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

Stable sales in volatile markets – result burdened by one-offs

Third quarter

- Net sales in the third quarter amounted to EUR 720.9 million (2010: EUR 690.6 million). Adjusted for changes in the Group structure, Sanoma's net sales grew by 1%.
- Operating profit excluding non-recurring items was EUR 79.5 million (2010: EUR 94.9 million).
- The non-recurring items included in EBIT in the third quarter amounted to EUR -97.1 million (2010: EUR -31.0 million) of which EUR -81.7 million consisted of impairments of goodwill and publishing rights, mainly in Sanoma Media Russia & CEE.
- Earnings per share were EUR -0.31 (2010: EUR 0.24). EPS excluding the non-recurring items was EUR 0.28 (2010: EUR 0.43).

First nine months of 2011

- Sanoma Group's net sales were EUR 2,020.8 million (2010: EUR 2,043.8 million).
- Operating profit excluding non-recurring items totalled EUR 178.5 million (2010: EUR 210.8 million)
- Cash flow from operations was EUR 133.0 million (2010: EUR 174.0 million).
- The Group outlook for 2011 is unchanged.

KEY INDICATORS EUR million	**7–9/ 2011**	**7–9/ 2010**	**Change %**	**1–9/ 2011**	**1–9/ 2010**	**Change %**	**1–12/ 2010**
Net sales	**720.9**	690.6	4.4	**2,020.8**	2,043.8	-1.1	2,761.2
Operating profit excluding non-recurring items	**79.5**	94.9	-16.2	**178.5**	210.8	-15.4	245.4
% of net sales	**11.0**	13.7		**8.8**	10.3		8.9
Operating profit	**-17.6**	63.9	-127.5	**131.0**	365.3	-64.2	392.7
Result for the period	**-54.4**	39.1	-239.0	**61.6**	298.3	-79.3	297.3
Capital expenditure *				**67.1**	59.6	12.6	85.7
% of net sales				**3.3**	2.9		3.1
Equity ratio, %				**36.4**	44.3		45.7
Net gearing, %				**112.0**	71.4		63.8
Number of employees at the end of the period (FTE)				**14,815**	15,863	-6.6	15,405
Average number of employees (FTE)				**14,683**	16,148	-9.1	16,016
Earnings/share, EUR	**-0.31**	0.24	-226.0	**0.41**	1.86	-78.1	1.85
Cash flow from operations/share, EUR	**0.68**	0.71	-3.5	**0.82**	1.08	-24.0	1.69

* Including finance leases

Harri-Pekka Kaukonen, President and CEO

"Our operational performance was solid during the third quarter, given the underlying trends and market environment. The operating segments Media, News and Trade performed in line with our expectations. In Learning, most of the countries also contributed as planned, but we continue to face material challenges in Hungary due to the country's difficult economic and political situation. The general economic outlook in Hungary and other CEE countries as well as the development of exchange rates were main reason for impairments of goodwill and intangible assets in Sanoma Media Russia & CEE. In language services, the goodwill impairments were caused by the weakened business outlook.

During the year, we have made significant changes in the Group management team, structure and portfolio. Our strategy to focus on consumer media and learning is becoming more evident. The acquisition of SBS has been finalised and, from the beginning of August, the Dutch operations have been consolidated. The first steps of the integration process have been taken and a new CEO has been appointed for SBS Netherlands. I believe that the future of SBS is bright, as we set the main focus on strengthening SBS's position with the viewers and to increase market share in the advertising market.

As part of our strategy we continued to dispose of non-core Trade assets. The bookstore operations in Finland were divested in September and the Latvian press distribution and kiosk operations in October.

Sanoma is a dynamic company in the midst of transformation. Our response to the changing media landscape is to further utilise our understanding of consumer and customer behaviour, to accelerate the speed of digital transition, to foster innovation and to improve the efficiency of our operations. For the next three years, we have set the following priorities: ensure financial flexibility by streamlining operating expenses, focusing on cash flows and continuing to dispose of non-core assets; maximise the efficiency of our print businesses to ensure competitiveness and successful migration to digital; ensure profitable organic growth of our TV and learning businesses; and to create growth from new digital services. A key enabler is the transformation of our culture into a high performing company."

Outlook for 2011

Sanoma Group's outlook for 2011 is unchanged. The 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.

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 slightly in 2011.

Net sales

Third quarter

In the third quarter of 2011, Sanoma's net sales increased by 4% and amounted to EUR 720.9 million (2010: EUR 690.6 million). The growth came from the acquired TV operations and increased sales of Sanoma Media Netherlands and Finland. Currency translations did not have a material effect on third quarter sales. When adjusted for changes in the Group structure, net sales grew by 1%.

Print circulation sales grew by 2%. Subscription sales increased somewhat, but single copy sales were slightly down.

Advertising sales increased by 34%, mostly due to acquired TV operations in the Netherlands and Belgium. Online advertising sales increased significantly, by 16%. In total, advertising sales accounted for 26% (2010: 20%) of the Group's net sales.

The TV acquisition also impacted Sanoma's digital sales, which grew by 61% in the third quarter and accounted for 16% (2010: 10%) of the Group's net sales. Broadband access services in Finland, which were divested in 2010, are not included in the digital sales of the comparable period.

First nine months of 2011

In January–September, Sanoma's net sales decreased by 1% due to acquired operations not fully compensating the effects of the divestments made in 2010 and 2011.

Online sales grew by 11% to EUR 122.0 million. Total digital sales, including also TV and e.g. e-learning, grew by 30%, and amounted to 13% (2010: 10%) of net sales.

By country, Finland accounted for 49% (2010: 51%) of the cumulative net sales and the Netherlands 26% (2010: 23%). Net sales from other EU countries totalled 22% (2010: 23%) and non-EU countries accounted for 3% (2010: 3%).

Result

Third quarter

Sanoma's operating profit excluding non-recurring items in July–September decreased by 16% and totalled EUR 79.5 million (2010: EUR 94.9 million). Operating profit includes EUR 23.3 million of one-off transaction costs and order backlog amortisations related to the SBS acquisition, which are not categorised as non-recurring. Operating profit excluding non-recurring items amounted to 11.0% (2010: 13.7%) of net sales. Currency translations did not have a material effect on the third quarter result.

The Group's total expenses increased by 5% due to acquired operations. Paper costs increased by 3% and employee benefit expenses by 4%. The Group had some 1,000 fewer employees than at the end of September 2010, corresponding to a decrease of 7%. From the year-end, the number of personnel has decreased by 4%. The decrease in the number of personnel is mostly attributable to divestment of operations and the closing down of kiosks, partly offset by the acquisition of SBS.

In July–September, the operating profit included EUR -97.1 million (2010: EUR -31.0 million) in non-recurring items consisting mainly of impairments in goodwill of Sanoma Media Russia & CEE, language service operations and publishing rights in Sanoma Media Netherlands and Sanoma Media Russia & CEE.

