

Interim Report 1–9/2008

Hannu Syrjänen, President and CEO

31 October 2008



Strong 3Q08

- Net sales and operating profit developed well in 3Q08
- Structural changes to improve mid-term cash flow and profitability
- International growth continued, both organically and through acquisitions
- Overall economic uncertainty increased

Our strategic objective is to be one of the leading European media companies, with focus on sustainable growth and profitability

Excellent Business Portfolio

- Diversified business portfolio
- Advertising sales 24% of net sales
- Strong balance sheet



Good Growth of Net Sales

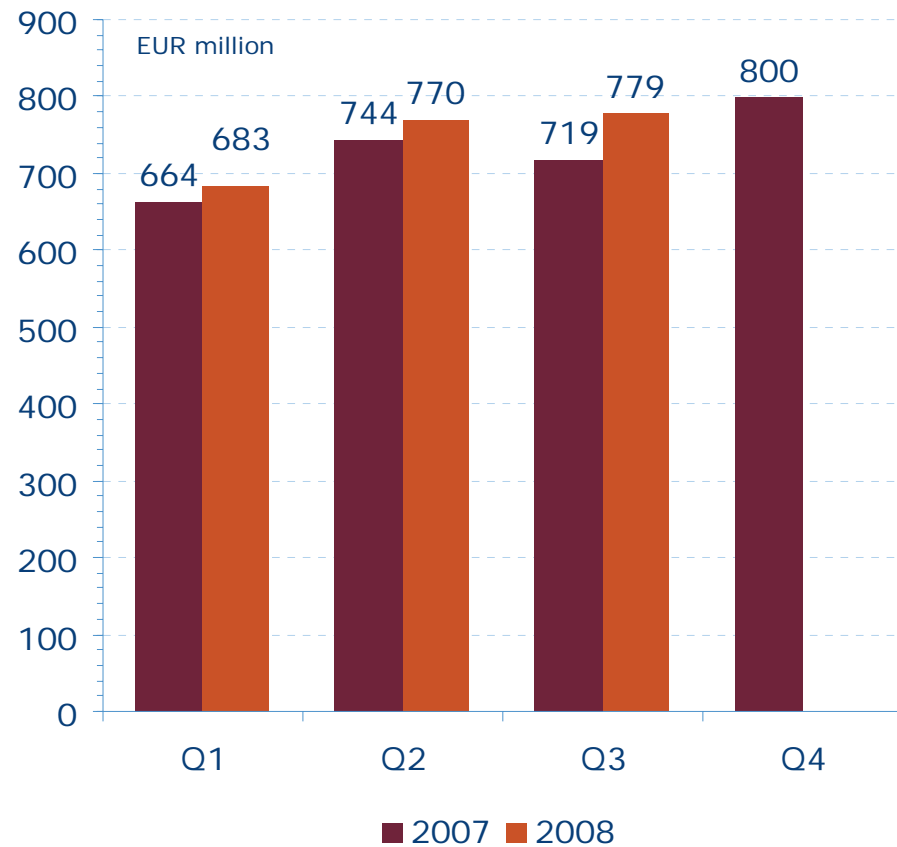
EUR million	7–9/2008	7–9/2007	1–9/2008	1–9/2007
Net sales	778.6	718.6	2,231.4	2,126.7
Operating profit excluding non-recurring items	100.5	90.2	246.6	241.8
% of net sales	12.9	12.6	11.1	11.4
Operating profit	94.0	88.5	265.2	275.5
Earnings/share, EUR	0.37	0.36	1.10	1.16
Cash flow from operations/share, EUR	0.74	0.46	0.97	0.71
Average number of employees *			18,031	16,603

- Net sales increased in Magazines, Learning & Literature, Entertainment and Trade
- Operating profit increased in Magazines, Learning & Literature and Entertainment

