

**TALENTUM'S PUBLISHING BUSINESS GREW AND PROFITABILITY IMPROVED, DIVIDEND € 0.20****October-December 2007 in brief**

Consolidated net sales in October-December were EUR 36.3 million (EUR 36.6 million). Publishing's net sales went up by 15.1% to EUR 27.0 million (EUR 23.5 million). The net sales of business areas unrelated to the core business fell.

The operating profit (EBIT) in October-December improved to EUR 6.5 million (EUR 1.6 million). The operating profit before non-recurring items was EUR 5.9 million (EUR 5.0 million). Publishing's operating profit was EUR 6.3 million (EUR 2.9 million).

The earnings per share in July-September were EUR 0.11 (EUR 0.01).

**2007 in brief**

Consolidated net sales in 2007 increased by 2.4% over the previous year to EUR 124.0 million (EUR 121.1 million). Publishing's net sales went up by EUR 9.1 million to EUR 83.8 million (EUR 74.7 million). The net sales of business areas unrelated to the core operations fell.

The operating profit (EBIT) for 2007 improved by EUR 9.6 million over the previous year to EUR 13.9 million (EUR 4.3 million). The operating profit before non-recurring items was EUR 15.0 million (EUR 8.7 million). Publishing's operating profit was EUR 14.8 million (EUR 7.1 million).

The earnings per share were EUR 0.22 (EUR 0.05).

The Board of Directors proposes a dividend of EUR 0.20 per share (EUR 0.18 per share).

**CEO JUHA BLOMSTER:**

"Talentum's net sales increased last year by 2% and the operating profit by 72%. Some of the growth in the net sales and the operating profit came through the corporate acquisitions made in Sweden, but the improvement in the quality and efficiency of the operations, the structure of the net sales and the discontinuing of the operations unrelated to the core business had the greatest significance in the improvement of the operating profit.

During 2007 we divested a part of the premedia business and in early 2008 we made an agreement to sell most of the TV content production business.

We have focused on expanding the publishing business, especially in Sweden, where we acquired the Dagens Media and Arbetarskydd magazines and at the end of the year a company that specializes in information about personnel administration and taxation and now operates under the name Talentum Fakta. Its operations are based predominantly on producing and distributing information in digital form. At the beginning of the year we also established the Dagens Teknik magazine for technology students and at the end of the year Byggvärlden, to meet the needs of those operating in the construction sector.

The sale of premedia business operations reduces Talentum's consolidated net sales at the annual level by some EUR 5 million, but correspondingly during last year we acquired new companies that will raise the net sales at the annual level by about EUR 11 million. In the future the net sales will be increased both

organically and through corporate acquisitions. These arrangements are systematic steps in Talentum's strategy to focus on the core business.

Talentum's magazines performed well in terms of both circulation and readership. The circulation of almost all our magazines went up. Arvopaperi magazine's circulation rose by 37%.

Talentum's professional literature, legal training and Suomen Laki (Finnish Law) performed well as market leaders.

Talentum will now be investing in product development in the publishing business and the print - but especially the online - business. Talentum's importance as a producer of information services has increased during the past year - it is an area in which we shall be investing in the future too. During the past year we brought the structures into clearer definition and improved our technical base for developing both existing and new products and services.

Overall, the final quarter of the year went well. Publishing's net sales increased by 15% and the financial performance showed a marked improvement. The way the operations developed at the end of the year created a good foundation for developments in 2008. Uncertainty on financial markets may also have a negative impact on Talentum's operating environment in the future. So far, however, Talentum's business in Finland or Sweden has suffered no ill effects" says CEO Juha Blomster.

# KEY INDICATORS

EUR Million	10-12/ 2007	10-12/ 2006	Change %	1-12/ 2007	1-12/ 2006	Change %
Net sales	36.3	36.6	-0.8	124.0	121.1	2.4
Operating profit	6.5	1.6	303.7	13.9	4.3	224.1
% of net sales	17.9	4.4		11.2	3.5	
Operating profit without non-recurring items*	5.9	5.0	17.1	15.0	8.7	72.4
% of net sales	16.2	13.7		12.1	7.2	
Return on investment %	-	-		27.3	9.4	
Return on equity %				28.7	7.2	
Total assets	-	-		89.0	89.7	-0.7
Investments	6.4	0.7	824.8	11.9	5.1	133.9
% of net sales	17.6	1.9		9.6	4.2	
Equity ratio %	-	-		36.7	36.1	
Gearing %	-	-		16.6	15.7	
Loans and borrowings	-	-		19.2	25.5	-24.9
Net liabilities	-	-		5.3	5.1	4.8
Personnel, average				991	1 064	-6.9
Earnings/share EUR	0.11	0.01	773.1	0.22	0.05	338.2
Cash flow from business operations/ share EUR	0.20	0.18	8.8	0.33	0.21	62.1
Equity/share EUR				0.69	0.69	-0.5
Market capitalization on closing rate at period end				121.1	144.9	-16.4

\* Non-recurring items shown in the tables section.

