

Company: Sanoma Oyj
Conference Title: Q2 2016 Results
Presenters: Susan Duinhoven, Kim Ignatius
Date: Wednesday 27th July 2016

Pekka Rouhiainen: All right, ladies and gentlemen, welcome to Sanoma's Q2 2016 Results Publication and Webcast. My name is Pekka Rouhiainen, I am the Investor Relations Manager here at Sanoma. With me today are Susan Duinhoven, Sanoma's President and CEO; as well as Kim Ignatius, CFO. After the presentations, you will have the chance to ask questions both here in the studio and also over the phone and before asking your questions, please state your name and your company. But without further ado, Susan, please go ahead.

Susan Duinhoven: Thank you Pekka. Welcome, good morning, everyone. And we had a very good, satisfactory second quarter of this year and the reasons for the optimism is the fact that both the top line and our bottom line improved, and basically improvement in the results was for all the three businesses.

So the organic sales grew by 1.7% for the Group as a whole, and the operational profit, the EBIT, improved by 76% to EUR 87 million. Also the refinancing with the bond issue and the tender offer was successful in the second quarter and with the improved results and the resulting cash flow from that, deleveraging is also progressing nicely. So overall, we therefore improved our outlook for the full year on the 14 July. And let me go into a little bit of detail and then also give some cautionary remarks there.

If you look at the first half of the year, the operational result, you see here clearly that all the businesses improved, the most clearly of course the Media business in Finland. That is a very strong improvement, and Kim will go into a little bit of more details later on, but it is of course also a little bit affected by some one-off effects, specifically in the last year with the write-downs. So that doesn't take away the fact that this was a very strong improvement. If we then look at the BeNe business, the Belgium and Dutch media business, there you see also about 9% profit improvement. So continuation of their strong performance, and then in Learning, a strong

increase. There was an underlying there, in profit increase due to cost reductions that were done at the end of '15 but it's also impacted by some cost movements and the amortisation schedule change. And the other businesses were the loss-making businesses that we still held last year that we have divested, and the cost reductions in the head office. So overall, you see a picture in the second half of the year across all units, a profit improvement.

That, together with the bottom-up outlook for the remainder of the year, we have therefore decided to improve our outlook for the full year to a net sales development that is better than last year, and an operational EBIT of around 9%, where the previous outlook was above 7%. So that is of course an improvement. We, of course, do need to indicate that the advertising markets that we are exposed to are volatile and therefore this assumes a sort of a continuation of the performance of the market like it did in the first half of the year. So prudence is in place. We know that we had a very strong H1 and the second half of the year of course still has to come and markets, in that sense, are volatile.

Let me go into a bit of detail on the second quarter for the individual businesses. If we look at the Belgium and Dutch media business, you see basically a continuation of the cross-media brand approach that is really paying off. Print and online, with a solid top line like-for-like growth, will benefit from the fact that also from TV is stimulus for the online and the print brands, leading to higher sales and, together with the cost reductions, therefore also a strong profit increase. SBS had of course logically impact from the soccer European Championships in June, together with extremely bad weather in June, people did watch quite a bit of TV but they watched the wrong channel. So they watched the public broadcasters where the soccer games were aired. So there we see some viewing share decrease. And what we also noticed last quarter – we see the continuation also in this quarter – that the viewing time overall in the market does decrease and as you see from this picture, that is a sizeable decrease. So that is something to be followed very closely going forward. In the revenues, you don't see that much impact because the yield optimisation covers for that decrease in viewing time.

Now we already announced that we acquired two small companies, Scoupy and Kortingsleuk – 'Discount is fun', translated. Those are two cash refund companies and that basically position us more strongly in assisting advertisers in their marketing and data solutions. So, and it offers

advertisers the opportunity to test and promote products and also utilise the data coming from that. So that's a nice add-on proposition for us, strengthening the overall B2B sales.

Now if you then look, the continuing trend in the increase in non-print sales from 41% to 46% rolling 12 months, that's similar to last quarter. So you see that that trend is stabilising and we see that as a good way forward.

Now if we then go media in Finland, that was clearly an enormous improvement and that came from various areas, and that I think shows the real positive of that result. It was a market share gain in the advertising markets, even though the markets have now shown a little bit, markets decreased a little bit, but market share increase on the B2B side but also on the B2C, 2% growth in revenues, and I think that is the other half of our revenue through improving the quality of the subscriptions, so less discounted subscriptions, more full-priced subscriptions, longer time period and improvement of the number of people paying for their digital subscriptions on top of their print. If we look then at TV and radio, you see that the momentum that they had coming into this quarter from Q1 was really maintained. Positive viewing share development supported then also the increase in advertising market share and increased net sales overall for radio and TV, 12%. Also some investments that we're doing. We launched at the end of the quarter a new radio station, Helmiradio, which fills a nice niche, let's say, within our overall portfolio.

