Adjustments to operating income	1.1	0.9	1.7
Change in working capital	1.8	3.2	0.4
Financial items and taxes	-1.0	0.1	0.4
Net cash from operating activities	3.8	4.8	2.7
Cash flow from investing activities			
Acquisition of subsidiaries and associates, net of cash acquired	-	-	-2.5
Disposal of subsidiaries and associates	-	-	0.3
Acquisition of property, plant and equipment and intangible assets	-0.5	-0.6	-1.1
Net cash from investing activities	-0.5	-0.6	-3.3
Cash flow from financing activities			
Change in current loans	-1.0	-6.0	-1.8
Repayment of non-current loans	-	-	-0.2
Dividends paid and other return of equity	-0.9	-	0.0
Net cash used in financing activities	-1.8	-6.0	-2.0
Change in cash and cash equivalents	1.4	-1.9	-2.5
Cash and cash equivalents at the beginning of period	1.5	3.7	3.7
Foreign exchange adjustment	0.0	0.2	0.3
Net change in cash and cash equivalents	1.4	-1.9	-2.5
Cash and cash equivalents at the end of period	2.9	2.1	1.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a = Share capital b = Treasury shares c = Fair value reserve d = Translation reserve e = Invested non-restricted equity fund	f = Retained earnings g = Equity attributable to equity owners of the parent (before non-controlling interest) h = Non-controlling interest i = Total equity
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EUR million	a	b	c	d	e	f	g	h	i
Equity at 1 January 2011	18.6	-2.8	0.0	0.5	3.3	-2.2	17.4	0.1	17.5
Return of equity					-0.9		-0.9		-0.9
Other items						-0.0	-0.0		-0.0
Total comprehensive income for the period				-0.5		1.1	0.6	0.0	0.6
Equity at 30 June 2011	18.6	-2.8	0.0	0.0	2.4	-1.1	17.2	0.1	17.3
Equity at 1 January 2010	18.6	-2.8	0.0	-2.2	3.3	-2.2	14.6	0.3	14.9
Other items								-0.2	-0.2
Total comprehensive income for the period				1.4		0.6	2.1	0.0	2.1
Equity at 30 June 2010	18.6	-2.8	0.0	-0.8	3.3	-1.6	16.7	0.1	16.8

NOTES TO THE FINANCIAL STATEMENTS

In preparation of this interim report, Talentum has applied the same principles as in the financial statements for 2010, apart from the additions described below.

From 1 January 2011, Talentum has adopted the following revised and amended IFRS standards:

Revised IAS 24 Related Party Disclosures

The revised standard specifies the definition of 'related party', which may have an impact on the disclosures provided in the notes to the financial statements.

In addition, the Group has adopted the Improvements to IFRSs (May 2010).

The other new and revised standards and interpretations are not relevant to the Group.

All figures in this report have been rounded up or down, so the sum of single figures may be different from the totals shown.

TALENTUM GROUP BY SEGMENT

1-6/2011	Publishing Finland*	Publishing other Nordic Countries*	Direct marketing	Other	Total
EUR million					
External sales	23.6	21.3	2.8	-0.2	47.5
Inter-segment net sales			1.6	-1.6	0.0
Operating income	1.8	1.3	0.5	-1.6	2.0
Segment income before taxes	1.8	1.3	0.5	-1.6	2.0
Reconciliation:					
Segment income before taxes					1.8
Non-recurring items unallocated to the segments					-0.2
Financing items, net					-0.2
Share of income of associated companies					0.1
Consolidated income before taxes					1.7

* Include the event business acquired on 15 September 2010.

