Sanoma's Interim Report 1 January–30 June 2011:

New structure for speeding up the digital transition and growth

Second quarter

- Net sales in the second quarter amounted to EUR 689.7 million (2010: EUR 715.4 million). Adjusted for changes in the Group structure, Sanoma's net sales grew by 2%.
- Operating profit excluding non-recurring items was EUR 72.6 million (2010: EUR 80.3 million). The non-recurring items in the second quarter amounted to EUR 48.7 million (2010: EUR 180.7 million).
- Earnings per share were EUR 0.60 (2010: EUR 1.45). EPS excluding the non-recurring items was EUR 0.29 (2010: EUR 0.34)

First half of 2011

- Sanoma Group's net sales were EUR 1,299.9 million (2010: EUR 1.353.3 million).
- Operating profit excluding non-recurring items totalled EUR 98.9 million (2010: EUR 115.9 million)
- Cash flow from operations was EUR 22.2 million (2010: EUR 60.0 million).
- The net sales of the Group are expected to be at the previous year's level and operating profit excluding non-recurring items is expected to decrease somewhat in 2011.

KEY INDICATORS EUR million	**4–6/ 2011**	**4–6/ 2010**	**Change %**	**1–6/ 2011**	**1–6/ 2010**	**Change %**	**1–12/ 2010**
Net sales	**689.7**	715.4	-3.6	**1,299.9**	1,353.3	-3.9	2,761.2
Operating profit excluding non-recurring items	**72.6**	80.3	-9.6	**98.9**	115.9	-14.6	245.4
% of net sales	**10.5**	11.2		**7.6**	8.6		8.9
Operating profit	**121.3**	261.0	-53.5	**148.5**	301.4	-50.7	392.7
Result for the period	**97.5**	235.1	-58.6	**116.0**	259.2	-55.3	297.3
Capital expenditure *				**49.5**	44.1	12.1	85.7
% of net sales				**3.8**	3.3		3.1
Equity ratio, %				**44.1**	42.3		45.7
Net gearing, %				**74.7**	79.1		63.8
Number of employees at the end of the period (FTE)				**14,233**	16,332	-12.9	15,405
Average number of employees (FTE)				**14,773**	16,289	-9.3	16,016
Earnings/share, EUR	**0.60**	1.45	-58.8	**0.71**	1.61	-55.9	1.85
Cash flow from operations/share, EUR	**0.02**	0.14	-84.1	**0.14**	0.37	-63.1	1.69

* Including finance leases

Harri-Pekka Kaukonen, President and CEO

"Sanoma's strength lies in our diversified media assets, our leading position in key markets both in media and learning, and our strong local brands and excellent content. These will be keys to success also in the rapidly changing media environment we are facing at the moment.

We have been successful in growing our digital business and consumer reach, but this does not fully offset the underlying negative development of classical media. Therefore we cannot be satisfied with our second quarter results. Our response to the changing media landscape is to further deepen our consumer and customer understanding, to accelerate the speed of the digital transition, to foster innovation across Sanoma and to improve the efficiency of our operations. In the future, we want to see clearly faster growth than we have seen in the recent years.

In the beginning of the second quarter, we made a number of changes in our portfolio. The most important one, the SBS TV transaction, is now closed and we move into the integration phase. The new TV operations are an important building block in our effort to offer new services and solutions across different media channels. We are the only European magazine company which has the combination of TV and magazines in all our present main markets. In the future, our goal is to focus on media and learning, and we are looking into the possibility of divesting assets in our Trade division.

As another key building block in the transformation, Sanoma will adopt a new organisation model. Our new management team, operational as of 1 September, will comprise the heads of six strategic business units and four corporate functions. The business responsibility for Sanoma Media will be divided, and Eija Ailasmaa, current President & CEO of Sanoma Media, will retire according to her contract and hand over her tasks by the end of the year.

The new structure will help us to step up our efforts in digital operations and customer insight. It will also enable better utilisation of cross-border business opportunities and improvement of our efficiency."

Outlook for 2011

Sanoma Group's net sales are expected to be at the previous year's level and operating profit excluding non-recurring items is expected to decrease somewhat in 2011. In 2010, operating profit excluding non-recurring items was EUR 245.4 million.

The change in guidance on 29 July is based on the month later than estimated closing of the SBS acquisition, investments in the Group's development programmes during the spring and the weakened outlook of the magazine business in Finland. Previously, Sanoma estimated that its net sales would increase somewhat and its operating profit, excluding non-recurring items, would improve slightly.

Sanoma's net sales and operating profit in 2011 are affected by the development of advertising and private consumption in the Group's countries of operation. The current outlook is based on the assumption that the advertising markets in the Group's main operating countries will grow somewhat in 2011.

Net sales

Second quarter

In the second quarter of 2011, Sanoma's net sales decreased by 4% and amounted to EUR 689.7 million (2010: EUR 715.4 million). Net sales grew in the Sanoma News and Sanoma Learning and Literature divisions. Structural changes affected sales in Sanoma Media and Sanoma Trade. Currency translations did not have a material effect on second quarter sales. When adjusted for changes in the Group structure, net sales grew by 2%.

Print circulation sales were almost at the comparable quarter's level. Both subscription sales and single copy sales were slightly down. The long-term trends of slowly decreasing circulation volumes are visible in many of Sanoma's markets. In Finland, this development may accelerate with the government's decision to impose a VAT rate of 9 % on subscriptions of printed newspapers and magazines.

Advertising sales continued their positive development and showed a growth of 7% in the second quarter. Online advertising sales increased clearly, by 11%. In total, advertising sales accounted for 25% (2010: 23%) of the Group's net sales.

Sanoma's digital sales, including both advertising and content revenues, grew by 19% in the second quarter and accounted for 11% (2010: 10%) of the Group's net sales. Broadband access services, which were divested in 2010, are not included in the digital sales of the comparable period.

First half of 2011

In January–June, Sanoma's net sales decreased by 4% due to divestments made in 2010 and 2011 and lower sales of Finnish kiosk and magazine operations.

Sanoma has a target to double the 2008 level of its consumer media online revenues to EUR 240 million, consisting mostly of online advertising, by 2012. In the first half of 2011, these sales grew by 4% to EUR 78.6 million. Total digital sales, including also e.g. e-learning, grew by 13%, and amounted to 11% (2010: 10%) of net sales.

By country, Finland accounted for 52% (2010: 52%) of the cumulative net sales and the Netherlands 24% (2010: 23%). Net sales from other EU countries totalled 21% (2010: 22%) and non-EU countries accounted for 3% (2010: 3%).

Result

Second quarter

Sanoma's operating profit excluding non-recurring items in April–June, decreased by 10% and totalled EUR 72.6 million (2010: EUR 80.3 million). Structural changes related to divestments in 2010 and 2011 explain some EUR 5 million of the decrease. Profits visibly improved in the Sanoma News and Sanoma Learning & Literature divisions due to increased sales. Restructuring and efficiency improvements increased the result of Sanoma Trade significantly. Sanoma Media's result was lower due to structural changes and decreased circulation revenues. Costs related to the Group's development programmes weakened the result. Operating profit excluding non-recurring items amounted to 10.5% (2010: 11.2%) of net sales. Currency translations did not have a material effect on the second quarter result.

In the second quarter, the Group's total expenses were reduced by 1%, but fixed costs grew by 1% driven by increased consultancy expenses. Paper costs increased by 3% compared to last year's second quarter. Employee benefit expenses decreased by 2%. The Group had some 1,800 fewer employees than at the end of June 2010, corresponding to a decrease of 9%. From the year-end, the number of personnel has decreased by 8%. The decrease in the number of personnel is mostly attributable to divestment of operations and the closing down of kiosks in the Sanoma Trade division.

In April–June, the operating profit included EUR 48.7 million (2010: EUR 180.7 million) in non-recurring items consisting mostly of capital gains from sales of operations.

