

2015

Q3

Interim Report

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Sanoma's Interim Report 1 January – 30 September 2015: Profitability at last year's level in the third quarter

Sanoma Corporation, Stock Exchange Release, 29 October 2015 at 8:30 CET+1

Third quarter

- Net sales amounted to EUR 458.8 million (2014: 477.8).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 0.4%.
- Operating profit excluding non-recurring items was EUR 62.5 million (2014: 62.1).
- Non-recurring items included in the operating profit amounted to EUR -52.5 million (2014: 15.5), mainly related to impairments as well as restructuring expenses. In the previous year, non-recurring items consisted mainly of sales gains and restructuring expenses.
- Earnings per share were EUR -0.04 (2014: 0.34).
- Earnings per share excluding non-recurring items were EUR 0.24 (2014: 0.24).
- Cash flow from operations was EUR 71.0 million (2014: 89.9).

First nine months

- Net sales amounted to EUR 1,307.8 million (2014: 1,449.1).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 3.7%.
- Operating profit excluding non-recurring items was EUR 92.1 million (2014: 124.4).
- Non-recurring items included in the operating profit amounted to EUR -83.9 million (2014: 118.5), mainly related to impairments, sales gains and losses as well as restructuring expenses. In the previous year, non-recurring items consisted mainly of sales gains, restructuring expenses as well as a capital loss and write-down related to the sale of Belgian TV operations.
- Earnings per share were EUR -0.22 (2014: 0.97).
- Earnings per share excluding non-recurring items were EUR 0.22 (2014: 0.38).
- Cash flow from operations was EUR -42.6 million (2014: 23.6).

Additional information regarding the fourth quarter of 2015

As part of its ongoing review of TV rights, Sanoma has done an initial valuation for programme rights in the Netherlands. Changes in the competitive landscape and consumer habits will lead to a devaluation especially of international fiction. As a result, the valuation will most likely lead to an additional amortisation of around EUR 14-18 million in the fourth quarter of 2015. This does not change the Group's outlook for 2015.

Outlook (unchanged)

In 2015, Sanoma expects that the Group's consolidated net sales growth adjusted for structural changes will be around the previous year's development (2014: -3.7%). The operating profit margin excluding non-recurring items is estimated to be above 4% of net sales (2014: 6.2% of net sales).

Key indicators (based on reported figures, not adjusted for structural changes)

EUR million	7-9/ 2015	7-9/ 2014	Change %	1-9/ 2015	1-9/ 2014	Change %	1-12/ 2014
Net sales	458.8	477.8	-4.0	1,307.8	1,449.1	-9.8	1,901.6
Operating profit excluding non-recurring items	62.5	62.1	0.6	92.1	124.4	-26.0	118.8
% of net sales	13.6	13.0		7.0	8.6		6.2
Operating profit	10.1	77.6	-87.0	8.2	242.9	-96.6	133.8
Result for the period	-3.1	57.0		-26.3	165.7		61.6
Capital expenditure *	12.9	9.1	42.3	43.2	32.0	34.9	50.7
% of net sales	2.8	1.9		3.3	2.2		2.7
Return on equity (ROE), % **				-11.0	11.0		4.9
Return on investment (ROI), % **				-4.0	9.7		6.5
Equity ratio, %				41.2	41.9		42.2
Net gearing, %				73.5	65.4		66.7
Number of employees at the end of the period (FTE)				6,650	7,731	-14.0	7,583
Average number of employees (FTE)				6,935	8,452	-17.9	8,259
Earnings/share, EUR	-0.04	0.34		-0.22	0.97		0.32
Cash flow from operations/share, EUR	0.44	0.55	-21.0	-0.26	0.14		0.45
Equity/share, EUR				5.24	5.92	-11.5	5.54

* Including finance leases.

** Rolling 12-month period.

Organic growth, %

	7-9/2015 vs. 7-9/2014	1-9/2015 vs. 1-9/2014	1-12/2014 vs. 1-12/2013
Media BeNe	-0.3	-2.6	-2.7
Media Finland	-5.0	-4.5	-5.3
Learning	6.4	-1.5	1.0
Other	-22.2	-28.7	-14.2
Group	-0.4	-3.7	-3.7

Susan Duinhoven, President and CEO

“Since joining Sanoma as President and CEO at the beginning of October 2015, I've been impressed by the strength of Sanoma's local brands and their superior reach, the great content that consumers engage with and the talented people in the organisation.

The Dutch and Belgian (BeNe) media business is realising the benefits of its strategy of positioning cross-media domains, experiencing growth in Q3 when sales are normalised for the current portfolio. Positive developments can be seen in Home Deco and certain pockets of the Women domain, such as LINDA. SBS had a solid quarter with improvements in the total viewing share. The clear choices made in portfolio management, as well as a consistent focus on execution and cost control is paying off in the BeNe media business.

In Media Finland, the growth of online and mobile advertising and digital subscriptions, as well as the stable circulation sales of Helsingin Sanomat, gives our team a solid foundation to improve financial performance.

The co-operation negotiations concerning Media Finland and Group-wide support functions, which were instigated as part of the EUR 50 million cost savings initiative launched in August 2015, were completed last week. We are on track to implement the majority of these savings by the end of this year, with most of the benefits realised in 2016. Cost innovation will be a continuing focus area for the whole of Sanoma also in the coming years.

Learning is on track to deliver its full year targets, although challenges in the Polish business are continuing, due to changes in the regulatory environment. Successful counteractive measures are being implemented to combat these challenges. The digital transformation in Learning is progressing well with the popular e-learning platform Bingel now available in Finland too.”

Group outlook (unchanged)

In 2015, Sanoma expects that the Group's consolidated net sales growth adjusted for structural

changes will be around the previous year's development (2014: -3.7%). The operating profit margin excluding non-recurring items is estimated to be above 4% of net sales (2014: 6.2% of net sales).

Net sales

Third quarter

In July–September, Sanoma's net sales decreased by 4.0% and amounted to EUR 458.8 million (2014: 477.8). A difficult advertising market burdened net sales especially in Finland. Divestments of non-core operations had a major impact on net sales. Learning's net sales developed positively, as did TV and online and mobile sales in the media operations. As a result, new media sales grew by 6.0% to EUR 128.0 million (2014: 120.7). Adjusted for changes in the Group structure, net sales decreased by 0.4%.

Advertising sales decreased by 5.8% to EUR 129.3 million (2014: 137.3). Circulation sales decreased by 12.0% to EUR 145.8 million (2014: 165.6). Advertising and circulation sales were negatively impacted by divestments of non-core operations. Learning's net sales increased by 7.8% to EUR 121.8 million (2014: 113.0). Other sales increased by 0.1% to EUR 62.0 million (2014: 61.9).

First nine months

In January–September, Sanoma's net sales decreased by 9.8% and amounted to EUR 1,307.8 million (2014: 1,449.1). New media sales grew by 3.6% to EUR 404.5 million (2014: 390.7). Higher new media sales did not offset the decline in print sales. Divestments of non-core operations had a major impact on net sales. Adjusted for changes in the Group structure, net sales decreased by 3.7%. The closure of magazine titles in the Netherlands and Finland also had a negative impact.

Advertising sales decreased by 9.8% to EUR 426.5 million (2014: 472.8). Circulation sales decreased by 14.1% to EUR 443.1 million (2014: 516.0). Advertising and circulation sales were negatively impacted by divestments of non-core operations. Learning's net sales decreased by 1.5% to EUR 257.1 million (2014: 261.1). Other sales decreased by 9.2% to EUR 181.0 million (2014: 199.3).

