2013

# Q3 Interim Report

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## Sanoma's Interim Report 1 January – 30 September 2013:

# Redesign ahead

Sanoma Corporation, Stock Exchange Release, 31 October 2013 at 9:00 CET+1

### Third quarter

- Net sales amounted to EUR 568.1 million (2012: 599.5).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 5.1%.
- Operating profit excluding non-recurring items was EUR 76.9 million (2012: 79.8).
- Non-recurring items included in the operating profit amounted to EUR -316.6 million (2012: -18.3) mainly related to non-cash impairment charges of goodwill and intangible assets, restructuring expenses as well as sales gains and losses.
- Earnings per share were EUR -1.61 (2012: 0.23).
- Earnings per share excluding non-recurring items were EUR 0.29 (2012: 0.30).
- Cash flow from operations was EUR 110.6 million (2012: 86.9).
- Outlook (unchanged): In 2013, Sanoma expects that the Group's consolidated net sales will decline more than 4% compared to 2012 and operating profit excluding non-recurring items is estimated to be below EUR 180 million.
- Long-term financial targets (changed): Sanoma's long-term financial targets are a net debt to EBITDA ratio below 3.5, an equity ratio within 35% to 45% and gearing of less than 100%. Sanoma conducts an active dividend policy and primarily pays out over half of Group's result excl. non-recurring items for the period in dividends. One-time investments and costs associated with the transformation of its business require Sanoma to pursue a prudent dividend policy in the near-term implying lower than historical dividend payout.

### First nine months

- Net sales amounted to EUR 1,664.5 million (2012: 1,789.6).
- Adjusted for changes in the Group structure, Sanoma's net sales decreased by 7.1%.
- Operating profit excluding non-recurring items was EUR 141.9 million (2012: 199.2).
- Non-recurring items included in the operating profit amounted to EUR -384.8 million (2012: -24.0) mainly related to non-cash impairment charges of goodwill and intangible assets, restructuring expenses as well as sales gains and losses.
- Earnings per share were EUR -1.72 (2012: 0.94).
- Earnings per share excluding non-recurring items were EUR 0.52 (2012: 0.69).
- Cash flow from operations was EUR 50.4 million (2012: 83.8).

## Key indicators*

| EUR million | 7–9/ 2013 | Restated 7–9/ 2012 | Change % | 1–9/ 2013 | Restated 1–9/ 2012 | Change % | Restated 1–12/ 2012 |
|---|---|---|---|---|---|---|---|
| Net sales | **568.1** | 599.5 | -5.2 | **1,664.5** | 1,789.6 | -7.0 | 2,376.3 |
| Operating profit excluding non-recurring items | **76.9** | 79.8 | -3.6 | **141.9** | 199.2 | -28.8 | 231.0 |
| % of net sales | **13.5** | 13.3 | | **8.5** | 11.1 | | 9.7 |
| Operating profit | **-239.6** | 61.5 | | **-242.9** | 175.2 | | 181.0 |
| Result for the period from continuing operations | **-265.5** | 38.8 | | **-294.3** | 79.5 | | 69.9 |
| Result for the period **** | **-265.5** | 38.1 | | **-294.3** | 158.6 | | 149.0 |
| Capital expenditure ** | | | | **48.0** | 38.0 | 26.2 | 59.5 |
| % of net sales | | | | **2.9** | 2.1 | | 2.5 |
| Return on equity (ROE), % ***/**** | | | | **-20.4** | 12.0 | | 9.7 |
| Return on investment (ROI), % ***/**** | | | | **-7.8** | 9.8 | | 8.3 |
| Equity ratio, % **** | | | | **34.1** | 40.5 | | 41.3 |
| Net gearing, % **** | | | | **109.1** | 87.2 | | 78.7 |
| Number of employees at the end of the period (FTE) | | | | **9,884** | 10,590 | -6.7 | 10,381 |
| Average number of employees (FTE) | | | | **10,205** | 10,901 | -6.4 | 10,804 |
| Earnings/share, EUR, continuing operations | **-1.61** | 0.23 | | **-1.72** | 0.46 | | 0.39 |
| Earnings/share, EUR **** | **-1.61** | 0.23 | | **-1.72** | 0.94 | | 0.88 |
| Cash flow from operations/share, EUR **** | **0.68** | 0.53 | 27.3 | **0.31** | 0.51 | -38.8 | 1.18 |
| Equity/share, EUR **** | | | | **5.44** | 7.96 | -31.6 | 7.82 |

* Comparable figures have been restated due to a change in IAS19 'Employee benefits'. The revised standard eliminates the possibility of using the corridor approach in recognising the actuarial gains and losses from defined benefit plans. The revised IAS 19 standard requires the actuarial gains and losses to be recognised immediately in the statement of other comprehensive income. For 2012, the restated total equity has decreased by EUR 52.0 million to EUR 1,576.6 million and the restated operating profit excluding non-recurring items has decreased by EUR 1.3 million to EUR 231.0 million.
** Including finance leases.
*** Rolling 12-month period.
**** Includes continuing and discontinued operations.

## Harri-Pekka Kaukonen, President and CEO

**Third quarter**

"The economic environment remained weak during the quarter and as a result our net sales continued to decline. Due to cost measures we were able to compensate most of this decline. The third quarter performance was positively impacted by timing shifts and therefore the Group outlook for 2013 remains unchanged."

**Sanoma Redesign – planning the largest transformation in the company's history**

"New technologies are fundamentally changing the behaviour of media consumers. Consequently advertisers are following consumers. This implies a rapid increase in advertising in digital channels that enable targeting, measuring and performance-based pricing.

We are responding by planning to redesign our consumer media operations and focus our business towards more structurally attractive markets and transform it towards digital services. We will focus on two strong business pillars: leading multichannel consumer media assets with growing digital media presence in Finland and the Netherlands; and uniquely positioned Learning assets in a number of chosen markets. Our consumer media assets in Russia & CEE and Belgium are under strategic review.

As of 1 January 2014, Sanoma will consist of three strategic business units: Sanoma Media Netherlands, Sanoma Media Finland and Sanoma Learning. Within consumer media, we will establish a new unit, Sanoma Digital, to create critical mass for speeding up the growth of digital services and developing our digital competences, as well as to accelerate the commercialisation of our innovations.

In order to implement our strategy, we plan to change our operational model and organisation. Our aim is to complete this transformation without compromising our financial performance for extended periods of time. We plan to achieve this by focusing our business portfolio and by targeting significant additional cost savings.

We are planning to extend our ongoing EUR 60 million gross cost savings programme by EUR 40 million (gross), aiming to save a total of EUR 100 million (gross). The full impact of the planned targeted savings is expected to realise by the end of 2016.

The contemplated cost savings are likely to result in redundancies, including today's announcements regarding the contemplated changes to Helsingin Sanomat business unit (which includes Helsingin Sanomat, Nelonen news and Metro) and Dutch magazine operations. Redundancies are unfortunate but are likely to be unavoidable in order for Sanoma to be able to invest and develop in innovation and growth also in the future.

We will initiate co-operation negotiations in accordance with local laws and regulations, and make the final decisions based on the outcome of these negotiations.

One-time investments and costs associated with the transformation of its business require Sanoma to pursue a prudent dividend policy in the near-term implying lower than historical dividend payout.

All in all, we are launching a plan regarding the largest transformation in Sanoma's history. We will have to make tough choices to finance the investments needed to enable future growth, and to seize all opportunities in the businesses that we are focusing on."

## Group outlook for 2013 (unchanged from the revised outlook published on 23 July 2013)

In 2013, Sanoma expects that the Group's consolidated net sales will decline more than 4% compared to 2012 and operating profit excluding non-recurring items is estimated to be below EUR 180 million.

Sanoma's outlook is based on the assumptions that the European economic environment remains under pressure and adversely impacts advertising markets in Sanoma's main operating countries. The likelihood of clearly improving market conditions in the second half of the year is estimated to be low.

## Long-term financial targets (changed)

Sanoma's long-term financial targets are a net debt to EBITDA ratio below 3.5, an equity ratio within 35% to 45% and gearing of less than 100%.

Sanoma conducts an active dividend policy and primarily pays out over half of the Group's result excl. non-recurring items for the period in dividends.

One-time investments and costs associated with the transformation of its business require Sanoma to pursue a prudent dividend policy in the near-term implying lower than historical dividend payout.

## Cost savings programme

As a part of streamlining operations and ensuring competitive cost levels, in 2012 Sanoma commenced a three-year, Group-wide cost savings programme. Sanoma's target is to reduce its cost base by EUR 60 million gross.

The programme is proceeding according to plan. The decisions that have been made so far are estimated to generate around half of the targeted EUR 60 million gross savings. Related to these decisions, around EUR 23 million of non-recurring restructuring expenses have been recognised by the end of September 2013, of which some EUR 7 million was recognised in the third quarter. The impact of the realised gross cost savings of the programme was more than EUR 4 million in the third quarter.

The programme is planned to be extended by additional EUR 40 million (gross), targeting to save in total EUR 100 million (gross). The full impact of the planned targeted savings is estimated to realise by the end of 2016. Sanoma will follow the progress of the cost savings programme on a quarterly basis.