NON-RECURRING ITEMS EUR million	**4-6/ 2011**	**4-6/ 2010**	**1-6/ 2011**	**1-6/ 2010**	**1-12/ 2010**
Media					
Gain on sale of Humo and Desert Fishes	**9.1**		**9.1**		
Restructuring expenses (The Netherlands)					-3.3
Impairment of intangible assets (The Netherlands)					-6.3
Impairment of intangible assets (The CEE countries)					-1.0
Gain on sale of Humo		2.6		2.6	2.6
Gain on sale of Welho (Finland)		179.4		179.4	179.0
Impairment of goodwill in the Dutch press distribution					-28.9
News					
Gain on sale of Lehtikuva				6.0	6.0
Gain on sale of Sanoma Lehtimedia's local papers					2.9
Learning & Literature					
Sale of LDC			**0.9**		
Loss on sale of Bertmark Norge				-1.2	-1.1
Restructuring expenses	**-1.7**	-1.3	**-1.7**	-1.3	-2.3
Impairment of a Dutch non-core entity					-2.1
Trade					
Gain on sale of movie operations	**51.5**		**51.5**		
Loss on sale of Romanian kiosk operations	**-1.8**		**-1.8**		
Loss on sale of Romanian press distribution operations	**-6.2**		**-6.2**		
Loss on sale of Russian operations	**-0.8**		**-0.8**		-2.6
Restructuring expenses	**-2.4**		**-2.4**		-1.0
Sanoma Corporation					
Gains on the sale of real estates	**1.0**		**1.0**		5.4
NON-RECURRING ITEMS IN OPERATING PROFIT	**48.7**	180.7	**49.6**	185.5	147.3
Impairment of share in associated company Hansaprint					-22.1
NON-RECURRING ITEMS IN RESULTS IN ASSOCIATED COMPANIES					-22.1

Sanoma's second quarter result included EUR -0.1 million (2010: EUR 1.7 million) of profits from associated companies. The decrease in the share of result in associated companies is fully attributable to structural changes: In connection with the divestment of movie operations in April, a sales loss was recorded on one of the associated companies. In addition, shares in the associated company Desert Fishes were transferred to the new company responsible for the Belgian TV operations and as of beginning of June, its result is reported as part of Sanoma Media's EBIT.

First half of 2011

In January–June, Sanoma's operating profit excluding non-recurring items decreased by 15% and totalled EUR 98.9 million (2010: EUR 115.9 million). Operating profit excluding non-recurring items improved in Sanoma News, Sanoma Learning & Literature and Sanoma Trade, but this could not fully compensate for the effects of structural changes in Sanoma Media and increased costs in the Parent Company.

Sanoma's net financial items totalled EUR -7.8 million (2010: EUR -7.6 million). Financial income amounted to EUR 3.6 million (2010: EUR 4.6 million), EUR 1.7 million of which were exchange rate gains (2010: EUR 2.6 million). Financial expenses amounted to EUR 11.3 million (2010: EUR 12.3 million). Following the increase in interest rates, interest expenses amounted to EUR 7.7 million (2010: EUR 6.0 million). Exchange rate losses totalled EUR 2.0 million (2010: EUR 4.8 million).

The result before taxes amounted to EUR 142.5 million in the first six months (2010: EUR 293.1 million). The effective tax rate was 18.6% (2010: 11.5%). Earnings per share were EUR 0.71 (2010: EUR 1.61). The comparable figures were affected by the tax-free non-recurring gain on the sale of the cable TV operator Welho. In the reporting period, the result included non-recurring items related to e.g. divestment of movie operations.

Balance sheet and financial position

At the end of June, Sanoma's consolidated balance sheet totalled EUR 3,186.7 million (2010: EUR 3,345.4 million). In the first six months, the Group's cash flow from operations was EUR 22.2 million (2010: EUR 60.0 million). Cash flow from operations per share was EUR 0.14 (2010: EUR 0.37). In addition to the lower result, cash flow was weakened by higher investments in broadcasting rights, higher financial costs and taxes and volatility in net working capital between quarters in the learning business.

Sanoma's equity ratio was 44.1% (2010: 42.3%) at the end of June. Equity totalled EUR 1,328.9 million (2010: EUR 1,340.1 million). Interest-bearing liabilities continued to decrease and totalled EUR 1,046.2 million (2010: EUR 1,136.8 million), while interest-bearing net debt was EUR 993.0 million (2010: EUR 1,060.0 million). Sanoma's net debt/EBITDA ratio was 2.3 at the end of June.

In order to finance the SBS acquisition Sanoma entered into the following financing facilities: EUR 522 million syndicated term loan for five years, EUR 250 million short term bridge-to-bond facility and EUR 132 million syndicated term loan and revolving credit facility for five years. The latter facility is for the Dutch Sanoma Image B.V., owned by Sanoma and Talpa as a minority shareholder. The bridge-to-bond facility will be converted to a bond or other long-term financing depending on the market conditions in the international capital markets in the near future.

As a result of the SBS acquisition, the consolidated net debt of Sanoma is estimated to increase by some EUR 900 million to EUR 1.9 billion. The transaction did not affect the financing terms of Sanoma's previous credit facilities.

Investments, acquisitions and divestments

Investments in tangible and intangible assets, including finance leases, amounted to EUR 49.5 million (2010: EUR 44.1 million) in January–June 2011. Investments were mainly related to ICT systems as well as replacements and renovations. Sanoma has a policy of keeping annual capital expenditure, excluding mergers and acquisitions, below EUR 100 million. Sanoma's business acquisitions totalled EUR 16.6 million (2010: EUR 17.3 million).

In March, Sanoma sold its movie operations in Finland and the Baltic countries to the Swedish private equity company Ratos AB. In 2010, net sales of movie operations were EUR 88.6 million and operating profit stood at EUR 8.4 million. The enterprise value of the transaction was EUR 116.0 million, and the transaction was finalised at the end of April. Sanoma recorded a EUR 51.5 million non-recurring capital gain in its second quarter result.

In April, Sanoma sold its press distribution and kiosk operations in Romania. In 2010, net sales of these operations amounted to some EUR 23 million. The remaining kiosk operations in Russia were also divested at the beginning of April.

In April, Sanoma agreed to acquire the SBS free-to-air TV assets in the Netherlands and Belgium from ProSiebenSat.1 together with Talpa Media in the Netherlands and Corelio and Wouter Vandenhaute & Eric Watté in Belgium. The enterprise value of the transaction is EUR 1,225 million. The net sales of the acquired companies totalled EUR 404 million in 2010 and their operating profit was some EUR 110 million (pro forma, unaudited). The acquisition in Belgium was finalised on 8 June and the Dutch acquisition on 29 July after the necessary approvals were received from the competition authorities.

In April, Sanoma announced that it will acquire the Finnish educational publisher Tammi Learning and the Swedish educational publisher Bonnier Utbildning, both from the Swedish media company Bonnier. At the same time, Sanoma will divest its Finnish general literature publisher WSOY to Bonnier. The Finnish competition authorities have approved the divestment and the transaction is expected to be finalised during the third quarter.

SANOMA MEDIA

Sanoma Media, operating in twelve European countries, is a leading publisher of magazines and has a strong presence in the digital media sector. The company actively reaches out to an audience of 290 million consumers at every life stage, and aims to strengthen its market leader position in each of the markets it operates in.

- The acquisition of the Belgian TV operations was finalised on 8 June and that of the Dutch operations after the review period, on 29 July.
- Advertising sales continued to grow, particularly in Finland and Russia.
- The outlook for the Division was downgraded following the later than estimated closing of the SBS acquisition and the weakening outlook of magazine operations in Finland. Net sales are now estimated to increase somewhat and operating profit excluding non-recurring items is expected to decrease clearly.

