

INTERIM REPORT

2015

Q2

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TALENTUM INTERIM REPORT 17 July 2015 at 8.30 a.m.

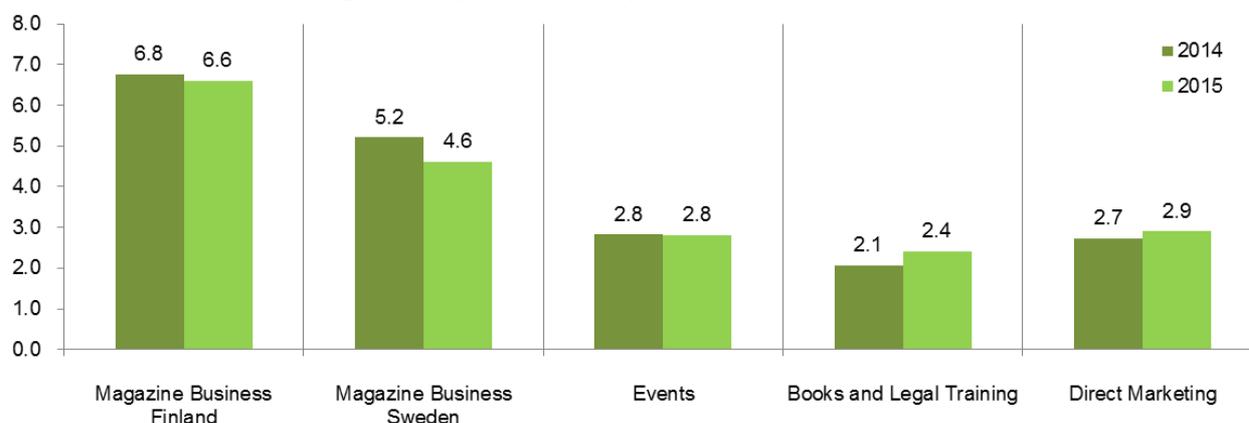
Talentum Corporation Interim Report for April-June 2015:

THE GROUP'S NET SALES WERE NEARLY AT PREVIOUS YEAR'S LEVEL, OPERATING PROFIT IMPROVED MARKEDLY

APRIL-JUNE 2015 IN BRIEF

- Talentum Group's net sales totalled EUR 18.6 million (EUR 18.7 million)
- Operating profit without non-recurring items was EUR 1.2 million (EUR 0.7 million) and operating profit (EBIT) was EUR 1.1 million (EUR 0.2 million)
- Operating profit excluding non-recurring items from Magazine Business Finland increased slightly compared to the previous year. Advertising sales continued to weaken but circulation sales improved slightly.
- Operating profit excluding non-recurring items from Magazine Business Sweden remained at the previous year's level
- Books and Legal Training, Events and Direct Marketing all showed improved operating income
- Talentum acquired the MB magazine from Sanoma Media Finland and it became part of Magazine Business Finland on 1 May 2015. The integration has proceeded as expected.
- In Sweden, a continuation agreement with the Sveriges Ingenjörer union was concluded. The agreement will take effect as of 1 January 2016. The union's 135 000 members will continue to receive the Ny Teknik magazine, either in printed or digital form.

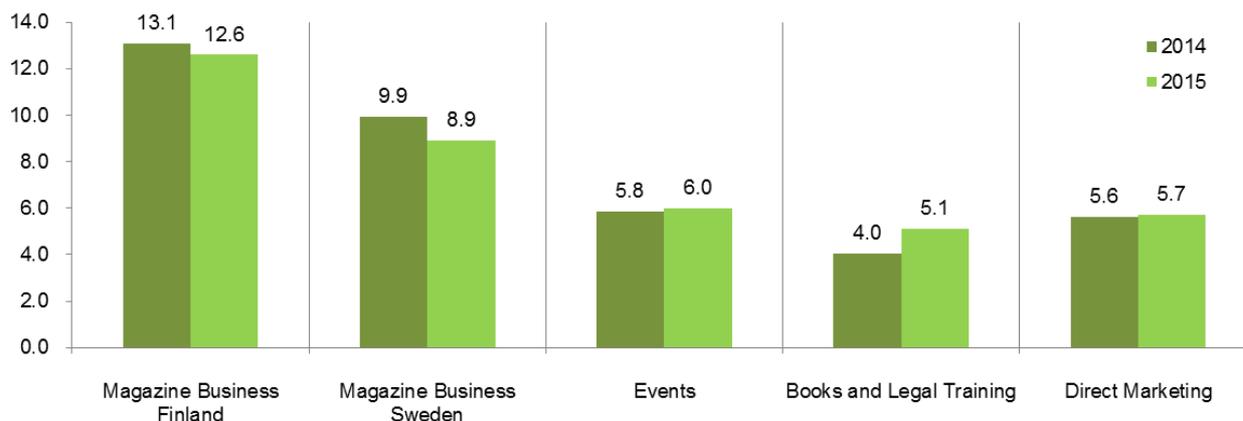
Net sales of business segments (EUR million):



