

2013

**FINANCIAL STATEMENT
RELEASE**

Q4

JANUARY-DECEMBER

12 FEBRUARY 2014

TALENTUM OYJ FINANCIAL STATEMENT RELEASE 12 February 2014 at 8.30 a.m.

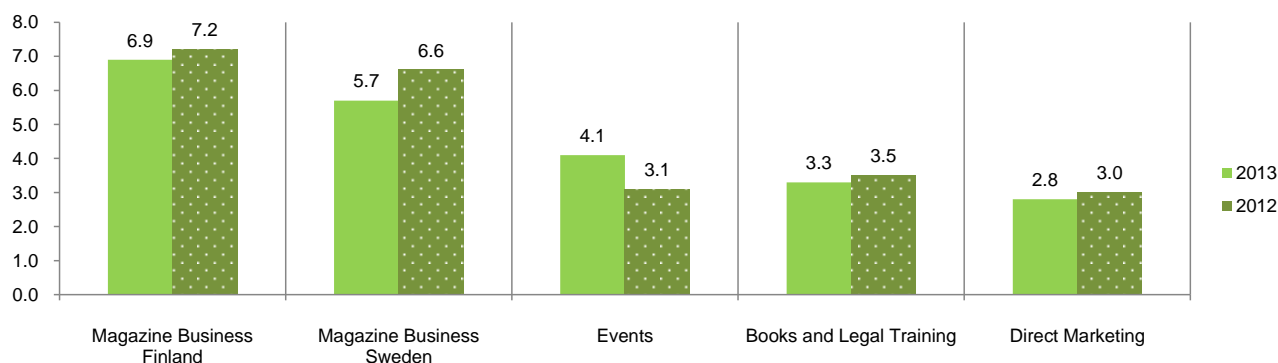
Talentum Oyj's Financial Statement Release for January-December 2013:

MAGAZINE BUSINESS FINLAND MADE A GOOD RESULT, RESTRUCTURING IN SWEDEN CONCLUDED

October-December 2013 in brief

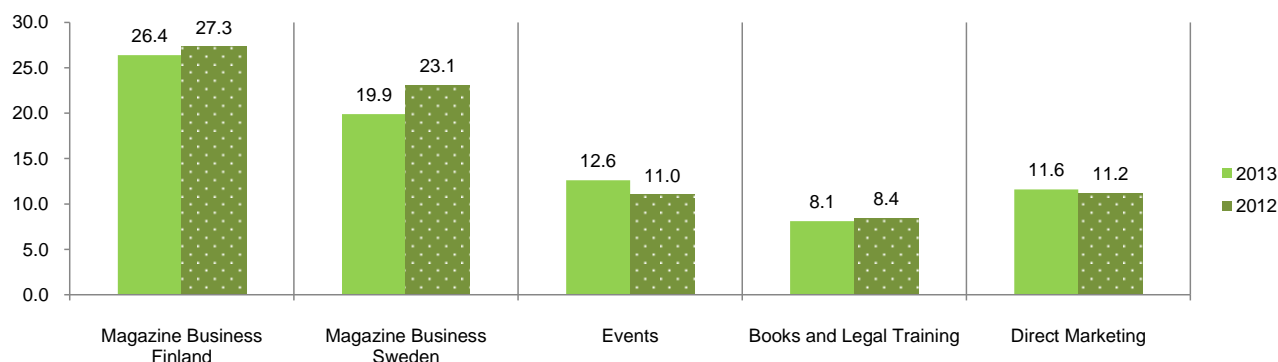
- Talentum Group's net sales totalled EUR 22.1 million (EUR 22.5 million)
- Operating income without non-recurring items was EUR 3.1 million (EUR 2.4 million) and operating income (EBIT) was EUR 1.6 million (EUR 2.6 million)
- Operating income from Magazine Business Finland continued to develop well and increased compared to previous year
- Operating income from the Event Business increased compared to previous year
- Operating income without non-recurring items from Magazine Business Sweden became profitable in the final quarter. The restructuring in Sweden caused a non-recurring item of EUR 1.5 million.
- The amount of advertising revenue in Talentum's media decreased by 17.2%. The share of advertising revenue in Talentum's net sales was 26.2%.
- Talentum Summa was published on 18 October 2013 and launching occurred as planned

Net sales of business functions (EUR million):



January-December 2013 in brief

- Talentum Group's net sales totalled EUR 75.6 million (EUR 77.2 million)
- Operating income without non-recurring items was EUR 3.1 million (EUR 2.4 million) and operating income (EBIT) was EUR 1.4 million (EUR -0.5 million)
- All in all, 2013 was a good year for Magazine Business Finland. Operating income increased significantly compared to previous year.
- Operating income from the Event Business remained at the previous year's level despite the good operating income in the final quarter
- Operating income without non-recurring items from Magazine Business Sweden remained slightly unprofitable mainly due to the weak performance in the first half of the year
- The amount of advertising revenue in Talentum's media decreased by 18.3%. The share of advertising revenue in Talentum's net sales was 27.3%.
- Circulation revenue increased by 2.9% in Finland and decreased slightly in Sweden

Net sales of business functions (EUR million):


The Board of Directors proposes that a dividend in the amount of EUR 0.04 to be distributed for 2013 (for 2012 funds were distributed from the invested non-restricted equity reserve of EUR 0.03 per share).