Group's net sales by country, %

	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Netherlands	40.9	38.4	43.3	41.0	41.8
Finland	32.4	34.4	36.5	37.6	38.0
Belgium	11.5	12.9	12.0	10.9	11.1
Other	15.3	14.3	8.2	10.4	9.1
Total Group	100.0	100.0	100.0	100.0	100.0

Group's net sales by type of sales, %

	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Advertising	28.2	28.7	32.6	32.6	34.3
Subscription	20.8	22.4	22.3	22.9	23.1
Single copy	11.0	12.2	11.6	12.8	12.7
Learning	26.5	23.6	19.7	18.0	15.4
Other	13.5	13.0	13.8	13.8	14.6
Total Group	100.0	100.0	100.0	100.0	100.0

Other sales mainly include press distribution and marketing services, language and translation services, custom publishing, event marketing, books and printing services.

Result**Third quarter**

In July-September, Sanoma's operating profit excluding non-recurring items totalled EUR 62.5 million (2014: 62.1). Profitability improved mainly due to strong performance in the Dutch media operations as well as higher sales in Learning. Finnish media operations were burdened by negative print advertising and higher amortisations of TV rights.

The operating profit margin excluding non-recurring items was 13.6% (2014: 13.0%) of net sales.

In the third quarter, the Group's total expenses, excluding non-recurring items, decreased by 6.6%. The cost of sales decreased by 6.4% and fixed costs by 6.8%. Paper costs decreased by 15.4%, transport and distribution service by 7.3% and employee benefit expenses by 8.8%.

In July-September, operating profit included EUR -52.5 million (2014: 15.5) of non-recurring items mainly related to impairments as well as

restructuring expenses. In the previous year, non-recurring items consisted mainly of sales gains and restructuring expenses.

Sanoma's net financial items totalled EUR -7.2 million (2014: -7.3). The result before taxes amounted to EUR 2.9 million (2014: 70.3) in the third quarter. Earnings per share were EUR -0.04 (2014: 0.34). Earnings per share excluding non-recurring items were EUR 0.24 (2014: 0.24).

First nine months

In January-September, Sanoma's operating profit excluding non-recurring items totalled EUR 92.1 million (2014: 124.4). Lower performance in Finland and the legislative changes in Learning's Polish business had a negative impact on profitability. Divestments of non-core operations explain around half of the decrease in operating profit excluding non-recurring items.

The operating profit margin excluding non-recurring items was 7.0% (2014: 8.6%) of net sales.

In the first nine months, the Group's total expenses, excluding non-recurring items, decreased by 10.9%. The cost of sales decreased by 14.2% and fixed costs by 8.8%. Paper costs decreased by 21.0%, transport and distribution service by 13.4% and employee benefit expenses by 11.7%.

In January–September, operating profit included net of EUR -83.9 million (2014: 118.5) of non-recurring items, mainly related to impairments, sales gains and losses, and restructuring expenses. In the previous year, non-recurring items consisted mainly of sales gains and restructuring expenses as well as a capital loss and write-down related to the sale of Belgian TV operations.

Sanoma's net financial items totalled EUR -18.8 million (2014: -30.8). The improvement is partly related to the non-recurring release of a lease liability. The result before taxes amounted to EUR -9.3 million (2014: 212.3) in the first nine months. Earnings per share were EUR -0.22 (2014: 0.97). The decrease is mainly related to the non-recurring items. Earnings per share excluding non-recurring items were EUR 0.22 (2014: 0.38).

Additional information regarding the fourth quarter of 2015

As part of its ongoing review of TV rights, Sanoma has done an initial valuation for programme rights in the Netherlands. Changes in the competitive landscape and consumer habits will lead to a devaluation especially of international fiction. As a result, the valuation will most likely lead to an additional amortisation of around EUR 14-18 million in the fourth quarter of 2015. This does not change the Group's outlook for 2015.

Balance sheet and financial position

At the end of September 2015, Sanoma's consolidated balance sheet totalled EUR 2,961.2 million (2014: 3,171.0). The decrease is mainly attributable to divestments as well as impairments of goodwill in the fourth quarter of 2014.

In January–September, the Group's cash flow from operations decreased to EUR -42.6 million (2014: 23.6) as a result of lower profitability, change in working capital and higher taxes related to the gain

on the sale of Sanoma House. Cash flow from operations per share was EUR -0.26 (2014: 0.14).

Sanoma's equity ratio was 41.2% (2014: 41.9%) at the end of September 2015. The return on equity (ROE) was -11.0% (2014: 11.0%) and the return on investment (ROI) was -4.0% (2014: 9.7%). Equity totalled EUR 1,158.3 million (2014: 1,262.6). Equity per share was EUR 5.24 (2014: 5.92). Interest-bearing liabilities decreased to EUR 922.3 million (2014: 937.1). Interest-bearing net debt was EUR 851.7 million (2014: 825.2).

Investments, acquisitions and divestments

In January-September 2015, investments in tangible and intangible assets, including finance leases, amounted to EUR 43.2 million (2014: 32.0). Investments were mainly related to digital business and ICT systems.

In August 2013, Sanoma announced the divestment of its Romanian operations. As a result of the transaction, Sanoma recognised a capital loss of EUR 1.1 million in the first quarter of 2014.

In August 2013, Sanoma announced the divestment of Sanoma Bliasad Bulgaria. As a result of the transaction, Sanoma recognised a capital loss of EUR 0.5 million in the second quarter of 2014.

In October 2013, Sanoma sold its Learning operations in Hungary. As a result of the transaction, Sanoma recognised a capital loss of EUR 35.3 million in 2013 and a positive adjustment to the capital loss of EUR 8.6 million in the third quarter of 2014.

In December 2013, Sanoma announced the divestment of its Czech operations. As a result of the transaction, Sanoma recognised a capital gain of EUR 1.0 million in 2014.

In January 2014, Sanoma sold its Sanomala printing facility and office properties located in Martinlaakso, Vantaa, as well as office and production properties located in Koivuvaara, Vantaa. As a result of the transaction in Koivuvaara, Sanoma recognised a non-recurring impairment of EUR 5.6 million in the fourth quarter of 2013 to reflect the sales price. The sale of Sanomala resulted in a capital gain of EUR 37.9 million, recognised in the first quarter of 2014.

In February 2014, Sanoma sold its Finnish press distribution company Lehtipiste. As a result of the

transaction, Sanoma recognised a capital gain of EUR 23.6 million.

In March 2014, Sanoma sold Sanoma House through a sale and leaseback transaction. As a result of the transaction, Sanoma recognised a capital gain of EUR 110.5 million.

In March 2014, Sanoma acquired the Belgian school and teacher management software company Pronoia.

In March 2014, Sanoma Pro, the Finnish learning business, sold its B2B operations (digital and training services and business books). As a result of the transaction, Sanoma recognised a capital gain of EUR 0.6 million in the second quarter.

In April 2014, Sanoma announced the divestment of its majority ownership in Sanoma Lehtimedia (a publisher of newspapers in southeast Finland) and in local printing companies. The first stage of the corporate arrangement was completed in January 2015, and the company will transfer fully to the ownership of Länsi-Savo in five years. As a result of the transaction, Sanoma recognised a capital gain of EUR 15.2 million in the first quarter of 2015.

In April 2014, Sanoma announced the divestment of its Hungarian media operations. As a result of the transaction, Sanoma recognised a capital gain of EUR 4.3 million in the third quarter.

In June 2014, Sanoma sold Wees Wegwijs, a small part of Sanoma's Belgian learning business. As a result of the transaction, Sanoma recognised a capital loss of EUR 1.5 million.

In June and July 2014, Sanoma announced the divestments of 22 of its Dutch magazine titles. As a result of the two transactions, Sanoma recognised in total a capital gain of EUR 10.8 million in the third quarter.

In June 2014, Sanoma announced the divestment of its stake in De Vijver Media (SBS Belgium). As part of the arrangement, Sanoma increased its ownership of HUMO NV from 33% to 100% with immediate effect. As a result of the transaction, Sanoma recognised a

write-down of EUR 26.0 million to reflect the sales price of Belgian TV operations. In addition, Sanoma recognised a capital loss of EUR 8.0 million related to Sanoma's share of HUMO owned by De Vijver Media.