JANUARY-JUNE 2015 IN BRIEF

- Talentum Group's net sales totalled EUR 37.0 million (EUR 36.9 million)
- Operating profit without non-recurring items was EUR 2.2 million (EUR 1.4 million) and operating profit (EBIT) was EUR 1.7 million (EUR 0.5 million)
- Operating income of Events, Magazine Business Finland and Direct Marketing improved clearly in comparison with previous year
- Due to lower-than-expected advertising sales, operating income excluding non-recurring items of Magazine Business Sweden weakened

Net sales of business segments (EUR million):



FINANCIAL FIGURES

EUR million	4-6 2015	4-6 2014	1-6 2015	1-6 2014	1-12 2014
Net sales	18.6	18.7	37.0	36.9	72.3
Operating income without non-recurring items	1.2	0.7	2.2	1.4	4.1
<i>as % of net sales</i>	6.6	3.8	5.8	3.8	5.7
Operating income	1.1	0.2	1.7	0.5	3.4
<i>as % of net sales</i>	5.7	0.8	4.7	1.4	4.8
Income before taxes	0.9	0.4	1.5	0.8	3.8
Net cash from operating activities			0.7	2.0	4.4
Total assets			53.5	51.3	51.8
Investments	2.1	3.3	2.4	3.8	4.2
<i>as % of net sales</i>	11.2	17.8	6.4	10.3	5.8

Chief Executive Officer Aarne Aktan:

The Group's operating profit improved markedly compared to last year. The result is fairly satisfactory in light of the present economic climate. We have been able to compensate the dropping advertising sales by increasing the performance of circulation sales. Thereby we have reduced the extent to which our income depends on fluctuating advertising income.

Net sales of digital products and services amounted to EUR 2.8 million in the second quarter. This represents growth of 15.4 per cent on the previous year and the proportion of net sales accounted for by digital sales was 15.0 per cent. Advertising sales accounted for 64.4 per cent of digital net sales while circulation sales accounted for 35.6 per cent. In addition to the B2B business acquired from Sanoma Pro, the growth is due to new products and more efficient sales.

The Events segment has showed good development. A third successive profitable quarter demonstrates that the measures that were taken last year with the aim of improving profitability have had the desired effect.

Operating income from Magazine Business Sweden remained at the previous year's level. Cost management has been reasonably successful but advertising sales, recruitment advertising sales in particular, continue to be weak. We will continue our efforts to improve profitability. In the second quarter, advertising sales accounted for 46.4 per cent of net sales, while circulation sales accounted for 49.9 per cent.

The profitability of Magazine Business Finland has remained good thanks to cost management and successful circulation sales. Circulation income accounted for 67.0 per cent of Magazine Business Finland's net sales. We acquired the MB magazine at the beginning of May and we will build a better future for this classic magazine together with the readers.

Direct Marketing generated a strong result that was even better than we had expected.

Books and Legal Training improved its operating income on the previous year but expectations were even higher. We continue to believe that the investments that we have made so far this year will improve profitability for the remainder of the year.

KEY FIGURES

EUR million	4-6 2015	4-6 2014	1-6 2015	1-6 2014	1-12 2014
Return on invested capital %			7.2	3.9	17.5
Return on equity %			7.2	3.3	14.7
Equity ratio, %			44.9	43.7	47.2
Gearing ratio, % (net debt to equity)			29.3	14.5	3.8
Interest-bearing liabilities			8.1	5.8	5.4
Net interest-bearing liabilities			5.4	2.5	0.7
Personnel on average			727	730	721
Earnings per share, EUR	0.02	0.01	0.03	0.01	0.06
Cash flow from operating activities per share, EUR			0.02	0.05	0.10
Equity per share, EUR			0.42	0.39	0.43

Talentum prospects for 2015 unchanged

Talentum estimates that its net sales for 2015 will remain approximately at the same level as in 2014. Operating income without non-recurring items will be higher than in 2014. Operating income without non-recurring items was EUR 4.1 million in 2014.

Consolidated net sales and income for April-June 2015

Consolidated net sales for April-June decreased by 0.8 %, totalling EUR 18.6 million (EUR 18.7 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 0.1 million (EUR 0.3 million) on net sales.

Consolidated operating income without non-recurring items was EUR 1.2 million (EUR 0.7 million). Non-recurring items for April-June, that amounted to EUR -0.2 million (EUR -0.6 million), consisted mostly of reorganisation of Magazine Business Sweden and in comparative period also of items relating to integration of the B2B business acquired from Sanoma Pro.

Consolidated operating income for April-June was EUR 1.1 million (EUR 0.2 million) and 5.7% (0.8%) of net sales. Financial items were EUR -0.1 million (EUR 0.2 million).

The exchange rate of the Swedish krona against the euro did not have a significant impact on operating income.

Income before taxes was EUR 0.9 million (EUR 0.4 million). The Group's taxes for the period under review were EUR -0.0 million (EUR -0.1 million). Consolidated income for April-June was EUR 0.9 million (EUR 0.2 million).

Consolidated net sales and income for January-June 2015

Consolidated net sales for January-June increased by 0.2%, totalling EUR 37.0 million (EUR 36.9 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 0.4 million (EUR 0.6 million) on net sales.

Consolidated operating income without non-recurring items was EUR 2.2 million (EUR 1.4 million). Non-recurring items for January-June, that amounted to EUR -0.4 million (EUR -0.9 million), consisted mostly of reorganisation of Magazine Business Sweden and in comparative period also of items relating to reorganisation of Events Business as well as integration of the B2B business acquired from Sanoma Pro.

