

**TALENTUM INTERIM REPORT JANUARY-SEPTEMBER 2011**
**Aarne Aktan appointed CEO of Talentum**
**July-September 2011 in brief**

- Talentum Group's net sales increased by 11.2%, totalling EUR 15.6 million (EUR 14.1 million).
- Net sales from publishing operations increased by 13.2%, totalling EUR 14.2 million (EUR 12.6 million).
- The amount of media advertising in Talentum's media increased in both Finland and Sweden by a total of 19.4%.
- Operating income without non-recurring items EUR -0.9 million (EUR -0.3 million).
- Operating income (EBIT) EUR -0.8 million (EUR -1.6 million)
- Talentum sold Sverige Bygger and Norge Bygges. The purchase price was EUR 15.2 million, and the gain on sale EUR 7.2 million. As a result of the transaction Group's net liabilities decreased and equity ratio increased.

**January-September 2011 in brief**

- Talentum Group's net sales increased by 15.3%, totalling EUR 58.9 million (EUR 51.1 million).
- Net sales from publishing operations increased by 18.1%, totalling EUR 54.7 million (EUR 46.3 million).
- Operating income without non-recurring items EUR 0.7 million (EUR 0.1 million)
- Operating income (EBIT) EUR 0.7 million (EUR -1.2 million)
- Earnings per share EUR 0.01 (EUR -0.02)
- Net liabilities EUR 3.0 million (31 Dec 2010: EUR 12.4 million)

**KEY FINANCIAL FIGURES, CONTINUING OPERATIONS \*)**

EUR million	7-9/ 2011	7-9/ 2010	Change %	1-9/ 2011	1-9/ 2010	1-12/ 2010
Net sales	15.6	14.1	11.2	58.9	51.1	74.1
Operating income without non-recurring items	-0.9	-0.3	-237.5	0.7	0.1	1.9
Operating income	-0.8	-1.6	52.1	0.7	-1.2	0.1
as % of net sales	-4.9	-11.3		1.1	-2.3	0.2
Net cash from operating activities				-0.2	-0.7	2.2
Total assets				54.5	65.1	64.7
Investments	0.2	2.9	-92.8	0.7	3.5	3.9
as % of net sales	1.3	20.7		1.2	6.9	5.3
Equity ratio %				52.6	32.0	34.4
Gearing ratio % (net debt to equity)				12.9	92.5	70.9
Interest-bearing liabilities				4.2	16.1	13.9
Net interest-bearing liabilities				3.0	15.3	12.4
Personnel on average				744	696	707
Earnings per share, EUR	-0.02	-0.03	31.5	0.01	-0.02	0.00
Cash flow from operating activities per share, EUR	-0.08	-0.11	29.1	0.00	-0.02	-0.02
Equity per share, EUR				0.53	0.38	0.40
Market capitalization on closing rate at period end				68.0	82.0	86.4

\*) The figures do not include the construction business information operations, which are presented as a discontinued operations.

**Sector and Talentum prospects for 2011**

Activity among Talentum's customers increased in 2010 and the increase has continued during 2011 as well. 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 increase and operating income will improve.

The sale of Sverige Bygger ja Norge Bygges is estimated to reduce Talentum Group's net sales by EUR 3.6 million on the year level. The transaction will not have significant effect on Talentum's 2011 operating income for the remainder of the year.

**CHIEF EXECUTIVE OFFICER - JUHA BLOMSTER:**

"The uncertainty surrounding the general economic situation in Europe continued in July-September. The nervousness in the Finnish media sector was further fuelled by the implementation of the Finnish government's decision to raise VAT on subscription magazines.

In August, Talentum entered into an agreement to sell the Sweden-based Sverige Bygger AB and the Norway-based Norge Bygges AS. The companies developed favourably in Talentum Group, but Talentum estimated that their value creation potential as a part of the Group was lower than the received offer and Talentum decided to sell them. The enterprise value of the deal was estimated at EUR 12 million, and the total purchase price of the companies' shares was approximately EUR 15 million, which was paid in cash. As a result of the deal, Talentum recorded a sales profit of approximately EUR 7 million. With the capital gain the credit facility was repaid by EUR 9.5 million during the third quarter and equity ratio increased.