## Net sales

**Third quarter**

In July–September, Sanoma's net sales decreased by 5.2% and amounted to EUR 568.1 million (2012: 599.5). The decrease is mainly due to the continued deterioration in advertising markets and circulation. Currency translations did not have a material effect on third quarter net sales. When adjusted for changes in the Group structure, net sales decreased by 5.1%.

Advertising sales decreased by 8.3% to EUR 165.7 million (2012: 180.6). Circulation sales decreased by 3.1% to EUR 198.3 million (2012: 204.6). Subscription sales increased by 1.3% partly due to new sales generated by pay-TV and pay-VOD subscriptions in Media Finland, while single copy sales decreased by 9.2% due to cautious consumer spending.

By country, Finland accounted for 33.7% (2012: 33.8%), the Netherlands for 35.2% (2012: 35.0%) and Belgium for 11.8% (2012: 11.6%) of the Group's third quarter net sales. Net sales from other EU countries totalled 15.9% (2012: 16.0%) and non-EU countries accounted for 3.4% (2012: 3.6%).

By type of sales, advertising sales accounted for 29.2% (2012: 30.1%), subscription sales for 21.3% (2012: 19.9%), single copy sales for 13.6% (2012: 14.2%), learning for 21.7% (2012: 21.3%) and other sales for 14.2% (2012: 14.5%) of the Group's third quarter net sales. Other sales mainly include press distribution and marketing services, language and translation services, custom publishing, event marketing, books and printing services.

**First nine months**

In January–September, Sanoma's net sales decreased by 7.0% and amounted to EUR 1,664.5 million (2012: 1,789.6). The decrease is mainly due to the continued deterioration in advertising markets and single copy sales. Currency translations did not have a material effect on net sales. When adjusted for changes in the Group structure, net sales decreased by 7.1%.

By country, Finland accounted for 36.6% (2012: 36.4%), the Netherlands for 37.6% (2012: 37.5%) and Belgium for 11.3% (2012: 10.9%) of the Group's cumulative net sales. Net sales from other EU countries totalled 10.9% (2012: 11.4%) and non-EU countries accounted for 3.7% (2012: 3.8%).

## Result

**Third quarter**

In July–September, Sanoma's operating profit excluding non-recurring items decreased by 3.6% and totalled EUR 76.9 million (2012: 79.8). Weaker advertising and circulation sales were mostly offset by cost efficiency.

The operating profit margin excluding non-recurring items was 13.5% (2012: 13.3%) of net sales. Currency translations did not have a material effect on the third quarter result.

In the third quarter, the Group's total expenses, excluding non-recurring items, decreased by 6.4%. The cost of sales decreased by 11.0% and fixed costs by 2.4%. Paper costs decreased by 16.3% and employee benefit expenses decreased by 4.3%. The Group had 9,884 employees (FTE) at the end of September, corresponding to a decrease of 247 employees compared to the end of June 2013. The decrease in the number of personnel is mostly attributable to streamlining of operations and efficiency measures.

In July–September, operating profit included EUR -316.6 million (2012: -18.3) non-recurring items consisting mainly of EUR -268.4 million and EUR -24.4 million non-cash impairment charges of goodwill and intangible assets in Media Netherlands and Media Russia & CEE respectively, as well as EUR -24.5 million write-down to reflect the sales price of Hungarian learning operations, EUR 13.0 million related to the gain on sale of real estate and EUR -9.0 million related to restructuring expenses.

## Non-recurring items

| EUR million | 7–9/ 2013 | 7–9/ 2012 | 1–9/ 2013 | 1–9/ 2012 | 1–12/ 2012 |
|---|---|---|---|---|---|
| **Media** | | | | | |
| Impairment of goodwill and intangible assets (The Netherlands) | **-268.4** | | **-309.6** | | |
| Impairment of intangible assets (Belgium) | | | **-12.7** | | |
| Impairment of goodwill and intangible assets (Russia & CEE) | **-24.4** | | **-24.4** | | -6.0 |
| Restructuring expenses | **-7.6** | -2.7 | **-14.5** | -5.3 | -14.2 |
| Loss on sale (Netinfo) | **-3.3** | | **-3.3** | | |
| Loss on sale (Adria Media Ljubljana) | | | | | -1.1 |
| **News** | | | | | |
| Impairment of intangible assets | | -9.9 | | -9.9 | -9.9 |
| Restructuring expenses | **-0.1** | | **-4.7** | | -2.0 |
| **Learning** | | | | | |
| Write-down to reflect the sales price (NTK Educational Holding) | **-24.5** | | **-24.5** | | |
| Restructuring expenses (Learning in Poland) | | -4.4 | | -4.4 | -4.4 |
| Gain on sale (Esmerk) | | | | 5.7 | 5.7 |
| Restructuring expenses | | | | -1.6 | -1.6 |
| **Other companies** | | | | | |
| Gain on sale of building area in Ärrävaara | **0.3** | -1.3 | **1.8** | 0.0 | |
| Loss on sale of Printcenter | **-0.3** | | **-2.2** | | |
| Gain on sale (Bulevardi 12 and 14) | **10.7** | | **10.7** | | |
| Gain on sale (Uudenmaankatu) | **2.3** | | **2.3** | | |
| Income related to Keimola Area | | | | | 4.5 |
| Impairment of goodwill | | | | | -11.6 |
| Restructuring expenses | **-1.3** | | **-3.8** | -1.0 | -2.0 |
| Impairments | | | | -7.5 | -7.5 |
| **Non-recurring items in operating profit** | **-316.6** | -18.3 | **-384.8** | -24.0 | -50.0 |
| **Media** | | | | | |
| Loss on sale (DNA) | | | | -19.3 | -19.3 |
| Impairment of share in Hungarian associated company | | | | -1.2 | -1.2 |
| Gain on sale (Hansaprint) | | 3.0 | | 3.0 | 3.0 |
| **Other companies** | | | | | |
| Gain on sale (Helsinki Halli Oy) | | | **1.3** | | |
| **Non-recurring items in results in associated companies** | | 3.0 | **1.3** | -17.5 | -17.5 |
| Gain on sale (Kiosk operations and Baltic bookstores and press distribution) | | -0.7 | | 77.4 | 77.4 |
| **Non-recurring items in discontinued operations** | | -0.7 | | 77.4 | 77.4 |

Sanoma's third quarter result included EUR 0.2 million (2012: 2.3) profit from associated companies. In the comparable period, the profit from associated companies included a EUR 3.0 million gain on the sale of Hansaprint.

Sanoma's net financial items totalled EUR -15.5 million (2012: -14.4). Financial income amounted to EUR 2.2 million (2012: 3.3), of which EUR 1.7 million were exchange rate gains (2012: 1.3). Financial expenses amounted to EUR -17.7 million (2012: -17.8), of which

EUR -4.8 million were exchange rate losses (2012: -1.6). Interest expenses amounted to EUR -11.1 million (2012: -13.5).

Result before taxes amounted to EUR -255.0 million (2012: 49.4) in the third quarter. Earnings per share were EUR -1.61 (2012: including continuing and discontinued operations EUR 0.23). Earnings per share excluding non-recurring items were EUR 0.29 (2012: 0.30).

### First nine months

Sanoma's operating profit excluding non-recurring items in January–September decreased by 28.8% and totalled EUR 141.9 million (2012: 199.2). The decrease is mainly attributable to the continued deterioration in advertising markets and single copy sales. Operating profit excluding non-recurring items amounted to 8.5% (2012: 11.1%) of net sales. Currency translations did not have a material effect on the result of the first nine months of 2013.

Sanoma's net financial items totalled EUR -43.3 million (2012: -42.4). Financial income amounted to EUR 8.1 million (2012: 15.2), of which EUR 5.4 million were exchange rate gains (2012: 10.0). Financial expenses amounted to EUR -51.4 million (2012: -57.6), of which EUR -9.4 million were exchange rate losses (2012: -11.4). Interest expenses amounted to EUR -36.7 million (2012: -38.7).

Result before taxes amounted to EUR -284.6 million (2012: 115.4). Earnings per share were EUR -1.72 (2012: including continuing and discontinued operations EUR 0.94). Earnings per share excluding non-recurring items were EUR 0.52 (2012: 0.69).

## Balance sheet and financial position

At the end of September 2013, Sanoma's consolidated balance sheet totalled EUR 3,638.6 million (2012: 4,057.3). In January–September, the Group's cash flow from operations was EUR 50.4 million (2012: 83.8). Cash flow from operations per share was EUR 0.31 (2012: 0.51).

Sanoma's equity ratio was 34.1% (2012: 40.5%) at the end of September 2013. The return on equity (ROE) for the rolling 12-month period was -20.4% (2012: 12.0%) and the return on investment (ROI) was -7.8% (2012: 9.8%). Equity totalled EUR 1,180.3 million (2012: 1,570.5). The equity per share was EUR 5.44 (2012: 7.96). Interest-bearing liabilities at the end of September 2013 totalled EUR 1,466.2 million (2012: 1,455.6). Interest-bearing net debt was EUR 1,287.5 million (2012: 1,369.5).