NON-RECURRING ITEMS EUR million	**7-9/ 2011**	**7-9/ 2010**	**1-9/ 2011**	**1-9/ 2010**	**1-12/ 2010**
Media					
Gain on sale of Humo and Desert Fishes			**9.1**	2.6	2.6
Impairment of goodwill and intangible assets (Russia & CEE)	**-53.4**		**-53.4**		-1.0
Restructuring expenses (The Netherlands)					-3.3
Impairment of intangible assets (The Netherlands)	**-3.4**	-6.3	**-3.4**	-6.3	-6.3
Gain on sale of Welho (Finland)				179.4	179.0
Impairment of goodwill in the Dutch press distribution		-28.9		-28.9	-28.9
News					
Gain on sale of Lehtikuva				6.0	6.0
Gain on sale of Sanoma Lehtimedia's local papers					2.9
Learning					
Impairment of goodwill (Language services)	**-24.1**		**-24.1**		
Sale of LDC			**0.9**		
Loss on sale of Bertmark Norge				-1.2	-1.1
Restructuring expenses	**-1.0**	-0.2	**-2.7**	-1.5	-2.3
Impairment of a Dutch non-core entity					-2.1
Trade					
Loss on sale of Suomalainen Kirjakauppa	**-10.8**		**-10.8**		
Write-down of real estates	**-3.1**		**-3.1**		
Impairment (Bookstores)	**-0.8**		**-0.8**		
Gain on sale of movie operations	**-0.1**		**51.4**		
Loss on sale of Romanian operations			**-8.0**		
Loss on sale of Russian operations			**-0.8**		-2.6
Restructuring expenses	**-0.4**	-1.0	**-2.8**	-1.0	-1.0
Other companies					
Gains on the sales of real estates		5.4	**1.0**	5.4	5.4
NON-RECURRING ITEMS IN OPERATING PROFIT	**-97.1**	-31.0	**-47.5**	154.5	147.3
Impairment of share in associated company Hansaprint	**-4.0**		**-4.0**		-22.1
NON-RECURRING ITEMS IN RESULTS IN ASSOCIATED COMPANIES	**-4.0**		**-4.0**		-22.1

Sanoma's third quarter result included EUR -3.2 million (2010: EUR 0.8 million) of profits from associated companies. The most important associated companies included in this line are DNA, Hansaprint, Stratosfèra and Jokerit HC.

First nine months of 2011

In January–September, Sanoma's operating profit excluding non-recurring items decreased by 15% and totalled EUR 178.5 million (2010: EUR 210.8 million). The operating profit improved in News and Trade. Weak development of general literature and Hungarian learning operations lowered the result in Learning. The result in Media was burdened by costs related to the SBS acquisitions. Costs increased significantly in the Parent Company due to development projects.

Sanoma's net financial items totalled EUR -19.8 million (2010: EUR -8.6 million). Financial income amounted to EUR 4.6 million (2010: EUR 8.7 million), EUR 1.5 million of which were exchange rate gains (2010: EUR 5.5 million). Financial expenses amounted to EUR 24.4 million (2010: EUR 17.3 million). Following the increased debt, interest expenses amounted to EUR 17.4 million (2010: EUR 9.5 million). Exchange rate losses totalled EUR 4.6 million (2010: EUR 6.0 million).

The result before taxes amounted to EUR 109.7 million in the first nine months (2010: EUR 356.8 million). The effective tax rate was 43.8% (2010: 16.4%). Earnings per share were EUR 0.41 (2010: EUR 1.86). The effective tax rate and earnings per share were affected by the impairments done in the third quarter. The comparable figures were affected by the tax-free non-recurring gain on the sale of the cable TV operator Welho.

Balance sheet and financial position

At the end of September, Sanoma's consolidated balance sheet totalled EUR 4,321.8 million (2010: EUR 3,246.5 million). In the first nine months, the Group's cash flow from operations was EUR 133.0 million (2010: EUR 174.0 million). Cash flow from operations per share was EUR 0.82 (2010: EUR 1.08). In addition to the lower result, cash flow was weakened by higher interest expenses and paid taxes as well as investments in TV programming rights.

Sanoma's equity ratio was 36.4% (2010: 44.3%) at the end of September. Equity totalled EUR 1,505.2 million (2010: EUR 1,357.6 million). Following the closing of the SBS acquisition, interest-bearing liabilities increased and totalled EUR 1,788.3 million (2010: EUR 1,024.3 million). Interest-bearing net debt was EUR 1,685.3 million (2010: EUR 969.1 million).

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 transaction did not affect the financing terms of Sanoma's previous credit facilities. The current net debt/EBITDA ratio is well within the Group's finance policy and debt covenants.

Investments, acquisitions and divestments

Investments in tangible and intangible assets, including finance leases, amounted to EUR 67.1 million (2010: EUR 59.6 million) in January–September. Investments were mainly related to ICT systems as well as replacements and renovations. Sanoma's business acquisitions totalled EUR 1,141.9 million (2010: EUR 37.1 million).

In March, Sanoma sold its movie operations in Finland and the Baltic countries. 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.

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 together with Talpa Media in the Netherlands and Corelio and Wouter Vandenhaute & Eric Watté in Belgium. The enterprise value of the transaction was 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 transaction was completed on 3 October.

In August, Sanoma announced the divestment of its bookstore operations in Finland. In 2010, net sales of Sanoma's Finnish bookstores were EUR 109 million and operating profit EUR 2 million. The divestment was completed on 30 September.

After the review period, Sanoma divested its ownership, 50% of the shares, in the Latvian kiosk and press distribution company Narvesen Baltija. In 2010, the net sales of the company were EUR 59 million. Sanoma will record some EUR 5 million non-recurring sales gain for the transaction in its fourth quarter result.

MEDIA

The Media segment includes magazine, TV and digital businesses in twelve European countries and comprises four strategic business units: Sanoma Media Belgium, Sanoma Media Finland, Sanoma Media Netherlands and Sanoma Media Russia & CEE.

- Sanoma Media's television operations developed well in the third quarter in Finland and Belgium, viewing shares declined in the Netherlands because of disappointing current programming.
- The SBS acquisition is now completed and the figures have been consolidated with the Dutch and Belgian operations.

