

A woman with glasses and an orange scarf is looking at a smartphone. The background is a light-colored wall with a grid pattern. A colorful ribbon graphic is on the right side of the image.

Sanoma 1–9/2010

Hannu Syrjänen, President and CEO

3 November 2010

Improved outlook (1/2)

Third quarter

- Net sales adjusted for changes continued to grow (+1.2%)
- Operating profit excluding non-recurring items improved further (+12%)
- Stable growth and increased visibility in advertising markets
 - online and job advertising leading the way (+41% and +60% in September in Finland)
- Expenses under control
 - total expenses: -3%
 - personnel expenses: -5%
 - advertising and marketing: +10%
 - paper costs: -15%



Improved outlook (2/2)

First nine months

- Excellent development of cash flow from operations; EUR 174.0 million (EUR 119.6 million in 2009)
- Focus on maintaining good cash flow and improving efficiency
- Group's outlook for EBIT excluding non-recurring items upgraded



How do we see the world right now? (1/2)

Western markets on a growth path, but growth rates will slow down

Finland

- Consumer confidence at all-time high
- Unemployment rate estimates looking better
- Strong advertising market growth (+11% in September)
 - newspapers +10%, TV +16%, online +41%, jobs +60%
- Most of Sanoma's businesses gaining market share
 - investments in Q4 to secure good performance also in the future
- Opening Hours Act affects customer volumes and the sales mix of kiosk products

The Netherlands

- Consumer confidence continues to improve
- Unemployment rate estimates looking better
- Advertising markets growing (+10% Jan–Aug, gross figures)
 - slight growth in consumer magazines, reported online market slightly down
 - Sanoma clearly outperforming the market development

How do we see the world right now? (2/2)

Mixed picture in the CEE countries

Russia

- Economic fundamentals improving
- Strong advertising market growth
 - still some way to go to the year 2008 level

Central Eastern Europe

- Economic fundamentals weak
- Government measures to reduce budget deficits
 - tax increases, reduction of investments and salaries and
 - very low consumer confidence
- The beginning of recovery takes time

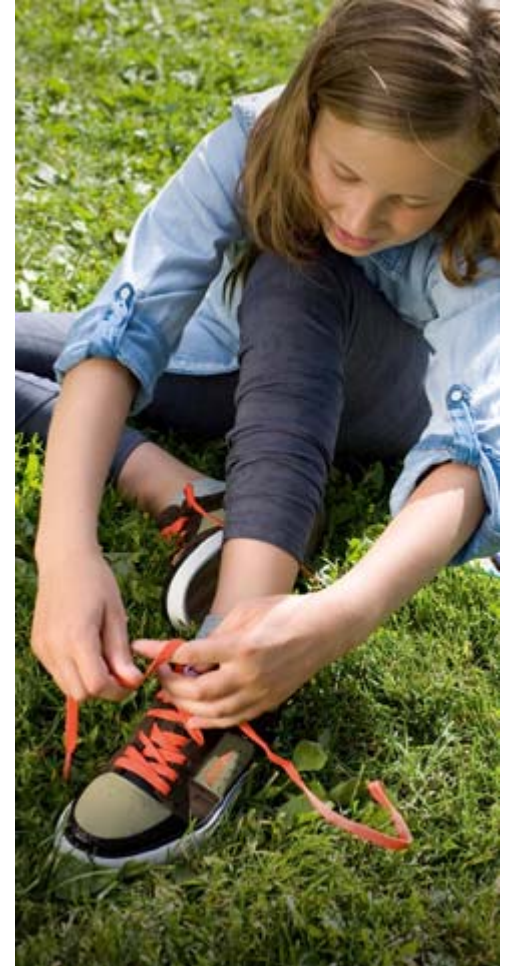
Key events in Q3 (1/2)

Focusing operations

- Esmerk, a provider of information and media monitoring services, transferred from News to Learning & Literature
- Sanoma Magazines International divested Sanoma Magazines Slovakia

Strengthening operations

- Sanoma Entertainment received operating license to a new TV channel
- Sanoma Digital Romania acquired MagazinulDeCase.ro, Romania's first 'For sale by owner' real estate market place



Key events in Q3 (2/2)

Celebrating

- Rautakirja celebrated its 100th anniversary
- Sanoma Magazines Finland ranked Finland's best custom publisher, third time in a row

Appointments

- Harri-Pekka Kaukonen appointed President and CEO of Sanoma as of 1 Jan 2011
- Pekka Soini appointed President of Sanoma News

After the review period

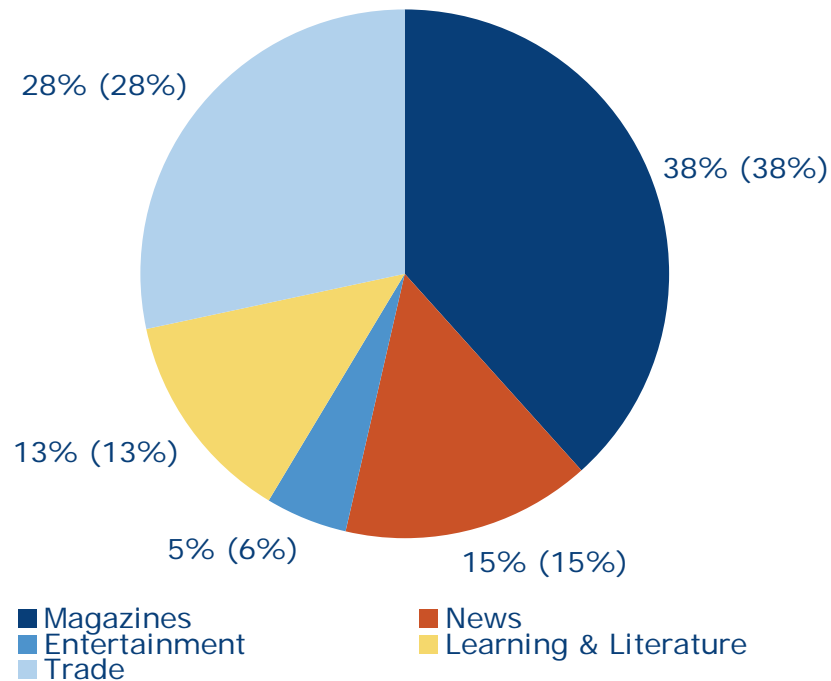
- Sanoma Trade sold its press distribution and kiosk operations in Russia