## Investments, acquisitions and divestments

In January–September, investments in tangible and intangible assets, including finance leases, amounted to EUR 48.0 million (2012: 38.0). Investments were mainly related to digital business and ICT systems.

In April, Sanoma announced a divestment of Netinfo assets in Bulgaria. The deal was closed in September. As a result of the transaction, Sanoma recognised a capital loss of EUR -3.3 million.

In June, Sanoma sold the operations of Printcenter. As a result of the transaction, Sanoma recognised a tax-deductible capital loss of EUR -1.9 million.

In June, Sanoma sold its total ownership of Helsinki Halli Oy to Hjallis Promotion Ab Oy. The number of shares sold represented 18.1% of the total number of shares. As a result of the transaction, Sanoma recognised a non-taxable capital gain of EUR 1.3 million.

In July, Sanoma sold its ownership of the real estate companies Kiinteistö Oy Bulevardi 12 and Kiinteistö Oy Bulevardi 14. As a result of the transaction, Sanoma recognised a capital gain of EUR 13.0 million.

In January–September, Sanoma's business acquisitions totalled EUR 11.0 million (2012: 26.0).

## Events after the end of the third quarter 2013

On 8 October, Sanoma sold its Learning operations in Hungary. As a result of the transaction, Sanoma recognised a write-down of EUR 24.5 million to reflect the sales price.

# Media

The Media segment includes magazine, TV, radio and online businesses in 9 European countries and comprises four strategic business units: Sanoma Media Netherlands, Sanoma Media Finland, Sanoma Media Belgium and Sanoma Media Russia & CEE.

— Print advertising markets have been under severe pressure in Sanoma's main operating countries.
— Cautious consumer spending is visible in circulation, especially in single copy sales.
— The TV viewing share of SBS Netherlands ended close to 21% in the third quarter of 2013.

## Key indicators

| EUR million | 7–9/ 2013 | Restated 7–9/ 2012 | Change % | 1–9/ 2013 | Restated 1–9/ 2012 | Change % | Restated 1–12/ 2012 |
|---|---|---|---|---|---|---|---|
| Net sales | **322.5** | 338.1 | -4.6 | **1,000.9** | 1,080.8 | -7.4 | 1,487.1 |
| The Netherlands | **164.7** | 173.5 | -5.1 | **506.5** | 553.2 | -8.4 | 760.4 |
| Finland | **67.5** | 65.4 | 3.1 | **210.8** | 219.5 | -4.0 | 301.7 |
| Russia & CEE | **41.3** | 46.9 | -11.9 | **128.1** | 146.0 | -12.2 | 199.5 |
| Belgium | **50.0** | 52.9 | -5.5 | **157.4** | 164.3 | -4.2 | 228.3 |
| Other businesses and eliminations | **-1.0** | -0.6 | -73.1 | **-2.0** | -2.1 | 5.6 | -2.7 |
| Operating profit excluding non-recurring items * | **24.3** | 23.0 | 5.6 | **54.8** | 104.6 | -47.6 | 151.5 |
| % of net sales | **7.5** | 6.8 | | **5.5** | 9.7 | | 10.2 |
| Operating profit | **-279.4** | 20.3 | | **-309.7** | 99.3 | | 130.2 |
| Capital expenditure | | | | **25.4** | 20.7 | 22.8 | 30.7 |
| Number of employees at the end of the period (FTE) | | | | **5,300** | 5,824 | -9.0 | 5,718 |
| Average number of employees (FTE) | | | | **5,501** | 5,780 | -4.8 | 5,772 |

* In 2013, the non-recurring items included in the third quarter included a EUR -268.4 million impairment of goodwill and intangible assets in the Netherlands, a EUR -24.4 million impairment of goodwill and intangible assets in Russia and CEE, a EUR -3.3 million loss on sale of Net Info and EUR -7.6 million restructuring expenses. In the second quarter the non-recurring items included a EUR -19.1 million impairment of intangible assets in the Netherlands and Belgium and EUR -3.4 million restructuring expenses and in the first quarter a EUR -34.8 million impairment of goodwill and intangible assets in the Netherlands and EUR -3.5 million restructuring expenses. In 2012, the non-recurring items included in the second quarter EUR -2.6 million restructuring expenses, in the third quarter EUR -2.7 million restructuring expenses and in the fourth quarter EUR -8.9 million restructuring expenses, a EUR -1.1 million loss on sale of Adria Media Ljubljana and a EUR -6.0 million impairment of goodwill and intangible assets in Russia & CEE.

## Circulation sales growth

| | 7–9/2013 vs. 7–9/2012 | | | 1–9/2013 vs. 1–9/2012 | | |
|---|---|---|---|---|---|---|
| | Subscription | Single copy | **Total circulation** | Subscription | Single copy | **Total circulation** |
| Media Netherlands | -6% | -9% | **-8%** | -6% | -10% | **-8%** |
| Media Finland | +21% | -7% | **+18%** | +3% | -10% | **+2%** |
| Media Belgium | +6% | -9% | **-6%** | +6% | -5% | **-3%** |
| Media Russia & CEE | -4% | -17% | **-14%** | 0% | -16% | **-12%** |
| **Total Media segment** | **+3%** | **-11%** | **-3%** | **-2%** | **-10%** | **-5%** |

## Advertising sales growth

| | 7–9/2013 vs. 7–9/2012 | | | | 1–9/2013 vs. 1–9/2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | Print | Online | TV & Radio | **Total advertising** | Print | Online | TV & Radio | **Total advertising** |
| Media Netherlands | -22% | -1% | +1% | **-4%** | -24% | -6% | -9% | **-12%** |
| Media Finland | -12% | +12% | -4% | **-5%** | -14% | +21% | -1% | **-3%** |
| Media Belgium | -29% | +32% | +17% | **-13%** | -22% | -2% | +2% | **-13%** |
| Media Russia & CEE | -16% | +2% | -20% | **-9%** | -15% | 0% | -5% | **-10%** |
| **Total Media segment** | **-20%** | **+1%** | **0%** | **-6%** | **-19%** | **-3%** | **-6%** | **-10%** |

## Operational indicators*

| | **1–9/ 2013** | **1–9/ 2012** |
|---|---|---|
| **Magazines** | | |
| Number of magazines published | **263** | 280 |
| Magazine copies sold, thousands | **224,026** | 253,720 |
| Advertising pages sold | **30,022** | 35,031 |
| **Finnish TV operations** | | |
| TV channels' share of TV advertising | **30.8%** | 34.0% |
| TV channels' national commercial viewing share (10-44 years) | **31.5%** | 32.9% |
| TV channels' national viewing share (10+ years) | **15.3%** | 15.0% |
| **Dutch TV operations** | | |
| TV channels' share of TV advertising | **24.9%** | 26.1% |
| TV channels' national viewing share (20-49 years) | **20.6%** | 20.1% |

* Including joint ventures

## Third quarter

In July–September, net sales in the Media segment decreased by 4.6% to EUR 322.5 million (2012: 338.1). Adjusted for structural changes, net sales declined by 4.3%.

The segment's advertising sales represented 39.9% (2012: 40.6%) and circulation sales represented 47.5% (2012: 46.7%) of third quarter net sales.

In Media Netherlands, net sales decreased by 5.1% in the third quarter. Advertising sales represented 41.3% (2012: 41.0%) and circulation sales 45.6% (2012: 46.8%) of Dutch net sales. Sanoma estimates that the advertising market in the Netherlands increased on a net basis in TV by around 1%, decreased in consumer magazines by around 15%, and in online excluding search by some 2% in July–September.

In Media Finland, net sales increased by 3.1% in the third quarter. In total, the advertising sales of the Finnish operations represented 37.0% (2012: 40.2%) and circulation 52.2% (2012: 45.8%) of net sales in the third quarter. Subscription sales increased partly due to new sales generated by pay-TV and pay-VOD subscriptions. According to TNS Gallup Adex, the advertising market in Finland decreased on a net basis in magazines by some 7%, whereas advertising in online excluding search increased by around 7% and in TV by around 1% in the third quarter.

Net sales in Media Belgium decreased by 5.5%. Advertising sales represented 26.5% (2012: 28.8%) and circulation sales 55.3% (2012: 55.4%) of net sales in Media Belgium. Sanoma estimates that the advertising market in Belgium in TV decreased by around 6% on a net basis, and in magazines by some 16% in the third quarter. Online advertising excluding search stabilised to around 0%.

In Media Russia and the CEE countries, net sales decreased by 11.9%. In total, advertising sales represented 53.9% (2012: 52.4%) and circulation sales 36.7% (2012: 37.5%) of net sales in the Russia and CEE strategic business unit. Service and product portfolios are continuously optimised according to their future development potential as well as to reflect changes in the market environment.

Operating profit excluding non-recurring items in the Media segment in July–September increased to EUR 24.3 million (2012: 23.0). In the Netherlands the operating profit excluding non-recurring items increased mainly as a result of lower amortisation of TV programme rights. In Finland, the operating profit excluding non-recurring items increased mainly due to increased subscription revenue and lower fixed costs. In Belgium the operating profit excluding non-recurring items decreased due to lower net sales and higher fixed expenses as well as increased amortisation of TV programme rights. In Russia and CEE countries the operating profit excluding non-recurring items improved despite lower net sales as a result of cost control.