Consolidated operating income for January-June was EUR 1.7 million (EUR 0.5 million) and 4.7% (1.4%) of net sales. Financial items were EUR -0.2 million (EUR 0.3 million).

The exchange rate of the Swedish krona against the euro did not have a significant impact on operating income.

Income before taxes was EUR 1.5 million (EUR 0.8 million). The Group's taxes for the period under review were EUR -0.1 million (EUR -0.2 million). Consolidated income for January-June was EUR 1.3 million (EUR 0.6 million).

Strategic measures during the period under review

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

- Events segment focused on expanding its training business and developing digital marketing
- At the start of the year, Talentum began offering content marketing services to its advertising customers. The service was well received during the period under review so we intend to expand our offering of content marketing services.
- The acquisition of the MB magazine reinforced Talentum's market position in Finnish IT media. Current and former readers responded to a reader survey, which will be used as the basis for revamping the magazine during the forthcoming review period.
- In Finland and Sweden, media brand web sites are transferred to a common, responsive platform. This enables us to highlight our chargeable content and serve mobile users better than before.
- In Sweden, the commercialisation of digital recruitment products continued and this was visible in terms of sales for the second quarter
- In Sweden, content and media sales were integrated in order to achieve better performance and predictability
- In the Books and Legal Training segment, an operational development programme, which began at the start of the year, was completed. The segment will begin to make use of the results and the agreed actions in the autumn.

BUSINESS AREAS

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

According to TNS Media Intelligence, the advertising market decreased by 3.1 % in Finland during January-June and by 0.7 % in Sweden during January-May (Sveriges Mediebyråer). Advertising decreased by 15.0 % in Finnish periodicals during January-June and by 17.1 % in Swedish professional journals during January-May. In Finland online advertising revenues increased by 5.5 % during January-June and by 23.7 % in Sweden during January-May.

EUR million	4-6 2015	4-6 2014	1-6 2015	1-6 2014	1-12 2014
Net sales					
Magazines Finland	6.6	6.8	12.6	13.1	24.3
Magazines Sweden	4.6	5.2	8.9	9.9	18.1
Events	2.8	2.8	6.0	5.8	11.5
Books and Legal Training	2.4	2.1	5.1	4.0	10.5
Direct Marketing	2.9	2.7	5.7	5.6	10.8
Other Activities	-0.6	-0.8	-1.3	-1.6	-3.0
Total	18.6	18.7	37.0	36.9	72.3
Operating income without non-recurring items					
Magazines Finland	1.0	0.9	1.7	1.5	2.5
Magazines Sweden	0.1	0.1	-0.1	0.1	0.2
Events	0.1	-0.1	0.3	-0.1	0.2
Books and Legal Training	0.1	-0.0	0.2	0.1	1.3
Direct Marketing	0.3	0.2	0.6	0.5	1.0
Other Activities	-0.3	-0.4	-0.6	-0.7	-1.1
Total	1.2	0.7	2.2	1.4	4.1
Non-recurring items					
Magazines Finland	0.0	0.0	-0.0	-	-0.2
Magazines Sweden	-0.2	-0.2	-0.2	-0.4	-0.3
Events	-0.0	-	-0.0	-0.1	-0.1
Books and Legal Training	0.1	-0.3	0.1	-0.3	-0.1
Direct Marketing	-	-	-	-	-
Other Activities	-0.0	-0.1	-0.3	-0.0	0.0
Total	-0.2	-0.6	-0.4	-0.9	-0.7
Operating income					
Magazines Finland	1.0	0.9	1.7	1.5	2.4
Magazines Sweden	-0.1	-0.1	-0.3	-0.3	-0.2
Events	0.0	-0.1	0.3	-0.2	0.0
Books and Legal Training	0.2	-0.3	0.3	-0.2	1.2
Direct Marketing	0.3	0.2	0.6	0.5	1.0
Other Activities	-0.3	-0.5	-0.9	-0.7	-1.0
Total	1.1	0.2	1.7	0.5	3.4

Magazine Business Finland

Financial development for Finnish periodicals is reported in the Magazine Business Finland segment. The magazines with the highest circulation are Talouselämä and Tekniikka & Talous. Magazine Business Finland segment includes also the Group's share of the income of the joint venture Oy Mediutiset Ab. MB magazine acquired from Sanoma Media Finland Oy is reported under this segment since the acquisition date on 1 May 2015.

April-June

Net sales for the Magazine Business Finland for April-June amounted to EUR 6.6 million (EUR 6.8 million), a decrease of 2.5% from the previous year.

In April-June, operating income (EBIT) from the Magazine Business Finland was EUR 1.0 million (EUR 0.9 million).

In April-June, advertising revenue decreased by 10.0% from the previous year. Advertising revenue accounted for 32.2% (34.9%) of net sales in the Magazine Business Finland.

In April-June, circulation revenue increased by 3.1% from the previous year. Circulation revenue accounted for 67.0% (63.3%) of net sales in the Magazine Business Finland.

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

January-June

Net sales for the Magazine Business Finland for January-June amounted to EUR 12.6 million (EUR 13.1 million), a decrease of 4.0% from the previous year.

In January-June, operating income (EBIT) from the Magazine Business Finland was EUR 1.7 million (EUR 1.5 million).