In the third quarter, Talentum Group's net sales increased by 11 per cent and net sales from publishing operations increased by 13 per cent. Without the event business acquired in September 2010 and at comparable exchange rates, consolidated net sales increased by 4 per cent. The consolidated operating income from continuing operations was EUR -0.8 million, an increase of 52 per cent with respect to the same period last year.

Talentum's magazine business continued to develop favourably in both Finland and Sweden. In July-September, Talentum's advertising revenue increased by 19 per cent compared to the same period in the previous year. Growth was brought about especially by job advertising. Circulation revenue increased by 6 per cent. Other content revenue increased by 14 per cent, and the event business acquired last year accounted again for all such growth. Other content revenue includes books, training, events and business information.

Long-term cooperation between Tekniikka & Talous and a major subscriber will end at the beginning of 2012. The circulation of the magazine may decrease. However, work on building new, profitable circulation is progressing in a goal-oriented way.

Talentum will continue to invest in developing its brands in order to improve our market position and profitability."

**Operating environment and seasonal variation**

During the latter half of the year the general economic uncertainty has increased both in Finland and in Sweden. It may have a debilitating impact on the operating environment in the near future.

According to TNS Media Intelligence, in Finland media advertising for January-September rose by 9.9%, and for periodicals in particular it rose by 3.8%. Online advertising increased by 27.5%. Without changes in media monitoring advertising rose by 8.9% and online advertising rose by 23.1%. In Sweden, total media advertising rose by 10.6% in January-September; the

increase was 12.8% in professional journals, 8.8% online and 17.9% in search engines (Sweden's Media Agencies - Sveriges Mediebyråer).

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 July-September 2011**

Consolidated net sales from continuing operations for July-September increased by 11.2%, totalling EUR 15.6 million (EUR 14.1 million). Without corporate acquisitions and at comparable exchange rates, net sales increased by 3.5%. Net sales from publishing operations increased by 13.2%, totalling EUR 14.2 million (EUR 12.6 million). Advertising sales rose by 19.4%.

The consolidated operating income from continuing operations for July-September amounted to EUR -0.8 million (EUR -1.6 million), which is -4.9% (-11.3%) of net sales. Depreciation of intangible assets relating to corporate acquisitions amounted to EUR 0.0 million (-). The operating income from publishing operations was EUR -0.6 million (EUR -1.0 million). The operating income from publishing operations without non-recurring items was EUR -0.7 million (EUR 0.0 million).

The exchange rate of the Swedish krona against the Euro did not have significant impact on net sales or operating income.

The Group's expenses increased by approximately 5.4%, which equals EUR 0.7 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 -0.1 million). The Group's share of the income of associated companies was EUR 0.0 million (EUR 0.0 million).

The consolidated income before taxes from continuing operations was EUR -1.0 million (EUR -1.5 million). The taxes from continuing operations for the period under review were EUR 0.2 million (EUR 0.2 million). The consolidated income from continuing operations for July-September was EUR -0.8 million (EUR -1.3 million).

#### **Consolidated net sales and profit for January-September 2011**

Consolidated net sales from continuing operations for January-September increased by 15.3%, totalling EUR 58.9 million (EUR 51.1 million). Without corporate acquisitions and at comparable exchange rates, net sales increased by 1.7%. The strengthening of the Swedish krona against the Euro improved net sales by EUR 1.5 million. Net sales from publishing operations increased by 18.1%, totalling EUR 54.7 million (EUR 46.3 million). Advertising sales rose by 23.4%.

The consolidated operating income from continuing operations for January-September amounted to EUR 0.7 million (EUR -1.2 million), which is 1.1% (-2.3%) of net sales. The strengthening of the Swedish krona against the

euro improved operating income by EUR 0.1 million. Depreciation of intangible assets relating to corporate acquisitions amounted to EUR 0.2 million (-). The operating income from publishing operations was EUR 2.1 million (EUR 0.0 million). The operating income from publishing operations without non-recurring items was EUR 2.0 million (EUR 1.0 million).