And that was then complemented by tight cost control. So the company really put in the cost innovations fully at work. Cost efficiency on all various aspects, together with that revenue increase created this improvement. Now then the Suunta implementation has started, has started now in Q2 with a simplification of the organisational structure, in itself not yet contributing to the results so far, and in the second half of the year, you will see some costs from Suunta in training, in testing, in adding capacity in order to do those tests, you'll see some costs that we have factored into our forecasts in order then to support all the individual initiatives, each with their own timeline, to then pay off in the coming years.

So overall, I think the team in Finland did really an excellent job in focusing on the customer on the one hand, managing the costs on the other, and at the same time, commencing the implementation of Suunta.

Now, I already referred a bit to the advertising markets. Of course, strong exposure to those markets, as you know. If we look at the half year – because the quarters are always a little bit shift due to Easter – if we look at the half years and we compare to 2015, we do see that the markets give us a bit of a backwind and improve slightly. But if you now look into the details, there you see that, for example, TV in the Netherlands +6% in the first quarter but –2% in the second quarter. So you'll see that the volatility in these markets is still quite prominent. The same for TV in Finland; even though it was a growth engine for us, the market –2% in the first quarter, –4% in the second quarter. So we cannot take anything for granted going forward. Then that I think is important that for the second half of the year, these type of volatilities will continue to appear, and therefore prudent forecasting is important.

If we then look at Learning, the second quarter being one of the bigger, the two bigger quarters, strong increase in profitability. I already indicated a little bit to that. At the basis of that is the cost reductions that have taken place at the end of last year, and so that is something that will also continue going forward but there is also a little bit of a time shift in costs from the second quarter to the third quarter and that you'll always have in learning these shifts in both sales and costs between the quarters does appear. And on top of that, we have the change in amortisation schedule that we already explained to you before. That was already implemented in Q4 last year, and we still see that in the comparable of course in Q2.

We already announced the small bolt-on acquisitions of De Boeck in Belgium and we very much welcome the team of De Boeck into Sanoma. It's a small learning company, EUR 17 million revenues last year, last year about EUR 2 million EBIT, but we do foresee over EUR 2 million of synergy value in the integration, and that's basically by leveraging our digital platform that we have and of course sharing the overhead structures between the two companies. So that will then reinforce our market-leading position in learning in the Belgian market. Now, the non-print sales and the print sales is a 50/50, which perfectly represents the development in the learning markets where, for example, the Polish market is still very much print-oriented.

So in summary, for Sanoma a good second quarter following on a good first quarter, therefore resulting in a good first half. Organic growth of +1.7%, operational EBIT 76% increase to EUR 87

million, and you see from the picture that that is mostly due to the Finnish media business improving its result. With that, I would like to hand over to Kim for some more details on the financials.

Kim Ignatius: Thank you, Susan. Good morning, everybody, and also a very warm welcome on my behalf. Yes, good quarter and also a solid development during the first half of the year.

Let's start with the net sales and operational EBITDA performance. The trends that we see here are trends that we've actually seen for some quarters already. The reported sales, EUR 449 million for the quarter, came down by 4.1% and for the half year, EUR 802 [million], came down by 5.4%. That is all in line with the plans that we had to exit some of the non-core assets that we still had in place in 2015. The organic growth for Q2, 1.7%, and for the six months, 1.0%. So very, very positive development on sales. The sales coming down 4–5% at the same time we see operating costs coming down close to 14% both for the second quarter and for the first half, and that naturally leads to the good improvement in the EBITDA margins in Q2 growing from 26% to 34%. What is also helping us with the margin development is a good advertising sales development having a very, very high gross margin level.

Then moving to the amortisations, what you see now here in Q2, you see a decline from EUR 53 million to EUR 45 million in amortisations related to the TV programme rights, and here it's good to remind you that in Q2 last year, we had EUR 6 million of one-off write-downs of international movie and series rights. We've also discontinued our TV broadcasting operations in the Belgium markets and that had a EUR 2 million negative impact in Q2 last year. We've seen lower levels of local content expenses costs in SBS in Netherlands, but they are more than offset by the increased programme rights costs related to the sports rights that we have for the SBS operation. Amortisations related to prepublication rights, this is solely the result of the change in the amortisation schedule.