Key indicators	**7–9 /**	**7–9 /**	**Change**	**1–9 /**	**1–9 /**	**Change**	**1–12 /**
EUR million	**2011**	**2010**	**%**	**2011**	**2010**	**%**	**2010**
Net sales	**355.5**	297.5	19.5	**970.2**	949.0	2.2	1,299.6
The Netherlands	**174.0**	118.8	46.4	**409.9**	354.3	15.7	490.4
Finland	**70.0**	67.5	3.6	**223.5**	251.8	-11.2	339.3
Russia & CEE	**50.8**	51.0	-0.5	**156.4**	154.0	1.6	214.9
Belgium	**48.4**	48.7	-0.5	**147.2**	154.5	-4.7	208.3
Other businesses and eliminations	**12.3**	11.5	7.3	**33.2**	34.3	-3.4	46.7
Operating profit excluding non-recurring items *	**25.8**	31.0	-16.6	**86.5**	109.5	-21.0	145.8
% of net sales	**7.3**	10.4		**8.9**	11.5		11.2
Operating profit	**-31.0**	-4.2		**38.8**	256.3	-84.9	287.9
Capital expenditure				**16.6**	18.0	-7.4	25.2
Number of employees at the end of the period (FTE)				**5,986**	5,436	10.1	5,419
Average number of employees (FTE)				**5,517**	5,663	-2.6	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 and in the third quarter a EUR 3.4 million impairment of intangible assets in the Netherlands and a EUR 53.4 million impairment of goodwill and intangible assets in Russia & CEE. 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 Russia & CEE.

Operational indicators *	**1–9 /**	**1–9 /**
Magazines	**2011**	**2010**
Number of magazines published	**281**	280
Magazine copies sold, thousands	**248,766**	257,426
Advertising pages sold	**34,460**	35,865
Finnish TV operations		
TV channels' share of TV advertising	**33.0%**	33.7%
TV channels' national commercial viewing share (10-44 years)	**34.7%**	35.6%
TV channels' national viewing share	**15.0%**	14.9%
Dutch TV operations		
TV channels' share of TV advertising	**30.5%**	32.1%
TV channels' national viewing share (20-49 years)	**23.4%**	24.5%

* Including joint ventures

Third quarter net sales

Net sales in Media grew by 19% in July–September following the consolidation of acquired operations. Adjusted for structural changes, net sales grew by 1%.

Advertising sales grew by 50%, following the consolidation of acquired operations, and represented 39% (2010: 31%) of the third quarter net sales. Online advertising sales increased by 17% with all business units showing growth.

Print circulation sales increased by 3%, due to acquired operations, and represented 47% (2010: 55%) of the third quarter net sales. Subscription sales were stable, but single copy sales decreased slightly.

The consolidation of acquired TV operations and growing online advertising sales increased the segment's digital sales. In total, these sales grew by 112% in the third quarter and represented 25% (2010: 14%) of the net sales.

Developments in the businesses

In the Netherlands, net sales grew by 46%. Most of this growth came from the consolidation of the acquired SBS TV and print operations, part of Sanoma Media Netherlands since 1 August 2011. Sales of the magazine operations were at the comparable quarter's level while the digital sales increased clearly. The declining trends in the readers market continued but Sanoma Media Netherlands' market share remained stable. In total, circulation sales grew by 10% due to acquired operations. Single copy sales declined from the comparable period, but subscription sales increased clearly. Advertising sales grew significantly following the consolidation of new TV operations, and represented 42% (2010: 27%) of the Dutch net sales. The Dutch market for consumer magazine advertising, excluding TV guides, grew by 1% in July–August, while Sanoma Media Netherlands' print advertising sales declined by 2%. Online advertising sales continued to grow clearly. The TV advertising market in the Netherlands increased by 3% in July–August, and Sanoma's TV operations developed in line with the markets. Viewing shares, however, declined.

In Finland, net sales grew by 4% following the good development of TV operations. During the third quarter, the TV advertising market in Finland increased by 0.8%. Nelonen Media's advertising sales outperformed the market. Net sales in magazine publishing were at the comparable quarter's level. The magazine advertising market increased by 0.6% in the third quarter. Sanoma Media Finland's advertising sales grew slightly. Circulation sales were at the comparable quarter's level although the volumes are declining slightly. In total, advertising sales of the Finnish operations represented 35% (2010: 35%) of net sales.

Net sales in Belgium were at the comparable quarter's level. Magazine advertising sales increased by 5% and circulation sales remained stable. The trend in the Belgian readers market continued to be slightly decreasing, but Sanoma Media Belgium has continuously improved its market position. The TV advertising market in Belgium grew by 14% in the third quarter. Sanoma's TV operations grew and market share improved to 24.2%. In total, advertising sales represented 29% (2010: 24%) of net sales in Belgium.

The reported figures of Sanoma Media Belgium include 49% of the weekly magazine Humo from May 2010 to May 2011. In connection with SBS acquisition, the remaining holding in Humo was transferred to De Vijver, after which 33% of the net result of De Vijver was included in the Belgium figures. Since the Belgium competition authorities approved joint-control structure of De Vijver on 1 September, Sanoma's 33% share in De Vijver Media (which includes 100% of Humo, the acquired TV operations as well as the TV productions operations of Woestijnvis) is now proportionally consolidated line-by-line.

In Russia and the CEE countries, net sales remained stable. In general the advertising market development has slowed down in all markets compared to the beginning of the year and the uncertainty is increasing. Sanoma's advertising sales in Russia and CEE increased slightly, with digital sales in particular growing. Advertising sales represented 51% (2010: 48%) of the third quarter sales. Following the declining market trends, Sanoma's single copy sales came down in most countries and circulation sales decreased somewhat. The magazine portfolio is continuously optimised according to the market situation and in the third quarter, three titles were discontinued and one launched.

Third quarter operating profit

Operating profit excluding non-recurring items in the Media segment in July–September decreased by 17%, due to the transaction costs and order backlog amortisations totalling EUR 23.3 million. Excluding these costs, the result improved in the Netherlands. In Finland, the result improved, partly due to different number of magazine issues published than in the comparable quarter. In Belgium, the result in magazine operations improved, but the investments in TV programming rights decreased the total result. In Russia & CEE countries, the result decreased due to investments in TV and higher personnel costs. The third quarter result included EUR -56.8 million (2010: EUR -35.2 million) of non-recurring items related to impairments of goodwill and publishing rights.

Media's outlook

Strategic business units in the Media segment have strong portfolios of media brands in magazines, online and mobile media, and on radio and TV. With the versatile portfolio and market leading positions, Sanoma is able to grow by bringing new kind of products and services to consumers and advertisers. In 2011, the new operations will increase Media's net sales, but the operating profit will be heavily burdened by costs related to the SBS transaction.

It is estimated that in 2011, net sales in Media will increase somewhat and operating profit excluding non-recurring items will decrease clearly.

NEWS

The News segment includes the Sanoma News strategic business unit, Finland's leading player in newspaper publishing and digital media.

- Sanoma News' market share of the Finnish advertising market continued to grow. Advertising sales improved clearly in the tabloid Ilta-Sanomat and in free sheets in particular.
- The Sanoma Kaupunkilehdet business unit improved its market share of the free sheet media market and Ilta-Sanomat strengthened its share in the tabloid market.
- All main brands now also have online and mobile applications and the use of the products in tablet and smart phone devices shows significant growth.