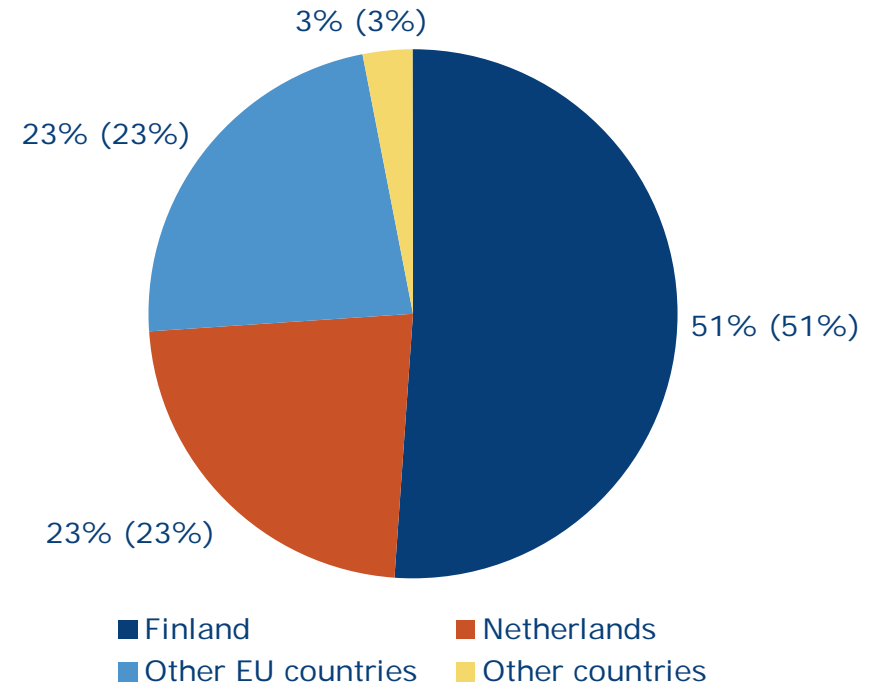
No changes in the revenue split

Net sales 1–9/2010 (1–9/2009)

By division



By geographic area



- The Baltic countries 5% (5%)
- Other CEE countries + Russia and Ukraine 12% (12%)

Strong Q3



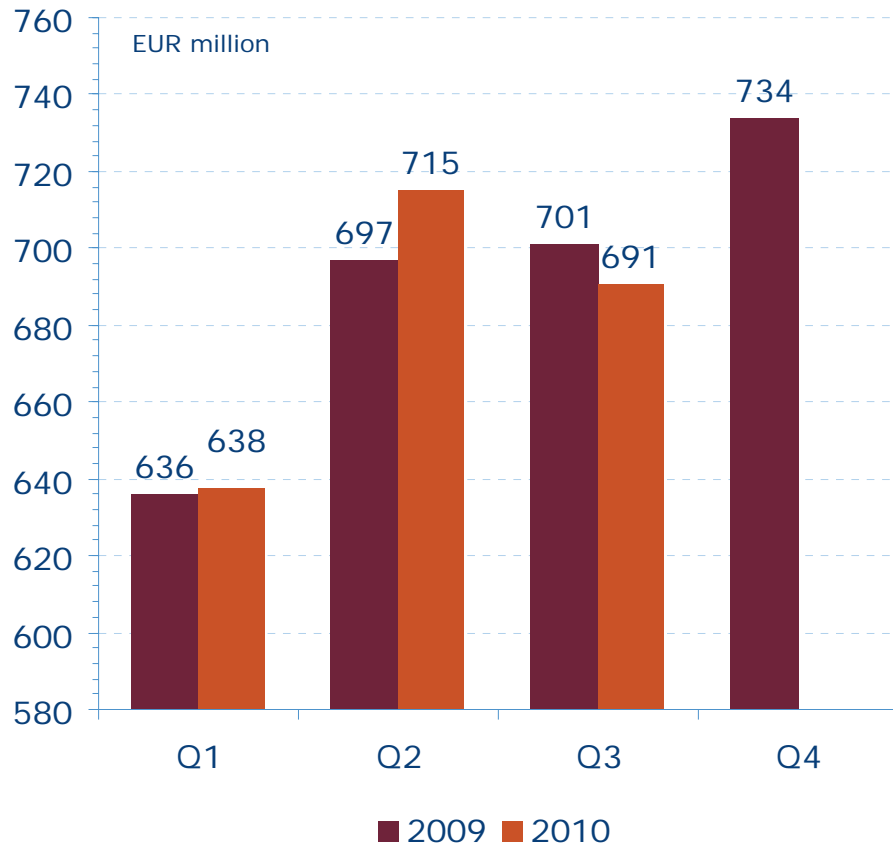
EUR million	7-9/2010	7-9/2009	Ch %	1-9/2010	1-9/2009
Net sales	690.6	701.1	-1.5	2,043.8	2,034.4
EBIT excluding non-recurring items	94.9	84.5	12.4	210.8	180.2
% net sales	13.7	12.0		10.3	8.9
EBIT	63.9	77.1	-17.0	365.3*	163.1
Earnings/share, EUR	0.24	0.30	-18.0	1.86	0.62
Cash flow from operations/share, EUR	0.71	0.70	1.2	1.08	0.74
Number of employees (FTE) **	15,863	16,998	-6.7		

* Includes the non-recurring capital gain of EUR 179.4 million from the sale of Welho
 ** At the end of the period

