talentum

REPORT BY THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

2015

The Financial Statements is published in Finnish and English.
In case of doubt, the Finnish version is authoritative.

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FINANCIAL STATEMENTS

ANNUAL REPORT BY THE BOARD OF DIRECTORS

Consolidated net sales and income for 2015

Consolidated net sales for January-December increased by 0.5%, totalling EUR 72.6 million (EUR 72.3 million). The exchange rate of the Swedish krona against the euro had a negative impact of EUR 0.5 million (EUR 1.1 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 5.4 million (EUR 4.1 million). Non-recurring items for January-December, that amounted to EUR -11.4 million (EUR -0.7 million), were mainly due to an impairment on the value of publication rights and goodwill allocated to Magazine Business Sweden, as well as value-added tax for previous financial periods allocated to Magazine Business Finland. Additionally, non-recurring items were caused by costs arising from the reorganisation of the Group.

Wages and salaries on accrual basis for the financial year were EUR 27.0 million (EUR 27.0 million).

Consolidated operating income for January-December was EUR -6.0 million (EUR 3.4 million) and -8.3% (4.8%) of net sales. Financial items were EUR -0.5 million (EUR 0.4 million).

Income before taxes was EUR -6.5 million (EUR 3.8 million). The Group's taxes for the period under review were EUR 0.4 million (EUR -1.1 million). Consolidated income for January-December was EUR -6.1 million (EUR 2.8 million).

During the financial year Alma Media implemented an exchange of Talentum Oyj's shares in accordance with the terms of the exchange offer and Talentum Oyj became a subsidiary of Alma Media.

Key figures concerning the financial statements

Key figures concerning the financial statements are presented in the consolidated financial statements in page 57. Order backlog is not presented in the key figures since it is not a material key indicator due to nature of Talentum's business.

Talentum's prospects for 2016

Talentum forecasts that net sales for its businesses in 2016 will remain at approximately the same level as in 2015. The businesses are expected to generate better operating income excluding non-recurring items in 2016 than in 2015.

Consolidated cash flow and financial position

Cash flow from business operations in January-December was almost at the same level as in the previous period. Consolidated cash flow from operating activities was EUR 4.3 million (EUR 4.4 million). The change in consolidated working capital was EUR 1.5 million (EUR 1.6 million). Working capital is negative, as is usual for the sector, because liabilities include subscription fee advances received from customers of EUR 13.0 million (EUR 11.9 million).

The consolidated balance sheet total at the end of the financial period stood at EUR 43.3 million (EUR 51.8 million). The Group's interest-bearing loans and borrowing amounted to EUR 5.0 million (EUR 5.4 million). The Group's liquid assets were EUR 2.5 million (EUR 4.7 million). Interest-bearing net liabilities were EUR 2.5 million (EUR 0.7 million).

The available bank overdraft limit, which is valid until further notice, is EUR 12.0 million. EUR 2.4 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 financial period was 36.8% (47.2%). The Group's equity per share was EUR 0.25 (EUR 0.43). The Group does not hedge against currency fluctuations with regard to the acquisition of subsidiaries. The weakening or strengthening of the Swedish krona against the euro affects the Group's equity through the translation difference arising from the acquisition of the Swedish subsidiaries. On 31 December 2015, the translation difference in the Group's equity was EUR -0.5 million. The change in January-December was EUR 0.5 million (positive).

Business Areas

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

We can be satisfied with the way Magazine Business Finland performed during the financial year. Operating profit excluding non-recurring items showed clear improvement, mainly due to increased circulation income and cost savings. All of the significant group subscription negotiations in Magazine Business Finland were concluded.

It was a difficult year in Sweden. Efforts to streamline the company structure continued in Sweden with the objective of making the company easier to steer and manage. An impairment of EUR 9.9 million was recognised for Magazine Business Sweden. The impairment is based on changes in the forecast growth of long-term net sales. This has been influenced by changes in consumer behaviour and group subscription agreements, which took effect at the turn of the year. We will continue to take measures to improve profitability in Magazine Business Sweden.

Talentum Pro segment (former Books and Legal Training) had a very strong year overall. Investments in digital services and a diverse range of service packages translated into growth in digital content sales for the year. A new customer management model was taken into use in the Talentum Pro segment. Additionally, the decision was taken to integrate talent management into the unit's management system.

In the Event Business operating profit excluding non-recurring items for the full year decreased somewhat from the previous year, leading to a passable result. The Event Business continued to invest in its training business and digital marketing.

For Direct Marketing, operating profit showed a clear increase for the year as a whole.

The Finnish Tax Administration issued a tax audit statement on 27 May 2015 setting out the tax administration's opinion that Talentum Media Oy should have recognised value-added tax for advance payments received in 2011 on group subscriptions for magazines delivered between 2012 and 2014. The cost effect of the tax administration's decision on the operating income for 2015 is EUR 0.7 million, which was recognised as a non-recurring item. Talentum considers the Tax Administration's decision to be incorrect and has lodged an appeal to the Helsinki Administrative Court.

The strategic focal points during the financial year were improving profitability, investing in content and digital sales, and making better use of the brands, particularly in the Event business.

According to TNS Media Intelligence, the advertising market decreased during January-December by 2.9% in Finland and increased by 0.1% in Sweden (Sveriges Mediebyråer). Advertising decreased during January-December by 14.6% in Finnish periodicals and by 23.8% in Swedish professional journals. In Finland online advertising revenues increased by 6.7 % during January-December and by 23.2% in Sweden.

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 Mediuutiset Ab. MB magazine acquired from Sanoma Media Finland Oy is reported under this segment since the acquisition date on 1 May 2015.

Net sales for the Magazine Business Finland for January-December amounted to EUR 23.9 million (EUR 24.3 million), a decrease of 1.8% from the previous year.

In January-December, operating income (EBIT) from the Magazine Business Finland was EUR 2.5 million (EUR 2.4 million). In January-December, operating income (EBIT) without non-recurring items from the Magazine Business Finland was EUR 3.3 million (EUR 2.5 million).

In January-December, circulation revenue increased by 3.2% from the previous year. Circulation revenue accounted for 67.7% (64.5%) of net sales in the Magazine Business Finland.

In January-December, advertising revenue decreased by 10.4% from the previous year. Advertising revenue accounted for 31.3% (34.3%) of net sales in the Magazine Business Finland.

The Group's share of the joint venture Oy Mediuutiset Ab's income in January-December was EUR 0.2 million (EUR 0.1 million).

Magazine Business Finland Revenue

EUR million	2015	2014
Net sales		
Advertising revenue	7.5	8.4
Product advertising	6.3	7.0
Recruitment advertising	1.2	1.4
Circulation revenue	16.2	15.7
Other revenue	0.2	0.3
Total	**23.9**	**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.

Net sales for the Magazine Business Sweden for January-December amounted to EUR 16.9 million (EUR 18.1 million), a decrease of 6.9% from the previous year.

In January-December, operating income (EBIT) from the Magazine Business Sweden was EUR -10.2 million (EUR -0.2 million). In January-December, operating income (EBIT) without non-recurring items from the Magazine Business Sweden was EUR -0.2 million (EUR 0.2 million).

In January-December, circulation revenue decreased by 1.9% from the previous year. Circulation revenue accounted for 49.2 % (46.8%) of net sales in the Magazine Business Sweden.

In January-December, advertising revenue decreased by 15.5% from the previous year. Advertising revenue accounted for 46.2% (50.9%) of net sales in the Magazine Business Sweden.

Magazine Business Sweden revenue

EUR million	2015	2014
Net sales		
Advertising revenue	7.8	9.2
Product advertising	4.5	5.2
Recruitment advertising	3.3	4.0
Circulation revenue	8.3	8.5
Other revenue	0.8	0.4
Total	**16.9**	**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.

Net sales for the Events segment for January-December amounted to EUR 11.0 million (EUR 11.5 million), a decrease of 4.4% from the previous year.

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

The Group's share of the associated company Professio Oy's income in January-December was EUR 0.0 million (EUR 0.1 million).

Talentum Pro

Financial development for book publishing and legal training is reported in the Talentum Pro segment (formerly Books and Legal Training). 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.

Net sales for the Talentum Pro segment for January-December amounted to EUR 11.7 million (EUR 10.5 million), an increase of 11.8% from the previous year.

In January-December, operating income (EBIT) for the Talentum Pro was EUR 1.8 million (EUR 1.2 million). Operating income (EBIT) without non-recurring items from the Talentum Pro segment was EUR 1.7 million (EUR 1.3 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.

Net sales for the Direct Marketing business for January-December amounted to EUR 11.6 million (EUR 10.8 million), an increase of 6.9% from the previous year.

In January-December, operating income (EBIT) was EUR 1.5 million (EUR 1.0 million).

Other Activities

The Other Activities segment comprises Group operations as well as the Russian associated company, Conseco Press, and the Swedish subsidiary Edlegio AB.

The Group's share of the associated company Conseco Press' income in January-December EUR -0.0 million (EUR 0.0 million).

Investments

Investments in tangible and intangible assets for January-December totalled EUR 3.3 million (EUR 4.2 million), which was 4.6% (5.8%) 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.

Survey of the scope of research and development activities

The Group constantly develops new products and operational models, especially in e-business. Development costs are mainly recognised as expenses over their useful life. EUR 0.4 million (0.5 million) of the investments was capitalized costs on developing e-business.

Changes in Group Structure

On 1 September 2015, a Swedish subsidiary named Edlegio AB was established with a focus on online training. Talentum Sweden AB owns 70% of the new company and a minority shareholder owns 30%.

Personnel

In January-December, Talentum Group's operations employed an average of 733 (721) people, and without Direct marketing 340 (339) people. The personnel were divided by segments as follows: Magazine Business Finland 118 (113), Magazine Business Sweden 73 (82), Event Business 57 (63), Talentum Pro 51 (49), Direct Marketing 393 (382) and Other Activities 42 (32).

Risks and Risk Management

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.

The users of products with printed content will probably switch to using digital materials. However, there are risks that not all of the current users of printed materials are ready to switch to digital products and that the income from selling digital materials will not cover the income that was generated by the equivalent printed materials, which could impact profitability.

The companies' operations are local and language-area-bound by nature, and there are very few currency-denominated transactions. The Group has net investments mainly in Swedish units, which are exposed to foreign-currency risks associated with translation differences. This currency risk is not hedged.

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

The risks associated with Talentum's digital services are related to data communication disruptions and computer equipment failures. Talentum prepares for these eventualities by continuously monitoring the operations and performance of its digital services. Talentum has prepared itself for the risk of hardware failure by hosting services on cloud platforms and by duplicating critical components. The development and maintenance of digital services is mainly carried out by external service providers. Special attention is paid to testing services and transferring them into production. The architectures of the most popular services are designed to be scalable. Talentum has prepared itself for data communication and IT problems at its offices by employing back-up connections and enabling most applications to be used remotely.

Financial risks are described in the notes to the consolidated financial statements.

Environment

Talentum's main environmental effects are associated with paper consumption, transport, recycling and premises.

Talentum sorts and recycles waste in accordance with the law. Material that is taken out of use, such as machines, equipment and waste paper, is recycled to maximum possible extent.

Management, Fees of the members of the Board of Directors and Auditing

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.

The Extraordinary General Meeting on 15 December 2015 decided that there should be four members in the Board of Directors. As members of the Board of Directors were elected Alma Media Corporation's Chief Executive Officer Kai Telanne, Chief Financial Officer Juha Nuutinen and General Counsel Mikko Korttila and Kauppalehti Oy's Chief Executive Officer Juha-Petri Loimovuori.

Kai Telanne was re-elected as the Chairman of the Board and Mikko Korttila was elected as the Deputy Chairman.

The AGM on 27 March 2015 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.

The Extraordinary General Meeting on 15 December 2015 decided that no remuneration will be paid to the members of the Board of Directors of Talentum Corporation who are in the employment or service relationship with Alma Media Corporation or a company belonging to the same group of companies with it.

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

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 Ltd'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.

Shares and Share Capital

On 31 December 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 Helsinki stock exchange.

A total of 17,541,806 Talentum shares were traded in January-December, which corresponded to 39.6% of the total number of shares. The highest price paid for shares in January-December was EUR 1.49 and the lowest was EUR 0.99. The closing price for the shares on 31 December 2015 was EUR 1.39. Market capitalisation at the closing price for the period was EUR 61.9 million (EUR 44.3 million).

On 31 December 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 31 December 2015, the members of the Board of Directors and the CEO, personally or through companies in which they have a controlling interest, did not own any Talentum Corporation shares or options.

The management group did not own any Talentum Corporation shares on 31 December 2015. During the financial year, CEO and the management group have had an option plan. A stock exchange release about the terms and conditions of the option plan was published on 6 March 2014.

Authorisations of the Board of Directors

Authorisation for the Acquisition of the Company's treasury shares

The AGM on 27 March 2015 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 31 December 2015, Talentum held a total of 370,273 treasury shares.

Authorisation to decide on a share issue

The AGM on 27 March 2015 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 on 27 March 2015 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.

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. On 29 September 2015 Talentum and Alma Media announced their plan to combine their operations by Alma Media's voluntary public tender offer to purchase all Talentum's shares and option rights. The holders of Talentum's option rights 2013A and 2013B approved Alma Media's public tender offer according to the terms and a stock exchange release related to this was published on 17 November 2015.

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 January-December 2015 the effect of options on the Group's result amounted to EUR -0.1 million.

Flagging notifications
On 17 November 2015, Talentum Oyj issued a stock exchange release in accordance with Chapter 9, Section 5 of the Securities Markets Act to notify the market of a change in share holdings.

Talentum Oyj received notification from Alma Media Corporation in accordance with Chapter 9, Section 5 of the Securities Markets Act that Alma Media Corporation and Kauppalehti Oy had obtained ownership of voting rights and shareholdings in Talentum Oyj in excess of 50%, 66 2/3% and 90% as a result of securities transactions executed by Alma Media Corporation on 17 November 2015. Talentum Oyj became aware of this on 17 November 2015.

On 18 November 2015, Talentum Oyj issued a stock exchange release in accordance with Chapter 9, Section 5 of the Securities Markets Act to notify the market of a change in share holdings.

Talentum Oyj received notification from Accendo Capital SICAV-SIF in accordance with Chapter 9, Section 5 of the Securities Markets Act that Accendo Capital SICAV-SIF's ownership of voting rights and shareholdings in Talentum Oyj fell below 10% and 5% as a result of securities transactions executed by Accendo Capital SICAV-SIF on 17 November 2015. Talentum Oyj became aware of this on 18 November 2015.

On 18 November 2015, Talentum Oyj issued a stock exchange release in accordance with Chapter 9, Section 5 of the Securities Markets Act to notify the market of a change in share holdings.