Key indicators EUR million	**7–9 / 2011**	**7–9 / 2010**	**Change %**	**1–9 / 2011**	**1–9 / 2010**	**Change %**	**1–12 / 2010**
Net sales	**103.2**	104.8	-1.6	**323.8**	322.7	0.3	437.6
Helsingin Sanomat	**55.3**	55.5	-0.5	**177.6**	171.4	3.7	235.4
Ilta-Sanomat	**21.6**	21.1	2.2	**62.8**	61.6	1.9	83.3
Other publishing	**22.9**	23.5	-2.6	**71.6**	74.5	-3.9	99.5
Other businesses and eliminations	**3.4**	4.6	-26.4	**11.7**	15.2	-23.0	19.4
Operating profit excluding non-recurring items *	**12.5**	15.7	-20.7	**35.3**	34.2	3.1	47.2
% of net sales	**12.1**	15.0		**10.9**	10.6		10.8
Operating profit	**12.5**	15.7	-20.7	**35.3**	40.2	-12.2	56.1
Capital expenditure				**12.6**	7.8	60.7	14.0
Number of employees at the end of the period (FTE)				**2,002**	1,977	1.3	2,016
Average number of employees (FTE)				**2,076**	2,231	-7.0	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	**7–9 / 2011**	**7–9 / 2010**
Iltasanomat.fi	**2,021,181**	1,528,812
HS.fi	**1,271,805**	1,050,010
Huuto.net	**446,463**	397,377
Oikotie.fi	**443,038**	343,832
Taloussanomat.fi	**642,895**	516,122

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

Third quarter net sales

Net sales in News decreased by 2% in July–September. Adjusted for structural changes, sales grew by 2%.

Print circulation sales decreased by 1% in the third quarter. Subscription sales decreased by 2% but single copy sales were at comparable quarter's level. Circulation sales accounted for 47% (2010: 46%) of the segment's net sales.

Advertising sales grew by 3%. Print advertising in the News segment was at the comparable quarter's level, but online advertising continued to grow and increased by 15%. This was in line with the Finnish advertising market development. The market growth, which began in the second half of 2010, is showing signs of slowing down and according to TNS Gallup Adex, newspaper advertising increased by 0.5% in the third quarter. Online advertising included in the statistics continued to grow and was up by 20%. Advertising sales represented 46% (2010: 45%) of the net sales in News in the third quarter.

Despite the transfer of Esmerk to Learning in September 2010, the total digital sales increased by 2%, boosted by the growth of online advertising. Digital sales represented 12% (2010: 11%) of the net sales.

Developments in the businesses

The net sales of the Helsingin Sanomat business unit were at the comparable quarter's level in July–September. Advertising sales were stable and represented 50% (2010: 50%) of the business unit's net sales. Subscription sales were also stable despite the decreasing trend in the circulation volume. The multichannel use of Helsingin Sanomat continued to grow in the third quarter. Helsingin Sanomat launched the renewed hs.fi web site and use of its tablet and smart phone versions both increased significantly.

The Ilta-Sanomat business unit's net sales grew by 2%, with advertising sales increasing. Both print and online advertising development was favourable. Advertising sales represented 24% (2010: 22%) of the business unit's net sales. Circulation sales were stable. The total volume of the Finnish tabloid market has decreased by 5% in the last 12 months. Ilta-Sanomat's market share continued to improve and it now commands a 58.3% (2010: 57.9%) share of the tabloid newsstand market.

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

Third quarter operating profit

In July–September, News' operating profit excluding non-recurring items decreased by 21% following the lower sales as well as increased costs, due to increased development activities and the effects of paper prices and wage inflation. All business units posted lower results. The operating profit did not include any non-recurring items in the third quarter or in the same period in 2010.

News' outlook

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

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

LEARNING

The Learning segment includes Sanoma's learning as well as language service and business information operations. Sanoma Learning is a leading European provider of learning materials and solutions in print and digital format.

- The transaction with Bonnier was completed after the review period and will impact the fourth quarter figures of Learning.
- Following the transaction and the clearly weakened outlook of the Hungarian learning business, the segment's outlook has been revised. It is now expected, that net sales in Learning will be at the previous year's level but operating profit excluding non-recurring items will decrease clearly.

Key indicators EUR million	**7–9/ 2011**	**7–9/ 2010**	**Change %**	**1–9/ 2011**	**1–9/ 2010**	**Change %**	**1–12/ 2010**
Net sales	**121.2**	121.2	0.0	**290.5**	285.0	1.9	350.1
Learning	**100.2**	100.6	-0.3	**222.0**	215.5	3.0	249.3
Language services	**7.2**	5.2	39.7	**24.0**	18.3	31.5	27.1
Literature and other businesses	**13.9**	18.0	-22.9	**49.1**	58.8	-16.6	83.6
Eliminations	**-0.1**	-2.5	95.5	**-4.6**	-7.7	40.2	-9.9
Operating profit excluding non-recurring items *	**42.4**	45.7	-7.4	**65.3**	67.0	-2.5	52.6
% of net sales	**35.0**	37.7		**22.5**	23.5		15.0
Operating profit	**17.3**	45.5	-62.1	**39.4**	64.3	-38.7	47.1
Capital expenditure				**9.4**	10.8	-13.1	14.9
Number of employees at the end of the period (FTE)				**2,559**	2,676	-4.4	2,656
Average number of employees (FTE)				**2,615**	2,614	0.0	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, in the second quarter EUR 1.7 million restructuring expenses and in the third quarter EUR 1.0 million restructuring expenses and a EUR 24.1 million impairment of goodwill. 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.

Third quarter net sales

Net sales in the Learning segment were stable in July–September. Also adjusted for structural changes, net sales were stable.

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. 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 were at the comparable quarter's level. Net sales grew in most countries, in particular in Poland and in Belgium where Sanoma's market share improved. In the Netherlands, sales were realised already during the previous quarters, whereas in the comparable year, the third quarter was strong. In Hungary, the net sales decreased significantly as a result of increased recycling of learning materials, following the cuts in the governmental budget and the difficult political situation. In other countries, the market conditions remain stable. After the review period, Sanoma completed the acquisition of learning operations in Finland and Sweden. These units will be consolidated with the learning business in the fourth quarter.

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's operations have developed positively, and its net sales continued to grow in the third quarter. Net sales also grew in AAC Global.

Net sales in literature and other businesses decreased by 23%. Sales of general literature and printing were lower than in the comparable quarter.

After the review period, Sanoma completed the acquisition of the Finnish educational publisher Tammi Learning and the Swedish educational publisher Bonnier Utbildning (now Sanoma Utbildning) from Bonnier as well as the divestment of its Finnish general literature publisher WSOY. The new learning units will be included and the general literature operations excluded from Sanoma figures from 1 October onwards. 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 will lower the fourth quarter result in 2011.

Third quarter operating profit

Operating result excluding non-recurring items in the Learning segment decreased by 7% in the third quarter. In learning, most of the results were accrued already in the second quarter. Result weakened in Hungary and in YDP (Poland). The operational result improved in language services. In the third quarter, the result included EUR -25.1 million (2010: EUR -0.2 million) of non-recurring items related mainly to the impairment of goodwill in language services.