In January-June, advertising revenue decreased by 11.5% from the previous year. Advertising revenue accounted for 31.9% (34.7%) of net sales in the Magazine Business Finland.

In January-June, circulation revenue increased by 0.8% from the previous year. Circulation revenue accounted for 67.2% (64.0%) of net sales in the Magazine Business Finland.

The Group's share of the joint venture Oy Mediutiset Ab's income in January-June was EUR 0.1 million (EUR 0.1 million).

Magazine Business Finland revenue

EUR million	4-6 2015	4-6 2014	1-6 2015	1-6 2014	1-12 2014
Net sales					
Advertising revenue	2.1	2.4	4.0	4.5	8.4
Product advertising	1.8	2.0	3.3	3.7	7.0
Recruitment advertising	0.3	0.4	0.7	0.8	1.4
Circulation revenue	4.4	4.3	8.4	8.4	15.7
Other revenue	0.1	0.1	0.1	0.2	0.3
Total	6.6	6.8	12.6	13.1	24.3

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.

April-June

Net sales for the Magazine Business Sweden for April-June amounted to EUR 4.6 million (EUR 5.2 million), a decrease of 11.3% from the previous year.

In April-June, operating income (EBIT) from the Magazine Business Sweden was EUR -0.1 million (EUR -0.1 million). In April-June, operating income (EBIT) without non-recurring items from the Magazine Business Sweden was EUR 0.1 million (EUR 0.1 million).

In April-June, advertising revenue decreased by 20.2% from the previous year. Advertising revenue accounted for 46.4% (51.5%) of net sales in the Magazine Business Sweden.

In April-June, circulation revenue decreased by 5.4% from the previous year. Circulation revenue accounted for 49.9% (46.8%) of net sales in the Magazine Business Sweden.

January-June

Net sales for the Magazine Business Sweden for January-June amounted to EUR 8.9 million (EUR 9.9 million), a decrease of 10.7% from the previous year.

In January-June, operating income (EBIT) from the Magazine Business Sweden was EUR -0.3 million (EUR -0.3 million). In January-June, operating income (EBIT) without non-recurring items from the Magazine Business Sweden was EUR -0.1 million (EUR 0.1 million).

In January-June, advertising revenue decreased by 19.8% from the previous year. Advertising revenue accounted for 46.0% (51.2%) of net sales in the Magazine Business Sweden.

In January-June, circulation revenue decreased by 3.7% from the previous year. Circulation revenue accounted for 51.0% (47.3%) of net sales in the Magazine Business Sweden.

Magazine Business Sweden revenue

EUR million	4-6 2015	4-6 2014	1-6 2015	1-6 2014	1-12 2014
Net sales					
Advertising revenue	2.1	2.7	4.1	5.1	9.2
Product advertising	1.3	1.5	2.3	2.8	5.2
Recruitment advertising	0.9	1.1	1.8	2.3	4.0
Circulation revenue	2.3	2.4	4.5	4.7	8.5
Other revenue	0.2	0.1	0.3	0.1	0.4
Total	4.6	5.2	8.9	9.9	18.1

Events

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

April-June

Net sales for the Events segment for April-June amounted to EUR 2.8 million (EUR 2.8 million), a decrease of 1.2% from the previous year.

In April-June, operating income (EBIT) for the Events segment was EUR 0.0 million (EUR -0.1 million). In April-June, operating income (EBIT) without non-recurring items for the Events segment was EUR 0.1 million (EUR -0.1 million).

The Group's share of the associated company Professio Oy's income in April-June was EUR -1 million (EUR -0.0 million).

January-June

Net sales for the Events segment for January-June amounted to EUR 6.0 million (EUR 5.8 million), an increase of 3.5% from the previous year.

In January-June, operating income (EBIT) for the Events segment was EUR 0.3 million (EUR -0.2 million). In January-June, operating income (EBIT) without non-recurring items for the Events segment was EUR 0.3 million (EUR -0.1 million).

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

Books and Legal Training

Financial development for book publishing and legal training is reported in the Books and Legal Training segment. The best-known book in the book publishing business is the green Finnish Law book. The B2B business acquired from Sanoma Pro is reported under this segment since the acquisition date on 30 April 2014.

April-June

Net sales for the Books and Legal Training segment for April-June amounted to EUR 2.4 million (EUR 2.1 million), an increase of 14.6% from the previous year.

In April-June, operating income (EBIT) was EUR 0.2 million (EUR -0.3 million). Operating income (EBIT) without non-recurring items from the Books and Legal Training segment was EUR 0.1 million (EUR -0.0 million).

January-June

Net sales for the Books and Legal Training segment for January-June amounted to EUR 5.1 million (EUR 4.0 million), an increase of 26.8% from the previous year.

In January-June, operating income (EBIT) was EUR 0.3 million (EUR -0.2 million). Operating income (EBIT) without non-recurring items from the Books and Legal Training segment was EUR 0.2 million (EUR 0.1 million).

Direct Marketing

In the Direct Marketing segment, financial development is reported for the direct marketing business. The operations of Talentum's subsidiary, Suoramarkkinointi Mega Oy, in Finland, Estonia and Latvia belong to this segment. The companies operate in the telemarketing business.