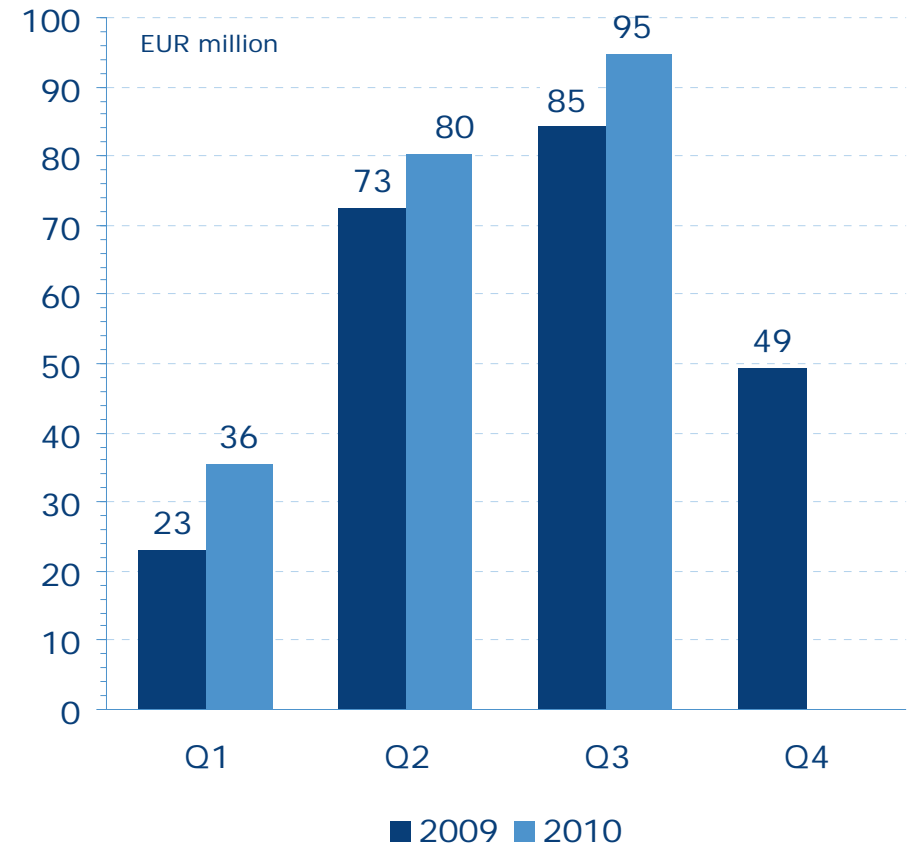
EBIT continued to improve

Also net sales adjusted for changes in the Group structure grew

Net sales



EBIT excluding non-recurring items



News and Learning excelled

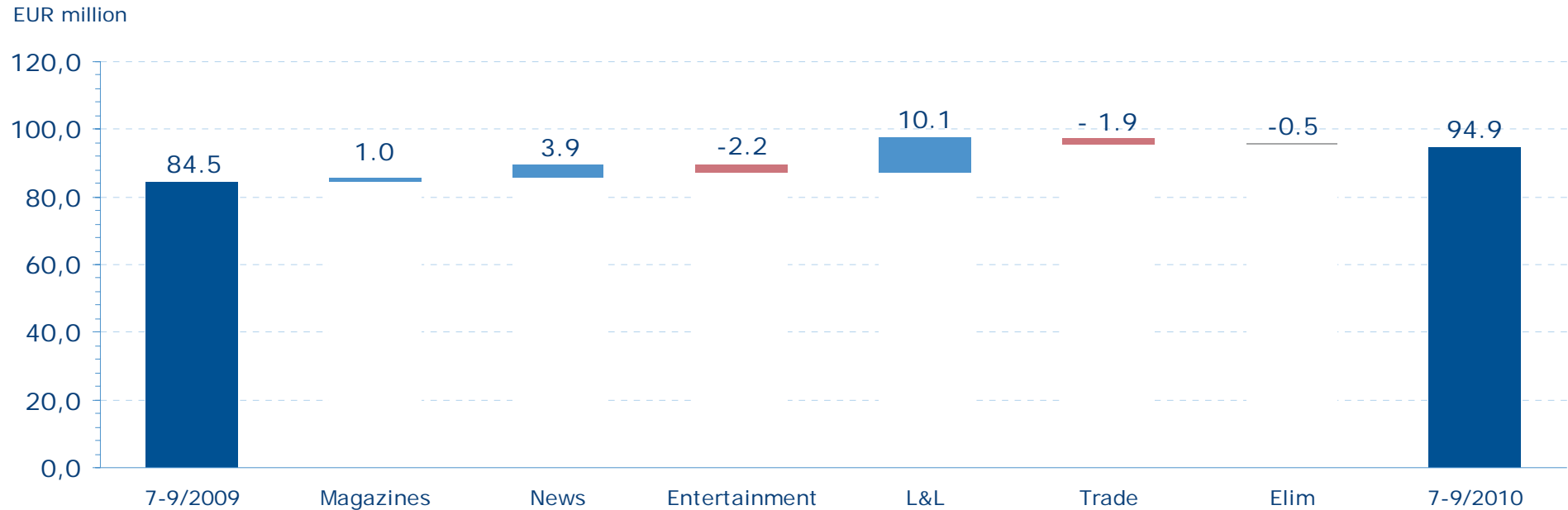
EUR million	Net sales 7–9/2010	Ch %*	EBIT** 7–9/2010	Ch %*
Magazines	264.4	-0.6	28.9	3.6
News	104.8	3.5	15.7	33.4
Entertainment	20.8	-40.6	1.6	-56.7
Learning & Literature	121.2	3.1	45.7	28.3
Trade	206.0	-1.5	7.8	-19.8
Other companies + eliminations	-26.7		-4.9	
Sanoma Group Total	690.9	-1.5	94.9	12.4



* Change from the comparable period
 ** Excluding non-recurring items

EBIT excl. non-recurring items

News and Learning – valedictorians of the class



- Magazines: Efficiency improvements and good advertising sales. Affected by the increased marketing campaigns.
- News: Efficiency improvements and good sales development, both in print and in digital.
- Entertainment: Divestment of Welho. Excellent performance of broadcasting operations.
- Learning & Literature: Excellent performance of learning business.
- Trade: Sales mix of the Finnish kiosk business and poor economic situation in the Baltic countries.

Financial position improved clearly

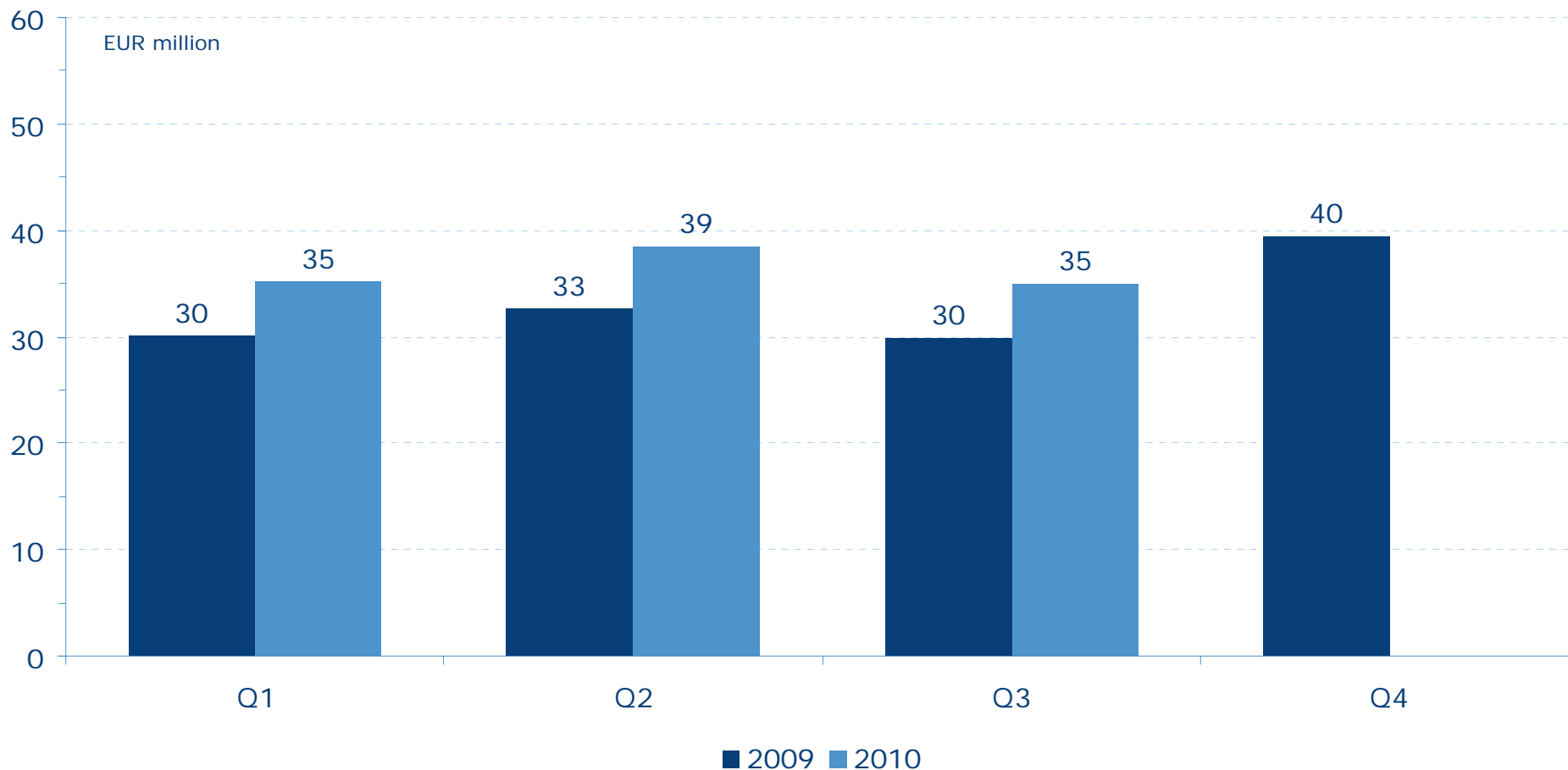
EUR million	30.9.2010	30.9.2009	31.12.2009
Balance sheet total	3,270.2	3,186.0	3,106.3
Equity ratio, %	44.3	39.4	41.4
Net gearing, %	71.4	90.3	79.4
Interest-bearing liabilities	1,024.3	1,133.4	1,017.7
Interest-bearing net debt	969.1	1,067.0	958.1
Cash and cash equivalents	55.2	66.4	59.7