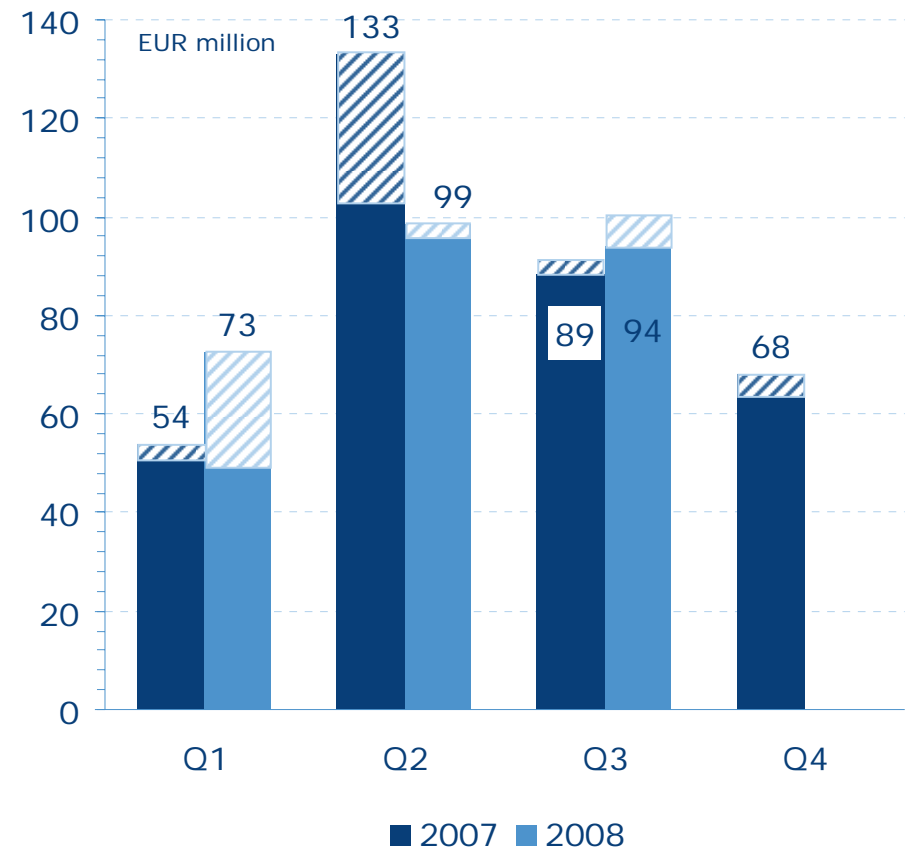
* Full-time equivalents

Growth Continued

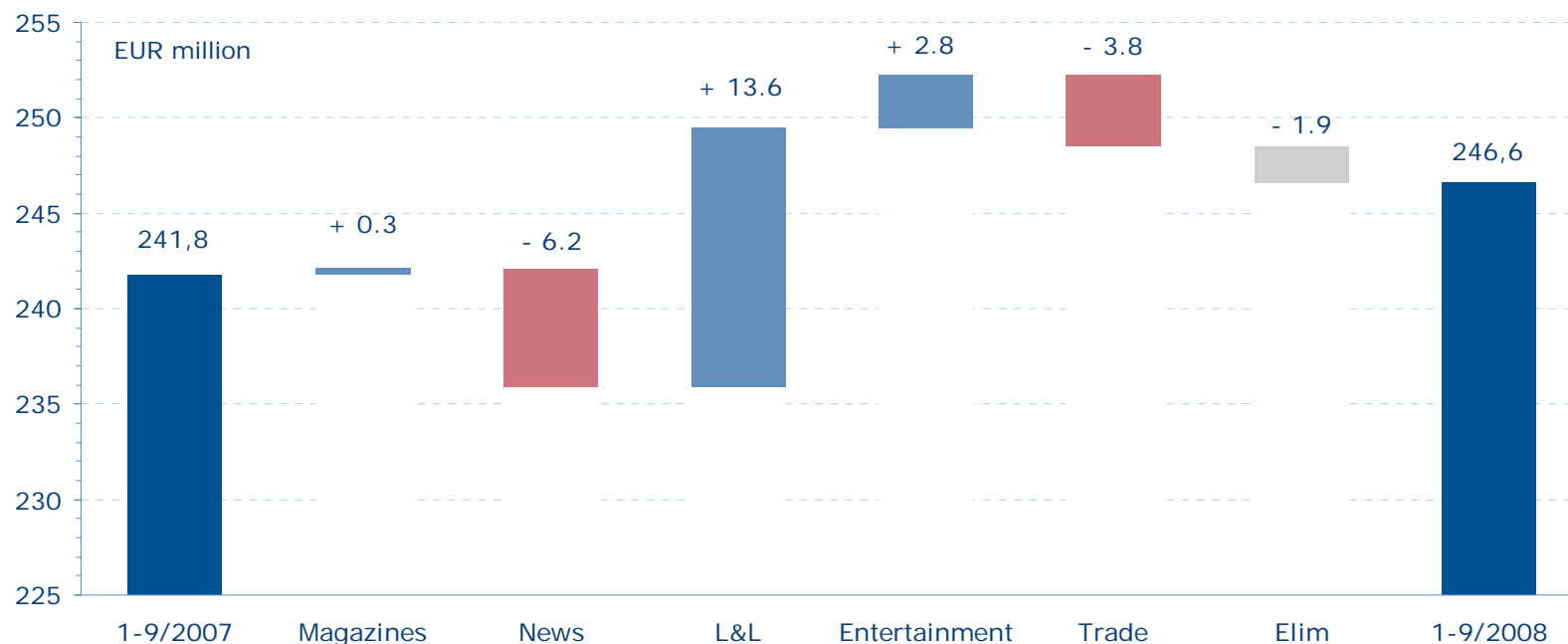
Net sales



Operating profit



EBIT Excluding Non-recurring Items Increased



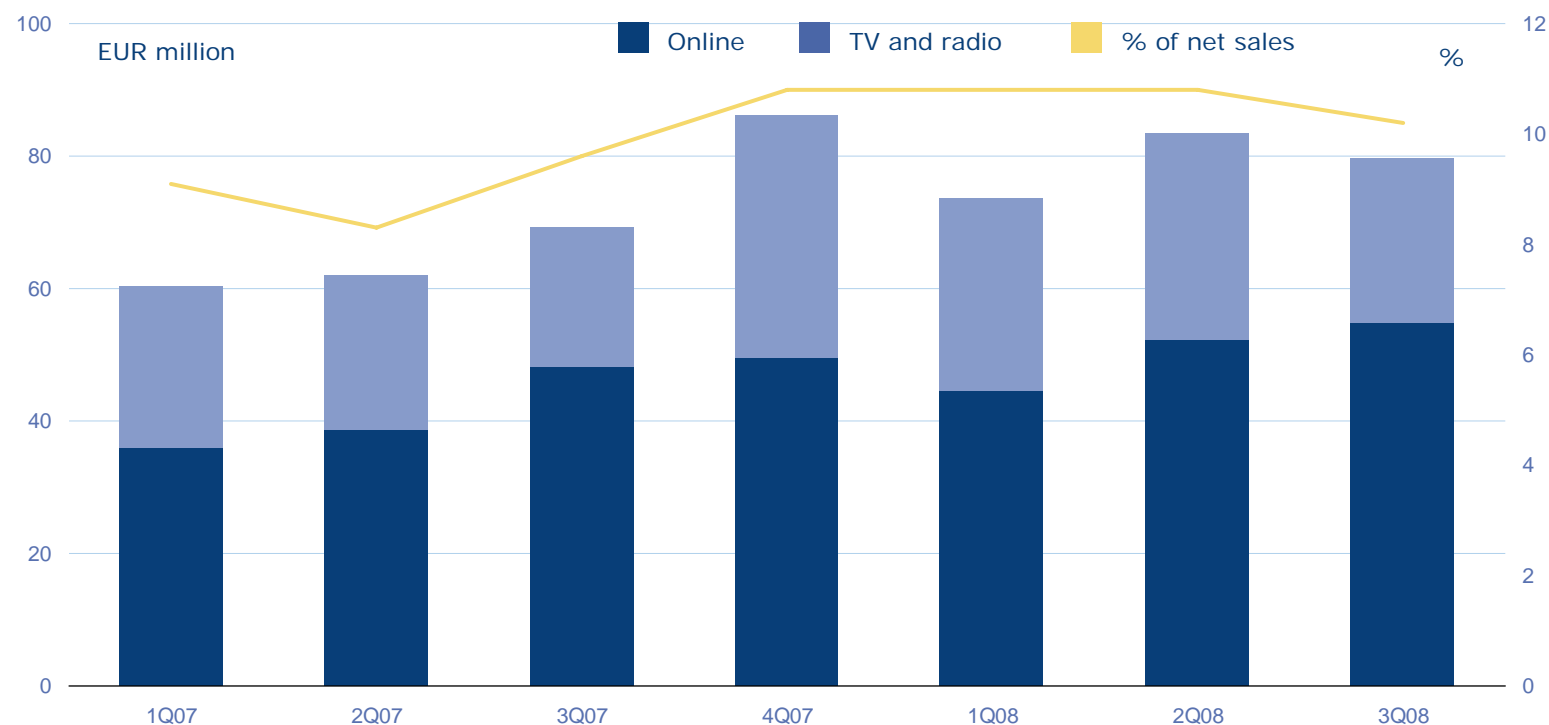
- News: Decrease of tabloid market and investments in digital business
- Learning & Literature: New educational publishing business in Poland
- Entertainment: Growth of TV and radio operations, good development of Welho
- Trade: Investments in kiosks and press distribution in Russia and Romania, decrease of distribution volumes in the Netherlands and launch costs of the renewed online bookstore

Advertising Sales 24% of Net Sales

- The growth of advertising sales clearly slowed down in main operating countries
- The 4Q08 development is unpredictable

	1-9/2008	1-9/2007
Sanoma Magazines	32%	29%
Sanoma News	53%	53%
Sanoma Entertainment	50%	53%
The Group	24%	23%

Digital Business 11% of Net Sales



- Online business continued to grow
- TV advertising in Finland strongest in the second and fourth quarter

Strong Balance Sheet

EUR million	30.9.2008	31.12.2007
Balance sheet total	3,649.1	3,192.3
Equity ratio, %	39.0	45.4
Net gearing, %	75.9	58.2
Interest-bearing liabilities	1,326.7	881.4
Interest-bearing net debt	1,021.5	793.3
Cash and cash equivalents	305.1	88.1

- Net debt/EBITDA 2.1
- Long term credit facility