FINANCIAL FIGURES

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Net sales	22.1	22.5	75.6	77.2
Operating income without non-recurring items	3.1	2.4	3.1	2.4
<i>as % of net sales</i>	14.0	10.8	4.0	3.1
Operating income	1.6	2.6	1.4	-0.5
<i>as % of net sales</i>	7.4	11.4	1.8	-0.7
Income before taxes	2.0	2.7	1.6	-1.2
Net cash from operating activities			3.5	1.0
Total assets			49.7	55.1
Investments	0.3	0.3	1.6	1.6
<i>as % of net sales</i>	1.4	1.2	2.1	2.1

Chief Executive Officer Aarne Aktan:

"All in all, business developed relatively well in the final quarter. The general media market continued to be characterised by weak development in terms of both advertisement and circulation sales. Compared to the previous year, we improved fourth-quarter operating income in the Magazine Business Finland and Event Business segments. In other segments, operating income weakened compared to the reference period. In October–December, the Finnish advertising market for periodicals decreased by 10.5 per cent. The Swedish advertising market for professional journals decreased by 21.5 per cent in October–December.

Magazine Business Finland continued to perform well also in the final quarter. Net sales decreased by three per cent. However, profitability improved from the comparative period. Product advertising sales remained at the comparative period's level in Finland, which was a reasonable achievement in the current market situation. Recruitment advertising continued to decrease in Finland.

In the final quarter, net sales and profitability from the Event Business segment improved from the comparative period. In November, Tapio Teppo was appointed new director of the Event Business segment. He assumed the role on 1 February 2014.

Magazine Business Sweden performed satisfactorily in the final quarter. In Sweden, advertising sales continued to decrease from the comparative period. During the final quarter, we performed major restructuring in Sweden. Its effects will be reflected in cost level as of second quarter of 2014.

The restructuring caused EUR 1.5 million of non-recurring costs for the final quarter. Restructuring in Sweden is concluded.

Net sales and profitability from the Books and Legal Training segment decreased slightly from the comparative period. Also net sales and profitability from the Direct Marketing segment decreased slightly from the comparative period.

Talentum's digital service package – Talentum Summa – combines Talentum's magazines, websites and business literature into one content service. Event contents will also be added to the service at a later stage. Summa was published in Finland on 18 October 2013, next step is to publish corresponding service also in Sweden. Summa was launched as planned and has been received well.

In the final quarter, we also launched a new magazine – Tekniikan Historia. Furthermore, we acquired the Tietokone magazine from Sanoma Magazines. The magazine was handed over to us on 1 January 2014.”

KEY FIGURES

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Return on invested capital %			3.2	-8.3
Return on equity %			6.0	-2.3
Equity ratio, %			47.7	47.7
Gearing ratio, % (net debt to equity)			2.5	5.6
Interest-bearing liabilities			4.8	4.6
Net interest-bearing liabilities			0.5	1.1
Personnel on average			760	754
Earnings per share, EUR	0.03	0.06	0.03	-0.01
Cash flow from operating activities per share, EUR			0.08	0.02
Equity per share, EUR			0.43	0.45

Talentum's prospects for 2014

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

Consolidated net sales and profit for October-December 2013

Consolidated net sales for October-December decreased by 1.7%, totalling EUR 22.1 million (EUR 22.5 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 0.1 million on net sales. The exchange rate of the Swedish krona against the euro did not have a material impact on operating income.

Consolidated operating income without non-recurring items was EUR 3.1 million (EUR 2.4 million). Non-recurring items for October-December, which amounted to EUR 1.5 million (EUR -0.1 million), included items relating to restructuring in Sweden.

Consolidated operating income for October-December was EUR 1.6 million (EUR 2.6 million) and 7.4% (11.4%) of net sales. Financial items were EUR 0.3 million (EUR 0.1 million).

Income before taxes was EUR 2.0 million (EUR 2.7 million). The Group's taxes for the period under review were EUR -0.5 million (EUR -0.2 million). Consolidated income for October-December was EUR 1.5 million (EUR 2.5 million).

Consolidated net sales and income for January-December 2013

Consolidated net sales for January-December decreased by 2.1%, totalling EUR 75.6 million (EUR 77.2 million). The exchange rate of the Swedish krona against the euro had a positive impact of EUR 0.1 million on net sales. The exchange rate of the Swedish krona against the euro did not have a material impact on operating income.

Consolidated operating income without non-recurring items was EUR 3.1 million (EUR 2.4 million). Non-recurring items for January-December, which amounted to EUR 1.7 million (EUR 2.9 million), included items mainly relating to restructuring in Sweden.