Key indicators EUR million	**4–6 / 2011**	**4–6 / 2010**	**Change %**	**1–6 / 2011**	**1–6 / 2010**	**Change %**	**1–12 / 2010**
Net sales	**323.7**	339.4	-4.6	**614.8**	651.5	-5.6	1,299.6
The Netherlands	**130.6**	128.0	2.0	**235.9**	235.4	0.2	490.4
Finland	**79.4**	91.7	-13.5	**153.5**	184.3	-16.7	339.3
The CEE countries	**54.3**	54.3	-0.1	**105.7**	103.0	2.6	214.9
Belgium	**48.7**	52.3	-6.8	**98.8**	105.9	-6.6	208.3
Other businesses and eliminations	**10.7**	13.0	-17.9	**20.9**	22.9	-8.7	46.7
Operating profit excluding non-recurring items *	**37.9**	47.3	-19.9	**60.6**	78.5	-22.8	145.8
% of net sales	**11.7**	13.9		**9.9**	12.0		11.2
Operating profit	**47.0**	229.3	-79.5	**69.7**	260.5	-73.2	287.9
Capital expenditure				**11.3**	14.3	-20.6	25.2
Number of employees at the end of the period (FTE)				**5,449**	5,711	-4.6	5,419
Average number of employees (FTE)				**5,394**	5,771	-6.5	5,602

* In 2011, the non-recurring items included in the second quarter a EUR 9.1 million gain on sale of Humo and Desert Fishes. In 2010, the non-recurring items included in the second quarter a EUR 2.6 million gain from selling 49% of the Humo magazine and a EUR 179.0 million gain on the sale of the cable TV operator Welho, in the third quarter a EUR 28.9 million impairment of goodwill in the Dutch press distribution and a EUR 6.3 million impairment of intangible assets in the Dutch media business and in the fourth quarter EUR 3.3 million restructuring expenses in the Netherlands and a EUR 1.0 impairment of intangible assets in the CEE countries.

Operational indicators *	**1–6 / 2011**	**1–6 / 2010**
Number of magazines published	**280**	287
Magazine copies sold, thousands	**161,075**	171,815
Advertising pages sold	**23,260**	24,977
TV channels' share of Finnish TV advertising **	**33.3%**	34.1%
TV channels' national commercial viewing share (10-44 years) **	**35.2%**	36.1%
TV channels' national viewing share **	**14.8%**	14.5%

* Including joint ventures
** In Finland

Second quarter net sales

Sanoma Media's net sales in April–June decreased by 5%. Adjusted for changes in the Division structure, net sales grew by 1%.

The Division's advertising sales grew by 4% and represented 36% (2010: 33%) of the second quarter net sales. Advertising sales grew in Finland and Central and Eastern European (CEE) countries. Sanoma Media's online advertising sales increased by 7% with all business units showing growth.

Sanoma Media's print circulation sales decreased by 2% and represented 48% (2010: 47%) of the Division's net sales. Subscription sales were stable, but single copy sales decreased.

The growing online advertising sales and the increased digital content sales increased the Division's digital sales. In total, these sales grew by 14% in the second quarter and represented 17% (2010: 15%) of the Division's net sales.

Developments in the businesses

In the Netherlands, net sales grew by 2%. Both circulation and advertising sales were at the comparable quarter's level. Sales of single copies decreased slightly, but subscription sales increased. Readers market continued to decline slightly in the first months of 2011, but Sanoma Media Netherlands' market share remained stable. The market for consumer magazine advertising in the Netherlands grew by 3% in April–May and Sanoma Media Netherlands strengthened its market position. Advertising sales represented 29% (2010: 31%) of the Dutch net sales. During the second quarter, Sanoma Media Netherlands expanded its magazine portfolio through acquisitions of equestrian sports magazines and custom publishing operations.

In Finland, net sales decreased clearly due to divestment of the cable TV business in 2010. Net sales in broadcasting continued to grow markedly in the second quarter. In total, advertising sales of the Finnish operations grew significantly and represented 47% (2010: 34%) of Finnish net sales. During the second quarter, the TV advertising market in Finland increased by 16% and the magazine advertising market by 10%. Net sales in magazine publishing were at comparable quarter's level. Advertising sales grew in the second quarter, following the improved market situation, but magazine subscription sales decreased. This was mainly due to weaker consumer purchasing power.

In the CEE countries, Sanoma Media's net sales remained stable. Digital sales grew significantly, but the recovery of print advertising sales in Russia slowed down and the general economic environment and the outlook for advertising sales remained weak in other CEE countries. In total, advertising sales increased slightly and represented 52% (2010: 50%) of the second quarter sales in the CEE countries. The single copy markets continued to decline in the CEE countries and due to a clear decrease in its single copy sales, Sanoma Media's circulation sales decreased.

Net sales in Belgium decreased by 7%. This is due in totality to the divestment of 49% of Humo in May 2010, which affected both advertising and circulation sales. When adjusted to take the structural changes into account, net sales were at the comparable quarter's level. Slightly decreasing trends continued in the Belgian readers market, but Sanoma Media Belgium improved its market position. Advertising sales represented 26% (2010: 28%) of net sales in Belgium.

On 8 June, Sanoma completed the acquisition of Belgian SBS TV operations. The share of the profits is reported in Sanoma Media Belgium's operating profit. As a part of the transaction, the shares of the weekly magazine Humo and those of TV production company Desert Fishes were transferred to the new company, which also controls the acquired TV operations. The acquisition of the Dutch TV operations was finalised on 29 July, after the necessary approvals from the competition authorities were received.

Second quarter operating profit

Sanoma Media's operating profit excluding non-recurring items in April–June decreased by 20%, partly due to structural changes. In the Netherlands, the result was slightly lower than in the comparable quarter due to increased costs. Operating profit decreased in Belgium. In Finland, the TV operations continued to perform well, but the result was affected by the cable TV divestment in 2010 and clearly lower operating profit in magazine operations, caused by decreased net sales and increased fixed costs. In the CEE countries, the result improved. The second quarter result included EUR 9.1 million (2010: EUR 182.0 million) of non-recurring capital gains related to the rearrangement of Belgian assets in connection with the SBS acquisition.

First half of 2011

In January–June, Sanoma Media's net sales decreased by 6%. Net sales reduced in Finland and Belgium, where operations were divested in 2010. The Division's operating profit excluding non-recurring items decreased by 23%, due to the structural changes and weakened result of the Finnish magazine operations. In the first six months, operating profit included EUR 9.1 million (2010: EUR 182 million) of non-recurring capital gains.

Sanoma Media's outlook

Sanoma Media has a strong portfolio of media brands in magazines, online and mobile media, and on radio and television. With its versatile portfolio and market leading positions, Sanoma Media is able to generate new revenues by bringing a new kind of offering to consumers and advertisers. In 2011, the new operations will increase Sanoma Media's net sales, but its operating profit will be heavily burdened by costs related to the SBS transaction.

Following the later than estimated closing of the SBS acquisition and the weakening outlook of magazine operations in Finland, Sanoma Media's outlook has changed. It is now estimated that Sanoma Media's net sales will increase somewhat and operating profit excluding non-recurring items will decrease clearly.

SANOMA NEWS

Sanoma News is the leading newspaper publisher in Finland and its printed and digital products have a strong presence in the lives of Finns. In addition to Helsingin Sanomat, the largest daily in the Nordic region, Sanoma News publishes other national and regional newspapers. It is also one of the most significant digital media players in Finland.

- Sanoma News' result continued to grow markedly.
- Growth in print advertising revenues accelerated in the second quarter with all business units increasing their advertising sales.
- The tabloid Ilta-Sanomat improved its market position, and its online service IS.fi saw an increase of 38 % in the number of visitors in the second quarter.

Key indicators EUR million	**4–6 / 2011**	**4–6 / 2010**	**Change %**	**1–6 / 2011**	**1–6 / 2010**	**Change %**	**1–12 / 2010**
Net sales	**112.2**	108.5	3.4	**220.6**	217.9	1.2	437.6
Helsingin Sanomat	**61.2**	56.7	7.8	**122.4**	115.8	5.6	235.4
Ilta-Sanomat	**22.2**	20.7	7.4	**41.2**	40.5	1.8	83.3
Other publishing	**25.0**	25.6	-2.7	**48.7**	51.0	-4.5	99.5
Other businesses and eliminations	**3.9**	5.5	-28.8	**8.3**	10.6	-21.4	19.4
Operating profit excluding non-recurring items *	**9.9**	8.9	12.0	**22.8**	18.5	23.3	47.2
% of net sales	**8.8**	8.2		**10.3**	8.5		10.8
Operating profit	**9.9**	8.9	12.0	**22.8**	24.5	-6.8	56.1
Capital expenditure				**8.6**	5.8	48.6	14.0
Number of employees at the end of the period (FTE)				**2,199**	2,360	-6.8	2,016
Average number of employees (FTE)				**2,052**	2,231	-8.0	2,176

* In 2011, the operating profit did not include any non-recurring items. In 2010, the non-recurring items included in the first quarter a EUR 6.0 million gain on the sale of Lehtikuva and in the fourth quarter a EUR 2.9 million gain on the sale of Sanoma Lehtimedia's local papers.