- Preparing for the instability of the financial markets by increasing the cash balance

Investments in Print and Digital Media 3Q08

Investments in print

- Auto Trader, Classic Trader, Motor Trader, Transport Trader and Caravan & Camper Trader, the Netherlands
- Moje Zeme, Czech
- Best Life, Russia
- Aku Ankka Junior, the Netherlands
- Goedele, Belgium
- Elle Dekor, Serbia
- Uutislehti 100 and Metro free sheets merged, Finland



Investments in digital verticals

- NUwerk.nl, recruitment site
- JouwMobiel.nl, mobile phone site
- Kafe.cz, portal
- Hockey.nl + magazine for hockey fans
- Roditelji.hr, portal for parents
- Autotrader.nl, used cars site
- Net Info internet company, Bulgaria
- Igglo's housing portal, Finland



Name Changed on 1 Oct.



Business portfolio remained the same, e.g.



HELSINGIN SANOMAT

MALMBERG



ILTA-SANOMAT



WELHO



Sanoma Digital

perfekt
a Sanoma company



Sanoma Kaupunkilehdet



Sanoma Lehtimedia



The Outlook for 2008 has been changed

- In 2008, operating profit excluding non-recurring capital gains and expenses is expected to be at the previous year's level
 - In the comparable year, operating profit excluding non-recurring items was EUR 305.2 million
- In 2008, net sales are projected to grow, albeit at a somewhat slower rate than last year
 - In 2007, Group net sales increased by 6.7%