Talentum Oyj received notification from Ilmarinen Mutual Pension Insurance Company in accordance with Chapter 9, Section 5 of the Securities Markets Act that Ilmarinen Mutual Pension Insurance Company's ownership of voting rights and shareholdings in Talentum Oyj fell below 5% as a result of securities transactions executed by Ilmarinen Mutual Pension Insurance Company on 17 November 2015. Talentum Oyj became aware of this on 18 November 2015.

On 18 November 2015, Talentum Oyj issued a stock exchange release in accordance with Chapter 9, Section 5 of the Securities Markets Act to notify the market of a change in share holdings.

Talentum Oyj received notification from OP-rahastoyhtiö Oy in accordance with Chapter 9, Section 5 of the Securities Markets Act that OP-rahastoyhtiö Oy's ownership of voting rights and shareholdings in Talentum Oyj fell below 5% as a result of securities transactions executed by OP-rahastoyhtiö Oy on 17 November 2015. Talentum Oyj became aware of this on 18 November 2015.

On 18 November 2015, Talentum Oyj issued a stock exchange release in accordance with Chapter 9, Section 5 of the Securities Markets Act to notify the market of a change in share holdings.

Talentum Oyj received notification from Oy Herttaässä Ab in accordance with Chapter 9, Section 5 of the Securities Markets Act that Oy Herttaässä Ab's, Kai Mäkelä's and Setelium Oy's ownership of voting rights and shareholdings in Talentum Oyj fell below 10% and 5% as a result of securities transactions executed by Oy Herttaässä Ab, Kai Mäkelä and Setelium Oy on 17 November 2015. Talentum Oyj became aware of this on 18 November 2015.

Significant events after the end of the financial year

In January 2016, Talentum Oyj communicated the forthcoming changes in Talentum's executive management. Talentum's CEO, Aarne Aktan, will step down from his role as CEO on 12 February 2016. He will continue to be the CEO of Talentum's Swedish subsidiary until the end of June 2016. As of 13 February 2016, Talentum Oyj's CEO will be Juha-Petri Loimovuori, who is also CEO of Kauppalehti Oy.

The CFO, Niclas Köhler, will step down from his role at Talentum Oyj on 12 February 2016. Talentum Oyj's financial management will subsequently become the responsibility of Alma Media Corporation's CFO, Juha Nuutinen.

Lasse Rosengren, the General Counsel and Deputy CEO, will continue in his position until 30 April 2016, with responsibility for Talentum Oyj's administration. His responsibilities as director of the Talentum Pro business area ceased on 31 January 2016. Maria Ampiala assumed responsibility for the Talentum Pro business, having previously worked as Talentum Pro's content director.

In accordance with the plan for the merger of Alma Media and Talentum, the businesses of Talentum and Alma Media's Financial Media and Corporate Services unit will be merged to form a new business unit, Alma Talent, in 2016. The following personnel will constitute the management team of Alma Talent: Arno Ahosniemi (editorial staff), Tuomas Hämäläinen (content sales), Tiina Järvilehto (media sales), Otto Mattsson (Kauppalehti Information Services), Tapio Teppo (Talentum Events), Pia Ruusukivi (digital development) and Maria Ampiala (Talentum Pro). The management team will begin its work on 13 February 2016 and will also act as Talentum Oyj's management team throughout the spring.

Stock exchange releases related to the changes were published on 15 January 2016 and 29 January 2016.

The Board of Directors' motion concerning distribution of profits
The parent company's distributable profits as of 31 December 2015 comprise invested non-restricted equity of EUR 52,942,876.08, treasury shares of EUR -769,759.13 and EUR -20,345,624.10 of retained earnings, of which the loss for the financial year is EUR -20,436,642.54, totalling EUR 31,827,492.83. A decrease in value of Talentum Media Oy's and Talentum Sweden Ab's shares of EUR 19.9 million had a negative effect on the income for the financial year of the parent company.

The Board of Directors proposes that no dividend be distributed for 2015 and that no funds be distributed from the invested non-restricted equity fund (in 2014, a dividend of EUR 0.05 per share was paid).

Annual General Meeting

Talentum Oyj's Annual General Meeting will be summoned approximately in May 2016.

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.

Helsinki, 11 February 2016

Talentum Oyj Board of Directors

Information required by the Companies Act and the Decree of the Ministry of Finance on the Regular Duty of Disclosure of an Issuer of a Security, such as classes of shares, shareholders, related parties, terms of stock options and financial key figures, have been presented in the notes to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2015	2014
Continuing operations			
Net sales	2	**72,6**	72,3
Other operating income	5	**0,6**	0,7
Materials and services		**-9,5**	-10,0
Employee benefit expenses	6, 21	**-34,4**	-34,5
Depreciation and amortisation	7	**-1,3**	-1,3
Impairment of publishing rights	7, 13	**-7,2**	-
Impairment of goodwill	7, 13	**-2,7**	-
Other operating expenses	8	**-24,6**	-24,0
Share of income of associates and joint ventures	14	**0,3**	0,2
Operating income	2	**-6,0**	3,4
Financial income	9	**0,4**	0,8
Financial expenses	9	**-0,9**	-0,4
Income before taxes		**-6,5**	3,8
Taxes	10	**0,4**	-1,1
Income for the period		**-6,1**	2,8
Other comprehensive income			
Items that may be later transferred into profit or loss:			
Translation differences		**0,5**	-1,6
Items that will not be later transferred into profit or loss:			
Actuarial gain or loss on defined benefit pension obligation		**-**	0,3
Income tax on actuarial gain or loss		**-**	-0,1
Othet items		**0,1**	-
Other comprehensive income for the year, net of tax		**0,6**	-1,3
Total comprehensive income for the period		**-5,5**	1,5
Income attributable to:			
Owners of the parent company		**-6,1**	2,8
Non-controlling interest		**-0,0**	0,0
Total comprehensive income for the year attributable to:			
Owners of the parent company		**-5,5**	1,5
Non-controlling interest		**-0,0**	0,0
Basic and diluted earnings per share, EUR, calculated on the net income attributable to equity holders of the parent company			
Continuing operations	11	**-0,14**	0,06

The notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	**31.12.2015**	31.12.2014
ASSETS			
Non-current assets			
Property, plant and equipment	12	**0,7**	0,9
Goodwill	12, 13	**18,4**	20,1
Other intangible assets	13	**8,7**	14,2
Investments in associates and joint ventures	14	**0,6**	0,5
Available-for-sale investments	15	**0,0**	0,0
Deferred tax assets	18	**0,4**	0,7
Other non-current assets	17	**0,5**	0,8
Total non-current assets		**29,4**	37,2
Current assets			
Inventories	16	**0,9**	1,0
Trade and other receivables	17	**9,8**	8,9
Current tax assets		**0,7**	0,0
Cash and cash equivalents	19	**2,5**	4,7
Total current assets		**13,9**	14,5
TOTAL ASSETS		**43,3**	51,8
EQUITY AND LIABILITIES			
Equity attributable to equity owners of the parent	20		
Share capital		**18,6**	18,6
Treasury shares		**-0,8**	-0,9
Other reserves		**-0,5**	-1,0
Invested non-restricted equity reserve		**-1,5**	-1,5
Retained earnings		**-4,8**	3,5
Total		**11,0**	18,7
Non-controlling interest		**0,2**	0,1
Total equity		**11,2**	18,8
Non-current liabilities			
Deferred tax liabilities	18	**1,7**	3,2
Interest -bearing financial liabilities	25	**0,8**	0,8
Pension obligations	21	**0,1**	0,1
Provisions	23	**0,2**	0,2
Total non-current liabilities		**2,8**	4,4
Current liabilities			
Current financial liabilities	25	**4,2**	4,5
Advances received	24	**13,0**	11,9
Current tax liabilities		**0,7**	0,4
Trade and other payables	24	**11,4**	11,2
Provisions	23	**-**	0,5
Total current liabilities		**29,3**	28,6
TOTAL EQUITY AND LIABILITIES		**43,3**	51,8

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2015	2014
Cash flows from operating activities			
Operating income		-6,0	3,4
Adjustments to operating income:			
Depreciation and amortisation		1,3	1,3
Impairments	7, 13	9,9	-
Other adjustments *		-1,0	-1,5
Total adjustments		10,2	-0,3
Change in working capital:			
Increase (-)/decrease (+) in trade and other receivables		-0,8	-0,2
Increase (-)/decrease (+) in inventories		0,0	-0,1
Increase (+)/decrease (-) in current liabilities		2,8	1,9
Change in provisions		-0,5	-0,1
Total change in working capital		1,5	1,6
Interest paid		-0,3	-0,2
Interest received		0,0	0,1
Dividend received		0,1	0,2
Income taxes paid		-1,1	-0,5
Net cash from/in operating activities		4,3	4,4
Cash flow from investing activities			
Acquisition of property, plant and equipment and intangible assets		-1,7	-1,0
Acquisition of businesses	4	-1,7	-1,5
Loan receivables granted and repaid	28	0,2	-0,2
Other items in cash flows from investing activities		0,0	0,0
Net cash from/in investing activities		-3,2	-2,7
Cash flow from financing activities			
Repayments of current loans		-1,7	-1,1
Withdrawals of non-current loans		0,7	1,5
Repayments of non-current loans		-	-0,3
Dividends paid		-2,2	-1,8
Capital investment of non-controlling interest		0,1	-
Sales of treasury shares	28	-	0,5
Acquisition of treasury shares		-0,1	-0,2
Net cash from/in financing activities		-3,3	-1,3
Change in cash and cash equivalents		-2,1	0,4
Cash and cash equivalents on 1 January		4,7	4,3
Foreign exchange adjustment		0,0	-0,0
Net change in cash and cash equivalents		-2,1	0,4
Cash and cash equivalents on 31 December	19	2,5	4,7

*) Other adjustments to operating income mainly consist of exchange rate differences as well as the income adjustment of associates and joint ventures. The adjustments include also the effect on operating income of non-monetary items recognised in the business acquisitions.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent company							Non-controlling interest	Total equity
EUR million Note 20	Share capital	Invested non-restricted equity fund	Translation reserve	Fair value reserve	Treasury shares	Retained earnings	Total		
Equity on 1 Jan 2015	18,6	-1,5	-1,0	-	-0,9	3,5	18,7	0,1	18,8
Total comprehensive income for the year									
Income for the year	-	-	-	-	-	-6,1	-6,1	-0,0	-6,1
Other comprehensive income, net of tax									
Translation differences	-	-	0,5	-	-	-	0,5	-	0,5
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	0,1	0,1	-	0,1
Total comprehensive income for the year	-	-	0,5	-	-	-6,0	-5,5	-0,0	-5,5
Transactions with owners of the company									
Sales of treasury shares	-	-	-	-	0,2	-0,1	0,1	-	0,1
Acquisition of treasury shares	-	-	-	-	-0,1	-	-0,1	-	-0,1
Dividend distribution	-	-	-	-	-	-2,2	-2,2	-0,0	-2,2
Management's incentive plan	-	-	-	-	-	0,1	0,1	-	0,1
Capital investment of non-controlling interest								0,1	0,1
Other items	-	-	-	-	-	-0,0	-0,0	0,0	-
Equity on 31 Dec 2015	18,6	-1,5	-0,5	-	-0,8	-4,8	11,0	0,2	11,2
Equity on 1 Jan 2014	18,6	-1,5	0,6	-	-2,4	3,4	18,6	0,1	18,7
Total comprehensive income for the year									
Income for the year	-	-	-	-	-	2,8	2,8	0,0	2,8
Other comprehensive income, net of tax									
Translation differences	-	-	-1,6	-	-	-	-1,6	-	-1,6
Remeasurement of defined benefit obligation	-	-	-	-	-	0,3	0,3	-	0,3
Total comprehensive income for the year	-	-	-1,6	-	-	3,0	1,5	0,0	1,5
Transactions with owners of the company									
Sales of treasury shares	-	-	-	-	1,7	-1,2	0,5	-	0,5
Acquisition of treasury shares	-	-	-	-	-0,2	-	-0,2	-	-0,2
Dividend distribution	-	-	-	-	-	-1,8	-1,8	-	-1,8
Management's incentive plan	-	-	-	-	-	0,0	0,0	-	0,0
Other items	-	-	-	-	-	-0,0	-0,0	0,0	-
Equity on 31 Dec 2014	18,6	-1,5	-1,0	-	-0,9	3,5	18,7	0,1	18,8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting principles

1. Basic information

Talentum Group companies mainly publish magazines for professionals as well as literature for the legal and other professions. They also provide online services, information services, trainings and events. Direct Marketing is focused on telemarketing of newspapers and books. The Group has operations in Finland, Sweden, Denmark, Russia, Estonia and Latvia.

Talentum Oyj is a Finnish public limited company, established in accordance with Finnish law, and its registered address is Itämerenkatu 23, 00180 Helsinki, Finland. Copies of the consolidated financial statements are available on the Internet at the address www.talentum.fi or from the parent company headquarters.

The company's shares are quoted at the NASDAQ Helsinki Stock Exchange classed under consumer goods and services.

At its meeting on 11 February 2016, the Board of Directors of Talentum Oyj approved these financial statements for publication. Under the Finnish Companies Act, the shareholders may approve or reject the financial statements at the General meeting held after publishing the financial statements. The General meeting also has a possibility to amend the financial statements.

2. Accounting principles for the consolidated financial statements

2.1 Basis for preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force at 31 December 2015. In the Finnish Accounting Act and the ordinances based on the provisions of the Act, IFRSs refer to the standards and their interpretations adopted in accordance with the procedures laid down in the EU regulation (EC) No 1606/2002. The notes to the consolidated financial statements are also in accordance with the Finnish accounting and company legislation.

The consolidated financial statements have been prepared on the historical cost basis, except for the items mentioned below, that are measured at fair value as required by the standards.

The financial statements are presented in millions of euro. For the purposes of presentation, individual figures and totals are rounded off, which causes rounding-off differences in the totals.

1 January 2015 the Group adopted those new and revised IFRS-standards and interpretations that were described in the consolidated financial statements for the year 2014. New or revised standards or interpretations that were applied during the reporting period did not have a material effect on the Group's financial reporting.

The preparation of financial statements in accordance with IFRS requires Group management to make certain estimates, and information on how management have exercised judgment in applying the accounting principles. Information about the judgment exercised by management in applying the accounting principles followed by the Group and which has the most significant impact on the figures presented in the financial statements is presented under the item "Accounting principles requiring management judgment and key sources of estimation uncertainty".