Consolidated operating income for January-December was EUR 1.4 million (EUR -0.5 million) and 1.8% (-0.7%) of net sales. Financial items were EUR 0.3 million (EUR -0.6 million).

Income before taxes was EUR 1.6 million (EUR -1.2 million). The Group's taxes for the financial year were EUR -0.5 million (EUR 0.7 million). Consolidated income for January-December was EUR 1.2 million (EUR -0.5 million).

BUSINESS AREAS

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

According to TNS Media Intelligence, the advertising market decreased by 8.5% in Finland during January-December and by 3.9% in Sweden (Sveriges Mediebyråer). Advertising decreased by 12.7% in Finnish periodicals during January-December and by 20.0% in Swedish professional journals. In Finland online advertising revenues increased by 5.8% during January-December and by 18.8% in Sweden.

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Net sales				
Magazines Finland	6.9	7.2	26.4	27.3
Magazines Sweden	5.7	6.6	19.9	23.1
Events	4.1	3.1	12.6	11.0
Books and Legal Training	3.3	3.5	8.1	8.4
Direct Marketing	2.8	3.0	11.6	11.2
Other Activities	-0.7	-0.9	-3.0	-3.8
Total	22.1	22.5	75.6	77.2
Operating income without non-recurring items				
Magazines Finland	1.0	0.7	3.0	1.6
Magazines Sweden	0.5	0.7	-0.2	1.7
Events	0.5	-0.1	-0.4	-0.5
Books and Legal Training	1.0	1.3	0.7	1.0
Direct Marketing	0.3	0.4	1.2	1.4
Other Activities	-0.1	-0.6	-1.2	-2.8
Total	3.1	2.4	3.1	2.4
Non-recurring items				
Magazines Finland	-	-0.0	-0.0	-1.0
Magazines Sweden	-1.5	0.2	-1.6	-1.0
Events	-	-	-0.0	-0.0
Books and Legal Training	-0.0	-	-0.0	-0.4
Direct Marketing	-	-	0.1	-
Other Activities	0.0	-	-0.1	-0.6
Total	-1.5	0.1	-1.7	-2.9
Operating income				
Magazines Finland	1.0	0.7	3.0	0.6
Magazines Sweden	-1.0	0.9	-1.8	0.8
Events	0.5	-0.1	-0.5	-0.5
Books and Legal Training	1.0	1.3	0.7	0.5
Direct Marketing	0.3	0.4	1.2	1.4
Other Activities	-0.1	-0.6	-1.2	-3.4
Total	1.6	2.6	1.4	-0.5

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.

October-December

Net sales for the Magazine Business Finland for October-December amounted to EUR 6.9 million (EUR 7.2 million), a decrease of 3.1% from the previous year.

In October-December, operating income (EBIT) from the Magazine Business Finland was EUR 1.0 million (EUR 0.7 million). In October-December, operating income without non-recurring items from the Magazine Business Finland was EUR 1.0 million (EUR 0.7 million), thereby the segment's operating income increased compared to the previous year.

In October-December, advertising revenue decreased by 9.8% from the previous year. Advertising revenue accounted for 39.3% (42.2%) of net sales in the Magazine Business Finland.

In October-December, circulation revenue remained at previous year's level. Circulation revenue accounted for 58.2% (56.3%) of net sales in the Magazine Business Finland.

January-December

Net sales for the Magazine Business Finland for January-December amounted to EUR 26.4 million (EUR 27.3 million), a decrease of 3.3% from the previous year.

In January-December, operating income (EBIT) from the Magazine Business Finland was EUR 3.0 million (EUR 0.6 million). In January-December, operating income without non-recurring items from the Magazine Business Finland was EUR 3.0 million (EUR 1.6 million).

In January-December, advertising revenue decreased by 12.9% from the previous year. Advertising revenue accounted for 38.4% (42.6%) of net sales in the Magazine Business Finland.

In January-December, circulation revenue increased by 2.9% from the previous year. Circulation revenue accounted for 59.5% (55.9%) of net sales in the Magazine Business Finland. Circulation revenue increased due to the exceptionally good success in customer segmentation and targeting.

Magazine Business Finland revenue

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Net sales				
Advertisement revenue	2.7	3.0	10.1	11.6
Product advertisements	2.4	2.4	8.3	8.5
Recruitment advertisements	0.4	0.6	1.8	3.2
Circulation revenue	4.0	4.0	15.7	15.3
Other revenue	0.2	0.1	0.6	0.4
Total	6.9	7.2	26.4	27.3

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.

October-December

Net sales for the Magazine Business Sweden for October-December amounted to EUR 5.7 million (EUR 6.6 million), a decrease of 13.7% from the previous year.

In October-December, operating income (EBIT) from the Magazine Business Sweden was EUR -1.0 million (EUR 0.9 million). In October-December, operating income without non-recurring items from the Magazine Business Sweden was EUR 0.5 million (EUR 0.7 million).

In October-December, advertising revenue decreased by 22.9% from the previous year. Advertising revenue accounted for 54.0% (60.5%) of net sales in the Magazine Business Sweden.