In June 2014, Sanoma announced the divestment of four of its Finnish magazine titles. As a result of the transaction, Sanoma recognised a capital gain of EUR 3.1 million in the third quarter.

In September 2014, Sanoma increased its ownership in the Dutch e-commerce company SB Commerce from 40% to 100%.

In November 2014, Sanoma sold its ownership in Croatian Adria Media Zagreb.

In December 2014, Sanoma announced the divestment of its 50% ownership in Russian Fashion Press. In August 2015, Sanoma was informed that the Russian Government Commission for Monitoring Foreign Investments has at this time decided not to issue approval for the transaction.

In December 2014, Sanoma announced the sale of real estate located in Southeast Finland. The transaction will be finalised in 2017.

In March 2015, Sanoma increased its ownership in the Finnish mobile marketing company Routa from 25% to 51%.

In April 2015, Sanoma sold its 33.3% stake in Delovoi Standard, the publisher of Russia's leading daily financial newspaper Vedomosti. Additionally, Sanoma sold its United Press portfolio of titles. As a result of the transactions, Sanoma recognised a capital loss of EUR 6.7 million, including the currency translation adjustment.

In May 2015, Sanoma announced the divestments of three of its Belgian magazine titles. The transaction was closed in September. As a result of the transaction, Sanoma recognised a capital loss of EUR 12.0 million.

Non-recurring items

EUR million	7-9 2015	7-9 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Media BeNe					
Impairment of goodwill and intangible assets	-2.5	-4.9	-3.8	-4.9	-16.6
Impairment of equity-accounted investees **		-0.8		-0.8	-0.8
Gain/loss on sale (Netherlands, magazines)		10.3	-0.2	10.3	10.8
Write-down to reflect the sales price (Belgium, TV) **				-34.0	-34.0
Loss on sale (Belgium, magazines) ***	1.5		-12.0		
IFRS-pensions curtailment effect		6.4		6.4	6.4
Restructuring expenses	-6.3	-4.3	-23.0	-27.3	-42.6
Media Finland					
Gain on sale (real estate, Sanomala) *				37.9	37.9
Gain on sale (real estate, Sanoma House)				110.5	110.5
Gain on sale (magazines)		3.1	1.7	3.1	3.1
Gain on sale (regional newspapers)			15.2		
Compensation and impairment related to an ICT system		-0.1		-0.9	-1.3
Impairment of building	-11.2		-11.2		
Restructuring expenses	-2.5	-0.4	-3.5	-5.5	-14.9
Learning					
Loss on sale (Belgium)				-1.5	-1.5
Adjustment to capital loss (Hungary)		8.6		8.6	8.6
Restructuring expenses	-0.6		-1.7		-3.4
Other companies					
Net of gain on sale and realisation of cumulative FX loss (Russia)	0.1		-6.7		
Loss on sale (Romania)				-1.1	-1.1
Gain on sale (Czech Republic)		-0.2		1.0	1.0
Gain on sale (Hungary)		1.6		1.6	4.3
Loss on sale of joint venture (Bulgaria) **				-0.5	-0.5
Impairment of goodwill and intangible assets					-24.9
Impairment and realisation of cumulative FX loss - Equity-accounted investees Russia and Ukraine **					-40.4
Impairment of equity-accounted investees **	-25.0	-2.2	-25.0	-2.2	-2.3
Gain on sale (press distribution in Finland)				23.6	23.6
Restructuring expenses	-6.0	-1.5	-13.7	-5.9	-6.9
NON-RECURRING ITEMS IN OPERATING PROFIT	-52.5	15.5	-83.9	118.5	15.0
Media Finland					
Fair value remeasurement of previously held equity interest (mobile marketing company Routa)			1.9		
NON-RECURRING ITEMS IN RESULTS OF ASSOCIATED COMPANIES			1.9		
Restructuring expenses (termination of lease agreement)			5.5		-2.7
Impairment losses on available-for-sale investments					-0.1
NON-RECURRING ITEMS IN FINANCIAL INCOME AND EXPENSES			5.5		-2.8

* EUR 12.6 million of the gain on sale of Sanomala is included in Other companies' figures.

** Is included in the income statement on the share of results in joint ventures.

*** EUR -35.4 million of the loss on sale is included in 'Other companies' figures.

Consumer Media

The Consumer Media segment includes two strategic business units: Media BeNe and Media Finland.

Consumer Media sales by type of sales, %

	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Advertising	39.2	38.1	41.4	40.8	41.5
Subscription	29.1	30.4	28.5	29.6	28.7
Single copy	15.3	16.5	14.7	15.6	15.1
Other	16.5	14.9	15.4	14.0	14.8
Total Consumer Media	100.0	100.0	100.0	100.0	100.0

Other sales mainly include custom publishing, event marketing, books, printing services and press distribution services.

Circulation sales growth, % (based on reported figures, not adjusted for structural changes)

	7-9/2015 vs. 7-9/2014			1-9/2015 vs. 1-9/2014		
	Subscription	Single copy	Total circulation	Subscription	Single copy	Total circulation
Media BeNe	-9	-16	-12	-8	-13	-10
Media Finland	-12	-8	-11	-13	-8	-12
of which Magazines incl. online	-14	-18	-14	-15	-22	-15
of which Newspapers incl. online	-16	-6	-13	-16	-5	-13
of which Pay-TV & Pay-VOD	+26	-24	+23	+22	-23	+19
Total Consumer Media	-11	-14	-12	-10	-12	-11

Advertising sales growth, % (based on reported figures, not adjusted for structural changes)

	7-9/2015 vs. 7-9/2014				1-9/2015 vs. 1-9/2014			
	Print	Online & TV & Radio Mobile	Total advertising		Print	Online & TV & Radio Mobile	Total advertising	
Media BeNe	-9	+5	+6	+2	-9	+1	0	-2
Media Finland	-25	+7	-4	-11	-23	+1	-1	-11
Total Consumer Media	-19	+6	+3	-4	-18	+1	0	-6

Media BeNe

Sanoma Media BeNe includes Dutch and Belgian consumer media operations as well as the Dutch press distribution business Aldipress. In the Netherlands, Sanoma has a leading portfolio with strong brands and strong market positions in every part of the media industry: magazines, TV, events, custom media, e-commerce sites and apps. In Belgium, Sanoma is a prominent multi-media company, with quality magazines, radio and digital media. Our portfolio consists of many leading brands, including AutoWeek, Donald Duck, Flair, Flow, Kieskeurig.nl, Libelle, LINDA., Margriet, NU.nl, Schoolbank.nl, Startpagina.nl, Tina, VIVA and vtwonen. In the Netherlands Sanoma has four free-to-air TV channels: Net5, SBS6, SBS9 and Veronica.

- Net sales declined during the quarter driven by divestments and the closure of non-focus magazine titles.
- Operating profit excluding non-recurring items improved in the third quarter due to a better result in SBS, increased cost efficiency and a streamlined product portfolio.
- The viewing share of SBS TV operation improved from 19.8% to 21.3% during the first nine months of 2015.
- As part of its ongoing review of TV rights, Sanoma has done an initial valuation for programme rights in the Netherlands. Changes in the competitive landscape and consumer habits will lead to a devaluation especially of international fiction. As a result, the valuation will most likely lead to an additional amortisation of around EUR 14-18 million in the fourth quarter of 2015. This does not change the Group's outlook for 2015.