Learning's outlook

Customers in learning and language services are increasingly looking for comprehensive solutions. Sanoma Learning 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, growth is sought through further internationalisation of its learning businesses.

It is estimated that the net sales of Learning in 2011 will be at the previous year's level and operating profit excluding non-recurring items will decrease clearly.

TRADE

The Trade segment includes Sanoma's kiosk operations and trade services in Finland, Estonia and Lithuania.

- Customer volumes and sales of the Finnish kiosks showed positive development in the third quarter and the operational result improved significantly.
- The bookstore operations in Finland were divested at the end of September.
- After the review period, the kiosk and press distribution operations in Latvia were divested.
- Following the positive development of kiosk operations, the outlook for the segment in 2011 has been revised. It is now expected that Trade's net sales will decrease significantly, but the operating profit excluding non-recurring items will decline only slightly.

Key indicators EUR million	**7–9/ 2011**	**7–9/ 2010**	**Change %**	**1–9/ 2011**	**1–9/ 2010**	**Change %**	**1–12/ 2010**
Net sales	**154.5**	181.1	-14.7	**472.6**	525.8	-10.1	726.3
Kiosk operations	**97.6**	99.2	-1.6	**285.2**	296.0	-3.7	398.4
Trade services	**29.6**	32.7	-9.5	**93.1**	96.8	-3.8	131.3
Bookstores	**29.7**	31.6	-6.1	**73.3**	77.5	-5.4	120.6
Movie operations	**0.0**	20.7	-100.0	**28.4**	66.0	-57.0	90.0
Eliminations	**-2.3**	-3.1	24.7	**-7.4**	-10.5	29.5	-14.0
Operating profit excluding non-recurring items *	**6.8**	7.4	-7.9	**14.2**	13.5	5.8	19.1
% of net sales	**4.4**	4.1		**3.0**	2.6		2.6
Operating profit	**-8.4**	6.4	-232.0	**39.3**	12.5	215.8	15.5
Capital expenditure				**29.4**	22.1	32.7	29.7
Number of employees at the end of the period (FTE)				**4,089**	5,631	-27.4	5,149
Average number of employees (FTE)				**4,294**	5,528	-22.3	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 8.0 million loss on sale of Romanian operations, a 51.4 million gain on sale of movie operations and EUR 2.4 restructuring expenses. In the third quarter the non-recurring items included a EUR 10.8 million loss on sale of Suomalainen Kirjakauppa, a EUR 3.1 million write-down of real estates, a EUR 0.8 million impairment (Bookstores) and EUR 0.4 million restructuring expenses. In 2010, the non-recurring items included in the third quarter EUR 1.0 million restructuring expenses and in the fourth quarter a EUR 2.6 million loss on sale of Russian operations.

Operational indicators	**1–9/ 2011**	**1–9/ 2010**
Number of kiosk outlets	**1,188**	1,400
Customer volume in kiosk operations, thousands	**128,574**	136,746
Customer volume in bookstores, thousands	**4,716**	4,886
Number of copies sold (press distribution), thousands	**148,849**	197,902

Third quarter net sales

Trade's net sales in July–September decreased by 15% due to the divestment of operations. Net sales adjusted for structural changes were at the comparable quarter's level.

Developments in the businesses

Net sales from kiosk operations were down by 2% in the third quarter due to the divestment of Russian and Romanian operations. As a part of the development programme, a major optimisation of the kiosk network has been executed during 2011. The customer volumes as well as net sales showed positive development in the comparable part of the kiosk chain in Finland thanks to the continued performance uplift measures during the second and third quarters. Net sales grew also in all Baltic countries.

Net sales from trade services decreased by 10% due to the divestment of Russian and Romanian operations. Net sales increased in Finland, Estonia and Latvia. In Finland, the new ERP system, which enables the distribution of new products and services, is now fully operational.

Net sales in bookstores decreased by 6%. Sales grew in Estonia but decreased somewhat in Finland. The market situation remained sluggish in both markets. The Finnish bookstore operations were divested at the end of September.

Movie operations, divested at the end of April, were no longer included in Trade's figures in the third quarter.

After the review period, the Latvian kiosk and press distribution operations were sold to Reitan Group. In its fourth quarter result, Trade will record a EUR 5 million non-recurring sales gain for the transaction. The divestment will have only minor impacts in the segment's net sales and operating profit in 2011.

Third quarter operating profit

Trade's operating profit excluding non-recurring items in July–September decreased by 8% due to structural changes. Increased customer volumes and increased sales of higher margin products as well as several efficiency improvement measures improved the operational result in the kiosk operations significantly. The result improved also in trade services. The positive effects of divesting loss-making operations partly compensated for the loss of result from the divestment of movie operations. Trade's operating profit in the third quarter included EUR -15.2 million (2010: EUR -1.0 million) of non-recurring items, consisting mainly of sales loss related to the divestment of bookstore operations in Finland and write-downs of store premises in Finland.

Trade's outlook

Continuous development of its product and service offering, based on the consumer insight gained from its 160 million annual customer contacts, is a key success factor for Trade's operations. In addition to continuously developing its kiosk concept and trade service offering, Trade is focusing on improving the performance of its operations.

Following the divestments of operations, it is estimated that Trade's net sales in 2011 will decrease significantly. Operating profit excluding non-recurring items is expected to decline slightly.

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–September, 64,647,516 (2010: 44,018,242) Sanoma shares were traded on the NASDAQ OMX Helsinki. Traded shares accounted for 40% (2010: 27%) of the average number of shares. Sanoma's total stock exchange turnover was EUR 876.4 million (2010: EUR 671.5 million).

During the first nine months, the volume-weighted average price of a Sanoma share was EUR 13.55, with a low of EUR 8.51 and a high of EUR 17.79. At the end of September, Sanoma's market capitalisation was EUR 1.4 billion (2010: EUR 2.5 billion), with Sanoma's share closing at EUR 8.85 (2010: EUR 15.52). The Company had 27,443 shareholders at the end of September, with foreign holdings accounting for 7.7% (2010: 11.1%) of all shares and votes. There were no major changes in share ownership during the third quarter and Sanoma did not issue any flagging announcements. At the end of September, 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.

Sanoma's new organisational model was announced on 5 August 2011. As of 1 September, the Executive Management Group (EMG) comprises: Harri-Pekka Kaukonen (President and CEO of the Sanoma Group, chairman of the EMG), Jacqueline Cuthbert (CHRO), Jacques Eijkens (Sanoma Learning), Koos Guis (Sanoma Media Russia & CEE; acting member), Kim Ignatius (CFO), John Martin (Chief Digital Officer, CDO), Dick Molman (Sanoma Media Netherlands), Anu Nissinen (Sanoma Media Finland), Pekka Soini (Sanoma News), Aimé Van Hecke (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 third 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 third 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, the Netherlands and Belgium 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 strategic business units 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 of the SBS acquisition, Sanoma's consolidated balance sheet includes about EUR 3.0 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.