April-June

Net sales for the Direct Marketing business for April-June amounted to EUR 2.9 million (EUR 2.7 million), an increase of 5.7% from the previous year.

In April-June, operating income (EBIT) was EUR 0.3 million (EUR 0.2 million).

January-June

Net sales for the Direct Marketing business for January-June amounted to EUR 5.7 million (EUR 5.6 million), an increase of 0.7% from the previous year.

In January-June, operating income (EBIT) was EUR 0.6 million (EUR 0.5 million).

Other activities

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

The Group's share of the associated company Consec Press' income in April-June was EUR - 0.0 million (EUR 0.0 million) and in January-June EUR 0.0 million (EUR 0.0 million).

Consolidated cash flow and financial position

Cash flow from business operations in January-June was lower than in the previous period. Consolidated cash flow from operating activities was EUR 0.7 million (EUR 2.0 million). The change in consolidated working capital was EUR -0.7 million (EUR 1.6 million), which is due to temporary increase in accounts receivables and change in provisions. Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 12.5 million (EUR 11.9 million). For balance sheet items, the comparison date is 31 December 2014.

The consolidated balance sheet total at the end of the period under review stood at EUR 53.5 million (EUR 51.8 million). The Group's interest-bearing loans and borrowing amounted to EUR 8.1 million (EUR 5.4 million). The Group's liquid assets were EUR 2.7 million (EUR 4.7 million). Interest-bearing net liabilities were EUR 5.4 million (EUR 0.7 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12 million. EUR 5.4 million of the limit was in use at the end of the period under review (EUR 4.0 million).

The equity ratio at the end of the period under review was 44.9% (47.2%). The Group's equity per share was EUR 0.42 (EUR 0.43). The Group does not hedge against currency fluctuations with regard to the acquisition of subsidiaries. The weakening or strengthening of the Swedish krona against the euro affects the Group's equity through the translation difference arising from the acquisition of the Swedish subsidiaries. On 30 June 2015, the translation difference in the Group's equity was EUR -0.5 million. The change in January-June was EUR 0.5 million (positive).

Investments

Investments in tangible and intangible assets for January-June totalled EUR 2.4 million (EUR 3.8 million), which was 6.4% (10.3%) of net sales. Investments include the MB magazine acquired from Sanoma Media Finland Oy and in comparative period the B2B business acquired from Sanoma Pro.

Changes in Group structure

There were no changes in Group structure during the period.

Seasonal variation and short-term risks for the business

The media and advertising markets are subject to seasonal variations. Talentum's magazines and books do not generally come out during the summer holiday season, which is why the third

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

The Finnish Tax Administration issued a tax inspection report on 27 May 2015 setting out the Tax Administration's view that Talentum Media Oy should have accounted for the tax effect of advance payments received in 2011 for group subscriptions by allocating tax payments to 2012, 2013 and 2014.

Talentum's estimate of the potential financial effect of this is between EUR 0.7 million and EUR 0.9 million. Talentum considers the Tax Administration's decision to be incorrect and has issued a response to the tax inspection report. The company does not consider it likely that the Tax Administration's viewpoint will be implemented and therefore has recognised no provision.

No other significant changes have occurred in Talentum Group's short-term business risks compared to the risks described in the financial statements for 2014.

TALENTUM GROUP

Shares and share capital

On 30 June 2015, Talentum Corporation'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 2,126,383 Talentum shares were traded in January-June, which corresponded to 4.8% of the total number of shares. The highest price paid for shares in January-June was EUR 1.25 and the lowest was EUR 0.99. The closing price for the shares on 30 June 2015 was EUR 1.19. Market capitalisation at the closing price for the period was EUR 52.7 million (EUR 53.6 million).

On 30 June 2015, the company held 370,273 treasury shares, which is 0.8% of Talentum's total shares and votes.

Shareholding of management and governing bodies

On 30 June 2015, the number of Talentum Corporation 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 358,156 representing 0.8% of the company's total shares and votes.

A total of 275,400 Talentum Corporation shares were held by the management group on 30 June 2015 representing 0.6% of the company's total shares and votes. In addition the CEO and rest of the management group have a stock option plan, the conditions of which have been provided in stock exchange release on 6 March 2014.

Corporate governance

The AGM on 27 March 2015 decided that there should be five members in the Board of Directors. Joachim Berner, MBA, BBA; Atte Palomäki, Group Vice President Corporate Communications; Kai Telanne, CEO, Henri Österlund, CEO and Mitti Storckovius, Head Of Global Business Operations, were re-elected as members of the Board.

Kai Telanne was re-elected as the Chairman of the Board and Henri Österlund was elected as the Deputy Chairman.

Fees of the members of the Board of Directors

The AGM decided to pay the following annual fees: EUR 24,000 to the members of the Board, EUR 30,000 to the Deputy Chairman and EUR 48,000 to the Chairman. The AGM also decided to use approximately 40% of the annual fee to acquire Talentum Corporation shares on behalf of the Board members. The proportion of the fee payable in shares may also be paid by transferring treasury shares held by the company. In the event, that the purchase of shares cannot be implemented due to a cause by the company or a board member or any other reason, the annual remuneration will be paid in money.