The Group's expenses decreased by approximately 0.4%, which equals EUR 0.2 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 0.4 million (EUR -0.4 million). The Group's share of the income of associated companies was EUR 0.0 million (EUR 0.0 million).

Income before taxes from continuing operations was EUR 0.3 million (EUR -0.8 million). The Group's taxes for the period under review were EUR -0.1 million (EUR 0.1 million). The consolidated income for the period under review was EUR 0.2 million (EUR -0.7 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 continuing publishing operations in the other Nordic countries for the period under review was 42% (43%) of the total net sales of publishing operations. The share of the balance sheet total attributable to publishing operations in the other Nordic countries was 44% (46%). 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 implementation of the Finnish government's decision to raise VAT on subscription magazines to 9 per cent will have a significant impact on Talentum. However, Talentum will be affected to a lesser extent than many other Finnish publishers. About 40% of Talentum's net sales from publishing operations originate in Sweden, and the proportion of total revenue from publishing operations attributable to magazine order revenue is about 30 per cent.

Long-term cooperation between Tekniikka & Talous and a major subscriber will end at the beginning of 2012. The circulation of the magazine may decrease. However, work on building new, profitable circulation is progressing in a goal-oriented way. The termination of the agreement will reduce the magazine's subscription revenue from the start of 2012, and it

may temporarily affect advertising sales if the circulation does not improve as planned.

The performance of Talentum HR was weak during the first half of the year. During the third quarter the strategy of the company has been specified and management changed. Talentum HR's development is closely monitored, and the company is tested for impairment when 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–September was higher than in the previous year following the change in working capital. Net cash flow from business operations was EUR -0.2 million (EUR -0.7 million). The change in working capital was EUR -1.6 million (EUR -0.1 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 10.5 million (for balance sheet items, the comparison date is 31 December 2010: EUR 13.7 million).

The consolidated balance sheet total decreased as a consequence of the divestments carried out in August, and at the end of the period under review, it stood at EUR 54.5 million (EUR 64.7 million). The Group's interest-bearing loans and borrowing amounted to EUR 4.2 million (EUR 13.9 million). The Group's liquid assets were EUR 1.2 million (EUR 1.5 million). Interest-bearing net liabilities were EUR 3.0 million (EUR 12.4 million).

The available bank overdraft limit is EUR 12 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 0.0 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 52.6% (34.4%). The Group's equity per share was EUR 0.53 (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 September 2011, the translation difference in the Group's equity was EUR -0.7 million. The change for January–September was EUR -1.2 million (negative).

#### **Investments**

Gross investment of continuing operations in tangible and intangible assets in January–September totalled EUR 0.7 million (EUR 3.5 million), which equals to 1.2% (6.9%) of net sales. Investments in the comparison period include tangible and intangible assets of the acquisition of IIR Finland Oy.

#### **Changes in Group structure**

On 9 August 2011, Talentum entered into an agreement to sell the Sweden-based Sverige Bygger AB, the Norway-based Norge Bygges AS and Nordic Construction Media AB. The seller was Talentum Oyj's Swedish subsidiary, Talentum Business Information Group AB (TBIG), and the buyer was DOCU Group Sweden AB. Transfer of ownership took place on 9 August 2011. The total purchase price of the companies' shares was paid in cash on the same date.

The construction information business sold is presented as discontinued operations.

**Personnel**

In January–September, Talentum Group’s continuing operations employed an average of 744 (696) people: 310 (328) in direct marketing and 434 (368) in publishing and in the parent company. Geographically, the personnel were divided as follows: Finland 411 (386) people, Sweden 161 (148), Denmark 10 (0), Latvia 70 (73), Estonia 84 (84) and Russia 8 (5). The event business acquired in September 2010 increased the number of employees by 46 at the time of acquisition.