Key indicators (based on reported figures, not adjusted for structural changes)

EUR million	7-9/ 2015	7-9/ 2014	Change %	1-9/ 2015	1-9/ 2014	Change %	1-12/ 2014
Net sales	196.4	203.6	-3.6	601.9	629.3	-4.4	870.8
Digital	70.6	67.8	4.2	221.6	218.3	1.5	308.6
Online & mobile	19.8	20.1	-1.7	62.3	62.3	0.0	87.2
TV	50.8	47.7	6.6	159.3	156.0	2.1	221.4
Print	102.6	115.6	-11.3	317.6	356.3	-10.8	479.4
Magazines	102.6	115.6	-11.3	317.6	356.3	-10.8	479.4
Other	23.1	20.2	14.8	62.6	54.7	14.4	82.8
Operating profit excluding non-recurring items *	20.1	13.9	44.8	53.0	47.8	10.8	71.2
% of net sales	10.2	6.8		8.8	7.6		8.2
Operating profit	17.2	20.5	-16.1	49.5	-2.5		-5.7
Capital expenditure	2.4	2.1	15.8	7.4	6.0	22.2	10.5
Number of employees at the end of the period (FTE)				2,045	2,550	-19.8	2,483
Average number of employees (FTE)				2,137	2,683	-20.4	2,644

* Non-recurring items are presented in a separate table on page 8.

Operational indicators, %

	1-9/ 2015	1-9/ 2014	1-12/ 2014
Dutch TV operations			
TV channels' share of TV advertising	24.6	24.2	24.0
TV channels' national viewing share (20-54 years)	21.3	19.8	20.0

Third quarter

In July-September, net sales in Media BeNe decreased by 3.6% to EUR 196.4 million (2014: 203.6) as a result of divestments and the closure of magazine titles. Adjusted for structural changes, net sales decreased by 0.3%.

New media sales increased by 6.6% to EUR 80.8 million (2014: 75.8) as a result of improved viewing shares in the TV operations.

Advertising sales grew by 2.1% as a combination of strong TV as well as online and mobile sales. Advertising sales represented 37.9% (2014: 35.8%) of net sales. Circulation sales decreased by 12.0% and represented 40.9% (2014: 44.8%) of net sales.

Sanoma estimates that the advertising market in the Netherlands increased on a net basis in online including search by 9% and in TV by 11%. The advertising market decreased in consumer magazines by 18% in July-September. Sanoma

estimates that the total advertising market increased by 4% in the third quarter in the Netherlands. Sanoma estimates that the advertising market in Belgium decreased on a gross basis in magazines by 4%.

Operating profit excluding non-recurring items in Media BeNe in July-September increased to EUR 20.1 million (2014: 13.9) due to the solid performance of SBS TV operations and the Dutch magazine business.

Non-recurring items included in the operating profit totalled EUR -7.2 million (2014: 6.6) and were mainly related to restructuring expenses. In the comparable period, non-recurring items were mainly related to divestments of non-focus titles as well as impairments and restructuring expenses.

Media BeNe's investments in tangible and intangible assets totalled EUR 2.4 million (2014: 2.1) in July-September and consisted mainly of investments related to ICT.

Media Finland

Sanoma Media Finland is the leading multichannel media company in Finland. We provide information, experiences and entertainment through magazines, newspapers, TV, radio, online and mobile channels. We have leading brands and services, including Aku Ankka, Gloria, ET, Helsingin Sanomat, Huuto.net, Hyvä Terveys, Ilta-Sanomat, Jim, Kodin Kuvalehti, Liv, Me Naiset, Metro, Oikotie, Nelonen, Radio Aalto, Radio Rock, Radio Suomipop, Ruutu and Taloussanomat, which reach almost all Finns every day.

- Online and mobile sales grew by 20% in the third quarter. However, print advertising remained weak and cautious consumer spending is visible in circulation. In addition, higher TV programming amortisations burdened the profitability.
- A valuation for TV rights of ice hockey league season 2015–2016 completed in the third quarter will lead to an additional amortisation in total of around EUR 3 million (net) in 2015. In the third quarter, the additional amortisation was around EUR 6 million compared to the third quarter 2014. Therefore, in the fourth quarter 2015, the amortisation will be around EUR 2.5 million less than in the previous year.
- During the third quarter, Sanoma announced the closure of its printing facility in Forssa. After the closure, Sanoma has two printing facilities in Finland.
- Divestments, especially the sale of regional newspaper business Sanoma Lehtimedia had a visible impact in Media Finland's net sales in the third quarter. In 2014, Lehtimedia's sales were EUR 37 million.

Key indicators (based on reported figures, not adjusted for structural changes)

EUR million	7–9/ 2015	7–9/ 2014	Change %	1–9/ 2015	1–9/ 2014	Change %	1–12/ 2014
Net sales	131.9	148.0	-10.9	420.6	471.6	-10.8	637.2
Digital	46.6	43.5	7.3	153.5	145.4	5.5	198.7
Online & Mobile	22.1	18.3	20.4	69.8	61.7	13.1	84.8
TV & Radio	24.6	25.1	-2.2	83.8	83.8	0.0	113.8
Print	84.8	103.1	-17.8	264.9	321.9	-17.7	432.5
Magazines	26.8	31.8	-15.5	83.1	99.4	-16.4	134.4
Newspapers	58.1	71.8	-19.1	182.2	224.0	-18.7	300.3
Eliminations	-0.2	-0.4		-0.4	-1.6		-2.2
Other	0.5	1.4	-63.8	2.1	4.3	-50.5	6.0
Operating profit excluding non-recurring items*	2.0	9.9	-80.1	-2.6	17.9		23.5
% of net sales	1.5	6.7		-0.6	3.8		3.7
Operating profit	-11.7	12.5		-0.4	150.4		146.2
Capital expenditure	1.6	2.7	-41.6	9.6	10.9	-11.8	15.4
Number of employees at the end of the period (FTE)				2,100	2,539	-17.3	2,508
Average number of employees (FTE)				2,174	2,708	-19.7	2,664

* Non-recurring items are presented in a separate table on page 8.

Operational indicators, %

	1-9/ 2015	1-9/ 2014	1-12/ 2014
Finnish TV operations			
TV channels' share of TV advertising	32.1	32.9	32.6
TV channels' national commercial viewing share (10-44 years)	31.2	33.0	32.8
TV channels' national viewing share (10+ years)	15.2	15.0	15.1

Third quarter

In July-September, net sales in Media Finland decreased by 10.9% to EUR 131.9 million (2014: 148.0). Adjusted for structural changes, net sales decreased by 5.0%.

New media sales grew by 5.1% to EUR 47.1 million (2014: 44.9), driven by online and mobile sales of newspapers.

Advertising sales for Media Finland decreased by 11.0% mainly due to divestments and the weak print advertising market, and represented 41.2% (2014: 41.3%) of net sales. Circulation sales decreased by 11.1% mainly due to divestments. Circulation sales represented 49.4% (2014: 49.6%) of net sales.

According to TNS Gallup, the advertising market in Finland decreased on a net basis during July-September in magazines by 18%, in newspapers by 8% and in TV by 8% whereas advertising in online excluding search increased by 2% and in radio by 6%.

The total advertising market decreased by 4% in the third quarter.

Operating profit excluding non-recurring items in Media Finland in July-September decreased to EUR 2.0 million (2014: 9.9). Lower net sales were not fully offset by cost savings. An additional amortisation of EUR 6 million related to ice hockey TV rights also impacted profitability.

Non-recurring items included in the operating profit totalled EUR -13.7 million (2014: 2.6) consisting of an impairment and restructuring expenses.

Media Finland's investments in tangible and intangible assets totalled EUR 1.6 million (2014: 2.7) in July-September and were mainly related to maintenance capital expenditure.

Learning

Sanoma Learning is a leading European provider of multi-channel learning solutions.

- Profitability improved in the third quarter as a consequence of higher net sales. Net sales improved partly due to changes in the ordering pattern.
- New legislation in Poland is expected to have a material negative impact on the educational textbook market in the coming years. Sanoma estimates that the negative impact will be partly compensated for by new products and services as well as cost savings across the segment.