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 conveyed to the members of the Board of Directors was 50,000. The impact of the conveyance on the value of the Group's treasury shares in the Group's equity was EUR 0.2 million. The conveyance of shares resulted in a loss of equity of EUR 0.1 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 treasury shares

The AGM decided to authorise the Board of Directors to acquire a maximum of 3,500,000 of treasury shares, which corresponds to approximately eight (8) per cent of all Talentum Corporation shares. The authorisation will remain in force until 30 June 2016.

On 20 August 2014, Talentum announced through a stock exchange release that it will start acquiring treasury shares. A maximum of 350,000 shares were to be acquired which corresponds to approximately 0.8% of all Talentum Corporation shares. During January-March 2015, Talentum acquired 87,676 treasury shares. The impact of the acquisition on the Group's equity was EUR -0.1 million. The acquisition plan finished in the AGM on 27 March 2015 and the company acquired no treasury shares during the second quarter. On 30 June 2015, Talentum held a total of 370,273 treasury shares.

Authorisation to decide on a share issue

The AGM authorised the Board of Directors to decide on a share issue including the conveyance of treasury shares and the issue of special rights. Based on the authorisations, a maximum number of 3,500,000 new shares may be issued and/or shares held by the company may be disposed of, which corresponds to approximately eight (8) per cent of the company's shares. The authorisations will remain in force until 30 June 2016.

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

The AGM decided to authorize the Board of Directors to decide on the distribution of additional dividend from the retained earnings and/or distribution of assets from the reserve of invested unrestricted equity or both so that the distribution of dividend and/or other distribution of assets based on the authorization is in total a maximum of EUR 0.20 per share. The distribution of additional dividend and/or other distribution of assets can be made in one or more instalments. The authorizations remain in force until the beginning of the next AGM. The AGM decided to authorise the Board of Directors to decide otherwise on all the conditions regarding the distribution of additional dividend and/or other distribution of assets.

Executive management

The composition of the executive management team is as follows:

- Chief Executive Officer: **Aarne Aktan** (Chairman). CEO is also responsible for the Magazine Business Sweden.
- Chief Financial Officer: **Niclas Köhler**
- Deputy CEO, General Counsel: **Lasse Rosengren**. Mr Rosengren is also responsible for the Books and Legal Training segment.
- Director responsible for the Events segment: **Tapio Teppo**
- Director responsible for the Magazine Business Finland: **Tuomas Hämäläinen**

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

Stock option plan to Talentum Management

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

The fair value of options is determined with the Black-Scholes option pricing model. The fair value determined for options at the grant date is recognised as costs for the commitment period. During April-June and January-June 2015 the effect of options on the Group's result amounted to EUR -0.0 million.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred after the reporting period.

TABLES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6 2015	4-6 2014	1-6 2015	1-6 2014	1-12 2014
Net sales	18.6	18.7	37.0	36.9	72.3
Other operating income	0.1	0.1	0.3	0.2	0.7
Materials and services	2.5	2.7	5.0	5.3	10.0
Employee benefit expenses	9.1	9.7	17.9	18.5	34.5
Depreciation, amortisation and impairment	0.3	0.3	0.6	0.6	1.3
Other operating expenses	5.7	6.0	12.1	12.2	24.0
Share of income of associated companies and joint ventures	-0.0	-0.0	0.1	0.1	0.2
Operating income	1.1	0.2	1.7	0.5	3.4
Financial income	0.1	0.3	0.1	0.4	0.8
Financial expenses	0.2	0.1	0.3	0.1	0.4
Income before taxes	0.9	0.4	1.5	0.8	3.8
Taxes	-0.0	-0.1	-0.1	-0.2	-1.1
Income for the period	0.9	0.2	1.3	0.6	2.8
Other comprehensive income					
Items that may be later transferred into profit or loss					
Translation differences	0.2	-0.7	0.5	-0.9	-1.6
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	-0.1	0.3
Income tax on actuarial gain or loss	-0.0	0.0	-0.0	0.0	-0.1
Other comprehensive income	0.2	-0.7	0.5	-1.0	-1.3
Total comprehensive income for the period	1.1	-0.4	1.9	-0.4	1.5
Income for the period attributable to					
Owners of the parent company	0.9	0.2	1.3	0.6	2.8
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	1.1	-0.4	1.8	-0.4	1.5
Non-controlling interest	0.0	0.0	0.0	-0.0	0.0
Basic and diluted earnings per share, EUR*	0.02	0.01	0.03	0.01	0.06

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	30.6.2015	30.6.2014	31.12.2014
ASSETS			
Non-current assets			
Property, plant and equipment	0.8	1.0	0.9
Goodwill	21.1	20.4	20.1
Other intangible assets	15.5	14.6	14.2
Investments in associates	0.4	0.5	0.5
Available-for-sale investments	0.0	0.0	0.0
Deferred tax assets	0.6	1.2	0.7
Other non-current receivables	0.8	0.8	0.8
Total non-current assets	39.2	38.5	37.2
Current assets			
Inventories	1.0	1.1	1.0
Trade and other receivables	10.6	8.3	8.9
Cash and cash equivalents	2.7	3.4	4.7
Total current receivables	14.3	12.7	14.5
TOTAL ASSETS	53.5	51.3	51.8
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	18.6	18.6	18.6
Treasury shares	-0.8	-0.7	-0.9
Other reserves	-0.5	-0.4	-1.0
Invested non-restricted equity fund	-1.5	-1.5	-1.5
Retained earnings	2.5	1.0	3.5
Total	18.3	17.0	18.7
Non-controlling interest	0.1	0.1	0.1
Total equity	18.4	17.1	18.8
Non-current liabilities			
Deferred tax liabilities	3.2	3.2	3.2
Non-current financial liabilities	1.3	1.6	0.8
Pension obligation	0.1	0.4	0.1
Non-current provisions	0.2	0.3	0.2
Total non-current liabilities	4.8	5.5	4.4
Current liabilities			
Current financial liabilities	6.8	4.2	4.5
Advances received	12.5	12.1	11.9
Trade and other payables	10.9	11.8	11.6
Current provisions	-	0.6	0.5
Total current liabilities	30.3	28.7	28.6
TOTAL EQUITY AND LIABILITIES	53.5	51.3	51.8