**BUSINESS AREAS, CONTINUING OPERATIONS**

EUR million	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	1-12/ 2010
<b>Net sales</b>					
Publishing Finland	8.3	7.1	31.9	26.2	39.2
Publishing other Nordic Countries	5.9	5.5	22.8	20.1	28.7
Direct marketing	2.2	2.1	6.7	6.8	8.8
Other	-0.8	-0.6	-2.5	-2.0	-2.6
<b>Total</b>	<b>15.6</b>	<b>14.1</b>	<b>58.9</b>	<b>51.1</b>	<b>74.1</b>
<b>Operating income without non-recurring items</b>					
Publishing Finland	-0.5	-0.6	1.2	-0.2	1.4
Publishing other Nordic Countries	-0.2	0.7	0.8	1.2	1.7
Direct marketing	0.3	0.2	0.8	0.7	0.9
Other	-0.5	-0.5	-2.1	-1.6	-2.1
<b>Total</b>	<b>-0.9</b>	<b>-0.3</b>	<b>0.7</b>	<b>0.1</b>	<b>1.9</b>
<b>Non-recurring items</b>					
Publishing Finland	-	-	-	-	-
Publishing other Nordic Countries	-0.1	1.0	-0.1	1.0	1.5
Direct marketing	-	-	-	-	-
Other	-	0.3	0.1	0.3	0.3
<b>Total</b>	<b>-0.1</b>	<b>1.3</b>	<b>0.1</b>	<b>1.3</b>	<b>1.8</b>
<b>Operating income</b>	<b>-0.8</b>	<b>-1.6</b>	<b>0.7</b>	<b>-1.2</b>	<b>0.1</b>

In January–September, non-recurring items included expenses of EUR 0.1 million related to personnel reduction.

**Publishing**
July–September

Net sales from continuing publishing operations for July–September amounted to EUR 14.2 million (EUR 12.6 million), a change of 13.2% from the previous year. Of net sales from publishing operations, 59% (56%) originated from Finland and the remaining 41% (44%) from the other Nordic countries.

In July–September, advertising revenue increased by 19.4% from the previous year. The share of advertising revenue in net sales from publishing operations totalled 39% (37%).

Net sales from e-business for July–September increased by 0.5%. Net sales from e-business were EUR 1.9 million (EUR 1.9 million), which corresponds to 13% (15%) of the total figure for publishing.

January–September

Net sales from continuing publishing operations for January–September amounted to EUR 54.7 million (EUR 46.3 million), a change of 18.1% from the previous year. Of net sales from publishing operations, 58% (57%)

originated from Finland and the remaining 42% (43%) from the other Nordic countries.

In January-September, advertising revenue increased by 23.4% from the previous year. The share of advertising revenue in net sales from publishing operations totalled 40% (38%).

Net sales from e-business for January-September increased by 8.6%. Net sales from e-business were EUR 6.7 million (EUR 6.2 million), which corresponds to 12% (13%) of the total figure for publishing.

#### **PUBLISHING REVENUE, CONTINUING OPERATIONS**

EUR million	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	1-12/ 2010
<b>Net sales</b>					
Advertisement revenue	5.6	4.7	21.9	17.7	26.2
Circulation revenue	4.6	4.3	18.0	17.1	23.8
Other content revenue *	4.0	3.5	14.8	11.5	17.9
Total	14.2	12.6	54.7	46.3	67.9

\* '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 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).

#### July-September

Net sales from publishing operations in Finland for July-September amounted to EUR 8.3 million (EUR 7.1 million), an increase of 18.0% from the previous year. Excluding the event business acquired in September 2010, net sales increased by 10.2%. Advertising revenue was up 30.3% on the previous year.

The operating income from publishing operations in Finland was EUR -0.5 million (EUR -0.6 million). The operating income was affected by the EUR 0.1 million (0.0) depreciation 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 improve Tekniikka & Talous in order to provide good service to its readers and to increase the circulation of the magazine.

The number of Talentum's Finnish online media visitors increased faster than the market also in the third quarter. Taking 'unique visitors' as the indicator, the magazines with the highest increase in average weekly audience were Talouselämä (+127%) and Tekniikka & Talous (+46%). An increase of over 40 per cent compared to the previous year was also recorded by Markkinointi & Mainonta, MikroPC and Tietoviikko. The improvements are based on more active content production and new editorial guidelines. In particular, Talouselämä has made significant investments in

its own online news production during the year. The proportion of mobile access to Talentum's services clearly increased compared to the previous year. Tietoviikko responded to the increased interest by launching a new mobile website. Tietoviikko's CIO service was also revamped, and ICT Standard Forum was selected as its partner. The aim of CIO.fi is to become the number one website in Finland for information and development management.