Key indicators (based on reported figures, not adjusted for structural changes)

EUR million	7-9/ 2015	7-9/ 2014	Change %	1-9/ 2015	1-9/ 2014	Change %	1-12/ 2014
Net sales	121.8	113.0	7.8	257.1	261.1	-1.5	292.0
Netherlands	27.5	24.6	11.7	88.9	89.8	-1.0	98.1
Poland	57.2	51.1	11.9	76.6	74.2	3.3	86.8
Finland	11.0	10.6	4.1	40.2	44.2	-9.0	48.3
Belgium	16.3	16.7	-2.6	32.1	32.1	-0.3	34.8
Sweden	10.2	10.7	-4.6	20.0	22.2	-9.7	26.1
Other companies and eliminations	-0.3	-0.7		-0.7	-1.4		-1.9
Operating profit excluding non-recurring items *	49.8	44.4	12.2	69.6	78.6	-11.4	51.4
% of net sales	40.9	39.3		27.1	30.1		17.6
Operating profit	49.1	52.9	-7.2	67.9	85.6	-20.7	55.1
Capital expenditure	6.8	3.4	97.5	19.6	10.9	80.1	18.9
Number of employees at the end of the period (FTE)				1,527	1,580	-3.4	1,563
Average number of employees (FTE)				1,521	1,596	-4.7	1,589

* Non-recurring items are presented in a separate table on page 8.

Third quarter

In July–September, net sales increased by 7.8% to EUR 121.8 million (2014: 113.0) mainly due to changes in the ordering pattern in the Netherlands, Poland and Finland. Adjusted for structural changes, net sales increased by 6.4%.

The learning business has, by nature, an annual cycle and strong seasonality. It accrues most of its net sales and results during the second and third quarters, whereas the first and fourth quarters are typically loss-making.

Operating profit excluding non-recurring items in the Learning segment increased to EUR 49.8 million (2014: 44.4), positively impacted by higher sales.

Non-recurring items included in the operating profit totalled EUR -0.6 million (2014: 8.6) consisting of restructuring expenses. In the comparable period, the non-recurring items consisted of an additional payment received related to the sale of Hungarian learning business.

Learning's investments in tangible and intangible assets totalled EUR 6.8 million (2014: 3.4) in July–September. They were mainly related to investments in digital platforms and ICT.

The Group

Personnel

In January–September 2015, the average number of personnel (FTE) employed by the Sanoma Group was 6,935 (2014: 8,452). At the end of September, the number of Group employees (FTE) was 6,650 (2014: 7,731). Divestments and restructuring decreased the number of personnel. In full-time equivalents, Media BeNe had 2,045 (2014: 2,550) employees at the end of September and Media Finland 2,100 (2014: 2,539). Learning had 1,527 (2014: 1,580) and other operations 978 (2014: 1,062) employees (FTE) at the end of September 2015. Wages, salaries and fees to Sanoma's employees, including the expense recognition of share based payments, amounted to EUR 289.8 million (2014: 320.5).

Dividend

The Annual General Meeting on 8 April 2015 decided to pay a dividend of EUR 0.20 for the year 2014 (2013: 0.10) per share. The dividends were paid on 17 April 2015.

Shares and holdings

In January–September 2015, a total of 64,182,341 (2014: 42,272,955) Sanoma shares were traded on the Nasdaq Helsinki and traded shares accounted for 39% (2014: 26%) of the average number of shares. Sanoma's shares traded on the Nasdaq Helsinki corresponded to 86% (2014: 81%) of the total traded share volume on stock exchanges. During the first nine months, the volume-weighted average price of a Sanoma share on the Nasdaq Helsinki was EUR 4.36, with a low of EUR 3.13 and a high of EUR 5.95. At the end of September, Sanoma's market capitalisation was EUR 538 million (2014: 812), with Sanoma's share closing at EUR 3.30 (2014: 4.99). At the end of September, Sanoma's registered share capital was EUR 71,258,986.82 and the number of shares was 162,812,093.

Board of Directors, auditors and management

The AGM held on 8 April 2015 confirmed the number of Sanoma's Board members as ten. Board member Robin Langenskiöld was re-elected and Susan Duinhoven and Denise Koopmans were elected as

new Board members. The Board of Directors of Sanoma consists of Antti Herlin (Chairman), Pekka Ala-Pietilä (Vice Chairman), Anne Brunila, Susan Duinhoven, Mika Ihamuotila, Nils Ittonen, Denise Koopmans, Robin Langenskiöld, Rafaela Seppälä, and Kai Öistämö as members.

The AGM appointed chartered accountants KPMG Oy Ab as the auditor of the company, with Virpi Halonen, Authorised Public Accountant, as the Auditor in Charge.

As of 1 October 2015, the Executive Management Group (EMG) comprises: Susan Duinhoven (President and CEO of the Sanoma Group, chairman of the EMG), Jacqueline Cuthbert (CHRO), Arthur Hoffman (CEO, Sanoma Digital), Kim Ignatius (CFO), Pia Kalsta (CEO, Sanoma Media Finland), John Martin (CEO, Sanoma Learning) and Peter de Mönnink (CEO, Sanoma Media BeNe).

On 18 September 2015, Sanoma announced that Harri-Pekka Kaukonen stepped down as Sanoma's President and CEO effective immediately.

Board authorisations

The AGM held on 3 April 2013 authorised the Board of Directors to decide on an issuance of a maximum of 82,000,000 new shares and a transfer of a maximum of 5,000,000 treasury shares. The authorisation will be valid until 30 June 2016. The Board of Directors is authorised to grant a maximum of 5,000,000 stock options as part of the Company's incentive programme. In a directed share issue, a maximum of 41,000,000 shares can be issued or transferred.

The AGM held on 8 April 2015 authorised the Board to decide on the repurchase of maximum of 16,000,000 Company's own shares. The authorisation is effective until 30 June 2016 and terminates the corresponding authorisation granted by the AGM on 9 April 2014.

These shares will be purchased with the Company's unrestricted shareholders' equity, and the repurchases will reduce funds available for distribution on profits. The shares will be repurchased to develop the Company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the Company's incentive programme or to be otherwise

conveyed further, retained as treasury shares, or cancelled.

The shares can be repurchased either through a tender offer made to all shareholders on equal terms or in other proportion than that of the current shareholders at the market price of the repurchase moment on the Nasdaq Helsinki.

Seasonal fluctuation

The net sales and results of media businesses are particularly affected by the development of advertising. Advertising sales are influenced, for example, by the number of newspaper and magazine issues published each quarter, which varies annually. TV advertising in Finland and the Netherlands is usually strongest in the second and fourth quarters. Learning accrues most of its net sales and results during the second and third quarters. Seasonal business fluctuations influence the Group's net sales and operating profit, with the first quarter traditionally being clearly the smallest one for both.

Significant risks and uncertainty factors (unchanged)

The most significant risks and uncertainty factors Sanoma currently faces are described in the Financial Statements and on the Group's website at Sanoma.com, together with the Group's main principles of risk management. Many of the identified risks relate to changes in customer preferences. The driving force behind these changes is the on-going digitisation process. Sanoma takes actions in all its strategic business units to respond to this challenge.

With regard to changing customer preferences and digitisation, new entrants might be able to better utilise these changes and therefore gain market share from Sanoma's established businesses.

Normal business risks associated with the industry relate to developments in media advertising and consumer spending. Media advertising is sensitive to economic fluctuations. Therefore, general economic conditions and economic trends in the industry influence Sanoma's business activities and operational performance.

Sanoma's financial risks include interest rate and currency risks, liquidity risk and credit risk. Other risks include risks related to equity, impairment and the

availability of capital. At the Group level, the most significant risks relate to liquidity risk and changes in exchange rates and interest rates.