Operational indicators Online services, unique visitors, weekly	**4–6 / 2011**	**4–6 / 2010**
Iltasanomat.fi	**2,057,019**	1,492,533
HS.fi	**1,386,682**	965,211
Huuto.net	**458,303**	385,998
Oikotie.fi	**397,674**	345,424
Taloussanomat.fi	**576,076**	500,641

Audited circulation	**1–12 / 2010**	**1–12 / 2009**
Helsingin Sanomat	**383,361**	397,838
Ilta-Sanomat	**150,351**	152,948

Second quarter net sales

Sanoma News' net sales in April–June grew by 3%. Adjusted for changes in the Division's structure, sales grew by 6%.

The Division's print circulation sales were at the comparable period's level. Single copy sales increased slightly and subscription sales remained stable. Circulation sales accounted for 41% (2010: 42%) of the Division's net sales.

Sanoma News' advertising sales grew by 12%, driven by the positive development of print advertising in the daily newspaper Helsingin Sanomat. In total, the Division's print advertising sales grew by 10% and online advertising by 23%. According to TNS Gallup Adex, newspaper advertising in the Finnish market grew by 13% in the second quarter, while online advertising included in the statistics grew by 29%. Advertising sales represented 52% (2010: 48%) of the Division's net sales in the second quarter.

Despite the transfer of Esmerk to Sanoma Learning & Literature, the total digital sales of the Division were at the comparable quarter's level with both online advertising and online services showing significant growth. Digital sales represented 12% (2010: 12%) of the Division's net sales.

Developments in the businesses

The net sales of the Helsingin Sanomat business unit grew by 8% in April–June, due to the healthy development of advertising sales. Advertising sales represented 56% (2010: 54%) of the business unit's net sales. Subscription sales were at the previous year's level despite the volume decrease. The online news site HS.fi hit a new record readership level in April.

The Ilta-Sanomat business unit's net sales grew by 7%. Print and online advertising developed particularly favourably. Advertising sales represented 32% (2010: 29%) of the business unit's net sales. Circulation sales also grew. The total volume of the Finnish tabloid market has decreased by 4% in the last 12 months. In the second quarter, the market contracted by 5%. Ilta-Sanomat commands a 58.2% (2010: 57.7%) share of the tabloid newsstand market.

Net sales from other publishing operations decreased by 3% following the transfer of Esmerk. Free sheets improved their market positions, and net sales increased significantly. In addition, the strong development of digital operations continued.

Second quarter operating profit

In April–June, Sanoma News' operating profit excluding non-recurring items improved by 12%. The positive development of advertising sales improved the result significantly in both the Helsingin Sanomat and Ilta-Sanomat business units. Despite the structural changes, the result improved significantly in other publishing, thanks to increased advertising sales, especially in free sheets. The operating profit did not include any non-recurring items in the second quarter or in the same period in 2010.

First half of 2011

In January–June, net sales in Sanoma News were at the level of the comparable period with the healthy development of advertising sales offsetting the impact of structural changes. Improved advertising sales and lower costs enabled Sanoma News to significantly improve its operating profit excluding non-recurring items, by 23%, in the first six months. In the comparable period last year, the operating profit included EUR 6.0 million of non-recurring capital gains.

Sanoma News' outlook

Sanoma News aims to strengthen its multichannel approach when creating journalistic content as well as when serving its advertisers. The Division will increase its share of digital operations and create new sources of revenue through the development of the product and service portfolio both in print and online. Strengthening the market share in both the media market and in the readers market remains a key priority for Sanoma News.

In 2011, Sanoma News' net sales are estimated to be at the previous year's level due to the divestments made in 2010. Operating profit excluding non-recurring items is expected to improve slightly.

SANOMA LEARNING & LITERATURE

Sanoma Learning & Literature, operating in 14 countries, is a leading European provider of learning materials and solutions in print and digital format. The Division also has expanding international business information and language service operations.

- Good development of learning operations continued in the second quarter.
- Sanoma Learning & Literature saw a clear improvement in its result.
- The competition authorities accepted the divestment of Finnish general literature operations in June, and the transaction, which also comprises the acquisition Bonnier's Finnish and Swedish learning operations, is expected to be finalised during the third quarter.

Key indicators EUR million	**4–6 / 2011**	**4–6 / 2010**	**Change %**	**1–6 / 2011**	**1–6 / 2010**	**Change %**	**1–12 / 2010**
Net sales	**108.6**	105.5	2.9	**169.2**	163.7	3.4	350.1
Learning	**87.4**	85.0	2.8	**121.7**	114.9	5.9	249.3
Language services	**8.1**	6.2	31.5	**16.8**	13.1	28.3	27.1
Literature and other businesses	**15.1**	17.2	-12.3	**35.2**	40.8	-13.9	83.6
Eliminations	**-2.1**	-2.9	28.8	**-4.5**	-5.2	13.4	-9.9
Operating profit excluding non-recurring items *	**29.0**	26.4	9.7	**22.9**	21.2	8.0	52.6
% of net sales	**26.7**	25.0		**13.5**	13.0		15.0
Operating profit	**27.3**	25.1	8.6	**22.1**	18.7	18.1	47.1
Capital expenditure				**4.4**	8.1	-45.3	14.9
Number of employees at the end of the period (FTE)				**2,627**	2,583	1.7	2,656
Average number of employees (FTE)				**2,636**	2,640	-0.2	2,629

* In 2011, the non-recurring items included in the first quarter a EUR 0.9 million non-recurring income related to sale of LDC and in the second quarter EUR 1.7 million restructuring expenses. In 2010, the non-recurring items included in the first quarter a EUR 1.1 million loss on the sale of Bertmark Norge and in the second quarter EUR 1.3 million, in the third quarter EUR 0.2 million and in the fourth quarter EUR 0.8 million restructuring expenses and in the fourth quarter a EUR 2.1 million impairment of a Dutch non-core entity.

Second quarter net sales

Sanoma Learning & Literature's net sales in April–June increased by 3%. Adjusted for changes in the Division structure, net sales were stable.

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. Changes between quarters can be significant and often explain most of the changes from the comparable period.

Developments in the businesses

Net sales in learning continued to grow and increased by 3%. Net sales grew in all countries, except Hungary. In the second quarter, sales of learning materials and solutions were particularly good in Poland and Finland, where digital solutions boosted the sales in particular. The market conditions remain stable except in Hungary, where the difficult economic and political situation has led to the postponement of tenders.

Net sales in language services increased significantly due to new operations: the business information and media monitoring service provider Esmerk has been included in the figures since September 2010. In addition, Esmerk operations have developed positively, and its net sales continued to grow in the second quarter. Net sales of AAC Global were behind the comparable quarter due to sluggish market conditions in all Scandinavian countries.

Net sales in literature and other businesses decreased by 12%. Sales of general literature and printing were lower than in the comparable quarter.

In April, Sanoma announced that it will acquire the Finnish educational publisher Tammi Learning and the Swedish educational publisher Bonnier Utbildning from the Swedish media company Bonnier. At the same time, Sanoma will divest its Finnish general literature publisher WSOY to Bonnier. The necessary approvals from the Finnish competition authorities have been received and the transaction is expected to be finalised during the autumn.

Second quarter operating profit

The Division's operating result excluding non-recurring items in April–June improved by 10%. Thanks to higher sales, the operating profit of learning increased clearly. The result in language services and literature and other businesses was weaker than in the comparable quarter. In the second quarter, the operating profit included EUR 1.7 million (2010: EUR 1.3 million) of non-recurring costs related to efficiency improvement programme initiated in the Dutch operations.

First half of 2011

In January–June, Sanoma Learning & Literature's net sales increased by 3% with learning and language services increasing their sales. The Division's operating profit excluding non-recurring items improved by 8% following the good development of learning operations. Operating profit included EUR -0.8 million (2010: EUR –2.5 million) of non-recurring items.