2.2 Principles of consolidation

Subsidiaries

Talentum's consolidated financial statements include the financial statements of the parent company Talentum Oyj and its subsidiaries. Companies in which Talentum Oyj has control are regarded as subsidiaries. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Internal shareholdings are eliminated using the purchase method. The acquisition cost includes the fair value of the funds paid or the shares issued. Direct costs arisen from the acquisition are recognised as expenses. The consideration transferred does not include transactions accounted separately from the acquisition. They are recognised mainly in profit or loss at the date of transaction. Possible contingent consideration is measured at fair value at the date of acquisition and is classified as liability or equity. Contingent consideration classified as liability is measured at fair value at the end of each reporting period and gain or loss arisen from it is recognised in other operating income or other operating expenses. The unwinding of the contingent consideration discount is recognised as finance cost. Contingent consideration classified as equity is not re-measured. Subsidiaries acquired during the year are consolidated from the date when the Group's control commences and consolidation is terminated on the date on which the Group's control ceases. The accounting principles of the subsidiaries' financial statements are changed if necessary to correspond to the accounting principles of the consolidated financial statements.

All Group internal transactions are eliminated as part of the consolidation process. Unrealised losses are not eliminated if the loss results from impairment.

Associates and Joint Arrangements

Associated companies are entities in which the Group has significant influence but not control. A significant influence is generally exerted through a 20–50% share of the votes.

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint venture is an arrangement whereby the Group has rights to the net assets of the arrangement. A joint operation is an arrangement whereby the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement. Talentum Group has one joint arrangement which is classified as joint venture.

Holdings in associated companies and joint ventures are consolidated using equity method. The Group's share of an associated company's and joint venture's net income for the period is shown in the statement of comprehensive income generally before operating profit or loss, and the share of equity movements that are not recognised through profit or loss in the investment are shown in other comprehensive income. The Group's share of an associated company's and joint venture's net assets together with goodwill identified on acquisition (less any accumulated impairment losses) are shown on the balance sheet reduced by impairments recognised in individual investments. Unrealised gains and losses between the Group and associated company or joint venture are eliminated in proportion to the Group's shareholding, except when a loss results from impairment. Applying the equity method is terminated when the book value of the investment in the associated company or joint venture has fallen to zero, unless the Group has a duty to fulfil obligations of the associated company which it has guaranteed or to which it is committed in some other way. If necessary the accounting principles of the associated company's and joint venture's financial statements are changed to correspond to the accounting principles of the consolidated financial statements.

Non-controlling interests

Distribution of the profit for the financial period to parent company owners and non-controlling interests is presented in the statement of comprehensive income, and the non-controlling interest's share of equity is presented as a separate item under equity in the balance sheet. The Group recognises any non-controlling interest in the acquire on an acquisition – by –acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Total comprehensive income is allocated to the owners of the parent company and non-controlling interest even if this results in the non-controlling interest having a deficit balance. Changes of non-controlling interests in subsidiaries are accounted for as equity transactions if they do not result in loss of control.

2.3 Items denominated in foreign currencies

Items included in the financial statements of the Group companies are measured in a currency of each operating financial environment in which the company in question mainly operates ("functional currency"). The consolidated financial statements are presented in euro, which is the Group parent company's functional and presentation currency.

Transactions denominated in foreign currencies are translated into functional currency at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into functional currency using the exchange rate prevailing on the end date of the reporting period. Non-monetary items denominated in foreign currencies, which are measured at fair value, are translated into functional currency using the exchange rate on the day of the measurement. Non-monetary items are otherwise measured at the exchange rate on the transaction date. Exchange rate gains and losses related to business operations are included in corresponding items above operating income and exchange rate differences on loans denominated in foreign currencies in financial items.

Statements of comprehensive income of foreign subsidiaries are translated into euro at the average exchange rate for the period under review and balance sheets at the exchange rate applying on the end day of the reporting period. Exchange rate differences arising from the translation are recognised in the other comprehensive income.

Exchange rate differences related to equity items arising from the elimination of the acquisition cost of foreign subsidiaries are recognised in other comprehensive income. When a foreign subsidiary is disposed of, the exchange rate differences related to the entity are recycled into profit and loss, and recognised in the statement of comprehensive income as part of the gain or loss on sale. Goodwill arising from the acquisition of foreign subsidiaries is treated as the foreign company's asset denominated in a foreign currency and is translated into euro at the exchange rate prevailing on the end date of the reporting period.

2.4 Property, plant and equipment

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and any impairment. They are depreciated on a straight line basis over their estimated useful lives as follows:

Machinery and equipment	3-7 years
Other tangible assets	3-10 years

Useful lives and residual values are reviewed at the end of each reporting period. Depreciation of tangible assets is terminated when an item of property, plant and equipment is classed as for sale. Ordinary maintenance and repair costs are recognised as expenses as they are incurred. Such substantial costs that go within the capitalisation criteria and that improve the asset's profitability are capitalised and depreciated on a straight line basis over their expected useful life.

Gains on the sale and disposal of property, plant and equipment are included in other operating income, and losses in other operating expenses.

The Group as lessee
Leases of property, plant and equipment where substantially all the risks and rewards incidental to the ownership are transferred to the Group, are classified as finance leases. The Group had no leases classified as finance leases during the reporting periods.

Leases where the lessor retains the risks and rewards incidental to the ownership are treated as operating leases. Where the Group is the lessee, lease payments under the operating leases are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease. Benefits received under leases, such as reductions in rents and rent-free months, are deducted from the rents and allocated equally over the whole rental period.

2.5 Intangible assets

Goodwill
Goodwill arisen in business combinations after 1 January 2010 represents the excess of the sum of consideration transferred, non-controlling interest in the acquired company, and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, over the fair value of the net identifiable assets of the acquired company. Business combinations before 1 January 2010 are accounted in accordance with the former IFRSs (IFRS 3 (2004)). Goodwill is not amortised but it is tested annually for impairment.

Other intangible assets
Intangible assets comprise magazine and book publishing rights, trademarks, patents, software licences, and customer relationships. They are measured at the cost less accumulated amortisation and any impairment. Intangible assets with definite useful lives are amortised on a straight line basis over their estimated useful lives (book publishing rights 10 years and other intangibles 2–7 years). Estimated useful lives are reviewed at the end date of the reporting period, and the amortisation period is adjusted if necessary. Intangible assets whose useful life cannot be determined are not amortised, but their value is tested annually. The magazine publishing rights are considered to have an indefinite useful life, since on the basis of analyses performed there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the group.

Research and development costs
Research costs are expensed as incurred. Development costs are capitalised if they fulfil the capitalisation criteria of IAS 38. Capitalised development costs are shown as an item Development costs and depreciated over their useful lives, which is 2–5 years. The Group's capitalised development costs relate to the development of e-business business operations.

2.6 Impairment of property, plant and equipment and intangible assets

The carrying amounts of intangible assets with definite useful lives are reviewed when external events or changes in conditions indicate an impairment in the value of an asset.

The carrying amounts of goodwill and other assets with indefinite useful lives are reviewed annually or more often when there is a weakening of income, or if there are changes in external business conditions that may result in permanent impairment. The need for impairment is reviewed at the level of the cash generating unit, i.e. at the lowest level that is mainly independent of other units and whose cash flows are separately identifiable and largely independent of the cash flows of other similar units.

The recoverable amount is the higher of the asset's fair value less the cost to sell or its value in use. Value in use represents the discounted future net cash flows expected to be derived from the asset or from the cash generating unit. The discount rate used is the interest rate that reflects the market view of the time value of money and the particular risks associated with the asset. If the recoverable amount derived from an asset is lower than its book value, an impairment loss is recognised in profit and loss. Impairment of goodwill is not reversed even if the conditions that led to the impairment have improved. However, impairment made previously to other assets with indefinite useful lives may be reversed if the cash flows generated are significantly improved compared to the forecasts that were the basis of the impairment. A reversal cannot however lead to a higher carrying amount than would have been recognised without the impairment.

2.7 Non-current assets held for sale

Non-current assets (or disposal group) and assets and liabilities that are part of a discontinued operation are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for classification as held for sale is considered to be met when the sale is highly probable and the asset (or disposal group) is immediately for sale in its present condition on usual or customary terms, when management is committed to the sale and the sale is expected to be completed within a year of the classification.

Up to the point of being classified as being held for sale, the assets, or the assets and liabilities of disposal groups, are measured in accordance with the relevant IFRS standards. From the point of classification, the assets (or disposal group) held for sale are measured at the lower of carrying amount or fair value less the costs of disposal. Depreciation on these assets is terminated at the date of classification.
Assets in disposal groups that are not in the scope of the measurement rules of the IFRS 5 as well as liabilities are measured after classification according to the each IFRS standards applicable to these items.

A discontinued operation is a part of the Group that either has been disposed of or is classified as held for sale and which meets the following criteria:

1. it represents a separate major business unit or a unit that covers a geographical area,
2. it is part of a single co-ordinated plan to dispose of a separate major line of business or a geographical area of operations, or
3. it is a subsidiary acquired exclusively with a view to resale.

The income of a discontinued operation is presented as a separate line item in the statement of comprehensive income and cash flows related to a discontinued operation are presented in the notes to the financial statements.

2.8 Financial assets and liabilities

Financial assets

The Group's financial assets have been classified into the following categories: Loans and other receivables, financial assets available for sale and financial assets at fair value through profit or loss. Classification is made at the time of the acquisition of the assets on the basis of the purpose of the acquisition. Financial instruments are entered into the bookkeeping initially at fair value on the basis of the consideration received or paid. All purchases and sales of financial assets are recognised on the transaction date. Transaction expenses have been included in the original book value of financial assets. Financial assets are included in current items on the balance sheet when they mature within 12 months of the end date of the financial period. In other cases they are included under non-current items on the balance sheet.

Loans and other receivables are financial assets whose related payments are fixed or quantifiable and that are not quoted on active market. Loans and other receivables are measured at the amortised cost.

Investments which have no maturity date and where the time of sale has not been decided are classified as financial assets available for sale. Financial assets available for sale are shown on the balance sheet as non-current financial assets. The fair values of quoted securities are based on public price quotations. Unquoted securities, whose fair value cannot be reliably measured, are entered on the balance sheet at cost. Unrealised changes in the fair value of investments available for sale are recognised as other comprehensive income items, and they are presented in the fair value reserve, taking into account the tax effect. The accumulated fair value changes are transferred from equity into profit or loss as a classification adjustment when an investment is sold or when the amount of the investment has fallen so that an impairment loss is recognised for it.

Financial assets at fair value through profit or loss include derivatives, for which the Group does not apply hedge accounting.

Cash and cash equivalents

Cash and cash equivalents on the balance sheet include cash and bank balances as well as short-term liquid investments with a maturity of less than 30 days. Bank deposits with a maturity over 30 days are presented as other receivables.

Impairment of financial assets

On the end date of each reporting period, the Group assesses whether there is objective evidence for impairment of individual financial assets or asset groups. Loans and other receivables category includes trade receivables which are impaired when there is objective evidence that the Group will not recover all its receivables in full on the original conditions. The amount of doubtful receivables is estimated by customer on the basis of individual receivables. Bad debts are recognised under other operating expenses. If the fair value of the securities belonging to the available-for-sale investments group is significantly below their carrying amounts and over a period defined by the group, it is an evidence of an impairment of an available-for-sale security and the accumulated loss is transferred from the fair value reserve into profit or loss.

Financial liabilities

Financial liabilities are initially measured at fair value on the basis of the original consideration received. Transaction costs are included in the original book value of the financial liabilities. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method, except for the derivatives. The Group does not apply hedge accounting for the derivatives that are financial liabilities.

Financial liabilities are included in non-current and current liabilities, and they can be interest-bearing or non-interest-bearing.

Borrowing costs are recognised as an expense in the period incurred.

2.9 Inventories

Group inventories mainly comprise books. Inventories are measured at the lower of cost or net realisable value. The cost is determined on a FIFO (first-in, first-out) basis. The cost of inventories includes capitalised direct costs of acquisition and production and proportion of their indirect costs. The net realisable value is the expected sales price in normal business reduced by the estimated costs needed to prepare the product for sale and the sales costs.

2.10 Equity

Ordinary shares in issue are presented as share capital. Costs associated with issuing equity instruments or acquiring them is presented as reductions in equity.

When the company or its subsidiary acquires their treasury shares, the equity is decreased by the amount that consists of the compensation paid, reduced by transaction expenses after taxes, until the treasury shares are cancelled. No gain or loss is recognised into the statement of comprehensive income as the result of sale, issue or cancellation of the company's treasury shares, but any consideration is presented as a change in equity.

Dividend distribution and return of equity
Dividends and return of equity proposed by the Board of Directors for the Annual General Meeting are not deducted from distributable equity until approval at the Annual General Meeting.

Earnings per share
Earnings per share is calculated by dividing the income for the period attributable to the owners of the parent company by the weighted average of shares outstanding during the reporting period. Diluted earnings per share is calculated by dividing the diluted income for the period attributable to the owners of the parent company by the weighted average of the diluted number shares outstanding during the reporting period. The company does not have any instruments which would have a dilution effect on earnings per share.

2.11 Taxes

Tax on Group companies' income for the reporting period, as well as adjustments to taxes for previous periods and changes in deferred taxes are entered under taxes in the consolidated income statement. The tax effect relating to other comprehensive income items or items recognised directly in equity is recognised in the items in question accordingly.

Deferred tax asset or liability is calculated for all temporary differences between the carrying amount of an item and its tax base using tax rates prescribed at the closing date of the reporting period. However, a deferred tax liability or asset is not recognised in the case of an asset or liability related to a business combination, and having no impact on the income in bookkeeping or on the taxable income at the time of the transaction. Non-deductible goodwill is not included in the deferred tax liability.

Deferred tax assets relating to tax losses carried forward are recognised to the extent that it is probable that a future taxable profit will be available against which the losses can be utilised. The most significant temporary differences arise from the depreciation of tangible assets and measurement to fair values from business combinations.

A deferred tax liability is recorded for undistributed earnings of subsidiaries only when a tax payment can be regarded as realisable in the foreseeable future. Depreciation differences and untaxed reserves are divided between equity and deferred tax liabilities in the consolidated balance sheet.

2.12 Pension obligations

Pension plans are classified as defined-benefit and defined-contribution plans. In a defined contribution plan, fixed payments are made to a separate unit. The Group does not have a legal or an effective obligation to make further payments if the party that has received the payments is not able to make the retirement pension payments. Group payments into defined-contribution plans are recorded as expenses in the financial period when the obligation occurs.

All plans that do not fulfil these conditions are defined-benefit pension plans.

In defined-benefit pension plans the obligations are calculated using the Projected Unit Credit Method. Pension costs are expensed over the employees' periods of service in accordance with calculations made by authorised actuaries. The discount rate used for determining the present value of a retirement benefit obligation is based on the market yield of high quality corporate bonds issued or the interest on Finnish treasury bonds. The pension obligation recognised in the balance sheet is presented as the present value of future pension payments at the end date of the reporting period less the fair value of the plan-related assets at the end date of the reporting period.