Non-recurring items included in the operating profit totalled EUR -303.7 million (2012: -2.7) consisting mainly of -268.4 million and EUR -24.4 million non-cash impairment charges of goodwill and intangible assets in Media Netherlands and Media Russia & CEE, respectively, as well as EUR -7.6 million related to restructuring expenses.

Media's investments in tangible and intangible assets totalled EUR 7.1 million (2012: 7.9) in July–September and consisted mainly of investments related to ICT.

# News

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

— The weak print advertising market development is adversely affecting the News segment.
— The effects of the on-going efficiency improvements partly offset the negative impact from lower advertising sales compared to the previous year.
— In Ilta-Sanomat growth in digital advertising more than offset the decline in print advertising and circulation. Digital advertising represents more than half of the total advertising sales in Ilta-Sanomat.

## Key indicators

| EUR million | 7–9/ 2013 | Restated 7–9/ 2012 | Change % | 1–9/ 2013 | Restated 1–9/ 2012 | Change % | Restated 1–12/ 2012 |
|---|---|---|---|---|---|---|---|
| Net sales | **92.6** | 98.3 | -5.9 | **293.4** | 315.2 | -6.9 | 422.8 |
| Helsingin Sanomat | **50.0** | 52.2 | -4.3 | **159.3** | 167.8 | -5.1 | 224.9 |
| Ilta-Sanomat ** | **20.7** | 20.0 | 3.5 | **63.3** | 63.2 | 0.2 | 84.3 |
| Other businesses and eliminations | **21.9** | 26.1 | -16.1 | **70.8** | 84.2 | -15.9 | 113.5 |
| Operating profit excluding non-recurring items * | **7.8** | 8.3 | -6.6 | **19.7** | 22.2 | -11.2 | 32.2 |
| % of net sales | **8.4** | 8.5 | | **6.7** | 7.0 | | 7.6 |
| Operating profit | **7.7** | -1.6 | | **15.0** | 12.3 | 22.1 | 20.3 |
| Capital expenditure | | | | **10.3** | 7.1 | 45.3 | 11.0 |
| Number of employees at the end of the period (FTE) | | | | **1,943** | 2,002 | -2.9 | 1,928 |
| Average number of employees (FTE) | | | | **2,033** | 2,088 | -2.6 | 2,055 |

* In 2013, the non-recurring items included in the third quarter EUR -0.1 million, in the second quarter EUR -4.1 million and in the first quarter EUR -0.4 million restructuring expenses. In 2012, the non-recurring items included in the third quarter a EUR -9.9 million impairment of intangible assets and EUR -2.0 million restructuring expenses.
** In 2013, the structure of Sanoma News was changed and Taloussanomat is reported as part of Ilta-Sanomat. The comparative figures have not been restated.

## Circulation sales growth

| | 7–9/2013 vs. 7–9/2012 | | | 1–9/2013 vs. 1–9/2012 | | |
|---|---|---|---|---|---|---|
| | Subscription | Single copy | **Total circulation** | Subscription | Single copy | **Total circulation** |
| Total News segment | -3% | -2% | **-3%** | -2% | -6% | **-3%** |

## Advertising sales growth

| | 7–9/2013 vs. 7–9/2012 | | | 1–9/2013 vs. 1–9/2012 | | |
|---|---|---|---|---|---|---|
| | Print | Online | **Total advertising** | Print | Online | **Total advertising** |
| Total News segment | -19% | +8% | **-14%** | -20% | +7% | **-15%** |

## Operational indicators

| **Audited circulation** | **1–12/ 2012** | **1–12/ 2011** |
|---|---|---|
| Helsingin Sanomat | **337,962** | 365,994 |
| Ilta-Sanomat | **132,253** | 143,321 |

### Third quarter

In July–September, net sales in the News segment decreased by 5.9% to EUR 92.6 million (2012: 98.3) due to poor print advertising market development. Structural changes did not impact net sales.

Circulation sales accounted for 49.2% (2012: 47.6%) and advertising sales represented 40.9% (2012: 44.5%) of the net sales in News in the third quarter.

According to TNS Gallup Adex, the net newspaper advertising market in Finland decreased by some 13% in the third quarter compared to the comparable quarter. Online advertising (net) included in the statistics was up by some 7%.

Net sales of the Helsingin Sanomat business unit decreased by 4.3% due to lower print advertising sales. Advertising sales represented 45.6% (2012: 47.0%) of the business unit's net sales.

The Ilta-Sanomat business unit's net sales increased by 3.5%, driven by growth in online advertising. Advertising sales represented 30.6% (2012: 25.4%) of the business unit's net sales. *Ilta-Sanomat* continued to strengthen its market leadership and its market share is 60.1% (2012: 58.8%) of the tabloid newsstand market for the rolling 12-month period.

Net sales from other businesses in the News segment decreased by 16.1%, mainly due to weak print advertising market development.

In July–September, News' operating profit excluding non-recurring items decreased by 6.6% to EUR 7.8 million (2012: 8.3). The effects of the on-going efficiency improvements and lower cost of sales mostly offset the decline in net sales. News' operating profit included EUR 0.1 million (2012: 9.9) of non-recurring items related to restructuring expenses.

News' investments in tangible and intangible assets totalled EUR 3.0 million (2012: 2.0) in July–September, and consisted mainly of investments in digital business and ICT as well as renovations.

# Learning

The Learning segment includes the Sanoma Learning strategic business unit. Sanoma Learning is a leading European provider of learning materials and solutions in print and digital format.

- Stable development supported by timing shift between quarters.
- Market share gains in multiple countries during 2013.
- Learning operations in Hungary were sold on 8 October 2013. The divestment is related to a long period of adverse conditions in the Hungarian education market. In 2012 net sales in Hungary were EUR 21 million.

## Key indicators

| EUR million | 7–9/ 2013 | Restated 7–9/ 2012 | Change % | 1–9/ 2013 | Restated 1–9/ 2012 | Change % | Restated 1–12/ 2012 |
|---|---|---|---|---|---|---|---|
| Net sales | **123.0** | 127.4 | -3.5 | **272.2** | 276.9 | -1.7 | 312.4 |
| Learning | **123.0** | 127.4 | -3.5 | **272.4** | 270.9 | 0.5 | 306.4 |
| Other businesses | | 0.0 | | | 6.5 | | 6.5 |
| Eliminations | **0.0** | 0.0 | -28.8 | **-0.2** | -0.5 | 62.1 | -0.5 |
| Operating profit excluding non-recurring items * | **49.6** | 49.4 | 0.5 | **81.1** | 81.3 | -0.3 | 59.2 |
| % of net sales | **40.3** | 38.7 | | **29.8** | 29.4 | | 19.0 |
| Operating profit | **25.1** | 45.0 | -44.2 | **56.6** | 81.0 | -30.2 | 58.9 |
| Capital expenditure | | | | **9.7** | 5.1 | 88.9 | 7.3 |
| Number of employees at the end of the period (FTE) | | | | **1,738** | 1,719 | 1.1 | 1,735 |
| Average number of employees (FTE) | | | | **1,744** | 1,866 | -6.5 | 1,832 |

* In 2013, the non-recurring items included in the third quarter EUR -24.5 million a write-down to reflect the sales price of NTK Educational Holding Zrt that was sold in October. In 2012, the non-recurring items included in the third quarter EUR -4.4 million restructuring expenses of the Polish Learning operations, in the second quarter EUR 5.7 million gain on sales of Esmerk and EUR -1.6 million restructuring expenses.

### Third quarter

In July–September, net sales in the Learning segment decreased by 3.5% to EUR 123.0 million (2012: 127.4) mainly due to lower net sales in Finland. Structural changes did not impact net sales.

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

Operating profit excluding non-recurring items in the Learning segment increased by 0.5% to EUR 49.6 million (2012: 49.4), positively impacted by timing shift between quarters.

In the third quarter, non-recurring items included in the operating profit totalled EUR -24.5 million (2012: -4.4) consisting of a write-down to reflect the sales price of Hungarian operations. In the comparable period the non-recurring items were related to restructuring expenses.

Learning's investments in tangible and intangible assets totalled EUR 3.7 million (2012: 2.3) in July–September. They were mainly related to investments in digital platforms and ICT.

# The Group

## Personnel

In January–September, the average number of personnel (FTE) employed by the Sanoma Group was 10,205 (2012: 10,901). In full-time equivalents, the number of Group employees at the end of September 2013 was 9,884 (2012: 10,590). Divestments and restructuring decreased the number of personnel. In full-time equivalents, the Media segment had 5,300 (2012: 5,824) employees at the end of September, the News segment 1,943(2012: 2,002), the Learning segment 1,738 (2012: 1,719) and other operations 903 (2012: 1,045).

Wages, salaries and fees to Sanoma's employees in the first nine months of 2013, including the expense recognition of share based payments, amounted to EUR 355.9 million (2012: 390.4).

## Dividend

The Annual General Meeting on 3 April 2013 decided to pay a dividend of EUR 0.60 (2012: 0.60) per share. The dividends were paid on 16 April 2013 in Finland.