Sanoma Learning & Literature's outlook

Sanoma Learning & Literature's customers are increasingly looking for comprehensive solutions both in learning and language services. The Division will continue its transformation in order to offer the most appealing solutions, create value for the customer by applying new technologies and gain efficiency through developing concepts and platforms to be used in several markets. At the same time, the Division is looking for growth through further internationalisation of its learning businesses.

Following the transaction with Bonnier, it is estimated that the net sales of Sanoma Learning & Literature in 2011 will be at the previous year's level and operating profit excluding non-recurring items will decrease somewhat. The learning business has a strong seasonality within the year, the first and fourth quarters being typically loss making. For general literature, on the other hand, the fourth quarter is typically the strongest. Due to this seasonality, this transaction with Bonnier will lower Sanoma Learning & Literature's fourth quarter result in 2011.

SANOMA TRADE

Operating in four countries, retail specialist Sanoma Trade's strengths lie in its solid concepts and thorough understanding of customers' needs. Sanoma Trade serves its customers in 180 million annual sales contacts at kiosks and bookstores. Sanoma Trade's trade services business unit is a strong link between publishers and retailers.

- Sanoma Trade improved its result significantly, by 71%, in the second quarter.
- Sanoma Trade divested and closed down its kiosk operations and trade services in Russia and Romania. This affected sales negatively, but improved the Division’s results.
- The divestment of movie operations was finalised at the end of April.

Key indicators EUR million	4–6 / 2011	4–6 / 2010	Change %	1–6 / 2011	1–6 / 2010	Change %	1–12 / 2010
Net sales	**156.3**	174.4	-10.4	**318.0**	344.6	-7.7	726.3
Kiosk operations	**102.3**	104.9	-2.5	**187.6**	196.8	-4.7	398.4
Trade services	**31.1**	33.8	-8.0	**63.5**	64.1	-0.9	131.3
Bookstores	**18.8**	19.9	-5.1	**43.6**	45.8	-4.9	120.6
Movie operations	**6.5**	19.9	-67.2	**28.4**	45.3	-37.3	90.0
Eliminations	**-2.4**	-4.0	39.0	**-5.1**	-7.4	31.4	-14.0
Operating profit excluding non-recurring items *	**4.1**	2.4	70.7	**7.4**	6.1	22.4	19.1
% of net sales	**2.6**	1.4		**2.3**	1.8		2.6
Operating profit	**44.4**	2.4	1742.4	**47.7**	6.1	685.0	15.5
Capital expenditure				**24.3**	15.4	58.1	29.7
Number of employees at the end of the period (FTE)				**3,771**	5,527	-31.8	5,149
Average number of employees (FTE)				**4,513**	5,555	-18.8	5,486

* In 2011, the non-recurring items included in the second quarter a EUR 0.8 million loss on sale of Russian operations, a EUR 6.2 million loss on the sale of Romanian press distribution operations, a EUR 1.8 million loss on the sale of Romanian kiosk operations, a 51.5 million gain on the sale of movie operations and EUR 2.4 million of restructuring expenses. In 2010, the non-recurring items included in the third quarter EUR 1.0 million of restructuring expenses and in the fourth quarter a EUR 2.6 million loss on the sale of Russian operations.

Operational indicators	1–6 / 2011	1–6 / 2010
Number of kiosk outlets	**1,203**	1,409
Customer volume in kiosk operations, thousands	**84,678**	90,554
Customer volume in bookstores, thousands	**2,972**	3,063
Number of copies sold (press distribution), thousands	**96,675**	131,770

Second quarter net sales

Sanoma Trade's net sales in April–June decreased by 10% due to several divestments in April. Net sales adjusted for changes in the Division structure increased by 2%.

Developments in the businesses

Net sales from kiosk operations were down by 2% in the second quarter due to the divestment of operations. The kiosk network was optimised in all countries. In Finland, special emphasis was put on customer volumes, and Sanoma Trade succeeded in stopping the downward trend, which begun in the first quarter of 2010. Net sales grew in all Baltic countries. The Russian and Romanian kiosk operations were divested in the beginning of April.

Net sales from trade services decreased by 8% due to the divestment of operations. In Finland, sales improved clearly due to the positive development of in-store merchandising and logistics services as well as successful sales of paperbacks. Net sales were stable in Latvia, but decreased in Estonia and Lithuania.

Net sales in bookstores decreased by 5%. Sales were stable in Finland in the second quarter, outperforming the slightly declining market trend. The Finnish book market is estimated to have shrunk by 5% in the first six months of 2011. The new concept stores showed clearly improved sales. Net sales decreased in Estonia. Online sales to consumers showed a significant increase, but total online sales were down from the comparable period.

Movie operations were included in Sanoma Trade's figures until the closing of the divestment on 29 April. For this reason, net sales from movie operations decreased by 67% from the comparable period.

Second quarter operating profit

Sanoma Trade's operating profit excluding non-recurring items in April–June improved by 71%. Most of the improvement in trade services and kiosk operations resulted from the divestment of loss-making Russian and Romanian operations. The result in kiosk operations was also positively affected by successful marketing campaigns, the optimisation of pricing and kiosk network as well as efficiency improvements. In order to improve its efficiency, Sanoma Trade concluded statutory employer–employee negotiations in its Finnish operations.

Sanoma Trade's operating profit in the second quarter included EUR 40.3 million of non-recurring items, consisting of restructuring costs from the discontinuation of different operations in Russia, Romania, Ukraine and the Baltic countries, as well as a capital gain from the divestment of movie operations.

First half of 2011

In January–June, Sanoma Trade's net sales decreased by 8%. Operating profit excluding non-recurring items improved by 22%, mostly due to the divestment of loss-making operations.

Sanoma Trade's outlook

Continuous development of its product and service offering, based on the consumer insight gained from its 180 million annual customer contacts, is a key success factor for Sanoma Trade. Sanoma Trade continues to focus its resources on improving its kiosk and bookstore concepts and catering better to the needs of its customers. The experience gained so far will be implemented in the roll-out continuously. The service offering of trade services will continue to be expanded.

Following the divestment of the movie operations and the Romanian operations, it is estimated that Sanoma Trade's net sales in 2011 will decrease, but operating profit excluding non-recurring items will be at the previous year's level.

THE GROUP

Dividend

The Annual General Meeting on 5 April 2011 decided to pay a dividend of EUR 1.10 (2010: EUR 0.80) per share. The dividends were paid on 15 April 2011 in Finland. Sanoma conducts an active dividend policy and primarily distributes over half of the Group result for the period in dividends.

Shares and holdings

In January–June, 44,082,703 (2010: 28,003,041) Sanoma shares were traded on the NASDAQ OMX Helsinki. Traded shares accounted for 27% (2010: 17%) of the average number of shares. Sanoma's total stock exchange turnover was EUR 653.5 million (2010: EUR 427.7 million).

During the first six months, the volume-weighted average price of a Sanoma share was EUR 14.81, with a low of EUR 11.64 and a high of EUR 17.79. At the end of June, Sanoma's market capitalisation was EUR 2.1 billion (2010: EUR 2.3 billion), with Sanoma's share closing at EUR 12.78 (2010: EUR 14.17). The Company had 26,848 shareholders at the end of June, with foreign holdings accounting for 7.2% (2010: 11.3%) of all shares and votes. There were no major changes in share ownership during the first quarter and Sanoma did not issue any flagging announcements. At the end of June, Sanoma had 162,810,593 shares.

Board of Directors, auditors and management

The AGM held on 5 April 2011 confirmed the number of Sanoma's Board members at ten. Board members Jane Erkko and Rafaela Seppälä were re-elected, and Nancy McKinstry and Kai Öistämö were elected as new members to the Board. The Board of Directors of Sanoma consists of Jaakko Rauramo (chairman), Sakari Tamminen (vice chairman), and Annet Aris, Jane Erkko, Antti Herlin, Sirkka Hämäläinen-Lindfors, Seppo Kievari, Nancy McKinstry, Rafaela Seppälä and Kai Öistämö as members.

The AGM appointed chartered accountants KPMG Oy Ab as the auditor of the Company, with Pekka Pajamo, Authorised Public Accountant, as Auditor in Charge.