**FINANCIAL STATEMENTS 2007****Consolidated net sales and financial performance October-December**

Consolidated net sales for October-December were EUR 36.3 million (EUR 36.6 million). Publishing's net sales went up by 15.1% to EUR 27.0 million (EUR 23.5 million). The publishing operations in Sweden accounted for EUR 3.3 million of the growth in the net sales, EUR 1.9 million of which came from the net sales of businesses acquired in 2007. Premedia's net sales fell by EUR 2.1 million as a result of restructuring. TV Content Production's net sales dropped by EUR 2.1 million.

The consolidated operating profit in October-December was EUR 6.5 million (EUR 1.6 million) and 17.9% of net sales (4.4%). The consolidated operating profit without non-recurring items was EUR 5.9 million (EUR 5.0 million). Publishing, Direct Marketing and Premedia improved their financial performance compared with last year. Publishing's operating profit was EUR 6.3 million (EUR 2.9 million). Publishing's financial performance included non-recurring income of EUR 0.6 million resulting from a reduction in advertising tax in Sweden.

Net financial expenses were EUR 0.1 million (EUR 0.2 million).

The profit before taxation was EUR 6.4 million (EUR 1.6 million).

**Consolidated net sales and financial performance 2007**

Talentum's consolidated net sales for 2007 increased by 2.4% to EUR 124.0 million (EUR 121.1 million). Publishing's net sales rose by 12.2% to EUR 83.8 million (EUR 74.7 million). The publishing operations acquired in Sweden in 2007 accounted for EUR 3.3 million of the increase. Premedia's net sales went down by EUR 5.5 million as a result of a restructuring in the summer. TV Content Production's net sales fell by EUR 1.8 million.

Talentum's consolidated operating profit for 2007 was EUR 13.9 million (EUR 4.3 million). The consolidated operating profit without non-recurring items was EUR 15.0 million (EUR 8.7 million). Publishing's operating profit was EUR 14.8 million (EUR 7.1 million). Publishing's financial performance included non-recurring income of EUR 0.6 million resulting from a reduction in advertising tax in Sweden. The sales structure and the measures carried out in 2006 to improve profitability contributed to the positive trend in the financial performance in both Finland and Sweden. The performance of the previous year was weakened by non-recurring items.

Net financial expenses amounted to EUR 1.2 million (EUR 0.5 million). The figure includes a loss of EUR 0.5 million on the sale of shares in an associated company.

The profit before taxation for the period under review was EUR 12.9 million (EUR 4.2 million). Taxation amounted to EUR 3.7 million (EUR 1.5 million), the equivalent of a tax percentage of 29% (36%). The profit for the period under review was EUR 9.2 million (EUR 2.7 million).

The earnings per share were EUR 0.22 (EUR 0.05). The equity per share was EUR 0.69 (EUR 0.69).

**Operating environment and seasonal variation**

The general economic situation still remained relatively good in the final quarter of 2007. In both Finland and Sweden the media market continued to grow.

According to TNS Gallup, in Finland media advertising grew by 6% in January-December and in Sweden the growth in the media market was, according to an advance estimate, some 5% (Institutet för Reklam och Mediestatistik). Job advertising in particular progressed well in both Finland and Sweden. The media and media service markets are subject to seasonal fluctuation and business is at its briskest during the final quarter of the year. During the summer holidays magazines and books do not generally come out and for this reason the third quarter is the lowest in terms of sales.

**Sector's and Talentum's prospects for 2008**

The general economic situation has been uncertain since the autumn. However, this uncertainty, which began on the financial markets, has not affected the sector. In an economic downturn content sales are not as susceptible to market fluctuation as media sales in the short term.

Talentum expects the net sales of the core operations to increase over the previous year and the operating profit to improve in 2008, regardless of expenses from integration of the acquired business operations and the development of online operations.