#### January-September

Net sales from publishing operations in Finland for January-September amounted to EUR 31.9 million (EUR 26.2 million), a change of 21.9% from the previous year. Excluding the event business acquired in September 2010, net sales increased by 6.4%. Advertising revenue was up 25.3% on the previous year.

The operating income from publishing operations in Finland was EUR 1.2 million (EUR -0.2 million). The operating income was affected by the EUR 0.2 million (0.0) 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.

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

#### July-September

Net sales from Publishing other Nordic countries continuing operations for July-September amounted to EUR 5.9 million (EUR 5.5 million), a change of 7.2% from the previous year. Without the event business acquired in September 2010 and at comparable exchange rates, net sales decreased by 2.0%. Changes in exchange rates increased net sales by EUR 0.0 million. Advertising revenue was up 9.4% on the previous year.

The operating income from Publishing other Nordic countries continuing operations was EUR 0.0 million (EUR -0.3 million). The operating income from Publishing other Nordic countries continuing operations without nonrecurring items was EUR -0.2 million (EUR -0.7 million).

#### January-September

Net sales from Publishing other Nordic countries for January-September continuing operations amounted to EUR 22.8 million (EUR 20.1 million), an increase of 13.3% from the previous year. Without the event business acquired in September 2010 and at comparable exchange rates, net sales decreased by 1.1%. Changes in exchange rates increased net sales by EUR 1.5 million. Advertising revenue was up 21.6% on the previous year.

The operating income from Publishing other Nordic countries continuing operations was EUR 0.9 million (EUR 0.2 million). The operating income from Publishing other Nordic countries continuing operations without nonrecurring items was EUR 0.8 million (EUR 1.2 million). The operating income from Publishing other Nordic countries was affected by the weak performance of Talentum HR, which focuses on HR 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.



July-September

Net sales from direct marketing for July-September amounted to EUR 2.2 million (EUR 2.1 million), and the operating income was EUR 0.3 million (EUR 0.2 million).

January-September

Net sales from direct marketing for January-September amounted to EUR 6.7 million (EUR 6.8 million), and the operating income was EUR 0.8 million (EUR 0.7 million).

**TALENTUM GROUP****Shares and share capital**

On 30 September 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 5,382,842 Talentum shares were traded in January-September, which corresponds to 12.5% of all shares. The highest price paid for shares in January-September was EUR 2.16, and the lowest was EUR 1.51. The closing price for the shares on 30 September 2011 was EUR 1.56.

On 30 September 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 September 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**

No flagging notifications were made in July-September.

**EVENTS AFTER THE REVIEWED PERIOD****Changes in Group management**

Aarne Aktan, Bachelor of Science (Econ.), has been appointed Talentum Oyj's Chief Executive Officer as of December 1, 2011.

Chief Executive Officer Juha Blomster will leave Talentum on 28 October, 2011 as disclosed earlier, to join A-lehdet Oy as CEO.

Vice Executive President of Talentum, Lasse Rosengren will be acting CEO as of October 29, 2011 until the new CEO joins Talentum.

The appointment has been disclosed on a separate company announcement on October 27, 2011.