1-6/2010	Publishing Finland	Publishing other Nordic Countries	Direct marketing	Other	Total
EUR million					
External sales	19.1	18.1	3.1	0.1	40,5
Inter-segment net sales			1,5	-1,5	0,0
Operating income	0.5	0.6	0.5	-1.1	0.5
Segment income before taxes	0.5	0.6	0.5	-1.1	0.5
Reconciliation:					
Segment income before taxes					0.5
Financing items, net					0.3
Share of income of associated companies					0.0
Consolidated income before taxes					0.8

1-12/2010	Publishing Finland	Publishing other Nordic Countries	Direct marketing	Other	Total
EUR million					
External sales	39.2	35.5	6.0	0.2	81.0
Inter-segment net sales			2.8	-2.8	0.0
Operating income	1.4	1.9	0.9	-2.1	2.0
Segment income before taxes	1.4	1.9	0.0	-2.1	2.0
Reconciliation:					
Segment income before taxes					2.0
Non-recurring items unallocated to the segments					-1.8
Financing items, net					-0.2
Share of income of associated companies					0.1
Consolidated income before taxes					0.2

CHANGE IN SHARE QUANTITIES *

1,000 shares	1-6/2011	1-6/2010	1-12/2010
Shares outstanding at period start	43,615	43,615	43,615
Number of shares outstanding at period end	43,615	43,615	43,615

* Excluding treasury shares held by the company.

For the period under review, the weighted average number of shares used in the calculation of earnings per share during the financial period is 43,614,787 (43,614,787 shares 1-6/2010).

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

PERSONNEL BY SEGMENT, ON AVERAGE

	1-6/2011	1-6/2010	1-12/2010
Publishing Finland*	239	198	210
Publishing other Nordic Countries*	253	229	232
Direct Marketing	314	334	327
Other	23	18	18
Total	829	779	787

* Include the total of 63 employees of the event business acquired on 15 September 2010.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	30.6.2011	30.6.2010	31.12.2010
Carrying amount at the beginning of period	1.2	1.3	1.3
Additions	0.3	0.2	0.4
Acquisitions through business combinations	-	-	0.0
Disposal of businesses	-	-	0.0
Decreases	-	-	-0.3
Depreciation	-0.2	-0.2	-0.3
Exchange rate differences	-0.1	0.0	0.0
Carrying amount at the end of period	1.2	1.2	1.2

CHANGES IN INTANGIBLE ASSETS

EUR million	30.6.2011	30.6.2010	31.12.2010
Carrying amount at the beginning of period	46.2	39.7	39.7
Additions	0.2	0.5	0.7
Purchase price allocation	-	0.7	0.6
Acquisitions through business combinations	-	-	2.7
Decreases	-0.0	-0.0	-0.2
Amortisation	-0.9	-1.1	-1.9
Exchange rate differences	-0.8	2.3	4.5
Carrying amount at the end of period	44.6	42.2	46.2

RELATED PARTY TRANSACTIONS

EUR million	1-6/2011	1-6/2010	1-12/2010
Employee benefits for key management	0.6	0.5	1.0
Support payments to pension fund	-	-	-0.2
Associates and joint ventures:			
Sales	0.8	0.1	0.3
Receivables	0.2	-	-
Liabilities	0.5	0.4	0.5

GUARANTEES

EUR million	30.6.2011	30.6.2010	31.12.2010
Guarantees posted for own commitments			
Financial institution loans	-	-	-
Book value of shares pledged	-	-	-
Business mortgage	-	-	-
Guarantees posted on behalf of commitments of associates	-	0.3	-
Guarantees posted on behalf of Talentum's pension fund	-	-	-

Calculation of key indicators

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

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

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

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

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

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

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

The figures in this release are 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 2011

The figure for the January-September income will be disclosed on 27 October 2011.

TALENTUM OYJ
Board of Directors

ADDITIONAL INFORMATION

Chief Executive Officer Juha Blomster, telephone +358 40 342 4444
Chief Financial Officer Niclas Köhler, telephone +358 40 342 4420

DISTRIBUTION

NASDAQ OMX Helsinki, Principal media

BRIEFING

A briefing in Finnish will be held for analysts and the media today, 21 July 2011 at 11:00 at the Talentum head office, Annankatu 34-36 B, Kamppi, Helsinki, Finland. The financial results will be presented by CEO Juha Blomster and CFO Niclas Köhler.

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This report has been published in Finnish and translated into English. In case of any discrepancy between the versions, the Finnish version shall prevail.