Then still summarising the EBIT development for the first half year by SBU on the Group level, growing from EUR 29 million to EUR 88.8 million, so very good development.

Media BeNe EUR 4.1 million up and really, the Dutch market is the driver for the trends here and we see a very positive print and online sales development in the Dutch marketplace and a very solid cost efficiency improvement for the first six months. This is then, to some extent, taken down by the viewing time decline in the Netherlands and also the lower advertising market share which is mainly the result of the soccer games that we now had in Q2.

Media Finland, as already mentioned, very good performance – EUR 35 million improvement year-on-year and really the lower cost is the main driver. We did have a lot of restructuring activities in the fall 2015 and indicated that those activities would have a full impact already in 2016, and this is really taking place. In addition to those programmes, we also have, you could say, a much more prudent attitude what comes to spending all in all, and see savings in multiple areas compared to last year. Higher advertising sales, the sales grew in Media Finland year-on-year by EUR 6 million and the majority of the growth comes from advertising sales and as you know, advertising sales is, to a great extent, directly going into the gross profits and that can be seen in the development. And then finally, having the EUR 6 million of one-off write-downs last year of course improves the comparability here.

Learning, as already mentioned here, restructuring benefits from programmes from last fall, and then time shift in costs. We have about EUR 3.5 million costs that were shifted from [Q2] to Q3, so this is good for you to keep in mind that we will have higher costs because of that going forward. And then the prepublication amortisation schedule and again a reminder in Q4, we booked a EUR 2 million benefit from this and then naturally when comparing the half year periods going forward, that EUR 2 million was there already last year.

Other cost efficiencies around EUR 4 million out of the EUR 10 million improvement, and then EUR 6 million comes from the fact that we have exited magazines in Belgium, part of our portfolio, and then also we have exited our Bookwell printing business and our Language Service business since last year.

Then coming back to the income statement, items affecting comparability play a big role in the P&L. We have a positive of EUR 54.8 million this year for the quarter and last year had a negative of EUR 40 million. What we have here on this line is restructuring cost and gains and

losses from transactions. This quarter, which also impacts the half year development, we have one big positive item and that's the change in our pension system setup in the Dutch market. So we had defined benefit pension schemes in the Dutch operations and now we have moved into the collective defined contribution scheme. This has been a long process and now we have been able to conclude it with a good cooperation with all the parties involved. So what we have here as a one-off item on an EBIT level is a EUR 70.6 million positive impact and that comes from releasing the pension liabilities net of obligations that were part of the arrangements from our balance sheet, and that improves then the P&L statement.

In the income taxes line, you see a fairly high amount of EUR 35.6 million and here you have kind of related items to the pension release. So when we have booked the liability originally, there has been a deferred tax asset and now that we released the liability, we need to reverse the tax asset as well.

All in all, result for the period EUR 97 million positive versus last year around minus EUR 15 million level. Operational EPS, so correcting to all these items affecting comparability, we are – we were in Q2 now – at the level of EUR 0.33. Last year, the comparable number was EUR 0.13.

Moving to the free cash flow, what we're doing here is splitting it into two different ways of looking at it. One is just the reported structure for the free cash flow and then on the right-hand side we have the operational free cash flow where we correct for the one-off items. We naturally, in both versions here, start with a very strong development in the operational EBITDA and then what I would like to point out, again, is this change in the working capital that relates to the same pension settlement release that we've done in our accounting. So in the change in net working capital, we have the EUR 70.6 million as a reduced liability. So that's the reason for the higher number. And in the other adjustments then you see the positive correction of the same item, so they don't have any impact on the actual cash flow development which you can see on the right-hand side in the adjusted version. Interest paid, again, looks pretty high for the quarter. The delta really here year-on-year comes from the tender offer, premium paid, and of the costs that were related to the tender offer and the new bond issue.

All in all, if we look at the right-hand side here, we have after six months a negative free cash flow of EUR 26.2 million. You probably remember that the usual kind of volatility between the quarters for us works that way that we create most of our cash flows during the latter half of the year but still, comparing to last year's level of minus EUR 104 million, this is a great, great development that we see in the free cash flow.