**TABLES**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR million	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	1-12/ 2010
<b>CONTINUING OPERATIONS:</b>					
Net sales	15.6	14.1	58.9	51.1	74.1
Other operating income	0.2	0.2	0.3	0.5	0.7
Materials and services	2.4	2.3	9.3	9.0	13.1
Employee benefit expenses	8.3	8.2	28.9	27.4	38.4
Depreciation, amortisation and impairment	0.4	0.5	1.3	1.5	1.9
Other operating expenses	5.4	4.8	19.0	14.9	21.3
Operating income	-0.8	-1.6	0.7	-1.2	0.1
Financial income	0.2	0.3	0.8	0.8	1.3
Financial expenses	0.4	0.2	1.2	0.4	1.5
Share of income of associated companies	0.0	0.0	0.0	0.0	0.0
Income before taxes	-1.0	-1.5	0.3	-0.8	0.0
Taxes	0.2	0.2	-0.1	0.1	0.1
Income for the period from continuing operations	-0.8	-1.3	0.2	-0.7	0.1
<b>DISCONTINUED OPERATIONS:</b>					
Income for the period from discontinued operations	7.4	0.2	7.4	0.3	0.1
Income for the period	6.6	-1.1	7.7	-0.4	0.2
<b>Other comprehensive income:</b>					
Translation differences	-0.9	0.8	-1.4	2.3	2.7
Translation differences transferred into profit or loss	0.2	-	0.2	-	-
Available-for-sale investments	-	-	-	-	-0.0
Income tax on available-for- sale investments	-	-	-	-	0.0
Total comprehensive income for the period	5.9	-0.3	6.5	1.8	2.9
<b>Income for the period attributable to:</b>					
Owners of the parent company	6.5	-1.1	7.6	-0.5	0.2
Non-controlling interest	0.0	0.0	0.0	0.0	-0.0
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the parent company	5.9	-0.3	6.5	1.8	2.9
Non-controlling interest	0.0	0.0	0.0	0.0	-0.0
Basic and diluted Earnings per share, EUR, continuing operations*	-0.02	-0.03	0.01	-0.02	0.00
Basic and diluted Earnings per share, EUR, discontinued operations*	0.17	0.00	0.17	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	30.9.2011	30.9.2010	31.12.2010
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	1.0	1.2	1.2
Goodwill	24.4	32.4	31.7
Other intangible assets	11.9	14.5	14.5
Investments in associates	0.1	0.1	0.1
Available-for-sale investments	0.1	0.1	0.1
Deferred tax assets	1.7	1.9	1.8
Other non-current receivables	1.5	0.2	1.8
Total non-current assets	40.7	50.4	51.2
Current assets			
Inventories	1.1	1.2	1.1
Trade and other receivables	11.5	12.7	10.9
Cash and cash equivalents	1.2	0.7	1.5
Total current assets	13.8	14.6	13.5
<b>TOTAL ASSETS</b>	<b>54.5</b>	<b>65.1</b>	<b>64.7</b>
<b>EQUITY AND LIABILITIES</b>			
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	-0.6	0.1	0.5
Invested non-restricted equity fund	2.4	3.3	3.3
Retained earnings	5.5	-2.7	-2.2
Total	23.0	16.4	17.4
Non-controlling interest	0.1	0.1	0.1
Total equity	23.1	16.6	17.5
Non-current liabilities			
Deferred tax liabilities	3.3	3.9	3.8
Non-current financial liabilities	0.1	0.1	0.1
Pension obligation	0.1	0.1	0.1
Other non-current liabilities	1.4	1.9	1.7
Non-current provisions	0.2	0.2	0.3
Total non-current liabilities	5.0	6.2	6.0
Current liabilities			
Current financial liabilities	4.1	15.9	13.8
Advances received	10.5	13.2	13.7
Trade and other payables	11.7	13.0	13.6
Currents provisions	-	0.1	0.1
Total current liabilities	26.4	42.3	41.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54.5</b>	<b>65.1</b>	<b>64.7</b>