Current service cost and net interest of the net liability of the defined benefit plan are recognised into profit or loss and presented in the employee benefit expenses. Remeasurements of the net defined benefit liability or asset, as actuarial gains and losses and the return of plan assets, are recognised into other comprehensive income as incurred.

Past service costs are expensed into profit or loss at the earlier of the following dates: when the plan amendment or the curtailment occurs or when the entity recognises related restructuring costs or termination benefits.

At the reporting date the Group's defined benefit pension plans include additional pension plans for personnel. Entries arising from the defined benefit pension plans are based on actuarial calculations.

2.13 Share-based payments

Granted instruments are measured at their fair value at the time they are granted and expensed through profit or loss and recognised into equity in employee benefits on a straight line basis over the time the rights to them accrued. The specific expense is based on the management's evaluation of the number of options to which rights will have accrued by the end of the vesting period. The Group reviews its assumptions about the final number of options on the end date of each reporting period. Changes in estimations are recognised in the statement of comprehensive income. The fair value of the options is determined by Black-Scholes option pricing model. Market conditions are taken into account when estimating the fair value of the options.

In the reporting period the Group had a valid share-based management incentive plan, in which the payments will be paid in shares. Additional information about share-based plans is presented in Note 22, Share-based payments.

2.14 Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, when realisation of the payment is probable and the amount of the obligation can be reliably estimated. The costs capitalised as a provision as well as the original cost of assets, are depreciated over the useful life of the asset. Provisions are measured at the present value of the expenses required to cover the obligations.

A restructuring provision is recognised when the Group has drawn up a detailed restructuring plan and has begun to implement the plan or announced it. Provisions are not recognised for expenses associated with the Group's ongoing operations. Provisions are recognised for onerous contracts if the direct expenses required to meet the obligations under the agreement exceed the benefits arising from it.

A contingent liability is a possible obligation arising out of an earlier event, and the existence of this obligation will only be confirmed through the realisation of an uncertain event outside the control of the Group. Obligations which will probably not require the fulfilment of a payment obligation or whose size cannot be reliably determined are also regarded as contingent liabilities. Contingent liabilities are presented in the notes to the financial statements.

2.15 Revenue recognition

The fair value of revenue from sales of products and services is presented as net sales. Revenues are adjusted by value added taxes, rebates and discounts.

Sales of goods and services
Revenues from magazine businesses are recognised in the Group so that they match to the number of magazine copies issued in the period. Revenues from events and training are recognised at the time when the events or training occurs. Revenue from sales of other goods and services is recognised at the point that the risks, benefits and control associated with ownership are transferred to the purchaser or the service is complete.

Licence and royalty income
For licence and royalty income, revenue recognition is in accordance with the actual contents of the agreement.

Interest income and dividends
Dividend income is recognised when the right to the dividend arises, and interest income is recognised using the effective interest method.

3. Accounting principles that require management judgment and key sources of estimation uncertainty

3.1 The key accounting estimates and assumptions

Preparing the consolidated financial statements in accordance with IFRS requires Group management to make estimates and assumptions about future scenarios, the outcome of which may differ from those estimates and assumptions. Furthermore, judgment must be exercised in the application of accounting principles. Estimates are based on management's best knowledge at the closing of the accounts. Any changes in these estimates and assumptions are stated in the accounts of the financial period in which the estimate or assumption is amended and in all financial periods thereafter.

Group management have considered the following sub-sections of the accounts to be the most important as the accounting principles applied are, from the Group's perspective, the most complicated and their application requires, more than for other areas, the use of significant estimates and assumptions for example in measurement of assets. Furthermore, the effects of changes in the assumptions and estimates used in these sub-sections are estimated to be the most significant.

Impairment tests
The Group tests goodwill and those intangible assets with indefinite useful lives for possible impairment annually and evaluates indications of impairment as previously indicated. The levels of recoverable amount from cash generating units have been determined in calculations based on value in use. These calculations require the use of estimates. The most significant assumptions and estimates in testing goodwill, and the sensitivity of these factors to changes in goodwill testing are described in more detail in Note 13, Impairment of tangible and intangible assets.

Taxes
The Group pays tax on its income in several different countries. Estimating the total tax payable at Group level requires judgments to be made. For many operations and calculations, the final amount of tax is uncertain. If the estimates differ from the final tax, the differences affect both the tax receivables and liabilities based on the period's taxable income as well as the deferred tax assets and liabilities in the period when they are paid or received.

The Group has recognised a deferred tax asset for temporary differences between the recognised amounts and taxable amounts.

3.2 Non-recurring items

Non-recurring items described in the Annual Report by the Board of Directors are not related to the ordinary businesses of the company but are significant in their quantity and nature. They are presented separately in the Annual Report by the Board of Directors, when the presentation helps to understand better the development of the consolidated financial income. The most material non-recurring items are the impairments, gains and losses on sale of group companies and the provisions relating to re-organisation of the functions. The Management of the Group exercises consistent judgement from financial period to another financial period in decision-making on classification of non-recurring items.

4. Management of financial risks

4.1 Elements of financial risk

As a consequence of its operations, the Group is exposed to several financial risks: Market risk (which includes currency risk, fair value interest-rate risk, cash-flow interest-rate risk and price risk), credit risk and liquidity risk. The objective of the Group's risk management is to minimise the detrimental effects of changes in the financial markets on the Group's results. The main financial risks are currency and interest-rate risks. The Group's central financing operation is responsible for the practical implementation of financial risk management together with the business units. The Group's financial unit identifies and evaluates risks and acquires the necessary instruments to hedge risks in cooperation with the operating units. Separate transactions currency or interest risks are hedged on a case-specific basis.

4.1.1 Market risks

Currency risk
The Talentum Group operates internationally and is thus exposed to risks related to its foreign currency positions. The Swedish Krona (SEK) is the most important foreign currency for the Group. Exchange-rate risks arise from business transactions denominated in foreign currencies, from assets and liabilities denominated in foreign currencies in the statement of financial position and from commercial transactions and from net investments made in foreign entities.

The Group has net investments mainly in Swedish units, which are exposed to foreign-currency risks associated with translation differences. The total net investment of these subsidiaries at the year-end was EUR 25.8 million. The exchange-rate changes resulting from translation differences are recorded in other comprehensive income in the Group's comprehensive income statement. A 10% decrease in the Krona's exchange rate against euro would have a negative impact of EUR 2.3 million on the Group's other comprehensive income and shareholders' equity. This currency risk is not hedged.

Transaction risk arises when the company has receivables and liabilities in currencies other than the company's operating currency. Group companies mainly operate in their own markets and in their own operating currency, and therefore transaction risks are low. Individual significant and predictable receivables and liabilities in foreign currencies can be hedged by forward contracts.

Interest-rate risk
The effects of interest-rate changes on the value of interest-bearing receivables and liabilities create an interest-rate risk. Interest-rate risk is part of market risk.

The cash flows linked to the Group's short-term money-market investments are exposed to interest-rate risk, but the effect is not material. Operating cash flows are largely independent of fluctuations in market interest rates. The loans and limits are mainly tied in floating rates. Individual loans can be hedged by interest forwards. The Group's interest-bearing net liability in the financial statements is EUR 2.5 million.

Credit risk
Credit risk arises when a contractual party cannot fulfil its obligations. The creditworthiness of customers and counterparties in investment transactions and derivative contracts is constantly monitored. Credit monitoring of customers is performed on a country-specific basis in the finance departments, which work together with the business units. The Group's customer base is weighted towards large companies with a good financial standing, and for them credit risk is assessed as low. Advance payments typical to the industry reduce credit risk since a significant part of the products are paid in the beginning of the subscription period. The Group enters into investment transactions only with counterparties who have a credit rating of at least AA.

During the period under review, the amount of impairment losses recorded through the income statement and the aging of sales receivables is presented in Note 17, Receivables.

Liquidity risk
The Group continuously tries to evaluate and monitor the financing required for business operations, so that the Group will have sufficient liquid resources to finance operations and repay loans that are maturing. The Group's financing policy defines the size of the liquidity reserve as well as the maximum amount of annual repayments. The liquidity reserve is made up of cash reserves, realisable short-term investments and bank overdraft limits. Adequate liquidity is maintained through efficient cash management and financing arrangements based on forecasts. The Group has EUR 12

million bank overdraft limits, which are valid until further notice. The annual maturity split of current financing debt is presented in Note 26, Contractual maturities of financial liabilities.

4.2 Management of equity risk

One objective of equity management is to maintain a strong financial position and ensure that the financing needs of business operations can be resolved cost effectively when necessary. Another objective is to maintain the optimal capital structure to reduce the cost of equity.

To maintain or change the capital structure, the Group can alter the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell property to reduce debts.

Capital is monitored through the equity ratio and debt-equity ratio in the same manner as other companies operating in this sector. The debt-equity ratio is measured by dividing the interest-bearing net debts by the total capital. Interest-bearing net debts are calculated by subtracting cash assets from total interest-bearing debt (short- and long-term interest-bearing loans on the consolidated balance sheet). The equity ratio is calculated by dividing shareholders' equity by the balance sheet total less advance payments.

The Group's long-term objective is to have an equity ratio at least of 30%. The capital structure may be temporarily exceptional due to business acquisitions. The equity ratio and debt-equity ratio are presented in tabular form in Note 27.

4.3 Estimating fair value

The fair value of financial instruments is based on the quoted market prices on the end date of the financial period. The quoted price of financial assets used is the buying price at that time.

The Group uses various methods and makes assumptions that are mainly based on the prevailing conditions on the markets at the end date of the reporting period. The book value of sales receivables reduced through impairment and the book value of accounts payable are assumed to be close to their fair values. The book values of sales receivables and accounts payable are presented in the Notes 17, Receivables and 24, Accounts payable and other debts.

5. Adoption of new and amended standards and interpretations

The IASB has published the following new or revised standards and interpretations, which the Group has not yet applied. The Group will adopt them as follows:

In the financial year 2016

- *Annual Improvements 2014* (effective for financial years beginning on or after 1 January 2016): Annual improvements 2012-2014 reporting cycle include changes to: *IFRS 5 Non-current assets held for sale and discontinued operations, IFRS 7 Financial instruments: Disclosures, IAS 19 Employee benefits* and *IAS 34 Interim financial reporting*. The Group assesses that the changes will not have a material impact on the consolidated financial statements.
- *Disclosure Initiative - Amendments to IAS 1* (effective for financial years beginning on or after 1 January 2016): The amendments to IAS 1 *Presentation of Financial Statements* are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including: Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Notes – confirmation that the notes do not need to be presented in a particular order. OCI arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income. The Group assesses that the changes will not have a material impact on the consolidated financial statements.

In the financial year 2017 or later

- IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2018): The complete version of IFRS 9 replaces most of the guidance in IAS 39. In future, financial assets are divided into three main groups on a basis of measurement: financial assets at amortised cost, financial assets at fair value through other comprehensive items and financial assets at fair value through profit or loss. The classification depends on the business model of the company and the characteristics of contractual cash flows. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. IFRS 9 will change also the requirements relating to hedge accounting. The Group management is assessing the effects of the new standard into the consolidated financial statements. The standard is not yet endorsed by EU.
- *IFRS 15 Revenue from contracts with customers* (effective for financial years beginning on or after 1 January 2018 or later): IFRS 15 replaces *IAS 11 Construction contracts*, *IAS 18 Revenue* and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. An entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the five steps model described in the standard. IFRS 15 will also change the notes to the consolidated financial statements about the contracts with customers. The Group management is assessing the effects of the new standard into the consolidated financial statements. The standard is not yet endorsed by EU.
- Amendments to IFRS 10 and IAS 28 (the initial effective for financial years beginning on or after 1 January 2016 has been postponed for the time being): These amendments address an inconsistency between IFRS 10 and IAS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. The standard is not yet endorsed by EU.

The other new or revised standards or interpretations published by the IASB are not relevant to the Talentum's consolidated financial statements.

2. Operating segments

Group's segment reporting corresponds with the profit center structure. Talentum's business has been divided into six segments that are Magazine Business Finland, Magazine Business Sweden, Events, Talentum Pro, Direct Marketing and Other Activities.

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 Mediuutiset Ab. MB magazine acquired from Sanoma Media Finland Oy is reported under this segment since the acquisition date on 1 May 2015. Financial development for Swedish periodicals is reported in the Magazine Business Sweden segment. The magazines with the highest circulation are Ny Teknik and Affärsvärlden. Financial development for book publishing and legal training is reported in the Talentum Pro segment (formerly Books and Legal Training). Book publishing business comprises publishing of books for legal and other professionals. The B2B business acquired on 30 April 2014 from Sanoma Pro is also included under Books and Legal Training since the acquisition date. The acquired business provides training, books and online services for management and experts with the most important areas of law, taxation and financial administration. Events Business comprises of events businesses in Finland, Sweden and Denmark. Events includes also the Group's share of the income of the associated company Professio Oy. 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. The Other Activities segment comprises Group operations as well as the Russian associated company, Conseco Press, and the Swedish subsidiary Edlegio AB which was established on 1 September 2015 and has a focus on online training. All the Group's operating segments are reported separately. The Group does not have revenues from transactions with single customers that would amount over 10% of the Group's total revenues.

Segment operating income is used to measure performance and to allocate resources to the segments. Measure of operating income is reviewed and decisions about resources allocated to the segments are made by the chief operating decision maker, which in Talentum constitutes the Group Executive Management.

Segment operating income is reported to the chief operating decision maker without non-recurring items, which arose in the financial year mainly from an impairment on the value of publication rights and goodwill allocated to Magazine Business Sweden, as well as value-added tax for previous financial periods allocated to Magazine Business Finland. Additionally, non-recurring items were caused by costs arising from the reorganisation of the Group (in year 2014 mainly from restructurings in Magazine Business Sweden and Events Business as well as integration of the B2B business acquired from Sanoma Pro). Other income and expenses not allocated to the segments include financial income and expenses and income taxes. Inter-segment transactions are determined on arm's length principle.

Operating segments are located in Finland, Sweden, Denmark, Estonia, Latvia and Russia. In presentation of geographical information, net sales is based on the geographical location of customers and assets based on geographical location of the assets. Assets include property, plant and equipment, intangible assets and investments in associates and joint ventures.