In October-December, circulation revenue decreased by 5.7% from the previous year. Circulation revenue accounted for 41.7% (38.2%) of net sales in the Magazine Business Sweden.

January-December

Net sales for the Magazine Business Sweden for January-December amounted to EUR 19.9 million (EUR 23.1 million), a decrease of 14.0% from the previous year.

In January-December, operating income (EBIT) from the Magazine Business Sweden was EUR -1.8 million (EUR 0.8 million). In January-December, operating income without non-recurring items from the Magazine Business Sweden was EUR -0.2 million (EUR 1.7 million).

In January-December, advertising revenue decreased by 23.0% from the previous year. Advertising revenue accounted for 52.7% (58.9%) of net sales in the Magazine Business Sweden.

In January-December, circulation revenue decreased by 1.6% from the previous year. Circulation revenue accounted for 44.5% (38.9%) of net sales in the Magazine Business Sweden.

Magazine Business Sweden revenue

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Net sales				
Advertisement revenue	3.1	4.0	10.5	13.6
Product advertisements	1.9	2.6	6.1	7.9
Recruitment advertisements	1.2	1.3	4.4	5.7
Circulation revenue	2.4	2.5	8.9	9.0
Other revenue	0.2	0.1	0.6	0.5
Total	5.7	6.6	19.9	23.1

Event Business

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

October-December

Net sales for the Event Business segment for October-December amounted to EUR 4.1 million (EUR 3.1 million), an increase of 32.4% from the previous year.

In October-December, operating income (EBIT) for the Event Business segment was EUR 0.5 million (EUR -0.1 million). Operating income for the comparative period for the Event Business segment included EUR 0.1 million amortisation of intangible assets. In connection with the acquisition of the Event Business, a receivable relating to a non-compete undertaking was recognised, and the related cost entry, which weakens the result, was EUR 0.1 million (EUR 0.1 million) in October-December.

The Group's share of the associated company Professio Oy's income in October-December was EUR 0.0 million (EUR -0.0 million).

January-December

Net sales for the Event Business segment for January-December amounted to EUR 12.6 million (EUR 11.0 million), an increase of 14.6% from the previous year.

In January-December, operating income (EBIT) for the Event Business segment was EUR -0.5 million (EUR -0.5 million). Operating income for the Event Business segment includes EUR 0.1 million (EUR 0.2 million) amortisation of intangible assets. In connection with the acquisition of the Event Business, a receivable relating to a non-compete undertaking was recognised, and the related cost entry, which weakens the result, was EUR 0.3 million (EUR 0.3 million) in January-December.

The Group's share of the associated company Professio Oy's income in January-December was EUR 0.1 million (EUR 0.2 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.

October-December

Net sales for the Books and Legal Training segment for October-December amounted to EUR 3.3 million (EUR 3.5 million), a decrease of 7.2% from the previous year.

In October-December, operating income (EBIT) was EUR 1.0 million (EUR 1.3 million). Operating income without non-recurring items from the Books and Legal Training segment was EUR 1.0 million (EUR 1.3 million) in October-December.

January-December

Net sales for the Books and Legal Training segment for January-December amounted to EUR 8.1 million (EUR 8.4 million), a decrease of 3.1% from the previous year.

In January-December, operating income (EBIT) was EUR 0.7 million (EUR 0.5 million). Operating income without non-recurring items from the Books and Legal Training segment was EUR 0.7 million (EUR 1.0 million) in January-December.

Direct Marketing

Financial development for the direct marketing business is reported in the Direct Marketing segment. The operations of Talentum's subsidiary, Suoramarkkinointi Mega Oy, in Finland and the Baltic countries belong to this segment. The company operates in the telemarketing business.

October-December

Net sales for the Direct Marketing business for October-December amounted to EUR 2.8 million (EUR 3.0 million), a decrease of 8.8% from the previous year.

In October-December, operating income (EBIT) was EUR 0.3 million (EUR 0.4 million). Operating income without non-recurring items from the Direct Marketing was EUR 0.3 million (EUR 0.4 million) in October-December.

January-December

Net sales for the Direct Marketing business for January-December amounted to EUR 11.6 million (EUR 11.2 million), an increase of 3.1% from the previous year.

In January-December, operating income (EBIT) was EUR 1.2 million (EUR 1.4 million). Operating income without non-recurring items from the Direct Marketing was EUR 1.2 million (EUR 1.4 million) in January-December.

Other activities

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

Consolidated cash flow and financial position

Cash flow from business operations in January-December was higher than in the previous year following the change in operating income. Consolidated cash flow from operating activities was EUR 3.5 million (EUR 1.0 million). The change in consolidated working capital was EUR 1.4 million (EUR 0.2 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 10.3 million (EUR 13.6 million).

The consolidated statement of the financial position total at the end of the financial year stood at EUR 49.7 million (EUR 55.1 million). The Group's interest-bearing loans and borrowing amounted to EUR 4.8 million (EUR 4.6 million). The Group's liquid assets were EUR 4.3 million (EUR 3.5 million). Interest-bearing net liabilities were EUR 0.5 million (EUR 1.1 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12 million. EUR 4.5 million of the limit was in use at the end of the financial year (EUR 4.4 million was in use on 31 December 2012).