Sanoma's consolidated balance sheet includes around EUR 2.2 billion in goodwill, immaterial rights and other intangible assets. Most of this is related to magazine and TV operations. In accordance with IFRS, instead of goodwill being amortised regularly, it is tested for impairment on an annual basis, or whenever there is any indication of impairment. Major changes in business fundamentals could lead to further impairment.

Interim Report (unaudited)

Accounting policies

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 30 September 2015. The accounting policies of the Interim Report, and the definitions of key indicators are presented on the Sanoma website at Sanoma.com. All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures. This Interim Report is unaudited.

Consolidated income statement

EUR million	7-9 2015	7-9 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
NET SALES	458.8	477.8	1,307.8	1,449.1	1,901.6
Other operating income	5.0	28.9	36.3	215.2	224.5
Materials and services	-141.2	-150.9	-395.6	-460.9	-609.2
Employee benefit expenses	-115.0	-113.7	-362.4	-399.5	-540.7
Other operating expenses	-97.5	-100.4	-329.2	-326.5	-440.7
Share of results in joint ventures	-24.0	-2.0	-22.3	-34.9	-74.1
Depreciation, amortisation and impairment losses	-76.1	-62.1	-226.3	-199.5	-327.6
OPERATING PROFIT	10.1	77.6	8.2	242.9	133.8
Share of results in associated companies	0.0	-0.1	1.3	0.1	-1.2
Financial income	4.6	10.2	20.7	15.2	21.8
Financial expenses	-11.8	-17.5	-39.5	-46.0	-63.7
RESULT BEFORE TAXES	2.9	70.3	-9.3	212.3	90.7
Income taxes	-6.0	-13.3	-17.0	-46.6	-29.1
RESULT FOR THE PERIOD	-3.1	57.0	-26.3	165.7	61.6
Result attributable to:					
Equity holders of the Parent Company	-5.1	56.0	-31.3	162.5	58.3
Non-controlling interests	2.0	1.0	5.0	3.2	3.3
Earnings per share for result attributable to the equity holders of the Parent Company:					
Earnings per share, EUR	-0.04	0.34	-0.22	0.97	0.32
Diluted earnings per share, EUR	-0.04	0.34	-0.22	0.97	0.32

Statement of comprehensive income

EUR million	7-9/ 2015	7-9/ 2014	1-9/ 2015	1-9/ 2014	1-12/ 2014
Result for the period	-3.1	57.0	-26.3	165.7	61.6
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Change in translation differences	-4.3	-0.1	-1.2	-1.6	-28.0
Share of other comprehensive income of equity-accounted investees	0.2	-0.2	0.8	-0.2	-1.9
Realisation of translation differences related to assets held for sale			12.8		36.8
Reclassification of foreign currency differences on loss of significant influence		2.8		-0.7	-2.3
Cash flow hedges	0.1	0.3	0.0	2.6	2.8
Income tax related to cash flow hedges	0.0	-0.1	0.0	-0.5	-0.6
Items that will not be reclassified to profit or loss					
Defined benefit plans	-33.8	-45.9	0.6	-86.4	-34.6
Income tax related to defined benefit plans	7.8	11.1	0.3	20.9	8.1
Other comprehensive income for the period, net of tax	-30.1	-32.1	13.4	-66.0	-19.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-33.2	24.9	-13.0	99.6	42.0
Total comprehensive income attributable to:					
Equity holders of the Parent Company	-35.2	23.9	-17.9	96.4	38.7
Non-controlling interests	2.0	1.0	5.0	3.2	3.3

Consolidated balance sheet

EUR million	30.9.2015	30.9.2014	31.12.2014
ASSETS			
Property, plant and equipment	79.6	126.2	94.4
Investment property	29.8	12.3	30.3
Goodwill	1,718.1	1,777.5	1,749.2
Other intangible assets	510.2	529.5	513.3
Equity-accounted investees	25.5	92.1	22.9
Available-for-sale financial assets	4.0	4.3	4.9
Deferred tax receivables	45.6	65.0	36.9
Trade and other receivables	37.1	16.1	12.0
NON-CURRENT ASSETS, TOTAL	2,449.9	2,622.8	2,463.8
Inventories	49.8	51.0	44.6
Income tax receivables	12.0	5.1	9.5
Trade and other receivables	359.3	324.5	282.4
Available-for-sale financial assets		0.3	
Cash and cash equivalents	70.7	112.0	116.3
CURRENT ASSETS, TOTAL	491.8	492.8	452.8
Assets classified as held for sale	19.5	55.3	99.9
ASSETS, TOTAL	2,961.2	3,171.0	3,016.5
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the Parent Company			
Share capital	71.3	71.3	71.3
Fund for invested unrestricted equity	203.3	203.3	203.3
Other reserves	-0.4	-0.5	-0.4
Other equity	479.4	590.7	529.1
Hybrid bond	99.1	99.1	99.1
	852.7	963.8	902.4
Non-controlling interests	305.6	298.8	298.9
EQUITY, TOTAL	1,158.3	1,262.6	1,201.3
Deferred tax liabilities	67.9	80.5	78.0
Pension obligations	93.5	148.4	94.2
Provisions	3.5	5.6	2.1
Financial liabilities	494.2	465.9	521.5
Trade and other payables	48.4	42.1	41.6
NON-CURRENT LIABILITIES, TOTAL	707.6	742.6	737.4
Provisions	25.9	34.5	26.8
Financial liabilities	428.1	471.2	396.6
Income tax liabilities	25.5	61.5	26.8
Trade and other payables	615.7	587.7	619.4
CURRENT LIABILITIES, TOTAL	1,095.2	1,154.9	1,069.5
Liabilities related to assets held for sale	0.0	10.8	8.2
LIABILITIES, TOTAL	1,802.8	1,908.3	1,815.2
EQUITY AND LIABILITIES, TOTAL	2,961.2	3,171.0	3,016.5

On 30 September 2015, assets classified as held for sale include Independent Media Ukraine Publishing and joint venture Independent Media Ukraine as well as Hearst Independent Media Publishing B.V. that were classified as assets held for sale in December 2014.

Changes in consolidated equity

EUR million	Equity attributable to the equity holders of the Parent Company						Non-controlling interests	Equity, total
	Share capital	Fund for invested unres-tricted equity	Other Reserves	Other equity	Hybrid bond	Total		
Equity at 1 Jan 2014	71.3	203.3	-2.6	511.4	99.1	882.5	296.8	1,179.3
Comprehensive income for the period			2.1	94.4		96.4	3.2	99.6
Share-based compensation				0.5		0.5		0.5
Dividends paid				-16.3		-16.3	-0.2	-16.4
Acquisitions and other changes in non-controlling interests				-0.1		-0.1	-1.0	-1.1
Reclassification of foreign currency differences on loss of significant influence				0.7		0.7		0.7
Equity at 30 September 2014	71.3	203.3	-0.5	590.7	99.1	963.8	298.8	1,262.6
Equity at 1 Jan 2015	71.3	203.3	-0.4	529.1	99.1	902.4	298.9	1,201.3
Comprehensive income for the period			0.0	-17.9		-17.9	5.0	-13.0
Share-based compensation				0.9		0.9		0.9
Dividends paid				-32.6		-32.6	-0.5	-33.1
Acquisitions and other changes in non-controlling interests				-0.1		-0.1	2.3	2.2
Equity at 30 September 2015	71.3	203.3	-0.4	479.4	99.1	852.7	305.6	1,158.3