**Cash flow, financial position and balance sheet**

The cash flow from operating activities was EUR 14.7 million (EUR 9.1 million) in January-December. The change in working capital was EUR -2.1 million (EUR 1.0 million) in 2007.

The balance sheet total stood at EUR 89.0 million (EUR 89.7 million) on December 31, 2007. Interest-bearing net liabilities were EUR 5.3 million (EUR 5.1 million). The Group's liquid assets, EUR 13.8 million (EUR 20.4 million), have been invested mostly in financial instruments. The consolidated loans and borrowings amounted to EUR 19.2 million (EUR 25.5 million) and they are mostly denominated in euros.

The equity ratio was 36.7% (36.1%) at the end of the year. The Group's equity per share was EUR 0.69 (EUR 0.69).

**Investment**

Gross investment in fixed assets in January-December totalled EUR 11.9 million (EUR 5.1 million), i.e. 9.6% (4.2%) of net sales. The effect of corporate acquisitions on investment was EUR 10.0 million (EUR 1.5 million).

Other investment comprised mainly normal replacement and maintenance, such as procuring equipment, software and fixtures.

**Depreciation and impairment**

Depreciation on property, plant and equipment and intangible assets amounted to EUR 3.1 million (EUR 3.4 million) i.e. 2.5% (3.0%) of net sales.

The figures for the comparative period contain recognition of an impairment in the Premedia business area amounting to EUR 1.8 million.

**Group restructuring**

Talentum's Swedish subsidiary Talentum Sweden AB acquired the share capital of Fakta Regulatory AB in a transaction concluded in Sweden on November 13, 2007. Its net sales at the annual level are about EUR 8 million and at the time of acquisition it employed about 60 people.

The Swedish company Mentor Online AB became an associated company in June 2007, since when its financial performance has been consolidated into the Group accounts under the equity method. Mentor Online Group's net sales at the annual level are about EUR 16 million.

In order to bring the Group structure into clearer definition Suomen Arvopaperimediata Oy and Suomen Arvopaperilehti Oy were merged into Talentum Media Oy in Finland. In Sweden the Group structure was given clearer definition with the merger of several minor companies.

Talentum sold the shares in the associated company Acacom Academic Communications Oy, which publishes customer magazines, in a transaction concluded on September 21 2007, thus recognizing a loss of EUR 0.5 million euros, which is included under financial expenses.

Talentum's Swedish subsidiary Talentum Sweden AB acquired the share capital of Dagens Media Sverige AB in a transaction concluded on June 12, 2007, since when the company has been consolidated into the Group accounts. Its net sales at the annual level are about EUR 2 million and it is running at a profit. At the time of acquisition it was employing 13 people.

The premedia business of Reprostudio & Heku Oy in the Premedia business area was sold in a transaction on June 13, 2007 that included the transfer of 45 employees. The net sales of the sold business are about EUR 5 million at the annual level.

**Personnel**

The main objective of the Talentum personnel strategy is to develop the expertise and competitiveness.

The Group employed an average of 991 (1,064) people during the year. Geographically, the personnel was split as follows: Finland 652 people (760), Sweden 144 (114), Latvia 83 (77), Lithuania 23 (19), Estonia 80 (79) and Russia 9 (15).

**Risks to business operations in near future**

The biggest risk to the Group's business operations is associated with product and job advertising, which is sensitive to economic trends. About 40% of the consolidated net sales are tied to advertising. We endeavour to control this market risk by increasing revenue from circulation sales and content sales.

**Environment**

Talentum's operations cause no major harmful effects to the environment since the work is done principally in offices at terminals. The main environmental

effects are associated with the consumption of paper, transportation, recycling, energy consumption and waste management.

## **BUSINESS AREAS**

### **Publishing**

EUR Million	10-12/2007	10-12/2006	1-12/2007	1-12/2006
<b>Net sales</b>				
Finland	16.4	16.2	53.9	52.6
Other	10.6	7.3	29.9	22.0
<b>Total</b>	<b>27.0</b>	<b>23.5</b>	<b>83.8</b>	<b>74.7</b>
<b>Operating profit</b>				
Finland	4.6	1.6	10.6	5.5
Other	1.8	1.2	4.2	1.6
<b>Total</b>	<b>6.3</b>	<b>2.9</b>	<b>14.8</b>	<b>7.1</b>

### October-December

The final quarter in Talentum's publishing operations is the year's strongest. Publishing's net sales in October-December totalled EUR 27.0 million (EUR 23.5 million), the growth over the previous year being 15.1%. Publishing's operating profit (EBIT) was EUR 6.3 million (EUR 2.9 million). Publishing's financial performance included non-recurring income of EUR 0.6 million, the result of a reduction in advertising tax in Sweden. The business operations acquired in Sweden in 2007 brought net sales of EUR 1.9 million and an operating profit of EUR 0.2 million in October-December.