CONSOLIDATED STATEMENT OF CASH FLOW

EUR million	1-6 2015	1-6 2014	1-12 2014
Cash flows from operating activities			
Operating income	1.7	0.5	3.4
Adjustments to operating income*	0.3	0.1	-0.3
Change in working capital	-0.7	1.6	1.6
Dividends received from associates and joint ventures	0.1	0.1	0.2
Financial items and taxes	-0.8	-0.4	-0.6
Net cash generated from operating activities	0.7	2.0	4.4
Cash flows from investment activities			
Business acquisitions	-1.7	-1.5	-1.5
Acquisition of property, plant and equipment and intangible assets	-0.7	-0.6	-1.0
Loan receivables granted and repaid	-	-0.2	-0.2
Net cash used in investment activities	-2.4	-2.3	-2.7
Cash flows from financing activities			
Change in current loans	1.4	-0.9	-1.1
Change in non-current loans	0.7	1.5	1.3
Dividends paid and other return on equity	-2.2	-1.8	-1.8
Sale of treasury shares	-	0.5	0.5
Acquisition of treasury shares	-0.1	-	-0.2
Net cash used in financing activities	-0.3	-0.7	-1.3
Change in cash and cash equivalents	-2.0	-0.9	0.4
Cash and cash equivalents in the beginning of the period	4.7	4.3	4.3
Foreign exchange adjustment	-0.0	-0,0	-0.0
Change in cash and cash equivalents	-2.0	-0.9	0.4
Cash and cash equivalents at the end of the period	2.7	3.4	4.7

* Adjustments to operating income consist of depreciation and exchange rate differences as well as the income adjustment of associated companies and joint ventures. The adjustments include also the effect on operating income of non-monetary items recognised in the acquisition of Sanoma Pro business.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a = Share capital

b = Treasury shares

c = Fair value reserve

d = Translation reserve

e = Invested non-restricted equity fund

f = Retained earnings

g = Equity attributable to equity owners of the parent

h = Non-controlling interest

i = Total equity

EUR million	a	b	c	d	e	f	g	h	i
Equity 1 January 2015	18.6	-0.9	-	-1.0	-1.5	3.5	18.7	0.1	18.8
Dividend distribution						-2.2	-2.2		-2.2
Conveyance of treasury shares		0.2				-0.1	0.1		0.1
Acquisition of treasury shares		-0.1					-0.1		-0.1
Management's incentive plan						0.0	0.0		0.0
Total comprehensive income for the period				0.5		1.4	1.9	0.0	1.9
Equity 30 June 2015	18.6	-0.8	-	-0.5	-1.5	2.5	18.3	0.1	18.4
Equity 1 January 2014	18.6	-2.4	-	0.6	-1.5	3.4	18.6	0.1	18.7
Return on equity						-1.8	-1.8		-1.8
Conveyance of treasury shares		1.7				-1.2	0.5		0.5
Management's incentive plan						0.0	0.0		0.0
Total comprehensive income for the period				-0.9		0.5	-0.4	-0.0	-0.4
Equity 30 June 2014	18.6	-0.7	-	-0.4	-1.5	1.0	17.0	0.1	17.1

NOTES

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

Business acquisitions

Acquisitions of subsidiaries and businesses

Talentum's Finnish subsidiary, Talentum Media Oy, acquired MB magazine (previously Mikrobitti) from Sanoma Media Finland Oy with an asset deal transaction concluded on 1 May 2015. MB is a magazine for consumers in the area of information technology and entertainment electronics. The purchase price was paid in cash on the day the transaction was concluded. In connection with the acquisition the five editorial employees were transferred into Talentum.

In connection with the acquisition, publishing rights were recognised as a separate intangible asset. The goodwill arisen from the acquisition is presented as a EUR 0.7 million item in the balance sheet of the reporting date. Goodwill is regarded as arising principally from market position.

The consolidated financial statements at the time of reporting include the acquired business' net sales and income after the acquisition. The effect of the transaction on consolidated cash flow is equivalent to the acquisition costs.