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 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	7–9/ 2011	7–9/ 2010	1–9/ 2011	1–9/ 2010	1–12/ 2010
NET SALES	**720.9**	690.6	**2,020.8**	2,043.8	2,761.2
Other operating income	**17.0**	20.9	**106.8**	238.5	258.8
Materials and services	**294.8**	300.7	**846.0**	887.0	1,207.4
Employee benefit expenses	**158.3**	151.9	**490.8**	493.4	668.6
Other operating expenses	**153.4**	124.2	**428.9**	385.5	554.2
Share of results in associated companies	**-1.1**		**-1.2**		
Depreciation, amortisation and impairment losses	**147.9**	70.7	**229.6**	151.2	197.1
OPERATING PROFIT	**-17.6**	63.9	**131.0**	365.3	392.7
Share of results in associated companies	**-3.2**	0.8	**-1.5**	0.1	-23.9
Financial income	**1.0**	4.0	**4.6**	8.7	11.1
Financial expenses	**13.1**	5.0	**24.4**	17.3	23.8
RESULT BEFORE TAXES	**-32.9**	63.7	**109.7**	356.8	356.0
Income taxes	**-21.5**	-24.6	**-48.0**	-58.5	-58.6
RESULT FOR THE PERIOD	**-54.4**	39.1	**61.6**	298.3	297.3
Result attributable to:					
Equity holders of the Parent Company	**-49.7**	39.2	**66.3**	300.5	299.6
Non-controlling interests	**-4.6**	-0.1	**-4.7**	-2.2	-2.3
Earnings per share for result attributable to the equity holders of the Parent company:					
Earnings per share, EUR	**-0.31**	0.24	**0.41**	1.86	1.85
Diluted earnings per share, EUR	**-0.31**	0.24	**0.41**	1.85	1.85

STATEMENT OF COMPREHENSIVE INCOME

EUR million	7–9/ 2011	7–9/ 2010	1–9/ 2011	1–9/ 2010	1–12/ 2010
Result for the period	**-54.4**	39.1	**61.6**	298.3	297.3
Other comprehensive income:					
Change in translation differences	**-29.9**	-3.4	**-23.4**	8.7	9.8
Cash flow hedges	**-7.8**		**-6.9**		0.2
Income tax related to cash flow hedges	**2.0**		**1.8**		-0.1
Other comprehensive income for the period, net of tax	**-35.6**	-3.4	**-28.5**	8.7	10.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-90.0**	35.7	**33.1**	307.0	307.3
Total comprehensive income attributable to:					
Equity holders of the Parent Company	**-85.3**	35.8	**37.8**	309.2	309.6
Non-controlling interests	**-4.6**	-0.1	**-4.7**	-2.2	-2.3

CONSOLIDATED BALANCE SHEET			
EUR million	**30.9.2011**	**30.9.2010**	**31.12.2010**
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**348.0**	431.7	429.3
Investment property	**7.6**	8.8	8.7
Goodwill	**2,253.1**	1,447.9	1,447.5
Other intangible assets	**728.6**	403.6	403.2
Interests in associated companies	**236.1**	273.0	248.7
Available-for-sale financial assets	**15.7**	15.9	15.8
Deferred tax receivables	**50.8**	34.8	34.8
Trade and other receivables	**40.7**	30.0	28.3
NON-CURRENT ASSETS, TOTAL	**3,680.7**	2,645.7	2,616.3
CURRENT ASSETS			
Inventories	**100.0**	128.9	122.8
Income tax receivables	**2.0**	9.0	8.6
Trade and other receivables	**435.5**	407.5	391.0
Available-for-sale financial assets	**0.6**	0.3	0.3
Cash and cash equivalents	**102.9**	55.2	64.0
CURRENT ASSETS, TOTAL	**641.0**	600.8	586.8
ASSETS, TOTAL	**4,321.8**	3,246.5	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	**-5.0**		0.2
Other equity	**971.3**	1,094.4	1,096.5
	1,240.9	1,354.5	1,371.2
Non-controlling interests	**264.3**	3.2	4.8
EQUITY, TOTAL	**1,505.2**	1,357.6	1,376.0
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**149.8**	97.2	94.2
Pension obligations	**24.6**	30.3	26.7
Provisions	**6.7**	8.2	7.3
Interest-bearing liabilities	**1,464.1**	517.0	472.5
Trade and other payables	**40.8**	19.6	19.9
NON-CURRENT LIABILITIES, TOTAL	**1,686.0**	672.2	620.5
CURRENT LIABILITIES			
Provisions	**14.3**	16.5	15.6
Interest-bearing liabilities	**324.2**	507.3	469.4
Income tax liabilities	**26.2**	35.8	22.1
Trade and other payables	**765.9**	657.0	699.4
CURRENT LIABILITIES, TOTAL	**1,130.6**	1,216.7	1,206.5
LIABILITIES, TOTAL	**2,816.6**	1,888.9	1,827.0
EQUITY AND LIABILITIES, TOTAL	**4,321.8**	3,246.5	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**
Share subscription with options		0.0			0.0		0.0
Expense recognition of options granted				2.8	2.8		2.8
Dividends paid				-129.5	-129.5	-1.8	-131.2
Change in non-controlling interests				-18.7	-18.7	-8.3	-27.0
Donations				-0.5	-0.5		-0.5
Comprehensive income for the period				309.2	309.2	-2.2	307.0
Equity at 30 Sept 2010	**71.3**	**188.8**		**1,094.4**	**1,354.5**	**3.2**	**1,357.6**
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				2.9	2.9		2.9
Dividends paid				-179.1	-179.1	-0.3	-179.4
Change in non-controlling interests				8.0	8.0	264.6	272.6
Comprehensive income for the period			-5.1	42.9	37.8	-4.7	33.1
Equity at 30 Sept 2011	**71.3**	**203.3**	**-5.0**	**971.3**	**1,240.9**	**264.3**	**1,505.2**