- Favourable long-term credit facility
- Strong cash flow from operations
- Net debt/EBITDA 1.6

Consumer online sales up by 19% in 1-9/2010

Target to reach annual revenues of EUR 240 million by 2012



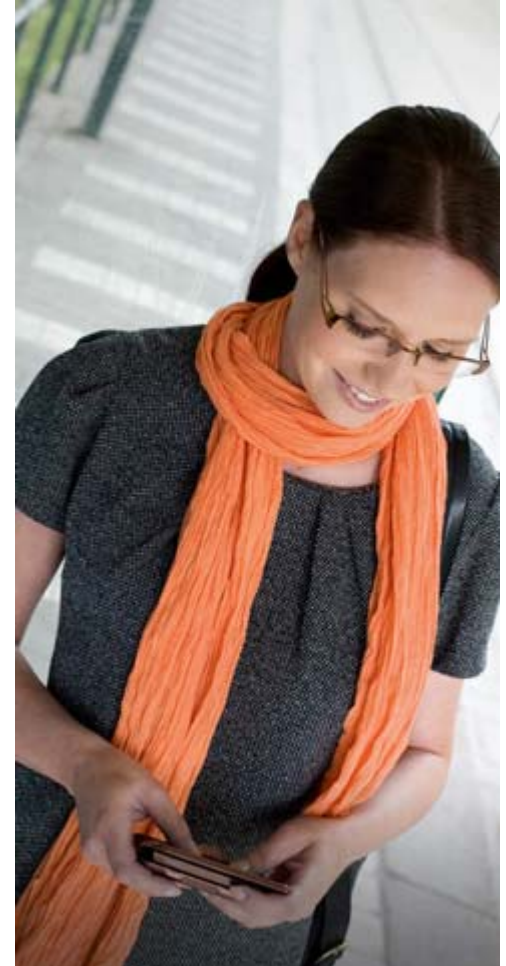
Outlook for 2010 improved

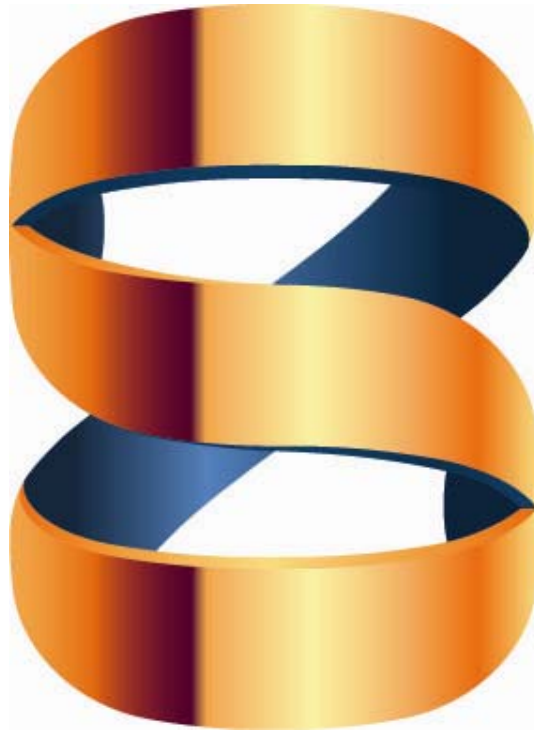
Net sales

- Expected to **be at the previous year's level**

Operating profit excluding non-recurring items

- Estimated to **improve somewhat**
 - in 2009, operating profit excluding non-recurring items was EUR 229.5 million
- The outlook takes into account the effect of Humo and Welho transactions
 - estimated negative impact on 2010 EBIT excluding non-recurring items is some EUR 12 million
- The outlook is based on the assumption that the advertising markets in the Group's main operating countries **grow somewhat**