## Shares and holdings

In January–September, 36,669,079 (2012: 80,563,203) Sanoma shares were traded on the NASDAQ OMX Helsinki and traded shares accounted for some 25% (2012: 49%) of the average number of shares. Sanoma's NASDAQ OMX Helsinki stock exchange turnover was EUR 270.9 million (2012: 668.4). Sanoma's shares traded on the NASDAQ OMX Helsinki corresponded to around 60% (2012: 56%) of the total traded share volume on stock exchanges.

During the first nine months, the volume-weighted average price of a Sanoma share on the NASDAQ OMX Helsinki was EUR 6.83, with a low of EUR 5.35 and a high of EUR 8.95. At the end of September 2013, Sanoma's market capitalisation was EUR 1.0 billion (2012: EUR 1.1 billion), with Sanoma's share closing at EUR 6.17 (2012: 6.98). At the end of September 2013, Sanoma's registered share capital was EUR 71,258,986.82 and the number of shares was 162,812,093.

## Board of Directors, auditors and management

The AGM held on 3 April 2013 confirmed the number of Sanoma's Board members as ten. Board member Antti Herlin was re-elected and Anne Brunila, Mika Ihamuotila and Robin Langenskiöld were elected as new Board Members. Antti Herlin was elected as Chairman of the Board and Sakari Tamminen as Vice Chairman. The Board of Directors of Sanoma consists of Antti Herlin (Chairman), Sakari Tamminen (Vice Chairman), and Annet Aris, Anne Brunila, Jane Erkko, Mika Ihamuotila, Robin Langenskiöld, Nancy McKinstry, Rafaela Seppälä and Kai Öistämö as members.

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

From the end of September 2013, 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 (CEO, Sanoma Learning), Kim Ignatius (CFO), John Martin (Chief Strategy and Digital Officer, CSDO), Dick Molman (CEO, Sanoma Media Netherlands), Anu Nissinen (CEO, Sanoma Media Finland), Heike Rosener (CEO, Sanoma Media Russia & CEE), Pekka Soini (CEO, Sanoma News) and Aimé Van Hecke (CEO, Sanoma Media Belgium).

On September 27, Sanoma announced that Peter de Mönnink, has been appointed CEO of Sanoma Media Netherlands as of 1 January 2014, and will join Sanoma's Executive Management Group. Dick Molman, the current CEO of Sanoma Media Netherlands, will step down on 1 November 2013 to make room for his successor.

On October 8, Sanoma announced that CEO of Sanoma News, Pekka Soini has been appointed CEO of the new company that will be established 1 January 2014 by the merger of Sanoma's Finnish media operations. The current CEO of the strategic business unit Sanoma Media Finland, Anu Nissinen, stays in her current role until the end of the year.

On October 31, Sanoma announced that John Martin, Chief Strategy & Digital Officer (CSDO), has been appointed as CEO of Sanoma Learning. Jacques Eijkens, the current CEO of Sanoma Learning, will step down in the first quarter of 2014 to make room for his successor.

## Board authorisations

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

The AGM held on 3 April 2013 authorised the Board to decide on the repurchase of maximum of 16,000,000 Company's own shares. The authorisation is effective until 30 June 2014 and terminates the corresponding authorisation granted by the AGM on 3 April 2012. These shares can be purchased with the Company's unrestricted shareholders' equity, and the repurchases will reduce the funds available for distribution of profits. The shares can be repurchased to develop the Company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the Company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled. The shares can be repurchased either through a tender offer made to all shareholders on equal terms or in a proportion other than that of the current shareholders at the market price of the repurchase moment on the NASDAQ OMX Helsinki Ltd.

## 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 the Netherlands, Finland 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.

Seasonal business fluctuations influence the Group’s net sales and operating profit, with the first quarter traditionally being clearly the smallest one for both.

## Significant risks and uncertainty factors (unchanged)

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

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

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

Sanoma’s financial risks include interest rate and currency risks, liquidity risk and credit risk. Other risks include risks related to equity, impairment and the availability of capital. At the Group level, the most significant risks relate to liquidity risk and changes in exchange rates and interest rates.

Sanoma’s consolidated balance sheet includes about EUR 2.6 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 further impairment.

# Interim Report (unaudited)

## Accounting policies

The Sanoma Group has prepared its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 30 September 2013. The accounting policies of the Interim Report, excluding the changed accounting principles, 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.

## Changed accounting policies

Sanoma adopts the revised IAS 19 Employee Benefits standard as of 1 January 2013. The revised standard eliminates the possibility to use the corridor approach in recognising the actuarial gains and losses from defined benefit plans. The revised IAS 19 standard requires the actuarial gains and losses to be recognised immediately in the statement of other comprehensive income. This change in accounting principles leads to faster recognition of actuarial gains and losses and higher volatility of equity than the corridor approach. As a result of the change the Group now determines the net interest expense on the net defined benefit plan by applying the discount rate used to measure the defined benefit. The change in accounting principles has been applied retrospectively as of 1 January 2012.

# Consolidated income statement

| EUR million<br>Continuing operations | 7–9/<br>2013 | Restated<br>7–9/<br>2012 | 1–9/<br>2013 | Restated<br>1–9/<br>2012 | Restated<br>1–12/<br>2012 |
|---|---|---|---|---|---|
| **Net sales** | **568.1** | 599.5 | **1,664.5** | 1,789.6 | 2,376.3 |
| Other operating income | **19.6** | 8.7 | **36.6** | 36.7 | 52.5 |
| Materials and services | **-190.4** | -214.6 | **-560.9** | -616.7 | -816.3 |
| Employee benefit expenses | **-141.3** | -145.9 | **-448.1** | -459.2 | -614.9 |
| Other operating expenses | **-116.8** | -109.1 | **-349.3** | -349.7 | -491.5 |
| Depreciation, amortisation and impairment losses | **-378.8** | -77.2 | **-585.7** | -225.4 | -325.2 |
| **Operating profit** | **-239.6** | 61.5 | **-242.9** | 175.2 | 181.0 |
| Share of results in associated companies | **0.2** | 2.3 | **1.5** | -17.5 | -17.7 |
| Financial income | **2.2** | 3.3 | **8.1** | 15.2 | 18.2 |
| Financial expenses | **-17.7** | -17.8 | **-51.4** | -57.6 | -75.6 |
| **Result before taxes** | **-255.0** | 49.4 | **-284.6** | 115.4 | 105.9 |
| Income taxes | **-10.5** | -10.6 | **-9.7** | -35.8 | -36.0 |
| **Result for the period from continuing operations** | **-265.5** | 38.8 | **-294.3** | 79.5 | 69.9 |
| | | | | | |
| **Discontinued operations** | | | | | |
| Result for the period from discontinued operations | | -0.7 | | 79.0 | 79.0 |
| **RESULT FOR THE PERIOD** | **-265.5** | 38.1 | **-294.3** | 158.6 | 149.0 |
| | | | | | |
| **Result from continuing operations attributable to:** | | | | | |
| Equity holders of the Parent Company | **-262.9** | 37.8 | **-280.3** | 74.7 | 63.7 |
| Non-controlling interests | **-2.6** | 0.9 | **-14.0** | 4.8 | 6.2 |
| | | | | | |
| **Result attributable to:** | | | | | |
| Equity holders of the Parent Company | **-262.9** | 37.1 | **-280.3** | 153.8 | 142.8 |
| Non-controlling interests | **-2.6** | 0.9 | **-14.0** | 4.7 | 6.2 |
| | | | | | |
| **Earnings per share for result attributable to the equity holders of the Parent Company:** | | | | | |
| | | | | | |
| Earnings per share, EUR, continuing operations | **-1.61** | 0.23 | **-1.72** | 0.46 | 0.39 |
| Diluted earnings per share, EUR, continuing operations | **-1.61** | 0.23 | **-1.72** | 0.46 | 0.39 |
| | | | | | |
| Earnings per share, EUR, discontinued operations | | 0.00 | | 0.48 | 0.49 |
| Diluted earnings per share, EUR, discontinued operations | | 0.00 | | 0.49 | 0.49 |
| | | | | | |
| Earnings per share, EUR | **-1.61** | 0.23 | **-1.72** | 0.94 | 0.88 |
| Diluted earnings per share, EUR | **-1.61** | 0.23 | **-1.72** | 0.94 | 0.88 |

# Statement of comprehensive income

| EUR million | 7–9/ 2013 | Restated 7–9/ 2012 | 1–9/ 2013 | Restated 1–9/ 2012 | Restated 1–12/ 2012 |
|---|---|---|---|---|---|
| **RESULT FOR THE PERIOD** | **-265.5** | 38.1 | **-294.3** | 158.6 | 149.0 |
| | | | | | |
| **Other comprehensive income:** | | | | | |
| **Items that may be reclassified subsequently to profit or loss** | | | | | |
| Change in translation differences | **0.2** | 10.6 | **-15.7** | 26.3 | 23.4 |
| Cash flow hedges | **1.5** | 0.0 | **5.8** | -2.3 | 0.9 |
| Income tax related to cash flow hedges | **-0.4** | 0.0 | **-1.4** | 0.6 | -0.2 |
| **Items that will not be reclassified to profit or loss** | | | | | |
| Defined benefit plans | | -15.3 | | -46.0 | -61.0 |
| Income tax related to defined benefit plans | | 3.9 | | 11.8 | 15.6 |
| **Other comprehensive income for the period, net of tax** | **1.3** | -0.8 | **-11.3** | -9.6 | -21.3 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **-264.2** | 37.3 | **-305.6** | 148.9 | 127.7 |
| | | | | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Parent Company | **-261.6** | 36.4 | **-291.6** | 144.1 | 121.4 |
| Non-controlling interests | **-2.6** | 0.9 | **-14.0** | 4.8 | 6.2 |