INCOME STATEMENT BY QUARTER

EUR million	**1–3 / 2011**	**4–6 / 2011**	**7–9 / 2011**	**1–3 / 2010**	**4–6 / 2010**	**7–9 / 2010**	**10–12 / 2010**	**1–12 / 2010**
NET SALES	610.2	689.7	**720.9**	637.9	715.4	690.6	717.3	2,761.2
Other operating income	12.8	77.0	**17.0**	20.4	197.3	20.9	20.3	258.8
Materials and services	263.5	287.7	**294.8**	279.0	307.3	300.7	320.4	1,207.4
Employee benefit expenses	164.0	168.5	**158.3**	169.1	172.3	151.9	175.3	668.6
Other operating expenses	128.4	147.2	**153.4**	128.9	132.4	124.2	168.7	554.2
Share of results in associated companies		-0.1	**-1.1**					
Depreciation, amortisation and impairment losses	39.8	41.9	**147.9**	40.8	39.6	70.7	45.9	197.1
OPERATING PROFIT	27.3	121.3	**-17.6**	40.4	261.0	63.9	27.4	392.7
Share of results in associated companies	1.9	-0.1	**-3.2**	-2.4	1.7	0.8	-24.0	-23.9
Financial income	2.2	1.3	**1.0**	2.2	2.5	4.0	2.4	11.1
Financial expenses	4.7	6.6	**13.1**	6.0	6.2	5.0	6.6	23.8
RESULT BEFORE TAXES	26.7	115.8	**-32.9**	34.1	259.0	63.7	-0.8	356.0
Income taxes	-8.2	-18.3	**-21.5**	-10.0	-23.8	-24.6	-0.2	-58.6
RESULT FOR THE PERIOD	18.5	97.5	**-54.4**	24.1	235.1	39.1	-1.0	297.3
Result attributable to:								
Equity holders of the Parent Company	18.5	97.5	**-49.7**	25.9	235.4	39.2	-0.9	299.6
Non-controlling interests	0.0	-0.1	**-4.6**	-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	**-0.31**	0.16	1.45	0.24	-0.01	1.85
Diluted earnings per share, EUR	0.11	0.60	**-0.31**	0.16	1.45	0.24	-0.01	1.85

CONSOLIDATED CASH FLOW STATEMENT EUR million	1–9 / 2011	1–9 / 2010	1–12 / 2010
OPERATIONS			
Result for the period	**61.6**	298.3	297.3
Adjustments			
Income taxes	**48.0**	58.5	58.6
Financial expenses	**24.4**	17.3	23.8
Financial income	**-4.6**	-8.7	-11.1
Share of results in associated companies	**2.7**	-0.1	23.9
Depreciation, amortisation and impairment losses	**229.6**	151.2	197.1
Gains/losses on sales of non-current assets	**-39.9**	-194.9	-195.2
Other adjustments	**-66.5**	-38.2	-55.1
Change in working capital			
Change in trade and other receivables	**-17.4**	-54.5	-41.1
Change in inventories	**-4.6**	4.3	9.5
Change in trade and other payables, and provisions	**-22.1**	-11.9	36.8
Interest paid	**-13.8**	-8.7	-13.7
Other financial items	**-12.2**	-1.7	-3.2
Taxes paid	**-52.1**	-36.8	-53.9
CASH FLOW FROM OPERATIONS	**133.0**	174.0	273.8
INVESTMENTS			
Acquisition of tangible and intangible assets	**-53.0**	-55.2	-81.8
Operations acquired	**-1,078.2**	-48.7	-49.5
Sales of tangible and intangible assets	**13.8**	14.3	17.8
Operations sold	**67.2**	25.1	30.8
Loans granted	**-9.2**	-0.6	-0.8
Repayments of loan receivables	**37.1**	4.5	3.5
Sales of short-term investments	**-0.3**	0.2	0.2
Interest received	**0.6**	1.7	2.7
Dividends received	**14.2**	3.9	3.9
CASH FLOW FROM INVESTMENTS	**-1,007.7**	-54.8	-73.1
CASH FLOW BEFORE FINANCING	**-874.7**	119.2	200.8
FINANCING			
Proceeds from share subscriptions		0.0	14.5
Minority capital investment/repayment of equity	**264.0**		1.6
Change in loans with short maturity	**-155.2**	50.1	4.2
Drawings of other loans	**1,048.0**	263.2	287.7
Repayments of other loans	**-76.6**	-280.3	-355.8
Payment of finance lease liabilities	**-1.7**	-2.8	-3.7
Dividends paid	**-179.4**	-131.2	-131.3
Donations/other profit sharing		-0.5	-0.5
CASH FLOW FROM FINANCING	**899.0**	-101.5	-183.3
CHANGE IN CASH AND CASH EQUIVALENTS			
ACCORDING TO CASH FLOW STATEMENT	**24.3**	17.7	17.5
Effect of exchange rate differences on cash and cash equivalents	**-1.3**	1.4	2.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**23.0**	19.1	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	**64.1**	40.7	41.1

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

NET SALES BY BUSINESS UNIT EUR million	1–3 / 2011	4–6 / 2011	7–9 / 2011	1–3 / 2010	4–6 / 2010	7–9 / 2010	10–12 / 2010	1–12 / 2010
MEDIA								
The Netherlands	105.3	130.6	**174.0**	107.4	128.0	118.8	136.1	490.4
Finland	74.2	79.4	**70.0**	92.6	91.7	67.5	87.4	339.3
Russia & CEE	51.4	54.3	**50.8**	48.7	54.3	51.0	60.9	214.9
Belgium	50.1	48.7	**48.4**	53.5	52.3	48.7	53.8	208.3
Other businesses and eliminations	10.2	10.7	**12.3**	9.9	13.0	11.5	12.4	46.7
TOTAL	291.1	323.7	**355.5**	312.1	339.4	297.5	350.6	1,299.6
NEWS								
Helsingin Sanomat	61.2	61.2	**55.3**	59.1	56.7	55.5	64.1	235.4
Ilta-Sanomat	19.1	22.2	**21.6**	19.9	20.7	21.1	21.6	83.3
Other publishing	23.7	25.0	**22.9**	25.3	25.6	23.5	25.0	99.5
Other businesses and eliminations	4.4	3.9	**3.4**	5.0	5.5	4.6	4.2	19.4
TOTAL	108.4	112.2	**103.2**	109.4	108.5	104.8	114.9	437.6
LEARNING								
Learning	34.3	87.4	**100.2**	29.9	85.0	100.6	33.7	249.3
Language services	8.7	8.1	**7.2**	6.9	6.2	5.2	8.9	27.1
Literature and other businesses	20.1	15.1	**13.9**	23.6	17.2	18.0	24.8	83.6
Eliminations	-2.4	-2.1	**-0.1**	-2.3	-2.9	-2.5	-2.2	-9.9
TOTAL	60.7	108.6	**121.2**	58.2	105.5	121.2	65.1	350.1
TRADE								
Kiosk operations	85.3	102.3	**97.6**	91.9	104.9	99.2	102.4	398.4
Trade services	32.4	31.1	**29.6**	30.3	33.8	32.7	34.5	131.3
Bookstores	24.8	18.8	**29.7**	26.0	19.9	31.6	43.2	120.6
Movie operations	21.9	6.5	**0.0**	25.4	19.9	20.7	23.9	90.0
Eliminations	-2.6	-2.4	**-2.3**	-3.4	-4.0	-3.1	-3.5	-14.0
TOTAL	161.8	156.3	**154.5**	170.2	174.4	181.1	200.5	726.3
Other companies and eliminations	-11.7	-11.0	**-13.5**	-12.0	-12.5	-14.1	-13.8	-52.4
TOTAL	610.2	689.7	**720.9**	637.9	715.4	690.6	717.3	2,761.2