Consolidated cash flow statement

EUR million	1-9/ 2015	1-9/ 2014	1-12/ 2014
OPERATIONS			
Result for the period	-26.3	165.7	61.6
Adjustments			
Income taxes	17.0	46.6	29.1
Financial income and expenses	18.8	30.8	41.9
Share of results in associated companies and joint ventures	21.0	34.8	75.3
Depreciation, amortisation and impairment losses	226.3	199.5	327.6
Gains/losses on sales of non-current assets	0.9	-194.3	-198.6
Acquisitions of broadcasting rights and prepublication costs	-173.1	-159.2	-213.2
Other adjustments	0.8	0.4	0.6
Change in working capital	-65.1	-40.6	22.9
Interest and other financial items paid	-28.3	-43.9	-49.6
Taxes paid	-34.6	-16.4	-23.9
Cash flow from operations	-42.6	23.6	73.7
INVESTMENTS			
Acquisition of tangible and intangible assets	-43.8	-32.9	-51.0
Operations acquired	-4.7	-18.4	-21.4
Proceeds from sale of tangible and intangible assets	1.8	244.1	246.4
Operations sold	61.5	83.8	83.8
Loans granted	-3.6	-5.8	-4.0
Repayments of loan receivables	6.1	12.2	12.2
Sales of short-term investments			0.1
Interest received	0.5	1.2	1.5
Dividends received	4.7	14.1	15.5
Cash flow from investments	22.3	298.3	283.2
CASH FLOW BEFORE FINANCING	-20.3	321.9	356.9
FINANCING			
Contribution by non-controlling interests	0.1		
Change in loans with short maturity	94.4	-3.1	-31.2
Drawings of other loans	182.6	155.2	193.6
Repayments of other loans and finance lease liabilities	-223.2	-481.7	-506.6
Interest paid on hybrid bond			-7.3
Dividends paid	-33.1	-16.4	-16.6
Cash flow from financing	20.8	-346.1	-368.1
CHANGE IN CASH AND CASH EQUIVALENTS			
ACCORDING TO CASH FLOW STATEMENT	0.5	-24.2	-11.2
Effect of exchange rate differences on cash and cash equivalents	-1.1	-0.5	-1.4
Net change in cash and cash equivalents	-0.6	-24.7	-12.6
Cash and cash equivalents at the beginning of the period	52.0	64.7	64.7
Cash and cash equivalents at the end of the period	51.4	40.0	52.0

Cash and cash equivalents in cash flow statement include cash and cash equivalents less bank overdrafts.

Income statement by quarter

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	1-3/ 2014	4-6/ 2014	7-9 2014	10-12/ 2014	1-12/ 2014
NET SALES	380.1	468.8	458.8	438.3	533.1	477.8	452.5	1,901.6
Other operating income	20.0	11.3	5.0	179.0	7.3	28.9	9.3	224.5
Materials and services	-117.2	-137.3	-141.2	-143.0	-167.1	-150.9	-148.3	-609.2
Employee benefit expenses	-120.6	-126.8	-115.0	-138.0	-147.8	-113.7	-141.2	-540.7
Other operating expenses	-100.8	-130.9	-97.5	-104.3	-121.7	-100.4	-114.3	-440.7
Share of results in joint ventures	0.5	1.2	-24.0	0.4	-33.3	-2.0	-39.2	-74.1
Depreciation, amortisation and impairment losses	-73.1	-77.1	-76.1	-70.2	-67.1	-62.1	-128.1	-327.6
OPERATING PROFIT	-11.0	9.2	10.1	162.1	3.2	77.6	-109.2	133.8
Share of results in associated companies	0.0	1.4	0.0	0.0	0.2	-0.1	-1.3	-1.2
Financial income	18.6	-2.6	4.6	2.4	2.7	10.2	6.6	21.8
Financial expenses	-20.8	-6.9	-11.8	-15.8	-12.7	-17.5	-17.6	-63.7
RESULT BEFORE TAXES	-13.3	1.1	2.9	148.7	-6.6	70.3	-121.6	90.7
Income taxes	5.0	-16.0	-6.0	-22.4	-11.0	-13.3	17.5	-29.1
RESULT FOR THE PERIOD	-8.3	-14.9	-3.1	126.3	-17.6	57.0	-104.1	61.6
Result attributable to:								
Equity holders of the Parent Company	-8.3	-17.9	-5.1	126.4	-19.9	56.0	-104.2	58.3
Non-controlling interests	0.0	3.0	2.0	-0.1	2.3	1.0	0.1	3.3
Earnings per share for result attributable to the equity holders of the Parent Company:								
Earnings per share, EUR	-0.06	-0.12	-0.04	0.77	-0.13	0.34	-0.65	0.32
Diluted earnings per share, EUR	-0.06	-0.12	-0.04	0.77	-0.13	0.34	-0.65	0.32

Net sales by strategic business unit

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-12/ 2014
MEDIA BENE								
Digital	67.1	83.9	70.6	65.9	84.6	67.8	90.3	308.6
Online & mobile	20.9	21.6	19.8	20.4	21.8	20.1	24.9	87.2
TV	46.2	62.3	50.8	45.5	62.8	47.7	65.4	221.4
Print	105.6	109.4	102.6	114.9	125.7	115.6	123.2	479.4
Magazines	105.6	109.4	102.6	114.9	125.7	115.6	123.2	479.4
Other	16.8	22.7	23.1	13.2	21.4	20.2	28.0	82.8
Total	189.5	216.0	196.4	194.0	231.7	203.6	241.5	870.8
MEDIA FINLAND								
Digital	50.0	56.9	46.6	48.6	53.4	43.5	53.2	198.7
Online & Mobile	21.9	25.7	22.1	21.3	22.1	18.3	23.2	84.8
TV & Radio	28.0	31.2	24.6	27.3	31.4	25.1	30.1	113.8
Print	90.5	89.7	84.8	108.8	109.9	103.1	110.6	432.5
Magazines	28.4	27.9	26.8	34.0	33.6	31.8	35.0	134.4
Newspapers	62.3	61.9	58.1	75.3	77.0	71.8	76.2	300.3
Eliminations	-0.2	-0.1	-0.2	-0.5	-0.7	-0.4	-0.6	-2.2
Other	2.5	-0.9	0.5	1.6	1.3	1.4	1.7	6.0
Total	143.0	145.7	131.9	159.0	164.6	148.0	165.5	637.2
LEARNING								
Netherlands	21.5	39.9	27.5	24.5	40.7	24.6	8.3	98.1
Poland	6.6	12.8	57.2	5.2	17.8	51.1	12.6	86.8
Finland	3.8	25.5	11.0	4.8	28.8	10.6	4.1	48.3
Belgium	1.5	14.3	16.3	1.9	13.6	16.7	2.6	34.8
Sweden	4.1	5.7	10.2	4.9	6.5	10.7	3.9	26.1
Other companies and eliminations	-0.1	-0.2	-0.3	-0.1	-0.5	-0.7	-0.6	-1.9
Total	37.4	97.9	121.8	41.2	106.9	113.0	30.9	292.0
OTHER AND ELIMINATIONS								
Russia & CEE	2.5	2.4	1.2	22.0	21.7	5.7	4.7	54.0
Other operations	8.2	6.9	7.7	28.9	8.8	8.2	9.5	55.3
Eliminations	-0.6	-0.1	-0.1	-6.8	-0.6	-0.6	0.3	-7.8
Total	10.2	9.2	8.8	44.0	29.9	13.2	14.5	101.6
Total	380.1	468.8	458.8	438.3	533.1	477.8	452.5	1,901.6

Operating profit by strategic business unit

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-12/ 2014
Media BeNe	2.7	29.6	17.2	6.4	-29.4	20.5	-3.2	-5.7
Media Finland	13.1	-1.8	-11.7	133.1	4.8	12.5	-4.3	146.2
Learning	-12.8	31.6	49.1	-7.0	39.7	52.9	-30.5	55.1
Other companies and eliminations	-14.0	-50.2	-44.5	29.5	-11.8	-8.3	-71.2	-61.8
Total	-11.0	9.2	10.1	162.1	3.2	77.6	-109.2	133.8

Operating profit excluding non-recurring items by strategic business unit

EUR million	1-3/ 2015	4-6/ 2015	7-9/ 2015	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-12/ 2014
Media BeNe	5.8	27.1	20.1	8.3	25.7	13.9	23.3	71.2
Media Finland	-2.1	-2.5	2.0	0.4	7.5	9.9	5.6	23.5
Learning	-12.7	32.5	49.8	-7.0	41.2	44.4	-27.1	51.4
Other companies and eliminations	-10.9	-7.6	-9.3	-5.7	-8.1	-6.1	-7.5	-27.3
Total	-19.9	49.4	62.5	-4.0	66.3	62.1	-5.6	118.8

Segment information

The Group consists of two reportable segments: Consumer Media and Learning. Consumer Media consists of two strategic business units in 2015: Sanoma Media BeNe and Sanoma Media Finland. From 1 January 2015 onwards Belgian consumer media operations were combined with those in the Netherlands. In addition, the Dutch magazine press distribution business Aldipress is reported within Sanoma Media BeNe.