Operating segments

2015

EUR million	Magazines Finland	Magazines Sweden	Events	Talentum Pro	Direct Marketing	Other Activities	Total
External net sales	23,8	16,8	10,9	11,7	9,2	0,1	72,6
Inter-segment net sales	0,1	0,1	0,1	-	2,3	-2,5	0,0
Segment operating income	3,3	-0,2	0,1	1,7	1,5	-1,1	5,4
Reconciliation:							
Segment operating income	-	-	-	-	-	-	5,4
Non-recurring items not allocated to segments	-	-	-	-	-	-	-11,4
Financial items, net	-	-	-	-	-	-	-0,5
Consolidated income before taxes							**-6,5**

2014

EUR million	Magazines Finland	Magazines Sweden	Events	Talentum Pro	Direct Marketing	Other Activities	Total
External net sales	24,3	18,1	11,4	10,5	8,0	0,1	72,3
Inter-segment net sales	0,0	0,1	0,1	-	2,9	-3,1	0,0
Segment operating income	2,5	0,2	0,2	1,3	1,0	-1,1	4,1
Reconciliation:							
Segment operating income	-	-	-	-	-	-	4,1
Non-recurring items not allocated to segments	-	-	-	-	-	-	-0,7
Financial items, net	-	-	-	-	-	-	0,4
Consolidated income before taxes							**3,8**

The consolidated net sales comprises as follows:

EUR million	2015	2014
Sale of goods	50,8	51,5
Sale of services	21,8	20,8
Total	**72,6**	72,3

Geographical information

2015

EUR million	Net sales	Assets
Finland	47,5	14,8
Sweden	19,0	13,6
Other countries	6,1	0,1
Total	**72,6**	**28,5**

2014

EUR million	Net sales	Assets
Finland	46,1	12,4
Sweden	20,3	23,1
Other countries	5,9	0,2
Total	72,3	35,7

3. Disposals of subsidiaries and businesses

2015

There were no disposals of subsidiaries and businesses in 2015.

2014

There were no disposals of subsidiaries and businesses in 2014.

4. Acquisitions of subsidiaries and businesses

2015

Talentum's Finnish subsidiary, Talentum Media Oy, acquired MB magazine from Sanoma Media Finland Oy with an asset deal transaction concluded on 1 May 2015. MB was 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. Acquisition calculation is final and no changes were made to the preliminary calculation.

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 business at the date of acquisition

EUR million	Recognised fair values/ book values on 1 May 2015
Intangible assets	0,9
Current non-interest-bearing receivables	0,9
Total assets	**1,8**
Current non-interest-bearing liabilities*	0,9
Total liabilities	**0,9**
Net assets	**0,9**
Acquisition cost	1,7
Goodwill	**0,7**

*) Other current non-interest bearing liabilities include advances received that transferred to Talentum in the business acquisition. An obligation to perform a service is related to the advances received, that are recognised as income during the period of performing the service.

2014

Talentum Oyj's Finnish subsidiary, Talentum Media Oy, acquired the B2B business from Sanoma Pro with an asset deal transaction concluded on 30 April 2014. The acquired business provides training, books and online services for management and experts with the most important areas of law, taxation and financial administration.

The purchase price was paid in cash on the day the transaction was concluded. The integration costs deriving from the acquisition, EUR 0.3 million, are presented as a non-recurring item.

In connection with the acquisition customer relationships and publishing rights were recognised as separate intangible assets. Furthermore, the fair value was adjusted to inventories. The goodwill arisen from the acquisition is presented as a EUR 1.1 million item in the balance sheet of the reporting date. Goodwill is regarded arising principally from market position, specialist personnel, product and service process expertise, industry expertise and synergies. Acquisition calculation is final and no changes were made to the preliminary calculation.

The consolidated financial statements at the time of reporting include the acquired company's 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 business at the date of acquisition

EUR million	Recognised fair values/ book values on 30 April 2014
Property, plant and equipment	0,0
Intangible assets	2,0
Inventories	0,4
Total assets	**2,5**
Deferred tax liabilities	0,4
Other current non-interest-bearing liabilities*	1,7
Total liabilities	**2,1**
Net assets	**0,4**
Acquisition cost	1,5
Goodwill	**1,1**

*) Other current non-interest bearing liabilities include advances received that transferred to Talentum in the business acquisition. An obligation to perform a service is related to the advances received, that are recognised as income during the period of performing the service.

5. Other operating income

EUR million	2015	2014
Other operating income	0,6	0,7
Total	**0,6**	0,7

6. Employee benefits

EUR million	2015	2014
Wages and salaries	26,9	27,0
Pension expenses		
Defined benefit plans	0,0	0,1
Defined contribution plans	4,5	4,5
Options that will be exercised and paid in shares	0,1	0,0
Other social security expenses	2,9	2,9
Total	**34,4**	34,5

Average amount of personnel in the reporting period

	2015	2014
Magazine Business Finland	118	113
Magazine Business Sweden	73	82
Events	57	63
Talentum Pro	51	49
Direct Marketing	393	382
Other Activities	42	32
Total	**733**	**721**

The management employee benefit expenses are presented in the Note 28, Related party transactions. Information about share-based payments is presented in the Note 22, Share-based payments.

7. Depreciation, amortisation and impairment losses

By asset item

EUR million	2015	2014
Property, plant and equipment		
Machinery and equipment	0,4	0,4
Other tangible assets	0,0	0,0
Total	**0,4**	**0,5**
Intangible assets		
Development expenditure	0,2	0,3
Other intangible assets	0,6	0,5
Total	**0,9**	**0,8**

Impairments by asset item

EUR million	2015	2014
Goodwill	2,7	-
Publishing rights	7,2	-
Total	**9,9**	-
Total depreciation, amortisation and impairment losses	**11,2**	**1,3**

8. Other operating expenses

EUR million	2015	2014
Marketing expenses	4,3	5,1
IT expenses	2,9	3,5
Rental expenses	2,7	2,7
Office and premises expenses	1,4	1,4
Other operating expenses*	13,3	11,3
Total	**24,6**	**24,0**

*) Other operating expenses include EUR 0.7 million value-added tax relating to previous periods. In accordance with the Finnish Tax Administration's decision this value-added tax for advance payments received should have recognised in 2011 on group subscriptions for magazines delivered between 2012 and 2014.

Fees to the auditors

EUR million	2015	2014
Audit fees	0,1	0,1
Other service fees	0,0	0,0
Total	**0,1**	0,1

9. Financial income and expenses

EUR million	2015	2014
Financial income		
Dividend income from available-for-sale-investments	0,0	0,0
Interest income	0,0	0,1
Exchange rate gains	0,4	0,7
Other financial income	0,0	0,0
Total	**0,4**	0,8

EUR million	2015	2014
Financial expenses		
Interest expenses from financial liabilities measured at amortised cost	0,3	0,2
Exchange rate losses	0,5	0,2
Total	**0,9**	0,4

10. Income taxes

EUR million	2015	2014
Current tax on income for the year	0,7	0,7
Adjustments in respect of prior years	0,1	0,0
Deferred tax	-1,2	0,4
Total	**-0,4**	1,1

Income tax is also recognised into other comprehensive items from defined benefit pension plans EUR 0.0 million (in 2014 EUR -0.1 million).

Reconciliation between income statement tax item and taxes calculated at the tax rate of the Group country of domicile 20%

EUR million	2015	2014
Income before taxes	-6,5	3,8
Tax calculated by the parent company's domestic tax rate	-1,3	0,8
Difference between the Finnish and foreign subsidiaries' tax rates	-0,1	-0,0
Tax-free income	-0,1	-0,1
Non-deductible expenses	0,6	0,0
Utilisation of previously unrecognised tax losses	-	-0,0
Unrecognised deferred tax assets	0,5	0,3
Prior periods' taxes	0,1	0,0
Reduction in tax rate	-	-
Other items	-0,1	0,0
Taxes in consolidated statement of comprehensive income	**-0,4**	1,1

11. Earnings per share

	2015	2014
Profit for the period attributable to the equity owners of the parent, continuing operations, EUR million	-6,1	2,8
Weighted average number of shares, 1,000 shares	43 920	44 008
Basic and diluted earnings per share, continuing operations, EUR	**-0,14**	**0,06**

12. Tangible and intangible assets

2015

Tangible assets EUR million	Machinery and equipment	Other tangible assets	Total
Acquisition cost on 1 January 2015	5,0	1,4	6,4
Additions	0,2	0,0	0,2
Decreases	-0,0	-	-0,0
Foreign exchange rate differences	0,0	-	0,0
Acquisition cost on 31 December 2015	5,2	1,4	6,7
Accumulated depreciation on 1 January 2015	-4,2	-1,4	-5,5
Depreciation for the period	-0,4	-0,0	-0,4
Foreign exchange rate differences	-0,0	-	-0,0
Accumulated depreciation on 31 December 2015	-4,5	-1,4	-5,9
Carrying amount on 1 January 2015	**0,8**	**0,1**	**0,9**
Carrying amount on 31 December 2015	**0,7**	**0,0**	**0,7**

2014

Tangible assets EUR million	Machinery and equipment	Other tangible assets	Total
Acquisition cost on 1 January 2014	7,5	1,4	9,0
Additions	0,2	0,0	0,2
Business combinations	0,0	-	0,0
Decreases	-2,7	-0,0	-2,8
Foreign exchange rate differences	-0,1	-	-0,1
Acquisition cost on 31 December 2014	5,0	1,4	6,4
Accumulated depreciation on 1 January 2014	-6,5	-1,4	-7,8
Decreases	2,7	0,0	2,7
Depreciation for the period	-0,4	-0,0	-0,5
Foreign exchange rate differences	0,1	-	0,1
Accumulated depreciation on 31 December 2014	-4,2	-1,4	-5,5
Carrying amount on 1 January 2014	1,1	0,1	1,2
Carrying amount on 31 December 2014	0,8	0,1	0,9

2015 **Intangible assets** EUR million	Goodwill	Publishing rights	Development expenditure	Other intangible assets	Assets not yet in use	Total
Acquisition cost on 1 January 2015	24,2	12,8	3,2	6,7	0,1	47,1
Additions	-	0,9	0,0	0,1	1,4	2,4
Business combinations	0,7	-	-	-	-	0,7
Transfers between items	-	-	0,4	0,5	-0,8	0,0
Decreases	-	-	-	-	-	0,0
Foreign exchange rate differences	0,3	0,2	0,0	0,0	-	0,5
Acquisition cost on 31 December 2015	25,2	14,0	3,6	7,3	0,6	50,8
Accumulated depreciation on 1 January 2015	-4,1	-1,4	-2,6	-4,8	-	-12,8
Decreases	-	-	-	-	-	0,0
Impairment	-2,7	-7,2	-	-	-	-9,9
Depreciation for the period	-	-0,0	-0,2	-0,6	-	-0,9
Foreign exchange rate differences	-	-	-0,0	-0,0	-	-0,0
Accumulated depreciation on 31 December 2015	-6,8	-8,7	-2,8	-5,3	-	-23,6
Carrying amount on 1 January 2015	**20,1**	**11,4**	**0,7**	**2,0**	**0,1**	**34,3**
Carrying amount on 31 December 2015	**18,4**	**5,3**	**0,8**	**2,0**	**0,6**	**27,2**

2014 Intangible assets EUR million	Goodwill	Publishing rights	Development expenditure	Other intangible assets	Assets not yet in use	Total
Acquisition cost on 1 January 2014	24,5	12,7	2,9	8,7	0,3	49,1
Additions	-	0,3	0,1	0,1	0,4	0,8
Business combinations	1,1	0,5	-	1,6	-	3,1
Transfers between items	-	-	0,3	0,2	-0,5	0,0
Decreases	-	-	-	-3,8	-0,0	-3,8
Foreign exchange rate differences	-1,4	-0,6	-0,0	-0,0	-	-2,0
Acquisition cost on 31 December 2014	24,2	12,8	3,2	6,7	0,1	47,1
Accumulated depreciation on 1 January 2014	-4,7	-1,4	-2,2	-8,1	-	-16,5
Decreases	-	-	-	3,8	-	3,8
Depreciation for the period	-	-0,0	-0,3	-0,4	-	-0,8
Foreign exchange rate differences	0,6	-	0,0	0,0	-	0,7
Accumulated depreciation on 31 December 2014	-4,1	-1,4	-2,6	-4,8	-	-12,8
Carrying amount on 1 January 2014	19,8	11,3	0,7	0,6	0,3	32,6
Carrying amount on 31 December 2014	20,1	11,4	0,7	2,0	0,1	34,3

Customer relationships acquired in business combinations are included into other intangible assets. Development expenditure comprises mainly of e-business development.

The consolidated intangible assets comprise both magazine and book publishing rights. Of these magazine publishing rights are considered to have an indefinite useful life, since on the basis of analyses performed there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group. Publishing rights of books are depreciated over their useful lives.

13. Impairment of tangible and intangible assets

Goodwill and magazine publishing rights with an indefinite useful life are allocated to the cash generating units as described below. Goodwill has been allocated to the cash generating units in accordance with the segment structure.

Goodwill

EUR million	2015	2014
Magazine Business Finland	3,3	2,6
Magazine Business Sweden	10,9	13,3
Events	2,0	2,0
Talentum Pro	1,9	1,9
Direct Marketing	0,3	0,3
Total	**18,4**	20,1

Magazine publishing rights

EUR million	2015	2014
Magazine Business Finland	2,4	1,4
Magazine Business Sweden	2,6	9,6
Total	**4,9**	11,0

Impairment tests of goodwill are based on value in use. In the value in use calculations, five-year forecasts prepared by the management have been taken into account. The net cash flows were based on the budget for the first year and the forecasts approved by the management for the following four years. The most important parameters used in the calculations were as follows:

1. Net sales
In the forecast period, the change of net sales varies between the units. For Magazine Business Finland and Magazine Business Sweden the changes are determined based on management views on market development and general economic outlook. The estimates for Talentum Pro and Events are based on management's view on the market development. The growth rate for Direct Marketing is based on unit's past development and management's view on the market development. In 2015, a long term growth into perpetuity for Magazine Businesses Finland was 0.0 % (0.5 % in 2014), for Magazine Businesses Sweden 0.0% (0.5%), for Events 0.0% (0.5%), for Talentum Pro 0.0% (1.0%) and for Direct Marketing 0.0% (1.0%).

2. Operating profit
The operating profit estimates are based on actual development during previous years. The changes in the product portfolio for the net sales are also reflected in profitability.

3. Discount rate
In the calculations, the weighted average cost of capital after tax (WACC) determined by external experts has been used as the discount rate. The use of the after-tax WACC in place of the pre-tax rate does not have a material effect on the final value. The components of WACC are the risk-free rate of return, market risk premium, beta coefficient, cost of debt and the targeted capital structure. A debt-equity ratio of 20 / 80 is used as the target capital structure. In 2015, the discount rate for Magazine Business Finland was 6.6% (6.6.% in 2014), for Magazines Sweden 6.5% (6.8%), for Events 6.6% (6.6%), for Talentum Pro 6.6% (6.6%) and for Direct Marketing 6.6% (6.6%).