Circulation revenue from Talentum's magazines rose in Finland by 4% and in Sweden by 27%. Advertising revenue fell in Finland by 3% and went up in Sweden by 38%. Of the growth in advertising sales in Sweden 11 percentage points were the result of the acquisition of the magazines Arbetarskydd and Dagens Media. Recruitment advertising was still strong in Talentum's media in both Finland and Sweden.

The net sales of the book business were at the level of the previous year and training's net sales were on the increase.

### 2007

Publishing's net sales rose by 12.2% to EUR 83.8 million (EUR 74.7 million). The operating profit (EBIT) for the whole of 2007 was EUR 14.8 million (EUR 7.1 million).

The net sales of magazine publishing amounted to EUR 69.7 million (EUR 61.3 million), of which online services accounted for some EUR 5.6 million (EUR 5.7 million). Book publishing's net sales totalled EUR 9.7 million (EUR 9.2 million) and training and seminar net sales EUR 4.4 million (EUR 4.1 million).

The circulation revenue of Talentum's magazines went up by 10.6%. Advertising revenue was at last year's level in Finland and it increased by 36.4% in Sweden. Of the growth in advertising sales in Sweden 7 percentage points were the result of the acquisition of the magazines Arbetarskydd and Dagens Media.

**Direct Marketing**October-December

Direct Marketing's net sales in October-December were EUR 2.5 million (EUR 2.0 million) and the operating profit (EBIT) was EUR 0.4 million (EUR 0.3 million). Both growth and profitability were as expected.

2007

Direct Marketing's net sales went up by 16.8% to EUR 9.6 million (EUR 8.2 million). The operating profit (EBIT) was EUR 1.3 million (EUR 1.1 million). Net sales outside the Group accounted for 56.0 (56.2%) of the total net sales and 54.6% of the growth (49.5%).

**TV Content Production**October-December

TV Content Production's net sales in October-December were EUR 5.7 million (EUR 7.8 million) and the operating profit (EBIT) was EUR 0.4 million (EUR 0.8 million).

Net sales of advertising films were EUR 1.5 million (EUR 2.0 million) and the net sales of TV programme production were EUR 3.1 million (EUR 4.7 million).

2007

The net sales of TV Content Production went down by 7.1% to EUR 22.9 million (EUR 24.6 million). The operating profit was EUR 1.2 million (EUR 1.8 million).

Net sales of advertising films were EUR 7.0 million (EUR 8.0 million). Net sales of TV programme production fell to EUR 12.6 million (EUR 13.1 million).

**Premedia**October-December

The net sales of the Premedia business area in October-December were EUR 2.4 million (EUR 4.5 million), and the operating profit (EBIT) was EUR 0.1 million (EUR -1.8 million). Since the sale of the business area's loss-making part of the premedia operations in June, the financial performance has improved.

The business area's other sub-areas, i.e. page production, packaging printing material and digital data management, have developed as planned.

2007

Net sales in the Premedia business area fell by 30.6% to EUR 12.5 million (EUR 18.0 million). The operating profit improved and was EUR -0.9 million (EUR -2.5 million).

The sale of the premedia operations reduced the net sales from June onwards; the financial performance for June includes a non-recurring expense of EUR 1.7 million related to the restructuring.



**AGM, Board and auditor**

Talentum's Annual General Meeting was held on March 27, 2007. The meeting confirmed the financial statements for 1 January - 31 December 2006 and granted the company's Board of Directors and CEO exemption from liability.

The AGM re-elected Manne Airaksinen, Harri Kainulainen, Kai Mäkelä, Eero Lehti and Tuomo Saarinen members of the Board of Directors. Atte Palomäki was elected a new member of the Board. Tuomo Saarinen was re-elected Chairman of the Board of Directors and Manne Airaksinen re-elected Deputy Chairman.

Authorized Public Accountants PricewaterhouseCoopers Oy with APA Juha Wahlroos as the accountable auditor were re-elected auditors.

The Board met altogether 15 times during the period under review. The average participation by Board members was 93%.