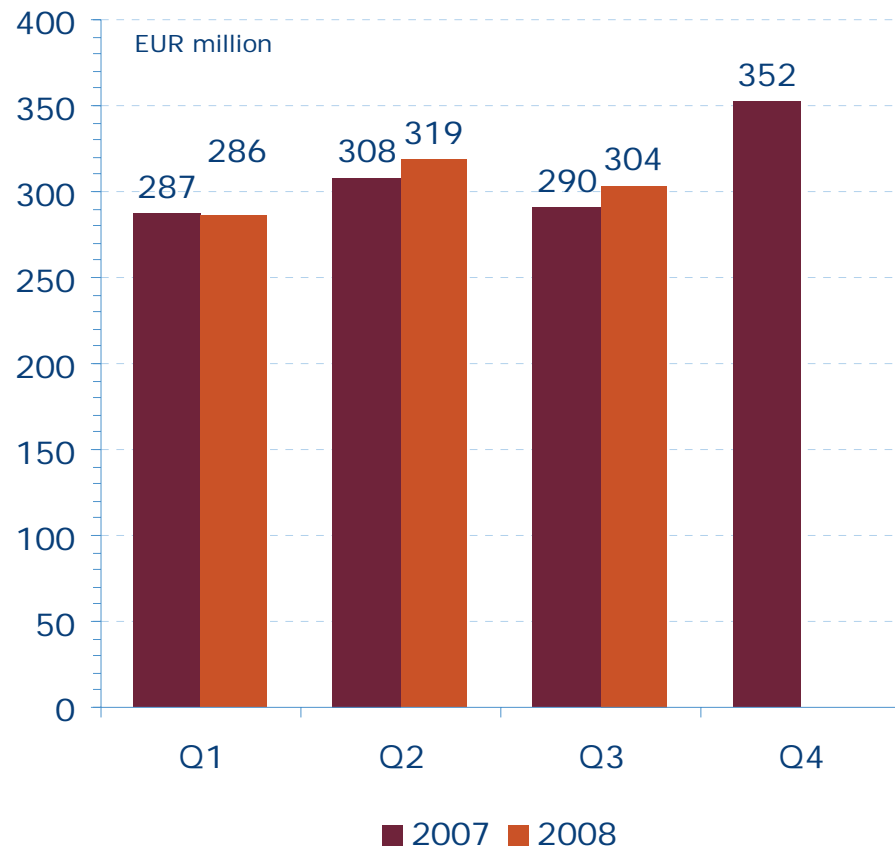
Inspires, Informs and Connects

Appendix

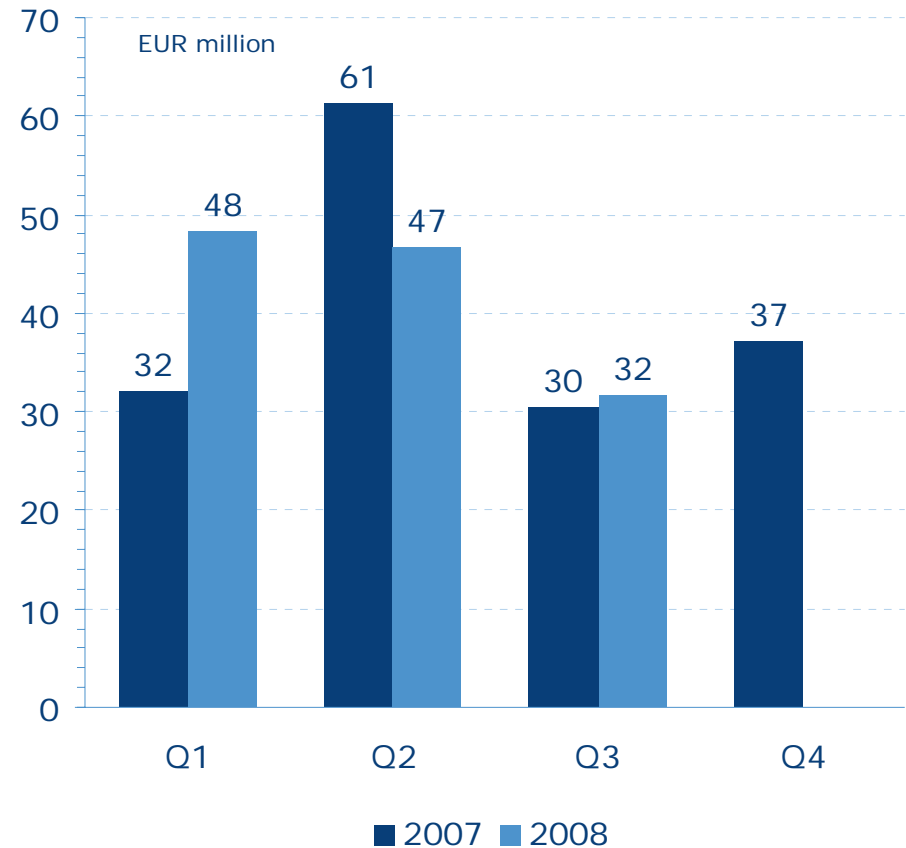
Divisions

Sanoma Magazines

Net sales



Operating profit



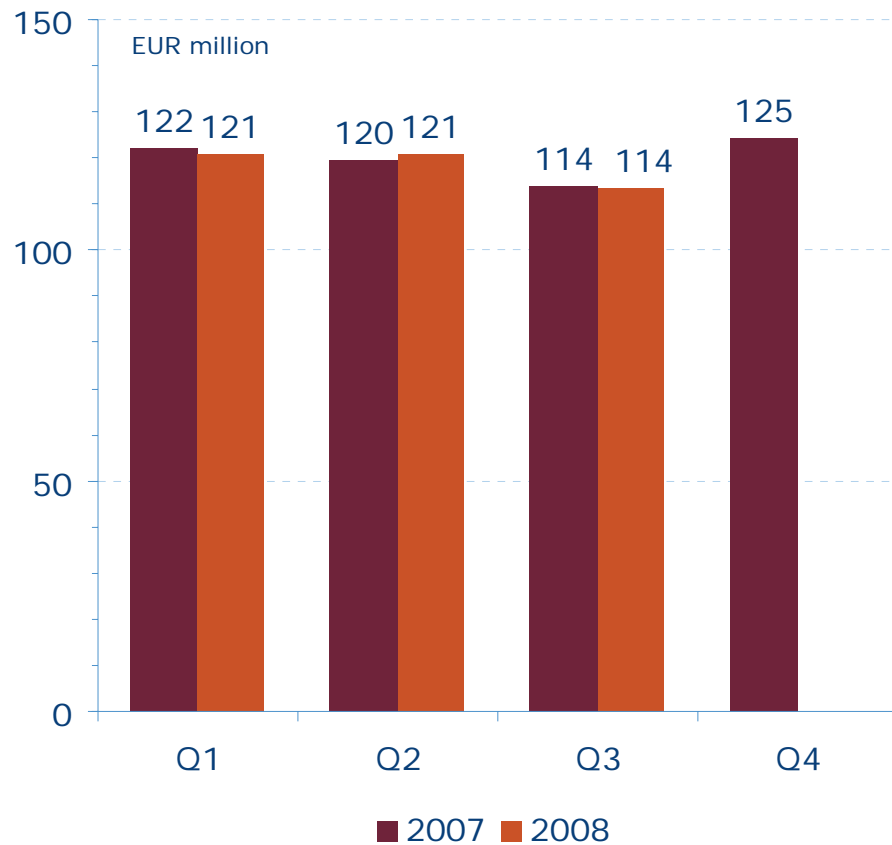
Sanoma Magazines

Key figures

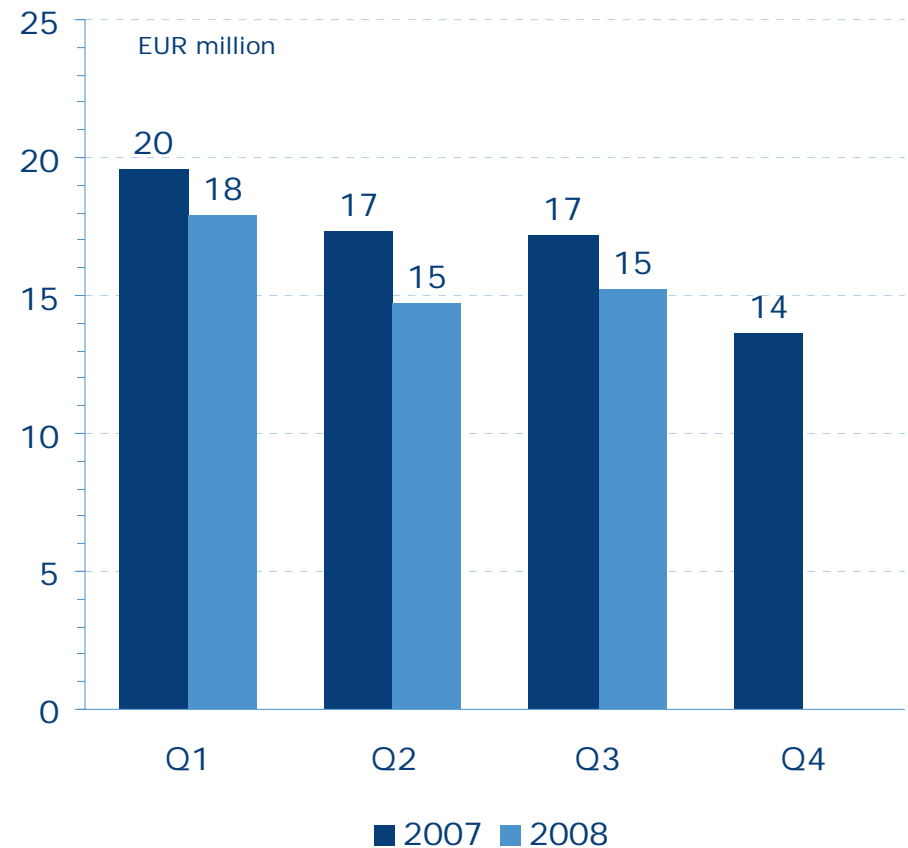
EUR million	7–9/2008	7–9/2007	1–9/2008	1–9/2007
Net sales	304.0	290.4	907.9	885.7
Sanoma Magazines Netherlands	124.8	129.2	371.7	385.6
Sanoma Magazines International	77.4	66.0	224.3	200.3
Sanoma Magazines Belgium	53.7	48.1	163.3	156.4
Sanoma Magazines Finland	49.1	48.1	151.7	146.8
Eliminations	-1.0	-1.0	-3.2	-3.3
Operating profit excluding non-recurring items	31.6	30.4	102.8	102.6
% of net sales	10.4	10.5	11.3	11.6
Operating profit	31.6	30.4	126.3	123.8
% of net sales	10.4	10.5	13.9	14.0
Capital expenditure			19.9	14.0
Average number of employees *			5,668	5,127