Then refinancing progressing really nicely. You are aware that we did rearrange the syndicated revolving credit facility in February at the level of EUR 500 million. We now did the tender offer and the new issue at the level of EUR 200 million and both the pricing and documentation in our thinking is as we said, as targets for us, we're happy with the arrangements and when you look at the maturity profile now on the right-hand side of the slide, it starts looking actually pretty good. We have in 2016 EUR 100 million of hybrid bonds maturing, or we have the redemption possibility in December for it, and our objective is to refinance it with senior debt or from the cash flows from the operational cash flows during the year. Then in 2017, we have the EUR 200 million part of the old bonds still to be refinanced.

Then finally the capital structure, the net debt at the end of Q2 was EUR 855 million versus last year's 930, and the best thing on this slide is naturally the net debt to EBITDA adjusted which is now 3.8 times when the comparable number a year ago was 5.5 times. So this is a clear improvement and naturally relates to the good EBITDA development that we see, and so we're very happy with that. Average interest rate at the end of the period is 2.6%, which is at the same level as we had it last year.

This concludes my part of the presentation and I will hand back to Pekka for Q&A.

Pekka Rouhiainen: Thank you, Kim. We are now ready to take questions, first here in the studio.

Kimmo Stenvall: Yes, it's Kimmo Stenvall, OP Financial Group. A couple of questions on the cost side. The Group costs were clearly down, as you said, in Q2. Is this the level that we should expect also going forward, the cost base for Group costs?

Kim Ignatius: Well, there's – it's a combination of let's say the Group level support function costs and then has to do also with our tech costs that are partly then allocated to the entities, partly staying with the Group. The ambition level is to work on the costs and try to get them even to a lower level, but there is always some volatility between the quarters so I wouldn't just do a straightforward multiply the last quarter by four. So there is some volatility. But the fact that we are now on the lower level will stay, and we will work towards even lowering it going forward.

Kimmo Stenvall: Okay, thanks on the – and then on the second question on this Suunta initiative, you flagged that there will be some costs in later part of the year. What are these costs coming from or are they planning to lower the cost base in coming years or to support the company growth for the 2017 or '18?

Susan Duinhoven: The Suunta projects are really both targeted towards top line and bottom line, so cost reductions, cost alleviations and also top line initiatives. For both of these type of initiatives, you need sometimes some either training of personnel, you need some spare capacity in order to implement a new way of working so that you are changing things while business continues, and you have some – take for example the distribution test. You have some tests that you need to do, some software that you need to introduce. So all those, because we're working on all the different processes simultaneously in the business, create some cost that was planned in, let's say, from the start. But we were pretty explicit on it in order to facilitate the calculation from H1 to H2 and avoid that really multiply out, let's say, what's happened in H1 to H2 without taking these effects into account.

Kimmo Stenvall: Okay, thank you.

Pekka Rouhiainen: Do we have more questions here in the studio?

Jaakko Tyrväinen: Jaakko Tyrväinen, Evli Bank. I've got to continue with the costs and especially on the Learning segment. Could you give us some colour on the magnitude of the costs that were shifted from Q2 to Q3?

Kim Ignatius: Yes, EUR 3.5 million.

Jaakko Tyrväinen: Okay.

Pekka Rouhiainen: Okay, we will next take questions over the phone. Operator, I hand over to you.

Operator: Thank you. If you would like to ask a question today, please press *1 or the asterisk key followed by the digit 1 on your telephone. Please ensure that the mute function on your telephone is switched off to allow your signal to reach our equipment. Again, please press *1 to ask a question. And we will now take our first question from Sami Sarkamies from Nordea. Please go ahead, your line is open.

Sami Sarkamies: Thank you. I would start with the Learning division. Can you quantify on the cost savings that you did at the end of last year, so what is the impact on full year level? Then secondly on Media BeNe, can you quantify the impact of cost savings that you did now in the second quarter? Were they fully visible in Q2 and what is the impact on an annual level? And then thirdly on the TV programme costs seems to be quite light in the second quarter. Can you give us any colour on what's the level in the second half of the year in comparison to last year? And then are you planning to make a write-down on Finnish ice hockey rights this year or not? Thanks.

Kim Ignatius: There was quite a few questions, I'm not sure I'm going to remember all of them. On the Learning savings, if we look at the first half of the year, we have some EUR 4–5 million impacts from the restructuring efforts taken last fall.

Then on the Media BeNe side, we have all in all a profitability improvement in the Netherlands of around EUR 12 million year-on-year and that is a combination of improved sales and kind of cost efficiency impacts for the period. I don't want to kind of split it into more detail; it's a bit difficult because the costs are also related to the efforts that we do to push sales forward, etc.