**Shares and share capital**

At the end of the financial period, Talentum Oyj's share capital totalled EUR 18,593,518.79, comprising 44,220,817 fully paid-up shares. The shares are listed on the OMX Nordic Exchange Helsinki list.

At the end of the financial period, the company and its subsidiaries held 181,000 company shares, 0.41% of Talentum's total stock and votes.

A total of 14,141,995 shares were traded during the financial period, 32.1% of the total average stock during the financial period.

**Shareholdings of the Board of Directors and Managing Director**

On December 31, 2007, the number of Talentum Oyj shares and options owned by members of the Board of Directors and the CEO personally and through companies in which they have a controlling interest was 4,470,162, representing 10.1% of the company's total shares and votes.

**Board of Directors' authorizations**Authorization of the Board of Directors to decide on a share issue including the conveyance of own shares and issue of special rights

The Annual General Meeting on March 27, 2007 authorized the Board of Directors to decide on a share issue which may be either liable to charge or free of charge, including issuing of new shares and the conveyance of own shares possibly in the company's possession. The Annual General Meeting authorized the Board of Directors to decide on an issue of option rights and other special rights which grant entitlement, against payment, to receive new shares or shares possibly in possession of the company. By virtue of the aforesaid authorizations a maximum of 3,500,000 new shares, which corresponds to approximately eight per cent of the issued shares of the company, may be issued together or in one or several lots and/or own shares possessed by the company may be conveyed in a share issue and/or on the basis of the special rights given. The authorizations will remain in force until June 30, 2008. The authorizations do not exclude the

right of the Board of Directors to also decide on a directed share issue and issue of special rights. Shareholders' pre-emptive subscription rights can be deviated from providing that there is a significant financial reason for the company to do so. The authorization was unused as at December 31, 2007.

#### Authorization of the Board of Directors to decide on acquisition of own shares

The Annual General Meeting on March 27, 2007 authorized the Board of Directors to decide on the acquisition of the company's own shares. The shares can be acquired for the value that is decided by the Board of Directors and is based on the fair value at the time of the acquisition formed for the shares in public trading. Own shares may be only acquired with unrestricted equity. By virtue of the authorization, either in one or in several lots, a maximum of 3,500,000 own shares, which corresponds to approximately eight per cent of the issued shares of the company, can be acquired. The authorization will remain in force until June 30, 2008. The Board of Directors is otherwise authorized to decide on all the conditions regarding the acquisition of own shares including the manner of acquisition of the shares. The authorization does not exclude the right of the Board of Directors to also decide on a directed acquisition of own shares providing that there is a significant financial reason for the company to do so. The authorization was unused as at December 31, 2007.

#### **Management incentive plan**

In 2007 the Board of Directors of Talentum Oyj decided to establish a new share-based incentive plan for the Group Management. The plan includes three earning periods, which last for at least one financial year and not more than three financial years. The first earning period began on 1 January 2007 and will end on 31 December 2007. The total length of the plan is five years. The rewards will be paid partly in the Company's shares and partly in cash after the end of each earning period. The proportion to be paid in cash will cover taxes and tax-related costs arising from the reward. Transferring the shares earned from the earning period 2007 within two years from the end of the earning period is prohibited. After this, the CEO of the Company must, however, own 50% of the shares earned on the basis of the plan as long as the service of the CEO continues and one year after the end of the service. The Board of Directors will later decide on the following earning periods and transfer restrictions concerning shares earned on the basis of those earning periods. The potential reward from the plan for the earning period 2007 will be based on the Group's net sales and operating profit as well as on the total return on Talentum shares. The incentive plan is directed to 8 key employees during the earning period 2007. If the targets of the plan are attained in full, the rewards to be paid on the basis of the plan will correspond to the gross value (including also the cash payment) of approximately 1,000,000 Talentum Oyj shares.

#### **Notifications**

On March 29, 2007, Morgan Stanley & Co International Limited reported that its share of Talentum's ownership and votes had exceed one twentieth (1/20) through a transaction conducted on March 26, 2007 and was 5.58%.

On March 29, 2007, Morgan Stanley & Co International Limited reported that its share of Talentum's ownership and votes had fallen below one twentieth (1/20) through a transaction conducted on March 28, 2007 and was 4.56%.

On January 22, 2007, Franklin Resources Inc. reported that its share of Talentum's ownership and votes through Franklin Mutual Advisers, LLC, a mutual fund that it controls, had fallen below one twentieth (1/20) and was 4.41%.