The equity ratio at the end of the financial year was 47.7% (47.7%). The Group's equity per share was EUR 0.43 (EUR 0.45). The Group does not hedge against currency fluctuations with regard to the acquisition of subsidiaries. The weakening or strengthening of the Swedish krona against the euro affects the Group's equity through the translation difference arising from the acquisition of the Swedish subsidiaries. On 31 December 2013, the translation difference in the Group's equity was EUR 0.6 million. The change in January-December was EUR 0.9 million (negative).

Investments

Gross investments in tangible and intangible assets for January-December totalled EUR 1.6 million (EUR 1.6 million), which was 2.1% (2.1%) of net sales.

Changes in Group structure

There were no changes in Group structure during the financial year.

Personnel

In January-December, Talentum Group's operations employed an average of 760 (754) people. Geographically, the personnel were divided as follows: Finland 385 (412), Sweden 116 (129), Denmark 18 (14), Latvia 133 (103), Estonia 99 (88) and Russia 8 (8).

Seasonal variation and short-term risks for the business

The media and advertising markets are subject to seasonal variations. Talentum's magazines and books do not generally come out during the summer holiday season, which is why the third quarter is the weakest in terms of sales. Historically, income for the third period is negative. Operations are generally at their busiest in the final quarter.

The aim of Talentum Group's risk management is to identify, analyse and manage any operational threats and risks in order to guarantee the Group's operational continuity and maximise share value.

Talentum's most significant strategic risks are a sudden drop in the number of magazine readers, a decrease in advertising sales and a rapid increase in the use of digital materials. Group subscriptions for major magazines are significant as far as coverage is concerned, and contracts have been in place for several decades. Changes in these contracts could have major impacts on magazine circulations and, indirectly, advertising sales.

The aim of the Group is to minimise the market risk relating to advertising by increasing revenue from circulation and content sales.

The growth of online services on the markets may change Talentum's earnings logic and have an impact on revenue structure. Talentum actively follows the development of the online services markets.

Book readers will probably start using digital materials. If income from these materials does not cover income from traditional printed products to an adequate extent, this may result in weaker profitability for the Books and Legal Training segment.

The companies' operations are local and language-area-bound by nature, and there are very few currency-denominated transactions. The statement of comprehensive income and statement of financial position have not been hedged against exchange rate fluctuations.

Operational risks are IT and data communication failures as well as interruptions in printing operations and distribution. Profit units are responsible for day-to-day risk management and pre-emptive measures.

TALENTUM GROUP

Shares and share capital

On 31 December 2013, Talentum Oyj's share capital totalled EUR 18,593,518.79 and the company had 44,295,787 fully paid shares. The shares are listed on the NASDAQ OMX Helsinki stock exchange.

A total of 3,214,012 Talentum shares were traded in January-December, which corresponded to 7.3% of the total number of shares. The highest price paid for shares in January-December was EUR 1.29 and the lowest was EUR 0.90. The closing price for the shares on 31 December 2013 was EUR 1.05. Market capitalisation at the closing price for the period was EUR 46.5 million (EUR 52.3 million).

On 31 December 2013, the company held 573,479 treasury shares, which is about 1.3% of Talentum's total shares and votes.

Shareholding of management and governing bodies

On 31 December 2013, the number of Talentum Oyj shares and options owned by members of the Board of Directors and the CEO, personally or through companies in which they have a controlling interest, was 141,213 representing 0.3% of the company's total shares and votes.

A total of 48,633 Talentum Oyj shares were held by the management group on 31 December 2013.

Board of Directors

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

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

Corporate governance

In its decision-making and corporate governance, Talentum Oyj observes its Articles of Association, the Finnish Companies' Act, provisions on publicly listed companies and NASDAQ OMX Helsinki's rules and regulations. Talentum observes the Corporate Governance Code of Finnish listed companies. Talentum's Corporate Governance Statement is presented in the Annual Report as a separate section.

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 May, treasury shares held by the company were transferred to the members of the Board of Directors in an amount corresponding to 40% of the annual fee. The number of treasury shares held by the company that were transferred to the members of the Board of Directors was 57,139. As a consequence of the transfer, the value of the Group's treasury shares in the Group's equity decreased by EUR 0.2 million, amounting to EUR -2.4 million on 31 December 2013. The transfer of shares resulted in a loss of equity of EUR 0.2 million, which was recognised under retained earnings.

Auditing

Authorised Public Accountants PricewaterhouseCoopers Oy were re-elected auditors, with APA Samuli Perälä as the accountable auditor.

Authorisation for the acquisition of the company's own shares

The Annual General Meeting decided to authorise the Board of Directors to acquire a maximum of 3,500,000 of Talentum Oyj shares, which corresponds to approximately eight (8) per cent of all Talentum Oyj shares. The authorisation will remain in force until 30 June 2014.