In 2015, the pre-tax discount rate for Magazine Business Finland was 8.3% (8.2% in 2014), for Magazines Sweden 8.4% (8.5%), for Events 8.2% (8.2%), for Talentum Pro 8.3% (8.0%) and for Direct Marketing 8.3% (8.1%).

As a result of impairment testing, an impairment of EUR 9.9 million was recognised and allocated to Magazine Business Sweden. Of the total amount of impairment EUR 2.7 million was allocated to publishing rights and EUR 7.2 million to the goodwill. The impairment is based on changes in the forecast growth of long-term net sales. This has been influenced by changes in consumer behaviour and group subscription agreements, which took effect at the turn of the year.

Sensitivity analyses of impairment testing

In impairment testing, sensitivity analysis was performed for the most important parameters. The analysis is based on a separate change of each parameter.

	percentage units
Net sales	-4,0%
Operating profit	-2,4%
Discount rate	1,0%

It is not probable that the key parameters would differ from management's estimates more than described above.

In a consequence of the recognised impairments into goodwill and publishing rights of the Magazine Business Sweden the carrying amounts of these asset items on 31 December 2015 equal to their recoverable amounts. Due to this, any possible changes in assumptions would lead to an increase in the loss of impairment, or regarding the publishing rights also to partial or full reversal of the loss on impairment.

14. Investments in associates and joint ventures

EUR million	2015	2014
Investments in associates	0,3	0,2
Investments in joint ventures	0,4	0,3
Total carrying amount on 31 December	**0,6**	**0,5**

Information about the associates and joint ventures that are material for the Group

	Domicile	**Main business**	**Group holding% 2015**	**Group holding% 2014**
Professio Oy	Oulu	Healthcare training	49,9	49,9
Oy Mediuutiset Ab	Helsinki	Publishing of Mediuutiset magazine and production of online services and newsletters	50,0	50,0

Associated company Professio Oy and the joint ventureOy Mediuutiset AB are consolidated by equity method of consolidation. Professio Oy is included in Event Business segment and Oy Mediuutiset Ab is included in Magazine Business Finland segment.

Summarised financial information for associates and joint ventures that are material for the Group

EUR million	Professio Oy 2015	Professio Oy 2014	Oy Mediuutiset Ab 2015	Oy Mediuutiset Ab 2014
Current assets	0,7	0,8	1,3	1,0
Non-current assets	-	-	0,0	0,0
Current liabilities	0,4	0,6	0,6	0,5
Non-current liabilities	-	-	-	-
Net sales	2,6	2,6	2,5	2,0
Income for the period	0,1	0,2	0,5	0,3
Dividends received from the associate or joint venture	-	0,1	0,1	0,1
Reconciliation of the financial information for associates and joint ventures to the carrying amount in the Group:				
Net assets of the associates and joint ventures	0,3	0,2	0,7	0,5
Group holding in associates and joint ventures %	49,9 %	49,9 %	50,0 %	50,0 %
Group's share of the net assets	0,1	0,1	0,4	0,3
Adjustment into associate at the time of the acquisition	0,1	0,1	-	-
Other adjustements	0,0	-	-	-
Carrying amount of the associates and joint ventures in the Group	0,3	0,2	0,4	0,3

Additional financial information for joint venture

EUR million	Oy Mediuutiset Ab 2015	Oy Mediuutiset Ab 2014
Cash and cash equivalents	0,9	0,7
Depreciation and amortisation	0,0	0,0
Interest income	0,0	0,0
Income tax expense (-) or income (+)	-0,1	0,0

Information for other associates and joint ventures

EUR million	2015	2014
Income for the period	0,0	0,0
Carrying amount in the Group	0,0	0,0

15. Available-for-sale investments

EUR million	2015	2014
Non-current		
Carrying amount on 1 January	0,0	0,0
Carrying amount on 31 December	0,0	0,0

Available-for-sale investments include unlisted shares 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.

16. Inventories

EUR million	2015	2014
Finished products and goods	0,9	1,0

EUR 0.1 million was recognised as an expense in the reporting period to reduce the value of inventories to correspond to their net realisable value (EUR 0.0 million in 2014).

17. Receivables

EUR million	2015	2014
Non-current loan and other receivables		
Rental guarantee	0,4	0,4
Other receivables	0,1	0,4
Total	0,5	0,8

EUR million	2015	2014
Current loan and other receivables		
Trade and other receivables	7,4	6,2
Receivables from associates and joint ventures	0,3	0,3
Prepaid expenses and accrued income	1,3	1,5
Other receivables	0,8	0,8
Total	**9,8**	**8,8**
Financial assets at fair value through profit or loss (forward exchanges)	0,0	0,0
Total current loan and other receivables	**9,8**	**8,9**

Fair value hierarchy is II for the derivatives included in the financial assets at fair value through profit or loss. The maximum credit risk for the financial assets at fair value through profit or loss corresponds to the book value at the end of the financial period.

Material items included in prepaid expenses and accrued income

EUR million	2015	2014
Personnel expenses	0,1	0,4
Other prepaid expenses and accrued income	1,2	1,1
Total	**1,3**	**1,5**

Aging of trade receivables

EUR million	2015	2014
Not past due	5,8	5,2
Past due		
1-30 days	1,1	0,8
31-60 days	0,4	0,2
61-90 days	0,0	0,0
over 91 days	0,1	-0,0
Total	**7,4**	**6,2**

The Group recognised an impairment loss of EUR 0.2 million on trade receivables (EUR 0.3 million in 2014).

Group's current receivables are principally denominated in each Group company's functional currency, and thus there is no significant exposure to the transaction related currency risk.

There are no significant concentrations of credit risk associated with receivables. The balance sheet values best correspond to the amount of money which is the maximum amount of credit risk without taking into account the fair value of guarantees in the event that counterparties are unable to fulfil their obligations associated with the financial instruments. The Group's operating practice does not include taking insurance in respect of sales and other receivables.

18. Deferred taxes

Changes in deferred taxes during 2015

EUR million	31 Dec 2014	Change *	Foreign exchange rate differences	Business acquisitions	31 Dec 2015
Deferred tax assets					
Provisions	0,1	-0,1	-	-	0,0
Tax losses carried forward	0,3	-0,3	0,0	-	0,0
Employee benefits	0,3	-0,0	0,0	-	0,3
Other temporary items	0,1	-0,0	0,0	-	0,1
Total	**0,7**	**-0,4**	**0,0**	**-**	**0,4**
Deferred tax liabilities					
Measurement of intangible and tangible assets at fair value in business combinations	2,5	-1,5	0,0	0,0	1,0
Accumulated appropriations	0,4	0,0	-	-	0,4
Other temporary items	0,3	-0,0	0,0	-	0,2
Total	**3,2**	**-1,6**	**0,0**	**0,0**	**1,7**

*) Of which EUR 0.0 million is recognised in other comprehensive income.

Measurement of intangible and tangible assets at fair value in business combinations includes change of deferred tax liability EUR -1.6 million relating to impairment of the publishing rights.

Changes in deferred taxes during 2014

EUR million	31 Dec 2013	Change *	Foreign exchange rate differences	Business acquisitions	31 Dec 2014
Deferred tax assets					
Provisions	0,1	-0,0	-	-	0,1
Tax losses carried forward	0,6	-0,4	-0,0	-	0,3
Employee benefits	0,4	-0,1	-0,0	-	0,3
Other temporary items	0,1	0,1	-0,0	-	0,1
Total	**1,2**	**-0,4**	**-0,0**	**-**	**0,7**
Deferred tax liabilities					
Measurement of intangible and tangible assets at fair value in business combinations	2,2	-	-0,1	0,4	2,5
Accumulated appropriations	0,4	0,0	-	-	0,4
Other temporary items	0,3	0,0	-0,0	-	0,3
Total	**2,9**	**0,1**	**-0,1**	**0,4**	**3,2**

*) Of which EUR -0.1 million is recognised in other comprehensive income.

19. Cash and cash equivalents

EUR million	2015	2014
Cash at hand and in bank accounts	**2,5**	4,7

The carrying amounts best correspond to the amount of money which is the maximum amount of credit risk without taking into account the fair value of guarantees in the event that counterparties are unable to fulfil their obligations associated with the financial instruments. There are no significant concentrations of credit risk associated with cash and cash equivalents.

The fair value of cash and cash equivalents does not differ significantly from the carrying amounts. The average maturity of short term investments is less than 30 days. The cash and cash equivalents corresponds with the cash and cash equivalents presented in the consolidated statement of cash flows.

20. Equity

Number of shares reconciliation

EUR million	Number of shares, 1 000 pcs	Share capital	Invested non-restricted equity reserve	Treasury shares	Total
31 Dec 2014	43 963	18,6	-1,5	-0,9	16,2
Sales of treasury shares	50	-	-	0,2	0,2
Acquisition of treasury shares	-88	-	-	-0,1	-0,1
31 Dec 2015	**43 926**	**18,6**	**-1,5**	**-0,8**	**16,3**

Talentum Oyj has one class of shares. In accordance with the articles of association the maximum number of shares permitted is 100 million shares (100 million shares in 2014). The par value of the shares is EUR 0.42 per share, and Talentum Oyj's maximum share capital is EUR 28 million (EUR 28 million in 2014). All shares issued are fully paid.

Equity reserves

Treasury shares

The treasury shares comprise the acquisition cost of the company's treasury shares controlled by the Group.

Other reserves include the Translation reserve and Fair value reserve

The translation reserve comprises the translation differences arising from translation of the financial statements of foreign subsidiaries. Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or [illegible]

Invested non-restricted equity reserve

Invested non-restricted equity reserve includes the other proportion of share subscription prices and other similar items of equity nature not recognised in the share capital in accordance with share issue decisions. The reserve was established in 2008 when the share premium reserve was decreased according to the decision by the AGM and the corresponding amount was transferred into invested non-restricted equity reserve.

21. Employee benefit obligations

The defined benefit pension plans in the Group comprise of employees' voluntary pension plans. The employees' voluntary pension plans were closed in 2000. In 2014 some of the defined benefit plans were restructured to defined contribution plans. The plans are accepted insurance agreements and include both defined benefit and defined contribution parts. The old-age pension benefits and funeral grants are calculated as defined benefit pension parts.

There is a collective ITP-pension plan in Sweden (Pressens Pensionkassa), in which several media companies participate, and of which adequate information is not available. Therefore it has been accounted for as a defined contribution plan. The effect of this is not assumed to be significant.

Defined benefit plans

Items recognised in total comperensive income

EUR million	2015	2014
Expenses recognised in operating income	0,0	0,1
Remeasurements recognised in other comprehensive income	-	-0,3
Recognised in total comprehensive income	**0,0**	**-0,2**

Net liability for defined benefit pension obligations

EUR million	2015	2014
Present value of funded obligations	0,3	0,3
Fair value of plan assets	-0,1	-0,1
Deficit / Surplus	**0,1**	0,1
Net liability in the statement of financial position	**0,1**	0,1

The movements in the defined benefit obligation

EUR million	Present value of the pension obligation	Fair value of the plan assets	Total
Net liability on 1 Jan 2014	0,6	-0,3	0,4
Current service cost	0,0	-	0,0
Interest expense (-) or income (+)	0,0	-0,0	-0,0
Total	**0,7**	**-0,3**	**0,4**
Remeasurements			
Actuarial gain (-) / loss (+) from financial assumptions	-0,4	0,1	-0,3
Contributions into the plan			
Paid by the employer	-	0,1	0,1
Net liability on 31 Dec 2014	**0,3**	**-0,1**	**0,1**
Net liability on 1 Jan 2015	0,3	-0,1	0,1
Current service cost	0,0	-	0,0
Interest expense (-) or income (+)	0,0	-0,0	0,0
Total	**0,3**	**-0,1**	**0,1**
Remeasurements			
Actuarial gain (-) / loss (+) from financial assumptions	0,0	0,0	0,0
Contributions into the plan			
Paid by the employer	-	-0,0	-0,0
Net liability on 31 Dec 2015	**0,3**	**-0,1**	**0,1**

The distribution of defined benefit plan assets by assets is not possible to specify since the plan assets are a part of insurance company's investment assets. The assets are unlisted.

Principal actuarial assumptions on 31 December

%	2015	2014
Discount rate	**1,4**	1,4
Future salary increases	**3,3**	3,3
Inflation	**1,7**	1,7
Mortality	**TyEL K2008**	TyEL K2008
Benefit increase	**0,0**	0,0

Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are described below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit.
Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation risk	Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

EUR million	Present value of the pension obligation	Fair value of the plan assets
Change in discount rate +0,5 % units	-0,0	-0,0
Change in salary increase +0,5 units	0,0	0,0
Change in insurance company's bonus index +0,5 % units	0,0	0,0

The methods used in preparing the sensitivity analysis did not change compared to those used in calculation of the pension obligation. The sensitivity is calculated for a changes in the discount rate, salary increase and insurance company's bonus index.

The Group expects EUR 0.0 million in contributions to be paid to its defined benefit plans in 2016.

The weighted average duration of the defined benefit obligation is 9.6 years.

22. Share-based payments

Terms of the share-based incentive plan

Lähipiirilainat erääntyivät kerralla takaisin maksettaviksi joulukuussa 2015. Lähipiirin osuudet transaktiosta on esitetty liitetiedossa 28. Lähipiiritapahtumat. Based on the share issue authorisation resolved by the Annual General Meeting held on 22 March 2013, the Board of Directors of Talentum Oyj decided, for the fulfilment of the investment requirement related to the stock option plan for the key management, to transfer treasury shares held by the company to certain persons belonging to the key management of Talentum by a directed share issue. The maximum of 517,400 treasury shares was offered for subscription to the key managers for the subscription price of EUR 1.26 per share. In March 2014, for the fulfilment of the investment requirement related to the stock option plan, the Group sold 364,267 treasury shares held by the company and granted the key management loans by an amount totalling EUR 0.2 million. The entire amount of related party loans fell due for payment December 2015. The transactions with related parties are described in the Note 28, Related party transactions.

On 13 December 2013 the Board of Directors of Talentum Oyj decided to grant stock option plan based on own investment to Talentum key management. The plan included options with the symbols 2013A and 2013B. On 29 September 2015 Talentum and Alma Media announced their plan to combine their operations by Alma Media's voluntary public tender offer to purchase all Talentum's shares and option rights. The holders of Talentum's option rights 2013A and 2013B approved Alma Media's public tender offer according to the terms and a stock exchange release related to this was published on 17 November 2015. The key terms and conditions of the plan are described in the table below.