**Voting at shareholders' meetings**

Talentum Oyj's Articles of Association provide that no shareholder may exercise more than 1/6 of the total votes carried by the company shares at a shareholders' meeting. If subsidiaries or companies within the same group and/or pensions foundations or pension funds of such companies together own shares carrying more than 1/6 of the total votes, only 1/6 of the total votes can be exercised at shareholders' meetings on the basis of these shares.

**Shareholder agreements**

The company is not aware of any mutual shareholder agreements between its shareholders relating to the operations or ownership of the company.

**Dividend for 2006**

The Annual General Meeting held on March 27, 2007 decided that a dividend of EUR 0.18 per share be paid for the 2006 financial year. The date of payment was April 11, 2007 and the record date was March 30, 2007.

**Liquidity providing agreement**

An agreement with Nordea Securities Oyj on a market guarantee for Talentum Oyj shares became effective on June 21, 2004. Under the agreement, Nordea Securities will submit a purchase and sale offer so that the maximum permitted differential between them is 3% of the purchase offer. The offers will include a minimum of 2,500 shares.

**Corporate governance**

Talentum Group observes the Companies Act, the legislation regulating the securities markets and all other legislation relating to the management of public limited companies. Talentum also observes the Corporate Governance Recommendation issued in December 2003 by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries, which became effective on July 1, 2004.

**Insider instructions**

The Talentum Group applies the Guidelines for Insiders issued by the Helsinki Stock Exchange. In the Talentum Group the closed window (the time during which permanent insiders may not trade in company shares before the publication of financial disclosures) is 21 days.

**Pension Foundation**

Talentum's pension foundation began operations on April 1, 2004. It handles the pension liabilities of Talentum Oyj, Talentum Media Oy and Suoramarkkinointi Mega Oy. During the year 6 people were transferred to the pension foundation

from Arvopaperimediata Oy, which merged with Talentum Media Oy. On December 31, 2007 the pension of 515 employees was covered by the foundation.

#### **Major events after the period under review**

On January 22, 2008 Talentum Oy and CapMan Plc agreed that a company set up by CapMan Buyout VIII, which is managed by CapMan Plc, would purchase Varesvuo Partners Oy, which focuses on TV content production. The transaction does not include Varesvuo Partners' 59% holding in the parent company of the sub-group Oy Filmiteollisuus Fine Ab, which will be transferred to Talentum Oy in the form of a subsidiary. The transaction will require the approval of the competition authority and the fulfilment of certain other conditions.

At the beginning of 2008 Talentum revised the working of its Executive Management in order to strengthen the exploitation of its expertise in publishing and synergistic benefits in Finland and Sweden. The Group's Executive Management deals with the strategy, financial performance, financing, corporate structuring and other important matters. The chairman of the Group's Executive Management is CEO Juha Blomster.

#### **Board of Directors' dividend proposal**

The parent company's unrestricted equity on December 31, 2007 is EUR 9.5 million, of which the profit for the financial period is EUR 3.5 million.

The Board of Directors proposes that a dividend of EUR 0.20 for each of the 44,039,817 shares in circulation be distributed from the retained earnings available to the company. The total amount of the dividend distribution will be EUR 8,807,963.40. The remaining retained earnings of EUR 706,261.14 will be left in the unrestricted equity.

#### **Annual General Meeting 2008**

The Annual General Meeting will be held March 27, 2008.

TALENTUM OYJ

#### **FURTHER INFORMATION**

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#### **COPIES TO**

OMX Nordic Exchange Helsinki  
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#### **BRIEFING**

A briefing will be held for analysts and the media today, February 12, 2008 at 10.00 a.m. at the Talentum head office, Annankatu 34-36 B, Kamppi, Helsinki. The financial performance will be presented by CEO Juha Blomster and CFO Kaisa Kokkonen. CEO Juha Blomster will also present Talentum's short-term strategy in greater detail.

The figures in this release are unaudited.

The forecasts and estimates presented here are based on the view of developments in the economy at this present moment, and the actual results may differ substantially from what the company now expects.

In 2008 Talentum will be publishing the interim report for January-March on April 29, for January-June on July 23 and for January-September on October 28.