After the review period, the Board decided on a new organisational model. As of 1 September, the Executive Management Group (EMG) will comprise: Harri-Pekka Kaukonen (President and CEO of the Sanoma Group, chairman of the EMG), Jacqueline Cuthbert (CHRO), Jacques Eijkens (head of Sanoma Learning), Koos Guis (head of Sanoma Media Russia & CEE; acting member), Kim Ignatius (CFO), John Martin (Chief Digital Officer, CDO), Dick Molman (head of Sanoma Media Netherlands), Anu Nissinen (head of Sanoma Media Finland), Pekka Soini (head of Sanoma News), Aimé Van Hecke (head of Sanoma Media Belgium), and Customer Market Officer, CMO, which will be appointed later.

Board authorisations

The AGM held on 5 April 2011 authorised the Board to decide on the repurchase of a maximum of 16,000,000 of the Company's own shares, accounting for 9.8% of total voting rights that the maximum number of own shares covered by the authorisation would provide entitlement to. This authorisation is effective until 30 June 2012 and terminates the corresponding authorisation granted by the AGM on 8 April 2010. The Board of Directors did not exercise its right under this authorisation during the first quarter.

The Board also has a valid authorisation from the AGM held on 8 April 2010 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, together accounting for 35.5% of total voting rights that the maximum number of own shares covered by the authorisation would provide entitlement to. The authorisation will be valid until 30 June 2013. The Board did not use this authorisation during the second quarter.

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. Television advertising in Finland is usually strongest in the second and fourth quarters.

Learning accrues most of its net sales and results during the second and third quarters.

A major portion of the net sales and results in retail are, however, generated in the last quarter, particularly due to Christmas sales. Of course, the number of shopping days and, for example, the distribution of public holidays over different quarters has an impact on the retail sales between 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

The most significant risks and uncertainty factors Sanoma currently faces are described in the Financial Statements of 2010 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 ongoing digitisation. Sanoma has identified action plans in all its divisions on how 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, the general economic conditions of the countries in which the Group operates and the economic trends of the industry influence Sanoma's business activities and operational performance.

Sanoma's financial risks include interest rate and currency risks as well as those related to liquidity, counterparties, impairment and availability of capital. At a Group level, the most significant risks are changes to interest rates and refinancing risks.

As a result SBS acquisition, Sanoma's consolidated balance sheet will include about EUR 2.9 billion in goodwill, publishing 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 impairment.

Sanoma

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 June 2011. 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	**4–6/ 2011**	**4–6/ 2010**	**1–6/ 2011**	**1–6/ 2010**	**1–12/ 2010**
NET SALES	**689.7**	715.4	**1,299.9**	1,353.3	2,761.2
Other operating income	**77.0**	197.3	**89.8**	217.7	258.8
Materials and services	**287.7**	307.3	**551.2**	586.4	1,207.4
Employee benefit expenses	**168.5**	172.3	**332.6**	341.4	668.6
Other operating expenses	**147.2**	132.4	**275.6**	261.3	554.2
Share of results in associated companies	**-0.1**		**-0.1**		
Depreciation, amortisation and impairment losses	**41.9**	39.6	**81.7**	80.4	197.1
OPERATING PROFIT	**121.3**	261.0	**148.5**	301.4	392.7
Share of results in associated companies	**-0.1**	1.7	**1.8**	-0.7	-23.9
Financial income	**1.3**	2.5	**3.6**	4.6	11.1
Financial expenses	**6.6**	6.2	**11.3**	12.3	23.8
RESULT BEFORE TAXES	**115.8**	259.0	**142.5**	293.1	356.0
Income taxes	**-18.3**	-23.8	**-26.6**	-33.8	-58.6
RESULT FOR THE PERIOD	**97.5**	235.1	**116.0**	259.2	297.3
Result attributable to:					
Equity holders of the Parent Company	**97.5**	235.4	**116.1**	261.3	299.6
Non-controlling interests	**-0.1**	-0.2	**-0.1**	-2.1	-2.3
Earnings per share for result attributable to the equity holders of the Parent company:					
Earnings per share, EUR	**0.60**	1.45	**0.71**	1.61	1.85
Diluted earnings per share, EUR	**0.60**	1.45	**0.71**	1.61	1.85

STATEMENT OF COMPREHENSIVE INCOME

EUR million	**4–6/ 2011**	**4–6/ 2010**	**1–6/ 2011**	**1–6/ 2010**	**1–12/ 2010**
Result for the period	**97.5**	235.1	**116.0**	259.2	297.3
Other comprehensive income:					
Change in translation differences	**0.5**	-8.2	**6.5**	12.1	9.8
Cash flow hedges	**-0.9**		**0.8**		0.2
Income tax related to cash flow hedges	**0.2**		**-0.2**		-0.1
Other comprehensive income for the period, net of tax	**-0.2**	-8.2	**7.1**	12.1	10.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**97.2**	226.9	**123.1**	271.3	307.3
Total comprehensive income attributable to:					
Equity holders of the Parent Company	**97.3**	227.6	**123.2**	273.4	309.6
Non-controlling interests	**-0.1**	-0.6	**-0.1**	-2.0	-2.3

CONSOLIDATED BALANCE SHEET

EUR million	30.6.2011	30.6.2010	31.12.2010
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**363.7**	439.4	429.3
Investment property	**8.6**	8.8	8.7
Goodwill	**1,418.5**	1,481.4	1,447.5
Other intangible assets	**417.2**	411.8	403.2
Interests in associated companies	**290.6**	271.1	248.7
Available-for-sale financial assets	**15.9**	15.7	15.8
Deferred tax receivables	**37.6**	36.3	34.8
Trade and other receivables	**38.2**	31.4	28.3
NON-CURRENT ASSETS, TOTAL	**2,590.3**	2,695.9	2,616.3
CURRENT ASSETS			
Inventories	**128.1**	136.6	122.8
Income tax receivables	**19.7**	21.3	8.6
Trade and other receivables	**394.8**	414.2	391.0
Available-for-sale financial assets	**0.6**	0.5	0.3
Cash and cash equivalents	**53.2**	76.8	64.0
CURRENT ASSETS, TOTAL	**596.4**	649.4	586.8
ASSETS, TOTAL	**3,186.7**	3,345.4	3,203.0
EQUITY AND LIABILITIES			
EQUITY			
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**	188.8	203.3
Other reserves	**0.8**		0.2
Other equity	**1,048.7**	1,072.4	1,096.5
	1,324.0	1,332.5	1,371.2
Non-controlling interests	**4.9**	7.6	4.8
EQUITY, TOTAL	**1,328.9**	1,340.1	1,376.0
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**93.2**	99.4	94.2
Pension obligations	**25.1**	30.0	26.7
Provisions	**9.0**	8.4	7.3
Interest-bearing liabilities	**600.4**	752.8	472.5
Trade and other payables	**17.4**	22.2	19.9
NON-CURRENT LIABILITIES, TOTAL	**745.0**	912.9	620.5
CURRENT LIABILITIES			
Provisions	**12.3**	16.2	15.6
Interest-bearing liabilities	**445.9**	384.0	469.4
Income tax liabilities	**28.1**	32.8	22.1
Trade and other payables	**626.5**	659.4	699.4
CURRENT LIABILITIES, TOTAL	**1,112.8**	1,092.4	1,206.5
LIABILITIES, TOTAL	**1,857.8**	2,005.2	1,827.0
EQUITY AND LIABILITIES, TOTAL	**3,186.7**	3,345.4	3,203.0