Then on the hockey league rights, we will do similar testing of the recoverable amount of the programme costs now when the season starts and that will be booked in our Q3 numbers, and

the expectation is that the one-off negative amount will be at the same level as we saw it last year.

And then on the TV programme rights, can you repeat what your question was on that?

Sami Sarkamies: Yes, so can you give us any colour on how the level of the second half of the year would be in comparison to last year?

Kim Ignatius: Well, I think the guidance – it's always a question of kind of building the programme grids and planning for the fall season to come. So it's not a fixed amount that we could give right now but maybe you could refer to the last year's full year amount levels and we expect to be fairly close to that, maybe a bit below the EUR 197 million for the full Group, and that is of course both the Finnish and the Dutch operations.

Sami Sarkamies: Okay, thanks.

Operator: And we will now take our next question from Panu Laitinmäki from Danske Bank. Please go ahead, your line is open.

Panu Laitinmäki: Thank you. I would have a couple of questions. Firstly on the guidance, the 9% EBIT margin that you are guiding for the full year implies something like 7% for the second half while you had 6.2% a year ago in the second half. So this is not a big improvement compared to what we saw in the first half. Could you talk about the assumptions that you see in the second half and is this just due to you being conservative at this point of time?

Kim Ignatius: Yes, Panu, I'll try to give you a summary of the items that at least one should think. So if you take the last year's second half performance, so we did have some one-off negatives last year being the EUR 50 million TV rights write-down in the Dutch business that will help us this year. At the same time, we had in the remuneration part a positive impact of the fact that we were not reaching our original targets and we released quite a bit of provisions on short-term remuneration schemes in the second half. So that will eat up quite a bit of the positive that we have coming from not having the TV write-downs this second half of the year. Then we do have

the time shift in Learning costs which we already mentioned, the EUR 3.5 million, going to the Q3 and forward. Also in the Learning, when we compare years, it's good to remember that we had prepublication amortisation adjustments already last year. And then the Suunta costs, as we have mentioned, there will be some costs that we need to take to kind of push for the longer-term improvements as Susan explained, and that will have an impact on the comparability. And finally then, the advertising market – we need to remember that even a smaller change in your advertising market share pretty much goes through the P&L and can have impacts. We've had very strong performance, especially in TV and in other ones as well, and of course the competitive environment will not stay put. People will react, and I think it's prudent to also build that into your thinking. So these are maybe the main items that you need to think when you look at last year's performance and then try to model our full year numbers and refer that to our guidance.

Panu Laitinmäki: Okay, thank you. I would have two questions on TV. First question, more generally on the advertising market development which has not been that good in TV in either of your countries despite good kind of consumer indicators in the Netherlands for two years or so. So do you think this is a structural issue, that the advertising money doesn't find its way to the free-to-air TV like it used to due to, for example, lower viewing time? And then a second question on TV, on the SBS in more specific, you have had higher viewing shares due to, for example, Champions' League content. Has this investment paid off? Have you got the earnings improvement from that gain in shares? Thanks.

Susan Duinhoven: Yes, I think let me comment a bit on the advertising market. I think the market trends are so volatile that it is difficult to comment on two quarters as a structural trend. If you look at the figures in the Dutch market, +6% in the first quarter, -2% in the second one, so it is hard to determine a full trend there. Of course we do watch the viewing time closely because in the end, the viewing time will determine the overall performance of the market in the longer run. So I think it is a bit too short a period to really say that this is now structural but it is something that we'll watch closely.

I think if you then look at SBS and the Champions' League, we are very happy with having acquired the Champions' League rights and you need to remember that Champions' League is

not only something that features on free-to-air TV but also on our NU.nl platform. It is a strong driver also for people to register in order to get the clips of the main parts of the game. So it is really playing an overall role in our portfolio and that's always in TV difficult to then say now, is this programme itself totally profitable? Because it leads into both your advertising contracts and the way you position yourself in the advertising market but it also leads into your whole channel profile and your broadcasting pattern because around these heavily watched programmes, you also advertise for your other content and for your own, let's say, channels. So overall, we are happy with the Champions' League without having done a very detailed sort of like-for-like comparison game by game.

Panu Laitinmäki: Okay, thank you. I would still have one final question on the Finnish circulation revenues where we saw a positive development in Q2. My question is that how sustainable do you see this is, whether it is a bit of a one-off on a quarter where you increase prices and removed discounts or is this kind of a start of a better trend where you see the digital subscription revenues and so on offsetting the decline in print? Thanks.