Authorisation to decide on a share issue

The Annual General Meeting authorised the Board of Directors to decide on a share issue including the conveyance of treasury shares owned by the company and the issue of special rights. Based on the authorisations, a maximum number of 3,500,000 new shares may be issued and/or shares held by the company may be disposed of, which corresponds to approximately eight (8) per cent of the company's shares. The authorisations will remain in force until 30 June 2014.

Investment-based option programme for management

By virtue of the authorisation obtained at the General Meeting on 22 March 2013, Talentum Oy's Board of Directors has decided on an investment-based option programme for Talentum's management and the related conveyance of Talentum's treasury shares as of 1 January 2014. Information on the subject was provided with a separate stock exchange release on 13 December 2013.

Executive management

The composition of the executive management team is as follows:

-Chief Executive Officer: **Aarne Aktan** (Chairman). CEO is also responsible for the Magazine Business in Sweden.

- Chief Financial Officer: **Niclas Köhler**
- Director responsible for the Event Business: **Johan Ehrström** until 31 December 2013
- Deputy CEO, General Counsel: **Lasse Rosengren**. Mr Rosengren is also responsible for the Books and Legal Training segment.
- Director responsible for the Magazine Business in Finland: **Tuomas Hämäläinen**

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

Flagging notifications

Talentum Oyj released a stock exchange release on 2 January 2013 pursuant to Securities Act Chapter 9, Section 5 regarding a change in number of Talentum's shares held by Accendo Capital SICAV-SIF.

Talentum Oyj was given a notice pursuant to the Finnish Securities Market Act Chapter 9, Section 5: The total number of shares held by Accendo Capital SICAV-SIF represented over 10 % of Talentum Oyj's share capital and voting rights on December 28, 2012 following Accendo Capital SICAV-SIF's share purchases. This notification has been given to Talentum Oyj on January 1, 2013.

Market guarantee

On 5 December 2013, Talentum Oyj announced through a stock exchange release the termination – with effect as of 31 December 2013 – of the Liquidity Providing (LP) market-making agreement signed with Nordea Securities Oyj (currently Nordea Pankki Suomi Oyj) on 18 June 2004.

The Board of Directors' motion concerning distribution of profits

The parent company's distributable profits as of 31 December 2013 comprise invested non-restricted equity of EUR 52,942,876.08, treasury shares of EUR -2,404,734.30 and EUR 3,195,238.27 of retained earnings, of which the profit for the financial period is EUR 2,393,963.20, totalling EUR 53,733,380.05.

The Board of Directors proposes that a dividend in the amount of EUR 0.04 to be distributed for 2013 (for 2012 funds were distributed from the invested non-restricted equity reserve of EUR 0.03 per share).

Annual General Meeting

Talentum Oyj's Annual General Meeting will be held on 27 March 2014 at 2.00 p.m. in Helsinki.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

MSc (Tech.), MSc (Econ.) Tapio Teppo assumed the role of director of Talentum Oyj's Event Business and member of company's management team on 1 February 2014. Johan Ehrström continued as the director of the Event Business and a member of Talentum Oyj's management team until 31 December 2013. Information on the subject was provided with a separate stock exchange release on 22 November 2013.

Talentum acquired Tietokone magazine from Sanoma Magazines. Tietokone magazine transferred to Talentum as of 1 January 2014. Information on the subject was provided with a press release on 28 November 2013.

Talentum Oyj's Board of Directors decided on an investment-based option programme for Talentum's management and the related conveyance of Talentum's treasury shares as of 1 January 2014. Information on the subject was provided with a separate stock exchange release on 13 December 2013.

TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Net sales	22.1	22.5	75.6	77.2
Other operating income	0.4	0.2	1.0	0.6
Materials and services	3.1	3.4	10.9	11.8
Employee benefit expenses	10.9	9.6	37.8	40.1
Depreciation, amortisation and impairment	0.3	0.3	1.3	1.3
Other operating expenses	6.6	6.8	25.3	25.4
Share of income of an associated company	0.0	-0,0	0.1	0.2
Operating income	1.6	2.6	1.4	-0.5
Financial income	0.5	0.6	1.1	0.7
Financial expenses	0.1	0.5	0.8	1.3
Income before taxes	2.0	2.7	1.6	-1.2
Taxes	-0.5	-0.2	-0.5	0.7
Income for the period	1.5	2.5	1.2	-0.5
Other comprehensive income				
Items that may be later transferred into profit or loss				
Translation differences	-0.6	-0.4	-0.9	1.1
Available-for-sale investments	-	0.0	-	0.0
Income tax on available-for-sale investments	-	-0,0	-	-0,0
Available-for-sale investments transferred into profit or loss	-	-	-0.0	-
Items that will not be later transferred into profit or loss				
Actuarial gain or loss on defined benefit pension obligation	0.0	-0,0	0.0	-0.2
Income tax on actuarial gain or loss	-0.0	0.0	-0.0	0.0
Other comprehensive income	-0.6	-0.5	-0.9	0.9
Total comprehensive income for the period	0.8	2.0	0.2	0.5
Income for the period attributable to				
Owners of the parent company	1.4	2.5	1.1	-0.5
Non-controlling interest	0.0	0.0	0.0	0.0
Total comprehensive income for the period attributable to				
Owners of the parent company	0.8	2.0	0.2	0.4
Non-controlling interest	0.0	0.0	0.0	0.0
Basic and diluted earnings per share, EUR*	0.03	0.06	0.03	-0.01