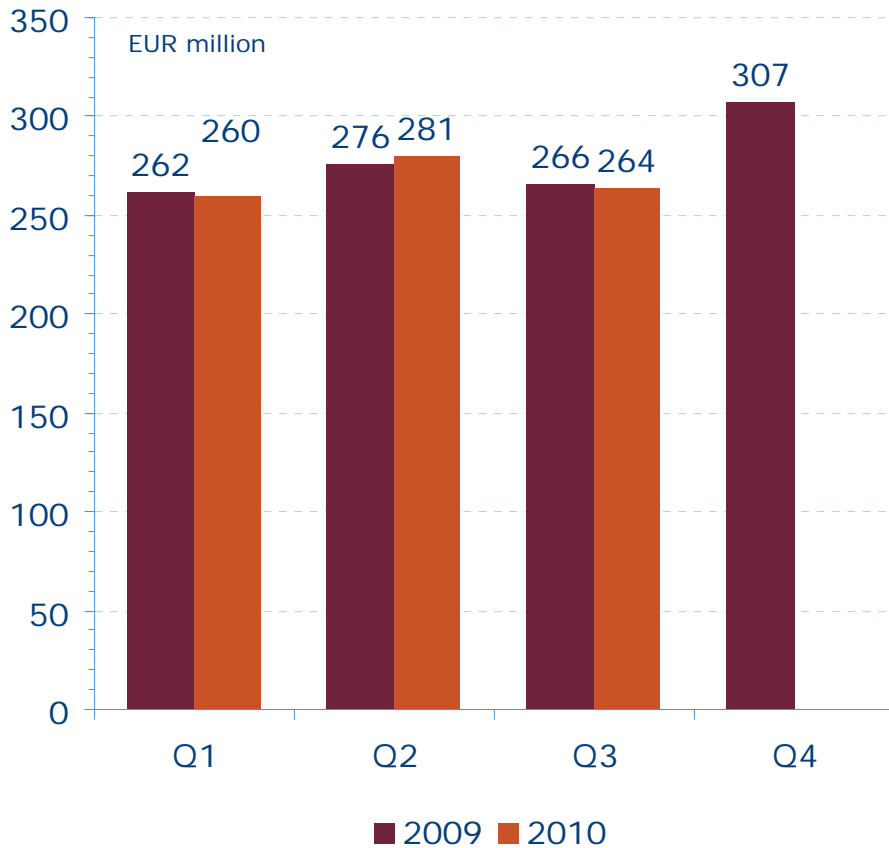




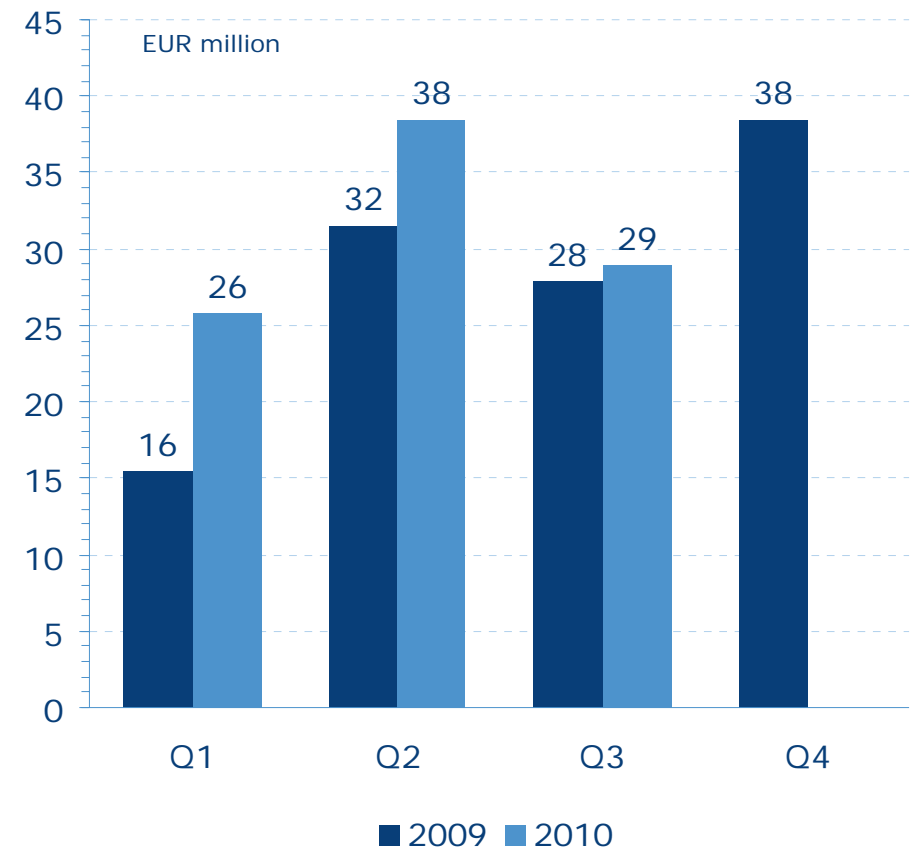
Inspires, Informs and Connects

Sanoma Magazines

Net sales



EBIT excluding non-recurring items



Sanoma Magazines

Key figures

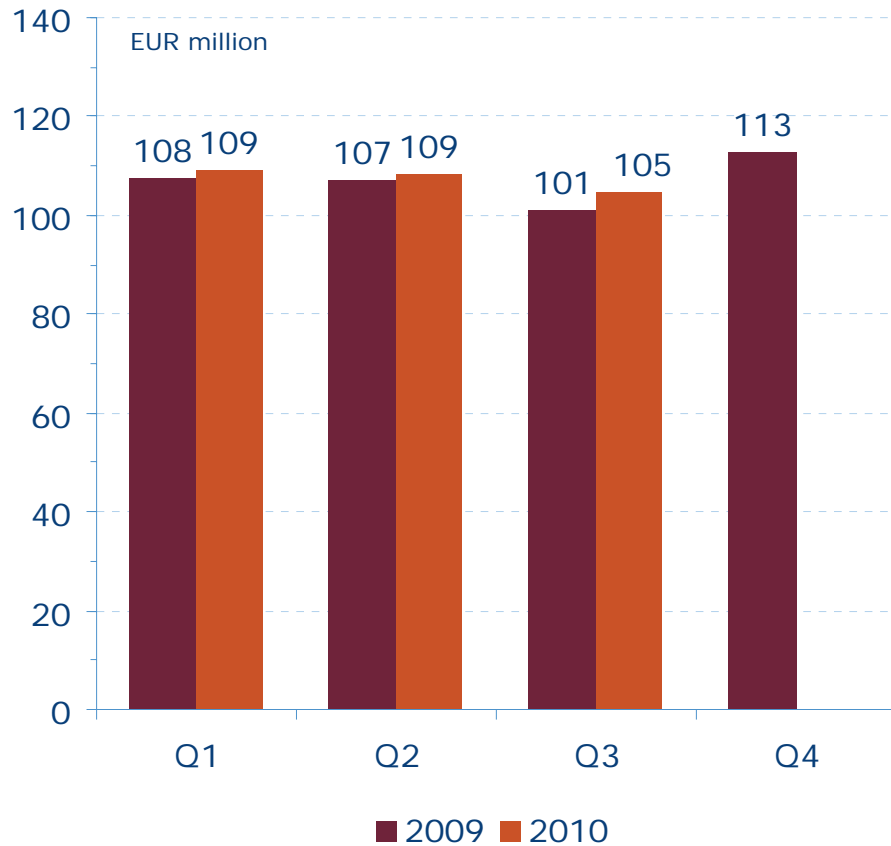
EUR million	7-9/2010	7-9/2009	Ch %	1-9/2010	1-9/2009
Net sales	264.4	266.1	-0.6	804.9	804.2
Sanoma Magazines Netherlands	118.8	120.7	-1.5	354.3	354.5
Sanoma Magazines International	51.0	48.8	4.5	154.0	152.8
Sanoma Magazines Belgium	48.7	50.8	-4.3	154.5	154.8
Sanoma Magazines Finland	46.9	46.9	-0.1	145.2	145.3
Eliminations	-1.0	-1.2	16.1	-3.1	-3.3
EBIT excluding non-recurring items	28.9	27.9	3.6	93.1	75.0
% of net sales	10.9	10.5		11.6	9.3
Number of employees (FTE)*	4,989	5,355	-6.8		