**TABLES**
**INCOME STATEMENT**

EUR million	10-12/ 2007	10-12/ 2006	1-12/ 2007	1-12/ 2006
Net sales	36.3	36.6	124.0	121.1
Other operating income	0.7	0.3	1.8	1.7
Materials and services	-7.1	-7.4	-24.3	-25.3
Employee benefits expense	-14.6	-16.2	-54.5	-56.7
Depreciation and amortization expense	-0.8	-2.7	-3.1	-5.2
Other operating expenses	-8.0	-8.9	-30.1	-31.3
Operating profit	6.5	1.6	13.9	4.3
Financial income	0.2	0.3	0.7	0.7
Financial expenses	-0.3	-0.5	-1.9	-1.2
Share of profit of associates	0.0	0.2	0.2	0.5
Profit before tax	6.4	1.6	12.9	4.2
Income tax expense	-1.8	-1.1	-3.7	-1.5
Profit for the period	4.6	0.5	9.2	2.7
Attributable to:				
Equity holders of the parent	4.4	0.5	8.8	2.2
Minority interest	0.2	0.0	0.4	0.5
Earnings per share attributable to equity holders of the parent company (EUR)	0.11	0.01	0.22	0.05

**BALANCE SHEET**

EUR million	31.12.2007	31.12.2006
ASSETS		
Non-current assets		
Property, plant and equipment	6.6	7.9
Goodwill	32.5	23.7
Other intangible assets	11.8	12.2
Investments in associates	2.1	2.7
Available-for-sale financial assets	0.1	0.9
Deferred tax assets	1.0	3.5
Other long term receivables and investments	0.7	0.5
Total non-current assets	54.9	51.5
Current assets		
Inventories	4.4	3.3
Trade and other receivables	15.8	14.4
Cash and cash equivalents	13.8	20.4
Total current assets	34.1	38.2
TOTAL ASSETS	89.0	89.7
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	18.6	18.6
Share premium reserve	5.9	5.9
Own shares	-1.3	-1.3
Reserves	-0.2	0.5
Retained earnings	7.4	6.7
Total	30.3	30.5
Minority interest	1.6	1.7
Total equity	31.9	32.2
Non-current liabilities		
Deferred tax liabilities	3.1	3.3
Loans and borrowings	3.8	3.7
Employee benefits	0.1	0.0
Provisions	1.4	1.3
Total non-current liabilities	8.3	8.2
Current liabilities		
Loans and borrowings	15.4	21.8
Trade and other payables	33.1	26.6
Provisions	0.3	0.9
Total current liabilities	48.8	49.3
SHAREHOLDERS' EQUITY AND LIABILITIES	89.0	89.7

**CASH FLOW STATEMENT**

	1-12/2007	1-12/2006
EUR Million		
Operating profit	13.9	4.3
Adjustments	4.4	5.3
Change in working capital	-2.1	1.0
Net financial items and taxes	-1.4	-1.5
<b>Net cash from operating activities</b>	<b>14.7</b>	<b>9.1</b>
Acquisitions of subsidiaries and associates, net of cash	-6.5	-3.9
Sales of subsidiaries and associates	1.0	0.0
Investments in property, plant, equipment and intangible assets	-1.6	-3.6
Other investing activity related items	0.3	0.5
<b>Net cash used in investing activities</b>	<b>-6.8</b>	<b>-7.0</b>
Change in current loans	-6.5	12.0
Proceeds from loans and borrowings	1.4	0.0
Repayment of loans and borrowings	-1.3	-1.9
Dividends paid and equivalents	-8.2	-13.7
Other financing activities	0.1	-0.6
<b>Net cash used in financing activities</b>	<b>-14.5</b>	<b>-4.3</b>
Net change in cash and cash equivalents	<b>-6.6</b>	<b>-2.2</b>
Cash and cash equivalents at beginning of period	20.4	22.6
Cash and cash equivalents at end of period	13.8	20.4

**STATEMENT OF CHANGES IN EQUITY**

EUR million	Equity	Share premium reserve	Other reserves	Exchange differences	Retained earnings	Attributable to the equity holders of the parent	Minority interest	Total equity
Equity 1.1.2006	18.6	5.9	0.0	0.0	16.8	41.3	2.0	43.3
Ex change differences				0.6		0.6		0.6
Net income recognized directly in equity					-0.3	-0.3	-0.1	-0.5
Profit for the period					2.2	2.2	0.5	2.7
Dividends paid					-13.2	-13.2	-0.5	-13.7
Other							-0.2	-0.2
Equity 31.12.2006	18.6	5.9	0.0	0.5	5.4	30.5	1.7	32.2
Equity 1.1.2007	18.6	5.9	0.0	0.5	5.4	30.5	1.7	32.2
Ex change differences		0.0		-0.8	-0.7	-1.5		-1.5
Share based incentive plan					0.2	0.2		0.2
Net income recognized directly in equity					0.3	0.3		0.3
Profit for the period					8.8	8.8	0.4	9.2
Dividends paid					-7.9	-7.9	-0.3	-8.2
Other					-0.1	-0.1	-0.2	-0.3
Equity 31.12.2007	18.6	5.9	0.0	-0.2	6.1	30.3	1.6	31.9