CHANGES IN CONSOLIDATED EQUITY
EUR million

	Equity attributable to the equity holders of the Parent Company						
	Share capital	Fund for invested unrestricted equity	Other reserves	Other equity	Total	Non-controlling interests	Equity, total
Equity at 1 Jan 2010	**71.3**	**188.8**		**931.1**	**1,191.2**	**15.4**	**1,206.6**
Expense recognition of options granted				1.8	1.8		1.8
Dividends paid				-129.5	-129.5	-1.6	-131.1
Change in non-controlling interests				-3.9	-3.9	-4.2	-8.1
Donations				-0.5	-0.5		-0.5
Comprehensive income for the period				273.4	273.4	-2.0	271.3
Equity at 30 June 2010	**71.3**	**188.8**		**1,072.4**	**1,332.5**	**7.6**	**1,340.1**
Equity at 1 Jan 2011	**71.3**	**203.3**	**0.2**	**1,096.5**	**1,371.2**	**4.8**	**1,376.0**
Expense recognition of options granted				2.1	2.1		2.1
Dividends paid				-179.1	-179.1	-0.3	-179.4
Change in non-controlling interests				6.6	6.6	0.5	7.2
Comprehensive income for the period			0.6	122.5	123.2	-0.1	123.1
Equity at 30 June 2011	**71.3**	**203.3**	**0.8**	**1,048.7**	**1,324.0**	**4.9**	**1,328.9**

INCOME STATEMENT BY QUARTER

EUR million	1–3 / 2011	4–6 / 2011	1–3 / 2010	4–6 / 2010	7–9 / 2010	10–12 / 2010	1–12 / 2010
NET SALES	610.2	**689.7**	637.9	715.4	690.6	717.3	2,761.2
Other operating income	12.8	**77.0**	20.4	197.3	20.9	20.3	258.8
Materials and services	263.5	**287.7**	279.0	307.3	300.7	320.4	1,207.4
Employee benefit expenses	164.0	**168.5**	169.1	172.3	151.9	175.3	668.6
Other operating expenses	128.4	**147.2**	128.9	132.4	124.2	168.7	554.2
Share of results in associated companies		**-0.1**					
Depreciation, amortisation and impairment losses	39.8	**41.9**	40.8	39.6	70.7	45.9	197.1
OPERATING PROFIT	27.3	**121.3**	40.4	261.0	63.9	27.4	392.7
Share of results in associated companies	1.9	**-0.1**	-2.4	1.7	0.8	-24.0	-23.9
Financial income	2.2	**1.3**	2.2	2.5	4.0	2.4	11.1
Financial expenses	4.7	**6.6**	6.0	6.2	5.0	6.6	23.8
RESULT BEFORE TAXES	26.7	**115.8**	34.1	259.0	63.7	-0.8	356.0
Income taxes	-8.2	**-18.3**	-10.0	-23.8	-24.6	-0.2	-58.6
RESULT FOR THE PERIOD	18.5	**97.5**	24.1	235.1	39.1	-1.0	297.3
Result attributable to:							
Equity holders of the Parent Company	18.5	**97.5**	25.9	235.4	39.2	-0.9	299.6
Non-controlling interests	0.0	**-0.1**	-1.8	-0.2	-0.1	-0.1	-2.3
Earnings per share for result attributable to the equity holders of the Parent company:							
Earnings per share, EUR	0.11	**0.60**	0.16	1.45	0.24	-0.01	1.85
Diluted earnings per share, EUR	0.11	**0.60**	0.16	1.45	0.24	-0.01	1.85

CONSOLIDATED CASH FLOW STATEMENT EUR million	**1–6 / 2011**	**1–6 / 2010**	**1–12 / 2010**
OPERATIONS			
Result for the period	**116.0**	259.2	297.3
Adjustments			
Income taxes	**26.6**	33.8	58.6
Financial expenses	**11.3**	12.3	23.8
Financial income	**-3.6**	-4.6	-11.1
Share of results in associated companies	**-1.8**	0.7	23.9
Depreciation, amortisation and impairment losses	**81.7**	80.4	197.1
Gains/losses on sales of non-current assets	**-52.5**	-188.5	-195.2
Other adjustments	**-34.6**	-23.8	-55.1
Change in working capital			
Change in trade and other receivables	**-24.9**	-61.7	-41.1
Change in inventories	**-9.0**	-3.8	9.5
Change in trade and other payables, and provisions	**-38.1**	-7.3	36.8
Interest paid	**-6.6**	-5.2	-13.7
Other financial items	**-5.3**	-3.4	-3.2
Taxes paid	**-37.0**	-28.2	-53.9
CASH FLOW FROM OPERATIONS	**22.2**	60.0	273.8
INVESTMENTS			
Acquisition of tangible and intangible assets	**-34.9**	-40.3	-81.8
Operations acquired	**-41.0**	-27.1	-49.5
Sales of tangible and intangible assets	**4.4**	5.2	17.8
Operations sold	**67.4**	26.1	30.8
Loans granted	**-7.8**	-0.3	-0.8
Repayments of loan receivables	**17.8**	3.6	3.5
Sales of short-term investments	**-0.3**		0.2
Interest received	**0.8**	1.0	2.7
Dividends received	**13.3**	3.0	3.9
CASH FLOW FROM INVESTMENTS	**19.7**	-28.9	-73.1
CASH FLOW BEFORE FINANCING	**41.9**	31.1	200.8
FINANCING			
Proceeds from share subscriptions			14.5
Minority capital investment/repayment of equity			1.6
Change in loans with short maturity	**-28.5**	-72.8	4.2
Drawings of other loans	**210.1**	255.5	287.7
Repayments of other loans	**-66.0**	-40.3	-355.8
Payment of finance lease liabilities	**-1.4**	-1.7	-3.7
Dividends paid	**-179.4**	-131.1	-131.3
Donations/other profit sharing		-0.5	-0.5
CASH FLOW FROM FINANCING	**-65.2**	9.0	-183.3
CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO CASH FLOW STATEMENT	**-23.3**	40.1	17.5
Effect of exchange rate differences on cash and cash equivalents	**0.0**	0.8	2.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-23.4**	40.9	19.5
Cash and cash equivalents at the beginning of the period	**41.1**	21.6	21.6
Cash and cash equivalents at the end of the period	**17.7**	62.4	41.1

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

NET SALES BY BUSINESS EUR million	1–3 / 2011	**4–6 / 2011**	1–3 / 2010	4–6 / 2010	7–9 / 2010	10–12 / 2010	1–12 / 2010
SANOMA MEDIA							
The Netherlands	105.3	**130.6**	107.4	128.0	118.8	136.1	490.4
Finland	74.2	**79.4**	92.6	91.7	67.5	87.4	339.3
The CEE countries	51.4	**54.3**	48.7	54.3	51.0	60.9	214.9
Belgium	50.1	**48.7**	53.5	52.3	48.7	53.8	208.3
Other businesses and eliminations	10.2	**10.7**	9.9	13.0	11.5	12.4	46.7
TOTAL	291.1	**323.7**	312.1	339.4	297.5	350.6	1,299.6
SANOMA NEWS							
Helsingin Sanomat	61.2	**61.2**	59.1	56.7	55.5	64.1	235.4
Ilta-Sanomat	19.1	**22.2**	19.9	20.7	21.1	21.6	83.3
Other publishing	23.7	**25.0**	25.3	25.6	23.5	25.0	99.5
Other businesses and eliminations	4.4	**3.9**	5.0	5.5	4.6	4.2	19.4
TOTAL	108.4	**112.2**	109.4	108.5	104.8	114.9	437.6
SANOMA LEARNING & LITERATURE							
Learning	34.3	**87.4**	29.9	85.0	100.6	33.7	249.3
Language services	8.7	**8.1**	6.9	6.2	5.2	8.9	27.1
Literature and other businesses	20.1	**15.1**	23.6	17.2	18.0	24.8	83.6
Eliminations	-2.4	**-2.1**	-2.3	-2.9	-2.5	-2.2	-9.9
TOTAL	60.7	**108.6**	58.2	105.5	121.2	65.1	350.1
SANOMA TRADE							
Kiosk operations	85.3	**102.3**	91.9	104.9	99.2	102.4	398.4
Trade services	32.4	**31.1**	30.3	33.8	32.7	34.5	131.3
Bookstores	24.8	**18.8**	26.0	19.9	31.6	43.2	120.6
Movie operations	21.9	**6.5**	25.4	19.9	20.7	23.9	90.0
Eliminations	-2.6	**-2.4**	-3.4	-4.0	-3.1	-3.5	-14.0
TOTAL	161.8	**156.3**	170.2	174.4	181.1	200.5	726.3
Other companies and eliminations	-11.7	**-11.0**	-12.0	-12.5	-14.1	-13.8	-52.4
TOTAL	610.2	**689.7**	637.9	715.4	690.6	717.3	2,761.2