Consumer Media is responsible for magazines, TV operations as well as online and mobile operations in Finland, the Netherlands and Belgium. In addition, Sanoma has newspapers and radio operations in Finland. Learning is a leading European provider of multichannel learning solutions. Learning's main markets are Belgium, Finland, the Netherlands, Poland and Sweden.

In addition to the Group eliminations, column unallocated/eliminations includes non-core operations, group functions, real estate companies as well as items not allocated to segments.

Segment assets do not include cash and cash equivalents, interest-bearing receivables, tax receivables and deferred tax receivables. Transactions between segments are based on market prices.

Sanoma segments 1.1.–30.9.2015

EUR million	Consumer Media	Learning	Unallocated/ eliminations	Total
External net sales	1,022.3	257.1	28.3	1,307.8
Internal net sales	0.1	0.0	-0.1	
Net sales, total	1,022.4	257.1	28.2	1,307.8
Operating profit	49.0	67.9	-108.7	8.2
Operating profit excl. NRI	50.4	69.6	-27.8	92.1
Share of results in associated companies	1.3	0.0	0.0	1.3
Financial income			20.7	20.7
Financial expenses			-39.5	-39.5
Result before taxes				-9.3
Segment assets	2,210.2	520.6	92.4	2,823.2

Sanoma segments 1.1.–30.9.2014

EUR million	Consumer Media	Learning	Unallocated/ eliminations	Total
External net sales	1,100.2	261.1	87.8	1,449.1
Internal net sales	0.1	0.0	-0.2	
Net sales, total	1,100.4	261.1	87.7	1,449.1
Operating profit	147.9	85.6	9.4	242.9
Operating profit excl. NRI	65.7	78.6	-19.9	124.4
Share of results in associated companies	0.1	0.0		0.1
Financial income			15.2	15.2
Financial expenses			-46.0	-46.0
Result before taxes				212.3
Segment assets	2,282.8	494.0	197.2	2,973.9

Changes in property, plant and equipment

EUR million	30.9.2015	30.9.2014	31.12.2014
Carrying amount at the beginning of the period	94.4	149.0	149.0
Increases	12.7	9.7	14.9
Acquisition of operations	0.0	0.2	0.2
Decreases	-1.1	-5.1	-6.4
Disposal of operations	-0.2	-4.4	-4.4
Depreciation for the period	-15.6	-19.3	-25.3
Impairment losses for the period	-10.7	0.0	-10.4
Transfer to assets classified as held for sale		-3.1	-3.5
Exchange rate differences and other changes	0.1	-0.9	-19.7
Carrying amount at the end of the period	79.6	126.2	94.4

The Group had no commitments for acquisition of property, plant and equipment at the end of the reporting period or in the comparative period.

At the end of the reporting period, the commitments for acquisition of intangible assets (film and TV broadcasting rights included) were EUR 213.9 million (2014: 192.1).

Effect of acquisitions on the consolidated balance sheet

EUR million	1-9/ 2015	1-12/ 2014
Acquisition costs	4.4	22.7
Non-controlling interests, based on the proportionate interest in the recognised amounts of the assets and liabilities	2.2	
Fair value of previously held equity interest	2.8	
Fair value of acquired net assets	-4.5	-14.4
Goodwill	4.9	8.3

Contingent liabilities

EUR million	30.9.2015	30.9.2014	31.12.2014
Contingencies for own commitments			
Mortgages	10.6	11.7	10.7
Pledges	2.4	2.4	2.4
Other items	35.6	55.8	55.7
Total	48.6	69.8	68.8
Other contingencies			
Operating lease liabilities	332.7	363.5	352.3
Royalties	3.4	9.7	6.3
Other items	73.4	43.9	74.0
Total	409.5	417.1	432.6
Total	458.1	487.0	501.4

Interest on hybrid bond

On 12 December 2013, Sanoma issued a hybrid bond of EUR 100 million. On 30 September 2015, the unpaid interest on the bond was EUR 5.8 million (2014: 5.8).

Derivative instruments

EUR million	30.9.2015	30.9.2014	31.12.2014
Fair values			
Interest rate derivatives (incl. accrued interests)			
Interest rate swaps	-1.1	-2.2	-1.6
Currency derivatives			
Forward contracts	7.6	5.4	7.3
Nominal values			
Interest rate derivatives			
Interest rate swaps	200.0	300.0	300.0
Currency derivatives			
Forward contracts	112.0	150.2	94.6

The fair value of the foreign currency forward contracts is determined using forward exchange market rates at the balance sheet date. The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows.

Key exchange rates

	1-9/2015	1-9/2014	1-12/2014
Average rate			
EUR/PLN (Polish Zloty)	4.16	4.17	4.18
EUR/RUB (Russian Rouble)	66.60	48.01	51.00
EUR/SEK (Swedish Crown)	9.37	9.04	9.10
EUR/USD (US Dollar)	1.11	1.36	1.33
Closing rate			
	30.9.2015	30.9.2014	31.12.2014
EUR/PLN (Polish Zloty)	4.24	4.18	4.27
EUR/RUB (Russian Rouble)	73.24	49.77	72.34
EUR/SEK (Swedish Crown)	9.41	9.15	9.39
EUR/USD (US Dollar)	1.12	1.26	1.21

January–September 2015 Interim Report webcast

The event for analysts, investors and media will be held in English by President and CEO Susan Duinhoven and CFO Kim Ignatius on 29 October 2015 at 11:00 Finnish time (9:00 am UK time) at Sanomatalo, Töölönlahdenkatu 2, Helsinki. The live webcast can be viewed on Sanoma's website at www.sanoma.com/en/investors and on demand after the event.

Please join by dialling

Finland: +358 (0)969379590 / US: +1 6462543360 / UK: +44 (0)2034271900 / Netherlands: +31 (0)20 7168296
Conference id: 9560410

Financial reporting 2016

Sanoma will publish its Full-Year Result for 2015 on 9 February 2016 at approx. 8:30 am Finnish time.

Interim Reports in 2016 will be published on quarterly basis:

- Interim Report January–March on 29 April 2016, at approx. 8:30
- Interim Report January–June on 27 July 2016, at approx. 8:30
- Interim Report January–September on 28 October 2016, at approx. 8:30

Additional information

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Get the world. Sanoma helps people access and understand the world.

We believe in a world full of opportunities, feelings, reactions and inspiration. A world that you can reach, influence, explore and share. We want to make it yours.

Sanoma is a front running consumer media and learning company in Europe. In Finland and the Netherlands we are the market leading media company with a broad presence across multiple platforms. Our main markets in learning are Belgium, Finland, the Netherlands, Poland and Sweden. In 2014, Sanoma's net sales totalled EUR 1.9 billion. Sanoma is listed on the Nasdaq Helsinki stock exchange.