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.12.2013	31.12.2012	1.1.2012*
ASSETS			
Non-current assets			
Property, plant and equipment	1.2	1.3	1.0
Goodwill	19.8	20.2	19.7
Other intangible assets	12.8	12.9	12.4
Investments in associates	0.3	0.3	0.3
Available-for-sale investments	0.0	0.1	0.1
Deferred tax assets	1.2	1.4	1.1
Other non-current receivables	0.5	1.6	5.6
Total non-current assets	35.8	37.9	40.2
Current assets			
Inventories	0.6	0.6	0.7
Trade and other receivables	8.9	13.1	13.8
Cash and cash equivalents	4.3	3.5	2.6
Total current receivables	13.9	17.2	17.2
TOTAL ASSETS	49.7	55.1	57.3
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	18.6	18.6	18.6
Treasury shares	-2.4	-2.6	-2.8
Other reserves	0.6	1.5	0.4
Invested non-restricted equity fund	-1.5	-0.2	2.4
Retained earnings	3.4	2.5	3.3
Total	18.6	19.7	21.8
Non-controlling interest	0.1	0.1	0.1
Total equity	18.8	19.8	21.9
Non-current liabilities			
Deferred tax liabilities	2.9	3.0	3.3
Non-current financial liabilities	-	0.1	0.1
Pension obligation	0.3	0.3	0.1
Other non-current liabilities	0.1	0.8	0.7
Non-current provisions	0.2	0.2	0.2
Total non-current liabilities	3.6	4.5	4.5
Current liabilities			
Current financial liabilities	4.8	4.5	1.1
Advances received	10.3	13.6	16.8
Trade and other payables	11.7	11.8	13.1
Current provisions	0.5	0.9	-
Total current liabilities	27.3	30.8	31.0
TOTAL EQUITY AND LIABILITIES	49.7	55.1	57.3

* Consolidated statement of financial position on 1.1.2012 is presented due to the Group adopted on 1.1.2013 the revised IAS 19 -standard, which has been applied retrospective in accordance with IAS 8 and the transition principles of IAS 19.

CONSOLIDATED STATEMENT OF CASH FLOW

EUR million	1-12 2013	1-12 2012
Cash flows from operating activities		
Operating income	1.4	-0.5
Adjustments to operating income*	0.6	1.1
Change in working capital	1.4	0.2
Dividends received from business operations	0.2	0.2
Financial items and taxes	-0.1	-0.0
Net cash generated from operating activities	3.5	1.0
Cash flows from investment activities		
Previous years' acquisition of subsidiaries and associates	-0.2	-0.2
Previous years' disposals of subsidiaries and associates	-	0.9
Acquisition of property, plant and equipment and intangible assets	-1.6	-1.6
Disposal of available for sale investments	0.1	-
Net cash generated from investment activities	-1.7	-0.9
Cash flows from financing activities		
Change in current loans	0.3	3.4
Dividends paid and other return on equity	-1.3	-2.6
Net cash used in financing activities	-1.0	0.8
Change in cash and cash equivalents	0.8	0.9
Cash and cash equivalents in the beginning of the period	3.5	2.6
Foreign exchange adjustment	-0.0	0.0
Cash and cash equivalents at the end of the period	4.3	3.5

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

EUR million	a	b	c	d	e	f	g	h	i
Equity 1 January 2013	18.6	-2.6	0.0	1.4	-0.2	2.5	19.7	0.1	19.8
Return on equity					-1.3		-1.3		-1.3
Conveyance of treasury shares		0.2				-0.2	0.1		0.1
Other items						-0.0	-0.0	0.0	-0.0
Total comprehensive income for the period			-0.0	-0.9		1.1	0.2	0.0	0.2
Equity 31 December 2013	18.6	-2.4	-	0.6	-1.5	3.4	18.6	0.1	18.8
Equity 1 January 2012	18.6	-2.8	0.0	0.3	2.4	3.3	21.9	0.1	21.9
Retrospective application of IAS 19R						-0.1	-0.1		-0.1
Adjusted equity 1 January 2012	18.6	-2.8	0.0	0.3	2.4	3.3	21.8	0.1	21.9
Return on equity					-2.6		-2.6		-2.6
Conveyance of treasury shares		0.2				-0.1	0.1		0.1
Other items								0.0	0.0
Total comprehensive income for the period				1.1		-0.7	0.4	0.0	0.5
Equity 31 December 2012	18.6	-2.6	0.0	1.4	-0.2	2.5	19.7	0.1	19.8

NOTES TO THE FINANCIAL STATEMENTS

In the preparation of this Financial Statement Release, Talentum has applied the same principles as in the financial statements for 2012, and those new and revised IFRS-standards that have been described in the financial statements for 2012. Among the new and revised IFRS-standards only amendment of *IAS 19 Employee Benefits* had significant effect on the preparation of the financial statement release.