OPERATING PROFIT BY DIVISION EUR million	1–3 / 2011	**4–6 / 2011**	1–3 / 2010	4–6 / 2010	7–9 / 2010	10–12 / 2010	1–12 / 2010
Sanoma Media	22.7	**47.0**	31.2	229.3	-4.2	31.6	287.9
Sanoma News	12.9	**9.9**	15.6	8.9	15.7	15.9	56.1
Sanoma Learning & Literature	-5.2	**27.3**	-6.4	25.1	45.5	-17.2	47.1
Sanoma Trade	3.3	**44.4**	3.7	2.4	6.4	3.0	15.5
Other companies and eliminations	-6.5	**-7.4**	-3.7	-4.7	0.5	-6.1	-13.9
TOTAL	27.3	**121.3**	40.4	261.0	63.9	27.4	392.7

OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS BY DIVISION

EUR million	1–3/ 2011	4–6/ 2011	1–3/ 2010	4–6/ 2010	7–9/ 2010	10–12/ 2010	1–12/ 2010
Sanoma Media	22.7	**37.9**	31.2	47.3	31.0	36.3	145.8
Sanoma News	12.9	**9.9**	9.6	8.9	15.7	13.0	47.2
Sanoma Learning & Literature	-6.1	**29.0**	-5.2	26.4	45.7	-14.4	52.6
Sanoma Trade	3.3	**4.1**	3.7	2.4	7.4	5.6	19.1
Other companies and eliminations	-6.5	**-8.4**	-3.7	-4.7	-4.9	-6.1	-19.3
TOTAL	26.4	**72.6**	35.6	80.3	94.9	34.5	245.4

SEGMENT INFORMATION

Sanoma Group has four operating segments: Sanoma Media, Sanoma News, Sanoma Learning & Literature and Sanoma Trade. The segmentation is based on business model and product differences. The media business, based on advertising and circulation sales, is divided into two segments: Sanoma Media, operating in 12 countries, is responsible for magazines and TV operations and Sanoma News for newspapers in Finland. Both divisions also have a great variety of online and mobile services. Sanoma Learning & Literature's business is mainly B2B business. Sanoma Trade, on the other hand, operates on a retail business model. In addition to the Group eliminations column unallocated/eliminations includes Sanoma Corporation and real estate companies as well as items not allocated to segments.

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

Sanoma Divisions 1.1–30.6.2011

EUR million	Media	News	Lear-ning & Lite-rature	Trade	Unallo-cated/ elimi-nations	Con-soli-dated
External net sales	612.8	219.5	163.8	303.8	-0.1	1,299.9
Internal net sales	2.0	1.1	5.4	14.2	-22.7	
NET SALES, TOTAL	614.8	220.6	169.2	318.0	-22.7	1,299.9
OPERATING PROFIT	69.7	22.8	22.1	47.7	-13.8	148.5
Share of results in associated companies	2.6	0.5	0.0	-1.3		1.8
Financial income					3.6	3.6
Financial expenses					11.3	11.3
RESULT BEFORE TAXES						142.5
SEGMENT ASSETS	1,830.4	318.7	596.9	243.3	71.0	3,060.3

Sanoma Divisions 1.1–30.6.2010

EUR million	Media	News	Lear-ning & Lite-rature	Trade	Unallo-cated / elimi-nations	Con-soli-dated
External net sales	649.1	214.4	158.0	331.8	0.1	1,353.3
Internal net sales	2.4	3.5	5.7	12.9	-24.5	
NET SALES, TOTAL	651.5	217.9	163.7	344.6	-24.5	1,353.3
OPERATING PROFIT	260.5	24.5	18.7	6.1	-8.4	301.4
Share of results in associated companies	-1.1	0.1	0.0	0.3		-0.7
Financial income					4.6	4.6
Financial expenses					12.3	12.3
RESULT BEFORE TAXES						293.1
SEGMENT ASSETS	1,892.2	330.0	592.4	347.4	37.1	3,199.0

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	30.6.2011	30.6.2010	31.12.2010
Carrying amount at the beginning of the period	**429.3**	484.2	484.2
Increases	**35.2**	27.4	50.7
Acquisition of operations	**0.1**	0.4	0.4
Decreases	**-1.7**	-2.5	-5.4
Disposal of operations	**-72.1**	-31.5	-31.8
Depreciation for the period	**-26.6**	-33.3	-61.8
Impairment losses for the period	**0.1**	0.0	-1.0
Exchange rate differences and other changes	**-0.5**	-5.3	-6.1
Carrying amount at the end of the period	**363.7**	439.4	429.3

The Group had no commitments for acquisition of tangible assets at the end of the reporting period or in the comparative period.

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED BALANCE SHEET

EUR million	1–6 / 2011	1–12 / 2010
Acquisition costs	**16.6**	**37.1**
Fair value of acquired net assets	**14.7**	**14.5**
Recognised in equity		**-18.7**
Recognised in income statement	**0.0**	**-0.5**
Goodwill	**1.9**	**3.5**
Negative goodwill in income statement		
Change in goodwill	**1.9**	**3.5**

CONTINGENT LIABILITIES

EUR million	30.6.2011	30.6.2010	31.12.2010
Contingencies for own commitments			
Mortgages	**20.5**	22.7	20.6
Pledges	**1.6**	6.7	6.7
Other items	**0.5**	0.0	0.6
TOTAL	**22.7**	29.4	27.8
Contingencies incurred on behalf of associated companies			
Guarantees		10.5	10.5
TOTAL		10.5	10.5
Contingencies incurred on behalf of other companies			
Guarantees	**0.0**	0.3	0.0
TOTAL	**0.0**	0.3	0.0
Other contingencies			
Operating lease liabilities	**210.2**	259.8	249.1
Royalties	**18.9**	16.4	23.5
Other items	**30.9**	23.6	26.9
TOTAL	**260.0**	299.9	299.5
TOTAL	**282.7**	340.0	337.8

DERIVATIVE INSTRUMENTS

EUR million

Fair values	30.6.2011	30.6.2010	31.12.2010
Interest rate derivatives			
Interest rate swaps	**0.6**		**0.1**

KEY EXCHANGE RATES

Average rate	1–6 / 2011	1–6 / 2010	1–12 / 2010
EUR/CZK (Czech Koruna)	24.47	25.83	25.36
EUR/HUF (Hungarian Forint)	269.39	272.22	276.04
EUR/PLN (Polish Zloty)	3.97	4.02	4.01
EUR/RUB (Russian Rouble)	40.45	40.15	40.45
EUR/SEK (Swedish Crown)	8.93	9.81	9.55

Closing rate	30.6.2011	30.6.2010	31.12.2010
EUR/CZK (Czech Koruna)	24.35	25.69	25.06
EUR/HUF (Hungarian Forint)	266.11	286.00	277.95
EUR/PLN (Polish Zloty)	3.99	4.15	3.98
EUR/RUB (Russian Rouble)	40.40	38.28	40.82
EUR/SEK (Swedish Crown)	9.17	9.53	8.97

Press Conference

Press and analyst meeting will be held in English by President and CEO Harri-Pekka Kaukonen and CFO Kim Ignatius at 11 am at Sanomatalo, Töölönlahdenkatu 2, Helsinki. Webcast of the event can be viewed at Sanoma.com either live or later on as on demand. Questions to the presenters can be asked also by phone during the meeting. To join the conference call, please dial +44 (0)20 7162 0025 (Europe) or +1 334 323 6201 (US) and quote the conference code 900794. The presentation material of the press and analyst meeting will be available on Sanoma's website when the press and analyst meeting has started.

Sanoma's 3Q11 Interim Report will be published on 2 November 2011 at approximately 8:30 am Finnish time.

Sanoma Corporation

Kim Ignatius
Chief Financial Officer

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Sanoma.com

Sanoma inspires, informs and connects. As a diversified media group, we bring information, experiences, education and entertainment to millions of people every day. We make sure that quality content and interesting products and services are easily available and meet the demands of our readers, viewers and listeners. We offer a challenging and interesting working environment for nearly 20,000 people in over 20 countries throughout Europe. In 2010, the Group's net sales totalled EUR 2.8 billion.