**NOTES TO FINANCIAL STATEMENTS**

This interim report has been drawn up according to the IFRS recognition and valuation principles. The interim report for January-June is reported in accordance with IAS 34 Interim Financial Reporting. In drawing up this interim report for October-December, Talentum has applied the same accounting principles as in the financial statements for 2006, but in such a way that it has introduced from January 1, 2007 the following new/revised standards: IFRS 7 Financial Instruments: Disclosures, IAS 1 Presentation of Financial Statements and IFRIC 10, Interim Financial Reporting and Impairment. The introduction of these has had no material effect on Talentum's interim report.

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

**NON-RECURRING ITEMS**

The Talentum Group has carried out measures aimed at improving profitability in the Publishing and Premedia business areas and in Group Administration. The restructuring in the publishing operations and Group Administration was scheduled for the final quarter of 2006. Expenses of EUR 1.6 million concerning this were mostly included in personnel expenses. In the first and second quarters of 2006 non-recurring expenses of EUR 1 million for projects that were not carried out were recognized.

An impairment of EUR 1.8 million for goodwill was recognized for the Premedia business area in the final quarter of 2006. The premedia business operations were sold in the second quarter of 2007 and a total of EUR 1.7 million in other expenses related to the restructuring of the premedia business operations was recognized as a result of the sales. In the final quarter of 2007 non-recurring income of EUR 0.6 million resulting from a reduction in advertising tax in Sweden was recognized.

The restructuring expenses are included in the income statement under the following headings:

EUR million	10-12/ 2007	10-12/ 2006	1-12/ 2007	1-12/ 2006
Employee benefits expense	0.0	1.6	0.0	1.6
Depreciation and amortization expense	0.0	1.8	0.0	1.8
Other operating income	0.0	0.0	1.7	1.0
Total	0.0	3.4	1.7	4.4

**TALENTUM GROUP / SUB-SEGMENTS**

EUR million	10-12/ 2007	10-12/ 2006	1-12/ 2007	1-12/ 2006
<b>Net sales</b>				
Publishing	27.0	23.5	83.8	74.7
Direct marketing	2.5	2.0	9.5	8.2
TV content production	5.7	7.8	22.9	24.6
Premedia	2.4	4.4	12.5	18.0
Sales within group	-1.2	-1.1	-4.7	-4.5
<b>Total</b>	<b>36.3</b>	<b>36.6</b>	<b>124.0</b>	<b>121.1</b>
<b>Operating profit</b>				
Publishing	6.3	2.9	14.8	7.1
Direct marketing	0.4	0.3	1.3	1.1
TV content production	0.4	0.8	1.2	1.8
Premedia	0.1	-1.8	-0.9	-2.5
Parent company and group items	-0.8	-0.5	-2.5	-3.2
<b>Total</b>	<b>6.5</b>	<b>1.6</b>	<b>13.9</b>	<b>4.3</b>
<b>Operating profit without non-recurring items</b>	<b>5.9</b>	<b>5.0</b>	<b>15.0</b>	<b>8.7</b>
<b>Publishing</b>				
restructuring costs	0.0	-1.4	0.0	-1.6
Reduction of Swedish advertisement tax	0.6	0.0	0.6	0.0
<b>Premedia</b>				
restructuring costs	0.0	-1.8	-1.7	-1.8
<b>Group Items</b>				
restructuring costs	0.0	-0.2	0.0	-1.0

**AVERAGE NUMBER OF EMPLOYEES**

	1-12/2007	1-12/2006
Talentum Group	675	767
Part-time telemarketing staff	316	297
<b>Total</b>	<b>991</b>	<b>1 064</b>
Publishing	384	405
Direct marketing	365	346
TV content production	95	98
Premedia	133	199
Group Administration	14	16
<b>Total</b>	<b>991</b>	<b>1 064</b>

**CONTINGENT LIABILITIES**

EUR million	31.12.2007	31.12.2006
Given as security	9.0	5.9
loans with securities as collateral	2.9	3.1
Rental and other commitments	13.7	17.1
Leasing commitments	2.5	3.3