Sanoma News

Net sales



Operating profit



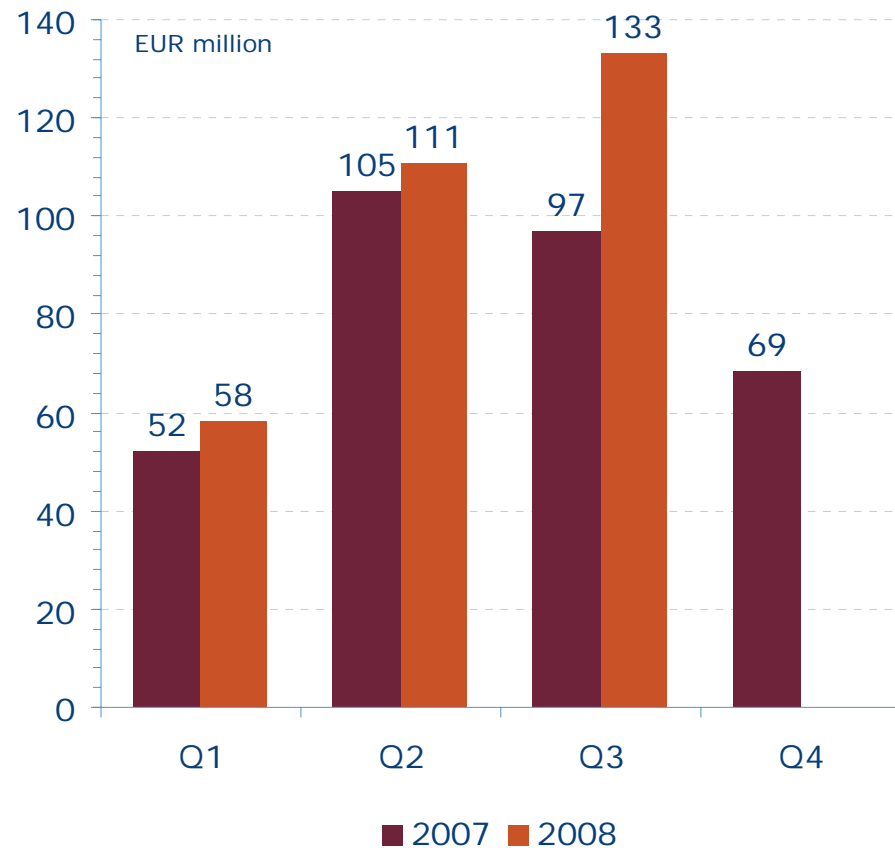
Sanoma News

Key figures

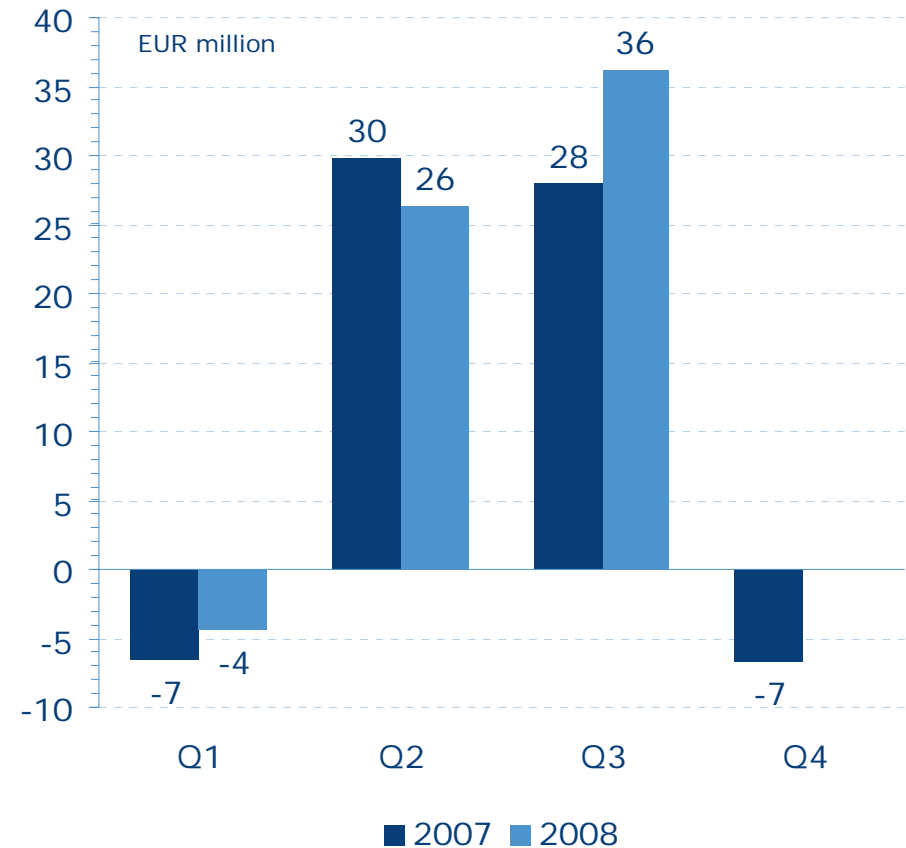
EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Net sales	113.5	114.0	355.5	356.2
Helsingin Sanomat	65.6	66.2	210.9	206.5
Ilta-Sanomat	22.5	22.9	69.1	71.2
Other publishing	22.1	22.6	67.8	71.6
Other businesses	37.1	37.0	113.6	113.5
Eliminations	-33.7	-34.8	-105.9	-106.6
Operating profit excluding non-recurring items	15.2	17.2	47.9	54.1
% of net sales	13.4	15.1	13.5	15.2
Operating profit	15.2	17.2	47.9	54.1
% of net sales	13.4	15.1	13.5	15.2
Capital expenditure			13.5	11.4
Average number of employees *			2,504	2,422