# Consolidated balance sheet

| EUR million | 30.9.2013 | Restated 30.9.2012 | Restated 31.12.2012 | Restated 1.1.2012 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Tangible assets | **252.5** | 285.5 | 283.4 | 343.6 |
| Investment property | **11.5** | 4.8 | 12.0 | 5.8 |
| Goodwill | **1,970.6** | 2,323.5 | 2,307.6 | 2,316.2 |
| Other intangible assets | **667.1** | 718.1 | 700.2 | 709.8 |
| Interests in associated companies | **3.9** | 12.0 | 8.1 | 219.3 |
| Available-for-sale financial assets | **8.2** | 8.2 | 8.0 | 15.4 |
| Deferred tax receivables | **53.9** | 51.3 | 40.0 | 27.1 |
| Trade and other receivables | **14.6** | 16.5 | 15.4 | 28.1 |
| NON-CURRENT ASSETS, TOTAL | **2,982.4** | 3,419.8 | 3,374.8 | 3,665.3 |
| Inventories | **61.7** | 73.1 | 66.2 | 96.8 |
| Income tax receivables | **15.4** | 31.3 | 27.1 | 12.5 |
| Trade and other receivables | **400.4** | 446.7 | 384.1 | 418.4 |
| Available-for-sale financial assets | **0.3** | 0.3 | 0.3 | 0.3 |
| Cash and cash equivalents | **178.7** | 86.0 | 167.2 | 116.0 |
| CURRENT ASSETS, TOTAL | **656.5** | 637.5 | 645.0 | 644.0 |
| **ASSETS, TOTAL** | **3,638.9** | 4,057.3 | 4,019.8 | 4,309.3 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity attributable to the equity holders of the Parent Company** | | | | |
| Share capital | **71.3** | 71.3 | 71.3 | 71.3 |
| Fund for invested unrestricted equity | **203.3** | 203.3 | 203.3 | 203.3 |
| Other reserves | **-49.0** | -44.6 | -53.4 | -8.7 |
| Other equity | **660.6** | 1,066.0 | 1,052.2 | 982.7 |
| | **886.1** | 1,295.9 | 1,273.4 | 1,248.5 |
| Non-controlling interests | **294.2** | 274.6 | 303.2 | 270.3 |
| EQUITY, TOTAL | **1,180.3** | 1,570.5 | 1,576.6 | 1,518.8 |
| Deferred tax liabilities | **119.3** | 141.5 | 137.5 | 142.1 |
| Pension obligations | **56.1** | 45.9 | 50.4 | 7.6 |
| Provisions | **5.8** | 5.1 | 4.1 | 6.3 |
| Financial debt | **889.3** | 1,205.5 | 942.2 | 1,101.2 |
| Trade and other payables | **43.7** | 40.0 | 44.9 | 38.9 |
| NON-CURRENT LIABILITIES, TOTAL | **1,114.2** | 1,438.0 | 1,179.1 | 1,296.1 |
| Provisions | **17.7** | 18.4 | 13.0 | 15.3 |
| Financial debt | **577.0** | 250.1 | 466.5 | 626.0 |
| Income tax liabilities | **35.3** | 42.4 | 27.4 | 27.4 |
| Trade and other payables | **714.4** | 737.8 | 757.1 | 825.8 |
| CURRENT LIABILITIES, TOTAL | **1,344.4** | 1,048.7 | 1,264.1 | 1,494.5 |
| **Liabilities, total** | **2,458.6** | 2,486.7 | 2,443.2 | 2,790.5 |
| **EQUITY AND LIABILITIES, TOTAL** | **3,638.9** | 4,057.3 | 4,019.8 | 4,309.3 |

Hungarian NTK that was sold in October 2013 has not been presented as held for sale in the balance sheet as the balance sheet effect is not material.

# Changes in consolidated equity

| EUR million | Share capital | Fund for invested-unrestricted equity | Other reserves | Other equity | Total | Non-controlling interests | Equity, total |
|---|---|---|---|---|---|---|---|
| | Equity attributable to the equity holders of the Parent Company | | | | | | |
| **Equity at 31 Dec 2011** | **71.3** | **203.3** | **-8.7** | **988.0** | **1,253.9** | **270.3** | **1,524.2** |
| Effect of IAS 19 on 1 Jan 2012 | | | | -5.4 | -5.4 | | -5.4 |
| **Equity at 1 Jan 2012** | **71.3** | **203.3** | **-8.7** | **982.7** | **1,248.5** | **270.3** | **1,518.8** |
| Share-based compensation | | | | 2.0 | 2.0 | | 2.0 |
| Dividends paid | | | | -97.7 | -97.7 | -0.3 | -98.0 |
| Change in non-controlling interests | | | | -1.1 | -1.1 | -0.1 | -1.2 |
| Comprehensive Income for the period | | | -36.0 | 180.1 | 144.1 | 4.8 | 148.9 |
| **Equity at 30 Sept 2012** | **71.3** | **203.3** | **-44.6** | **1,066.0** | **1,295.9** | **274.6** | **1,570.5** |
| | | | | | | | |
| **Equity at 1 Jan 2013** | **71.3** | **203.3** | **-53.4** | **1,052.2** | **1,273.4** | **303.2** | **1,576.6** |
| Share-based compensation | | | | 1.5 | 1.5 | | 1.5 |
| Dividends paid | | | | -97.7 | -97.7 | -0.1 | -97.8 |
| Change in non-controlling interests | | | | 0.5 | 0.5 | 5.0 | 5.5 |
| Comprehensive income for the period | | | 4.4 | -296.0 | -291.6 | -14.0 | -305.6 |
| **Equity at 30 Sept 2013** | **71.3** | **203.3** | **-49.0** | **660.6** | **886.1** | **294.2** | **1,180.3** |

# Consolidated cash flow statement

| EUR million | 1–9/ 2013 | Restated 1–9/ 2012 | Restated 1–12/ 2012 |
|---|---|---|---|
| **Operations** | | | |
| Result for the period | **-294.3** | 158.6 | 149.0 |
| Adjustments | | | |
| Income taxes | **9.7** | 36.5 | 36.7 |
| Financial income and expenses | **43.3** | 42.4 | 57.4 |
| Share of results in associated companies | **-1.5** | 17.5 | 17.7 |
| Depreciation, amortisation and impairment losses | **585.7** | 228.1 | 327.8 |
| Gains/losses on sales of non-current assets | **-11.3** | -84.5 | -79.6 |
| Acquisitions of broadcasting rights and prepublication costs | **-172.6** | -156.7 | -207.4 |
| Other adjustments | **1.5** | 0.0 | -3.9 |
| Change in working capital | **-40.2** | -72.2 | -11.4 |
| Interest and other financial items paid | **-46.4** | -37.2 | -44.8 |
| Taxes paid | **-23.3** | -48.6 | -49.2 |
| **Cash flow from operations** | **50.4** | 83.8 | 192.0 |
| **Investments** | | | |
| Acquisition of tangible and intangible assets | **-49.2** | -43.2 | -63.5 |
| Operations acquired | **-12.2** | -22.0 | -25.7 |
| Sales of tangible and intangible assets | **17.1** | 7.3 | 16.4 |
| Operations sold | **33.4** | 313.3 | 317.2 |
| Loans granted | **-4.7** | -11.9 | -9.2 |
| Repayments of loan receivables | **6.1** | 11.2 | 8.1 |
| Interest received | **2.0** | 2.3 | 3.7 |
| Dividends received | **0.4** | 5.3 | 5.5 |
| **Cash flow from investments** | **-7.1** | 262.3 | 252.4 |
| **Cash flow before financing** | **43.3** | 346.1 | 444.4 |
| **Financing** | | | |
| Minority capital investment/repayment of equity | **5.0** | 0.3 | 26.6 |
| Change in loans with short maturity | **109.3** | -136.0 | -32.3 |
| Drawings of other loans | **42.0** | 1,189.3 | 1,103.0 |
| Repayments of other loans and finance lease liabilities | **-94.4** | -1,310.9 | -1,466.0 |
| Dividends paid | **-97.8** | -98.0 | -98.1 |
| **Cash flow from financing** | **-35.9** | -355.3 | -466.9 |
| **Change in cash and cash equivalents according to cash flow statement** | **7.5** | -9.2 | -22.5 |
| Effect of exchange rate differences on cash and cash equivalents | **-1.9** | 0.9 | 2.0 |
| **Net change in cash and cash equivalents** | **5.6** | -8.4 | -20.5 |
| Cash and cash equivalents at the beginning of the period | **73.1** | 93.5 | 93.5 |
| Cash and cash equivalents at the end of the period | **78.7** | 85.2 | 73.1 |