ASSETS AND LIABILITIES OF THE ACQUIRED BUSINESSES AT THE DATE OF ACQUISITION

EUR million	Recognised fair values on 1 May 2015
Intangible assets	0.9
Non-interest bearing current receivables	0.9
Total assets	1.8
Non-interest bearing current liabilities	0.9
Total liabilities	0.9
Net assets	0.9
Cost of an acquisition	1.7
Goodwill	0.7

TALENTUM GROUP BY SEGMENT

1-6 2015 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketin g	Other	Total
External sales	12.5	8.9	6.0	5.1	4.4	0.1	37.0
Inter-segment net sales	0.0	0.0	0.0	-	1.2	-1.4	0.0
Operating income	1.7	-0.1	0.3	0.2	0.6	-0.6	2.2
Segment income before taxes	1.7	-0.1	0.3	0.2	0.6	-0.6	2.2
Reconciliation							
Segment income before taxes	1.7	-0.1	0.3	0.2	0.6	-0.6	2.2
Non-recurring items							-0.4
Financing items, net							-0.2
Consolidated income before taxes							1.5

1-6 2014 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketin g	Other	Total
External sales	13.1	9.9	5.8	4.0	4.1	0.1	36.9
Inter-segment net sales	0.0	0.0	0.1	-	1.6	-1.7	0.0
Operating income	1.5	0.1	-0.1	0.1	0.5	-0.7	1.4
Segment income before taxes	1.5	0.1	-0.1	0.1	0.5	-0.7	1.4
Reconciliation							
Segment income before taxes	1.5	0.1	-0.1	0.1	0.5	-0.7	1.4
Non-recurring items							-0.9
Financing items, net							0.3
Consolidated income before taxes							0.8

1-12 2014 EUR million	Mag Fi	Mag Swe	Events	Books and Legal Training	Direct Marketin g	Other	Total
External sales	24.3	18.1	11.4	10.5	8.0	0.1	72.3
Inter-segment net sales	0.1	0.1	0.1	-	2.9	-3.1	0.0
Operating income	2.5	0.2	0.2	1.3	1.0	-1.1	4.1
Segment income before taxes	2.5	0.2	0.2	1.3	1.0	-1.1	4.1
Reconciliation							
Segment income before taxes	2.5	0.2	0.2	1.3	1.0	-1.1	4.1
Non-recurring items							-0.7
Financing items, net							0.4
Consolidated income before taxes							3.8

CHANGE IN SHARE QUANTITIES *

1,000 shares	1-6 2015	1-6 2014	1-12 2014
Shares outstanding at the beginning of the period	43 963	43 722	43 722
Number of shares outstanding at the end of the period	43 926	44 134	43 963

* Excluding treasury shares held by the company

For the period under review, the weighted average number of shares used in the calculation of earnings per share during the financial period is 43,913,884 (43,927,797 shares 1-6/2014).

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

PERSONNEL BY SEGMENT ON AVERAGE

	1-6 2015	1-6 2014	1-12 2014
Magazines Finland	114	109	113
Magazines Sweden	75	86	82
Events	60	69	63
Books and Legal Training	50	43	49
Direct Marketing	389	394	382
Other Activities	39	30	32
Total	727	730	721
Total without Direct marketing	339	336	339

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	1-6 2015	1-6 2014	1-12 2014
Carrying amount at the beginning of the period	0.9	1.2	1.2
Additions	0.1	0.1	0.2
Business acquisitions	-	0.0	0.0
Decreases	0.0	-0.1	-2.8
Accumulated depreciation of decreases	-	0.1	2.7
Depreciation for the period	-0.2	-0.2	-0.5
Translation differences	0.0	0.0	-0.0
Carrying amount at the end of the period	0.8	1.0	0.9

CHANGES IN INTANGIBLE ASSETS

EUR million	1-6 2015	1-6 2014	1-12 2014
Carrying amount at the beginning of the period	34.3	32.6	32.6
Additions	0.6	0.5	0.8
Business acquisitions	1.7	3.1	3.1
Decreases	-	0.0	-3.8
Accumulated depreciation of decreases	-	0.0	3.8
Depreciation for the period	-0.4	-0.4	-0.8
Translation differences	0.4	-0.8	-1.4
Carrying amount at the end of the period	36.5	35.0	34.3

RELATED PARTY TRANSACTIONS

EUR million	1-6 2015	1-6 2014	1-12 2014
Employee benefits for key management	0.7	0.6	1.2
Associates and joint ventures			
Sales	0.9	1.3	2.0
Purchases	1.2	0.9	2.3
Receivables	0.2	0.2	0.3
Liabilities	0.9	0.7	1.2

AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR million	1-6 2015	1-6 2014	1-12 2014
Carrying amount at the beginning of the period	0.0	0.0	0.0
Carrying amount at the end of the period	0.0	0.0	0.0

Available-for-sale investments include unlisted shares. Available-for-sale investments are all denominated in euros. Unlisted shares are shown at their acquisition cost which is considered to approximate the fair value. The maximum credit risk for available-for-sale investments corresponds to the book value at the end of the financial period.

GUARANTEES

EUR million	30.6.2015	30.6.2014	31.12.2014
Guarantees posted for own commitments			
Guarantees	1.2	1.3	1.1

Calculations of key indicators

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

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

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

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

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

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

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

This interim report is unaudited.

General statement

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

Financial information 2015

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

January-September result 22 October 2015

Briefing

A briefing will be held for analysts and the media on 17 July 2015 at 11.00 a.m. at Sokos Hotel Vaakuna, Asema-aukio 2, 00100, Helsinki.

TALENTUM OYJ
Board of Directors

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