Outlook for 2010

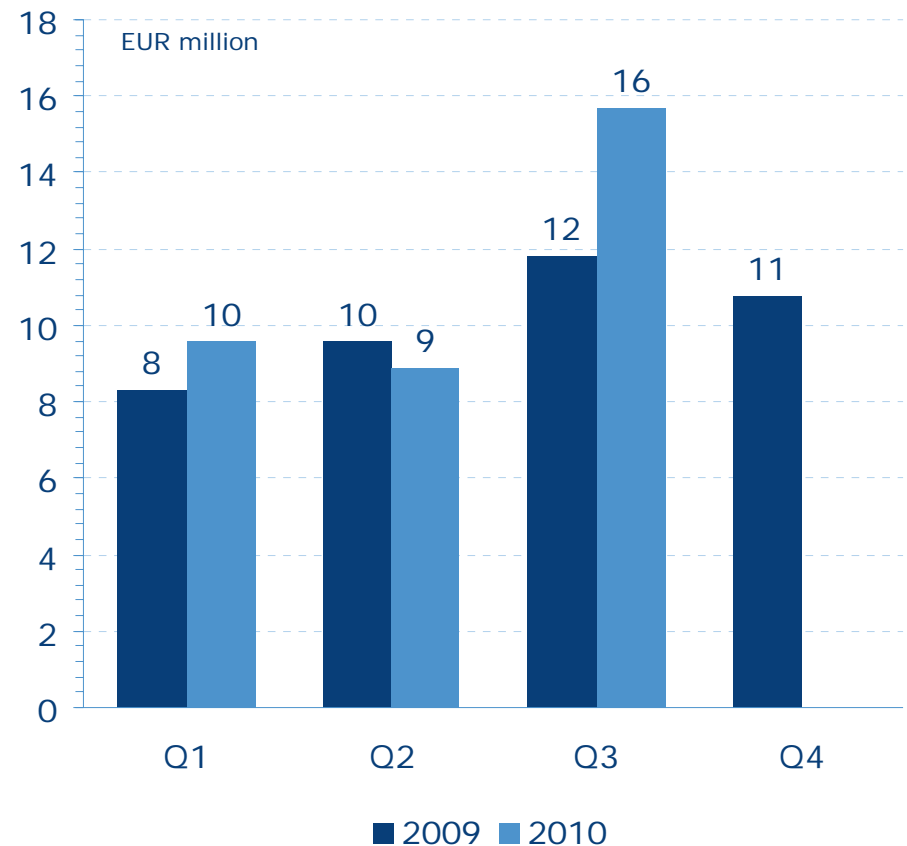
Net sales are expected to be at the previous year's level. It is estimated that operating profit excluding non-recurring items will improve clearly.

Sanoma News

Net sales



EBIT excluding non-recurring items



Sanoma News

Key figures

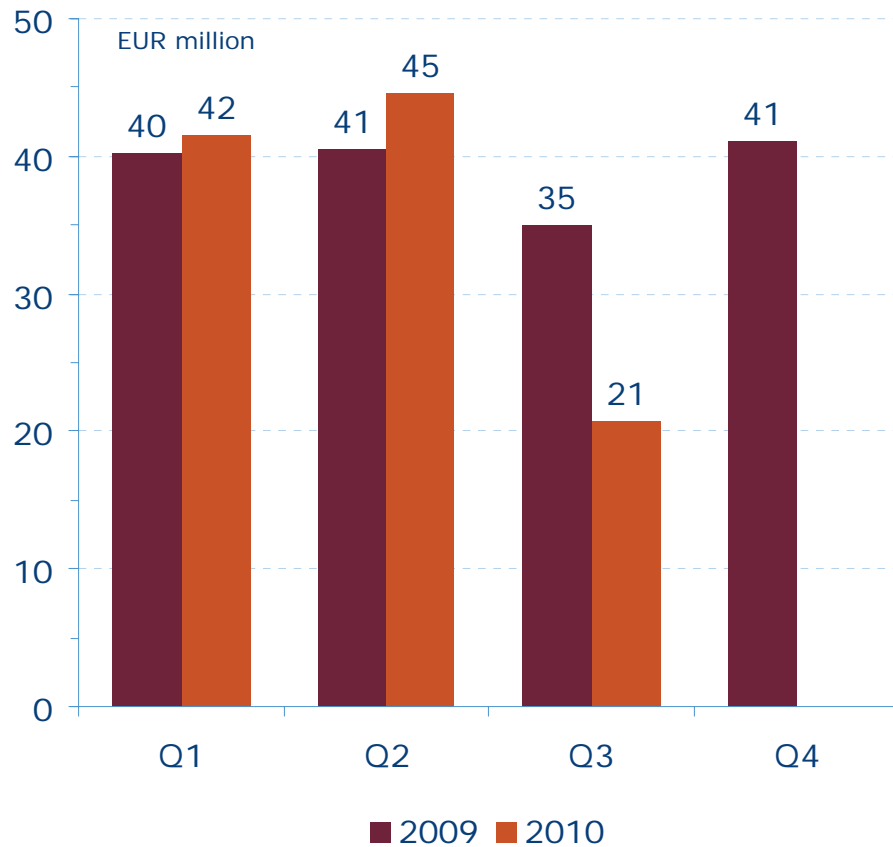
EUR million	7-9/2010	7-9/2009	Ch %	1-9/2010	1-9/2009
Net sales	104.8	101.2	3.5	322.7	316.0
Helsingin Sanomat	55.5	53.3	4.2	171.4	167.3
Ilta-Sanomat	21.1	19.6	7.5	61.6	57.9
Other publishing	23.5	24.2	-2.8	74.5	76.9
Other businesses	32.0	34.9	-8.3	99.5	107.1
Eliminations	-27.4	-30.8	11.1	-84.3	-93.3
EBIT excluding non-recurring items	15.7	11.8	33.4	34.2	29.8
% of net sales	15.0	11.6		10.6	9.4
Number of employees (FTE)*	1,977	2,322	-14.8		