OPERATING PROFIT BY SEGMENT

EUR million	1–3 / 2011	4–6 / 2011	7–9 / 2011	1–3 / 2010	4–6 / 2010	7–9 / 2010	10–12 / 2010	1–12 / 2010
Sanoma Media	22.7	47.0	**-31.0**	31.2	229.3	-4.2	31.6	287.9
Sanoma News	12.9	9.9	**12.5**	15.6	8.9	15.7	15.9	56.1
Sanoma Learning	-5.2	27.3	**17.3**	-6.4	25.1	45.5	-17.2	47.1
Sanoma Trade	3.3	44.4	**-8.4**	3.7	2.4	6.4	3.0	15.5
Other companies and eliminations	-6.5	-7.4	**-7.9**	-3.7	-4.7	0.5	-6.1	-13.9
TOTAL	27.3	121.3	**-17.6**	40.4	261.0	63.9	27.4	392.7

OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS BY SEGMENT

EUR million	1–3 / 2011	4–6 / 2011	7–9 / 2011	1–3 / 2010	4–6 / 2010	7–9 / 2010	10–12 / 2010	1–12 / 2010
Media	22.7	37.9	**25.8**	31.2	47.3	31.0	36.3	145.8
News	12.9	9.9	**12.5**	9.6	8.9	15.7	13.0	47.2
Learning	-6.1	29.0	**42.4**	-5.2	26.4	45.7	-14.4	52.6
Trade	3.3	4.1	**6.8**	3.7	2.4	7.4	5.6	19.1
Other companies and eliminations	-6.5	-8.4	**-7.9**	-3.7	-4.7	-4.9	-6.1	-19.3
TOTAL	26.4	72.6	**79.5**	35.6	80.3	94.9	34.5	245.4

SEGMENT INFORMATION

Sanoma Group has four operating segments: Media, News, Learning and 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: Media, operating in 12 countries, is responsible for magazines and TV operations and News for newspapers in Finland. Both segments also have a great variety of online and mobile services. Learning's business is mainly B2B business. 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 segments 1.1–30.9.2011

EUR million	Media	News	Lear-ning	Trade	Unallo-cated / elimi-nations	Con-soli-dated
External net sales	967.3	322.6	280.6	450.4	-0.2	2,020.8
Internal net sales	2.9	1.2	9.8	22.2	-36.1	
NET SALES, TOTAL	970.2	323.8	290.5	472.6	-36.3	2,020.8
OPERATING PROFIT	38.8	35.3	39.4	39.3	-21.8	131.0
Share of results in associated companies	-1.0	0.7	-0.1	-1.1		-1.5
Financial income					4.6	4.6
Financial expenses					24.4	24.4
RESULT BEFORE TAXES						109.7
SEGMENT ASSETS	3,048.5	319.8	540.3	192.6	47.8	4,149.1

Sanoma segments 1.1–30.9.2010

EUR million	Media	News	Lear-ning	Trade	Unallo-cated / elimi-nations	Con-soli-dated
External net sales	945.5	317.9	274.4	506.3	-0.1	2,043.8
Internal net sales	3.5	4.8	10.6	19.5	-38.5	
NET SALES, TOTAL	949.0	322.7	285.0	525.8	-38.6	2,043.8
OPERATING PROFIT	256.3	40.2	64.3	12.5	-7.8	365.3
Share of results in associated companies	-0.6	0.3	0.0	0.3		0.1
Financial income					8.7	8.7
Financial expenses					17.3	17.3
RESULT BEFORE TAXES						356.8
SEGMENT ASSETS	1,830.9	326.3	596.6	349.6	32.7	3,136.0

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	30.9.2011	30.9.2010	31.12.2010
Carrying amount at the beginning of the period	**429.3**	484.2	484.2
Increases	**43.8**	35.6	50.7
Acquisition of operations	**6.9**	0.4	0.4
Decreases	**-11.0**	-4.7	-5.4
Disposal of operations	**-76.2**	-31.5	-31.8
Depreciation for the period	**-38.8**	-47.8	-61.8
Impairment losses for the period	**-0.6**	-0.1	-1.0
Exchange rate differences and other changes	**-5.4**	-4.5	-6.1
Carrying amount at the end of the period	**348.0**	431.7	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	1–9/ 2011	1–12/ 2010
Acquisition costs	**1,141.9**	**37.1**
Fair value of acquired net assets	**226.5**	**14.5**
Recognised in equity		**-18.7**
Recognised in income statement		**-0.5**
Goodwill	**915.4**	**3.5**
Negative goodwill in income statement		
Change in goodwill	**915.4**	**3.5**

CONTINGENT LIABILITIES

EUR million	30.9.2011	30.9.2010	31.12.2010
Contingencies for own commitments			
Mortgages	**9.8**	23.3	20.6
Pledges	**2.5**	6.7	6.7
Other items	**0.0**	0.0	0.6
TOTAL	**12.3**	30.0	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**	0.4	0.0
TOTAL	**0.0**	0.4	0.0
Other contingencies			
Operating lease liabilities	**201.4**	261.3	249.1
Royalties	**18.9**	13.9	23.5
Other items	**36.4**	18.8	26.9
TOTAL	**256.7**	294.0	299.5
TOTAL	**269.1**	334.8	337.8

DERIVATIVE INSTRUMENTS
EUR million

Fair values	**30.9.2011**	**30.9.2010**	**31.12.2010**
Interest rate derivatives			
Interest rate swaps	**-9.3**		**0.1**

KEY EXCHANGE RATES

Average rate	**1–9 / 2011**	**1–9 / 2010**	**1–12 / 2010**
EUR/CZK (Czech Koruna)	24.43	25.51	25.36
EUR/HUF (Hungarian Forint)	272.02	275.46	276.04
EUR/PLN (Polish Zloty)	4.03	4.01	4.01
EUR/RUB (Russian Rouble)	40.78	40.13	40.45
EUR/SEK (Swedish Crown)	9.00	9.67	9.55

Closing rate	**30.9.2011**	**30.9.2010**	**31.12.2010**
EUR/CZK (Czech Koruna)	24.75	24.60	25.06
EUR/HUF (Hungarian Forint)	292.55	275.75	277.95
EUR/PLN (Polish Zloty)	4.41	3.98	3.98
EUR/RUB (Russian Rouble)	43.35	41.69	40.82
EUR/SEK (Swedish Crown)	9.26	9.14	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 Finnish time 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 0125 (Europe) or +1 334 323 6203 (US) and quote the conference code 905777.

Sanoma's Full-Year Result for 2011 will be published on Tuesday, 7 February 2012 at 8:30 am Finnish time (CET +1).

Sanoma Corporation

Kim Ignatius
Chief Financial Officer

Additional information: Sanoma's Investor Relations, Anna Tuominen, tel. +358 105 19 5066 or ir@sanoma.com

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.