Sanoma Learning & Literature

Net sales



Operating profit



Sanoma Learning & Literature

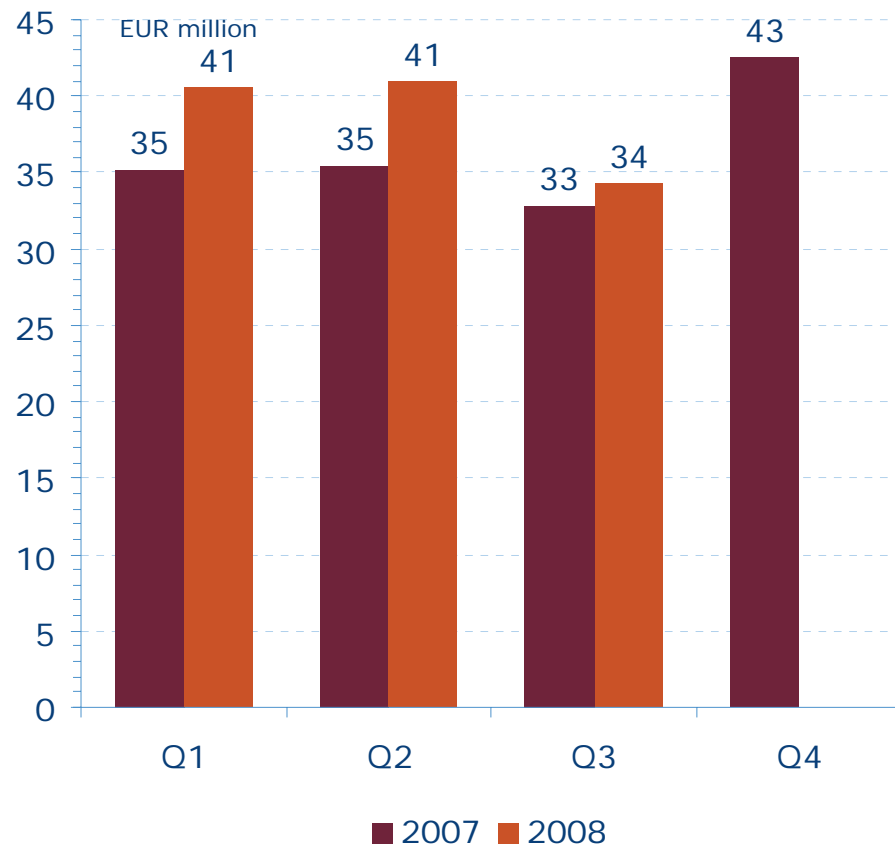
Key figures

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Net sales	133.2	97.0	302.0	254.0
Educational publishing	102.9	68.7	211.3	167.1
Publishing	22.6	20.7	70.8	67.7
Other businesses	14.1	14.2	37.5	37.1
Eliminations	-6.4	-6.5	-17.6	-17.9
Operating profit excluding non-recurring items	42.8	27.9	64.8	51.2
% of net sales	32.1	28.8	21.5	20.1
Operating profit	36.3	27.9	58.3	51.2
% of net sales	27.2	28.8	19.3	20,1
Capital expenditure			10,9	4,8
Average number of employees *			2,684	2,328