**CONSOLIDATED STATEMENT OF CASH FLOW**

EUR million	1-9/ 2011	1-9/ 2010	1-12/ 2010
<b>Cash flow from operating activities, continuing operations</b>			
Operating income	0.7	-1.2	0.1
Adjustments to operating income	1.4	1.1	1.2
Change in working capital	-1.6	-0.1	0.7
Financial items and taxes	-0.7	-0.5	0.2
Net cash from operating activities	-0.2	-0.7	2.2
<b>Cash flow from investing activities, continuing operations</b>			
Acquisition of subsidiaries and associates, net of cash acquired	-	-2.5	-2.5
Disposal of subsidiaries and associates	-	0.3	0.3
Acquisition of property, plant and equipment and intangible assets	-0.7	-0.6	-1.1
Net cash from investing activities	-0.7	-2.7	-3.3
<b>Cash flow from financing activities, continuing operations</b>			
Change in current loans	-9.7	0.1	-1.8
Repayment of non-current loans	-	-	-0.2
Dividends paid and other return of equity	-0.9	-	-
Net cash used in financing activities	-10.6	-2.7	-2.0
<b>Discontinued operations</b>			
Cash flow from operating activities	-0.2	0.4	0.5
Cash flow from investing activities*	11.4	0.0	0.0
Cash flow from financing activities	-	-	-
Cash flow from discontinued operations	11.2	0.4	0.5
Change in cash and cash equivalents	-0.2	-3.0	-2.5
Cash and cash equivalents at the beginning of period	1.5	3.7	3.7
Foreign exchange adjustment	0.0	-0.1	0.3
Net change in cash and cash equivalents	-0.2	-3.0	-2.5
Cash and cash equivalents at the end of period	1.2	0.7	1.5

\* Gain on the sale of discontinued operations is presented in the cash flow from investing activities.

**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

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				-1.2		7.6	6.5	0.0	6.5
<b>Equity at 30 September 2011</b>	<b>18.6</b>	<b>-2.8</b>	<b>0.0</b>	<b>-0.7</b>	<b>2.4</b>	<b>5.5</b>	<b>23.0</b>	<b>0.1</b>	<b>23.1</b>
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				2.3		-0.5	1.8	0.0	1.8
<b>Equity at 30 September 2010</b>	<b>18.6</b>	<b>-2.8</b>	<b>0.0</b>	<b>0.1</b>	<b>3.3</b>	<b>-2.7</b>	<b>16.4</b>	<b>0.1</b>	<b>16.6</b>

**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, CONTINUING OPERATIONS**

1-9/2011	Publishing Finland	Publishing other Nordic Countries	Direct marketing	Other	Total
EUR million					
External sales	31.9	22.8	4.2	0.0	58.9
Inter-segment net sales			2.5	-2.5	0.0
Operating income	1.2	0.8	0.8	-2.1	0.7
Segment income before taxes	1.2	0.8	0.8	-2.1	0.7
<b>Reconciliation:</b>					
Segment income before taxes					0.7
Non-recurring items unallocated to the segments					0.1
Financing items, net					-0.4
Share of income of associated companies					0.0
Consolidated income before taxes					0.3

1-9/2010	Publishing Finland	Publishing other Nordic Countries	Direct marketing	Other	Total
EUR million					
External sales	26.2	20.1	4.6	-2.0	51.1
Inter-segment net sales			2.2	-2.2	0.0
Operating income	-0.2	1.2	0.7	-1.6	0.1
Segment income before taxes	-0.2	1.2	0.7	-1.6	0.1
<b>Reconciliation:</b>					
Segment income before taxes					0.1
Non-recurring items unallocated to the segments					-1.3
Financing items, net					0.4
Share of income of associated companies					0.1
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	28.7	6.0	0.2	74.1
Inter-segment net sales			2.8	-2.8	0.0
Operating income	1.4	1.7	0.9	-2.1	1.9
Segment income before taxes	1.4	1.7	0.9	-2.1	1.9
<b>Reconciliation:</b>					
Segment income before taxes					1.9
Non-recurring items unallocated to the segments					-1.8
Financing items, net					-0.2
Share of income of associated companies					0.0
Consolidated income before taxes					0.0

#### GROUP COMPANIES SOLD DURING THE PERIOD UNDER REVIEW

In August, the Group sold Sverige Bygger AB, Norge Bygges AS and Nordic Construction Media AB, which were classified as discontinued operations.

The main branch of the companies sold is construction industry business information.

#### Income from discontinued operations

EUR million	1-9/2011	1-9/2010	1-12/2010
<b>Income</b>	12.3	5.1	6.9
Expenses	4.6	4.8	6.7
Taxes	-0.2	-0.1	-0.0
<b>Profit after taxes</b>	7.4	0.3	0.1

EUR	1-9/2011	1-9/2010	1-12/2010
<b>Earnings per share, discontinued operations, EUR</b>	0.17	0.01	0.00

Revenue for January-September 2011 includes EUR 7.2 million gain on sale from Talentum Business Information sub-group.