Susan Duinhoven: Yes, I think this is a more continuous – subscription revenue has typically the characteristic that it is more stable, and that this is a trend where stabilising the subscriber numbers and then doing that with a better profile of the subscription itself, we think that is continuing. If it is exactly at this level, that you never know, because it's quite a portfolio, of course, of titles. But overall, we look positive on the consumer revenues in the Finnish market.

Panu Laitinmäki: Thank you.

Operator: And we would now like to take our next question from Matti Riikonen from Carnegie. Please go ahead, your line is open.

Matti Riikonen: Good morning, it's Matti Riikonen, Carnegie. I have one question related to the pension scheme change where you changed the defined benefit system to defined contribution, and obviously there's quite a handsome EUR 71 million positive of one-time gain related to that. I was just wondering what kind of negotiation you had with the labour unions and what kind of concessions you had to give to them, because normally I would assume that these types of

agreements would be a zero-sum game some way, so that in order to change the system to be more beneficial for you, you had to give something to the labour unions. So could you open that discussion and the negotiations up a bit?

Kim Ignatius: Yes, first of all, kind of changing from defined benefit plans into defined contribution is a trend that many companies are pursuing right now and I think that is accepted by, in a way, by all parties. And the other thing to point out is that the kind of liabilities you book, pension liabilities you book under IFRS are not the same as indicating a similar deficit in the pension fund between the pension fund's assets and liabilities because in IFRS, you also book kind of liabilities for increasing salary levels, etc., etc. So from the pension fund's perspective, the situation looks a bit different. But what we have done is that we have made extra contributions into the pensions fund's assets. So we have paid a cash amount to be able to kind of change the system. So our liabilities that we have in our books have been higher than the EUR 70 million, so the EUR 70 million is net of the booked pension liability less the additional contributions that we have paid to the pension fund. And so the pension fund at the end of the process is now, feels comfortable with the current setup they have in the fund, and then with the extra kind of payments we have provided for, and we are happy with the outcome as well. So there is no open questions any more. So this is a fully finalised process.

Matti Riikonen: So do I understand correctly that this has no negative impact on your costs going forward once this scheme change has been finalised?

Kim Ignatius: No, the costs will be the fixed contribution payment to the fund or maybe in the future to some insurance, pension insurance companies. And that is really the other beauty of this change, that you will not have volatility in your annual P&L and you will not have big swings in your equity because of changes in the actuary assumptions impacting the liability level. So this stabilises, it stabilises the accounting and also kind of reduces risks related to the pension arrangements. So very positive from the company's side and my understanding is that also the other party is happy with the current setup.

Matti Riikonen: All right, thank you.

Operator: Again, if you would like to ask a question, please press *1 on your telephone keypad. And we will now take our next question from Alex Wisch from Bloomberg. Please go ahead, your line is open.

Alex Wisch: Hi, this is Alex Wisch from Bloomberg Intelligence, just a brief question on the 9% guidance for EBIT margin for the year and what it means for the longer-term EBIT margin? Sort of, are we entering the double-digit territory ahead of time? What can you tell us about sort of over the next three years? I know it's hard because of the advertising uncertainty but what can you tell us about where Sanoma should be in terms of EBIT margin mid-term?

Susan Duinhoven: Yes, we have not defined and communicated that long-term target so we gave guidance for this year, for the remainder, let's say, of this year.

Alex Wisch: Thank you.

Operator: And we will now take our next question from Rasmus Engberg from Handelsbanken. Please go ahead, your line is open.

Rasmus Engberg: Thank you. I have only one question left and that is what have you seen in the advertising market in July after the, in particular, if you've seen any impact after the Brexit vote and so on? I know it's a very small month but are there any negative trends that you have seen?

Susan Duinhoven: No, I think as you say, it's a small month and with the volatility that you see in advertising markets per se, you would not be able to make any judgment on if this would be an impact, positive or negative, of a Brexit.

Rasmus Engberg: Okay.

Pekka Rouhiainen: Okay.

Operator: As there are no further questions in the queue, so I would now like to hand back to our hosts for any additional or closing remarks.

Pekka Rouhiainen: Thank you. Do we have more questions here in the studio? If not, we will then conclude this webcast. Thank you all for participating and have a nice summer.

Kim Ignatius: Thank you.

Susan Duinhoven: Thank you.