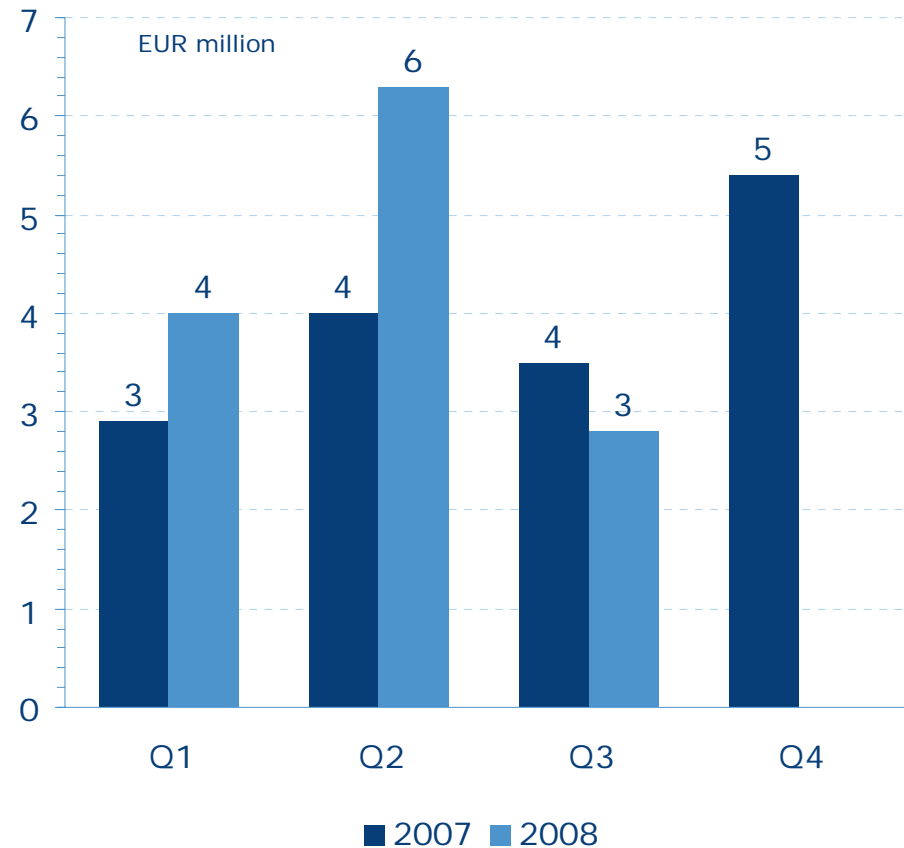
* Full-time equivalents

Sanoma Entertainment

Net sales



Operating profit



Sanoma Entertainment

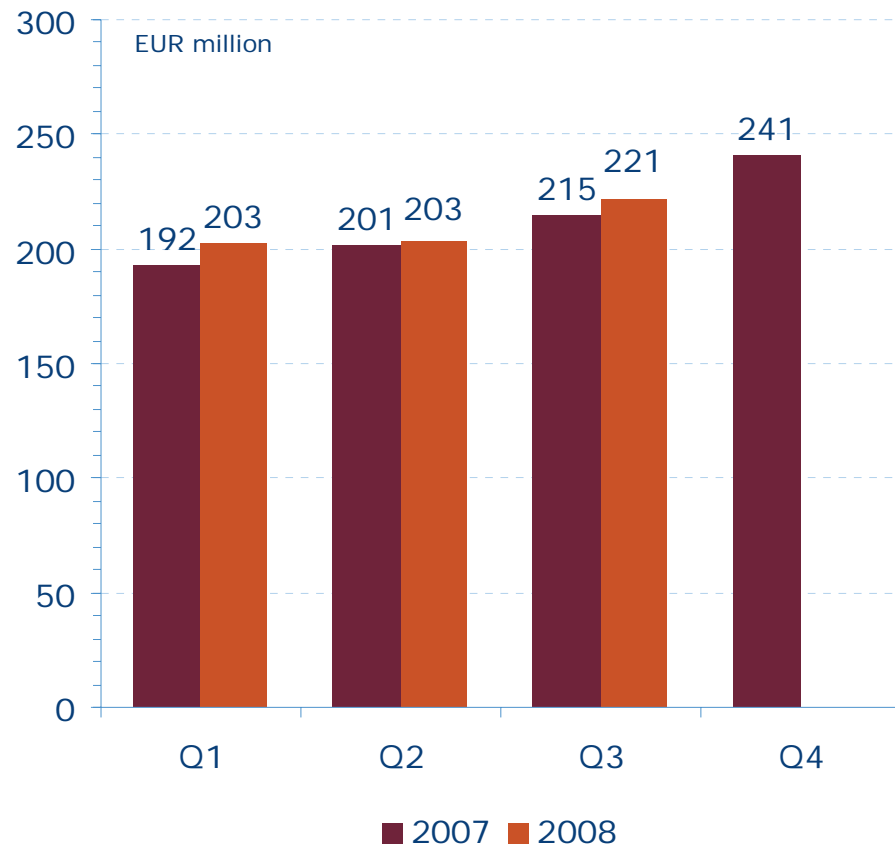
Key figures

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Net sales	34.7	32.8	116.1	103.4
TV and radio	18.0	16.3	65.1	56.7
Other businesses	16.8	16.7	51.5	47.4
Eliminations	-0.1	-0.2	-0.5	-0.6
Operating profit excluding non-recurring items	2.8	3.5	13.2	10.4
% of net sales	8.2	10.7	11.4	10.1
Operating profit	2.8	3.5	13.2	10.4
% of net sales	8.2	10.7	11.4	10.1
Capital expenditure			9.4	10.0
Average number of employees *			478	448

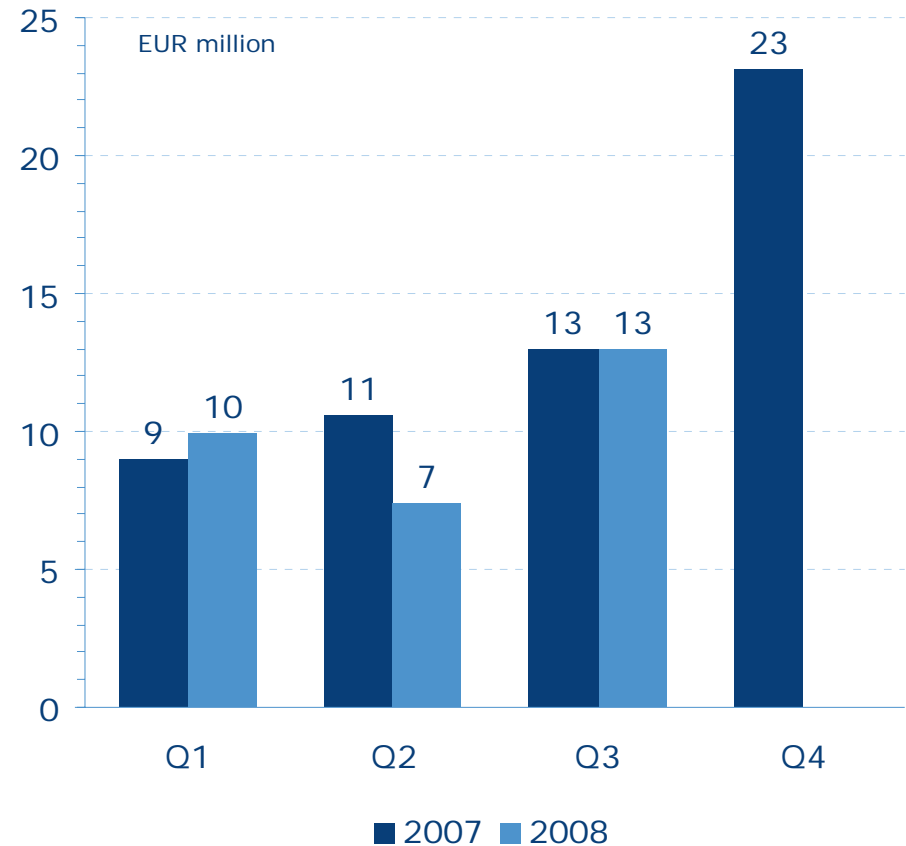
* Full-time equivalents

Sanoma Trade

Net sales



Operating profit



Sanoma Trade

Key figures

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Net sales	221.4	214.5	627.3	608.2
Kiosk operations	103.8	95.5	300.9	281.7
Press distribution	61.8	61.8	180.2	178.9
Bookstores	36.9	37.7	91.9	90.4
Movie operations	23.8	21.8	67.6	60.0
Others	0.0	2.1	0.0	9.4
Other businesses	-4.8	-4.3	-13.3	-12.2
Operating profit excluding non-recurring items	13.0	14.7	30.4	34.2
% of net sales	5.9	6.8	4.8	5.6
Operating profit	13.0	13.0	30.4	32.5
% of net sales	5.9	6.0	4.8	5.3
Capital expenditure			23.2	16.3
Average number of employees *			6,598	6,193