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

# Income statement by quarter

| EUR million<br>Continuing operations | 1–3/<br>2013 | 4–6/<br>2013 | 1–9/<br>2013 | Restated<br>1–3/<br>2012 | Restated<br>4–6/<br>2012 | Restated<br>7–9/<br>2012 | Restated<br>10–12/<br>2012 | Restated<br>1–12/<br>2012 |
|---|---|---|---|---|---|---|---|---|
| NET SALES | 505.2 | 591.2 | **568.1** | 543.6 | 646.5 | 599.5 | 586.7 | 2,376.3 |
| Other operating income | 9.4 | 7.6 | **19.6** | 8.6 | 19.4 | 8.7 | 15.7 | 52.5 |
| Materials and services | -176.3 | -194.2 | **-190.4** | -190.0 | -212.2 | -214.6 | -199.6 | -816.3 |
| Employee benefit expenses | -153.0 | -153.8 | **-141.3** | -156.5 | -156.8 | -145.9 | -155.7 | -614.9 |
| Other operating expenses | -111.7 | -120.8 | **-116.8** | -122.4 | -118.2 | -109.1 | -141.8 | -491.5 |
| Depreciation, amortisation and impairment losses | -113.8 | -93.1 | **-378.8** | -67.6 | -80.6 | -77.2 | -99.7 | -325.2 |
| OPERATING PROFIT | -40.2 | 36.9 | **-239.6** | 15.6 | 98.1 | 61.5 | 5.7 | 181.0 |
| Share of results in associated companies | 0.0 | 1.3 | **0.2** | -16.4 | -3.4 | 2.3 | -0.2 | -17.7 |
| Financial income | 6.8 | -0.9 | **2.2** | 7.0 | 4.9 | 3.3 | 3.0 | 18.2 |
| Financial expenses | -21.8 | -11.8 | **-17.7** | -20.7 | -19.1 | -17.8 | -18.0 | -75.6 |
| RESULT BEFORE TAXES | -55.2 | 25.6 | **-255.0** | -14.4 | 80.5 | 49.4 | -9.4 | 105.9 |
| Income taxes | 3.4 | -2.6 | **-10.5** | -3.6 | -21.7 | -10.6 | -0.2 | -36.0 |
| **Result for the period from continuing operations** | -51.8 | 23.0 | **-265.5** | -18.0 | 58.8 | 38.8 | -9.6 | 69.9 |
| **Discontinued operations** | | | | | | | | |
| Result for the period from discontinued operations | | | | 1.2 | 78.6 | -0.7 | 0.0 | 79.0 |
| **RESULT FOR THE PERIOD** | -51.8 | 23.0 | **-265.5** | -16.8 | 137.3 | 38.1 | -9.6 | 149.0 |
| **Result from continuing operations attributable to:** | | | | | | | | |
| Equity holders of the Parent Company | -39.1 | 21.6 | **-262.9** | -19.2 | 56.1 | 37.8 | -11.0 | 63.7 |
| Non-controlling interests | -12.7 | 1.4 | **-2.6** | 1.2 | 2.7 | 0.9 | 1.4 | 6.2 |
| **Result attributable to:** | | | | | | | | |
| Equity holders of the Parent Company | -39.1 | 21.6 | **-262.9** | -18.0 | 134.7 | 37.1 | -11.0 | 142.8 |
| Non-controlling interests | -12.7 | 1.4 | **-2.6** | 1.2 | 2.6 | 0.9 | 1.4 | 6.2 |
| **Earnings per share for result attributable to the equity holders of the Parent Company:** | | | | | | | | |
| Earnings per share, EUR, continuing operations | -0.24 | 0.13 | **-1.61** | -0.12 | 0.34 | 0.23 | -0.07 | 0.39 |
| Diluted earnings per share, EUR, continuing operations | -0.24 | 0.13 | **-1.61** | -0.12 | 0.34 | 0.23 | -0.07 | 0.39 |
| Earnings per share, EUR, discontinued operations | | | | 0.01 | 0.48 | 0.00 | 0.00 | 0.49 |
| Diluted earnings per share, EUR, discontinued oper | | | | 0.01 | 0.48 | 0.00 | 0.00 | 0.49 |
| Earnings per share, EUR | -0.24 | 0.13 | **-1.61** | -0.11 | 0.83 | 0.23 | -0.07 | 0.88 |
| Diluted earnings per share, EUR | -0.24 | 0.13 | **-1.61** | -0.11 | 0.83 | 0.23 | -0.07 | 0.88 |

# Net sales by business unit

| EUR million | 1–3/ 2013 | 4–6/ 2013 | 7–9/ 2013 | 1–3/ 2012 | 4–6/ 2012 | 7–9/ 2012 | 10–12/ 2012 | 1–12/ 2012 |
|---|---|---|---|---|---|---|---|---|
| **Media** | | | | | | | | |
| The Netherlands | 157.2 | 184.6 | **164.7** | 171.6 | 208.1 | 173.5 | 207.2 | 760.4 |
| Finland | 69.6 | 73.7 | **67.5** | 77.4 | 76.7 | 65.4 | 82.2 | 301.7 |
| Russia & CEE | 42.8 | 43.9 | **41.3** | 49.0 | 50.1 | 46.9 | 53.5 | 199.5 |
| Belgium | 54.3 | 53.2 | **50.0** | 56.8 | 54.6 | 52.9 | 64.1 | 228.3 |
| Other businesses and eliminations | -0.5 | -0.5 | **-1.0** | -0.7 | -0.8 | -0.6 | -0.7 | -2.7 |
| Total | 323.5 | 354.9 | **322.5** | 354.1 | 388.6 | 338.1 | 406.3 | 1,487.1 |
| **News** | | | | | | | | |
| Helsingin Sanomat | 56.3 | 53.0 | **50.0** | 59.3 | 56.2 | 52.2 | 57.1 | 224.9 |
| Ilta-Sanomat * | 20.0 | 22.7 | **20.7** | 21.2 | 22.0 | 20.0 | 21.1 | 84.3 |
| Other businesses and eliminations | 24.8 | 24.1 | **21.9** | 29.5 | 28.6 | 26.1 | 29.4 | 113.5 |
| Total | 101.0 | 99.8 | **92.6** | 110.0 | 106.8 | 98.3 | 107.6 | 422.8 |
| **Learning** | | | | | | | | |
| Learning | 45.7 | 103.7 | **123.0** | 34.2 | 109.3 | 127.4 | 35.5 | 306.4 |
| Other businesses | | | | 4.6 | 1.8 | 0.0 | 0.0 | 6.5 |
| Eliminations | | -0.2 | | -0.4 | 0.0 | 0.0 | 0.0 | -0.5 |
| Total | 45.7 | 103.5 | **123.0** | 38.4 | 111.1 | 127.4 | 35.5 | 312.4 |
| Other companies and eliminations | 34.9 | 33.0 | **30.0** | 41.1 | 40.0 | 35.6 | 37.3 | 154.0 |
| **Continuing operations** | 505.2 | 591.2 | **568.1** | 543.6 | 646.5 | 599.5 | 586.7 | 2,376.3 |

* In 2013, the structure of Sanoma News was changed and Taloussanomat is reported as part of Ilta-Sanomat. The comparative figures have not been restated.

# Operating profit by segment

| EUR million | 1–3/ 2013 | 4–6/ 2013 | 7–9/ 2013 | Restated 1–3/ 2012 | Restated 4–6/ 2012 | Restated 7–9/ 2012 | Restated 10–12/ 2012 | Restated 1–12/ 2012 |
|---|---|---|---|---|---|---|---|---|
| Media | -39.6 | 9.3 | **-279.4** | 27.0 | 51.9 | 20.3 | 31.0 | 130.2 |
| News | 5.5 | 1.9 | **7.7** | 8.8 | 5.0 | -1.6 | 8.0 | 20.3 |
| Learning | -4.4 | 35.9 | **25.1** | -15.0 | 51.0 | 45.0 | -22.1 | 58.9 |
| Other companies and eliminations | -1.7 | -10.1 | **7.0** | -5.2 | -9.8 | -2.2 | -11.2 | -28.5 |
| **Continuing operations** | -40.2 | 36.9 | **-239.6** | 15.6 | 98.1 | 61.5 | 5.7 | 181.0 |

# Operating profit excluding non-recurring items by segment

| EUR million | 1–3/ 2013 | 4–6/ 2013 | 7–9/ 2013 | Restated 1–3/ 2012 | Restated 4–6/ 2012 | Restated 7–9/ 2012 | Restated 10–12/ 2012 | Restated 1–12/ 2012 |
|---|---|---|---|---|---|---|---|---|
| Media | -1.3 | 31.8 | **24.3** | 27.0 | 54.5 | 23.0 | 46.9 | 151.5 |
| News | 5.9 | 6.0 | **7.8** | 8.8 | 5.0 | 8.3 | 10.0 | 32.2 |
| Learning | -4.4 | 35.9 | **49.6** | -15.0 | 46.9 | 49.4 | -22.1 | 59.2 |
| Other companies and eliminations | -3.2 | -5.7 | **-4.8** | -5.2 | -2.6 | -0.9 | -3.1 | -11.9 |
| **Continuing operations** | -3.0 | 68.0 | **76.9** | 15.6 | 103.8 | 79.8 | 31.8 | 231.0 |

# Segment information

The Group includes three reportable segments: Media, News and Learning. The segmentation is based on business model and product differences. Media, operating in 9 countries, is responsible for magazines and TV operations. Sanoma News is responsible for newspapers in Finland. Both segments also have a great variety of online and mobile services. Learning's business is mainly B2B business. In addition to the Group eliminations column, unallocated/eliminations includes non-core operations, head office functions, real estate companies as well as items not allocated to segments.