**Effect of the sale of discontinued operations on Group's financial position**

EUR million	30 Sep 2011
Property, plant and equipment	0.1
Goodwill	6.6
Other intangible assets	1.4
Current receivables	1.7
Cash and cash equivalents	3.8
Non-current liabilities	-0.4
Current liabilities	-5.2
<b>Total assets and liabilities</b>	<b>8.0</b>
Purchase consideration settled in cash	15.2
Cash and cash equivalents in subsidiaries	3.8
Cash inflow on disposal	11.5

**CHANGE IN SHARE QUANTITIES \***

1,000 shares	1-9/2011	1-9/2010	1-12/2010
Shares outstanding at period start	43 615	43 615	43 615
<b>Number of shares outstanding at period end</b>	<b>43 615</b>	<b>43 615</b>	<b>43 615</b>

\* Excluding treasury shares held by the company.

For the period under review, the weighted average number of shares used in the calculation of earnings per share during the financial period is 43,614,787 (43,614,787 shares 1-9/2010).

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

**PERSONNEL BY SEGMENT ON AVERAGE, CONTINUING OPERATIONS**

	1-9/2011	1-9/2010	1-12/2010
Publishing Finland*	239	202	210
Publishing other Nordic Countries*	171	148	152
Direct Marketing	310	328	327
Other	24	18	18
<b>Total</b>	<b>744</b>	<b>696</b>	<b>707</b>

\* Includes the 63 employees of the event business acquired on 15 September 2010.

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

EUR million	30.9.2011	30.9.2010	31.12.2010
Carrying amount at the beginning of period	1.2	1.3	1.3
Additions	0.3	0.3	0.5
Acquisitions through business combinations	-	-	0.0
Disposal of businesses	-0.5	-	0.0
Decreases	0.0	-	-0.3
Depreciation	0.0	-0.2	-0.4
Exchange rate differences	0.0	-0.4	0.0
Carrying amount at the end of period	1.0	1.2	1.2



**CHANGES IN INTANGIBLE ASSETS**

EUR million	30.9.2011	30.9.2010	31.12.2010
Carrying amount at the beginning of period	46.2	39.7	39.7
Additions	0.4	0.5	0.2
Purchase price allocation	-	0.8	0.1
Acquisitions through business combinations	-	2.5	2.7
Disposal of businesses	-8.8	-	-
Decreases	0.0	-	-0.2
Amortisation	-0.1	-1.6	-1.9
Exchange rate differences	-1.4	3.8	4.5
Carrying amount at the end of period	36.3	45.8	46.2

**RELATED PARTY TRANSACTIONS**

EUR million	1-9/2011	1-9/2010	1-12/2010
Employee benefits for key management	0.8	0.7	1.0
Support payments to pension fund	-	-	-0.2
Associates and joint ventures:			
Sales	1.1	0.2	0.3
Receivables	0.1	-	0.6
Liabilities	0.5	0.3	0.5

**GUARANTEES**

EUR million	30.9.2011	30.9.2010	31.12.2010
<b>Guarantees posted for own commitments</b>			
Financial institution loans	-	-	-
Book value of shares pledged	-	-	-
Business mortgage	-	-	-
Guarantees	0.0	-	-
<b>Guarantees posted on behalf of commitments of associates</b>	-	-	-
<b>Guarantees posted on behalf of Talentum's pension fund</b>	-	-	-

**Calculation of key indicators**

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

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

Return on 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

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.

Talentum's Full-Year Result for 2011 will be published on 15 February, 2012.

TALENTUM OYJ  
Board of Directors

**ADDITIONAL INFORMATION**

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, 27 October 2011 at 11:00 at the Talentum head office, Annankatu 34-36 B, Kamppi, Helsinki, Finland. The financial results will be presented by Vice Executive President Lasse Rosengren 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.