2015

Incentive plan	**2013A1**	**2013A2**	**2013B1**	**2013B2**
Nature of the incentive plan	Share options	Share options	Share options	Share options
Grant date	20.3.2014	20.3.2014	20.3.2014	20.3.2014
Amount of granted intruments	56 250	168 750	392 625	1 177 875
Subscription price, EUR	1,50	1,50	1,75	1,75
Share price at the grant date	1,27	1,27	1,27	1,27
Commitment period, years	2	3	2	3
Vesting conditions	Fullfillment of the requirement for own investment	Fullfillment of the requirement for own investment	Fullfillment of the requirement for own investment	Fullfillment of the requirement for own investment
	Employment until 1 Feb 2016	Employment until 1 Feb 2017	Employment until 1 Feb 2016	Employment until 1 Feb 2017
Settlement	Shares	Shares	Shares	Shares

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015		2014	
	Weighted average exercise price, eur/share	Options, pcs	Weighted average exercise price, eur/share	Options, pcs
1 January	1,72	1 795 500	-	-
New options granted	-	-	1,72	1 795 500
Changes	-	-1 795 500	-	-
31 December	**1,72**	-	**1,72**	**1 795 500**

The weighted average fair value of options granted during the comparatice period determined using the Black-Scholes valuation model was 0.08 per option. The most significant inputs into the model were the fair value of the share price at the time of valuation EUR 1.27, exercise price shown above, volatility of 21.1%, dividend yield of 4.72%, an expected option life of 2-3 years and a risk-free interest rate of 0.22-0.29%. The volatility is based on parent company's share prices over the last three years.

The total expense recognised in the profit or loss for share options is presented in the Note 6, Employee benefits.

23. Provisions

EUR million	Restructuring provisions	Other provisions	Total
Carrying amount on 1 January 2015	0,5	0,2	0,7
Foreign exchange rate differences	-	-0,0	-0,0
Used provisions	-0,2	-0,0	-0,2
Increases	0,0	0,0	0,0
Reversals of unused provisions	-0,3	-	-0,3
Carrying amount on 31 December 2015	0,0	0,2	0,2

EUR million	**2015**	2014
Non-current provisions	**0,2**	0,2
Current provisions	-	0,5

Other provisions
Other provisions include an employee benefit and a related tax. The provision is expected to be realised by year 2018.

24. Advances received, trade and other payables

EUR million	2015	2014
Current		
Advances received *	13,0	11,9
Trade payables	1,7	2,3
Accrued expenses and deferred income	7,2	6,0
Forward rate agreements	0,0	0,0
Loans from joint ventures	0,2	0,7
Other payables	2,4	2,3
Total	**24,5**	23,1

Significant items included in accrued expenses and deferred income		
Personnel expenses	5,3	5,2
Other	1,9	0,8
Total	**7,2**	6,0

*) In 2015 advances received include EUR 0.1 million (EUR 0.1 million in 2014) Talentum's magazines group subscription advances. Advance payments from subscriptions are recognised as revenue so that they match with the number of magazine copies issued in the period.

Group's current liabilities are principally denominated in each Group company's functional currency, and thus there is no significant exposure to the transaction related currency risk.

25. Financial liabilities

EUR million	2015	2014
Non-current financial liabilities		
Interest bearing liabilities measured at amortised cost	0,8	0,8
Non-interest bearing liabilities measured at amortised cost	-	-
Total	**0,8**	0,8
Current financial liabilities		
Loans from financial institutions measured at amortised cost	4,2	4,5
Non-interest bearing liabilities related to business combinations and measured at fair value	-	0,2
Total current financial liabilities	**4,2**	4,7

Interest bearing liabilities are mainly tied to 3 month or shorter market interest rates and their carrying amounts are reasonably close to their fair values.

Interest bearing non-current liabilities divided by currency

EUR million	2015	2014
EUR	**0,8**	0,8
SEK	**0,1**	0,1

Interest bearing current liabilities divided by currency:

EUR million	2015	2014
EUR	**4,2**	4,7
SEK	-	-

The covenants of the loans are interest-bearing net debts / operating margin and the equity ratio specified by the financial institutions, which differs in its method of calculation from the equity ratio used generally in that the advances received are not deducted from the statement of financial position total.

26. Contractual maturities of financial liabilities

2015

EUR million	2016	2017	2018	2019	2020	Later
Trade payables	1,7	-	-	-	-	-
Trade payables from associates	0,0	-	-	-	-	-
Loans from financial institutions	4,2	0,6	0,2			
Forward rate agreements	0,0	-	-	-	-	-
Other current liabilities	0,0	-	-	-	-	-
Other non-current liabilities	0,0	-	-	-	-	0,1

2014

EUR million	2015	2016	2017	2018	2019	Later
Trade payables	1,8	-	-	-	-	-
Trade payables from associates	0,5	-	-	-	-	-
Loans from financial institutions	4,5	0,5	0,3			
Forward rate agreements	0,0	-	-	-	-	-
Other current liabilities	0,2	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	0,1

The Group has available bank overdraft limits, that are valid until further notice, of EUR 12.0 million. EUR 2.4 million of the limits were in use at the end of the reporting period.

27. Capital management

EUR million	2015	2014
Interest bearing liabilities	5,0	5,4
Cash and cash equivalents	2,5	4,7
Net liabilities	**2,5**	0,7
Total equity	**11,2**	18,8
Gearing, %	**22,2**	3,8
Equity ratio,%	**36,8**	47,2

28. Lähipiiritapahtumat

Related parties of the Group are the Board of Directors of the parent company and the Group's Executive Management Team as well as the associated companies Professio Oy and Conseco Press, joint venture Oy Mediuutiset Ab and Alma Media Group which owns 94.41% of Talentum Oyj. Transactions with Alma Media Group are not material and are determined on an arm's length basis.

The Group parent company and subsidiaries are as follows

	Domicile	Group holding, %	Parent company holding, %
Parent company			
Talentum Oyj	Helsinki		
Subsidiaries			
Talentum Media Oy	Helsinki	100	100
Talentum Sweden AB	Stockholm	100	100
Suoramarkkinointi Mega Oy	Helsinki	100	100
Talentum Business Information Group AB	Stockholm	100	100
Talentum Events Oy	Helsinki	100	100
Expose Oy	Helsinki	100	100
Michelsson Sales Consults Oy	Helsinki	100	100
Ny Teknik Holding AB	Stockholm	100	100

Subgroup companies

Talentum Sweden AB:		
Talentum Media AB	Stockholm	100
Talentum Sales AB	Stockholm	100
Dagens Media Sverige AB	Stockholm	100
Edlegio AB	Stockholm	70
Suoramarkkinointi Mega Oy:		
Müügimeistrite AS	Tallinn	92
Telemarket SIA	Riga	96
Talentum Events Oy:		
FYI Business Events Oy	Helsinki	100
Events Sweden AB	Stockholm	100
FYI Events Denmark ApS	Copenhagen	100

Associated companies and joint ventures that are material for the Group are presented in the Note 14, Investments in associates and joint ventures.

Related party transactions with the key management personnel

Total key management personnel employee benefits

EUR million	2015	2014
Salaries and other short-term employee benefits	1,1	1,0
Post-employment benefits	0,2	0,2
Share based payments	0,1	0,0
Total	**1,4**	1,2

Executive remuneration

EUR 1 000	2015	2014
Aarne Aktan, CEO	349	320
Members of the Board of Directors		
Telanne Kai, Chairman	60	48
Österlund Henri, Deputy Chairman (from 27 March 2014 until 14 December 2015)	38	29
Berner Joachim (until 14 December 2015)	30	24
Palomäki Atte (until 14 December 2015)	30	24
Storckovius Mitti (from 27 March 2014 until 14 Devember 2015)	30	18
Strengell Merja (Deputy Chairman until 27 March 2014)	-	8
Juha Nuutinen (from 15 December 2015)	-	-
Juha-Petri Loimovuori (from 15 December 2015)	-	-
Mikko Korttila (from 15 December 2015)	-	-
Board Members remuneration total	**188**	150

The amounts above include salaries and other remuneration recognised on accrual basis. Accrual based pension expense on CEO's statutory pension benefits amounted EUR 46 thousand (EUR 42 thousand in 2014). Some of the members of the Group Executive Management have a guaranteed right to retire at the age of 60.

In May 2015, 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. On 31 December 2015, the members of the Board of Directors and the CEO, personally or through companies in which they have a controlling interest, did not own any Talentum Corporation shares or options. Also the management group did not own any Talentum Corporation shares on 31 December 2015.

CEO and Group management team, that are included in the related parties, were granted on 22 March 2014 a total amount of 959,000 share options. The terms and conditions of options as well as the determination of fair values of the options are presented in the Note 22, Share-based payments. For fulfilment the own investment requirement related to the option plan, Talentum sold in year 2014 for the CEO and the Group Executive Management 226,767 treasury shares held by the company, and granted loans for persons belonging to the related party an amount totalling EUR 143 thousand. The entire amount of related party loans fell due for payment in December 2015. The interest rate for the loans was euribor 12 months + 1,5% per annum. The interests were paid annually, first time on 30 April 2015 and the final interest in the context of the repayment. As a guarantee for the related party loans were the pledged shares.

Related party transactions with associates and joint ventures

EUR million	Sales	Purchases	Receivables	Liabilities
2015				
Associates	1,3	2,5	0,2	0,1
Joint ventures	0,5	-	0,1	0,9
Total	**1,7**	**2,5**	**0,3**	**1,1**

EUR million	Sales	Puechases	Receivables	Liabilities
2014				
Associates	1,6	2,3	0,3	0,5
Joint ventures	0,5	-	0,0	0,7
Total	2,0	2,3	0,3	1,2

29. Operating leases and contingent liabilities

The group as lessee

The Group has leased the production and office premises it uses and cars used by company personnel. In 2012 the Group has entered a new five-year leasing agreement in Sweden and in 2013 a 10-year leasing agreement in Finland, which includes an option to terminate the agreement with penalty after five years. The minimum operating lease payments and the estimated termination penalty of the new leasing agreements are included in the minimum lease payments presented below.

Non-cancellable minimum operating lease payments are payable as follows

EUR million	2015	2014
Less than a year	2,9	2,8
	9,5	5,2
Between one and five years		
More than five years	2,5	-
Total	**14,9**	8,0

In addition, the Group has given EUR 0.1 million guarantee on a loan in Sweden and EUR 0.1 million guarantee on a payment in Denmark.

30. Transactions after the end of the reporting period

In January 2016, Talentum Oyj communicated the forthcoming changes in Talentum's executive management. Talentum's CEO, Aarne Aktan, will step down from his role as CEO on 12 February 2016. He will continue to be the CEO of Talentum's Swedish subsidiary until the end of June 2016. As of 13 February 2016, Talentum Oyj's CEO will be Juha-Petri Loimovuori, who is also CEO of Kauppalehti Oy.

The CFO, Niclas Köhler, will step down from his role at Talentum Oyj on 12 February 2016. Talentum Oyj's financial management will subsequently become the responsibility of Alma Media Corporation's CFO, Juha Nuutinen.

Lasse Rosengren, the General Counsel and Deputy CEO, will continue in his position until 30 April 2016, with responsibility for Talentum Oyj's administration. His responsibilities as director of the Talentum Pro business area ceased on 31 January 2016. Maria Ampiala assumed responsibility for the Talentum Pro business, having previously worked as Talentum Pro's content director.

In accordance with the plan for the merger of Alma Media and Talentum, the businesses of Talentum and Alma Media's Financial Media and Corporate Services unit will be merged to form a new business unit, Alma Talent, in 2016. The following personnel will constitute the management team of Alma Talent: Arno Ahosniemi (editorial staff), Tuomas Hämäläinen (content sales), Tiina Järvilehto (media sales), Otto Mattsson (Kauppalehti Information Services), Tapio Teppo (Talentum Events), Pia Ruusukivi (digital development) and Maria Ampiala (Talentum Pro). The management team will begin its work on 13 February 2016 and will also act as Talentum Oyj's management team throughout the spring.

Stock exchange releases related to the changes were published on 15 January 2016 and 29 January 2016.

INCOME STATEMENT OF PARENT COMPANY (FAS)

EUR 1 000	Note	2015	2014
Net sales	2	**6 189**	5 371
Other operating income	3	**-**	-
Personnel expenses	4	**3 687**	3 116
Depreciation and amortisation	5	**400**	365
Other operating expenses		**3 522**	3 114
Operating income		**-1 421**	-1 225
Financial income and expenses	6	**-20 022**	-250
Income before extraordinary expenses		**-21 443**	-1 475
Extraordinary items	7	**990**	4 569
Profit/loss before appropriations and taxes		**-20 453**	3 094
Increase (-) / decrease (+) in depreciation difference	8	**16**	-14
Direct taxes	9	**0**	-635
Profit/loss for the financial year		**-20 437**	2 446

BALANCE SHEET OF PARENT COMPANY (FAS)

EUR 1 000	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	10	**1 062**	979
Tangible assets	10	**147**	191
Investments	10	**74 136**	93 895
Total non-current assets		**75 346**	95 065
Current assets			
Non-current receivables	11	**1 447**	2 098
Current receivables	12	**6 464**	5 827
Cash at hand and in bank		**1 912**	3 547
Total non-current assets		**9 823**	11 472
TOTAL ASSETS		**85 169**	106 537
EQUITY AND LIABILITIES			
Equity	13		
Share capital		**18 594**	18 594
Other reserves			
Treasury shares		**-770**	-874
Invested non-restricted equity reserve		**52 943**	52 943
Retained earnings		**91**	-13
Profit/loss for the year		**-20 437**	2 446
Total equity		**50 421**	73 095
Accumulated appropriations	14	**2**	18
Liabilities			
Non-current liabilities	15	**750**	750
Current liabilities	16	**33 996**	32 674
Total liabilities		**34 746**	33 424
TOTAL EQUITY AND LIABILITIES		**85 169**	106 537

CASH FLOW STATEMENT OF PARENT COMPANY (FAS)

EUR 1 000	2015	2014
Cash flows from operating activities		
Profit/loss before extraordinary items	-21 443	-1 475
Adjustments:		
Depreciation and amortisation	400	365
Financial income and expenses	20 019	257
Other adjustments	56	-12
Cash flows before change in working capital	-967	-864
Change in net working capital	801	-548
Cash flows before financing items and taxes	-165	-1 412
Interests paid and payments on other operating financing expenses	-283	-358
Interest received	148	76
Taxes paid	-993	-476
Net cash from/in operating activities	-1 293	-2 171
Cash flows from investing activities		
Investments into intangible and tangible assets	-440	-264
Acquisitions of subsidiaries	-292	-
Net cash from/in investing activities	-731	-264
Cash flow from financing activities		
Change in current loans	-25	-
Increase in non-current loans	-1 937	-472
Withdrawals of non-current loans	667	1 500
Non-current loans repaid	-	-250
Increase in non-current receivables	-600	-1 500
Dividends paid	-2 194	-1 763
Group contributions received	4 569	4 679
Acquisition of treasury shares	-104	-182
Sales of treasury shares	-	459
Net cash from/in financing activities	377	2 470
Change in cash	-1 647	35
Cash at hand and in bank, 1 January	3 547	3 511
Foreign exchange differences	13	1
Cash at hand and held in bank, 31 December	1 912	3 547

Notes to the parent company's financial statements

1. Accounting principles for the financial statements
Talentum Oyj's financial statements have been prepared in accordance with accounting principles based on Finnish accounting legislation.