Outlook for 2010

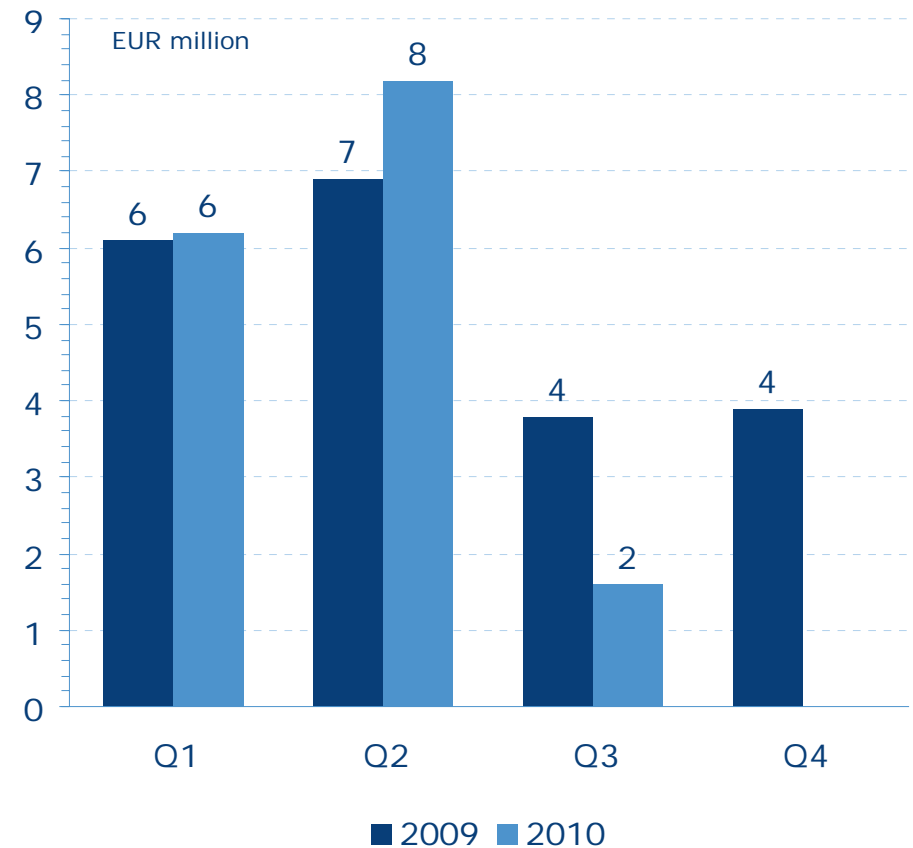
Net sales are expected to be at the previous year's level due to the divestments of Lehtikuva and Esmerk. Operating profit excluding non-recurring items is estimated to improve significantly.

Sanoma Entertainment

Net sales



EBIT excluding non-recurring items



Sanoma Entertainment

Key figures

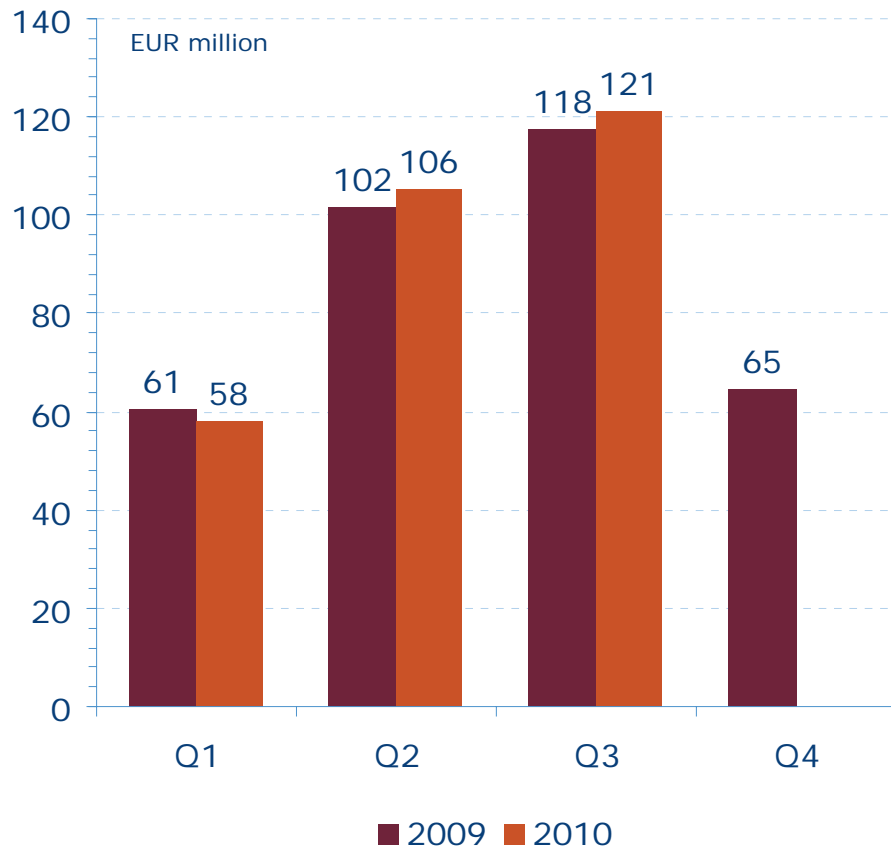
EUR million	7-9/2010	7-9/2009	Ch %	1-9/2010	1-9/2009
Net sales	20.8	35.0	-40.6	106.9	115.9
EBIT excluding non-recurring items	1.6	3.8	-56.7	16.0	16.8
% of net sales	7.9	10.8		15.0	14.5
Number of employees (FTE)*	225	445	-49.4		

Outlook for 2010

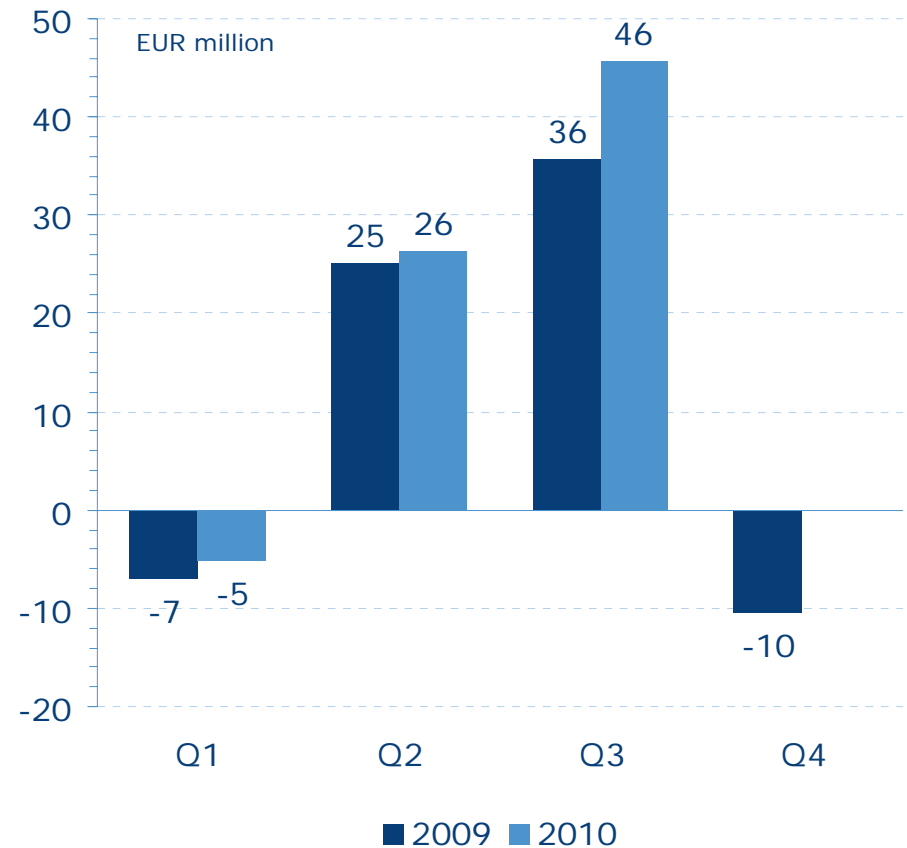
Due to the divestment of Welho as of 30 June 2010, net sales and operating profit excluding non-recurring items are expected to decrease significantly in 2010.