### Sanoma segments 1.1.–30.9.2013

| **EUR million** | **Media** | **News** | **Learning** | **Other companies/ eliminations** | **Total** |
|---|---|---|---|---|---|
| External net sales | 998.6 | 292.6 | 272.2 | 101.1 | 1,664.5 |
| Internal net sales | 2.2 | 0.9 | 0.0 | -3.1 | |
| **Net sales, total** | 1,000.9 | 293.4 | 272.2 | 97.9 | 1,664.5 |
| **Operating profit** | -309.7 | 15.0 | 56.6 | -4.8 | -242.9 |
| **Operating profit excl. non-recurring items** | 54.8 | 19.7 | 81.1 | -13.7 | 141.9 |
| Share of results in associated companies | 0.0 | 0.3 | 0.0 | 1.3 | 1.5 |
| Financial income | | | | 8.1 | 8.1 |
| Financial expenses | | | | -51.4 | -51.4 |
| **Result before taxes** | | | | | -284.6 |
| **Segment assets** | 2,444.6 | 293.4 | 508.8 | 126.5 | 3,373.3 |

### Sanoma segments 1.1.–30.9.2012 (Restated)

| **EUR million** | **Media** | **News** | **Learning** | **Other companies/ eliminations** | **Continuing operations** | **Discontinued operations** | **Total** |
|---|---|---|---|---|---|---|---|
| External net sales | 1,079.0 | 314.6 | 276.1 | 119.3 | 1,789.1 | 116.4 | 1,905.5 |
| Internal net sales | 1.8 | 0.6 | 0.8 | -2.7 | 0.5 | 1.5 | |
| **Net sales, total** | 1,080.8 | 315.2 | 276.9 | 116.7 | 1,789.6 | 117.9 | 1,905.5 |
| **Operating profit** | 99.3 | 12.3 | 81.0 | -17.3 | 175.2 | 79.7 | 254.9 |
| **Operating profit excl. non-recurring items** | 104.6 | 22.2 | 81.3 | -8.7 | 199.2 | 2.3 | 201.5 |
| Share of results in associated companies | -18.6 | 0.5 | -0.2 | 0.8 | -17.5 | | -17.5 |
| Financial income | | | | 15.2 | 15.2 | 0.1 | 15.2 |
| Financial expenses | | | | -57.6 | -57.6 | -0.1 | -57.6 |
| **Result before taxes** | | | | | 115.4 | 79.7 | 195.0 |
| **Segment assets** | 2,833.0 | 300.9 | 550.7 | 186.6 | | | 3,871.3 |

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

Non-recurring items in the third quarter 2013 included EUR -268.4 million and EUR -24.4 million non-cash impairment charges of goodwill and intangible assets in Media Netherlands and Media Russia & CEE, respectively. The terminal growth rates used in the impairment tests are based on management's assessment of the long-term growth prospects of the business and the market. The terminal growth rates (combined growth of underlying businesses) used in the CGUs tested at the end of the third quarter 2013 were for the Media Netherlands 1.7% (2012: 1.0%) and Media Russia & CEE 2.6% (2012: 4.0%).The terminal growth rate increased for the CGU Media Netherlands due to a higher weight of digital business, and decreased for the CGU Media Russia & CEE due to lower growth expectations in GDP. The applied CGU specific discount rates (post-tax weighted average cost of capital) have been determined taking into account the risks related to the business and the market. The discount rates used in the CGUs tested at the end of the third quarter 2013 were for the Media Netherlands 6.8% (2012: 6.0%) and Media Russia & CEE 9.2% (2012: 9.6%). The increase in the discount rate for the CGU Media Netherlands is a result of increased market interest rate and market risk premium. The decrease in the discount rate for the CGU Media Russia & CEE is mainly due to higher weight of debt.

# Changes in property, plant and equipment

| EUR million | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| Carrying amount at the beginning of the period | **283.4** | 343.6 | 343.6 |
| Increases | **22.5** | 21.4 | 29.0 |
| Acquisition of operations | **0.1** | 1.2 | 2.3 |
| Decreases | **-5.1** | -4.3 | -5.2 |
| Disposal of operations | **-17.0** | -44.9 | -45.0 |
| Depreciation for the period | **-27.0** | -31.2 | -40.7 |
| Impairment losses for the period | **-2.3** | -1.2 | -1.3 |
| Exchange rate differences and other changes | **-2.2** | 0.9 | 0.6 |
| **Carrying amount at the end of the period** | **252.5** | 285.5 | 283.4 |

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

Changes in property, plant and equipment include continued and discontinued operations.

At the end of the reporting period, the commitments for acquisition of intangible assets (film and TV broadcasting rights included) were EUR 242.2 million (2012: 226.7).

# Effect of acquisitions on the consolidated balance sheet

| EUR million | 1–9/ 2013 | 1–12/ 2012 |
|---|---|---|
| Acquisition costs | **11.0** | 27.3 |
| Fair value of acquired net assets | **8.4** | 4.1 |
| **Goodwill** | **2.6** | 23.2 |

# Contingent liabilities

| EUR million | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| **Contingencies for own commitments** | | | |
| Mortgages | **3.2** | 9.7 | 9.7 |
| Pledges | **2.4** | 2.4 | 2.4 |
| Other items | **45.6** | 45.6 | 45.8 |
| TOTAL | **51.2** | 57.6 | 57.9 |
| **Other contingencies** | | | |
| Operating lease liabilities | **193.7** | 166.5 | 199.4 |
| Royalties | **12.6** | 15.1 | 17.5 |
| Other items | **44.2** | 53.3 | 46.0 |
| TOTAL | **250.4** | 234.9 | 262.9 |
| **TOTAL** | **301.6** | 292.5 | 320.8 |

# Derivative instruments

| EUR million | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| **Fair values** | | | |
| **Interest rate derivatives** | | | |
| Interest rate swaps | **-9.0** | -18.9 | -16.1 |
| **Currency derivatives** | | | |
| Forward contracts | **-2.2** | 0.0 | -1.1 |
| **Nominal values** | | | |
| **Interest rate derivatives** | | | |
| Interest rate swaps | **640.0** | 740.0 | 740.0 |
| **Currency derivatives** | | | |
| Forward contracts | **99.6** | 44.9 | 102.5 |

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

# Key exchange rates

| | 1–9/ 2013 | 1–9/ 2012 | 1–12/ 2012 |
|---|---|---|---|
| **Average rate** | | | |
| EUR/CZK (Czech Koruna) | 25.72 | 25.20 | 25.19 |
| EUR/HUF (Hungarian Forint) | 296.45 | 291.58 | 290.24 |
| EUR/PLN (Polish Zloty) | 4.20 | 4.22 | 4.19 |
| EUR/RUB (Russian Rouble) | 41.65 | 40.18 | 40.24 |
| EUR/SEK (Swedish Crown) | 8.58 | 8.73 | 8.70 |
| EUR/USD (US Dollar) | 1.32 | 1.29 | 1.29 |
| **Closing rate** | **30.9.2013** | **30.9.2012** | **31.12.2012** |
| EUR/CZK (Czech Koruna) | 25.73 | 25.14 | 25.15 |
| EUR/HUF (Hungarian Forint) | 298.15 | 284.89 | 292.30 |
| EUR/PLN (Polish Zloty) | 4.23 | 4.10 | 4.07 |
| EUR/RUB (Russian Rouble) | 43.82 | 40.14 | 40.33 |
| EUR/SEK (Swedish Crown) | 8.66 | 8.45 | 8.58 |
| EUR/USD (US Dollar) | 1.35 | 1.29 | 1.32 |

### January–September 2013 Interim Report webcast

The event for investors and analysts will be held in English by President and CEO Harri-Pekka Kaukonen and CFO Kim Ignatius today at 11:00 Finnish time (9:00 UK time) at Nelonen studio, Sanomatalo, Töölönlahdenkatu 2, Helsinki. The webcast can be viewed on Sanoma's website at www.sanoma.com/en/investors.

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Access code 937503

### Financial reporting 2014

Sanoma will publish its Full-Year Result for 2013 on 7 February 2014 approx. at 8:30 am Finnish time.
Interim Reports in 2014 will be published on quarterly basis:

— Interim Report January-March on 30 April 2014, approx. at 8:30
— Interim Report January-June on 25 July 2014, approx. at 8:30
— Interim Report January-September on 29 October 2014, approx. at 8:30.

### Additional information

Sanoma's Investor Relations, Martti Yrjö-Koskinen, tel. +358 40 684 4643 or ir@sanoma.com

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