As of 1 January 2013, the management of the Group started to monitor the Group's share of income of the associated company *Professio Oy* in Event Business segment. Formerly the management of the Group monitored the Group's share of income of associated company *Professio Oy* in Other Activities. Segment reporting has been changed to correspond with the new management reporting structure. The figure of comparative years' periods has been adjusted accordingly.

Amendment to IAS 19 – Employee Benefits

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

As a consequence of this amendment, equity in the statement of financial position for the comparative year on 31 December 2012 decreased by EUR 0.2 million and pension obligations increased by EUR 0.3 million. For comparative year January-December 2012 the amendment decreased the other comprehensive income by EUR 0.1 million.

All figures in this Financial Statement Release have been rounded up or down, so the sums of individual figures may differ from the totals shown.

TALENTUM GROUP BY SEGMENT

1-12 2013 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketing	Other	Total
External sales	26.3	19.8	12.4	8.1	8.6	0.3	75.6
Inter-segment net sales	0.0	0.1	0.1	-	3.0	-3.2	0.0
Operating income	3.0	-0.2	-0.4	0.7	1.2	-1.2	3.1
Segment income before taxes	3.0	-0.2	-0.4	0.7	1.2	-1.2	3.1
Reconciliation							
Segment income before taxes	3.0	-0.2	-0.4	0.7	1.2	-1.2	3.1
Non-recurring items							-1.7
Financing items, net							0.3
Consolidated income before taxes							1.6

1-12 2012 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketing	Other	Total
External sales	27.3	22.9	10.9	8.4	7.4	0.3	77.2
Inter-segment net sales	-	0.2	0.1	-	3.8	-4.1	0.0
Operating income	1.6	1.7	-0.5	1.0	1.4	-2.8	2.4
Segment income before taxes	1.6	1.7	-0.5	1.0	1.4	-2.8	2.4
Reconciliation							
Segment income before taxes	1.6	1.7	-0.5	1.0	1.4	-2.8	2.4
Non-recurring items							-2.9
Financing items, net							-0.6
Consolidated income before taxes							-1.2

CHANGE IN SHARE QUANTITIES *

1,000 shares	1-12 2013	1-12 2012
Shares outstanding at the beginning of the period	43 661	43 615
Number of shares outstanding at the end of the period	43 722	43 661

* Excluding treasury shares held by the company.

The weighted average number of shares used in the calculation of earnings per share during the financial year is 43,704,518 (43,631,936 shares 1-12/2012).

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

PERSONNEL BY SEGMENT ON AVERAGE

	1-12 2013	1-12 2012
Magazines Finland	108	125
Magazines Sweden	92	105
Events	95	88
Books and Legal Training	36	38
Direct Marketing	399	365
Other Activities	30	33
Total	760	754

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	1-12 2013	1-12 2012
Carrying amount at the beginning of the period	1.3	1.0
Additions	0.6	0.9
Decreases	-0.2	-1.3
Accumulated depreciation of decreases	0.2	1.3
Depreciation for the period	-0.6	-0.6
Translation differences	0.0	0.0
Carrying amount at the end of the period	1.2	1.3

CHANGES IN INTANGIBLE ASSETS

EUR million	1-12 2013	1-12 2012
Carrying amount at the beginning of the period	33.1	32.1
Additions	1.0	0.8
Decreases	0.0	-0.4
Accumulated depreciation of decreases	-	0.3
Depreciation for the period	-0.7	-0.7
Translation differences	-0.8	0.9
Carrying amount at the end of the period	32.6	33.1

RELATED PARTY TRANSACTIONS

EUR million	1-12 2013	1-12 2012
Employee benefits for key management*	1.6	1.4
Associates and joint ventures		
Sales	1.4	1.8
Purchases	2.2	1.6
Receivables	0.5	0.4
Liabilities	0.4	0.5

*) Figures for comparative year has been adjusted by the statutory Finnish pension benefit TyEI.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR million	1-12 2013	1-12 2012
Carrying amount at the beginning of the period	0.1	0.1
Additions	-	0.0
Decreases	-0.1	-0.0
Fair value measurement	-	0.0
Carrying amount at the end of the period	0.0	0.1

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	31.12.2013	31.12.2012
Guarantees posted for own commitments		
Guarantees	1.2	0.9

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 financial statement release report is unaudited.

General statement

The forecasts and estimates presented here are based on the management's current view of economic development, and the actual results may differ substantially from what is now expected of the company.

Financial information 2014

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

January-March result 24 April 2014

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

Briefing

A briefing in Finnish will be held for analysts and the media on 12 February 2014 at 11.00 a.m. in Sokos Hotel Vaakuna, Asema-aukio 2, 00100 Helsinki.

TALENTUM OYJ
Board of Directors

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