Sanoma Learning & Literature

Net sales



EBIT excluding non-recurring items



Sanoma Learning & Literature

Key figures

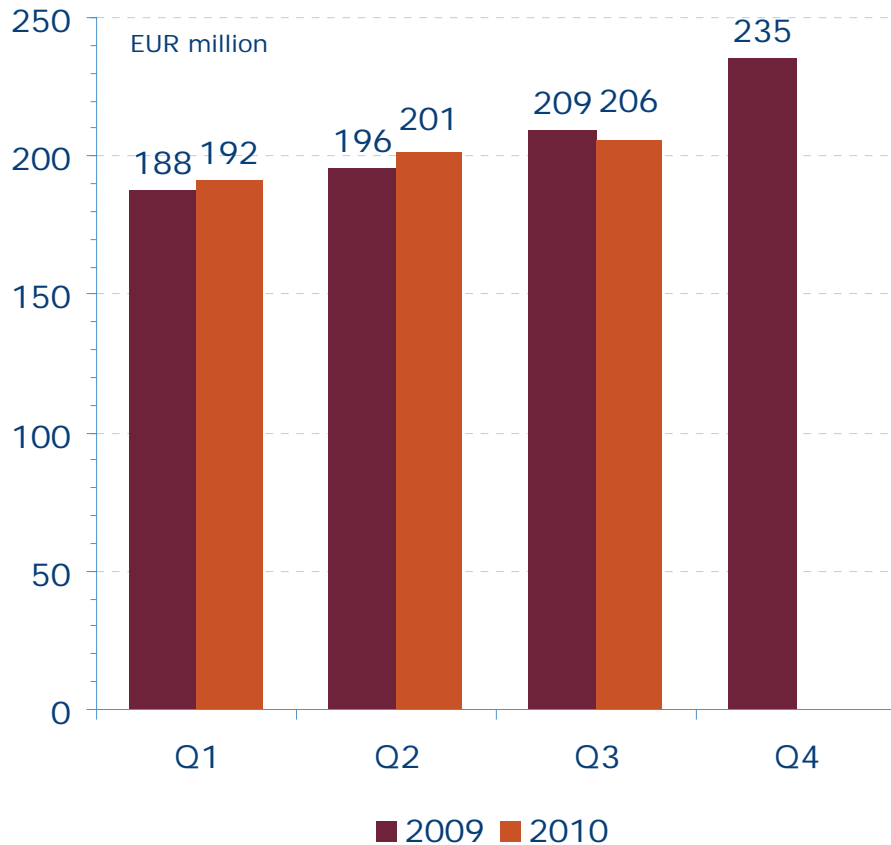
EUR million	7-9/2010	7-9/2009	Ch %	1-9/2010	1-9/2009
Net sales	121.2	117.6	3.1	285.0	280.4
Learning	100.6	94.3	6.7	215.5	206.4
Language services	5.2	6.7	-23.1	18.3	21.2
Literature and other businesses	18.0	19.3	-6.9	58.8	60.9
Eliminations	-2.5	-2.7	6.5	-7.7	-8.1
EBIT excluding non-recurring items	45.7	35.7	28.3	67.0	53.8
% of net sales	37.7	30.3		23.5	19.2
Number of employees (FTE)*	2,676	2,683	-0.3		

Outlook for 2010

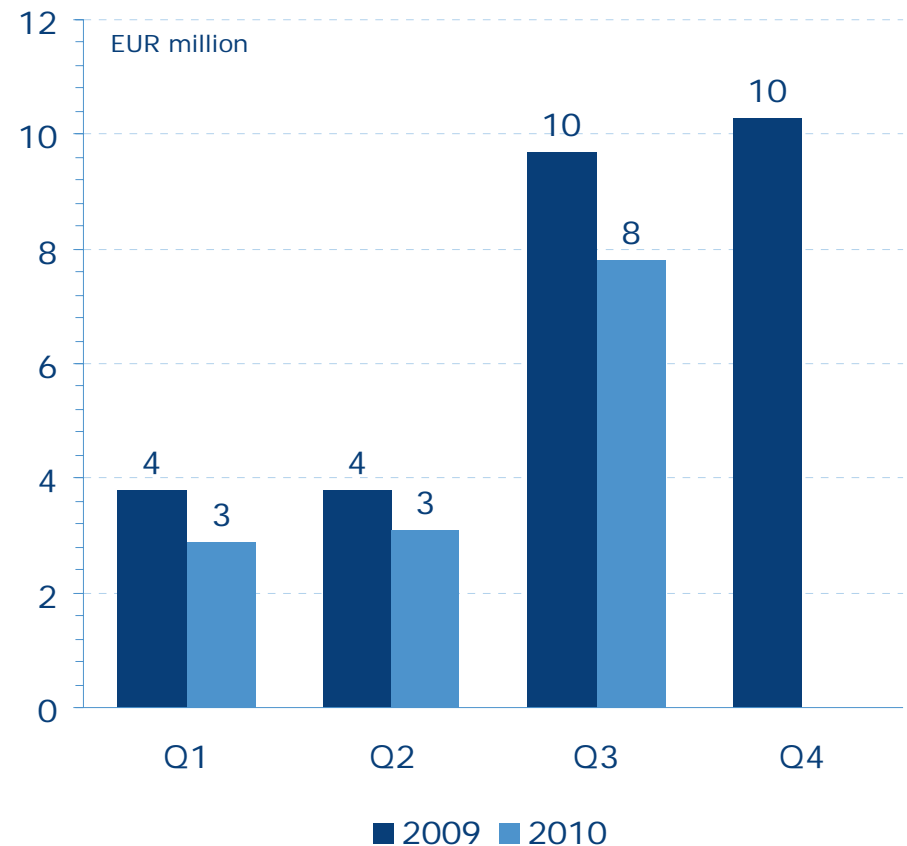
Net sales is estimated to increase slightly and operating profit excluding non-recurring items clearly from the previous year's level.

Sanoma Trade

Net sales



EBIT excluding non-recurring items



Sanoma Trade

Key figures

EUR million	7-9/2010	7-9/2009	Ch %	1-9/2010	1-9/2009
Net sales	206.0	209.2	-1.5	599.3	592.6
Kiosk operations	99.2	99.3	0.0	296.0	293.6
Trade services	57.6	59.4	-3.1	170.3	167.3
Bookstores	31.6	31.8	-0.7	77.5	78.8
Movie operations	20.7	22.7	-8.8	66.0	64.4
Eliminations	-3.1	-4.1	23.2	-10.5	-11.5
EBIT excluding non-recurring items	7.8	9.7	-19.8	13.8	17.3
% of net sales	3.8	4.7		2.3	2.9
Number of employees (FTE)*	5,854	6,118	-4.3		

Outlook for 2010

Net sales are estimated to be at the previous year's level and operating profit excluding non-recurring items is estimated to be slightly below that of 2009.