Fixed assets
Tangible and intangible assets have been recognised in the balance sheet at the original acquisition cost less depreciation according to plan. Depreciation according to plan has been calculated on a straight-line basis based on asset's useful life. The useful lives are:

Intangible rights	2–5 years
Other long-term expenditure	3–10 years
Machinery and equipment	3–7 years

The charges for assets rented through lease agreements are recognised as leasing expenses and the assets are not presented in the balance sheet. Investments and receivables that have an estimated useful life of over a year are presented under investments. Any impairment items in fixed assets are examined at the balance sheet date and impairment is recognised as soon as there is indication for impairment.

Financial assets
Deposits held for more than three months and other securities with an estimated holding time of less than one year are presented under financial securities. Cash at bank and in hand includes cash, bank accounts, deposits with a maturity of less than three months and other items considered as cash equivalents.

Shares, holdings and financial instruments included in financial securities are measured at the lower of acquisition cost or market price.

Items denominated in foreign currency
Items denominated in foreign currency are presented in euro at the rate quoted by the European Central Bank at the balance sheet date. Differences in exchange rates arising during the financial year have been included in financial income and expenses.

Pension arrangements
Statutory pension liabilities are covered by a pension insurance company.

Extraordinary items
Group contributions have been recognised as extraordinary items.

Taxes for the financial period
Taxes for the financial period and adjustments to taxes from earlier financial periods have been recognised as income taxes in the income statement.

The probable tax effects arising from periodisation differences in bookkeeping and taxation have been presented as deferred tax assets and liabilities.

Notes to the Parent company financial statements

2. Net sales

EUR 1 000	2015	2014
Internal invoicing	6 189	5 371
Total	**6 189**	5 371

3. Other operating income

EUR 1 000	2015	2014
Gain on sale of fixed assets	-	-
Total	-	-

4. Personnel expenses

EUR 1 000	2015	2014
Salaries and fees:		
CEO	349	320
Board of Directors	188	150
Other	2 479	2 091
Pension expenses	542	480
Other social security expenses	129	75
Total	**3 687**	3 116

Salaries, fees and fringe benefits of CEO and member of the Board of Directors are presented in the Note 28 for the consolidated financial statements.

Average amount of personnel in the reporting period	**41**	32

5. Depreciation and amortisation

EUR 1 000	2015	2014
Intangible assets	332	295
Tangible assets	68	70
Total	**400**	365

6. Financial income and expenses

EUR 1 000	2015	2014
Financial income:		
Interest and financial income from Group companies	100	44
Exchange rate gains	39	15
Other interest and financial income	9	17
Total	**148**	76

Financial expenses:		
Interest and financial expenses to Group companies	114	153
Exchange rate losses	25	30
Impairments of non-current investments	19 900	-
Other financial expenses	5	48
Other interest expenses	126	95
Total	**20 170**	326
Total financial income and expenses	**-20 022**	-250

7. Extraordinary expenses

EUR 1 000	**2015**	2014
Group contributions received	990	4 569
Total	**990**	4 569

8. Appropriations

EUR 1 000	**2015**	2014
Change in depreciation difference:		
Intangible assets	52	11
Tangible assets	-68	3
Total	**-16**	14

9. Income tax

EUR 1 000	**2015**	2014
From ordinary business activities	0	623
Change in deferred tax	0	12
Total	**0**	635

10. Intangible and tangible assets and investments

Intangible assets EUR 1 000	Intangible rights	Renovation of premises	Advance payments	Total
Acquisition cost on 1 January	3 049	809	4	3 863
Transfers between items	354	-	-354	0
Increase	42	-	377	419
Decrease	-	-	-4	-4
Acquisition cost on 31 December	3 445	809	23	4 278
Accumulated amortisation on 1 January	-2 124	-759	-	-2 883
Amortisation for decreases	-	-	-	0
Amortisation for the period	-317	-15	-	-332
Accumulated amortisation on 31 December	-2 441	-774	-	-3 215
Carrying amount on 31 December 2015	**1 004**	**35**	**23**	**1 062**
Carrying amount on 31 December 2014	925	50	4	979

Tangible assets EUR 1 000	Machinery and equipment	Other	Total
Acquisition cost on 1 January	720	18	738
Increase	24	-	24
Decrease	-	-	0
Acquisition cost on 31 December	744	18	762
Accumulated depreciation on 1 January	-547	-	-547
Depreciation for decreases	-	-	0
Depreciation for the period	-68	-	-68
Accumulated depreciation on 31 December	-615	-	-615
Carrying amount on 31 December 2015	**129**	**18**	**147**
Carrying amount on 31 December 2014	173	18	191

Investments EUR 1 000	Investments in subsidiaries	Other	Total
Acquisition cost on 1 January	130 055	28	130 083
Increase	237	-	237
Decrease	-95	-	-95
Acquisition cost on 31 December	130 197	28	130 225
Accumulated impairments on 1 January	-36 188	-	-36 188
Impairments	-19 900	-	-19 900
Accumulated impairments on 31 December	-56 088	-	-56 088
Carrying amount on 31 December 2015	**74 108**	**28**	**74 136**
Carrying amount on 31 December 2014	93 867	28	93 895

Investments in subsidiaries are presented in the consolidated financial statements' Note 28, Related party transactions.

11. Non-current receivables

EUR 1 000	**2015**	2014
Loan receivables from subsidiaries	1 075	1 500
Other receivables*	372	598
Total	**1 447**	2 098

*) In 2014, other receivables include receivables from related party EUR 143 thousand.

12. Current receivables

EUR 1 000	**2015**	2014
Trade receivables	-	1
Receivables from Group companies	5 675	5 633
Prepaid expenses and accrued income	784	192
Other receivables	5	1
Total	**6 464**	5 827

Receivables from Group companies:		
Trade receivables	144	392
Loan receivables	4 433	645
Prepaid expenses and accrued income	1 098	4 596
Total	**5 675**	5 633

Significant items included in prepaid expenses and accrued income:		
Group contribution receivables	990	4 569
Other receivables	109	27
Total	**1 098**	4 596

13. Equity

EUR 1 000	**2015**	2014
Share capital on 1 January	18 594	18 594
Share capital on 31 December	**18 594**	18 594
Other reserves		
Treasury shares on 1 January	-874	-2 405
Acquisition of treasury shares	-104	-182
Sales of treasury shares	208	1 713
Treasury shares on 31 December	**-770**	-874
Invested non-restricted equity reserve on 1 January	52 943	52 943
Invested non-restricted equity reserve 31 December	**52 943**	52 943
Total other reserves on 31 December	**52 173**	52 069
Retained earnings on 1 January	2 433	3 195
Sales of treasury shares	-	-1 194
Other adjustments	-148	-250
Dividend distribution	-2 194	-1 763
Profit/loss for the financial year	-20 437	2 446
Retained earnings on 31 December	**-20 346**	2 433
Total equity on 31 December	**50 421**	73 095
Distributable earnings:		
Treasury shares	-770	-874
Invested non-restricted equity fund	52 943	52 943
Retained earnings	-20 346	2 433
Total	**31 827**	54 502

Share capital by type of share at the end of the financial year:	**shares**	shares
Series: TTMV1	44 295 787	44 295 787
Treasury shares held by the company	370 273	332 597

14. Appropriations

EUR 1 000	**2015**	2014
Accumulated depreciation difference by asset category:		
Intangible assets	215	163
Tangible assets	-213	-145
Total	**2**	18

15. Non-current liabilities

EUR 1 000	**2015**	2014
Other non-current liabilities	**750**	750

16. Current liabilities

EUR 1 000	**2015**	2014
Loans from financial institutions	3 261	4 530
Trade payables	146	175
Liabilities to Group companies	29 030	26 024
Other current liabilities	985	876
Accrued expenses and deferred income	574	1068
Total	**33 996**	32 674

Liabilities to Group companies:		
Loan liabilities	28 325	25 438
Trade payables	1	-
Accrued expenses and deferred income	704	585
Total	**29 030**	26 024

Significant items included in accrued expenses and deferred income:		
Holiday pay obligation liability	509	434
Pension and social security contribution debts	19	164
Other	46	471
Total	**574**	1068

17. Future leasing payments

EUR 1 000	**2015**	2014
Leasing commitments		
To be paid within one year	**1 757**	1 740
To be paid after one year	**11 189**	3 959
Total	**12 946**	5 698

Proposal of the Board of Directors for distribution of profits

The distributable earnings in the parent company's balance sheet amount to EUR 31 827 492.83 of which the income for the financial year is EUR - 20.436.642,54.

Invested non-restricted equity reserve (consists of capital investments only)	52 942 876,08
Treasury shares	-769 759,13
Retained earnings	91 018,42
Profit for the period	-20 436 642,54
Total distributable earnings	**31 827 492,83**

The Board of Directors proposes that no dividend be distributed for 2015 and that no funds be distributed from the invested non-restricted equity fund

		2015	2014	2013	2012	2011
Group, continuing and discontinued operations						
Net sales	M€	**72,6**	72,3	74,5	77,2	88,3
Operating income	M€	**-6,0**	3,4	1,4	-0,5	7,2
as % of net sales	%	**-8,3**	4,8	1,8	-0,7	8,2
Income for the period						
(for owners of the parent company)	M€	**-6,1**	2,8	1,1	-0,5	5,5
Return on equity (ROE)	%	**-41,0**	14,7	6,0	-3,0	27,7
Return on investment (ROI)	%	**-28,0**	17,5	10,2	0,6	29,9
Financial items	M€	**-0,5**	0,4	0,3	-0,6	-0,8
Statement of financial position total	M€	**43,3**	51,8	49,8	55,1	57,3
Total equity	M€	**11,2**	18,8	18,7	19,8	21,9
Investments	M€	**3,3**	4,2	1,5	1,6	1,4
as % of net sales	%	**4,6**	5,8	2,0	2,1	1,6
Equity ratio	%	**36,8**	47,2	47,4	47,7	54,1
Gearing	%	**22,2**	3,8	4,4	5,6	-6,7
Net interest-bearing liabilities	M€	**2,5**	0,7	0,8	1,1	-1,5
Personnel on average		**733**	721	750	754	804
Net sales per person	1 000 €	**99**	100	0	102	110

		2015	2014	2013	2012	2011
Continuing operations						
Net sales	M€	**73**	72,3	74,5	77,2	83,5
Operating income	M€	**-6,0**	3,4	1,4	-0,5	-0,4
as % of net sales	%	**-8,3**	4,8	1,8	-0,7	-0,5
Investments	M€	**3,3**	4,2	1,5	1,6	1,4
as % of net sales	%	**4,6**	5,8	2	2,1	1,6
Personnel on average		**733**	721	750	754	754
Net sales per person	1 000 €	**99**	100	99	102	111

SHARE KEY FIGURES

		2015	2014	2013	2012	2011
Earnings per share, continuing operations	€	**-0,14**	0,06	0,03	-0,01	-0,04
Dividend per share	€	**-** *	0,05	0,04	0,03	0,06
Operating cash flows per share	€	**0,10**	0,10	0,08	0,02	0,11
Equity per share	€	**0,25**	0,43	0,43	0,45	0,50
Dividend per earnings	%	**-**	83,3	133,3	-	-
Effective dividend yield	%	**-**	5,0	3,8	-	-
P/E ratio		**-9,9**	16,0	40,5	-100,8	-36,2
Market capitalisation	M€	**61,6**	44,3	46,5	52,3	65,1
Enterprise Value	M€	**63,5**	44,7	46,7	52,6	63,6
Traded price 31 December	€	**1,39**	1,0	1,05	1,18	1,47
Traded price high	€	**1,49**	1,4	1,29	1,71	2,16
Traded price low	€	**0,99**	0,95	0,90	1,11	1,36
Average price per year, share issue adjusted	€	**1,25**	1,12	1,04	1,33	1,89
Total share turnover	pcs	**17 541 806**	2 023 518	3 214 012	2 324 863	5 940 303
Total share turnover as percentage of shares	%	**39,6**	4,6	7,3	5,2	13,4
Number of shares, share issue adjusted:						
weighted average during the year	pcs	**43 919 747**	44 007 525	43 704 518	43 631 936	43 614 787
at year end	pcs	**43 925 514**	43 963 190	43 722 308	43 660 938	43 614 787
Treasury shares	pcs	**370 273**	332 597	573 479	634 849	681 000

*) Board proposal no dividend to be distributed.

Return on equity (ROE), %	$\frac{\text{Income for the period}}{\text{Total equity (annual average)}} \times 100$
Return on investment (ROI), %	$\frac{\text{Income before taxes + interest and other financial expenses}}{\text{Total assets - non-interest bearing debts (annual average)}}$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$
Gearing, %	$\frac{\text{Interest-bearing debts - cash and cash equivalents}}{\text{Total equity}} \times 100$
Earnings per share (EPS)	$\frac{\text{Income for the period +/- non-controlling interest}}{\text{Adjusted average number of shares}}$
Dividend per share	$\frac{\text{Dividend for the period}}{\text{Adjusted number of shares, 31 December}}$
Equity per share	$\frac{\text{Equity attributable to the owners of the parent}}{\text{Adjusted number of shares, 31 December}}$
Dividend per earnings, %	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Adjusted trading price at the end of the period}} \times 100$
Price per earnings, P/E	$\frac{\text{Adjusted trading price at the end of the period}}{\text{Earnings per share}}$
Market capitalization	Number of shares at 31 December × trading price at the end of the period
Enterprise Value	Market capitalization + interest-bearing debts - cash

In Helsinki 11th February 2016

Kai Telanne

Mikko Korttila

Juha Nuutinen

Juha-Petri Loimovuori

Aarne Aktan
CEO

An auditor's report concerning the performed audit has been given to date.

In Helsinki 25th February 2016

PricewaterhouseCoopers Oy
Authorized Public Accountant Firm

Samuli Perälä
Authorized Public Accountant

Auditor's Report (Translation from the Finnish Original)

To the Annual General Meeting of Talentum Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Talentum Oyj for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 25 February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant